

Council approves 2.97 per cent tax increase

By Angela Gismondi

King Council approved the 2015 business plan and budget Monday after a little tweaking.

The Township's director of finance Allan Evelyn made a presentation at the committee of the whole meeting this past Monday, recommending a 3.99 per cent residential tax rate increase, which translates to \$79 for an average home assessed at \$614,000.

Although the proposed levy was reduced one per cent since the budget was first presented in December, it still didn't sit well with some councillors who wanted to see the figure dropped even further, to bring it below the three per cent mark.

After almost three hours of discussion and debate on the matter, councillors were able to find about \$200,000 in cost savings to bring the levy increase down to 2.97 per cent, which translates to \$59 for an average home assessed at \$614,000. Assuming the region approves the proposed increase of 3.79 per cent and the education component remains at zero, King residents are looking at a blended tax levy increase of 2.69 per cent or \$156 per average household.

Shaving one per cent off the tax rate was not an easy task and there was much debate over what items should stay and what should go. Councillors were divided between whether residents would appreciate a lower the tax rate or the level of service that comes with a slightly higher rate. It was Councillor Bill Cober who brought up finding ways to reduce the levy. He pointed out that the Township has a significant revenue increase this year.

'We have to be cautious with it,' said Cober. 'That's a lot of money that is new in King Township. We have to make sure to be conscientious in a time of restraint and that we have to be cognizant of that which we can afford and what we're planning to do. We need to walk before we can run.'

He asked Evelyn where council could look for reductions. Evelyn responded it would be best to discuss the matter with the senior management team who would determine what items would have the least impact on service levels, without compromising the strategies proposed.

Township CAO Susan Plamondon asked that if council was going to pull items out of the budget, they should do so in the area of program changes or enhancements. She pointed out that the items included in the budget have already been cut and revised by staff. 'Items that are infrastructure, roads, fleet or asset based, I can't stress the need enough to maintain the level recommended in this budget,' said Plamondon. 'That problem is getting bigger year after year. The more we put it off, the bigger that nut is going to be to crack.'

She added that the development charge items cannot be touched because the Township made a commitment to do certain things with the money.

Councillor Debbie Schaefer asked that if councillors want to make changes to the budget, they should identify the program changes they don't want to see and why. She pointed out the 3.99 per cent increase means an extra \$79 for the homeowners, which is not that much money for most people.

'I think we need to be driven by the service we are providing to the public,' said Schaefer. 'When I look at the changes being proposed, in some cases it's modest and in other cases it's really going to change the way we operate in this Township.'

Councillor Linda Pabst said she would like to see the rate decreased.

'I would like to see it one per cent lower and I don't know how to make that change,' said Pabst. 'I don't know where to start to cut. It's going to be a tough decision.'

Mayor Steve Pellegrini suggested there is a difference between needs and wants and maybe some projects can wait until next year.

'I think this council is unanimous about needing to invest in our reserves,' said Pellegrini. 'The question is the new initiatives. To be honest, some of them are about priorities. I'm not in support of sprinklers in fire halls. It's a great initiative but it is my priority? No, it's roads. What I'm hearing from people is that we need to invest in our roads.'

Fire Chief Jim Wall explained that having sprinkler systems in the fire halls is about more than saving the building and the equipment itself. Should a fire occur, like the one at the East Gwillimbury fire station last year, the Township would lose a significant asset and the ability to fight fires and respond to emergency calls. They might even have to rely on neighbouring fire services.

'I just want to make sure we're protecting everything we've offered our residents and make sure it's still there when we need it,' said Wall.

'You can never fight fire,' Pellegrini joked, recognizing the importance of the local fire service. 'This is killing me to go against the chief.'

Pellegrini also pointed out that new staff members are included in the budget, but the Township can't even house the staff they have now. He wasn't sure about whether council or staff should be making decisions on the budget cuts.

'We are making decisions for staff that they might rather do themselves,' said Pellegrini. 'I can shave \$200,000 off the budget and I will pass it tonight and be happy.'

Councillor David Boyd said he, too questioned the urgency of some of the items in the budget.

'I've been staring at this binder for the past week and wondering if there is anything we can live without,' said Boyd. 'I certainly identified a couple of items I have questions about.'

In particular, Boyd asked if the Town could extend the life of a single axle dump truck for one more year and instead of replacing it this year, replace it next year.

Cober asked that the streetscaping and beautification initiative be taken out of the budget. Chris Fasciano, director of parks, recreation and culture, explained that the initiative includes the Township's banner program, street furniture and the new Wayfinding Signage Program approved by council a few months ago to promote local businesses and tourism. Taking it out of the budget would represent a decrease in service levels, he added, and it would mean no Wayfinding signage. Cober also questioned the need for a cultural coordinator for the King Township Museum. He pointed out that every little bit of money saved helps.

'I'm never going to make an apology for trying to save taxpayer dollars when we are all taxpayers,' said Cober, adding constituents are aware the inflation rate in Canada right now is 1.5 per cent.

Pellegrini pointed out that every member of council is going to have to defend the tax rate to their constituents. He asked that the communications coordinator position be removed from the budget, a position which he was a strong advocate for. He also asked staff to decide between the administrative clerk or human resources assistant position, not both. He suggested the sprinkler systems for fire halls be taken out of the budget as well. Those three items represent a reduction of one per cent on the tax rate, he explained. 'I can go another year without it,' said Pellegrini, regarding the communications coordinator. 'I believe strongly there are items that are wants and others that are needs, they can wait until next year.'

Eek disagreed with cutting the communications coordinator.

'That is definitely something the municipality needs,' said Eek, adding she was not in favour of some of the other cuts as well.

'We've been walking far too long and I think it's time we pick it up to a jog or we're going to continue having the problems we have.'

Schaefer agreed it was not appropriate to make so many cuts.

'For most people, it's not going to cause a great hardship and they will recognize the benefits,' said Schaefer.

Mortelliti said a communications coordinator is very important for the Township and he could not support taking it out of the budget. He also pointed out that a one per cent reduction in the tax rate amounts to \$197,000 or \$20 a year in savings for the average homeowner.

'That's what we're quibbling over,' said Mortelliti. 'I will get a complaint about taxes but in the same breath they want an increase in level of service. If you want level of service, you need money. We're talking about 20 bucks. I know every dollar counts.'

In the end, councillors managed to agree to cut the proposed engineering technician position for now, with the understanding that staff will come back with a report at a later date. That reduced the budget by \$56,000. The Township currently receives street sweeping services in the spring and fall but to save money, Council cut the fall street sweeping program (\$23,000). However, the Township plans to purchase a street sweeper and if they get it before the fall, they will be able to provide that service to residents. Instead of approving sprinklers for all the fire halls in King, council approved one, with the understanding that the others will be considered in next year's budget. They also asked staff to find an additional \$38,000 in savings to bring the total budget reduction to \$200,000.

The 2015 budget and business plan reflects the increasing cost of maintaining existing programs at current service levels, as well as making additional contributions to infrastructure reserves and tax supported capital projects.

The Township's operating budget increases net operating resources by \$578k (2.97 per cent). On the strength of projected assessment growth of \$1.9M (9.63 per cent) the approved 2015 operating budget increases the Township's commitment to Infrastructure Reserves (\$722k) and 2015 tax supported contribution to capital (\$220k) by a total of \$942.6k (4.84 per cent). The budget ensures more than 50 per cent of property taxation revenues generated through increased assessment is either invested to support 2015 capital project needs or set aside to support planned future infrastructure requirements.

'This budget sets service levels for today and sets the stage for what the Township needs to do on a go forward basis,' explained Evelyn, adding there is an emphasis on investing in infrastructure and the long-term needs of the municipality in this year's budget.

'We're trying to extend the life of our infrastructure and start to address some of the future infrastructure needs by increasing the

municipality's commitment to its capital program ? We want to establish a predictable framework and capital strategy to have funding in place to support infrastructure needs.?