

## King budget passes with 2.95% increase

**By Mark Pavilons**

King Township's 2016 budget invests in the capital of this municipality.

Township council approved the 2016 budgets and business plan Monday night. It contains a 2.95% tax hike for residents, but it addresses some vital infrastructure and capital needs. The blended tax levy increase, taking York's 2.85% increase and the school boards' zero hike into consideration, will be a 2.29% overall increase, or \$142 per household (based on an average assessment of \$664,000).

Since the draft plan was released in December, staff fine-tuned the numbers and through some extra assessment revenue and less directed towards reserves, King can actually address some of its much-needed projects that range from sidewalks to culverts. Infrastructure – the cost of roads, water and sewer mains – is a major issue in King. The need is evident in every ward in the township.

Mayor Steve Pellegrini praised staff for coming up with an "incredible balance" in this year's budget. He admitted they can't do all the needed work at once, but this is a very good start.

Councillor Bill Cober echoed the sentiment, noting infrastructure is King's biggest need. While admitting it's tough out there economically, the "modest" tax increase goes a long way to addressing the shortfalls.

Councillors had one last chance to lobby for their own priorities to be included in the budget, while remaining within the 2.95% increase.

Councillor Cleve Mortelliti was visibly frustrated when his request for sidewalks on Keele Street in King City were not specifically mentioned in the budget. He said he's been asking about this work for some time, stressing it's a very busy area and residents have no sidewalks. He even took the time to drive around his community with staff to point out the shortfall.

The budget for sidewalk work across King, according to Allan Evelyn, King's director of finance, totals some \$185,000 this year and together with Andrew Drzewiecki, public works director, they vowed to find the roughly \$80,000 to get this work done this year.

Councillor Debbie Schaefer urged council to grant her requests for extra money for King's tourism effort (\$19,000 for "Experience King") and a small amount to cover the salary of a cultural co-ordinator (\$2,500). While councillors went along with those, they nixed an extra bylaw officer and the cost of a heritage study for Schomberg.

Councillors, on Mayor Pellegrini's direction, stressed to staff that these extra costs cannot impact the overall budget or tax rate, and have to come from the roughly \$297,000 directed into reserves. The mayor also noted that at the end of the Township's fiscal year, they often enjoy a surplus, which can also be applied to these costs.

Evelyn said since the draft budget was presented in December, staff have gone back and evaluated programs and costs, figuring in the incremental increase of some \$763,000 in assessment growth revenue. They "took a hard look at core ingredients" of the budget and prioritized some program changes.

The focus, he said, was on infrastructure needs.

While the creative budgeting could have resulted in a zero tax increase, that would have noticeably impacted service to residents. By using the assessment funds and lowering reserve contributions, King tried to satisfy all the needs. They're getting more done with that 2.95% tax increase.

That being said, it's clear the municipality has to make a commitment to its reserves and, at the same time, make a long-term commitment to infrastructure renewal.

The tax increase is both "reasonable" and "affordable."

Hydro costs (with the removal of subsidies), staff salaries and servicing the debt on water and sewer works have all driven up King's budget needs.

These, and other factors, have led to a roughly \$700,000 shortfall, or hit to this year's budget.

Gross spending for 2016 will come in at \$34.1 million, with revenue of \$33.46 million.

The capital budget, on the other hand, is seeing a massive increase in costs. The 2016 capital budget is pegged at \$12.7 million, compared to the \$7.2 million in 2015.

King's investment in its infrastructure, with roads taking the biggest chunk, is almost \$7 million alone. Addressing the growth issue, he said that more than half of the growth-related costs are being covered by development. Development charges do help pay for growth and developers are paying their share, he said.

By comparison, nearby Caledon passed its roughly \$80 million budget with a 4.28% tax increase. The blended rate comes in at just under 2% and it means an \$88 annual increase for homes assessed at \$519,000.

Aurora approved its \$58 million budget which calls for a 1.8 per cent increase. This amounts to an additional town share tax of \$31 per year on a home with an assessed value of \$500,000.