

Mayor provides tax context

By Mayor Steve Pellegrini

Since King recently mailed out the 2017 Final Tax Notice to residential property owners, I thought it might be helpful to provide some information and context to help residents understand just how King Township sets tax rates.

The Township portion of your property taxes are used to fund King Township operating capital (infrastructure) related expenditures. In other words, Township taxes are used to pay for things like operating municipal facilities, road and bridge repairs and improvements and garbage collection.

Each year, staff and council meet, discuss and estimate the total amount of operating expenditures required to support municipal services and infrastructure. We also decide if we need to increase spending to maintain municipal service levels and/or invest in infrastructure, or put money into reserves to help pay for those things down the road.

After we tally up all the estimated costs, tax rates are set by property assessment class on the basis of total taxable assessment in the Township of King. Calculating your individual tax bill is done by multiplying the total tax rate (Township + Region + Education) by the assessed value of your home (also known as its Current Value Assessment, or CVA). This assessment is determined by the Municipal Property Assessment Corporation (MPAC) on behalf of the province.

Simply put, as your home's assessed value increases, your property taxes may increase. If your assessment stayed the same, you may see no increase or a decline in taxes. We've heard from some people who have suggested King Township should have lowered tax rates to compensate for increased assessment in the Township. As you know, council left the tax rate at its 2016 level.

There are a few reasons why staff recommended and council made the difficult decision to increase levy requirements. The most important include ensuring the municipality is in a sustainable financial position in the years to come, while also maintaining service level expectations throughout the Township.

We need to acquire, maintain, repair and replace our infrastructure ? things like roads, vehicles, culverts and bridges ? in a responsible way. I hear that from residents every day. With the current growth in assessment through new development, this is the time to ensure adequate resources are set aside to help fund the maintenance of existing as well as future infrastructure needs.

That's because King won't keep growing indefinitely. If we postpone the planning for and managing of our infrastructure today, the fiscal impacts will grow exponentially and result in potential decreases in municipal service level standards. Simply put, it would mean putting an extra burden on future taxpayers and that wouldn't be a financially responsible decision.

If you have any questions about your 2017 tax bill, I'd encourage you to visit www.king.ca where we have put together a comprehensive ?Frequently Asked Questions? guide to assessment and taxation. If you still have questions after reading that guide, contact King's Director of Finance and Treasurer at 905-833-4010.