

Council demands zero increase in 2018 budget

By Mark Pavilons

Despite valiant efforts by King Township staff to create a responsible draft budget, councillors have asked for a zero tax increase in 2018.

Treasurer Allan Evelyn presented the draft budget Monday night with a 1.99% increase. That would have resulted in a blended 3% hike, or roughly \$200 for a home assessed at \$784,500.

Led by Mayor Steve Pellegrini, council wants Evelyn to return Feb. 4 with a zero increase in this year's budget. That won't be an easy task and staff will have to make more than \$550,000 cuts in spending. This year, the Township is saddled with a bill of \$300,000, courtesy of the provincial Bill 148, which impacts salaries, benefits and equal pay for equal work.

'Zero means zero,' he told staff Monday night. He won't force people out of their homes. 'We are going to bring it (tax increase) down.'

Homeowners are in the second year of a four-year assessment cycle by the Municipal Property Assessment Corp. (MPAC) an independent agency that sets market value rates.

Mayor Pellegrini didn't want a repeat of 2017, when taxpayers were outraged by double-digit increases, despite efforts at the local level to keep tax increases under 3%. The jump in taxes was directly linked to MPAC's updated assessment levels.

Even if the 2018 budget comes with a zero tax increase, some homeowners will still pay more. Modest increases by York Region and the respective school boards, along with MPAC's values, will hit King homeowners.

Staff pointed out the 2018 spending levels remain the same as 2017. In order to deliver a budget that was responsible, staff aimed for maintaining service standards; ensuring adequate staffing; planning construction strategically, and focusing on long-term fiscal sustainability.

To bring the budget in with no tax increase, cuts will likely have to be made to staff hours and programs.

Treasurer Allan Evelyn noted these impacts are dependent on tax rates that have yet to be finalized by York Region. He said preliminary analysis does suggest the regional portion of the tax bill may carry a 'disproportionate share of the overall tax increase due to a combination of lower than expected growth in assessment on a regional basis, and higher % increase in net levy requirements for 2018.

In King, staff worked hard to lessen the impact to local homeowners.

A 10% growth across the board in development in King has given the municipality some breathing space.

But while assessment income rose, it's being offset by costs, much of which came as a result of the Province's Bill 148. Salaries and benefits, according to treasurer Allan Evelyn, will increase by \$779,000 or 2.8%. Of this, \$300,000 can be directly attributed to the Fair Workplaces, Better Jobs Act 2017 which includes minimum wage hikes. General operations, contracting and consulting services are also proposed to rise by \$468,000.

In order to balance things out, staff reviewed their programs and changes have been made to nine priority programs.

CAO Susan Plamondon noted that the 1.99% hike recommended by staff is 'modest,' and below the rate of inflation. She added at this level, King can manage its capital program without any major tax hits in the future.

The Township does have a \$1 million tax stabilization reserve, but before they dip into that, the mayor wants staff to find efficiencies.

Some of the most significant changes in the 2018 capital budget are related to major road works north of Nobleton, on the 8th, 10th and 15th Sideroads. Some of the work has been deferred until 2019, resulting in a roughly \$4 million reduction in spending. As well, the planned skate park in Schomberg will be deferred.

The main source of income for the Township is property taxes. This is estimated to reach \$30.3 million this year, compared to \$29.8 in 2017. The 2018 budget proposes a net spending of just over \$550,000.

Commercial assessment shows the biggest jump this year at 14.38%. That's followed by a 10.51% increase in residential development. Total taxable assessment in 2018 is pegged at \$8.59 billion.

All property owners received an assessment notice in 2016 from MPAC, outlining the changes in assessment phased in from 2017 to 2020. This assessment has a direct impact on your property bill.

Residents are welcome to provide input into the 2018 budget to staff prior to next Monday's presentation.