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NEWS LOCAL

Taxpayers will see 1.98% tax increase

By Elaine Della-Mattia, Sault Star

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Homeowners will see their residential tax budgets increase for 2018 but that increase will be less than half of the increase experienced in 2017.

City council passed its 2018 municipal levy of \$111,064,317 Monday night with an overall increase of 1.98 per cent.

Of that, the internal corporate increase for the city is 0.993 per cent. The rest of the increase are due to external factors beyond council's control.

The actual dollar-and-cent impact to homeowners won't be known until council sets its tax rate in the new year.

City treasurer Shelley Schell said that number can't be calculated until city council debates tax ratios and determines what the burden will be for each of the various property classes.

In 2017 council approved its annual budget of \$108,906,104 with an increase tax levy of 4.34 per cent. In that case, the average single family residential home saw taxes raise about \$113.

Tax rates are calculated by multiplying the taxable assessment by the tax ratios, resulting in weighted assessment numbers.

The residential tax rate is calculated by dividing the levy requirement and weighted assessment.

Council put its own stamp on the budget in several areas, despite criticism from several councillors for not developing a line item list of possible areas where council could choose to make cuts.

Ward 3 Coun. Matthew Shoemaker led the charge, presenting a number of resolutions with a potential savings of \$250,000. Of those \$181,000 of savings were accepted by council.

Council said no to purchasing a new zamboni in 2018 to replace one in its aging fleet, saving \$112,000. That savings would be used to reduce the capital budget from current.

A second resolution from Shoemaker that was accepted by council including the addition of a user fee of \$5 for tax arrears notices, resulting in an increase in revenue of \$33,050 annually.

Duelling resolutions resulted in the elimination of the rodent abatement program, resulting in a savings of about \$29,000 from the 2018 budget and beyond. Council determined the existing program is not having any meaningful effect on rat elimination.

Ditto for the Emerald Ash Program. Council cut \$5,700 of the injection program to the 35 remaining trees on Queen Street since it has had little effect on saving the trees but will retain the program for the more effective treatment of the 57 trees in the city's parks.

Council also chose to spend a little more money in some areas as well.

It will reinstate its membership into the federation of Canadian Municipalities at a cost of \$11,050.

Leaf and yard waste collection will resume in July and August – cut in the previous year – adding another \$60,000 to the budget.

The Canadian Heritage Bushplane Museum will be rewarded for its efforts to raise its revenue with an additional \$65,000 of funding.

Smaller funding amounts were awarded to Bon Soo (\$10,000 for in kind services) and Women in Crisis (\$585 for an application for sustaining and other grants).

Council chose not to add \$150,000 for the Downtown Initiative Strategy into the budget but sent a message to staff that if they could find that elsewhere in the budget, it would be accepted.

Shoemaker said he was happy with the savings and the final budget tally.

However he warned staff that he would bring back the same motion that was passed last May, asking city staff to develop departmental budgets that showed no increase or a reduction of one per cent.

"Staff did not listen to that request and we need to have consequences for that," Shoemaker said.

This time, he said, he'll request the information come earlier than the preliminary budget so that "council is not in the same position again next year."

His argument was accepted by several other councillors.

Ward 1 Coun. Paul Christian said he wasn't surprised by the lack of information because he found himself in a similar position seven years ago.

"Decisions are to be made by us. We accept that responsibility but there are people sitting around here who are experts and they know the operation best," Christian said. "This was a straightforward ask and staff should have delivered."

Ward 4 Coun. Rick Niro also said a specific list would have helped council trim some areas or replace some spends with others in order not to upset the numbers substantially.

Niro argued 20 per cent of the city's budget is discretionary and that portion of the budget should be broken down into line items to help guide council in its decision making process to determine what a reduction or addition would mean.

"I too am disappointed we didn't get that list," he said.

Ward 2 Coun. Susan Myers said budgeting has changed for city council over the past several years but doesn't feel she needed a lot to make cuts.

"Is this just to chastise staff tonight?" she asked.

Mayor Christian Provenzano said staff has driven the budgeting change over the past three years and he didn't want that to be lost but he understands both sides of the argument.

"This is a good budget despite some controversy," said Ward 1 Coun. Steve Butland. "We have to be more than a cut, cut organization. We need to bring something to the table and I think we did that here tonight."

Butland still has an issue with not returning surplus to the taxpayers.

Council was told that it's estimated the surplus at year end can range from \$500,000 to \$1 million.

Based on the policy passed earlier this year, 40 per cent of the budget is diverted to a tax stabilization account, 30 per cent to a capital reserve for asset management and 30 per cent to the city's long-term debt.

Butland argues the city's debt is at \$6.3 million, the lowest it's been in more than 50 years and the city is in a position to return it to the taxpayers.

Myers said council has "journeyed to get to where we are tonight. We may not always agree but there was healthy debate."

Ward 5 Coun. Frank Fata believes that more cuts need to be made "in areas where this corporation doesn't want to go." However, he did support the final budget.

His wardmate, Coun. Marchy Bruni said the city provides good services and with a tight budget "that's a major accomplishment."

Ward 6 Coun. Ozzie Grandinetti was the only opponent to the budget.

"Two per cent doesn't sound like a lot but it is, especially for someone on a pension," he said.

Provenzano said while the budget process is still not perfect, it has improved over the past three years and he commended staff for their hard work.

"This is a low budget without dramatic affects on services," he said.

FACT BOX.

How city council set its 2018 municipal tax levy of \$ 111,064,317.

Reductions:

Reduction of Capital from Current of \$112,000, coming from reduction of the capital budget for the McMeeken Ice resurfacers.

Elimination of the rodent abatement program, resulting in a decrease of \$29,000.

Elimination of the Emerald Ash Program for Queen Street resulting in a decrease of \$5,700

Increases:

Addition of a user fee of \$5 for tax arrears notices, resulting in an increase in revenue of \$33,050.

Reinstatement of the Federation of Canadian Municipalities membership \$11,050 annual fee.

Reinstating Leaf and Yard Waste Collection for July and August at a cost of \$60,000.

Increase the outside agency grant to the Canadian Heritage Bushplane Museum for \$65,000.

In-kind services added for Women In Crisis for \$585 approving their application for Sustaining and Other Grants

In-kind services increase for Bon Soo for \$10,000 approving their application for Sustaining and Other Grant

A promotional image for PetSmart's holiday event. It features a close-up of a dog's face, specifically a white dog with brown patches around its eyes and ears. The dog is holding a large, red and white striped candy cane in its mouth. The background is a blurred indoor setting. Overlaid on the image is the PetSmart logo in the top left corner, the text 'HOLIDAY EATS & TREATS' in large, bold, white capital letters at the top, and 'HOVER FOR FLYER' in bold, black capital letters in the center. At the bottom center is the PetSmart logo again, with the word 'PET' in red and 'SMART' in blue.

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