

# Shoemaker calls on property tax increases to stay in line with inflation

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Today, Ward Three city council candidate Matthew Shoemaker announced his intention to slow the growth of property tax increases in Sault Ste. Marie. Shoemaker wants future tax increases kept at or below the rate of inflation. He also wants Council to strive for more zero per cent increases, though he acknowledges this will not be possible every year.

"From 2003-2013, Sault Ste. Marie's property taxes increased more than inflation every year except one," says Shoemaker. "In fact, at the height of the Great Recession, inflation was only 0.3 per cent, but the Sault's property tax increase was nearly 3 per cent."

Shoemaker also notes that from 2003-2013, property tax increases were greater than the annual wage increases of Local 2251 Steelworkers for six of the 10 years. He believes that wages for most other employees in Sault Ste. Marie have also likely gone up at a slower rate than property taxes over the same period.

Shoemaker sees the trend of property tax increases outpacing inflation as a concern. "When taxes rise faster than inflation, it cuts into disposable income and hurts purchasing

power. People on fixed incomes, retirees living off pensions, first time homebuyers and many others cannot afford to see their taxes go up more than their incomes. Reasonable tax rates are needed to keep property ownership affordable.”

To reverse the trend, Shoemaker feels the next Council must strive for economic growth to bring in new assessment, in addition to taking a hard look at City spending. Of the two approaches, Shoemaker believes that trimming spending will be more important in the near term.

Shoemaker remarks, “Encouraging growth is important because it has a snowball effect. It expands the tax base and helps share costs amongst more people. However, growth is subject to many factors that Council can’t directly control. Spending, on the other hand, is completely within Council’s control.”

Shoemaker has previously released proposals intended to save the City money, including reviewing funding agreements with external organizations, and requiring disclosure of information on where city dollars are being spent. He would also like the City to compare its departmental spending against other similar-sized cities in Ontario.

“I know that this will be a tough challenge and that there will be no quick fixes, but Council has to take it on. Low taxes will help our residents stay in their homes and make our community an attractive place to live and do business,” concludes Shoemaker.

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