

Council passes \$62 million budget requiring a 3.63 percent tax hike

By Mike Pickford

Claims of fear-mongering and 'fake math' rang around Town Hall Monday as Orangeville Council just barely ratified its 2018 budget, with a projected 3.63 percent tax increase for local homeowners.

The bump to municipal tax bills was down from a previously projected 3.97 percent, but that did little to pacify some members who expressed dismay at the Town's eye-watering \$62 million budget for the year. Coun. Nick Garisto was the most critical, stating Council had failed in its job to keep things reasonable for area residents.

"All week I have been getting phone calls from residents, asking to fight on the budget, to bring (taxes down). Because of that, I cannot support this document. Residents of the town, businesses in town and industry in town - they're all stressed out," he said. "We cannot and should not be putting this hardship on them."

Based on a median property assessment of \$363,000 in Orangeville, taxpayers are looking at paying an average of \$3,049 in taxes on the town portion of tax bills - an increase of \$106.93 from last year. That was too much for Coun. Garisto, Coun. Don Kidd and Mayor Jeremy Williams to support.

Councillors Gail Campbell, Scott Wilson and Sylvia Bradley voted alongside Deputy Mayor Warren Maycock in approving the budget, which calls for continued investment in infrastructure and the municipality's emergency services.

One of several 'big ticket' items to be approved this year, and certainly the most contentious, was the hiring of eight full-time firefighters, a move that will help the Orangeville Fire Department meet provincial standards during off-peak hours. This particular expenditure will be tagged onto the Town's operating budget and comes at a cost of \$800,000 in 2018, rising to \$1.2 million by 2022.

Also included in Orangeville's operating costs for the year is the purchase of a new \$425,000 low-floor transit bus - the fourth such purchase in as many years after Council decided to revamp its transit system in 2015.

In total, the Town's operating costs for the year top out at approximately \$49 million in 2018, with the largest expenses set aside for the Orangeville Police Service (\$8.3 million), Public Works (\$5 million) and the Orangeville Fire Department (\$4.1 million).

In terms of capital, the Town is expecting to invest \$8.1 million into various projects next year. The bulk of the work will be set aside for various road projects, including the \$2.1 million redevelopment of Second Avenue between First Street and Third Street.

The four council members who ultimately supported the budget kept quiet for large portions of Monday's meeting, with most of the discussions regarding individual items already having taken place. Mayor Williams said he felt there were "a few items in the budget that I feel are premature, particularly the eight full-time firemen." He suggested that the Town put off hiring them until a new fire hall has been constructed. Money has been set aside in 2020 for that particular project to move ahead.

Coun. Kidd was disappointed that there wasn't more of a focus from the rest of Council on lowering taxes. He pointed to more than \$500,000 in projects and expenditures which he had tried to remove from this year's budget that "nobody in Orangeville would miss."

"Before growth, this is a budget increase of 4.63 percent. That is a huge increase for one year in the Town of Orangeville, City of Toronto, any county of Canada - wherever you are," Coun. Kidd said. "These are real dollars that real families with children and mortgages - will have to pay."

For his part, Coun. Garisto said he had attempted to cut \$855,000 from the budget, to no avail. He said when you look at a nearly 4 percent increase on the Town's portion of the property tax bill and an almost 2 percent increase on the County's portion, it all adds up to a big increase for local taxpayers.

"You're looking at close to 6 percent," Coun. Garisto stated.

That is where Coun. Bradley took exception, taking Coun. Garisto to task for what she called a blatant attempt to strike fear into Orangeville residents.

"Coun. Garisto has implied taxes are going up (by 6 percent) by adding all of the tax (percentages) together - Town, County and education, which is not the case," Coun. Bradley said.

After Town Treasurer Marc Villeneuve provided a brief explanation on how the system works, noting that it was not appropriate to simply add different tax rates together when coming up with a percentage increase, Coun. Bradley again rounded on Coun. Garisto.

"To be clear, our job here is not to be fear-mongering our community, saying there's going to be a 6 percent increase when the reality is, combined, it will be around 3 percent, if not less," Coun. Bradley finished.

Despite the explanation from Mr. Villeneuve, Coun. Kidd continued to bunch the Town and County tax rate hikes together as he attempted to get his point across that the pressure from this year's budget may be too much for some residents.

“After hearing what the Treasurer said, we have 3.63 percent plus 1.97 percent I believe, that is approximately 5.6 percent, plus the education rates (from the province). There is no fear-mongering here, this is reality,” Coun. Kidd said.

Breaking things down even further, Deputy Mayor Maycock went back to his teaching roots in an attempt to simplify how taxes work in Ontario.

“I’ve drawn a big circle here, which represents how much people pay and to whom. Fifty percent of a person’s taxes go to the Town, 25 percent go to the County and 25 percent to education,” he said. “To make this simple, if the Town rate were 4 percent it’s not, it’s 3.6% - but if it were, then only 2 percent would go to the Town. You cannot add 3.6 percent and (1.9) percent together, that math is wrong. We’ve heard a lot recently about ‘fake news’, what’s going on here tonight is kind of like ‘fake math’.”

Later in the meeting, local resident Debbie Sherwood stepped forward to ask when the Town would be releasing data relating to last year’s growth. The treasury department accounted for an increase of 1 percent for growth, a number Ms. Sherwood hopes will end up being a lot higher once the province returns its rates to municipalities on Dec. 2.

“I’m hoping growth in Orangeville is closer to 4 percent,” Ms. Sherwood said.

Mr. Villeneuve noted it’s standard practice to err on the side of caution and be more conservative with these kinds of estimations.

Council passed a motion directing its treasury department to distribute a release to media as soon as they are made aware of the growth rate. Should the rate come in higher than 1 percent, it could potentially lead to a lower tax increase.