

## Town treasurer wants clarity on demand for 0% tax hike

Although Orangeville Council ran out of time to hold a previously scheduled budget portion of its meeting Monday night, there was enough time at the end of the night for a presentation by Treasurer Brian Parrott, who had bad news for those wanting no increase in the Town's portion of residents' property taxes.

Council having sent the budget back to Town Staff last week with instructions to get it down to a 'zero percent' increase, Mr. Parrott spoke to both the need for clarification of what 'zero percent' meant, as well as the fact that it might not be possible.

'Through our budget discussions, it has become evident to me that there is a strong focus on what it might take to get our budget to zero percent,' said Mr. Parrott. 'It's been referred to in different ways, and there needs to be some clarity. Are we looking at a zero percent tax increase overall, or a zero percent tax increase to any individual?'

He said part of the difficulty in achieving any zero percent increase arises from two mandatory portions of assessment that can alter the tax rates and assessment values of properties. Things like the Walmart expansion, which creates an increased building size can attribute to this, as well as the assessment numbers sent out by the Municipal Property Assessment Corporation (MPAC).

As a result of MPAC's property valuations as of January 2012 showing local values had risen about 10 per cent in the previous four years, individual properties' assessments are being phased in at an average of 2.57 per cent each year, but any one property can have increases above or below that figure.

Other factors that can affect tax increases, include appeals by large commercial property owners and adjustment factors to those assessments.

According to Mr. Parrott, in many municipalities when a draft budget is presented it comes without the assessment values being included.

He said he had removed this from the original budget presentation to allow council to work with what they had already.

'The current budget decisions that have been made to date, including the adjustments, results in a 1.11 percent increase,' he explained.

'Three weeks ago, the number was a 3.3 percent tax increase based on growth numbers alone.'

He said that in order to achieve a zero percent tax rate increase, the Town would need a \$322,000 reduction in the current budget, whereas to have no tax increase for homeowners whose assessment is rising by the average 2.57 per cent, the budget would need to be reduced by \$958,488.

'The problem with the zero tax dollar increase idea is that it is not applicable to everyone,' said Mr. Parrott. 'While anyone with the average assessment [increase] of 2.57 percent would not see an increase, anyone below that would see a tax decrease, and anyone above that would still see an increase, even once that reduction has been applied.'

Due to time constraints, Council members did not have an opportunity to respond to his presentation. Budget discussions, and likely the results of this presentation, will take place at Council's next budget session, following the next Council meeting on February 23.