



FOR IMMEDIATE RELEASE
Sept. 18, 2017

Budget Update #2

Wasaga Beach – Last Tuesday afternoon, the second Committee of the Whole Budget Committee meeting was held.

Committee reviewed council's priorities that were set in early 2015 at the commencement of this term of council and what had been accomplished so far. Committee also reviewed its remaining priorities and determined which priorities it would like to focus on, which ones it would like further information on, and which it would consider during the budget process.

The following main budget priorities were identified for 2018: downtown development, beachfront properties, the community hub (including a twin pad arena and new library), and an after-hours medical clinic.

Members of council then received a presentation on municipal taxation rates and alternative sources of funding for the municipality.

Committee discussed revenue from taxation in comparison to other municipalities in Simcoe County, including Orillia and Barrie and were provided a series of charts showing tax rates for these municipalities. Click on this link to review the information:

<http://www.wasagabeach.com/Shared%20Documents/2017-09-12%20ADDENDUM%20COW-B%20Agenda.pdf>

One chart highlights how taxes for a home in Wasaga Beach valued at \$450,000 compare to taxes paid for homes of the same value in other municipalities and the municipal portion of those taxes, showing the town well below similar towns, but above some townships.

A second chart shows where Wasaga Beach would rank if council implemented a 15.33 percent tax rate increase. The town would jump up two positions and it would cost an additional \$362.27 per year for a house worth \$450,000.

Thirdly, a chart indicates where Wasaga Beach would rank if council implemented a 10 percent tax rate increase. It would bump up one spot and cost an additional \$148.37 per year for a home worth \$450,000.

The CAO indicated that the charts confirm that the town is a very efficient deliverer of services. This was also confirmed in the recent Efficiency Review conducted by KPMG. The review concluded that "The Town's systems and processes are effective and efficient" and "The Town is a low cost provider of municipal services" in relation to comparator municipalities. All these indicators show that the Town does not over spend on services and collects less tax revenue than similar size municipalities delivering the same services.

An additional chart presented Tuesday shows the annual budget exercise starting point and the final tax rate for the last five years. For example, in 2016 the starting point was 4.16 percent and the final approved rate was 1.72 percent. In 2017, the starting point was 6.58 percent and the approved rate was 1.94 percent. For the last five years or more the final tax rate in Wasaga Beach has been close to or lower than the rate of inflation and it is unlikely that in the future there will be an appetite for higher than inflation tax rate increases.

This year's starting point is 15.33 percent and is reflective of the cost of items departments would like to see included in the budget to meet service expectations and increases to core cost areas.

Another chart presented to council shows assessment values in Wasaga Beach. Residential assessment makes up 90.5 percent of total assessment. Commercial makes up 6.5 percent. This means that the residential tax payer pays a significant portion of the total revenue the town uses to operate the town and deliver services that residents and businesses expect. Ideally the split would be a 50/50. A reasonable goal would be 80/20 so that commercial properties pay more of the cost.

Council also reviewed the challenges facing the town to continue to provide services and meet residents' expectations in the future with tax increases around the rate of inflation given its low tax rate in comparison to other municipalities delivering similar services.

The CAO then outlined the potential assessment values and taxation impacts of the proposed downtown project showing increased taxation revenue of \$2.5-million or equivalent to 11.5 percent when fully built out. The financial benefits from the downtown development will help the town in the future lessen the burden on the residential tax payer.

This information was provided to council in the context of the decisions that council will be making in preparing the 2018 budget on how much it is prepared to invest in the downtown so that it can receive a future benefit in terms of increased tax dollars flowing to the municipality.

At the end of the session, Chief Administrative Officer George Vadeboncoeur told council the background work on the budget continues with departments preparing their budgets for submission to the treasurer and his office for review. He committed that staff will work towards shaving the budget down to a 2 to 2.5 percent tax rate increase. Mayor Brian Smith indicated he'd like to see the **final** rate around 2 percent.

The following is a list of key dates regarding the budget process:

Sept. 18 to 20 - CAO, treasurer and budget analyst to review first draft operating and capital budgets with department heads.

Oct. 3 - Committee of the Whole to review first draft operating and capital budgets in summary format. During this meeting, key budget items and council priorities will be discussed further in the context of the status of the first draft of the budget. These will be discussed further at the Oct. 17 meeting.

Oct. 5 – Any discussion items arising from the Oct. 3 meeting are due from members of council to the treasurer.

Oct. 10 - Reports due from staff on discussion items identified by members of council.

Oct. 17 - Committee of the Whole presentation of reports related to discussion items.

Oct. 20 - Proposed changes to 2018 rates and fees due from staff.

Oct. 27 – Four-year operating and 10-year capital forecasts due from staff.

Oct. 31 - Committee of the Whole to review second draft detailed operating and capital budgets and proposed changes to 2018 rates and fees.

Nov. 21 - Committee of the Whole to review third draft operating and capital budgets, four-year operating and 10-year capital forecasts. Treasurer will request permission to advertise the public meeting scheduled for Dec. 12.

Nov. 28 & Dec. 5 - Committee of the Whole budget meetings, if required.

Dec. 12 - Public Meeting for consideration of 2018 operating and capital budgets, four-year operating and 10-year capital forecasts, 2018 rates and fees (including water/wastewater update). Recommendation that bylaw proceed to council once school board and county rates are received.

Dec. 19 - Council approval of 2018 operating and capital budgets, four-year operating and 10-year capital forecasts, and 2018 rates and fees.

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