

COUNCIL REPORT

To: Mayor and Council

From: Finance

Date: March 21, 2023

Subject: 2023 Property Tax Revenue

RECOMMENDATION:

THAT Council receives this report for information.

BACKGROUND:

At the Regular meeting of February 13, 2023, Council approved the 2023 provisional operating budget with a proposed revenue tax increase of 6.47% as shown below.

| Class | 2023 Proposed Tax Revenue | 2022 Tax Revenue | Proposed Tax Increase per Property Class | % of Increase |
|-------------------------------------|--------------------------------------|-----------------------------|---------------------------------------------------------|--------------------------|
| 1- Residential | 1,806,453 | 1,703,602 | 102,851 | 6.04% |
| 2- Utilities | 873,474 | 856,348 | 17,126 | 2.00% |
| 4 - Major Industry | 1,889,461 | 1,808,097 | 81,364 | 4.50% |
| 5 - Light Industry | 272,222 | 258,030 | 14,192 | 5.50% |
| 6 - Business & Other | 556,716 | 444,234 | 112,482 | 25.32% |
| 8 - Recreation Property, Non Profit | 196 | 185 | 11 | 6.00% |
| | 5,398,522 | 5,070,496 | 328,026 | 6.47% |

*Class 6 – Business & Other had an increased assessment value of \$9.7M for new construction which equals an additional tax revenue of \$81,000 before any tax revenue increases were considered. Not including the additional tax revenue for new construction, the overall tax revenue increase is 5.6%.

Results from the Budget Survey indicate that 42 out of 115 respondents (39%) are willing to see a 6.0% residential property tax increase to maintain current services. Additionally, 79 out of 115 respondents (69%) are willing to see 6.0% or higher residential property tax increase. A request was made to investigate what the impact a residential property tax increase higher than 6.0% would be.

The following table shows the impact on residential property taxes for tax revenue increase from 6.0% - 8.5%:

| | | | Tax Revenue Increase compared to 2023 Approved Provisional Budget | % of Tax Revenue Increase from 2022 | Impact on Average Assessed Single-Family Residence (\$159,982) |
|----------------------|----------|-------------|-------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------|
| provisional approved | Tax Rate | Tax Revenue | | | |
| | 6.9301 | 1,806,453 | 0 | 6.0% | 5.25/mth or ~63/yr |
| | 6.9628 | 1,814,974 | 8,521 | 6.5% | 5.70/mth or ~68/yr |
| | 6.9955 | 1,823,495 | 17,042 | 7.0% | 6.13/mth or ~74/yr |
| | 7.0282 | 1,832,016 | 25,563 | 7.5% | 6.57/mth or ~79/yr |
| | 7.0609 | 1,840,537 | 34,084 | 8.0% | 7.00/mth or ~84/yr |
| | 7.0936 | 1,849,058 | 42,605 | 8.5% | 7.44/mth or ~89/yr |

BUDGETARY CONSIDERATION:

Additional property tax revenue above the approved 6% would be used for general operating expenses.

COUNCIL PRIORITY:

Strong Governance and Finances

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

Respectfully submitted,



Kerri Borne
Chief Financial Officer



Approved for Submission to Council