

# Cramahe councillors to weigh tax hike for township ratepayers

### Early views range from holding the line to 3% increase

by JOHN BARKER  
The Independent

While Cramahe Township council won't hold its first public draft budget meeting until next month, ratepayers are being warned by some members of council that another tax hike is inevitable.

Coun. Tim Post, a local realtor, said at the Feb. 1 council meeting that while he'd like to see no tax increase he believes it "is fiscal suicide to go with a zero increase."

Mayor Lee Dekeyser echoed Mr. Post's comments saying that local governments, such as the County of Northumberland, which held the line or even cut taxes in the early 1990s, are now having to pay the piper and raise taxes dramatically in part because of deferred maintenance and infrastructure work.

The county's draft budget calls for an eight per cent tax increase this year.

Both Mr. Dekeyser and Mr. Post said a maximum increase of up to three per cent is realistic.

Last year, the township portion of Cramahe ratepayers' tax bills increased by 0.42 per cent, said treasurer Mora Chatterson in an interview. However, the actual increase reflected on the bill was even less because taxpayers pay a "blended rate," she said, which also includes school and county taxes. While the county portion was up slightly over the previous year, the

school portion dropped by 11 per cent, leaving Cramahe ratepayers with a net blended increase in their taxes of 0.27 per cent.

Coun. Marc Coombs said both he and deputy mayor Ray Kelly, who was ill and missed the meeting, believe it is possible for Cramahe to pass a no-tax increase budget this year.

Council did unanimously adopt Mr. Coombs proposal to establish a budget review committee to compare Cramahe's budget item-by-item and line-by-line with neighbouring municipalities such as Brighton and Trent Hills to get an "apples to apples idea" of why tax rates differ between the municipalities. Mr. Coombs said while council spends a lot of time trying to "shave a nickel off here and another there," they need to take a bigger picture look at things like policing costs and the size of the three municipalities industrial and commercial bases, to name just two areas, to get a better handle on what drives tax rates and accounts for the differentials.

Coun. Ed Van Egmond said he too believes council should hold the line on taxes this year. Prefacing his remarks by humorously referring to himself as a "Dutch farmer," Mr. Van Egmond said originally he had hoped to be able to cut the tax rate by 10 per cent. "Number one, I'm a realist," said Mr. Van Egmond, saying he knows now that can't be done, so he'd settle for no increase instead.

Tax rates are determined

by dividing a municipality's annual budget by its tax base. In other words, if the municipality had annual budget of \$800,000 and tax base of \$36 million in assessed property value, the tax rate would be 2.22 per cent.

Cramahe's combined operating and capital budget last year was \$3,475 million, Ms. Chatterson said.

The municipal and blended tax rates, however, are a separate issue from property value reassessment done by the Municipal Property Assessment Corporation, Chatterson points out, and ratepayers having their properties reassessed to higher values were in some cases hit with much larger tax increases than 0.42 or 0.27 per cent last year.

Ontario, under the previous Tory government, replaced a patchwork system of local municipal property tax assessment with the province-wide Pickering-based Municipal Property Assessment Corporation, better known by its acronym of MPAC.

The government of the day argued the hodgepodge of assessment across Ontario had led to inequities such as homes in upscale areas of Toronto that hadn't been reassessed in some cases since the 1940s and were grossly undervalued for tax purposes.

Beginning in 1997, MPAC created new assessed values for all properties, based

on a common valuation date of June 30, 1996. It now does assessments annually.

MPAC administers a uniform, province-wide property assessment system based on current value assessment. While critics said the old system led to under valuation or uneven valuation of similar properties sometimes in close geographic proximity, the current value system now in place has been equally criticized for overvaluing properties.

Current value assessment is based on a hypothetical real estate market value for a particular property in a given municipality, based on what a willing buyer and seller would agree to as the market price.

Ratepayers groups such as Pieter Wyminga's Cramahe Ratepayers Association and Paul Hazell's Canadian Alliance for Tax Awareness (CAFTA) in Trent Hills argue many property owners paid far less when they bought their homes years ago than today's market value and can't afford to be taxed based on an inflated figure they might hypothetically obtain were they to sell their property now. Mr. Hazell, a retired assessor, worked for the province for more than 30 years.

MPAC is a non-share capital, not-for-profit corporation. Every municipality in Ontario is a member of the corporation, which is governed by a 15-member board of directors. Eight members of the board are municipal representatives; five members represent property taxpayers; and two members represent provincial interests. All members of the board are appointed by the minister of finance.



Coun. Tim Post



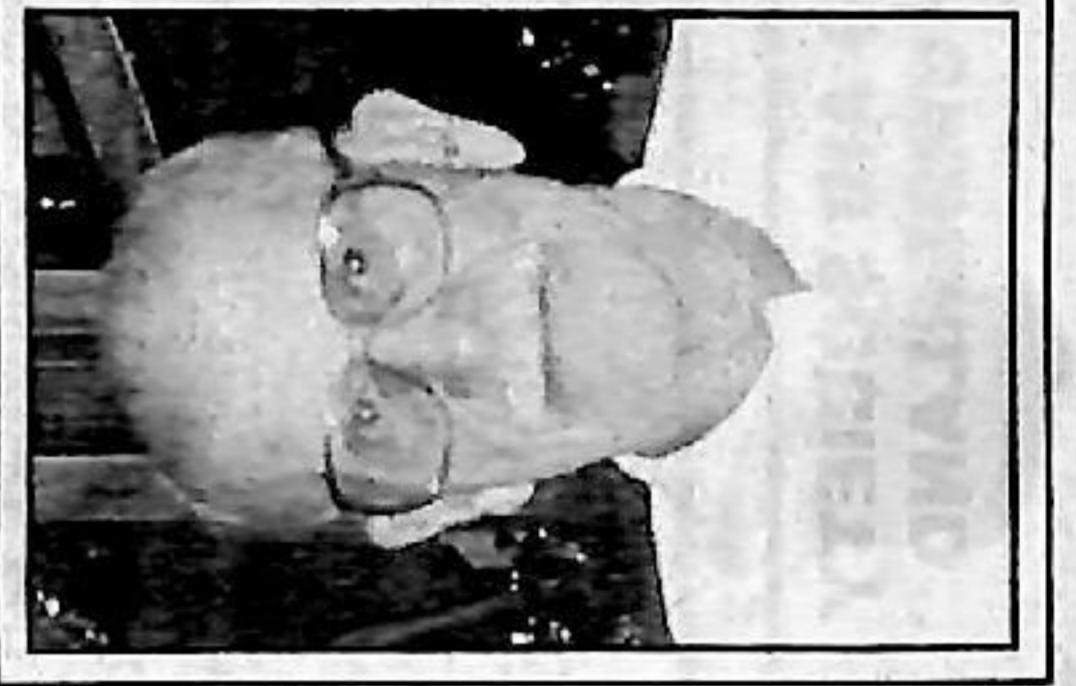
Mayor Lee Dekeyser



Coun. Ed Van Egmond

CELEBRATIONS Feb 9/05

On February 22nd  
**Don Massey**  
who lives with his wife  
Velma at 160 Cockburn  
St. in Campbellford,  
will quietly observe his  
**90th Birthday**  
with members of  
his family.  
THE INDEPENDENT



THANKS