Tax hike to be lessened but not enough, some say

By BRAD REAUME

The Champion

A revision to the 1998 Halton Region budget should reduce previously expected property tax hikes.

However, attempts by Burlington Councillor Jack Dennison to make further cuts were defeated at the budget review committee Wednesday. The issues will be revisited when full Halton council meets next week.

If the committee recommendations hold, the owner of a \$185,000 home in Halton should see property taxes increase of only about \$98, or 3.9 per cent, exclusive of any changes due to reassessment.

Prior to this most recent juggling of the books the same taxpayer was expecting an increase of \$138, or 5.4 per cent on an average house.

The most recent changes occurred largely because the provincial government has taken on some social housing responsibilities, which in Halton amount to \$2.6 million savings to local taxpayers.

These figures are based on Halton-wide averages and could be higher or lower depending upon in which of the four local municipalities the property is located.

Shifts from the provincial government to Halton Region and a small increase in the Halton police budget have caused the property tax increase.

Mr. Dennison led a charge to convert what is essentially money in reserves into tax reductions for all Halton residents. His motions were opposed by members of the budget review committee.

Mr. Dennison pointed to \$1.2 million which the provincial government has said Halton Region need not pay in 1998 to a pension fund for municipal employees because of a fund surplus. He asked committee members to give that money back to taxpayers.

In addition Mr. Dennison took the position that at least \$2 million from a planned 1998 surplus should be refunded to taxpayers. He explained that a \$1.6 million provision for tax write-offs in the 1997 budget was increased in the 1998 budget to \$3.6 million.

Last year only \$700,000 in taxes were written off. Mr. Dennison also wanted to give taxpayers back the



"I can't ever remember giving a surplus back to the taxpayer in the form of a tax break." **********************

- KEVIN FLYNN

more than \$900,000 which went unused for write-offs in 1997, increasing his total tax reduction package to \$4.1 million or about 1 per cent. He also attacked a \$500,000 contingency fund set aside for further impacts from provincial legislation.

"The taxpayers want us to do everything we can to mitigate the tax increase," Mr. Dennison said. "There are already substantial reserves. We are not putting the Region or constituents at risk by eliminating these reserves. This is what reserves are for."

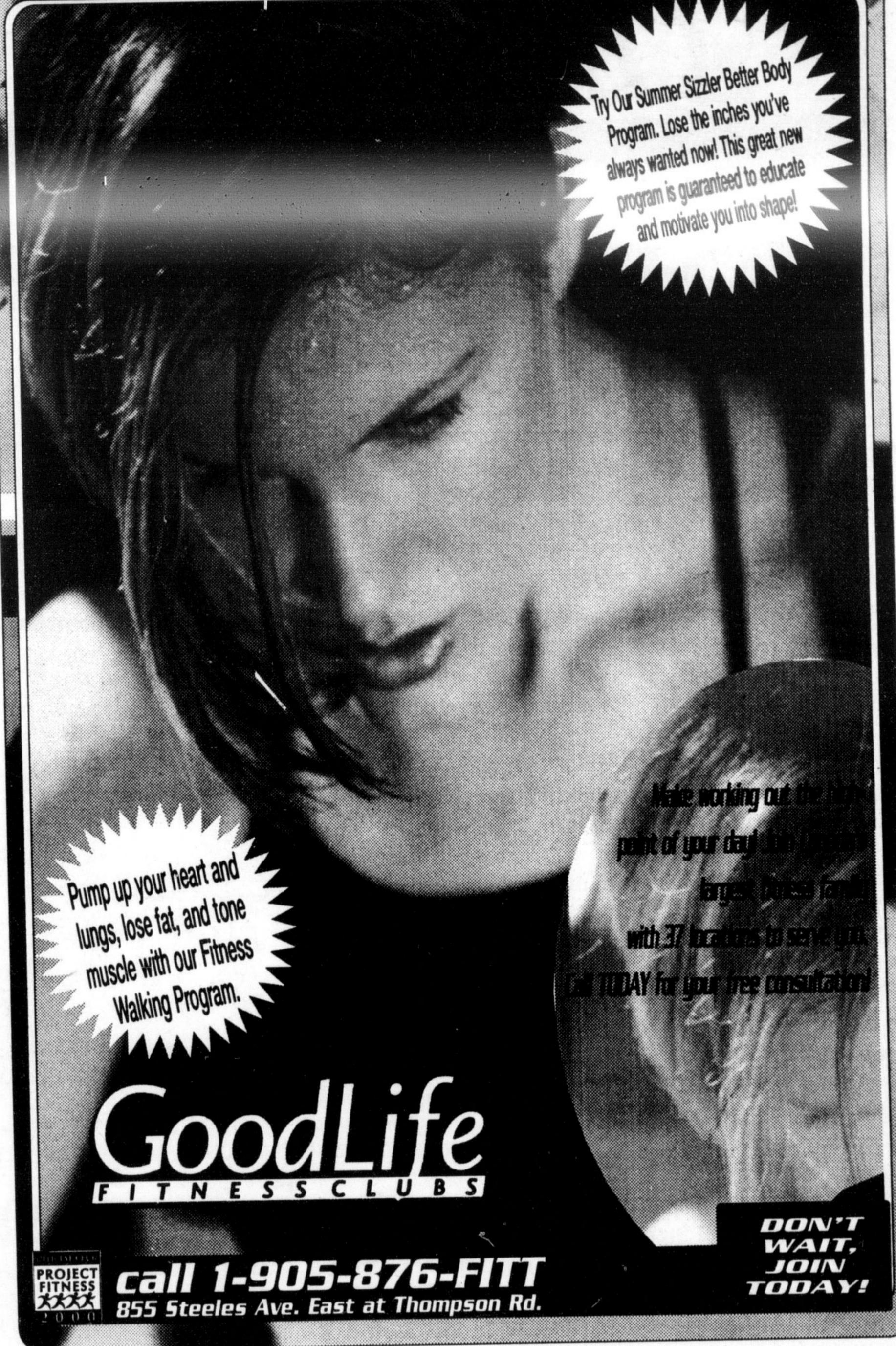
However members of the committee disagreed, saying given the uncertainty surrounding changes in funding and program responsibilities, they preferred to hold on to the money.

Joe Rinaldo, Halton's commissioner of corporate services, said it has been Halton's policy for many years to use surplus funds to pay down debt or help finance the annual capital program. He explained while it is apparent there will be a surplus, it is impossible to determine how much it might be in order to include it in the budget.

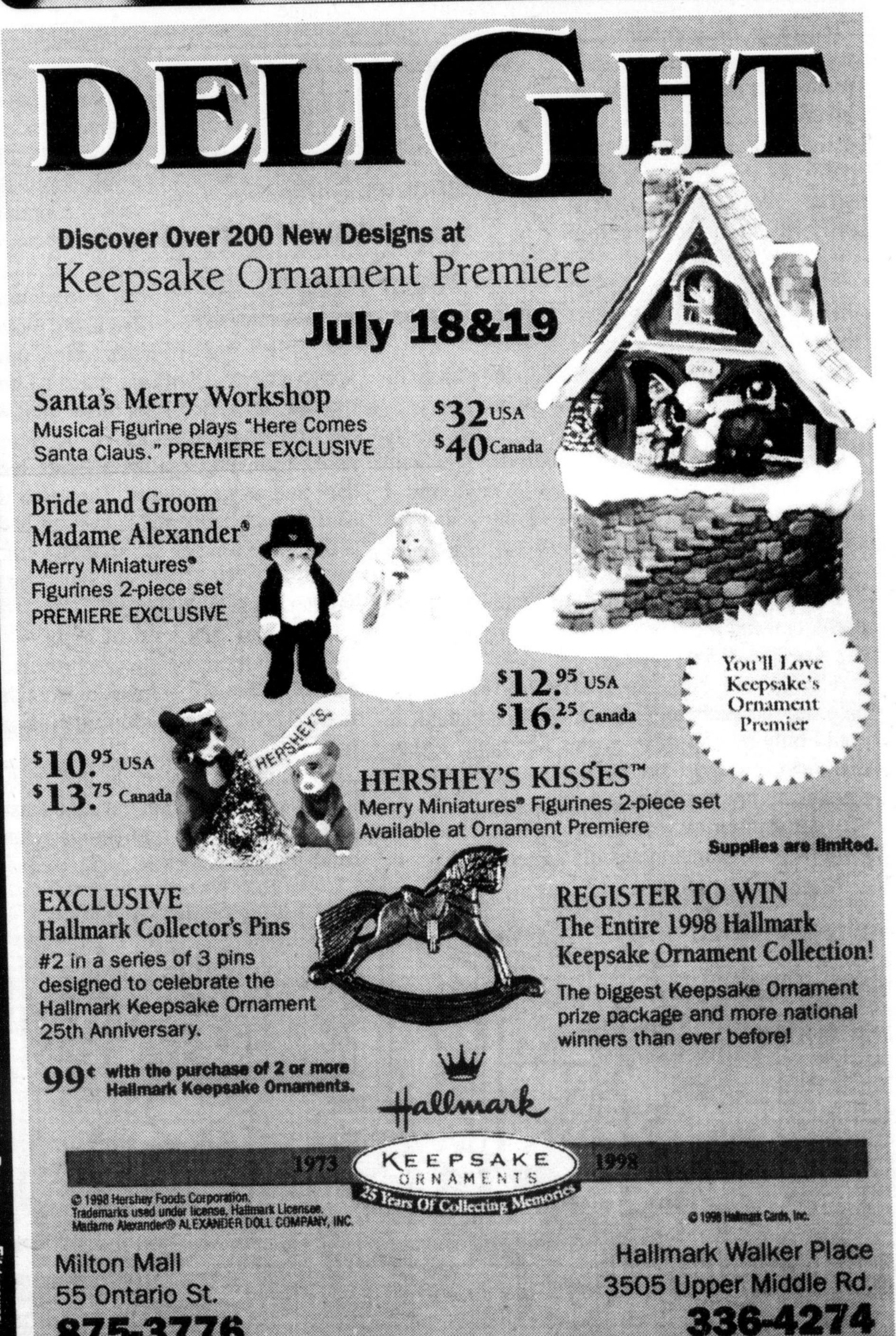
Mr. Rinaldo explained that Mr. Dennison's tax reduction package was funded by one-time only money and that such a program would be difficult to sustain. The pension plan savings cannot be counted on in future years, he explained.

In addition he said Halton's responsibilities have grown substantially with programs coming from the provincial level, so higher levels of reserves and contingency funding are required.

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