

Region's tax bite may be 7.1 per cent bigger in 1989

By ROB KELLY

Property taxes will go up 7.1 per cent if Halton's proposed budget is approved later in 1989.

In a preliminary document released last week, regional staff announced they would try to toe the line close to the 7 per cent increase they had set as a target for this year in 1988.

Since then, however, some things have changed. Provincial unconditional grants have been effectively frozen. Also, regional staff thought their "perceptions of growth were conservative," during initial planning, Halton chief administrative officer John Fleming said. Instead, those predictions "were accurate."

The freezing of unconditional grants had a \$610,000 debit impact on Halton financing, Mr. Fleming noted.

Unconditional grants are transfer payments which were established by the province as a means of helping municipal governments bolster their general revenue.

They are in addition to the specifically targeted funds which the province applies to various municipal projects.

While not on the same level of magnitude as provincial matching grants, the unconditional allowances have a substantial impact on property tax rates, according to regional calculations.

In 1988 such grants represented an amount equal to almost 30 per cent of the regional property taxes. If the grants stay frozen at 1988 levels, they will decline to an amount equalling 16 per cent of the property taxes by 1994. That shortfall will have to be made up somehow.

Based on the preceding formula Halton would have obtained \$11.3 million in unconditional grants. Instead the region wound up with \$10.7 million, a drop equal to half a per cent of the total property taxes.

The regional portion of property taxes will rise to almost \$233 for an average-assessed home in 1989 with the 7.1 per cent bump, up from \$217.18 in 1988.

Last year, the average Halton taxpayer paid \$1,902 for all regional and local services. Of that, education ate up \$950. Local municipal taxes, such as the town of Milton's, took \$452 on average from the total pie, and utility rates accounted for \$252. The expenditures were rounded out by the regional property tax portion, \$217, and solid waste disposal fees of \$31 per household.

Regional finance director Joe Rinaldo said the province appears to be shifting the tax burden onto local government. Property tax increases are seen as a regressive tax, Mr. Rinaldo said, because they increase the burden on the lower income earners. Provincially controlled taxes, such as sales tax, tend to hit more affluent people, he said.

The grant formula initially was set up to help municipalities experiencing rapid growth. The burden of paying for that growth was not born only by existing ratepayers, Mr. Rinaldo told councillors in his report.

In that manner the grant system was seen

as a kind of debenture financing scheme, in which growth is paid for partially by those who will come to the area and pay taxes in the future.

At the same time grants are being reduced, municipalities are faced with increased expenditures because of higher standards imposed by the province, Mr. Rinaldo said.

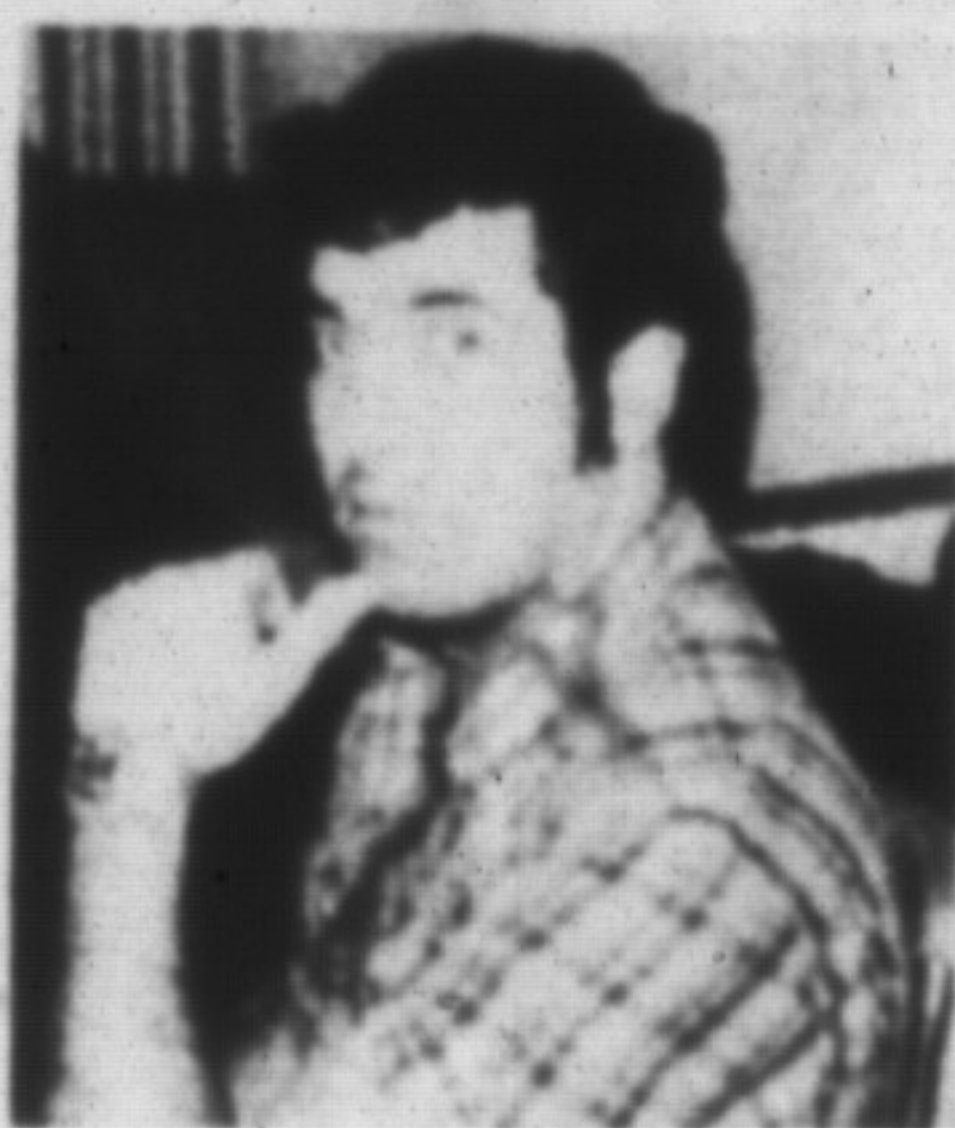
Given that stance, "there's no question the province is not going to assist municipalities in financing growth," the regional treasurer added.

Halton region's operating budget for 1989 is tentatively set at \$137,109,000. The five-year capital forecast calls for an expenditure of \$245,115,000.

Mr. Rinaldo indicated that projections made today show Halton's debt to 1994 as well under Ontario Municipal Board guidelines of 20 per cent. Currently Halton's debt load stands at 15.79 per cent of total expenditures, and projections call for it to drop to 13.43 per cent by 1994.

5—The Canadian Champion, Wednesday, February 1, 1989

Lordy, Lordy
Look Who's
40!



Happy Birthday
Hugo!

APPEARING TONIGHT

Wed., February 1st

MacLean & MacLean



CHEERS

400 Main St. East

EARLY SPRING BLOWOUT SALE Demos

Peter says, "Let's Make A Deal."

'88 Honda Accord EXI Sedan, Loaded

\$25,985⁰⁰

'88 Prelude SI 4 wheel steering

\$27,641⁰⁰

'88 Prelude SI Demo, low km

\$23,338⁰⁰

'88 Honda Accord LX

auto., loaded. \$20,676⁰⁰

Make An Offer



You Can't
Beat That

AT MILTON HONDA,
OUR PHILOSOPHY IS SIMPLE.
WHEN YOU'RE HAPPY, WE'RE HAPPY!



LES



ALEX



KIM



ANGIE

MILTON

HONDA

876-4747

310 STEELES AVE., MILTON