

Type of Decision									
Meeting Date	Friday, March 9, 2012				Report Date	Wednesday, March 7, 2012			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed

REPORT TITLE
Budget Considerations Report #09/03/12/1001

Subject: Options for Council consideration for the 2012 budget.

RECOMMENDATION: That Council approve the following resolution authorizing staff to insert the required budget total into the budget by-law prior to adopting it.

WHEREAS the Council of the United Townships of Head, Clara & Maria have reviewed the options available for setting the total operating budget for 2012;

AND WHEREAS a public meeting was held on Saturday, February 25, 2012 to hear comments from members of the public;

THEREFORE BE IT RESOLVED THAT the Council of the United Townships of Head, Clara & Maria does hereby agree to utilize option number ___ and directs staff to insert the corresponding total into the budget by-law so that it may be formally adopted.

Background/Executive Summary:

Council is required to determine which option best meets the current and future financial needs of the municipality to provide direction to staff to insert the appropriate balance in the budget document and then pass the budget by-law.

Options for consideration:

- 2012 option #1 is the basic budget that meets needs and contributes approximately \$11,000 to reserves. It maintains current levels of service and programs and allows for very minimal improvements or increases.
- 2012 option #2 shows the increase in the amount of taxes owing per \$100,000 of property value which would be required to net an additional \$20,000 in taxation revenue to be used to increase reserves.
- 2012 option #3 shows an increase in taxes owing to net an additional \$30,000 in tax revenue to increase reserves.
- 2012 option #4 shows an increase in taxes owing to net an additional \$40,000 for reserves.

Below is a chart of the actual tax rates for 2007 – 2011 with suggestions for 2012.

Year	Rate	Amount taxes per \$100,000	Increase over previous year	% increase in taxes per \$100,000 value over previous year	Extra Funds Raised	Total Taxes Raised for Municipal Purposes	Total Budget
2007	0.00143311	\$ 143.31	0	0		\$173,627	\$769,150
2008	0.00155496	\$ 155.50	\$12.19	8.50%		\$218,346	\$849,896
2009	0.00180944	\$ 180.94	\$25.45	16.37%		\$266,884	\$950,718
2010	0.00221217	\$ 221.22	\$40.27	22.26%		\$342,625	\$964,084
2011	0.00262066	\$ 262.07	\$40.85	18.47%		\$424,543	\$781,898
2012							
Option #1	0.00262066	\$262.07	\$0	0%	\$0	\$442,654	\$756,104
2012							
Option #2	0.00273904	\$273.90	\$11.83	4.52%	\$20,000	\$462,654	\$776,104
2012							
Option #3	0.00279825	\$279.83	\$17.76	6.78%	\$30,000	\$472,654	\$786,104
2012							
Option #4	0.00285745	\$285.75	\$23.68	9.03%	\$40,000	\$782,654	\$796,104

Note: In addition, the chart explains the HCM rates only; it does not include the Education and County rates. The Education rate for residential purposes has been decreased from .00231 to .00221 for 2012. This means that for the home value of \$100,000 the Education portion of your bill will decrease from \$231 to \$221 for a reduction of \$10.

From the County budget report dated January 19, 2012..."The 2012 budget for the Corporation of the County of Renfrew... includes a levy increase of \$1,090,647 or a 3.2% increase over the 2011 levy requirement. The impact on the tax rate after considering the increased levy of 3.2%, the impact of Current Value Assessment (CVA) growth of 1.8% and the valuation change of 6.1%, is that **the County tax rate will decrease by 4.4% in 2012**. Using the example of a residential property with an assessed value of \$100,000 dollars, the County portion of the property tax bill will be \$367.12 in 2012 compared to \$383.89 in 2011." **A reduction of \$16.77 all other things being equal.**

Combined, for an assessed value of \$100,000 the reduction should be \$26.77. Again, your individual tax assessment will be the deciding factor in whether or not your taxes will increase or decrease.

Financial Implications/Budget Impact: Obviously sets the budget for the 2012 operating year.

Approved and Recommended by the Clerk

Melinda Reith,
Municipal Clerk

Melinda Reith