



The Corporation of the Town of LaSalle

Date:	April 5, 2018	Report No:	FIN-17-2018
Directed To:	Members of Council	Attachments:	2018 Levy and Rate Summary
Department:	Finance		
Prepared By:	Dale Langlois, CPA, CA Manager of Finance & Deputy Treasurer	Policy References:	None
Subject:	2018 Final Tax Rates		

Recommendation:

- That Council provide direction on how to utilize the additional \$142,000 of recapture resulting from the difference between projected and actual County and Education tax rates. Options identified within this report include:
 - A. **Reduction in the Overall Tax Rate:** This will result in the overall tax rate reducing from the previously announced 0.73% increase to a 0.46% increase.
 - B. **Maintain the Overall Tax Rate** (as previously announced): Under this option approximately \$142,000 of additional funding will be created, which could be allocated to capital reserve accounts to build up funding for future capital infrastructure projects.

Please note that the Administrative recommendation is for the funding to be dedicated to capital infrastructure purposes -- Option B

- That Council adopt the 2018 Final Tax Rates and 2018 Final Tax Bylaw, based on the direction of Council.

Report:

As Council may recall at the 2018 budget deliberation session in December 2017, Council approved the following resolution:

Burns/Meloche

That the 2018 Operating Budget municipal tax rate increase BE ESTABLISHED at 1% and Administration BE DIRECTED to bring back the 2018 budget with the necessary reductions to achieve this amount; and further that Administration BE DIRECTED to meet with the Rowing Club to determine what financial contribution the Rowing Club could commit to over a period of time. *Carried*

Subsequent to the Town of LaSalle 2018 budget deliberation sessions the County of Essex has finalized their budget and the Provincial Education Tax Rates have been released, which have allowed for the calculation of any resulting recapture. The education tax rate decreased by 5.02%, which is less than the 4.00% decrease that was projected in the overall tax rate calculation of 0.73% in December. The County tax rate increased by 1.47%, which is less than the 2.0% projected increase in the overall tax rate calculation of 0.73% in December. The total net tax room created to maintain an overall tax rate increase of 0.73% is approximately \$142,000.

The following table outlines the rates for residential taxpayers and total municipal taxation levy raised.

	2017 Final Rates	2018 Budget Rates & Levy (Prior to Recapture)	Option A 2018 Final Tax Rates & Levy (After Recapture)	Option B: 2018 Final Tax Rates & Levy (After Recapture)
Residential Tax Rates				
Municipal Rate	0.009496	0.009591	0.009591	0.009634
County Rate	0.004696	0.004790	0.004765	0.004765
Education Rate	0.001790	0.001718	0.001700	0.001700
Total	0.015982	0.016099	0.016056	0.016099
Residential Taxes Per \$100,000 of Assessment				
Municipal Property Taxes	949.60	959.10	959.10	963.40
County Property Taxes	469.60	479.00	476.50	476.50
Education Property Taxes	179.00	171.80	170.00	170.00
Total	1,598.20	1,609.90	1,605.60	1,609.90
Municipal Tax Revenue				
from Taxable Assessment	29,310,268	31,692,123	31,692,123	31,834,135
from Payments in Lieu of Taxation	42,277	43,454	43,454	43,649
from Utility/Railway Assessment	3,359	3,359	3,359	3,359
Total	29,355,904	31,738,930	31,738,930	31,881,143
Recapture				142,213

At this point Administration requires direction from Council as to how to utilize/allocate the additional \$142,000 of recapture which has resulted from the difference between projected and actual County and Education tax rates. Options which have been identified by Council previously include:

- A. **Reduction in the Overall Tax Rate:** This will result in the overall tax rate reducing from the previously announced 0.73% increase to a 0.46% increase. The effect of this change on residential taxpayers is approximately \$4.30 per \$100,000 of current value assessment.
- B. **Maintain the Overall Tax Rate** (as previously announced): Under this option approximately \$142,000 of additional funding will be created, which could be allocated to capital reserve accounts to build up funding for future capital infrastructure projects.

Administrative recommendation

It is the Administrative recommendation that the funds be allocated to capital reserve accounts – Option B. Infrastructure works have been identified as a priority in the Tangible Capital Asset Plan and have limited funding sources.

If you have any questions, please do not hesitate to contact me,

Yours truly,



Dale Langlois, CPA, CA
Manager of Finance & Deputy Treasurer

Reviewed by:						
CAO	Finance	Council Services	Environmental Services	Planning & Development	Culture & Recreation	Fire Services
						