

# BLUEWATER SHORELINE RESIDENTS' ASSOCIATION

GMB 411 R.R. 2 Zurich, ON N0M 2T0

May 22, 2003

Mayor and Members of Council  
The Corporation of the Municipality of Bluewater  
14 Mill Street  
Zurich, Ontario

## Re: *Shift in Tax Burden to Hay West and Stanley West Wards*

We would request that this letter be placed on the agenda of the next meeting of Council.

The purpose of this letter is to draw to your attention the degree to which the overall Bluewater tax burden will shift in 2003 to Hay and Stanley Wards, and in 2004 to the new Hay West and Stanley West Wards. Simply put, the points listed on the attached pages illustrate that **shoreline property owners** in Hay, Stanley, and Bayfield Wards **will now pay a much larger, and disproportionate, share of the cost of Bluewater operations.**

From our observations, it is not evident that the significance of this shift in tax burden is fully appreciated. The increased revenue resulting from reassessment generates a windfall for the municipality. This allows Bluewater to increase its total expenditures **at the expense of only some of its residents**, while reducing the tax *rate* and providing tax relief to others (i.e., the hypothetical \$100M CVA property). Based on data presented in the preliminary budget and Council budget discussions to date, the actual percentage tax increases over last year for the majority of shoreline property owners will far exceed any estimates publicly identified to Council. For those residents on fixed or limited incomes, this could represent a significant financial hardship.

We recognize that property reassessment is beyond the control of local elected officials. However, what can be controlled by local councils is the level of expenditure – the proposed increase in total 2003 expenditures would appear excessive. Directing the administration to reduce the total of these expenditures, and thereby amount of taxation required to finance them, would provide some provide measure of relief to property owners with major increases in assessment.

Accordingly, we would request Council to consider the above points when it finalizes the level of 2003 municipal expenditures and establishes the 2003 mill rates. We will be in attendance to provide any clarification that members of Council may seek.

Sincerely,

Bob Campbell

President

cc: J. Zimmerman

Attachments

***Attachment 1***

**The Shift in 2003 Bluewater Tax Burden**

Data sources: 2003 Bluewater Preliminary Budget and the Ontario Municipal Assessment Corporation

1 **Of every \$ 1,000 of Bluewater tax revenue, the residential ratepayer will pay \$ 808;**

“farmlands, \$ 103; and all other tax categories combined will pay only \$ 89.

<u>Tax Class</u>		<u>“Current Taxes”</u>	<u>% of Total</u>
<b>Residential</b>	<b>RT</b>	<b>\$ 2,613,797</b>	<b>80.8</b>
Farmlands	FT	<u>332,050</u>	<u>10.3</u>
	Sub-total	\$ 2,945,847	91.1
All other tax classes		<u>288,712</u>	<u>8.9</u>
	Total	\$ 3,234,559	100.0

2 Residential assessment has **increased in Hay** (28.48 %), **Stanley** (23.62 %), and

**Bayfield** (25.8 %), but has **decreased in Zurich** (-1.16 %) and **Hensall** (-0.62 %). This reassessment will shift

the Bluewater tax burden from Zurich and Hensall Wards.

3 **Residential assessment has increased by an average of 22.38 %, or \$100.88 million** over 2002.

However, the vast **majority of this increase results from market value reassessment.**

A review of the total value of Bluewater building permits issued over the past year confirms that new construction, additions and renovations represent only a small portion of the total increase.

4 OMAC individual property assessment data confirm that the **largest increases** have applied to **shoreline property owners.** This means that the shoreline property owners in Hay, Stanley, and Bayfield Wards **will now pay a larger share of the cost of Bluewater operations.**

5 An additional burden on ratepayers in Hay Ward, and especially those in the new Hay West Ward, will be the cost of paying for the replacement for the Zurich arena.

The relative size of **2003 total assessment** in these two wards is as follows:

<u>Ward</u>	<u>Assessment</u>	<u>%</u>
Hay	376,455,580	91.7
Zurich	34,134,500	8.3
<i>Total</i>	410,590,080	100.0

Thus, the effect of the Council resolution that the differential cost of the replacement arena be financed solely by taxpayers in Zurich and Hay wards is that

**Hay Ward will be paying 11 times the amount paid by Zurich taxpayers.**

Since residential assessment in the new Hay West Ward will be larger than Hay East,

**shoreline residents in Hay West will pay by far the largest portion** of the cost of the new arena.

*Attachment 2*

**2003 Preliminary Budget – Roads Department**

A review of the preliminary 2003 Roads Department expenditures proposed by the administration indicates the following:

The budget for road services, \$1,989,400, represents the largest portion (61.5 %) of the total amount to be raised from taxation.

