

RESOLUTION – TAX REFERENDUM

Recommendation

Mayor Michael Di Biase recommends:

That the following resolution be approved.

That the City of Vaughan supports the principle of accountability to taxpayers;

And whereas the Council of the City of Vaughan is accountable to its ratepayers through the direct election process;

And whereas the City of Vaughan Council exercises fiscal responsibility in its annual budgetary process, including public notice, public input and public reporting of municipal budgets, both operating and capital;

And whereas the new *Municipal Act, 2001*, requires increased public notice and input in the preparation of municipal budgets thereby providing greater accountability to the taxpayer;

And whereas the City of Vaughan supports a budget process that is open, consultative and provides an opportunity for Public interaction;

And whereas the budget process is a comprehensive and complex exercise and has implications in the short term and for long term fiscal planning and trade-offs can not be easily articulated through a referendum;

And whereas the cost of a provincially mandated process, i.e.: the referendum, will add an additional and unnecessary cost to the local property taxpayer;

Now Therefore Be It Resolved That the Council of the City Vaughan requests that the Provincial government not consider future legislation that will impose the use of referendums relating to property tax increases;

And That a copy of this resolution be forwarded to Premier Ernie Eves, Janet Ecker, Minister of Finance, David Young, Minister of Municipal Affairs and Housing, local Regional Members of Provincial Parliament, the Association of Municipalities of Ontario (AMO) and municipalities in the Province of Ontario with a population over 50,000.

Purpose

To advise the Provincial Government that the City of Vaughan does not support the position that a referendum be required before a municipal Council introduced a property tax increase.

Background - Analysis and Options

The City of Vaughan supports the principle of accountability to the taxpayers, however increased accountability already exists as a result of the Municipal government reform in Ontario over the past few years, and in particular in the new Municipal Act, 2001. This Act now includes provisions, which increase accountability through the requirement of Public Notice and Performance Measurement among other reforms.

Municipal governments provide a broad range of services to the residents and businesses within the communities they serve. Many of these services are mandated through legislation thereby reducing the degree of control that municipal government can exercise. The annual budget process to set the tax rate is complex and is impacted by numerous factors many of which are outside the control of municipalities. The budgetary process occurs over a series of public meetings and involves balancing competing priorities and ultimately decisions with respect to resource allocations and trade offs must be made. This lengthy and complex process is best managed through public dialogue and consultation where views and ideas can be exchanged, rather than through a referendum.

The implications of property tax increases can not be conveyed through a referendum process. Long term fiscal planning is an important element in municipal government. The ability to plan for the future is limited if property tax increases are subject to annual referendums.

Conclusion

The City of Vaughan opposes the use of referendums as a basis for determining an increase in property tax rates.

Attachments

None

Respectfully submitted,

Michael Di Biase
Mayor