

## **BUDGET COMMITTEE MEETING - JANUARY 11, 2005**

### **SINGLE VS MULTIPLE TAX RATES – OPERATING BUDGET**

The Commissioner of Finance in consultation with the City Manager recommends:

That the following report be received for information purposes.

#### **Purpose**

The purpose of this report is to advise the Budget Committee that staff will be reporting to the Special Committee of the Whole on January 18, 2005 with respect to the merits of establishing A separate tax rate(s) for some specific services funded by the City.

#### **Background – Analysis and Options**

The City's annual operating budget is significant in size, approximately \$150M and complex in terms of the number and the nature of the services funded from taxation. The City continually looks for methods to present the budget to the public in ways that allows the public to better understand the budgetary challenges and issues that the City faces each year and more importantly where their tax dollars are being spent. The challenges and issues vary from service to service and there is also a significant difference, by service in the amount of taxation funding required to deliver the services.

To-date the City has set one tax rate to fund the net operations of all services funded by the City. Staff have been reviewing the merits of establishing more than one tax rate. The objective would be to better educate the public regarding the use of their local property tax dollars. Staff are researching other aspects such as authority under the Municipal Act, the computer systems ability to accommodate additional tax rates, the ability to implement in time for the 2005 final tax billing and impacts there may be on the Property Tax department.

#### **Relationship to Vaughan Vision**

One of the key objectives under "Run Our City" is to communicate effectively. The purpose of this initiative is to enhance the City's communication with the public.

#### **Conclusion**

Staff will be reporting to the special Committee of the Whole on January 18, 2005 outlining the merits of separate tax rates with an example of how it could be implemented.

#### **Report prepared by:**

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Commissioner of Finance & Corporate Services

Respectfully submitted,

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Clayton D. Harris,  
Commissioner of Finance & Corporate Services