

BUDGET COMMITTEE - DECEMBER 7th 2009

ASSESSMENT GROWTH BUDGET UPDATE

Recommendation

The Director of Budgeting and Financial Planning, in consultation with the Director of Financial Services recommends:

1. That the following report on the Assessment Growth Budget Update be received for information purposes, and;
2. That the Draft 2010 Operating Budget be adjusted to reflect the revised figures.

Contribution to Sustainability

Sustainability by definition focuses on the ability to maintain a function over a period of time. Responsible budgeting allocates resources in a responsible way to sustain the City's operations and aspirations, balancing both current and future requirements. The 2010 budget approach seeks to minimize the current year requirements, while continuing to meet the requirements of the future.

Economic Impact

The favourable net economic impact associated with the final assessment growth figure provided by Municipal Property Assessment Corporation (MPAC) is an additional \$884,432. This effectively changes the Draft 2010 Operating Budget taxation funding requirement to \$3.3m, an approximate property tax increase of \$29.23 a year (\$2.44 per month) on the average home re-assessed at \$459,367 or a 2.60% tax increase, down from \$38.29 or 3.41%.

Communication Plan

Not applicable

Purpose

To report the impact of the final growth assessment figures provided by Municipal Property Assessment Corporation (MPAC) on the Draft 2010 Operating Budget.

Background – Analysis and Options

The Municipal Property Assessment Corporation (MPAC) is responsible for all property assessment related valuation in the Province of Ontario. Assessment growth represents the year over year increase as a result of new residential and business construction activity in the City. In terms of the operating budget, growth is a key component, which provides additional tax revenue as a result of a larger assessment base. MPAC is mandated to provide a final assessment report including growth in December of each year.

A Draft Operating Budget was presented to Budget Committee on November 3rd. As a result, staff estimated the assessment growth figure based on the best information at hand. The estimated growth figure included in the Draft 2010 operating budget was 3.0% or \$3,635,149.

Subsequently, City staff received the final assessment growth figure from Municipal Property Assessment Corporation (MPAC) reflecting a 3.73% or \$4,519,581 as a result of a larger assessment base. This is an increase of \$884,432 above staffs initial estimate. This effectively changes the Draft 2010 Operating Budget taxation funding requirement to \$3.3m, an approximate property tax increase of \$29.23 a year (\$2.44 per month) on the average home re-assessed at \$459,367 or a 2.60% tax increase. This has a positive impact on the budget and could reduce the draft tax increase from 3.41% to 2.60%.

Relationship to Vaughan Vision 2020 / Strategic Plan

The 2010 Operating Budget is the process to allocate and approve the resources necessary to continue operations and implement Council's approved plans.

Regional Implications

None

Conclusion

As a result of the revised assessment growth figures provided by Municipal Property Assessment Corporation (MPAC), the Draft 2010 Operating Budget taxation funding requirement could be reduced to \$3.3m, an approximate property tax increase of \$29.23 a year (\$2.44 per month) on the average home re-assessed at \$459,367 or a 2.60% tax increase. Down from 3.41%.

Attachments

None

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Respectfully submitted,

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