



# Howe Island Ratepayers Association

September 9, 2015

# Context

- Five layers of elected government in Ontario:
  - federal, provincial, upper tier municipal, lower tier municipal & school boards
- A sixth “unelected government” – boards and commissions:
  - e.g., conservation authorities, health units, library boards – most are levied through your municipal tax bill.



# Context



## Average Canadian family spending more on taxes than basic necessities, Fraser Institute says

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Victor Ferreira | August 27, 2015 6:57 AM ET

More from Victor Ferreira | @VicF77

The think-tank's Canadian Consumer Tax Index study released Thursday says a Canadian family earning \$79,010 in 2014 would have spent **42.1** per cent of income on tax bills compared to 21 per cent of income on shelter, **11** per cent on food, and **five** per cent on clothing.



# Tax Shift

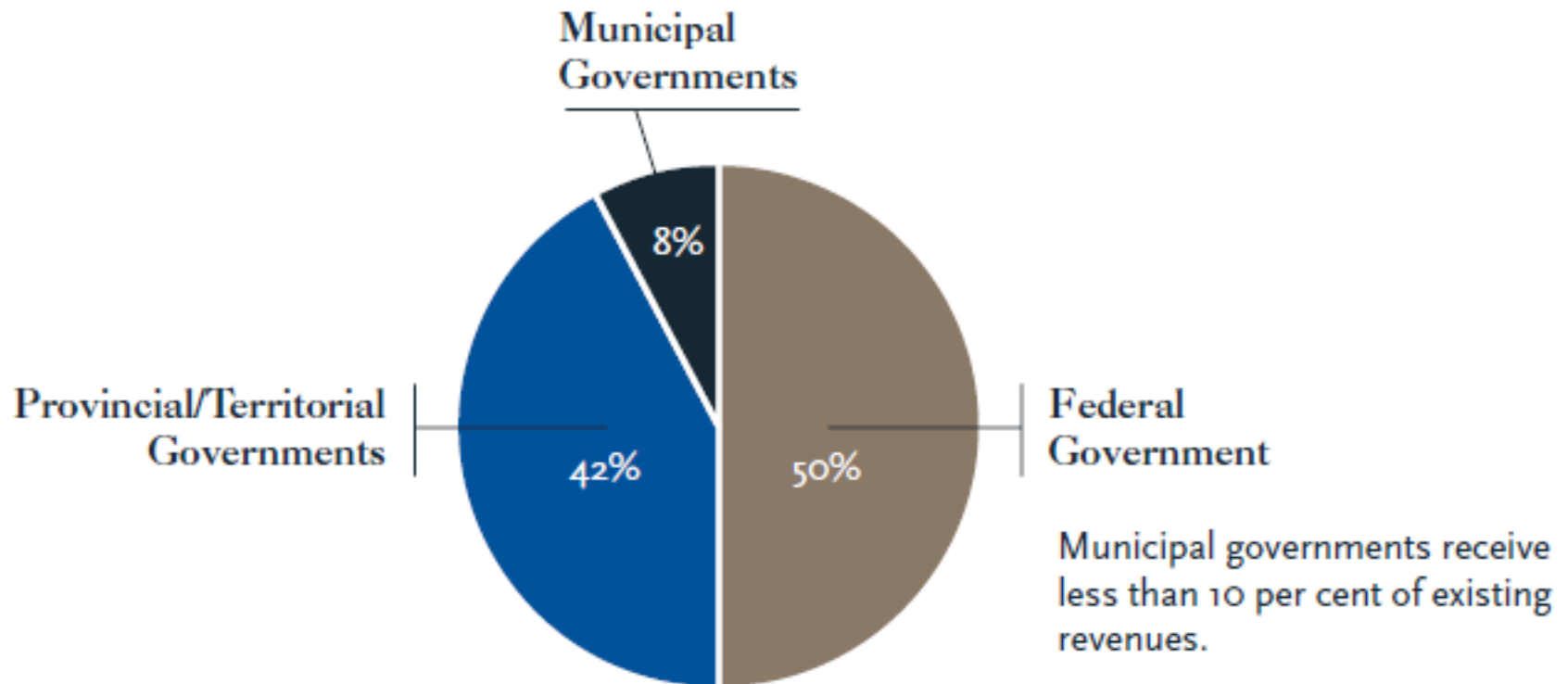


- **Q. What's the Conservative record here?**
- **A.** On taxes, they've been aggressive. They chopped the goods and services tax from seven per cent to five; cut corporate tax rates from 22.1 per cent to 15; and trimmed personal income tax rates. The result is that the federal government's total revenue – estimated at \$290 billion this year – now represents little more than 14 per cent of Canada's total economy. That's the lowest such ratio since the late 1950s.



# Context

- Of your taxes paid, what % goes to municipalities?



# Why?



# What has changed?

- Municipalities are responsible for 57% of all Canadian infrastructure, but only collect 8% of all tax dollars
- Unconditional grants are now “funding” announcements
- Downloading – roads, welfare, policing, ferries, hospital infrastructure, etc ...
- “Downloading by Stealth” – regulations, regulations, regulations

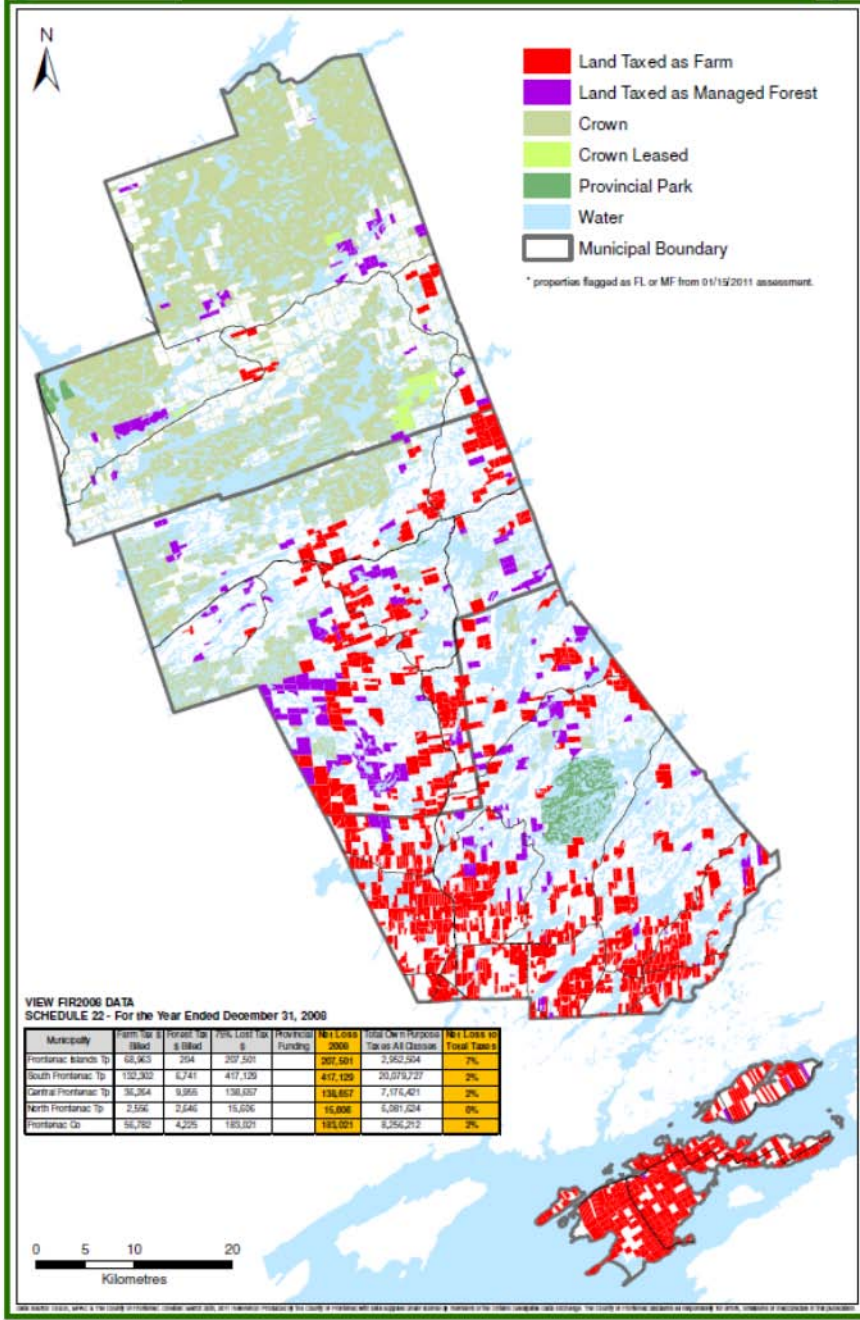


# What has changed?

- Provincial government has largely removed its self from the business of “doing things”
- We have shifted “progressive” forms of taxation to “regressive” forms of taxation.
- Tax policy changes: farmland, crown land
- Tax ratio policy: 1:1:1
- Market Value Assessment







# Municipal Revenue Sources

1. Operating Dollars – this year's taxes
2. Reserves – previous years taxes
3. User Fees – targeted taxes
4. Grants – other people's taxes
5. Borrowing – future taxes

# County of Frontenac

- Paramedics
- Long term care
- Planning/economic development/trails
- HI Ferry
- Of these, only economic development/trails and ferry are “discretionary” services
- Paramedics, LTC and Planning are mandatory and highly regulated!



# County Strategic Priorities

- Goal #1: Meeting the Aging Tsunami Challenge for Frontenac Seniors
- Goal #2: Meet the emerging “post landfill” Solid Waste Management challenge for Frontenac residents
- Goal #3: Respect for the taxpayer and focused economic development



# What have we done?

- Service Delivery and Organizational Review
- Long Range Budget Planning
- Competitive Tax Position Analysis
- Rationalized Reserves
- Infrastructure Planning (.65%)
- Business Planning
- Foundation Documents in Place
- Moving Forward With Economic Development
- New Business Attitude
- Advocacy Initiatives



# County Revenue

- A total of \$35.4M in 2014
- For every \$1.00 of taxes collected from County taxpayers an additional \$2.96 is paid by Feds and Province (\$1.65), City of Kingston (\$0.91) and from fees and charges (\$0.39)

\$0

\$2

\$4

\$6

\$8

\$10

\$12

\$14

\$16

MILLIONS

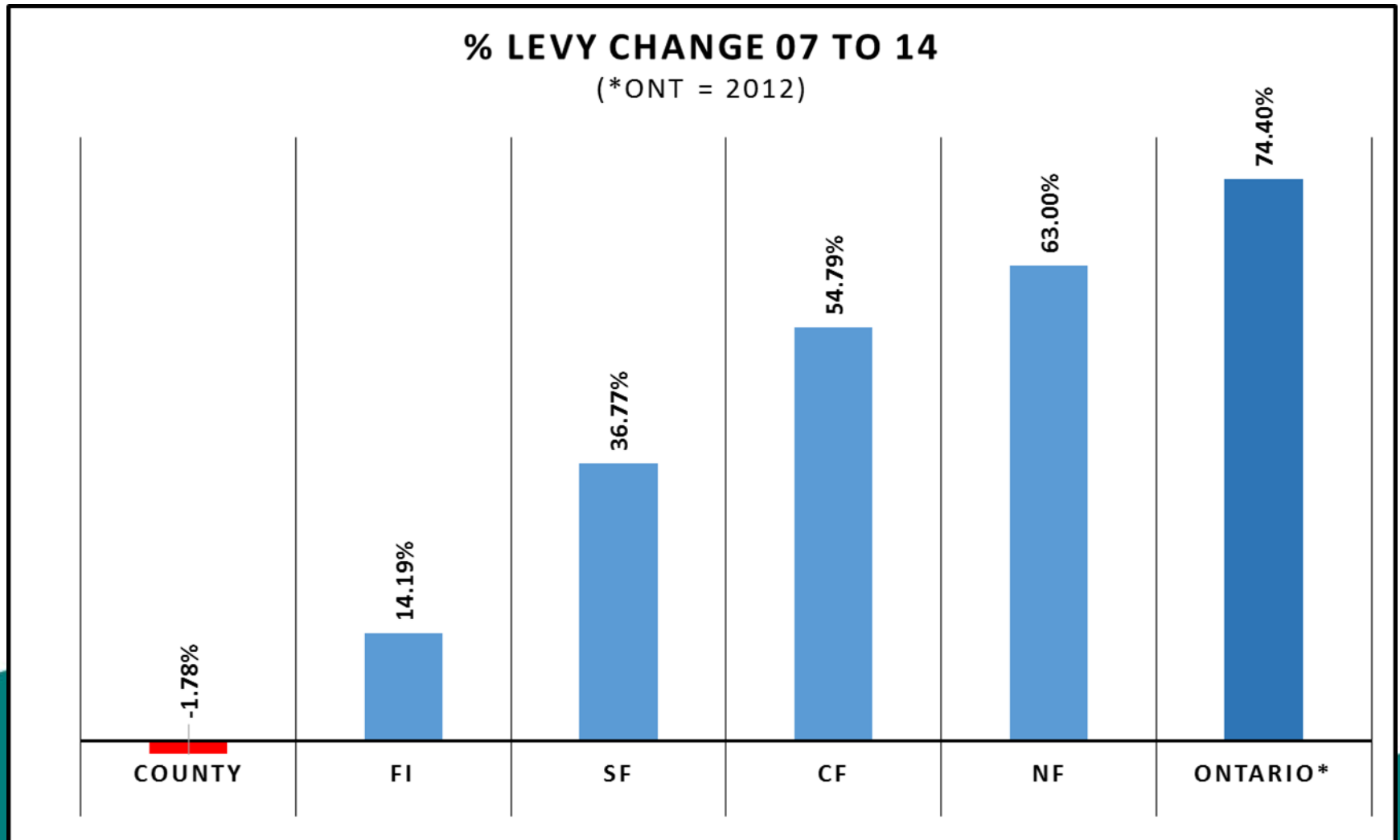
# County Expenditures



- A total of \$35.2M in 2014
- Long Term Care (30.64%) and Land Ambulance (43.95%) constitute 74.65% of the total budget expenditures
- For every \$1.00 expended on land ambulance, the City and Province pay \$0.91, county taxpayers pay \$0.09
- For every \$1.00 expended on long term care, the City and Province pay \$0.87 and county taxpayers pay \$0.13

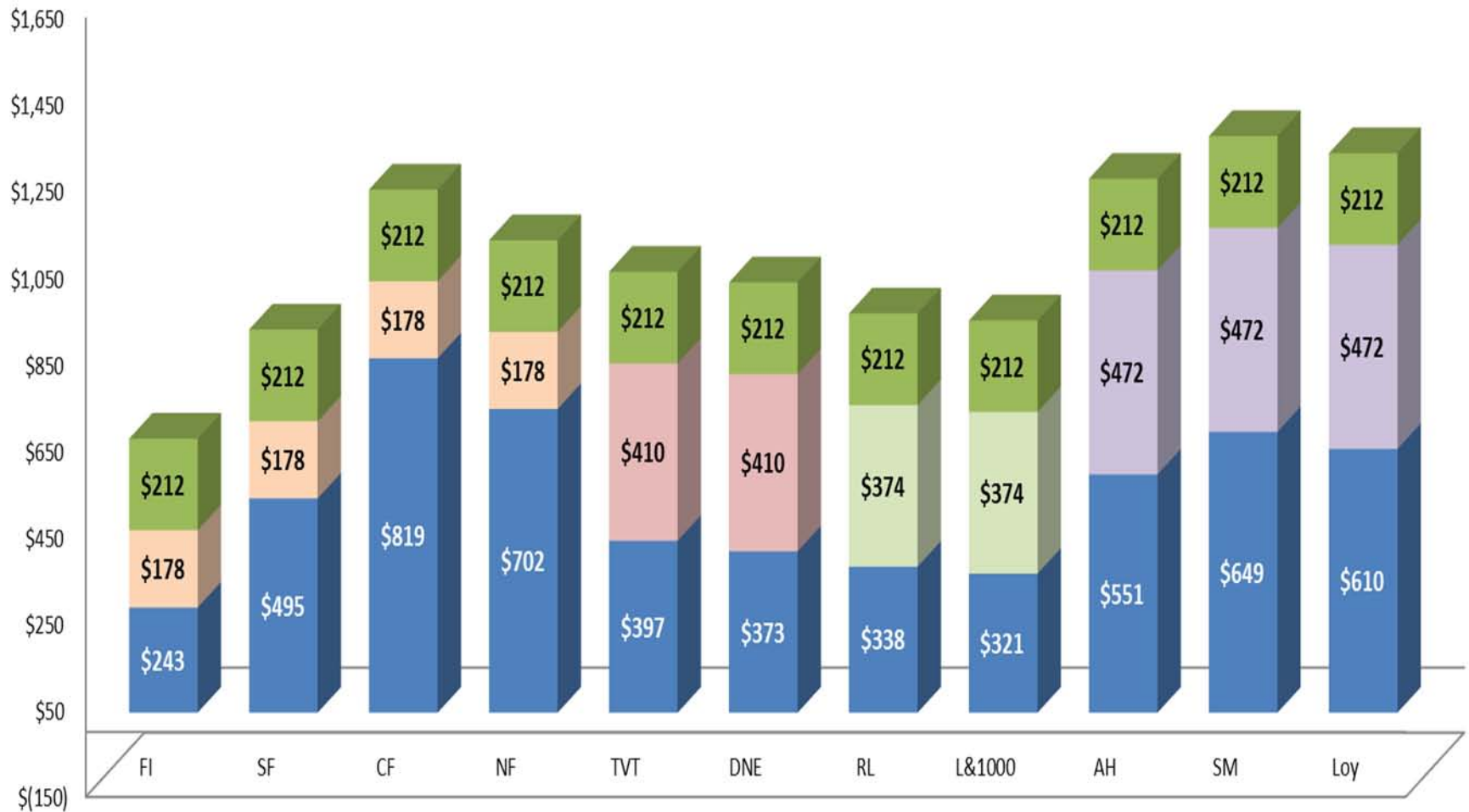
\$0 \$2 \$4 \$6 \$8 \$10 \$12 \$14 \$16  
MILLIONS

# Taxes 2007-14



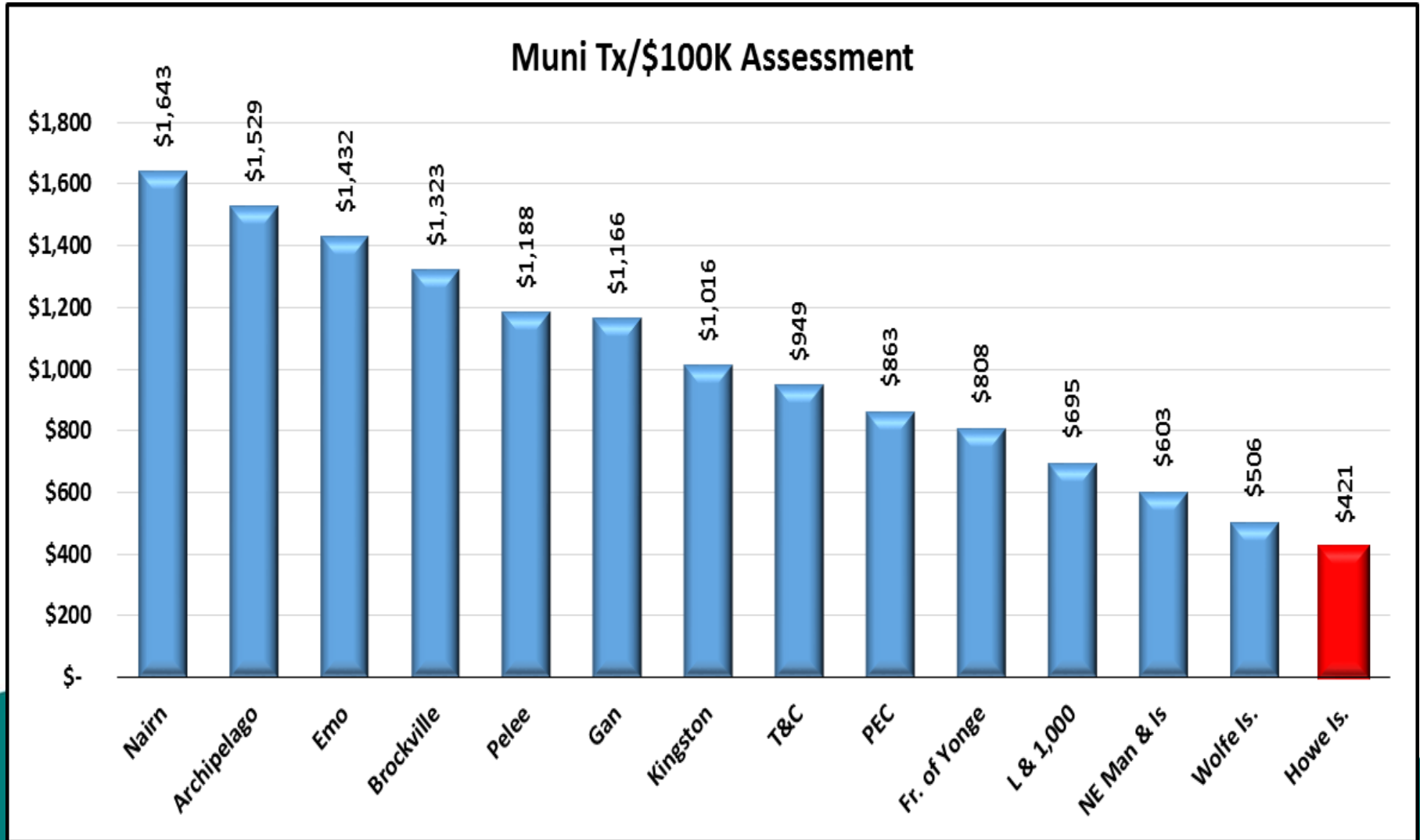


# Taxes Regionally



# Sample Taxes ('13)

(Not Incl S-B)



# Ferry: Who Does What?

- **MTO (Province):**
  - Capital, Regulatory Compliance, Operating Costs (i.e., fuel, oil, cable), Environmental Compliance, 80% for Operations
- **County:**
  - Regulatory Compliance, Day-to-Day Operations, Staffing, Health & Safety, Fare Collection for Operation (20%)
- **Township:**
  - Fare Methodology, Funding Shortfalls

# Good News

- County has low debt and capacity to borrow
- Reserve position is strong
- Infrastructure is in a solid position (.65% increment for another 9 years)



# What Can You Do?

- Become involved: come to a budget meeting, ask questions
- Meet with your MPP or MP

# Shell Game



# Final Question

- Have we constructed a society that:
  1. We are unable to pay for?

or

  2. We are unwilling to pay for?

Questions?

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