

Town projects 1.32% increase in property tax for 2021

The Town is projecting an \$88 million budget in 2021, which is \$1.6 million more than what's being spent this year and accounts for an estimated increase of 1.32 per cent for residential property taxes.

For an average home in New Tecumseth, assessed at \$452,000, the increase in annual property taxes for 2021 is \$56.

This year's property taxes total \$76 million and 16 per cent goes to education, 29 per cent goes to the County of Simcoe and 55 per cent is used by the Town.

For the Town's total 2021 net levy, which accounts for \$38.4 million, 33 per cent of it is allocated for roads and public works, 18 per cent goes to parks and recreation, and 15 per cent goes to police services.

"We pay almost \$20 million towards the County of Simcoe in taxes and that \$20 million is almost equivalent to our roads and parks departments [combined], so interesting concept, the County of Simcoe has a significant impact on the taxes that our residents pay and so we need to pay attention to what they're doing to a great extent as well," said Lori Bedford, General Manager of Corporate Services for the Town of New Tecumseth.

"I think sometimes we forget the taxes paid by our residents are influenced so greatly by them."

One of the challenges New Tecumseth is facing going forward is a lag in the construction of housing developments, which has been keeping taxes low over the last few years.

In 2018, the Town collected \$1.95 million through its growth, which offset a \$2.72 million change in the Town's levy to make it a \$770,000 or a 2.6 per cent increase instead of a 9.2 per cent. Similarly, in 2019, the Town collected \$1.8 million in growth to offset a \$2.7 million increase in the Town's levy, making it \$910,000 or 2.6 per cent instead of 8.4 per cent.

In 2021, the Town is projecting a \$1.6 million increase in its levy but only \$700,000 in growth, and the assessment growth has been on a steady decline since 2018.

Bedford noted that the Town is currently achieving less than half of its target of 570 homes per year to have 56,000 residents in the community by 2031.

New Tecumseth also projected \$22.5 million per year in development charge collection revenue from 2015 to 2020 but has only collected \$49.5 million of the \$112.5 million that was projected, accounting for a \$63 million shortfall over the last five years.

Water/wastewater rates are being projected at a 4 per cent increase, which accounts for \$36 per year for 200 cubic metres of usage. Bedford said these rates are cheap compared to other municipalities in the area with New Tecumseth's average annual bill for water at \$888 with this year's increase included.

King Township pays \$1,433, Collingwood pays \$1,426, Innisfil pays \$1,351 and Orangeville pays \$1,035 a year, which are well above New Tecumseth.

The rate increases help support the Town's asset replacement reserves which are an essential tool as it works to replace \$60 million worth of water and wastewater related assets that are currently at the end of their expected lifespan.

New Tecumseth has \$176 million worth of water-related assets in total, according to a study done in 2013, as well as \$407 million in wastewater assets, which will all need to be replaced over the next 40 years, demonstrating the importance of building up reserve funding.

The themes for this year's budget include accountability and performance with respect to capital projects as well as moderation and sensitivity in light of COVID-19 and the obstacles it has created.

"The situation over the past number of months has presented our organization and the community with challenges unlike any that it has ever faced, but I think it's fair to say as an organization we've fared fairly well through it," said Town CAO Blaine Parkin.

"There's been a number of challenges to our community and our residents and certainly our local businesses but again, they're continuing to work through it and I think as an organization and as a community we can be proud of how we've responded and how we continue to work through and address the challenges that these unprecedented times present us."

By Sam Odrowski Local Journalism Initiative Reporter