

Township of North Dundas 2006 Budget & Tax Analysis

It is useful to realize that there has actually been a downward trend in the municipal portion of your residential tax rate over the last three years. For example, in 2003 the municipal tax rate for a residential taxpayer was .583159 and in 2004 this rate was reduced to 0.568192, representing a **decrease in the municipal tax rate of 2.57%**. The rate continued to decrease and in 2006 the municipal tax rate is set at 0.535841, representing a decrease of 8.11% from the rate used in the 2003 year and a decrease from last year's rate (2005), of **5.69%**.

The following chart depicts typical tax bills for various classes of ratepayers on an assumed assessment of \$150,000. Comparing this year's rate to last year's and ignoring any changes in assessment values, would result in the following estimated tax bills for the 2006 taxation year:

| | | | \$ Incr | %'age | Components of Your Tax Bill | | | |
|-------------------|--------------|--------------|-------------|-------------|-----------------------------|-------------|-------------|--------------|
| | 2006 | 2005 | (Decr) | Incr (Decr) | Municipal | County | Education | Total |
| Residential | \$ 2,234.01 | \$ 2,401.83 | \$ (167.82) | -6.99% | \$ 803.76 | \$ 1,034.25 | \$ 396.00 | \$ 2,234.01 |
| Farmland | \$ 558.69 | \$ 600.46 | \$ (41.77) | -6.96% | \$ 200.94 | \$ 258.75 | \$ 99.00 | \$ 558.69 |
| Commercial | \$ 5,873.16 | \$ 6,257.95 | \$ (384.79) | -6.15% | \$ 1,236.02 | \$ 1,590.60 | \$ 3,046.53 | \$ 5,873.16 |
| Industrial | \$ 6,772.60 | \$ 6,927.13 | \$ (154.53) | -2.23% | \$ 1,508.58 | \$ 1,941.30 | \$ 3,322.72 | \$ 6,772.60 |
| Large Industrial | \$ 13,599.15 | \$ 13,909.24 | \$ (310.09) | -2.23% | \$ 3,029.14 | \$ 3,898.20 | \$ 6,671.81 | \$ 13,599.15 |
| Multi-residential | \$ 5,149.56 | \$ 5,800.81 | \$ (651.25) | -11.23% | \$ 2,078.61 | \$ 2,674.95 | \$ 396.00 | \$ 5,149.56 |
| Pipeline | \$ 4,568.92 | \$ 4,548.63 | \$ 20.29 | 0.45% | \$ 1,072.22 | \$ 1,379.85 | \$ 2,116.85 | \$ 4,568.92 |

Your individual tax bill will vary depending on your actual assessment and may very well go up. Council has attempted to mitigate some of the increases in assessed values by reducing the municipal portion of your tax rate. In spite of this, our municipal budget needs have increased over the previous year and correspondingly, our taxation levy has increased as well. For the 2005 taxation year, the amount of dollars to be raised from taxation was \$4,123,788 and for the 2006 year, we are looking at a taxation levy in the amount of \$4,245,207 which represents an increase in our tax levy of \$121,419 or 2.9%.

These increases have been necessary in an attempt to keep pace with inflation and the rising costs of providing services. For example our insurance premiums have increased 20.4% in 2006 over the amount paid in 2005 and have increased 144.1% in the years since 2001. These dramatic increases are due at least in part to the events surrounding September 11th, but nonetheless they must be dealt with.

Gravel and calcium costs have also increased dramatically and they make up a large portion of our roads budget, which in turn makes up a significant portion of our overall annual budget.

In previous years a lot of these costs were subsidized by the municipality by drawing down reserves rather than passing the increased costs along to the ratepayers. This practice could not continue indefinitely as much needed reserves were being depleted at a rate greater than they were being replenished.

**Township of North Dundas
2006 Budget & Tax Analysis**

The table below shows the residential tax rates since amalgamation - from all three levying bodies.

**Comparison of Tax Rates Since Amalgamation
Impact on Residential Taxpayers**

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | Cumulative Incr (Decr) To Date |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------------|
| Township | 0.431403 | 0.418361 | 0.418335 | 0.427304 | 0.504964 | 0.583159 | 0.568192 | 0.568192 | 0.535841 | 24.21% |
| County | 0.623400 | 0.604500 | 0.604800 | 0.706500 | 0.741850 | 0.800180 | 0.737030 | 0.737030 | 0.689500 | 10.60% |
| Education | 0.460000 | 0.414000 | 0.414000 | 0.373000 | 0.373000 | 0.335000 | 0.296000 | 0.296000 | 0.264000 | -42.61% |
| Total | 1.514803 | 1.436861 | 1.437135 | 1.506804 | 1.619814 | 1.718339 | 1.601222 | 1.601222 | 1.489341 | -1.68% |
| %age increase (decrease) over previous year | | -5.15% | 0.02% | 4.85% | 7.50% | 6.08% | -6.82% | 0.00% | -6.99% | |

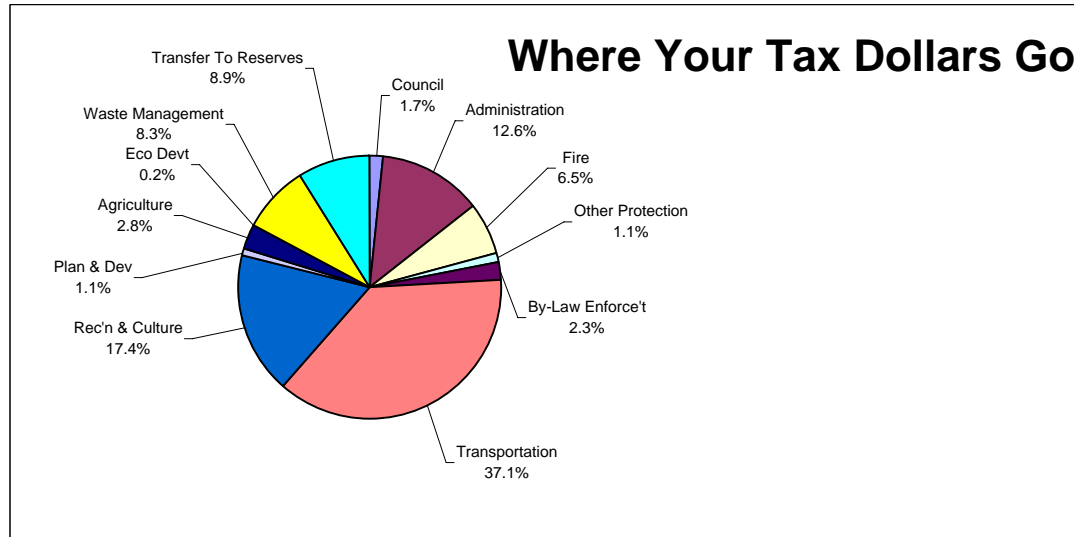
Therefore, as can be seen, there has been an overall decrease in the combined tax rates for a residential taxpayer of 1.68% since amalgamation in 1998. The municipal portion of your tax bill approximates **36% of the total rate** being levied; for example for every \$1 received from a ratepayer, the municipality retains \$0.36 cents, the United Counties of SD&G receives \$0.46 cents and the School Boards receive \$0.18 cents. We levy and collect on behalf of the Counties a sum of \$5,462,974. In addition, the Province has dictated that we must levy and collect on behalf of the School Boards a further sum of \$3,548,336. We collect these funds and remit them to the respective bodies requesting them without any financial benefits accruing to the Township from our collection efforts.

TOWNSHIP OF NORTH DUNDAS

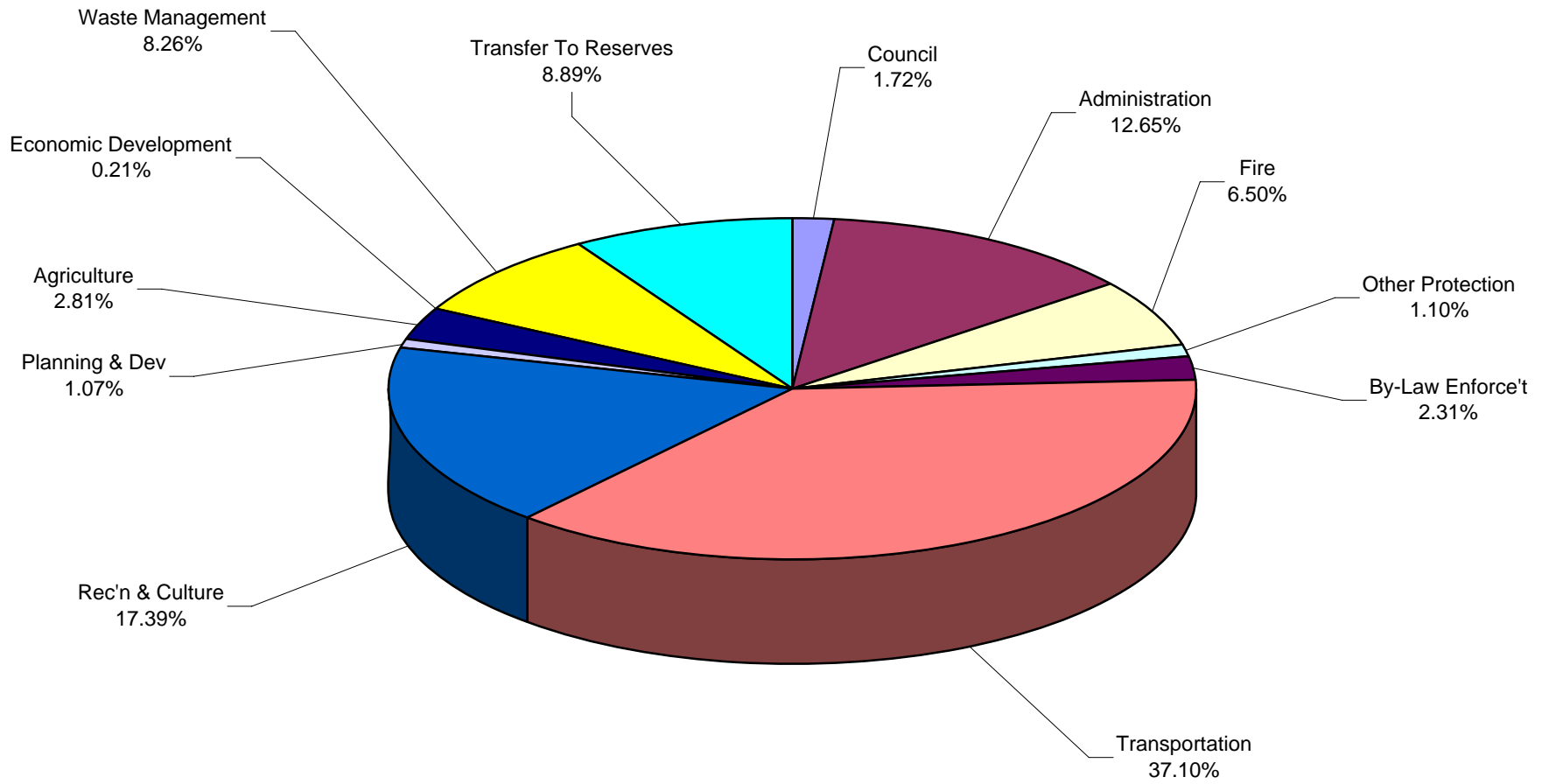
2006 BUDGET

Analysis of Amounts to be raised through taxation by Department

| Department | Gross Revenues (excl OMPF Funding) | Gross Expenditures | Department % Share Of Gross Expenditures | Net Department Dollars (excl OMPF Funding) | Departmental \$ Share Of OMPF | Net Dept \$'s To Be Raised From Taxation | Net Department % Share of Expenditures |
|----------------------|---------------------------------------|--------------------|--|--|-------------------------------|--|--|
| Council | - | 161,700 | 1.72% | 161,700 | 31,474 | 130,226 | 3.07% |
| Administration | 466,936 | 1,188,299 | 12.65% | 721,363 | 140,408 | 580,955 | 13.68% |
| Fire | 12,800 | 610,894 | 6.50% | 598,094 | 116,414 | 481,680 | 11.35% |
| Other Protection | 39,600 | 103,403 | 1.10% | 63,803 | 12,419 | 51,384 | 1.21% |
| By-Law Enforce't | 226,850 | 217,110 | 2.31% | (9,740) | (1,896) | (7,844) | -0.18% |
| Transportation | 960,163 | 3,485,925 | 37.10% | 2,525,762 | 491,620 | 2,034,142 | 47.92% |
| Rec'n & Culture | 763,941 | 1,633,747 | 17.39% | 869,806 | 169,301 | 700,505 | 16.50% |
| Planning & Dev | 26,000 | 100,380 | 1.07% | 74,380 | 14,477 | 59,903 | 1.41% |
| Agriculture | 239,230 | 263,785 | 2.81% | 24,555 | 4,779 | 19,776 | 0.47% |
| Economic Development | 1,000 | 20,000 | 0.21% | 19,000 | 3,698 | 15,302 | 0.36% |
| Waste Management | 350,043 | 776,027 | 8.26% | 425,984 | 82,915 | 343,069 | 8.08% |
| Transfer To Reserves | 1,038,800 | 835,300 | 8.89% | (203,500) | (39,610) | (163,890) | -3.86% |
| \$ 4,125,363 | \$ 9,396,570 | 100.00% | \$ 5,271,207 | \$ 1,026,000 | \$ 4,245,207 | 100.00% | |



**Township of North Dundas
Where Your Tax Dollars Go**

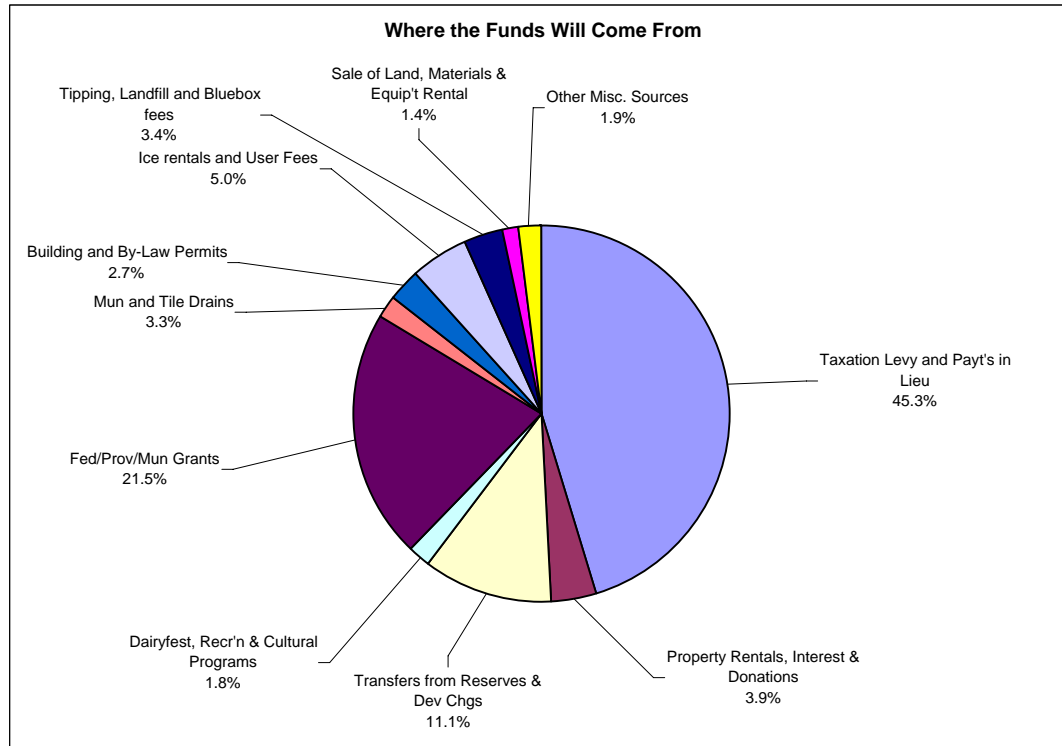


**TOWNSHIP OF NORTH DUNDAS
2006 BUDGET
Where the Funds Will Come From**

| | Amount | Percentage |
|--|---------------------|-------------------|
| Taxation Levy and Payt's in Lieu | 4,258,757 | 45.32% |
| Property Rentals, Interest & Donations | 364,400 | 3.88% |
| Transfers from Reserves & Dev Chgs | 1,038,800 | 11.06% |
| Dairyfest, Recr'n & Cultural Programs | 172,050 | 1.83% |
| Fed/Prov/Mun Grants | 2,021,870 | 21.52% |
| Mun and Tile Drains | 187,930 | 2.00% |
| Building and By-Law Permits | 252,000 | 2.68% |
| Ice rentals and User Fees | 469,220 | 4.99% |
| Tipping, Landfill and Bluebox fees | 324,043 | 3.45% |
| Sale of Land, Materials & Equip't Rental | 128,400 | 1.37% |
| Other Misc. Sources | 179,100 | 1.91% |
| Agrees to Budgeted Gross Expenditures | \$ 9,396,570 | 100.00% |

Total Budgeted Revenues

| | |
|----------------------------------|-----------------------------|
| Excluding water and sewer depts. | 9,396,570 |
| Water & Sewer Depts | 1,618,353 |
| SD&G County Levy | 5,462,974 |
| School Board Levy | 3,548,336 |
| Total overall budget | <u>\$ 20,026,233</u> |



Where the Funds Will Come From

