

Councillor Bill Evans's statement to town council on why he's against cutting the residential property tax rate, October 25, 2021

Determining the budget is probably the most important decision that Council has to make each year. The town provides infrastructure and services to its residents and we pay for it, almost exclusively, with revenue from property taxes. But this taxation isn't like some mobster shaking us down and taking for himself that which is rightfully ours. This is about us supporting what is ours. It's each of us paying our share of what it costs to provide services and infrastructure for all of us. It's not the same as our personal expenditures where, if we don't want something or if it's too expensive, we don't buy it for ourselves. This is a collective expenditure. It's something we do together, as a community. We, through our elected representatives, decide what things are important enough for us, to be willing to pay for.

As has been pointed out many times, there is a difference between needs and wants... and people need to pay their property tax but they don't want to. I get it. But very few people who own their own homes have had to cut back on their expenditures on needs because of a property tax hike. I'm not saying there might not be some and I'm not saying that it doesn't hurt for some to have to trade-off things that they want, in order to pay taxes. As I have already acknowledged, nobody likes to pay taxes. And, it's always tempting for politicians to say that they are against what people already don't like. But, our job as councillors isn't as simple as just doing what's easy and popular. Our job is to do what is in the best interests of the entire municipality.

It has been said that taxation is the price we pay to live in a free society. Some of the things we get for "free" by paying our taxes are: clean drinking water and sewage disposal, fire protection, garbage collection, streets and sidewalks, police protection, recreation programs, facilities and special events, parks, snow removal, town beautification and a public library. I like to think that we have something for everyone in this town and I feel that we get good value for our tax dollars.

Certainly, we would all like stuff to be cheaper and I understand why people would like taxes to be lower. But it's important to know that tax bills have only gone up because the assessed value of our property has gone up. We're paying more tax because the market has said that our homes are worth more. So, this is not all bad. Yes, the assessment went up a lot this time, but increases have been much lower recently. In fact the average over the last five years (including this high one) is still lower than over the previous five years. And it is a good thing it did go up because the Town (we) are facing some large increases in our costs next year. But, even with the increased revenue, there will still be some worthwhile projects that we will not be able to fund in the coming year.

So, with this background info, I now want to make three main points about why, though a tax rate cut may seem attractive, I think that it is actually a bad idea.

1) tax cuts mean service cuts

We must balance our budget. It's the law. Any tax cut requires an expenditure cut. Now, any one of us could say, that's fine... just cut the stuff that I don't care about. But it doesn't work that way. All the infrastructure and services we provide are worthwhile to some people. One

person might say: I don't care about kids programs or parks, just pave the streets. But then another person might say: I don't have a car, so streets don't matter to me but the parks and programs are important to my kids. Sure, it's easy to support cuts when one doesn't have to experience the loss. But as councillors, we can't do that, because our responsibility is to the whole municipality. So, any tax cut, means a service cut.

2) tax cuts are very inefficient: huge costs, small benefits

Crowd-sourcing works because a little bit, from many people, adds up to a lot. But, of course, the reverse is also true; spread a lot of money among a lot of people and each one ends up getting only a little bit. Even a 2% tax cut would amount to more than 3 cents off each \$100 of assessed value. This would cost the Town almost a quarter of a million dollars a year and the benefit to the owner of a \$100,000 home would be only \$30 a year. Does anyone here think that, spending nearly a quarter of a million dollars to give each household the equivalent of one cup of coffee each month, is a good idea? I would argue that this small benefit is insignificant to anyone who owns a \$100,000 home and a loss of more than \$200,000 from our revenue would have huge consequences, especially to those who depend on municipal services the most.

3) a tax cut doesn't do what most proponents say they want it to do

The proponents of a tax cut express concerns for those who are hurting financially and I am sympathetic. But, this is a poor way to address that problem. We are all somewhere on the economic spectrum. And one could easily argue that people who own their own homes tend to be better off than many of our residents who must rent. Why would we want to subsidize property owners and not others who pay property tax indirectly and are more in need of financial assistance? The proposed tax cut will not directly benefit those who struggle the most.

So, a tax cut will help struggling home owners... but only a very little bit. But it will also help every other property owner whether they need help or not, because the help will be spread among all of us, including the wealthiest. All the landlords & business owners will get an even bigger break because they're taxed at 1.5 times the residential rate and the Provincial Government will get a windfall because they pay the tax on almost \$200 million worth of property in Town. Everyone who pays property tax will get a little break. But, the vast majority of the those who will benefit will not be those who are struggling financially.

In closing, we need to understand the facts before we act. The facts about the circumstances we find ourselves in, the options we have at our disposal and the effects that acting on various options will have. Our job is to look after the interests of the whole community. I believe that a proposal to lower the tax rate might be popular but, for the reasons I've given, would not be in our best interests.