

Hastings Highlands reluctantly passes 6.9 per cent tax increase

By Bill Kilpatrick

At the March 20 Hastings Highlands council meeting a motion was passed to have the municipal staff find 1.2 per cent, or \$99,780, in savings in order to reduce the proposed operational budget tax levy from 8.95 per cent down to 7.74 per cent. At the April 17 meeting, council was presented with two budget options by treasurer Tanya Dickinson that they could choose from. According to Dickinson both options would result in a transfer of \$1.4 million to reserves, a 2.9 per cent tax levy to fund capital projects such as the resurfacing of South Baptiste Lake Road and neither proposal would affect current service levels. Option one proposed a 7.74 per cent tax increase which included the 1.2 per cent reduction. In order to bring the budget down the required 1.2 per cent, staff reduced or removed 17 budget items which included, but were not limited to, \$25,000 from the fire protection budget, \$10,000 from transportation services, \$10,000 from recreation and cultural services, among others. According to Dickinson, either option would have minimal to no impact on current levels of service, legislation, risk and liability, for the municipality. Option two proposed a 6.95 per cent tax increase. This option included the 1.2 per cent reduction as well as an unexpected Stewardship Ontario blue box recycling payment in the amount of approximately \$65,000. The operating budget report stated that council could apply this amount to the budget further reducing the tax increase. Dickinson implored council to approve one of the options immediately so that they could finalize their budget and tax rate bylaws, ensure service continuity, adhere to legislated timelines, and ensure that operations continued to run smoothly. Mayor Tony Fitzgerald, after reiterating some points made by the treasurer, said that he would prefer to see the \$65,000 put towards the reserve funds for recycling costs as opposed to being used to reduce the taxes. He then took a moment to address some of the public's comments that were made regarding the budget. He pointed out that all of them were against the tax increase, but some contained some information he wanted to clear up. He said that in 2023 Hastings Highlands tax rate was the fifth lowest of the 14 municipalities in Hastings County, meaning that nine municipalities had higher tax rates, and he further pointed out that even with the increase we are proposing today if no other municipality in Hastings County increased their taxes we would still be the seventh lowest out of 14. His conclusion was that Hastings Highlands was more than competitive with our neighbours [in terms of tax rates]. Fitzgerald then restated some information that was presented to council at the first draft budget meeting regarding a comparison between the rate of inflation and Hastings Highlands tax rate, pointing out that their tax rate was not keeping up. That's why we're in the shape we're in today, he said, That's what happens when you put things off and you kick the can down the road. I'm not blaming anybody. I was part of the problem. I was on council and I argued hard and fought hard to keep those property taxes low. We thought we were doing the right thing, but I realize now that was a mistake, and we put it off to a future day; and that day is today. And now we have to make up for that. We could bring in a zero per cent tax rate increase, if we didn't do anything, but is that what our ratepayers expect? Is that what they elected us for? No. They elected us to lead them into the future and to make the tough decisions necessary to get us there. We're not making these decisions lightly, nobody wants to increase taxes more than necessary, but we are facing that reality. Fitzgerald then opened the floor up for questions or comments and almost all of the councillors spoke and each of them talked about their option preference and why they were choosing that particular option. Councillor Keith Buck spoke about the importance of having healthy reserves. Councillor Nancy Matheson was the only member of council that stated that she would be voting no to both options, due to the amount of money that was being transferred to the reserves. Deputy Mayor Tammy Davis spoke about wanting low taxes, the importance of good roads, and her concern about the impact of a tax increase on seniors and those on fixed incomes. Councillor Roger Davis and Joan Neiman did not like the option of using the \$65,000 towards taxes as it could result in higher taxes down the road. The tension at the table was palpable as it came time to vote and despite some of the councillors announcing their voting preference in advance it was not entirely clear as to which way the vote was going to go. Matheson called for a recorded vote and after one last comment by councillor Buck the budget was put to a vote. The vote for option two which would result in a 6.95 per cent tax increase went as follows: Councillor Buck: for Councillor Davis: against Deputy Mayor Davis: for Councillor Hagar: for Councillor Matheson: against Councillor Nieman: against Mayor Fitzgerald: against The motion for option two was lost 4-3. The vote for option one which would result in a 7.74 per cent tax increase went as follows: Councillor Buck: against Councillor Davis: for Deputy Mayor Davis: against Councillor Hagar: against Councillor Matheson: against Councillor Nieman: for Mayor Fitzgerald: for The motion for option two was also lost four to three and it was clear that council was in uncharted territory. Fitzgerald then turned to staff stating, Procedurally, now what do we do? Do we move forward another motion? Can we?? Dickinson responded, Yes we can continue with motions. Fitzgerald then asked if anyone wanted to bring forward a motion. Dickinson then asked if she could make a comment to which the Mayor replied,

?Yes, please help us.? Dickinson then said, ?I understand that there are a lot of different opinions around the table, it's understandable, however we really need to get a budget passed,? she said with a hint of desperation and urgency in her voice, ?and I'm really hopeful that somebody will put forward a motion for option two and I understand that it's perhaps lower, but I think we need to get a budget passed today so that we can continue to operate, we can get our budget and tax rate bylaws ready. They need to come to our May 15 meeting and we have a lot of projects that hinge on getting a budget passed today.? This resulted in some confusion about how to put a motion forward for option two given that it had already been defeated. It was decided to change the wording to reflect the 6.95 per cent increase and call it option three. Mayor Fitzgerald called for a recorded vote. The vote for option three, which was the same as option two, resulting in a 6.95 per cent tax increase went as follows: Councillor Buck: for Councillor Davis: for Deputy Mayor Davis: for Councillor Hagar: for Councillor Matheson: against Councillor Nieman: against Mayor Fitzgerald: for With Mayor Fitzgerald and Councillor Davis' votes the motion was carried.