

Re: 1982 ANNUAL BUDGET

ITEM	SUPPLEMENTARY	12
MANAGER'S REPORT NO.		29
COUNCIL MEETING	1982 04	26

MUNICIPAL MANAGER'S RECOMMENDATIONS:

1. *THAT the Annual Operating Budget for 1982 be received, approved, and the necessary budget by-law be brought forward; and*
2. *THAT the 1982 general purpose mill rate be set at 41.75 mills and the debt rate at 5.69 mills, and that the necessary rating by-law be brought forward.*

REPORT

Attached for the consideration of the Municipal Council is the 1982 Annual Budget.

The Letter of Transmittal and the Budget Overview in the front of the budget document itself provide further details. It should be noted that the budget contains the tax levies of all the other taxing bodies except the School District.

The Secretary-Treasurer of the School District has supplied us with a preliminary 1982 school tax levy which is 48.6 mills. The School Board has received this preliminary rate, but only as an information item. The school mill rate is subject to a final grant determination by Victoria, and adoption of a rating bylaw by the School Board. We are advised that the school rate will be available no later than May 07. The legislation is presently in the House to effect the changes in the taxing formula, and presumably the Province will do what is necessary to meet the school deadlines or it will modify the deadlines accordingly. The school rate is, of course, independent of the general purposes rate, so from that point of view, it need not hold up the passage of our municipal rate bylaw in any event.

It should be noted that the 48.6 school rate is only a preliminary rate which is subject to change, and it is conveyed to the Municipal Council on that distinct understanding, so that one can get a "feel" for the total tax picture for this year.

On this understanding, the following statement compares 1981 with 1982 on the median single family dwelling:

	1981	1982	% Increase (Decrease) vs 1981
General Market Value	\$ 99,200	\$ 117,420	18.37%
Taxable Assessed Value	\$ 10,912	\$ 11,742	7.61
Taxes - General	\$ 510.68	\$ 557.04	9.08
School	603.07	570.66	(5.37)
Other	48.27	49.65	2.86
Water & Sewer	105.50	117.70	11.56
Gross Taxes	<u>1,267.52</u>	<u>1,295.05</u>	2.2
Less Home Owner Grant	380.00	380.00	-
Net Taxes	<u>\$ 887.52</u>	<u>\$ 915.05</u>	3.1%
Mill Rates			
General	46.800	47.440	1.37
School (Local) - Preliminary	<u>55.267</u>	<u>48.600</u>	(12.06)
Other - GVRHD	2.201	2.185	(.73)
- GVRD	0.908	.824	(9.25)
- MFA	.020	.020	-
-BCAA	1.295	1.199	(7.41)
Total other	<u>4.424</u>	<u>4.228</u>	(4.43)
Total Mill Rate	<u>106.491</u>	<u>100.268</u>	(5.8)

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This budget indicates a substantial shift of the burden of taxation onto the commercial and industrial uses. This disproportionate shift in taxes is brought about by changes in legislation over which the municipality has no control. In other words, because this budget is presented in this fashion, it does not mean that the Municipal Manager agrees with the extremely large shift in taxes to business and industrial uses in this one year. To lower meaningfully the tax draw for the business and industrial uses without legislative change would mean a similar reduction for residential uses as they are inseparable. The result would be that the net taxes for residential uses would be considerably less for 1982 than they were in 1981. This would be unrealistic in the opinion of the Manager, and it would in effect compound an already undesirable situation. This is basically a question of degree, and there is no absolute answer to it.

It would be appreciated if the Municipal Council would keep in mind that both the Operating and Capital Budgets must be adopted by bylaw on or before 1982 May 15. The last regular Council meeting date by which the budget bylaws may be passed is therefore May 10. This means that three readings would need to be given on May 03 to both bylaws in order to meet the statutory deadline. With the pressure of work, unfortunately we cannot present the Capital Budget until 1982 May 03; and as noted above, that bylaw also will need to be given three readings on the same evening.

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