



FISCAL CRISIS

ISSUE:

The thirteen municipalities of the Eastern Ontario Wardens' Caucus are experiencing unprecedented financial pressures in order to maintain current service levels and address the growing infrastructure deficit within their jurisdictions. Property tax levies have been increasing at alarming rates, well above the levels of inflation and there is no end in sight.

There is a growing discontent amongst property taxpayers as they confront rapidly increasing property assessments and municipal tax rates. There is a prevailing sense that a fiscal crisis looms for municipalities unless senior levels of government introduce new financial arrangements and program funding.

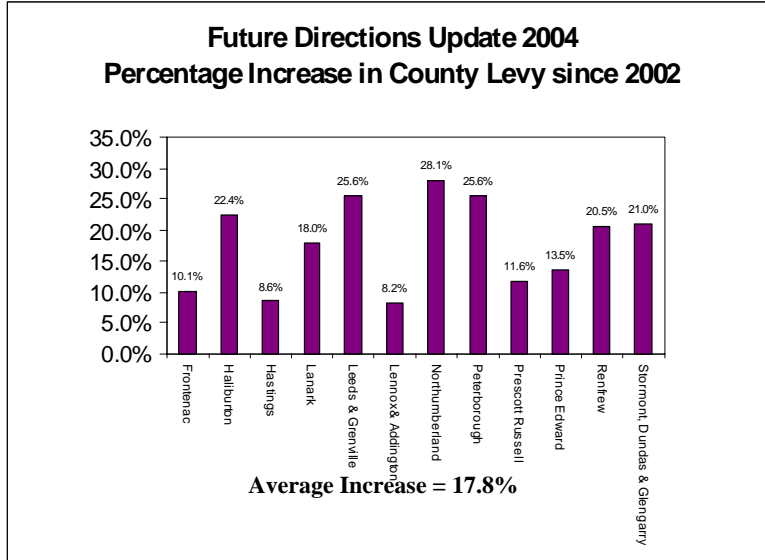
PROPOSED RESPONSE:

The Eastern Ontario Wardens' Caucus will continue its lobbying efforts in order to raise awareness regarding the fiscal dilemma facing municipalities and to pressure senior levels of government to introduce new financial arrangements and program funding for municipalities.

BACKGROUND:

As outlined in the following charts the municipalities of the EOWC experienced property tax levy increases averaging 17.8% during the two year period 2002 to 2004 and 27.6% during the three year period 2002 to 2005.

As the EOWC municipalities develop their 2006 budgets it is estimated that the 2006 tax increases may well exceed recent average annual increases. The situation is compounded by the erosion of provincial financial support as the first phase of the Ontario Municipal Partnership Fund funding reductions occurs.



Future Directions Update 2005

% Increase in County Levy since '02

