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## **PROPERTY TAXES TO JUMP SHARPLY THANKS TO PROVINCE'S NEW FUNDING PROGRAM WARDENS SAY**

PEMBROKE—A new funding formula from the Province will lead to significant immediate and future increases in property tax bills across member municipalities, the Eastern Ontario Wardens' Caucus said today.

“The Minister of Municipal Affairs and Housing said the new formula would create winners and losers,” noted Bob Sweet, warden of Renfrew County and chair of the Caucus. “But in Eastern Ontario, the biggest losers will be our taxpayers, who just can't afford to pick up the bill anymore when the Province won't live up to its obligations.”

While the new formula does provide a safety net for escalating social service costs albeit at levels below the Counties needs, there are issues that are unresolved.

“All they've done is divvy up the old pot a new way,” Sweet said. “What is missing from the new formula is support for the rising costs of ambulance, roads and bridges and social housing. Our analysis shows that we need a further \$56 million annually to help cover these costs.”

“The formula does not include any ambulance costs and combined with the Province's retreat from paying their full 50% share of our taxpayers are picking up far more than they should be. It fails to deal with the spiraling costs of ambulance services in the region. We strongly urge the government to address this shortfall.”

The new formula sidesteps Eastern Ontario's crucial need for help with its share of downloaded provincial roads and bridges. “The region has one of the smallest tax bases in southern Ontario,” Sweet pointed out, “yet we got 40% of downloaded provincial highways. Our taxpayers simply don't have the money to pay for their upkeep. The Province consistently stresses the importance of infrastructure, but it falls far short of providing what these vital regional assets need.”

The formula caps funding for social housing at 2002 levels. “This completely fails to address big increases in operating costs because of higher energy rates since then,” Sweet said. “As well, the formula makes no provision for capital improvements. Many units are in desperate shape, and our taxpayers can't afford to bring them up to standard. This issue is a ticking time bomb.”

The wardens, who were holding a two-day meeting in Pembroke, called on the Minister of Finance and the Premier to “use a realistic starting point for applying the new formula, not one that we all know is at least two years out of date.”

“What continues to be clear is that municipalities and the Province must restart the discussions around moving fully social and health service programs off the property tax base. This will require further consultation with the Province”, says Warden ...

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