

City passes 2021 budget with 1.86 per cent tax increase for average homeowner

Dec. 15, 2020 — Despite the financial impacts of COVID-19 on its operations the City is utilizing alternate funding streams and reducing expenses in the year ahead, to ensure residents aren't hit with a heavy financial burden in 2021.

On Monday, City Council approved the 2021 Operating and Capital Budgets, representing a 1.86 per cent increase to the municipal portion of property tax in the year ahead for the median home. The modest increase comes as the City continues to see an upswing in operational costs and decreased revenues as a result of COVID-19.

Specifically, in 2021, the City projects non-tax revenue decreases of roughly 4.5 per cent, while at the same time an increase in operational costs of roughly \$574,000, both largely related to the pandemic. In addition, other revenues related to City facility operations, such as the Meridian Centre and parking operations, are also being impacted. In total these items amount to a roughly \$4.2 million impact on the 2021 budget, representing a roughly 3.9 per cent increase to the budget over 2020.

Recognizing that many households have seen their finances adversely impacted by COVID-19 the City has made every effort to prevent the above financial pressures from being passed on to taxpayers in 2021. The City used increased transfers from reserves — \$2.7 million from the Civic Project Fund; \$160,000 from the Hydro Reserve Fund; and \$157,700 from the Tax Stabilization Reserve — in addition to a \$1.9 million decrease in capital project funding from the Operating Budget to offset COVID-19 related costs to mitigate the pandemic's impact on taxes.

For the average homeowner, with a property value assessed at \$254,000, the City portion of the property tax bill will increase by 1.86 per cent, amounting to an additional \$29.98 for the year.

“The 2021 budget represents a balanced approach to ensure fiscal sustainability for our City, while at the same time delivering essential municipal services and supporting our community's needs as we look to recovery once COVID-19 is contained,” said Mayor Walter Sendzik. “Thank you to City staff, Budget Chair Mat Siscoe and to Council for their efforts to table a responsible budget that addresses pressures resulting from the COVID-19 pandemic.”

While the City managed to keep increases low, the 2021 budget still represents progress toward the strategic goals of building social wellbeing, economic prosperity,

environmental stewardship and culture in the city. Important infrastructure investments, under the \$40.3-million 2021 Capital Budget, will continue in the year ahead.

The 2021 Capital Budget includes \$8.2 million in roads investment, including \$1.8 million for the reconstruction of St. David's Road and Townline Road; \$4.1 million for Community, Recreation and Culture Services, including \$1 million for city-wide trail improvements and an additional \$1.2 million for active transportation priorities such as bike trails; \$1.5 million for shoreline protection; and \$5.1 million for buildings and facilities, including \$1.2 million in upgrades at Merritton Arena.

"This was a very challenging budget year, and our residents should be proud of all the work that has gone into development of a budget that offsets the financial impacts of COVID-19, not only for the City but for taxpayers," said Chief Administrative Officer Shelley Chemnitz, adding, "at the same time we continue to make important investments in the future of our City and to deliver the important services our residents rely on every day."

"There were a lot of competing priorities this year, and I want to commend staff and Council for building a budget that balances the needs of the community in maintaining services while relieving residents from any large increases in their tax bills during this difficult time," said Budget Standing Committee Chair Coun. Mat Siscoe.

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