

Ask Judith: Property Taxes FAQ

How much does the City collect in property taxes?

The City's 2011 budget was about \$13.7 million. Of that, about 73% (\$10.1 million) came from taxation, most of this (92%) from residential properties. The City is not allowed to run a deficit by law, so its books must balance each year.

For an 'average' home (valued at ~\$470,000), the municipal portion of the property tax was about \$1,300. In addition, each year property owners pay towards schools, the CRD, transit, sewers (if they are connected), etc.

Why is a promise of zero percent tax UNREALISTIC and INSULTING?

1. **It insults your intelligence.** We all know our household costs increase every year—for hydro, fuel, water and so on. The same is true for the City of Colwood— for providing services to residents, running City Hall and maintaining the City's infrastructure such as roads and sidewalks. If taxes do not keep up with the cost of living, then the City has to cut somewhere. That means reduced services to residents. **If someone says they are promising a zero tax increase, ask them which of your services they plan to cut.**
2. **It removes your right to have input into decisions.** We already know that there will be more demands on the budget, for example to support increased policing for our growing community, to replace aging vehicles in Fire and Public Works, and to fund road maintenance. Council needs to lay out the options to residents, and hear from you as to where you would like to see cuts, what services you want to keep, and which services you want enhanced. This needs to be a full discussion based on good information, not just based on an unrealistic promise at the ballot box.
3. **It takes us back to more high tax increases.** If the City were to have a zero increase for three years in a row, it would take a large increase just to catch up with inflation.

Previous councils held tax increases low for political reasons, rather than increasing them to pay for the increased cost of services. Instead, reserve funds were depleted. In 2009, the loss of development revenues and loss of taxes from the Lehigh gravel pit, coupled with increase in policing costs and need to put money back in reserve funds, meant that taxes jumped 16% in 2009 and 9% in 2010, despite cutting eight full-time positions and reducing expenses as much as possible. In 2011, with the City in a much better financial position, the municipal portion of the tax increase for the average property owner was 0%. Modest tax increases, in line with cost of living, are the appropriate way to go.

The solution is to DIVERSIFY the tax base and REDUCE dependence on property taxes

That's what the current Council has been working towards. We have approved new developments that will bring new commercial space and new businesses into the City. Red Barn Market is now open. Several projects along Latoria are moving ahead. The City Centre project has started its development. There are new commercial developments along Wale Road and Wilfert Road.

We need to continue to find ways to be more efficient. Sometimes that means investing some money upfront in order to reduce costs down the road. One example is the new computer system that cost about \$250,000, but the result is that the City has proper financial tracking and it saves considerable amounts of staff time.

The new school—hopefully with an arts and cultural centre—will also diversify our economy and create new opportunities for residents and visitors.

The Solar Colwood program – still in its infancy – has already created new work for plumbers, electrical contractors, and energy assessors, as well as solar installers. Colwood’s “Open for Innovation” approach has attracted attention from near and far, and we are getting enquiries about business opportunities from as far as Germany, Japan and Italy. We are marketing Colwood as a great place to live and start up new business.

Changes won’t happen overnight. But we are moving in a good direction.
Please support a progressive new council who will

Keep Colwood Moving Forward