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NEWS RELEASE

County Tax Rate Reduced for Second Year in a Row

Picton ON – With the adoption of its 2010 Operating and Capital budgets, the County of Prince Edward has reduced its tax rate for the second year in a row. The tax rate for 2010 has decreased by 3.7%, in part due to assessment value increases and through strict management of departmental budgets.

The Operating budget of \$46.2 million had increased expenditures of just 0.7% (\$335,000) over 2009. Departments were able to absorb increased operating costs by indentifying efficiencies with minimal reductions in service. A reduction in revenue of \$1.5 million in Provincial funding was the primary factor in the Operating budget increase of 6.5%. The Operating budget, which is the cost of service delivery to ratepayers, is composed of departmental budgets, funding to external agencies and funding to community organizations.

This year's Capital budget at \$50.8 million is unusually large due to major infrastructure projects currently underway and supported by both Federal and Provincial government funding. It includes 2010 expenditures for multi-year projects such as the Picton Wastewater Treatment Plant, the Wellington & District Community Centre, the Queen and Centre Streets reconstruction in Picton and the Youth Park at the Prince Edward County Fair Grounds. Other projects with senior government funding are the reconstruction of County Roads 15 and 25, which will be completed this year, upgrades to buildings as well as numerous other relatively small, local projects.

The County's gross budget for 2010 is \$97.0 million, of which \$23.9 million will be raised by taxation. The Education tax rate, which is also contained on the municipal tax bill, decreased this year by 4.37% providing some additional relief to taxpayers. The end result to the taxpayer is an approximate increase of \$78.00, based on an average assessment of \$200,000.

"I am confident that Council has done the best it could to control spending but make the best use of infrastructure funds that we have been fortunate to see awarded to us," said Mayor Leo P. Finnegan. "Naturally everyone would like to see more done and we recognize that many of our assets require maintenance, but we are also very much aware of the ratepayers' ability to pay. There is always a fine line to be drawn between want and need. I believe that this budget strikes a reasonable balance and represents a fair budget for the times we presently live in."

The increase in assessment from new growth was 1.6%. This is the second year of a 4-year phase-in of property values from the 2008 reassessment by the Municipal Property Assessment Corporation (MPAC). On average, existing properties will have a 7% increase in assessed value for the 2010 taxation year.

"I would like to thank each department for holding the line on spending, and look forward to working with them throughout 2010 to implement this challenging budget," said Susan Turnbull, Commissioner of Corporate Services and Finance. "For 2011, we will have to be aware that as our assessment values continue to increase, our provincial funding decreases. The conclusion of Provincial and Federal stimulus funding will also affect future infrastructure projects which will be totally reliant on the property tax base for funding. We will need to carefully contain our debt financing and replenish reserve account levels in 2011 and future years."

The budget process commenced with internal discussions in September, and general discussions with Council concerning programs and service levels prior to the end of the 2009. First drafts of departmental budgets were presented to Council in early January, with outside agencies reporting in February and March. The entire process was open to the public, with input encouraged by detailed budget information on the website and through a survey on-line and in public locations.

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For more information, contact Mayor Leo P. Finnegan at 613.476.2148.