

To: Mayor and Members of Council

June 14, 2011

Re: 2011 Tax Rate

Background

At the May 30, 2011 Regular Council meeting, Council approved the 2011 Capital Budget and Operating budget. The 2011 budget was prepared on the basis of holding the mill rate at 6.2 mills and increasing the amount of the base tax per property by charging a one-time sewer tax in the amount of \$590 per existing lot.

The purpose of this report is to seek Council approval to set the 2011 Tax Rate.

Discussion

Municipalities raise most of their revenue through property taxes using a method of calculation called *ad valorem*. This essentially means that your property taxes increase proportionately with the value of your property. Some would suggest that property owners receive the same level of services and that there is no linkage between property taxes and benefits. Others advocate that persons who own higher assessed properties can afford to pay a larger share of the costs of public services. White City Council has adopted a tax policy which supports a compromise of the two arguments. The town applies a Base Tax and a general Mill Rate in determining taxes.

Budget Implications

The budget implications associated with this report are reflected in the 2011 Operating and Capital Budgets.

Recommendation

That the mill rate remain at 6.2 mills, and the Base tax be increased by \$590 for each lot that is serviceable by the Town sewer system.

Respectfully submitted,



Shauna Bzdel,
Town Manager