



Michel BELLEMARE

Ottawa City Councillor
Conseiller municipal d'Ottawa

BEACON HILL-CYRVILLE



COUNCILLOR'S COMMUNIQUÉ

Leading the charge in fighting new recycling and green bin fees

I oppose a plan to charge homeowners new service fees for blue and black box recycling (currently paid from property taxes) and for the new green bin. Some City Councillors proposed this measure as part of the 2010 draft budget.

I recently introduced an amendment at planning and environment committee in order to fight the proposed new fees. My plan would ensure that recycling and waste diversion initiatives continue to be paid from property taxes, instead of imposing unfair and extra fees on our households. Although planning and environment committee failed to pass my amendment, another one (audit, budget and finance) agreed with me and is now recommending that City Council reject the new service fees when we adopt the 2010 budget in January.

The Province has mandated municipalities to reach a 60 per cent waste diversion target by 2010. Even with all our current recycling initiatives (blue box, black box, leaf and yard waste, backyard composting, take-it-back, etc.) Ottawa is only diverting about a third of our waste from landfills. Only with the green bin will we be able to reach that provincial target.

For years, Ottawa has been testing the green bin in different neighbourhoods in order to develop a service that will work well across the city. I wanted to test it myself, and so I volunteered to participate in a pilot green bin service over the summer months. It does work well, and it's an efficient way to divert organics from our landfills every week and year-round.

The green bin service will save taxpayers money because new landfills are very expensive. For example, the City of Toronto recently bought 15 years worth of landfill space for \$220 million. That is an expense we need to avoid here in Ottawa.

I hope you find this newsletter informative. As always, I welcome your questions and ideas.

Sincerely,

Michel Bellemare

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Acting Mayor Michel Bellemare proclaiming "Save Local Television Day" in May, with Max Keeping of CTV News

2010 Draft City Budget Consultation
Innes, Cumberland, Orléans and Beacon Hill-Cyrville wards
Thursday, December 10, 2009 • 7 p.m. – 9 p.m.
Gloucester Senior Adults Centre - Earl Armstrong Arena, Second Floor • 2020 Ogilvie Road

City Hall, 110 Laurier Ave. West, Ottawa K1P 1J1 Tel: 613-580-2481 FAX: 613-580-2521 Michel.Bellemare@ottawa.ca

WWW.BELLEMARE-OTTAWA.CA

City taxes and services—a reality check

Why does your property tax bill increase even when city council cuts spending and works to keep taxes down? Why are city services under almost constant threat? And what will it take to bring financial stability to Canada's cities?

Since 2001, most major Canadian cities have increased taxes at a greater rate than Ottawa, many even twice as much.

And yet, many home and business owners feel property taxes have skyrocketed over the years. They are right to wonder where the money goes. Answers are complicated, easy to misinterpret, or simply not what one wants to hear.

Let's sort out some answers.

City budgets are important because they affect all of us. From snow removal to the state of neighbourhood parks, pools, and arenas where our children play, to the bus service so many of us depend on every day.

Since 2001, administrative cost cutting, use of new technologies, outsourcing and other measures have resulted in well over \$100 million in permanent audited savings following amalgamation. These savings were reinvested in city services and helped keep taxes down.

City Council achieved almost \$70 million in additional cost-cutting savings further to a comprehensive and thorough budget review in 2004. Despite major cutbacks, it resulted in a 2.9 percent property tax increase—the first in over a decade for most Ottawa residents.

The need to control expenditures and find budgetary savings continues each year. But there are other factors putting pressure on property taxes.

Property assessment

For years, homeowners in Ottawa have seen huge jumps in property taxes, even when municipal taxes were frozen. The culprit here is a real estate market driving up the value of homes year after year. For those with a property increasing at a greater rate than the average, that has meant a bigger tax bill thanks to reassessed property values.

When paying more to the city because of that higher tax bill one would assume the municipal treasury gets lots of extra cash. Not so.

Under Ontario law, your increased tax bill due to a more valuable home doesn't represent any additional revenue for the city.

Instead, many homeowners pay more to fund property tax reductions for other households and even businesses. Many have appealed their eye-popping new assessments to the provincially created property assessment corporation with little success.

It's no wonder since the odds have been stacked against homeowners. That was the conclusion a few years ago of the Ontario ombudsman who called the convoluted system "unreasonable, unjust, oppressive and wrong".

The Ontario government has sole authority to fix the provincial property tax system.

Property assessment increases directed by the province explain why taxes go up even when city budgets hold the line on expenditures. But even so, why are property taxes so high in the first place?

Provincial social programs

The answer is that much of our property taxes pay a share of provincial social programs (social assistance, social housing, child care, long term care) and public health. This situation is peculiar to Ontario,

where property taxes fund too many things that go beyond local services. It represents almost a third of municipal spending, and adds \$400 to the average residential tax bill in Ottawa.

These social programs are necessary for a progressive and successful society, but are unfairly linked to owning a home.

Contrary to income taxes, property taxes are not based on an ability to pay but rather the arbitrary fluctuations in house prices from one year to the next. Increases in property taxes become even more of a challenge for seniors and others on a fixed income.

Taxing people out of their homes is not the way to redistribute wealth in a society. An overhaul of Ontario's property tax system is in order.

It's estimated that municipal governments in Ontario contribute more than \$3.5 billion a year to fund provincial social programs. That's why, according to Statistics Canada, Ontario has the highest property taxes in the country.

In other provinces, these social programs are totally funded by the provincial government.

Another difficulty in comparing property taxes across the country is that provincial governments help fund some municipal services at different levels. In Ontario, the provincial government pays 50 percent of the cost of ambulance services. In Alberta, the provincial government pays 80 percent.

The pressure on property taxes is relentless. Although more and more public costs have shifted to cities over the years, the funding has not followed suit.

It's clear that Ontario income redistribution programs should be funded through provincial income

taxes.

Eight cents not enough

Examining all the taxes we pay (on personal income, property, goods and services, etc.), most of every dollar goes to the federal (50 cents) and provincial (42 cents) governments. Only a small fraction—about eight cents of that tax dollar—goes to city hall. And yet municipalities need more to keep up with growing populations and to build and maintain roads, sewers, public transit, policing, firefighting, and dozens of other services necessary to run a city.

The reality is Canadians pay enough tax to the federal and provincial governments to also fund growing municipal needs. The federal and provincial governments need to share revenues with cities.

Municipal budget debates are about striking the right balance between appropriate levels of service, taxation, user fees, and city-building investments. But to tackle the city's real funding problems we need to build a working consensus between local, provincial, and federal governments.

In Ottawa, the debate on next year's city budget has started. But the bigger debate—the under-funding of cities—is almost ignored. Fixing the problem should be a national priority.

To achieve a proper balance in upcoming budget deliberations city council must continue to strive for the most efficient local administration while keeping in mind our overall quality of city living. Moreover, federal and provincial governments must recognize their financial responsibilities towards Ottawa's residents.

Property tax increases across Canada

City	2009	Total Since 2001
Edmonton	3.6%	36.2%
Oakville	3.5%	36.1%
York Region	2.2%	35.7%
Halifax	3.4%	35.3%
London	1.3%	35.2%
Calgary	5.3%	32.0%
Vancouver	5.9%	29.7%
Mississauga	1.0%	29.6%
Toronto	4.0%	28.9%
Hamilton	1.7%	27.6%
Region of Niagara	1.3%	27.3%
Region of Waterloo	3.2%	24.7%
Region of Peel	4.1%	24.0%
Ottawa	4.9%	15.9%
Gatineau	2.4%	13.6%
Winnipeg	0.0%	-4.0%

Since 1995, average property taxes in Beaconsfield-Cyrville (local, region, new city, schools, accounting for reassessments) have increased from \$3,119 to \$3,582 in 2009. That represents an increase of \$463 or 14.8% over 14 years. Taking inflation into account, property taxes have actually decreased by approximately 13% since 1995.

Source: City of Ottawa, Financial Planning



Acting Mayor Michel Bellemare speaking to delegates of the Municipal Partnership Program – Africa Forum at Ottawa City Hall in June. Funded by the Canadian International Development Agency, the goal is to reduce poverty and improve the quality of life and sustainability of local communities by developing and empowering local governments.

Latest on Lansdowne Park

In a 15-9 decision, City Council has given conditional approval to a partnership to redevelop Lansdowne Park.

Council will make a final decision in June when financial, retail, and transportation studies are complete.

I believe Ottawa needs to rejuvenate Lansdowne Park at a reasonable cost. I also believe it's essential that any new sports stadium built for the 21st century be located in an area well served by rapid transit. Especially when the stadium itself is to be built entirely with over \$129

million in taxpayer dollars.

Successful cities around the world are building new major sports facilities close to downtown and rapid transit. Also, other Canadian cities have been able to count on federal and provincial funding to build new stadiums. However, because this is a sole-source, non-competitive contract, Ottawa may not qualify for funding from other orders of government.

As the auditor general stated, a competitive process would at least give assurance that the city is obtaining value for its money.

Hopefully a CFL team will return to Ottawa and stay. No doubt a new team would have a much greater chance of building a long-term fan base if people could travel easily to the games via rapid transit. Instead, some have suggested boats on the Rideau Canal and more buses on Bank Street will be good enough.

Another problem includes cutting 700 of the 2,200 parking spaces at Lansdowne Park—about 30 percent. No rapid transit and almost a third fewer parking spaces for fans is a recipe for big transportation problems that

will only exacerbate over time.

Some unknown costs for taxpayers include re-locating popular trade show space, currently at Lansdowne Park.

Given all these serious planning, transit, transportation, and financial concerns, I was unable to support the proposal before Council.

Should City Council give final approval to the deal in June, despite major drawbacks? Or is this proposal incompatible with Ottawa's future, and not worth the cost?

City-wide Poll on Lansdowne Proposal

Neutral	49.6 %
Negative	22.5%
Positive	18.7%
Unsure	9.1%

Source: Nanos Research
Random telephone survey of 1,003 Ottawa residents in October, accurate within plus or minus 3.1 percent, 19 times out of 20.

City Hall, 110 Laurier Ave. West, Ottawa K1P 1J1 Tel: 613-580-2481 FAX: 613-580-2521 Michel.Bellemare@ottawa.ca

WWW.BELLEMARE-OTTAWA.CA