



GMB 411 RR 2
Zurich ON N0M 1N0

December 1, 2008

The Mayor and Members of Council
The Corporation of the Municipality of Bluewater
14 Mill Street, Box 250
Zurich ON N0M 2T0

Dear Mayor and Councillors:

2008 Property Assessments – 2009 Taxes

Our sampling of representative 2008 property assessments would indicate that the effect of these increases may create additional financial hardship over the next four years for a significant number of Bluewater ratepayers.

Although the overall impact of assessment changes may again be greatest for lakefront property owners, it appears that there will be ratepayers in all seven wards who would welcome some relief to assist them in budgeting for their property taxes.

To assist in your planning for the 2009 budget, we have a number of suggestions that Council might consider to alleviate the 2009 tax burden resulting from these increased assessments. (See attachment)

We would request the opportunity to appear as a delegation at the next Council meeting to make a brief presentation expanding on some of these mechanisms.

Sincerely,

Jan Purvis
BSRA President
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attachment

cc: L. Wolfe, Chief Administrative Officer

2008 Property Assessments

Projected Impact on 2009 – 2012 Bluewater Taxes

2008 Assessment Increases

Based on BSRA sampling of representative properties, the **increases in 2008 assessments of lakefront properties** since 2005 are **greater than the average increase for the balance of the Municipality**. When the Municipality receives detailed 2008 Assessment data from MPAC, it will be possible to prepare comparisons by ward of the increases in assessment from 2005 to 2008, confirming that the WRAFT and CAPTR projections for waterfront properties across the province are applicable to Bluewater lakefront properties.

Shift of Tax Burden

The attached “*Analysis of Bluewater Tax Changes*” clearly demonstrates that since the creation of the Municipality of Bluewater in 2000, the total tax burden has shifted to the residential ratepayer from the other tax classes, and in particular to lakefront properties from the balance of Bluewater. The anticipated **effect of the 2008 property assessments** is that this trend will continue with the **portion of the total tax burden borne by Bluewater’s lakefront property owners increasing in each of the next four years**.

Opportunities to Provide Relief to Burdened Ratepayers

The effect of tax increases, and in particular the shift to lakefront ratepayers, continue to represent a hardship for many Bluewater taxpayers. However, there are a number of mechanisms available to Bluewater Council either to lessen the burden, or to assist taxpayers in budgeting to meet this financial burden. Bluewater Council is encouraged to investigate the following alternatives over the next several months as it prepares its own budget, and as our 3 representatives participate in County budget deliberations:

- Direct the administration to implement a Pre-Authorized Payment Plan with the option of 10 payments, commencing with the 2009 tax year.
Note: The current 7-payment system consists of 4 payments of 12.5 per cent of last year’s taxes, followed by 3 payments of 16.67 % of last year’s taxes assuming no increase for the current year. These 3 fall instalments are 33.33% higher than the 4 spring payments, plus 1/3 of any tax increase for the current year.
This represent a budgeting problem for many ratepayers in all 7 wards.
- Continue to be fiscally responsible in establishing the 2009 Bluewater budget.
- By Council resolution, limit the increase in 2009 Bluewater taxes on an individual property to a maximum of 5%, irrespective of the increase in assessed value.
- Establish a separate tax class for properties designated “*Lakeshore Residential*”.
- Since 48 % of total Bluewater residential property taxes are levied by the County of Huron, Bluewater Council should direct our 3 representatives on County Council to minimize any increases in the 2009 County budget.

Analysis of Bluewater Tax Changes

<u>By Tax Class</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	<u>2003</u>		<u>2008</u>		<u>Increase</u>	
Residential	2,588,758	80.8	3,476,284	84.3	887,526	34.3
Farmlands	329,843	10.3	359,895	8.7	30,052	9.1
All other classes	<u>284,722</u>	<u>8.9</u>	<u>290,144</u>	<u>7.0</u>	<u>5,422</u>	<u>1.9</u>
Total	<u>3,203,323</u>	100.0	<u>4,126,323</u>	100.0	<u>923,000</u>	28.8

<u>By Ward – All tax classes</u>	<u>2004</u>		<u>2008</u>		<u>Increase</u>	
Hay West	865,150	23.0	1,021,664	24.8	156,514	18.1
Stanley West	<u>608,681</u>	<u>16.2</u>	<u>688,275</u>	<u>16.7</u>	<u>79,594</u>	<u>13.1</u>
Shoreline Wards	<u>1,473,831</u>	39.2	<u>1,709,939</u>	41.4	<u>236,108</u>	16.0
Bayfield	<u>734,923</u>	<u>19.5</u>	<u>836,341</u>	<u>20.3</u>	<u>101,418</u>	<u>13.8</u>
<i>Sub-total</i>	<u>2,208,754</u>	58.7	<u>2,546,280</u>	61.7	<u>337,526</u>	15.3
Hay East	561,397	14.9	576,672	14.0	15,275	2.7
Stanley East	509,439	13.5	507,466	12.3	-1,973	-0.4
Hensall	305,505	8.1	309,790	7.5	4,285	1.4
Zurich	<u>179,966</u>	<u>4.8</u>	<u>186,116</u>	<u>4.5</u>	<u>6,150</u>	<u>3.4</u>
<i>Sub-total</i>	<u>1,556,307</u>	41.3	<u>1,580,043</u>	38.3	<u>23,736</u>	1.5
Total	<u>3,765,061</u>	100.0	<u>4,126,323</u>	100.0	<u>361,262</u>	9.6

By Ward – RESIDENTIAL taxes ONLY

Hay West	850,887	27.4	1,007,770	29.0	156,883	18.4
Stanley West	<u>593,118</u>	<u>19.1</u>	<u>673,518</u>	<u>19.4</u>	<u>80,400</u>	<u>13.6</u>
Shoreline Wards	<u>1,444,005</u>	46.5	<u>1,681,288</u>	48.4	<u>237,283</u>	16.4
Bayfield	<u>671,568</u>	<u>21.6</u>	<u>772,695</u>	<u>22.2</u>	<u>101,127</u>	<u>15.1</u>
<i>Sub-total</i>	<u>2,115,573</u>	68.1	<u>2,453,983</u>	70.6	<u>338,410</u>	16.0
Hay East	318,267	10.3	335,311	9.6	17,044	5.4
Stanley East	332,498	10.7	327,668	9.4	-4,830	-1.5
Hensall	182,014	5.9	192,108	5.5	10,094	5.5
Zurich	<u>155,794</u>	<u>5.0</u>	<u>167,214</u>	<u>4.8</u>	<u>11,420</u>	<u>7.3</u>
<i>Sub-total</i>	<u>988,572</u>	31.9	<u>1,022,301</u>	29.4	<u>33,729</u>	3.4
Total	<u>3,104,145</u>	100.0	<u>3,476,284</u>	100.0	<u>372,139</u>	12.0