

Budget impacts typical Toronto family: What's fair? Property taxes or high User Fees

The City Administration says it wants to cap the property tax increase at 2.5 per cent. But exactly what will their 2012 City Budget mean to a typical Toronto family with two young children?

Our research shows they have to pay much higher user fees, equivalent to a 9 per cent property tax hike! Is this fair? You be the judge.

Proposed tax increase: 2.5% property tax increase	\$103.08
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Service fees and higher rates:

Water: 9 per cent increase	\$62
Metropass – increase \$5.00 per month	\$60
Child care in the school-based program	\$1000
Recreation programs: \$83.10 increase in fees, plus \$78.00 or more for additional travel	\$161
Soccer programs, City/school gym - \$32 + 13% = \$36.16 additional \$4.16;	
Dance class: \$142 + 13% = \$160.46, additional \$18.46	
Swim lessons: \$62 + 13% = \$70.06, additional \$8.06	
Parent-tot swim: \$34 + 13% = \$38.42 or additional \$4.42	
Recreational family swim – 12 times at \$2.00 per adult, \$48	
Taking the car or bus to all recreation programs because the local city/school shared use facility closed and the family can't walk to the recreation centre any more: Transit: 1 adult (covered by Metropass) and 1 child (\$.75 per ride) 2 2-way trips per week – 26 weeks - \$3.00 per week for 26 weeks = \$78	
Library – no increase, but the local branch will no longer be open on Sundays	
Total increased expenses for city services	\$1283.10

As a result of the proposed 2012 budget, our family is paying at least \$1283 increased user fees for city services. The increases in transit and recreation user fees alone (\$221) are equivalent to a 7.5 per cent property tax increase.

Other fees and contributions will also rise as a result of reduced city support and/or increased fees for city services. Our family will likely face these increased expenses as well.

Church/synagogue/temple – Increased operating costs due to change in policy re garbage/recycling – parishioners asked to increase their contributions - \$5.00/week	\$60
Youth Shelter supported by the church/synagogue/temple, one of our family of 4 is on the board, increased costs and reduced operating support from the City – our family wants to increase their donation to make up for city cuts. Increase donation \$100	\$100
Increased school fees and expenses to make up for loss of revenue and increased operating expenses with changes in City policies –waste collection, rent, shared expenses	\$100
Other increased fees and contributions	\$260

We can expect the family to face an additional \$260 in increased fees and expenses as a result of the City's increased fees and cuts to community agencies, equivalent to a 9 per cent property tax increase!

To fund these services through a general property tax increase, for a total of \$36.4 million, would be another 1.6 per cent tax increase. That would cost our family only \$46.72 compared to the \$1,543.10 that the budget is going to cost them in increased fees, fares, and contributions.

So what's fairer? A property tax increase of 4.1 per cent for all, or a property tax increase of 2.5 per cent plus \$1,543 a year in increased fees and fares for families? You be the judge. And you can bet there will be even more user fees to come, after every service is contracted out.