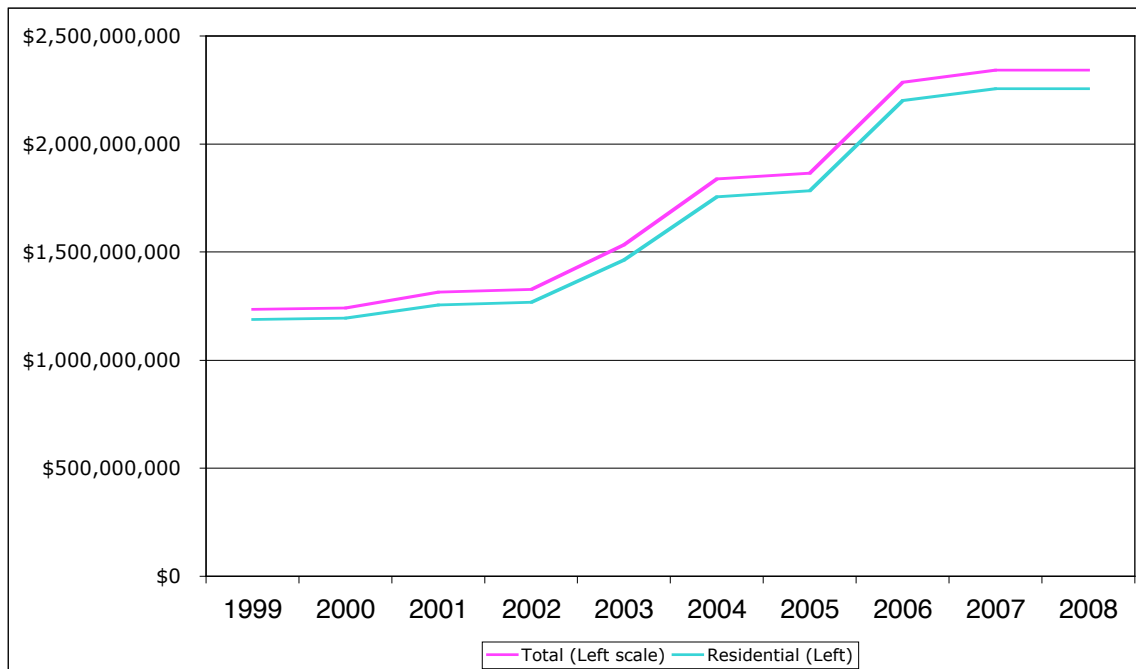


An Overview of Trends in Tiny Township Budgets, Assessment, and Taxes

1. The Assessment Base (see file ASS1.pdf)

Since current market value-based assessment was introduced by the province in 1998, Tiny's taxable assessment base has risen by 92%, from \$1.237 billion to \$2.381 billion in 2008. Almost all of this increase was accounted for by a sharp increase in residential assessment, from \$1.187 billion to \$2.294 billion. All other types of property (farm, commercial, managed forests, pipelines, multi-residential, and industrial, in descending order of value,) which accounted for just \$49 million of taxable assessment in 1998, had only increased to \$87 million by 2008. Residential property currently accounts for 94% of the Township's assessment base.

Anecdotally, shoreline residential properties have increased in value much more sharply than inland residential properties during this period. However, data available from the Township does not allow us to distinguish the two. As a result, it is not possible to say to what degree the residential tax burden has shifted toward shoreline properties.

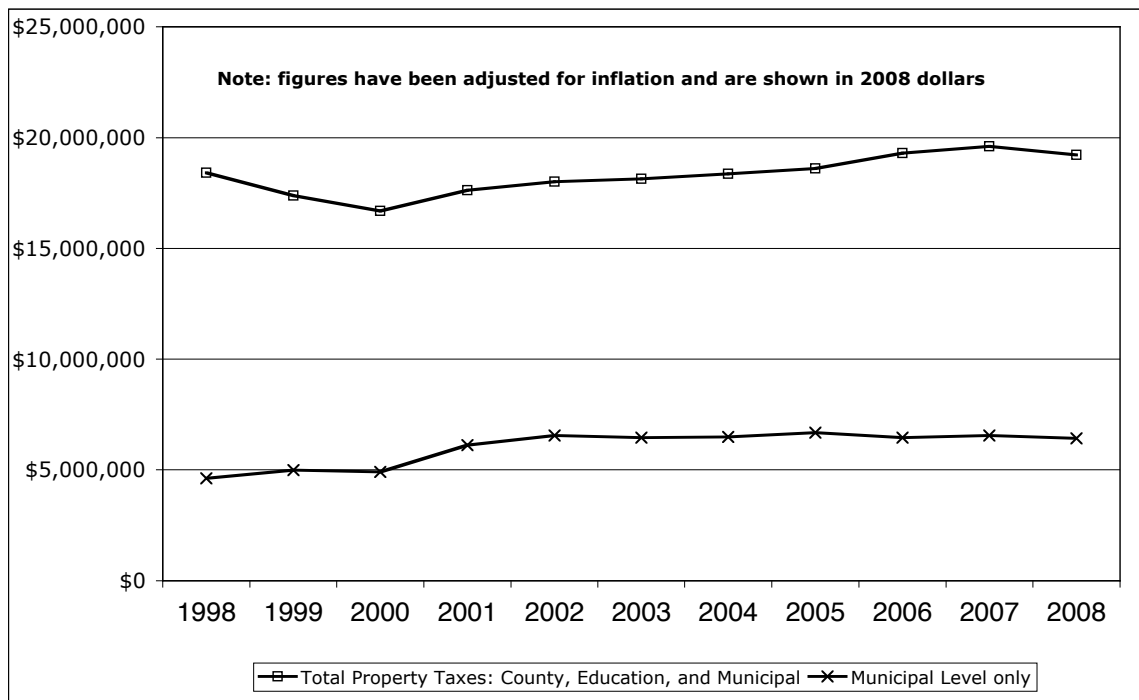


2. The Tax Bill (also on file ASS1.pdf)

In 1998, the Township levied \$3.70 million in property taxes; by 2003, the figure was \$5.61 million, and there was a further, smaller, increase to \$6.70 million by 2008.

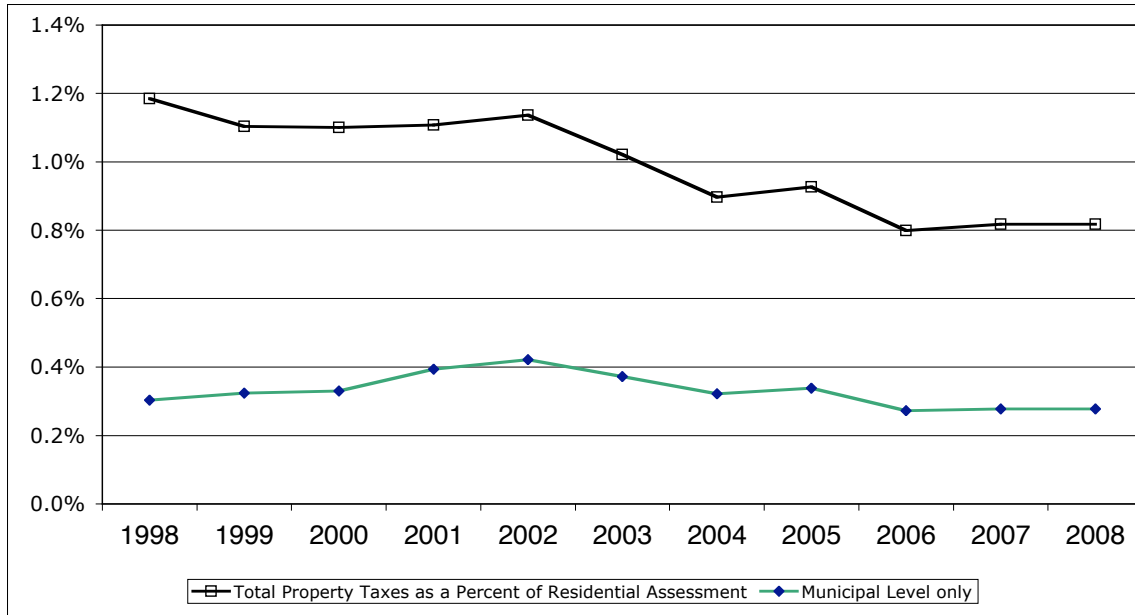
The County tax levy was \$5.15 million in 1998, but had fallen to \$ 4.73 million by 2003, increasing again to \$6.77 million by 2008.

The Education levy, which is set by the province, amounted to \$5.93 million in 1998, \$5.43 million in 2003, and \$6.57 million in 2008.



The overall tax levy, including all three levels of government, amounted to \$14.78 million in 1998, \$15.78 million in 2003, and \$20.03 million in 2008, an overall increase of 35.5% or 3.1% a year over the ten years. Taking the ten-year period as a whole, the inflation-adjusted increase was just 8.7%, which is less than 1% a year. In effect, after inflation, the overall property tax bill is little different this year than it was a decade ago.

Because of the dramatic rise in Tiny's residential assessment base, the total tax bill on residential property, which accounted for 1.18% of assessed property value in 1998, had dropped to just 0.84% by 2008. The municipal component, which amounted to 0.30% of assessed value in 1998, was little different, at 0.28%, in 2008. (See the chart below).



3. Tiny's Sources Of Funds (see [DETAIL.pdf](#))

64% of Tiny's budget, (leaving out water and waste management, which are funded on a user-pay basis), comes from the tax levy. Of the balance, about 11% is to be raised from fees and penalties, 10% by transfers from reserves and Reserve Funds, and 11% from grants and donations (mostly grants).

4. How Tiny Uses Its Funding

(Again, this discussion does not include water services or waste management.) Operating expenditures account for about 72% of revenues, which is not untypical of past experience. Salaries and benefits (33% of revenue) and the budget for OPP policing (14% of revenue), are the largest items here. Capital expenditures are intended to use about 29% of revenue; transfers into reserves and Reserve Funds account for only 3% of revenue in 2008.

5. The Water Systems (see "Extra Charges" in file [ASS1.pdf](#))

Tiny, which operates eighteen separate water systems, was hit very hard by the sharp tightening of provincial regulatory requirements following the Walkerton disaster of 2000. The costs of compliance are entirely user-borne through water charges, consisting of a "Capital Service Fee" of \$200 (it was increased to this level in 2001 from the previous level of \$35) and an "Operating Service Fee" of \$600 (this fee was \$195 in 2000, but increased to the \$600 level in 2005).

The years following Walkerton saw a dramatic surge in capital expenditures, as the Township's systems were expanded and upgraded. This is now essentially finished, but the additional monitoring and operating costs will, of course, be ongoing, as determined by provincial guidelines. Further capital expenditures appear likely if the township decides to link some of the water systems by a pipeline.

6. Waste Management

A fee is collected from each residential property owner along with the first installment of the tax levy. Since 2004 the waste management services have been the County's responsibility, and the Township simply forwards the fee to the County. It is intended that in the near future the cost of Waste Management services will be included in the County tax levy instead.