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Subject: 2024 Budget Input

Greetings:

Here again is my submission for consideration in the next budget deliberations with minor revisions

Property taxes in Hamilton are significantly higher than many of our surrounding communities and the provincial average (according to Zoocasa and Realtors.com). Out of the 32 communities (1 representing lowest property taxes, 16 the median, and 32 the highest), Hamilton ranked 22 out of 32, well above the provincial median.

Consider that:

Property tax increases during the past decade exceeded inflation most years with the exception of the past year.

Property taxes are regressive in nature, hurting people on fixed incomes, seniors, and retirees who have spent a lifetime paying for their homes and now living on lower incomes. (this is a growing demographic – aging baby boomer/retiring on lower income) - the real effect being a deterioration of quality of life after years of sacrifice and hard work!

Recent annual inflation rate was 3.3.% as of July 2023 and is now projected to fall around or under 3 %

Bank of Canada is working toward an annual 2 % inflation target.

Growth in household income (before taxes) at approximately 4 %.

Average Household income in Hamilton is approximately \$108 000 (2020 Stats Canada) before taxes and approximately \$70 000 after taxes. Average income is around \$60 000. This doesn't leave enough to pay for increases in basic necessities let alone tax increases.

An increasing amount of disposable income is going towards property taxes and municipal fees thus lowering the quality of living and putting additional financial strains on many households.

In other words, property tax increases exceed average income gains, and for many families (like retirees, seniors and those whose income are not keeping pace) this is placing greater financial hardship to make ends meet.

Tax levels across the city of Hamilton are inequitable - with homes in ward 8 for example paying significantly higher annual property taxes than other parts of the city for similar homes & property values.

When compared to friends in Burlington, Oakville, Milton, & Mississauga - I pay between \$1000 and \$2000 more per annum in property taxes for a home 500 to 1000 square feet smaller and for a much lower market value. The same holds true in comparison to friends/relatives in Kitchener/Cambridge/Guelph and parts of Brantford & Haldimand/Norfolk.

Despite the above, this city has essentially ignored ratepayers, the impact of decisions on ratepayers, and continues to spend beyond our means. The road to hell is paved with good intentions, but a modicum of fiscal responsibility and relief to taxpayers is well past due!

Furthermore, the city has done little to curb spending - non essential spending, nor to find efficiencies, to set service levels commensurate with demand (in all areas). When the City of Toronto and cities in Halton, Peel, feel a budget crunch, they are quick to lobby the provincial government & often cut services or lay off staff temporarily -- placing the blame squarely on provincial downloading or cutbacks. These cities are reluctant to impose the burden on their ratepayers, and only do so with great hesitation and as a last resort. For Hamilton which has higher property taxes, even modest increases in a higher base result in a greater financial burden.

In Hamilton, it's spend and tax --- then repeat, with virtually no regard to the impact on average families and ratepayers. It's got to stop!! It's all about setting priorities and then budgeting accordingly. Not everything can be done & less essential services have to be paused, cut or eliminated until appropriate funding (not tax revenue) can be found. Also, once a budget is set, no new spending should be permitted unless commensurate savings elsewhere are found. Finally, council and department heads should spend time rigorously reviewing what items to cut, reduce or pause every year to help provide relief to ratepayers. Council needs to ask - do we really need to spend in a certain area or can it wait or be scaled back ? other than specific emergency type services, snow removal, waste collection and major infrastructure repair --the answer is no. And for these areas, reasonable metrics ought to be established.

One example that illustrates my point -- let's take a look at public transit ---(just one area where prudent management would see reduced costs to ratepayers) --

According to a recent report from the Toronto Region Board of Trade the following metrics are interesting to note:

The document reports that only 47 per cent of public transit operating costs in Hamilton are recouped by fares. In comparison, 66 per cent of transit operating costs in Toronto are covered by fares. In my opinion, both transit services are relatively robust for communities of their size.

And, although service in Hamilton has experienced 17.18 per cent growth between 2010 and 2019, ridership reportedly decreased by 7.87 per cent in that same time frame.

The above points to questionable planning and decisions over the past decade, much to the detriment of ratepayers.

I share this with you as just one example of taxpayers bearing a higher burden than necessary & an area of spending that should be closely investigated to balance demand with the interests of taxpayers.

Tip of the iceberg!

Conclusion and facts:

- property taxes in Hamilton are much higher than most cities in Ontario
- property tax increases have exceeded inflation most years in the past decade
- property tax increases have outstripped average gains in income
- property tax hikes are regressive, make home ownership less affordable & more costly & unfair to a growing segment of the population
- cost of living and affordability is the quintessential issue facing most families - hear the people please!! not the squeaky wheel!
- greater effort must be made to limit tax hikes to below the lesser of the rate of inflation or average gains in income in this city
- impact on ratepayers need priority consideration in all budget deliberations & a true effort to curb spending must be part of the process.
- property tax levels in Hamilton should be lowered over time to at least the provincial median & more importantly reflect ability to pay & relative household income levels & growth

thank you

Michael Chiarelli