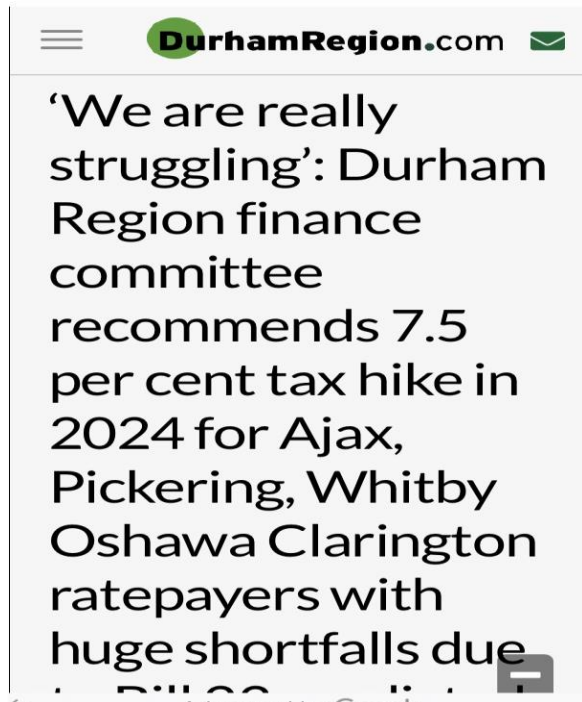


Unsustainable Spending & Property Taxes

Presentation to Durham Region
Finance & Administration Committee

June 11, 2024

Presented by Mr. Glass



‘Taxing people ‘til they bleed’: Durham Region, Oshawa, Whitby, Pickering, Ajax, Clarington governments say ‘enough is enough’ to province, feds as local taxpayers bear burden of downloading

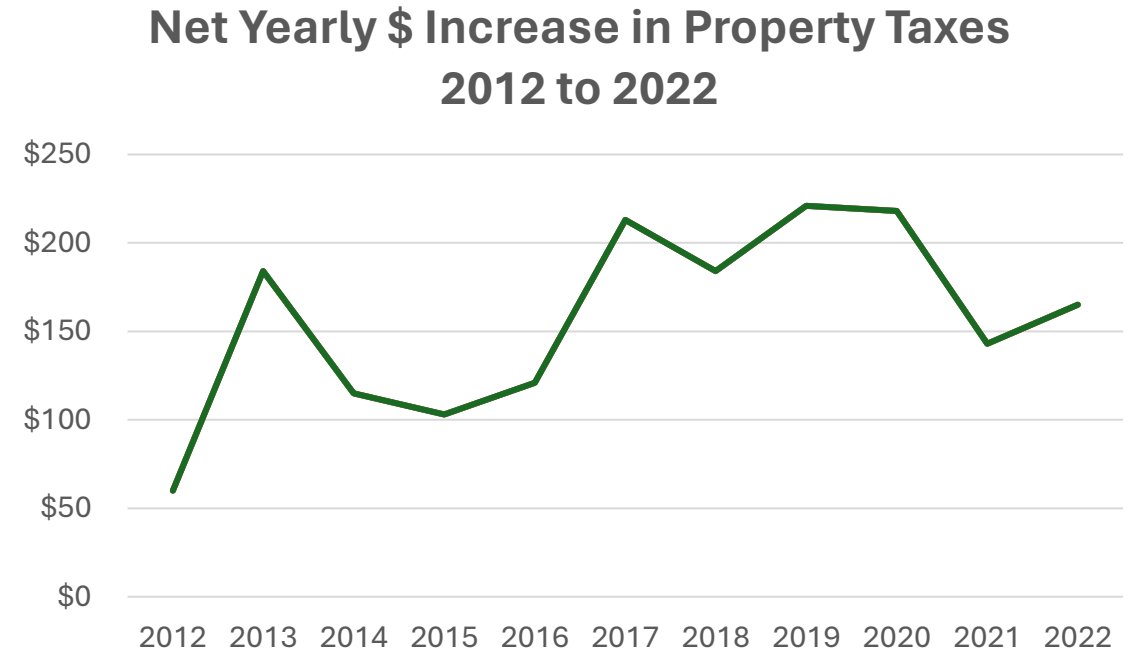
‘Double-digit increases in years to come’ just part of local need to fund growth

I am not here today to fight against you,

**I am here to appeal to you to fight for
Durham residents.**

My Property Taxes for 11 Years (2012 to 2022)

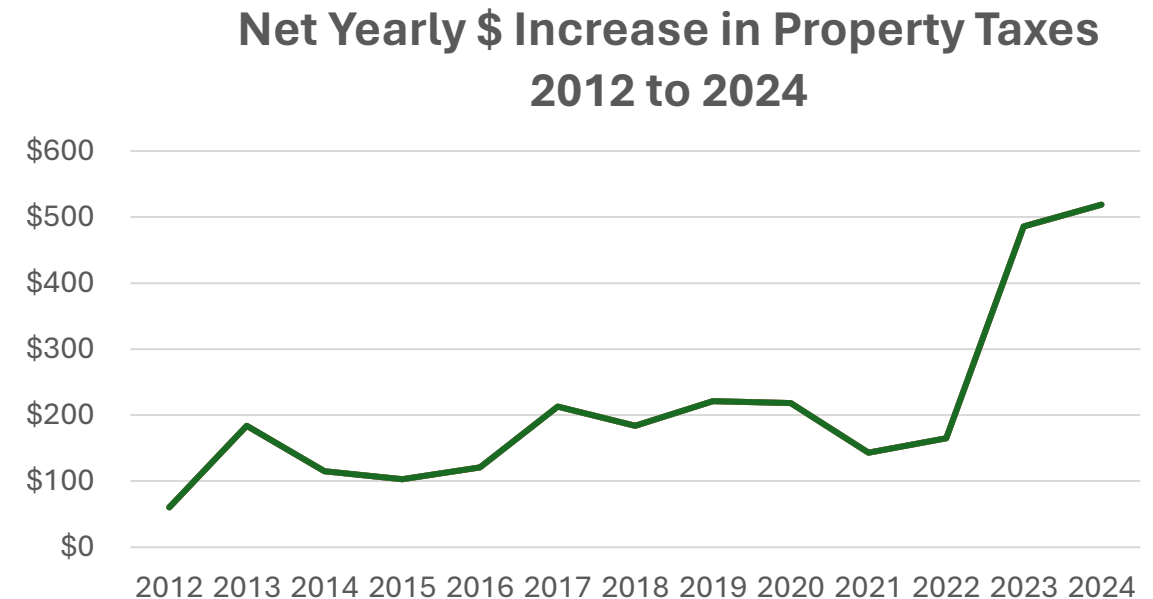
Year	Net \$ Increase	% Increase
2012	\$60	1.07%
2013	\$184	3.25%
2014	\$115	1.97%
2015	\$103	1.73%
2016	\$121	1.99%
2017	\$213	3.44%
2018	\$184	2.87%
2019	\$221	3.35%
2020	\$218	3.20%
2021	\$143	2.04%
2022	\$165	2.30%
Avg (12 to 22)	\$157	2.47%



- For 11 years, my annual property tax increased at a **manageable 2.5% per year.**

My Property Taxes Last 2 Years (2023 & 2024)

Year	Net \$ Increase	% Increase
2023	\$486	6.63%
2024	\$519	6.64%
Avg (23 – 24)	\$503	6.64%
Avg (12 – 22)	\$157	2.47%
Difference	\$346	220.3%



- In 2023 & 2024, my property taxes vs the previous 11 years **increased by over 220%**.
- This is **not sustainable**. The compounding dollar value of higher rates like this hurts Durham families.
- Cap our total property taxes to no more than 3%.

Compounding With A 3% Average (to 2051)

Year	Open Total	Rate	New Yearly Tax	Total Tax Paid
2025	\$8,300	3.00%	\$249	\$8,549
2030	\$9,622	3.00%	\$289	\$9,911
2035	\$11,155	3.00%	\$335	\$11,489
2040	\$12,931	3.00%	\$388	\$13,319
2045	\$14,991	3.00%	\$450	\$15,440
2050	\$17,378	3.00%	\$521	\$17,900
2051	\$17,900	3.00%	\$537	\$18,437
26 Year Total				\$348,027

- Property taxes like this will grow to a whopping \$18,437 by 2051.
- Which means, paying out \$348,037 in total property taxes over the next 26 years. (is this value for money?)

Do you think it is fair to tax like this, let alone more? (Like the 6.6% the last 2 years)

What Unprecedented Population Growth?

Year	Durham Population Past 30 Years	Year	Durham Population Next 30 Years
1991	409,000	2021	724,000
2021	724,000	2051	1,299,000
30 Year Chg.	315,000 or 77%	30 Year Chg.	575,000 or 79%

- Population has grown at an identical rate. (77% previous vs 79% projected)
- But you are justifying the rapidly growing tax rates because of the demands to fund unprecedented population growth.
- The data clearly shows that this is not true! Return to a total 3% tax

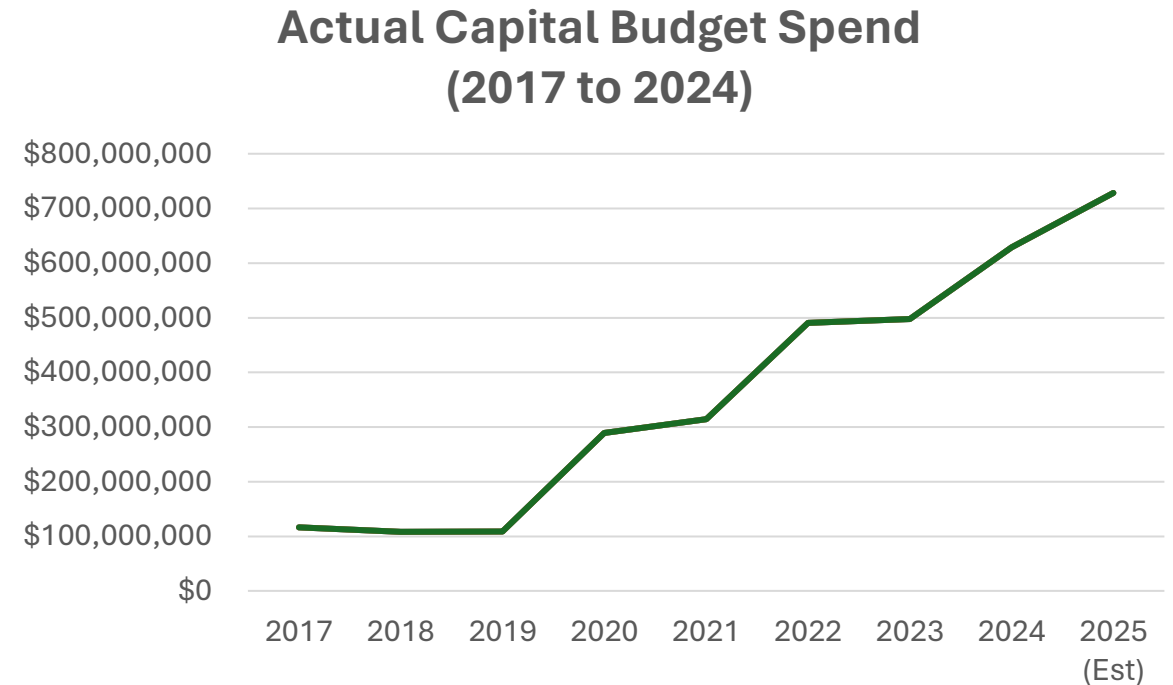
It's Spending that is out of control

not population growth

With my limited time, here is an example

Actual Capital Budget Spend (2017 to 2024)

Year	Capital Budget Spend
2017	\$116,400,000
2018	\$108,500,000
2019	\$108,600,000
2020	\$289,400,000
2021	\$314,610,000
2022	\$490,984,000
2023	\$497,773,000
2024	\$629,004,000
2025 Estimate	\$728,530,000



- Between 2017 and 2021, the average spending was \$187 million a year.
- Between 2022 and 2024 the average skyrocketed to \$539 million a year or a 188% increase.
- And your forecasted amount of \$728 million dollars for 2025 is significantly more than the 4- year combined spending from 2017 to 2020 of \$623 million. There is no excuse to justify this.

Rapidly growing spending like this is what is driving significantly higher property taxes!

Growth of the Capital Budget vs Population

Year	Durham Population	Capital Budget	Cost Per Resident
2017	650,000	\$116,400,000	\$179.08
2024	770,000 (est)	\$629,004,000	\$816.89
% Chg.	18.5%	440.4%	356.2%

This is not sustainable. **Cap our total property taxes to 3% in 2025 and beyond**

Brutal Capital Budget Forecasting (examples)

Your track record doesn't instill any confidence when you are asking so much of residents.

- In 2023, you forecasted spending of \$460 million in 2025. But one year later you revised your forecast for 2025 to \$729 million, an increase of 58% in one year.
- In 2022, you forecasted spending for 2024 of \$454 million. But 2 years later in 2024 the actual budget this year increased by 39% to \$629 million.

Poor forecasting like this (more examples in the appendix) always have negative consequence on finances, especially when spending is out of control.

If variables (inflation, lost revenue) emerge, then push spending down by eliminating things. You cannot just keep adding new items without removing others. We cannot continue like this.

What You Must Do!

1. Limit total Property Tax increases on residents to 3% on average annually over your 4-year elected term. For example:
(Yr 1 – 2.75%, Yr 2 – 3.15%, Yr 3 – 3.25%, Yr 4 – 2.85% = 4yr Avg of 3%)
2. Limit spending on all expenditures to meet this 3% mark
3. Focus exclusively on Regional and Municipal priorities.
4. If the private sector, Provincial &/or Federal Government's demands more than our 3% capacity, tell them we are not prepared to fund it.

Existing Durham Residents cannot fund this continued level of spending.

Tough choices and accountable leadership will need to be shown, because the current pace is unsustainable to Durham residents

Global NEWS



CANADA

Ontario town will return federal housing money after vote against density

By **Uday Rana** • Global News

Posted May 30, 2024 1:42 pm EST

2 min read

I Close With 3 Questions

1. Regional Chair Henry, knowing all that you do about the 2051 plan, what will my 2025 property tax be and what will it average out to through 2051?
2. Pickering Mayor Ashe, given the financial burden being passed along to residents the past 2 years, will you commit to no longer use Strong Mayors Powers going forward? If not, why? If so, will you ask your fellow Mayors in Durham Region to do the same?
3. I would like the opportunity to speak to Durham Regional Council?

Thank You

Appendix - Accountability

- I value your work and the sacrifices you make to serve.
- But nowhere on your Durham website does it state that you are accountable to Durham residents. Here is all it says now.

“Durham Region values accountability and we strive to provide transparent government”

- This isn't enough given the times and the fiscal direction you are taking us on. I strongly suggest you change this (and then model it accordingly) to the following.

Every Durham Region employee/elected official is accountable to our residents. We achieve this by always working in an ethical and fiscally responsible manner so that we always put the interests of Durham residents first and foremost.

Appendix - Background

- Resident of Ajax and taxpayer for almost 30 years
- Active in my community (coach, organize events, attend council and budget meetings, etc)

I am speaking out like this because I am deeply concerned by the unsustainable path you are leading us down

Property Taxes Could Have Been Worse Than 6.64%

- Durham Region actually increased taxes 7.65% in 2024
- Ajax also increased taxes by 7.59%
- But because the Province of Ontario didn't add an increase to Education (wonder why?), this reduced total taxes to 6.64%.
- This won't happen very often going forward. Cap total % increase to 3%

Durham Region			
Budget Impact on Residential Property Tax Bill			
Allocation	% Increase	Weighting	Tax Rate Impact
Durham Region	7.65%	54.50%	4.17%
Town of Ajax	7.59%	32.50%	2.47%
Province - Education	0%	13%	0.00%
Total Blended Tax Rate		100%	6.64%

Appendix - Is This Our Future As Durham Residents?

Year	Open Total	Rate	New Yearly Tax	Total Tax Paid
2025	\$8,300	6.60%	\$548	\$8,848
2030	\$11,425	5.50%	\$628	\$12,054
2035	\$14,932	5.00%	\$747	\$15,679
2040	\$19,058	4.50%	\$858	\$19,915
2045	\$23,749	4.00%	\$950	\$24,699
2050	\$28,895	3.50%	\$1,011	\$29,906
2051	\$29,906	3.50%	\$1,047	\$30,953
26 Year Declining Rate Total				\$507,976
26 Year 3% Total				\$348,027
Difference				\$159,949

- Given your back to back 6.6% tax hikes and your increased capital budget spend in the years ahead, is this what Durham residents can expect in terms of property tax rate hikes over the next 26 years?
 - Should I prepare to spend over \$500,000 in property taxes the next 26 years?**

Appendix - More Poor Capital Budget Forecasting examples like those on slide 9

- In 2021 you forecasted spending of \$372 million in 2024, the actual budget is \$629 million (69% more)
- Also in 2021, you forecasted spending of \$284 million in 2022, the actual spend was \$491 million (73% more)
- In 2020 you forecasted spending of \$228 million in 2021, the actual was \$315 million (38% more)

When you consistently spend more than you forecast, it is a clear and present danger to Durham residents