

City of Kitchener approves lowest property tax increase in a decade

Kitchener council has passed the 2021 budget, approving a financial plan that maintains existing services while delivering the lowest possible increase for homeowners. Delivering a property tax increase of 0.94 per cent, the lowest in more than a decade, is possible due to the steps the City has taken to mitigate the financial impact of the COVID-19 pandemic.

With a combined annual cost increase of \$33 (taxes, water, gas) for the average Kitchener household, the 2021 budget continues the City's goal of keeping property tax rate increases at or below the benchmark rate of inflation. A decade of paying down debt, funding reserves and planning infrastructure work over the long term had put the City of Kitchener in a relatively strong fiscal position heading into the pandemic.

"Council and staff have worked hard over many years to approve responsible budgets and that has helped ensure our 2021 budget reflects a responsible approach to responding to the realities of Covid-19," said Kitchener Mayor Berry Urbanovic. "The budget we approved today not only maintains valued programs and services for our community but also ensures we build back better through strategic priorities such as our new Equity, Anti-Racism & Indigenous Initiatives team, investments in active transportation and our Make It Kitchener 2.0 economic development strategy."

Although the City has lost millions of dollars in revenue from closed facilities, reduced parking, and a variety of sources due to the pandemic, the City took immediate action to mitigate the financial impacts including:

- delaying \$21 million in capital projects that can be safely deferred,
- freezing discretionary spending across the corporation, and
- temporarily laying off a significant portion of its workforce – 43 per cent of all staff at its peak.

In addition to these measures the City also received Safe Restart Funding from the federal and provincial governments, which was extremely helpful to address the significant shortfalls in 2020.

A summary of the rate changes can be found below, with dollar figures demonstrating the impact for an owner of a home valued at \$326,000 – the average assessed value of a home in Kitchener.

The proposed rate changes are as follows:

- Property tax increase is 0.94 per cent or \$11 annually.
- Water utilities increase is 0.9 per cent or \$11 annually.
- Gas increased 1.5 per cent or \$11 annually.
- The total annual impact the average household is \$33.

"I'm proud of the budget that has been approved today," said Finance and Corporate Services Committee Chair Councillor Scott Davey. "It proves that our strategy for managing public funds has been prudent, even when given the biggest curveball we could imagine. Years of planning for the long-term, is how we deliver the lowest tax rate possible and make sure we're prepared when something unexpected like the pandemic comes along and turns the world upside down."

