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For Immediate Release

Operating Budget approved & 2005 Year-End Results Positive

City of Kawartha Lakes Council approved the 2006 operating budget yesterday in record time and the result is a 2.69% increase in the average residential tax rate.

After lengthy and sometimes heated debate, councilors voted 11 to 4 to pass the amended budget.

"I want to thank Council and staff for their work throughout this entire budget process," said Mayor Barb Kelly. "We have managed to keep the tax increase to a minimum."

In September Council directed staff to present a proposed operating budget for review that would result in an increase in the average residential tax rate by no more than 4% excluding external agencies such as City of Kawartha Lakes Police, Conservation Authorities and the OPP, as well as excluding the 1% increase already approved for the capital reserve. This approved budget actually over-achieves that target.

Staff presented an operating budget in January that would have resulted in a 3.1% increase. Including the costs of external agencies and the allocation for infrastructure renewal the total increase was 5.6%. After two days of Committee of the Whole deliberations, Council had whittled the increase down to a total of 4.47%. With the recently announced increase in the Ontario Municipal Partnership Funding grant of \$823,218, and the use of some rate stabilization reserves to assist in mitigating significant increases in the police budget area, Council was able to make final changes to the budget which resulted in the final increase of 2.69%. This translates into a general average tax increase of \$27.09 per \$100,000 of assessed value.

"As indicated at the meeting, staff from the Finance area, but also staff from across the entire organization, have done an excellent job in finding efficiencies to submit a proposed budget which reflects an increase much lower than most municipalities across the entire province," commented CAO Jane Lunn. "Council also worked very hard through Committee and this most recent Council Meeting to try to achieve a balance between necessary tax increases and service levels."

In addition to the budget being done during the earliest timeframe yet (last year's budget was approved in April), staff also reported on the preliminary 2005 Operating Budget results which are projecting a surplus position is likely following the audit. With a projection of being within 3% of the budget target on the "plus" side, staff were directed to report back by no later than June with suggestions on the disposition of the anticipated surplus.

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