



Dear Mayor and Council:

On behalf of the Board of Directors, I am sending this communication as we read, with interest, the proposal presentation to Council on the upcoming 2024-2027 Multi-Year Budget. While aware costs are increasing for the Municipality, same is shared with business, property and homeowners. The challenges and increasing costs, for everyone, will be a difficult task to manage in the upcoming years. While we identify creating a multi-year budget has benefits in the strategy, we also note the trials within such.

In review of March 2023 records, with the development of a Multi-Year Budget, the recommendation was to give Council a starting position of a net tax impact at or below estimated rate of annual inflation, in addition to 1.5% increase for the capital asset management and a 0.5% increase for an allocation to the rate stabilization reserve. Today, inflation is below 4% and anticipated to drop towards 2% in 2025. It appears the forward proposal before Council significantly departs from the expected inflation rates, and the initial recommendation to Council.

We noted, "The 2024–2027 draft operating budget includes total gross expenditures of \$484.7 million by 2027 resulting in an average annual proposed tax rate increase of 7.82%. This equates to an average annual increase of \$294 for the average household with an assessment value of \$176,194, or \$167 per \$100,000 of residential assessment value." At same, in a recent update of the Chatham-Kent Association of Realtors, it is stated the year to date average sale was \$431,053. While true, on the average assessment value provided of \$176,19 the taxpayer would pay \$294 annual average increase, it would suggest an average sale of \$431,053, using an assessed value of \$350,000, would equate to \$584 average annual increase per year.

On accumulated values, in both examples, property tax would increase towards a 35% increase from today through to 2027. As current assessment values reflect the last review of 2016, it is plausible that property assessments will increase in the 2025 tax year following the next anticipated reassessment cycle. With that in mind, it would suggest the overall increase would rise even more so from the current tax payments as proposed.

As the local Voice of Business, the Chatham-Kent Chamber of Commerce recognizes the rates noted in the budget proposal are speaking in residential terms, as is practice for initial conversations. We also recognize that business pays municipal taxes and these too will also increase. We know that Council and our municipality has a difficult path ahead to ensure a prosperous community. Likewise, our business community has similar, hard-hitting decisions to make for the success of their livelihoods, and others they may employ.

On behalf of the membership of the Chatham-Kent Chamber of Commerce, we ask that Council make every effort during upcoming deliberations of the municipal budget to ensure the success and prosperity of all citizens and business alike.

Yours in Prosperity,

A handwritten signature in black ink, appearing to read 'G. Hundt'.

Gail A.B. Hundt  
President & CEO  
Chatham-Kent Chamber of Commerce