



“Are our Municipal Taxes too High?”

The Municipality of Sioux Lookout is committed to providing and delivering high-quality services and programs to our residents, businesses and visitors. The challenging task faced by the Municipality is to provide such services and programs while maintaining the municipal tax burden at a sustainable and affordable level.

An important indicator of a community’s ability to pay is the measure of household income. A higher gross household income will usually mean a lower dependency on Municipal and other governmental services, recreation and social assistance.

In 2012, BMA Management Consulting Inc. found that the average household income across Ontario was approximately \$91,506 and the median household income was \$83,146 per annum. The estimated average household income for Northern Ontario was \$74,381. Using the median household income and adjusting for inflation, the median household income for Sioux Lookout is estimated to be \$81,939.08.

Taxes as a percentage of Total Household Income:

This indicator shows the amount of taxes paid by the median household as a percent of the total Gross Income. A lower percentage may indicate that the municipality has a high reliance on other government transfers; while a high percentage may indicate that the municipality is more self sufficient. As of 2013, it is estimated that the median, property tax paying household in Sioux Lookout spends approximately 4.1% of total household income on property taxes. If we factor in the average water/sewer costs, the total Municipal burden (measured in municipal burden as a percentage of household income) is 5.8%.

If we compare Sioux Lookout to the survey results of BMA Management Consulting Inc., we find the following:

Location	Property Taxes as a % of Household Income	Total Municipal Burden as a % of Household Income
Niagara/Hamilton	4.2%	5.2%
Eastern Ontario	4.2%	5.2%
Simcoe/Muskoka/Dufferin	4.1%	5.0%
Northern Ontario	3.9%	5.0%
Southwestern Ontario	3.8%	4.8%
Greater Toronto Area	3.5%	4.0%
Survey Average	3.8%	4.7%
Median	3.8%	4.7%
Minimum	2.4%	3.2%
Maximum	5.3%	7.0%
Sioux Lookout	4.1%	5.7%

Although Sioux Lookout’s property taxes as a percentage of household income is relatively close to the median and average municipality in Ontario, when factoring in the costs of water and sewer services, the overall burden in Sioux Lookout is only 1% higher than the average and median. If we convert this into a dollar figure, the difference is approximately \$712.89 per household per year or \$59.41 per month.

The production and distribution of water and sewer services in Northern Ontario is higher, relative to other regions of the province. When factoring in the fact that same size production, treatment and distribution systems serve less densely populated geographical areas in Northern Ontario, the cost per household is higher compared to other regions in the province.

In 2012 the following results were derived in the same study conducted by BMA Management Consulting Inc.:

Location	2012 Avg. Residential Taxes	2012 Avg. Residential Water & Sewer	2012 Total Municipal Tax Burden	2012 Total Municipal Burden as a % of hhd Income
Thunder Bay	\$2,769	\$827	\$3,596	5.00%
North Bay	\$3,249	\$841	\$4,090	5.90%
Timmins	\$2,986	\$708	\$3,694	4.80%
Kenora	\$2,481	\$927	\$3,408	4.30%
Average	\$3,392	\$772	\$4,164	4.70%
Median	\$3,341	\$737	\$4,078	4.70%
Minimum	\$1,920	\$308	\$2,228	3.20%
Maximum	\$6,219	\$1,364	\$7,583	7.00%
Sioux Lookout	\$2,888	\$1,154	\$4,042	5.67%

Comparing Sioux Lookout to the above results, we find that the costs of water and sewer to the average residential household is approximately \$31.83 higher per month in Sioux Lookout than in the average municipality in Ontario, about \$18.92 more per month than the average household in Kenora paid in 2012.

The results also highlight a trend that the Government of Ontario should consider and address. When comparing the costs of providing water and sewer services to the average household in Northern Ontario, the costs are almost double compared to Southern Ontario and the Greater Toronto Area.

Assessment Change per Household:

The assessment growth per household provides an indication of how the assessment base upon which taxes are levied is changing over time. The assessment per household is a measure that allows us to measure the “richness” of the assessment base. The indicator provides a broad measure of a municipality’s ability to fund its municipal services. A high assessment per household may be an indicator that the municipality is relatively well-off compared to other municipalities. For 2013, the Province calculated the median weighted assessment per household to be \$216,000 for northern and rural municipalities. Sioux Lookout’s assessment per household is approximately \$187,463 (\$188,509 according to the Province) which is a difference of \$27,491 from the median municipality.

Municipality of Sioux Lookout % Change in Assessment 2009 - 2013				
Year	Roll Return CVA Assessment	Number of households	Assessment per Household	% Change
2009	\$405,298,226	2,396	\$169,156.19	
2010	\$416,849,263	2,396	\$173,977.15	2.85%
2011	\$429,522,154	2,396	\$179,266.34	3.04%
2012	\$441,433,700	2,430	\$181,659.96	1.34%
2013	\$455,535,485	2,430	\$187,463.16	3.19%

For Sioux Lookout, the past five years have seen steady growth in the assessment per household. Between 2009 and 2013, the assessment per household has increased by 10.8% which suggests that Sioux Lookout’s ability to pay and provide for services over the last five years has also increased. The positive growth trend may also reflect that the economic well-being of the Municipality is increasing.