

Cost saving measures taken to lower tax increase

By Doug Holmes

In 2004, the Summerland Council of the day established a tree purchasing fund where residents could opt to receive their monthly utility bills electronically and the District would set aside the money saved on postage to plant trees in local parks and around town.

The fund was intended as an incentive for people to switch away from paper bills and some 2,400 of Summerland's 6,500 utility account holders signed up to receive their bills by email. As a result, more than \$150,000 has flowed through the tree fund to pay for new or replacement plantings throughout the community.

Meanwhile, 20 years later, it is still costing taxpayers approximately \$83,000 annually to mail paper bills and newsletters to the remaining 4,100 utility account holders.

As a new incentive to get more people to register for electronic billing, Council plans to introduce a postage charge of \$1.50 per month, effective April 1, to utility account holders who want to continue to receive their bills by mail. Charging for postage is common practice for other utilities and while \$1.50 doesn't cover the full cost of printing and mailing a bill, it is expected to save the District at least \$37,500 annually.

The fee is one of several proposed measures to help lower Summerland's 2025 property tax rate increase.

Year after year, Council has repeatedly kept Summerland's tax increases lower than other municipalities in the region despite facing the same inflationary pressures. However, when tax increases don't keep pace with inflation, it eventually catches up with you.

With this year's budget, we were initially looking at a 18.41% property tax increase until District staff went through all municipal services and administrative tasks with a fine-tooth comb and made cuts to whittle it down to 9.27%. Council then made a series of decisions to reduce some service levels and introduce new user-pay fees to push it down further to 7.25%.

While a 7.25% tax rate increase is higher than past years, it is still lower than most local governments in the region. For example, Penticton has introduced a 7.8% increase while West Kelowna is looking at 7.43%.

Besides applying a postage charge for utility bills, Council is also proposing to move the District's monthly newsletter to an electronic-only format and to change the publication of statutory notifications from print media to online. These measures should save \$31,300 annually in printing and advertising.

Another proposed service change is the elimination of the unlimited yard waste collection day in the fall, which Council feels comfortable doing now that yard waste is collected year-round along with food scraps. This will save \$7,350 per year.

While these and other such adjustments may seem trivial, together they add up to more than \$400,000 of additional revenues or operational efficiencies.

Good customer service is important to Council so reducing service levels and adding user fees isn't something we take lightly. We looked for cuts that would cause the least amount of disruption in order to help lower the tax rate increase in what has been a difficult budget year.

Doug Holmes is mayor of Summerland