

Bancroft ratepayers may see taxes increase in 2015

By Tony Pearson

Municipal staff have worked up a draft; now it's up to Bancroft town council to make some hard decisions. The town's budget could be in balance, but that would mean leaving aside some urgent upgrades to essential infrastructure. Thanks to assessment growth, at its current level of taxation, the town will have around \$140,000 more this year than last. This means that if the rates stay the same, because of increased home and business values assigned by the Municipal Property Assessment Corporation, the average taxpayer will lay out two per cent more in actual tax dollars this year.

Another revenue source is the \$80,000 surplus the town achieved last year. A third is the reduced pay-out to the OPP for policing services. Thanks to extensive lobbying, the method of calculating these charges has changed, and the town should save over \$250,000 in 2015.

However, the town needs new fire equipment, especially self-contained breathing apparatus for fire fighters. It also needs a new furnace at the township office. Neither is in the current budget, but the town may have to make the purchases this year. Other potential costs include repairs to the sewer line at the Railway Station (the Chamber of Commerce building), and drainage issues near North Hastings Children's Services in the Riverside Park area.

More significantly, the draft budget does not address the on-going deficit in its wastewater operations. Even with a projected 10 per cent increase in sewage rates imposed on users, the deficit will exceed \$350,000.

The wastewater problem points to other future problems, notably the lack of funds for capital projects like road repairs and sewer replacement. The only capital spending projects in the draft budget are (1) to replace street lights with a more energy efficient LED system (which will quickly pay for itself in hydro savings); (2) engineering planning for the replacement of the Snow Road watermain (90 per cent covered by the province); and (3) resurfacing Quarry/Bronson Road (this will be paid with gas tax rebates and other provincial funding).

As was pointed out in an asset management report two years ago, the town hasn't set much money aside to replace its aging infrastructure. Treasurer Craig Davidson would like to build up some capital reserves with an additional one percent tax rate increase, which would bring in between \$45,000 and \$70,000. He pointed out that annual amortization on town assets ? the rate at which they are estimated to be losing value and nearing the end of their life ? is about a million dollars. Significantly, this doesn't count water and wastewater operations. Davidson noted that If the capital levy were to cover fully amortization, the new levy would have to see a 15 per cent increase in tax levels ? so the proposed one percent is just a start toward being ready.

Davidson still felt that the corner had been turned on the town's financial difficulties. He noted that with proposed payments in 2015, Bancroft's debt should be about \$750,000 lower than it was in 2013. However, even with projected payments this year, the debt will amount to over six and a half million dollars (again, not counting the deficit on wastewater/sewage operations). Against this, the town has less than one and a half million dollars in reserve funds.

Deputy Mayor Paul Jenkins raised another budget concern, which he termed investment for growth ? namely, more actively promoting the town of Bancroft in order to attract potential new residents and businesses. He noted that without major increases in assessment revenue, financial problems would continue, so he suggested a special levy for development, including the possible creation of an economic development office. CAO Hazel Lambe noted that existing municipal staff members currently do economic development work, including the preparation of grant proposals, and cautioned that tax rates are part of the picture which attracts or deters new residents and businesses. Councillor Charles Mullet observed that infrastructure figures in the equation as well; road deterioration does not attract people.

Council will consider the budget and the issues it raises at this week's Committee of the Whole. Councillors will also consider whether to hold a special public consultation on the budget. There was agreement that whatever was decided, the public needed to know what was being done, why, and how.