

Tax hike likely for Bancroft

By Tony Pearson

Bancroft started serious budgeting work at last week's meeting of its Finance and Growth Committee. And the news is definitely grim.

Taking into account the 'wish lists' of councillors for new spending - such as a new furnace for the town office building and renovated washrooms in the town parks - treasurer Craig Davidson projected a million dollar shortfall of revenue versus expenses. This is despite an anticipated growth in revenues of 1.5 per cent due to increased property assessment and new development. Committee members were quick to remove some items off the wish list, notably a conversion of the old ambulance bays at the town office to more office and meeting space; this carried a \$200,000 price tag. On the other hand, they felt there was no getting around the urgent requirement for a new heating system, given the age and inefficiency of the current furnace. They also felt that an additional \$60,000 for new staff was essential to improving town planning and project development.

On some items, council wants more research. Faced with an unexpected provincial demand for \$100,000 more in rent for the works yard, they want alternatives checked out (although building a replacement may itself cost half a million dollars). They also want more information on plans for the Faraday waste site, including a new look at the cost of closing one of its cells.

Meanwhile, two items continue to hang over the township's finances. One is the need to replace aging infrastructure, like roads and water pipes. The asset management plan developed for the town estimated that full replacement costs are in the neighbourhood of \$3 million a year. The town has nowhere near that amount available.

The other issue is the ongoing large deficit for the sewer system, which costs the town \$400,000 annually. If this is not reduced, the town will face a major cash flow crisis no later than next year.

To guide staff in drafting the next tentative budget, the committee is recommending a one per cent increase in the tax rate for operational expenses. It also wants to continue last year's practice of having a further one per cent levy for capital spending, to meet infrastructure needs. This will still leave staff with the need to cut at least \$200,000 from the current draft budget.

Mayor Bernice Jenkins invited anyone with suggestions on what they felt could be cut from town services to let councillors know. Finance chairman Paul Jenkins gave as one example changing garbage and recycling pick-up schedules so that they are collected in alternate weeks, thus cutting the number of pick-ups in half.

Looking at the revenue side, councillors felt they needed to keep at the province for more funding. Davidson observed that in the 1990s, for every dollar a municipality spent on local services, the province spent \$1.20. Then the downloading began (transferring financial responsibility from the province to towns for items such as policing and maintenance of 'connecting link' roads). As a result, last year for every municipal dollar, the province contributed a mere 16 cents.

Davidson and Mayor Jenkins expressed the opinion that based on the lack of growth in Bancroft's allocation under the Ontario Municipal Partnership Fund, the provincial government showed no real understanding of rural municipalities' budgeting constraints. Once more, the provincial over-charging for OPP services was also raised. Councillors therefore will continue to press the province when the opportunity arises, such as next month's ROMA conference (the Rural Ontario Municipal Association).

Meanwhile, staff will work to provide council with a balanced budget for the 2016 calendar year.