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Water and sewers mishandled

To the Editor,

I trust that many of you have followed the affairs of the Town of Bancroft and the decisions made by our elected officials which have contributed to our ballooning municipal debt presently approaching $10 million ? more than twice the amount of property taxes received by the town in 2015.

One of these decisions ? or rather the council's inaction ? has so concerned me that I find myself moved to respond. You may have noted that the town passed a long overdue by-law to increase the charge for water and sewer users by 53 per cent effective Jan. 31. This issue has been badly mishandled.

A review of the water and sewer financial report taken from the Town of Bancroft's annual financial statements indicate that from 2010 to 2015, user fees collected fell 10 per cent but total expenses (less amortization) rose 62 per cent. User fees should cover the expenses necessary to run the system, like they did in 2010, when user fees covered all of these expenses with a $200,000 excess. But a regular decline between 2010 and 2015 resulted in the user fees covered only 67 per cent of these expenses with almost $550,000 not covered. Signs of this downturn were evident each year after 2010, though nothing was done.

Similarly, the town council was warned by their treasurer last year that the deficit was increasing at the rate of $40,000 a month. But the rates never increased.

As a result, the failure to raise revenue in a timely fashion has resulted in an accumulated deficit of more than $2 million for the water and sewer account.

Now that the problem is simply too big to ignore, the dramatic, but desperately necessary, 53 per cent fee increase will only cover the deficit costs going forward. But what of the $2 million accumulated deficit already incurred? Because the town is not allowed to borrow long-term debt for this purpose, that burden will be borne now by all the taxpayers of the town, including those of us who provide their own water and sewer costs through well and septic facilities.

To tackle the issue, the mayor is proposing to transfer more than $300,000 from general revenue to the water and sewer account. These are funds that all taxpayers paid into ? not just water and sewage users.

Likewise, and even more foolish, the council is proposing the sale of the dump to pay for the deficit. There are three reasons why this is a reckless decision:

The dump, as I understand, can well take volumes for a long time and has an excellent future.

After a sale, costs to taxpayers to use the dump would undoubtedly increase since a private owner would require the business to produce a profit in excess of the operating costs, costs of original sale and establish a large fund to cover costs for closing the dump after its lifetime.

The dump owners would be incentivized to increase their revenues by taking the waste from other municipalities, thus shortening the dump's life and also shortening the period of time until Bancroft would have to consider a facility for another dump at a significant cost.

All of these consequences would be shouldered equally by all taxpayers ? again, including those of us who did not benefit from the services that caused the mess in the first place. Why were the user fees not increased periodically in the past to eliminate at least a portion of the accumulated deficit on water and sewer? Perhaps their inaction was a scheme to pander to part of the electorate. Or perhaps they're just blind. Either way, this procrastination will cause every taxpayer to pay for their fumbling the problem forever. Does that appear fair to anyone?

I am sure many of you will agree that something has to be done now to let the town council know this cannot be allowed. How do we do this? It will require a good deal of support from you, my reader, and your neighbours. If we hear council is giving this idea any serious consideration, a committee will have to be established to garner support for a petition opposing the notion, as well as additional action if required. Please be prepared to give your support.

John Pogue