

Bancroft passes budget, learns 'drop-dead' date

By Tony Pearson

Last week, after a number of meetings discussing various items (particularly grants to organizations), Bancroft passed its 2016 budget.

As decided months ago, the town confirmed that it will raise the tax rate by two per cent, with half the increase going into its capital reserve fund for future building work. In addition, rising assessments will bring in another one per cent revenue growth, and new residents and businesses will add a further half per cent.

The town administration also stated that the surplus on last year's budget was \$375,000, which will also go into capital reserves. A mild and late winter brought major savings.

That was the good news. The bad financial news, of course, was not in the budget. It's the ever-growing deficit in the sewer account, consisting of capital repayment and soaring operating expenses. Treasurer Craig Davidson stated that this deficit was now in the \$2 million range and growing constantly. It has become the largest chunk of Bancroft's long-term debt and unfunded capital.

Since the town can't borrow for operating expenses, the growing deficit must be met from the town's line of credit on its operating accounts. However, this has an upper limit.

Deputy Mayor Paul Jenkins asked what the 'drop-dead' date was - the time when the town would run out operating money completely. He was told it was Feb. 17, 2017 (i.e., next year).

Eight members of the public (including two former council members) showed up at the open public budget meeting. Questions were asked about unpaid taxes (going down), about the future of the proposed Earth Science Centre (close to a final draft of a feasibility plan), and about the cost of the lease on the Works yard, owned by the province (the province has asked for \$100,000 a year more; we're still trying to negotiate).

The biggest question came from former township employee Don Taylor, who prepared the report which revealed the growing deficit. He termed it a desperate situation that had to be dealt with - but within the system, not by putting costs on the town as a whole (most ratepayers not being on the system). Mayor Bernice Jenkins and CAO Hazel Lambe assured him that they were aware that sewer is a user-pay system.

The meeting was assured that outside of the sewer problem, the budget contained lots of good news stories.