

Faraday budget ?the envy of the region?

By Tony Pearson

Deputy Reeve Marg Nicholson officially pronounces it "a progressive, future-oriented budget." Unofficially, the Faraday township council believes it is a budget that that is the envy of other North Hastings budgets.

It isn't just the fact that the tax rate increase is only one percent. It is the overall soundness of the township's finances.

When I reviewed the budget line by line with two council members and the CAO, I was brought up short by an item entitled "loan interest." The amount given was a mere \$1,000 ? the same as last year. CAO Dawn Switzer then noted that actually, nothing had been spent last year. The thousand dollars is just a 'place holder' in the event the town ever has to borrow money. Right now, they are debt-free.

Not only do they not have debts to repay, they have extensive reserves ? money set aside to cover future needs. Essentially, they have about \$5 million cash and investments in the bank in various reserves ? not counting the value of township property.

So when it comes to their financial needs for the coming year, they've got the money set aside to pay out of pocket, without having to worry about loans or lines of credit. Still, if they want to read more about credit options, they have that ability regardless.

So they have the \$1 million required to be set aside for future costs associated with closing their landfill. They have the money on hand to buy a new loader and a new tandem truck (value equals about \$400,000) for the works department, as well as a new pumper (value \$330,000) for the fire department. And they haven't even broken a financial sweat.

Councillor Dennis Purcell finds it incredible that people in other townships are demanding that reserves be spent to lower taxes. In his opinion, if you save your money for longer-range needs, you consolidate your financial strength and strengthen your future.

This year again, Faraday spent less than budgeted. This gave them a surplus of nearly half a million dollars, which went to township reserves. According to Nicholson, this is how the township can plan for the maintenance and replacement of aging infrastructure as needed. In other words, Faraday has the asset management plan which all townships should, but few have. Purcell notes that there is both a five and a ten year plan for keeping the fire department properly equipped. Nicholson notes that the budget includes further transfers to reserve funds.

This year, the township plans to make major repairs to Airport Road, Coe Island Road, and Jeffrey Lake Road. They had hoped to do more bridge repair work, but two applications to the province for Community Improvement Fund grants were rejected. Joked Purcell, "I guess we're being punished for our sound financial management."

As if these figures weren't enough, the level of taxes in arrears is well below the provincial average (nine per cent v. 14 per cent).

So Deputy Reeve Nicholson's goal of managing for the future financial stability of Faraday Township seems to be achieved through the current budget, which will be finalized at the June meeting of council.