

NORTH BAY TAXPAYERS ASSOCIATION – 2014 BUDGET PRESENTATION

DEC 9, 2014

To begin, on behalf of the NBTA, I would like to thank our former Deputy Mayor, Sean Lawlor, for his service to the City. As a member of council, Sean represented taxpayers in a way that questioned the status quo. He went the extra distance required to examine established practices and determine how taxpayers could receive full value for every dollar they paid in taxes. We wish him every success in his future endeavours

BUDGET DEADLINES

As indicated previously, the NBTA feels there is no compelling reason to finalize the 2014 budget before 2013 actual figures are available. The actual figures for 2013 will be available in a couple of months, we feel that the reasons offered by the City for rushing the final budget figures don't outweigh the benefits of having the actual expense figures available for council to examine. In addition, the detailed 2014 budget report was only posted on the City web site early in November. This gives interested parties, including our association, very little time to go through the 360 page report and comment on it.

BUDGET INCREASE COMPARED TO CPI

This year's budget increase was erroneously tied to the CPI increase, however with the news that the year over year CPI figure has decreased to .09%, we suggest that budgeted increases be lowered to 0.9% from 1.5%. In addition, even with the recent reductions in the pay-as-you-go transfers, the year over year increase in the City budgeted expenses is still over 3.5%

INFRASTRUCTURE

Taxpayers hear, usually in conjunction with a planned tax increase, about the precarious state of our infrastructure. We've heard that we are not spending enough money on repairing it. We hear that poor planning by previous Mayor's and council members have resulted in a catastrophic situation. However, it appears to the Association that each year since 2010 when the current capital levy strategy was amended, those amounts have been targeted to reduce tax increases from what would otherwise be unacceptable levels. Last year we saw a \$1,000,000 one time reduction in the capital levy and this year a \$400,000 reduction was suggested. These types of adjustments are not "savings"; they are merely postponing an expense. Staff as already cautioned council about this in a couple of recent reports. There must be a real reduction in the overall expenses to reduce costs on a permanent basis.

COUNCIL INVOLVEMENT IN THE BUDGET PROCESS

Also, during last years' budget deliberations, taxpayers heard council talk about the amount of time and effort that they were putting into reducing the budget estimates. We were told that they were working nights and weekends going over every item line by line.

We were told that they were ignoring family responsibilities and based on their compensation, they were effectively working for less than minimum wages. We heard that no stone was left unturned to look for all available savings.

However, in July of this year, we learned through a report prepared by KPMG, that the Fleet Division of Engineering and Works had some major problems. As a matter of fact, these problems were so extensive that KPMG recommended that a third party should be hired to correct them. The costs for this were expected to be \$50 - \$100 thousand and in order to pay for this endeavour funds set aside for the purchase of a grader were to be redirected from the capital account.

This brings into question just how effective council's professed herculean efforts were during last year's budget deliberations and what confidence taxpayers can have in Council's public pronouncements.

It also raises the question of how this type of situation could be allowed to develop. It appears that North Bay taxpayers are not getting value for their tax dollars in many cases and we suggest that this problem, as evidenced by the KPMG report, extends far beyond just one division of the Engineering department.

FIRE DEPARTMENT

Council has had some discussion regarding the spiralling costs of running our fire department. The Association feels that it is time to make public some facts that will help dispel the almost mythical aura that surrounds firefighters and fire departments.

We would like to suggest that firefighters are only doing the job they are being paid to do ...nothing more... nothing less. What we have done is basically turn firefighters into rock stars. My mother always said "don't expect praise for what you are supposed to do" and especially don't expect it for those things that you are being paid to do. I think she was correct.

Most people consider firefighting to be a dangerous job and those people would be surprised to know that firefighting doesn't appear in the top ten in any list that I have been able to find of most dangerous jobs. In addition, it seems that fatalities, when they do occur, are very often due to heart attacks which are an indication of lack of fitness rather than the dangers of fighting fires.

Firefighters often like to compare themselves to and demand equal compensation with Police. A policeman has a statistical fatality rate almost four times that of firemen.

Nurses, who are actual professionals, are better educated, work every hour they are on duty and carry far more responsibility than firefighters. They have a higher lost time due to illness, stress and work related diseases. On the other hand, they can only dream of attaining compensation levels enjoyed by firefighters.

Compensation for firefighters has exceeded the clearing rate for the job. In the Kitchener Waterloo area during 2012, twenty advertised positions garnered over 500 applicants! That is a sure clue that you are paying far more than the market rate for the job.

According to our information North Bay firefighters have long resisted changing labour contracts to allow the North Bay fire fighting service to become a hybrid operation consisting of volunteer and full time fire fighters. Since North Bay is one of only fourteen fire departments in the Province with this costly restriction in place, we all would appreciate it if North Bay firefighters would come to their senses on this issue.

North Bay's firefighting costs have been higher than comparable cities for years. In 2012, cities with a population of over 50,000 had an average cost of \$158 per \$100,000 of assessment. The average cost for cities with a population of less than 50,000, which North Bay arguably should be more closely compared with, was \$143 per \$100,000 of assessment.

In 2012, North Bay's average cost per \$100,000 of assessment was \$276

The costs to run the fire service in North Bay have actually been used in reports prepared by other municipalities in order to demonstrate how well they are doing!

In other words, North Bay is being held up as an example of how not to run a fire department.

Finally, even if one accepts their reasoning including every argument put forward by firefighters, even if they tried to influence our outlook by, say, having us all come down to the fire station and pretend to be firefighters. Even if they did that!

The fact of the matter is the fire fighters association have priced themselves out of the market. The simple truth is that municipalities including and especially North Bay can no longer afford their services at the present cost levels. We know that council is generally in agreement with us on this issue but the Association would like to see more aggressive measures taken to fix this long running untenable situation.