

North Bay Taxpayers' Association

2015 Budget Presentation – March 2, 2015

Year	Wage increases	%	Wage increase over 6 years	
2010	\$1,033,067	3.28%	2009 wages	\$31,536,950
2011	\$1,351,924	4.15%	Plus	6,632,159
2012	\$1,398,045	4.12%	2013 wages	\$38,169,109
2013	\$1,758,911	4.98%	Increase	21.02%
2014	\$ 217,609	.58%	Inflation (2009 – 2014)	8.45%
2015	\$ 872,603	2.31%		
Totals	<u>\$6,632,159</u>			

These amounts do not include budget figures for the ABC's,
Police or Water and Sewer Departments.

North Bay Taxpayers' Association
2014 Budget Presentation – March 5, 2015

2014 Tax levy	\$77,486,490	
Less: Growth	919,900	
Tax levy less growth	(1.57% increase)	\$76,566,590
2015 Tax levy	\$79,875,633	
Less: Growth	175,520	
Tax levy less growth		\$79,700,114
Increase	4.10%	\$ 3,133,524
2014 Tax levy (before growth)		\$ 77,486,490
2015 Tax Levy (less growth)		79,700,114
Increase	2.86%	\$ 2,213,624

NBTA – Council Presentation – March 2, 2015

I am here tonight to discuss the budget process, the levels of compensation included in the budget and the information being distributed to the public by council and staff.

According to the CAO, there were no specific instructions or targets given to department heads by him when the 2015 budget process for began. Staff came back with a budget that called for an 8% increase in spending. This, of course, was far too high so they were sent back and asked to adjust the figures.

This resulted in a budget that contained a 5.88% increase which was considered by most to be too high. Although some suggested that this was an acceptable figure.

Following that, staff came back with a list of items that Council could consider removing from the budget.

After much discussion and some picking and choosing a new figure was arrived at that brought the budget down to 3.52 %.

Following more rounds of budget meetings, the Mayor asked his Facebook friends for suggestions and councillors were encouraged to offer some suggestions of their own.

To date, the result of all this time and effort is a budget which purports to require a tax levy increase of 2.86%.

Let's compare that process to the one followed by Windsor city council.

I would like to read excerpts from Windsor's CAO's instructions to his department heads prior to the preparation of the budget.

“City Departments are being asked to develop reduction options that will maintain 2014 budget levels and also provide further reduction scenarios totalling 10% of your department's 2014 net operating funding levels.

These additional reduction options are required to ensure that sufficient options are available to achieve the understood continued mandate to hold the line on the tax levy”.

City Funded Agencies, Boards & Committees (ABC's)

“Administration is asking that your 2015 budget request from the City of Windsor for the next fiscal year be at the same level or less than your approved 2014 amount.

Given Councils commitment to fiscal constraint, and since any increase must be offset by a reduction elsewhere in the city funded departments, the Administration is not prepared to recommend funding to ABC's which is over and above your prior year's approved level.”

In this scenario, department heads are being given specific instructions as to what is required of them. Once they have completed that task, their involvement in the budget as far as expenditure levels, is over and they can go back to their regular routines.

Council at that point would be left to examine the two options given and make choices based on the direction that councillors want to go. To us that seems to be a much more responsible and efficient way to do things and importantly, taxpayers can determine which councillors are happy to continue the tax and spend course of action of previous years and those who are interested in looking after the public interest by reducing expenses and also taxes.

SLIDE ONE

This slide shows the 2010 to 2015 increases in wages and benefits for City departments **not** including Police, ABC's or Water department.

We did have a slight respite in 2014 at .58% but the trend has resumed again in 2015 where wages are increasing at a rate well above the rate of CPI increase.

On the right of the screen, one can see the increase in wages over the period has been 21% compared an increase in inflation of 8.45%. Wage increases have been almost 2 ½ times the rate of increase in CPI figures.

This level of year over year increase is not sustainable. Council's plan, which seems to be hoping for miracle, is not working and is not going to solve the problem.

Most informed citizens are tired of being treated like cash cows to pay for a system that overcompensates the very few at the expense of taxpayers.

SLIDE TWO

Here we see the figures representing the tax levy and the growth figures for 2014 as well as the purported increase in the tax levy of 1.57%.

I presume everyone remembers last year's tax levy increase of 1.57%.

We had the Mayor's speech in January, 2014 in which he indicated that we had the lowest operating budget in 13 years at 1.57%. We had the media report the following day confirming the same message and other media reports throughout the year perpetuating that figure.

So we all know with absolute certainty that the increase in the tax levy for 2014 was 1.57% over the previous year.

So starting with last year's tax levy of approx \$76 .5 million..... SPACE BAR

Let's compare that to where the tax levy stands now at approx \$79.8 million. Using the same method as last year we deduct the growth figure and the tax levy increase comes in at \$3.1 million or 4.1%

4.1 %!!! The reports in the media from the City indicate that the increase is 2.86%.

Why the difference? 4.1% is almost 40% higher than the figures reported in the press.

Let's take a look at where the 2.86% figure might have come from

SPACE BAR

Oh.... there it is! Instead of starting with the \$76.5 million figure that they insisted was the 2014 tax levy, they are starting with the higher figure of \$77.5 million.

Regardless of the level of one's math skills, I think everyone would agree that when you are calculating a difference from one figure to another you do not change the starting figure in the middle of the calculation.

So which figure is correct? Well the sad part is that neither figure is correct which means that staff is deliberately misleading the public or are just simply unaware of basic mathematics. Either option is not very pleasant to consider.

The Mayor and the majority of council members are complicit in this as well because they are reiterating the figures or just going along. Are they deliberately misleading the public or just blissfully unaware? We hope the latter is true but either option suggests an unacceptable situation.

We would ask that staff and Council stop playing with the figures concerning the real increases in the amount of the tax levy and report the actual increases in order that taxpayers are aware of the year over year increases in City expenses.

We would also like to point out that decreases scheduled capital transfers and use of reserves for other than unforeseen events is not a true reduction in city expenses but merely postponing them to future years.

As we know Boart has just laid off an additional 22 people because of the situation in the energy sector and I would also like to read a couple of excerpts from the COS application that the North Bay Hydro has before the Ontario Energy Board:

“This decrease (in electricity requirements) reflects.... the slower economic condition of North Bay.

Collection of bad debt is subject to external pressures, especially with the economic downturn experienced in the local economy.”

Taxpayers are not getting value for money and based on the realities of the economic situation, the Association requests that Council reduce the tax levy below last year's level.

And for those council members who have indicated there have been no suggestions as to what expenses to cut, our suggestion is to look at the largest line item in the budget which is wages and benefits and start there.