

Text of letter to the Nugget re water and waste water budget – Oct 27, 2017

Councillor Mayne, the vice-chair of the engineering and works committee, suggests that the water budget increase of 3.8% is a result of increases in hydro, gas and insurance costs.

The NBTA has examined the budget and would like to disagree with Councillor Mayne. Hydro and gas costs have actually decreased by over \$90,000. Insurance costs have also decreased by approximately \$1,000. It is clear the Councillor Mayne could not have spent five seconds reviewing the budget and merely opted to accept the budget increase as presented by staff.

The reasons for the 3.8% increase are wage and capital spending increases. Wage increases bring the average wage and benefit packages in the water and sewer department to over \$88,000 per year. This is a result of city administration allowing wages to increase at 2.3 times the rate of inflation during the last seven years.

Let's be honest. Any budget increase is going to take more money out of the pockets of hard working North Bay citizens. Many have not seen an increase in their own pay in years. Others have actually opted for a decrease just to keep a job. In this equation, a wage increase for staff at City Hall, so they can maintain or improve their standard of living, results in a lower standard of living for citizens with low or fixed incomes. Robin Hood in reverse, taking from the poor to make the rich even richer!

The capital levy is being increased by \$485 thousand to bring the total to \$8.1 million per year. Debenture principal and interest payments are budgeted to increase by an additional \$306 thousand bring the total to \$3.2 million per year. This means citizens are being asked to finance \$11.3 million per year in capital and debt servicing costs.

While capital spending is one of the few ways that citizens can actually benefit from the taxes they pay, the consequences of financial decisions made by city officials during previous years must be taken into account and the reality of affordability becomes paramount.

The water capital budget for 2017 contains approximately 10% or \$1.3 million designated as primarily expenditures for growth. Given that growth in the city is virtually at a standstill these expenditures could easily be postponed while the important work of bringing our current assets up to date continued. This change alone would bring the 2017 budget in at a decrease of 2.5%.

Incessant wage and benefit increases including the albatross of defined benefit pensions continue to diminish the value for money that taxpayers receive from taxes paid. Reductions in staff and zero increases in wage and benefit settlements are long overdue in North Bay and the city councillors need to make the tough decisions to accomplish that end.

Homeowners could do their part by registering for e-billing. If all the current water accounts signed up for e-billing, the water and sewer budget could save up to \$140K per year in mailing costs.