

Text of letter to Editor - Dec 21, 2016

The Mayor claims the City debt is down \$10.5 million from 2015. Unfortunately, it is not down because it has been repaid. The bulk of the reduction is due to the fact that Hydro borrowed \$9.5 million to repay the Hospital commitment. This removed the debt from the City books and transferred it to the Hydro books where taxpayers will be paying over \$13 million to extinguish this liability over the next 20 years. This fact was explained clearly in my letter to the Nugget last week.

Taxpayer debt at the end of 2016 is \$89 million \$64 million showing on the City's books and \$25 million showing on Hydro's books. So taxpayer liability is \$89 million (\$64 million + \$25 million). Obviously the Mayor forgot about or maybe he hopes that taxpayers will forget about the \$25 million that Hydro borrowed to finance his plan.

The Mayor suggests that the projected debt level by January, 2021 will be \$64.7 million. I have a chart from a 2008 a staff report which projected 2014 debt levels would be at \$30 million. The city's debt at the end of 2014 was \$63 million. So I think we know how much weight we should give to the Mayor's projections of debt as \$64.7 million in 2021.

The Mayor mentions the pay-as-you-go plan instituted a few years ago as support for the efforts being made by the City. May I remind the mayor it is not current or past projections or plans that produce results it is the activities of council that matter. In addition, the "pay-as-you-go" plan is another example of administration using inaccurate terminology to mislead the public. This plan is a tread-water-as-you-go plan and definitely not a pay-as-you-go plan.

The Mayor mentions the City's credit rating of Aa2 as strong. This fact has nothing to do with the facts stated in my letter or that of Mr. McNamara's but Moody's recently described our credit rating as follows: "North Bay is rated at the lower end of Canadian municipalities". This means that there are no Canadian municipalities who have a lower rating than North Bay. Not really what one would call strong.

The Mayor also suggests that Councils are usually criticized for short term thinking and that this council and previous councils have been planning for the long term. Once again this has no bearing on the argument about the City's level of debt but here is a quote from Bay Today on April 11, 2016; "However, McDonald said the group is using a multi-year approach, whereas in the past the city has typically planned on a year-to-year basis. This sounds to me like someone who is basically governing from day to day, media quip to sound bite without any plan whatsoever.

The fact of the matter is that this administration is spending beyond our ability to pay to the point where they are now borrowing to pay current expenses. Questionable decisions are being supported by political double speak. The difference is people are no longer accepting the party line and are beginning to question councils' actions. Administration's responses to taxpayers concerns have not been encouraging.