

NBTA presentation – Moody’s report – Apr 4, 2016

Here tonight to talk about the recent credit report issued by Moody’s and their opinion about the mayor’s plan to have Hydro borrow \$25 million.

The Association gave a number of presentations to council during the 2016 budget deliberations indicating the damage that would result from the implementation of the mayor’s plan. We also asked council to provide support for some of the claims they made about the benefits of this plan. We received no substantive responses to our requests.

In a statement about Moody’s report, the mayor quoted from it as saying; “The mayor’s 2016 budget plan allows the city the opportunity to operate on a consistent basis with reasonable property tax increases for the next three years...”

This statement ignores the fact that we are not really lowering city expenses but passing the cost on to future taxpayers who will actually have to pay for the expenses.

However, the comment quoted continues and the mayor’s statement fails to mention the balance of the comment which was.

“... its focus (meaning the mayor’s plan) is on short-term revenue assistance and does little to address the ongoing pressures the city is facing.”

Moody’s conclusions mirror exactly what we were pointing out to council during November and December of last year and Moody’s comments are exactly what the Association has been saying.

We think Moody’s comments are far too generous. Not only does the plan do little to address the ongoing pressures the city is facing, it actually increases the financial pressure on taxpayers over the next 20 years. In other words, this is a lose-lose situation for the citizens of North Bay.

Another issue of course is why did the mayor's public statement concerning Moody's report fail to include this part of Moody's assessment of his plan?

The Baylor survey indicated that 46% of residents do not trust the municipal government. We'd like to suggest that this type of misleading information is part of the reason.

What taxpayers have been offered here is a band aid solution that solves none of the financial problems facing the city.

The mayor defends this plan by characterizing it as a "starting point" while council and staff look at ways the city can do business differently.

Every year at budget time taxpayers listen to a bevy of self-congratulatory comments from council members indicating that they have going over the budget line by line and attended numerous meetings and ignored family responsibilities. We have heard about what a great job that staff has done in rooting out inefficiencies.

Now taxpayers find out that apparently they really weren't really trying that hard. But now that they have \$25 million to play with, according to the mayor "*this plan will provide time for council and staff to truly look at ways the city can do things differently...*"

In our opinion, this plan was put together, promoted by the general government committee and passed by council for one reason and one reason only. This was a smoke screen allowing councillors three or four years to forego making any hard decisions about decreasing city expenses.

The administration has spent the last number of years trying to pacify taxpayers by continually announcing various plans to rationalize their failure to reduce spending. What results have we seen?

Does anyone remember the 2014 review of all departments that the CAO was going to carry out? Anyone heard any word on the results of that review?

Does anyone remember the Mercury Associates review of the fleet management department? That review was completed in 2014 and recommended 14 changes. According to budget documents, none of those changes have been made or recognized in the 2016 budget. So, two years later all taxpayers have to show for this study is a \$50,000 to \$100,000 expense.

The recent team building sessions held for the benefit of councillors. What benefits did taxpayers get from that \$10,000 expenditure?

Plenty of plans and plenty of so called initiatives and yet the taxpayer burden continues to rise year after year to the point we actually have to borrow to pay for current operating expenses.

Moody's report supports what the Association has been saying for months. We suggest that this plan is nothing more than a starting point for financial ruin.

The big question here is why our Association have to come up here and explain the obvious? Where is all the high priced help we employ? This is not rocket science. This is Finance 101. Why should our intervention even be necessary?

We ask that councillors actually read Moody's assessment of this plan and initiate efforts to have it abandoned. We also ask that the city stop attempting to portray announcements of yet another plan or another study as a substitute for real reductions in the taxpayer burden.