

Text of letter to Nugget editor re rising taxes – Oct 23, 2016

Recent reports from the Fraser Institute and others have confirmed what the North Bay Taxpayers' Association has been pointing out to city council over the last four years.

Indications from these reports demonstrate that North Bay's municipal tax burden (taxation and water rates) is among the highest in the Province and rising faster than any other municipality. It's interesting that it takes the conclusions of "outside experts" to finally elicit a response from the city's administration.

The study indicates that residential taxes have risen an average of 5% during the years 2005 – 2015. Deputy Mayor Forgette, the city's budget chief, indicated that he is unaware of how the Fraser report arrived at their figures. The report's figures are indeed correct and the NBTA would be happy to explain to the deputy mayor how to verify them.

Forgette also suggested that North Bay's average tax levy increase over the last three years has been 1.7% when in fact the average tax levy increase over the past 3 years has been 2.5%. The NBTA has been alerting council for a number of years to the fact that senior staff has been misleading council on this issue.

The Mayor's Plan, endorsed by the majority of council, called for an interest bearing loan of \$1.5 million to be included in City revenues for 2016 meaning that the real average increase in taxpayer funded city expenses for the last three years to 3.1%. Paying for current costs by financing them over a 20 year period only increases the taxpayer burden and is financial suicide.

The deputy mayor's response to this situation is to suggest that the budget target increase is in line with the Ontario rate of inflation.

The consumer price index (CPI) is the measure of the average price changes for individuals and families. It is not intended for use by businesses or municipal organizations. The index is made up of a collection of prices of over 600 consumer products which are largely items that corporations or municipal organizations do not buy. Any relationship between city expenses and the items included in the CPI is purely coincidental and has very little effect on costs. Using the inflation rate to justify any tax levy increase is a red herring.

The deputy mayor also suggests that no layoffs are planned. Apparently, the City of North Bay is such a finely tuned, efficiently run organization that laying off one person or eliminating one position would cause the whole system to collapse.

There are numerous companies and organizations that have made the hard decisions and recognized the necessity of cutting back on staff or shutting down one or more divisions in order to remain viable. Here are just a few local instances that come to mind: Canadore College, Nipissing University, Stantec, Regional Health Centre, Boart

Longyear, Arclin Resins, Fabrene and most recently Canada Bread. However at City Hall, in a courageous effort to maintain the current staff compliment and ensure continuing wage and benefit increases, the Mayor, Deputy Mayor and a majority of council members stand ready to gird their loins and continue to tax citizens for this cause. Presently all city wages and benefits are close to 50% of the total city budget. During the last seven years wages and benefits, excluding Police, water and sewer and ABC's have risen over 25% which is 2.3 times the rate of inflation.

It's unfortunate that recall legislation does not exist at the municipal level in Ontario and citizens must wait to replace those elected officials who are obviously not qualified to look after the interest of taxpayers. In the meantime, the voices of the public can attempt to limit the damage being done by continuing to make presentations at council meetings, commenting on the blogs and contact with the media.