

## **2018 tax levy increase – Dec 16, 2016**

Council's insistence on depicting the 2018 tax levy increase as being 1.3% is both reckless and inaccurate. To consistently provide mistaken and flawed information to the public is disconcerting. The amount of 2017 tax levy was \$83.1 million. This year's levy is \$84.4 million. The difference is \$1.3 million or a 1.56% increase.

The city has used new assessment growth to reduce the reported tax levy increase. This practice is entirely wrong and suggests a serious lack of understanding of mathematics and the municipal tax system. Staff's treatment of new assessment growth would be similar to someone saying that a 3 mile distance to work which ordinarily took an hour to walk has been reduced by 10% to 2.7 miles because they increased their walking pace by 10%. Our Association has provided irrefutable proof that this treatment is erroneous and relayed that message to the Mayor and council members on numerous occasions since 2015.

In addition, because the city has included \$950,000 in loan proceeds to artificially lower the tax levy; the real tax levy is 2.71% higher than last year.

During the period 2015 – 2017 the City reported tax levy increases of 2.17%, 1.5% and 1.97%. The true increases were 2.40%, 2.00% and 2.72%. Including the 2018 increase of 1.3% as reported and 2.71% actual increase and we get an average tax levy increase of 2.46% per year and not the 1.7% as suggested by Forgette and Shogren.

Repaying \$1.4 million of borrowed funds to artificially reduce the tax levy during this year and last will cost taxpayers \$2 million over the next 20 years. There has been no discussion of this additional cost in any media reports.

The entire 2018 budget has been set without knowing the amount of 2017 expenditures and is being compared to last year's budget. Last year's budget overestimated expenses by \$1 million dollars. Comparing this year's budget to last year's actual figures shows that the increase is 3.4% higher than 2017 actual expenditures.

There is no supportable reason to rush the budget through before actual numbers are known. The mill rate does not need to be set until the final tax bills go out in June and finalizing the budget after 2017 actual expenditures are known would not hold up city business in any way.

In what other organization would staff be allowed to continue producing this inaccurate and incorrect information without facing the consequences? In what other organization would board (council) members who fail to recognize these obvious and blatant errors be allowed to continue in their duties?

Elections next year will allow citizens the opportunity to change the status quo in North Bay in order for us to get back on a sound financial track instead of being victims of dubious thinking.

CORRECTION: The Taxpayers' Association would like to correct information regarding average City salaries provided in a recent letter to the Editor. The average compensation package for North Bay employees at city hall is \$99,004 and not \$91,960 as previously reported. When both the \$154,608 average for firemen and council member salaries are ignored the average compensation package for City of North Bay employees is \$87,370 and not \$77,973 as previously reported. (CORP 2017 – 92).

Merry Christmas

D. D. Rennick, CPA, CA  
Treasurer  
North Bay Taxpayers' Association