

26% tax increase in South Frontenac draft budget

by Jeff Green

South Frontenac Chief Administrative Officer Wayne Orr tried to ease members of council into his preliminary budget presentation at a meeting of the Committee of the Whole on Tuesday night, March 8.

"Last year the tax increase was minimal," he said. "I'll call that one an election year budget. Council was well aware of the significant draws on reserve funds that were used to keep the tax increase to 2% in 2010. This year it will not be as easy."

Orr said that staff were given instructions by council to prepare three budgetary options: a bare bones budget, a budget to reflect the needs of the township, and an ideal budget that would set the township up for the future.

"We never got to the last two options," he said, "because the base budget still requires a significant increase."

Projected revenues from grants and other sources are down by \$4.1 million this year, Orr said, and while projected expenditures are down as well, by over \$1.5 million, that still leaves a shortfall of \$2.6 million, which translates into a 26% increase in the amount of money that needs to be raised through taxes.

"The reality is that we have been funding ourselves with money that we've saved for a rainy day. We could say it is time to face the music," he said.

In terms of options to reduce the increase, Orr noted that council could opt to reduce service levels; they could decide to increase the garbage charge from \$100 to \$150; or they could consider deferring road projects.

The roads budget accounts for over \$5 million, about half the overall budget.

Wayne Orr reminded council that the roads rehabilitation plan, which was approved by council last year, calls for that amount of spending. "In order to narrow the gap between where the roads are now and where they should be. If we cut into that, we will only widen that gap," he said.

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Council will not receive the detailed budget until next week, and will go over it on March 22, but members of council did have a few things to say in light of the proposed 26% tax increase.

"Maybe this is the time we need to consider a user-pay garbage system," said Councilor Ron Vandewal, "but I really would like to see all of this on paper. I've got to see all the numbers before I can decide for myself if this is really the way to go."

"I agree with Ron," said Councilor Larry York. "We need to see some figures on paper. We do have a strong public works budget. I think we might look a little more long term at some of that work."

"I have some concerns about comparing budget numbers to 2010 because it was a funny year with all that federal grant money," said Councilor Del Stowe. "I'd like to compare costs to the 2009 budget."

Wayne Orr said he fully expects council to look for savings when the budget is set before them in detail.

The likeliest source of savings will be in the road construction budget.

"There was no expectation from staff that you were going to say 'job well done', let's go with this," Wayne Orr said.

"Any further comments?" asked Mayor Davison after a relatively short, low-key discussion took place.

"I think everybody is still in shock. I know I am," he concluded.