



Municipality of Bluewater
P. O. Box 250
14 Mill Ave.
Zurich, ON N0M 2T0

February 25, 2016

Attention: Mayor and Members of Council

Principal Issues & Recommendations to Bluewater's 2016 Budget

The BRA appreciates the difficulties that Council has in dealing with the Budget. Based on our observations of the Budget deliberations to date, we have identified a number of obstacles that Council has faced:

1. *A flawed process*, including vague directions to staff regarding budget priorities and the need to respect *taxpayer concerns*.
2. *Presentation of financial information* in a format that is difficult to understand and on which it is *impossible to base decisions*.
3. *Uncontrollable expenses* passed on from higher levels of government, including the County, the OPP, School Boards and ABCA.
4. *Lack of oversight* by staff and Council on important financial matters, including budget overruns and other major Municipal projects, including the Hensall Hall renovations grant application and expenses, the Hensall dump and the Varna water grant application.

Given the Municipality's serious financial situation, the BRA recommends the following:

Council should implement an austerity Budget for the next few years, and only authorize *Must-do-projects*. All other proposals for new and discretionary projects should be deferred or turned down. Council should direct the new CAO and Department Managers to make significant cuts, with a *minimum of a 10% reduction* to their individual department Budgets.

Council should consider converting services and facilities by the devolution to private and community service groups. Options to consider are shedding of *non-core* or *non-essential*

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services, contracting out, sale of surplus assets and partnering with private and public organizations.

All *capital projects* should be *outright rejected*, and only proceed when senior levels of government funding becomes available. Detailed plans for future projects should be developed complete with engineering, environmental assessments, and cost estimates in readiness to be *shovel-ready* when funding becomes available.

Bluewater should set aside *reasonable reserve funds* each year for major projects, to be applied toward Bluewater's share of matching grants from upper tier governments.

Long term plans should be completed with options for minimizing costs for operations and maintenance through innovative approaches, *i.e.* more *contracting out, private/public partnerships, a staff hiring & salary freeze and sharing services and facilities with other Municipalities.*

While Council should support community activities to improve our quality of life, it *should not be in the grant business.* Municipalities have a difficult job of setting priorities for these types of activities, and should rely on community volunteer groups to provide non-essential services and facilities.

Freeze our property tax rates at the 2015 level for the remainder of this Council's mandate. Once budgetary room becomes available from the above initiatives, *consider rate cuts.*

These proposals are consistent with the *Canadian Taxpayer Federation Tax Cap Policy* for municipal governments.

Respectfully,

***Board of Directors
Bayfield Ratepayers Association
Ken Larone, Acting President***

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