

The BMRA is sending this New Year's eBlast to our membership with an optimistic message that having learned a few things through trial and error during 2015, we can now hopefully get on the same page in 2016 and work together to focus on optimum service levels for Ratepayers.

On Tuesday Dec 22<sup>nd</sup> the following were at the table in the Town: Mayor John McKean, CAO Troy Speck and Director of Finance Ruth Prince along with BMRA representatives Ritchie Baird, Al Fraser and John Leckie.

Our meeting had been precipitated by a comment in our Fall Newsletter that senior management in the Town had not been supportive of members of Council to have reviews done for better Town efficiency. It turns out that sentiment was unfair to Town management because in fact, in recent years Town management have led and participated in a number of operational reviews. The BMRA wishes to now focus with the Mayor on his campaign platform (shared by several members of Council) that a better deal is required between the Town and the County. In other words, that the Town has had several studies already and that in this period of rapid growth in our region that Town efficiency levels are acceptable. We all concluded that where change is needed is primarily our deal with the County.

Here is an outline of our very productive dialogue that frankly happened because of a misunderstanding for which we accept the criticism. All parties at the table are prepared to move on and focus on the County situation.

BMRA: Now that we have a better understanding of where Council is on the levels of efficiency, are we all agreed that County gets more than its fair share from TBM Ratepayers? And that MPAC model is unsustainable, without our taxes going up, when County blending down comes to an end?

CAO: While it may not appear fair that more taxes go to the County from TBM than any other municipality in Grey County, the reality is that the apportionment is based on the total assessed value of properties within each municipality; and the reality is that TBM has more assessed value than any other municipality in the County. It's exactly the same as the fact that someone in a \$1 million home pays four (4) times the municipal taxes as someone in a \$250,000 home. It's simply the way MPAC and the assessment system have been set up by the Province.

BMRA: Certainly. But we supported the Mayor in the last election because of his knowledge of Roads and his platform to withdraw TBM from the County on that roughly 1/3<sup>rd</sup> portion of the \$13 million sent to the County for aggregate services. We now are pleased to see that a goal of August 2017 set for pulling Roads out of the County and that doing them ourselves seems to be on track. But frankly we are worried it might not stay on track, so Ratepayers need to get ready to be more aggressive and go for a single tier solution\*.

CAO: Whatever direction Council chooses to take, Staff will certainly work hard toward that goal. We need to be mindful that any direction that would result in benefit to TBM, to the detriment of the other 8 municipalities in the County, will likely see a lot of political resistance, which is significant given that any major change to the way the system is currently set up will require majority support from the rest of the County.

BMRA: We understand that and are implementing a long term strategy of informing Ratepayers to get ready for a battle. Because the County is out of touch with the reality of demographics in rural Ontario imploding and their response to that is a bizarre project for the renovation of County offices costing anywhere from \$13 to \$18 million. TBM will have to pay what MPAC formulas are pushing us toward... 30% of that reno cost. That percent is rising because TBMs market values increase as rural values decline.

Director of Finance: The County over the last several years has passed lower tax rates and therefore when blended with the Town's tax rate the impact on the homeowner has been for example less than 2%. Moving forward BMRA is indicating that the County will no longer be able to sustain the lower tax rate and combined with the Town's tax rate the impact will be higher than what we have seen in the past.

BMRA: Yes that is where we think this is going and we want to pre-empt that by informing Ratepayers of what is coming down the track at them.

Mayor: I share that sentiment and see the County will soon see 2 or 3 % increases which will climb if we see a rising interest rate environment. Plus TBM struggles to stay on top of our infrastructure reserves but others within our County are even more pressed on that front. Plus what is saving us to date is growth. That growth won't last forever and without that we'd be at 4% increases in taxes. So if you add it all up: it's unsustainable!

CAO: My job is to take direction from Council. So if that direction is to negotiate a better deal with the County, be it taking on County roads or trying to move toward being a single tier municipality, then staff will focus on that; but we need to do it within legal parameters. When the BMRA suggests "withhold the cheque to the County" staff have an obligation to advise Council that has legal implications. Withholding payment to the County is a violation of the Municipal Act, and so is obviously something that staff would not recommend doing.

BMRA: We are speaking from a negotiation standpoint. We need to get the County's attention. If it takes withholding payment for awhile, why not try it? It's been done before. Furthermore Ratepayers are gradually coming to understand that something is going on here that is "unsustainable" to use the Mayor's word.

CAO: When we look at where TBM taxes sit as compared to taxes paid on comparable homes in other municipalities, we measure up pretty favourably.

BMRA: Our point is that taxes will start to shoot up and our job is to warn that's what is coming.

Mayor: Yes that is what we must preempt with a better deal with the County. Ratepayers will tolerate existing levels but fixed income demographics do not want big increases. So we have to act now.

BMRA: We were pleased to notice a lot of time in the Strategic Plan focusing on bicycles, which in turn makes our region (not just TBM but other Grey County towns that benefit from a successful TBM) prosper. But that County road maintenance is not taking this sufficiently into consideration.

Mayor: Yes that is correct. The edges/shoulders of our roads are cracking and the bicycles have to move to the middle where it is smoother but that impairs traffic flow and is a safety hazard. We need to get our act together to optimize ourselves as a bicycle/culinary/tourist destination etc. That will benefit the whole region, as will BMRA observations that houses in TBM are often built by trades in Owen Sound. Success breeds success. So let's try to leverage the growth opportunity here.

CAO: I understand the desire to take a more aggressive stance on single tier that might lead to going to Queen's Park, but logically have to be somewhat skeptical about the likelihood of success for a solution that will benefit one municipality, to the detriment of 8 others. Those 8 other municipalities are all made up of taxpayers too. So is the Provincial government likely to simply ignore the concerns of people in those other municipalities?

Mayor: Well for one thing, TBM has a different MPP than the rest of Grey. So we need to play that card.

BMRA: Perhaps we have not expressed ourselves clearly on the timeline in mind. We fully realize that what we are trying to do will take some time: it started with informing the Ratepayers that their low increases in taxes are unsustainable unless action is taken. Now we have the assumption of the roads scheduled for August 2017. However, we realize that getting out of the County into single tier might take well over 5 years.

Mayor: Yes it is like our dealing with STAs. It takes various approaches and trial and error to come up with solutions that need to be experienced and thus become the benchmark for improvement. I see the negotiations for a better deal with the County as being similar to the long painful journey with STA enforcement. It is a long term goal for which we need stamina and that we must work on together and make accomplishments along the way.

CAO: There were a couple of items not quite correct in your Newsletter, for example, the graph on Page 7 refers to "Total Costs To Be Collected Through Taxes" which would more appropriately be referred to as "Total Tax Levy", as the graph also reflects loss of revenue from the Province, not just increases in Town "costs".

BMRA: We agree that is better wording and will work more closely with the Director of Finance before publishing in future.

BMRA: It appears to us that through the mishap of the BMRA making an accusation about TBM efficiencies that we have stumbled into a more united process of being determined to get a better deal with the County. And to quote the CAO: "I'm a Ratepayer too".

With that, we ended our interview and appreciate the time of our dedicated TBM staff and Council and look forward to a prosperous New Year.

### **\*Single-tier Municipalities**

Single-tier municipalities provide for all local government services, and does not form part of an upper-tier municipality. Currently The Blue Mountains is a lower-tier municipality within Grey County, an upper-tier municipality. As such, TBM provides a wider range of local services than if it formed part of regional municipality, since counties provide less local services than do regions. Ontario has 173 single-tier municipalities comprising 32 cities, 23 municipalities, 28 towns, 85 townships, and 5 villages. In southern Ontario, single-tier municipalities are either politically separate from, but geographically within, neighbouring counties or were formed through the amalgamation of upper-tier and lower-tier municipalities. All municipalities in northern Ontario are single-tier municipalities as upper-tier municipalities are not present.

Source: Wikipedia