

# Jack's Recap

June 1, 2015

## **Do you want the good news or the bad news?**

Alright, so you want the bad news first? It took me quite some time to digest all that Mr. Oscar Poloni from KPMG presented to council this past Monday evening, so I will contain my commentary to this presentation when composing my recap. Many accounting terms were beyond my understanding and the graphs were unreadable when watching from home.

Oscar Poloni from KPMG stated to our council that from an affordability standard the tax paying residents in this town are not paying too much in taxation. I believe many will beg to differ with his conclusion. His research shows that we are a community of high wage earners; however, he cautioned council that this could change in a hurry if and when the Kidd mine would eventually close in the near future (2021). Right now, your residents can afford to live here and pay for what they need. Even though he says that he himself is overtaxed, we are not. He states that most people only look at the bottom line when it comes to taxes (how much taxes do I pay) and I would have to disagree. If I were to move from Timmins to another municipality I would be looking at the tax rate (how much does the city charge to live there) what are the historic tendencies of the municipal government when it comes to taxes (will they raise the tax rate as Timmins does when it has to balance its budget?) Assessment aside, my home is worth what it is worth in this town and a duplicate of my home in another city would have a different assessment, which is beyond my control (MPAC).

Oscar also states that our northern climate has not been kind to us. And here comes the very bad news.... A city can fall under 'the bad, the very bad or the ugly' when it comes to infrastructure and our assessment management study shows us that we fall under the ugly heading. Our aging infrastructure will be in need of replacement in the very near future. Cast iron piping has a life cycle of 100 years or so and as Oscar asked on Monday night, he found out that we celebrated our centennial three years ago. Oscar also state that should we have to replace our infrastructure it would probably add up to \$730M of today's dollars! Councillor Doody asked, "What would happen if a town declared bankruptcy?" Oscar answered that this would be a terrible idea because the Ontario government makes it illegal for a town to declare bankruptcy and instead, the only option is to have the provincial government take over the management of the city and apply whatever draconian measures needed to correct the problem. He said it wouldn't be pretty and would take a long time. I can't help but point out that our new mayor is still in favor of raising dollars to construct a new aquatic center with enough land to house the new multi-use sports and conference centre. I must echo councillor Rinaldo here: "Where will the funds come from?"

Mr. Poloni goes on to say that Timmins has the highest taxation of the five northern sisters(North Bay, Thunder Bay, Sudbury and the Sault). He goes on to say that Timmins is the only municipality in the comparative towns that owns and operates its very own long term care facility (LTCF). He also says that other towns have gone to OPP policing to save the taxpayer money while others do not offer transit system. Another comparative example he gives is that North Bay only have full time firefighters whereas Timmins has volunteers as well. Didn't the TTA talk about some of these same points just a short time ago only to be chased out of council chambers? I am certain that KPMG will point to the fact that not only do we operate the Golden Manor, but that we operate it at a \$3.37 million annual deficit. I would hope that KPMG would find "opportunities" within these two items. Will the city listen and act accordingly or will they stubbornly hold onto the status quo?

Mr. Poloni also suggested that our user fees are too low. He said he discovered that he would only receive a \$10 ticket for parking in front of a fire hydrant and that would not be enough to deter him from doing it again. I am certain that KPMG will show many more "opportunities" when it comes to user fees in this city. I can think of a few myself, such as parking in a handicap spot without proper authorization or speeding fines in school zones which should both be increased.

Once again I highly recommend that anyone interested in how taxation is calculated in this town view this important KPMG presentation.

**That's a rap on this week's recap!**