

## 2020 Year end Results in HH

Recently your council tackled once again the incomplete Road (formerly Highway) 62 in the municipality. Sadly the focus here was not on the other 95% of our roads that demand attention.

Then they moved on to the quarterly summary of results to the end of 2020. Council was unanimous in its appreciation of the work of treasury staff in presenting a complete, transparent and easily understood report. While the reporting is exemplary, council did not highlight some concerns that should have been mentioned. Non tax revenues continue to sit in the mid 20 percent range compared to much higher numbers with our neighbours. An updated comparison has been completed on this, as the primary source here is federal and provincial grants and it is unlikely we will see those grow in the near future with the economic damage Covid 19 has caused. And another concern on the spending side is our growing salary costs over the past few years; they are up 19% since 2017 and 11% in the last reported year, 2019, (no numbers are available yet for 2020) almost double the overall expense growth of 11% for the same time period

And council dealt with protection costs (Fire) related to capital needs, with a majority deciding to close Station 2 as recommended by the Fire Task Force Ad Hoc Committee. They then moved on to a discussion about Station 5. Finally Councillor Matheson suggested that before they make any major decisions, shouldn't Council see the Master Fire Service Plan? On this point Councillor Davis voiced the need to see a full set of recommendations on the capital, operating and people needs for our fire service in HH. A majority voted to leave this Station "as is" for one year until it is clearer what the fire service strategy is.

Council reviewed the post-election report submitted by the Clerk's Office. Of most concern were the phone and internet voting glitches. There was a suggestion that perhaps we should send someone to assist ratepayers who find the new voting process difficult, but this was not supported. However Council enthusiastically supported many other options to make voting easier. Of note: Internet voters (72%) and telephone voters (12%) far outweighed the 11% who used the voter help centre.

Waste management is always a big topic for the municipality that has the most dumps in Ontario and is operating in a time of unprecedented change in how waste is regulated. It was refreshing to hear councilors admit they didn't know a great deal about how to propose a good strategy for this file. And all councilors agreed to spend time with the Operations Manager touring the sites so they would get a feel for the upcoming challenges. They also insisted the County not enter into any long term arrangements for waste handling (such as the proposed 5 county \$50MM plant) without their consent.

Overall, 2020 was a good year for capital improvements in HH, which haven't been dealt with for a long time, although Council did shave the planned spending by about \$1MM. Much of this deferred spending has been moved into 2021. On the operating side, revenues in 2020 were up over 6%, driven primarily by some major asset sales, covid support and the prior year MDRA flood funding from the province. And expenses fell about 3%, primarily due to much lower reserve charges in 2020. Our debt falls to \$866K and our tax arrears are level with 2019. So overall a good annual result financially.

Still to come is the decision on the 2021 tax rate for HH. We know that MPAC and the education rate are frozen for another year and the County tax rate is up 2.2%. So if HH sticks with the draft budget at its April 21<sup>st</sup> meeting (only Councillors Davis and Matheson voted against an increase at the latest meeting) we can look forward to an increase in the tax rate for this year of about 1.1% to the highest rate ever for HH.

Bill Cheshire Baptiste Lake April 2021