

Arresting Arrears in HH

Now that 2016 is in the books it's a good time to look at how we are doing on tax arrears, a subject we have been deeply concerned about for the past couple of years

Our Treasurer David Stewart did a good job at the latest budget meeting for 2017 explaining that regardless of arrears, we must pay the county and the province their share of taxes charged on time; they make no allowances for arrears. So we have a line of credit of \$1 million which we use to make up the shortfall

We didn't make real progress in total arrears in 2016, as we did in 2015 when our arrears fell from just over \$2 Million in 2014(our worst performance ever) to \$1.8 Million at the end of 2015 where they stayed in 2016.

Another good measure of arrears is how old they are: in other words, even if your arrears stay at \$1.8 Million, if they are more current then they are more likely to be collected. Of the \$2 Million at year end 2014, 55% was over 2 years in arrears. Now by 2016 year end those in the oldest category had dropped to 49%. So progress has been achieved with the most delinquent taxpayers. Still at December 31st, one third of taxes due in 2016 were unpaid

And we can measure arrears is comparison with our neighbouring municipalities: as a percentage of municipal tax revenue is how I prefer to do it. For HH our year end 2016 arrears as a percentage of our tax revenues were 27 %, down from 35% at year end 2014. But consider these most recent audited results: Bancroft 25%, Faraday 15%, Madawaska Valley 19%, North Kawartha 16%, and Carlow/Mayo 24%. Only Highlands East at 29% turned in a worse performance than HH

Now we should have a goal in the 15% range if we want to be "best in class" which would mean an arrears reduction of \$600K and a significant saving in operating loans at a time when short term borrowing costs are creeping up

Remember that loan interest to cover unpaid taxes costs us all

If this concerns you, talk to your Councillor or the Mayor about their goals for arrears in HH for 2017.

Bill Cheshire, Baptiste Lake