

Taxpayers can look for further tax hikes

County taxpayers can look forward to further tax hikes as early as 2015 to repay almost \$4-million it has taken from reserves for its share of erecting new buildings for the Wellington Dufferin Guelph Health Unit.

The Dufferin building is a 3-storey structure on Broadway in Orangeville. Its exterior is all but complete, and it's reported that its windows could be installed in October.

Dufferin taxpayers might be better off than their counterparts in the other two municipalities as, according to earlier reports, both Wellington and Guelph had to float immediate loans to pay their respective shares ? and might have had to begin repayment almost immediately.

Dufferin's cash advances for its 21.4% share of the total cost had been calculated at \$4.7-million, of which it had already advanced approximately \$3.4-million.

Now county treasurer Alan Selby has reported that a provincial grant secured by the health unit has reduced the local share to \$3.955-million, or roughly \$4-million.

The total cost to all three partners had been set at \$22-million. The grant reduced that demand by about \$3.5-million, to a total of about \$18.5-million.

Apart from the health unit demands, County Council will be struggling with what might be unavoidable demands for budget hikes well beyond 5% when it begins deliberations in October.

That is the gist of the ?heads up? bad news the treasurer delivered to the council last week. The main financial culprit would be the state of the county's infrastructure.

County Treasurer Alan Selby confirmed in an interview Wednesday his recommendation that the council increase its capital budget \$1-million annually for the next five years ?as a starting point.?

?It needs more than that (to bring the infrastructure up to where it should be.) But we have to weigh the needs against the affordability for the taxpayer.?

Shelburne Mayor Ed Crewson in a brief phone interview said the county needs to have capital plans in place to take advantage of the provincial infrastructure grants.

Although it wasn't mentioned, the provincial demand for amortization accounting would reveal the current state of the infrastructure. This accounting is separate from the regular county budget.

In the forthcoming budget deliberations, the council will be looking at the Headwaters Health Care request for \$2-million over four years, or \$500,000 a year for five years, as well as the capital demand for an added \$1-million ? a total of \$1.5-million.

Mr. Selby related the total to this year's operating and capital budget total of about \$30-million. The \$1.5-million would represent 5% of that budget, which translates into a 5% hike for the taxpayer. If viewed from the perspective of the separate capital budget, it's more like a 20% rise in capital tax, as the capital budget had been stabilized at \$4.5-million in the county's 3-year plan.

The 5% covers only the capital portion of the overall budget. Operating expenses are expected to rise, not only by the rate of inflation but also by increases in a variety of costs.

He used fuel as an example. ?Anyone who drives a car knows you could fill up at the pump for \$1.10 a litre three years ago. Now it's

at \$1.30. That's about a 20% increase in three years," he said.

Even with the million-a-year increase plan, Mr. Selby said the infrastructure would not be "up to where it should be" in five years.

Specific figures will be forthcoming at the council's October meeting. He said his purpose in relating the capital needs was only to serve a warning of what the councillors can expect to be facing in their deliberations.

By Wes Keller