County capital budget viewed as ?scary?

Today is not likely one that county councillors will be relishing when they meet as a committee of the whole at 5 p.m. and later in their regular monthly meeting, as they will be facing massive new capital demands that, if met, could hike taxes by 9.57% in 2014.

The initial draft budget calls for about $10-million of capital investment, without factoring in a $2-million request from Headwaters hospital or the $4-million share of the health unit's building project. The $10-million would require a tax levy of $6.6-million, after deducting other revenues such as the gas tax.

Worse; in accordance with the provincially imposed Asset Management Plan, which accounts for infrastructure depreciation on an amortized basis, there could be a $61-million capital need over the next five years.

The treasury department has calculated alternative levies, in each case eliminating some projects from the budget to reduce it by various amounts between $600,000 and $2-million. These would require levy rises of 6.2%, 4.3% or 3.0% respectively rather than the 9.57%. But they would result in an escalating capital funding gap. The needs don't go away.

Treasurer Alan Selby doesn't try to conceal the fact that the capital wishes ? read that as eventually mandatory ? list is scary. He does point out, however, that it has been known that the county has been falling behind in its capital spending for several years and now things are catching up.

Part of the reason might be the Asset Management Plan mandated by the province. Under that obligatory amortization accounting, the Dufferin County ? along with every other municipality in Ontario ? has been forced to depreciate infrastructure on a level amortized basis and, for the first time, the need to replace assets is measurable.

?The Plan is making it quite clear what we are facing,? Mr. Selby said in an interview Tuesday. ?(But) what needs to be done is beyond the capability (of taxpayers). We need to make progress. We can't afford to stand still,? he said.

Mr. Selby hastily pointed out that the $6.6-million and the ?scary? need for taxpayer support is not related to capital items already budgeted and undertaken. He also made haste to emphasize that almost all municipalities are facing the same catch-up demands.

Specifically, the Shelburne hospital conversion is not included in the new demands. That expense, he said, would be for a half year in 2014 and then the building would be occupied fully for the 2015 taxation year, with revenue covering most expenses and the property fully paid for in 20 years.

But ?the other shoe? would be the request by Headwaters Health Care Centre for a $2-million contribution over four years. The $500,000 yearly contribution is not included in what is being presented today, he said.

It might be problematic to consider whether some items should not have been a provincial cost and not burdened on county taxpayers, for example County Road 109 (former Highway 9) will be sucking up about $1.6-million. County Road 11, bearing a significant volume of Honda (Gibson Transport) traffic will need about $2.5-million, and CR 18 ? a tourist route ? is budgeted for $1.2-million ? and those figures are a beginning for one year in the budget.

Mr. Selby says, however, that no one is counting on any changes even though traffic on continuing Highway 89 is considerably lighter than on the downloaded Highway 9, now Dufferin 109.

The one bright spot in the budget might be that the operational side of it is reduced by almost $100,000, but that doesn't go far to offset the capital increases.

Whatever the council decides this evening for a 5-year capital plan, it won't be written permanently in stone. The present council cannot commit future councils beyond 2014.

By Wes Keller