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COUNCIL NEWSLETTER—NOVEMBER 2009

Dear Constituency,

Greetings from the Council of Hastings Highlands. This year has been exceedingly busy for our Council, as we have been the recipients of several exciting grant approvals, particularly from the Build Canada Fund programs. Over the past year and a half we have held a number of public meetings to review plans for a new Town Hall Complex. We have also met with our cottage associations, and other ratepayers. Many asked for a Newsletter to provide more details on our present financial position, the infrastructure projects planned for this year, and our goals for the future.

We are aware of your concerns over increased taxes this year. At your request, over the past 7 weeks all of Council has worked together to prepare this comprehensive Newsletter to explain our financial position, and acquaint you with our long-term plan—to stabilize taxes in 2010, and in the years to come.

Never before in the history of our amalgamated townships has any Council had the opportunity to access millions of dollars in grants to build and improve infrastructure for the future. These monies, all spent in Hastings Highlands will create needed local jobs, stimulate growth in our area, and offer a brighter future for our residents, our children and their families. Apart from improving the quality of life in our rural community, the completion of these many projects with 2/3 provincial and federal funds will save ratepayers millions of tax dollars down the road.

This Newsletter will be on the Hastings Highlands Web Site, and further news updates will be issued as the projects progress. We trust this Newsletter will answer your concerns with a better understanding of the operation of your township. For ease of understanding and speedy reference, please see the **Index on Page 2**.

If you have any questions, do not hesitate to call any member of Council, or the township Office at 613-332-2811. **Please take the time to sit back, and read on...**

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1. STATISTICS & Other Facts

In September our auditors presented Council with year end Financial Statements for 2008. Highlights include a surplus in operations in the amount of \$102,672, and total reserves of over \$2.1M. The only debt we have is associated with a new grader, scheduled to be paid in full in 2012. Our auditors indicated that we are in a very strong financial position, and indeed had no suggestions to improve current township operations. Since 2007 Mayor Emond spearheaded many changes within the operation of the township, resulting in increased efficiencies which greatly contributed to our present financial standing.

- **Our 2009 Residential Class tax rate raises \$1360 on assessment of \$100,000; it is the 5th lowest tax rate of 14 Municipalities in Hastings County.**
- **As mandated by the province, we also collect taxes for the Bd. Of Education and Hastings County. Of the \$1360 this year, \$252 is for Bd. of Ed. (or 18%), \$352 is for the County or(26%). This equals \$604 or 44% of the \$1360 raised in taxes.**
- **However, OPP costs for services rose to \$587,000 last year, or an additional 12% of the tax levy. Thus, the percentage breakdown of your taxes is: County & Bd. Of Ed. 44% + 12% for Police Services = 56%, leaving us 44%, or less than half the taxes collected to pay for local needs—salaries, equipment, vehicles, the Fire Dept. gravel, paving, and all other associated costs to operate the township.**
- **Note:** The County levy pays for ‘social services’, our 2 Manors (Bancroft & Belleville), welfare payments, 911 Services (ambulance, paramedics) plus Planning Services for land development, severance, & zoning.

Our year round population is in excess of 4000; we send out 7000 tax bills; we have 15,000 eligible voters; we estimate our summer population (in good weather) swells to over 15,000 . We have 512 km of road, plus 30 km of Hwy. 62. The number of paved roads amount to 230 km, and the balance of 282 km are gravel roads, including 38 km of seasonally maintained roads.

- **About 65% of ratepayers have lake or waterfront property; these properties make up 70-80 % of our total residential assessment of about \$640M.**
- **Ward One (Bangor Wicklow & McClure) accounts for 43% of assessment. Ward Two (Herschel) accounts for 42% of assessment; Ward Three (Monteagle) accounts for the remaining 15% .**
- **However, Hastings Highlands provides Services as needed or required in each Ward, such as:** winter snowplowing, sand & salt; summer grading & dust control; road reconstruction/ditches, culverts, brushing, paving; provision of 9 waste sites; garbage pick-up, recycling; fire dept. protection, including 6 Firehalls; building department services; dog control; library services; 5 community centers; 4 outdoor rinks; Police Services by OPP; plus office Administration & Planning services.

2. CAPITAL PROJECTS – BRIDGES

The attached Summary Chart shows numerous Capital Projects completed in this term (since 2007).In recent years, due to collapsed bridges in Quebec and Minnesota our province focused on this type of infrastructure need—and for the most part they pay the lion’s share of the cost. The Summary shows that in **2007** we managed to conduct major work on the **Papineau Creek Bridge and the Soble Rd. Bridge.**

- **These 2 bridge projects amounted to just over \$377,000—our portion being around \$50,000.**
- **In 2008 we were awarded \$1.92M. to build a new 2-lane bridge over the Madawaska River, thus replacing the existing one lane Siberia Rd. Bridge. The bulk of the project is now completed—paving is deferred until 2010 due to cold weather, which affects hardening of asphalt.**

When construction began on this bridge one of the foundational assumptions regarding the continuity of bedrock proved weak, requiring cement piers to be poured in order to provide proper footings for the new bridge. The \$1.92M. based on 2007 costs did not anticipate the need for additional footings. The extra costs to us is estimated at \$183,000 (still to be negotiated); nevertheless, we are pleased that the province has funded this

needed project. The \$1.92 M. saved us from having to fund the bridge from our taxpayer base. With a brand new bridge we will save significantly on future repair and maintenance costs.

- **We have 14 bridges, plus 3 significant culverts that must be inspected by engineers every 2 years. These engineering costs used to be supplied by Ministry of Transportation, now it is our responsibility.**
- **Cost for preliminary evaluation is about \$20,000. each, but the cost for more detailed examinations, is close to \$50,000. when studies for minor remedial work are required.**
- **During this term we have replaced and /or refurbished 3 of our bridges.**

3. CAPITAL PROJECTS – ROADS

During 2007/2008 we undertook road reconstruction as well as pavement preservation. Altogether we were able to improve almost **39 km of our roads.**

- These projects totaled just over \$2.5M. Our municipal portion was just under \$680,000. or 27%. In order to reduce the cost to ratepayers we used funds provided by the province in the 2008 budget for road construction of over \$1,820,000. This program was not continued in 2009.
- **Ward 1 (Bangor, Wicklow & McClure) 5 km Centreview Rd.; 1.5 km on Siberia Rd; 2 km on East Lake Rd.; 2 km on Papineau Lake Rd.**
- **Ward 2 (Herschel) pavement resurfacing South Baptiste Lake Rd. 5.5km; “Y” Rd. 0.8km.resurfaced at contractor’s expense. Reconstructed and repaved 6 km on North Baptiste Lake Rd.**
- **Ward 3 (Monteagle) Resurfaced 5.5 km. on Musclow-Greenview Rd. Complete reconstruction 6 km. on Hybla Rd.**

In 2009 we were awarded grants under the Build Canada Fund to undertake two very large road construction projects (27.7 km in all) cost up to \$5.1 M. in total, with our 1/3 share at up to \$1.7M. (See Index #8, ‘Build Canada Projects’).

- **In 2001-2002 we were only able to afford 2-3 km of road construction a year in each Ward. We have come a long way since then.**

4. CAPITAL PROJECTS – COMMUNITY CENTERS, & RECREATION

Hastings Highlands, made up of 5 geographical townships has 5 community centers—Herschel, Maynooth, Musclow, Lake St. Peter, and Bangor. These centers are very actively used by local residents and as required, have received certain capital improvements and grants amounting to \$127,600.

- **In 2007 & 2008 our library in Maynooth applied for and received \$57,800 for books, programs and various library needs. Twice this term our Library has been a finalist in the Provincial Awards for new programs.**
- **In late 2009 volunteers at the Herschel Comm. Center applied for and received a grant for up to \$150,000 to build a Playground Park. Plan to attend the Grand Opening next spring; the entire Rec. facility at Bird’s Creek is a fine example of what can be achieved by volunteers, working together to improve life in their community. Final cost will be less than \$150,000; 1/3 to be shared by Herschel Rec. Committee & Hastings Highlands.**
- **Ground improvements to the Loggers Field enabled Rocky Hills Horse Club to have Team Penning and a Western Show at the Loggers’ Games; Maynooth volunteer groups applied for and received a Trillium Grant of \$45,000 to provide bleachers and a sound system to increase public**

participation and attendance; the Mud Dawg show; a toboggan hill behind the rink. A Rec. Infrastructure Grant was applied for, and \$21,000 received to improve the Maynooth ball diamond —again, all this accomplished with volunteers working to provide recreation activity, and to promote healthy growth in their community.

- **Looking ahead, Hastings Highlands has been working on a plan to comply with yet another provincial requirement—that of providing a septage disposal system within our area. Hydro G studies are almost complete, and pending a Certificate of Approval from MOE—we plan to operate an environmentally sound ‘trenching system’ to dispose of septage. (Capital Cost to us yet to be determined.)**

5. PROVINCIAL FUNDING & DOWNLOADS

As noted previously, there have been specific grants allocated to us from the province for specific projects for which we are thankful. However, time and circumstance alters the way governments do business, the way they design and implement a grant structure.

For instance in 1989 we received \$1.25 from the province for every \$1.00 we raised in local taxes. Today (2009) we only receive 20 cents from the province for every dollar raised in local taxes. Our 2008 Financial Statement shows we raised almost \$4M, in taxes; normal provincial funding was around the \$1M. mark. If we received proportionately from Queen’s Park what we received in 1989, we would be able to reduce property taxes in **half!**

- **In 1998 a 30km portion of Hwy. 62 was downloaded to us—now costing ratepayers the better part of \$500,000 Annually to snowplow, salt, sand and maintain—with no provincial funding.**

Several other legislative downloads have been received from many Ministries at Queen’s Park, such as:

- **Ministry of Environment: water testing requirements on our 9 landfills, with annual studies and monitoring (costing about \$50,000); monthly & bi-monthly water testing at all community centers & public buildings (costing about \$20,000 plus the cost of operating treatment systems); plus the requirement noted above to now provide a safe system to dispose of septage.**
- **Ministry of Natural Resources: Boat launches, beaches, no longer maintained, now fall under municipal responsibility.**
- **Ministry of Labour: ever increasing Health & Safety Reports required;**
- **Ministry of Transportation: The elimination of ‘Engineering Office’ costs for road projects now increases our costs to purchase this ‘service’ from the private sector.**
- **Ministry of Municipal Affairs: the change in how advice is given to municipalities now increases our costs to access (private) legal advice.**
- **A change in provincial policies such as, the Disability Act now being implemented, leaves us with the cost of meeting requirements to provide ‘everyone’ equal access to public buildings & services; PSAB: (relating to a ‘new way’ of calculating all Assets on Financial Statements, costing us in excess of \$30,000. to implement); plus Pay Equity which requires periodic Review of all Staff salaries.**

With changing times and circumstances many of these government requirements are necessary, but without enough provincial funding, they come at enormous cost to us all. .

Today, the number of increased grants from Federal and Provincial governments somewhat compensates for the increased costs of municipal operations; they come however, with increasingly complicated procedures to gain access to the various types of grant programs. We compete for these dollars with other townships, and to be

successful it now takes several people within our municipality, Staff, volunteers and interest groups to research and access the variety of grant packages available.

In Hastings Highlands, as evidenced by the number of approved grants this year, we are most fortunate to have competent staff and community leaders motivated to apply and wade through these grant programs. (We received more grants this year than any other municipality in Hastings County.)

6. ASSESSMENT CONCERNS

For years all of us have been begging for stability in the assessment of properties. Numerous studies done throughout the world in fact have been trying to come up with a 'fair' system of property taxation. It appears the concept of 'fairness' is an oxymoron in the realm of taxation. The present system, based on Current Value Assessment (CVA) of property really boils down to a 'wealth tax.' If your property is deemed worth 'more' than your neighbours, then you pay more taxes. CVA bears no relation to services provided, ie if your taxes are triple that of your neighbours, you do not receive garbage pickup 3x's a week as compared to your neighbour's 1x. It doesn't work that way.

The province froze assessments during the years 2005-2007, and then allowed an inflated 2008 basis to be applied in Jan. 2009 just after a major recession had begun to grip world economies. Last fall your Council fought this measure, sending a Motion to the Premier of Ontario, and other municipalities asking the Premier a) to roll back the new assessment and freeze assessment values; and b) to come up with a new system that will cap increases at a maximum of 5% per year. To date our recommendations to the Premier have not been acted upon.

Hastings Highlands is in a unique situation: We have more lakes than any municipality in Hasting County, and perhaps in Ontario; therefore a large majority of our ratepayers (over 65%) own waterfront property. Since their property is assessed differently from non-waterfront land, they are subject to disproportionate and much greater increases in a re-assessment year; thus, the latest re-assessment has once again 'pounded' our waterfront owners.

For tax purposes, within the Residential Class, there is only one tax rate. Waterfront and land based properties are taxed together in the same Class with the same tax rate: Thus, the existing wide-variance in assessments creates a growing tax imbalance among the two different property groups. This creates a tax dilemma for Council—to lower the tax rate enough to mitigate these diverse increases (evenly for both groups) in a re-assessment year.

In 2009 our Municipal Assessment went up on average 8-9% (after Appeals allowed); of course, some property increases were less, **but the majority were 3-5 times higher. This being the case, Council has passed a "Fair Taxation" Motion asking the County and Queen's Park to approve a sub-class tax rate for waterfront properties in Residential Class.** Our motive is to find a way to offset the unfair, untimely and hyper-inflated assessment increases that have been imposed on us by the Municipal Property Assessment Corporation – MPAC. **Thus we believe a mechanism, such as a sub-class tax rate for properties assessed differently within the Residential Class is needed—to counter an unfair tax burden in a re-assessment year. Our Motion is intended to confirm to the province that the existing system of a single tax rate subjects the majority of our ratepayers to 'unfair' taxation, and the only way to mitigate the impact in Hastings Highlands is to allow us to set two tax rates within the Residential Class—in order to provide 'fair' tax rates for waterfront and land based ratepayers in a re-assessment year.**

During budget deliberations in 2009 Council set a goal to limit tax increases for 2010 and beyond to no more than the cost of living. This will depend on stable provincial funding, and managing any 'surprise' expenses.

Even so, a stable taxation strategy should enable us to limit the effect of increases in assessment by reducing the tax rate accordingly. The challenge we face is how to lower the tax rate evenly to offset **all** increases in assessment. For example, if assessment on average goes up 9% and inflation and other cost increases are 5%, theoretically, we can lower the tax rate by 4%. However, if your assessment goes up by more than 9%, you likely will not receive the tax relief you should have.

A sub-class tax rate on waterfront properties would allow us to set a tax rate to offset large assessment increases on these properties, without affecting the tax rate for land based property owners.

7. HIGHWAY # 62

As mentioned, in the download of 30km of Hwy. 62, we inherited an annual cost of \$500,000—this includes operating costs – for truck fuel, repairs, insurance, salt, sand, labour, and employee costs, signs, patching, shoulder repairs, and a plow truck assigned to Hwy.62. Each truck in our fleet costs \$200,000.

Mayor Ron Emond has been elected Warden of the County now for two years. During 2009 he was elected Chair of the Eastern Ontario Warden's Caucus; Ron was also appointed to the Provincial Mayor's Education Committee—which only has 10 Mayors on it from across the province. These positions required our Mayor to invest considerable time traveling across the province, leaving him little time at home. Despite a considerable personal sacrifice, it presented him the opportunity to make significant provincial contacts—to pursue our case for the **'uploading'** of Hwy.62. **We have been told that this item is a priority on the agenda for the Transportation Review Committee, expected to begin their Review meetings this December.** We trust they will see the justice in taking back this portion of provincial highway—due for reconstruction at a cost of millions of dollars more than our total annual budget!

8. BUILD CANADA FUND (BCF) - PROJECTS APPROVED

With the downturn in the economy, in January 2009 the Federal Government approved 500 projects worth \$1.5 billion for small communities across Canada under a segment of the Build Canada Fund. Later, in the Federal budget an additional \$12 billion was approved for infrastructure funding over the next two construction seasons. Many more billions were approved under the Stimulus Package for Green Infrastructure and Recreation Funds. Under these programs the Federal Government pays 1/3 of the cost, the Province pays 1/3, and the municipality pays 1/3.

- **Our first BCF application in 2008 was approved for 3 Sand Domes, one for each Ward—required to protect salt from seeping into ground water. Cost for all 3 at \$1.7 M. or \$562,000 each. With our cost being 1/3, we acquired 3 Sand Domes for the price of one! Now all complete, the Domes are filled with sand & salt, ready for winter. Less salt is needed in the sand mix when stored inside; this will lower our budget cost for sand quantity.**
- **Early in 2009 we applied for 4 BCF grant opportunities—3 for major road construction and the 4th for a new municipal building complex.**
- **Two of the road projects were approved (1) Musclow-Greenview Rd. 11.6 km total cost up to \$3M. (2) Peterson Rd. 16.1 km. total cost up to \$2.1M. If we complete all 28km these roads will cost up to \$5.1 M---at a cost to us of up to \$1.7 M. As with all of these projects we will be looking at ways to conserve and save costs to ensure the best value we can for our infrastructure investment.**

Clearly, this is an example of being able to get a significant 'bang for our buck'—at 33 cent \$'s, saving us from having to pay the full 100% cost a few years from now.

9. MUNICIPAL COMPLEX

A) TOWN HALL, B) LIBRARY, C) MULTI-PURPOSE ROOM

A) TOWN HALL

In July 2009 under the BCF our application for construction of a new municipal complex in Maynooth was approved at a total cost of up to \$4,566M., with our 1/3 share being up to \$1,522M.

Right from the time of amalgamation talks, our 3 municipal partners recognized that eventually in order to effectively serve our residents, provide space for all staff and have a serviceable library, a much larger facility would be needed. As a temporary measure, in the fall of 2000 the municipality purchased the old Green building next door to the municipal office. This was renovated to provide space for our staff in the roads and building departments, and supplied office space for Community Care North Hastings.

Since then, services and staff have increased, creating a shortage of space for Admin. Staff to properly serve the needs of residents in our main building; even our storage capacity to retain records became inadequate, as it was in the basement with the library and exposed to major water problems.

For those who have attended a live meeting of Council, as you know we can barely seat 15 people in Council Chambers; any more than that number has to stand, sometimes in the hallway. This same room also serves as the staff 'lunch room' and is the only available space for various community group meetings.

As we look realistically at the plan for this new complex, we are not only providing a building for the year 2010; we are building to accommodate changes and growth anticipated by the year 2080! Our MP has told us that the opportunity to build for 33 cent dollars will not be repeated for decades, and the time to act is now!

- **The new complex encompasses 16,000 sq.ft. on one floor: Municipal offices, 6800 sq.ft.; Library 5600 sq.ft.; Multi-purpose room 3600 sq.ft.; plus 2400 sq.ft. extra storage space (below).The design allows flexibility, with room for Municipal offices to grow in the future.**

One thing is certain, as we look back on the past 20 years; municipal government will continue to grow if only due to downloading of services, and the relentless need to provide new services.

We look forward to serving you 'under one roof'. More importantly, under the BCF program we are pleased to embark on this major infrastructure improvement at minimal cost to ratepayers.

Council is meeting regularly as a Project Committee to ensure that costs for the projects are monitored on an on-going basis. To date we have found some efficient cost savings for the Town Hall complex, reducing the overall cost of the project, thus reducing our share of the cost at this point. As we move forward regular updates on project costs will appear in newspapers and on our Website.

B) LIBRARY

Our library facility, presently housed in the basement of the Maynooth Office has dramatically increased in use in the last 5 years, showing a proven need for more space. The basement has major water and mould problems (a health & safety issue); currently inaccessible to the disabled, and unable to comply with legislative requirements.

The new library on ground level will have many qualitative improvements – ie a program room, a staff/work room, a decent sized reception circulation desk, and ample space for ratepayers to find a book and read it in warm ambiance. Because of the disabilities legislation, book shelves cannot be as high as they used to be, but must be short enough to allow disabled persons to access the bookshelves. A further requirement is to have more space in the aisles for wheelchair access. These facts together constitute the need for a new and larger floor space.

Our Library Board is excited about the learning opportunities that this new facility will offer to our children and residents of all ages.

Current Library programs:

- **Rhyme time for children 0-3, Seniors Open House, Homework Busters –grades 4-5, Internet Help Program, Home Delivery Program, Reference and Reader’s Advisory; Interlibrary Loan Service.**

New Programs to come:

- **Expanded computer facilities and more computer classes for all ages; increased collections of books and movies; teen gaming events; enhanced children’s programs; community information center; meeting space for community groups; regular meeting place for seniors activities and exhibits of local artists. AND there will be accessible washrooms, room for coats, book bags and strollers.**

C. MULTI-PURPOSE ROOM

The 3rd component to this complex is a multi-purpose gym room with a stage for theatrical, and community presentations, exercise classes, or available for wedding receptions and family gatherings. The gym room will also be used for Maynooth Public School students who at present have no gym in their school in which to exercise or take part in inside sports.

This past year Hastings County School Board conducted a major Accommodation Review. Councillor Brent Dalgleish and CAO Craig Davidson were appointed to this very large committee of educators, Board Officials, Municipal Officials, parents and the general public. Statistical reports and future extrapolations show clearly that this school will not be closed. In fact it has the highest % usage of space of any public school in North Hastings. **We were gratified to hear this, since if we lose our school, then we lose our families, and the essence of our community. By investing in this type of multi-purpose facility we are contributing to the future sustainability of our area.**

Mayor Ron Emond has had initial talks with the Director of Education regarding cost sharing arrangements. Ron’s involvement with the Provincial Education Committee has confirmed that school boards are looking at ways to do business within their communities via expenditure and facility sharing. We are pleased to know that the school board will contribute to operating costs for students using the gym.

- **At a cost of \$175. per sq ft. this multi-purpose room , with stage, storage space, change rooms and washrooms comes in at a total cost of \$900,000. Our cost would normally be \$300,000.**
- **However, Mayor Emond has generously placed his total 4 yr. municipal earnings in a trust fund to be applied to the gym; his gift will amount to \$80,000.**
- **Ron has also been in contact with Corporate Sponsors to raise an additional \$20,000.—for a total amount of \$100,000 towards the cost of the gym.**
- **If successful that leaves a cost of \$200,000. Financed with interest over 15 years, our annual municipal cost amounts to \$20,000. (This is the amount spent on heat and repairs each year for the old Maynooth Community center.)**

Ron was raised in Maynooth and has a heart for this community and for the children of this area. As a Council we feel we cannot miss this phenomenal and unusual opportunity to provide children and our entire community with this wonderful facility, at so little cost to all of us.

The new complex will be equipped with generators and other emergency relief provisions; given the number of tornados in Ontario (27) to date this year, this entire building will be a great asset and focal point for our community.

10. FINANCING THE PROJECTS – LESS THAN 5% Interest

As reported earlier Hastings Highlands is virtually debt free. As per provincial guidelines and formulas, we have the ability to finance the amount we intend to borrow. OSIFA, the corporation set up by the province to assist municipalities, will enable us to borrow money for 15 years at less than 5% (4.81) or at 4.16\$ for 10 years. We do have \$2.1M in reserves, but we do not think it prudent or good business practice to use up all our reserves.

At the moment, once all projects are completed, our total expected debt could be up to \$5.7M., less if any project comes in below the grant limits. This includes our 1/3 of the Sand Domes, the Siberia Bridge overrun, the two major road reconstruction projects, the municipal complex, plus \$1.5M for replacement of some of our fleet including service and snow plow trucks.

- **The \$5.7M spread over 15 years requires annual payments of principal and interest of \$650,000. This amount is already accounted for within our 2009 tax levy. The borrowing amount does not preclude us from future opportunities; it is very manageable.**
- **Because of the strong fiscal position of our municipality, we are able to capitalize on these opportunities, and the good news is that we can do it all within the budget plan for next year!**

11. 2009 BUDGET SUMMARY and 2010 TAX LEVY FORECAST

In the 2009 budget the tax rate increased 5.6%; the assessment increase, on average, was almost 9%. As noted, for most of our waterfront ratepayers, their assessment increase was double digits, well above the average and regretfully translated into an above average municipal tax increase. For many ratepayers though, their increase was well below the average.

The budget for operating expenses increased from \$4.9 M. in 2008 to \$5.25 M in 2009. Part of this is about \$150,000 (the increase in cost of policing.) The remaining increase represents cost of living adjustments— Union & staff salaries and other costs related to inflation.—fuel costs, insurance, material supplies, etc.

The balance of the increase in municipal taxes (\$668,000) was to provide stable funding for our capital program. Below are some important factors when considering the effect of the capital program on your tax bill.

- Prior to 1995, the majority of road construction and equipment purchases were funded through subsidies received from the province. Since this funding ceased, most municipalities have not addressed their capital needs, which leads to a deteriorating infrastructure. We decided on a timely plan to replace equipment, instead of waiting for untimely breakdowns which can be much more costly to keep our equipment operational when we need it.
- **To continue to receive the gas tax funds, each municipality in 2010 will have to meet a federal requirement to have a long-term capital plan in place. In 2009 Hastings Highlands took a pro-active**

approach, and developed a 20 year capital forecast this year. During the 2009 budget deliberations, Council reviewed a 20 year capital plan that outlined the estimated expenditures required for road construction, bridge & major culverts, studies & repairs, roads equipment, fire equipment & housing, waste disposal equipment & required studies, and general building and equipment.

- An example of the results of this process is in road construction: We have about 216 km of hard surfaced roads. Once a road is reconstructed with a new surface, it has a life expectancy of 10 years. Translated, unless we reconstruct 22 km. of road on average each year, our infrastructure falls behind.
- **Paving costs for ‘chip & tar’ (cold mix), is about \$42,000 per km now; hot mix runs at \$125,000 per km. Costs for major reconstruction, digging up the road bed, replacing culverts, digging ditches etc. is in the \$150,000-\$225,000 per km range—depending on the amount of work done on ditches & road base. In reference to Hwy.62, cost of reconstruction of our 30 km (in the \$8 M range) is prohibitive; hence, our preoccupation with having it taken back by the province.**
- As the age of equipment extends past its useful life, the cost of repairs increases dramatically to keep old vehicles on the road. Last year a vehicle needed for road maintenance broke down, and the cost of repairs was \$40,000. Whereas, timed budget planning to replace such vehicles will save having to make such expensive repairs.

We believe the budget measures taken this year not only bring us on side with federal and provincial directives, but allow us to make solid advances towards determining major capital needs for this large rural municipality. Concurrent with this process, it gives us the chance to optimize grant opportunities, thereby maximizing the value of our tax dollars.

Our goal for 2010 and for many years to come—is to adjust the tax rate only for cost of living. As we come to the close of 2009, the new efficiencies put in place during this year are bearing fruit: It appears (barring any unforeseen expenses), that every dept. for the first time will come in under budget. We are therefore encouraged that with continued due diligence on the new projects, we will be able to meet our goal. This is the main reason so much work was done to produce a 20 year capital plan and a 5 year total budget—to ensure we do not put off paying for things, but stick with a long-term plan of spending needs that will ensure future tax stability.

- **We know on average (with the phase-in) that assessment will go up 8-9%; we plan to offset that with a tax rate decrease of about 4%, subject only to increase in the cost of living. We are optimistic that our funding base is now adequate to provide for financing our debt obligations as well as providing funds for new equipment and other road surfacing projects in the years ahead.**
- Note: Although our goal is to mitigate assessment increases through a reduction in the tax rate—when assessments increase they are never evenly spread out. We will continue to emphasize this inequitable factor as a main contributor to ‘uneven and unfair taxation’ to the appropriate decision makers.

We feel confident with the long-term budget plans now in place, barring any major surprises, we can realize our goal for 2010 and beyond—to stabilize taxes and stimulate future growth in Hastings Highlands.

- **(We wish to remind our senior ratepayers whose principal residence is in Hastings Highlands, when filling out your Income Tax Return, be sure to apply for the enhanced Provincial Seniors Property Tax Grant, which for households with income up to \$35,000 provides an extra \$250 refund above and beyond the regular Property Tax Credit calculation.)**

12. A TERM OF CHANGE and PROGRESS

As elected officials we believe our mandate is to work for you and with you, to exercise fiscal responsibility, to get good value for your tax dollars, to plan for future growth and new jobs, and at the end of the day to make Hastings Highlands a better place to live.

One of our most important accomplishments this year is the 20 year budget plan now in place. If strictly applied by future Councils, it is a Strategic Plan to handle the long-term capital needs of Hastings Highlands, a necessary step to prevent deterioration of infrastructure, and to stabilize taxes in 2010 and in future years.

We know many ratepayers experienced high tax increases, mainly due to inflated reassessment increases this year. Some municipalities used Reserves to avoid raising the tax rate, which erodes the ability to pay for infrastructure and equipment needs in the future. We chose to keep \$2.1M in Reserves, with a Strategic Plan in place to pay for what we will need—without large tax increases in the foreseeable future. And in comparison with the 14 municipalities in the County, we still have the 5th lowest tax rate, which we plan to lower by 4% next year.

We took advantage of the one-time ‘boom’ in BCF grants this year, to build roads, bridges and the Town Hall complex at 33 cent dollars—to improve and replace infrastructure that will not need replacing again for many years to come—leaving us able to manage the 22km of road construction, necessary each year to keep our roads in good shape. At 33 cent dollars it was a bargain basement offer we felt we could not refuse. Infrastructure/equipment and roads at some point in the future have to be replaced; the cost then, at 100% tax dollars would be prohibitive. The best value for your tax dollar is now: Not to take advantage of it would be fiscally irresponsible.

This initiative is a major step in planning for new growth, a necessary step forward to prevent normal cost increases from transferring into tax increases. To further encourage new growth, we brought High Speed Internet to Bird’s Creek, now extended northward to Hybla Road (Nov.’09), then in 2 years to all of Hastings Highlands and Eastern Ont.(a major initiative of Hastings County and the Eastern Ont. Warden’s Caucus.) On-going is our participation in the Revitalization of Maynooth, an economic development program in partnership with Bancroft & Wollaston. We are also seeking Requests for Proposals for green energy production through micro-generation on the York River to bring new revenue to Hastings Highlands.

Maynooth, as the geographic center of our municipality, is in need of a face-lift, an economic stimulus to revitalize the ‘down-town’ core. It needs to become a business center to promote Hastings Highlands—as a vacation spot, a business opportunity, a preferred area to live, to work or raise a family. With this in mind, our community volunteers have been encouraged to build and promote business and attract people to our new recreational activities. The Town Hall complex is a giant step towards revitalization of our area. Like a face-lift on your home, each step forward brings a sense of pride not only in the accomplishment, but in the place you live.

With the Town Hall and major infrastructure projects underway this year scores of jobs are being created locally, with spin-offs strengthening our local economy. We feel it is an important step toward attracting new businesses, new jobs, and a more prosperous community. Just like our successful outdoor Market this year attracted many buyers and visitors, we are confident that our Town Hall complex will become a major attraction for residents and visitors from afar.

- **Over this term Hastings Highlands is receiving \$12M in Federal & Provincial funds, which helps us to achieve \$17M in new infrastructure projects, saving H.H ratepayers \$12M that otherwise would need to be raised through the annual tax levy at some point in the future.**

- **Our municipality received the largest number of Build Canada project approvals in Hastings County; this shows confidence in our financial position, and our ability to successfully complete the projects.**

Can we do better? Yes, in better communication with ratepayers, working with you to overcome the challenges we face, and hearing more of your ideas. Many changes have taken place this term in the operation of the township, changing the ways things were done in the past, better record keeping to ensure we are keeping up with new ideas in each department. Council has been motivated in this term to explore new ways of doing business, not only to increase efficiency, but to look at ways to stimulate our economy for future growth. Our Council door is always open—it will be our pleasure to welcome you to meetings in greater numbers next year, and we can even offer you a chair to sit on!

Thank you for taking the time to read this ‘large’ Newsletter. We tried to cover all aspects of the municipal operation. We trust it was informative and helpful in understanding where your tax dollars go. We assure you that Council will continue with a ‘hands on’ approach to work in the best interests of Hastings Highlands, and each of its ratepayers.

Finally, in this term of accomplishment, we must recognize the many hours of extra work by our CAO, Craig Davidson, in keeping us informed, presenting us with new ideas, helping us plan these projects and move them forward, plus assisting us with this Newsletter.

Thank-you Craig.

Mayor Ron Emond

Deputy Mayor Marie Maschke

Councillor Lorraine Fell

Councillor Brent Dalglish

Councillor Mike Leveque

Councillor Gregg Roberts

Councillor Eleanor Tully

Councillor Christine Hass

Municipality of Hastings Highlands
Capital Projects - 2007 to present
Summary of Costs and Funding
Roads, Bridges Building and Other

Year Started	Description	KM Reconstructed	Cost	Senior Levels	Municipal Share	%
2007	Papineau Creek Bridge		236,029.75	233,000.00	3,029.75	1.28%
2007	Soble Rd Bridge		141,375.02	94,250.00	47,125.02	33.33%
2008	Siberia Rd Bridge		2,261,573.26	1,920,000.00	341,573.26	15.10%
	Total Bridges		<u>2,638,978.03</u>	<u>2,247,250.00</u>	<u>391,728.03</u>	<u>14.84%</u>
2007	Various Road Reconstruction	6	328,562.12		328,562.12	100.00%
2008	Pavement Preservation	20	410,413.05	410,413.05	0.00	0.00%
2008	North Baptiste	6.6	969,145.75	794,145.75	175,000.00	18.06%
2008	Hybla Road	6.2	826,304.07	651,304.07	175,000.00	21.18%
2009	Musclow-Greenview	11.6	3,000,000.00	2,000,000.00	1,000,000.00	33.33%
2009	Peterson Rd	16.1	2,100,000.00	1,400,000.00	700,000.00	33.33%
	Total Road Projects	<u>66.5</u>	<u>7,634,424.99</u>	<u>5,255,862.87</u>	<u>2,378,562.12</u>	<u>31.16%</u>
2009	Sand Domes	Total 3 one per ward	<u>1,682,000.00</u>	<u>1,120,000.00</u>	<u>562,000.00</u>	<u>33.41%</u>
2007	Fire Buildings		<u>19,950.00</u>		<u>19,950.00</u>	<u>100.00%</u>
2007	Community Centres/Recreation					
	Birds Creek		6,572.42		6,572.42	100.00%
	Maynooth		10,463.78		10,463.78	100.00%
	Musclow		538.92		538.92	100.00%
	Other Community Recreation		13,162.94		13,162.94	100.00%
2007	Total Recreation		<u>30,738.06</u>	<u>0.00</u>	<u>30,738.06</u>	<u>100.00%</u>
2008	Community Centres/Recreation					
	Birds Creek		14,832.16	15,000.00	-167.84	-1.13%
	Maynooth		9,811.13		9,811.13	100.00%
	Lake St Peter		3,378.51		3,378.51	100.00%
	Bangor		7,918.78		7,918.78	100.00%
	Musclow		15,427.42		15,427.42	100.00%
	Other Community Recreation		19,171.03		19,171.03	100.00%
2008	Total Recreation		<u>70,539.03</u>	<u>15,000.00</u>	<u>55,539.03</u>	<u>78.74%</u>
2009	Community Centres/Recreation					
	Birds Creek		159,900.00	98,600.00	61,300.00	38.34%
	Maynooth		5,000.00		5,000.00	100.00%
	Lake St Peter		5,000.00		5,000.00	100.00%
	Bangor		4,000.00		4,000.00	100.00%
	Musclow		3,000.00		3,000.00	100.00%
	Other Community Recreation		81,000.00	14,000.00	67,000.00	82.72%
2009	Total Recreation		<u>257,900.00</u>	<u>112,600.00</u>	<u>145,300.00</u>	<u>56.34%</u>
	Total Recreation		<u>359,177.09</u>	<u>127,600.00</u>	<u>231,577.09</u>	<u>64.47%</u>
2007	Library		8,610.60	8,610.60	0.00	0.00%
2008	Library		49,169.83	49,169.83	0.00	0.00%
2009	Municipal Office, Library Cultural and Recreation Complex		4,566,000.00	3,044,000.00	1,522,000.00	33.33%
			<u>16,958,310.54</u>	<u>11,852,493.30</u>	<u>5,105,817.24</u>	<u>30.11%</u>

Summary of Residential Property Tax Rates
County of Hastings
For the 2009 tax year

Rank	Municipality	Lower Tier	Upper Tier	Education	Total Residential	Taxes on 150,000.00 Assessment	Full time Population	Households
1	Deseronto	1.281700%	0.351700%	0.252000%	1.885400%	2,828.10	1656	755
2	Bancroft	1.092482%	0.351700%	0.252000%	1.696182%	2,544.27	3511	1914
3	Carlow/Mayo	0.966500%	0.351700%	0.252000%	1.570200%	2,355.30	950	665
4	Centre Hastings	0.958400%	0.351700%	0.252000%	1.562100%	2,343.15	4386	1915
5	Wollaston	0.891890%	0.351700%	0.252000%	1.495590%	2,243.39	634	777
6	Stirling-Rawdon	0.879700%	0.351700%	0.252000%	1.483400%	2,225.10	4448	1941
7	Tweed	0.838200%	0.351700%	0.252000%	1.441900%	2,162.85	5153	2926
8	Tyendinaga	0.817600%	0.351700%	0.252000%	1.421300%	2,131.95	3524	1377
9	Madoc Twp	0.815260%	0.351700%	0.252000%	1.418960%	2,128.44	1905	845
10	Hastings Highlands	0.756472%	0.351700%	0.252000%	1.360172%	2,040.26	3519	3614
11	Faraday	0.739300%	0.351700%	0.252000%	1.343000%	2,014.50	1578	1347
12	Tudor Cashel	0.719200%	0.351700%	0.252000%	1.322900%	1,984.35	572	781
13	Marmora and Lake	0.628693%	0.351700%	0.252000%	1.232393%	1,848.59	3511	2482
14	Limerick	0.571800%	0.351700%	0.252000%	1.175500%	1,763.25	320	557

Notes

Marmora and Lake has a \$30 capital levy charged on each property

Population and household figures are from the 2008 Ontario Municipal Directory

Where the number of households is close to or greater than the population there is typically a large seasonal population