

Arresting arrears in Hastings Highlands

To the Editor,

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.

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 in 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 per cent was over two years in arrears. Now, by 2016 year-end, those in the oldest category had dropped to 49 per cent. So progress has been achieved with the most delinquent taxpayers. Still at Dec. 31, one third of taxes due in 2016 were unpaid.

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 shares 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.

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

Now we should have a goal in the 15 per cent range if we want to be 'best in class,' which would mean an arrears reduction of \$600,000 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