

Council defeats move to examine cash flow

By **Tony Pearson**

Bancroft council put a few final touches on its draft budget at last week's meeting. The budget will now go to a public meeting next Tuesday, May 24, at 1 p.m. After input is received, council will pass the final version.

Added to the budget was \$50,000 for a new furnace for the township office, and \$10,000 for park washroom improvements. The council also voted to give the curling club \$2,500 for Pickleball equipment.

However, Deputy Mayor Paul Jenkins objected that council was ignoring its major financial challenge, the continuing deficit in its sewer account. He estimated that the deficit here was now over \$1 million, and growing every month ? threatening sooner rather than later to totally consume the town's ability to pay its bills. (He now believes that the current deficit is around \$1.5 million, and could rise close to \$2 million by year's end)

Councillor Bill Kilpatrick moved that given the impending financial crisis, council should ask for a comprehensive statement on its cash flow position, including the impact of water and sewer expenses, for the next meeting of committee of the whole. In this, he was supported by Mayor Bernice Jenkins and the deputy mayor. But councillors Charles Mullett, Mary Kavanagh, Barry McGibbon, and Tracy McGibbon voted down the motion. Reasons given were that those interested just had to ask staff, that the motion was too confusing, and that council had already established a committee to study the water and wastewater problem.

Chief administrative officer Hazel Lambe subsequently put out a press release stating that:

?The need to address a sewer deficit was brought forward to council in 2013. Staff immediately started to create and present different scenarios to council? Staff continues to provide financial information to council and the working group using a ?360 degree' view which includes long-term financial planning, asset management plans, projected rates, projected usage and storm water management.?

Lambe also stated ?This work is being completed to ensure that any rate adjustment is made as reasonably as possible? council and staff of the Town of Bancroft remain committed to ensure the rates established for these services remain fair, given the circumstances.? However, if the 800 users currently on the sewer system were made responsible for the current deficit, they would have to pay an extra \$500 a year. If they are charged with making up the deficit, they might have to pay an additional \$2,000 in back charges.

Deputy Mayor Jenkins confessed that he was ?puzzled why we wouldn't want (town cash-flow) information brought to the forefront, so we can develop options to meet our future financial obligations. This problem is at least as significant as policing costs.?