

**Corporation of the Township of Perth South**

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Board of Directors
Upper Thames River Conservation Area
1424 Clarke Road
London, ON N5V 5B9

Re: 2017 Budget Comments

At the January 10, 2017 Perth South Council meeting, Ian Wilcox, General Manager/Secretary-Treasurer, appeared as a delegation to present the draft 2017 Budget for Upper Thames River Conservation Area (UTRCA). Our municipal representative Tony Jackson was also in attendance. At that meeting Council had a lengthy conversation with Ian Wilcox in regards to details contained in the budget. This letter is intended to share the comments and concerns raised by Perth South Council with the UTRCA Board of Directors.

Perth South is a rural municipality with a population of less than 4,000 located in the southern portion of Perth County. The Township is primarily agricultural farmland with no urban area. Like many municipalities, Perth South faces a number of financial challenges that includes declining population, little growth, and a limited ability to generate additional revenues. However, the biggest challenge has been the reduction in the Ontario Municipal Partnership Fund (OMPF) grant allocations.

The OMPF is the Province's main grant program which provides municipalities with unconditional grant funding. In 2012 the grant program was redesigned and as a result Perth South has experienced significant reductions in grant funding. Since 2012 Perth South's OMPF grant has been reduced by \$1,178,600, an amount equal to \$738.47 per household. There has been no additional funding or revenue streams to offset the grant reduction. These grant reductions will continue in the future and will result in an additional \$1 million dollar reduction. While actual increase proposed by UTRCA is not large is not large, it is in the context of our budget as a 1% levy increase is approximately \$30,000.

Given the financial pressures we are faced with, we are left to determine what services we are going to cut in order to afford the additional services proposed by the UTRCA Board. Are the UTRCA increases so important that they warrant service reduction levels in other Perth South municipal services?

Some of the additional concerns discussed at the meeting were as follows:

- Significant increases beginning in 2017 and continuing in future years. Is the conservation authority trying to do too much in light of the financial pressures faced by municipalities? UTRCA staff may be too aggressive given the financial constraints of municipalities. How does UTRCA ensure that they are spending within their means? Perth South is constantly forced to look at service cuts as a result of reduced grant funding and lack of growth to support new services. Does UTRCA follow the same program and funding review process? In these times of financial constraint it is recommended that UTRCA do an in depth review of current programs to assess viability before adding further programs and staffing to future budgets.
- Recognition that the phosphorus problem in the Thames River is not just caused by agricultural activities. The use of fertilizers in towns and cities along with sewage by-passes are a significant contribution to the problem and efforts should be made to address this issue, and not just with the agricultural landowners.
- The Glengowan dam project has been an outstanding project for a number of years. Investments have been made in the purchase of lands for this project, and given that this project appears to be no longer viable Perth South Council would strongly recommend that the Board close off this file and dispose of any surplus lands.
- Information provided in the budget indicates that there has been an increase in the volume of applications related to environmental planning and regulation activities. As a result of these increases delays have been experienced, and some municipalities have lobbied the Board to address these delays. UTRCA staff has indicated that two additional staff members are required to address these delays. As a result, the budget currently includes the cost of two new staff members, one funded through government contract funding and the other funded through the general levy. Since not all member municipalities have experienced the same increases, those who have, should be the ones paying the additional cost of the new staff person. Is this an opportunity for UTRCA to review and potentially implement a more robust fee for service model for these additional service requirements?

In addition, there is concern that with one position through grant funding, future budgets will further increase when funding is eliminated. While it is commendable that grant funding is utilized for various initiations of various programs in initiatives, there is concern regarding the financial impact when the grant funding has ended. Just because there is a grant available doesn't mean it needs to be utilized.

- Municipal allocation – Our farmland values have increased significantly while our population continues to decrease.
- As a municipality we understand the difficulty in funding legislated responsibilities, but we do so within our spending limits. Please understand that the municipalities in the UTRCA watershed are quite different and the financial ability of larger municipalities may vary greatly from the smaller ones. Just because you have authority to do something doesn't mean that you should do it or that you have to do it.

We would like to thank Ian for his attendance at the Council meeting to present the 2017 budget and listen to the concerns raised by our council. We also wish to express our thanks and appreciation to our municipal representative, Tony Jackson, for his continued service and efforts on our behalf. We understand the difficulty of balancing needs over financial capability and appreciate the UTRCA's Board of Directors consideration and review of concerns reviewed above.

Regards,



Mayor Robert Wilhelm

Cc: UTRCA Municipal Members (City of London, Municipality of Middlesex Centre, Municipality of Thames Centre, Township of Lucan-Biddulph, Township of Perth East, Town of St. Marys, Municipality of South Huron, City of Stratford, Municipality of West Perth, Township of Blandford-Blenheim, Township of East Zorra-Tavistock, Town of Ingersoll, Township of Norwich, Township of South-West Oxford, City of Woodstock, Township of Zorra)

Tony Jackson, UTRCA Board Representative