

**NEW INFORMATION  
IN SUPPORT OF  
RECONSIDERATION OF BYLAW 09-14**

*(A bylaw to direct how Mississippi Mills' Hydro-electrical revenues are allocated)*

There have been substantial changes in the Municipality since the amalgamation which therefore warrants reconsideration of this bylaw.

**Background to Bylaw 09-14:**

At the time of the amalgamation each ward was responsible for its own existing debt. The relative capital assets in buildings and other infrastructure were NOT assessed as it was assumed that all buildings, bridges and roads were equally well maintained. This has since proved to be an incorrect assumption.

Special area rated levies were assigned to each ward in accordance to the debt they had at the first day of the new municipality.

Pakenham's debt related to a road grader purchase. Ramsay's debt related to the municipal office building and Almonte's debt related to water and sewer construction.

Both Pakenham's and Ramsay's debt were small when compared to Almonte's debt which was substantial; over one million dollars.

Equally, Almonte formerly had an asset the other wards did not have, a hydro-electric company which became a wholly-owned property of the new Town of Mississippi Mills as a result of the amalgamation. The original council of Mississippi Mills assigned all the revenues to the Almonte Ward because Almonte Ward was the only ward with comparatively significant debt load. This was viewed as fair. Since Almonte Ward was the only ward with significant debt, then it could also have the exclusive benefit of the Hydro-electric revenues.

Until 2008, successive councils of Mississippi Mills followed an unwritten assignment of these revenues to the Almonte Ward. In the Spring of 2008, a bylaw was proposed by the Almonte Ward councillors which codified this arrangement. This was done. Several months later, a revenue projection relating to the new Hydro-electrical Generating station was submitted to Council. Significantly, the revenue projection indicated the municipal cost of the new Waste Water Treatment Plant (WWTP) would be 100% covered by the revenue from the Plant.

**Increase in Debt Load between 1997 and 2008/2009:**

In 1998, the Town of Mississippi Mills had little to no debt excepting water and sewer debt. In 2008, the Mississippi Mills non-water & sewer debt had increased significantly to \$5,000,000 at year-end.

It is projected to be over \$7,000,000 in 2010. Further, conservative financial projections indicate Mississippi Mills debt load by 2012 will likely be over **\$9,000,000**. This is not debt related to the WWTP. The debt load for the WWTP at completion in 2012 is projected to be just over **\$8,000,000**. The clear point is that the debt requirements of Mississippi Mills as a whole are now greater than the debt requirements of the Almonte Ward's water & sewer requirements.

The debt situation has dramatically changed over the last ten years since amalgamation with the debt needs of Mississippi Mills now being greater than the debt needs of the Almonte only water & sewer system.

**Financial Reserves Per Capita:**

The 2008 Financial statements of Mississippi Mills indicated Mississippi Mills as a whole had \$2,144,000 in reserve for all municipal services, except water and sewer. The water & sewer reserves were shown as \$1,566,000. When the approximate population figures of 11,700 persons for Mississippi Mills and 4,700 persons for Almonte Ward only are used, there is a significant disparity in per capita reserve amounts.

Mississippi Mills reserves amount to only \$184.00 per person while the Almonte Ward reserves for water & sewer amount to \$331.00 per person. The reserves for water & sewer are 80% higher per capita than the reserves for Mississippi Mills. Yet, the debt requirements for the whole municipality are greater than the debt requirements for water & sewer only. Since 1998, well over \$2,000,000 in hydro-electric revenues have been funneled only to the water and sewer system.

**Changing Tax Revenues Between 1997 and 2008:**

The table below shows the change in tax revenue in 1997, the last pre-amalgamation year, the tax revenue by ward in 2008 and lastly the percentage increase.

	Almonte	Ramsay	Pakenham
1997 TOTAL TAXES	1,177,728.00	737,803.00	589,929.00
2008 TOTAL TAXES	1,682,794.00	1,928,869.00	909,759.00
Increase	505,066.00	1,191,066.00	319,830.00
Percentage Increase	<b>43%</b>	<b>161%</b>	<b>54%</b>

Growth in each ward can also affect the tax revenue increase. However, Ramsay has over the same time frame had only 20 more single-family dwellings built than Almonte which is statistically irrelevant. The clear point raised by this chart is that since amalgamation the Ramsay Ward has had a very, very heavy burden of increase in taxation.

**Summary:**

The information above has never been brought together before in this framework and hence, it constitutes new information. This justifies reconsideration of By-law 09-14.

Since amalgamation, the rural residents of Ramsay in particular have paid a heavy burden in tax increases. Much of the Mississippi Mills’ debt load is due to poorly maintained buildings in Almonte over many decades. The increases in the heavy debt load of Mississippi Mills as a whole has now completely changed the assumptions that only Almonte Ward has debt resulting from water & sewer. The further fact, that the WWTP is essentially ‘free’ as currently proposed by adherence to the current Bylaw, is completely unfair to all the taxpaying residents of Mississippi Mills in Almonte, Ramsay and Pakenham who must shoulder the heavy debt burdens of all the other services of Mississippi Mills with no hydro-electric revenue subsidy.

There is no longer any place for exclusive application of the hydro-electric revenues to the water and sewer system only. We need to have discussions which will address the new fiscal reality and how we can be fiscally fair and equitable to all the residents of Mississippi Mills. A successful reconsideration motion will permit us to schedule a meeting so we can have these important discussions which will lead to solutions.

Sincerely,

John Edwards