

## **Councillor Jan Maydan's introduction to cost sharing motions on October 20, 2020**

First, I want to express appreciation for so many services in Carleton Place - residents of Ramsay and Almonte particularly are daily supporters of their local businesses: groceries, restaurants, automotive, health, legal and other services. We cheer on the Carleton Place Canadians and the Water Dragons.

Examining the cost-sharing agreement is about our duty to our residents, to assure them that services in their municipality is our first priority.

Cost sharing by Ramsay residents began long before the Howard Allan agreement. They had a cost-sharing fund that they alone decided upon. In the early days, Ramsay directed about one-third of that fund to Carleton Place and two-thirds to Almonte. That later changed to about 50-50 to include the pool, which opened in May of 1983.

In 1983, the Almonte Gazette reported that Ramsay Council's grant fund for use of both libraries in Almonte and Carleton Place totalled \$7,350. They decided that they could not increase it that year. The Bank of Canada inflation calculator tells us that \$7,350 in today's dollars is \$17,154. How did we go from \$7,350 for two libraries in 1983 to a 2021 request for \$61,775, just for the Carleton Place library?

### **Points about cost sharing**

1. The simple, logical basis for cost-sharing among municipalities is so that a municipality without a service pays another that has the service and provides for their residents.
2. There are elementary questions about Council's authority and oversight on these expenditures and our duty to *all* taxpayers. This agreement has no cap on cost demands; no requirement to have Council review or ratify amounts; no redress mechanism and no end dates. There are legal questions about it.
3. There has been much volatility in the charges that are not supported by usage or cost increases or explained each year. Howard Allan told us that total costs have increased "just slightly more than 2.5% per annum" from 2012. However, the percentage increases for 2017, 2018, 2019 and 2020 have averaged 9.4% while the inflation percentage changes for the same period averaged 1.8%. The last increase was 12% over all. The 3% increase shown in the proposed 2021 budget is an estimate from our Treasurer, not from the formula.
4. The result is that we have been underwriting services in another municipality that we actually provide to our residents. We pay them about \$60,000 for their library, while we pay 100% of the costs for our two library branches. We pay them another \$60,000 for their arena and recreation, while we maintain two arenas, various sports fields and cultural venues at 100%.
5. What does that do? It makes Carleton Place more attractive, because they can invest in their facilities and programs at the expense of other taxpayers. The recent Service Delivery review noted that Carleton Place has nearly three times the number of recreation staff that we have: we have 25; they have 72. They are using our money to enhance their facilities and programs: we are scrambling to pay for

ours *and* theirs. If we had kept that money, our services would benefit and the debt on the Pakenham Library might not be needed.

6. Usage. Taking the current subsidy to the Carleton Place Library of about \$60,000, let's divide that by all 1500 people in South Ramsay. We pay Carleton Place about \$40 per person, user or not. Looking at usage, Carleton Place informed us that there were 635 active Mississippi Mills users over the last two years. As far as users go, that works out to about \$90 per user. The Carleton Place Library only charges non-residents -- people in Ottawa or Ashton or Perth -- \$30. And they only began charging that in January of 2019 according to their website. Ironically, the \$17,134 I mentioned earlier, Ramsay's 1983 fund with inflation, works out to about \$30 per user. This is "incredible value to the taxpayer?" Of what municipality?
7. Dependency issues. At the August 25 Carleton Place Committee of the Whole Meeting, in the report on possible recreation deficits due to COVID, the Recreation Committee proposed options to Council. The first option was:  
"Council could consider approaching the recreation cost-sharing partners for additional funding based on actuals this year. Historically, and as per the cost sharing agreement, **partner shares are based on the amount we budget each year.** This is different than the agreement we have in place to fund a portion of Beckwith's assets, which is based on actuals."  
Later on the same page, it was reported that Carleton Place will receive provincial COVID related funding of \$284,900, based on their households.
9. The 1987 Agreement was only formally reviewed once, by its author, in 2000-2001. Around the same time, the Mississippi Mills Recreation and Culture Operational Review by Robinson & Associates with Lashley and Associates, recommended scrapping the agreement, pointing out inequities and predicting the costs to our own facilities and staff. Attempts to review the agreement in 2016 were later abandoned after some discussion among members of the cost sharing committee. This of course brings us back to the question of where this council's authority for spending and oversight lies.

My first two motions call for a thorough review of the formula and effects by an independent examiner, legal advice and a study by staff of the costs and benefits of continuing to contribute to the pool. Given those, I am willing to defer my third and fourth motions until the reports are in. We may want to change them again later. It is important that we deal in facts and make our decisions based on those and on the evidence of the effects.

In summary, I want to say something about "being neighbourly" and paraphrase President Franklin Roosevelt: "Being neighbourly is lending your garden hose and water to your neighbour when his house is on fire."  
It's not paying his mortgage.