



Cobourg Taxpayers Association

Making Local Government Accountable

<http://www.cobourgtaxpayers.ca>

Part III – Back to Basics

Welcome to Part 3 of our Back to Basics series



In Part 1, we said, “In order to thrive, Cobourg Council must prioritize effectively”. Nowhere is this more important than when setting the Town’s operating and capital budgets. In fact, it will be one of our Council’s first duties.

Let’s look at our history again. In November of 2015, less than 2 months after it was formed, the Cobourg Taxpayers Association did a delegation to Council about the Town’s budget. In it, we said,

The CTA believes the operating budget and capital budget process is the single most important responsibility that Council has...

The complete 2015 CTA delegation is available at:

Improving the Budget Process - November 2, 2015

(<https://cobourgtaxpayers.ca/images/News/Presentations/CTASpeakingNotesPreBudgetSubmission110215.pdf>)

One year later, in October 2016, Lydia Smith did a budget delegation. Her major concern was that she had no way of monitoring how the Town was doing financially and called for actual spending figures to be compared to projected budget spending each year at the end of June.

Lydia’s complete 2016 delegation is available at:

Public Meeting Budget Submission - October 12, 2016

<https://www.cobourgtaxpayers.ca/images/delegations/public-budget-meeting-submission-by-lydia-smith-101216.pdf>

So here we are, 3 years later. Have we improved? It doesn’t appear so. In reviewing the key points of our submissions, we do not see any evidence that the Town has embraced the issues that were raised:

- Budgets are not finished by the end of the year. They are often not approved until March or later even though Cobourg’s finances run from January to January.
- There are no timely comparisons of actual spending versus what was budgeted
- The town is not emphasizing cost control

The budget is an essential tool. It is a roadmap that tells us where we are going and what it will cost to get there. It tells us how many tax dollars are required, sets priorities and helps us spend wisely by clearly identifying “must haves” like roads and sewers versus. “nice to haves” like a concert band, a statue or a decommissioned

armoured vehicle.

The CTA understands that reviewing the budget in detail and ensuring that it follows guidelines is a challenging and time-consuming task – especially for those Councillors who may not have come from a business background.

We would like to suggest that Councillors try a different and easy to understand approach this year. An approach that we think might be simpler to implement.

We suggest that they pick one thing to control and pass a motion in Council to direct the Chief Administrative Officer to carry it out. The one thing is staffing levels.

Staffing levels are one of the most important items for Council to understand and review because salaries, wages and benefits represent over 50% of the Town's \$23+ million in property taxes collected each year. Adding staff is an expensive obligation for the current year and adds expenses for every future year.

Temporary and part-time workers are a vital part of Cobourg's municipal staff and need to be taken into consideration as well. To aid the understanding of the number of workers actually employed it would be very helpful to summarize staffing in terms of Full Time Equivalents (FTE). That is, a part-time worker who is employed for 3 months is counted as ¼ of a full time worker.

It is hard to believe but Councillors do not get a report showing how the staffing has changed over the years of their term. They do get individual numbers but not a clear, easy to read, and meaningful report.

A summary report showing a breakdown of staffing levels, with a total, for each department as compared to the previous year should be provided to council. The breakdown should include full time, part time and seasonal staff. This would give council an accurate summary of where most of the spending is taking place.

Summarizing all of this in one report would help Councillors to understand issues of reclassification and movement between departments.

The CTA notes that in 2015, 2016, 2017 and 2018 this critical report was not provided during the budget process; comparing changes between 2015 and 2018 would be instructive.

We hope that our new Council will pass a motion early in their term to put at least this one important budget tool into their toolkit.