

Tofino Ratepayers Association



January 2, 2020

Re: 2020-2024 Financial Plan Feedback Form

1/ I heard about the open house from the District of Tofino email notification and from friends and from the Tofino Ratepayers Association (TRPA). How can you communicate better? By listening. The biggest problem that I heard from people who did attend, many of whom are members of the Tofino Ratepayers Association, was they came away with a sense that their concerns were dismissed and the open house as an undertaking was a waste of time. I sincerely hope that this not the case as it does not promote or encourage public participation if people's concerns are not going to be taken seriously.

2/ Elections. Are there problems? What are they? The question presumes something that has not been established. Elections seem fine. Save us the money.

3/ Website Refresh. Why do we need a new website? Again, your question presumes a problem. What is it? I am happy with the current website. Save us the money.

4/ Bylaw enforcement. A big subject. I presume all our bylaws serve an important purpose and should be enforced. If they don't, get rid of any that do not serve an important purpose. Generally, enforce our bylaws, period. Given that, enforcement of complicated problems needs to be solution oriented. I think what happened at South Chesterman's was a waste of time and money when more practical and beneficial solutions were available ie. take their money, rezone, and take commercial taxes. On another front, we have people camping in vehicles on our streets and parking areas. This is not an acceptable solution to anything. If this is not dealt with it will evolve into a much larger problem as evidenced in other communities dealing with encampments on public property that take years and court proceedings and a lot of money to end.

5/ Indoor Recreation Facility. The next step should be for Council to approach the Minister of Education and work out a long term deal for use of the school gym. In announcing the new high school in Ukee the Minister said one of the benefits to the community would be "recreation for years to come". Why not in Tofino? I understand Councillor Stere will undertake to approach the School Board to take up the cause. I applaud him for this. I encourage all of Mayor and Council to put shoulder to the wheel on this front. A new publicly funded gym is unnecessary. Get the old gym back serving the needs for adult as well as childhood recreation and turn it back into a center for the whole community. Imagine a community school.

6/ Shuttle I did not use the Shuttle. I don't have anything positive to say about the shuttle. It seems almost always empty and serves the purposes of the tourist industry. As such, it should be funded entirely by tourist dollars and not be subsidized by Parking revenues or any other forms of municipal money.

Of course, the MUP will have to be maintained when and as necessary. Which should serve notice to Tofino Council when accepting so called Grant Money that comes with long-term operational and maintenance costs. Some of these projects need to be maintained and operated with Tourist tax money. Facilities constructed with grant money such as parking areas, beach washrooms and showers, trails etc

Tofino Ratepayers Association



that are of great benefit to the tourists should be maintained with Tourist dollars and not other sources of Municipal revenues.

In general, some of these issues seems a little superficial, and can be argued either way. Perhaps that was the intention. I don't mean to suggest that addressing every spending issue is not worthwhile, it is. But they don't alone provide a suitable basis for any long-range tax planning. I know that the members of the TRPA are looking for long-term solutions that address the fundamental issues. They want to know if they are going to be able to afford to live here in the future.

An informative question might have been "What level of tax increases per year do you (the tax paying public) feel is an appropriate or reasonable amount for you to bear. 1% 2% 3% 5% 7% 10%? Or what level of tax increase outside of exceptional circumstance (ie. sewage treatment) would you find acceptable? It appears Tofino follows a bottom up approach to spending. Assessing the various requests for projects and perceived needs. Like a letter to Santa. With senior staff and or council being the "bad guy" in final determination. The other option would be a top down approach. Rates of increase would be predetermined and set, as limits or governors on spending. This would tend to drive the various departments to more efficient spending. In this scenario the kids have grown up a bit and realize they must be part of the solution. Santa can only afford so much, and by reducing the cost of toy making more needs can be satisfied. Of course, a combination is possible as well.

Another interesting question might have been, what aspect of Tofino's current tax situation do you find most concerning? Perhaps some might have responded about the need for Tofino and our First Nation neighbours, to come to a deal surrounding the funding of the Sewage Treatment Plant and ongoing operational expense, not Websites or MUPs or how could the Shuttle be improved.

I would really like the District to analyze the levels of increase in taxation to Tofino Taxpayers that have taken place over the last twenty years. Figure out how we got here.

My own analysis indicates that Tofino Property Taxpayers have experienced a rate of increase from all sources (Tofino Municipal District taxes, Provincial School, Regional District Taxes, all the taxes we pay each June through and to Tofino) that averages (CAGR) 7.5% per year. This is not some made up figure. It comes directly from the information gathered from the BC. Government website (<https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>) and Tofino's own records

This means more than a doubling of taxes every ten years. In ten years without any remedies this will be crushing for a good portion of the community. In twenty years, it is unimaginable. This is clearly not sustainable going forward without serious negative consequences to people who live in and pay taxes in Tofino. They will be leaving in increased numbers.

Please don't take my word for it. Do your own analysis. I urge you. Wouldn't that be a useful exercise as part of drafting a financial plan?

The question is, how can you come up with a financial plan without being cognizant of these realities? Looking at the past will tell you a lot about where we are headed. We are headed further down the road

Tofino Ratepayers Association



we are already on. The projections of increased taxation in the 2019-2023 five-year plan, will get us there even faster.

Let's look at wages as an example of what has happened in the past. According to Tofino's own SOFI statements, the increase in employment costs, other than Council itself, rises from \$423,415.00 in 1998 to \$3,731,844. That is a 781% increase or average annual increase (CAGR) of 11.5%.

Government is expected to do a lot more now than in 1998. Granted. There is more bureaucracy and regulation for everyone to deal with. Some of this increase is covered by grant money, but not a lot. There is no question this exceeds general inflation, (Fed Gov't consumer price index at 2.1% per year) the effects of population increase (approximately 3% per year) or wage growth(2.5%), by a wide margin. Do Council and staff expect the future to be significantly different than the past? The five-year plan of last year indicates the default answer is "no", it gets worse. I don't see this question being addressed. No one is personally responsible for this, I am not blaming, but don't we need to look at it? How do you expect people to keep up, on tourism industry wages, fixed incomes and high valued mortgages?

I would have to give the district a failing grade, in that to my knowledge it has not addressed these trends and where we are ultimately going as a community.

I recommend a freeze on wages and salaries until some solutions are found.

The long-term solutions have to be found in looking at alternative forms of revenue. Council appears to have no appetite for cutting, so increasing and diversifying the sources of revenue seems necessary. I have written to Council on this front before, and while there seems to be an interest in the subject, little or nothing has happened. There have been some rumblings about the MRDT, but I am not aware of any progress.

There are other potential options. The sales tax option would be preferred; however, it would require precedent setting decisions by the province. Wholly within the purview of Tofino would be a District wide, comprehensive pay parking scheme. This would generate substantial revenues to offset infrastructure costs. I have given this some thought and am always available to discuss this and other options if others are willing. I have encouraged different councillors and council in general to start an open public discussion and investigation of the possibilities of which I mention a few. This needs to be part of the communities' long-term financial plan. Sorry but you get a D again in this subject area.

I could get into how affordable housing is funded, the importance of home ownership to long term community stability, the idea of setting goals or development objectives in the approval process (ie. the goal of approving 5% of the existing housing stock as a new addition, on an annual basis), and other matters, but for now, I relinquish the floor.

Cheers Jack Gillie