

DEBT, DEBT AND MORE DEBT AT WHAT COST?

According to the recent Catch newsletter our city is in a "financial mess". The annual infrastructure deficit for the city is approx.. \$ 195 million with a cumulative deficit approaching 3.5 Billion. water rates are increasing this year by nearly 5 %, along with continued high hydro costs

The roads alone have an unrepaired backlog of approx. 1.5 billion and it continues to worsen. An alarming new audit of the city's use of consultants shows drastic cost overruns, multiple budget errors, poor oversight and about \$34 million in capital costs that were incorrectly categorized as consultant expenses.

'The system is broken. There's no doubt about that.' - Coun. Chad Collins

The **auditor's report** shows the city overspent on consultants by 67 per cent last year, and 101 per cent the year before.

There are millions of wasted dollars in unused consultancy fees and the stadium continues to suck money from the city. The city has decided to use a new approach, whereby big new spending has to be covered by debt and the tax increases need to cover the repayments. Based on this concept the city will go further into debt never being able to pay back the debt or interest incurred . How can this happen to a city whose citizens pay the highest taxes in the province? Which will inevitably continue to increase. **Fiscal responsibility is the act of creating, optimizing and maintaining a balanced budget.**

So why are we even considering the implementation of an LRT system based on these numbers? While the province has committed \$ 1 billion to this project, The province itself has a \$ 350 billion deficit so where is that money coming from? Should this project move forward based on the rate of inflation, costs incurred to date the total amount will not be \$ 1 billion but much less, yet we are being assured that the bridges, added extension to the line, the tunnel , infrastructure replacement etc will all be covered with that money. To date those costs still remain unknown and now with the decision to have the HSR operate and maintain the LRT at a possible cost of approx \$ 750,000/yr, to operate an office manned by approx. 5 people, How was this figure determined and is this a another falsified amount to discourage our transit to remain in the public's hands? Or is it a small glimpse of more unknown costs??

Kitchener -Waterloo will see a total tax increase of 12.9 % by 2019 which is equivalent to \$ 1000/yr per household. Will we be able to incur that kind of increase? Or more? Apparently they have incurred an added cost for the LRT implementation of \$ 50 million which is being shared by both the municipality and provincial gov'ts. Whether the HSR operates and maintains the LRT or not? It is obvious that our priorities are totally biased and geared to those self serving developers, politicians and private citizens who are only interested in benefiting themselves while ignoring the chaos and destruction that the LRT will cause to the detriment to the city , small businesses and citizens alike.

How many of our current projects will be ignored or underfunded in order to support the LRT ?

It is our hope that a new government will come into power next year and with the promised \$ 1 billion Hamilton will decide to improve and expand road systems, updating our infrastructure where needed and building a state of the art expanded bus transit system (using hydrogen/ solar and electric powered buses) instead of a system that will be obsolete in 5 years. If we continue to move

forward with the LRT whether the HSR is involved or not will mean increased debt and huge tax increases In order to sustain and maintain an already prehistoric LRT transit system. How can you commit to something without costs, especially now that many more unknowns have been created?? None of you would do that with your personal spending so why are you so quick to spend tax payers dollars so irresponsibly?

I ask each of you councillors who are so willing to support this system .. if you truly are working for the people of Hamilton will you be able to live with yourself as more and more citizens fall deeper into debt ,losing their homes , jobs, even families because they can't pay the bills? It is happening right now but this will only get worse if we are saddled with another white elephant project like the stadium. Put those egos and your pride aside and do what is right for Hamilton and not yourselves!

If there is a way to accomplish the same results that rail transit supposedly can deliver but for much less money, then why wouldn't we?

Lets be on the right sider of change .. lets move forward not backwards!!

Carol Lazich

Ward 1 - Resident