

# RICK CHIARELLI



## Reserve funds to be spent on Nepean projects

*Community committee successfully thwarts Transition Board recommendation*

Residents of Nepean had been worried that the new City would follow the Transition Board's confiscation policy and dump Nepean's reserves into one big bank account for the new city.

Thanks to former mayor Mary Pitt and a committee of Nepean's community and business leaders, the City of Ottawa has agreed that Nepean's reserves will be spent in Nepean on Nepean projects.

Rick says he was elated by the decision. "What a powerful message to everyone who said we could not achieve fairness in this new city. What a victory, especially when so many others were willing to give up these sizable reserve funds so easily."

Throughout the amalgamation debate Nepean residents were assured that the healthy reserve funds they were bringing into the merger would be protected for their use. The majority of Nepean residents were opposed to amalgamation in the first place. That assurance was betrayed by the Transition Board and the consulting firm it hired, Hemson Consulting, who recommended that area rating not be applied to asset and liability variances, which means Nepean's \$31 million in reserves would be pooled after amalgamation.

Rick says it took a lot of hard work to reverse that



**Councillor Rick Chiarelli, Mayor Bob Chiarelli, former Nepean mayor Mary Pitt and Reserve Fund Protection Committee members celebrate keeping Nepean's reserve funds in Nepean.**

betrayal. "In February, I struck a blue ribbon panel of Nepean residents, community and business leaders, headed by Mary Pitt, the former Mayor of Nepean. This panel of interested citizens called itself the Reserve Fund Protection Committee and together we worked tirelessly, meeting nights and weekends, on the issue of the reserve funds, a matter we all saw as an issue of fairness.

"The committee joined me at area malls and the Nepean Sportsplex as we gathered public input on Nepean's

reserve funds. In March, we held a public information meeting at the Sportsplex with other Nepean area councillors, to discuss what would happen to Nepean's reserve funds. That meeting was attended by more than 600 people who all came out to learn more about the issue, to speak up and to support the fight to keep the reserves for use in Nepean.

"The committee also took out ads in community newspapers, wrote about the reserve funds in newsletters, and opened an e-mail account to receive comments from the public."

The message from residents of the former City of Nepean was repeated over and over in phone calls and e-mail from residents. Most said, "The money was collected in Nepean, from Nepean ratepayers, for use in Nepean."

The campaign received thousands of faxes, letters, emails, calls and petitions from Nepean residents, all telling the committee, "We want our money back." The reserve committee sent that message to Ottawa City Council through its final report, which was called, "The Pitt Report: Do we build one new city or do we reinforce old boundaries?"

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## Your tax cut: A leadership issue

Some media have done their best to downplay it but this year Council delivered taxpayers one of the largest tax rate cuts in recent memory.

The 10 percent reduction was an integral part of the 2001 budget and, for a number of reasons, it was an important psychological checkpoint on the road to building a positive new city.

The tax rate cut was something that most residents said they wanted, however, it appears that in the new megacity, no matter what we do some people will criticize. Even tax cuts are criticized! For example, some were quick to point out that the Provincial Government's current property tax reassessment would have the effect of reversing some or all of that cut ON A MINORITY OF TAXPAYERS. But let's not forget, the Provincial Government reassessment was going to happen anyway so, if we had not adopted the 10 percent cut, that group of residents who were reassessed upward would be paying the reassessment plus they would still be paying their

old unreduced tax rate!

The fact is that most people's taxes are lower this year than last and we, as a local government, are taking in less money from homeowners. In year one of an amalgamation this is extremely important especially given the wild pressures that amalgamation exerts on decision makers and on the bureaucracy.

While you will enjoy somewhere between a five and 10 percent cut in your property taxes this year, the importance of the cut goes far beyond the actual dollar savings. The tax cut is the clearest message your council could send to the bureaucracy of the new City of Ottawa to think toward economy and efficiency instead of expansion and extravagance.

As we entered the megacity, each of the 11 previous municipalities brought with them different levels of service in each area of operation. I'm sure you know what I mean: in Nepean and Ottawa we had Library systems that operated at a \$40 per capita level while, for example, the Osgoode system was a skeletal \$6 per capita

operation. Snow removal on residential streets occurred after virtually every snowfall in Nepean, but only after every three or so in Ottawa. However, the megacity created a flood of demand as thousands began to demand the highest level of service in each operation. If we don't control that new feeling of "entitlement," we will see costs skyrocket.

The 10 percent tax cut was Council's way of making it clear that any new programs, or expanded service levels, would have to pay their own freight, and that Councillors expect the top brains at city hall to deliver the promise of savings from amalgamation.

Whether you were for creating the megacity or against it, I think we can all agree that we didn't go through the pain of amalgamation only to wind up seeing any savings turn into tax increases.

### PUBLIC CONSULTATIONS

The City of Ottawa draft budget will be presented to Council February 13, followed by a two-week public consultation period, Feb. 14 to March 1. I will be holding a public budget meeting Feb. 21, 6-8 p.m., in Room 1A, Ben Franklin Place, to take your questions and hear your concerns regarding the budget. The City will also host a

public meeting at Ben Franklin Place, Feb. 27, 4-8 p.m. This meeting will include public consultations on the City's new Official Plan, "Charting a Course." I invite you to attend these meetings and participate in the 2002 budget process. The budget is scheduled to be approved at the March 27 Council meeting, 9:30 a.m., Ottawa City Hall.

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**COUNCILLOR RICK CHIARELLI WARD OFFICE: 727-6634**