

City Government has a "Virus?"

I don't want to be flippant in these challenging times, however, I think that there is a dangerous economic virus that has affected our local politicians and that is the deadly (for taxpayers). We are referring to the prevalent "spend and tax" virus. Only a few of our "leaders" are immune, but they are discredited as fear mongers with no vision by others so affected.

It is interesting how this virus has affected not only those locally elected but also our paid staff. One of the more curious effects is the removal from reality with respect to spending decisions, especially on large unnecessary projects. This takes the form of what are called "business cases". These are developed interesting enough by those staff persons who by and large have never been involved in any actual business activity of having to run a business and all that is involved in that activity. For the few politicians that say they have business experience it seems the virus has resulted in them being somewhat brain dead - the zombie effect of the virus.

I have read the "business cases" for the large projects - the arenas and the Junction (new library, art gallery etc.) and they certainly would be questioned by any actual business person in the "real world" outside of local govt. They contain a lot of unsubstantiated information and what might be called speculative thinking.

As an actual business person (two businesses) I decided to consider the large projects and what my concerns might be if ever I were called upon to give opinion, which would nevertheless be very doubtful.

Sudbury Arena: Cost of new estimated at \$100 million but with no return on investment and higher operating cost than present facility. Disposal of present facility valued at around \$50 million uncertain but unlikely to recover this asset value from private sources and if repurposed by the city would be added expense. Summary: Not a good business decision - better to consider possible renovation if needed when required of the present facility and if needed putting aside money (not borrowing) for eventual replacement when and if required.

Valley East Twin Pad: The cost of the new complex is estimated at \$45 million plus the loss of the existing arenas to be disposed of or repurposed (and community halls) at up to the same amount or more. Summary: unnecessary - the cost of maintaining existing facilities far less plus the social value to the communities affected.

The Junction: - Predicted cost - \$68 million - Considering each element: **New Library** -- Why, when the present facility is more than adequate, close to downtown with parking. What to do with current facility worth millions and unlikely to get private purchase amount to equal value and if kept and repurposed would increase costs further. **New Art Gallery** - Why, when present facility could be upgraded at less cost than new and located where there is parking now and more parking possible on site. Summary: Totally unnecessary - waste of taxpayer money.

Convention and Performing Arts Centre - New Hotel - World Trade Centre - Parking Facility etc. No doubt the "dreamers and schemers" At TD square can come up with great business plans for these projects as well. Question: How much of their own money would they put into these ventures?

Overall all these projects should have only been considered seriously if there was actual need. It is true that civic projects are not intended to be profit making as is the case for private business, but consideration should be given to costs relative to benefits. Replacing what currently exists just to have "shiny and new" is not a good reason, especially when present facilities are still viable.

The virus has resulted in the borrowing of \$200 million at a cost of another \$145 million in interest largely for these large projects. We will hear the argument that "now we have the money we have to spend it on these projects" "we can't go back now - it's too late" etc. another denial effect of the virus.

The real difference between private business and govt is when private business plans go wrong then closure or bankruptcy and employees lose their jobs .. with govt taxes just go up - no consequence to the politicians or staff - they are immune to consequences.

How can we stop the "spend and tax" virus ... An election would help but unfortunately years away.

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Suggestions welcome.