

Where Exactly are the Annual Savings

Someone asked that I clearly spell out exactly where Owen Sound can reduce expenses – so here it is.

You learned from my report that in 2021 Owen Sound spent \$37,947,445 to provide services, not including Protective Services. You also saw that the average expenses of the three primary municipal comparators, Cobourg, Tillsonburg and Thorold was \$26,004,202. So Owen Sound is spending \$11,943,243 more than the average of very similar municipalities.

So where can we save \$11.9 million? First, compared to the other similar municipalities Owen Sound employs 32 more employees including 9 managers at a cost of \$3,885,543. The next largest area for savings is the implementation of Zero-Based Budgeting which will identify unnecessary spending and eliminate the budget-padding. According to a [Globe and Mail article](#) when Tim Horton's adopted Zero-Based Budgeting their general and administrative expenses fell 32%. At a minimum Owen Sound will save 12% as a result of Zero-Based Budgeting. If Council adopts all of my recommendations I estimate that the total annual savings will be \$11,893,064 and that does not include any potential savings from Police Services, Fire Services or the Library.

Donating Art Gallery to County	(\$525,000)
Staff Reductions	(\$3,885,543)
Zero-Based Budgeting 12%	(\$4,440,000)
Bayshore and Rec Centre Cost Sharing	(\$1,012,521)
Shared Services	(\$250,000)
Eliminate Redundant Services	(\$240,000)
Reduce Economic Development Spend	(\$920,000)
New Ancillary Annual Revenues	(\$620,000)
Total	(\$11,893,064)

Owen Sound Potential Savings based on my [2023 Study](#)

In 2021 the city collected \$31.7 million in property tax from Owen Sound residents. In the same year the Town of Cobourg collected \$25.2 million from its residents. Cobourg is nearly identical to Owen Sound in population, population density and the number of occupied dwellings. In fact Cobourg actually has 535 more occupied dwellings than Owen Sound yet Cobourg residents pay \$6.5 million less in property taxes than Owen Sound residents.

If Owen Sound were to just implement half the savings I identified they would reduce taxes by \$5.9 million and still be collecting \$600,000 more in taxes than Cobourg that delivers nearly identical services. This would result in a 18.6% reduction in taxes.