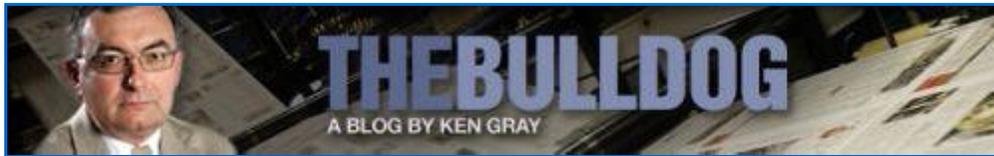


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## [Hydro Ottawa Should Get Smart On Finances: Interest Groups](#)

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This is a joint press release from the Municipal Taxpayers Advocacy Group and the Ottawa Taxpayers Advocacy Group:

### **Spending binge at Hydro Ottawa: Apple doesn't fall far from the tree**

OTTAWA, Jan. 2—The Ontario Energy Board's (OEB) rebuke of a proposed 20% spending increase at Hydro Ottawa marks a low point for Mayor Jim Watson and Ottawa City Council in their attempt to rein in spending across the City. The Ontario Energy Board directed Ottawa Hydro last week to reduce a proposed increase in spending from \$63.9 Million to \$61.1 Million and to scrap a flat fee for smart meters. The proposed Hydro Ottawa spending increase, primarily for compensation, highlights a series of problems in the way Hydro Ottawa operates and is managed.

“Its a spending binge and just more salt in the wound of a taxpayer still bleeding from a 45% increase in hydro bills, HST and an overall rise in the City's average compensation (post amalgamation) that is more than double the rate of inflation”, says Ade Olumide, President of the Municipal Taxpayer Advocacy Group (MTAG).

The Ottawa Taxpayer Advocacy Group (OTAG) called for change in the last election and while many elected officials rode the wave of change into office, but, that change hasn't made much difference in the way the City manages taxpayer money. Money management should be the number one priority for Hydro Ottawa's Board of Directors, which includes the Mayor, Councillors Hume and Monette from Ottawa City Council. The fact that this stunning revelation is coming from an arms length watchdog and not the people charged with overseeing the management of this city owned utility is an indictment of the entire Board”, Olumide says.

The lack of disclosure, made apparent by Councillor Monnette's expression of ignorance on this matter, to allow similar analysis of Hydro Ottawa's management and operations is unfair to Ottawa taxpayers who own the utility. “We need real transparency and true accountability if we're ever going to get a handle on taxes in Ottawa”, says Ottawa Taxpayer Advocacy Group (OTAG) President Kevin MacDonald. “The culture of secrecy and 'behind closed doors' decision-making has to stop.”

OTAG's requests for Hydro Ottawa's detailed budget reports to be made public have been repeatedly denied. OTAG even raised this point in the City's so-called 2010 Financial Summit and OTAG's 2011 Scorecard. “Had this been done we could have analyzed the rate of growth from 2001 to 2011 for each department and compared it to inflation within the same time period so we could identify the problem areas”, MacDonald says. “We know

taxpayers want to know this information and we believe they have a right to know it because clearly our elected officials are incapable of acting in taxpayers' best interest."

## OUR TAKE

### Thumbs Down For The Hydro Ottawa Board

Hydro Ottawa Board has not made an honest attempt to control spending and rate increases, especially given the direct compensation increases that are planned. Wage costs for unionized staff will rise by about three per cent under a negotiated agreement next year and average compensation for non-union, management and executive staff was budgeted to rise by four-to-six per cent.

### Thumbs Up For Councillor Monette

Orleans Councillor Bob Monette came clean last week when he said that although he asked for more information, everything he knows about this specific issue he learned from the Ottawa Citizen.

### Thumbs Down For Councillor Hume

Alta Vista Councillor Peter Hume said that "in a way, the Board's ruling speaks well of the company's management, which has turned more money than expected over to the City".

Obviously Councillor Hume doesn't understand the City of Ottawa is beholden to its taxpayers. Gouging taxpayers, especially for an essential service like the supply of electricity, in order to improve the City's bottom line, is a breach of trust. In 2007, approximately 50,000 people could not pay their property tax bills. We need elected representatives that have the compassion to stick up for taxpayers and control above inflation compensation increases in a utility that is essential to maintaining our very way of life.

### Thumbs Down For Auditor General's 'Work Load Determination Process'

While the board recognized rising benefit costs may not be completely controllable, the same cannot be said for the cost increases incurred in direct salaries for management nor the costs that are a result of negotiations with unionized employee groups. OTAG asked the Auditor General to find out why benefits since 2001 are rising at almost twice the rate of salaries and he agreed this should be investigated in the 2011 work load. Nevertheless, we have yet to receive an update and can see now that our request was ignored.

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Ade Olumide,

Municipal Taxpayers Advocacy Group

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Kevin MacDonald

Ottawa Taxpayers Advocacy Group

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Ken Gray

**Ken Gray** is an Ottawa journalist who was the *Citizen's* city editorial page editor, municipal affairs reporter and a member of the newspaper's editorial board. He writes a weekly column Wednesdays in the *Citizen*. During the early '90s, he edited the *Southam News-Toronto Star First Edition*, one of the first new media ventures in Canada. For more than three decades, he has worked in many posts from reporter to senior editor at the *Montreal Gazette*, the *Winnipeg Free Press*, the *London Free Press*, the *Regina Leader-Post* and the *Citizen*. As well, Gray founded and taught a course in media law and municipal government at Algonquin College. He earned a master's journalism degree and a honours bachelor's history degree at the University of Western Ontario in the 1970s.

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