

PAUL REALE | RESPECT PUBLIC MONEY

A proposed framework for the Town of The Blue Mountains

“We are not going to grow ourselves out of this problem, and we are not going to cut ourselves out of this problem.”

2021 reserves	2025 reserves*	2026 reserve forecast*	2027 reserve forecast*
\$82.4M	\$37.1M	-\$39.1M	-\$76.3M

**2021 figure from the Town's 2026 Approved Budget. 2025-2027 figures from the Town's updated June 2026 reserve forecast under the capital plan and funding assumptions.*

1. Build a rolling five-year financial plan

Tie together operating costs, reserves, development charges, debt service and major capital commitments. Update it every year and compare forecast to actual.

Annual budget = decision document. Five-year plan = financial roadmap.

2. Align the operating budget with priorities

Review the Town's major cost areas - staffing, consultants, contracts, software, procurement and administrative spending - to make sure resources are aligned with core services and the priorities residents have identified. Look for duplication, efficiencies and savings, and redirect resources to the work that matters most.

Every dollar should support a necessary service or a clear priority.

3. Define core services with clear criteria

Use four tests: (A) statutory requirement; (B) legal/contractual obligation; (C) essential support needed to deliver A or B or avoid unacceptable safety/infrastructure risk; (D) Council choice.

A Council choice is not automatically a cut - it means the trade-off is visible.

4. Establish a debt and reserve strategy

Set acceptable debt levels, annual carrying-cost limits, reserve targets, annual reserve contributions and a repayment approach. Do not make borrowing decisions one project at a time.

Borrowing capacity is not the same thing as affordability.

5. Put the capital plan through one priority test

For every major project ask: Must we do it? What happens if we wait? Who needs it and when? What is the full lifecycle cost? Is it ready? Can we deliver it? Is there a better way?

Then choose: proceed, phase, defer, redesign or reconsider.

6. Reduce and limit major capital priorities

Council should reduce the current list to a defined number of major priorities that the Town has the money and staff capability to deliver. If a new priority is added, identify what moves down or comes off the list.

If everything is a priority, nothing is a priority.

7. Create a Resident Financial Advisory Board

Bring experienced residents in finance, accounting, business and project delivery into a transparent advisory role. The board would review assumptions, debt, reserves and long-term affordability while Council remains responsible for decisions.

8. Use public financial and project scorecards

For each major project show the approved budget, current forecast, funding source, debt and annual carrying cost, operating impact, schedule, major risks and next Council decision point.

Residents should be able to see the trade-offs, not hunt for them.

Sources: Town of The Blue Mountains 2026 Approved Budget; ADM.26 038 Reserve & Reserve Funds Forecast, Attachment 1 (June 2026).