



Town of Bishop's Falls

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News Release

Council Revises 2012 Municipal Operating Budget

January 26, 2012
For Immediate Release

Robert Hobbs, Mayor of the Town of Bishop's Falls, today announced two (2) amendments to the 2012 Municipal Operating Budget that was adopted by Council in December 2011. "Since submitting our budget to the Department of Municipal Affairs in December 2011, the municipality was advised of two (2) issues that warranted a revision to the estimates. First, the municipal operating grant (MOG) from the province needed to be reduced by \$29,602 to \$148,009. Last year we received \$177,611, but the province reduced the allocation to the level that existed in 2010. Secondly, the progressive nature of the minimum vacant land property tax is, in the opinion of the Department of Municipal Affairs, contra to the *Municipalities Act, 1999*. Council has the authority to set a single tax applicable to all vacant land regardless of its size. Although there seems to be room for interpretation in that section, Council decided to defer to the Department's advice and implement a single minimum vacant land tax. Based on these issues, the 2012 Municipal Operating Budget and corresponding tax policy had to be changed", stated Mayor Hobbs.

As opposed to a progressive minimum property tax for vacant land, the Town will now institute a single rate of \$650 that will apply regardless of the size. Mayor Hobbs added "Council believes the progressive minimum property tax for vacant land represented a fairer system; however, if this is not permissible under the law, then the most appropriate form of accommodation is to create a rate of \$650. The original principles supporting the induction of a separate tax for vacant land remain". Residents who are the owners of vacant land in the municipality will receive their invoice(s) for 2012 in the very near future.

The lost MOG will be recovered by making the necessary adjustments to expenditures. Upon further investigation and analysis, facilitated by a greater capacity within the Town to manage these expenditures, Council is projecting that the municipality will save approximately \$33,000 in maintenance costs this fiscal. This will negate the negative impact of the reduced MOG.

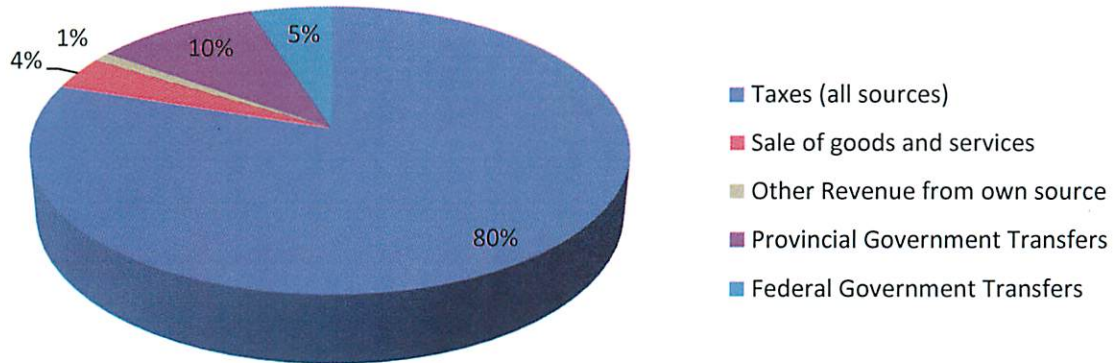
The amendments to the 2012 Municipal Operating Budget and the 2012 Municipal Operating Budget Tax Schedule and Policy were adopted by Council during a special public meeting on January 25, 2012.

For more information, contact:
Mayor Robert Hobbs
709 258 6581

Where the money comes from (revised)...

Taxes (all sources)	2,338,676
Sale of goods and services	107,000
Other Revenue from own source	29,500
Provincial Government Transfers	298,361
Federal Government Transfers	148,462
	<u>2,921,999</u>

Where the money comes from...



Where the money goes (revised)...

General Government	501,811
Protective Services	88,328
Transportation Services	758,850
Environmental Health	333,015
Recreation and Cultural Services	204,956
Fiscal Services	<u>1,035,039</u>
	2,921,999

Where the money goes...

