

Deputy Mayor Doreen Tremblett
Chairperson of the Finance Standing Committee
2015 Midyear Budget Review Statement
July 21, 2015

Mr. Mayor, I am pleased to report the Finance Standing Committee has completed its mid-year budget review and is now prepared to present the updated estimates to Council. The budget, as required by law, remains balanced, and the Committee is pleased to include some special investments that will improve the municipality's infrastructure and services.

Compared to the initial estimates, which were adopted by Council in December 2014, the budget has grown by approximately 3.5% to \$3,179,430. This growth has enabled the Committee to consider and include special investments that would otherwise be difficult to manage. The additional revenue has also been helpful when it comes to addressing the special expenses encountered to date. As Council will recall, the municipality has or will pay approximately;

- \$16,000 for a drop screen for the Public Works Department.
- \$15,000 to repair two sewer outfalls.
- \$15,000 to inspect the water towers.

These were prudent and necessary expenses, but they were, nonetheless, exogenous to the budget. The Committee had to find room, and it did, to absorb these impacts. Having said this, Mr. Mayor, I will now focus Council's attention on pertinent details regarding revenues and expenditures.

Revenues

The revised estimates for revenue are as follows:

	<u>Initial</u>	<u>Revised</u>	<u>Variance</u>	<u>Percentage</u>
Taxes	2,581,199	2,569,315	- 11,884	-0.46%
Sale of goods and services	110,300	110,300	-	0.00%
Other revenue from own sources	29,800	90,708	60,908	204.39%
Provincial grants	203,900	223,161	19,261	9.45%
Federal grants	142,418	142,418	-	0.00%
Transfers from reserves	-	43,528	43,528	0.00%
	3,067,617	3,179,430	111,813	3.64%

Taxes are down due primarily to a reduction in property, business, and poll taxes. In terms of property, an adjustment was required due to an agricultural designation exemption under the legislation. Business and poll taxes are down as a result of account maintenance. For the most part, the Town found additional

revenue from the sale of assets, an increase in provincial grants, and a legal settlement. The Committee also decided to utilize prior year surpluses as a means to fund infrastructure investments. This additional revenue, along with savings in the estimates, placed the Committee on a solid foundation to consider special projects that, as previously stated, would be difficult to accommodate under normal circumstances. On that note, Mr. Mayor, I will now discuss the expenditures.

Expenditures

The revised expenditures are as follows:

	<u>Initial</u>	<u>Revised</u>	<u>Variance</u>	<u>Percentage</u>
General Government	622,386	580,477	- 41,909	-6.73%
Protective Services	83,400	87,532	4,132	4.95%
Transportation Services	756,886	873,023	116,137	15.34%
Environmental Health	411,357	401,443	- 9,914	-2.41%
Planning and Development	3,200	3,200	-	0.00%
Recreation Services	251,168	268,931	17,763	7.07%
Fiscal Services	<u>939,220</u>	<u>964,823</u>	<u>25,603</u>	2.73%
	3,067,617	3,179,428	111,811	3.64%

As in previous years, the Committee redistributed allocations throughout the expenditures to adjust for deficiencies and to capture savings. Rather than focus on those details, although they are available for Council's information, I will focus on the bigger picture.

- (1) Generally speaking, and this accounts for most of the variances in General Government and Transportation Services, the budget now reflects the new organizational structure that was adopted by Council in January 2015.
- (2) In February the Town finished renovations to the Town Hall. Most of this work was completed under the *Community Enhancement Employment Program*, but Council contributed funding to acquire the desks for Chambers. This work has greatly improved the Town Hall's appearance, but to finish the job the commercial tiles in the lobby must be replaced. To this end, the Committee added approximately \$2,700 to the Town Hall maintenance budget.
- (3) The Exploits River Development Strategy is finalized, and it is important to launch our new brand and to advise the public of our plans for this significant tourism enhancement project. Promoting a brand requires investment, and the Committee has set aside \$4,000 for this purpose. This money will be used to buy promotional materials. Besides promotion, however, Council must begin the more important task of implementing the strategy. Proposals have been prepared and will be submitted to both levels of government to complete phase 1, but in order for the Main

Street Project to proceed, the land must be acquired by the Town. An offer was recently received from the owners, and the budget includes approximately \$23,000 for the purchase.

- (4) The Committee is very pleased to be in a position to include special investments for our infrastructure once again. In addition to \$7,000 for standard asphalt repairs (i.e. potholes), \$45,000 has been included to repair larger sections of asphalt on Main Street, Country Road, Forest Road, Station Road, and Exploits Avenue. Furthermore, the Committee has also included \$23,490 for 3,000 meters of ditching.
- (5) An allocation has been included to fund Council's share of the Community Relations Officer job for the current fiscal year. The Committee is pleased to report this satisfied the requirement established by resolution 121/2015 (PM 1363) for this fiscal year.
- (6) To enhance our recreation infrastructure, the Committee has included a grant up to \$5,000 for the Bishop's Falls Lions Club, who has partnered with the Leo Brothers Memorial Softball Tournament Organizing Committee, to construct a shelter in the Faulkner Recreation Complex. This project is possible through a blend of volunteer, corporate, and municipal contributions. This shelter will be a great asset to the Town's recreation infrastructure. It will be used not only during the Tournament, which is an annual fundraising event that benefits many important charities, but also by the municipality for the summer recreation program among other things.

Overall, Mr. Mayor, the Committee is very pleased with the performance of the budget at this point in the fiscal year. Much can happen in the remaining six months, but the Committee has attempted to build tolerance into the estimates to ensure we can, within reason, absorb unanticipated expenses along with the municipality's general operational requirements.

As an aside, our capital investment plans are proceeding as well. The Town has submitted an application to ACOA to obtain funding – hopefully 50% - to upgrade the Public Works Depot (lunchroom and roof replacement). In terms of Beaumont Heights/Hynes Road, engineering work is nearly completed and we are hoping to go to tender in the very near future. Our goal is to have both of these projects completed this fiscal year. As Council is aware, we anticipate the wastewater treatment project will be commissioned by the end of the summer. Our engineers are reporting the project is on budget, but we will know more about this in the coming days once all the necessary information is received. The Steering Committee will be convening soon to discuss this and other matters relating to the project.

Thank you, Mr. Mayor. I will be pleased to answer any questions Council may have.

I now move the following resolution:

Be it resolved that Council shall adopt the revised 2015 Municipal Operating Budget as circulated.