

Mr. Mayor, in accordance with the *Municipalities Act, 1999* and the Finance Standing Committee's Terms of Reference, I am pleased to present the 2016 Municipal Operating Budget. As required by law, the Budget is balanced and totals \$3,186,275. This is an increase of 0.22% since July 2015; however, when compared to the initial 2015 estimates that were adopted in December 2014, the budget has grown by 3.9%.

As Council is aware, on average, assessed values in Bishop's Falls have increased by 25.7% and 10% for residential and commercial properties, respectively. This creates a difficult situation for the municipality to resolve with the taxation tools at its disposal under the *Municipalities Act, 1999*. Nevertheless, Bishop's Falls is always up for the challenge, and the Finance Standing Committee spent a considerable amount of time analyzing various impacts to the municipality's tax structure. In the end, and in the context of our expenditure requirements, the Committee was able to deliver a balanced budget with the following taxation adjustments:

- residential and commercial mill rates were reduced from 9.5 mills to 7.75. This represents a reduction of 18%.
- the minimum residential and commercial property tax was increased from \$400 to \$500. The minimum property tax was not increased since 2006; however, assessed values have increased over that period of time - at impressive rates - and this typically impacts property owners who are not paying the minimum. At 9.5 mills and the current assessed values, there would be 41 properties paying the minimum tax of \$400. Under the new

taxation structure (7.75 mills and \$500 minimum) there will be 317 properties. The Committee has attempted to close the gap between the low and high ends of the Town's taxation system with this policy change.

- business tax rates were reduced by 20%. Business tax revenue is projected to increase by approximately 6% over 2015 even with this reduction.

The Committee is very pleased to present these policy adjustments. It believes a fair balance was achieved in the context of the municipality's expenditure requirements. I'm confident this was a pressing question on Council's mind, so having addressed that early in my presentation I will now take a few moments to discuss fiscal year 2015.

It appears we will generate a moderate surplus this fiscal year. This will be the result of higher than anticipated revenues coupled with expense controls. That said, these surpluses play an important role in providing the Town with flexibility to address emergency matters, capital works projects, and equipment needs. As I get into the expenditures for 2016, you will learn a new loader is being recommended for the Public Works Department at a cost of approximately \$230,000. The Committee will be utilizing surplus revenues (the Hydro grant, in essence, totaling \$130,000) along with a competitive loan for the balance of this purchase. Surpluses will also be used, most likely, over the next two years while the Town adjusts to having to shoulder the burden of the wastewater treatment loan. It will be fully on the books in 2017.

2015 was a good year on a number of fronts.

- Beaumont Heights and Hynes Road were repaved. This was a long standing goal for Council and we are pleased to see it concluded.

- Lift stations were upgraded throughout Town. This does not relate to the wastewater treatment project.
- The wastewater treatment project was substantially completed. Several lift stations will need to be connected in 2016, but we are nearly completed with this major project.
- Council adopted and launched the *Exploits River Development Strategy* and initiated phase one. The latter, if funding from government can be obtained, will see significant developments along the Exploits River that will enhance access and improve our position as a key angling destination in Newfoundland and Labrador.
- Significant investments were made to repair Main Street and other roads. Approximately \$45,000 was invested to repair large sections.
- The preventative maintenance ditching program was continued. Approximately 1,700 meters were completed this year.
- Renovations were completed to the Town Hall through government funded projects and Council contributions.
- Renovations were completed in the stadium (i.e. walls) through government funded projects.
- Renovations were commenced in the Fire Hall through government funded projects.
- 143 permits (all sources) were issued. Of that, 9 permits were issued for new homes.

This is a long list, Mr. Mayor, but it only contains highlights. There were other things accomplished as well that are equally important, but I simply do not have time to mention them all.

Having reflected on 2015, I will now turn Council's attention to the matter at hand – the 2016 municipal operating budget.

Expenditures

Mr. Mayor, the expenditure estimates for 2016 are as follows:

General Government	\$ 561,456
Protective Services	89,900
Transportation Services	851,567
Environmental Health	418,184
Recreation and Cultural Services	252,136
Fiscal Services	<u>1,013,032</u>
	\$ 3,186,275

Key highlights associated with expenditure plans for 2016 include the following:

- A \$100 increase to firefighter honourariums. These men and women are invaluable to the municipality, and they are to be commended for the service they provide to the broader community as volunteers. The increase will see the Fire Chief receive \$700 per year, officers \$500, and general members \$400.
- A new loader for the Public Works Department that will replace the 1989 936 CAT. The latter piece of equipment has long outlived its useful life. The loader is a critical component of our fleet.
- For the past four years the Town has provided a drop-off spring clean-up service at the Public Works Depot. Council has listened to residents who expressed frustration with this service. It creates barriers for participation and, arguably, contributes to the problem of illegal dumping. The 2016 budget includes an increase to upgrade this service to curbside. The Town will now deliver a three week program commencing in May 2016. A flyer outlining the details of this service will be distributed to homes in April 2016.

- \$30,000 has been included for large asphalt repair projects (this is in addition to the regular allocation for pothole repairs). This is the first time the Committee has been able to incorporate this investment at the beginning of the fiscal year, and it's absolutely necessary. Most times these investments were approved during mid-year budget reviews. By taking this approach, the Public Works Department will be able to develop a plan and be ready to have the large sections repaired once asphalt is available.
- \$21,027 is included to purchase a new rescue vehicle for the Fire Department. This will be matched by the Department through fundraising efforts.
- \$24,700 is included to purchase a new vehicle for the Recreation Department. The vehicle currently being used is in poor condition, and it will cost \$4,000 - \$5,000 to complete necessary repairs. The Committee feels it's time to upgrade.
- \$19,200 is included as a transfer to the capital reserve. In 10 years the Town will need to undertake capital repairs to the wastewater treatment system. We are planning for that now by including \$19,200 in the budget. This allocation will continue for the next 10 years. This is responsible planning, Mr. Mayor, and it will ensure we are prepared to maintain a very important part of our infrastructure.
- Investments were included to implement a robust dust control program as per Council's directive.
- \$6,000 was included to engage a website designer. The Town will be redesigning its website, and launching social media tools, in the context of the *Exploits River Development Strategy*. An RFP will be issued in the near future to identify and engage a website designer for this purpose.

- In accordance with resolution 121/2015, the Committee considered the Community Relations Officer job. Unfortunately, capacity could not be found to fund this job beyond the Target Wage Subsidy that is set to expire in March 2016. There was simply no room in the budget. The Committee expresses its appreciation for the work completed by this individual, and the fact the job was not funded does not reflect on her performance. She was a great member of the team. We simply could not find the resources. Nonetheless, the job will remain with the Administration Department until the end of March 2016.

Mr. Mayor, I will now present the revenue estimate.

Revenue

The revenue estimates for 2016 are as follows:

Taxes	\$ 2,660,125
Sale of goods and services	118,500
Other revenue from own sources	30,900
Provincial grants	229,247
Federal grants	147,502
Transfers from reserves	-
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	\$ 3,186,274

Highlights from the revenue estimates, and taxation/fee policies in particular, are as follows:

- As previously mentioned, the residential and commercial property tax mill rate is being lowered from 9.5 to 7.75. The minimum is going from \$400 to \$500.
- Business taxes are being reduced by 20%. This is being done to mitigate the impact of the assessed values as well.
- A new application fee for quarry permits (referrals) is being introduced at \$100 for residential and commercial applicants.
- Fees for tax certificates and compliance letters are being increased from \$100 to \$125.

- Water disconnection/connect fees are being decreased from \$75 to \$25.

To conclude my presentation, Mr. Mayor, I will touch on some objectives emerging from the Departments' operational plans for the coming year. These plans are components of the overall strategic planning process, but they do not represent the totality of the municipality's activities during a year. They set a path to achieve key objectives, but other things develop throughout the year that supersede, replace, or add to the plans. That must be remembered. To summarize;

- The Administration Department has been tasked with 13 objectives. Among general operational activities, special objectives include the preparation of an annual report for 2015, a discussion paper regarding the rebranding of the Fallsview Festival, a redesigned Town website (and social media tools), a position paper on regional economic development, and the implementation of phase one of the *Exploits River Development Strategy*.
- The Public Works Department has been tasked with 19 objectives. Among general operational activities, special objectives include a beautification program (i.e. brush cutting, ditch cleaning, etc.), replacement of the Hampton's Hill water tower (gas tax project), curbside spring clean-up, a comprehensive dust control program, the acquisition of Abitibi land within and around the municipal boundary, the development of a preventative maintenance program, and the conclusion of the *Municipal Plan and Development Regulations*.
- The Recreation Department has been tasked with 15 objectives. Among general operational activities, special objectives include redesigning the summer recreation program, replacing the boards on the stands in the stadium, developing a walking trail around Diamond Pond, and developing ATV and walking corridors.

That concludes my presentation, Mr. Mayor. I would like to thank the Committee for its work and commitment to prepare the budget. Many hours and meetings go into this process, and I want to thank the members for the great discussions and debates. I also want to extend appreciation to the Town Manager/Clerk and staff who contributed greatly to the Committee's work.

Resolutions

- (1) Be it resolved that Council shall adopt the 2016 Municipal Operating Budget and the *2016 Municipal Operating Budget Tax Schedule and Policy* as presented and circulated.
- (2) Be it resolved that Council shall adopt the *2016 Administration Department Operational Plan*, *2016 Public Works Department Operational Plan*, and the *2016 Recreation Department Operational Plan* as circulated.
- (3) Whereas the Town of Bishop's Falls must acquire a loader for its Public Works Department; and whereas a public tendering process resulted in Toromont CAT being the lowest bidder; and whereas the purchase will total \$231,854.40 (less GST and including equipment warranty); and whereas this purchase will be funded through surplus (Hydro grant - \$130,000) and a loan through a financial institution (\$101,855); and whereas the Town Manager/Clerk sought three financing quotes; and whereas the CIBC presented the best rate; and whereas certain directives from Council are now required to finalize the purchase of the loader; therefore, be it resolved that Council shall;

- a. approve the purchase of a 2016 CAT 924K loader from Toromont CAT (hereinafter referred to as 'loader') at a total cost of \$231,854.40 (less GST and warranty included).
- b. approve the disbursement of \$130,000 from the general account to purchase the loader.
- c. approve a loan through the CIBC as per the following terms:

Loan amount	\$101,855
Fixed Rate	2.281%
Amortization Period and Term	60 months
Payment terms	Monthly

- d. authorize the Town Manager/Clerk to seek approval to borrow from the Minister of Municipal and Intergovernmental Affairs for the following loan:

Loan amount	\$101,855
Fixed Rate	2.281%
Amortization Period and Term	60 months
Payment terms	Monthly
Institution	CIBC

- e. upon receiving approval from the Minister of Municipal and Intergovernmental Affairs to borrow, authorize the Town Manager/Clerk to borrow \$101,855 against the loan from the CIBC for the purpose of purchasing the loader.