

Mr. Mayor, in accordance with the *Municipalities Act, 1999* and the Finance Standing Committee's Terms of Reference, I am pleased to present the 2020 Municipal Operating Budget. As required by law, the budget is balanced and totals \$3,418,407.

2020 is a growth year, Mr. Mayor.

The Finance Standing Committee recognizes that Council is interested in growing the Town's recreation programs and services. Mr. Mayor, this is evident when you consider the initiatives attached to the recreation and social strategic priorities in the 2019-2022 Strategic Plan. Recreation programs and services are critical to building a community. The Committee also acknowledges Council's ambition to grow the tourism opportunities that Bishop's Falls has to offer. We designed a budget that will move the town along these lines while maintaining existing programs and services, and we achieved that, Mr. Mayor, with minor increases in taxes and fees.

The 2020 budget must also accommodate general increases in expenditures. Each year, some expenses increase (i.e. utilities, service fees, etc.), and while we find efficiencies where possible, we reach a point where the existing revenue stream must be adjusted. 2020 is such a year

because we have seen increases to waste collection, employee benefits, and utilities, among others.

I will speak to the details later, Mr. Mayor, but as a general statement, the Committee also had to address a downward trend in certain revenues. As you can appreciate, this places additional pressure on the budget process as we seek to grow recreation and tourism, maintain current programs and services, and accommodate increases in expenditures. We are pleased to report, nonetheless, that we found a balance, but it required a minor increase in taxes and fees as previously mentioned.

It is now time to begin discussing the details, Mr. Mayor, and in keeping with tradition, expenditures are first.

Expenditures

The expenditure estimates for 2020 are as follows:

	<u>2020 Budget</u>	<u>2019 Budget</u>	<u>% Change</u>
General Government	609,695	619,230	-2%
Protective Services	96,620	93,900	3%
Transportation Services	892,784	945,283	-6%
Environmental Health	488,677	489,660	0%
Recreation and Cultural Services	393,603	267,390	47%
Fiscal Services	<u>937,028</u>	<u>952,761</u>	-2%
	3,418,407	3,368,224	1%

The changes noted in the above comparative analysis (2020 vs 2019) reveals two major differences in transportation services and recreation and cultural services. In the former case, this primarily relates to an accounting adjustment regarding management salaries as some were transferred from public works to recreation to reflect time-on-task better. Recreation and cultural services will see growth in 2020 when it comes to programs and services. Over the past year, as noted by Your Worship in the Year-End Report, we introduced many new programs and events in the Recreation Department, and we wish to maintain that momentum and add more opportunities for our residents.

Our spending plan for the coming fiscal year includes;

- maintaining the current level of Councillor remuneration. There is no increase in 2020.
- replacing computer hardware for staff. We have to replace two aged systems in the coming year at an approximate cost of \$2,500.
- \$800 for the Council's strategic plan review in April 2020.
- maintaining the \$5,500 grant to the RiverFest Committee to support the Town's signature civic festival. We also included a grant to the Bishop's Falls Public Library totalling \$250, which we will disburse in February 2020.
- an increase of \$100 per year to the firefighter honourarium. We recognize and appreciate the hard work and dedication these individuals provide to the community. We are pleased to increase their honourarium as a symbol of this gratitude.
- maintaining a temporary position in the Public Works Department during the summer period. The position will begin in May and conclude in September as in previous years.

The additional resources help the Department maintain services and implement plans during the summer period.

- maintaining the curbside residential Spring clean-up program.
- initiating a more comprehensive road shoulder repair program. We see this as not only an aesthetic measure, but it is also important from a preventative maintenance standpoint. A proper road shoulder protects the asphalt. The Committee increased the budget relating to equipment rental and sand/gravel to accommodate the program.
- \$4,000 to begin replacing the culverts on Forest Road. We anticipate the budget will enable the Department to replace apx. 50% of the culverts in 2020.
- \$50,000 to repair potholes and larger sections of asphalt during the summer of 2020.
- \$4,000 to reconstruct the ditch behind Adams Avenue.
- \$3,000 to install lights in the sea can and to construct employee lockers at the Public Works Depot.
- creating a new job in the Recreation Department called "Recreation and Tourism Program Manager." The job will commence in April 2020 with a starting salary of \$45,000 per year. The individual hired for this job will be responsible for managing and growing programs, services, events, and opportunities as it relates to recreation and tourism. This job is about expansion, Mr. Mayor, and not about the status quo. We are not creating this job to remain stagnant, but to rather enhance the recreation and tourism opportunities that Bishop's Falls has to offer! It is important to note we have eliminated the Program Coordinator job, and the salaries normally paid to that

individual (apx. \$9,000) have been reallocated to the Recreation and Tourism Program Manager.

- \$10,000 for recreation programming. This allocation can be used by the Recreation and Tourism Program Manager as leverage to access government funding. It can also be used to support new and existing programs directly. The Recreation Department, under the guidance of the Recreation Standing Committee, will determine how best to utilize these programming dollars.
- \$2,670 to upgrade electrical services at the Fallsview Municipal Park. We have too many 15-amp services at our Park, Mr. Mayor, and we have long heard how inadequate this is for campers. The \$2,670 will see all 15-amp sites upgraded to 30.
- \$2,600 for flowers throughout the town. As you will see, when I speak about the 2020 operational plans, we intend to take a different approach when it comes to using flowers to beautify the community in the coming year.
- \$20,000 to overhaul the plant chiller at the stadium.
- establishing a temporary position in the Recreation Department, which will begin in May and conclude in September. The budget includes 16 weeks at 30 hours per week. 2019 saw the addition of several important recreation/tourism sites – namely, the Main Street viewing area and the Station Road boat launch. We also completed extensive work on the Riverside Drive boardwalk. Mr. Mayor, we cannot create these assets and not maintain them; therefore, additional resources are needed to remove the garbage, maintain grass, general maintenance, etc.

Regarding capital works, the Town will conclude ongoing projects including;

- Riverside Drive road upgrade. We anticipate this project will begin in the Spring/early Summer. We will borrow for Council's share of this project in 2020, and the budget reflects this.
- Main Street Beautification. This project, which is currently in progress, will conclude in 2020. The gas tax funding is covering this project, which means no borrowing is required.

As previously reported, we have three capital works applications before the Government of Newfoundland, and we anticipate receiving decisions in June or July. Our projects include;

- Creating a waterline loop in the Greenridge Road area.
- Replacing another 750 meters of asphalt on Main Street.
- Constructing an extension to the stadium to accommodate new dressing rooms.

As you can see, Mr. Mayor, 2020 is shaping up to be another productive and busy year.

Now, I'll speak to how we intend to pay for these things.

Revenues

The revenue estimates for 2020 are as follows:

	<u>2020 Budget</u>	<u>2019 Budget</u>	<u>% Change</u>
Taxes	2,770,665	2,750,527	1%
Sale of Goods and Services	162,314	208,001	-22%
Other Revenue From own Source	128,920	35,883	259%
Provincial Grants/Subsidies	216,134	216,134	0%
Federal Grants/Subsidies	140,374	157,679	-11%
Transfers from Authorized Reserves	<u>-</u>	<u>-</u>	
	3,418,407	3,368,224	1%

As noted earlier, the Committee confronted a downward movement in certain revenues when preparing the 2020 budget. Specifically, we are receiving fewer poll taxes, Fallsview Park rental fees, and fees across several accounts (i.e. permits, tax certificates, etc.). While these amounts are not substantial, they contribute to the balancing problem.

To accommodate the growth, maintain existing programs and services, and address reduced revenues in some areas, the Committee designed a three-pronged approach to increase taxes and fees in 2020. They are as follows:

- The Crown and commercial water/sewer tax will increase from 6.0 to 6.5 mills, which is the only tax/fee increase for Crown and commercial properties. Council last adjusted this tax in 2010. An increase to the base amount occurred in 2013 (\$430 to \$450) and 2019 (\$450 to \$475); however, that impacted around 34 properties. The mill rate is the primary source of water/sewer taxes from Crown and commercial properties. Since 2010 the Town developed a \$14,000,000 wastewater treatment facility, which adds around \$220,000 annually to our debt-servicing costs. Residents saw a \$130 increase to

the water/sewer tax since then; however, the only change for Crown and commercial properties over the same period amounted to an additional \$45 to the base amount. The increase of 0.5 mills will result in an additional \$11,727, which we believe is reasonable.

- Around eight (8) years ago, Council was paying around \$50,000 for waste management. When wages, equipment, and other operational costs were factored in, the total reached around \$110,000; however, in 2020, this service is costing the Town approximately \$220,000. As we know, over the past eight (8) years, the Central Region has seen the introduction of tipping fees and a more sophisticated waste collection system. The Town must also accommodate an increase of \$2.00 per household in 2020 for collection, bringing the annual cost to \$83.00 per household. In this context, the Committee contemplated an increase in the property tax for the coming year but, as we know, the mill rate impacts mostly those properties with higher assessed values. It does not treat all residents equally. Consequently, in our search to find additional revenue, the Committee decided to introduce a waste collection fee, in accordance with section 177 of the *Municipalities Act, 1999*, totalling \$70 annually per property, which equates to \$5.83 per month. This is the only increase in residential taxation and fees, and it will add \$97,000 to revenue.
- Finally, we included adjustments to fees at the Pat O'Reilly Memorial Stadium that will take effect January 1, 2020. Primetime will begin at 6:00 pm, rather than 7:00 pm, and the Senior and General Rates will increase from \$115 to \$117.39 per hour before HST. Council continues to happily subsidize the operations of the stadium because it is an

important service to our community; however, with increased costs over recent years, a minor increase to user fees is necessary at this time.

Operational Plans

Finally, Mr. Mayor, I will conclude my presentation by highlighting some initiatives arising from the 2020 operational plans for Public Works, Recreation, and Administration. I have already covered some initiatives when discussing the estimates, so I will not repeat them here.

In 2020, we plan to do as follows:

- Develop a page on the Town's website for economic development. We will identify areas in Town zoned for industrial development and promote them on our website.
- Construct the Fallsview Park boat launch, signage, and floating wharf for the Station Road slipway. Additionally, we will apply to ACOA and the Province to construct the Riverside Drive tourism development site.
- Review our current contract with Abydoz as it relates to the wastewater treatment facility. We will engage the bargaining unit in this discussion.
- Continue working towards an asset management strategy for the Town.
- Address dilapidated buildings and properties with litter/property maintenance infractions.
- Issue newsletters in May and November, and engage the community through surveys and our social media accounts.

- Apply for funding to complete renovations to the Town Hall (i.e. painting, plastering, etc.).
- Begin the process to complete the statutory five-year review of our municipal plan and development regulations.
- Engage community groups and other municipal governments in the region to develop partnerships around recreation and tourism projects.
- Continue lobbying the Government for improvements to the Trestle.
- Continue to support the growth of the Community Garden.
- Expand and enhance our existing recreation programs and services.
- Establish a Beautification Committee that will be given the mandate to identify areas in town for flowers and things of this nature. The Committee will receive funding from Council to purchase and plant flowers.
- Continue to add more robust waste receptacles throughout town where budget permits.
- Create a green space around the Mayor Avenue lift station.
- Apply for funding to complete renovations at the Fallsview Municipal Park.
- Apply for funding to expand the boardwalk.

Mr. Mayor, this is only a high level of summary of the operational plans, but it should give Council a good understanding of how we intend to give life to our strategic priorities.

I must also note that the Committee is pleased to announce we will make E-billing available to residents and businesses in 2020. We are also moving towards electronic vendor payments, and as of July 1, 2020, a paper cheque will no longer be issued. The latter will reduce our postage expenses and add efficiencies to the Administration Department.

That concludes my presentation, Mr. Mayor. I want to thank the Committee members and staff for the long hours and debate over the past six (6) weeks.

Resolutions

- (1) Be it resolved that Council shall adopt the 2020 Municipal Operating Budget and the *2020 Municipal Operating Budget Tax Schedule and Policy* as presented and circulated.

- (2) Be it resolved that Council shall adopt the *2020 Administration Department Operational Plan, 2020 Public Works Department Operational Plan, and the 2020 Recreation Department Operational Plan* as presented and circulated.