

Mr. Mayor, in accordance with the *Municipalities Act, 1999* and the Finance Standing Committee’s Terms of Reference, I am pleased to present the 2022 Municipal Operating Budget. As required by law, the budget is balanced and totals \$3,567,497, which is an increase of approximately 1% when compared to the initial 2021 budget estimates.

Despite our best efforts, Mr. Mayor, the Committee was unable to balance the budget without increasing taxes, but we mitigated the impact as much as possible by utilizing surpluses from prior years. The Town, not unlike regular households throughout the province, is seeing an increase in everyday expenditures. In addition, commercial assessed values were lower when compared to the previous year by around 4-5%; therefore, the Committee had less revenue to work with at the beginning of the planning process. Mr. Mayor, we are, nonetheless, pleased to present a budget that maintains the Town’s progress and required investments in equipment, infrastructure, programs, and services. 2022 will be another productive year, and I’ll begin by outlining our expenditure plans.

**Expenditures**

The expenditure estimates for 2022 are as follows:

	<u>2022 Budget</u>	<u>2021 Budget (Initial)</u>	<u>% Change</u>	<u>2021 Budget (July)</u>	<u>% Change</u>
General Government	621,927	618,265	1%	612,564	2%
Protective Services	96,870	98,100	-1%	97,100	0%
Transportation Services	921,088	984,550	-6%	1,015,608	-9%
Environmental Health	526,635	513,984	2%	522,682	1%
Recreation and Cultural Services	361,530	347,816	4%	329,343	10%
Fiscal Services	<u>1,039,447</u>	<u>970,962</u>	7%	<u>979,873</u>	6%
	3,567,497	3,533,677	1%	3,557,170	0%

As I noted earlier, Mr. Mayor, the Town has not been isolated from general increases in operational expenses. Insurance, for example, has increased by around \$5,000.

The Committee analyzes every line item using historical data and projections when preparing the budget. It also evaluates discretionary spending and Departmental proposals. We do what we can to mitigate general operational increases in this context, but we cannot do so at the risk of compromising the Town's ability to maintain core service and to continue important investments in equipment, infrastructure, programs, and services. Having said this, Mr. Mayor, below you'll find a summary of our expenditure plans for the coming fiscal year.

- Council remuneration remains fixed at previous levels. No increase was budgeted.
- \$800 is budgeted for Council's strategic planning retreat this winter.
- \$5,000 is set aside for RiverFest concert support, along with the \$500 grant for general operations.
- As a small way to recognize their important contributions to the community, the firefighter honourarium was increased by \$100 for all positions.
- We are pleased to report that we maintained the two temporary positions in the Public Works Department for 2022. These positions help to ensure the Department can complete important projects during the spring/summer.
- \$9,500 is allocated to purchase a new sander for the Public Works Department.
- \$50,000 is included for asphalt repairs, along with \$10,000 for ditching.
- Approximately \$12,000 is budgeted for the 2022 road shoulder repair program.
- The Public Works Department will receive \$4,200 to install a flow meter at the Newbay Road pumphouse.
- As part of our long term maintenance plan for the wastewater treatment plant, we included \$13,500 to complete repairs in 2022.
- The Committee once again funded a temporary position in the Recreation Department, which begins in May and finishes in September. While we wish more could be done, the weekly hours for this position remains at 30. We know there are additional demands on the Recreation Department around maintenance, and this temporary position helps with that work.
- The Program Coordinator is included in the budget for 23 weeks. The Coordinator, as we know, is responsible for delivering many programs, events, and activities that include

the summer recreation program, Harvest on the Exploits, and Christmas on the Boardwalk, among others.

- \$10,000 is earmarked for recreation programs. The Town supplements its recreation programs with government funding. This \$10,000 is used primarily to leverage grants or deliver an event/activity directly when government funding is unavailable.
- Capital investments in 2022 include the Main Street road upgrade at \$22,990 and the Trestle re-decking project at \$7,160.
- As discussed by Council in previous meetings, we have reached a point where the Town requires a new flyer for snow clearing activities. The Western Star, which was purchased in 2013, is scheduled for replacement, and the budget includes an allocation to acquire a loan for this purpose. We will also replace the 2013 chevy pick-up truck. The Town will begin the necessary procurement processes in January 2022.

Again, Mr. Mayor, this is a summary of the expenditures, and I would be happy to answer any questions about other areas of the budget should there be any.

I'll now address revenues and how we plan to pay for these items.

**Revenues**

The revenue estimates for 2022 are as follows:

	<u>2022 Budget</u>	<u>2021 Budget (Initial)</u>	<u>% Change</u>	<u>2021 Budget (July)</u>	<u>% Change</u>
Taxes	2,850,474	2,752,718	4%	2,777,236	3%
Sale of Goods and Services	109,000	103,625	5%	95,008	15%
Other Revenue From own Source	134,654	127,389	6%	134,416	0%
Provincial Grants/Subsidies	216,134	216,134	0%	216,134	0%
Federal Grants/Subsidies	153,136	146,754	4%	146,754	4%
Transfers from Authorized Reserves	<u>104,099</u>	<u>187,058</u>	-44%	<u>187,621</u>	<u>-45%</u>
	3,567,497	3,533,678	1%	3,557,169	0%

Unfortunately, we found ourselves in a situation this year where moderate increases in taxes were necessary to meet our expenditure requirements. The situation was made worse because commercial assessed values decreased, resulting in less tax revenue relative to 2021. To address the increase in expenditures and the reduced revenue, the Committee reached

what it believes to be a reasonable approach in the circumstances. The 2022 budget includes the following measures:

- An increase in the residential property tax from 7.75 to 8.25 mills. The residential property tax mill rate was last adjusted in 2016 when it decreased from 9.5 to 7.75 mills. This increase will provide the Town with an additional \$84,199.
- The commercial water/sewer tax increases from 6.5 to 6.83 mills with a \$500 minimum. While this adjustment will provide the Town with \$4,109, it is essentially revenue-neutral compared to 2021. This tax was last adjusted in 2020.
- The crown water/sewer tax increases from 6.5 to 6.83 mills with a \$500 minimum. Again, while we will see an additional \$3,859 from this increase, it is revenue-neutral compared to 2021. This tax was last adjusted in 2020.

Despite these increases, Mr. Mayor, the Committee still faced a deficit. While it looked at other options, we ultimately felt it was best to rely on prior-year surpluses to balance, and the budget includes \$104,099 from this reserve.

Previous Finance Standing Committees have noted that the Town will encounter budget difficulties in the short term, including 2022 and 2023, and that remains the case. In 2024, based on current projections, we will have significant budget capacity arising from the retirement of long-term debt. We estimate that debt servicing costs will decrease by around \$300,000 from 2022 to 2024. Given this, the Committee is doing everything it can to mitigate tax increases over this period – hence the reason why we are relying on the surplus to balance. We are fortunate enough to be able to do this, and it is only a temporary measure.

### **2022 Capital Works Projects**

Mr. Mayor, the upcoming fiscal year will be busy with capital works projects once again. In 2022, we plan to complete the following:

- Beaumont Heights brook infrastructure improvements.
- Main Street Road replacement (750 meters).

- Riverside Drive tourism development project (kayak/canoe access).
- Main Street Linear Park.

As Council is aware, we have also applied for funding to construct an extension to the Pat O'Reilly Memorial Stadium for new dressing rooms and complete important upgrades to the water distribution system (Greenridge Road and Newtown Road). We anticipate the Town will receive decisions in July 2022.

### **Operational Plans**

Finally, Mr. Mayor, it is customary for the Committee to present the Departmental operational plans as part of the overall budget package. We have another productive year lined up, and the details are as follows:

#### *Administration Department*

The Administration Department is tasked with 23 initiatives this year that include;

- Updating the scope of work/budget and looking for funding for expanding the Dominic Street Industrial Park.
- Implementing the Exploits River Development Strategy, including the conclusion of phase 1 and planning for phase 2.
- Developing an ATV trail/corridor throughout town.
- Supporting RiverFest.
- Completing the Town's Asset Management Strategy.
- Facilitating a Council strategic planning session.
- Organizing/Hosting civic events.
- Applying for government funding for projects, programs, and events.

#### *Public Works Department*

The Public Works Department is responsible for 13 initiatives in 2022 that include;

- Implementing the road shoulder repair program.
- Overseeing the replacement of 750 meters of asphalt on Main Street, which is being completed under a government-funded project.

- Overseeing the Beaumont Heights brook infrastructure improvement project, which is being completed under a government-funding project.
- Completing asphalt repairs.
- Implementing the ditching program.
- Enhancing preventative maintenance of the lift stations and associated infrastructure.
- Applying millings to Vokey's Lane to improve the road condition.
- Capping the gravel roads under the Town's jurisdiction.
- Replacing culverts on Thirteen Mile Crossing.

#### *Recreation Department*

The Recreation Department is tasked with 23 initiatives this year that includes;

- Completing the Main Street Linear Park.
- Upgrading the Diamond Pond walking trail.
- Implementing recreation programs that include the Community Garden Harvest Program, Exploits River Adventures Program, and Connecting Seniors 2022.
- Developing partnerships with other municipalities to enhance recreation programs and services.
- Designing new recreation programs, events, and activities for all age cohorts.
- Enhancing the summer recreation program. The Recreation Standing Committee proposes establishing a Special Committee tasked to consider this program and suggest improvements.
- Expanding the Riverside Drive boardwalk by connecting it to the new river access site on Riverside Drive.
- Enhancing and supporting the community garden.
- Revitalizing the historic CN train by improving its function, appearance, and location. The intention is to create a park.
- Researching funding options to re-illuminate the Trestle.
- Organizing and hosting events such as Harvest on the Exploits and Christmas on the Boardwalk.

Mr. Mayor, that concludes my presentation of the 2022 budget. I want to thank the Committee members and staff for their time and work over the past couple of months. Many hours go into this important planning function, and I appreciate everyone's effort.

I wish everyone a Merry Christmas and Happy New Year.

### **Resolutions**

(1) Be it resolved that Council shall adopt the 2022 Municipal Operating Budget and the *2022 Municipal Operating Budget Tax Schedule and Policy* as presented and circulated.

(2) Be it resolved that Council shall adopt the *2022 Administration Department Operational Plan, 2022 Public Works Department Operational Plan, and the 2022 Recreation Department Operational Plan* as presented and circulated.