

Mr. Mayor, in accordance with the *Municipalities Act, 1999*, and the Finance Standing Committee's Terms of Reference, I am pleased to present the 2023 Municipal Operating Budget. The budget is balanced, as required, and totals \$3,638,497, which is an increase of approximately 2% compared to the initial 2022 budget estimates.

It will come as no surprise that inflation was a significant factor when preparing the 2023 budget. The Committee struggled with increases in several areas, which I'll explain in greater detail momentarily, and could not avoid moderate increases in taxes and fees. We did, however, mitigate the impact significantly by retiring a large loan through the BMO a year ahead of schedule. With Council's approval, approximately \$185,000 from prior year surpluses will be disbursed to payout the loan, reducing the Town's debt servicing cost from around 20% to 13% when other factors are considered. This additional capacity helped the Committee balance the budget in the context of increased spending demands.

Mr. Mayor, I'll now speak to the expenditure details.

Expenditures

The expenditure estimates for 2023 are as follows:

	<u>2023 Budget</u>	<u>2022 Budget (Initial)</u>	<u>% Change</u>
General Government	693,373	621,927	11%
Protective Services	98,850	96,870	2%
Transportation Services	1,069,559	921,088	16%
Environmental Health	559,289	526,635	6%
Recreation and Cultural Services	394,385	361,530	9%
Fiscal Services	<u>823,040</u>	<u>1,039,447</u>	-21%
	3,638,496	3,567,497	2%

The Town has seen increases of varying degrees in most areas of the upcoming budget. Some of the more significant increases include the following:

- Insurance has increased by approximately \$6,700 or 6.7%. Since 2019, insurance has grown by \$17,000 (around 19%).
- Fuel is projected to increase by \$10,000.

- Water treatment has grown by \$18,543 from \$154,394 in 2022 to \$172,937 in 2023.
- Waste collection and disposal are anticipated to increase by \$11,500 or around 5%. The curbside collection fee is moving from \$83 to \$90 per year/per household, and tipping fees are increasing to \$140 per tonne (currently, it's \$136).

Again, these are the more significant increases we encountered, but generally, things are becoming more expensive.

Mr. Mayor, while we struggled with inflation, the Committee focused on ensuring the budget contained infrastructure, equipment, services, and program investments. As Council will recognize, we have made significant improvements in Town over the past few years, and we must maintain what we built and continue improvements where possible. As such, the 2023 spending plan includes the following:

- For the first time since 2019, when it was adjusted to compensate for the Federal Government's decision to eliminate the non-taxable component, Councillor remuneration will increase by \$5,548. The new schedule is below.

	Current Remuneration	Increase	New Remuneration
Mayor	14,652.69	1,276.04	15,928.73
Deputy Mayor	10,830.25	943.16	11,773.41
Councillor (x5)	7,644.88	665.76	8,310.64
	63,707.34	5,548.00	69,255.34

- In 2023, the Town will need to replace eight (8) iPads for Council and management that have reached the end of their six-year life span, as outlined in the *Town Council Electronic Equipment Policy*. The budget includes \$14,750 for this equipment, which enables Council to operate paperlessly.
- The firefighter honourarium will increase by \$100 for all positions, resulting in \$1,000 for the Fire Chief, \$800 for officers, and \$700 for firefighters.
- Equipment maintenance is increasing, overall, by around \$21,000. Mostly, this is driven by a need to invest money in the Western Star (i.e., body repairs). As Council is aware, we issued a tender in 2022 to acquire a new flyer, but the market produced an

unreasonable price and delivery timeline. We will, however, proceed with the tender again in 2023 with an acquisition target of 2024.

- Beginning on May 1, 2023, the Town will add a new regular job to the bargaining unit called General Operator/Labourer. The General Operator/Labourer will float between the Public Works and Recreation Departments. Right now, we foresee the person in Public Works from May to September and Recreation from October to April. This job is necessary, given the additional service and maintenance expectations/requirements in both Departments.
- A temporary Operator/Labourer will be hired in May 2023 for 17 weeks @ 40 hours per week. This position is needed to help the Public Works Department implement projects and cover regular employee vacation/leave.
- The road maintenance budget was increased by \$10,300 to allow the Public Works Department to replace extra culverts throughout town.
- \$50,000 is included for asphalt repairs. Council is also looking at using the balance of the gas tax capital investment plan for additional repairs.
- \$10,000 is included, once again, for ditching, which equates to around 1,141 meters.
- The sand and gravel budget was increased from \$10,000 to \$20,000 to enable the Public Works Department to add materials to gravel roads. The current condition of some roads renders the grader ineffective because there is no cap. The additional resources will be concentrated on Sunset Drive and Valleyview Road.
- \$2,500 is included for maintenance to the wastewater treatment plant, as per the 10-year maintenance plan.
- \$17,500 was marked for recreation programs, which include Harvest on the Exploits, the Summer Recreation Program, and Christmas on the Boardwalk.

- \$20,000 is set aside for maintenance at the stadium. We will need to repair/replace the boiler in the coming year.
- A temporary Recreation Labourer will be hired in May 2023 for 18 weeks @ 30 hours per week. This position is needed to help the Recreation Department implement projects, maintain sites, and cover regular employee vacation/leave.

Mr. Mayor, this is a high-level summary of our 2023 fiscal plan. I would be happy to answer any questions Council may have once my presentation is finished.

I'll now address revenues.

Revenues

The revenue estimates for 2023 are as follows:

	<u>2023 Budget</u>	<u>2022 Budget (Initial)</u>	<u>% Change</u>
Taxes	2,978,451	2,850,474	4%
Sale of Goods and Services	127,200	109,000	17%
Other Revenue From own Source	163,575	134,654	21%
Provincial Grants/Subsidies	216,134	216,134	0%
Federal Grants/Subsidies	153,136	153,136	0%
Transfers from Authorized Reserves	-	104,099	-100%
	<u>3,638,496</u>	<u>3,567,497</u>	2%

As noted earlier, the Committee could not avoid increases to taxes and fees in the upcoming budget, but it worked hard to mitigate the impact as much as possible. The following taxes and fees are being increased in the coming year:

- The waste collection fee will increase from \$70 to \$85 per year/per household. As noted earlier, the Town's curbside collection cost (not including tipping fees) increased from \$83 to \$90 per year/per household, and this could not be absorbed by the budget, given the impacts of inflation. The extra \$15 will result in an additional \$20,925.
- The residential water/sewer tax will increase from \$475 to \$490, resulting in an additional \$23,275.

- The commercial property tax is increasing from 7.75 to 8.25 mills, which generates an additional \$6,017 in revenue. The commercial property tax is now the same as the residential property tax.
- Rental fees at the Pat O'Reilly Memorial Stadium are increasing by \$10 per hour for all categories. Additional revenue is needed to accommodate inflationary impacts, and the stadium will see higher operational costs (i.e., heat/lights) in the coming year resulting from the dressing room extension. As a side note, the minor rate was last increased in 2015, whereas the senior and general rates were adjusted in 2020.

We know, Mr. Mayor, that any increase at this time is hard for individuals, families, and businesses. The Committee maintained this focus while preparing the budget, and we feel, in the circumstances, the fee increases are reasonable. Generally speaking, a residential property owner will pay an additional \$30 per year (or \$2.50 per month).

It should be noted, Mr. Mayor, that our Municipal Operating Grant (MOG) from the Government of Newfoundland and Labrador has not increased for ten years or more. It is time for the Government to review this situation and the overall fiscal arrangement with municipalities. An increase is due.

2023 Capital Works Projects

Mr. Mayor, two capital works projects are planned for the coming year, including the Greenridge Road waterline upgrade and the stadium dressing room extension. We have also applied for funding to upgrade the Newtown Road water line and replace the Country Road water tower. We anticipate the decisions in July 2023. These projects are expected to cost the Town around \$222,000, which will be financed.

Operational Plans

Finally, Mr. Mayor, the Committee is pleased to present the Departmental operational plans, prepared in the context of the 2023-2027 strategic plan, as part of the overall budget package.

We have another productive year lined up, and some of the highlights are as follows:

Administration Department

The Administration Department is tasked with 20 initiatives/objectives/priorities this coming year that include;

- Establishing a special committee of Council members and community leaders to drive a strategic initiative to recruit a family doctor.
- Preparing and submitting ACOA/Provincial application(s) to engage a consultant to develop a detailed design and cost estimate for the Fallsview Municipal Park based on the September 2022 Council discussion.
- Preparing and submitting ACOA/Provincial application(s) for the *Exploits River Phase 2 Development* that includes marketing, data collection, a tourism product development conference, and experience enhancements.
- Redesigning the Town's directional signage to improve visibility.
- Updating the Emergency Management Plan.
- Ensuring the municipal development plan, regulations, and related plans are up to date and able to address emerging challenges and opportunities.
- Pursuing tax sale proceedings to collect outstanding property and water taxes where the real property is unoccupied by the owner.
- Preparing the *Codes of Conduct* required by the *Municipal Conduct Act*.

Public Works Department

The Public Works Department is responsible for 12 initiatives/objectives/priorities in 2023 that include;

- Reviewing the *Municipal Plan* and land availability to identify the next area for residential development.

- Overseeing the Greenridge Road waterline upgrade project, which is being completed under a government-funded project.
- Completing asphalt repairs.
- Implementing the ditching program.
- Reviewing the Asset Management Plan and setting priorities for the next three years.
- Reassessing the road shoulder repair program and identifying new sections in consultation with the Public Works Standing Committee.
- Developing a maintenance program through asset management software.
- Distributing millings, once acquired, on Fox Lane and the tracks between Mayor Avenue and Kinsmen Drive.
- Implement the line painting program. The green walkway will be discontinued in 2023 and replaced with a walking lane strip. Given the material costs, maintaining the green walkway along Main Street is no longer fiscally sustainable.
- Capping gravel roads (concentrating on Sunset Drive and Valleyview Road).
- Replacing culverts on Thirteen Mile Crossing.
- Implementing a beaver control program to negate water drainage issues.

Recreation Department

The Recreation Department is tasked with 13 initiatives/objectives/priorities in the coming year that includes;

- Implementing maintenance checklists that define a service level for parks and tourism sites. Hanging flower pots will be installed along the light poles in the Main Street Linear Park.
- Considering an alternative delivery model for the summer recreation program (excluding day camp).
- Overseeing the stadium dressing room extension project.
- Implementing the dog park project (pending government approval).
- Implementing recreation programs (i.e., seniors painting workshop, youth healthy cooking workshop, Seniors Christmas craft workshops, etc.).
- Establishing a Beautification Committee.

- Enhancing and supporting the community garden.
- Organizing and hosting events such as Harvest on the Exploits and Christmas on the Boardwalk. Harvest on the Exploits will be based at the Pat O’Reilly Memorial Stadium to avoid adverse weather impacts, although there will be outdoor events at the Trestleview Park. It will take place during the third weekend of September.

Mr. Mayor, that concludes my presentation of the 2023 budget. I want to thank the Committee members and staff for their time and work over the past couple of months. The budget is the work of many hands, 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 2023 Municipal Operating Budget and the *2023 Municipal Operating Budget Tax Schedule and Policy* as presented and circulated.
- (2) Be it resolved that Council shall adopt the *2023 Administration Department Operational Plan, 2023 Public Works Department Operational Plan, and the 2023 Recreation Department Operational Plan* as presented and circulated.
- (3) Be it resolved that Council shall approve the disbursement of \$185,000 to retire loan 6999 592 (facility 1) through the BMO before December 31, 2022.
- (4) Be it resolved that Council shall amend section 4.1 of the *Recreation Rental Fees and Cancellation Policy* by deleting the existing table (labeled A) and replacing it with a new table (labeled B) as follows:

Table A (Existing)

Recreation Product	Condition	Minor Rate	Senior Rate	School Rate	General Rate
Stadium	Rental before 6:00 pm	\$85	\$117.39	\$85	\$117.39
	Rental after 6:00 pm	\$115	\$117.39	\$115	\$117.39
	During the Summer	\$45	\$60	\$45	\$60
Softball Field	Season (per team)	\$250	\$250	Nil	\$250
	Hourly	\$10	\$15	Nil	\$15
Soccer Field	Season (per team)	\$250	\$250	Nil	\$250
	Hourly	\$10	\$15	Nil	\$15
Volunteer Room	All hours. No access to the ice surface.	\$60	\$60	\$60	\$60

Table B (New)

Recreation Product	Condition	Minor Rate	Senior Rate	School Rate	General Rate
Stadium	Rental before 6:00 pm	\$95	\$127.39	\$95	\$127.39
	Rental after 6:00 pm	\$125	\$127.39	\$125	\$127.39
	During the Summer	\$55	\$70	\$55	\$70
Softball Field	Season (per team)	\$250	\$250	Nil	\$250
	Hourly	\$10	\$15	Nil	\$15
Soccer Field	Season (per team)	\$250	\$250	Nil	\$250
	Hourly	\$10	\$15	Nil	\$15
Volunteer Room	All hours. No access to the ice surface.	\$70	\$70	\$70	\$70

Be it further resolved that this amendment shall take effect on January 1, 2023.