

Councillor Paul Kennedy
 Chairperson of the Finance Standing Committee
 2023 Midyear Budget Review Statement
 July 18, 2023

As required by its Terms of Reference, the Finance Standing Committee recently completed its mid-year review of the Town’s 2023 operating budget. Council will be pleased to learn the budget remains balanced and totals \$3,742,645, an increase of 2.86% or \$103,969 compared to the initial estimates.

Mr. Mayor, I’ll highlight the changes to the expenditures first and conclude with the revenues.

Expenditures

The revised expenditure estimates are as follows:

	<u><i>Initial</i></u>	<u><i>Revised</i></u>	<u><i>Variance</i></u>	<u><i>Percentage</i></u>
General Government	693,373	713,051	19,678	2.84%
Protective Services	98,850	98,850	-	0.00%
Transportation Services	1,069,559	1,066,043	- 3,516	-0.33%
Environmental Health	559,289	584,833	25,544	4.57%
Recreation Services	394,385	432,693	38,308	9.71%
Fiscal Services	<u>823,040</u>	<u>846,995</u>	<u>23,955</u>	2.91%
	3,638,496	3,742,465	103,969	2.86%

The Town is still absorbing and managing the impacts of inflation. The electricity rate, for example, increased by 7-8% on July 1, 2023, which was not factored into the initial estimates. We’ve also had to respond to higher than anticipated expenses in environmental health, particularly around wastewater system maintenance, and adjustments to the Recreation Department’s budget are needed to support the summer recreation program’s new structure. Despite these increases, Mr. Mayor, the Committee was able to incorporate new initiatives into the budget, which I’ve summarized below.

- \$4,000 is included to install a projector and screen in Chambers for virtual meetings and presentations.
- The asphalt budget is increased by \$16,283 to complete work on Country Road (336 m2 at a cost of \$14,542) and general pothole repairs.
- The summer student allocation is increased by \$6,000 to provide the Recreation Department with two part-time clean-up workers, one full-time Day Camp Facilitator, and three (3) part-time Day

Camp Facilitators. The Committee was compelled to fill the gap created by the lack of support from the Canada Summer Job program this year.

- \$33,652 is set aside to support the Main Street Linear Park utility pole relocation project. As I'm sure everyone has noticed or heard from residents, the utility poles along Main Street significantly reduce the appearance of the Main Street Linear Park. Bell Aliant recently advised it will cost around \$55,000 to remove the poles and relocate the cable from Main Street to Station Road. The balance for this project is assigned to the gas tax capital investment plan.

Regarding the gas tax capital investment plan, the Committee is recommending the following amendments that will fully utilize the remaining funding:

- Project 23-2021-7336 is reduced by \$22,301, representing the amount recently added to develop a parking lot in front of the stadium's main entrance. This project cannot be implemented until the stadium dressing rooms are constructed because the ground must be disturbed to install underground infrastructure.
- \$19,255 is included for the Exploits River Development Strategy Phase 2 projects (Fallsview Municipal Park development plan and the marketing strategy).
- \$4,326 is set aside for the Faulkner Recreation Complex walking trail project.
- \$20,288 is allocated to the Main Street Linear Park utility pole relocation project.

A resolution to give effect to these amendments is forthcoming.

I'll now address revenues.

Revenue

The revised revenue estimates are as follows:

	<u>Initial</u>	<u>Revised</u>	<u>Variance</u>	<u>Percentage</u>
Taxes	2,978,451	2,978,470	19	0.00%
Sale of goods and services	127,200	156,781	29,581	23.26%
Other revenue from own sources	163,575	181,197	17,622	10.77%
Provincial grants	216,134	240,289	24,155	11.18%
Federal grants	153,136	153,136	-	0.00%
Transfers from reserves	-	<u>32,592</u>	<u>32,592</u>	0.00%
	<u>3,638,496</u>	<u>3,742,465</u>	<u>103,969</u>	<u>2.86%</u>

One of the more significant additional revenue sources this year is the increase in the municipal operating grant (MOG). The Department of Municipal and Provincial Affairs has advised that we can expect to receive an additional \$24,155 (a 13.6% increase). We have also realized additional revenue in other budget areas, such as the sale of assets and investment revenue. The totality of this additional revenue enabled the Committee to address general budgetary increases and the new projects noted above. We also project to spend around \$32,000 from the surplus generated in previous years.

Mr. Mayor, that concludes my mid-year budget report.

Resolutions

Resolution #1

Be it resolved that Council shall adopt the revised 2023 operating budget as circulated and presented.

Resolution #2

Be it resolved that Council shall authorize the disbursement of up to \$55,000 to Bell Aliant to remove the utility poles along Main Street Linear Park and reallocate the cable to Station Road.

Resolution #3

Be it resolved that Council shall adopt the following revised gas tax capital investment plan:

Project	Gas Tax Project No.	Gas Tax Allocation
Replace asphalt on Main Street.	23-2019-6772	74,500
Asset Management Initiative	23-2020-7277	12,500
Add dressing rooms to the Pat O'Reilly Memorial Stadium.	23-2019-6771	26,174
Beaumont Heights and Hynes Road	56-2014-5039/23-2014-5040	56,886
Exploits River Tourism Product Development	23-2015-5612	770,963
Main Street Beautification Project.	23-2017-6347	156,004
Dominic Street Lift Station Replacement	23-2017-6348	77,308
Main Street Upgrade	23-2014-5041	143,065
Beaumont Heights Brook upgrade project (disaster mitigation).	23-2018-6566	28,154
Recreation infrastructure enhancements	23-2018-6568	7,514
Recreation infrastructure enhancements	23-2018-6567	11,321
Main Street Park Development	23-2020-7278	214,056
Municipal Plan/Development Regulations Review	23-2023-7879	3,441
Dominic Street Road Improvements	23-2023-7882	22,559
Stadium Hot Water Tank Replacement	23-2023-7983	20,740

Exploits River Development Strategy Phase 2	Approval Pending	19,255
Faulkner Recreation Complex Walking Trail	Approval Pending	4,326
Main Street Linear Park Utility Pole Project	Approval Pending	20,288
Recreation Storage Shed/Stadium Parking Lot	23-2021-7336	52,727
Depot Roof Replacement Project	23-2019-6741	136,357
Total		1,858,137