

PREPARING FOR WHAT'S ON THE HORIZON

BUDGET **2019**

BUDGET 2019

Your Worship, Fellow Councillors, Ladies and Gentlemen:

Tonight, as Co-chairs of the Corporate and Community Services Committee, Councillor Ledwell and I are pleased to deliver the City's 2019 budget.

Budget 2018 was about getting back to basics. This past year, we worked hard to deliver on critical infrastructure needs for this City.

We spent time and resources over the last year renewing over 30 playgrounds, replacing the critical underground infrastructure on Commonwealth Avenue, and updating Blackmarsh Road and Topsail Road connections – all vital work that was needed to ensure we are positioned for growth.

However, the process of building a great City never ends. As we reflect on the last year, we must ask ourselves, what is next for Mount Pearl? What is on the horizon and how do we get there?

This budget is not only about what will happen next year. Or over our five-year strategic plan.

The choices we make today chart a path to what we want our City to look like in 10, 20 and even 50 years. Because a budget is about more than revenues and expenses – it's about people.

It's about:

- The entrepreneur building their tech start-up
- The senior who is looking for affordable housing
- The small business owner who needs the right space and support

- The hockey team that needs dependable ice to practice
- The student who needs support at the community centre
- The runner who needs safe trails to prepare for the next race
- The family who is looking for a new place to put down roots

This budget is about making sure Mount Pearl is the community we want to live in. It's about establishing not only who we are, but who we want to be – and making sure we have a plan to get there.

In 2018, City Council and staff embarked on a mission to deliver a new strategic plan for the City of Mount Pearl. This plan – **On the Horizon** – will help guide the decision-making process in our City as we move forward into the next four years, and beyond.

Our plans are bold and centered around delivering on our renewed vision, to become “**a smart city of engaged citizens, leading the way in sustainable growth.**”

The plan is delivered on through seven strategic pillars. And our budget this evening reflects our commitment to achieving this plan.

DIGITAL TRANSFORMATION AND A1NEXT

A digitally transformed Mount Pearl will utilize technology to underpin every aspect of its operations from citizen engagement to service delivery, from smart infrastructure to smart planning.

We will deliver on this through allocating \$650,000 to a new enterprise resource planning system (ERP) that will allow the City to integrate and automate all back-office operations related to technology, services and human resources. We will also be investing \$100,000 in citizen relationship management (CRM) software, allowing us to better communicate and measure resident and business interactions.

CITIZEN ENGAGEMENT

An engaged City of Mount Pearl will better anticipate and understand the needs of residents, businesses and stakeholders, enabling more effective planning, service delivery and continuous improvement.

We will achieve this through investment in aquatics programming, including increased swimming lesson slots, investment in fitness equipment and maintenance, and a strategic investment in the development of a 10-year recreation master plan. We will continue to support organized groups and associations in our community through more than \$450,000 allocated to operating subsidies for organizations including Admiralty House, The Association for the Arts in Mount Pearl, The Seniors Independence Group, Frosty Festival, and the Mount Pearl Sport Alliance.

ECONOMIC DEVELOPMENT

An updated Economic Development Plan will guide the growth of the City of Mount Pearl's residential and commercial tax base. It will help increase the number of new residents, encourage new start-up activity and attract new investment.

This starts with supporting our current business community. In doing that, we will deliver a 4% reduction in both business tax and commercial property tax rates. Additionally, we have allocated \$305,800 to the execution of a 24-month Economic Development Action Plan, including allocations for the launch of a temporary location for the A1Next Innovation Park and the completion of a Waterford River Commercialization Feasibility Study.

URBAN RENEWAL

A renewed urban landscape will transform Mount Pearl by maximizing our physical assets, enabling

redevelopment of older residential and commercial areas and integrating the City's overall natural features.

This work begins in 2019 with investing in one of our greatest assets, our expansive trail network. In this year's budget, we have allocated \$200,000 to assessing, protecting and developing our trail network and \$100,000 to urban forestry, landscaping and beautification.

ENHANCED SERVICE DELIVERY

City staff and Council are here to serve. We will continue our emphasis on "back to basics" in 2019 through a \$50,000 investment in our Make It Better program and spending an additional \$240,000 in snow removal in our City.

SUSTAINABLE INFRASTRUCTURE

Assessing our infrastructure requirements and effectively managing our assets will enable the City of Mount Pearl to effectively plan investment in both new and existing infrastructure. This year's budget focuses on the beginning of a fleet renewal initiative, with \$2 million allocated to replacing and upgrading of City vehicles to better serve our community. Furthermore, we will invest \$200,000 in water quality programs and \$100,000 in asset management – both of which ensure we continue to deliver on basic infrastructure needs.

GOOD GOVERNANCE AND INVESTING IN OUR PEOPLE

The City of Mount Pearl will continue to be a leader among municipalities in the province, emphasizing good governance and best practices. In 2018, we successfully negotiated a new collective agreement, and are pleased to report we contained our total salary expenditure in 2019 to a slight increase of only \$188,000.

We have a great workforce that works hard everyday for our residents and businesses, and in 2019's budget we have allocated \$330,000 to employee training, which will allow us to work even harder, and smarter for this City. We have also made the decision to invest \$20,000 in the review of our Municipal Plan later this year.

OVERALL BUDGET

Your Worship, tonight, our budget demonstrates our bold vision for the future of Mount Pearl.

It is representative of a progressive City that we can continue to be proud of.

It is reflective of a City that will continue to offer the same level of service excellence that our residents and businesses are accustomed to.

However, this budget is also reflective of the climate and environment around us.

This year, residential property values were down 3% on average in the City of Mount Pearl. In real dollars, that decrease in value represented a \$500,000 shortfall in the budget. Conversely, commercial property values increased 6% on average.

Building this budget is truly a balancing act. It's about ensuring we are fair to all of our stakeholders, that we manage for the **now** and the **next**, and most importantly, continue to be careful managers of the public's tax dollars.

Your Worship, I am confident that the budget I am presenting here tonight is balanced in its approach. And it is fiscally balanced.

The total 2019 budget is \$54,433,000.

We understand that this investment is a shared cost and has an impact on the hard-working residents and business owners in our City. We also know that they want to see Mount Pearl grow and want to continue to be a part of our story.

But, what does this mean? What impact will it have on our residents and businesses?

FOR OUR RESIDENTS

The residential mil rate will be set at 7.4. This is an increase of 0.4 over last year. There will be no impact on water rates. For an average home in Mount Pearl, this increase is equal to about \$51 a year, or less than \$5 per household a month. And that is true for 55% of our residents. In fact, 80% of our residents will pay less than \$10 a month in additional taxes.

In addition to the mil rate, some recreation and facility fees will increase, including:

- Base Camp fitness membership rates for students and seniors will increase from \$36 to \$40 a month
- The Reid Centre facility rental will increase from \$611 to \$635 per event
- Summit Centre Pool drop-in rates will increase by 50 cents per session
- 8-week swimming lessons will go up by \$4 to \$7 per registration period, depending on the program

A full summary of fee increases will be available online at mountpearl.ca.

FOR OUR BUSINESSES

The 2019 budget is reflective of our ongoing commitment to our business community. To offset increases in commercial property assessments, and demonstrate our commitment to the business community, we have reduced Businesses Tax rates by 4%. For example, this reduces the general commercial mil rate from 17.5 to 16.8. Additionally, commercial property tax rates will also be reduced by 4% across the board.

In addition to lowering commercial tax rates, we will be introducing a scaled taxation program for start-up businesses in 2019, ensuring we offer incentives for start-ups to choose Mount Pearl as their home for growing industry. Full details on this program will be announced in March 2019.

A budget needs to positively impact your life. The investments we are making today have been carefully considered with one thing in mind: how can we realize our vision of a Mount Pearl that is **a smart city of engaged citizens, leading the way in sustainable growth.**

Your Worship, Budget 2019 is a historic investment to take care of our City. It takes bold steps to tackle real infrastructure needs, an aging population, and the attraction and retention of residents and businesses.

We have a plan.

This budget positions us to deliver on it.

Now, Your Worship, as required by legislation, I am pleased to move the following motions:

BE IT RESOLVED THAT the City of Mount Pearl, in accordance with The City of Mount Pearl Act, establish the attached tax rates for the 2019 taxation year: (AND SO I MOVE)

2019 SCHEDULE OF RATES AND FEES	
TAX RATES	
Property Tax - Residential (minimum \$200 per year)	7.4 mils
Property Tax - Commercial (minimum \$250 per year)	11.5 mils
WASTE COLLECTION FEES	
Automated Waste Collection Fee	\$20 per annum per bin (maximum 2 bins per house)
WATER AND WASTEWATER FEES	
Water/Wastewater Fee - Residential	\$600 per unit
Water/Wastewater Fee - Commercial base (minimum \$600)	2.3 mils
Commercial Water Usage:	
0 - 100,000 gallons	No additional charge
100,000 - 20 million gallons	\$6.00 per thousand
Over 20 million gallons	\$5.50 per thousand
School Boards - Water/Wastewater Fee	\$11.00 per student
Provincial Government Buildings - Water/Wastewater Fee	6.00 mils
BUSINESS TAX RATES	
General Commercial	16.8 mils
Banks and Financial Institutions	74.3 mils
Bulk Storage and Oil Companies	37.8 mils
Agricultural Operations	2.9 mils
Hotels and Motels	15.4 mils
Large Department Stores	20.0 mils
Oil and Gas Service Industry	20.0 mils
Private Schools	15.4 mils
Professional Operations	23.0 mils
Recreational and Non-profit Facilities	11.2 mils
Self-storage	60.1 mils
Billboards	\$100 per side per year
Personal Care Homes	6.0 mils
Daycares	Exempt
All businesses subject to taxation under the Taxation of Utilities and Cable Television Companies Act and commercial establishments without a fixed place of business within the City	2.5 % of annual gross revenue

BE IT RESOLVED THAT the City of Mount Pearl, in accordance with The City of Mount Pearl Act, approve the attached Schedule of Rates & Fees, to take effect January 1, 2019. (AND I SO MOVE)

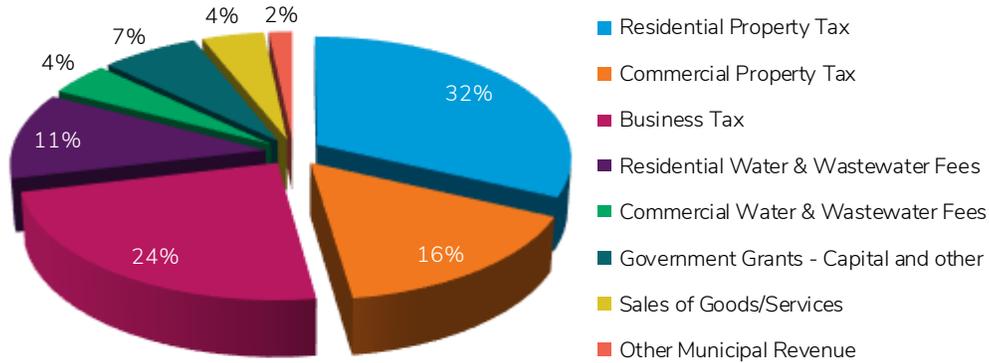
BE IT RESOLVED THAT the City of Mount Pearl, in accordance with The City of Mount Pearl Act, approve an annual rate of interest of 10% to be levied on all past due taxes and accounts receivable. (AND I SO MOVE)

BE IT RESOLVED THAT the City of Mount Pearl, in accordance with The City of Mount Pearl Act, approve the 2019 Budget with operating Revenues and Expenditures totalling \$54,433,000. (AND I SO MOVE)

BUDGET BREAKDOWN

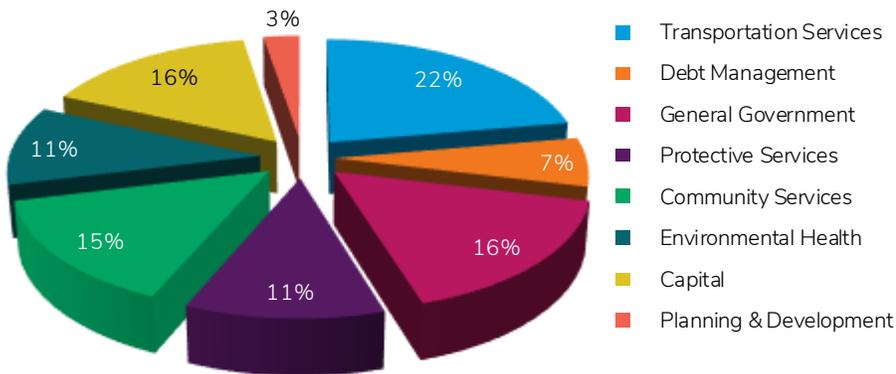
WHERE THE MONEY COMES FROM

Total Revenue: \$54,433,000



WHERE THE MONEY IS SPENT

Total Expenditures: \$54,433,000



CALCULATING YOUR PROPERTY TAXES

RESIDENTS

Residential Mil Rate: 7.4 mils
Water Tax: \$600

How to calculate your 2019 residential property tax:

$$\begin{aligned}
 &\text{Your Property's Assessed Value} \\
 &\times \text{Mil Rate (0.0074 for Residential)} \\
 &+ \\
 &\text{\$600 for water tax} \\
 &= \\
 &\text{Total Property Tax for 2019}
 \end{aligned}$$

BUSINESSES

Commercial Mil Rate: 11.5 mils
Commercial Water: 2.3 mils*

How to calculate your 2019 commercial property tax:

$$\begin{aligned}
 &\text{Your Property's Assessed Value} \\
 &\times \text{Mil Rate (0.0115 for Commercial)} \\
 &+ \\
 &\text{Your Property's Assessed Value} \\
 &\times \text{Mil Rate (0.0023 for Commercial)} \\
 &= \\
 &\text{Commercial Property Tax for 2019}
 \end{aligned}$$

*Up to 100,000 gallons

REVENUE 2019

EXPENDITURE 2019

Taxation and Utility Fees

Residential Property Tax	\$ 17,195,000	
Commercial Property Tax	8,586,000	
Business Tax	12,822,000	
Automated Waste Fees	199,000	
Water and Wastewater Fees	<u>8,587,000</u>	47,389,000

Government Grants

Gas Tax Revenues	1,278,000	
Municipal Operating Grant	200,000	
Capital Cost Sharing Grants	2,156,000	
Grant in Lieu of Taxes	19,000	
Program Grants	<u>103,000</u>	3,756,000

Sales of Goods and Services

Recreational Programs	312,000	
Summit Centre	972,000	
Glacier	951,000	
Other	<u>160,000</u>	2,395,000

Municipal Revenues

Interest on Taxes	210,000	
Investment Income	225,000	
Residential Permits	3,000	
Commercial Permits	150,000	
Compliance Letters	40,000	
Tax Certificates	60,000	
Frontage Assessments	75,000	
Other	<u>130,000</u>	<u>893,000</u>

TOTAL REVENUE \$ 54,433,000

General Government

Governance	\$ 800,000	
Corporate Services	3,850,000	
Employee Benefits & Payroll Burden	3,995,000	
Tax Rebates and Other	<u>329,000</u>	8,974,000

Protective Services

Fire Protection	5,397,000	
Municipal Enforcement	603,000	
Animal and Pest Control	101,000	
Emergency Measures	<u>10,000</u>	6,111,000

Transportation Services

Snow and Ice Control	2,696,000	
Vehicle Fleet Management	2,622,000	
Street and Traffic Lights	1,157,000	
Roads and Streets	1,740,000	
Engineering	666,000	
Public Transit	1,772,000	
Administration	<u>1,448,000</u>	12,101,000

Environmental Health Services

Water and Wastewater	4,753,000	
Garbage Collection and Disposal	<u>1,030,000</u>	5,783,000

Community Services

Parks and Playgrounds	1,531,000	
Community Programs	1,145,000	
Recreational Facilities	4,490,000	
Assistance to Other Facilities	333,000	
Administration	<u>491,000</u>	7,990,000

Planning and Development

Planning and Inspections	761,000	
Economic Development	<u>662,000</u>	1,423,000

Fiscal and Capital Costs

Fiscal and Debt Servicing	3,553,000	
Capital out of Gas Tax	1,278,000	
Capital and Infrastructure	<u>7,220,000</u>	<u>12,051,000</u>

TOTAL EXPENDITURE \$ 54,433,000

Learn what's on the horizon.

Incorporated in 1988, Mount Pearl is a young City. Our thirty-year history has been shaped by strong leadership, robust service delivery, a vibrant economic base and most importantly, a community that shares our passion and commitment to this City.

However, the process of building a great community never ends. As we reflect on our history, we must ask ourselves, what is next for Mount Pearl? What is on the horizon and how do we get there?

Our new strategic plan – On the Horizon – will help guide decision-making in our City as we move forward for the next four years and beyond. The Plan will ensure we make the right choices as we continue to build our community through seven strategic pillars:

- ◆ Digital Transformation and A1Next
- ◆ Citizen Engagement
- ◆ Economic Development
- ◆ Urban Renewal
- ◆ Enhanced Service Delivery
- ◆ Sustainable Infrastructure
- ◆ Good Governance and Investing in our People

The Plan is not the end of the process; in fact, it is just the beginning. This work is underway, but we can't do it alone. We're counting on you – our residents, businesses, community leaders and partners. By working together, we will not only be ready for what is on the horizon – we will be driving it.

Learn more about what is on the horizon at www.onthehorizon.ca.