

YOUR MUNICIPAL TAX DOLLARS AT WORK

BUDGET 2017



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YOUR MUNICIPAL TAX DOLLARS AT WORK

Your Worship, fellow Councillors, Ladies and Gentlemen:

The Co-Chairs of the Corporate and Community services committee are very pleased to deliver the City's 2017 budget.

The City of Mount Pearl strives to deliver core services like safe drinking water, garbage collection, snow clearing, and protective services, at the highest standard of excellence, and at a fair and reasonable level of taxation.

As a progressive, independent City, our services go beyond the fundamentals. We aim to encourage healthy living through a variety of community programs and recreation facilities, build a competitive business market through our 'open for business' attitude, keep waste out of the landfill through green initiatives, and provide an excellent standard of living for residents of all ages.

In the preparation of this budget, we recognized the economic challenges recently faced by our province, and have taken actions to guard against further financial strain for our taxpayers. We are proud to say that our 2017 budget ensures we provide the high quality services for which we are known with no increase in fees for our residential or business community.

Our focus was to look into the future, focus on sustainability, and wisely reinvest in our existing

assets and infrastructure. We have settled on a final expenditure budget of \$49,730,000, all without borrowing. This represents 0.4% growth over 2016; it is fiscally responsible and guarantees our historical levels of service. We will maintain a strong debt ratio of just under 7%, which continues to be one of the strongest in the province and sets us in place for a resilient future.

"We have settled on a final expenditure budget of \$49,730,000, all without borrowing."

STRIVING TO PROVIDE AFFORDABLE TAXES

In 2016, we continued on our path to a Lean management approach to delivering our services and running our operations. Adopting a Lean management philosophy involves reviewing our processes systematically, looking for activities that do not add value to our customers, and striving to achieve service excellence in all we do. This philosophy will continue to create change and improvement within our operations. By doing more with what we have, the City is able to provide better value to our citizens with no increase in cost. As a result, we have maintained our commercial and business mil rates, along with municipal development permits, licenses, and fees at 2016 levels.

Each year when we commence our budget



deliberations, there are regional services, such as the purchase of water, provision of wastewater treatment, transit and paratransit services, fire protection services, and the operation of a regional landfill and recycling facility, for which we have limited control. Over the past year, we are pleased to report that our regional partners committed to reviewing the delivery of these services. This program review led to further savings, which helped offset other significant cost increases outside of our control.

“We have maintained our commercial and business mill rates, along with municipal development permits, licenses, and fees at 2016 levels.”

The City recognizes the impact of increasing costs on the more vulnerable members of our community. Therefore, this budget includes the continuation of the senior citizens’ 20% property tax discount for those in need and the continuation of an interest exemption for all senior citizens who remain current with their tax payments. Recognizing the financial pressures that many of our citizens face in our current economy, we have continued our interest exemption and tax deferral policy for low income earners who earn up to \$40,000 in family income. The exemption from payment of business tax will continue to all operators of daycares and personal care homes within the City.

SUSTAINABILITY OF OUR INFRASTRUCTURE

All roads lead to Mount Pearl. Our strategic location

makes us a premier place to live and do business. Therefore, maintaining and upgrading our street infrastructure continues to be a top priority. This year, councillors and senior staff hosted a public engagement session with members of the public to start an Integrated Transportation Plan and to confirm that it will be responsive to the needs of our business and residential community. The City is now in the stage of completing a comprehensive transportation study with lead consultants to help shape the future of our major gateways and traffic systems.

In 2017, the City plans to reinvest in Commonwealth Avenue. The Blackmarsh Road intersection will be reconfigured to meet increasing traffic volume, ensuring it is both safe and efficient. Topsail Road and Sunrise Avenue are among other areas that will see upgrades. The efficient movement of traffic, as well as the safe access of pedestrians to crosswalks and sidewalks is a priority. Money will be reinvested to improve our signalized intersections and traffic activation systems, as well as our linear trail networks.

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We continue to reinvest in our fleet renewal to guarantee we meet the expectations of taxpayers, keep our City clean, and keep our roads free from snow and ice. Investment in our infrastructure, both current and future, truly creates value in our



community. As such, we are continuing with significant efforts to enhance the City's asset management program. With assistance from leading experts, our goal is to develop a comprehensive and functional program that ensures sustainability in our assets and also meets the needs of our community.

PROTECTING OUR ENVIRONMENT

Protecting our environment is also a top priority. This year the City held a curbside clothing collection and a neighbourhood curbside giveaway in an effort to reduce the amount of garbage that ends up in our landfill. Nevertheless, there is still an opportunity to do more.

"In an effort to protect our community, while working to keep our costs down, the City will launch a mandatory clear garbage bag program in the New Year. This program will help to keep waste out of the landfill and will have a positive impact on our environment."

Our diversion rate has decreased in recent years. This not only has a negative impact on our environment, but also on our taxpayers due to increased costs from tipping fees at the Robin Hood Bay Waste Management Facility. In an effort to protect our community, while working to keep our costs down, the City will launch a mandatory clear garbage bag program in the New Year. This program will help to

keep waste out of the landfill and will have a positive impact on our environment. We continue to build on the successes of our leak detection program, first introduced in 2016, to ensure that we do not waste one of our most precious commodities, fresh water. This program enabled us to take aggressive action to repair service lines.

Also, we continue to focus on the health of one of our most valued assets – the Waterford River. In conjunction with the City of St. John's and the Town of Paradise, we have sought the services of an experienced team to study the Waterford River watershed and develop a watershed management plan for the river system. The Waterford Valley Rotary Club is also a non-government partner in this project. This plan will come to fruition in 2017 and will focus on the health of the river, make recommendations for remediation, and will supplement the work we complete annually with the goal of making this the cleanest and healthiest urban river in North America.

In 2016, the City successfully applied for \$2.5 million in federal funding under the Clean Water and Wastewater Fund. Numerous initiatives under this program will commence next year, allowing us to better deal with wastewater and storm water, and to better protect our waterways. The main benefit will be the health of our environment; however, an added benefit will be the promotion of sustainable operations which minimize costs to treat wastewater. Thank you to the Government of Canada for this assistance.

BUILDING OUR COMMUNITY

We believe that reinvestment in our community



facilitates growth and provides added value to our citizens. This year, we completed the redevelopment of St. David's Park, which now provides a beautiful passive park for our community, a new home for the Royal Canadian Legion Branch 36 and a very respectful setting for our war memorial. We also saw the completion of upgrades to the Reid Community Centre, the new facility for Campia Gymnastics, and the Team Gushue Sports Complex on Smallwood Drive. Work continues on a substantial renovation to the Admiralty House Communications Museum Annex, which will be the new home for the Association for the Arts in Mount Pearl.

In 2017, we will continue our solid partnerships with a variety of community organizations, contributing approximately \$750,000 in financial assistance. We will also begin the process of updating our recreation master plan to ensure that our continued community reinvestment relates directly to the needs of our citizens. This updated plan will be incorporated into our asset management system. It will take into account all existing facilities, as well as possible uses for an open space remaining at the Team Gushue Sports Complex.

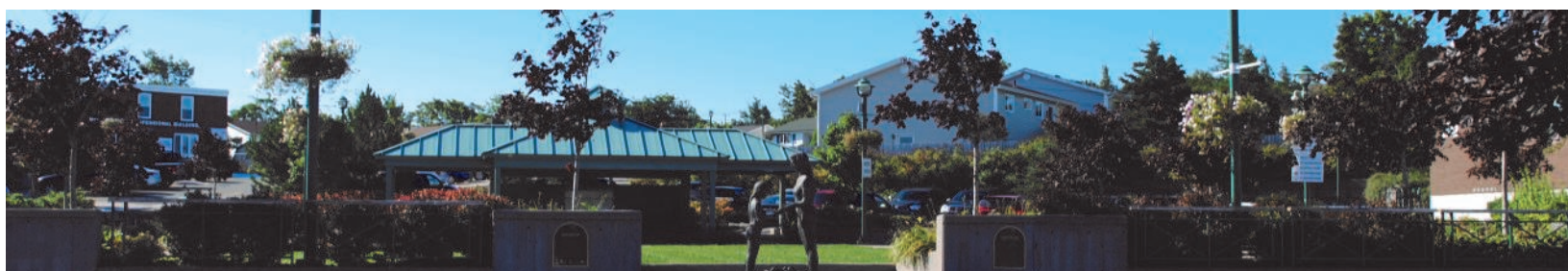
Despite economic challenges, I am pleased to announce that our City has experienced, once again, a healthy level of investment by private developers with over \$37 million invested in residential,

commercial and industrial construction to date. There was also growth in new business, with 43 businesses opening this year. Our City is home to almost 1,100 businesses that employ over 15,000 people. We are determined to go the extra mile to grow our competitive business market. We are focusing efforts to update our community profile to attract new developments and residents. This profile will allow us to market ourselves strategically, both locally and abroad. It demonstrates our commitment to sustainability and further strengthens our progressive, independent City. Pursuant to the Urban and Rural Planning Act, we are also undertaking a review of the current Municipal Plan and Development Regulations to ensure that the City's growth management policies and regulations create the type of quality community that Mount Pearl residents and businesses expect.

CONTINUOUS IMPROVEMENTS

Council strongly believes in the philosophy, *only take what you need*. By continuously improving operations, the City has found measures to work more economically and guarantee no additional costs to our residential and business community for the upcoming year.

"There was also growth in new business, with 43 businesses opening this year."



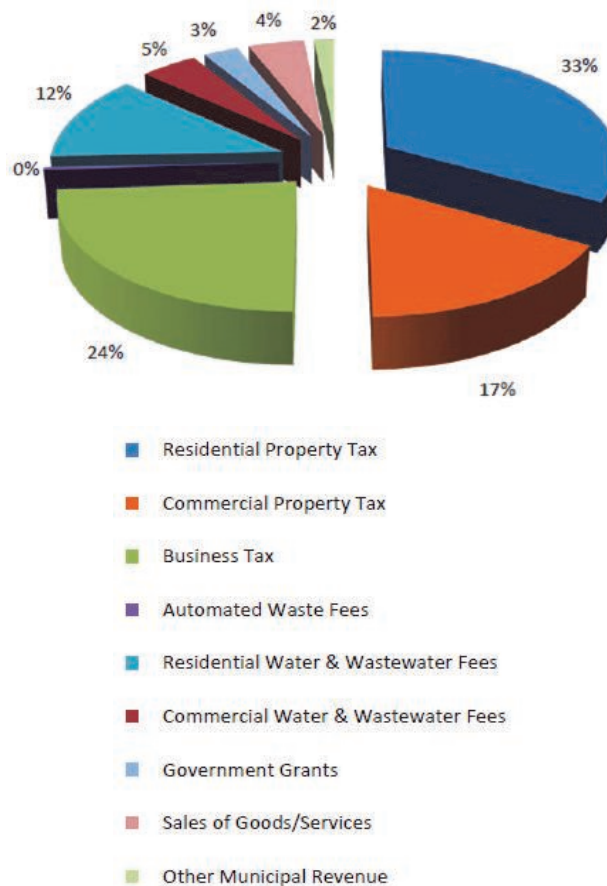
2017 RATES & FEES

In effect January 1, 2017

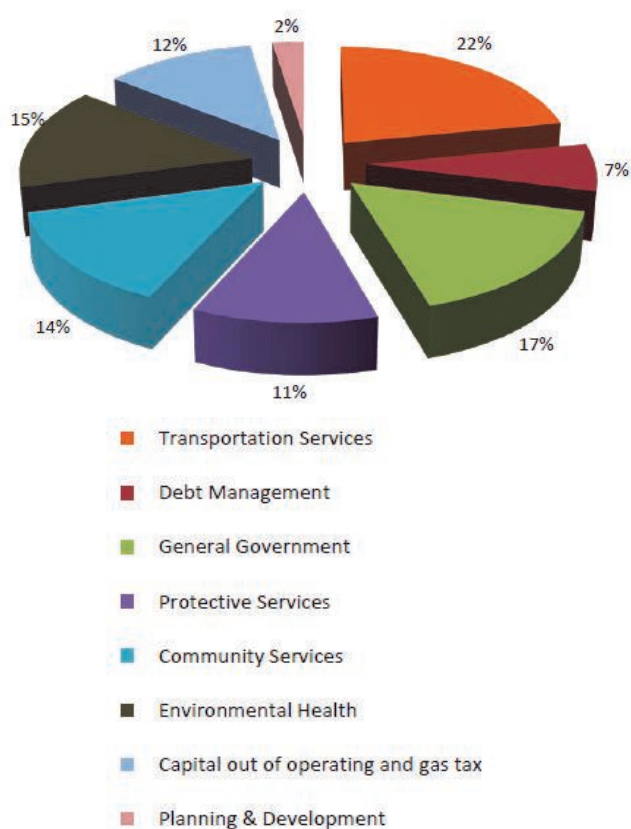
1. **Property Tax**
 - Residential 7.0 mils
 - Commercial 12.0 mils
2. **Water and Wastewater Fees**
 - Residential \$600 per unit
 - Commercial 2.3 mils (minimum \$600)
3. **Commercial Water Fees**
 - a) 0 - 100,000 gallons No additional charge
 - 100,000 - 20 million gallons \$6.00 per thousand
 - Over 20 million gallons \$5.50 per thousand
 - b) School Boards \$11.00 per student
 - c) Provincial Government Buildings 6.0 mils
4. **Business Tax**
 - Banks & Financial Institutions 77.5 mils
 - Bulk Storage – Oil Companies 39.4 mils
 - Professional Operations 24.0 mils
 - Large Department Stores 20.9 mils
 - Oil & Gas Service Industry 20.9 mils
 - Recreational & Non-profit Organizations 11.7 mils
 - Self Storage 62.7 mils
 - Hotels/Motels/Private Schools 16.1 mils
 - General Commercial 17.5 mils
 - Day Care Facilities Exempt
 - Personal Care Homes Exempt
 - Agricultural Operations 3.04 mils

All businesses subject to taxation under the Taxation of Utilities & Cable Television Companies Act & commercial establishments without a fixed place of business within the City 2.5% of annual gross revenue
5. **Waste Collection Fees**
 - Automated Waste Collection Fees (per bin - maximum 2 bins per house) \$20 per annum
6. **Minimum Taxes**
 - Residential Property \$200
 - Commercial Property \$250
 - Business Tax \$250
 - Billboards (per side) \$100
7. **Annual Interest** 10%
 - to be levied on all past due taxes and accounts receivable

Where the money comes from



Where the money goes



REVENUE 2017

EXPENDITURE 2017

Taxation and Utility Fees

Residential Property Tax	\$	16,467,000	
Commercial Property Tax		8,358,000	
Business Tax		11,935,000	
Automated Waste Fees		197,000	
Water and Wastewater Fees		<u>8,399,000</u>	45,356,000

Government Grants

Gas Tax Revenues		1,278,000	
Grant in Lieu of Taxes		19,000	
Program Grants		<u>102,000</u>	1,399,000

Sales of Goods and Services

Recreational Programs		266,000	
Summit Centre		867,000	
Glacier		899,000	
Other		<u>164,000</u>	2,196,000

Municipal Revenues

Interest on Taxes		183,000	
Investment Income		100,000	
Residential Permits		60,000	
Commercial Permits		150,000	
Compliance Letters		50,000	
Tax Certificates		70,000	
Frontage Assessments		70,000	
Other		<u>96,000</u>	<u>779,000</u>

TOTAL REVENUE \$ 49,730,000

General Government

Governance	\$	727,000	
Corporate Services		3,488,000	
Employee Benefits & Payroll Burden		3,735,000	
Tax Rebates and Other		<u>299,000</u>	8,249,000

Protective Services

Fire Protection		4,918,000	
Municipal Enforcement		618,000	
Animal and Pest Control		104,000	
Emergency Measures		<u>21,000</u>	5,661,000

Transportation Services

Snow and Ice Control		1,903,000	
Vehicle Fleet Management		2,259,000	
Street and Traffic Lights		1,225,000	
Roads and Streets		1,717,000	
Engineering		912,000	
Public Transit		1,516,000	
Administration		<u>1,382,000</u>	10,914,000

Environmental Health Services

Water and Wastewater		6,181,000	
Garbage Collection and Disposal		<u>1,192,000</u>	7,373,000

Community Services

Parks and Playgrounds		1,109,000	
Community Programs		1,049,000	
Recreational Facilities		3,863,000	
Assistance to Other Facilities		444,000	
Administration		<u>484,000</u>	6,949,000

Planning and Development

Planning and Inspections		1,132,000	
Economic Development		<u>106,000</u>	1,238,000

Fiscal and Capital Costs

Fiscal and Debt Servicing		3,440,000	
Capital out of Gas Tax		1,278,000	
Capital and Infrastructure		<u>4,628,000</u>	<u>9,346,000</u>

TOTAL EXPENDITURE \$ 49,730,000

BUDGET 2017 HIGHLIGHTS

- Final expenditure budget of \$49.7 million with no new borrowing.
- Strong debt ratio of just under 7%.
- Overall operating budget represents 0.4% growth over 2016.
- Residential property tax rate 7.0 mils.
- Commercial property tax rate 12.0 mils.
- Business tax rate – general commercial 17.5 mils.
- Senior citizens' 20% property tax discount for those who qualify.
- Interest exemption for seniors 65+ who remain current with tax payments.
- Interest exemption and tax deferral policy threshold maintained at \$40,000.
- Business tax exemption for operators of daycares and personal care homes.
- Water and wastewater fees remain constant for commercial and residential users.
- No fee increases in municipal development permits, licenses, and recreational programs.
- \$11.5 million in regional services.
- \$9.4 million in transportation services (excluding public transit), which includes reinvestment in Commonwealth Avenue and a reconfiguration of the Blackmarsh Road intersection to meet increasing traffic volume.
- \$2.5 million in federal funding, under the Clean Water and Wastewater Fund, to better deal with wastewater and storm water, and to better protect waterways.
- A mandatory clear garbage bag program to enable waste audits to be conducted, tipping fees to be lowered and recycling increased.
- Continuation of a lean management approach to delivering services and running operations. This philosophy will streamline City activities and further improve citizen service.
- A municipal plan review and a review of the recreation master plan to ensure that community reinvestment relates directly to the needs of citizens. This will take into account all existing facilities, as well as possible uses for the open space remaining at the Team Gushue Sports Complex.

SENIOR MANAGEMENT TEAM

Chief Administrative Officer
Director of Corporate Services
Director of Infrastructure & Public Works
Director of Planning & Development
Director of Community Services

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Jason Silver
Gerry Antle
Stephen Jewczyk
Jason Collins

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