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## **City of Mount Pearl Joins Federation of Canadian Municipalities in Pitch for \$10 Billion in Municipal Aid**

**Mount Pearl, NL** – The City of Mount Pearl joined the Federation of Canadian Municipalities (FCM) in a request submitted to the Canadian Government for emergency operating funding for the nation’s municipalities this week. FCM is proposing a \$10 billion funding package that is allocated through a funding formula, similar to the federal and provincial gas tax funding.

“COVID-19 has presented a harsh fiscal challenge to municipalities across the Country,” said Mayor Dave Aker, and board member of FCM. “From an unprecedented storm event in January, to managing through the reality of operating City services in a pandemic with no finite end in sight, we have to find ways to continue to deliver vital services to our residents and businesses.”

The recommendation to Federal Government outlines the reality facing municipalities in the near and long-term. Municipalities, like the City of Mount Pearl, are deferring interest on property taxes, utility bills, and other fees, to support residents and businesses in the short-term. Even after these deferral programs, there remains a significant risk of property tax or commercial tax delinquency. In Mount Pearl, tax revenues accounts for 89% of total revenue, and even a small increase in delinquent payments can have a big impact on City revenue, which funds City operations.

“Our full financial analysis, including long-term projections on the impact of COVID-19, is still underway,” continued Mayor Aker. “However, every month we have our facilities closed is hundreds of thousands of dollars in lost revenue.”

By law, a municipality cannot carry an operating deficit, and most use reserves to cover disruptions and unplanned expenses.

The full FCM recommendation can be found here: <https://fcm.ca/en/resources/protecting-vital-municipal-services>

- 30 -

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