

BUDGET **2021**

BUDGET 2021

As delivered by Councillor Isabelle Fry (check against delivery):

Your Worship, fellow councillors, and the general public:

As co-chairs of the Corporate and Economic Development Committee, Councillor Antle and I are pleased to deliver the 2021 budget for the City of Mount Pearl.

Last December, we stood before you and presented a balanced budget focused on delivering the goals set out in our four-year strategic plan, On the Horizon. Budget 2020 was about balancing progress and practicality and we forged ahead continuing our path to become **a smart city of engaged citizens, leading the way in sustainable growth.**

And then in March, everything changed.

The Coronavirus disease (COVID-19) pandemic literally changed how our city operates overnight. Our buildings and facilities closed and remained closed until July. We were forced to re-evaluate which services were truly essential and determine how to continue their operation, safely. We deployed all office staff to work remotely, and through collaborative discussions with our union, we were able to reassign staff to different departments, ensuring our teams had meaningful work to do, delivering on important services.

COVID-19 forced us to relearn our operation. It required us to question the way we do things, and to challenge ourselves to ensure we deliver the best value for service.

This past year has changed our City. It has made us stronger. We had so much thrown our way, yet we still delivered. We have so much to be proud of, and while tonight is about the future, it is important to reflect on this year and highlight some of our accomplishments:

- 2020 reaffirmed our decision to invest in digital transformation. We have continued our work with a new enterprise resource program (ERP) and have successfully rolled out new payroll, taxation, utility billing, and accounts payable systems. This was done in large part, remotely, only through the commitment and dedication of our teams. We are becoming a more connected, accessible organization, with improved processing, visibility, and reporting.
- This year, we continued our focus on citizen engagement, providing more grassroots support to our community groups who worked so hard for those in need. We actively participated in food drives and fundraisers and continued our investment in community groups and associations. We also launched a citizen engagement platform, Hey Mount Pearl, that enabled us to reach out to residents for feedback on important initiatives such as the City Centre Revitalization Plan and this year's budget.
- In 2020, we focused our economic development efforts on supporting local businesses with targeted communications around access to tools and resources designed to help them. We also continued our investment in the Scaled Tax and Façade Improvement Programs, investing in businesses who invest in Mount Pearl. We matched our grassroots activity with our long-term

plans, which included the completion of a new Donovans Reimagination Plan, a City Centre Revitalization Plan with a focus on the Waterford River, and a Foreign Direct Investment Strategy. We are well positioned to drive economic development activity in our city.

- In 2020, the City completed a full trails wayfinding design, aligned with our goal to maximize our physical assets through a renewed urban landscape. Our new wayfinding network will grace our trails this spring, making sure our residents and guests can easily navigate our over 60kms of trails.
- Last year, we made good on our commitment to climate change. We advanced the fuel switching of our park shed, tendered the purchase of recyclable oil filters, and began a partnership with MMSB related to increased education initiatives on recycling for our residents.
- Over the last year, we remained focused on ensuring the safe delivery of municipal services, revisiting over 60 safe operating procedures to maintain our focus on public health guidelines. We established a weekly working group solely designed to determine if and how we could maintain our service offering while presented with the challenges of a pandemic. This team worked tirelessly to protect our staff and continue our services.
- Our focus on asset management stayed prevalent throughout the year and resulted in the completion of a draft 10-year asset management plan. In addition, we continued our investment in fleet, welcoming three new loaders, seven new trucks including truck plows and salters, and sixteen light vehicles to our municipal vehicle line-up. This important investment ensures we can deliver the services we are known for to our community and has already begun to reduce the overall cost of fleet maintenance in our city.
- In 2020, we made a very conscious decision to invest in our people, and culture. We secured a partner to help us craft an employee engagement plan and established an internal steering committee that will help us with the very important task of workplace restoration, following a very challenging year for our employees.

This year has tested us. It tested our resilience, adaptability, and our ability to stay focused in a world that felt at times, chaotic. However, we are a strong city, with a solid vision and focus, and even through last year, and into next year, our vision has not wavered. Our commitment remains to build a path forward as a smart city of engaged citizens, leading the way in sustainable growth.

I speak on behalf of my fellow Council colleagues when I say we are proud to be a part of this community. A community that is comprised of residents, businesses, staff, and partners, all committed to our city. A city that always rises to the challenge, no matter what gets thrown our way.

Now, we turn to the future.

Budget 2021 is the result of eight months of hard work. Eight months of constant review and questioning. Eight months of challenging ourselves and pushing to redefine what value means to our taxpayers, and to us. Eight months of determining how we can deliver our services, safely, at reduced costs. This has not been an easy process. We have built a budget that respects the challenges we all face in this new world.

Budget 2021 is about rethinking value.

It is about finding a new balance of what is most important to our taxpayers.

It is about a new reality, where we operate with unknowns and plan for multiple outcomes.

It is about focus. About staying the course for our long-term growth, amidst the challenges we face.

We move into 2021 with a reduced tax base and a significant projected decrease in recreation revenue. COVID-19 has presented challenges our city has never experienced. This year, Council and staff were tasked with planning for the future of our City, amidst a continuously changing economic and social landscape.

Over eighty percent of our municipal revenue comes from taxation. Each year, the City collects a number of levy-based taxes including residential, commercial property, and business tax. This year, as a result of the annual assessment by the

Municipal Assessment Agency, both residential and commercial property values fell by 4.5%. That decrease in assessed value immediately resulted in about 1.4 million dollars in decreased tax revenue for the City.

In addition, based on public health guidelines around the use of our facilities, we continue to project a decrease in revenue from goods and services, which includes things like building rentals, swimming lessons, fitness classes, etc. Our facilities are operating with a modified offering, which means they are open to less people, resulting in less revenue. In 2021, we are predicting a 1.3 million dollar decrease in goods and services revenue.

In total, our revenue, excluding government grants for capital projects, is projected to be down 3.7 million dollars in 2021.

This is the first time in the past decade that the City of Mount Pearl has projected a decrease in revenue. Our city has continuously added to our tax base year over year for some time, which has been an indicator of our financial strength and ability to grow.

With a notable decrease in revenue for 2021, our task was made clear – we had to look to our operational budgets to find the savings.

And we looked hard.

Our senior staff began this process in March, reviewing every operational budget line in our city. Each Director was challenged with an ask to find 8-10% savings, with minimal impact in service offering.

Our goal was to decrease expenditure to offset revenue loss, with little impact to taxpayers. With that in mind, we have made efficiencies in our operations across the city including:

- Effective January 1, the City will offer one free scheduled bulk garbage pick-up annually, each spring. All other bulk garbage appointments will cost \$25 per appointment.
- The City has issued a temporary management wage freeze and has implemented a travel ban for 2021.
- Four positions will be eliminated from the 2021 budget including three management level positions that are currently vacant and will not

be posted/filled.

- There will be a decrease in seasonal road, parks, and water work in 2021.
- Reduced hours in recreation and aquatics facilities are projected for next year.
- Reduced expenditure in landscaping work next year.

This review has resulted in \$2.5 million in operational savings.

When we started down the path of building our strategic plan, we didn't expect or anticipate the events that would unfold this past year. As a city, we have a plan, and while this year might have thrown some curveballs our way, we haven't waived, we have stayed steady at the helm, committed to our mission of **"leading the way as a progressive, family-oriented and business-friendly city, providing quality services."**

This budget is built on that mission and designed to succeed based on the continued support and investment into our seven strategic pillars. Following this plan, we are building a city that people want to live and work in. We are building the future of Mount Pearl and we are proving that no matter what comes our way, we are taking a balanced and measured approach to reaching our goals. This year, supported by a significant increase in capital cost-shared government grants, our total capital budget is \$11.8 million dollars, which we intend to invest in:

DIGITAL TRANSFORMATION AND A1NEXT

This important work will continue in 2021 as we replace our planning and permitting, asset management, inventory, and purchasing systems. This important work is changing the way our city operates, removing manual processes and increasing visibility and internal control mechanisms.

To ensure the smooth operation of these systems, Budget 2021 sees a \$60,000 investment in server upgrades, that will ensure our capacity is ready to handle our improved systems.

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.

This year has caused us to pause and reflect on our community, and what it means to be engaged with our residents and businesses. For the foreseeable future, we have had to reset that vision, and refocus it to a publicly responsible manner. This year, we will continue to invest in supporting our user groups and associations with over \$350,000 committed to operating subsidies for organizations including Admiralty House, the Seniors Independence Group and the Mount Pearl Sport Alliance. And while we cannot gather together in person at the moment, we maintain a \$65,000 investment in community events. They may look a little different this year, but we are committed to ensuring we maintain our community feeling, as it is one of the many things that make us who we are.

ECONOMIC DEVELOPMENT AND URBAN RENEWAL

We have mirrored our grass roots approach to economic development with an unmatched focus on urban renewal and planning, two important pillars of our strategic plan. Our dual pronged strategy has served us well and continues to show dividends in our goal to increase the number of new residents, encourage new start-up activity and attract new businesses to our city.

Despite the unique challenges it presented, 2020 was a year of action in economic development and that important work will continue in 2021. We recognize that as a municipality, we must continue to maximize our physical assets, enable redevelopment of older residential and commercial areas, and integrate with the City's natural features.

To that end, we will be presenting our City Centre Revitalization Plan with a focus on the Waterford River to the public in the first quarter of 2021 and have allocated \$300,000 in Budget 2021 to begin the implementation of that plan. We are committed to that development and will be seeking additional funding opportunities to complement our investment.

In 2021, we will also begin the implementation of our Donovans Business Park Reimagination Plan, that was completed early this year. We are excited to share that work with the over 300 businesses that call Donovans

home, and reaffirm to them our commitment to Donovans as an integral part of our business community.

ENHANCED SERVICE DELIVERY

As a city, we are proud of our high service level and will continue to focus on delivering that standard to our residents and businesses in 2021. This year, we will continue the evolution of our Make it Better initiative with a \$35,000 investment in process improvement and identifying further operational efficiencies.

The City recently completed the 10-year Recreation Master Plan, and as a result of feedback received from over 2,200 residents, we have committed \$750,000 in the capital budget to build a new splashpad in Mount Pearl for our residents to enjoy, as a new component of our outdoor recreation offering.

SUSTAINABLE INFRASTRUCTURE

Budget 2021 will continue with the City of Mount Pearl's investment in asset management to the tune of \$100,000 invested to complete ongoing condition assessments on our public infrastructure, which total over \$330 million dollars in assets.

Our focus on fleet renewal remains in place in 2021, as we invest over \$2.3 million into our fleet renewal plan. This investment will ensure we can maintain service standards in important core services such as snow clearing and field maintenance and help reduce our fleet maintenance costs on vehicles that have passed their service life.

Next year, we see the renewal of major federal and provincial cost-sharing agreements, and as such, we project over \$9 million in important road work, including water and sewer upgrades, to begin in 2021.

GOOD GOVERNANCE AND INVESTING IN OUR PEOPLE

The City of Mount Pearl believes in our people, they are the root of everything we do. This past year was a challenging year for our City and staff, and as an employer, we must maintain our focus on workplace restoration and employee engagement, ensuring our staff are positioned with the right tools and training they need to deliver our city services. Budget 2021

includes a continued investment in our people, through \$175,000 allocated to workplace restoration, training and employee engagement.

OVERALL BUDGET

Your Worship, tonight our budget demonstrates our continued focus on balancing progress and practicality.

It represents what we believe to be great value for service.

It is reflective of the many diverse groups of people who call Mount Pearl home, and those who want to.

It is respectful of the challenging economic climate we all face.

It is a budget for today, and for tomorrow.

Your Worship, I am confident that the budget I am presenting tonight is balanced. Is fair. And is what is right for the safe operation of our city.

The total 2021 budget is **\$56,110,612**.

We understand that this budget is constructed on behalf of the hardworking residents and businesses in our city. So, we want to be clear on what it means to you all.

FOR OUR RESIDENTS

Your Worship, I am pleased to bring forward a budget that lowers the mil rate from 7.4 to 7.1 in 2021.

This decision was made based on the economic climate we are currently in. Just as our city is projecting less revenue, many of the households in our community are struggling as a result of the events of this year.

We pride ourselves on continuing to offer a level of service excellence that our residents and businesses are accustomed to. However, as a Council, and with our senior staff, we had to challenge ourselves to balance value for service.

We made some tough decisions this year so we could ensure we do our part to support our residents

through these times as well. Our goal was to decrease expenditure to offset revenue loss, with little impact to taxpayers.

As I stated earlier, as a result of our efforts, we were able to reduce our operating budgets by almost \$2.5 million dollars.

There will be no other changes to residential tax or facility fees in 2021. A full summary of fees is available online at mountpearl.ca.

FOR OUR BUSINESSES

In Budget 2019, we reduced business tax and commercial property tax by 4%. We continue our commitment to the business community tonight with no increase to commercial tax rates in 2021.

The City will also continue our business incentive programs in 2021. Our Scaled Tax Program provides a laddered approach to business tax, providing new businesses in the retail, technology and craft sectors and opportunity to grow with less of a tax burden. Our Façade Improvement Program, offering an incentive to businesses in key areas around our city to enhance and upgrade their exterior building, will continue in 2021 with a \$25,000 investment allocated to façade improvement grants.

SUMMARY

Budget 2021 is a budget representative of the times we live in. It respects our current situation while enabling us to move forward to achieving our vision of a Mount Pearl that is a smart city of engaged citizens, leading the way in sustainable growth.

Your Worship, Budget 2021 demonstrates our leadership, and our ability to adapt our service offering to meet the needs of our community. It balances the demands of today with the needs of tomorrow. With investment in economic development, urban renewal and sustainable infrastructure, this budget continues to propel us forward as a community where people choose to live and work.

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 2021 taxation year: (AND SO I MOVE)

2021 SCHEDULE OF RATES AND FEES	
TAX RATES	
Property Tax - Residential (minimum \$200 per year)	7.1 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 (per property):	
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	Exempt
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, 2021. (AND I SO MOVE)

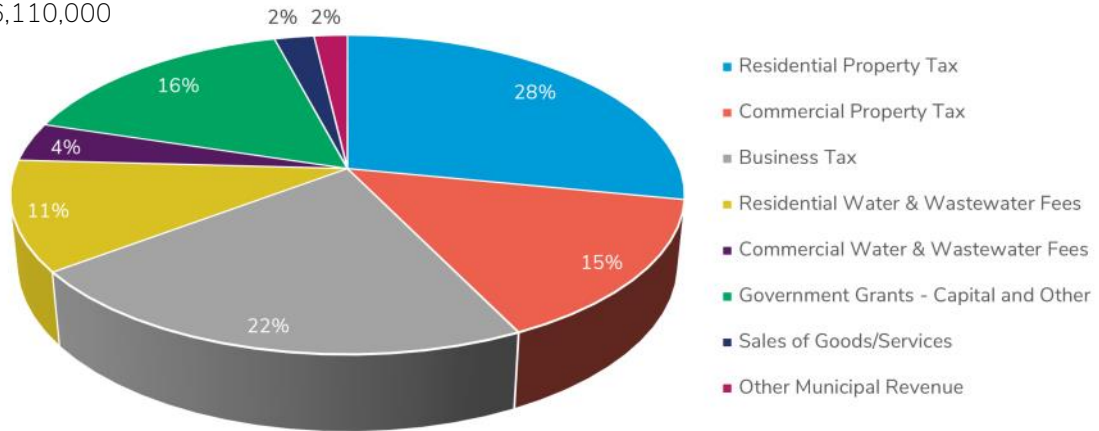
BE IT RESOLVED THAT the City of Mount Pearl, in accordance with The City of Mount Pearl Act, approve an annual rate of interest of 10% to be levied on all past due taxes and accounts receivable. (AND I SO MOVE)

BE IT RESOLVED THAT the City of Mount Pearl, in accordance with The City of Mount Pearl Act, approve the 2021 Budget with operating Revenues and Expenditures totalling \$56,110,612. (AND I SO MOVE).

BUDGET BREAKDOWN

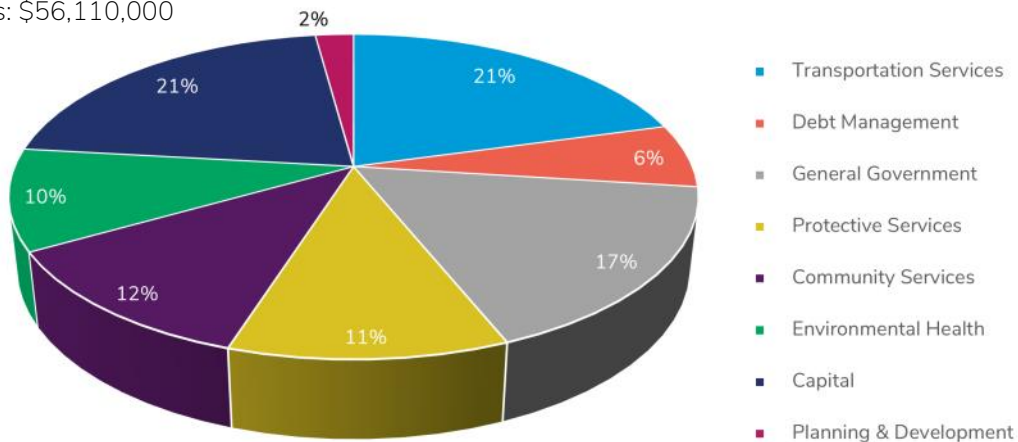
WHERE THE MONEY COMES FROM

Total Revenue: \$56,110,000



WHERE THE MONEY IS SPENT

Total Expenditures: \$56,110,000



CALCULATING YOUR PROPERTY TAXES

RESIDENTS

Residential Mil Rate: 7.1 mils
Water Tax \$600

How to calculate your 2021 residential property tax:

$$\begin{aligned}
 &\text{Your Property's Assessed Value} \\
 &\times \text{Mil Rate (0.0071 for Residential)} \\
 &+ \\
 &\text{\$600 for water tax} \\
 &= \\
 &\text{Total Property Tax for 2021}
 \end{aligned}$$

BUSINESSES

Commercial Mil Rate 11.5 mils
Commercial Water 2.3 mils*

How to calculate your 2021 commercial property tax:

$$\begin{aligned}
 &\text{Your Property's Assessed Value} \\
 &\times \text{Mil Rate (0.0115 for Commercial)} \\
 &+ \\
 &\text{Your Property's Assessed Value} \\
 &\times \text{Mil Rate (0.0023 for Commercial)} \\
 &= \\
 &\text{Commercial Property Tax for 2021}
 \end{aligned}$$

*Up to 100,000 gallons

REVENUE 2021

EXPENDITURE 2021

Taxation and Utility Fees

Residential Property Tax	\$ 15,567,000	
Commercial Property Tax	8,233,000	
Business Tax	12,317,000	
Automated Waste Fees	200,000	
Water and Wastewater Fees	<u>8,454,000</u>	44,771,000

Government Grants

Gas Tax Revenues	1,554,000	
Municipal Operating Grant	200,000	
Capital Cost Sharing Grants	7,160,000	
Grant in Lieu of Taxes	19,000	
Program Grants	<u>110,000</u>	9,043,000

Sales of Goods and Services

Recreational Programs	126,000	
Summit Centre	322,000	
Glacier	640,000	
Other	<u>156,000</u>	1,244,000

Municipal Revenues

Interest on Taxes	300,000	
Investment Income	200,000	
Residential Permits	2,000	
Commercial Permits	140,000	
Compliance Letters	45,000	
Tax Certificates	50,000	
Frontage Assessments	175,000	
Other	<u>140,000</u>	<u>1,052,000</u>

TOTAL REVENUE \$ 56,110,000

General Government

Governance	\$ 1,343,000	
Corporate Services	3,881,000	
Employee Benefits & Payroll Burden	3,905,000	
Tax Rebates and Other	<u>337,000</u>	9,466,000

Protective Services

Fire Protection	5,501,000	
Municipal Enforcement	601,000	
Animal and Pest Control	92,000	
Emergency Measures	<u>5,000</u>	6,199,000

Transportation Services

Snow and Ice Control	2,520,000	
Vehicle Fleet Management	2,301,000	
Street and Traffic Lights	1,274,000	
Roads and Streets	655,000	
Engineering	1,435,000	
Public Transit	1,667,000	
Administration	<u>1,759,000</u>	11,611,000

Environmental Health Services

Water and Wastewater	4,537,000	
Garbage Collection and Disposal	<u>1,114,000</u>	5,651,000

Community Services

Parks and Playgrounds	967,000	
Community Programs	1,014,000	
Recreational Facilities	3,764,000	
Assistance to Other Facilities	405,000	
Administration	<u>475,000</u>	6,625,000

Planning and Development

Planning and Inspections	697,000	
Economic Development	<u>503,000</u>	1,200,000

Fiscal and Capital Costs

Fiscal and Debt Servicing	3,547,000	
Capital out of Gas Tax	1,554,000	
Capital and Infrastructure	<u>10,257,000</u>	<u>15,358,000</u>

TOTAL EXPENDITURE \$ 56,110,000

