



CITY OF
Mount Pearl

Your Municipal Tax Dollars at Work

BUDGET 2015



City Hall - Mayor and Council - 748-1030



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Budget Speech 2015

“Your Worship, Fellow Councillors, Ladies and Gentlemen:

As chair of the Corporate Services Committee, I am very pleased to present today, the City of Mount Pearl’s 2015 budget.

I would like to start by thanking Council and staff for their efforts and contributions in the preparation of this budget. While our budget process is always ongoing, the process of updating and finalizing plans for the upcoming year starts in late August and includes countless hours of analysis and consultation with various groups like the Mount Pearl Paradise Chamber of Commerce. The result of this part of the process is a budget document, or financial plan, laid out to help achieve results in each of our four key strategic priorities, which include the provision of innovative and sustainable services, response to our ever changing population demographics, focus on attracting, retaining and engaging the most qualified employees throughout our City, and focus on effective and efficient governance. We feel that the plan we have created for 2015 helps us continue to focus on the delivery to our citizens of our core services to the highest standards of excellence while ensuring they are delivered at a fair and responsible level of taxation.

But before outlining our 2015 budget, I would like to highlight a few of the many accomplishments the City has been able to achieve in 2014. These include:

- Completion and opening of the brand new and state-of-the-art Summit Centre. This facility is like no other in the province and incorporates imagination and innovation in its design and construction. It reflects the City’s continued commitment to green technology in that it has been constructed to LEED silver standards, which includes geo-thermal heating and a system to transfer waste heat from the Glacier to the Summit Centre, just to name a couple. We are proud to add this to our many other community and recreation facilities to promote an active and healthy lifestyle for our citizens.
- Committed investments in roads and related transportation infrastructure of just over \$13.5 million.



“The result of this part of the process is a budget document, or financial plan, laid out to help achieve results in each of our four key strategic priorities”

- Continued investment in emergency preparedness with the addition of an emergency response trailer and related equipment as well as the award of a tender for an emergency generator for City Hall, which also acts as the City’s Emergency Operations Centre.
- Commencement of a \$1.7 million project to address storm water and sewage system capacity issues in the Municipal Avenue area.
- Continued preliminary plans for a new gymnastics facility that will be the new home of Campia Gymnastics.
- Continued investment in training and development of our strongest resource, our people.
- Continued investment in and installation of pole mounted school zone flashing speed displays to help with traffic calming in high risk areas.
- Completion and opening of the newly refurbished Royal Canadian Legion Branch 36, now located at St. David’s.
- Continued work on the concept plans for a brand new passive park located at St. David’s, which will also include the relocation of the Cenotaph to the new site adjacent to the new Royal Canadian Legion Branch 36.
- Continuation of our annual Waterford River clean-up.
- Continued partnership with the Mount Pearl Paradise Chamber of Commerce, including consultation on the 2015 budget.
- Launch of successful anti-litter campaign
- Continued commercial growth through development in the Kenmount, Beclin and Donovans Business Parks and throughout all areas of the City, and
- Continued residential growth in areas like Mount Carson Terrace, Pearlview, The Hillside and the Sundara condominium development.

With respect to private development in our City in 2014, Your Worship, I am pleased to announce the City has again experienced a healthy level of investment by private developers with \$43 million invested in residential, commercial and industrial construction to date. Mount Pearl again saw growth in new business, with approximately 39 new businesses opened to date in the City in 2014, creating 250 new jobs. Mount Pearl is now home to almost 1,100 businesses employing over 15,400 people.



We are truly appreciative of the contribution by our corporate citizens to our community and are once again proud to say that we are a “net importer” of jobs in the region. These accomplishments are all in addition to the provision of core services that our City has always been known for.

While we continue to pride ourselves on striving to deliver new, innovative services, it is the provision of our core services like water and sewer services and snow clearing that really makes us stand out. This is evident as indicated by the Mount Pearl Paradise Chamber of Commerce in their pre-budget submission to the City. In the 2015 budget submission, the Chamber indicates that “overall, the business community feels that their tax dollars are being spent wisely, with an 83% approval rating by survey participants.” While we are extremely happy with such a strong approval rating, we are not satisfied to simply rest on our laurels. In keeping with one of the core strategic issues in our strategic plan, we plan to continue to constantly evaluate the way in which we deliver these services and constantly strive to make them better. By applying the standards of continuous improvement, we seek to ensure the quality of all of our service levels remain excellent and that we are able to deliver these services in the most economical fashion possible.



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It is on that note, Your Worship, that I would like to switch our focus to look more closely at our plans to achieve our strategic objectives, and specifically the budgetary priorities for 2015. As is the case in most years, we began our budget process again this year by looking at the costs of running our operation, and deliberating over potential expenditures of over \$53 million in 2015. Every year when we commence our budget deliberations, there are a number of items over which we have limited control. These, of course, are services delivered regionally, which includes purchase of water, the provision of wastewater treatment, transit and paratransit services, provision of fire protection, and the operation of a regional landfill and recycling facility. So the City must first consider how to cover increases in these expenditure levels before shifting focus toward the delivery of other services and investments in various strategic initiatives. The increase facing the City for these regional services alone was almost \$1.3 million over 2014. While this certainly creates budgetary challenges for our fine City, we worked hard to offset these increases in order to minimize any impact they may have on our citizens and businesses. At the conclusion of our Budget process, we are pleased to say that we were able to settle on a final expenditure budget for 2015 of just over \$44.1 million, representing only a 2.1% increase over 2014.

In the pre-budget submission, the Mount Pearl Paradise Chamber of Commerce acknowledged these increasing pressures on expenditure levels but recommended that the City maintain mil rates at 2014 levels. When you combine this very modest increase in expenditures with growth due to development, we are pleased to be able to announce that we are able to hold our tax and other rates and fees constant at 2014 levels.

“At the conclusion of our Budget process, we are pleased to say that we were able to settle on a final expenditure budget for 2015 of just over \$44.1 million, representing only a 2.1% increase over 2014.”



Your Worship, as outlined previously, there are a number of areas where the City is experiencing significant increases in expenditures. The two main areas where we see significant increases are:

- Regional Services, which has increased by almost 12% for a total of close to \$1.3 million. These necessary services include the provision of fire protection, transit and para transit services, water and wastewater treatment services, and municipal landfill and recycling services; and
- Community Services, which has increased by almost \$600,000 or almost 13% over 2014. This increase relates to the expanded services being provided by the City to our residents mainly through our new state-of-the-art Summit Centre

To ensure we are able to deliver services in these and other key areas, we have worked very hard in this budget to find efficiencies and select among priorities, while also taking advantage of a modest amount of additional revenue through development and growth, to accomplish this with no changes to our taxation levels or fees.

Another item addressed by the Mount Pearl Paradise Chamber of Commerce is investment in infrastructure. This spending is a little more controllable in that Council can choose between conflicting priorities and take a phased approach to construction, but the demands placed upon the City to address the infamous "infrastructure deficit" that faces all municipalities across the country continue to be extremely high. We do recognize that if more revenue or other funding sources were available to the City, we could do more in a shorter period of time, but we recognize a phased approach is necessary to ensure we balance infrastructure investment with an affordable level of taxation for our residents and business community. In 2015 the City plans to invest \$3.1 million in capital spending out of general revenue and gas tax revenues in various infrastructure initiatives. We plan to supplement this investment through additional capital works projects to be undertaken



with funding from both the Provincial and Federal governments. The City has committed to funding almost \$11 million in streets and related infrastructure over the next year with the City's share being \$2.9 million. This is combined with capital projects funded from prior year budgets and brings the total funding available for capital projects in the City currently underway or about to be undertaken to \$36.2 million, and that excludes the now complete Summit Centre. We also recognize that more is needed than simply investing dollars in infrastructure. What is needed is a strong and systematic approach to managing our municipal infrastructure so that we are able to properly manage and plan for its maintenance and ultimate replacement. To accomplish this, the City is committed to continuing with our implementation of a comprehensive asset management system to ensure focused and effective investment and to provide strong information necessary for long term budgetary purposes.

In addition to the areas mentioned previously, 2015 will see the City continue its long standing commitment to investment in recreation facilities. The City has previously announced a partnership with Campia Gymnastics to construct a new gymnastics facility to house Campia's programs. The RFQ for this project have recently closed and it is expected that the contract will be awarded in the near future, meaning construction should commence sometime in 2015. Another project that was announced in prior years is the transformation of the former St. David's softball field and park area into a beautiful passive park. The area has already become the new home for the Royal Canadian Legion Branch 36, and work is expected to commence in 2015 for the development of the remainder of the park which will also see the relocation of the Cenotaph from its current home on Park Avenue to the new park area in St. David's, in close proximity to the Legion. Work will also continue on the Team Gushue Complex just off Smallwood Drive and on a number of cosmetic upgrades to the Reid Community Centre to help make the look and feel of this building more similar to the new Summit Centre, including an expanded youth centre. Investment in other areas of the City's community services infrastructure will also continue, with further work planned for the Admiralty House Communications Museum, the City's linear trail networks and various playgrounds across the City.



Despite this very significant level of investment in infrastructure, which includes our very impressive Summit Centre, we will maintain a debt ratio of just 9.2% - a sound fiscal position and one of the lowest rates of any municipality in the province. We believe this strikes a strong balance between protecting our strong debt ratio with strategic borrowing for larger projects, like our Summit Centre. This positions us well to ensure we are able to continue strong investments in infrastructure well into the future and to deliver our core services to our citizens at a very reasonable price. After all, a strong budgeting process considers the impact that our decisions today will have on our municipality for years to come.

We have also committed to continue many of the economic development initiatives which began in recent years. One of these commitments is that we would work hard to try to secure a new hotel for our City close to our business parks to help serve our business community as well as to fulfill our sport tourism strategies. Work toward

“The City is committed to continuing with our implementation of a comprehensive asset management system to ensure focused and effective investment and to provide strong information necessary for long term budgetary purposes.

this initiative was carried out in 2014 and will continue into 2015 and until we have achieved our goal. We would also like to continue to foster a strong relationship with the Mount Pearl Paradise Chamber of Commerce. We would like to take the opportunity to thank the Chamber and its members for participating in pre-budget consultations again this year. These consultations help the City determine the priorities for the delivery of municipal services. The results of a member survey conducted by the Chamber were summarized and included in the 2015 budget submission by the Chamber which highlighted three main priorities for the City:



1. Business expansion/retention

The City has completed a preliminary plan for the Donovans Business Park and has secured some funding to commence this project in 2015. As indicated earlier, with higher revenue or additional funding we would be able to do more work in the shorter term in areas like Donovans Business Park, but we must also ensure we live within our means and maintain reasonable and fair levels of taxation. While funding is available to start the project, the City is also committed to exploring options for further funding for this project in order to try to expedite this process while not adding significant upward pressure on tax rates. Finally, continued efforts toward seeing a new hotel constructed near the business parks should also help achieve this goal.

2. Business and Property Tax

The Chamber has recommended that we maintain our mil rates, along with municipal development permits, licenses and fees at 2014 levels. We are extremely happy that we have been able to offset significant increases in various parts of our budget and therefore are able to achieve this.

3. Improved roads and infrastructure

As we have outlined previously, we have continued our commitments toward significant investment in our municipal infrastructure, which includes roads, sidewalks and water and sewer infrastructure. We hope this strategic investment will help to not only make our City a better place to live but will also enhance the capacity of our systems and make it a better place to do business.

“Despite this very significant level of investment in infrastructure, which includes our very impressive Summit Centre, we will maintain a debt ratio of just 9.2% - a sound fiscal position and one of the lowest rates of any municipality in the province.



While the Chamber did not make a formal recommendation on core services, they did acknowledge the importance of delivering our core services. They also indicated we should focus our spending when considering these core services, which we have certainly done in this budget.

This budget will also include 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. We have also continued our interest exemption and tax deferral policy for low income earners who earn up to \$40,000, recognizing that many of our taxpayers face significant financial pressures that increase year over year.

The exemption from payment of business tax will continue to all operators of daycares and personal care homes within the City. This tax break hopefully allows these operators to continue to spend a little more on the services they provide in looking after our loved ones and we are pleased to be able to extend this exemption.

After determining the operating costs of delivering our core services and choosing a responsible level of capital investment for 2015, the City's expenditure budget for 2015 is **\$44,114,000**. Your Worship, we hope the budget we have put forward will enable us to continue to effectively deliver our core services at a high level while strategically investing in our municipal infrastructure. To achieve this, we commit to review the way in which we deliver our core services and seek more creative and efficient ways to deliver our services in a way that truly creates value for every tax dollar paid by our residents and business owners/operators. As mentioned earlier, there is so much more we could do with more revenues, but we have to be realistic in what our taxpayers can support.



"Your Worship, we hope the budget we have put forward will enable us to continue to effectively deliver our core services at a high level while strategically investing in our municipal infrastructure."

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 2015 taxation year: (AND I SO MOVE)

1. Property Tax	
Residential	7.4 mils
Commercial	12 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 charge
100,000 - 20 million gallons	\$6.00 per thousand
Over 20 million gallons	\$5.50 per thousand
(b) School Boards	\$8.00 per student
(c) Provincial Government Buildings	6.00 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 and Gas Service Industry	20.9 mils
Recreational and Non-profit Organizations	11.7 mils
Hotels/Motels/Private Schools	16.1 mils
Self Storage	62.7 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 cart \$20 per annum

6. Minimum Taxes

Residential Property	\$200
Commercial Property	\$250
Business Tax	\$250
Billboards (Per side)	\$100

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, 2015. (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 2015 Budget with operating Revenues and Expenditures totalling **\$44,114,000**. (AND I SO MOVE).

*Councillor Dave Aker
Chairperson, Corporate Services Committee*



Our **VISION**

A progressive independent city with a strong sense of home.

Our **MISSION**

Leading the way as an independent, progressive, family oriented and business friendly city, providing outstanding municipal services and community programs.

Our **MANDATE**

To provide a range of municipal programs and services, in accordance with the requirements established by the City of Mount Pearl Act, aimed at enhancing the lifestyle of our citizens and the success of our business community.

Our **VALUES**

Fairness and Respect

We recognize that our success as a community depends on the talent, skills and expertise of our people and our ability to function as a cohesive team. We appreciate our diversity and believe that respect for our employees, citizens, colleagues, partners and all those with whom we interact is an essential element of all positive and productive relationships in which the city engages.

Innovation and Creativity

We encourage innovative and creative approaches in pursuit of enhancing the quality of life of our citizens and the success of our businesses.

Flexibility and Adaptability

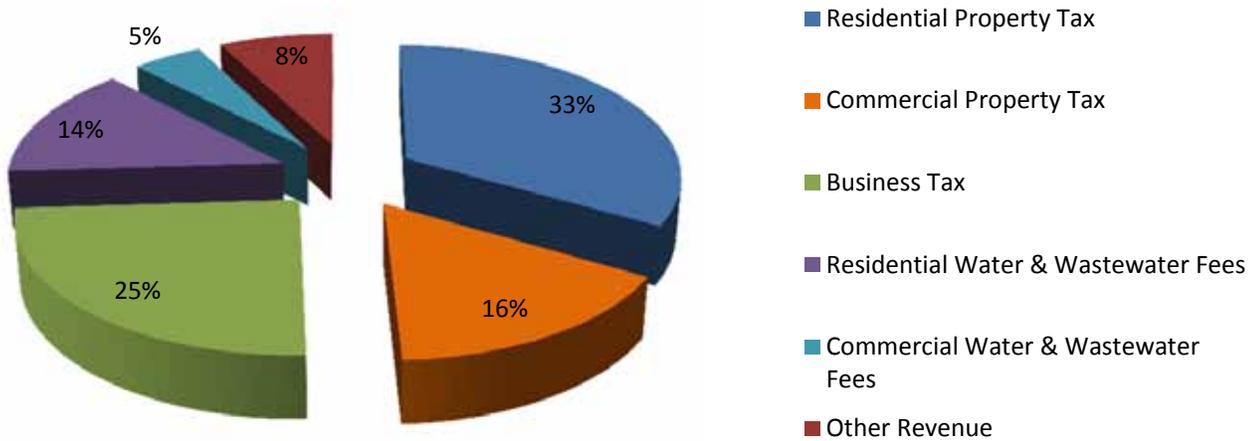
We believe in listening to the ideas of others and showing flexibility in making decisions that serve the best interests of our citizens and city. We believe our “can do” spirit delivers top performance.

Accountability

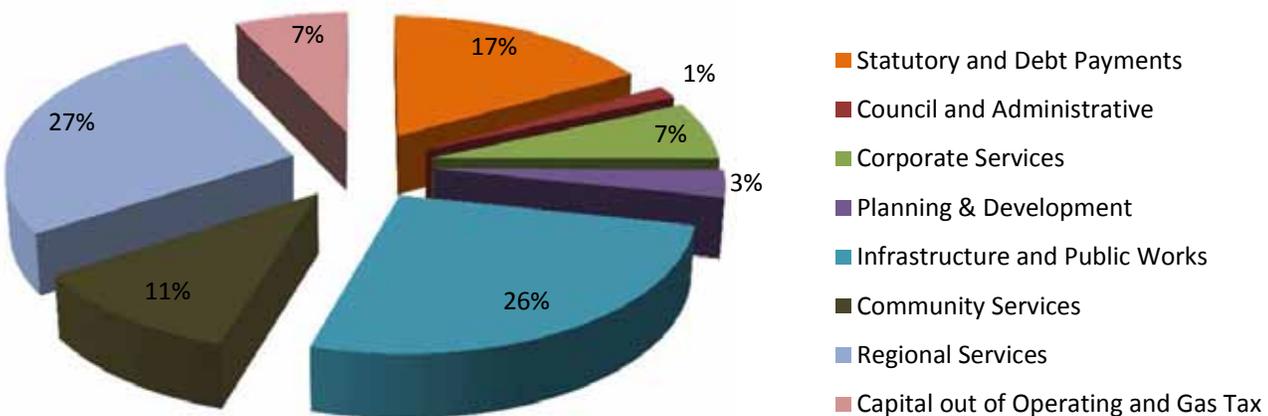
Our decision making processes and operations are transparent and open to the people we serve.

2015 Operating Budget Estimated Revenue and Expenditure

Where the Money
COMES FROM



Where the Money
GOES



Revenue 2015

Taxation and Utility Fees

Residential Property Tax	\$14,724,000	
Commercial Property Tax	7,042,000	
Business Tax	10,887,000	
Automated Waste Fees	194,000	
Water and Wastewater Fees	<u>8,101,000</u>	40,948,000

Government Grants

Gas Tax Revenues	987,000	
Municipal Operating Grant	-	
Capital Cost Sharing Grants	92,000	
Grant in Lieu of Taxes	17,000	
Program Grants	<u>84,000</u>	1,180,000

Sales of Goods and Services

Recreational Programs	283,000	
Swimming Pool	314,000	
Recreation Centre	215,000	
Other	<u>168,000</u>	980,000

Municipal Revenues

Interest on Taxes	192,000	
Investment Income	70,000	
Residential Permits	80,000	
Commercial Permits	235,000	
Compliance Letters	55,000	
Tax Certificates	71,000	
Frontage Assessments	170,000	
Other	<u>133,000</u>	1,006,000

TOTAL REVENUE

\$44,114,000

Expenditure 2015

General Government

Governance	\$647,000	
Corporate Services	2,993,000	
Employee Benefits & Payroll Burden	3,107,000	
Tax Rebates and Other	<u>266,000</u>	7,013,000

Protective Services

Fire Protection	4,825,000	
Municipal Enforcement	587,000	
Animal and Pest Control	90,000	
Emergency Measures	<u>26,000</u>	5,528,000

Transportation Services

Snow and Ice Control	1,808,000	
Vehicle Fleet Management	2,065,000	
Street and Traffic Lights	1,235,000	
Roads and Streets	1,597,000	
Engineering	784,000	
Public Transit	1,484,000	
Administration	<u>1,412,000</u>	10,385,000

Environmental Health Services

Water and Wastewater	6,278,000	
Garbage Collection and Disposal	<u>1,131,000</u>	7,409,000

Community Services

Parks and Playgrounds	841,000	
Community Programs	1,048,000	
Recreational Facilities	2,440,000	
Assistance to Other Facilities	590,000	
Administration	<u>264,000</u>	5,183,000

Planning and Development

Planning and Inspections	1,053,000	
Economic Development/Communication	<u>352,000</u>	1,405,000

Fiscal and Capital Costs

Fiscal and Debt Servicing	4,062,000	
Capital out of Gas Tax	987,000	
Capital and Infrastructure	<u>2,142,000</u>	7,191,000

TOTAL EXPENDITURE

\$44,114,000

2015 Schedule of Rates & Fees

PROPERTY TAX

Residential	7.4 mils
Commercial	12.0 mils

WATER AND WASTEWATER FEES

Residential	\$600 per unit
Commercial	2.3 mils (minimum \$600)

COMMERCIAL WATER FEES

(a) 0 - 100,000 gallons	No charge
100,000 - 20 million gallons	\$6.00 per thousand
Over 20 million gallons	\$5.50 per thousand
(b) School Boards	\$8.00 per student
(c) Provincial Government Buildings	6.0 mils

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 and Gas Service Industry	20.9 mils
Recreational and 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
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WASTE COLLECTION FEES

Automated Waste Collection Fees - per bin (maximum 2 bins per house)	\$20 per annum
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MINIMUM TAXES

Residential Property	\$200
Commercial Property	\$250
Business Tax	\$250
Billboards (Per side)	\$100



Budget Highlights 2015

TAXES

- No change in mil rates over 2014
- Residential property tax rate 7.4 mils
- Commercial property tax rate 12 mils
- Business tax – general commercial – 17.5 mils
- Senior Citizens’ 20% property tax discount for those who qualify
- Interest exemption available to all senior citizens 65+ who remain current with tax payments
- Interest exemption and tax deferral policy threshold maintained at \$40,000
- Business tax exemption provided to all operators of daycares and personal care homes

Community GROUPS

- Financial assistance of over \$975,000 to a variety of community organizations, including Frosty Festival, City Days, Mount Pearl Sport Alliance, Glacier Arenas, Admiralty House Communications Museum, Mount Pearl Paradise Chamber of Commerce, Seniors Independence Group and many more

Capital & Debt MANAGEMENT

- Debt ratio remains low at 9.2%
- Investment into City infrastructure of \$11 million including provincial multi-year cost-shared projects, with ongoing projects totalling just over \$36 million
- Continued investment to be made in community parks and playgrounds, including further enhancements to the parking and road areas of the Team Gushue Sports Complex, construction of a new minor baseball field, continued work on redevelopment of the former St. David’s softball field, work on the City’s linear trail networks, continued work on playground upgrades and replacements, and commencement of construction on a new gymnastics facility to house Campia Gymnastics
- Further enhancements to Admiralty House Communications Museum
- Continued investment in roads and streets, including work on a significant revitalization of City infrastructure in the Donovans Business Park
- Additional work toward full implementation of a comprehensive asset management system to focus and properly plan for maintenance and ultimate replacement of City infrastructure

Regional SERVICES

- 27% of total budget covers costs of regional services – fire protection, water, wastewater treatment and waste disposal, and public transit. In 2015, these costs will amount to just over \$11.9 million
- Water and wastewater fees will remain at \$600 a year per unit (\$50 per month). Rates will also remain constant for commercial users

Other HIGHLIGHTS

- First full year of operation of the new state-of-the-art Summit Centre
- Upgrades to the existing Reid Community Centre
- Growth in expenditure budget over 2014 of just 2.1% achieved through modest revenue growth and increased efficiencies in delivery of our services
- Focus on innovation and continuous improvement in the way we deliver our services
- Continued work toward the goal of bringing a new hotel development to Mount Pearl

Senior Management TEAM

Chief Administrative Officer	Michele Peach	748-1025	mpeach@mountpearl.ca
Director of Corporate Services	Jason Silver	748-1026	jsilver@mountpearl.ca
Director of Infrastructure & Public Works	Gerry Antle	748-1028	gantle@mountpearl.ca
Director of Planning & Development	Stephen Jewczyk	748-1029	sjewczyk@mountpearl.ca
Director of Community Services	Jason Collins	748-1027	jcollins@mountpearl.ca