



Your municipal
tax dollars
at work

Budget 2013

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Budget 2013
Released December 18, 2012

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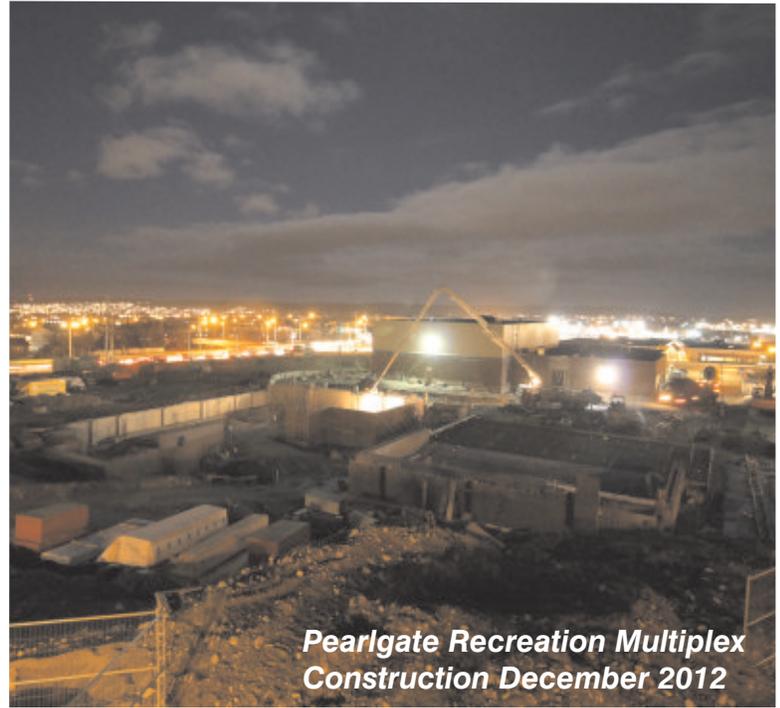
Budget Speech 2013

“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 2013 budget.

I would like to start by thanking Council and staff for their efforts and contributions in the preparation of this budget. Many hours of hard work and healthy debate culminated into this budget which we believe reflects continued fiscal responsibility, environmental progress, innovation and improved services in all departments.

Before outlining our budget for 2013, I would like to highlight some of our major accomplishments over the past year. 2012 has been a very exciting year of innovation and investment in the future of our community. We are very proud to outline some of our major accomplishments this year, which include:



- Completion of a study of our Transit Services.
- Installation of our first of many planned pole mounted school zone flashing speed displays to help with traffic calming in high risk areas.
- Upgrades to the Basketball Courts on Ruth Avenue as well as to the Pearlgate Track and Field Complex.
- The long anticipated start of construction of our brand new Recreation Multiplex, which is currently just over 25% complete and also on schedule and budget.
- The continuation of construction at the Team Gushue recreation complex including the completion of a new softball field, the completion of phase one of the entrance and parking upgrades and the commencement of construction of our new softball building.
- The start of construction on a new dog park in the Power's Pond area.
- Construction of a new parking lot to help with parking at the Glacier and Pearlgate Track and Field Complex.
- Implementation of our new and innovative automated garbage collection system, which involved retrofit of our garbage trucks with automated arms, training of our staff and purchase and delivery of 9,800 garbage carts across the City.
- Continued contribution towards the Regional Riverhead Wastewater Treatment Facility, bringing our total contribution towards the construction of this facility to over \$11.5 million.
- Committed investments in street and road upgrading of just over \$11 million.
- Continuation of our annual Waterford River clean-up led by our Conservation Corps Green Team.
- Commencement of work with a developer that will ultimately lead to the construction of an affordable housing complex on Municipal Avenue.

“This budget...we believe reflects continued fiscal responsibility, environmental progress, innovation and improved services in all departments.”

- Implementation of a records and information management process and system.
- Continued work on a disaster recovery system.
- Continued investment in training and development of our strongest resource, our people.
- Continued partnership with the newly renamed Mount Pearl - Paradise Chamber of Commerce on many initiatives to help grow and develop the local business community.
- Continued Commercial growth in both Donovan's Business Park and the Kenmount Business Park.
- Continued residential growth in areas like Mount Carson Terrace, Pearlview and The Hillside off Blackmarsh Road as well as the Sundara condominium development on Blackmarsh Road.

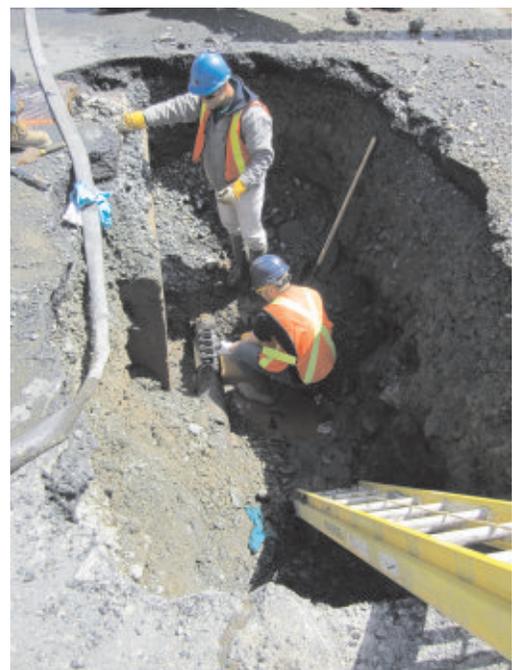
“Just over 84 new businesses opened in the City in 2012, creating 392 new jobs. We are thankful to all our businesses, big and small, for again making us a “net importer” of jobs in the region.”

As far as private development in our City in 2012, Your Worship, I am pleased to announce the City has again experienced tremendous growth in the level of construction in the City by private developers with over \$60 million invested in residential, commercial and industrial construction. This is, of course, in addition to construction of municipal infrastructure such as the Multiplex. As well, just over 84 new businesses opened in the City in 2012, creating 392 new jobs. We are thankful to all our businesses, big and small, for again making us a “net importer” of jobs in the region. And all of these accomplishments just serve to supplement the outstanding level of core services that we continue to offer our residents. We are constantly reevaluating our existing services, such as we recently did for our garbage

collection program, and making continuous improvements in efforts to ensure Mount Pearl continues to be a leader and innovator in the provision of municipal services.

Now, Your Worship, I would like to switch focus to look forward to 2013 which will certainly be another outstanding year in the City of Mount Pearl. We came into our budget process this year knowing that our residents and businesses have received assessment notices that reflect substantial increases in their property values over the prior year, and we understand this causes many of our residents great concern over what this may mean for taxation levels. Again this year we started by looking at the costs of running our operation, and we deliberated over potential expenditures of \$50 million to run the City in 2013. In fact, prior to even looking at the City's expenditures, we were facing over \$1 million in increased costs for regional services such as Fire Protection, Water, and Wastewater.

Our budget deliberations focused on trimming expenditures and ensuring that important and significant capital projects are completed on a phased in basis so that we could settle on a final expenditure budget for 2013 of just over \$41.5 million. This translates into a reduction in mil rates which will help offset the average assessment increase in the City. We are very proud to say that we are able to continue to deliver the high level of services our residents and businesses come to expect but are able to do so at a reasonable cost and have minimized the impact of rising expenditures on levels of taxation.





Your Worship, there are, of course, components of our budget over which we have little control. In fact, almost 55% of our budget goes toward just two main expenditure categories:

- 21% of our budget (\$8.6 million) goes towards the cost of regional services, including fire protection, purchase of water, public transit, wastewater treatment and waste management. These costs alone have increased more than \$1 million over the past year and once again the City is committed to paying our fair share of this regional burden.
- 33% of our budget (\$13.8 million) is spent on wages and related mandatory payroll costs and, like all municipalities, these costs continue to rise each year and we are proud to pay our employees fairly for the great work they do on behalf of the City all year round.

Another large expenditure category is that of building and replacing our municipal infrastructure. This spending is a little more controllable in that Council can choose between conflicting priorities, but nevertheless, the demands placed upon the City to address the infamous “infrastructure deficit” facing all municipalities across the country are high. At the start of our budgeting process, Council was faced with choosing amongst \$35 million worth of equipment needs and capital works projects for 2013. In the end, in order to avoid increasing the City's debt load, \$7.5 million in capital spending out of general revenue and gas tax revenues was approved. This contribution by our

residents and citizens, along with the help of funding from other levels of government, will enable us next year to complete capital works, excluding the recreation multi-plex, of just over \$10.6 million. This includes \$5 million in various street upgrading and improvements, along with enhancements to many of the City's outdoor recreational facilities that we are so admired for, including such things as Phase 2 of the upgrades to the entrance and parking areas at the Team Gushue Sports complex on Smallwood Drive, linear walking trails and bridges, construction of a minor baseball field, continued construction of a new dog park in the Powers Pond area, and Phase 1 of the St. David's redevelopment.

We are also very proud to announce the beginning of a significant investment in the revitalization of the Donovan's Business Park. Our business community has spoken through the Mount Pearl-Paradise Chamber of Commerce and has indicated that investment in Roads and Infrastructure is one of their key priorities. While we continue to invest in the City-wide infrastructure, we are also committing to develop and implement a multi-year plan to improve our municipal infrastructure in Donovan's, which currently houses almost 400 businesses and almost 6,200 jobs. 2013 will see the start of this project through Phase 1 of our program to help address the concerns being raised and both repair and upgrade this important area of the City.

While we do anticipate borrowing \$15.75 million in 2013 to finance the costs of the multi-plex construction, the remaining \$10.6 million of investments in capital assets, **without** having to borrow funds to be repaid by future

generations, is remarkable. The City of Mount Pearl, in this budget, will maintain a debt ratio of just under 6.5% - a sound fiscal position to be in, and one we specifically set out to achieve many years ago by adopting a “pay as you go” philosophy in addressing our infrastructure needs. We believe this represents the optimal balance between prudent borrowing for larger projects while ensuring our debt ratio remains strong, positioning Mount Pearl well when considering future operational and infrastructure needs. What this means is that we are being truly proactive to avoid problems into the future.

Your Worship, I would like to point out a few other important commitments we have made recently and their impact on this budget. Firstly, as you know, a couple of years ago we committed to embracing the concept of green technology in order to take a leadership role within the Province in the protection of our environment. Our new Multiplex is also being constructed to LEED Silver standards. Presently, we have most of the Geo Thermal wells drilled which will help heat this facility. We also plan to transfer waste heat from the Glacier to contribute to the heating of the new Multiplex. These are just a few of the many green initiatives that will be incorporated into the construction of our Multiplex. And as a side note, if the public would like to see the progress of construction, we now have a webcam mounted at the construction site which can be accessed at www.mountpearl.ca. We will use the images captured by this camera to create time lapse videos in the near future which will be regularly updated to show progress as this investment takes shape.

“Our new Multiplex is also being constructed to LEED Silver standards. Presently, we have most of the Geo Thermal wells drilled which will help heat this facility. We also plan to transfer waste heat from the Glacier to contribute to the heating of the new Multiplex.”

Secondly, we now enter into our second year under our new corporate strategic plan. This plan helps to focus our efforts in the next five years towards enhanced governance, service delivery, employee engagement and the age-friendliness of our City. We have set a number of specific goals consistent with this plan and continue to implement initiatives toward completing them. Council is again excited about the opportunity this will provide to strengthen our status as a progressive, independent City, responsive to the needs of our citizens.

We have also committed to continue many of the economic development initiatives which we began in 2012, and would like to build further on our strong relationship with the Mount Pearl-Paradise Chamber of Commerce. While the Chamber of Commerce has indicated to us that the majority of businesses are “satisfied that the City has done enough to increase business”, we have listened to their suggestions and are committed to continuing business development initiatives. This is evident through our continued commitment to try to

stimulate redevelopment and investment in certain key areas of Mount Pearl as identified by our business community, such as Commonwealth Avenue and Topsail Road. Further, the Chamber of Commerce has indicated its desire for a new hotel development for Mount Pearl. We fully agree and are committed to making this happen.



Other items worthy of mention in this budget, Your Worship, include the continued financial support we provide, totaling \$700,000, to our youth, aging adults and other groups - Frosty Festival, City Days, the Mount Pearl Sport Alliance, the Glacier Arenas, Admiralty House, our local Chamber of Commerce, the Seniors Independence Group, and many more.



The senior citizens' 20% property tax discount will continue for those 'in need' and an interest exemption will be available to all senior citizens who remain current with their tax payments. We have amended our interest exemption and tax deferral policy for low income earners by increasing the threshold for those who qualify from an annual income of \$30,000 up to \$40,000, recognizing the increased pressures many of our residents are facing.

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.



“The exemption from payment of business tax will continue to all operators of daycares and personal care homes within the City.”

After determining the operating costs of running our City and choosing a responsible level of capital spending for 2013, the City's expenditure budget for 2013 is **\$41,511,000**. As always, Council considered all avenues available to fund these expenses.

A modest but steady amount of growth in our tax base provided some additional revenues to offset the increased costs we were facing. While inflationary pressures result in increased costs for many of our daily operations, we have lowered our mil rates to help offset the assessment increases being faced by the residents and businesses of our fine City which makes living in Mount Pearl not only desirable but also more affordable.

This is truly a balance between continued investment in providing the highest level of service possible to our residents and businesses and ensuring we maintain fiscal responsibility and truly delivering value for every tax dollar paid by our residents and business owners.

We are pleased to announce that we have reduced our residential property rate to 6.7 mils. For an average home in Mount Pearl, which would currently be valued at around \$220,000 and would have seen an average increase in assessed value of 45%, this translates into an increase of just \$75 per year in property taxes, or just over \$6 a month.

We have also adjusted our commercial property tax rate to 12 mils. We are also pleased to be able to announce that we are able to maintain our rates for water and wastewater at the 2012 level.

Finally, as I have indicated, we have introduced a new and innovative automated waste collection system to the City. To fund this program, we are also introducing an annual fee of \$20 per cart for residential taxpayers, which translates to just over \$1.50 per month."

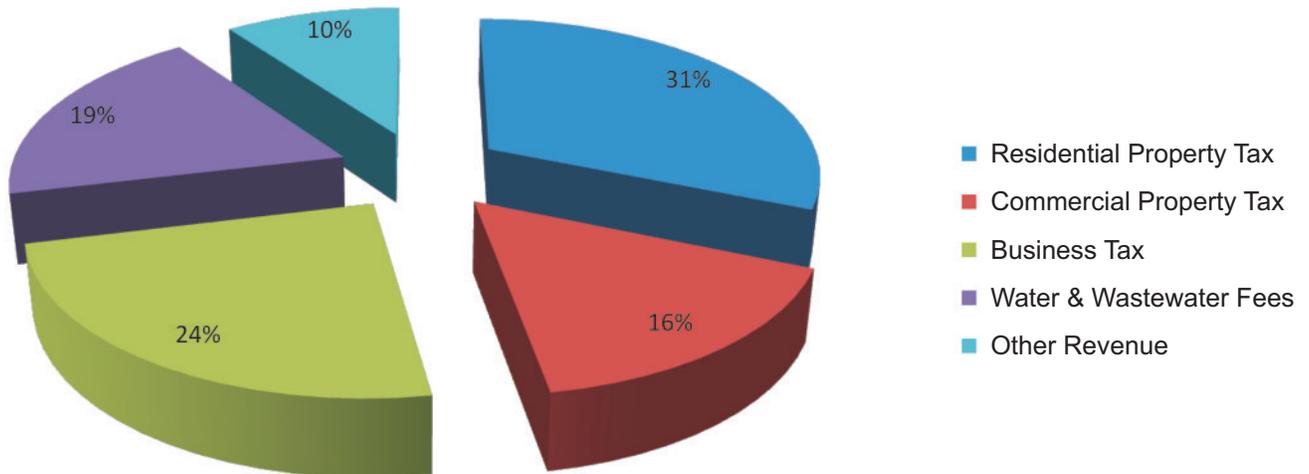
*Deputy Mayor Jim Locke, Chairperson
Corporate Services Committee*

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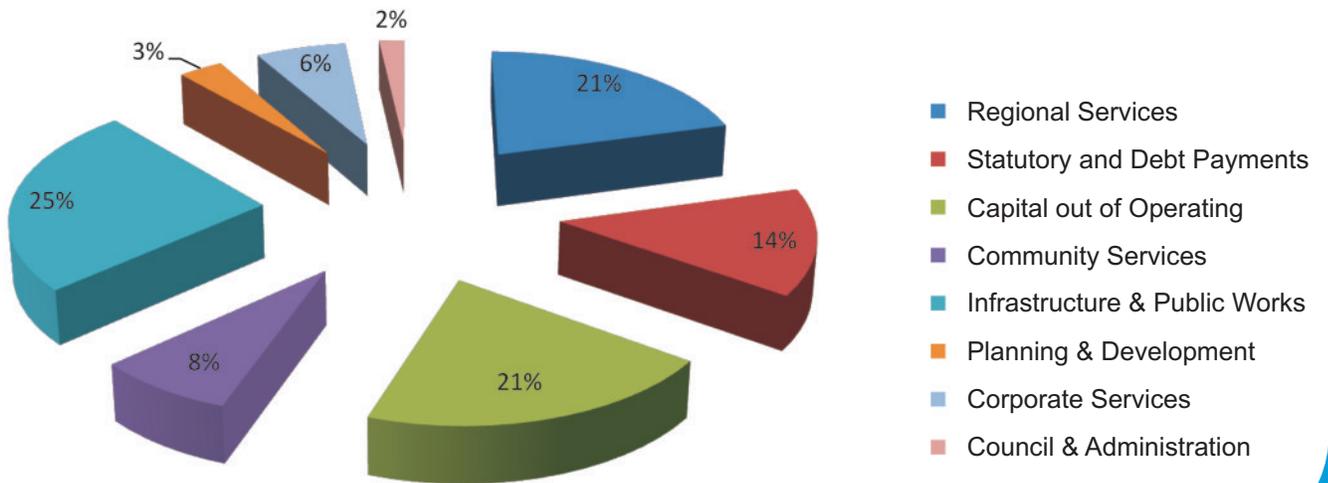


2013 Operating Budget Estimated Revenue and Expenditure

Where the money comes from



Where the money goes



Revenue 2013

Expenditure 2013

Taxation and Utility Fees

Residential Property Tax	\$ 12,986,000	
Commercial Property Tax	6,667,000	
Business Tax	9,918,000	
Automated Waste Fees	198,000	
Water and Wastewater Fees	<u>7,802,000</u>	37,571,000

Government Grants

Gas Tax Revenues	1,031,000	
Municipal Operating Grant	811,000	
Capital Cost Sharing Grants	255,000	
Grant in Lieu of Taxes	39,000	
Program Grants	<u>94,000</u>	2,230,000

Sales of Goods and Services

Recreational Programs	204,000	
Swimming Pool	202,000	
Recreation Centre	105,000	
Other	<u>195,000</u>	706,000

Municipal Revenues

Interest on Taxes	166,000	
Investment Income	125,000	
Residential Permits	105,000	
Commercial Permits	275,000	
Compliance Letters	61,000	
Tax Certificates	65,000	
Frontage Assessments	100,000	
Other	<u>107,000</u>	1,004,000

TOTAL REVENUE \$ 41,511,000

General Government

Governance	\$ 741,000	
Corporate Services	2,709,000	
Employee Benefits & Payroll Burden	2,888,000	
Tax Rebates and Other	<u>285,000</u>	6,623,000

Protective Services

Fire Protection	4,100,000	
Municipal Enforcement	455,000	
Animal and Pest Control	94,000	
Emergency Measures	<u>52,000</u>	4,701,000

Transportation Services

Snow and Ice Control	1,636,000	
Vehicle Fleet Management	1,825,000	
Street and Traffic Lights	1,147,000	
Roads and Streets	1,108,000	
Engineering	602,000	
Public Transit	1,077,000	
Administration	<u>1,322,000</u>	8,717,000

Environmental Health Services

Water and Wastewater	4,065,000	
Garbage Collection and Disposal	<u>1,206,000</u>	5,271,000

Community Services

Parks and Playgrounds	814,000	
Community Programs	851,000	
Recreational Facilities	1,106,000	
Assistance to Other Facilities	610,000	
Administration	<u>271,000</u>	3,652,000

Planning and Development

Planning and Inspections	922,000	
Economic Development/Communication	<u>405,000</u>	1,327,000

Fiscal and Capital Costs

Fiscal and Debt Servicing	2,693,000	
Capital out of Gas Tax	1,031,000	
Capital and Infrastructure	<u>7,496,000</u>	11,220,000

TOTAL EXPENDITURE \$ 41,511,000

2013 Schedule of Rates & Fees

1.	<u>Property Tax</u>	
	Residential	6.7 mils
	Commercial	12 mils
2.	<u>Water and Wastewater Fees</u>	
	Residential	\$600 per unit
	Commercial	2.3 mils (minimum \$600)
3.	<u>Commercial Water Fees</u>	
	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	6.25 mils
4.	<u>Business Tax:</u>	
	Banks & Financial Institutions	74.2 mils
	Bulk Storage – Oil Companies	37.7 mils
	Professional Operations	23.0 mils
	Large Department Stores	20.0 mils
	Oil and Gas Service Industry	20.0 mils
	Recreational and Non-profit Organizations	11.2 mils
	Hotels/Motels/Private Schools	15.4 mils
	General Commercial	16.75 mils
	Day Care Facilities	Exempt
	Personal Care Homes	Exempt
	Agricultural Operations	2.91 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.	<u>Waste Collection Fees</u>	
	Automated Waste Collection Fees - Per Cart	\$20 per annum
6.	<u>Minimum Taxes</u>	
	Residential Property	\$200
	Commercial Property	\$250
	Business Tax	\$250
	Billboards (Per side)	\$100

Budget Highlights 2013

taxes

- Residential property tax rate reduced to 6.7 mils and commercial property tax rate reduced to 12 mils.
- Senior Citizens' 20% property tax discount to be provided to those who qualify.
- Interest exemption available to all senior citizens 65+ who remain current with tax payments.
- Interest exemption and tax deferral policy threshold moved from \$30,000 to \$40,000.
- Business tax exemption provided to all operators of daycares and personal care homes.

community groups

- Financial assistance of over \$700,000 to a variety of community organizations, including Frosty Festival, City Days, Mount Pearl Sport Alliance, Glacier Arenas, Admiralty House Museum, Mount Pearl-Paradise Chamber of Commerce, Seniors Independence Group and many, many more.

capital & debt management

- Debt ratio remains low at 6.5%
- Investment into City infrastructure of \$26.2 million.
- Continued investment to be made in community parks and playgrounds, including Phase 2 of enhancements to the parking lot and entrance of the Team Gushue Sports Complex, completion of a new dog park, construction of a new minor baseball field and continued construction of the recreation multiplex.
- Significant investment in roads and streets, including planning and Phase 1 of a revitalization of City infrastructure in the Donovan's Business Park.

regional services

- 21% of total budget covers costs of regional services – fire protection, water, wastewater treatment, waste disposal, and public transit. In 2013, these costs will amount to \$8.6 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

- Continued commitment to environmental sustainability through investment in green technology including:
 - composting programs for leaves and grass clippings.
 - construction of the new recreation multiplex in accordance with LEED Silver standards.
- Continuation of economic development initiatives including efforts to stimulate redevelopment and investment in key areas including Commonwealth Avenue and Topsail Road.
- Commitment to bring a new hotel development to Mount Pearl.
- Continuation of our new and innovative automated waste collection system.



senior management team

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

Michele Peach
Jason Collins
Jason Silver
Gerry Antle
Stephen Jewczyk

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