



2020 BUDGET AT A GLANCE

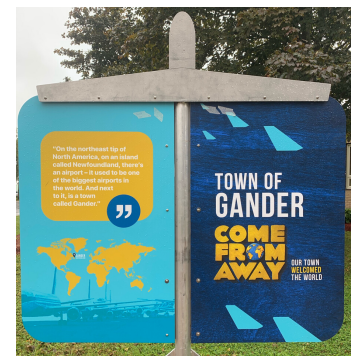




2019 SYNOPSIS

2019 Synopsis

- In 2019, the community saw the addition of 40 new residential homes, exciting new additions to our business community, and progress on several promising opportunities.
- Permits were issued for \$11.2M in new developments, expansions, renovations, and improvements.
- The Provincial Government committed to a new 60 bed long term care facility and the \$22.9M replacement for Gander Academy.
- The Gander and Area Chamber of Commerce reported their Tourist Information Centre welcomed over 24,000 visitors, an increase of 25% over last year. The North Atlantic Aviation Museum also reported visitor numbers were up by 33%.
- By early 2020, the new Wastewater Treatment Plant will be completed. Once operational, Gander will exceed the new federal requirements for the treatment of wastewater by the 2020 deadline.
- Council invested \$5.2M in road, sidewalk, and water and sewer upgrades, including the completion of work on Memorial Drive and resurfacing sections of Elizabeth Drive and Airport Boulevard.
- Significant investments were made in improving Laurell Road, Conrad Place and Wilcockson Crescent. Each saw a combination of upgrades, including new curb and sidewalks, upgraded water, sanitary and storm sewer infrastructure, and rebuilding and paving of the road itself.
- Work was completed on Cooper Boulevard, specifically the realignment of the Cooper Boulevard/Catalina Drive intersection and the extension of the dedicated turning lanes for both Edinburgh and Roe Avenues.





BUDGET 2020 HIGHLIGHTS

Operating Budget

Operating Budget Overview

In 2020, payroll costs are expected to account for 46%, supplies and services, 20.4%; debt charges, 15%; gas tax projects, 2.7%; electrical, 7%; and Council related expenses at 1.5%. All other expenses account for 7.4% of the overall operating budget.

Revenues of \$18,633,850 will offset operating expenses for the coming year. Revenues come from various sources with residential property tax and the water and sewer levy accounting for 48% of all revenue.

Commercial property, business, and water and sewer taxes contribute 35% towards the total revenue, tax exempt water and sewer at 3%; grants in lieu of taxes account for 4%; and Steele Community Centre revenue at 2%. The remaining 8% will be realized through a combination of federal and provincial grants, user fees and land sales.

The Town's debt payment to revenue ratio will increase from 13.4% to 15% in 2020, and then to 16.3% in 2021 as a direct result of the repayment of loans associated with the new wastewater treatment plant.

Impacting Factors

Factors contributing to this increase include: the financing and operation of our new wastewater treatment plant, escalating hydro costs, and higher labour costs.

Wastewater Treatment Plant

More than one-half of the additional expenses next year are directly associated with our new wastewater treatment plant. The Town's share of this \$30M investment is \$10M, which will be financed over 25 years at an annual cost of \$600,000. With an additional \$200,000 in annual operating expense, the total cost for 2020 is estimated to be \$800,000.

Escalating Hydro Costs

In the absence of confirmed provincial rate mitigation measures, the true impact of Lower Churchill power rates is unknown. Honeywell Canada predicts that hydro charges will increase by 50% in 2021, pushing the Town's annual electrical power expenses up by \$500,000.

Labour Rates

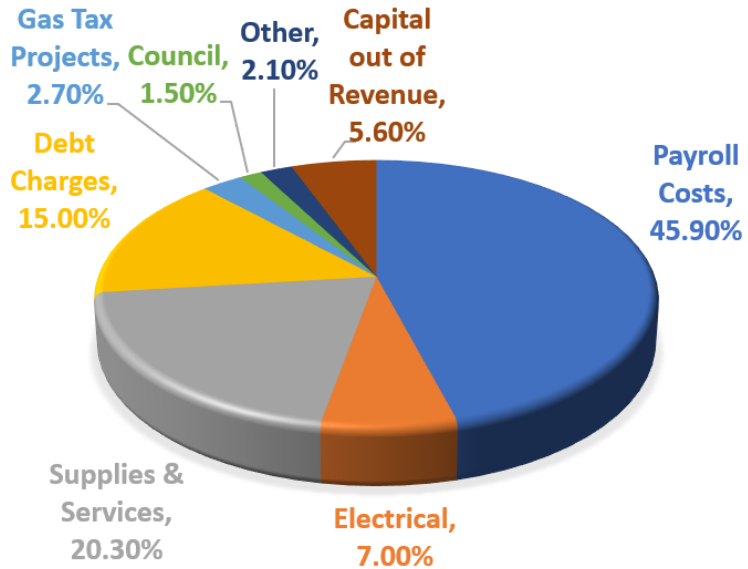
Earlier this year, Council reached agreements with its employees resulting in an increase in wage and benefit costs of \$170,000, bringing the 2020 cost to \$8.5M; approximately 46% of the total operating budget.



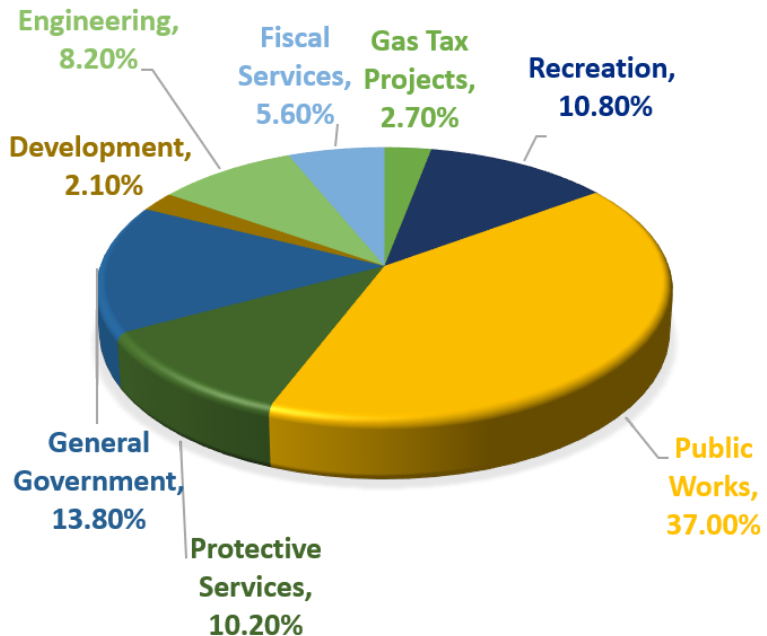
BUDGET 2020 HIGHLIGHTS

Operating Budget

Expenditure by Type



Expenditure by Department

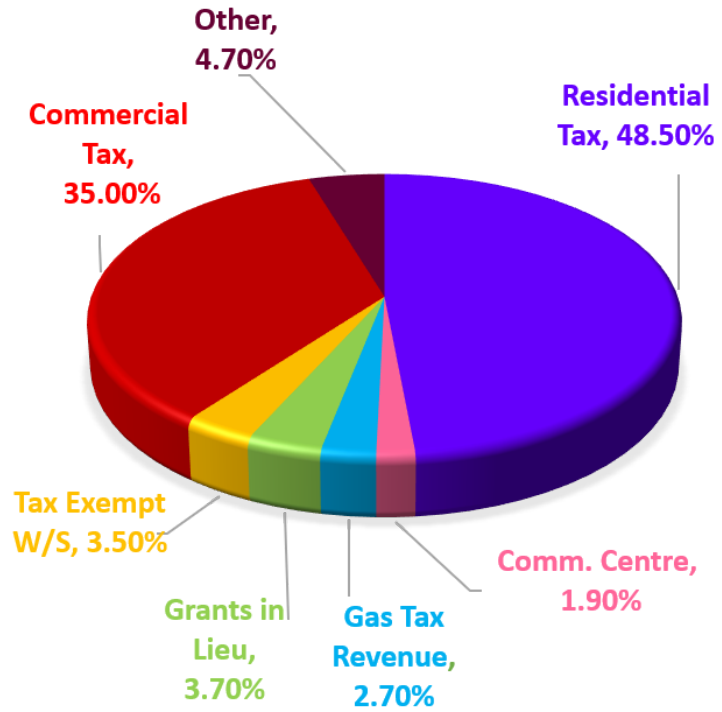




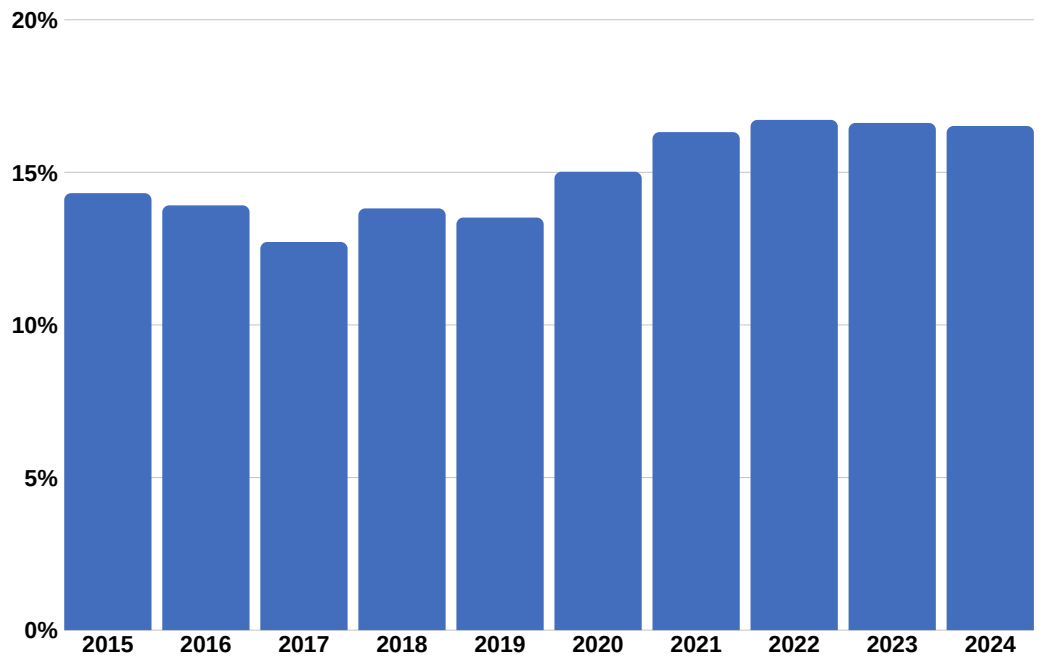
BUDGET 2020 HIGHLIGHTS

Operating Budget

Sources of Revenue



Debt Payment to Revenue Ratio





BUDGET 2020 HIGHLIGHTS

Operating Budget

Mitigating Measures

Council has taken several steps to mitigate increasing expenses.

Energy Reductions

The Town operates assets and systems that consume significant amounts of electricity or petroleum-based fuels. This past year Council began retrofitting, upgrading, and in some cases replacing less efficient systems. Planned investments include work at the Steele Community Centre, Water Treatment Plant, Public Works Depot, Fire Hall, and Town Hall. Council will also be considering energy saving changes to street lighting, the adoption of green technologies, and the use of electric vehicles. In addition to lowering energy costs, these measures are expected to reduce the Town's greenhouse gas emissions by 380 tons per year.

Staffing Adjustments

Council will be making a number of staffing adjustments to streamline some services and reduce costs. These measures include job consolidation, reductions in some staff benefits, and layoffs. Staffing will be reduced by the equivalent of five full-time positions for an annual savings of \$273,000. While there will be some reduction in services, the impact on the daily lives of residents should be minimal.

Training and Professional Development

Council will be reducing the staff training budget by \$77,000. Mandatory training for safety and professional designation purposes will not be affected by this reduction.

Council Conferencing

Each year Council attends conferences and training sessions offered by the Federation of Canadian Municipalities and Municipalities Newfoundland and Labrador. Council will be reducing its budget for these events by \$13,500, a 45% reduction.



BUDGET 2020 HIGHLIGHTS

Operating Budget

Mitigating Measures

Municipal Enforcement

As a growing community, Gander faces increasing traffic issues prompting a need for more focused enforcement measures. In 2020, Council will employ two full-time officers exclusively for traffic enforcement purposes. These officers will be scheduled to cover periods of high levels of motor vehicle activity. Responsibility for property related by-law enforcement will be assigned to current Engineering Department staff. This realignment of services is expected to save \$112,800 annually.

Grants and Contributions

Council will reduce some grants and contributions by 20%. The Community Partnership Fund will be reduced from \$44,000 to \$35,200, the Ambassador Program will be reduced from \$3,500 to \$2,800, the Tournament Hosting Program will be reduced from \$2,500 to \$2,000, and Council's contribution toward the operation of the North Atlantic Aviation Museum and its Beyond Words Tour will be reduced from \$36,000 to \$28,800. These adjustments will recognize annual savings of \$17,200.

Capital Out of Revenue

Council will increase capital-out-of-revenue purchases to approximately \$1M, up from \$82,800 in 2019. By doing so, interest charges of \$121,000 will be saved per year for ten years beginning in 2021.

Investments being made include:

- the replacement of workstations,
- a battery-operated Combi Tool (jaws of life/spreader),
- replacing three light vehicles,
- a new metal press plow,
- aerial photography,
- baseball field upgrading,
- a new bocce court,
- dog park grounds improvements
- the implementation of traffic calming measures along Cooper Boulevard.

Combined, mitigating measures will save a minimum of \$636,500 annually.



BUDGET 2020 HIGHLIGHTS

Operating Budget

New Spending

During the budget planning process, Council considered requests totaling approximately \$102,500 for new programs. While each had merit, considering the previously mentioned cost cutting measures, new spending was limited to a single initiative.

Council will be undertaking a full review of operations and organizational structure. With the guidance and assistance of an independent consultant, Council will conduct an in-depth review of each service provided, the resources required to offer each service, and determine how each can be improved or made more efficient.

Taxation

Council was unable to achieve budget objectives by further cuts without impacting core services and as a result, will require tax and fee increases of 5%. This means the residential property mil rate will increase from 6.95 to 7.3, while the water and sewer levy will increase from \$430 to \$450.

The commercial/business property mil rate will increase from 6.8 to 7.15. Commercial water tax will be based on a mil rate of 7.15.



BUDGET 2020 HIGHLIGHTS

Capital Budget

Capital Investments

Council will invest \$2.6M of work valued at \$8.5M in new major capital projects and equipment. The remainder of the funding will come from the Provincial and Federal governments.

Multiplex and Soccer/Track Facilities

Council has reevaluated its approach to the new multiplex and soccer/track and field facilities and will be applying for funding to complete the work in two phases. The first will be the completion of all site work and the development of a regulation sized artificial turf soccer field with a surrounding 400m, eight-lane running track. Council will be allocating \$2.5M for the first phase of this investment.

Steele Community Centre Upgrades

The Town will completely overhaul the ice making system, lighting, mechanical, and control systems. Working with Honeywell Canada, the Town has applied for financial assistance in the amount of \$2.38M from the Climate Change Challenge Fund (CCCF) and expects to invest \$635,000.

Other planned improvements include the installation of a new wireless network and furniture upgrades for the cafeteria.

Cooper Boulevard Traffic Plan

Council's 2019 budget allotted monies to complete a corridor-wide transportation plan for Cooper Boulevard, a main traffic route with significant development in recent years. The plan considers present and anticipated demands to determine functional requirements over the next 10 years. The study encompassed Cooper Boulevard from the Trans-Canada Highway to Magee Road, as well as adjacent developable lands.

Council has budgeted \$600,000 to implement the anticipated recommendations from the report.





BUDGET 2020 HIGHLIGHTS

Capital Budget

Capital Roads Program

The 2020 Roads Program will invest \$5,076,000 to complete the following road, curb and sidewalk, and water and sewer projects:

- Raynham Avenue, Corrigan Street to Cooper Boulevard – Replace subgrade and pave Magee Road, Memorial Drive to St. Paul’s School - Replace subgrade and pave
- Bennett Drive, Airport Boulevard to Shopper’s Drug Mart – Mill/resurface (1 Lane)
- Airport Boulevard, Bennett Drive to Armstrong Boulevard - Mill/resurface (1 Lane)
- Cooper Boulevard, Memorial Drive to Airport Boulevard – Mill/resurface
- Airport Boulevard, McCurdy Drive to Memorial Drive - Mill /resurface (1 Lane)
- Intersection of Airport Boulevard and Elizabeth Drive - Mill/resurface
- Alcock Crescent – Full rebuild
- Medcalf Street – Partial sewer upgrade
- Corrigan Street, Byrd Avenue to Johnson Crescent – Sidewalk, curb and resurfacing
- Brock Crescent – Curb and resurfacing



Other Major Capital Expenditures

An additional \$851,000 is required for other capital investments and improvements, including:

- a dump truck with salt insert,
- an ozone generator rebuild,
- a communications upgrade at the Water Treatment Plant,
- the replacement of the overhead furnace at the Public Works Depot,
- the industrial park lift station rebuild,
- the replacement of groomer,
- the replacement of emergency exit doors at the Steele Community Centre,
- an enclosed trailer, and
- stage panels.