

Managing Growth



TOWN OF GANDER 2014 OPERATING & CAPITAL BUDGETS





Town Council of Gander
2014
OPERATING & CAPITAL BUDGETS

Presented to Mayor Elliott and Council
By Deputy Mayor Cyril Abbott, Finance and Administration Committee Chair
December 18, 2013



Town of Gander

2014 Operating & Capital Budget Report *(Check against delivery)*

Mr. Mayor, Fellow Councillors, Ladies and Gentlemen:

As Deputy Mayor and the Chair of the Finance and Administration Committee, I am pleased to present the Town of Gander's 2014 Budget.

This evening, I will highlight three main contributing factors and the challenges that we have faced during the development of this budget while maintaining and enhancing programs and services and meeting our ongoing capital requirements. These include the pressure of new growth and development, the loss of the Municipal Operating Grant and climate change.

Mr. Mayor, our 2014 budget is about growth, specifically responding to the demands of past growth while positioning our community for continued expansion and diversification. During the past several weeks, my colleagues and I, along with our senior management team, have reviewed all expenditures to develop the 2014 Budget. Council recognizes that to maintain service levels and position Gander for continued growth, we must invest strategically and wisely.

Growth

The Town of Gander has experienced tremendous growth over the past 10 years. Between 2004 and 2013 we have added 842 new homes. This represents a 27% increase in the total number of houses in just 10 years.

An additional 27 new streets have been added with a total of 16 kilometres of additional roads and water and sewer infrastructure. That's an increase of approximately 26% in both the total number of streets and their associated infrastructure.

The number of new businesses has almost doubled.

While growth and development are important to the long-term future of any community, they do create additional challenges. Demand for services increases and costs escalate. Coupled with this is the ongoing demand for improving and expanding existing capital infrastructure. Our 2014 budget represents a significant commitment to continued growth.

Municipal Operating Grant

Earlier this year, the provincial government announced the elimination of Municipal Operating Grants for the seven largest communities within the province, retroactive to January, 2013. In its place we were provided with a one-time Capital Works Funding Program in the amount of \$2.2 million, cost-shared 70/30.

While the capital contribution was welcomed, it was still necessary to adjust our operating budget to recognize the loss of the Municipal Operating Grant in the amount of \$360,900, more than 3% of our annual operating budget. The Province has repeated commitments to develop a new fiscal arrangement and negotiations are ongoing between the province and Municipalities Newfoundland and Labrador. We believe that a new fiscal agreement is required if municipalities are to be sustainable in the long term.

Climate Change

Mr. Mayor, worldwide weather events in recent years have clearly demonstrated the reality of climate change. Our community alone has seen three 1-in-100-year storm events in just the past four years. Council recognizes that, while our current systems function as designed, newly anticipated regulatory requirements and changes in the environment require immediate action. Although it is one of the most expensive investments a municipal government must make, Council will be taking proactive and aggressive measures to enhance our water and sewer infrastructure systems over the next several years.

OPERATING BUDGET

Council's overall operating budget for 2014 is \$14,031,161. This includes a 5% tax increase required for continued regular operations and services in the absence of the Municipal Operating Grant, as well as provisions for enhanced services and new programs.

Mr. Mayor, 2014 will see investment that will enhance or expand our current services and introduce new programs and services identified as prerequisites for future success.

Strategic Plan

It is Council's belief that one of the foundational pieces for good municipal governance is a strategic plan. In 2014, Council will invest up to \$60,000 for the creation of a plan that will guide our community for the next five years. It is our intention to fully engage residents, business owners, community stakeholders and strategic partners throughout the process. Once completed, this document will serve as a structured and goal-oriented plan for governing, maintaining and growing our community. It will set our priorities and plans for municipal infrastructure maintenance, expansion and replacement; public safety; recreational programming; and continued economic growth and diversification.

Enhanced Online Services

In 2014, Council will focus on improving online access to services. \$20,000 will be invested in a new Virtual Town Hall system, which will allow residents, businesses, developers and contractors direct online access to a number of additional services including building permits, tax certificates and account payments and inquiries.

An additional information technology position is also being created to assist with the increased demands of accounting, human resources, inventory management and online supports and services.

Public Safety

As Gander continues to grow, we face ever-increasing demand on our fire and protective services resources. In 2014, Council will invest \$1,105,500 in Gander Fire Rescue including \$50,000 for an additional full-time firefighter. Another \$210,000 has been allocated in the capital budget for a new Mobile Command Vehicle.

Our municipal enforcement resources will also be increased with the addition of a third full-time Municipal Enforcement Officer and a second patrol vehicle. The additional officer will enhance our efforts in by-law enforcement, animal control and, of course, traffic control.

The addition of a new administrative support position will help ensure Gander Fire Rescue and the Municipal Enforcement Department will be able to spend more hours each day focused on their training, regulatory and enforcement duties and not behind a desk.

Recreation and Community Services

The demand for recreation programming and infrastructure has been increasing parallel to our overall growth. In order to meet the expectations and needs of a changing demographic with evolving recreational interests, Council will be investing \$40,000 to create a new Program Coordinator position.

Additional resources have also been added for the operation and maintenance of the redeveloped Cobb's Pond Rotary Park.

**TOWN OF GANDER
2014 BUDGET - SUMMARY**

	PROJECTED 2013	BUDGET 2013	BUDGET 2014
REVENUES			
Property Taxes - Residential	5,850,286	5,798,900	6,400,000
Property Taxes - Commercial	1,128,007	1,120,000	1,211,400
Business Taxes	1,776,998	1,767,000	1,892,500
Water/Sewer Tax	1,614,562	1,633,500	1,710,500
Business Taxes from Utilities	754,287	710,000	794,100
Grants in Lieu of Taxes	317,539	317,000	333,000
Municipal Operating Grant	0	360,900	0
Provincial Share Debt Grant	223,265	223,265	178,082
Gas Tax Grant	420,279	420,279	420,279
Land Sales	33,427	0	60,000
Community Centre	306,116	305,500	339,400
Special Events	89,862	99,300	87,800
Other Revenues	656,419	518,300	604,100
Total Revenues	13,171,047	13,273,944	14,031,161

EXPENDITURES - By Department

General Government	1,960,219	2,037,400	2,068,700
Fire	956,276	959,100	1,105,500
Municipal Enforcement	226,782	214,400	289,000
Municipal Works	5,882,704	5,909,300	6,178,800
Development	304,567	345,800	322,600
Tourism & Festival of Flight	353,015	348,800	342,200
Parks & Recreation	1,006,088	970,300	1,130,000
Fiscal Services	1,837,852	1,845,300	1,996,000
Gas Tax Projects	420,279	420,279	420,279
Provincial Share Debt Charges	223,265	223,265	178,082
Total Expenses	13,171,047	13,273,944	14,031,161
Surplus/Deficit	0	0	0

EXPENDITURES - By Type

Direct Payroll Costs	4,645,213	4,735,600	5,134,200
Indirect Payroll Costs	1,009,242	1,049,200	1,105,600
Supplies & Services	3,212,397	3,173,400	3,409,600
Electrical	1,122,520	1,111,000	1,127,700
Insurance	204,993	206,000	176,000
Donations	237,652	173,500	179,900
Capital out of Revenue	30,781	36,000	23,000
Gas Tax Projects	420,279	420,279	420,279
Special Events	192,489	182,500	179,000
Debt Charges - Town Share	1,687,253	1,773,300	1,919,500
Debt Charges - Provincial Share	223,265	223,265	178,082
Council	184,963	189,900	178,300
Total	13,171,047	13,273,944	14,031,161

Revenue & Expenditure Summary

Sources of Revenue

Residential Taxes	46.2%
Commercial Taxes	36.9%
Tax Exempt w/s	3.6%
Gas Tax Revenue	3.0%
Community Centre	2.4%
Grants in Lieu	2.4%
Other	5.4%

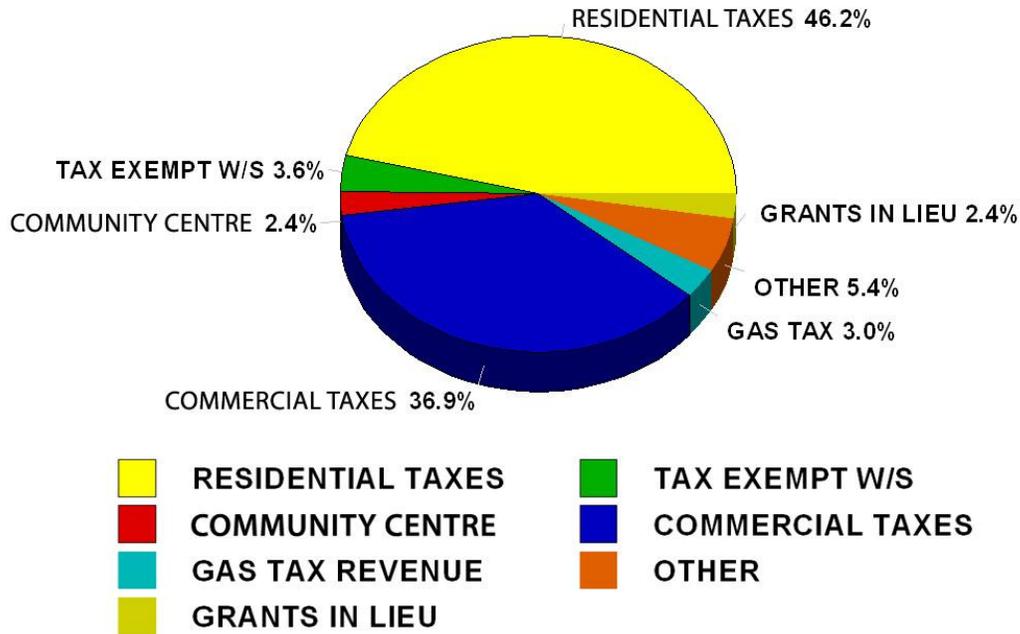
Expenditures by Department

Municipal Works	44.6%
General Government	14.9%
Fiscal Services	14.4%
Protective Services	10.1%
Parks and Recreation	8.2%
Development & Tourism	4.8%
Gas Tax Projects	3.0%

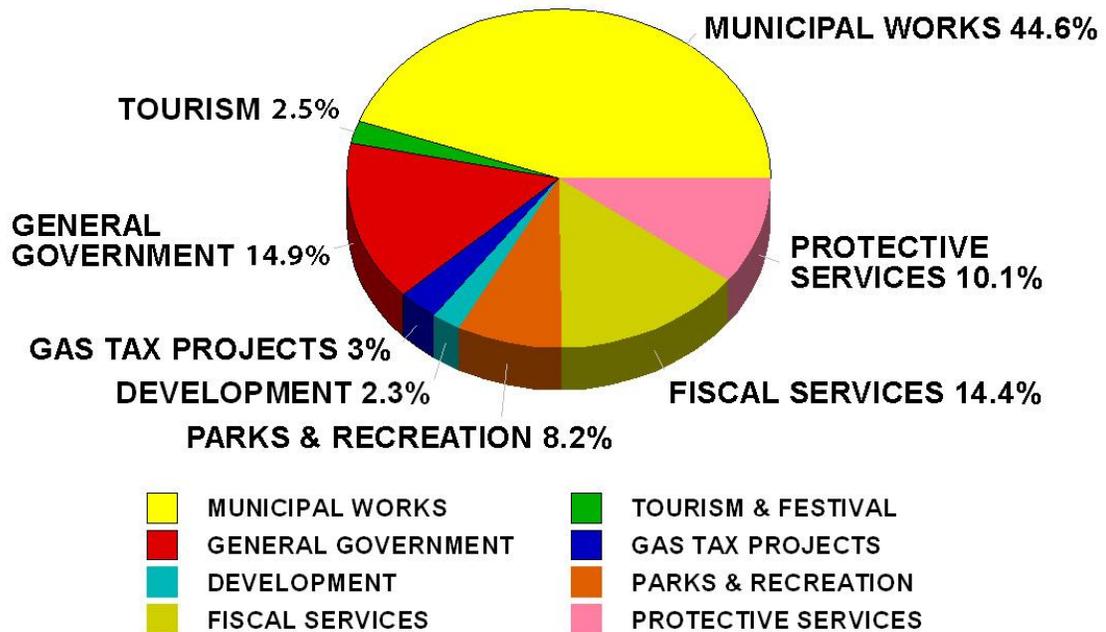
Expenditures by Type

Payroll Costs	45.0%
Supplies and Services	24.6%
Debt Charges	13.9%
Electrical	8.1%
Gas Tax Projects	3.0%
Insurance	1.3%
Council	1.3%
Other	2.8%

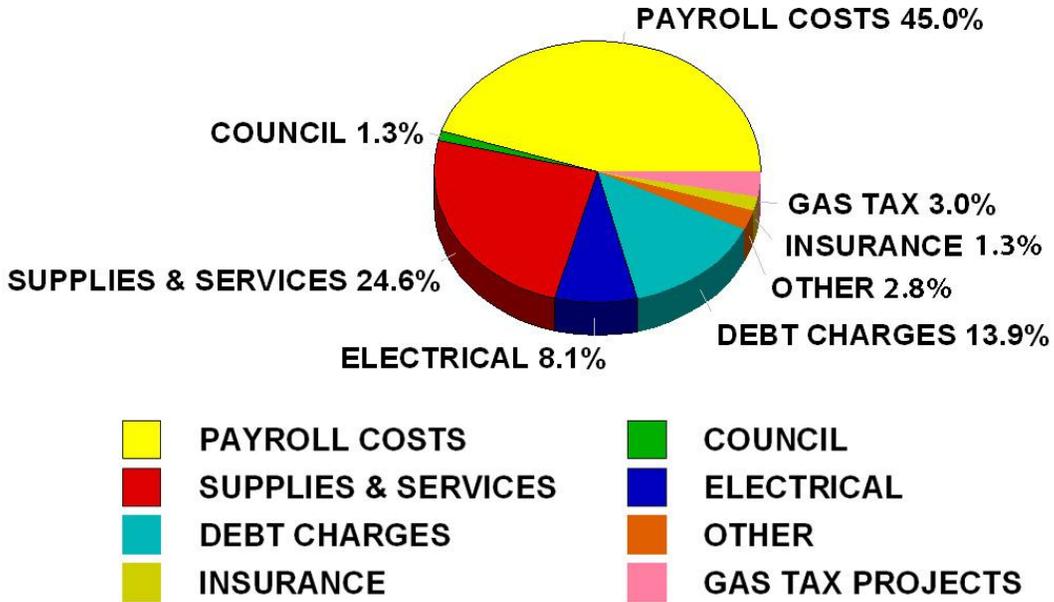
SOURCES OF REVENUE



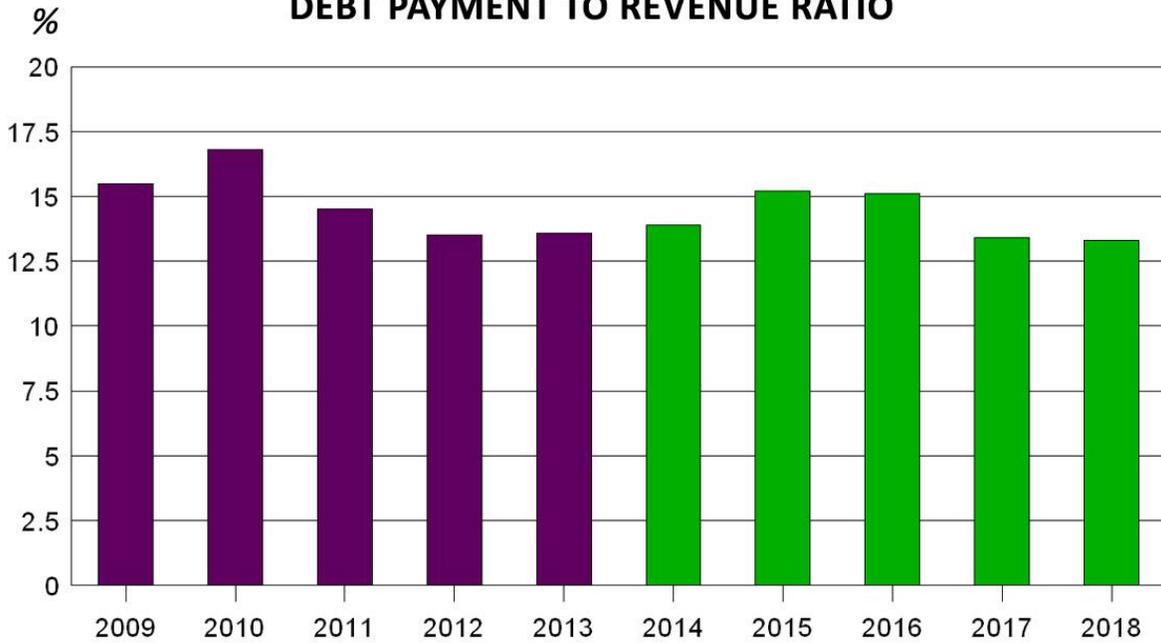
EXPENDITURES BY DEPARTMENT



EXPENDITURES BY TYPE



DEBT PAYMENT TO REVENUE RATIO



CAPITAL BUDGET

Each year, Council undertakes number of major capital projects and purchases that focus almost exclusively on roads, water and sewer infrastructure and related services. In 2014, we will invest \$11,027,350 in major capital projects and equipment.

Roads Program

Mr. Mayor, I am pleased to announce that the 2014 Roads Program will invest \$4,958,250 to complete road, curb and sidewalk projects, including:

- Rebuild/Repave Memorial Drive from Lothian Ct. to Cooper Boulevard
- Repave Section of Magee from T'Railway to Airport Boulevard
- Repave Cooper Boulevard from Mitchell to Magee
- Repave Brown Crescent
- Repave Caldwell Street
- Repave Town Hall Parking Lot
- Complete Resurfacing Section of Rowsell Boulevard
- Replace Sidewalk on Grandy Avenue

Water and Sewer

Mr. Mayor, as I mentioned earlier, whether you choose to accept or deny scientific claims regarding climate change, the fact remains that we have seen three 1-in-100-year storm events in the past four years alone. In anticipation of more such events, and to comply with future regulatory standards with respect to wastewater management, Council will be taking proactive and aggressive measures to enhance our water and sewer infrastructure.

Council has allocated \$4,820,000 for water and sewer projects in 2014. Of this, \$3,135,000 is expressly for the purposes of increasing the capacity of our water and sewer infrastructure in areas prone to flooding during major storm events.

Areas of concern and associated projects include:

- Peterson/Edinburgh: New Trunk Sewer to Beaverwood
- Memorial (T'Railway to Beaverwood): New Sanitary Sewer Main
- Blackwood: Repave Road & Upgrade Sanitary and Storm Sewer Mains
- Alcock: Install Storm Sewer System
- Blair, Johnson and Lewington: Install Overflow Pipes from Morgan
- Mattern and Collishaw: Install Overflow Pipe from Morgan
- Bennett (Heath to Towers): Upgrade Line from 450mm to 600mm
- Bowes: Replace Sanitary Sewer from Earhart to Jackson Trail
- Gordon: Storm Sewer Upgrade at Byrd Intersection

Another \$1,685,000 will be set aside for the future addition of a new state-of-the-art wastewater treatment facility.

Other Major Capital Projects

Other major capital investments include:

- Constructing a chlorine booster station on Magee Road
- Replacing a loader and plow
- Replacing the Gander Fire Rescue Mobile Command Vehicle
- Purchasing two new municipal enforcement vehicles
- Replacing four light vehicles
- Replacing the emergency generator at the water reservoir

And finally, Mr. Mayor, Council recognizes that the closing of the Town's landfill site left many residents with few to no options for disposing of solid household waste and surplus items such as furniture, appliances, personal items and general refuse. Council intends to establish a waste transfer site for the use and convenience of our residents. The facility should be operational no later than the beginning of the fourth quarter of 2014.

ENABLING MOTIONS

The Committee recommends, and I move, approval of the various 2014 Tax Rates and Fees which have been established within this Budget, as attached.

The Committee recommends, and I move, that March 31, 2014, be established as the due date for payment of all taxes.

The Committee recommends, and I move, that all taxes that are in arrears after March 31, 2014, will be charged a simple interest rate of 12% per annum and will be charged at the end of the month. For those property owners who elect to pay their property tax monthly by post-dated cheque or pre-authorized bank payment, the due date is the last banking day of the month in which the tax is payable and will be considered overdue if unpaid after the end of the month and the simple interest rate will be set at 12% per annum. All other invoices, including those issued because of supplementary assessments, are due 30 days from the date of issue and all invoices in arrears at the end of the month following the issuance will be subject to simple interest charges of 12% per annum.

The Committee recommends, and I move, the adoption of the 5-Year Capital Plan as attached.

The Committee recommends, and I move, adoption of the 2014 Operating & Capital Budgets as presented.

The Operating & Capital Budgets will be available at the start of tomorrow's business day at the Town Hall or online at www.gandercanada.com.

Mr. Mayor, the preparation of the 2014 Budget required many of hours of preparation and meetings before it could be presented to you and Council tonight for consideration. At this time, I would like to thank all of Council, management and staff for their assistance in preparing this balanced budget. I would also like to thank the media for attending and assisting in tonight's presentation.