

MINUTES

Regular Meeting of Council
Wednesday, July 5, 2023 @ 4:00 pm
Council Chambers

Present:	P. Farwell	Mayor
	B. Ford	Deputy Mayor
	T. Pollett	Councillor
	W. Hoffe	Councillor
	S. Handcock	Councillor
	P. Woodford	Councillor

Advisory and Resource:	D. Chafe	CAO
	B. Hefford	Town Clerk
	K. Bull	Deputy Municipal Clerk
	J. Newman	Manager of Technical Services, Planning and Development
	H. Lowe	Director of Public Safety & Protective Services
	J. Knee	Director of Community Services
	K. White	Communications Officer

1. CALL TO ORDER

The Meeting was called to order at 4:00 p.m.

2. VISITORS/PRESENTATIONS

3. APPROVAL OF AGENDA

Motion #23-118

Approval of Agenda

Moved by Councillor Pollett and seconded by Councillor Woodford that the Agenda for the Regular Meeting of Council on June 7, 2023 be adopted as presented.

In Favour: 6 Opposing: 0

Decision: Motion carried.

4. MINUTES FOR APPROVAL

Motion #23-119

Regular Minutes for Approval

Moved by Councillor Handcock and seconded by Councillor Pollett that the Minutes from the Regular Meeting of Council on June 7, 2023 be adopted as presented.

In Favour: 6 Opposing: 0

Decision: Motion carried.

Motion #23-120

Special Minutes for Approval

Moved by Councillor Woodford and seconded by Deputy Mayor Ford that the Minutes from the Special Meeting of Council on June 23, 2023 be adopted as presented.

In Favour: 6 Opposing: 0

Decision: Motion carried.

5. BUSINESS ARISING FROM PREVIOUS MINUTES

6. REPORTS – STANDING COMMITTEES:

A. Community Services Committee:

The Community Services Committee report was presented by T. Pollett, Councillor/Chair.

The Community Services Committee meeting was held on June 21, 2023. The meeting was chaired by T. Pollett, Councillor. Other members present included: B. Ford, Deputy Mayor; W. Hoffe, Councillor; and J. Knee, Director of Community Services.

The following items were discussed:

Gander & Area Snowmobile Club

The Committee reviewed a letter from the Gander & Area Snowmobile Club for assistance with improvements to the trail system which include grading and sign improvements. The Director will follow up with group leadership to get a better understanding of the specific requests from the Town of Gander and then complete an assessment as to what resources can be offered. In the past, the Town of Gander has assisted by providing in-kind contributions and, in some

instances, an equipment loan agreement. The Planning & Public Works Department will be consulted to understand how they may be of assistance.

Rowsell Playground Concern

The Committee reviewed correspondence regarding a water body near the Rowsell Playground. This area is part of an environmental area that is designed to be maintained as a natural runoff to and from waterbodies that are integrated into the design of the subdivision. The amount of water in these natural areas change pending weather conditions, precipitation, and time of year. At this time, the Department is not recommending upgrades, but will continue to monitor the situation.

Little Cobb's Pond Boardwalk

The Committee reviewed the boardwalk to Little Cobb's Pond and identified the need for some repairs. Some of the boards need to be replaced and the brush needs to be cut back. The Department will review and see what repairs can be done within this year's maintenance budget.

Festival of Flight

The Festival of Flight is taking place from August 3rd – 7th and event staff are busy preparing for the event. The full schedule will be available soon, but the Department is pleased to advise that Rib Fest will be returning this year. As always, we encourage community groups to take part in the Festival of Flight, and any group interested in running an event during this year's festival is asked to contact the Department of Community Services at 709-651-5927.

Arts & Culture Centre's Request

The Arts & Culture Centre has requested a donation of 43 Commander Gander stuffed toys for the cast and crew of the Come From Away production being held in Gander this summer. The approximate cost of this donation is \$655. The Committee agreed to provide these at no cost.

Upcoming Events

The following events will take place in the coming months:

July 14 – 16	U13 Female Slo-pitch Softball Tournament
July 16	Great Benjamin Circus – Two Shows 1:30 p.m. & 4:30 p.m.
August 3 - 7	Festival of Flight

Councillor Woodford left at 4:15 p.m.

B. Economic Development Committee:

The Economic Development Committee report was presented by Councillor Woodford/Chair.

The Economic Development Committee meeting was held on June 21, 2023. The meeting was chaired by P. Woodford, Councillor. Other members present included: S. Handcock, Councillor; T. Pollett, Councillor; and D. Chafe, CAO.

The following items were discussed:

Development Officer's Report

The Development Officer provided a full briefing on current developer and investor interests in our community. Most is directed toward residential housing projects, specifically multi-density, and affordable housing developments. Interest from commercial and industrial developers is also high with national franchise and manufacturing investors continuing to explore opportunities. The Development Officer noted the importance for ensuring an adequate supply of residential, commercial, and industrial land as well as the benefits of an official land bank. The Committee appreciates the importance of securing new investment and has asked staff to make recommendations and propose measures necessary for the same.

Physician Recruitment and Retention

The CAO presented the Committee with the latest draft of a framework for a Physician Recruitment and Retention Strategy. The strategy will employ initiatives and events aligning with four pillars; engagement, advocacy, support, and recognition. Independent Recruitment and Retention Specialists consulted while developing this framework were pleased with its direction and believe it will be an effective tool. Staff has been asked to continue fleshing out the strategy and provide a further update at the next meeting.

Critical Minerals Strategy Engagement

The Government of Newfoundland and Labrador, through the Department of Industry, Energy and Technology, is currently developing a critical minerals strategy. This strategy will help realize economic and social benefits for the people of this province through securing opportunities in developing critical mineral supply chains.

The Department has begun engagement through the Government of Newfoundland and Labrador's online engagement platform, EngageNL. Individuals, organizations, and stakeholders are encouraged to provide input by either participating in virtual sessions, completing an online questionnaire, or providing a written submission. Those interested should visit www.engagenl.ca for further information.

Community Ambassador/Navigator Program

Staff presented information on a new Ambassador/Navigator program that would match newcomers with a local resident willing to introduce them to the community and assist them as they settle. As a Community Navigator, they might assist with finding accommodations, registering children for school or locating and arranging for specific services.

The Committee fully supports the Ambassador/Navigator concept and has asked staff to provide more details at the next meeting.

C. Public Safety and Protective Services Committee:

The Public Safety and Protective Services Committee report was presented by Councillor Hancock/Chair.

The Public Safety and Protective Services meeting was held on June 22, 2023. The meeting was chaired by S. Hancock, Councillor. Other members present included: P. Woodford, Councillor; T. Pollett, Councillor; H. Lowe, Director of Public Safety & Protective Services/Fire Chief; and T. Byrne, Administration Human Resources Coordinator.

The following items were discussed:

Fire on Ogilvie Street and Abandoned Buildings around Town

The Committee reviewed correspondence from a resident expressing concerns around abandoned buildings and the need of a secondary exit from the Ogilvie Street area.

A recent fire in the area has highlighted the risks associated with abandoned buildings and the importance of accessibility and egress in the Ogilvie neighborhood. Council understands and shares these concerns and has asked the Planning and Public Works Department to explore options for mitigating the risk of both.

Animal Control Complaints

The Town of Gander has Animal Control Regulations, which provide specific authority to regulate and enforce animal activity in the municipality. Our Municipal Enforcement Officers can only take actions permitted under these.

We occasionally receive complaints not covered under our regulations including incidents which other authorities may have separate and unique jurisdiction over. These would include infractions where criminal and civil penalties apply.

The Town of Gander will continue to respond to Animal Control complaints within its jurisdiction and will assist investigations undertaken by other Authorities where appropriate.

Councillor Pollett left the Committee meeting.

Department Update for June 2023

The Committee discussed the Department Updates for the month of June. They are as follows:

- Gander Academy Breakfast Program – Gander Fire Rescue volunteers are helping out on Wednesdays. The last one was June 21, 2023.
- Municipal Enforcement Officers are trying to get the Paint the Pavement program going, but the weather is not cooperating. There may be a possibility of another group assisting with the project over the summer months.
- Gander Fire Rescue had 140 kindergarten students from Gander Academy come in for safety talks and tours.
- Gander Fire Rescue & Municipal Enforcement Officers had vehicles at Gander Academy from the kindergarten graduations.

D. Planning and Public Works Committee:

The Planning and Development Committee report was presented by Councillor Handcock/Chair.

The Planning and Development Committee was held on June 27, 2023. The meeting was chaired by S. Handcock, Councillor. Other members present included: B. Ford, Deputy Mayor; T. Pollett, Councillor; M. White, Councillor; and J. Blackwood, Director of Planning and Public Works.

The following items were discussed:

Crosswalk – Markham/Lindbergh/Airport

The Committee discussed the operation of the Markham/Lindbergh/Airport traffic lights which are currently in flash mode and inquired as to what measures could be undertaken to reactivate the pedestrian crossing function. The Director advised that a malfunctioning control board, within the controller, would have to be replaced and the lights would have to be placed back into full sequential function.

With the increased activity in the adjacent sports facilities on both sides of Airport Boulevard and the desire of pedestrians to cross at this location, the Committee feels the lights should be reactivated to full control mode including the ability to activate the pedestrian crossing function. The equipment is budgeted, and the department will undertake procurement to complete the repairs.

Federal Funding for Food Trees

The Committee reviewed correspondence regarding a federal program entitled 2 Billion Trees (2BT) which provides financial support to organizations to plant trees over a 10 year period.

The program is taking a significant step forward in Canada's approach to tackle the dual crises of climate change and biodiversity loss. These trees will capture and store carbon from the atmosphere, improve air and water quality, help to restore nature and biodiversity, cool our urban centres, and create and support thousands of green jobs.

Healthy forest ecosystems are home to thousands of living organisms. Forests supply us with food, provide shelter and shade, and hold spiritual significance for many, particularly within Indigenous cultures.

The goal is to partner with provinces, territories, non-profit organizations, businesses, and Indigenous governments and organizations, to reach the two billion trees planted goal.

After discussion, the Committee recommends that this item be forwarded to Management for further discussion and evaluation as a possible program for the Town of Gander.

Notable Dates

- Upcoming Waste Transfer Station dates are scheduled for July 8th & August 12th. The hours of operation are 8 a.m. – 4 p.m.
- Garbage collection for the Civic Holiday observed on Monday, August 7th has been rescheduled to Wednesday, August 9th.

Council would like to remind residents that details of notable dates and events can be viewed on the Town of Gander Website at www.gandercanada.com

E. Governance & Legislative Services Committee:

The Governance & Legislative Services Committee report was presented by Deputy Mayor Ford/Chair.

The Governance & Legislative Services Committee was held on June 28, 2023. The meeting was chaired by B. Ford, Deputy Mayor. Other members present included: T. Pollett, Councillor; W. Hoffe, Councillor; and B. Hefford, Town Clerk/Director of Governance.

The following items were discussed:

Accessibility Plan

The Accessibility Act came into effect on December 3, 2021. This is enabling legislation and is meant to improve accessibility by preventing, identifying, and removing barriers that prevent persons with disabilities from fully participating in society.

The Act requires all public entities, including municipalities, to develop and implement accessibility plans. As per section 22 (1) of the Act, public entities must complete and make public

their initial accessibility plan by December 31, 2023, and are required to update the plan every three years.

Gander Pride Board – Request for Sponsorship

The Gander Pride Board is planning a series of events for Pride Week, August 8 – 13, 2023. They have requested Council's support with a kick-off BBQ in the form of a cash donation of \$400 and an in-kind donation of tables, chairs and BBQs.

The Committee fully supports the Gander Pride Board and will offer the donation and provide in kind.

Urban and Rural Planning Act Circular

The Committee reviewed correspondence from the Department of Municipal and Provincial Affairs (MAPA) in relation to the Urban and Rural Planning Act.

The Deputy Minister advised that Regional Appeal Boards have been replaced with Adjudicators to hear appeals authorized under legislation. Appeals may now be heard by teleconference, videoconference, or other electronic means, as determined by the adjudicator.

Immigration Matters - Welcoming Week

Immigration, Refugees and Citizenship Canada has announced that Welcoming Week will take place from September 8th to 17th 2023. Welcoming Week is an opportunity to recognize and celebrate the people, places and values that make everyone feel welcome and give them a sense of belonging in their new communities.

The Committee would like to participate in this initiative to make newcomers feel welcome, and since any event would require extensive staff involvement, this item will be referred to Management.

New Municipal and Provincial Affairs Minister

As a result of the recent Cabinet Shuffle in the Provincial Cabinet, the Honourable Dr. John Haggie has been named as the Minister of Municipal and Provincial Affairs. Minister Haggie had previously held the portfolios of Education and Health. The Committee looks forward to working with Dr. Haggie in his new role as the Minister of Municipal and Provincial Affairs, as naturally, Council works very closely with his department.

NLHS External Stakeholder Letter

The creation of NL Health Services was announced by the Provincial Government in Budget 2022, following recommendations from Health Accord NL. NL Health Services brings together four

Regional Health Authorities (RHAs) – Eastern Health, Central Health, Western Health, Labrador-Grenfell Health – and the Newfoundland and Labrador Centre for Health Information (NLCHI).

The NL Health Services introductory website has been launched. The URL is www.NLHealthservices.ca. The Central Health website is still active but will be phased out over time. NL Health Services is also active on Facebook, Twitter, LinkedIn and YouTube.

FCM Update

The Federation of Canadian Municipalities Annual Convention was held in Toronto from May 25th to May 28th. The Town of Gander is a proud member of this national association, which has a mandate to advocate for municipal councils, seek partnership with other levels of government, and improve the ability of local governments to meet their obligations to residents.

The theme of the 2023 convention was **Local Action – National Results**. Mayor Farwell, Councillor Pollett and the Director of Governance and Legislative Services attended from the Town of Gander. The conference was comprised of workshops, study tours, keynote speakers and networking events. These interactions are vital in understanding where municipalities, such as Gander, align with communities throughout the country on issues that impact the municipal landscape. From Prime Minister Justin Trudeau’s keynote speech to the Study Tours, the tone of this year’s conference was very clear - municipalities nation-wide are being challenged to increase local capacity to sustain growth into the future. Basic community infrastructure such as housing, water and sewer, and transportation are proving to be the key building blocks required for Canada’s prosperity. Locally, we face these challenges and must overcome them to ensure Gander’s continued growth. Increasingly, local governments are being asked to do more with less to solve complex issues, perhaps the most pressing issue being housing. Even though funding and responsibility lies with other levels of government, there is an acknowledgement that municipalities are best equipped to meet the local needs in a timely and efficient manner.

Across Canada, towns and cities are responding to these demands, and our learned experiences are the foundation for new programming and funding solutions. It was interesting to see a shift in how the Federation of Canadian Municipalities recognizes rural Canada as a critical part of the Canadian solution, and their changing advocacy efforts to other levels of government. The commonsense leadership and innovative approach to government is emerging as a model for getting action and stands in contrast to the top-down model by other levels of government.

Overall, the sessions were interesting and the opportunity to meet and network with municipal peers from across the country was invaluable.

OBS Update

The Town of Gander continues to participate in update meetings with officials from the NL Health Services. In addition to health officials, the community is represented by members of the Mayor’s Advisory Committee, who participated in and informed much of the Town of Gander’s Health

Accord submissions; and the Citizens Health Action Group (CHAG) who were active in the advocating for the need for continued OBS services.

The update included:

- Active recruitment for physicians is underway with planning to mitigate various factors that could be deemed as barriers. It was noted that this is a very competitive area of physician recruitment and caution is always used when securing recruitment prospects.
- Nursing recruitment, training, and upskilling is being undertaken to ensure that the required complement of nurses will be in place when the service is ready for reinstatement. This program in Gander has been identified as a high priority with international recruitment efforts.
- Renovations within the James Paton Memorial Regional Health Centre are underway to ensure that upgrades required to modernize the Obstetrics Ward are completed in advance of the required Human Resources planning.

Though officials are reluctant to offer target dates for reinstatement, they did assure the community representatives that this has been mandated as a high priority from all government officials and the staff are dedicating specialized resources to ensure babies are born at James Paton Memorial Regional Health Centre as quickly as possible, while ensuring that the highest protocols for patient health and safety are adhered to and the foundation for a long term sustainable service is in place. Proposed action is to facilitate stakeholders in a planning exercise.

Event Communications Plan

Kayla White, Communications Officer with the Town of Gander, joined the meeting to review the Event Communications Plan. The plan is essentially a form to be completed by staff or Councillors who are planning an event that they would like promoted. Currently, staff and Council rely on email to communicate with the Communications Officer.

The form will streamline the communications process and help ensure adequate information is provided to the Communications Officer.

Student Welcome Event

The Committee feels that it would be appropriate to coordinate a Welcome Week for post-secondary students in September. It would be necessary to engage student services officers and/or students from the post-secondary institutions to plan events. Business owners may also be interested in hosting events or offering discounts on services for new students for a limited time.

Council Engagement Report

Effective engagement within the community is crucial for local governance, as it fosters transparency, inclusivity, and collaboration. The following is a brief highlight of some activities and initiatives undertaken by Council since the previous meeting.

Over the past month, Council actively engaged in several events and initiatives. To offer a glimpse, here are some noteworthy examples:

- Recreation NL Conference
- Supporting and participating in the Pride Crosswalk Painting
- Raising the Pride Flag for Pride Month
- A celebration of Bombardier's contributions to CNA and its aviation students/programs
- Federation of Canadian Municipalities Annual Convention
- Atlantic Mayors Congress
- DND CAF Ombudsman 9 wing Gander Outreach Visit
- 9th Annual Loukoumi Foundation Make a Difference Awards
- Raising the National Blood Donor Week Flag
- Broadening Horizons - Pre-Employment Program and Gander Green Depot Grand Opening
- CNA & Gander Collegiate Graduation Ceremonies

F. Corporate Services Committee:

The Corporate Services Committee report was presented by Councillor Hoffe/Chair.

The Corporate Services Committee meeting was held on June 28, 2023. The meeting was chaired by W. Hoffe, Councillor. Other members present included: P. Woodford, Councillor; T. Pollett, Councillor; and K. Hiscock Director of Corporate Services.

The following items were discussed:

Delegation – Audited Financial Statements

The Town's Auditor, Kim Humphries Professional Corporation presented the 2022 Audited Financial Statements to the Corporate Services Committee for review.

The 2022 statements indicated a surplus of \$1,863,796 due to the requirement to recognize federal and provincial funding as revenue for capital projects. Funding for the new Wastewater Treatment Plant and the Track & Soccer Fields were the main contributors.

The surplus identified is in accordance with the Public Sector Accounting Board (PSAB) guidelines and is not used to determine Council's annual operating budget.

Under PSAB, municipalities are required to recognize capital funding as revenue and record depreciation which is not included when preparing the Town's operating budget.

The Committee was pleased no issues or concerns were identified, and it was considered a clean audit.

The delegation left the meeting.

Motion #23-121

Delegation – Audited Financial Statements

Moved by Councillor Hoffe and seconded by Councillor Pollett that the 2022 Audited Financial Statements be accepted, as attached.

In Favour: 5 Opposing: 0

Decision: Motion carried.

Municipal Assessment Agency - Update

Correspondence from the Municipal Assessment Agency highlighting recent updates was reviewed by the Committee.

Some of the items discussed in the correspondence were as follows:

- The MAA Board of Director’s meeting was held in St. John’s on June 1st with the main item discussed being the review and approval of the financial statements for the period ending March 31, 2023.
- The goals and the objectives of the 2023 strategic plan were reviewed and discussed. The next annual review of the plan will be held in June 2024.
- The next Board meeting is scheduled to be held in Bonavista on September 22nd.

All Saints Cemetery – Request for Culvert

Correspondence requesting the Town of Gander supply 20 feet of 10-inch culvert to the All-Saints Cemetery to be installed prior to the replacement of asphalt was presented to the Committee for consideration.

Due to time constraints, the culvert was supplied by the Town prior to Committee approval with the assumption that if their request were denied, All Saints Cemetery would be invoiced for the cost of the pipe at \$235.78.

Motion #23-122

All Saints Cemetery – Request for Culvert

Moved by Councillor Hoffe and seconded by Councillor Handcock that the Town of Gander provide 20 feet of culvert to the All-Saints Cemetery Committee.

In Favour: 5 Opposing: 0

Decision: Motion carried.

Dr. George Saloum Dentistry– Appeal of Property Tax Bill

Correspondence from Dr. George Saloum Dentistry requesting to appeal the recent tax bill issued to the clinic was presented to the Committee for consideration. Section 116 of the Municipalities Act 1999 requires tenants who occupy tax-exempt properties to pay the property tax for the portion of the building occupied for a non-exempt use. In this case, the tenant is operating a commercial enterprise in the Gander & Area Chamber of Commerce building and Council is required to charge property tax.

The Committee discussed the request but felt that tenants of tax-exempt properties were previously given an unfair tax advantage and is not recommending any adjustments to the property tax bill.

Property Tax Reductions

The Committee reviewed four applications for residential property tax reductions which met Council’s policy based on income criteria. The total amount requested to be adjusted is \$1,983.06.

Motion #23-123

Property Tax Reductions

Moved by Councillor Hoffe and seconded by Councillor Handcock that property tax reductions be approved as attached.

In Favour: 5 Opposing: 0

Decision: Motion carried.

OC23-08 – Supply and Delivery of One Full Size (1/2 ton) Pickup

The results of the Open Call for Bid #OC23-08 for the supply and delivery of One Full Size (1/2 ton) Ext Cab 4x4 Pick Up Truck c/w 6.5-foot box was presented to the Corporate Services Committee for review and consideration. There were three bids received with the lowest from Lakeview Chrysler at a cost of \$59,373.35 HST inclusive.

Motion #23-124

OC23-08 – Supply and Delivery of One Full Size (1/2 ton) Pickup

Moved by Councillor Hoffe and seconded by Councillor Pollett that the Town of Gander award bid # OC23-08 for the supply and delivery of One Full Size (1/2 ton) Pickup to Lakeview Chrysler for \$59,373.35 HST included.

In Favour: 5 Opposing: 0

Decision: Motion carried.

OC23-09 – Supply and Delivery of One Full Size (3/4 ton) Pickup

The results of the Open Call for Bid #OC23-09 for the supply and delivery of One Full Size (3/4 ton) Crew Cab 4x4 Pick Up Truck c/w 8-foot box was presented to the Corporate Services Committee for review and consideration. There were three bids received with the lowest from Kelly Ford at a cost of \$79,929.60 HST inclusive.

Motion #23-125

OC23-09 – Supply and Delivery of One Full Size (3/4 ton) Pickup

Moved by Councillor Hoffe and seconded by Councillor Handcock that the Town of Gander award bid # OC23-09 for the supply and delivery of One Full Size (3/4 ton) Crew Cab Pick Up Truck to Kelly Ford for \$79,929.60 HST included.

In Favour: 5 Opposing: 0

Decision: Motion carried.

OC23-10 – Supply and Delivery of One Compact Hybrid Utility Vehicle

The results of the Open Call for Bid #OC23-10 for the supply and delivery of One Compact Hybrid Utility Vehicle were presented to the Corporate Services Committee for review and consideration. There were four bids received with the lowest from Gander Kia at a cost of \$37,041.50 HST inclusive.

Motion #23-126

OC23-10 – Supply and Delivery of One Compact Hybrid Utility Vehicle

Moved by Councillor Hoffe and seconded by Councillor Handcock that the Town of Gander award bid #OC23-10 for the supply and delivery of One Compact Hybrid Utility Vehicle to Gander Kia for \$37,041.50 HST included

In Favour: 5 Opposing: 0

Decision: Motion carried.

The purchase of these vehicles is \$20,084.72 under budget. However, there may be an additional cost of upwards of \$15,000 to enclose the truck with a cap if the replacement from the old truck is not suitable.

Councillor Woodford left the meeting.

Invitation to Quote – Supply and Install Two Ply Torch on Roofing System

The results for the Invitation to Quote for the Supply and Installation of Two Ply Torch on Roofing System at the Town Hall was presented to the Corporate Services Committee in which two bids were received. The lowest bid was from R&D Construction Ltd. at a cost of \$152,145.00 HST included.

Although the lowest bid was \$37,970.38 over budget, the Planning & Public Works Committee felt there was competitive bidding, and the increased price was a result of underestimating the project cost during the 2023 budget process combined with material and labor cost escalations.

Motion #23-127

Invitation to Quote – Supply and Install Two Ply Torch on Roofing System

Moved by Councillor Hoffe and seconded by Councillor Pollett that the Invitation to Quote for the Supply and Installation of Two Ply Torch on Roofing System at the Town Hall be awarded to R&D Construction Ltd. at a cost of \$152,145.00 HST included.

In Favour: 5 Opposing: 0

Decision: Motion carried.

Capital Loans 2022 Borrowing

The Town invited quotations for provision of four loans to finance the 2022 capital expenditures program. There were 5 bids received from five local financial institutions in which the TD Bank was the preferred bidder.

The capital loans were as follows:

1. MYCW for \$695,697
2. 2022 Capital Borrowing for \$2,110,798
3. Soccer, Track & Field Loan for \$610,881
4. WWTP for \$752,057

Due to several factors such as the drawn down date of the loan being two months less than expected and the loan amount lower than projected (due to the delay in completion of several projects) this item is anticipated to be \$80,000 under budget.

Motion #23-128

Capital Loans 2022 Borrowing – MYCW Capital Expenditures for \$695,697

Moved by Councillor Hoffe and seconded by Deputy Mayor Ford to borrow \$695,697 for the 2022 MYCW capital expenditures from TD Bank, repayable over a term not exceeding 5 years with an amortization period of 10 years.

In Favour: 5 Opposing: 0

Decision: Motion carried.

Motion #23-129

Capital Loans 2022 Borrowing – 2022 Capital Borrowing for \$2,110,798

Moved by Councillor Hoffe and seconded by Councillor Pollett to borrow \$2,110,798 for the 2022 Capital Borrowing from TD Bank, repayable over a term not exceeding 5 years with an amortization period of 10 years.

In Favour: 5 Opposing: 0

Decision: Motion carried.

Motion #23-130

Capital Loans 2022 Borrowing – Soccer, Track & Field Loan for \$610,881

Moved by Councillor Hoffe and seconded by Councillor Pollett to borrow \$610,881 for the Soccer, Track & Field from TD Bank, repayable over a term not exceeding 5 years with an amortization period of 20 years.

In Favour: 5 Opposing: 0

Decision: Motion carried.

Motion #23-131

Capital Loans 2022 Borrowing – WWTP for \$752,057

Moved by Councillor Hoffe and seconded by Councillor Handcock to borrow \$752,057 for the Wastewater Treatment Plant from TD Bank, repayable over a term not exceeding 5 years with an amortization period of 20 years.

In Favour: 5 Opposing: 0

Decision: Motion carried.

H. Other Reports

7. ADMINISTRATION

8. CORRESPONDENCE

Share our Culture Incorporated

In August of 2022, Council was approached by Dr. Lloydetta Quaicoe of Sharing our Cultures Incorporated. Dr. Quaicoe requested Council's support for her *Youth Engaging Seniors: Bridging the Generation Gap* application. This interesting project will provide students with an opportunity to interact with seniors and gain an appreciation for their life experiences.

Council was happy to offer a letter of support and agreed to provide a meeting space and promotion of the event on the Town's website and social media pages.

9. NEW BUSINESS

Municipal Plan Amendment #4, 2023 and Development Regulations Amendment #6, 2023

Municipal Plan Amendment #4, 2023 and Development Regulations Amendment #6, 2023 is now ready for approval by Council.

This amendment proposes to add a *Personal Service* classification to the Discretionary Use Classes of the *Industrial General* zone.

A change will also be initiated to the Industrial General policies of the Gander Municipal Plan in support of this addition.

The required advertising and provincial review have been completed. A Public Hearing was scheduled for July 6, 2023, at the Town Hall. No objections or representation were received by the deadline date and the hearing is cancelled.

Motion #23-132

Municipal Plan Amendment #4, 2023 and Development Regulations Amendment #6, 2023

Moved by Councillor Handcock and seconded by Councillor Pollett that the Municipal Plan Amendment #4, 2023 and Development Regulations Amendment #6, 2023 be approved under Section 23 of the Urban and Rural Planning Act 2000.

In Favour: 5 Opposing: 0

Decision: Motion carried.

10. ADJOURNMENT

Motion #23-133

Adjournment

There being no further business, it was moved by Councillor Pollett and seconded by Councillor Hancock that the meeting be adjourned.

In Favor: 6 Opposing: 0

Decision: Motion carried.

The meeting adjourned at 5:12 p.m.

P. Farwell, Mayor

B. Hefford, Town Clerk

DRAFT FOR DISCUSSION ONLY

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TOWN OF GANDER

December 31, 2022

DRAFT FOR DISCUSSION ONLY

Town of Gander

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DRAFT FOR DISCUSSION ONLY

Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the Town of Gander (the "Town") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council of the Town met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Kimberly G. Humphries Professional Corporation as the Town's appointed external auditor, has audited the financial statements. The auditor's report is addressed to the Mayor and members of Council and appears on the following page. Her opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as she considers necessary to obtain reasonable assurance that the financial statements are free from material misstatement and present fairly the financial position and results of the Town in accordance with Canadian generally accepted accounting principles.

Percy Farwell, Mayor

Kelly Hiscock, Director of Corporate Services

Date

DRAFT FOR DISCUSSION ONLY

Kimberly G. Humphries Professional Corporation
Chartered Professional Accountant

15 Mitchell St.
Gander, NL A1V 0G9
T - 709-422-1914

Independent Practitioner's Report

To the Mayor and Members of Council of the Town of Gander

Opinion

I have audited the accompanying financial statements for the **Town of Gander**, which are comprised of the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Town of Gander** as at December 31, 2022, and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Town in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Continued...

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KIMBERLY G. HUMPHRIES PROFESSIONAL CORPORATION

DRAFT FOR DISCUSSION ONLY

Kimberly G. Humphries Professional Corporation
Chartered Professional Accountant

15 Mitchell St.
Gander, NL A1V 0G9
T - 709-422-1914

Independent Practitioner's Report

(continued)

- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal controls.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

- * the Town's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Reporting Requirements

In compliance with the requirements of Section 91 of the Municipalities Act, I report as follows on my examination of the accounts of the Town for the year ended December 31, 2022.

Expenses in relation to budget

Actual expenses per the financial statements of \$ 20,271,651 are within the limits of the adopted budget.

Arrears of revenue

The comparative position with respect to arrears of revenue is presented in Note 4 to the financial statements. Taxes receivable increased from \$1,129,061 as at December 31, 2021 to \$1,322,738 as at December 31, 2022. Of this amount, taxes totaling \$998,547 have been outstanding for one year or longer.

Manner in which the accounts have been kept and the adequacy of the safeguards against fraud

The Town's position in these respects was considered satisfactory for an entity of its size. Audit procedures are designed and performed that are considered appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. However, as a result of my audit, no significant deficiencies in internal control were reported to the Town that would indicate the entity's controls were not effective for the purposes of my audit.

As required by Section 71 of the Municipalities Act, I report that all employees whose duties include collecting, receiving and depositing cash are adequately bonded. The Town carries fidelity bond coverage of \$100,000 and this coverage is considered to be adequate.

Gander, Canada

Chartered Professional Accountant

DRAFT FOR DISCUSSION ONLY

Town of Gander

Statement of Financial Position

Audit

December 31, 2022

	2022	2021
Financial Assets		
Cash (Note 3)	\$ 3,399,956	\$ 3,407,394
Receivables (Note 4)	3,986,851	1,864,390
Employee loans and advances	441	441
Real estate properties held for sale	<u>8,324</u>	<u>8,324</u>
	<u>7,395,572</u>	<u>5,280,549</u>
Financial Liabilities		
Demand loan (Note 12)	5,588,078	1,838,078
Payables and accruals (Note 5)	1,934,483	2,800,754
Payable to NLHC (Note 14)	344,051	373,321
Employee future benefits:		
Accrued vacation	159,959	175,074
Accrued severance (Note 11)	303,467	787,697
Accrued sick pay (Note 11)	642,555	625,088
Deferred revenue (Note 6)	565,111	915,580
Long-term debt (Note 7)	26,840,791	25,673,820
Other liabilities	<u>80,595</u>	<u>60,299</u>
	<u>36,459,090</u>	<u>33,249,711</u>
Net Debt	<u>(29,063,518)</u>	<u>(27,969,162)</u>
Non-Financial Assets		
Tangible capital assets (Schedule 1)	94,874,922	62,483,292
Land held for resale (Note 14)	688,900	746,060
Capital projects in progress	6,536,602	36,078,412
Inventories for use (Note 13)	339,186	229,263
Prepaid expenses	<u>144,506</u>	<u>88,907</u>
	<u>102,584,116</u>	<u>99,625,934</u>
Accumulated Surplus	<u>\$ 73,520,598</u>	<u>\$ 71,656,772</u>

Contingent liabilities (Note 8)

Mayor

Director of Corporate Services

Date

See accompanying notes to the financial statements

KIMBERLY G. HUMPHRIES PROFESSIONAL CORPORATION

DRAFT FOR DISCUSSION ONLY

Town of Gander Statement of Operations Audit December 31, 2021

	<u>Budget 2022</u> Schedule 5	<u>Actual 2022</u>	<u>2021</u>
Revenue			
Taxation	\$ 17,475,900	\$ 17,651,196	\$ 16,519,980
Sales of goods and services	633,050	785,482	648,693
Grants and transfers	1,509,479	3,448,970	5,362,440
Investment income	40,000	154,981	51,460
Other revenue	<u>230,000</u>	<u>94,848</u>	<u>60,659</u>
Total revenue (Schedules 2 and 4)	<u>19,888,429</u>	<u>22,135,477</u>	<u>22,643,232</u>
Expenditures			
General government services	4,790,935	4,210,338	4,148,677
Protective services	2,443,241	2,323,266	2,323,839
Transportation services	5,907,662	5,249,659	5,269,181
Environmental health services	4,243,784	4,327,957	3,984,253
Regional planning and development	558,695	441,161	479,435
Recreation and cultural services	2,851,420	2,866,470	2,306,867
Fiscal services	<u>852,601</u>	<u>852,800</u>	<u>862,414</u>
Total expenditures (Schedules 3 and 4)	<u>21,648,338</u>	<u>20,271,651</u>	<u>19,374,666</u>
Annual surplus	<u>\$ (1,759,909)</u>	<u>\$ 1,863,826</u>	<u>\$ 3,268,566</u>

	<u>2022</u>	<u>2021</u>
Accumulated surplus, beginning of year	\$ 71,656,772	\$ 68,388,206
Annual surplus	<u>1,863,826</u>	<u>3,268,566</u>
Accumulated surplus, end of year	<u>\$ 73,520,598</u>	<u>\$ 71,656,772</u>

DRAFT FOR DISCUSSION ONLY

Town of Gander

Statement of Changes in Net Debt

Audit

December 31, 2022

	Budget 2022 (Note 10)	Actual 2022	Actual 2021
Annual surplus (Schedule 5)	\$ (1,759,909)	\$ 1,863,826	\$ 3,268,566
Acquisition of tangible capital assets	(37,528,192)	(37,528,192)	(6,309,775)
Amortization of tangible capital assets	4,518,064	4,518,063	4,379,985
Loss on sale of tangible capital assets	-	344,278	81,886
Loss on sale of land held for resale	-	27,891	-
Proceeds from sale of tangible capital assets	-	274,221	27,012
Proceeds from sale of land held for resale	-	29,269	-
Decrease (increase) in capital projects in progress	-	29,541,810	(3,024,670)
Decrease (increase) in inventories	-	(109,923)	38,830
Increase in prepaids	-	(55,599)	(21,328)
	<u>(33,010,128)</u>	<u>(2,958,182)</u>	<u>(4,828,060)</u>
Change in net debt	(34,770,037)	(1,094,356)	(1,559,494)
Net debt			
Beginning of year	<u>(27,969,162)</u>	<u>(27,969,162)</u>	<u>(26,409,668)</u>
End of year	<u>\$ (62,739,199)</u>	<u>\$ (29,063,518)</u>	<u>\$ (27,969,162)</u>

DRAFT FOR DISCUSSION ONLY

Town of Gander

Statement of Cash Flows

Audit

December 31, 2022

	2022	2021
Operating		
Annual surplus	\$ 1,863,826	\$ 3,268,566
Amortization	4,518,063	4,379,985
Loss on sale of land held for resale	27,891	-
Loss on sale of tangible capital assets	344,278	81,886
	<u>6,754,058</u>	<u>7,730,437</u>
Changes in:		
Receivables	(2,122,461)	1,369,860
Payables and accruals	(866,271)	(807,392)
Employee future benefits	(481,878)	79,655
Deferred revenue	(350,469)	(381,349)
Other liabilities	20,296	30,017
Inventories for use	(109,923)	38,830
Prepaid expenses	(55,599)	(21,328)
	<u>2,787,753</u>	<u>8,038,730</u>
Financing		
Demand loan	3,750,000	(615,000)
Payable to NLHC	(29,270)	-
Proceeds from long-term debt	3,697,060	3,246,802
Principal repayment of long-term debt	(2,530,089)	(2,326,533)
	<u>4,887,701</u>	<u>305,269</u>
Capital		
Acquisition of tangible capital assets	(37,528,192)	(6,309,775)
Proceeds from sale of tangible capital assets	274,221	27,012
Proceeds from sale of land held for resale	29,269	-
Decrease in capital projects in progress	29,541,810	(3,024,670)
	<u>(7,682,892)</u>	<u>(9,307,433)</u>
(Decrease) increase in cash	(7,438)	(963,434)
Cash		
Beginning	<u>3,407,394</u>	<u>4,370,828</u>
Ending	\$ <u>3,399,956</u>	\$ <u>3,407,394</u>

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

1. Status of the Town of Gander

The incorporated Town of Gander is a municipal government that was incorporated in 1958 pursuant to the Province of Newfoundland and Labrador's Municipalities Act. The Municipality provides or funds municipal services such as fire, public works, parks and recreation, library, tourism and other general government operations.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by CPA Canadian Public Sector Accounting Board (PSAB) and reflect the following significant accounting policies:

Basis of consolidation

The Town has no controlled entities or government partnerships and as such the financial statements are not consolidated.

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks (net of overdrafts). Bank borrowings are considered to be financing activities.

Real estate properties held for sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees and improvements to prepare the properties for sale.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit, provides the change in net debt for the year.

(Continued...)

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use and one-half of the annual amortization is charged in the year of acquisition and in the year of disposal. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

General tangible capital assets

Land	Indefinite
Land improvements	10 to 50 years
Buildings	25 to 40 years
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	5 to 15 years
Maintenance and road construction equipment	10 years
Computer hardware and software	4 years

Infrastructure assets

Transportation	
Land	Indefinite
Road surface	5 to 20 years
Road grade	30 years
Traffic lights and equipment	10 to 15 years
Water and sewer	
Land	Indefinite
Land improvements	50 years
Buildings	25 to 40 years
Underground networks	15 to 100 years
Machinery and equipment	15 years

Donated and contributed assets

Donated and contributed assets are capitalized at their estimated fair value at the date of acquisition. Works of art for display in municipal property have not been included in capital assets. Certain assets have been disclosed at a nominal value if historical cost is not available and a determination of fair value is not appropriate or possible for the asset.

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of the property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(Continued...)

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

2. Significant accounting policies (continued)

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired fixed assets are recorded at fair value, determined principally using discounted future cash flow expected from their use and eventual disposition.

Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services in transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when stipulations are met.

Severance and sick pay liability

An accrued liability for severance is recorded in the accounts for all employees who have not elected to have their severance paid as at December 31, 2022. The elimination of accruing severance was approved as of the date of ratification of the union contract.

An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

Actuarial gains or losses are being amortized to the liability and the related expense straight-line over the expected average remaining service life of the employee group.

Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at cost.

Average costing method is used.

Revenue recognition

Revenues are recognized as earned and when collection is reasonably assured. Property tax billings are prepared by the Town based on assessed values of the respective property. Tax rates are approved annually by Council.

Government grants and transfers are recognized as revenue in the financial period in which the events give rise to the transfer occurring, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

(Continued...)

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

2. Significant accounting policies (continued)

Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Items requiring significant estimates include the useful life of tangible capital assets, rates of amortization, impairment of assets and allowances for doubtful accounts, accrued sick pay and accrued severance.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. Cash and cash equivalents	<u>2022</u>	<u>2021</u>
Cash	\$ 3,128,586	\$ 2,784,573
Restricted cash deposits		
Federal gas tax fund	<u>271,370</u>	<u>622,821</u>
	<u>\$ 3,399,956</u>	<u>\$ 3,407,394</u>

4. Receivables	<u>2022</u>	<u>2021</u>
Property tax	\$ 762,580	\$ 675,398
Business tax	560,157	453,663
HST rebate	432,331	304,673
Other	<u>3,681,003</u>	<u>1,998,070</u>
	<u>5,436,071</u>	<u>3,431,804</u>
Less allowance for doubtful receivables	<u>(1,449,220)</u>	<u>(1,567,414)</u>
	<u>\$ 3,986,851</u>	<u>\$ 1,864,390</u>

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

5. Payables and accruals	<u>2022</u>	<u>2021</u>
Trade payables	\$ 1,528,478	\$ 2,448,359
Accrued interest	45,703	41,669
Accrued wages - regular	331,944	291,511
- overtime	28,358	19,215
	<u>-</u>	<u>-</u>
	<u>\$ 1,934,483</u>	<u>\$ 2,800,754</u>

6. Deferred revenue	<u>2022</u>	<u>2021</u>
Trailway relocation	\$ 22,766	\$ 22,766
Grading deposits	28,000	19,000
Landscaping deposits	25,405	29,930
Subdivision security deposits	8,625	8,625
Subdivision development fee deposits	86,833	88,957
Gas tax	266,155	618,975
Land lease	3,665	3,665
Loan payment from province	11,366	11,366
Freedom Village recreation fee	8,798	8,798
Pledged lots in trust	99,200	99,200
Elizabeth Drive sidewalk	4,298	4,298
	<u>\$ 565,111</u>	<u>\$ 915,580</u>

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

7. Long-term debt	<u>2022</u>	<u>2021</u>
Bank loans:		
3.28% unsecured; repayable \$9,623 monthly including interest, maturing March, 2023	\$ 28,864	\$ 141,405
4.2% unsecured; repayable \$2791 monthly including interest, maturing June, 2042	445,311	-
2.83% unsecured; repayable \$3,049 monthly including interest, was paid out during the year	-	15,228
2.99% unsecured; repayable \$4,335 monthly including interest, maturing May, 2023	21,308	71,986
3.30% unsecured; repayable \$5,019 monthly including interest; maturing Feb, 2023	10,034	68,883
3.45% unsecured; repayable \$20,567 monthly including interest, maturing May, 2024	341,236	571,929
2.1% unsecured; repayable \$26,785 monthly including interest, maturing July, 2020	2,240,586	2,516,027
2.58% unsecured; repayable \$25,967 monthly including interest, maturing July, 2026	2,397,601	2,644,111
2.7% unsecured; repayable \$15,250 monthly including interest; maturing June, 2027	774,742	934,476
3.39% unsecured; repayable \$21,371 annually including interest; maturing May, 2028	1,267,963	1,477,322
2.86% unsecured; repayable \$12,910 annually, including interest; maturing June, 2029	918,157	1,044,923
3.48% unsecured; repayable \$31,080 annually, including interest; maturing June 2044	5,641,547	5,815,439
3.12% unsecured; repayable \$26,140 monthly, including interest; maturing July, 2030	2,134,190	2,388,773
3.12% unsecured; repayable \$21,715 monthly, including interest; maturing July, 2040	4,209,027	4,336,124
2.45% unsecured; repayable \$3,589 monthly including interest, maturing June, 2046	771,005	794,868
2.05% unsecured, repayable \$22,527 monthly including interest, maturing June, 2031	2,126,013	2,350,253
4.20% unsecured; repayable \$20,390 annually, including interest; maturing June 2042	1,264,579	-
4.59% unsecured; repayable \$20,390 annually, including interest, maturing August 2032	1,907,437	-
	<u>26,499,600</u>	<u>25,171,747</u>
Subtotal		

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Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

7. Long term debt (continued)	<u>2022</u>	<u>2021</u>
Balance forward	\$ 26,499,600	\$ 25,171,747
3.98% unsecured; repayable \$2,519 annually including interest, maturing September, 2024	4,752	6,993
3.98% unsecured; repayable \$4,985 annually including interest, maturing September, 2024	9,403	13,837
Central Mortgage and Housing Corporation loans:		
3.98% unsecured; repayable \$4,352 annually including interest, maturing September, 2024	8,208	12,079
3.98% unsecured; repayable \$15,369 annually including interest, maturing September, 2024	28,993	42,664
3.98% unsecured; repayable \$18,915 annually including interest, maturing September, 2024	35,682	52,508
3.98% unsecured; repayable \$134,723 annually including interest, maturing September, 2024	<u>254,153</u>	<u>373,992</u>
	<u>\$ 26,840,791</u>	<u>\$ 25,673,820</u>

The aggregate amount of principal payments estimated to be required in each of the next five years is as follows:

2023	2,382,971
2024	2,249,551
2025	2,028,716
2026	2,085,546
2027	2,052,102
Thereafter	16,041,905

8. Contingent liabilities

The Town is currently operating a Class B landfill site. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, ground water monitoring, gas management system operations, inspections and annual reports. To date the Town has not been able to estimate these costs of remediation of its landfill site and consequently no liability is reflected in the financial statements. It is the Town's understanding that the Provincial government will provide the required funding for the remediation, which also has not been reflected in these financial statements.

(Continued...)

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KIMBERLY G. HUMPHRIES PROFESSIONAL CORPORATION

DRAFT FOR DISCUSSION ONLY

Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

9. Financial instruments

The Municipality, as part of its operations, carries a number of financial instruments. The fair value of a financial instrument is the amount of consideration that could be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The Municipalities' financial instruments consist of cash, accounts receivable, payables and accruals, payable to NLHC and long-term debt. Cash and receivables are initially measured at fair value and subsequently at amortized cost. Payables and accruals are classified as other financial liabilities and are initially measured at fair value and subsequently at amortized cost. The carrying values of the Municipalities' financial instruments approximate the fair values. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant currency or credit risks. The Municipality is exposed to interest rate risk. The following analysis provides a measure of the Municipality's risk exposure and concentrations at December 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its interest-bearing liabilities including long-term debt.

The Municipality reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable during the year. In the opinion of management, the interest rate risk exposure to the Town is low and not material. There was no significant change in exposure from the prior year.

10. Budget

In accordance with the Province of Newfoundland and Labrador's Municipalities Act, every Council must adopt a financial plan for each fiscal period in a form approved by the Minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of PSAS. For comparative purposes, the Town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by Council.

The reconciliation between the Municipality's cash based financial plan and the PSAS accrual based budget figures used in these statements is disclosed in Schedule 5 - Reconciliation of the Financial Plan to the Budget.

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Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

11. Employee future benefits

Future employee benefits related to accrued severance and accrued sick obligations have been calculated based on an actuarial valuation completed at December 31, 2022 and extrapolated to December 31, 2021. The assumptions are based on future events. The economic assumptions used in the valuation are the Town of Gander's best estimates of expected rates as follows:

	<u>2022</u>	<u>2021</u>
Wages and salary escalation	3.00%	3.00%
Interest	4.20%	2.05%

Based on actuarial valuation of the liability at December 31, 2022, the results for sick leave are:

Accrued sick pay obligation, beginning of year	\$ 888,868	\$ 818,324
Current period benefit cost	67,649	99,066
Benefit payments	(70,391)	(76,593)
Interest on the accrued benefit obligations	13,491	21,568
Actuarial losses	<u>(298,453)</u>	<u>26,503</u>
Accrued sick pay obligation, end of year	<u>\$ 601,164</u>	<u>\$ 888,868</u>

Based on actuarial valuation of the liability at December 31, 2022, the results for severance are:

Accrued severance pay obligation, beginning of year	\$ 938,214	\$ 893,722
Current period benefit cost	74,661	76,239
Benefit payments	(53,495)	(112,437)
Interest on the accrued benefit obligation	19,105	22,767
Settlement payments	(631,815)	-
Actuarial losses	<u>(43,203)</u>	<u>57,923</u>
Accrued severance obligation, end of the year	<u>\$ 303,467</u>	<u>\$ 938,214</u>

A reconciliation of the accrued benefit liability and the accrued benefit obligation is as follows:

Sick benefits

Accrued benefit obligation	\$ 625,088	\$ 559,709
Benefit cost - current year	87,858	141,972
Less Contributions - current year	<u>(70,391)</u>	<u>(76,593)</u>
Accrued benefit obligation December 31	<u>\$ 642,555</u>	<u>\$ 625,088</u>

Severance benefits

Accrued benefit obligation	\$ 787,697	\$ 787,429
Benefit cost - current year	201,080	112,705
Less Contribution - current year	(53,495)	(112,437)
Settlement payments	<u>(631,815)</u>	<u>-</u>
Accrued benefit obligation December 31	<u>\$ 303,467</u>	<u>\$ 787,697</u>

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Town of Gander

Notes to the Financial Statements

Audit

December 31, 2022

12. Demand loan

The Town has a demand loan available with its bank. At December 31, 2022 there was \$5,588,078; (2021 - \$1,838,078) outstanding. The interest rate on this demand loan is prime minus 0.6%.

13. Inventories for use

	<u>2022</u>	<u>2021</u>
Curb stop	4,909	4,707
Cylinders	23,622	26,960
Fuel	15,932	5,056
Gravel	5,334	1,376
Hydrants	5,222	4,806
Machinery parts	100,687	87,773
Office and cleaning services	10,369	8,538
Oils and fluids	8,759	9,186
Paint	7,297	4,497
Salt	151,689	73,702
Sand	1,383	2,277
Soda ash	3,483	-
Stand pipe and rods	500	385
	<u>\$ 339,186</u>	<u>\$ 229,263</u>

14. Land held for resale

	<u>2022</u>	<u>2021</u>
Balance, beginning	\$ 746,060	\$ 746,060
Land sold during year	<u>(57,160)</u>	<u>-</u>
Balance, end of year	<u>\$ 688,900</u>	<u>\$ 746,060</u>

During 2000, Newfoundland and Labrador Housing Corporation (NLHC) transferred 154.85 hectares of land to the Town at no cost. At the time of transfer this land was valued by NLHC at \$5,005,080. The conditions of this transfer requires the Town to pay NLHC 50% of the NLHC valuation of the applicable land sold up to a maximum of \$2,502,540. As at December 31, 2022 the balance payable to NLHC is \$344,051 (2021 - \$373,321).

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Town of Gander
Schedule of Revenues
Audit
December 31

Schedule 2

	2022	2021
Taxation		
Property tax	\$ 8,758,730	\$ 8,499,115
Business tax	2,704,195	2,429,745
Water and sewer tax	2,439,516	2,266,536
Water and sewer tax residential	2,295,429	1,870,033
Utility tax	737,382	758,928
Grants in lieu of taxes	614,515	570,929
Penalties and interest	101,429	124,694
	<u>17,651,196</u>	<u>16,519,980</u>
Sales of goods and services		
Environmental health services	5,200	13,200
Recreation and cultural services	462,568	309,821
Transportation services	1,046	1,402
Protective services	122,162	100,607
Regional planning and development	-	1,147
Other sales of goods and services	194,506	222,516
	<u>785,482</u>	<u>648,693</u>
Grants and transfers		
Government of Canada		
Capital grant	662,474	2,016,214
Other Federal revenue	95,728	23,523
Government of Newfoundland and Labrador		
Provincial gas tax grant	97,975	97,975
Municipal capital grant	2,220,555	2,585,496
Gas tax revenue	364,738	498,386
Other provincial grants and subsidies	7,500	140,846
	<u>3,448,970</u>	<u>5,362,440</u>
Investment income		
Interest from investments	154,981	51,460
Other revenue		
Loss on sale of tangible capital assets	(372,168)	(39,757)
Sale of real estate held for sale	32,375	9,495
Capital donations	430,020	86,468
Miscellaneous	4,621	4,453
	<u>94,848</u>	<u>60,659</u>
Total revenue	<u>\$ 22,135,477</u>	<u>\$ 22,643,232</u>

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Town of Gander
Schedule of Expenditures
Audit
December 31

Schedule 3

	2022	2021
General government services		
Legislative	\$ 315,194	\$ 278,028
Common	1,289,461	1,265,668
General administrative	2,190,821	2,604,981
Governance	414,862	-
	<u>4,210,338</u>	<u>4,148,677</u>
Protective services		
Fire	1,974,069	1,968,398
Animal and pest control	8,099	7,717
Municipal enforcement	253,649	264,218
Other protective services	87,449	83,506
	<u>2,323,266</u>	<u>2,323,839</u>
Transportation services		
Road, street and sidewalk maintenance	2,956,525	2,907,666
Snow removal	968,449	1,011,328
Street lighting	280,891	283,001
Traffic services	60,999	48,097
Other transportation services	982,795	1,019,089
	<u>5,249,659</u>	<u>5,269,181</u>
Environmental health services		
Water supply	2,329,718	2,146,621
Sewage collection and disposal	1,144,140	986,448
Garbage and waste collection disposal	854,099	851,184
	<u>4,327,957</u>	<u>3,984,253</u>
Regional planning and development		
Planning and zoning	87,736	82,292
Community improvement and development	122,809	324,833
Tourism and marketing	230,616	72,310
	<u>441,161</u>	<u>479,435</u>

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Town of Gander
Schedule of Expenditures
Audit
December 31

Schedule 3
(continued)

	<u>2022</u>	<u>2021</u>
Recreation and cultural services		
Recreation administration	\$ 284,998	\$ 289,246
Skating and curling rinks	1,226,390	957,404
Parks and playgrounds	913,127	882,724
Other recreation and cultural services	<u>441,955</u>	<u>177,313</u>
	<u>2,866,470</u>	<u>2,306,687</u>
Fiscal services		
Long-term debt interest	773,904	735,240
Provision for uncollectible taxes, fees and charges	61,624	110,607
Other debt charges	<u>17,272</u>	<u>16,567</u>
	<u>852,800</u>	<u>862,414</u>
Total expenditures	<u>\$ 20,271,651</u>	<u>\$ 19,374,486</u>

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Town of Gander

Schedule 1

Schedule of Tangible Capital Assets

Audit

December 31, 2022

	General Capital Assets					Infrastructure		Totals	
	Land	Land Improvements	Buildings	Vehicles and Equipment	Computer Hardware and Software	Roads and Streets	Water and Sewer	2022	2021
Cost									
Opening costs	\$ 653,463	\$ 9,163,699	\$ 28,444,547	\$ 18,579,862	\$ 1,157,320	\$ 44,589,742	\$ 31,929,484	\$ 134,518,117	\$ 129,322,569
Additions during year	-	12,695,096	8,960,876	5,687,911	576,493	2,453,581	7,154,235	37,528,192	6,309,775
Disposals and write downs	-	46,075	2,270,571	316,486	-	801,234	328,106	3,762,472	1,114,227
Closing costs	653,463	21,812,720	39,675,994	23,951,287	1,733,813	46,242,089	39,411,825	168,283,837	134,518,117
Accumulated amortization									
Opening accumulated amortization	-	4,122,207	11,606,798	13,240,974	700,948	25,603,233	16,760,665	72,034,825	68,660,169
Amortization	-	413,808	740,468	1,106,989	107,698	1,576,067	573,033	4,518,063	4,379,985
Disposals and write downs	-	46,073	1,972,662	310,858	-	486,276	328,104	3,143,973	1,005,329
Closing accumulated amortization	-	4,489,942	14,319,928	14,037,105	808,646	26,693,024	17,661,802	73,408,915	72,034,825
Net book value of tangible capital assets	\$ 653,463	\$ 17,322,778	\$ 25,356,066	\$ 9,914,182	\$ 925,167	\$ 19,549,065	\$ 21,750,023	\$ 94,874,922	\$ 62,483,292

See accompanying notes

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Town of Gander
 Schedule of Operations by Program
 Audit
 December 31, 2022

Schedule 4

	General Government		Protective Services		Transportation Services		Environmental Health Services	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue								
Taxation	\$ 17,651,196	\$ 16,519,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of goods and services	190,277	222,516	122,162	100,607	1,046	1,402	5,200	13,200
Grants and transfers	462,713	731,361	-	210,673	1,620,266	384,795	1,037,490	629,428
Investment income	154,981	51,460	-	-	-	-	-	-
Other revenue	(335,202)	60,659	-	-	430,020	-	-	-
Total revenue	18,123,965	17,585,976	122,162	311,280	2,051,332	386,197	1,042,690	642,628
Expenditures								
Personnel services	2,794,551	2,456,926	1,758,963	1,700,119	2,179,970	2,187,571	892,699	832,248
Contract services	443,722	671,161	4,406	2,773	22,700	9,049	-	-
Utilities	119,427	122,973	66,398	67,240	294,895	298,564	789,585	672,125
Maintenance, materials and supplies	186,134	146,785	143,803	175,343	765,939	762,615	502,284	437,788
Grants and contributions	3,281	5,255	2,642	2,428	-	-	-	-
Amortization	187,689	174,267	297,496	324,650	1,943,799	1,995,780	1,241,314	1,196,981
Accrued sick pay	17,467	65,379	-	-	-	-	-	-
Accrued severance pay	201,080	112,704	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Other	256,987	393,227	49,558	51,286	42,356	15,602	902,075	845,111
Total expenditures	4,210,338	4,148,677	2,323,266	2,323,839	5,249,659	5,269,181	4,327,957	3,984,253
Surplus (Deficit)	\$ 13,913,627	\$ 13,437,299	\$ (2,201,104)	\$ (2,012,559)	\$ (3,198,327)	\$ (4,882,984)	\$ (3,285,267)	\$ (3,341,625)

See accompanying notes

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KIMBERLY G. HUMPHRIES PROFESSIONAL CORPORATION

DRAFT FOR DISCUSSION ONLY

Town of Gander
 Schedule of Operations by Program
 Audit
 December 31, 2022

Schedule 4
 (Continued)

	Regional Planning and Development		Recreation and Cultural Services		Fiscal Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue								
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,651,196	\$ 16,519,980
Sales of goods and services	-	1,147	466,797	309,821	-	-	785,482	648,693
Grants and transfers	-	-	328,501	3,406,183	-	-	3,448,970	5,362,440
Investment income	-	-	-	-	-	-	154,981	51,460
Other revenue	-	-	-	-	-	-	94,818	60,659
Total revenue	-	1,147	795,298	3,716,004	-	-	22,135,447	22,643,232
Expenditures								
Personnel services	346,398	417,782	1,272,510	1,178,115	-	-	9,245,091	8,772,761
Contract services	2,345	5,837	2,640	240	-	-	475,813	689,060
Utilities	1,285	2,154	117,123	105,622	-	-	1,388,713	1,268,678
Maintenance, materials and supplies	55,129	26,259	485,177	246,513	-	-	2,138,466	1,795,303
Grants and contributions	18,000	18,000	90,405	62,653	-	-	114,328	88,336
Amortization	5,120	5,120	842,646	683,188	-	-	4,518,064	4,379,986
Accrued sick pay	-	-	-	-	-	-	17,467	65,379
Accrued severance pay	-	-	-	-	-	-	201,080	112,704
Interest on long-term debt	-	-	-	-	773,905	735,239	773,905	735,239
Other	12,884	4,283	55,969	30,536	78,895	127,175	1,398,724	1,467,220
Total expenditures	441,161	479,435	2,866,470	2,306,867	852,800	862,414	20,271,651	19,374,666
Surplus (Deficit)	\$ (441,161)	\$ (478,288)	\$ (2,071,172)	\$ 1,409,137	\$ (852,800)	\$ (862,414)	\$ 1,863,796	\$ 3,268,566

See accompanying notes

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KIMBERLY G. HUMPHRIES PROFESSIONAL CORPORATION

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Town of Gander

Schedule 5

Reconciliation of Financial Plan to Budget

Audit

December 31, 2022

	Financial Plan	Amortization (TCA)	Interest Expense	Transfers	PSAS Budget
Revenue					
Taxation	\$ 17,475,900	\$ -	\$ -	\$ -	\$ 17,475,900
Sales of goods and services	633,050	-	-	-	633,050
Grants and transfers	635,233	-	-	874,246	1,509,479
Investment income	40,000	-	-	-	40,000
Other revenue	<u>230,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,000</u>
Total revenue	<u>19,014,183</u>	<u>-</u>	<u>-</u>	<u>874,246</u>	<u>19,888,429</u>
Expenditures					
General government services	4,603,246	187,689	-	-	4,790,935
Protective services	2,145,745	297,496	-	-	2,443,241
Transportation services	3,963,863	1,943,799	-	-	5,907,662
Environmental health services	3,002,470	1,241,314	-	-	4,243,784
Regional planning and development	553,575	5,120	-	-	558,695
Recreation and cultural services	2,008,774	842,646	-	-	2,851,420
Fiscal services - capital expenditures	181,000	-	-	(181,000)	-
- debt charges	<u>3,438,539</u>	<u>-</u>	<u>-</u>	<u>(2,585,938)</u>	<u>852,601</u>
Total expenditures	<u>19,897,212</u>	<u>4,518,064</u>	<u>-</u>	<u>(2,766,938)</u>	<u>21,648,338</u>
Surplus (Deficit)	<u>\$ (883,029)</u>	<u>\$ (4,518,064)</u>	<u>\$ -</u>	<u>\$ 3,641,184</u>	<u>\$ (1,759,909)</u>

See accompanying notes

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KIMBERLY G. HUMPHRIES PROFESSIONAL CORPORATION

**Property Tax Reductions
- Residential -
Year 2023**

Roll Number	2023 Property Tax	% of Reduction	Amount of Reduction	Revised 2023 Taxes
031000050000	\$872.24	20	\$174.45	\$697.79
034000180000	\$1,823.00	20	\$364.60	\$1,458.40
025500830000	\$1,916.48	10	\$191.65	\$1,724.83
046001270000	\$2,504.72	50	\$1,252.36	\$1,252.36