



Town of Happy Valley-Goose Bay

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2015 Budget Report

Your Worship The Mayor, Fellow Councillors, Ladies and Gentlemen; welcome to the presentation of the 11th Council of Happy Valley-Goose Bay 2015 Budget.

As Deputy Mayor and Chair of the Finance Administration and Policy Committee I am pleased to present today a balanced budget, which outlines our investment in the municipality; both its infrastructure and its people. It is a challenge to produce a budget that matches the expectations of the community with the fiscal realities of revenues. This budget is a path forward to meet this goal.

CHALLENGES

The Town is not without several fiscal challenges including:

- A reduction in the Federal Grant payment in lieu of taxes. As federal infrastructure is downsized or demolished, assessment values are lowered or eliminated. This is reflected in the amount received from the Federal Government.
- Town employees currently working without a collective agreement, an agreement that expired in December 2012. We are currently in negotiations that will see a new collective agreement with our valued employees.

- Implementation of some of the recommendations in the John Walsh report, which is increasing management costs. The Walsh report recommended the restructuring of wages and pay scales for managers. Council feels this is fair and equitable for managers to be remunerated under the suggested scale.
- Retention and recruitment of managers and employees. Our municipal finances do not allow the town to compete with the wages paid across the river at Muskrat Falls. The 11th Council is very disappointed that this multi-billion dollar project was ever sanctioned without a capacity agreement in place for our municipality is unexplainable and an open wound we hope will be healed.
- Aging, dilapidated infrastructure and facilities that require more and more maintenance. The arena, for example, is a significant annual expense that requires patchwork maintenance and band-aid solutions frequently applied.

DEVELOPMENT WE CAN BE PROUD OF

While these are challenges that must be addressed, there are also many positive initiatives that the 11th Council is looking to undertake in 2015. Building upon the works done during 2014 to encourage neighbourhood play and active living such as the new play structures and equipment for Perrault Place playground, Kinsmen Park parking lot upgrades, green space enhancements at Spruce Park and at MacLean Crescent, and beginning the dog park, it is our intention to continue to revitalize our playgrounds. This is a welcome infusion of cash as there have been no capital expenditures allocated to these resources in the last number of years.

As part of Council's plan to enhance our community, I am pleased to announce that council is supporting the continuation of green space development. It has practical and aesthetic uses. Green space will help relieve the blowing sand and will beautify our community. In partnership with Healthy Waters Labrador, revitalization of Birch Island will begin this year.

REVITALIZATION

The Town of Happy Valley-Goose Bay continues to position itself by having land available for various residential, commercial and industrial uses. This associated growth will require long-term future commitments of the Town's resources. An ambitious allocation in the 2015 budget will contribute 2.9 million dollars of a total 7.8 million dollar cost shared capital works program. Projects will include: a water and sewer master plan, a building condition study, a fire hall study and extension, street paving, access road and parking lot upgrades, water and sewer upgrades, upgrading of the water treatment plant, recreation infrastructure upgrades and Phase II of the Wellness Centre in partnership with the Government of Newfoundland and Labrador. We have heard from our residents and the support is immense for a new wellness centre. Last year we began that journey to wellness and we are eager to move forward on this project.

Increased development also requires equipment to maintain that infrastructure. The 2015 budget has funds allotted for the acquisition of a road sweeper. This investment in equipment is long overdue and needed to increase the level of service to our residents. As announced earlier this year by the province, 2015 will

also see the acquisition, on a cost shared basis, of a new fire truck for our community.

Property taxation is a municipality's primary source of revenue. 42% of our revenue is generated through this tax. It is my pleasure to announce that there will be **no** increase in the mil rate for residential or commercial properties.

ADDRESSING AFFORDABILITY

Recognizing that low-income families require assistance, we have continued the 100% discount on property tax for households with income less than \$23,500.

We have adjusted the maximum low-income household threshold amount available for percentage discounts to \$42,500 from \$33,500, a 27% increase that will ensure many more property owners are included under this new system.

BALANCE

34% of our revenue is generated from federal and provincial contributions through grants and subsidies, 1% is transfer from our own reserves, 4% Grant in lieu of taxes, 17% our accumulated surplus, and the remaining 2.0% is realized from revenue from sales of goods and services.

Fiscal services amounts for 56% of municipal expenses, 13% is for roads and transport, 11% general government, 8% environmental services, 6% cultural and recreational services, 5% protective services and 1% economic development of a total 19 million, six hundred and eighty thousand, two hundred and fifty-seven dollar and five cent budget.

I am happy to state that we will be maintaining the free noon hour skate and hockey shinny skate to encourage active healthy living; there will be no increases in recreational fees for 2015. In fact there is no increase in any fees with the exception of tipping fees for waste generated from outside of our community and a slight upward adjustment to the vacant commercial land tax.

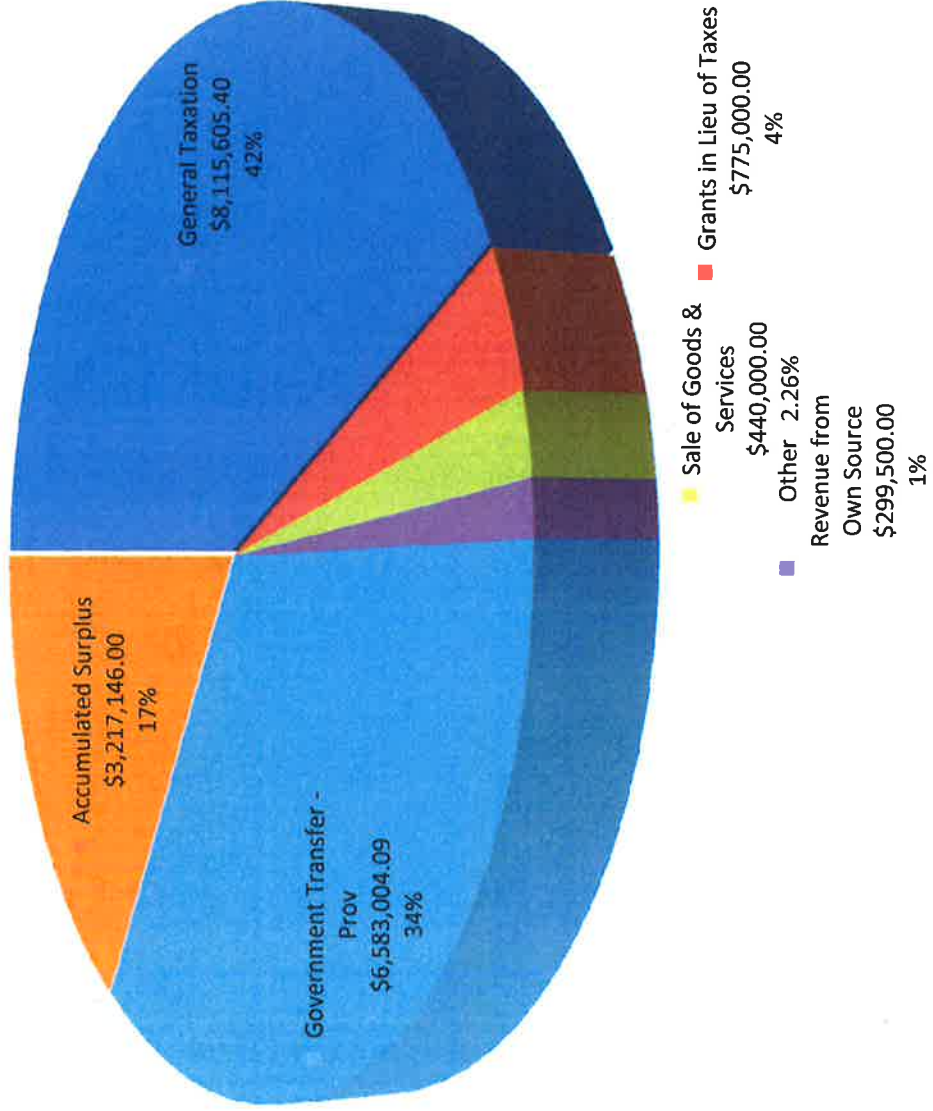
THANK YOU

In conclusion, I would like to thank you, the residents of our town, for your continued suggestions and comments. Your input is important to us and helps determine our way forward. We have expanded our communications through social media which has helped showcase the many positive things happening throughout our community. It has provided another avenue for the public to voice their opinions.

I would also like to thank each and every Councillor for their commitment, support and important contributions to this process. For the long hours and numerous meetings that were required to complete this budget before the provincial deadline; the first time in five years. Appreciation is also extended to our management and staff for their participation and recommendations.

Finally, I would like to thank our spouses who essentially became single parents during this time consuming and crucial process. We are very grateful for your continued support.

Town of Happy Valley-Goose Bay 2015 Budget Revenue Sources



Town of Happy Valley-Goose Bay 2015 Expense Budget

