



**Town Council of Gander  
2015  
OPERATING & CAPITAL BUDGETS**

Presented to Mayor Elliott and Council  
By Deputy Mayor Cyril Abbott, Finance and Administration Committee Chair  
December 17, 2014



Town of Gander

## **2015 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 2015 Budget.

Developing a balanced budget is a challenging undertaking. Our residents, business owners and community stakeholders enjoy and expect a range of quality municipal services from safe potable water to access to community recreation facilities and programs. The cost of providing these services increases every year meaning balancing our budget typically requires Council to make one of two difficult choices: find additional means of increasing revenues or reduce the level of services we provide.

During the past several weeks, my colleagues and I, along with our senior management team, have reviewed our anticipated expenditures for the upcoming year and revenue options to offset those costs. Our goal for 2015 is to maintain the current level of services while minimizing any increase in taxation. We believe we have achieved this.

### **2014 SYNOPSIS**

This past year was a productive one. We made significant investments in water and sewer infrastructure upgrades to help mitigate the risk of flooding in various areas of the town. I am happy to report that 80% of that work has been completed with the remaining projects scheduled for completion in the spring. Council will continue to place priority on our water and sewer infrastructure to ensure that everything within our fiscal and operational means is done to maintain an efficient and effective system.

We also made a significant investment in improving our roads and sidewalks with \$2.1 million spent on upgrading and replacement.

The Town of Gander continues to experience robust growth with our population now estimated at more than 12,700; a record high. To the end of November we have issued permits for the construction of new homes and businesses and the renovation of existing properties in the amount of \$22,962,031. We have added 84 new homes and 33 new businesses to date in 2014. All indications are that this trend will continue in 2015.

This growth accounts for \$300,000 in new revenue for the municipality. Council will continue to strategically invest in infrastructure and programs that support and encourage growth.

## **CHALLENGES**

Our community faces a number of challenges associated with sustained growth and aging infrastructure, the single biggest being our capacity to collect and treat wastewater. This is Council's Number One priority. While we have not yet finalized a cost-sharing arrangement with the federal and provincial governments, Council is pushing forward with the design and construction of the estimated \$45M facility. The contract for engineering services was awarded in 2014 and Council anticipates that the new facility will be operational by 2017.

The Town is also becoming increasingly challenged to provide more and broader recreation infrastructure and programming to an expanding and changing demographic. Community stakeholders and competing user groups are struggling for access to existing recreational facilities with increasing pressure from residents for new or additional facilities.

In 2013, the provincial government eliminated Municipal Operating Grants for the seven largest communities within the province. This resulted in an immediate shortfall in our operating budget in the amount of \$360,900. Measures have been taken to mitigate this loss and adjustments made to programming and services to accommodate the reduction in revenue. The provincial government has indicated that details of a new fiscal arrangement will be forthcoming in 2015. We are hopeful that the new arrangement will add much needed financial resources.

## **OPERATING BUDGET**

Council's overall operating budget for 2015 is \$14,450,982 which is up 3% from last year. Mr. Mayor, the 2015 Budget will allow us to preserve our current services while making the modest investments required as prerequisites for future success.

These additional expenditures have been accommodated through growth and operational adjustments. There will be no increase in property or business tax rates in 2015.

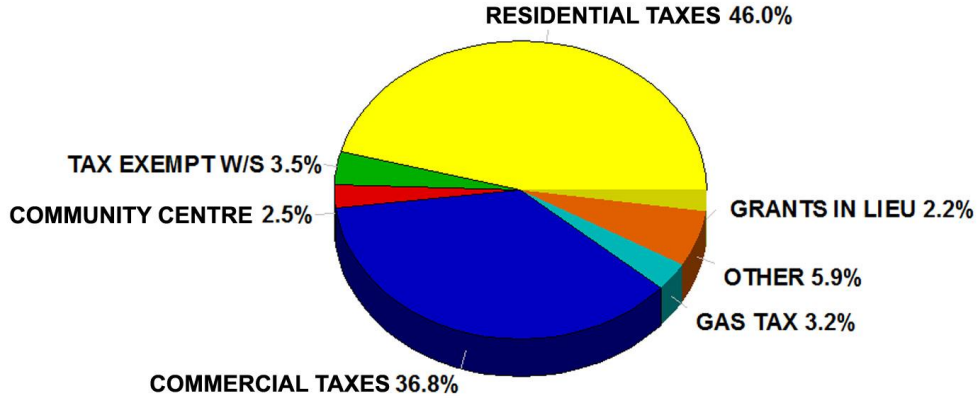
The 2015 Operating Budget is presented as follows:

**TOWN OF GANDER**

**2015 BUDGET - SUMMARY**

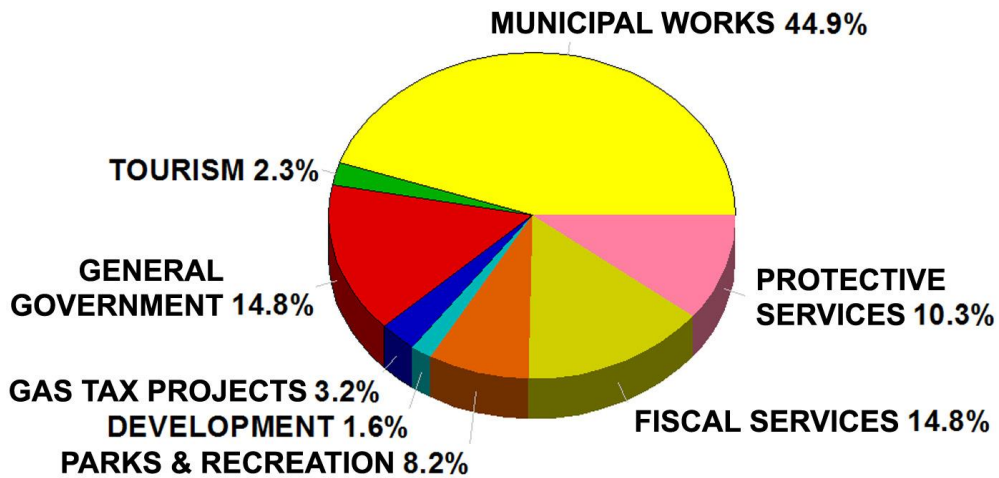
<u>DEPARTMENT</u>	<u>PROJECTED 2014</u>	<u>BUDGET 2014</u>	<u>BUDGET 2015</u>	<u>VARIANCE</u>	<u>% CHANGE</u>
<b><u>REVENUES</u></b>					
Property Taxes - Residential	6,350,000	6,400,000	6,573,500	173,500	2.7%
Property Taxes - Commercial	1,200,000	1,211,400	1,250,000	38,600	3.2%
Business Taxes	1,887,000	1,892,500	1,960,000	67,500	3.6%
Water/Sewer Tax-Non Residential	1,702,000	1,710,500	1,760,000	49,500	2.9%
Business Taxes from Utilities	765,000	794,100	785,000	-9,100	-1.1%
Grants in Lieu of Taxes	285,000	333,000	311,500	-21,500	-6.5%
Municipal Operating Grant	0	0	0	0	0.0%
Provincial Share Debt Grant	178,082	178,082	157,657	-20,425	-11.5%
Gas Tax Grant	420,279	420,279	453,625	33,346	7.9%
Land Sales	275,879	60,000	210,000	150,000	250%
Community Centre	348,154	339,400	351,500	12,100	3.6%
Special Events	70,120	87,800	81,600	-6,200	-7.1%
Other Revenues	<u>751,495</u>	<u>604,100</u>	<u>556,600</u>	<u>-47,500</u>	<u>-7.9%</u>
<b>Total Revenues</b>	<b><u>14,233,009</u></b>	<b><u>14,031,161</u></b>	<b><u>14,450,982</u></b>	<b><u>419,821</u></b>	<b>3.0%</b>
<b><u>EXPENDITURES - By Department</u></b>					
General Government	2,020,713	2,084,800	2,115,500	30,700	1.5%
Fire	1,082,272	1,105,500	1,161,200	55,700	5.0%
Municipal Enforcement	275,527	289,000	310,000	21,000	7.3%
Municipal Works	6,418,649	6,162,700	6,411,100	248,400	4.0%
Development	290,217	322,600	231,900	-90,700	-28.1%
Tourism & Festival of Flight	348,090	342,200	332,300	-9,900	-2.9%
Parks & Recreation	1,215,000	1,130,000	1,167,200	37,200	3.3%
Fiscal Services	1,939,805	1,996,000	2,110,500	114,500	5.7%
Gas Tax Projects	412,477	420,279	453,625	33,346	7.9%
Provincial Share Debt Charges	<u>230,259</u>	<u>178,082</u>	<u>157,657</u>	<u>-20,425</u>	<u>-11.5%</u>
<b>Total Expenses</b>	<b><u>14,233,009</u></b>	<b><u>14,031,161</u></b>	<b><u>14,450,982</u></b>	<b><u>419,821</u></b>	<b>3.0%</b>
<b>Surplus/Deficit</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	
<b><u>EXPENDITURES - By Type</u></b>					
Direct Payroll Costs	5,101,822	5,134,200	5,467,600	333,400	6.5%
Indirect Payroll Costs	1,040,568	1,105,800	1,124,200	18,400	1.7%
Supplies & Services	3,597,619	3,408,000	3,237,300	-170,700	-5.0%
Electrical	1,139,871	1,129,100	1,161,300	32,200	2.9%
Insurance	155,563	176,000	168,500	-7,500	-4.3%
Donations	273,315	179,900	183,200	3,300	1.8%
Capital out of Revenue	24,411	23,000	52,800	29,800	129.6%
Gas Tax Projects	420,279	420,279	453,625	33,346	7.9%
Special Events	184,835	179,000	166,200	-12,800	-7.2%
Debt Charges - Town Share	1,866,636	1,919,500	2,043,500	124,000	6.5%
Debt Charges - Provincial Share	230,259	178,082	157,657	-20,425	-11.5%
Council	<u>197,831</u>	<u>178,300</u>	<u>235,100</u>	<u>56,800</u>	<u>31.9%</u>
<b>Total</b>	<b><u>14,233,009</u></b>	<b><u>14,031,161</u></b>	<b><u>14,450,982</u></b>	<b><u>419,821</u></b>	<b>3.0%</b>

# SOURCES OF REVENUE



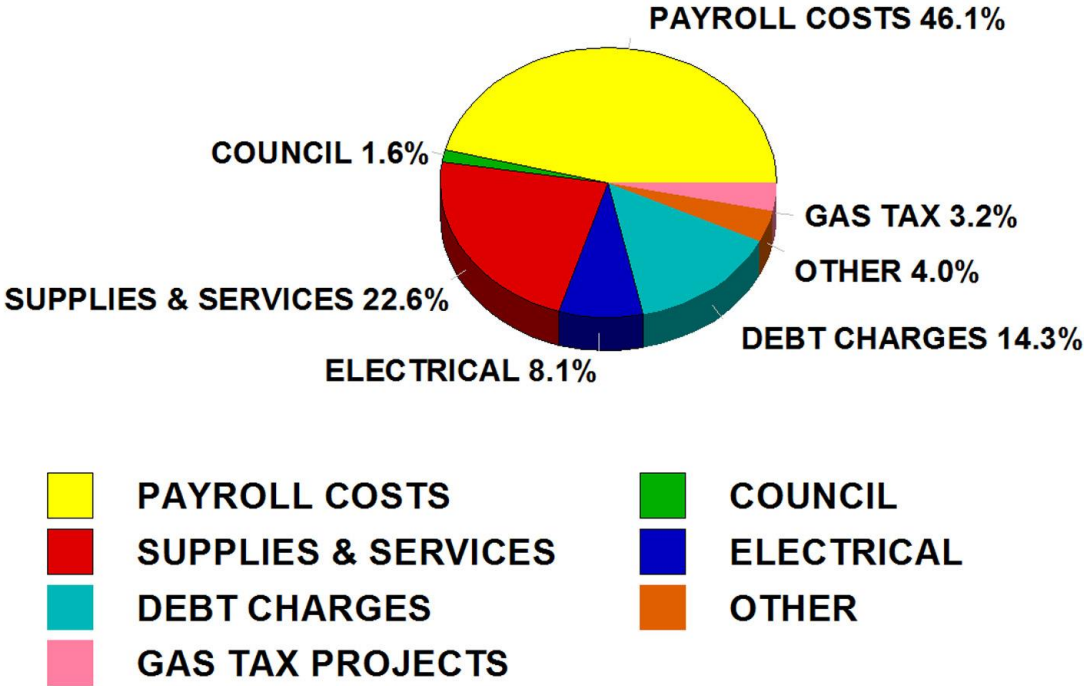
# EXPENDITURES BY DEPARTMENT

(Excluding Provincial Debt Payments)

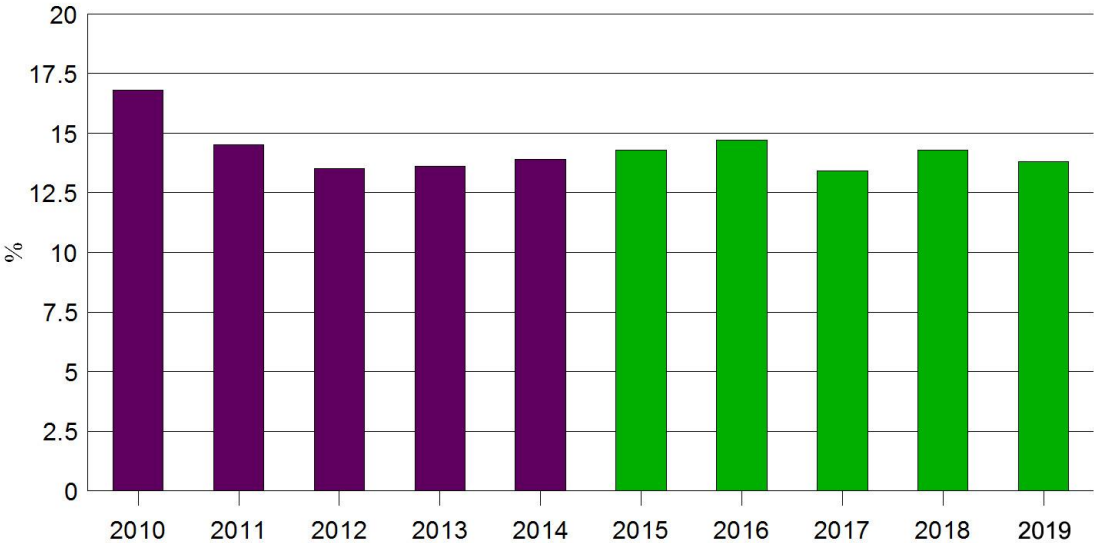


# EXPENDITURES BY TYPE

(Excluding Provincial Debt Payments)



# DEBT PAYMENT TO REVENUE RATIO



## **NEW INVESTMENT HIGHLIGHTS**

Despite holding the line on taxes, Council was able to make modest but important investments for our future.

### **Public Safety**

As Gander continues to grow, we face ever-increasing demand on our fire and protective services resources. In 2015, Council will invest \$1,161,200 in Gander Fire Rescue including an additional \$30,000 for honorariums to support the recruitment and retention of our volunteer firefighters. Modest investments in new equipment such as self-contained breathing apparatus, thermal imaging equipment, hoses and nozzles will ensure our firefighters have the proper tools and equipment to address emergency situations.

### **Recreation and Community Services**

A top priority for the Recreation and Community Services Department will be the completion of a Recreation Master Plan. Investment in recreation must compete with other infrastructure needs and Council priorities. Once complete, the Master Plan will provide Council and the community with a definitive direction for meeting the current and anticipated needs of our changing demographic. Council has budgeted \$45,000 for completion of this Master Plan.

## **CAPITAL BUDGET**

Each year, Council undertakes a number of major capital projects and purchases that focus almost exclusively on roads, water and sewer infrastructure and related services. In 2015, Council will invest \$8,796,608 in major capital projects and equipment. The Town of Gander will be responsible for \$3.7 million with the balance coming from the provincial government.

The 2015 Capital Budget is presented as follows:

### **CAPITAL ROADS PROGRAM**

Mr. Mayor, I am pleased to announce that the 2015 Roads Program will invest \$893,000 to complete road, curb and sidewalk projects, including:

- Morgan from Sacchi to Airport - Curb, Sidewalk & Recap
- Corrigan from Raynham to Johnson - Sidewalk & Paving
- Byrd from Gordon to Marc Garneau - Curb, Sidewalk & Paving
- Bell from Elizabeth to Library walkway - Curb & Repave



In addition, Council will be investing an additional \$5,431,331 for completion of work announced in the 2014 budget, including:

- Memorial Drive - Paving
- New Wastewater Treatment Plant - Engineering
- Mechanical Changes to Water Treatment Plant
- Blackwood Drive - Upgrade Main and Repave
- Cooper from Mitchell to Magee - Paving

## **WATER AND SEWER**

Mr. Mayor, enhancement of our water and sewer infrastructure remains the Number One priority of Council. We continue to take proactive and aggressive measures to enhance our water and sewer infrastructure including a new wastewater treatment plant.

Council has allocated funding for water and sewer projects in 2015, including:

- Upgrading Section of Water Main on TCH
- Installing Storm Sewer Bypass on Yeager
- Water Treatment Plant Computer Update
- Rebuilding Air Compressor at Water Treatment Plant
- Ozone Ventilation for Water Treatment Plant
- Relining Sewer Pressure Line on Cobham

## **OTHER MAJOR CAPITAL PROJECTS**

Other major capital investments include:

- Replacement of the Cobb's Pond Boardwalk
- Emergency Generator for Reservoir
- Replacing Ice Resurfacing Machine
- Replacing Backhoe
- Replacing Dog Park
- Upgrading Basketball/Ball Hockey Court
- Purchasing One Light Vehicle

## 2015 CAPITAL EXPENDITURES

Morgan from Sacchi to Airport Curb - Sidewalk & Recap  
Corrigan from Raynham to Johnson - Sidewalk & Paving  
Byrd from Gordon to Marc Garneau Curb - Sidewalk & Paving  
Bell from Elizabeth to Library walkway - Curb & Repave  
Repave Section of Memorial Drive  
Repave Blackwood and Upgrade Main  
Repave Cooper from Mitchell to Magee  
Construct Access Road adjacent to water line at Gander Lake  
Upgrade Section of Water Main on TCH  
Install Storm Sewer Bypass on Yeager  
Reline Sewer Pressure Line on Cobham  
Digital Recorder for Sewer Camera  
New Wastewater Treatment Plant - Engineering  
Mechanical Changes to Water Treatment Plant  
Water Treatment Plant Computer Update  
Rebuild Air Compressor at Water Treatment Plant  
Emergency Generator for Reservoir  
4 New Fire Hydrants  
Cobb's Pond Boardwalk Replacement  
Permanent Waste Transfer Station  
Replace Permitting Software  
Card Access Terminal for Fuel Pumps  
Replace 4x4 Backhoe  
Line Boring Machine  
Gantry Crane  
Pave Office Parking Lot at Depot  
Carpenter Shop Tools  
Ice Resurfacers  
Replace Dog Park  
Vehicle for Foreperson  
Storage Building at Ball Fields  
Accessibility Ramp for Stage  
Basketball/Ball Hockey Court  
Air Conditioning in Meeting Rooms at GCC  
Thermal Heat Recovery Tank  
6 SCBA Cylinders  
Hose  
Nozzles  
Thermal Imaging Camera  
Storage Shed  
Spare Radar

**Total 2015 Expenditures:        \$8,796,608**

## ENABLING MOTIONS

**The Committee recommends, and I move,** approval of the various 2015 Tax Rates and Fees which have been established within this Budget, as attached.

**The Committee recommends, and I move,** that March 31, 2015, 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, 2015, 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,** adoption of the 5-Year Capital Plan as attached.

**The Committee recommends, and I move,** adoption of the 2015 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](http://www.gandercanada.com).

Mr. Mayor, the preparation of the 2015 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.