

Town of Paradise 2010 Budget Presentation

In my capacity as Chairperson of Finance and Administration, I am delighted to present the 2010 budget for the Town of Paradise.

As a preamble to the 2010 Budget, I would like to reflect briefly on 2009, a great year for the Town of Paradise. Your Council is delighted with the many significant accomplishments in 2009:

- Your Council, in conjunction with the parents, school council representatives and our MHAs', has been a strong advocate for new and improved school facilities in Paradise. The extension to Holy Family Elementary was completed in 2009 and work was commenced on the two new elementary schools. We are cautiously optimistic that both schools will be open in September 2010 but we understand that the school in Elizabeth Park may not be available until January 2011.
- The Town has experienced another year of tremendous growth, with approximately 350 housing permits issued to date. A number of new businesses have opened in 2009, especially in the Octagon Industrial Park.
- Significant improvements have been undertaken on major thoroughfares including St. Thomas Line and Ortega Drive.
- We made a huge investment of over \$ 1.5 million in equipment, including vehicles, snow clearing equipment and major public work equipment, which should result in better service to our residents, in a more economical and efficient manner.
- Another four streets have been provided with water and sewer service.
- Your Council has fulfilled a commitment to the residents with the installation of the elevator in the town hall. This project which entails an extension and upgrading of the town hall, will be completed within the next month or so.

- We have negotiated a new, four year collective agreement with our unionized staff which reflects the economic realities of the day and the value of our staff to the Town.
- We have completed a major reorganizational review, which has identified a revised organizational structure and some staffing requirements. We are currently in the process of implementing the recommendations of this review.

Budget Highlights

I am delighted to state on behalf of Council that we have another record setting budget, with projected revenue of \$ 25.8 million. This amount includes the total provincial share of cost shared debt for projects completed in 2009, a change initiated by the Province in 2008. Prior to 2008, the Province only provided funding to cover its portion of the cost shared debt to be paid in the year. While the net effect on our total debt is nil because a corresponding amount is included in both revenue and expenditures, it does inflate our total budget numbers for both revenue and expenditures.

If we exclude the amount (\$ 5.9 million) which has resulted from this change by the Province, the total budget is \$ 19.9 million. Some of the highlights of the 2010 budget:

1. Significant decrease in the residential property tax rate

The residential property mil rate will be reduced from 9.9 mil to 8.9 mil. This action was taken to offset the dramatic increase in the property tax assessments in Paradise. This revised rate should be equal to or less than the comparable rates from our neighbors in Conception Bay South, Mt. Pearl and St. John's.

2. Increase in the residential water and sewer fee

There will be a modest increase in the water and sewer fee from \$ 380 to \$ 400 to reflect the increased cost of providing this service. The new, state-of-the-art waste water treatment facility will be activated early in 2010 and this additional fee will help

offset our share of the projected annual operating cost of \$ 3.8 million. The new rate is still lower than that of all of our neighboring municipalities which are providing the same service.

3. No change in the commercial property tax rate

The commercial property tax rate will remain at 10.6 mil. This tax rate is substantially less than that of our neighboring municipalities and it is an incentive to attract new business to the Town.

4. Residential home construction

The budget projects another 350 homes to be constructed in Paradise in 2010. We feel that this is a realistic projection, despite the economic downturn.

5. Capital Expenditures

The Town of Paradise will be making a considerable investment in capital projects for 2010, to the extent of \$ 3.5 million. This amount **is in addition to** the projects to be funded through the various cost shared programs with the provincial and federal governments.

Of this total, \$ 2.2 million will be funded through the gas tax rebate, open space development funds and general revenue and \$ 1.3 million will be borrowed by the Town.

Some of the highlights in the capital program are as follows:

- Road Improvements \$ 1.8 m
- Renovations to the Town Hall .2 m
- Open space development .3 m
- Equipment .6 m
- Installation of a sewer line to the Town Hall .3 m

Significant upgrading will occur on Paradise Road from Topsail Road to Milton Road and on the remainder of Ortega Drive.

The equipment purchases include three new dump trucks

6. Cost-shared Capital Program

In 2010, the Town of Paradise will embark on probably the largest construction initiative ever undertaken in a single year. In partnership with our provincial and federal governments, we will invest approximately \$ 9 million in various cost shared projects.

We will commence the development of the second floor of the Rotary Paradise Youth and Community Centre at a cost of approximately \$ 1.6 million, providing an additional 7,000 square feet of usable space. This will provide the residents of Paradise with more opportunity to utilize the building and it will greatly enhance the facility's role as the cornerstone of the community.

Approximately \$ 4.5 million will be invested in the provision of water and sewer services. This is a continuation of Council's commitment to the completion of the water and sewer services in accordance with the priority list developed in 2002.

Approximately \$ 3million will be invested in the reconstruction of Topsail Road, from Paradise Road to McNamara Drive. This section, five lanes and sidewalks, will be template for the remainder of Topsail Road.

7. Kenmount Road Overpass

The province has committed to the demolition of the old overpass and the construction of a new one at the intersection of Topsail Road and Kenmount. This will include widening Topsail Road from the Mt. Pearl boundary to Carlisle Drive. It is anticipated that this project will occur in 2010.

8. Waste water treatment facility (Harbor Cleanup Project)

This massive project, with an estimated total cost of \$ 144 million, was built in partnership with St. John's and Mt. Pearl at a cost to Paradise of approximately \$ 2 million. The treatment plant is currently operating on a trial basis and it should be completely operational early in 2010. In 2010, we will begin paying our share of the operational costs, based on our relative usage.

9. Traffic study

We will be undertaking a major traffic study to identify and address the significant traffic issues that are confronting our rapidly growing community. This study will then form the basis for engaging the provincial government to provide the critical assistance required. Our Town staff is currently working on the term of reference for this study.

10. Seniors' discount

We are pleased to continue with the existing policy of providing a 10% discount to our seniors with respect to property tax, for an estimated total cost of \$145,000. Details of this discount are available at the town office and on the town's web site.

11. Tax incentive for Chamber of Commerce members

Businesses that are members in good standing with the Conception Bay Area Chamber of Commerce are eligible to receive a \$ 100 discount on their 2010 Business Tax.

12. Ice surface (Arena)

As we have indicated to the residents of the Town, we are waiting on the outcome of a study currently been conducted by

the province into the recreational needs of the Northeast Avalon. Specifically, we are anxiously waiting on, and hoping for, approval from the province to construct an arena in our Town. We are cautiously optimistic that Paradise will be chosen as a site for an arena, primarily because Paradise is home to such a large concentration of young families which will make this a viable and sustainable facility.

13. Fire protection

At present, the Town is relying on the fire protection provided by the Regional Fire Department. We are exploring options to provide better service and improved response times. While we are cognizant of the residents' concerns and we will endeavor to act on those concerns, this decision has enormous consequences as it could entail an annual operational cost of \$ 1 million more that we currently pay.

Expense Analysis

Taxpayers have a right to know how the Town spends the money that it receives and we, as Councillors, have an obligation to provide that information. In this budget presentation, we have addressed that question as clearly as possible. Detailed information on revenue and expenditures, as well as the entire budget speech, are provided on the Town's web site for the information of residents.

Acknowledgements

This budget document is the result of a joint effort by a number of individuals who comprise our Finance Committee - Mayor Wiseman, Councillor Quilty, the Director of Operations (Ron Fleming), the Chief Administrative Officer (Rod Cumby) and especially the Director of Finance (Janis Swantee). I would also like to acknowledge the input from all of our colleagues on Council.

Deputy Mayor Allan English
Chairperson, Finance Committee

**Town of Paradise
Budgeted Revenue 2010**

	Budget 2010	
<i>Property Tax</i>	\$11,452,000	58%
<i>Business Tax</i>	1,905,000	10%
<i>Water and Sewer Tax</i>	2,036,000	10%
<i>Municipal Operating Grant</i>	202,000	1%
<i>Infrastructure Improvement Fee</i>	350,000	2%
<i>Licenses and Permits Fees</i>	910,000	5%
<i>Interest Income</i>	138,000	1%
<i>Open space account transfer</i>	301,000	2%
<i>Gas Tax Revenue</i>	470,000	2%
<i>Provincial share of debt</i>	1,810,000	9%
<i>Summer program Revenue</i>	145,000	1%
<i>Miscellaneous</i>	183,000	1%
<i>Total Budgeted Revenue</i>	<u>\$19,902,000</u>	

**Town of Paradise
Budgeted Expenses 2010**

<i>General Government</i>	<u>Budget 2010</u>		
Administration salaries & benefits	\$1,019,000		
Engineering salaries & benefits	243,000		
Insurance	132,000		
General administration	170,000		
Council expenses	234,000		
Property assessment services	197,000		
Depot expenses	127,000		
Miscellaneous	<u>528,000</u>	<u>\$2,650,000</u>	13%
<i>Protection Services</i>			
Fire protection	\$550,000		
Municipal enforcement	288,000		
Inspections	313,000		
Miscellaneous	<u>7,000</u>	<u>\$1,158,000</u>	6%
<i>Transportation</i>			
Vehicle operation	\$556,000		
Roads & Sidewalks	1,607,000		
Snow removal	2,275,000		
Street lighting	<u>519,000</u>	<u>\$4,957,000</u>	25%
<i>Environmental Health</i>			
Water supply	\$585,000		
Sewage collection & disposal	636,000		
Garbage collection & disposal	697,000		
Water & sewer department	237,000		
Other	<u>52,000</u>	<u>\$2,207,000</u>	11%
<i>Planning</i>		<u>\$499,000</u>	3%
<i>Recreation</i>			
Administration	\$326,000		
Community Centres	353,000		
Parks, playgrounds, playing fields	175,000		
Programs, activities, events	<u>321,000</u>	<u>\$1,175,000</u>	6%
<i>Debt Services</i>			
Town share	\$2,651,000		

Provincial share	1,810,000	\$4,461,000	22%
Capital Purchases			
Upgrading streets, traffic lights,etc	\$765,000		
Open space development	200,000		
Equipment purchases	672,000		
Building renovations	250,000		
Various recreational projects	191,000		
Other	65,000		
Office furniture and equipment	100,000	\$2,243,000	11%
Other		\$552,000	3%
Total Budgeted Expenses		\$19,902,000	

**Town of Paradise
Budgeted Expense Summary for
2010**

	<u>2010</u>
	\$
<i>Debt Servicing</i>	4.5
<i>Snow clearing</i>	2.3
<i>Capital expenditures</i>	2.3
<i>Road & sidewalk maintenance</i>	1.6
<i>Salaries & benefits - administration & engineering</i>	1.3
<i>Recreation</i>	1.2
<i>Garbage collection & disposal</i>	0.7
<i>Water supply</i>	0.6
<i>Sewage collection & disposal</i>	0.6
<i>Fire protection</i>	0.6
<i>Vehicle operation</i>	0.6
<i>Street lighting</i>	0.5
<i>Planning department</i>	0.5
<i>Municipal enforcement</i>	0.3
<i>Inspections</i>	0.3
<i>Property assessment</i>	0.2
<i>Council expenses</i>	0.2
<i>General administration</i>	0.2
<i>Insurance</i>	0.1
<i>Depot expenses</i>	0.1
<i>Miscellaneous</i>	<u>1.2</u>
<i>Total</i>	<u>\$ 19.9</u>