

2012 BUDGET PRESENTATION

BUDGET SPEECH

In my capacity as the Chair of the Administration and Finance committee, I am pleased to present the 2012 Budget for the Town of Portugal Cove – St. Philips.

The total projected revenue for 2012 is \$8,928,500 which includes transfers from the province relating to infrastructure funding and cost shared debt. If we exclude the Provinces' share the total projected budget is \$7,377,400.

This budget recognizes that the town is in a period of growth and requires movement in areas of Recreation, Lifestyle, Protective Services and Economic Development while maintaining a focus on necessary infrastructure improvements and service to the needs of our residents.

The need for focus on a longer planning period is also recognized and this budget has included some additional expenditure to aid with and to deal with some longer term concerns such as Economic Development.

A lack of business revenue has long been a concern for this town as it results in the need for the residential tax base to be the primary funding source for operations and while we don't see this changing in the immediate future we are laying the groundwork to hopefully attract a larger business tax base and consequently supplement the residential tax base in years to come.

The business tax based revenue at the current time is relatively insignificant such that adjustments now have little effect on total revenue and may actually serve to attract a wider base for future.

Some of the highlights of the 2012 budget are as follows:

BUDGET HIGHLIGHTS

1. Residential Property Tax to rise:

The Residential property tax mil rate will rise to 8.5 mils from the current 8 mils and this revenue growth will be supplemented by an approximate growth from assessment value of 3%.

There will be no change to the minimum tax rate.

2. Commercial property tax rate adjustments:

As stated in the speech preamble, we hopefully will attract a wider Commercial Base by adjusting the following:

The general business tax rate will be reduced to 10mils from the now 14mil level.

The tax rate for med/dental/Pharmacy will reduce to 15 mils from 30mils.

The rate for non-profits and nursing homes will reduce to 10 mils from 12 and 11.5 mils respectively.

The rate for tax and professional services will reduce to 15mils from 20 mils.

3. The town is pleased to continue to offer Residents a 5% discount off their property tax bill if the bill is paid by March 31, 2012.
4. We are also pleased to continue the 20% discount to the property owners in the Town who are in receipt of the Guaranteed Income Supplement. This discount coupled with the early payment discount previously noted could provide a total compounded discount of 27%.

5. The Town of Portugal Cove – St. Philip’s will once again be making considerable investment in capital projects to ensure the town provides up to date services with modern equipment. The capital expenditures financed out of General Revenue for the coming year will amount to \$889,379. This amount is **in addition** to project funds provided through the various cost shared programs with the Provincial and Federal governments and the larger capital items financed through Financial Institutions.

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

• Equipment , computer related and other	\$ 288,000
• Environment, Small Parks, Trails etc.	\$ 276,000
• Protective Services	\$ 175,000
• Portion of cost shared roads infrastructure	\$ 150,000

6. Our cost shared projects with the provincial government, as at budget time, will see a \$750,000 spend to perform upgrade work on Loop Drive, North Point Road, Thorburn Road, Knight’s Rest and Hanlon’s Road.

Additionally, we have earmarked \$700,500 to fund a storm water project in the Jenny Lynn Drive area of town, funding coming from our annual Gas Tax allotment.

Commitment has also been put in the budget for replacement of Public Works service equipment in the amount of \$385,000 and as well \$150,000 to pursue additional properties that may provide future benefits.

In addition to the foregoing it is important to note that the commitment from last year to proceed with the modernization of the Voisey’s Brook Park and Rainbow Gully Park has commenced.

During the past year we have also seen work on upgrade of Neary’s Pond Road, Dogberry Hill Road and Dan’s Road as part a \$2,987,000 cost share arrangement with other levels of government.

7. The town has also renewed its focus on the need to ensure that the town and its assets are protected. Allotments have been made to bolster the spend on fire and protection services and to recognize the value of our Volunteer Fire Fighters.

Halfway through this fiscal year we contracted with the St. John's Regional Fire Department to ensure we have emergency response backup appropriate for our citizens and growing community requirements. This commitment will continue for the 2012 fiscal year at a cost of \$45,000.

The budget also contains \$153,000 worth of capital expenditures to enhance protective service operations and funds have been earmarked for additional training necessary to ensure our dedicated firefighters remain current with modern rescue and firefighting techniques.

Allotments have also been made to upgrade our existing security system so that we can now ensure all our major assets, such as the new park building and surrounds, wastewater treatment plants, depot and town buildings are better monitored.

In addition to our budgeted items we continue to pursue funding arrangements for our proposed Lifestyle Center, further infrastructure improvements and upgrade of some of our Fire Protection fleet.

We appreciate the support of our residents as we strive to provide a first class service.

Detailed information on revenues and expenditures as well as the complete budget speech will be provided on the Town's web site for the information of residents.

Respectfully submitted,

Moses Tucker

Chair, Finance Committee