

Town of Marystown
Presentation to Government Pre-Budget Hearings
By
Deputy Mayor Al Spencer
On
February 23, 2015

On behalf of the Town Council of Marystown, I would like to welcome you, Minister Jackman and Minister King, and your officials to Marystown and the Burin Peninsula. Thank you for including Marystown as a host venue for these Pre-Budget Consultations.

We would like to take this opportunity to put forward some of our suggestions with respect to the municipal revenue system and request that some of these be included in the 2015 Budget. You most likely have heard these suggestions in previous presentations from MNL and other municipalities and you will also most likely will hear similar ones today from other municipalities that are giving presentations at this session, as we are all, so to speak, singing from the same hymn book.

The Municipal Revenue System is Broken.

Municipalities are limited as to how they can generate new revenue. In order to balance our 2015 budget this year, Council had to increase the mil rate on residential and commercial property tax, the biggest increase in our expenditure budget for 2015 being the waste disposal fees for the Burin Peninsula Regional Service Board which increased from \$130 per unit in 2014 to \$170 per unit in 2015. This made for an overall increase in expenditure of \$94,040 on one item in our budget with the distinct possibility of further increases if and when the waste has to be trucked to a larger center.

Limited funds mean limited services and inefficient service delivery:

- Inefficient snow clearing and ice control and emergency preparedness affect public safety.
- Failure to deal effectively with solid waste and water and sewer issues compromise the environment.
- Other governments unfairly tax municipalities. The provincial government makes municipalities pay provincial tax but will not pay property tax to a municipality.

- Municipal governments need to benefit from provincial income or sales tax system in the future.

Municipalities Cannot Rely on Property Tax Alone

- The Town of Marystown, in its 2015 Budget, relies on property tax for approximately 50% of its own source revenue in order to operate.
- Property Tax is a regressive tax. It's a tax that is imposed on an individual without consideration of their ability to pay. For property tax, a millionaire and a pensioner pay the same amount of tax if they live in similarly assessed homes.

Fixing the Municipal Revenue System

- We still believe that the entire provincial portion of the HST should be rebated to municipalities, including the amount associated with all capital projects. The federal government rebates their portion of the HST, so should the provincial government. This is a matter of fairness - governments should not tax governments. Municipalities should receive a full rebate for the provincial portion of the HST – as the federal government does.
- The Provincial Government must comply with municipal permitting and regulations.
- Municipalities should have a share of the Provincial Gas Tax to invest in infrastructure. The federal government provides gas tax funds to municipalities.

Infrastructure Risks

- Municipal infrastructure is aging faster than we're able to pay it off.
- 45% of municipal water/sewer systems are fully amortized or beyond their expected life.
- The province has increased their funding for capital works but municipalities cannot afford to maintain that level of investment without access to more revenue.

- Municipalities are asking for the resources to provide our people access to safe drinking water and the ability to flush toilets, conduct business and drive on the roads. It is our mandate to provide the basic necessities of life expected in a modern country.
- Municipalities own a majority of all public infrastructures in the province. Municipalities are just as responsible for our standard of living as the other two orders of government.

Fiscal Framework

The fiscal framework document, “What We Heard,” was released in December 2014 which is a comprehensive list of what all stakeholders in the municipal sector have presented to the provincial government. While we await the final report, we need something in this year’s budget to show progress and to hold municipalities over until the broader solutions are ready.

- The financial future of municipal government is in the hands of the provincial government.
- We don’t want quick fixes...we want real solutions.

Budget 2015 Requests:

- Implement the necessary legislative amendments to permit municipalities to blend business and realty taxes, with further amendments to permit municipalities to impose an accommodation levy.
- Compel all departments, agencies and institutions of the Provincial Government to comply with municipal permitting and development processes.
- Forward a share of the Provincial Gas Tax to municipalities to invest directly in needed infrastructure, similar to action already taken by the Federal Government.
- Give municipalities a full rebate for the provincial portion of the HST, including all capital projects, similar to action already taken by the Federal Government.
- Relieve municipalities of obligations to remit payroll tax and road tax.

- Government should continue the three year basis Multi-Year Capital Works Program for funding infrastructure for urban municipalities. The Town of Marystow, in its 2015 – 2017 Multi-Year Capital Works Application, requested \$8 million dollars, of which 4 million was approved, which is nowhere near to looking after its existing infrastructure improvements/upgrades and new infrastructure improvements that we need.
- Maintain the same cost-sharing ratio for all municipalities – Marystow is 80% provincial, 20% municipal.
- Ensure the Federal Government continues its commitment to investments through the Building Canada Fund, the Gas Tax Fund and the Economic Action Plan.

Other Municipal Issues

Municipal Regional Recreation Facilities

- Increase Subsidies and Grants to municipal recreation facilities that are in reality regional recreation facilities. Amend the Municipalities Act to give municipalities the authority to impose an accommodation tax to help offset capital and operating costs towards large municipal recreation complexes such as the one to be constructed for Marystow.

Economic Development Issues

Marine Industrial Park

- We now have some twenty (20) fully serviced industrial lots developed in our Marine Industrial Park. Interest is now being shown in purchase of these lots. As a matter of fact, we have sold one lot which we anticipate will be developed this spring. Plans are to proceed with a laydown area and marginal wharf. We are anticipating that as the economy continues to grow in Marystow and on the Burin Peninsula, demand for these lots, the laydown area and marginal wharf will grow. We ask that the province continue to support in any way they can to see this Marine Industrial Park become fully developed.

The Town of Marystown supports economic development for all of the Burin Peninsula, as what's good for the Peninsula is good Marystown. We constantly promote Marystown as the service centre for the Burin Peninsula.

In closing, I would like to take this opportunity to thank both Ministers and the provincial government for their support of numerous projects in Marystown over the last number of years. We look forward to that continued support as we move forward to help our municipalities grow and foster.

A handwritten signature in blue ink, appearing to read "Al S".

Al Spencer
Deputy Mayor