

Town of Springdale: Pre-budget Consultation Submission

March 12

2015

Presentation by the Town of Springdale to the Provincial Government's pre – budget consultations for the 2015 provincial budget.

Budget
Priorities for
Town of
Springdale

Town of Springdale
Pre-budget Consultations
Riverwood Inn
Thursday, March 12th, 2015

Topics for Discussion:

Municipal Funding – Fiscal Framework: (Determine the future of municipal governments in the province)

- Major pressures on municipalities to fund core issues both in operations and capital infrastructure (aging infrastructure, waste management fees, Federal government WSER Regulations, training, essential services) on which we cannot turn our backs. In addition, there are other essentials which make a community (recreation, quality of life, partnerships) which we must address.
- There has to be a way (I believe government has acknowledged this) to allow municipalities to function as living sustainable systems. They are the lifeline of the province. Government has committed to working with MNL to review current fiscal framework. Budget 2013 government undertook a review of the provincial municipal fiscal framework. Phase 1 (2013) input from municipalities in general. Phase 2 completed in 2014 (deals with targeted stakeholders involved in municipal service delivery such as economic development, recreation, waste collection/disposal, environment, infrastructure, firefighting, land-use planning etc.)
- 2014 document put out by the provincial government entitled “What We Heard”, 96% of respondents said that municipalities need new sources of revenue, but the responsibility for providing that funding needs to be shared among the 3 levels of government. This indicates that municipalities are willing to share the load and are not simply looking for handouts.

- The document further showed that the largest expenditure pressures deal with providing the most rudimentary services (roads, drinking water, sewer and wastewater, solid waste collection and disposal and snow clearing) – 84% of all respondents.
- While 77% said that their municipality generates sufficient local revenue, it is not likely a reflection of future capacity as the issues of solid waste, waste water, and new infrastructure must still be accounted for. We cannot keep raising taxes.
- Possibilities:
 - a. Rebate on provincial portion of HST - \$30 million
 - b. Provincial Gas Tax transfer - 1 cent/litre - \$11 million.
 - c. Minimum utility tax increased to 5%
 - d. MOG reform
 - e. Regionalization
 - f. Transfer an income tax equivalent.
- Action - We encourage our government, in the face of a looming deficit and impending cutbacks, to not lose sight of this important initiative and to complete this vital piece of work.

Aging and New Infrastructure

- Municipalities struggling to maintain what they have. Often have to spend government funding on upkeep while placing new projects on the backburner.
- Fortunately 90/10 funding has allowed municipalities to do long term planning and balance maintenance/repairs with new work.
- Encourage government to maintain 90/10 funding.
- Paying 10 cents on the dollar means flexibility and increased borrowing power.
- A strategic infrastructure plan needs to be developed with municipalities to enable long term planning for major projects. With the new Federal

WW Effluent Regulations, we are now faced with an additional major cost – secondary treatment by 2020, 2030 or 2040.

Federal Waste Water Regulations

- WSER regulations now in effect.
- Municipalities required having Transitional Authorizations as of December 31, 2014.
- Secondary treatment by 2020, 2030 or 2040. In other words, no municipality will be permitted to deposit untreated effluent after one of these dates. For the Town of Springdale it will mean the construction of a sewage treatment plant – costing at 15-20 million dollars in today's dollar.
- Probably the biggest single infrastructure cost facing Newfoundland municipalities. (Labrador may be exempt – north of 54th parallel).
- While the Federal government has jurisdiction over this, the Provincial Government cannot continue to turn a blind eye to the implications this has on municipalities in this province. It must work with municipalities and the Federal Government to develop a funding strategy. The Town of Springdale has advocated for this since 2012.
- There is a section of the new act dealing with enforcement.
- Please include this as an integral part of any strategic infrastructure plan by the Province.

Waste Management Strategy

- Commend government on what it has done so far. (Reducing the number of landfill sites, diverting much solid waste from landfill sites, elimination of incinerators, recycling, composting). Nice to see curb-side recycling start in Central a couple of weeks ago.
- For Springdale, here is what we pay.
- 2008 - \$32 per person = \$88, 448 for the town of Springdale
- 2014 - \$56.92 per person = \$165,466 for the Town of Springdale.
- If we factor in the 5% increase in population it still represents approximately 80% increase in fees.

- Province wide implementation by 2020. New regional WM committee formed. When we begin shipping to Norris Arm, we are concerned that fees will rise again. We don't know by how much as that will be determined by the regional committee, but we do anticipate a significant hike.
- It's not that we cannot handle fees, but we have limited options to raise revenue. Takes us back to the issue of sustainable municipal funding.

New Green Bay Health Care Center

- Long journey to get where we are today and you Minister Sullivan have been a great advocate of this project in your former role as Minister of H&CS.
- Government has shown that the commitment is there.
- Site work, access and underground infrastructure (w/s, storm sewer, and lift station) are complete.
- Next phase is the actual build.
- Significant amount of work done on design using the LEAN approach. Most recent was mid February.
- Reasonable cost - \$18-20 million.
- Regional benefits are evident. While the facility will be in Springdale, all municipalities in Green Bay serve to benefit.
- Essential that government maintain the momentum and get the tender out this spring as was the plan.

Waterfront Development

- 2011 began laying groundwork for development of a full service marina in Town with a public meeting.
- CL application 2012.
- February 2014 funding approved (IBRD, ACOA and TOS) for Marina Study. Tract Consulting was hired to complete the study which will have a conceptual design with amenities, a business case for a marina c/w a

feasibility component, costing, fee structures, economic spinoff and revenue generators both for the town and the business community.

- **Study to be released in days. Public meeting in late March!**
- **Next steps. Council to review study and make informed decision based on the business case. If they should go ahead, we will be making application to BTCRD for shared funding for the design and build. This could happen by the end of 2015!**
- **In your budget deliberations, I respectfully ask that you continue to provide funding to BTCRD which will support significant investment in municipalities.**

The Town of Springdale acknowledges the challenges faced by government to deal with such a deficit and wishes you well in your deliberations.