

BUDGET 2014 STEADY THE COURSE

- Public Transit
- Affordable Housing
- Infrastructure
- 2014 Tax Rates



ST. JOHN'S

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Economic Highlights 2013

- Real GDP in the St. John's Metro is expected to increase by 6.3 per cent to over \$13.9 billion in 2013.
- Employment is forecast to increase 0.5 per cent in 2013.
- The unemployment rate is expected to fall to 6.5 per cent.
- Employment gains, combined with significant increases in wages and salaries, are expected to boost personal income by 6.5 per cent.
- Retail trade is expected to increase by 3 per cent in tandem with income growth.
- Housing starts are expected to decrease 9.4 per cent to about 1,951 units after recording a 37-year high in 2012.
- The population of St. John's Metro area is expected to grow by 1.5 per cent in 2013 to 203,600.



Message from the Mayor



The face of St. John's is changing daily as new developments and infrastructure projects are being built throughout our city.

We understand the trust that has been placed in us by the residents to manage the City's financial resources and we have taken every step possible to ensure we are spending our limited resources wisely. When we delivered our budget last year, we fully anticipated that we would have to increase tax rates in 2014 to accommodate the new infrastructure projects we are commissioning. What you will see in Budget 2014 is a concerted effort by council and staff to ensure we live within our fiscal means.

I thank City Council and staff for all of their efforts to deliver a budget that manages our net growth, while ensuring we continue to provide the first class services our residents deserve.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dennis O'Keefe".

Dennis O'Keefe
Mayor

Message from the Finance Chair

Heading into Budget 2014 we knew we had challenges before us. The City is growing at a remarkable rate and, while this is a positive economic trend, it also puts stress on our aging infrastructure and ability to service new areas of the city.

In the upcoming year our investments in infrastructure at the Bay Bulls Big Pond and Petty Harbour Long Pond Water Treatment Facilities and Riverhead Wastewater Treatment Facility will become operational and we will also open the new Southlands Community Centre. These new and upgraded facilities also come with new operational costs. We also knew that we were facing significant challenges with the City's pension plans that we have already begun to address.



But where there are challenges, there are also opportunities. Budget 2014 is a testament to the hard work and effort put forth by the City to control spending and find efficiencies. We are very pleased we have been able to put forth a budget that is balanced between the need to provide first-class services and the responsibility inherent in controlling public tax dollars.

Sincerely,

A handwritten signature in dark ink, appearing to read "Danny Breen".

Danny Breen
Chair, Finance and Administration Standing Committee

Introduction

The City of St. John's is going through a period of transformation as economic activity continues to change the very face and skyline of our city. In fact, the Conference Board of Canada has reported that St. John's will have one of the fastest growing economies in the nation in 2013.

As fast as our economy is growing, it is important as a municipal government that we streamline our operations and develop internal efficiencies to better meet the needs of our residents, businesses and visitors.

In Budget 2013, we brought forward a new vision for the City focused on progressive financial management principles and prudent long-term strategic decisions. As a fast-growing city, it was critical that we looked beyond today, beyond tomorrow and into the future to ensure we are making the most of the limited financial resources we have available.

To that end, last year we implemented a three-year budget cycle. In addition to the 2013 budget, we

provided an expenditure and revenue forecast for 2014 and 2015. We also took steps last year to blend the Business Occupancy Tax into the Business Realty Tax to form a single, equitable tax for commercial properties. Finally, we outlined an ambitious multi-year program of strategic infrastructure projects that will see investments in the City totaling approximately \$270 million over a three-year period.

This year, the City undertook an organizational realignment and adjusted our municipal service delivery model to become more responsive to the growing needs of our community. This is ongoing and we will continue to work towards streamlining processes.

We have made many changes in the past two years to our financial planning model and our organization. As we look forward to Budget 2014 we have also had many changes around the council table. But one thing has not changed - St. John's newly elected City Council remains firmly committed to the principles of fiscal discipline, financial accountability and long-term strategic planning.





Budget 2014 builds upon the groundwork we have laid in recent budgets. Over the past two years we have expanded our pre-budget consultation process which provided valuable feedback, and also solicited input through social media. Throughout the year we held consultations relating to several plans and strategies, such as the municipal plan, which informed spending priorities and highlighted several major themes important to residents.

As already mentioned, a municipal election was held in 2013. Collectively, we, as a Council, knocked on virtually every door in the City and heard first-hand what was important to our residents.

Some of the key messages we heard include:

- Control spending and keep taxes down. This message came through loud and clear.
- Invest wisely in infrastructure as this is the backbone of the city and supports economic growth.
- Support accessible and affordable public transit.

- Develop plans and projects to increase affordable housing, as housing prices and rental rates continue to escalate.

It cannot be stressed enough how important it is for us as a City to reach out to understand and address the growing needs of our community. We are committed to developing a meaningful engagement process, starting with the creation of the Office of Strategy and Engagement this year. We will develop an engagement framework that will improve and inform decision making and generate new and creative ways to inform, create dialogue, generate ideas and solutions with residents, businesses and other stakeholders. We will continue to consult widely with issue-specific stakeholders and the public at large on a variety of important issues in our city.

One thing that requires no consultation, which we can all agree on, is that St. John's is a special place to live and we will endeavour to use our limited financial resources to make sure it stays that way.



Budget 2013

The City of St. John's stayed on target with its 2013 expenditures. Currently, gross expenditures for 2013 are projected at \$250.1 million, compared to an original budget of \$248.9 million, this represents a variance of less than one-half of one per cent.

For 2013, we are projecting that we will be \$1.5 million under budget on salary costs. We are also under budget by approximately \$1.6 million on water and wastewater treatment costs, primarily because treatment plants did not reach full operational capacity as originally anticipated. However, both of these positive variances are almost fully offset by a negative \$2.7 million variance on employee benefit costs. This variance is due exclusively to increased current service cost and special payments to pension funds.

With the exception of pension costs, which continue to be a source of concern, we are quite satisfied with the projected year-end results for 2013. Council committed to containing expenditure growth to a prudent 3.8 per cent and we succeeded.

The revenue forecast for 2013 year-end indicates gross revenue of approximately \$260.4 million, compared to our original projection of \$248.9 million. This represents a positive variance of approximately \$11.5 million.

Residential Realty Tax exceeded budget by 5.3 per cent, or approximately \$4.1 million, while Business Realty Tax exceeded budget by 11 per cent, or approximately \$5.7 million. Other revenue sources, including permits and fees, also exceeded budget, but are almost fully offset by the City losing the Municipal Operating Grant from the Government of Newfoundland and Labrador. In 2013, the loss of the Municipal Operating Grant cost the City \$2.5 million because it occurred mid-year. For the 2014 fiscal year, the City will lose the full \$3.4 million grant we previously received annually.

Overall for 2013, we are currently projecting a budgetary surplus in the range of \$9 to \$11 million, subject to any accounting adjustments which may be required before year end.

Budget 2014





Expenditures

The City of St. John's is very cognizant of the fact that we must strike a balance between providing the first-class services that residents of this great city deserve, while managing our limited financial resources. We feel we have found that balance.

Gross expenditures for 2014 are budgeted at \$272.3 million, including regional service costs which are partially recovered from our municipal partners.

Our growing city requires that we continue to make strategic investments into its future and that will see costs increase over time. Overall, Budget 2014 maintains program delivery at current service levels, with no substantive program expansions or reductions. However, facility operating costs will escalate as the Bay Bulls Big Pond Water Treatment Facility, Petty Harbour Long Pond Water Treatment Facility and Riverhead Wastewater Treatment Facility reach full operational capacity.

There is no municipal service more important than the safety and security of the water we provide to residents. These investments into our water and wastewater systems are extremely important to ensure

we can meet regulatory requirements and provide the water volume necessary for future needs as the region continues to expand.

A projected \$1.9 million increase in treatment plant operating costs is money well spent.

- The new Bay Bulls Big Pond Dissolved Air Flotation Treatment System should be operational by January 2014. This new system will provide the City and its regional partners with enhanced water quality.
- The new Petty Harbour Long Pond Treatment Facility is expected to open by June 2014 and will increase the supply of high quality drinking water by 15,000 cubic meters per day.
- The Riverhead Wastewater Treatment Facility should be fully operational in the second quarter of 2014. When that happens, the 'harbour bubble' will finally disappear, as the Temperance Street outfall is redirected to Riverhead.

In addition to the investments in our water and wastewater treatment facilities, the new Southlands Community Centre will also become operational in 2014.



Council will also honour its prior commitment to increase direct funding to individual artists and arts organizations by a further \$25,000 to a total of \$203,000. This, combined with investments in the Quidi Vidi Village Plantation, Anna Templeton Centre, LSPU Hall, financial assistance to cultural festivals and events and the acquisition of art for the civic art collection, among other programming, increases our total annual support to approximately \$800,000 or \$8 per capita.

The subsidy to St. John's Sports & Entertainment Ltd. will increase from \$750,000 to \$1 million due to a decrease in event revenue. However, this subsidy requirement may decline if a few extra concerts are booked or the Ice Caps make the play-offs. So, let's go Ice Caps! But, even at a \$1 million subsidy, it is still well below the \$2 million subsidy of 2008.

CORE PROGRAMS

The cost of maintaining core program delivery at current service levels is projected to increase by a modest 3 per cent. Increased pension costs and water treatment plant annualization will push net operating costs to \$205.4 million, or an increase of 5.8 per cent.

Also noteworthy is a \$2.5 million increase in net debt service costs, as well as an increase in the contribution to capital from \$15.2 million in 2013 to \$18.2 million in 2014. Expenditure growth on both accounts is

	2013	2014
	(millions)	
Core Program Delivery	\$180.6	\$186.0
Treatment Plant Annualization	--	1.9
Pension Funding	13.7	17.5
Net Operating	\$194.3	\$205.4
Contribution to Capital	15.2	18.3
Net Debt Service Increase	--	2.5
Regional Recoveries	21.9	25.3
Debt Charge Recoveries	17.5	20.8
Overall Total	\$248.9	\$272.3

due to strategic investments in infrastructure, some of which we'll be highlighting later in this budget document. The City's net debt is approximately \$246.8 million and the debt service ratio will be maintained at a respectable 10.2 per cent. We will continue to invest wisely and prudently in infrastructure, but will not borrow beyond our means.



Pension Liability

The City of St. John's is no different than any other large organization in the country or worldwide, as all pension plans have been negatively impacted by the global economic downturn.

In Budget 2013, Council committed to reviewing its own pension arrangements as the first step towards addressing unfunded liabilities in City pension plans. Council delivered on that commitment by cancelling the defined benefit plan for new incoming councillors. The non-contributory aspect of the existing plan was also eliminated and returning councillors who remain in the old plan are essentially required to make a six per cent contribution.

Council has taken the necessary action to put its own 'pension house' in order and will now turn its attention toward the other City pension plans in 2014.

The unfunded liability in City pension plans is currently estimated at \$82.5 million for the City, plus another \$9.6 million for Metrobus for a total of \$92.1 million. The special payments required to address this liability are currently in the order of \$10.4 million per year. The liability, as well as the special payments, is highly sensitive to economic factors, especially interest rates and stock market performance. A one or two per cent change in the pension fund's rate of return can have a decidedly positive or negative impact on the funded position over the long-term.

Early in 2014, we will begin discussions with our employees and their bargaining units on the options available to resolve the pension funding issue. We have already held meetings with staff to explain the issue before us and we will work together to find a mutually agreeable solution.

Public Transit

A common theme throughout our pre-budget engagement process and other public consultation sessions held during the past year was the importance of having an affordable and dependable public transit system.

Significant enhancements to our public transit system are already underway.

- Metrobus will soon be moving to its new facility, built at a cost of \$36.7 million, with considerable support from the Government of Canada.
- Fleet revitalization is continuing with five new buses arriving in early 2014, raising to 20 the number of accessible units we currently have in our fleet.
- Metrobus will begin phasing in accessible routes in 2014 and at the same time will add bicycle racks to its fleet for the first time.

These initiatives are part of a move towards integrated mobility in our City, where public transit is part of a broader solution to improve the movement of people and goods. It's about integrating all modes of transportation to ensure we have an effective and sustainable transportation network.

Metrobus service has also been expanded.

- In January 2013, weekday-only service to the growing Airport Heights and Kenmount Terrace neighbourhoods was extended to include night service, as well as express service to Memorial University.
- In January 2014, service will further expand to include weekend service in both areas, as well as express service from Kenmount Terrace to the university during the morning peak period.
- In January 2014, there will be improvements to some of the busiest routes which service downtown, the university and Kelsey Drive areas.

We are also very cognizant of the fact that we are an aging community and next year Metrobus will introduce a community bus service exclusively for seniors. With funding from the province's Age-Friendly Transportation Project, Metrobus will engage with the seniors' community to introduce a service

designed to meet their specific needs. This is another step towards the City's goal of becoming an age-friendly community.

We have heard our residents loud and clear and significant efforts are being made to expand and improve our public transit system. St. John's is a vibrant, diverse city and we need to ensure that our public transit service is keeping pace with the changing demographic needs of our community.

The total cost of the Metrobus public transit system is estimated at \$21.4 million for 2014, with \$7.3 million in revenue coming from bus fares, charters, advertising and other revenue streams. The City and its partners also contribute towards GoBus, our para-transit system. The City's total cost for GoBus is estimated at \$2.2 million. The subsidy to be provided by the City for transit and para-transit in 2014 is therefore estimated at \$16.3 million.

Affordability is an important consideration for regular transit users.

- **Despite the increasing cost of providing this vital public service, transit fare rates will remain frozen and not increase during 2014.**

The City of St. John's will also lead the development of a Regional Sustainable Mobility Plan starting in 2014. Our municipal partners throughout the region, as well as the Government of Newfoundland and Labrador, have all signed on to co-operate in the development of a multi-modal transportation plan for the region. Public transit is an important consideration when looking at a regional transportation plan and strategies to further enhance our service will be explored.





Affordable Housing

Affordable housing is a critical issue, one which the City's Mayor's Advisory Committee on Affordable Housing (MACAH) has been advancing. This was a clear theme throughout the pre-budget and other consultations held by the City.

As noted, St. John's has one of the hottest economies in Canada and this phenomenal rate of growth presents us with many opportunities and challenges. One of the negative impacts of growth is access to affordable housing:

- Local rental vacancy rates are among the lowest in the country and average market rent increases are exceeding inflation.
- Much of the existing rental stock is old and there has been limited new construction.
- Home prices have virtually doubled since 2004, and even modest homes are getting beyond the reach of median income households.
- Vacancy rates are also low in social housing units and tenant turnover is rare.

The implications are far-reaching and a lack of accessible and affordable housing has both social and economic impacts.

The City of St. John's is prepared to do its share, but we certainly cannot do it alone. Addressing this issue will require a collective effort with the Government of Canada, Government of Newfoundland and Labrador, as well as private and community sector partners. Early in 2014, we expect to receive an 'Affordable

Housing Business Plan' from MACAH. This business plan will advance collaborative strategies for achieving affordable housing targets and propose measures for public, private and community sector engagement. We look forward to receipt of the plan.

In the meantime, the City will proceed with other initiatives:

- We will continue to invest in our supportive housing portfolio, including an additional 42 units which will open in 2014 with the assistance of the Government of Canada and the Newfoundland and Labrador Housing Corporation.
- **There will be no rental rate increases for City owned supportive housing units.**
- We will make City-owned land available for development of mixed-use affordable housing, starting with a pilot project in Shea Heights.
- Through our municipal planning process we will establish zoning and development policies which encourage affordable housing construction.
- Mayor Dennis O'Keefe will, as a member of the Big City Mayors' Caucus and the Federation of Canadian Municipalities, continue to oppose federal government reductions in funding for affordable housing programs.

This is not a problem which is easily fixed, and is certainly not unique to our City, but we are learning from other jurisdictions, developing partnerships and supporting initiatives which will help us tackle this important issue facing our City.



Infrastructure

In 2013, the City produced a multi-year infrastructure plan, valued at more than \$270 million, and we got off to a great start.

We were able to complete and begin many necessary infrastructure projects throughout the city. Unfortunately, many of the projects we have had to complete to improve the roads we drive on, the sidewalks we walk on or the distribution networks for our water and wastewater systems, have led to many disruptions to the public.

Let me assure you that this work is essential to ensure the long-term sustainability of our municipal infrastructure. Council certainly understands the frustrations created by these disruptions, but it is truly a case of short-term pain for long-term gain.

And, we cannot provide any guarantee that next

summer will be any better; there is still a lot of work to be done. Our infrastructure plan calls for a \$35 million expenditure on aging water transmission mains together with a \$40 million investment in streets and sidewalks.

Upcoming infrastructure projects include:

- Water transmission main replacement on Portugal Cove Road.
- Storm sewer and sanitary sewer replacement will resume on the Topsail Road-Craigmillier Avenue route.
- Sidewalk installation will get underway on Logy Bay Road and Kenmount Road.
- Underground water infrastructure work will take place on the Mayor Avenue-Bonaventure Avenue corridor.

Your continued patience is greatly appreciated.



Facilities and Amenities

The upgrades we do on our streets and underground infrastructure are hard to miss. However we are working just as hard on other forms of infrastructure as well.

Public consultations on the municipal plan clearly signaled a demand for parks, trails, open spaces and recreation facilities. These types of amenities encourage healthy lifestyles and are considered essential to enhancing livability.

PARKS AND COMMUNITY CENTRES

The City is also working on an Open Space Master Plan, which will provide direction and oversight to future and current parks and open spaces. In 2014 we will engage with you, the residents, about future open space networks.

The City has acquired the land for a new major city park in the Kenmount Terrace area and planning will get underway in 2014.

The Bannerman Park revitalization is well under way including an ice trail, new pool house and splash pad. The City expects the new ice trail to be

operational this winter. Enhancements are also under consideration for Bowring Park and Victoria Park.

The new Southlands Community Centre is currently under construction and will open in 2014, while construction of a new Wedgewood Park Community Centre will get underway in 2014.

PROTECTIVE SERVICES

Fire protection is also essential to the safety and security of residents and businesses. A new Blackmarsh Road Fire Station will open in 2014 to replace the obsolete facility on LeMarchant Road. The decision of the Town of Paradise to join the St. John's Regional Fire Department further strengthens fire suppression capacity in the region and demonstrates the benefit to increased regional cooperation. A new fire station in Paradise should open by late 2015.

We are fortunate that the current rate of economic growth in the City puts us in a position to make these strategic infrastructure investments. However, we must invest wisely and prudently to ensure we can maintain these investments in the future.

Property Tax

Budget 2013 forecasted that the residential tax rate would have to increase from 8.1 mils to 8.78 mils in 2014. The commercial tax rate was expected to increase from 26.2 mils to 27.6 mils. These measures would have been required to generate an additional \$10 million in tax revenue to primarily offset the costs involved in operating our new water and wastewater infrastructure.

Residential and Business Realty Tax combined to exceed budgetary estimates by almost \$10 million in 2013, to generate a forecasted total of \$138.7 million. We have every expectation that we can reach this revenue level again in 2014. In addition, we would anticipate that the Residential Tax Base will grow by a further 2 to 3 per cent in 2014 and the Commercial Tax Base is forecast to grow by 4 to 5 per cent.

Residential and Commercial Realty Tax is therefore estimated at \$143.8 Million for 2014. As a result:

- **There will be no increase in the Residential Tax Rate for 2014; and**
- **There will be no increase in the Commercial Tax Rate for 2014.**

Effective Jan. 1, 2015, residential and commercial properties under construction will be assessed for realty tax purposes and realty tax for the 2015 tax year will be calculated at the applicable mil rate, based on percentage of completion.

Presently, properties are assessed only upon completion and taxed only upon occupancy. This measure may generate an additional \$1.5 to \$2 million in revenue.

The current policy of tax relief for low income seniors will remain in effect for 2014. The City provides a 25 per cent residential property tax reduction to seniors in receipt of the Guaranteed Income Supplement and those receiving a Survivor Allowance under Old Age Security.

All residents, not just seniors, can also make application to the Payment Review Board for relief if unable to pay property tax. Various forms of relief are available including interest abatement, payment plans and property liens.



Water Tax

The annual cost of treating and distributing drinking water in the City will be approximately \$30 million in 2014. The cost of treating wastewater at the Riverhead plant is an additional \$10 million. The \$40 million cost of water and wastewater treatment is funded entirely through Water Tax.

Approximately \$2.3 million of the 2013 budgetary surplus can be directly attributed to water and wastewater services:

- In 2013, Water Tax revenue exceeded budget by \$700,000.
- Water and wastewater expenditures in 2013 were \$1.6 million below budget because new facilities did not reach operational status by the anticipated dates.

The \$2.3 million surplus attributable to water services in 2013 will be directed back into the water budget and applied against 2014 operating costs.

Water Tax revenue is also projected to grow by a further \$300,000 in 2014 due to new residential and commercial properties.

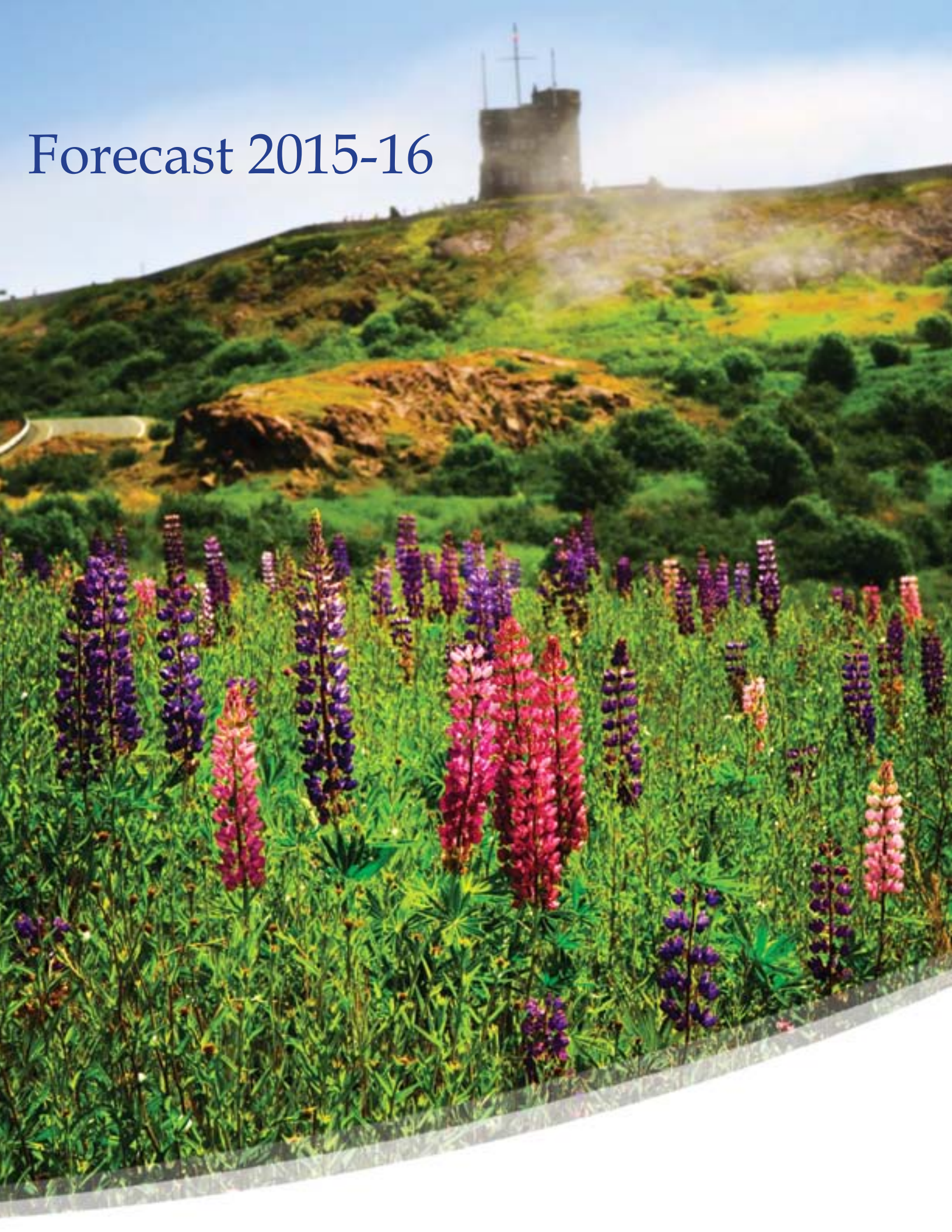
As a result:

- **There will be no increase in the Residential Water Tax rate for 2014**
- **There will be no increase in Commercial Water Tax rates for 2014.**

	2014 Budget (millions)
Administration and Maintenance	\$12.6
City Share of Bay Bulls Big Pond	4.9
Petty Harbour Long Pond	1.7
Windsor Lake	7.3
Riverhead Wastewater Facility	10.2
Capital Investment	3.2
	\$39.9



Forecast 2015-16



Looking Ahead

The growing economy has brought many benefits to our capital city: employment gains, retail growth and increased population. We have been able to avoid any tax rate increases for 2014 thanks to prudent fiscal management. However, looking ahead to 2015 and 2016 we may require tax increases to ensure we are able to meet our fiscal obligations.

Assuming no substantive program expansions or reductions, gross expenditures should continue to grow at a rate of approximately 3 to 4 per cent in 2015 and 2016. The property tax base is projected to grow at a rate of 1.5 to 2 per cent in each year. Other revenue sources are also expected to show some modest growth. The outlook, before any change in tax rates, suggests projected deficits of \$8.1 million in 2015 and \$15.6 million in 2016.

To address these projected deficits, tax increases may be required:

- The residential tax rate may possibly have to increase from 8.1 mils to 8.6 mils in 2015 and up to 9.1 mils in 2016.
- The commercial tax rate could possibly increase from 26.2 mils to 27.2 mils in 2015 and 28.2 mils in 2016.
- Commercial and residential water tax rates may increase by 6 to 8 per cent over the next two years.

Whether these tax increases will be necessary, or even sufficient to sustain program delivery, is dependent on a number of factors.

- The City will continue to strive to reduce operating costs, without jeopardizing program delivery.
- We will continue to identify alternative revenue sources to mitigate pressure on the property tax base.

FISCAL RELATIONSHIP

Our fiscal relationship with the Government of Newfoundland and Labrador could have a significant influence on both residential and commercial property tax rates in coming years. In fact the City is facing loss of revenue from the province and these losses will need to be replaced.

- Elimination of the \$3.4 million Municipal Operating Grant.

- Cancellation of the Newfoundland and Labrador Liquor Corporation \$100,000 grant-in-lieu tax.
- Conversion to tax exempt status of the Battery Hotel and Johnson Insurance buildings creates a further tax loss of \$300,000.

While provincial support to the City is declining, we estimate that the City will actually pay the Provincial Government approximately \$24 million in payroll and sales taxes over the next two years. There is clearly a major imbalance in our current fiscal relationship.

Discussions with the provincial government towards a new fiscal relationship got underway recently, led by Municipalities Newfoundland and Labrador, on matters such as:

- Payment of property tax on Government-owned buildings;
- Municipal rebate of HST and Payroll Tax;
- Municipal share of Gas Tax.

The primary objective is to achieve equity in distribution of the tax burden. A new and meaningful fiscal relationship with our provincial government could possibly offset the need for any property tax increase in 2015 or 2016. But, as long as the provincial government refuses to pay its fair share, city residents and businesses must pay more.

Infrastructure development in 2015 and 2016 is also dependent on provincial and federal governments. Current cost-sharing agreements with both levels of government are expiring and renewal of these arrangements is essential to the continuation of the City's infrastructure investment strategy. As compensation for elimination of the Municipal Operating Grant, the province provided a one-time \$8.5 million increase in capital funding. It is our understanding, that if a new fiscal relationship is not in place for 2014, additional capital would be provided, over and above the City's traditional multi-year allocation.

We look forward to seeing some meaningful steps towards a new municipal fiscal relationship and renewal of infrastructure agreements in the next provincial budget in spring 2014.

Conclusion

Our objective as a Council is clear - to provide the best municipal services to the public in the most cost effective manner. We believe Budget 2014 achieves that objective. However, we must continuously strive to enhance program efficiency and effectiveness so we can do more with the limited fiscal resources we have. The city is evolving and we must adapt to the

changing business and social environment. We will seize the opportunities presented by our continuing growth and tackle the challenges that come with it.

We are committed to keeping St. John's one of the best places in Canada in which to live, work, do business and raise a family.



Appendices



Appendix 1: Revenue Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
Taxation			
41112 Residential Realty	\$77,083,000	\$81,200,090	\$83,600,000
41121 Business Realty	51,829,000	57,500,000	60,200,000
41400 Business Occupancy	0	(78,659)	0
44410 Water Sales & Tax	47,621,712	48,396,009	51,024,601
41940 Accommodation Tax	3,230,000	3,294,663	3,600,000
41991 Utility Tax	7,000,000	7,183,578	7,300,000
	186,763,712	197,495,681	205,724,601
Grants In Lieu Of Taxes			
42100 Government of Canada	3,000,000	3,361,476	3,100,000
42200 Government of Canada Agencies	535,000	1,097,242	535,000
42300 Water Tax Grant	2,100,000	2,166,746	2,100,000
	5,635,000	6,625,464	5,735,000
Sales Goods & Services			
44100 General Government	1,739,360	1,597,011	1,745,960
44300 Transportation	1,955,899	2,039,078	2,307,916
44400 Environmental Health	397,120	772,127	666,046
44435 Tipping Fees	11,395,100	12,328,781	12,455,052
44700 Recreation	1,585,624	1,598,558	1,706,118
44900 Other General	414,740	238,289	485,424
	17,487,843	18,573,844	19,366,516
Other Revenue Own Sources			
45120 Business Licences	163,980	179,675	163,980
45170 Construction Permits	3,418,720	3,675,456	3,418,720
45200 Fines	2,126,293	2,057,352	2,257,484
45300 Rents & Concessions	3,165,124	3,289,059	3,010,970
45500 Investment Interest	18,300	321,848	20,355
45600 Interest Tax Arrears	1,600,000	1,780,521	1,600,000
	10,492,417	11,303,911	10,471,509

Appendix 1: Revenue Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
Grants Other Governments			
47530 Recovery Debt Charges	17,523,459	17,523,459	20,722,099
47550 Real Program Grants	225,000	274,079	225,000
47555 Non-Profit Housing Subsidy	747,043	859,880	1,009,840
47598 Municipal Operating Grant	3,411,430	852,858	0
47110 Federal Gas Tax Rebate	4,182,853	4,182,853	4,182,853
47100 Other Grants	325,010	501,368	231,125
47107 CMHC Mortgage Subsidy	317,790	326,825	423,358
	26,732,585	24,521,322	26,794,275
Other Transfers			
49201 Assessments	1,800,000	1,831,048	4,194,777
	1,800,000	1,831,048	4,194,777
Total Revenue	\$248,911,557	\$260,351,270	\$272,286,678

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
General Government			
General Administrative			
1111 Mayor & Councillors	\$652,060	\$659,354	\$661,564
1112 Mayor's Office	11,890	6,807	11,890
1115 Public Receptions & Events	180,639	197,041	183,851
2531 Emergency Control	111,668	103,266	117,929
1210 Bus. Planning & Operational Review	250,000	(26,162)	0
1211 Administration Strategy & Engagement	0	0	820,456
1212 Administration - Admin. Services	701,248	710,085	469,381
1213 Human Resources	348,404	299,206	460,361
1214 Benefits Administration	197,186	198,042	205,727
1215 City Solicitor	334,806	355,869	372,599
1216 Employee Wellness	797,529	713,270	792,236
1217 Employee Development	584,886	544,208	526,644
1218 Employee Relations	675,864	618,247	826,439
1219 569 HR Administration	678,920	637,372	644,598
1220 Legal Services	894,909	872,287	923,522
1221 Administration Finance	507,353	506,752	600,931
1222 Financial Services	1,291,475	1,249,530	1,343,932
1223 Budgetary Services	311,477	308,667	334,458
1224 Asset Reporting	137,592	100,923	94,171
1231 Assessment	1,370,187	1,323,620	1,432,379
1241 Revenue Accounting	1,171,323	1,161,551	1,195,872
1250 Property Management	523,305	583,149	468,678
1251 Office Services	1,023,589	992,167	933,383
1252 Maintenance City Hall	675,022	666,821	735,497
1253 Electrical Maintenance	633,695	610,528	684,679
1254 Maintenance City Hall Annex	209,751	178,817	214,933
1255 Building & Facility Maintenance	402,906	373,495	405,357
1256 Maintenance Fire Department	336,998	314,553	346,870
1257 Maintenance Railway Coastal Museum	201,766	190,611	203,703
1258 Maintenance Civic # 245 Freshwater Rd.	208,688	56,561	215,002
1259 Maintenance Conway Building	57,341	49,166	58,007
1261 Purchasing	616,273	618,507	646,003
1262 Stores/Inventory	787,472	812,203	808,976
1268 Administration Corporate Services	264,457	279,374	290,628
1269 Internal Audit	237,147	228,681	254,642
1270 Corporate Communications	109,950	103,467	478,075

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
1272 End User Support	3,813,884	3,804,023	4,018,360
1274 Service Centre	1,629,609	1,580,374	1,715,356
	22,941,269	21,982,432	24,497,089
Pensions and Benefits			
1290 Pensions	1,275,760	1,116,473	1,301,260
1297 Lump Sum Sick Leave	901,270	969,416	1,520,000
	2,177,030	2,085,889	2,821,260
Engineering			
1311 Administration Engineering-Works	291,394	336,012	334,829
1313 Development Control	1,091,266	1,085,004	1,392,339
1314 Surveying	590,498	585,667	530,206
1315 Traffic & Transportation	1,623,574	1,607,365	1,613,432
1316 Steno-Clerical	326,045	338,923	339,305
1317 Environmental Initiatives		1,586	
1318 Engineering Information Services	1,229,468	1,176,132	1,229,682
1319 Construction	612,789	984,631	1,356,441
	5,765,034	6,115,320	6,796,234
Other General Government			
1931 Liability Insurance	705,142	929,203	765,158
1995 Municipal Elections	358,140	269,813	0
	1,063,282	1,199,016	765,158
Total General Government	31,946,615	31,382,657	34,879,741
Protective Services			
Fire & Traffic			
2141 Parking Enforcement	2,372,919	2,312,664	2,761,166
2142 Crossing Guard Program	111,549	93,110	108,820
2491 Fire Protection	20,133,032	20,467,780	21,076,021
2498 East End Storage Building	67,875	18,930	70,851
	22,685,375	22,892,484	24,016,858

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
Protective Inspections			
2921 Administration Building & Development	355,782	332,547	390,091
2922 Building Inspection	625,278	708,059	579,691
2923 Electrical Inspection	699,079	667,177	726,658
2924 Plumbing Inspection	302,778	269,012	318,231
2925 Steno-Clerical	362,993	334,026	378,019
2926 Water Meter/Plumbing Maintenance	87,163	103,529	89,737
2927 Minimum Standards	1,408,250	1,283,491	1,463,293
2929 Taxi Inspections	196,767	178,799	200,660
	4,038,090	3,876,640	4,146,380
Other Protective Services			
2931 Animal & Pest Control	1,084,615	1,076,691	1,141,528
2932 Animal Control Facility	84,204	78,312	99,034
	1,168,819	1,155,003	1,240,562
Total Protective Services	27,892,284	27,924,127	29,403,800
Transportation Services			
Streets Department			
3011 Administration Public Works	873,882	843,923	904,450
3211 Administration Streets & Parks	2,226,714	2,252,910	2,441,135
3221 Maintenance of Roads	7,097,254	7,055,564	7,636,249
3231 Snow Clearing	15,412,594	15,397,299	16,027,130
3241 Works Depot Maintenance	1,759,871	1,748,837	1,440,567
3242 Maintenance Asphalt Recycling Facility	15,396	5,127	15,660
3252 Traffic Signs & Lights	598,678	514,768	600,516
3253 Street Markings	1,391,522	1,436,347	1,509,393
3262 Street Cleaning By Hand	231,726	229,555	244,516
	29,607,637	29,484,330	30,819,616
Other Transportation Services			
3521 Parking Meters	894,708	900,677	1,076,237
3561 Street Lighting	4,200,000	4,011,094	4,425,000
3591 Subsidy Metrobus	10,892,450	11,093,720	14,122,906
3592 Para-Transit	1,874,989	1,887,901	2,183,272
	17,862,147	17,893,392	21,807,415
Total Transportation Services	47,469,784	47,377,722	52,627,031

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
Environmental Health			
Water Department			
4111 Administration Water	2,026,620	2,042,437	2,279,659
4121 Petty Harbour Long Pond Plant	593,536	0	1,775,875
4122 Water Treatment	11,017,992	10,650,712	12,365,706
4123 Regional Water System	10,476,082	10,012,713	12,878,031
4124 Maintenance Booster Stations	454,955	432,829	481,152
4131 Maintenance Water Mains	8,787,144	8,779,223	8,925,781
4132 Water Metering	315,243	331,244	384,352
	33,671,572	32,249,158	39,090,556
Sewer Department			
4225 Wastewater Treatment Plant	10,093,070	9,977,046	10,680,072
4226 Sewer Pump Stations	653,385	634,978	678,303
	10,746,455	10,612,024	11,358,375
Sanitary Department			
4321 Garbage Collection	6,545,403	6,361,140	6,521,383
4322 Waste Diversion Project	444,010	416,955	168,931
4331 Garbage Disposal	7,556,967	8,501,201	7,730,151
4332 Building Maintenance Robin Hood Bay	138,532	167,217	626,150
4333 Material Recovery Facility	1,566,067	1,532,670	1,805,167
4334 Residential Drop-off Facility	806,455	786,887	830,069
4335 Eastern Waste Management	3,000,000	3,204,906	2,963,571
	20,057,434	20,970,976	20,645,422
Total Environmental Health	64,475,461	63,832,158	71,094,353
Community Development			
Planning			
6113 Planning & Development	1,053,433	1,112,129	899,539
6118 Downtown Revitalization	250,000	227,197	250,000
	1,303,433	1,339,326	1,149,539

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
Community Development			
6211 Administration - Community Services	0	0	717,713
	0	0	717,713
Housing And Real Estate			
6330 Real Estate - Legal	242,534	228,686	245,820
6341 Real Estate	16,700	2,348	16,700
6342 Rental Housing Projects	493,544	432,142	493,544
6343 Avalon Convention & Visitors' Bureau	1,250,000	1,237,506	1,250,000
6360 Non-Profit Housing	4,301,798	4,626,950	4,516,723
6391 Non-Profit Housing Administration	297,517	277,674	275,873
6392 Non-Profit Housing Maintenance	654,681	661,220	674,319
	7,256,774	7,466,526	7,472,979
Tourism & Economic Development			
6611 Promotions Administration	926,250	915,602	632,098
6612 Tourism Development	470,519	467,948	875,967
6613 Visitor's Services	140,941	129,234	156,131
6616 Economic Development	260,403	256,233	0
6618 Special Projects	167,127	171,084	0
6619 Business Services	90,982	77,611	0
6624 Maintenance Gentara Building	298,137	279,390	299,202
6625 Quidi Vidi Visitor Centre	62,290	50,044	65,770
	2,416,649	2,347,146	2,029,168
Total Community Development	10,976,856	11,152,998	11,369,399
Recreation & Parks			
Parks Division			
7121 Municipal Parks	1,895,386	1,889,815	1,920,677
7122 Passive Open Space	2,389,157	2,387,701	2,401,201
7123 Active Sports Facility	658,572	641,363	655,827
7124 Maintenance Playgrounds	807,119	800,354	811,205
7125 Maintenance Buckmaster's Circle	97,526	80,429	97,118
7126 Horticultural Maintenance	1,081,469	1,079,190	1,101,375
7127 Maintenance Rotary Park	87,437	65,014	89,824
7130 Maintenance Mews Centre	208,523	191,300	215,710
7131 Aquatic Maintenance Parks	217,370	287,574	224,318
7133 Maintenance Rotary Chalet	47,555	35,485	42,999
7134 Maintenance Sports Buildings	254,013	220,591	233,793

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
7135 Snow Clearing Steps	592,580	557,211	593,921
7136 Maintenance Shea Heights Centre	74,228	53,167	69,824
7137 Wedgewood Park Facility	112,218	109,340	117,953
7138 Maintenance Kilbride Centre	70,213	66,798	70,914
7139 Maintenance Southlands Centre	0	0	67,860
7141 Maintenance Anna Templeton Centre	19,000	23,467	19,000
7225 Bowring Park Building Maintenance	83,303	85,321	134,041
	8,695,669	8,574,120	8,867,560
Recreation			
7301 Administration Recreation	859,299	952,868	781,944
7305 Corporate & Community Affairs	1,401,838	1,323,290	1,361,673
7311 Program Administration	938,737	857,990	983,052
7315 Recreation Information Services	115,100	70,535	118,370
7321 Operation Summer Programs	336,770	337,008	309,404
7322 Aquatics	105,504	91,072	103,242
7324 Program & Services Administration	456,535	460,533	473,852
7325 Facility Operations	567,569	565,559	588,929
7329 Program & Services	522,719	501,690	537,616
7330 Goulds Recreation Services	157,100	157,100	160,860
7331 Wedgewood Park Recreation Centre	374,301	350,442	351,417
7332 Wedgewood Park Programs & Services	409,495	369,864	412,310
7333 Seniors Outreach	124,333	103,766	126,295
7334 Bannerman Park Pool	71,970	39	70,002
7335 Other Facility Operations	143,798	121,280	153,414
7336 Shea Heights Community Centre	183,362	182,839	184,928
7337 Southlands Community Centre	0	0	153,364
7338 Kilbride Community Centre	192,333	184,169	193,669
7341 Sport	955,832	693,479	671,680
	7,916,595	7,323,523	7,736,021
Other Recreational & Cultural Services			
7445 Civic Centre Corporation	750,000	750,000	1,000,000
7551 Grants & Subsidies	1,333,000	1,438,021	1,180,000
7911 Municipal Archives	245,399	213,393	255,229
7910 Cultural Development	177,921	125,912	385,298
7912 Railway Coastal Museum	462,098	430,513	462,098
	2,968,418	2,957,839	3,282,625
Total Recreation & Cultural	19,580,682	18,855,482	19,886,206

Appendix 2: Expenditure Projection

	Approved Budget 2013	Projected for Fiscal 2013	Budget 2014
Fiscal & Transfers			
Debt Charges			
8111 Short Term Debt	120,000	30,000	180,000
8121 Long Term Debt	201,980	201,980	193,560
8131 Debenture Debt	27,422,882	28,371,544	30,673,722
8191 Other Debt Charges	405,000	398,684	80,000
Total Fiscal Services	28,149,862	29,002,208	31,127,282
Other Transfers			
8211 Province For Allowances	1,550,000	1,648,971	1,550,000
8990 Capital Expenditures	12,035,967	11,852,849	15,414,952
Total Other Transfers	13,585,967	13,501,820	16,964,952
Total Expenditure	244,077,511	243,029,174	267,352,764
Transfers To Other Departments			
Payroll Costs			
1295 Payroll Costs	4,921,421	7,365,191	6,073,673
Mechanical			
3111 Administration	1,314,343	1,243,823	1,355,115
3121 Maintenance Heavy Equipment	8,432,032	8,345,991	7,616,663
3123 Robin Hood Bay Equipment	625,988	600,462	628,928
3129 Recovery Fleet Rental	(10,459,738)	(10,459,738)	(10,740,465)
Total Mechanical	(87,375)	(269,462)	(1,139,759)
Total Expenditure	\$248,911,557	\$250,124,903	\$272,286,678

Appendix 3: Net Consolidated Debt

Bonds Outstanding	Interest Rate (%)	Maturity Date	Funds in Reserve to Retire Debt
\$70,000,000	4.622	2031/08/11	5,028,937
60,000,000	4.500	2033/12/07	-
5,000,000	9.400	2015/10/06	4,715,421
7,000,000	6.840	2020/12/18	4,684,310
15,000,000	7.380	2021/06/01	8,798,662
16,500,000	7.250	2022/04/26	8,480,707
11,000,000	6.680	2023/02/13	5,832,578
25,000,000	6.162	2024/02/26	10,321,764
18,000,000	5.534	2025/06/02	6,566,164
25,000,000	5.300	2026/03/16	7,668,934
35,000,000	4.975	2026/12/07	14,796,211
15,000,000	5.400	2027/12/21	2,662,699
27,000,000	5.539	2029/11/27	2,995,629
\$ 329,500,000			\$82,552,017

Debenture Debt December 31, 2013	\$246,947,983
Long-term Debt	22,925,957
Total City Debt	269,873,940
Less borrowed on behalf of province	(23,111,239)
City Net Consolidated Debt December 31, 2013	\$246,762,701
2014 Cash Debt Servicing Charges	29,282,361
Less provincial and municipal recoveries	(7,375,380)
Net Cash Debt Servicing	\$21,906,981

Appendix 4: Operating Expenditure

Revenue Category	Budget 2014	Forecast 2015
General Government Services		
General Administrative	\$ 28,083,507	\$29,997,879
Engineering	6,796,234	6,858,665
	34,879,741	36,856,544
Protective Services		
Fire & Traffic	24,016,858	23,977,979
Protective Inspections	4,146,380	4,194,990
Other Protective Services	1,240,562	1,236,309
	29,403,800	29,409,278
Transportation Services		
Streets Department	30,819,616	31,105,964
Other Transportation Services	21,807,415	22,677,429
	52,627,031	53,783,393
Environmental Health Services		
Water Department	39,090,556	38,440,009
Sewer Department	11,358,375	11,470,517
Sanitary Department	20,645,422	21,231,430
	71,094,353	71,141,956
Environmental Development Services		
Planning	1,149,539	1,158,456
Community Development	717,713	675,948
Housing And Real Estate	7,472,979	7,545,610
Tourism & Economic Development	2,029,168	2,082,085
	11,369,399	11,462,099
Recreation And Cultural Services		
Parks Division	8,867,560	8,973,218
Recreation	7,736,021	7,736,372
Other Recreational & Cultural Services	3,282,625	3,258,843
	19,886,206	19,968,433

Appendix 4: Operating Expenditure

Revenue Category	Budget 2014	Forecast 2015
Fiscal Services		
Debt Charges	31,127,282	34,739,367
	31,127,282	34,739,367
Allowances And Contribution To Capital		
Allowances And Contribution To Capital	16,964,952	17,866,556
	16,964,952	17,866,556
Transfers To Other Departments		
Transfers To Other Departments	4,933,914	5,777,667
	4,933,914	5,777,667
Total Expenditures	\$272,286,678	\$281,005,293

Appendix 5: Operating Revenue

Revenue Category	Budget 2014	Forecast 2015
Taxation		
41112 Residential Realty	\$83,600,000	\$84,500,000
41121 Business Realty	60,200,000	61,500,000
44410 Water Sales & Tax	51,024,601	50,912,818
41940 Accommodation Tax	3,600,000	3,871,000
41991 Utility Tax	7,300,000	7,400,000
	205,724,601	208,183,818
Grants In Lieu Of Taxes		
42100 Government of Canada	3,100,000	3,200,000
42200 Government of Canada Agencies	535,000	1,035,000
42300 Water Tax Grant	2,100,000	2,100,000
	5,735,000	6,335,000
Sales Goods & Services		
44100 General Government	1,745,960	1,752,760
44300 Transportation	2,307,916	2,307,916
44400 Environmental Health	666,046	666,176
44435 Tipping Fees	12,455,052	12,459,052
44700 Recreation	1,706,118	1,700,733
44900 Other General	485,424	514,172
	19,366,516	19,400,809
Other Revenue Own Sources		
45120 Business Licences	163,980	163,980
45170 Construction Permits	3,418,720	3,418,720
45200 Fines	2,257,484	2,257,484
45300 Rents & Concessions	3,010,970	3,177,260
45500 Investment Interest	20,355	25,716
45600 Interest Tax Arrears	1,600,000	1,600,000
	10,471,509	10,643,160

Appendix 5: Operating Revenue

Revenue Category	Budget 2014	Forecast 2015
Grants Other Governments		
47530 Recovery Debt Charges	20,722,099	20,466,281
47550 Real Program Grants	225,000	225,000
47555 Non-Profit Housing Subsidy	1,009,840	967,343
47110 Federal Gas Tax Rebate	4,182,853	4,182,853
47100 Other Grants	231,125	231,240
47107 CMHC Mortgage Subsidy	423,358	362,627
	26,794,275	26,435,344
Other Transfers		
49201 Assessments	4,194,777	1,859,965
	4,194,777	1,859,965
Total Revenue	\$272,286,678	\$272,858,096

Appendix 6: Schedule of Tax Rates and Fees

	2013	2014
Residential Properties	8.10 mils	8.10 mils
Commercial Properties	26.20 mils	26.20 mils
Water Tax	\$615.00	\$615.00
Applies to Residential Units and Commercial Properties not taxed by water meter.		
Water by Meter Rates:		
Usage Rates:		
Per 1,000 Gallons	\$6.04	\$6.04
Per Cubic Metre	\$1.32	\$1.32
Monthly Base Charge:		
5/8" Meter	\$29.30	\$29.30
3/4" Meter	\$44.02	\$44.02
1.0" Meter	\$73.28	\$73.28
1.5" Meter	\$146.47	\$146.47
2.0" Meter	\$233.65	\$233.65
3.0" Meter	\$467.76	\$467.76
4.0" Meter	\$747.72	\$747.72
6.0" Meter	\$1,461.52	\$1,461.52
8.0" Meter	\$2,337.76	\$2,337.76
10.0" Meter	\$3,359.44	\$3,359.44
Other Rates/Levies:		
Companies defined under Utility Tax Act 2.5% of Gross Revenue		

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