

Fellow Councilors, Staff, Ladies and Gentlemen

Good Evening

It is a privilege for me to present the Towns 2012 Budget this evening a first for the Town of Holyrood in surpassing the \$ 2,000,000.00 threshold of revenue.

I extend my sincere appreciation to Council, and staff for their contributions and deliberations in the preparation of this budget which we have titled

Our Time - Our Future - Positioning Holyrood

Holyrood is renowned for its scenic beauty, its beautiful harbour, its new Marine Institute Marine Base, Marina and aesthetically well maintained homes. It is generally viewed as a special place – not just by residents of the town, but by all who live, work, or visit the area.

Town of Holyrood

Holyrood incorporates the convenience of urban living with the traditional setting of rural Newfoundland. Protecting the rural community attributes is paramount and this budget positions Holyrood to continue that path.

The North East Avalon is experiencing tremendous economic growth and as a Council we plan to position Holyrood to attract residential and commercial growth, and to make certain development takes place in a planned, sustainable manner, protecting and preserving the Holyrood character.

Budget 2012 is designed to continue sound fiscal management of the current Town's assets, maintaining services and strategically positioning Holyrood to capitalize on the benefits of this region's considerable prosperity and growth.

Additional growth means the cost of operating the Town also increases.

New housing starts mean new roads which require maintenance, snow clearing, sand and salting, sweeping, street lights and waste management collection.

New homes place additional resource demands on the Towns water and sewer infrastructure systems. Maintaining drinking water and sewer treatment standards requires continuous monitoring, evaluation and investments.

Council realizes that to position Holyrood requires establishing priorities, identifying funding partners, developing timelines, and ensuring that Holyrood is getting its fair share of infrastructure funding.

Support through provincial and federal government partnerships is critically important to our success.

We realize we must also do our part, as well.

Our Time - Our Future - Positioning Holyrood addresses infrastructure needs, service requirements, and human resources in

Town of Holyrood

recreation, economic development and tourism, ocean technology, public works. It also addresses investments and priorities.

Town continues to seek funding opportunities through the Multi Year Capital Works and the Towns current 8 million projects that were submitted to government. Council has committed \$ 800,000.00 to the cost shared arrangement for these projects and is waiting for favourable approval from government.

2012 will see the implementation of our recently completed Council strategic plan, the new Town Plan Land use zoning and development regulations, new engineering standards, and phase 1 of road design network. A new concept plan is being developed for the Holyrood Marina and Council continues dialogue with developers on a range of opportunities for Holyrood.

Setting priorities, meeting obligations, and identifying the funding mechanisms to pay for services and capital projects is the challenge Council faces.

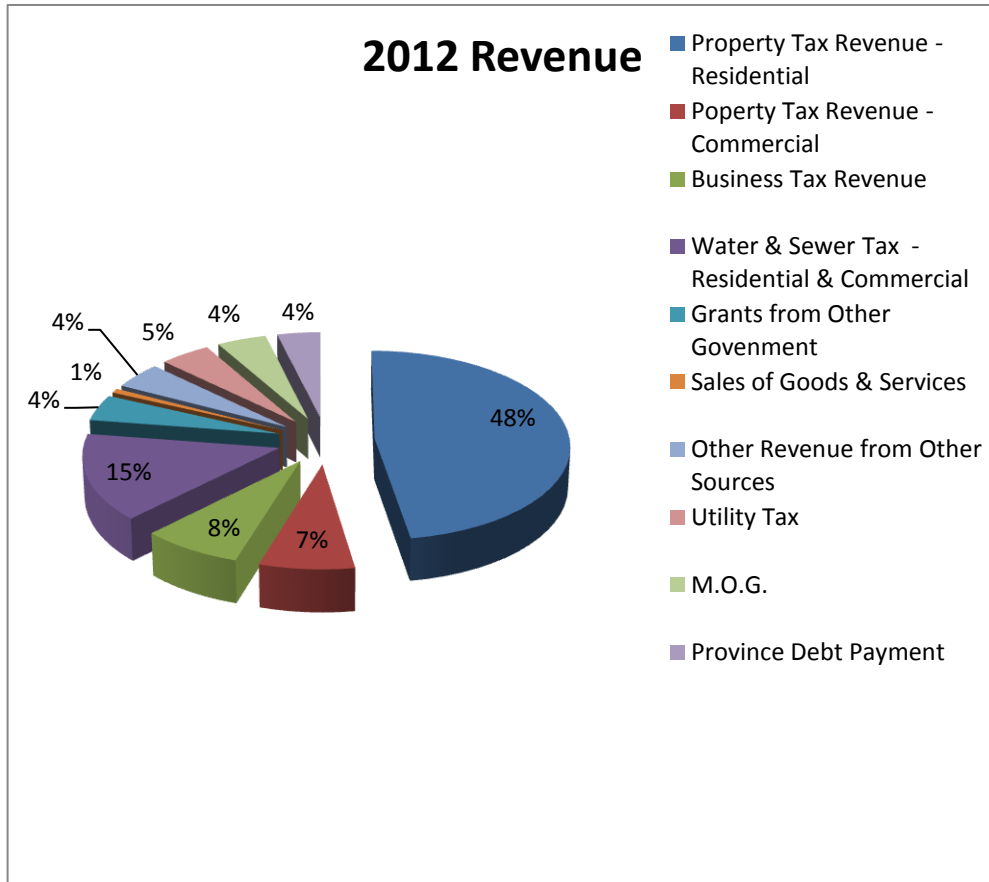
Guided by sound strategic planning and prudent spending, and buoyed by recent economic opportunities the Town of Holyrood is positioned to move forward with confidence and conviction.

Council examined each entry of the budget to determine what efficiencies are needed to be addressed to keep tax rates from rising, without making any cuts to the services that residents expect and deserve.

Hours of debate have cumulated with a balanced budget that will “**Position Holyrood**” to encourage growth, while practicing fiscal responsibility.

Budget 2012 Highlights

Revenue Projection



Residential Property Tax	\$ 962,046.00 - 48 %
Commercial Property	\$ 147,355.90 - 7 %
Water and Sewer Residential	\$ 259,536.00 - 12.8 %
Water and Sewer Commercial	\$ 41,564.95 - 2.2%
Business Tax	\$ 156,084.65 - 8%
Sales of Goods/Services	\$ 15,394.70 - 1%
Utility Tax	\$ 92,379.36 - 5 %
Other Revenue	\$ 91,074.01 - 4 %
Municipal Operating Grant	\$ 90,191.00 - 4 %
Gas Tax	\$ 90,630.00 - 4%
Provincial Debt Payment	\$ 78,499.48 - 3.8 %
Total	<u>\$ 2,024,756.05</u>

Town's primary source of revenue is property taxes, which accounts for 54.8 % of revenue in 2012.

Residential property accounts for 47.5 % while tax from business property is 7.3 %.

Business Tax generates 7.7 %

Utility Tax accounts for 5 %

Water and Sewer provides 15 % towards the Towns overall revenue.

Total revenue is forecast to grow by 9.5 % in 2012 compared to 2011.

With a Total projected revenue \$ 2,024,756.05

On behalf of Council I am pleased to announce that due to additional growth and prudent spending there will be:

- **No increase in the residential property tax rate at 8 mils**
- **No increase in the business property tax rate at 9 mils**
- **No increase in business tax.** This tax has received tremendous debate at our Council table as the business tax model for Holyrood compared to 7 other Towns including our neighboring town of CBS indicate a significant difference (gap). Holyrood is positioned at the low level of business tax ranging in difference from 2 mils to 23 mils. This begs the question - Why are comparable businesses in Holyrood paying a significant difference in business tax than business in the region? For the 2011 budget Council succeeding in making a slight adjustment narrowing the gap, but for 2012 the debate continues and Council has decided that this area requires further review and analysis before any additional changes are accepted.

- In 2011 Council made the decision to remove the business tax incrementally on day cares. I am pleased to announce that for 2012 there will be **no business tax charged on Day Cares.**
- **No increase in residential water tax rate \$ 276.00**
- **No increase in sewer tax rate of \$ 108.00 per year.**
- **No increase in residential building permit fee of \$ 2.00 per meter square and commercial at \$ 3.00 meter square**
- There will be a subdivision water and sewer connection fee **increase** to \$1,000.00 total per home.
- A few permit fees are adjusted to reflect realities of costs.

As a Council we are proud to announce that the residents of Holyrood continue to pay the **lowest mil rates** on the Northeast Avalon.

Growth

The Town of Holyrood continues to experienced growth in the residential sector to the tune of \$ 9,000,000.00 in new home approvals and construction. Growth is important to the long term future of our community but it does create challenges.

The commercial sector, which continues to grow, saw a number of new businesses set up in Town. Schlumberger have completed their site preparation and are now ready to construct their \$1 million building to prepare perforating tools for the oil and gas industry.

Salmonier Line New Well & Filtration System

In 2010, the new 2 million dollar well and filtration system commenced construction and while all indicators pointed to a completion in 2011, it will not be until late winter/early spring 2012 before full completion.

2011 Capital Works

Keeping pace with infrastructure demands is, and always will be, a constant challenge. Town infrastructure is aging, and in need of

repairs or replacement. Water and sewer lines continue to break and many of our roads need continuous repairs. New recreation facilities are required.

Council applied for \$ 1,162,551.00 cost shared 90/10 under the provincial 2010 Capital Works program and approval was received in 2011 to all four projects.

- Completion of Ridge Road Water and Sewer
- Kennedy's Lane Extension water/sewer
- Kennedy's Lane Extension pavement
- New Lift Station to replace Comerfords on Brien's Road

The approved projects are expected to go to tender this spring.

This represents approx 1.1 million out of 8 million requests.

The Towns ability to address infrastructure demands on its own is limited and a cost shared approach with provincial and federal government is required.

It seems that while the Town is eligible for the cost shared formula of 90 - 10 and is in a good debt service position, receiving approval for projects is a lengthy process with no guarantees.

We are constantly waiting for a decision from the Provincial Government.

Council should consider if it's time for the Town to dialogue with government on a different funding formula (example 50/50, 60/40 or 80/20) even if it means paying a little more, but enhancing the opportunities for approval.

In 2011, the Town continued investment in capital infrastructure.

Work was started or completed on a number of projects including:

- Upgrade to Centennial Softball Field Building and Dugouts
- Holy Cross Park
- Holy Cross School Playground – new swings
- Water Metering
- Water line extension – Penney's Lane
- Culvert Replacement – Kennedy's Lane
- Sewage Treatment Facility Upgrades
- Gravel road improvements
- Pick up truck for the Fire Department
- High Pressure Breathing Air Compressor for fire department

Gas Tax

Through the Federal Government gas tax money the Town has applied for.

- Upgrade to Witless Bay Line Main Well \$ 36,160.00
- Scada Monitoring System for 3 lift stations \$ 37,116.26
- Mulcher/Chipper for Solid Waste management \$16, 549.00

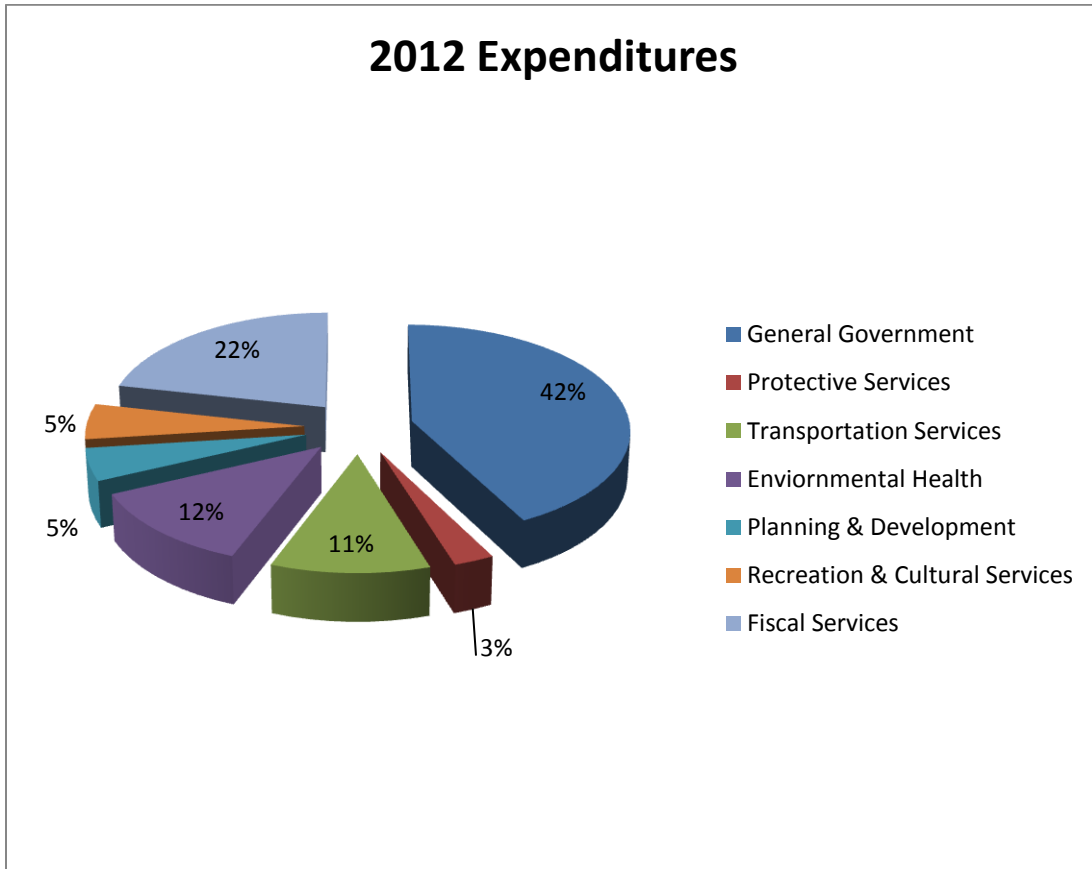
Approval was received for these projects in the amount of \$89,825.26

Capital Works Plan

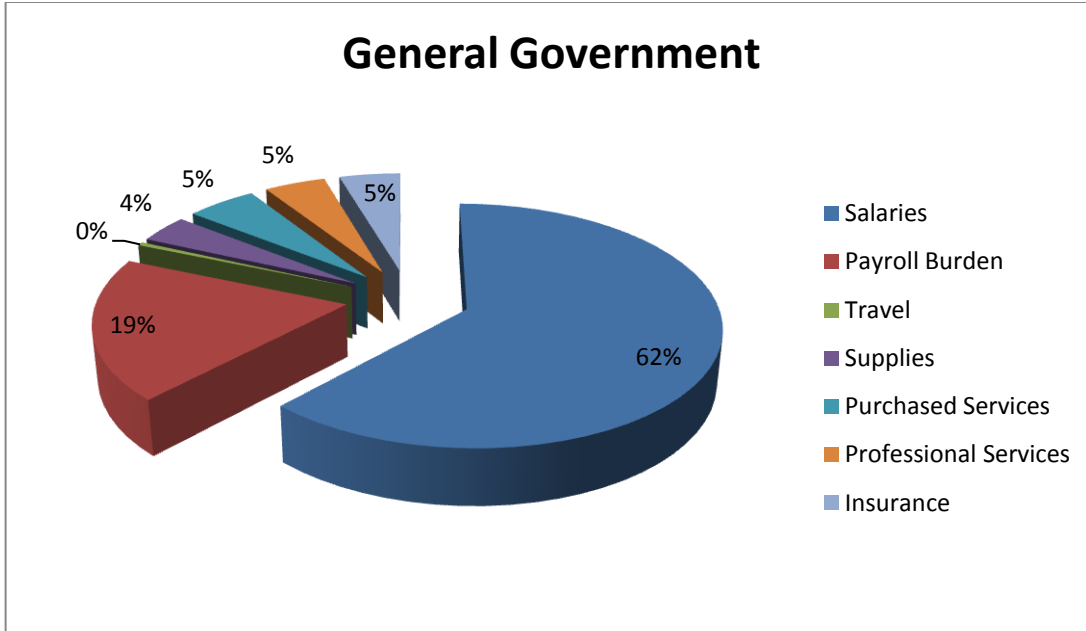
The completion of a Capital Works Plan in 2010 provides a priority list for future capital works projects.

New projects in water and sewer, roads, recreation and a multi purpose life style centre are pending approval.

Budget Specifics Expenditures



General Government	\$ 857, 895.58- 42%
Protective Services	\$ 55,500.00 – 3%
Transportation Services	\$ 217,000.00- 11%
Environmental Health	\$ 247,600.00- 12%
Planning and Development	\$ 100,500.00- 22%
Recreation and Cultural Services	\$ 109,500.00- 5%
Fiscal Services	\$ 436,760.47- 5%
Total	\$ 2,024,756.05



General Government

\$ 857, 895.58

Human Resources

Human Resource funding including employee burden is \$ 619,375.60

Council reviewed the Human Resource requirements needed to maintain and improve services in the town and as Holyrood grows so must our work force.

The Town will utilize the increased funding to address several seasonal needs within the organization. Town also budgets to move forward on a director of outside operations.

Included is a 4 % salary increase in the second year of a 3 year collective agreement with CUPE and also 3 year management agreement.

2012 will see all staff included in pension and benefits plan.

Community Sponsorships

Creating a successful community is about building, maintaining and expanding partnerships throughout the community. Council strongly believes in assisting community organizations and in 2012 has budgeted \$ 10,000.00.

Town of Holyrood organizations wishing to be considered for financial support are asked to make a formal written request to the Town by **March 1** indicating the reason for the required request and explaining how the funds will be used.

Professional Development

In order to position Holyrood staff and Council, Professional Development is a key component in our organization and this budget supports staff and councillor's on-going learning as part of a \$10,000.00 commitment.

Insurance

\$ 35,000.00 budget for insurance,

Professional Services – Legal, Planning, etc

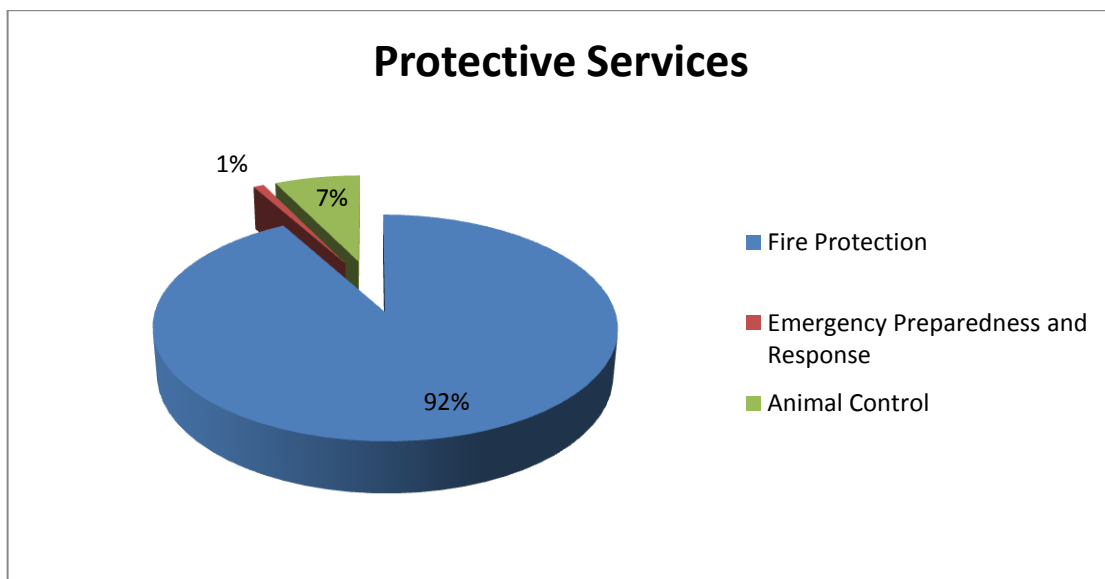
\$ 35,000.00 for professional services

Purchased Services

\$ 40,000.00 for purchased services.

Councillors Remuneration

Remuneration for Councillors is budgeted at \$ 33,179.34 which represents the maximum of 2 % that is permitted.



Protective Services **\$ 55,500.00**

Fire Protection

Council commits \$ 51,000.00 for Holyrood Fire Department to improve small equipment and training. Town is currently involved in a regional fire services feasibility study with Conception Bay South and Paradise.

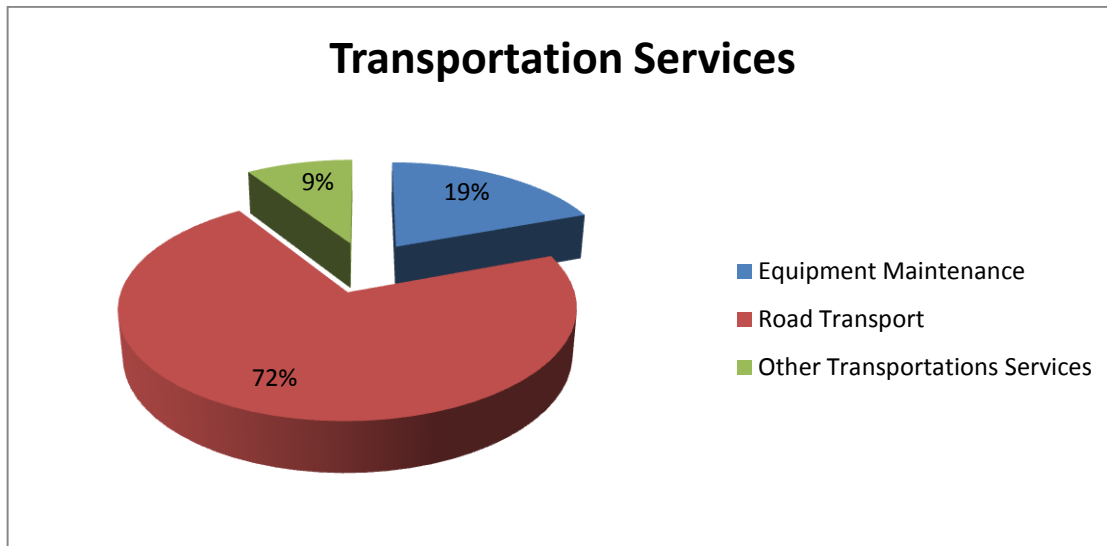
Emergency Preparedness

\$500 has been allocated to complete the revisions of the Towns Emergency Preparedness and Response Plan which is in the process of being updated.

Animal Control Services

\$ 4,000.00 budget for Animal Control Services.

Transportation Services



Transportation Services

\$ 217,000.00

Town Equipment

Council budgets \$ 42,000 to deal with vehicle and fleet maintenance.

The age and maintenance of Town equipment is always a concern that can affect Public Works ability to work safely and efficiently. A continued investment is required to ensure equipment lifecycle costs are minimized.

Road Transport

\$ 35,000.00 is allocated for roads for ongoing maintenance and resurfacing of gravel roads.

Council will continue to make improvements to roads and is waiting for approval for funding in the multiyear capital works to begin paving roads.

Snow Clearing

Snow and ice removal costs are held at 2011 levels with an investment of \$ 30,000.00 for sand and salt mixture. Town debated allocating a purchase of pure salt but at a cost of \$ 95.00 per ton it was not included.

Annually, Council reviews snow-clearing processes to ensure that sufficient funding is allocated for salary, equipment and materials to address the situation and find appropriate solutions that will benefit our residents.

There will always be the issue of which roads are plowed first/last and Council attempts to provide a balance but the geographic size of Holyrood makes it difficult without a larger investment in human resources and equipment.

A limited supply of sand and salt mixture is available free of charge for residents when there are emergency and or dangerous situations.

Road Network

In order to position Holyrood for expected development Council has decided to develop a Road Master Plan for a preferred road network.

\$ 10,000.00 has been budgeted for phase 1.

This road network will provide the Town control over how back land should be developed and take the decision making out of the hands of various developers.

The objectives for this piece of work are:

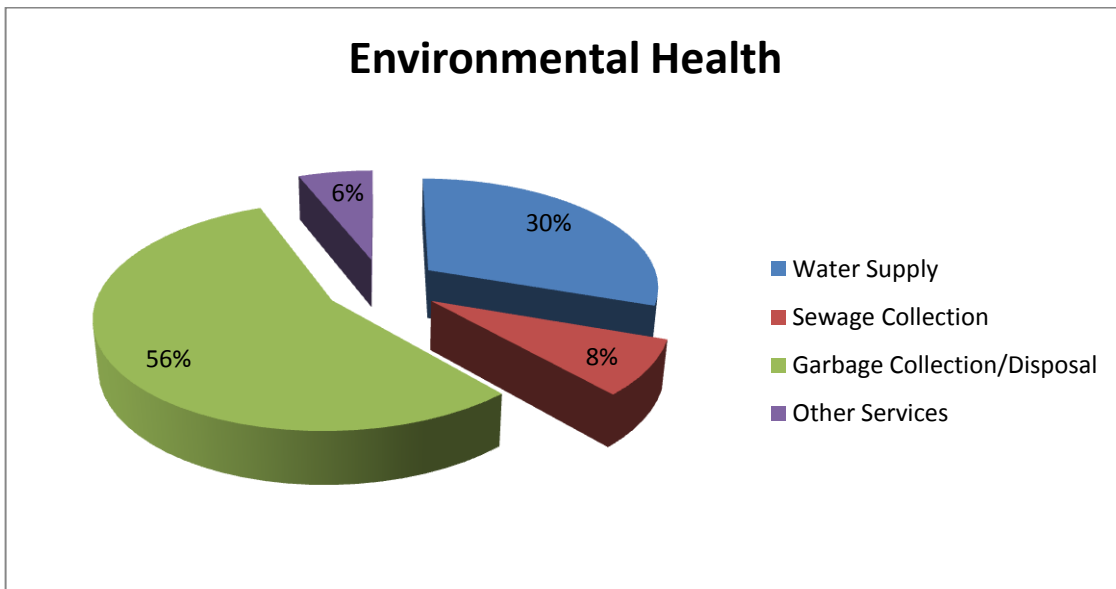
- Identify potential traffic issues
- Improve local traffic connections
- Improve regional traffic connections
- Minimize impacts to existing land use

- Minimize environment impacts
- Respect community character
- Incorporate community preferences
- Support development of commercial sector
- Minimize Costs

Street Lighting

\$ 90,000.00 has been budgeted for street lighting. The addition of new homes will mean additional street lighting costs in 2012.

Environmental Health



Environmental Health

\$ 247,600.00

Waste Management

Town budgets \$ 137, 600.00 for pick up of garbage, 2 bulk clean ups and disposal. Tipping fees remain at \$ 65.50 a ton in 2012 for bulk garbage but there is a fear that these will increase in near future.

Town made great advancements in waste management diversion 2011 but there is still a lengthy process to get to ½.

We need to enhance resident participation in recycling. The program started in May 2011 has been able to divert 21,170 kilograms of waste from land fill.

Town has provided over 400 complimentary kitchen composters and also subsidized over 100 back yard composters to residents.

In 2012 Council must seek out opportunities to have greater participation in recycling and compost programs.

We must continue to emphasize the need to reduce waste by diverting the organics to our Town Compost facility or through back yard composting.

Water

\$ 75,000.00 is budgeted towards water, positioning Holyrood for ongoing access to clean water.

The cost of construction has increased significantly and there is an ongoing need to allocate revenue to offset these cost increases so that capital spending remains somewhat constant.

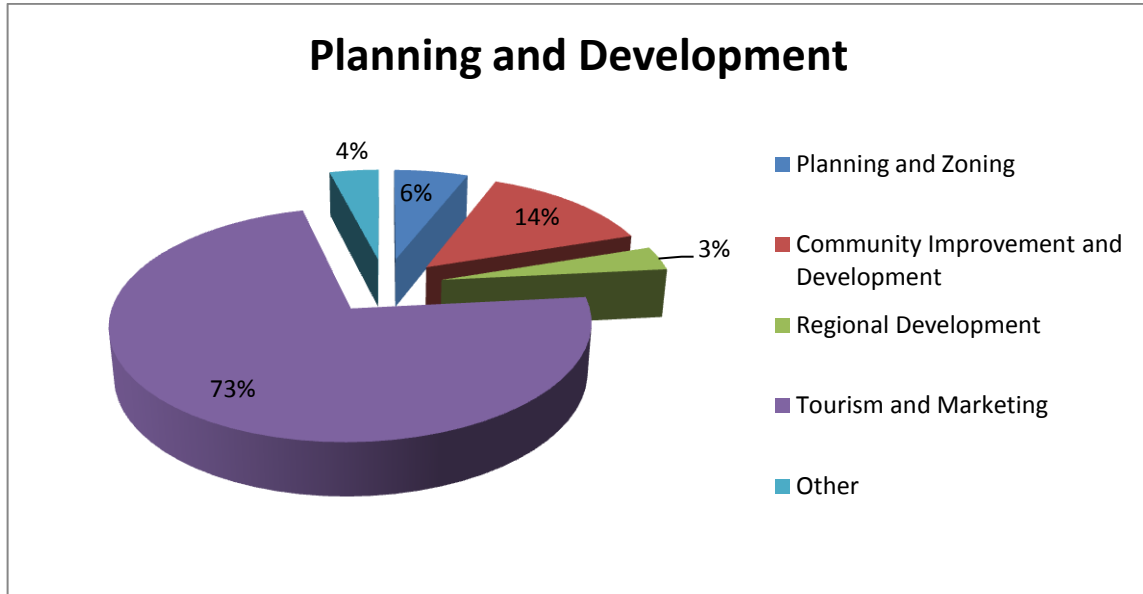
Testing on the water supply is done daily and ongoing security measures are also reviewed and implemented as required.

The Towns programs and the employment of highly qualified personnel ensure that water systems are operated at the highest-level possible enforcing rigorous standards for water monitoring, testing and chlorination.

Sewer

Town budgets \$ 20,000.00 for basic sewer improvements and also cost sharing of residents septic tank clean out.

Planning and Development



Planning and Development

\$ 100,500.00

Economic Development and Tourism

Council budgets \$ 25,000.00 to hire an Economic Development and Tourism Director for part year to begin the process leading towards a full time position.

Council intends to meet Goal 8 in Strategic Plan to secure funding and complete a comprehensive Tourism Master Plan that builds on existing strengths, facilities, and infrastructure and develop new tourism opportunities that will benefit the Town. An application for

Town of Holyrood

\$ 75,000.00 has been submitted to ACOA to complete this piece of work.

Council realizes that Holyrood has a number of attributes that make it attractive to industry. The Town has excellent deep water, clean, sheltered harbour, is located only 30 minutes drive from the provinces major urban centre, and easily accessible by highway and sea.

The new Marine Institute Marine Base provides opportunities to be explored.

We have many of the services and amenities needed to support new industries. The community has available land and the right aesthetics to foster the development of industries.

In order to attract new opportunities, Council recognizes that a key ingredient for a marketing and public relations strategy is the development of a new **Town of Holyrood brand** which will be designed in 2012.

Holyrood Marina

In order to position the Marina for maximum benefits for Holyrood, a new conceptual design is being developed. Council is working with Holyrood Marina Park Corporation, and an international marina consulting company out of Florida to develop the concept for consideration. Council would like to see a full serviced marina displaying a sense of place with a distinctive personality, a Marina that offers something for people of all ages, and has amenities for both boaters and non-boaters. As we look towards the completion of the tourism master plan, Council would like to see that the Marina facilities are appropriately designed to support opportunities for thriving businesses.

Cost of the conceptual plan is being 100 % paid by a developer.

Marine Base Marine Institute

Council budgets \$ 45,000.00 per year for a 2 year partnership proposal with the Marine Institute which will position Holyrood to meet a growing marine opportunity.

Council recognizes that marine technology is a billion dollar industry and this could act as a catalyst to grow Holyrood and the entire Conception Bay Center region.

We are a small Town with little experience or expertise in marine technology but we are determined to understand this industry, its needs, and position Holyrood for the potential economic spin-off.

Council has created an Advisory Committee, chaired by Councillor Hawco, comprised of various industry and government stakeholders.

This group will provide advice and direction to the Town on the development of the ocean technology sector. Council wants to ensure we are prepared to meet the needs of this industry and get the maximum long term benefits as the industry grows.

We plan to engage a consultant who will develop a concept plan and a strategy for the development of ocean technology in our area. We will employ an ocean technology industry liaison officer who will assist us in the implementation of our ocean technology strategy.

We also plan to contract a marketing firm to develop a targeted marketing campaign which will be a critical component in the development of this industry in Conception Bay Centre.

We believe that the marine technology industry has huge potential for our area and we also realize we have to take the leadership role in shaping and positioning this industry.

Marine Technology is an environmentally friendly industry which would fit well in our rural setting without destroying our culture or heritage.

Organizational Review

Positioning Holyrood requires a commitment to the goals of our recently developed strategic plan. Goal 1 directed that the Town undertake a detailed review of professional requirements, relating to equipment, best practices, resources, staffing levels, training, and related organizational structures as a means to improve and position operations and services.

\$ 6,000.00 is budgeted for this detailed research based review of the organizational and management structure.

Town Plan

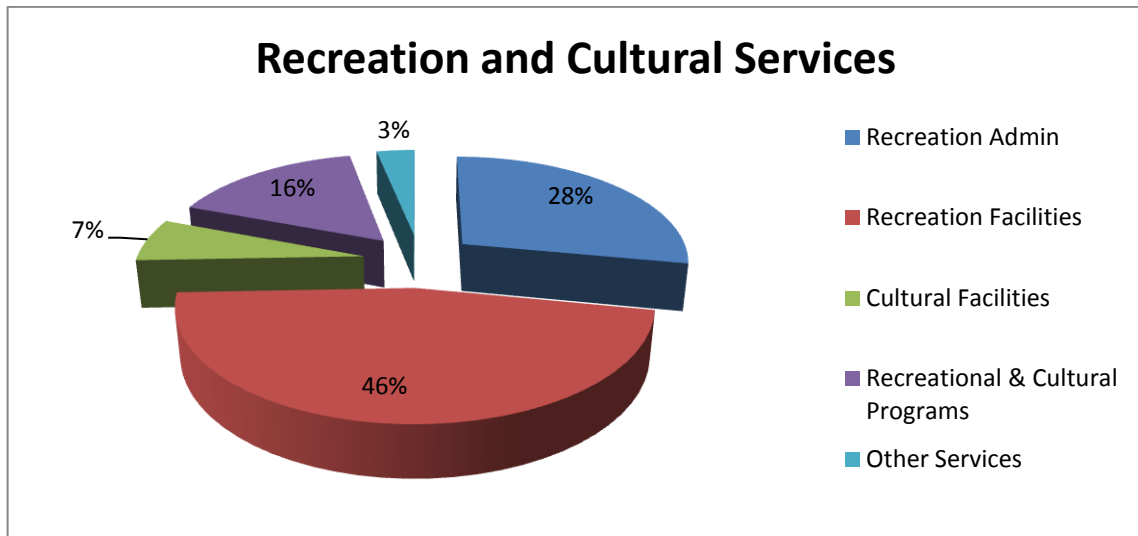
The new soon to be presented Town Plan will position Holyrood to direct future growth by protecting and enhancing the qualities of the planning area in Holyrood that make it a healthy, prosperous and pleasant place in which to live and work. Town has invested approximately \$ 40,000.00 over the past number of years to complete this plan.

Community Improvement and Development

In the area of community improvement and development Council budgets \$ 14,000.00.

- Heritage \$ 5, 000.00
- Beautification Enhancements \$ 6, 000.00
- Web site \$ 1, 500.00
- Seniors Advisory \$ 1, 500.00

Recreation and Cultural Services



Recreation and Cultural Services \$ 109,500.00

\$ 109,000.00 is budgeted for Recreation and Cultural Services including funding allocated towards a recreation director from May to September positioning Holyrood for the reality of a full time recreation director.

Quality recreation opportunities are being requested by our community and Council commits to doing its part in 2012.

In the Multi Year Capital works application Council requested 1.2 million dollars in projects cost shared for recreation infrastructure.

While council waits on a decision from government we continue to invest in current infrastructure.

Council budgets \$ 15,000.00 along with an additional \$ 5,000.00 from 2011 in support of an approx \$ 60,000.00 partnership for a community playground improvement project for Holy Cross Elementary.

\$ 2,000.00 budgeted to support **physical activity** opportunities also for students attending Holy Cross Elementary.

Council is a strong component of healthy living opportunities, and in order to position Holyrood recreationally the town has committed to take the lead on the development of a Regional Recreation Master Plan. This plan will provide the Conception Bay Centre Region with a blue print to direct future operational and infrastructure investments in recreation, sport and leisure sectors.

All communities in Conception Bay Centre are supporting this proposal and it's imperative that it receive approval in 2012 but to date no response has been received from the Minister on our request.

Town will also meet Goal 5 in the Strategic Plan of carrying out a detailed assessment of maintenance requirements and a schedule for completion of improvements to existing outdoor recreational facilities, assets and public open spaces.

Holyrood Library

The Holyrood Library will continue to receive a grant of \$ 10,000.00.

The Town will continue to provide building and property maintenance and improvements at no cost to the Library Committee.

Annual Events

Annual events such as the Squid Festival, the Crystal Carnival, and other smaller community events will again be supported by Council to \$4,000.00

Office

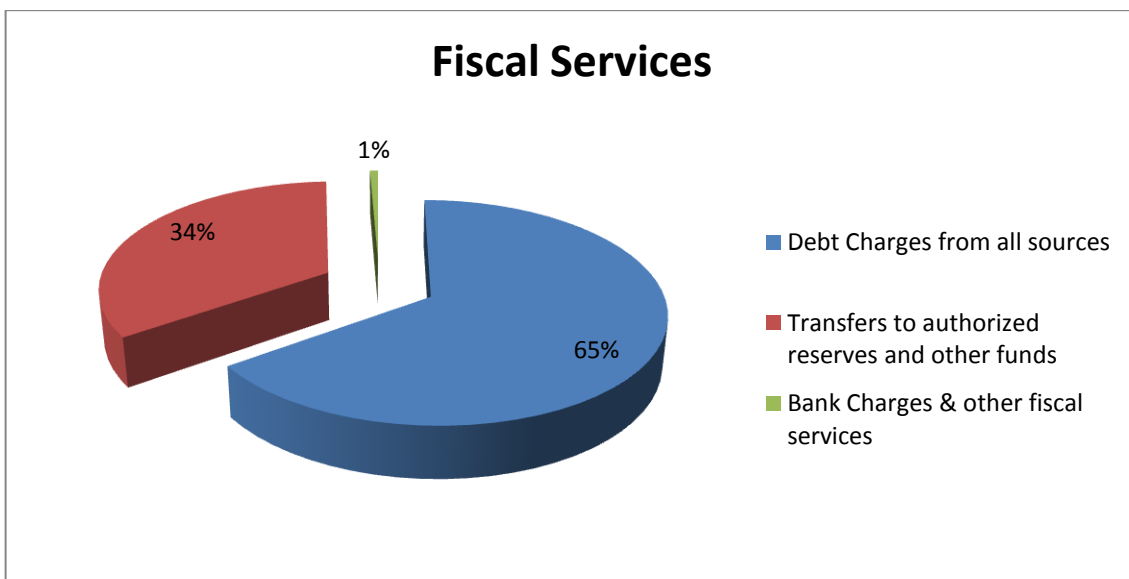
In order to position the Town Office to meet expected growth, Goal 2 in the strategic plan indicates for the Town to acquire suitable space for a Town Hall and Council chambers that provides adequate office

space, meeting rooms, file storage, and other amenities to properly maintain and expand operations and services as required.

Under the multi year capital works funding, Council applied for \$ 500,000.00 for an extension to the current building and another \$ 100,000.00 to complete a study leading towards a regional healthy lifestyle building including new office space. To date no decision has been made on our application.

Our town cannot afford to wait on government for office space any longer and Council has decided to seek an opportunity to lease space.

Fiscal Services



Fiscal Services

\$ 436,760.47

Debt charges include \$ 219,419.00 for Council portion and \$ 78,499.47 for provincial portion.

Council budgets \$6,000.00 for uncollectible taxes, fees and bank charges. \$90,630 has been set aside for the Gas Tax.

Council budgets \$27,212 for Other Capital Expenditure.

Council will allocate \$15,000 for retirement fund.

2012 Total Expenditures is \$2,024,756.05

Council and staff are committed to continuing to review all areas of expenditures to ensure that the residents of Holyrood are continually receiving the highest possible value for their tax dollars.

Burden on some residents

Council is aware of the effects of taxes on our citizens especially seniors and those living on low income. Council is willing to work with individual residents to reduce the impact on those that, despite their

best efforts, will not be able to come up with the funds required in the stipulated time period.

In 2012 Council will research the value and costs involved to provide a 5 % reduction in property tax on principal residence for residents over the age of 65.

Council will also research the value and cost of a property tax reduction on principal residence for low income.

Balanced Budget

Increased residential growth combined with prudent fiscal management, enables Council to balance our 2012 budget as required by Legislation.

Revenue \$ 2,024,756.05

Expenses \$ 2,024,756.05

Thank You

Motions

BE IT RESOLVED THAT the Town of Holyrood, in accordance with the Municipalities Act, 1999 Section 75-79 adopt the attached Schedule of Taxes, Rates and Fees to take effect January 01, 2012.

BE IT RESOLVED THAT the Town of Holyrood, in accordance with The Municipalities Act Section 75-79 adopt the 2012 Budget with operating Revenues and Expenditures totalling
\$2,024,756.05