

December 7, 2020

### **Budget 2021 Balanced with No Property Tax Increase**

Today, the City of St. John's released the details of Budget 2021 which includes measures to address a projected \$10-12M deficit but no increase in residential or commercial property taxes.

The City budget was balanced at \$312,526,525 through a mixture of spending reductions, fee increases and one-time investments from previous years' surpluses.

"We are entering the 2021 fiscal year with an unprecedented level of uncertainty and therefore have crafted a budget with this reality in mind," said Councillor Dave Lane, lead Councillor for Finance and Administration. "While we have taken measures to reduce the cost of government for this and future years, we are making use of COVID-19 relief funding and previous budget surplus funds to avoid an increased tax burden for the unpredictable year ahead."

Water taxes will increase \$15, from \$605 for the past two years to \$620 in 2021. This increase is required to fund current water operations, and all revenue from this tax goes directly to providing water service.

"We recognize the impact the pandemic and current economic uncertainty are having on residents and businesses," said Councillor Lane. "Our goal in preparing the budget was to have as little an impact as possible on services while ensuring that we meet our commitment to sound fiscal management and decision-making based on the strategic plan and informed by public input."

#### **Forecasted Deficits**

The City of St. John's is forecasting a deficit in 2021 resulting from unpaid taxes and revenue losses, largely due to impacts from the pandemic. Anticipated declines in the Tourism and Marketing Levy are substantial, as are forecasted increases to vacancy allowance claims on commercial properties. The City must also adjust for additional costs to service debt for completed capital projects.

"All programs and departments at the City have been asked to closely monitor expenses and seek savings where possible, including the subsidies to the St. John's Transportation Commission and St. John's Sports and Entertainment, Ltd," explained Councillor Lane. "We are pleased to announce that we are able to retain regular frequency on all our Metrobus routes through April by delaying the implementation of the Frequent Transit Network until 2021. Regarding Mile One and the Convention Centre, measures have been taken to reduce costs. We await the results of the consultant's report for direction on future operations and will take action based on what is in the best interests of our community."

#### **Measures to Balance Budget**

In late November, the City of St. John's announced layoffs that result in \$1,227,669 in savings. A further \$200,000 will be achieved by closing the Railway Coastal Museum and \$700,000 will be saved by reducing some capital projects planned for 2021.

A set of fee increases will also be implemented to increase revenue and offset the deficit:

- A general parking ticket will increase from \$30 to \$50
- The ticket for violating the winter parking ban will increase from \$55 to \$75
- Street cleaning violations will increase from \$30 to \$40
- \$50 and \$60 traffic violation tickets will increase to \$60 and \$75, respectively
- Paid parking will increase from \$1.50 per hour to \$1.75 per hour throughout the City and parking in Churchill Square will increase from \$0.75 to \$1.00 (\$0.25)
- Visitor parking permits increase from \$27.50 to \$35.75 annually
- Sewer Back Up Calls increase from \$100 to \$200
- Sewer Dig and Lateral Repairs increase to \$800 for a repair of 8m or less, and \$1000 for a repair greater than 8m

The remaining \$7,119,822 in projected deficit will be funded from prior years' surpluses: the City of St. John's received \$6.3 million in COVID relief money from the provincial government which, combined with prior operating surpluses, will be used to address the fiscal challenges.

"While it is never easy to increase fees or reduce services, we feel that this budget reduces the impacts on our residents and property owners to the best of our ability and we are pleased that good financial management leading up to this year puts us in a position to reduce that impact even further," said Councillor Lane. "Revenue challenges will continue into 2022 when we expect a drop in assessed property values, putting further strain on our ability to balance our budget without having to increase taxation.

"Council and staff are committed to an extensive budget engagement process in 2021 as we prepare for these challenges and will look to the public for their input to work collaboratively on keeping St. John's thriving and sustainable into the future."

# Table 1: 2020-2021 Revenue Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>Taxation:</b>				
41112 Residential Realty <sup>1</sup>	93,800,000	93,300,000	500,000	0.5%
41118 Commercial Realty <sup>2</sup>	73,780,000	74,300,000	(520,000)	-0.7%
41940 Tourism Marketing Levy <sup>3</sup>	1,400,000	3,400,000	(2,000,000)	-58.8%
41991 Utility Tax	6,200,000	6,200,000	-	0.0%
44410 Water Tax <sup>4</sup>	33,281,600	32,297,000	984,600	3.0%
<b>Taxation: Total</b>	<b>208,461,600</b>	<b>209,497,000</b>	<b>(1,035,400)</b>	<b>-0.5%</b>
<b>Grants In Lieu Of Taxes:</b>				
42100 Govt. Of Canada	5,200,000	5,200,000	-	0.0%
42200 Govt. Canada Agencies	950,000	950,000	-	0.0%
42300 Water Tax Grant <sup>5</sup>	3,049,785	2,976,000	73,785	2.5%
<b>Grants In Lieu Of Taxes: Total</b>	<b>9,199,785</b>	<b>9,126,000</b>	<b>73,785</b>	<b>0.8%</b>
<b>Sales of Goods &amp; Services:</b>				
44100 General Government	3,826,118	3,826,118	-	0.0%
44300 Transportation <sup>6</sup>	1,781,000	1,391,000	390,000	28.0%
44400 Environmental Health <sup>7</sup>	21,641,433	20,740,169	901,264	4.3%
44435 Tipping Fees <sup>8</sup>	15,064,000	13,987,667	1,076,333	7.7%
44700 Recreation <sup>9</sup>	1,872,062	2,534,696	(662,634)	-26.1%
44900 Other General	513,124	561,536	(48,412)	-8.6%
<b>Sales Goods &amp; Services: Total</b>	<b>44,697,737</b>	<b>43,041,186</b>	<b>1,656,551</b>	<b>3.8%</b>
<b>Other Revenue Own Sources:</b>				
45120 Business Licenses	154,950	154,950	-	0.0%
45170 Construction Permits <sup>10</sup>	2,153,720	2,743,720	(590,000)	-21.5%
45200 Fines <sup>11</sup>	2,292,500	1,717,500	575,000	33.5%
45300 Rents & Concessions	3,628,504	3,643,969	(15,465)	-0.4%
45500 Investment Interest	321,216	321,216	-	0.0%
45600 Interest Tax Arrears	2,225,868	2,225,868	-	0.0%
<b>Other Revenue Own Sources: Total</b>	<b>10,776,758</b>	<b>10,807,223</b>	<b>(30,465)</b>	<b>-0.3%</b>
<b>Grants Other Governments:</b>				
47100 Other Grants <sup>12</sup>	157,761	261,924	(104,163)	-39.8%
47107 CMHC Mortgage Subsidy	23,895	35,845	(11,950)	-33.3%
47110 Gas Tax Rebate	5,513,016	5,429,147	83,869	1.5%
47530 Recovery Debt Charges <sup>13</sup>	24,621,391	23,820,521	800,870	3.4%
47550 Real Program Grants	59,000	59,000	-	0.0%
47555 NPH Subsidy	1,297,466	1,236,042	61,424	5.0%
<b>Grants Other Governments: Total</b>	<b>31,672,529</b>	<b>30,842,479</b>	<b>830,050</b>	<b>2.7%</b>
<b>Other Transfers:</b>				
49201 Assessments/Transfers <sup>14</sup>	7,718,116	2,265,048	5,453,068	240.7%
<b>Other Transfers: Total</b>	<b>7,718,116</b>	<b>2,265,048</b>	<b>5,453,068</b>	<b>240.7%</b>
<b>Total Revenue</b>	<b>312,526,525</b>	<b>305,578,936</b>	<b>6,947,589</b>	<b>2.3%</b>

## Notes:

- 0.5% increase to allow for growth in the residential assessment roll.
- 0.5% increase to allow for growth in the commercial assessment roll, less \$1,000,000 to allow for potential increase in vacancy allowance.
- Forecasted decline in Tourism & Marketing Levy receipts.
- Increase in Water Tax revenues to fund increases to water system expenditures.
- Increase in Water Tax revenues to fund increases to water system expenditures.
- Increases to paid parking and visitor parking permit fees.
- Increases to fees for sewer backup and lateral repairs, and regional water and wastewater sales.
- Increase to tipping fee at Robin Hood Bay Regional Landfill.
- Forecasted decrease in recreation revenues and from closure of the Railway Coastal Museum.
- Forecasted decrease in inspection revenues.
- Increase to parking permit and parking violation revenues.
- One-time grant revenue and event sponsorships in 2020. Closure of Railway Coastal Museum in 2021.
- Debt charges recovered from external sources related to capital projects.
- Transfers from various reserves to offset expenditures including prior years' surplus of \$7,119,822 to cover 2021 deficit.

## Table 2: Summary of 2020-2021 Revenue Changes

### 2021 Revenue Reductions:

Estimated decline in Tourism & Marketing Levy receipts	(2,000,000)
One time transfers from Robin Hood Bay reserves (Offset by tipping fees)	(1,113,260)
Provision for increase in vacancy allowance claims	(1,000,000)
Estimated decline in revenue from building, plumbing, and electrical permits	(590,000)
Estimated decline in revenue from recreation programs	(525,822)
Reduction in event, grants and rental revenue from closure of the Railway Coastal Museum (Offset by expenditure reductions)	(350,224)
Estimated decline in volume of traffic violations	(250,000)
Other miscellaneous revenue reductions	(372,779)
<b>Total 2021 Revenue Reductions</b>	<b><u>(6,202,085)</u></b>

### 2021 Revenue Increases:

Transfer from prior years' surplus to cover 2021 deficit	7,119,822
Increase to water tax, water tax grants, and industrial sale of water revenues to balance water system expenditures	1,173,178
Increase to tipping fees	1,076,333
Allowance for increase to residential and commercial assessment roll	980,000
Increase to fines for traffic violations	825,000
Increase to debt charges recovered from external sources related to capital projects	800,871
Increase to regional water and wastewater sales	584,470
Increase to paid parking and visitor parking permit fees	390,000
Increase to sewer back up and repair fees	200,000
<b>Total 2021 Revenue Increases</b>	<b><u>13,149,674</u></b>

### 2021 Net Revenue Increase

**6,947,589**

## Table 3: 2020-2021 Expenditure Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>General Government:</b>				
<b>General Administrative:</b>				
1111 Mayor & Councilors	828,749	828,749	-	0.0%
1115 Civic Events & Receptions	76,420	76,420	-	0.0%
1212 Administration - Admin Services	1,116,807	1,097,184	19,623	1.8%
1213 Human Resources	1,090,126	1,078,333	11,793	1.1%
1214 Benefits Administration	282,327	280,297	2,030	0.7%
1215 City Manager's Office	419,682	419,682	-	0.0%
1216 Employee Wellness	615,909	594,319	21,590	3.6%
1217 Organizational Development	334,509	348,392	(13,883)	-4.0%
1218 HR Advisory Services <sup>1</sup>	1,042,598	1,110,289	(67,691)	-6.1%
1220 Legal Services	1,837,085	1,861,990	(24,905)	-1.3%
1221 Admin - Finance & Administration	672,005	667,189	4,816	0.7%
1222 Financial Services <sup>2</sup>	933,779	1,004,733	(70,954)	-7.1%
1223 Budgetary Services <sup>3</sup>	501,923	375,300	126,623	33.7%
1225 Performance & Strategy <sup>4</sup>	439,541	412,186	27,355	6.6%
1231 Assessment <sup>5</sup>	2,197,254	2,166,602	30,652	1.4%
1241 Revenue Accounting <sup>6</sup>	1,147,067	1,319,519	(172,452)	-13.1%
1250 Property Management	2,188,528	2,161,223	27,305	1.3%
1251 Office Services	518,481	518,481	-	0.0%
1252 Maint. City Hall <sup>7</sup>	950,946	872,042	78,904	9.0%
1254 Maint. City Hall Annex	179,438	174,441	4,997	2.9%
1257 Maint. Railway Coastal Building	91,606	89,227	2,379	2.7%
1258 Maint. 245 Freshwater Rd	241,091	235,867	5,224	2.2%
1259 Maint. Conway Bldg.	49,176	48,639	537	1.1%
1260 Archives Building	48,511	46,877	1,634	3.5%
1261 Purchasing	794,443	791,109	3,334	0.4%
1262 Materials Management	764,776	758,674	6,102	0.8%
1269 Internal Audit	350,034	341,711	8,323	2.4%
1270 Corporate Communications <sup>8</sup>	938,621	996,309	(57,688)	-5.8%
1272 Information Services	5,409,018	5,366,112	42,906	0.8%
1274 Service Centre	1,772,839	1,764,518	8,321	0.5%
1318 Land Information Systems <sup>9</sup>	1,094,780	1,220,198	(125,418)	-10.3%
1995 Municipal General Elections	350,000	-	350,000	0.0%
<b>General Administrative: Total</b>	<b>29,278,069</b>	<b>29,026,612</b>	<b>251,457</b>	<b>0.9%</b>

### Notes:

1. Staff Reduction.

2. Staff Reduction.

3. Transfer of staff between departments.

4. Transfer of staff between departments.

5. Transfer of staff between departments.

6. Staff Reduction.

7. Increases to security costs and property insurance.

8. Staff Reduction.

9. Staff Reduction.

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2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>Pensions &amp; Benefits:</b>				
1290 Pensions & Employee Benefits	1,872,836	1,872,836	-	0.0%
1297 Sick and Severance Liabilities	1,250,000	1,250,000	-	0.0%
<b>Pensions &amp; Benefits: Total</b>	<b>3,122,836</b>	<b>3,122,836</b>	<b>-</b>	<b>0.0%</b>
<b>Engineering:</b>				
1311 Admin - Planning, Engineering & Regulatory Services	536,517	529,550	6,967	1.3%
1313 Development Control	1,555,899	1,536,810	19,089	1.2%
1314 Surveying	583,258	578,191	5,067	0.9%
1315 Transportation Engineering <sup>10</sup>	1,934,584	1,970,053	(35,469)	-1.8%
1316 Admin Support - Planning, Engineering & Regulatory Services <sup>11</sup>	933,966	1,000,527	(66,561)	-6.7%
1319 Engineering	1,306,597	1,289,780	16,817	1.3%
1320 Facilities Engineering	522,095	516,270	5,825	1.1%
<b>Engineering: Total</b>	<b>7,372,916</b>	<b>7,421,181</b>	<b>(48,265)</b>	<b>-0.7%</b>
<b>Other General Government:</b>				
1931 Risk Management & Insurance <sup>12</sup>	770,489	528,555	241,934	45.8%
<b>Other General Government: Total</b>	<b>770,489</b>	<b>528,555</b>	<b>241,934</b>	<b>45.8%</b>
<b>General Government: Total</b>	<b>40,544,310</b>	<b>40,099,184</b>	<b>445,126</b>	<b>1.1%</b>
<b>Protective Services:</b>				
<b>Fire &amp; Traffic:</b>				
2141 Parking Enforcement <sup>13</sup>	1,510,772	1,859,365	(348,593)	-18.7%
2142 Crossing Guard Program	113,836	113,836	-	0.0%
2491 Fire Protection	25,549,762	25,413,435	136,327	0.5%
<b>Fire &amp; Traffic: Total</b>	<b>27,174,370</b>	<b>27,386,636</b>	<b>(212,266)</b>	<b>-0.8%</b>
<b>Protective Inspections:</b>				
2921 Admin - Regulatory Services	643,357	631,232	12,125	1.9%
2922 Building Inspection	1,704,885	1,745,660	(40,775)	-2.3%
2923 Electrical Inspection	562,092	561,622	470	0.1%
2924 Plumbing Inspection	250,099	249,770	329	0.1%
2929 Taxi & By-law Inspection	178,981	178,668	313	0.2%
<b>Protective Inspections: Total</b>	<b>3,339,414</b>	<b>3,366,952</b>	<b>(27,538)</b>	<b>-0.8%</b>
<b>Other Protective Services:</b>				
2931 Humane Services	1,255,280	1,243,413	11,867	1.0%
2932 Animal Control Facility	87,273	85,958	1,315	1.5%
<b>Other Protective Services: Total</b>	<b>1,342,553</b>	<b>1,329,371</b>	<b>13,182</b>	<b>1.0%</b>
<b>Protective Services: Total</b>	<b>31,856,337</b>	<b>32,082,959</b>	<b>(226,622)</b>	<b>-0.7%</b>

### Notes:

10. Staff Reduction.

11. Staff Reduction.

12. Increases to cost of property, liability and auto insurance.

13. Staff Reduction.

## Table 3: 2020-2021 Expenditure Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>Transportation Services:</b>				
<b>Roads Department:</b>				
3011 Admin - Public Works	1,151,761	1,143,545	8,216	0.7%
3211 Admin - Streets & Parks	1,751,820	1,743,152	8,668	0.5%
3221 Maint. Of Roads	7,356,890	7,203,080	153,810	2.1%
3231 Snow Clearing	17,896,201	17,464,990	431,211	2.5%
3241 Public Works Depot Maint.	1,128,314	1,104,710	23,604	2.1%
3242 Maint. Of Asphalt Recycling Facility	10,169	9,847	322	3.3%
3252 Maint. of Traffic Signs & Lights	1,885,004	1,876,144	8,860	0.5%
3262 Street Cleaning By Hand	303,224	303,224	-	0.0%
<b>Roads Department: Total</b>	<b>31,483,383</b>	<b>30,848,692</b>	<b>634,691</b>	<b>2.1%</b>
<b>Other Transportation Services:</b>				
3521 Parking Meters	1,126,063	1,087,792	38,271	3.5%
3561 Street Lighting	4,790,775	4,719,975	70,800	1.5%
3591 Metrobus & Para-Transit System <sup>14</sup>	18,443,737	19,141,537	(697,800)	-3.6%
<b>Other Transportation Services: Total</b>	<b>24,360,575</b>	<b>24,949,304</b>	<b>(588,729)</b>	<b>-2.4%</b>
<b>Transportation Services: Total</b>	<b>55,843,958</b>	<b>55,797,996</b>	<b>45,962</b>	<b>0.1%</b>
<b>Environmental Health:</b>				
<b>Water Department:</b>				
4111 Admin - Environmental Services	2,317,760	2,311,162	6,598	0.3%
4120 City Share of Regional Water <sup>15</sup>	5,405,927	5,212,025	193,902	3.7%
4121 Petty Harbour Long Pond Water Treatment Plant	1,182,473	1,160,656	21,817	1.9%
4122 Winsor Lake Treatment Plant <sup>16</sup>	12,094,563	11,368,866	725,697	6.4%
4123 Regional Water System <sup>17</sup>	13,568,768	13,008,302	560,466	4.3%
4131 Water & Waste Water Distribution	10,628,684	10,541,829	86,855	0.8%
<b>Water Department: Total</b>	<b>45,198,175</b>	<b>43,602,840</b>	<b>1,595,335</b>	<b>3.7%</b>
<b>Sewer Department:</b>				
4225 Waste Water Treatment Facility	9,139,085	8,454,092	684,993	8.1%
<b>Sewer Department: Total</b>	<b>9,139,085</b>	<b>8,454,092</b>	<b>684,993</b>	<b>8.1%</b>
<b>Sanitary Department:</b>				
4321 Garbage Collection <sup>18</sup>	8,151,788	7,937,451	214,337	2.7%
4322 Waste Diversion Public Awareness	198,315	198,315	-	0.0%
4331 Garbage Disposal	8,951,082	9,174,056	(222,974)	-2.4%
4332 Bldg. Maint. Robin Hood Bay	350,456	327,633	22,823	7.0%
4333 Material Recovery Facility <sup>19</sup>	1,703,782	1,539,897	163,885	10.6%
4334 RHB Residential Drop Off Facility	924,794	924,794	-	0.0%
4335 Eastern Waste Management	3,300,000	3,300,000	-	0.0%
<b>Sanitary Department: Total</b>	<b>23,580,217</b>	<b>23,402,146</b>	<b>178,071</b>	<b>0.8%</b>
<b>Environmental Health: Total</b>	<b>77,917,477</b>	<b>75,459,078</b>	<b>2,458,399</b>	<b>3.3%</b>

### Notes:

14. Reduction to Metrobus and Gobus operating subsidy.

15. Increase in City of St. John's share of Regional Water operating expenditures.

16. Increases to debt service, insurance, and allowance for electricity increases.

17. Increases to debt service, insurance, and allowance for electricity increases.

18. Staff Reduction.

19. Increases to contractual services and equipment maintenance. Offset by expenditure reductions in 4331.

## Table 3: 2020-2021 Expenditure Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>Environmental Development:</b>				
<b>Planning:</b>				
6113 Planning & Development <sup>20</sup>	531,487	636,540	(105,053)	-16.5%
<b>Planning: Total</b>	<b>531,487</b>	<b>636,540</b>	<b>(105,053)</b>	<b>-16.5%</b>
<b>Community Development:</b>				
6211 Admin - Community Services	455,703	451,886	3,817	0.8%
6212 Events & Services <sup>21</sup>	832,552	623,527	209,025	33.5%
<b>Community Development: Total</b>	<b>1,288,255</b>	<b>1,075,413</b>	<b>212,842</b>	<b>19.8%</b>
<b>Housing &amp; Real Estate:</b>				
6341 Real Estate	17,311	16,732	579	3.5%
6342 Rental Housing Projects	789,827	777,565	12,262	1.6%
6343 Tourism Marketing Levy Expenditures <sup>22</sup>	4,302,329	4,820,828	(518,499)	-10.8%
6360 Non-Profit Housing Units	4,911,781	4,877,772	34,009	0.7%
6391 Admin - Non-Profit Housing	715,970	701,938	14,032	2.0%
6392 Non-Profit Housing Maint.	663,168	658,707	4,461	0.7%
6400 Homelessness Partnering Strategy	100,000	100,000	-	0.0%
<b>Housing &amp; Real Estate: Total</b>	<b>11,500,386</b>	<b>11,953,542</b>	<b>(453,156)</b>	<b>-3.8%</b>
<b>Tourism &amp; Economic Development:</b>				
6612 Tourism Development <sup>23</sup>	222,920	272,779	(49,859)	-18.3%
6613 Visitor's Services <sup>24</sup>	113,413	151,262	(37,849)	-25.0%
6616 Economic Development <sup>25</sup>	613,778	695,591	(81,813)	-11.8%
6624 Maint. Gentara Bldg.	305,864	304,791	1,073	0.4%
6625 Quidi Vidi Visitor Centre	25,055	25,055	-	0.0%
<b>Tourism &amp; Economic Development: Total</b>	<b>1,281,030</b>	<b>1,449,478</b>	<b>(168,448)</b>	<b>-11.6%</b>
<b>Environmental Development: Total</b>	<b>14,601,158</b>	<b>15,114,973</b>	<b>(513,815)</b>	<b>-3.4%</b>
<b>Parks, Recreation &amp; Cultural Services:</b>				
<b>Parks Division:</b>				
7111 Administration Parks	1,009,777	998,339	11,438	1.1%
7121 Municipal Parks Maint. <sup>26</sup>	6,330,432	6,324,313	6,119	0.1%
7123 Active Sports Facilities Maint.	720,951	700,529	20,422	2.9%
7125 Buckmasters Rec Centre Maint.	87,628	84,819	2,809	3.3%
7130 Mews Centre Maint.	207,564	203,449	4,115	2.0%
7131 Aquatic Parks Maint.	249,793	253,928	(4,135)	-1.6%
7133 Rotary Chalet Maint.	47,234	46,597	637	1.4%
7134 Sports Buildings Maint.	299,041	293,427	5,614	1.9%
7135 Snow Clearing Steps	721,969	720,271	1,698	0.2%
7136 Shea Heights Comm Centre Maint.	61,104	60,418	686	1.1%
7138 Kilbride Rec Centre Maint.	45,657	44,891	766	1.7%
7139 Southlands Community Centre Maint.	60,739	59,115	1,624	2.7%
7140 Mtce. Paul Reynolds Community Centre <sup>27</sup>	770,707	708,022	62,685	8.9%
7141 Anna Templeton Centre Maint.	38,200	38,200	-	0.0%
7142 Mtce. Kenmount Terrace Community Centre	80,245	77,471	2,774	3.6%
7225 Bowring Park Bldg. Maint.	74,739	73,154	1,585	2.2%
<b>Parks Division: Total</b>	<b>10,805,780</b>	<b>10,686,943</b>	<b>118,837</b>	<b>1.1%</b>

### Notes:

20. Staff Reduction.

21. Increase to support 2021 Pedestrian Mall.

22. Reduced debt service resulting from 2020 debt maturity.

23. Transfer of staff between departments.

24. Staff Reduction.

25. Transfer of staff between departments.

26. Staff Reduction.

27. Increase to property insurance, and allowance for electricity increases.



## Table 3: 2020-2021 Expenditure Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>Recreation:</b>				
7305 Healthy Communities & Inclusion	1,027,545	1,017,969	9,576	0.9%
7311 Community Development	1,026,787	1,016,951	9,836	1.0%
7321 Family, Children & Youth <sup>28</sup>	901,162	955,899	(54,737)	-5.7%
7322 Operation of Bowring Park Pool	118,096	118,053	43	0.0%
7324 Admin - Rec Facilities	1,170,171	1,155,299	14,872	1.3%
7325 H.G.R. Mews Centre Operations	755,761	756,761	(1,000)	-0.1%
7329 H.G.R. Mews Centre Program & Services	571,439	575,039	(3,600)	-0.6%
7330 Goulds Rec Services	166,250	166,250	-	0.0%
7333 Seniors Outreach	204,860	204,620	240	0.1%
7334 Operation of Bannerman Park Pool	68,245	68,245	-	0.0%
7336 Shea Heights Community Centre	259,591	259,350	241	0.1%
7337 Southlands Community Centre <sup>29</sup>	281,467	322,077	(40,610)	-12.6%
7338 Kilbride Community Centre	259,628	259,388	240	0.1%
7339 Kenmount Terrace Community Centre <sup>30</sup>	286,672	323,962	(37,290)	-11.5%
7340 Paul Reynolds Centre Operations	801,430	808,255	(6,825)	-0.8%
7342 Paul Reynolds Centre - Pool and Fitness Programs	1,344,043	1,350,043	(6,000)	-0.4%
<b>Recreation: Total</b>	<b>9,243,147</b>	<b>9,358,161</b>	<b>(115,014)</b>	<b>-1.2%</b>
<b>Other Recreational &amp; Cultural Services:</b>				
7445 St. John's Sports & Entertainment <sup>31</sup>	5,101,586	4,431,026	670,560	15.1%
7551 Grants & Subsidies <sup>32</sup>	1,706,900	1,399,400	307,500	22.0%
7553 Local Immigration Partnership Strategy	32,838	32,500	338	1.0%
7910 Cultural Development	190,934	190,872	62	0.0%
7911 Municipal Archives <sup>33</sup>	255,119	298,118	(42,999)	-14.4%
7912 Railway Coastal Museum <sup>34</sup>	36,200	404,102	(367,902)	-91.0%
<b>Other Recreational &amp; Cultural Services: Total</b>	<b>7,323,577</b>	<b>6,756,018</b>	<b>567,559</b>	<b>8.4%</b>
<b>Parks, Recreation &amp; Cultural Services: Total</b>	<b>27,372,504</b>	<b>26,801,122</b>	<b>571,382</b>	<b>2.1%</b>
<b>Fiscal &amp; Transfers:</b>				
<b>Debt Charges:</b>				
8111 Short Term Debt	25,000	25,000	-	0.0%
8131 Debenture Debt <sup>35</sup>	41,127,903	38,221,260	2,906,643	7.6%
8191 Other Debt Charges <sup>36</sup>	100,000	433,055	(333,055)	-76.9%
<b>Debt Charges: Total</b>	<b>41,252,903</b>	<b>38,679,315</b>	<b>2,573,588</b>	<b>6.7%</b>
<b>Fiscal &amp; Transfers: Total</b>	<b>41,252,903</b>	<b>38,679,315</b>	<b>2,573,588</b>	<b>6.7%</b>
<b>Other Transfers:</b>				
8211 Prov. For Allowances <sup>37</sup>	4,350,000	1,350,000	3,000,000	222.2%
8990 Capital Expenditures <sup>38</sup>	17,253,790	18,980,927	(1,727,137)	-9.1%
<b>Other Transfers: Total</b>	<b>21,603,790</b>	<b>20,330,927</b>	<b>1,272,863</b>	<b>6.3%</b>

### Notes:

28. Staff Reduction.

29. Reduced programming due to pandemic.

30. Reduced programming due to pandemic.

31. Increase in net operating cost of SJSEL after staff reductions and reduced event calendar.

32. Bid fee to host 2025 Canada Games.

33. Transfer of staff between departments.

34. Closure of Railway Coastal Museum.

35. Additional debt service cost to fund completed capital projects.

36. One-time debt issuance costs occurred in 2020. Not required in 2021.

37. To allow for a potential increase in uncollectible taxes.

38. Reduction in allocated capital spending. Increased recovery from programs towards fleet replacement.

### Table 3: 2020-2021 Expenditure Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change \$	Change %
<b>Transfers to Other Departments:</b>				
<b>Payroll Costs:</b>				
1295 Employer Payroll Costs <sup>39</sup>	815,138	495,770	319,368	64.4%
<b>Payroll Costs: Total</b>	<b>815,138</b>	<b>495,770</b>	<b>319,368</b>	<b>64.4%</b>
<b>Mechanical:</b>				
3111 Admin - Fleet Services	1,695,945	1,622,963	72,982	4.5%
3121 Maint. Heavy Equipment	9,083,840	9,072,391	11,449	0.1%
3123 Robin Hood Bay Equipment	718,951	717,612	1,339	0.2%
3129 Recovery Fleet Rental	(10,779,786)	(10,695,354)	(84,432)	0.8%
<b>Mechanical: Total</b>	<b>718,950</b>	<b>717,612</b>	<b>1,338</b>	<b>0.2%</b>
<b>Transfers to Other Departments: Total</b>	<b>1,534,088</b>	<b>1,213,382</b>	<b>320,706</b>	<b>26.4%</b>
<b>Total Expenditure</b>	<b>312,526,525</b>	<b>305,578,936</b>	<b>6,947,589</b>	<b>2.3%</b>
<b>NET SURPLUS/DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Notes:**

39. Increase in employer related payroll costs.

### Table 4: Summary of 2020-2021 Expenditure Changes

<b>2021 Expenditure Increases:</b>	
Increase to gross debt service cost to fund capital projects	4,025,498
Allowance for potential increase in uncollectible taxes	3,000,000
Increase in net operating cost of SJSEL after staff reductions and reduced event calendar	670,560
Increase to cost of insurance	462,846
Allowance for electricity rate increases	408,923
2021 municipal election	350,000
Bid fee to host 2025 Canada Games	270,000
2021 pedestrian mall	200,000
Increase to City of St. John's share of regional water expenditures	193,902
Increase to City of St. John's share of regional fire protection	156,327
Other miscellaneous expenditure changes	216,304
<b>Total 2021 Expenditure Increases</b>	<b>9,954,360</b>
<b>2021 Expenditure Reductions:</b>	
City of St. John's staffing reductions	(1,227,669)
Reductions to Metrobus & Gobus	(711,200)
Reduction to 2021 Capital Out Of Revenue program	(700,000)
Closure of the Railway Coastal Museum	(367,902)
<b>Total 2021 Expenditure Reductions</b>	<b>(3,006,771)</b>
<b>2021 Net Expenditure Increase</b>	<b>6,947,589</b>

## Table 5: 2020-2021 FTE Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change
<b>General Government:</b>			
<b>General Administrative:</b>			
1111 Mayor & Councilors	11.00	11.00	-
1212 Administration - Admin Services	7.00	7.00	-
1213 Human Resources	8.00	8.00	-
1214 Benefits Administration	2.00	2.00	-
1215 City Manager's Office	2.00	2.00	-
1216 Employee Wellness	3.00	3.00	-
1217 Organizational Development	1.00	1.00	-
1218 HR Advisory Services <sup>1</sup>	6.72	7.72	(1.00)
1220 Legal Services	10.00	10.00	-
1221 Admin - Finance & Administration	1.75	1.75	-
1222 Financial Services <sup>2</sup>	9.00	10.00	(1.00)
1223 Budgetary Services <sup>3</sup>	4.00	3.00	1.00
1225 Performance & Strategy <sup>4</sup>	3.00	3.23	(0.23)
1231 Assessment <sup>5</sup>	17.00	18.00	(1.00)
1241 Revenue Accounting <sup>6</sup>	12.16	14.16	(2.00)
1250 Property Management	19.60	19.60	-
1251 Office Services	2.27	2.27	-
1261 Purchasing	7.00	7.00	-
1262 Materials Management	8.00	8.00	-
1269 Internal Audit	2.00	2.00	-
1270 Corporate Communications <sup>7</sup>	5.00	6.00	(1.00)
1272 Information Services	22.00	22.00	-
1274 Service Centre	16.00	16.00	-
1318 Land Information Systems <sup>8</sup>	10.19	12.23	(2.04)
<b>General Administrative: Total</b>	<b>189.69</b>	<b>196.96</b>	<b>(7.27)</b>
<b>Pensions &amp; Benefits:</b>			
1290 Pensions & Employee Benefits	12.00	12.00	-
<b>Pensions &amp; Benefits: Total</b>	<b>12.00</b>	<b>12.00</b>	<b>-</b>

### Notes:

1. Staff Reduction.

2. Staff Reduction.

3. Transfer of staff between departments.

4. Transfer of staff between departments.

5. Transfer of staff between departments.

6. Staff Reduction.

7. Staff Reduction.

8. Staff Reduction.

## Table 5: 2020-2021 FTE Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change
<b>Engineering:</b>			
1311 Admin - Planning, Engineering & Regulatory Services	2.00	2.00	-
1313 Development Control	9.00	9.00	-
1314 Surveying	5.00	5.00	-
1315 Transportation Engineering <sup>9</sup>	10.00	11.00	(1.00)
1316 Admin Support - Planning, Engineering & Regulatory Services <sup>10</sup>	11.46	12.46	(1.00)
1319 Engineering	9.08	9.08	-
1320 Facilities Engineering	3.00	3.00	-
<b>Engineering: Total</b>	<b>49.54</b>	<b>51.54</b>	<b>(2.00)</b>
<b>Other General Government:</b>			
1931 Risk Management & Insurance	1.00	1.00	-
<b>Other General Government: Total</b>	<b>1.00</b>	<b>1.00</b>	<b>-</b>
<b>General Government: Total</b>	<b>252.23</b>	<b>261.50</b>	<b>(9.27)</b>
<b>Protective Services:</b>			
<b>Fire &amp; Traffic:</b>			
2141 Parking Enforcement <sup>11</sup>	13.48	14.48	(1.00)
2142 Crossing Guard Program	3.13	3.13	-
2491 Fire Protection <sup>12</sup>	225.54	226.54	(1.00)
<b>Fire &amp; Traffic: Total</b>	<b>242.15</b>	<b>244.15</b>	<b>(2.00)</b>
<b>Protective Inspections:</b>			
2921 Admin - Regulatory Services	4.00	4.00	-
2922 Building Inspection	14.00	14.00	-
2923 Electrical Inspection	5.00	5.00	-
2924 Plumbing Inspection	2.33	2.33	-
2929 Taxi & By-law Inspection	2.00	2.00	-
<b>Protective Inspections: Total</b>	<b>27.33</b>	<b>27.33</b>	<b>-</b>
<b>Other Protective Services:</b>			
2931 Humane Services	10.50	10.50	-
<b>Other Protective Services: Total</b>	<b>10.50</b>	<b>10.50</b>	<b>-</b>
<b>Protective Services: Total</b>	<b>279.98</b>	<b>281.98</b>	<b>(2.00)</b>

### Notes:

9. Staff Reduction.

10. Staff Reduction.

11. Staff Reduction.

12. Staff Reduction.

## Table 5: 2020-2021 FTE Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change
<b>Transportation Services:</b>			
<b>Roads Department:</b>			
3011 Admin - Public Works	7.48	7.48	-
3211 Admin - Streets & Parks	11.49	11.49	-
3221 Maint. Of Roads	30.19	30.19	-
3231 Snow Clearing	68.05	68.05	-
3252 Maint. of Traffic Signs & Lights	13.86	13.86	-
3262 Street Cleaning By Hand	1.18	1.18	-
<b>Roads Department: Total</b>	<b>132.25</b>	<b>132.25</b>	-
<b>Other Transportation Services:</b>			
3521 Parking Meters	1.50	1.50	-
<b>Other Transportation Services: Total</b>	<b>1.50</b>	<b>1.50</b>	-
<b>Transportation Services: Total</b>	<b>133.75</b>	<b>133.75</b>	-
<b>Environmental Health:</b>			
<b>Water Department:</b>			
4111 Admin - Environmental Services	15.29	15.29	-
4122 Winsor Lake Treatment Plant	11.93	11.93	-
4123 Regional Water System	17.65	17.65	-
4131 Water & Waste Water Distribution	60.67	60.67	-
<b>Water Department: Total</b>	<b>105.54</b>	<b>105.54</b>	-
<b>Sewer Department:</b>			
4225 Waste Water Treatment Facility	10.53	10.53	-
<b>Sewer Department: Total</b>	<b>10.53</b>	<b>10.53</b>	-
<b>Sanitary Department:</b>			
4321 Garbage Collection <sup>13</sup>	29.83	31.83	(2.00)
4322 Waste Diversion Public Awareness	1.67	1.67	-
4331 Garbage Disposal	16.93	16.93	-
4332 Bldg. Maint. Robin Hood Bay	1.45	1.45	-
4334 RHB Residential Drop Off Facility	1.00	1.00	-
<b>Sanitary Department: Total</b>	<b>50.88</b>	<b>52.88</b>	<b>(2.00)</b>
<b>Environmental Health: Total</b>	<b>166.95</b>	<b>168.95</b>	<b>(2.00)</b>

### Notes:

13. Staff Reduction.

## Table 5: 2020-2021 FTE Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

	Budget 2021	Budget 2020	Change
<b>Environmental Development:</b>			
<b>Planning:</b>			
6113 Planning & Development <sup>14</sup>	2.00	3.00	(1.00)
<b>Planning: Total</b>	<b>2.00</b>	<b>3.00</b>	<b>(1.00)</b>
<b>Community Development:</b>			
6211 Admin - Community Services	1.00	1.00	-
6212 Events & Services	5.23	5.23	-
<b>Community Development: Total</b>	<b>6.23</b>	<b>6.23</b>	-
<b>Housing &amp; Real Estate:</b>			
6391 Admin - Non-Profit Housing	6.00	6.00	-
6392 Non-Profit Housing Maint.	7.00	7.00	-
<b>Housing &amp; Real Estate: Total</b>	<b>13.00</b>	<b>13.00</b>	-
<b>Tourism &amp; Economic Development:</b>			
6612 Tourism Development <sup>15</sup>	1.00	2.00	(1.00)
6613 Visitor's Services <sup>16</sup>	1.55	2.16	(0.61)
6616 Economic Development <sup>17</sup>	4.00	3.00	1.00
<b>Tourism &amp; Economic Development: Total</b>	<b>6.55</b>	<b>7.16</b>	<b>(0.61)</b>
<b>Environmental Development: Total</b>	<b>27.78</b>	<b>29.39</b>	<b>(1.61)</b>
<b>Parks, Recreation &amp; Cultural Services:</b>			
<b>Parks Division:</b>			
7111 Administration Parks	6.77	6.77	-
7121 Municipal Parks Maint. <sup>18</sup>	47.52	48.19	(0.67)
7123 Active Sports Facilities Maint.	4.53	4.53	-
7135 Snow Clearing Steps	8.37	8.37	-
7140 Mtce. Paul Reynolds Community Centre	1.00	1.00	-
<b>Parks Division: Total</b>	<b>68.19</b>	<b>68.86</b>	<b>(0.67)</b>

### Notes:

14. Staff Reduction.

15. Transfer of staff between departments.

16. Staff Reduction.

17. Transfer of staff between departments.

18. Staff Reduction.

## Table 5: 2020-2021 FTE Change

2020 Budget is presented for comparative purposes and, where applicable, has been restated to reflect realignment of Departments, Divisions, and Programs.

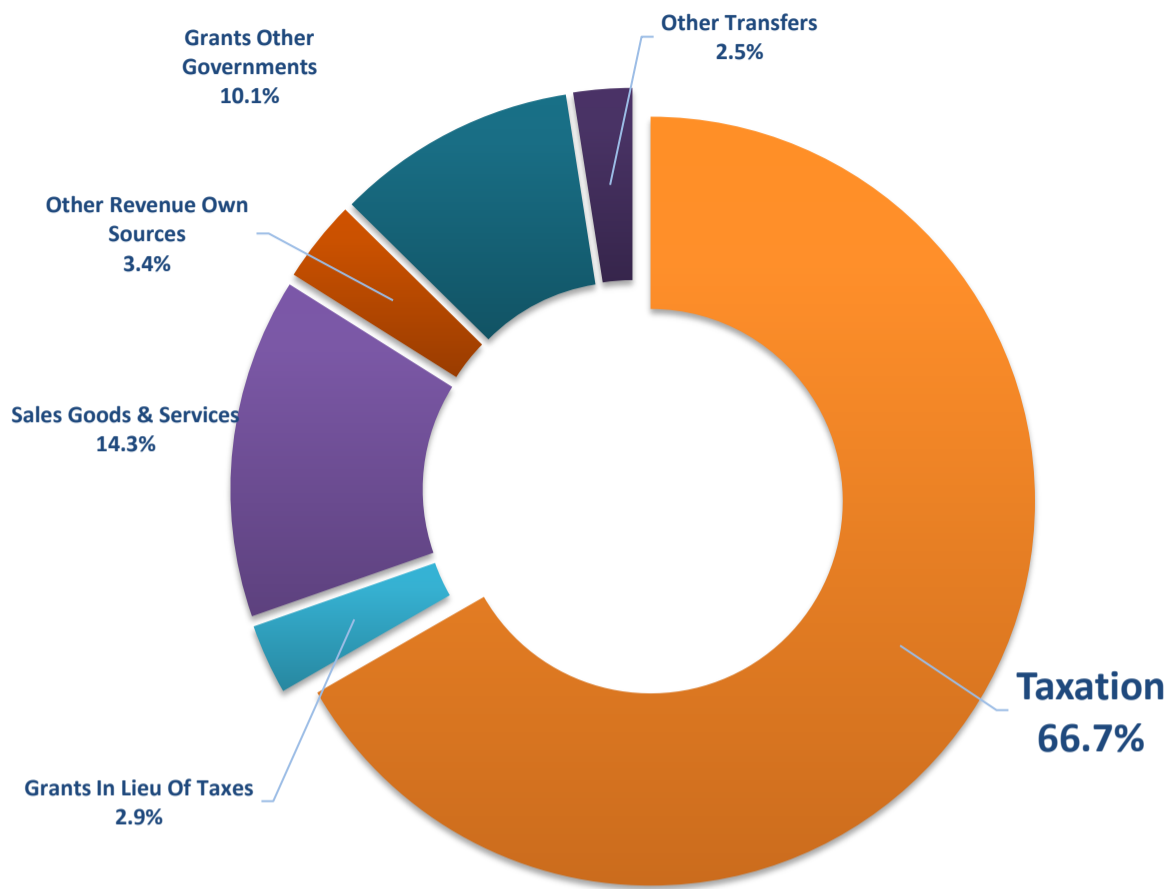
	Budget 2021	Budget 2020	Change
<b>Recreation:</b>			
7305 Healthy Communities & Inclusion	12.58	12.58	-
7311 Community Development	14.25	14.25	-
7321 Family, Children & Youth <sup>19</sup>	17.65	18.65	(1.00)
7322 Operation of Bowring Park Pool	3.52	3.52	-
7324 Admin - Rec Facilities	11.00	11.00	-
7325 H.G.R. Mews Centre Operations	7.58	7.58	-
7329 H.G.R. Mews Centre Program & Services	7.48	7.48	-
7333 Seniors Outreach	1.90	1.90	-
7334 Operation of Bannerman Park Pool	2.02	2.02	-
7336 Shea Heights Community Centre	5.34	5.34	-
7337 Southlands Community Centre	6.09	6.09	-
7338 Kilbride Community Centre	5.31	5.31	-
7339 Kenmount Terrace Community Centre	6.09	6.09	-
7340 Paul Reynolds Centre Operations	9.65	9.65	-
7342 Paul Reynolds Centre - Pool and Fitness Programs	22.36	22.36	-
<b>Recreation: Total</b>	<b>132.82</b>	<b>133.82</b>	<b>(1.00)</b>
<b>Other Recreational &amp; Cultural Services:</b>			
7553 Local Immigration Partnership Strategy	0.20	0.20	-
7910 Cultural Development	1.00	1.00	-
7911 Municipal Archives <sup>20</sup>	3.00	3.46	(0.46)
<b>Other Recreational &amp; Cultural Services: Total</b>	<b>4.20</b>	<b>4.66</b>	<b>(0.46)</b>
<b>Parks, Recreation &amp; Cultural Services: Total</b>	<b>205.21</b>	<b>207.34</b>	<b>(2.13)</b>
<b>Transfers to Other Departments:</b>			
<b>Mechanical:</b>			
3111 Admin - Fleet Services	9.00	9.00	-
3121 Maint. Heavy Equipment	42.11	42.11	-
3123 Robin Hood Bay Equipment	1.11	1.11	-
<b>Mechanical: Total</b>	<b>52.22</b>	<b>52.22</b>	<b>-</b>
<b>Transfers to Other Departments: Total</b>	<b>52.22</b>	<b>52.22</b>	<b>-</b>
<b>Total FTE</b>	<b>1,118.12</b>	<b>1,135.13</b>	<b>(17.01)</b>

### Notes:

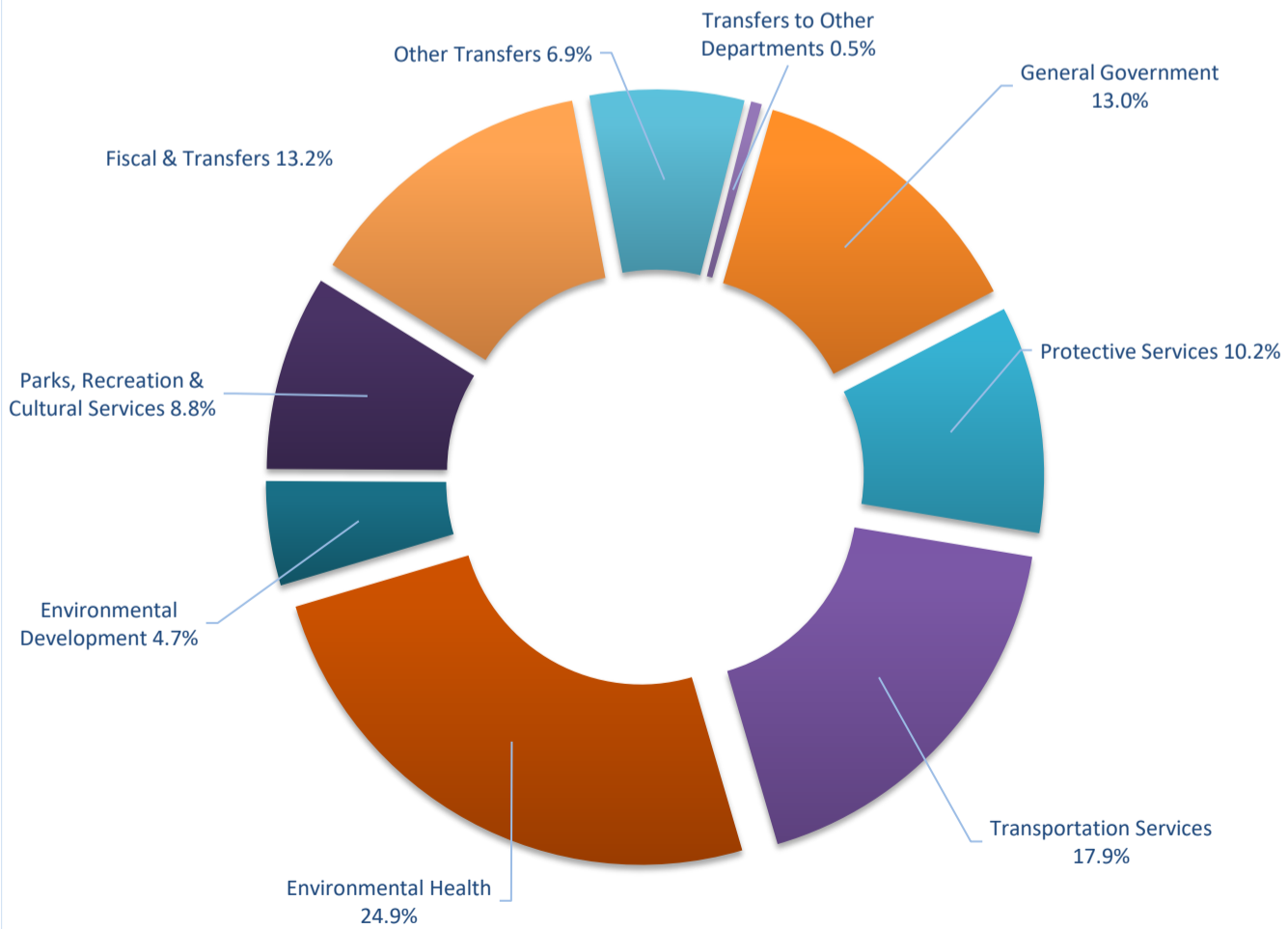
19. Staff Reduction.

20. Transfer of staff between departments.

## Revenues, 2021



## Expenditures, 2021





### ***CHECK AGAINST DELIVERY***

This year has truly been a year like no other and its impacts will certainly be felt next year, if not longer.

#### ***THE PROCESS***

The City of St. John's began the process of developing the budget for 2021 more than six months ago. At the time, we were still assessing the impact of one of the worst winter storms the City ever experienced. They called it Snowmageddon, Your Worship, and I know you have called it one of the most significant challenges our City has ever faced.

The snowfall of Jan 17th and 18th, estimated at 78-79 cm at the Airport, broke the previous record of snowfall in one day - 68.4 cm in April 1999.

Little did we know in January that the State of Emergency that held the northeast Avalon in its grip for over a week was only the start of the challenges our City would face in 2020.

When Council first began formally discussing the budget in May, the impact of Snowmageddon became clear and the potential outfall of COVID-19, a global pandemic, became more evident.

On March 13, the City announced its first closures due to the pandemic. Within days, we were implementing our Business Continuity Plan, and further services were curtailed, not to return fully until months later. Recognizing that the pressure individuals and business owners were under was immense, tax relief from interest payments was announced alleviating at least some financial pressure from residents and businesses.

Our local business community experienced months of closures and reductions, individuals were laid off or let go and to this day, impacts continue to be felt, especially now as we anticipate the second wave of the pandemic.

In June Council directed senior staff from all departments to identify efficiencies. By early September, an initial report on the economic climate and proposed adjustments was presented to Council. We spent the next two months meeting 2-3 times per week to decide what cuts and adjustments we were willing and able to make.

## **CHECK AGAINST DELIVERY**

### **THE DEFICIT**

When we look to 2021 there are many unknowns that make it difficult to know what our revenues and expenses will be, however we anticipated a deficit in the range of \$10M-\$12M for 2021.

The most significant losses for 2021 include:

- a \$2M forecasted decline in the Tourism & Marketing Levy;
- an anticipated \$1M increase in vacancy allowance claims on commercial properties; and
- a provision for unpaid taxes of \$3M

While many property owners continue to make their property tax payments, we are seeing an increase in those unable to pay. Taxation, as you know your Worship, is a municipality's primary source of revenue – 66.7%. It's the money we need to offer the services we provide, from the basics of waste collection, road maintenance and water and sewer to the things that make our city livable and strong, like recreation programming, affordable housing and economic development incentives.

The pandemic is impacting our sources of revenue as well, with an anticipated loss of \$525,822 from recreation programs and a forecasted decline in events revenues at Mile One and Convention Centre of \$670,560. We also forecast a decline in revenue from traffic violations and parking meters of just over \$250,000.

Economic uncertainty and a slow-down in the construction sector is forecasted to cost \$590,000 in lost revenue from building and electrical permits.

Compounding these losses are increases in our liability and property insurance of \$462,846 and a required \$4,025,498 to service the debt that funds our completed capital projects. We also have to budget an additional \$350,000 in 2021 to pay for the upcoming municipal election.

As you and my colleagues on Council know, Your Worship, municipalities are required by legislation to balance their budgets. Simply put, we must either increase revenue or decrease expenses to balance the books.

### **DECREASING EXPENDITURES**

Let us first look at the issue of decreasing expenditures.

How can we, as a City, reduce our costs? Can we be more efficient with spending to reduce our expenses? Can we cut or stop offering certain services to eliminate the expense of offering them?

### ***CHECK AGAINST DELIVERY***

We began by looking at our annual program for capital expenses. Year-over year, the City maintains a list of the priority items to be addressed, primarily for infrastructure work. In 2021, we will reduce our capital spending by 700,000.

We have also made the difficult decision to close the Railway Coastal Museum. We acknowledge the importance of the artifacts and the building as the historic railway terminal in connection to the history of the railway in Newfoundland. To maintain the integrity of the artifacts and other holdings of the Railway Coastal Museum, we are considering several options to display these in both the current and other locations and will have more information on this in the new year.

The City's biggest expense – like many organization's – is its people. Because we are a service-oriented organization, we need people to make the organization work. Those people are on the ground – collecting garbage and recycling, testing water, repairing and clearing roads, fixing infrastructure, planning City development and operations, maintaining parks, inspecting construction, offering swim classes, answering calls and questions, protecting and maintaining our electronic data... the list goes on.

Our staff are amongst the best municipal workers in the province and the country. They are experts in their fields and are recognized for the quality of care, programs and services they provide.

Reducing staff is a difficult decision, especially given the efforts our team has made to operate more efficiently and effectively than ever before. Consider: in 2016, the organization undertook a Program Review which resulted in \$13M in savings and reduced our staffing complement by 75 full-time equivalent positions. We then implemented an ongoing continuous improvement program to ensure we are always looking for efficiencies. In truth, we have already made significant efforts to improve internal operations, and any additional cuts would certainly be felt by the public in one way or another.

That being said, Council challenged management to look for ways to reduce our staff. Three weeks ago, we announced a reduction of 16.32 FTEs, mostly from administrative support areas, which will save the organization \$1,277,669. We have also directed our senior staff that we must look individually at each management position that becomes vacant due to retirement to determine whether or not that position will be filled. We chose not to make any management positions redundant, as that would have resulted in potentially large, one-time costs for pay-in-lieu of notice, something we felt we could not afford in 2021.

### ***CHECK AGAINST DELIVERY***

Your Worship, we could also reduce expenses by reducing or eliminating services. In considering the kinds of services that could be reduced or eliminated, there are a number of factors to consider. If we were to reduce a service, what would be the social and economic impacts of that loss, and can the City afford to reduce services at a time when social and economic conditions are strained to say the least?

One proposed solution - reducing the hours of operation at Metrobus – has garnered significant public attention.

Currently, ridership on Metrobus is down. On the one hand, reducing hours makes sense as a measure to match supply and demand. Metrobus generates revenue; when ridership is up, revenues are up and the cost to fund this vital public service decreases for the taxpayer. We understand the rationale of decreasing service in response to lower demand; however we also recognize that this is an important public service, particularly for those who depend on it most.

The people of Newfoundland and Labrador are known for their care and compassion, and we all must recognize that, unlike a large municipality whose ridership largely pays for public transit, a City like St. John's must subsidize public transit to ensure it is an effective service.

My colleagues and I on Council struggle with the need to find savings from the Metrobus budget.

Enhancing our public transit system has been one of my primary goals on Council and in the past three years, I'm proud of what's been accomplished:

- We have made it easier for young families to use the bus with free rides for kids under 12.
- We have honed our marketing strategy to get people riding more often or for the first time.
- Significantly, through lengthy negotiations, we achieved a provincial government program that provides income support recipients with free bus passes.

When faced with a number of options to identify savings, we initially agreed to maintaining the summer schedule (with pick-ups every 30 rather than 15 minutes on high traffic routes) and to delay the implementation of the Frequent Transit Network until the fall, when we anticipate ridership will return as the University will hopefully be back to regular operations and more employees will be travelling to work, rather than their current work-from-home arrangements.

**CHECK AGAINST DELIVERY**

However, we listened closely to public feedback on this approach and last week, Council met with staff to consider other options. I'm pleased to announce that we were able to find another solution for the 2021 budget year.

We will not, as previously discussed, be implementing the summer schedule this winter and will maintain frequency and timelines for the season, moving only to the summer schedule in April, closer to the time that this schedule would normally have been implemented.

To make up for the lost savings, Metrobus will delay the implementation of the Frequent Transit Network until January, 2022 when – we hope – things are closer to normal and the pandemic no longer has a grip on our daily lives.

I believe this is a socially-responsible compromise, one that I hope demonstrates our commitment to public transit as well as our ability to work collaboratively in response to the public's desires and needs.

Metrobus, like all our operations, faces the challenge next year of finding ways to increase efficiency and reduce their expenses. We have directed the Commission to operate with 500K less annually from Council. It will take the collective efforts of the Transportation Commission, staff and management at Metrobus and Council to offer a public transit service that the City can sustain into the future.

I am also pleased to announce, Your Worship, that the union and management at St. John's Regional Fire have agreed to work collaboratively on addressing the overtime issue in our fire service. We have agreed to give the team the latitude, over the next couple of months, to come up with answers and solutions for the rising overtime costs in the Fire Department and will delay implementation of previously announced shift changes while they work together on identifying alternatives. Aside from our number one priority to protect the safety of the community, we want our fire fighters to be available to work; their wellness and safety is also a priority.

Your Worship, all members of Council over the last year (and more) have heard feedback on both sides of the argument about the sale of Mile One and the Convention Centre. One side of the debate suggests that the subsidy and up-keep of these facilities are costs the City cannot afford, while the other suggests a municipality the size of St. John's cannot afford *not* to have a convention centre and entertainment arena.

Regardless of which side of the debate individuals may fall on, Council has a responsibility to do what is in the best interests of all taxpayers when it comes to the future of Mile One and the Convention Centre.

### ***CHECK AGAINST DELIVERY***

The Board of St. John's Sports and Entertainment, Ltd. have always acted with the best interests of the City in mind. Last year, we explored options for the facilities from status quo to third-party management solutions to possible sale of the facility; this year, we asked the consultants who did the previous work to outline the key considerations should Council consider a potential sale.

We are waiting for that report, and it is my understanding that, once it is received and reviewed, we will engage with the public on the findings.

From a financial perspective, the City's operational subsidy to St. John's Sports and Entertainment is an investment in the economy; conventions are big business that bring good revenue into our city, and entertainment has value for businesses, especially those in the downtown. For the most part, SJSE covers a lot of its operating expenses with revenue, however when you face a downturn in the economy or an unprecedented year like the one we just faced, it is up to the City to pay the bill.

We cannot simply sell these assets as a quick solution to a current problem – that would not be prudent, when you consider the long-term investment and future benefits these facilities bring. This has to be done right, with all factors being taken into consideration, and we look forward to the discussion on this topic in the new year.

### ***INCREASING REVENUE***

Even with reductions in staff and other expenditure savings, the City is still short in terms of covering its deficit for 2021, and Council turned its attention towards ways to increase revenue.

The simplest solution is to increase taxation. This was not, however, a decision Council could support. Council is keenly aware that a tax increase at this time could not and would not be supported by the residential and commercial property owners of the City, therefore we will not be increasing the mill rates for 2021.

Property owners will, however, experience a small increase in water taxes, which rise from the current \$605 annually to \$620 in 2021. Unlike property tax, water is a regional service and the tax goes directly to cover the cost of that service, which will increase in 2021 by \$1,495,858.

Aside from mill rate increases, municipalities can increase revenue by considering increases to fees.

For 2021, we have identified a projected \$1.42M in additional revenue through increases in a number of areas:

**CHECK AGAINST DELIVERY**

1. Traffic Violations:
  - a. A general parking ticket will increase from \$30 to \$50
  - b. Winter parking ban infractions increase from \$55 to \$75
  - c. Street cleaning infractions increase from \$30 to \$40
  - d. \$50 and \$60 traffic violation tickets increase to \$60 and \$75, respectively
2. Paid parking will increase from \$1.50 per hour to \$1.75 throughout the City and in Churchill Square, parking will increase from \$0.75 to \$1.00
3. We will increase the cost of a visitor parking permit from \$27.50 to \$35.75 annually
4. Finally, the cost for Sewer Back Up and Repairs will increase. A general sewer back up call will increase from \$100 to \$200 while a Sewer Dig and Lateral Repair will rise to \$800 for 8 meters or less and \$1,000 for a distance greater than 8m.

As the costs of these types of services increase, we must also look to increase the fees we charge so that we can continue to offer them.

Several months ago, we announced that the City had a surplus from previous year's budgets due to prudent spending and efficient operations. We are fortunate, Your Worship, to have that surplus, as we are anticipating a deficit of over \$18M in 2020 and, despite our best efforts, still a deficit in 2021 that can be covered by this surplus.

But it is worthy to note that this one-time money – a nest egg, if you will – is gone once we use it this year and next year to cover shortfalls in revenue. We cannot invest that money in programs that will continue year after year. This is why, despite our desire to do so, we cannot invest in improved services for 2021.

That being said, we as a Council challenge staff to look closely at services such as sidewalk snow clearing that the public clearly wants us to improve. We will continue to work to improve our sidewalk snowclearing operations and, despite this year's budget constraints, an investment of \$1.4m in fleet improvements was made this year for this coming winter and staff are exploring ways to make routes more efficient.

It is important that we continue to focus on growth and to seek opportunities to support both our residents and businesses, especially in 2021. For that reason, you will note a commitment in the budget to continuing the downtown pedestrian mall in 2021 and to supporting our bid for the Canada Summer Games in 2025. These activities are good for our economy and for our community. They support our vision of St. John's as a place where people want to live, work and play.

***CHECK AGAINST DELIVERY***

***THE CHALLENGE***

The challenge for 2021 is clear:

- As we move toward an assessment year when we anticipate a decrease in property values – and subsequently a further decrease in revenue – how will we make up for lost revenue in 2022?
- What do we, as a City, need and want to prioritize as we face diminishing resources?
- What is our role in supporting the economy, in bolstering our civic profile, so that we attract new businesses and retain current ones, so that we are sustainable and strong into the future?

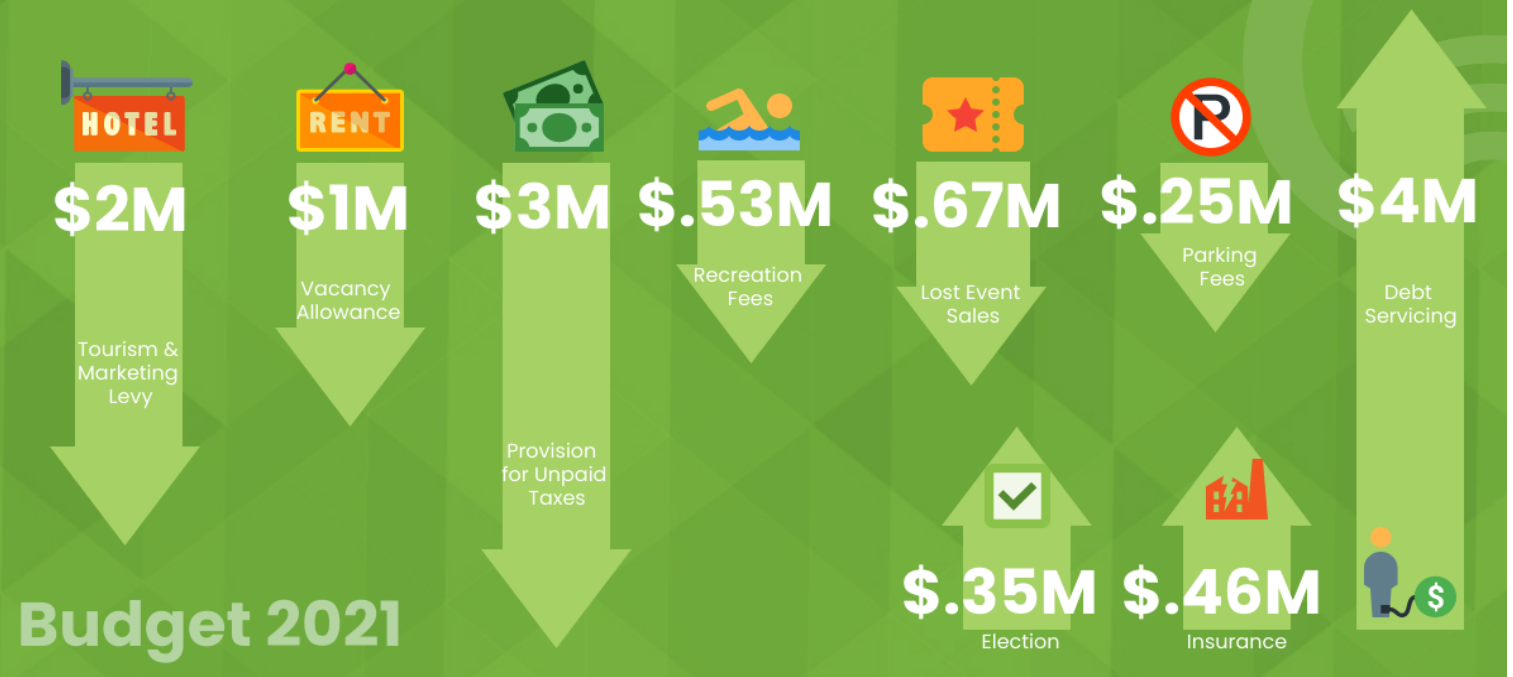
Despite the difficulties of this year, we need to keep our vision of a sustainable, strong city at the top of mind in all decision making, and I know that engagement in 2021 will help frame the approach the City will take in the next budget cycle.

It is my belief that collaboration and engagement are key factors, and that 2021 will be a year for identifying strategic opportunities, seeking efficiencies and planning for future.

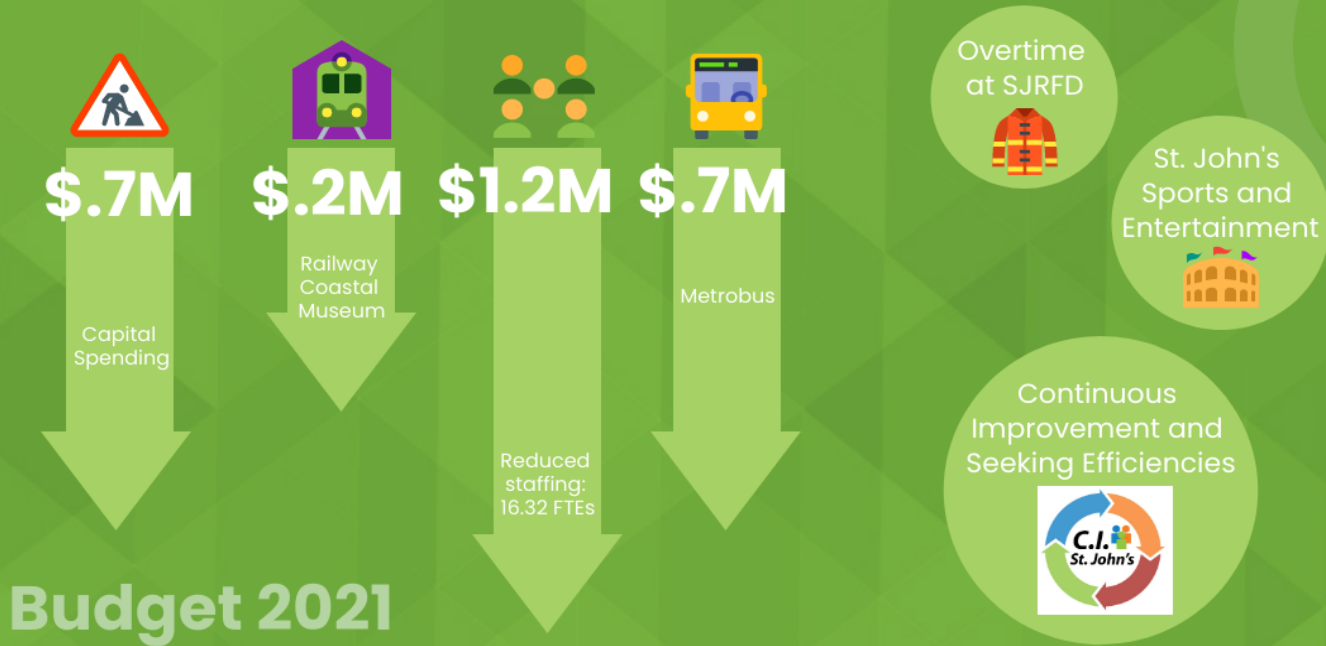
With that, Your Worship, I table the 2021 Budget – balanced at \$312,526,525 - for discussion and approval.



# Anticipated Deficit: \$10-\$12M



# We're Reducing Our Expenses



# No Mill Rate Increase for Residential or Commercial Property Owners in 2021.



2.5%

Water tax **will** increase to \$620 from \$605 in 2020

**Budget 2021**



# Parking and Traffic Fee Increases: \$390,000

General  
Parking  
Ticket  
\$50

Street  
Cleaning  
Ticket \$40

Winter  
Parking Ban  
Ticket  
\$75

Traffic  
Violations  
\$60 & \$75



Paid Parking  
increases to  
\$1.75/ hr

(\$1/hr in Churchill  
Square)

Visitor Parking  
Permit  
increases to  
\$35.75/ yr



## Budget 2021

**City of St. John's Revenues  
and Expenditures are  
Balanced at :**



**\$312,526,525**

**Budget 2021**