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Budget Speech 2025

Presented by Councillor Roxanne Haliburton, Chair of Finance and Human Resources

Honorable Mayor, esteemed council members, and respected citizens, I present to you today the proposed municipal budget for the upcoming fiscal year. This budget reflects our collective priorities: strengthening our communities, enhancing public services, and ensuring fiscal responsibility for future generations. It is a blueprint not just for managing resources, but for investing in the well-being and growth of our town. As we navigate the challenges and opportunities ahead, this budget lays the foundation for a prosperous, sustainable, and vibrant future for all.

**OPERATING BUDGET**

It is anticipated that the total operating funds required to operate our Town in 2025 will total $6,198,605, it is a decrease of $433,242 from last year.

**The 2025 Estimated Budget is presented as follows:**

**OPERATING BUDGET**

**REVENUE**

Taxes $ 4,327,218

Sale of Goods and Services 482,938

Other Revenue from Own Sources 238,220

Federal and Provincial Grants and Subsidies 513,257

Reserve Surplus from Prior Year 636,972

**Total Revenue** $ 6,198,605

**EXPENDITURES**

General Government (salaries, employee benefits) $ 1,660,143

Protective Services (fire protection and emergency response) 190,050

Transportation Services (vehicle repair, street and sidewalk maintenance, snow removal) 727,826

Environmental Health (water supply, sewage, garbage collection) 698,116

Planning and Development (zoning, municipal plan review) 194,800

Recreation and Cultural Services (stadium, parks, events), 946,063

Fiscal Services (loans, interest, discounts, bank charges). 1,781,607

**Total Expenditures** $ 6,198,605

**Surplus/Deficit** \_\_ \_\_\_\_\_\_$0

**RATES AND FEES**

During the budget process, Council carefully reviewed the schedules of rates and fees. With a strong focus on fiscal responsibility and supporting the well-being of our community, the Town Council has decided to maintain the current property mil rate at 8.5 mils, while keeping all other rates and fees unchanged for the upcoming fiscal year. This decision reflects our ongoing commitment to minimizing financial pressures on both residents and businesses, ensuring stability and affordability for all.

In January 2025, the Town will be switching arrears interest from compounded too simple. With simple interest, debt accrues more slowly, making it easier for residents to catch up on payments and avoid escalating financial stress.

**CAPITAL BUDGET**

As part of the capital budget, the Town is making substantial investments in our recreational facilities. Council is proud to announce that the long-anticipated splash pad, has been ordered, with a scheduled opening date of summer 2025; there will also be improvements in the washroom facilities at the recreation complex; the Town will be making enhancements in other recreational structures, making them more comfortable by adding heat pumps.

The Town has decided to borrow the amount of $256,655.00, for capital works projects completed in 2024, these include the King Street outfall extension and phase II of the outfall consolidation. Borrowing allows a Municipality to fund large-scale infrastructure improvements that can't be covered by current revenue, it allows the Town to spread the cost of these long-term investments over time, ensuring that future generations benefit from the projects while maintaining essential services and growth.

**CONCLUSION**

In closing, I would like to take a moment to sincerely thank management and the finance department for their unwavering commitment in developing a budget that truly reflects the needs and ambitions of our community. As we move forward, let us collaborate in implementing these financial priorities, working toward a brighter, more prosperous future for our municipality. I appreciate your attention, involvement, and ongoing support as we continue to strengthen our community for everyone. Thank you.

**ENABLING MOTIONS**

Be it resolved that Council shall adopt the 2025 Schedules of Rates and Fees established within this budget, as attached.

Be it resolved that Council shall adopt, that June 2, 2025, be established as the due date for payment of taxes and fees.

Be it resolved that Council shall adopt, that a 3% discount will be applied to tax payments received on or before March 31, 2025.

Be it resolved that Council shall adopt, that a 15% discount will be applied to seniors receiving the Guaranteed Income Supplement (showing in Box 21 on the T4A OAS) providing his/her/their account is paid in full by the due date of June 2, 2025, this discount is for his/her/their principal residence only. Any adjustment for the current year can be applied for until December 31, 2025. There will no adjustments for prior years missed.

Be it resolved that Council shall adopt that all taxes and fees in arrears after June 2, 2025, will be charged a simple interest rate of 15% per annum and will be charged at the first day of each month on the outstanding principal. All other invoices, including those issued because of supplementary property assessments, are due 30 days from the date of issue. All invoices in arrears at the end of the month following issuance will be subject to simple interest charges of 15% per annum.

Be it resolved that Council shall approve payment of taxes and fees by credit card, but anyone wanting to pay by credit card will have a 2% fee applied to the payment amount.

**2025 TAX EXEMPTIONS**

Be it resolved that Council shall adopt, that pursuant to Section 111 of the Municipalities Act 1999, the property owned by the Kinsmen Club of Notre Dame located at 47 Centennial Drive be exempt from property tax for 2025.

Be it resolved that Council shall adopt, that pursuant to Section 111 of the Municipalities Act 1999, the property owned by the Loyal Orange Lodge located at 230-232 Main Street be exempt from property tax for 2025.

Be it resolved that Council shall adopt, that pursuant to Section 111 of the Municipalities Act 1999, the property owned by the Lions Club located at 18 Bowater Avenue be exempt from property tax for 2025.

Be it resolved that Council shall adopt, that pursuant to Section 111 of the Municipalities Act 1999, the property owned by the Calypso Foundation located at 45 Centennial Drive be exempt from property tax and business tax for 2025.

Be it resolved that Council shall adopt, that pursuant to Section 111 of the Municipalities Act 1999, the Interfaith Goodwill Centre be exempt from the payment of 2025 business tax.

Be it resolved that Council shall adopt, that pursuant to Section 111 of the Municipalities Act 1999, the property owned by the Masonic Lodge located at 12 Tizzard Street be exempt from property tax for 2025.

**ADOPTION OF BUDGET**

Be it resolved that Council shall adopt the 2025 Operating & Capital Budgets, as presented.

As we approach the holiday season, I would like to extend my warmest wishes to my fellow Council members, our management and staff, and the residents of our community. May this holiday season be filled with joy, warmth, and treasured moments with your loved ones. I also wish you all a new year brimming with happiness, success, and exciting new opportunities.

**REVISIONS TO ALIGN WITH THE NEW TOWN’S AND LOCAL SERVICE DISTRIACTS ACT**

During the budget speech, I highlighted the Town’s commitment to minimizing financial pressures on both residents and businesses by keeping the schedules of rates and fees unchanged. However, upon submitting the Town’s proposed budget, along with the corresponding schedule of rates and fees to the Department of Municipal and Provincial Affairs for approval, the Town received feedback requesting some changes to align with the new **Towns and Local Service District Act** (effective January 1, 2025).

As part of this alignment, a vacant land mil rate and water rate category have been introduced. The mil rate for vacant land will remain the same as for other properties—8.5 mils. Additionally, a vacant land water rate of $50.00 per year will be implemented. In the coming years, residents and businesses may see further changes in some of the fees charged, as the new Act introduces fees based on cost recovery.

During the budget process, the Town Council also reviewed the fees for the Town’s recreational facilities. Given the significant costs associated with maintaining the stadium, bowling alley, and campground, Council has decided to implement a nominal increase in fees for users of these facilities. This decision will only impact users of these facilities.

As part of the budgeting process, Municipalities are required to include a schedule of rates and fees, which outlines the tax rates and fees that will apply for the year. This schedule includes the mil rates, water and sewer fees, due dates, interest charges, discounts, and other relevant items. For many years, the Town of Lewisporte has provided a senior’s low-income discount. However, upon submitting the schedule to the Department of Municipal and Provincial Affairs this year, the department raised a concern, stating that the senior’s low-income discount is not permitted.

If the Town proceeds with the senior’s low-income discount, the budget will not be approved, and the Town will not receive its municipal operating grant, a significant amount of funding ($303,536.00) that is essential for balancing the budget. As per section 112 (b), of the Towns and Local Service District Act, a town council may allow a discount to persons who provide satisfactory proof to the town council of financial hardship. This year, the Town will introduce a low-income reduction for those who qualify. The details can be found in the schedule of rates and fees, along with the application for the reduction of property and water/sewer fees, which can be accessed online or at the Town Office.