

TOWN OF HARBOUR GRACE

Minutes of a special meeting of the Town of Harbour Grace Council, held in the Town Hall,
March 2, 2020 at 7:00 PM.

Members Present Mayor Don Coombs
Deputy Mayor Sonia Williams
Councillors: Lyda Byrne
Paul Fitzgerald
Kathy Tetford
Shawn Vaters
Kevin Williams

Staff Present Acting Town Clerk Sean O'Brien
Admin. Assistant-A/R Clerk Nancy Pike
Public Works Superintendent Pat Hearn

Mayor Coombs called the meeting to order at 7:00pm.

Town Clerk Motioned to appoint Mr. Sean O'Brien as the acting Town Clerk.
**MOTION #20-236 DEPUTY MAYOR WILLIAMS/CLR. VATERS
CARRIED UNANIMOUSLY**

Mayor Coombs stated that the special meeting is broken down into three parts: the budget process, adoption of the budget, and adoption of the Tax Structure. Mayor Coombs thanked the Acting Town Clerk, Sean O'Brien and Mr. Tony Ryan for their part in helping to prepare the budget. Mayor Coombs also thanked everyone else and staff for their part. Mayor Coombs noted that the Town is behind with bills, over \$350,000.00 for October, November and December and stated that while the budget is not nice, the only options were to increase revenue or cut expenses. The decisions made were not easy ones but are better in the long term for the Town of Harbour Grace. Mayor Coombs thanked the Finance Committee and recognized the difficulty when increases effect all citizens, but it has to be done for the betterment and the longevity of the Town. Mayor Coombs stated that when looking at budgets, we must differentiate between capital and operational, this budget will be identifying operational more than the capital.

Budget Clr. Byrne gave a report on the 2020 Budget stating that it was prepared with the intent to cover the operational costs of the Town for the current fiscal year and to address the current operating deficit, which was in excess of \$320,000.00 as of December 31, 2019. Clr. Byrne noted that any references to either the recording of inflows or outflows as the result of completing Municipal Capital Works (or other) projects have been removed. The reason for its removal is that inflows are received by the Town in stages only after a percentage of the projects are completed, oftentimes crossing into future years, these projects are usually costly and recording either the expenditure or cash inflow on these projects would throw off the percentages of revenues and costs attributed with the day to day town operation.

The committee proposed the following increases to provide a balanced budget. Commercial and residential property tax mil rate is to be increased by ¼ mils from 7.75 to 8.00 mils. Minimum property tax to increase from \$350.00 to \$400.00.

Proposed rate changes to water and sewer include increasing school from base rate of \$400.00 plus 6 mils to base plus 7 mils. There is a new category this year to address water and sewer services provided to Marine Industrial/Cold Storage properties. This new rate is \$400.00 plus 12 mils.

Budget

Section 130 of the Municipalities Act (1999) directs that a town must charge a water and sewer tax to any property that is either serviced or is capable of being serviced. In this instance, we propose a fee of \$100.00 per year water and sewer rate for vacant properties that either serviced or are capable of being serviced. Previously these properties have not been assessed a water and sewer tax. There are no proposed changes to the base water and sewer rate of \$400.00.

For Business Tax, the All Other Types of Business category is expanded to include B&B operations as well as Air BNBS.

Clr. Byrne continued her report noting an increase in snow clearing due to the harsh winter this year and advised that there may be potential to recover some of the costs. There is also an increase in garbage collection due to an increase in tonnage rates from Robin Hood Bay.

Clr. Byrne advised that the Finance Committee will need to arrange a meeting with Municipal Affairs Minister, Derrick Bragg to either seek approval to borrow an amount to ensure the operating line of credit reaches zero by year’s end or special permission to carry forward an operating account deficit beyond the end of the year. If the second scenario, approval should be sought to increase it to an amount that the Town can adequately meet with its commitments to staff payroll as well as its vendors within its credit terms.

Clr. Tetford stated that she would like to make a motion to adopt the budget with some changes. She proposed leaving the residential property tax rate at 7.75 mils with a minimum tax of \$350.00 and adding a water/sewer rate for vacant land of \$50.00 instead of the proposed \$100.00. Clr. Tetford also suggested adding income for sale of assets of \$75,000.00 from land owned by the Town. Clr. Tetford proposed not cutting but allowing the following budgets for the Town’s volunteer groups; CB Museum \$7000.00, Civic Events \$4500.00, Miss NL Pageant \$5000.00, Special Events/Come Home Year \$15,000.00 and the Regatta Committee \$1000.00. Councillors discussed the details and concerns with both proposed budgets. Deputy Mayor Williams expressed concern over cuts to recreation that would not allow for the purchase of new playground equipment this year.

Motioned to adopt the budget as presented by the Chair of the Finance Committee with the following changes: Residential property tax to remain at 7.75 mils with a minimum tax of \$350.00 and a water/sewer of rate \$50.00 for vacant land. Budgets for volunteer groups to be as follows: Conception Bay Museum - \$7000.00, Civic Events Committee - \$4500.00, Miss NL Pageant - \$5000.00, Special Events/Come Home Year - \$15,000.00 and the Regatta Committee - \$1000.00

MOTION #20-237

**CLR. TETFORD/CLR. VATERS
In Favour**

Opposed

**CARRIED
Clr. Byrne
Clr. Fitzgerald
Clr. Tetford
Clr. Vaters
Mayor Coombs
Deputy Mayor Williams
Clr. Williams**

Tax Structure Motioned to adopt the Tax Structure as presented reflecting the changes to the 2020 budget:
 The following taxes and rates were adopted at a special meeting of Council held on March 2, 2020 into effect from January 1, 2020.

PROPERTY TAX

Residential Property Tax	7.75	mils	(\$350.00 Minimum)
Commercial Property Tax	8.00	mils	(\$400.00 Minimum)

BUSINESS TAX

	\$200.00 Minimum Tax		
Banks, Financial Institutions	100	mils	
Oil Companies	100	mils	
Lawyers, Doctors, Dentists, Funeral Homes	22	mils	
Manufacturing Firms	12	mils	
All Other Types of Businesses including B&Bs and AirBNBs	10	mils	
Utility & Cable Companies	2.5%	of gross revenue	
Other Businesses - No Fixed Place of Business	1%	of gross revenue	
Recreational Facilities	4	mils	
Direct Sellers			\$250.00

WATER & SEWER

Domestic (Water only \$260.00/Sewer only \$140.00)			\$ 400.00
Vacant Land W/S Rate			\$ 50.00
Recreation Facilities			\$ 400.00
Apartment Buildings			\$ 400.00 per unit
Schools			\$ 400.00 plus 7 mils
Banks & Financial Institutions			\$ 400.00 plus 10 mils
Federal/Provincial bldgs, Oil Companies, Manufacturing Firms			\$ 400.00 plus 10 mils
Marine Manufacturing, Cold Storage			\$ 400.00 plus 12 mils
Garages, Gas Bars, Medical Clinics, Dental Offices, Motels & Hotels, Laundromats, Restaurants, Clubs, Take Outs, Salons			\$ 400.00 plus 8 mils
Other Commercial Properties - using water			\$400.00 plus 8 mils
Other Commercial Properties - not using water			4 mils
Oil Companies - not using water			50 mils

SCHEDULE OF FEES

Residential Building Permit & Extensions	\$	0.20 per sq. ft.
Accessory Buildings (Sheds, Garages, Etc.)	\$	50.00
Residential Occupancy Permit	\$	10.00
Commercial Building Permit-	\$	0.20 per sq. ft.
Commercial Occupancy Permit	\$	25.00
General Repair & Maintenance Permit (Residential)	\$	25.00
General Repair & Maintenance Permit (Commercial)	\$	50.00
Fence (Repair/Installation) Permit	\$	10.00
Permit for Installation of Utility Poles/anchors	\$	100.00
Roadside Vendor Permits (Annually)	\$	200.00
Quarry Permit	\$	1,500.00
Water Reconnecting Fee (Due to water shut-off for Non-payment of taxes)	\$	100.00
Car Wreck Removal		At Cost
Demolition Deposit (Refundable)	\$	100.00

Tax Structure

Water On/Off	\$ 25.00
After Hours call outs	\$ 100.00
Tax Certificate	\$ 75.00
Compliance Letter	\$ 75.00
NSF Cheque	\$ 50.00

NOTE: A 4% discount will be applied to all 2020 taxes if paid in full by April 9, 2020 and provided all previous taxes have been paid. **DUE DATE** for 2020 taxes is June 30, 2020. Simple interest will be charged at the rate of 12.0% per annum on all past due taxes.

Signed: Sean O'Brien, Acting Town Clerk

MOTION #20-238	CLR. TETFORD/CLR. VATERS	CARRIED
	In Favour	Deputy Mayor Williams
		Clr. Byrne
		Clr. Fitzgerald
		Clr. Tetford
		Clr. Vaters
		Clr. Williams
	Opposed	Mayor Coombs

Municipal Affairs Motioned to meet with Minister Bragg to discuss the Town's options in dealing with the 2019 deficit.

MOTION #20-239 **CLR. BYRNE/DEPUTY MAYOR WILLIAMS**
CARRIED UNANIMOUSLY

Adjournment Motioned to adjourn the regular meeting of Council at 7:32 P.M.

MOTION #20-240 **CLR. TETFORD/CLR. WILLIAMS**
CARRIED UNANIMOUSLY

Confirmed:

 Don Coombs, Mayor
 Np

 Sean O'Brien, Acting Town Clerk