



WABUSH

WABUSH TOWN COUNCIL COUNCIL MEETING #17-01 January 31, 2017

TIME AND PLACE

A meeting of the Wabush Town Council was held on Tuesday, January 31, 2017, at the Town Hall in Council Chambers. The meeting was called to order at 6:03 pm by Chairperson Mayor Colin Vardy.

COUNCILLORS PRESENT

Mayor Colin Vardy
Deputy Mayor Terry Curran
Councillor Rick Burke
Councillor Gertie Canning
Councillor Trevor Dove
Councillor Danyelle Lavers

COUNCILLORS ABSENT

Councillor Frankie Delahunty

OTHERS PRESENT

Mr. Charlie Perry – Town Manager
Ms. Karen Jennings – Director of Finance/Town Clerk
MHA Graham Letto
Ms. Tara Penney – Secretary
Mr. Jacob Barker – CBC

Town of Labrador City:

Mayor Karen Oldford
Deputy Junior Humphries
Councillor Edward Conway
Councillor Chris Lacey
Councillor John Penney
Councillor Clarence Rogers
Mr. Gary Wensman, Town Manager
Mr. Adam Smith, Director of Recreation & Community Events
Mr. Tom Mihajlovic, Director of Engineering & Public Works



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JOINT MOTIONS

1) Request to Appoint a Commissioner

Moved by: Councillor Canning

Seconded By: Deputy Mayor Curran

Whereas the majority of services offered by both Municipalities show opportunities for both service enhancement and cost reduction if offered and administer as a Region; and

Whereas Councils in both communities feel there is an appetite from residents to further explore and educate all parties on what amalgamation may look like; therefore

Be it resolved I, Councillor Gertie Canning move that Council for the Town of Wabush request in joint participation with the Town of Labrador City, that the department of Municipal Affairs with the government structure for Labrador West according to the Terms of Reference to be developed by a joint committee comprised of representation from the Town of Wabush, the Town of Labrador City and the Province dated this Day January 31st, 2017. Motion carried unanimously.

2) Support for the Need of A New Regional Multiplex Recreational Facility

Moved by: Councillor Lavers

Seconded by: Councillor Canning

Whereas the cost of providing recreation in the region continues to exceed the norm that municipalities of our size contribute to recreation; and

Whereas recreation facilities in the region were built by the mining companies when the towns were first settled and are now nearing the end of their useful life without major capital investment; and

Whereas the need for a new facility for the region will be beneficial to both communities in addressing the need to upgrade facilities and bring the cost of recreation in-line with the norm for a region of this size; and

Whereas the realization of a new recreational facility is a number of years from fruition; and



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Whereas the largest private employer, IOC, in the province identified the need to have modern, fully accessible recreation facilities to aid in recruitment and retention of employees and their families; therefore

Be it resolved I, Councillor Danyelle Lavers move that the Town of Wabush Council supports the need for a new Regional Multiplex recreational facility in the future. For the year 2017, this will require support of the existing Wabush Recreation Complex and it's Regional services by both Municipalities; for 2017 this represents \$ 300,00 from the Town of Labrador City with remaining operating costs from the Town of Wabush to make up for the shortfall in the current operational cost dated this day January 31st, 2017. Motion carried unanimously.

BUDGET SPEECH

Please see attached Budget Speech as presented by Deputy Mayor Curran this day January 31st, 2017.

BUDGET MOTIONS

Moved By: Deputy Mayor Curran
Seconded By: Councillor Canning

Be it resolved I, Deputy Mayor Terry Curran move that the Town of Wabush 2017 Municipal Budget as presented by the Finance and Administration Committee, showing total revenues of \$5,987,570 and total expenditures of \$5,987,570 for a balanced budget be adopted. Motion carried unanimously.

Deputy Mayor Curran apologized for the delay in the passing of the budget, however, after pursuing every avenue possible, a solution was worked out between the Town of Wabush, the Town of Labrador City and the province that best fit the needs of the residents of the region. Deputy Mayor Curran thanked both Towns, provincial and Senior staff for their hard work on the budget.

Mayor Vardy recognized the work of the staff and the unionized workers, without their continuing support this would not have been possible.



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Tax Rates, Water/Sewer Rates, Business Tax Rates and other Fees

1) REAL PROPERTY TAX

Moved By: Deputy Mayor Curran

Seconded By: Councillor Canning

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 112(2) of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, a Real Property Tax be set at the rate of 4.9 mils for residential properties and 19 mils for commercial properties effective January 1, 2017. Motion carried unanimously.

2) MINIMUM COMMERCIAL PROPERTY TAX

Moved By: Deputy Mayor Curran

Seconded By: Councillor Canning

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 114(b) of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, the minimum Commercial Property Tax be set at the rate of \$300.00 per annum, effective January 1, 2017. Motion carried unanimously.

3) WATER AND SEWER TAX

Moved By: Deputy Mayor Curran

Seconded By: Councillor Canning

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 130 and Section 131 of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, the annual Water and Sewage Tax be set at a rate of \$300.00 per residential unit, subsidiary apartment and serviced attached or detached accessory buildings, effective January 1, 2017. Motion carried unanimously.



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4) BUSINESS TAX RATES

Moved By: Deputy Mayor Curran

Seconded By: Councillor Burke

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Sections 120 to 124 of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, Business Tax rates effective January 1, 2017 be set as follows:

Group 1 – B1	2.60% of assessed value
Group 2 – B2	1.95% of assessed value
Group 3 – B3	1.75% of assessed value
Group 4 – B4	.75% of assessed value
Group 5 – B5	.55% of assessed value
Group 6 – B6	2.00% gross revenue
Group 7 – B7	2.00% of assessed value
Group 8 – B8	50 Mills
Minimum tax	\$300.00 per year

Motion carried unanimously.

5) TAXATION OF UTILITIES AND CABLE TELEVISION COMPANIES

Moved By: Deputy Mayor Curran

Seconded By: Councillor Lavers

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 5 of the Act Respecting the Taxation of Utilities and Cable Television Companies, Chapter T- 0.1, SNL1992, a business tax (Group 9 – B9) be set at the rate of 2.5% effective January 1, 2017, on the gross revenue of the utility for the preceding year derived within the municipality of Wabush. Motion carried unanimously.

6) MUNICIPAL FEES: SCHEDULE II

Moved By: Deputy Mayor Curran

Seconded By: Councillor Burke

Be it resolved I, Deputy Mayor Terry Curran, move that Municipal Fees shall be set in accordance with Schedule "II", effective January 1, 2017. Motion carried unanimously.



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7) RECREATION FEES: SCHEDULE III

Moved By: Deputy Mayor Curran
Seconded By: Councillor Canning

Be it resolved I, Deputy Mayor Terry Curran, move that Recreation Fees shall be set in accordance with Schedule III effective January 1, 2017. Motion carried unanimously.

8) TAXES DUE

Moved By: Deputy Mayor Curran
Seconded By: Councillor Burke

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 101(2) of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, all taxes shall be due and payable thirty (30) days from the date invoiced, effective January 1, 2017. Motion carried unanimously.

9) SENIOR'S REBATE

Moved By: Deputy Mayor Curran
Seconded By: Councillor Canning

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 111 of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, that Council set the Total Family Income threshold for 80% Residential Property Tax Senior's Rebate at \$32,500 and \$2,500 per dependent, effective January 1, 2017. The Total Family income threshold for 50% Residential Property Tax Senior's Rebate shall be set at \$32,501 - \$45,000 and \$5,000 per dependent, effective January 1, 2017. Application for the senior's rebate must be submitted to the Town Hall by June 30th of the tax year. Motion carried unanimously.

10) SIMPLE INTEREST ON TAXES

Moved By: Deputy Mayor Curran
Seconded By: Councillor Burke

Be it resolved I, Deputy Mayor Terry Curran, move that in accordance with provisions of Section 107(1) of the Municipalities Act, Chapter M-24, S.N. 1999 as amended, simple interest on taxes unpaid on or before the due date be set at 6% effective January 1, 2017, with the allowance to round to the nearest two decimal places for the monthly rate. Motion carried unanimously.



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11) SIMPLE INTEREST RATE ON SUNDRY RECEIVABLES

Moved By: Deputy Mayor Curran

Seconded By: Councillor Dove

Be it resolved I, Deputy Mayor Terry Curran, move that sundry receivables unpaid after thirty days from date of invoicing shall be charged simple interest at the rate of 6% effective January 1, 2017, with the allowance to round to the nearest two decimal places for the monthly rate. Motion carried unanimously.

ADJOURNMENT

The Mayor thanked Deputy Mayor Curran, Councillor Canning and staff for their hard work on the budget. Regional co-operation is a milestone we can all celebrate in the best interest of our residents and the region.

With no further business, it was moved by Councillor Burke to adjourn at 6:25 pm. Next Council meeting is schedule for Tuesday, February 21st at 5 p.m.



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Mayor Vardy, fellow Councilors, town employees, media and residents, welcome and thank you for attending today's council meeting for the adoption of our 2017 budget.

I would like to start by thanking our Mayor, my fellow Councilors, our Town Manager Mr. Charlie Perry, our Director of Finance Ms. Karen Jennings and our Department Heads for working so diligently during the past year. Without your dedication, we would not be able to offer the level of service that our residents currently enjoy.

The financial realities faced by our community continue to be a challenge. The closure of Wabush Mines in 2014 has delivered a devastating blow to our community. Your council is working hard to counter the effects of this closure but as each year passes it becomes more and more difficult to deliver the services that we have come to expect. Our provincial government came to the table to assist the residents of Wabush during these challenging financial times by providing 90% of Wabush Mines grant in lieu of taxes in 2015. This past year that amount was reduced to 60% and for 2017 the provincial government is providing 30% of Wabush Mines grant in lieu of taxes. This structure has resulted in approximately \$600,000 less revenue for the town for 2017. We are continuing to work diligently with our provincial government and other stakeholders to find ways of offsetting the effect of the closure of Wabush Mines.

One of the biggest challenges we face is the cost of delivering recreational services to our area. During the 2017 budget preparation process we have had a number of meetings with the Town of Labrador City in an effort to find a solution to meeting this challenge. We are please report that both communities have agreed to share in the shortfall in 2017. As a result, the Town of Labrador City has agreed to contribute \$300,000.

As Deputy Mayor and Chairperson of the finance committee I wish to present to you our 2017 budget of \$5,987,570. It is always challenging trying to develop a budget that will address all the needs of our town however with the loss of revenues resulting from the closure of Wabush Mines, the past three budgets have been particularly challenging. The members of your finance committee as well as the rest of council, and our senior staff and department heads worked diligently to bring in a balanced budget for 2017.

In 2017 we will see a \$792,557 or 13% reduction in the operating budget of the Town. This includes a 5% reduction in Council/General Government expenses.

While no budget will ever meet all of our needs I am confident that the 2017 budget brings a balanced approach that addresses the majority of our most pressing needs. Highlights of the 2017 budget are as follows:

Budget 2017 Highlights:

- Mill rate/water and sewer taxes:
 - Despite the challenges that we face with decreased revenues council feels that in the current economic climate our residents and business could not be asked to shoulder any increases to our mill rate and water and sewer taxes. Therefore, there will be no changes to mill rates or water and sewer taxes in 2017.
 - Please note that in 2017 home based businesses will be taxed on assessed value with a minimum tax of \$300. The Municipal Assessment Agency will do their assessments when available and adjustments to home based business taxes may be applicable at that time.

- Senior's Rebate

Despite the town's challenging economic position council feels that it is important that we make every attempt possible to continue with the same tax exemptions and tax rebates that are currently in place for our seniors. We wish to continue to recognize the contribution that our town pioneers have made to our community. While we cannot guarantee that we will be able to provide this rebate in the future we are pleased to announce that the senior's rebate will be kept in place for 2017. It should be noted that in order to avail of the seniors rebate the application and subsequent taxes due must be submitted no later than June 30, 2017.

- Loan's/Debt Ratio

- I am pleased to announce that for the 3rd year in a row our 2017 budget will see no new loans. Also 2017 will see the final payout of two existing loans. Due to our fiscal responsibility the debt ratio over the past four years has dropped from 15% to 7% which is among the lowest in our province.

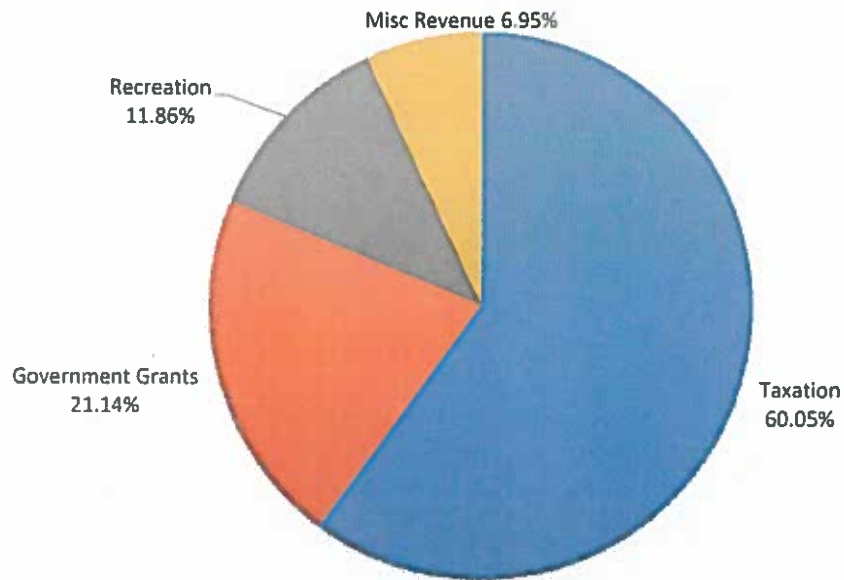
Anyone wishing to see the full breakdown of the 2017 budget is welcome to contact our office. As well a snapshot of the budget will be placed in our local paper.

I would like to conclude by encouraging our residence to remain confident in the future of our town. The storm clouds will pass and the dim light at the end of the tunnel will grow brighter.

Respectfully submitted,

Terry Curran
Deputy Mayor and Chair of Finance and Administration Committee

Budget 2017 Revenue



Budget 2017 Expenses

