



**WABUSH**



**LABRADORCITY**

## Town of Wabush & Labrador City Feasibility Report - September 18<sup>th</sup>, 2017

Attached you will find the Town of Wabush & Labrador City Feasibility Final Report as submitted by the consultant, Stantec, September 18th, 2017.

Both Councils have accepted receipt of this final report, however no recommendations have been made thus far. From here the communities will begin the review process and public consultations – which will be scheduled for later in October.

For your convenience, on our website we have also included a link to the Executive Summary of the report.

We thank you for your patience and understanding during this process and look forward to the discussions at these public sessions.





TOWN OF WABUSH AND  
TOWN OF LABRADOR CITY

**TOWNS OF WABUSH  
AND LABRADOR CITY  
FEASIBILITY REPORT**

September 18, 2017



Stantec Consulting Ltd.

102-40 Highfield Park Drive  
Dartmouth NS B3A 0A3



## **TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT**

Final report summarizing research and analysis completed in support of recommendations concerning the future municipal organization of the current Towns of Wabush and Labrador City.



Prepared for:  
Towns of Wabush and Labrador  
City

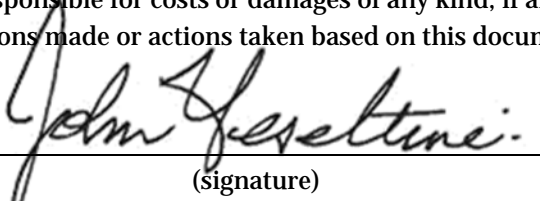
Prepared by:  
Stantec Consulting Ltd.

September 18, 2017

## Sign-off Sheet

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Prepared by

  
\_\_\_\_\_

(signature)

**John Heseltine, LPP MCIP, Senior Planner**

Reviewed by

  
\_\_\_\_\_

(signature)

**Elaine Mitchell, M.Pl., MCIP, Senior Planner**

## Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1.3</b>
<b>1.0 INTRODUCTION .....</b>	<b>1.1</b>
1.1 PROJECT PURPOSE .....	1.1
1.2 STANTEC CONSULTING INC.....	1.2
1.3 REPORT ORGANIZATION .....	1.3
<b>2.0 COMMUNITY PROFILES .....</b>	<b>2.1</b>
2.1 HISTORY .....	2.1
2.2 ECONOMY .....	2.2
2.3 DEMOGRAPHY .....	2.3
2.4 MUNICIPAL FINANCES.....	2.6
2.5 SUMMARY .....	2.7
<b>3.0 CONSULTATION.....</b>	<b>3.1</b>
3.1 STRATEGIC INTERVIEWING .....	3.1
3.1.1 Municipal Staff.....	3.2
3.1.2 Union Representatives .....	3.3
3.1.3 Labrador City-Wabush Rotary Club .....	3.3
3.1.4 IOC Representatives .....	3.3
3.2 PUBLIC SESSIONS .....	3.3
3.2.1 Wabush Open House .....	3.5
3.2.2 Labrador City Open House .....	3.6
3.2.3 Wrap-up Meeting .....	3.7
<b>4.0 GOVERNANCE AND SERVICES .....</b>	<b>4.1</b>
4.1 SERVICE OVERVIEW .....	4.1
4.1.1 General Government .....	4.1
4.1.2 Protective Services .....	4.2
4.1.3 Transportation Services .....	4.3
4.1.4 Environmental Health.....	4.4
4.1.5 Planning and Development .....	4.5
4.1.6 Recreation and Cultural Services .....	4.5
4.2 REGIONAL GOVERNANCE APPROACHES .....	4.6
4.3 AMALGAMATION IN PRACTICE .....	4.14
4.4 OVERVIEW.....	4.18
<b>5.0 FEASIBILITY ASSESSMENT .....</b>	<b>5.1</b>
5.1 AMALGAMATED TOWN .....	5.1
5.1.1 Municipal Name .....	5.1
5.1.2 Political Representation.....	5.2
5.1.3 Municipal Staffing .....	5.3
5.1.4 Financial Projections.....	5.5

5.1.5	Existing Assets and Liabilities.....	5.12
5.2	ALTERNATIVE APPROACHES.....	5.12
<b>6.0</b>	<b>SUMMARY AND RECOMMENDATION.....</b>	<b>6.1</b>
6.1	OVERVIEW.....	6.1
6.2	RECOMMENDATION.....	6.4

**LIST OF TABLES**

Table 2-1	Community Economic Features, Labrador City and Wabush, 2006.....	2.3
Table 2-2	Community Demographic Features, Labrador City and Wabush, 2016.....	2.4
Table 2-3	Average Revenues and Expenditures, Town of Labrador City and Town of Wabush, 2011-2015.....	2.7
Table 3-1	Consultation Week Schedule, June 5-8, 2017 .....	3.2
Table 4-1	Options for Structuring and Managing Regional Service Delivery.....	4.9
Table 4-2	Comparison of Expenditure Change, 1994-2008, Selected Atlantic Canada Regions (thousands of 2009\$) .....	4.17
Table 5-1	Estimated Expenditure Comparison, Town of Wabush, Town of Labrador City, and Amalgamated Town of Labrador West, 2018 .....	5.7
Table 5-2	Municipal Capital Works Cost-sharing, Newfoundland and Labrador, 2017.....	5.8
Table 5-3	Revenue Comparison, Town of Wabush, Town of Labrador City, and Amalgamated Town of Labrador West, 2018 .....	5.10
Table 5-4	Tax Rate Comparison, Towns of Wabush and Labrador City, and the Amalgamated Town of Labrador West, 2017 and 2018.....	5.11
Table 5-5	Assets and Liabilities, Town of Labrador City and Town of Wabush, 2016 .....	5.13

**LIST OF FIGURES**

Figure 2-1	Populations, Labrador City, Wabush, and Newfoundland and Labrador, 1996-2016.....	2.5
Figure 3-1	Wabush City Open House, June 5, 2017 .....	3.5
Figure 3-2	Labrador City Open House, June 6, 2017 .....	3.7
Figure 3-3	Wrap-up Presentation Meeting, June 7, 2017 .....	3.8

**LIST OF APPENDICES**

- APPENDIX A      MUNICIPAL FINANCIAL DATA, 2011-2016**
- APPENDIX B      MUNICIPAL LONG-RANGE CAPITAL PLANS, 2017**
- APPENDIX C      MUNICIPAL BUDGET COMPARISON, 2017**
- APPENDIX D      MUNICIPAL BUDGET COMPARISON, 2018**

## Executive Summary

### Introduction

The purpose of this report is to assess options for increased cooperation between the Towns of Wabush and Labrador City to provide local government services to their residents. Representatives of both towns have publicly indicated their interest in the potential amalgamation of the two towns. This study considers and assesses the possibility of amalgamation along with alternative forms of regional collaboration that may benefit the communities if amalgamation is determined not to be suitable through consultation and analysis.

### Community Profiles

The neighbouring towns of Wabush and Labrador City have similar histories. Both towns were founded in the 1960s to accommodate workers recruited for separate iron ore mines in each community. The communities initially grew rapidly but their populations have fluctuated in recent years as iron ore prices have risen and fallen. In the most recent Census period from 2011 to 2016, Labrador City lost 167 residents but Wabush gained 45. Both communities have been affected by the decline of iron ore prices since 2011. The 2014 closure of the mine in Wabush has impacted the finances of the Town of Wabush with the loss of a grant-in-lieu worth approximately \$2.5 million paid by mine owner Cliffs Natural Resources.

### Consultation

In the interest of focused and economical consultation, Stantec concentrated consultation meetings and events within a single week. Over the course of four days from June 5 to 8, 2017, we met with administrators and staff with both Wabush and Labrador City; interviewed and held meetings with key stakeholders, and held three open houses/public meetings open to interested members of the public.

We heard three major themes over the course of our consultations:

- Concern that municipal jobs with the two towns will be lost
- Concern that taxes will increase, particularly for Labrador City residents in the event their town amalgamates with Wabush
- Fear among Wabush residents that facilities now available in their town will be moved to Labrador City.

We also tried to dispel rumors that we were working on behalf of the Province and that the amalgamation proposal was motivated to secure a better funding arrangement to support the construction of a new recreation complex in Labrador City. We noted that the Province is not advocating amalgamation but is encouraging municipalities to cooperate and supports regional approaches.



### Governance and Services

Wabush and Labrador City both provide fire and emergency services, transportation services (i.e., roads development and maintenance), environmental health services (water, wastewater, stormwater, and solid waste management), planning and development services, and recreation and culture. The towns collaborate on branding and promotion and have coordinated plan policy development. Labrador City manages the regional landfill for residents of both towns under a shared service agreement.

We have reviewed and discussed eight options that can be applied to address regional coordination ranging from annexation to amalgamation. We concluded that four of these alternatives have the potential to increase cooperation between Labrador City and Wabush: increased use of shared service agreements, a regional service board, regional government, or amalgamation. We feel, however, that a regional board or government will add a layer of bureaucracy not needed to coordinate two municipalities.

Given the controversy that amalgamation has generated in the past, we have included the results of an assessment of major amalgamations in Atlantic Canada completed by Stantec for the City of St. John's in 2011. Our review suggests that despite resistance to many amalgamations undertaken in the 1990s, the resulting municipalities have generally been successful in addressing municipal challenges and meeting their objectives. We found no evidence that amalgamated municipalities increased costs more than their counterpart municipal units that did not change. On the whole, they appear to have performed better.

### Feasibility Assessment

We recommend that an amalgamated town formed from Wabush and Labrador City should be called Labrador West. The new town should have a seven-member council with three of the six councillors elected on a ward basis to ensure at least one representative from Wabush.

The elimination of a second council will be a saving for the amalgamated town relative to its separated predecessors. Based on discussion with senior staff with both towns, we do not expect many other substantial cost reductions. Both town managers have committed to endeavor to retain current staff and the Town of Wabush has already reduced staff through attrition to economize its operations in face of the loss of revenue from Cliffs Natural Resources.

We reviewed all municipal budget line items with the managers of both towns and identified those where decreased overheads and other adjustments could reduce costs. Reductions generally ranged between 5 and 15%. Overall, we expect the operating costs of the amalgamated Town of Labrador West to be 2.3% less than the costs for two separate towns. With expected operating cost reductions and adjustments to Fiscal Services expenditures required by expected capital investments, we calculate that taxes in the amalgamated town will be moderately less than in a separate Town of Labrador City and significantly less than in a separate Town of Wabush.

### Summary and Recommendation

The choices available to Wabush and Labrador City concerning their future organization are easily set out:

1. The two towns can continue as separate entities without further pursuit of cooperation or coordination.

2. They can continue to increase communication and cooperation through both informal channels and mutually advantageous service agreements.
3. They can amalgamate to bring all assets and operations into a single entity in which priorities will inherently be shared.

The decision to undertake this study suggests that the Towns of Labrador City and Wabush would prefer to advance their interaction and continue to explore service improvements and savings through collaboration. Stakeholders and members of the public consulted by Stantec expressed support for this type of integration.

While two separate towns can continue to pursue collaboration through purpose-oriented shared service agreements, we are concerned with the stability of such arrangements. With just two municipal units in the region, agreements will inevitably involve one seller and one buyer, a situation in which it is often difficult to arrive at a mutual agreement concerning the appropriate cost. We also believe that the creation of multiple agreements will simply be a complicated progression to eventual amalgamation.

Amalgamation now can provide a variety of benefits discussed and explained in this report. Among the critical points we have taken into account are the following:

- The success of amalgamated municipalities in Atlantic Canada over the past 20 years
- The challenging financial circumstances of Wabush created by the closure of Wabush Mines in 2011, which have resulted in staff reductions and deferred maintenance, and may require future tax increases and/or service reductions
- The expressed belief of municipal staff that an amalgamated town will function more efficiently and effectively than two separate towns
- Moderate potential cost savings expected by the town managers through improved coordination of service provision and economies of scale
- The need for more effective coordination of regional services, particularly fire and emergency, and recreation and cultural services
- Continued enhancement of regional promotion and economic development efforts through creation of a single entity
- The pooling of land resources, which are limited in Labrador City and which Wabush has in abundance, to support continued growth in the region
- Moderate and manageable impacts on municipal taxes for residents of both towns.

Based on the foregoing, **it is recommended that the Towns of Wabush and Labrador City amalgamate to become the Town of Labrador West.**



## 1.0 INTRODUCTION

The purpose of this report is to assess options for increased cooperation between the Towns of Wabush and Labrador City to provide local government services to their residents. Representatives of both towns have publicly indicated their interest in the potential amalgamation of the two towns. This study considers and assesses the possibility of amalgamation along with alternative forms of regional collaboration that may benefit the communities if amalgamation is determined not to be suitable through consultation and analysis.

### 1.1 PROJECT PURPOSE

The Minister of Municipal Affairs and Environment issued an order under the *Municipalities Act, 1999* for preparation of a feasibility report to consider the amalgamation of the Town of Labrador City and the Town of Wabush. The Request for Proposal (RFP) for this assignment sought a consultant qualified to prepare a feasibility report, in accordance with the Newfoundland and Labrador *Municipalities Act, 1999*. The RFP noted that “The Town of Wabush and the Town of Labrador City have expressed interest in exploring amalgamating as one municipality” and that “the *Municipalities Act, 1999* [requires] a feasibility report [to] be prepared to explore potential local governance options.”

Local governance options listed for consideration in the RFP include but are not limited to:

- Amalgamation as one municipality;
- Regional governance model;
- Municipal or planning boundary changes, as applicable;
- Other regional opportunities, as applicable;
- Other service sharing opportunities, as applicable;
- Other opportunities or factors, as applicable;
- Town of Wabush and Town of Labrador City remaining as separate municipalities.

The scope of work covers the current and expected future status of each community taking into account demographics, municipal services, local governance structure, municipal revenue, and municipal expenditures. It has also included consultation with municipal representatives, other stakeholders, and the general public.

The client has reinforced the importance of providing a clear recommendation through the report. The following sections profile and compare the two communities, review reorganization options, assess preferred options determined through consultation, and summarize the preferred approach based on consultation and analysis. It has been critical throughout this assignment for the consultants to maintain

a balanced and objective view of the options available to Wabush and Labrador City, and to be guided toward our recommendation by our consultation with the community.

We have maintained an open process throughout. We have consulted directly with the public in open forums facilitating direct, one-on-one contact with members of our consulting team. We have publicized our work and opportunities to contact us through a project blog site (<https://labradorwestfeasibilitystudy.wordpress.com/>) that we have maintained and updated regularly as the project has progressed. The current report will be presented for public review through the blog site and through further public consultation to be organized by the Towns of Wabush and Labrador City leading to a Public Hearing mandated by the Newfoundland and Labrador *Municipalities Act*.

### 1.2 STANTEC CONSULTING INC.

Stantec Consulting has approximately 22,000 employees working in over 400 locations across six continents. We are Atlantic Canada's largest consulting firm with nearly 1,000 employees in the region. We maintain offices in all four Atlantic Provinces. Offices in Newfoundland and Labrador include St. John's, Corner Brook, and Happy Valley-Goose Bay. We work throughout the region and regularly serve clients in Labrador. Our previous work in Labrador City and Wabush included preparation of the Labrador West Regional Growth Strategy (Plan BIG) as well as the recent reviews of the municipal plans and development regulations for both towns.

Consultants for this assignment include Renee Kuehnle, who manages our office in Happy Valley-Goose Bay and had a leading role in all three local planning projects as well as many other projects in Labrador. Renee has provided support throughout the assignment to our Project Manager, John Heseltine, LPP MCIP. John brings extensive experience in municipal organization and governance. Early in his planning career, he was responsible for preparing the position of the City of Halifax for its successful 1981 annexation of lands in Bayers Lake from the County of Halifax. In the 1990's, John developed the core of his experience in municipal governance and financial analysis beginning with a major study in 1991 to develop the position of the City of St. John's in response to Provincial proposals for municipal reorganization on the Northeast Avalon. Following that successful assignment, the City of St. John's has engaged him four times to review municipal reorganization initiatives in Atlantic Canada and their relative success. In the mid-1990s, the Province of PEI selected a team led by John to prepare the Cost-Benefit Analysis that supported decisions to amalgamate the municipal units in the Charlottetown and Summerside areas into current Cities of Summerside and Charlottetown, and the Towns of Cornwall and Stratford.

Throughout this time, John became very familiar with the integrated evaluation of municipal service provision and of governance alternatives. He had a significant role in the preparation of the 1999 Halifax Integrated Servicing Strategy, which identified and assessed the most effective areas for residential development in Halifax Regional Municipality. More recently, John managed a major study to assess the implications of alternative patterns of residential development in HRM. In 2009-2010 he was Project Manager responsible for the preparation of the 2010-2025 Prince Edward Island Infrastructure Plan for which he oversaw the work of a wide range of Stantec engineers and environmental specialists assessing water and wastewater, transportation, energy, and community infrastructure for the Province. He has

managed or contributed significantly to other municipal studies dealing with transportation, transit, fire and emergency services, parks and recreation, libraries, and schools.

His recent governance work, in addition to the completed Council boundary studies noted, includes reviews of the Annapolis District Planning Commission and the Pictou County Shared Services Authority, as well as completion of Phase II of the Kings Vision 2050 project, through which the four municipal units in Kings County, Nova Scotia, collaborated to develop mechanisms for regional cooperation. In the past five years, he has conducted eleven boundary reviews involving 15 municipal units and one regional school board in Nova Scotia.

### 1.3 REPORT ORGANIZATION

This report is structured in five subsequent chapters. The first provides a historical, demographic, and financial profile of the two towns. The second chapter summarizes the consultation process we have conducted in Wabush and Labrador City including the approach and results of each consultation initiative. **Chapter 4.0** deals with the current delivery of local government services in Labrador City and Wabush and common options for regional collaboration and service delivery. We have also incorporated evidence from previous work completed by Stantec dealing with the financial impacts of amalgamation where it has occurred in Atlantic Canada.

The central chapter of the report is the fifth, in which we have directly address amalgamation, its implementation, and its financial implications and benefits relative to alternatives. We conclude with an overall summary and our recommendation in **Chapter 6**.

## 2.0 COMMUNITY PROFILES

The Towns of Wabush and Labrador City abut each other in western Labrador approximately 15 kilometres from the Quebec Border. Little Wabush Lake separates the two towns. Their boundaries abut on the isthmus at the northern end of the lake. The primary transportation link between them is the Trans-Labrador Highway crosses the Town Limits carrying local traffic between the two communities, and long distance travellers between other points in Labrador and Quebec.

### 2.1 HISTORY

Both Labrador City and Wabush owe their existence to the mining industry. They are located within a rich trench of iron ore that was first explored by A. P. Low in 1896. In the 1930s, ore deposits in the area were more thoroughly examined. The development of a railway from Knob Lake near Schefferville, Quebec, to the Port of Sept-Iles, Quebec, in the 1950's created a gateway to the trench that facilitated development of the local mining industry. In 1958, a 58-km extension from Emeril Junction on the Sept. Iles-Schefferville line reached Carol Lake within the area that has become Labrador City.

IOC began work on the Carol Project at Labrador City shortly thereafter. The Carol Project was the first mining development in the region. Labrador City began as the temporary worker camp in 1960. . Camp-style housing was later replaced with single-family homes as the campsite became a community. Originally, IOC controlled the quality and configuration of the community consistent with a master planned it engaged professional planners to create. The company built high quality facilities and planned the community using the most progressive principles of the era. The privately-owned company town became the Local Improvement District of Labrador City in 1961.

Development of the Wabush community followed shortly after Labrador City. In 1962, a mining camp at Wabush Lake began the settlement that eventually evolved into the Town of Wabush. The community incorporated as a local improvement district in 1967. The Town of Wabush was designed in part by Fiset and Deschamps, the architects of the Montreal Expo '67 master plan. As in Labrador City, the company developing mineral rights in the community, Wabush Mines, controlled the quality and configuration of the community, and encouraged high quality facilities and services.

The two communities became towns in the 1980s. Although they have continued to be associated with separate mining projects, they have become closely aligned over the years. In the early 1960s, IOC and Wabush Mines agreed on joint ownership and operation of the spur railway line connecting with the Quebec North Shore and Labrador Railway, while Wabush Airport came to serve both communities. They are usually referred to collectively as Labrador West and have adopted coordinated branding for the towns as well as Region that reflects their joint identity. Officials with the towns have discussed their potential amalgamation and publicly announced the possibility of proceeding with the initiative before issuing the RFP for this Feasibility Study.

## 2.2 ECONOMY

Mining remains the backbone of the economy in the Labrador West Region. The Region has weathered great successes and challenges as the iron ore industry has fluctuated over the past 50 to 60 years. In 2010, high iron ore prices generated an economic boom that put pressure on local services and amenities, inflating the real estate market as demand for accommodations increased sharply. Just four years later, in 2014, Wabush Mines idled and then closed as the price of iron ore crashed. The Region lost approximately 500 jobs and the Town of Wabush lost a vital \$2.5-million-dollar grant in lieu of taxes. IOC, however, is still by far the largest employer in the region. Iron ore production has continued despite cutbacks and a delay in construction of IOC's Wabush 3 Project, which, notwithstanding its name, is located within the boundaries of Labrador City.

The role of mining is equally significant in both towns. Unfortunately, Statistics Canada has not yet released data on economic composition from the 2016 Census and data is not available for Wabush for 2011 because it is drawn from the National Household Survey, which did not get an adequate response from town residents. Data from the 2006 Census (**Table 2-1**), however, shows the strong similarity between the two communities. In both towns, resource industries are the dominant source of employment, accounting for more than 40% of jobs. More refined breakdowns indicate these jobs are almost entirely in the mining sub-sector, with a small number in forestry. The second most important sector in each case is other services, and the third is retail trade. While the rank order of remaining sectors varies modestly between the two towns, they are generally aligned and the proportions of employment are similar. The biggest discrepancy is manufacturing, which is the sixth most important source of employment in Wabush but only eighth in Labrador City. The shares of employment in each case, however, are very close (3.9% in Wabush and 3.0% in Labrador City).

Data for employment by occupation for the two towns reinforces the ongoing importance of mining. Trades occupations are preeminent in both communities accounting for roughly one-third of employment in both cases (**Table 2-1**). They are followed in both cases by sales occupations. Remaining employment categories are generally aligned between the two towns, with the major difference being a larger proportion of employment in administrative occupations in Labrador City (10.2% versus 6.4%) and in primary sector occupations in Wabush (12.3% versus 7.7%).

Median household income for 2005 reported in the 2006 Census was substantial and nearly identical between the two towns (\$83,175 in Labrador City versus \$83,554 in Wabush, in comparison to \$44,136 for the Province of Newfoundland and Labrador at the time). Residents of both towns are among the top wage earners in Newfoundland and Labrador. The median income in Labrador City in 2010 was \$106,558 or nearly twice the Provincial average of \$54,156. Only one other Newfoundland and Labrador community for which the National Household survey reported a median household income figure was over \$100,000 (Logy Bay-Middle Cove-Outer Cover near St. John's with \$100,744).



Table 2-1 Community Economic Features, Labrador City and Wabush, 2006

Characteristics	Labrador City		Wabush	
	Number	%	Number	%
<b>Total experienced labour force 15 years and over</b>	<b>4,285</b>	<b>100.0%</b>	<b>1,025</b>	<b>100.0%</b>
<b>Employment by Sector</b>				
Agriculture & other resource-based industries	1,720	40.1%	495	48.3%
Construction	255	6.0%	35	3.4%
Manufacturing	110	2.6%	10	1.0%
Wholesale trade	130	3.0%	40	3.9%
Retail trade	570	13.3%	110	10.7%
Finance & real estate	100	2.3%	15	1.5%
Health care & social services	280	6.5%	55	5.4%
Educational services	150	3.5%	30	2.9%
Business services	340	7.9%	45	4.4%
Other services	635	14.8%	175	17.1%
<b>Occupation by Sector</b>				
Management	335	7.8%	105	10.3%
Business; finance & administration	435	10.2%	65	6.4%
Natural & applied sciences & related	260	6.1%	60	5.9%
Health	125	2.9%	10	1.0%
Social science; education; government service & religion	195	4.6%	60	5.9%
Art; culture; recreation & sport	45	1.1%	20	2.0%
Sales & service	1,000	23.3%	200	19.6%
Trades; transport & equipment operators & related	1,400	32.7%	360	35.3%
Unique to primary industry	330	7.7%	125	12.3%
Unique to processing; manufacturing & utilities	165	3.9%	10	1.0%

Source: 2006 Census of Canada

## 2.3 DEMOGRAPHY

The similarity in the economies of Labrador City and Wabush is reflected in many demographic features. **Table 2-2** summarizes community profile data for both towns from the 2016 Census of Canada. Labrador City has nearly four times the population of Wabush, although Wabush has a larger land area and, consequently, a much lower population density (41.2 persons per km<sup>2</sup> in Wabush as opposed to 186.0 persons per km<sup>2</sup> in Labrador City). The communities are otherwise strikingly similar. The lower density of population in Wabush is deceptive because Wabush has a large area of essentially vacant land between Jean Lake and Wahnahnish Lake to the south of its developed area as well as accommodating Wabush Airport to the north. The character of development in Wabush is comparable to Labrador City, reflecting the mid-twentieth century urban planning concepts that shaped both.

Table 2-2 Community Demographic Features, Labrador City and Wabush, 2016

Characteristics	Labrador City		Wabush	
	Number	%	Number	%
Population, 2016	7,220		1,906	
Population, 2011	7,367		1,861	
Population change, 2011 to 2016 (%)	-2.0		2.4	
Total private dwellings	3,474		950	
Private dwellings occupied by usual residents	2,909		741	
Population density per square kilometre	186.0		41.2	
Land area in square kilometres	38.8		46.3	
Average age of the population	36.7		35.5	
Population by broad age groups	7,220	100.0%	1,905	100.0%
0 to 14 years	1,330	18.4%	395	20.7%
15 to 64 years	5,290	73.3%	1,340	70.3%
65 years and over	605	8.6%	170	8.9%
Occupied private dwellings by structural type	2,910	100.0%	740	100.0%
- Single-detached house	1,525	52.4%	425	57.4%
- Apartment in a building with 5+ storeys	55	1.9%	0	0.0%
- Other attached dwelling	1,090	37.5%	290	39.2%
- Semi-detached house	520	17.9%	70	9.5%
- Row house	330	11.3%	175	23.6%
- Apartment or flat in a duplex	20	0.7%	0	0.0%
- Apartment in a building with <5 storeys	220	7.6%	45	6.1%
- Other single-attached house	5	0.2%	0	0.0%
- Movable dwelling	240	8.2%	25	3.4%
Total - Private households by household size	2,910	100.0%	740	100.0%
- 1 person	620	21.3%	140	18.9%
- 2 persons	1,085	37.3%	280	37.8%
- 3 persons	605	20.8%	150	20.3%
- 4 persons	460	15.8%	130	17.6%
- 5 or more persons	135	4.6%	40	5.4%
Number of persons in private households	7,190		1,895	
Average household size	2.5		2.6	

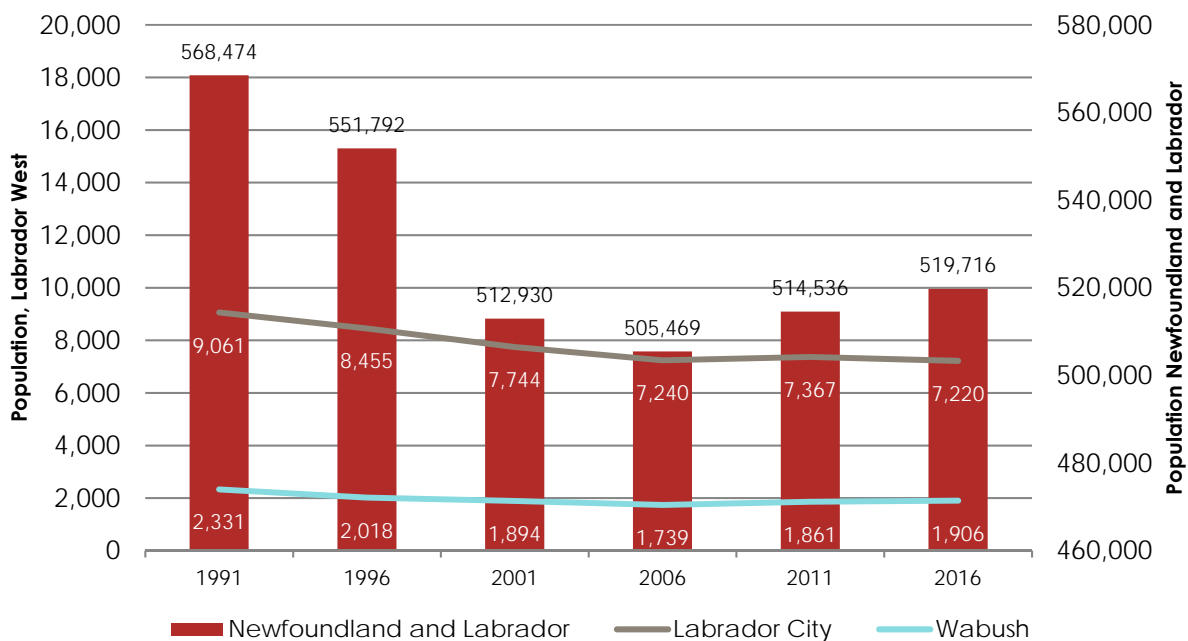
Source: 2016 Census of Canada

Today, the average age of population in both communities is similar (36.7 years in Labrador City and 35.5 years in Wabush). It is significantly younger than the population of Newfoundland and Labrador as a whole (43.7 years). The proportion of senior citizens (i.e., over 65 years of age) in both communities (8.6% in Labrador City and 8.9% in Wabush) is less than half the provincial norm, which is 19.4% for both sexes.

Data on housing also reflects the similarity of the towns. More than half of the residents of both communities live in single-detached homes. Whereas semi-detached housing is the second most common structural type in Labrador City, the second most common type in Wabush is rowhousing.

Wabush grew by 2.2% over the past Census period from 2011 to 2016 in contrast to Labrador City, which lost 2.0%. Together the two towns lost 1.1% of their population. Newfoundland and Labrador as a whole grew by 1.0% during the period. Over the longer term, the population in both towns has declined more significantly. Both experienced substantial losses in the 1990s. From 1991 to 1996, Labrador City lost 6.7% of its population while Wabush lost 13.4%. From 1996 to 2001, Labrador City lost another 8.4% and Wabush another 6.1%. Population losses continued at a similar pace (-6.5% in Labrador City and -8.2% in Wabush) to 2006 but both towns recovered from 2006 to 2011 when Labrador City gained 1.8% and Wabush 7.0%. Overall, however, the populations of Labrador City and Wabush have respectively declined by 20.3% and 18.2% in 25 years since 1991. During the same period, the population of Newfoundland and Labrador has fallen by 8.6% (Figure 2-1).

Figure 2-1 Populations, Labrador City, Wabush, and Newfoundland and Labrador, 1996-2016



Source: Census of Canada, 1991-2016

The profiles of age, housing, and persons per unit for each community suggest that Wabush may be moderately more attractive to families than Labrador City as it has marginally higher proportions of children, single-detached dwellings, and households of four or more people. Each town has similar proportions of apartment units.

On the whole, the two communities have much in common. They have grown, declined, and revived together. They provide their citizens with similar services and now collaborate in many areas. Both are working together to strengthen their alignment and deliver services more efficiently and effectively through increased municipal collaboration.

## 2.4 MUNICIPAL FINANCES

Whereas Labrador City and Wabush appear to be similar demographically and economically, the finances of the two towns differ significantly. **Table 2-3** provides a summary of the average revenues and expenditures of each town over the past five complete fiscal years from 2011 through 2015. While the relationship between revenues drawn by each town has varied from year-to-year, Wabush consistently generates substantially more revenue per capita than Labrador City. During the period examined, revenues to Wabush have exceeded revenues to Labrador City by 53.8%. The smaller town, in fact, obtains more in every revenue category than Labrador City, excepting “Other revenue.”

Given its higher revenue, it is not surprising to find that Wabush expenditures are higher than expenditures by Labrador City. On average, Wabush has spent 44.6% more per capita than Labrador City during the past five years. The only category in which Labrador City has outspent its neighbor is protective services and the margin there is narrow (\$19.42 per capita annually). The profile of expenditures by each town reflected by the proportions of total expenditure spent in each expenditure category shown on the table is similar. The most notable differences are transportation services to which Labrador City has devoted 28.8% of its municipal budget in comparison to 20.6% in Wabush (39.8% difference), and recreation and cultural services which take up 25.2% of Wabush’s municipal expenditure relative to just 11.9% in Labrador City (a difference of 111.8%).

A recent critical change disguised by the summary of average numbers in **Table 2-3**, is the loss of grants in lieu by the Town of Wabush. As **Table B-1** shows, grants in lieu to the Town fell from \$2,488,992 in 2014 to \$67,682 in 2015 as a result of the loss of monies previously received from Cliffs Natural Resources associated with the operations of the now closed Wabush Mine. The Province has provided Wabush with three-year transitional funding to ease the impact of the loss. The Town received 90% of the former grant in 2015, which is reflected in the increase in government grants and transfers between 2014 and 2015 shown in **Table B-1**. The extra funding was reduced to 60% of the former grant in 2016, and 30% in 2017, after which it will expire.<sup>1</sup>

From 2011 to 2014, when it was received in full, the grant from Cliffs accounted for 28.0% of revenues to the Town of Wabush. It is noteworthy, though, that even without the grant, the average per capita revenue collected by the Town of Wabush over the 2011 through 2014 period exceeded the average for Labrador City (\$3,083.15 versus \$2,794.12). The loss of such a large portion of its revenue nevertheless has already had substantial impact on the Town of Wabush requiring significant adjustments to its spending and reduction in staffing through attrition.

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<sup>1</sup> Newfoundland and Labrador Municipal and Intergovernmental Affairs, News Releases: “Provincial Government Provides Transitional Funding to Town of Wabush,” December 18, 2014.

## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Community Profiles

September 18, 2017

Table 2-3 Average Revenues and Expenditures, Town of Labrador City and Town of Wabush, 2011-2015

	Labrador City			Wabush			Difference per Capita (Labrador City - Wabush)
	Totals	Per Capita	% Share	Totals	Per Capita	% Share	
<b>Revenue</b>							
Taxation	\$7,535,636	\$1,031.01	36.1%	\$3,331,076	\$1,770.28	40.3%	-\$738.36
Grants in Lieu of taxes	\$6,265,580	\$857.24	30.0%	\$1,917,868	\$1,022.89	23.2%	-\$164.81
Sale of goods & services	\$492,044	\$67.32	2.4%	\$490,800	\$261.33	5.9%	-\$194.07
Government grants & transfers	\$4,189,855	\$573.25	20.1%	\$2,151,623	\$1,142.36	26.0%	-\$569.59
Investment income	\$66,168	\$9.05	0.3%	\$26,830	\$14.27	0.3%	-\$5.22
Other revenue	\$2,323,688	\$317.92	11.1%	\$341,432	\$182.63	4.1%	\$135.41
<b>TOTAL</b>	<b>\$20,872,972</b>	<b>\$2,855.79</b>	<b>100.0%</b>	<b>\$8,259,630</b>	<b>\$4,393.76</b>	<b>100.0%</b>	<b>-\$1,536.64</b>
<b>Expenses</b>							
General government	\$3,423,605	\$468.41	22.4%	\$1,089,262	\$579.78	19.2%	-\$110.94
Protective services	\$1,474,679	\$201.76	9.7%	\$343,343	\$182.48	6.0%	\$19.42
Transportation services	\$4,407,180	\$602.98	28.8%	\$1,168,480	\$621.40	20.6%	-\$17.88
Environmental health services	\$3,330,577	\$455.68	21.8%	\$1,254,093	\$667.17	22.1%	-\$211.49
Regional planning & development	\$472,680	\$64.67	3.1%	\$228,742	\$121.51	4.0%	-\$56.77
Recreation & cultural services	\$1,822,122	\$249.30	11.9%	\$1,433,457	\$762.64	25.2%	-\$513.21
Fiscal services	\$345,551	\$47.28	2.3%	\$168,267	\$89.67	3.0%	-\$42.36
<b>TOTAL</b>	<b>\$15,276,393</b>	<b>\$2,090.08</b>	<b>100.0%</b>	<b>\$5,685,643</b>	<b>\$3,024.66</b>	<b>100.0%</b>	<b>-\$933.22</b>
Annual Surplus	\$5,596,578	\$765.71		\$2,573,987	\$1,369.10		-\$603.42

Source: Financial Statements, Town of Labrador City and Town of Wabush, 2011-2015

## 2.5 SUMMARY

The neighbouring towns of Wabush and Labrador City have similar histories. Both towns were founded in the 1960s to accommodate workers recruited for separate iron ore mines in each community. The communities initially grew rapidly but their populations have fluctuated in recent years as iron ore prices have risen and fallen. In the most recent Census period from 2011 to 2016, Labrador City lost 167 residents but Wabush gained 45. Both communities have been affected by the decline of iron ore prices since 2011. The 2014 closure of the mine in Wabush has impacted the finances of the Town of Wabush with the loss of a grant-in-lieu worth approximately \$2.5 million paid by mine owner Cliffs Natural Resources.

## 3.0 CONSULTATION

The Terms of Reference for this Feasibility Study required that the consultants “meet and work in consultation (as required) with representatives of the Town of Wabush, the Town of Labrador City, other stakeholders under consideration, the general public in those areas, and the [Department of Municipal Affairs and Environment] in order to ensure the accuracy of information, data and projections contained in the report.” In the interests of addressing these requirements efficiently and economically, Stantec proposed a “consultation week” approach in our response to the project RFP. We have employed this condensed consultation process for several recent municipal planning projects.

Our methodology centered on a single week of meetings and events in Labrador West (**Table 3-1**). Over the course of four days, we undertook the following:

- Meetings with the Town Managers and municipal administrators to discuss the status of infrastructure and current service delivery
- Meetings with the staffs of both towns to hear their insights concerning municipal reorganization and their concerns with its potential consequences for employment and job descriptions
- Separate meetings with union representatives from both towns
- A luncheon presentation to members of the Labrador City-Wabush Rotary Club, an information display at the Women’s Leadership Conference, which happened to be underway in Labrador City during the consultation period, and a meeting with representatives of IOC
- Three open public sessions held in the evenings to explain the Feasibility Study process, hear the opinions of residents in both towns, and exchange ideas with meeting participants
- A closing meeting with council members from both towns to discuss findings during the week and next steps to complete and submit the Feasibility Study Report.

The balance of this chapter describes the input received through each of these events.

### 3.1 STRATEGIC INTERVIEWING

Interviewing is a standard approach to gathering first-hand information. Stantec interviewed municipal staff to enhance our understanding of infrastructure issues and service delivery challenges. Meetings and interviews with others provided insight to opinions and concerns with potential municipal reorganization that complemented information gained through the public sessions discussed in **Section 3.2**, below.

## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Consultation  
September 18, 2017

Table 3-1 Consultation Week Schedule, June 5-8, 2017

Time	Event	Location
<b>Monday, June 5, 2017</b>		
2:30 pm	Start-up Meeting with Town Managers, Wabush	Wabush
4-5 pm	Meeting with Town of Wabush Staff	Mike Adam Recreation Complex
7:00-9:00 pm	Public Open House	Wabush Catholic Church
<b>Tuesday, June 6, 2017</b>		
9:00 am	Meeting with Town Managers	Wabush
10:30 am	Meeting with Recreation Directors	Wabush
3:30-4:30 pm	Meeting with Town of Labrador City Staff	Labrador City Municipal Depot
2:30 pm	Panel Presentation at Women's Leadership Conference	Labrador West Health Centre
6:00-9:00 pm	Meeting with Town of Labrador City Residents	Labrador City Arena (Chase the Ace)
<b>Wednesday, June 7, 2017</b>		
9:00-10:00 am	Meeting with USW Representatives	Labrador City
12:00-1:00 pm	Presentation to Rotary	Wabush Hotel
7:00-9:00 pm	Joint Public Session	Labrador West Arts and Culture Centre
<b>Thursday, June 8, 2017</b>		
9:00 am	Meeting with IOC	Labrador City
10:30 am	Meeting with Finance Directors	Labrador City
2:00 pm	Meeting with Planning Directors	Wabush
3:30 pm	Meeting with Engineering	Wabush
5:30 pm	Joint Council Meeting	Wabush

### 3.1.1 Municipal Staff

Stantec consultants met with both town managers together and separately several times over the course of the consultation week. The managers with support from their respective staffs worked with Stantec to publicize and organize the public sessions in the month leading up to the consultation week. The week itself gave the consultants the opportunity to discuss issues face-to-face with these municipal leaders and to review input from other sources as the week progressed.

Consultation

September 18, 2017

With the assistance of the managers and their staff, we also arranged interviews with senior staff of both towns overseeing finance and administration, engineering and public works, planning and development, and recreation services. The interviews, which are noted in the schedule in **Table 3-1**, above, focused on infrastructure, staffing, and service delivery. We also inquired about the potential challenges of specific reorganization scenarios. The information gained from these contacts is largely reflected in **Section 4.1**, below.

Both towns also arranged for Stantec consultants to meet with their respective staffs as groups. The meetings were open to all staff and included the majority of non-management employees in both cases. Discussion included expressions of opinion concerning reorganization options but concentrated more heavily on the potential consequences of reorganization on the continuation of jobs and the scope of those jobs.

Union representatives were vocal in both cases. They expressed unequivocal concern with the preservation of jobs currently held by their members. Employees expressed similar concerns on their own behalf, although some noted that the financial pressures on Wabush, in particular, required consideration of ways to economize.

### 3.1.2 Union Representatives

Stantec consultants met separately with municipal union representatives. They reinforced their position expressed at meetings with municipal staff that they intended to fight to preserve all existing union jobs whatever reorganization approach is pursued.

### 3.1.3 Labrador City-Wabush Rotary Club

Stantec consultants were invited to the regular Rotary Club luncheon in Wabush on Wednesday, June 7. We made a brief presentation on the purpose of the Feasibility Study and the consultation process that was then well underway. We then responded to questions from 15 to 20 club members attending. Members generally supported reorganization.

### 3.1.4 IOC Representatives

The consultants met with representatives from the Iron Ore Company of Canada (IOC) in Labrador City Council Chambers on Thursday, June 8. The two IOC officials stated that they view the two towns as a single region and expressed their support for reorganization, including amalgamation if it is the preferred approach. They also reinforced the commitment of IOC to both communities.

## 3.2 PUBLIC SESSIONS

Our consultation-in-a-week approach involves conducting public meetings on consecutive evenings while meeting with client representatives and stakeholders during the days. We maintain an online blog created for the project to inform client representatives and the public of our schedule and of their input as we complete meetings and become better acquainted with the issues that we have been engaged to address (<https://labradorwestfeasibilitystudy.wordpress.com/>).



We have found that the methodology is not only a more economical means to gathering the extensive first-hand information required for this type of assignment but also more open to the public. Consultation weeks are intense but they put the topic in the forefront for a brief period during which stakeholders can focus and participate. Most notably, the consultants are obliged to consider information and provide feedback on public input while it is still fresh in the memory of citizen participants. The blog is critical in this process as an immediate and open record of the public sessions and the input received.

The consultation week for the Labrador West Feasibility Study was scheduled for the week of June 5 to 9, 2017, with three public sessions scheduled in Wabush on the evening of June 5, Labrador City on June 6, and, again, in Labrador City of June 7. The consultants designed the first two meetings as open houses to explain the purpose and scope of the Feasibility Study and gather information from citizens attending. At the third session, the consultants summarized the input received and responded to questions and comments from citizens in attendance. All meetings were open to residents of both Wabush and Labrador City, although one open house was conducted in each town for the convenience of each community. The open house in Labrador City was held in the Labrador City Arena at the same time as the very popular Chase the Ace event that had been taking place weekly there. Chase the Ace draws close to 1,000 people to the arena and the consultants hoped to capture some of this audience in the course of the event, which involves an extended period of assembly before the Chase the Ace draw takes place.

For all three sessions, the consultants presented ten panels that outlined the consultation process, provided some basic information on municipal governance, explained the options available for municipal organization, and solicited opinions on a variety of issues related to the subject matter of the Feasibility Study. Questions dealt with potential ways that Wabush and Labrador City could work together and the benefits and risks of collaboration. Participants were asked to write their ideas on sticky notes and place them on specific posters.

An additional, special poster asked attendees to vote on two issues of interest to both towns:

- Whether to postpone the municipal elections scheduled for September 2017 to allow the two sitting councils to deal with the potential amalgamation of the two towns (and, thereby, avoid the need for a second election for a new, amalgamated town) and
- Whether there should be a plebiscite in the event this feasibility study recommended amalgamation.

Participants were invited to place dots in designated areas on the poster to indicate their preferences (in favour or opposed) with respect to each question.

Input from all three meetings as well as the results of the two votes are provided in the following summaries of the meetings. We acknowledge that the voting processes were imperfect and could only be lightly monitored but they were supplemented by many direct conversations between the consultants and participants that conveyed public sentiment on the issues under discussion.

Consultation  
September 18, 2017

### 3.2.1 Wabush Open House

The Public Meeting was held in the Wabush Catholic Church on the evening of Monday, June 5. It attracted about 50 residents who reviewed the panel information and provided feedback on municipal reorganization. Participants were largely from the Town of Wabush and tended to be older (i.e., 50 years to senior citizens).

Many expressed concern with the consequences of regionalization on employment with the Town. Despite earlier assurances from Town representatives that any reorganization will be phased in and it should be possible to deal with staff reductions through retirements and regular employee turnover, many were concerned that jobs would be lost if Labrador City proceeds with its proposal to build a recreation complex and the Mike Adam Recreation Complex in Wabush is reduced or closed. Several citizens also expressed concern that other services, including senior government offices and private businesses, would leave Wabush in the event of amalgamation with Labrador City.

Figure 3-1 Wabush City Open House, June 5, 2017



The strongest input obtained concerned the questions related to deferral of Council elections and conduct of a plebiscite to approve recommended changes to municipal governance in the Region. Votes on the panel asking both questions, strongly opposed postponement of the municipal elections and unanimously supported a plebiscite.

### 3.2.2 Labrador City Open House

As noted, the public session on Tuesday, June 6, was conducted at the Labrador City Arena in conjunction with the Chase the Ace event there. We arranged two open houses at either end of the arena's mezzanine level with the same panels as we presented in Wabush the previous night in each room. We signed the Arena to direct members of the crowd to either room. From time to time during the evening the Chase the Ace organizers notified the crowd that the open houses were underway and encouraged attendees to have a look.

For the most part, attendees circulated through each room for five to ten minutes as opposed to attending for an hour or longer as many participants did in Wabush. With participants circulating through two rooms, it was more difficult to keep track of numbers; however, we estimated that 70 different people viewed the panels and talked with the consultants or representatives of the towns who were present.

Given that Chase the Ace drew people from both towns, we are uncertain of the mix of Labrador City and Wabush residents. As the former town is four times larger and the event was in Labrador City, we assume that most of the visitors to our displays were Labrador City residents, although some were definitely from Wabush. Attendees were more diverse than in Wabush. In particular, more young people (in their 20s and 30s) were attracted than we saw at the Wabush session.

The views expressed were different from Wabush. Certainly, participants expressed concerns with the displacement of municipal employees similar to the Wabush session. They were, on the other hand, more supportive of regionalization and, particularly, amalgamation. Many people said, "it should have been done long ago." Others, however, asked about the likely effect of amalgamation on taxes. Some Labrador City residents were concerned that their taxes will rise if they share responsibility for infrastructure in Wabush.

Participants were also more divided on the postponement of Council elections to deal with municipal reorganization. Some supported postponing for four to six months so that the current councils can deal with the transition. The majority opinion, however, continued to favour proceeding with elections in September and letting the new council in each town deal with whatever reorganization option is recommended. Support for a plebiscite continued to be overwhelming. Only a few participants indicated that they would prefer to have the councils alone decide whether to proceed with reorganization; more than 90% wanted the opportunity to vote directly on it themselves.

Consultation  
September 18, 2017

Figure 3-2 Labrador City Open House, June 6, 2017



### 3.2.3 Wrap-up Meeting

The final public session of Consultation Week on Wednesday, June 7, took place at the Arts and Culture Centre in Labrador City. While we set up the same panels as were used at the preceding open houses and gave attendees a final opportunity to provide opinions and comments, the main feature of the evening was a formal presentation of findings from our interaction with the public.

Twenty-six people attended the meeting by our headcount. Most members of the audience had attended one or both of the open houses. The familiarity of attendees with the previous sessions was useful as a key objective of the meeting was to confirm with the audience that our perception of opinions was accurate. We stated that we had heard three major themes:

- Concern that municipal jobs with the two towns will be lost
- Concern that taxes will increase, particularly for Labrador City residents in the event their town amalgamates with Wabush
- Fear among Wabush residents that facilities now available in their town will be moved to Labrador City.

Consultation  
September 18, 2017

Figure 3-3 Wrap-up Presentation Meeting, June 7, 2017



In general, Wabush residents were most supportive of service agreements to manage specific municipal services, whereas we felt Labrador City residents gave a stronger endorsement to amalgamation.

We also tried to dispel some rumors that have surrounded the consultation process. We reinforced that we were working with the two towns and not on behalf of the Province. We acknowledged that the Province was funding the Feasibility Study project but is not forcing amalgamation or encouraging any particular form of regionalization. The Province is encouraging municipalities to cooperate and supports regional approaches.

We added that the Feasibility Study is not connected to the Labrador City Lifestyle Centre proposal, as several citizens had suggested during the consultation process. While we understand that the Province would like to see municipalities collaborate on major projects like the Lifestyle Centre, we had no indication at the time that amalgamation or an alternative form of municipal restructuring would be a condition of Provincial funding support. Subsequent direct consultation with Provincial officials has confirmed this perception. The Lifestyle Centre is an important community initiative but the Feasibility Study recommendation will not influence whether or not it goes forward.

Consultation

September 18, 2017

Much of the discussion following our presentation was taken up with a debate concerning the deferral of the municipal elections. We gave participants in the open houses the opportunity to express their opinion for or against deferral. The majority, as noted, indicated that they would prefer the elections not be delayed. We also asked whether a plebiscite should be held to allow the public to vote on whatever municipal reorganization proposal emerges from the Feasibility Study process. The response was very strongly in favour of a plebiscite.

## 4.0 GOVERNANCE AND SERVICES

Municipal services have a major influence in shaping communities and regions. Municipal water and wastewater services generally define areas as urban and rural, encouraging density where they are present and requiring separation where they are not. Roads, particularly highways provided by the Province, have a strong and even more direct influence by facilitating access to areas with potential for development and discouraging development of lands that they do not reach. Other services such as parks, and recreation and cultural facilities often define the character of a community and may figure in the residential choices of citizens.

### 4.1 SERVICE OVERVIEW

The functioning and growth of Labrador West depends heavily on municipal and Provincial services delivered to the region's many communities. The two towns currently promote their communities and work to develop their local economies; regulate building and property; build and maintain local roads; treat and distribute water; collect and treat sewage; provide fire and emergency services; and build, maintain, and encourage the use of parks and recreation facilities. The Province also influences the form of settlement through its roles in protecting the environment; building and maintaining the highway network; policing the region through the Royal Newfoundland Constabulary; and operating the school system.

#### 4.1.1 General Government

Labrador City and Wabush have similar administrative structures. Each town has a seven-member council, led by a mayor, deputy mayor, and five councillors. In the 2013 municipal election, the current mayors in both towns were elected separately from the councillors, who ran in a single election from which the top six vote getters became councillors. The deputy mayor is normally the councillor who received the most votes among all councillor candidates. If the councillor receiving the most votes does not wish to serve as the deputy, the councillors vote to select the deputy from among themselves.

For the coming municipal election, the Town of Labrador City, by motion passed on August 8, 2017, changed its procedure for electing its Mayor and Deputy Mayor. The Town will now hold a single election for all seven positions on Labrador City Council. The seven elected officials will then conduct an internal election for the positions of Mayor and Deputy Mayor. Wabush expects to continue with the approach used in 2013.

A town manager leads each town with the direct support of four directors responsible for finance, planning and development, engineering and public works, and recreation, as well as a fire chief. Wabush currently employs only 17 staff relative to 62 in Labrador City, although the Town of Wabush organization chart actually has 24 positions. Interviews with Wabush managers indicated that the Town has lost four staff members through attrition over the past two years, as the positions were not filled owing the financial challenges faced by the Town. With 21.5% of 79 municipal employees in the Region, the current proportion of employment in Wabush closely reflects the town's share of regional population.

With significantly fewer support positions in the organization, Wabush managers are more directly involved in Town operations. Whereas eight full-time positions and three seasonal positions report to Labrador City's Director of Finance and Administration, just one person supports the equivalent Director in Wabush. Similarly, the Director of Planning and Land Use in Wabush handles all departmental responsibilities in comparison to three positions in the equivalent department in Labrador City.

Another important difference is the presence of a qualified engineer in the Labrador City administration. Wabush lacks in-house engineering capability and relies on consultants for engineering advice. The one department where the staff complement in the two towns is comparable is recreation, where Wabush employs seven staff. The Labrador City Recreation Department consists of the Director, a Program Coordinator, and a clerk, as well as four arena attendants making the municipal complement devoted to recreation in Labrador City equivalent to Wabush.

The Labrador City Fire Department also has considerably more depth. Labrador City employs a professional Fire Chief and six professional firefighters who are supported by 45 volunteers in a composite force. Until recently, Wabush had a composite force with a professional Chief coordinating volunteers; however, the professional Chief reverted to his former volunteer status to run the Town's 22-member all-volunteer department.

Neither town has a position dedicated to human resources, which falls under the responsibilities of the town clerks and town managers in both cases. Labrador City has an HR clerk responsible for payroll, vacation scheduling, and coordination of benefits. The clerk is also involved in student hiring along with department heads but is not responsible for or involved in HR issues related to employee grievances, policy setting, or monetary decisions. Both town managers have suggested that they would like to see an executive HR position in an enlarged organization.

### 4.1.2 Protective Services

Both towns have their own fire departments. Fire and emergency services have been the subject of an in-depth regionalization study that covered many of the same issues as this Feasibility Study<sup>2</sup>, albeit from the narrower perspective of only fire and emergency services. The Labrador City Fire Department provides protection to the town and backup support to IOC, which maintains its own onsite emergency response capability. The relationship between IOC and the Town of Labrador City Fire Department is documented in a mutual aid agreement signed this year.

The regionalization study described the Wabush Fire Department as “a joint venture between the town and [Wabush] mine.” While the authors of the study stated that the “arrangement served the community and the mine suitably [in the past],” it would not be “recommended in today's current environment.”<sup>3</sup> It has in any case, expired with the closure of Wabush Mines.

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<sup>2</sup> Fred Hollett and Richard Murphy, *Regionalized Fire and Emergency Services Study, Wabush & Labrador City*, 2015.

<sup>3</sup> *Ibid.*, p. 9.



In the wake of the Wabush Mines closure, the Town of Wabush eliminated its professional Fire Chief making its Fire Department volunteer only, as noted above. The Labrador City Fire Department remains a composite department with a professional chief and six full-time paid firefighters who are supported by volunteers. The two towns have drafted a mutual aid agreement but neither council has formally signed it.

Municipal staff have stated that informal cooperation is well-established and workable given that the region is small. Most training is done jointly between the towns and includes invitations to IOC, especially when instructors are brought in from outside the region. For hazardous materials, Labrador City's Town Manager stated that his Fire Department responds within the region from the Quebec Border to Cache Creek, which is between Churchill Falls and Happy Valley Goose Bay.

The report on regionalization is emphatic that the region does not need two separate fire departments:

This report identifies several factors that show Labrador West does not need two separate fire departments. If the towns continue to operate under current conditions; opportunities to maximize benefits, reduce costs, and eliminate operational and financial duplications will be missed.<sup>4</sup>

The authors recommend the creation of a single department through a shared service agreement agreeable to both towns, a Regional Service Board, the sale of fire and emergency services by the Town of Labrador City to Wabush, or "full amalgamation."<sup>5</sup> While the consultants acknowledge that "their expertise in municipal amalgamations or annexation is very limited," they offer that "[f]rom the [ir] perspective and observations, amalgamation, where it has occurred, has not been to the detriment of the citizens and communities but rather has enhanced the communities, provided more efficient services, and eliminated duplication of costs and services."<sup>6</sup>

### 4.1.3 Transportation Services

The primary Provincial highway serving Labrador West is the Trans-Labrador Highway (Route 500). The asphalt surfaced two-lane road runs 530 km west from Labrador City and Wabush to Happy Valley-Goose Bay through Churchill Falls. Quebec Route 389 continues to the west to Baie-Comeau on the St. Lawrence River. The Trans-Labrador Highway, as noted, links the two towns. Roads administered by the respective towns serve local land uses.

The road networks serving the two towns are distinct, given that they are connected by just one link. Neither Wabush nor Labrador City staff noted any critical traffic management issues or planned facility upgrades in interviews. Citizens attending public sessions also had very little to say about local transportation issues. Local roads appear to be in fair to good condition in both towns based on informal observation by the consultants. The Town Manager in Wabush has stated that the Town would like to renew a portion of Dunfield Street, where former bunkhouses have recently been reoccupied as condominiums. The cost has been estimated at approximately \$1 million. The Town of Wabush also has approximately \$4 million in street work budgeted to be shared on a 50-50 basis with the Provincial

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<sup>4</sup> *Ibid.*, p. 105.

<sup>5</sup> *Loc cit.*

<sup>6</sup> *Ibid.*, p. 60.

Government; however, the Town Manager does not expect the work will be complete until 2018 given tendering requirements.

### 4.1.4 Environmental Health

Both Labrador City and Wabush are fully serviced (i.e., all buildings in both communities are connected to municipally provided piped water and wastewater networks). The networks in both towns were largely constructed in the 1960s and 1970s. The water distribution networks are primarily cast iron pipe ranging in diameter from 100 to 400 mm. The wastewater collection systems are primarily asbestos cement pipe ranging from 200 to 450 mm diameter. Based on the period of construction, much of this infrastructure is nearing the end of its service life. The Labrador West Regional Growth Strategy (Plan BIG), process identified upgrades required for both communities including replacement of the aging distribution system, and a new wastewater treatment plant in Wabush.

The water and wastewater networks serving each town are not connected to each other. The separation between them is about two kilometres. There does not appear to be any practical reason to join either network. Each town has two wastewater treatment plants. The Labrador City plants are the Drake Wastewater Treatment Plant (WWTP), which discharges to Little Wabush Lake and serves most of the town's area, and the Harrie Lake WWTP, which serves the southwest area of the town and discharges to Harrie Lake. The Wabush plants are the Commercial Street WWTP and the Industrial Park WWTP.

Like many other communities in Canada, Wabush and Labrador City are facing the challenge of meeting standards for wastewater treatment set by the Canadian Council of Ministers of the Environment in 2012. The Wastewater System Effluent Regulation requires all wastewater treatment plants to be upgraded to at least secondary treatment by 2020. The Harrie Lake plant already satisfies the standard and the Town Engineer with Labrador City says the Drake WWTP can be upgraded from primary to secondary treatment for a moderate cost. The two Wabush plants, on the other hand, discharge untreated sewage. The cost of necessary upgrades is estimated at \$14 to \$15 million.<sup>7</sup>

Solid waste generated in both Wabush and Labrador City is disposed to an unlined landfill recently built by the Province on the western edge of Labrador City. Both towns contract for collection other than bulk waste taken during annual cleanup week in early June for Labrador City and fall for Wabush. The landfill site includes public drop off facilities, scales, and a kiosk. The landfill replaced a former incinerator site in Wabush that was closed in 2014 when the Province banned incinerators.

The Town of Labrador City has only one employee dedicated to the landfill recording tonnage at the scale coming in and out. The Town also does all invoicing. Any shortfalls, capital expenditures, and similar costs are split between the two towns based on their percentage of total waste tonnage generated during the year. Both towns are contributing to a landfill cell closing fund and a fund for a new cell. The Province has no role in landfill operations other than approval of permits to operate and facility inspections.

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<sup>7</sup> Daniel MacEachern, "Wabush wants proper wastewater treatment plant: Labrador town needs \$14M-\$15M to upgrade sewage system," CBC News, Aug 08, 2016, <http://www.cbc.ca/news/canada/newfoundland-labrador/wabush-wants-proper-wastewater-treatment-plant-1.3709615>

A committee comprised of a councillor from each town and the town managers, as well as the Town of Labrador City's Engineer and the supervisor responsible of landfill operations oversee the facility. The committee reviews the landfill operation, policies, and capital expenditures. The committee makes recommendations subject to approval by vote of each town council. Given capital constraints imposed on Wabush by its current financial circumstances, capital expenditures have been on hold.

#### 4.1.5 Planning and Development

Coordination of the planning functions between Labrador City and Wabush is impressive. The two towns are the only two separate municipal units in Atlantic Canada to develop and approve a regional plan since the 1970s. The Regional Growth Strategy for Labrador West or Plan BIG prepared by Stantec has been in place since 2014. It strongly endorses regionalization of municipal services and consideration of amalgamation.

More recently, Stantec simultaneously reviewed the municipal plans and development regulations of both towns. The directors of planning for the two towns jointly oversaw the process. While both plans remain distinct, effort was made to coordinate policy and regulation.

#### 4.1.6 Recreation and Cultural Services

The individual municipalities also manage recreation facilities and services, but collaborate on events. Recreation services are costly and are a great opportunity for working together on a regional basis. Both towns have their own arenas, trail networks, parks, and municipal recreation facilities.

A critical issue between the two towns concerns the Mike Adam Recreation Complex in Wabush and the proposal by the Town of Labrador City to build a new recreation complex. The Wabush facility, which includes a gym, a pool, a bowling alley, a weight room, and a sauna, as well as a Teen Centre and meeting rooms has served both communities since the 1960s. Operation of the recreation complex is the primary reason that Wabush has historically spent more per capita on recreation than Labrador City but it is also highly valued by Wabush residents as a special feature of their town.

Given the age of the Mike Adam facility and contemporary expectations of recreation facilities, Labrador City has proposed to build a new "Lifestyle Centre" attached to its existing arena featuring an arena and a fully accessible aquatics center, fitness facility, gymnastics complex, and gymnasium. The new facility was first proposed in the 2011 Recreation and Parks Master Plan for the Labrador West Region, which was prepared with participation from both towns and recommended that a consultant be engaged to undertake a feasibility study. A feasibility study was prepared in 2014 and preliminary design work was completed the same year. The opinion of probable cost based on this design work estimated the facility without an arena, which was suggested as a later phase, would cost \$41,734,519, further adjustments to the plan have brought the cost to \$34 million.

## 4.2 REGIONAL GOVERNANCE APPROACHES

The management of a region and the delivery of services required by its citizens is a complex process. Labrador City and Wabush are contemplating amalgamation to deliver services more efficiently but regions across North America have employed a variety of intermediate approaches to coordinate their activities. We are required to consider these alternatives by the RFP for this assignment and recognize that understanding the strengths and weaknesses of common options is valuable to consideration of the best way forward for Labrador West.

**Table 4-1** summarizes a range of approaches employed to address the challenges of regional governance. They are arranged on a continuum or ladder progressing through increasing levels of interaction and cooperation to union through amalgamation. Each option for inter-municipal cooperation has its merits for specific situations, although some have been more successful in practice than others. Each approach implies a trade-off between the flexibility or independence of municipal actors and overall control in the interest of regional priorities. It is also worth noting that the mechanisms from the second (*communication*) through to the second last (*regional government*) are often combined simultaneously. *Annexation*, the lowest rung, is usually undertaken when cooperation is not considered feasible. *Amalgamation*, the highest, renders cooperation largely irrelevant, although amalgamated municipalities may certainly participate in regional arrangements with other separate municipal units.

We place *annexation* at the bottom of the ladder because it is frequently, although not invariably, antagonistic. Annexations are usually undertaken by municipalities that do not feel they can work effectively with their neighbours to provide services or pursue specific objectives, although applications can be amicable where municipalities mutually agree that one is better suited than the other to govern a particular area. The City of St. John's annexed the areas of Airport Heights, Kilbride, and Shea Heights from the Metropolitan Area Board in 1981 without resistance from the Board, which ceased to exist when Northeast Avalon municipalities were reorganized in 1991. As an urban government, the City was better suited to extend and administer services required in all three areas. In the 1960s, the City of Halifax, which was then confined to the Halifax Peninsula, annexed a large adjacent mainland area from the County of Halifax at the request of residents on the mainland who felt that the County was not adequately providing urban services their communities required. Annexation has not been raised by either Wabush or Labrador City as an appropriate option for consideration by this study.

Inter-municipal *communication* is the most moderate form of cooperation. While municipalities normally communicate as required to by legislation and to address practical issues between them, antagonism between municipal units may also develop and prevent positive, effective *communication*. It is important in all cases that municipalities communicate openly and effectively for their mutual benefit and for the benefit of their region as a whole. Labrador City and Wabush have clearly communicated effectively with each other over the years including formalizing *communication* through channels outlined following.

An *inter-municipal committee* carries *communication* a step farther. It formalizes *communication* by scheduling it and monitoring its progress. It does not preclude less formal *communication* but, assuming the *committee* is active, sets a schedule for it to take place. If properly managed, a committee should address difficult issues by placing them on meeting agendas and ensuring they are discussed to resolution. The Killick Coast Mayors Meetings among the leaders of the Towns of Torbay, Logy Bay-Middle Cove-

Outer Cove, Pouch Cove, Flatrock, and Bauline on the Northeast Avalon Peninsula represent a successful committee arrangement through which those towns have collaborated to address challenges and opportunities in the northernmost portion of the Peninsula. With only two municipal units in Labrador West, however, such a formal arrangement has not been necessary here. The Towns of Labrador City and Wabush have maintained close contact through less formalized but regular interaction.

Cooperation at the *policy* level is established in Labrador West. The towns mutually approved the Labrador West Regional Growth Strategy (Plan BIG), which was prepared by Stantec in 2014. Plan BIG is the first regional plan created for two independent municipal units in Atlantic Canada since the 1970s. Its policies include commitments to inter-municipal collaboration and consideration of the eventual *amalgamation* of the two towns.

Regional *policy* should provide a framework for *service agreements*. A *service agreement*, which may also be called a shared service agreement or a joint service agreement, is a contract between one or more municipal units to collaborate in some manner. They are often created in the regional context to govern the sale of services from one or more municipalities to others. They can also be used to create partnerships in which municipalities share the costs of a particular service or facility such as a community recreation centre and to share in the creation and operation of *regional agencies*, which are discussed following.

The terms of a *service agreement* will usually specify the actions expected from each municipal participant, including the contribution of staff and other resources, as well as expected financial contributions. Financial arrangements may be based on use of the service or on measures such as population or assessment. Normally, as well, they include the terms on which participants may withdraw, usually providing for notice by a certain date and a withdrawal period (usually one year) to allow other participants to transition to a condition with less resources and altered service responsibility.

As discussed below, *service agreements* between and among municipal units are very common in Newfoundland and Labrador. The Newfoundland and Labrador *Municipalities Act* enables a wide range of service agreements. Municipalities may engage the Royal Newfoundland Constabulary for policing services; and to partner “with another municipality, local service district, agency, person, or the government of the province” (Section 180), for fire and emergency services (Section 184), and solid waste management (Section 176); as well as to advance economic development objectives (Section 203 (1)). More generally, Section 219 of the Act also states:

A council may enter into an agreement with the government of the province, a regional service board or municipal service delivery corporation or another municipality, agency or person for the joint construction, ownership, maintenance and operation of a facility or service that the council is permitted to construct, own, maintain and operate under this Act.

In short, municipalities can agree to partner with a wide range of organizations and individuals, including other municipalities, to obtain services, and construct and manage facilities required to meet their obligations under the *Municipalities Act*. Municipalities in the province have created agreements to govern the delivery of transit, solid waste management, fire and emergency services, and wastewater collection and treatment, among other things. Labrador City and Wabush, for example, have an agreement in place through which Labrador City manages the regional waste facility that both use.

*Regional agencies* are structures created to deliver regional services. They involve the creation of a body separate from the municipalities served that normally has its own assets and employees dedicated to delivering the services in question. They are often governed by *service agreements*, as noted, but differ because they normally involve the provision of dedicated staff and funding through annual municipal contributions and/or dedicated funding sources (e.g., transit fares or rates for a transit authority or charges on metered water consumption for a regional water commission).

In 2012, the Province of Newfoundland and Labrador passed the *Regional Services Board Act* to encourage the development of regional agencies of this type. Six boards have since been created to manage solid waste in Newfoundland under the Provincial Solid Waste Management Strategy, although “Labrador and the isolated and remote areas of the province” have not been included because of their unique circumstances.<sup>8</sup>

Three regional service boards have been created under the Act: Eastern, Central, and Northern Peninsula (Norpen). All three have a role in provision of solid waste management services. Solid waste services are well-suited to regional delivery because of the economies of large landfills and related diversion programs. Waste management committees deliver solid waste management services to many areas outside the jurisdictions of the regional service boards. One is the Southern Labrador Waste Management Committee. The difference between the committees and the boards is that the committees can only provide waste management services whereas the boards can provide any of the services named in the Act.

Under Section 19 of the Act, a Regional Services Board may take responsibility for regional water supply systems, regional sewage disposal systems, regional storm drainage systems, regional waste management systems and including a facility designated in the regulations as a regional facility; regional police services, ambulance services, animal and dog control, and other similar services within a region; the operation of a regional public transportation system; the determination and change of street and road names; the provision of regional recreational facilities; the provision of regional fire protection services; and the provision of other facilities or services of a regional nature. The NorPen Regional Service Board Inc., which serves the Northern Peninsula, has, for example, taken on regional fire services in addition to solid waste management. Other regional service agencies have been created outside the recent Act. The St. John’s Regional Water Services Committee (SJRWSC), for example, predates the recent legislation. It provides piped, treated water to the Cities of St. John’s and Mount Pearl, and the Towns of Paradise, Conception Bay South, and Portugal Cove-St. Philips in the Northeast Avalon Region.

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<sup>8</sup> Newfoundland and Labrador, “Waste Management: The Provincial Solid Waste Management Strategy,” [http://www.mae.gov.nl.ca/waste\\_management/](http://www.mae.gov.nl.ca/waste_management/)

## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Governance and Services

September 18, 2017

Table 4-1 Options for Structuring and Managing Regional Service Delivery

	Structure	Description	Strengths	Weaknesses	Examples
1.	Annexation	The take-over of lands in the jurisdiction of one municipality by another, usually abutting municipality that contends it is the more appropriate provider municipal services.	Normally combines areas with similar service demands	Usually unilateral and antagonistic	Many urban communities have expanded through annexation. St. John's, for example, annexed Airport Heights, Kilbride, and Shea Heights
2.	<i>Communication</i>	Municipalities consult each other as necessary to work out issues informally	<ul style="list-style-type: none"> <li>Easily achieved</li> <li>Minimal downside</li> </ul>	<ul style="list-style-type: none"> <li>Sporadic</li> <li>Non-committal</li> <li>Decisions, if achieved, are difficult to enforce</li> <li>Conflicts unlikely to be resolved</li> </ul>	The Towns of Labrador City and Wabush consult with each regularly and collaborate on initiatives such as the current Feasibility Study process
3.	<i>Inter-municipal Committee</i>	Municipal representatives meet regularly to discuss issues	<ul style="list-style-type: none"> <li>Easily achieved</li> <li>More committed</li> <li>Regularly scheduled</li> </ul>	<ul style="list-style-type: none"> <li>Enforceability still limited</li> <li>Participants can easily withdraw</li> </ul>	The Killick Coast Mayors Committee involving the six municipalities in the northern portion of the Northeast Avalon is an example.
4.	<i>Policy</i>	Municipalities agree on policies that all will adhere to (e.g., regional statements of interest). Can be enforced on several levels:	<ul style="list-style-type: none"> <li>Structured</li> <li>Potentially broad-ranging</li> </ul>	Limited influence on service provision and finance	
4a		Policy written as a Strategic Plan to which each municipal unit is ideologically committed	Easily achieved	Can be ignored by reluctant participants	
4b		Policy adherence subject to local adjudication (by a body established to satisfy point 2., above, or a separate body endorsed by all municipal units)	Stronger enforcement	Local adjudicating body may be subject to local political rivalries	

## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Governance and Services

September 18, 2017

Structure	Description	Strengths	Weaknesses	Examples
4c	Policy adopted within the planning framework provided by the Newfoundland and Labrador <i>Urban and Rural Planning Act, 2000</i>	Strongest enforcement	Ultimate judgement is out of local hands	The Towns of Wabush and Labrador City are subject to the Labrador West Regional Plan
5. <i>Service Agreements</i>	Two or more municipal units make arrangements to provide services, share revenues, or otherwise address needs/goals through contractual agreement. Can include the direct sale of services from one municipality to another or several others	<ul style="list-style-type: none"> <li>• Address critical municipal responsibilities (i.e., provision of services)</li> <li>• Flexible, adaptable</li> <li>• Legally binding</li> </ul>	<ul style="list-style-type: none"> <li>• Can proliferate creating complexity and confusion</li> <li>• Can be difficult to establish "fair price" if there are limited potential service providers</li> </ul>	St. John's provides transit service to Mount Pearl and Paradise on the Northeast Avalon through a joint agreement
6. <i>Regional Agency</i>	Establishment of an organization to provide services, share revenues, or otherwise address needs/goals. May be arranged to address several roles:	<ul style="list-style-type: none"> <li>• Exploits economies of scale</li> <li>• Facilitates hiring of more skilled personnel, purchase of more sophisticated equipment</li> <li>• Can develop and deliver both policy and services</li> </ul>	<ul style="list-style-type: none"> <li>• Unstable if participants can withdraw</li> <li>• May be subject to conflicts over cost-sharing/taxation</li> <li>• May add to local bureaucracy</li> <li>• Less political control</li> </ul>	
6a	Single purpose body created to deliver one service			St. John's Regional Water Services Committee
6b	Multi-purpose body created to deliver several services			Boards created under the <i>Regional Services Board Act</i> manage solid waste in most areas of Newfoundland but not in Labrador. The Northern Peninsula Regional Service Board (NorPen), which pre-dates the 2012 Act, originally focused on



## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Governance and Services  
September 18, 2017

Structure	Description	Strengths	Weaknesses	Examples
				solid waste management but, since 2009, has also provided fire and emergency services.
7. <i>Regional Government</i>	Establishment of a second tier of local government to which specific services and responsibilities are assigned (e.g., the past Metro Toronto organization)	<ul style="list-style-type: none"> <li>• Exploits economies of scale</li> <li>• Facilitates hiring of more skilled personnel and purchase of more sophisticated equipment</li> <li>• Can develop and deliver both policy and services</li> <li>• Preserves local governments to deliver specific services</li> </ul>	<ul style="list-style-type: none"> <li>• May be subject to conflicts over cost-sharing/taxation</li> <li>• May add to local bureaucracy</li> <li>• Adds a layer of governance</li> </ul>	Metro Toronto, which has been disbanded, is the most famous example. Never attempted in Atlantic Canada
8. <i>Amalgamation</i>	Union of one or more adjacent municipalities into a single municipality.	<ul style="list-style-type: none"> <li>• Eliminates most inter-municipal conflicts</li> <li>• Exploits economies of scale</li> <li>• Facilitates hiring of more skilled personnel, purchase of more sophisticated equipment</li> <li>• Can develop and deliver both policy and services</li> </ul>	Intra-regional conflict subsumed within the organization	Conception Bay South, Fogo Island, Grand Falls-Windsor, Happy Valley-Goose Bay, Logy Bay-Middle Cove-Outer Cove, Portugal Cove-St. Philip's, and the City of St. John's are all, to varying degrees, products of amalgamation

Equitable cost-sharing is a critical issue for most shared service arrangements and for regional agencies managed through such agreements. Disaffection with financial arrangements is common, especially where there are no alternative service providers. More than half a dozen Nova Scotia district planning commissions, for example, eventually dissolved largely for this reason. Although costs for participation in the commissions were based on uniform assessment, which is a good measure of each municipality's ability to pay, rural municipalities, which were typically the largest entities funding each commission, often decided that they had less need for planning services than their urban partners and withdrew, causing the underfunded commissions to fold. Nova Scotia has only two planning commissions remaining from nearly a dozen that were established over the years.<sup>9</sup>

Municipalities Newfoundland and Labrador (MNL), the organization that collectively represents the province's municipal governments, has criticized regional service boards strongly. Their main criticisms are that the boards subordinate municipalities to Provincial priorities and are often unrepresentative (e.g., the Province may appoint the chair, who does not need to be an elected official, and a single board member may be appointed to represent multiple municipalities). The following paragraph from a recent MNL report advocating regional government as a replacement to service boards, conveys the organization's criticisms of them:

Regional service boards do not serve municipalities, have few reporting requirements to the municipal sector, and exist regardless of whether municipalities want them to exist. The regional service board does not have to consult with municipalities in the preparation of its budget and is only required to provide copies of its budget to municipalities once the budget has been adopted ... It is in this light that regional service boards present as exhibitors at MNL events, highlighting the reality of their not being "with" municipalities but rather a separate organization municipalities must deal with. Regional service boards are not municipal regionalization; they are another form of provincial government centralization.<sup>10</sup>

MNL has recently advocated *regional government* as an alternative to regional service boards because the organization believes *regional government* can more effectively respond to the challenge of representing municipal government in regional organizations. *Regional government* takes regional service delivery a significant step farther than a *regional service board*. A *regional government* involves the creation of an upper level of local government that takes on some services in a similar manner to the separation of powers between the federal government and the provinces in Canada. It also involves an upper level council that may consist of appointees from each municipal council or may be directly elected. Regional government is well-known elsewhere in North America, although it has fallen out of favour in the last 25 years. Metro Toronto was a famous *regional government* that played a critical role in the development of

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<sup>9</sup> In Halifax and Cape Breton, commissions became redundant when their municipal partners amalgamated. Others, gradually lost partners and disbanded. One of the two remaining commissions, lost a key partner in the recent past. The Yarmouth Argyle Barrington District Planning Commission became the Yarmouth Argyle District Planning Commission when the Municipality of the District of Barrington withdrew.

<sup>10</sup> Municipalities Newfoundland and Labrador, *The Next Steps in the Regional Government Process*, 2013, p. 12.

what has become the Greater Toronto Area. *Regional government* has been discussed in the past for larger urban areas in Atlantic Canada such as the Northeast Avalon but now receives minimal attention.

With only two municipal units in Labrador West, the value of either a *regional service agency* or a *regional government* is questionable. Provincial staff contacted in the course of preparing this Feasibility Study have elaborated on the exclusion of Labrador from the *regional service board* framework noting that the geographic separation of Labrador communities is a major factor in the way of effective collaboration. Our contact added that with just two municipalities in Labrador West, a *regional service board* would make little sense.<sup>11</sup> Much the same applies to *regional government*, which was phased out in Toronto and many other Canadian urban centres largely because it was perceived to be overly bureaucratic. For the most part, regions that formed *regional governments* eventually amalgamated.

*Amalgamation* obviously differs by reducing rather than adding to the administrative structure delivering services. It is familiar throughout Atlantic Canada. Many municipalities in Newfoundland and Labrador reflect past amalgamations. Happy Valley-Goose Bay, the nearest municipal unit to Labrador City and Wabush, was created through the *amalgamation* of the separate Towns of Happy Valley and Goose Bay in the 1970s.

During the 1990s, most of the major urban centres in Atlantic Canada considered *amalgamation*. Many were amalgamated completely or to a degree. Windsor and Grand Falls were the first significant communities to join together when they amalgamated in 1991. A substantial municipal reorganization on the Northeast Avalon then resulted in the *amalgamation* of the City of St. John's, and the Towns of The Goulds and Wedgewood Park, as well as several other communities on the Northeast Avalon in 1992 (many other smaller annexations and amalgamations were completed in the region in the 1970s and 80s, included a succession of amalgamations that created Conception Bay South). Cape Breton, Halifax, and the Region of Queens in Nova Scotia were comprehensively amalgamated in the mid-1990s, as were Miramichi in New Brunswick and Summerside in PEI. The Charlottetown area of PEI was reorganized into an enlarged City of Charlottetown and the amalgamated Towns of Cornwall and Stratford at the same time as the Summerside area was consolidated into a single city.

While considerable reorganization took place in the 1990s, resistance to amalgamation was powerful when it was proposed. The top down approach to implementation employed by all four Atlantic Canadian provincial governments left a bad taste for many. A 2013 report on regionalization in Newfoundland and Labrador issued by the Harris Centre summarizes the antagonism many people in the province feel toward it:

Resistance to amalgamation and to regionalization policies in the province is in part, connected to strong emotions and political backlash remaining from earlier amalgamation attempts and from the 1950s and 1960s resettlement programs. Due to these sensitivities, many consider

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<sup>11</sup> *Pers comm.*, Ian Duffett, Director of Municipal Infrastructure and Waste Management, Province of Newfoundland and Labrador, July 14, 2017.

amalgamation a “dirty word” and municipal regional approaches are often viewed with some scepticism.<sup>12</sup>

While the push to amalgamation by Provincial governments subsided in the face of this attitude, amalgamations of several groups of smaller communities have been completed more recently. The latest was the creation of the Town of Fogo Island from the Towns of Fogo, Joe Batt's Arm-Barr'd Islands-Shoal Bay, Seldom-Little Seldom, and Tilting in 2011. The successes of amalgamated communities, discussed following, have stimulated a modest current wave of initiatives from municipalities like Wabush and Labrador City that view it as a means to address both the challenges and opportunities before them today.

### 4.3 AMALGAMATION IN PRACTICE

Economies of scale, coordination, and security support amalgamation. Amalgamation also has distinct benefits for representation over intermediate options as constituents of an amalgamated “regional” municipality directly elect their council (at large, or by district or ward) and, thereby, maximize their control over service delivery through their political representatives. Community identity, the benefits of flexibility, and natural geographic barriers, on the other hand, argue against amalgamation. Alternatives between separation and union attempt to access the best features of both with mixtures of control and independence. The variety of approaches employed across North America suggests that there is no perfect solution or, perhaps, no single solution that will fit all situations.

As noted, amalgamation has faced strong opposition. Several writers developed strenuous arguments against amalgamation in the 1990s as municipal reorganization swept across not only Atlantic Canada but also into Quebec and Ontario. The basic criticisms levied were:

- Multiple municipal units in a region gives choices to citizens who can select the municipality with service delivery priorities that best satisfies their priorities
- Separate municipalities express community identities that citizens value
- Anticipated cost savings would not be achieved and had not been achieved where amalgamation was undertaken
- Amalgamated municipalities encourage the expansion of bureaucracy
- Citizens in amalgamated municipal units demand upgrading of services to the “highest common denominator.”

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<sup>12</sup> Kelly Vodden, Heather Hall, et al., *Understanding Regional Governance in Newfoundland and Labrador: A Survey of Regional Development Organizations*, May 2013, p. 130.

If the two towns are to pursue amalgamation, it is important to address these criticisms. As we have had the privilege of assessing major amalgamations undertaken in Atlantic Canada in the 1990s through past work for the City of St. John's, we have considerable evidence to draw on.<sup>13</sup>

The nine major amalgamations we have assessed are:

- *Grand Falls-Windsor* – the amalgamation of two medium-sized towns in central Newfoundland
- *Municipal Reorganization on the Northeast Avalon Peninsula* – the substantial enlargement of the City of St. John's through its amalgamation with the Towns of Wedgewood Park and The Goulds, and extensive rural watershed lands, as well as the amalgamation of several other towns on the Northeast Avalon
- *Cape Breton Regional Municipality, Halifax Regional Municipality, and Region of Queens* – the amalgamation of urban centres, suburban communities, and extensive surrounding rural areas in three Nova Scotia regions
- *Municipal Reorganization in Prince Edward Island* – consolidation of several urban, suburban, and rural municipalities to create the City of Summerside, and similar consolidations to enlarge the City of Charlottetown and create the complementary Towns of Cornwall and Stratford
- *City of Miramichi* – the amalgamation of several urban municipalities clustered on the Miramichi River in northern New Brunswick
- *Reorganization in the Saint John Metropolitan Area* – consolidation of several towns around the City of Saint John, New Brunswick, without modification of the boundaries of the City.

Each initiative was unique and the outcomes, unremarkably, differ. Reorganization in the Northeast Avalon was partial. The Peninsula still has 15 separate municipal units. While changes streamlined municipal governance there, a variety of regional arrangements have been necessary to provide water, wastewater, fire and emergency services, and solid waste services regionally. The Nova Scotia amalgamations. Amalgamations in the Charlottetown and Summerside areas, and Miramichi were similarly comprehensive and, for the most part, eliminated the need for regional arrangements. Reorganization in Saint John, on the other hand, only strengthened the suburban communities around the city and left many regional questions unresolved.

We have had the opportunity to review results in each region four times: in 1997, 2001, 2007, and 2011. For each review, we interviewed leading municipal administrators in each region concerning their satisfaction with the results of reorganization. Most indicated in our first round of interviews in 1997, which was within one to five years following reorganization in every case except Grand Falls-Windsor (amalgamated in 1991), that transition presented substantial challenges. By 2011, nearly all had adjusted

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<sup>13</sup> Stantec Consulting Ltd., *St. John's Amalgamation Review 2011*, 2011. John Heseltine prepared previous reports covering the same subject matter in 1999, 2001, and 2007, as the experience of the amalgamated municipalities in the Atlantic Region progressed.

to new structures, as had municipal residents. The City of Miramichi, New Brunswick, which struggled with substantial increases in costs immediately following amalgamation, has now, for example, brought its expenditures in line with pre-amalgamation levels. In Grand Falls-Windsor; Charlottetown and Summerside, PEI; the Saint John area of New Brunswick; and three regional municipalities in Nova Scotia, indications are that amalgamation has either been neutral or has reduced municipal expenditures.

A qualitative assessment of municipal progress over time is less conclusive but generally favourable. Halifax Regional Municipality (HRM), which is the largest municipal unit in Atlantic Canada, has at times struggled with an unwieldy bureaucracy but the effectiveness of the organization in dealing with regional challenges such as development of its solid waste management system and treatment of urban wastewater is impressive. HRM's solid waste diversion programs are considered by many to be the best in North America and a comprehensive wastewater treatment program has been instituted. The local economy has expanded and the position of Halifax in the Atlantic Region has been enhanced. Currently, the downtowns of both Halifax and Dartmouth are experiencing a building boom stimulated by new municipal planning policies as well as local economic strength and the Municipality is working to improve recreation facilities, transit, and active transportation among other initiatives.

In Cape Breton's challenging environment, many contacts we work have worked with there credit amalgamation with saving several towns brought into the Regional Municipality from bankruptcy. In contrast to HRM, amalgamation has allowed CBRM to manage a pronounced economic and demographic contraction, while facilitating a coordinated response to revive the local economy through initiatives such as development of the port in Sydney and North Sydney. Other regions in which the results of amalgamation have been generally praised are Grand Falls-Windsor, the PEI municipalities, and the Region of Queens. Queens, which amalgamated on its own initiative is frequently cited as a model for reorganization processes, even by observers otherwise opposed to amalgamation.

We recognize that we need to support these assertions with hard data. For our most recent examination of Atlantic Canadian amalgamations, we compared amalgamated municipalities in Nova Scotia and New Brunswick to unamalgamated regions and municipalities in the respective provinces over time based on municipal financial data published annually by each Province. **Table 4-2** summarizes the comparison. Our comparison was confined to St. John's, and Nova Scotia and New Brunswick because historical municipal financial data is not generally available for Newfoundland and Labrador or Prince Edward Island.<sup>14</sup>

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<sup>14</sup> Nova Scotia has historically compiled and published data for all of its municipal units in the annual Provincial publication, *Nova Scotia Municipal Statistics*. The Province of New Brunswick, likewise, publishes an Annual Report of Municipal Statistics. Both series provide financial data on all municipal units in a standardized format adopted for each province.

# TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Governance and Services  
September 18, 2017

Table 4-2 Comparison of Expenditure Change, 1994-2008, Selected Atlantic Canada Regions (thousands of 2009\$)

Region	1994			2008			% of Pre-reorganization Expenditure	Rank by % Change
	Operating Expenditure	Occupied Dwelling Units	Expenditure per Occupied Dwelling Unit	Operating Expenditure	Occupied Dwelling Units	Expenditure per Occupied Dwelling Unit		
City of St. John's (1991-2009)	\$143,160	34,020	\$4.21	\$199,276	39,649	\$5.03	119.4%	N/A
City of St. John's	\$140,803	35,790	\$3.93	\$185,255	42,153	\$4.39	111.7%	10
<b>Nova Scotia</b>								
CBRM	\$109,735	43,179	\$2.54	\$92,606	42,332	\$2.19	86.1%	3
HRM	\$383,799	126,364	\$3.04	\$446,416	159,299	\$2.80	92.3%	4
Region of Queens	\$13,923	4,863	\$2.86	\$10,449	4,653	\$2.25	78.4%	2
Colchester County	\$27,337	18,268	\$1.50	\$36,299	21,313	\$1.70	113.8%	12
Cumberland County	\$28,814	13,415	\$2.15	\$29,313	13,716	\$2.14	99.5%	6
Kings County	\$35,342	21,533	\$1.64	\$40,581	24,711	\$1.64	100.1%	7
Pictou County	\$48,421	18,036	\$2.68	\$36,838	19,590	\$1.88	70.0%	1
Rest of Nova Scotia	\$176,648	89,960	\$1.96	\$180,183	97,961	\$1.84	93.7%	5
<b>New Brunswick</b>								
City of Miramichi	\$16,275	6,873	\$2.37	\$19,990	7,405	\$2.70	114.0%	13
Saint John Region	\$113,408	38,202	\$2.97	\$127,592	40,834	\$3.12	105.3%	9
- Grand Bay-Westfield	\$2,759	1,658	\$1.66	\$3,664	1,798	\$2.04	122.5%	15
- Quispamsis	\$5,439	3,892	\$1.40	\$11,378	5,474	\$2.08	148.7%	16
- Rothesay	\$4,914	3,449	\$1.42	\$9,395	4,359	\$2.16	151.3%	17
- City of Saint John	\$100,296	29,203	\$3.43	\$103,155	29,203	\$3.53	102.9%	8
Greater Moncton	\$88,624	35,065	\$2.53	\$130,780	46,124	\$2.84	112.2%	11
Rest of New Brunswick	\$196,570	185,949	\$1.06	\$246,632	194,673	\$1.27	119.8%	14

**Key:**

No Change	Partial Amalgamation	Full Amalgamation

Source: Stantec Consulting Limited, *St. John's Amalgamation Review 2011*

Our assessment found that the amalgamated units have controlled their costs as well or better than their unconsolidated counterparts. The three amalgamated municipalities in Nova Scotia all reduced their costs, ranking second, third, and fourth among the 14 urban regions in Atlantic Canada that we compared. Nova Scotia municipalities have generally done well controlling expenditure since 1994, the date we chose as our benchmark. Among the regions shown, they occupy places 1 through 7, and 12 in our ranking from least to greatest increase in operating expenditure. New Brunswick municipalities generally followed Nova Scotia. All have increased their costs in constant dollar terms. The amalgamated City of Miramichi placed in the middle of the New Brunswick group at fourth among eight.

As we explained in our 2011 report, the evidence is complex. We compared amalgamated and unamalgamated regions by province because Provincial-municipal funding arrangements have changed considerably over the past two decades resulting in increases and decreases in municipal expenditure requirements over which the municipalities themselves have minimal control. Urban municipalities like HRM and CBRM have very different service requirements to rural regions and counties like Cumberland, Colchester, and Queens. Service demands have also changed over time as standards for services like solid waste management and wastewater treatment have risen, as have public expectations for recreation and cultural programs and other municipal offerings. Direct comparison of amalgamated regions with similar unamalgamated regions and over time, therefore, has to be qualified but our examination of Atlantic Canadian experience provides no basis to assert that amalgamation has been costly or ineffective.

We can derive many lessons from recent amalgamation experience in Atlantic Canada. Certainly, transition has been smoother where municipal administrators supported the amalgamation initiative. Most important though, the evidence strongly indicates that amalgamation can save money, can stabilize financially troubled local governments, and has ultimately been durable in every region where it has been undertaken.

#### 4.4 OVERVIEW

Regionalization is often advocated as a means to reduce costs, which it can facilitate. Residents are often concerned whether it will create savings and how involvement with one or more other municipalities will influence their tax rates. While the aspirations of administrators and concerns of citizens must be taken seriously, it is important to recognize that demands on local governments are rising. Standards for water and wastewater systems, for example, are escalating. The Canadian Council of Ministers of the Environment is requiring tertiary treatment of wastewater by 2020, which is creating a major financial challenge for many municipalities that currently have secondary treatment or less. Public expectations of recreation services are also rising with the development of modern recreation complexes in many communities. Rising road standards, trails developments, bicycle lanes, and other improvements require increasingly sophisticated planning and engineering capacity.

Collaboration can allow municipal governments to acquire or access resources to address these demands. Amalgamation inherently pools human and financial resources and facilitates coordination within a region. It has worked in many areas of Atlantic Canada but it is not the only available approach. Regional planning, inter-municipal agreements, and regional agencies are intermediate approaches that may satisfy many regional requirements. They may even be required in conjunction with amalgamation.



Regions for solid waste management, for example, are typically far more extensive than a single municipality can encompass (e.g., although the Northeast Avalon Peninsula has more than 200,000 residents it is only part of the Eastern Region responsible for solid waste management).

All options should be considered taking into account the number of municipal units, their population, the challenges they face, and the preferences of community members. The recent Fire and Emergency Services Regionalization Study prepared for the Towns of Labrador City and Wabush covers variations on most of the approaches to regional organization that we have outlined in **Section 4.2** above, ranging from maintenance of the status quo (two separate towns providing mutual support) through to amalgamation.<sup>15</sup> On the subject of amalgamation, after acknowledging “that their expertise in municipal amalgamations or annexation is very limited,” they state:

From the consultants’ perspective and observations, amalgamation, where it has occurred, has not been to the detriment of the citizens and communities but rather has enhanced the communities, provided more efficient services, and eliminated duplication of costs and services.<sup>16</sup>

They follow with examples of the successful provision of fire and emergency services in the amalgamated towns of Grand Falls-Windsor and New-Wes-Valley, both of which were formed in the early 1990s.

Based on our analysis of the circumstances of Wabush and Labrador City, the feasibility of available alternatives, we have determined that the most suitable approaches to regionalization here are the use of shared service agreements or amalgamation of the two towns. Shared service agreements will allow the towns to remain as separate entities. The towns have an agreement to manage the regional landfill and have discussed formalizing mutual aid for fire and emergency services through an additional agreement. The range of potential agreements is however much wider. Formalized sharing of recreational facilities and planning for their future is an obvious area that has been debated through the consultations for this Feasibility Study. Providing engineering assistance from Labrador City to Wabush to help the latter town address the challenges of upgrading its wastewater treatment facilities is another. Amalgamation, on the other hand, will address these potential improvements comprehensively and immediately by bringing all resources together in one organization.

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<sup>15</sup> Fred Hollett and Richard Murphy, *Fire and Emergency Services Regionalization Study: Wabush & Labrador City, 2015*, pp. 49-65.

<sup>16</sup> *Ibid.*, p. 60.

## 5.0 FEASIBILITY ASSESSMENT

With choices narrowed to the current municipal structure consisting of the Towns of Wabush and Labrador City continuing to exist as separate municipal entities cooperating through continued communication and mutually advantageous service agreements and amalgamation into one municipal unit, the final task is to compare the institutional arrangements and financial consequences of each arrangement. In the first scenario, institutional and political structures will not change. Changes will be associated with the adoption of service agreements, which may generate savings and/or improve service delivery. In the second case of amalgamation, a new organization with a new name and new governance structure will result. We will therefore analyze the creation of an amalgamated municipality first and discuss what might be called the modified status quo in reference to it.

### 5.1 AMALGAMATED TOWN

A municipality formed of Wabush and Labrador City will be a town under the Newfoundland and Labrador *Municipalities Act*. As discussed, it will encompass the lands within the current boundaries of Labrador City and Wabush maintaining their current outer limits. The only modification will be to erase the current limits that divide the towns across the isthmus between Wabush Lake and Little Wabush Lake. The total area of the combined towns will be 85.08 square kilometres.

The population of the new community will be 9,126 based on 2016 Census counts for the two towns. The new town will be 26.4% larger than the current Labrador City. It will be the eighth largest municipality by population in Newfoundland and Labrador based on 2016 Census counts (Labrador City currently ranks eleventh).

While the new town will be significantly larger in area and population, we do not believe that it will cross a threshold demanding a different approach to governance or service provision. Labrador City in 1991 had a population of 9,061 on its own (see **Figure 2-1**, above). In the more distant past its population was considerably larger. As explained above, furthermore, both towns have similar patterns and densities of development, notwithstanding that the Town of Wabush has considerably more undeveloped lands. Both are fully serviced urban communities whose populations are predominantly engaged in the mining industry that have developed in similar patterns..

#### 5.1.1 Municipal Name

Choosing a name for a new municipality is often sensitive as residents are often concerned with the loss of identity. Many amalgamated communities in Newfoundland and Labrador, consequently, have hyphenated names combining the names of the communities united within them. Happy Valley-Goose Bay is one example. Others include Grand Falls-Windsor and Logy Bay-Middle Cove-Outer Cove. At the same time, municipalities like Conception Bay South and Fogo Island have found agreeable names that identify their whole area more succinctly.

In the case of Wabush and Labrador City, a regional name is already well-established. Labrador West is widely used by the towns and their residents to identify the two communities together. Both towns have adopted it as a brand for mutual economic promotion. News reports and documents also regularly use the term Labrador West to refer to the area. We have found it useful when we have needed to identify the two communities as one in this Feasibility Report.

As stated above, we do not anticipate that a new name will infringe on the identity of either community. Communities such as Foxtrap, Kelligrews, and Seal Cove are still recognized in Conception Bay South, as is Joe Batt's Arm on Fogo Island. We are confident that Wabush and Labrador City will continue to be used to identify the areas separated by Wabush Lake and Little Wabush Lake. The Town of Labrador West is an appropriate name to identify them collectively in the future. It is used below when referring to the proposed amalgamated town.

### 5.1.2 Political Representation

Section 13 of the Newfoundland and Labrador *Municipalities Act* states that “[a] town council shall consist of not fewer than 5 nor more than 9 persons as prescribed by the minister.” Both Wabush and Labrador City currently have councils of seven members consisting in each case of a mayor, a deputy mayor, and five councilors. All council members in both towns are elected at large; however, the *Municipalities Act* allows for election of councilors from wards provided the number of ward-elected councilors does not exceed the number of councilors elected at large.

Amalgamation of the two towns into a single municipal entity will require new political representation. In the short-run, we anticipate that citizens will expect fair representation of each former town on the new council based on the principal of representation by population. We do not feel that it is necessary to enlarge the council as an amalgamated town of 9,126 residents is not materially different from the current size of Labrador City (i.e., 7,220); however, we feel the creation of wards to ensure at least one representative from each former town would be advisable.

With a council of seven, the *Municipalities Act* will allow for the election of no more than three councilors from wards (i.e., half of the six councilor positions). We would suggest that two wards be created, one corresponding to the limits of the former Town of Labrador City and the other corresponding to Wabush. Two of the three ward-elected councilors would be selected from the Labrador City ward and one from Wabush. The remaining three councilors and the Mayor could come from either former town.

While Wabush will be marginally over-represented with one-third of the ward-elected councilors, given that the current ratio of population between Labrador City and Wabush is 79.1% to 20.9%, there is a higher probability that the Mayor and at large councilors will be residents of Labrador City given its much larger population. The provision of ward-elected councilors will simply ensure that both communities would be represented on the new Labrador West Council and, particularly, that Wabush would have a representative. In the long-run, we would hope that wards would be dissolved and all councilors would be elected at large as they are in both towns at present.

A decision will also need to be made between separate election of the mayor as has traditionally been done in both Wabush and Labrador City and election of the mayor by elected council members, following the procedure the Town of Labrador City has recently adopted. While there are merits in both approaches, we favour the traditional approach of electing the mayor separately in a council with ward-elected members. Councillors elected from wards could not reasonably stand for mayor as they will have campaigned in only a portion of the town, leaving only four members from which to elect the Mayor and Deputy Mayor.

Given that scale of the job for council members will be similar to the current situation for Labrador City, we would expect compensation for members of the amalgamated council to be the same subject to cost of living increases.

### 5.1.3 Municipal Staffing

The town managers and Councils of both Wabush and Labrador City have committed publicly that staff will not be laid off through reorganization. Wabush has reduced staff recently through employee retirements and departures, and the town managers have stated that any future reductions, where desirable, will be achieved in the same fashion. Our working assumption, therefore, is that all current employees will carry over to the new Town of Labrador West, although their positions may be redefined to meet the needs of the new organization.

We are not in a position to make assumptions concerning the reassignment of staff beyond the expectation that staff will be employed in positions for which they are qualified (i.e., with the department in the new Town organization that most closely corresponds with their current department of employment). We have also assumed no change in remuneration and benefits for staff. Wage increases will depend on the judgement of the Labrador West Council when it is formed.

The following briefly summarizes our expectations concerning the adaptation of current municipal staff with the Towns of Wabush and Labrador City to an amalgamated Town of Labrador West:

- *General Government* – Amalgamation will eliminate the need for one of the two current Town Councils. As discussed in preceding **Subsection 5.1.2**, we anticipate the new town will have a council of seven like the existing towns. We assume the cost profile (remuneration and expenses) should be the same as the current Town of Labrador City.

The town clerks for both Wabush and Labrador City are also directors of finance for each Town. We expect that one will be absorbed into a responsible position in the Department of Finance and Administration in the new Town. Only one Town Manager will be required. One of these positions will be redundant following completion of the transition/implementation process, which the managers estimate will take 12 to 18 months.

A variety of small administrative savings are expected in this category particularly for items directly related to service and support of Council. Savings are also expected in Engineering Services, which are primarily consulting services for the Town of Wabush, the need for which should be reduced with access to Labrador City's qualified engineering staff.

- *Protective Services* – Protective services are primarily fire and emergency services, although the category also covers animal and pest control, and municipal enforcement. Both Labrador City and Wabush have individuals designated as Municipal Enforcement Officers. The Municipal Enforcement Officer for Labrador City reports to the Director of Finance and Administration. We assume that two positions will be maintained within the new Town.

Wabush has a volunteer fire department that incurs modest costs relative to Labrador City's composite force. Costs for the Wabush Fire Department largely relate to building and equipment operation and maintenance, and are not likely to be reduced through amalgamation of the two towns other than modest administrative savings.

- *Transportation Services* – Transportation Services are exclusively related to roadways in the two towns. As no increase or decrease is anticipated in the road network serving either town, we have assumed that Transportation Services expenditures for the new Labrador West will be the sum of expenditures for the two current towns with small savings attributable to the availability of more diverse staff and specialized equipment.
- *Environmental Health* – Environmental health covers water, wastewater, and stormwater services, as well as solid waste management. Although capital upgrades are required to wastewater treatment systems, in particular, the requirement will not be affected by amalgamation as the systems serving each town are separate. As with Transportation Services, we assume expenditures for the new Town will be the sum of expenditures for the two current towns.
- *Planning and Development* – The Town of Labrador City has a Director of Planning and Development to whom a clerk reports. The Director for the Town of Wabush is responsible for all aspects of planning and development. We expect one director will be absorbed to an appropriate position in the equivalent department to allow for realignment for more focus on economic development in the new Town. Some savings should be possible in some areas of operation such as the elimination of modest expenditures for "Tourism and Marketing" incurred by the Town of Wabush.
- *Recreation and Cultural Services* – Whereas staffing of foregoing services heavily favours the Town of Labrador City, we have noted that Wabush employs as many staff in its recreation operations as its larger neighbour. We anticipate that recreation staff with both towns will be merged to manage and maintain the increased recreation assets of the new Town including the Mike Adam Recreation Complex in Wabush. As with many other ongoing issues facing the two towns, the construction of a new recreation complex in Labrador City, which may replace the Wabush facility, is separate from amalgamation.

These assumptions were discussed with the town managers of Wabush and Labrador City and helped to guide the creation of future scenarios discussed in the following section.

### 5.1.4 Financial Projections

Given that the amalgamation of Labrador City and Wabush will involve only two municipal units, we would not expect major changes in financial requirements. While there is some duplication of services, it does not compare to other regions with multiple municipalities. In the case of Wabush and Labrador City, also, Wabush has been subject to financial constraints for several years and the Town's administration has already economized in response.

We have also made no assumptions concerning the closure and/or sale of municipal facilities. The current number of staff with Labrador City strains the capacity of its Town Hall. Discussions with the town managers concerning the location of staff within an amalgamated town suggested that the Wabush municipal building would likely accommodate one or more smaller municipal departments. Closure of the one or both fire stations has also been discussed in the context of the potential construction of a consolidated station near the Wabush Airport; however, the issue is separate from amalgamation. As discussed in the Fire and Emergency Services Study report, the construction of a new station could be undertaken by a regional fire department operated under a service agreement, a regional board, or a regional government, as well as by an amalgamated town.

Stantec developed the future estimates of costs presented in **Appendix C** within a framework adopted from the budget submission document required by the Province of Newfoundland and Labrador. Both towns prepared and submitted budgets in this format for 2017, which are also reproduced in the appendix. The submission form provides an identical framework that allowed us to combine and adjust expenditures and revenues for both municipalities as necessary to develop a comparable financial profile for the amalgamated Town of Labrador West.

We have assumed no inflation in the following. Although price levels will undoubtedly change, we have no basis to assume that they will change differently among different municipal cost or revenue categories. Inflation or deflation, therefore, will only change the nominal values of costs and revenues not the relationships between them, which are the focus of our concern.

#### Operating Costs

All assumed operating cost changes expected in amalgamation are reductions reflecting anticipated economies in operation. Other than the elimination of half of the current 14 municipal councilors serving the two towns, reductions primarily relate to the ability to reduce consumption of materials and to deploy staff and equipment more effectively (e.g., the expectation that the engineer with the Town of Labrador City will be able to provide advice that the Town of Wabush has historically obtained through paid consultants).

We consulted with Town of Wabush and Town of Labrador City staff to assess the likely influence of amalgamation. We reviewed each line item with the town managers to determine whether amalgamation would be likely to reduce a cost item and if so, by how much. Expected reductions were generally percentage discounts based on the best judgement of the municipal staff consulted. A major factor in the projection of Fiscal Services costs, on the other hand, was the expected capital investments and related municipal-provincial cost-sharing discussed under Capital Costs, immediately following below. Revenue

requirements and associated tax rates were determined based on the overall expenditure requirement as explained under the Revenue heading farther below.

Stantec calculated the operating cost for most expenditure items in the amalgamated Town of Labrador West by simply adding together the budgeted expenditures of the two separate towns. The following adjustments were made where municipal staff consulted by Stantec stated operating cost changes would likely be reduced in an amalgamated town:

- *Council Remuneration and Travel (1.1.1 and 1.1.2)* - Assumed Labrador City cost
- *Supplies, Services, and Insurance (1.2.5, 1.2.6, 1.2.7, and 1.2.8)* – Combined cost (i.e., Wabush plus Labrador City) less 15%
- *Municipal Elections & By-elections (1.3)* - Half of Labrador City cost (reserve for by-elections in non-election years)
- *Engineering Services (1.5.1)* - Combined cost less 10% (current cost includes consulting services for Wabush that should be reduced with access to a municipal engineer)
- *Public Relations (1.5.4)* - Labrador City cost plus half of Wabush cost
- *Emergency Preparedness and Response (2.2)* - Combined cost less 10%
- *Other Protective Services and Inspections (2.5)* - Combined cost less 10%
- *Vehicle and Fleet Maintenance (3.1)* - Combined cost less 5%
- *Snow Removal (3.2.2)* - Combined cost less 5%
- *Garbage and Waste Collection and Disposal (4.3)* - Estimated \$100,000 currently from Wabush to Labrador City is represented in Revenue (see 2.1 under Revenue)
- *Tourism and Marketing (5.4)* - Labrador City cost less \$200,000
- *Swimming Pool (6.2.4)* – Eliminate \$300,000 grant from Labrador City to Wabush for the Mike Adam Recreation Complex
- *Provision for Uncollectible Taxes, Fees & Charges (7.2.1)* - Labrador City provision plus \$15,000 for Wabush.

Municipal staff and Stantec also collaborated to calculate expected borrowing for 2018 for the separate towns and the amalgamated Town of Labrador West. Borrowing requirements were determined based on retirement of debt expected in 2018 and new loans expected to be assumed during the coming year as discussed under Capital Costs immediately following. The cost of required borrowing is an important determinant of Fiscal Services expenditures.

**Table 5-1** summarizes the overall influence of the foregoing adjustments on expenditures by the amalgamated Town of Labrador West relative to the separate towns of Wabush and Labrador City in 2018. Expenditures for both separate towns are the same as for 2017 in all categories except Fiscal Services. Fiscal Services charges increase significantly to carry expected capital investments. These costs for the individual towns are summed for the amalgamated municipality. The impact of the adjustments listed for amalgamation totals \$726,828 or 2.3% less than the sum of expected 2018 budgeted expenditures for Labrador City and Wabush.

Table 5-1 Estimated Expenditure Comparison, Town of Wabush, Town of Labrador City, and Amalgamated Town of Labrador West, 2018

Expenditure Category	Wabush	Labrador City	Labrador West	Savings to Amalgamation
1.0 General Government	\$1,068,155	\$3,590,782	\$4,416,096	(\$242,841)
2.0 Protective Services	\$234,211	\$1,550,051	\$1,755,509	(\$28,752)
3.0 Transportation Services	\$1,081,399	\$4,384,848	\$5,332,952	(\$133,295)
4.0 Environmental Health	\$677,319	\$2,990,071	\$3,567,390	(\$100,000)
5.0 Planning and Development	\$208,298	\$839,519	\$841,817	(\$206,000)
6.0 Recreation and Cultural Services	\$1,162,260	\$1,986,679*	\$3,148,939	\$0
7.0 Fiscal Services	\$2,758,277	\$13,281,457	\$16,023,793	(\$15,940)
<b>Total Expenditures</b>	<b>\$7,189,919</b>	<b>\$28,623,407</b>	<b>\$35,086,497</b>	<b>(\$726,828)</b>

\* Less grant to the Town of Wabush for the Mike Adam Recreation Complex

Source: Municipal Budget Submissions, Town of Wabush and Town of Labrador City, 2017 (Labrador West estimates prepared by Stantec)

## Capital Costs

In response to queries from Stantec concerning capital expenditures that would influence future Fiscal Services costs, both towns prepared long-term capital plans included in **Appendix B**. The most prominent short-term capital investments are required for roadway renewal and wastewater treatment plant upgrades in each town. The Province assists both municipalities with works of this type through the Multi-Year Capital Works (MYC) Program, which provides three-year blocks of funding to larger municipalities to support major public works projects. Provincial funding covers construction costs, associated land acquisition costs, and engineering and other professional fees less the HST rebate available to municipalities. The percentage of costs covered by the Province varies depending on the type of infrastructure and ranges from 50% for road works to 90% for water and wastewater projects, and disaster mitigation. Support also varies by municipal size as shown in **Table 5-2**.<sup>17</sup>

The Province has approved 50% funding under MYC for roughly \$4 million in street reconstruction works in both towns from 2017 through 2020. Labrador City has applied for funding to support \$3 million in

<sup>17</sup> See Newfoundland and Labrador Municipal Affairs and Environment, "Capital Works Funding," [http://www.mae.gov.nl.ca/capital\\_works/cw\\_funding.html#p2](http://www.mae.gov.nl.ca/capital_works/cw_funding.html#p2) and Department of Municipal Affairs and Environment, "2017-2020 Multi-Year Capital Works Project Guidelines," [http://www.mae.gov.nl.ca/forms/multi\\_year\\_capital\\_project\\_guidelines\\_2017-2020.pdf](http://www.mae.gov.nl.ca/forms/multi_year_capital_project_guidelines_2017-2020.pdf).



expenditures to upgrade its Drake Wastewater Treatment Plant, \$2 million in upgrades to the Municipal Depot, and for the potential construction of the \$34-million Labrador West Lifestyle Centre. Wabush, for its part, has applied for \$14 million in wastewater treatment plant upgrades required as discussed above to bring the Town’s wastewater treatment up to the tertiary level required by the Canadian Council of Ministers of the Environment. The Town of Wabush is eligible for 90% assistance for its wastewater works because it currently falls into the group with less than 3,000 population. Labrador City, with more than 7,000 residents, on the other hand, will receive only 70% support for similar projects.

Table 5-2 Municipal Capital Works Cost-sharing, Newfoundland and Labrador, 2017

Project Category	Population	Municipal Share	Provincial Share
Water, wastewater, disaster mitigation	Less than 3,000	10%	90%
	3,000 and 7,000	20%	80%
	Greater than 7,000	30%	70%
Fire fighting vehicles and equipment	Less than 3,000	20%	80%
	3,000 and 7,000	30%	70%
	Greater than 7,000	40%	60%
Recreational projects, buildings, fire halls	All population bands	40%	60%
Roads and other funding requests	All populations bands	50%	50%

Source Newfoundland and Labrador Municipal Affairs and Environment

Based on interest rates provided by the two towns on the tables in **Appendix B** and assuming approval of Multi-year Capital Works projects applied for, the Town of Wabush could incur \$312, 803 (\$164.11 per capita) in additional debt servicing costs beginning in 2018; however, its staff have informed Stantec that the Town will not borrow for its share of capital works but, instead, will draw on its substantial capital reserves (see **Subsection 5.1.5**, below). The Town of Labrador City will incur \$957,277 (\$132.59 per capita) to cover wastewater treatment upgrades at the Drake plant as well as construction of the Lifestyle Centre. In the longer term, Labrador City expects to increase its annual debt payments by \$103,164 (\$14,28 per capita) to replace a ladder truck and make further improvements to the regional landfill. The Town of Wabush anticipates additional roadway upgrades for which financing would cost \$124,110 per annum (\$65.12 per capita) but staff, again, say the Town will draw on its reserves to avoid borrowing.

The “Wish List” items included in **Appendix B** have not been incorporated in our analysis below; however, they do reflect the ongoing need of both towns to add, upgrade, and renew capital. Labrador City estimates a total \$13,116,166 in future capital expenditure incurring \$352,242 (\$48.79 per capita) in added annual debt repayment charges for the town. Wabush does not have the in-house capacity to estimate the cost of its long-term capital requirements but they appear comparable to Labrador City taking into account the differences in population between the two communities.

## Revenues

Most revenues depend on changes to population and activity levels (e.g., revenues from recreation facilities) or senior government decisions, neither of which is connected to amalgamation. Two adjustments have, however, been made for estimates for the amalgamated Town of Labrador West:

- *Recreation and Cultural Services (2.2)* – Wabush revenue less \$300,000 from Labrador City to support the Mike Adam Recreation Complex
- *Other Provincial Grants and Subsidies (4.1.4)* – Less \$ 636,000 received by Wabush from the Province in 2017.

Both adjustments reduce revenues to the Town of Wabush. The first also eliminates a cost for Labrador City. Labrador City might choose to continue to make \$300,000 annual grants (or more or less) to Wabush if the towns remain separate in the future but the choice is entirely at the discretion of the Town's Council and cannot be relied on. We have therefore excluded it from our projection of future financials for the Town of Wabush. We have also excluded it from revenue in the amalgamated town as it has been eliminated as an expense for the Town of Labrador West. The transitional grant from the Province to Wabush recorded for 2017 has buffered the Town's loss of the grant-in-lieu previously paid by Cliffs Natural Resources. It will cease in 2018 (see **Section 2.4**, above) and is therefore not a component of revenue for either the Town of Wabush or the amalgamated Town of Labrador West.

One other revenue source worthy of comment is the Municipal Operating Grant paid by the Province. It depends on the Provincial Government's funding allocation to municipalities, which is unpredictable, the number of occupied dwelling units, and the "remoteness index." Amalgamation will not change the number of occupied dwelling units but it might change the remoteness index. Neither Labrador City nor Wabush is considered remote but Wabush has a higher index (i.e., it rates as slightly more remote with an index of 0.1169 versus 0.1043 for Labrador City). We do not have the data to calculate a combined remoteness index; however, our calculations indicate that if the Labrador City index is applied to both Labrador City and Wabush, which is the worst possible case, it will reduce the Municipal Operating Grant by 2.4% or \$17,758 based on 2017 budgeted numbers which is only 0.05% of the budget requirement of the amalgamated Town of Labrador West. We expect, in any case, the two indices will more likely be blended under amalgamation and have therefore assumed that Labrador West will receive an operating grant equivalent to the sum of the grant monies the two towns currently receive.

**Table 5-3** summarizes expected revenues to Wabush and Labrador City, as well as the amalgamated Town of Labrador West. As with expenditures, as discussed above, changes to revenue categories are limited. Key adjustments will affect the Town of Wabush, which will see the elimination of transitional money from the Province compensating for the loss of Wabush Mines and the \$300,000 transfer from Labrador City to Wabush to support the Mike Adam Complex, which the 2017 budget submission for Wabush recorded under Sales of Goods and Services. While the \$636,000 transitional grant will be subtracted from Government Transfers, transfer revenue to Wabush will increase overall because of expected Provincial contributions to debt servicing associated with the capital projects for which Wabush has applied, particularly the Province's 90% share of the \$14 million wastewater treatment plants upgrades. Labrador City will also increase its transfer income from the Province in the same manner.

These transfers are balanced by equivalent entries in “Provincial Annual Payment” line within Fiscal Services on the expenditure side of both municipal ledgers.

The table highlights the significant shortfall in revenue to Wabush because of the lost revenues noted. Expenditures will also exceed revenues for Labrador City because of its increased borrowing, although the increase will be mitigated if the Town does not contribute \$300,000 to the Mike Adam Complex. Labrador West will have a much smaller deficit measured as a percentage of expenditure requirements than the Town of Wabush, if it applies the tax rates currently applied by the Town of Labrador City. The amalgamated town will balance the loss of transitional money received from the Province in 2017 (\$636,000) with the surplus from Labrador City and the \$726,828 in cost reductions expected through amalgamation.

Table 5-3 Revenue Comparison, Town of Wabush, Town of Labrador City, and Amalgamated Town of Labrador West, 2018

Revenue Category	Wabush	Labrador City	Labrador West
1.0 Taxes	\$3,595,603	\$16,908,029	\$20,206,288
2.0 Sales of Goods and Services	\$432,600	\$701,316	\$1,133,916
3.0 Other Revenue from Own Sources	\$86,000	\$466,939	\$552,939
4.0 Government Transfers	\$1,865,635	\$5,416,762	\$7,282,397
5.0 Other Transfers	\$307,591	\$4,257,783	\$4,565,374
<b>Total Revenues</b>	<b>\$6,287,429</b>	<b>\$27,750,829</b>	<b>\$33,740,914</b>
Expenditure Requirement (see <b>Table 5-1</b> )	\$7,189,919	\$28,623,407	\$35,086,497
<b>(Deficit)/Surplus</b>	<b>(\$902,489)</b>	<b>(\$872,578)</b>	<b>(\$1,345,583)</b>
% of Expenditure Requirement	-12.6%	-3.0%	-3.8%

\* Assuming current Labrador City property tax rates (Residential - 4.25 mils/Commercial - 15.65 mils)

Source: Municipal Budget Submissions, Town of Wabush and Town of Labrador City, 2017 (Labrador West estimates prepared by Stantec)

As discussed following, both existing towns and the amalgamated town will have to adjust their property tax rates or further reduce expenditures to address their respective shortfalls. Labrador West will require higher rates than are currently applied in Labrador City or it too could seek further, more modest cost reductions. Labrador City can set lower tax rates or reallocate funds to alternative purposes if it does not approve a further \$300,000 contribution to the recreation complex in Wabush.<sup>18</sup>

## Tax Rates

Municipal councils set tax rates after determining operating costs. Property taxes are calculated to “fill the gap” between anticipated revenues such as grants from senior governments (i.e., the Province of Newfoundland and Labrador, and the Government of Canada) and sale of services (e.g., revenues from recreation facilities and programs). The responsible council must agree on rates for residential and non-

<sup>18</sup> The Town of Labrador City has given no indication of its long-term intentions with respect to the Mike Adam Recreation Complex. The assumption of this analysis in no way implies the Labrador City will withdraw this funding. It simply reflects the uncertainty of the revenue.

residential property that will cover the gap, although a municipality may alternatively choose to reduce expenditures to maintain its tax rates.<sup>19</sup>

For 2017, the Town of Wabush adopted a residential rate of 4.90 mils corresponding to a tax of \$4.90 per \$1,000 of residential assessment and a commercial rate of 19.00 mils (\$19.00 per \$1,000 of assessment). As noted under the preceding Revenue heading, the Town is facing the conclusion of the Province's transitional grant and cannot be certain of the \$300,000 grant from the Town of Labrador City for the Mike Adam Recreation Complex. To derive the \$902,489 lost from these two sources from its current tax base, Wabush will have to raise its residential tax rate to roughly 6.90 mils and its commercial rate to 26.75, assuming the current ratio between the two rates is maintained. More modest adjustments will be required for the Town of Labrador City, which we calculate can increase its revenue by \$872,578 by raising its residential rate to 5.25 mils and its commercial rate to 19.30 mils. To cover the combined costs of both towns after adjustments for expected savings from amalgamation, the Town of Labrador West would require rates of approximately 5.05 for residential property and 18.60 for commercial property.

The mil rates calculated for 2018 are higher than for 2017 because of the expiration of Wabush's transition grant and increased borrowing by Labrador City, which will add to the Town's Fiscal Services costs. Lower mil rates in the amalgamated town result from the expected operating savings set out above. Labrador City residents will enjoy modest tax savings (\$20 per \$100,000 in residential assessment) from amalgamation relative to what we our estimates for Labrador City as a separate municipal unit. Commercial taxpayers will save \$250 per \$100,000 in assessment. Wabush residents and, particularly, businesses will see more substantial benefits with residential tax bills \$185 less than would be expected if the Town remains separate and commercial tax bills a very substantial \$815 lower (**Table 5-4**).

Table 5-4 Tax Rate Comparison, Towns of Wabush and Labrador City, and the Amalgamated Town of Labrador West, 2017 and 2018

	2017 Mil Rate	Cost per \$100,000 Assessment	2018 Mil Rate	Cost per \$100,000 Assessment	Cost Difference (2018 - 2017)	Amalgamation Reductions	
						Wabush	Labrador City
<b>Town of Wabush</b>							
Residential	4.9	\$490	6.9	\$690	\$265	-	-
Commercial	19.0	\$1,900	26.75	\$2,675	\$775	-	-
<b>Town of Labrador City</b>							
Residential	4.25	\$425	5.25	\$525	\$50	-	-
Commercial	15.65	\$1,565	19.30	\$1,930	\$185	-	-
<b>Town of Labrador West</b>							
Residential	-	-	5.05	\$505	-	\$185	\$20
Commercial	-	-	18.60	\$1,860	-	\$815	\$250

Source: Stantec Consulting Ltd. (2017 Mil Rates from Towns of Wabush and Labrador City)

<sup>19</sup> The Newfoundland and Labrador Community Sustainability Partnership requires municipalities to maintain taxes at the level set in the base year of 2015. While a municipality may reduce its mil rate, if assessments rise sufficiently, the overall tax bill to the community cannot be decreased.

### 5.1.5 Existing Assets and Liabilities

The two towns will consolidate their current assets and liabilities in the amalgamated Town of Labrador West. **Table 5-5** summarizes the current value of assets and liabilities as reported in the Statement of Financial Position prepared for each town for 2016. The assets and liabilities effectively measure what each town is bringing to amalgamation should it occur.

In addition to the assets and liabilities as of 2016, the table includes both in per capita terms and in terms of the share of total assets and liabilities in each town. Given that Labrador City has 79.9% of the region's population, it is notable that it accounts for just 60.2% of the assets owned by the two towns and 71.8% of the liabilities. In terms of net financial assets, the larger portion (59.8%) is attributable to Wabush. Non-financial assets, on the other hand, weigh more heavily to Labrador City, which accounts for 77.2%.

Wabush leads Labrador City by all per capita measures in **Table 5-5**, including liabilities. Overall, Wabush residents account for \$11,624.95 in net assets per capita as opposed to \$8,088.15 for Labrador City residents, suggesting Wabush is bringing significantly more into the amalgamated town (\$3,536.80 per capita or 43.7% more). Notably, the Town of Wabush has a larger financial reserve than Labrador City (Cash and temporary investments) amounting to almost five times more per capita. The availability of this reserve allows Wabush to avoid borrowing roughly \$3.3 million for the capital investments anticipated in the 2017 to 2020 period as discussed above. Even after this draw down, the per capita reserve held by Wabush (\$751 per 2016 resident) will be larger than Labrador City's.

## 5.2 ALTERNATIVE APPROACHES

The foregoing assessment of amalgamation implicitly addresses the status quo. Two separate towns are a viable option, although Wabush has been under financial pressure. This pressure will deepen with the expiration in 2018 of the transitional funding that the Province has provided to buffer the Town's loss of its grant-in-lieu from Wabush Mines. While the two towns appear likely to be able continue to function indefinitely as separate entities, we expect that Wabush will face increasing difficulty maintaining its existing capital and level of service.

We noted in **Section 4.2**, above, that four accepted approaches to regional governance would advance collaboration between Wabush and Labrador City beyond its current state. We dismissed a regional service board or a regional government largely because either choice would introduce an unnecessary third organization to deliver service to the region with likely cost increases and diminished political control over service delivery. Shared service agreements would not go as far as either of the two regional structures but would preserve current political representation without much risk of cost escalation in service delivery.

As we have pointed out, Labrador City and Wabush have a shared service agreement that implements a workable arrangement by which Wabush compensates Labrador City for its management of the regional landfill. As we have also discussed above, the recent fire services study suggested a shared service agreement as one option to implement a regional fire and emergency service. We have also mentioned the potential for a shared service agreement to assist Wabush to continue to manage and fund the Mike Adam Recreation Complex.

## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Feasibility Assessment  
September 18, 2017

Table 5-5 Assets and Liabilities, Town of Labrador City and Town of Wabush, 2016

	Labrador City		Wabush		Labrador West	Shares (Labrador City/Wabush)
	Assets & Liabilities	Per capita	Assets & Liabilities	Per capita		
<b>Financial Assets</b>						
Cash and temporary investments	\$4,270,271	\$591.45	\$4,766,247	\$2,500.65	\$9,036,518	47.3%/52.7%
Accounts receivable	\$2,623,638	\$363.38	\$931,492	\$488.72	\$3,555,130	73.8%/26.2%
Investment	\$6,256,755	\$866.59	\$4,054,058	\$2,127.00	\$10,310,813	60.7%/39.3%
Labrador West Athletic Scholarship Trust Fund	\$0	\$0.00	\$55,779	\$29.26	\$55,779	0.0%/100.0%
Due from the Province	\$705,891	\$97.77	\$157,932	\$82.86	\$863,823	81.7%/18.3%
Due from Government of Canada	\$1,628,374	\$225.54	\$0	\$0.00	\$1,628,374	100.0%/0.0%
Real estate properties held for sale	\$36	\$0.00			\$36	100.0%/0.0%
Loans receivable from the Province	\$448,817	\$62.16	\$576,652	\$302.55	\$1,025,469	43.8%/56.2%
<b>Total Assets</b>	<b>\$15,933,782</b>	<b>\$2,206.90</b>	<b>\$10,542,160</b>	<b>\$5,531.04</b>	<b>\$26,475,942</b>	<b>60.2%/39.8%</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$1,285,302	\$178.02	\$1,634,700	\$857.66	\$2,920,002	44.0%/56.0%
Employee benefits liability	\$1,093,273	\$151.42	\$268,192	\$140.71	\$1,361,465	80.3%/19.7%
Unfunded pension liability	\$522,400	\$72.35	\$249,595	\$130.95	\$771,995	67.7%/32.3%
Deferred revenue	\$466,446	\$64.60	\$123,440	\$64.76	\$589,886	79.1%/20.9%
Labrador West Athletic Scholarship Trust Fund		\$0.00	\$55,779	\$29.26	\$55,779	0.0%/100.0%
Landfill closure and post closure liabilities	\$828,202	\$114.71	\$242,471	\$127.21	\$1,070,673	77.4%/22.6%
Landfill cell opening fund	\$876,728	\$121.43	\$305,424	\$160.24	\$1,182,152	74.2%/25.8%
Long-term debt	\$6,947,299	\$962.23	\$1,829,892	\$960.07	\$8,777,191	79.2%/20.8%
<b>Total Liabilities</b>	<b>\$12,019,650</b>	<b>\$1,664.77</b>	<b>\$4,709,493</b>	<b>\$2,470.88</b>	<b>\$16,729,143</b>	<b>71.8%/28.2%</b>
<b>Net Financial Assets (Net Debt)</b>	<b>\$3,914,132</b>	<b>\$542.12</b>	<b>\$5,832,667</b>	<b>\$3,060.16</b>	<b>\$9,746,799</b>	<b>40.2%/59.8%</b>
<b>Non-financial Assets</b>						
Tangible capital assets	\$53,019,334	\$7,343.40	\$15,526,563	\$8,146.15	\$68,545,897	77.3%/22.7%
Inventories	\$1,769,557	\$245.09	\$669,167	\$351.08	\$2,438,724	72.6%/27.4%
Prepaid expenses	\$28,818	\$3.99	\$24,124	\$12.66	\$52,942	54.4%/45.6%
Investment in artwork	\$8,000	\$1.11			\$8,000	100.0%/0.0%
<b>Total Non-financial Assets</b>	<b>\$54,825,709</b>	<b>\$7,593.59</b>	<b>\$16,219,854</b>	<b>\$8,509.89</b>	<b>\$71,045,563</b>	<b>77.2%/22.8%</b>
<b>Non-financial Liabilities</b>						
Deferred land grant	\$343,396	\$47.56			\$343,396	100.0%/0.0%
<b>Accumulated Surplus</b>	<b>\$58,396,445</b>	<b>\$8,088.15</b>	<b>\$22,052,521</b>	<b>\$11,624.95</b>	<b>\$80,448,966</b>	<b>72.6%/27.4%</b>

Source: Financial Statements, Town of Labrador City and Town of Wabush, 2016

The authors of the Fire and Emergency Services Regionalization Study inferred from the Province’s apparent lack of support for a regional service board or corporation that the Department of Municipal and Intergovernmental Affairs (now Municipal Affairs and Environment) “recommend[ed] a partnership arrangement be established between the municipalities” to deliver fire and emergency services.<sup>20</sup> As outlined in the consultant’s report, an agreement would establish a single fire and emergency department administered by one of the two towns, most likely Labrador City. To do so, equipment should be assessed and rationalized, and staff must be integrated. Service costs must be defined and proportionately allocated among the two towns, although the consultants do not specify the basis for this apportionment. They also assume the department will pursue funding to build a new station near the airport in Wabush.<sup>21</sup>

Under a shared service agreement for the Mike Adam Complex, the Town of Wabush would presumably continue to administer and maintain the facility with an agreed upon financial contribution from the Town of Labrador City. A shared service agreement for the Mike Adam Complex would stabilize its funding. It might also facilitate in kind contributions from Labrador City such as access to specialized equipment owned by the larger town and/or promotional support. A critical issue would be the determination of an appropriate level of funding from year-to-year.

Equitable cost-sharing is a critical issue for most shared service arrangements. Disaffection with financial arrangements is common, especially where there are no alternative service providers as noted in **Section 4.2** above. All parties to an agreement must necessarily have the ability to opt out if they are to be able to negotiate effectively but it is frequently difficult to establish a fair value if competition does not exist for the service provider. In the case of Labrador City and Wabush, not only is just one service provider available but there is also only one customer for each service. For both fire and emergency services, and the recreation facility, both municipalities will have limited ability to judge operational efficiency and will likely have to rely on mutual good will to sustain effective relationships. The Town of Wabush, in fact, rejected a proposal to enter into a shared service agreement for fire and emergency services because its Council did not consider the Town of Labrador City proposal to be cost effective.

The fire and emergency study provides no estimate of cost for operation of the service under a shared service agreement. A substantial cost would be associated with the construction of a new fire station but that initiative has as much to do with upgrading and optimally locating the service as with integrating two currently separate organizations. We would expect shared service agreements to achieve similar savings to amalgamation given that they should allow similar economies in deployment of staff and equipment, albeit over a narrower range of applications. The assumptions recommended by the town managers in the context of amalgamation, suggest less than \$1,000 in cost reductions.

Other shared service agreements are certainly possible. Planning and development staff with the two towns already collaborate with each other and an agreement to support some form of work sharing could be beneficial recognizing that the Director of Planning and Land Use in Wabush is primarily skilled in development control aspects of the discipline, while the Director in Labrador City has a stronger background in long-range planning and policy development. Similarly, an agreement to give Wabush

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<sup>20</sup> Fred Hollett and Richard Murphy, *op cit.*, p. 53.

<sup>21</sup> *Loc cit.*

## TOWNS OF WABUSH AND LABRADOR CITY FEASIBILITY REPORT

Feasibility Assessment

September 18, 2017

access to Labrador City's engineering capacity could help the smaller town address a variety of infrastructure challenges that it is facing. At that point, however, the only facet of municipal service delivery that would not be subject to service sharing would be finance and administration, which is a key area where we anticipate cost savings can be achieved through amalgamation.



## 6.0 SUMMARY AND RECOMMENDATION

Wabush and Labrador City have done a great deal to prepare for amalgamation. The towns have similar histories and similar economies, which incline them to similar views and municipal goals. They have already adopted a joint name, promote themselves collectively, and work together on many fronts. They have made themselves amalgamation ready but need to ensure that citizens are comfortable with the major step of joining their communities together.

### 6.1 OVERVIEW

As noted in **Section 4.3**, above, estimates of the financial impact of amalgamation have been controversial. Analysts may have placed too much stress on the economies of larger municipal units in support of amalgamation programs advanced by provincial governments in the 1990s, although we do believe they exist *potentially*. We have observed above that, whatever economies may be possible, the advantage Councils and municipal administrators will take of them depends on the specific challenges of their situation. Financially challenged municipalities have pursued savings, while others have sought to meet externally imposed requirements or previously unmet needs and wants.

The savings we have predicted from amalgamation are modest. Cost reductions are limited by the commitment of both towns to retain current municipal staff and the substantial reduction of expenditures by the Town of Wabush over the past few years as it has dealt with reduced revenue. They are, nevertheless, a benefit of amalgamation as is the creation of a single entity within which the municipal council and administrators can explore the potential for further cost savings and enhanced productivity.

Members of the public in both towns expressed concerns with the implications of amalgamation. As reported above, Labrador City residents are worried that their taxes will rise. Citizens in Wabush, on the other hand, are concerned that services will migrate from sites within their community to Labrador City and that their interests will be subsumed in those of their larger neighbour. Our calculations indicate that it should be possible to reduce taxes for Labrador City residents and businesses if operational savings predicted by municipal staff can be achieved. They also suggest that Wabush residents may be underestimating the challenges facing their municipal government. Amalgamation should protect Wabush taxpayers for tax increases or further reductions in municipal services that appear likely if the Town carries on separately. Wabush administrators have suggested that the most likely area for cost reduction is recreation, particularly the Mike Adam Recreation Complex.

Stantec interviewed the town managers and the directors of all departments in both towns. Although senior staff are concerned about their positions and the deployment of their employees, all indicated that they considered an amalgamated entity would function better than two separate towns. Like many citizens with whom we spoke at our consultation sessions, many of the staff members interviewed consider the co-existence of two abutting mining towns in western Labrador to be bizarre and no longer justifiable.

Concerns with identity and the burden of costs, nevertheless, cannot be dismissed. Amalgamation implies the cultivation of a new unified identity but it should not erase the distinguishing features of the two current towns. Each community was developed based on its own distinct plan and the established form

can be protected and reinforced through appropriate planning policy and development regulations. Experience also suggests that former municipal entities continue to be recognized in amalgamated municipalities elsewhere in Canada and there is no reason for Labrador West to discourage this.

Amalgamation should reduce overall costs based on our discussions and financial review with the town managers and directors of finance. Employees who feel their responsibility or workload has been increased and merits increased compensation may create upward pressures on costs. Citizens may also press for enhanced services if they perceive that their area is not as well served as other parts of the community. Agitation is not likely to be extreme in Labrador West, however, given that all development is fully serviced and the level of amenity is consistent across both towns.

Pressures on costs and service levels, of course, exist in the current towns. Municipal employees – like workers in other sectors of the economy – generally seek improved salaries, wages, and benefits individually and through their unions. Residents express demand for services through discussion with staff and political representatives, as well as through the ballot box at municipal elections. It is the responsibility of council and senior municipal staff to balance employee and citizen demands with the ability of their municipality to pay – an ability that is likewise strongly influenced by public tolerance for taxes and fees levied by local government.

Regardless of whether costs rise or fall in the amalgamated entity, the allocation of the resulting tax burden is usually very important to affected citizens. In our experience, residents are often highly resistant to assuming even modest costs incurred by a separate community before amalgamation. The amalgamation of Labrador City and Wabush will bring together a strong town with a larger population and stable revenue base and a neighbour that has a higher cost profile and has recently experienced a significant loss in revenue albeit through no fault of its own.

A major benefit of amalgamation will be to mitigate the consequences of the setbacks Wabush has recently experienced. Our analysis suggests that amalgamation should mitigate tax rate increases, although taxes may well increase in future as planned capital investments in both towns incur additional operating costs. If, however, a transition is considered fair to blend Wabush's currently higher rates with the lower rates applied by Labrador City, gradual blending of rates can be implemented under the provisions of Section 11.1 of the *Municipalities Act*, which allows the Province to set a time period during which municipal tax rates are to be harmonized after amalgamation. Over this period, the Council and staff of the amalgamated town should be able to establish the financial base of municipal operations and adjust expenditures such that taxes are acceptable to citizens.

Although it may appear that Labrador City is “helping out” Wabush, **Subsection 5.1.5**, above, points out that Wabush will bring more assets per capita into amalgamation than Labrador City. In particular, it has a significantly larger capital reserve that we have noted will allow the town to avoid borrowing to cover its capital requirements from 2017 to 2020. Wabush also has a much larger land area and more vacant land than Labrador City, which is bounded by mineral/mining leases that limit its ability to extend its current boundaries. Although Labrador has some room for further residential development, it has no lots left in its industrial park and few commercial lots left within the Town Limits. To accommodate any new heavy industry, Labrador City will require development of a new industrial park at a cost over \$10 million to either the Town or a private developer. Wabush, by contrast, has two large industrial parks with available

land as well as other extensive vacant lands to accommodate residential, commercial, and industrial uses as may be required.

Not only would amalgamation give both communities access to these land resources, it would also ensure a unified voice for promotion of their development. The unification of the region should also assist in securing funding from senior governments, negotiating with and serving the interests of current and prospective businesses, and purchasing and deploying goods and services.

The choices available to Wabush and Labrador City concerning their future organization are easily set out:

1. The two towns can continue as separate entities without further pursuit of cooperation or coordination.
2. They can continue to increase communication and cooperation through both informal channels and mutually advantageous service agreements.
3. They can amalgamate to bring all assets and operations into a single entity in which priorities will inherently be shared.

The decision to undertake this study suggests that the Towns of Labrador City and Wabush would prefer to advance their interaction and continue to explore service improvements and savings through collaboration. Stakeholders and members of the public consulted by Stantec expressed support for this type of integration.

While two separate towns can continue to pursue collaboration through purpose-oriented shared service agreements, we are concerned with the stability of such arrangements. With just two municipal units in the region, agreements will inevitably involve one seller and one buyer, a situation in which it is often difficult to arrive at a mutual agreement concerning the appropriate cost. We also believe that the creation of multiple agreements will simply be a complicated progression to eventual amalgamation.

Consultation in the community found a variety of views and concerns. A substantial constituency appears to support amalgamation as rational and inevitable. Others however are resistant to varying degrees. Their concerns include the elimination of employment positions in an amalgamated entity, the potential for redistribution of municipal facilities and services, and loss of community identity. The first issue, we believe, has been allayed by the commitment of both towns to retain staff in amalgamation. It is also noteworthy that Wabush has reduced staff by attrition in recent years as it has dealt with declining revenue suggesting to us that amalgamation presents no more threat to municipal employees than continued separation. The second matter is also addressed by assumptions of our foregoing analysis as neither town anticipates closing any current municipal structures as a result of amalgamation. Proposed new municipal facilities such as a fire station near Airport and the Lifestyle Centre in Labrador City have been under discussion for several years separate from any amalgamation initiative. The third concern, as we have addressed above, is not borne out by experience in other amalgamated communities where past municipalities are still well-recognized as important geographic entities.

Amalgamation can provide moderate cost savings. It can also provide a framework for pursuing additional cost savings and service improvements. Amalgamated communities in Atlantic Canada such as Halifax, Charlottetown, Summerside, and St. John's are among the leaders in the region in municipal innovation. Others facing more challenging circumstances such as Miramichi and Cape Breton have found in amalgamation a stronger structure that has assisted their survival.

Wabush and Labrador City share characteristics with both groups. The region has a strong employment base offering good incomes to residents, notwithstanding the volatility of the iron ore industry. Amalgamation into Labrador West will create an enlarged town organization more able to deal with fluctuations in the mining industry that have recently challenged the region. For the future, a more resilient municipal government, will be more able to pursue and coordinate further development of the region's primary industry and the ongoing diversification of its economy.

## 6.2 RECOMMENDATION

**Based on the foregoing, it is recommended that the Towns of Wabush and Labrador City amalgamate to become the Town of Labrador West.**



## **Appendix A MUNICIPAL FINANCIAL DATA, 2011-2016**

Table A-1 Revenues and Expenditures, Town of Labrador City and Town of Wabush, 2011-2016

	2016	2015	2014	2013	2012	2011	Average
<b>Town of Labrador City</b>							
<b>Revenue</b>							
Taxation	\$8,902,295	\$9,023,248	\$8,201,674	\$8,196,551	\$6,399,182	\$5,857,526	\$7,535,636
Grants in Lieu of taxes	\$6,838,793	\$7,957,788	\$6,682,525	\$6,315,948	\$5,552,667	\$4,818,974	\$6,265,580
Sale of goods & services	\$379,423	\$333,203	\$479,569	\$463,945	\$628,714	\$554,787	\$492,044
Government grants & transfers	\$3,985,205	\$3,787,672	\$2,977,335	\$3,245,479	\$6,781,259	\$4,157,532	\$4,189,855
Investment income	\$66,846	\$56,788	\$71,955	\$69,904	\$83,893	\$48,302	\$66,168
Other revenue	\$2,839,197	\$1,385,410	\$1,660,391	\$6,319,256	\$1,111,713	\$1,141,669	\$2,323,688
<b>TOTAL</b>	<b>\$23,011,759</b>	<b>\$22,544,109</b>	<b>\$20,073,449</b>	<b>\$24,611,083</b>	<b>\$20,557,428</b>	<b>\$16,578,790</b>	<b>\$20,872,972</b>
<b>Expenses</b>							
General government	\$3,298,219	\$4,279,462	\$3,613,059	\$3,370,983	\$3,338,684	\$2,515,837	\$3,423,605
Protective services	\$1,589,719	\$1,622,277	\$1,617,203	\$1,581,125	\$1,473,984	\$1,078,808	\$1,474,679
Transportation services	\$5,509,342	\$5,477,971	\$4,839,038	\$4,156,137	\$4,177,778	\$3,384,975	\$4,407,180
Environmental health services	\$3,480,946	\$3,463,496	\$3,305,858	\$3,148,481	\$3,156,404	\$3,578,645	\$3,330,577
Regional planning & development	\$756,993	\$606,515	\$572,430	\$462,172	\$309,410	\$412,873	\$472,680
Recreation & cultural services	\$2,096,763	\$2,003,014	\$1,925,029	\$1,906,005	\$1,743,952	\$1,532,608	\$1,822,122
Fiscal services	\$99,514	\$378,198	\$432,478	\$348,801	\$294,716	\$273,561	\$345,551
<b>TOTAL</b>	<b>\$16,831,496</b>	<b>\$17,830,933</b>	<b>\$16,305,095</b>	<b>\$14,973,704</b>	<b>\$14,494,928</b>	<b>\$12,777,307</b>	<b>\$15,276,393</b>
Annual Surplus	\$6,180,263	\$4,713,176	\$3,768,354	\$9,637,379	\$6,062,500	\$3,801,483	\$5,596,578
<b>Town of Wabush</b>							
<b>Revenue</b>							
Taxation	\$4,294,480	\$4,226,071	\$3,840,798	\$3,729,800	\$2,505,480	\$2,353,231	\$3,331,076
Grants in Lieu of taxes	\$1,349,324	\$67,682	\$2,488,992	\$2,425,112	\$2,344,544	\$2,263,012	\$1,917,868
Sale of goods & services	\$777,306	\$414,747	\$510,319	\$476,744	\$539,610	\$512,580	\$490,800
Government grants & transfers	\$1,051,751	\$3,903,458	\$1,687,771	\$1,832,464	\$2,635,434	\$698,989	\$2,151,623
Investment income	\$24,451	\$22,575	\$29,400	\$35,902	\$32,487	\$13,788	\$26,830
Other revenue	\$17,764	\$10,935	-\$38,006	\$437,047	\$818,835	\$478,349	\$341,432
<b>TOTAL</b>	<b>\$7,515,076</b>	<b>\$8,645,468</b>	<b>\$8,519,274</b>	<b>\$8,937,069</b>	<b>\$8,876,390</b>	<b>\$6,319,949</b>	<b>\$8,259,630</b>
<b>Expenses</b>							
General government	\$1,005,698	\$994,313	\$1,136,286	\$1,140,910	\$1,125,255	\$1,049,544	\$1,089,262
Protective services	\$267,281	\$375,718	\$439,221	\$424,077	\$267,229	\$210,468	\$343,343
Transportation services	\$1,582,637	\$1,149,882	\$1,472,518	\$1,253,161	\$1,117,132	\$849,705	\$1,168,480
Environmental health services	\$819,274	\$1,035,934	\$1,871,298	\$1,038,124	\$1,255,098	\$1,070,009	\$1,254,093
Regional planning & development	\$226,137	\$181,847	\$372,947	\$388,703	\$105,686	\$94,528	\$228,742
Recreation & cultural services	\$1,511,388	\$1,523,345	\$1,393,846	\$1,514,343	\$1,571,057	\$1,164,694	\$1,433,457
Fiscal services	\$100,837	\$151,418	\$127,433	\$139,623	\$184,276	\$238,586	\$168,267
<b>TOTAL</b>	<b>\$5,513,251</b>	<b>\$5,412,457</b>	<b>\$6,813,549</b>	<b>\$5,898,941</b>	<b>\$5,625,733</b>	<b>\$4,677,534</b>	<b>\$5,685,643</b>
Annual Surplus	\$2,001,825	\$3,233,011	\$1,705,725	\$3,038,128	\$3,250,657	\$1,642,415	\$2,573,987

Source: Financial Statements, Town of Labrador City and Town of Wabush, 2011-2016

Table A-2 Revenues and Expenditures per Capita, Town of Labrador City and Town of Wabush, 2011-2016

	2016	2015	2014	2013	2012	2011	Average
<b>Town of Labrador City</b>							
<b>Revenue</b>							
Taxation	\$1,233.00	\$1,244.41	\$1,126.60	\$1,121.43	\$872.06	\$795.10	\$1,031.92
Grants in Lieu of taxes	\$947.20	\$1,097.47	\$917.93	\$864.13	\$756.70	\$654.13	\$858.07
Sale of goods & services	\$52.55	\$45.95	\$65.87	\$63.48	\$85.68	\$75.31	\$67.26
Government grants & transfers	\$551.97	\$522.37	\$408.97	\$444.04	\$924.13	\$564.35	\$572.77
Investment income	\$9.26	\$7.83	\$9.88	\$9.56	\$11.43	\$6.56	\$9.05
Other revenue	\$393.24	\$191.06	\$228.08	\$864.59	\$151.50	\$154.97	\$318.04
<b>TOTAL</b>	<b>\$3,187.22</b>	<b>\$3,109.10</b>	<b>\$2,757.34</b>	<b>\$3,367.23</b>	<b>\$2,801.50</b>	<b>\$2,250.41</b>	<b>\$2,857.12</b>
<b>Expenses</b>							
General government	\$456.82	\$590.19	\$496.30	\$461.21	\$454.99	\$341.50	\$468.84
Protective services	\$220.18	\$223.73	\$222.14	\$216.33	\$200.87	\$146.44	\$201.90
Transportation services	\$763.07	\$755.48	\$664.70	\$568.63	\$569.33	\$459.48	\$603.53
Environmental health services	\$482.13	\$477.66	\$454.10	\$430.77	\$430.14	\$485.77	\$455.69
Regional planning & development	\$104.85	\$83.65	\$78.63	\$63.23	\$42.17	\$56.04	\$64.74
Recreation & cultural services	\$290.41	\$276.24	\$264.43	\$260.78	\$237.66	\$208.04	\$249.43
Fiscal services	\$13.78	\$52.16	\$59.41	\$47.72	\$40.16	\$37.13	\$47.32
<b>TOTAL</b>	<b>\$2,331.23</b>	<b>\$2,459.10</b>	<b>\$2,239.71</b>	<b>\$2,048.67</b>	<b>\$1,975.32</b>	<b>\$1,734.40</b>	<b>\$2,091.44</b>
Annual Surplus	\$855.99	\$650.00	\$517.63	\$1,318.56	\$826.18	\$516.02	\$765.68
<b>Town of Wabush</b>							
<b>Revenue</b>							
Taxation	\$2,253.14	\$2,227.77	\$2,034.32	\$1,984.99	\$1,339.83	\$1,264.50	\$1,770.28
Grants in Lieu of taxes	\$707.94	\$35.68	\$1,318.32	\$1,290.64	\$1,253.77	\$1,216.02	\$1,022.89
Sale of goods & services	\$407.82	\$218.63	\$270.30	\$253.72	\$288.56	\$275.43	\$261.33
Government grants & transfers	\$551.81	\$2,057.70	\$893.95	\$975.23	\$1,409.32	\$375.60	\$1,142.36
Investment income	\$12.83	\$11.90	\$15.57	\$19.11	\$17.37	\$7.41	\$14.27
Other revenue	\$9.32	\$5.76	-\$20.13	\$232.60	\$437.88	\$257.04	\$182.63
<b>TOTAL</b>	<b>\$3,942.85</b>	<b>\$4,557.44</b>	<b>\$4,512.33</b>	<b>\$4,756.29</b>	<b>\$4,746.73</b>	<b>\$3,396.00</b>	<b>\$4,393.76</b>
<b>Expenses</b>							
General government	\$527.65	\$524.15	\$601.85	\$607.19	\$601.74	\$563.97	\$579.78
Protective services	\$140.23	\$198.06	\$232.64	\$225.69	\$142.90	\$113.09	\$182.48
Transportation services	\$830.34	\$606.16	\$779.94	\$666.93	\$597.40	\$456.59	\$621.40
Environmental health services	\$429.84	\$546.09	\$991.15	\$552.49	\$671.18	\$574.96	\$667.17
Regional planning & development	\$118.65	\$95.86	\$197.54	\$206.87	\$56.52	\$50.79	\$121.51
Recreation & cultural services	\$792.96	\$803.03	\$738.27	\$805.93	\$840.14	\$625.84	\$762.64
Fiscal services	\$52.90	\$79.82	\$67.50	\$74.31	\$98.54	\$128.20	\$89.67
<b>TOTAL</b>	<b>\$2,892.58</b>	<b>\$2,853.17</b>	<b>\$3,608.87</b>	<b>\$3,139.40</b>	<b>\$3,008.41</b>	<b>\$2,513.45</b>	<b>\$3,024.66</b>
Annual Surplus	\$1,050.28	\$1,704.28	\$903.46	\$1,616.89	\$1,738.32	\$882.54	\$1,369.10

Source: Financial Statements, Town of Labrador City and Town of Wabush, 2011-2016



Table A-3 Revenues and Expenditures by Percentage of Total Revenues and Expenditures,  
Town of Labrador City and Town of Wabush, 2011-2016

	2016	2015	2014	2013	2012	2011	Average
<b>Town of Labrador City</b>							
<b>Revenue</b>							
Taxation	38.7%	40.0%	40.9%	33.3%	31.1%	35.3%	36.1%
Grants in Lieu of taxes	29.7%	35.3%	33.3%	25.7%	27.0%	29.1%	30.0%
Sale of goods & services	1.6%	1.5%	2.4%	1.9%	3.1%	3.3%	2.4%
Government grants & transfers	17.3%	16.8%	14.8%	13.2%	33.0%	25.1%	20.1%
Investment income	0.3%	0.3%	0.4%	0.3%	0.4%	0.3%	0.3%
Other revenue	12.3%	6.1%	8.3%	25.7%	5.4%	6.9%	11.1%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Expenses</b>							
General government	19.6%	24.0%	22.2%	22.5%	23.0%	19.7%	22.4%
Protective services	9.4%	9.1%	9.9%	10.6%	10.2%	8.4%	9.7%
Transportation services	32.7%	30.7%	29.7%	27.8%	28.8%	26.5%	28.8%
Environmental health services	20.7%	19.4%	20.3%	21.0%	21.8%	28.0%	21.8%
Regional planning & development	4.5%	3.4%	3.5%	3.1%	2.1%	3.2%	3.1%
Recreation & cultural services	12.5%	11.2%	11.8%	12.7%	12.0%	12.0%	11.9%
Fiscal services	0.6%	2.1%	2.7%	2.3%	2.0%	2.1%	2.3%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Town of Wabush</b>							
<b>Revenue</b>							
Taxation	57.1%	48.9%	45.1%	41.7%	28.2%	37.2%	40.3%
Grants in Lieu of taxes	18.0%	0.8%	29.2%	27.1%	26.4%	35.8%	23.2%
Sale of goods & services	10.3%	4.8%	6.0%	5.3%	6.1%	8.1%	5.9%
Government grants & transfers	14.0%	45.2%	19.8%	20.5%	29.7%	11.1%	26.0%
Investment income	0.3%	0.3%	0.3%	0.4%	0.4%	0.2%	0.3%
Other revenue	0.2%	0.1%	-0.4%	4.9%	9.2%	7.6%	4.1%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Expenses</b>							
General government	18.2%	18.4%	16.7%	19.3%	20.0%	22.4%	19.2%
Protective services	4.8%	6.9%	6.4%	7.2%	4.8%	4.5%	6.0%
Transportation services	28.7%	21.2%	21.6%	21.2%	19.9%	18.2%	20.6%
Environmental health services	14.9%	19.1%	27.5%	17.6%	22.3%	22.9%	22.1%
Regional planning & development	4.1%	3.4%	5.5%	6.6%	1.9%	2.0%	4.0%
Recreation & cultural services	27.4%	28.1%	20.5%	25.7%	27.9%	24.9%	25.2%
Fiscal services	1.8%	2.8%	1.9%	2.4%	3.3%	5.1%	3.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Financial Statements, Town of Labrador City and Town of Wabush, 2011-2016

## **Appendix B LONG-TERM CAPITAL PLANS, 2017-**

Table B-1 Long-term Capital Plan, Town of Wabush, 2017-

Description	Total Project Cost	HST Rebate	Net Cost		Provincial Portion	Municipal Portion	Annual Debt Repayment	Interest (Current Rate)	Term (In Years)	Start
<b>2017 - 2020 MYC Approved Projects</b>										
Street Reconstruction	\$4,147,729	\$154,584	\$3,993,144	50%	\$2,006,857	\$1,986,287	\$209,418	2.8%	10	2018
<b>2017 - 2020 MYC Submitted Application - Approval Pending</b>										
Waste Water Treatment Plant	\$14,000,000	\$521,774	\$13,478,226	90%	\$12,130,403	\$1,347,823	\$106,385	2.8%	15	
<b>Projects Anticipated in 3 to 5 Years</b>										
Dunfield Extension Upgrade <sup>1</sup>	\$1,000,000	\$37,270	\$962,730	50%	\$481,365	\$481,365	\$56,977	3.0%	10	
Snows Drive Retaining Wall <sup>2</sup>	\$1,000,000	\$37,270	\$962,730		-	\$962,730				
First Avenue Upgrade	\$1,200,000	\$44,723	\$1,155,277	50%	\$577,638	\$577,638	\$67,133	3.0%	10	
<b>Wish List<sup>3</sup></b>										
Freshwater Pump House Upgrade		-	-		-	-				
Commercial Street Secondary Treatment		-	-		-	-				

Source Town of Wabush

<sup>1</sup> Likely 100% cost to Town of Wabush unless special funding becomes available

<sup>2</sup> To be wholly financed out of existing reserves by the Town of Wabush.

<sup>3</sup> Due to lack of in-house engineering, these projects have not been costed.

Table B-2 Long-term Capital Plan, Town of Labrador City, 2017-

Description	Total Project Cost	HST Rebate	Net Cost		Provincial Portion	Municipal Portion	Annual Debt Repayment	Interest (Current Rate)	Term (In Years)	Start
<b>2017 - 2020 MYC Approved Projects</b>										
Street Reconstruction	\$4,447,985	\$165,774	\$4,282,211		\$2,006,857	\$2,275,354	\$147,894	2.7%	20	2018
<b>2017 - 2020 MYC Submitted Application - Approval Pending</b>										
Drake Wastewater Treatment Plant - Process Upgrade	\$2,629,148	\$97,987	\$2,531,161	70%	\$1,771,813	\$759,348	\$61,900	2.7%	15	2018
Drake Wastewater Treatment Plant - Belt Filter Press	\$405,039	\$15,096	\$389,943	70%	\$272,960	\$116,983	\$25,169	2.7%	5	2018
Municipal Depot Infrastructure Upgrade	\$1,794,228	\$66,870	\$1,727,358	70%	\$1,209,151	\$518,207	\$59,478	2.7%	10	2018
Lab West Lifestyle Centre	\$34,480,961	\$4,497,517	\$29,983,444	60%	\$17,990,067	\$11,993,378	\$662,836	2.7%	25	
<b>Projects Anticipated in 3 to 5 Years</b>										
Ladder Truck Replacement	\$1,380,000	\$51,432	\$1,328,568	60%	\$797,141	\$531,427	\$60,996	2.7%	10	
Landfill Erosion Control & 2nd Set of Scales	\$763,778	\$28,466	\$735,312	50%	\$367,656	\$367,656	\$42,198	2.7%	10	
<b>Wish List</b>										
Sanitary Sewer Development - 27 ha Business Park	\$5,825,918	\$217,129	\$5,608,789	70%	\$3,926,152	\$1,682,637	\$109,436	2.7%	20	
Industrial Park Roads Upgrade	\$2,996,248	\$111,669	\$2,884,579	50%	\$1,442,290	\$1,442,290	\$93,804	2.7%	20	
Regional Trail Network (connect Labrador City/Wabush)	\$1,130,000	\$42,115	\$1,087,885	60%	\$652,731	\$435,154	\$49,946	2.7%	10	
Landfill - 2nd Cell Development	\$3,164,000	\$117,921	\$3,046,079	50%	\$1,523,040	\$1,523,040	\$99,056	2.7%	20	

Source: Town of Labrador City



## **Appendix C MUNICIPAL BUDGET COMPARISON, 2017**



## Municipal Budget Submission Form For the Calendar Year 2017

The estimates reported in this submission were approved by the Council of the Municipality of

***Town of Wabush***

*Name of Municipality*

at a meeting held on 31st day of January 2017

*Day Month Year*

\_\_\_\_\_  
*Signature of Mayor*

\_\_\_\_\_  
*Signature of Clerk/Manager*

### TABLE OF CONTENTS

Debt Charges Summary-----	Page 2
Expenditures-----	Page 3
Revenues-----	Page 7
Debt Servicing Ratio-----	Page 12
Summary of the Municipal Budget Submission Form-----	Page 13



## Town of Wabush *Debt Charges Summary*

Loan Number	Name of Creditor	Purpose (Water, Roads; etc.)	Original Principal	Maturity Date (dd-month-yyyy)	Council Annual Payment	Provincial Annual Payment
2956454	NMFC	Rec Roof	\$77,216.00	31-Mar-2018		\$8,266
2956452	NMFC	Water/Sewer	\$39,321.46	31-Mar-2018		\$4,209
6004-388	BMO	2003 ROADS	\$670,807.00	30-Jun-2018		\$65,129
	RBC	2013 Silverado Pickup	\$34,997.68	31-Jul-2018	\$6,996	
6005-196	BMO	2008 Grader	\$253,692.00	31-Dec-2018	\$33,692	
6017-238	BMO	2005 ROADS	\$255,380.00	31-Dec-2020		\$24,877
6999-434	BMO	2013 Vaccum Truck	\$392,000.00	28-Feb-2021	\$66,464	
6004-871	BMO	2007-MYCW Roads	\$395,718.00	30-Sep-2022		\$36,628
6004-302	BMO	2002 ROADS	\$328,175.00			\$16,463
6004-732	BMO	2006 MYCW	\$450,000.00			\$44,155
6004-361	BMO	2003 ROADS	\$670,847.00		\$66,759	
6999-549	BMO	2013 Roads	\$1,106,000.00		\$133,680	
TBD	TBD	2018 Roads				
TBD	TBD	2018 Dunfield Street				
TBD	TBD	2018 WWTP				
<b>Totals</b>					<b>\$307,591</b>	<b>\$199,727</b>

**BEFORE CONTINUING:**



1. Transcribe BOTH the above totals for Council Annual Payment and Provincial Annual Payment to the appropriate boxes in section "7.1 Debt Charges From All Sources" of "7.0 FISCAL SERVICES" on Page 6.
2. Transcribe the above total of "Provincial Annual Payment" to sub-section 4.1.2 "Provincial Portion of Debt Charges" found in the section "4.1 Provincial Government Grants and Subsidies" on Page 11.



# Expenditures

<b>1.0 GENERAL GOVERNMENT</b>
-------------------------------

**1.1 Council**

1.1.1. Remuneration for Councillors -----	\$34,000	
1.1.2. Travel -----	\$13,330	
<b>Total 1.1 Council -----</b>		<b>\$47,330</b>

**1.2 General Administration**

1.2.1. Salaries -----	\$326,714	
1.2.2. Employee Benefits -----	\$77,643	
1.2.3. Payroll Burden -----	\$19,031	
1.2.4. Travel -----	\$0	
1.2.5. Supplies -----	\$18,000	
1.2.6. Purchased Services (other than Insurance) -----	\$69,450	
1.2.7. Professional Services -----	\$82,000	
1.2.8. Insurance -----	\$173,453	
<b>Total 1.2 General Administration -----</b>		<b>\$766,291</b>

<b>1.3 Municipal Elections &amp; By-elections -----</b>		<b>\$3,500</b>
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<b>1.4 Property Assessment Services -----</b>		<b>\$36,344</b>
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**1.5 Common Services**

1.5.1 Engineering Services -----	\$0	
1.5.2 General Maintenance -----	\$164,690	
1.5.3 Professional Development and Training -----	\$23,000	
1.5.4 Public Relations -----	\$27,000	
<b>Total 1.5 Common Services -----</b>		<b>\$214,690</b>

<b>TOTAL 1.0 GENERAL GOVERNMENT -----</b>		<b>\$1,068,155</b>
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**2.0 PROTECTIVE SERVICES**

<b>2.1 Fire Protection</b> .....	\$43,700
<b>2.2 Emergency Preparedness and Response</b> .....	\$0
<b>2.3 Animal and Pest Control</b> .....	\$79,500
<b>2.4 Municipal Enforcement</b> .....	\$111,011
<b>2.5 Other Protective Services and Inspections</b> .....	\$0
<b>TOTAL 2.0 PROTECTIVE SERVICES</b> .....	<b>\$234,211</b>

**3.0 TRANSPORTATION SERVICES**

<b>3.1 Vehicle and Fleet Maintenance</b> .....	\$138,920
<b>3.2 Road Transport</b>	
3.2.1 Streets, Roads, Sidewalks, etc. ....	\$435,827
3.2.2 Snow Removal .....	\$458,152
3.2.3 Street Lighting .....	\$48,500
3.2.4 Traffic Services .....	
<b>Total 3.2 Road Transport</b> .....	<b>\$942,479</b>
<b>3.3 Public Transit</b> .....	\$0
<b>3.4 Other Transportation Services</b> .....	\$0
<b>TOTAL 3.0 TRANSPORTATION SERVICES</b> .....	<b>\$1,081,399</b>

**4.0 ENVIRONMENTAL HEALTH**

<b>4.1 Water Supply</b> .....	\$255,434
<b>4.2 Sewage Collection and Disposal</b> .....	\$101,885
<b>4.3 Garbage and Waste Collection and Disposal</b> .....	\$320,000
<b>4.4 Other Environmental Health Services</b> .....	\$0
<b>TOTAL 4.0 ENVIRONMENTAL HEALTH</b> .....	<b>\$677,319</b>

**5.0 PLANNING AND DEVELOPMENT**

<b>5.1 Planning and Zoning</b> -----	\$185,798
<b>5.2 Community Improvement and Development</b> -----	\$16,500
<b>5.3 Regional Development</b> -----	\$0
<b>5.4 Tourism and Marketing</b> -----	\$6,000
<b>5.5 Other Planning and Development</b> -----	\$0
<b>TOTAL 5.0 PLANNING AND DEVELOPMENT</b> -----	<b>\$208,298</b>

**6.0 RECREATION AND CULTURAL SERVICES**

<b>6.1 Recreation Administration</b> -----	\$196,970
<b>6.2 Recreation Facilities</b>	
6.2.1 Recreation and Community Centres -----	\$395,221
6.2.2 Parks, Playgrounds etc. -----	\$12,500
6.2.3 Stadium -----	\$200,353
6.2.4 Swimming Pool -----	\$281,508
<b>Total 6.2 Recreation Facilities</b> -----	<b>\$889,582</b>
<b>6.3 Cultural Facilities</b> -----	\$5,600
<b>6.4 Recreation and Cultural Programs, Activities etc.</b> -----	\$39,000
<b>6.5 Other Recreation and Cultural Services</b> -----	\$31,108
<b>TOTAL 6.0 RECREATIONAL AND CULTURAL SERVICES</b> -----	<b>\$1,162,260</b>

**7.0 FISCAL SERVICES**

**7.1 Debt Charges From All Sources (from page 2)**

7.1.1 Municipal Annual Payment -----	\$307,591	(See page 2)
7.1.2 Provincial Annual Payment -----	\$199,727	(See page 2)
<b>Total 7.1 Debt Charges From All Sources -----</b>		<b>\$507,318</b>

**7.2 Transfers to Authorized Reserves and other Funds**

7.2.1 Provision for Uncollectible Taxes, Fees & Charges -----	\$30,940
7.2.2 Operating Deficit of Prior Year -----	\$0
7.2.3 Accumulated Deficit Reduction Plan -----	\$0
7.2.4 Discounts, Losses, Allowances -----	\$0
7.2.5 Capital Expenditure Out of Revenue:	
7.2.5.1 Federal Gas Tax -----	\$85,655.00
7.2.5.2 All Other (please provide list) -----	\$817,324.00
<b>Total 7.2.5 Capital Expenditure Out of Revenue -----</b>	<b>\$902,979</b>

**7.2.6 Authorized Transfers to Reserves & Other Funds:**

7.2.6.1 Federal Gas Tax -----	\$0.00
7.2.6.2 All Other (please provide list) -----	\$0.00
<b>Total 7.2.6 Authorized Transfers to Reserves &amp; Other Funds -----</b>	<b>\$0</b>

**Total 7.2 Transfers to Authorized Reserves and Other Funds -----** **\$933,919**

**7.3 Bank Charges & Other Fiscal Services -----** **\$114,691**

**TOTAL 7.0 FISCAL SERVICES -----** **\$1,555,928**

<b>TOTAL EXPENDITURES</b>	<b>\$5,987,570.00</b>
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# Revenues

## 1.0 TAXES AND RELATED REVENUES

### 1.1 Property Tax Information

1.1.1 Residential Property Info.	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.1.1. Mil Rate Method	\$226,122,449	872	4.90	\$1,108,000
1.1.1.2. Minimum Tax Method	\$900,100	30	\$200	\$6,000
1.1.1.3. Residential Grants in Lieu				
1.1.1.4. Residential Exempt				

**Total Residential Property Info** ----- \$227,022,549 902 \$1,114,000

1.1.2 Commercial/Non-Residential	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.2.1. Mil Rate Method	\$59,550,947	87	19.00	\$1,131,468
1.1.2.2. Minimum Tax Method	\$60,900	6	\$300	\$1,800
1.1.2.3. Minimum Tax Method				
1.1.2.4. Non-Residential Grants				
1.1.2.5. Tax Agreements				
1.1.2.6. Non-Residential Exempt	\$20,791,700	15		

**Total Commercial/Non-Residential** ----- \$80,403,547 108 \$1,133,268

1.1.3 Vacant Land	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.3.1. Minimum Rate Method	\$0	0		\$0

**Total Vacant Land** ----- \$0 0 \$0

**Total 1.1 Property Tax Information**----- \$307,426,096 87 \$2,247,268

**1.2 Water and Sewage Tax Information**

<b>1.2.1 Residential Water and Sewage</b>	<b># Household Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.1.1. # of Households (Not Connected)			
1.2.1.2. Water and Sewage Tax	808	\$300	\$242,250
1.2.1.3. Water Tax Only (if Separate Tax)			
1.2.1.4. Sewage Tax Only (if Separate Tax)			
1.2.1.5. Other Residential W/S Tax			

**Total Number of Household Units** -----

**Total 1.2.1 Residential W/S Tax** -----

<b>1.2.2 Commercial/Non-Residential Water and Sewage</b>	<b># Comm. / Non-Res. Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.2.1. # of Commercial/Non-Residential Units			
1.2.2.2. Water and Sewage Tax	89	\$750	\$66,938
1.2.2.3. Water Tax Only (if Separate Tax)			
1.2.2.4. Sewage Tax Only (if Separate Tax)			
1.2.2.5. Other Commercial/Non-Residential			
1.2.2.6. Industrial & Institutional W/S			

**Total # of Comm./Non-residential Units** -----

**Total 1.2.2 Commercial/Non-Residential Water and Sewage Tax** -----

**Total 1.2 Water and Sewage Tax** -----

**BOX B**



**1.3 Other Tax Information**

<b>1.3 Other Taxes</b>	<b># Assessed the Tax</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.3.1. Poll Tax			
1.3.2. Business Tax			\$900,722
1.3.3. Utility Tax			\$138,294
1.3.4. Municipal Utility (Sales) Tax			
1.3.5. Direct Seller Tax			
1.3.6. Other Authorized Taxes			

**Total 1.3 Other Taxes** ----- \$1,039,016

**BOX C**

**Grand Total 1.0 Taxes and Related Revenue** ----- \$3,595,472

*(Total of Boxes A, B and C)*

**2.0 SALES OF GOODS AND SERVICES**

2.1 Garbage Collection Fees	\$0
2.2 Recreation and Cultural Services	\$710,100
2.3 Transportation Services	\$0
2.4 Fire Protection Service Fees	\$0
2.5 Animal and Pest Control Fees	\$850
2.6 Tipping Fees	\$0
2.7 Water Supply	\$0
2.8 Other Sales of Goods and Services	\$21,650
<b>TOTAL 2.0 SALES OF GOODS AND SERVICES</b>	<b>\$732,600</b>

**3.0 OTHER REVENUE FROM OWN SOURCES**

3.1 Assessments, Levies, Fees and Charges	
3.2 Rental Income	
3.3 Interest from Investments	\$26,000
3.4 Interest Collected on Overdue Accounts	\$30,000
3.5 Other Revenue From Own Sources	\$30,000
<b>TOTAL 3.0 OTHER REVENUE FROM OWN SOURCES</b>	<b>\$86,000</b>

**4.0 GOVERNMENT TRANSFERS**

**4.1 Provincial Government Grants and Subsidies**

4.1.1. Municipal Operating Grant -----	\$234,745	
4.1.2. Provincial Portion of Debt Charges -----	\$199,727	(See page 2)
4.1.3. Provincial Gas Tax Revenue -----	\$27,115	
4.1.4. Other Provincial Grants and Subsidies (Please attach list)-----	\$636,000	
<b>Total 4.1 Provincial Government Grants and Subsidies -----</b>		<b>\$1,097,587</b>

**4.2 Federal Government Grants and Subsidies**

4.2.1. Federal Gas Tax -----	\$85,655	
4.2.2. Other Federal Grants and Subsidies -----	\$82,665	
<b>Total 4.2 Federal Government Grants and Subsidies-----</b>		<b>\$168,320</b>

**TOTAL 4.0 GOVERNMENT TRANSFERS -----** **\$1,265,907**

**5.0 OTHER TRANSFERS**

5.1. Operating Surplus of Prior Year -----	\$307,591	
5.2. Transfers from Authorized Reserves -----	\$0	
<b>TOTAL 5.0 OTHER TRANSFERS -----</b>		<b>\$307,591</b>

**TOTAL REVENUE** **\$5,987,570.00**

## Please Calculate the Debt Servicing Ratio (DSR):

### Debt Servicing Ratio (DSR)

#### Step 1: Fill in the following information

<b>Municipal Annual Debt Payment (7.1.1 - Page 6)</b> .....		\$0
Local Revenue 1 Total Taxes and Related Revenue (Page 9).....	\$3,595,472	
Local Revenue 2 Total Sales of Goods and Services (Page 10).....	\$732,600	
Local Revenue 3 Total Other Revenue from Own Sources (Page 10).....	\$86,000	
<b>Total Local Revenue</b> .....		<b>\$4,414,072</b>
<b>Municipal Operating Grant (MOG) (4.1.1. Page 11)</b> .....		<b>\$234,745</b>
<b>Provincial Gas Tax Revenue (4.1.3. Page 11)</b> .....		<b>\$27,115</b>
<b>Debt Servicing Ratio</b> .....		<b>\$4,675,932</b>

#### Step 2: DSR Calculation

$$\frac{\$307,591.00}{\text{Municipal Debt}} = \frac{\$4,414,072.00}{\left( \frac{\text{Local Revenue}}{\text{Local Revenue}} + \frac{\$234,745.00}{\text{MOG}} + \frac{\$27,115}{\text{Provincial Gas Tax Revenue}} \right)} = \mathbf{6.6\%}$$

**DSR (%)**

## *Summary of The Municipal Budget Submission Form*

<b>Name of Municipality</b>	<b>Town of Wabush</b>	<b>Budget Year</b>	<b>2017</b>
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From The Municipal Budget Submission Form, the totals of the seven expenditure functions, the total expenditures, the totals of the five main revenue sources and the total revenues are found in the appropriate boxes below.

### *Expenditures*

<b>1.0 General Government</b> .....	\$1,068,155	
<b>2.0 Protective Services</b> .....	\$234,211	
<b>3.0 Transportation Services</b> .....	\$1,081,399	
<b>4.0 Environmental Health</b> .....	\$677,319	
<b>5.0 Planning and Development</b> .....	\$208,298	
<b>6.0 Recreation and Cultural Services</b> .....	\$1,162,260	
<b>7.0 Fiscal Services</b> .....	\$1,555,928	
<b>Total Expenditures</b> .....		\$5,987,570

### *Revenues*

<b>1.0 Taxes</b> .....	\$3,595,472	
<b>2.0 Sales of Goods and Services</b> .....	\$732,600	
<b>3.0 Other Revenue From Own Sources</b> .....	\$86,000	
<b>4.0 Government Transfers</b> .....	\$1,265,907	
<b>5.0 Other Transfers</b> .....	\$307,591	
<b>Total Revenues</b> .....		\$5,987,570

## Municipal Budget Submission Form For the Calendar Year 2017

The estimates reported in this submission were approved by the Council of the Municipality of

***Town of Labrador City***

*Name of Municipality*

at a meeting held on 20th day of December 2017  
*Day Month Year*

\_\_\_\_\_  
*Signature of Mayor*

\_\_\_\_\_  
*Signature of Clerk/Manager*

### **TABLE OF CONTENTS**

Debt Charges Summary-----	Page 2
Expenditures-----	Page 3
Revenues-----	Page 7
Debt Servicing Ratio-----	Page 12
Summary of the Municipal Budget Submission Form-----	Page 13

## Town of Labrador City *Debt Charges Summary*

Loan Number	Name of Creditor	Purpose (Water, Roads; etc.)	Original Principal	Maturity Date (dd-month-yyyy)	Council Annual Payment	Provincial Annual Payment
0012254	CIBC	2012 Fire Pumper Truck	\$66,521.00	31-Dec-2017	\$13,788	
4792955	CIBC	2002 MYC - Phase II	\$879,035.00	30-Sep-2018		\$73,190
8901252	CIBC	2002 MYC - Phase III	\$975,669.00	31-Dec-2018		\$88,524
8901457	CIBC	2002-5 MYC	\$735,864.00	31-Dec-2019	\$67,298	
8903956	CIBC	2010 Arena Refrigeration	\$201,038.00	31-Dec-2020	\$22,976	
8904057	CIBC	2010 Arena Roof Replace	\$235,352.00	31-Dec-2020	\$26,862	
14052	CIBC	Hospital Site	\$65,031.00	31-Dec-2020	\$13,966	
8901856	CIBC	2005-8 MYC	\$741,280.00	2-Aug-2021	\$65,888	
0012157	CIBC	2012 Consolidated Loan	\$580,172.00	31-Dec-2021	\$67,790	
14451	CIBC	2016 Emergency Generator	\$389,124.00	31-Dec-2021	\$83,720	
14559	CIBC	2015 Airport Rd Intersection	\$388,837.00	31-Dec-2021	\$83,657	
12459	CIBC	2015 Suction/Sweeper Trk	\$288,576.00	30-Sep-2022	\$48,763	
8901155	CIBC	2009 Industrial Park Exp.	\$250,033.00	30-Dec-2023	\$22,173	
14354	CIBC	2016 Freightliner	\$251,640.00	30-Nov-2023	\$41,695	
8903654	CIBC	2009-11 MYC Phase 1-3	\$981,698.00	31-Dec-2024	\$85,302	
8903557	CIBC	2009 Hospital Water/Sewer	\$212,863.00	31-Dec-2024	\$18,846	
8903352	CIBC	2009 Parts ABC Proj 26717	\$456,923.00	31-Dec-2024	\$39,906	
12351/14257	CIBC	2012-2014 MYC (A) & (B)	\$1,406,511.00	31-Dec-2024	\$162,638	
12556	CIBC	2014-2017 MYC	\$1,817,143.00	31-Dec-2031	\$146,787	
No # yet	CIBC	2016 HLTP Shortfall	\$1,162,744.00	31-Dec-2031	\$94,785	

TBD	TBD	Drake WWTP Upgrade				
<b>Totals</b>					<b>\$1,106,840</b>	<b>\$161,714</b>

**BEFORE CONTINUING:**



1. Transcribe BOTH the above totals for Council Annual Payment and Provincial Annual Payment to the appropriate boxes in section "7.1 Debt Charges From All Sources" of "7.0 FISCAL SERVICES" on Page 6.
2. Transcribe the above total of "Provincial Annual Payment" to sub-section 4.1.2 "Provincial Portion of Debt Charges" found in the section "4.1 Provincial Government Grants and Subsidies" on Page 11.



# Expenditures

## 1.0 GENERAL GOVERNMENT

### 1.1 Council

1.1.1. Remuneration for Councillors -----	\$149,300	
1.1.2. Travel -----	\$34,410	
<b>Total 1.1 Council -----</b>		<b>\$183,710</b>

### 1.2 General Administration

1.2.1. Salaries -----	\$971,207	
1.2.2. Employee Benefits -----	\$235,290	
1.2.3. Payroll Burden -----	\$79,290	
1.2.4. Travel -----	\$19,700	
1.2.5. Supplies -----	\$82,920	
1.2.6. Purchased Services (other than Insurance) -----	\$123,000	
1.2.7. Professional Services -----	\$83,560	
1.2.8. Insurance -----	\$168,300	
<b>Total 1.2 General Administration -----</b>		<b>\$1,763,266</b>

1.3 Municipal Elections & By-elections -----		\$17,630
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1.4 Property Assessment Services -----		\$99,760
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### 1.5 Common Services

1.5.1 Engineering Services -----	\$495,932	
1.5.2 General Maintenance -----	\$777,059	
1.5.3 Professional Development and Training -----	\$191,034	
1.5.4 Public Relations -----	\$62,390	
<b>Total 1.5 Common Services -----</b>		<b>\$1,526,415</b>

<b>TOTAL 1.0 GENERAL GOVERNMENT -----</b>		<b>\$3,590,782</b>
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**2.0 PROTECTIVE SERVICES**

<b>2.1 Fire Protection</b> -----	\$940,810
<b>2.2 Emergency Preparedness and Response</b> -----	\$7,860
<b>2.3 Animal and Pest Control</b> -----	\$203,718
<b>2.4 Municipal Enforcement</b> -----	\$117,999
<b>2.5 Other Protective Services and Inspections</b> -----	\$279,664
<b>TOTAL 2.0 PROTECTIVE SERVICES</b> -----	<b>\$1,550,051</b>

**3.0 TRANSPORTATION SERVICES**

<b>3.1 Vehicle and Fleet Maintenance</b> -----	\$709,269
<b>3.2 Road Transport</b>	
3.2.1 Streets, Roads, Sidewalks, etc. -----	\$2,149,759
3.2.2 Snow Removal -----	\$1,359,566
3.2.3 Street Lighting -----	\$126,220
3.2.4 Traffic Services -----	\$40,035
<b>Total 3.2 Road Transport</b> -----	<b>\$3,675,579</b>
<b>3.3 Public Transit</b> -----	\$0
<b>3.4 Other Transportation Services</b> -----	\$0
<b>TOTAL 3.0 TRANSPORTATION SERVICES</b> -----	<b>\$4,384,848</b>

**4.0 ENVIRONMENTAL HEALTH**

<b>4.1 Water Supply</b> -----	\$198,040
<b>4.2 Sewage Collection and Disposal</b> -----	\$602,540
<b>4.3 Garbage and Waste Collection and Disposal</b> -----	\$2,189,491
<b>4.4 Other Environmental Health Services</b> -----	\$0
<b>TOTAL 4.0 ENVIRONMENTAL HEALTH</b> -----	<b>\$2,990,071</b>

**5.0 PLANNING AND DEVELOPMENT**

<b>5.1 Planning and Zoning</b> -----	\$102,840
<b>5.2 Community Improvement and Development</b> -----	\$173,305
<b>5.3 Regional Development</b> -----	\$0
<b>5.4 Tourism and Marketing</b> -----	\$563,374
<b>5.5 Other Planning and Development</b> -----	\$0
<b>TOTAL 5.0 PLANNING AND DEVELOPMENT</b> -----	<b>\$839,519</b>

**6.0 RECREATION AND CULTURAL SERVICES**

<b>6.1 Recreation Administration</b> -----	\$261,851
<b>6.2 Recreation Facilities</b>	
6.2.1 Recreation and Community Centres -----	\$82,412
6.2.2 Parks, Playgrounds etc. -----	\$244,086
6.2.3 Stadium -----	\$672,291
6.2.4 Swimming Pool -----	\$300,000
<b>Total 6.2 Recreation Facilities</b> -----	<b>\$1,298,789</b>
<b>6.3 Cultural Facilities</b> -----	\$20,500
<b>6.4 Recreation and Cultural Programs, Activities etc.</b> -----	\$705,539
<b>6.5 Other Recreation and Cultural Services</b> -----	\$0
<b>TOTAL 6.0 RECREATIONAL AND CULTURAL SERVICES</b> -----	<b>\$2,286,679</b>

**7.0 FISCAL SERVICES**

**7.1 Debt Charges From All Sources (from page 2)**

7.1.1 Municipal Annual Payment -----	\$1,106,840	(See page 2)
7.1.2 Provincial Annual Payment -----	\$161,714	(See page 2)
<b>Total 7.1 Debt Charges From All Sources -----</b>	<b>\$1,268,554</b>	

**7.2 Transfers to Authorized Reserves and other Funds**

7.2.1 Provision for Uncollectible Taxes, Fees & Charges -----	\$2,000
7.2.2 Operating Deficit of Prior Year -----	\$0
7.2.3 Accumulated Deficit Reduction Plan -----	\$0
7.2.4 Discounts, Losses, Allowances -----	\$0
7.2.5 Capital Expenditure Out of Revenue:	
7.2.5.1 Federal Gas Tax -----	\$723,827.00
7.2.5.2 All Other (please provide list) -----	\$8,596,732.00
<b>Total 7.2.5 Capital Expenditure Out of Revenue -----</b>	<b>\$9,320,559</b>

**7.2.6 Authorized Transfers to Reserves & Other Funds:**

7.2.6.1 Federal Gas Tax -----	\$0.00
7.2.6.2 All Other (please provide list) -----	\$0.00
<b>Total 7.2.6 Authorized Transfers to Reserves &amp; Other Funds -----</b>	<b>\$0</b>

**Total 7.2 Transfers to Authorized Reserves and Other Funds ----- \$9,322,559**

**7.3 Bank Charges & Other Fiscal Services ----- \$6,060**

**TOTAL 7.0 FISCAL SERVICES ----- \$10,597,173**

<b>TOTAL EXPENDITURES</b>	<b>\$26,239,123.24</b>
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# Revenues

## 1.0 TAXES AND RELATED REVENUES

### 1.1 Property Tax Information

1.1.1 Residential Property Info.	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.1.1. Mil Rate Method	\$879,676,940	2,810	4.25	\$3,738,627
1.1.1.2. Minimum Tax Method				
1.1.1.3. Residential Grants in Lieu	\$12,342,825	23		\$52,457
1.1.1.4. Residential Exempt				

**Total Residential Property Info** ----- \$892,019,765 2,833 \$3,791,084

1.1.2 Commercial/Non-Residential	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.2.1. Mil Rate Method	\$106,884,410	133	15.65	\$1,672,741
1.1.2.2. Minimum Tax Method				
1.1.2.3. Minimum Tax Method				
1.1.2.4. Non-Residential Grants	\$35,272	1		\$552
1.1.2.5. Tax Agreements	\$0	1		\$8,037,032
1.1.2.6. Non-Residential Exempt	\$50,823,000	77		

**Total Commercial/Non-Residential** ----- \$157,742,682 212 \$9,710,325

1.1.3 Vacant Land	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.3.1. Minimum Rate Method	\$7,199,000	95		\$125,895

**Total Vacant Land** ----- \$867,900 95 \$125,895

**Total 1.1 Property Tax Information**----- \$1,050,630,347 228 \$13,627,304

**1.2 Water and Sewage Tax Information**

<b>1.2.1 Residential Water and Sewage</b>	<b># Household Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.1.1. # of Households (Not Connected)			
1.2.1.2. Water and Sewage Tax	3,630	\$400	\$1,452,000
1.2.1.3. Water Tax Only (if Separate Tax)			
1.2.1.4. Sewage Tax Only (if Separate Tax)			
1.2.1.5. Other Residential W/S Tax			

**Total Number of Household Units** ----- 3,630

**Total 1.2.1 Residential W/S Tax** ----- \$1,452,000

<b>1.2.2 Commercial/Non-Residential Water and Sewage</b>	<b># Comm. / Non-Res. Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.2.1. # of Commercial/Non-Residential Units			
1.2.2.2. Water and Sewage Tax	85	\$400	\$34,000
1.2.2.3. Water Tax Only (if Separate Tax)			
1.2.2.4. Sewage Tax Only (if Separate Tax)			
1.2.2.5. Other Commercial/Non-Residential	39		\$287,376
1.2.2.6. Industrial & Institutional W/S	8		\$270,913

**Total # of Comm./Non-residential Units** ----- 132

**Total 1.2.2 Commercial/Non-Residential Water and Sewage Tax** ----- \$592,289

**Total 1.2 Water and Sewage Tax** ----- \$2,044,289

**BOX B**

**1.3 Other Tax Information**

<b>1.3 Other Taxes</b>	<b># Assessed the Tax</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.3.1. Poll Tax			
1.3.2. Business Tax			\$942,706
1.3.3. Utility Tax		\$0	\$419,625
1.3.4. Municipal Utility (Sales) Tax			
1.3.5. Direct Seller Tax			
1.3.6. Other Authorized Taxes			

**Total 1.3 Other Taxes** ----- **\$1,362,331**

**BOX C**

**Grand Total 1.0 Taxes and Related Revenue** ----- **\$17,033,924**

*(Total of Boxes A, B and C)*

**2.0 SALES OF GOODS AND SERVICES**

2.1 Garbage Collection Fees -----	\$480,000
2.2 Recreation and Cultural Services -----	\$221,316
2.3 Transportation Services -----	\$0
2.4 Fire Protection Service Fees -----	\$0
2.5 Animal and Pest Control Fees -----	\$0
2.6 Tipping Fees -----	\$0
2.7 Water Supply -----	\$0
2.8 Other Sales of Goods and Services -----	\$0
<b>TOTAL 2.0 SALES OF GOODS AND SERVICES -----</b>	<b>\$701,316</b>

**3.0 OTHER REVENUE FROM OWN SOURCES**

3.1 Assessments, Levies, Fees and Charges -----	\$22,550
3.2 Rental Income -----	\$97,577
3.3 Interest from Investments -----	\$10,090
3.4 Interest Collected on Overdue Accounts -----	\$43,000
3.5 Other Revenue From Own Sources -----	\$293,722
<b>TOTAL 3.0 OTHER REVENUE FROM OWN SOURCES -----</b>	<b>\$466,939</b>



**4.0 GOVERNMENT TRANSFERS**

**4.1 Provincial Government Grants and Subsidies**

4.1.1. Municipal Operating Grant -----	\$505,192	
4.1.2. Provincial Portion of Debt Charges -----	\$161,714	(See page 2)
4.1.3. Provincial Gas Tax Revenue -----	\$69,555	
4.1.4. Other Provincial Grants and Subsidies (Please attach list)-----	\$783,365	
<b>Total 4.1 Provincial Government Grants and Subsidies -----</b>		<b>\$1,519,826</b>

**4.2 Federal Government Grants and Subsidies**

4.2.1. Federal Gas Tax -----	\$315,741	
4.2.2. Other Federal Grants and Subsidies -----	\$1,943,594	
<b>Total 4.2 Federal Government Grants and Subsidies-----</b>		<b>\$2,259,335</b>

**TOTAL 4.0 GOVERNMENT TRANSFERS -----** **\$3,779,161**

**5.0 OTHER TRANSFERS**

5.1. Operating Surplus of Prior Year -----	\$0	
5.2. Transfers from Authorized Reserves -----	\$4,257,783	
<b>TOTAL 5.0 OTHER TRANSFERS -----</b>		<b>\$4,257,783</b>

**TOTAL REVENUE** **\$26,239,123.01**

## Please Calculate the Debt Servicing Ratio (DSR):

**Debt Servicing Ratio (DSR)**

**Step 1 : Fill in the following information**

<b>Municipal Annual Debt Payment (7.1.1 - Page 6)</b> .....		\$0
Local Revenue 1 Total Taxes and Related Revenue (Page 9).....	\$17,033,924	
Local Revenue 2 Total Sales of Goods and Services (Page 10).....	\$701,316	
Local Revenue 3 Total Other Revenue from Own Sources (Page 10).....	\$466,939	
<b>Total Local Revenue</b> .....		<b>\$18,202,179</b>
 <b>Municipal Operating Grant (MOG) (4.1.1. Page 11)</b> .....		 <b>\$505,192</b>
 <b>Provincial Gas Tax Revenue (4.1.3. Page 11)</b> .....		 <b>\$69,555</b>
 <b>Debt Servicing Ratio</b> .....		 <b>\$18,776,926</b>

**Step 2 : DSR Calculation**

$$\begin{array}{ccccccc}
 \frac{\$1,106,840.00}{\text{Municipal Debt}} & = & / & \left( \frac{\$18,202,179.01}{\text{Local Revenue}} \right. & + & \frac{\$505,192.00}{\text{MOG}} & + & \left. \frac{\$69,555}{\text{Provincial Gas Tax Revenue}} \right) \\
 & & & & & & & = & \mathbf{5.9\%} \\
 & & & & & & & & \mathbf{DSR (\%)}
 \end{array}$$

## *Summary of The Municipal Budget Submission Form*

<b>Name of Municipality</b>	<b>Town of Labrador City</b>	<b>Budget Year</b>	<b>2017</b>
-----------------------------	------------------------------	--------------------	-------------

From The Municipal Budget Submission Form, the totals of the seven expenditure functions, the total expenditures, the totals of the five main revenue sources and the total revenues are found in the appropriate boxes below.

### *Expenditures*

<b>1.0 General Government</b> -----	\$3,590,782	
<b>2.0 Protective Services</b> -----	\$1,550,051	
<b>3.0 Transportation Services</b> -----	\$4,384,848	
<b>4.0 Environmental Health</b> -----	\$2,990,071	
<b>5.0 Planning and Development</b> -----	\$839,519	
<b>6.0 Recreation and Cultural Services</b> -----	\$2,286,679	
<b>7.0 Fiscal Services</b> -----	\$10,597,173	
<b>Total Expenditures</b> -----		\$26,239,123

### *Revenues*

<b>1.0 Taxes</b> -----	\$17,033,924	
<b>2.0 Sales of Goods and Services</b> -----	\$701,316	
<b>3.0 Other Revenue From Own Sources</b> -----	\$466,939	
<b>4.0 Government Transfers</b> -----	\$3,779,161	
<b>5.0 Other Transfers</b> -----	\$4,257,783	
<b>Total Revenues</b> -----		\$26,239,123

## Municipal Budget Submission Form For the Calendar Year 2017

The estimates reported in this submission were approved by the Council of the Municipality of

*Town of Labrador West*

*Name of Municipality*

at a meeting held on

\_\_\_\_\_

*Day*

day of

\_\_\_\_\_

*Month*

**2017**

*Year*

\_\_\_\_\_  
*Signature of Mayor*

\_\_\_\_\_  
*Signature of Clerk/Manager*

### **TABLE OF CONTENTS**

Debt Charges Summary-----	Page 2
Expenditures-----	Page 3
Revenues-----	Page 7
Debt Servicing Ratio-----	Page 12
Summary of the Municipal Budget Submission Form-----	Page 13

## Town of Labrador West *Debt Charges Summary*

Loan Number	Name of Creditor	Purpose (Water, Roads; etc.)	Original Principal	Maturity Date (dd-month-yyyy)	Council Annual Payment	Provincial Annual Payment
0012254	CIBC	2012 Fire Pumper Truck	\$66,521.00	\$43,100	\$13,788	
2956454	NMFC	Rec Roof	\$77,216.00	\$43,190		\$8,266
2956452	NMFC	Water/Sewer	\$39,321.46	\$43,190		\$4,209
6004-388	BMO	2003 ROADS	\$670,807.00	\$43,281		\$65,129
	RBC	2013 Silverado Pickup	\$34,997.68	\$43,312	\$6,996	
4792955	CIBC	2002 MYC - Phase II	\$879,035.00	\$43,373		\$73,190
6005-196	BMO	2008 Grader	\$253,692.00	\$43,465	\$33,692	
8901252	CIBC	2002 MYC - Phase III	\$975,669.00	\$43,830		\$88,524
8901457	CIBC	2002-5 MYC	\$735,864.00	\$43,830	\$67,298	
6017-238	BMO	2005 ROADS	\$255,380.00	\$44,196		\$24,877
8903956	CIBC	2010 Arena Refrigeration	\$201,038.00	\$44,196	\$22,976	
8904057	CIBC	2010 Arena Roof Replace	\$235,352.00	\$44,196	\$26,862	
14052	CIBC	Hospital Site	\$65,031.00	\$44,196	\$13,966	
6999-434	BMO	2013 Vacuum Truck	\$392,000.00	\$44,255	\$66,464	
8901856	CIBC	2005-8 MYC	\$741,280.00	\$44,410	\$65,888	
0012157	CIBC	2012 Consolidated Loan	\$580,172.00	\$44,561	\$67,790	
14451	CIBC	2016 Emergency Generator	\$389,124.00	\$44,561	\$83,720	
14559	CIBC	2015 Airport Rd Intersection	\$388,837.00	\$44,561	\$83,657	
6004-871	BMO	2007-MYCW Roads	\$395,718.00	\$44,834		\$36,628
12459	CIBC	2015 Suction/Sweeper Trk	\$288,576.00	\$44,834	\$48,763	

14354	CIBC	2016 Freightliner	\$251,640.00	\$45,260	\$41,695		
8901155	CIBC	2009 Industrial Park Exp.	\$250,033.00	\$45,290	\$22,173		
8903654	CIBC	2009-11 MYC Phase 1-3	\$981,698.00	\$45,657	\$85,302		
8903557	CIBC	2009 Hospital Water/Sewer	\$212,863.00	\$45,657	\$18,846		
8903352	CIBC	2009 Parts ABC Proj 26717	\$456,923.00	\$45,657	\$39,906		
12351/14257	CIBC	2012-2014 MYC (A) & (B)	\$1,406,511.00	\$45,657	\$162,638		
12556	CIBC	2014-2017 MYC	\$1,817,143.00	\$48,213	\$146,787		
No # yet	CIBC	2016 HLTP Shortfall	\$1,162,744.00	\$48,213	\$94,785		
6004-302	BMO	2002 ROADS	\$328,175.00			\$16,463	
6004-732	BMO	2006 MYCW	\$450,000.00			\$44,155	
6004-361	BMO	2003 ROADS	\$670,847.00		\$66,759		
6999-549	BMO	2013 Roads	\$1,106,000.00		\$133,680		
<b>Totals</b>					<b>\$1,414,431</b>	<b>\$361,441</b>	

**BEFORE CONTINUING:**



1. Transcribe BOTH the above totals for Council Annual Payment and Provincial Annual Payment to the appropriate boxes in section "7.1 Debt Charges From All Sources" of "7.0 FISCAL SERVICES" on Page 6.
2. Transcribe the above total of "Provincial Annual Payment" to sub-section 4.1.2 "Provincial Portion of Debt Charges" found in the section "4.1 Provincial Government Grants and Subsidies" on Page 11.


- Incurred by Town of Wabush
- Incurred by Town of Labrador City

**1.0 GENERAL GOVERNMENT**

**1.1 Council**

1.1.1. Remuneration for Councillors -----	\$149,300	
1.1.2. Travel -----	\$34,410	
<b>Total 1.1 Council -----</b>		<b>\$183,710</b>

**1.2 General Administration**

1.2.1. Salaries -----	\$1,297,921	
1.2.2. Employee Benefits -----	\$312,933	
1.2.3. Payroll Burden -----	\$98,321	
1.2.4. Travel -----	\$19,700	
1.2.5. Supplies -----	\$85,782	
1.2.6. Purchased Services (other than Insurance) -----	\$163,583	
1.2.7. Professional Services -----	\$140,726	
1.2.8. Insurance -----	\$290,490	
<b>Total 1.2 General Administration -----</b>		<b>\$2,409,455</b>

<b>1.3 Municipal Elections &amp; By-elections -----</b>		<b>\$8,815</b>
---	--	----------------

<b>1.4 Property Assessment Services -----</b>		<b>\$136,104</b>
---	--	------------------

**1.5 Common Services**

1.5.1 Engineering Services -----	\$446,339	
1.5.2 General Maintenance -----	\$941,749	
1.5.3 Professional Development and Training -----	\$214,034	
1.5.4 Public Relations -----	\$75,890	
<b>Total 1.5 Common Services -----</b>		<b>\$1,678,012</b>

<b>TOTAL 1.0 GENERAL GOVERNMENT -----</b>		<b>\$4,416,096</b>
---	--	--------------------

**2.0 PROTECTIVE SERVICES**

<b>2.1 Fire Protection</b> .....	\$984,510
<b>2.2 Emergency Preparedness and Response</b> .....	\$7,074
<b>2.3 Animal and Pest Control</b> .....	\$283,218
<b>2.4 Municipal Enforcement</b> .....	\$229,010
<b>2.5 Other Protective Services and Inspections</b> .....	\$251,697
<b>TOTAL 2.0 PROTECTIVE SERVICES</b> .....	<b>\$1,755,509</b>

**3.0 TRANSPORTATION SERVICES**

<b>3.1 Vehicle and Fleet Maintenance</b> .....	\$805,780
<b>3.2 Road Transport</b>	
3.2.1 Streets, Roads, Sidewalks, etc. ....	\$2,585,586
3.2.2 Snow Removal .....	\$1,726,832
3.2.3 Street Lighting .....	\$174,720
3.2.4 Traffic Services .....	\$40,035
<b>Total 3.2 Road Transport</b> .....	<b>\$4,527,173</b>
<b>3.3 Public Transit</b> .....	\$0
<b>3.4 Other Transportation Services</b> .....	\$0
<b>TOTAL 3.0 TRANSPORTATION SERVICES</b> .....	<b>\$5,332,952</b>

**4.0 ENVIRONMENTAL HEALTH**

<b>4.1 Water Supply</b> .....	\$453,474
<b>4.2 Sewage Collection and Disposal</b> .....	\$704,425
<b>4.3 Garbage and Waste Collection and Disposal</b> .....	\$2,409,491
<b>4.4 Other Environmental Health Services</b> .....	\$0
<b>TOTAL 4.0 ENVIRONMENTAL HEALTH</b> .....	<b>\$3,567,390</b>



**5.0 PLANNING AND DEVELOPMENT**

<b>5.1 Planning and Zoning</b> -----	\$288,638
<b>5.2 Community Improvement and Development</b> -----	\$189,805
<b>5.3 Regional Development</b> -----	\$0
<b>5.4 Tourism and Marketing</b> -----	\$363,374
<b>5.5 Other Planning and Development</b> -----	\$0
<b>TOTAL 5.0 PLANNING AND DEVELOPMENT</b> -----	<b>\$841,817</b>

**6.0 RECREATION AND CULTURAL SERVICES**

<b>6.1 Recreation Administration</b> -----	\$458,821
<b>6.2 Recreation Facilities</b>	
6.2.1 Recreation and Community Centres -----	\$477,633
6.2.2 Parks, Playgrounds etc. -----	\$256,586
6.2.3 Stadium -----	\$872,644
6.2.4 Swimming Pool -----	\$281,508
<b>Total 6.2 Recreation Facilities</b> -----	<b>\$1,888,371</b>
<b>6.3 Cultural Facilities</b> -----	\$26,100
<b>6.4 Recreation and Cultural Programs, Activities etc.</b> -----	\$744,539
<b>6.5 Other Recreation and Cultural Services</b> -----	\$31,108
<b>TOTAL 6.0 RECREATIONAL AND CULTURAL SERVICES</b> -----	<b>\$3,148,939</b>

**7.0 FISCAL SERVICES****7.1 Debt Charges From All Sources (from page 2)**

7.1.1 Municipal Annual Payment -----	\$1,414,431	(See page 2)
7.1.2 Provincial Annual Payment -----	\$361,441	(See page 2)
<b>Total 7.1 Debt Charges From All Sources -----</b>	<b>\$1,775,872</b>	

**7.2 Transfers to Authorized Reserves and other Funds**

7.2.1 Provision for Uncollectible Taxes, Fees & Charges -----	\$17,000
7.2.2 Operating Deficit of Prior Year -----	\$0
7.2.3 Accumulated Deficit Reduction Plan -----	\$0
7.2.4 Discounts, Losses, Allowances -----	\$0
7.2.5 Capital Expenditure Out of Revenue:	
7.2.5.1 Federal Gas Tax -----	\$809,482
7.2.5.2 All Other (please provide list) -----	\$10,000,000
<b>Total 7.2.5 Capital Expenditure Out of Revenue -----</b>	<b>\$10,809,482</b>

**7.2.6 Authorized Transfers to Reserves & Other Funds:**

7.2.6.1 Federal Gas Tax -----	\$0
7.2.6.2 All Other (please provide list) -----	\$0
<b>Total 7.2.6 Authorized Transfers to Reserves &amp; Other Funds -----</b>	<b>\$0</b>

**Total 7.2 Transfers to Authorized Reserves and Other Funds -----** **\$10,826,482**

**7.3 Bank Charges & Other Fiscal Services -----** **\$120,751**

**TOTAL 7.0 FISCAL SERVICES -----** **\$12,723,105**

**TOTAL EXPENDITURES****\$31,785,808.85**

# Revenues

## 1.0 TAXES AND RELATED REVENUES

### 1.1 Property Tax Information

1.1.1 Residential Property Info.	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.1.1. Mil Rate Method	\$1,105,799,389.00	3,682	4.35	\$4,810,227
1.1.1.2. Minimum Tax Method	\$900,100.00	30		\$6,000
1.1.1.3. Residential Grants in Lieu	\$12,342,825.00	23		\$52,457
1.1.1.4. Residential Exempt				

**Total Residential Property Info** ----- \$1,119,042,314 3,735 \$4,868,684

1.1.2 Commercial/Non-Residential	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.2.1. Mil Rate Method	\$166,435,357.37	220	16.02	\$2,666,001
1.1.2.2. Minimum Tax Method	\$60,900.00	6	\$300	\$1,800
1.1.2.3. Minimum Tax Method				
1.1.2.4. Non-Residential Grants	\$35,272.00	1		\$552
1.1.2.5. Tax Agreements	\$0.00	1		\$8,037,032
1.1.2.6. Non-Residential Exempt	\$71,614,700.00	92		

**Total Commercial/Non-Residential** ----- \$238,146,229 320 \$10,705,385

1.1.3 Vacant Land	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.3.1. Minimum Rate Method	\$7,199,000.00	95		\$125,895

**Total Vacant Land** ----- \$867,900 95 \$125,895

**Total 1.1 Property Tax Information**----- \$1,358,056,443 95 \$15,699,964

**1.2 Water and Sewage Tax Information**

<b>1.2.1 Residential Water and Sewage</b>	<b># Household Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.1.1. # of Households (Not Connected)			
1.2.1.2. Water and Sewage Tax	\$4,438	\$400	\$1,775,000
1.2.1.3. Water Tax Only (if Separate Tax)			
1.2.1.4. Sewage Tax Only (if Separate Tax)			
1.2.1.5. Other Residential W/S Tax			

**Total Number of Household Units** ----- \$4,438

**Total 1.2.1 Residential W/S Tax** ----- \$1,775,000

<b>1.2.2 Commercial/Non-Residential Water and Sewage</b>	<b># Comm. / Non-Res. Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.2.1. # of Commercial/Non-Residential Units			
1.2.2.2. Water and Sewage Tax	\$174	\$400	\$69,700
1.2.2.3. Water Tax Only (if Separate Tax)			
1.2.2.4. Sewage Tax Only (if Separate Tax)			
1.2.2.5. Other Commercial/Non-Residential	\$39		\$287,376
1.2.2.6. Industrial & Institutional W/S	\$8		\$270,913

**Total # of Comm./Non-residential Units** ----- \$221

**Total 1.2.2 Commercial/Non-Residential Water and Sewage Tax** ----- \$627,989

**Total 1.2 Water and Sewage Tax** ----- \$2,402,989

**BOX B**

**1.3 Other Tax Information**

<b>1.3 Other Taxes</b>	<b># Assessed the Tax</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.3.1. Poll Tax			
1.3.2. Business Tax			\$1,843,428
1.3.3. Utility Tax		\$0	\$557,919
1.3.4. Municipal Utility (Sales) Tax			
1.3.5. Direct Seller Tax			
1.3.6. Other Authorized Taxes			

**Total 1.3 Other Taxes** ----- \$2,401,347

**BOX C**

**Grand Total 1.0 Taxes and Related Revenue** ----- \$20,504,300

*(Total of Boxes A, B and C)*

**2.0 SALES OF GOODS AND SERVICES**

2.1 Garbage Collection Fees -----	\$480,000
2.2 Recreation and Cultural Services -----	\$631,416
2.3 Transportation Services -----	\$0
2.4 Fire Protection Service Fees -----	\$0
2.5 Animal and Pest Control Fees -----	\$850
2.6 Tipping Fees -----	\$0
2.7 Water Supply -----	\$0
2.8 Other Sales of Goods and Services -----	\$21,650
<b>TOTAL 2.0 SALES OF GOODS AND SERVICES -----</b>	<b>\$1,133,916</b>

**3.0 OTHER REVENUE FROM OWN SOURCES**

3.1 Assessments, Levies, Fees and Charges -----	\$22,550
3.2 Rental Income -----	\$97,577
3.3 Interest from Investments -----	\$36,090
3.4 Interest Collected on Overdue Accounts -----	\$73,000
3.5 Other Revenue From Own Sources -----	\$323,722
<b>TOTAL 3.0 OTHER REVENUE FROM OWN SOURCES -----</b>	<b>\$552,939</b>

**4.0 GOVERNMENT TRANSFERS**

**4.1 Provincial Government Grants and Subsidies**

4.1.1. Municipal Operating Grant -----	\$739,937	
4.1.2. Provincial Portion of Debt Charges -----	\$361,441	(See page 2)
4.1.3. Provincial Gas Tax Revenue -----	\$96,670	
4.1.4. Other Provincial Grants and Subsidies (Please attach list)-----	\$1,419,365	
<b>Total 4.1 Provincial Government Grants and Subsidies -----</b>		<b>\$2,617,413</b>

**4.2 Federal Government Grants and Subsidies**

4.2.1. Federal Gas Tax -----	\$401,396	
4.2.2. Other Federal Grants and Subsidies -----	\$2,026,259	
<b>Total 4.2 Federal Government Grants and Subsidies-----</b>		<b>\$2,427,655</b>

**TOTAL 4.0 GOVERNMENT TRANSFERS -----** **\$5,045,068**

**5.0 OTHER TRANSFERS**

5.1. Operating Surplus of Prior Year -----	\$307,591	
5.2. Transfers from Authorized Reserves -----	\$4,257,783	
<b>TOTAL 5.0 OTHER TRANSFERS -----</b>		<b>\$4,565,374</b>

**TOTAL REVENUE** **\$31,801,597.32**

## Please Calculate the Debt Servicing Ratio (DSR):

### Debt Servicing Ratio (DSR)

#### Step 1: Fill in the following information

<b>Municipal Annual Debt Payment (7.1.1 - Page 6)</b> .....		\$1,414,431
Local Revenue 1 Total Taxes and Related Revenue (Page 9).....	\$20,504,300	
Local Revenue 2 Total Sales of Goods and Services (Page 10).....	\$1,133,916	
Local Revenue 3 Total Other Revenue from Own Sources (Page 10).....	\$552,939	
<b>Total Local Revenue</b> .....		<b>\$22,191,155</b>
 <b>Municipal Operating Grant (MOG) (4.1.1. Page 11)</b> .....		 <b>\$739,937</b>
 <b>Provincial Gas Tax Revenue (4.1.3. Page 11)</b> .....		 <b>\$96,670</b>
 <b>Debt Servicing Ratio</b> .....		 <b>\$24,442,193</b>

#### Step 2: DSR Calculation

$$\frac{\$1,414,431.00}{\text{Municipal Debt}} = \frac{\$22,191,155.32}{\text{Local Revenue}} + \frac{\$739,937}{\text{MOG}} + \frac{\$96,670}{\text{Provincial Gas Tax Revenue}}$$

= **6.1%**  
DSR (%)



## *Summary of The Municipal Budget Submission Form*

<b>Name of Municipality</b>	<b>Town of Labrador West</b>	<b>Budget Year</b>	<b>2017</b>
-----------------------------	------------------------------	--------------------	-------------

From The Municipal Budget Submission Form, the totals of the seven expenditure functions, the total expenditures, the totals of the five main revenue sources and the total revenues are found in the appropriate boxes below.

### *Expenditures*

<b>1.0 General Government</b> -----	\$4,416,096	
<b>2.0 Protective Services</b> -----	\$1,755,509	
<b>3.0 Transportation Services</b> -----	\$5,332,952	
<b>4.0 Environmental Health</b> -----	\$3,567,390	
<b>5.0 Planning and Development</b> -----	\$841,817	
<b>6.0 Recreation and Cultural Services</b> -----	\$3,148,939	
<b>7.0 Fiscal Services</b> -----	\$12,723,105	
<b>Total Expenditures</b> -----		\$31,785,809

### *Revenues*

<b>1.0 Taxes</b> -----	\$20,504,300	
<b>2.0 Sales of Goods and Services</b> -----	\$1,133,916	
<b>3.0 Other Revenue From Own Sources</b> -----	\$552,939	
<b>4.0 Government Transfers</b> -----	\$5,045,068	
<b>5.0 Other Transfers</b> -----	\$4,565,374	
<b>Total Revenues</b> -----		\$31,801,597

## **Appendix D MUNICIPAL BUDGET COMPARISON, 2018**



## Municipal Budget Submission Form For the Calendar Year 2018

The estimates reported in this submission were approved by the Council of the Municipality of

***Town of Wabush***

*Name of Municipality*

at a meeting held on the 31 day of January 2017

*Day Month Year*

\_\_\_\_\_  
*Signature of Mayor*

\_\_\_\_\_  
*Signature of Clerk/Manager*

### TABLE OF CONTENTS

Debt Charges Summary-----	Page 2
Expenditures-----	Page 3
Revenues-----	Page 7
Debt Servicing Ratio-----	Page 12
Summary of the Municipal Budget Submission Form-----	Page 13

## Town of Wabush *Debt Charges Summary*

Loan Number	Name of Creditor	Purpose (Water, Roads; etc.)	Original Principal	Maturity Date (dd-month-yyyy)	Council Annual Payment	Provincial Annual Payment
2956454	NMFC	Rec Roof	\$77,216.00	31-Mar-2018		\$4,133
2956452	NMFC	Water/Sewer	\$39,321.46	31-Mar-2018		\$2,105
6004-361	BMO	2003 ROADS	\$670,847.00	31-Mar-2018	\$33,380	
6004-388	BMO	2003 ROADS	\$670,807.00	30-Jun-2018		\$32,565
	RBC	2013 Silverado Pickup	\$34,997.68	31-Jul-2018	\$6,996	
6999-549	BMO	2013 Roads	\$1,106,000.00	31-Oct-2018	\$133,680	
6005-196	BMO	2008 Grader	\$253,692.00	31-Dec-2018	\$33,692	
6017-238	BMO	2005 ROADS	\$255,380.00	31-Dec-2020		\$24,877
6999-434	BMO	2013 Vaccum Truck	\$392,000.00	28-Feb-2021	\$66,464	
6004-732	BMO	2006 MYCW	\$450,000.00	31-Mar-2021		\$44,155
6004-871	BMO	2007-MYCW Roads	\$395,718.00	30-Sep-2022		\$36,628
TBD	From Reserves	2017-2020 Roads	\$3,993,144.00	31-Dec-2027	\$0	\$209,418
TBD	From Reserves	2020 Dunfield Ext. Upgrade	\$962,730.00	31-Dec-2030	\$0	\$56,977
TBD	From Reserves	2021 Snows Dr. Retaining Wall	\$962,730.00	31-Dec-2031	\$0	
TBD	From Reserves	2022 First Av. Upgrade	\$1,155,277.00	31-Dec-2031	\$0	\$67,133
TBD	From Reserves	2017-2020 WWTP	\$13,478,226.00	31-Dec-2032	\$0	\$957,465
<b>Totals</b>					<b>\$274,212</b>	<b>\$1,435,455</b>

### BEFORE CONTINUING:



1. Transcribe BOTH the above totals for Council Annual Payment and Provincial Annual Payment to the appropriate boxes in section "7.1 Debt Charges From All Sources" of "7.0 FISCAL SERVICES" on Page 6.
2. Transcribe the above total of "Provincial Annual Payment" to sub-section 4.1.2 "Provincial Portion of Debt Charges" found in the section "4.1 Provincial Government Grants and Subsidies" on Page 11.

# Expenditures

## 1.0 GENERAL GOVERNMENT

### 1.1 Council

1.1.1. Remuneration for Councillors -----	\$34,000	
1.1.2. Travel -----	\$13,330	
<b>Total 1.1 Council -----</b>		<b>\$47,330</b>

### 1.2 General Administration

1.2.1. Salaries -----	\$326,714	
1.2.2. Employee Benefits -----	\$77,643	
1.2.3. Payroll Burden -----	\$19,031	
1.2.4. Travel -----	\$0	
1.2.5. Supplies -----	\$18,000	
1.2.6. Purchased Services (other than Insurance) -----	\$69,450	
1.2.7. Professional Services -----	\$82,000	
1.2.8. Insurance -----	\$173,453	
<b>Total 1.2 General Administration -----</b>		<b>\$766,291</b>

1.3 Municipal Elections & By-elections -----		\$3,500
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1.4 Property Assessment Services -----		\$36,344
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### 1.5 Common Services

1.5.1 Engineering Services -----	\$0	
1.5.2 General Maintenance -----	\$164,690	
1.5.3 Professional Development and Training -----	\$23,000	
1.5.4 Public Relations -----	\$27,000	
<b>Total 1.5 Common Services -----</b>		<b>\$214,690</b>

<b>TOTAL 1.0 GENERAL GOVERNMENT -----</b>		<b>\$1,068,155</b>
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**2.0 PROTECTIVE SERVICES**

<b>2.1 Fire Protection</b> .....	\$43,700
<b>2.2 Emergency Preparedness and Response</b> .....	\$0
<b>2.3 Animal and Pest Control</b> .....	\$79,500
<b>2.4 Municipal Enforcement</b> .....	\$111,011
<b>2.5 Other Protective Services and Inspections</b> .....	\$0
<b>TOTAL 2.0 PROTECTIVE SERVICES</b> .....	<b>\$234,211</b>

**3.0 TRANSPORTATION SERVICES**

<b>3.1 Vehicle and Fleet Maintenance</b> .....	\$138,920
<b>3.2 Road Transport</b>	
3.2.1 Streets, Roads, Sidewalks, etc. ....	\$435,827
3.2.2 Snow Removal .....	\$458,152
3.2.3 Street Lighting .....	\$48,500
3.2.4 Traffic Services .....	\$0
<b>Total 3.2 Road Transport</b> .....	<b>\$942,479</b>
<b>3.3 Public Transit</b> .....	\$0
<b>3.4 Other Transportation Services</b> .....	\$0
<b>TOTAL 3.0 TRANSPORTATION SERVICES</b> .....	<b>\$1,081,399</b>

**4.0 ENVIRONMENTAL HEALTH**

<b>4.1 Water Supply</b> .....	\$255,434
<b>4.2 Sewage Collection and Disposal</b> .....	\$101,885
<b>4.3 Garbage and Waste Collection and Disposal</b> .....	\$320,000
<b>4.4 Other Environmental Health Services</b> .....	\$0
<b>TOTAL 4.0 ENVIRONMENTAL HEALTH</b> .....	<b>\$677,319</b>

**5.0 PLANNING AND DEVELOPMENT**

<b>5.1 Planning and Zoning</b> -----	\$185,798
<b>5.2 Community Improvement and Development</b> -----	\$16,500
<b>5.3 Regional Development</b> -----	\$0
<b>5.4 Tourism and Marketing</b> -----	\$6,000
<b>5.5 Other Planning and Development</b> -----	\$0
<b>TOTAL 5.0 PLANNING AND DEVELOPMENT</b> -----	<b>\$208,298</b>

**6.0 RECREATION AND CULTURAL SERVICES**

<b>6.1 Recreation Administration</b> -----	\$196,970
<b>6.2 Recreation Facilities</b>	
6.2.1 Recreation and Community Centres -----	\$395,221
6.2.2 Parks, Playgrounds etc. -----	\$12,500
6.2.3 Stadium -----	\$200,353
6.2.4 Swimming Pool -----	\$281,508
<b>Total 6.2 Recreation Facilities</b> -----	<b>\$889,582</b>
<b>6.3 Cultural Facilities</b> -----	\$5,600
<b>6.4 Recreation and Cultural Programs, Activities etc.</b> -----	\$39,000
<b>6.5 Other Recreation and Cultural Services</b> -----	\$31,108
<b>TOTAL 6.0 RECREATIONAL AND CULTURAL SERVICES</b> -----	<b>\$1,162,260</b>



**7.0 FISCAL SERVICES**

**7.1 Debt Charges From All Sources (from page 2)**

7.1.1 Municipal Annual Payment -----	\$274,212	(See page 2)
7.1.2 Provincial Annual Payment -----	\$1,435,455	(See page 2)
<b>Total 7.1 Debt Charges From All Sources -----</b>		<b>\$1,709,667</b>

**7.2 Transfers to Authorized Reserves and other Funds**

7.2.1 Provision for Uncollectible Taxes, Fees & Charges -----	\$30,940	
7.2.2 Operating Deficit of Prior Year -----	\$0	
7.2.3 Accumulated Deficit Reduction Plan -----	\$0	
7.2.4 Discounts, Losses, Allowances -----	\$0	
7.2.5 Capital Expenditure Out of Revenue:		
7.2.5.1 Federal Gas Tax -----	\$85,655	
7.2.5.2 All Other (please provide list) -----	\$817,324	
<b>Total 7.2.5 Capital Expenditure Out of Revenue -----</b>		<b>\$902,979</b>
<b>7.2.6 Authorized Transfers to Reserves &amp; Other Funds:</b>		
7.2.6.1 Federal Gas Tax -----	\$0	
7.2.6.2 All Other (please provide list) -----	\$0	
<b>Total 7.2.6 Authorized Transfers to Reserves &amp; Other Funds -----</b>		<b>\$0</b>
<b>Total 7.2 Transfers to Authorized Reserves and Other Funds -----</b>		<b>\$933,919</b>

<b>7.3 Bank Charges &amp; Other Fiscal Services -----</b>		<b>\$114,691</b>
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<b>TOTAL 7.0 FISCAL SERVICES -----</b>		<b>\$2,758,277</b>
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<b>TOTAL EXPENDITURES</b>		<b>\$7,189,918.50</b>
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# Revenues

## 1.0 TAXES AND RELATED REVENUES

### 1.1 Property Tax Information

1.1.1 Residential Property Info.	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.1.1. Mil Rate Method	\$226,122,449	872	6.90	\$1,560,245
1.1.1.2. Minimum Tax Method	\$900,100	30	200	\$6,000
1.1.1.3. Residential Grants in Lieu				
1.1.1.4. Residential Exempt				

**Total Residential Property Info** ----- \$227,022,549 902 \$1,566,245

1.1.2 Commercial/Non-Residential	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.2.1. Mil Rate Method	\$59,550,947	87	26.76	\$1,593,476
1.1.2.2. Minimum Tax Method	\$60,900	6	300	\$1,800
1.1.2.3. Minimum Tax Method				
1.1.2.4. Non-Residential Grants				
1.1.2.5. Tax Agreements				
1.1.2.6. Non-Residential Exempt	\$20,791,700	15		

**Total Commercial/Non-Residential** ----- \$80,403,547 108 \$1,595,276

1.1.3 Vacant Land	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.3.1. Minimum Rate Method	\$0	0		

**Total Vacant Land** ----- \$0 0 \$0

**Total 1.1 Property Tax Information**----- \$307,426,096 1,010 \$3,161,521

**1.2 Water and Sewage Tax Information**

<b>1.2.1 Residential Water and Sewage</b>	<b># Household Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.1.1. # of Households (Not Connected)			
1.2.1.2. Water and Sewage Tax	808	\$300	\$242,250
1.2.1.3. Water Tax Only (if Separate Tax)			
1.2.1.4. Sewage Tax Only (if Separate Tax)			
1.2.1.5. Other Residential W/S Tax			

**Total Number of Household Units** -----

**Total 1.2.1 Residential W/S Tax** -----

<b>1.2.2 Commercial/Non-Residential Water and Sewage</b>	<b># Comm. / Non-Res. Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.2.1. # of Commercial/Non-Residential Units			
1.2.2.2. Water and Sewage Tax	89	\$750	\$66,938
1.2.2.3. Water Tax Only (if Separate Tax)			
1.2.2.4. Sewage Tax Only (if Separate Tax)			
1.2.2.5. Other Commercial/Non-Residential			
1.2.2.6. Industrial & Institutional W/S			

**Total # of Comm./Non-residential Units** -----

**Total 1.2.2 Commercial/Non-Residential Water and Sewage Tax** -----

**Total 1.2 Water and Sewage Tax** -----

**BOX B**

**1.3 Other Tax Information**

<b>1.3 Other Taxes</b>	<b># Assessed the Tax</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.3.1. Poll Tax			
1.3.2. Business Tax			\$900,722.00
1.3.3. Utility Tax			\$138,294.00
1.3.4. Municipal Utility (Sales) Tax			
1.3.5. Direct Seller Tax			
1.3.6. Other Authorized Taxes			

**Total 1.3 Other Taxes** ----- **\$1,039,016.00**

**BOX C**

**Grand Total 1.0 Taxes and Related Revenue** ----- **\$4,509,725.05**

*(Total of Boxes A, B and C)*

**2.0 SALES OF GOODS AND SERVICES**

2.1 Garbage Collection Fees -----	\$0
2.2 Recreation and Cultural Services -----	\$410,100
2.3 Transportation Services -----	\$0
2.4 Fire Protection Service Fees -----	\$0
2.5 Animal and Pest Control Fees -----	\$850
2.6 Tipping Fees -----	\$0
2.7 Water Supply -----	\$0
2.8 Other Sales of Goods and Services -----	\$21,650
<b>TOTAL 2.0 SALES OF GOODS AND SERVICES -----</b>	<b>\$432,600</b>

**3.0 OTHER REVENUE FROM OWN SOURCES**

3.1 Assessments, Levies, Fees and Charges -----	\$0
3.2 Rental Income -----	\$0
3.3 Interest from Investments -----	\$26,000
3.4 Interest Collected on Overdue Accounts -----	\$30,000
3.5 Other Revenue From Own Sources -----	\$30,000
<b>TOTAL 3.0 OTHER REVENUE FROM OWN SOURCES -----</b>	<b>\$86,000</b>

**4.0 GOVERNMENT TRANSFERS**

**4.1 Provincial Government Grants and Subsidies**

4.1.1. Municipal Operating Grant -----	\$234,745	
4.1.2. Provincial Portion of Debt Charges -----	\$1,435,455	(See page 2)
4.1.3. Provincial Gas Tax Revenue -----	\$27,115	
4.1.4. Other Provincial Grants and Subsidies (Please attach list)-----	\$0	
<b>Total 4.1 Provincial Government Grants and Subsidies -----</b>		<b>\$1,697,315</b>

**4.2 Federal Government Grants and Subsidies**

4.2.1. Federal Gas Tax -----	\$85,655	
4.2.2. Other Federal Grants and Subsidies -----	\$82,665	
<b>Total 4.2 Federal Government Grants and Subsidies-----</b>		<b>\$168,320</b>

**TOTAL 4.0 GOVERNMENT TRANSFERS -----** **\$1,865,635**

**5.0 OTHER TRANSFERS**

5.1. Operating Surplus of Prior Year -----	\$307,591	
5.2. Transfers from Authorized Reserves -----	\$0	
<b>TOTAL 5.0 OTHER TRANSFERS -----</b>		<b>\$307,591</b>

**TOTAL REVENUE** **\$7,201,551.05**

## Please Calculate the Debt Servicing Ratio (DSR):

### Debt Servicing Ratio (DSR)

#### Step 1: Fill in the following information

<b>Municipal Annual Debt Payment (7.1.1 - Page 6)</b> .....		\$274,211.50
Local Revenue 1 Total Taxes and Related Revenue (Page 9).....	\$4,509,725.05	
Local Revenue 2 Total Sales of Goods and Services (Page 10).....	\$432,600.00	
Local Revenue 3 Total Other Revenue from Own Sources (Page 10).....	\$86,000.00	
<b>Total Local Revenue</b> .....		\$5,028,325.05
 <b>Municipal Operating Grant (MOG) (4.1.1. Page 11)</b> .....		 \$234,745.00
 <b>Provincial Gas Tax Revenue (4.1.3. Page 11)</b> .....		 \$27,115.00
 <b>Debt Servicing Ratio</b> .....		 \$5,564,396.55

#### Step 2: DSR Calculation

$$\frac{\$274,211.50}{\text{Municipal Debt}} = \frac{\$5,028,325.05}{\text{Local Revenue}} + \frac{\$234,745.00}{\text{MOG}} + \frac{\$27,115.00}{\text{Provincial Gas Tax Revenue}}$$

= **5.2%**  
DSR (%)

## *Summary of The Municipal Budget Submission Form*

<b>Name of Municipality</b>	<b>Town of Wabush</b>	<b>Budget Year</b>	<b>2018</b>
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From The Municipal Budget Submission Form, the totals of the seven expenditure functions, the total expenditures, the totals of the five main revenue sources and the total revenues are found in the appropriate boxes below.

### *Expenditures*

<b>1.0 General Government</b> .....	\$1,068,155.00	
<b>2.0 Protective Services</b> .....	\$234,211.00	
<b>3.0 Transportation Services</b> .....	\$1,081,399.00	
<b>4.0 Environmental Health</b> .....	\$677,319.00	
<b>5.0 Planning and Development</b> .....	\$208,298.00	
<b>6.0 Recreation and Cultural Services</b> .....	\$1,162,260.00	
<b>7.0 Fiscal Services</b> .....	\$2,758,276.50	
<b>Total Expenditures</b> .....		\$7,189,918.50

### *Revenues*

<b>1.0 Taxes</b> .....	\$4,509,725.05	
<b>2.0 Sales of Goods and Services</b> .....	\$432,600.00	
<b>3.0 Other Revenue From Own Sources</b> .....	\$86,000.00	
<b>4.0 Government Transfers</b> .....	\$1,865,635.00	
<b>5.0 Other Transfers</b> .....	\$307,591.00	
<b>Total Revenues</b> .....		\$7,201,551.05



## Municipal Budget Submission Form For the Calendar Year 2018

The estimates reported in this submission were approved by the Council of the Municipality of

***Town of Labrador City***

*Name of Municipality*

at a meeting held on the 31 day of January 2017  
Day Month Year

\_\_\_\_\_  
*Signature of Mayor*

\_\_\_\_\_  
*Signature of Clerk/Manager*

### TABLE OF CONTENTS

Debt Charges Summary-----	Page 2
Expenditures-----	Page 3
Revenues-----	Page 7
Debt Servicing Ratio-----	Page 12
Summary of the Municipal Budget Submission Form-----	Page 13

## Town of Labrador City Debt Charges Summary

Loan Number	Name of Creditor	Purpose (Water, Roads; etc.)	Original Principal	Maturity Date (dd-month-yyyy)	Council Annual Payment	Provincial Annual Payment
4792955	CIBC	2002 MYC - Phase II	\$879,035.00	30-Sep-2018		\$73,190
8901252	CIBC	2002 MYC - Phase III	\$975,669.00	31-Dec-2018		\$88,524
8901457	CIBC	2002-5 MYC	\$735,864.00	31-Dec-2019	\$67,298	
8903956	CIBC	2010 Arena Refrigeration	\$201,038.00	31-Dec-2020	\$22,976	
8904057	CIBC	2010 Arena Roof Replace	\$235,352.00	31-Dec-2020	\$26,862	
14052	CIBC	Hospital Site	\$65,031.00	31-Dec-2020	\$13,966	
8901856	CIBC	2005-8 MYC	\$741,280.00	2-Aug-2021	\$65,888	
0012157	CIBC	2012 Consolidated Loan	\$580,172.00	31-Dec-2021	\$67,790	
14451	CIBC	2016 Emergency Generator	\$389,124.00	31-Dec-2021	\$83,720	
14559	CIBC	2015 Airport Rd Intersection	\$388,837.00	31-Dec-2021	\$83,657	
12459	CIBC	2015 Suction/Sweeper Trk	\$288,576.00	30-Sep-2022	\$48,763	
14354	CIBC	2016 Freightliner	\$251,640.00	30-Nov-2023	\$41,695	
8901155	CIBC	2009 Industrial Park Exp.	\$250,033.00	30-Dec-2023	\$22,173	
TBD	TBD	Drake WWTP Belt Filter Press	\$389,943.00	31-Dec-2023	\$25,169	\$58,728
8903654	CIBC	2009-11 MYC Phase 1-3	\$981,698.00	31-Dec-2024	\$85,302	
8903557	CIBC	2009 Hospital Water/Sewer	\$212,863.00	31-Dec-2024	\$18,846	
8903352	CIBC	2009 Parts ABC Proj 26717	\$456,923.00	31-Dec-2024	\$39,906	
12351/14257	CIBC	2012-2014 MYC (A) & (B)	\$1,406,511.00	31-Dec-2024	\$162,638	
TBD	TBD	Municipal Depot Infrastructure Upgrade	\$1,727,358.00	31-Dec-2028	\$59,478	\$138,782
TBD	TBD	Ladder Truck Replacement	\$1,328,568.00	31-Dec-2030	\$60,996	\$91,494
TBD	TBD	Landfill Improvements	\$735,312.00	31-Dec-2030	\$42,198	\$42,198
12556	CIBC	2014-2017 MYC	\$1,817,143.00	31-Dec-2031	\$146,787	
No # yet	CIBC	2016 HLTP Shortfall	\$1,162,744.00	31-Dec-2031	\$94,785	

TBD	TBD	2018 Drake WWTP Process Upgrade	\$2,531,161.00	31-Dec-2033	\$61,900	\$144,433
TBD	TBD	2017-2020 Roads	\$4,282,211.00	31-Dec-2037	\$147,894	\$167,712
TBD	TBD	Lab West Lifestyle Centre	\$29,983,444.00	31-Dec-2045	\$662,836	\$994,254
<b>Totals</b>					<b>\$2,153,523</b>	<b>\$1,799,315</b>

**BEFORE CONTINUING:**



1. Transcribe BOTH the above totals for Council Annual Payment and Provincial Annual Payment to the appropriate boxes in section “7.1 Debt Charges From All Sources” of “7.0 FISCAL SERVICES” on Page 6.
2. Transcribe the above total of “Provincial Annual Payment” to sub-section 4.1.2 “Provincial Portion of Debt Charges” found in the section “4.1 Provincial Government Grants and Subsidies” on Page 11.

# Expenditures

<b>1.0 GENERAL GOVERNMENT</b>
-------------------------------

**1.1 Council**

1.1.1. Remuneration for Councillors -----	\$149,300	
1.1.2. Travel -----	\$34,410	
<b>Total 1.1 Council -----</b>		<b>\$183,710</b>

**1.2 General Administration**

1.2.1. Salaries -----	\$971,207	
1.2.2. Employee Benefits -----	\$235,290	
1.2.3. Payroll Burden -----	\$79,290	
1.2.4. Travel -----	\$19,700	
1.2.5. Supplies -----	\$82,920	
1.2.6. Purchased Services (other than Insurance) -----	\$123,000	
1.2.7. Professional Services -----	\$83,560	
1.2.8. Insurance -----	\$168,300	
<b>Total 1.2 General Administration -----</b>		<b>\$1,763,266</b>

<b>1.3 Municipal Elections &amp; By-elections -----</b>		<b>\$17,630</b>
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<b>1.4 Property Assessment Services -----</b>		<b>\$99,760</b>
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**1.5 Common Services**

1.5.1 Engineering Services -----	\$495,932	
1.5.2 General Maintenance -----	\$777,059	
1.5.3 Professional Development and Training -----	\$191,034	
1.5.4 Public Relations -----	\$62,390	
<b>Total 1.5 Common Services -----</b>		<b>\$1,526,415</b>

<b>TOTAL 1.0 GENERAL GOVERNMENT -----</b>		<b>\$3,590,782</b>
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**2.0 PROTECTIVE SERVICES**

<b>2.1 Fire Protection</b> .....	\$940,810
<b>2.2 Emergency Preparedness and Response</b> .....	\$7,860
<b>2.3 Animal and Pest Control</b> .....	\$203,718
<b>2.4 Municipal Enforcement</b> .....	\$117,999
<b>2.5 Other Protective Services and Inspections</b> .....	\$279,664
<b>TOTAL 2.0 PROTECTIVE SERVICES</b> .....	<b>\$1,550,051</b>

**3.0 TRANSPORTATION SERVICES**

<b>3.1 Vehicle and Fleet Maintenance</b> .....	\$709,269
<b>3.2 Road Transport</b>	
3.2.1 Streets, Roads, Sidewalks, etc. ....	\$2,149,759
3.2.2 Snow Removal .....	\$1,359,566
3.2.3 Street Lighting .....	\$126,220
3.2.4 Traffic Services .....	\$40,035
<b>Total 3.2 Road Transport</b> .....	<b>\$3,675,579</b>
<b>3.3 Public Transit</b> .....	\$0
<b>3.4 Other Transportation Services</b> .....	\$0
<b>TOTAL 3.0 TRANSPORTATION SERVICES</b> .....	<b>\$4,384,848</b>

**4.0 ENVIRONMENTAL HEALTH**

<b>4.1 Water Supply</b> .....	\$198,040
<b>4.2 Sewage Collection and Disposal</b> .....	\$602,540
<b>4.3 Garbage and Waste Collection and Disposal</b> .....	\$2,189,491
<b>4.4 Other Environmental Health Services</b> .....	\$0
<b>TOTAL 4.0 ENVIRONMENTAL HEALTH</b> .....	<b>\$2,990,071</b>

**5.0 PLANNING AND DEVELOPMENT**

<b>5.1 Planning and Zoning</b> -----	\$102,840
<b>5.2 Community Improvement and Development</b> -----	\$173,305
<b>5.3 Regional Development</b> -----	\$0
<b>5.4 Tourism and Marketing</b> -----	\$563,374
<b>5.5 Other Planning and Development</b> -----	\$0
<b>TOTAL 5.0 PLANNING AND DEVELOPMENT</b> -----	<b>\$839,519</b>

**6.0 RECREATION AND CULTURAL SERVICES**

<b>6.1 Recreation Administration</b> -----	\$261,851
<b>6.2 Recreation Facilities</b>	
6.2.1 Recreation and Community Centres -----	\$82,412
6.2.2 Parks, Playgrounds etc. -----	\$244,086
6.2.3 Stadium -----	\$672,291
6.2.4 Swimming Pool -----	\$0
<b>Total 6.2 Recreation Facilities</b> -----	<b>\$998,789</b>
<b>6.3 Cultural Facilities</b> -----	\$20,500
<b>6.4 Recreation and Cultural Programs, Activities etc.</b> -----	\$705,539
<b>6.5 Other Recreation and Cultural Services</b> -----	\$0
<b>TOTAL 6.0 RECREATIONAL AND CULTURAL SERVICES</b> -----	<b>\$1,986,679</b>

**7.0 FISCAL SERVICES**

**7.1 Debt Charges From All Sources (from page 2)**

7.1.1 Municipal Annual Payment -----	\$2,153,523	(See page 2)
7.1.2 Provincial Annual Payment -----	\$1,799,315	(See page 2)
<b>Total 7.1 Debt Charges From All Sources -----</b>		<b>\$3,952,838</b>

**7.2 Transfers to Authorized Reserves and other Funds**

7.2.1 Provision for Uncollectible Taxes, Fees & Charges -----	\$2,000
7.2.2 Operating Deficit of Prior Year -----	\$0
7.2.3 Accumulated Deficit Reduction Plan -----	\$0
7.2.4 Discounts, Losses, Allowances -----	\$0
7.2.5 Capital Expenditure Out of Revenue:	
7.2.5.1 Federal Gas Tax -----	\$723,827
7.2.5.2 All Other (please provide list) -----	\$8,596,732
<b>Total 7.2.5 Capital Expenditure Out of Revenue -----</b>	<b>\$9,320,559</b>

**7.2.6 Authorized Transfers to Reserves & Other Funds:**

7.2.6.1 Federal Gas Tax -----	\$0
7.2.6.2 All Other (please provide list) -----	\$0
<b>Total 7.2.6 Authorized Transfers to Reserves &amp; Other Funds -----</b>	

<b>Total 7.2 Transfers to Authorized Reserves and Other Funds -----</b>	<b>\$9,322,559</b>
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<b>7.3 Bank Charges &amp; Other Fiscal Services -----</b>	<b>\$6,060</b>
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<b>TOTAL 7.0 FISCAL SERVICES -----</b>	<b>\$13,281,457</b>
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<b>TOTAL EXPENDITURES</b>	<b>\$28,623,407.04</b>
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# Revenues

## 1.0 TAXES AND RELATED REVENUES

### 1.1 Property Tax Information

1.1.1 Residential Property Info.	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.1.1. Mil Rate Method	\$879,676,940	2,810	5.25	\$4,618,304
1.1.1.2. Minimum Tax Method	\$0	0	200	\$0
1.1.1.3. Residential Grants in Lieu				
1.1.1.4. Residential Exempt				

**Total Residential Property Info** ----- \$892,019,765 2,833 \$4,670,761

1.1.2 Commercial/Non-Residential	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.2.1. Mil Rate Method	\$106,884,410	133	19.33	\$1,672,741
1.1.2.2. Minimum Tax Method	\$0	0	0	\$0
1.1.2.3. Minimum Tax Method				
1.1.2.4. Non-Residential Grants				
1.1.2.5. Tax Agreements				
1.1.2.6. Non-Residential Exempt	\$50,823,000	77		

**Total Commercial/Non-Residential** ----- \$157,742,682 212 \$9,710,325

1.1.3 Vacant Land	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.3.1. Minimum Rate Method	\$7,199,000	95		

**Total Vacant Land** ----- \$867,900 95 \$125,895

**Total 1.1 Property Tax Information**----- \$1,049,762,447 3,140 \$14,381,086



**1.2 Water and Sewage Tax Information**

<b>1.2.1 Residential Water and Sewage</b>	<b># Household Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.1.1. # of Households (Not Connected)			
1.2.1.2. Water and Sewage Tax	3,630	\$400	\$1,452,000
1.2.1.3. Water Tax Only (if Separate Tax)			
1.2.1.4. Sewage Tax Only (if Separate Tax)			
1.2.1.5. Other Residential W/S Tax			

**Total Number of Household Units** ----- 3,630

**Total 1.2.1 Residential W/S Tax** ----- \$1,452,000

<b>1.2.2 Commercial/Non-Residential Water and Sewage</b>	<b># Comm. / Non-Res. Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.2.1. # of Commercial/Non-Residential Units			
1.2.2.2. Water and Sewage Tax	85	\$400	\$34,000
1.2.2.3. Water Tax Only (if Separate Tax)			
1.2.2.4. Sewage Tax Only (if Separate Tax)			
1.2.2.5. Other Commercial/Non-Residential			
1.2.2.6. Industrial & Institutional W/S			

**Total # of Comm./Non-residential Units** ----- 132

**Total 1.2.2 Commercial/Non-Residential Water and Sewage Tax** ----- \$592,289

**Total 1.2 Water and Sewage Tax** ----- \$2,044,289

**BOX B**

**1.3 Other Tax Information**

<b>1.3 Other Taxes</b>	<b># Assessed the Tax</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.3.1. Poll Tax			
1.3.2. Business Tax			\$942,706.00
1.3.3. Utility Tax			\$419,625.00
1.3.4. Municipal Utility (Sales) Tax			
1.3.5. Direct Seller Tax			
1.3.6. Other Authorized Taxes			

**Total 1.3 Other Taxes** ----- **\$1,362,331.00**

**BOX C**

**Grand Total 1.0 Taxes and Related Revenue** ----- **\$17,787,705.94**

*(Total of Boxes A, B and C)*

**2.0 SALES OF GOODS AND SERVICES**

2.1 Garbage Collection Fees -----	\$480,000
2.2 Recreation and Cultural Services -----	\$221,316
2.3 Transportation Services -----	\$0
2.4 Fire Protection Service Fees -----	\$0
2.5 Animal and Pest Control Fees -----	\$0
2.6 Tipping Fees -----	\$0
2.7 Water Supply -----	\$0
2.8 Other Sales of Goods and Services -----	\$0
<b>TOTAL 2.0 SALES OF GOODS AND SERVICES -----</b>	<b>\$701,316</b>

**3.0 OTHER REVENUE FROM OWN SOURCES**

3.1 Assessments, Levies, Fees and Charges -----	\$22,550
3.2 Rental Income -----	\$97,577
3.3 Interest from Investments -----	\$10,090
3.4 Interest Collected on Overdue Accounts -----	\$43,000
3.5 Other Revenue From Own Sources -----	\$293,722
<b>TOTAL 3.0 OTHER REVENUE FROM OWN SOURCES -----</b>	<b>\$466,939</b>

**4.0 GOVERNMENT TRANSFERS**

**4.1 Provincial Government Grants and Subsidies**

4.1.1. Municipal Operating Grant -----	\$505,192	
4.1.2. Provincial Portion of Debt Charges -----	\$1,799,315	(See page 2)
4.1.3. Provincial Gas Tax Revenue -----	\$69,555	
4.1.4. Other Provincial Grants and Subsidies (Please attach list)-----	\$783,365	
<b>Total 4.1 Provincial Government Grants and Subsidies -----</b>		<b>\$3,157,427</b>

**4.2 Federal Government Grants and Subsidies**

4.2.1. Federal Gas Tax -----	\$315,741	
4.2.2. Other Federal Grants and Subsidies -----	\$1,943,594	
<b>Total 4.2 Federal Government Grants and Subsidies-----</b>		<b>\$2,259,335</b>

**TOTAL 4.0 GOVERNMENT TRANSFERS -----** **\$5,416,762**

**5.0 OTHER TRANSFERS**

5.1. Operating Surplus of Prior Year -----	\$0	
5.2. Transfers from Authorized Reserves -----	\$4,257,783	
<b>TOTAL 5.0 OTHER TRANSFERS -----</b>		<b>\$4,257,783</b>

**TOTAL REVENUE** **\$28,630,505.73**

## Please Calculate the Debt Servicing Ratio (DSR):

### Debt Servicing Ratio (DSR)

#### Step 1: Fill in the following information

<b>Municipal Annual Debt Payment (7.1.1 - Page 6)</b> .....		\$2,153,523.00
Local Revenue 1 Total Taxes and Related Revenue (Page 9).....	\$17,787,705.94	
Local Revenue 2 Total Sales of Goods and Services (Page 10).....	\$701,316.00	
Local Revenue 3 Total Other Revenue from Own Sources (Page 10).....	\$466,939.00	
<b>Total Local Revenue</b> .....		\$18,955,960.94
 <b>Municipal Operating Grant (MOG) (4.1.1. Page 11)</b> .....		 \$505,192.00
 <b>Provincial Gas Tax Revenue (4.1.3. Page 11)</b> .....		 \$69,555.00
 <b>Debt Servicing Ratio</b> .....		 \$21,684,230.94

#### Step 2: DSR Calculation

$$\begin{array}{r}
 \frac{\$2,153,523.00}{\text{Municipal Debt}} = \frac{\$18,955,960.94}{\text{Local Revenue}} + \frac{\$505,192.00}{\text{MOG}} + \frac{\$69,555.00}{\text{Provincial Gas Tax Revenue}} \\
 \hspace{15em} = \mathbf{11.0\%} \\
 \hspace{15em} \text{DSR (\%)}
 \end{array}$$

## *Summary of The Municipal Budget Submission Form*

<b>Name of Municipality</b>	<b>Town of Labrador City</b>	<b>Budget Year</b>	<b>2018</b>
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From The Municipal Budget Submission Form, the totals of the seven expenditure functions, the total expenditures, the totals of the five main revenue sources and the total revenues are found in the appropriate boxes below.

### *Expenditures*

<b>1.0 General Government</b> .....	\$3,590,781.67	
<b>2.0 Protective Services</b> .....	\$1,550,050.54	
<b>3.0 Transportation Services</b> .....	\$4,384,848.46	
<b>4.0 Environmental Health</b> .....	\$2,990,070.83	
<b>5.0 Planning and Development</b> .....	\$839,519.35	
<b>6.0 Recreation and Cultural Services</b> .....	\$1,986,679.39	
<b>7.0 Fiscal Services</b> .....	\$13,281,456.80	
<b>Total Expenditures</b> .....		<b>\$28,623,407.04</b>

### *Revenues*

<b>1.0 Taxes</b> .....	\$17,787,705.94	
<b>2.0 Sales of Goods and Services</b> .....	\$701,316.00	
<b>3.0 Other Revenue From Own Sources</b> .....	\$466,939.00	
<b>4.0 Government Transfers</b> .....	\$5,416,761.80	
<b>5.0 Other Transfers</b> .....	\$4,257,783.00	
<b>Total Revenues</b> .....		<b>\$28,630,505.73</b>



## Municipal Budget Submission Form For the Calendar Year 2018

The estimates reported in this submission were approved by the Council of the Municipality of

***Town of Labrador West***

*Name of Municipality*

at a meeting held on the 31 day of January 2017  
*Day Month Year*

*Signature of Mayor*

*Signature of Clerk/Manager*

### **TABLE OF CONTENTS**

Debt Charges Summary-----	Page 2
Expenditures-----	Page 3
Revenues-----	Page 7
Debt Servicing Ratio-----	Page 12
Summary of the Municipal Budget Submission Form-----	Page 13

## Town of Labrador West *Debt Charges Summary*

Loan Number	Name of Creditor	Purpose (Water, Roads; etc.)	Original Principal	Maturity Date (dd-month-yyyy)	Council Annual Payment	Provincial Annual Payment
2956454	NMFC	Rec Roof	\$77,216.00	31-Mar-2018		\$4,133
2956452	NMFC	Water/Sewer	\$39,321.46	31-Mar-2018		\$2,105
6004-361	BMO	2003 ROADS	\$670,847.00	31-Mar-2018	\$33,380	
6004-388	BMO	2003 ROADS	\$670,807.00	30-Jun-2018		\$32,565
	RBC	2013 Silverado Pickup	\$34,997.68	31-Jul-2018	\$6,996	
4792955	CIBC	2002 MYC - Phase II	\$879,035.00	30-Sep-2018		\$73,190
6999-549	BMO	2013 Roads	\$1,106,000.00	31-Oct-2018	\$133,680	
6005-196	BMO	2008 Grader	\$253,692.00	31-Dec-2018	\$33,692	
8901252	CIBC	2002 MYC - Phase III	\$975,669.00	31-Dec-2019		\$88,524
8901457	CIBC	2002-5 MYC	\$735,864.00	31-Dec-2019	\$67,298	
6017-238	BMO	2005 ROADS	\$255,380.00	31-Dec-2020		\$24,877
8903956	CIBC	2010 Arena Refrigeration	\$201,038.00	31-Dec-2020	\$22,976	
8904057	CIBC	2010 Arena Roof Replace	\$235,352.00	31-Dec-2020	\$26,862	
14052	CIBC	Hospital Site	\$65,031.00	31-Dec-2020	\$13,966	
6999-434	BMO	2013 Vacuum Truck	\$392,000.00	28-Feb-2021	\$66,464	
6004-732	BMO	2006 MYCW	\$450,000.00	31-Mar-2021		\$44,155
8901856	CIBC	2005-8 MYC	\$741,280.00	2-Aug-2021	\$65,888	
0012157	CIBC	2012 Consolidated Loan	\$580,172.00	31-Dec-2021	\$67,790	
14451	CIBC	2016 Emergency Generator	\$389,124.00	31-Dec-2021	\$83,720	
14559	CIBC	2015 Airport Rd Intersection	\$388,837.00	31-Dec-2021	\$83,657	
6004-871	BMO	2007-MYCW Roads	\$395,718.00	30-Sep-2022		\$36,628
12459	CIBC	2015 Suction/Sweeper Trk	\$288,576.00	30-Sep-2022	\$48,763	
14354	CIBC	2016 Freightliner	\$251,640.00	30-Nov-2023	\$41,695	



8901155	CIBC	2009 Industrial Park Exp.	\$250,033.00	30-Dec-2023	\$22,173	
TBD	TBD	Drake WWTP Belt Filter Press	\$389,943.00	31-Dec-2023	\$25,169	\$58,728
8903654	CIBC	2009-11 MYC Phase 1-3	\$981,698.00	31-Dec-2024	\$85,302	
8903557	CIBC	2009 Hospital Water/Sewer	\$212,863.00	31-Dec-2024	\$18,846	
8903352	CIBC	2009 Parts ABC Proj 26717	\$456,923.00	31-Dec-2024	\$39,906	
12351/14257	CIBC	2012-2014 MYC (A) & (B)	\$1,406,511.00	31-Dec-2024	\$162,638	
TBD	TBD	2017-2020 Roads	\$3,993,144.00	31-Dec-2027	\$0	\$209,418
TBD	TBD	Municipal Depot Infrastructure Upgrade	\$1,727,358.00	31-Dec-2028	\$59,478	\$138,782
TBD	TBD	2020 Dunfield Ext. Upgrade	\$962,730.00	31-Dec-2030	\$0	\$56,977
TBD	TBD	Ladder Truck Replacement	\$1,328,568.00	31-Dec-2030	\$60,996	\$91,494
TBD	TBD	Landfill Improvements	\$735,312.00	31-Dec-2030	\$42,198	\$42,198
TBD	TBD	2021 Snows Dr. Retaining Wall	\$962,730.00	31-Dec-2031	\$0	
TBD	TBD	2022 First Av. Upgrade	\$1,155,277.00	31-Dec-2031	\$0	\$67,133
12556	CIBC	2014-2017 MYC	\$1,817,143.00	31-Dec-2031	\$146,787	
No # yet	CIBC	2016 HLTP Shortfall	\$1,162,744.00	31-Dec-2031	\$94,785	
TBD	TBD	2017-2020 WWTP	\$13,478,226.00	31-Dec-2032	\$0	\$957,465
TBD	TBD	2018 Drake WWTP Process Upgrade	\$2,531,161.00	31-Dec-2033	\$61,900	\$144,433
TBD	TBD	2017-2020 Roads	\$4,282,211.00	31-Dec-2037	\$147,894	\$167,712
TBD	TBD	Lab West Lifestyle Centre	\$29,983,444.00	31-Dec-2045	\$662,836	\$994,254
<b>Totals</b>					<b>\$2,427,735</b>	<b>\$3,234,770</b>

**BEFORE CONTINUING:**



1. Transcribe BOTH the above totals for Council Annual Payment and Provincial Annual Payment to the appropriate boxes in section "7.1 Debt Charges From All Sources" of "7.0 FISCAL SERVICES" on Page 6.
2. Transcribe the above total of "Provincial Annual Payment" to sub-section 4.1.2 "Provincial Portion of Debt Charges" found in the section "4.1 Provincial Government Grants and Subsidies" on Page 11.

- Incurred by Town of Wabush  
 - Incurred by Town of Labrador City

- Expected by Town of Labrador City  
 - Expected by Town of Wabush

# Expenditures

## 1.0 GENERAL GOVERNMENT

### 1.1 Council

1.1.1. Remuneration for Councillors -----	\$149,300	
1.1.2. Travel -----	\$34,410	
<b>Total 1.1 Council -----</b>		<b>\$183,710</b>

### 1.2 General Administration

1.2.1. Salaries -----	\$1,297,921	
1.2.2. Employee Benefits -----	\$312,933	
1.2.3. Payroll Burden -----	\$98,321	
1.2.4. Travel -----	\$19,700	
1.2.5. Supplies -----	\$85,782	
1.2.6. Purchased Services (other than Insurance) -----	\$163,583	
1.2.7. Professional Services -----	\$140,726	
1.2.8. Insurance -----	\$290,490	
<b>Total 1.2 General Administration -----</b>		<b>\$2,409,455</b>

<b>1.3 Municipal Elections &amp; By-elections -----</b>		<b>\$8,815</b>
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<b>1.4 Property Assessment Services -----</b>		<b>\$136,104</b>
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### 1.5 Common Services

1.5.1 Engineering Services -----	\$446,339	
1.5.2 General Maintenance -----	\$941,749	
1.5.3 Professional Development and Training -----	\$214,034	
1.5.4 Public Relations -----	\$75,890	
<b>Total 1.5 Common Services -----</b>		<b>\$1,678,012</b>

<b>TOTAL 1.0 GENERAL GOVERNMENT -----</b>		<b>\$4,416,096</b>
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**2.0 PROTECTIVE SERVICES**

2.1 Fire Protection -----	\$984,510
2.2 Emergency Preparedness and Response -----	\$7,074
2.3 Animal and Pest Control -----	\$283,218
2.4 Municipal Enforcement -----	\$229,010
2.5 Other Protective Services and Inspections -----	\$251,697
<b>TOTAL 2.0 PROTECTIVE SERVICES -----</b>	<b>\$1,755,509</b>

**3.0 TRANSPORTATION SERVICES**

3.1 Vehicle and Fleet Maintenance -----	\$805,780
3.2 Road Transport	
3.2.1 Streets, Roads, Sidewalks, etc. -----	\$2,585,586
3.2.2 Snow Removal -----	\$1,726,832
3.2.3 Street Lighting -----	\$174,720
3.2.4 Traffic Services -----	\$40,035
<b>Total 3.2 Road Transport -----</b>	<b>\$4,527,173</b>
3.3 Public Transit -----	\$0
3.4 Other Transportation Services -----	\$0
<b>TOTAL 3.0 TRANSPORTATION SERVICES -----</b>	<b>\$5,332,952</b>

**4.0 ENVIRONMENTAL HEALTH**

4.1 Water Supply -----	\$453,474
4.2 Sewage Collection and Disposal -----	\$704,425
4.3 Garbage and Waste Collection and Disposal -----	\$2,409,491
4.4 Other Environmental Health Services -----	\$0
<b>TOTAL 4.0 ENVIRONMENTAL HEALTH -----</b>	<b>\$3,567,390</b>

**5.0 PLANNING AND DEVELOPMENT**

<b>5.1 Planning and Zoning</b> -----	\$288,638
<b>5.2 Community Improvement and Development</b> -----	\$189,805
<b>5.3 Regional Development</b> -----	\$0
<b>5.4 Tourism and Marketing</b> -----	\$363,374
<b>5.5 Other Planning and Development</b> -----	\$0
<b>TOTAL 5.0 PLANNING AND DEVELOPMENT</b> -----	<b>\$841,817</b>

**6.0 RECREATION AND CULTURAL SERVICES**

<b>6.1 Recreation Administration</b> -----	\$458,821
<b>6.2 Recreation Facilities</b>	
6.2.1 Recreation and Community Centres -----	\$477,633
6.2.2 Parks, Playgrounds etc. -----	\$256,586
6.2.3 Stadium -----	\$872,644
6.2.4 Swimming Pool -----	\$281,508
<b>Total 6.2 Recreation Facilities</b> -----	<b>\$1,888,371</b>
<b>6.3 Cultural Facilities</b> -----	\$26,100
<b>6.4 Recreation and Cultural Programs, Activities etc.</b> -----	\$744,539
<b>6.5 Other Recreation and Cultural Services</b> -----	\$31,108
<b>TOTAL 6.0 RECREATIONAL AND CULTURAL SERVICES</b> -----	<b>\$3,148,939</b>

**7.0 FISCAL SERVICES**

**7.1 Debt Charges From All Sources (from page 2)**

7.1.1 Municipal Annual Payment -----	\$2,427,735	(See page 2)
7.1.2 Provincial Annual Payment -----	\$3,234,770	(See page 2)
<b>Total 7.1 Debt Charges From All Sources -----</b>		<b>\$5,662,504</b>

**7.2 Transfers to Authorized Reserves and other Funds**

7.2.1 Provision for Uncollectible Taxes, Fees & Charges -----	\$17,000
7.2.2 Operating Deficit of Prior Year -----	\$0
7.2.3 Accumulated Deficit Reduction Plan -----	\$0
7.2.4 Discounts, Losses, Allowances -----	\$0
7.2.5 Capital Expenditure Out of Revenue:	
7.2.5.1 Federal Gas Tax -----	\$809,482
7.2.5.2 All Other (please provide list) -----	\$9,414,056
<b>Total 7.2.5 Capital Expenditure Out of Revenue -----</b>	<b>\$10,223,538</b>

**7.2.6 Authorized Transfers to Reserves & Other Funds:**

7.2.6.1 Federal Gas Tax -----	\$0
7.2.6.2 All Other (please provide list) -----	\$0
<b>Total 7.2.6 Authorized Transfers to Reserves &amp; Other Funds -----</b>	

**Total 7.2 Transfers to Authorized Reserves and Other Funds -----** **\$10,240,538**

**7.3 Bank Charges & Other Fiscal Services -----** **\$120,751**

**TOTAL 7.0 FISCAL SERVICES -----** **\$16,023,793**

<b>TOTAL EXPENDITURES</b>	<b>\$35,086,497.14</b>
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# Revenues

## 1.0 TAXES AND RELATED REVENUES

### 1.1 Property Tax Information

1.1.1 Residential Property Info.	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.1.1. Mil Rate Method	\$1,105,799,389	3,682	5.05	\$5,584,287
1.1.1.2. Minimum Tax Method	\$900,100	30	200	\$6,000
1.1.1.3. Residential Grants in Lieu				
1.1.1.4. Residential Exempt				

**Total Residential Property Info** ----- \$1,119,042,314 3,735 \$5,642,744

1.1.2 Commercial/Non-Residential	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.2.1. Mil Rate Method	\$166,435,357	220	18.59	\$3,094,716
1.1.2.2. Minimum Tax Method	\$60,900	6	0	\$0
1.1.2.3. Minimum Tax Method				
1.1.2.4. Non-Residential Grants				
1.1.2.5. Tax Agreements				
1.1.2.6. Non-Residential Exempt	\$71,614,700	92		

**Total Commercial/Non-Residential** ----- \$238,146,229 320 \$11,134,100

1.1.3 Vacant Land	Assessed Values	Number of Properties	Tax Rate	Total Tax
1.1.3.1. Minimum Rate Method	\$7,199,000	95		

**Total Vacant Land** ----- \$867,900 95 \$125,895

**Total 1.1 Property Tax Information**----- \$1,357,188,543 4,150 \$16,776,844

**1.2 Water and Sewage Tax Information**

<b>1.2.1 Residential Water and Sewage</b>	<b># Household Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.1.1. # of Households (Not Connected)			
1.2.1.2. Water and Sewage Tax	4,438	\$400	\$1,775,000
1.2.1.3. Water Tax Only (if Separate Tax)			
1.2.1.4. Sewage Tax Only (if Separate Tax)			
1.2.1.5. Other Residential W/S Tax			

**Total Number of Household Units** -----

**Total 1.2.1 Residential W/S Tax** -----

<b>1.2.2 Commercial/Non-Residential Water and Sewage</b>	<b># Comm. / Non-Res. Units</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.2.2.1. # of Commercial/Non-Residential Units			
1.2.2.2. Water and Sewage Tax	174	\$400	\$69,700
1.2.2.3. Water Tax Only (if Separate Tax)			
1.2.2.4. Sewage Tax Only (if Separate Tax)			
1.2.2.5. Other Commercial/Non-Residential			
1.2.2.6. Industrial & Institutional W/S			

**Total # of Comm./Non-residential Units** -----

**Total 1.2.2 Commercial/Non-Residential Water and Sewage Tax** -----

**Total 1.2 Water and Sewage Tax** -----

**BOX B**

**1.3 Other Tax Information**

<b>1.3 Other Taxes</b>	<b># Assessed the Tax</b>	<b>Tax Rate</b>	<b>Total Tax</b>
1.3.1. Poll Tax			
1.3.2. Business Tax			\$1,843,428.00
1.3.3. Utility Tax			\$557,919.00
1.3.4. Municipal Utility (Sales) Tax			
1.3.5. Direct Seller Tax			
1.3.6. Other Authorized Taxes			

**Total 1.3 Other Taxes** ----- **\$2,401,347.00**

**BOX C**

**Grand Total 1.0 Taxes and Related Revenue** ----- **\$21,581,179.86**

*(Total of Boxes A, B and C)*



**2.0 SALES OF GOODS AND SERVICES**

2.1 Garbage Collection Fees -----	\$480,000
2.2 Recreation and Cultural Services -----	\$631,416
2.3 Transportation Services -----	\$0
2.4 Fire Protection Service Fees -----	\$0
2.5 Animal and Pest Control Fees -----	\$850
2.6 Tipping Fees -----	\$0
2.7 Water Supply -----	\$0
2.8 Other Sales of Goods and Services -----	\$21,650
<b>TOTAL 2.0 SALES OF GOODS AND SERVICES -----</b>	<b>\$1,133,916</b>

**3.0 OTHER REVENUE FROM OWN SOURCES**

3.1 Assessments, Levies, Fees and Charges -----	\$22,550
3.2 Rental Income -----	\$97,577
3.3 Interest from Investments -----	\$36,090
3.4 Interest Collected on Overdue Accounts -----	\$73,000
3.5 Other Revenue From Own Sources -----	\$323,722
<b>TOTAL 3.0 OTHER REVENUE FROM OWN SOURCES -----</b>	<b>\$552,939</b>

**4.0 GOVERNMENT TRANSFERS**

**4.1 Provincial Government Grants and Subsidies**

4.1.1. Municipal Operating Grant -----	\$739,937	
4.1.2. Provincial Portion of Debt Charges -----	\$3,234,770	(See page 2)
4.1.3. Provincial Gas Tax Revenue -----	\$96,670	
4.1.4. Other Provincial Grants and Subsidies (Please attach list)-----	\$783,365	
<b>Total 4.1 Provincial Government Grants and Subsidies -----</b>		<b>\$4,854,742</b>

**4.2 Federal Government Grants and Subsidies**

4.2.1. Federal Gas Tax -----	\$401,396	
4.2.2. Other Federal Grants and Subsidies -----	\$2,026,259	
<b>Total 4.2 Federal Government Grants and Subsidies-----</b>		<b>\$2,427,655</b>

**TOTAL 4.0 GOVERNMENT TRANSFERS -----** **\$7,282,397**

**5.0 OTHER TRANSFERS**

5.1. Operating Surplus of Prior Year -----	\$307,591	
5.2. Transfers from Authorized Reserves -----	\$4,257,783	
<b>TOTAL 5.0 OTHER TRANSFERS -----</b>		<b>\$4,565,374</b>

**TOTAL REVENUE** **\$35,115,805.65**



## *Summary of The Municipal Budget Submission Form*

<b>Name of Municipality</b>	<b>Town of Labrador West</b>	<b>Budget Year</b>	<b>2018</b>
-----------------------------	------------------------------	--------------------	-------------

From The Municipal Budget Submission Form, the totals of the seven expenditure functions, the total expenditures, the totals of the five main revenue sources and the total revenues are found in the appropriate boxes below.

### *Expenditures*

<b>1.0 General Government</b> .....	\$4,416,095.96	
<b>2.0 Protective Services</b> .....	\$1,755,509.18	
<b>3.0 Transportation Services</b> .....	\$5,332,952.13	
<b>4.0 Environmental Health</b> .....	\$3,567,389.83	
<b>5.0 Planning and Development</b> .....	\$841,817.35	
<b>6.0 Recreation and Cultural Services</b> .....	\$3,148,939.39	
<b>7.0 Fiscal Services</b> .....	\$16,023,793.30	
<b>Total Expenditures</b> .....		\$35,086,497.14

### *Revenues*

<b>1.0 Taxes</b> .....	\$21,581,179.86	
<b>2.0 Sales of Goods and Services</b> .....	\$1,133,916.00	
<b>3.0 Other Revenue From Own Sources</b> .....	\$552,939.00	
<b>4.0 Government Transfers</b> .....	\$7,282,396.80	
<b>5.0 Other Transfers</b> .....	\$4,565,374.00	
<b>Total Revenues</b> .....		\$35,115,805.65





102 – 40 Highfield Park Drive  
Dartmouth, Nova Scotia B3A 0A3  
902-468-7777  
[www.stantec.com](http://www.stantec.com)