

City of Charlottetown 2003 Budget

Thursday, March 27, 2003



Clifford J. Lee, Deputy Mayor
Chair, Finance, Audit and Corporate Property

BUDGET ADDRESS

Continuing to Maintain Responsible Fiscal Accountability

Your Worship, Councillors, Ladies and Gentlemen, Members of the Media and City Staff. I am pleased at this time to present the Operational and Capital Budgets for the City of Charlottetown and the Charlottetown Water & Sewer Utility for the year 2003 for the consideration of Council, as well as for the consideration of the citizens of our great City.

In 2001, this Council began the theme of “Fiscal Accountability” and this Budget document continues to maintain responsible fiscal accountability. This document is my 3rd Budget and the final Budget of this Administration. This Council should be proud of its achievements since assuming office and it is my hope that the Councils that will follow will be as prudent in spending our taxpayers’ dollars.

Charlottetown is blessed with many different neighbourhoods with different needs. We have many senior citizens and many youth that make our City such a great place to work, live and play. This Budget document recognizes the needs of our different neighbourhoods and our varied population and it continues to address their needs.

This Council, in the past, has recognized the need to partner with other levels of governments, the Downtown Business Association, the Chamber of Commerce, Charlottetown Area Development Corporation, Capital Commission of Prince Edward Island and the many volunteer and social agencies that provide needed services to our citizens. This Budget document continues to build on these partnerships. I would be remiss if I did not acknowledge the co-operation that we continue to receive from our

*“Fiscal
Accountability”*

*“Budget recognizes
needs of different
neighbourhoods”*

*“...recognize the
need to partner
with others...”*

I

*“...continue to
build on*

Provincial Government, especially from the MLA's who represent our City in the Legislature, as well as the support that we receive from our Federal Government and in particular, from our local MP Shawn Murphy. I believe that the co-operation between all three levels of government has never been higher and as a result the citizens of Charlottetown are seeing the benefits of this great level of co-operation which I am confident will continue.

Before addressing the 2003 Budget, I want to review the 2002 fiscal year.

In March of 2002, I projected for City Government an operational surplus of \$143. The actual surplus at the end of 2002 was \$523,375. This surplus is largely due to a delay in completing capital projects – these projects will be completed in 2003. I also projected a Capital Budget of \$5.9 million; the actual capital expenditures amounted to \$2.8 million. The Capital debt for City Government on January 1, 2002 was \$23.2 million and at year-end it was \$22.9 million – a reduction of \$300,000; while at the same time we increased our Capital assets by \$2.8 million.

Last March for the Water & Sewer Utility, I projected a balanced budget on the operational side – the actual 2002 figures reveal a surplus of \$435,775. Our revenues were \$250,000 higher than projected, while our debt charges were \$200,000 lower than expected. The Capital Budget for the Utility was projected at \$2.9 million, of which \$1.8 million was completed in 2002, with another \$1.1 million worth of Utility work yet to be completed.

I also announced during the last Budget document a new Fund Management Policy for the City Corporation. The intent of this Policy was to ensure that all spending in City departments remained within approved budgets. Your Finance, Audit and Corporate Property Committee is pleased to announce that in 2002 no City Department overspent their approved budgets.

Your Worship, 2002 was a very successful year for the City of Charlottetown and we are poised to continue this success in 2003.

The proposed Budget for 2003 projects an operating surplus of \$4,274 for City Government and a balanced budget for the Water & Sewer Utility.

**“2002 surplus
\$523,375”**

**“2002 Capital
expenditures \$2.8
million”**

**“City Government
debt reduced by
\$300,000”**

**“2002 Utility
surplus of
\$435,775”**

**“in 2002 no City
Department
overspent”**

II

**“continued
success in
2003...with a
balanced budget”**

- ⇒ City Government Operational Budget is \$29.5 million and the Water & Sewer Utility Operational Budget is \$6 million, for a total Operational Budget of \$35.5 million.
- ⇒ I am pleased to announce that the tax rate for 2003 will not increase for **any** property in the City of Charlottetown.
- ⇒ I am also announcing that the Utility rate will **remain unchanged** at \$331 per household.

Your Finance, Audit and Corporate Property Committee recognizes the need to address the infrastructure system in all neighbourhoods and this Budget addresses those needs.

During the budget process, your Finance, Audit and Corporate Property Committee met with the Charlottetown Area Chamber of Commerce and the Downtown Business Association to obtain their input for this Budget.

As a result of those discussions, I am pleased to announce that we are creating a **Downtown Revitalization Tax Incentive Program**, which will be effective as of January 1, 2003. This Program will offer incentives for new or renovated residential and commercial development within the downtown area of the City. I will be introducing a resolution today to formally approve this Program.

As well, the City of Charlottetown will continue to provide a grant in the amount of \$15,000 to the Downtown Business Association.

I am also extremely pleased to announce, on behalf of His Worship, the creation of a new Committee to address a wide variety of issues affecting our downtown area. This Committee will have representatives from the Downtown Business Association, Charlottetown

“no property tax rate or utility rate increase in 2003”

“creating a (new) Downtown Revitalization Tax Incentive Program”

“new Committee to address issues affecting our downtown”

Area Chamber of Commerce, Charlottetown Area Development Corporation, and the Capital Commission of PEI as well as City Hall. The representatives of the City of Charlottetown will be Councillor Stu MacFadyen as Chair of Economic Development and myself as Deputy Mayor and Chair of Finance.

The City of Charlottetown will also continue to invest in our infrastructure program in the core area by continuing to implement the Streetscape Plan with an expenditure of \$600,000. It is expected that this amount will increase with additional funding from the Atlantic Canada Opportunities Agency.

Your Worship, as a Council we all recognize the tremendous importance that our downtown plays in making our City complete. The core area belongs to all our citizens as it does in all municipalities. The downtown is under pressure and with these initiatives and other changes to flow from our new Committee, I believe that we will improve upon our downtown community. We will not reverse the negative impacts in the downtown area overnight but in the long term, I believe the success that we are all looking for will be achieved.

The 2003 Capital Budget in City Government amounts to **\$9.9 million**. We have \$750,000 in a Capital Reserve account which reduces this to \$9.2 million. To put this figure into perspective, we are carrying forward \$3.1 million from our uncompleted 2002 Capital projects. We will be spending **\$6.5 million on the Aquatics/Arena Facility, \$1.4 million on public works** projects, over **\$1,000,000** on improvements to our **recreational facilities and to the Civic Centre** and **\$180,000 on municipal** buildings. Our 2003 Operational Budget contains a full year's payment on this debt, thereby eliminating the need for any "new" money in 2004 to pay for these capital projects.

In 2003 our Water and Sewer Utility will begin construction on the much needed expansion and improvements to our Waste Water Treatment Plant on Riverside Drive. The improvements and upgrading of our Treatment Plant will mean that for the first time our Waste Water

"continue to invest in infrastructure in the core area"

"2003 Capital Budget in City Government amounts to \$9.9 million"

"expansion and improvements to Waste Water Treatment Plant"

will be treated to a Class A standard. The Plant expansion will cost approximately \$16 million with the City share amounting to \$5.3 million. The Province of PEI and the Government of Canada will contribute the remaining dollars.

In 2003 the City's total Capital expenditures will be \$16 million. When these dollars are matched with funding from other sources, including the Federal and Provincial Governments, UPEI, the private sector, a fundraising campaign and other municipal government contributions, the total Capital expenditure on Municipal Infrastructure in the City this year will amount to over **\$42 million**. (General Government = \$21⁺ million and Utility = \$21⁺ million). This level of Capital expenditure will be the **largest investment ever** in a one-year period on Capital Projects within the City of Charlottetown.

The City's financial contribution towards these amounts to just 38% of the total investment thanks to the assistance of our funding partners and as I stated earlier the total cost to carry this Capital debt (for both the General Government account and the Utility account) is already included in our 2003 Operational Budget.

Your Worship, I previously indicated that we must recognize the different needs of all of our neighbourhoods and we are addressing these needs in this Budget as well.

Other projects that we will be undertaking this year are:

- ⇒ Water extensions in the Highfield Heights subdivision, including Lower Malpeque Road, Melody Lane, Evergreen Drive and Maine Street. Cost shared through the Federal/Provincial Infrastructure Program
- ⇒ Separation of the combined storm/sanitary sewer in the Brighton area which is also cost shared through the Federal/Provincial Infrastructure Program
- ⇒ Ditch infilling on Maple Avenue from Ash Drive to Oak Drive

“total Capital expenditure in 2003 will be \$42 million...the largest capital investment ever in a one (1) year period”

- ⇒ Ditch infilling and sidewalk construction on St. Peters Road from MacRae Drive to MacWilliams Road
- ⇒ Ditch infilling on Laurie Drive and Lions Crescent
- ⇒ Ditch infilling and sidewalks on Oak Drive from Maple Avenue to Brackley Point Road
- ⇒ Repairs to Ellen Creek Bridge
- ⇒ Sidewalks on Falconwood Road
- ⇒ Street light replacement in the West Royalty Business Park
- ⇒ Sidewalks on Maple Avenue adjacent to Sherwood Elementary School
- ⇒ Ditch infilling and sidewalks on Lower Malpeque Road
- ⇒ Ditch infilling on Lewis Point Road
- ⇒ Ditch infilling on Gates Drive
- ⇒ Improvement to the John Street Park amounting to \$120,000
- ⇒ Improvement to the J. Frank McAulay Park on Spring Lane
- ⇒ Tennis Court improvements at Stonepark Junior High School
- ⇒ Improvements to the Winsloe Recreation Complex
- ⇒ A new clubhouse at the Tennis Courts at Victoria Park to be cost shared with Tennis PEI
- ⇒ Confederation Trail improvements
- ⇒ Playground equipment upgrades at Stockman Park, Hillsborough Square, Malcolm J. Darrach and Arcona Park
- ⇒ Improvements to Simmons Sports Centre and Cody Banks Arena amounting to \$85,000
- ⇒ Rip rap replacement at Beach Grove and North River Roads

There are many other important departmental highlights included in our Operational Budget.

*“needs of all
neighbourhoods
addressed in projects
throughout the City”*

Departmental Highlights

Fire Department

- ⇒ Two (2) new fire vehicles valued in excess of \$800,000. It is anticipated that with these new vehicles all the departmental large equipment needs for the next ten (10) years will be met
- ⇒ Replacement of the water rescue boat valued at \$65,000

“two (2) new fire vehicles and a new water rescue boat”

Police Department

- ⇒ Last year we created a police canine unit. This year we will be purchasing a new trail bike to assist our policing efforts on the City’s Rails to Trails. This motorbike will also be used to carry out general traffic duties
- ⇒ The City will also be funding the DARE (Drug Abuse Resistance Education) Program in the City schools

“new trail bike”

Street Lighting and Urban Beautification

- ⇒ Beautification improvements to the intersection of North River and Beach Grove Roads
- ⇒ We will be developing a Ditch Maintenance Program throughout all neighbourhoods in our City

“ditch maintenance program”

Public Works

- ⇒ Over \$2 million will be spent in the ongoing Street Resurfacing and Repair Program and the Sidewalk Repairs and Replacement Program, as well as repairs to the City’s storm drainage system
- ⇒ We will continue with our Fleet Replacement Program

“over \$2 million on replacement and repairs to Public Works Infrastructures”

Parks and Recreation

- ⇒ We will be spending \$300,000 on maintenance in parks throughout the City

“ongoing maintenance of City parks”

- ⇒ We will continue with our subsidy program for minor sport groups within the City

Planning Department

- ⇒ In 2002, there was approximately \$42 million of building permits issued within the City of Charlottetown. In 2003 we expect that number to be even higher
- ⇒ We will be hiring a Manager for this Department in 2003

Economic Development and Tourism

- ⇒ In 2003, the City will continue its co-operation with the public and private sectors through the City's Smart Communities Project
- ⇒ Of special mention under this Committee is the highly successful New Year's Eve in the Park Program which will be expanding this year
- ⇒ Charlottetown will host a National Hydroplane Regatta in August of this year. This event promises to be a fun filled family weekend.

Heritage

- ⇒ We will continue to support the Confederation Centre of the Arts with a grant of over \$300,000
- ⇒ We will be providing a grant to the PEI Council of the Arts of over \$12,000 starting this year
- ⇒ We will continue our Heritage Grant Incentive Program which has been very successful in encouraging restoration of our heritage properties in the City

“construction continues at a fast pace”

“New Year's Eve in the Park Program to expand”

“support for Heritage continues”

Human Resource

- ⇒ I am pleased to announce that the City of Charlottetown has received four (4) awards to date for the implementation of the City's "Prevention of Family Violence Program"
- ⇒ This year we will be implementing a new "Employee Assistance Program as well as expanding our "Workplace Education Program"

Transit

- ⇒ In 2003, we have allocated \$100,000 for the implementation of a transit system

Grants

- ⇒ In 2003, the City will continue to support our social and non-profit organizations within the City. Charlottetown has a growing seniors' population which now represents more than 25% of the population of the City. It is important that we recognize their contribution to our City and we are happy to continue our support for our seniors as well as our youth with grants to organizations such as:
 - ⇒ Charlottetown Boys & Girls Club. This year we are increasing our grant from \$15,000 to \$25,000 to ensure that this group will be able to deliver these necessary program
 - ⇒ Junior Achievement
 - ⇒ Meals on Wheels. This will be the first year that we are able to provide the level of funding requested
 - ⇒ Seniors Active Living Centre
 - ⇒ Holland College Foundation - \$5,000. This is our 2nd year of our five (5) year commitment to their bursary program
 - ⇒ Voluntary Resource Council
 - ⇒ Queen Elizabeth Hospital Foundation
 - ⇒ Sport PEI, a \$48,000 grant to ensure that the many amateur sport groups that utilize the House of Sport on Enman Crescent are able to maintain their operation
 - ⇒ Community of Hillsborough Youth Group
 - ⇒ Big Brothers-Big Sisters

"City's Prevention of Family Violence Program receives four (4) awards in 2003"

"grants to City's social and non-profit organizations"

- ⇒ Gold Cup Parade Committee
- ⇒ Special Olympics - \$20,000. This grant will help ensure that Charlottetown will be the host municipality for the 2004 Special Olympic Winter Games. We expect over 850 special Olympian athletes to be with us next February

Your Worship, 2003 represents the end of this Council's three (3) year term of office. During the three (3) years, it has been my pleasure to serve as Deputy Mayor and Chair of Finance, and I believe it can be said that during the past three (3) years in office this Council has achieved as much as any Council before it. During all our discussions, Councillors have held the best interest of the entire City and its residents at heart. I believe this Council should be proud of its achievements and I would like to thank Your Worship and Council for your support over the past three (3) years.

I also want to thank our Staff for their great support in preparing this Budget document.

Your Worship, it is my pleasure to move the adoption of the City of Charlottetown's 2003 Budget.