

The Town of Bay de Verde
P.O. Box 10
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T: 1-709-587-2260; F: 1-709-587-2049
towncouncilbdv@persona.ca

Bay de Verde Community Newsletter **December 2012**

Dear Resident:

As we are quickly approaching the end of the year, as a council, we are forwarding the following information for your consideration. As well this newsletter will bring all community members up to date on the current activities and future plans for the town.

Town's Finances and Municipal Debt:

As a municipality the Town was in a dire financial situation with the Newfoundland Municipal Finance Corporation, which falls under the jurisdiction of Municipal Affairs and the Provincial Government. The amount outstanding was approaching one million dollars. This debt prevented borrowing for much needed infrastructure requirements.

The town's financial situation had to be rationalized through a long term plan of debt pay down. Having achieved this goal, while still providing the town with an adequate level of service to our residents, Bay de Verde is virtually debt free. The minimal sum owing will be paid off completely in the upcoming budget year of 2013 through the Municipal Operating Grant (MOG).

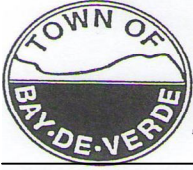
The significance of this "debt free status" has taken years to achieve. In the future, this will permit our community to move forward with much needed infrastructure requirements; which were not possible under the huge burden of debt.

Capital Works

The most pressing infrastructure requirement is the extension of sewer accessibility within the town. Application has been made for the upcoming financial year to provide sewer servicing on the north side of the community from approximately the west of Cherry Hill to residents along the main road which will include Highland Road, Potter's Lane and the New Town subdivision. The estimated cost is a \$2.23 million dollar project. To access this cost shared funding will require continued lobbying of our local M.H.A. and the Department of Municipal Affairs.

* Please note application for this project is subject to the Department of Municipal Affairs approval.

Road repairs will also be a priority for this upcoming year. Roads which are asphalt surfaced are deteriorating and require repair. To remediate these surfaced roads



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sections will have to be replaced. Contractor prices will be obtained to get the lowest costing possible. Work to be completed during the summer or early fall in the upcoming year. Our gravel roads will continue to be maintained on a continuous basis. Funds for repairs will be obtained from town revenue. Funding from Municipal Affairs will not be necessary.

Church Hill Road will be paved in the spring of 2013 under Igor Funding through the Department of Municipal Affairs.

Municipal Assessment Agency

This agency is an entity under the jurisdiction of the Department of Municipal Affairs. One of its primary roles is to provide property valuations of both residential and commercial property within most municipalities in the province. This information allows municipal governments to set mil rates for property tax purposes.

Recently the assessment agency revised its valuations which resulted in an increase in assessed value for most if not all property owners in our community. With the current mil rate (9.5) a substantial increase in property tax will result. The average increase for our town in assessed value is 24%. To assist property owners from substantial property tax increases, council has approved a decrease of 1.5 mils. 8 mils will be the rate for 2013, as outlined in the budget.

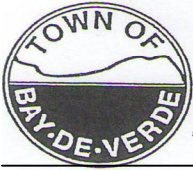
To illustrate:

- A property valued at \$50,000 in 2012 at 9.5mils would translate into \$475.00 in property tax;
- However with an average increase of 24% in property values \$50,000 becomes \$62,000 in 2013.
- To reduce the increased amount of property tax on property owners, a reduction in the mil rate has been approved by council and the same property in 2013 (now at 8.0mils) will cost \$496.00.

***Please note the effect of the decrease in the mil rate will not have a uniform impact on property owners in terms of percentage and dollar valuations due to differences in assessed values.

CP2 - Project Completion

The project has been tendered and should soon be awarded. The “pump house” will undergo a complete retro fit. The existing pumping system will be removed with substantial savings in electricity costs (\$25-\$35000 annually). With project completion



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the town will have a reliable cost efficient delivery of residential water and a secure source of revenue from the sale of water for commercial purposes.

2013 Budget

The town's budget for 2013 is as follows:

Revenues:	\$1,121,043.09
Expenses:	<u>\$(1,114,755.00)</u>
Total Surplus:	<u>\$6,288.09</u>

***Please note these figures are estimates and are not actual figures on amounts to be expended. As well the budget has to include amounts for infrastructure funding applied for through Municipal Affairs for the upcoming year. These amounts do not reflect actual taxation revenue.

Used Equipment Liquidation

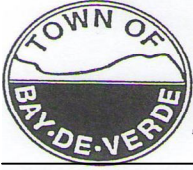
The town has successfully tendered for sale the back hoe which was approximately nine years old at a value of \$17,200 and the snow blade for \$5695.99. Both items were awarded to the highest bids.

Equipment Purchases

- The pumper truck at a cost of \$223,629.26.
- Back hoe at a cost of \$121,388.50
- 11' snow clearing blade at a cost of \$12,995.00
- Three breathing apparatuses at a cost of \$16, 272.00

7% Discount

The Town of Bay de Verde has one of the highest discount rates in the province at 7%. This substantial discount is applied if property tax/water & sewer accounts are paid in full on or before May 31st of each calendar year. Furthermore, the town does not charge interest on balances owing.



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Items for your Information

- Annual Waste Management Fees for 2013 amounts to \$42,000 (An increase of 3%).
**Additional costs have not been added for residential garbage collection since the program began. The cost per household amounts to \$180.00 per year and is absorbed within the budget without the additional levy to residents.
- Total Electricity Costs for 2012 is \$63,205.00(up to and including November 30th).
- Local Contracted Services from 2010-2012 \$49,438 (up to and including November 30th)
- Volume of Commercial Water Usage from 2010-2012 is \$155,184,040. In excess of 155 million gallons.
**Unlike most municipalities the Town of Bay de Verde, does not levy a fee to homeowners for turning on and shutting off water.

***Merry Christmas &
Best Wishes for a Prosperous New Year!***

On behalf of Council:

Gerard Murphy
Mayor