



For Immediate Release

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Town of Portugal Cove – St. Philip's to Present at Provincial Budget Consultations

Press Release

With the growth experienced in Portugal Cove – St. Philip's over the last 20 years, and the changing demographics as a result, new demands on infrastructure and services have been placed on our residents. These demands challenge the future of our community. Today, Deputy Mayor Gavin Will is presenting the Town's recommendations to the province during the public consultation session being held in St. John's. The presentation is attached. Some highlights include:

1. Ensure the new Grade 5 – 9 school proceeds as planned
2. Encourage and support municipalities to invest in infrastructure
3. Change capital funding policies for municipalities to reward long term planning
4. Change the fiscal framework for municipalities in Newfoundland and Labrador

For additional information please contact Deputy Mayor Gavin Will at 749-6484 or gavin.will@pcsp.ca

Minister Wiseman, thank you for taking the time to listen to residents of Newfoundland and Labrador as part of your budget considerations. This is a valuable exercise and one that I hope will provide guidance for your government.

Portugal Cove-St. Philip's is one of the most vibrant, fastest growing communities in Newfoundland and Labrador. Like many towns in the northeast Avalon region, our biggest challenges are related to growth.

When Portugal Cove-St. Philip's was created as a single municipality almost twenty-five years ago, the population was small and a significant percentage of the residents lived and worked in the community itself.

Much has changed over the last quarter century. The vast majority of residents now commute to work outside Portugal Cove-St. Philip's, and in recent years young families have flocked to our town – lured by natural beauty of our community and its proximity to employment and schools.

While the demographics of Portugal Cove-St. Philip's have evolved, the municipal infrastructure that residents demand has not kept pace. Narrow rural roads are now inadequate. Demand for recreation infrastructure and programming has skyrocketed. Fire and emergency services require substantial upgrades.

The most noteworthy indicator of growth can be found at Beachy Cove Elementary, where over 700 children attend a school designed for several hundred fewer students. There is no longer room to build portable classrooms on the site, and crowding is so acute that even the cafeteria has been converted into classrooms. In response, government recently committed to build a new Grade 5 to 9 school that is scheduled to open in September 2016.

The question parents have is – will government proceed with construction of this school and on schedule for 2016? The people of Portugal Cove-St. Philip's require assurances from government that no delays will occur.

Another issue that needs must be addressed is funding of infrastructure. The provincial government generally pays 70% of the cost of building municipal infrastructure in Portugal Cove-St. Philip's, with the town paying 30%. This includes roads, water and sewer facilities, bridges, parks, etc.

While the town pays just 30% of the cost of creating infrastructure, we are responsible for 100% of repairs and maintenance to existing services. This was creating a fiscal time bomb that taxpayers would eventually have to deal with, and it's a problem facing every municipality in this province.

Portugal Cove-St. Philip's could have ignored this issue and either hoped the

problem would go away or left it to others to solve ten or fifteen years from now. But our town is not doing that. We are taking action and have made progressive changes that will benefit taxpayers in the long term.

For the 2015 budget year we approved the creation of an infrastructure reserve fund. This fund will be used to repair and upgrade roads, bridges, buildings, sewage treatment plants, town-owned buildings, and recreational facilities.

Our town aims to be a leader in asset management because it is a prudent, responsible course of action. But it is not cheap. This year, residents began paying the price: we increased property taxes by nine tenths of a mil.

This was a tough decision and one we did not take lightly. We do believe, however, that the province should reward municipalities that make difficult decisions like this for the long-term betterment of their communities – and the betterment of the province as a whole.

In order to encourage municipalities to follow our lead, we recommend that government amend its policies when deciding which municipalities will receive priority for infrastructure funding.

Municipalities such as Portugal Cove-St. Philip's should receive preference for infrastructure funding because we have demonstrated a willingness and an ability

to replace that infrastructure in years to come.

Similarly, we would also like to see a change to the way capital projects are funded by the province. Currently, municipalities apply for specific projects. This does not allow for sufficient flexibility, since priorities can change and – most importantly – costs often escalate by the time projects are put out to tender. Note that municipalities are responsible for all cost overruns.

To deal with this problem, we recommend the province follow the example set by the federal government with Gas Tax funding. Under this model, a pool of funds is allocated to a municipality for which eligible projects are submitted. This means Portugal Cove-St. Philip's would know how much money we have available for building infrastructure and then select projects that fit within that budget.

Finally, we ask that the province act quickly to change the fiscal framework of municipal financing in Newfoundland and Labrador. Property taxes are regressive and hurt lower income people. We join Municipalities Newfoundland and Labrador in calling for a fair, progressive solution to municipal financing.

Thank you.