
City of Summerside

Incorporated April 1, 1995



2009

Presented By
Deputy Mayor Bruce MacDougall
Chairman of Financial Services



Deputy Mayor
Bruce MacDougall
Financial Services



Councillor
Norma McColeman
HR & Legal Affairs



Councillor
Ron Dowlong
Technical Services



Councillor
Barry Chappell
Recreation & PR



Councillor
Cory Thomas
Police Services



Mayor Basil L. Stewart



Councillor
Brent Gallant
Economic Development



Councillor
Vance Bridges
Fire Services

Summerside City Council



Councillor
Garth Lyle
Municipal Services

City of Summerside
2009 Budget
Index

	<u>Page</u>
Budget Address	1-10
Revenues & Expenditures <i>[Exhibit A]</i>	11
Revenue & Expenditure Analysis <i>[Exhibit B]</i>	12
Commercial & Non-Commercial Assessments <i>[Exhibit C]</i>	13
Electric Rates <i>[Exhibit D]</i>	14
Water & Sewer Rates <i>[Exhibit E]</i>	15
Debt Payment Schedule <i>[Exhibit F]</i>	16
Operating & Capital Budgets	17-44
Highlights	45



City of Summerside

2009 Budget Address

Presented by

Deputy Mayor Bruce MacDougall

"Integration" - In the past, Summerside, like many municipalities, spoke about "green" initiatives, capacity building, the development of healthy and sustainable communities, investment in the arts and cultural diversity, and economic development initiatives. Your Worship, many spoke about these things, but Summerside acted. In 2008 the customers of Summerside Electric received over 23% of their electricity from PEI wind power. By 2010 we expect this to be over 50% and our long term goal is to reach 100% from green energy...local energy...local investment...local jobs. Our Credit Union Place is being used more than anyone could have imagined with literally thousands passing through the doors on a daily basis. We completed our new state-of-the-art treatment plant. We supported the Harbourfront Theatre and The College of Piping, two icons in the Summerside performing arts community. We developed our own world class collection of heritage properties and artifacts at the Wyatt Heritage Properties and Lefurgey Cultural Center. We hosted world class entertainers and NHL hockey at Credit Union Place. We invested in both our downtown and uptown infrastructure. The last decade saw tremendous growth in big box stores in the area of North Granville Street. More recent infrastructure investments in our downtown area are now attracting both residential and commercial developments. Of particular note is the successful redevelopment by SRDC of the historic Holman Building. It now hosts upwards of 60 leading edge jobs in the health, education and technology sectors, and of course is home to the Farmers' Market every Saturday morning which has proven to be a very popular attraction to both locals and visitors alike. This is what we planned for. This is what we achieved. But now it's time to take the next step. Now, with the leadership of Mayor and Council, Summerside is integrating all that it has done, all that it has achieved, to bring together all of Summerside's strengths to become even stronger, to become even more efficient, to become even greener, and to become even more sustainable using our own resources and skills. This will be done by integrating our strengths, minimizing or eliminating our weaknesses, and taking advantage of opportunities for future growth and development.

Your Worship, fellow Councilors, City staff, citizens of Summerside and members of the media. I would like to welcome you all and thank you for taking the time to hear how our annual budget, through integration, will make Summerside greener, healthier, more culturally rich, more sustainable and more prosperous, and how our choices will be the best choices.

Before I begin, I would like to take a moment to introduce some special guests here tonight. I also want to offer special thanks to members of the Greater Summerside Chamber of Commerce, members of the Downtown BIA, Tourism Summerside, the Summerside Regional Development Corporation, and all other organizations who have joined us. Only by sharing our vision and working together can we make the best choices. The City cannot thank these organizations enough for their role in our community. Not only are they significant contributors to the success of Summerside in their own right, they, along with our residents, help to shape the vision and priorities of Council.

And of course, my thanks and welcome to our dedicated staff - front line personnel, supervisors, managers, directors, Terry Murphy, our Chief Administrative Officer and our Director of Finance, Malcolm Millar. We say it every year and we will say it again - our greatest asset is our dedicated staff.

Tonight I will present to you the state of the City's finances including our accomplishments from last year and our vision for this year. Your Worship, 2009 will be, without a doubt, one of the most exciting years in the history of Summerside. This year will see the construction of new grandstands, barns and paddock facilities at Summerside Raceway. This is not just the replacement of a few old buildings. This is the beginning of Summerside's new Equine Center which will be home to any and all genres of competitive, recreational or educational activities from harness racing to dressage to show jumping to the shoeing of horses to veterinary skills-training and development. This year will see the opening of the 2009 Canada Games at Credit Union Place along with a number of events during the first week of the Games. This year will see the development of the City's own wind farm which I will speak more about later, but let me say that this will be good for Summerside Electric, good for the City and the province and, most importantly, good for our customers and residents. This year will see the initial deployment of smart meters to Summerside Electric customers which will enable them to use power more efficiently. This year will see the resumption of ditch infilling which residents told us was important to them. This year will see a four fold increase in sidewalk construction as our residents become more active and the demand for clean, safe walking routes continues to grow. The Budget I am presenting tonight will show that Summerside is committed to investing not just in sustainability, green growth, and the City's future prosperity, it is committed to the integration of all of these things to provide even greater benefits to our residents now and in the future. But first, a few highlights from last year.

Your Worship, I am pleased to report to you that we ended 2008 with a modest surplus of \$1,176 in our General Fund. A weakening Canadian dollar and rising energy purchase costs contributed to an Electric Utility loss of \$1.3 million, but this is expected to correct itself in 2009 as last year's rate changes make their way through the system. Our water and sewer utilities operated on a breakeven basis substantially in accordance with budgets, and Summerside Community Network had a modest surplus of \$46,000 which has been allocated to reduce City debt. The City's Annual Report is available here tonight, including the Report from our Auditors, Grant Thornton, who are also represented here this evening. The Annual Report and tonight's budget will both be available shortly on the City's web site at www.city.summerside.pe.ca.

Last year we used \$2.5 million from our General Revenue Fund for capital projects. In addition to road and other infrastructure upgrades the City made capital repairs to its fire halls and purchased new breathing apparatus units for its firefighters, purchased two new police vehicles, carried out significant development work at Heritage Park and extended the West End Boardwalk which will now stretch 6.5 kilometres, constructed new Canada Games sports facilities including an artificial turf sports field, beach volleyball courts and three new

tennis courts, replaced worn components of our snow clearing equipment, completed the new sewage treatment plant, carried out general upgrades to our electric, water and sewer utilities, and expanded the capacity of our Route 2 internet service which surpassed the 1000 customer level last year. These are the investments, Your Worship, that our residents have told us are important to them. We spoke about them and we acted. We got the job done.

In 2008, police protection cost \$2.9 million, \$2.0 million was spent on public works, \$600,000 on economic development, and \$535,000 for fire protection. The total cost of providing recreation facilities and services was \$3.2 million with approximately 34 percent of this being recovered through revenue. The City paid \$326,000 to community groups and minor sports organizations. The provision of clean, safe drinking water, modern sewers, and effective environmental controls, cost \$3.9 million. These are the services people have come to expect and which make Summerside a safe, active, healthy and growing community.

Your Worship, the past two years have seen snowfall of 25 to 33 percent above our average for the last ten years, with the occasional ice storm thrown in for good measure. In addition to putting a strain on our street maintenance budget, it has understandably taken a little longer than normal to clear our streets and sidewalks to the City's high standards to which we've become accustomed. We understand that these harsh weather conditions take their toll on everyone's patience, but I think we owe our public works staff a big thank you for the effort they make to keep our streets and sidewalks as clear and safe as can reasonably be expected. I've travelled to a number of municipalities over the years and I can say without hesitation that Summerside's street and sidewalk clearing is the best I've ever seen.

This past year again saw growth in Route 2, the City's owned and operated wireless high speed internet service. Even in the face of plans announced by the Province and Aliant to develop and launch competing services in areas already served by Route 2, our subscriber base passed the 1000 plateau and growth for the year was 34%. Route 2 serves all of western PEI and as far east as Victoria and Brackley and has shown unsurpassed reliability and service to our residents and to our neighbours.

To say our electric utility had an interesting year would be an understatement. The year was marked by unprecedented increases in the cost of importing power from the mainland. These purchases are all in US dollars which worsened the situation due to a weakening Canadian dollar which went from trading above par this time last year to under 80 cents today. The impact of these costs on the bottom line was offset by rising electrical rates as the cost of importing power affected the entire province. I will speak more about this a little later when we look at what 2009 has to offer, but I would like to point out that the rate we paid for on-island wind power from West Cape saved us \$1,090,000 compared to the rate paid to mainland suppliers. A portion of this "windfall" was retained by Summerside Electric and some was allocated to the benefit of the general fund, a practice which will continue in 2009.

Your Worship, these are just some of the highlights of what was accomplished in 2008. More specific details are available in both our 2008 Annual Report and 2009 Budget documents presented to you here tonight.

Your Worship, the theme of my remarks tonight is integration and how this will provide for growth, efficiencies and increased opportunities. I would like to take a moment to explain what I mean by this, and what exactly needs to be integrated. Integration is not simply about incorporating A into B, it is more about how we think

about our opportunities, and how those opportunities can be crafted to lead to more opportunities. This needs to be done within the context of our economic, social and political environment, both present and future. All of PEI, including Summerside, experienced skyrocketing electrical rates last year. We noticed it and our residents noticed it. Those with limited fixed incomes were particularly hard hit. PEI's electric rates are 50% higher than Nova Scotia and New Brunswick placing our economy at a significant disadvantage to the rest of the Maritimes, and the world for that matter. Our economy cannot be sustained in the long term if this disparity continues, and we cannot wait for others to fix the problem. We have thought about it, and now we must act. The world economy itself is in a state of turmoil never seen before, and PEI and Summerside are not immune to these influences. We have thought about that as well, and again we must act. As a municipal government our resources are limited. Summerside is not going to fix the world's, nor even the Province's, problems. What we can do, however, is use our limited resources wisely and invest in opportunities that protect our residents from the worst of the worldwide economic turmoil while at the same time laying the foundation for opportunities as the economy rebounds. Summerside is well positioned to not only weather the country's recession better than most, it will be positioned to emerge from the recession earlier than most and will be stronger than ever before. Summerside has opportunities and we must act on those opportunities. And all the while we must remain fully cognizant of our social, cultural and environmental responsibilities. We must integrate our thinking and opportunities to make responsible choices which will position Summerside to prosper from our choices. Your Worship, this is what we are going to do. This is what we must do.

Our federal government along with governments of countries around the world are rolling out economic stimulus packages, much of which is focused on municipal infrastructure improvements as a way of creating jobs while at the same time tackling issues associated with the "infrastructure deficit". It is interesting to note that FCM, the Federation of Canadian Municipalities, has been recommending this very concept for several years now. We will work with the other orders of government to take advantage of opportunities for Summerside. Specifics about the stimulus packages are not yet clear, but we expect details to be forthcoming in the weeks ahead. As President of the Federation of PEI Municipalities I am automatically a Board Member of the FCM. It gives me great pleasure to mention to everyone here that you, Mayor Stewart, as 1st Vice President of the FCM, were recently nominated by the Atlantic Caucus of the Federation of Canadian Municipalities to become President this June at the Annual National Conference and General Meeting. The Federal Gas Tax, an FCM initiative, will return millions of dollars to our City. To date we have received over \$2 million and we will receive nearly \$1.4 million annually through to 2014. As well, Infrastructure Funds, Green Municipal Funds and the Transit Fund are some major projects that the FCM has lobbied the Federal Government to provide as much needed funding to municipalities. Summerside received \$62,000 from the Green Municipal Fund to carry out an environmental impact assessment of a proposed wind farm development in the City, and \$700,000 from the Transit Fund for extensions to our waterfront boardwalk and development of the Heritage Gardens. The FCM is a strong lobby force, representing approximately 90% of the Canadian population in over 1700 municipalities. Thanks are extended to you, Mayor Stewart, Mayor Clifford Lee of Charlottetown, Mayor Kevin Jenkins of Stratford, and the Federation of PEI Municipalities for their strong representation and leadership at the national level.

I would now like to get into specifics. Our plans for 2009 revolve around the development of our own wind farm. The total cost of our proposed development is estimated to be \$30 million with approximately \$22 million coming from other orders of government, including gas tax. With this kind of leveraging this project will be economically beneficial to the residents of Summerside, provide jobs during the development and commissioning stages, provide long term jobs once the turbines are operational, help control the long term cost

of the electric utility's energy purchases, and increase the City's use of PEI wind generated power to well over 50% of its total requirements. In addition to the significant economic benefits, greener energy, increased local employment both in the short term and long term, and sustainability, this project is a huge step towards self sufficiency and the severing of our dependence on other provinces for our energy requirements, or the influences of things like world oil markets or foreign currency fluctuations. And it gets even better. We've all heard about time of use metering. This is where some utilities have a lower rate for off peak hours and higher rates for on peak hours. This helps when the power generation is fairly constant and helps to shift consumption patterns to match supply patterns. This is what smart meters are intended to do. The situation in Summerside will be a little different, and with the difference comes even better opportunities. With the development of the wind farm, our power production will not be constant. We will have periods of peak power production when the wind is blowing and low power production when it isn't. The wind may be blowing, or not blowing, at 2AM or 2PM. Having time of use metering based on the time of day will simply not work very well. The smart meter technology the City proposes to acquire will need to be aware of wind power generation levels on a real time basis, with an incentive and a mechanism for shifting power consumption to times when the wind is generating power at peak levels, whether in the middle of the afternoon or the middle of the night. Future enhancements may allow customers to communicate to the smart meters through the internet to control their energy consuming appliances that can be used at discretionary times to turn on when the wind is producing power at optimal levels or turn off when power production is low. Customers, both residential and commercial, will be able to minimize their average costs through the automatic control of their power consumption patterns. Looking even further into the future, with the increasing production of electric vehicles smart metering will allow Summerside residents to "fill their batteries" at the most cost effective times. This is innovative, economically sound, environmentally responsible, sustainable, beneficial to our power customers, and will be completely community owned and operated. This is integration. And I should point out that Summerside is uniquely positioned to undertake these developments because of its optimal size and geographical characteristics, and because we have our own municipally owned electric utility which operates autonomously from the rest of the PEI grid. The future, Your Worship, looks bright.

We could stop there, Your Worship, and our proposed development would be a great one. But like I said earlier, our choices and our investments need to be considered with integration and future opportunities in mind. Our smart meters will need to communicate with back end servers and with each other. This could be done wirelessly, but this would limit growth capacity and future opportunities. Another option, one which we are pursuing, is the possibility of connecting fiber optic cable to every home and business in Summerside. This would integrate well with the fact that our electric utility already owns most of the utility poles in the City. With a direct fiber connection, not only would the system be much more reliable and efficient, it would open the possibility for the fastest possible internet service, superior phone service and even television services. This information pipeline to the home is the new highway. By planning for integration and maximizing our opportunities, Summerside will be at the leading edge of municipal technological infrastructure which is a prerequisite for future integration and prosperity.

Some of the ideas described above are happening as we speak. Some of them may be facilitated by economic stimulus funding opportunities mentioned earlier. Regardless, we are in a period of time where being opportunistic is critical to success.

Our investments in our citizens, in our community, in our businesses and in our future have succeeded and will continue to succeed. We have made the right choices and will continue to make the right choices. Not only

have we talked and thought about how to realize our potential, we acted and our results speak for themselves. Not only will we continue talking and thinking about future possibilities, we will continue taking action and taking advantage of our opportunities.

The budget initiatives I am about to lay before you represent the City's fifteenth consecutive balanced budget. And I will say right off the top that property tax rates will not be increased. Through the integration of our municipal operations with our utility operations, and through our foresight in entering into a long term wind energy contract for part of our power supply needs, we are able to able to maintain and improve service levels without adjusting taxes.

At the core of what we do are the front line services we provide to our residents. It gives me great pleasure to tell you here tonight that we will provide:

- Fire protection services at a cost of \$543,000, an increase of \$8,000 from 2008;
- Police services at a cost of \$2,973,000, an increase of \$51,000 from 2008;
- Economic development initiatives costing \$561,000, a decrease of \$80,000 from 2008 reflecting increased fundraising targets related to the City's heritage properties;
- Community and recreation services and facilities at a cost of \$3,239,000, an increase of \$73,000 from 2008, less offsetting revenue of \$1,627,000, an increase of \$554,000 from 2008 reflecting an expectation of a marked improvement in special event net revenues;
- We will provide services through our Public Works Department at a cost of \$1,806,000, a decrease of \$227,000 from last year.

Further, Your Worship, we are budgeting for capital spending of \$3,266,000, an increase of \$771,000 from last year's capital investments of \$2,495,000.

Your Worship, through this budget the City continues to deliver more and better services and facilities to our community. This, Your Worship, is accomplished through integration. Like I said last year, this budget reflects the collective achievements, strengths and contributions from all parts of our community - the development agencies (many of which are represented here tonight), other orders of government, service clubs, religious and charitable groups, amateur sports organizations, businesses, arts, heritage and culture groups, and our citizens. To all of them we say, "Thank you". This is your City. This is your budget. These are your services and these are your facilities.

Support continues for arts, heritage and culture with \$196,000 being allocated to heritage properties, \$78,000 to the Harbourfront Theatre who will again be hosting the very popular and successful Anne & Gilbert production, and \$9,000 for the College of Piping.

We are adding to our own green initiatives by continuing to support groups such as the Bedeque Bay Environmental Association with a grant of \$3,000, and \$6,000 for the Salvation Army to help them manage the significant contribution of reusable clothing, furniture and other articles they receive at their Thrift Store location.

We will continue to invest in crime prevention and community safety with a \$500 contribution to Crime Stoppers, \$3,000 to The East Prince Committee on Family Violence Prevention along with our continuing

participation in their Purple Ribbon Campaign, and a \$1,000 contribution to the East Prince Women's Information Centre.

In support of post secondary education we are providing two \$1,500 scholarships to assist Summerside students entering a program with Holland College.

We will support the PEI Sports Hall of Fame with a \$1,000 contribution.

We will sponsor the third running of the Tour de PEI, a World Cup Women's Cycling Event which draws thousands of people to our City in June, with a \$12,500 contribution of cash or in kind services.

We will support youth activities with operating grants to the Boys and Girls Club and Generation XX of \$20,000 and \$22,000 respectively. We would particularly like to thank the volunteers who provide invaluable support to these organizations. The youth of this City are one of our most precious resources and we've seen and heard first hand the great work being done by the Boys and Girls Club as well as Generation XX.

We will increase our support of veterans by contributing \$10,000 to the renovation project at the Royal Canadian Legion through two annual payments of \$5,000 in 2010 and 2011. The Legion has been supporting our community by hosting too many events to count, and we were unanimous in returning this support.

We are making a \$200,000 pledge to support local enhancements to health care through an annual contribution of \$20,000 to the Prince County Hospital Foundation for a period of ten years beginning in 2010, subject to annual budgetary approval.

We will invest \$155,000 in equipment for Fire and Police Services including two new police vehicles and one fire utility vehicle.

We will continue to support the downtown with funding of \$100,000 to Sustainable Tourism and \$48,000 to Downtown Summerside Inc. to complement their BIA levy.

Our public works department will invest \$85,000 for catch basin and sidewalk repairs.

In addition to the City's proposed \$30 million wind farm development described earlier, Summerside Electric will invest \$566,000 to upgrade and expand its capital assets. Our water utility and sewer utility will invest \$714,000 and \$633,000 respectively on capital improvements.

We have allotted \$1,169,000 for street and storm sewer upgrades and \$372,000 to resume our ditch infilling program.

The 2009 Canada Summer Games are less than six months away and we will complete the construction of our artificial turf multipurpose field which will be used as a soccer venue, beach volleyball courts, tennis courts and renovations to our ball fields at a cost of \$157,000. A final \$125,000 will be contributed to the operation of the Games as part of the City's initial \$350,000 commitment, and an instalment of \$25,000 will be made towards the retention of naming privileges which the Games received in recognition of their \$2 million contribution towards the capital costs of Credit Union Place.

At Summerside Raceway construction has started on a new \$3 million grandstand facility which is being funded through a fifteen year lease arrangement. Construction has also started on new barn and paddock facilities which will cost \$1,761,500 with funding of \$1,585,000 from ACOA and Service Canada. As mentioned earlier, these projects are the beginning of Summerside's new Equine Center. The new facilities themselves are being integrated with other City facilities through the sharing of geo thermal heating, electrical service, water and sewer feeds, elevator, commercial kitchen and parking with Credit Union Place. This is what was planned when Credit Union Place was built, and that planning has made it possible to carry out the raceway projects on a more cost effective basis than would otherwise be the case. Likewise, future developments at our Equine Centre will be integrated into these initial projects as well.

Your Worship, now let me tell you about the City's utilities. These include our electric utility, Summerside Community Network which operates Route 2, our water utility and our sewer utility including our new treatment plant. All of these utilities are operated on a "user pay" basis and are therefore expected to be self sustaining.

I spoke about our plans to invest in the development of our own wind farm and the ancillary benefits of things like smart meters and fiber connections to the home. I would also like to provide a bit of background as to why the development of indigenous power resources is so important. Our electric utility acquires electricity through a combination of our own generation, purchases from NB Power and purchases of wind-generated energy from West Cape Energy. We then distribute this energy to our customers on our City-owned distribution network. Rates charged to customers match those of Maritime Electric who are regulated through the Island Regulatory and Appeals Commission. Most of our energy purchases are made in US dollars and, due to a weakening Canadian dollar last year the utility's power purchase costs increased by \$1.1 million. This year's operations are expected to show a modest surplus of \$79,000 based on exchange rates remaining low and the cost of imported power remaining high. It is important for us to understand, and for our residents to understand, the history of importing power to PEI and how it has helped us and hurt us over the years. Until the 1970's, PEI was responsible for its own electrical generation. Summerside and the rest of the island simply didn't have the economies of scale to be able to supply power on a cost effective basis compared to the mainland. In the 1970's the federal government supported the laying of power cables across the Northumberland Strait connecting the PEI grid to the mainland through a connection to New Brunswick. For many years both Nova Scotia and New Brunswick treated PEI as part of their base load and power was supplied to the island on very favourable terms taking advantage of low cost coal, hydro electric and nuclear power. This was the purpose of the undersea cables. Over time, Island utilities lost sight of their own generating capabilities. What was in existence was kept for emergency backup purposes, but only to the extent generators remained functional or practical to maintain. In recent years, however, both Nova Scotia and New Brunswick became much more protectionist over the use and sale of their low cost energy resources. Changes in both provinces resulted in all of their lowest cost energy being solely for the benefit of their own residents, while exports became based on their highest cost of energy or buying that energy on world markets. The advantages of the undersea cables to PEI and being part of a regional base load were gone. And now, the generating capacity to replace expensive electricity imported from Nova Scotia or New Brunswick is gone as well. This has created a state of near total dependence on other provinces or world markets for Summerside's, and PEI's, energy needs. This is unacceptable, not to mention the growing unsustainable competitive disadvantage compared to our neighbouring provinces where they can offer low cost energy while PEI has been relegated to only high cost energy. Summerside cannot wait, and does not have to wait, for the other orders of government to correct this growing inequity. We have not been known to sit on our hands or stick our heads in the sand, and this situation is no different. We have the opportunity to add to our generating capacity through the development of our own

wind farm, and that is what we are going to do. The "fuel" is free. The capital costs are high but will be shared with other orders of government who are supporting this development which will demonstrate how Summerside, and all of PEI, can take action to reduce dependence on foreign energy producers. And will we stop there? No! We mentioned last year that as part of our green future it is the intention of the City to investigate the feasibility of adding a biomass cogeneration plant to our electric utility mix. This plant would provide base load energy along with heating and cooling capacity for a number of the major commercial facilities within the area of the plant. A viability study for is being carried out at a cost of \$80,000 which is being two thirds funded by the Capacity Building Fund component of the Gas Tax. This is our vision. These are our priorities. We will make them happen.

The success of our Route 2 high speed internet service was mentioned earlier. Growth is expected to continue throughout 2009 by a further 21% with a projected surplus of \$49,000 which will be used to reduce City debt.

Your Worship, we consider our water and sewer services to be the best and most advanced in the province, and possibly the Maritimes. One change we will see in our revenue mix is the elimination of leachate treatment revenues resulting from the construction of lagoon facilities in the Wellington area last year. Not to be critical of the Province's approval of the project, we were disappointed to lose this revenue stream which we were counting on when we approved the construction of our new \$20 million Treatment Plant, particularly in light of the fact that Summerside had the capacity to continue handling leachate treatment and now we have significant unused capacity. To compensate for the \$335,000 loss in revenue, rates will be adjusted for both residential and commercial customers and will cost households an additional \$6.53 per month - about 22 cents per day. Even so, Summerside's rates will continue to compare favorably to rates in other Island municipalities. As was the case last year, the Province's assessment freeze on residential properties, now in its second year, will help offset this water and sewer rate adjustment.

Your Worship, I would like to thank everyone here tonight for bearing with me as I near the end of my remarks. I have only a few more things to say. I have talked a lot about integration and how this helps Summerside do more with less. I would like to mention that the City prepared an Integrated Community Sustainability Plan in compliance with its Gas Tax requirements and this is available on the City's web site.

Improving service to our residents is an ongoing responsibility. Summerside prides itself on being continuously on the lookout for either unforeseen opportunities or simply making improvements through our current complement of staff and within current budget constraints. I am pleased to note one item that is a priority will be the introduction by our financial services and electric departments of an equalized billing option which will remove significant month to month changes in power bills. Many of our customers have asked about this possibility and efforts are underway to make this available this summer.

Your Worship, it's no secret that it costs money to provide the services our residents want. Most of our revenue comes in the form of property taxes. As I mentioned, Summerside will continue to absorb tax revenues lost as a result of the Province's assessment freeze on residential properties, and there will be no change to our property tax rates. The 2009 provincial assessment freeze will cost Summerside \$100,000. This is less than it might otherwise have been as the overall increase in fair value assessments increased by less than half a percent. As I said before, Summerside is not immune to the world-wide turmoil in the housing markets.

Another significant source of revenue is equalization. After taking our case to the Province year after year, and with the support and lobbying efforts of the Federation of PEI Municipalities, they finally agreed to fully fund the equalized assessment grant beginning in 2008, which allowed us to do more paving than originally planned. Although we disagree with their recent assertion, contrary to their earlier statements, that for the first time since 1986 "2008 means 2008/2009", and despite the fact that assessments are, by law, measured as of January 1 which would further suggest that this grant relates to the City's 2008 calendar year as opposed to the Province's 2008/2009 fiscal year, we are nonetheless pleased to say that equalization being paid to the City in the future is finally at the levels originally intended.

In 1995, Summerside signed an Agreement with the Province which made the City responsible for street maintenance and policing services. In exchange, the Province's property tax rate was reduced by 96 cents which was then built into the City's rate. This worked fairly well because as costs went up for inflation or as a result of new construction, the City's tax base grew accordingly. In 2008, the Province unilaterally ended this agreement and eliminated their rate reduction and, contrary to Summerside's right to set its tax rate in accordance with the City of Summerside Act, the Province reduced our tax rate to offset the increase in their own rate. The City's lost tax revenue was replaced by a lesser grant received directly from the Province. Despite assurances from the Province that both inflation and growth would be incorporated into grant rates and that the newly appointed Land Commissioner would be reviewing municipal revenue structures including the impact of this change, this has not happened. Your Worship, this is an unacceptable situation. You and I and my fellow Councilors were elected by the residents of Summerside to ensure they would continue to receive the services they have come to expect and which they pay for. To date, we have been able to do this without changing tax rates. With the changes made by the Province our residents will pay the same amount of property tax but the amount transferred to the City in the form of a grant will be less. This is unfair to our residents as we will have less money to provide services even though their tax rates are not being reduced. They will pay the same money, the City will get less and the Province will get more, yet the City's costs will continue to increase. Summerside is not alone in this. The Province's changes were adamantly opposed by the Federation of PEI Municipalities. Charlottetown, Stratford and Cornwall are having to deal with the same issue as islanders across the province are facing either a reduction in municipal services or an increase in municipal property tax rates, while the Province silently keeps the difference. This is just plain wrong. I am saying to you and to our residents and to our businesses that as island municipalities come together on this issue, and with the leadership of the Federation of PEI Municipalities, we need your support to convince the Province to undo what they have done, and Council will need to evaluate what options are available to correct this situation before it leads to revenue shortfalls in municipalities across the Island.

As you can see, Your Worship, our City has had many accomplishments and by incorporating integration into our day to day planning and taking advantage of selective opportunities as they arise, we will have many more. We look forward to being a host venue for the 2009 Canada Games. We look forward to developing wind energy as a green resource for many years to come. And we look forward to our residents and visitors enjoying all the great things Summerside has to offer.

Thank you, and God Bless.

City of Summerside
2009 Budget

Revenue and Expenditure Analysis
As Percentage of Total Budget

Exhibit A

	2009 Budget	% of Total Budget	2008 Actual	% of Total Actual	2008 Budget	% of Total Budget
Revenue						
Property Tax	\$ 7,015,109	47.4%	\$ 6,794,762	47.4%	\$ 12,024,580	92.4%
Provincial Government Grants*	6,739,395	45.6%	6,274,104	43.8%	669,836	5.1%
Other	1,029,726	7.0%	1,265,054	8.8%	330,172	2.5%
Total General Revenue	\$ 14,784,230		\$14,333,921		\$ 13,024,588	
	2009 Budget	% of Total Budget	2008 Actual	% of Total Actual	2008 Budget	% of Total Budget
Net Expenditure						
General Government	\$ 356,970	2.4%	\$ 360,744	2.5%	\$ 350,310	2.6%
Financial Services	3,349,182	22.7%	3,235,055	22.2%	3,548,008	26.8%
Human Resources	170,374	1.2%	148,216	1.0%	152,257	1.2%
Fire Services	542,690	3.7%	534,563	3.7%	527,840	4.0%
Police Services	2,922,669	19.8%	2,861,944	19.7%	2,722,419	20.6%
Economic Development	549,535	3.7%	604,478	4.2%	503,297	3.8%
Community Services	1,612,556	10.9%	2,093,807	14.4%	1,474,488	11.1%
Technical Services	205,897	1.4%	180,098	1.2%	198,843	1.5%
Public Works	1,806,063	12.2%	2,032,973	14.0%	1,573,060	11.9%
Capital Projects	3,266,307	22.0%	2,494,867	17.1%	2,186,991	16.5%
Reserve for Future Capital	-		(214,000)		(214,000)	
Total General Expenditures	\$ 14,782,243		\$14,332,745		\$ 13,023,513	

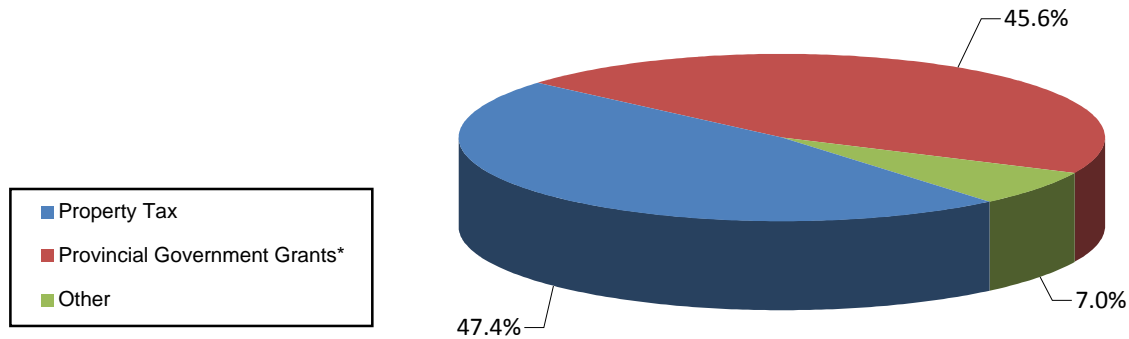
* The City sets its tax rates annually pursuant to Section 28 of the City of Summerside Act. In 2008 the Province of PEI, through legislative amendments to Section 8 of the Real Property Tax Act, reduced the City's non-commercial tax rate from \$1.70 to \$.74, while at the same time rescinding a provincial property tax credit of \$.96. The result of the Provincial legislative amendments was a transfer of taxation capacity from the City of Summerside to the Province of PEI, a transfer which has not been agreed to by the City.

City of Summerside
2009 Budget

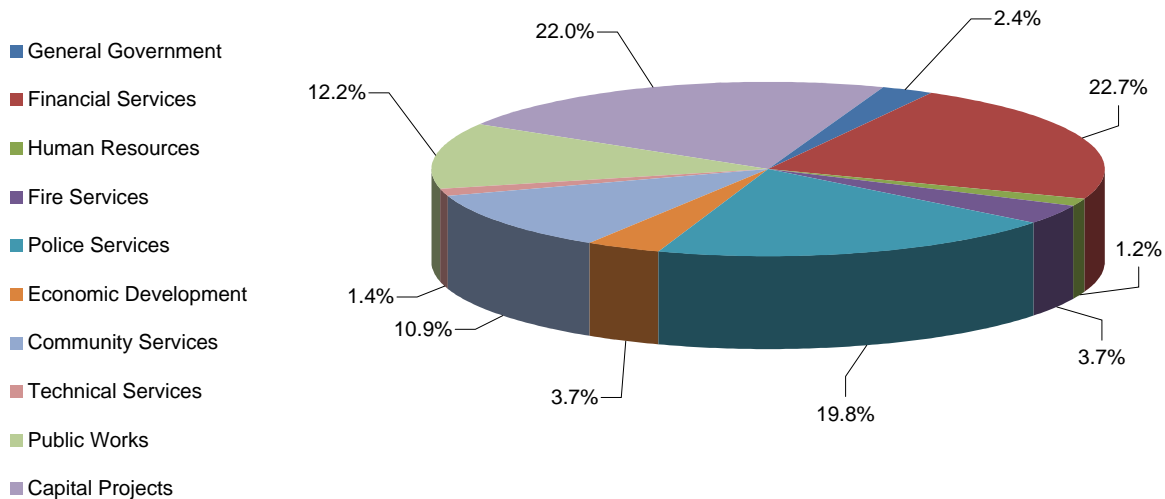
Revenue/Expenditure Analysis

Exhibit B

**Where The Dollars Come From
2009 Revenues \$14,784,230**



**Where The Dollars Go
2009 Net Expenditures \$14,782,243**



City of Summerside
2009 Budget

Summary of Commercial and Non-Commercial Assessments

Exhibit C

	Tax Rate (Per \$100)	2009	2008	2007	2006	2005
Commercial	\$1.92	\$137,747,800	\$136,890,500	\$ 132,078,900	\$ 130,946,500	\$ 123,226,900
Non-Commercial	\$0.74*	\$568,944,509	\$555,855,942	\$ 536,257,323	\$ 503,653,503	\$ 467,049,321
Total:		\$706,692,309	\$692,746,442	\$ 668,336,223	\$ 634,600,003	\$ 590,276,221

Assessment Freeze Value (if different):

Non-Commercial		\$555,669,223	\$548,310,738			
----------------	--	---------------	---------------	--	--	--

* The City sets its tax rates annually pursuant to Section 28 of the City of Summerside Act. In 2008 the Province of PEI, through legislative amendments to Section 8 of the Real Property Tax Act, reduced the City's non-commercial tax rate from \$1.70 to \$.74, while at the same time rescinding a provincial property tax credit of \$.96. The result of the Provincial legislative amendments was a transfer of taxation capacity from the City of Summerside to the Province of PEI, a transfer which has not been agreed to by the City.

City of Summerside
2009 Budget

Electric Rates

Exhibit D

Summerside Electric Utility Rates (Effective April 1, 2008)

	Domestic	General Service I
Service charge	\$ 22.67 / month	\$ 22.67 / month
Demand charge		\$ 12.39 / kw over 20
1st block energy rate	\$ 0.1087 / kwh for first 1600 kwh	\$ 0.1358 / kwh for first 5000 kwh
2nd block energy rate	\$ 0.0843 / kwh for remainder	\$ 0.0855 / kwh for remainder
3rd block energy rate		

	General Service II (All Electric)	Unmetered
Service charge	\$ 22.67 / month	\$ 10.77 min. charge (includes energy)
Demand charge	\$ 5.24 / kw over 20*	
1st block energy rate	\$ 0.1358 / kwh for first 5000 kwh	
2nd block energy rate	\$ 0.1002 / kwh for next 5000 kwh	
3rd block energy rate	\$ 0.0954 / kwh for remainder	\$ 0.1358 / kwh estimated
	* or 0.00262 / kwh, whichever is less	

	Industrial	
Service charge		
Demand charge	\$ 6.88 / kw (5 kw min)	
1st block energy rate	\$ 0.1328 / kwh 1st 100 kwh/kw demand	
2nd block energy rate	\$ 0.0623 / kwh for remainder	

	Area Lighting	Street Lighting
70 hps	\$ 12.12 / month	\$ 12.12 / month
100 hps	\$ 15.40 / month	\$ 15.43 / month
150 hps	\$ 22.05 / month	\$ 22.05 / month
250 hps	\$ 30.06 / month	\$ 30.06 / month
400 hps	\$ 35.34 / month	\$ 35.34 / month
125 mv	\$ 12.12 / month	\$ 12.12 / month
250 mv	\$ 21.47 / month	\$ 21.47 / month
400 mv	\$ 27.60 / month	\$ 30.06 / month

Note: An Energy Cost Adjustment Mechanism (ECAM) will be applied when calculating customers' monthly bills. The ECAM is applied to energy consumption only and does not affect the basic service charge. Both basic and ECAM rates, which are available on the City's website, are updated as rate adjustments occur.

City of Summerside
2009 Budget

Water and Sewer Rates

Exhibit E

Classification	2009			2008		
	Water	Sewer	Combined	Water	Sewer	Combined

Flat Rate - Residential*	\$ 12.85	\$ 32.95	\$ 45.80	\$ 12.48	\$ 26.79	\$ 39.27
--------------------------	----------	----------	----------	----------	----------	----------

Commercial Base Rates:

15 mm	9.71	26.52	36.23	9.43	21.56	30.99
19 mm	10.48	28.98	39.46	10.17	23.56	33.73
25 mm	12.67	36.42	49.09	12.30	29.61	41.91
40 mm	15.64	46.27	61.91	15.18	37.62	52.80
50 mm	23.74	73.44	97.18	23.05	59.71	82.76
75 mm	83.50	273.61	357.11	81.07	222.45	303.52
100 mm	105.66	347.73	453.39	102.58	282.71	385.29
150 mm	157.29	520.70	677.99	152.71	423.33	576.04
200 mm	216.31	718.37	934.68	210.01	584.04	794.05
250 mm	297.44	990.19	1,287.63	288.78	805.03	1,093.81

Commercial Consumption Rates:

Per 1000 Gallons**	1.067	1.988	3.055	1.036	1.616	2.652
--------------------	-------	-------	-------	-------	-------	-------

*Apartments and Mobile homes pay 80% of flat rate.

**Rates for consumption exceeding 1.5 million gallons per month are 70% of the above rates.

City of Summerside
2009 Budget

Debt Payment Schedule

Exhibit F

General Fund Debt

	2009	2010	2011	2012	2013
Principal Payment	\$ 5,042,700	\$ 1,691,111	\$ 1,645,774	\$ 1,682,960	\$ 1,635,424
Interim Financing - Wellness Centre	(3,500,000)	105,800	111,100	116,700	122,500
Net Principal Payments	1,542,700	1,796,911	1,756,874	1,799,660	1,757,924
Interest Payment	2,092,600	2,024,128	1,931,811	1,841,788	1,748,569
Current Year Payment	3,635,300	3,821,038	3,688,685	3,641,448	3,506,492
Outstanding Debt as of Dec 31	\$ 39,839,676	\$ 38,042,765	\$ 36,285,891	\$ 34,486,231	\$ 32,728,308

Electric Utility Debt

	2009	2010	2011	2012	2013
Principal Payment	\$ 677,718	\$ 623,120	\$ 467,631	\$ 372,362	\$ 377,356
Interest Payment	258,698	229,262	198,746	178,473	161,621
Current Year Payment	936,416	852,381	666,377	550,835	538,977
Outstanding Debt as of Dec 31	\$ 5,141,285	\$ 4,518,165	\$ 4,050,534	\$ 3,678,172	\$ 3,300,816

Water and Sewer Utility Debt

	2009	2010	2011	2012	2013
Principal Payment	\$ 11,460,281	\$ 413,458	\$ 419,099	\$ 425,034	\$ 431,272
Interim Financing - Wastewater Plant	(10,812,433)	257,580	265,951	274,595	283,519
Net Principal Payments	647,848	671,038	685,050	699,629	714,792
Interest Payment	637,516	510,075	470,308	441,653	412,411
Current Year Payment	1,285,364	1,181,113	1,155,358	1,141,282	1,127,202
Outstanding Debt as of Dec 31	\$ 6,040,201	\$ 5,369,163	\$ 4,684,112	\$ 3,984,484	\$ 3,269,692

Summerside Community Network Debt

	2009	2010	2011	2012	2013
Principal Payment	\$ 9,400	\$ 31,400	\$ 31,590	\$ 31,740	\$ 31,940
Interest Payment	14,400	14,000	12,500	10,980	9,460
Current Year Payment	23,800	45,400	44,090	42,720	41,400
Outstanding Debt as of Dec 31	\$ 318,182	\$ 286,782	\$ 255,192	\$ 223,452	\$ 191,512

Total Outstanding Debt as of Dec 31	\$ 51,339,344	\$ 48,216,875	\$ 45,275,730	\$ 42,372,339	\$ 39,490,328
--	----------------------	----------------------	----------------------	----------------------	----------------------



2009 Budget Summary

GENERAL FUND

	Page	2009 Budget		2008 Actual Net	
		Expenses	Revenue		Net
General Revenue	18		\$ 14,784,230	\$ 14,784,230	\$ 14,333,921
Expenses					
General Government	19	356,970	-	356,970	360,744
Financial Services	20	3,349,182	-	3,349,182	3,235,055
Human Resources	21	170,374	-	170,374	148,216
Fire Services	22	542,690	-	542,690	534,563
Police Services	23	2,972,669	50,000	2,922,669	2,861,944
Economic Development	24	561,449	11,914	549,535	604,478
Community Services	25	3,254,488	1,641,932	1,612,556	2,093,807
Technical Services	32	205,897	-	205,897	180,098
Public Works	33	1,827,063	21,000	1,806,063	2,032,973
Capital Projects	34	3,266,307	-	3,266,307	2,494,867
Reserve for Future Capital	19	-	-	-	(214,000)
		16,507,089	1,724,846	14,782,243	14,332,745
Total		<u>\$ 16,507,089</u>	<u>\$ 16,509,076</u>		
General Fund Surplus				<u>\$ 1,987</u>	<u>\$ 1,176</u>

UTILITIES

	Page	2009 Budget		2008 Actual Net	
		Revenue	Expenses		Net
Electric Utility					
Generation		\$ -	\$ 607,820	\$ (607,820)	\$ (558,406)
Distribution		22,118,982	21,431,923	687,059	(754,651)
Net Electric	35	22,118,982	22,039,743	79,239	(1,313,057)
Summerville Community Network	40	661,129	661,129	-	-
Water Utility	41	1,586,924	1,586,924	-	-
Sewer Utility	44	2,728,463	2,728,463	-	-
Total Utilities Surplus (Deficit)		<u>\$ 27,095,498</u>	<u>\$ 27,016,259</u>	<u>\$ 79,239</u>	<u>\$ (1,313,057)</u>



**2009 Budget
General Revenue**

	<u>2009 Budget</u>	<u>2008 Actual</u>
Taxation		
Taxation*	\$ 7,015,109	\$ 6,794,762
Licenses and Permits	62,250	48,597
Rentals	115,300	118,827
Service Building	30,000	30,000
Administration of Justice	100,000	97,019
Other		
Province of PEI - Grants	6,739,395	6,274,104
Electric Utility - Grant	700,000	938,000
Prior Year's Surplus	1,176	922
Miscellaneous Revenue	21,000	31,689
Total General Revenue	<u>\$ 14,784,230</u>	<u>\$ 14,333,921</u>

* The City sets its tax rates annually pursuant to Section 28 of the City of Summerside Act. In 2008 the Province of PEI, through legislative amendments to Section 8 of the Real Property Tax Act, reduced the City's non-commercial tax rate from \$1.70 to \$.74, while at the same time rescinding a provincial property tax credit of \$.96. The result of the Provincial legislative amendments was a transfer of taxation capacity from the City of Summerside to the Province of PEI, a transfer which has not been agreed to by the City.



2009 Budget General Government Expenditures

	2009	2008
	Budget	Actual
Mayor & Council Honorarium	\$ 123,200	\$ 118,353
Conferences and Memberships	103,100	96,579
Administrative	25,000	33,206
Grants and Donations		
Baseball	1,950	1,950
Bedeque Bay Environment Association	3,000	3,000
Boys and Girls Club	20,000	20,000
Boys & Girls Club - Gym Renovation	-	10,000
Canada Games	125,000	125,000
College of Piping	9,000	-
East Prince Committee on Family Violence	3,000	3,000
East Prince Women's Information Centre	1,000	-
Figure Skating	2,750	2,750
Generation XX	22,000	22,000
Governor's Plate	2,500	2,500
Holland College Scholarship	3,000	3,000
Jubilee Theatre	77,600	77,563
Minor Basketball	500	500
Minor Hockey	17,000	17,000
Prince County Hospital Foundation	-	5,000
Parkview Seniors	1,000	1,000
PEI Crimestoppers	500	500
PEI Sports Hall of Fame	1,000	1,000
Salvation Army	6,000	-
Soccer	1,000	1,000
Softball	1,350	1,350
Swimming	2,000	2,000
Tour de PEI	12,500	12,500
Other Grants and Donations	5,000	8,606
Miscellaneous Grants & Donations (under \$200)	5,000	5,254
	<u>323,650</u>	<u>326,473</u>
Other	20,000	19,674
Total General Government	<u>594,950</u>	<u>594,285</u>
Less: Allocated to Other Funds		
Electric Utility	(190,384)	(186,832)
Water Utility	(23,798)	(23,354)
Sewer Utility	(23,798)	(23,355)
	<u>(237,980)</u>	<u>(233,541)</u>
Net General Government Expenses	<u>\$ 356,970</u>	<u>\$ 360,744</u>
Reserve for Future Capital	<u>\$ -</u>	<u>\$ (214,000)</u>



2009 Budget
Department of Financial Services

	<u>2009</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>
Salaries and Benefits	\$ 728,770	\$ 656,900
Conferences, Memberships and Training	31,000	27,956
Retirement Benefits	40,000	40,134
Workers' Compensation	127,400	122,337
Administrative	62,000	58,849
Professional Fees	68,000	86,157
Building Operation and Maintenance	211,000	195,586
Summerville Housing Authority	10,000	11,326
Emergency Preparedness	5,500	6,516
Debt Payment - Principal	1,542,700	1,414,186
Debt Payment - Interest	2,092,600	2,158,301
Water/Fire Protection	483,000	483,000
Short Term Interest and Bank Charges	180,000	196,479
Total	<u>5,581,970</u>	<u>5,457,727</u>
Less: Allocated to Other Funds		
Electric Utility	(1,786,230)	(1,778,138)
Water Utility	(223,279)	(222,267)
Sewer Utility	(223,279)	(222,267)
	<u>(2,232,788)</u>	<u>(2,222,672)</u>
Net Financial Services Expenses	<u>\$ 3,349,182</u>	<u>\$ 3,235,055</u>



2009 Budget
Department of Human Resources

	<u>2009</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>
Salaries and Benefits	\$ 242,206	\$ 201,600
Conferences, Memberships and Training	10,250	9,488
Initiatives and Programs	20,000	17,939
Contracted Services	4,000	6,833
Administrative	7,500	13,860
Total	<u>283,956</u>	<u>249,720</u>
Less: Allocated to Other Funds		
Electric Utility	(90,866)	(81,204)
Water Utility	(11,358)	(10,150)
Sewer Utility	(11,358)	(10,150)
	<u>(113,582)</u>	<u>(101,504)</u>
Net Human Resources Expenses	<u>\$ 170,374</u>	<u>\$ 148,216</u>



2009 Budget
Department of Fire Services

	2009	2008
	Budget	Actual
Salaries and Benefits	\$ 365,490	\$ 356,639
Conferences, Memberships and Training	12,850	7,934
Vehicle Repair and Maintenance	27,500	29,869
Equipment and Supplies	33,500	28,382
Administrative	20,600	22,407
Building Operation and Maintenance	82,750	89,332
Total Fire Services Expenses	\$ 542,690	\$ 534,563



2009 Budget
Department of Police Services

	2009	2008
	Budget	Actual
Revenue	\$ 50,000	\$ 59,825
Salaries	2,138,851	1,975,049
Benefits	315,793	314,404
Overtime	102,985	204,616
Conferences and Training	30,000	13,936
Vehicle Repair and Maintenance	82,000	89,356
Administrative	50,650	51,904
Building Operation and Maintenance	154,140	149,886
Equipment and Supplies	57,450	52,825
Professional Fees	40,800	69,793
Total Police Services Expenses	2,972,669	2,921,769
Excess of Expenses over Revenue	\$ 2,922,669	\$ 2,861,944



2009 Budget
Department of Economic Development

	2009 Budget	2008 Actual
Venture Centre Rent	\$ 11,914	\$ 36,988
Total Revenue	11,914	36,988
Salaries and Benefits	144,287	113,076
Administrative	14,350	12,983
Meetings and Conferences	2,000	15,125
Program Development	100,000	114,050
Venture Centre Operations	19,950	22,369
Heritage/Cultural Program Development	13,000	12,327
Downtown Development	48,000	48,000
	<u>341,587</u>	<u>337,930</u>
Wyatt Heritage Properties		
Salaries and Benefits	290,785	279,929
MacNaught Archives and History Centre	19,850	16,453
Wyatt House Museum	8,950	9,491
Lefurgey Cultural Centre	19,750	19,927
Wyatt Heritage Properties General	82,800	57,874
Bishop's Foundry Building Operation	6,350	6,738
Armouries Building Operation and Maintenance	17,377	15,154
	<u>445,862</u>	<u>405,566</u>
Less Recoveries	<u>226,000</u>	<u>102,030</u>
Wyatt Heritage Properties, Net of Recoveries	<u>219,862</u>	<u>303,536</u>
Total Expenses	<u>561,449</u>	<u>641,466</u>
Excess of Expenses over Revenue	<u>\$ 549,535</u>	<u>\$ 604,478</u>



**2009 Budget
Summary - Department of Community Services**

	Page	2009 Budget			2008 Actual
		Expenses	Revenue	Net	Net
Administration	26	\$ 597,520	\$ 8,500	\$ 589,020	\$ 570,940
Special Events	27	41,850	29,000	12,850	376,284
Arena	28	1,207,504	807,709	399,795	610,307
Veterans Convention Centre	28	24,000	75,000	(51,000)	(43,755)
Bowling Lanes	29	94,965	161,453	(66,488)	(67,203)
Pool	30	765,877	432,570	333,307	292,078
Total Credit Union Place		2,731,716	1,514,232	1,217,484	1,738,651
Green Spaces	31	458,475	100,000	358,475	324,862
Programs	31	64,297	27,700	36,597	30,294
Total		\$ 3,254,488	\$ 1,641,932	\$ 1,612,556	\$ 2,093,807



2009 Budget
Department of Community Services

Administration	2009 Budget	2008 Actual
Building Rental Revenue	\$ 8,500	\$ 8,314
Expenses		
Salaries and Benefits	436,150	405,078
Conferences, Memberships and Training	17,020	25,123
Equipment and Supplies	6,700	4,990
Administrative	102,600	108,020
Building Operation and Maintenance	35,050	36,043
Total Administration Expenses	597,520	579,254
Excess of Expenses over Revenue	\$ 589,020	\$ 570,940



2009 Budget
Department of Community Services

Special Events	2009 Budget			2008 Actual
	Expenses	Revenue	Net	Net
Canada Day	\$ 10,000	\$ 10,000	\$ -	\$ 3,948
Canadian Junior Men's Softball	-	-	-	1,736
Canadian Junior Women's Softball	-	-	-	10,630
Chamber of Commerce Trade Show	3,000	-	3,000	2,995
Event Rentals	-	14,000	(14,000)	-
Green Shore Entertainment	10,850	-	10,850	8,926
New Years Celebration	10,000	5,000	5,000	10,503
New Years Day	5,000	-	5,000	4,812
Parade	1,000	-	1,000	632
Public Relations and Facility Naming	-	-	-	48,688
Scarecrow Festival / Nature Fest	2,000	-	2,000	-
Special Events	-	-	-	283,413
Total	\$ 41,850	\$ 29,000	\$ 12,850	\$ 376,284



2009 Budget
Department of Community Services

Arena	2009 Budget	2008 Actual
Revenue		
Ice Time	\$ 382,708	\$ 281,869
Building Rentals	106,000	82,293
Public Skates	20,001	17,821
Miscellaneous Sales	231,000	176,418
Sky Box Rentals	48,000	30,778
Advertising/Signage	20,000	548
Event Revenue (net)	-	15,657
Total Arena Revenue	807,709	605,384
Expenses		
Salaries and Benefits	377,304	410,540
Vehicle Maintenance	40,100	40,199
Equipment and Supplies	13,500	4,895
Administrative and Marketing	17,500	22,608
Building Operation and Maintenance	759,100	737,449
Total Arena Expenses	1,207,504	1,215,691
Excess of Expenses over Revenue	\$ 399,795	\$ 610,307
 Veterans Convention Centre		
Revenue	75,000	62,362
Expenses	24,000	18,607
Excess of Revenue over Expenses	51,000	43,755



2009 Budget
Department of Community Services

	2009	2008
Bowling	Budget	Actual
Revenue	\$ 161,453	\$ 147,543
Expenses		
Salaries and Benefits	68,935	62,816
Equipment and Supplies	10,830	6,075
Administrative	15,200	11,449
Total Bowling Lanes Expenses	94,965	80,340
Excess of Revenue over Expenses	\$ 66,488	\$ 67,203



2009 Budget
Department of Community Services

Pool	2009 Budget	2008 Actual
Revenue	\$ 432,570	\$ 393,922
Expenses		
Salaries and Benefits	313,977	258,935
Equipment and Supplies	71,500	66,889
Administrative	12,000	15,846
Building Operation and Maintenance	368,400	344,330
Total Pool Expenses	765,877	686,000
Excess of Expenses over Revenue	\$ 333,307	\$ 292,078



2009 Budget
Department of Community Services

	2009	2008
	Budget	Actual
Green Spaces		
Revenue	\$ 100,000	\$ 76,221
Expenses		
Salaries and Benefits	346,445	285,979
Equipment and Supplies	112,030	115,104
Total Green Spaces Expenses	458,475	401,083
Excess of Expenses over Revenue	\$ 358,475	\$ 324,862
Programs		
Revenue	\$ 27,700	\$ 15,658
Expenses		
Salaries and Benefits	41,797	24,835
Administrative	22,500	21,117
Total Programs Expenses	64,297	45,952
Excess of Expenses over Revenue	\$ 36,597	\$ 30,294



2009 Budget
Department of Technical Services

	<u>2009</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>
Salaries and Benefits	\$ 719,588	\$ 677,655
Conferences, Memberships and Training	12,200	11,606
Administrative	26,900	26,336
Local Transportation	17,700	14,710
IT Fees and Support	47,200	46,320
Total Technical Services Expenses	<u>823,588</u>	<u>776,627</u>
Less: Allocated to Other Departments		
Capital Spending	(205,897)	(198,843)
Electric Utility	(205,897)	(198,843)
Water Utility	(123,538)	(119,306)
Sewer Utility	(82,359)	(79,537)
	<u>(617,691)</u>	<u>(596,528)</u>
Net Technical Services Expenses	<u>\$ 205,897</u>	<u>\$ 180,098</u>



2009 Budget
Department of Public Works

	2009	2008
	Budget	Actual
Revenue		
Culvert Installation	\$ 5,000	\$ 3,695
Utility Use of Right of Ways	12,500	12,430
Other Revenue	3,500	3,475
Total Public Works Revenue	21,000	19,600
Expenses		
Administration		
Salaries and Benefits	152,387	147,083
Administrative	21,060	26,718
	<u>173,447</u>	<u>173,801</u>
Snow Removal		
Salaries and Benefits	75,319	72,772
Overtime	76,000	101,681
Equipment - Other	50,000	98,500
Salting	182,500	210,684
Winter Maintenance Contract	121,500	118,672
	<u>505,319</u>	<u>602,309</u>
Street Maintenance		
Salaries	172,494	166,661
Overtime	17,000	18,919
New Culverts	7,500	6,898
Replace Culverts	35,000	52,425
Ditch Cleaning - Summer	10,000	11,820
Ditch Cleaning - Winter	2,000	2,076
Patching and Supplies	165,100	216,390
Street Lighting	454,699	395,390
Traffic Lights	88,945	108,570
	<u>952,738</u>	<u>979,150</u>
Building Operation and Maintenance	<u>67,468</u>	<u>66,024</u>
Equipment Maintenance	<u>128,091</u>	<u>231,289</u>
Total Public Works Expenses	1,827,063	2,052,573
Excess of Expenses over Revenue	\$ 1,806,063	\$ 2,032,973



2009 Budget Capital Budget

GENERAL FUND	<u>2009 Budget</u>	<u>2008 YTD Actual</u>
Financial Services	\$ 3,500	\$ (87,493)
Human Resources	-	4,940
Fire Services	55,974	17,379
Police Services	99,150	79,073
Economic Development	202,661	125,023
Community Services	132,889	161,791
Technical Services	2,686,633	2,114,772
Municipal Services	85,500	79,383
	<u>3,266,307</u>	<u>2,494,867</u>
Summerside Wind Farm Development	-	(30,638)
Capital Fund - Wellness Centre	-	<u>1,132,693</u>
Total Capital Expenditures from General Fund	<u>3,266,307</u>	<u>3,596,922</u>
UTILITIES		
Electric Utility	566,000	421,959
Summerside Community Network	264,622	109,244
Water Utility	714,000	304,798
Sewer Utility	633,000	1,126,854
	<u>2,177,622</u>	<u>1,962,855</u>
Total Capital Expenditures from Utilities	<u>\$ 5,443,929</u>	<u>\$ 5,559,777</u>



**2009 Budget
Electric Utility**

	2009 Budget	2008 Actual
Revenue		
Residential	\$ 7,388,529	\$ 6,487,892
Commercial	12,484,183	10,893,706
Industrial	1,417,158	1,235,917
Street Lights	371,277	357,524
Outside Area Lights	56,636	54,555
Unmetered	52,279	50,326
Total Sales	21,770,062	19,079,921
Other Income		
Pole Rental	21,147	121,636
Penalties	188,837	165,502
Miscellaneous	138,936	138,936
	348,920	426,075
Total Revenue	22,118,982	19,505,996
Expenses (See Following Pages)		
Generation	607,820	558,406
Distribution	21,431,923	20,260,647
Total Expenses	22,039,743	20,819,053
Surplus (Deficit)	\$ 79,239	\$ (1,313,057)



**2009 Budget
Electric Utility**

	<u>2009 Budget</u>	<u>2008 Actual</u>
Generation Operations		
Labour	\$ 222,195	\$ 198,692
Major Equipment Repair	30,000	20,288
Equipment Maintenance	8,400	5,183
Fuel	29,000	-
Building Operation and Maintenance	56,825	72,934
Water	4,600	4,532
Lubricants	8,500	8,522
Office	300	255
Debt Repayment	80,000	80,000
Depreciation	168,000	168,000
Total Generation Expenses	<u>\$ 607,820</u>	<u>\$ 558,406</u>



2009 Budget Electric Utility

	<u>2009 Budget</u>	<u>2008 Actual</u>
Distribution Operations		
Electric Power Purchased	\$ 15,379,813	\$ 14,060,784
NB Transmission and Losses	30,000	7,690
PE Transmission and Losses	525,000	424,304
Total Power Purchased	<u>15,934,813</u>	<u>14,492,778</u>
Salaries	203,414	196,535
Equipment	8,000	6,109
Building Heat	12,000	13,367
Building Maintenance	2,250	2,220
	<u>225,664</u>	<u>218,231</u>
Substation		
Labour	8,015	7,927
Materials	37,500	35,842
	<u>45,515</u>	<u>43,769</u>
Underground Conduit and Cables		
Labour	3,159	2,959
Materials	3,500	5,185
	<u>6,659</u>	<u>8,143</u>
Overhead Conductors		
Labour	83,908	88,382
Materials	28,500	80,058
	<u>112,408</u>	<u>168,440</u>
Poles and Fixtures		
Labour	43,802	44,719
Materials	50,000	13,368
	<u>93,802</u>	<u>58,088</u>
Transformers		
Labour	8,050	8,237
Materials	3,000	6,938
	<u>11,050</u>	<u>15,175</u>



**2009 Budget
Electric Utility**

	2009 Budget	2008 Actual
Services		
Labour	31,492	30,882
Materials	6,000	8,118
	<u>37,492</u>	<u>39,000</u>
Street Lighting		
Labour	22,237	21,643
Materials	22,500	47,334
	<u>44,737</u>	<u>68,977</u>
Meters		
Labour	34,915	33,750
Materials	9,000	8,725
Meter Testing	5,500	5,404
	<u>49,415</u>	<u>47,879</u>
Total Distribution Operations Expenses	<u>16,561,555</u>	<u>15,160,482</u>
Customer Service		
Labour	46,561	44,842
Materials	625	532
	<u>47,186</u>	<u>45,374</u>
Administration		
Salaries and Benefits	468,265	446,665
Clothing	10,000	7,543
Workers' Compensation	29,000	28,970
Travel and Training	10,000	12,001
Equipment and Supplies	28,000	44,525
Administrative	85,940	88,194
Building Operation and Maintenance	126,700	143,610
	<u>757,905</u>	<u>771,508</u>



**2009 Budget
Electric Utility**

	2009 Budget	2008 Actual
Other		
Professional Fees	201,000	211,140
Bad Debts	20,000	36,234
Inventory Adjustment	-	4,120
Deposit Interest	2,500	4,584
Regulatory Expenses	20,000	20,000
Miscellaneous	3,500	3,565
Taxes	104,500	80,807
	351,500	360,450
Overhead		
Pensioner Benefits	11,500	11,785
Depreciation	340,000	340,000
Debt Payment - Interest	171,600	205,984
Interest - Operating Loan	150,000	114,748
	673,100	672,517
Interfund Allocations		
Fee for City Hall and Other Buildings	67,300	67,300
Fee to General Fund	700,000	938,000
Interfund Allocations		
General Government	190,384	186,832
Financial Services	1,786,230	1,778,138
Human Resources	90,866	81,204
Technical Services	205,897	198,843
	3,040,677	3,250,316
Total Distribution Expenses	\$ 21,431,923	\$ 20,260,647



2009 Budget Summerville Community Network

	<u>2009 Budget</u>	<u>2008 Actual</u>
Revenue	\$ 661,129	\$ 573,217
Expenses		
Contracted Services	72,000	72,001
Bandwidth Costs	80,000	66,943
Installs and Servicing	164,036	136,935
Equipment and System Maintenance	75,360	82,387
Customer Services Costs	82,816	48,518
Building Operation and Maintenance	117,400	107,922
Debt Servicing	20,425	12,734
Debt Reduction Allocation	49,092	45,775
	<u>661,129</u>	<u>573,217</u>
Surplus	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**2009 Budget
Water Utility**

	2009 Budget	2008 Actual
Revenue		
Unmetered Sales	\$ 819,125	\$ 779,064
Metered Sales	272,299	267,340
Public Fire Protection	483,000	483,000
Penalties	6,500	6,478
Miscellaneous	6,000	5,870
Total Revenue	1,586,924	1,541,752
Distribution Expenses		
Maintenance of Reservoir	31,077	30,890
Water Treatment	53,918	52,971
Maintenance of Mains	119,048	118,627
Maintenance of Services	26,275	20,657
Maintenance of Meters	4,200	5,163
Maintenance of Hydrants	18,977	19,259
Maintenance of Plant	42,357	44,860
Supplies and Expenses	4,000	3,855
Insurance	38,800	39,534
Salaries - Administration	62,058	59,960
Employee Benefits	31,173	30,276
Workers' Compensation	4,080	5,660
Transportation	500	534
	436,462	432,246
Other Expenses (see Next Page)		
Pumping	158,493	154,181
Administration and Other	44,953	39,946
Overhead	509,943	472,692
Interfund Allocations	437,072	442,687
	1,586,924	1,541,752
Surplus	\$ -	\$ -



**2009 Budget
Water Utility**

	<u>2009 Budget</u>	<u>2008 Actual</u>
Water Expenses Continued		
Pumping		
Salaries	\$ 193	\$ 187
Overtime	1,500	3,684
Pumping Electricity	147,550	140,997
Maintenance	6,500	6,531
Lights and Fuel (Standpipe)	2,750	2,782
Total Pumping	<u>\$ 158,493</u>	<u>\$ 154,181</u>
Administration and Other		
Meter Labor	\$ 4,853	\$ 4,689
Inventory Adjustment	-	195
Office Supplies	15,100	13,704
Communication Expenses	7,700	7,749
Taxes	8,300	8,227
Adjusters/Claims	2,500	3,908
Conventions and Training	6,500	1,474
Total Administration	<u>\$ 44,953</u>	<u>\$ 39,946</u>
Overhead		
Debt Payment - Principal	\$ 281,800	\$ 300,024
Debt Payment - Interest	220,900	253,697
Pensioner Benefits	2,400	2,340
Amortization	4,843	4,843
Reserve	-	(88,212)
Total Fiscal and Other	<u>\$ 509,943</u>	<u>\$ 472,692</u>
Interfund Allocations		
General Government	\$ 23,798	\$ 23,354
Finance Services	223,279	222,267
Human Resources	11,358	10,150
Technical Services	123,538	119,306
Adjustment to Sewer	55,099	67,610
Total Interfund Allocations	<u>\$ 437,072</u>	<u>\$ 442,687</u>



**2009 Budget
Sewer Utility**

	2009 Budget	2008 Actual
Revenue		
Customer Revenue	\$ 2,644,213	\$ 1,968,284
Penalties and Miscellaneous	9,250	9,027
Leachate Removal	25,000	360,716
Revenue from Sludge Treatment	50,000	154
Total Revenue	<u>2,728,463</u>	<u>2,338,182</u>
Distribution Expenses		
Salaries - Administration	41,781	40,368
Maintenance of Liftstations	43,825	78,599
Maintenance of Mains	100,616	99,427
Maintenance of Services	11,093	9,646
Maintenance of Plant and Warehouse	62,317	60,824
Property Insurance	23,500	25,311
Employee Benefits	21,200	20,582
Workers' Compensation	2,720	3,866
Machinery Maintenance	6,500	6,137
Transportation	500	535
	<u>314,051</u>	<u>345,294</u>
Operating Expenses		
Solid Waste Disposal	288,000	284,616
Salaries and Benefits	284,511	287,453
Insurance	11,000	10,275
Transportation	7,500	6,235
Electricity - Lift Stations	91,902	79,914
Electricity - Plant	317,609	276,182
Electricity - Lagoon	30,682	26,680
Water	2,500	2,454
Fuel	60,000	56,681
Chemicals	135,000	135,219
Maintenance - Building	11,000	10,056
Maintenance - Lagoon	7,000	6,638
Plant Machinery	15,000	10,666
Lift Station Maintenance	10,000	7,999
Sludge Collections and Lines	8,000	3,274
Operating Supplies	15,000	16,221
General Expenses	5,000	11,667
	<u>1,299,703</u>	<u>1,232,228</u>



2009 Budget Sewer Utility

	<u>2009</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>
Administration and Other		
Office Expenses	17,000	18,311
Telecommunications	18,650	18,610
Inventory Adjustment	-	1,065
Convention	3,500	2,199
Taxes	5,500	5,484
	<u>44,650</u>	<u>45,669</u>
Overhead		
Pensioner Benefits	1,700	1,560
Debt Payment - Principal	366,200	181,973
Debt Payment - Interest	416,464	369,408
Reserve	-	(105,649)
	<u>784,364</u>	<u>447,292</u>
Interfund Allocations		
General Government	23,798	23,354
Financial Services	223,279	222,267
Human Resources	11,358	10,150
Technical Services	82,359	79,537
Adjustment from Water	(55,099)	(67,610)
Total Interfund Allocations	<u>285,695</u>	<u>267,699</u>
Total Expenses	<u>2,728,463</u>	<u>2,338,183</u>
Surplus	<u>\$ -</u>	<u>\$ -</u>

City of Summerside 2009 Budget Highlights

- Fifteenth consecutive general fund balanced budget for the City of Summerside.
- A \$43.5 million budget for 2009; General Government - \$16.5 million and Utility Budget - \$27.0 million.
- No changes in tax rates - the combined Tax Rate for Provincial and Municipal taxes will continue to be lower than the other City in Prince Edward Island and lower than a number of other cities of our size around the Maritimes. This complements the provincial freeze of assessments for owner occupied residents.
- The rate for water and sewer utilities will increase by a combined \$6.53 per month for residential households (22 cents per day) and by the same percentage for metered customers. The combined sewer and water rate will continue to compare favorably to rates in other Island municipalities.
- We will invest \$157,000 in Canada Games infrastructure.
- We will invest \$100,000 towards the next phase of the Summerside Sustainable Tourism Project in the downtown area.
- We will continue to work with the Downtown BIA to support and coordinate their redevelopment program and we will again supplement the funds collected by the BIA on their tax levy by \$48,000.
- We have allotted \$1,169,000 for street and storm sewer upgrades, \$372,000 for ditch infilling, and \$389,000 for general sidewalk construction.
- The City will devote \$633,000 to the Sewer Utility for capital improvements.
- The City will devote \$714,000 to the Water Utility for capital improvements.
- The City will devote \$566,000 to the Electric Utility for capital improvements.
- We have committed donations of \$324,000 to various organizations within the City, including \$125,000 for the 2009 Canada Games.
- We will spend \$155,000 on new equipment for our Fire and Police Departments.
- In total we will spend \$3.3 million from general revenues on capital improvements within the City.