

# City of Summerside

Incorporated April 1, 1995



## 2010 Budget

Presented By

Deputy Mayor Bruce MacDougall

Chairman of Financial Services





**Mayor Basil L. Stewart**

*Councillor Norma McColeman, Human Resources & Legal Affairs*

*Councillor Cory Thomas, Police Services, Councillor Garth Lyle, Municipal Services*

*Councillor Vance Bridges, Fire Services Councillor Ron Dowling, Technical Services,*

*Councillor Brent Gallant, Economic Development, Councillor Barry Chappell, Community Service,*

*Deputy Mayor Bruce MacDougall, Financial Services*



# City of Summerside

## Budget 2010

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## City of Summerside

2010 Budget Address  
Presented by  
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*"May the wind always be at your back and the sun upon your face"* is an old Irish blessing which seems fitting for our future here in Summerside. The name Summerside itself comes from local references to the *summer* side of the island, presumably because it is always sunny here. And with the successful commissioning of our wind farm, we hope to have the wind always at our back, both literally and figuratively. I will have more to say about this a little later.

Your Worship, fellow Councillors, City staff, citizens of Summerside, representatives from the business community and members of the media. What a great time to be a resident or business here in Summerside, here on the *summer* side of the island. I would like to welcome you all and thank you for taking the time to hear how our annual budget, with a little help from the wind at our back, is making Summerside greener, healthier, more culturally rich, more sustainable and more prosperous, how our past choices were the best choices and how we will continue to make the best choices. These are the same objectives I mentioned in my opening remarks last year. We will build on our accomplishments from last year and take advantage of new opportunities to make good things in Summerside even better.

Before I begin, I would like to take a moment to introduce some special guests here tonight. I also want to welcome 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 do they contribute directly to the success of Summerside, 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 was one of the busiest years in Summerside's history. One of the highlights included hosting the most successful Canada Games ever. It was also Summerside's busiest year from an infrastructure development perspective. All three orders of government collaborated to invest in Summerside's infrastructure including 19 kilometers of street paving, 1400 meters of new sidewalks, 3460 meters of storm drainage, 380 meters of new sewer mains and 1446 meters of new water mains, and there will be more of the

same in 2010. We completed some major projects including the Eric Johnston artificial turf sports field, three new tennis courts, a beach volleyball facility, Red Shores Summerside - the new grandstand facility for Summerside Raceway, along with new stabling facilities, major development work at Heritage Gardens, and extensive shoreline protection and extension to the west end boardwalk. Again, all of this required collaboration with the other orders of government and the Canada Games Host Society. Finally, Summerside used its allocation of Gas Tax Funding, the Municipal Rural Infrastructure Fund and project funding under the Building Canada Fund to develop a wind farm within the City's boundaries. The wind farm was commissioned in December, on time and under budget. Early indications are that it will meet or exceed our expectations. In the first few months nearly half of the purchases by Summerside Electric came from PEI wind power. Of this, about half came from West Cape and the other half came from our own wind farm. Even more impressive is that 100% of the City's needs, yes 100%, came solely from wind power 12% of the time. This is clearly an impressive accomplishment for both Summerside and Prince Edward Island and I would like to offer my thanks to our government partners at the federal and provincial levels without whose support this project would not have happened. I would also like to extend my congratulations and thanks to those who made this happen, particularly Director Greg Gaudet and his team. Your accomplishments are greatly appreciated.

With everything that happened and all that was accomplished in 2009, you might wonder if there's anything left to be done in 2010. The answer is yes! As an indication of what is to come, the year started with the wind at the back of Heather Moyses, Summerside's Olympic Champion. Her success inspires us all to think, "***Small City. Big Accomplishments!***" And yes, Your Worship, we expect 2010 will be another year of big accomplishments.

Last year witnessed the worst recession in Canadian History. As a mitigation strategy, all orders of government agreed that stimulus spending on infrastructure, which was generally in need of improvements anyway, was the best way to minimize the impact and extent of the recession. Summerside supported this strategy and entered into a number of infrastructure projects funded jointly with the other orders of government through the Building Canada Fund and the Economic Stimulus Program. These projects total nearly 15 million dollars, two thirds of which comes from other orders of government, for roads, west end shoreline protection and trails, storm sewers, water and sewer upgrades and park development. About half the work was completed in 2009 and the remaining half will be done in 2010. In addition to the 10 million dollars coming from other orders of government for these projects, the City received or will receive about 21 million dollars from the other orders of government towards its 30 million dollar wind farm project. This, Your Worship, is a great example of how Summerside benefits when it is able to leverage its resources in harmony with our friends from the provincial and federal governments. This is how our residents expect us to get the most for their hard earned tax dollars. This, Your Worship, is a Big Accomplishment. And much of this, Your Worship, is a result of the efforts of the Federation of Canadian Municipalities. On behalf of the City of Summerside we would like to extend to you, as President of FCM, our heartfelt thanks. The FCM played a critical role in the development of these infrastructure funding programs, particularly the Gas Tax program for municipalities. Most of Summerside's share of the Gas Tax has been allocated to its wind farm, but it's interesting to note that between 2005 when the program was introduced, and 2014, the period for which funding is confirmed, Summerside will have received nearly 9 million dollars.

The Budget I am presenting tonight will show that Summerside is committed to investing not just in its infrastructure, but also in its long term vision for improved sustainability, continued green growth, and the City's future prosperity. But first, a few highlights from last year.

Your Worship, I am pleased to report to you that we ended 2009 with a modest surplus of \$1,206 in our General Fund. A strengthening Canadian dollar and decreasing energy purchase costs enabled Summerside Electric to contribute an additional \$1 million into 2009 infrastructure projects. Our water utility and Summerside Community Network operated on a breakeven basis while our sewer utility incurred a loss of \$79,000, which it expects to recover in 2010 without any rate increases. 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](http://www.city.summerside.pe.ca).

Last year we used \$3.3 million from our General Revenue Fund for capital projects, part of which was leveraged through Stimulus and Building Canada Fund projects for total upgrades of \$7.8 million. In addition to road and other infrastructure improvements the City purchased a new vehicle for its fire department, purchased two new police vehicles, carried out significant development work at Heritage Park, added shore line protection out past our west end beach, extended the West End Boardwalk, completed our new Canada Games sports facilities including an artificial turf sports field, beach volleyball courts and three new tennis courts, carried out general upgrades to our electric, water and sewer utilities, and completed the development of our wind farm. These are the investments, Your Worship, that our residents have told us are important to them. These are the investments which have shifted the wind to our back.

In 2009, police protection cost \$3 million, \$2.1 million was spent on public works, \$700,000 on economic development, and \$541,000 for fire protection. The net cost of providing recreation facilities and services was \$2.1 million. The City paid \$339,000 to community groups and minor sports organizations. The provision of clean, safe drinking water, modern sewers, and effective environmental controls, cost \$4.1 million. These are the services people have come to expect and which make Summerside a safe, active, healthy and growing community.

Our Electric Utility had a great year. A strengthening Canadian Dollar, decreasing costs for energy purchases, and continued growth in the supply of wind-generated electricity all contributed to a decrease in consumer power rates throughout the year. Residential rates are about 20% lower today than their peak in December, 2008.

Your Worship, these are just some of the highlights of what was accomplished in 2009. More specific details are available in both our 2009 Annual Report and 2010 Budget documents presented to you here tonight.

Your Worship, last year the theme of my remarks was *integration* and how this would provide for growth, efficiencies and increased opportunities. With your indulgence, I would like to read an excerpt from last year's remarks because it explains the actions we took, the growth and efficiencies we achieved, and provides the background for the opportunities created and the rationale for some of this year's initiatives.

*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.*

These remarks, Your Worship, were a call to action. And we responded. The main initiative from last year's plan was the development of our own wind farm. This was an enormous undertaking. And as with any project of this magnitude it came with its share of naysayers. Council did its homework to overcome concerns raised, and with the financial support afforded through gas tax, the Municipal Rural Infrastructure Fund and the Building Canada Fund, Summerside is now producing about one quarter of its electricity from the wind. It is clean. It is local. It is sustainable. It is not going up in price. It is ours. And it has generated opportunities for Summerside which otherwise wouldn't be here. For too long Summerside had been dependent on off-island energy producers, who themselves were dependent on off shore oil producers. This contributed to carbon emissions and the costs proved to be uncontrollable. These threats are still here. Now, however, Summerside has taken the lead by showing that its electrical needs can be supplied using Island resources. It has accomplished this 12 percent of the time since the start of the year and, on average, half of its needs are now coming from Island wind power. It bears repeating that it's clean, it's affordable and the cost of the wind is not going up any time soon. And not only is this paying for itself, it is providing a positive cash flow which will be reinvested into local economic development opportunities. Now that the basic infrastructure and systems are in place, Summerside has the opportunity to accommodate more green energy into its system and it can introduce demand side management initiatives which offer incentives to its customers to consume discretionary energy when the wind is blowing. This will be done through the introduction of smart meters. This is the kind of opportunity our investments were designed to give us. Opportunities which help control long term system growth through the use of energy at strategic times which is good for our electric utility, provide periodic rate discounts for our customers who can alter their electricity consumption to when the wind is blowing and who are willing, on a volunteer basis, to allow the utility to curtail their consumption when winds are calm, and an increase in the overall generation and use of green energy to displace the use of fossil fuels which is good for everyone. Our flagship enterprise, Summerside Electric, will use the remaining funding from the wind farm project to initiate a smart meter pilot project which will see the

installation of about 400 meters with fibre connections to our central core on Ottawa Street. These meters will collectively improve overall demand side management while allowing customers to take advantage of surplus energy when the wind is blowing, energy which might otherwise be sold off-island. Plans are being developed by staff and details will be announced in the near future. This is a win-win-win opportunity, and it was only made possible through the initial investment in our wind farm. What better example could I give you of having the wind at our back and the sun on our face?

Your Worship, I have given you some of the highlights of what we accomplished last year and a glimpse of how this is leading to opportunities this year, and now I would like to get give you more specific details about how we will be investing in our residents and our community...how we will be making the best choices. The budget initiatives I am about to lay before you represent the City's sixteenth consecutive balanced budget.

First, let me begin with the City's revenues. All that we will be able to accomplish this year has been bolstered by a long anticipated new source of funding. Our investment in our wind farm was done in anticipation that it would generate funds for community services and development. For 2010, we estimate that the sale of wind power from our wind farm to Summerside Electric will generate a new net cash flow of \$1.2 million which will help fund initiatives and services. The revenue from our electric utility enables us to take advantage of opportunities such as funding from other orders of government to accelerate infrastructure upgrades. Although we anticipate stimulus funding for infrastructure upgrades may end after 2010, this new revenue source will continue into the foreseeable future. This is what I meant when I said we will have the wind at our back. This, Your Worship, is how we increase our investment in ourselves without increasing tax rates. That's right, **there will be no increase in property tax rates**. With the Provincial limitation on residential assessment increases limited to CPI, which was zero this year, most homeowners will see zero increases in their property tax bills.

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 \$538,000, a budget decrease of \$5,000 from 2009;
- Police services at a cost of \$3,183,000, an increase of \$210,000;
- Economic development initiatives costing \$619,000, an increase of \$58,000;
- Community and recreation services and facilities at a cost of \$3,365,000, an increase of \$111,000, less offsetting revenue of \$1,590,000, a decrease of \$52,000 reflecting a **freeze in user rates for 2010**. You heard me right, there will be no increase in user rates at Credit Union Place or our ball fields and the rates for our new facilities, including the Eric Johnston Field and the Beach Volleyball Courts, will be set at the same rate as similar facilities on the island;
- We will provide services through our Public Works Department at a cost of \$1,928,000, an increase of \$100,000.

Further, Your Worship, we are budgeting for capital spending from general revenue funds in the amount of \$3,749,000, an increase of \$483,000 from last year's budget. Part of this spending will also be used to leverage an additional \$4,670,000 from other orders of government through the Economic Stimulus Program and the Building Canada Fund. Again, we extend our thanks to the federal and provincial orders of government who are working with us to make Summerside a better place.

Your Worship, the City continues to deliver more and better services and facilities to our community. Summerside is the best place to work, live and play. Although none of us here tonight need much convincing of this, there are others who do. That is why I am pleased to announce the introduction of a Summerside Economic Development Incentive Policy to attract new businesses and residents to our community. Through growth, we can broaden our assessment base to position ourselves to continue providing superior services at competitive rates. Our new wind farm positions us to offer a unique combination of property tax incentives combined with electrical rate incentives. This initiative will have no short term costs yet will offer huge long term potential. This is a 'no lose' opportunity for the City of Summerside, the kind of opportunity envisioned when we were planning the wind farm. These visions are now being turned into reality. Details of the Incentive Policy are available here tonight, but here are some of the highlights:

- No incremental municipal property taxes for three years on qualified projects;
- Three year electrical rate freeze on qualified projects which will undoubtedly be very enticing in both the commercial and residential sectors;
- Projects over \$500,000 with at least a 25% commercial component will qualify.

This development incentive, Your Worship, will encourage expansion or location of operations here in Summerside to create long-term skilled or semiskilled employment, attract businesses it might not otherwise be able to attract, demonstrate our commitment to both industry and residents, and generally lead to both short and long term job creation. This incentive, Your Worship, has long been sought by local developers, some of whom are here tonight, and we are pleased to have been able to integrate electricity from our wind farm into what Summerside has to offer. This, Your Worship, is the wind at our back with the backing of our wind.

A vibrant and healthy community is one which invests in the richness of its arts, culture and heritage. This year we are increasing our support for arts, heritage and culture with \$207,000 being allocated to heritage properties for operations and \$41,000 for capital improvements, an increase of \$25,000 in funding for the Harbourfront Theatre bringing their total funding to \$102,000, and \$59,000 for the College of Piping, an increase of \$50,000.

We will increase our investment in crime prevention and community safety with a \$500 contribution to Crime Stoppers, \$5,000 to The East Prince Committee on Family Violence Prevention along with our continuing participation in their Purple Ribbon Campaign, a \$3,000 contribution to the East Prince Women's Information Centre, and \$5,000 for Safe Community Initiatives which is new and will be administered through our Department of Human Resources and Legal Affairs.

In support of post secondary education we are providing two \$1,500 scholarships to assist Summerside students entering a program with Holland College. As further support for their Learning for Life Capital Campaign, we have allocated \$20,000 to work with them to convert two city vehicles from gas to electric which will also be the City's first steps towards using our own wind power to operate our fleet.

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

We will provide a \$2,000 sponsorship to the Special Olympics.

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 make our first instalment of \$5,000 to the Royal Canadian Legion towards our \$10,000 commitment for their renovation project last year.

We are making a \$20,000 payment to the Prince County Hospital Foundation to support local enhancements to health care. This is the first of ten annual payments towards a \$200,000 pledge made last year and is another example of how wind power is helping us increase our support to community organizations.

We will support the activities of the Parkview Seniors with a \$1,000 operating grant and \$5,000 for property upgrades.

We will invest \$159,000 in equipment for Fire and Police Services including two new police vehicles, one of which will be electric provided suitable models become commercially available as we align our operations with the harnessing of our wind resources.

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

Our public works department will invest \$290,000 in a new loader, \$10,000 to replace worn plow blades and \$25,000 for sidewalk repairs.

Summerside Electric will complete its \$30 million wind farm project with the initial deployment of a smart meter pilot program as mentioned earlier. It will also invest \$250,000 to purchase additional standby generation capacity to backstop our wind power, interconnect other City generating facilities at a cost of \$200,000, acquire a new Digger Truck for \$175,000, refurbish the alternator on an existing generator for \$165,000, and upgrade and expand its other assets at a cost of \$450,000.

Our water utility and sewer utility will invest \$1.3 million and \$1.2 million respectively on capital improvements while funds will be invested to upgrade information technology equipment for Route 2 (\$148,000), and City corporate needs (\$160,000).

We have allotted \$5,441,000 for street and storm sewer upgrades of which \$2,389,000 will be funded from general revenues and \$3,052,000 will be funded by other orders of government through the Building Canada Fund and Stimulus Funding programs. This work includes about one million dollars for ditch infilling.

We will continue to make Summerside more pedestrian friendly with the redevelopment of sidewalks at a cost of \$382,000.

We will complete the Heritage Garden project started last year with an additional \$320,000 in development work of which \$214,000 will be funded by other orders of government through the Stimulus Funding Program.

We will complete the west end shore line protection, trail development and science centre for \$2,838,000, of which \$1,892,000 will be funded through the Building Canada Fund.

We will invest \$157,000 in our parks and recreation facilities.

We will invest \$74,500 in Summerside Raceway using funds from our agreement with Atlantic Lottery Corporation.

These are the investments which make Summerside a great city. These are the things we can accomplish when we have the faith and fortitude to invest in ourselves. These are our choices and these are the best choices – for residents, for businesses, and for our friends and visitors. This is what is possible when we have the wind at our back.

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. All of these utilities are operated on a "user pay" basis and are therefore expected to be self sustaining.

I spoke about our successful wind farm development and our plans to invest in a smart meter pilot project. We will continue to seek out and invest in opportunities which will increase our production of green energy or lead to greater self sufficiency. Although the national and international economic turmoil of the past two years appears to be subsiding and electrical rates have dropped about 20% from their highs in December, 2008, I think everyone acknowledges and agrees that it was a clear wakeup call that factors well beyond our control can have serious and harmful impacts on all of us. As I mentioned, we can meet our energy needs some of the time when the wind is blowing, but we lack the capacity to generate enough power when the wind is calm. We will continue to look for opportunities to add to either our wind generation capacity or other green generating sources, provided they involve indigenous fuel. We will also begin a process of gradually increasing our standby or backup generating capacity so that we always have the option of producing power locally using conventional means, if even for short periods of time. Overall, however, our wind farm has positioned Summerside to become substantially self sufficient over the next five to ten years.

Summerside Electric will continue to match the rates charged by Maritime Electric. Even though we don't have the same economies of scale, we have other geographical advantages and the ability to share facilities and overheads with our general government operations, the importance of which cannot be overstated. We are budgeting a surplus of \$109,000 for 2010 due in part to the recent strengthening of the Canadian dollar, the commissioning of our wind farm, the long term power supply contract in place with West Cape Energy, and the renewal of our power supply arrangements with NB Power on more favourable terms.

Our Summerside Community Network is an interesting success story to say the least. A few years back, high speed internet services were simply unavailable to most of rural PEI. Many believed it couldn't be done, but with the federally funded BRAND programs, a little ingenuity and a lot of hard work, Summerside made it happen. Over time as our reputation grew for quality, reliability and superior customer service, so did our customer base. Last year, however, maintaining our customer base became more challenging when Aliant began offering competing services, but only after they were able to enter into a non-tendered arrangement with the Provincial government, effectively pitting provincial tax dollars against the federal tax dollars used to make high speed internet available to

rural areas through Summerside's Route 2. If it was Route 2's presence that prompted Aliant and others to offer services to our rural neighbours where none was offered before, then our endeavour was worthwhile as our top priority was to see that all of western PEI had access to high speed internet. We will continue to offer the services of Route 2 and continue to build on our strengths of quality, reliability and customer service and our vision of long term self-sustainability. We have seen what happens when for-profit organizations gain a monopoly in any given market area – prices rise and service quality deteriorates. The real downside, however, is the loss of industry expertise in the area making it virtually impossible, particularly in rural areas, to break the monopoly cycle. We are already seeing this with Aliant's recent transfer of technically skilled positions out of Summerside to more populated areas. But here's the interesting part of our story. With the dip in our customer base, we were able to use the technical capabilities of several very talented employees to do some of the very challenging integration work involving wind and power forecasting associated with the development of our wind farm. And we see a number of similar opportunities for the skills of our employees as we take on new initiatives such as the deployment of smart meters, the deployment of wireless internet access in parks and other areas of the City, and pursue the development of telephone service using Voice Over Internet Technology (VOIP), initially for internal city use. These are skills we wouldn't otherwise have here with the City if we allowed "all things technical" to be controlled and operated from other areas. Your Worship, let me send a clear message that Summerside will keep, and hopefully grow, its skilled, educated and valued employees here in Summerside and Prince County, maintaining a critical mass of expertise in these areas, expertise which is essential to the broad based health and well being of our community. We will continue to operate Summerside Electric and Summerside Community Network. Both are providing local employment and local skills and expertise. We will not risk losing the life blood of our community. Those who agree with our vision can be proud of their support for community initiatives, and to those who feel they can get a better deal or better services elsewhere, we wish them all the best and welcome whatever competition may come our way. For 2010, Summerside Community Network is budgeting a breakeven year as customer numbers stabilize and new service opportunities present themselves.

Moving on to our water and sewer services, let me begin by saying **there will be no rate increases**. Our water utility broke even last year and is expected to do the same this year. In our sewer utility, improved operating results at our treatment plant and stabilizing revenues are expected to cover last year's modest shortfall and otherwise break even this year as well, despite the loss of \$360,000 in annual revenue for the treatment of leachate when the provincial government built a competing lagoon in Wellington.

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.

Over the past few years we have had many great accomplishments, and I think we all understand that these projects require financing. This past year we took on two significant new loans of note – one for the redevelopment of the grandstand facility at Summerside Raceway and the other for the construction of the wind farm. Payments on these two loans, both principal and interest, are being financed entirely from the projects they relate to. The wind farm loan payment is being made from the sale of electricity to Summerside Electric, and the grandstand loan is being paid from the lease revenue coming from Atlantic Lottery Corporation. To minimize the risk of future interest rate increases both loans were locked in for long periods of time at historically low interest rates. These investments and these loans do not add a burden to our taxpayers. They provide a net positive cash

flow which helps taxpayers. That said, we continue to be mindful of our debt and have balanced our loan portfolio over short, medium and long terms to minimize the risk of future rate increases while taking advantage of very, very low rates on short term financing. At the beginning of 2009 our General Fund long term borrowing was 41.4 million dollars. At the end of 2009, excluding the self-sustaining loan on the grandstand mentioned above, this was reduced to 39.8 million dollars as we had projected. Over the next five years, by 2014, this amount will be reduced to 30.9 million dollars. The City's debt limit under the City of Summerside Act excludes the borrowing for the new grandstands and the electric utility debt, both of which are completely serviced from independent sources of revenue. At the end of 2009, the City's long term debt was 16.3 million dollars less than our limit of 71.1 million dollars. Put another way, the City's remaining borrowing capacity is 23% of our debt cap which is well in excess of the 10% minimum reserve suggested in the City's Strategic Plan. Looking a few years down the road, if assessments grow by 2.5% annually and utility debt stays at current levels, by 2014 the City's debt would be 34 million dollars below our limit with unused borrowing capacity at 43% of our debt cap.

Throughout my remarks I have applauded the cooperation and support of the other orders of government, particularly with regard to infrastructure projects. There is one more aspect of our municipal finances for which we would like to extend our gratitude, and that is to the Province who, through years of collaboration with municipal representatives from the Federation of PEI Municipalities, have taken the steps necessary to reintroduce fairness into the process of municipal equalization. To Premier Robert Ghiz and the Honorable Wes Sheridan we extend our sincere thanks and hope that the progress and spirit of cooperation from the past few years will help set the tone for the cooperative adoption and implementation of the recently released recommendations of Land Commissioner, Judge Ralph Thompson.

As you can see, Your Worship, our City had many accomplishments in 2009 and we will have even more accomplishments and more opportunities in 2010 as each accomplishment paves the way to new opportunities. And it's worth repeating to say there will be no tax rate increases, no water rate increases, no sewer rate increases, no user fee increases and, for the record, no increase to the modest stipend paid to the Mayor and Councillors.

In closing, I will leave you with this:

*May the road rise to meet you  
May the wind be always at your back  
The sun shine warm upon your face  
The rains fall soft upon your fields  
And until we meet again,  
May God hold you in the hollow of his hand.*

Thank you, and good night.

**City of Summerside  
2010 Budget**

**Revenue and Expenditure Analysis  
As Percentage of Total Budget**

**Exhibit A**

	2010 Budget	% of Total Budget	2009 Actual	% of Total Actual	2009 Budget	% of Total Budget
<b>Revenue</b>						
Property Tax	\$ 6,838,042	42.8%	\$ 6,838,043	43.4%	\$ 7,015,109	47.4%
Provincial Government Grants*	6,963,605	43.5%	6,828,399	43.3%	6,739,395	45.6%
Other	2,193,550	13.7%	2,090,166	13.3%	1,028,554	7.0%
<b>Total General Revenue</b>	<b>\$ 15,995,197</b>		<b>\$15,756,608</b>		<b>\$ 14,783,058</b>	

	2010 Budget	% of Total Budget	2009 Actual	% of Total Actual	2009 Budget	% of Total Budget
<b>Net Expenditure</b>						
General Government	\$ 358,416	2.2%	\$ 389,475	2.5%	\$ 356,970	2.4%
Financial Services	3,329,274	20.8%	3,263,292	20.7%	3,349,182	22.7%
Summerside Raceway	-	0.0%	-	0.0%	-	0.0%
Human Resources	187,418	1.2%	174,296	1.1%	170,374	1.2%
Fire Services	537,756	3.4%	541,508	3.4%	542,690	3.7%
Police Services	3,132,929	19.6%	2,912,162	18.5%	2,922,669	19.8%
Economic Development	583,199	3.6%	697,851	4.4%	549,535	3.7%
Community Services	1,775,043	11.1%	2,118,897	13.4%	1,612,556	10.9%
Technical Services	433,106	2.7%	232,060	1.5%	205,897	1.4%
Public Works	1,908,589	11.9%	2,095,922	13.3%	1,806,063	12.2%
Capital Projects	3,749,441	23.5%	3,331,115	21.2%	3,266,307	22.0%
<b>Total General Expenditures</b>	<b>\$ 15,995,171</b>		<b>\$15,756,578</b>		<b>\$ 14,782,243</b>	

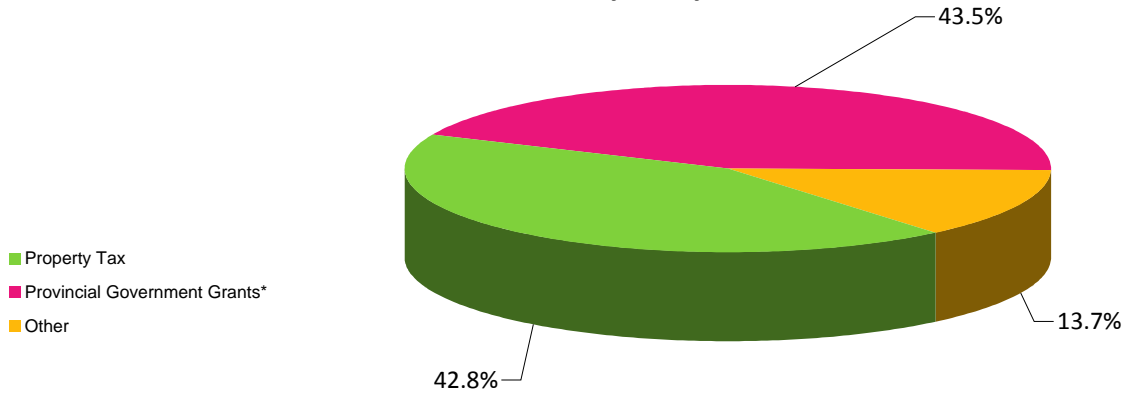
\* The City sets its tax rates annually pursuant to Section 28 of the City of Summerside Act. In 2008 the Province of PEI, through legislative amendments to Section 8 of the Real Property Tax Act, reduced the City's non-commercial tax rate from \$1.70 to \$.74, while at the same time rescinding a provincial 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  
2010 Budget**

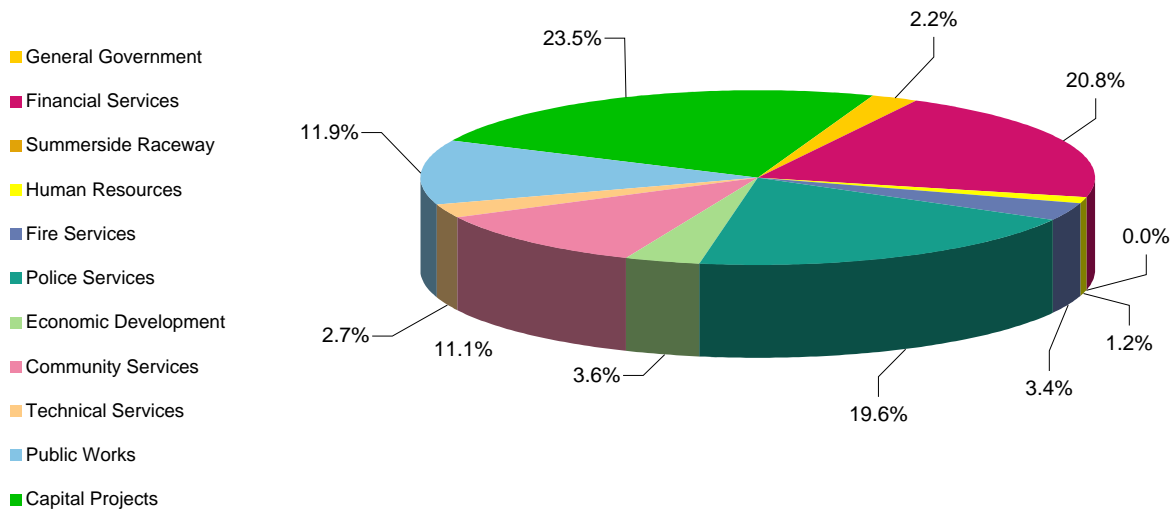
**Revenue/Expenditure Analysis**

**Exhibit B**

**Where The Dollars Come From  
2010 Revenues \$15,995,197**



**Where The Dollars Go  
2010 Net Expenditures \$15,995,171**



**City of Summerside  
2010 Budget**

**Summary of Commercial and Non-Commercial Assessments**

**Exhibit C**

	Tax Rate (Per \$100)	2010	2009	2008	2007	2006
Commercial	\$1.92	\$141,749,000	\$137,747,800	\$136,890,500	\$ 132,078,900	\$ 130,946,500
Non-Commercial	\$0.74*	\$568,921,848	\$568,944,509	\$555,855,942	\$ 536,257,323	\$ 503,653,503
<b>Total:</b>		<b>\$710,670,848</b>	<b>\$706,692,309</b>	<b>\$692,746,442</b>	<b>\$ 668,336,223</b>	<b>\$ 634,600,003</b>

**Assessment Freeze Value (if different):**

Non-Commercial			\$555,669,223	\$548,310,738		
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\* 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 \$.96 credit applied to provincial property tax rates in Summerside. 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  
2010 Budget**

**Electric Rates**

**Exhibit D**

Summerside Electric Utility Rates (Effective April 1, 2009)

	Domestic	General Service I
Service charge	\$ 24.57 / month	\$ 24.57 / month
Demand charge		\$ 13.43 / kw over 20
1st block energy rate	\$ 0.1178 / kwh for first 2000 kwh	\$ 0.1472 / kwh for first 5000 kwh
2nd block energy rate	\$ 0.0914 / kwh for remainder	\$ 0.0927 / kwh for remainder
3rd block energy rate		

	General Service II (All Electric)	Unmetered
Service charge	\$ 24.57 / month	\$ 11.67 min. charge (includes energy)
Demand charge	\$ 5.68 / kw over 20*	
1st block energy rate	\$ 0.1472 / kwh for first 5000 kwh	
2nd block energy rate	\$ 0.1086 / kwh for next 5000 kwh	
3rd block energy rate	\$ 0.1034 / kwh for remainder	\$ 0.1472 / kwh estimated
	* or 0.00284 / kwh, whichever is less	

	Industrial	
Service charge		
Demand charge	\$ 7.46 / kw (5 kw min)	
1st block energy rate	\$ 0.1440 / kwh 1st 100 kwh/kw demand	
2nd block energy rate	\$ 0.0675 / kwh for remainder	

	Area Lighting	Street Lighting
70 hps	\$ 13.14 / month	\$ 13.14 / month
100 hps	\$ 16.70 / month	\$ 16.73 / month
150 hps	\$ 23.90 / month	\$ 23.90 / month
250 hps	\$ 32.59 / month	\$ 32.59 / month
400 hps	\$ 38.31 / month	\$ 38.31 / month
125 mv	\$ 13.14 / month	\$ 13.14 / month
250 mv	\$ 23.27 / month	\$ 23.27 / month
400 mv	\$ 29.92 / month	\$ 32.59 / 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. These rates, which are available on the City's website, are updated as rate adjustments occur.

**City of Summerside  
2010 Budget**

**Water and Sewer Rates**

**Exhibit E**

Classification	2010			2009		
	Water	Sewer	Combined	Water	Sewer	Combined

<b>Flat Rate - Residential*</b>	\$ 12.85	\$ 32.95	\$ 45.80	\$ 12.85	\$ 32.95	\$ 45.80
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**Commercial Base Rates:**

15 mm	9.71	26.52	36.23	9.71	26.52	36.23
19 mm	10.48	28.98	39.46	10.48	28.98	39.46
25 mm	12.67	36.42	49.09	12.67	36.42	49.09
40 mm	15.64	46.27	61.91	15.64	46.27	61.91
50 mm	23.74	73.44	97.18	23.74	73.44	97.18
75 mm	83.50	273.61	357.11	83.50	273.61	357.11
100 mm	105.66	347.73	453.39	105.66	347.73	453.39
150 mm	157.29	520.70	677.99	157.29	520.70	677.99
200 mm	216.31	718.37	934.68	216.31	718.37	934.68
250 mm	297.44	990.19	1,287.63	297.44	990.19	1,287.63

**Commercial Consumption Rates:**

<b>Per 1000 Gallons**</b>	1.067	1.988	3.055	1.067	1.988	3.055
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\*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  
2010 Budget**

**Debt Payment Schedule**

**Exhibit F**

**General Fund Debt**

	2010	2011	2012	2013	2014
Principal Payment	\$ 5,113,611	\$ 1,688,274	\$ 1,717,967	\$ 1,635,424	\$ 1,697,546
Interim Financing - Wellness Centre	(3,500,000)	137,015	140,440	143,951	147,550
Interest Payment	1,933,628	1,846,178	1,758,201	1,667,218	1,580,017
Current Year Payment	3,547,239	3,671,467	3,616,608	3,446,593	3,425,113
Outstanding Debt as of Dec 31	\$ 38,225,508	\$ 36,400,219	\$ 34,541,812	\$ 32,762,437	\$ 30,917,341

**Summerside Raceway**

	2010	2011	2012	2013	2014
Principal Payment	\$ 144,290	\$ 150,790	\$ 157,583	\$ 164,682	\$ 172,100
Interest Payment	129,533	123,033	116,240	109,141	101,723
Current Year Payment	273,823	273,823	273,823	273,823	273,823
Outstanding Debt as of Dec 31	\$ 2,855,710	\$ 2,704,920	\$ 2,547,337	\$ 2,382,655	\$ 2,210,555

**Electric Utility Debt**

	2010	2011	2012	2013	2014
Principal Payment	\$ 13,114,053	\$ 727,853	\$ 645,551	\$ 664,019	\$ 636,340
Interim Financing - Wind Farm	(12,519,599)				
Interest Payment	670,668	516,702	486,346	458,872	430,596
Current Year Payment	1,265,122	1,244,555	1,131,897	1,122,891	1,066,936
Outstanding Debt as of Dec 31	\$ 4,124,135	\$ 3,396,282	\$ 2,750,731	\$ 2,086,712	\$ 1,450,372

**Water and Sewer Utility Debt**

	2010	2011	2012	2013	2014
Principal Payment	\$ 11,314,702	\$ 680,195	\$ 667,934	\$ 655,587	\$ 643,151
Interim Financing - Wastewater Plant	(10,612,433)				
Interest Payment	377,522	323,462	303,784	283,745	263,326
Current Year Payment	1,079,791	1,003,657	971,718	939,332	906,477
Outstanding Debt as of Dec 31	\$ 6,272,290	\$ 5,592,095	\$ 4,924,161	\$ 4,268,574	\$ 3,625,423

**Summerside Community Network Debt**

	2010	2011	2012	2013	2014
Principal Payment	\$ 21,452	\$ 45,843	\$ 46,965	\$ 48,119	\$ 49,307
Interest Payment	15,502	14,746	13,378	11,978	10,546
Current Year Payment	36,954	60,589	60,343	60,097	59,853
Outstanding Debt as of Dec 31	\$ 375,971	\$ 330,128	\$ 283,163	\$ 235,044	\$ 185,737

<b>Total Outstanding Debt as of Dec 31</b>	<b>\$ 51,853,614</b>	<b>\$ 48,423,644</b>	<b>\$ 45,047,204</b>	<b>\$ 41,735,422</b>	<b>\$ 38,389,428</b>
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## 2010 Budget Summary

### GENERAL FUND

	Page	2010 Budget			2009 Actual
		Expenses	Revenue	Net	Net
<b>General Revenue</b>	<b>18</b>	\$ -	\$ 15,995,197	\$ 15,995,197	\$ 15,756,608
<b>Expenses</b>					
General Government	19	358,416	-	358,416	389,475
Financial Services	20	3,329,274	-	3,329,274	3,263,292
Summerville Raceway	21	377,000	377,000	-	-
Human Resources	22	187,418	-	187,418	174,296
Fire Services	23	537,756	-	537,756	541,508
Police Services	24	3,182,929	50,000	3,132,929	2,912,162
Economic Development	25	618,899	35,700	583,199	697,851
Community Services	26	3,365,424	1,590,381	1,775,043	2,118,897
Technical Services	32	433,106	-	433,106	232,060
Public Works	33	1,927,589	19,000	1,908,589	2,095,922
Capital Projects	34	3,749,441	-	3,749,441	3,331,115
		18,067,252	2,072,081	15,995,171	15,756,578
Total		<u>\$ 18,067,252</u>	<u>\$ 18,067,278</u>		
<b>General Fund Surplus</b>				<u>\$ 26</u>	<u>\$ 30</u>

### UTILITIES

	Page	2010 Budget			2009 Actual
		Revenue	Expenses	Net	Net
Electric Utility					
Generation		\$ -	\$ 628,803	\$ (628,803)	\$ (581,195)
Distribution		17,809,887	17,071,643	738,244	664,318
Net Electric	35	17,809,887	17,700,446	109,441	83,123
Summerville Community Network	40	588,264	588,264	-	-
Water Utility	41	1,559,859	1,559,859	-	-
Sewer Utility	43	2,625,180	2,545,940	79,240	(79,240)
<b>Total Utilities Surplus</b>		<u>\$ 22,583,190</u>	<u>\$ 22,394,509</u>	<u>\$ 188,681</u>	<u>\$ 3,883</u>



## 2010 Budget General Revenue

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	<u>2010</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>
Taxation*	\$ 6,838,042	\$ 6,838,043
Province of PEI - Grants	6,963,605	6,828,399
Wind Energy Sales	1,130,000	78,626
Electric Utility - Grant	700,000	1,700,000
Wind Energy Royalties	45,000	2,250
Other		
Administration of Justice	100,000	101,477
Licenses and Permits	62,250	62,954
Miscellaneous Revenue	21,000	60,497
Rentals	105,300	54,362
Service Building	30,000	30,000
<b>Total General Revenue</b>	<b><u>\$ 15,995,197</u></b>	<b><u>\$ 15,756,608</u></b>

\* 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.

## 2010 Budget

### General Government Expenditures

	<b>2010</b>	<b>2009</b>
	<b>Budget</b>	<b>Actual</b>
Mayor and Council Honorarium	\$ 122,709	\$ 122,472
Conferences and Memberships	97,600	110,405
Administrative	25,000	35,816
Grants and Donations		
Baseball	1,950	1,950
Bedeque Bay Environment Association	4,000	3,000
Boys and Girls Club	20,000	20,000
Canada Games	25,000	125,000
College of Piping	59,000	9,007
East Prince Committee on Family Violence	5,000	3,000
East Prince Women's Information Centre	3,000	1,000
Figure Skating	2,750	2,750
Generation XX	22,000	22,000
Governor's Plate	2,500	2,500
Harbourfront Theatre	102,500	92,581
Holland College Scholarship	3,000	3,000
Holland College	20,000	-
Minor Basketball	500	500
Minor Hockey	17,000	17,000
Prince County Hospital Foundation	20,000	-
Parkview Seniors	1,000	1,000
PEI Crimestoppers	500	500
PEI Sports Hall of Fame	1,000	1,000
Royal Canadian Legion	5,000	-
Salvation Army	-	6,000
Special Olympics	2,000	-
Soccer	1,000	1,000
Softball	1,350	1,350
Swimming	2,000	2,000
Tour de PEI	-	12,500
Other Grants and Donations	5,000	6,821
Miscellaneous Grants and Donations (under \$200)	5,000	3,994
	<u>332,050</u>	<u>339,453</u>
Other	20,000	19,309
<b>Total General Government</b>	<b><u>597,359</u></b>	<b><u>627,455</u></b>
Less: Allocated to Other Funds		
Electric Utility	(191,155)	(190,384)
Water Utility	(23,894)	(23,798)
Sewer Utility	(23,894)	(23,798)
	<u>(238,943)</u>	<u>(237,980)</u>
<b>Net General Government Expenses</b>	<b><u>\$ 358,416</u></b>	<b><u>\$ 389,475</u></b>



**2010 Budget**  
**Department of Financial Services**

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	<b>2010</b>	<b>2009</b>
	<b>Budget</b>	<b>Actual</b>
Salaries and Benefits	\$ 737,741	\$ 696,546
Conferences, Memberships and Training	32,500	40,125
Retirement Benefits	40,000	35,856
Workers' Compensation	120,800	121,426
Administrative	70,000	72,233
Professional Fees	78,000	217,430
Building Operation and Maintenance	224,950	218,194
Summerville Housing Authority	15,000	16,310
Emergency Preparedness	6,500	6,357
Debt Payment - Principal	1,613,600	1,543,257
Debt Payment - Interest	1,926,700	1,923,745
Water/Fire Protection	483,000	483,000
Short Term Interest and Bank Charges	200,000	121,601
<b>Total</b>	<b>5,548,791</b>	<b>5,496,080</b>
Less: Allocated to Other Funds		
Electric Utility	(1,775,613)	(1,786,230)
Water Utility	(221,952)	(223,279)
Sewer Utility	(221,952)	(223,279)
	<u>(2,219,517)</u>	<u>(2,232,788)</u>
<b>Net Financial Services Expenses</b>	<b><u>\$ 3,329,274</u></b>	<b><u>\$ 3,263,292</u></b>



**2010 Budget  
Summerside Raceway**

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	<u>2010 Budget</u>	<u>2009 Actual</u>
<b>Revenue</b>	<b>\$ 377,000</b>	<b>\$ 135,291</b>
<b>Expenses</b>		
Building Operation and Maintenance	5,000	5,140
Debt Payment - Principal	144,300	-
Debt Payment - Interest	129,550	24,350
Reserve for Future Expenditures	98,150	105,801
<b>Total Summerside Raceway Expenses</b>	<b><u>377,000</u></b>	<b><u>135,291</u></b>
<b>Excess of Revenue over Expenses</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>



**2010 Budget**  
**Department of Human Resources**

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	<u>2010</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>
Salaries and Benefits	\$ 257,312	\$ 228,204
Conferences, Memberships and Training	13,450	10,848
Initiatives and Programs	28,000	25,865
Contracted Services	4,000	3,068
Administrative	9,600	19,893
<b>Total</b>	<b><u>312,362</u></b>	<b><u>287,878</u></b>
Less: Allocated to Other Funds		
Electric Utility	(99,956)	(90,866)
Water Utility	(12,494)	(11,358)
Sewer Utility	(12,494)	(11,358)
	<u>(124,944)</u>	<u>(113,582)</u>
<b>Net Human Resources Expenses</b>	<b><u>\$ 187,418</u></b>	<b><u>\$ 174,296</u></b>



**2010 Budget**  
**Department of Fire Services**

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	<b>2010</b>	<b>2009</b>
	<b>Budget</b>	<b>Actual</b>
Salaries and Benefits	\$ 371,196	\$ 379,429
Conferences, Memberships and Training	13,700	9,556
Vehicle Repair and Maintenance	25,000	24,173
Equipment and Supplies	23,000	23,668
Administrative	20,600	24,858
Building Operation and Maintenance	84,260	79,824
<b>Total Fire Services Expenses</b>	<b>\$ 537,756</b>	<b>\$ 541,508</b>



**2010 Budget**  
**Department of Police Services**

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	<u>2010</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>
<b>Revenue</b>	<b>\$ 50,000</b>	<b>\$ 52,635</b>
Salaries	2,318,908	2,038,933
Benefits	340,996	326,192
Overtime	111,000	195,225
Conferences and Training	20,000	19,964
Vehicle Repair and Maintenance	84,000	87,591
Administrative	53,475	56,899
Building Operation and Maintenance	156,700	153,305
Equipment and Supplies	58,050	53,585
Professional Fees	39,800	33,103
<b>Total Police Services Expenses</b>	<b><u>3,182,929</u></b>	<b><u>2,964,797</u></b>
<b>Excess of Expenses over Revenue</b>	<b><u><u>\$ 3,132,929</u></u></b>	<b><u><u>\$ 2,912,162</u></u></b>



**2010 Budget**  
**Department of Economic Development**

	<b>2010 Budget</b>	<b>2009 Actual</b>
Venture Centre Rent	\$ 35,700	\$ 31,144
<b>Total Revenue</b>	<b>35,700</b>	<b>31,144</b>
Salaries and Benefits	157,528	146,416
Administrative	13,600	13,386
Meetings and Conferences	4,000	6,628
Program Development	136,000	125,724
Venture Centre Operations	18,494	24,509
Heritage/Cultural Program Development	15,500	15,569
Downtown Development	48,000	48,000
	<u>393,122</u>	<u>380,232</u>
<b>Wyatt Heritage Properties</b>		
Salaries and Benefits	306,398	289,026
MacNaught Archives and History Centre	15,400	16,177
Wyatt House Museum	8,650	8,527
Lefurgey Cultural Centre	17,000	15,857
Wyatt Heritage Properties General	76,600	74,693
Bishop's Foundry Building Operation	5,450	6,853
Armouries Building Operation	13,457	15,273
	<u>442,955</u>	<u>426,406</u>
Less Recoveries	<u>217,178</u>	<u>77,643</u>
Wyatt Heritage Properties, Net of Recoveries	<u>225,777</u>	<u>348,763</u>
<b>Total Expenses</b>	<b>618,899</b>	<b>728,995</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 583,199</b>	<b>\$ 697,851</b>



**2010 Budget  
Summary - Department of Community Services**

	Page	2010 Budget			2009 Actual
		Expenses	Revenue	Net	Net
Administration	27	\$ 641,492	\$ 8,000	\$ 633,492	\$ 590,402
Arena	28	1,278,334	763,781	514,553	771,152
Special Events	28	-	-	-	129,243
Veterans Convention Centre	28	22,000	78,000	(56,000)	(47,946)
Bowling Lanes	29	105,051	157,500	(52,449)	(57,652)
Pool	30	782,754	441,000	341,754	274,200
Total Credit Union Place		2,829,631	1,448,281	1,381,350	1,659,399
Green Spaces	31	465,352	130,500	334,852	407,514
Programs	31	70,441	11,600	58,841	51,984
<b>Total</b>		<b>\$ 3,365,424</b>	<b>\$ 1,590,381</b>	<b>\$ 1,775,043</b>	<b>\$ 2,118,897</b>



**2010 Budget**  
**Department of Community Services**

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<b>Administration</b>	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Building Rental Revenue</b>	<b>\$ 8,000</b>	<b>\$ 10,875</b>
<b>Expenses</b>		
Salaries and Benefits	476,742	419,239
Conferences, Memberships and Training	21,850	12,950
Equipment and Supplies	7,000	8,713
Administrative	101,700	125,861
Building Operation and Maintenance	34,200	34,514
<b>Total Administration Expenses</b>	<b>641,492</b>	<b>601,277</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 633,492</b>	<b>\$ 590,402</b>



**2010 Budget**  
**Department of Community Services**

<b>Arena</b>	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Revenue</b>		
Ice Time	\$ 318,437	\$ 289,889
Building Rentals	95,344	89,792
Public Skates	20,000	19,008
Miscellaneous Sales	262,000	237,892
Sky Box Rentals	48,000	38,510
Advertising/Signage	20,000	(33,775)
<b>Total Arena Revenue</b>	<b>763,781</b>	<b>641,316</b>
<b>Expenses</b>		
Salaries and Benefits	388,534	435,718
Vehicle Maintenance	45,100	43,595
Equipment and Supplies	9,500	9,058
Administrative	15,000	14,028
Buiding Operation and Maintenance	820,200	910,069
<b>Total Arena Expenses</b>	<b>1,278,334</b>	<b>1,412,468</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 514,553</b>	<b>\$ 771,152</b>
 <b>Special Events, Net of Revenue</b>	 <b>\$ -</b>	 <b>\$ 129,243</b>
 <b>Veterans Convention Centre</b>		
<b>Revenue</b>	<b>\$ 78,000</b>	<b>\$ 69,894</b>
<b>Expenses</b>	<b>22,000</b>	<b>21,948</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ 56,000</b>	<b>\$ 47,946</b>



**2010 Budget**  
**Department of Community Services**

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	<u>2010</u> <u>Budget</u>	<u>2009</u> <u>Actual</u>
<b>Bowling</b>		
<b>Revenue</b>	<b>\$ 157,500</b>	<b>\$ 143,194</b>
<b>Expenses</b>		
Salaries and Benefits	76,771	66,210
Equipment and Supplies	15,780	7,361
Administrative	12,500	11,971
<b>Total Bowling Lanes Expenses</b>	<b>105,051</b>	<b>85,542</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ 52,449</b>	<b>\$ 57,652</b>



**2010 Budget**  
**Department of Community Services**

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<b>Pool</b>	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Revenue</b>	<b>\$ 441,000</b>	<b>\$ 435,144</b>
<b>Expenses</b>		
Salaries and Benefits	344,154	319,304
Equipment and Supplies	63,100	60,809
Administrative	19,400	20,455
Building Operation and Maintenance	356,100	308,776
<b>Total Pool Expenses</b>	<b>782,754</b>	<b>709,344</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 341,754</b>	<b>\$ 274,200</b>



**2010 Budget**  
**Department of Community Services**

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	<b>2010</b>	<b>2009</b>
	<b>Budget</b>	<b>Actual</b>
<b>Green Spaces</b>		
<b>Revenue</b>	<b>\$ 130,500</b>	<b>\$ 69,623</b>
<b>Expenses</b>		
Salaries and Benefits	334,532	335,428
Equipment and Supplies	130,820	141,709
<b>Total Green Spaces Expenses</b>	<b>465,352</b>	<b>477,137</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 334,852</b>	<b>\$ 407,514</b>
<b>Programs</b>		
<b>Revenue</b>	<b>\$ 11,600</b>	<b>\$ 17,361</b>
<b>Expenses</b>		
Salaries and Benefits	38,241	35,076
Administrative	7,000	19,791
Canada Day	5,000	(1,840)
Canadian Junior Women's Softball	-	537
Chamber of Commerce Trade Show	2,300	1,886
Green Shore Entertainment	4,900	(793)
Nature Fest	2,000	1,748
New Years Celebration	5,000	3,593
New Years Day	5,000	8,275
Parade	1,000	1,072
<b>Total Programs Expenses</b>	<b>70,441</b>	<b>69,345</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 58,841</b>	<b>\$ 51,984</b>



**2010 Budget**  
**Department of Technical Services**

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	<b>2010</b>	<b>2009</b>
	<b>Budget</b>	<b>Actual</b>
Salaries and Benefits	\$ 770,008	\$ 756,616
Conferences, Memberships and Training	13,150	12,508
Administrative	26,900	25,440
Local Transportation	13,500	13,178
IT Fees and Support	42,654	42,009
<b>Total Technical Services Expenses</b>	<b>866,212</b>	<b>849,751</b>
Less: Allocated to Other Departments		
Capital Spending		(205,897)
Electric Utility	(216,553)	(205,897)
Water Utility	(129,932)	(123,538)
Sewer Utility	(86,621)	(82,359)
	(433,106)	(617,691)
<b>Net Technical Services Expenses</b>	<b>\$ 433,106</b>	<b>\$ 232,060</b>



**2010 Budget**  
**Department of Public Works**

	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Revenue</b>		
Culvert Installation	\$ 3,500	\$ 3,049
Utility Use of Right of Ways	12,000	11,960
Other Revenue	3,500	650
<b>Total Public Works Revenue</b>	<b>19,000</b>	<b>15,659</b>
<b>Expenses</b>		
Administration		
Salaries and Benefits	150,997	178,313
Administrative	23,433	48,962
	<u>174,430</u>	<u>227,275</u>
Snow Removal		
Salaries and Benefits	81,398	75,623
Overtime	78,500	92,721
Equipment - Other	65,000	86,347
Salting	187,500	243,722
Winter Maintenance Contract	126,040	122,369
	<u>538,438</u>	<u>620,782</u>
Street Maintenance		
Salaries	154,409	149,910
Overtime	16,750	19,650
New Culverts	7,500	5,926
Replace Culverts	35,000	33,838
Ditch Cleaning - Summer	50,000	10,278
Ditch Cleaning - Winter	2,000	7,071
Patching and Supplies	215,100	293,907
Street Lighting	440,000	440,867
Traffic Lights	88,017	87,097
	<u>1,008,776</u>	<u>1,048,544</u>
Building Operation and Maintenance	<u>76,400</u>	<u>68,266</u>
Equipment Maintenance	<u>129,545</u>	<u>146,714</u>
<b>Total Public Works Expenses</b>	<b>1,927,589</b>	<b>2,111,581</b>
<b>Excess of Expenses over Revenue</b>	<b>\$ 1,908,589</b>	<b>\$ 2,095,922</b>



**2010 Budget  
Capital Budget**

<b>GENERAL FUND</b>	<b>2010 Budget</b>	<b>2009 Actual</b>
Financial Services	\$ 79,000	\$ 2,505
Red Shores at Summerside	74,500	27,500
Human Resources	-	-
Fire Services	36,000	31,143
Police Services	123,275	87,272
Economic Development	154,093	213,918
Community Services	157,306	202,766
Technical Services	2,788,267	2,723,306
Municipal Services	337,000	42,705
	<b>3,749,441</b>	<b>3,331,115</b>
<b>Capital Fund - Summerside Wind Farm Development</b>	-	<b>27,846,777</b>
<b>Capital Fund - Heritage Garden &amp; West End Trail</b>	<b>1,052,000</b>	<b>501,195</b>
<b>Capital Fund - Summerside Raceway</b>	-	<b>3,481,553</b>
<b>Total Capital Expenditures from General Fund</b>	<b>4,801,441</b>	<b>35,160,640</b>
<b>UTILITIES</b>		
Electric Utility	1,240,000	524,042
Summerside Community Network	307,311	125,531
Water Utility	1,301,588	421,368
Sewer Utility	1,145,000	817,482
<b>Total Capital Expenditures from Utilities</b>	<b>3,993,899</b>	<b>1,888,423</b>
	<b>\$ 8,795,340</b>	<b>\$ 37,049,063</b>



**2010 Budget  
Electric Utility**

	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Revenue</b>		
Residential	\$ 5,986,333	\$ 6,841,726
Commercial	9,889,667	11,405,799
Industrial	1,106,586	1,275,792
Street Lights	400,400	398,408
Outside Area Lights	57,645	57,645
Unmetered	46,063	45,548
<b>Total Sales</b>	<b>17,486,694</b>	<b>20,024,918</b>
<b>Other Income</b>		
Pole Rental	98,653	15,080
Penalties	133,773	153,191
Miscellaneous	90,767	103,942
	323,193	272,213
<b>Total Revenue</b>	<b>17,809,887</b>	<b>20,297,131</b>
<b>Expenses (See Following Pages)</b>		
Generation	628,803	581,195
Distribution	17,071,643	19,632,813
<b>Total Expenses</b>	<b>17,700,446</b>	<b>20,214,008</b>
<b>Surplus</b>	<b>\$ 109,441</b>	<b>\$ 83,123</b>



**2010 Budget  
Electric Utility**

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	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Generation Operations</b>		
Labour	\$ 246,903	\$ 203,796
Major Equipment Repair	30,000	41,961
Equipment Maintenance	8,500	7,288
Fuel	29,000	11,725
Building Operation and Maintenance	53,200	57,597
Water	4,600	10,753
Lubricants	8,500	21
Office	100	54
Debt Repayment	80,000	80,000
Amortization	168,000	168,000
<b>Total Generation Expenses</b>	<b>\$ 628,803</b>	<b>\$ 581,195</b>



**2010 Budget  
Electric Utility**

	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Distribution Operations</b>		
Electric Power Purchased	10,210,384	12,767,562
NB Transmission and Losses	126,280	(5,590)
PE Transmission and Losses	590,400	418,970
Wind Farm Operations	576,800	(42,000)
Total Power Purchased	<u>11,503,864</u>	<u>13,138,942</u>
Salaries	157,939	195,506
Equipment	5,250	3,075
Building Heat	10,500	10,239
Building Maintenance	2,850	1,062
	<u>176,539</u>	<u>209,882</u>
<b>Substation</b>		
Labour	4,283	3,748
Materials	37,500	727
	<u>41,783</u>	<u>4,475</u>
<b>Underground Conduit and Cables</b>		
Labour	4,173	4,025
Materials	3,700	2,536
	<u>7,873</u>	<u>6,561</u>
<b>Overhead Conductors</b>		
Labour	73,558	68,510
Materials	28,000	12,307
	<u>101,558</u>	<u>80,817</u>
<b>Poles and Fixtures</b>		
Labour	44,636	54,543
Materials	43,000	20,169
	<u>87,636</u>	<u>74,712</u>



**2010 Budget  
Electric Utility**

	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Transformers</b>		
Labour	19,841	18,991
Materials	22,000	24,974
	<u>41,841</u>	<u>43,965</u>
<b>Services</b>		
Labour	35,607	33,307
Materials	9,500	10,204
	<u>45,107</u>	<u>43,511</u>
<b>Street Lighting</b>		
Labour	22,994	21,828
Materials	29,000	26,510
	<u>51,994</u>	<u>48,338</u>
<b>Meters</b>		
Labour	38,410	37,064
Materials	9,500	11,035
Meter Testing	6,000	5,263
	<u>53,910</u>	<u>53,362</u>
<b>Total Distribution Operations Expenses</b>	<b><u>12,112,105</u></b>	<b><u>13,704,565</u></b>
<b>Customer Service</b>		
Labour	43,197	41,591
Materials	625	37
	<u>43,822</u>	<u>41,628</u>
<b>Administration</b>		
Salaries and Benefits	458,139	417,770
Clothing	10,000	10,290
Workers' Compensation	27,300	21,682
Travel and Training	10,000	10,922
Equipment and Supplies	36,500	37,030
Administrative	89,100	88,346
Building Operation and Maintenance	151,600	139,896
	<u>782,639</u>	<u>725,936</u>



## 2010 Budget Electric Utility

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	<u>2010 Budget</u>	<u>2009 Actual</u>
<b>Other</b>		
Professional Fees	223,000	310,483
Bad Debts	12,000	66,623
Inventory Adjustment	-	(5,325)
Deposit Interest	2,400	2,377
Regulatory Expenses	20,000	20,000
Miscellaneous	3,700	3,645
Taxes	147,300	105,188
	<u><b>408,400</b></u>	<u><b>502,991</b></u>
<b>Overhead</b>		
Pensioner Benefits	12,500	12,438
Amortization	340,000	340,000
Debt Payment - Interest	171,600	129,278
Interest - Operating Loan	150,000	135,300
	<u><b>674,100</b></u>	<u><b>617,016</b></u>
<b>Interfund Allocations</b>		
Fee for City Hall and Other Buildings	67,300	67,300
Fee to General Fund	700,000	1,700,000
Interfund Allocations		
General Government	191,155	190,384
Financial Services	1,775,613	1,786,230
Human Resources	99,956	90,866
Technical Services	216,553	205,897
	<u><b>3,050,577</b></u>	<u><b>4,040,677</b></u>
<b>Total Distribution Expenses</b>	<u><b>\$ 17,071,643</b></u>	<u><b>\$ 19,632,813</b></u>



**2010 Budget**  
**Summerville Community Network**

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	<b>2010</b>	<b>2009</b>
	<b>Budget</b>	<b>Actual</b>
<b>Revenue</b>	<b>\$ 588,264</b>	<b>\$ 602,452</b>
<b>Expenses</b>		
Contracted Services	60,000	72,000
Bandwidth Costs	80,000	64,698
Installs and Servicing	112,489	152,741
Equipment and System Maintenance	110,986	96,481
Customer Service Costs	67,389	69,526
Building Operation and Maintenance	123,500	125,387
Debt Servicing	33,900	20,145
Debt Reduction Allocation	-	1,474
	<b>588,264</b>	<b>602,452</b>
<b>Surplus</b>	<b>\$ -</b>	<b>\$ -</b>



**2010 Budget  
Water Utility**

	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Revenue</b>		
Unmetered Sales	\$ 806,117	\$ 806,117
Metered Sales	259,202	259,202
Public Fire Protection	483,000	483,000
Penalties	6,403	6,403
Miscellaneous	5,137	5,137
<b>Total Revenue</b>	<b>1,559,859</b>	<b>1,559,859</b>
<b>Distribution Expenses</b>		
Maintenance of Reservoir	20,604	12,396
Water Treatment	51,283	52,233
Maintenance of Mains	129,604	145,259
Maintenance of Services	39,240	37,223
Maintenance of Meters	2,450	2,232
Maintenance of Hydrants	10,323	7,603
Maintenance of Plant	34,600	35,387
Supplies and Expenses	4,000	2,541
Insurance	43,700	38,110
Salaries - Administration	90,966	89,345
Employee Benefits	42,412	35,086
Workers' Compensation	4,830	4,121
Vehicle Maintenance, Net of Recoveries	500	(11,580)
	<b>474,512</b>	<b>449,956</b>
Other Expenses (See Following Page)		
Pumping	147,549	165,605
Administration and Other	43,786	38,756
Overhead	477,400	477,733
Interfund Allocations	416,612	427,809
	<b>1,559,859</b>	<b>1,559,859</b>
<b>Surplus</b>	<b>\$ -</b>	<b>\$ -</b>



**2010 Budget  
Water Utility**

	<u>2010 Budget</u>	<u>2009 Actual</u>
<b>Water Expenses Continued</b>		
<b>Pumping</b>		
Salaries	\$ 1,649	\$ 1,601
Overtime	1,500	3,976
Pumping Electricity	135,000	135,624
Maintenance	7,300	22,378
Lights and Fuel (Standpipe)	2,100	2,026
<b>Total Pumping</b>	<b><u>\$ 147,549</u></b>	<b><u>\$ 165,605</u></b>
<b>Administration and Other</b>		
Meter Labor	\$ 3,736	\$ 3,627
Inventory Adjustment	-	1,648
Office Supplies	15,100	13,604
Communication Expenses	9,450	9,294
Taxes	8,500	8,358
Adjusters/Claims	2,500	924
Conventions and Training	4,500	1,301
<b>Total Administration</b>	<b><u>\$ 43,786</u></b>	<b><u>\$ 38,756</u></b>
<b>Overhead</b>		
Debt Payment - Principal	\$ 283,200	\$ 280,798
Debt Payment - Interest	186,700	189,686
Pensioner Benefits	2,500	2,406
Amortization	5,000	4,843
<b>Total Fiscal and Other</b>	<b><u>\$ 477,400</u></b>	<b><u>\$ 477,733</u></b>
<b>Interfund Allocations</b>		
General Government	\$ 23,894	\$ 23,798
Finance Services	221,952	223,279
Human Resources	12,494	11,358
Technical Services	129,932	123,538
Adjustment to Sewer	28,340	45,836
<b>Total Interfund Allocations</b>	<b><u>\$ 416,612</u></b>	<b><u>\$ 427,809</u></b>



**2010 Budget  
Sewer Utility**

	<b>2010 Budget</b>	<b>2009 Actual</b>
<b>Revenue</b>		
Customer Revenue	\$ 2,577,780	\$ 2,482,613
Penalties and Miscellaneous	9,000	11,250
Leachate Removal	-	52,101
Revenue from Sludge Treatment	27,150	27,150
Revenue from Bio-Solids	11,250	11,250
<b>Total Revenue</b>	<b>2,625,180</b>	<b>2,584,364</b>
<b>Distribution Expenses</b>		
Salaries - Administration	43,035	61,891
Maintenance of Liftstations	44,732	80,476
Maintenance of Mains	87,993	119,170
Maintenance of Services	15,111	26,966
Maintenance of Plant and Warehouse	54,727	57,605
Property Insurance	26,600	24,305
Employee Benefits	20,459	21,410
Workers' Compensation	3,220	2,748
Machinery Maintenance	15,000	4,652
Vehicle Maintenance, Net of Recoveries	500	(608)
	<b>311,377</b>	<b>398,615</b>
<b>Operating Expenses</b>		
Solid Waste Disposal	60,000	147,817
Salaries and Benefits	343,327	333,349
Insurance	17,700	13,323
Transportation	5,500	7,165
Electricity - Lift Stations	91,000	91,583
Electricity - Plant	280,000	283,374
Electricity - Lagoon	27,000	27,446
Water	2,200	2,142
Fuel	56,000	56,086
Chemicals	180,000	189,337
Maintenance - Building	11,000	11,100
Maintenance - Lagoon	7,500	6,877
Plant Machinery	75,000	59,673
Lift Station Maintenance	11,500	13,637
Sludge Collections and Lines	8,000	14,656
Operating Supplies	21,200	24,483
General Expenses	6,000	5,232
	<b>1,202,927</b>	<b>1,287,280</b>



## 2010 Budget Sewer Utility

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	<u>2010 Budget</u>	<u>2009 Actual</u>
<b>Administration and Other</b>		
Office Expenses	16,000	15,536
Telecommunications	17,300	18,152
Inventory Adjustment	-	(349)
Convention	4,200	4,930
Taxes	5,650	5,572
	<u>43,150</u>	<u>43,841</u>
<b>Overhead</b>		
Pensioner Benefits	1,700	1,604
Debt Payment - Principal	331,600	365,780
Debt Payment - Interest	338,565	271,526
	<u>671,865</u>	<u>638,910</u>
<b>Interfund Allocations</b>		
General Government	23,894	23,798
Financial Services	221,952	223,279
Human Resources	12,494	11,358
Technical Services	86,621	82,359
Adjustment from Water	(28,340)	(45,836)
Total Interfund Allocations	<u>316,621</u>	<u>294,958</u>
<b>Total Expenses</b>	<u>2,545,940</u>	<u>2,663,604</u>
<b>Surplus/(Deficit)</b>	<u>\$ 79,240</u>	<u>\$ (79,240)</u>

# City of Summerside

2010

## Budget Highlights

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- ▶ Sixteenth consecutive general fund balanced budget for the City of Summerside.
  - ▶ A \$40.5 million budget for 2010; General Government - \$18.1 million and Utility Budget - \$22.4 million.
  - ▶ No change 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.
  - ▶ No change in water and sewer rates.
  - ▶ No change in user rates at our recreational facilities.
  - ▶ 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 will introduce a development incentive offering up to five years of municipal tax abatement and up to five years of frozen power rates.
  - ▶ We will invest \$100,000 in Summerside Sustainable Tourism Project initiatives in the downtown area.
  - ▶ We have committed donations of \$332,000 to various organizations within the City.
  - ▶ We have allotted \$5,441,000 for street and storm sewer upgrades, including \$1,000,000 for ditch infilling. This will be cost shared, with other orders of government contributing \$3,052,000.
  - ▶ We have allotted \$382,000 for sidewalk construction.
  - ▶ The City will devote \$337,000 to Municipal Services for capital improvements.
  - ▶ The City will devote \$1,145,000 to the Sewer Utility for capital improvements.
  - ▶ The City will devote \$1,302,000 to the Water Utility for capital improvements.
  - ▶ The City will devote \$1,240,000 to the Electric Utility for capital improvements and will complete its wind farm project with a smart meter pilot project.
  - ▶ We will spend \$159,000 on new equipment for our Fire and Police Departments.
  - ▶ We will invest \$320,000 in Heritage Gardens.
  - ▶ We will invest \$2,838,000 in shore line protection in the west end, including trail and science centre development, with \$1,892,000 from the Building Canada Fund.
  - ▶ In total we will spend \$3.75 million from general revenues on capital improvements within the City.