

**EASTERN REGIONAL SERVICE BOARD**  
**Minutes of Meeting #39**

**January 26, 2016**

**7:00 p.m.**

**Fairfield Inn & Suites by Marriott**

199 Kenmount Road, St. John's

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**In Attendance:**

Ed Grant, Chairperson  
Dave Aker, Mount Pearl  
Bill Bailey, Clarenville & Isthmus  
Wally Collins, St. John's  
Ron Ellsworth, St. John's  
Jonathan Galgay, St. John's  
Tom Hann, St. John's  
Sandy Hickman, St. John's  
Dave Lane, St. John's  
Harold Mallowney, Vice Chair/Southern Shore  
Dennis O'Keefe, St. John's  
Peggy Roche, Small Metro  
Gordon Stone, Trinity Conception North  
Gerard Tilley, Conception Bay South  
Sam Whalen, Bay Roberts  
Sterling Willis, Paradise  
William Woodman, Southwest Avalon

**Regrets:**

Danny Breen, St. John's  
Joy Dobbie, Trinity Bay South & Isthmus East  
Art Puddister, St. John's  
Bruce Tilley, St. John's

**Observers:**

Neil Moore

**Other Attendees:**

Ken Kelly, Chief Administrative Officer  
Lynn Tucker, Manager Corporate Services  
Christie Dean, Manager Waste Operations

**1. Call to Order**

Mr. Grant, Chairperson, called the meeting to order at 7:00 p.m.

Mr. Grant wished all attendees a Happy New Year as this is the Board's first meeting of 2016.

## 2. Adoption of Agenda

It was moved and seconded (P Roche/H Mullaney) to adopt the agenda as tabled.

**MOTION 2016-001: Carried (unanimously)**

## 3. Review of Minutes – November 25, 2015

It was moved and seconded (S Willis/D O’Keefe) that the minutes of the November 25, 2015 meeting be adopted as tabled.

**MOTION 2016-002: Carried (unanimously)**

## 4. Committee Reports

### a) Finance & Audit Committee – D Breen, Chairperson – Meeting held January 13, 2016

- i. **Revenue, Cheque Register and Expenditures** – As Mr. Breen was not available for tonight’s meeting, Mr. Hickman reported on behalf of the Finance & Audit Committee.

Mr. Hickman noted that the cheque registers as well as the Board’s payroll expenses for the months of November and December 2015 are included in tonight’s meeting package. No issues have been noted.

**It was moved and seconded (D Aker/J Galgay) to accept the Board expenditures (cheque registers and payroll summary) for November and December 2015 as tabled.**

**MOTION 2016-003: Carried (unanimously)**

- ii. **Incorporated Towns in Arrears for Waste Fees** – Mr. Hickman noted that as Board members may recall that at the November meeting there was a discussion regarding those incorporated towns that still owed for waste collection. The overdue amount was approximately \$134,000 at that time. A letter was written to each town and before the close of the year the amount had decreased to about \$27,000. In January additional efforts were made to contact the two towns that remained in arrears and one town has settled its account. However, the Town of Branch remains in arrears and has explained that they are having issues receiving provincial funding because their financial statements were not filed. In our December letter to the Town of Branch it was noted that if their account was not made current by year end, then the waste collection service will be suspended. The next collection day for Branch is Thursday, January 28<sup>th</sup> and a commitment has been made to have a substantial payment into the Board by Friday of this week. The recommendation from staff would be to suspend service with public notice going out on Monday, February 1<sup>st</sup> if payment is not received.

General discussion ensued with the following points:

- Will the Board’s public notice provide a 30-day notice on February 1<sup>st</sup>?

- Notice was provided in the letter sent in December. The last payment received from the Town of Branch was July 2015. The Town of Branch states that it is awaiting its Municipal Operating Grant (MOG) from the Province and will make payment when they get that; however, they have not filed their financial statements. Without financial statements, the Province will not be providing them a MOG.
- This is similar to the Town of Port Kirwan who the Board had to take to court to get its outstanding waste fees. The Board was successful.
- The Board is willing to work with the Town of Branch and all towns in settling their accounts. They have the option of making 10 payments annually, etc.
- Municipal Affairs has been informed about the Town of Branch and the possible suspension of their waste collection services.
- Informing the residents by public notice may result in payment.

**It was moved and seconded (S Hickman/D O’Keefe) that Eastern Regional Service Board will send public notice to all households in the Town of Branch on February 1, 2016 if payment is not received to settle their outstanding 2015 waste collection fees by January 29, 2016. The notice will alert residents that without payment, waste collection services will be suspended effective February 29, 2016.**

**MOTION 2016-004: Carried (unanimously)**

**b) Strategy & Policy Committee – S Hickman, Chairperson – No meeting held in January 2016**

Mr. Grant noted that no meeting of the Strategy & Policy Committee was held in January as Mr. Hickman’s father, T. Alex Hickman, passed away. On behalf of the Board he extended condolences to Mr. Hickman and his family.

**c) Governance Committee – H Mallowney, Chairperson – Meeting held January 19, 2016**

**i. Board Development Plan** – Mr. Mallowney noted that each year Board members are encouraged to participate in conferences so that we can help develop individual Board members knowledge of the industry, issues, trends, policies and solutions. This year we have expanded the mandate of the Board to include the Provincial pilot project on water and wastewater. Staff pulled together a list of development options for Board members as follows:

- Canadian Waste Resource Symposium, Halifax, Nova Scotia – April 27-29
- North American Waste-to-Energy (NAWTEC), West Palm Beach, Florida – May 23-25
- Canadian Water and Wastewater Conference, Ottawa, Ontario – June 8-9
- SWANA WasteCon North America, Indianapolis, Indiana – August 22-25
- Atlantic Canada Water/Wastewater, Moncton, New Brunswick – September 18-21
- National Water/Wastewater, Toronto, Ontario – November 13-16

After discussion at Committee it was agreed that the focus should be on waste related board development opportunities and in particular look into alternatives and options for the next stage of waste diversion such as waste to energy.

**It was moved and seconded (H MULLOWNEY/J GALGAY) that Eastern Regional Service Board participate in the following three conferences in 2016: (1) Canadian Waste Resource Symposium, Halifax, Nova Scotia – April 26-26, 2016; (2) North American Waste to Energy (NAWTEC) Conference, West Palm Beach, Florida – May 23-25, 2016; and, (3) SWANA WasteCon, Indianapolis, Indiana – August 22-25, 2016. Board members will determine who will participate in each conference.**

**MOTION 2016-005: Carried (unanimously)**

Mr. MULLOWNEY noted that any Board member interested in attending any one or all of these conferences should notify Ms. TUCKER at their earliest convenience.

Mr. GRANT informed members that he attended the MMSB Regional Forum in Corner Brook last week. The regional forum provides each region the opportunity to report on their progress regarding implementation of the *Provincial Waste Management Strategy* (PWMS). The eastern region is very far along with its plan. For member's information, the Clenville Waste Transfer Station (CTS) official opening is taking place this coming Thursday, January 28<sup>th</sup> and all Board members are invited to attend. This is one of the last pieces of infrastructure for our plan.

He continued that he was surprised to find out at the MMSB Regional Forum that the definition of diversion does not include waste to energy. As waste technology has changed in recent years, the definition of diversion should be changed to reflect the times. However, the MMSB continues to recommend composting because of its 'environmental and economic benefits'. We will ask MMSB to provide information to support that statement. From the Board's research composting would result in an excessive amount of compost that would most likely be used as very expensive landfill cover and we cannot see any economic benefits.

Mr. MULLOWNEY concurred that the province's definition of diversion is outdated and needs to be changed based on new waste technologies.

- ii. **Creation of New Position – Regional Clerk and Outreach Support** – Mr. MULLOWNEY directed members to the briefing note in tonight's meeting package (Appendix B) regarding the creation of a position for regional clerk and outreach support. This item was discussed at length at committee and in summary, we have two components to this position: (1) Support to the Board in the form of a Board Clerk; and, (2) Outreach and communication to the regional groups such as joint councils. As a joint council Chairperson along with others here tonight who also share this role, we have recognized the connection between the Board and its role in regional service delivery and the discussions/issues that happen at the joint councils.

ERSB is challenged in communicating on a regular basis with these groups and relies on them in many ways to engage the mayors and councils. One way to improve communications with these

groups and to consult with them on regional service delivery is for the Board to support these groups. In areas where there are no joint councils the Board should work with the individual Board member representing the area to develop a regional discussion group so that service delivery issues and regional issues may be discussed. As the Board moves forward the dialogue between these groups is becoming more consistent and demanding in terms of attendance and participation in the discussion of regional service delivery.

Secondly, the Board has its own needs of Board meeting and committee support including meeting materials, briefing notes, analysis, minutes, etc. Similar to the clerk position that exists at most municipalities for the council and its affairs the Board has an ongoing need to resource these activities. This workload will continue to increase as the Board moves forward. The committee is recommending the creation of this position to include both the direct activities of the Board in the form of Regional Clerk and also the development of an outreach capacity.

Discussion ensued with the following points:

- Salary for this position is approximately \$65,000 annually.
- The person filling this position would need municipal experience and an understanding of municipal governance. Finding the right person is key.
- Joint councils would welcome the opportunity to work cooperatively with ERSB. Similar work is being done successfully on the Burin Peninsula.
- The Board will fully support and finance this position.

Ms. Roche noted that she has been involved with the joint councils for many years and she fully supports the creation of this position.

Mr. Willis stated that he is currently Chairperson for the Northeast Avalon Joint Councils and sees the creation of this position as timely and necessary.

Mr. Whalen indicated that smaller communities will benefit greatly from this position; therefore, he is in support.

Mr. Grant confirmed that the funding for this position will not impact the tipping fee.

**It was moved and seconded (H Mallowney/G Stone) that Eastern Regional Service Board will create the position of Regional Clerk and Outreach Support.**

**MOTION 2016-006: Carried (unanimously)**

## 5. New Business

- a. Provincial Budget Consultation – Discussion of ERSB submission of opportunities for cost savings in delivery of snow clearing, fire services, regional planning, building inspection, municipal enforcement, road maintenance, etc.** – Mr. Grant informed members that the reason tonight's meeting was rescheduled was to ensure that he and Mr. Kelly would be available to provide information to the provincial budget consultation. As members know, the

public consultation for St. John's is taking place tomorrow evening, Wednesday, January 27<sup>th</sup> from 6:30-8:30 p.m.

Mr. Kelly circulated a document entitled *Our FISCAL Future – Starting the Conversation* outlines the province's fiscal reality and poses three questions for the public's input – the questions can be found on page 11 of the document (Appendix C) and they are:

- 1) *Thinking of all the things government spends your money on to provide the residents of the province with services, what are the three things that could be stopped in order to save money?*
- 2) *Given the financial challenges facing our province, what three things do you think government could do to raise money (increase revenue)?*
- 3) *How can government be more innovative or efficient to provide quality services at lower costs?*

Mr. Grant explained that the public consultations are not an open forum. Those attending will be put into smaller groups to discuss these three questions and at the end will present the recommendations of each group. The recommendations will go through the Office of Public Engagement.

Mr. Kelly stated that one point ERSB will make is that the regional service boards can assist government in not only providing services in rural areas but to collect the fees from the property owners or recipients of the services in those areas. For example, in those local service districts and unincorporated areas where the province now provides snow clearing on all side roads, property owners could be invoiced for that service. Those living in incorporated towns do not receive the same level of service from the province and are expected to pay for their own snow clearing. This could easily be done through the regional service boards as well as collecting fire service fees, etc.

Mr. Grant noted that the budget consultation seems to be to provide information as to where government should be focused regarding saving money. The issue of having regional service boards collect fees for services such as snow clearing, fire services, etc. is being discussed at Municipal Affairs at this time due to a letter from the Town of Holyrood regarding the provision of fire services to Salmonier Line, an unincorporated area. As members may recall from recent media reports, the Town of Holyrood has entered into an agreement for the provision of fire services with the LSD of Deer Park/Vineland Road; however, they receive calls for fire protection service from those property owners who reside on the Salmonier Line near the town and the LSD of Deer Park/Vineland Road. As those properties are in an unincorporated area, the town does not have the authority to collect fees outside its boundary without an agreement. As there is no organized group to enter into an agreement with, this creates an issue. In addition, they do not have the property owners names and contact information. Holyrood is now asking Municipal Affairs to give the Eastern Regional Service Board the authority to charge and collect the fire fees on their behalf for these properties.

This is an issue for many incorporated towns surrounded by unincorporated areas and those towns are interested in the outcome. The Town of Holyrood has said that if the Minister says

no, then they will not be providing fire protection to properties on the Salmonier Line. Other towns will follow suit and not service those unincorporated areas outside their boundaries if those property owners/communities will not pay.

He continued that for tonight's discussion, members should think about Question #1 and make any suggestions regarding what three things that government could cut to save money.

General discussion ensued with the following points:

- The Province has a decreasing population and struggles to continue to provide services to those living in remote areas i.e. ferry services to small islands, etc. The costs of using these ferries is not in line with the actual operating costs.
- Those living in rural areas receive services such as snow clearing for free when those who live in incorporated towns have to pay for their own snow clearing.

Question #2 – Given the financial challenges facing our province, what three things do you think government could do to raise money (increase revenue).

- Incorporated towns will raise their portion of the funding to do capital work such as roads, infrastructure, etc. but often find that they have to wait for several years for the province to find their portion of the funding. In the meantime, capital work gets done in neighbouring unincorporated areas. Government should provide preference to those with money on the table over those who do not have any financial contribution.
- To increase revenue, government should raise the HST by 2%.
- Increase the tax on fuels.
- Stop the implementation of full-day kindergarten.
- The province has lots of vacant space around the city such as Bishop's College which is now vacant. However, they continue to rent space in private buildings i.e. Eastern School District offices are located at Atlantic Place while government buildings sit vacant.

Question #3 – How can government be more innovative or efficient to provide quality services at lower costs.

- Government really needs to understand its market, for example, Newfoundland and Labrador has an aging demographic and more services and supports will be needed for that segment of the population. This issue will be very serious in about 10 years if not addressed.
- Government should be supporting seniors who want to stay in their own homes. The provision of homecare support is much more affordable than institutional care.
- Government needs to ask very pointed questions on healthcare and education. How do they make the provision of health services and education more affordable?
- Government could merge service points so that they are more efficient and streamlined.
- Government needs to support more private sector services.
- The reality is Newfoundland and Labrador is 500,000 people spread over a large geographic area. Providing services over such a large geographic area is a big issue.
- Government has many employees who are eligible to retire within the next couple of years. A lot of expertise will be lost if downsizing by attrition only.

- Government needs to become more proactive rather than being reactive.

Mr. Grant thanked everyone for their comments and suggestions and concluded by stating the he and Mr. Kelly would be attending the budget event on January 27<sup>th</sup> and would report back to the Board at the next meeting.

- b. **ERSB and Town of Holyrood Joint Letter to Minister Municipal Affairs on Provision of Fire Services** – Mr. Grant noted that this item has already been discussed.
- c. **Meet and Greet with Eastern Region MHAs and their Executive Assistants** - Mr. Grant noted that about one-half of the province’s MHAs represent areas in the Eastern Region and it may be worthwhile to host an event with the MHAs and their Executive Assistants to provide information on the Board, the *Provincial Waste Management Strategy*, our mandate, our progress, etc. He stated that he would have more information for the next meeting.
- d. **Grand Opening of the Clarenville Waste Transfer Station – January 28, 2016** – Mr. Grant stated that the Grand Opening of the Clarenville Waste Transfer Station takes place this coming Thursday, January 28<sup>th</sup> at 11:00 a.m. at the facility which is located at the former landfill site for Clarenville. All Board members are invited to attend. He continued that he has visited the site and it is an interesting and impressive facility. He watched a truck offload while there and it took about nine minutes for the vehicle to fully discharge. The system is very efficient.

Mr. Grant continued that the Board has just one major piece of infrastructure left to complete and that is the Whitbourne Waste Recovery Facility and Equipment Depot. This work should be completed this year.

- e. **Neil Moore, Property Owner, Witless Bay Line** – Mr. Grant noted that we have an observer this evening – Mr. Neil Moore who would like the opportunity to address the Board.

Mr. Moore noted that he owns a cabin on the Witless Bay Line and that the area his property is located is not always accessible in winter and he has been told that he has to take his garbage to the side of the nearest public road for collection. He stated that he feels this is inappropriate.

Mr. Grant confirmed that the issue is a winter time issue. He stated that he is in favour of inviting Mr. Moore to meet with one of the board’s committees to discuss his specific issue and that should be some time in February. He cautioned, however, that the Board cannot change the PWMS.

Mr. Moore thanked the Board for the opportunity to speak and stated he fully supports the work of the Board.

- f. **Change of Date for Next Strategy & Policy Committee Meeting** – Mr. Hickman stated that he will be unavailable to chair a Strategy & Policy Committee meeting on Thursday, February 11<sup>th</sup> which is the next scheduled meeting date.



Following discussion it was agreed that the next Strategy & Policy Committee meeting would take place on Thursday, February 18<sup>th</sup> at 10:00 a.m.

#### **6. Next ERSB Meeting – February 24, 2016**

The next meeting of the Eastern Regional Service Board will take place on **Wednesday, February 24, 2016 at 7:00 p.m. at The Fairfield Inn & Suites by Marriott**, Kenmount Road, St. John's.

The following committee meetings are scheduled for February 2016:

- Finance & Audit Committee – Wednesday, February 10, 2016 at 12:00 noon, EWM Boardroom
- Strategy & Policy Committee – Thursday, February 18, 2016 at 10:00 a.m., EWM Boardroom
- Governance Committee – Tuesday, February 16, 2016 at 10:00 a.m., EWM Boardroom

#### **7. Adjournment**

It was moved by G Stone to adjourn the meeting at 8:00 p.m.

*Prepared by:  
Lynn Tucker  
February 5, 2016*

# APPENDIX

## 'A'

**Eastern Regional Service Board**

BNK2 - Bank of Montreal - EW

Cheques from 000001 to 004592 dated between 12-01-2015 and 12-31-2015

**CHEQUE REGISTER**

Printed: 10:38:19AM 02/08/2016

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| Number | Issued                                                      | Amount     | SC  | Status  | Status Date |
|--------|-------------------------------------------------------------|------------|-----|---------|-------------|
| 004387 | 12/03/2015 D&L Russell Limited                              | 142.62     | A/P | CLEARED | 12/31/2015  |
| 004388 | 12/03/2015 Dodd's Diesel Repair Ltd.                        | 7,292.92   | A/P | CLEARED | 12/16/2015  |
| 004389 | 12/03/2015 AMEC Foster Wheeler Environment & Infrastructure | 5,003.08   | A/P | CLEARED | 12/16/2015  |
| 004390 | 12/03/2015 GMK Equipment Rentals Ltd.                       | 7,173.34   | A/P | CLEARED | 12/31/2015  |
| 004391 | 12/03/2015 NATIONAL Public Relations                        | 13,264.60  | A/P | CLEARED | 12/31/2015  |
| 004392 | 12/03/2015 61366 Newfoundland and Labrador Inc.             | 5,198.00   | A/P | CLEARED | 12/09/2015  |
| 004393 | 12/03/2015 Newfoundland Exchequer - MVR                     | 3,163.00   | A/P | CLEARED | 01/20/2016  |
| 004394 | 12/03/2015 T2 Ventures Inc.                                 | 147,494.30 | A/P | CLEARED | 12/09/2015  |
| 004395 | 12/03/2015 Around The Bay Disposals Inc.                    | 40,567.34  | A/P | CLEARED | 12/16/2015  |
| 004396 | 12/03/2015 Bell Aliant                                      | 1,252.11   | A/P | CLEARED | 12/16/2015  |
| 004397 | 12/03/2015 Bill Bailey                                      | 1,615.24   | A/P | CLEARED | 12/16/2015  |
| 004398 | 12/03/2015 De Lage Landen Financial Services Canada Ltd.    | 286.42     | A/P | CLEARED | 12/16/2015  |
| 004399 | 12/03/2015 Dicks and Company Limited                        | 266.08     | A/P | CLEARED | 12/16/2015  |
| 004400 | 12/03/2015 Ed Grant                                         | 308.77     | A/P | CLEARED | 12/16/2015  |
| 004401 | 12/03/2015 E K Lomond Auto Solutions Inc                    | 173.77     | A/P | CLEARED | 12/16/2015  |
| 004402 | 12/03/2015 Harold Mallowney                                 | 254.34     | A/P | CLEARED | 12/09/2015  |
| 004403 | 12/03/2015 Harvey & Company Ltd.                            | 330.24     | A/P | CLEARED | 12/09/2015  |
| 004404 | 12/03/2015 Hazmasters                                       | 162.72     | A/P | CLEARED | 12/16/2015  |
| 004405 | 12/03/2015 Ken Kelly                                        | 3,077.94   | A/P | CLEARED | 12/09/2015  |
| 004406 | 12/03/2015 Kevin Butt                                       | 111.84     | A/P | CLEARED | 12/16/2015  |
| 004407 | 12/03/2015 Lynn Tucker                                      | 125.06     | A/P | CLEARED | 01/13/2016  |
| 004408 | 12/03/2015 Mark Day                                         | 94.41      | A/P | CLEARED | 12/09/2015  |
| 004409 | 12/03/2015 Pitney Bowes                                     | 1,715.14   | A/P | CLEARED | 12/16/2015  |
| 004410 | 12/03/2015 PROCOM Data Services Inc.                        | 9,266.00   | A/P | CLEARED | 12/09/2015  |
| 004411 | 12/03/2015 Redline Automotive 0765                          | 217.68     | A/P | CLEARED | 12/16/2015  |
| 004412 | 12/03/2015 Richard Warford                                  | 1,590.71   | A/P | CLEARED | 12/31/2015  |
| 004413 | 12/03/2015 Royal Garage Ltd.                                | 422.32     | A/P | CLEARED | 12/16/2015  |
| 004414 | 12/03/2015 Sam Whalen                                       | 279.39     | A/P | CLEARED | 12/09/2015  |
| 004415 | 12/03/2015 Transcontinental Atlantic Media Group G.P.       | 1,393.08   | A/P | CLEARED | 12/16/2015  |
| 004416 | 12/03/2015 Tulk Tire & Service Ltd.                         | 6,925.63   | A/P | CLEARED | 12/31/2015  |
| 004417 | 12/03/2015 Wayde Higdon                                     | 75.13      | A/P | CLEARED | 12/09/2015  |
| 004418 | 12/03/2015 Wedgwood Insurance Limited                       | 3,508.00   | A/P | CLEARED | 12/16/2015  |
| 004419 | 12/03/2015 William Woodman                                  | 120.43     | A/P | CLEARED | 12/16/2015  |
| 004420 | 12/03/2015 Encon Group Inc.                                 | 4,805.88   | G/L | CLEARED | 12/16/2015  |
| 004421 | 12/03/2015 Receiver General of Canada                       | 30,676.76  | G/L | CLEARED | 12/16/2015  |
| 004422 | 12/17/2015 Dodd's Diesel Repair Ltd.                        | 11,563.48  | A/P | CLEARED | 12/31/2015  |
| 004423 | 12/17/2015 Redline Automotive 0765                          | 299.01     | A/P | CLEARED | 12/31/2015  |
| 004424 | 12/17/2015 AMEC Foster Wheeler Environment & Infrastructure | 17,122.83  | A/P | CLEARED | 12/31/2015  |
| 004425 | 12/17/2015 Bell Aliant                                      | 15,159.37  | A/P | CLEARED | 12/31/2015  |
| 004426 | 12/17/2015 Bell Mobility Inc.                               | 1,195.23   | A/P | CLEARED | 01/31/2016  |
| 004427 | 12/17/2015 Bernice Hickey                                   | 107.90     | A/P | CLEARED | 12/31/2015  |
| 004428 | 12/17/2015 Bill Bailey                                      | 250.68     | A/P | CLEARED | 01/31/2016  |
| 004429 | 12/17/2015 Brook Construction (2007) Inc.                   | 369,225.15 | A/P | CLEARED | 12/31/2015  |
| 004430 | 12/17/2015 Bryan Lundrigan                                  | 62.62      | A/P | CLEARED | 12/31/2015  |
| 004431 | 12/17/2015 Channel 6 Ads                                    | 99.00      | A/P | CLEARED | 12/31/2015  |
| 004432 | 12/17/2015 Christie Dean                                    | 1,131.93   | A/P | CLEARED | 12/31/2015  |

\*\* - Name on Check was modified

**Eastern Regional Service Board**  
 BNK2 - Bank of Montreal - EW  
 Cheques from 000001 to 004592 dated between 12-01-2015 and 12-31-2015

**CHEQUE REGISTER**

Printed: 10:38:20AM 02/08/2016

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| Number | Issued                                           | Amount    | SC  | Status  | Status Date |
|--------|--------------------------------------------------|-----------|-----|---------|-------------|
| 004453 | 12/17/2015 City of St. John's                    | 32,006.44 | A/P | CLEARED | 12/31/2015  |
| 004454 | 12/17/2015 Colish's Trucking & Excavating Ltd.   | 9,004.01  | A/P | CLEARED | 12/31/2015  |
| 004455 | 12/17/2015 Conception Bay Auto & Tire Centre     | 1,144.13  | A/P | CLEARED | 12/31/2015  |
| 004456 | 12/17/2015 David Moore                           | 93.78     | A/P | CLEARED | 12/31/2015  |
| 004457 | 12/17/2015 Derm Moran                            | 133.90    | A/P | CLEARED | 12/31/2015  |
| 004458 | 12/17/2015 Dicks and Company Limited             | 298.00    | A/P | CLEARED | 12/31/2015  |
| 004459 | 12/17/2015 Ed Grant                              | 168.60    | A/P | CLEARED | 12/31/2015  |
| 004460 | 12/17/2015 Gerard Tilley                         | 55.88     | A/P | CLEARED | 12/31/2015  |
| 004461 | 12/17/2015 Harold Mallowney                      | 494.22    | A/P | CLEARED | 12/31/2015  |
| 004462 | 12/17/2015 Henry Hennessy                        | 45.49     | A/P | CLEARED | 12/31/2015  |
| 004463 | 12/17/2015 Imperial Oil                          | 522.95    | A/P | CLEARED | 12/31/2015  |
| 004464 | 12/17/2015 Iron Mountain Canada                  | 34.92     | A/P | CLEARED | 01/31/2016  |
| 004465 | 12/17/2015 Jonathan Miller                       | 1,271.25  | A/P | CLEARED | 12/31/2015  |
| 004466 | 12/17/2015 Joy Dobbie                            | 739.99    | A/P | CLEARED | 01/31/2016  |
| 004467 | 12/17/2015 Justin George                         | 46.24     | A/P | CLEARED | 01/31/2016  |
| 004468 | 12/17/2015 Ken Kelly                             | 9,903.67  | A/P | CLEARED | 12/31/2015  |
| 004469 | 12/17/2015 Kenneth Rollings                      | 84.51     | A/P | CLEARED | 12/31/2015  |
| 004470 | 12/17/2015 Kevin Power                           | 136.64    | A/P | CLEARED | 12/31/2015  |
| 004471 | 12/17/2015 Kevin Butt                            | 421.81    | A/P | CLEARED | 12/31/2015  |
| 004472 | 12/17/2015 Krysta Molloy                         | 6.65      | A/P | CLEARED | 12/31/2015  |
| 004473 | 12/17/2015 Leona Squires                         | 171.39    | A/P | CLEARED | 12/31/2015  |
| 004474 | 12/17/2015 Leslie Squires                        | 440.00    | A/P | CLEARED | 12/31/2015  |
| 004475 | 12/17/2015 Lynn Tucker                           | 568.00    | A/P | CLEARED | 12/31/2015  |
| 004476 | 12/17/2015 Madsen Construction Equipment         | 430.04    | A/P | CLEARED | 12/31/2015  |
| 004477 | 12/17/2015 Margaret (Peggy) Roche                | 76.28     | A/P | CLEARED | 12/31/2015  |
| 004478 | 12/17/2015 Mark Day                              | 87.19     | A/P | CLEARED | 12/31/2015  |
| 004479 | 12/17/2015 Michael Lundrigan                     | 62.62     | A/P | CLEARED | 12/31/2015  |
| 004480 | 12/17/2015 Michelle Squires                      | 19.56     | A/P | CLEARED | 12/31/2015  |
| 004481 | 12/17/2015 Newfoundland Power Inc.               | 454.20    | A/P | CLEARED | 12/31/2015  |
| 004482 | 12/17/2015 Nexgen Municipal Inc.                 | 40,397.50 | A/P | CLEARED | 12/31/2015  |
| 004483 | 12/17/2015 North Atlantic                        | 26,552.89 | A/P | CLEARED | 12/31/2015  |
| 004484 | 12/17/2015 Northern Business Intelligence        | 1,258.31  | A/P | CLEARED | 12/31/2015  |
| 004485 | 12/17/2015 Paul Lewis                            | 65.03     | A/P | CLEARED | 01/31/2016  |
| 004486 | 12/17/2015 Pinnacle Office Solutions Ltd.        | 417.34    | A/P | CLEARED | 12/31/2015  |
| 004487 | 12/17/2015 Pro-Tech Construction Ltd.            | 7,700.49  | A/P | CLEARED | 12/31/2015  |
| 004488 | 12/17/2015 Randy Reid                            | 39.50     | A/P | CLEARED | 12/31/2015  |
| 004489 | 12/17/2015 Red Oak At The Rooms Inc.             | 5,417.88  | A/P | CLEARED | 01/31/2016  |
| 004490 | 12/17/2015 Revolution Environmental Solutions LP | 29,289.60 | A/P | CLEARED | 12/31/2015  |
| 004491 | 12/17/2015 Richard Warford                       | 739.42    | A/P | *VOID*  | 12/17/2015  |
| 004492 | 12/17/2015 Ridge G&P Services Ltd.               | 34,015.13 | A/P | CLEARED | 01/20/2016  |
| 004493 | 12/17/2015 Sam Pike Masonry Ltd.                 | 139.81    | A/P | CLEARED | 01/31/2016  |
| 004494 | 12/17/2015 Sam Whalen                            | 338.26    | A/P | CLEARED | 12/31/2015  |
| 004495 | 12/17/2015 Saunders Equipment Ltd.               | 383.64    | A/P | CLEARED | 12/31/2015  |
| 004496 | 12/17/2015 Tracey Glasgow                        | 112.72    | A/P | CLEARED | 12/31/2015  |
| 004497 | 12/17/2015 Wayde Higdon                          | 104.15    | A/P | CLEARED | 12/31/2015  |
| 004498 | 12/17/2015 Wayne Sellers                         | 97.79     | A/P | CLEARED | 12/31/2015  |
| 004499 | 12/17/2015 Director of Support Enforcement       | 222.00    | G/L | CLEARED | 12/31/2015  |

\*\* - Name on Check was modified

**Eastern Regional Service Board**  
BNK2 - Bank of Montreal - EW  
Cheques from 000001 to 004592 dated between 12-01-2015 and 12-31-2015

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**CHEQUE REGISTER**

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Printed: 10:38:20AM 02/08/2016

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| <b>Number</b>                     | <b>Issued</b>              | <b>Amount</b>     | <b>SC</b> | <b>Status</b> | <b>Status Date</b> |
|-----------------------------------|----------------------------|-------------------|-----------|---------------|--------------------|
| 004500                            | 12/17/2015 Richard Warford | 445.85            | A/P       | CLEARED       | 12/31/2015         |
| <b>Cheque Totals Issued:</b>      |                            | <b>920,491.74</b> |           |               |                    |
| <b>Void:</b>                      |                            | <b>739.42</b>     |           |               |                    |
| <b>Total Cheques Generated:</b>   |                            | <b>921,231.16</b> |           |               |                    |
| <b>Total # of Cheques Listed:</b> |                            | <b>94</b>         |           |               |                    |

\*\* - Name on Check was modified

**Eastern Regional Service Board**

BNK2 - Bank of Montreal - EW

Cheques from 000001 to 004592 dated between 11-01-2015 and 11-30-2015

**CHEQUE REGISTER**

Printed: 10:37:31AM 02/08/2016

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| Number | Issued                                                      | Amount     | SC  | Status  | Status Date |
|--------|-------------------------------------------------------------|------------|-----|---------|-------------|
| 004311 | 11/04/2015 Dodd's Diesel Repair Ltd.                        | 0.00       | A/P | "VOID"  | 11/04/2015  |
| 004312 | 11/04/2015 Dodd's Diesel Repair Ltd.                        | 13,135.62  | A/P | CLEARED | 11/18/2015  |
| 004313 | 11/04/2015 T2 Ventures Inc.                                 | 148,551.28 | A/P | CLEARED | 11/11/2015  |
| 004314 | 11/04/2015 Tulk Tire & Service Ltd.                         | 1,351.45   | A/P | CLEARED | 11/18/2015  |
| 004315 | 11/04/2015 61366 Newfoundland and Labrador Inc.             | 5,198.00   | A/P | CLEARED | 11/11/2015  |
| 004316 | 11/04/2015 AMEC Foster Wheeler Environment & Infrastructure | 85,892.54  | A/P | CLEARED | 11/25/2015  |
| 004317 | 11/04/2015 Around The Bay Disposals Inc.                    | 40,984.91  | A/P | CLEARED | 11/18/2015  |
| 004318 | 11/04/2015 Bell Aliant                                      | 1,204.52   | A/P | CLEARED | 11/18/2015  |
| 004319 | 11/04/2015 Cansel                                           | 423.75     | A/P | CLEARED | 11/18/2015  |
| 004320 | 11/04/2015 De Lage Landen Financial Services Canada Ltd.    | 286.42     | A/P | CLEARED | 11/18/2015  |
| 004321 | 11/04/2015 Dicks and Company Limited                        | 210.37     | A/P | CLEARED | 11/18/2015  |
| 004322 | 11/04/2015 Dynamex Canada Limited                           | 8.23       | A/P | CLEARED | 11/18/2015  |
| 004323 | 11/04/2015 Ed Grant                                         | 332.37     | A/P | CLEARED | 11/18/2015  |
| 004324 | 11/04/2015 Fermeuse Volunteer Fire Department               | 250.00     | A/P | CLEARED | 01/13/2016  |
| 004325 | 11/04/2015 Harbour Grace Volunteer Fire Brigade             | 250.00     | A/P | CLEARED | 12/09/2015  |
| 004326 | 11/04/2015 Trinity South Central Fire Department            | 250.00     | A/P | CLEARED | 11/30/2015  |
| 004327 | 11/04/2015 Whitbourne Volunteer Fire Department             | 250.00     | A/P | CLEARED | 12/16/2015  |
| 004328 | 11/04/2015 Gordon Stone                                     | 289.02     | A/P | CLEARED | 11/18/2015  |
| 004329 | 11/04/2015 Gus Power                                        | 525.00     | A/P | CLEARED | 11/18/2015  |
| 004330 | 11/04/2015 Harold Mallowney                                 | 169.56     | A/P | CLEARED | 11/18/2015  |
| 004331 | 11/04/2015 Jonathan Miller                                  | 254.25     | A/P | CLEARED | 11/18/2015  |
| 004332 | 11/04/2015 Joy Dobbie                                       | 503.37     | A/P | CLEARED | 11/18/2015  |
| 004333 | 11/04/2015 Ken Kelly                                        | 2,521.40   | A/P | CLEARED | 11/18/2015  |
| 004334 | 11/04/2015 Kenneth Rollings                                 | 100.19     | A/P | CLEARED | 11/18/2015  |
| 004335 | 11/04/2015 Kevin Power                                      | 638.07     | A/P | CLEARED | 11/18/2015  |
| 004336 | 11/04/2015 Leslie Squires                                   | 440.00     | A/P | CLEARED | 11/11/2015  |
| 004337 | 11/04/2015 Lynn Tucker                                      | 48.39      | A/P | CLEARED | 11/18/2015  |
| 004338 | 11/04/2015 Mark Day                                         | 296.24     | A/P | CLEARED | 11/11/2015  |
| 004339 | 11/04/2015 Northern Business Intelligence                   | 1,258.31   | A/P | CLEARED | 11/18/2015  |
| 004340 | 11/04/2015 Pitney Bowes                                     | 248.58     | A/P | CLEARED | 11/18/2015  |
| 004341 | 11/04/2015 Richard Warford                                  | 931.27     | A/P | CLEARED | 12/09/2015  |
| 004342 | 11/04/2015 Ridge G&P Services Ltd.                          | 36,540.64  | A/P | CLEARED | 11/18/2015  |
| 004343 | 11/04/2015 Sam Whalen                                       | 428.58     | A/P | CLEARED | 11/11/2015  |
| 004344 | 11/04/2015 Saunders Equipment Ltd.                          | 237,147.45 | A/P | OUT-STD | 11/04/2015  |
| 004345 | 11/04/2015 Wedgwood Insurance Limited                       | 44,376.00  | A/P | CLEARED | 11/18/2015  |
| 004346 | 11/04/2015 Power, Betty                                     | 51.43      | A/R | CLEARED | 12/31/2015  |
| 004348 | 11/04/2015 Director of Support Enforcement                  | 222.00     | G/L | CLEARED | 11/18/2015  |
| 004349 | 11/04/2015 Receiver General of Canada                       | 55,237.53  | G/L | CLEARED | 11/18/2015  |
| 004351 | 11/18/2015 Conception Bay Auto & Tire Centre                | 6,559.83   | A/P | CLEARED | 11/30/2015  |
| 004352 | 11/18/2015 Bell Mobility Inc.                               | 1,264.71   | A/P | CLEARED | 11/30/2015  |
| 004353 | 11/18/2015 Christie Dean                                    | 2,346.43   | A/P | CLEARED | 12/09/2015  |
| 004354 | 11/18/2015 City of St. John's                               | 27,573.89  | A/P | CLEARED | 11/30/2015  |
| 004355 | 11/18/2015 Coish's Trucking & Excavating Ltd.               | 9,004.01   | A/P | CLEARED | 12/09/2015  |
| 004356 | 11/18/2015 Curtis Dawe In Trust                             | 30,982.52  | A/P | CLEARED | 11/25/2015  |
| 004357 | 11/18/2015 D&L Russell Limited                              | 38.30      | A/P | CLEARED | 12/31/2015  |
| 004358 | 11/18/2015 Dicks and Company Limited                        | 102.51     | A/P | CLEARED | 11/30/2015  |

\*\* - Name on Check was modified

**Eastern Regional Service Board**  
 BNK2 - Bank of Montreal - EW  
 Cheques from 000001 to 004592 dated between 11-01-2015 and 11-30-2015

**CHEQUE REGISTER**

Printed: 10:37:32AM 02/08/2016

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| Number | Issued     | Amount                                     | SC        | Status | Status Date        |
|--------|------------|--------------------------------------------|-----------|--------|--------------------|
| 004359 | 11/18/2015 | Dodd's Diesel Repair Ltd.                  | 5,009.78  | A/P    | CLEARED 11/30/2015 |
| 004360 | 11/18/2015 | Dynamex Canada Limited                     | 8.23      | A/P    | CLEARED 11/30/2015 |
| 004361 | 11/18/2015 | EFI Global                                 | 847.30    | A/P    | CLEARED 12/09/2015 |
| 004362 | 11/18/2015 | E K Lomond Auto Solutions Inc              | 237.55    | A/P    | CLEARED 11/30/2015 |
| 004363 | 11/18/2015 | Harvey & Company Ltd.                      | 361.48    | A/P    | CLEARED 11/30/2015 |
| 004364 | 11/18/2015 | Henry Hennessey                            | 45.49     | A/P    | CLEARED 11/30/2015 |
| 004365 | 11/18/2015 | Imperial Oil                               | 339.62    | A/P    | CLEARED 12/09/2015 |
| 004366 | 11/18/2015 | Iron Mountain Canada                       | 69.83     | A/P    | CLEARED 12/09/2015 |
| 004367 | 11/18/2015 | Joy Dobbie                                 | 436.89    | A/P    | CLEARED 12/16/2015 |
| 004368 | 11/18/2015 | Ken Kelly                                  | 6,643.06  | A/P    | CLEARED 11/25/2015 |
| 004369 | 11/18/2015 | Kevin Butt                                 | 162.06    | A/P    | CLEARED 11/30/2015 |
| 004370 | 11/18/2015 | Mark Day                                   | 200.39    | A/P    | CLEARED 11/25/2015 |
| 004371 | 11/18/2015 | NATIONAL Public Relations                  | 3,409.27  | A/P    | CLEARED 11/30/2015 |
| 004372 | 11/18/2015 | Newfoundland Power Inc.                    | 89.43     | A/P    | CLEARED 11/30/2015 |
| 004373 | 11/18/2015 | North Atlantic                             | 24,257.77 | A/P    | CLEARED 11/30/2015 |
| 004374 | 11/18/2015 | Pinnacle Office Solutions Ltd.             | 356.03    | A/P    | CLEARED 12/09/2015 |
| 004375 | 11/18/2015 | Pitney Bowes                               | 180.07    | A/P    | CLEARED 12/09/2015 |
| 004376 | 11/18/2015 | Pro-Tech Construction Ltd.                 | 7,700.49  | A/P    | CLEARED 12/31/2015 |
| 004377 | 11/18/2015 | Ridge G&P Services Ltd.                    | 34,643.87 | A/P    | CLEARED 12/09/2015 |
| 004378 | 11/18/2015 | Royal Garage Ltd.                          | 240.52    | A/P    | CLEARED 11/30/2015 |
| 004379 | 11/18/2015 | SWANA                                      | 313.09    | A/P    | CLEARED 12/31/2015 |
| 004380 | 11/18/2015 | Terry Dobbie                               | 39.54     | A/P    | CLEARED 01/31/2016 |
| 004381 | 11/18/2015 | Transcontinental Atlantic Media Group G.P. | 745.13    | A/P    | CLEARED 11/30/2015 |
| 004382 | 11/18/2015 | Tulk Tire & Service Ltd.                   | 8,742.67  | A/P    | CLEARED 12/09/2015 |
| 004383 | 11/18/2015 | Wayde Higdon                               | 611.76    | A/P    | CLEARED 11/30/2015 |
| 004384 | 11/18/2015 | Erese, Ben                                 | 24.20     | A/R    | OUT-STD 11/18/2015 |
| 004385 | 11/18/2015 | Director of Support Enforcement            | 222.00    | G/L    | CLEARED 11/30/2015 |
| 004386 | 11/18/2015 | Encon Group Inc.                           | 3,751.04  | G/L    | CLEARED 12/09/2015 |

**Cheque Totals Issued: 858,367.50**

**Void: 0.00**

**Total Cheques Generated: 858,367.50**

**Total # of Cheques Listed: 74**

\*\* - Name on Check was modified

**EASTERN REGIONAL SERVICE BOARD  
EASTERN WASTE MANAGEMENT**

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**PAYROLL EXPENSE  
DECEMBER 2015**

|                                                     |                            |
|-----------------------------------------------------|----------------------------|
| Payroll – Staff (2 pay periods – 29 employees)..... | \$100,378.15               |
| Payroll – Board (20 members) .....                  | <u>\$ 22,050.62</u>        |
| Total Payroll (49 employees) .....                  | \$122,428.77               |
| Payroll CRA Remittance (Chq#4529) .....             | <u>\$ 32,761.38</u>        |
| <b>TOTAL GROSS PAYROLL .....</b>                    | <b><u>\$155,190.15</u></b> |

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PREVIOUS MONTH

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**NOVEMBER 2015**

|                                                      |                            |
|------------------------------------------------------|----------------------------|
| Payroll – Staff (2 pay periods – 34 employees) ..... | \$105,236.14               |
| Payroll – Board .....                                | <u>\$00,000.00</u>         |
| Total Payroll .....                                  | \$105,236.14               |
| Payroll CRA Remittance (Chq#4421) .....              | <u>\$30,676.76</u>         |
| <b>TOTAL GROSS PAYROLL .....</b>                     | <b><u>\$135,912.90</u></b> |



# APPENDIX 'B'

## Briefing Note – Regional Clerk and Outreach Support

Governance meeting January 19, 2016

Throughout the process of implementing the Provincial Waste Management Strategy we have been challenged in trying to engage and communicate with the many different groups involved in municipal service delivery – regional groups, towns, local service districts, waste management groups, waste haulers, businesses, residents and seasonal property owners.

In particular we have noted that it is very hard to maintain a consistent channel of communication with the various regional groups that exist such as joint councils. Given the regional nature of these groups and the regional mandate of the Board these groups could be a very good channel for the Board to consult with these areas, share information and work to further regional service delivery. With the current level of resources it is very difficult to track and maintain contact with these various groups.

In addition, these regional groups (joint council) also struggle with continuity of meetings and advancing the various issues that are before them due to a lack of organizational support. The effectiveness of the joint council from year to year often depends on the individual that is President and whether or not they have administrative and logistical support from their respective town staff.

In some areas of the region there is no regional group (joint council) which creates a gap in the area for consultation and communication. We have held meetings in these areas to discuss waste issues at critical junctions but ongoing consultation and communication have been challenging for the individual Board members without a forum in which to communicate with their respective sub-region.

The Board and its operations have grown dramatically since its establishment in 2011. The monthly Board meetings and the regular schedule of Committee meetings have always been supported by the CAO and the Manager of Corporate Services. This includes all preparations for these meetings including agendas, minutes, briefing notes etc.

While the *Regional Service Board Act 2012* does not include a prescribed role or position of Board Clerk similar to that contained in the *Municipalities Act 1999* we do need to maintain the corporate history and business of the Board to the same standard –motion log, minutes of meetings, conflict of interest registry, voting, etc.

In summary we are recommending the creation of a position dedicated to the following broad objectives:

1. Support to the regional groups (joint councils) that exist in the eastern region or creation of a consultative group for each area of the region in conjunction with the respective Board member representing the area. This support would include notice of meetings, agenda, tracking quorum, meeting packages, letters for the joint council/regional

consultative group, and maintaining records of the joint council/regional consultative group;

2. To be the Board Clerk and perform the role of ensuring quorum, agenda development, responsible for minutes, motions, correspondence and other Board records

We would like to propose a funding structure for this initiative on a cooperative basis from the Province, the Board and the Regional Groups (Joint Councils).

| Budget Estimate 2016 |          | Revenue               |          |
|----------------------|----------|-----------------------|----------|
| Salary               | \$65,000 | Board                 | \$28,750 |
| Benefits             | \$16,250 | Levy per Property \$1 | 30000    |
| Travel               | \$6,000  | Province              | 30000    |
| Phone                | \$1,500  |                       | \$88,750 |
|                      | \$88,750 |                       |          |

# APPENDIX

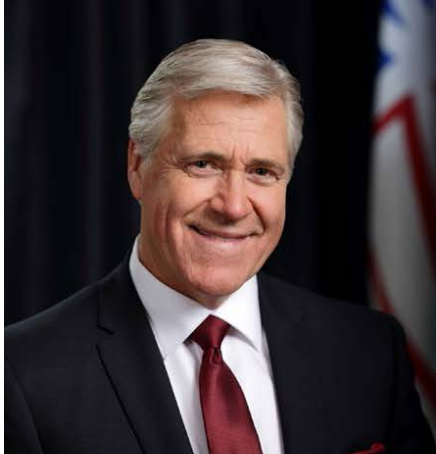
## 'C'

# Our FISCAL Future

Starting the Conversation

January 2016





## Message from the Premier of Newfoundland and Labrador

Newfoundland and Labrador is at a critical juncture. Our province is facing a difficult fiscal reality that requires a new approach – one that is open, transparent and engages the public in meaningful ways.

The Provincial Government is embarking on a comprehensive multi-year Government Renewal Initiative that will help us identify measures to increase revenues and reduce expenditures; eliminate waste and do things more efficiently; assess the role of government in providing public services; and establish multi-year fiscal targets.

Throughout this initiative, as we move toward reshaping our fiscal future, we will be working closely with all Newfoundlanders and Labradorians, and the public service, business, labour and community groups to tackle this together.

Tackling this problem together is going to take time and will require that we embrace engagement, consider our investments, and look at revenue opportunities as well as how we spend and borrow.

Addressing our current fiscal reality is a top priority for us. We will engage with Newfoundlanders and Labradorians to generate ideas that will allow us to deal with these challenges and re-calibrate our economy as we plan for Budget 2016 and beyond. This is a difficult fiscal reality and we are going to have to work together to correct the course.

We will be working hard to maintain our credit ratings and we will be accountable and transparent with the choices we have to make. We will provide the stronger leadership and better management that we promised Newfoundlanders and Labradorians.

We will get this under control. The situation is difficult, but not impossible. Our first priority continues to be the provision of quality services to the residents of our province. We can and we will do that in a fiscally responsible manner.

We will need to have difficult discussions about where we spend our money and how we can deliver critical services like health care and education in a more efficient and cost effective manner. We will remain open and welcoming of innovative ideas.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Ball'.

Honourable Dwight Ball

## Government Renewal Initiative

Without action, Newfoundland and Labrador will face mounting debt, increasing interest and borrowing costs, a credit rating downgrade and restricted ability to support key government programming. In response to this difficult fiscal reality, the Provincial Government is launching the multi-year Government Renewal Initiative to identify a combination of measures to eliminate the province's deficit and move forward with a sustainable budgetary framework for Newfoundland and Labrador. As part of a Legacy Plan, the Provincial Government will establish a sovereign fund once it has moved back to surplus by using revenues from natural resources to build a stronger legacy for the province's children - a stronger tomorrow.

This initiative will be guided by the following principles:

- Affordable and sustainable public services;
- Evidence-based decision making;
- Natural attrition will be the primary and preferred means of workforce reduction;
- Using innovative approaches to deliver more effective and efficient public services; and
- Openness and transparency including engagement of all public bodies, stakeholders and residents in identifying solutions.

All Newfoundlanders and Labradorians are being asked to participate in this process, and help define the actions the Provincial Government plans to take. All of us can contribute ideas, suggestions and solutions to get the province back on track and working towards fiscal sustainability.

## What is our current financial state? (\$ Millions)

|                                               | 2015-16 Budget   | 2015-16 Update   | Variance       |
|-----------------------------------------------|------------------|------------------|----------------|
| Revenue                                       | 6,567.3          | 5,725.7          | (841.6)        |
| Net Income of Government Business Enterprises | 409.1            | 363.0            | (46.1)         |
| Total Revenue                                 | 6,976.4          | 6,088.7          | (887.7)        |
| Gross Expenses:                               |                  |                  |                |
| Program Expenses                              | 7,182.0          | 7,229.8          | 47.8           |
| Debt Servicing Expenses                       | 887.8            | 821.8            | (66.0)         |
| Total Expenses                                | 8,069.8          | 8,051.6          | (18.2)         |
| <b>Deficit</b>                                | <b>(1,093.4)</b> | <b>(1,962.9)</b> | <b>(869.5)</b> |

The current fiscal reality, if left unchecked, will only worsen. In consultation with Newfoundlanders and Labradorians, the Provincial Government will move forward on a plan to deal with these challenges.

## Newfoundland and Labrador Economy... A Reality Check

In only seven of the last 30 years did the size of the province's economy (as measured by real Gross Domestic Product) decrease from one year to the next, but four of those years have been since 2007. In the past three decades, Newfoundland and Labrador's economy grew by an average of 2.4 per cent per year. However, for the last five years (2010-14) it increased at a slower pace of 1.5 per cent per year.

Over the 2015 to 2018 period, the provincial economy is expected to shrink due primarily to declines in investment as development activity on several major projects (e.g., Hebron, Muskrat Falls, and Long Harbour nickel processing facility) winds down. This will be characterized by negative or very weak growth in many economic indicators, including real GDP, employment, household income and retail sales. Furthermore, low commodity prices have dampened short-term resource development prospects.

Newfoundland and Labrador is also facing demographic pressures resulting from an aging population and out-migration that may constrain future economic growth potential.

Prolonged weakness in commodity prices will present significant challenges for the Newfoundland and Labrador economy. However, improvements in the Canadian and American economies, combined with a weaker Canadian dollar, are positive for manufactured exports.

There are also potential major investment projects in the natural resource and energy sectors on the horizon that could stimulate future economic growth.

### Labour Market

With the increase in major project development, employment increased from 189,600 person years in 1997 to a record high of 242,700 in 2013, representing an annual average increase of 1.5 per cent. However, employment decreased by 1.7 per cent to 238,600 in 2014 and was down by a further 1.0 per cent to 236,200 in 2015.

Newfoundland and Labrador's unemployment rate remains high in a national context. Rural areas of the province have higher unemployment rates because of the seasonal nature of much of the employment in these regions.

### Income Growth

Over the past decade, income growth in Newfoundland and Labrador has outperformed general economic growth due to a combination of higher employment levels, wage increases and a transition to higher income jobs. From 2005 to 2014, real household income increased by an annual average of 3.8 per cent in comparison to real GDP growth of 1.3 per cent per year.

### Demographic Trends

Demographics are a key consideration to the economy and government revenues, as well as program design and delivery. Newfoundland and Labrador's population increased in 2008 for the first time in 15 years as more people entered the province than left. In total, the population grew by approximately 18,700 from 2007 to 2015.

Natural population change turned negative for the first time in 2006-07 with more deaths than births and it has been negative in each of the past four years.

The provincial population was estimated at 527,756 as of July 1, 2015, down 0.2 per cent from the previous year. However, this estimate is subject to revision. Newfoundland and Labrador's share of the national population has also fallen over time, from 2.4 per cent in 1971 to 1.5 per cent in 2015.

Newfoundland and Labrador now has the oldest population in Canada. In 2015, the median age of Newfoundlanders and Labradorians was 45.0 years (44.4 years for males and 45.6 years for females). That is 4.5 years older than the national median age of 40.5 years. Seniors (65 and over) accounted for 18.4 per cent of the province's population in 2015 in comparison to 16.1 per cent for Canada. This aging trend is more pronounced in rural areas of the province. For example, the percentage of seniors on the Avalon Peninsula is below the provincial average at 15.5 per cent while almost one quarter of the population (24.4 per cent) are seniors on the Northern coast of the island. In fact, most areas of the province outside the Avalon Peninsula and Labrador have a senior population greater than 20 per cent.

### What do these numbers mean?

- Newfoundland and Labrador is experiencing an increase in long-term/senior care and health care costs;
- Newfoundland and Labrador is seeing migration to the urban centres from rural areas; and
- Newfoundland and Labrador continues to face labour market challenges in the face of increasing retirements and changing demands for the types of skilled workers.

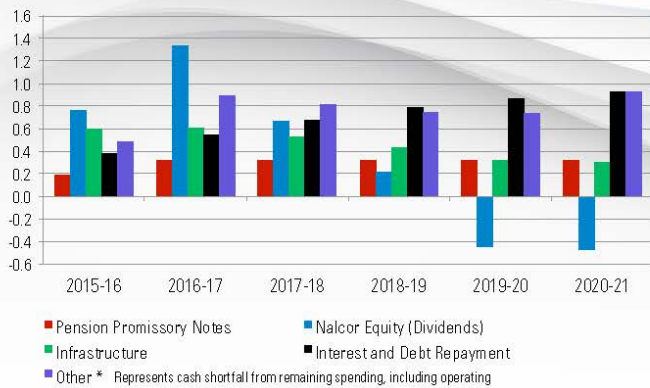
### Fiscal Challenges

The 2015 budget delivered on April 30, 2015 forecasted a deficit for 2015-16 of \$1.093 billion. Since that time, principally two related developments, lower than expected oil prices and oil production, have led to an increase in the deficit forecast. Revenues this year are now forecast to be \$887.7 million lower than indicated by the previous administration at Budget 2015. This brings the revised deficit to \$1.963 billion.

**The reality is, if nothing changes, this government will have to borrow at least \$1 billion dollars for each of the next five years just for operations, which includes debt servicing expenses and interest on what is borrowed. Total required borrowing will be \$15.4 billion to 2020-21.**

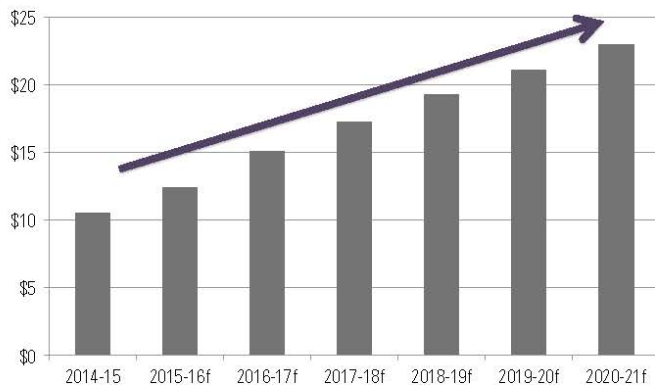


### How much will we borrow? 2015/16 – 2020/21 (\$ Billions)



In our current situation, if we do nothing, it would be like borrowing over \$7 million a day, every day for six years. That is close to \$300,000 an hour — essentially a new home mortgage every hour of every day until 2021. Think of it as maxing out your \$5,000 credit card limit — every minute of the day.

### What is our Net Debt? (\$ Billions)



Net debt as of March 31, 2016 is now projected to be \$12.4 billion. If left unchecked, net debt is projected to grow to \$23 billion by 2020-21.

Net debt has increased by over \$900 million this year compared to what was budgeted by the previous administration. A simple explanation of net debt is total debt less cash on hand — our debt consists of borrowing and pension liabilities, while our cash or assets include loans and equity investments.

### Considerations

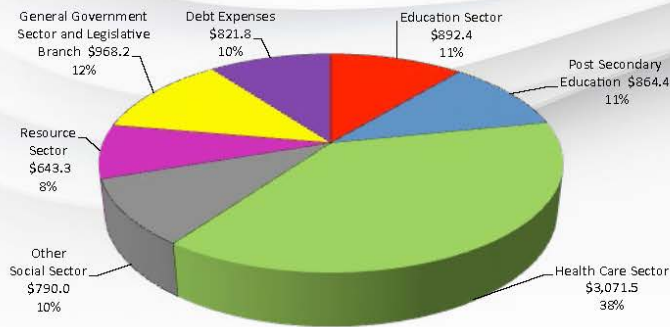
Newfoundland and Labrador can only move forward when the current reality is understood.

Currently the revised deficit is closing in on \$2 billion. This is serious and corrective action needs to be taken.

The current reality is that:

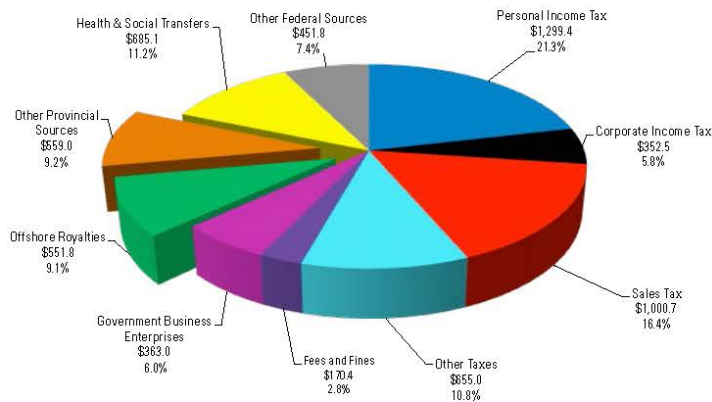
- offshore royalties are expected to be less than half of the \$1.2 billion budgeted in Budget 2015;
- total production is expected to be 15 million barrels lower than the budget forecast; and
- the average oil price is \$14 lower than budgeted and there continues to be volatility based on the global environment.

### Where Does the Money Go? December 2015 – Expenses by Sector (\$Millions)



Where is your money being spent?  
The answer is: mostly on health and education. As of December 2015, 38 per cent went to the health care sector and 22 per cent to education, including post-secondary education.

### Where Does the Money Come From? December 2015 Estimate (\$Millions)



Where does government get its money? The bulk is from taxation. As for offshore royalties, in April 2015 that accounted for 17.4 per cent of the province's revenue. Now? It's only 9.1 per cent.

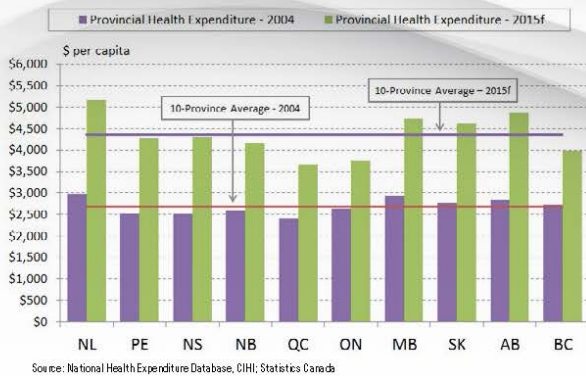
### How much do we spend per person?



Source: Provincial Public Accounts and Budget documents, Statistics Canada

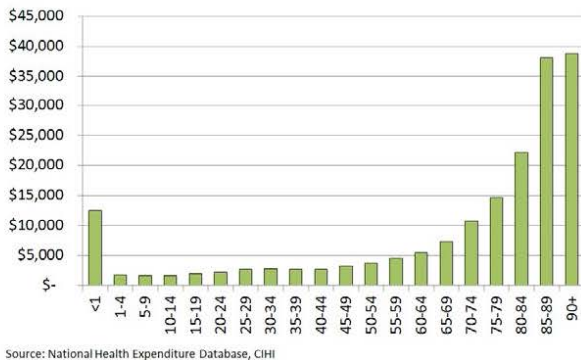
Newfoundland and Labrador's per capita program expenses have been 26-31 per cent greater than the average of all other provinces over the past four years.

## How much do we spend on Health Care?



Health care accounts for almost 40 per cent of the entire provincial budget – and this province spends more per person on health care than any other province in Canada.

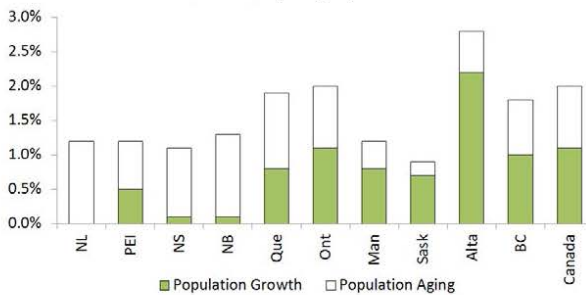
## How expensive is Health Care as we age? (2013)



As residents age, their individual health care costs increase substantially.

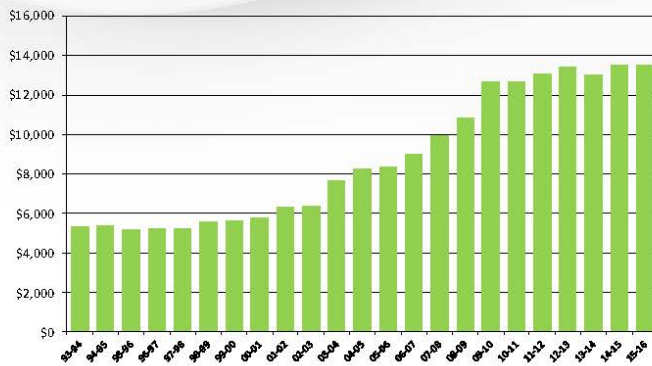
## How does our population growth and aging contribute to health care costs?

Contribution of Population Growth and Aging to Average Annual Growth in Provincial/Territorial Government Health Spending, by Province, 2002 to 2013



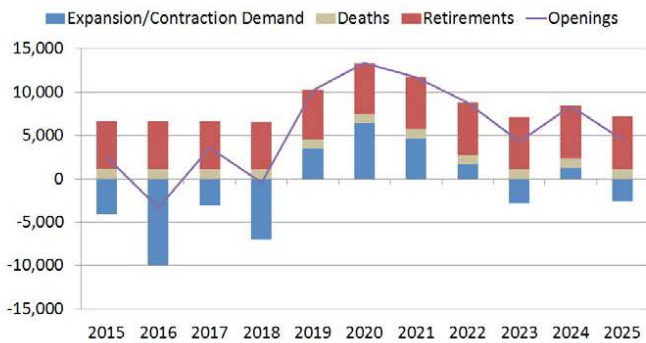
The impact of aging on health care costs is more significant in Newfoundland and Labrador than in most other provinces.

### What do we spend on Education? (K-12 cost per student)



The average cost per student has continued to increase over the past two decades, while the number of schools has decreased.

### What will future labour demand stem from?



Department of Finance

While in our current economic reality job growth has slowed, there needs to be a real plan in place to meet our labour market needs into the future.

## Call to Action... Starting the Conversation

The status quo is not feasible and changes must be made. The unprecedented fiscal situation facing the province has led the Provincial Government to take decisive action to create a multi-year approach to address the situation. We all need to be part of that discussion.

The mandate of this approach is to:

- Identify a combination of measures to increase revenues and reduce expenditures;
- Eliminate waste and identify opportunities to do things better and more efficiently;
- Assess the role of government in the provision of public services; and
- Establish multi-year fiscal targets.

In the first step of the multi-year initiative important conversations will take place. Government will provide opportunities for engagement through:

- Open, regionally-based public sessions led by the Office of Public Engagement;
- Open public town hall meetings;
- A guide will be made available to community groups, local governments, stakeholders and others so they can host their own conversations;
- Engagement sessions hosted by stakeholder groups such as academic institutions, high schools, community sector

and economic sector agencies or groups;

- Stakeholder sessions identified and led by the Minister of Finance, as well as by other ministers or government members; and
- The Office of Public Engagement's Dialogue Application to generate dialogue and share ideas on how to address the financial challenges faced by the province.

Over the short-term, these sessions will inform Budget 2016 and the mid-year fiscal update in late 2016 and will help strengthen the long-term plan, including Budget 2017.

Newfoundlanders and Labradorians are asked to reflect on the questions below and help shape solutions to the difficult fiscal and economic reality facing the province:

1. Thinking of all of the things government spends your money on to provide the residents of the province with services, what are three things that could be stopped in order to save money?
2. Given the financial challenges facing our province, what three things do you think government could do to raise money (increase revenue)?
3. How can government be more innovative or efficient to provide quality services at lower costs?

Over the longer-term, past Budget 2016 and over the course of the Provincial Government's mandate, the public service and in particular the senior leadership will be empowered to be innovative and to further identify and action ideas to address the fiscal reality, while balancing any potential impacts on the economy.

"We all have difficult choices ahead of us. The questions we will be asked will challenge us to think beyond ourselves as individuals. We are being asked to balance our wants against our needs. This is tough, but if we are to get our province back on track, we all have a role to play.

Our province, our communities and our families deserve our best efforts and nothing less."

Minister Cathy Bennett

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# Our Fiscal Future

STARTING THE CONVERSATION

## Launch & Engage

Jan-Feb 2016

- Discussion document
- Dialogue App
- Regionally-based open public sessions
- Guide to Hosting Your Own Session
- Town hall style meetings
- Stakeholder roundtables

BUDGET  
2016

## Roll Up & Release

Mar-Apr 2016

Compile and publish summary of ideas, themes and actions.

## Focus & Refine

May-Aug 2016

Conduct more in-depth engagement by sector and theme to identify options and develop best possible actions.

MID-YEAR  
FISCAL  
UPDATE

## Report of Choices

Fall 2016

Publicly report on options generated by the in-depth engagement processes including costing analysis, benefits and impacts.

## Validate & Prioritize

Jan-Feb 2017

Seek public feedback on choices presented.

BUDGET  
2017

## Release Results

March 2017

Engagement results will help inform Budget 2017 and future fiscal decisions.

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## Continuing the Conversation

Our province is entering a new era of engagement and is beginning a new conversation – one that does not have a singular focus on any one industry or source of revenue. Oil is a non-renewable resource that must be leveraged to ensure a more stable and diverse economic future and not be used in isolation to create fiscal policy.

The Provincial Government is urging all citizens to be engaged in the short, medium and long-term discussions. With full participation in an open, honest and transparent conversation about the difficult decisions facing government, the Provincial Government can continue to deliver stronger leadership, better management and long-term planning that will benefit each and every Newfoundlander and Labradorian today and into the future.

- 1. Thinking of all of the things government spends your money on to provide the residents of the province with services, what are three things that could be stopped in order to save money?**
- 2. Given the financial challenges facing our province, what three things do you think government could do to raise money (increase revenue)**
- 3. How can government be more innovative or efficient to provide quality services at lower costs?**

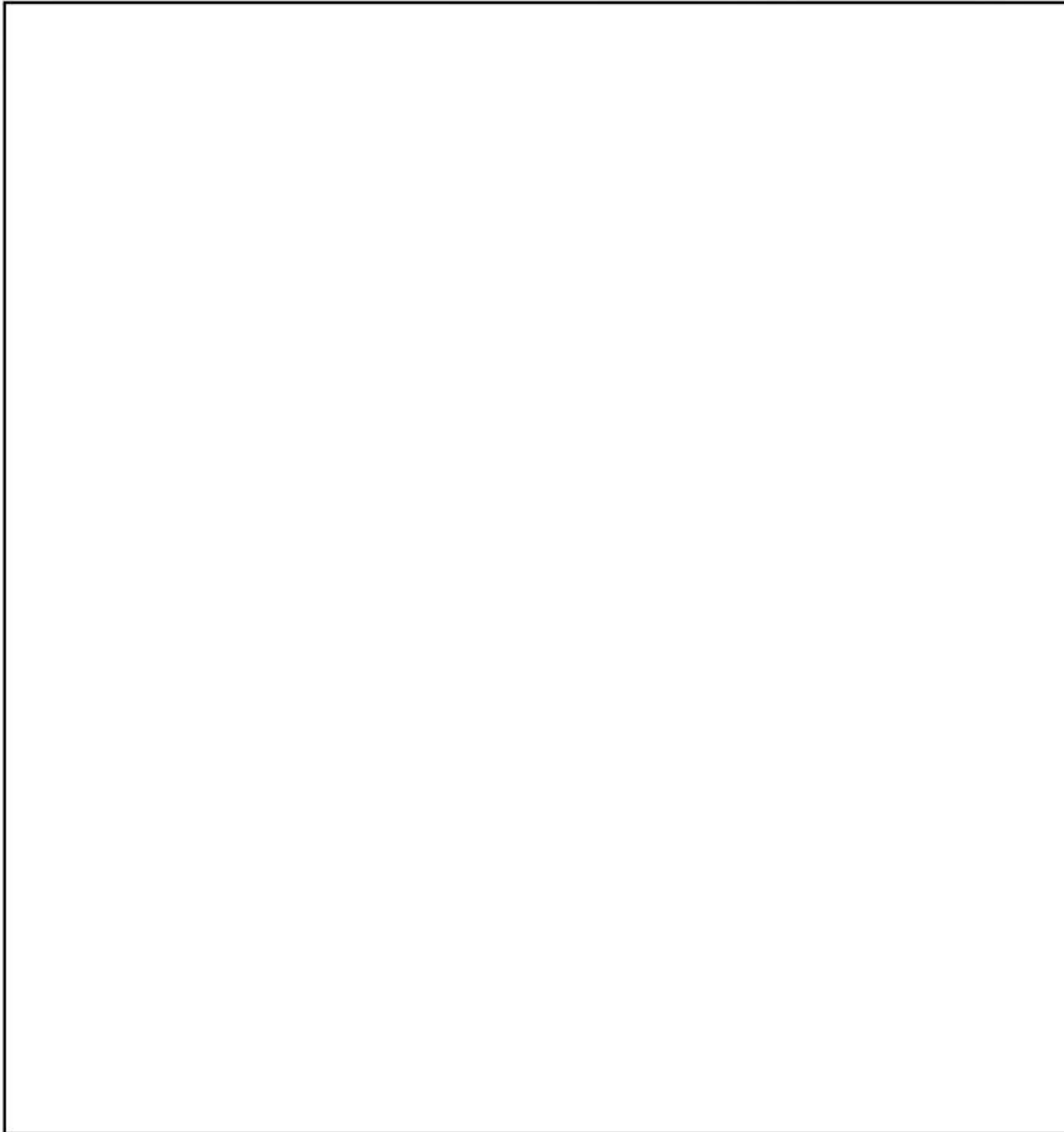
1. Thinking of all of the things government spends your money on to provide the residents of the province with services, what are three things that could be stopped in order to save money?





2. Given the financial challenges facing our province, what three things do you think government could do to raise money (increase revenue)

3. How can government be more innovative or efficient to provide quality services at lower costs?



**Feedback can be sent to us by:**

Mail: Government Renewal Initiative  
Executive Council  
P.O. Box 8700  
Main Floor, West Block Confederation Building  
St. John's, NL A1B 4J6

Email: [OurFiscalFuture@gov.nl.ca](mailto:OurFiscalFuture@gov.nl.ca)

Fax: 709-729-2070

Toll Free: 1-844-805-3494

