

Operating and Capital Budget 2019/2020

Council

May 14, 2019



Investing in
our
Community

Making Life
Affordable

In the Community
For the Community,
By the Community

Building the
Local
Economy

Protecting
the
Environment

2019/20 Budget Overview

Operating Budget

Revenue \$ 31,279,400

Expenses \$ 31,189,600

Surplus \$ 89,800

Capital Budget = \$14,576,200 (borrowing \$0)

Overview

Proposed Tax Rate 2019/20 (per \$100 of assessment)

- Residential \$0.81*
- Commercial \$1.957*
- Commercial Seasonal \$1.468*

- Sewer Rates – no change*
- Street Light Rates – based on account balances
- Hydrant rates – adjusted to recover actual costs \$1.36 per \$100 of assessment

**No rate increase from previous year*

Overview – Impact of Tax Rate

- Impact on residential property assessed at \$100,000

81 cents \$ 810.00 Property Tax

- Existing service standards are maintained.
- Initiatives that are important to Council and our residents to help achieve our mission as outlined in Council's strategic plan.

Key Themes & Successes



Success Stories

- Making Life Affordable
- Protecting the Environment
- Building the Local Economy
- Investing in Our Community

*“In the Community, For the Community,
By the Community”*

Assessment Trends & Issues



Assessment Trends

- Annual assessments based on previous year's market value
- Capture capital improvements and new construction through building permit process
- Largely based on sales data
- Assessment trends tend to be longer term and slow in in developing
- Future impacts are for the most part identifiable

Budget Highlights



2018/19 Year End Forecast

Revenue Increase		Expenditure Decrease (savings)	
Property Tax Billings	\$ 166,800	Wages & Benefits	\$ 65,700
Deed Transfer Tax	165,000	Tax Exemptions & Council Contingency	78,000
Bank Interest & Tax Interest	273,000	Grants (PACE, ProKids, Parks)	96,000
Other Revenue	97,000	RCMP & REMO	53,000
Total Revenue Increase	\$ 701,800	Planning and Building Services	123,000
		Municipal Roads & Landfill Fees	82,000
Budgeted Surplus	\$ 83,000	Economic Development	300,000
Forecasted Surplus	<u>1,233,500</u>	Rec Facilities & Program fees	31,000
Difference	\$1,150,500	Financing & Transfers	(380,000)
		Total Exp Decrease	\$ 448,700

Budget Highlights

- No Tax Rate Increase; Commercial Rate Reduction of 2012/13 remains (\$0.10)
- Positive results on the Financial Condition Index
 - Preliminary results - exceed threshold on 12 of 13 indicators
- Municipality will be debt free by 2021
- Able to balance the 2019/20 budget, with a surplus of \$89,800

Budget Highlights

Building the Local Economy

- Internet - \$3.791M
- Rural Roads - \$1.8M
- Investment Attraction
- Tourism

Budget Highlights

Investing in our Community

- Tick Awareness and Lyme Disease
- Continued Implementation of the Open Space Strategic Plan and Active Living Strategy
- Fire Services Recruitment and Retention
- Accessibility

Budget Highlights

Making Life Affordable

- Maintain Tax and Sewer Rates
- Five Year Financial Strategy
- Clean Energy Financing Program
- Support for Residents
 - Property Tax Rebate Program
 - Positive Recreation Opportunities for Kids (ProKids)

Budget Highlights

Protecting the Environment

- LaHave River Straight Pipe Replacement Project
- Clean up of Abandoned Schools
- Flood Mitigation
- Litter Clean-up Program

Budget Highlights

In the Community, For the Community,
By the Community

- Partnerships to manage parks and open spaces
 - United Communities Marine Park
 - Pinegrove Outdoor Play Association
 - Petite Riviere Community Park
 - Molega Lake Park (Chelsea United Baptist Church)
 - River Ridge Commons
 - Saw Pit Wharf
 - Miller Point Peace Park

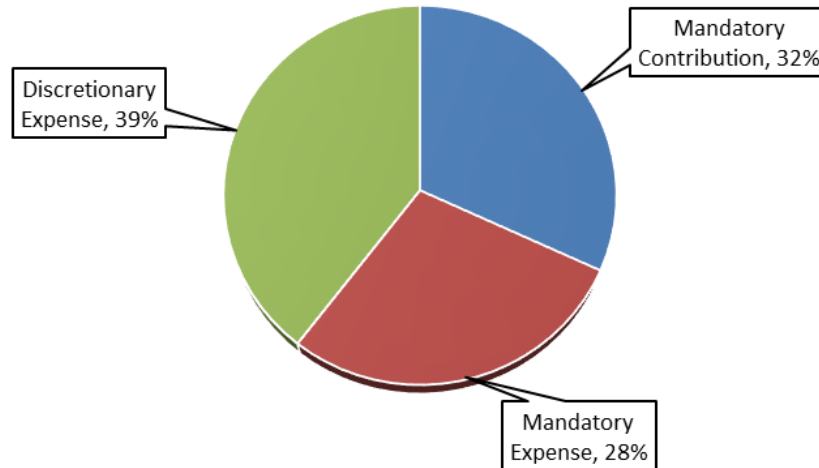
Budget Details



Budget Highlights

Provincial and other mandatory expenses
= 60% of the budget net expenditures

Discretionary vs Mandatory Budget

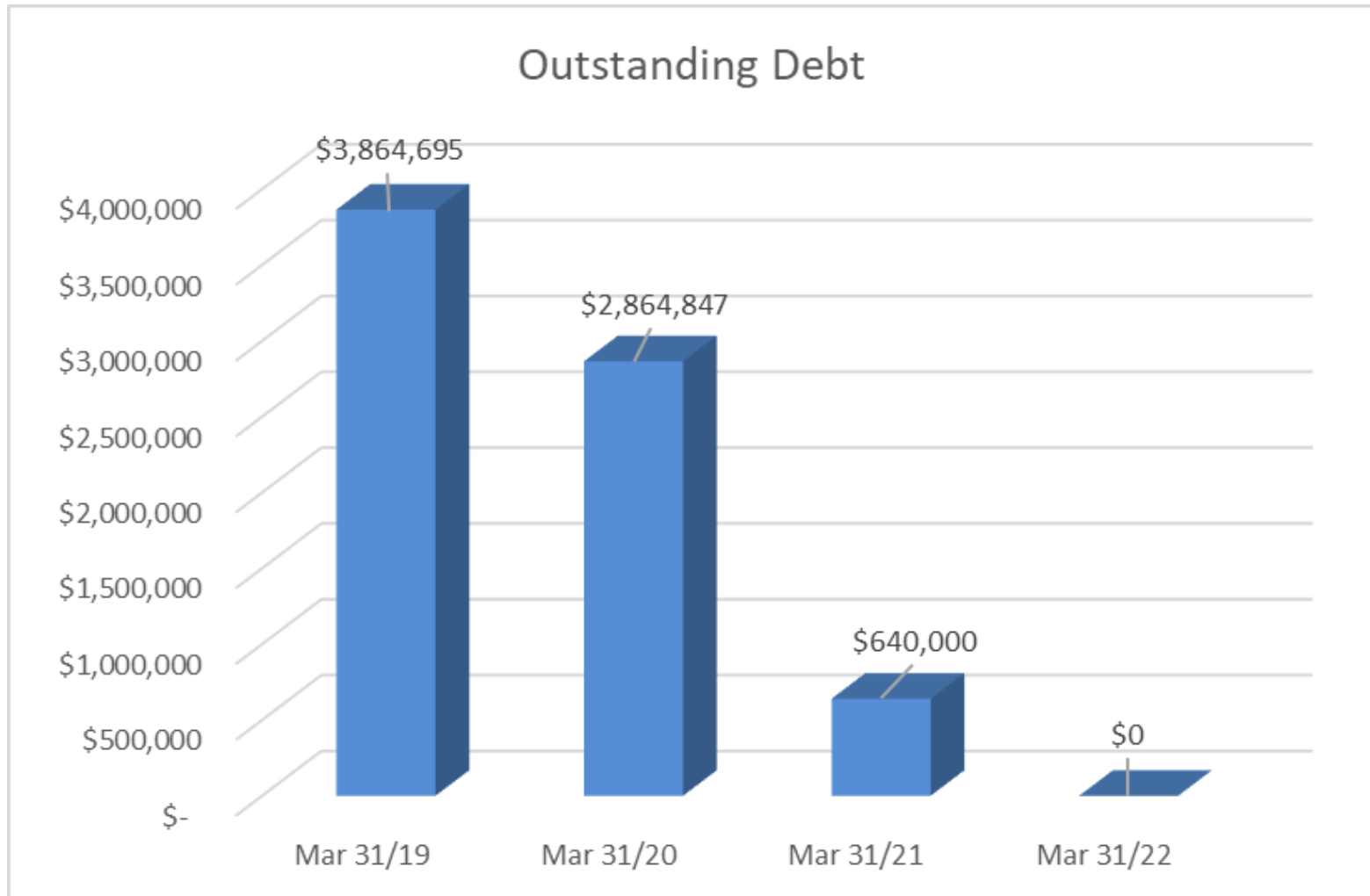


Recreation,
Planning,
Building, etc.

Education,
Assessment
Corrections,
Public
Housing,
Libraries

Policing,
Roads, Waste
Collection,
Debt Servicing

Debt Repayment



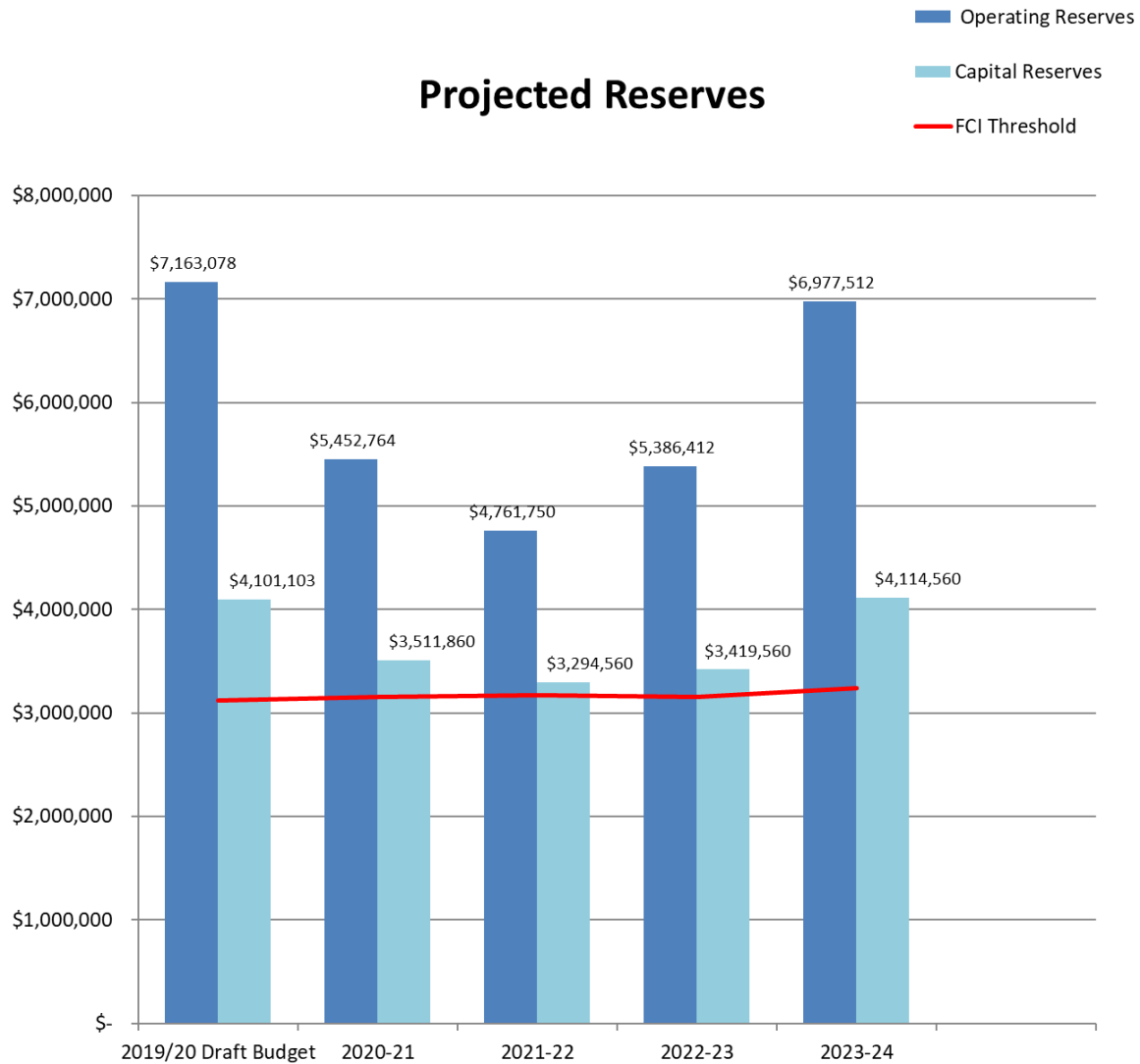
Reserves

Fiscal Year	Reserve	Balance
2019-20	Depreciation reserves	\$ 1,173,731
	Gas Tax reserves	1,997,620
	Other reserves	<u>8,092,830</u>
	Total	\$ 11,264,181
2020-21	Depreciation reserves	\$ 737,174
	Gas Tax reserves	1,307,377
	Other reserves	<u>6,920,073</u>
	Total	\$ 8,964,624
2021-22	Depreciation reserves	\$ 529,860
	Gas Tax reserves	854,077
	Other reserves	<u>6,672,373</u>
	Total	\$ 8,056,310

Reserves

Fiscal Year	Reserve	Balance
2022-23	Depreciation reserves	\$ 1,196,522
	Gas Tax reserves	743,077
	Other reserves	<u>6,866,373</u>
	Total	\$ 8,805,972
2023-24	Depreciation reserves	\$ 2,573,622
	Gas Tax reserves	1,702,077
	Other reserves	<u>6,816,373</u>
	Total	\$11,092,072

Reserves



District Budget Summary

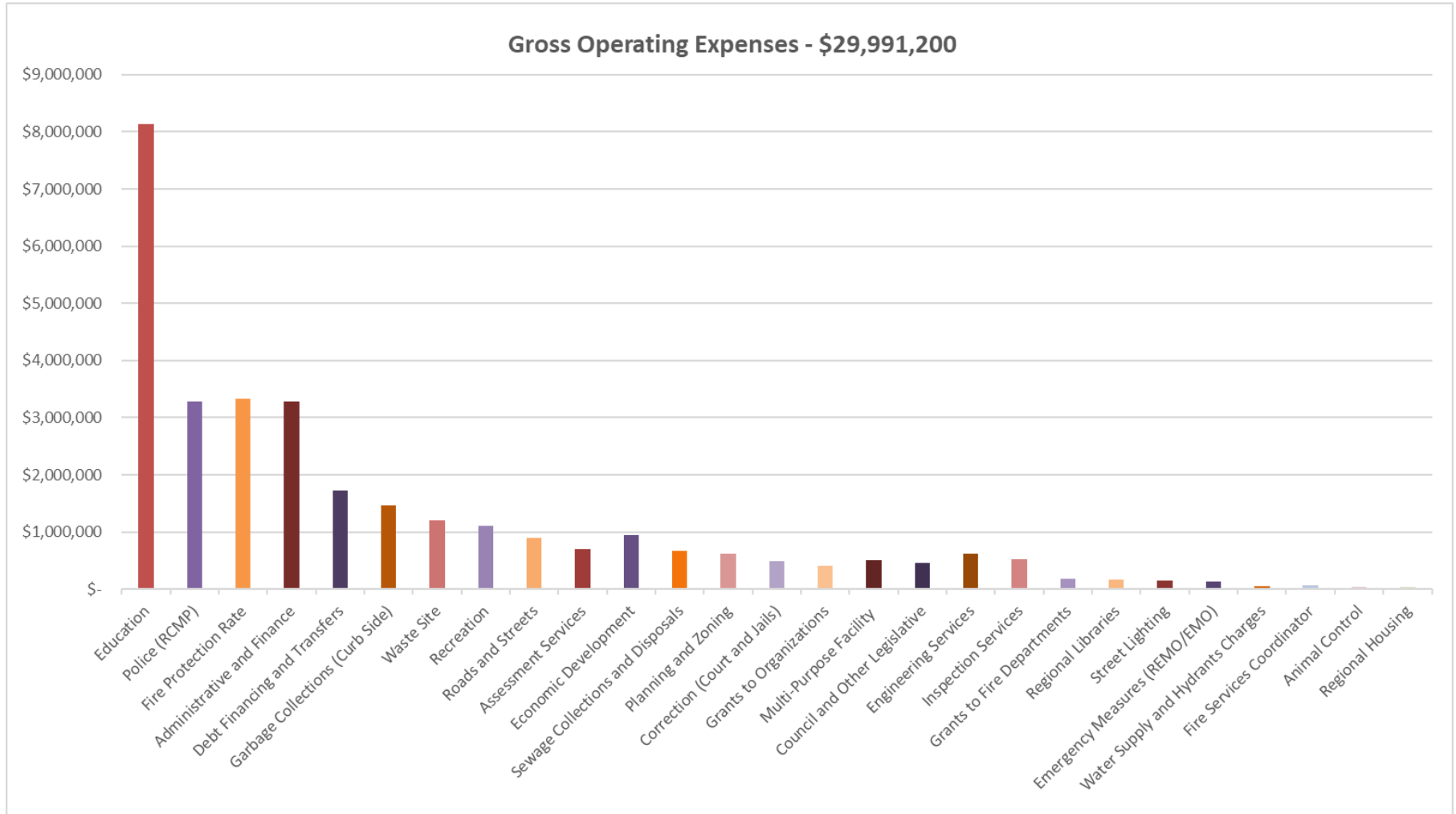
	2018/19 Budget	Adjusted Baseline 2019/20	Proposed 2019/20 Additions	Proposed 2019/20 Budget	% Change over last yr. Budget
Gross Expenditure (after reserve transfer)	29,991,200	30,756,900	432,700	31,189,600	4.00%
Non-Tax Revenue	1,613,400	1,783,600	30,200	1,813,800	12.42%
Net Expenditures	28,377,800	28,973,300	402,500	29,375,800	3.52%
Tax Revenue	28,460,800	29,463,300	2,300	29,465,600	3.53%
Surplus (Deficit)	83,000	490,000	(400,200)	89,800	

- Proposed Tax Rate 2018/19
 - Residential : \$ 0.81 per \$100 of assessment
 - Commercial: \$ 1.957 per \$100 of assessment
 - Commercial- Seasonal: \$ 1.468 per \$100 of assessment

Mandatory Expenses Trends

	2015/16 Actual	2016/17 Actual	2017/18 Forecast	2018/19 Forecast	2019/20 Estimate
Education	7,528,181	7,744,710	7,815,000	8,002,200	8,143,600
Assessment	683,900	680,495	680,700	680,700	698,600
Corrections (Jails Courts)	441,458	438,722	438,800	436,000	433,500
Housing	33,459	32,659	32,000	35,000	35,000
Regional Library	158,134	158,134	159,800	160,000	162,000
Sub Total	8,845,132	9,054,720	9,124,500	9,313,900	9,472,700
% Change	1.99%	2.37%	0.77%	2.08%	1.68%

Where the Money Goes



District Expenses - Summary

	2018/19 Annual Budget	2019/20 Adjusted Baseline	2019/20 Additions	2019/20 Proposed Budget	Percent Change Budget 2020 to Budget 2019
Expenditures					
General Government Services					
Council and Other Legislative	\$ 397,100	\$ 449,700	\$ 500	\$ 450,200	13.37%
Administrative and Finance	3,026,100	3,033,700	255,800	3,289,500	8.70%
Grants to Organizations	374,900	397,900	7,500	405,400	8.14%
Assessment Services	680,700	698,600	-	698,600	2.63%
	4,478,800	4,579,900	263,800	4,843,700	8.15%
Protective Services					
Police	3,250,000	3,280,000	-	3,280,000	0.92%
Correction and Other Law Enforcement	490,000	489,500	-	489,500	-0.10%
Water Supply and Hydrants Charges	56,100	57,200	-	57,200	1.96%
Grants to Fire Departments	173,300	177,000	-	177,000	2.14%
Fire Protection Rate	3,106,000	3,329,600	-	3,329,600	7.20%
Emergency Measures (REMO/EMO)	124,400	124,800	-	124,800	0.32%
Fire Services Coordinator	57,900	68,800	-	68,800	0.32%
Inspection Services	477,600	522,700	-	522,700	9.44%
Other Protective Services (Animal Control)	36,000	36,000	-	36,000	0.00%
	7,771,300	8,085,600	-	8,085,600	4.04%
Transportation Services					
Engineering Services	367,000	464,500	54,600	519,100	41.44%
Roads and Streets	835,300	892,000	2,800	894,800	7.12%
Street Lighting	146,300	145,900	-	145,900	-0.27%
CES/CEF	95,600	94,500	-	94,500	-0.27%
	1,444,200	1,596,900	57,400	1,654,300	14.55%
Environmental Health Services					
Sewage Collections and Disposals	590,800	589,000	84,000	673,000	13.91%
Garbage Collections	1,470,900	1,470,900	-	1,470,900	0.00%
Waste Site	1,302,000	1,208,300	-	1,208,300	-7.20%
	3,363,700	3,268,200	84,000	3,352,200	-0.34%

District Expenses - Summary

	2018/19 Annual Budget	2019/20 Adjusted Baseline	2019/20 Additions	2019/20 Proposed Budget	Percent Change Budget 2020 to Budget 2019
Public Health					
Regional Housing	35,000	35,000	-	35,000	0.00%
Environmental Planning and Zoning					
Planning and Zoning	548,600	527,000	95,400	622,400	13.45%
Community and Economic Development	668,700	898,400	49,800	948,200	41.80%
	1,217,300	1,425,400	145,200	1,570,600	29.02%
Recreation and Culture					
Recreation	1,055,700	1,089,400	19,000	1,108,400	4.99%
Multi-Purpose Facility	442,500	507,500	-	507,500	4.99%
Regional Libraries	160,000	162,000	-	162,000	1.25%
	1,658,200	1,758,900	19,000	1,777,900	7.22%
Education	8,002,200	8,143,600	-	8,143,600	1.77%
Sub Total Expenditures	27,970,700	28,893,500	569,400	29,462,900	5.33%
Debt Financing and Transfers	2,020,500	1,863,400	(136,700)	1,726,700	-14.54%
Total Expenditures	29,991,200	30,756,900	432,700	31,189,600	4.00%
Revenue					
Tax Revenue	28,460,800	29,463,300	2,300	29,465,600	3.53%
Non Tax Revenue	1,613,400	1,783,600	30,200	1,813,800	12.42%
Total Revenue	30,074,200	31,246,900	32,500	31,279,400	4.01%
Surplus (Deficit)	\$ 83,000	\$ 490,000	\$ (400,200)	\$ 89,800	

Baseline Budget - Increases

Item	Increase from 2018-19
Community & Economic Development	\$229,700
Fire Protection	223,600
Education	141,400
Fire Protection	45,500
Engineering Services	65,000
Roads & Streets	56,700
Council & Other Legislative	52,600
Building Inspection Services	45,100
Policing	30,000
Grants to Organizations	23,000

Baseline Budget - Decreases

Item	Decrease from 2018/19
Debt Financing & Transfers	\$157,100
Waste Site Collection and Disposal	93,700
Planning & Zoning	21,600

Budget Additions

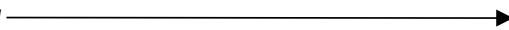
Department/Description	Expenditure Amount	Revenue/ Reserves	Net Cost
Administration & Finance			
Communications Co-op Student	\$ 12,000	\$ 4,200	\$ 7,800
Municipal Webpage	25,000		25,000
Lyme Disease Project	10,000		10,000
Fire Recruitment & Retention	78,800		78,800
Fire Personnel Insurance Project	20,000		20,000
Litter Clean-up Program	10,000		10,000
Employee Pension Investigation	100,000	100,000	-
Members at Large - Audit Committee	500		500
Depreciation Reserve Transfer	32,500		32,500
Engineering Services			
Student Co-op (4 semesters)	39,600	12,600	27,000
Safety Services	15,000	-	15,000
Sewer Operations Manuals	60,000	60,000	-
Standby Compensation	10,400		10,400
Hebbville WWTP - spare impellers	8,600	-	8,600
New Germany Collection System - manhole repairs	5,000	-	5,000

Budget Additions

Department/Description	Expenditure Amount	Revenue/ Reserves	Net Cost
Planning & Development Services			
Private Road - Red Hill Road	2,800	2,300	500
Planning Co-op Student	14,400	4,200	10,200
Fancy Lake/Petite Riviere Watershed Project	81,000	18,400	62,600
Economic Development Services			
Business Development Officer	34,800		34,800
Regional Economic Development	10,000		10,000
NOW Lunenburg Doctor Recruitment Project	5,000		5,000
Recreation Services			
Grant - Sucker Lake	2,500		2,500
Grant - Big Tancook Island Park	5,000		5,000
Osprey Trail Design	9,500		9,500
MARC Rail to Trail	9,500		9,500
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TOTAL ADDITIONS	\$ 601,900	\$ 201,700	\$ 400,200

5-Year Financial Strategy

Operating Budget Projections

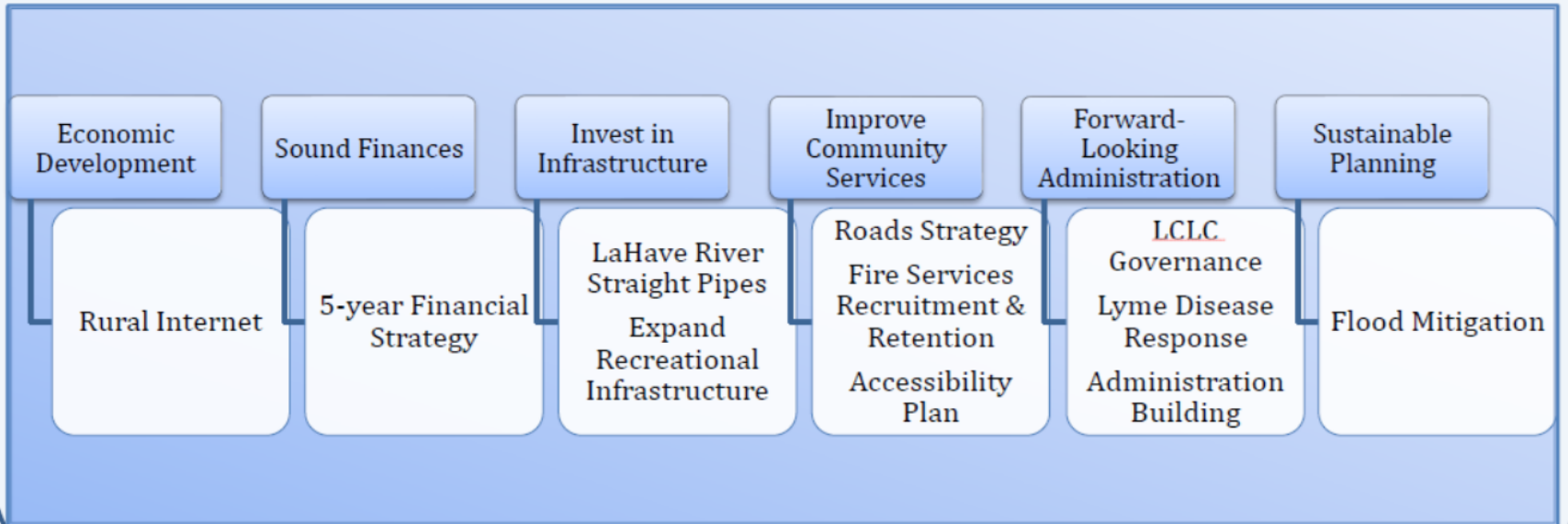
<i>Description</i>	<i>Current Year</i>	<i>Projected</i> 			
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Revenue Sources					
Residential property tax	\$19,980,000	\$20,179,800	\$20,381,598	\$20,585,414	\$20,997,122
Commercial property tax	2,509,000	2,507,746	2,520,284	2,532,886	2,545,550
Other taxes	3,443,300	3,445,022	3,446,744	3,448,468	3,450,192
Fire Protection	3,329,600	3,396,192	3,464,116	3,533,398	3,604,066
Transfers from other govts	167,300	167,384	167,467	167,551	167,635
Other revenue sources	1,850,200	1,887,204	1,924,948	1,963,447	2,002,716
	<u>\$31,279,400</u>	<u>\$31,583,347</u>	<u>\$31,905,158</u>	<u>\$32,231,163</u>	<u>\$32,767,281</u>
Expenditures					
Discretionary Expenditures	\$12,980,300	\$12,693,799	\$12,902,976	\$13,114,832	\$13,330,131
Mandatory Expenditures					
Mandatory Contributions	9,472,700	9,743,590	9,854,583	9,966,957	10,166,296
Other Mandatory Expenditures	7,009,900	7,290,296	7,581,908	7,885,184	8,200,592
Deficit from prior year	0	0	0	0	0
Debt servicing	1,172,600	2,321,912	666,916	0	0
Reserves	554,100	(510,000)	725,000	579,000	745,000
	<u>18,209,300</u>	<u>18,845,798</u>	<u>18,828,407</u>	<u>18,431,141</u>	<u>19,111,887</u>
	<u>\$31,189,600</u>	<u>\$31,539,597</u>	<u>\$31,731,382</u>	<u>\$31,545,972</u>	<u>\$32,442,018</u>
Surplus/(Deficit)	\$89,800	\$43,750	\$173,775	\$685,191	\$325,263

Strategic Priorities

Council's Vision

The Municipality will maximize opportunities for social and economic development while retaining an attractive, sustainable and secure environment for the enjoyment of residents and visitors. Through responsible and professional leadership and in partnership with others, the Municipality will strive to improve the quality of life for all residents living and working in the larger community.

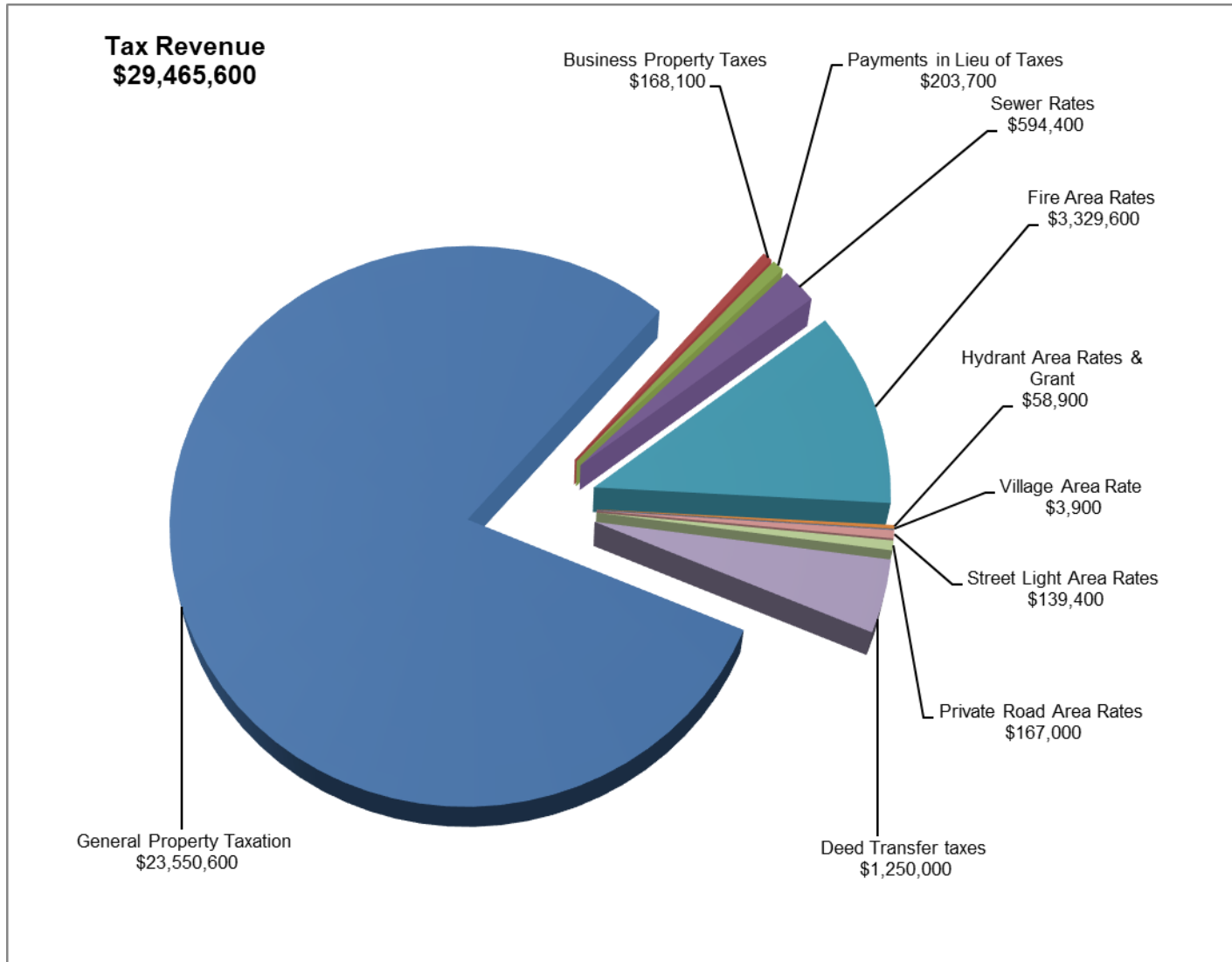
Council's 2019-20 Priorities



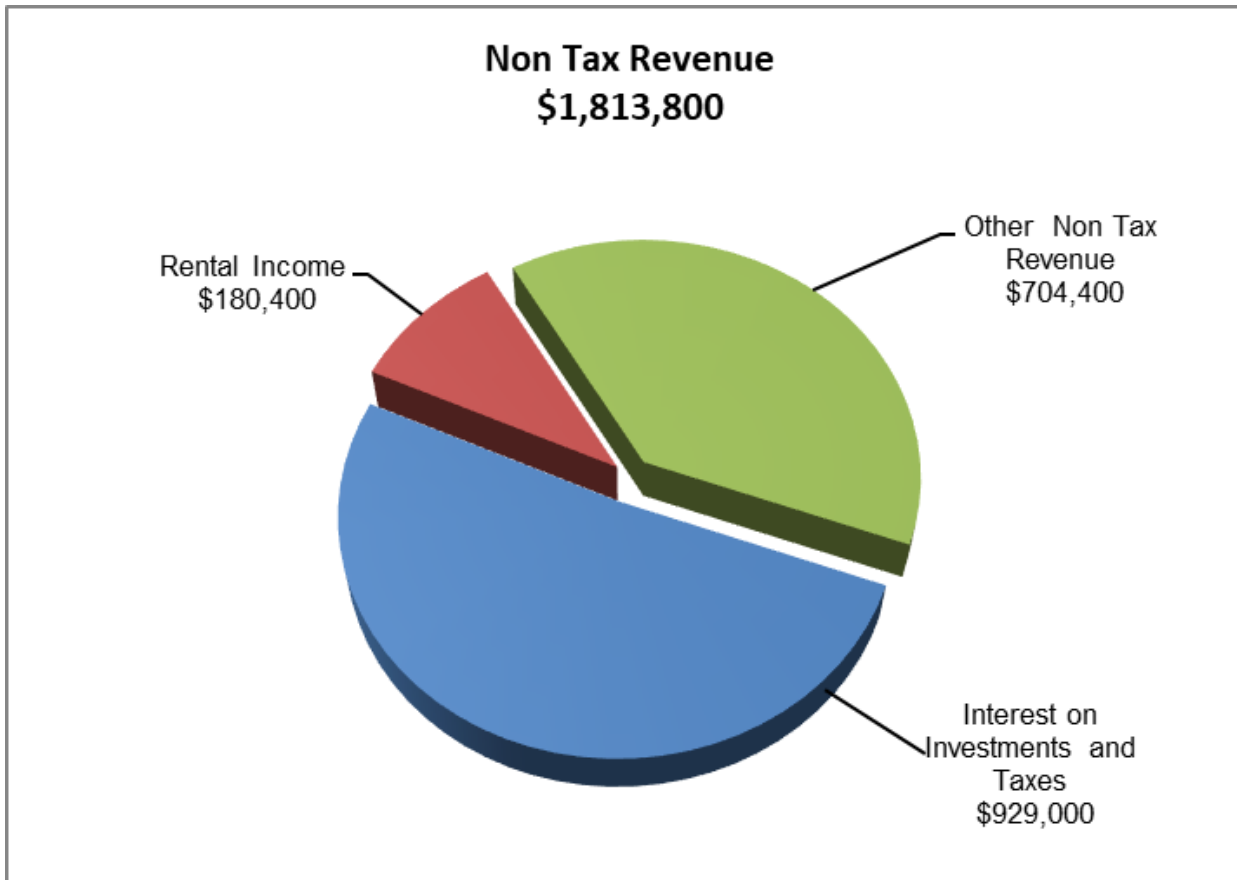
Grants

- Grants and funding to community groups, individuals, neighbouring towns and groups with management agreements
- Total \$368,200, an increase of \$31,100.

Revenue – Tax Revenue



Revenue – Non-Tax Revenue



REMO
services,
Recreation
Programs,
Licenses &
Permits, Tax
Sale Fees,
Grants, etc.

Area Rates

Sewer Rates

- Global Rate \$0.73 (*2018/19 - Rate \$0.73*)
- Hebbville \$0.43 (*2018/19 - Rate \$0.43*)

Fire Hydrant Rates

- \$0.136 (*2018/19 – Rate - \$0.140*)

Area Rates

Street Light Rates

	Rates per \$100 of assessment		Flat Rates per Property
Riverport	\$0.028	Barss Corner	\$ 48.20
Dayspring	\$0.051	Vogler's Cove, Broad Cove, Cherry Hill	\$ 22.09
New Germany	\$0.042	Chelsea	\$ 83.32
Catidian Place	\$0.009	Pine Grove	\$ 20.08
Pine Haven Subd.	\$0.040	Oakhill Acres	\$ 32.35
		Little Tancook	\$ 37.70
		Whitley and Jenny	\$ 0.00
		Westside Drive	\$160.00

Summary

- ✓ Tax rates remain constant
- ✓ Strategic Priorities addressed
- ✓ Operational priorities are funded
- ✓ Responsive to our residents needs

Collaborative Effort

Finance Committee: C. Garland (Chair);

All Municipal Councillors

Strategic Management Team: K. Malloy;

Dumaresq; E. Wentzell; T. Payne; J. Merrill; S. Pace;

D. Waters, A. Veinot; S. Conrad; S. Kucharski

Finance Department: E. Wentzell; A. Veinot;

R. Hiltz; J. Powers

Motions

- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Operating Budget in the amount of \$31,189,600*
- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Residential Tax Rate of \$0.081 per \$100 of assessment;*
- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Commercial Tax Rate of \$1.957 per \$100 of assessment;*
- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Seasonal Commercial Tax Rate at \$ 1.468 per \$100 of assessment;*

Motions

- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Capital Budget in the amount of \$14,576,200 and the 5-Year Capital Plan;*
- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Reserves Transfers including interest as noted in the 5-Year Financial Plan.*
- *That Municipal Council accept the recommendation of the Finance Committee and approve the 2019/20 Flat Fee Area Rate of \$10 per residential and commercial property in the Village of Hebbville on behalf of the Village Commission*