

## 24/25 Town of Shelburne General Operating Budget – COUNCIL BUDGET MEETING

The Town of Shelburne Preliminary General Operating Budget for 2024/25 is \$4,672,365. This is an increase of \$194,259 (approximately 4.6% increase). Assessment is up which means Tax Revenue has increased as well. On the other hand, expenses including those associated with expenditures required to be incurred to address upcoming development projects continue to rise as well as added responsibilities. The Town of Shelburne is anticipating future development within the Town in the upcoming three to four years, which in turn will enable the Town Council to look at reducing tax rates and putting money away in reserves as the Town benefits from these added revenue sources.

### **REVENUE-**

**Tax Revenue \$2,867,307 (61%)**- Proposing a two-cent reduction in Residential/Resource and Commercial tax rates for 2024/25. Residential/Resource Assessment from PVSC is up approximately 8.8%, due to the ongoing recent Housing Market and Commercial Assessment up approximately 13.8% due to continued sales and renovations to Commercial properties. We have received a full list of appeals as of this date and have built in a buffer for appeals. There are a total of thirty-six appeals, twenty-eight of which are Residential/Resource and 8 Commercial for a total of 9,224,100 in Taxable Assessed Value. Hopefully, the losses in assessment will not be greater than the buffers in place.

**Residential/Resource Tax Rate for 2024/25 is \$1.99/100 of assessment.**

**Commercial Tax Rate for 2024/25 is \$3.86/100 of assessment.**

**Deed Transfer Revenue \$100,000 (2%)** – We are budgeting \$110,000 for 24/25 as property sales have slowed over the last several years. (21/22 - \$185,553, 22/23 - \$124,034 and 23/24 - \$114,801)

**Grants in Lieu-Federal & Provincial \$14,044 (less than 1%)** Grants received from Federal & Provincial properties in lieu of Taxes.

**Sale of Services-Fire Protection Revenue (MDS) \$105,606 (2%)** – As per Fire Services Agreement with MDS based on number of calls and mileage for fire calls in the agreed areas of the Municipality of the District of Shelburne.

**Environmental Health Services Revenue \$704,426 (15%)** – Budget shows Wastewater (Sewer) Charge is to remain the same at \$260.00/unit for revenue of 338,510. Solid Waste expense comes from Shared Services out of MDS for collection and Region of Queens for disposal and is estimated to increase by 24.8% as per notices from Shared Services and Region of Queens. The cost of operating the West Green Harbour transfer site has increased 94%. Amounts are prepared by MDS as per the Shared Services Agreement with TOS and TOL together with MDS. The increase is due to Operating and Capital Expenses needed for the delivery of Services. There is also an increase of approximately 2.3% from Region of Queens for the disposal of Waste. Total budgeted cost for 2024/25 Waste Collection and Disposal is \$363,855 which is an increase of \$62,136 from 2023/24 actual total of \$301,719. 2024/25 Solid Waste charge is \$363.85/unit from \$291.60/unit for last year (INCREASE OF \$72.25 (24.8%). Shared Services is expecting amounts to partly decrease for the transfer site once upgrades have been completed.

**Wastewater (Sewer) Charge for 2024/25 is \$260.00/unit.**

**Solid Waste Charge for 2024/25 is \$363.85/unit.**

**Staff will be reviewing the present Solid Waste Services and look for alternatives and changes to decrease cost to taxpayers over the next year.**

**Rentals \$80,631 (2%)** – Rental income from 13 George St, 162 Mowatt St and 35 King St.

**Return on Investment, Interest and Other Revenue \$187,570 (4%)** – Bank Interest on Current Account budgeted for \$30,000 due to bank balances and interest rates. Interest on outstanding Taxes and Miscellaneous Other Revenue went up slightly.

**Unconditional Transfers from Provincial Government \$370,145 (8%)** – Consists of Capacity Grant at \$283,146 and first of 5 years top up of \$26,499 (new Municipal Services Agreement), Town Foundation Grant \$50,000, HST Offset \$9,000 and Provincial Fuel Tax Refund \$1,500.

**Conditional Transfers from Federal, Provincial and Other Local Governments \$11,628 (less than 1%)** – Consists of Federal Job Grants (Applied for 2 VIC positions and 2 P/W positions for summer and was approved for 1 VIC), Provincial EMO Civic Addressing (money is forwarded to Municipality of Shelburne as they handle Civic Addressing) and MDS Grants for Splash Park and VIC.

**Other Transfers \$212,286 (5%)**- Suggesting Transfer from Operating Reserve of \$212,286 to cover \$20,000 Shelburne Marine Wharf project, \$75,000 for 162 Mowatt St Reno/Upgrades (previously approved), \$93,380 Landfill Phase 1 project (previously approved, remainder of project) and \$23,906 to balance budget. Council may decide to not transfer the amount to balance the budget and instruct Staff to reduce expenses to balance the budget without the transfer from Operating Reserve of \$23,906.

**Highlight - Anticipated surplus for General Operating for fiscal year end March 31, 2024**

## **EXPENSES –**

**General Government Services \$943,224 (20%)**- Includes Mayor, Council, Committee Expense, Legislative, Administration and Finance, Employer Benefits, Training, Town Hall Expense, Assessment Cost Recovery (PVSC), Grants to Organizations, Administration Expense (Legal, Audit, IT, Office Expense), Insurance, Accessibility Planning, and other Administration Expense.

**Highlights- Council Stipends frozen for 6 years, as per Council Remuneration Policy have increased Stipends by 4% and increased Travel & Expenses for new Council training. Election Expenses added this year. Budgeting increases in Legal Fees due to ongoing legal matters and increase in Office Equipment due to anticipated move to 162 Mowatt St. Grants to Organizations has decreased approximately 42% due to emergency funding grant to Shelburne Arena Association last year.**

**Protective Services \$1,180,111 (25%)** – Includes Police Protection, Emergency Measures, By-Law Enforcement, Fire Protection, Fire and Building Inspection (Shared Services) and Debt Payments (Fire Trucks).

**Highlights- Department of Justice (RCMP Services) is budgeted at 828,904 up 6.16% from 780,793 due to new RCMP contract. Emergency Measures (Shared Services) budgeted at 11,628 up from 6,704. Fire Protection budgeted at 257,375 up from 245,533 (increase in Mtc of trucks). Fire Inspection and Building Inspection (Shared Services) budgeted at 46,483 up from 25,540 due to the hiring of a second Building/Fire Inspector.**

**Public Works \$592,288 (13%)** – Includes Personnel Costs, General Equipment, Equipment Mtc, Public Works Buildings, Roads & Streets, Sidewalks, Parks & Facilities and Debt Payments.

**Highlights- Wages & Benefits budgeted at 323,307 up from 259,458 due to the addition of one Temporary Position and two Summer Staff positions to accomplish all scheduled tasks and projects. A significant workload has been added due to a major review of our infrastructure to determine capacity challenges as a result of upcoming developments. As previously stated, staff applied for grants for the two summer positions but was not approved by Canada Student Jobs. Capital Expense from Revenue in the amount of \$7,000 to purchase a new sidewalk plow attachment. Tree Maintenance budgeted at 10,000 up from 5,000 due to the increased demand and cost of tree removal. Parks & Facilities budgeted at 39,460 up from 27,525 due to 12,000 budgeted for repairs to Grovestine’s Complex washroom, canteen and electrical building’s roof and sides.**

**Wastewater \$345,225 (7%)** – Includes Personnel Costs, Stormwater, Vehicle Expense, Lift Stations, Treatment Plant, Mtc of Lines and Debt Payments (WWTF). The Wastewater budget now includes a position for Wastewater Assistant at 50% with the remaining 50% working as Water Assistant. With the loss of the current Water Plant Operator, it has become obvious that a Wastewater/Water Assistant is needed to de-risk two important infrastructures that the Town is responsible for. With the addition of this position which will offer assistance and continual training alongside plant Operators, it will also relieve the pressure on the Public Works Department which now covers both plants for vacations, sickness, and other absences. With the two positions at the two Plants continuing obtaining education, training, and supporting each other will enhance succession training.

**Waste Collection \$363,916 (8%)** – Solid Waste Collection and Disposal

**Other Waste Collection \$96,405 (2%)** – Includes Compost Bins (Green Carts) \$2,500, Garbage Bins/Dog Waste Stations & Bags \$525 and Capital Expense from Revenue (Landfill Project Phase 1 remainder) \$93,380.

**Community & Economic Development \$140,125 (3%)** – Includes MPAL, Planning & Inspection, Economic Development and Tourism & Events.

**Highlights- Senior Planner hired part-time to review and revise Land Use Bylaw and other matters relating to planning.**

**Facilities Management \$296,109 (6%)** – Includes 162 Mowatt St, Community Centre, Little Peoples Day Care, King St Ctr, Cox Shipyard Complex, 13 George Street, MacKay Memorial Library, Guild Hall, Washrooms and Relocation of Town Office to 162 Mowatt St.

**Fiscal Services \$259,732 (6%)** – Includes Debenture Principal payments \$162,885, Allowance for Uncollectable Taxes \$5,000 and Transfer to Capital Reserves \$91,847.

**Highlights- Transfer to Capital Reserve consists of \$11,847 Future Debenture Balloon Payment instead of refinancing balance of Debenture, \$80,000 New Fire Trucks (annual amount).**

**Reduction of Tax Revenue (Payments back to Province of NS) \$360,146 (8%)** – Includes Education (Tri-County Schools) \$341,876, Library \$14,070, Department of Justice (Prosecution Fees) \$4,200.

**Highlights- Transfers to Corrections and Deficit Regional Housing Authority no longer charged to Municipalities under the new Municipal Services Agreement.**

**Taxation Exemptions \$95,145 (2%)** – Includes Low Income Exemption \$30,000, Non-Profit Tax Exemptions \$48,699, Commercial District Development Improvement Program \$16,446.

**Highlights- Proposed changes to Low Income Tax Exemptions-**

**Low Income Tax Exemptions** – Budget \$30,000 up from \$15,000

**Previous thresholds-**

-Total household income of \$23,000 or less for a rebate of \$400.00

-Total household income of \$23,001 to 28,750 for a rebate of \$200.00

-Total household income of \$28,751 to \$34,500 for a rebate of \$100.00

**Proposed thresholds-**

-Total household income of \$35,000 or less for a rebate of \$400.00

-Total household income of \$35,001 to 40,000 for a rebate of \$200.00

Deadline to apply is December 31<sup>st</sup>, 2024, after which date no applications will be accepted.

#### **DEBENTURE BALANCE UPDATE –**

**As of March 31, 2024, the total principal balance on Debentures is \$1,485,473.**

**24/25 Principal Payments from Operating \$162,885**

**24/25 Interest Payments from Operating \$41,048 (allocated to each department)**

**Operating Reserve Balance –**

**Balance March 31, 2024 - \$1,062,077**

**Budget of \$4,672,365 at 20% equals \$934,473 Optimal Operating Reserve Balance**

**This does not include any 2023/24 Year End Transfers nor any budgeted Transfers for 2024/25.**

**INTEREST ON OUSTANDING ACCOUNTS-**

**The Town of Shelburne presently charges 15% annual interest, calculated, and posted daily for General and Water outstanding accounts and 18% annual interest, calculated and posted daily for the Shelburne Marine Terminal. Staff are recommending reducing the Town of Shelburne interest rate on all outstanding amounts to 10% effective immediately after the General Operating Budget is approved by Council.**