

25/26 Town of Shelburne Preliminary General Operating Budget – COUNCIL BUDGET MEETING

The Town of Shelburne Preliminary General Operating Budget for 2025/26 is \$5,013,215. This is an increase of \$340,850 (approximately 7% increase from 2024/25 budget). Assessment is up which means Tax Revenue has increased as well. As stated, every year, expenses continue to rise including those associated with expenditures required to be incurred to address upcoming development projects as well as added responsibilities. The Town of Shelburne is anticipating future development within the Town in the upcoming two to three 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. Until the tax revenue is realized with future developments, the Town Operating Budget continues to be a challenge. An additional challenge to this year's budget is the unknown full impact of tariffs on goods and services.

REVENUE-

Tax Revenue \$3,009,233 (60%)- Proposing tax rates to remain the same as 2024/25 for Residential/Resource and Commercial tax rates for 2025/26. Residential/Resource revenue up approximately 5.2%, due to the ongoing Housing Market and Commercial revenue up approximately 2.5% due to continued sales and renovations of 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 fifteen appeals, thirteen of which are Residential/Resource (including 2 apartments) and two Commercial for a total of 7,027,700 in Taxable Assessed Value. Hopefully, the losses in assessment due to appeals will not be greater than the buffers in place.

Residential/Resource Tax Rate for 2025/26 is \$1.99/100 of assessment.

Commercial Tax Rate for 2025/26 is \$3.86/100 of assessment.

Deed Transfer Revenue \$130,000 (3%) – We are budgeting \$130,000 for 25/26 as property sales have not slowed down as anticipated. Budgeted \$100,000 for 2024/25 and are anticipating \$140,000 in revenue for 2024/25.

Grants in Lieu-Federal & Provincial \$11,720 (less than 1%) Grants received from Federal & Provincial properties in lieu of Taxes.

Sale of Services-Fire Protection Revenue (MDS) \$121,358 (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 \$788,490 (16%) – Budget shows Wastewater (Sewer) Charge is to increase from \$260.00/unit to \$337.08 (increase of \$77.08) for revenue of \$438,080 due to increased expenses for Wastewater Treatment and Plant Maintenance. The last increase in Wastewater (Sewer Charge) was in 2019/2020 where it went from \$240 to \$260 (previous increases 2017/18 from \$199 to \$219, 2018/19 from \$219 to \$240). Expenses have not remained the same and have increased each year, therefore an increase is to be expected. Staff continue to investigate savings in all areas of

Wastewater Treatment. The upcoming capital project to upgrade the system for future development will also look at areas for better efficiency and hopefully cost savings as well.

Solid Waste expense comes from Shared Services out of MDS for collection and Region of Queens for disposal and is estimated to decrease by approximately 3% as per notices from Shared Services and Region of Queens. The decrease is due to a reduction in the cost of operating the West Green Harbour transfer site for the 2025/26 fiscal year (previous capital costs paid for). The future costs are to rise significantly due to new requirements and regulations regarding the C & D site. Amounts are prepared by MDS as per the Shared Services Agreement with TOS and TOL together with MDS. Total budgeted cost for 2025/26 Waste Collection and Disposal is \$350,410, which will decrease the Solid Waste charge from \$363.85/unit to \$350.41.

Shared Services with MDS and TOL are budgeting \$905,648 for capital projects in the 2025/26 fiscal year. Under the Shared Services agreement, the Town of Shelburne will be responsible for approximately \$215,000 (Future meetings will be necessary to discuss repayment options). The Municipality is also forecasting significant increases in curb side pickup and future necessary additional investments into the C & D transfer station. Due to these significant increases in Waste Collection and Disposal costs, discussions with MDS and TOL regarding these costs and other avenues for these services will have to take place as the anticipated increases are not financially feasible.

Proposed Wastewater (Sewer) Charge for 2025/26 is \$337.08/unit.

Proposed Solid Waste Charge for 2025/26 is \$350.41/unit.

Rentals \$81,696 (2%) – Rental income from 13 George St, 162 Mowatt St and 35 King St. All rental and leases will be a priority in 2025/26 to look for increases to sustain these properties for ongoing operating, maintenance and repair costs.

Return on Investment, Interest and Other Revenue \$181,370 (4%) – No significant change to Bank Interest on Current Account, Interest on outstanding Taxes and Miscellaneous Other Revenue.

Unconditional Transfers from Provincial Government \$370,645 (7%) – Consists of Capacity Grant at \$283,146 and second 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 \$2,000. The Capacity Grant, which is \$359,645, assists in offsetting payments to the Province of NS for Education in the amount of \$377,024 and the Department of Justice in the amount of \$4,000 for a total of \$381,024.

Conditional Transfers from Federal, Provincial and Other Local Governments \$6,000 (less than 1%) – Provincial EMO Civic Addressing (money is forwarded to Municipality of Shelburne as they oversee Civic Addressing) for \$1,000 and MDS Grants for Splash Park \$5,000.

Other Transfers \$268,733 (5%)- Suggesting Transfer from Operating Reserve of \$162,110 to cover Succession Planning and the completion of Landfill Phase 1 project (previously approved, remainder of project).

Highlight - Anticipated surplus for General Operating for fiscal year end March 31, 2025

EXPENSES –

General Government Services \$1,024,861 (21%)- 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 increased 2.5% (annual CPI inflation rate, as per Council Remuneration Policy). Staff wages increased as per Union Contract. The Finance Department increased due to succession planning for the retirement of the Finance Manager at the end of 2025/26 fiscal year. Budgeting for a Salary Administration Review due to staff losses to adjoining municipalities. Expenses for 162 Mowatt Street transferred to Administration with the sale of 168 Water Street and relocation to 162 Mowatt Street (receive \$60,000 in rent from tenant on first level). Grants to Organizations has increased due to increased requests.

Protective Services \$1,257,123 (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 and Department of Justice) is budgeted at 878,638 up 6% from 828,904 (this is an estimated increase, will change if actual received from the Province differs). Emergency Measures budgeted at 6,700 down from 11,628. Fire Protection budgeted at 257,716, consistent with the previous year. Fire Inspection and Building Inspection (Shared Services) budgeted at 63,303 up from 33,472 due to second Building/Fire Inspector in position for full year plus purchase of programs.

Public Works \$644,740 (13%) – Includes Personnel Costs, General Equipment, Equipment Mtc, Public Works Buildings, Roads & Streets, Sidewalks, Parks & Facilities and Debt Payments.

Highlights- Wages & Benefits budgeted at 385,346 up from 323,307 due to the Temporary Position for a portion of the previous year now Full Time and a new half time position added to staff 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 because of upcoming developments. The survey budget is now included in Planning and Inspection. Salt and Sand increased from 25,000 to 40,000 due to increased cost in Salt, Trucking and weather. Parks & Facilities budgeted at 28,400 down from 39,460 due to repairs at Grovestine's Complex washroom, canteen and electrical building's roof and sides accomplished in 2024/25.

Wastewater \$438,080 (9%) – Includes Personnel Costs, Stormwater, Vehicle Expense, Lift Stations, Treatment Plant, Mtc of Lines and Debt Payments (WWTF). Increase in Expenses are due to Wastewater Treatment and Plant Maintenance as stated previously.

Waste Collection \$350,410 (7%) – Solid Waste Collection and Disposal

Other Waste Collection \$85,983 (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) \$82,958 (transfer from Operating Reserve).

Community & Economic Development \$183,790 (4%) – Includes MPAL, Planning & Inspection, Economic Development and Tourism & Events.

Highlights- Senior Planner is now working 4 days a week due to the increased development and ongoing review and updating of By-Laws and other matters relating to planning (due to increased development). Other Professional Services increased from 20,000 to 53,100 for continued support for Major Capital Projects, Engineering, Surveying and Public Engagement. Tourism and Events down from 25,125 to 11,570 as VIC will be utilized without two Canada Student Job positions.

Facilities Management \$144,655 (3%) – Includes Community Centre, Little Peoples Day Care, King St Ctr, Cox Shipyard Complex, 13 George Street, MacKay Memorial Library, Guild Hall, Washrooms.

Highlights- Decrease of 149,842 from the previous year due to 162 Mowatt Street moving to Administration and the Relocation of the Town Office Capital Expense.

Fiscal Services \$408,929 (8%) – Includes Debenture Principal payments \$273,929, Allowance for Uncollectable Taxes \$5,000, Transfer to Capital Reserves \$80,000 and Transfer to Operating Reserve \$50,000.

Highlights- Debt Principal Payments of \$273,929 includes a Debenture Balloon payment of which \$106,623 is being transferred from Capital Reserve as the Town has been putting aside an amount each year to pay out the Balloon payment instead of refinancing the Debenture. Transfer to Capital Reserve consists of \$80,000 for the purchase of a new Fire Truck which is anticipated to be delivered in the Fall of this year. Transfer to Operating Reserve of \$50,000 for an ongoing legal matter.

Reduction of Tax Revenue (Payments back to Province and Western Regional Library) \$394,424 (8%) – Includes Education (Tri-County Schools) \$377,024, Library \$13,400, Department of Justice (Prosecution Fees) \$4,000.

Taxation Exemptions \$80,221 (2%) – Includes Low Income Exemption \$22,000, Non-Profit Tax Exemptions \$42,331, Commercial District Development Improvement Program \$15,890.

Highlights- Proposed changes to Low Income Tax Exemptions-

Low Income Tax Exemptions – Budget \$22,000 down from \$30,000 (2024/25 actual \$20,400 – 61 Applications (58 Approved and 3 not Approved due to household income over threshold)

Previous 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

Proposed thresholds-

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

-Total household income of \$35,001 to 42,000 for a rebate of \$200.00

Deadline to apply is January 31, 2026, or when budget amount is reached.

DEBENTURE BALANCE UPDATE –

As of March 31, 2025, the total principal balance on Debentures is \$1,322,588

25/26 Principal Payments from Operating \$273,929

25/26 Interest Payments from Operating \$35,472.92 (allocated to each department)

Highlights- Seven debentures will be paid off in June 2025 and six in November 2026. With these debentures paid off, it will free up \$60,817 principal payments plus interest in the Operating Budget. With the current Infrastructure Projects commencing for future development, the Town Operating Budget will need available revenue to incorporate new debt payments with regard due to borrowing for the current projects when completed. With these debentures paid off, it will enable the Town to incorporate any new Debenture principal and interest payments from the Operating Budget.

Operating Reserve Balance –

Balance March 31, 2025 - \$1,067,913

Budget of \$5,013,215 at 20% equals \$1,002,643 Optimal Operating Reserve Balance

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