

# Operating and Capital Budget 2017/2018

Council

May 9, 2017





# Overview

## **2017/18**

Revenue - \$29,460,800

Expenses - \$29,342,800

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Surplus - \$ 118,000

*Capital Budget = \$3,454,500 – (borrowing \$0)*

# Overview

## Proposed Tax Rate 2017/18 (per \$100 of assessment)

- Residential \$0.81\*
- Commercial \$1.957\*
- Commercial Seasonal \$1.468\*
  
- LCLC- Special Tax Rate- \$0.00 (2.5 cent rate removed)
- \$0.02 reduction in Sewer Rates
- Street Light Rates – some reduced based on account surpluses

\* *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

- Financial Management
- Recreation Projects
- Community Focus

# Lunenburg County Lifestyle Centre

- April 2010: the District committed to contribute \$3,850,000 to construct the Lunenburg County Lifestyle Centre.
- 2010/11: 2.5 cent special recreation tax rate set for 10 years for capital commitments.
- July 2012: the District began making installment payments
- 2015: prepaid remaining balance with reserves
  - thereby avoiding interest costs.
- 2.5 cent rate removed in current fiscal year



# Assessment Trends & Issues



# Assessment Trends

- Annual assessments based on previous year's market value (vs 2 year lag)
- 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



# Budget Highlights

- 2016/17 forecast budget surplus is \$353,000.
  - 12<sup>th</sup> surplus in a row
- No Tax Rate Increase; Commercial Rate Reduction of 2012/13 remains (\$0.10)
- Positive results on the Financial Condition Index
  - Exceed threshold on 13 of 15 indicators
- Municipality will be debt free by 2022
- Able to balance the 2017/18 budget, with a surplus of \$118,000
- Special Recreation Tax – paid off early

# Budget Highlights

## Building the Local Economy

- Creating an Internet Connectivity Strategy
  - Sweetland Pilot Project
  - Connect to Innovate – federal grant program with an Internet Service Provider (ISP) partnership
- Rural Roads
  - Examining an initiative to target improvements where they're most needed
  - Leverage provincial investment

# Budget Highlights

## Making Life Affordable

- Special Recreation Tax Eliminated
- Maintain Residential Tax Rate
  - Five Year Financial Strategy
- Support for residents
  - Property Tax Rebate Program
  - Positive Recreation Opportunities for Kids (ProKids)

# Budget Highlights

## Protecting the Environment

- LaHave River Straight Pipe Project
- Clean up of Abandoned Schools
- Flood Mitigation
- Cookville/Hebbville WWTP SCADA
- Stewardship Committee

# Budget Highlights

## **Investing in Recreation and Community**

- Continued Implementation of the Open Space Strategic Plan and Active Living Strategy
- Fire Services Recruitment and Retention
- Canada 150 Celebrations



# Budget Highlights

## In the Community, For the Community, By the Community

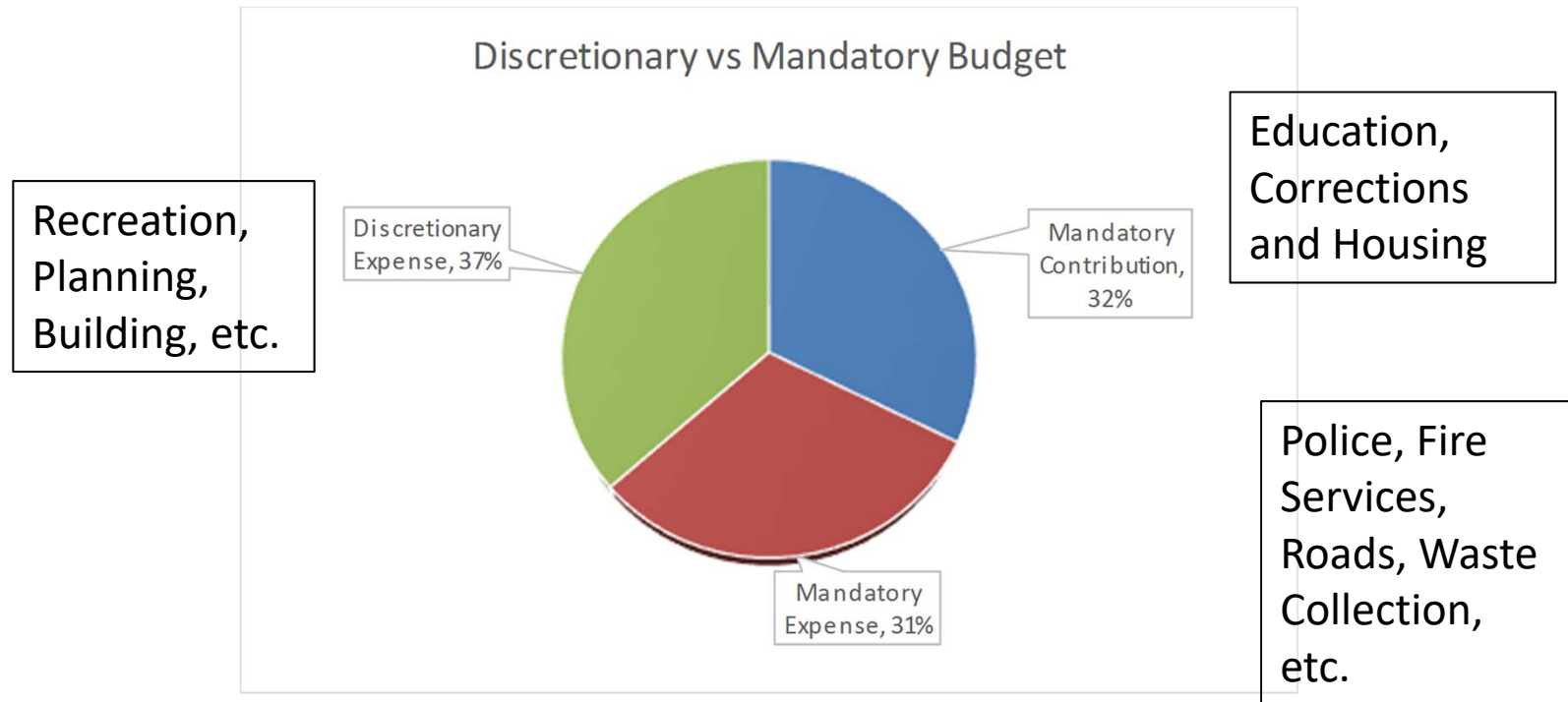
- Partnerships to manage parks and open spaces
  - United Communities Marine Park
  - Pinegrove Outdoor Play Association
  - Petite Riviere Community Park
  - Molega Lake Park (Chelsea United Baptist Church)
  - River Ridge Commons
  - Saw Pit Wharf
  - Miller Point Peace Park

# Budget Details

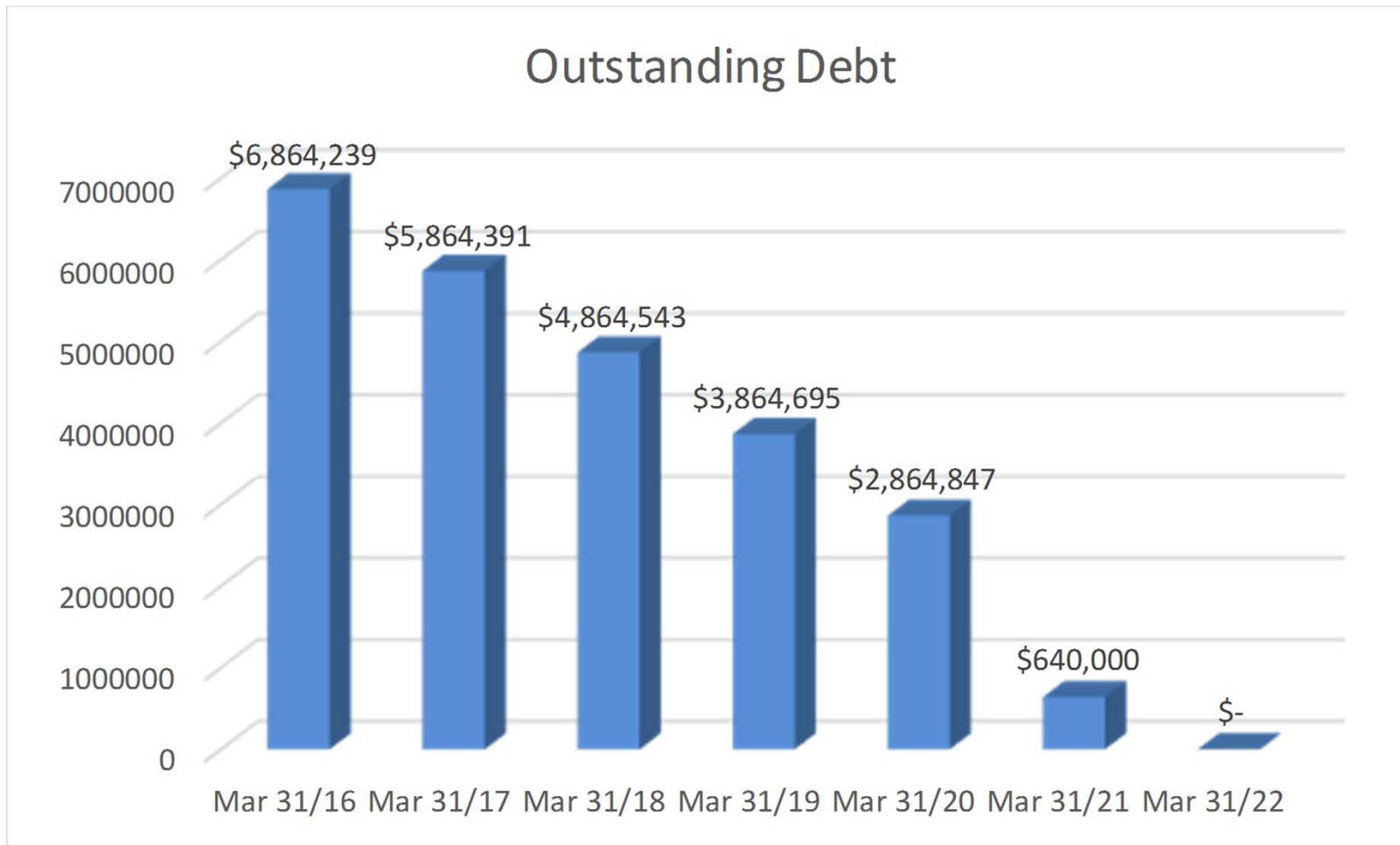


# Budget Highlights

Provincial and other mandatory expenses  
= 63% of the budget net expenditures



# Debt Repayment



# Reserves

Fiscal Year	Reserve	Balance
2017/18	Depreciation reserves	\$ 5,638,812
	Gas Tax reserves	1,429,173
	Other reserves	<u>7,262,262</u>
	Total	\$14,330,247
2018/19	Depreciation reserves	\$ 5,121,193
	Gas Tax reserves	1,448,173
	Other reserves	<u>7,517,262</u>
	Total	\$14,086,628

# Reserves

Fiscal Year	Reserve	Balance
2019/20	Depreciation reserves	\$ 5,271,478
	Gas Tax reserves	1,661,173
	Other reserves	<u>7,932,262</u>
	Total	\$14,864,913
2020/21	Depreciation reserves	\$ 5,100,145
	Gas Tax reserves	1,495,173
	Other reserves	<u>8,217,262</u>
	Total	\$14,812,580

# Reserves

Fiscal Year	Reserve	Balance
2021/22	Depreciation reserves	\$ 5,251,574
	Gas Tax reserves	914,173
	Other reserves	<u>7,182,262</u>
	Total	\$13,348,009

# District Budget Summary

	2016/17 Budget	Adjusted Baseline 2017/18	Proposed 2017/18 Additions	Proposed 2017/18 Budget	% Change over last yr. Budget
Gross Expenditure (after reserve transfer)	29,402,500	29,093,800	249,000	29,342,800	-0.20%
Non-Tax Revenue	1,455,900	1,443,200	28,900	1,472,100	1.11%
Net Expenditures	27,946,600	27,650,600	220,100	27,870,700	-0.27%
Tax Revenue	28,026,700	27,959,500	29,200	27,988,700	-0.14%
Surplus (Deficit)	80,100	308,900	(190,900)	118,000	

- Proposed Tax Rate 2017/18
  - Residential : \$0.81 per \$100 of assessment
  - Commercial: \$1.957 per \$100 of assessment
  - Commercial- Seasonal: \$ 1.468 per \$100 of assessment
  - LCLC Tax: \$0.00 per \$100 of assessment

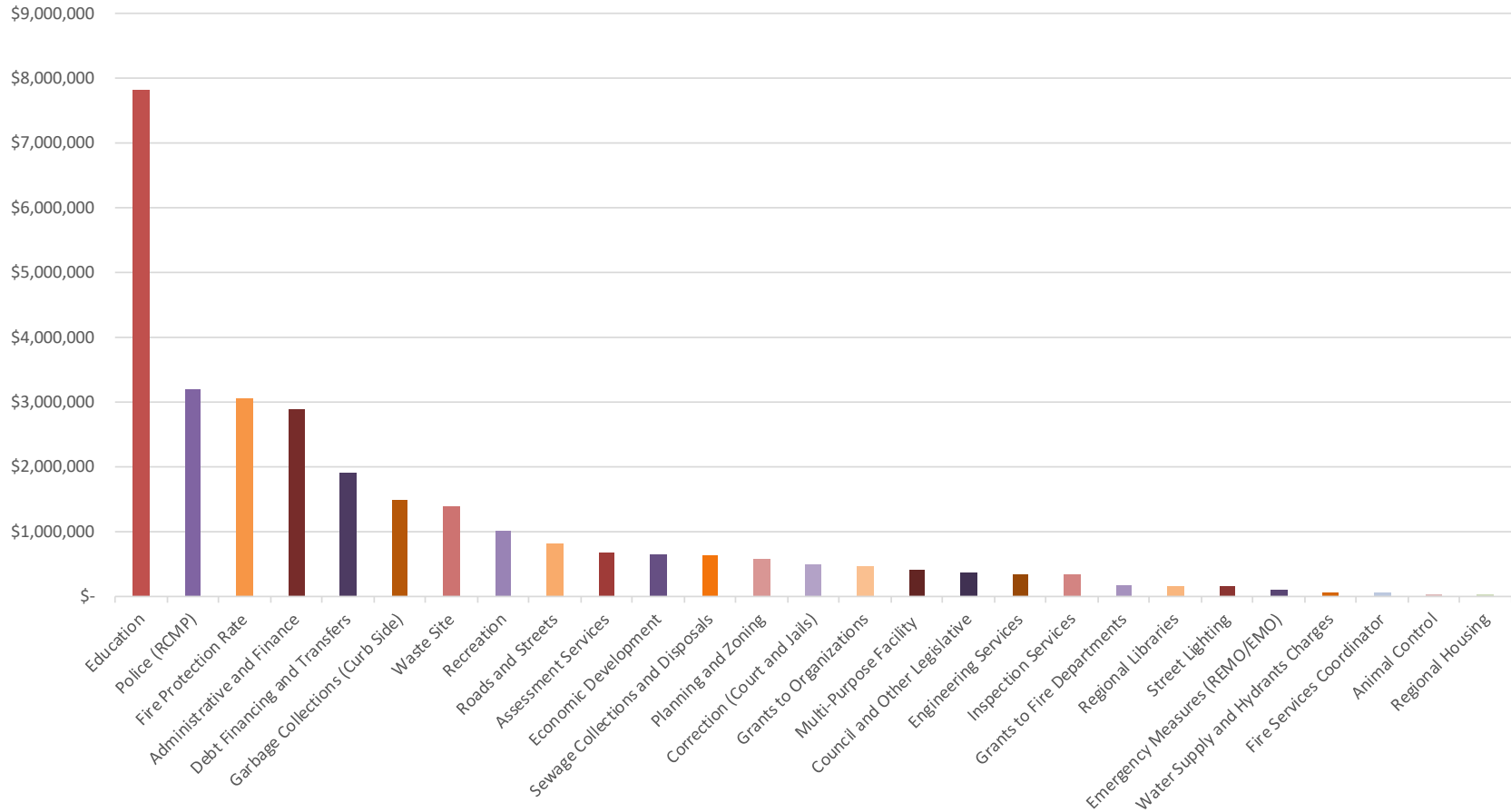


# Mandatory Expenses Trends

	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Forecast	2017/18 Estimate
Education	7,112,000	7,340,873	7,528,181	7,744,710	7,815,000
Assessment	690,466	687,734	683,900	680,495	680,700
Corrections (Jails Courts)	448,298	444,943	441,458	438,722	438,800
Housing	34,263	40,697	33,459	28,400	32,000
Sub Total	8,285,027	8,514,247	8,686,998	8,892,327	8,966,500
% Change	4.10%	2.77%	2.03%	2.36%	0.83%

# Where the Money Goes

Gross Operating Expenses - \$29,342,800



# District Expenses - Summary

	2016/17 Annual Budget	2017/18 Adjusted Baseline	2017/18 Additions	2017/18 Proposed Budget	Percent Change Budget 2018 to Budget 2017
<b>Expenditures</b>					
<b>General Government Services</b>					
Council and Other Legislative	\$ 501,300	\$ 369,800	\$ -	\$ 369,800	-26.23%
Administrative and Finance	3,102,300	2,886,400	15,400	2,901,800	-6.46%
Grants to Organizations	337,600	439,900	22,000	461,900	36.82%
Assessment Services	683,900	680,700	-	680,700	-0.47%
	<b>4,625,100</b>	<b>4,376,800</b>	<b>37,400</b>	<b>4,414,200</b>	<b>-4.56%</b>
<b>Protective Services</b>					
Police	3,073,500	3,190,300	-	3,190,300	3.80%
Correction and Other Law Enforcement	486,900	487,800	-	487,800	0.18%
Water Supply and Hydrants Charges	56,100	54,700	-	54,700	-2.50%
Grants to Fire Departments	168,500	168,700	-	168,700	0.12%
Fire Protection Rate	2,897,400	3,060,500	-	3,060,500	5.63%
Emergency Measures (REMO/EMO)	111,500	104,700	-	104,700	-6.10%
Fire Services Coordinator	60,000	52,000	-	52,000	-6.10%
Inspection Services	353,900	349,700	-	349,700	-1.19%
Other Protective Services (Animal Control)	38,700	40,000	-	40,000	3.36%
	<b>7,246,500</b>	<b>7,508,400</b>	<b>-</b>	<b>7,508,400</b>	<b>3.61%</b>
<b>Transportation Services</b>					
Engineering Services	320,000	314,900	38,400	353,300	10.41%
Roads and Streets	788,500	792,900	27,800	820,700	4.08%
Street Lighting	176,400	143,600	-	143,600	-18.59%
	<b>1,284,900</b>	<b>1,251,400</b>	<b>66,200</b>	<b>1,317,600</b>	<b>2.54%</b>
<b>Environmental Health Services</b>					
Sewage Collections and Disposals	600,800	619,100	5,000	624,100	3.88%
Garbage Collections	1,465,000	1,478,800	-	1,478,800	0.94%
Waste Site	1,263,900	1,386,100	-	1,386,100	9.67%
	<b>3,329,700</b>	<b>3,484,000</b>	<b>5,000</b>	<b>3,489,000</b>	<b>4.78%</b>

# District Expenses - Summary

	2016/17 Annual Budget	2017/18 Adjusted Baseline	2017/18 Additions	2017/18 Proposed Budget	Percent Change Budget 2018 to Budget 2017
<b>Public Health</b>					
Regional Housing	28,400	32,000	-	32,000	12.68%
<b>Environmental Planning and Zoning</b>					
Planning and Zoning	506,200	510,500	80,000	590,500	16.65%
Community and Economic Development	382,900	370,900	292,900	663,800	73.36%
	<b>889,100</b>	<b>881,400</b>	<b>372,900</b>	<b>1,254,300</b>	<b>41.08%</b>
<b>Recreation and Culture</b>					
Recreation	988,900	968,400	51,800	1,020,200	3.17%
Multi-Purpose Facility	399,000	420,500	-	420,500	3.17%
Regional Libraries	161,500	160,000	-	160,000	-0.93%
	<b>1,549,400</b>	<b>1,548,900</b>	<b>51,800</b>	<b>1,600,700</b>	<b>3.31%</b>
<b>Education</b>	7,744,700	7,815,000	-	7,815,000	0.91%
<b>Sub Total Expenditures</b>	26,697,800	26,897,900	533,300	27,431,200	2.75%
<b>Debt Financing and Transfers</b>	2,704,700	2,195,900	(284,300)	1,911,600	-29.32%
<b>Total Expenditures</b>	<b>29,402,500</b>	<b>29,093,800</b>	<b>249,000</b>	<b>29,342,800</b>	<b>-0.20%</b>
<b>Revenue</b>					
Tax Revenue	28,026,700	27,959,500	29,200	27,988,700	-0.14%
Non Tax Revenue	1,455,900	1,443,200	28,900	1,472,100	1.11%
<b>Total Revenue</b>	<b>29,482,600</b>	<b>29,402,700</b>	<b>58,100</b>	<b>29,460,800</b>	<b>-0.07%</b>
<b>Surplus (Deficit)</b>	<b>\$ 80,100</b>	<b>\$ 308,900</b>	<b>\$ (190,900)</b>	<b>\$ 118,000</b>	<b>47.32%</b>

# Baseline Budget - Increases

Item	Increase from 2016-17
Waste Site Costs	\$122,200
Police Services	116,800
Grants to Organizations	102,300
Education	70,300
LCLC Operating	21,500
Sewage Collection & Disposal	18,300
Garbage & Waste Collection	13,800
Roads & Streets	4,400
Planning Personnel	4,300
Regional Housing	3,600
Law Enforcement & Animal Control	2,400

# Baseline Budget - Decreases

Item	Decrease from 2016-17
Transfers (to/from) Reserves	\$508,800
Administration & Finance	215,900
Council & Other Legislative	131,500
Street Lighting	32,800
Recreation	20,500
Community & Economic Devel.	12,000
Fire Services Coordinator	8,000
Emergency Measures (REMO)	6,800
Engineering Services	5,100
Inspection Services	4,200
Assessment Services	3,200
Regional Libraries	1,500
Water Supply & Hydrant Services	1,400

# Budget Additions

Department/Description	Expenditure Amount	Revenue/ Reserves	Net Cost
Administration & Finance			
Laser fiche Implementation	\$ 8,400	\$ -	\$ 8,400
Municipal Celebrations			
Canada 150	22,000	-	22,000
Fire Services			
Fire Recruitment & Retention	2,000	-	2,000
Roads & Streets			
Private Road Maintenance	27,800	29,200	(1,400)
Engineering Services			
Student Wages	38,400	14,000	24,400
Admin Building Windows	5,000	-	5,000
Environmental Health Services			
Cookville Sewer Storage Container	5,000	-	5,000

# Budget Additions

Department/Description	Expenditure Amount	Revenue/ Reserves	Net Cost
<b>Planning &amp; Development Services</b>			
Subdivision By-law Review	50,000	-	50,000
PACE Clean Energy Financing	30,000	30,000	-
<b>Economic Development Services</b>			
Part-time Staff	19,800	-	19,800
South Shore Tourism/Marketing	9,300	-	9,300
ISP Internet Project	246,800	246,800	-
Events Promotion	17,000	-	17,000
<b>Recreation Services</b>			
Summer Staff	4,000	-	4,000
Hirtle's Beach Parking Lot	5,000	5,000	-
Sherbrooke Lake Gates	10,000	-	10,000
Equipment Replacement	8,200	-	8,200
Electric Bicycle	3,100	2,500	600
Recreation Programs	21,500	14,900	6,600
<b>TOTAL ADDITIONS</b>	<b>\$ 533,300</b>	<b>\$ 342,400</b>	<b>\$ 190,900</b>

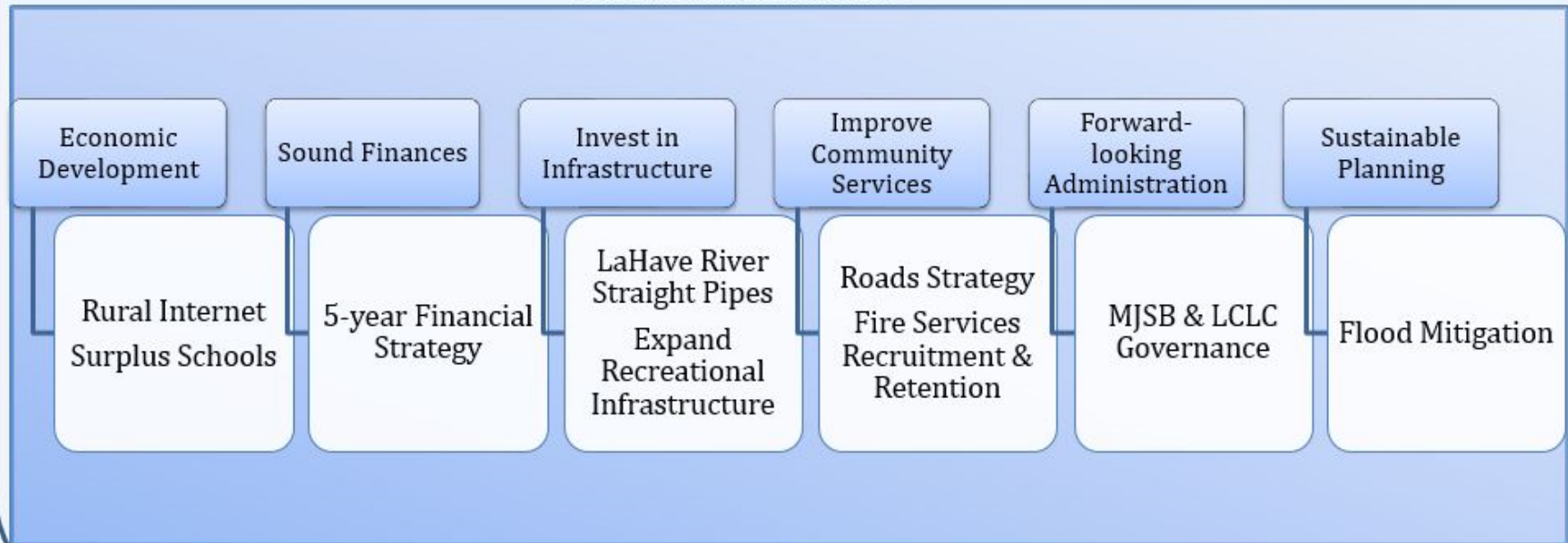


# Strategic Priorities

## 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.

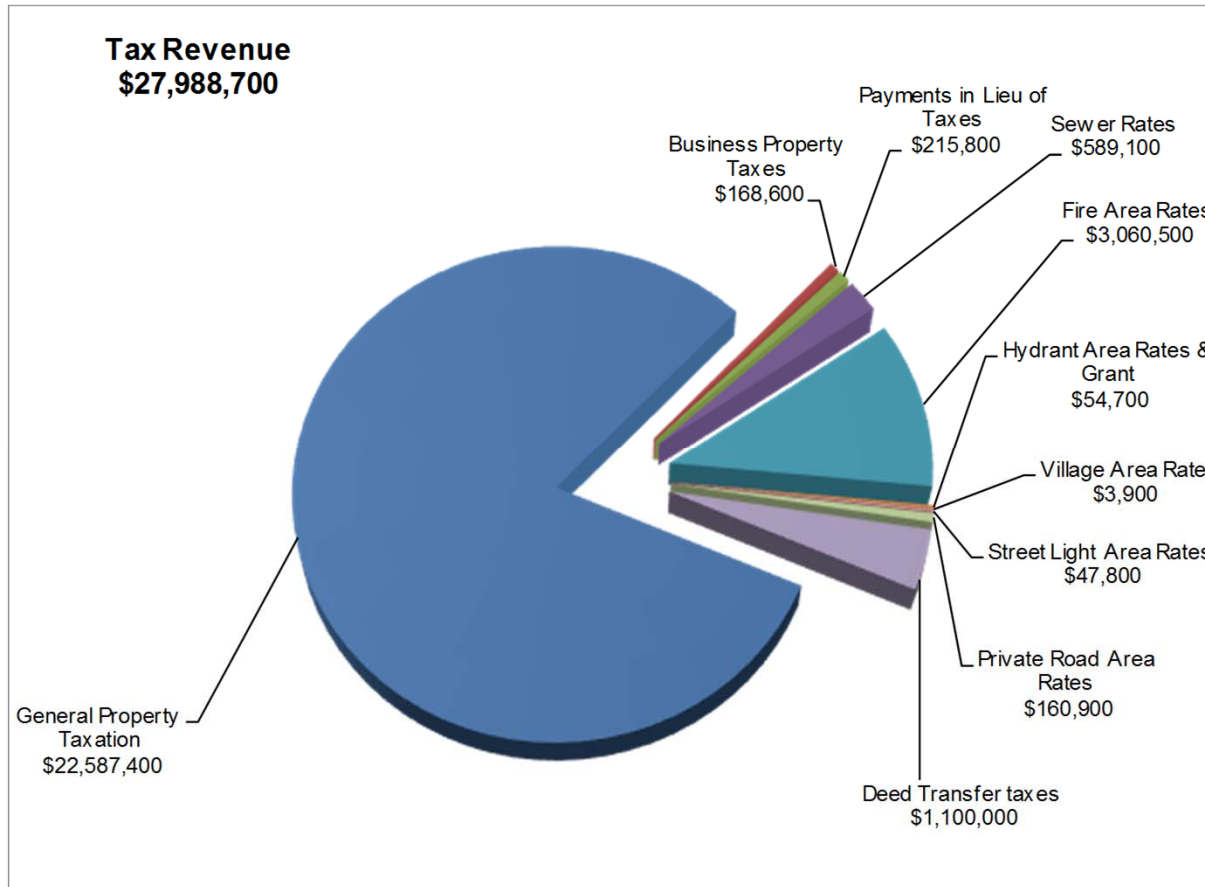
## Council's 2017-18 Priorities



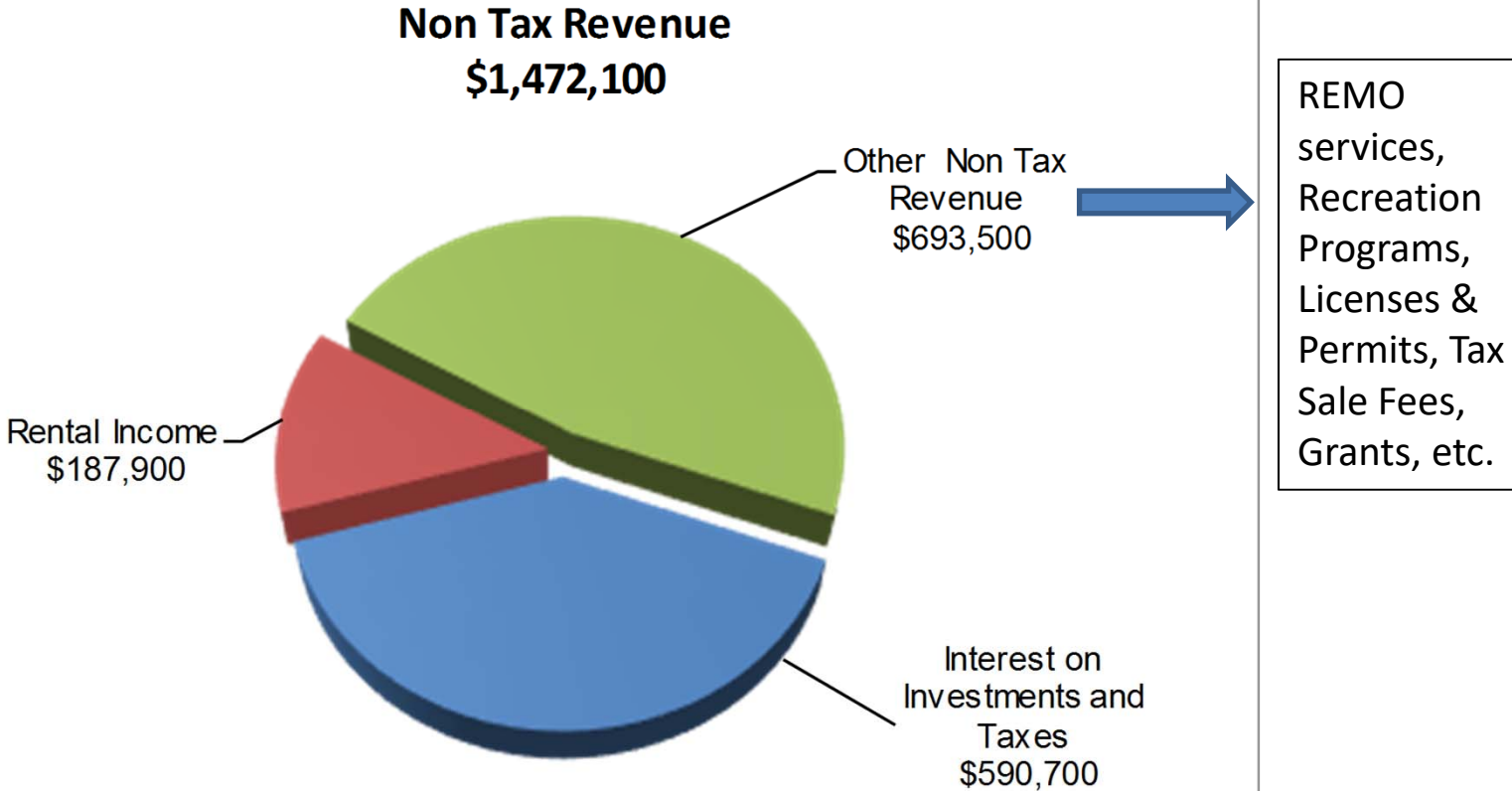
# Grants

- Grants and funding to community groups, individuals, neighbouring towns and groups with management agreements
- Total \$392,600, an increase of \$94,900.
- Grinder's Square \$80,000 funded from reserves & Gas Tax
- Canada 150 events grant \$22,000

# Revenue – Tax Revenue



# Revenue – Non-Tax Revenue



# Area Rates

## Sewer Rates

- Global Rate    \$0.73 (*2016/17 - Rate \$0.75*)
- Hebbville       \$0.43 (*2016/17 - Rate \$0.45*)

## Fire Hydrant Rates

- \$0.129 (*2016/17 – Rate - \$0.118*)

# Area Rates

## Street Light Rates

	Rates per \$100 of assessment		Flat Rates per Property
Riverport	\$0.029	Barss Corner	\$ 4.34
Dayspring	\$0.000	Vogler's Cove, Broad Cove, Cherry Hill	\$ 0.00
New Germany	\$0.000	Chelsea	\$ 6.75
Catidian Place	\$0.000	Pine Grove	\$ 0.00
Pine Haven Subd.	\$0.013	Oakhill Acres	\$ 7.45
		Little Tancook	\$ 40.92
		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

**Audit/ Finance Committee:** E. Hustvedt (Chair); All Municipal Councillors

**Strategic Management Team:** K. Malloy; A. Dumaresq; E. Wentzell; T. Payne; J. Merrill; S. Peori; A. Veinot; D. Waters, B. Jeans; S. Conrad

**Finance Department:** E. Wentzell; A. Veinot; J. Powers



# Motions

- *That Municipal Council approve the 2017/18 Operating Budget in the amount of \$29,342,800*
- *That Municipal Council approve the 2017/18 Capital Budget in the amount of \$3,454,500 and the Five Year Capital Plan for Gas Tax Purposes;*
- *That Municipal Council sets the 2017/18 Residential Tax Rate at 81 cents per \$100 of assessment;*
- *That Municipal Council sets the 2017/18 Commercial Rate at \$1.957 per \$100 of assessment;*
- *That Municipal Council sets the 2017/18 Seasonal Commercial Rate at \$ 1.468 per \$100 of assessment;*
- *That Municipal Council sets the 2017/18 Fire Hydrant Rate at \$0.129 cents per \$100 of Assessment;*

# Motions

- *That Municipal Council approves the 2017/18 Street Light Rates as presented;*
- *That Municipal Council sets the 2017/18 Sewer Rates at:*
  - *Cookville; New Germany & Conquerall Bank at \$0.73 per \$100 of Assessment*
  - *Hebbville at \$0.43 per \$100 of Assessment*
- *That Municipal Council sets the 2017/18 Flat Fee Area Rate of \$10 per residential and commercial property in the Village of Hebbville on behalf of the Village Commission*
- *That Municipal Council approve the 2017/18 reserve transfers including interest as noted in the 2017/18 budget.*