

2024 Budget – Public Consultation

17 October 2023



Objective

- Review 2023 in order to get your input for planning budget for 2024
- To have a conversation on where we are and how to move forward in a collective and constructive way.

Timeline

Public Consultation – 17 Oct 2023

Council Briefings – 29 Oct 2023

Budget Presentation to Council(Public) – 14 Nov 2023

Budget Approval by Council – 16 Nov 2023

Budget Submitted to Province – 17 Nov 2023

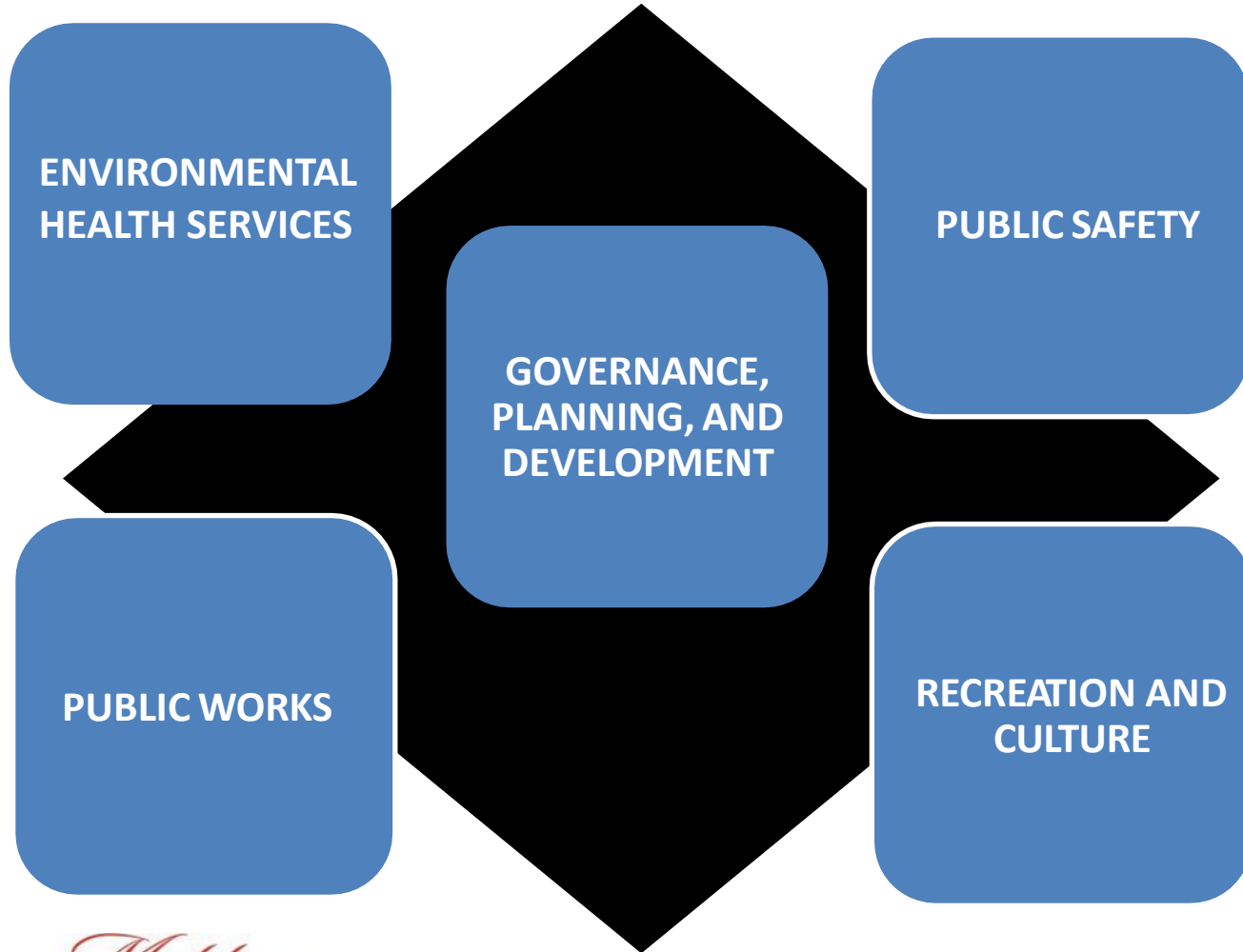


Outline

- Oromocto Service Areas
- 2023 Revenue Breakdown
- 2024 Changes:
 - Population and Assessed Values
 - Potential Tax(Mil) Rates
 - Revenues and Known Pressures
 - Planned Investments
- Strategic Long-term planning
- Comments and Questions



Service Areas



Governance, Planning and Development

- Representation and Governance
- Strategic Planning
- Financial Planning
- Management
- Economic Development
- Municipal Planning
- Building compliance
- By-Law enforcement
- Billing

Budget 2023

\$7,310,478



Public Safety

- Police
- Fire
- Emergency Management

Budget 2023

\$8,053,681



Environmental Health Services

- Garbage & Waste Removal (new combined contract starting in 2024)
- Dumps / Tipping Fees
- Recycling Programs

Budget 2023

\$1,076,565



Infrastructure

- Streets and Sidewalks (including snow removal)
- **Water and Sanitary Systems** (Some serious work and investment is needed)
- Storm Water Management (climate change is having an effect)
- **Lincoln portion goes directly to Province of NB (DTI)**

Oromocto	Lincoln	Total
\$4,559,111	\$1,064,543	\$5,623,654



Recreation and Community Services

- Recreation Facilities
- Arts, Culture, Library
- Community Sports
- Recreation Programs
- Parks and Playgrounds
- Tourism
- Pride in community grounds



New Multi-Cultural /
Generational Center

Budget 2023

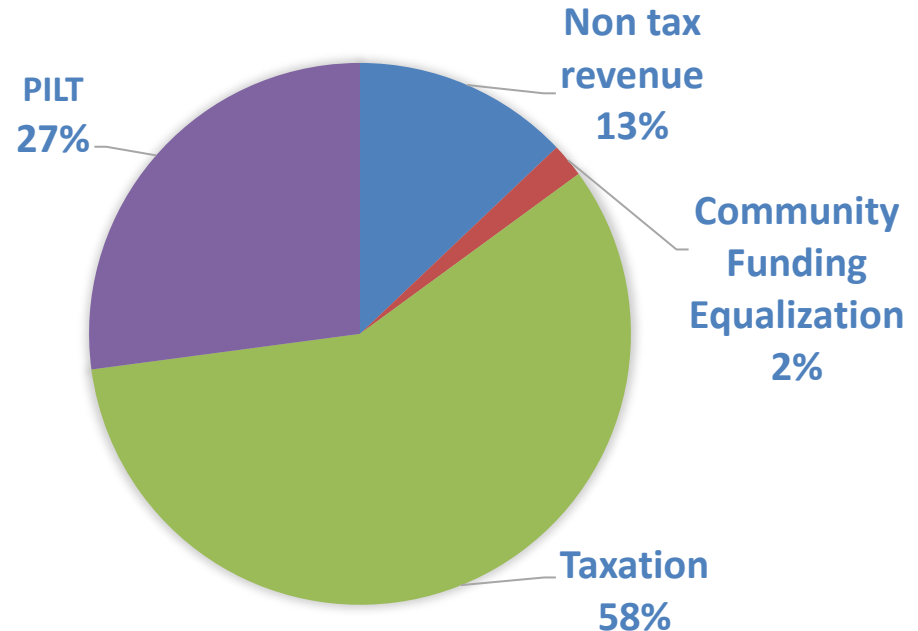
\$2,950,145



Revenue Breakdown 2023

OROMOCTO

- General Tax Warrant
 - Taxation \$13.9M
 - PILT \$6.5M
 - Community Funding Equalization \$486K
 - Non tax revenue \$3.1M
 - OFN
 - LSD Fire Services
 - Commercial Leases
 - Permits
 - Land sales



Total
\$23.986M



Known Facts

New Population of Oromocto including Lincoln (based on 2021 census)

11,910

This is new number being used by PNB to calculate CRSC Service charges

Lincoln Tax Base Value for 2023 = \$258 Million

Oromocto Tax Base Value for 2023 = \$1.5 Billion

Assessed Values for 2024 Tax Base \$1,951,381,600

**BUT – Province is applying 10% cap (spike protection)
- 37.6% of the properties were protected**



Potential 2024 Tax(mil) Rates

What is Mil Rate?

A mil equals \$1 per each \$1,000 of a property's assessed value, which translates to one one-thousandth of a dollar. It also equals 0.1% and is used to calculate property taxes.

Oromocto = 1.4201 (increase rate by 1.5)

Lincoln = 0.9407 (0.5292 + 0.4115 to PNB for roads) (4-cent increase. Consider that PNB mandated a 5-cent max. increase per year to cover tax rate gap)

Amount of revenue generated by 1 cent mil rate increase

Oromocto = \$146K

Lincoln = \$29K

What does this mean to the average homeowner?

Avg home price is \$288.4K (based on data from Ignite for 2023)

Difference of 1 cent increase to tax bill of a homeowner is \$28.84

Based on our budgeted increase, impact using the average home price is:

Oromocto - \$43 Lincoln - \$115



General outlook 2024

Revenues

- Property tax is \$15.3M (based on rate of \$1.4201/\$0.9407)
- PILT – \$7.1M
- Equalization \$364K
- LSD contribution for fire services approx. \$900K
- Remaining revenues assume \$2.1M

Total \$25.7M (\$24.1M in 2023)



General outlook 2024

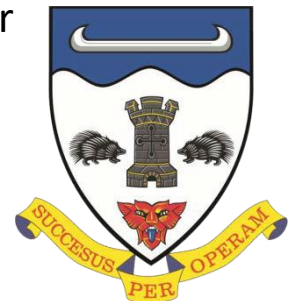
Pressures

- Low Water Rates (we are subsidizing water)
 - Water Sewer rate increases 15% set by DND
 - Garbage collection contract increase by minimum 26%
 - Paving cost increase by 20%
 - Multi Cultural Center project costs
 - CPI = 5.0% (affecting wages, electricity, fuel, materials, equipment and Fleet)
 - Capital Region Service Commission costs = \$245K
 - Insurance increase 15%
 - Reduction 20% on Community Equalization Grant = \$122K
 - Catch up on Capital reinvestment = \$4M
 - LGR procedural costs/operational gap = \$110K over next 2yrs
- } Creating Deficits to carry in future years



2024 Considerations

- Water – revised billing approach (fixed rate vs. consumption)
 - Will need to reassess to kick-start on infrastructure renewal & base water/sewer rate increases 185/285% set by DND
 - Desperately need to catch up on recapitalization of aging in-ground infrastructure. (ie: old/failing pipes + sustainability due to climate changes)
 - Funding operating deficits as a result of insufficient rate increases
- New sewage treatment plant/force main – Oromocto West to deal with capacity and growth
- Transition of ownership and responsibilities of WTP + WWTP from DND to the Town
- New Cultural and Recreational Facility – Commitment of 50 Million for design/planning + Construction will require a small increase to mil rate for debt servicing and operational costs
- Planning for future – asset management strategy and major capital projects for the next 5 years.
- Costs due to Local Governance Reform (Regional Services/ Regional Assets)



Potential Future Capital Budget

	\$
Paving and Road Construction	1.3M
Equipment and Fleet	2.5M
Building Maintenance	140K
Parks and Recreation Facilities	57K
Water and Sewer	15M*
Recreation and Cultural Facility	50M*
Waste Water Treatment Plant	25M*

* Means total cost of a phased-in project



Strategic Long-Term Planning

To Provide clarity in direction and transparency to our citizens

This began in 2023

- Development of new departmental master plans (ongoing)
- Creation of asset management plan (ongoing)
- Long term financial plan (5-year plan complete)
- Corporate strategic plan (to be renewed in 2024)
- Continuous improvement and implementation (ongoing)
- Establish partnerships to secure external funding for capital projects (ongoing)
- Economic Development Plan (Ignite)



Reducing financial risks

- Planning Ahead - Thinking long term (understanding 2nd and 3rd order impacts)
- Managing for the long run (not just next year)
 - Must do
 - Should do
 - Nice to do
- Continue to look for efficiencies (technology, process improvements, training)
- Attacking every (Federal/Provincial) funding program available to reduce taxpayer burden
- Refine our tendering and project management processes
- **Addressing systemic operational budget deficiencies (general, water and sewer)
Must have a robust and well thought out plan**
- Understanding the challenge of sustainment/infrastructure renewal
- Do the best to make every dollar count!



Your comments and Questions

- Concerns with the 2023 Budget
 - Was anything missing?
- Recommendations for 2024:
 - Changes to existing programs or services?
 - New programs or services? New ideas for innovation?
 - Long term investment priorities, are we on the right path?



Former LSD Budget

