

2025 Budget – Public Consultation

15 October 2024



Objective

- Review 2024 in order to get your input for planning budget for 2025.
- To have a conversation on where we are and how to move forward in a collective and constructive way.

Timeline

Public Budget Survey – 30 Sept 2024

Public Consultation – 15 Oct 2024

Council Briefings – 22 Oct 2024

Budget Presentation to Council(Public) – 13 Nov 2024

Budget Approval by Council – 21 Nov 2024

Budget Submitted to Province – 22 Nov 2024

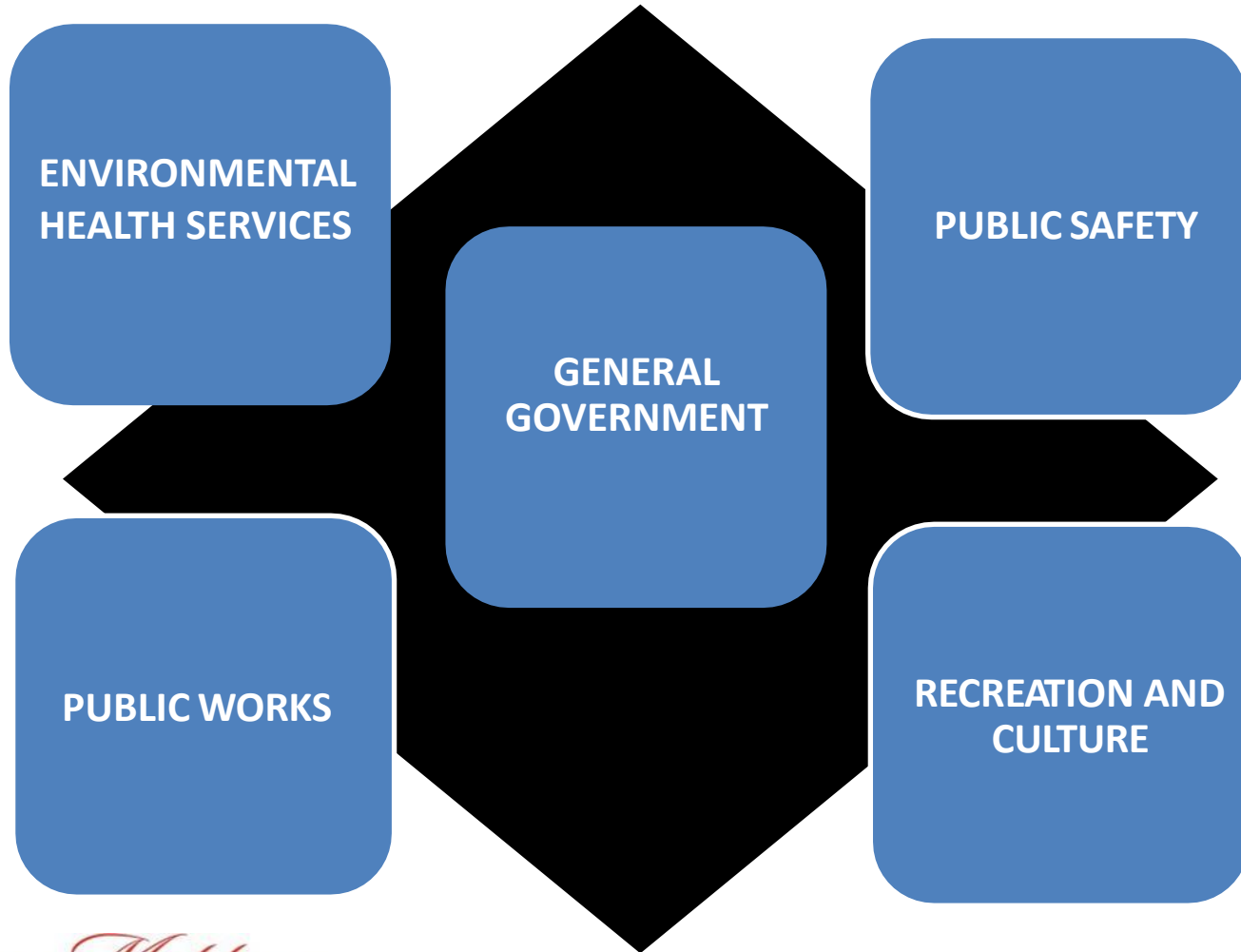


Outline

- Oromocto Service Areas (where the money goes)
- Public Budget Survey
- 2024 Revenue Breakdown
- 2025 Changes:
 - Population and Assessed Values
 - Potential Tax(Mil) Rates
 - Revenues and Known Pressures
 - Planned Investments
- Strategic Long-term planning
- Comments and Questions



Service Areas



2025 Budget Survey

- **What have we Heard?** – Citizens wanted more engagement in the budget process.
- **We Listened !** – Launched a public survey in addition to our traditionally planned public consultations.
 - Received 351 responses:
 - 90% were residents having lived in the Town for more than 11 years.
 - 70% of residents were between 35-64 yrs old.
- The majority of respondents felt that the following services should be maintained:

Recreation & Tourism, EPW, Fire, Planning & Compliance, General Government
- One service that majority felt should be increased was **Policing Services**.
- Most wanted to be engaged and informed by the following methods:
 - Social Media – 80%
 - Website – 58%
 - Emails or Voyent – 33%



2025 Budget Survey

- **55%** believed they received **poor** value for their tax dollars. **WHY?**
 - A lack of curbside recycling service was on the minds of many.
 - More policing (this included visibility, ATV's and by-law enforcement)
 - More importance on investments in recreation facilities.
 - Water & Sewer Bills (property tax cannot pay)
- **71%** agreed that the Town should invest in the new Community Recreation and Wellness Centre.
- **86%** believed that the enhanced level of services such as snow gates, specialized fire & rescue equipment, public drop off for trees and grass are a good use of tax dollars.



2025 Budget Survey

- **Top 5 Priorities identified by the public for Oromocto:**
 - **Public Health** (The Town has created a Health Care Action Committee to tackle some of these issues and be a voice to the Provincial Government)
 - **Affordable Housing** (Town is working with Ignite to develop an Economic Development Strategy of which this is a core component)
 - **Infrastructure renewal** (we are planning to invest millions into a new facility to replace several old buildings)
 - **Investments in Active Living** (our Park Master Plan will identify a way forward in developing our parks, trails and rivers, etc.)
 - **Curbside Recycling** (the Town will be negotiating with a service provider to provide this service hopefully by the end of 2025).
- **Top reoccurring Comments:**
 - Wellness – Encouraging outdoor activities for all ages
 - Recycling – do more and get a curbside service
 - More police and related by-law enforcement
 - 2 new ice surfaces
 - Lower the current tax rate



Expenses Breakdown 2024

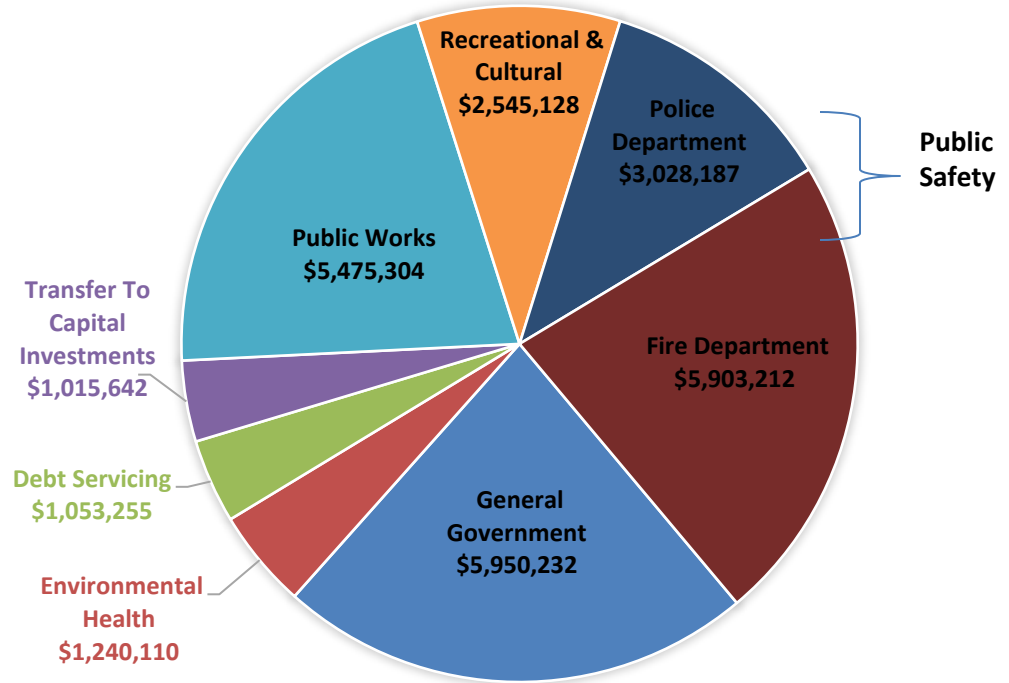
When you pay your municipal property tax bill, the funds are distributed to the Town of Oromocto and the Capital Region Service Commission (CRSC) for delivering a distinct set of programs and services.

Not included in your property tax bill are user fees and charges. These are special fees collected from residents that consume a particular service. Examples include: recreation fees and water/wastewater rates.

The Town sets the water/waste water rates that are necessary to cover the cost of the services and have their own special budget.



EXPENDITURES



Total
\$26.210M



General Government

- Representation and Governance (Mayor & Council)
- Debt Service
- Capital Investments
- Strategic Planning
- Financial Planning
- Economic Development
- Municipal Planning
- Building Compliance
- By-Law Enforcement
- HR & Financial Services
- Legislative Services

Budget 2024

\$8,019,129



Public Safety

- **Police** (RCMP – via Municipal Policing Contract)
- **Fire** (includes EMT response, MVA's, water rescue, etc.)
- **Emergency Management** (operation center, training, planning)

Budget 2024

\$8,931,399



Environmental Health Services

- Garbage & Waste Removal (new combined contract began in 2024)
- Dumps / Tipping Fees
- Recycling Programs (curbside for Ward 4 Lincoln – bin services elsewhere)

Budget 2024

\$1,240,110



Public Works

- **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** (\$0.4115 of mil rate) goes directly to Province of NB (DTI)
- **Engineering Services**

Oromocto	Lincoln	Total
\$5,475,304	\$1,188,972	\$6,664,276



Recreation and Culture

- Recreation Facilities
 - Arts, Culture, Library
 - Community Sports
 - Recreation Programs
 - Parks and Playgrounds
 - Tourism
 - Pride in community grounds (ie. Regular maintenance such as mowing, flowers, garbage pickup, etc.)
- New Community Wellness & Recreation Centre

Budget 2024

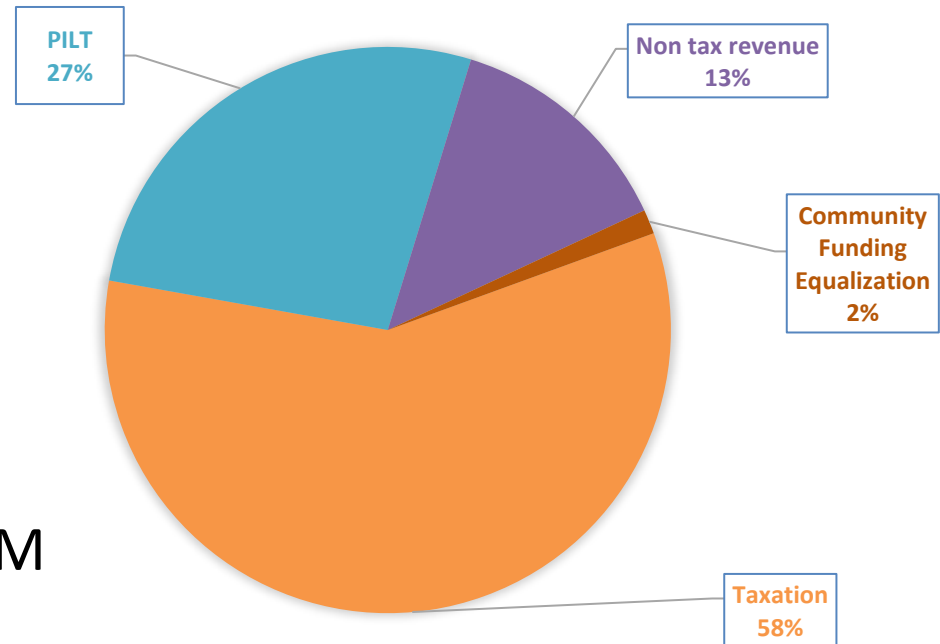
\$2,545,128



Revenue Breakdown 2024

OROMOCTO

- General Tax Warrant
 - Taxation \$15.3M
 - PILT \$7.0M
 - Community Funding Equalization \$364K
 - Non tax revenue \$3.5M
 - OFN
 - LSD Fire Services
 - Commercial Leases
 - Permits



Total
\$26,210M



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 2024 = \$289 Million

Oromocto Tax Base Value for 2024 = \$1.662 Billion

Assessed Values for 2025 Tax Base \$2,068,464,500 (estimate)

**BUT – Province is applying 10% cap (spike protection)
- over 37% of the properties were protected**



Potential 2025 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.

Based on our 5-year Financial Plan (which is available on our website) www.Oromocto.ca

Oromocto = 1.4351 (increase rate by 1.5)

Lincoln = 0.9807 (0.5692 + 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 for the Town by a 1 cent mil rate increase

Oromocto = \$155K

Lincoln = \$31K

Assessments are responsibility of SNB – info on assessment can be found at:
www.mynbpropertyassessment.ca



Impact to the average homeowner

Avg. home assessment is **\$301.1K** & (**\$285.9K** Ward 4 Lincoln) (based on data from SNB)

Difference of 1 cent increase to tax bill of a homeowner is:

Ward 1,2,3 Oromocto = **\$30.11**

Ward 4 Lincoln = **\$28.59**

Based on the average assessment increase of **6.8%** (data provided by SNB)

Using our proposed budgeted mil rate increases and SNB average assessment increase, the total impact to the average homeowner would be:

Ward 1, 2, 3 Oromocto = **\$339**

Ward 4 Lincoln = **\$305**



General outlook 2025

Revenues

- Property tax is \$16.5M (based on proposed rate of \$1.4351/\$0.9807)
- PILT – \$7.6M
- Equalization \$243K (which has now been reduced by 60% due to LGR)
- LSD contribution for fire services approx. \$1.1M
- Remaining revenues \$2.66M (this is a target only)

Total \$28.1M (\$26.2M in 2024)



2025 Budget Pressures

- Another rate increase by DND of 15% for purchase of water and sewerage treatment
- Low Water Rates (we are still subsidizing water)
- Paving costs increase by 20%
- Community Wellness & Recreation Centre project costs
- Infrastructure renewal costs (must begin to catch up and stay current; current estimate exceeds \$200M)
- Capital Region Service Commission costs = \$206K
- Reduction of another 20% on Community Equalization Grant = \$121K (down 60% from original amount)
- Materials, labour, electricity costs are still very high. (ie. electricity costs ~\$1M/yr)
- Local Governance Reform procedural costs/operational gap = \$110K over next 2yrs
 - Municipalities still have no other way to pay for services being downloaded on to them by Provincial Government
 - Hopefully that Fiscal Reform will take place after provincial election.
 - Without Provincial fiscal reform - must be made up on property tax.



2025 Budget Considerations

- **Water** – revised billing approach continued (fixed rate vs. consumption)
 - 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 lagoon** – Oromocto West to deal with capacity and growth
- Transition of ownership and responsibilities of WTP + WWTP from DND to the Town
- **New Community Wellness & Recreation Centre** – Commitment of \$50 Million for design/planning + Construction will require a small increase to mil rate to accommodate future debt servicing and operational costs
- **Planning for future** – asset management strategy, study, and design for major capital projects.
- **Costs due to Local Governance Reform** (Regional Services/ Regional Assets)



Potential Future Capital Budget

	\$
Paving and Road Construction	1.6M
Equipment and Fleet	856K
Building Maintenance	458K
Parks and Recreation Facilities	94K
Water and Sewer (recap on old infrastructure)	5M
Recreation and Cultural Facility (Town portion \$20M)	50M+*
Waste Water Treatment Plant (Town portion \$8.5M)	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 (complete)
- Creation of asset management plan (GIS systems, condition assessments, water & sewer modelling, storm modelling, etc.) (ongoing)
- Long term financial plan (annually updated)
- Corporate strategic plan (to be renewed in 2025/2026)
- Continuous improvement and implementation (ongoing)
- Establish partnerships to secure external funding for capital projects (ongoing)
- Economic Development Plan (ongoing)



Reducing financial risks

- **Planning Ahead** - Thinking long term (understanding, using data & asset management principles, 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** through technology (Concur, UKG, RF readers), process improvements, training (7 Habits for Dept Heads & Supervisors)
- Seeking out every (Federal/Provincial) funding program available to reduce taxpayer burden
- Refine our tendering and project management processes for price protection and efficiencies
- 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 2024 Budget
 - Was anything missing?
- Recommendations for 2025:
 - Budget survey results considered?
 - 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

