

2022 Budget – Public Presentation

16 November 2021



Objective

- Provide Public and Council with recommended budget for 2022

Public Consultation – 19 Oct 2021

Council Briefings – 24 Oct 2021

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Outline

- “BLUF”
- Comments on Taxes
- Comparing tax rates
- 2022 Budget Highlights
- 2022 Changes and pressures
- 2022 Operating / Water Budget overview
- 2022 Capital Plan
- Discussion



Bottom Line Up Front

“Recommendation”

- Taxes:
 - Mil rate held at 1.4151 (no increase)
- Water/Sewer:
 - Rate to increase by .20 cents per cubic meter



Tax Rate

- 2009: 1.3990
- 2010: 1.3751
- 2011 – 2014: 1.3551
- 2015 – 2020: 1.3851
- 2021 – 2022: 1.4151 (recommend no change for 2022)



Comparable Mil Rates

- Fredericton – 1.4086
- Moncton – 1.5472
- **Woodstock – 1.42**
- Saint John 1.71
- **Sussex 1.29 or 1.27**
- **Sackville 1.56**
- **Oromocto 1.4151 (current plan)**



A Word on Taxes

- Taxes are derived from **assessed value** x **tax rate (mil rate)**
- **Assessed Value determine by Province (the investment)**
- **Mil rate determined by Mayor and Council (staff advice provided)**
- .01 cent increase to the mil rate is equal to 109-120 K in new revenue



Highlights

This budget allows us to:

- Proceed with step one in the Cultural and Recreation Centre Build (Hubbard School decision very soon)
- To start dealing with the growing cost of water/sewer
- To cover new CBAs (wage increases)
- To investment in some 'environmental leadership'
 - At least one more EV
 - Energy baseline report

This budget does not allow us to:

- Replace the aging fleet of fire fighting vehicles
- Upgrade some of our old infrastructure challenges (KAA, Library, Community Centre and Old Town Hall)



2022 – Macro Pressure

- Hubbard School Infrastructure
- Regional Pressures (Pool/Playhouse)
- New Governance model
- Water/Sewer costs
- Cost of power/fuel (25-30 increase)
- Tipping fees (still not fully known)
- Insurance increases
- Wage increases (two CBAs)
- We currently owe 5.7 Million



2022 Highlights - General

REVENUES	2018	2019	2020	2021	2022
Non-Tax Revenue	2.929	3.348	3.296	3.216	3.184
Taxes Inside	9.384	9.548	9.859	10.344	11.326
Taxes Outside Base Gagetown	5.037	5.107	5.066	5.181	5.69
Community Funding Equalization Grant	.562	.565	.574	.576	.579
Total Revenues:	17.913	18.568	18.795	19.317	20.780



2022 Highlights - Expenses

Expenditures	2018	2019	2020	2021	2022
Governance, Planning and Development + Debt	3.186	4.230	4.528	5.123	5.395
Public Safety	6.182	6.325	6.512	6.710	7.075
Infrastructure Maintenance	3.724	3.861	4.267	4.681	4.762
Recreation	1.768	1.869	1.896	1.836	1.904
Transfer to Capital Investments	3.052	2.282	1.592	.967	1.643

Total 20.78 million



2021 Highlights - Water

REVENUES	2017	2018	2019	2020	2021	2022
Water Rates	2.035	2.030	2.142	2.468	2.561	2.703
Other Revenue	.690	.640	.439	.454	.696	.783
Total Revenues:	2.725	2.671	2.581	2.922	3.257	3.486
Expenditures	2017	2018	2019	2020	2021	2022
Environmental/Health Services	2.111	1.773	2.088	2.643	3.105	3.390
Financing	.128	.128	.124	.124	.127	.071
Transfer to Water Capital	.487	.770	.369	.155	.025	.025
Total	2.725	2.671	2.581	2.922	3.257	3.486



Water Billing

- In 2021 we introduced a new “Fixed Service Fee”
 - Aligns with other jurisdictions
 - More appropriately shares actual costs of service
 - Reduces volatility
- Will be phased in over 5 years, each year requiring Council approval (we are entering year 2 of 5)



Water Billing

- Will be phased in over 5 years
 - Year one 2021: \$24.00 x 3555 (households) = \$85,320
 - **Year two 2022: \$48.00 x 3555 (households) = \$170,640**
 - Year three 2023: \$72.00 x 3555 (households) = \$255,960
 - Year four 2024: \$96.00 x 3555 (households) = \$341,280
 - Year five 2025: \$120.00 x 3555 (households) = \$426,600 (revisit)
 - Year six 2026: \$144.00 x 3555 (households) = \$511,920
 - Year seven 2027: \$168.00 x 3555 (households) = \$597,240
 - Year eight 2028: \$192.00 x 3555 (households) = **\$682,560**



Water Billing

- Still not charging enough
- We have a 650-800K delta
- This delta, to cover the water costs, is currently coming from our general operating funds
- Ideally, we need to eliminate this delta prior to 2026/2027 (next four to five years)



Water Consumption Rates

- Currently Paying \$3.50 per cubic meter
- BLUF – We are recommending increasing this to \$3.70 per cubic meter
- An increase of .20 cent per cubic meter of water should generate another **141K** in revenue



Comparison of Costs 2022

- Note: .20 cent increase on the consumption rate will create an additional **141K** in revenue annually

Water and Sewer 2022 (Assumes 50 Cubic Meters)	Oromocto	Fredericton	New Maryland	Woodstock	Sussex
Consumption Rate	\$740	\$372	\$334	\$408	\$146
Fixed Rate	\$48	\$469	\$792	\$15	\$330
Total Annual Water & Sewer	\$788	\$841	\$1126	\$423	\$475



What Does This Mean To Our Citizens?

Quarterly Consumption (cubic meter)	3.50/cubic meter Pay This Now	3.70/cubic meter	Quarterly Increase	Annual Increase
40 cubic meters	\$140	\$148	\$8	\$32
60 cubic meters	\$210	\$222	\$12	\$48
80 cubic meters	\$280	\$296	\$16	\$64



2021 Highlights

Projected to be completed by year end

- Infra Projects
 - Steacy Court
 - Cook Court
 - Cyr Street (curbing and paving in 2022)
 - Street sideway paving
 - Recycle parking lot near OFD
 - Water main upgrades to MacDonald Avenue/Loisville St.
 - Water main upgrade to Onondaga
 - Lift station #12
 - VIC
 - Ball diamond upgrades
 - Gateway wetland trail accessibilities upgrade
- Fleet investments
 - New loader
 - 1 ton with power tailgate and davit crane
 - Replacing some ½ ton trucks
 - EMV (R&T)
- Fire Renewal
 - New pumper tanker



Capital Budget 2022

	2018	2019	2020	2021	2022
Paving and Road Construction	1.085M	~1.7M	770K	700K	500K
Water and Sewer	1.2M	~1M	100K	2M*	Gas Tax Only
Equipment	100K	0	600K	0	195K
Building Maintenance	0	~250K	110K	100K	105.4K
Parks and rec facilities	167K	~50K	220K	100	42K
Fleet replacement	765K	~1M	1M	1M	679
VIC				300K	122K
				Total	1643

Capital Program 2022

- Road Infrastructure:
 - Miramichi rd
 - Far end of Onondaga near OFN (GTF)
- Buildings:
 - HVAC UNIT RCMP
 - Fire Station 1 Reno
 - KAA Plant Roof
- Fleet:
 - Recycle Truck (**pending**)
 - Ford 450
 - Two half tons
 - One SUV (Fire Department)
 - Pumper truck retrofit
 - Van (Rec and Tourism)



Capital Program 2022

- Parks and Rec:
 - Gateway accessibility upgrades
 - Disk Golf
 - Soccer field upgrades
 - VIC interpretive plan
 - Arena dasher boards
- Equipment:
 - New jaws of life
 - Trunked Mobile Radios
 - Bunker Gear Washer



Capital Program – BELOW the Line

- Work on KAA, Library, Community Centre, Old Town Hall (about 1.4 million)
- Fire truck R421 (commit in 2023 for 2024)
- Replacement fire equipment
- Station 1 Condition Assessment
- Tenco Snow Blower
- Wide Area Mower
- Storage expansion Waasis sport fields
- Kubota tractor replacement KAA
- Turf field benches
- LED light tennis courts
- Gageway child play area
- Asphalt around KAA



COA's Thoughts Going Forward

- Confirmation on priorities
 - 1st Nursing home
 - 2nd Cultural and Recreation Facility
 - 3rd Fire Hall
- The 109-120K policy (one cent increase to the mil rate)



Building The Cultural & Recreation Centre

- Allocate 737K in 2022 (hopefully more)
- Hubbard School Option
- Funds allocated should only be moved with a resolution from Council
- This ensures Council is fully aware of the impact of using these funds



Risk Associated With Lowering The Mil Rate

- We'll have to increase the mil rate even more in 2023
- Delays to the “Cultural and Recreation Centre” build
- Further delays could force us to reinvest in old infrastructure
- Many unknowns (new governance model, power rates, increase tipping fees)
- We don't have a surplus; we made significant cuts and have stopped or delayed purchases
- No flexibility
- To build a Cultural and Recreation Centre we need to manage a mortgage of 800K - 1.2 million



Recommendations

For Council's Approval

- Approve the Budget for 2022
- Hold the mil rate at 1.4151
- Execute year two of the fixed rate water bill increases
- Increase the water consumption costs from \$3.50 to \$3.70 per cubic meter



Question/Concerns



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