

2026 Budget – Presentation to Council

12 November 2025

Objective



Provide Public and Council with recommended budget for 2026

Timeline

Public Budget Survey-8 Sept 2025 to 2 Oct 2025

Public Consultation- 14 Oct 2025

Council Briefings- 23 Oct 2025

Budget Presentation to Council (Public)- 12 Nov 2025

Budget Approval by Council -20 Nov 2025

Budget Submitted to Province- 21 Nov 2025

Outline

Tax & Water/Sewer Rates (As outlined in the 5-year financial plan)

Comments on Tax Rates
Comments on Water and Sewer Rates

- 2026 Changes and Pressures
- 2026 Budget Highlights
- 2026 Operating/Water Budget Overview
- 2026 Priorities/Capital Plan

Discussion (Considerations from Survey and for Future)

A Word on Taxes

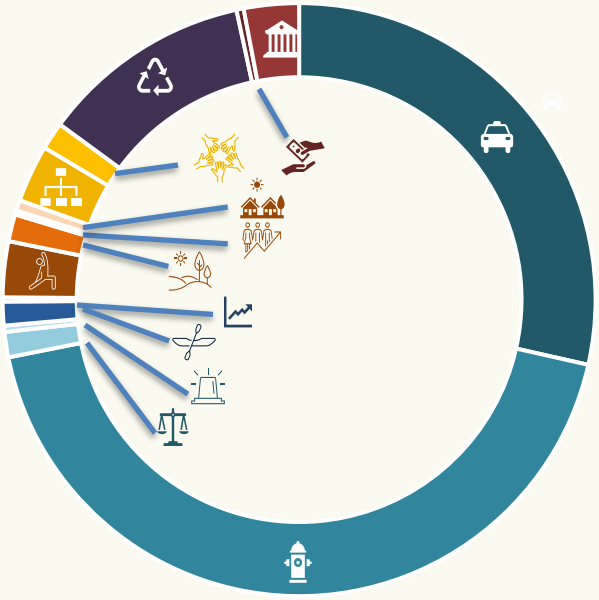


What is Mill Rate?

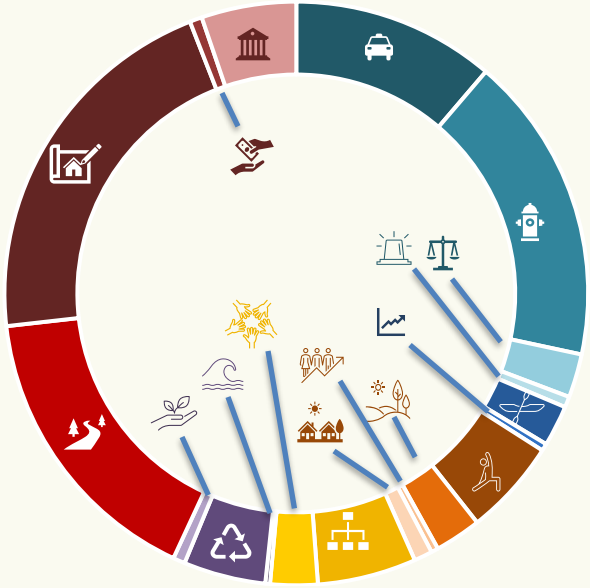
A mill equals $1 per each $1,000 of a property's assessed value, which translates to one one-thousandth of a dollar. It also equals 0.1% and is used to calculate property taxes.

- **Property Taxe**s are derived from **Assessed Value** x **Tax Rate** (often referred to as mill rate)
- Assessed Value is determined by the Province. Assessments are the responsibility of SNB – info on assessment can be found at: www.mynbpropertyassessment.ca
- Mill rate determined by Council (staff advice provided)
- **Property Taxes account for 85% of the revenues** needed to deliver the services that citizens want.
- **1 cent increase** to the mill rate in 2026 **is equal to $158K** in new revenue for Oromocto and **$32K** for Lincoln

Value for Service



Ward 4		Wards 1-3
46.95	Police	46.95
71.33	Fire	71.33
2.27	By-law	10.07
0.56	EMO	2.49
2.13	Tourism	9.47
0.38	Economic Development	1.67
5.01	Recreation	22.21
2.42	Parks & Trees	10.74
0.37	Cultural Development	1.63
0.96	Community Development	4.24
5.14	Management Systems	22.82
2.47	Community Leadership	10.94
0.00	Storm Water	1.08
19.00	Solid Waste	19.00
0.00	Environmental Outreach	2.77
0.00	Roadway Operations	67.96
0.00	Infrastructure Management & Investments	86.98
4.94	Debt Management	21.91
0.64	Intergovernmental Affairs	2.85
Total = 164.56		Total = 417.11



Ward 4
Average annual Property tax:
$3414.95= $284.58 per month
120.02 goes to DTI, 164.56 remaining
Based on $350,000 assessment at mill rate 0.9757

Wards 1-3
Average annual Property tax:
$5,005.35= $417.11 per month
Based on $350,000 assessment at mill rate 1.4301

2026 Tax Rates

Taxes

Taxes, according to the 5-year financial plan, were updated and approved on the 21 August 2025:

- Oromocto: Mill rate increase by 0.02 cents to 1.4501
- Lincoln: Mill rate increase of 0.04 cents to 1.0157
- Non-residential tax ratio held to max of 1.7

Tax Rate History



As per 5-year financial plan

Reduced planned increase by ½ cent

As per 5-year financial plan

Year	Oromocto	Lincoln
2009	1.399	
2017	1.3851	0.8368
2018	1.3851	0.8428
2019	1.3851	0.8583
2020	1.3851	0.8557
2021	1.3851	0.8842
2022	1.4051	0.8657
2023	1.4051	0.9007
2024	1.4201	0.9407
2025	1.4301	0.9757
2026	1.4501	1.0157

Comparable Mill Rates 2025

Fredericton - 1.3086
Moncton - 1.3614
Saint John - 1.5500

Cities

Woodstock - 1.5000
Riverview – 1.3826
Quispamsis – 1.2599
Sackville – 1.5350
Oromocto 1.4301
Lincoln Ward 0.9757 (0.4115 to DTI)





Impact to the average homeowner

Consider the Avg. home assessment is **$350,000**

With no assessment increase by the GNB, an average home assessed at $350,000 would see an increase to their current tax bill of $70 ($140 in Lincoln), reflecting the 2 and 4 cent rate increases.

2026 Water Sewer Rates

Water/Sewer

Fixed rate to increase to $137.50/quarter but lowering consumption rate by 0.30m^3 (net approx. $13.75 quarterly increase per household)

Consumption rate stays the same at $1.65 for commercial and institutional account customers.

Water & sewer costs cannot be covered by tax rates

Legislation dictates that this must be funded through direct water and sewer billing.

Water and Sewer Rates

In 2022 we introduced a new "Fixed Service Fee"

- Aligns with other jurisdictions
- More appropriately shares actual costs of service (system needs repairs, replaced and maintained even if a homeowner uses little or no water)
- Reduces volatility on projecting budget (easy to calculate number of meters)

In 2nd year of 5-Year financial plan, each year requiring Council approval (we are entering year 3 where quarterly fixed rates are to expand up to $137.50 by 2026)

In order to deal with renewal and capacity issues – we must move to $137.50/quarter for 2026 ($25/quarter increase)

Overall increase approx. $13.75/average household per quarter

Will offset the overall costs/household by reducing consumption rates by 0.30/m^3 ($11/ quarter decrease)

This will generate an increase in the W&S revenues by $256K

Water Consumption Rates

- Currently Paying $3.30 per cubic meter
- The Town is recommending another **decrease in rate** of $0.30 per m3 for it's Residential account customers and maintain the rate for Commercial and Institutional account customers.
- The Town continues to transition to applying a greater, fixed cost ratio while trying to respect the overall costs to the homeowner.
- Long term the Town will continue to move to a lower usage rate and higher fixed ratio in accordance with it's 5-year financial plan. This will be advantageous for planning/budgeting purposes and align with it's vision of reducing water/efficiency without jeopardizing the ability to maintain and operate the system.

Water and Sewer Billing

- Still not charging enough (but on the right track under the 5-year financial plan)
- We have a 510K delta (being assumed by water transfer, lowered by $57K from 2025)
- This delta, to cover the water costs, is currently coming from the general operating fund. Ideally, the delta needs to be reduced as much as reasonably possible.
- The Towns service provider (the Base) is requesting to increase the water rates by 185% and sewer rates by 285% because of infrastructure upgrades. (For 2024-2026 the Town has negotiated a 15% increase based on the 5-year financial plan. This will assume **$185K of the additional $256K** of revenue for 2026)
- New sewage treatment solution needed to address capacity and service growth in Oromocto West. ($25 Million +/-)
- Another $15M allocated for recapitalization of old piping infrastructure.



Comparison of Costs 2026

Water and Sewer 2026	Oromocto	Fredericton (latest media)	New Maryland (by-law)
Consumption Rate (At rate of $3.00, 150m3)	$450	$312	$287
Fixed Rate (Showing the $100 increase)	$550	$620	$900
Total Annual Water & Sewer	*$1,000	$932	$1,187

*The Town is in the right range

Highlights

This budget allows us to:

Proceed with the Oromocto Community Wellness & Recreation Centre project

Continue catch up on some delayed capital re-investment in equipment and fleet

Continue dealing with the growing cost of water/sewer appropriately

Continue to proceed with planning of new sewage treatment solution and takeover of Base WTP/WWTP

To begin to re-invest in aging W&S infrastructure

Meet the major investment targets outlined in the 5-year financial plan approved by Council.

This budget does not allow us to:

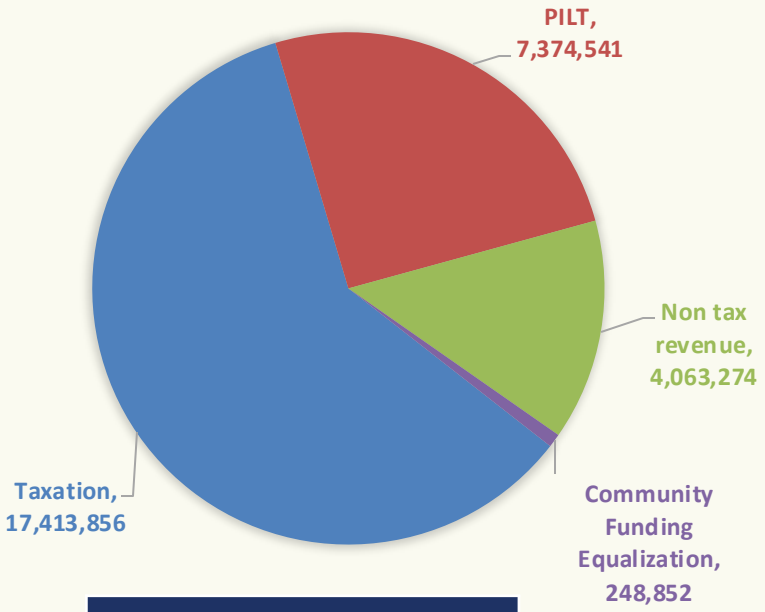
Replace all of the aging fleet of fire fighting vehicles and equipment for public works

Catch-up on all of the capital asset re-investment that is needed (paving, streetlights, walkways, storm water systems, etc.) - Projected 300 + million deficit in spending in this area based on AMS.

Spend beyond our means (ie: unbudgeted projects or wants)

2026 Highlights - General

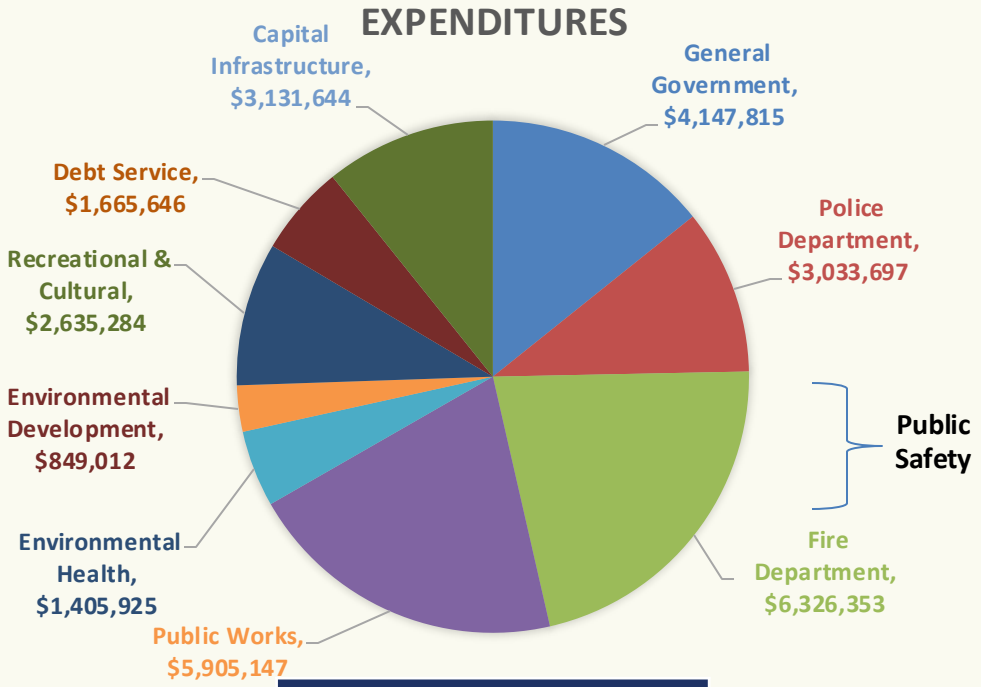
REVENUE



Total

$29.1M

EXPENDITURES



Total

$29.1M

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Known Facts

Population of Oromocto including Ward 4 (Lincoln)(based on 2021 census)

11,910

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

Ward 4(Lincoln) Tax Base Value for 2025

= $316 Million

Oromocto Tax Base Value for 2025

= $1.757 Billion

Assessed Values for 2025 Tax Base:

$2,073,175,640

Assessed Values for 2026 Tax Base:

$2,098,051,160*

***The Province has frozen assessment values this year. The small increase in the estimate is based on "new properties" that was not included in the assessment in the previous year.**

2026 Budget Considerations

Water – revised billing approach continued (fixed rate vs. consumption; residential vs. commercial)

-Desperately need to catch up on recapitalization of aging in-ground infrastructure. (i.e.: old/failing pipes + sustainability due to climate changes)

-Funding operating deficits as a result of insufficient rate increases





New sewage treatment solution – 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 – Projected expense of $90 million for design/planning + construction will require a small increase to mill rate to accommodate future debt servicing and operational costs





Loss of assessment increase

- due to freeze will impact the budget by $930K.

Planning for future

– asset management strategy, study, and design for major capital projects.

2026 – Macro Pressure

- Assessment freeze by the province will impact the budget by $930K.
- Design costs outlined in current phase of the Oromocto Community Wellness & Recreation Centre ($2.2 million)
- Regional Service Fees ($199K) plus Regional Service Commission tipping charge increase by $5 per tonne.
- Community Funding & Equalization Grant $510K in 2022 ($248K in 2026)
- Water/Sewer costs (facing increases in rates from Base of 15% in 2026)
- New Sewage Treatment solution required for growth ($25 Million)
- Catch up on delayed capital re-investment (estimated at $300+ Million)
- Inflationary Operating Costs (power/fuel/materials/equipment and labour)
- Paving costs rising by 5% to 8%
- Electricity costs 4.75%

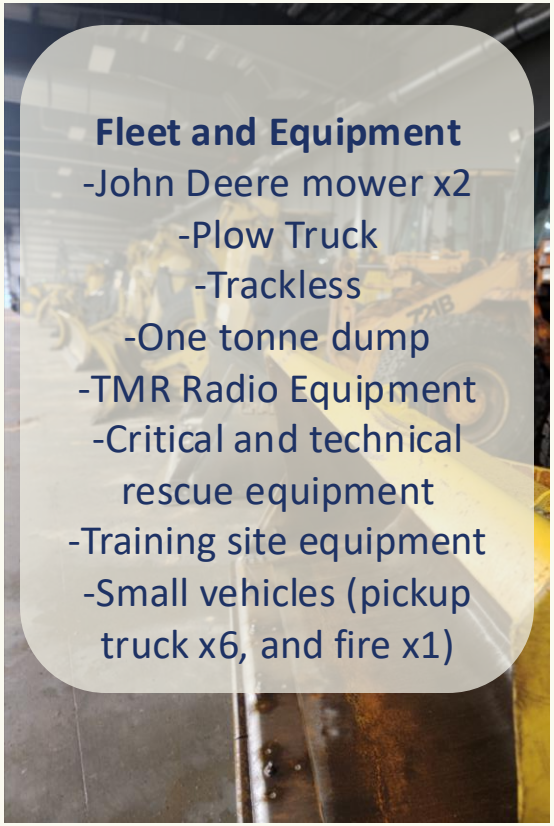
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Capital Budget 2026

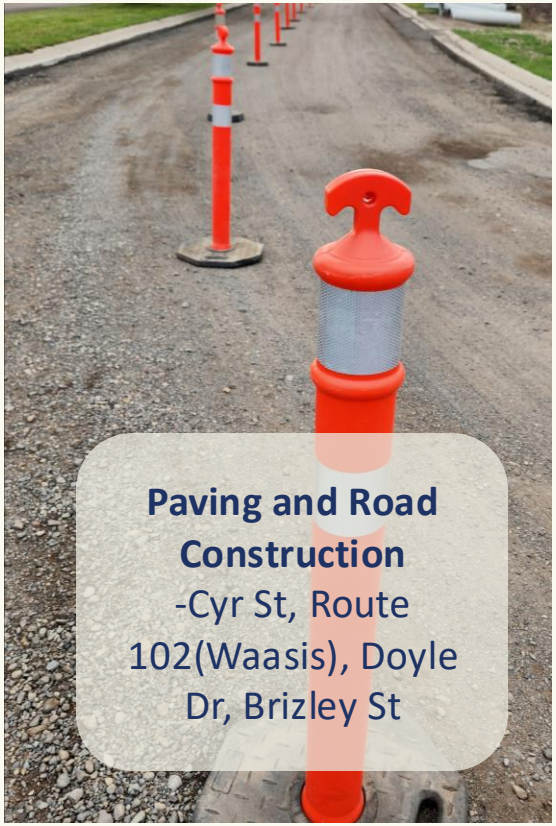
Category (in 000's)	2022	2023	2024	2025	2026
Paving and Road Construction	500	1,415	1,063	1,557	1,746
Water and Sewer	0	477	225	3,341	688
Building Maintenance	105	200	94	458	25
Parks and Rec Facilities	42	356	229	185	196
Fleet and Equipment	874	1,782	895	1,270	1,567
Community Wellness & Recreation Centre			835	1,485	2,200
Total				8,296	6,422

Capital Program 2026

Based on priorities identified through Asset Management data:



Fleet and Equipment
-John Deere mower x2
-Plow Truck
-Trackless
-One tonne dump
-TMR Radio Equipment
-Critical and technical rescue equipment
-Training site equipment
-Small vehicles (pickup truck x6, and fire x1)



Paving and Road Construction
-Cyr St, Route 102(Waasis), Doyle Dr, Brizley St



Water and Sewer
-Lewis Street Force main
-West Sewerage Treatment Solution (design)
-Wood Street (phase 1)
-Smith Sub UV Treatment

Capital Program 2026



Buildings:
-Hazen Center beautification
-EPW Office renovation



Community Wellness & Recreation Center:
-Design



Recreation and Tourism:
-Dugout protective fencing (Summerhill)
-Level outfield (Waasis)
-New fencing/rail protection
-Tables, fridge, recycling bin, trolley
-Water line/dispenser (dog park)
-New mesh on fence (Summerhill)
-Dividing fence (Summerhill)
-Concrete benches

Capital Program – BELOW the Line

- Turf replacement
- Other road and water sewer infrastructure – Wood (phase 2), Duplenne, Legere, Blackwatch, Finnamore, Harris, Windgate, Scoullar (phase 2)
- Town Hall Doors
- Tack Wagon
- Aerator
- EPW Fence and Storage Unit
- Valve Exerciser
- Utility Trailer
- Side by side
- Breathing Apparatus Washer
- Marine 2 Rescue Boat
- Hose Water Relay Unit

Considerations from 2026 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** (The Town is working with Ignite to put in place an Economic Development Strategy of which this is a core component)
- **Infrastructure Renewal** (The Town is planning to invest millions into a new facility to replace several old buildings)
- **Investments in Active Living** (A new Park Master Plan will identify a way forward in developing our parks, trails and rivers, etc.)
- **Policing** (The Town will continue to work with our policing partners on perceived value for dollar)

Top reoccurring Comments:

- Wellness – Encouraging outdoor activities for all ages
- More police and related by-law enforcement
- 2 new ice surfaces
- Public transit options (within Oromocto and to Fredericton)
- More activities for youth and seniors
- Lower the current tax rate

Recommendations For Council's Approval

- Approve the overall Budget for 2026.
- Increase the mill rate to 1.4501 for Ward 1-3 and 1.0157 for Ward 4 and hold the 1.7 multiplier on non-residential properties.
- Increase the fixed rate on water bill to $137.50/quarter.
- Further reduce water consumption rate to $3.00 per cubic meter for Residential account customers and maintain the rate of $3.30 for Commercial and Institutional account customers.

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