TOWN OF Oromocto

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Review & Update Financial Plan

Council Presentation

2025-August-18



Objective

TO GIVE AN UPDATE TO LAST YEAR'S 5-YEAR FINANCIAL PLAN PRESENTED TO COUNCIL.

PROVIDE A HIGH-LEVEL OVERVIEW OF THE FINANCIAL PLAN INCORPORATING MAJOR INVESTMENTS ON THE HORIZON.

REVIEW THE IMPACT OF THESE MAJOR INVESTMENTS ON OUR TAX RATES AND WATER SEWER RATES.

GATHER AND REVIEW FEEDBACK AND COMMENTS.

APPROVAL OF THIS UPDATED PLAN WILL PROVIDE DIRECTION TO STAFF FOR 2026 BUDGET.

Current Resolution/Direction to Staff

From 2025 budget process:

WHEREAS Council desires to construct and operate a new Cultural-Generational Center and Arena, replace 2 major fire trucks, and construct a new fire station to meet the growing demands of the community, and



WHEREAS there is an immediate demand to maintain and increase the Town's water and sewer infrastructure to increase its capacity over the next five years,



NOW THEREFORE BE IT RESOLVED:

THAT Council approves and accepts the 5-Year Financial Plan, as presented to Council in Committee on 20 August 2024, authorizing the rate increases as detailed therein.



Updated Water & Sewer Projection

QUARTERLY (Residential)	2025	2026	2027	2028	2029	2030
Fixed	$112.50	**$137.50** ↑	$137.50	$137.50	$137.50	$162.50
Consumption	3.30	**3.00** ↓	2.90 ↓	2.90	2.90	3.00
Billing per Avg household	236.67	**250.00**	246.25	246.25	246.25	262.50

- Projected Quarterly Billing will be competitive to City of Fredericton and lower than New Maryland.
- Residential: 2028 / 2029 – need to hold the Consumption rate at $2.90.

QUARTERLY (Commercial & Institutional)	2025	2026	2027	2028	2029	2030
Fixed	$112.50	**$137.50** ↑	$137.50	$162.50	$187.50	$187.50
Consumption	3.30	**3.30**	3.30	3.30	3.30	3.30

- Non Residential: Amend Water Sewer By-law 537 to create Non Residential rates.

Water & Sewer Forecast Assumptions

All other Operating costs expected to increase by 2% per year or $50K

All major capital projects will require funding from Prov./Fed. of 2/3 minimum.

Use of Gas Tax $1.477M to support these projects.

Assumes take over of DND Wastewater Treatment Plant by 2028 and operating cost offset by fees charged to DND. Estimate a net of $1.25M costs to run the facility. Rates for 2028 and beyond depends heavily on this. (i.e. $1.4M DND Water Purchase/Sewer fees comes back into the budget in 2028)

Oromocto West Lagoon project ($25M~) and Infrastructure Recap ($15M~) built into the forecast. These projects will depend on obtaining funding partners.

Absorb DND Water and Sewer rate increase average of $220K per year for 10 years.

Water Cost for Fire Protection decreases by $56,700 in 2026.

2026 Budget Considerations

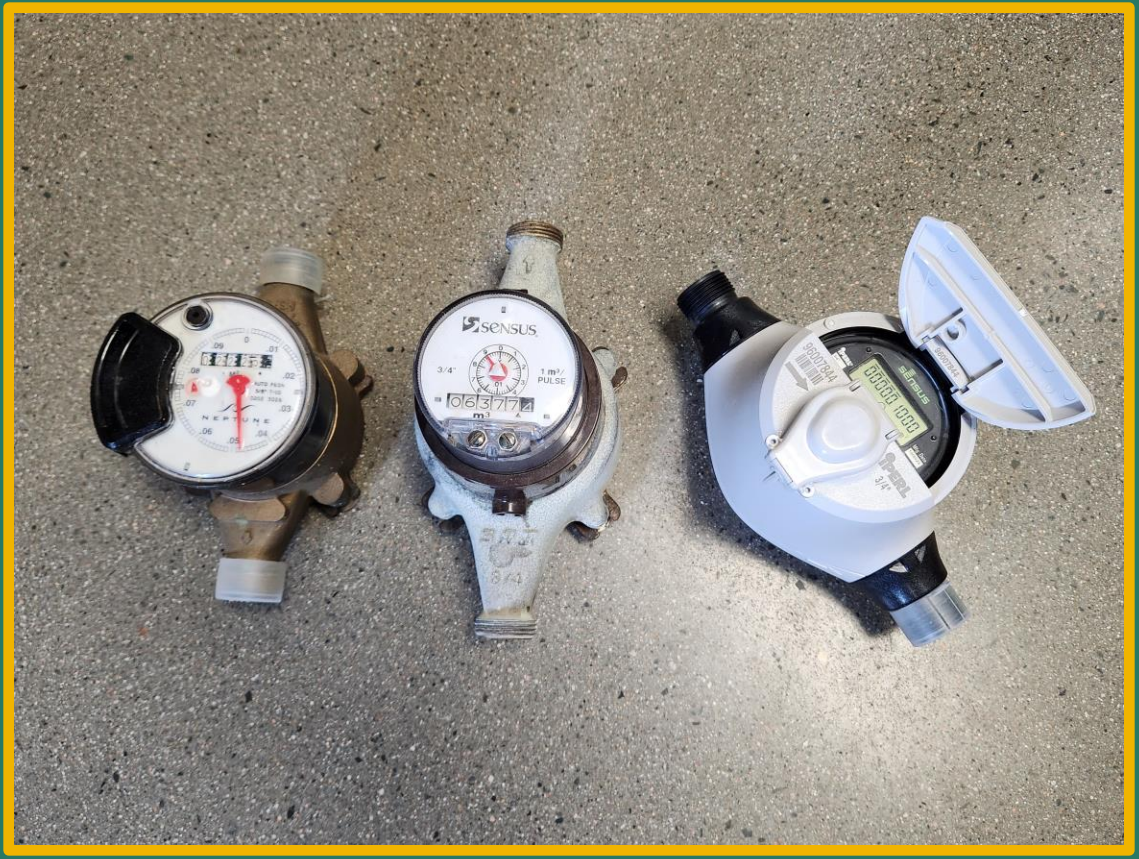
- Recommend the water sewer rate plan for 2026.
- Refine rate revenue structure to better reflect service model.
- Seek additional prov./fed. funding directly relating to water sewer projects.





Why Continue with W&S Rate Plan

- Need for increase capacity sewerage treatment in Oromocto West.
- DND water & sewer rate increase of 15% over each of the next 2 years. (approx. $266K per year)
- Need to catch up on existing aging infrastructure (ie. Old pipes)
- Operational modernizations (lead to efficiency through investments)
- Operational costs to reflect real costs. (ie. Water cost transfer)
- Taxes do not cover Water & Sewer infrastructure and maintenance. Legislation dictates that this must be funded through direct water & sewer billing.



Tax Rate Projections (Next 5 Years)

	2025	2026	2027	2028	2029	2030
Town Wards 1,2,3	1.4301*	**1.4501**	1.4701	1.4901	1.4901	1.4901
Federal	1.0265	**1.0408**	1.0552	1.0695	1.0695	1.0695
Lincoln Ward 4	0.9757*	**1.0157**	1.0357	1.0557	1.0557	1.0557

***$0.005 less than original plan in 2025.**

Wards 1,2 and 3

- **Increase of 2.0 cents through 2028; no change from previous year's projection.**
- **Rate hold in 2029.**
- **Federal rate follows a consistent ratio**

Lincoln Ward 4

- **Increase of 4.0 cents for 2026; 2.0 cents increase 2027 and 2028 (consistent with Wards 1, 2 and 3); no change from previous year's projection.**
- **Rate hold in 2029 (as we will have achieved the fair differential tax rate outlined in our LGR implementation)**

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.

Tax Rate Analysis Today vs. Proposed Increase

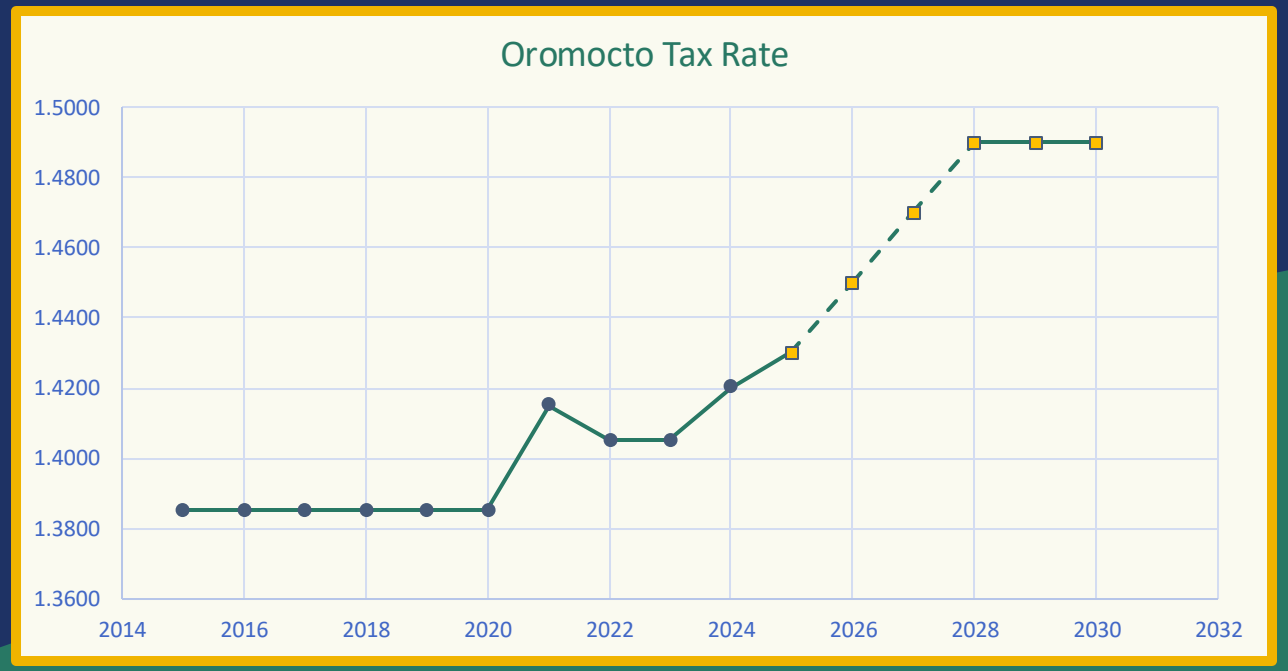
Proposed 2026 rates

Oromocto 1.4501

Lincoln Ward 1.0157

Current 2025 rates

- Oromocto 1.4301 & 0.9757
- Fredericton 1.3086
- Moncton 1.3614
- Saint John 1.5500
- Woodstock 1.5000
- Riverview 1.3826
- Quispamsis 1.2599
- Sackville 1.5350



Major Investments

2025-2026

FIRE TRUCKS(2)

$3,550,000



2026-2027

WATER & SEWERAGE LINES

$15,000,000



2027-2028

WASTEWATER TREATMENT SOLUTION

$25,000,000



2029

OROMOCTO COMMUNITY RECREATION AND WELLNESS CENTER

$90,000,000



2030

FIRE STATION

$10,000,000



Major Investments (Based on Current Priorities)

	Estimate Cost	Town Share	Annual Repayment	Period (Years)
Oromocto Regional Wellness Recreation Center	90,000,000	17,500,000	1,514,183	20
Wastewater Treatment Solution	25,000,000	8,250,000	596,194	30
Water Sewer line Renewal	15,000,000	5,000,000	369,143	30
Fire Station	10,000,000	10,000,000	865,248	20
Fire Trucks	3,550,000	3,550,000	362,237	15

ORWRC: 2025-27: Site abatement and demolition, design and construction management and testing.





Wastewater Treatment Solution: 2025-26: Detail design, tender, and construction.

Water Sewer Line Renewal: 2025-26 Design, tender, and construction.





Fire Trucks: 2026 Delivery

General Operating Forecast Assumptions

- Inflation 2026 - 2%, 2027-2028 - 3%, 2029 -2030 - 2%.
- Property Assessment freeze, estimated “new” 1.25%.
- Operating cost for Multi-Cultural/Generational Center and Arena will be an additional $1.25M to the operation cost in 2029.
- Community Funding & Equalization Grant $510K in 2022 ($121K in 2026 and $0 in 2027).
- Regional Service Commission charge increase at the rate of inflation, minimum. ($200K in 2025)
- Gas tax funding earmarked for Capital Projects.
- All major capital projects will require funding from Prov./Fed. of 2/3 minimum.

Proposed Resolution/Direction to Staff



WHEREAS

Council desires to construct and operate the Oromocto Regional Wellness Recreation Center, replace 2 major fire trucks, and construct a new fire station to meet the growing demands of the community, and



WHEREAS

there is an immediate demand to maintain and increase the Town's water and sewer infrastructure through the construction of a lagoon and upgrade of existing infrastructure, increasing its capacity over the next five years,



NOW THEREFORE BE IT RESOLVED: THAT

Council approves and accepts the 5-Year Financial Plan, as presented to Council in Committee on 21 August 2025, authorizing the proposed rate increases as detailed therein for the basis of 2026 budget process.



Questions / Comments