

2027 Budget – Presentation to Council

10 November 2026

Objective



Provide Public and Council with recommended budget for 2027

KEY MESSAGE:
Presenting a balanced budget that maintains service levels, invests in critical infrastructure and supports Council's strategic priorities while managing tax impacts.

Timeline

Public Budget Survey-31 Aug 2026 to 1 Oct 2026
Public Consultation- 14 Oct 2026
Council Briefings- 27 Oct 2026
Budget Presentation to Council (Public)- 10 Nov 2026
Budget Approval by Council -19 Nov 2026
Budget Submitted to Province- 20 Nov 2026

Outline



- Projected Future Growth
- Strategic Plan Pillars



- 2027 Changes and Pressures
- 2027 Budget Highlights
- 2027 Operating/Water Budget Overview
- 2027 Priorities/Capital Plan



Tax & Water/Sewer Rates (as outlined in the 5-year financial plan and stabilizer rates from GNB as a result of tax reform.)



Discussion (Considerations from Survey and for Future)



Comments on Tax Rates
Comments on Water and Sewer Rates

Projected Future Growth

What we know

- Current Oromocto Population approx. 12,000
- Not withstanding the growth of population from LGR of approx. 3400 due to Lincoln Ward, growth from 2011-2021 was **1.2%**.
- CFB Gagetown currently employs approx. 6500 military members plus 1000 civilian workers.

What we can assume

- Based on historical census data, 60% of those people will live in Oromocto and bring an average of 2.5 additional people with them.
- Early estimates indicate this would bring a population increase of 3700+ residents to Oromocto, which is a growth rate of 30%.

What we should plan for

- Some recent estimates are between 5000-7000 new members over the next 10 years. If this scenario plays true The Town would effectively double the size of population to 20,000 making it an astonishing growth rate of **67%** over the next decade.

Strategic Plan Pillars

As approved by Council

Healthy Community

To invest in the health, wellness and quality of life of all Oromocto residents by enhancing recreational opportunities, advocating for improved access to healthcare, and building a connected and active community.

Infrastructure

To build a strong, sustainable, and forward-looking infrastructure foundation that supports growth, safety, and long-term wellbeing of the Town of Oromocto.

Collaboration

To strengthen Oromocto's position as a connected and cooperative community by building meaningful partnerships with CFB Gagetown, Oromocto First Nation, economic development partners, and residents to advance shared policies and a prosperous future.

2027 Budget process at a glance…

Operational

- Staff instructed to analyze individual line items and reflect actual expenditures.
- Each Department was asked to try to remain under 3% increase to their overall operational budget from 2026.
- Several meetings were held between the Finance Team and Department Heads
- Overall 2027 Operational Budget will see an increase of 7%
- This simply maintains current service levels and delivery.

Capital

- Staff were instructed to provide a full written request substantiating the request and identifying risks and mitigation strategies if funding was not available on all capital items over $50 K.
- All requests were presented to CAO and Finance Team including changes to service levels or capacity if not secured.
- All requests were prioritized and then balanced with incoming revenues.
- Overall 2027 Capital Budget will see an increase of 82% (total project costs / not including funding)

Recommendation on Tax Rates

Previous year property tax revenue	×	Inflation Factor	÷	Current year tax assessment Base*	=	Tax rate component By class and sub-unit
$24,788,331	×	4.7%	÷	1,896,792,200	=	1.3978

*Excluding new construction

PNB Recommendation involves **proposing and publishing adjusted tax rates annually**, reflecting calculated growth using the Local Government Cost Index (LGCI)

Town Recommendation involves adjusting the rate to accommodate the **proposed 2027 Budget**

Tax rate stabilizer based on GNB notice of allocation

	Assessment Increase Estimate	Average Home Assessment 2027	Current 2026 Mil Rate	2027 Mil rate	2027 Taxes
Wards 1,2,3	8.16%	$377,300	1.4501	1.3978	$5,273.90
Ward 4	8.16%	$377,300	0.6057	0.5824	$2,197.40

Note the 0.4115 going to GNB is not affected by the stabilizer rate

In order to balance and maintain our current level of service, as well as maintain capital, The Town will need an additional 2 cents on the proposed stabilizer rates.

2027 Tax Rates

Tax rates required to balance the 2027 Budget

Based on assessment data provided by GNB the average home assessment is $377,300. With the new property tax reform, an average home would see an increase to their current bill of $199 ($77 in Ward 4).

- Wards 1-3: Mil rate change to 1.4178
- Ward 4: Mil rate change to 1.0139 (0.6024+0.4115)
- Non-residential tax ratio held to max of 1.7

Wards 1,2,3 = $199 + 2 cent mil rate increase
Ward 4 = $77 + 2 cent mil rate increase

Ward	Increase Due to Assessment Value		Increase Due to Tax rate	Total Increase ($)
Wards 1,2,3	199	+	75.40	**274.40**
Ward 4 (Lincoln)	77	+	75.40	**264.40**
Ward 4 (DTI)	112			

Tax Rate History

While the 2027 tax rate has been reduced from 2026, it remains above the provincial recommended tax rate stabilizer threshold. This approach is necessary to support The Town's planned infrastructure investments and maintain alignment with the approved 5-year financial plan.

As per 5-year financial plan

Reduced planned increase by ½ cent

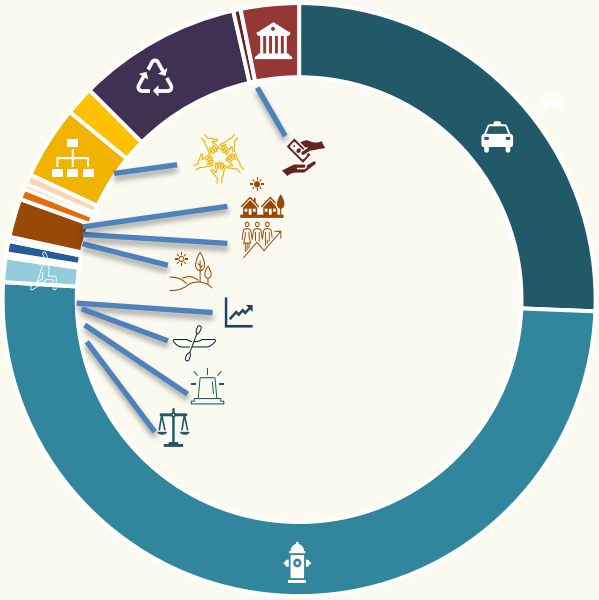
As per 5-year financial plan

Due to new tax reform

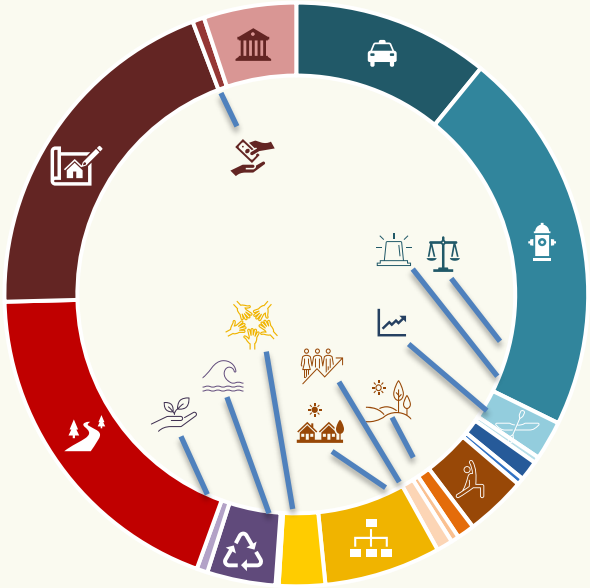
Year	Ward 1-3	Ward 4
2024	1.4201 ↑	0.9407 ↑
2025	1.4301 ↑	0.9757 ↑
2026	1.4501 ↑	1.0157 ↑
2027	1.4178 ↓	1.0139 ↓

Value for Service

Where does your money go?



Ward 4		Wards 1-3
48.55	Police	48.55
95.29	Fire	95.29
2.54	By-law	9.67
0.40	EMO	1.52
1.29	Tourism	4.93
0.44	Economic Development	1.66
3.98	Recreation	15.15
1.13	Parks & Trees	4.31
0.52	Cultural Development	1.97
1.04	Community Development	3.97
7.55	Management Systems	28.76
3.00	Community Leadership	11.41
0.00	Storm Water	0.77
16.92	Solid Waste	16.92
0.00	Environmental Outreach	2.69
0.00	Roadway Operations	84.99
0.00	Infrastructure Management & Investments	87.46
6.00	Debt Management	22.86
0.76	Intergovernmental Affairs	2.89
Total = 189.40		Total = 445.78



Ward 4
Average annual Property tax:
$3825.48= $318.79 per month
129.38 goes to DTI, 189.40 remaining
Based on $377,300 assessment at mill rate 1.0139

Wards 1-3
Average annual Property tax:
$5,349.42= $445.78 per month
Based on $377,300 assessment at mill rate 1.4178

Comparable 2026 Mill Rates

Fredericton - 1.3086
Moncton - 1.3614
Saint John - 1.5500

Cities, for reference

Woodstock - 1.5000
Riverview – 1.3826
Quispamsis – 1.2599
Sackville – 1.5350
Oromocto 1.4501
Lincoln Ward 1.0172 (0.4115 to DTI)

Many will struggle to maintain due to tax reform.



Risks Associated Using GNB Recommended Mil Rate Stabilizer

- Will not address the need for recapitalization of aging in-ground infrastructure, equipment and fleet.

- Past years the Town has made cuts and have stopped or delayed purchases (The Town is carrying deficits from previous years - *$50/household on W & S).*

- Zero flexibility to react to unbudgeted expenditures, and no ability to add resources.

- To build the Oromocto Community Wellness & Recreation Centre and invest in new infrastructure The Town needs to manage debt service of $1,514,183 annually.

- Debt is currently in good standing:

Projected Debt Service: $1.1 M

Debt Service Capacity: $6.2M (20% is the max allowed by legislation)



2027 Water Sewer Rates

Water/Sewer

Fixed rate to remain at $137.50/quarter but lowering consumption rate to $1.45 (net approx. $3.67 quarterly decrease 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 Billing

In 2022 The Town 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 final year of 5-Year financial plan. Each year requiring Council approval (the residential consumption rate is reduced by $0.05 to $1.45)

In order to offset overall cost burden to the homeowner, The Town will freeze fixed rate at 137.5 for 2027.

Residential water costs will decrease by approximately $3.67 per quarter ($14.68 annually) through a $0.10/$m^3$ reduction in the consumption rate.

This will decrease revenue by $11K in 2027.

Water Consumption Rates

- Currently paying $1.50/per cubic meter.
- The Town is recommending another **decrease in rate** of $0.05 per m3 for its residential account customers and maintain the rate for commercial and institutional account customers.
- The Town continues to transition to applying a greater, fixedcost 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 its 5-year financial plan. This will be advantageous for planning/budgeting purposes and align with its vision of reducing water/efficiency without jeopardizing the ability to maintain and operate the system.
- Sewerage will mirror water consumption rates at a $1.45 per cubic meter in 2027.

Water and Sewer Billing

- Still not charging enough (but on the right track under the 5-year financial plan)
- The Town has a 510K shortfall in operating costs which is covered by fire protection from the general operating fund.
- Ideally, The Town needs to reduce this shortfall as much as reasonably possible following its 5-year financial plan.
- The Towns service provider (Base) is requesting that it needs to increase their water rates by 185% and sewer rates by 285% because of infrastructure upgrades. (The Town has negotiated a 15% in 2024-26 and 10% in 2027 increase based on the 5-year financial plan. It is expected this cost will increase by $182K in 2027).
- 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 2027

Water and Sewer 2027	Oromocto	Fredericton (latest media)	New Maryland (by-law)
Consumption Rate (At rate of $3.00, 150m3)	$450	$327	$287
Fixed Rate (Same as last year)	$550	$651	$900
Total Annual Water & Sewer	$1,000	$978	$1,187

The Town is competitive with other communities in its region.

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

Begin to re-invest in aging W&S infrastructure

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

Offer the same level of service to citizens

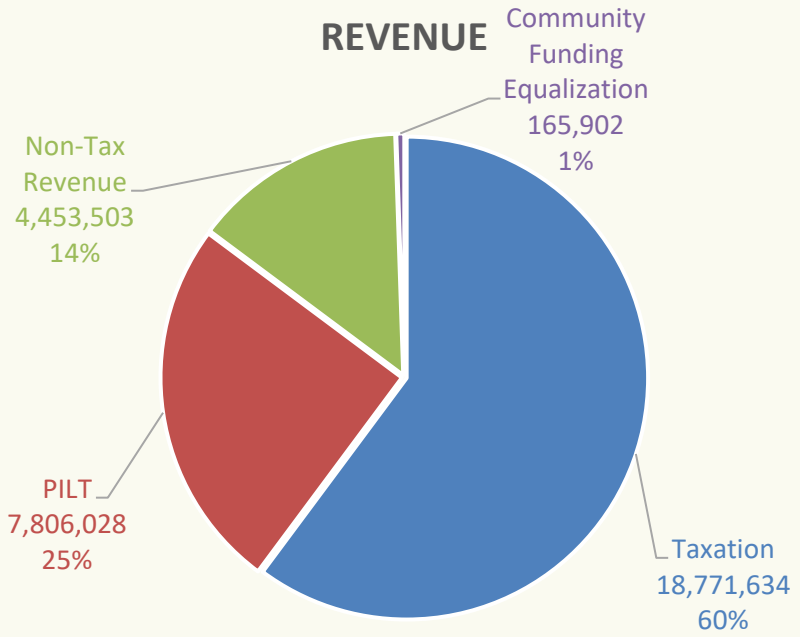
This budget does not allow us to:

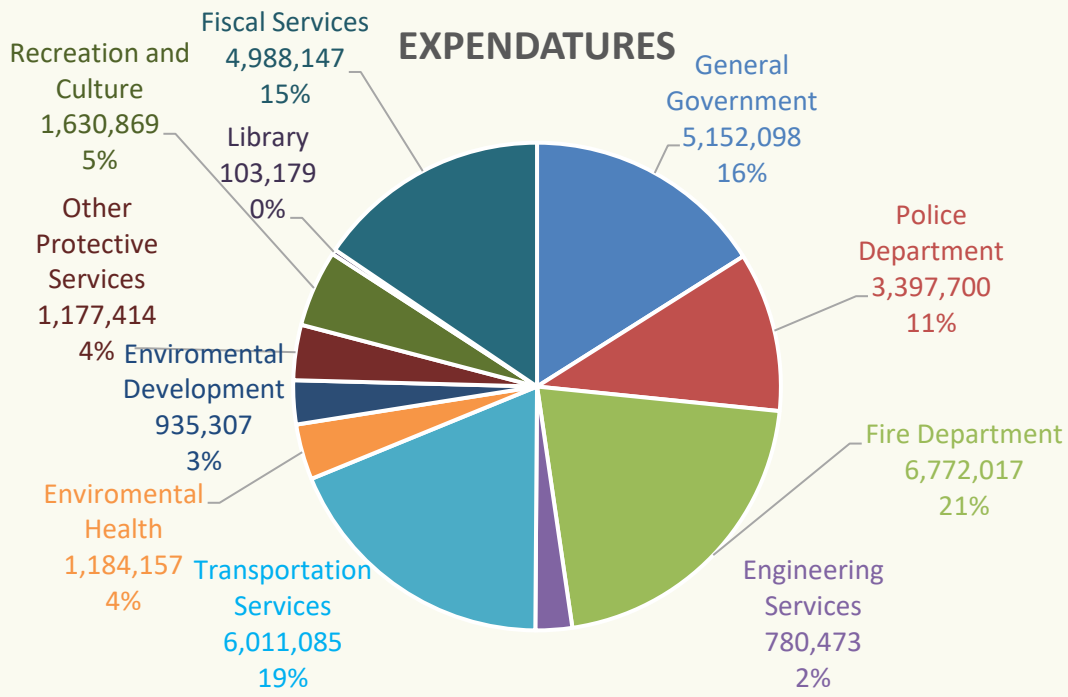
Replace all of the aging fleet of fire fighting vehicles and equipment for public works

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 Asset Management System.

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

2027 Highlights - General





Total
$31.2M

Total
$31.2M

MORE THAN RIVERS CONNECT US!

2027 Budget Considerations

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

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

-Eliminate 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 and WWTP from DND to The Town

New Community Wellness & Recreation Centre – Projected expense of $90 million for design/planning and construction will require a small increase to mill rate to accommodate future debt servicing and operational costs





Preparing for growth-related demand

– More people means more demand on services and new infrastructure to support the increasing demand.



Balancing the Debt Service and Use of Reserves

Projected Debt Service : $1.1 M-
Debt Service Capacity: 6.2 M
(3.5% of max allowed debt ratio)

-Considering a balanced approach to reserves, especially with new tax reform

Planning for Future

– Asset Management Strategy, Traffic Studies to support future growth, Park Plans, and Design for Major Capital Projects.

2027 – Macro Pressure

Costs to continue the Oromocto Community Wellness & Recreation Centre ($1.1 million)

Regional Service Fees ($192K) plus Regional Service Commission tipping charge increase by $3 per tonne.

Community Funding & Equalization Grant $510K in 2022. For 2027 $166 K reduction of $344 K.

Inflation increases beyond CPI: Paving and construction 10%+, electricity 5.5%, policing 12%, fire protection 6.6%, insurance 10%, Gas 20% /Diesel 70%

Climate and severe weather adds to capital renewal and maintenance costs

Low Water Rates (The Town is still subsidizing water) through water cost transfer of $510K.

Tariffs and supply chain (25%-100%)

DND water & sewer rate increase of 10% over each of the next 2 years. (approx. $266K per year

Growth-related demand projected growth that The Town is preparing for ranges between 30-67%.

Local Governance Reform creates a $110K gap over two years. Without provincial fiscal reform, the burden falls on property taxpayers.

MORE THAN RIVERS CONNECT US!

Capital Budget 2027

Category (in 000's)	2022	2023	2024	2025	2026	2027
Paving and Road Construction	500	1,415	1,063	1,557	1,746	3,324
Water and Sewer	0	477	225	3,341	688	1,775
Building Maintenance	105	200	94	458	25	361
Parks and Rec Facilities	42	356	229	185	196	5,054
Fleet and Equipment	874	1,782	895	1,270	1,567	239
Community Wellness & Recreation Centre			835	1,485	2,200	1,100
Total				8,296	6,422	11,853*

***Budgeted amount is $2,839, the rest comes from other funding sources**

Capital Program 2027

Based on priorities identified through Asset Management data:



Fleet and Equipment

-Tack Wagon Replacement

-Unit 264 Salt Spreader Retrofit

-Trackless Sander

-TMR Radio Transition

-Marine 2 Replacement

-Ladder Truck

-Side by Side with Tracks



Paving and Road Construction

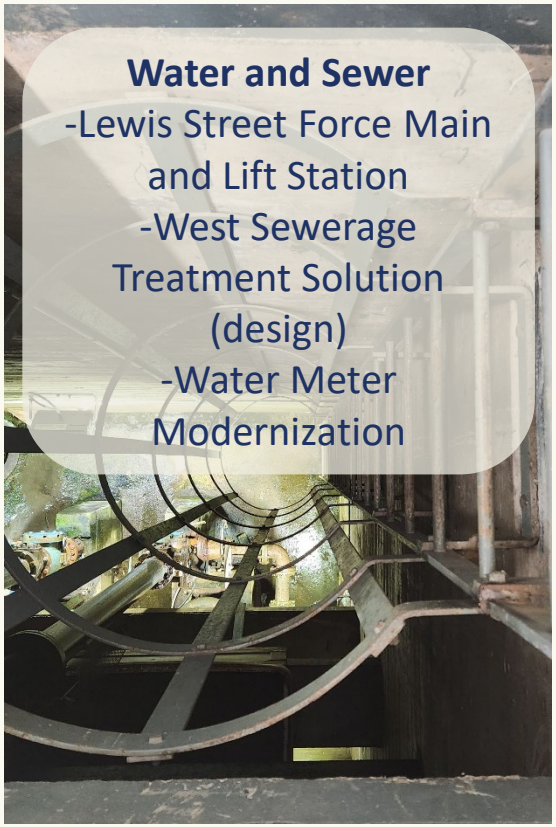
-Cyr St Extension Phase 2

-Scoullar Street Upgrade Phase 2

-Black Watch Avenue

-Finnamore Street

-Harris Street



Water and Sewer

-Lewis Street Force Main and Lift Station

-West Sewerage Treatment Solution (design)

-Water Meter Modernization

Capital Program 2026



Buildings:
-Sidewalk Concrete Town Hall
-Town Hall Exterior Doors
-Town Hall Lighting(LED)
-Roads and Grounds Container
-Public Works back up power



Community Wellness & Recreation Center:
-Design and Construction Management



Recreation and Tourism:
-Trail Gates, Surface Improvements and Signage
-Anniversary Park Upgrades
-Replacement Turf
-Ball Field Complex Phase 1
-Concrete Benches (2)
-Replacement of Hazen Park Grandstand

Capital Program – BELOW the Line

- Broad Rd/Restigouche Rd traffic circle
- Windgate Street upgrades
- Duplenne Street upgrades
- Side by side (OFD)
- Self contained breathing apparatus washer
- Large diameter hose water relay unit
- Mulching head attachment
- Decorative street lights
- Public Works garage extraction system
- Replacement of Neiderman system at station 2
- Replacement of retaining wall at Town Hall
- Ball field complex phase 2
- Pickle ball plaxie paving

2027 Budget Survey

Top 5 Priorities identified by the public for Oromocto:

- **Public Health** (Incorporated health care center in the ORWRC design)
- **Affordable Housing** (Municipal Plan to create housing capacity)
- **Infrastructure Renewal** (The Town is planning to invest millions into a new facility to replace several old buildings)
- **Investments in Active Living** (The Active Transportation and Trails plan and Parks Master Plan will identify a way forward in developing the parks, trails and rivers, etc.) You will notice The Town has increased our budget significantly in this area.
- **Policing** (The Town continues to work with its policing partners on perceived value for dollar)

Top Reoccurring Comments:

- Wellness – Encouraging outdoor activities for all ages
- More police and related By-Law enforcement
- Better access to healthcare
- 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 2027.
- Decrease the mil rate to 1.4178 for Ward 1-3 and 1.0139 for Ward 4 from previous year, and hold the 1.7 multiplier on non-residential properties.
  (GNB will consider this an increase of 2 cents to the stabilizer rate)
- Hold the fixed rate on water bill to $137.50/quarter.
- Further reduce water and sewer consumption rate to $2.90 per cubic meter for Residential account customers and maintain the rate of $3.30 for Commercial and Institutional account customers.

MORE THAN RIVERS CONNECT US!