TOWN OF Oromocto

MORE THAN RIVERS
CONNECT US

Review & Update Financial Plan

Council Presentation

2026-August-17

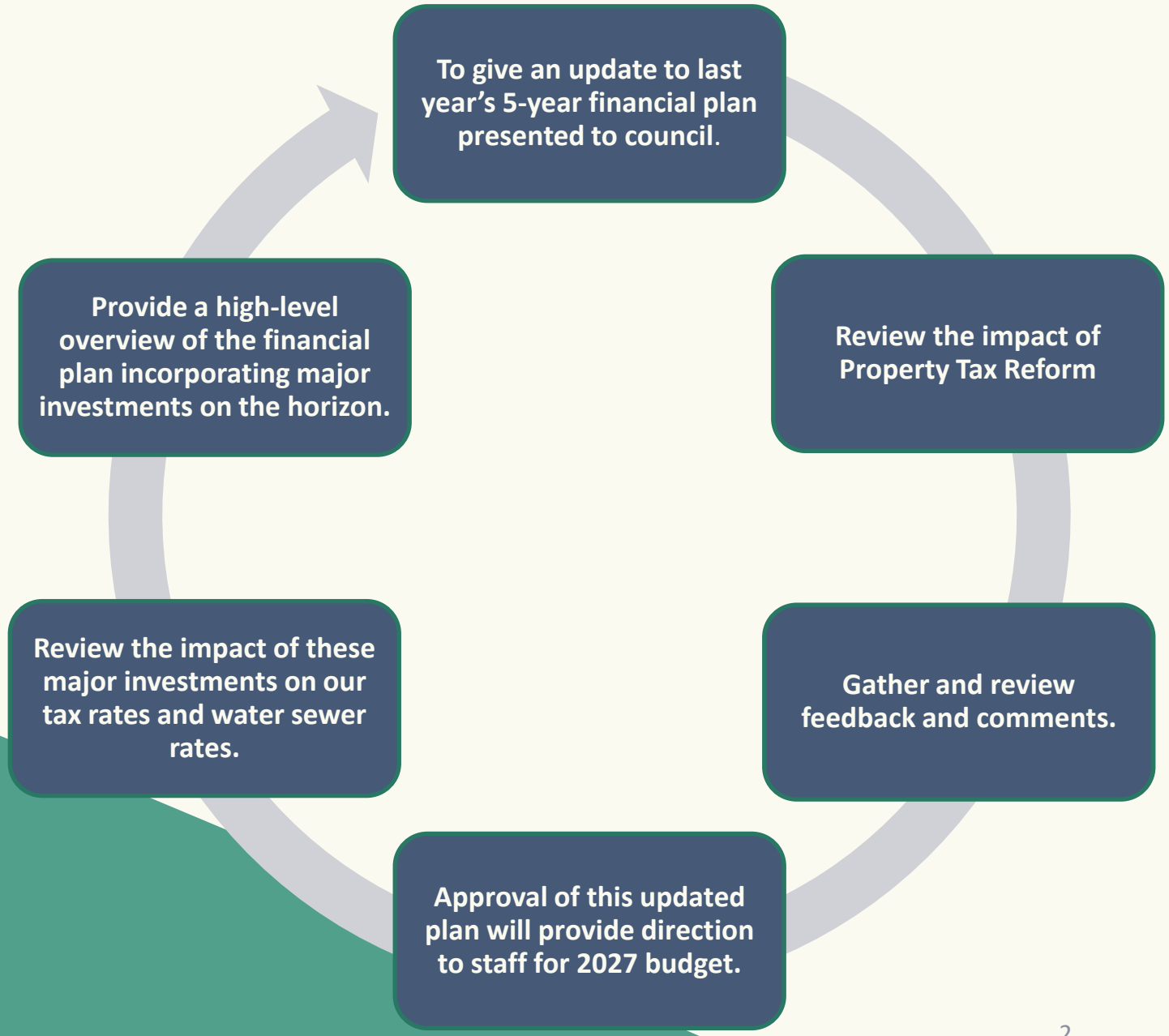
Objective

To show how the 3 pillars of the Strategic Plan (approved July 2026) will align with the 5 year financial plan

Pillar 1: HEALTHY COMMUNITY

Pillar 2: INFRASTRUCTURE

Pillar 3: COLLABORATION



Current Resolution/Direction to Staff

In support and discretion of the Strategic Plan



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 17 August 2025, authorizing the proposed rate increases as detailed therein for the basis of 2026 budget process.

Proposed Resolution/Direction to Staff

In keeping with the approved Strategic Plan



WHEREAS

Council desires to construct and operate the Oromocto Regional Wellness Recreation Center, 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 that supports growth, safety, and long-term well being, while preparing for unprecedented growth over the next 10 years.



NOW THEREFORE BE IT RESOLVED: THAT

Council approves and accepts the 5-Year Financial Plan, as presented to Council in Committee on 17 August 2026, authorizing the proposed rate increases as detailed therein for the basis of 2027 budget process.

Major Investments

2026-2027

FIRE TRUCKS(2)

PILLAR 1

$3,550,000



2027-2030

WATER & SEWERAGE LINES

PILLAR 2

$15,000,000



2027-2028

WASTEWATER TREATMENT SOLUTION(WEST)

PILLAR 2

$16,375,000



2029

OROMOCTO COMMUNITY RECREATION AND WELLNESS CENTER

PILLARS 2&3

$90,000,000



2030

FIRE STATION

PILLARS 1&2

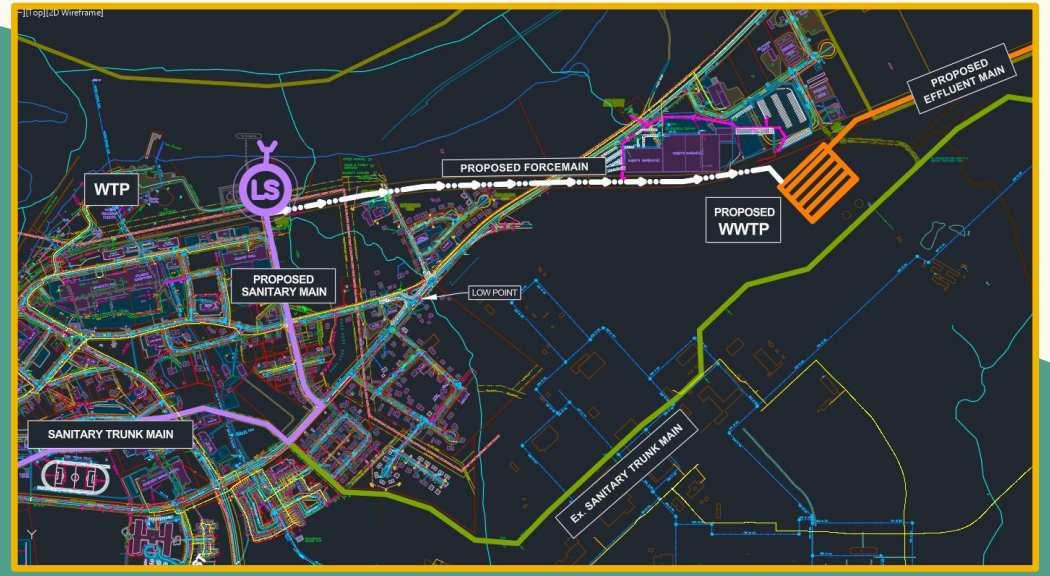
$12,000,000



Federal Capital Projects



Water Treatment Plant (75M)



Wastewater Treatment Plant (100M)

RHU Neighborhood Infrastructure Renewal (238 M)



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- we know that 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 more recent estimates, while not made public, from DND are between 5000-7000 new members over the next 10 years. If this scenario plays true we would effectively double the size of population to 20,000 making it an astonishing growth rate of **67%** over the next decade.

Updated Water & Sewer Projection

QUARTERLY (Residential)	2025	2026	2027	2028	2029	2030	2031
Fixed	$112.50	$137.50	**$137.50**	$137.50	$137.50	$162.50	$162.50
Consumption	3.3	3.0	**2.9**	2.9	2.9	3.0	3.0
Billing per Avg household	236.67	250	**246.25**	246.25	246.25	262.5	262.5

QUARTERLY (Commercial & Institutional)	2025	2026	2027	2028	2029	2030	2031
Fixed	$112.50	$137.50	**$137.50**	$162.50	$187.50	$187.50	$212.50
Consumption	3.3	3.3	**3.3**	3.3	3.3	3.3	3.3

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

Water & Sewer Forecast Assumptions

All other Operating costs expected to increase by 3% per year or $50K

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

Use of Build Community Strong Fund (Gas Tax) $1.1M; Capital Renewal Fund $650K to support these projects.

Assumes take over of DND Wastewater Treatment Plant by 2029 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. ($1.4M DND Water Purchase/Sewer fees comes back into the budget in 2029)

Oromocto West Wastewater Solution project ($16M~) and Infrastructure Obtained 8.2 M from Federal government and 5.5 M from RDC (provincial)

Absorb DND Water and Sewer rate increase average of $266K per year for 10 years. ($300K in 2027)

Water Cost for Fire Protection to remain the same at $510,300 for 2027.

Use of Operating Reserve of $671K accumulated in the past 2 year to absorb DND rate increase. The reserve was built for this specific purpose.

2027 Budget Considerations



- Recommend the water sewer rate plan for 2027, we are lowering residential consumption rate as per plan set up in 2025 and 2026.
- Continue to seek additional prov./fed. funding directly relating to water sewer projects. (Approx $15 million awarded in 2026)



Why Continue with W&S Rate Plan?

Prepare for future growth and demands on the system

Need for increase capacity sewerage treatment in Oromocto West.

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.

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)

NB Property Tax Reform

Message from the Province:

Fair and Equitable
Taxpayers pay amounts that reflect property value and ability to pay, with equitable treatment across property types and local governments.

Predictable and Stable
Consistent, predictable tax bills that allow taxpayers and local governments to plan confidently, reducing unexpected increases.

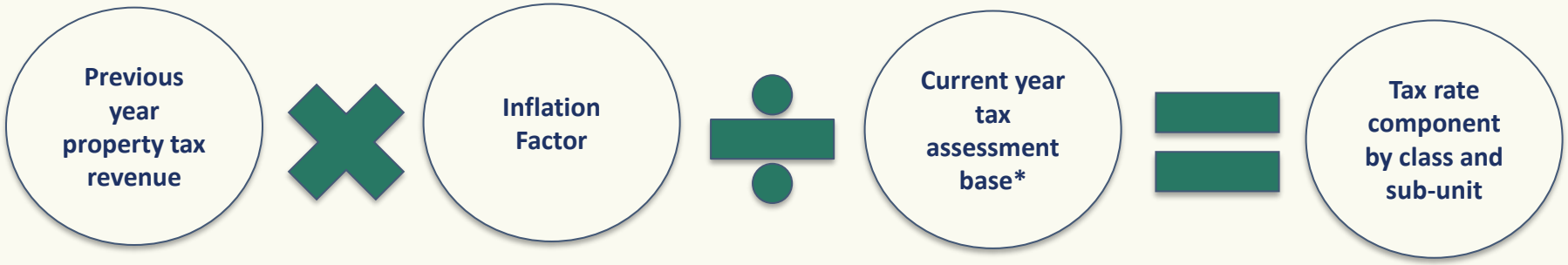
Transparent and Understandable
Improved assessment, billing, and appeal processes, with increased communication and clarity.

What does this mean for the Town of Oromocto?

- Reduced flexibility to offset operating cost increases through assessment growth alone
- Greater scrutiny and public visibility of municipal taxation decisions
- Potential constraints on revenue growth despite increasing service demands, infrastructure needs, and inflationary pressures.
- Increased importance of identifying operational efficiencies and service delivery improvements to maintain balanced budgets
- Continued uncertainty regarding the financial implications of future provincial regulations, including additional implementation details.

New Tax Rate Component Formula

This involves **proposing and publishing adjusted tax rates annually**, reflecting calculated growth using the LGCI



***Excluding new construction**

Inflation factor:
Local Government Cost Index (LGCI) which is established in the Community Funding Act and reflects the cost pressures faced by local governments and rural districts.

The elements included in the LGCI are as follows:

- Population Growth (25 per cent weight)
- Consumer Price Index (25 per cent weight)
- Non -Residential Building Construction Cost Index (25 per cent weight)
- New Brunswick Salaries and Wages (25 per cent weight)

Impact And Recommendation

	Tax Rate: Old Formula	Lincoln Tax Rate: Old Formula	Tax Rate: New Formula	Lincoln Tax Rate: New Formula	Shortfall to Balance Budget	Proposed Rate: New Formula	Lincoln Proposed Rate: New Formula
Current 2026	1.4501	0.6042	1.4501	0.6042		1.4501	0.6042
2027	1.4701	0.6242	1.3855	0.5773	(609,408)	1.3855	0.5773
2028	1.4901	0.6442	1.3735	0.5723	(1,016,522)	**1.4085**	**0.6073**
2029	1.4901	0.6442	1.3616	0.5673	(1,028,651)	1.3963	0.6020
2030	1.4901	0.6442	1.3498	0.5624	(758,699)	1.3842	0.5968
2031	1.4901	0.6442	1.3381	0.5576	(474,424)	1.3722	0.5917

2 Options

No increase in 2027, then a 3.5 increase in 2028.

OR

Spread increase of 3.5 over both 2027 and 2028

Through efficiencies and delaying expenditures, we are about to make up the gap with a 3.5¢ increase in 2028. This requirement is attributed to the finance charge and eventual repayment for the ORWRC. *The repayment is estimated to be 7¢.

Impact to Homeowners

The impact of the 7.8% assessment increase estimate, a home assessed at $377,300 would see a $152 increase and $63 in Lincoln using the estimated province recommended rate.

	Average Home Assessment 2026	2026 Mill rate	2026 Taxes
Wards 1,2,3	$350,000	1.4501	$5,075.35
Ward 4	$350,000	0.6042	$2,114.70

	Assessment Increase Estimate	Average Home Assessment 2027	2027 Mill rate	2027 Taxes
Wards 1,2,3	7.8%	$377,300	1.3855	$5,227.49
Ward 4	$7.8%	$377,300	0.5773	$2,178.15

	Increase in $	Increase in %
Wards 1,2,3	$152.14	3.00%
Ward 4	$63.45	3.00%

General Operating Forecast Assumptions

- Inflation 2027-2028 - 3%, 2029 -2031 - 2%.
- LGCI (CPI for tax rate) 3%; Total Assessment increase 5.3% (avg); New Construction 2.5%.
- Operating cost for Multi-Cultural/Generational Center and Arena will be an additional $1.25M to the operation cost in 2029.
- Capital Renewal Fund $650K
- Regional Service Commission charge increase at the rate of inflation, minimum. (~$200K in 2026)
- Gas tax funding earmarked for Capital Projects.
- All major capital projects will require funding from Prov./Fed. of 2/3 minimum.

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	16,375,000	2,730,500	198,731	30
Water Sewer line Renewal	15,000,000	5,000,000	369,143	30
Fire Station	12,000,000	12,000,000	1,038,297	20
Fire Trucks	3,550,000	3,550,000	362,237	15

ORWRC: 2026-27: Demolish completed, design phase completed. Working on construction documents in preparation for tender in 2027 pending funding.



Wastewater Treatment Solution: 2026-27: Detail design, tender, and construction.

Water Sewer Line Renewal: 2026-27 Design, tender, and construction.



Questions / Comments