



Rothesay Draft Budget 2017

Discussion of Draft Budgets





Budget process

- Senior staff review Council priorities, projected 2016 financial results, operational issues, capital priorities, funding sources, etc.
- Committee meetings (W&S, PWI, Recreation, etc.)
- Discussion documents, assumptions, and preliminary info reviewed by staff
- Review draft results with Finance Committee – three meetings to date
- Council and Public input
- Final Council approval and submission to PNB



Budget Constraints

1. Limited increases in property tax assessment base and utility fund user base limits ability to generate additional revenue without increasing rates or fees
2. Expansion of infrastructure generates additional expense (Wells Trail, Curbside recycling, etc.)
3. Third party organizations and enhanced regulations mandate certain expenditures



Budget Constraints

- Property assessment base
 - 2013 \$1,182,605,300 1.35%
 - 2014 \$1,197,166,750 1.23%
 - 2015 \$1,226,581,500 2.46%
 - 2016 \$1,236,515,850 0.81%
 - 2017 \$1,256,690,300 1.63%

Avg increase 2013 to 2015 = 1.5%

A 1% assessment base increase represents additional revenue of approx. \$150,000



Budget Constraints

- Third party expenditures:
 - Fire - \$1.95 million
 - Police - \$2.28 million
 - Library - \$86,000
 - Regional Facilities - \$398,000
 - Solid Waste Disposal - \$620,000
 - Debt service - \$1.24 million
 - ESJ - \$86,000
- Represents approx. 40% of operating expenses



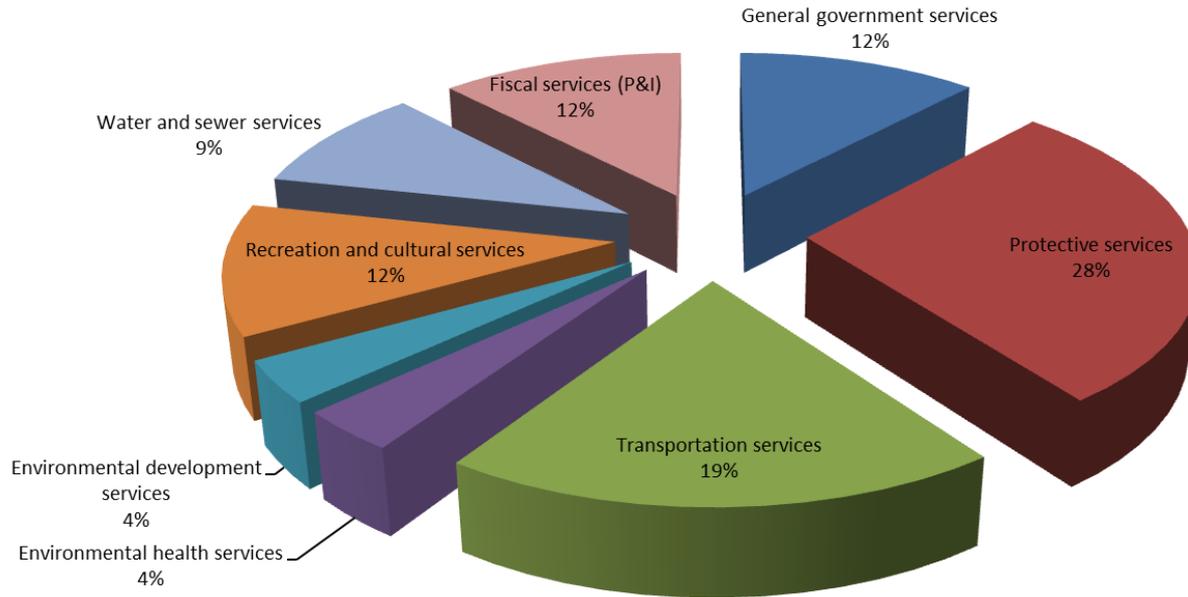
Key Assumptions

- 1.63% increase in the property tax assessment base (approx. \$244,000 of net new revenue)
- There will be no significant change in Town operations during the period (i.e. no major staff changes, service delivery, activities, etc. maintained at current levels)
- No significant change in the number of utility users
- Capital expenditures will be funded first with revenue from operations at historical amounts (i.e. general fund = \$2.3 million and utility = \$600,000)
- Gas Tax plan as submitted to be approved by PNB
- Significant grants to be obtained from Federal and Provincial governments to support capital projects
- New debt issued re major utility projects



2017 Draft Operating Expenses

2017 Expenses by Function





General Operating - Expenses

	Contents	2016 (\$,000)	2017 (\$,000)
General Gov't	Staff, Town Hall, IT, Insurance	2,033	2,039
Protective Services	Police, fire, contractual increases	4,744	4,785
Transportation	Wages, vehicle repairs, fuel, shop costs, etc.	3,365	3,330
Environmental Health	Waste collection (recycling)	638	620
Environmental Devel.	Planning dept, Municipal Plan	641	634
Recreation and Parks	Regional facilities, parks, gardens, arena, etc.	1,904	1,992
Fiscal	Debenture changes, capital through operating	<u>3,425</u>	<u>3,495</u>
	Total	16,750	16,895



Grant Requests

Donations/Cultural Support	Ask	Budget	Recommendation
Organization			
KV3C	\$ 2,500	\$ 2,500	in kind
NB Medical Education Trust	5,200	5,000	
Fairweather Scholarship	1,000	1,000	
KV Oasis	15,000	5,000	
Imperial Theatre	40,000	5,000	No multi-year commitment
Saint John Theatre Company	1,500	1,000	
YMCA	-	10,000	5 year commitment started in 2015
Cherry Brook Zoo	5,000	-	
Ellipsis Productions	15,000	-	To decline contribution.
Sculpture Saint John	-	-	To decline participation.
Saint John Fieldhouse project	30,000	5,000	No multi-year commitment.
Other small requests	7,500	7,500	
Kennebecasis Crimestoppers	2,800	2,800	Protective Services
KV Committee for the Disabled	3,000	3,000	Transportation
PRO Kids	7,500	7,500	Recreation
	\$ 136,000	\$ 55,300	



Draft General Capital 2017

	Description	2017 (\$,000)
General Gov't.	Town Hall, IT infrastructure	95
Protective	Fire equipment and station design	78
Transportation	Street re-surfacing, sidewalks, fleet replacement plan, equipment	3,381
Recreation	Trail extension	<u>48</u>
Total		<u>3,602</u>



Specific projects

- Website upgrade and operating systems
- Annual street surfacing program
- Paving, curb, or sidewalk projects:
 - Various small projects
 - Wells to Grove Ave connector (cost shared)
 - Designated highway (cost shared)
- Works Equipment – fleet replacement program



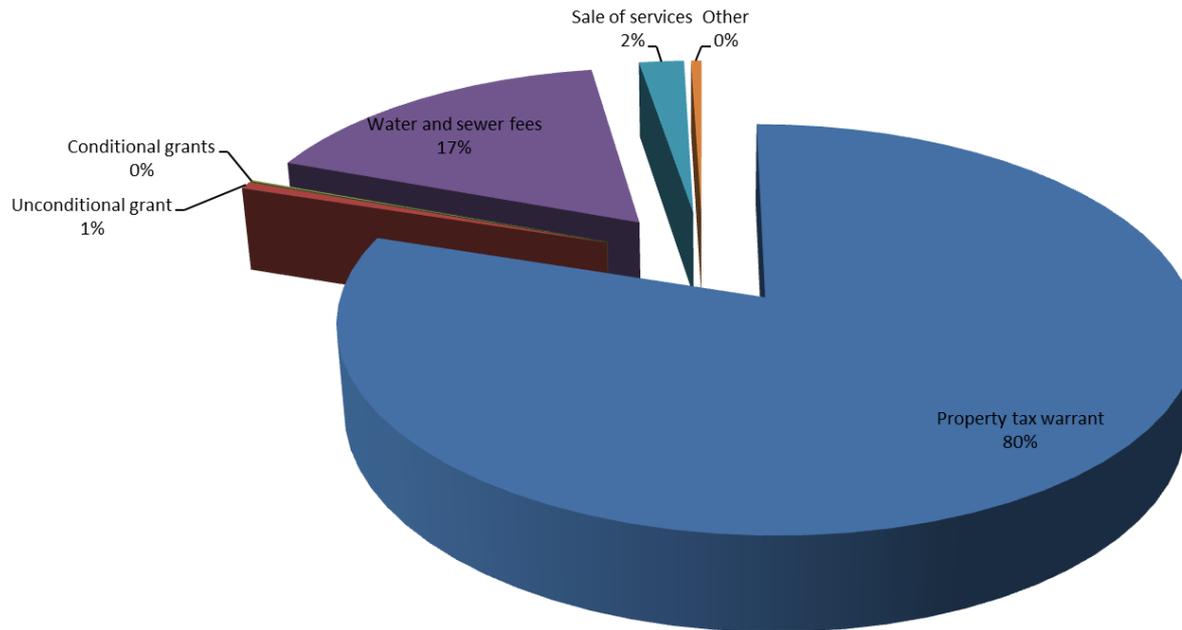
Draft General Capital 2017 Funding

	Description	2017 (\$,000)
Grants	Gas Tax	1,165
Reserves	Prior year surplus	190
Provincial		-
Operating	From Operating Fund	2,247
Borrowing		<u>Nil</u>
Total		3,602



2017 Draft Revenue

2017 Revenue by Source





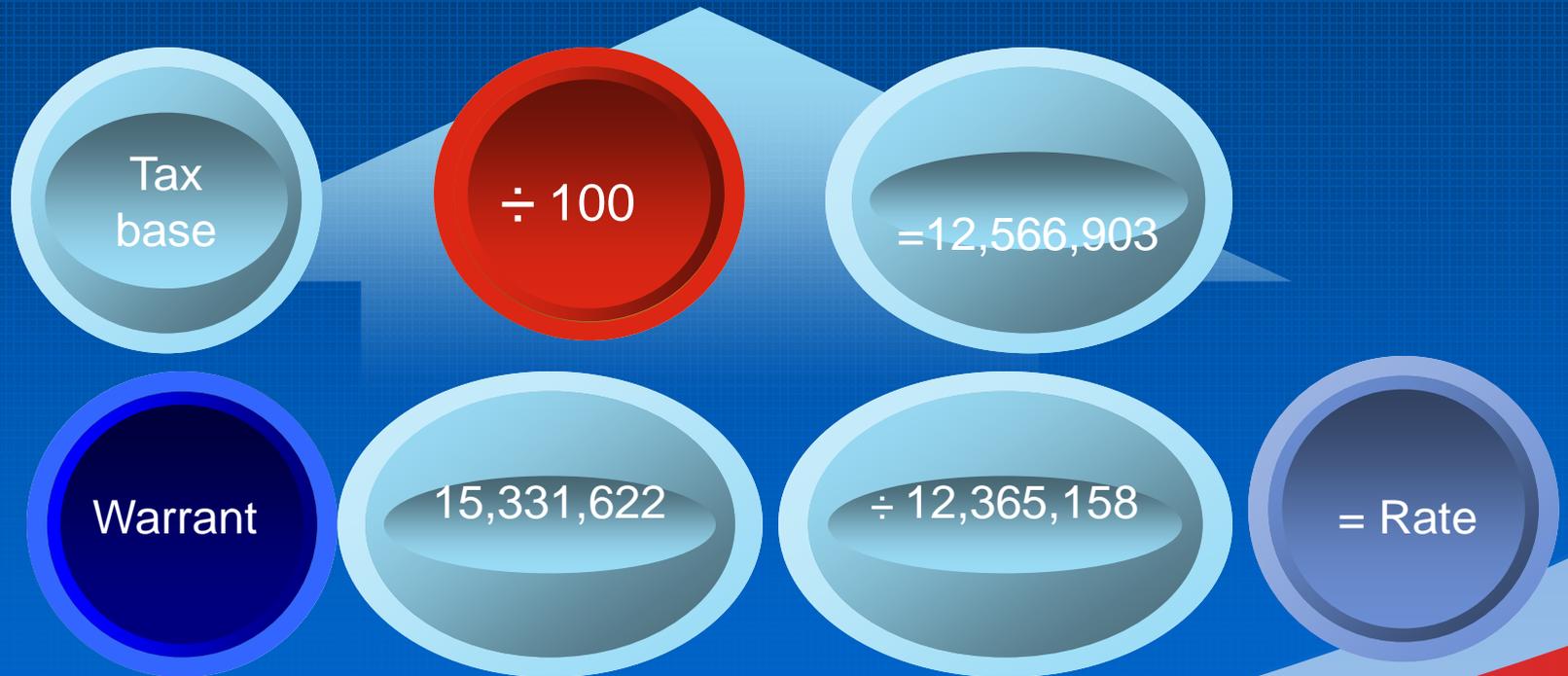
General Operating – Revenue Analysis

	Description	2016 (\$,000)	2017 (\$,000)
Warrant of Assessment	Assessment increase of 1.63%	14,962	15,332
Sale of Services	Arena, fields, etc	346	340
Unconditional Grant	No change	119	120
Other transfers	Utility fund transfer increased	850	920
Other Revenue	Includes permits, provincial services, 2 nd yr surplus	<u>473</u>	<u>183</u>
	Total	16,750	16,895



2017 Property Tax Rate Recommended

\$1.2200





Draft 2017 Utility Operating Budget – Expenses

	Description	2016 (\$,000)	2017 (\$,000)
Water expenses	Change in overhead allocation	737	855
Sewer expenses	Increase in flushing and maintenance	814	769
Fiscal Services	Additional debt	1,499	1,566
	Total	<u>\$3,050</u>	<u>\$3,190</u>



Draft Utility Capital and Funding 2017

Projects	\$ (000)
Water - water supply development, watermain upgrades	\$500
Sewer Projects – Wastewater treatment facility - Phase 1 completion and Phase 2 design (cost shared)	<u>6,700</u>
Total Capital Expenditures	7,200
Operating Funding	600
Build Canada Fund	4,267
Reserves	200
Debt	2,133
Debt for WWTF	



Draft 2017 Utility Operating Budget – Revenue

		2016 (\$,000)	2017 (\$,000)
Water	Water rate usage fees (increase to \$1.15 and fixed charge of \$200)	962	980
Sewer	Equivalent user sewer rate increase to \$370	1,520	1,600
Fire Protection	Transfer from General Fund	375	375
Other	Includes connection fees, interest, local improvement	193	235
		<u>\$3,050</u>	<u>\$3,190</u>



Example residential water and sewer rates

Description	2016 (\$)	2017 (\$)
Consumption charge to 96 m ³	1.15	1.15
“Average” residential water usage invoice (270 m ³)	\$310	\$310
Annual fixed water charge	\$200	\$200
Standard sewer charge	<u>\$350</u>	<u>\$370</u>
Total water and sewer	<u>\$860</u>	<u>\$880</u>