



ROTHESAY

MEMORANDUM



TO : Mayor and Council
FROM : Doug MacDonald
DATE : October 23, 2025
RE : Draft Operating Budgets

Draft 2026 operating budgets for discussion purposes are presented for your consideration.

Various committees, including the Finance Committee, have provided input to the budget amounts with the guidance of senior staff. The draft documents also include the most recent version of the Regional Services Commission budget as well as the proposals received from the Fire and Police Boards. Capital budgets, including funding sources such as Canada Community Building Fund (CCBF) expenditure plans, Reserve allocations, etc. are to be discussed at a future meeting.

In aggregate the General Fund increase is approx. 1.5% and the Utility Fund is 5.7%. Our financial calculations reflect a number of critical assumptions, all of which need to be reviewed, including the following:

General Fund

GNB has released the assessment change for Rothesay with a 1.8% increase in the assessment base plus an amendment to the “equalization” system resulting in operating funds of \$53,660.

The draft documents include no change to the tax rate nor the percentage applied to non-residential properties.

Maintain the base property tax rate of \$1.17 per \$100 of assessed value

Maintain the non-residential tax rate at a multiplier of 170%

The draft utility operating budget includes an increase to water and sewer rates of 3.5%.

Draft capital budgets have not been completed at this time. However, the amount allocated to “capital from operating” for the General Fund has been reduced by \$200,000 from 2025.

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October 23, 2025

General Fund (continued)

Other revenue areas, (ie rent, interest, arena, fields, etc.) have been updated to reflect recent actual results and are slightly higher than previous budgeted amounts except the surplus carried forward to revenue has decreased by approximately \$16,000.

Budgets for shared services have been approved in principle resulting in the following expenditures:

Fire protection	\$2.91 million
Policing services	\$3.57 million

The contracts for snowplowing and waste disposal were renewed in 2024 and 2025 and are reflected in the budgeted expenditures.

Payroll costs represent the largest single annual expenditure incurred by the Town. Aggregate payroll costs are in the range of \$5.3 million or approximately 25% of non-fiscal expenditures. There are several factors to consider when projecting the change in payroll costs for 2025 to 2026, including:

- Current collective agreements
- General rate of inflation
- Payroll agreements by comparable entities
- Potential new hires or internal job realignment
- Increase in the cost of benefit programs (2025 increase was approx. 4%)

In addition to wage adjustments, it is necessary to review staffing levels in various areas. The draft budget includes the addition of three full time positions, one in General Government related to communications, one in Environment Development related to building inspections, and one related to RICC fundraising. In summary, we expect payroll expenditures to increase at a rate higher than recent history.

Recreation department costs are expected to increase due to the need for additional staff plus the operating costs associated with new properties such as the Wells Recreation building.

We are also subject to general inflationary pressures in many other areas

Debenture payments are based upon existing debt and anticipated new payments for debentures to be received in 2026. Also, there are a number of large capital projects planned for future years which will have a longer term impact on financing costs.

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October 23, 2025

Utility Fund

Proposed increase in water usage fees of 3.0% and sewerage fees of 4.8% (schedule attached)

Proposed based water rate of \$1.40 (from \$1.35) and sewer rate of \$550.00 (from \$525.00)

“Typical” user charge for a resident accessing both water and sewerage is approximately \$1,175.00 annually (an increase of approximately 3.8%)

Similar general inflationary pressures exist as in the General Fund - specifically costs to maintain the infrastructure and payroll cost pressure.

Presentation of wages and benefits are presented as the direct costs on a separate line item rather than including in “overhead”. Overhead and direct wages are allocated to water and sewer using a 40/60 split based on the approximate number of equivalent users.

Debenture payments are based on known repayment schedules, including estimated interest charges associated with the treatment facility project.

Capital from Operating has remained the same as 2025.

GENERAL OPERATING FUND

Draft BUDGET 2026 – HIGHLIGHTS

1. Total Operating Budget \$25.6 million (an increase of 1.5% from 2025)
2. 1.8% increase in aggregate property tax assessments
3. Maintaining the tax rate at \$1.17 per \$100.
4. Maintain the mark-up % re non-residential properties at 170%.
5. No significant changes to other revenue sources
6. Aggregate warrant of assessment = \$24,073,916
7. New equalization funding of \$53,660

8. **General Government** includes the administrative costs, insurance and other overhead expenditures and has a decrease of approximately 2.5% primarily due to a decrease in wages and benefits and professional fees, offset by increases in insurance, information systems costs, FRSC charges and the “cost of assessment”. The budget includes the creation of a new position related to communications.

5. **Protective Services** budgets reflect the submissions from the Fire and Police Boards
 - KVFD - \$2,912,000 – a funding increase of 1% (including capital expenditures) (expenditure growth offset by the inclusion of 2024 operating surplus)
 - KRJBPC - \$3,569,500 – a funding increase of 4.4%

6. **Transportation Services** includes costs the Works Dept, snow removal contracts, salt expenditures and expected wage adjustments – an aggregate increase of 6.27%
 - Inflationary pressures related to road, sidewalk, drainage and traffic signal maintenance
 - Snow removal contract reduced due to lower fuel escalation

GENERAL OPERATING FUND

Draft BUDGET 2026 – HIGHLIGHTS

7. **Environmental Health Services** includes garbage collection and disposal fees. The aggregate budget decreased by 4.8% due to renewal of the waste disposal contract and lower fuel escalation charges. These decreases are partially offset by a proposed increase in tipping fees of \$4 per tonne.
8. **Environmental Development Services** – includes Planning Dept salary and projects as well as Envision SJ re Economic Development. The budget increase includes the addition of a position to create a full time building inspection officer plus a \$122,000 increase to the Envision expenditure via the FRSC.
9. **Recreation & Cultural Services** reflect an increase of 4.38% to reflect costs including the maintenance of trail infrastructure, regional facilities, parks, etc.
 - Normal payroll increases plus inflationary pressures associated with parks and gardens, recreational properties
 - Additional expenditures related to the addition of a full time staff member to facilitate RICC fund raising efforts.
 - Expenditures offset by a decrease in funding to Regional Facilities via the FRSC
10. **Fiscal Services** includes debt service costs and a decrease in the funding of capital projects
 - Capital funding from operations reduced from 2025 by \$150,000.

GENERAL OPERATING FUND

Draft BUDGET 2026 – HIGHLIGHTS

Total proposed expenditures by category are as follows: % of total Budget

General Government Services	\$ 3,082,000	12.0%
Protective Services	\$ 6,858,000	26.8%
Transportation Services	\$ 4,677,000	18.3%
Environmental Health Services	\$ 947,000	3.7%
Environmental Development (planning)	\$ 950,000	3.7%
Recreation and Cultural Services	\$ 3,150,000	12.3%
Fiscal Services (P&I)	\$ 736,000	2.9%
Capital Expenditures	\$ 5,200,000	20.3%

Town of Rothesay

2026 General Fund Operating Budget

	BUDGET 2025	BUDGET 2026	% Change	% of Total Budget
REVENUE				
Warrant of Assessment	<u>23,655,395</u>	<u>24,073,916</u>		
Sale of Services	568,750	534,000		
Services to Province of New Brunswick	80,000	80,000		
Other Revenue from Own Sources	114,350	99,138		
Core Equalization	<u>52,389</u>	<u>53,660</u>		
Conditional Transfers	46,750	47,000		
Other Transfers	709,616	712,285		
	<u>\$25,227,250</u>	<u>\$25,600,000</u>	1.48%	
EXPENSES				
General Government Services	3,161,057	3,082,039	-2.50%	12.04%
Protective Services	6,651,330	6,858,426	3.11%	26.79%
Transportation Services	4,402,284	4,677,215	6.25%	18.27%
Environmental Health Services	995,000	947,000	-4.82%	3.70%
Environmental Development	723,872	949,703	31.20%	3.71%
Recreation & Cultural Services	3,017,766	3,149,897	4.38%	12.30%
Fiscal Services	6,275,941	5,935,720	-5.42%	23.19%
	<u>\$25,227,250</u>	<u>\$25,600,000</u>	1.48%	100.00%
Surplus (Deficit) for the Year	\$0	-\$0		

	Budget 2025	DRAFT BUDGET 2026
REVENUE		
Sale of Services		
Bill McGuire Memorial Centre	40,000	40,000
Town Hall Rent	121,600	100,000
Community Garden	1,000	1,000
Wells Canopy Rental	0	12,000
Fox Farm Rental	23,400	0
Arena Revenue	245,500	253,500
Recreation Programs	125,250	127,500
	556,750	534,000
Other Revenue from Own Sources		
Licenses & Permits	57,600	57,600
Recycling Dollies & Lids	42	0
Interest & Sundry	30,000	30,000
Miscellaneous	10,000	6,830
Fire Dept. Administration	12,000	0
Local Improvement Levy Mulberry Lane	4,708	4,708
	114,350	99,138
Conditional Transfers		
Canada Day Grant	1,750	2,000
Grant - Other	0	0
Grant - Students	45,000	45,000
	46,750	47,000
Other Transfers		
Surplus of 2nd Previous Year	109,616	112,285
Transfer from reserves		
Utility Fund Transfer	600,000	600,000
	709,616	712,285

	Budget 2025	DRAFT BUDGET 2026
EXPENSES		
General Government Services		
Legislative		
Mayor	55,000	56,900
Councillors	154,610	178,000
FRSC Corporate	55,996	58,573
Other	27,200	38,741
	<u>292,806</u>	<u>332,214</u>
Administrative		
Administration - Wages & Benefits	1,397,409	1,299,223
Office Building	203,500	204,000
Supplies & Info Systems	210,600	287,000
Solicitor	50,000	50,000
Professional Fees	100,000	35,000
Other	116,598	121,598
	<u>2,078,107</u>	<u>1,996,821</u>
Other General Government Services		
Website/Other	3,000	3,000
Community Communications (Team)	65,500	10,700
Civic Relations	1,500	1,500
Insurance	272,900	286,545
Donations	36,500	36,500
Cost of Assessment	388,127	395,059
Property Taxes - L.P.P.	18,617	19,700
Fox Farm Rental Expenses	4,000	0
	<u>790,144</u>	<u>753,004</u>
Total General Government Services	<u>3,161,057</u>	<u>3,082,039</u>

	Budget 2025	DRAFT BUDGET 2026
Protective Services		
Police		
Police Protection	3,418,030	3,569,517
Crime Stoppers	2,800	2,800
	<u>3,420,830</u>	<u>3,572,317</u>
Fire		
Fire Protection	2,890,000	2,911,609
Water Costs Fire Protection	335,000	340,000
	<u>3,225,000</u>	<u>3,251,609</u>
Emergency Measures		
EMO Director/Committee	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Other		
Animal & Pest Control	3,500	3,500
Other	1,000	30,000
	<u>4,500</u>	<u>33,500</u>
Total Protective Services	<u>6,651,330</u>	<u>6,858,426</u>

	Budget 2025	DRAFT BUDGET 2026
Transportation Services		
Common Services		
Administration (Wages & Benefits)	1,723,500	1,872,500
Workshops, Yards & Equipment	801,261	733,775
Engineering	7,500	10,000
	<u>2,532,261</u>	<u>2,616,275</u>
Roads & Streets	67,000	92,000
Crosswalks & Sidewalks	36,850	53,000
Culverts & Drainage Ditches	100,000	175,000
Street Cleaning & Flushing	10,000	20,000
Snow & Ice Removal	1,267,000	1,247,000
Flood Costs	0	0
	<u>1,480,850</u>	<u>1,587,000</u>
Street Lighting	190,000	190,000
Traffic Services		
Street Signs	20,000	12,000
Traffic Lanemarking	40,000	40,000
Traffic Signals	20,000	110,000
Railway Crossing	26,000	26,000
	<u>106,000</u>	<u>188,000</u>
Public Transit		
Public Transit - Comex Service	90,673	92,940
Public Transit - Other	2,500	3,000
	<u>93,173</u>	<u>95,940</u>
Total Transportation Services	<u>4,402,284</u>	<u>4,677,215</u>

	Budget 2025	DRAFT BUDGET 2026
Environmental Health Services		
Solid Waste Disposal Land Fill garbage	300,000	300,000
Solid Waste Disposal Landfill Compost	40,000	40,000
Solid Waste Collection Fero	615,000	567,000
Solid Waste Recycling bins	0	0
Clean Up Campaign	40,000	40,000
	995,000	947,000

Environmental Development Services

Planning & Zoning

Administration	564,500	667,800
Planning Projects	10,000	10,000
Heritage Committee	0	500
	574,500	678,300

Envision Saint John	147,372	269,403
Tourism	2,000	2,000
	149,372	271,403
	723,872	949,703

	Budget 2025	DRAFT BUDGET 2026
Recreation & Cultural Services		
Administration	493,600	536,100
Beaches	66,500	66,500
Rothesay Arena	409,500	419,000
Memorial Centre	76,000	81,500
Summer Programs	101,225	107,500
Parks & Gardens	857,750	876,100
Rothesay Common Rink	102,500	108,200
Wells Bdlg	54,505	55,000
Train Station	2,225	4,425
Playgrounds and Fields	156,500	156,500
The Hive expenses	18,650	23,052
Regional Facilities - Operating	329,491	221,308
Regional Facilities - Capital	199,357	196,363
RICC Fundraising	0	134,000
Kennebecasis Public Library	96,963	111,349
Special Events	45,500	45,500
PRO Kids	7,500	7,500
	3,017,766	3,149,897

	Budget 2025	DRAFT BUDGET 2026
Fiscal Services		
Debt Charges		
Interest	204,941	207,720
Debenture Payments	671,000	528,000
	<u>875,941</u>	<u>735,720</u>
Transfers To:		
Capital Fund for Capital Expenditures	5,400,000	5,200,000
Capital Projects Funded by Grants		
Reserve Funds	0	0
	<u>5,400,000</u>	<u>5,200,000</u>
	<u>6,275,941</u>	<u>5,935,720</u>

Town of Rothesay

Assessments and Tax Rates

Municipal Tax Base For Rate:

	2024	2025	2026
Residential	\$ 1,706,003,600	\$ 1,841,854,900	\$ 1,877,280,700
Non-residential	\$ 96,932,600	\$ 105,866,900	\$ 106,070,000

Non-Residential Multiplier (1.4 - 1.7)

	1.5	1.7	1.5	1.7
	\$ 1,947,721,800	\$ 1,983,350,700		

	2024	2025	2025
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Municipal Tax Base For Rate:

	\$ 1,851,402,500	\$ 2,021,828,630	\$ 2,036,385,700
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Tax Rate

	1.1900	1.1700	1.1700
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Warrant of Assessment

	\$ 22,031,690	\$ 23,407,666	\$ 23,825,713
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A one cent increase in the tax rate raises:

	\$ 185,140	\$ 200,066	\$ 202,183
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Cost of Assessment

	\$ 359,172	\$ 388,127	\$ 392,235
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Percentage Change

	11.83%	8.07%	1.77%
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Assessment increase

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UTILITY OPERATING FUND BUDGET 2026 HIGHLIGHTS

1. Total Revenue \$4,486,500
2. Revenue from sale of water of \$1,250,000 includes a 3.0% increase in rates (base water rate - \$1.40 per cubic metre and \$240 per annum fixed fee)
3. Revenue from sewerage services \$2,575,000 includes a 4.8% increase of \$25 to an annual base rate of \$550 per equivalent user per year
4. Aggregate “typical” residential utility fees total approximately \$1,175 annually
5. Total operating expenses, including debt service charges but excluding capital from operating, increased to \$3,636,500 (7.2%)
6. Increase in fiscal services to reflect increase in debenture payments from 2025 capital projects
7. Capital from Operating maintained at \$775,000

- Expenses:	2025	2026
Water Supply	\$ 1,371,868	\$ 1,467,860
Sewer Collection and Disposal	1,093,000	1,163,500
Fiscal Services	<u>928,132</u>	<u>1,005,140</u>
Total	<u>\$ 3,393,000</u>	<u>\$ 3,636,500</u>

- Revenue:	2025	2026
Water services	\$ 1,160,000	\$ 1,250,000
Sewerage services	2,400,000	2,575,000
Other Revenue	<u>665,700</u>	<u>661,500</u>
	<u>\$ 4,243,000</u>	<u>\$ 4,486,500</u>

Town of Rothesay

2026 UTILITY OPERATING FUND BUDGET

	2025 Budget	2026 Budget	
REVENUE			
1 Sale of Water	\$ 1,160,000	\$ 1,250,000	3.5%
2 Water Connection Fees	50,000	50,000	
3 Meter and Non-Hookup Fees	62,000	62,000	
4 Water Supply for Fire Protection	340,000	340,000	
5 Sewerage Services	2,400,000	2,575,000	3.5% <i>1.3</i>
6 Sewer Connection Fees	25,000	25,000	
7 Infrastructure grants			
8 Interest Earned	100,000	90,000	
9 Developer payments			
10 Prior Years surplus	40,521	33,385	
11 Local improvement levy	59,000	59,000	
12 Misc Revenue (meter reading)	6,479	2,115	
TOTAL REVENUE	\$ 4,243,000	\$ 4,486,500	5.7%

EXPENDITURES			
WATER SUPPLY			
13 Share of Overhead Expenses	240,000	240,000	
Wages and benefits	250,000	260,000	
14 Profess. Fees/Legal/Training	16,000	16,000	
15 Purification/Treatment	615,000	710,000	
16 Water Purchased	1,750	1,750	
17 Trans/Distribution	130,000	135,000	
18 Power & Pumping	65,000	68,000	
19 Billing and Collections	3,118	2,000	
20 Other Expenses	35,000	17,110	
McGuire Road Operating	16,000	18,000	
TOTAL WATER SUPPLY	# \$ 1,371,868	\$ 1,467,860	7.0%

SEWERAGE COLLECTION AND DISPOSAL			
21 Share of Overhead Expenses	360,000	360,000	
Wages and benefits	375,000	390,000	
22 Profess. Fees/Legal/Training	15,000	15,000	
23 Collection System	98,000	101,000	
24 Lift Stations	85,000	152,500	
25 Treatment/Disposal	125,000	125,000	
26 Other Expenses	35,000	20,000	
TOTAL SEWERAGE COLL & DISP	1,093,000	1,163,500	
	\$ 2,464,868	\$ 2,631,360	6.8%

FISCAL SERVICES			
27 Interest on Short Term Loans	75,000	75,000	
28 Interest on Long Term Debt- Water	116,504	112,062	
29 Interest on Long Term Debt- Sewer	144,028	200,043	
30 Principal Repayment- Water	355,639	321,500	
31 Principal Repayment- Sewer	236,961	296,535	
32 New Debenture	-	-	
33	928,132	1,005,140	
34			
35 Trf to Reserves - connect fees	75,000	75,000	
36 Trf to Reserves-Dev infrastruc.			
37 Trsfr to Reserve Accts - other		-	
38 Capital Fund	775,000	775,000	
39 Prev Yrs Deficits			
TOTAL FISCAL SERVICES	\$ 1,778,132	\$ 1,855,140	4.3%

TOTAL EXPENSES	\$ 4,243,000	\$ 4,486,500	5.7%
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NET INCOME (LOSS)	\$ -	\$ -	
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Town of Rothesay

		Rothesay Utility Charges		
Typical user	RATE % increase			
	2024	2025	2026	
Water Fixed	\$ 225.00	\$ 235.00	\$ 240.00	\$ 60.00
		4%		2.1%
Avg Water Usage @ 275 m3	\$ 1.29	\$ 354.75	\$ 384.24	\$ 1.40
		5%		3.5%
	4%	5%	3.0%	
Sewer	475.00	607.49	624.24	
		10%		
	\$1,054.75	\$1,132.49	\$ 1,174.24	
	6.43%	7.37%		3.80%