

# 2023 Budget – Public Consultation

19 October 2022



# Objective

- Review 2022 in order to get your input for planning budget for 2023
- To have a conversation on where we are and how to move forward in a collective and constructive way.

## Timeline

Local Government Reform Committee – 13 Oct 2022

**Public Consultation – 19 Oct 2022**

Council Briefings – 30 Oct 2022

Budget Presentation to Council(Public) – 15 Nov 2022

Budget Approval by Council – 17 Nov 2022

Budget Submitted to Province – 18 Nov 2022

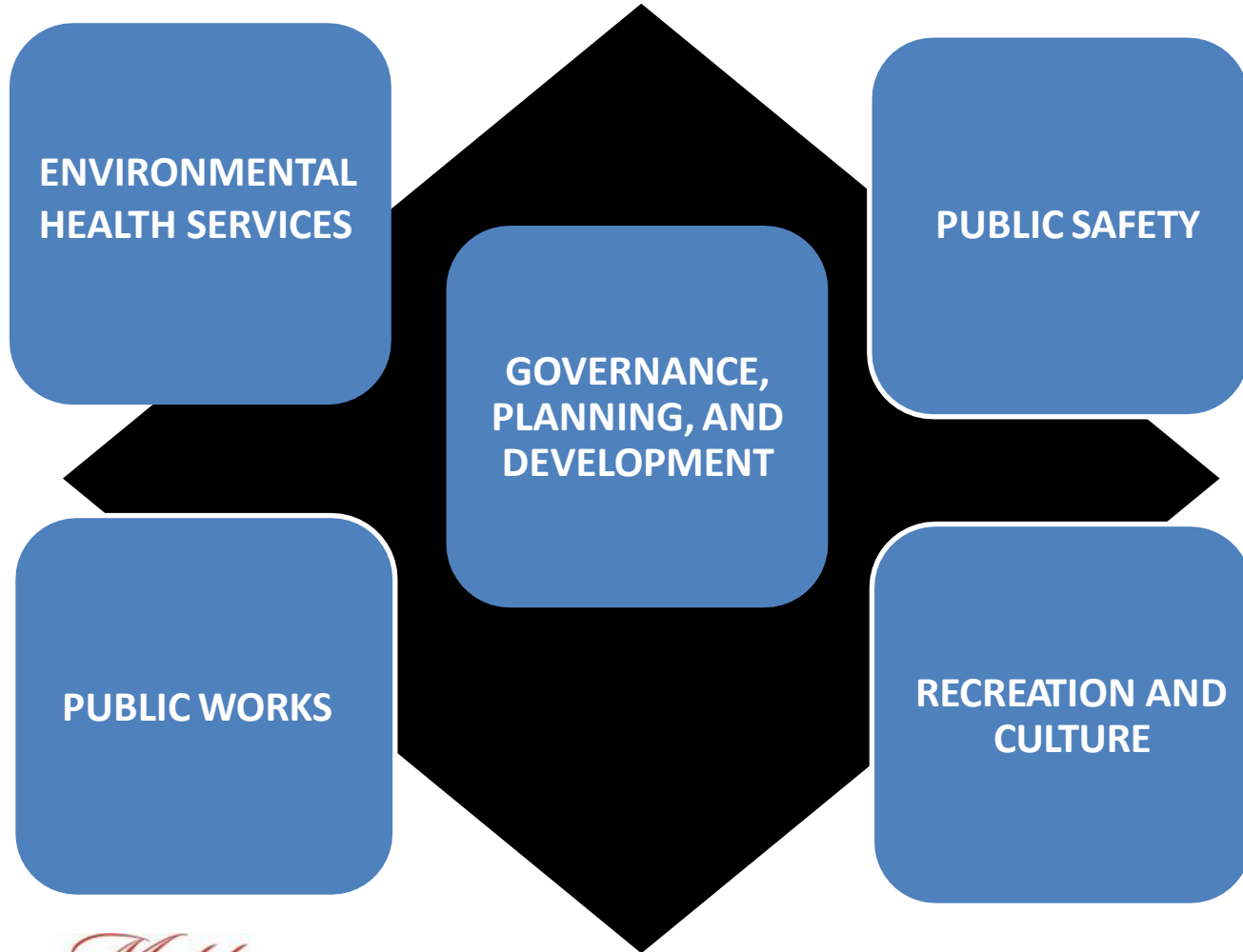


# Outline

- Oromocto Service Areas
- 2022 Revenue Breakdown
- 2023 Changes:
  - Population and Assessed Values
  - Potential Tax(Mil) Rates
  - Revenues and Known Pressures
  - Planned Investments
- Strategic Long-term planning
- Comments and Questions



# Service Areas



# Governance, Planning and Development

- Representation and Governance
- Strategic Planning
- Financial Planning
- Management
- Economic Development
- Municipal Planning
- Building compliance
- By-Law enforcement
- Billing

OROMOCTO 2022 BUDGET	LINCOLN 2022 BUDGET	LINCOLN % OF TOWN BUDGET
\$6,918,616	\$149,458	2%



# Public Safety

- Police
- Fire
- Emergency Management

OROMOCTO 2022 BUDGET	LINCOLN 2022 BUDGET	LINCOLN % OF TOWN BUDGET
\$7,075,461	\$728,059	10%



# Environmental Health Services

- Garbage & Waste Removal
- Dumps / Tipping Fees
- Recycling Programs

OROMOCTO 2022 BUDGET	LINCOLN 2022 BUDGET	LINCOLN % OF TOWN BUDGET
\$753,357	\$260,688	35%



# Infrastructure

- Streets and Sidewalks (including snow removal)
- **Water and Sanitary Systems**
- Storm Water Management
- **Lincoln % goes directly to Province of NB (DTI)**

OROMOCTO 2022 BUDGET	LINCOLN 2022 BUDGET	LINCOLN % OF TOWN BUDGET
\$3,822,244	\$1,076,034	28%





# Recreation and Community Services

- Recreation Facilities
- Parks and Playgrounds
- Community Sports and Recreations Programs
- Arts, Culture, Library
- Tourism
- Pride in community grounds

OROMOCTO 2022 BUDGET	LINCOLN 2022 BUDGET	LINCOLN % OF TOWN BUDGET
\$2,090,297	\$44,292	2%



# Revenue Breakdown 2022

## OROMOCTO

- General Tax Warrant
  - Town \$11.3M
  - PILT \$5.7M
  - Community Funding Equalization \$579K
  - Non tax revenue \$3.2M
    - OFN
    - LSD Fire Services
    - Commercial Leases
    - Permits
    - Land sales

## LINCOLN

- General Tax Warrant
  - LSD \$1.2M
  - PILT \$0
  - Community Funding Equalization \$31K
  - Non tax revenue \$19K
    - Permits



# Known Facts

Population of Oromocto (2021 census)

Before 9045

After 11,903

**31.59% increase (we'll grow by 2858) Demand/Costs**

Lincoln Tax Base Value for 2023 = \$258 Million

Oromocto Tax Base Value for 2023 = \$1.5 Billion

Assessed Values for 2023 Tax Base (including Lincoln)

Before 1,545,270,080

After 1,803,968,300

**16.74% increase Revenues**

**Ideally: Demand/Costs should equal Revenues**



# Potential 2023 Tax(mil) Rates

## What is Mil Rate?

A mill equals \$1 per each \$1,000 of a property's assessed value, which translates to one one-thousandth of a dollar. It also equals 0.1% and is used to calculate property taxes.

Oromocto = 1.4051 (hold rate – zero increase)

Lincoln = 0.9007 (0.4892 + 0.4115 to PNB for roads) (3.5-cent increase. Consider that PNB mandated a 5-cent max. increase per year to cover tax rate gap)

## Amount of revenue generated by 1 cent mil rate increase

Oromocto = \$136K

Lincoln = \$26K

## What does this mean to the average homeowner?

Oromocto – Avg home price is \$316K

Lincoln – Avg home price is \$ 224K

## Difference of 1 cent increase to tax bill of a homeowner

Oromocto = \$31.60

Lincoln = \$22.40 (This would mean that the avg. homeowner would see a \$78.40 increase in their overall tax bill)



# General outlook 2023

## Revenues

- Property tax is \$13.9M (based on rate of \$1.4051/\$0.9007)
- PILT – \$6.5M
- Equalization \$486K
- LSD contribution for fire services approx. \$1.1M
- Remaining revenues assume \$2.1M

**Total 24.1M** (20.9M in 2022)



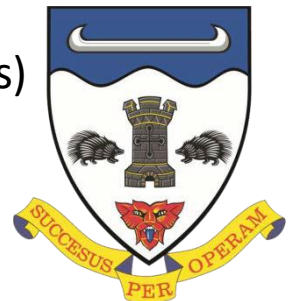
## Pressures

- **Water Rates (we are subsidizing water)**
- New CBAs and the impact on budgets (2<sup>nd</sup> order impacts)
- CPI = 6.8%
- RSC costs = \$245K
- Reduction 20% on Community Equalization Grant = \$100K
- Catch up on Capital reinvestment = \$6M
- LGR procedural costs/operational gap = \$110K over next 3yrs



# 2023 Considerations

- Water – modernize billing approach
  - Will need to reassess to kick-start on infrastructure renewal & base water/sewer rate increases 185/285%
- New sewage treatment plant/force main – Oromocto West to deal with capacity and growth
- Nursing Home – Providing of municipal services & land
- New Cultural and Recreational Facility – design/planning w/potential future increases to mil rate for debt servicing and operational costs
- Planning for future – long term financial plan, asset management strategy and departmental master plans
- Costs pressures - Wage increases, cost of power, the impact of rising fuel, material and labour costs
- Costs due to Local Governance Reform (Regional Services/ Regional Assets)



# Potential Future Capital Budget

	\$
Paving and Road Construction	1.5M
Water and Sewer	2.1M
Equipment	2.0M*
Building Maintenance	165K
Parks and Recreation Facilities	515K
Fleet Replacement	4.2M*
Recreation and Cultural Facility	55M*
Waste Water Treatment Plant	25M*

\* Means total cost of a phased-in project



# Strategic Long-Term Planning

**To Provide clarity in direction and transparency to our citizens**

- Development of new departmental master plans
- Creation of asset management plan
- Long term financial plan
- Corporate strategic plan
- Continuous improvement and implementation
- Establish partnerships to secure external funding for capital projects





# Reducing financial risks

- Planning Ahead - Thinking long term (understanding 2<sup>nd</sup> and 3<sup>rd</sup> order impacts)
- Managing for the long run (not just next year)
  - Must do
  - Should do
  - Nice to do
- Continue to look for efficiencies (technology, process improvements, training)
- Refine our tendering and project management processes
- Addressing systemic operational budget deficiencies (general, water and sewer)  
Must have a robust and well thought out plan
- Understanding the challenge of sustainment/infrastructure renewal
- Do the best to make every dollar count!



# Your comments and Questions

- Concerns with the 2022 Budget
  - Was anything missing?
- Recommendations for 2023:
  - Changes to existing programs or services?
  - New programs or services? New ideas for innovation?
  - Questions or comments on Local Governance Reform / inclusion of Lincoln.
- Long term investment priorities, are we on the right path?

