



Town of Saint Andrews Public Presentation 2018 Budget

January 11, 2018

Agenda

- Legislative Authority
- 2017 Operational and Capital Achievements
- 2018 and Beyond – Planning for Self-Sufficiency - through Asset Management
- Investing for the Future:
 - Mill Rate
 - User fees
 - Water and Wastewater Fee Structure
 - Reserves for Capital Planning

Legislative Authority for Municipal Budget

Local Governance Act, Parts 2 and 9

Purpose:

- to provide good government;
- to provide services, facilities, or things the Council considers necessary or desirable for all or part of local government;
- to develop and maintain safe and viable communities;
- to foster the economic, social, and environmental well-being of its community.

Four Components to the Budget

- General Operating Fund
- General Capital Fund
- Utility Operating Fund
- Utility Capital Fund

2017 Key Achievements - General Operating Fund

Surplus on operations: \$286,700

Revenue higher than projected, due to:

- Increased property assessment base

- Sale of assets

- Increase in number of building and development permits

Expenses lower than projected, due to:

- Winter maintenance and equipment costs less than budgeted

- Staff vacancies, partial year

- Consulting fees under budget

How Will The \$286,700 Operating Surplus Be Spent?

- Transfer to Capital Program: \$144,580
- Fire Protection Cost: \$ 97,313
- Projected Surplus: \$ 44,806

2017 Key Achievements - Capital Projects:

Water / wastewater / storm-water projects:

Charles St., Alexandra Cres., Joe's Point Road

Augustus St., Queen St., Edward St.

Replacement of manhole structures, Frederick, Water St.

Paving:

Champlain Ave. and Bar Road (Mowat to Champlain)

Youth Centre Skate Park

Ross Memorial Library parking lot

Route 127 designated highway

Emergency repairs at the Market Wharf and Market Square

Upgrades to washrooms at Wharf and Arena

IT Server Upgrade at Town Hall

2017 Key Achievements - Service Improvements:

- New firetruck
- Hiring a Wharfinger / By-Law Enforcement Officer
- Creation of the new position of Asset Manager (funded by elimination of Public Works position)
- Filling the vacant Public Works Supervisor position
- New agreement with Southwest NB Service Commission for the provision of Building Inspection / Planning and Development Services

2017 Key Achievements – Public Accountability:

- Ten (10) Special Meetings on 2018 budget, open to the public
- Public consultation sessions: deer management, trail route options, Market Square
- Public meetings, with presentations: 2017 Budget, Indian Point land lease, Heritage By-Law, NB Climate Change Secretariat, Age-Friendly Community Committee, Anglican Parish, Youth Centre Skatepark Committee, Ministers Island Board of Directors
- Public Presentations and Hearings of Objections for re-zoning and municipal plan amendments: 161 Augustus St.; 260 Water St.; KIRA
- Referrals to PAC for opinions: (3 development files noted above), 209 Water St., Heritage By-Law
- New Procedural By-law, Advisory Committee Policy, Financial Planning Policy, and Investment Policy

2017 Key Achievements – Property Matters:

- Sale of asset – Niger Reef Teahouse
- Donation to the Town – Maxwell Park (off Bar Rd.)
- Council motion to assume ownership of Charlotte County Courthouse, from Province
- Ratification of Letter of Intent with Kiwanis for land lease at Indian Point
- Federal and provincial funding support for repairs to roof – W. C. O’Neill Arena
- Emergency Repairs at Market Wharf and Market Square

2017 Saint Andrews Property Tax Rate = \$1.19 / \$100 assess't
(No increase fr. 2016)

McAdam	\$1.5913
St. Stephen	\$1.58
Black's Harbour	\$1.5585
PROVINCIAL AVG.	\$1.535
St. George	\$1.38
Harvey	\$1.3354
Saint Andrews	\$1.19

Note: Saint Andrews Mill Rate was 22.5% lower than Provincial Avg.

	2018 Tax Base	Core Funding	Equalization Grant	Financial Assistance	TOTAL
St. Stephen	\$339 m	118,409	1,228,417	95,785	\$1,442,611
Saint Andrews	\$301 m	59,679	-	-	\$59,679
St. George	\$134 m	40,305	75,496	-	\$115,801
Black's Harbour	\$64 m	31,781	143,972	10,605	\$186,358
McAdam	\$50 m	10,143	454,776	30,978	\$495,897
Harvey	\$19 m	2,462	48,549	-	\$51,011

Increased Tax Revenue was a Result of Growth of Assessment Base

Property Taxes = 83% Total Operating Revenue

A 1¢ increase in tax rate = approx. \$30,000 to Town

Growth in Saint Andrews Tax Base 2017 to 2018: \$6.95 m

Total Tax Base 2018: \$301 m (2.4% growth from 2017)

Revenue from growth in tax base: \$82,731

**The key to revenue growth is building the assessment base,
ie. Development!**

UTILITY OPERATING FUND	2017 Budget	2017 Projected
REVENUE:	789,354	765,024
EXPENSES:	754,641	723,410
SURPLUS / (DEFICIT):	34,713	41,614
TRANSFER TO UTILITY CAPITAL	34,713	41,614

Note: 5-Yr. Utility Capital Requirements: **\$2.9 million**

UTILITY CAPITAL FUND	2017 Projected
REVENUE: Transfer fr. Utility Operating Fund Transfer fr. Utility Capital Reserve New Long Term Debt <u>Canada WWtr Fund</u> TOTAL FUNDING	 41,614 80,000 75,000 <u>515,474</u> 712,088
EXPENSES:	712,088
TOTAL Projects	712,088

2017 Water / Wastewater / Storm-water Projects:

Charles St., Alexandra Cres., Joe's Point Road

Augustus St., Queen St., Edward St.

Replacement of manhole structures, Frederick, Water St.

Town of Saint Andrews Priorities for 2018 and Beyond

Municipal Plan Review:

Transportation Plan (incl. parking)

Recreation Plan

Economic Development Plan

Environmental Management Plan

Improved Public Communications - New Town Website

Responsible Asset Management

Climate Change Adaptation Plan

Arena Roof (\$1.2m), Market Square (\$1.5m),

Wharf Repairs (\$1.54 m), new Health Centre (> \$1 m)

Implementation of Recycling Program

Building Reserves to Match Fed. / Prov. Funding Programs

Operational Savings in 2018

- Transition of Building Inspection, Planning & Development Services to Southwest NB Service Commission
- Not filling retirement vacancy – Public Works
- No investment in Katy's Cove
- No investment in Rural Lynx
- Energy efficiencies at Arena
- Potential property tax savings, Museum and Courthouse
- Partnering with Southwest NB Service Commission for Economic Development

Asset Management Planning

- A condition of federal and provincial funding
- An asset management plan is required by the Province by June 2018

What is it?

A systematic long-term plan for the optimal, sustainable delivery of objectives through cost-effective, life-cycle management of our assets.

Rating and Ranking

- **Good condition:** New to mid-stage of useful life, requires some maintenance
- **Average condition:** Later stage of useful life, minor deterioration, may require major maintenance
- **Poor Condition:** End stage of useful life, requires replacement or disposal

CONDITION RATED vs. CRITICALITY:

1. Low Consequence if failed
2. Avg. Consequence if failed
3. High Consequence if failed

What's Included? Asset Inventory

- Road and parking lot surfaces and base
- Water, wastewater, storm-water systems
- Culverts, sidewalks, trails
- Hydrants and fire-suppression systems
- Street lights and signage
- Buildings: roofs, windows, cladding, mechanical systems, etc.
- Wharves, dams, bridges, breakwaters
- Equipment
- Other?

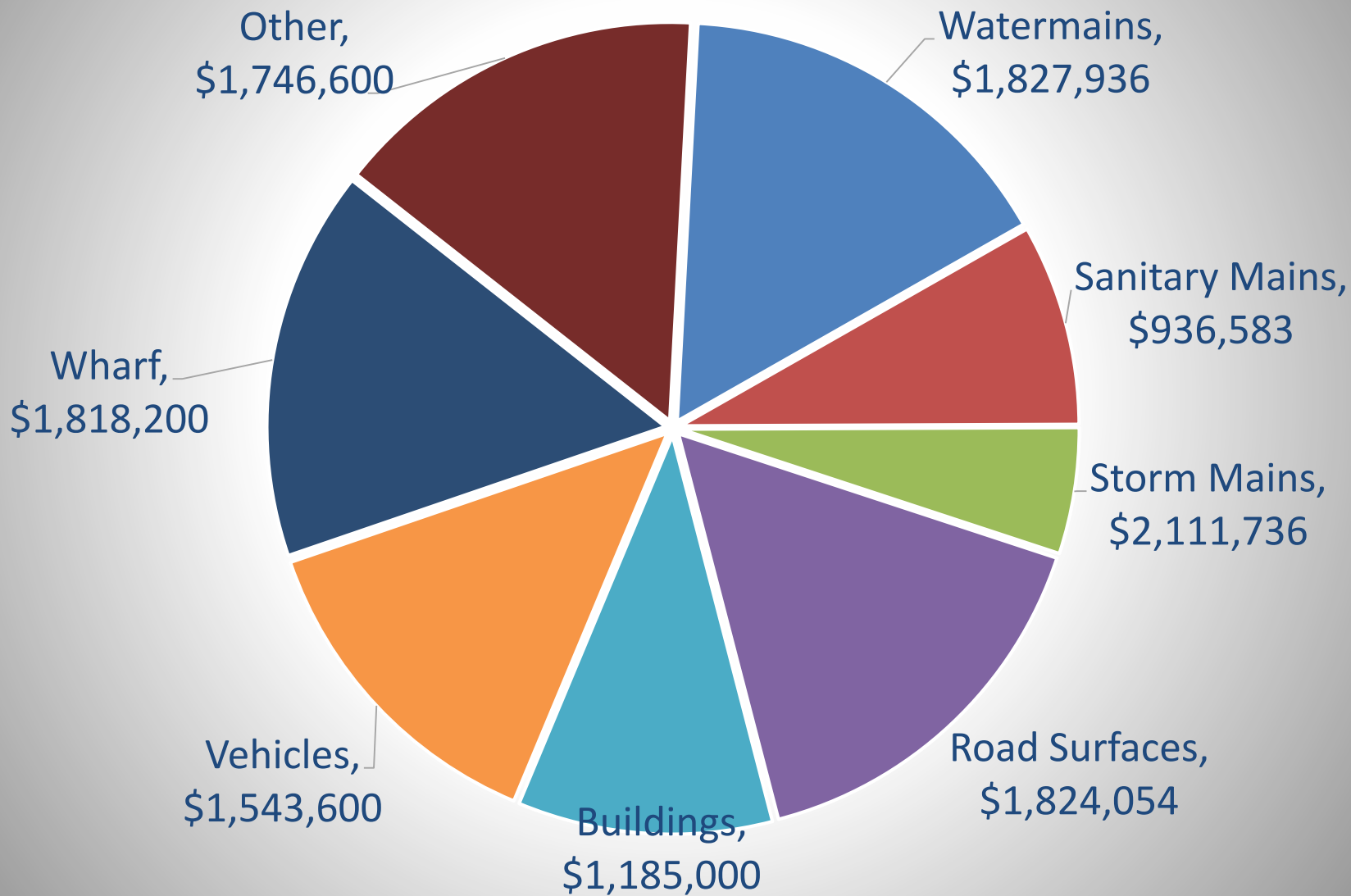
APPROX. TOTAL VALUE OF TOWN ASSETS: **\$80 million**

Town of Saint Andrews Asset Inventory

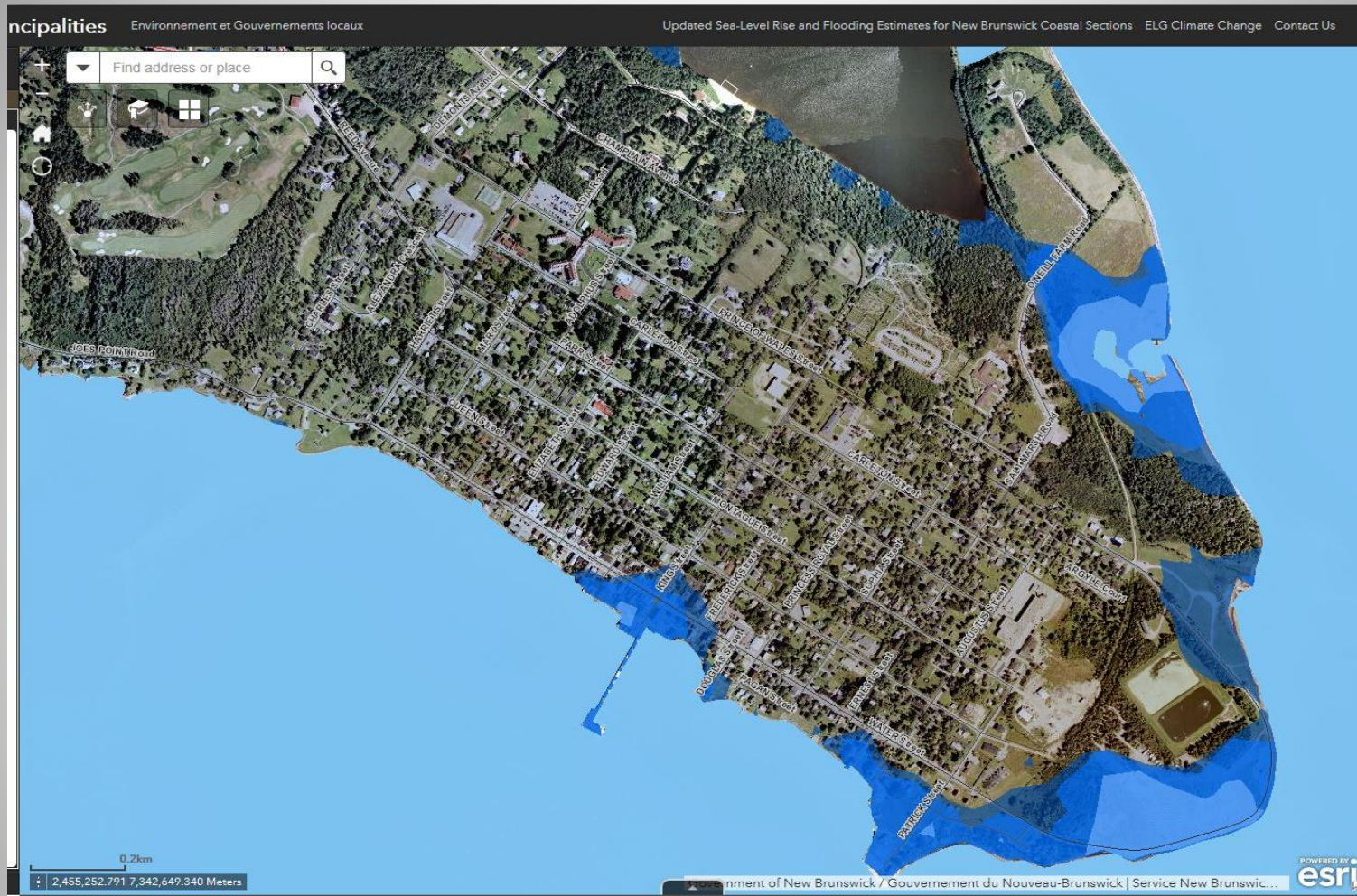
- Watermains: 40,580 meters, replacement value = \$15.5 m
17% rated as poor condition / high criticality = \$1.83 m
- Sanitary mains: 25,972 meters, replacement value = \$9.3 m
6% rated as poor condition / high criticality = \$936,583
- Storm mains: 9,274 meters, replacement value = \$3.7 m
56% rated as poor condition / high criticality = \$2.1 m
- Roads: 33.55 lane KMS, replacement value = \$11.6 m
poor condition / high criticality = \$1.8 m
- Sidewalks: 6379 meters, replacement value = \$1.8 m
< 1% rated as poor condition

5-Year Cost Projection = \$12.9 million

(Poor Condition and High Criticality)



Significant Missing Piece – Climate Change Adaptation



The *Coastal Areas Protection Policy* requires that any new habitable space be located/installed at 2.0 meters above the Higher High Water Large Tide elevation (a 19 yr. avg. of high tide elevations).

General Capital Program 2018 = \$2.13 m

Storm-water Mains (Edward St., Augustus St.)	\$101,800
Street paving, incl. Route 127, Charles St.	\$566,000
Arena Roof & Building	\$823,000
Vehicles & Equipment	\$105,000
Fire Hall, Youth Ctr., Museum, Library - Structural	\$ 90,500
Parking & Public Washrooms	\$115,000
Wharf and Market Square	\$180,000
Street Lights	\$48,400
Other – IT and Soccer Field	\$25,000
Courthouse and other Strategic Priorities of Council - tbd	\$40,000

Funding for General Capital Projects

Operating Surplus (Tax Revenue)	\$350,000
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New Borrowing	\$337,000
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Reserve Fund	\$350,000
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Government Funding	\$1,028,676
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As per the Local Governance Act, debt payments on General Capital cannot exceed 20% of the total budget. Including the new debt, the Saint Andrews debt payment will total 7% - a strong position as we move forward.

Funding of 2018 Operations Being Distributed Across All Sources

- 2 cent increase to municipal tax rate in 2018 (\$1.21/\$100) = a total increase of \$60,000 to revenue
- New water / wastewater rates structure as of 2018
- Increases in all user fees: permits, licences, wharf, arena
- Lease space rate increases: sidewalks, decks, etc.
- More aggressive pursuit of grant funding
- More aggressive pursuit of development opportunities

Effect of 2 Cent Tax Increase on Homeowners

Assessed Value	Increase in Municipal Tax
\$150,000	\$30
\$250,000	\$50
\$300,000	\$60
\$400,000	\$80
\$500,000	\$100

Utility Fund - 2018

Projected Revenue:	\$930,100
Projected Expenses:	<u>\$875,100</u>
Surplus/(Deficit) before Capital:	\$ 55,000
Less: Transfer to Capital Program	<u>\$ 55,000</u>
Year End Surplus/(Deficit):	\$ 0

NOTE: Projected 5-Year Utility Capital Requirements = **\$2,865,241**

2018 Utility Capital Program

- Combined water/sanitary on Edward St. (Water St. to shore)
(Note: Storm-water replacement included in General Capital Prog.)
- Sanitary line on Ernest St.
- Re-location of water/ sanitary at Town Hall
- SCADA system and alarms on lift stations
- Replacement pumps for water distribution systems

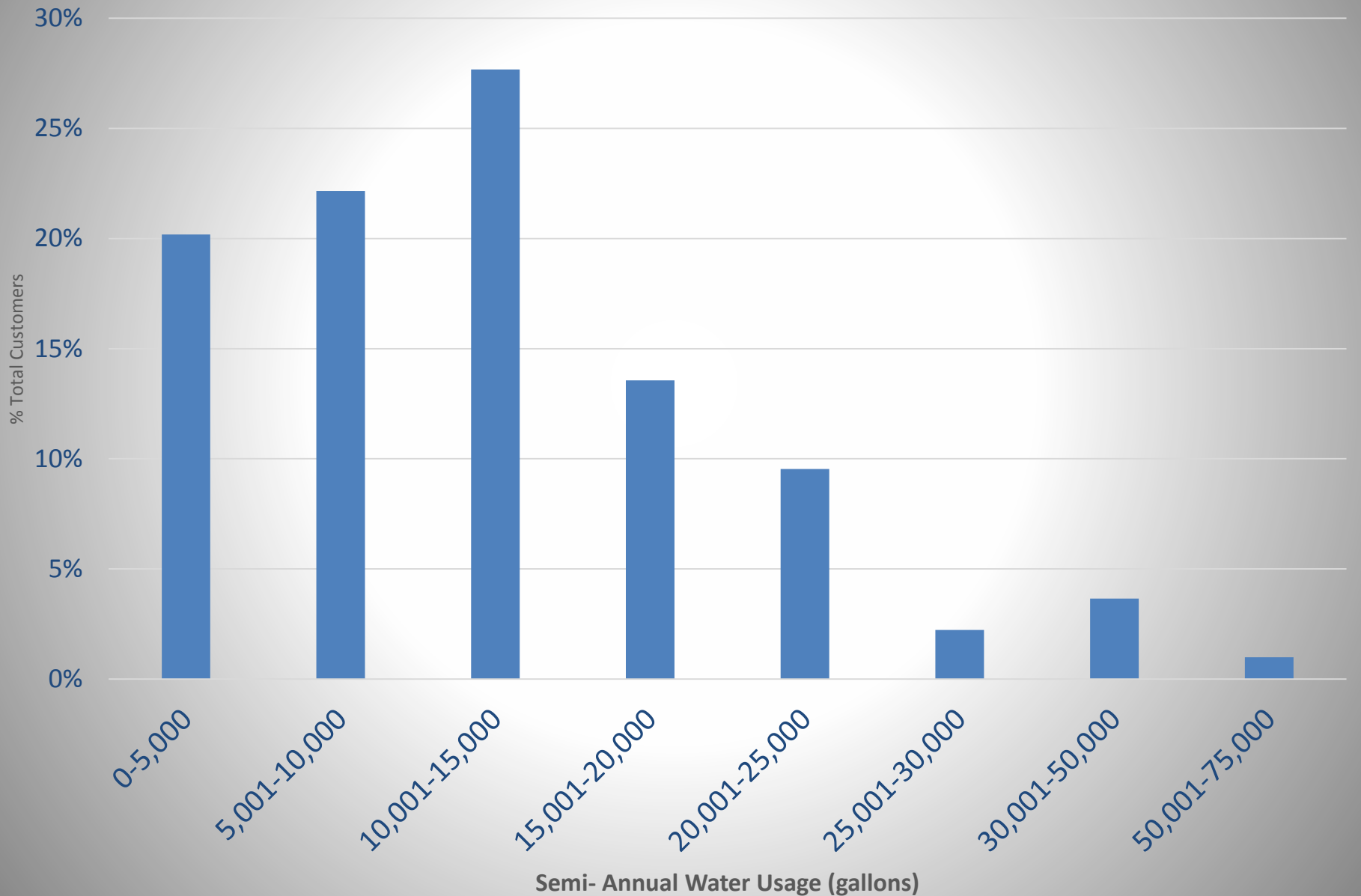
TOTAL 2018 Utility Capital Program: \$290,400

New Water & Wastewater Rate System in 2018

- Analysis completed by G. Isenor & Assoc.
- Current rates structure is outdated (20 yrs.), subsidized by users with lowest consumption, rates are much lower than most other municipalities.
- Currently not generating sufficient revenues to operate the utility and cover required capital investments – a legislated requirement.
- New model based on international standards (American Water Works Assoc.) and the National Guide to Sustainable Municipal Infrastructure.
- New model follows a principle of fairness, user pay model (base rate according to meter size, same consumption rate for all users).

% of Customers by Consumption Level

(70% Users Under 15,000 gal.)



New Water Rate Formula, based on Consumption

	OLD RATE	NEW RATE
Semi-Annual Base Charge	\$140	Starting at \$95.73 (Based on meter size)
Semi-Annual Infrastructure Fee	\$70	\$0
Free gallons	30,000 gallons	Pay at gallon 1
Consumption Rate	\$4.25/ gallon	\$3.92/gallon
Consumption Rate over 250,000 gallons	\$2.25/gallon	\$3.92/gallon

New Wastewater Rate Formula

	OLD RATE	NEW RATE
Semi-Annual Base Charge	\$0	Starting at \$59.88 (Based on meter size)
Consumption Rate	\$4.25/ gallon	\$5.04/gallon
Consumption Rate over 250,000 gallons	\$2.75/gallon	\$5.04/gallon

Projected Effect on Residential Rates (Water and Wastewater Combined)

Semi-Annual Consumption (gallons)	Average Increase
0 - 5,000	- \$31
5,001-10,000	- \$7
10,001-15,000	+ \$17
15,001-20,000	+ \$40
20,001-25,000	+ \$63

Note: 70% Users Consume Under 15,000 gallons
24% Users Consume 15,000–25,000 gallons

Beyond 2018:

- Growing capital needs – Operating and Utility
- Significant unknown pieces related to climate change adaptation
- Utility rates need to cover utility capital costs
- Need to be able to contribute to federal provincial funding programs
- Mill rates will likely continue to increase in the future