

# Town of Saint Andrews Public Presentation 2019 Budget

December 17, 2018



# Agenda

- Legislative Authority
- 2018 Operational and Capital Achievements
- 2019 Operational Capital Budgets
- Future Challenges and Opportunities

# Legislative Authority for Municipal Budget

## Local Governance Act, Parts 2 and 9

- 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 Budget
- General Capital Budget
- Utility Operating Budget
- Utility Capital Budget



# 2018 in Review

2018 Property Tax Rate = **\$1.21/ \$100 assess't**

McAdam	\$1.5934
St. Stephen	\$1.58
Black's Harbour	\$1.5585
<b>PROVINCIAL AVG.</b>	<b>\$1.3988</b>
St. George	\$1.40
Harvey	\$1.3354
<b>Saint Andrews</b>	<b>\$1.21</b>

Note: Saint Andrews Mill Rate was **14% lower** than Provincial Avg.

# Projected 2018 Year-End Results

## 1- General Operating Fund

	2018 Budget	2018 Projection	Over/ (Under)
General Operating Revenue	4,391,434	4,407,490	16,056
General Operating Expenses	4,063,593	3,870,037	(193,556)
Surplus/Deficit	327,841	537,452 (transferring to Capital)	209,612

**Savings due to:** Consulting Costs for Municipal Plan Review and for Market Wharf planning, Staff vacancies, delayed costs at Courthouse

# Projected 2018 Year-End Results

## 2- General Capital Fund

	2018 Budget	2018 Projection	Over/ (Under)
General Capital Budget	2,107,742	1,914,456	(193,286)

### Projects under budget:

Parking, Firehall roof, Arena windows, Youth Ctr. siding,  
Charles St. paving.

# FUNDING FOR GENERAL CAPITAL

2018  
Projected

## REVENUE:

Transfer fr. General Operating Fund

525,528

Transfer fr. Reserve Fund

195,000

New Long Term Debt

155,000

Government Funding

969,674

Donations

66,623

Sale of Surplus Vehicles

2,631

**TOTAL FUNDING**

1,914,456

**EXPENSES:**

1,914,456

# Projected 2018 Year-End Results

## Utility Operating Fund

	2018 Budget	2018 Projection	Over/ (Under)
Utility Operating Revenue	762,000	747,742	(14,258)
Utility Operating Expenses	651,100	636,399	(14,701)
Surplus / (Deficit)	110,900	111,343	443
Transfer to Utility Capital fund	110,900	110,900	-

Note: 5-Yr. Utility Capital Requirements: **\$5.6 million**

# Projected 2018 Year-End Results

## 4- Utility Capital Fund

	2018 Budget	2018 Projection	Over/ (Under)
Utility Capital Budget	341,996	313,169	(28,827)

### Projects under budget:

Deferred replacement of the SCADA alarm system.

FUNDING FOR UTILITY CAPITAL	2018 Projected
<b>REVENUE:</b> Transfer fr. Utility Operating Fund Transfer fr. Utility Capital Reserve New Long Term Debt Government Funding <u>Private Partnership</u> <b>TOTAL FUNDING</b>	110,160 110,000 0 80,009 <u>13,000</u> <b>\$313,169</b>
<b>EXPENSES:</b>	<b>\$313,169</b>

# Key Operating Achievements in 2018:

- Asset Management Policy and Phase 1 AM Plan
- Secured funding: Expanded Arena Roof, Bar Rd. rehabilitation, Climate Change Adaptation Plan
- New Water/Wastewater Rate Structure and Schedule
- New Policies: Asset Management, Investment, Advisory Committees, Procurement, Vehicle Use, Memorial Benches, Street Ends
- Filled staff vacancies: P.Wks Supervisor, P.Wks Operator, Finance Clerk
- Established operating procedures with RSC for Build'g Inspection / Planning & Develop't Services, Municipal Plan Review
- New permitting procedures: driveways, peddlers
- Region-wide curbside recycling program
- Review and Drafted By-Laws to comply with new Acts: Building By-Law, Subdivision By-Law, Dangerous and Unsightly Premises, Police Protection, Council Code of Conduct

# 2018 Key Achievements - Capital Projects:

- **Water, wastewater, stormwater upgrades:**
  - Edward St.; Augustus St., Ernest St., King St. to Town Hall
- **Surfaces:**
  - Final phase Charles St.
  - Widening sections Rte 127, improved drainage
  - Sidewalk Thomas Ave. to Bar Rd.
  - Asphalt certain streets Champlain Subdiv'n
  - Expanded parking at Arena
- **Buildings and Structures:**
  - Roof replacements: W.C. O'Neill Arena, Firehall, RM Museum
  - Soccer field rehabilitation at Mallory Field
  - Structural repairs, Market Wharf
  - Siding replaced, Youth Centre
  - Windows replaced: Arena, RM Library
  - Ammonia Leak Alarm System installed: Arena
- **Vehicles and Equipment:**
  - Truck for Public Works
  - New Boat and Motor at the Wharf

# 2018 Key Achievements – Public Accountability

**7 Special** public meetings on 2018 Budget;  
**6 Special** public meetings on 2019 Budget.

- **8 Public Consultation Sessions:** Design Concept for Market Square / Market Wharf, Courthouse Open House, Medical Centre location, Municipal Plan Vision, Municipal Plan Priorities Working Session, Regional Recreation Plan, Recycling Program Kick-Off, SMART Communities Forum, Water/Wastewater Rates, Wharf Rates.
- **11 Presentations to Council:** Age-Friendly Committee, Coastal Trail Network, SW NB Transit Authority, Kiwanis Father's Day Race, Saint Andrews Paddling Club, 2017 Audit Results, Municipal Plan Process, Huntsman Science Ctr. Business Plan, Engineers' pres'n re: Wharf/Square concept, UNB Team - Deer Management Study, NB Seniors Goodwill Ambassador Program.

## 2018 Achievements: Public Accountability – cont'd

- New Town website and new website for Municipal Plan; Outreach at Farmers Markets: Municipal Plan, Recycling Prog. Public Notice Board at Town Hall, Increased Social Media Presence and CAO's Blog
- **By-Law Presentations and Hearings of Objections:** Microbreweries / nanobreweries, C. Smith Subdivision, Central Commercial Definition, Zoning By-Law updates for New Act, Vehicular Movement By-Law, BIA Levy.
- **Direct Town-wide mail-outs:** Spring and Fall Newsletters, Age-Friendly Survey, Nuisance Deer Program and Fact Sheet on Ticks, Call for Advisory Committee Nominees, Re-cycling Program, Tri-Athlon Street Closures, Water- Wastewater System Scorecard, Town Operations Holiday Schedule
- Mayor's State of the Town Address



# 2019 and Beyond

# Asset Management Planning

- A condition of federal and provincial funding

## What is it?

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

# What's Included? Asset Inventory

- Road and parking lot surfaces and base
- Water, wastewater, storm-water systems
- Culverts, curbs, and sidewalks
- Hydrants and fire-suppression systems
- Street lights and signage
- Buildings: roofs, windows, foundations, cladding, mechanical systems, etc.
- Wharves, dams, bridges, retaining walls
- Vehicles and Mobile Equipment
- Public squares, green spaces, fields and parks, trails, street ends, shoreline protection

Other?

# Asset Management

Replacement Value = \$88 million, BUT  
What's Not Included So Far:

- Any new development initiatives
- Projects associated with Climate Change Adaptation
- Green Spaces, other Natural Assets, Street lights, signs
- Buildings and components still to be validated

# 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

# Overdue Asset Replacement

- Watermains:
  - 23 years overdue: \$184,475
  - 13 years overdue: \$932,000
  - 11 years overdue: \$201,035
  - 2 years overdue: \$110,668
- Sanitary Mains:
  - 28 years overdue: \$88,000
  - 18 years overdue: \$178,000
  - 11 years overdue: \$269,500
  - Now overdue: \$57,734

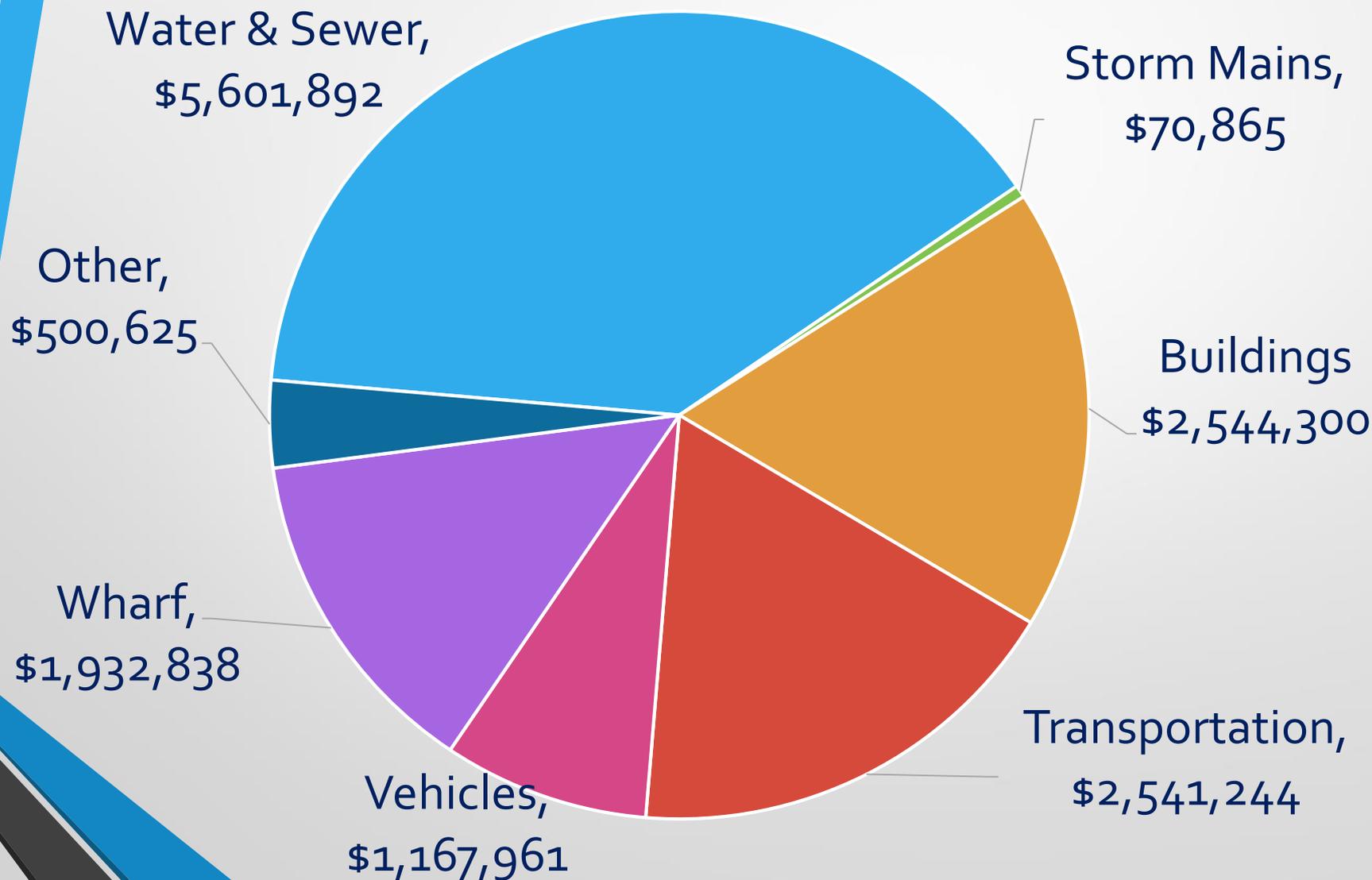


5-Year Asset Management  
Recommendations: \$14.4 million

5-Year Asset Management  
Budget: \$12.5 Million  
(dependent on \$5.3 million  
government funding)

# 5-Year Recommendation= \$14.4 million

(Poor Condition and High Criticality)



# 2019 Budgets Highlights:

- 8.4% increase in revenue, due to 6.2% growth in assessment base, 3 cent increase to Mill Rate
- Decrease in Equalization grant, LSD Fire Protection Grant
- Increased water / wastewater revenue from new rate structure
- Based on Asset Management Risk Assessments
- Certain projects depend on govern't funding (Hwy 127, Bar Rd).
- No federal funding programs available yet for infrastructure, 5-Year Projections dependent on \$5.3 million government funding  
Annual 3 cent increase to Mill Rate.

	2019 Tax Base	Equalization / Core Funding
St. Stephen	\$339 m	\$1,595,353
<b>Saint Andrews</b>	<b>\$320 m</b>	<b>\$56,879</b>
St. George	\$136 m	\$121,122
Black's Harbour	\$61 m	\$239,161
McAdam	\$50 m	\$545,334
Harvey	\$20 m	\$48,201

# 2019 Budget

## 1- General Operating Fund

	2019 Budget
General Operating Revenue	\$4,753,343
General Operating Expenses	\$4,323,007
Transfer to Capital Program	\$430,336

# GENERAL CAPITAL BUDGET

2019

## REVENUE:

Transfer fr. General Operat'g Fund

430,336

Transfer fr. Reserve Fund

176,400

New Long Term Debt

457,000

Government Funding

1,447,464

Donations

750,000

**TOTAL FUNDING**

\$3,261,200

**EXPENSES:**

\$3,261,200

# Planned Capital Projects: 2019

- Sidewalk on upper end, Harriett St.
- Designated Highway
- Bar Road Rehabilitation
- Replace Backhoe
- Arena Structural Repairs
- Firehall: Jaws of Life, Radio Repeater
- Tennis Court Refurbishment
- Bar Road Trail Contribution
- Wharf Protection
- Market Square Protection
- Medical Centre
- Roof, Insulation, Heat Pump at Town Hall
- 1/3 Water St. Street Lights
- Armour Stone Protection

# Debt Analysis – General Fund:

	Principle & Interest	Debt Servicing % Budget
2018	256,388	5.84%
2019	295,056	6.21%
2020	310,908	6.34%
2021	343,774	6.75%
2022	432,258	8.16%

# 2019 Budget Utility Operating Fund

	2019 Budget
Utility Operating Revenue	\$969,620
Utility Operating Expenses	\$618,719
Surplus / (Deficit)	\$350,901
Transfer to Utility Capital fund	\$350,901

Note: 5-Yr. Utility Capital Requirements: **\$5.6 million**

# UTILITY CAPITAL BUDGET

2019

## REVENUE:

Transfer fr. Utility Operating Fund

350,901

Transfer fr. Utility Capital Reserve

10,800

New Long Term Debt

687,500

Government Funding

0

## TOTAL FUNDING

**\$1,049,201**

## EXPENSES:

**\$1,049,201**

<b>PROJECTS:</b> Watermains:	\$417,905
Sanitary Mains:	\$431,296
Liner for Water Reservoir:	\$125,000
Fans, Pumps, Alarms:	\$ 63,000
Demolition:	\$ 12,000

# Debt Analysis – Utility Fund:

	Principle & Interest	Debt Servicing % Budget
2018	264,598	35%
2019	220,962	23%
2020	287,121	30%
2021	278,868	29%
2022	269,063	27%
2023	318,029	32%

Property Taxes = 83% Operating Revenue

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

Growth in Saint Andrews Tax Base 2018 to 2019: \$18.7 m

Total Tax Base 2019: \$320 m (6.2% growth from 2018)

Revenue from growth in tax base: \$226,126

**The key to revenue growth is  
building the assessment base,**

**ie. Development!**

# Effect of 3¢ Tax Increase on Homeowners

Assessed Value	Increase in Municipal Tax
\$150,000	\$45
\$250,000	\$75
\$300,000	\$90
\$400,000	\$120
\$500,000	\$150

# Priorities for 2019 and Beyond

Growth of Assessment Base

Municipal Plan Review:

- Transportation Plan, Housing Strategy, Economic Development Plan, Recreation Plan, other?

Growing Capital Needs - Responsible Asset Management  
- Secure Water Supply

Climate Change Adaptation – Needs Unknown

Utility rates need to cover utility capital costs (will take many years)

New Medical Centre, 2<sup>nd</sup> Physician

Building Reserves to match Fed. / Prov. Funding

5-Year Projections show 3 ¢ increases to Mill rate annually

## Next Steps:

Council expected to approve 2019 budget  
and 5-Year Projections on Dec.19

Budget submission to Province by Dec.31



Thank-you!