

# Valley Waters 2023 Operating Budget

Updated Presentation to Council, March 07

- Local Governance Reform – Key Budget Concepts
- 2023 Operating Budget
- 2023 Utility Budget (former Village of Norton Sub-Unit)
- Next Steps



# Local Governance Reform

## 2023 Budget

### Key Concepts

# BUDGET SUB-UNITS

Each former entity is defined as a "sub-unit" in the budget.

Valley Waters has 6 sub-units (Norton (V), Springfield (LSD), KARS (LSD), Wickham (LSD), Norton (LSD), Upham (LSD))

Each sub-unit has historically had its own tax rate, and each continues to have a distinct tax rate for 2023.

In future years, Council will determine future rates (ie. maintain sub-units, merge some or all, etc.)

Province's goal in future is to reduce sub-units and work toward one rate for each municipality.

Some costs assigned to sub-units are local costs, some are shared

# LOCAL COSTS vs. SHARED COSTS

- **Local service** = provided to a specific sub-unit only
  - Examples: public works /wastewater system in former Village, Belleisle Community Centre, debt/surplus, previous grants, agreements, existing contracts (eg. waste collection)
- **Shared service** = all other services
  - Examples: regional recreation facilities (Nutrien Centre), land use planning, building inspections, economic development and tourism, general government costs
- The Warrant (amount required to be generated from tax-base revenue) for each sub-unit is based on a combination of local and shared costs.
- TOTAL BUDGETED EXPENSES  
less: NON-TAX REVENUE (services to other gov'ts, rentals, transfers from reserves)  
= NET BUDGET  
less: UNCONDITIONAL GRANT  
= WARRANT

# UNCONDITIONAL GRANT: CORE FUNDING & EQUALIZATION

---

Allows municipalities to provide comparable service at comparable tax rates (as per formula in Community Funding Act)

---

Equalization grant to be reduced 20% annually, phased out after five years. Portion re-directed to RSC for newly mandated services.

---

2023 amount = \$28,578 Core plus \$203,508 Equaliz'n = **\$232,087** (full entity) compared to \$215,571 provided to the former Village alone in 2022.

---

The grant amount being re-directed to the RSC for 2023 = \$39,347.

# TAX BASE

- ▶ Year-over-year tax base growth for Valley Waters: **8.73%**  
(combination of development and assessment values)
- ▶ New construction 1.28%, re-assessment 7.45%
- ▶ Year-over-year Provincial tax base growth: 10.73%
- ▶ Property Assessments for budget year completed by Oct.15 each year (Community Funding Act).

	Norton (V)	Springfield	Kars	Wickham	Norton (LSD)	Upham
Tax Base	94,576,680	177,265,230	70,071,200	54,851,660	40,202,300	15,479,290
% Total	20.9%	39.2%	15.5%	12.1%	8.9%	3.4%

# ROADS / TRANSPORTATION

- ▶ Total Valley Waters budget: **\$610,793**  
\* not incl. DTI levy for former LSD's
- ▶ Cost to Norton (V): **\$606,255 (99.25%)**  
equipment, staff, patching, paving, ditching, plowing, salt & sand, street lights, etc. **Not shared with other tax units.**
- ▶ Additional **\$1500** signage allocation
- ▶ Shared cost for RSC Regional Transportation Initiative: **\$3,038**
- ▶ Road maintenance costs for the (non-Norton) tax-units are covered by the Provincial Roads levy (**\$0.4115/\$100**), **not included in Valley Waters budget, total \$984,337.**

Springfield	Kars	Wickham	Norton LD	Upham
\$468,543	\$200,816	\$161,180	\$108,346	\$45,452

# NON-RESIDENTIAL & INDUSTRIAL TAX RATES

- ← Non-residential & industrial rate previously 1.5x the residential rate.
- ← GNB provided flexibility (as of 2023) to adjust the non-residential tax rate to between 1.4x and 1.7x.
- ← Many municipalities are implementing the flexibility in non-residential rates.
- ← The Transition Facilitator recommended 1.7x for Valley Waters - this was approved in the budget.



# RSC MANDATED SERVICES

- RSC reform has added an additional requirement for municipal budgets in 2023
- Newly mandated RSC services cost for 2023 are partly offset by a portion of the Unconditional Grant being re-directed to RSC's (\$39,347)
- Newly mandated services for Valley Waters:
  - Regional Public Safety Committee
  - Regional Transportation
  - Social & Community Development
  - Regional Recreation Infrastructure & Development
  - Regional Economic Development
  - Regional Tourism Development

The slide features a light blue horizontal bar at the top. Below it is a large, rounded green rectangle with a white border, containing the title text. The background is white with abstract green and blue geometric shapes on the right and bottom edges.

# Valley Waters 2023 Operating Budget

# 2023 Budget Summary

- ▶ Non-tax Revenue: \$280,800 (see note\*)
- ▶ Total Expenses: \$3,845,100
- ▶ NET Budget: \$3,564,300
- ▶ less: Unconditional Grant: \$232,100
- ▶ Tax Warrant Required: \$3,332,200

**\* Non-tax revenue:**

- Sales of services to local government (Fire, Road Maintenance)
- Building Rentals, building permits

# Valley Waters Budget

Police Protection (RCMP)	\$1,183,600	30.8%
Roads / Transporta'n (not incl. DTI road levy paid to Province)	\$610,800	15.9%
Fire Protection	\$552,300	14.4%
Solid Waste	\$514,300	13.4%
General Government & NB Assessment Svcs	\$434,000	11.3%
Recreation & Culture	\$170,900	4.4%
Fiscal Services (Borrowing)	\$166,900	4.3%
Bldg. Insp'n & Animal Control	\$112,300	2.9%
Development Services	\$97,000	2.5%
Emergency Measures	\$2,000	0.05%
Public Health	\$1,000	0.03%
<b>TOTAL BUDGET</b>	<b>\$3,845,100</b>	<b>100%</b>

# Police (RCMP) Protection - Provincial Contract, Cost per Tax Sub-unit

Norton (V)	\$288,365	24.4%
Springfield	\$442,751	37.4%
Kars	\$175,530	14.8%
Wickham	\$137,485	11.6%
Norton (LSD)	\$100,644	8.5%
Upham	\$38,787	3.3%
<b>TOTAL</b>	<b>\$1,183,562</b>	<b>100%</b>

# ROADS / TRANSPORTATION

- ▶ Total budget: **\$610,793**
- ▶ Cost to Norton (V): **\$606,255 (99.25%)**  
includes equipment, staff, patching, paving, ditching, plowing, salt & sand, street lights, etc.
- ▶ Additional signage allocation to each sub-unit:

Norton (V):	\$600
Springfield:	\$400
Kars:	\$300
Wickham:	\$500
Norton LD:	\$200
Upham:	<u>\$100</u>
<b>TOTAL:</b>	<b>\$2,100</b>
- ▶ Shared contribution to RSC Regional Transportation Initiative: **\$3,038**
- ▶ Road maintenance costs for the (non-Norton) sub-units are covered by the Provincial Roads tax levy (**\$0.4115/\$100**), paid directly to the Province, totalling **\$984,337**

# FIRE PROTECTION

- ▶ Total budget: **\$552,291** (Combin'n local service provision, contracts with other depts)

- ▶ Norton Fire Dept. expenses: \$156,436  
Revenue from mutual aid contracts: - \$24,235  
Norton budget \$132,201

- ▶ Springfield Fire Dept. expenses: \$227,400  
Purchased service from Hampton: \$ 11,547  
Revenue from mutual aid contracts: -\$108,867  
Springfield budget \$130,080

- ▶ Wickham Fire Dept. expenses: \$105,430

- ▶ Kars purchased service: \$ 89,808

- ▶ Norton LD purchased service: \$ 51,531

- ▶ Upham purchased service: \$ 43,240

- ▶ **TOTAL:** **\$552,291**

# GENERAL GOVERNMENT - What is included?

- ▶ Provincial Cost of Assessment \$87,358
- ▶ Insurance, Legal, Audit \$36,000
- ▶ Phones, IT, office supplies, equip't & furniture \$18,100
- ▶ Council - stipends, deductions, travel, training, mmbrrships \$105,583
- ▶ Staff - salaries, benefits, travel, training \$144,000
- ▶ Municipal Bldg. (not incl. firehall) - taxes, utilities \$40,000
- ▶ Civic relations \$3,000
- TOTAL: \$434,041**
- ▶ Note: Government services are shared, based on tax base

	Norton (V)	Springfield	Kars	Wickham	Norton (LD)	Upham
Tax base	20.9%	39.2%	15.5%	12.1%	8.9%	3.4%
Cost	\$90,729	\$170,144	\$67,276	\$52,519	\$38,630	\$14,757



# RECREATION & CULTURE - What is included?

## ▶ Shared Cost:

Regional Recreation Facilities (Nutrien Civic Ctr.) \$75,734

## ▶ Local Costs:

Springfield: Belleisle Community Centre \$64,399

Springfield: Belleisle Home & School \$ 3,000

Norton (V): Outdoor Rink \$12,500

Norton (V): Parks maintenance & music program \$ 8,000

Upham: Central Kings Rec Ctr. \$ 6,213

Kars: KARS Recreation Society \$ 1,000

▶ **TOTAL:** **\$170,846**

# 2023 PROPERTY TAX RATES

	frmr. Village of Norton	frmr. LSD Springfield	frmr. LSD KARS	frmr. LSD Wickham	frmr. LSD Norton	frmr. LSD Upham
<b>2023 Valley Waters Residential Tax Rate</b>	1.1500	0.6326	0.5886	0.6657	0.5655	0.7640
<b>2023 Provincial Road Levy (goes to DTI)</b>		0.4115	0.4115	0.4115	0.4115	0.4115
<b>2023 Tax Rate / \$100 Assessment</b>	1.1500	1.0441	1.0001	1.0772	0.9770	1.1755
<b>\$ Change from 2022</b>	0.0045	0.0141	0.0205	0.0311	0.0208	0.0209
<b>% Change from 2022</b>	0.39%	1.37%	2.09%	2.97%	2.18%	1.81%

Note: Regulations limited tax rate change to \$0.05 / \$100 Assessment

# TAX RATE - Local vs. Shared Services

	frmr. Village of Norton	frmr. LSD Springfield	frmr. LSD KARS	frmr. LSD Wickham	frmr. LSD Norton	frmr. LSD Upham
<b>Tax Rate on LOCAL Services</b>	\$1.0052	\$0.4878	\$0.4438	\$0.5209	\$0.4207	\$0.6192
<b>Tax Rate on SHARED Services</b>	\$0.1448	\$0.1448	\$0.1448	\$0.1448	\$0.1448	\$0.1448
<b>TOTAL Valley Waters Residential Rate</b>	\$1.1500	\$0.6326	\$0.5886	\$0.6657	\$0.5655	\$0.7640
<b>Provincial Roads Levy</b>		\$0.4115	\$0.4115	\$0.4115	\$0.4115	\$0.4115
<b>TOTAL TAX RATE</b>	\$1.1500	\$1.0441	\$1.0001	\$1.0772	\$0.977	\$1.1755

# Budget- Norton Sub-Unit

Police Protection	288,365
Roads / Transportation	606,890
Fire Protection	132,201
Solid Waste	148,100
General Government & NB Assessment Svcs	90,729
Recreation & Culture	36,331
Fiscal - Borrowing & Banking	47,392
Other Protection (bldg. insp., animal control)	23,410
Planning & Develop't Services	25,100
Emergency Measures	418
Public Health	209
<b>TOTAL BUDGET</b>	<b>\$1,399,146</b>
<b>Less: non-tax revenue &amp; uncond. grant</b>	<b>\$ 271,589</b>
<b>Tax warrant required</b>	<b>\$1,127,587</b>

# Budget- Springfield Sub-Unit

Police Protection	442,751
Roads / Transportation	1,590
Fire Protection	130,080
Solid Waste	178,407
General Government & NB Assessment Services	170,054
Recreation & Culture	97,071
Fiscal (Borrowing & Banking)	88,060
Other Protection (Bldg., animal)	44,035
Planning & Development Services	35,612
Emergency Measures	784
Public Health	392
<b>TOTAL BUDGET</b>	<b>\$1,188,836</b>
<b>Less: non-tax revenue and uncond. grant</b>	<b>\$ 121,877</b>
<b>Tax warrant required</b>	<b>\$1,066,959</b>

# Budget- Kars Sub-Unit

Police Protection	175,530
Roads / Transportation	771
Fire Protection	89,808
Solid Waste	69,891
General Government & NB Assessment Svcs.	67,221
Recreation & Culture	12,729
Fiscal Services (Borrowing & Banking)	155
Other Protection (bldg. insp., animal control)	17,412
Planning & Development Services	14,077
Emergency Measures	310
Public Health	155
<b>TOTAL BUDGET</b>	<b>\$448,059</b>
<b>Less: non-tax revenue &amp; uncond. grant</b>	<b>\$42,130</b>
<b>Tax warrant required</b>	<b>\$405,929</b>

# Budget- Wickham Sub-Unit

Police Protection	137,485
Roads / Transportation	868
Fire Protection	105,430
Solid Waste	60,206
General Government & Assessment Svcs.	52,620
Recreation & Culture	9,181
Fiscal Services - Borrowing & Banking	31,122
Other Protection (bldg.insp., animal control)	13,631
Planning & Development Services	11,019
Emergency Measures	242
Public Health	121
<b>TOTAL BUDGET</b>	<b>\$421,929</b>
<b>Less: non-tax revenue and uncond. grant</b>	<b>\$38,778</b>
<b>Tax warrant required</b>	<b>\$383,150</b>

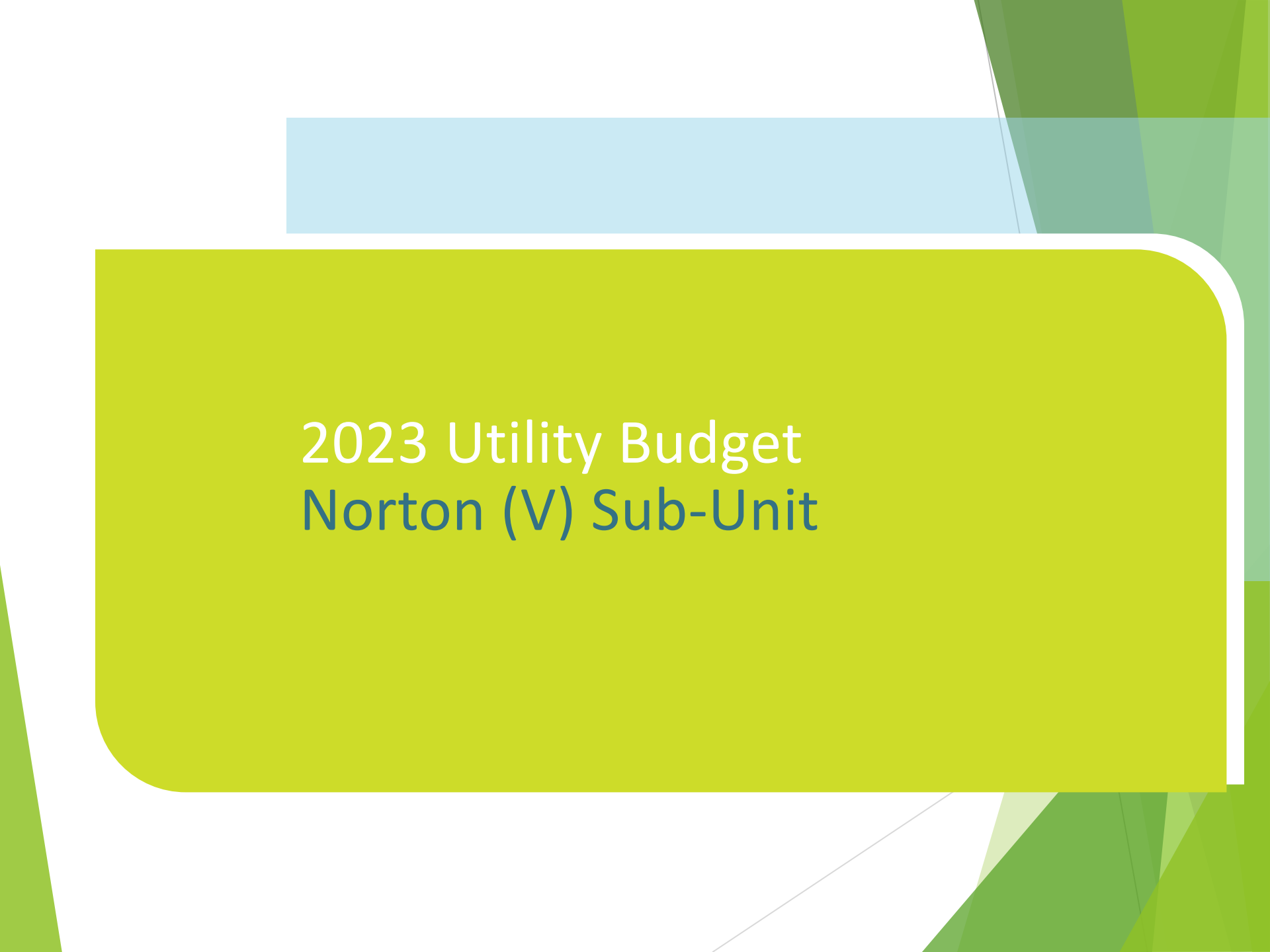
# Budget- Norton LD Sub-Unit

Police Protection	100,644
Roads / Transportation	470
Fire Protection	51,531
Solid Waste	40,877
General Government & NB Assessment Svcs	38,567
Recreation & Culture	6,729
Fiscal Services (Borrowing & Banking)	89
Other Protection (bldg.insp, animal control)	9,989
Planning & Development Services	8,076
Emergency Measures	178
Public Health	89
<b>TOTAL BUDGET</b>	<b>\$257,240</b>
Less non-tax revenue and uncond. grant	\$25,915
<b>Tax Warrant required</b>	<b>\$231,325</b>



# Budget- Upham Sub-Unit

Police Protection	38,787
Roads / Transportation	204
Fire Protection	43,240
Solid Waste	16,864
General Government & NB Assessment Svcs.	14,850
Recreation & Culture	8,804
Fiscal Services (Borrowing & Banking)	34
Other Protection (bldg.insp., animal control)	3,846
Planning & Development Services	3,110
Emergency Measures	68
Public Health	34
<b>TOTAL BUDGET</b>	<b>\$129,841</b>
<b>Less: non-tax revenue, uncondit. grant</b>	<b>\$12,577</b>
<b>Tax warrant required</b>	<b>\$117,264</b>



2023 Utility Budget  
Norton (V) Sub-Unit

# 2023 Utility Budget (Wastewater) Norton Sub-Unit

2023 Budget:	\$63,751
Less: Surplus from previous year:	<u>\$16,751</u>
Net Budget to be Raised from User Charges:	\$47,000

200 Users @ User rate: \$235 = \$47,000

# 2023 Budget - Next Steps

- ▶ 2023 Operating Budget & Tax Rates are final
- ▶ Work to identify areas for involvement/collaboration amongst sub-units
- ▶ Continue analysis when other entities publish budget and rates
- ▶ Ongoing updates to public
- ▶ Monthly reporting to Council
- ▶ Mid-Year: Year-End Projections
- ▶ Based on Council's Strategic Plan, administration to recommend a five-year plan based on costs and projects (fall 2023)



QUESTIONS?

