

BUDGET 2024: TRANSITIONS CONTINUED

Building financial resiliency



Grand Bay-Westfield

NEIGHBOURS BY NATURE

Content

Strategic Plan Review

Current Local Environment

Level of Service and Tactics

Budget 2024





Strategic Plan

Town's Vision, Mission and Values

Vision

A welcoming place for all to live, grow and thrive

Mission

Facilitating growth, wellness, and prosperity through effective and forward-thinking leadership.

Values

Understanding
Trust Teamwork Honesty
RESILIENCY
Justice Openness Courage
Inclusion Transparency

Town's Priorities and Mandate

Priorities	Mandate
<ul style="list-style-type: none">• Smart Growth• Organizational Capacity• Infrastructure and Climate Adaptation• Community Vitality	<p>Facilitating a welcoming and thriving community by:</p> <ul style="list-style-type: none">• Encouraging new assessment growth;• Enhancing organizational capacity;• Establishing proactive infrastructure resiliency;• Furthering climate change adaptation, and• Increasing community vitality.

Strategic Plan: 10-Year Outcomes

Smart Growth

New assessment growth goal of \$200M

Increased transit access

Community Vitality

Increase population by 1K

Opportunities for fulfillment

Increased participation

Strategic Plan: 10-Year Outcomes

Organizational Capacity

Reserves up to \$2M

Infrastructure and Climate Adaptation

Remediate brownfield land

Reduce greenhouse gas emissions

Curbside collection of solid waste and recycling

Strategic Plan Review

Projects

Community Centrum: Organizational Capacity

- Renovated for Administration and/or Fire-Rescue

Housing

Lonewater Farm: Smart Growth

Recreation Hub: Smart Growth/Community Vitality

Strategic Plan Review

Projects Continued

School: Smart Growth

Seniors Housing: Smart Growth

Snow and Ice Control: Organizational Capacity

Public Works Garage: Organizational Capacity



Strategic Priorities

2024 Budget

Smart Growth

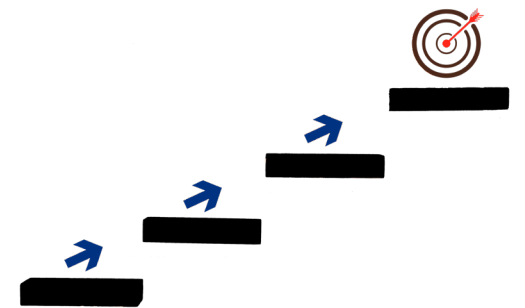
Advocate for the Province to enhance educational facilities and to partner for multi-purpose uses

Work to facilitate childcare spaces in the community

Implement the Economic Development Action Plan

Attract developers to build a diversity of housing options

Work with external stakeholders, developers, real estate agents and landowners

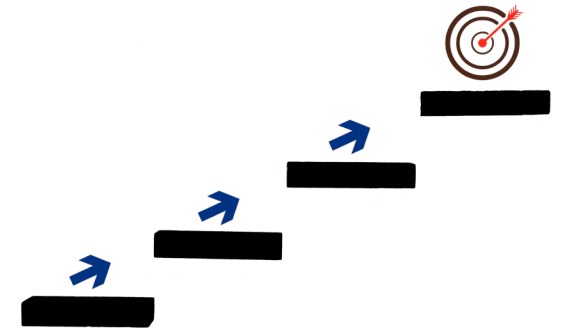


Smart Growth Continued

Increase a diverse new assessment base supporting the conveniences and amenities needed by our residents

Create greater financial resiliency

Attract and retain families from across Canada and the world



Organizational Capacity

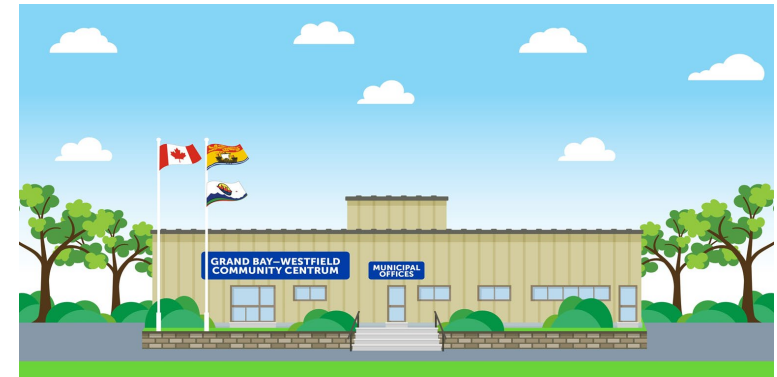
Ensure Council processes and decisions are communicated clearly and timely to residents

Ensure a corporate culture that is healthy, progressive, and serves residents and business through Council

Support the capacity required to pursue project-based grants

Continue to support regional collaboration

Professional Development



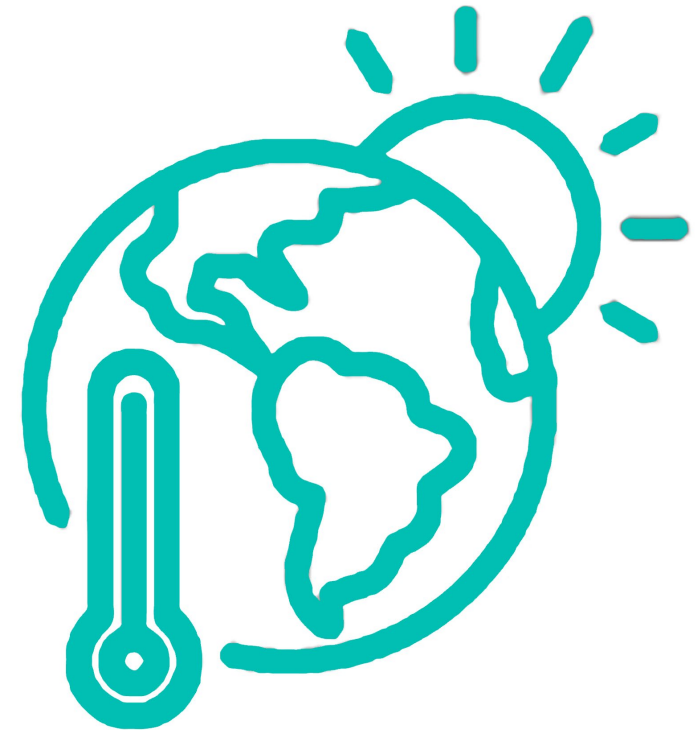
Infrastructure and Climate Adaptation

Review the Asset Management Plan to incorporate all Town assets

Ensure the Town's groundwater is sustainable

Determine a carbon neutral master plan in conjunction with the Town's Climate Change Action Plan

Disaster mitigation



Community Vitality

**Implement the comprehensive
Parks and Recreation Master Plan**

**Become a centre of wellness with a
diversity of health professionals**

Community events



Community Vitality Continued

Partnerships with worship sites
and local schools

Enhanced arts and culture

Support of community groups





Current Local Environment

Pressure Points



Local Statistics Canada Data

Population

**Ward 1 (4,967) + Ward 2 (899)
= 5,866**

Housing

**Ward 1 (2,031) + Ward 2 (374)
= 2,405**

Snow & Ice Control

Snow
and
Ice Control
(506) 738-2230



www.grandbaywestfield.ca



Snow and ice control will be delivered by the Town for the first time

The tender fee, if the Town had accepted it, was almost \$1.1M

The in-house cost, pending overtime, salt and maintenance and repairs, is expected to approach \$900,000

Public Works Department has been training with instructors and experienced snow and ice control Operators

Fundy Regional Service Commission (FRSC)



Fundy Regional
Service Commission

Commission de Services
Régionaux de Fundy

The FRSC Budget received Board approval October 26

FRSC is still considered a “start-up”

The Budget is looking to implement the Regional Strategic Plan

Funding for FRSC is through a combination of levies to municipalities, grants from the GNB and the Regional Development Corporation

The Town’s 2024 fee is \$259,776

Fundy Regional Service Commission



Budget 2023 Reflection

Challenges staying within budget

- Inflation
- Fewer Bidders
- Equipment Maintenance
- Preparation for Snow and Ice Control
- Financing Costs
- Local Governance Reform

Currently projecting very small surplus

STATE OF THE TOWN 2023

Always moving forward



Funding Challenges

The Equalization and Funding Grant has been cut approximately \$370K since 2020

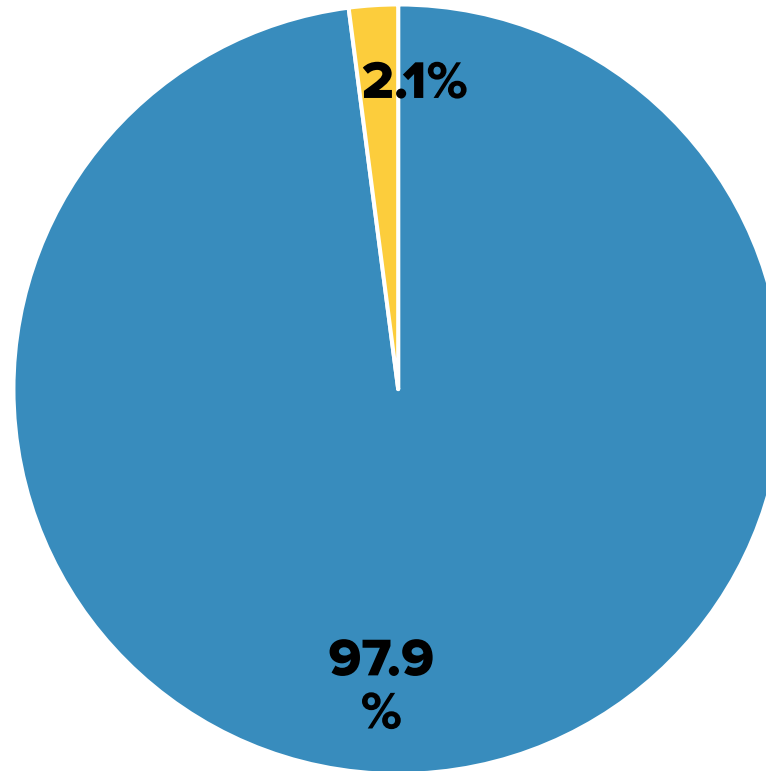
The Province is re-directing a portion of core funding grants to the Fundy Regional Service Commission

The Town's assessment increased by 11.4% or \$61.6M

- Less than \$9.8M is due to new development**
- The rest is market adjustment**
- This limits revenue generation capacity**

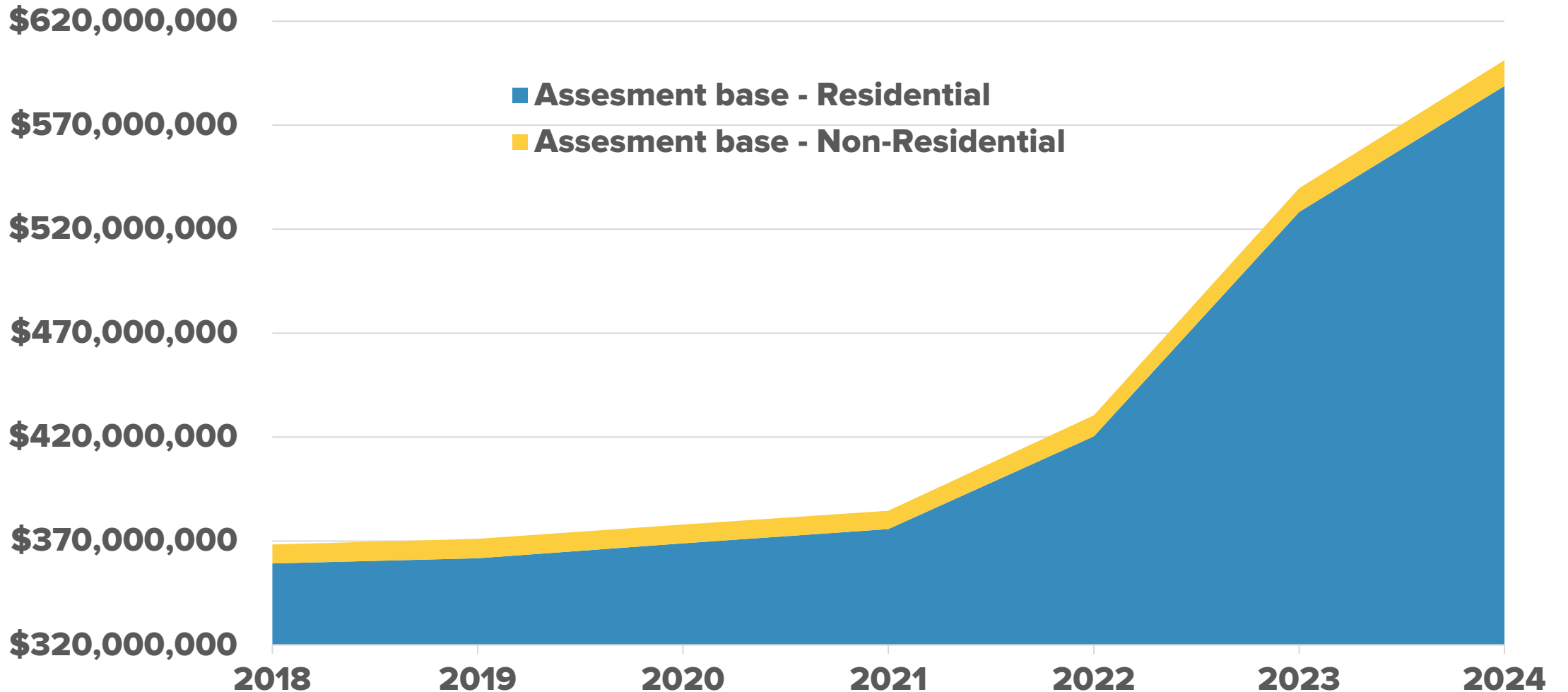
The Town's financial position is fragile

Property Assessment by Type

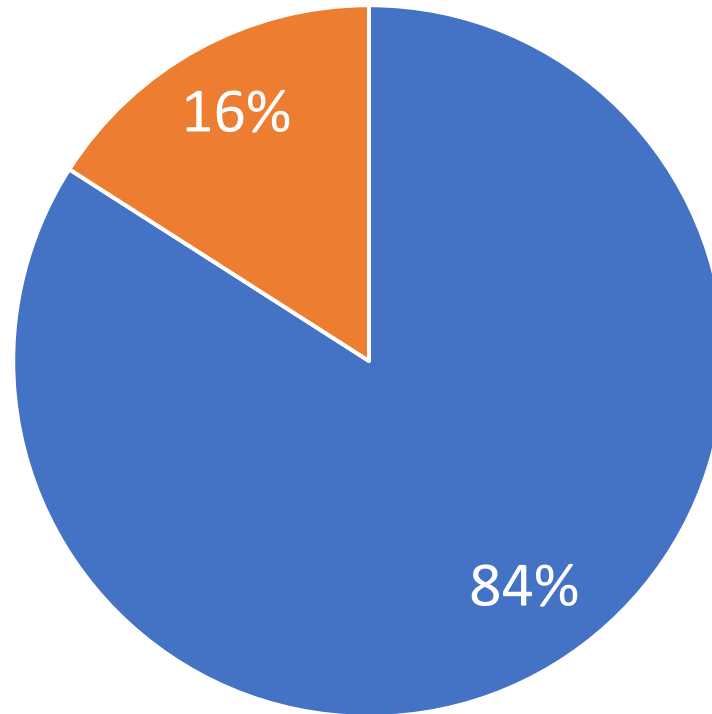


- Residential Assessment Base
- Non-Residential Assessment Base

Property Assessment Base Growth



2024 Assessment Growth: \$61.59M



■ Existing Properties ■ New Construction

Need for New Construction



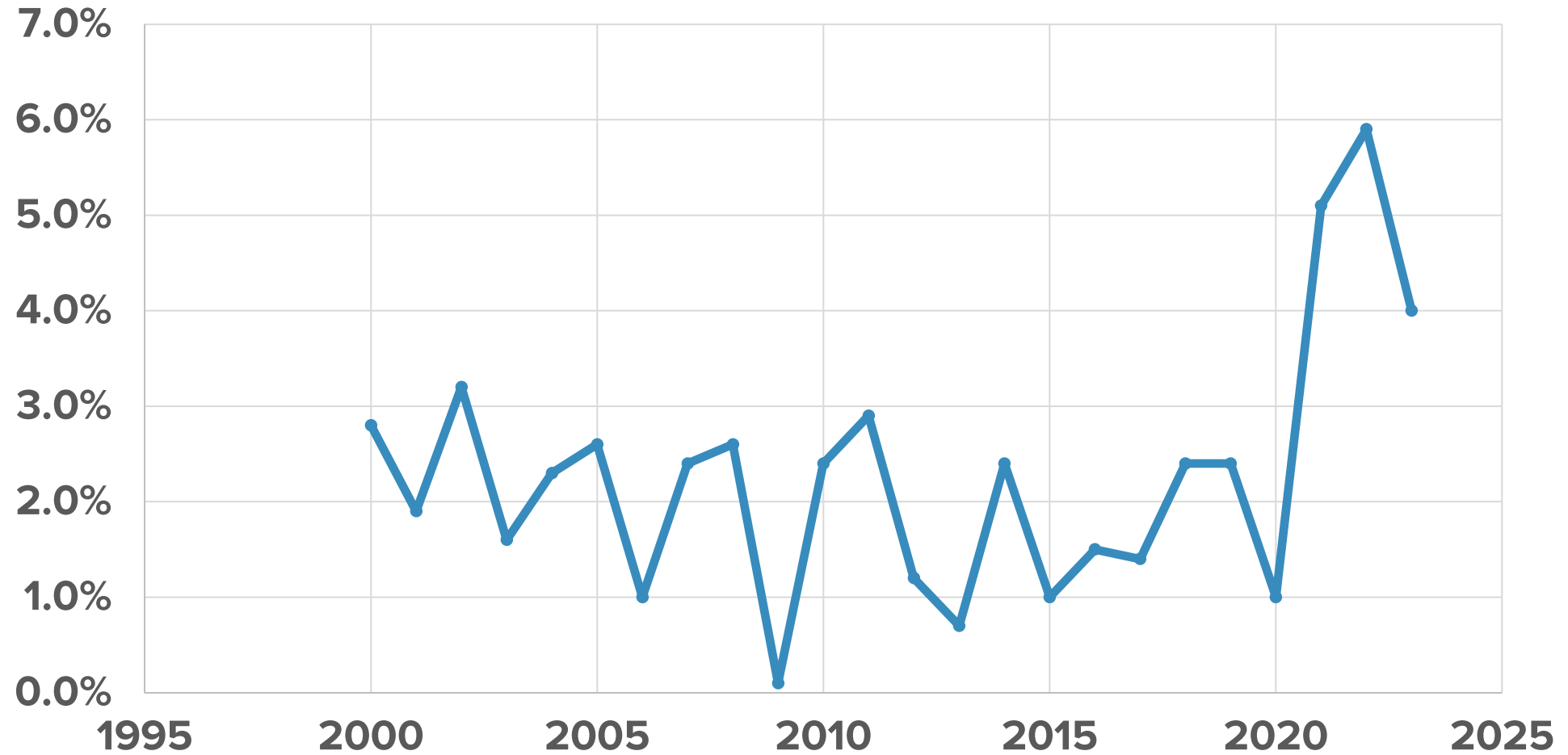
Current mix of new versus existing assessment, results in a high burden on existing households

If costs increase \$100,000, then \$84,000 is paid by existing households

With more new construction, the burden on existing household decreases

For example: With 30% new construction, the burden would be reduced to \$70,000

Historical Inflation





Level of Service and Tactics 2024

Getting Things Done

Priorities 2024



Continued implementation of:

- **Communications Plan**
- **Economic Development Action Plan**
- **Fire-Rescue Department Level of Service Policy**
- **Parks and Recreation Master Plan**

Commence snow and ice control operations in-house

Enhanced financial services

Local Governance Reform

Road maintenance

Finance Department



2024 Perspective

Continue process enhancements

Procurement of new Information System

Regular cadence of financial reporting

Process mapping and documentation

Cross training

Communications Department



2024 Perspective

Continue website enhancements

Review of emergency alert system/email notification options for events and Town news

Continue review of branding including signage

Develop and implement Communications Plan/Policies

Media training for Council and Administration

Tracking of customer service requests options

Fire-Rescue Department



2024 Perspective

Continue implementation of Fire Service Review

Launch Community Connect and pre-incident planning

Continued redevelopment of policies and procedures

Implementing Level of Service

Achieve Superior Tanker Shuttle Accreditation

Increase Fire Prevention/Public Education Services

Parks and Recreation Department



2024 Perspective

Adoption of new technology to improve facility booking and management

Optimized use of existing facilities

New facility infrastructure research and development

Enhanced communication and partnerships with established community groups

Growth in existing and new year-round community events

Increased intergenerational community interaction

Community Grants Recipients Spring 2023 Intake

- High School Grad Banners
- Inglewood School
- PALS Soap Box Derby
- Pickleball Association
- River Valley Middle School
- Royal Canadian Legion Branch 22
- St. Augustine's Garden Committee



Community Grants Recipients: Fall 2023 Intake

3034 Grand Bay Army Cadets

Lancaster Minor Hockey Association

Inglewood School

Royal Canadian Legion Bayview Branch 22

River Valley Hockey Association

River Valley Middle School Home and School

St. Augustine's Garden Committee

Planning Department



2024 Perspective

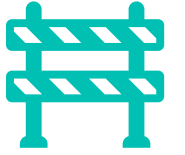
Increase development and building permits

Changing incentive grants

Review climate change initiatives

Enhance customer service

Public Works Department



2024 Perspective

Learn from first year of in-house snow and ice control

Allow for more in-house equipment maintenance

Improve on monthly/daily schedule planning

Improve on procedure for implementation of video inspection of various storm and sanitary structures

Enhance schedule for park regular maintenance (mowing)



Sewerage Utility Budget

Summary of Operations

Services 1,800 households and businesses

Assets with book value of over \$6M

2 treatment plants (Shannon Road Lagoon / MacLean Road trickling filter)

50 km of sanitary sewer lines

681 manholes

9 lift stations and 16 residential pumps

13 grinder stations

Solar Array

Completed at end of 2022

Aim to reduce power draw from the grid by 40%

Reduction in the Town's carbon footprint by 28 tonnes annually

2023 savings projected to be \$8,000



Sewerage Utility Budget

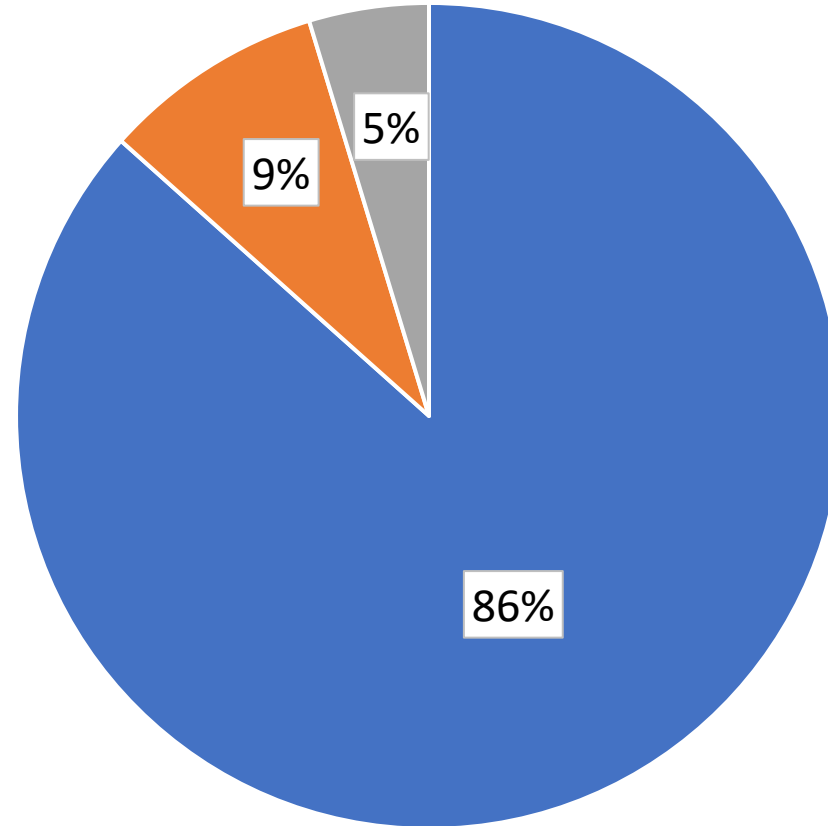
Two (2) major factors are impacting the Sewerage Utility Budget for 2024

- Increased maintenance
- Reserve allocations

It has been identified that current reserves are too low

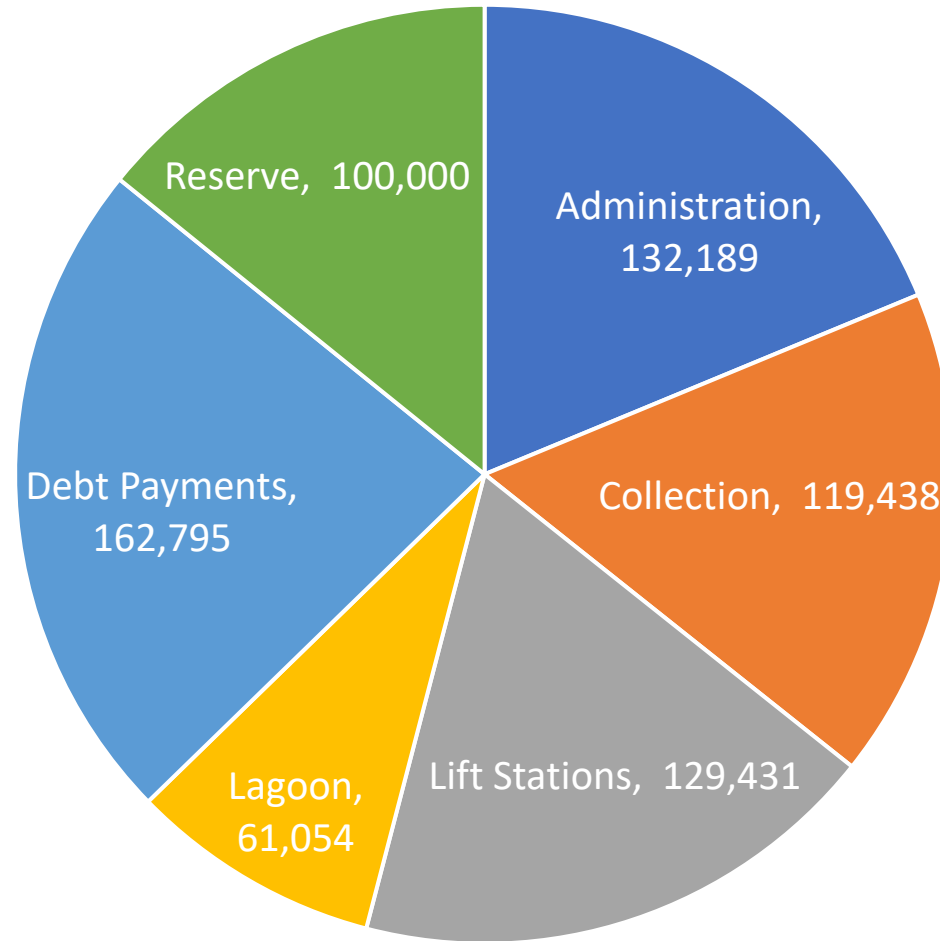
Currently \$110K in reserve with a plan to increase this to \$1.2M by 2029

Revenue by Source



■ Residential ■ Commercial/Inst. ■ Other Revenue

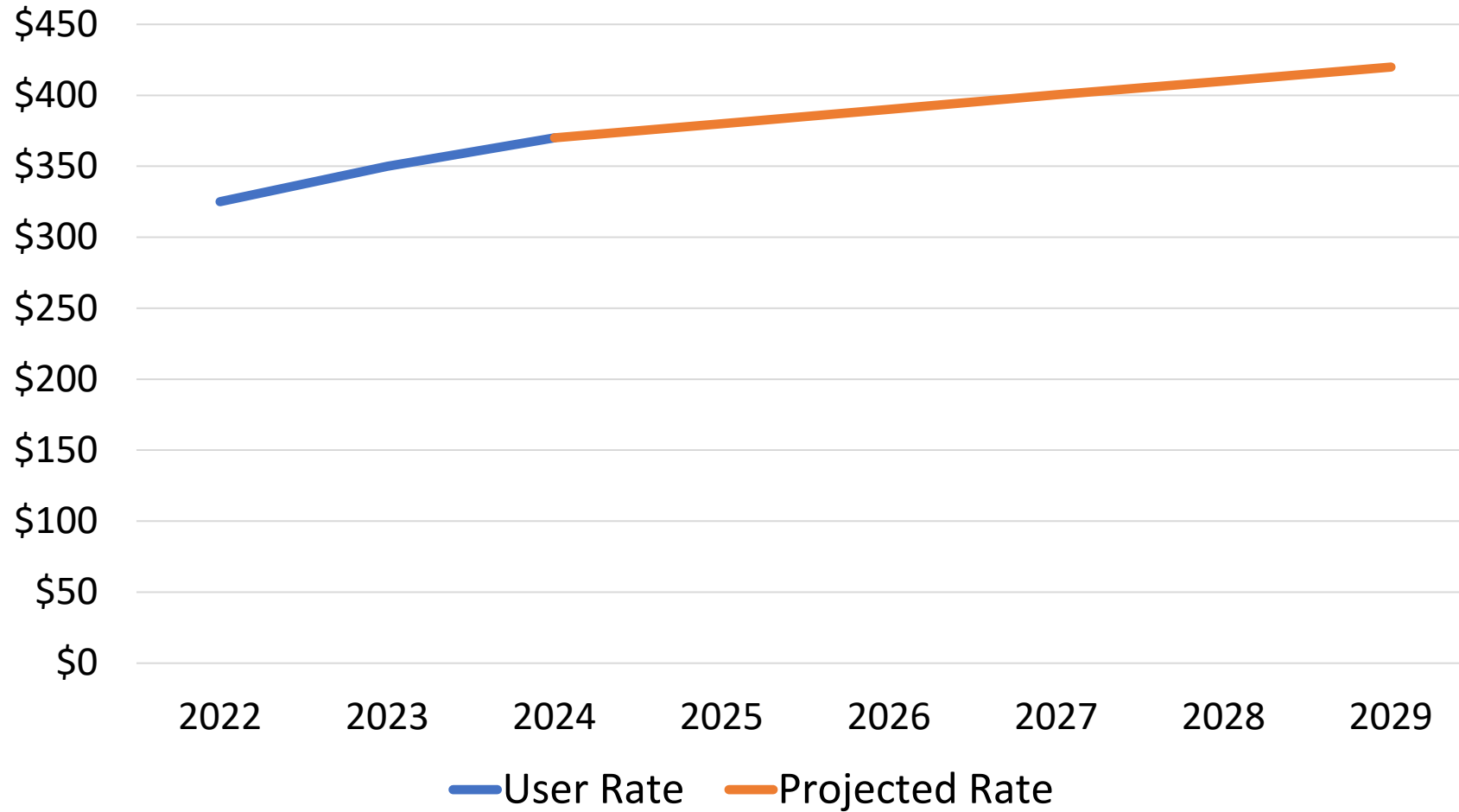
Expenses 2024



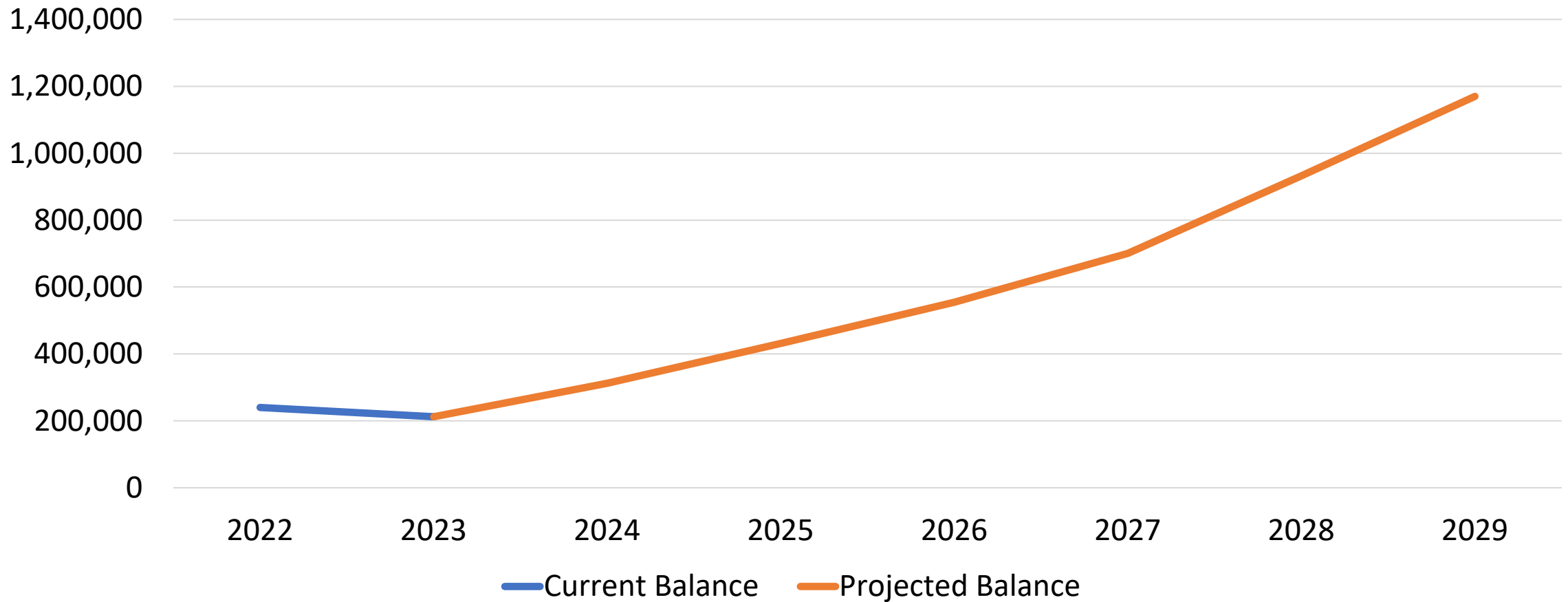
2024 Draft Sewerage Budget

	Draft Budget	Budget	Change	Change
	2024	2023	\$	%
User Rate	\$370	\$350	\$20	6%
Revenue				
User Revenue	676,380	628,350	\$48,030	8%
Other Revenue	33,279	24,519	\$8,760	36%
Total Revenue	709,659	652,869	\$56,790	9%
Expenses				
Operating	446,864	399,462	\$47,402	12%
Debt Payments	162,795	163,407	(\$612)	0%
Reserve Allocation	100,000	90,000	\$10,000	11%
Total Expenses	709,659	652,869	\$56,790	9%
Net Budget	0	0		

5-Year User Rate Forecast



5-Year Reserve Forecast



Sewerage Capital

No Capital projects identified for 2024

Trickling filter plant

- **Originally costed at \$100K**
- **Market pricing indicated \$400K to upgrade facility**
- **Actively in discussions with consultants on how to rationalize costs**

Not included as a budget item. Administration will bring solution to Council, once developed.



Building the Budget

Understanding the tax burden

Process: Building a Budget

How much does it cost to provide services?

- Meetings with Department Heads
- Council Strategic Plan Review
- Administration deliberations

Consultation

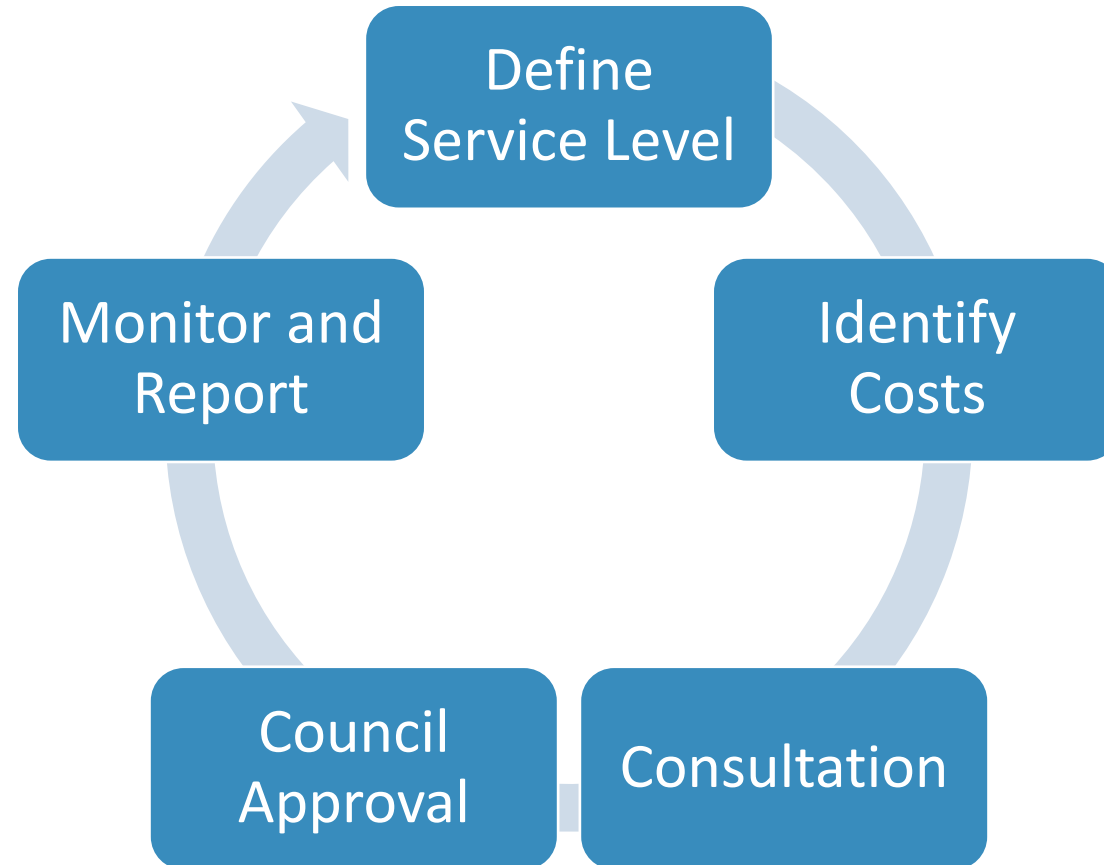
- Community Group Presentations
- Public Presentation

Approval

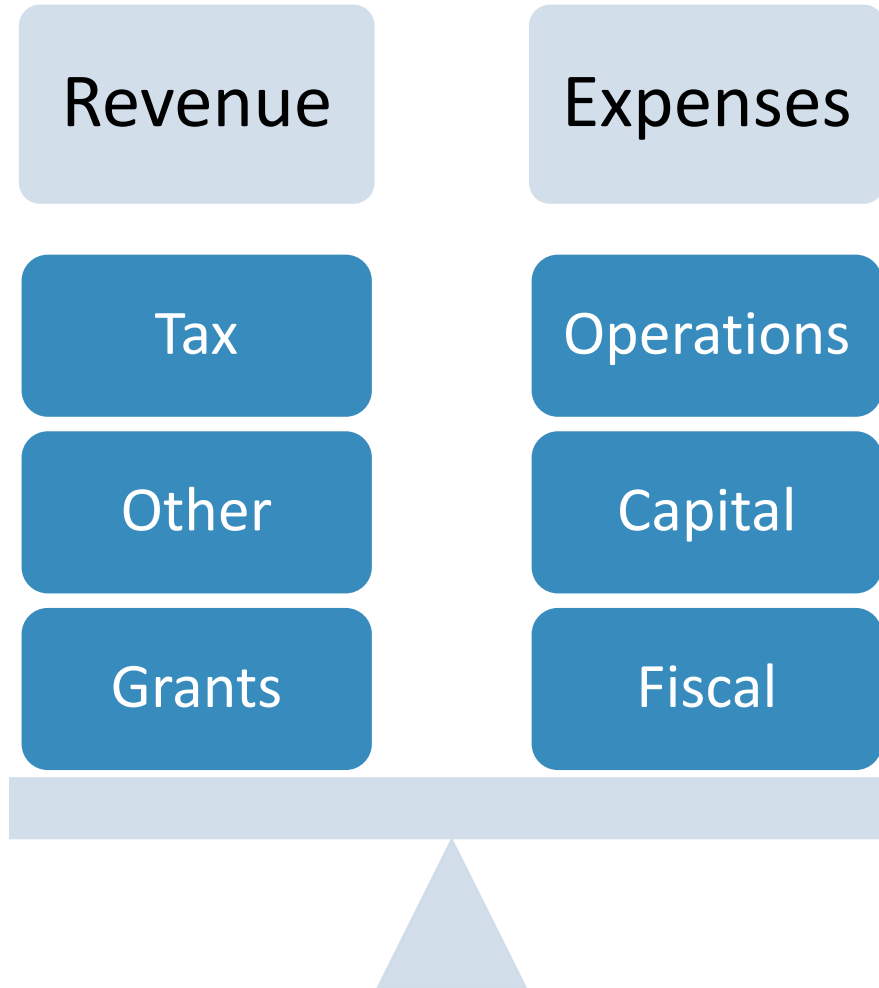
- Council Approval: November 14
- Submission to Province: November 15



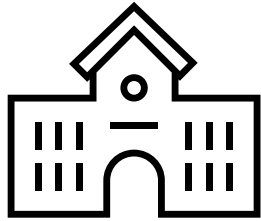
Budget: Continuous Process



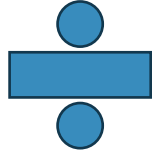
Balanced Budget



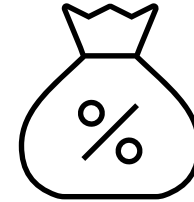
How is the tax bill determined?



Cost of Services \$5,000



Assessment Base \$330,000

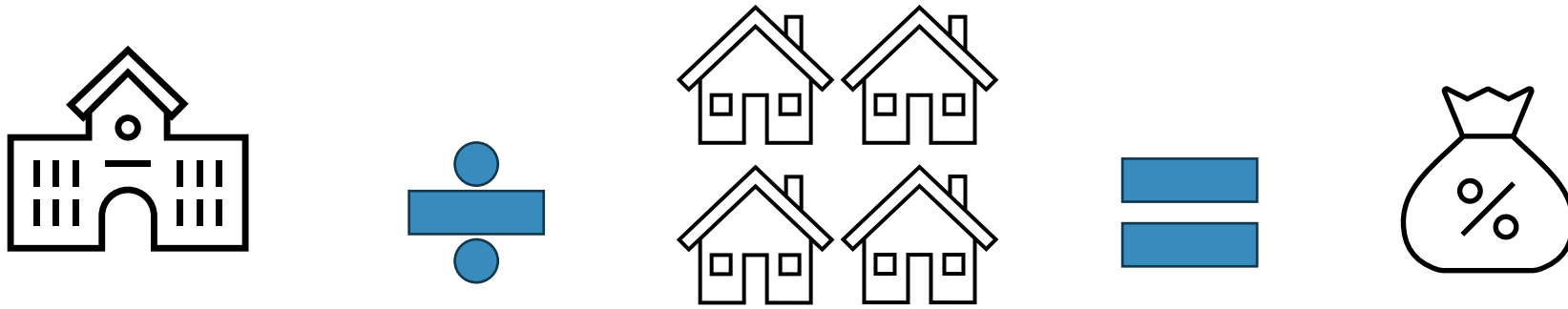


Tax Rate = \$1.51

The total tax paid by each household is the same \$1,667

This is an example only

What happens when housing stock increases?



Cost of Services \$6,000







Assessment Base \$440,000

Tax Rate = \$1.36

- **With an increased assessment base, the tax rate is lower**
- **The increased number of household spreads the tax load further**
- **Each household now pays \$1,500 vs \$1,667**

This is an example only

Tax Bill Overview

Scenario	Tax Bill	Tax Rate
Costs increase, no change in assessment		
Costs stable, increase in assessment		
New construction		

New Development Incentive Program



The Program implemented in 2019 will be repealed notwithstanding those still in it

The purpose of the Incentive Program is to encourage developers to build in Grand Bay-Westfield - to increase the housing inventory in Grand Bay-Westfield that addresses the missing-middle and seniors

Three (3) components

- **Up-front capital cost grant, or**
- **Post completion incentive grant, or**
- **Both, if 24+ units**

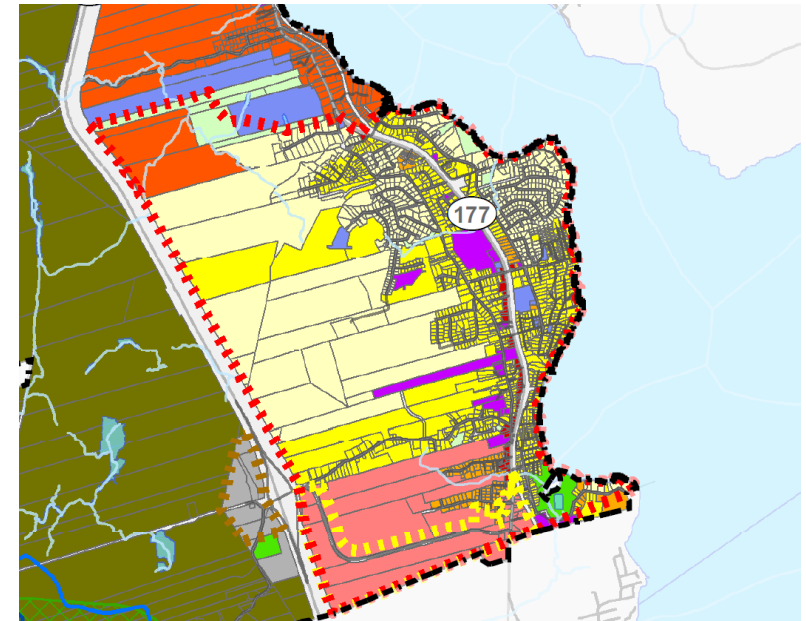
New Development Incentive Program: Eligibility

**One or both of two types of housing:
missing middle or seniors;**

**Located in the Residential Stable
Intensification Area;**

**A minimum of six (6) living units of at least
two (2) bedrooms for missing-middle; or**

**A minimum of 12 independent seniors
living units.**

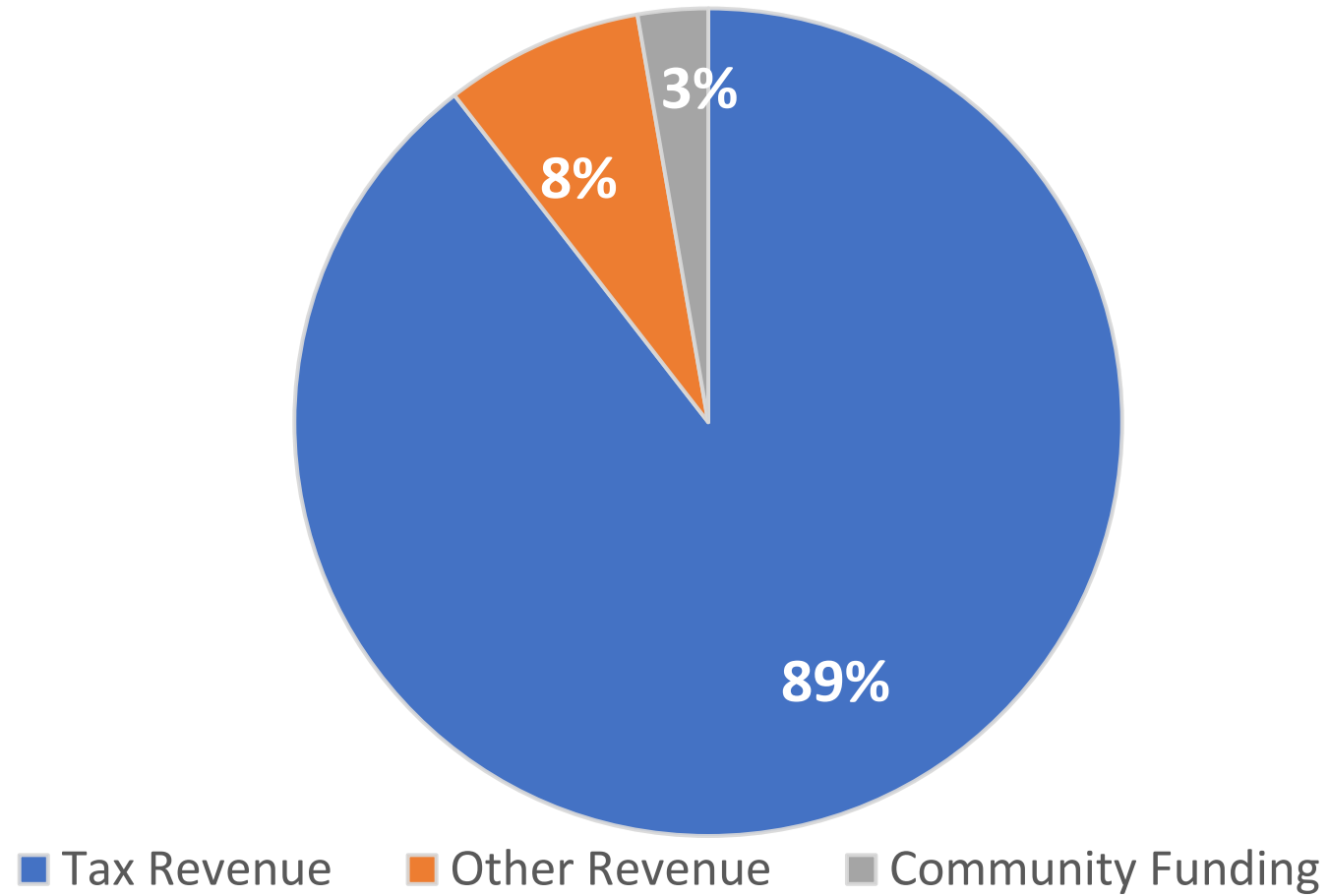




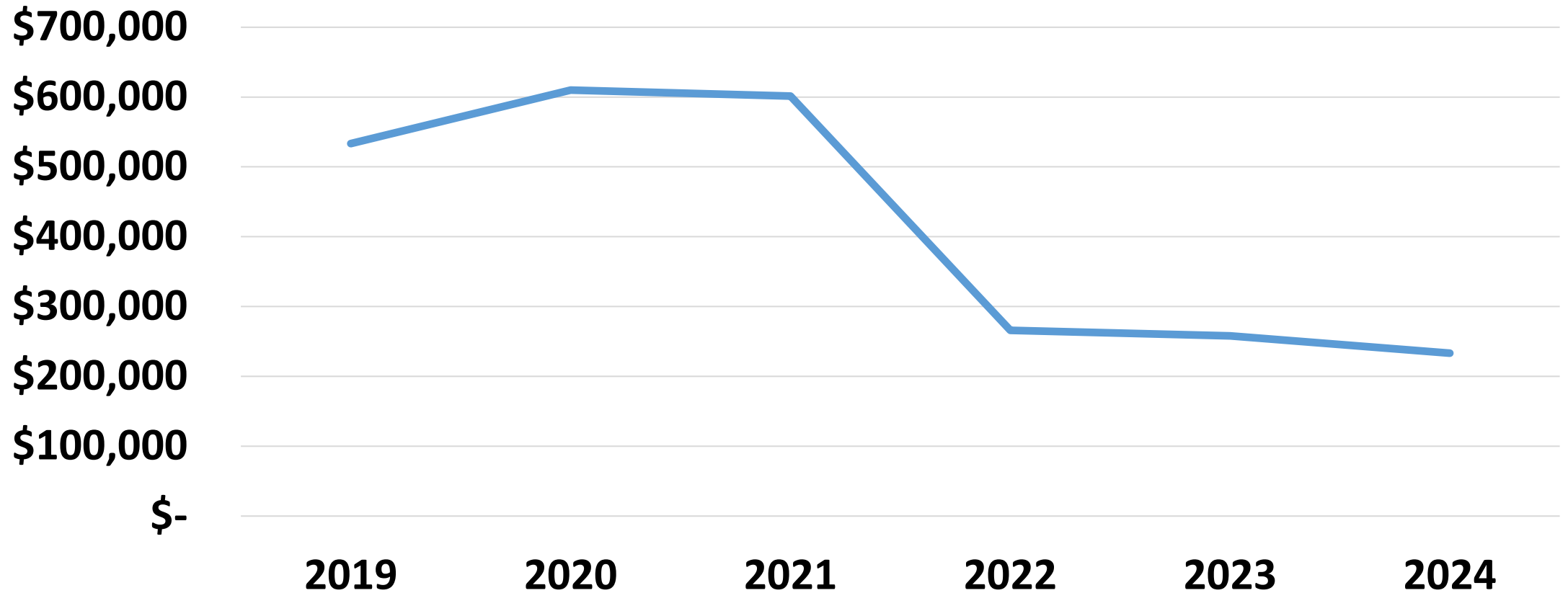
Proposed Budget

Maintaining Levels of Service and Implementing the Tactical Plan

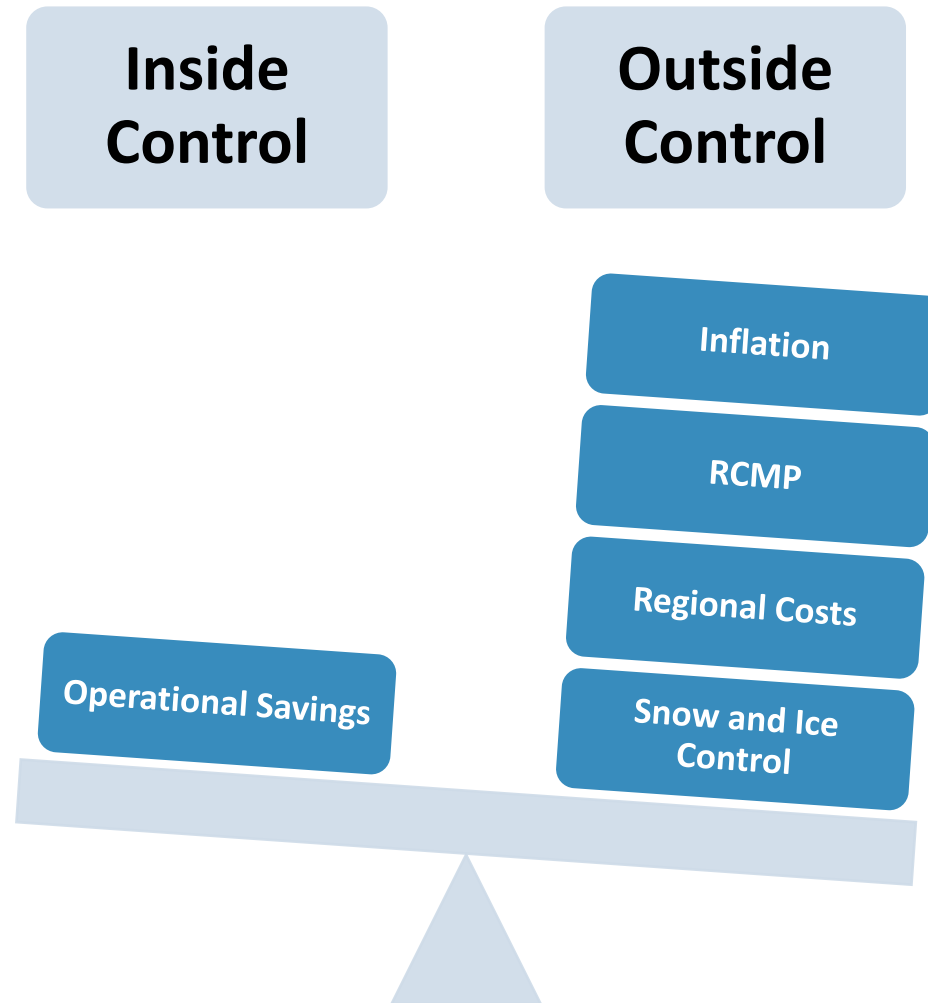
Revenue by Source



Community and Equalization Funding



Factors Affecting Expenditures



Inflation

Asphalt has increased 88% from 2021

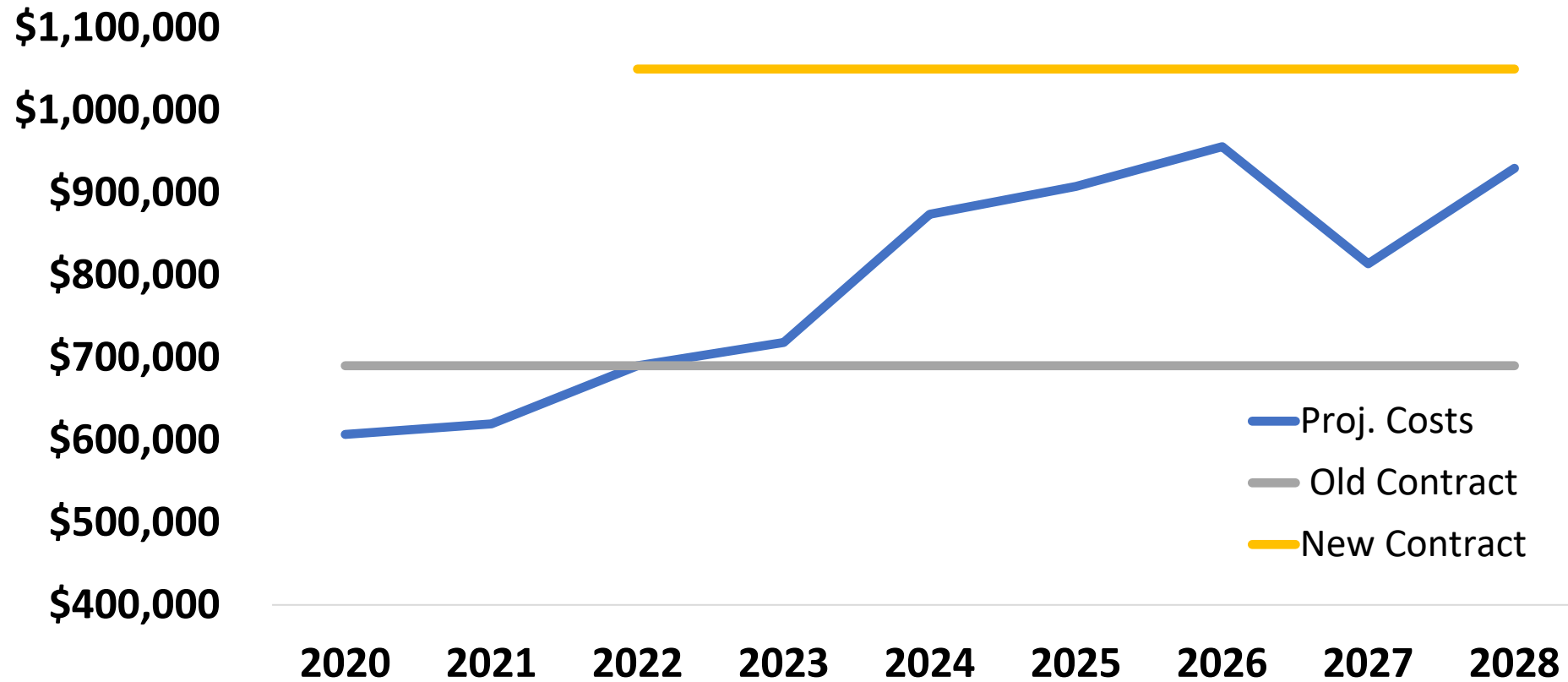
Equipment Maintenance

- **Labour Market**
- **Supply Chain**

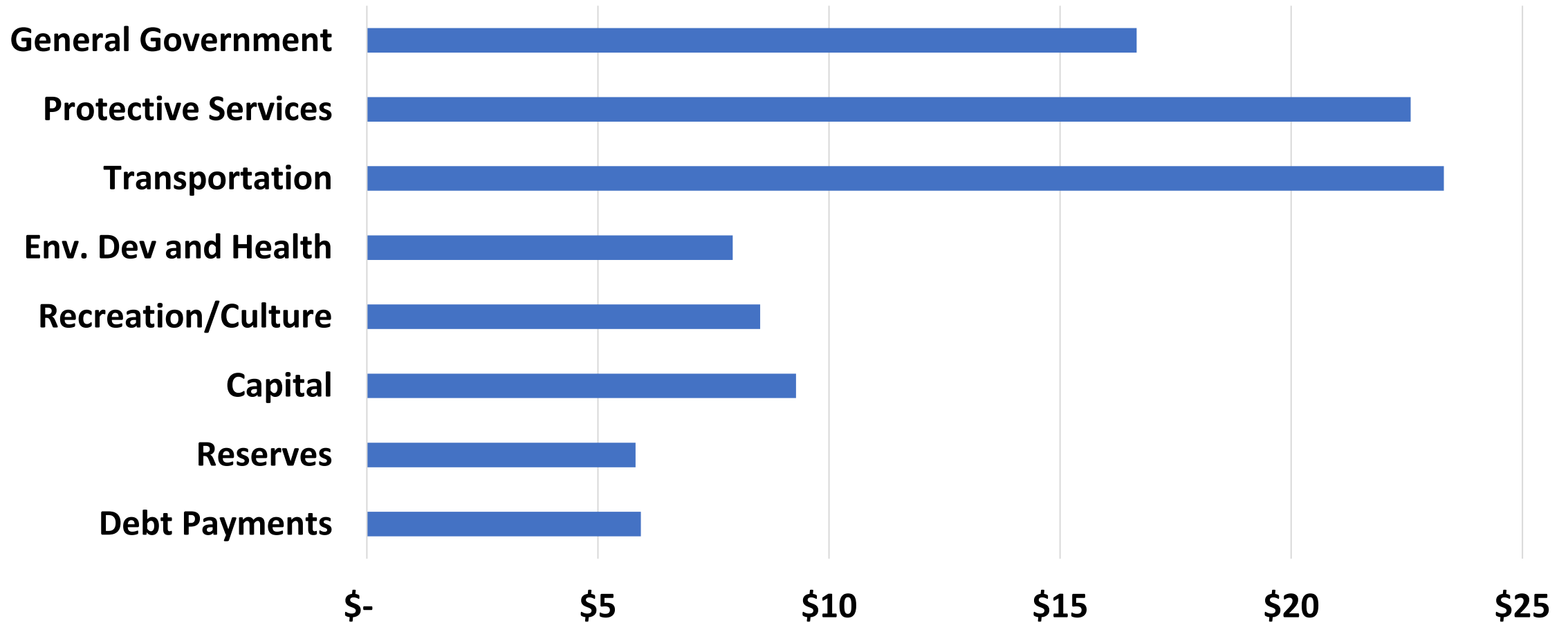
Challenges with long-range planning



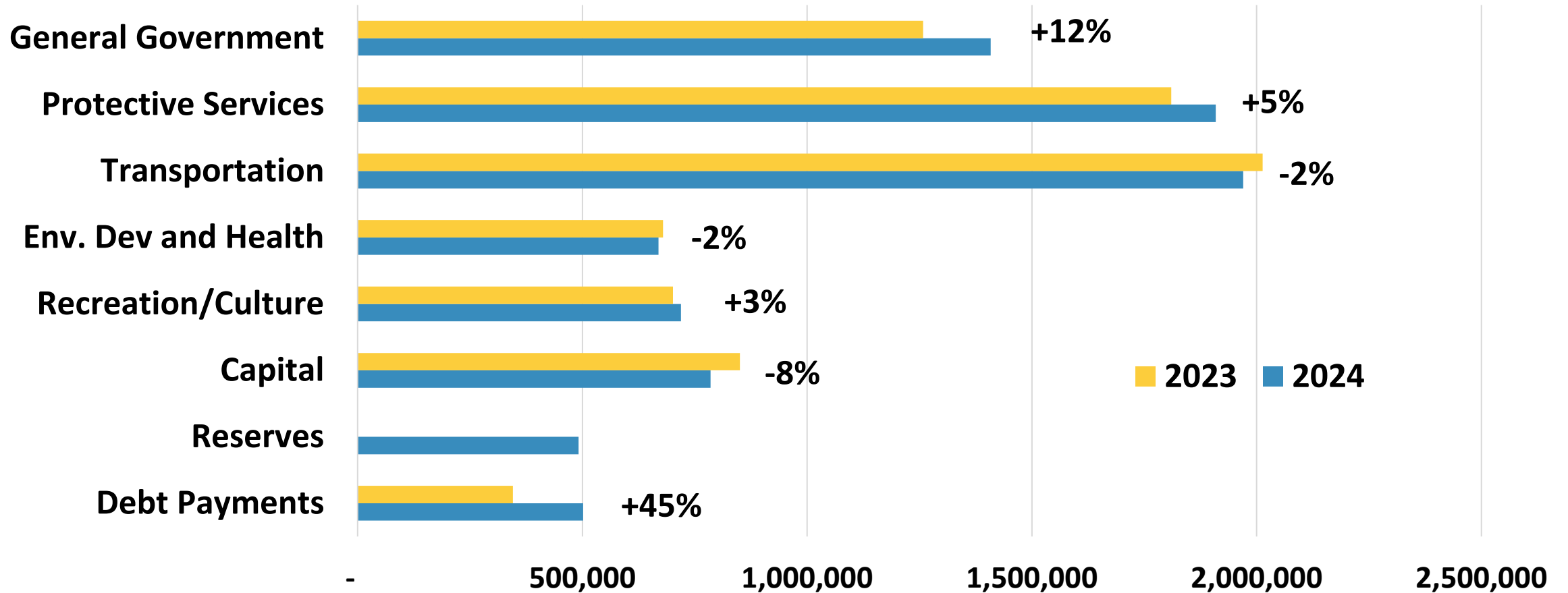
Snow and Ice Control Transition



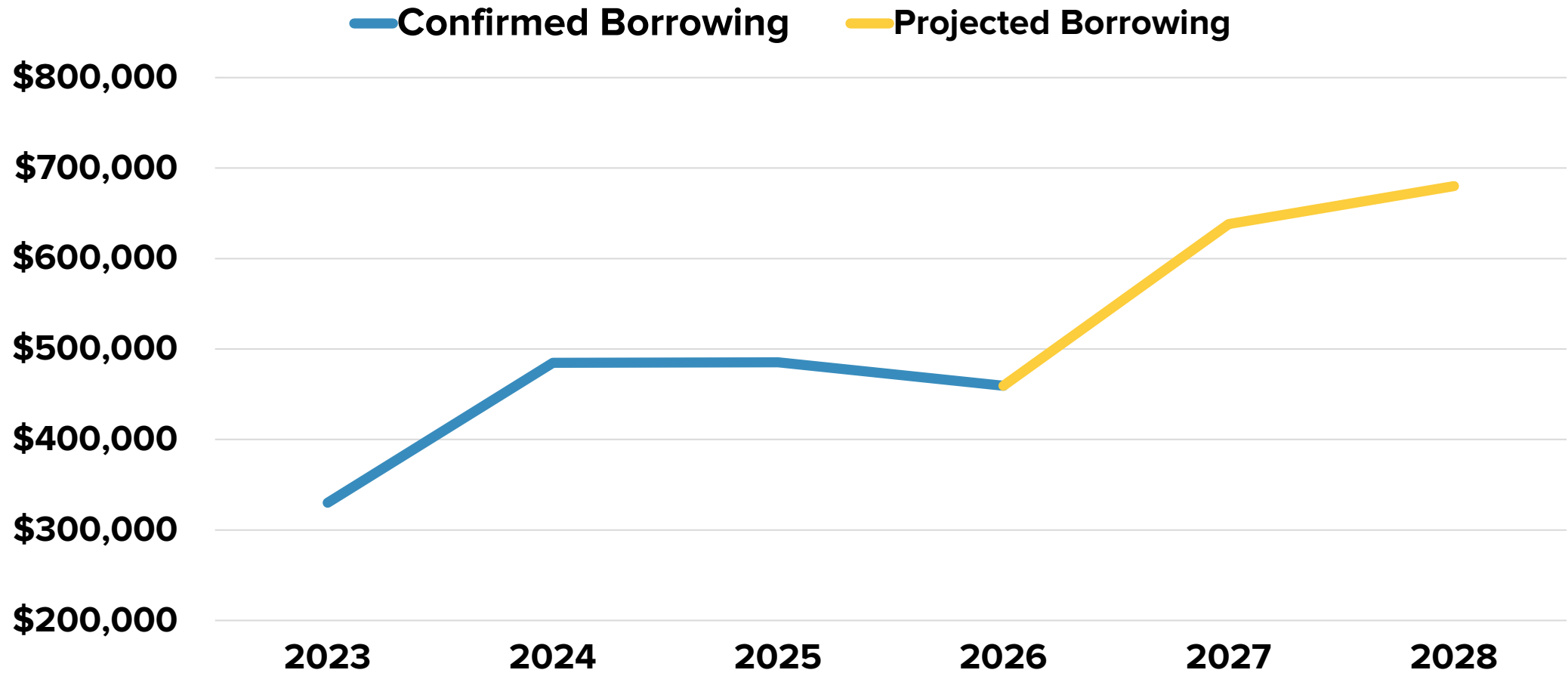
For every \$100 in Tax collected



Expenditure Comparison



Debt Cost: 2023-2028



Reserves: Why are they needed?



Capital Reserves

2022 Balance was \$1.8M

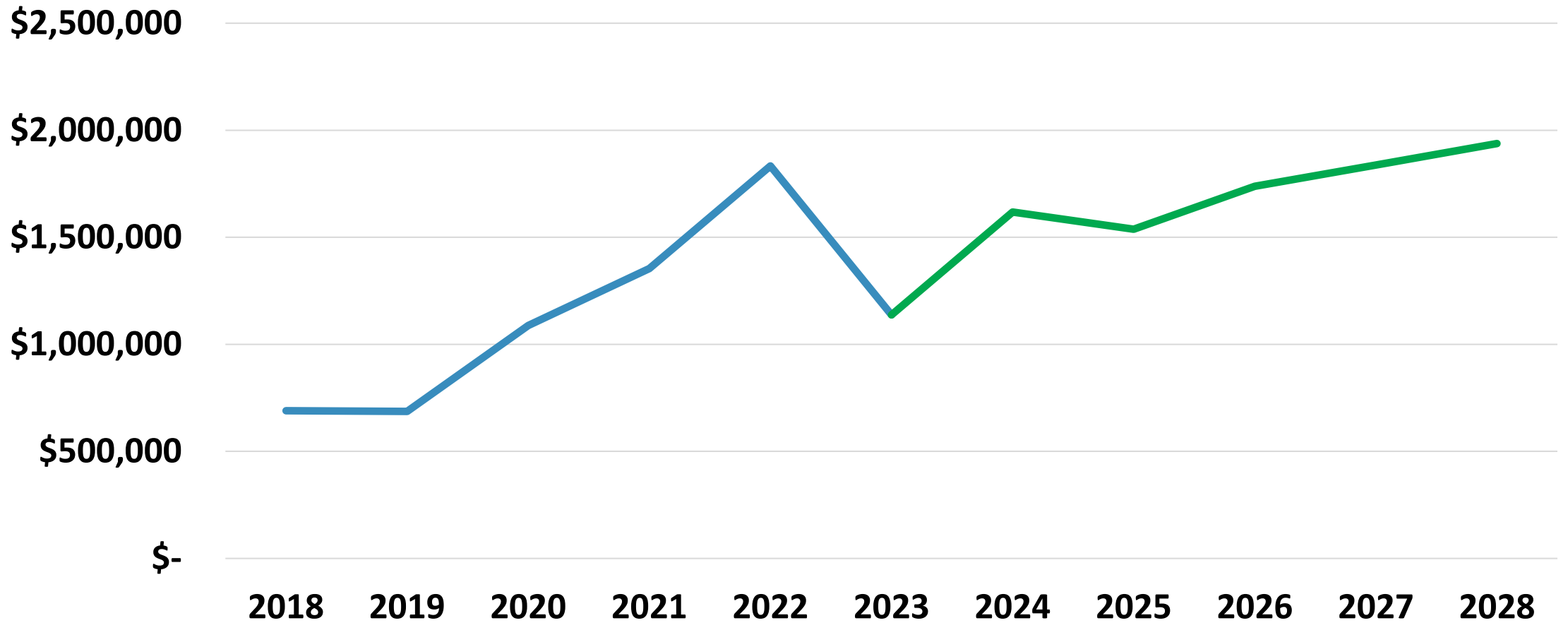
Drawn down \$750,000 in 2023

- **Public Works equipment**
- **Fire Truck**
- **Mowers**

**This amount needs to be “paid back”
over the next 3-4 years**



Capital Reserves: Over Time



Operating Reserves

Provincial Regulations limit this amount to 5% of expenditures

Best practice is to have 20% of expenditures in reserve

This would cover 2 - 3 months of operational costs

Current balance is \$450,000

This is just over 5% of expenditures



Costs to be Confirmed



RCMP

- **Assumed 5% increase**
- **Each % point deviation will add/subtract \$8,900 to the Budget**

Garbage Collection: Ward 2

- **Any savings from the budgeted amount will be applied to 2025 Budget for Ward 2**
- **The service is being tendered by the Rural District Manager, with the intent to mitigate potential cost increase**



Capital

Sustainable Investments

5-Year Capital Plan

Used for planning and evaluating

Scoring Matrix based on:

- Health and Safety
- Infrastructure Protection
- Legal
- Regulatory Compliance
- Economics
- Strategic Objectives
- Environmental Impact



2024 Capital Budget: Summary

Total Capital Budget for 2024 is \$1.8M

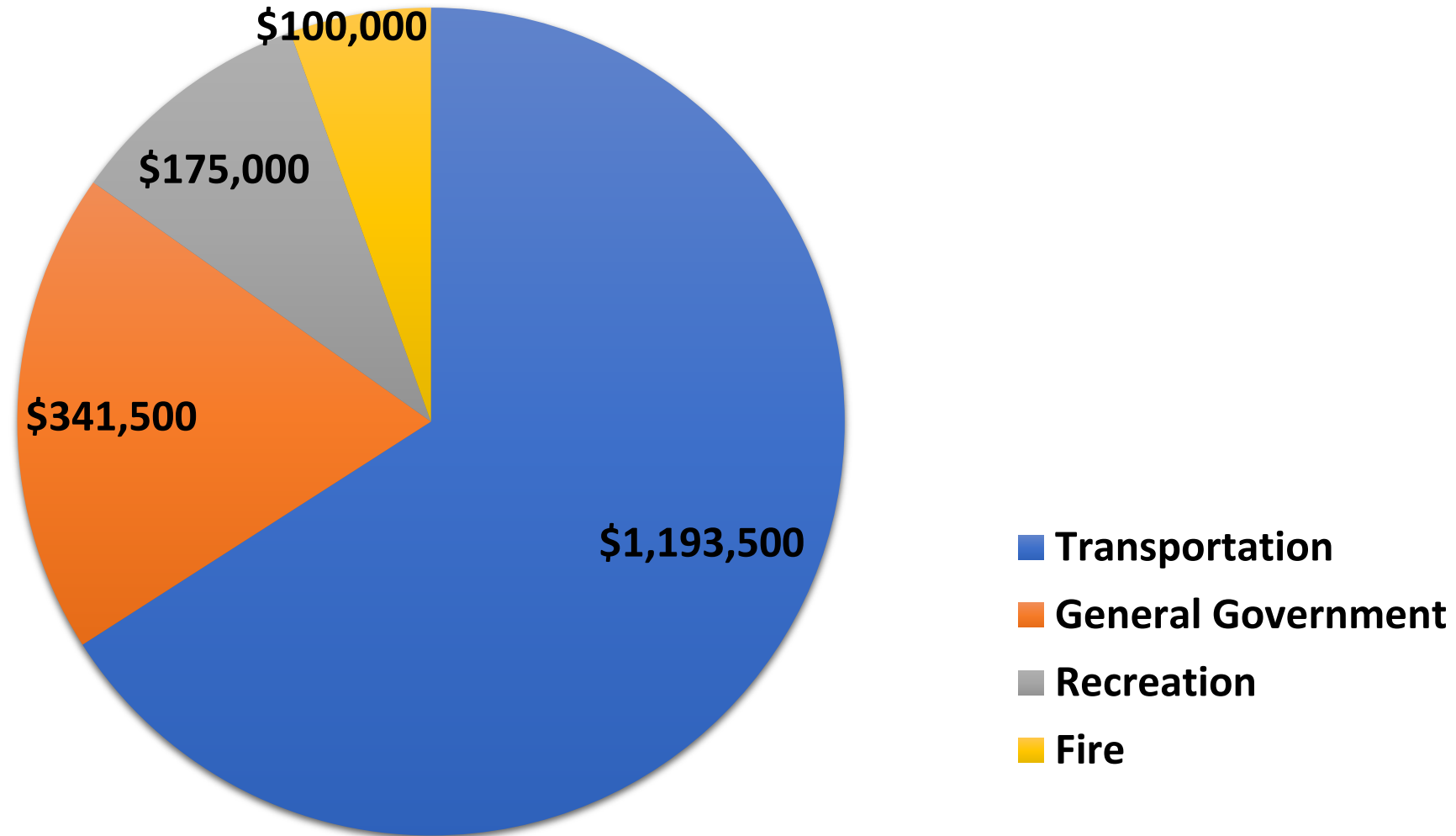
Investments in current and future Capital items

Include allocations for:

- **Transportation**
- **General Government**
- **Fire-Rescue**
- **Recreation Initiatives**



Investment by Department



General Government

Digital Sign

Centrum Repairs/Renovations

Information System

New Server



Fire-Rescue

Jaws of Life Replacement

Utility Task Vehicle (UTV) Replacement

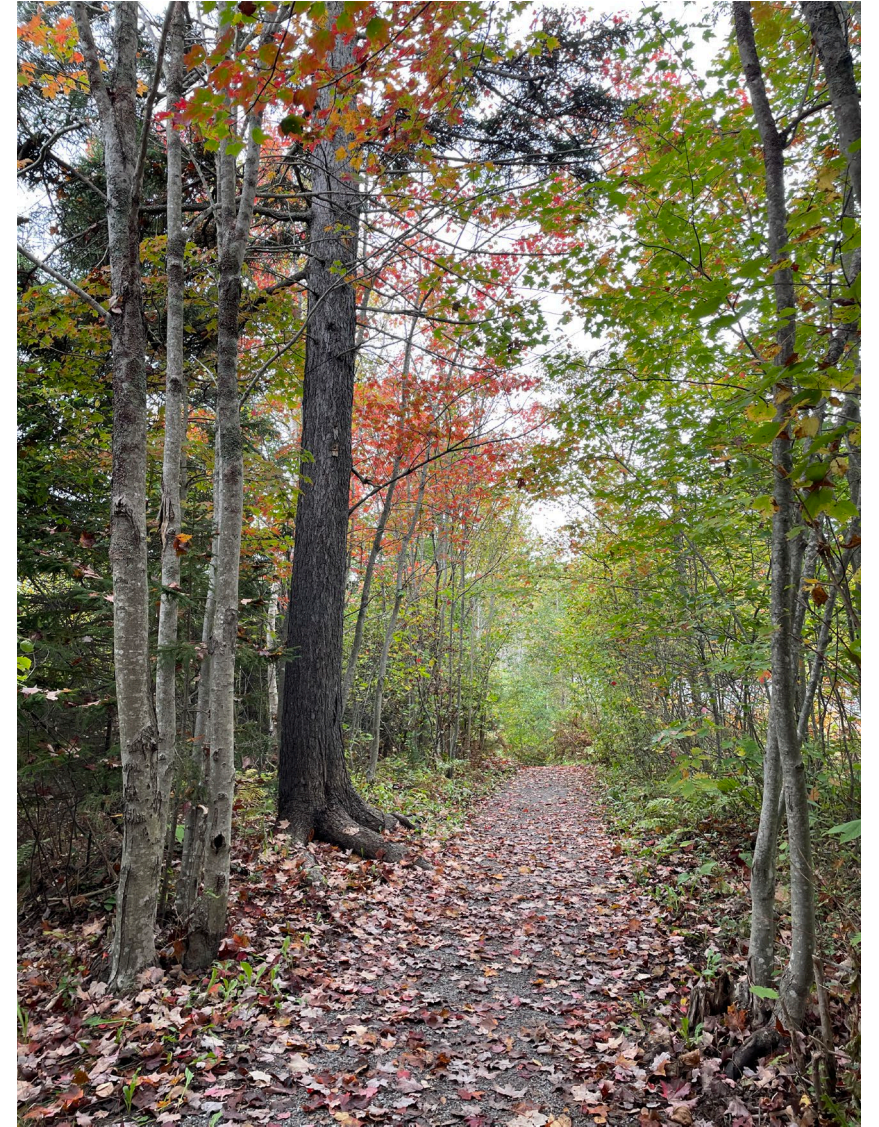


Parks and Recreation

Lonewater Farm

Outdoor Recreation Hub

Trails Master Plan



Transportation

Street Improvements

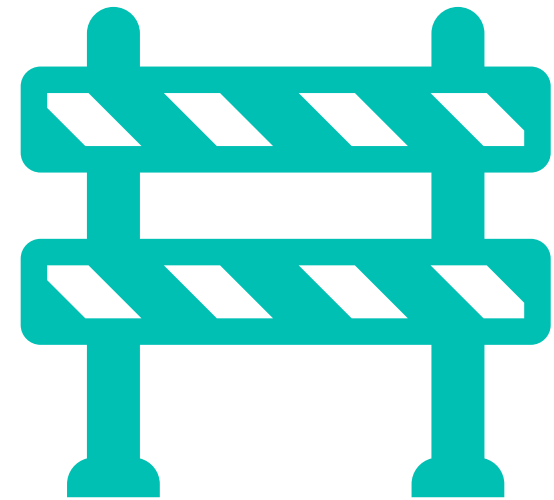
Designated Highway Project

Ferry Road/Nerepis Road Intersection

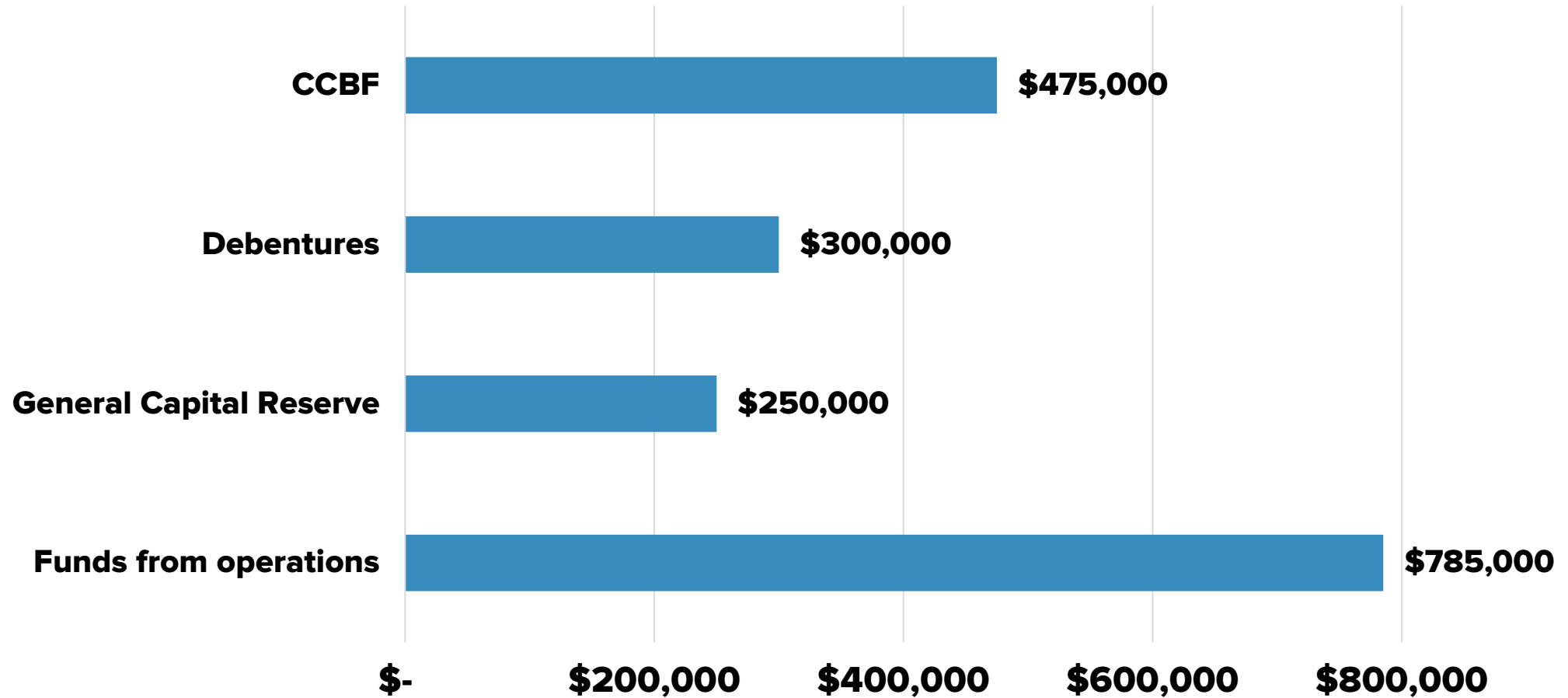
Public Works Garage

Salt Shed Repairs

Cross Culvert: Hillandale



Capital Revenue by Source





The Budget: Preamble

Summary

Town Budget



Developing the Budgets for 2022, 2023 and 2024 have encompassed unique challenges

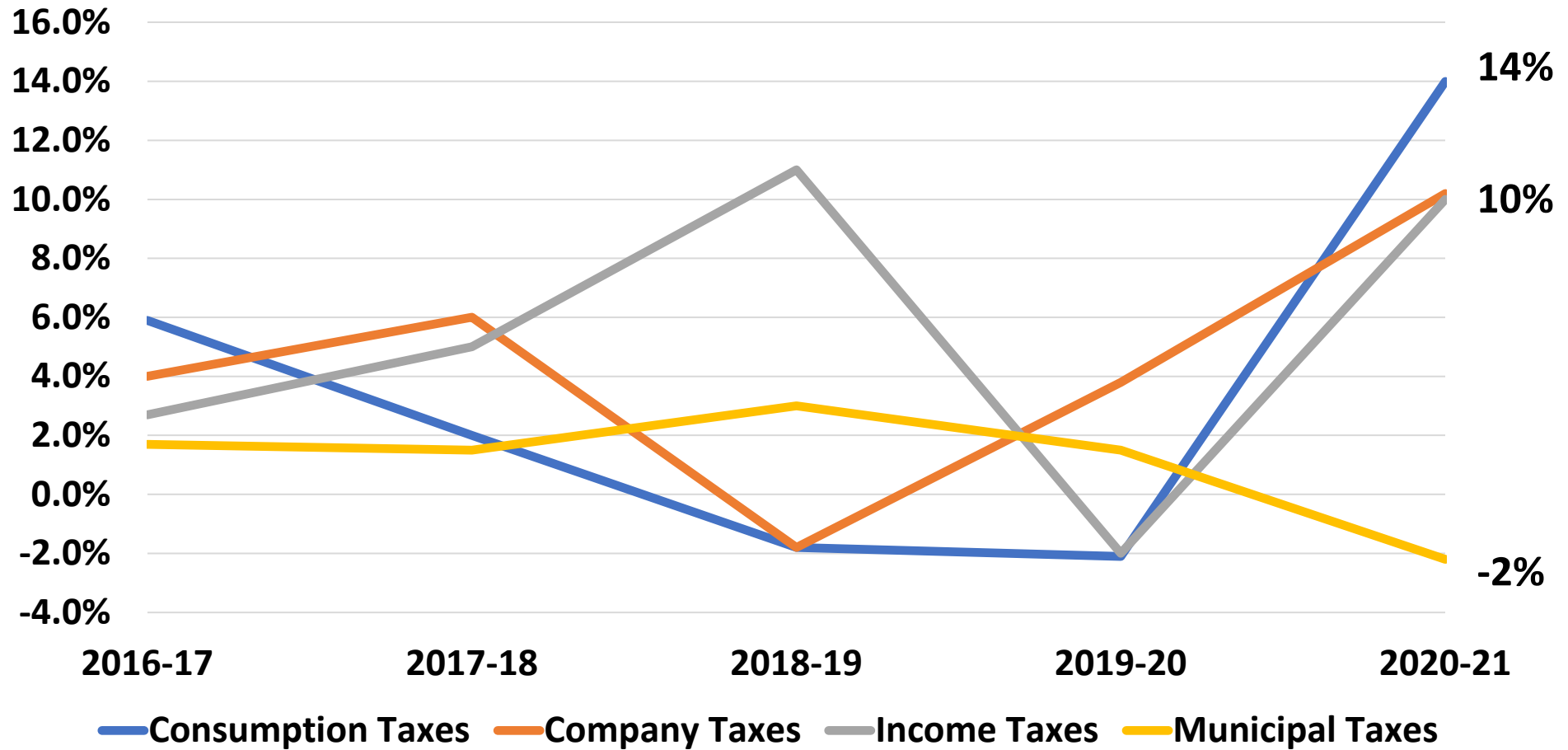
Municipalities receive 8 cents of every tax dollar collected in Canada

Municipalities own and operate 66% of all infrastructure in Canada

Grand Bay-Westfield's housing stock has not grown sufficiently

It is imperative we find our way to a virtuous growth cycle

Share of Canadian Tax



Impact of Deferred Investments

The Town's housing inventory has been stagnant; it has not grown enough

Deferred investment in assets

- **Formerly, primary investment was in roads**
- **Now, investment is needed in facilities such as buildings, playgrounds, and recreation**

Deferred investments in services

- **Communications Manager**
- **Financial management**
- **Parks and Recreation Coordinator per the Parks and Rec Plan**

Assessment



The Town has been advocating with the Assessment Agency to ensure accurate assessments

There are areas within Town that are significantly undervalued because their assessed value has not changed in years

We need a larger housing inventory to manage the tax burden

We need to increase the non-residential tax base

We need more new growth to be vibrant and sustainable

Inflation



Inflation has been taken for granted at 2% for many years

When calculating a budget, factored in is the inflation rate as a 0% increase

If the Consumer Price Index (CPI) increases 4%, the budget revenue growth is 4%, and is considered a 0% tax increase

Any increase beyond the inflation rate is a revenue increase

Tax Burden

The tax rate is not the best way to understand the property tax burden

The tax rate is the final tool used to calculate your share of revenue the Town needs to deliver its goods and services

Last year, the tax rate went down, however, the tax burden went up

Tax Burden

The Town is in a tough financial season that started in 2022, and in 2026 is when we are going to see some relief.

- The tax burden is expected to increase 8.9% this year, 7% in 2025, 4% in 2026 and 3% in 2027 based on modest new assessment growth of 5%.**
- Should there be new assessment growth, at a healthy rate, then there should be a reduction in the tax burden.**
- However ...**
 - Landowners need to sell land,**
 - Developers need to prepare land for development,**
 - Builders need to build homes of various types.**



The Budget

Summary

2024 Budget Summary



\$614,000 in new funds requested

Represents a 8.9% increase from 2023

Provincial inflation accounts for 4.0%

The remaining 4.9% or \$340,000 is represented by investments in the future:

- Debt repayments**
- Reserve allocations for future Capital work**

2024 Budget Summary Continued

Category	\$ Change	% Change
Non-Tax Revenue	182,000	+25.2%
Operations	213,000	+3.3%
Capital	(65,000)	-7.7%
Debt Repayments	156,000	+45.2%
Reserves	492,000	
Total Change	614,000	+8.9%

Budget Regulations 2024

Costs and Revenues are split between the two (2) wards based on the services delivered. For example:

- **Ward 1: Transportation**
- **Ward 2: Garbage collection**

Other costs and revenues are shared

Provincial guideline: Ward 2 rate change capped at 5 cents

New costs applied above 5 cent cap:

- **Garbage collection = \$0.0217**
- **New streetlights = \$0.0018**

Tax Impact Summary

	2023	2024	Change
Tax Base	547,677,620	609,941,290	11.4%
Expenditures	7,657,581	8,453,418	10.4%
Non-Tax Revenue	465,576	672,369	44.4%
Net Expenditures	7,192,005	7,781,049	8.2%
Community Grant Funding	257,866	233,230	-9.6%
Warrant	6,934,139	7,547,819	8.9%
Tax Rate - Ward 1	1.3529	1.3100	-3.2%
Tax Rate - Ward 2	0.6024	0.6759	12.2%

Residential Tax Impact

	Assessed Value		Tax Bill		Annual Increase	% Change	Monthly Increase
	2023	2024	2023	2024			
Ward 1	\$250,000	\$278,725	\$3,382	\$3,651	\$ 269.05	7.95%	\$22.42
Ward 2	\$250,000	\$276,200	\$1,506	\$1,867	\$ 360.84	23.96%	\$30.07

Administration Recommends

That the Council of the Town of Grand Bay-Westfield accept the proposed Operational Budget for 2024 as presented, pending confirmation of the cost of the RCMP and Ward 2 garbage collection - for a tax rate of \$1.31 for Ward 1, and \$0.6759 for Ward 2; and

That the Council of the Town of Grand Bay-Westfield accept the proposed Capital Budget of \$1,810,000 for 2024; and

That the Council of the Town of Grand Bay-Westfield accept the proposed Sewerage Budget for 2024 as presented, with a user rate of \$370.

Questions?



Grand Bay-Westfield

NEIGHBOURS BY NATURE



Thank You

We're Here to Help! Stay Informed!

 **Town of Grand Bay-Westfield**
Contact Information

 (506) 738-6400  (506) 738-6424

 administration@towngbw.ca

 609 River Valley Drive

 Monday to Friday from 9 a.m. - 5 p.m. (excluding holidays)

 www.grandbaywestfield.ca





Appendix A

Summary Sheets



**TOWN OF GRAND BAY-WESTFIELD
DRAFT 2024 GENERAL OPERATING FUND BUDGET**

	2024 - Budget	2023	Change \$	Change %
Non-Tax Revenue				
Sale of Services	100,500	98,983	1,517	1.5%
Other Revenue	212,662	178,843	33,819	18.9%
Surplus, 2nd. Prev. Year	359,207	187,750	171,457	91.3%
Total Non-Tax Revenue	672,369	465,576	206,793	44.4%
Expenditures				
Legislative	234,604	202,418	32,186	15.9%
General Government	1,173,482	1,055,492	117,990	11.2%
Policing	947,482	901,406	46,075	5.1%
Fire	893,578	858,701	34,877	4.1%
Other Protective Services	67,893	49,777	18,116	36.4%
Transportation	1,969,875	2,013,172	(43,297)	-2.2%
Environmental Development	577,025	602,428	(25,403)	-4.2%
Environmental Health	92,154	77,009	15,145	19.7%
Cultural Development	145,591	132,693	12,898	9.7%
Recreation	573,817	568,784	5,033	0.9%
Capital from Operations	785,000	850,335	(65,335)	-7.7%
Reserve Allocation	491,554	-	491,554	0.0%
Fiscal	501,363	345,366	155,997	45.2%
Total Expenditures	8,453,418	7,657,581	795,838	10.4%
Net Expenditures	7,781,049	7,192,005	589,044	8.2%
Community Funding Grant	233,230	257,866	(24,636)	-9.6%
Warrant	7,547,819	6,934,139	613,680	8.9%
Tax Rate - Ward 1	1.3100	1.3529	(0.0429)	-3.2%
Tax Rate - Ward 2	0.6759	0.6024	0.0735	12.2%



2024 Sewerage Utility Draft Budget

	Draft Budget 2024	Budget 2023	Change \$	Change %
User Rate	\$370	\$350	\$20	6%
Revenue				
User Revenue	676,380	628,350	\$48,030	8%
Other Revenue	33,279	24,519	\$8,760	36%
Total Revenue	709,659	652,869	\$56,790	9%
Expenses				
Administration	136,546	117,487	\$19,059	16%
Collection	115,081	113,408	\$1,674	1%
Lift Stations	129,431	106,411	\$23,019	22%
Lagoon	61,054	57,668	\$3,387	6%
Old Plant	4,752	4,488	\$263	6%
Fiscal - Principal & Interest	162,795	163,407	(\$612)	0%
Reserve Allocation	100,000	90,000	\$10,000	11%
Total Expenses	709,659	652,869	\$56,790	9%
Net Budget	0	0		