

Town of St. George Annual Budget

Fiscal Year 2016



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2016 Budget Report

The goal of most communities is to pursue long-term economic and environmental sustainability and resiliency and this would typically be through integrating the consideration of multiple elements including society, ecology, economics, agriculture/aquaculture, transportation, recreation, food and drinking water safety, and climate change. St. George has all of these elements within or in the surrounding region and as such the Town provides a key focal point to local and regional development.

The Vision Statement for the Town of St. George

The Town of St. George is striving to increase its population through proactively pursuing additional housing, employment and retail development opportunities while capitalizing on the small-town feel, character and natural beauty of the Town.

Economic Snapshot

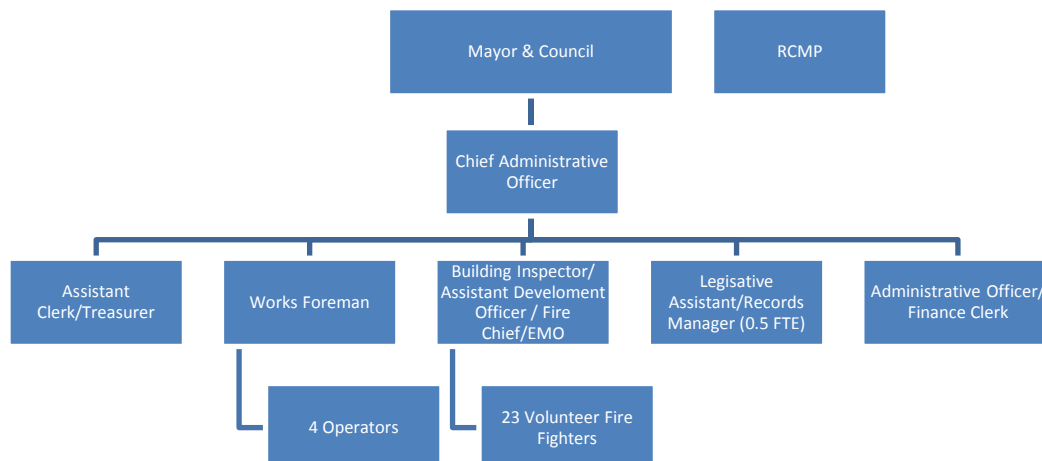
- Has a varied history of successful large scale businesses
- Several businesses active in the Town
- Active business park
- Prime location - proximity to transportation and a variety of markets

Stable Population

- Total population has shown a slight increase 2006 = 1512 and 2011 = 1543
- Net loss does appear in the 15-25 age group
- Core Working Age – 25-54 = 42%
- Older Workers – 55-64 = 12.5 %

The Budget

The Town has nine full time employees and one part time employee that take care of the administration and operation of Town functions. There are occasions where casual and summer staff is added to the roster to assist with getting the job done. The Fire Department has a roster of 23 volunteers (which now includes fire fighters from Bonnie River), plus one chief and one deputy chief. Policing for the Town is contracted through the RCMP.



The Budget is broken down into a General Operating Fund and A Utility Fund. The categories of the budget are further broken down and a brief summary of each is as follows:

- **General Government Services Include:**

Town Council, General and Financial Administration, Advertising and Civic Relations, Audit and Legal

- **Protective Services Include:**

Policing, Fire, Emergency Measures, Building Inspection, Animal Control and other protective measures

- **Transportation Services Include:**

Roads and Streets, Street Lighting, Parking and other transportation related functions

- **Environmental Services Include:**

Garbage Collection and Disposal Services

- **Environmental Development Services Include:**

General Land Assembly, Beautification, Community Development, Tourism and Visitor Information Center, Web Site, Christmas Lighting, and Business Development Parks and Playgrounds.

- **Recreation and Culture:**

Community Building, Heritage, Regional Library, Any Community Service and Walking Trails

- **Water and Sewer Systems:**

Maintenance and operation of underground networks, treatment plants, water towers, wells and lagoons.

- **Fiscal Services Include:**

Debt Interest and Principal Payment, Bank Charges and Reserve Funds

What services does the Town provide or use funds for:

Purchasing & Supplies	Fire Suppression
Accounting and audit services	Fire Prevention Education
Strategic Planning Implementation	Budget Process
Emergency Measures	Sale of Municipal Services
Salaries	Bylaw Enforcement
Risk/Liability Management	Development Controls
Policy and Legislative Development	911/Civic Address
Records Management	Recreation Programs
Council and Committee Meeting Support	Arts & Culture Programs
Legal Advice	Community Group Support
Local, Provincial & Federal Governments Liaison	Special Events
Public Information and Communications	Library
Contract Management	Information Technology System
Economic Development & Tourism	Land Use Planning
Media Relations	Building Permit/Inspection
Equipment Maintenance	Parks/Open Space Maintenance
Labour Relations	Public Facility Maintenance
Safety & Skills Training	Outdoor Facility Maintenance
Sewage Collection & Treatment	Storm Water
Roads/Sidewalk Maintenance	Garbage Collection & Disposal
Regulation and Inspections	Water Utility - Distribution, Sales,

What took Place in St George for 2015

2015 Projects and Major Expenditures

Unplanned

The Town attempts to anticipate and plan for a variety of infrastructure expenses. However, there are times when unforeseen events or breakdowns occur and need to be dealt with in order to ensure town services continue. The following list represents unplanned issues that arose during the 2015 Budget Year:

- Snow removal in such a large volume
- Significant repairs were required for the water tower pumping system, impellers and pumps
- Sewage Lift Station 4 required impeller and pump replacement due to damage from gravel infiltration
- L'Etete Sewer Line
- Lagoon recovery
- Water main breaks – 4
- Lower Bridge sewer line
- Significant equipment repairs for works department
- Mill Avenue damaged due to heavy trucking (scheduled repairs for 2016)

- Riverview Avenue Paving – (expenses beyond provincial funding)
- Large Tree Removal – South Street – Pending (2016)

Planned Work

The Town budgets and plans for a variety of major projects every year. While decisions for proposed work are made during the budget deliberation and approval process, there are items that may not always get addressed due to other costs incurred due to an emergency expense or due to timing of funding applications and approvals.

The below list represents projects that were proposed for 2015 and their status:

- Brunswick Street Sewer and Water Upgrades Phase 2 - Complete
- Street Light Pole Replacement - Complete
- Highway Sign Installation - Complete
- Riverview Avenue (Provincial Designated Highway) - Complete
- South Street Guardrail - Complete
- Lift Station Upgrades – Complete
- South Street Paving – 2016

Extracurricular Activities within the Town

The Town and its staff takes pride in their community and beyond the everyday tasks that keeps the Town operational there are other activities that the Council and staff proudly add to their roster of activities of full or in-kind support. The following list is by no means complete:

Veterans Banners
 Ducks Unlimited Walking Trail
 Granite Town Festival
 Blueberry Festival
 Touch a truck
 Setting up for a variety of events
 Habitat for Humanity
 Use of Community Centre

Town Revenues

Changes in two typical areas of Revenue

These are challenging times for all levels of government. St. George is a small community with limited resources. Maintaining the same level of services is becoming increasingly difficult with declining revenues from various levels of government.

Property Assessments

The assessed value of properties in New Brunswick is completed by Service New Brunswick. Property assessors review properties with the goal of assessing at market value, or what each property would sell for on the real estate market.

It is then up to each municipal unit, such as the Town of St. George, to determine local tax rates in order to fund services. This rate is reported to the province and the Department of Finance issues tax notices and receives payments. All municipal tax revenues are distributed to each municipal unit.

The province introduced a cap to assessed values in 2011 to limit increases on owner-occupied properties up to a maximum of 3% per year. In 2013, the 3% cap on assessments was removed in an effort to return to a market value based system over the long term. An [Assessment Gap \(Permanent Assessment Exemption\)](#) will apply to those properties that benefitted from the 3% cap. The Assessment Gap is calculated based on the difference between the 2012 market value and the 2012 capped value.

In addition, an [Assessment Spike Protection](#) mechanism is now in place to ensure property assessment growth occurs in a more stable and predictable manner for owner occupied properties. An assessment increase greater than 10 percent will be phased in over a period of time. All new construction and/ or major improvements made to a property are excluded from Assessment Spike Protection.

St. George Property Tax Assessment

		Difference
2013	\$125,071,450.00	
2014	\$129,747,350.00	\$4,675,900.00
2015	\$131,577,700.00	\$1,830,350.00
2016	\$131,944,300.00	\$366,600.00

A very minimal increase in the overall assessed values of properties for this year is a result of capped assessments and an adjustment of several commercial properties and a variety of successful appeals for both residential and commercial/industrial.

Community Funding and Equalization Grant (formerly the Unconditional Grant)

The funds that are provided by the province are based on a formula that takes into account many factors such as a municipality's tax base and other costs borne by a municipality such as policing.

St. George Grants

	Change
2013 – 98,445.00	
2014 – 75,623.00	- 22,832.00
2015 – 63,654.00	- 11,969.00
2016 – 97,852.00	+ 34,198.00

Other areas of funding/revenue

The Town typically uses funding from the Infrastructure Canada Gas Tax Fund along with increased revenues from increases in the tax rate as well as water and sewer rates to partially offset these funds.

The Town also borrows money from Provincial Debentures through the provincial Capital Borrowing Board in order to move forward with several of the projects and capital purchases such as new vehicles.

In 2015 the Town applied for two grants through the Small Communities Fund Program; new well (\$600,000) and new water tower (\$3,000,000). This is a funding source that provides 1/3 federal, 1/3 provincial funds with the Town having to also provide 1/3 of the project cost. In the province of New Brunswick the application process saw the submission of 117 funding requests and of these projects only 43 were approved. The Town was successful and will receive 2/3 funding towards the infrastructure costs for a new water tower. The Town applied for and received provincial approval to borrow the matching 1/3 : \$1,000,000.

Fine Revenue

As the province continues to realign services and funding formulae, municipalities will no longer see a sharing of revenues from fines effective April 2016. While it only represents a small amount of revenue, it still represents an impact on budget planning.

Fire Protection Services

The Town of St. George Fire Service covers a substantial geographic area outside of the town limits in regards to responding to fire-rescue calls and as a result receives a distribution of sharable costs from the province. There are also funds derived from responding and assisting the Department of Natural Resources when fighting forest fires.

Building Permits

A total of 32 permits were issued by mid December 2015. The majority of permits issued this year were for minor repairs or electrical waivers. The majority of new builds were for smaller storage-type buildings.

Town Expenditures

The Town budget monies are spent on those items listed earlier in this report and yet there are substantial costs that will certainly stand out this year:

Policing

A very significant portion of the town budget goes towards policing costs.

	Difference
2012 - \$ 228,000.00	
2013 - \$ 334,030.00	\$ 106,030.00
2014 - \$ 342,406.00	\$ 8,000.00
2015 - \$ 349,364.00	\$ 6,956.00
2016 - \$ 396,051.00	\$ 46,687.00
Total Difference	\$ 168,051

Upcoming Projects for 2016

The 2016 budget year will see several new projects move forward. As with all best laid plans, some of these projects

- Water Tower
- South Street – Mill Avenue Paving
- Fire Truck
- Plow Truck
- Addition to works garage
- Mandatory asset management plan (Provincial Requirement)
- Repair work at community center
- Improvements to air exhaust system in Fire Dept. garage
- New Generator
- Playground improvements

Budget Changes

As a result of the significant costs associated with major infrastructure improvements, Council is **proposing** the following changes to the 2016 Budget:

Residential and Institutional Water rates – total increase = \$20.00

Current \$315.00 proposed change to \$ 325.00

Residential and Institutional Sewer Rates

Current \$135.00 proposed change to \$ 145.00

Industrial Rate

Current \$4.40 rate will change to \$4.60.

Tax Rate

Current rate per \$100.00 of assessment 1.3250 proposed change to 1.3350, (**a 1 cent increase**).

So for a home assessed at \$100,000.00 the impact will be an additional \$10.00.

The Bottom Line

The sum of **\$2,043,434.00** is the total Revenue and Expenses of the General Operating Budget of the Municipality. This represents an increase of \$33,559 from the previous budget year.

The sum of **\$ 678,580.00** is the total Revenue and Expenses of Utility Budget of the Municipality for the Water & Sewerage operations. This represents a decrease of \$83,713 from the previous budget year.

Budget Documents

GENERAL INCOME FUND

	Budget 2015	2015 Projected	2016
Warrant \$ 131,944,300			
WARRANT - MUNICIPAL TAXES	\$ 1,743,405.00	\$ 1,743,405.00	\$ 1,761,456.00
EQUALIZATION GRANT	63,654.00	63,654.00	97,852.00
L S D FIRE PROTECTION	86,941.00	86,941.00	110,762.00
D O T MAINTENANCE	8,700.00	8,699.00	6,500.00
	95,641.00	95,640.00	117,262.00
Sale of Services			
FOREST FIRES (DNR - Equipment)	2,000.00	4,156.00	3,000.00
NB EMO CLAIMS	0.00	0.00	0.00
	2,000.00	4,156.00	3,000.00
Other Revenue	22,401.00	26,882.01	21,251.00
FINES	6,500.00	7,042.00	1,775.00
SUMMER CAREER GRANT	1,600.00	0.00	1,600.00
S E E D GRANT	3,550.00	9,153.00	4,000.00
GENERAL OPERATING RESERVE	60,681.00	0.00	0.00
CANADA DAYS	1,500.00	1,200.00	1,500.00
HST INTEREST/OVER PAYMENTS	0.00	0.00	0.00
	67,331.00	10,353.00	7,100.00
Other Transfers			
SURPLUS 2ND PREVIOUS YEAR	8,943.00	8,943.00	33,738.00
PILT ADJUSTMENT	0.00	0.00	0.00
	8,943.00	8,943.00	33,738.00
TOTAL REVENUE	2,009,875.00	1,960,075.01	2,043,434.00

GENERAL GOVERNMENT EXPENSES

	Budget 2015	2015 Projected	2016
Legislative	43,750.00	41,600.00	45,000.00
Administrative	208,000.00	187,635.00	215,000.00
MultiPurpose(10%)	12,384.00	9,481.60	11,190.00
Other Administrative Services	8,700.00	11,300.00	9,700.00
Financial Management	17,100.00	17,466.89	23,000.00
Common Services	28,526.00	25,526.00	27,500.00
Other General Admin Services	11,900.00	5,730.33	8,310.00
Other General Gov't Services	34,000.00	33,557.81	34,250.00
Grants to Organizations	9,250.00	9,250.00	9,250.00
	373,610.00	341,547.63	383,200.00

POLICE PROTECTION

Police Protection Services	349,264.00	349,364.00	396,051.00
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FIRE PROTECTION SERVICES

	Budget 2015	2015 Projected	2016
Administrative: Personnel	17,900.00	17,900.00	22,000.00
Firefighting Force: Personnel	55,100.00	38,100.00	55,000.00
Firefighting Force: Other	16,625.00	16,625.00	20,825.00
Fire Alarm Systems	15,625.00	13,800.00	16,175.00
Fire Investigation/ Prevention	500.00	700.00	750.00
Water Costs	30,000.00	30,000.00	30,000.00
Training & Development	7,500.00	3,100.00	7,500.00
MultiPurpose(30%)	31,450.00	27,179.08	27,850.00
Fighting Equipment	47,100.00	43,770.00	48,600.00
Other	1,000.00	0.00	1,000.00
	222,800.00	191,174.08	229,700.00

PROTECTIVE SERVICES

Emergency Measures	12,525.00	12,200.00	14,000.00
Protective Inspection	24,525.00	13,708.00	22,000.00
	37,050.00	25,908.00	36,000.00

TRANSPORTATION DEPARTMENT

	Budget 2015	2015 Projected	2016
Administration: Personnel	236,500.00	249,288.29	247,000.00
Administration: Other	3,100.00	2,650.00	3,300.00
Training & Development	5,000.00	124.00	3,750.00
Engineering Services	10,000.00	8,500.00	10,000.00
General Equipment	68,350.00	94,560.00	69,400.00
MultiPurpose(30%)	34,200.00	25,433.00	30,500.00
Roads & Streets	42,450.00	34,709.00	42,450.00
Culverts & Drainage Ditches	10,000.00	2,300.00	10,000.00
St. Cleaning & Flushing	3,500.00	3,300.00	3,500.00
Snow & Ice Removal	42,000.00	44,300.00	50,000.00
Snow & Ice Removal-Private	3,000.00	48,000.00	10,000.00
Street Lighting	55,000.00	54,500.00	55,000.00
Street Signs	2,000.00	1,700.00	2,000.00
Traffic Lane marking	5,000.00	5,695.00	6,000.00
Transit Service			5,000.00
	520,100.00	575,059.29	547,900.00

ENVIRONMENTAL HEALTH SERVICES			
	Budget 2015	2015 Projected	2016
Solid Waste Collect/Disposal	120,000.00	111,000.00	118,000.00
PUBLIC HEALTH & WELFARE			
Medical Clinics	50,500.00	53,230.63	36,550.00
ENVIRONMENTAL DEVELOPMENT			
Environmental Planning & Zoning	52,610.00	49,960.00	53,700.00
Beautification & Land Rehab	5,000.00	2,800.00	3,000.00
Industrial Parks	3,000.00	725.00	1,500.00
Tourism	21,500.00	19,984.00	21,000.00
Promotion of Tourist Attractions	14,500.00	5,700.00	11,500.00
Other Tourism	15,500.00	21,954.14	14,600.00
Market	500.00	185.00	500.00
Decorative Lighting	750.00	701.00	750.00
	113,360.00	102,009.14	106,550.00

RECREATION DEPARTMENT

	Budget 2015	2015 Projected	2016
Community Centre	42,200.00	41,274.00	37,300.00
Parks & Playgrounds	2,500.00	86.00	10,000.00
Other Recreation Facilities	5,850.00	3,746.00	6,100.00
Electrical for day adventure site	0.00	290.00	300.00
Libraries	1,000.00	1,000.00	1,000.00
Other Recreation/Cultural Services	43,450.00	48,587.00	43,200.00
	95,000.00	94,983.00	97,900.00

FISCAL SERVICES

Cost of Debt Management	128,191.00	101,220.36	82,980.50
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TOTAL EXPENSES	2,009,875.00	1,945,496.13	2,034,831.50
TOTAL INCOME	2,009,875.00	1,960,075.01	2,043,434.00
SURPLUS	0.00	14,578.88	8,602.50

Utility Income

	2015 Budget	Projected	2016
RESIDENTIAL (W. & S.)	\$ 303,750.00	304,915.00	317,250.00
INDUSTRIAL (W. & S.)	366,000.00	266,000.00	272,000.00
INSTITUTIONAL (W. & S.)	53,550.00	54,000.00	55,930.00
	723,300.00	624,915.00	645,180.00
Connection & Service Charge			
CONNECTION & SERVICE CHARGE	500.00	445.00	500.00
	500.00	445.00	500.00
Other Revenue Own Source			
WATER SUPPLY	30,000.00	30,000.00	30,000.00
INTEREST	2,000.00	4,000.00	2,500.00
	32,000.00	34,000.00	32,500.00
Surplus 2nd Previous Year			
SURPLUS 2ND PREVIOUS YEAR	6,093.00	6,093.00	0.00
	6,093.00	6,093.00	0.00
Other Revenue			
MISCELLANEOUS	200.00	45.00	200.00
SALE OF ASSETS	0.00	0.00	0.00
MATERIAL SALES	0.00	270.00	0.00
MATERIAL & LABOUR SALES	200.00	0.00	200.00
ROUNDING NUMBERS	0.00	0.00	0.00
	400.00	315.00	400.00
TOTAL REVENUES 2015	762,293.00	665,768.00	678,580.00

UTILITY EXPENSE

WATER DEPARTMENT	2015 Budget	Projected	2016
Administration	9,150.00	7,029.00	7,700.00
Admin Water Wages	62,500.00	51,975.00	59,000.00
Transmission & Distribution	41,650.00	43,882.00	42,160.00
Water T & D Wages	62,000.00	48,100.00	59,700.00
Engineering Services	20,000.00	4,000.00	20,000.00
Power & Pumping	42,700.00	36,865.00	40,425.00
MultiPurpose(15%)	17,950.00	13,465.00	16,650.00
Pump Repairs	22,700.00	21,883.00	16,200.00
Amortization Expense	250.00	0.00	250.00
Purification & Treatment	28,000.00	19,725.00	25,000.00
Billing & Collection	1,000.00	0.00	1,000.00
TOTAL WATER DEPART EXEPENSES	307,900.00	246,924.00	288,085.00

SEWERAGE DEPARTMENT

	2015 Budget	Projected	2016
Administration	14,400.00	12,905.00	16,200.00
Admin Sewer Wages	62,500.00	51,975.00	59,000.00
Transmission & Distribution	33,000.00	25,355.00	31,500.00
Sewer T & D Wages	55,000.00	42,488.00	56,000.00
Sewerage Lift Pump Repairs	23,000.00	27,735.00	24,000.00
Sewerage Lift Station Power	26,000.00	23,350.00	24,950.00
Sewerage Treatment & Disposal	68,400.00	76,510.00	68,900.00
Sewerage Other	7,300.00	6,300.00	7,300.00
MultiPurpose(15%)	17,950.00	14,681.40	16,050.00
Billing & Collection	1,000.00	0.00	0.00
TOTAL SEWAGE DEPT EXPENSES	308,550.00	281,299.40	303,900.00

SEWERAGE FISCAL SERVICES

	2015 Budget	Projected	2016
Cost of Debt Management	45,579.00	59,211.02	59,211.02
TRANSFER OWN FUNDS & RESERVE	40,000.00	0.00	0.00
Revenue	\$ 762,293.00	\$ 665,768.00	\$678,580.00
Expense	\$ 762,293.00	\$ 604,041.59	\$666,877.02
	\$ -	\$ 61,726.41	\$ 11,702.98
Lift Station Repairs		\$ (33,000.00)	
Potential Surplus		\$ 28,726.41	