

REQUEST FOR DECISION 029-2024

Title: 2024/25 Draft Budget V5 (REVISED)

Date: 2024-05-07

Department: Finance



SUMMARY

Draft 2024/25 Budget Version 5 (V5)

The 2024/25 budget process has been very participative in nature and has spanned the past several months. The objective of this document, Request for Decision (“RFD”), is to ensure that the Town has in place the appropriate spending authority for the fiscal year 2024/25, which will enable staff to implement the direction provided by Council in a timely manner. Given the Town is already working in the fiscal year 2024/25, the relevancy of budget approval and financial reporting may eventually be brought into question should this RFD not be passed.

Further evaluation and re-adjusting of the financial lenses shall occur throughout the entire fiscal year, with Council and staff interacting with the public in various formats, including regular Committee of the Whole (“COW”) meetings, Special Committee of the Whole meetings, Advisory Committee meetings, Wolfville Blooms project pages, and many other communication mediums in order to provide useful and timely feedback to the Town.

The parts of the formal budget process in accordance with **Standard Operating Procedure 110-804** are listed below:

- *November: Council will discuss budget philosophy, capital project charters, capital investment plan and reaffirmation of strategic plan priorities at the regularly scheduled Committee of the Whole meeting.*
- *Mid-November: Management to submit budget working papers to Director of Finance*
- *Early-December: The draft Operating Budget will be submitted to Management for review and discussion at the first meeting in December.*
- *Mid-January: The draft Operating Budget, a three-year global operating budget, and operating project charters will be presented at a Special Committee of the Whole meeting.*
- *March: Approval of the Capital and Operating Budgets, advertising of capital tenders, and budget communications.*

Certainly the 2024/25 Budget the process has seen significant changes to the formal budget process due to a variety of reasons, not limited to, staff vacancies, supply chain issues, and new directives provided from Council, which have created a re-engineering of sorts of the 2024/25 budget process as follows:

- An all-day Special Committee of the Whole (COW) meeting was held in November covering:
 - Working draft of the 10-Year Capital Investment Plan (CIP)

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- Preliminary budget discussions and directions by Council for staff to develop the first draft of the budget, for example, initial position on tax rates, property valuations, and impact of Inflation/Cost of Living Adjustments (COLA)
- An all-day Special Committee of the Whole (COW) meeting was held in January to review Draft Version 1 (V1) of the operating and capital budgets
- Another all-day Special COW meeting was held in February to review Draft Version 2 (V2) of the budget incorporating budget revisions created from new and/or more accurate information, and direction provided by Council from the January Special COW meeting. The meeting in February mostly covered a retrospective year in review approach to V2 of the Draft 2024/25 Budget.
- Two additional COW meetings (one regular and one special) were held in March where staff presented the operating and capital budgets separately
- Early May the final iteration V5 of the 2024/25 Draft Budget will be presented to Council along with a supplementary *Draft Department Work Plans* document
- Following in May, Town will hold Public Information Sessions at Town Hall in an open house styled forum (allowing public participation, both in person and virtual)
- An RFD will then be brought to the regular May COW for a balanced 2024/25 Budget
- Should Council agree to Draft V5 of the budget, the RFD shall move forward to May Council for approval

Draft V5 of the budget will be presented at the COW meeting to be held on May 7th and will be the result of hours of deliberation, data matriculation, and discussions with management and members of Council. The budget document presented shall represent a fiscally responsible 2024/25 Budget (Town and Water) and will be accompanied with a supplemented *Draft Department Work Plans* for 2024/25.

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DRAFT MOTION:

For Council to approve the 2024/25 Town Operating Budget, Ten Year Capital Investment Plan, and the Water Utility Operating and Capital Budget, including the following details:

- **Town Operating Budget with revenue & expenditures in the amount of \$15,142,000.**
 - Residential Tax Rate of \$1.4655 per hundred dollars of assessment applied to taxable residential and resource assessments
 - Commercial Tax Rate of \$3.5655 per hundred dollars of assessment applied to taxable commercial assessments
 - Taxes to be billed by way of Interim Tax Bill (issued in April, due May 31, 2024) and Final Tax Bill (issued in August, due the October 1, 2024)
 - Interest on overdue amounts to be charged at a rate of 1.00% per month, compounded
- **Town Capital Budget with Year 1 totaling \$5,647,900, including capital reserve funding of \$2,243,100, operating reserve funding of \$207,700, long term debt funding of \$709,200, Active Transportation Grant funding of \$474,900, ACOA grant funding of \$403,300, Provincial Sustainable Service Growth Fund of \$485,000, other grant funding of \$771,000, and other external grant and/or contribution funding of \$353,700.**
- **Water Utility Operating Budget with operating revenues of \$1,519,400, operating expenditures of \$1,416,900, non-operating revenues of \$43,600, and non-operating expenditures of \$214,400.**
- **Water Utility Capital Budget totaling \$679,100 including Depreciation Reserve Funding of \$98,600, Municipal Capital Growth Funding of \$287,500, Capital from Revenue Funding of \$40,000, Long Term Debt of \$230,000 and Accumulated Surplus funding of \$23,000.**
- **Fire Protection Area Rate (pursuant to Section 80 of the Municipal Government Act) of \$0.0555 per hundred dollars of assessment**
- **Business Development Area rate (pursuant to Section 56 of the Municipal Government Act) of \$0.23 per hundred dollars of commercial assessment**
- **Sewer fees**
 - Sewer usage rate of \$7.08 per 1,000 gallons of water used by customer
 - Flat Rate fee of \$135.70 per quarter
 - Minimum quarterly charge for any metered customer \$29.85
 - Sewer connection fee of \$6,500

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- Water connection fee of \$6,500
- Sewer and Water connection fee of \$6,500

- Low Income Property Tax Exemption
 - Income threshold to qualify a maximum of \$45,000
 - Maximum tax exemption of \$1,040

- Grants to Organizations under General Government/Community Development (*not part of Strategic & Community Partnership Policy*)
 - Acadia Scholar Bursaries \$11,000
 - Acadia University
 - Events hosting contribution \$10,000
 - Summer Camps \$15,000
 - Pool Operating Contribution \$60,000
 - Fitness \$50,000
 - Devour
 - 2nd Installment of one-time capital grant \$50,000

ADDITIONAL DRAFT MOTIONS: (Part of the 2024/25 budget)

- THAT COUNCIL APPROVE THE HIRING OF A FULL-TIME PROJECT MANAGER POSITION FOR THE DEPARTMENT OF ENGINEERING AND PUBLIC WORKS AT A SALARY COST UP TO \$100,000 PER ANNUM PLUS BENEFITS AS PART OF THE 2024/25 BUDGET.

- THAT COUNCIL ACKNOWLEDGE THE RECRUITMENT OF A NEW SENIOR PLANNER FOR A THREE-YEAR TERM POSITION FUNDED BY THE HOUSING ACCELERATOR FUND AT A SALARY COST OF \$95K PER ANNUM PLUS BENEFITS AS PART OF THE 2024/25 BUDGET.

- THAT COUNCIL APPROVE A \$20,000 ONE-TIME GRANT CONTRIBUTION TO EVENTS ACADIA TO SUPPORT THEIR STRATEGIC BID AND HOSTING EFFORTS AS PART OF THE 2024-25 BUDGET PROCESS

- THAT COUNCIL APPROVE A \$25,000 ONE-TIME CAPITAL GRANT CONTRIBUTION TO THE WOLFVILLE CURLING CLUB TO SUPPORT ACCESSIBILITY UPGRADES TO THEIR FACILITY AS PART OF THE 2024-25 BUDGET PROCESS.

- THAT COUNCIL APPROVE A \$50,000 ONE-TIME CAPITAL GRANT CONTRIBUTION TO THE WOLFVILLE HISTORICAL SOCIETY TO SUPPORT REPAIRS TO RANDALL HOUSE – AS PART OF THE 2024-25 BUDGET PROCESS.

- THAT COUNCIL ACKNOWLEDGE THAT THE APPROVED PROJECT-SPECIFIC INCREASE TO THE CAPITAL BUDGET IN THE 2024-25 FISCAL YEAR OF \$610,000 TO CARRY OUT THE FULL SCOPE OF

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**WORK IN THE EAST END PARKING LOT, INCLUDES WORK TO THE VALUE OF \$21,000
ATTRIBUTED TO THE BETTERMENT OF THE WOLFVILLE LEGION PARKING AND WALKWAY
AREAS.**

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1) CAO COMMENTS

The CAO supports the recommendations of staff.

2) LEGISLATIVE AUTHORITY

Nova Scotia Municipal Government Act Section 65.

3) STAFF RECOMMENDATION

Staff recommend Council ratify for adoption the Draft 2024/25 Budget V5 as presented.

REFERENCES AND ATTACHMENTS

- 2024/25 Draft Budget V5 (attached)
- Draft Department Work Plans
- Committee of the Whole agenda packages
 - November 16th, 2024, Special COW Budget Meeting
 - January 18th, 2024, Special COW Budget Meeting
 - February 21st, 2024, Special COW Budget Meeting
 - March 5th, 2024, Regular COW Meeting
 - March 19th, 2024, Special COW Budget Meeting
 - April 16th, 2024m Special COW Budget Meeting

4) DISCUSSION

The below discussion section will be supported by way of a PowerPoint presentation during the meeting on May 7th, 2024. The information presented shall cover 2024/25 Draft Budget V5 with the following changes identified from V4 budget presentation:

- Re-addition of Soups & Sides Program – use of allowance for grants to organization in Dept. 110 General Government and Dept. 510 Parks
- Addition of portable toilet rental for the months of April through July 2024 (**\$1,200**)
- Senior Planner for Housing Accelerator Program within Planning Dept. (planned start-date for late May 2024) (**\$103,000**)
- Recognized grant revenue of **\$103,000** from the Housing Accelerator Fund to cover planned Housing Accelerator Fund hiring of Senior Planner

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	2024/25	2024/25	Change
	Budget	Budget	V1 to V5
	V1	V5	
<u>REVENUES</u>			
Taxes and grants in lieu of taxes	\$ 12,398,900	\$ 12,487,200	88,300
Sale of service/cost recoveries	1,292,100	1,356,300	64,200
Provincial, Federal & other grants	381,500	497,800	116,300
	14,873,400	15,142,200	268,800
<u>EXPENSES</u>			
Salary and wages	2,735,500	2,893,700	(158,200)
Employee Benefits	690,200	709,200	(19,000)
Seasonal/Term Wages	405,500	416,100	(10,600)
Employee Benefits Seasonal wag	106,900	106,600	300
Professional Development	112,500	110,700	1,800
Office Expense	62,500	62,800	(300)
Legal	97,000	90,000	7,000
Insurance	276,800	259,300	17,500
Heat	54,500	53,900	600
Repairs and Maintenance - buildings	152,600	132,200	20,400
Vehicle Repairs & Maintenance	224,600	219,100	5,500
Operational Equip & Supplies	686,400	668,900	17,500
Equipment Rentals	29,000	30,200	(1,200)
Contracted Services	3,398,600	3,346,600	52,000
Grants to Organizations	275,900	380,900	(105,000)
Partner Contributions	2,238,700	2,251,500	(12,800)
Doubtful accounts allowance	3,000	2,500	500
	12,700,700	12,884,700	(184,000)
Net Operational Surplus (Deficit)	2,172,700	2,257,500	84,800
Capital Program & Reserves	2,422,500	2,257,500	165,000
Net Surplus (Deficit)	\$ (249,800)	\$ -	\$ 249,800

1.7%

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Water Utility Budget

There are no changes to the 2024/25 Draft Water Utility Operating and Capital Budgets.

Municipal Fees Policy

As per the budget motion, there will be changes implemented for municipal fees. Staff expect to bring the *Municipal Fee Policy* back to Council with an RFD for the June COW meeting to fulfil the annual review and update process for Town fees.

5) FINANCIAL IMPLICATIONS

The proposed V5 draft budget meets the requirement of a balanced budget and reflects a funded Ten-Year Capital Investment Plan.

Important to note, the current multi-year capital investment plan and budget may create movement of a number of provincial Financial Condition Indicators (“FCI’s”) towards higher risk measurements. In addition, funding and implementation of some capital planned projects may require further decisions and risk management as related capital program FCI’s are expected to create acute high-risk situations for multiple years, however, by the latter part of the Ten-Year CIP those indicators will begin to resolve themselves back to a low-risk status. This is a planned and prudent use of Capital Reserves and debt to finance the ten-year capital plan of \$56 million.

The Town should remain focused on ensuring financial sustainability is maintained over the long- term.

6) REFERENCES TO COUNCIL STRATEGIC PLAN AND TOWN REPORTS

A supplement document titled *Draft Department Work Plan* has been crafted by staff to aid in understanding key responsibilities and areas of functionality for each Town department and offers, similar to an annual Operations Plan, all aspects of Council’s Strategic Plan reflected through Town offerings and related services.

7) COMMUNICATION REQUIREMENTS

Nothing is to be provided at this time. A communications package will be developed for use at the public engagement sessions as well as after the May 16th, 2024, Council meeting, assuming budget approval is carried.

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8) ALTERNATIVES

To not approve current draft budget, with direction to staff of what changes might be desired.

- Best practice would be to have an approved annual operating and capital budget prior to start of a new fiscal year. No one budget can satisfy all service levels desired and/or public request for services and still meet the goal of minimizing tax increases.
- As with past years, to the extent that actual results in 2024/25 start to vary significantly from budget, staff will work with Council to manage any major negative variances.