

Shelburne residents facing probable tax hike in 2018

By Peter Richardson

Monday night's council meeting, saw the first draft of the 2018 Budget proposals from Staff and the news was not all good. There will be a provisional levy increase of 4 percent based on an average home assessment of \$303,897. This was primarily due to a funding gap, or shortfall, of just over \$6.5 million, caused by revenues dropping to just under \$1.4 million. Estimated expenses for the year top out at \$7.9 million. In part this was due to a number of unexpected expenditures related to the sewage holding pond problems of this past summer and also the water tower re-lining and the water main breaks this fall. However there were also many other increases that have attributed to the uptick in the levy.

The four main causes of the Budget fluctuations were the reductions in grants and/or grant funding opportunities, the phased in assessment and assessment growth, changes in the transfers to and from the reserves and the transfers departments, such as dog tag enforcement being moved from the police services to by-law enforcement. The latter, for example, reduced policing revenues by over \$12,000, from \$136,394.00, in 2017, to \$123,764 in 2018. Other substantial, factors included a 36 percent reduction in Public Works revenues, caused by no transfers from Reserves and a 61 percent decrease, for the same reason, in Fire Protection revenues. There were two bright lights, those being an increase of 196 percent for planning and Development and a 1036 percent surge for Other Protective Services, but neither of these were of enough monetary substance to offset the losses appreciatively. Meanwhile, expenditures increased by \$305,841.00 for 2018 with Police Services and Planning and Development both experiencing large increases, due to salaries, benefits and new hires.

Tentatively, this will impact the average homeowner to the tune of \$85.89 on this year's tax bill, with the average annual bill jumping from \$2,147 in 2017 to \$2,233 in 2018. Although this is not a particularly massive number in the grand scheme of things, financially, it is still a burden on the taxpayer and Mayor Bennington is hopefully that Council will be able to reduce that increase to one or two percent following their deliberations on the draft budget next Monday evening. No politician likes to see a tax increase, especially in an election year and so it can be expected that Council will strive to keep any increases as low as possible, without jeopardizing the level of service and safety to the residents. Death and taxes may well be inevitable, as the old saying goes, but Shelburne's elected officials intend to keep the latter to a minimum.

In general, the biggest ongoing expense facing any endeavour is wages and in this regard Shelburne has been relatively successful in holding the line on any dramatic changes to its payroll. However, some increase is inevitable if you wish to maintain a low employee turnover ratio and salaries are going up by 6 percent for 2018, primarily driven by new hires in the Clerks Office and the Engineering Department. Engineering is seeing the largest jump with two new personnel on staff.

The 2018 General Capital Projects and Purchases came in at just over \$2.05 million, which accounts for Infrastructure maintenance, a new playground, police equipment, the cleanup of the old works yard on Victoria Street, new road equipment, 48 new cemetery plots, transfers to reserves, mail room supplies and, finally, the annual loan repayment on the Sister Street Debenture. Although these projects are funded from a variety of sources, the primary one is grants and should they not be available or refused, this would dramatically affect the projects and/or purchasing.

Providing safe water for the town is an obvious priority and will see a cost increase in 2018, partly due to the loss of a Ministry of the Environment grant. Overall, the budget will not be dramatically affected, as new fees and revenues will contribute a total improvement of 33 percent over 2017. This is thanks to the steady growth of the town annually. On the other hand, sewage operating costs will rise substantially for 2018, in part due to the dredging of the holding ponds, done to alleviate the problems of this past spring and summer. Adding to this will be several projects and purchases that are directly related to the sewage and water main problems of 2017. These will include the several rebuild and /or replacement pumps and blowers, affected by the plant flooding this past year. For 2018, this means that Water and Sewer Capital Costs are the largest component of the total Capital Projects Budget. 55 percent of the water and sewer projects are directly funded by water and sewer rates.

An area of some concern, going forward, is the fact that in 2018 the capital reserves will be depleted by nearly \$23,000, meaning that the Town will have had to use more of the reserves to meet the Budget needs than expected. The idea of reserves is that they are always being added to, as opposed to being depleted, thus assuring the Town of a buffer in case of unexpected expenditures, rather than being spent to fund normal operating costs.

Over and above the aforementioned expenditures, the Town also has a compilation of future Capital Projects for Infrastructure, Water and sewer, Recreation and Accommodations, which amount to in excess of \$20 million and will have to be addressed as time goes on.

To give one an idea, of how their tax dollars are spent, the breakdown is as follows. Based on the proposed tax bill, for an average

household, of \$2,233.21, \$89 goes to Fire Services, \$447 to General Governance, \$45 to Council and Committees and \$715 to Policing. After that, \$156 is for Recreation and Culture, \$156 for Planning and Development, \$45 to Other Protective services, such as Canine Control, and \$580 to Public Works. Where the final 21 cents are used is anyone's guess.

In other business, Council heard a request from future resident Sydney Worth, asking for relief from the Exotic Pets By-law so that she might be able to keep her two pet therapy pigs in her new home. Ms. Worth provided extensive documentation on the two animals and their Certifications, as well as letters from her doctors in support of her need for these animals. Council decided that they would grant this relief, but that the existing by-law would remain in effect and that all such requests would be handled on a case by case basis, with proper references and certifications being required. It was also noted that the BIA has plans well in hand for the upcoming Santa Claus Parade, being held downtown on December 2nd.