

Shelburne Council approves 1.58 percent tax increase, additional \$35.12 on 2019 bill

Written By PETER RICHARDSON

Shelburne Council signed off on its 2019 budget on Monday evening, with local residents facing a tax increase of 1.58 percent - at \$35.12 increase from last year.

The public meeting to review the 2019 Draft Budget was convened in the Council Chambers Tuesday night (Feb. 19), with approximately a dozen residents in attendance. A somewhat subdued participation considering Council was explaining how, where and why, they are going to spend some \$7 million of taxpayers money in 2019.

The meeting opened with Treasurer Carey Holmes outlining the draft budget and explaining the various facets of it. During her presentation, she took pains to explain the cost of the Town's long term debt and the costs of further borrowing to fund capital projects, such as a new police station, or the mandated upgrades to Well Number 3. Just these two projects alone, would increase the Town's debt repayment levels by \$565,468.34 annually, for the next 15 to 20 years and would place the Town in violation of the legislated borrowing rules for a municipality.

As it stands right now, the long term debt repayment amounts to \$1,681.00 per household in Shelburne.

As the budget stands now, a home valued at \$313,774.00, will see a tax increase from the Town, of 1.58 percent, or \$35.12 per month for 2019. This is based upon a draft budget tax levy increase of 2.91 percent. Considering that inflation sits at 2.2 percent, this is a very moderate increase.

Ms. Holmes also explained that new assessments, which would increase Town revenues, are not expected until late in 2019 and would come from the two new developments currently under construction at each end of town. It was also noted that the \$1.2 million in potential revenues would be accrued over several years, as the homes were bought and occupied.

Following the Treasurer's report, Mayor Wade Mills threw the floor open for questions and first up was Mr. John Gale, who expressed his growing concerns over the Town's long term debt costs.

He stated the obvious, that at some point, these loans have to be repaid and that he was concerned about his grandchildren being burdened with this inevitability. He felt that present levels were far too high at \$1,681 per home and asked what Council was planning to do about the situation.

Mayor Mills responded, noting that Council shared his concerns and that the \$20 million dollars in new capital projects that the Treasurer had mentioned, were not a wish list, but rather major infrastructure projects that had to be completed. He went on to say that Council had recently constructed a strategic plan, that would be unveiled shortly, and were also compiling a comprehensive financial plan, which would be announced and functional before the next Budget deliberations in the fall.

He noted that Shelburne had never had either of these in the past. Wade went on to emphasis that it was his opinion that the current Credit Card buying model could not continue and Shelburne would have to reign in and control it's spending to remain a viable Municipality, placing more money into reserves and borrowing less. Nevertheless, he noted that money did have t be raised and that currently, that was from Residential taxes .

The treasurer added that the Town was hoping to relieve the ratepayers through Commercial and Industrial assessments and that it was her belief that these would come as the Town surpassed the 'magic' 10,000 population figure, at which point it becomes viable, to expect larger retailers, to take an interest in Shelburne. At this point, Councillor Benotto pointed out that this was already beginning, in the East end of Town, where Fieldgate were planning to open construction on their rather large commercial

development, prior to starting one the accompanying homes. Mayor Mills added that the 2.91% levy increase this year, was very modest, compared with the inflation rate of 2.2 %, but that it was his belief that this was the way of the future, consistent small increases to keep pace with inflation and have a little bit left over, rather than a huge tax increase down the road, preceded by 0% increases for several years.

Another resident queried whether there was not another way to raise funds for Well 3 and whether Council had had discussions with other small Municipalities facing similar problems, to get ideas. The Mayor and the CAO, Denyse Morrissey, explained that the only options open to the Town, were either long term debt financing, or the use of certain grants. Jim Moss, added that Shelburne had been chosen as the poster town, so to speak, for a pilot project around the Well 3 problem, which made it the go to Town in that area. The Car indicated that Shelburne had applied for the OCIF Grant of \$1.5 million for Well 3, but that the Provincial government had not yet allocated those funds.

County Treasurer Allan Shelby was in attendance as a resident, but took the opportunity to commend Council on their budget, saying that the 2.91% was lower than he expected into be and that he had been prepared to endorse a larger number. He also mentioned that the County Budget increases were below 2%, which would not affect Shelburne's tax rates dramatically.

Ex-councillor Dan Sample spoke, to request that Council restore the the money for the Soccer club nets and storage container, as it had been an agreement in principal, with the previous Council that this money was to be a joint venture with the Town and the club, to purchase the equipment. He also commended Council on their Budget package. Dan then asked if Council had placed the Legion's request to pave the boulevard at the corner of First and Williams Streets, outside their hall, in the budget draft somewhere. The request had been made of the previous Council, and it had been decided to leave it for the new and present one, to deal with. Mayor Mills said he did recall the request and that they would have to look into it. Councillor Benotto mentioned that such a request would come out of the Public Works Departments sidewalks financing and would not have to be a line item in the budget.

Following a little more discussion on various areas of the draft, a motion was presented by Councillors Benotto and Wegener to have the Draft Budget accepted and Council so moved it, unanimously. Staff will now prepare a by-law, to that effect, for the next Council Meeting on February 25th and the 2019 Budget will be adopted as presented.