

13 per cent tax levy suggested for 2022 budget

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Shelburne Town Council has got their first look at a breakdown of the 2022 draft budget.

Carey Holmes, director of financial services for the Town of Shelburne, presented councillors with a detailed report on Monday (Dec. 13), which broke down staff's suggested 13 per cent tax levy increase for the operating budget.

"While it is unfortunate that this budget may seem unrealistic with respect to the suggested increase, staff have built the 2022 budget and the presentation with a bright and positive outlook that its adoption will support council's vision of being a community that is engaged, connected, and innovative," said Holmes to begin the presentation.

The draft budget presented to Council consisted of a tax levy increase not exceeding 13 per cent resulting in a 8 per cent tax rate increase, including an approximately 1.12 per cent (\$100,000) tax levy increase for arts and culture, a 5.09 levy increase related to staffing and utilizing \$200,000 from tax stabilization reserve.

Holmes noted that the estimated amount to be raised by taxation for 2022 is slightly over \$8.8 million, calculated by taking to total operating expenses of \$11.3 million for 2021 and subtracting the revenues of around \$2.9 million.

The total estimate for general operating expenses of \$11, 803,017 is split up amongst eight expenditures including; police (\$3,600,581); operations and transit (\$2,353,533); general government and town hall (\$2,246,042); recreation and culture (\$1,231,053); planning and development (\$1,337,971); fire protection (\$473,086), council and committees (\$201,288); other protective services (\$359,464).

"The Town is facing significant financial pressures and increased expenses in order to respond to the service and amenity expectations and needs for the small town as we continue to experience significant growth coupled with unavoidable cost drivers," said Holmes.

The homeowner tax impact for the 2022 draft budget, based on an average single family home assessment of \$355,366, is an 8 per cent tax rate increase amounting to an additional \$199 per year, or \$16.58 per month on the town portion. Holmes noted that due to a 5.3 per cent taxable assessment growth, the tax rate is able to be lower than the 13 per cent tax levy.

The presentation detailed how \$1 of taxpayer's money goes: \$0.34 Police Services, \$0.05 Fire Protection, \$0.11 General Government and Town, \$0.25 Public Works, \$0.02 Council and Committees, \$0.12 Recreation and Culture, \$0.07 Planning and Development, \$0.04 Other Protective Services.

The draft budget for 2022 also addressed a number of capital projects including; \$2.7 million for infrastructure, road projects and capital equipment purchases; \$1.1 million to parks and recreation for the splash pad, tennis and pickleball court, and off-leash dog park; and \$200,000 toward municipal drains, downtown beautification, and health and safety.

Holmes said for the capital projects approximately \$195,000 will be funded from tax.

The water and sewer capital for the draft 2022 budget is set at a total of \$12.9 million with multiple upgrades such as the design phase for the water pollution control plant (\$2 million), a new secondary water tower (\$7.1 million), and remediation of Well 3 (\$3.8 million).

An update was made on the amount suggested to borrow from the tax stabilization reserve. Staff originally suggested borrowing \$200,000, which has been dropped to \$143,350.

Shelburne has a tax stabilization reserve that is set up to help offset financially challenging years. Last year, the Town used the reserve to bring down the increase in the tax rate due to the pandemic.

?Staff have already indicated that 2023 is shaping up to have similar financial demands as 2022, and we may need to use the tax stabilization reserve for another year,? said Holmes.

Following the presentation of the draft 2022 budget, councillors began discussions with staff on prioritizing items, which would influence an increase in the levy and tax rate.

Council will be meeting again on Dec. 20 to continue discussions on the draft 2022 budget. Shelburne Council is expected to have a public presentation of the draft operating budget on Jan. 10, with an adoption of the budget scheduled for Jan. 24.