

Council anticipates 1 per cent tax increase]

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Shelburne town council has got their first look at a breakdown of the 2023 draft budget.

Carey Holmes, director of financial services and treasurer for the Town of Shelburne, presented councillors with a detailed report of the 2023 draft budget on Monday (Jan. 30), which proposed a tax rate increase of 1 per cent.

‘It’s important to stress that a zero per cent tax increase only ends up costing more in the long run,’ explained Holmes. ‘When you take into consideration, risk management, best practices, life cycle costing, and long-term budget planning, a zero per cent tax rate increase does not fit into that equation and it has been proven that having a zero per cent tax increase only costs more money in future years.’

The 1 per cent increase in the tax rate will allow for an overall tax levy increase of 5.3 per cent in tax dollars or \$460,751.

Holmes noted that the estimated amount to be raised by taxation for 2023 is just over \$9 million, calculated by taking total operating expenses of \$11.9 million for 2022 and subtracting the revenues of around \$2.8 million.

The total estimate for the 2023 general operating expenses of \$11,918,966 is split up amongst eight expenditures, including; police (\$3,138,862); operations and transit (\$2,278,896); general government and town hall (\$2,493,313); recreation and culture (\$1,225,861); planning and development (\$1,376,301); fire protection (\$638,425); council and committees (\$179,190); and other protective services (\$388,118).

‘The town continues to face significant financial pressures and increased expenses in order to respond to the service and amenity expectation, and the needs for a small town that continues to experience significant growth,’ said Holmes.

The homeowner tax impact for the 2023 draft budget, based on an average single-family home assessment of \$355,366, is a 1 per cent tax rate increase amounting to an additional \$26.12 per year, or \$2.18 per month on the town portion.

The presentation detailed where \$1 of a taxpayer’s money goes: \$0.34 Police Services, \$0.26 Operations, \$0.12 Recreation and Culture, \$0.08 Planning and Development, & 0.07 Fire Protection, \$0.07 General Government and Town Hall, \$0.02 Council and Committees, and \$0.04 Other Protective Services.

The draft 2023 budget also addressed a number of capital projects, including \$3.869,796 for infrastructure, road projects, and capital equipment purchases; \$814,650 to be spent on parks and recreation splash pad, improved amenities, playground equipment, and capital equipment purchases; and \$654,643 towards gateway signs, economic development initiatives, Grace Tipling Hall revitalization and administrative equipment.

The 2023 Draft Budget includes \$5,339,089 for the listed capital projects.

‘Approximately only 33 per cent of that figure will proceed, if the town is successful in obtaining the grants for the projects,’ said Holmes.

Water and Sewer capital projects total just under \$8 million for 2023, with a majority of the cost being a carry-over from unfinished and multi-year projects in 2022.

As part of the 2023 Draft Budget, Holmes suggested using \$200,000 from the tax stabilization reserve to keep the tax rate increase at

1 per cent. The tax stabilization reserve is set up to help offset tax hikes during financially challenging years.

Holmes noted the town did not use the money borrowed from the tax stabilization in 2022, but included the borrowing option in the budget for 2023.

It was also requested that \$400,000 from the 2022 surplus be put into an equipment reserve to cover capital equipment needs for 2023 and 2024.

Council will meet again on Feb. 6 to go through the budget details. A public presentation of the Draft 2023 Budget will be given on Feb. 23, followed by the approval of the budget by resolution on Feb. 23. Council will adopt the 2023 Budget with the passing of a by-law on March 13, at the latest.