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Council working to lower tax rate increase

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Shelburne Council has continued discussions on the town's operating budget for 2022.

On Monday (Dec. 20), Shelburne Town Council held a special meeting to continue budget talks in an effort to lower the suggested tax rate.

A draft budget presented to council earlier in December consisted of a tax levy increase not exceeding 13 per cent resulting in an 8 per cent tax rate increase, including an approximate 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 the Town's tax stabilization reserve.

Town Staff have previously noted that the draft budget while ?unrealistic? in respect to the suggested increases was critical in showing the financial pressures the Town is facing heading into 2022.

Council throughout the budget process has indicated their intent to lower the suggested tax rate increase of 8 per cent to 5 per cent ($246,800).

After receiving a detailed breakdown of the draft 2022 budget from director of financial services, Carey Holmes, Council began the process of prioritizing items at their Dec. 13 meeting and completed the list of cuts on Monday.

Changes to the budget included:

? Reducing council conferences and education ($6,000)

? Virtual meetings ($8,500)

? Postponing Human Resources position ($63,345 - 10 months)

? IT contract services ($17,537)

? New administration flooring ($16,000)

? Reducing DEI Committee ($5,000)

? Reducing arts and culture ($85,000)

? Skilled and trades hub ($9,000)

? EDC conferences ($2,500)

Holmes said the combined changes to the budge totaled $212,882, leaving an additional $33,938 in cuts needed to reach the 5 per cent tax rate goal.

The Town of Shelburne in the 2021 final budget and 2022 draft budget used a tax stabilization reserve, set up to help offset financially challenging years, to bring down the increase in the tax rate due to the pandemic.

An update to the borrowing amount from the tax stabilization was dropped from $200,000 to just over $143,350 at the Dec. 13 meeting. Council suggested re-increasing the tax stabilization borrowing amount to cover the remaining amount needed.

?I personally wouldn't be opposed to drawing on the tax stabilization reserve for that amount, particularity given the fact that what we're drawing from that reserve based on this draft budget is less than what you had originally anticipated we might need when you present the frame work,? said Mayor Wade Mills. ?If we pull that $34,000 we're still under where you initially thought we would be.?

Staff have previously cautioned council about becoming dependant on the tax stabilization reserve. Despite this, Holmes noted that while the amount is budgeted for use it does not necessarily mean at year end the town will have to use it.

A motion was passed by council for staff to return with a final draft with the changes including the additional $177,288 draw on the tax stabilization reserve, resulting in a tax rate increase of 5 per cent.

Shelburne Council is expected to have a public presentation of the final draft operating budget on Jan. 10, with an adoption of the budget scheduled for Jan. 24.