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Early 2020 budget projections call for 5.5 percent tax increase

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Shelburne Treasurer Carey Holmes tabled the draft 2020 Budget for Council consideration on Monday, and it didn't make for positive reading.

The Budget document held few surprises and does not hold a lot of good news for residents who perhaps were hoping for any form of tax relief. Next Monday (Nov. 18), will be the special budget meeting, where Council will dissect the work of staff and attempt to fine tune the 2020 Budget. Until then, here is an overview of what to expect in 2020.

Following next weeks of special meetings, a public meeting will be held on Nov. 25. It is expected that Council will pass the budget on Dec. 2.

Operating expenses for 2020 will be a shade under $9.4 million, which will be offset by operating revenues of approximately $1.9 million, leaving a balance of $7.5 million to be made up from taxation.

This will result in a budget framework, 7.54 percent higher than 2019. The Framework, was previously adopted by Council on Oct. 7. A massive 87 percent of the operating expenses is made up from residential taxation. For the average homeowner, of a property assessed at $325,895 dollars, this will mean a tax increase of $10.32 per month, or $123.85 per year, which represents a tax rate increase of 5.5 percent in 2020. This represents only the Town portion of the tax bill. However, the rate will change with the assessed value of a home. For example, a single family dwelling in the Greenbrook subdivision, assessed at $440,000 dollars will see and increase of 8.5 percent, or $268.42 annually.

Looking at salaries and wages by Town Department, the figures break down as follows: bylaw 1 percent; administration 16 percent; Council 3 percent; crossing guards 2 percent; development 5 percent; economic development committee 2 percent; emergency services 46 percent; Town Hall 2 percent; water and sewer 5 percent; and public works 18 percent.

Labour is always the single largest expense in any undertaking. From another viewpoint, here is a breakdown of where your tax dollars are spent. For each dollar, 37 cents goes to police protection, 25 cents is for Public Works Services, 11 cents for General Government and Town Hall, 10 cents for Recreation and Culture, 7 cents in Planning and Development, 5 cents for Fire Protection, 2 cents for Council and Committees and 3 cents for other Protective Services.

In 2020, the following capital projects are factored into the Budget, totalling more than $1.3 million: HVAC upgrades and a generator for Town Hall, a new police cruiser and new equipment for the police department, a new car for the bylaw Officer, paving, debt repayment and remediation for infrastructure and a new mini excavator, to be shared by the Public Works Department and the local cemetery. Fully, 58 percent of these will be funded from municipal reserves, 10 percent from taxation, 5 percent from Water and Sewer Rates, 8 percent from the Gas Tax and 19 percent from Grants.

The Town expects to see an increase in Water and Sewer Revenues of 5 percent and 10 percent respectively. Water and Sewer capital Projects will total just under $3.2 million in 2020, with the single largest expense being the arsenic treatments for Well 3, to the tune of $1.77 million. The Town is hoping that 39 percent of these capital projects will be funded by Grants, however, barring this, further long-term debt will have to be undertaken as these projects are critical to the Town.

Currently, the debt per household in 2020, will total $1.5 million. This represents the present standing of Shelburne's debenture loans, from Infrastructure Ontario. The shortest timeframe to retire a portion of this debt, is six years, or by 2026. There is a limit to how much the Town can logically and morally borrow, without surpassing their ability to repay the amounts. At this time, Shelburne is dangerously close to that limit and there are numerous expense heavy Infrastructure projects that must be undertaken in the next few years.

Stephen Burnett, the Municipal Engineer, presented Council with an Engineering Update on ongoing projects, which included the Well 3 Arsenic issue, the Water Supply Class EA for Wells 7/8, 5/6, and 1/3, Wastewater Class EA, SCADA, Water Storage and 420 Victoria Street .

With Well 3, the design stage still continues, but when concluded, the design will be submitted for MECP Approvals following which a public tender will be offered over the winter, with construction to begin in Spring of 2020 at an estimated cost of $1,770,000 dollars to $2,120,000 dollars. The lower amount is expected to be accurate.

In order to meet the new permitted arsenic levels in drinking water, Wells 5 and 6 are currently being blended with Wells 7 and 8 to bring the levels below the 10ug/L limit. Alone, Wells 5and 6 are in the 15-16 ug/L range. Well 3 is currently producing 11 micrograms(ug) /L. Well three is blended with the distribution system currently, but will be undergoing a treatment system in 2020. It was determined that the pump sizes in Wells 7and 8 were inadequate to meet the Provincial guidelines for pumping both wells simultaneously and would need to be updated to 40HP from the existing 30HP, in order to maintain the required flow rate for blending with Wells 5 and 6. The report also pointed out that well 1 has been taken out of service for reduced flow and would need to be rehabilitated. Well 3 is also losing flow rate and it was recommended to also be rehabilitated. Should this not be successful, new wells would be required at both sites.

The report also showed, that the existing wastewater system does not have the capacity to accommodate future demands upon it. Research into a solution is ongoing and pending MECP approvals, In addition, upgrades are required to the Town's SCADA system and a second water storage facility is required by the MECP.

Mr. Burnett requested that Council approve the upgrading of Wells 7and 8 as well as the rehabilitation and testing of Wells 1and 3, at a total cost of $380,000 dollars plus non recoverable HST. After some discussion, Council approved the request and moved on to the matter of 420 Victoria Street, the old Municipal Works Yard.

The grounds at 420 Victoria, which has been a Works Yard since the 60's, were found to be heavily contaminated. Originally estimated at $75,000 dollars, the costs of the remediation escalated to some $236,642 dollars as more issues were encountered that were mandated to be corrected. The intention, was to be able to surplus the land and sell it, once decontaminated. The CAO, presented her report Monday night, indicating three options for Council. One was to do minimal remediation and use the land as an equipment storage facility. Two was to fully remediate the land and to list the property as surplus and then sell it while the third option was to convert the site to a municipal parking lot. Options one and three, incurred additional costs of $10,000 dollars annually, to monitor the soil conditions, in perpetuity. Although the second option came in at a cost of $517,831, dollars, it did offer the best value for money as it would allow the Town to sell the property and recoup some to all of it's investment. It was suggested that the entire cost could be borne by the Capital Reserves and that all proceeds from the sale then be allocated back to the reserve. After some discussion and a motion to have the Town foot the cost of rezoning the land and participating in its sale and redevelopment, Council decided to accept option two and to discuss the proposed motion at a later Council meeting .

In other business, Fieldgate Homes was given approval of it's Draft Plan for the subdivision at Hwy 89 and CR 124, adjacent to the Tim Hortons. Council approved a total of 250 homes for wastewater treatment servicing, pending future upgrading, as the development unfolded. The issues of foot traffic and school busing were also addressed as was the preservation of the protected lands north of the development boundaries. Fiedgate is now cleared to apply for a site plan approval, once all the drawings and details are submitted to Council.

It was also decided that all of the recent Community Excellence nominees be invited to Council to receive their awards in December.