



Statement of Estimates 2018-2019

CAO Notes

JUNE 25, 2018

Attached is the final draft of the 2018-2019 Statement of Estimates (SOE) for the Municipality of the District of Digby. The estimates provided represent the financial plan of the municipality for the fiscal year ending March 31, 2019.

The vision for the Municipality of the District of Digby was top of mind in the preparation of this budget and are summarized as follows:

- *Maintaining a healthy and natural environment;*
- *Having well maintained infrastructure and facilities that meet community needs and allow growth and development for prosperity;*
- *Building a strong and vibrant community by attracting, supporting and retaining businesses and residents;*
- *Building social capital and engaging citizens and partners to improve the well-being and diversity of the community;*
- *Being a fiscally sustainable government focused on strategic decision-making, transparency and inclusiveness.*

CORPORATE PRIORITIES (Council/CAO) - April 2018

NOW	Timeline	<i>Advocacy / Partnerships</i>
1. Rural Internet -CTI Funding Approval	May	<ul style="list-style-type: none"> ✓ <i>Tidal Industry Feasibility</i> ✓ <i>Regional Renewable Energy Strategy (WREN supply chain)</i> ✓ <i>Electric Grid Capacity (NSPI and Province)</i> ✓ <i>Access to Primary Health Care (Digby Community & NSHA Stakeholder Committee)</i> ✓ <i>Rural Internet-Western REN Rural Broadband Partnership</i>
2. Haines Lake Development Plan	June	
3. Barton School Property - Options	May	
4. Multi Use Terminal Business Case	April	
5. Tourism Initiatives	June	
NEXT <ul style="list-style-type: none"> • Climate Change – Municipal Strategy • Aquaculture Industry • Solid Waste Opportunities • Multi-Use Terminal Business Case • Regional Governance Options • Fire Services 		

018/19 ORGANIZATIONAL PRINCIPLES

<ul style="list-style-type: none"> ✓ Be Environmental Friendly ✓ Maximize Community Engagement ✓ Encourage Youth Engagement 	<ul style="list-style-type: none"> ✓ Develop Alternative Revenue Sources ✓ Pursue Partnerships
---	--

OPERATIONAL STRATEGIES

CAO - Linda 1) Rural Internet 2) Barton School Property Options 3) Fire Service 4) Audit Committee – Terms of Reference 5) 2018/19 Operational Budget - June 6) 2019-2023 5 Year Capital Plan- June 7) Asset Management-Set up Internal Steering Committee 8) CAO Succession Plan – Set up Committee	Deputy CAO/Operations – Jeff 1. Barton School Property Options 2. Lighthouse Transition -Smiths Cove, Islands 3. Airport Maintenance Plan 4. With Trail Coordinator – Haines Lake Property, trail improvement & marketing plan 5. Asset Management-Internal Steering Committee 6. Rail Bed- Letter of Authority
Business/Economic Development - Dan 1) Industrial Park Positioning Statement-Implementation 2) Multi-Use Marine Terminal Business Case-March 2018 3) Cruise Ship Committee 4) China Tourism Marketing Committee 5) <i>Tidal Feasibility-Continue Advocacy</i>	Renewable Energy/Climate Change – Terry 1) Climate Change Municipal Strategy- Dec 2) PACE Program Management –On-going responsibility 3) EV Charging Stations -May 4) Solar Program: ID Eligible Community Groups-May 5) <i>Regional Renewable Energy Strategy? (WREN)</i> 6) Bio-gas Generator/SEEL- On-going responsibility <i>Tidal Feasibility-Continue Advocacy</i>

Blue=NOW; Red=NEXT; Green=Advocacy/Partnerships; Black=Operational Strategies



CAO NOTES June 2018

The SOE was prepared with no changes to the residential tax rate of \$ 1.30 and the commercial rate of \$ 1.85. This year's SOE is proposing an increase of approximately 4.26% in revenues and expenditures from the 2017-2018 estimates.

While tax revenue has seen an increase over last year's budget of only 1.51%, this is mainly due to a small increase in assessments. The Municipality of the District of Digby has had no tax increases in the past twelve years.

TAX REVENUE	RATES	2018-2019	2017-2018	%
RESIDENTIAL	\$1.30	\$4,640,449	\$4,549,763	1.99%
RESOURCE	\$1.30	\$339,906	\$342,388	.072%
COMMERCIAL	1.85	\$838,618	\$848,754	-2.40%
LESS SEASONAL TOURIST REDUCTION		-\$14,473	-\$14,324	1.04%
TOTAL TAX REVENUE		\$5,804,500	\$5,718,255	1.51%

BUDGET HIGHLIGHTS

Some of the highlights are:

- **Maintaining a healthy and natural environment**
 - Hiring of a Trail Coordinator last year
 - Support of Digby Area Recreation Commission programs & facilities
 - Continued support of the Fundy Y
 - Focus on renewable energy projects
 - Clean Energy Financing Program (PACE)
 - Climate Change Municipal Strategy

- **Having well maintained infrastructure and facilities that meet community needs and allow growth and development for prosperity;**
 - Investment in expansion of wastewater system in Smiths Cove
 - Improvements to be made to the Haines Lake Property
 - Cost sharing with Annapolis County on cost study for a comfort station in Bear River

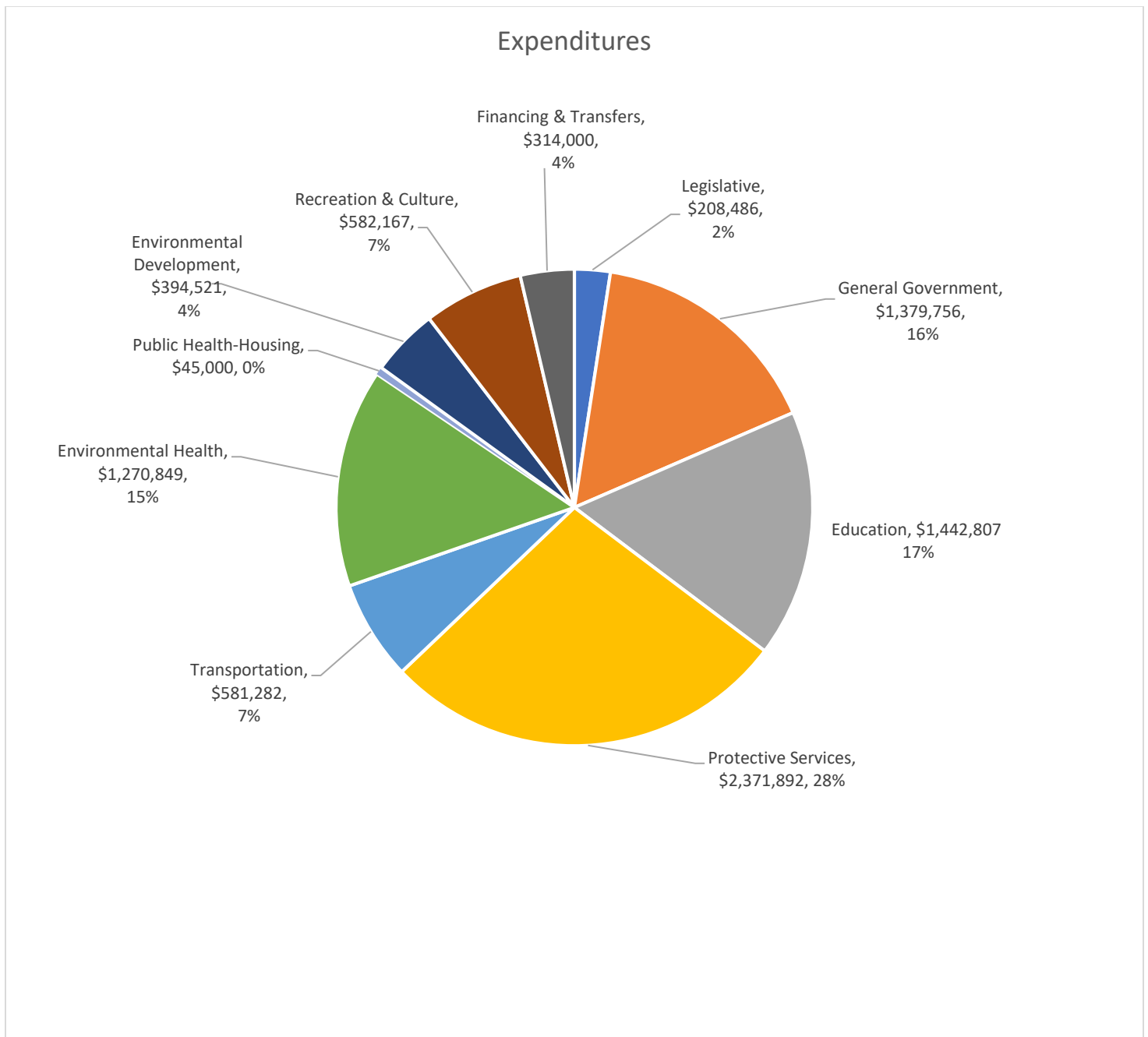
- **Building a strong and vibrant community by attracting, supporting and retaining businesses and residents;**
 - Investment in Digby Industrial Park
 - Contracting with DH Business Service, Dan Harvey
 - Funding partner with Western Regional Enterprise Network
 - Funding and support of application to Connect To Innovate Program for Rural Internet (last year)

- **Building social capital and engaging citizens and partners to improve the well-being and diversity of the community;**
 - Continued support for Senior Safety Program
 - Continued support for Kings Transit
 - Increased support for Transport de Clare
 - Financial support of community groups and local festivals and events

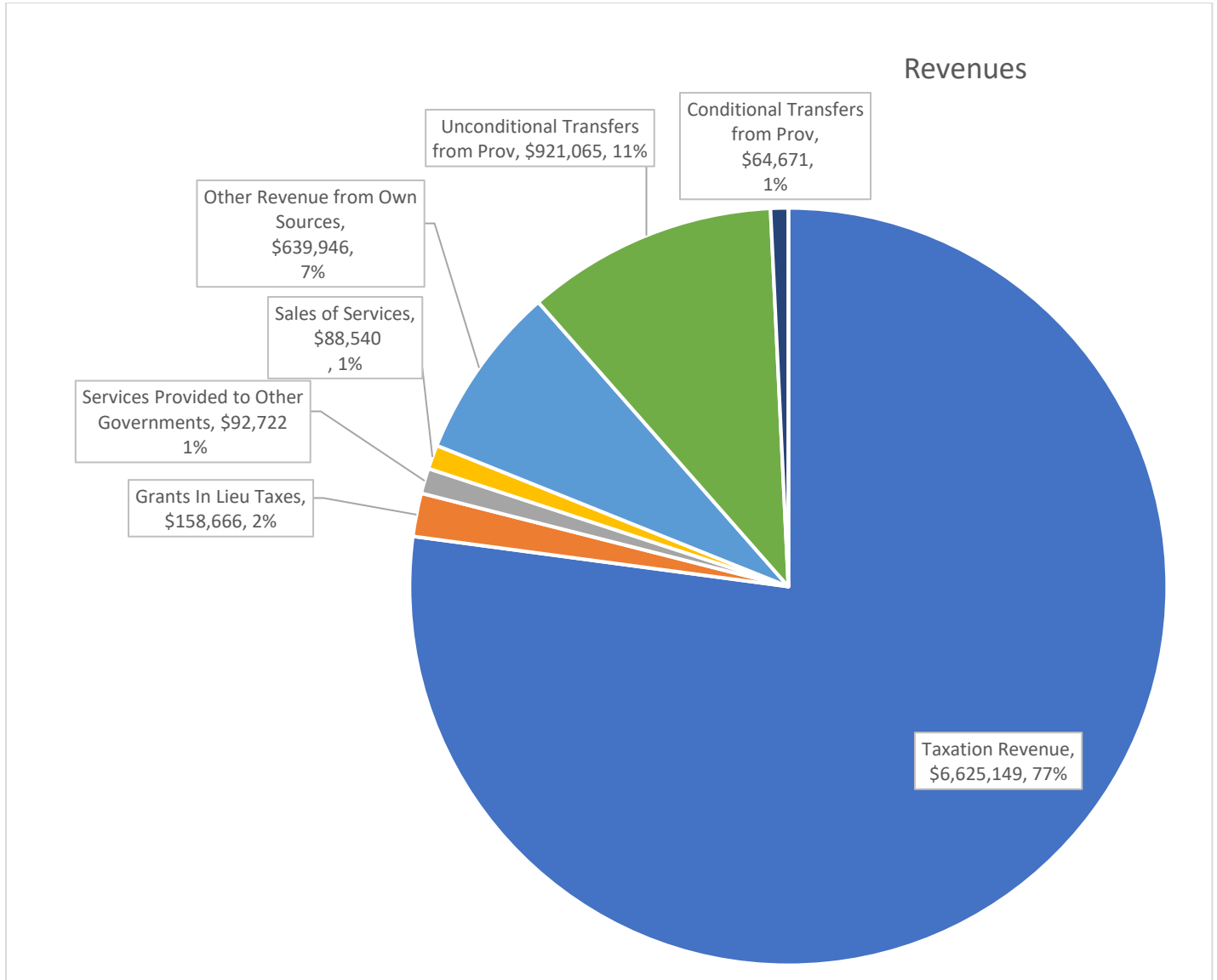
- **Being a fiscally sustainable government focused on strategic decision-making, transparency and inclusiveness.**
 - Maintain tax rates for last 12 years
 - Posting of Councillor expenses on Municipal Web Site
 - Review of Strategic Plan developed in Jan 2017
 - Less reliance on tax revenue by finding other sources of revenue

BUDGET OVERVIEW

The following charts detail the Municipalities total expenditures by department and the funding sources to fund the operating budget.

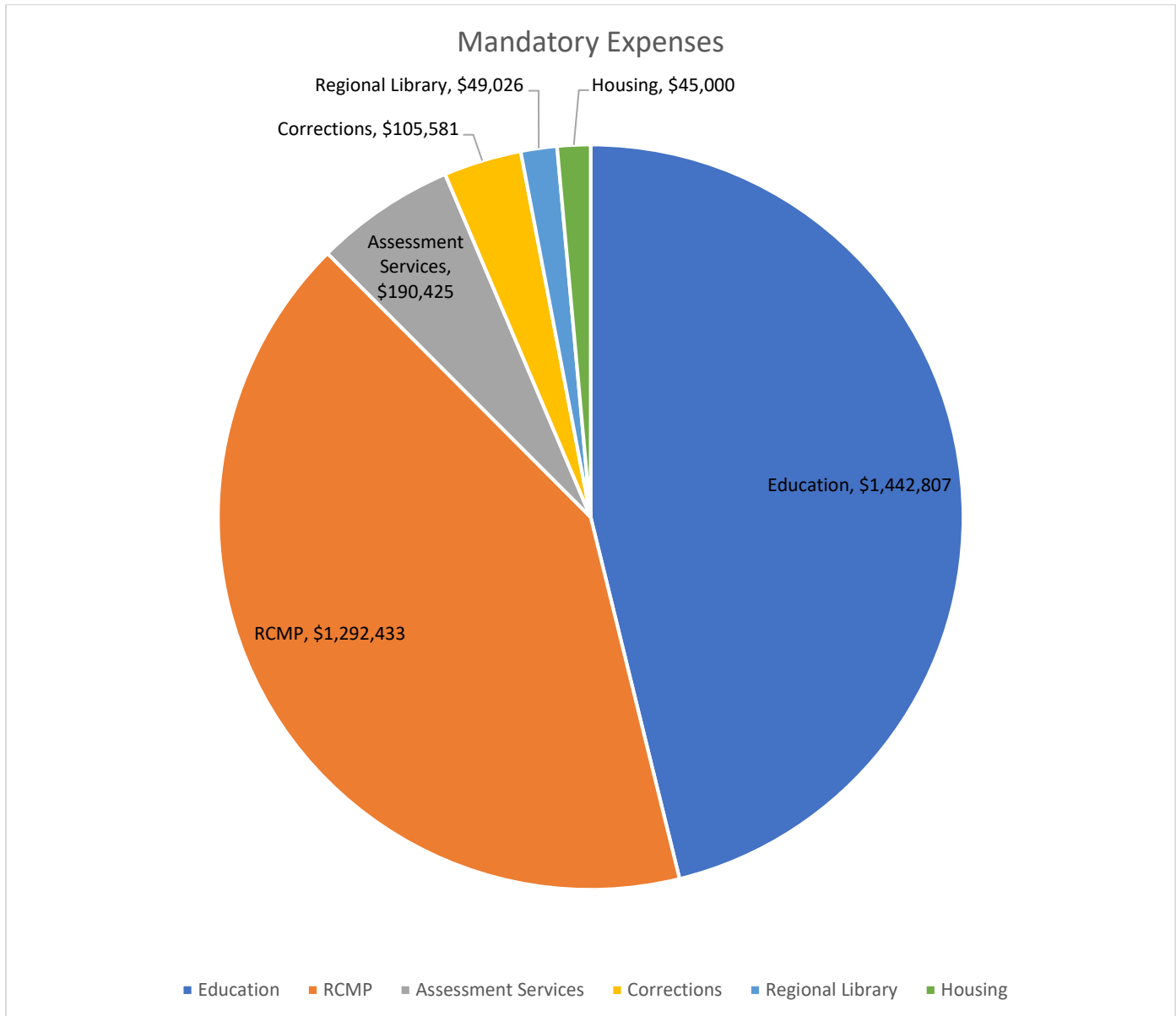


BUDGET OVERVIEW



BUDGET OVERVIEW

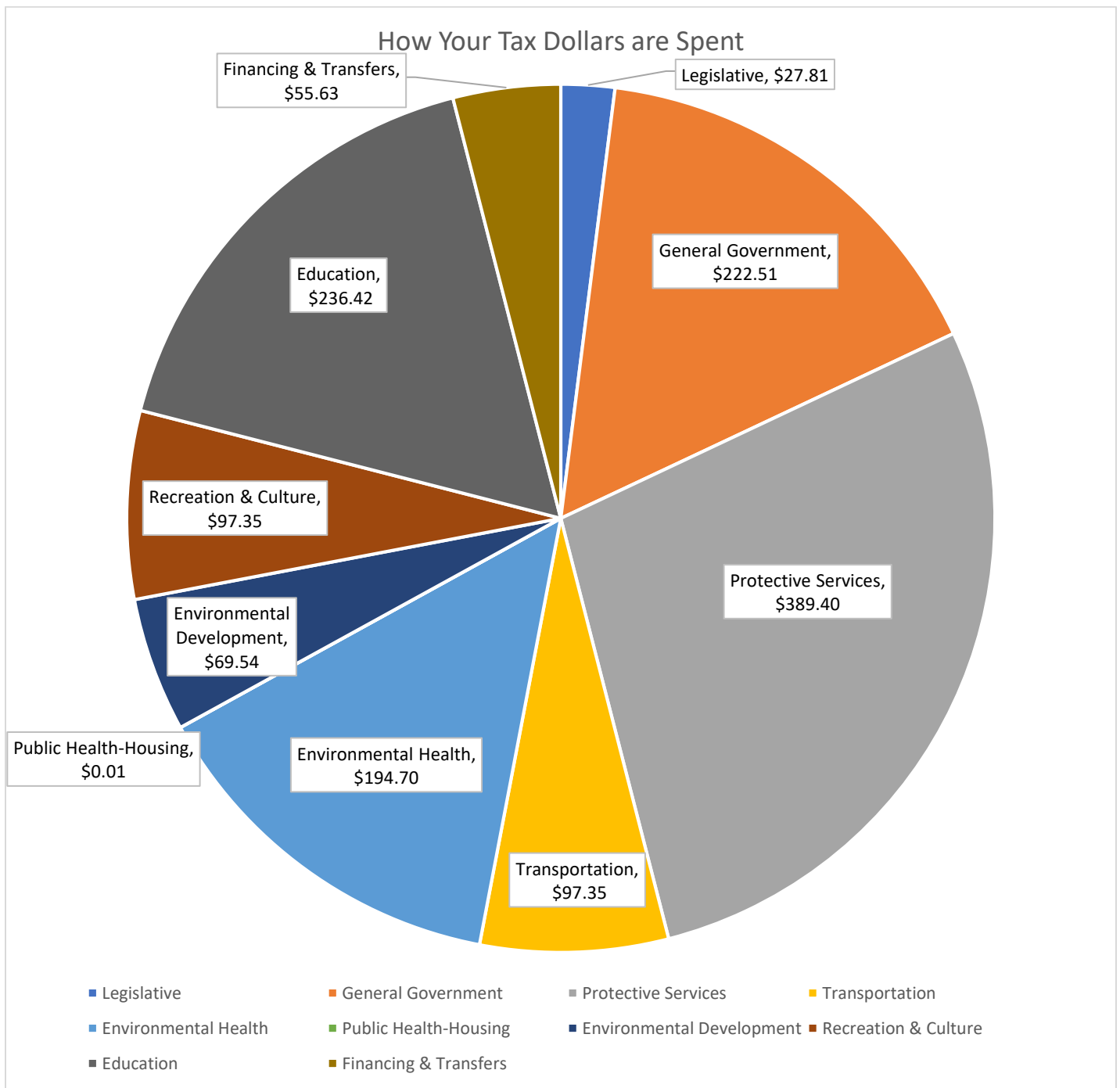
MANDATORY EXPENSES-PROVINCIAL SERVICES - \$ 3,125,272
36% Total Expenditures



How Tax Dollars Are Spent:

To the owner of an average home valued at \$ 100,000, the base budget being brought forward would levy taxes of approximately \$ 1,300 per household. If you factor in a .05 cent fire area rate and a .0407 street light rate that adds an additional \$ 90.70.

This does not include any sewer charge that may apply.



2018-2019 BUDGET SUMMARY – REVENUES \$ 8,590,760

	Budget 2017-2018	Actual 2017-2018 Unaudited	Proposed 2018-2019	% Change from Prior Budget
Taxation	\$ 6,480,693	\$ 6,561,607	\$ 6,625,149	2.23%
Grants in Lieu of Taxes	\$ 146,771	\$ 144,625	\$ 158,666	8.10%
Services Provided Other Governments	\$ 83,870	\$ 83,313	\$ 92,722	10.55%
Sales of Services	\$ 93,790	\$88,695	\$ 88,540	-5.60%
Revenue from Own Sources	\$ 532,086	\$ 677,635	\$ 627,946	18.02%
Unconditional Transfers-Other Governments	\$ 867,409	\$ 872,182	\$ 921,065	6.19%
Conditional Transfers-Other Governments	\$ 21,000	\$ 20,000	\$ 64,671	207.96%
Transfers from Own Funds	\$ 33,000	\$ 30,415	\$ 12,000	-63.64%

REVENUES

2018-2019 Operational Budget Highlights - Revenues

TAX REVENUE

PROPOSED BUDGET \$ 6,625,149	2017-2018 BUDGET \$ 6,480,693 2017-2018 ACTUAL \$ 6,561,607 BUDGET VARIANCE \$ 80,914 over
<ul style="list-style-type: none"> ➤ Assessable property ➤ Area Rates <ul style="list-style-type: none"> - Sewer - Street Light - Sidewalk - J Class Road ➤ Conservation Property Exemption ➤ Net Fire Area Rates (\$'s collected minus \$'s transferred to Fire Reserve) ➤ Village Rates (Collected minus transferred) ➤ Other Taxes <ul style="list-style-type: none"> -Deed Transfer Tax - Wind Turbine Taxes -Aliant-Based on Revenue 	<ul style="list-style-type: none"> ✓ Tax Revenue up by 2.33% ✓ CAPP rate set at .9% (1.40 % last year) ✓ Residential Tax Rate \$ 1.30 ✓ Commercial Tax Rate \$ 1.85 ✓ No change in area rates

GRANTS IN LIEU OF TAXES

PROPOSED BUDGET \$ 158,666	2017-2018 BUDGET \$ 146,771 2017-2018 ACTUAL \$ <u>144,625</u> BUDGET VARIANCE \$ 2,146 over
<ul style="list-style-type: none"> ➤ Federal Grant in Lieu ➤ Provincial Grant in Lieu ➤ Provincial Forest Acreage 	

SERVICES PROVIDED TO OTHER GOVERNMENTS

PROPOSED BUDGET \$ 92,722	2017-2018 BUDGET \$ 83,870 2017-2018 ACTUAL \$ <u>83,313</u> BUDGET VARIANCE \$ 557 under
<ul style="list-style-type: none"> ➤ Anna Co -Wastewater Treatment ➤ Town of Digby <ul style="list-style-type: none"> - IT Services - Kings Transit - Building Inspection - Dog Control ➤ Annapolis Royal Building Inspect. 	Intermunicipal Agreements

SALES OF SERVICE

PROPOSED BUDGET \$ 88,540	2017-2018 BUDGET \$ 93,790 2017-2018 ACTUAL \$ <u>88,695</u> BUDGET VARIANCE \$ 5,095 under
<ul style="list-style-type: none"> ➤ Tax Certificates ➤ Dispatch Services ➤ Airport Revenue 	<ul style="list-style-type: none"> ✓ Hanger rent stable ✓ Jet fuels sales reduced ✓ Dispatch Services – 3 of Clare Fire Dept’s

REVENUE FROM OWN SOURCES

PROPOSED BUDGET \$ 627,946	2017-2018 BUDGET \$ 532,086 2017-2018 ACTUAL \$ <u>677,637</u> BUDGET VARIANCE \$ 145,555 over
<ul style="list-style-type: none"> ➤ Licenses & Permits ➤ Municipal Fines ➤ Income on Investments ➤ Interest on Outstanding Taxes ➤ COMFIT Revenue <ul style="list-style-type: none"> -Biogas Generator - 50 Kw Wind Turbine ➤ 800 Kw Wind Turbine ➤ Subdivision & Planning Fees ➤ Commercial Garbage Fees 	<ul style="list-style-type: none"> ✓ Wind Turbine revenue higher than budgeted ✓ No revenue budgeted from Biogas Generator ✓ Commercial garbage fees continue to increase

UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS

PROPOSED BUDGET \$ 921,065	2017-2018 BUDGET \$ 867,409 2017-2018 ACTUAL \$ 872,182 BUDGET VARIANCE \$ 4,773 over
<ul style="list-style-type: none"> ➤ Equalization Grant ➤ Farm Acreage Grant ➤ NS Power Grant ➤ NS Power HST Offset ➤ Divert -Household Hazard Waste ➤ 911 Recovery Fee Share 	<ul style="list-style-type: none"> ✓ Equalization frozen at the 2014-15 amounts (Being reviewed for 2019-2020 budget year) ✓ Anticipated increase in NS Power HST Offset due to increased capital expenditures during 2017-18 fiscal year ✓ Increase of \$ \$48,691 in NS Power Grant

CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS

PROPOSED BUDGET \$ 64,671	2017-2018 BUDGET \$ 21,000 2017-2018 ACTUAL \$ 20,000 Budget Variance \$ 1,000 under
<ul style="list-style-type: none"> ➤ Project Funding – Trail Coordinator ➤ Project Funding – Heritage Property ➤ Project Funding – Energy Storage Feasibility Study 	<ul style="list-style-type: none"> ✓ Projects presented to Council

TRANSFERS FROM OWN FUNDS/RESERVES

PROPOSED BUDGET \$ 12,000	2017-2018 BUDGET \$ 33,000 2017-2018 ACTUAL \$ 30,415 Budget Variance \$ 2,585 under
<ul style="list-style-type: none"> ✓ \$ 10,000 from Trail Reserve for Trail/Open Space Grants <ul style="list-style-type: none"> ✓ \$ 2,000 from Lighthouse Reserve 	<ul style="list-style-type: none"> ✓ \$1,000 grant available to support up to 10 trail groups ✓ \$ 1,000 grant for Boars Head and Point Prim Lighthouse

2018-2019 BUDGET SUMMARY – EXPENDITURES \$ 8,590,760

	Budget 2017-2018	Actual 2017-2018 Unaudited	Proposed 2018-2019	% Change from Budget
General Government Services	\$ 1,537,785	\$ 1,487,744	\$ 1,588,242	3.28%
Protective Services	\$ 2,204,172	\$ 2,213,907	\$ 2,371,892	2.67 %
Transportation Services	\$ 572,529	\$ 546,780	\$ 581,282	1.53 %
Environmental Health Services	\$ 1,182,517	\$ 1,152,585	\$ 1,270,849	7.47 %
Public Health Services	\$ 45,000	\$?	\$ 45,000	0.0 %
Environmental Development Services	\$ 321,616	\$ 294,355	\$ 394,521	22.67 %
Recreation & Culture Services	\$ 553,922	\$ 503,050	\$ 582,167	5.10 %
Education	\$ 1,412,249	\$ 1,412,249	\$ 1,442,807	2.16 %
Financing & Transfers	\$ 322,730	\$ 333,730	\$ 314,000	-2.71 %

EXPENDITURES

Operational Budget Highlights - Expenditures

GENERAL GOVERNMENT SERVICES

PROPOSED BUDGET \$ 1,588,242	2017-2018 BUDGET \$ 1,537,785 2017-2018 ACTUAL \$ <u>1,487,744</u> Budget Variance \$ 50,041 under
<ul style="list-style-type: none"> ➤ Legislative (Council) ➤ General Administrative salaries ➤ Employee Benefits ➤ Taxation ➤ Financial Management ➤ Municipal Office Operations ➤ Information Technology ➤ Communication ➤ Other General Gov Services ➤ Community Grants ➤ Grants to Villages 	<ul style="list-style-type: none"> ✓ 1.1% Cost of living increase in wages for elected official and staff ✓ Increase in pension & health premiums ✓ Low income Tax rebate of \$ 250 for families whose income does not exceed \$ 26,000 ✓ Transfer to Assessment Services minor increase \$ 838.00

PROTECTIVE SERVICES

PROPOSED BUDGET \$ 2,371,892	2017-2018 BUDGET \$ 2,204,172 2017-2018 ACTUAL \$ <u>2,231,907</u> Budget Variance \$ 27,735 over
<ul style="list-style-type: none"> ➤ Policing Services ➤ Transfer to Corrections ➤ Law Enforcement ➤ Dog /Cat Control ➤ Fire Protection ➤ Building Inspection Services ➤ Dispatch Services ➤ Emergency Management 	<ul style="list-style-type: none"> ✓ RCMP increase estimated to be 1.32% ✓ Increase in Grants to Fire Departments of 3.77% ✓ New this year- Dry Hydrant \$ 4,000 ✓ New this year – Fire Suppression Foam \$ 2,700 ✓ New this year – Fire Fighter Long Service Awards \$ 3,200

TRANSPORTATION SERVICES

PROPOSED BUDGET \$ 581,282	2017-2018 BUDGET \$ 572,529 2017-2018 ACTUAL \$ <u>546,780</u> Budget Variance \$ 25,749 under
<ul style="list-style-type: none"> ➤ Public Works Salaries ➤ Road Transport ➤ Street Lights ➤ Airport Expenditures ➤ Dispatch Expenditures ➤ Avgas and Jet Fuel Purchases ➤ Public Transit <ul style="list-style-type: none"> - Kings Transit & Transport de Clare 	<ul style="list-style-type: none"> ✓ Cost of living wage increase 1.1% ✓ Roads & Streets increase 1.9 % ✓ Slight decrease in Kings Transit ✓ Town of Digby doing our snow & ice removal ✓ Repairs needed to tractor at airport ✓ Crosswalk in Westport

ENVIRONMENTAL HEALTH SERVICES

PROPOSED BUDGET \$ 1,270,849	2017-2018 BUDGET \$ 1,182,517 2017-2018 ACTUAL \$ <u>1,152,585</u> Budget Variance \$ 29,932 under
<ul style="list-style-type: none"> ➤ Waste Check Administration ➤ Waste Water Collection & Treatment Digby; Weymouth; Bear River and Smiths Cove ➤ Solid Waste ➤ Collection & Disposal; Transfer Station; Public Drop Off ➤ Interest on long term debt ➤ 	<ul style="list-style-type: none"> ✓ Cost of living wage increase 1.1% ✓ Increase in tipping fee for garbage to Queens ✓

PUBLIC HEALTH SERVICES

PROPOSED BUDGET \$ 45,000	2017-2018 BUDGET \$ 45,000 2017-2018 ACTUAL Unknown at this time
➤ Western Region Housing Authority	✓ Deficits of Housing Authority

ENVIRONMENTAL DEVELOPMENT SERVICES

PROPOSED BUDGET \$ 394,521	2017-2018 BUDGET \$ 321,616 2017-2018 ACTUAL \$ 294,355 Budget Variance \$ 27,261 under
<ul style="list-style-type: none"> ➤ Planning & Development ➤ Economic Development (WREN, economic development projects, DDA)-Tourism ➤ Contract with Dan Harvey ➤ BioGas Generator Costs ➤ Special Projects ➤ Digby Area Tourism Assoc. ➤ Renewable Energy Projects ➤ Municipal Marketing & Events ➤ Wind Turbine Operating Costs ➤ 	<ul style="list-style-type: none"> ✓ Share of Funding for Cost Study for Comfort Station in Bear River ✓ Welcoming Committee Costs (new) ✓ Possible cost share of tourism employee ✓ Cost share Visitor Information employee on Fundy Rose ✓ EV Charging expenses (new) ✓ Energy Storage Feasibility Study (new)

RECREATION AND CULTURAL SERVICES

PROPOSED BUDGET \$ 582,167	2017-2018 BUDGET \$ 553,922 2017-2018 ACTUAL \$ <u>503,060</u> Waiting for Digby Library costs share amt.
<ul style="list-style-type: none"> ➤ Recreation Operating & Capital ➤ Municipal trail maintenance ➤ Trails & Open Space grants ➤ Haines Lake Property Costs ➤ Lighthouses ➤ Regional and local libraries ➤ Heritage ➤ Heritage projects 	<ul style="list-style-type: none"> ✓ Little increase in Digby Area Recreation Commission budget ✓ Possible Rails to Trails costs ✓ Contribution to Fundy Y \$ 12,500 (Year 4 of 5 years) ✓ Heritage Property Inventory Database Renewal Project ✓ Research-Tidal Sculpture

EDUCATION

PROPOSED BUDGET \$ 1,442,807	2017-2018 BUDGET \$ 1,412,249 2017-2018 ACTUAL \$ 1,412,249
<ul style="list-style-type: none"> ➤ Tri-County Regional School Board 	<ul style="list-style-type: none"> ✓ 2.16 % increase

FINANCING AND TRANSFERS

PROPOSED BUDGET \$ 314,000	2017-2018 BUDGET \$ 322,730 2017-2018 ACTUAL \$ <u>333,730</u> Budget Variance \$ 11,000 over
<ul style="list-style-type: none"> ➤ Transfer to Capital Reserves ➤ Transfer to Operating Reserves ➤ Transfers to operating reserves ➤ Debenture Principal Payments 	<ul style="list-style-type: none"> ✓ Debenture Principal \$ 179,000 ✓ JACBA – 3rd of 3 transfers ✓ \$75,000 to Capital Reserves ✓ Transfer to Trail/Open Space Reserve

DEBT REPAYMENT SCHEDULE

Principal & Interest

