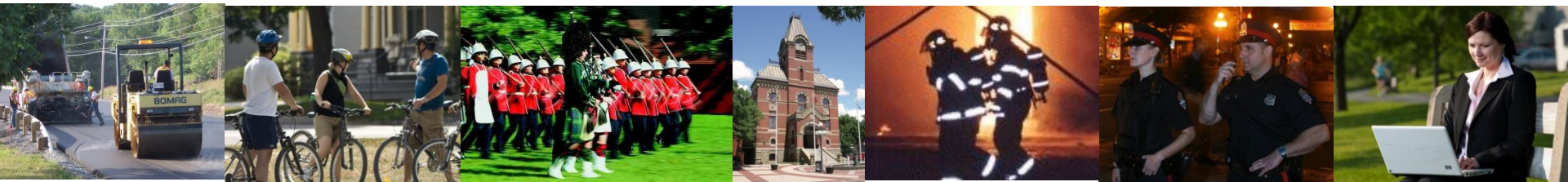


City of Fredericton Budget 2022

Resetting the Budget Baseline; Reducing the Property Tax Rate



Regular Council Meeting
November 22, 2021



Fredericton

Outline

- Budget Main Points
- Operating Budget
 - Grants
 - Capital Budget
- Water & Sewer Utility Budget
- Resolutions



Budget 2022: Main Points

- 9.21% Assessment Increase
 - 1.00% New Construction
 - 8.21% Market Assessment Increase
 - Adjustments to commercial sector due to COVID-19 recovery
 - Very strong residential housing sales
- Approach 2022:
 - Fully fund capital program
 - Address known inflationary costs
 - Address structural gaps created over past few years
 - Adjusting budgets to reflect a growing City



2022 Budget – Reducing Property Tax

	2021 Tax Rate	2022 Tax Rate
Inside	\$1.4311	\$1.4086
Outside	\$1.0733	\$1.0565

Proposed	\$	%
Operating Budget	\$104,367,321	77.2%
Capital Budget	\$25,072,615	18.6%
Debt Servicing Budget	\$5,662,128	4.2%
2022 Proposed Budget	\$135,102,064	100%



Budget 2022 - Revenue

Description	Proposed 2022 Budget	2021 Budget	% Change	% Of Budget
Revenue				
Warrant for Property Taxes	\$ 118,873,040	110,537,926	7.54%	88.0%
Community Funding and Equalization Grant	\$ 1,967,081	2,026,188	-2.92%	1.5%
Federal Payment in Lieu of Taxes	\$ 14,504	11,627	24.74%	0.0%
Non-Tax Revenue	\$ 11,464,437	10,900,383	5.17%	8.5%
Revenue from Reserves	\$ -	1,627,115	-100.00%	0.0%
Second Previous Years Surplus *	\$ 2,783,002	-	0.00%	2.1%
Total Revenue	\$ 135,102,064	125,103,239	7.99%	

* Includes City related entities (FCC, NewMarket, eNovations) surplus', not available for City use

Budget 2022 – Expenses by Program Area

Program	Proposed 2022		2021		Change	
Governance & Civic Engagement	\$	5,357,307	\$	5,166,315	\$	190,992 4%
Economic Vitality	\$	7,504,939	\$	6,664,489	\$	840,450 13%
Environmental Stewardship	\$	5,236,504	\$	4,473,121	\$	763,383 17%
Livable Community	\$	14,995,050	\$	14,323,276	\$	671,774 5%
Mobility	\$	18,393,196	\$	17,435,070	\$	958,126 6%
Public Safety	\$	40,454,647	\$	39,138,185	\$	1,316,462 3%
Corporate	\$	-	\$	-	\$	-
Sustainable Infrastructure	\$	30,050,342	\$	24,653,130	\$	5,397,212 22%

Numbers are net of non-tax revenue



Operating Budget



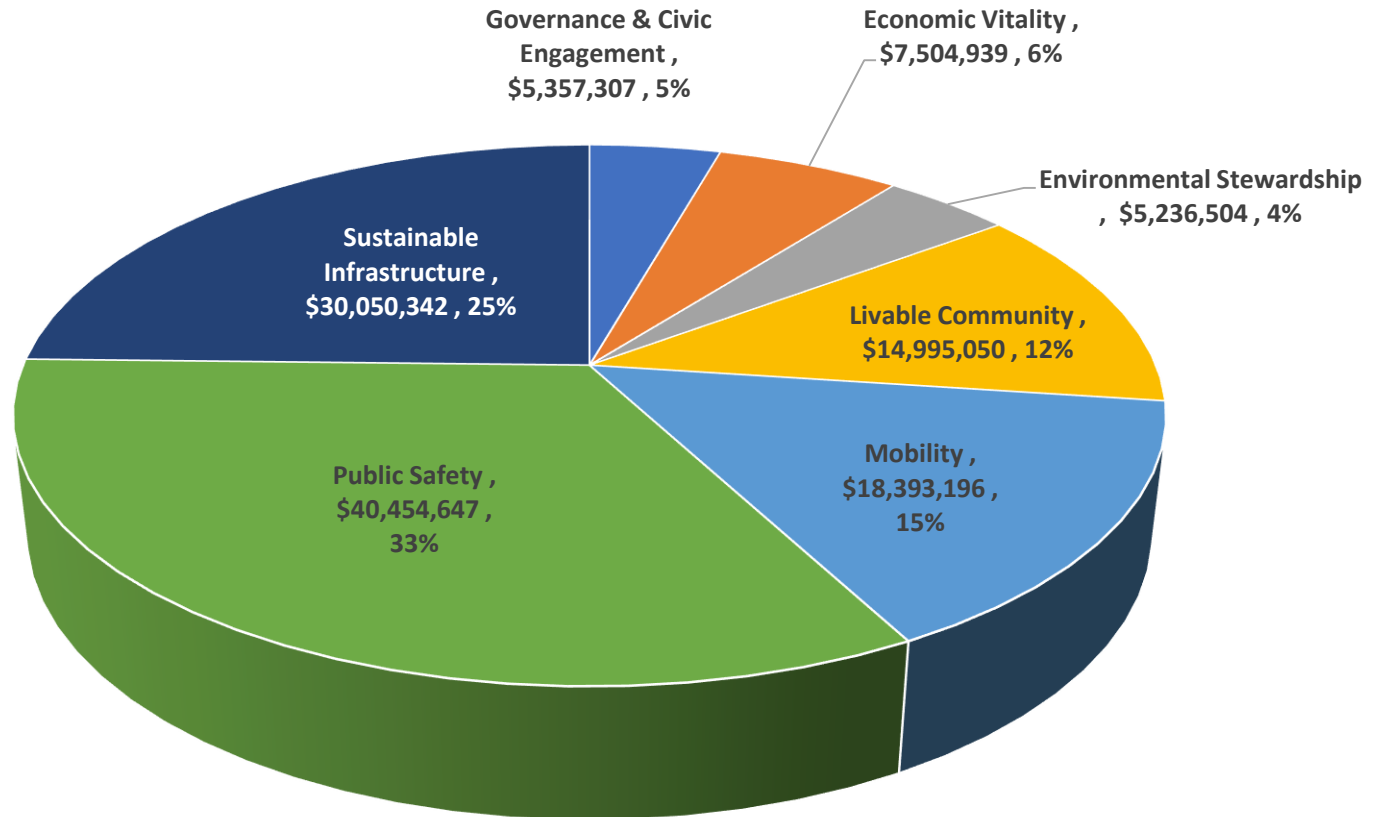
Budget Areas of Focus

- Service levels will continue; adjustments / enhancements will be made.
 - Governance & Civic Engagement
 - Economic Vitality
 - Environmental Stewardship
 - Livable Community
 - Mobility
 - Public Safety
 - Corporate
 - Sustainable Infrastructure



2022 Service Based Budgets

2022 Result Areas Funded from Proposed General Revenue



Community Grants



Grants

• Strategic Partner Capital Grants:	\$300,000
• Community Grants:	\$319,000
• Arts, Heritage & Culture:	\$78,500
• Major Events:	\$50,000
• <u>Sport Tourism:</u>	<u>\$55,000</u>
• Total:	\$802,500

NOTE: Additional support provided to Playhouse and Library.

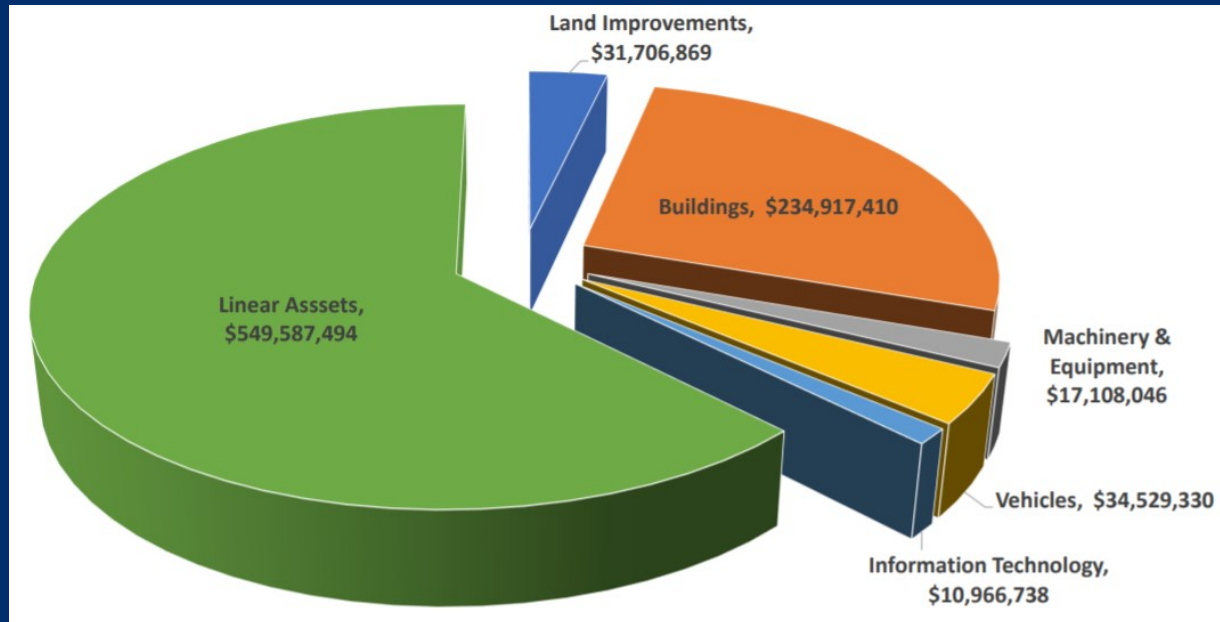


Capital Budget



Capital Infrastructure Facts

- Value of all assets owned by City - \$879 million
 - Investment per household - \$33,866



Capital Budget 2022

Funding Allotment	Amount	%
Renewal	\$15,538,010	76%
New	\$1,883,851	10%
Non-Tangible	\$2,853,700	14%
Total PAYG Capital Budget	\$20,275,561	100%
One-Time Debt Servicing	\$4,797,054	
Total Capital Budget	\$25,072,615	



2022 Breakdown by Program

2022 Pay-As-You-Go Capital Budget				
Result Area	Renewal/Rebuild	New/Extension	NTCA	Total
Mobility	\$10,563,500	\$950,000	\$658,000	\$12,171,500
Environmental Stewardship	\$25,000	\$500,000	\$75,000	\$600,000
Livable Community	\$1,941,000	\$2,937,054	\$1,420,000	\$6,298,054
Public Safety	\$2,004,300	\$233,851	\$54,500	\$2,292,651
Corporate	\$789,210	\$0	\$346,200	\$1,135,410
Economic Vitality	\$215,000	\$2,060,000	\$300,000	\$2,575,000
TOTAL	<u>\$15,538,010</u>	<u>\$6,680,905</u>	<u>\$2,853,700</u>	<u>\$25,072,615</u>



Water & Sewer Utility Budget



W&S Utility Budget 2022 Highlights

Revenue

- Significant reduction in consumption to date in 2021
- Recommendation to follow Long Term Financial Plan

Operating Expenses

- In line with Council approved guidelines
- Funding gaps that should be filled

Capital

- Meets targets for infrastructure renewal
- Focus on planning for construction in future years



Water & Sewer Fund - Revenue

	Budget 2021	Proposed 2022	\$ Change	% Change
Residential	14,251,409	14,714,027	462,618	3.2%
Commercial & Industrial	3,804,798	3,941,504	136,706	3.6%
Government & Institutional	1,582,994	1,599,629	16,635	1.1%
Connection & Private Hydrant Fees	204,470	209,030	4,560	2.2%
Water Supply (Fire Protection)	1,000,612	1,000,612	-	0.0%
Subtotal	20,844,283	21,464,802	620,519	3.0%
Surplus (2nd Previous Year)	1,432,615	1,718,130	285,515	
Grand Total	\$ 22,276,898	\$ 23,182,932	\$ 906,034	



Water & Sewer Fund – Budget

	2021 Budget	2022 Proposed	\$ Change	% Change
Water Supply and Delivery				
Revenue	\$ 11,146,491	\$ 11,450,424	\$ 303,933	2.7%
Surplus - 2nd Previous Year	716,308	859,065	142,757	19.9%
Personnel	(2,674,435)	(2,871,557)	(197,122)	7.4%
Non-personnel	(2,213,176)	(2,551,506)	(338,330)	15.3%
	\$ 6,975,188	\$ 6,886,426	\$ (88,762)	-1.3%
Wastewater Management				
Revenue	9,697,792	10,014,378	316,586	3.3%
Surplus - 2nd Previous Year	716,307	859,065	142,758	19.9%
Personnel	(3,099,300)	(3,300,454)	(201,154)	6.5%
Non-personnel	(2,832,767)	(2,740,222)	92,545	-3.3%
	\$ 4,482,032	\$ 4,832,767	\$ 350,735	7.8%
Capital	\$ (11,457,220)	\$ (11,719,193)	\$ (261,973)	2.3%
Net Balanced Budget	-	-	-	



Rates for our Typical User

	Current Rates	2022 Q1	2022 Q2 - Q4
Water Rate (per m ³)	0.93	0.93	0.97
Sewer Rate (per m ³)	0.93	0.93	0.97
Water & Sewer Rate	1.86	1.86	1.94
Quarterly Service Charge	117.20	117.20	123.80
Quarterly Meter Rental	2.00	2.00	2.00
Quarterly Cost	209.88	209.88	220.38
Monthly Cost	\$69.96	\$69.96	\$73.46
Annual Cost	\$839.50		\$871.00
Average Annual Increase			\$31.50

Household
pays \$2.39
daily for safe,
secure, reliable
water and
environmentally
sound
wastewater
treatment.

*For a typical Fredericton household – usage 195 m³

** per m³



Fredericton

Questions/Discussion?



Resolutions



Resolution #1 – Warrant and Tax Rate

BE IT RESOLVED THAT the Council of the Municipality of the City of Fredericton approves and authorizes the General Fund Operating Budget for 2022, being: The sum of \$135,102,064 be the total operating budget of the Municipality, that the sum of \$118,873,040 be the Warrant of the Municipality for the ensuing year, and that the tax rate(s) for the Municipality be inside \$1.4086, outside \$1.0565. The Council orders and directs the levying by the Minister of Environment and Local Government of said amount on real property liable to taxation under the Assessment Act within the Municipality of The City of Fredericton



Resolution #2 – Capital Budget

BE IT RESOLVED THAT the Council of the Municipality of the City of Fredericton directs THAT the amount of \$25,072,615 for the 2022 General Fund Pay As You Go Capital budget be approved in accordance with the Public Procurement Management Policy No: COR-POL-023; and

BE IT FURTHER RESOLVED THAT the Council of the Municipality of the City of Fredericton hereby authorizes and directs the Mayor and City Clerk to execute any CCDC2 and CCDC4 contracts for the acquisition of the assets and the completion of the construction projects listed and approved as part of the 2022 Capital Budget; and

BE IT FURTHER RESOLVED THAT the Council of the Municipality of the City of Fredericton hereby authorizes and directs the Mayor and City Clerk to execute any agreements of purchase and sale and such further legal transactional documents as required in relation to the approved construction projects that form part of the 2022 Capital Budget with content satisfactory to the Director of Engineering and Operations, or designate, and in a form and content approved by the City Solicitor, or designate; and

BE IT FURTHER RESOLVED THAT the Council of the Municipality of the City of Fredericton hereby directs that any 2022 capital budget savings within Corporate Fleet Capital be reallocated to the next top priority vehicle/equipment on the infrastructure deficit listing



Resolution #3 – BIA Levy (Queen)

BE IT RESOLVED THAT the Council of the Municipality of The City of Fredericton approves and authorizes the following amount as the Business Improvement Levy (Queen) for Downtown Fredericton Inc.:

CONDITIONAL TRANSFER FROM PROVINCIAL GOVERNMENT TO BUSINESS IMPROVEMENT CORPORATION

Business or Improvement Levy	Business Property Assessment	Rate
\$706,405	\$353,202,400	\$0.20

AND BE IT FURTHER RESOLVED THAT on the 22nd day of November 2021 the Council of the Municipality of The City of Fredericton will enact a by-law imposing a business improvement levy on all non-residential property within the Business Improvement Area of the municipality that is liable to taxation under the Assessment Act within the Business Improvement Area of Queen Street as outlined in By-Law No. L-13. The levy shall be in the amount of \$705,405 at the rate of \$0.20 and the Council of the City of Fredericton hereby directs and orders the Minister of Environment and Local Government to levy the said amount pursuant to provisions of the Business Improvement Area Act.



Resolution #5 – Water & Sewer Budget

BE IT RESOLVED THAT the Council of the City of Fredericton hereby approves the amount of \$23,182,932 as the 2022 budget for Water & Sewer Revenue; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby approves the amount of \$11,463,739 as the 2022 Water & Sewer operating budget; and

BE IT FURTHER RESOLVED THAT the Council of the City of Fredericton hereby approves the amount of \$11,719,193 as the 2022 Water & Sewer capital budget.



Resolution #6 – Water & Sewer Rates

BE IT RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs the City Solicitor to draft the appropriate by-law to amend By-law No. W-3, A By-law Respecting Water Rates and Sewer Rentals to reflect the following changes, effective the 2nd quarterly billing in 2022:

- Increase the quarterly service charge from \$58.60 to \$61.90 for each of water and sewer;
- Increase the consumption charge per cubic meter from \$0.93 to \$0.97 for each of water and sewer; and
- Increase the quarterly flat rate commodity charge from \$65.24 to \$67.96 for each of water and sewer.



Resolution #7 – Bulk Water Rate

BE IT RESOLVED THAT the Council of the City of Fredericton hereby authorizes and directs the City Solicitor to draft the appropriate by-law to amend By-law No. W-3, A By-law Respecting Water Rates and Sewer Rentals so that the bulk water rate be increased from \$2.39 per cubic meter to \$2.47 per cubic meter.

