2012/13 Budget Report

2012/13 BUDGET HIGHLIGHTS

What Happened 2011/12?
We completed the 2011/12 fiscal year with a general operating fund surplus of $ 35,680 (excluding depreciation expense). This surplus is mainly due to increased assessments for residential and commercial tax revenue, interest on tax accounts, revenue from government grants and use of municipal reserve funds. Expenditure increases were moderate in government and fiscal services that were offset by reductions in environmental development services.

2012/13 expenditure budget = $10,810,127
2011/12 expenditure budget = $10,035,452

Challenges:
West Hants continues to face budget changes in the following areas:

- EQUALIZATION PAYMENT reduction $ 10,941
- HST OFFSET GRANT down $ 21,093
- EDUCATION up $ 156,088
- RCMP up $ 70,855 (STAFF REALIGNMENT)
- FIRE PROTECTION GRANTS SAME AS LAST YEAR
- ASSESSMENT SERVICES up $ 5,554
- CORRECTIONAL SERVICES up $ 47,537
- KINGS TRANSIT up $ 21,873
- HOUSING DEFICIT up $ 21,343

The municipality continues to gain from residential assessment growth due to new developments; however, business occupancy revenue declined as a significant part of the program is phased out and commercial assessment appeals have increased significantly. The cap assessment program reflected an overall increase of 6.4% for 2012/13.

TAX RATES (per $100 of assessment)
$.94 Residential
$1.68 Commercial

EXPENDITURES

General Government Services - $1,771,235 (17% of budget) – Up overall from last year's budget mainly due to staff relief, election year and service cost increases.
Protective Services - $3,703,753 (34% of budget) includes:

- Police $1,460,933
- Correction Services $ 189,128
- Fire $ 1,641,121 includes fire services coordinator

Transportation: $404,384 (4% of budget) West Hants recognizes the need of affordable transportation for our community; allocating $206,513 for services offered by Kings Transit and $165,133 ongoing road maintenance.
Environmental Health Services: $1,274,940 (12% of budget) includes:

- Sewage Collection & Disposal $581,245
- Refuse and Recycling $693,695

Overall this budget is up from last year mainly due to new debt charges for Falmouth Sewage Treatment Plant Phase 2 that will be recovered through our tax billings.
Environmental Development Services: $ 547,970 (5% of budget) down due to withdrawal of funding to the Hants Regional Development Authority

- Planning is $ 387,800
- Industrial Park $ 135,145

Recreation: $549,160 (5% of budget) up due to Municipal Physical Activity Leadership Program, costs offset by grants .
Education - $2,516,462 (23% of budget) – Is the largest single component of our taxes as mandated by the province at 29.81 cents per $100 of assessment; up by $ 156,088.

Significant commercial appeals:

SEPRACOR	assessment reduction	$ 1,323,600
CGC INC (Fundy Gypsum)	in process – 4 properties being appealed	$ 3,715,700

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FINANCIAL IMPACT – RESIDENTIAL PROPERTY

Single Unit residential property assessed at $ 150,000 (own water & septic system)

Residential Tax $ .94 x $ 150,000/$100 $ 1,410.00
($ 45.00 increase due to tax rate increase of 3cents)

Where it goes:

Government Services	$ 239.70
(Council, Administration, Financing, Elections, Grants, Assessment)	
Protective Services	$ 479.40
(Police, Correctional Services, Fire, By-law, Emergency, Inspections)	
Transportation Services	$ 56.40
(Roads & Streets, Public Transit)	
Environmental Health	$ 169.20
(Sewage Collect & Disposal, Garbage & Waste Collect & Disposal)	
Environmental Development	$ 70.50
(Planning & Zoning, Regional Dev Authority, Industrial Parks)	
Recreation & Cultural	$ 70.50
(Programs, Pool, Regional Library, Parks Playgrounds & Sport Fields)	
Education	$ 324.30
(Annapolis Valley Regional School Board)	

WARDEN'S MESSAGE

The Municipality ended the 2011-2012 fiscal year with a small surplus and set our tax rate on July 10th. Our residential tax rate increased by 3¢ from 91¢ to 94¢ and our commercial tax rate increased 8¢ from $1.60 to $1.68. In attempting to minimize the tax rate impact, Council seriously considered other financial issues facing residents such as the general economy. As always, we stand on our record of financial responsibility and our efforts to ensure tax rates we set for our residents are acceptable and will allow us to continue to provide quality services.

Significant increases in this year's budget are attributed to education, correctional services, RCMP staffing realignment, elections and public transit. Business occupancy revenue declined as a significant part of the program has been phased out and commercial assessment appeals have increased significantly, as well Fundy Gypsum operations have ceased. These changes have added more burden to the residential tax rate.

One of the priorities of West Hants Council is to maintain and create employment for our residents to ensure they can continue to live and work in this area. This is especially important given the daily challenges facing many of our residents.

I sincerely hope our residents are pleased with the tax rate and I appreciate the contributions made by both Council & Staff during this process.

Richard Dauphinee,
Warden