

**TANTRAMAR
2024 BUDGET
DRAFT**

OCTOBER 24, 2023

What Is a Budget?

A budget is an estimation of revenue and expenses over a specified future period of time and is usually compiled and re-evaluated on a periodic basis.

Tantramar's Process

- Treasurer Receive Draft from Managers (September)
- Treasurer Reviews with Managers in Detail (Sept/Oct)
 - Review Includes:
 - Going through each individual account G+/-500, U+/-200
 - Known information for coming year
 - Estimates based on increases/decreases known
 - Estimates based on historical review
 - This includes past 3-5 years of actuals
 - Changes known to have happened

- Creation of Draft to Council (Oct)
 - Taking into account
 - Past Council discussions/priorities
 - Public Presentation priorities
 - Existing Programs and Services Operating
- Presentation to Council by Treasurer
 - Categorizing by function for Operating Budgets
 - Recommendation for Coming year for Operating Budgets
 - Recommendation for Coming year for Capital Budgets
- Final Approval by Council Resolution
 - Total Revenue and Expenditures (General and Utility)
 - Setting of Tax Rates
 - Setting of Water Rates
 - Breakdown of Capital Projects
- Monitoring – Treasurer Ongoing from January 1st – December 31st.

WATER AND SEWER (UTILITY) OPERATING

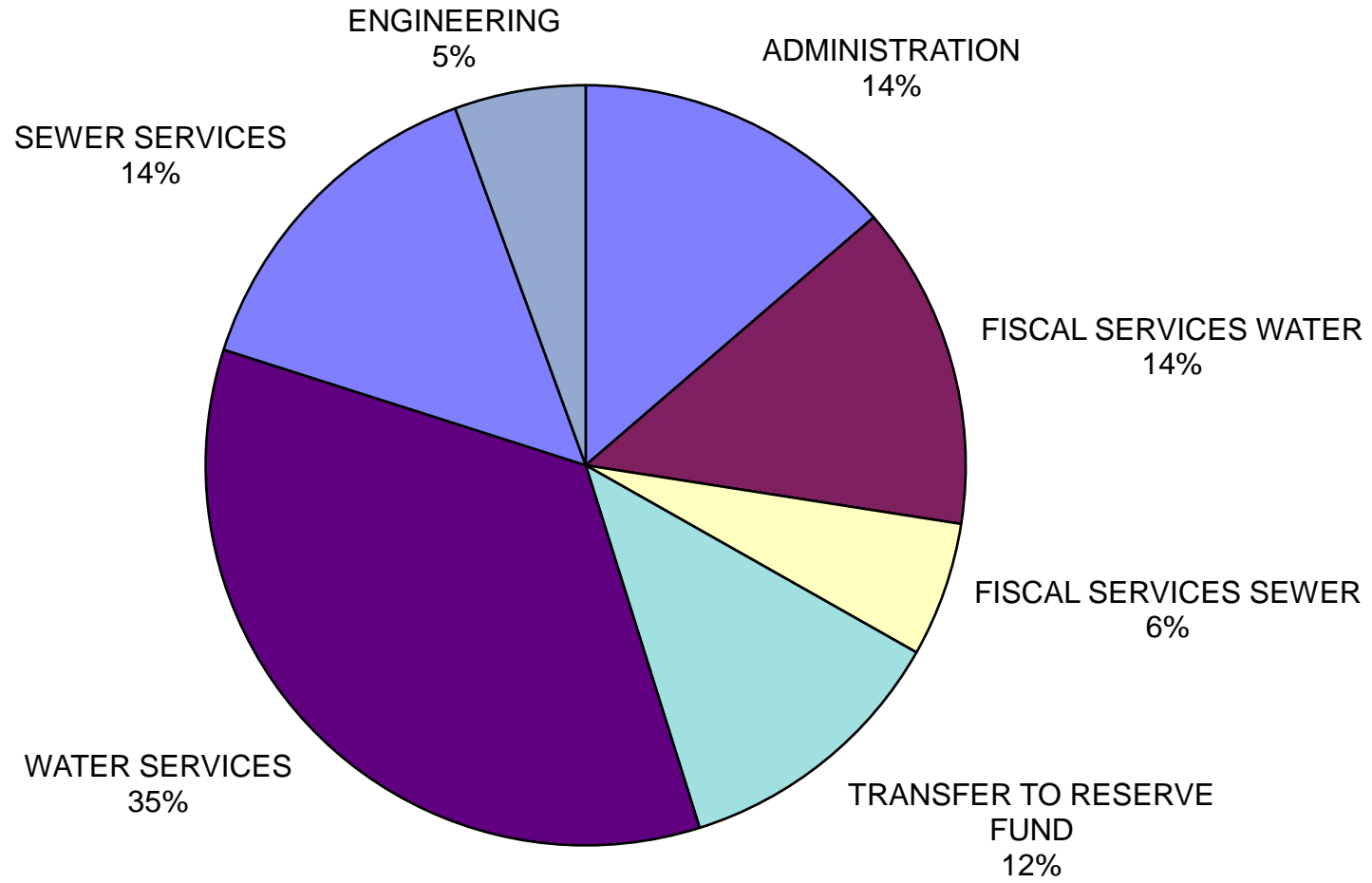
OCTOBER 24, 2023

TANTRAMAR

2024 DRAFT UTILITY OPERATING BUDGET

	2023 BUDGET	2024 BUDGET	INCREASE/ DECREASE	PERCENT CHANGE
ADMINISTRATION	\$ 438,624	\$ 366,274	\$ (72,350)	-16.49%
FISCAL SERVICES (WATER)	\$ 373,801	\$ 368,694	\$ (5,107)	-1.37%
FISCAL SERVICES (SEWER)	\$ 181,182	\$ 153,224	\$ (27,958)	-15.43%
RESERVE FUND TRANSFERS	\$ 291,750	\$ 320,000	\$ 28,250	9.68%
WATER SERVICES	\$ 795,065	\$ 930,198	\$ 135,133	17.00%
SEWER SERVICES	\$ 368,989	\$ 387,963	\$ 18,974	5.14%
ENGINEERING SERVICES	\$ 132,449	\$ 149,311	\$ 16,862	12.73%
	\$2,581,860	\$2,675,664	\$ 93,804	3.63%
 <u>REVENUE SOURCES:</u>				
TRANSFER FROM GENERAL FUND	\$ 375,208	\$ 376,000	\$ 792	0.21%
SURPLUS 2ND PREV. YEAR	\$ 18,505	\$ 18,861	\$ 356	1.92%
OTHER REVENUE	\$ 263,298	\$ 217,589	\$ (45,709)	-17.36%
TOTAL REVENUE	\$ 657,011	\$ 612,450	\$ (44,561)	-6.78%
 REVENUE NEEDED THROUGH RATES	 \$1,924,849	 \$2,063,214	 \$ 138,365	 7.19%

TANTRAMAR 2024 DRAFT UTILITY OPERATING BUDGET



UTILITY REVENUE

5 Year Reserve

	New Annual	Reserve
		Estimated
	<u>Revenue</u>	<u>Fund Total</u>
2021 Flat Rate S/T Charge	\$ 200,000	\$ 740,000
2022 Flat Rate S/T Charge	\$ 240,000	\$ 980,000
2023 Flat Rate S/T Charge	\$ 280,000	\$1,260,000
2024 Flat Rate S/T Charge	\$ 320,000	\$1,580,000**
2025 Flat Rate S/T Charge	\$ 360,000	\$1,940,000
2026 Flat Rate S/T Charge	\$ 400,000	\$2,340,000

*** Can use reserve fund to reduce borrowing cost on construction

*** This would allow additional operating expenses covered by rate increases already done

SACKVILLE WATER AND SEWER RATES

FUTURE PROJECTIONS/ALREADY APPROVED

YEAR	METERED WATER		ANNUAL FLAT RATE WATER YRLY	METERED SEWER	ANNUAL FLAT RATE SEWER YRLY	ANNUAL FLAT RATE WATER	ANNUAL FLAT RATE SEWER
	OPERATIONS	TREATMENT	TREATMENT	OPERATIONS	TREATMENT	OPERATIONS	OPERATIONS
2021	\$ 1.00	\$ 0.25	\$ 100.00	\$ 1.00	\$ 100.00	\$ 464.00	\$ 297.00
2022	\$ 1.01	\$ 0.20	\$ 120.00	\$ 1.01	\$ 120.00	\$ 522.00	\$ 335.00
2023	\$ 1.02	\$ 0.15	\$ 140.00	\$ 1.02	\$ 140.00	\$ 587.00	\$ 376.00
2024	\$ 1.03	\$ 0.10	\$ 160.00	\$ 1.03	\$ 160.00	\$ 660.00	\$ 423.00
2025	\$ 1.04	\$ 0.05	\$ 180.00	\$ 1.04	\$ 180.00	\$ 742.00	\$ 475.00
2026	\$ 1.05	\$ -	\$ 200.00	\$ 1.05	\$ 200.00	\$ 835.00	\$ 534.00
2023 QUARTERLY MINIMUM CHARGE			\$ 135.70	2023 YEARLY MINIMUM CHARGE			\$ 542.80
2024 QUARTERLY MINIMUM CHARGE			\$ 144.80	2024 YEARLY MINIMUM CHARGE			\$ 579.20 6.70%
2025 QUARTERLY MINIMUM CHARGE			\$ 153.90	2025 YEARLY MINIMUM CHARGE			\$ 615.60 6.30%
2026 QUARTERLY MINIMUM CHARGE			\$ 163.00	2026 YEARLY MINIMUM CHARGE			\$ 652.00 5.90%

MINIMUM CHARGE USERS ACCOUNT FOR 38-46% OF USERS PER BILL

DORCHESTER WATER AND SEWER RATES

2024 TO 2026 FLAT RATES NEEDED

<u>YEAR</u>	QUARTERLY WATER <u>OPERATIONS</u>		QUARTERLY WATER <u>TREATMENT</u>		QUARTERLY SEWER <u>OPERATIONS</u>		QUARTERLY SEWER <u>TREATMENT</u>		ANNUAL WATER <u>COSTS</u>		ANNUAL SEWER <u>COSTS</u>		TOTAL ANNUAL <u>BILLING</u>	<u>INCREASE</u>
2023 \$	127.50	\$	-	\$	51.25	\$	-	\$	510.00	\$	205.00	\$	715.00	
2024 \$	51.15	\$	108.28	\$	31.29	\$	-	\$	637.72	\$	125.16	\$	762.88	6.70%
2025 \$	54.37	\$	115.10	\$	33.26	\$	-	\$	677.90	\$	133.05	\$	810.94	6.30%
2026 \$	57.58	\$	121.89	\$	35.22	\$	-	\$	717.89	\$	140.89	\$	858.79	5.90%

<u>REVENUE FROM ALL SOURCES</u>	<u>2023</u>	<u>2024</u>	<u>DIFFERENCE</u>
WATER RATE REVENUE - OPERATIONS	\$ 775,460	\$ 748,787	\$ (26,673)
WATER RATE REVENUE - TREATMENT	\$ 361,499	\$ 400,389	\$ 38,890
SPRINKLERS/HYDRANTS	\$ 35,000	\$ 35,000	\$ -
OTHER WATER REVENUE	\$ 92,100	\$ 94,683	\$ 2,583
SEWER RATE REVENUE - OPERATIONS	\$ 580,588	\$ 611,344	\$ 30,756
SEWER RATE REVENUE - TREATMENT	\$ 280,000	\$ 320,000	\$ 40,000
CONNECTIONS/HOOKUPS/CERTIFICATES	\$ 19,000	\$ 23,100	\$ 4,100
INTEREST	\$ 44,500	\$ 47,500	\$ 3,000
TRANSFER FROM GENERAL FOR FIRE PROTECTION	\$ 375,208	\$ 376,000	\$ 792
SURPLUS 2 ND PRIOR YEAR	\$ 18,505	\$ 18,861	\$ 356
	\$ 2,581,860	\$ 2,675,664	\$ 93,804

UTILITY EXPENSES

FINANCE AND ADMINISTRATION

2023

2024

DIFFERENCE

ADMINISTRATION
(Accounting)

\$ 243,650

\$ 192,462

\$ (51,188)

BUILDING SERVICES
(Power/Phones)

\$ 8,000

\$ 8,000

\$ -

OFFICE OPERATIONS
(Postage/Supplies/Equipment/Meter Equipment/Net HST)

\$ 58,612

\$ 28,812

\$ (29,800)

AUDIT MANAGEMENT
(External Auditor/PSAB Consulting)

\$ 10,000

\$ 10,000

\$ -

OTHER FINANCE
(HR/Legal/Insurance)

\$ 84,000

\$ 99,000

\$ 15,000

FINANCE AND ADMINISTRATION20232024DIFFERENCE

INTEREST AND DEBT PAYMENT – WATER	\$ 373,861	\$ 368,694	\$ (5,167)
INTEREST AND DEBT PAYMENT - SEWER	\$ 181,182	\$ 153,224	\$ (27,958)
CAPITAL OUT OF REVENUE (WATER & SEWER)	\$ -	\$ -	\$ -
TRANSFER TO UTILITY RESERVE FUND	\$ 291,750	\$ 320,000	\$ 28,250
DEFICIT FROM PRIOR YEARS	\$ 7,302	\$ -	\$ -
CASH DISCOUNTS (SENIOR DISCOUNTS)	\$ 27,000	\$ 28,000	\$ 1,000
	<hr/>	<hr/>	<hr/>
	\$ 1,285,357	\$ 1,208,192	\$ (77,165)

PUBLIC WORKS AND ENGINEERING

2023

2024

DIFFERENCE

STAFFING SERVICES - WATER (Utility Staff)	\$ 197,779	\$ 222,706	\$ 24,927
BUILDING & OFFICE SERVICES – WATER (Power/Phones/Taxes/Repairs/Supplies/Mobiles/HST)	\$ 39,435	\$ 39,456	\$ 21
OTHER PUBLIC WORK OPERATIONS - WATER (Gas/Equipment Rental & Repair/Road Cuts/Stone/Meters)	\$ 46,000	\$ 46,000	\$ 0
FLUSHING AND MAINTENANCE OF WATER SYSTEM	\$ 56,437	\$ 56,772	\$ 335
WATER TREATMENT PLANT & WATER TOWER	\$ 455,414	\$ 565,264	\$ 109,850
ENGINEERING OPERATIONS – WATER	\$ 59,984	\$ 70,524	\$ 10,540

PUBLIC WORKS AND ENGINEERING

2023

2024

DIFFERENCE

STAFFING SERVICES - SEWER
(Utility Staff) \$ 190,279 \$ 215,206 \$ 24,927

BUILDING & OFFICE SERVICES – SEWER
(Power/Phones/Taxes/Repairs/Supplies/Mobiles/HST) \$ 21,247 \$ 21,257 \$ 10

OTHER PUBLIC WORK OPERATIONS - SEWER
(Gas/Equipment Rental & Repair/Road Cuts/Stone/Meters) \$ 91,223 \$ 81,500 \$ (9,723)

LIFT STATIONS
(Power/Maintenance) \$ 66,240 \$ 70,000 \$ 3,760

ENGINEERING OPERATIONS – SEWER \$ 72,465 \$ 78,787 \$ 6,322

\$ 1,296,503 \$ 1,467,472 \$ 170,969

RECOMMENDATIONS

- BUDGET BE APPROVED AS PRESENTED IN DRAFT
- 2024 - 2026 RATE APPROVALS
 - SACKVILLE
 - DORCHESTER
- CONTINUE TO ADD TO RESERVE FUND (MAY NEED SOME FUNDS FOR STUDY)
- 2024 READY TO APPLY FOR INFRASTRUCTURE FOR LAGOON UPGRADES (SACKVILLE MAIN LAGOON)
- BALANCED BUDGET WITH SAME SERVICES
 - VEOLIA LOOKING AFTER ALL WATER TREATMENT
- PRIVATE HYDRANTS RATE \$455.00 (UP FROM \$425.00) (7%)
- PRIVATE SPRINKLER RATE \$527.00 (UP FROM \$492.00) (7%)

QUESTIONS???