

2010 Budget

City of Melfort
An Overview of the 2010
Budget

Agenda

- ✓ Introduction
- ✓ 2009 Tax Comparison
- ✓ Presentation of the 2010 Budget
- ✓ Balancing the Budget
- ✓ 2010 Tax Impact

Introduction

- Maintain and Build Economic Momentum
- Manage Cost of Major Projects and City Operations

2009 Tax Comparison

- Council annually compares Melfort's taxation levels with other Saskatchewan communities
- 2009 Ministry of Education Tax reform has decreased property tax substantially
- Commercial ranking has increased to 8th in 2009 from 9th in 2008

Residential Ranking 2009

Saskatchewan Municipalities	Property Taxes	Rank
Estevan	\$1,385.61	1
Swift Current	\$1,443.75	2
Saskatoon	\$1,481.22	3
Moose Jaw	\$1,543.14	4
Regina	\$1,644.47	5
Weyburn	\$1,727.70	6
Prince Albert	\$1,820.58	7
Humboldt	\$1,872.55	8
Yorkton	\$1,909.60	9
North Battleford	\$2,030.38	10
Melfort	\$2,127.95	11
Melville	\$2,649.60	12
Average	\$1,803.05	

Commercial Ranking 2009

Saskatchewan Municipalities	Property Taxes	Rank
Saskatoon	\$2,624.23	1
Estevan	\$2,771.09	2
Swift Current	\$2,927.35	3
Moose Jaw	\$2,947.07	4
Regina	\$3,061.64	5
Prince Albert	\$3,845.15	6
Weyburn	\$3,860.59	7
Melfort	\$4,089.16	8
Yorkton	\$4,225.00	9
Humboldt	\$4,387.64	10
North Battleford	\$4,556.86	11
Melville	\$5,755.00	12
Average	\$3,754.99	

Presentation of 2010 Budget

Type	Expenditure	How Funded
General Operations Fund	\$6,764,940	Taxation
Landfill Fund	\$250,284	User Fee
Waste Collection Fund	\$190,225	User Fee
Utilities Fund	\$1,905,698	User Fee
General Capital Program	\$1,970,285	Reserve Interest, BCF, LIMP
Utility Capital Program	\$2,035,474	Utility Rates, BCF, Gas Tax
Landfill Capital Program	\$25,000	Landfill Surplus
Total	\$13,141,906	

Budget Process

- Implemented status quo budgeting
- With inflationary pressures, status quo budget left City with a \$109,728 deficit
- Provincial Government announcement of MOG grant at same level as 2009
 - Decrease of \$236,480 from anticipated level

New spending for 2010

- Additional requests that were approved by Council:
 - Half-time maintenance staff at the KVC of \$18,127
 - Street patching, street lights and site repair \$34,000
 - Market valuation of City of Melfort Real Estate and Tax Title Property for \$6,500
 - Administrative Support of \$9,080
 - Grant increase to the Chamber of Commerce of \$2000
 - Grant to Melfort Agricultural Society \$5000 per year for three years for Grand Stands restoration (designated municipal heritage property)

General Capital Budget

- BCF base preparation that accompanies waterline replacement
- Local Improvement projects for full depth pavement and curb and gutter
- Further development of Elizabeth Street and Whitley Street
- Essential transportation equipment ó highway maintenance
- Museum workshop
- Expansion of City walking trail

Utility Capital Budget

- BCF waterline replacement and storm sewer construction
- Manhole rehabilitation
- Water Meter replacement
- Water Treatment Plant Pump replacement
- Upgrades to the Northcott Lift Station ó Carry forward from 2009 budget

Landfill Capital Budget

- Newly established ó funded through Landfill Surpluses
- Fund equipment and site requirements for future growth
- 2010 Budget Requirement - Environmental assessment of Landfill

Special Capital Budget

- Two ongoing projects:
 - KVC parking lot
 - Highway Commercial Site and Highway Widening
- Council has not yet budgeted 2010 special capital projects
- Options left open for growth opportunities

Budget Requirements

To meet additional growth and inflationary pressures on maintenance and repair of infrastructure would require an increase of 1.19 mill

- Council looked at 4 taxation options and the impact on different property classes of tax payers
- Council wanted a tax policy that would achieve an equal property tax increase for all property classifications and values

**City of Melfort
2010 Budget Options**

GENERAL OPERATIONS

Deficit Balance \$ 186,435.00

- Value of 1 Mill = 158,000
- 2118 taxable improved properties
- 131 taxable improved vertical condos (VC)
- 233 taxable vacant properties

OPTION #1:

Beginning Deficit					\$ 186,435.00
Raise Mill Rate by:	1.19	to	16.35	mills	\$ (188,163.00)
Ending Budgeted Surplus					<u>\$ (1,728.00)</u>

OPTION #2:

Beginning Deficit					\$ 186,435.00
Raise vacant by	\$ 4	to	\$ 216		\$ (932.00)
Raise improved by	\$ 12	to	\$ 596		\$ (25,416.00)
Raise improved VC	\$ 8	to	\$ 420		\$ (1,048.00)
Raise Mill Rate by:	1.01	to	16.17	mills	\$ (159,701.42)
Ending Budgeted Surplus					<u>\$ (662.42)</u>

OPTION #3:

Beginning Deficit					\$ 186,435.00
Raise Vacant BT by	\$ 2	to	\$ 214		\$ (466.00)
Raise Improved BT by	\$ 6	to	\$ 590		\$ (12,708.00)
Raise improved VC by	\$ 4	to	\$ 416		\$ (524.00)
Raise Mill Rate by:	1.1	to	16.26	mills	\$ (173,932.00)
Operational Mill Rate Stabilization Reserve					
Ending Budgeted Surplus					<u>\$ (1,195.00)</u>

OPTION #4:

Beginning Deficit					\$ 186,435.00
Draw from Mill Rate Stabilization Reserve					\$ (50,000.00)
Increase Vacant Land Tax to \$250					\$ (8,854.00)
Raise Mill Rate by:	0.87	to	16.03	mills	\$ (137,564.59)
Ending Budgeted Surplus					<u>\$ (9,983.59)</u>

Balancing the Operational Budget

- Option 4

- Mill Rate increase of .87 to 16.03 mills

- \$50,000 draw from Mill Rate Stabilization Reserve to lessen burden on property owner

- Vacant Land Base Tax increase of \$38 to \$250

2010 Tax Impact

- For a residential property with a taxable assessment of 75,000, this will mean an increase of \$51.55 or 3.4%
- For commercial property with a taxable assessment of 100,000, this will mean an increase of \$131.37 or 4.5%.
- Average tax increase of 3.9%

Conclusion

- With this budget, Council continues to build economic momentum:
 - Continued commercial and residential development investment
 - Major infrastructure replacement through BCF
- Commitment to minimizing tax increase:
 - Reduction from six percent to four percent tax increase