



2024 budgets

General Fund

November 14, 2023

STARTING PRINCIPLES, APPROACH AND INITIAL FINDINGS

Basic principles

Budget planning process

4 entities - 4 rates

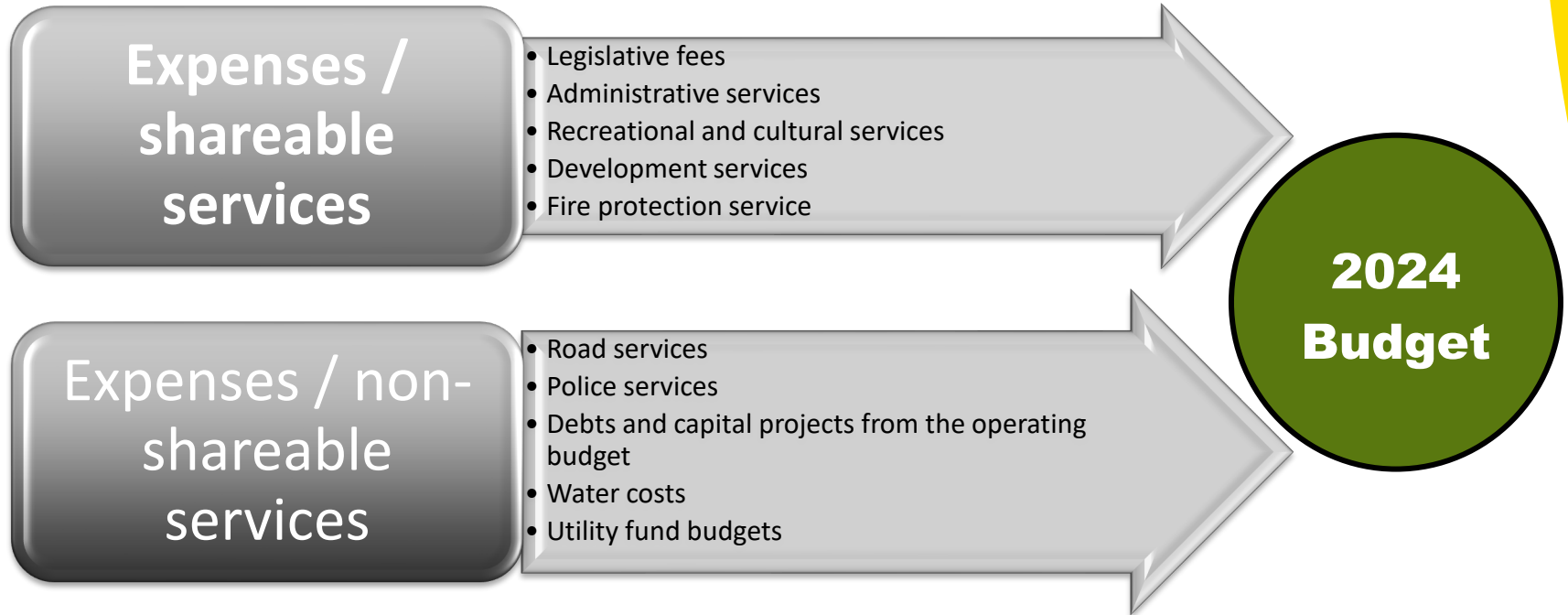
Edmundston

Rivière-Verte

Former LSD of Saint-Jacques

Former LSD of Saint-Joseph

Basic principles



Basic principles

- Need to prepare budgets for each entity based on 2024 costs (known or estimated) using 2023 tax rates as a starting point

Equalization table	Edmundston	Rivière-Verte	Former LSD of Saint-Jacques	Former LSD of Saint- Joseph
2023 tax rate (including \$0.4115 for roads)	\$1.6350/\$100	\$1.4170/\$100	\$1.1674/\$100	\$1.2586/\$100

- In cost sharing :
 - Breakdown of equalization grants as a proportion of net costs for shareable services
 - Advantages for merged entities to benefit from Edmundston's non-tax revenues and reduce the burden of sharable costs
 - Breakdown of net sharable costs in proportion to tax bases
 - Breakdown of remaining equalization grant by entity in proportion to costs for non-shareable services for each respective entity

Basic principles

- Cap of \$0.05 tax increase per \$100 of assessment per year (on shareable services) during the 5-year transition period (started last year in the 2023 budget)
 - Approximately \$75 per year on a home valued at \$150,000
- The entities of Rivière-Verte, the former LSD of Saint-Jacques and the former LSD of Saint-Joseph will continue to be policed by the RCMP.
- Road maintenance for the entities of the former LSD of Saint-Jacques and the former LSD of Saint-Joseph will continue to be the responsibility of the Province of N.B. (representing a rate of \$0.4115/\$100 of assessment).

GENERAL OPERATING BUDGET

REVENUES FOR 2024

Tax base

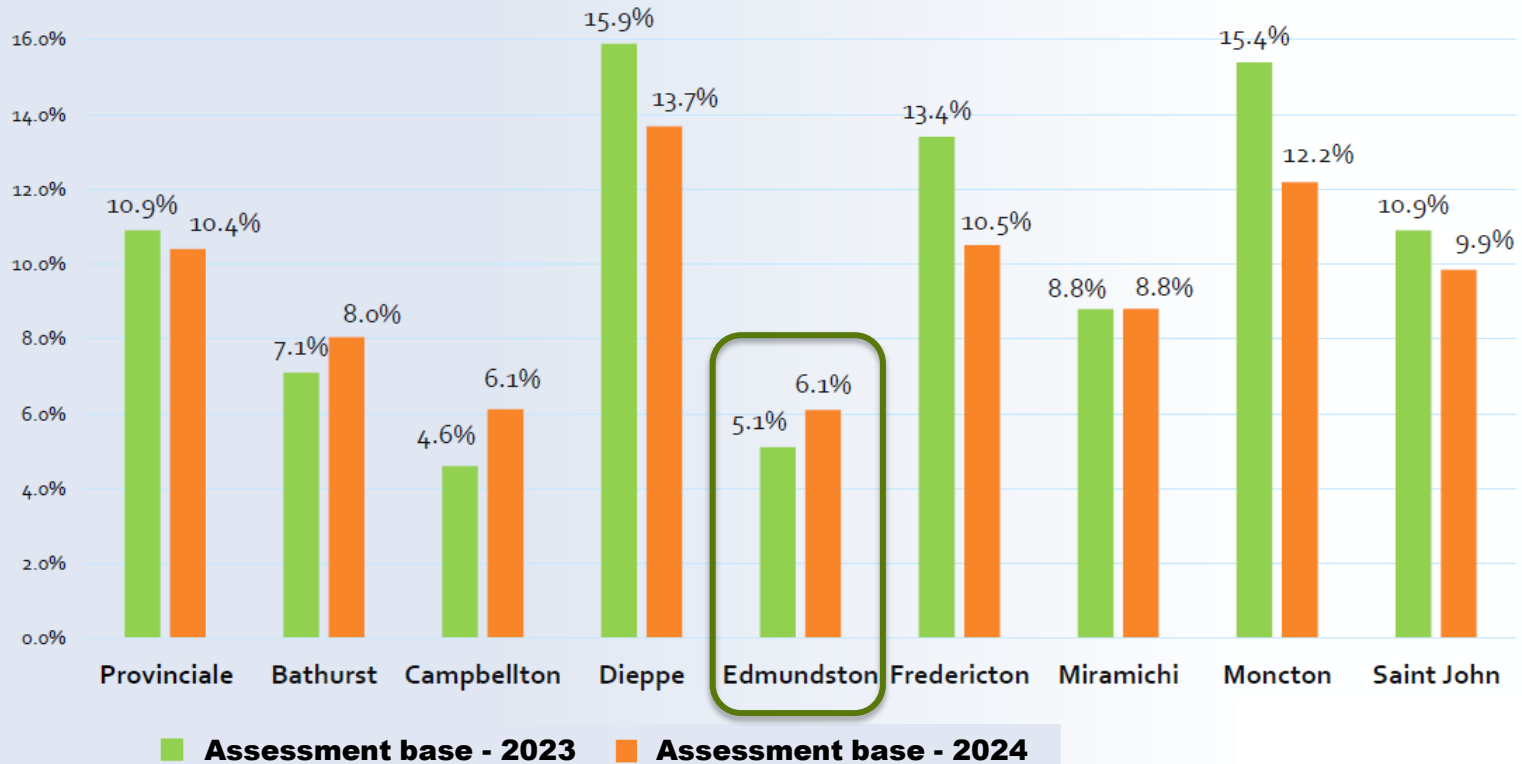
- Reception of tax bases and equalization grants
 - 6.1% increase in tax base
 - Additional contribution of \$1,655,704

Tax base increase	Edmundston	Rivière-Verte	Former LSD of Saint-Jacques	Former LSD of Saint-Joseph
+ 6,1% (\$1,715 MM)	+ 5,7%	+ 0,1%	+ 0,2%	+ 0,04%

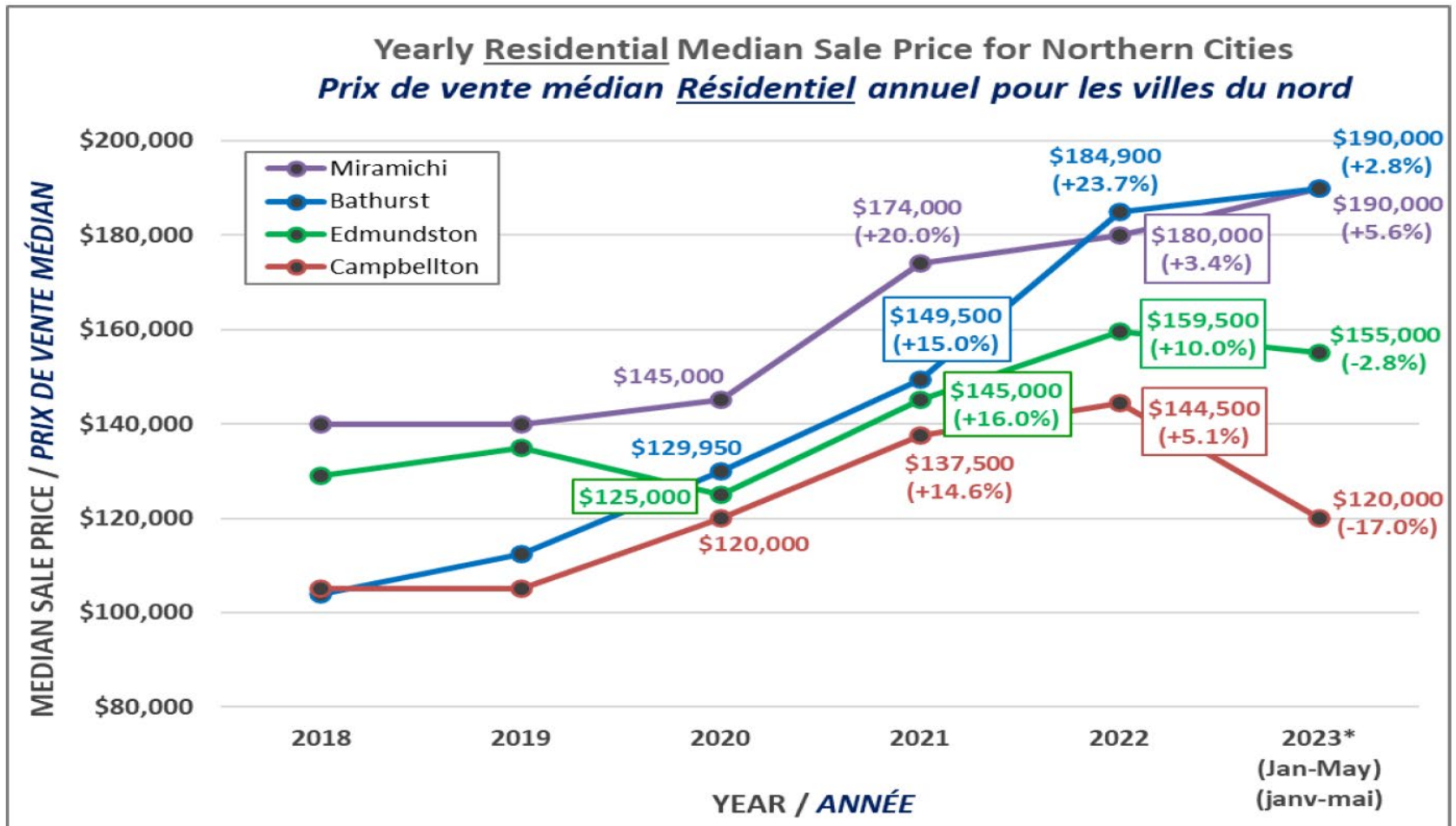
Info from SNB (related to tax bases)

Graphic chart for the assessment base

Assessment base - cities



Info from SNB (related to tax bases)



Equalization grant

- Total grant (4 entities)
 - 2024 = \$5,890,726
 - 2023 = \$6,200,705
 - Equalization grant reduced by \$310,000 compared with last year

Entity: Edmundston

KEY FACTS

Key Facts – Entity: Edmundston

- The growth in tax base, despite reduction in equalization grant, enables us to cover needs for 2024.
 - + 93% of the increase comes from Edmundston
 - Able to add new NWRSC service - public transportation
 - Represents a total increase of \$116,000 to the 2024 budget
- Maintaining municipal grants and contributions to municipal organizations and partners

Key Facts – Entity: Edmundston

- Planning begins for expansion of police services to entire territory
 - (*) Subject to approval by the Province of N.B.
 - Planning to add resources in the fall (*)
- Update of environmental hygiene costs
 - Waste collection costs
 - Rising landfill costs
 - Lower recycling costs (by a third party)
- Able to increase funding for capital projects from the operating budget
 - Increase of \$1,000,000 for 2024 (total of \$2.8 million)

Key Facts – Entity: Edmundston

- Able to increase the envelope for affordable housing development by \$100,000
- Able to increase the participatory budget envelope to \$100,000
- Savings:
 - On fuels vs. last year's sharp increases
 - On different operational levels
- Edmundston's debt remains stable.

Entity: Rivière-Verte

KEY FACTS

Key Facts – Entity: Rivière-Verte

- Stability in shareable costs
 - + \$0.0011 increase vs. 2023
- Non-shareable cost challenges:
 - 2022 deficit of \$38,000 (\$56,000 difference from last year's budget)
 - RCMP costs represent an increase of \$4,000
 - Road costs represent an increase of \$23,000
 - Debt remains stable for 2024
 - Slight decrease in waste collection and landfill costs
- Each \$4,500 increase represents 1 cent of tax

Key Facts – Entity: Rivière-Verte

- Budget includes a withdrawal from reserve fund to reduce fiscal impact
 - \$40,000 out of 2024 budget
 - Need to cover shortfall with \$0.0425 rate increase
 - Total increase required \$0.0436 / \$100 assessment

Entity: Former LSD of Saint-Joseph

KEY FACTS

Key Facts – Entity: Former LSD of Saint-Joseph

- Shareable costs are currently \$0.1278
 - + \$0.0500 increase forecast for 2024
 - In line with rate equalization target set in 2023
- Non-shareable cost challenges:
 - 2022 deficit of \$4,500 (\$9,200 difference from last year's budget)
 - RCMP costs represent an increase of \$1,000
 - Waste collection and landfill costs down slightly

Key Facts – Entity: Former LSD of Saint-Joseph

- Each \$1,300 increase represents 1 cent of tax
 - With grant and tax base, need to cover shortfall with \$0.0129 rate increase
- Total increase required \$0.0629 / \$100 assessment

Entity: Former LSD of Saint-Jacques

KEY FACTS

Key Facts – Entity: Former LSD of Saint-Jacques

- Shareable costs are currently \$0.1517
 - + 0.0500 increase forecast for 2024
 - In line with rate equalization target set in 2023
- Non-shareable costs (gross costs):
 - 2022 surplus of \$4,200 (but still a difference of \$19,000 less than last year's budget)
 - RCMP costs represent an increase of \$6,100
 - Waste collection and landfill costs relatively stable

Key Facts – Entity: Former LSD of Saint-Jacques

- The increase in the tax base and the grant make it possible to maintain a stable rate for non-shareable costs.
- Total increase required \$0.0500 / \$100 assesement

Tax and equalization rates in 2024

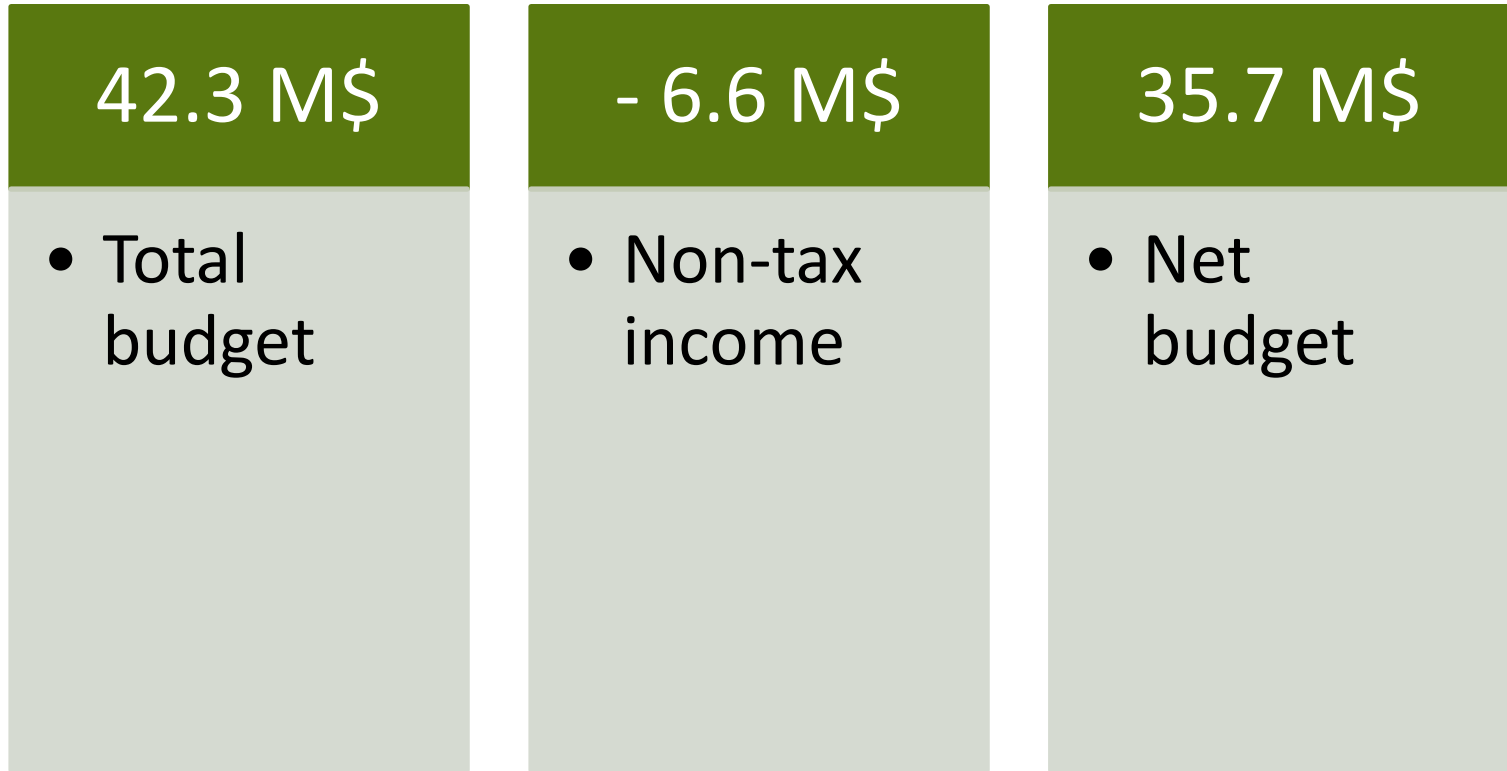
Rate equalization

- Equalization is a **redistribution mechanism** designed to **reduce wealth disparities, and therefore inequalities**, between local authorities.
- Rate equalization is not fixed in time
 - Experience of the 1998 merger (until 2014)
 - As long as there are four separate entities, the increase in the tax base and the increase in costs for each entity will have an impact (upwards or downwards) on the difference to be "equalized" for the other three entities.

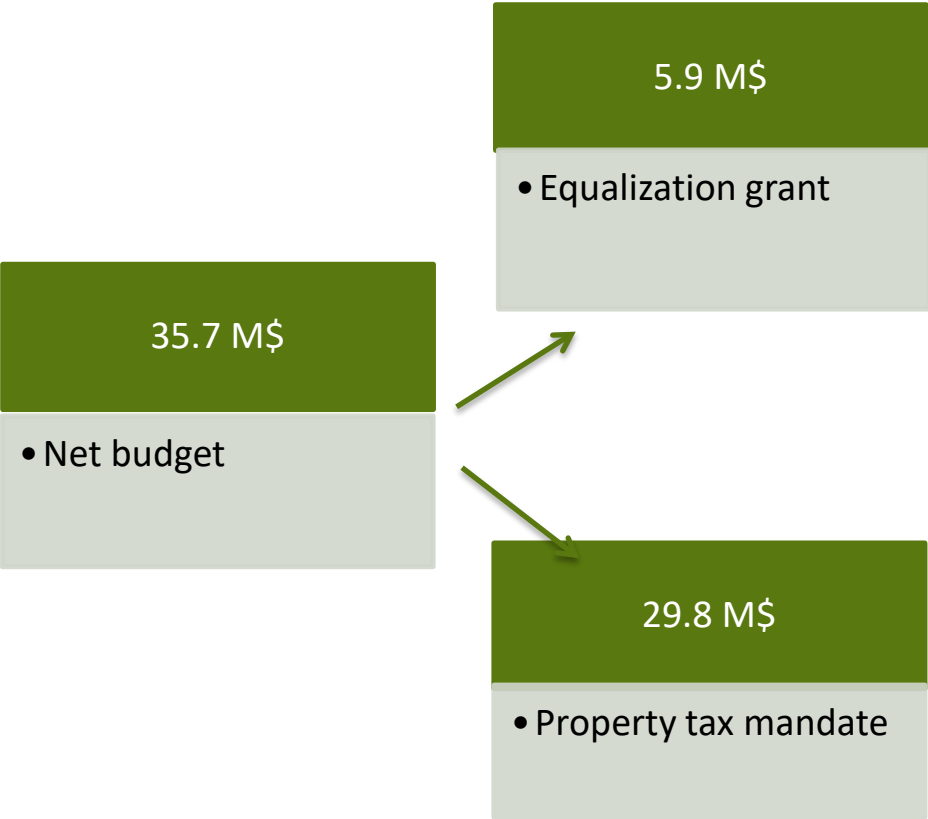
2024 budget tax rates

Table of tax rates	Edmundston	Rivière-Verte	Former LSD of Saint-Jacques	Former LSD of Saint-Joseph
2023 rate	\$1.6350/\$100	\$1.4170/\$100	\$1.1674/\$100	\$1.2586/\$100
Road rate			\$0.4115/\$100	\$0.4115/\$100
2023 rate excluding road rates	\$1.6350/\$100	\$1.4170/\$100	\$0.7559/\$100	\$0.8471/\$100
2024 rate adjustments	0	\$0.0436/\$100	\$0.0500/\$100	\$0.0629/\$100
2024 rate excluding road rates	\$1.6350/\$100	\$1.4606/\$100	\$0.8059/\$100	\$0.9100/\$100
2024 rate	\$1.6350/\$100	\$1.4606/\$100	\$1.2174/\$100	\$1.3215/\$100
Difference to catch up over the next few years	0	0	\$0.1017/\$100	\$0.0778/\$100

General operating fund



General operating fund



		2023	2024	(Decrease) / increase
		Net budget	Net budget	
Legislative	Municipal council	289,956	270,691	(19,265)
CAO	CAO	106,662	108,194	1,532
	“Secrétariat à la jeunesse”	49,955	51,007	1,052
	Communications	132,486	136,012	3,526
		289,103	295,214	6,111
CAO and	Assistant CAO	87,086	81,399	(5,687)
Communication	Clerk	676,811	680,996	4,185
Administrative services		167,936	167,862	(74)
	IT	348,502	373,464	24,962
	Human ressources	317,605	337,017	19,412
	Health and safety	68,118	70,520	2,402
		-	-	-
		-	-	-
Administrative services		1,666,058	1,711,258	45,200
Development	Economic fevelopment	310,347	379,506	69,159
	Environment and sustainable development	92,231	94,576	2,345
	Infrastructure development	60,000	66,496	6,496
	Territory development	234,137	295,084	60,947
	Urban planning	4,016	12,148	8,132
	Tourism	44,322	45,952	1,630
	NWRSC #1	104,551	90,959	(13,592)
	Municipal airport	113,533	115,926	2,393
Development		963,137	1,100,646	137,509
Fire department	General expenses	2,062,501	2,224,647	162,146
	Water cost – Edmundston	406,592	414,932	8,340
Fire department		2,469,093	2,639,579	170,486
Sports and leisures	Adm., plan, prog.	1,714,247	1,730,107	15,860
	Facilities (Arena / Palladium)	526,244	674,593	148,349
	Facilities (auditorium)	500,150	523,368	23,218
	Sports pavilion	624,093	615,029	(9,064)
		135	(87,458)	(87,593)
Sports and leisures		3,364,869	3,455,639	90,770
Art and culture	Culture	579,084	591,649	12,565
	Library	136,890	150,596	13,706
Art and culture		715,974	742,245	26,271
Subtotal shareable services		9,758,190	10,215,272	457,082



		2023	2024	
		Net budget	Net budget	(Decrease) / increase
Police force	General expenses	4,688,270	4,996,292	308,022
	E-911 dispatch center	687,850	714,583	26,733
Police force and 911 center		5,376,120	5,710,875	334,755
Public works	Roads	5,470,681	5,496,457	25,776
	Environmental hygiene	874,437	826,134	(48,303)
	Property management	1,148,354	1,044,309	(104,045)
Public works, waste and properties		7,493,472	7,366,900	(126,572)
Other services	Other services	(22,300)		22,300
				-
Fire department	General expenses	28,174	29,362	1,188
	Water cost – Rivière-Verte	59,792	60,979	1,187
	NWRSC #1 transit	-	96,960	96,960
	Donations and grants	237,529	250,598	13,069
		303,195	437,898	134,703
Subtotal local services before taxes		13,172,787	13,515,673	342,886
Subtotal before taxes		22,930,977	23,730,945	799,968
Financial services	Debt servicing	3,441,380	3,489,716	48,336
	Capital	1,697,468	2,573,063	875,595
Financial services and investments	Debt servicing	5,138,848	6,062,779	923,931
Subtotal taxes		5,138,848	6,062,779	923,931
Net budget		28,069,825	29,793,723	1,723,898

General operating fund

RECOMMENDATIONS

General operating fund

Local government of Ville/City of d'Edmundston

2024 general operating fund budget

1. Total budget	42,326,595
2. Minus: Tax revenue	6,642,146
3. Net budget	\$35,684,449
4. Minus: community service fund	\$5,890,726
5. Mandate to be covered by local taxes	\$29,793,723

Non-residential ratio 1.6
 Heavy industrial ratio 1.6

Tax Authorities (#)	Residential assessment	Non-residential assessment	Heavy industrial assessment	Tax base	Mandate	Res. rate	Non-res. rate	Heavy indus. rate
140.0 (Edm)	1,322,776,500	233,184,600	24,401,000	1,734,913,460	\$28,365,835	1.6350	2.6160	2.6160
140.2 (StJac)	76,406,700	2,438,700		80,308,620	\$647,207	0.8059	1.2894	1.2894
140.3 (RV)	41,470,000	2,325,500		45,190,800	\$660,057	1.4606	2.3370	2.3370
140.4 (StJos)	11,709,300	966,300		13,255,380	\$120,624	0.9100	1.4560	1.4560
	1,452,362,500	238,915,100	24,401,000	1,873,668,260	\$29,793,723			

THIS CERTIFIES that the 14 IÈME day of NOVEMBRE, 2023 the local government council of Ville/City of d'Edmundston has DECIDED that the amount of \$42,326,595 be the total operating budget for the municipality, that the amount \$29,793,723 be the local government mandate for the following year, and that the tax rate(s) is (are) as indicated above.

Council orders and directs that the mandate be levied by the Minister of Local Government on the assessment of real property taxable under the Assessment Act and situated in the local government area of Ville/City of d'Edmundston.

Adopted this 14 IÈME day of NOVEMBRE, 2023 by the local government council of Ville/City of d'Edmundston.

Recommendations to the municipal council

1. Taxing Authority 140 – Edmundston

- that the Edmundston Municipal Council accept that the sum of \$42,326,595 be the total municipal budget for the year 2024, that the sum of \$29,793,723 be the municipal mandate, and that the tax rates be defined as follows:
 - Sub-unit 0: Edmundston remains at \$1.6350 per \$100 of assessment
 - Sub-unit 2: Former LSD of Saint-Jacques at \$0.8059 per \$100 of assessment
 - Sub-unit 3: Rivière-Verte at \$1.4606 per \$100 of assessment
 - Sub-unit 4: Former LSD of Saint-Joseph at \$0.9100 per \$100 of assessment
- ... to transfer an amount of \$40,000 from the general operating reserve fund for the Rivière-Verte sector to the general operating fund for the Rivière-Verte sector for the year 2024, i.e. between January 1, 2024 and December 31, 2024.

Generation facility operating fund

Generation facility operating fund

34.5 M\$

- Distribution budget

2.8 M\$

- Generation budget

37.3 M\$

- Total budget

Generation facility operating fund

- Total budget of \$37,283,711 (compared with \$34,949,777 in 2023)
 - Increased revenues following last year's rate increase
 - Increase in energy purchase costs also linked to last year's rate increase
- Stable budget and comparable with previous years
- Debt ratio stable at 9.1% (compared with 9.8% in 2023)
- Increased funding for infrastructure projects to \$1,300,000 from the operating budget (compared with \$950,000 in 2023)

Edmundston Energy summary operating budget

REVENUES	BUDGET 2024 Distribution	BUDGET 2024 Production	BUDGET 2024 Total	BUDGET 2023 Distribution	BUDGET 2023 Production	BUDGET 2023 Total
SALE OF ELECTRICITY	\$33,560,080	\$2,833,982	\$36,394,062	\$31,165,656	\$2,851,499	\$34,017,155
OTHER REVENUES	\$889,649	\$0	\$889,649	\$851,574	\$0	\$851,574
GROSS INCOME	\$34,449,729	\$2,833,982	\$37,283,711	\$32,017,230	\$2,851,499	\$34,868,729
EXPENSES						
ENERGY PURCHASE	\$26,239,649	\$0	\$26,239,649	\$24,243,006	\$0	\$24,243,006
ADMINISTRATION	\$2,495,013	\$301,489	\$2,796,502	\$2,297,806	\$268,569	\$2,566,375
ENERGY MANAGEMENT AND PLANNING	\$133,915	-\$47,137	\$86,778	\$132,519	\$131,933	\$264,451
MARKETING AND CUSTOMER SERVICE	\$148,688	\$0	\$148,688	\$147,717	\$0	\$147,717
MAINTENANCE AND IMPROVEMENT	\$2,561,238	\$661,911	\$3,223,150	\$2,475,153	\$657,411	\$3,132,564
DEBT SERVICING	\$1,871,226	\$1,617,719	\$3,488,945	\$1,946,030	\$1,618,586	\$3,564,616
CAPITAL EXPENDITURES	\$1,000,000	\$300,000	\$1,300,000	\$775,000	\$175,000	\$950,000
EXPENSE TOTAL	\$34,449,729	\$2,833,982	\$37,283,711	\$32,017,230	\$2,851,499	\$34,868,729
SURPLUS (DEFICIT)	\$ 0	\$ (0)	\$0	\$ (0)	\$ 0	\$0

Recommendation to the municipal council

- ... that the total operating budget for the generation facility operating fund for the year 2024 include revenues of \$37,283,711 and expenses of \$37,283,711.

Water and wastewater disposal services operating fund (water and sewer)

Edmundston

Water and sewer Edmundston

4.4 M\$

- Water supply

2.7 M\$

- Wastewater disposal

7.1 M\$

- Total budget

Key facts

- Total budget of \$7,059,719 (compared with \$6,794,546 in 2023)
- Stable budget and comparable with previous years
- No rate increases for 2024
- Lower debt ratio (8.4% in 2024 compared with 9.8% in 2023)
 - Increased funding for infrastructure improvement projects from the water and sewer operating budget to \$950,000

Water and sewer operating fund - budget		2024	2023
1 - EXPENSES	WATER	3,350,965	3,181,679
	Administration	856,469	780,875
	Purif. & treatment	134,225	137,963
	Sources	402,165	415,263
	Distribution	1,958,106	1,847,578
	Debt servicing	316,431	383,360
	Assets	700,000	600,000
	Reserve funds	25,000	25,000
	Subtotal – Water	4,392,397	4,190,039
	SEWER	2,098,312	1,964,770
	Administration	564,281	514,114
	Collection and transp.	1,154,259	1,092,536
	Treatment	379,772	358,120
	Debt servicing	294,010	314,737
	Assets	250,000	300,000
	Reserve funds	25,000	25,000
	Subtotal - Sewer	2,667,322	2,604,508
Total of expenses		7,059,719	6,794,546
2 – NON-TARIFF INCOME:			
	WATER		
	Own sources	65,000	58,500
	Water cost	520,000	520,000
	Subtotal – Water	585,000	578,500
	SEWER		
	Subtotal – Sewer	-	-
	Previous surplus	23,623	28,564
Total of non-tariff income		608,623	607,064
3 – TARIFFS	WATER	480.00	480.00
	SEWER	315.00	315.00
	TOTAL	795.00	795.00

Recommendations to the municipal council

- ... that the total operating budget for water and wastewater services for the year 2024, for the Edmundston entity, includes revenues of \$7,059,717 and expenses of \$7,059,717;
- ... and that the amount of \$795 remain the basic annual rate (without meter) for the entire territory of the Edmundston entity.

Water and wastewater disposal services operating fund (water and sewer)

Rivière-Verte

Operating fund – water and sewer Rivière-Verte

\$324,430

- Water supply

\$72,512

- Wastewater disposal

\$396,942

- Total budget

Operating fund - water and sewer Rivière-Verte

- It's still a tough budget to prepare.
- This fund has accumulated deficits of \$126,000 since 2018.
- 2022 deficit of \$29,000 takes part of budget that cannot be used to pay expenses.
- The accumulated deficits spread over three years take up a large part of the following year's budget without having updated the other real costs.
 - This leaves a \$52,702 deficit to make up => \$21,549 in 2024.

Operating fund - water and sewer

Rivière-Verte

- Debt payments take up 26% of total budget.
- And with the updated minimum real costs, another \$81/user increase would have been needed to balance the budget.
 - No capital projects from the operating budget
 - A \$10 rate increase represents \$3,740
- Medium and long-term challenges remain to keep the fund financially healthy

Operating fund - water and sewer

Rivière-Verte

- To minimize the fiscal impact on Rivière-Verte residents
 - Plan for a reserve transfer of \$30,000 in 2024 to contribute to the shortfall in balancing the budget
 - Short-term solution, but not sustainable in the long term

Water and sewer operating fund - Budget		2024	2024 scenario	2023
		Rivière-Verte	Rivière-Verte	Rivière-Verte
1 - EXPENSES	WATER	199,185	199,185	175,000
	Administration	-	-	-
	Purif. & Treatment	26,000	26,000	30,300
	Sources	123,935	123,935	98,450
	Distribution	49,250	49,250	46,250
	Debt servicing	103,697	103,697	100,388
	Previous deficit	21,549	21,549	18,308
	Assets	-	-	-
	Reserve funds	-	-	-
	Subtotal – Water	324,430	324,430	293,697
	SEWER	72,512	72,512	79,217
	Administration	-	-	-
	Collection and transp.	60,512	60,512	55,017
	Treatment	12,000	12,000	24,200
Debt servicing	-	-	-	
Assets	-	-	-	
Reserve funds	-	-	-	
Subtotal - Sewer	72,512	72,512	79,217	
Total of expenses	396,942	396,942	372,913	
2 – NON-TARIFF INCOME:				
	WATER			
	Own sources	30,000	-	-
	Water cost	73,000	73,000	73,000
	Subtotal – Water	103,000	73,000	73,000
	SEWER			
	Subtotal – Sewer	-	-	-
	Previous surplus	-	-	-
Total of non-tariff income		103,000	73,000	73,000
3 – TARIFFS	WATER	625	721	625
(average equivalent)	SEWER	160	145	160
	TOTAL	785	866	785

Recommendations to the municipal council

- ... that the total operating budget for water and wastewater services for the year 2024, for the Rivière-Verte entity, includes revenues of \$396,942 and expenses of \$396,942;
- ... and that the sum of \$785 remains the basic annual rate (without meter) for the entire Rivière-Verte territory;
- ... to transfer an amount of \$30,000 from the water and wastewater disposal services operating reserve fund for water supply and wastewater disposal services operating reserve fund for the Rivière-Verte sector to the water and wastewater services operating fund for the Rivière-Verte sector in the year 2024, i.e. between January 1, 2024, and December 31, 2024.