

TOWN OF
berwick
Financial Update
April 7, 2022



The Business of Municipalities

Providing services to improve residents'
quality of life



Municipal Services

- Policing
- Fire Protection
- By-Law Services
- Emergency Management

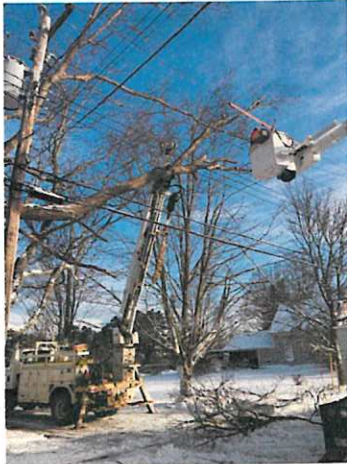


Municipal Services

- Street Maintenance
- Traffic Services
- Street Lighting
- Snow Clearing
- Sewer Services
- Garbage & Recycling
- Public Transit



Municipal Services



- Electric Utility

Municipal Services



- Recreation
- Parks & Trails Maintenance
- Libraries

Municipal Services

- Planning & Development
- Economic Development
- Community Support (BDCA, Wildcats, Gala Days)



Municipal Services

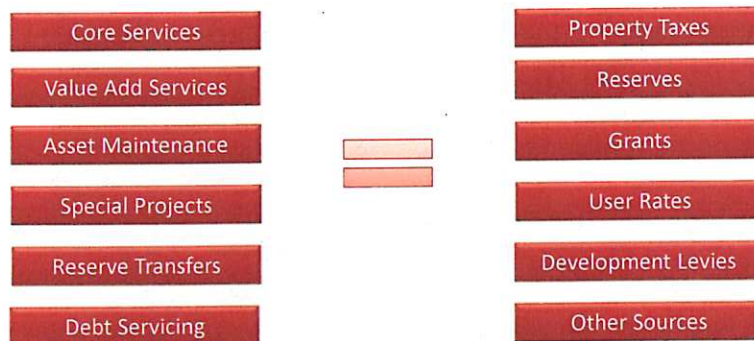


- Education
- Housing
- Property Valuation Services
- Corrections

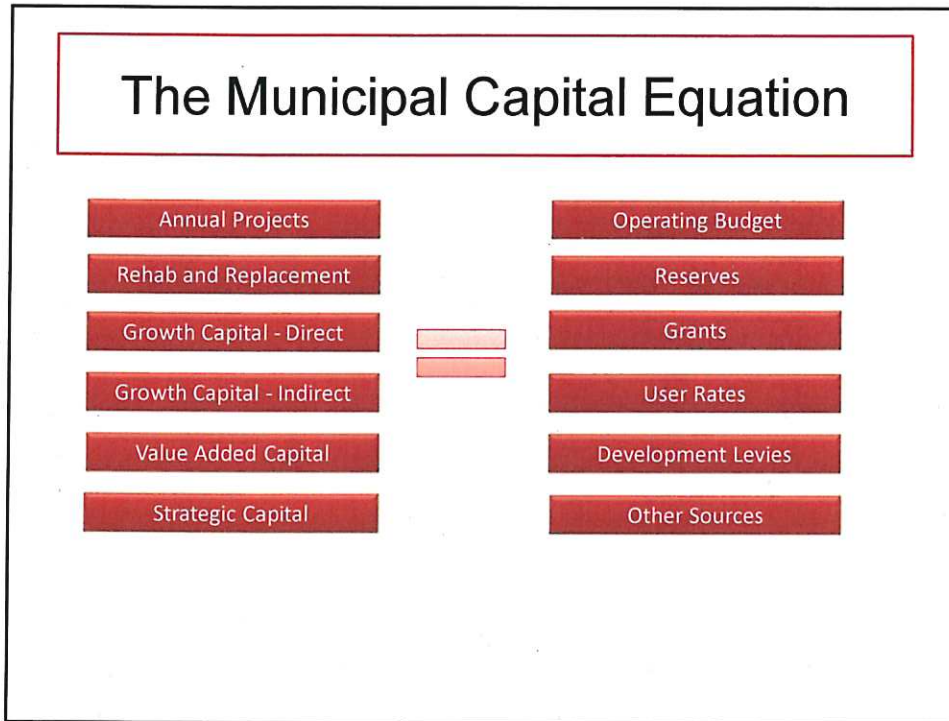
Municipal Budgets

- Operating Budget
 - ❖ Day to day operations that keep the Town running
- Capital Budget
 - ❖ Major projects, equipment & infrastructure upgrades

The Municipal Operating Equation

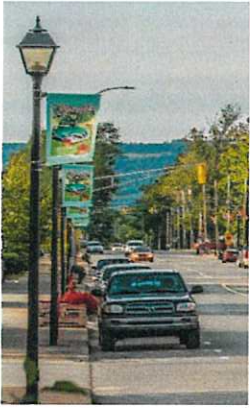


Municipalities MUST balance their operating budget, they CANNOT run a deficit



Town of Berwick Investments - 10 Year History

- Commercial St. Upgrades
- Waste Water Treatment Plant Upgrades
- Sewage Collection Upgrades
- New/partial Sidewalks – Beckwith Dr, Main St, South St, Mill St, Brown St, Cottage St, Union St, Veteran’s Dr, Maple Ave, Foster St, Bezanson Dr



Town of Berwick Investments - 10 Year History

- Rainforth Park Upgrades
- Harvest Moon Trail
- KMCC Appledome
- Connell Park Ballfields
- Chute Park
- Carol's Place



Town of Berwick Investments - 10 Year History



- New Tanker Truck (BDVFD)
- New Pumper Truck (BDVFD)
- SCBA Equipment (BDVFD)

Town of Berwick Investments - 10 Year History



- New Town Hall
- Downtown Public Wi-Fi System
- Bus Shelter
- Electronic Sign

Town of Berwick Investments - 10 Year History

Year	Capital Cost	External Funding	Total Town Cost
2011/12	\$1,717,500	(\$1,181,981)	\$535,519
2012/13	\$1,125,972	(\$562,066)	\$563,906
2013/14	\$610,281	(\$206,187)	\$404,094
2014/15	\$312,029	(\$37,050)	\$274,979
2015/16	\$539,080	(\$29,228)	\$509,852
2016/17	\$2,867,461	-	\$2,867,461
2017/18	\$871,326	(\$164,000)	\$707,326
2018/19	\$1,004,265	(\$30,981)	\$973,284
2019/20	\$1,108,093	(\$476,859)	\$631,234
2020/21	\$526,074	(\$92,826)	\$433,248
Total	\$10,682,081	(\$2,781,178)	\$7,900,903

Combined Reserves

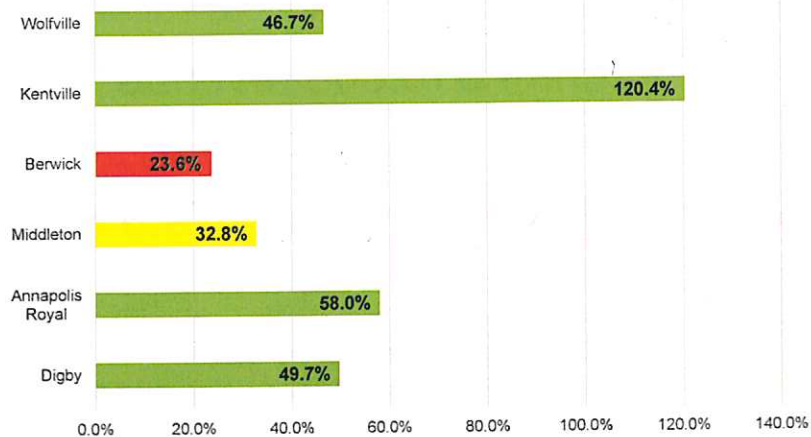
- Ability to address unexpected events or provide flexibility to address future projects.
- Reserves are critical components of long-term sustainability.
- Berwick's value is **HIGH RISK** at 23.6%

Low risk = Greater than 40%

Moderate risk = 30% - 40%

High risk = Less than 30%

Combined Reserves Comparison – Annapolis Valley



Long-Term Debt - 10 Year History

Year	Additional Long-Term Debt	Annual Payment
2011/12	\$440,000	\$38,000
2012/13	\$228,000	\$28,000
2013/14	\$302,000	\$32,000
2014/15	-	-
2015/16	-	-
2016/17	-	-
2017/18	\$2,490,000	\$188,000
2018/19	-	-
2019/20	\$363,000	\$27,000
2020/21	\$438,000	\$40,000
Total	\$4,261,000	\$353,000

Tax Rate Impact

1 cent = \$18,000 revenue**

10 Year LTD Payments = **19.5 cents**

Based on 2022 assessment values

Current tax rates: Residential 1.5680, Commercial 3.8800

Residential Tax Rate – 10 Year History



Commercial Tax Rate – 10 Year History



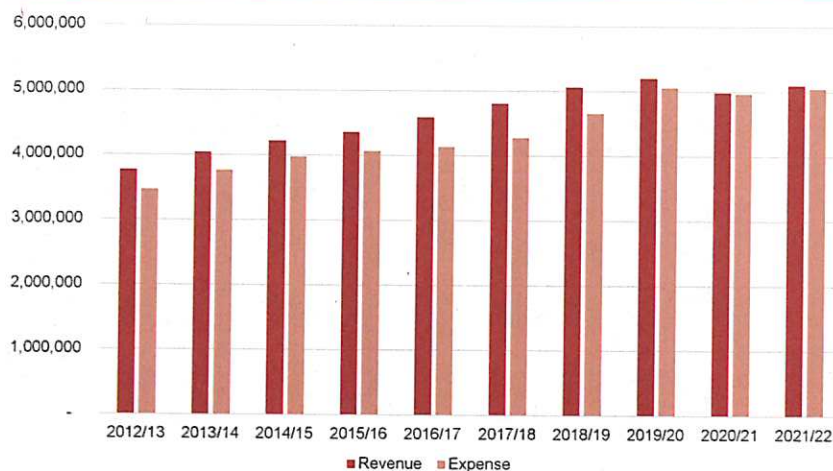
Utility Dividends

- **BEC Dividend**
 - ❖ Budgeted \$926,400 over 10 years
 - ❖ Average of \$92,640/year

- **AREA Dividend**
 - ❖ Budgeted \$1,798,898 over 5 years
 - ❖ Average of \$359,780/year

Revenue & Expense – 10 Year History

(not including transfers to/from reserves)



10 Year Revenue Increase = 34% & 10 Year Expense Increase = 46%

2022/23 Operating Budget Highlights

Residential Assessment

- 1,027 Properties
 - ❖ Increase of 29 properties over 2021
- Taxable assessment = \$169,750,400
 - ❖ Increase of 11.2% over 2021
- Capped assessment = \$157,743,100
 - ❖ Increase of 9.9% over 2021
- Additional revenue = \$222K

2022/23 Operating Budget Highlights

Recreation Programming Revenue

- Increase of \$100K (175%)
 - ❖ Increase program spaces to pre-Covid-19 levels
 - ❖ Small increase in After School Program fees effective September 2022 to align with other programs
 - ❖ Improved internal processes for recreation program invoicing

2022/23 Operating Budget Pressures

- Policing – \$89K increase (13%)
 - ❖ New collective agreement for RCMP
 - ❖ Ongoing discussion regarding retroactive pay
- Mandatory Provincial Costs
 - ❖ Housing - \$20K increase (50%)
 - ❖ Education - \$22K increase (4%)
- Inflation
 - Wages & benefits - \$53K increase (4%)
 - Fuel - \$21K increase (120%)
 - Utilities - \$17K increase (6%)

2022/23 Operating Budget Pressures

- Insurance Premiums - \$17K increase (17%)
 - ❖ Rising premiums across all sectors due to extreme weather events
- Paving & Road Repairs – \$150K increase (300%)
 - ❖ Fix poor road conditions after the harsh 2022 winter
- Pre-Covid Operations
 - ❖ Community Events and Festivals \$13K increase (192%)

2022/23 Operating Budget

- Total revenue increase of 5% (\$267K)
- Total expense increase of 8% (\$416K)
- **Total deficit of \$150K**

2022/23 Operating Budget Balancing Options

- Operational Changes
 - ❖ Potential savings of \$65K
- Tax Increase
 - ❖ \$0.05 increase would generate \$92K
- Transfer from Reserves

Tax Rate Increase - Impacts

Annual Assessment	Annual Property Tax Increase	Monthly Property Tax Increase
\$150,000	\$75.00	\$6.25
\$250,000	\$125.00	\$10.42
\$350,000	\$175.00	\$14.58
\$450,000	\$225.00	\$18.75

The average capped residential assessment in Berwick is \$160,000

Residential Tax Effort

- The median household income required to pay the average property tax bill.
- Council can use this indicator to assess affordability of municipal taxes in relation to current service levels.
- Berwick's value is **LOW RISK** at 3.3%

Low risk = Less than 4%

Moderate risk = 4% to 6%

High risk = Greater than 6%

Residential Tax Effort Comparison – Annapolis Valley



2020/21 Residential Tax Rate Comparison – Annapolis Valley

Town	Tax Rate	Uniform Assessment	Notes
Digby	1.9900	\$119,286,000	Includes fire rate
Middleton	1.9100	\$108,281,687	Includes fire rate
Annapolis Royal	1.7000	\$69,502,946	
Berwick	1.5480	\$158,457,757	
Kentville	1.5370	\$518,818,350	Includes hydrant rate, fire rate, economic development rate
Wolfville	1.5310	\$508,515,358	Includes fire rate

2020/21 Residential Tax Rate Comparison – Nova Scotia

Town	Tax Rate	Uniform Assessment
Westville	2.0800	\$142,728,996
Trenton	1.9400	\$121,886,204
Truro	1.8500	\$852,375,945
New Glasgow	1.8400	\$574,022,799
Stellarton	1.8200	\$266,315,005
Yarmouth	1.6600	\$436,742,578
Amherst	1.6550	\$523,981,080
Bridgewater	1.6500	\$688,450,419
Pictou	1.6400	\$164,914,216
Port Hawksbury	1.5800	\$208,419,243
Berwick	1.5480	\$158,457,757

2020/21 Commercial Tax Rate Comparison – Annapolis Valley

Town	Tax Rate	Uniform Assessment	Notes
Middleton	4.3900	\$108,281,687	Includes fire rate
Digby	4.2800	\$119,286,430	Includes fire rate
Wolfville	3.9210	\$508,515,358	Includes fire rate, economic development rate
Berwick	3.8400	\$158,457,757	
Kentville	3.5142	\$518,818,350	Includes hydrant rate, fire rate, economic development rate
Annapolis Royal	3.2000	\$69,502,946	

2020/21 Commercial Tax Rate Comparison – Nova Scotia

Town	Tax Rate	Uniform Assessment
Truro	4.5000	\$852,375,945
Amherst	4.4550	\$523,981,080
New Glasgow	4.4500	\$574,022,799
Pictou	4.3400	\$164,914,216
Yarmouth	4.2800	\$436,745,578
Port Hawksbury	4.1600	\$208,419,243
Stellarton	4.1500	\$266,315,005
Trenton	4.1000	\$121,886,204
Bridgewater	3.9700	\$688,450,416
Berwick	3.8400	\$158,457,757
Westville	3.6900	\$142,728,996

Looking Forward

➤ Community Solar Gardens



Looking Forward

➤ Residential Developments:

- ❖ Apple Valley Acres
 - ❖ Alderwood Phase 2 & 3
 - ❖ Georgetown Lane
 - ❖ Main Street
 - ❖ Foster Street
 - ❖ Ron Smith Drive
- Grand View Manor

Thank You!

