



Annual Financial Information Update

Municipality of Colchester

June 2014

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Mayor's Message

As your Mayor and on behalf of Council, I am pleased to once again present to you – our residents and businesses – the Annual Financial Information Update. The objective of this update is to share the County's budget information for the upcoming fiscal year and show you how your tax dollars are being spent and invested by presenting a complete list of the money that Council has approved for various community organizations for this fiscal year and providing information about the overall financial health of our municipality. The Council and staff at the Municipality remain committed to investing in our community while keeping our property tax rates in line.

Municipalities are required to have a balanced budget each year. With our expenses monitored very closely, I wish to draw your attention to a few of our achievements. In 2013/14 we were able to transfer \$350,000 to our operating reserve fund. Councils 2014/15 operating budget will recognize \$280,000 of this in our revenue for the current fiscal year with the balance remaining in our operating reserve.

After our budget deliberations this year, Council was able to hold the commercial tax rate at 2.25 per 100 and raise the resident tax rate by only 0.01 to 0.85 per 100 assessment. This increase was directly related to an increase in the County's contribution to education, corrections and police protection, and housing for 2014/15. It is important to note that 43% of the revenues that the County collects goes to the Province of Nova Scotia as follows: Education (\$6,700,000), Corrections and Police Protection (\$4,000,000), and Housing (\$121,000). We are also pleased to report that the urban service rate and the garbage collection and disposal rate will remain unchanged for 2014/15.



Central Colchester Wastewater Treatment Facility

Additionally, in this year's budget we will be able to meet all of our obligations again without any service cuts and replenish our reserves, which we have in place for all capital expenditures. Having available reserves has helped us to complete a number of capital projects in 2013/14, such as a Central Colchester Wastewater Treatment Facility upgrade, the Rath-Eastlink Community Centre, scales and scale house in Kempton, sidewalks at the round-about on Robie Street and phase 1 – HWY 289 – Brookfield, and the replacement of sewer force mains in Valley and Mingo's Corner, Onslow.

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**Financial
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report**

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In 2014/15 we will continue to invest in our community by undertaking the following capital projects:

- ◆ Construction of a new compost facility in Kemptown;
- ◆ A sewer extension in Onslow from Granville Drive to Mingo's Corner;
- ◆ Construction of sidewalks at Mingo's Corner, Onslow, and Phase 2 & 3 of the HWY 289 – Brookfield;
- ◆ Flood Mitigation Salmon and North rivers – a Joint Project with the Town of Truro; and,
- ◆ Construction of the new regional library with the Town of Truro.

With regional cooperation, we are able to complete many projects in our community. With continued good planning and investments in infrastructure over the years, the Municipality of Colchester is proud to be in good shape with infrastructure that meets all federal and provincial regulations which will serve us well today and for many years into the future.

Finally, a Financial Condition Index of all municipalities in Nova Scotia was released to the public on May 15, 2014, by the Nova Scotia Department of Municipal Affairs. This index was developed jointly by the Province of Nova Scotia, the Union of Nova Scotia Municipalities, and the Association of Municipal Administrators. Its purpose is to provide general information on where municipalities get their revenue, how they spend their money, and how they manage their finances. Each municipality is rated against the average of other similar municipalities – Colchester, for example, is rated against the average of all rural municipalities.

When reviewing this information it is important to keep in mind that the index is a “snapshot in time,” and not a substitute for a comprehensive examination of a municipality's financial performance. Rather, it ought to be viewed as one tool that municipalities can use to better understand their general financial situation (and how it has changed over time), and identify where their strengths and weaknesses lie as well as possible areas where Council and staff ought to direct their attention.

We have devoted two pages within this Update to offering you a more detailed explanation of the findings from the Financial Condition Index. To view Colchester's results of the Financial Condition Index, please visit: <http://novascotia.ca/dma/finance/indicator/fci.asp>.

I would encourage you to visit our website at www.colchester.ca, or contact the Municipal office to learn more about the programs and activities of the municipality.

I hope you find the information provided in this update to be helpful. As always, if you have any questions or comments, please feel free to contact me or the Councillor for your area, as we would be pleased to discuss the activities and the projects of the Municipality with you.

Bob Taylor
Mayor

Municipal Grants Program 2013/14

The Municipality has grant programs available for local groups. You can find the policies related to these programs on our website at www.colchester.ca. The following groups received money during the 2013/14 fiscal year. The money given out in his fiscal year will be published in next year's newsletter.

Insurance for Non-Profit Groups

\$1,000	Scotia Pool Society
\$775	Middle Stewiacke Recreation Association
\$699	Creamery Square Association
\$680	Disaster Animal Rescue Team
\$627	Truro Curling Club
\$626	Burle Community Centre Association
\$625	Lower Onslow Community Centre Society
\$610	Truro Music Festival Society
\$587	Creamery Square Heritage Society
\$522	Central Nova Horse & Pony Association
\$495	Tatamagouche Trails Association
\$475	North River & District Recreation Assoc.
\$468	Fundy Trail Snowmobile Club
\$430	Warwick Mountain Recreation Club
\$403	Tatamagouche Farmers Market
\$375	Five Islands Athletic Association
\$362	Brookfield Athletic Association
\$350	North Colchester River Restoration
\$350	North Colchester Centre
\$331	Economy Recreation Centre
\$287	Hilden Recreation Association
\$275	Cobequid Veterans Memorial Park Society
\$275	Londonary Station Community
\$266	Alton Recreation Centre
\$250	Cobequid Interpretive Centre
\$250	Winding River Art Gallery
\$238	Barrachois Community Hall
\$238	Colchester Stroke Club
\$225	Upper Stewiacke Community Association
\$212	Truro Art Society
\$200	Truro Rugby Club
\$197	Five Islands Senior Citizen Club
\$190	Creative Voices of Truro
\$162	Earlton Community Centre Society
\$155	North Shore ATV Club
\$155	Middleton Community Hall
\$150	Lower Economy Get Together Club
\$100	North Shore Project Service

Community Parks Funding Program

\$40,000	Village of Bible Hill
\$11,197	Five Islands Athletic Association
\$11,055	Upper Stewiacke Elementary School
\$5,000	North Shore Recreation Centre
\$368	Brookfield Men's Club

Economic Development Grants

\$5,000	Nova Scotia 55+ Games Society
\$2,500	2013 Fred Page Cup
\$2,000	Truro Minor Football Association
\$2,000	Tatamagouche Broomball Association
\$1,250	Truro Theatre Society
\$1,250	Truro Area Minor Hockey Association
\$1,000	Maritime Ride for Sight
\$1,000	Order of Eastern Star of NS
\$1,000	Onslow Cemetery Company
\$500	Nova Scotia Highlanders Association

Community Trails Funding Program

\$44,750	Tatamagouche Area Trails Association
\$27,402	North Shore ATV Club
\$14,338	Colchester Five Islands ATV Club
\$9,800	North Shore Snowmobile Club
\$2,400	Kenomee Trail Society
\$1,415	Cumberland Snowmobile Club

Grants to Non-Profit Organizations

\$37,558	Colchester Historical Society
\$15,000	Creamery Square Association
\$8,000	Barrachois Community Hall Association
\$4,000	Colchester Five Islands ATV Club
\$3,000	The New Annan Heritage House
\$3,000	Maggies Place
\$3,000	Warwick Mountain Recreation Club
\$3,000	Salmon River Hockey Society
\$2,700	Economy Recreation Centre
\$2,250	Clifton Community Seniors Association
\$1,500	Alton Recreation Centre
\$1,000	Middle Stewiacke Recreation Assoc.
\$1,000	Brule Community Centre
\$1,000	Elm Lodge
\$1,000	Ron McKay Memorial Youth Band
\$1,000	Earlton Community Centre
\$1,000	Colchester Transportation Co-op
\$1,000	Friendship Club, Cdn. Mental Health
\$1,000	Balfon Community Hall Association
\$1,000	Middleton Community Hall Association
\$1,000	Bayhead Community Hall
\$750	Music Nova Scotia

Area Rates

The majority of properties in the Municipality attract area rates in addition to the tax rate. Area rates are applied to all properties within a defined area that are receiving a specific service such as street lights. The area rate is applied to each \$100 of assessment. We have a few area rates that are flat rates, such as garbage collection/disposal, which are charged per property. In determining what an area rate should be, the Municipality considers all the expenses for the service and divides that cost by the assessed value of the properties in the defined area.

Area rates are approved by Council at their meeting in May. Shown below is the full list of area rates for 2014/15. In the list below, **green means the rate has decreased** and **red means it has increased** since last year. This list can also be found on our website at www.colchester.ca/taxrates.

Urban Service Rate		Fire Protection - Commissions		Sewer Systems - Capital	
Urban Service Rate	0.345	Brookfield	0.175	Tatamagouche	0.04
<i>Comprised of:</i> Sewer Maintenance - 0.080 Sewer Capital - 0.04 Active Transportation - 0.185 Street Lights - 0.03 Water Extension - 0.005 Fire Protection- 0.005		Great Village	0.13	Great Village	0.04
		Salmon River	0.10	Brookfield	0.04
		Upper Stewiacke	0.18	Debert	0.04
		Street Lights		Sewer Systems - Maintenance	
		Brookfield	0.05	Tatamagouche	0.08
		Debert	0.07	Great Village	0.08
Fire Protection - Brigades		Debert Park	0.10	Brookfield	0.08
		Gays River	0.09	Debert	0.08
Bass River	0.13	Londonderry	\$60	Bible Hill	0.08
Cobequid	0.18	Masstown Road	0.09	Active Transportation	
Cooks Brook	0.05	Onslow	\$64	Brookfield	0.185
Debert	0.10	Campbell Road	0.06	Debert	0.03
Debert Park - Hydrant Charge	0.17	Pine Tree/Pellerin	\$47	Other	
East Stewiacke	0.12	North River	0.05		
Economy	0.14	Belmont	\$75		
Five Islands	0.14	Garbage/Compost Collection & Disposal		Valley Crosswalk Supervisor	\$29
Hilden	0.15			Street Paving Rate	0.085
North River	0.08	Household	110.00	Tatamagouche	
Onslow-Belmont	0.09	<i>Comprised of:</i> Collection - \$38.50 Disposal - \$29.50 Composting - \$42.00		Branch Library	0.02
Shubenacadie	0.16			East Stewiacke	
Tatamagouche	0.08			School	0.025
Tatamagouche - Hydrant Charge	0.17				
Valley- Kemptown	0.11				
Unallocated	0.01				

Funding for Organizations 2013/14

Council can provide money to not-for-profit organizations outside of the programs listed on page 3. The following groups received money during the 2013/14 fiscal year.

Annual Grants	Pool Funding
\$10,000 Colchester Historical Society	\$50,000 Scotia Pool Society
\$5,000 Big Brothers Big Sisters of Colchester	
\$5,000 North Shore River Restoration Association	Arena Funding
\$5,000 Nova Scotia SPCA Colchester	\$108,250 Don Henderson Memorial Sportsplex
\$5000 Colchester VON	\$73,922 West Colchester Recreation Association
\$3,000 Colchester Special Olympics	\$71,433 North Shore Recreation Centre

Property Tax Billing & Payment Options

The Property Tax Bills for the Municipality of the County of Colchester are mailed the first week of June each year and are due on the second Thursday of August. This bill will be for the period April 1, 2014 to March 31, 2015. The due date for the 2014/15 taxes is August 14, 2014, and a reminder notice is mailed to all property owners in the first week of September for unpaid property taxes.

If you have any questions regarding this bill please contact 902-897-3162.

Outstanding Taxes:

By mid to late September, all property tax accounts with at least 2 years arrears are mailed the first tax collection letter. This letter shows clearly the years outstanding, with principal and interest, and states if the outstanding amount cannot be paid in full by a specific due date, please contact the Tax Office to set a payment plan.

The time allowed for resolution is usually 2 to 3 weeks. Interest accrues at 15% per annum, therefore it is important to keep your taxes up to date.

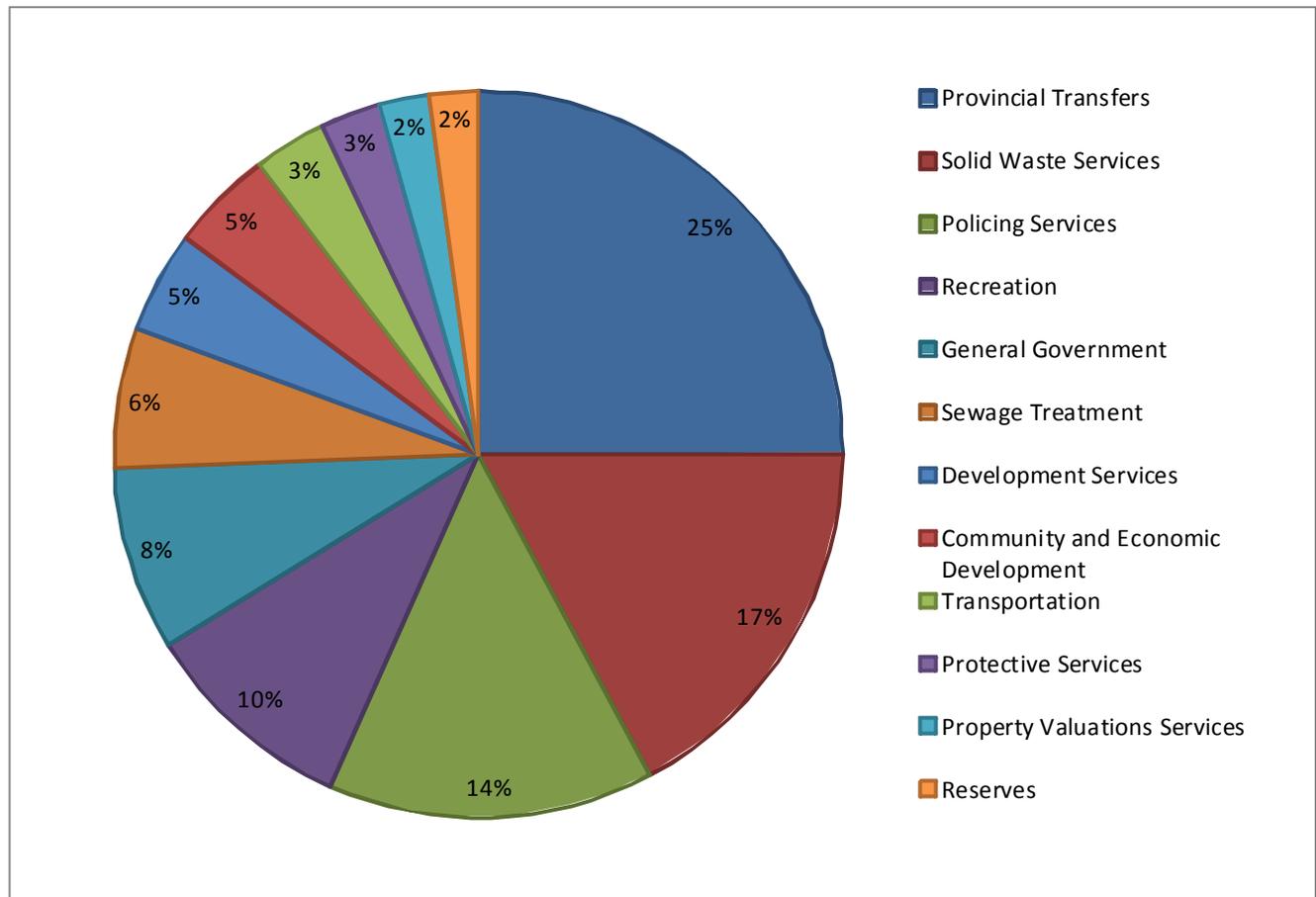
The Municipality encourages anyone who has outstanding property taxes, to please contact the Tax Office at 902-897-3162 to set up a suitable payment schedule.

Options for payment of taxes:

- ◆ Most financial institutions (must have your complete tax bill)
- ◆ On-Line or telebanking – use your 8 digit property number as the account number
- ◆ At the Tax Office on the main floor – 1 Church St, Truro NS
- ◆ Pre-authorized payments – please call the Tax Office for more details
- ◆ Mail your payment to the Tax Office (include the remittance copy) to:

**Municipality of Colchester
1 Church St
Truro NS B2N 3Z5**

Operating Budget Expenses 2014/15



Provincial Transfers	\$7,580,859
Solid Waste Services	\$5,228,332
Policing Services	\$4,382,294
Recreation	\$2,893,321
General Government	\$2,487,178
Sewage Treatment	\$1,900,744
Development Services	\$1,374,095
Community and Economic Development	\$1,368,455
Transportation	\$984,080
Protective Services	\$807,456
Property Valuations Services	\$684,000
Reserves	\$650,000

Financial Condition Index (FCI)

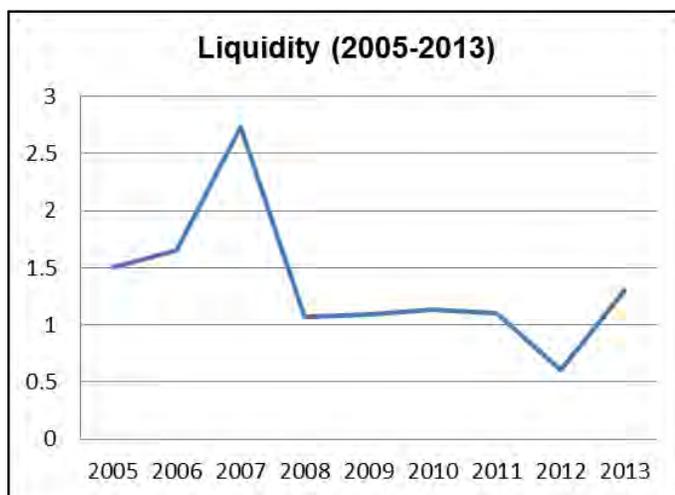
The Financial Condition Index (FCI) is a new tool to help municipal councils and the public make sense of municipal financial information and identify challenging financial situations for municipalities. It was created jointly by the Province of Nova Scotia, the Union of Nova Scotia Municipalities (UNSM), and the Association of Municipal Administrators (AMANS). The idea is that the indicators will assist Municipal Councils in making better decisions.

Currently the FCI focuses on three areas of a municipality's financial health: revenues, budgeting, and debt/capital. Each of these three areas has a series of five indicators which attempt to provide insight into the financial condition of the municipality. This is achieved by comparing the municipality's results to averages of other Nova Scotia municipal units as well as to thresholds which have been set.

While the indicators provide a tool which can be used to analyse the financial condition of a municipality, it is important to note the indicators shouldn't be used exclusively to make any final conclusions on a municipality's financial wellbeing. Rather they should be used in conjunction with other information provided by the municipality to reach decisions, such as the annual audited financial statements and any pertinent disclosures the municipality may make to better understand results.

In terms of results specific to the Municipality of the County of Colchester, the municipality has reported results which signal overall good financial health and a commitment to long term planning. The county's revenue results show consistent long term growth in tax base, as well as a strong commercial base which other rural municipal units may not have. It also shows the county does not rely heavily on a single business but rather has a series of mid-sized and larger commercial businesses which make up its commercial tax base.

With respect to the budget dimension it is important to note that the county has been very diligent in budget plan development and then monitoring the results. As a consequence, the budget accuracy indicator shows a result of 3.9 for the 2012 data. As one of the larger rural municipal units in the province, this reflects the careful attention to monitoring actual results against budget plans.



Within the budget dimension it is important to draw attention to the results of the liquidity ratio. Liquidity ratios attempt to measure an organizations ability to meet its current obligations. A liquidity ratio of less than 1.0 typically means a municipality would have less cash and items converted to cash to pay these obligations. This indicator is a measure of a specific point in time. As such, liquidity can fluctuate greatly depending on a number of items.

In 2012 when the reported measure of liquidity was taken, the county was carrying a number of costs for the construction of the Rath-Eastlink Community Centre. The county was then reimbursed for a number of these costs through the partnerships with the

Federal, Provincial agreements, as well as the funding partnership with the Town of Truro. The chart to the left shows that the 2012 liquidity results were only temporary as funding was received after the measure was taken. This restored liquidity to a level more in line with prior years.

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**Municipality of the
County of Colchester**

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www.colchester.ca

**Toll Free Number
1-866-728-5144**

Colchester County Council

**Mayor Bob Taylor
902-897-3184**

**District 1 Councillor
Christine Blair - 902-895-6537**

**District 2 Councillor
Bill Masters - 902-895-0877**

**District 3 Councillor
Geoff Stewart - 902-673-3039**

**District 4 Councillor
Mike Cooper - 902-671-2854**

**District 5 Councillor
Lloyd Gibbs - 902-897-4050**

**District 6 Councillor
Karen MacKenize - 902-895-8930**

**District 7 Councillor
Michael Gregory - 902-305-4002**

**District 8 Councillor
Ron Cavanaugh - 902-895-7305**

**District 9 Councillor
Doug MacInnes - 902-895-2242**

**District 10 Councillor
Tom Taggart - 902-647-2025**

**District 11 Councillor
Wade Parker - 902-893-5448**

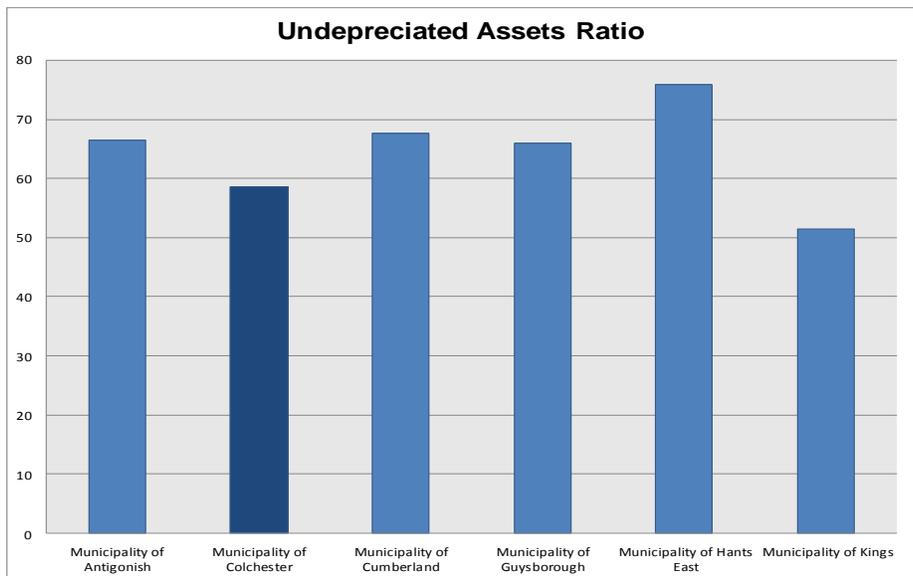
Municipality of the County of Colchester

Financial Condition Index (FCI)

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The final section of the FCI deals with debt & capital. The county has maintained very positive numbers with respect to debt. This is largely in part to policies put in place that focus on building reserves to contribute to capital infrastructure such as sanitary sewer and sidewalks.

In terms of capital ratios a few points are worth noting. The undepreciated asset ratio attempts to provide an estimate of the useful life left on the municipal unit's infrastructure. As new infrastructure is created the ratio improves. That being said, it is important to note that different municipalities may use different methods to calculate depreciation.



In Colchester's case, policies on depreciation may be more aggressive than other units. All things being equal, this would result in a lower ratio than other Municipalities. Also worth noting is that Colchester as a rural municipality has invested in significant infrastructure such as upgrades to the Waste Water Treatment Plants and the Balefill Solid Waste Facility. This makes it difficult to compare its undepreciated asset ratio to other units or the rural average.

The county's result of 58.6 in 2012 falls slightly below the threshold of 60.0 that the FCI uses. This is not an area of concern for the municipality, it is simply the result of depreciating some infrastructure more aggressively and being proactive in investing earlier in areas such as Wastewater treatment than other jurisdictions.

Tax bills for 2014/15 will be mailed in early June. If you do not receive your tax bill by the end of June, please call the Tax Office at 902-897-3162.