



# Annual Financial Information Update

## Inside this issue:

Municipal Grants Program	3
2016/17 Area Rates	4
Property Tax Billing & Payment Options	5
Operating Budget Expenses 2016/17	6
Financial Condition Assessment	7

Municipality of Colchester

June 2016

## Mayor's Message

As your Mayor, and on behalf of our Municipality, I am pleased to once again present to you, our residents and business owners, the Annual Financial Information Update. In this update, we share the County's budget information for the upcoming fiscal year, demonstrate how your tax dollars are being invested, and assess the overall picture of the Municipality's financial health.

As in years past, Council and staff remain committed to keeping our tax rates in line, while continuing to invest in our community. Under the Municipal Government Act, municipalities are required to have a balanced budget each year. For the 2015-16 fiscal year, the County has again been able to meet all of our obligations, stay within our budget, record a small surplus, and continue to contribute to our Capital and Operating Reserves. The County's system of creating and maintaining reserves for capital expenditures ensures that there is funding available as each purchase is due. This also helps keep our annual budget on an even keel.



*Grounds improvements happening at the former Palliser Property.*

Over the past few years, Council has not increased the residential and commercial property tax rates. However, for the 2016-17 fiscal year, following intense budget deliberations, Council has approved a \$0.02 increase in the residential rate, increasing it to \$0.87 per \$100 of assessment, and \$0.02 increase in the commercial rate, increasing it to \$2.27 per \$100 of assessment.

There are factors beyond Council's control that have contributed to the decision for the increase. First, the County's budget for education has increased by \$247,089 to \$7,161,633. Policing costs, which are negotiated by the Province, have also increased by \$202,510 to \$4,677,695. A large portion of our property tax revenue goes to the Province to cover education, housing and corrections each year. This year, we will provide a separate line on your tax bills showing the 'Provincial Tax' breakdown.

Another factor that has caused pressure on our budget is the Assessment Cap. Whereas residential properties in the County are capped, and the increase in the capped assessments is only 0.3% for the fiscal year, it has restricted the County's revenue, with our expenses increasing at a higher rate.

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The Assessment Cap is not working the way it was intended to and has caused a lot of inequality in assessments between properties in the same neighbourhood. It is interesting to note that if the assessment cap was discontinued today, the County could reduce the residential tax rate by \$0.15 per \$100 of assessment. By doing the math, as a resident you can see what the difference in your tax bill would be.

Council has also updated the amounts of the Low Income Municipal Tax Assistance Program, which will be a further benefit for low income families.

Although Council was hesitant about raising the commercial tax rate, of interest is the fact that Council has budgeted \$60,000 this year for Economic Development Grants, which are to sponsor events in our County that will be a great benefit to the business community. By raising the commercial tax rate by \$0.02, it will generate \$55,000 in revenue to the County.

Council has been able to hold the line on garbage collection, sewer service rates, and the urban service rates. In fact, street light charges are being reduced which will benefit residents in many areas of the County.

Council is also committed to continually investing tax dollars in our community. It is important to understand the difference between spending and investing. Investing in our County and community, will have long term benefits.

In 2015-16, the County completed the following projects:

- Flood mitigation projects in the North and Salmon Rivers, as well as the Murray Siding Brook;
- Major work in the Great Village River, with 50% funding from the Province;
- Completion of the Compost Facility in Kempton;
- Purchase of the former Palliser property in Lower Truro and planning for the development of that site as a tourism centre;
- Construction of a sidewalk in Hilden – Truro Road to Avalon Avenue.



*Great Village Channel Improvement*

For 2016-17, the following projects will take place:

- Construction of a new water tower in Debert for \$3.5 million – this is being funded through the Build Canada Fund with 1/3 from the Federal Government, 1/3 from the Province and 1/3 from the Debert Housing Fund;
- Completion of the new Library Project in Truro (in which the County is a partner) providing \$2.25 million in funding;
- Completion of the trail project from the Truro Heights Road to the RECC, connecting with the new pedway across the Highway 102.

Council is fortunate to receive funding annually through the Gas Tax Fund, which this year is \$1.7 million. This is used to fund capital projects throughout the County.

Please take the time to read this financial report as there is a lot of good information provided by staff that will help to further explain how your tax dollars are spent, as well as provide the financial condition of your County.

I would encourage you to visit our website at [www.colchester.ca](http://www.colchester.ca) or contact the municipal office to learn more about the programs and activities of the Municipality. As always, if you have any questions or comments, please feel free to contact me, or your area Councillor, as we would be pleased to discuss any matter in further detail with you.

**Mayor Bob Taylor**

## Municipal Grants Program 2015/16

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](http://www.colchester.ca). The following groups received money during the 2015/16 fiscal year.

### Community Parks Program

Winding River Consolidated School	\$14,863.00
North River Elementary School	\$16,432.00
Brookfield Elementary Home & School	\$4,500.00

### Community Trails Program

Tatamagouche Area Trails Association	\$18,794.00
Brookfield Elementary Home & School	\$7,776.00
Cobequid Eco-Trails Society	\$2,636.00
Confederacy of Mainland Mi'kmaq	\$8,676.00
Cumberland Snowmobile Club	\$2,461.00

### Non-Profit Grants

Economy Recreation Centre	\$4,000.00
Brule Community Centre	\$1,000.00
Creamery Square Association	\$2,500.00
Earlton Community Centre	\$1,000.00
Colchester County 4H Truro	\$2,000.00
Colchester Transportation	\$8,000.00
Canadian Mental Health Association	\$2,000.00
Stewiacke Valley Historical Society	\$1,666.00
West Colchester Community Dev.	\$5,000.00
St. James Church Preservation Society	\$5,000.00
The New Annan Heritage Society	\$2,500.00
MADD Cobequid	\$1,000.00
Truro Outreach Society	\$2,000.00
North Shore Archives	\$1,500.00
South Branch Community Council	\$2,500.00
Remembering Canadian Heros	\$1,000.00
Stewiacke Valley 4H	\$2,000.00
Tatamagouche in Bloom Society	\$10,000.00

### Economic Development Program

2016 Cdn. Firefighter Curling Champ.	\$6,000.00
Elizabeth Bishop Society of NS	\$2,500.00
Tatamagouche Centre - Festimagouche	\$1,000.00
Londonderry Community Council Assoc.	\$2,475.00
Nova Scotia Blind Golf Association	\$3,000.00
Orienteering Association of NS	\$2,750.00
People First Truro Chapter	\$1,000.00
Read by the Sea Literacy Club	\$3,000.00
Royal Cdn. Legion Convention - Br. 26	\$500.00
Royal Cdn. Legion Br. 26 - Musical Ride	\$3,000.00
Sunrise Film Festival Society	\$3,000.00
Tatamagouche Musical Ride	\$1,500.00
Truro Minor Football Association	\$2,000.00
Brookfield Fire Department	\$1,000.00

### Non-Profit Insurance Program

Alton Recreation Association	\$266.00
Barrachois Community Hall	\$250.00
Bible Hill Village Preschool Society	\$372.50
Brule Community Centre Association	\$350.00
Clifton Community Seniors Association	\$162.50
Cobequid Salmon Association	\$250.00

Creamery Square Heritage Society	\$334.50
Crossroads Cemetery Association	\$250.00
Debert Military History Society	\$403.00
Fundy Trail Snowmobile Club	\$499.00
Get Together Club	\$150.00
Londonderry Station Community Church & Thirsty Church Program	\$289.50
Lower Onslow Community Centre Society	\$625.00
Lower Onslow Preschool	\$250.00
Middle Stewiacke Recreation Association	\$250.00
North Colchester River Restoration	\$350.00
Red Bear Healing Home Society	\$659.50
South Branch Community Council	\$162.50
Sunny Brae Cemetery	\$250.00
Tatamagouche Farmers Market Cooperation	\$632.00
Truro Music Festival	\$567.50
Truro Run Tribe	\$225.00
Warwick Mountain Recreation Club	\$212.50
Archway Counseling Association	\$1,000.00
Bass River Community Centre	\$375.00
Brookfield Athletic Association	\$362.50
Central Horse & Pony Association	\$435.00
Central Nova Women's Resource Centre	\$675.00
Cobequid Interpretive Centre	\$250.00
Cobequid Spartans Gymnastics Centre	\$625.00
Colchester Community Support Society	\$410.00
Cobequid Ecotrails Society	\$320.00
Cobequid Veterans Memorial Park	\$275.00
Debert Family Day Association	\$250.00
Earlton Community Centre	\$157.00
Economy Recreation Centre	\$317.00
Five Islands Athletic Association	\$375.00
Five Islands Senior Citizen Association	\$197.50
Great Village Community Association	\$220.00
Hilden Recreation Association	\$287.50
Middleton Community Hall Association	\$160.00
North Shore ATV Club	\$155.00
Riverside Community Hall	\$162.50
Scotia Pool Society	\$1,000.00
Tatamagouche Area Trails Association	\$497.00
Truro Curling Club	\$993.50
Truro Farmers Market	\$375.00
Truro Rugby Club	\$250.00
Upper Stewiacke Community Association	\$225.00
Winding River Art Gallery	\$250.00

## Area Rates for 2016/17

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 2016/17. 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](http://www.colchester.ca/taxrates).

Urban Service Rate		Fire Protection- Commissions		Sewer Systems - Capital	
Urban Service Rate	<b>0.335</b>	Brookfield	0.175	Tatamagouche	0.04
<i>Comprised of:</i> Sewer Maintenance - 0.08 Sewer Capital - 0.04 Active Transportation - 0.185 Street Lights - <b>0.02</b> 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	<b>0.04</b>	Tatamagouche	0.08
Debert	<b>0.05</b>	Great Village	0.08		
Fire Protection- Brigades		Debert Park	<b>0.07</b>	Brookfield	0.08
		Gays River	<b>0.06</b>	Debert	0.08
Bass River	0.13	Londonderry	Flat Rate <b>\$40</b>	Bible Hill	0.08
Cobequid	0.18	Masstown Road	<b>0.08</b>	Active Transportation	
Cooks Brook	0.05	Onslow	Flat Rate <b>\$48</b>	Brookfield	0.185
Debert	0.10	Campbell Road	<b>0.05</b>	Debert	0.03
Debert Park - Hydrant Charge	0.17	Pine Tree/Pellerin	Flat Rate <b>\$35</b>	Other	
East Stewiacke	0.12	North River	<b>0.03</b>	Valley Crosswalk Supervisor	Flat Rate \$34
Economy	0.14	Belmont	Flat Rate <b>\$55</b>	Street Paving Rate	0
Five Islands	0.14	Garbage/Compost Collection & Disposal		Tatamagouche Branch Library	0.02
Hilden	0.15	Household	110.00		
North River	0.08	<i>Comprised of:</i> Collection - \$38.50 Disposal - \$29.50 Composting - \$42.00			
Onslow-Belmont	0.09				
Shubenacadie	0.16				
Tatamagouche	0.08				
Tatamagouche - Hydrant Charge	0.17				
Valley- Kemptown	0.11				
Unallocated	0.01				



## Funding for Organizations 2015/16

Council can provide money to not-for-profit organizations outside of the programs listed on page 3. The following groups received money during the 2015/16 fiscal year.

### Annual Grants

Colchester Historical Society	\$10,000.00
North River Shore Restoration	\$5,000.00
VON	\$5,000.00
Colchester Special Olympics	\$6,000.00
Debert Military Museum	\$100.00
Maggie's Place	\$3,000.00

### Pool Funding

Scotia Pool Society	\$100,000.00
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### Arena Funding

West Colchester Recreation Centre	
Insurance	\$7,540.00
Capital	\$72,500.00
North Shore Recreation Centre	
Insurance	\$10,965.00
Capital	\$76,225.00
Don Henderson Memorial Arena	
Insurance	\$9,882.00
Capital	\$65,700.00

## Property Tax Billing and Payment Options

Property Tax Bills for the Municipality of Colchester are mailed the first week of June each year and are due on August 11, 2016. This bill will be for the period April 1, 2016 to March 31, 2017. Reminder notices are mailed to all property owners in the first week of September for unpaid property taxes.

Tax bills can be paid by cash, cheque or debit; **credit cards will not be accepted.**

If you have any questions regarding this bill, please contact the Tax Office at 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 the years outstanding, with principal and interest, and states if the outstanding amount cannot be paid in full by a specific due date, to contact the Tax Office to set up a payment plan.

The time allowed for resolution is usually 2 to 3 weeks. It is important to keep your taxes up to date as interest accrues at 15% per annum.

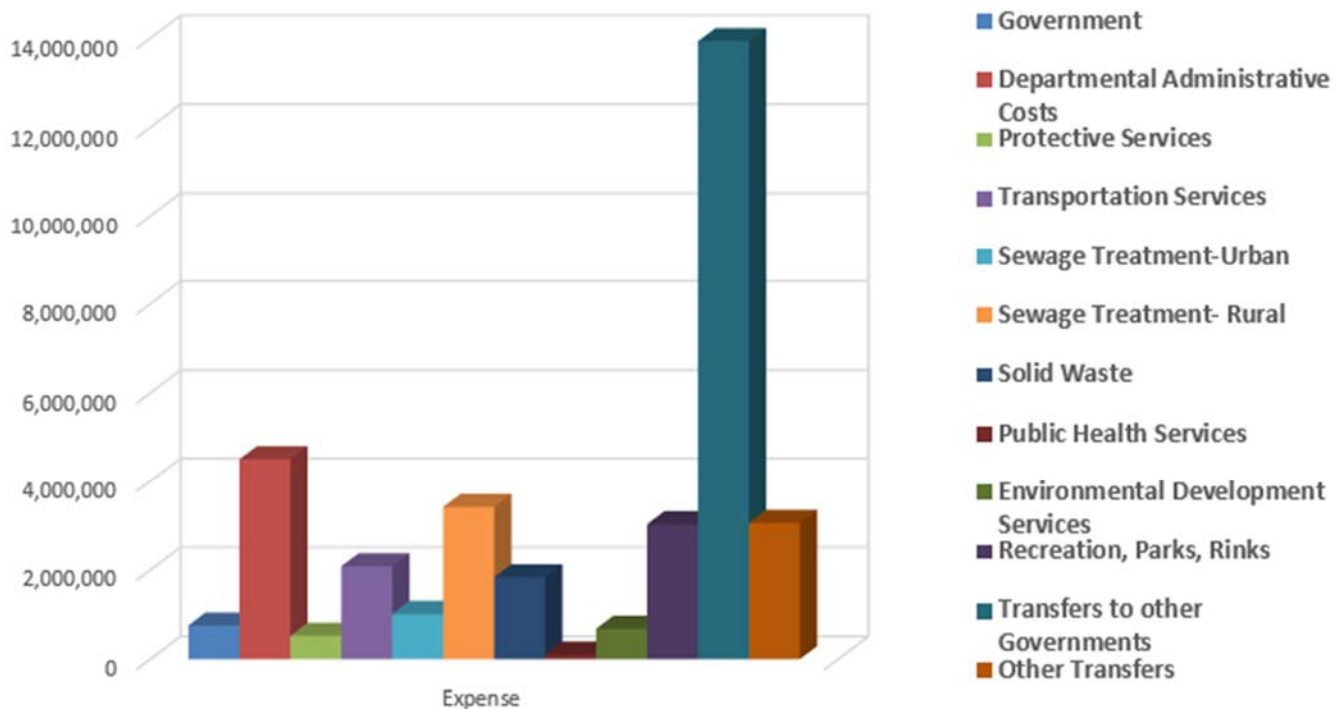
The Municipality encourages anyone who has outstanding property taxes to please contact the Tax Office at 902-897-3162 to set up a suitable payment schedule.

### Options for Payment of Taxes

- Most financial institutions (must have your complete tax bill)
- Online or telebanking (use your 8 digit property number as the account number)
- At the Tax Office on the main floor of the Municipal Building, 1 Church Street, Truro
- 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 Street**  
**Truro, NS B2N 3Z5**

## Operating Budget Expenses 2016/17



Government	\$761,747
Departmental Operations	\$4,502,694
Protective Services (including Fire, Emergency Management, Dispatch Services)	\$526,376
Transportation Services	\$2,085,035
Sewage Treatment - Urban	\$1,013,887
Sewage Treatment - Rural	\$3,411,506
Solid Waste	\$1,838,155
Public Health Services	\$103,651
Environmental Development Services	\$690,034
Recreation, Parks, Rinks	\$3,022,263
Transfers to Other Governments	\$13,932,889
(this includes Policing costs of \$4,677,695 and payments to the School Board of \$7,161,633)	
Other Transfers	\$3,048,480
<b>Total</b>	<b>\$34,936,717</b>

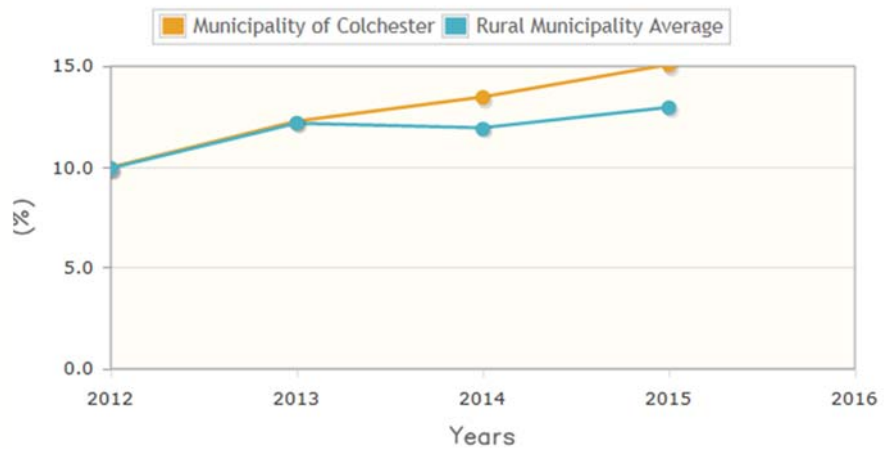
## Financial Condition Assessment

The Municipality of Colchester continues to strengthen its financial position and provide effective and efficient delivery of services. The 2014/15 Financial Condition Index has shown continued improvements in areas of revenue growth, budget planning, and debt management. Several key performance indicators have been established by Municipal Affairs, in consultation with Nova Scotia Municipalities, to monitor financial health for Municipal Units. These indicators are broken into 3 categories, revenue, budget, and debt/capital dimensions.

### Revenue Dimension

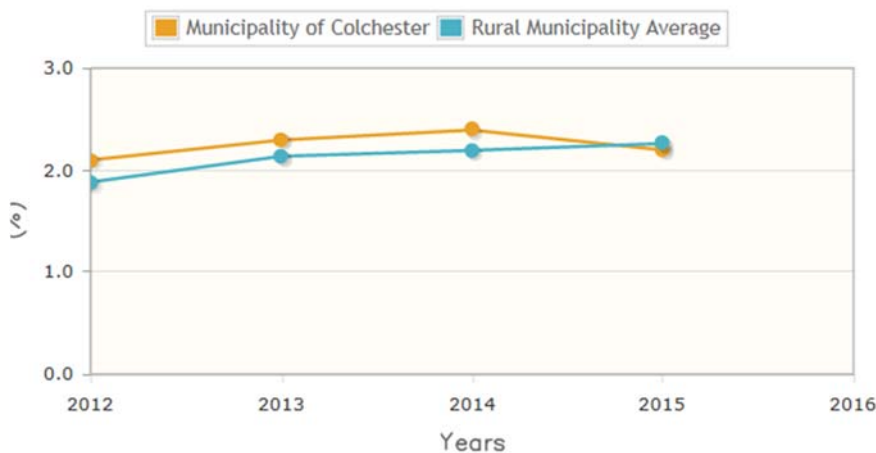
Colchester continues to ensure timely tax collection so that there is a minimal impact to residents of the Municipality. Due to Colchester's favorable location within the province, the Municipality has been able to sustain continued growth in assessment with a 3 year change in tax base of 15.0%. This is significantly greater than the threshold for this indicator. As the graph to the right indicates, Colchester also has exceeded the rural average for growth in both 2014 and 2015.

3-Year Change in Tax Base Trend



In terms of revenues, the Municipality also hosts a strong commercial base which is reflected in the Commercial Property Assessment result of 12.1%. This, along with the low reliance on a single commercial business, provides an indication that the County has a diverse commercial sector that mitigates risks for its residents.

Residential Tax Effort Trend



### Budget Dimension

Colchester continues to perform well with respect to its residential tax effort. This is the measure that shows the percentage of average household income required for municipal taxes. Colchester's score on this ratio is 2.2%. The Municipality has also performed well in budget accuracy and cash management.

In terms of long term planning, Colchester has been diligent in the funding of operating reserves which may be used to stabilize financial impacts to residents over the long

term. During 2014/15 the operating reserve ratio was 15.7%. This reflects the operating reserve balance as a percentage of total operating expenditures. This is a favorable result and exceeds the current municipal threshold of 10%.

*Continued on page 8*



## Municipality of the County of Colchester

1 Church Street  
Truro, Nova Scotia  
B2N 3Z5

[www.colchester.ca](http://www.colchester.ca)

Toll Free Number  
1-866-728-5144

Reception 902-897-3160,  
902-897-3150, 902-897-3175

Administration  
Tax Office  
Public Works

Community Development 902-897-3170  
Building Inspection  
Development Officer  
Animal Control

Property Information 902-897-3178  
Colchester Recreation 902-897-3185  
[recreation@colchester.ca](mailto:recreation@colchester.ca)

Materials Recovery Facility and  
Regional Balefill Facility 902-897-0450  
Waste & Recycling Helpline  
902-895-4777  
[helpline@colchester.ca](mailto:helpline@colchester.ca)

### Fax Numbers

#### Courthouse Building

Administration 902-843-4066  
Community Development 902-843-4061  
Finance / Tax Office 902-843-4067  
Human Resources 902-843-4063  
Information Services 902-843-4068  
Property Information 902-843-4062  
Engineering/Public Works 902-843-4064  
Recreation Services 902-843-4065

#### External Locations

- Regional Sewage Treatment Plant 902-897-0335
- Public Works Building 902-895-5251
  - Water Utilities 902-641-3102
  - Materials Recovery Facility & Waste Reduction 902-897-0453
- Regional Balefill Facility 902-895-2307

## Municipality of Colchester

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### Debt and Capital Dimension

Colchester continues to manage financing for capital infrastructure in an efficient and effective way. The Municipality currently has a debt service ratio of 8.7% which reflects debt payments as a percentage of total own source revenues. In addition to this, Colchester has invested heavily in new infrastructure. This has resulted in a 5 year capital purchase ratio of 351.8%. Although significant capital assets have been acquired, Colchester has been able to fund these by incurring minimal debt. This is due to ensuring adequate reserve levels and securing external sources of funding for projects, such as the Building Canada Fund.

In terms of Capital Reserves, Colchester does contribute annually; however by policy, it also makes contributions to its Special Operating Reserve. The Special Operating Reserve allows for funding of capital and operating. As a result of this policy decision, capital reserve contributions are lower; however, total reserve contributions are sufficient to meet the Municipality's operating and capital needs.

### Mandatory Expenditures

Rural municipal governments in the Province of Nova Scotia are required to fund several mandatory expenditures in our budgets. These costs are determined by the province, typically by formula. Notable costs for Colchester, and the portion of the residential tax rate they make up, are as follows:

<u>Expenditure</u>	<u>Cost</u>	<u>Tax Rate</u>
Education	\$7,161,633	\$0.22
RCMP	\$4,627,695	\$0.14
Corrections	\$478,000	\$0.015
Housing	\$660,896	\$0.02
Library	\$239,576	\$0.01
Roads	\$546,607	\$0.016
<b>TOTAL</b>		<b>\$0.421</b>

What this means is, of the \$0.87 residential tax rate, 48% of revenue raised is used to cover mandatory provincial expenditures, which are set by the Province of Nova Scotia.