

2009-2010 HIGHLIGHTS (DRAFT)

As at April 9, 2009

1. The Challenge

As a result of the reassessment of the tidal power plant, the Town stands to lose \$600,000 in revenues over the next four years as follows:

2009.2010	no change
2009.2011	permanent loss of \$200,000
2009.2012	permanent loss of another \$200,000
2009.2013	permanent loss of another \$200,000

While the Town has served notice of appeal of this assessment, we cannot assume that any appeal will be completely or even partially successful.

2. How does Council plan to meet this challenge?

1. By reducing expenses beginning immediately
2. By producing a four year budget so that the impact of decisions can be readily seen
3. By setting up a minimum of \$500,000 in reserves over the next four years
4. By living within our means (managing with the money we have)
5. By eliminating our debt
6. By continuing to pursue necessary and/or worthwhile projects (the water and sewer project at Champlain Drive, Ritchie and Grange Streets and St Patrick's Lane can be considered a necessary project; the wharf project is an example of a worthwhile project for the greater community).

3. Town Situation

Based on the current debt schedule, the Town is in a position to be debt free by June 10, 2014. This means that the Town will be able to continue to borrow for necessary and/or worthwhile projects as and when required.

Largely due to the prudent decisions of successive Councils and the NSPI money received over the years, the Town's infrastructure is in very good shape. (That is not to say that there are not important infrastructure projects needing to be done.)

4. Impact of the Budget

4.1 Taxes

The residential tax rate will stay the same at \$1.65. Residential taxes have increased by 40% since 2002-2003. It is proposed that the commercial rate will rise to \$3.50. Even with this increase, commercial taxes will only have risen 4% since 2002-2003. This is largely as a result of the phase-out of the business occupancy tax.

	Total commercial taxes	Residential Taxes
2002-2003	\$348,302.00	\$338,866.00
2008-2009	\$321,652.00	\$455,258.00
2009-2010	\$362,652.50	\$474,313.95
Difference	\$41,000.50	\$19,055.95
%	13%	4%
Difference over 2002-2003	\$14,350.50	\$135,447.95
%	4%	40%

Assumptions:

1. Commercial tax goes back up to \$3.50 which was the rate in 2002-2003.
2. Residential rate remains at \$1.65.

4.2 Policing

Policing costs continue to rise, and this corresponds to an increase in service and capability. This is mandated by the Department of Justice which requires that our stand alone force have 3.5 officers, funding for which is partially covered by an annual Department of Justice grant of \$100,000.00 (this will continue until March 31, 2011, after which time we hope it will be renewed). Options for revenue generation are being actively pursued.

4.3 Public Works

No reduction in service. The Town has its share of the money required to match the Province and the federal government for the approximately one million dollar Champlain Drive/Ritchie and Grange Streets/St Patrick’s Lane water and sewer project (Phases 2 and 3).

4.4 Fire Services

No reduction in service.

4.5 Economic Development

No reduction in service. The Town will continue its membership in the Annapolis Digby Economic Development Agency and will continue to support the Wharf Association with the Annapolis Royal Waterfront Development Project.

4.6 Marketing

The Attractions Group, Annapolis District Board of Trade and the Annapolis Region Tourism Council will be taking on the lead role in marketing. Some funding will be provided to the group for 2009-2010 only. The Town will be focusing on economic development, management of the Visitor Information Centre, support for community initiatives, grant application writing, and website maintenance.

4.7 Parks, gardens and open spaces

The Town will not be able to maintain public spaces to the standard achieved by 2008-2009. Only necessary grass cutting, tree maintenance, and litter abatement will continue.

4.8 Finance and Administration

The Town will continue to focus on grant opportunities.

4.9 Recreation

No reduction in service. The Director of Recreation will be focusing more of his time and attention on grant opportunities.

5. Four Year Budget

This is the first year that the Town has drafted a draft four-year budget. The reason for this is to show the impact that current Council decisions will have in future years. The only budget that will be approved in the coming weeks is the 2009-2010 budget. Obviously, there is a lot more work to be done on both the revenues and the expenditure side to balance the budget in future years.