

# Budget 2024-2025 Area Rate Review

To determine Growth Management Grant Distribution



EAST HANTS

## February 27<sup>th</sup> Scenarios

**Assumption:** Council does not want to remove the operating grants to the USR, Fire Operations or EHSP.

**Assumption:** Council has expressed a desire to provide some sort of grant to those who do not currently receive a similar benefit to the above noted operating grants.

The three areas would be Enfield District 10 properties that pay the Enfield/Grand Lake Lights rate, Nine Mile River streetlight area, and the two Mount Uniacke Districts.

**Assumption:** There is significant variance in the tax burden across the municipality (see APPENDIX A for District maps), with properties in the urban core and suburban areas of Uniacke contributing significantly more per dwelling (\$2,187 to \$2,417) than in other areas (\$1,179 and \$1,367) - TABLE 2. To this end, it is assumed that with this significant budget increase in the DTT and in recognition of where the DTT is collected (TABLE 4), Council would seek to see some reduction in the General Tax Rate to the benefit of everyone to reduce this overall burden.

# Policy Amendments to aid in Drafting DTT Budget

## Policy Change:

The following Budget Management Policy revision is being recommended:

### *10.1 Deed Transfer Tax*

*The initial draft of the Operating Budget shall use an estimate of the annual Deed Transfer Tax revenue between 80% and 90% of the average past two full fiscal years and the projected current year's actual revenues. The amount to be used as the final budget figure for the Deed Transfer Tax shall be decided in consultation with Council.*

### *10.2 Portion of Deed Transfer Tax Allocated to Reserves*

*The initial draft of the Operating Budget shall include an allocation of 13% of the Deed Transfer Tax budget to Reserves for Municipal Buildings and Property. This reserve will provide funding for a variety of general tax rate purposes including land purchases, tourism sites, building construction, building repairs, office space, and business park developments. These annual contributions will continue until such a time as Council believes the reserve balance is adequate. Council has discretion to alter this amount in any given budget year.*

## February 27<sup>th</sup> Scenarios

### Scenario 1:

Allocate \$104,325 of DTT uptick; Reduce General Tax Rate by 1.58 cents

	Equivalent of			
	1¢	1.5¢	2¢	2.5¢
Mount Uniacke	\$ 57,289	\$ 85,933	\$ 114,577	\$ 143,221
Nine Mile River Lights	\$ 25,996	\$ 38,994	\$ 51,992	\$ 64,990
Enfield/Grand Lake Streetlights	\$ 21,040	\$ 31,561	\$ 42,081	\$ 52,601

Recommendation to achieve: Allocate the equivalent to 1¢ to Uniacke and to NMR and Enfield District 10 Streetlight rates.

Growth Management Grants = \$104,325; GTR = Reduced by \$391,671 (-1.58¢/\$100)

## February 27<sup>th</sup> Scenarios

### Scenario 2:

Allocate \$208,650 of DTT uptick; Reduce General Tax Rate by 1.16 cent

	Equivalent of			
	1¢	1.5¢	2¢	2.5¢
Mount Uniacke	\$ 57,289	\$ 85,933	\$ 114,577	\$ 143,221
Nine Mile River Lights	\$ 25,996	\$ 38,994	\$ 51,992	\$ 64,990
Enfield/Grand Lake Streetlights	\$ 21,040	\$ 31,561	\$ 42,081	\$ 52,601

Recommendation to achieve: Allocate the equivalent to 2¢ to Uniacke and to NMR and Enfield District 10 Streetlight rates.

Growth Management Grants = \$208,650; GTR = Reduced by \$287,346 (-1.16¢/\$100)

## February 27<sup>th</sup> Scenarios

### Scenario 3:

Allocate \$237,294 of DTT uptick; Reduce General Tax Rate by 1.04 cents

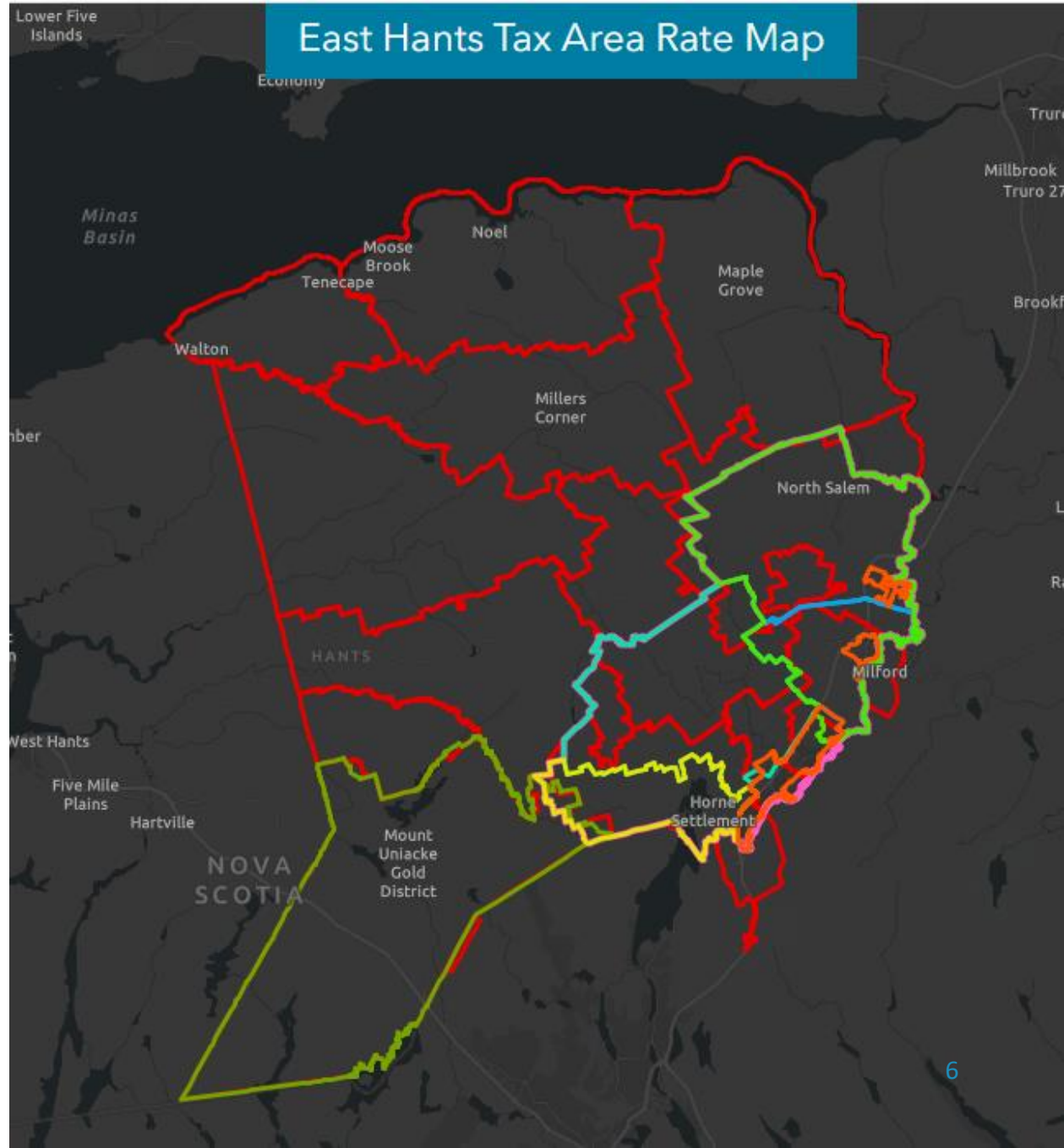
	Equivalent of			
	1¢	1.5¢	2¢	2.5¢
Mount Uniacke	\$ 57,289	\$ 85,933	\$ 114,577	\$ 143,221
Nine Mile River Lights	\$ 25,996	\$ 38,994	\$ 51,992	\$ 64,990
Enfield/Grand Lake Streetlights	\$ 21,040	\$ 31,561	\$ 42,081	\$ 52,601

Recommendation to achieve: Allocate the equivalent to 2.5¢ to Uniacke and 2¢ equivalent to NMR and Enfield District 10 Streetlight rates.

Growth Management Grants = \$237,294; GTR = Reduced by \$258,702 (-1.04¢/\$100)

**Based on the data in Tables 1 through 4, this would be the recommended scenario.** This can be achieved by allocating \$143,221 to a Uniacke Growth Management Reserve and reducing the Enfield and NMR Streetlight rates by 2 cents each (\$42,081 and \$51,992 respectively)

# Mapping Review



All Properties on USR

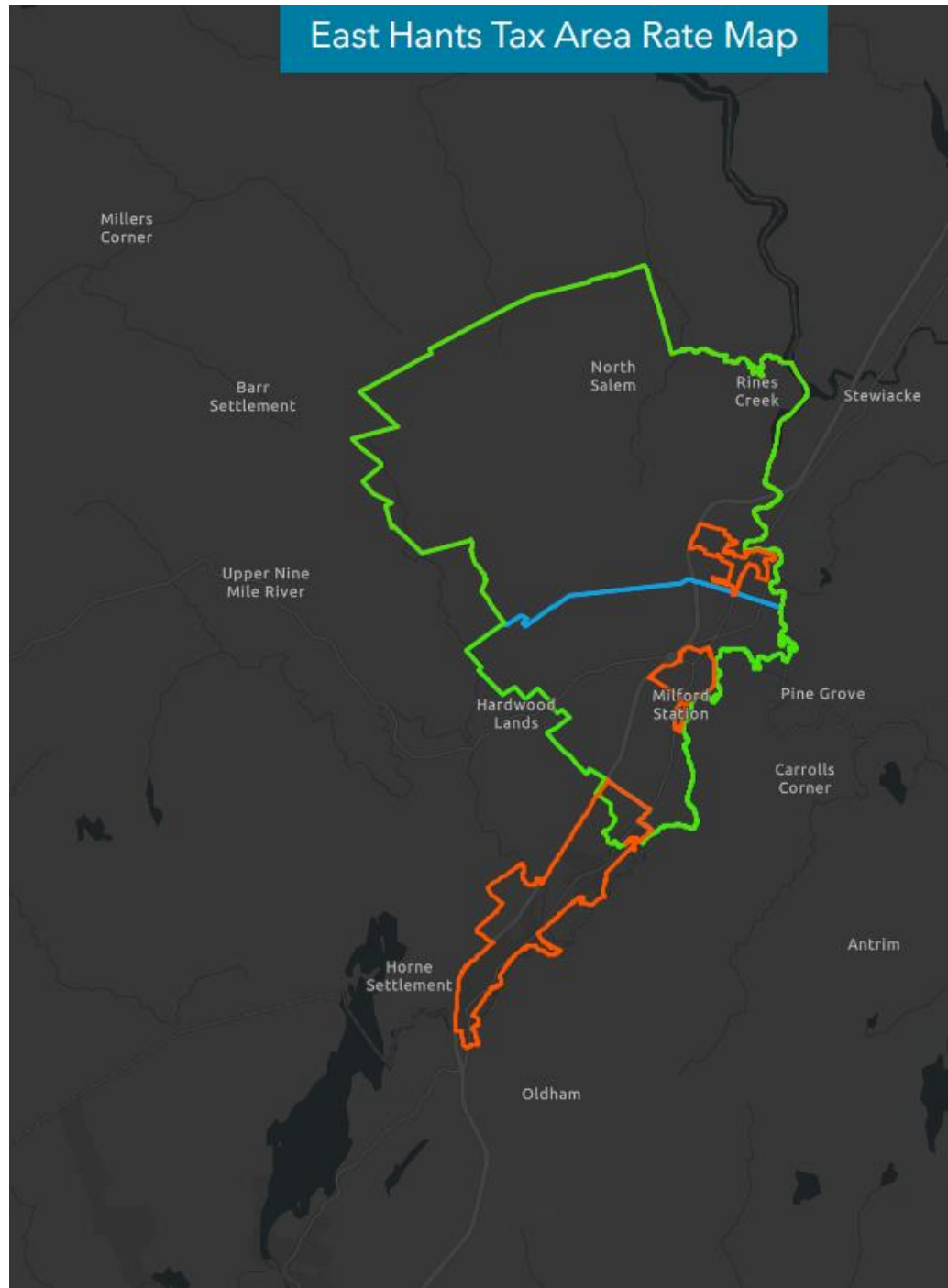
USR

R4

R5

R6

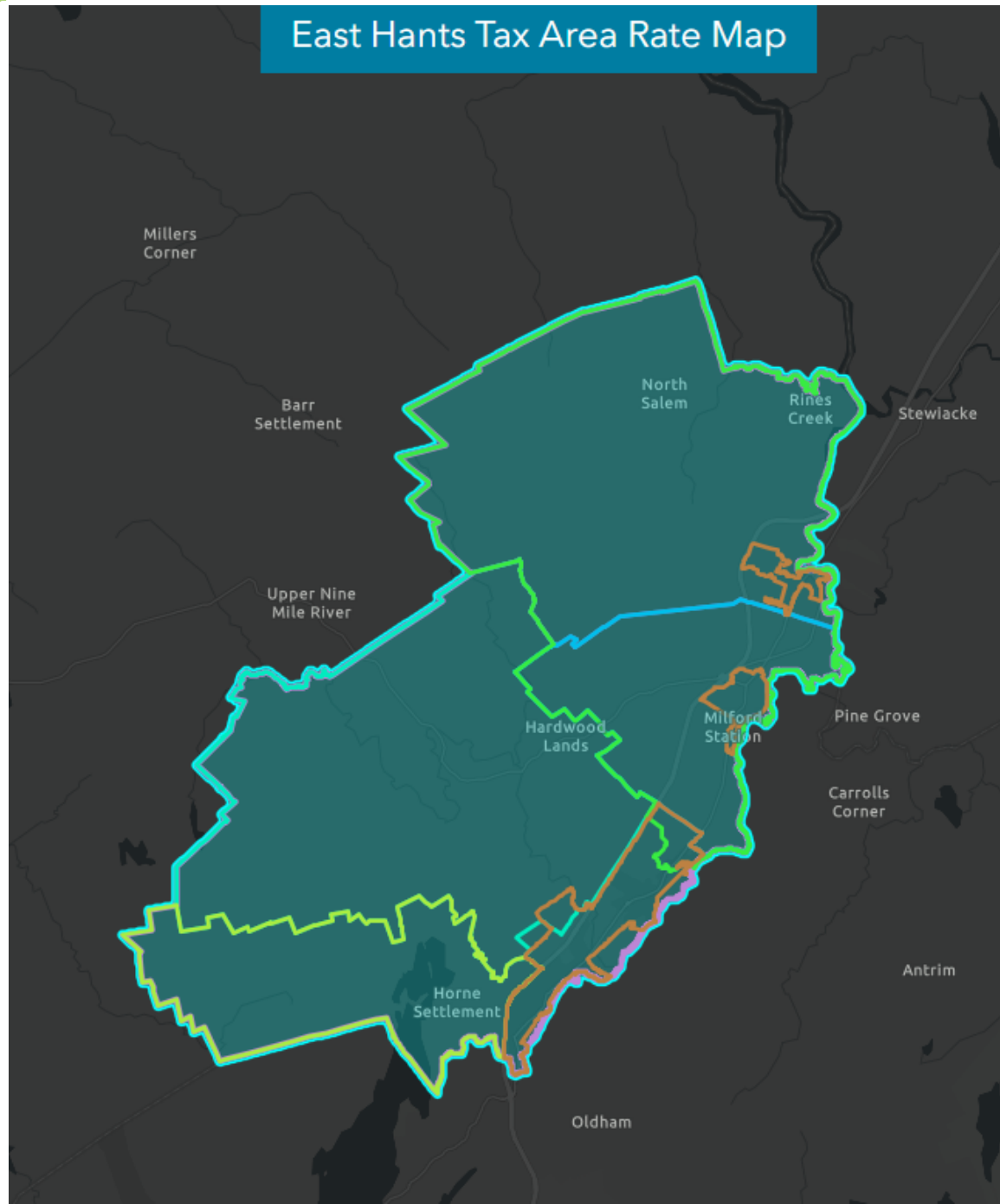
# East Hants Tax Area Rate Map





## East Hants Tax Area Rate Map

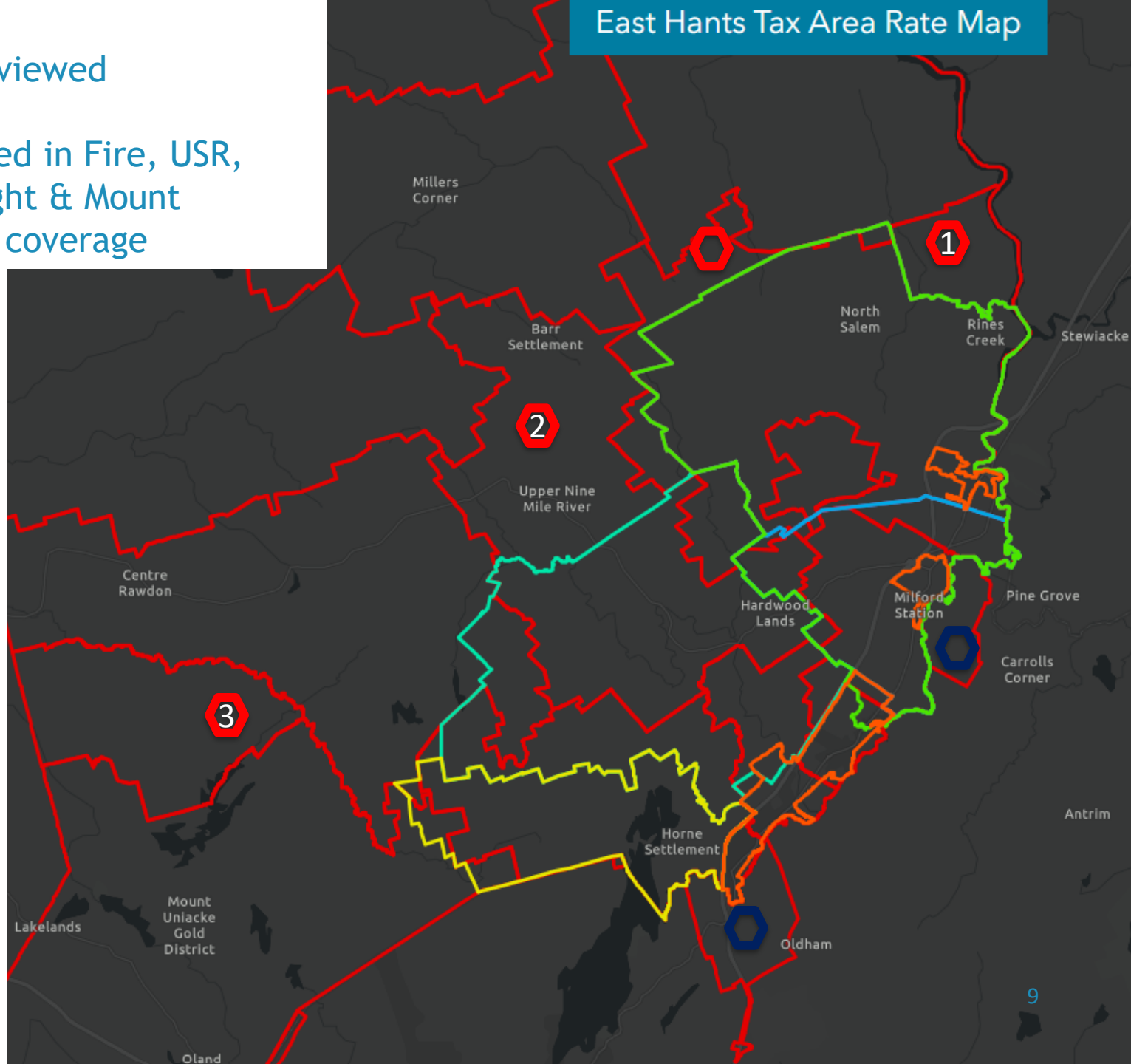
The Sportsplex Area Rate boundary matches the Enfield/Grand Lake Streetlights, NMR Streetlights, All USR rates.



## Overlap Areas Reviewed

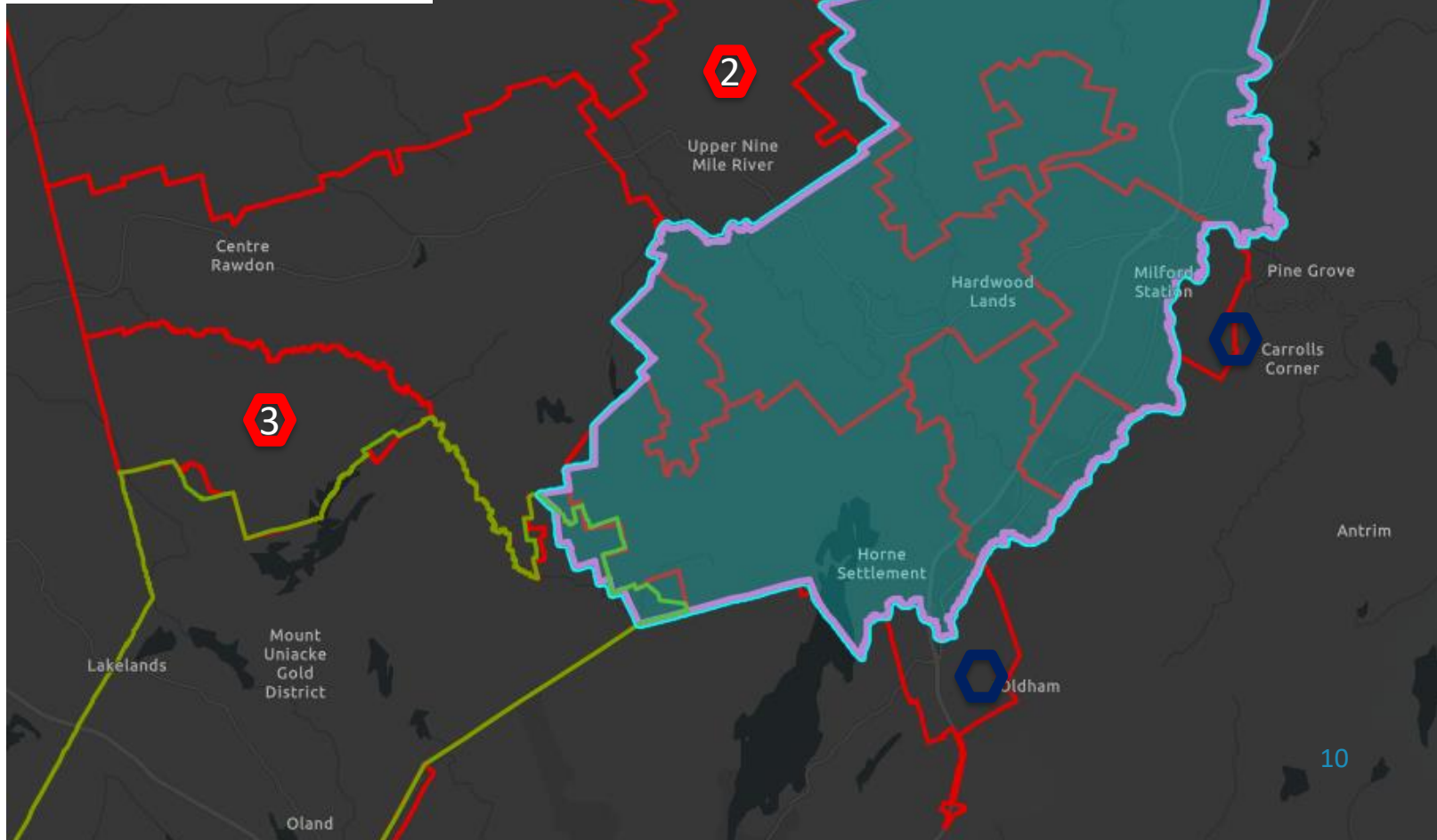


Not covered in Fire, USR,  
Streetlight & Mount  
Uniacke coverage



### Overlap Areas Reviewed

 Not covered in Small Fire, Sportsplex or Mount Uniacke

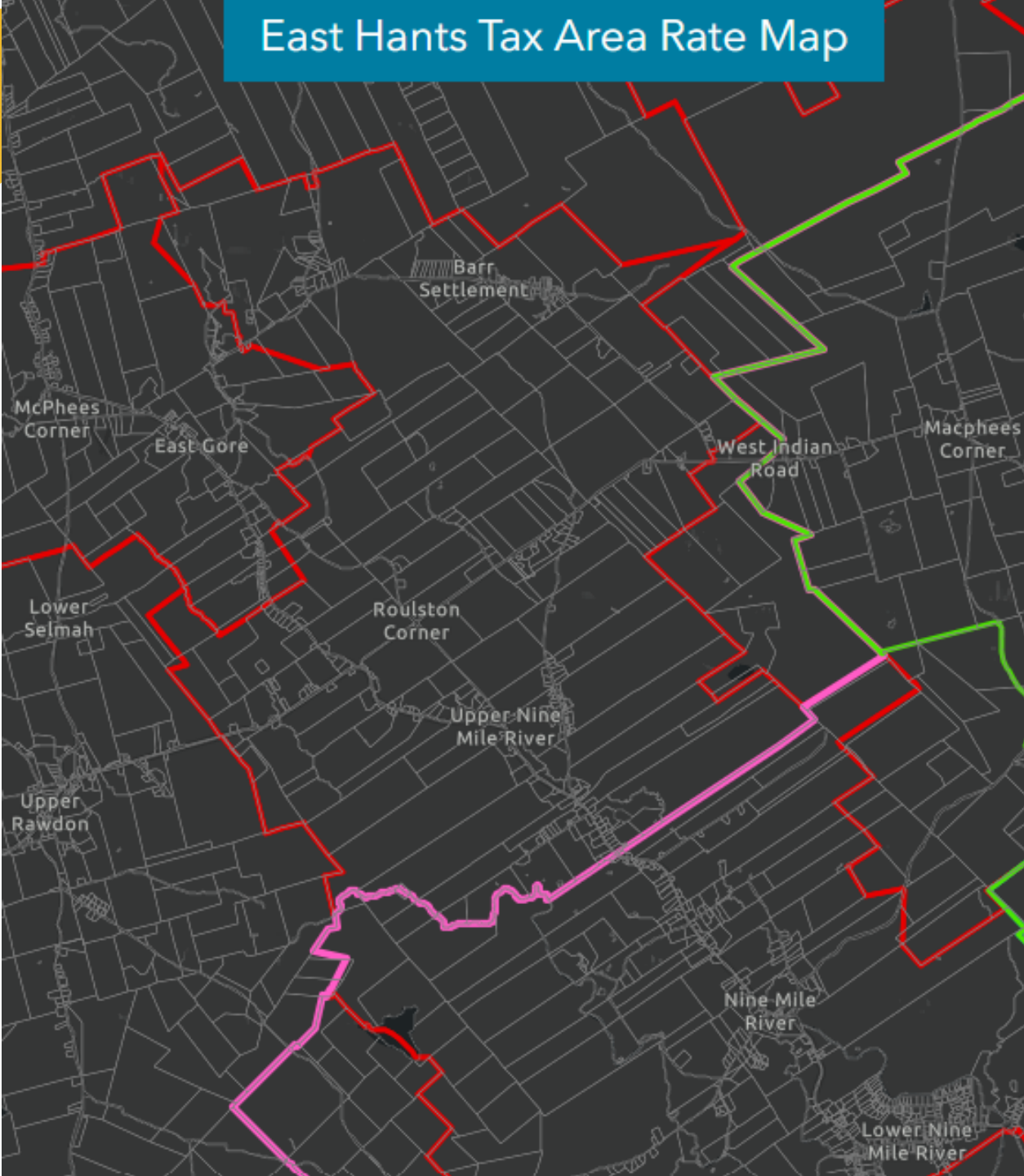


# East Hants Tax Area Rate Map



Covered by Shubie  
Fire  
No Area Rates

# East Hants Tax Area Rate Map



Covered by NMR Fire  
No Area Rates



Zoom to 1 of 2

Fire Area Rate Boundaries

FireDistrict Brooklyn Fire



3

Covered by Brooklyn Fire  
No Area Rates, No Mount Uniacke

# Growth Management Grant based on Deed Transfer Tax Collected

- Not easy to calculate
- Would need to be based on November to November collection of DTT collected
- Manual data analysis
- Keeps Growth Management Grant tied to DTT

DEED TRANSFER TAX COLLECTED BY AREA - 2022/2023			Grant Allocation - 28%		
AREA	TOTAL \$ COLLECTED	PERCENT OF TOTAL COLLECTED	Proposed Growth Management Grant	Currently on GTR	Impact of GTR
CORRIDOR - USR	\$1,387,653	41%	\$ 444,586	\$ 444,586	\$ -
CORRIDOR - OTHER	\$727,143	22%	\$ 203,600	\$ -	\$ 203,600
NORTHERN - 5, 6, 11	\$406,575	12%	\$ 113,841	\$ 69,036	\$ 44,805
UNIACKE - 8, 9	\$842,025	25%	\$ 235,767	\$ -	\$ 235,767
	<u>\$ 3,363,396</u>		<u>\$ 997,794</u>	<u>\$ 513,622</u>	<u>\$ 484,172</u>

Deed Transfer Tax Grant 2022/2023	\$400,000	Uptick From DTT Budget	\$ 877,000
		Buildings & Property Reserve	\$ 392,828
Deed Transfer as a % of DTT collected in USR Area	28.83%	Impact to GTR =	\$ 484,172
One Cent Residential/Resource 2024/2025	\$ 247,998		
All DTT data 2022/2023 Year		Cents on GTR =	No Change

# Growth Management Grant based on Deed Transfer Tax Collected w/ Sportsplex

- Not easy to calculate
- Would need to be based on November to November collection of DTT collected
- Manual data analysis
- Could swing significantly, not a steady source (for rural fire)
- Keeps Growth Management Grant tied to DTT

## Recommended DTT Allocation Model

DEED TRANSFER TAX COLLECTED BY AREA - 2022/2023			Grant Allocation - 28%		
AREA	TOTAL \$ COLLECTED	PERCENT OF TOTAL COLLECTED	Proposed Growth Management Grant	Currently on GTR	Impact of GTR
CORRIDOR - USR	\$1,387,653	41%	\$ 444,586	\$ 444,586	\$ -
CORRIDOR - NMR STREETLIGHTS	\$727,143	22%	\$ 52,785	\$ -	\$ 52,785
CORRIDOR - ENFIELD GR LAKE STREETLIGHTS			\$ 38,167	\$ -	\$ 38,167
CORRIDOR - SPORTSPLEX			\$ 112,648	\$ -	\$ 112,648
NORTHERN - 5, 6, 11	\$406,575	12%	\$ 113,841	\$ 69,036	\$ 44,805
UNIACKE - 8, 9	\$842,025	25%	\$ 235,767	\$ -	\$ 235,767
	<u>\$ 3,363,396</u>		<u>\$ 997,794</u>	<u>\$ 513,622</u>	<u>\$ 484,172</u>

Deed Transfer Tax Grant 2022/2023 \$400,000

Uptick From DTT Budget \$ 877,000  
Buildings & Property Reserve \$ 392,828

Deed Transfer as a % of DTT collected in USR Area 28.83%

Impact to GTR = \$ 484,172

One Cent Residential/Resource 2024/2025 \$ 247,998



# Growth Management Grant based on GTR Collected

- Easier to Calculate prior to budget
- Ties Growth Management Grant to GTR Revenue
- NMR and Enfield Grand Lake exceed current budgets - could transfer \$ to reserve
- Brooklyn Fire rate reduced by 1 cent
- Potential policy wording: Calculate the Growth Management Grant based on 4% of the total General Tax Revenue collected (current year assessments x prior year tax rate) in each of the USR, NMR Streetlight, Enfield/Grand Lake Streetlight, Rural Fire Depts and Uniacke Districts.

BREAKDOWN OF GENERAL TAX REVENUE BY AREA				Grant Allocation - 4% of GTR			
	GTR REVENUE BY AREA	DTT Grant as a %age of GTR		Proposed Growth Management Grant	Currently on GTR	Impact of GTR	Current Revenue w/ \$10K to reserve
CORRIDOR - USR	\$ 11,755,446	\$ 444,586	3.78%	\$ 444,586	\$ 444,586	\$ -	
NMR STREETLIGHTS	\$ 2,166,582			\$ 86,663		\$ 86,663	\$ 52,785
ENFIELD GR LAKE STREETLIGHTS	\$ 1,731,107			\$ 69,244	\$ -	\$ 69,244	\$ 38,167
RURAL FIRE	\$ 2,959,500			\$ 118,380	\$ 69,036	\$ 49,344	
BROOKLYN FIRE - 3 cents	\$ 324,823			\$ 12,993		\$ 11,773	
UNIACKE	\$ 5,309,366			\$ 212,375	\$ -	\$ 212,375	
<b>TOTAL</b>	<b>\$ 24,246,823</b>			<b>\$ 944,241</b>	<b>\$ 513,622</b>	<b>\$ 429,399</b>	

Uptick From DTT Budget \$ 877,000  
 Buildings & Property Reserve \$ 380,000  
 Impact to GTR = \$ 429,399  
 Reduce GTR : \$ 67,601

Cents on GTR = -0.3

# Growth Management Grant based on GTR Collected w/ Sportsplex

- Easier to Calculate prior to budget
- Ties Growth Management Grant to GTR Revenue
- NMR and Enfield Grand Lake exceed current budgets - assume transfer of \$10,000 each to reserves
- Potential policy wording: Calculate the Growth Management Grant based on 4% of the total General Tax Revenue collected (current year assessments x prior year tax rate) in each of the USR, NMR Streetlight, Enfield/Grand Lake Streetlight, Rural Fire Depts and Uniacke Districts. Balance not required from Streetlights goes to Sportsplex.

BREAKDOWN OF GENERAL TAX REVENUE BY AREA		Grant Allocation - 4% of GTR				
	GTR REVENUE BY AREA	DTT Grant as a %age of GTR		Proposed Growth Management Grant	Currently on GTR	Impact of GTR
CORRIDOR - USR	\$ 11,755,446	\$ 444,586	3.78%	\$ 444,586	\$ 444,586	\$ -
SPORTSPLEX RATE				\$ 64,956		\$ 64,956
NMR STREETLIGHTS	\$ 2,166,582			\$ 52,785		\$ 52,785
ENFIELD GR LAKE STREETLIGHTS	\$ 1,731,107			\$ 38,167	\$ -	\$ 38,167
RURAL FIRE	\$ 2,959,500			\$ 118,380	\$ 69,036	\$ 49,344
BROOKLYN FIRE - 3 Cents	\$ 324,823			\$ 12,993		\$ 11,773
UNIACKE	\$ 5,309,366			\$ 212,375	\$ -	\$ 212,375
<b>TOTAL</b>	<b>\$ 24,246,823</b>			<b>\$ 944,241</b>	<b>\$ 513,622</b>	<b>\$ 429,399</b>

## Recommended GTR Allocation

Uptick From DTT Budget \$ 877,000  
 Buildings & Property Reserve \$ 380,000  
 Impact to GTR = \$ 430,619  
 Reduce GTR : \$ 66,381

Cents on GTR = -0.3

# Growth Management Grant Options for Rural Fire

- \$49,344 to allocate after current operating grants are paid
- Option 1: Give all 6 Departments an additional \$8,224
- Option 2: Reduce all rates by 1 cent, allocate additional \$2,535 to grant equally

Department	Work Order #	Estimated Assessment 24/25 as per Simulation	General Tax Rate Generated	4% of GTR (less) Current Grant	Potential Reduction of Rate (cents)	Option 1: Grant Increase	One Cent Raises	Option 2: Grant Increase
Maitland	100000139	\$ 63,001,900	\$ 531,066	\$ 9,737	1.55	8,224	6,300	2,535
Noel	100000140	\$ 69,875,100	\$ 621,207	\$ 13,342	1.91	8,224	6,988	2,535
Walton	100000141	\$ 22,324,800	\$ 186,482	\$ (4,047)	-	8,224	2,232	2,535
Gore	100000142	\$ 49,497,100	\$ 412,965	\$ 5,013	1.01	8,224	4,950	2,535
Kennetcook	100000143	\$ 55,904,800	\$ 512,672	\$ 9,001	1.61	8,224	5,590	2,535
Rawdon	100000145	\$ 80,745,700	\$ 695,108	\$ 16,298	2.02	8,224	8,075	2,535
TOTAL			\$ 2,959,500	\$ 49,344		\$ 49,344	\$ 34,135	\$ 15,209

## Recommended Motion

***Recommend that the draft budget be tabled with an increase to the Deed Transfer Tax budget to \$3,000,000 and that the Budget Management Policy be amended to include direction to staff on the Deed Transfer Tax draft budget each year per the recommendation in this report (Section 10.1).***

***And, that the Budget Management Policy be updated for the March 19<sup>th</sup> Council meeting to document the Growth Management Grants to the Corridor (Urban Service Rate, Sportsplex and Enfield/Grand Lake Streetlights & Nine Mile River Streetlights), the Uniacke Districts and the Rural Fire Depts, including Brooklyn.***

**March 19<sup>th</sup>, 2024 Council:**

***Move that Council give notice of intent to approve the revisions to the Budget Management Policy, as attached to the March 19<sup>th</sup>, 2024 Council Agenda.***

**March 27<sup>th</sup>, 2024 Regular Meeting of Council:**

***Move that Council approve the revisions to the Budget Management Policy, as per the notice at the March 19<sup>th</sup>, 2024 Council meeting.***