



## MEDIA RELEASE

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RE: Amherst sets general residential and commercial tax rates, capital budgets

**AMHERST, Nova Scotia** – Amherst town council set the general residential and commercial tax rates on May 15 during a special session.

General and water capital budgets valued at just over \$5.7 million were also approved by council during the meeting.

The general residential tax rate was set at \$1.179 per \$100 of assessment and the general commercial tax rate at \$3.979 per \$100 of assessment.

These rates fund the general operations of the town, estimated to be \$13,349,007 for the 2019-20 fiscal year. It includes police and fire protection, general administration, public works, including streets and sidewalks, planning, building inspection and recreation as well as fiscal services like debt service and a number of capital items funded from operations.

The town's general capital budget, \$3,694,229, will fund several projects including the continuation of the Willow Street renewal project, a new fire pumper and additional work on the Active Transportation Plan. Funding for this budget comes from capital from revenue (\$506,535), gas tax funding (\$1,105,000), long-term debt (\$1,394,491) and reserves (\$688,203).

The Amherst Water Utility's capital budget, \$2,086,082, includes the remainder of the Willow Street water main replacement project, the purchase of a new back hoe and many other projects. Funding for this budget comes from capital from revenue (\$40,000), a federal grant under the Canadian Waste Water Fund (\$886,050), a provincial grant under the Canadian Waste Water Fund (\$461,950) and long-term debt (\$698,082).

"This is essentially a status quo budget that maintains most or all current services for the coming year," Greg Herrett, chief administrative officer, said, before noting separate area rates fund provincial mandatory contributions and community support



expenditures.

He also noted a uniform charge has been previously approved by council for solid waste management services as have sewer rates, which fund those services.

In terms of tax revenue, residential capped assessment grew by only 0.6 per cent this year, while commercial assessment declined by 2.5 per cent. Most other sources of revenue stayed constant, resulting in a decrease in revenue relative to the general rates of just over \$2,000, the CAO said.

On the expenditure side, expenditures funded by the general rate will decrease by about \$2,306 despite projected increases in salaries and benefits of just over \$250,000, vehicle and equipment costs of \$28,000 or 7.4 per cent, and an increase in the fire protection charge that the Amherst Water Utility charges the town, by order of the Nova Scotia Utility and Review Board of about \$23,000.

“Departmental directors worked hard to reduce costs where possible and minimize increases in their departments in order to minimize the impact on tax rates while maintaining services,” Herrett said.

As a result, administrative costs are expected to decline by about \$14,000 or 1.8 per cent, building and facility costs are budgeted to fall by \$34,000 or 4.6 per cent, professional services are estimated to be down by about \$75,000 and fiscal services, including debt service and other transfers, will fall by about \$200,000 or 10 per cent.

“These factors combined result in a small proposed decrease in the residential and commercial general rates of one-tenth of one percent,” the CAO said. “I do want to say that beyond this year’s efforts to trim costs, senior staff have embarked on a service capacity review that will examine all services currently being provided by the town for further efficiencies. It is hoped that further savings will be identified through this process.”

Herrett was pleased to note the projected year-end financial results point to a balanced budget for this past fiscal year.

This year’s capital budget was once again prepared with reference to the various studies that have been completed over the past couple of years including the Asset Management Study, the Recreation Master Plan, the Active Transportation Plan and the Vehicle Replacement Plan as well as an ongoing and comprehensive evaluation of our street infrastructure using the Paser rating system, Herrett said.

Council was able to approve additional paving projects due to the town receiving an additional allotment of gas tax funding from the federal government. Excess funds will be used to fund project over the next two fiscal periods as resources allow.

Other highlights from the capital budget include a \$260,000 investment in the installation of solar panels on the roof of the stadium under the Solar for Community Buildings program that will result in an ongoing positive impact on our bottom line.



There will be a continuation in the implementation of the Active Transportation Plan, with \$600,000 being invested in a number of sidewalk and trail projects.

The budget is investing more than \$843,000 in the Amherst Fire Department, including the purchase of a new pumper at a cost of approximately \$600,000. Capital replacement of vehicles and equipment including a conversion to the TMR2 system for radio communication in the police department is estimated to cost just over \$400,000.

The recreation department will benefit from an investment of just over \$200,000 in various projects and equipment purchases.

Almost \$425,000 will be invested in street improvements, much of it possible due to the additional Federal Gas Tax revenue being received this year. There will be work done, on Abbey, Taplin, Tantramar, Dunlap, Fairview, Durley, Senior and Gladstone during the construction season.

The only projects where debt will be incurred are those with a significant useful life like the fire truck, solar panels and the Willow Street project.

Herrett said it was worth noting the town's 10-year operating and capital models indicate there are ongoing pressures expected on costs and revenues, and that Amherst needs to continue to be vigilant in ensuring the long-term viability of the town.

"Despite good faith efforts to find efficiencies and perhaps adjust services and service levels, the upward pressure on costs due to inflation and increased regulatory compliance requirements is always present," he said.

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