



RM of Springfield

Budget Highlights Provincial Reassessment 2006 to 2010 Budget Comparison Budget Process

2010 Mill Rate and 2010 Provincial Reassessment

On May 10 the Council of the Rural Municipality of Springfield (RMS) passed the 2010 Operating and Capital budgets resulting in a mill rate reduction of 4.62 mills or a 31.2% decrease (from 14.81 mills to 10.19 mills).

The number one question residents ask is how will this affect my tax bill particularly due to the recent property tax reassessment conducted by the Provincial Assessment Department?

Using an example of a typical home in Springfield in the Sunrise School Division (SSD) district the effect on a \$222,000 home, market value (with a portioned assessment at 45% resulting in a portioned assessment of \$100,000) the result is a \$462 decrease.

However if that property's reassessment increased by the average assessment increase of a single family home in Springfield by 48.5% to \$330,000 the municipal property tax increased by \$32 higher than the previous year or a 2.18% increase or put another way a *\$.09 a day increase*.

What was the result of the Provincial Reassessment?

Due to the Provincial reassessment, if your property's reassessment increased by less than 48.5% it should result in a property tax decrease. If it increased by more than 48.5% it should result in a property tax increase.

The average reassessment residential increase was 48.3% and the average increase for all other properties was 47.4%.

The Provincial Reassessment average increase varied by type of property. Apartments increased the least by 3.2% whereas Designated Recreational increased the most by 91.8%, followed by Railway at 74.8%, Pipeline at 50.1%, Commercial / Industrial at 41.2%, Condo / Co-op at 31.5%, Institutional at 28.7% and Farm by 50.2%, however the Provincial Farmland School Tax Rebate will be increased by 5% to 80% in 2010.



2010 Budget Highlights

Another question residents ask is I have one property tax bill but it covers two services, municipal operations and the school division operations. How much of the total tax collected goes to each one?

The RMS will collect \$19M in taxes (combined school and municipal). However \$12.7M or 67% of the total tax collected is remitted to the three school divisions in the RM area. The municipal portion is only \$6.4M or 33% of the total tax collected. For example if your taxes were \$3, the School Division gets the Toonie (\$2) and the Municipality gets the Loonie (\$1). Please keep this in mind when you have questions about your tax bill so that you may direct your questions to the appropriate officials.

The 2010 municipal operating budget is \$16.4M or about \$1,095 per capita (per person) based current estimated population of 15,000. SSD's 2010 operating expense and reserve transfer budget is \$56M or ~\$12,238 per student (4,574 students). SSD's budget is 3.4 times larger than the municipal budget and 11.2 times larger on a per capita/student basis.

What services does the RMS provide for the \$6.4M or 33% they collect in taxes?

Well quite a diverse assortment of services consisting of: maintenance, snow clearing and shoulder/ditch mowing and weed control of over 573 miles of roads (28 miles paved, 441 miles gravel and 100 miles dirt), 12 bridges, waste collection, disposal and recycling at two transfer stations, 7,214 sq. m of sidewalks and pathways, fund Cooks Creek and Seine Rat River Conservation Districts and the Springfield Tache Weed District (\$250,222), fire (3 fire stations expanding to 4) and municipal police services, provide or fund recreation, library, archives and Handi Van services, fund local museums and other community organizations/events, operate a Elderly Persons Housing Complex and provide assistance to a second (the only RM to perform these services), maintain four cemeteries, operate a planning and building inspection services department and the administration and governance of the municipality.

What are the significant highlights of the 2010 operating budget?

Public Works related expenditures increased by \$808,536 or 12% to \$7.5M. The largest increase was \$797,319 or 18% for roads, ditches and bridges, Administration and Insurance increased by \$75,037 or 13%, Garbage increased by \$67,000 or 9% and Drainage decreased by \$126,850 or 20% most of the changes are due to Disaster Financial Assistance projects due to the 2009 overland spring flooding.

A strong commitment to providing emergency services protection continues, the most significant increase being \$54,329 or 30.8% for police/public safety protection (a complement of two officers), while the fire department's budget increased by \$40,093 or 10% combined with replacing four vehicles and construction of fire halls in the annual and 5 year Capital Budget.



The recreation budget increased by \$5,315 or 2%, the library grant increased by \$28,585 or 26% and there is a replacement of the Handi Van in the annual capital budget.

The planning budget decreased by \$24,000 or 8% while the inspections budget increased by \$25,389 or 20% and the maintenance budget increased by \$74,656.

In the general government budget (corporate expenses, council, elections and administration) grants increased by \$11,650 or 15%, insurance \$6,000 or 16% the provincial assessment administrative levy fee increased by \$27,240 or 11%, reprint of the 100 year history books \$26,000 and elections increased by \$41,601 for a total increase of \$214,388 or 15%.

Significant revenue variances are an increase of \$1,362,250 or 57% in capital grants, \$475,000 in Disaster Financial Assistance, \$92,008 or 85% in Land or Building related sales, \$80,000 or 30% in Quarry Mining Licenses, \$92,800 or 51% in Development Dedications and Levies \$45,000 or 44% in treatment of water and waste services agreement and \$100,000 decrease or 17% in sand and gravel sales.

What are the significant highlights of the capital budget?

The 2010 Capital Budget totals \$17M and is funded by \$.372 from the General Fund (operating budget), \$3.8M from Grants and Other, \$5.3M from Reserves and \$7.7M from Borrowing. It consists of 36 projects such as: construction of an office/council chambers/emergency operations centre, construction of the Springfield Recreation Centre, replacement of part of the Anola Community Club, Hazelridge Sportsplex heated indoor viewing and ice plant upgrades, Cooks Creek Columbus Centre expansion and sports field improvements, Dugald community club parking lot improvements, Handi Van replacement, parks improvements, fire vehicles, construction of fire station #4 in Cooks Creek, Dugald drainage project, industrial area road improvements, Edie Creek Drainage project, Centreline Bridge replacement, various road improvements, transfer station lighting improvements, public works vehicles (trucks, grader, seeder, GPS and shop equipment), planning for Oakbank water expansion, regional lagoon expansion, lagoon decommissioning, water/sewer lines to the new assisted living and seniors complex which will be built on the Springfield Library/Archives/Memorial park site and lift station improvements.

The five year Capital Budget totals \$26M consisting of \$16.9M in 2011, \$4.9M in 2012, \$.8M in 2013, \$.4M in 2014, and \$3.1M in 2015. The five year Capital Budget is funded by \$2.4M from the General Fund (operating budget), \$9.1M from Grants and other, \$3.1M by Reserves and \$11.3M by Borrowing. It consists of similar items as in the annual capital plan and the continuation of projects such as: the construction of the office/council chambers/emergency operations centre, Springfield Recreation Centre, fire vehicles, equipment and main station, police vehicles and equipment, various road, sidewalk and path projects, and public works equipment (trucks, graders, loaders, tractors) and the regional lagoon and Oakbank Water System Expansion. Please note



Oakbank water expansion would be a project funded by a local improvement levy on the homes affected.

2006 to 2010 Budget Comparison

How has the budget changed in this term?

Comparing the 2006 to 2010 department budgets indicates an increase of \$2.8M or 35.4% with the following increases: recreation \$.249M or 80.5%, fire \$.127M or 38.9%, public works \$1.8M or 36.8%, General Government (corporate expenses, council and finance and administration) \$.450M or 27.6%, planning \$.85M or 25.5% and public safety / police \$.50M or 15.3%

Were there any deficits or surpluses?

From 2006 to 2009 there was a surplus every year in both the operating budget and the utility budgets totaling \$.103M in 2006, \$.275M in 2007, \$.265M in 2008 and \$.183M in 2009 for a total of \$.825M.

How has the mill rate changed in this term?

The mill rate was 13.63 in 2006, 13.78 in 2007 (1.76% increase), 14.25 in 2008 (2.74% increase), 14.81 in 2009 (3.93% increase) for a total increase of 1.18 mills or 8.66% which equates to a .39 mill rate average annual increase or 2.8%. The 2010 mill rate is 10.19 or a decrease of 4.62 mills or 31%.

Budget Process

Who is involved in the budget process?

The budget is the combination of the efforts of a team of dedicated people working together for the benefit of all residents of Springfield. It is a challenging and thankless task trying to satisfy peoples unlimited needs and wants with limited resources but never less of paramount importance to ensure prudent financial management and direction.

This year's budget meeting consisted of opening comments and highlights on the operating and capital budgets and projects by the Reeve and a PowerPoint presentation presented by the Chief Financial Officer & Manager of Administration which explained in detail the Mill Rate and the Provincial Reassessment, the 2010 budget highlights and a comparison of the 2006 to 2010 budgets.

For further details on the budget please visit the RM website at www.rmofspringfield.ca to view a copy of the Financial Plan (in the Provincial prescribed form) and the PowerPoint presentation of significant highlights.