



FOR IMMEDIATE RELEASE

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RE: Oxford Town Council approves \$2.4 million operating budget

OXFORD, Nova Scotia – After considering several challenging financial options facing the community, Town Council approved an operating budget of \$2,411,150, down from last year’s approved budget of \$2,534,162. Council balanced the budget by reducing service levels and staffing, without increasing tax rates or sewer charges from the previous year:

- **Residential** rate: \$1.6874/\$100 of property assessment.
- **Commercial** rate: \$4.1557/\$100 of property assessment.
- **Resource** property rate: \$1.6874/\$100 of property assessment.
- **Forest** Taxable (under 50,000 acres) remains unchanged at \$0.25/acre

After incurring unexpected and unavoidable expenses in the 2019/20 fiscal year, the deficit of approximately \$99,000 must be the first charge on the new budget for the 2020/21 fiscal year.

“With an already very lean operating budget, the Town has very little room to accommodate unexpected expenses. A one-cent increase on the overall tax rate across all the rate payers provides \$7,315 in revenue to the Town. Raising taxes and trimming small individual budget lines unfortunately does not provide the amount of significant expense reduction required for this year’s budget to be balanced,” says Chief Administrative Officer Rachel Jones.

Council considered options on service levels, tax rates, staffing levels and programming to find ways to ensure the financial viability for the community. The impacts of COVID-19 on lost revenues and projected activities and commercial assessments is still largely unknown for both this and next year. There is tremendous uncertainty of what activities will be permitted through the potential second wave of the virus this fall which may once again impact operations and staffing.

COVID-19 impacts and financial viability issues presented Council with the difficult decision to have the Oxford Arena remained closed for the remainder of this fiscal year (until March 31, 2021). Two staff positions assigned to the arena operations will not be recalled for work in October. Removing the revenues of user fees, grants, and advertising

that offset the cost of operations, the cost to the Town to operate the Arena remains at approximately \$100,000 for six months of operations. Combined with lost revenues due to COVID-19, the residential tax rate would have to be increased by 21 cents to fund the arena operating shortfall. On average, this would increase residential tax bills of between \$200-300 per property.

Prior to the budget deliberations, the Town's Recreation Director/Municipal Physical Activity Leader Corey Skinner had resigned effective the end of June 2020. The Town will not be recruiting to fill the vacancy for this year. Normally, the Town has an agreement with the Province of Nova Scotia through the Department of Community, Culture & Heritage funds \$15,000 per year for the position. This funding offsets some cost to the position but also sets out specific goals and outcomes that are required around physical activity planning and support within the community.

Through debate, at the special Council meeting held on June 22, 2020, Council also agreed to significantly reduce the Economic Development budget line that will impact service levels and staffing hours. Further decreases were found in removing hanging flower baskets for next year and deferring the annual \$5,000 contribution to the NSCC Foundation for student support. With all the changes combined, it will allow Council to transfer just over \$40,000 to its operating reserve fund which has been dwindling to levels below the provincial requirements.

With these significant staffing and community service levels reductions, the Council will focus on core municipal services and reconsider all service levels and staffing during the budget deliberations for the 2021/22 fiscal year. Focus will also be on how to generate input, support and volunteer efforts to respond to service levels that are important to the community.

Within the annual \$2.4 million budget, there are several mandated payments to the Province and for required services. Currently, a significant portion of the budget is comprised of the following amounts:

\$505,000 – RCMP Contract (with expected savings that have not yet been confirmed)
\$224,000 – Provincial Education contribution
\$222,000 – Debt financing
\$26,400 – Department of Housing (public housing funding)
\$18,892 – Property Valuation Services Corporation (assessment services)
\$7,680 – Library Transfer

Capital Budget Projects

Funding has been previously approved for the following capital projects, primarily through Gas Tax, reserve funds, grants, and borrowing. Capital work is not funded from the operating budget.

- Computer software implementation: \$34,000

- Town Hall Upgrades: \$65,000
- Paving: \$80,000
- Trail Signage/Maintenance: \$10,000
- Duke Street waterline/paving: \$615,000
- Pugwash Road Reservoir Analyzer: \$6,200