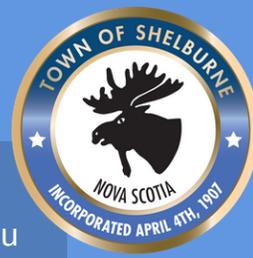


Town Budget Information



Shelburne Town Council and Staff recognize and consider it necessary to communicate to you the challenges we face as a community, both currently and in the future, in providing the range and level of services you have come to expect.

Small rural towns across the province all face similar concerns in finding means to pay for ever increasing service-related costs with shrinking sources of revenue. For example, the mandated upgrade of the Town's Waste Water Treatment Facility, originally costed at \$2.37M, imposed a significant financial planning challenge over the short and long terms, as the financing of the project relied on the Town borrowing 33% to pay its share of the total project cost. In addition, project cost overruns of approximately \$600,000 put the Town in an immediate position of reviewing and scaling back its overall focus this year as we are fully responsible for all project overruns.

As a result, Council has been forced to take a close look at our range and levels of services, to more clearly define the Town's core essential services, and to determine how we can best plan to operate and maintain these services and utilities over the long term. To achieve this, we have reduced the number and cost of projects and scrutinized every aspect of the Town's operation in order to remain viable.

Our core essential areas of responsibility include the provision of protective services (fire, police, emergency management), transportation services (roads & sidewalks), wastewater management (stormwater & sewer), facilities management (parks, buildings, marine terminal), water utility, and development services. The town remains fully dedicated to managing key assets and providing these core essential services for both residents and businesses while proactively looking for ways to maintain service while reducing the cost, particularly in the area of policing and waste diversion. In addition to the core essential services, the Town is also required to budget for expenses related to the Housing Authority, Library Services, Education, and Corrections.

We recognize that the tax rates for both commercial and residential properties are high and resorting to further tax increases will only marginally improve the Town's financial position. The growth of property values in the Town of Shelburne has remained relatively modest, and the tax revenue generated by property taxes has not matched the increase in the cost of services.

To address the Town's financial challenges, we are using two approaches, firstly to reduce the scope of our operations to a manageable level and secondly to work with our partners at all levels of government in the planning and delivery of services. The Town currently has shared services agreements in place for fire protection services, solid waste services and some development services to improve efficiency. We are also actively looking at additional partnership models to help reduce overall costs while continuing to maintain service levels.

Town Council and Staff will continue to explore all options and advocate to provincial and federal levels of government on behalf of residents and businesses with respect to identifying the best way forward.