



***Tentative Agenda for Special
Meeting of Town Council***

Monday, March 25, 2024 @ 6:30 PM

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off or placed on non-audible mode during the meeting.***

**Town of Kensington
Special Meeting of Town Council
Monday, March 25, 2024 – 6:30 PM**

- 1. Call to Order/Land Acknowledgement**
- 2. Adoption of Agenda**
- 3. Declaration of Conflict of Interest**
- 4. New Business**
 - 4.1 Request for Decisions**
 - 4.1.1 RFD2023-11 - 2024-25 Town of Kensington Financial Plan
 - 4.1.2 RFD2023-12 - 2024-25 Town of Kensington Property Taxation Rates
 - 4.1.3 RFD2023-13 - 2024-25 Town of Kensington and Water and Sewer Utility Operating Lines of Credit
- 5. Adjournment**

Town of Kensington - Request for Decision

Date: March 18, 2024	Request for Decision No: 2024-11
Topic: 2024/25 Town of Kensington Financial Plan	
Proposal Summary/Background: Section 150(1) of the Municipal Government Act states that a council shall on or before March 31 st in each year, adopt by resolution a financial plan for the upcoming fiscal year. The financial plan shall contain: (a) An operating budget that includes estimates of the amount of money required for expenditures and to be received as revenue; (b) A capital budget; and (c) A five-year capital expenditure program that includes an asset management (AM) plan.	
Benefits: <ul style="list-style-type: none">• None noted.	
Disadvantages: <ul style="list-style-type: none">• None noted.	
Discussion/Comments: The draft 2024/25 operational and capital budgets, as well as a proposed 5-year capital plan (Financial Plan) are being presented in final draft form for consideration. A copy of the 2024/25 Financial Plan is circulated with this RFD. The proposed capital budget for the 2024/25 fiscal year includes capital purchases proposed for the	

upcoming fiscal year and includes the following revenue sources: transfer from operations (Municipal Funding), the Federal Gas Tax Program, Provincial/Federal Infrastructure Programs, and long-term borrowing.

The 5-year Capital Plan contains budget estimates based on identified needs over the next five years.

The attached final 'draft' budget projects a consolidated deficit position for fiscal year 2024/25 of -\$82,848 which includes a deficit of -\$86,772 in the Water and Sewer Utility, a surplus of \$12,647 in the Town operation, a surplus in the Fire Department of \$36,332 and a deficit in the Credit Union Centre operation of -\$45,055.

Section 153(1) of the Municipal Government Act states that: a Council shall not project a deficit in its operating budget for any fiscal year in respect of expenditures other than amortization and its public utility.

Every effort is being made by staff and Council to hold property taxes at their current levels and to offset increases in expenditures by gaining efficiency and through growth in property assessment revenues.

All municipalities across the Island are facing the same challenges as the Town of Kensington; constantly being asked to do more, with less. No increases to property tax credits from the Province for the past has made it increasingly difficult to deliver the services that our residents and business owners require and deserve. To deliver current services while planning to meet the long-term needs of our community, it is imperative that we work with the Province to negotiate a long-term funding agreement that allows the Town to operate in a more sustainable fashion.

With increased demands and high inflation, the Town requires additional revenue to cover the cost of delivering services to our residents and business owners. We must continue to lobby the Province of Prince Edward Island to reduce its property tax rates inside municipalities to enable us to increase our tax rates without adding to the tax burden of our residents and business owners.

Property taxation rates for 2024/25 are proposed to remain unchanged at \$0.55/per \$100 of assessed value for non-commercial properties and \$1.30 per \$100 of assessment for Commercial properties.

The 2024/25 Water and Sewer Utility rates will see an increase (effective January 1, 2024) based on

the 5-year rates approved by the Island Regulatory Appeals Commission in 2021.

Fire dues from the Town of Kensington and District 1910, to the Kensington Fire Department were increased by approximately 3%. Fire Dues for the Municipality of Malpeque were increased by approximately 20%. It is anticipated that future increases will accord to inflation.

The Credit Union Centre ice rental rates have been increased as approved by Town Council.

Options:

1. Approve the 2024/25 Financial Plan as recommended.
2. Not approve the 2024/25 Financial Plan.
3. Refer the Financial Plan back to staff for further deliberation.

Costs/Required Resources:

N/A

Source of Funding

N/A

Recommendation:

It is recommended that Town Council consider and adopt the following resolution:

WHEREAS Section 150(1) of the Municipal Government Act, R.S.P.E.I. 1988, Cap. M-12.1. requires a council to, on or before March 31 in each year, to adopt by resolution a financial plan for the upcoming fiscal year;

BE IT RESOLVED that Town Council approve the Town of Kensington 2024/25 Financial Plan with operational revenue estimates projected at \$4,315,522 and operational expenditure estimates projected at \$4,398,370.

BE IT FURTHER RESOLVED that Town Council approve the 2024/25 Capital Expenditure Plan and the 2024 – 2029, 5 Year Capital Expenditure Plan, as presented.



Mayor: Rowan Caseley
Chief Administrator Officer: Geoff Baker
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Budget 2024/2025 - Presentation to Town Council, March 11, 2024

First, I want to thank staff for putting together a budget that will meet the requirements of the Town of Kensington as defined under the Municipal Government Act. The budget that is being presented is intended to maintain our current level of service and to not recommend any increase in property tax rates for either our residents or commercial businesses.

The first draft was presented to the Committee of Council on Monday, February 26 and the draft was published online on our website at that time. This revised budget is the second draft and was posted on our website on Thursday March 7, 2024. It has been advertised on social media indicating that it will be coming forward for Town Councils review on March 11, 2024. The public are invited to attend.

The Town of Kensington has experienced a great deal of growth over the past number of years and our boundaries were expanded effective May 1, 2021. Our current population is estimated at 2,100 residents and we continue to grow. This bodes well for the continued prosperity and sustainability of Kensington.

Our new business park located behind Trailside Plaza has seen significant development in 2023 with the establishment of two new businesses, with many other discussions taking place with other interested parties. These two established businesses will bring continued job growth opportunities to our residents. Property tax revenues from these businesses will also help to support the infrastructure and services expected by our residents.

Each year it seems that preparing the budget gets more difficult. As a Municipality in Prince Edward Island, we are required by law to provide a balanced budget and not run a deficit. If we incur a deficit in the current year, then we are required to include that deficit in the starting point of our next year's budget. Staff are aware of this and put great effort into providing a budget that can be achieved so that one bad year does not have to be budgeted for the next year.

Our current property tax rate for residential properties is .55 /\$100 assessment. In approximately 2009, it was arbitrarily dropped from .65/\$100 to .55/\$100 when the Provincial Government mandated the reduction of the Town of Kensington property tax rate and increased the Provincial property rate by the same amount of .10/\$100 assessment. The effect on taxpayers was no actual increase in property taxes but it did result in more property tax revenue going to the province and a corresponding drop in property tax revenue to the Town. In exchange, the Provincial Government committed to compensating the Town of Kensington by giving an annual grant to offset this loss of income. It was not long before the Provincial Government forgot their commitment and in approximately 2012, they actually reduced our grant by 3% from the previous year. However, with prudent management of our revenue stream and by promoting growth, we have been able to maintain our rate at .55/\$100 assessment for residential properties.

In 2021 when the Town of Kensington expanded the boundaries of the Town the Provincial Government approved the expansion with the stipulation that current property owners who were annexed would not have to pay any municipal property tax to the Town of Kensington for the first 5 years and then it would only go

Town of Kensington

up by 20% a year for the next 5 years. As a result, this decision means that the Town will not receive the full benefit of property tax until 2031. However, the Town has incurred costs associated with this annexation, as we are required to provide policing services, fire department services and other municipal services to these areas immediately. I mention this not to be picking on the Provincial Government but to let everyone know why it is difficult to keep finding ways to live within our current property tax revenue stream. We continually work with the Provincial Government to strive for additional tax credits, increased equalization grants, policing training grants, etc. However, as we all know the Provincial Government is also looking at ways to reduce their spending, so the discussions are not easy and sometimes not very fruitful.

The cost of policing has been growing faster than inflation over the past number of years and the demand for policing services has been increasing. As much as we would like to return to the days of old, when one or two officers could police the Town, that is not possible. In 2023, Town Council approved the decision to extend our policing coverage to 24 hours a day, 7 days a week. A portion of this increased cost was offset by the elimination of many callouts to off duty officers who had to respond during off hours which resulted in overtime. It has resulted in an increased cost of policing. However, I believe the residents and business owners in Town are appreciative of the increase in police presence who continues to make our town safe and a place where people choose to live.

Water and Sewer Utility – The Water and Sewer Utility is projected to show a deficit again in 2024-25 in the amount of \$86,772. The revenue for this department comes solely from the user fee charges for water and sewer services. This operation has a significant amount of long term debt as the extension of services and the maintenance of current infrastructure is expensive. One of our biggest line item expenses for this facility is the interest on long term debt. When the facility does run a deficit, the shortfall is covered by property tax dollars. That is why Town Council in 2010 set a policy that anyone wishing to take advantage of municipal sewer services had to be annexed into the Town of Kensington. All users of the services are now part of the Town of Kensington.

Every effort is made to operate this facility efficiently. We are in the last year of an approved annual water and sewer rate increase and will be looking at applying for a rate increase in sewer and water rates for our 2025 calendar year. All rate increases must be approved by IRAC and we are required to make an application to IRAC and justify the need for such an increase.

Fire Department - The fire department is also funded by user fees. No revenue from the fire department is used to cover costs for the delivery of services to the residents of Kensington. The fire department does provide fire services to the residents of Kensington, as well as contracted fire services to the Rural Municipality of Malpeque and Fire District 1910. The fees charged to all three areas are set on a cost recovery basis and are also set to generate a small surplus each year to enable the fire department to build a reserve for the purchase of replacement equipment. The last few years the fire department has run a small deficit but we anticipate a small surplus at the end of the next fiscal year (\$36,332).

Credit Union Centre – This facility was assumed by the Town of Kensington at the request of the Kensington and Area Recreation Association who were struggling to keep the doors open and were not able to invest in improvements to lower operating costs, etc.

Did you know that grants from the Provincial Government have dropped from \$15,000, 20 years ago to \$8,500 in 2023. Additionally, about 10 years ago the Provincial Government decided to start charging HST on all user fees at the Credit Union Centre. This meant an increase in revenue to the province at an estimate of \$55,000 in 2023. Imagine if this revenue was kept at the Credit Union Centre and put towards the operating costs of the facility. Granted the Federal and Provincial Government do step up with capital improvement funds that equates to approximately 73% of the cost. However, the Credit Union Centre still



Mayor: Rowan Caseley
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has to fund the last 27%.

The Town of Kensington has budgeted to cover 15.5% of the operating costs for this facility in 2024, or an increase of \$60,000 to a total of \$96,000. The remaining operating costs must be covered by user fees. We feel this contribution is fair as the Town of Kensington's population represents approximately that portion of the wider service area population who use the facility.

We fully understand the impact increased ice rental rate have on the users. I trust the users fully understand the impact the Credit Union Centre deficits have been having on the ability of the Town of Kensington to balance its budget. The annual contribution to this facility in 2024-25 will mean that every resident of Kensington will now be contributing around \$45 per person per year through property taxes towards the operation of the facility whether they use the facility or not. We do feel this investment by the Town is justifiable and the Town residents are supportive of this decision.

During the past fiscal year many renovations and updates (Approximately \$2.4 million) have taken place at the Credit Union Centre. These renovations have taken place for two main reasons – to address concerns from the user groups who use the facility and to also put in place ways to reduce operating costs (Solar Panels, LED Lighting). As the owners of the facility, we will do everything we can to control costs and look for areas to save money and make the facility the best it can be and still provide competitive ice rental rates. But in the end, it is a user pay facility. Obviously, the more we can rent ice time, the better it is for the facility. Although the facility is open throughout the day, the user groups are not in a position to rent ice time during the weekday as the users are in school or the coaches are working. However, weekends are very busy.

The budget is indicating a projected deficit of \$45,055 for the 2024-25 fiscal year. This shortfall will have to be funded by Town of Kensington property tax dollars. This will increase the amount of shortfall owed to the Town to around \$750,000 at the end of fiscal 2024-25. This is debt in addition to that which has already been allocated to the Credit Union Centre and is not included in the current ice rental rates.

Town of Kensington Operations – The sources of revenue are from property tax revenue, provincial operational grants, revenue from the rental of facilities and revenue from a fee for service we offer to a company out of British Columbia to provide criminal record checks. These revenue sources are intended to meet all the operational costs associated with the Town such as wages, utility fees (electricity, fuel oil, heating oil, telephone, etc.), loan interest, insurance, operational expenditures, depreciation, etc. The major expense is wages as we are a service operation that provides policing services, snow clearing, municipal planning, water and sewer utility billing and collection, maintenance costs associated with buildings and infrastructure, etc. Our budget for 2024-25 is projected to show revenues of \$2,609,334 and expenditures of \$ 2,596,691 or a surplus of \$12,643.

Our capital expenditure plans for 2024-25 are minimal. Mr. Baker has requested his departments heads present a bare bones capital list and then he has trimmed it more. Until such times as we start to benefit from the increased property taxes revenues from the developments in the new business park and housing developments being proposed, we will have to continue to be very strategic about what capital projects we

Town of Kensington

are able to support. When you look at the current list of capital expenditures, you will notice even with a trimmed down budget we are still looking at spending \$1,056,252 on capital projects. Our 5 year plan calls for \$12,743,252 on capital projects. Without sufficient revenues, these projects cannot be done.

I trust this gives everyone a bit of insight into the challenges that are addressed when putting together a financial plan. Thank you to all staff and Councillors for doing your part to make sure we make the best possible decisions for the short and long term viability and sustainability of the Town of Kensington. Thank you to residents and business owners for your support and input.

Rowan Caseley
Mayor



2024/25 Financial Plan

Town of Kensington
P.O. Box 418
55 Victoria Street East
Kensington, PE
C0B 1M0

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Kensington Town Council



Mayor Rowan Caseley



Deputy Mayor Jeff Spencer



Councillor Ivan Gallant



Councillor Rodney Mann



Councillor Tyler Doucette



Councillor Bonnie MacRae



Councillor Wade Toombs

Background Financial Information

2024/25 Property Tax Rates (per \$100.00 of Assessed Value):

Municipal Non-Commercial \$0.55 Provincial Non-Commercial \$1.50

Municipal Commercial \$1.30 Provincial Commercial \$1.50

Provincial Property Tax rate may be subject to \$0.50 Credit

2024 Water and Sewer Rates **(Effective Jan 1, 2024)**

Sewer

Unmetred \$399.00 per year

Metred \$306.10 plus \$3.21 per thousand gallons

Water

Unmetred \$300.00 per year

Metred \$252.25 plus \$1.65 per thousand gallons

2024/25 Assessment Information

2024/25 Non-Commercial Assessment Value \$108,368,030

2024/25 Commercial Assessment Value \$13,894,630

2024/25 Fund Summaries

2024/25 Provincial Equalization \$423,365

2024/25 Property Tax & Tax Credit (Estimated) \$1,007,776

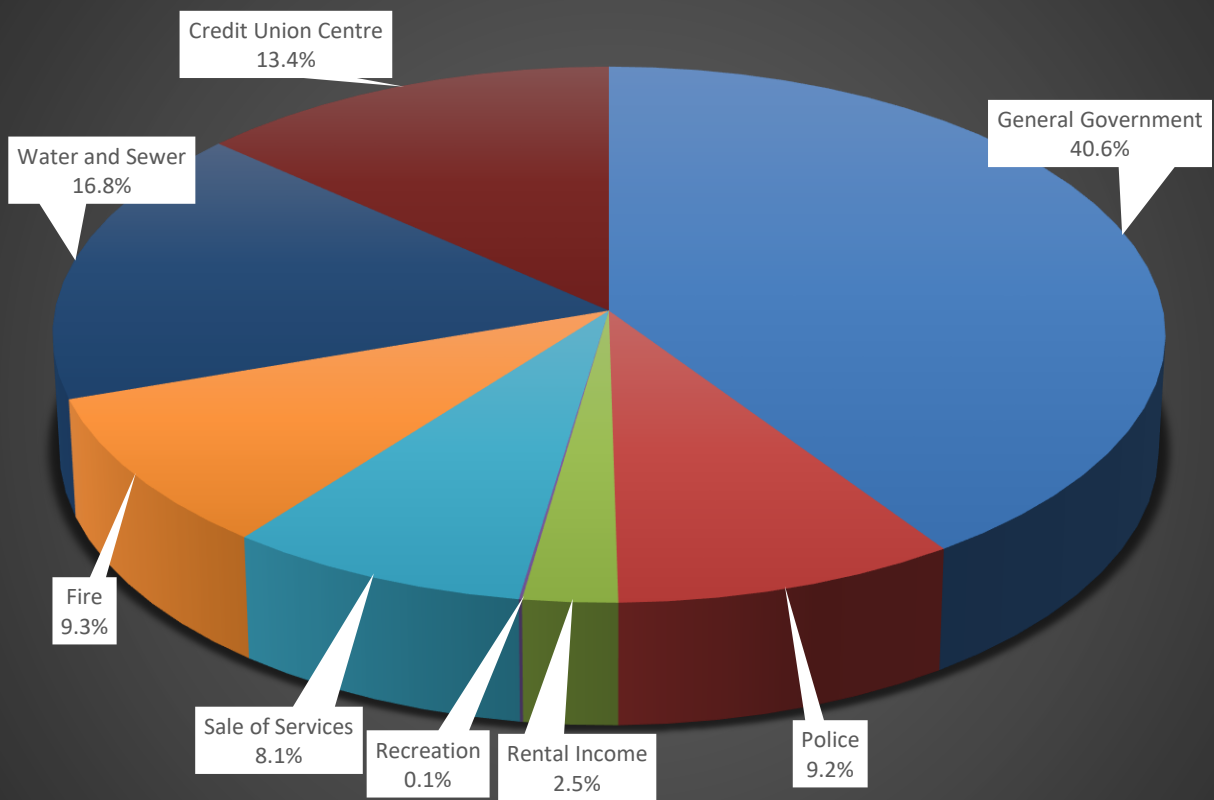
2024/25 Estimated Operational Revenue \$3,588,742

2024/25 Estimated Operational Expenditures \$3,584,818

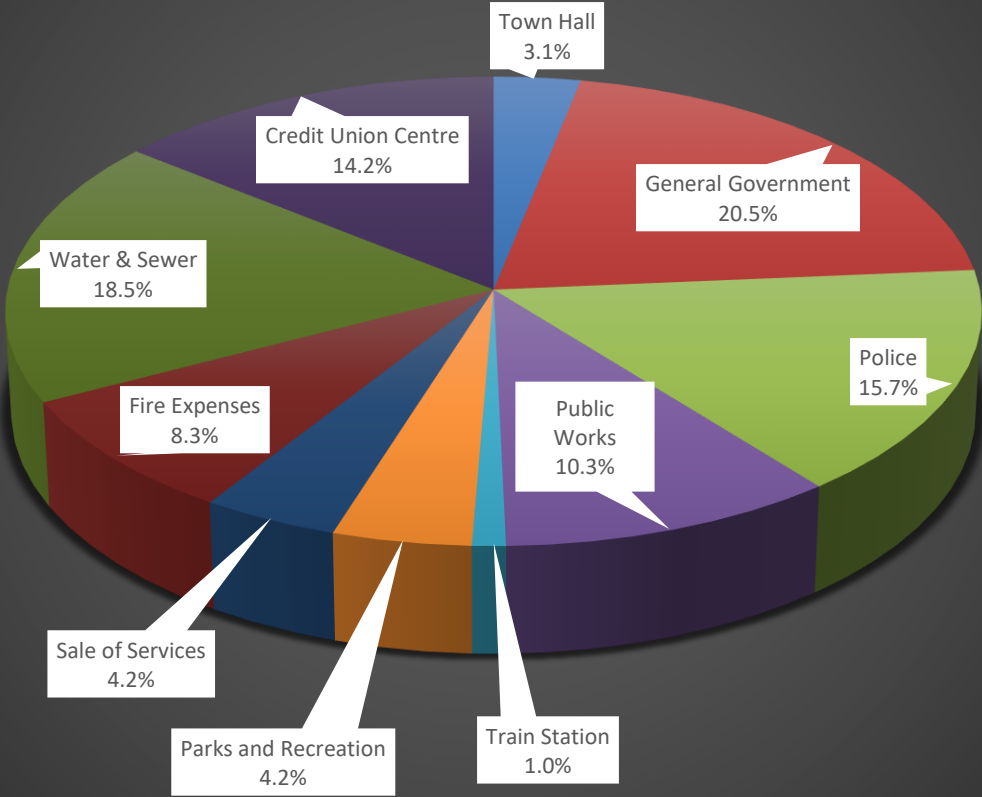
2024/25 Estimated Water and Sewer Revenue \$726,780

2024/25 Estimated Water and Sewer Expenditures \$813,552

Town of Kensington Revenue Estimates by Category



Town of Kensington Expenditure Estimates by Category



Summary: 2024/25 Revenues and Expenditures

Revenue

General Government	\$	1,750,157
Police	\$	396,868
Rental Revenue	\$	109,209
Recreation & Pool Revenue	\$	3,600
Sale of Services	\$	349,500
Fire Revenue	\$	400,608
Credit Union Centre	\$	578,800
Water and Sewer	\$	<u>726,780</u>

Total Revenue \$ 4,315,522

Expenditures

Town Hall	\$	137,795
General Government	\$	902,012
Police	\$	690,743
Public Works	\$	452,445
Train Station	\$	44,730
Recreation	\$	185,862
Sale of Services	\$	183,099
Fire Department	\$	364,276
Credit Union Centre	\$	623,855
Water and Sewer	\$	<u>813,552</u>

Total Expenditures \$ 4,398,370

Net Revenue/Expenditure \$ (82,848)

Town Hall: 2024/25 Budget Estimates

Expenditures	
Depreciation	\$ 31,200
Property Taxes	\$ 10,500
Electricity	\$ 20,450
Heating Oil	\$ 20,800
Wages – Custodian	\$ 33,397
Wages – Indirect Costs	\$ 6,448
Repair and Maintenance - Building	\$ 12,000
Janitor Supplies - Town Hall	\$ 3,000
Total Expenditures	\$ 137,795

Sale of Services: 2024/25 Budget Estimates

Expenditures	
Office Expenses	\$ 360
IT Services	\$ 600
Wages - Police Technician	\$ 152,261
Wages – Indirect Costs	\$ 29,398
Professional Development	\$ 480
Total Expenditures	\$ 183,099

Public Works: 2024/25 Budget Estimates

Expenditures	
Depreciation	\$ 306,000
Property Taxes	\$ 510
Electricity	\$ 3,575
Heating Oil	\$ 5,400
Streetlights	\$ 36,500
Cellular	\$ 3,600
Wages	\$ 129,407
Wages – Indirect Costs	\$ 28,253
Repair and Main. - Equip	\$ 12,000
Repair and Main. - Vehicle	\$ 1,800
Repair and Main. - Building	\$ 2,400
Vehicle - Gas & Oil	\$ 10,560
Snow and Ice Control	\$ 14,500
Uniforms - Clothing & Supplies	\$ 600
Gas & Oil - Equipment Public Works	\$ 7,560
Small Tools & Shop Supplies	\$ 1,800
Miscellaneous	\$ 6,000
Garbage Disposal	\$ 2,580
Asphalt Patching/Sidewalk	\$ 3,000
Water and Sewer Share	\$ (123,600)
Total Expenditures	\$ 452,445

Recreation: 2024/25 Budget Estimates

Expenditures		
Depreciation	\$	7,800
Property Taxes	\$	3,660
Electricity	\$	4,690
Wages - EVK Pool	\$	16,700
Wages – Indirect Costs	\$	3,612
Repair and Maintenance - Equip	\$	1,250
Repair and Maintenance - Building	\$	2,500
Uniforms - Clothing & Supplies	\$	250
Special Events Expense	\$	27,400
Chemicals	\$	3,500
Canada Day Expenses	\$	4,000
Town Operational Grant to CUC	\$	96,000
Park Improvements	\$	9,000
Town Decorations	\$	5,500
Total Expenditures	\$	185,862

Train Station: 2024/25 Budget Estimates

Expenditures		
Depreciation	\$	13,200
Water & Sewer	\$	600
Property Taxes	\$	2,100
Electricity	\$	12,600
Heating Oil	\$	8,175
Freight Shed Electricity	\$	2,655
Repair and Maintenance - Equip	\$	600
Repair and Maintenance - Building	\$	4,800
Total Expenditures	\$	44,730

General Government: 2024/25 Budget Estimates

Expenditures	
Depreciation	\$ 44,400
Property Taxes	\$ 8,400
Telephone	\$ 3,600
Cellular	\$ 6,300
Office Expenses	\$ 15,600
IT Services	\$ 12,000
Advertising	\$ 12,000
Wages – Administration	\$ 281,978
Wages – Indirect Costs	\$ 54,450
Workers Compensation	\$ 7,200
Honorariums	\$ 31,250
Conventions and Meetings	\$ 1,200
Dues and Memberships	\$ 5,650
Travel and Mileage	\$ 5,400
Professional Development	\$ 1,200
Donations and Grants	\$ 19,000
KISH Scholarship	\$ 1,000
Miscellaneous	\$ 4,200
Crosswalk Duties	\$ 3,000
Emergency Shelter Expense	\$ 600
Insurance – Other	\$ 100,000
Professional Fees – Accountant	\$ 16,000
Professional Fees – Other	\$ 73,500
Fire Share of General Government	\$ (48,360)
Animal Control	\$ 120
Photocopier	\$ 4,800
Web Page Expense	\$ 300
ADP Payroll Expenses	\$ 5,160
Bank Charges	\$ 2,100
Promotional Materials & Flags	\$ 5,400
Operating Loan Interest	\$ 300
Fire Protection Charge	\$ 57,120
W&S Share of General Government	\$ (142,800)
Kensington Fire Dues	\$ 90,000
Business Park Expense	\$ 4,800
Interest – Long Term Debt	\$ 181,344
Cogsdale Maintenance Fee – Finance software	\$ 10,000
Library Expense	\$ 13,800
VueWorks Maintenance Fee – GIS	\$ 10,000
Total Expenditures	\$ 902,012

Fire Protection: 2024/25 Budget Estimates

Revenue

Fire Dues District 1910	\$	205,728
Fire Dues Malpeque	\$	104,880
Fire Dues Kensington	\$	90,000
Total Revenue	\$	400,608

Expenditures

Depreciation	\$	111,800
Water & Sewer	\$	2,100
Property Taxes	\$	250
Electricity	\$	8,040
Heating Oil	\$	6,000
Telephone	\$	4,800
Cellular	\$	3,300
Advertising	\$	600
Wages – Fire Chief	\$	29,120
Wags – Indirect Costs	\$	5,622
Honorariums	\$	37,000
Fire Equipment, Uniforms & Supplies	\$	12,000
Repair and Maintenance - Equip	\$	3,000
Repair and Maintenance - Vehicle	\$	12,000
Repair and Maintenance - Building	\$	4,800
Vehicle - Gas & Oil	\$	15,600
Snow and Ice Control	\$	3,250
Conventions and Meetings/Prof Dev	\$	600
Insurance	\$	11,750
Answering Service - Fire	\$	3,180
Interest – Long Term Debt	\$	29,604
Administration and Operating Costs	\$	60,060
Total Expenditures	\$	364,276

Surplus/Deficit	\$	36,332
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Police Protection: 2024/25 Budget Estimates

Expenditures		
Depreciation	\$	45,600
Telephone	\$	4,500
Cellular	\$	3,600
Office Expenses	\$	1,800
IT Services & Cameras	\$	6,000
Wages - Police Full Time	\$	236,029
Wages – Training	\$	12,000
Wages - Part Time/Casual	\$	138,701
Wages – Recoverable	\$	76,814
Wages – Major Crime	\$	12,000
Wages – Indirect Costs	\$	72,352
Workers Compensation	\$	7,020
Repair and Maintenance - Equip	\$	6,400
Repair and Maintenance - Vehicle	\$	4,800
Vehicle - Gas & Oil	\$	19,200
Travel and Mileage	\$	600
Professional Development	\$	1,200
Uniforms - Clothing & Supplies	\$	4,800
Insurance – Life	\$	1,071
Answering Service - Police	\$	24,000
Vehicle – Rental	\$	300
Court Costs & Witness Fees	\$	300
Crime Prevention Initiatives	\$	180
PROS	\$	6,700
Interest – Long Term Debt	\$	3,456
K- 9 Expense	\$	1,320
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Total Expenditures	\$	690,743

Credit Union Centre: 2024/25 Budget Estimates

Expenditures		
Depreciation	\$	64,800
Water and Sewer	\$	7,200
Property Taxes	\$	150
Electricity Arena	\$	60,000
Heating Oil	\$	26,900
Electricity Sign	\$	1,200
Electricity Ball Field / Canteen	\$	360
Telephone	\$	3,780
Cellular	\$	2,400
Office Supplies	\$	120
Advertising	\$	300
Wages and Salaries	\$	258,788
Wages – Indirect Costs	\$	50,266
Workers Compensation	\$	1,480
Repair and Maintenance - Equipment	\$	1,200
Repair and Maintenance - Vehicle (Zamboni)	\$	1,600
Repair and Maintenance - Building	\$	3,000
Repair and Maintenance - Ice Plant	\$	1,600
Repair and Maintenance - Property	\$	600
Repair and Maintenance - Ice Surface	\$	1,900
Zamboni Propane	\$	2,400
Ball Field Expenses	\$	600
Canteen Expenses	\$	38,750
Harvest Festival Expenses	\$	22,200
Fitplex Expenses	\$	2,400
Snow Removal	\$	3,300
Interest – Long Term Debt	\$	33,360
Fund Raising Expenses	\$	3,500
Senior Center Electricity	\$	6,700
Senior Center Repair and Maintenance	\$	2,400
Travel and Mileage	\$	1,800
Insurance	\$	7,000
Janitorial Supplies	\$	5,800
Bank Charges	\$	1,200
Garbage Removal	\$	4,800
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Total Expenditures	\$	623,855

Kensington Water & Sewer Utility: 2024/25 Budget Estimates

Revenue	
Water Revenue	\$ 265,800
Interest Water A/R	\$ 2,160
Water Rating Charge	\$ 68,820
Sewer Revenue	\$ 390,000
Total Revenue	\$ 726,780
Expenditures	
Depreciation	\$ 136,800
Property Tax	\$ 2,820
Electricity	\$ 36,000
Telephone	\$ 5,100
Advertising	\$ 120
Wages – Water and Sewer Operator	\$ 61,800
Wages – Indirect Costs	\$ 11,932
Professional Development	\$ 600
Professional Fees Other	\$ 7,000
Repairs & Maintenance Water	\$ 18,000
Bank Charges Water	\$ 3,000
Interest on LT Debt Water	\$ 98,400
Water Analysis	\$ 4,800
Water Chlorination	\$ 3,600
Bank Charges - Sewer	\$ 3,780
Interest on LT Debt - Sewer	\$ 98,400
Repairs and Maintenance Sewer	\$ 55,000
Share of Gen Gov't	\$ 142,800
Share of Public Works	\$ 123,600
Total Expenditures	\$ 813,552
Surplus/Deficit	\$ (86,772)

**Town of Kensington
2024/25 Proposed Capital Plan**

Project Category	Budget 2024/25	Municipal Funding	MBCU 50/50/Other	Federal/Gas Tax	Provincial/Federal Funding (RGI, MSC, ICIP, etc)	Long Term Borrowing
Credit Union Centre						
Fitplex Equipment Replacement	\$5,500		\$2,750		\$2,750	
Total Credit Union Centre	\$5,500	\$0	\$2,750	\$0	\$2,750	\$0
Police Department						
Taser Replacement	\$2,500	\$2,500				
Total Police Department	\$2,500	\$2,500	\$0	\$0	\$0	\$0
Fire Department						
Ice Rescue Suits (two)	\$2,000				\$1,000	\$1,000
Blocking for MVC Scenes	\$3,600				\$1,800	\$1,800
Jaws of Life	\$65,000				\$32,500	\$32,500
Side by Side (ATV)	\$35,000					\$35,000
Trailer	\$25,000				\$12,500	\$12,500
Pumper Truck Primer	\$4,500				\$2,250	\$2,250
Total Fire Department	\$135,100	\$0	\$0	\$0	\$50,050	\$85,050
Town Hall/General Government						
Website Development	\$12,500	\$12,500				
Business Park Signage	\$20,000	\$20,000				
Floor Cleaner - Medical Centre	\$5,000	\$5,000				
School Street Parking Lot	\$300,000	\$150,000			\$150,000	
Speed Radar Sign Replacement	\$35,000	\$35,000				
Bus Stop	\$10,000	\$10,000				
Misc	\$50,000	\$50,000				
Official Plan and Development Bylaw Updates	\$5,000	\$5,000				
Total Town Hall/General Government	\$437,500	\$287,500	\$0	\$0	\$150,000	\$0
Public Works						
Furnace	\$6,500	\$6,500				
Utility Pole Relocation (Sidewalks)	\$244,245			\$244,245		
Maintenance Shop Upgrades (Concrete Floor Repair, Doors)	\$15,000	\$15,000				
Sidewalk Replacement	\$30,000	\$30,000				
Total Public Works	\$295,745	\$51,500	\$0	\$244,245	\$0	\$0
Parks/Recreation/Railyards						
Park and Recreation Improvements	\$44,907			\$44,907		
Freight Shed Upgrades	\$15,000	\$15,000				
Total Parks/Recreation/Railyards	\$59,907	\$15,000	\$0	\$44,907	\$0	\$0
Water and Sewer Utility						
Water and Sewer System Capacity and Water Tower Pre-Design	\$80,000			\$80,000		
Truck	\$40,000	\$40,000				
Total Water and Wastewater	\$120,000	\$40,000	\$0	\$80,000	\$0	\$0
Total	\$1,056,252	\$396,500	\$2,750	\$369,152	\$202,800	\$85,050

Town of Kensington
2024 - 2029 Proposed 5 year Capital Plan

Project/Category	Estimated Cost	2024/25	2025/26	2026/27	2027/28	2028/29
Credit Union Centre						
Fitplex Equipment Upgrades	\$25,500	\$5,500	\$5,000	\$5,000	\$5,000	\$5,000
Skateboard Park Improvements	\$10,000			\$5,000		\$5,000
Utility Trailer	\$5,000		\$5,000			
Zamboni Replacement	\$170,000				\$170,000	
Total Credit Union Centre	\$210,500	\$5,500	\$10,000	\$10,000	\$175,000	\$10,000
Police Department						
Office Equipment Replacement	\$6,000		\$1,500	\$1,500	\$1,500	\$1,500
Police Equipment Replacement	\$10,500	\$2,500	\$2,000	\$2,000	\$2,000	\$2,000
Vehicle Replacement	\$70,000		\$70,000			
Total Police Department	\$86,500	\$2,500	\$73,500	\$3,500	\$3,500	\$3,500
Fire Department						
Bunker Gear Replacement	\$60,000		\$15,000	\$15,000	\$15,000	\$15,000
Jaws of Life Replacement	\$65,000	\$65,000				
Tanker Truck	\$400,000		\$400,000			
Pumper Truck Primer	\$4,500	\$4,500				
Ice Rescue Suits	\$2,000	\$2,000				
Blicking for MVC Scenes	\$3,600	\$3,600				
Side by Side (ATV)	\$35,000	\$35,000				
Trailer	\$25,000	\$25,000				
Pumper Truck	\$400,000			\$400,000		
Total Fire Department	\$995,100	\$135,100	\$415,000	\$415,000	\$15,000	\$15,000
Town Hall/General Government						
Website	\$12,500	\$12,500				
Floor Celaner - Medical Centre	\$5,000	\$5,000				
Official Plan and Zoning Bylaw Updates	\$5,000	\$5,000				
Business Park Signage	\$20,000	\$20,000				
School Street Parking Lot	\$300,000	\$300,000				
Speed Radar Sign Replacement	\$35,000	\$35,000				
Bus Stop	\$10,000	\$10,000				
Miscellaneous	\$50,000	\$50,000				
Office Equipment	\$20,000		\$5,000	\$5,000	\$5,000	\$5,000
Total Town Hall/General Government	\$457,500	\$437,500	\$5,000	\$5,000	\$5,000	\$5,000
Public Works						
Furnace	\$6,500	\$6,500				
Utility Pole Relocation	\$244,245	\$244,245				
Maintenance Shop Upgrades	\$15,000	\$15,000				
Trackless Replacement	\$150,000			\$150,000		
Lawn Equipment Replacement	\$18,000		\$18,000			
Sidewalk Replacement - Various	\$680,000	\$30,000	\$250,000		\$200,000	\$200,000
Total Public Works	\$1,113,745	\$295,745	\$268,000	\$150,000	\$200,000	\$200,000
Parks/Recreation/Railyards						
Parks and Recreation Improvements	\$44,907	\$44,907				
Freight Shed Upgrades	\$15,000	\$15,000				
Core Area Redevelopment	\$2,300,000		\$50,000	\$750,000	\$750,000	\$750,000
EVK Pool Replacement	\$150,000			\$150,000		
Total Parks/Recreation/Railyards	\$2,509,907	\$59,907	\$50,000	\$900,000	\$750,000	\$750,000
Water & Sewer Utility						
Water Model and System Capacity Study	\$80,000	\$80,000				
Truck	\$40,000	\$40,000				
Sewer Main Replacement	\$3,250,000		\$1,000,000	\$750,000	\$750,000	\$750,000
Water Tower Replacement	\$4,000,000				\$4,000,000	
Total Water and Sewer Utility	\$7,370,000	\$120,000	\$1,000,000	\$750,000	\$4,750,000	\$750,000
Total	\$12,743,252	\$1,056,252	\$1,821,500	\$2,233,500	\$5,898,500	\$1,733,500

Town of Kensington - Request for Decision

Date: March 19, 2024	Request for Decision No: 2024-12
Topic: 2024/25 Town of Kensington Property Taxation Rates	
Proposal Summary/Background: Section 160(1) of the Municipal Government Act R.S.P.E.I. 1988, Cap. M-12.1. states: <i>“Subject to this Act, the Real Property Assessment Act R.S.P.E.I. 1988, Cap.R-4, and the Real Property Tax Act, a council shall by resolution, after estimating the probable revenue from all sources other than taxes, approve a tax rate or rates applicable to all real property within the jurisdiction and boundaries of the municipality for the purpose of raising revenue sufficient to defray projected municipal expenditures for that year including any deficit carried forward from the previous year, and shall notify the Provincial Tax Commissioner in accordance with the Real Property Tax Act respecting the approved tax rate or rates.”</i> The Town of Kensington Tax Rates Bylaw states that Town Council shall adopt their tax rates for the upcoming fiscal year prior to March 31 st . It is recommended that the Property Tax Rates for the 2024/25 fiscal year remain unchanged at \$0.55 per \$100 of assessment for Non-Commercial properties and \$1.30 per \$100 of assessment for Commercial properties.	
Benefits: <ul style="list-style-type: none">• None noted.	
Disadvantages: <ul style="list-style-type: none">• None noted.	
Discussion/Comments: It is recommended by the CAO that Town Council approve the commercial and non-commercial tax rates, as recommended.	

Options:

1. Approve the 2024/25 Property Tax Rates as recommended.
2. Not approve the 2024/25 Property Tax Rates as recommended.
3. Approve different Property Tax Rates.
4. Refer the matter back to staff for further deliberation.

Costs/Required Resources:

N/A

Source of Funding

N/A

Recommendation:

It is recommended that Town Council consider and adopt the following resolution:

WHEREAS Section 160(1) of the Municipal Government Act R.S.P.E.I. 1988, Cap. M-12.1. and Section 5.2 of the Town of Kensington's Tax Rate Groups Bylaw requires the town to establish tax rates by resolution;

BE IT RESOLVED THAT the 2024/25 municipal property tax rates for the Town of Kensington of \$0.55/\$100 of assessment for Non-Commercial properties and \$1.30/\$100 of assessment for Commercial properties be hereby adopted and approved.

Town of Kensington - Request for Decision

Date: March 19, 2024	Request for Decision No: 2024-13
Topic: 2024/25 Town of Kensington and Water and Sewer Utility Operating Lines of Credit	
Proposal Summary/Background: <p>Section 166(1) of the Municipal Government Act R.S.P.E.I. 1988, Cap. M-12.1. states that a council may by bylaw authorize the borrowing of money on a short-term basis for the purpose of financing operating expenditures. Section 166(2) states that, except as authorized by the Lieutenant Governor in Council, the amount borrowed for the purpose of financing operating expenditures shall not exceed 50% of the total estimated revenues of the municipality as set out in the adopted operating budget contained in the financial plan for that fiscal year.</p> <p>Section 5.1 of Town Council’s Borrowing Bylaw (Bylaw # 2018 - 02) authorizes Town Council to borrow money for the purpose of financing operating expenditures on a short-term basis.</p> <p>The town’s current operating line of credit is set at \$150,000. The Water and Sewer Utility’s operating line of credit is set at \$75,000. It is proposed that Town Council maintain these same levels for 2024/25.</p>	
Benefits: <ul style="list-style-type: none">• Will allow the Town to finance operating expenditures on a short-term basis when required.	
Disadvantages: <ul style="list-style-type: none">• None noted.	
Discussion/Comments: <p>It is recommended by the CAO that Town Council authorize the General and Water and Sewer Utility Operating Lines, as recommended.</p>	

Options:

1. Approve the Town and Water and Sewer Utility operating lines of credit as recommended.
2. Not approve the operating lines of credit as recommended.
3. Approve operating lines of credit of a different amount.
4. Refer the matter back to staff for further deliberation.

Costs/Required Resources:

N/A

Source of Funding

N/A

Recommendation:

It is recommended that Town Council consider and adopt the following resolutions:

WHEREAS Section 166(1) of the Municipal Government Act R.S.P.E.I. 1988, Cap. M-12.1. authorizes a Town Council to borrow money on a short-term basis for the purpose of financing operating expenditures;

AND WHEREAS Section 5.1 of the Town's Borrowing Bylaw (Bylaw # 2018 - 02) authorizes Town Council, pursuant to subsection 166(1) of the Act, to borrow money for the purpose of financing operating expenditures.

AND WHEREAS Town Council currently carries short-term borrowing in the amount of \$150,000 for the General Account and \$75,000 for the Water and Sewer Utility Account;

AND WHEREAS no change is being proposed in the amounts to be borrowed for the 2024/25 fiscal year;

AND WHEREAS the amounts to be borrowed will not cause the Town to exceed its legislated debt capacity;

BE IT RESOLVED THAT Kensington Town Council approve an operating line of credit of \$150,000.00 from Scotiabank for the Town's General Account with the Chief Administrative Officer, or his designate, and the Mayor, or his designate, being authorized as legal signing

officers;

BE IT FURTHER RESOLVED THAT Kensington Town Council approve an operating line of credit of \$75,000.00 from Scotiabank for the Water and Sewer Utility Account with the Chief Administrative Officer, or his designate, and the Mayor, or his designate, being authorized as legal signing officers.