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## **MEDIA RELEASE**

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### **RE: 2021 Budget**

Administration for the Town of Vermilion proposed a 2021 Operating and Capital Budget with the goal of ensuring that Council's highest priority programs are maintained, the right generation is paying the costs, and any changes in tax and other rates are as predictable and stable as possible while supporting the Town's financial sustainability. An operating surplus of \$26,288 not including amortization is budgeted in 2021, as well as Capital expenditures of \$2,840,000 in 2021 are included in the proposed budget.

The proposed budget includes streamlining staff efficiencies as well as numerous other measures to reduce costs in contracted services and supplies. Council has encouraged Town Leadership to reduce costs where possible and Management has carefully reviewed all expenditure areas from the standpoint of materials, supplies, contract services and personnel costs.

Provincial MOST grant funds of \$425,225 were partially utilized by the Town of Vermilion in 2020, and the remainder be fully utilized to offset increased COVID related costs in 2021 as well as lower revenues.

With non-discretionary expenses including RCMP contracted costs, insurance, utilities, inflationary increases in numerous expenses, decreased revenues and decreased provincial



funding there was still a net revenue shortfall. The increase in RCMP contracted costs accounted for 80% of the required increase in property tax revenue.

The shortfall will be funded by a 1% increase in municipal property tax revenue. The primary increase in mill rates in 2021 will be due to the Provincially managed education property tax requisition, and the combination of property tax revenue, education property taxes and changes in assessment will mean property taxpayers can expect a change of between 2% and 5% on their property tax bill.

The 2021 Capital Budget includes over \$2.4M in the next three years to build the necessary assets related to the Broadband project, with funding from the Municipal Sustainability Initiative Provincial grant. The total expected grant funding for 2021 is \$1,581,000.

Other major projects in the 2021 Capital Budget include Water Infrastructure of \$718,000, Sewer Infrastructure of \$500,000 and Street Improvements of \$461,000.

The Ice Plant project that was originally budgeted in 2019 for \$1.9M and amended to \$1.8M on February 16, 2021 is also proceeding with commitments from the Town of Vermilion, Provincial grants, the County of Vermilion River and generous community donations.

### **Media Information:**

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