

## PRESS RELEASE

On December 15, 2009, the Town Council approved the 2010 Operating Budget for the Town of Fort Smith.

In adopting this budget, Town Council evaluated requirements for maintaining excellent municipal programs and services giving consideration to: basic safety needs; legal and regulatory requirements; provisions of the employees' collective agreement; timely maintenance of municipal infrastructure; increased corporate planning; health and community wellness benefits through recreation; partnerships for shared revenue; public supported initiatives; and the general increase in the cost of materials and supplies.

With no tax increase for approximately 10 years, rising operating costs and two large structures built, Town Council was left with no option but to increase taxes by 10% (raising \$177K in revenues) to cover the shortfalls that resulted. Proper asset management and appropriate human resources are necessary to continue to provide the superior municipal services already available to the citizens of Fort Smith. It was a difficult decision to balance the requirements to operate the municipality with fiscal prudence. In addition, the worldwide recession has impacted the investment income of the Town with over \$100,000 less interest revenue. The Town will be partnering with other governments and agencies to leverage funds to provide additional services without additional expenses.

**For the average household, the tax increase will be approximate \$150 - \$200/year or 40 to 60 cents per day.**

The revenues and expenses are broken out below:

### 2010 General Operating Revenues

Residential Property Tax	\$1,058,310	16%
Non-Residential Property Tax	\$ 470,734	7%
Grants-in-Lieu	\$ 770,380	12%
GNWT Operating Grant	\$1,631,000	25%
GNWT Capital Grant	\$1,114,000	17%
Gas Tax Transfer	\$ 723,742	11%
Interest (all sources)	\$ 143,000	2%
Recreation	\$ 264,800	4%
Other Revenues	\$ 105,200	2%
Transfer from Reserves	<u>\$ 134,490</u>	2%
TOTAL REVENUES	\$6,415,656	

### 2010 General Operating Expenses

General Government	\$ 864,269	13%
Protective Services	\$ 416,614	6%
Public Works	\$ 849,485	13%
Recreation	\$1,649,986	26%
Community Services	\$ 182,050	3%
Capital Projects	\$1,837,742	29%
Fiscal Services	\$ 229,688	4%
Long Term Debt Payment	<u>\$ 385,822</u>	6%
TOTAL EXPENSES	\$6,415,656	

At this time, the Town of Fort Smith has reserves of over \$7 million. Due diligence in the past set aside these reserves to cover major infrastructure projects; replacement/major retrofits of buildings and equipment; and to cover emergencies. These reserves have already been committed to: community wide paving (including the track) and water & sewer upgrades; mobile equipment replacement; computer systems; recreation infrastructure; general operations; municipal infrastructure; utility, and emergency equipment. **These funds are restricted to infrastructure projects and cannot be used to cover operating expenses.**

Currently, citizens of Fort Smith enjoy first class municipal programs and services and have one of the lowest rates of taxation in the NWT. Town Council and the dedicated Town Staff are committed to maintaining this high level of municipal operations.

In 2010, The Town Council is embarking on the largest public input events in the Town's history as part of a major strategic planning process to develop forward planning for the Town of Fort Smith. Public input will be gathered through focus groups, interviews, a survey, and a community Open House February 5 & 6, 2010. Additionally, a review of all Town operations will be carried out.