



**Letter from Hanwell CAO/Treasurer
2023 Operating Fund Budget Summary
Hanwell Rural Community (Entity 62)**

Our 2023 Operating Fund Budget has been approved by the Minister of Environment and Local Government. This year the budget process was a challenging experience as we brought together the budgets for Hanwell, and the Local Service District (LSD) budgets of Kingsclear, Kings-Oswald and Ludford.

For many municipalities/local governments an Advisory/Transition committee was established to determine many decisions and budget requirements for the entities. In Hanwell, we were very fortunate as our community only had a by-election to appoint two new councillors for Ward 5 and 6, so our current council was able to have input into our 2023 Operating Fund Budget however the Minister gave the final approval.

The Advisory/Transition committee as well our current council were very concerned about the assessment increases this year and wanted to ensure that our budget was very economical so that our residents wouldn't have a huge increase due to assessment and municipal tax rates. The province imposed 5 new mandated services for all entities; Economic Development, Tourism, Regional Transportation/Public Safety, Community Development/Social Inclusion, Regional & Collaborative Services so tax rates will be affected.

Below, you will find the tax rates for 2023 and the impact on each entity compared to 2022.

Sub-unit	2022 Tax Rate	2023 Rate	2023 Rate for Services Provided by the Minister	Change in 2023
Hanwell	\$0.5520	\$0.3500	\$.01603	(0.0417)
Hanwell Street Lights	\$0.5756	0.3710	\$0.1603	(0.0443)
Kingsclear LSD	\$0.4139	\$0.3106	\$0.1552	0.0519
Oswald Gray	\$0.4464	\$0.2646	\$0.1544	(0.0274)
Ludford Subdivision	\$0.4468	\$0.3162	\$0.1544	0.0238

You Ask:

Question- I heard through social media that some places were “spreading” out a tax rate, what does that mean? With the Municipal Reform we had the opportunity to spread the tax rate increases over a number of years as there are many local governments that saw very high increases however under the direction of the Advisory/Transition Committee and Council it was decided that we would “bite the bullet” all in one year.

Question- Why aren’t the tax rates all the same? There are a few services that some portions of our entity have, and others don’t.

- Streetlights- Only a portion of Hanwell and Oswald Gray have lights.
- Recreation Agreement- Only Hanwell and Ludford Subdivision pay into the Fredericton Recreation Agreement. *(The CAO/Treasurer has a meeting scheduled to discuss this and how the remainder of our new entity can join if they want, what is the process and when is the earliest it could happen. An update will be given at a later date)*

Question- Why did Oswald Gray’s tax rate go down, but the other two LSD’s rates went up?

On the budget we are required to bring forward the previous 2nd year surplus or deficit. This year Oswald Gray had a surplus from 2021 in the amount of \$5,267. Based on their tax base that is approximately \$0.07 on their rate so that was very beneficial this year to offset any expenditures.

Question- I heard that the boundary lines were changing in Kingsclear but yet the Upper Kingsclear Fire Department is still going to cover those areas, why should “we” pay for them?

There is a portion of Kingsclear that was annexed to the Rural Community of Harvey. The RC of Harvey will reimburse Hanwell for fire services to cover that area, in the amount of \$109,266.

Question- In the table above, it shows a tax rate for services provided by the Minister, what are these services and are there any other tax rates that we don’t know about?

The Minister looks after Policing Services which includes administration costs. The cost averaged \$0.17 in 2022 however due to the province having large increases in the tax bases across the province the cost for policing went down and is averaging between \$0.15-\$0.16. On your property tax bills you will also find another tax rate of \$0.41 for Transportation (DTI) for the roads because Hanwell doesn’t control the roads/ditches etc.

Question- I used to get my services from a certain contractor, is that going to change this year now that we are one entity? No, all contractors will remain the same for 2023 for snow removal at fire stations/community halls, garbage collection and recycling. In the fall of 2023 these will be put out to tender.

Question- I keep hearing about “mandated services” what are they and how much did they cost? The province imposed 5 new mandated services for all entities to be delivered through the Capital Regional Service Commission (former RSC11). These include the following and made a difference of approximately \$0.01 on the tax rate:

Economic Development	\$55,153
Tourism	\$57,149
Regional Transportation/Public Safety	\$ 7,549
Community Development/Social Inclusion	\$ 3,297
Regional & Collaborative Services	\$ 7,751

Question- I suppose now that the LSD’s are part of Hanwell, this means we have to pay a lot for salaries that we didn’t before? These are considered a shared cost; there will be two positions hired, one as Director of Recreation & Parks and an Asst. Clerk. Our previous Clerk was appointed to a Chief Administrative Officer position and the Asst. Clerk was appointed as the Clerk by the Minister, so another Asst. Clerk will be hired. A Recreation Director is needed so we can utilize the community centre in Hanwell as well as the one in Upper Kingsclear. We also have acquired a ballfield, soccer fields, basketball courts, multi-purpose surfaces as well we are in hopes of having an MOU finalized with the Hanwell Park Academy to utilize their facilities in the summer months, so hopefully in the near future we will be advertising many new programs for our residents of all ages.

With the salaries for staff (current & future), the salary for council (former and 2 additional) and cost for desks/chairs, travel, training it is under \$50,000 increase from last year.

In Summary- Due to the increase in revenues, a large increase in the residential and non-residential tax base and a very economical budget, we are pleased to present to you the 2023 Operating Budget Summary.

If you have any questions, please contact me at tparker@hanwell.nb.ca and I will answer your questions.

Regards,



Terri L Parker
CAO/Treasurer
Hanwell