



PRESS RELEASE

For immediate release

IN LIGHT OF THE ECONOMIC SITUATION, COUNCIL ADOPTS A RESPONSIBLE \$26 MILLION BUDGET

Chelsea, December 20, 2023 – Against a backdrop of tougher economic conditions that have not spared municipalities, Municipal Council has adopted a balanced budget of \$26M, with a residential tax increase of 6.3%, in line with inflation which hit 6.2% in 2023. In concrete terms, this represents a \$308.50 increase for a house of median value.

After the tabling of the new assessment roll, which saw property values rise by a historic 46%, the Municipality cut its tax rate BY 27 % for 2024. As a result, the 2024 tax rate will change as follows compared to 2023:

- \$0.7934 to \$0.5805 for residential
- \$1.1902 to \$0.8792 for commercial

The tax increase is mainly due to reasons beyond the Municipality's control:

- NCC shortfall of \$900,000
- Significant increase in inflation-related spending since 2021
- Significant increase in interest rates on financing
- The 10.5% increase in the MRC's share, for a total of \$4.1 million
- Lower revenues from transfer tax and permits

In very concrete terms, a 1% tax increase brings in \$171,500 in revenue for the Municipality. A 5% increase would have been required just to offset the NCC's shortfall alone.

Given this economic situation, Municipal Council and employees have had to make major cuts to minimize the tax increase and balance the 2024 budget. Cuts to certain services and a hiring freeze were required to prioritize essential needs and respect taxpayers' ability to pay.

Highlights

In this context, the 2024 budget mainly includes spending on essential services and revenue diversification. Added to this are a number of ongoing projects and initiatives related to the strategic plan and the environment, resident services optimization, road safety, and active mobility.

- \$9 million for essential services and revenue diversification expenses, for example:
 - Waste collection
 - Snow removal
 - Expenses related to drinking water and wastewater plants
 - Maintenance of existing buildings, roads, and trails
 - An analysis of revenue diversification opportunities
- \$90,000 for the environment and to optimize services for residents, with the following key projects:
 - Conservation plan for 30% of the territory
 - Carsharing project
 - Climate action plan to reduce greenhouse gases
 - Tree-planting incentive program
 - New citizen platform
- \$84,000 in safety and active mobility with the following key initiatives:
 - Speed-calming measures on roads
 - Continuation of trail projects

"This fiscal year has been a particularly challenging one," said Mayor Pierre Guénard. "The 6.3% increase was unavoidable to offset the various increases and shortfalls affecting the Municipality. The \$26 million budget we passed is all about getting back to basics. To do so, we had to make some difficult choices, including moving forward with a hiring freeze and cutting some projects and services for residents. We're planning for the future by implementing our strategic plan to optimize essential services for residents, diversify revenue, and capitalize on subsidies, despite the inflationary headwinds we currently face." said Mayor Pierre Guénard.



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To help residents pay their taxes, bills are payable in six instalments, which is two more than last year. A seniors grant from the provincial government is also available for those who meet the criteria.

Adoption of the three-year capital expenditure plan (PTI)

Municipal Council also adopted the PTI for 2024–2026. It includes investments of \$57 million, divided into annual phases of \$24.3 million for 2024, \$10.2 million for 2025, and \$22.4 million for 2026. The PTI includes the various projects the Municipality plans to carry out over the next three years so they can be planned over time and funded from various revenue sources. It represents Municipal Council's intentions for capital investments.

Highlights

- \$13.5 million for the wastewater and drinking water plants
- \$5.5 million for the purchase of land allotted for utilities and the environment
- \$100,000 for community access to the river
- \$1 million for parks and green spaces
- \$1.9 million for vehicles and equipment
- \$1.8 million for road infrastructure, active mobility and safety

For more information, visit chelsea.ca/budget.

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