

Town of Sampletown
Budget 2011

PART A

Using the information below, please complete the *Debt Charges Summary* as well as the appropriate *Expenditures* and *Revenues* sections of the **Municipal Budget Submission Form. *(Please note: total expenditures must equal total revenues)***

1. Council estimates that repairs to sidewalks in Sampletown will cost \$2,500. This work is to be completed by municipal employees.
2. The town office is getting low on office supplies and will need to replenish in the new fiscal year. \$1,500 will be budgeted for this.
3. The salary of the part-time Town Clerk will increase from \$25,000 to \$30,000, effective January 1, 2011.
4. There is a room in the Town Hall that is rented out for meetings and other functions. Rental income for next year is expected to be \$3,000.
5. There are 15 commercial properties in Sampletown. Ten of these have a combined value of \$2,500,000 and pay on the minimum tax method of \$350 per property. The other five pay on the mil rate method @ 15 mils and they have a combined value of \$1,000,000.
6. All 15 of the town's commercial properties are connected to the water and sewage system and pay a tax of \$400 per property.
7. The town obtained a quote of \$5,000 for its auditing fees for next year.
8. Sampletown's total insurance for all buildings, equipment, and liabilities for next year is \$10,000.
9. The town clerk is a member of Professional Municipal Administrators. The annual membership fee is \$200.
10. The town's estimated hydro bill for street lighting for next year is \$10,000.
11. The town's estimated hydro bill for its water pumping station for next year is \$8,000.
12. For the past number of years, Sampletown has spent approximately \$10,000 per year on garbage disposal. Effective January 1, 2011, the town will be required to join the new Central Waste Management Strategy and there will

be an increase in the cost of garbage collection and disposal. It is expected that the increase will be between \$4,000 and \$5,000. In light of this, Council has decided to budget \$15,000 for garbage collection and disposal in 2011.

13. Council plans on purchasing a new truck at a cost of \$80,000. Council will be acquiring the loan for this truck from Scotiabank in December of this year, with the first monthly payment due on January 1, 2011, in the amount of \$800. The maturity date of the loan is January 1, 2021.
14. The provincial portion of the town's debt charges for water and sewer to Newfoundland Municipal Financing Corporation is \$10,000 per year. This loan was for \$200,000 and will mature on July 21, 2013.
15. For the past three years, Sampletown has had uncollectible taxes ranging from \$2,500 to \$3,500, and is anticipating around the same for 2011. Council decides to budget for \$3,200.
16. The town's Gas Tax allocation for next year is \$20,000. This money will be spent on road paving.
17. Council has decided to purchase a new sewer jet for maintenance of the town's sewage system, at a cost of \$5,000. The sewer jet will be purchased from general revenues, thus, capital expenditure out of revenue.
18. Sampletown has 100 residential properties; 80 of these pay on the mill rate method at 10 mils and they have a combined value of \$4,000,000. Twenty of these have a combined value of \$2,000,000 and pay on the minimum tax method of \$300 per property.
19. There are 10 people on the town's poll tax roll. The poll tax rate is \$225 per year.
20. Of Sampletown's 100 residential properties, 90 are connected to the water and sewage system and pay a tax of \$300 per household; 10 have water tax only at a rate of \$200 per household.
21. Sampletown charges the neighboring town \$5,000 per year for fire protection.
22. The town charges an interest rate of 1% per month on all outstanding taxes received after the due date. This year, the town collected \$2,000 in interest and the same is expected for next year.
23. Sampletown received a Municipal Operating Grant in the amount of \$15,250.
24. \$1300 has been budgeted for Employee Benefits. The same amount has been budgeted for Payroll Burden.

25. Five hundred dollars has been budgeted for animal and pest control.
26. Last year, Sampletown collected \$2,500 in business taxes. This amount is expected to increase by \$500 next year.
27. Council expects to spend \$8,000 on sewage collection and disposal.
28. In April, 2011, the Town Clerk will be attending a seminar on Cash Handling; the estimated cost of this is \$250.
29. Council estimated last year's snow removal costs to be \$6,000. In reality, however, costs were higher. Therefore, \$7,500 will be budgeted for snow removal in 2011.
30. In order to enhance the beauty of their community, the Town Council of Sampletown will be sponsoring two municipal 'Clean-Up' days, during which residents will be involved with collecting garbage in the park and along the town's river banks. \$2,150 will be budgeted for Clean-Up Days in 2011.
31. Council has received complaints from residents that the local playground is in need of repair. Therefore, \$4,000 has been budgeted for playground repair and improvement.
32. The utility tax rate for the Town of Sampletown is 2.5%. Council expects to collect \$10,000 in utility taxes in 2011.
33. Council budgets \$10,000 for the development of its Municipal Emergency Plan.
34. Operation and maintenance of fire fighting vehicles and equipment is expected to cost \$5,000.

PART B

Using the information from your balanced budget, please calculate the Debt Servicing Ratio (DSR) for the Town of Sampletown. (Please see Page 10 of the Municipal Budget Submission Form.)

PART C

Please complete the *Summary of the Municipal Budget Submission Form.*
(Found on page 11).