

STAFF REPORT

TO: Members of Shelburne Municipal Council

FROM: Marcia d'Eon, Director of Operations & Protective Services Services

APPROVED BY: Warren Macleod, Chief Administrative Officer

DATE: January 14, 2025

SUBJECT: **Area Rate Options for Town of Shelburne Fire Truck 2026-27**

ORIGIN

Council’s decision to pay for the Municipality’s portion of 2025 Dependable Spartan Fire Truck, purchased by the Town of Shelburne, by way of area rate.

RECOMMENDATION

That Council of the Municipality of the District of Shelburne approve an area rate for the 2025 Dependable Spartan Fire Truck, purchased by the Town of Shelburne, in the amount of \$0.0390/\$100 of taxable assessment (3.90 cents) for a five-year term; and

That the area rate be applied beginning on the 2026-27 tax bills for eligible municipal properties in the Town of Shelburne’s Fire District service area; and

That an information letter be sent to residents of the service area detailing the need for the expenditure, the amount of the expenditure, and the area rate and term.

DISCUSSION

The Municipality’s portion of the fire truck purchase is \$415,285. The current total taxable assessed value for the service area is \$212,889,500.

Area Rate for five years would be \$0.0390 (3.90 cents) per \$100 of taxable assessment. For a \$100,000 taxable assessed property, the area rate charge on the tax bill would be \$39.00.

Area Rate for ten years would be \$0.0195 (1.95 cents) per \$100 of taxable assessment. For a \$100,000 taxable assessed property, the area rate charge on the tax bill would be \$19.50.

It is important to note that the taxable assessed value of any property can change throughout the year and over the term for the service area. For example: due to changes in assessment values, new construction, demolition or assessment appeals. These figures are estimated to the best of staff’s ability but cannot be

guaranteed. If the area rate collected is over the amount owed to the Town, staff would earmark those funds in a dedicated operating reserve for the next capital purchase in that area. If the area rate collected is less than the amount owed to the Town, the Municipality would have to absorb the shortage. The Town of Shelburne has provided a multi-year capital replacement plan that includes purchasing new fire trucks approximately every five years. A fire area rate for each purchase will be added once the costs are known. Staff recommend setting an area rate for the five-year period to avoid the eventual stacking of area rates for multiple capital purchases.

An information letter will be provided to residents affected by the area rate. As per our Fire Services Agreement with the Town of Shelburne a community vote is not permitted, and the vehicle has already been purchased by the Town of Shelburne.