

2016 Revised Budget Summary

02-May-16

OPERATING BUDGET

DESCRIPTION	2015 ACTUAL	2015 APPROVED BUDGET	2016 BUDGET PRE-APPROVED	2016 REVISED BUDGET	BUDGET 2016 vs 2015
Legislative	348,532	380,385	388,500	388,500	0
Administration	1,996,965	2,354,840	2,219,280	2,466,370	247,090
Peace Officers	198,171	242,900	395,050	428,850	33,800
By-Law Enforcement	0	0	0	2,800	2,800
Fire Protection	342,904	465,600	477,900	489,300	11,400
Disaster Services	-1,965	13,767	14,300	15,300	1,000
Health & Safety	145,720	196,600	213,700	244,450	30,750
Public Works	7,440,780	8,447,720	9,433,045	9,060,804	-372,241
Airport Transportation	52,370	29,850	36,850	36,850	0
Water Supply Hamlets	0	0	0	-26,775	-26,775
Sanitary Sewer Hamlets	0	0	0	-19,700	-19,700
Waste Disposal Hamlets	0	0	0	5,450	5,450
Community Services	29,173	109,330	231,002	192,231	-38,771
Public Health	76,930	130,800	143,800	144,800	1,000
Environment (ASB)	628,427	829,500	806,010	848,200	42,190
Economic Development	250,674	459,600	436,100	426,150	-9,950
Planning and Development	66,869	195,500	187,950	203,100	15,150
Parks	70,509	147,650	104,650	146,050	41,400
Recreation	723,204	750,000	750,000	900,000	150,000
Culture	137,887	186,100	192,750	194,150	1,400
Revenue Own Source/Tax Bad Debt	67,951	-142,500	-233,000	-148,500	84,500
Gas Distribution Hamlet Galahad	0	0	0	-19,000	-19,000
TOTAL OPERATING	\$12,575,101	\$14,797,642	\$15,797,887	\$15,979,380	\$181,493

CAPITAL, INVENTORY, GRANTS, RESERVES

Transfer from MSI Capital Grant	-817,271	-841,181	-1,290,781	-1,856,996	-566,215
Federal Gas Tax Grant	0	0	-516,297	0	516,297
Sale of Equipment	-747,915	-637,000	-307,500	-307,500	0
Transfer from Reserves Operating	872,031	-147,042	-365,000	-474,800	-109,800
Transfers To/From Reserves	380,300	1,513,150	-2,500,000	-370,000	2,130,000
Capital - Equipment/Vehicles	2,268,842	2,481,404	2,172,240	2,174,860	2,620
Capital - Buildings/Land/Improvements	475,944	697,800	597,850	597,850	0
Capital - Airport	54,353	36,850	34,650	34,650	0
Capital - Road Construction	2,795,905	300,000	5,360,500	2,866,600	-2,493,900
Capital - Pavement	224,778	0	0	0	0
Capital - Bridges	66,100	904,780	280,500	840,400	559,900
Capital - Gravel	970,000	1,300,883	1,270,000	1,240,000	-30,000
Capital - Parks/Recreation	10,096	0	49,500	49,500	0
TOTAL CAPITAL, INVENTORY, GRANTS, RESERVES	\$6,553,163	\$5,609,644	\$4,785,662	\$4,794,564	\$8,902

Total Cash Required	\$20,407,286	\$20,583,549	\$20,773,944	\$190,395
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Non Cash Items

Depreciation Expense	\$3,725,818	\$4,000,000	\$4,078,200	\$4,400,000	\$321,800
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Proposed Tax Rates

	LIVE ASSESSMENT	Grant In Lieu ASSESSMENT	TOTAL ASSESSMENT	REQUISITION	2016 TAX RATE	2015 TAX RATE	% CHANGE TAX RATE
Alberta School Foundation							
Residential & Farmland	472,998,516	0	472,998,516	\$1,143,190	2.4169	2.4227	-0.24%
Non Residential & Linear	728,943,705	0	728,943,705	\$2,727,926	3.7423	3.6471	2.61%
School RCSSD #49							
Residential & Farmland	12,447,874		12,447,874	\$30,085	2.4169	2.4227	-0.24%
Non Residential & Linear	9,405,325	9,920	9,415,245	\$35,235	3.7423	3.6471	2.61%
Flagstaff Foundation	1,488,656,750		1,488,656,750	\$340,604	0.2288	0.2391	-4.31%
Waste Management	1,488,656,750		1,488,656,750	\$405,000	0.2721	0.2717	0.15%
Municipal - Farmland	165,787,360		165,787,360	\$2,579,270	15.5577	15.5577	0.00%
Municipal - Residential	319,659,030		319,659,030	\$1,485,392	4.6468	4.6468	0.00%
Municipal - Linear and Non Res	1,003,200,440	9,920	1,003,210,360	\$16,276,988	16.2249	16.2249	0.00%
Recreation	1,488,656,750		1,488,656,750	\$650,000	0.4366	0.5266	-17.09%
Minimum Tax				\$10,740			
TOTALS				\$25,684,429			

VARIOUS TAX RATES:	2016 Residential Seperate	2016 Farmland Seperate	2016 Residential Public	2016 Farmland Public	2016 Non residential	2016 Linear	2016 Machinery & Equipment
School Foundation	2.4169	2.4169	2.4169	2.4169	3.7423	3.7423	0.0000
Flagstaff Foundation	0.2288	0.2288	0.2288	0.2288	0.2288	0.2288	0.2288
Waste Management	0.2721	0.2721	0.2721	0.2721	0.2721	0.2721	0.2721
Recreation	0.4366	0.4366	0.4366	0.4366	0.4366	0.4366	0.4366
Municipal-General	4.6468	15.5577	4.6468	15.5577	16.2249	16.2249	16.2249
2016 RATES	8.0012	18.9121	8.0012	18.9121	20.9047	20.9047	17.1624
2015 RATES	8.1208	19.0178	8.1208	19.0178	20.9094	20.9094	17.2623
Overall % Change from 2015	-1.47%	-0.56%	-1.47%	-0.56%	-0.02%	-0.02%	-0.58%
Proposed Budget Overall Change	0.17%	1.71%	0.17%	1.71%	1.27%	1.27%	1.54%
2014 RATES	7.7265	18.2971	7.7265	18.2971	20.0623	20.0623	16.4490

FARM LAND	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MILLRATES	16.153	16.153	16.153	15.2092	15.2142	15.2317	15.2317	15.2317	15.2317	15.7643	15.7643	16.3162	16.0977	16.1388	17.0143	17.7807	18.2971

2016 PROPOSED BUDGET REVISIONS

OPERATING BUDGET

Administration: \$2,466,370

Increased by \$247,090

- Decreases
 - Salary/Benefits - \$33,270 Adjustments to staff due to Hamlet transition
- Increases
 - **Revenue** - \$30,790
 - Assessment - \$15,000 (rate increase and additional parcels to include Hamlets)
 - Software - \$15,000 – Software upgrades and additional modules (Service Request Module)
 - GIS - \$70,000 – Video Data project budget was not included in initial budget but payment is due in 2016 plus the Hamlet mapping project.
 - Building Maintenance - \$48,000 – Repairs to administration building
 - Computer Services - \$45,000 – Replacement of computers installation (3 year cycle), upgrades to licenses also on a 3 year cycle.
 - Insurance - \$18,500 – Building and liability insurance for Hamlets
 - Flagstaff Inter-Municipal Partnership - \$48,000 – Requisition
 - Hamlet Expenses - \$30,000 Transition costs Hamlets
 - Supplies/Utilities - \$8,000 - Hamlets

Peace Officers: \$428,850

Increased by \$33,800

- Increases
 - Salary/Benefits - \$30,500 due to market adjustment

By-Law Enforcement: \$2,800

- Increases
 - **Revenue** - \$700 - Dog and Cat licenses
 - Contracted Services - \$3,500 for by-law enforcement

Fire: \$489,300

Increased by \$11,400

- Decreases
 - Fire Protection - \$59,700 changes in payments to Towns & Villages for 50% fire expenses
- Increases
 - Salary/Benefits - \$24,000 to accommodate a 0.4 FTE for administrative help and honorariums for Hamlet fire fighters.
 - Contracted Services - \$25,900 - Telephone, Insurance, Building Maintenance, Equipment repairs for Hamlets
 - Utilities and Supplies - \$20,200 – Utilities fire halls in Strome/Galahad and gear for volunteer fire fighters.

Health & Safety: \$244,450

Increased by \$30,750

- Increases
 - Wages/Benefits - \$12,150 to accommodate a 0.4 FTE for administrative help
 - Occupational Hygiene Monitoring - \$16,600

Public Works: \$9,060,804

Decreased by \$372,241

- Decreases
 - Salary/Benefits - \$146,800 – due to reallocation of wages for water/sewer, adjustment for Public Works Assistant Superintendent, changes in staff due to Hamlet transition
 - Contract Gravel Haul - \$285,000 – Contract haul for Daysland Stockpile came in under budget
- Increases
 - **Revenue** - \$124,391 – MIS Operating grant utilize in Dust Suppressant Program
 - Utilities – \$36,100 for street lights and public works buildings in Hamlets
 - Insurance - \$9,350 - Hamlets
 - Machinery repairs - \$26,500
 - Crack-filling - \$28,000 – Hamlets (Strome \$21,000, Galahad \$7,000)
 - Oil & Asphalt - \$18,000 – MC30 Strome and Airport Taxi-ways
 - Dust Control Product - \$20,000 – Test product budget set aside to be further discussed
 - Engineering Gravel/Reclamation - \$22,000 – Reclamation certificate Skori (Old) pit
 - Equipment Rental - \$18,000 – rental of crawler to assist with gravel stockpile project at Daysland
 - Road Maintenance - \$6,000 – Signs Hamlets \$2,000, Railway crossing maintenance agreement Strome \$4,000

Water Supply Hamlets (New): (\$26,775)

There is a credit of \$26,775 showing on the operating side of the water supply, this credit reflects revenue collected for utilities and is allocated towards the infrastructure replacement reserve.

Sanitary Sewer (New): (\$19,700)

There is a credit of \$19,700 showing on the operating side of the sanitary sewer, this credit reflects revenue collected for utilities and is allocated towards the infrastructure replacement reserve.

Waste Disposal (New): \$5,450

In 2016 we need to raise \$5,450 in tax revenue to cover the cost of services for garbage pick in the Hamlets due to the fact that the new utility rates do not come into effect until spring of 2016 when new Utility Rate By-Law is approved.

Flagstaff Family Services: \$192,231

Decreased by \$38,771

- Decreases
 - Youth Center - \$16,696 – Adjusted to actual amount paid in 2016
 - Mennonite Program - \$27,600 – No funding required in 2016

Agricultural Service Board: \$848,200

Increased by \$42,190

- Increases

- **Revenue** - \$17,000 – Shelterbelt trees \$8,000, Hamlet water sales \$10,000
- Salaries/Benefits - \$36,190 – previous budget did not accommodate for Maternity leave position
- Tank Loader Repairs - \$5,000 – repairs to water stations in Hamlets
- Shelterbelt trees - \$14,000 – increase in amount of trees ordered

Economic Development: \$426,150

Decreased by \$9,950

- Decreases
 - Youth Development - \$8,750 – No Junior Achievement Program in 2016
- Increases
 - **Revenue** - \$12,000 – Grant funding Travel Alberta (Canada)
 - Salaries/Benefits - \$5,550
 - Promotional Items - \$15,000

Planning/Development: \$203,100

Increased by \$15,150

- Increases
 - Subdivision Appeal - \$15,000

Parks: \$146,050

Increased by \$41,400

- Increases
 - Insurance - \$9,950 – Hamlets
 - Parks Projects - \$28,000 – Conservation Easement (funded from reserves)
 - Utilities - \$1,450 – Hamlets
 - Supplies/Fuel - \$5,500 – Hamlets

Recreation: \$900,000

Increased by \$150,000

- Increases
 - Valley Ski Club - \$150,000 – Council resolution (funded from Recreation Reserve)

Revenue Own Sources: (\$148,500)

Decreased by \$84,000

- Increases
 - **Revenue** - \$15,500 – Franchise Fees Hamlets
 - Bad Debt Taxes - \$100,000 (based on Companies that are in arrears but still continue to have active assessment)

TOTAL OPERATING BUDGET INCREASE = \$181,493

CAPITAL BUDGET

REVENUE:

MSI Capital Grant: (\$1,859,996)

Increased by \$566,215

- This budget proposes utilizing MSI Capital funds for the following projects in 2016
 - \$150,000 – Tank Loader
 - \$840,396 – Bridges (Basic Municipal Transportation Grant)
 - \$366,600 – Construction (Basic Municipal Transportation Grant)
 - \$500,000 - Gravel

Federal Gas Tax: (\$0)

Decreased revenue by \$516,297

- Construction projects scheduled for 2017 will be completed and the original project for 2016 will be completed in a following year. These funds will be utilized at that time.

EXPENDITURES:

Capital Equipment/ Vehicles: - TOTAL of \$2,174,860

Increased by \$2,620

Road Construction: - TOTAL of \$2,866,600

Decreased by \$2,493,900

- Construction project originally scheduled has been delayed and the 2017 projects have been moved ahead of schedule to be completed in 2016.

Bridges: Total of \$840,400

Increased by \$559,900

- Completion of Bridge #1696 was not completed in 2015, this project has since been completed in 2016 and is funded using MSI Grant (BMTG) as previously approved.

Gravel Inventory: Total of \$1,240,000

Decreased by \$30,000

TOTAL CAPITAL BUDGET INCREASE = \$8,902

RESERVE CHANGES

Operating Reserves Transfers: (\$474,800)

Increased by \$109,800

- Decreases
 - Special Projects \$150,000 – Community Resource Officer
 - Recreation - \$278,000 – \$100,000 off set Mill rate, \$150,000 Valley Ski Club and Conservation Easement \$28,000
 - Cemetery Grants - \$30,000
 - MDP/LUB project - \$85,000

- Increases
 - Water Infrastructure - \$29,500
 - Sanitary Sewer - \$19,700
 - Gas Distribution - \$19,000

Capital Reserves Transfers: (\$370,000)

Decreased by \$2,130,000

- Construction project originally scheduled has been delayed these funds will be utilized when project is rescheduled (\$2,130,000)
- Gravel Production - \$370,000

Reserves Net Change: (\$844,800)

<u>TOTAL PROPOSED INCREASED REVISED BUDGET = \$190,395</u>						
<table style="width: 100%; border: none;"> <tr> <td style="padding-right: 20px;">Operating Budget Increase -</td> <td style="text-align: right;">\$181,493</td> </tr> <tr> <td>Capital Budget Increase -</td> <td style="text-align: right;"><u>\$ 8,902</u></td> </tr> <tr> <td>Total 2016 Proposed Revisions</td> <td style="text-align: right;">\$190,395</td> </tr> </table>	Operating Budget Increase -	\$181,493	Capital Budget Increase -	<u>\$ 8,902</u>	Total 2016 Proposed Revisions	\$190,395
Operating Budget Increase -	\$181,493					
Capital Budget Increase -	<u>\$ 8,902</u>					
Total 2016 Proposed Revisions	\$190,395					

ASSESSMENT

The assessment has an overall increase of 4.7361% from 2015 of which approximately 1.4% is attributed to the Hamlet assessment. Listed below is the comparison:

	2015	2016	Difference	%
Farmland	165,803,390	165,787,360	-16,030	-0.0096%
Residential	285,497,320	319,659,030	34,161,710	11.9656%
Non Res / Linear	970,039,730	1,003,210,360	33,170,630	3.4195%
TOTAL	1,421,340,440	1,488,656,750	67,316,310	4.7361%

Hamlet of Galahad – Total Assessment	5,219,650
Hamlet of Strome – Total Assessment	13,908,980
Flagstaff Rural – Total Assessment	1,469,528,120

TAX RATES:

Proposed Overall Rates would increase as listed:

CLASS	2015 vs 2016 Proposed Rates	2015 vs 2016 Revised Budget
Residential	0.17%	-1.47%
Farmland	1.71%	-0.56%
Non Residential / Linear	1.27%	-0.02%
Machinery & Equipment	1.54%	-0.58%

This overall increase in the rates includes the following changes:

Alberta School Foundation:

Residential/Farmland decrease of **0.24%**

Non Residential/Linear increase of 2.61%

Flagstaff Foundation – decrease of **4.31%**

Waste Management – increase of 0.15%

Municipal Farmland – 0%

Municipal Residential – 0%

Municipal Non Residential/Linear – 0%

These proposed tax rates would result in an approximate surplus of \$228,400. We propose allocating this revenue in a Tax Rate Stabilization Reserve for future years to offset decreases in assessment and/or unpaid taxes from the Oil & Gas Industry.