



**TOWN OF BLACKFALDS
REGULAR COUNCIL MEETING
REQUEST FOR DECISION**

COUNCIL MEETING DATE: December 10th, 2019

ORIGINATED BY: Justin de Bresser, Director of Corporate Services

SUBJECT: 2020 Operating Budget Approval

BACKGROUND:

The 2020 Operating Budget has been prepared and reviewed through a collaborative process. This process commenced earlier in the year with the approval of the budget timeline and public engagement with a budget survey. Over the past few months, Administration and Council have had various discussions, presentations, and budget retreats on 2020 Operating Budgets. This collaborative approach has allowed Administration and Council to review the budget with consensus.

Additional discussion on the 2020 Operating Budget was facilitated at the [November 26 Regular Council Meeting](#). Comments and changes from this meeting and throughout the budget process are summarized in Appendix 1. Council directed Administration to include bridge funding for the salaries of Parent Link employees. Additionally, the Community Centre rental income has been reduced by \$30,000 as a result of the funding changes to Lacombe FCSS for administering Parent Link out of the facility's addition. The Town will receive the 1st Qtr payment (\$10,000) and the budget has been adjusted accordingly. Council was briefed on the forthcoming application for new funding under a program called Family Resources Network. It is the intent to continue Parent Link type services under this new program if successful.

DISCUSSION:

Section 242 Of the Municipal Government Act requires municipalities to adopt an Operating Budget for each calendar year. Administration is seeking approval of the operating budget at this meeting. It is Administrations intent to bring budget adjustments in the Spring before the Property Tax Rate Bylaw. These budget adjustments will include the Alberta School Foundation Fund (ASFF) requisitions and any major changes in Revenues and Expenditures that are expected in 2020.

Appendix 1 is attached and includes Council's comments and concerns throughout the budget presentations and budget workshops. The overall 2020 budget represents a continuation of the programs and services that are provided in the community. Administration will also continue to look for efficiencies with delivering the programs and services.

Appendix 2 and 3 show the consolidated revenue and expenditures for both GL Category and by Division. Both of these reports enable the reader to see the year over year change.

The 3-year operating budget is also presented in Appendix 4 for comments and review. The Municipal Government Act does not require individual approvals for the following 2 operating years. Similar to the 10 year Capital Plan, the 3-year Operating budget is a planning document for Council and Administration. Department Managers and Senior Administration work throughout the year to identify risk to revenue and changes in expenses for the upcoming budget years. The 3-year plan has been prepared at a high level and will act as the blueprint for the upcoming budget years. The 3-year plan has included a 1 % tax rate increase over the following 2 years (2021,2022), however, this may leave a slightly higher increase for 2023 to balance the new debt of the arena and library build. Administration will seek to minimize future tax increases.

Residential Utility Rates:

As presented throughout the budget workshops, the Utility departments (Water, Wastewater & Solid Waste) are self-supported, meaning, total expenses are covered by user fees. The following information represents the 2020 rates as presented in the budget.

Water:

Fixed Cost	\$17.06
Consumption	\$ 2.72 /m ³
Capital Infrastructure	\$10.61

Wastewater:

Fixed Cost	\$14.59
Consumption	\$ 3.00 / m ³ (billed at 80% of water consumption)

Appendix 1 - 2020 Budget Retreat Follow Up

Items of Discussion for follow up		
Discussion Item	Concern	Outcome
Citizen Budget	Budget survey misleading, offered no option, rankings misleading	Administration will review the process for improvements prior to next round of information gathering.
Capital Item - Re-Branding project to move forward	Discussion and vote resulted in support in leaving in capital	Capital projects for 2020 will remain as presented
Electric Vehicles for Municipalities Program	Review program relative to needs of Municipality	Will undertake further review and consider application process for new ice resurfacer. Follow up with Council
Tax notices	Increase communication to public on the school tax portion of the taxes	Use of video and other means to assist in this objective
Education Tax Underpayment	Impact on the increase faced by residents	Smoothing out using over and under process once the property tax rate bylaw is completed in April.
Abbey memberships in lieu of COLA for Council	Discussion took place followed by vote	Council were not in favour of this action so will not proceed
Administration – Human Resources. Questions as to why expense for criminal record and intervention checks	Enquiries as to why Town pays for criminal record and intervention checks	As per article 8.13 of the CUPE Collective Agreement Town req'd to cover costs. These costs relate to costs associated with returning students at Abbey and Parks & Facilities
Administration – Communications & Marketing	Increased cost in Subscription & Marketing	Subscriptions req'd. See Clix Fee previously expensed to IT
Administration – Information Technology	Cost Centre 2-253 over budget for current year by 50%	An adjustment (Reversal) from accrued payables will happen by year end. This will bring the budget line into balance.

Protective Services - Policing	2 -237-line items for Contracted General is confusing. Questions on if total contract amounts is representable to staffing contract	Confirm that \$956,026 is for 8 positions which is our current Municipal establishment
Protective Services - Policing	Council requested stats for the RCMP Crime App	Information to come forward at a later date
Protective Services - Policing	Enquiry as to if we pay for policing costs when members assist from other detachments	If we are short municipal members and call in replacements, we pay however if understaffed we would not be paying the contract salary dollars so should balance out
Protective Services - Policing	Enquiry as to how many members in total work out of the detachment	32 including the 2 GIS (General Investigation Services) paid by Lacombe and Red Deer Counties. Town pays for 8 members, others paid by Federal and Provincial Governments
Protective Services - Fire	Discrepancy in current year budget vs actual for telephone costs	Fire Telephone expenses are over budget. This expense code includes; telephone land lines, cell phones and tablet, alarm line, WAN charges. An analysis of the cost allocations should be done to reassess the allocations across the organization are accurate.
Utility Rate Revenue	What is the % of revenue of utility rates flows back into reserves	Utility Rates – 21.5%
Community Services - Parks & Playgrounds	Enquiry of cost of flowers and if should be reduced	Council voted with decision to remain at current status
Community Services - Abbey	Possibility of charging admission for children under 2.	Are tracking numbers through our MAXX System and will provide data a a later date. Rec Board will revisit next year after reviewing collected data..

Community Services - Abbey	Do we want to continue with food inclusivity	Rec board recommends to have it remain in place.
Community Services - Abbey	Enquiry as to if we are breaking even on programming offered	Confirmed we are breaking even. For PD days we will cancel if insufficient participation. Use drop in option for adult classes.
Community Services - Abbey	Enquiry relative to tracking use summer vs winter	Hours of operation was reviewed at Rec Board and recommended to be status quo. Minimum staff on at end of day operations.
Administration – Infrastructure Services - BOLT	Discussion on where we go with service into the future	Administration will bring this item back to Council in first quarter, 2020.
Administration – Infrastructure Services - Streets	Enquiry as to what the advertising budget was used for	Not utilized (place holder) Budget line will be removed
Development Services – Economic Development	Questions as to why budget for travel has increased while other costs centres have seen reduction	Same amount budgeted last year but some of the funds allocated to a different line item. Attendance to the Whistler Convention is every other year. This cost centre includes registration costs and other costs for committee members as well

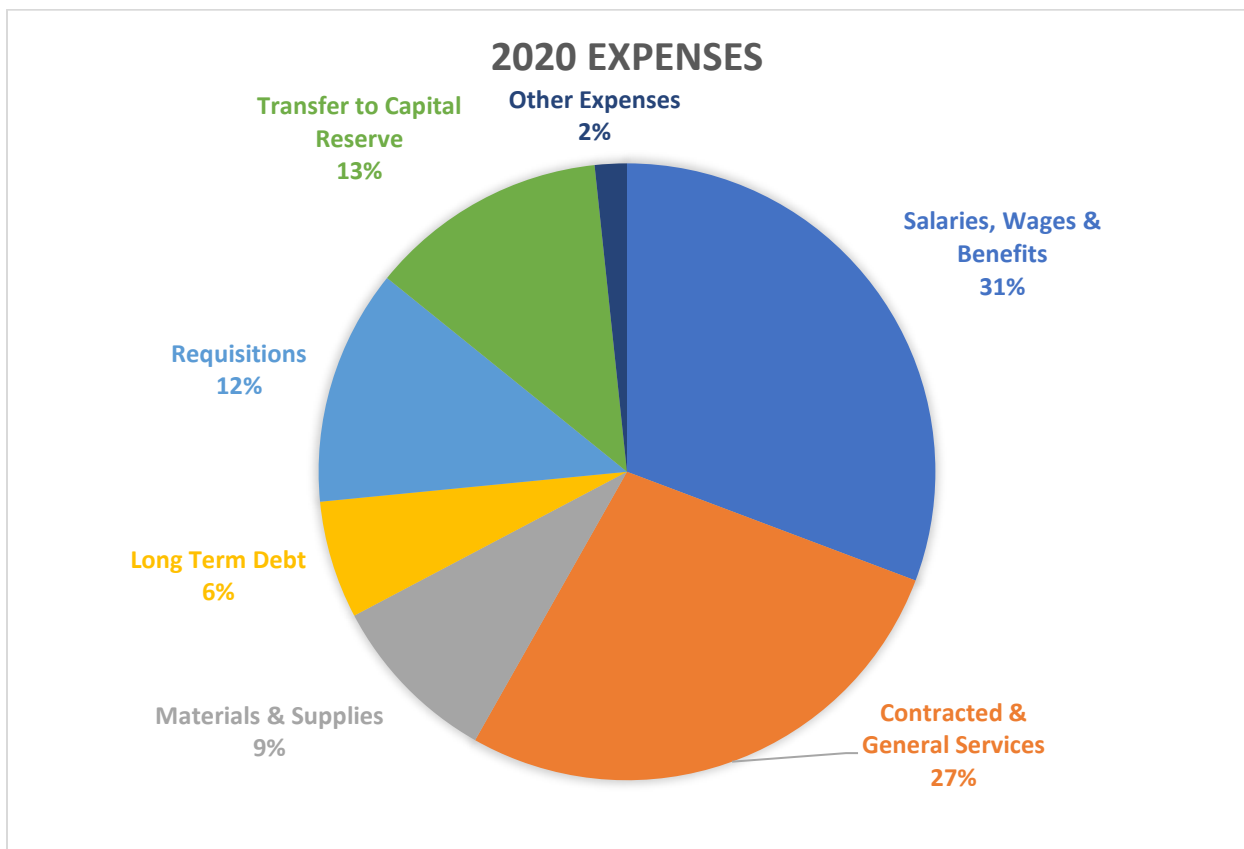
Budget Changes			
Cost Centre	Budget Item	Rationale	Budget Amount
Legislative Services	Eliminate COLA Council Honorarium	Council Decision	(\$3,800)
Administration – Corporate Services	Defer Census for 2020	Slower pace in population. Provincial and federal grants not population based	(\$30,000)
Administration – Human Resources	Reduce Contracted/General Services- Professional Services	Budgeted amount not required	(\$10,000)
Development Services – Ec. Dev.	Advertising & Promotions – Christmas Decorations	Defer additional Christmas light standard decorations	(\$10,000)
Community Services	Abbey Centre - wages	Service efficiencies & cost cutting measures	(\$79,000)
Protective Services	Added additional Peace Officer	Position Commencement in May	\$61,492
General	Added additional funds to the operating reserve	The budget includes assumptions from the IFC which is not finalized.	\$71,308
Total Net Changes - \$0.00			

Additional Changes from the November 26th Council Meeting

FCSS	Salaries	Bridge Funding for Parent Link Staff	\$21,000
Community Centre	Loss of Rental Revenue	Reduction of Rent due to funding cuts to Parent Link.	\$30,000
General	Reduce the additional funds to the operating reserve	The budget includes assumptions from the IFC which is not finalized. Net Amount to be transferred \$20,308 (\$71,308-\$51,000)	(\$51,000)
Total Net Changes - \$0.00			

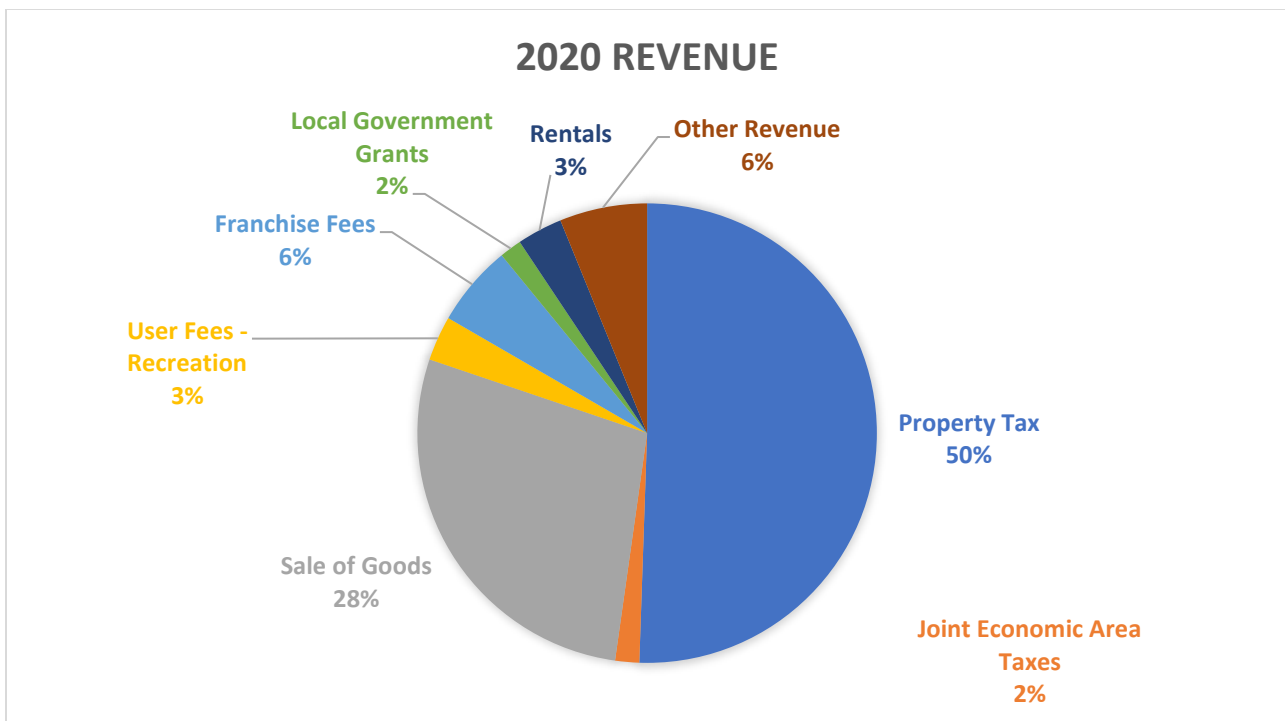
2020 Operating Expenses by GL Category

Expenses	2019	2020	Change
Salaries, Wages & Benefits	8,474,689	8,969,034	494,345
Contracted & General Services	7,800,754	7,894,194	93,440
Materials & Supplies	2,631,097	2,626,132	(4,965)
Transfers to Local Boards & Agencies	425,400	429,355	3,955
Bank Charges	46,100	41,100	(5,000)
Long Term Debt	1,987,600	1,786,993	(200,607)
Requisitions	3,576,193	3,576,193	0
Transfer to Capital Reserve	3,241,048	3,326,194	85,146
Transfer to Operating Reserve	14,900	251,454	236,554
Total Expenses	28,197,781	28,900,649	702,868



2020 Operating Revenues by GL Category

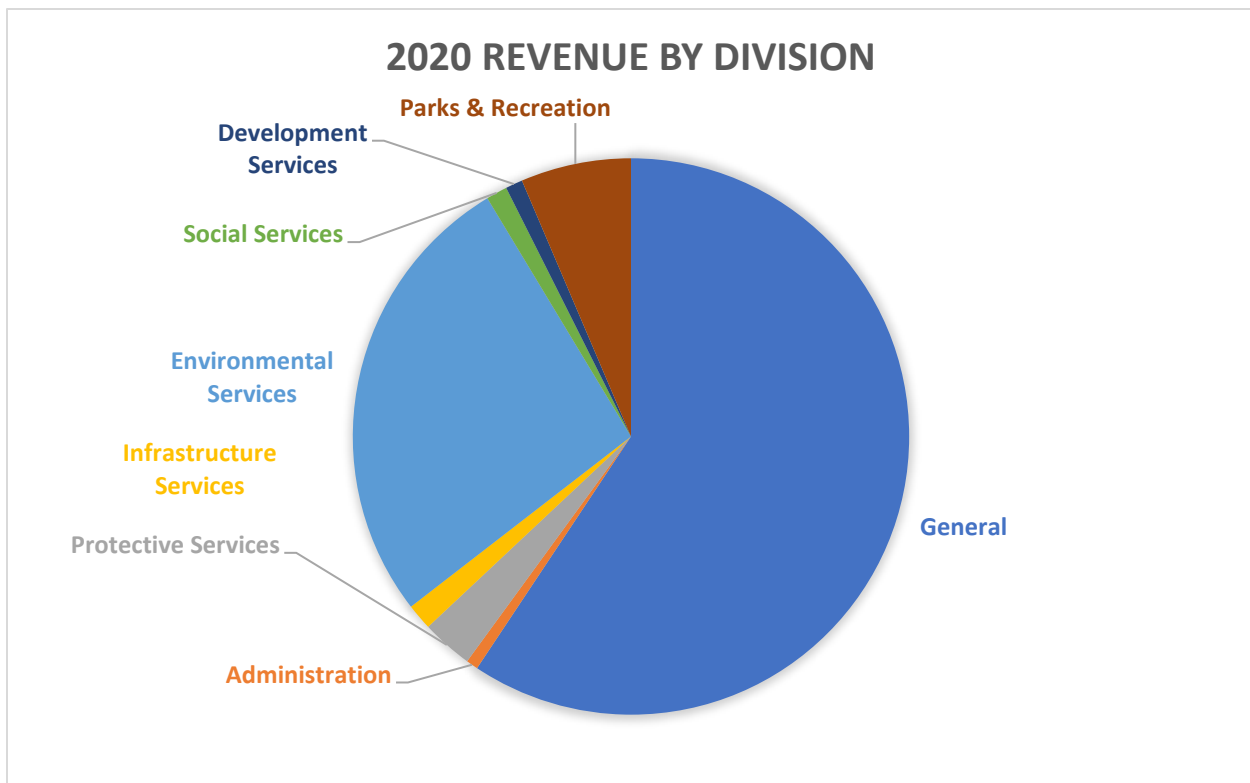
Revenues	2019	2020	Change
Property Taxes	10,831,763	11,045,829	214,066
School & Senior Requisitions	3,574,803	3,576,193	1,390
Total Taxation	14,406,566	14,622,022	215,456
Joint Economic Area Taxes	440,000	489,000	49,000
Sale of Goods General	459,495	389,689	(69,806)
Sale of Goods Utilities	7,410,520	7,700,620	290,100
User Fees - Recreation	914,000	912,000	(2,000)
Licenses & Permits	344,300	321,700	(22,600)
Franchise Fees	1,649,000	1,660,000	11,000
Federal Government Grants	294,000	289,000	(5,000)
Provincial Government	340,900	341,071	171
Local Government Grants	226,600	450,997	224,397
Penalties & Fines	321,200	321,200	0
Rentals	933,500	893,500	(40,000)
Investment Income	210,000	210,000	0
Other Revenue	247,700	299,600	51,900
Funded from Reserve	0	250	250
Total	28,197,781	28,900,649	702,868



Appendix 3 - 2020 Operating Budget by Division

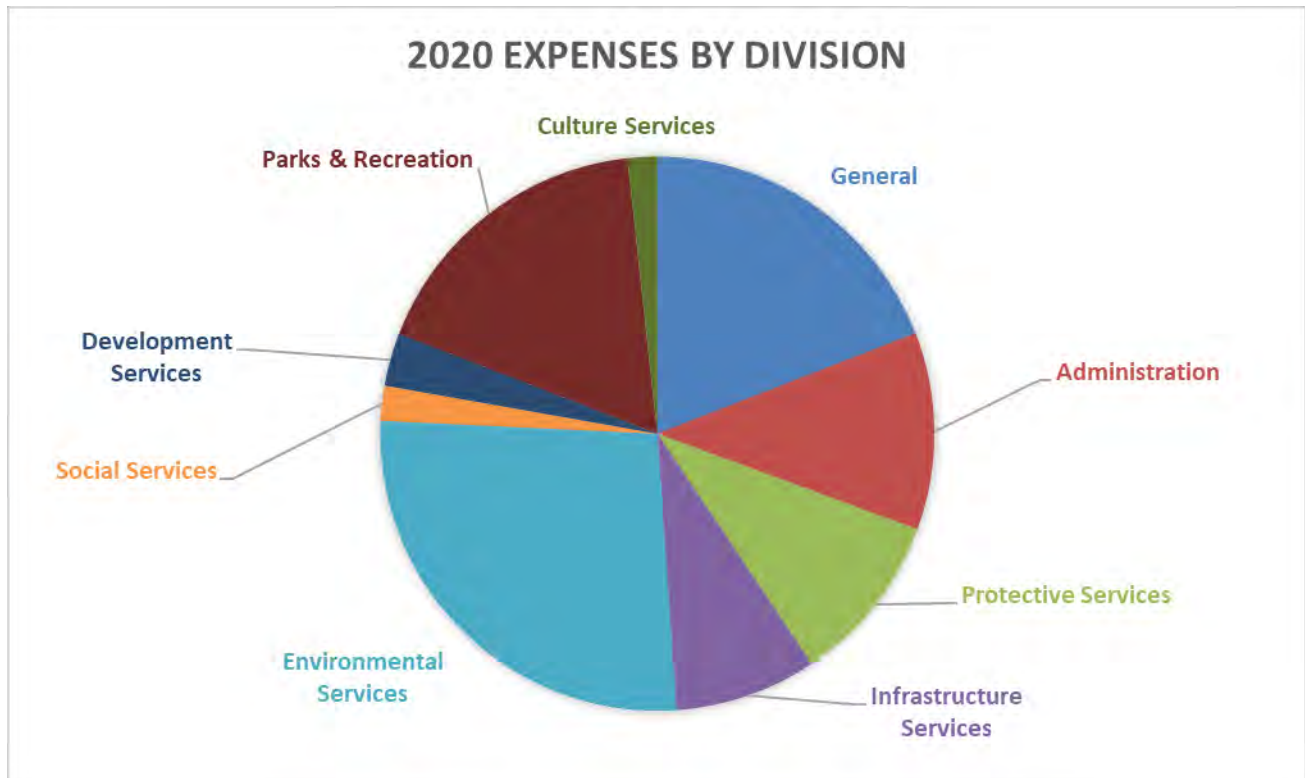
2020 Operating Revenue by Division

Revenue	2019	2020	Change
General	16,890,466	17,166,022	275,556
Administration	197,100	200,500	3,400
Protective Services	856,600	861,436	4,836
Infrastructure Services	427,295	438,989	11,694
Environmental Services	7,475,520	7,765,620	290,100
Social Services	323,800	355,821	32,021
Development Services	325,000	286,900	(38,100)
Parks & Recreation	1,702,000	1,825,361	123,361
Total Revenue	28,197,781	28,900,649	702,868



2020 Operating Expenses by Division

Expenses	2019	2020	Change
General	5,319,136	5,472,747	153,611
Administration	3,414,440	3,332,620	(81,820)
Protective Services	2,579,335	2,886,031	306,696
Infrastructure Services	2,254,710	2,405,617	150,907
Environmental Services	7,475,520	7,765,683	290,163
Social Services	543,950	608,563	64,613
Development Services	917,350	896,815	(20,535)
Parks & Recreation	5,199,640	5,035,023	(164,617)
Culture Services	493,700	497,550	3,850
Total Expenses	28,197,781	28,900,649	702,868



3 Year Operating GL Account Summary

GL Account	2020	2021	2022	Comments
Revenues	28,900,649	29,336,822	30,412,044	
010 Property Taxes	11,045,829	11,154,293	11,263,840	1% Tax Increase for 2020,2021,2022
020 Joint Economic Area Taxes	489,000	493,890	498,829	Increases based of Lacombe County Mill rate
030 School & Senior Requisitions	3,576,193	3,576,193	3,576,193	Amounts will be adjusted based on direction of Province
040 Sale of Goods General	389,689	400,524	402,084	Slight Increases over the 3 years
041 Sale of Goods Utilities	7,700,620	7,895,120	8,088,020	Utility Rates Increases as per Utility Section of Budget
042 User Fees - Recreation	912,000	913,000	914,000	Remains Consistent
050 Licenses & Permits	321,700	335,900	396,100	Marginal Increases over the 3 years
060 Franchise Fees	1,660,000	1,670,000	1,690,000	Marginal Increases over the 3 years
070 Federal Government Grants	289,000	289,000	289,000	Remains Consistent
080 Provincial Government	341,071	330,341	330,341	Dependant on Province
090 Local Government Grants	450,997	450,997	450,997	Remains Consistent
100 Penalties & Fines	321,200	321,200	321,200	Remains Consistent
120 Rentals	893,500	992,100	1,078,100	Increase revenue due to new Arena Ice Surface
130 Investment Income	210,000	210,000	210,000	Remains at current Levels
140 Other Revenue	299,600	304,014	304,314	Marginal Increases over the 3 years
900 Funded from Reserve	250	250	599,026	Increase in 2022 to stabilize Debt Servicing
Expenses	28,900,649	29,336,822	30,412,044	
010 Salaries, Wages & Benefits	8,969,034	9,263,743	9,460,353	Increase based on Union Agreements
020 Contracted & General Services	7,894,194	7,951,579	7,972,679	Marginal Increases over the 3 years
030 Materials & Supplies	2,626,132	2,691,245	2,754,845	Marginal Increases over the 3 years
040 Transfers to Local Boards & Agencies	429,355	432,955	436,755	Remains Consistent
050 Bank Charges	41,100	41,100	41,100	Remains Consistent
060 Long Term Debt	1,786,993	1,831,110	2,454,106	Based on the 10 Year Capital Plan
090 Requisitions	3,576,193	3,576,193	3,576,193	Amounts will be adjusted based on direction of Province
100 Transfer to Capital Reserve	3,326,194	3,495,365	3,701,113	Includes all Franchise Revenue and Utilities
110 Transfer to Operating Reserve	251,454	53,532	14,900	Remains Consistent
Net Total	0	0	0	