



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

COUNCIL MEETING DATE: December 8th, 2020

ORIGINATED BY: Justin de Bresser, Director of Corporate Services

SUBJECT: 2021 Operating Budget

BACKGROUND:

The 2021 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 the Online Citizen Budget Tool. Over the past few months, Administration and Council have had various discussions, presentations, and budget workshops on the 2021 Operating Budgets. This collaborative approach has allowed Administration and Council to review the budget with consensus.

Comments and changes from the budget workshops and throughout the budget process are summarized in Appendix 1. Administration will also continue to look for efficiencies in delivering the programs and services. Council directed Administration to include funding for a Census in 2021. Administration has estimated the population could be close to 11,000. Administration has been in contact with the Province and was provided information that there has been a repeal in the Determination of Population Regulation that results in the Province no longer utilizing municipal census data. The Office of Statistics and information uses a combination of Statistics Canada Data (including census) and various other types of administrative data. However, Municipalities are still able to conduct a municipal census. Administration has determined that there are benefits of concurrently holding a Municipal Census in the same year will show the margin of difference from the Federal level. The Census will potentially show that the Town of Blackfalds continues to grow throughout the 2018 to 2021 periods and that of a community of choice.

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 2021.

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 previous 3-year plan (2020 to 2023) had included a 1% tax rate increase over that period, however, in light of the Covid-19 situation Council decided to hold taxes at a zero



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percent increase. Administration has prepared the current 2021 Budget with an average 1.5% increase, as directed by Council at the August 25th Budget Assumptions Meeting. This increase is 0.5% lower than the previous 3 year plan at this stage.

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 2021 rates as presented in the budget.

Water:

Fixed Cost	\$17.40
Consumption	\$ 2.77 /m ³
Capital Infrastructure	\$10.82

Wastewater:

Fixed Cost	\$14.88
Consumption	\$ 3.12 / m ³ (billed at 80% of water consumption)

Solid Waste:

Monthly Cost	\$28.85
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An average monthly bill for a residential property consuming 18 cubic meters of water will be \$166.73 (2020 - \$162.70).

The Utility Bylaw 1250.20 was recently updated and approved by Council. In January, Administration will be bringing forward an amending Bylaw for Schedule "B" – Commercial and residential water and wastewater rates.

FINANCIAL IMPLICATIONS:

The direction of this budget was set at the pre-budget workshop where Council provided Senior Administration direction on a range of issues including an acceptable tax rate increase, staffing consideration, franchise fees, and Council remuneration.

Administration has prepared the budget accordingly, and as a result, the Town of Blackfalds will see a 1.5% increase to property taxes. For an average house valued at \$286,000 would experience a \$35 per year increase or \$2.91 per month.

Increases in taxes are estimated as a Town average. Meaning, that overall the Town will levy an average 1.5% increase. Factors include market changes in assessed value, renovations or additions and basement developments will cause the estimated increase to deviate from the amounts noted above.

Please note that this excludes the Provincial portion of the Alberta School Foundation Fund. As mentioned above, the 2021 requisition is provided after the Provincial budget is released in the Spring.



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ADMINISTRATIVE RECOMMENDATION:

1. That Council move to accept the recommendation of Administration to approve the 2021 Town of Blackfalds Operating budget of \$28,579,080.

ALTERNATIVES:

- A) That Council not approve the recommendation of Administration in approving the Town of Blackfalds Operating Budget of \$28,579,080.
- B) That Council refer the 2021 budget document back to Administration for further review.

Attachments:

- *Appendix 1 – 2021 Budget Retreat Follow up*
- *Appendix 2 – 2021 Operating Budget by GL Category*
- *Appendix 3 – 2021 Operating Budget by Division*
- *Appendix 4 – 3 Year Operating Budget*

Approvals:

CAO Myron Thompson

Department Director/Author

Appendix C – Operating Budget Comments.

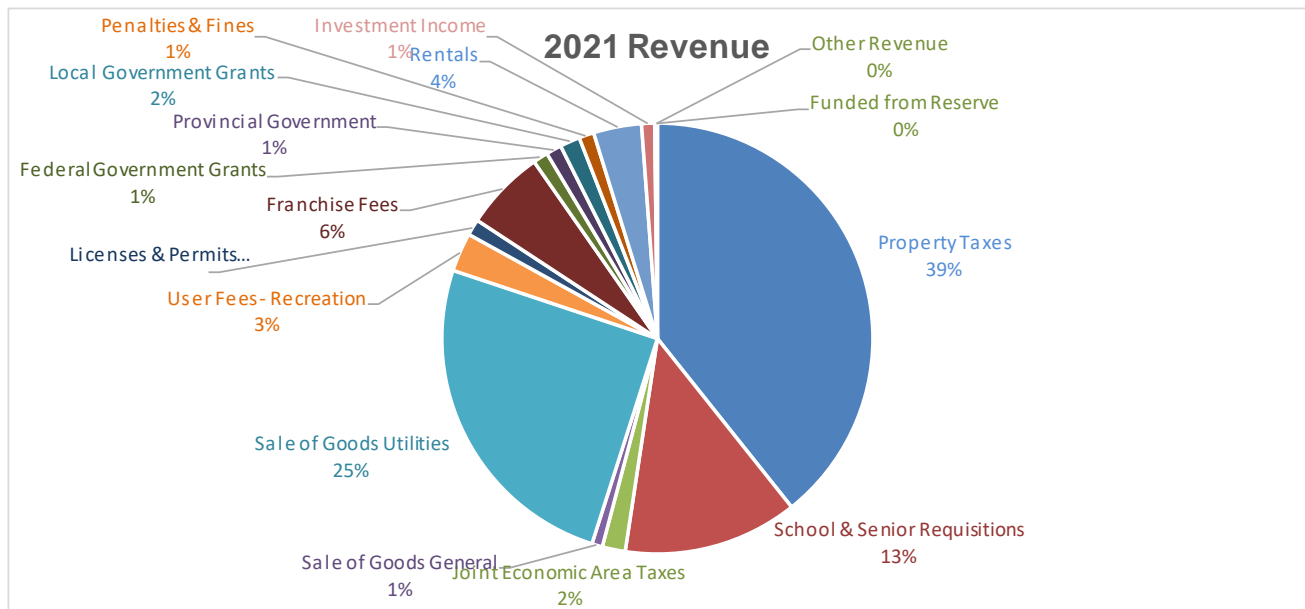
	Concern received	Response
Citizen Budget	Reported that people participating were sometimes kicked out part way through survey process	Administration will work with software program provider to determine issues and ensure that it is trouble free prior to new survey process.
Citizen Budget	Council expressed interest in having it start earlier and run longer – to increase participation.	Administration will take to council sooner in the year to allow more time to prepare and run longer.
Budget Week	Council would like to see this promoted on Facebook newsfeed as well as on the event page.	Administration will review with the Marketing team.
Lead testing requirements	Concern for timelines required for Community testing by the Province	Request through AUMA extended timelines to be provided by the Province.
Census	Will the Province accept our census numbers over the federal numbers? Also, can the Municipality coordinate census activities with the federal Government.	Administration will follow up with both the Province and Federal Governments. Est cost is \$30,000 and is included in the 2021 Budget.
Communication to business community	Concern for local developers and commercial business during the economic downturn and pandemic situation	CAO, Planning & Development and EDO will meet with group and arrange opportunities for them to come and provide input to Council in the new year
Historical Society Budget	Where funds are going and what their reserve level is at	Town provides \$15k annually which is income for the coordinator. Casino funds and funds from Wadey family have supported implementation of art programs (murals, sculptures) ⁴
Wadey Centre utilization	Optimizing use of Wadey Centre	Small spaces have impact on utilization. Chamber operations moved out year ago, but their meetings are being held there. Space has been offered for business interviews and job fairs. Some drop in programming taking place prior to pandemic.
Library Budget	Funding requirements when transitioned to new space	Administration will meet with the Library Mgr. to have some discussion on the transition to

		the new space. There was some information shared during budget discussions that an additional 15hrs/week staffing needed and could be incorporated within existing budget.
Fire Dispatch Services	Whether this service is up for review by the Province similar to ambulance dispatch services	No changes forecast. Our contract is with the City of Red Deer.
E Ticketing	How does this impact our Enforcement Services operations	There will be improved efficiencies and revenue as process will be much faster and provide more time in the field by officers. Also tickets go directly to court meaning revenue process will be faster.
Fine revenue (Bylaw and RCMP)	Concerns that revenue not meeting budgeted revenue amounts	COVID has had an impact to both agencies. Also our enforcement services had members(s) off on leave during periods of time this year. Additional Peace Officer and priority for both Bylaw and RCMP to increase traffic enforcement has been given.
Travel & Subsistence budgets in operation cost centres	Council would like to have a policy reviewed and brought forward, to treat each area of operations equally.	Administration will review the current policy. All operations centres follow the current policy and any exceptions are approved by the CAO.
Utility Rate's	Council would like better clarification on what the different utility rates fund; base rate, consumption rate, capital infrastructure funds, etc. Council wants a better understanding of why these rates increase at all.	There will be a definition of each rate added to the utility worksheet to explain what each rate is expected to cover. Utility rate review will be conducted in the upcoming years.
Recreation Programs and Summer Activities	Is there a contingency Plan if the Covid – 19 Pandemic continued.	Administration is following AHS guidelines. If the Pandemic continues, the adjustments for revenue, and summer programming will be put in place during Spring adjustments. Current budget

		is to assume programs are back to Pre-covid levels.
Outdoor Rink	Council is interested in pursuing a sponsorship program for the Outdoor Rink	Administration has considered sponsorship programs in the past and will reevaluate the idea.
Pet Licenses	Council was interested in the number of pet Licenses taken out in 2020 due to Covid	In 2019 the Town issued 284 Licenses. In 2020 the Town has issued 392. An increase of 108.

2021 Operating Revenues by GL Category

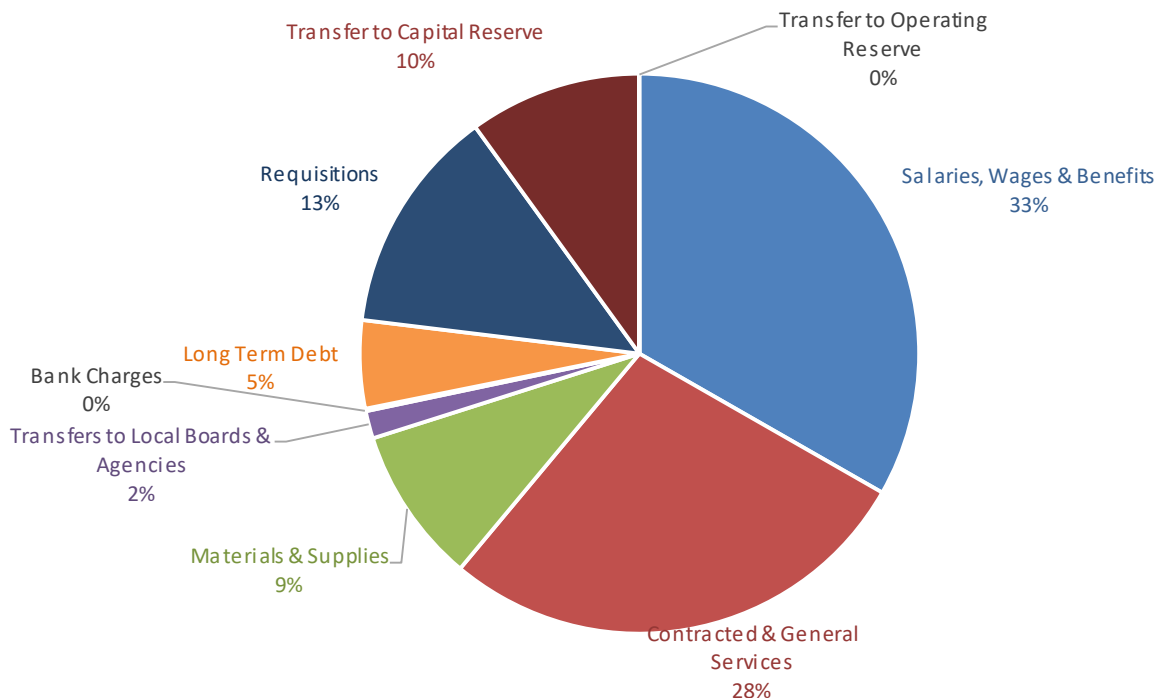
	2020	2021	Change
Revenues			
Property Taxes	10,935,727	11,230,990	295,263
School & Senior Requisitions	3,740,132	3,742,174	2,042
Total Taxation	14,675,859	14,973,164	297,305
Joint Economic Area Taxes	489,000	493,890	4,890
Sale of Goods General	389,689	227,234	(162,455)
Sale of Goods Utilities	7,700,620	7,204,300	(496,320)
User Fees - Recreation	720,000	831,000	111,000
Licenses & Permits	321,700	346,825	25,125
Franchise Fees	1,660,000	1,732,763	72,763
Federal Government Grants	289,000	322,000	33,000
Provincial Government	341,071	330,341	(10,730)
Local Government Grants	450,997	429,109	(21,888)
Penalties & Fines	238,200	321,200	83,000
Rentals	860,004	1,030,104	170,100
Investment Income	210,000	280,000	70,000
Other Revenue	299,600	56,900	(242,700)
Funded from Reserve	250	250	0
Total	28,645,990	28,579,080	(66,910)



2021 Operating Expenses by GL Category

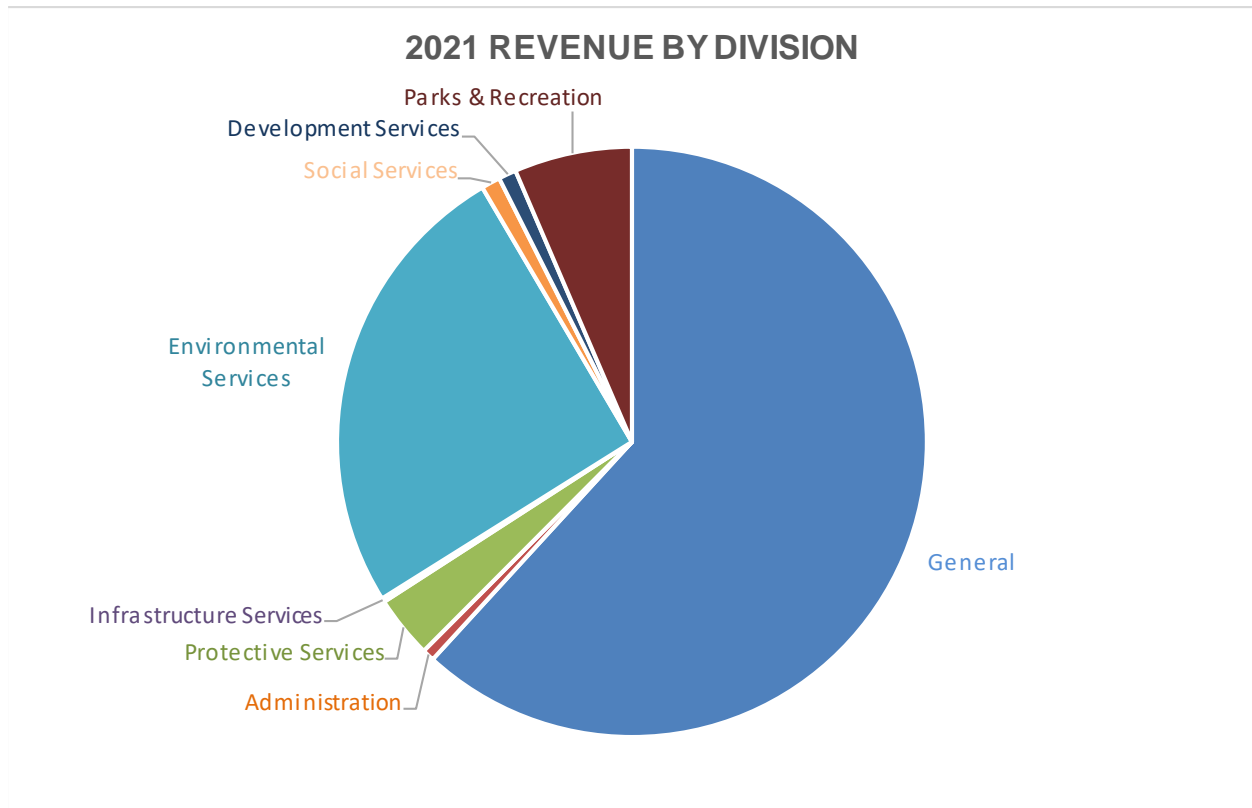
Expenses	2020	2021	Change
Salaries, Wages & Benefits	8,702,232	9,506,912	804,680
Contracted & General Services	7,802,046	7,946,722	144,676
Materials & Supplies	2,657,469	2,582,813	(74,656)
Transfers to Local Boards & Agencies	431,623	454,818	23,195
Bank Charges	41,100	41,100	0
Long Term Debt	1,787,730	1,452,423	(335,307)
Requisitions	3,738,432	3,741,374	2,942
Transfer to Capital Reserve	3,326,131	2,848,118	(478,013)
Transfer to Operating Reserve	159,227	4,800	(154,427)
Total Expenses	28,645,990	28,579,080	(66,910)

2021 Expenses



2021 Operating Revenue by Division

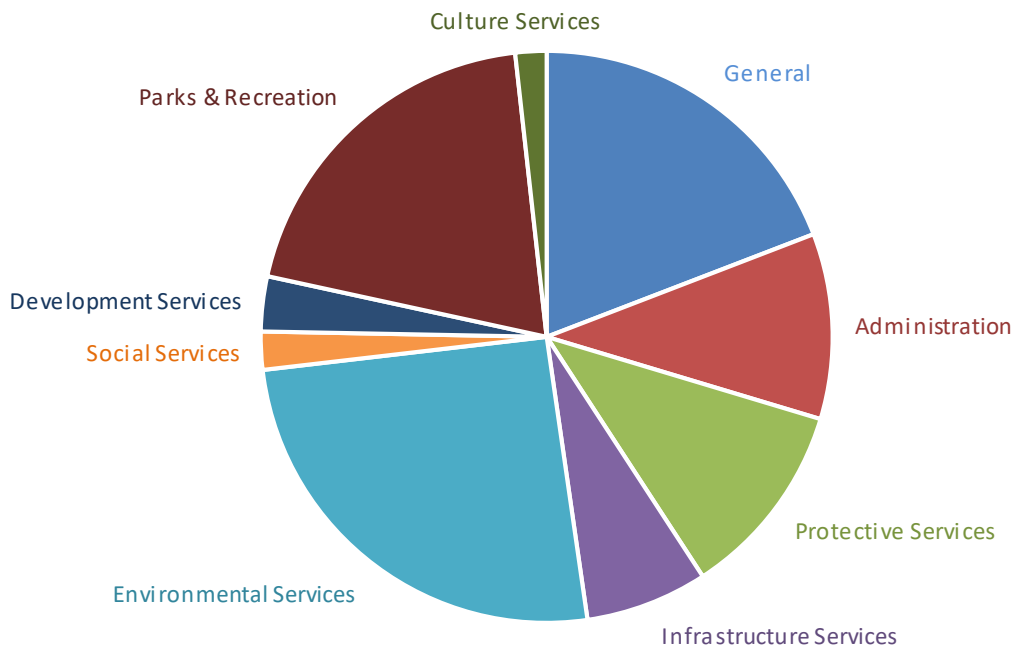
Revenue	2020	2021	Change
General	17,136,859	17,664,817	527,958
Administration	200,500	190,500	(10,000)
Protective Services	932,440	973,640	41,200
Infrastructure Services	438,989	60,634	(378,355)
Environmental Services	7,765,620	7,269,300	(496,320)
Social Services	355,821	296,354	(59,467)
Development Services	276,400	276,525	125
Parks & Recreation	1,539,361	1,847,310	307,949
Total Revenue	28,645,990	28,579,080	(66,910)



2021 Operating Expenses by Division

Expenses	2020	2021	Change
General	5,542,759	5,474,137	(68,622)
Administration	3,303,904	2,997,878	(306,026)
Protective Services	2,806,917	3,190,470	383,553
Infrastructure Services	2,453,569	1,974,621	(478,948)
Environmental Services	7,765,620	7,269,300	(496,320)
Social Services	604,425	613,794	9,369
Development Services	883,091	887,952	4,861
Parks & Recreation	4,785,887	5,666,920	881,033
Culture Services	499,818	504,008	4,190
Total Expenses	28,645,990	28,579,080	(66,910)

2021 Expenses by Division



3 Year Operating GL Account Summary

GL Account	2021	2022	2023
Revenues	28,579,080	29,565,666	29,901,615
- 010 Property Taxes	11,230,990	11,471,758	11,708,194
- 020 Joint Economic Area Taxes	493,890	498,829	503,817
- 030 School & Senior Requisitions	3,742,174	3,742,174	3,742,174
- 040 Sale of Goods General	227,234	232,234	237,234
- 041 Sale of Goods Utilities	7,204,300	7,364,522	7,528,580
- 042 User Fees - Recreation	831,000	863,000	895,000
- 050 Licenses & Permits	346,825	360,980	395,135
- 060 Franchise Fees	1,732,763	1,760,018	1,787,618
- 070 Federal Government Grants	322,000	322,000	322,000
- 080 Provincial Government	330,341	330,341	330,341
- 090 Local Government Grants	429,109	429,109	429,109
- 100 Penalties & Fines	321,200	321,200	321,200
- 120 Rentals	1,030,104	1,131,604	1,137,604
- 130 Investment Income	280,000	310,000	310,000
- 140 Other Revenue	56,900	60,200	60,400
- 900 Funded from Reserve	250	367,697	193,209
Expenses	28,579,080	29,565,666	29,901,615
- 010 Salaries, Wages & Benefits	9,506,912	9,861,692	10,024,768
- 020 Contracted & General Services	7,946,722	7,876,800	7,943,761
- 030 Materials & Supplies	2,582,813	2,631,288	2,633,788
- 040 Transfers to Local Boards & Agencies	454,818	463,068	471,668
- 050 Bank Charges	41,100	41,100	41,100
- 060 Long Term Debt	1,452,423	1,979,354	1,979,326
- 090 Requisitions	3,741,374	3,741,374	3,741,374
- 100 Transfer to Capital Reserve	2,848,118	2,966,190	3,061,030
- 110 Transfer to Operating Reserve	4,800	4,800	4,800
- 500 Internal Recovery	-	-	-
Net Total	-	-	-