


Town of Olds

2012 Budget


Date: December 12, 2011

Municipal Government Act (MGA)

- **The Town's fiscal year is January 1st to December 31st therefore we also budget on this calendar year basis as prescribed under Section 269 of the MGA.**
 - **Section 242(1) of the MGA: Each Council must adopt an operating budget for each calendar year.**
 - **Section 245 of the MGA: Each Council must adopt a capital budget for the calendar year.**
 - **The Municipal Government Act, section 276(1) requires municipalities to prepare their financial statements in accordance with generally accepted accounting principles (GAAP).**
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Annual Budget Process

Preparation of the annual budget involves interaction & collaboration with many parties including:

- Town Departments, and research with other Municipalities;
 - Boards, Commissions, input from the general public and other stakeholders, various groups seeking funding, and organizations providing funding; and
 - The Town of Olds Mayor and Council.
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**Services,
programs &
projects are
provided
through the
following
service
areas:**

Administration
& Fiscal
Services


Protective
Services

Planning &
Operational
Services

Community &
Recreational
Services

2012 Budget Outline

The Annual Budget is made up of three components:


- The 2012 Operating Budget which is presented for approval,
 - The 2012 Capital Budget which is presented for approval, and
 - The Multi-Year Capital Plan (MYCP) which is presented for information.
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Operating Budget

2012

2012 OPERATING BUDGET

In order to determine the Town's overall Operating Budget for 2012, the following components needed to be considered:

- The Town's assessment values for 2012,
 - The General Operations of the Town,
 - The Utilities (Environmental) Operations, and
 - A consideration for Future Capital program funding and replacement of Assets.
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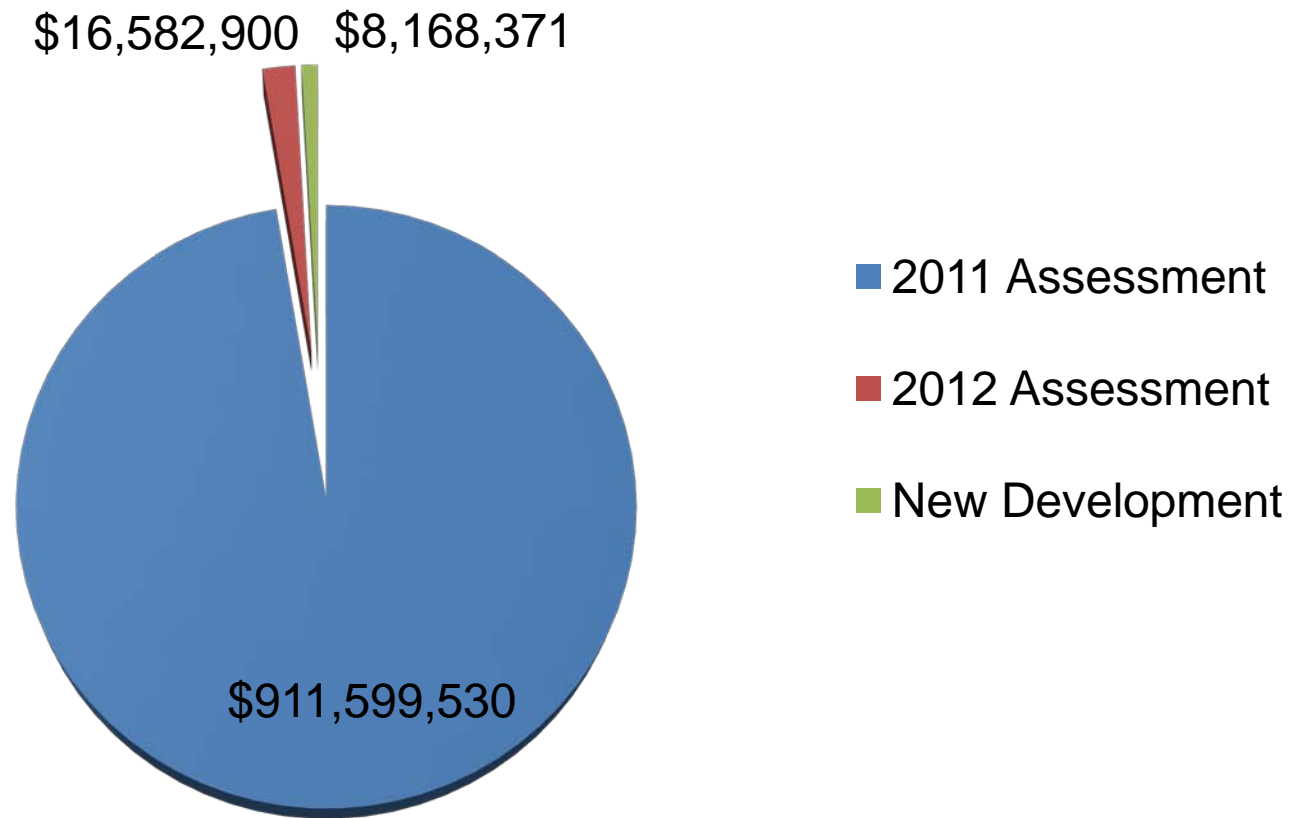
2012 Assessment

The 2012 budget is based upon preliminary assessment estimates.

- The valuation date for 2012 assessments is July 1, 2011.
- Modifications may be made to these preliminary assessments figures on the Condition Date of December 31, 2011.

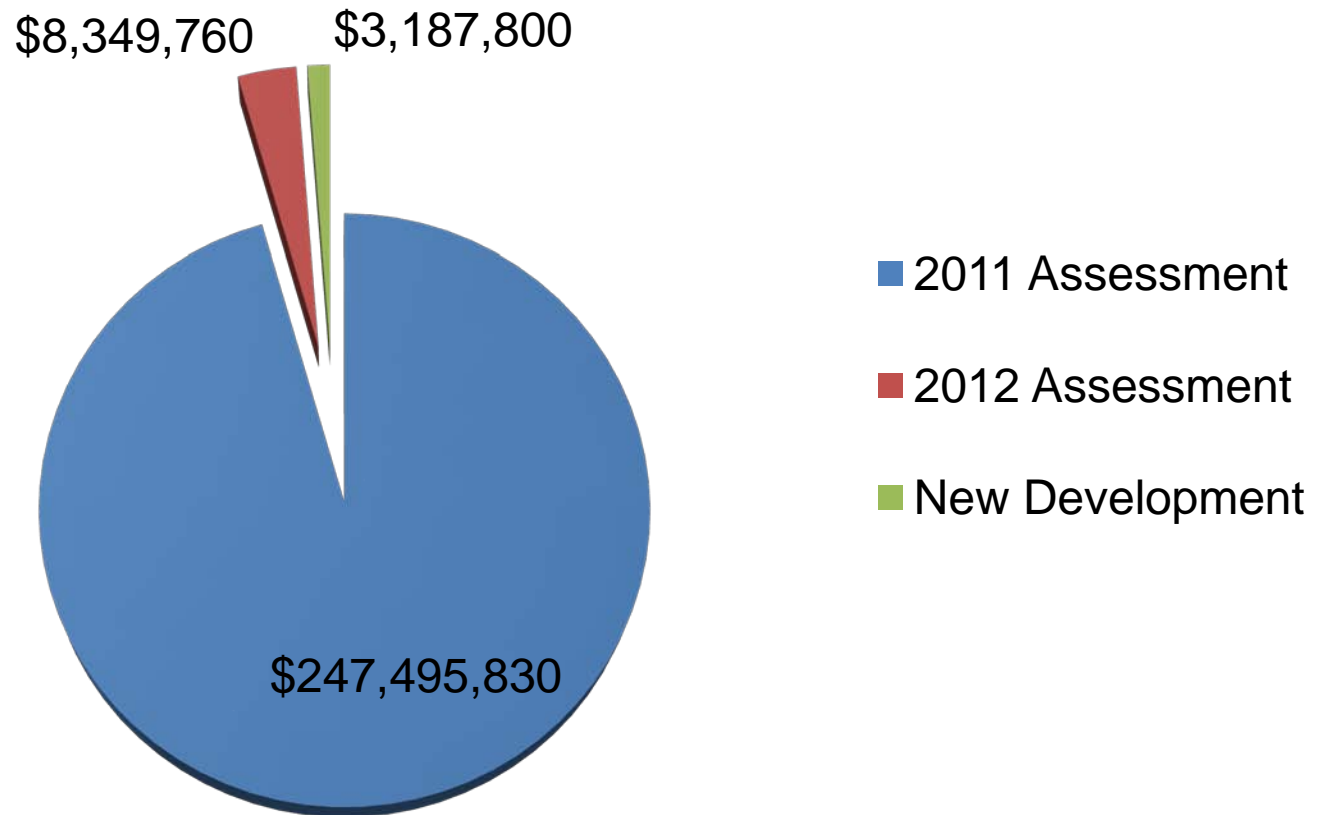
Residential Assessment

2.7% increase Overall



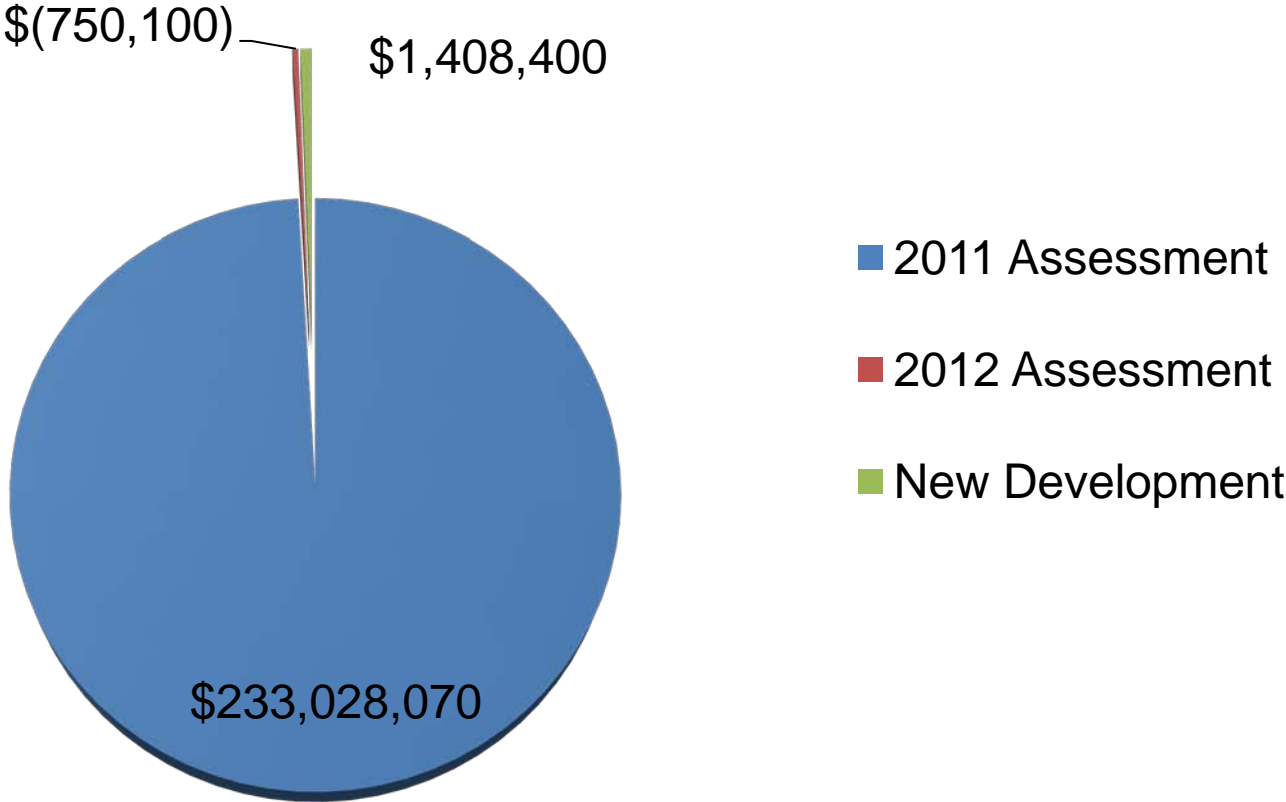
Non-Residential Assessment

4.7% increase Overall



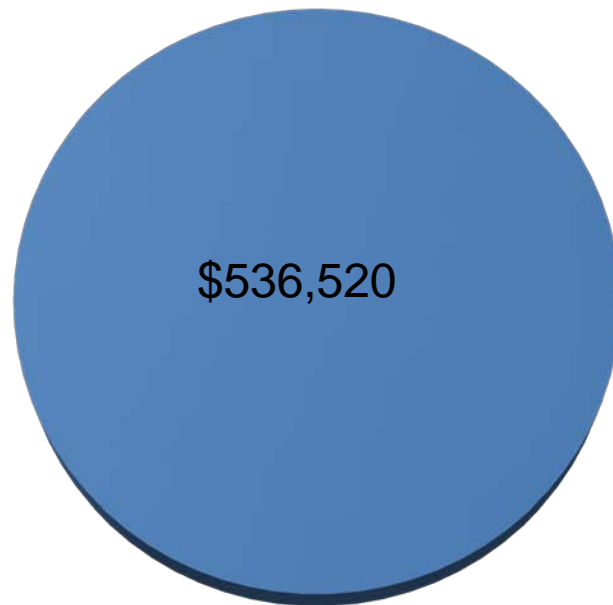
Exempt Assessment

0.3% increase Overall



Farmland Assessment

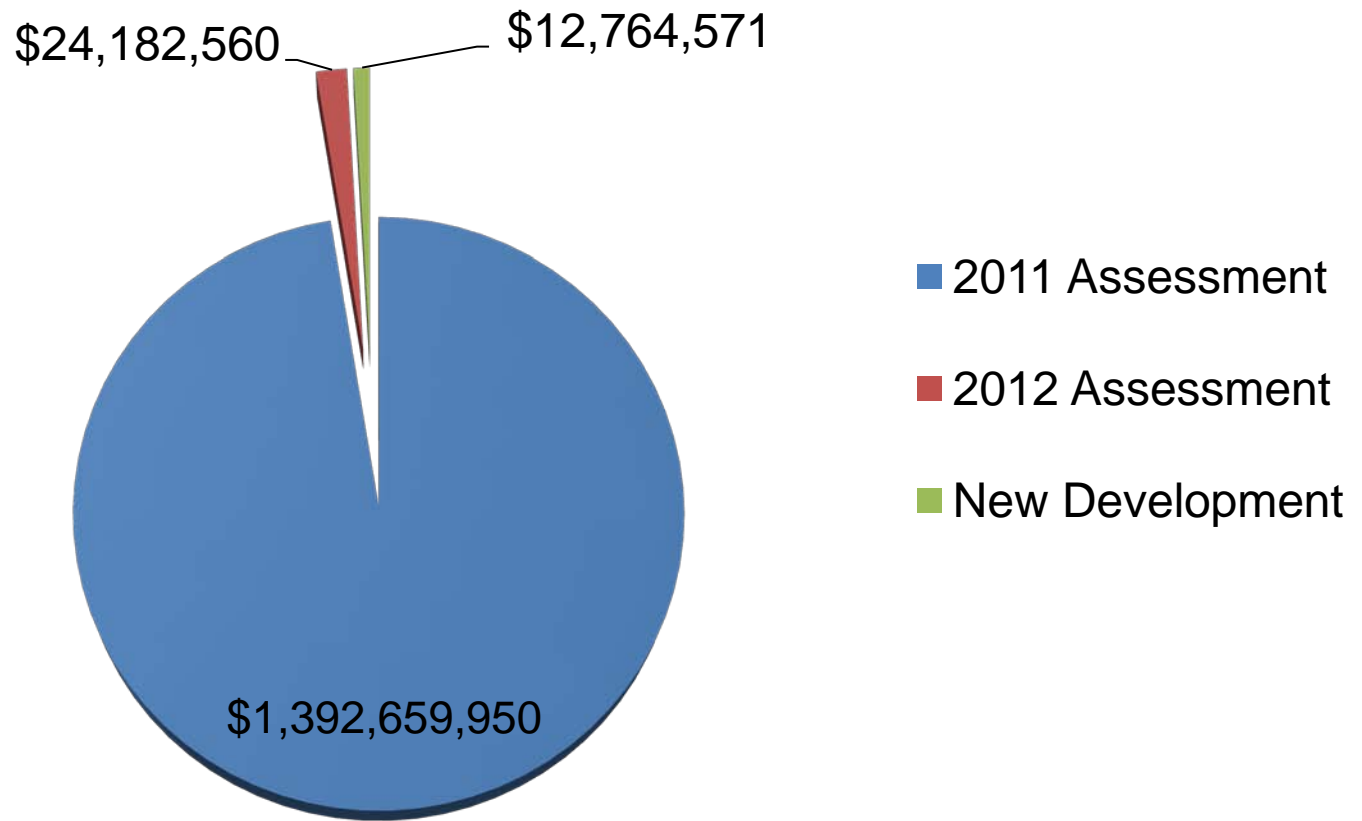
No Change in Farmland Assessment



- 2011 Assessment
- 2012 Assessment
- New Development

2012 Overall Assessment

2.7% increase Overall



Tax Revenue

Given the current assessed values of all taxable property, each 1% increase in taxes would equate to an approximate increase in tax revenue of **\$70,000**

Salary & Wage Review

As Council is aware, one of the pressures facing the Town for 2012 was addressing the salary and wage review results.

This 2011 review, similar to the review conducted three years ago, showed that the Town had not kept up with the current market and municipalities of a similar size & structure.

The recommendations of this review resulted in an impact to the 2012 operating budget of **\$236,565.**

Salary, Wages & Benefits

- COLA included in the 2012 Budget is 3.4%; based upon the Federal Consumer Price Index (CPI) (\$151,089)
- Total impact to 2012 Operating Budget For the Salary & Wage Review and COLA = \$387,654

	2011	2012
Salary & Wages	\$4,039,356	\$4,493,608
Benefits	\$865,608	\$958,649
Tax Levy	\$6,765,409	\$7,226,543
Percentage	72.5%	75.4%

Projects planned in 2012

- Promoting Olds – Phase III
 - Video Broadcasting of Municipal Events
 - New Fire Services Agreement & Lease Agreement in place
 - Various Redevelopment Plans & Local Improvement Programs
 - Update the 2005 Offsite Levies Bylaw
 - Water Conservation/Water Infiltration Programs
 - Blue Bin Rollout Pilot Project
 - Support repairs & maintenance to the Museum
 - Business Plan and Digitizing/Survey of the Cemetery
 - Upgrade & Conversion of the Old Fire Hall for new use
- 

Amortization (Depreciation)

As previously discussed with Council, the Public Sector Accounting Board (PSAB) & the MGA require municipalities to report Tangible Capital Assets (TCA) on their Statement of Financial Position (Income Statement) and requires that the Assets be amortized (depreciated).

Amortization cont'd...

By recording amortization, a municipality is recognizing the rate at which their assets are depreciating over time and are acknowledging the need to replace the assets at some time in the future.

Recording amortization sets aside the appropriate amounts in reserves (accumulated surplus) in order to have funds available when replacement (or betterment) becomes necessary.

Amortization cont'd...

The annual amortization on all the Towns assets (excluding the utility assets) is approximately \$1.278 million.

Included in the 2012 Operating Budget is a nominal amount of \$237,623 to start recognizing the need to amortize the Town's Assets.

Operating Grants

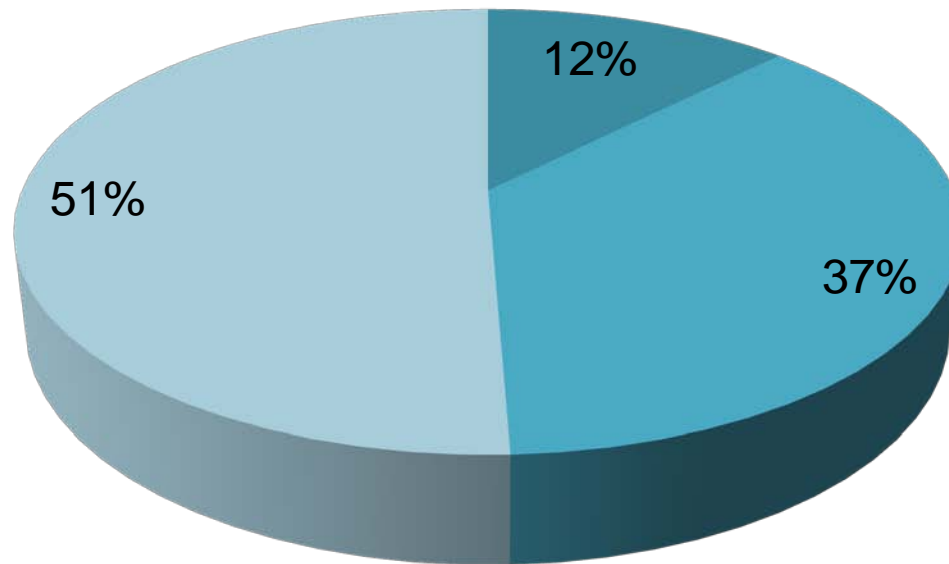
Operating Grant	Budget
STEP: Summer Temporary Employment Program	\$ 7,200
FCSS: Family & Community Support Services	\$ 162,783
MR/TA: Municipal Recreation / Tourism Areas	\$ 8,000
MSI Operating: Municipal Sustainability Initiative	\$ 122,312
MPAG: Municipal Policing Assistance Grant	\$ 258,000
New Police Officers Grant	\$ 100,000
Disaster Services Training Grant	\$ 3,000
Total Operating Grants	\$ 661,295

Operating Grants – cont'd...

County Contributions	Budget
Recreation Funding - Aquatic Center	\$ 145,080
Recreation Funding - Sportsplex	\$ 145,080
Recreation Funding - Library	\$ 27,430
Total County Contributions	\$ 317,590

Operating Grant Revenue

by Departmental Service Area \$978,885



- Administration & Fiscal Services \$122,312
- Protective Services \$361,000
- Community & Recreational Services \$495,573

OPERATING BUDGET

The 2012 Operating Budget as presented is \$21,203,200.

- This represents a 4.5% increase over 2011's budget of \$20,284,728
- The Operating Budget contains a tax requirement of \$7,226,543 which equates to an estimated annual tax rate increase of 3.4%

Operating Budget 2012

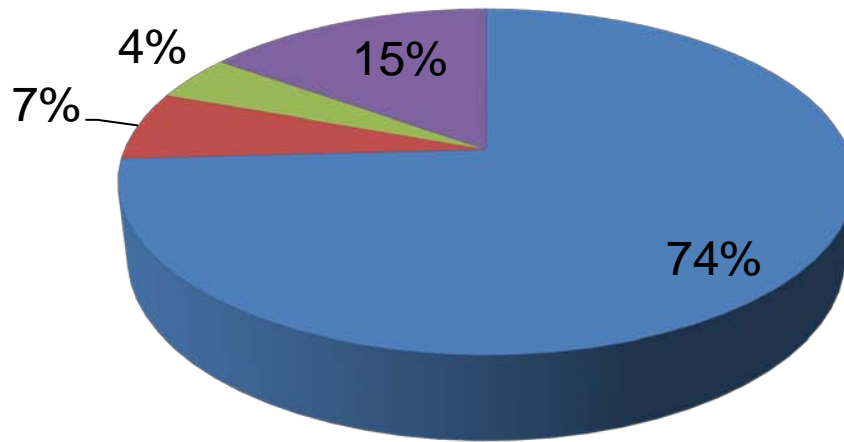
	2011	2012	Increase
Revenue	\$ 20,284,728	\$ 21,203,200	4.5%
Expense	\$ 20,284,728	\$ 21,203,200	4.5%
Net	0	0	

The net Increase in Revenue & Expense for 2012 over 2011 is \$918,472.

Note: This budget includes approximately \$43,000 to be collected as additional revenue in 2012 through the increased Gas Franchise Fee charged to Atco Gas. This equates to an estimated increase to residents of approximately \$0.79/month or \$9.48/yr in fees charged by Atco Gas in 2012.

Operational Revenues

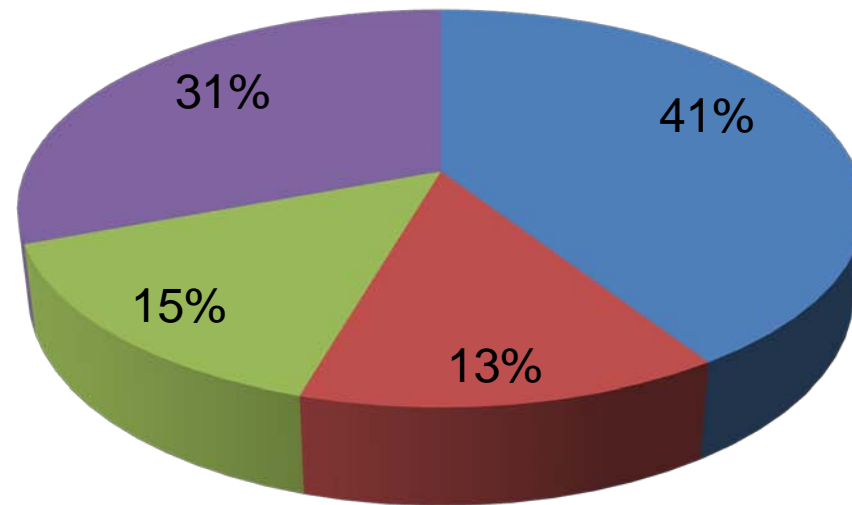
by Departmental Service Area \$15,733,763



- Administration & Fiscal Services \$11,667,111
- Protective Services \$1,006,978
- Planning & Operational Services \$676,900
- Community & Recreational Services \$2,382,774

Operational Expenses

by Departmental Service Area \$15,733,763



- Administration & Fiscal Services \$6,433,949
- Protective Services \$2,139,860
- Planning & Operational Services \$2,315,342
- Community & Recreational Services \$4,844,612

Residential Taxes

Based on an average home
assessed at \$300,000

Residential	Tax Levy	
2011	\$1,616.10	
2012	\$1,671.05	
Change	\$54.95	3.4 % or \$4.58/month

Commercial Taxes

Based on an average non-residential property assessed at \$720,000

Commercial	Tax Levy	
2011	\$5,306	
2012	\$5,486	
Change	\$180	3.4 % or \$15/month

Utilities Operations (Environmental)

Budget 2012

Utilities Operating Budget

- The Utilities (Environmental) Operating Budget consists of budgets for the provision of water, wastewater, storm water and solid waste systems.
- The Utilities Operating Budget of \$5,469,437 is **self funded** through the sale and collection of revenue for services provided.

Amortization - Utility Accounts

Included in the Utility Budget is a nominal amount to start recognizing the need to amortize the Utility Assets.

- The annual amortization of all of the Town's Utility assets is approximately \$722,000.
- By including a nominal increase to the base rates for the 3,565 accounts, the Town will generate \$28,235 in revenue to put towards the annual amortization of Utility Assets.

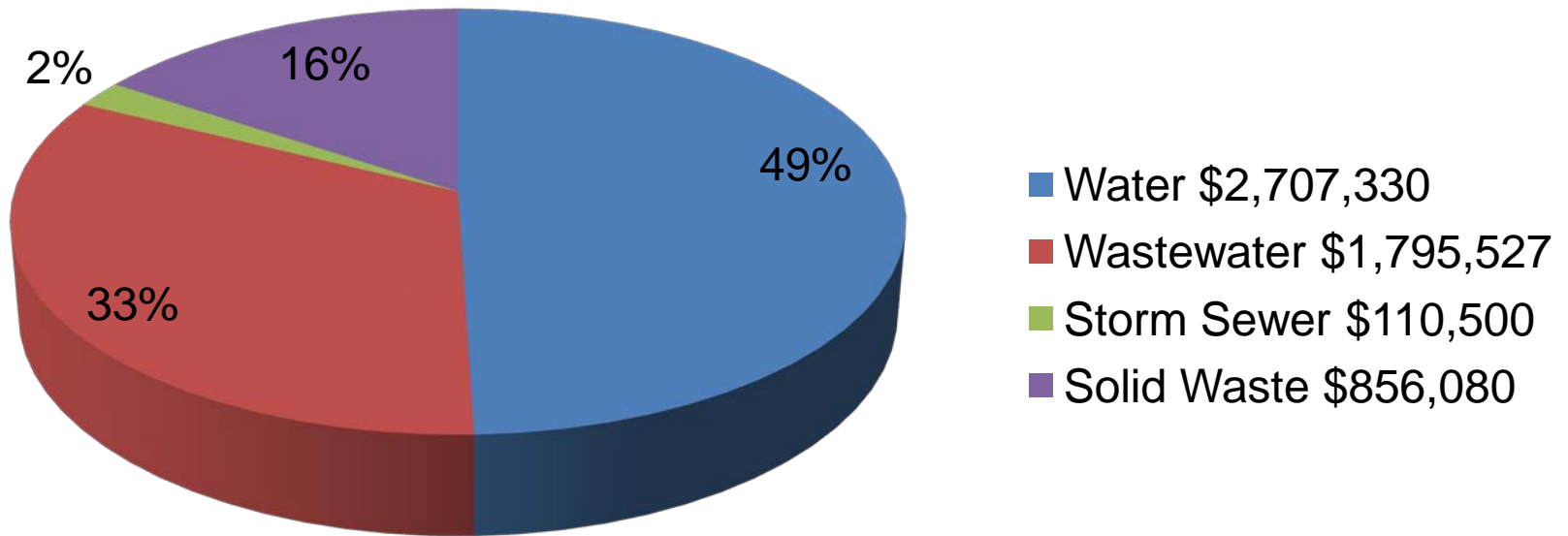
Monthly Utility Accounts

	Existing	New	Increase	%age
Water	\$ 9.54	\$ 9.86	\$0.32	3.4%
Wastewater	\$10.08	\$10.42	\$0.34	3.4%

This amounts to a total annual increase to each consumer of \$7.92

Utilities Operating Budget

Self Funded Utility Operations Budget \$5,469,437



Capital Budget

2012

2012 CAPITAL BUDGET

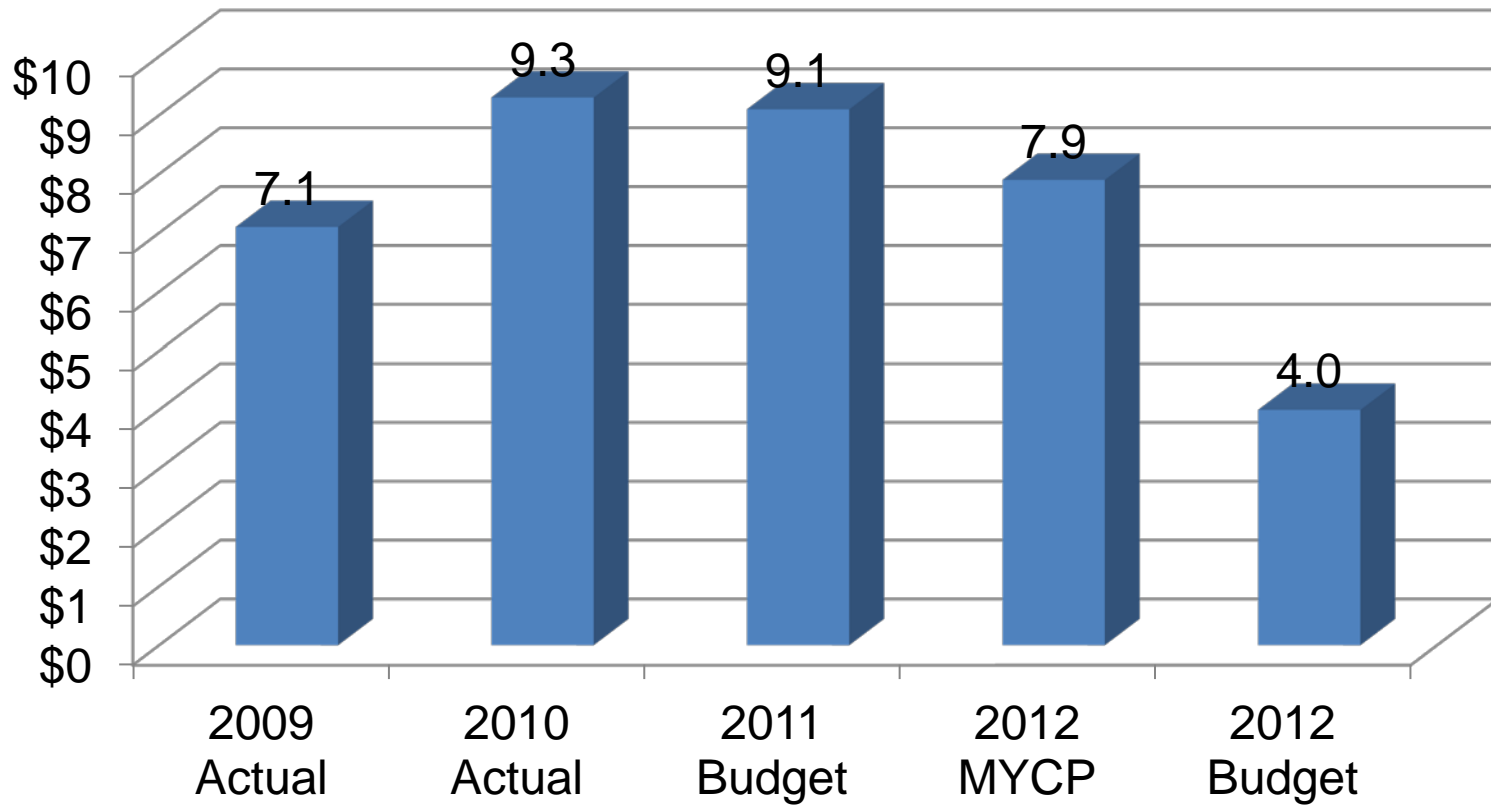
The 2012 Capital Budget as presented in the detail sheets totals \$4,032,499.

The Capital projects can be grouped as follows:

- Roads, Trails & Sidewalks - \$1.2 million
- Water & Sewer Infrastructure - \$1.5 million
- Equipment & Other Infrastructure - \$1.3 million

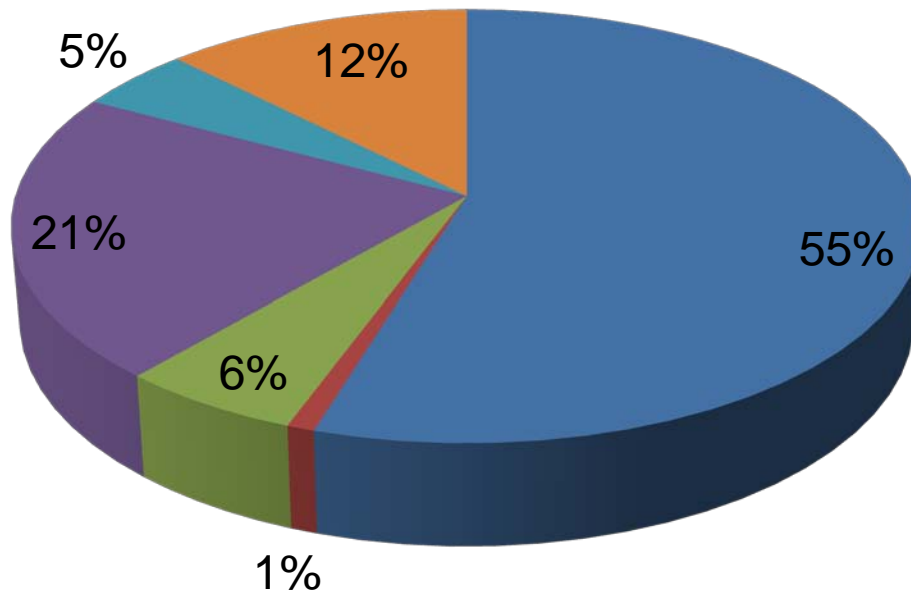
Capital 2012

Capital Spending - \$Millions



Capital Funding 2012

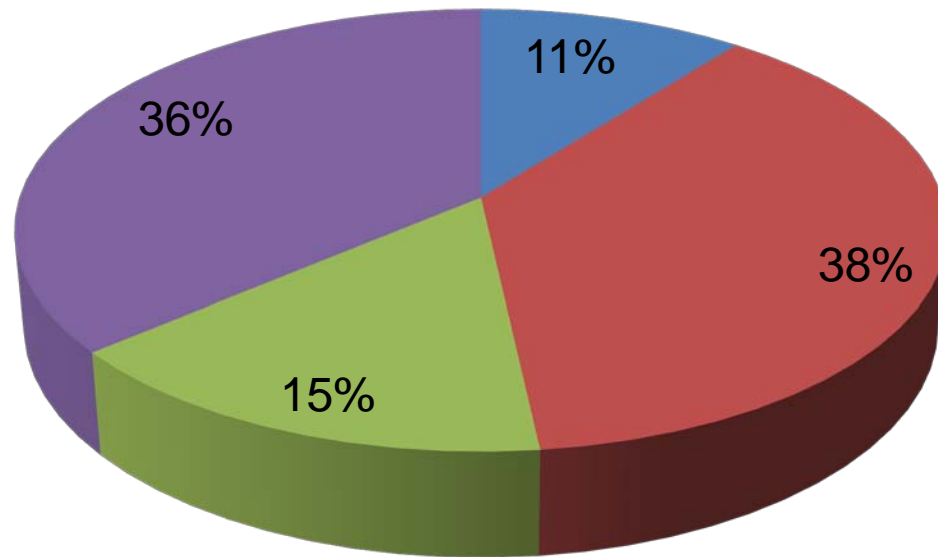
Capital Funding \$4,032,499



- Federal & Provincial Grants \$2,207,899
- Debentures \$35,000
- Property Tax Levy \$231,000
- Environmental \$866,700
- Contracts, Sales & Donations \$189,400
- Contributed from Reserves \$502,500

Capital Spending 2012

by Departmental Service Area \$4,032,499



■ Protective Services
\$426,900

■ Planning & Operational
Services \$1,518,831

■ Community &
Recreational Services
\$627,068

■ Environmental
\$1,459,700

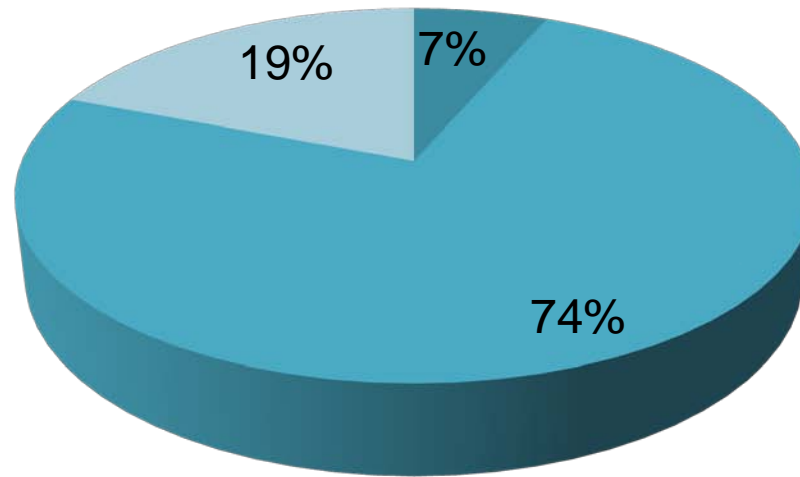
Capital Grants

Provincial Grants	Amount
Municipal Sustainability Initiative (MSI)	\$1,469,068
Basic Municipal Transportation Grant (BMTG) – formerly SIP	\$434,900
Total Provincial: Capital	\$1,903,968

Federal Grants	Amount
Federal Gas Tax Fund (FGTF)	\$403,931
Total Federal: Capital	\$403,931

Capital Grant Revenue

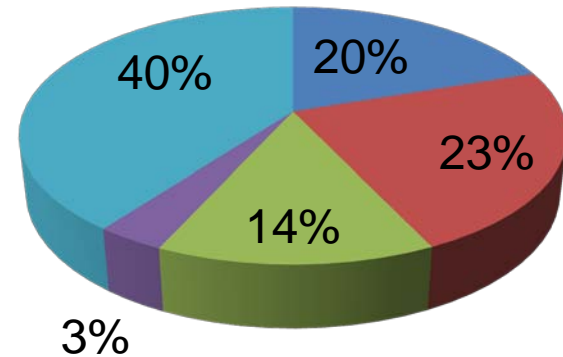
by Departmental Service Area \$2,307,899



- Protective Services \$150,000
- Planning & Operational Services \$1,715,831
- Community and Recreational Services \$ 442,068

2013 – 2021 Multi-Year Capital Plan

- The Multi-Year Capital Plan is presented for information.
- 2013-2021 spending is projected at \$59,481,200.



■ Federal & Provincial Grants	\$17,751,902
■ Deventure	\$13,795,077
■ Third Party Funding	\$8,217,500
■ Off-Site Levies	\$2,053,313
■ Reserves, Taxes, Other	\$23,663,408

Overall Impact to Residents

	Residential Taxation for average \$300,000 Property	Base Rate Water (Monthly)	Base Rate Wastewater (Monthly)	Total Increase to Resident	Monthly Additional Fees charged by Atco Gas
2011	\$ 1,616.10	\$ 9.54	\$10.08		\$ 8.73
2012	\$ 1,671.05	\$ 9.86	\$10.42		\$ 9.52
Monthly increase	\$ 4.58	\$ 0.32	\$ 0.34	\$ 5.24	\$ 0.79
Annual Increase	\$ 54.95	\$ 3.84	\$ 4.08	\$ 62.87	\$ 9.48

Town of Olds

2012 Budget Summary:

Capital Budget 2012	\$ 4,032,499
Operating Budget 2012	\$21,203,200
2013–2021 Capital Plan	\$59,481,200