

# **Strathcona County 2018 Consolidated Budget**

**Council Meeting  
November 20, 2017**

# Presentation outline

## 2018 Consolidated Budget:

- Budget overview
- Operating budget highlights
- Capital budget highlights
- Summary

# What is a budget?

## Budget

- a) A statement of the financial position of an administration for a definite period of time based on estimates of expenditures during the period and proposals for financing them;
- b) a plan for the coordination of resources and expenditures; and
- c) the amount of money that is available for, required for, or assigned to a particular purpose.

(Miriam-Webster's Collegiate Dictionary, Ninth Edition. 1983)

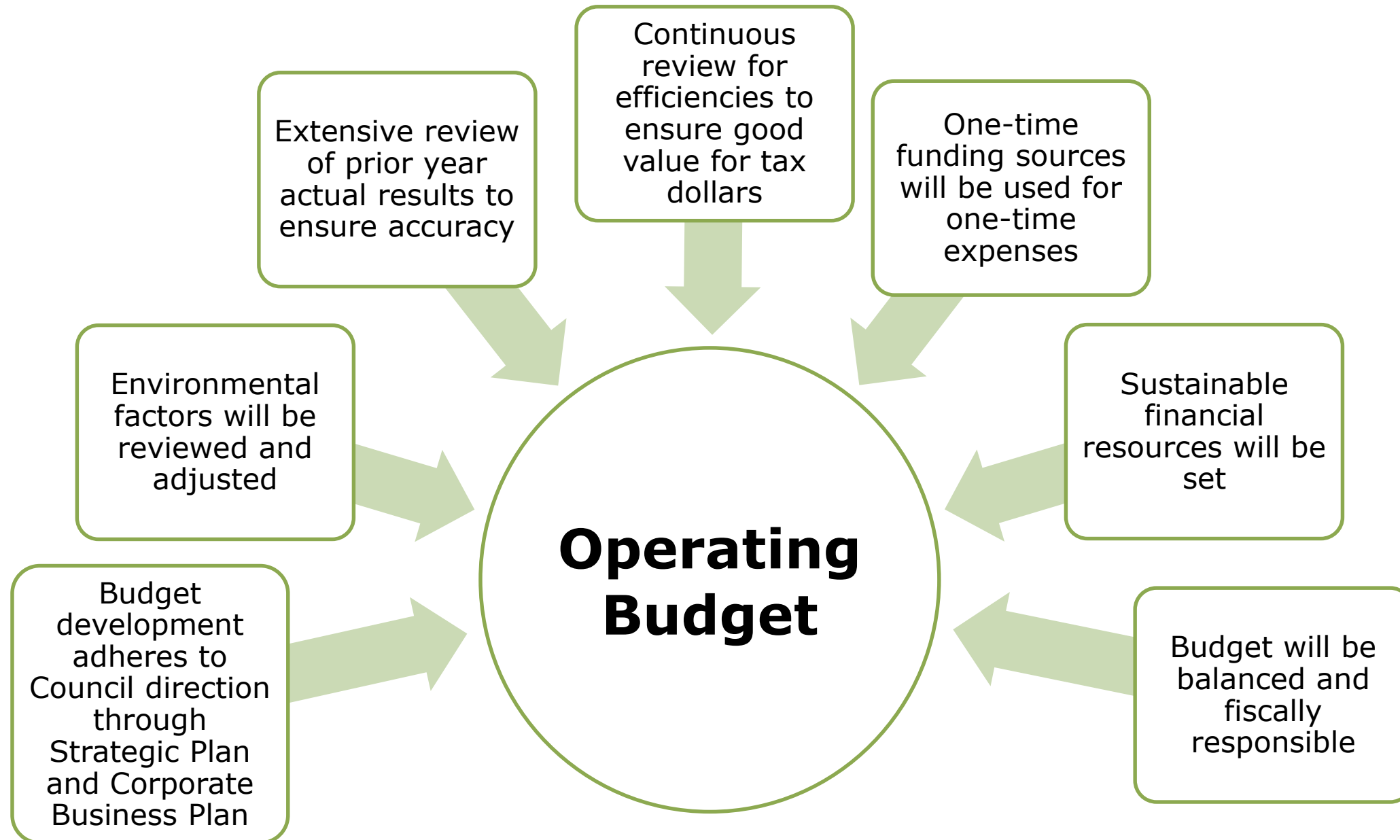
# 2018 consolidated budget

## Budget creation fundamentals

- Financial manifestation of Council priorities as reflected in:
  - The Strategic Plan
  - Corporate Business Plan
  - Department business plans
- 2018 budget process
- Review/adjustment to historic spending patterns
- Re-distribution of freed up resources using PBB lens

# Operating budget highlights

# Operating budget philosophy



# Key recommendations

## 2018 operating budget

- Services and service delivery are **maintained** at current Council approved service levels
- Municipal tax dollar **decrease** of **2.18%**
  - Reduction of (\$40.82) per year for the sample single family residential property (assessed at \$435,000)
  - where 1% municipal tax dollar equates to ~ \$2.163 million
- Utility rate **increase** of **1.32%**
  - Increase of \$1.66 per month (\$19.92 per year) for the average urban customer
    - flow through of costs from EPCOR for water and the Alberta Capital Region Wastewater Commission for wastewater treatment charges.
  - where 1% utility rate equates to ~ \$440 thousand
- Library tax dollar **decrease** of **2.5%**
  - where 1% library tax dollar equates to ~ \$97 thousand

# Key recommendations

## 2018 operating budget

Strathcona County delivers a **balanced** and **fiscally responsible budget** that identifies the costs and resources required to continue with the provision of quality municipal, utility and library program and service delivery.

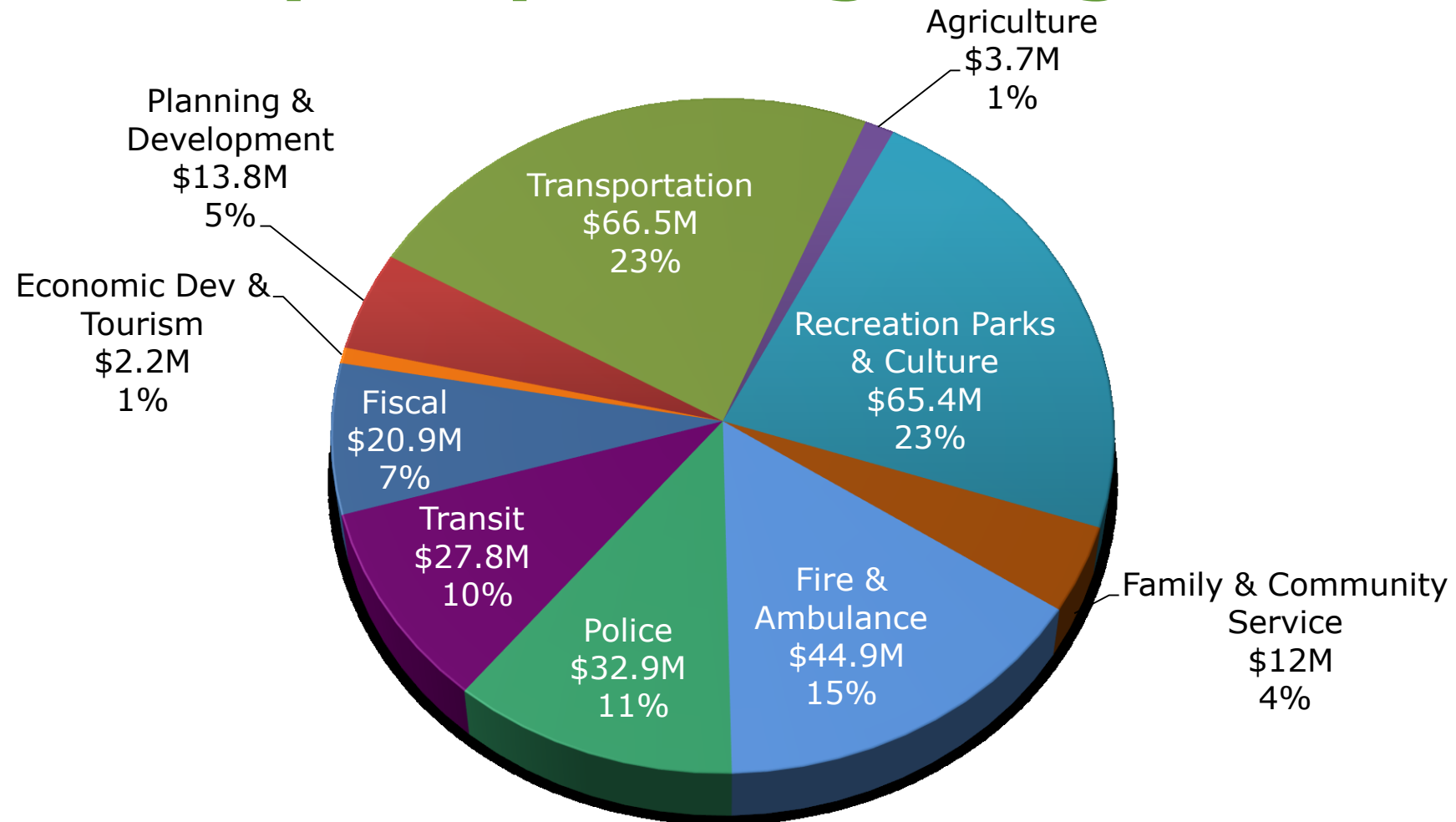
<b>\$Millions</b>	<b>Municipal Operations</b>	<b>Utility Operations</b>	<b>Strathcona County Library</b>	<b>2018 Strathcona County</b>
Revenues	\$ 277.3	\$ 57.5	\$ 10.5	\$ 345.3
Expenses	293.1	58.2	10.5	361.8
Net Expenses	15.8	0.7	0.0	16.5
Non-Operating Items*	34.7	7.0	1.4	43.1
Non-Cash Adjustment (offset to amortization)	(50.5)	(7.7)	(1.4)	(59.6)
Net Impact for Budget	0.0	0.0	0.0	0.0

\* Non-operating items include transfers to/from reserve, and debt repayment.



# What municipal services cost

## 2018 Municipal Operating Budget - \$290.1M



*Recommended 2018 Municipal Operating Budget includes expenditures of \$242.6M (excluding amortization of \$50.5M) and non-operating items of \$47.5M; corporate support services and Council costs have been allocated.*

# Service delivery factors

## Growth and inflation highlights

### Growth:

- Green spaces – grass cutting, weed control
- Trails and Roads – maintenance
- Facilities – utilities, janitorial, maintenance
- User Fees – recreation facilities, planning and development fees

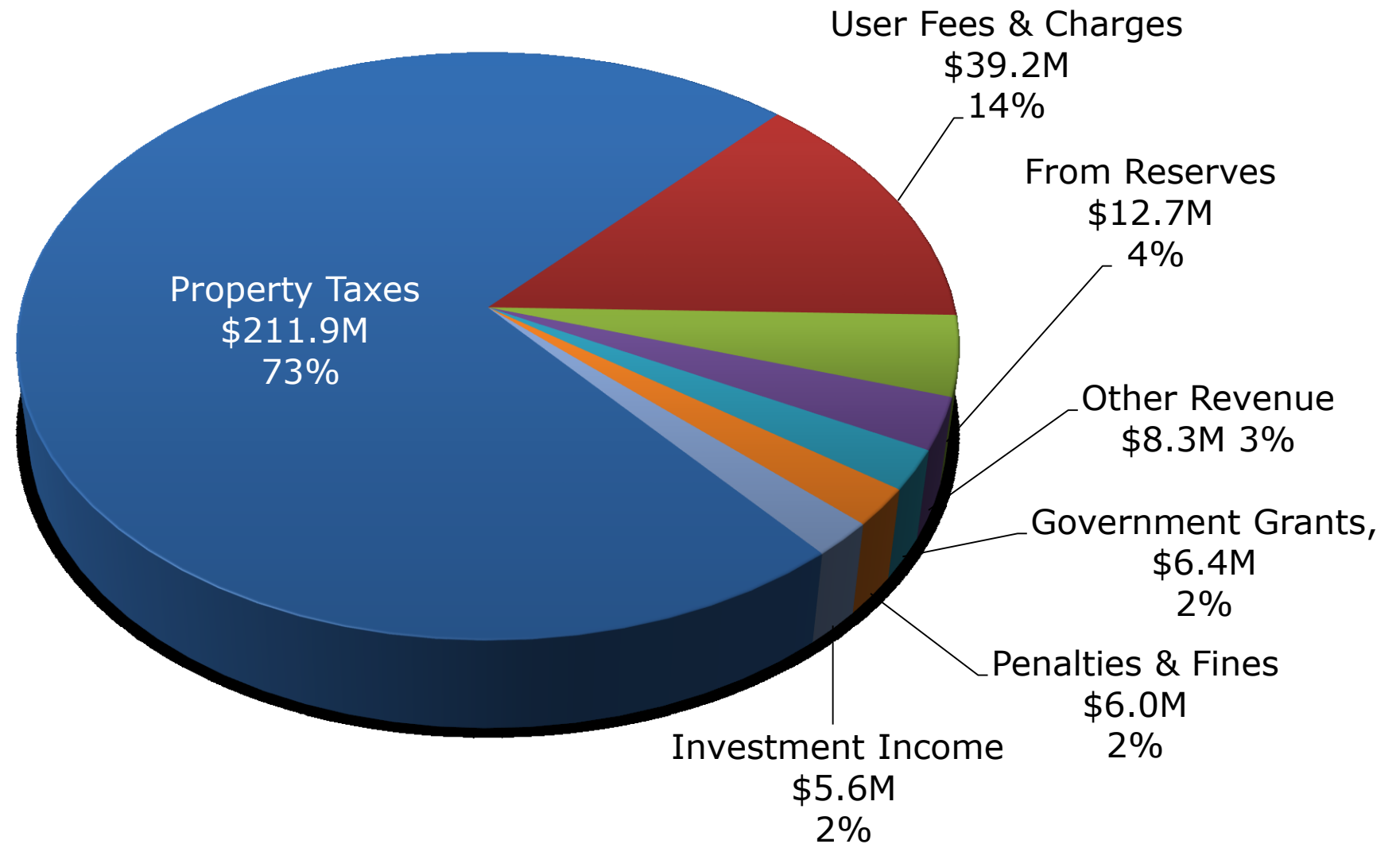
### Inflation/Deflation:

- Supplies – fuel deflation (1.1%), protective clothing 5%, computer software 2%
- Insurance – deflation (7%)
- Utilities Supplies – water purchased for resale 3%, sewer treatment for resale 4%
- Utilities – electricity 2%, natural gas 8%
- Contracts – security contracts deflation (7%), RCMP contract 6%

# Where the money comes from

## 2018 Municipal Operating Budget - \$290.1M

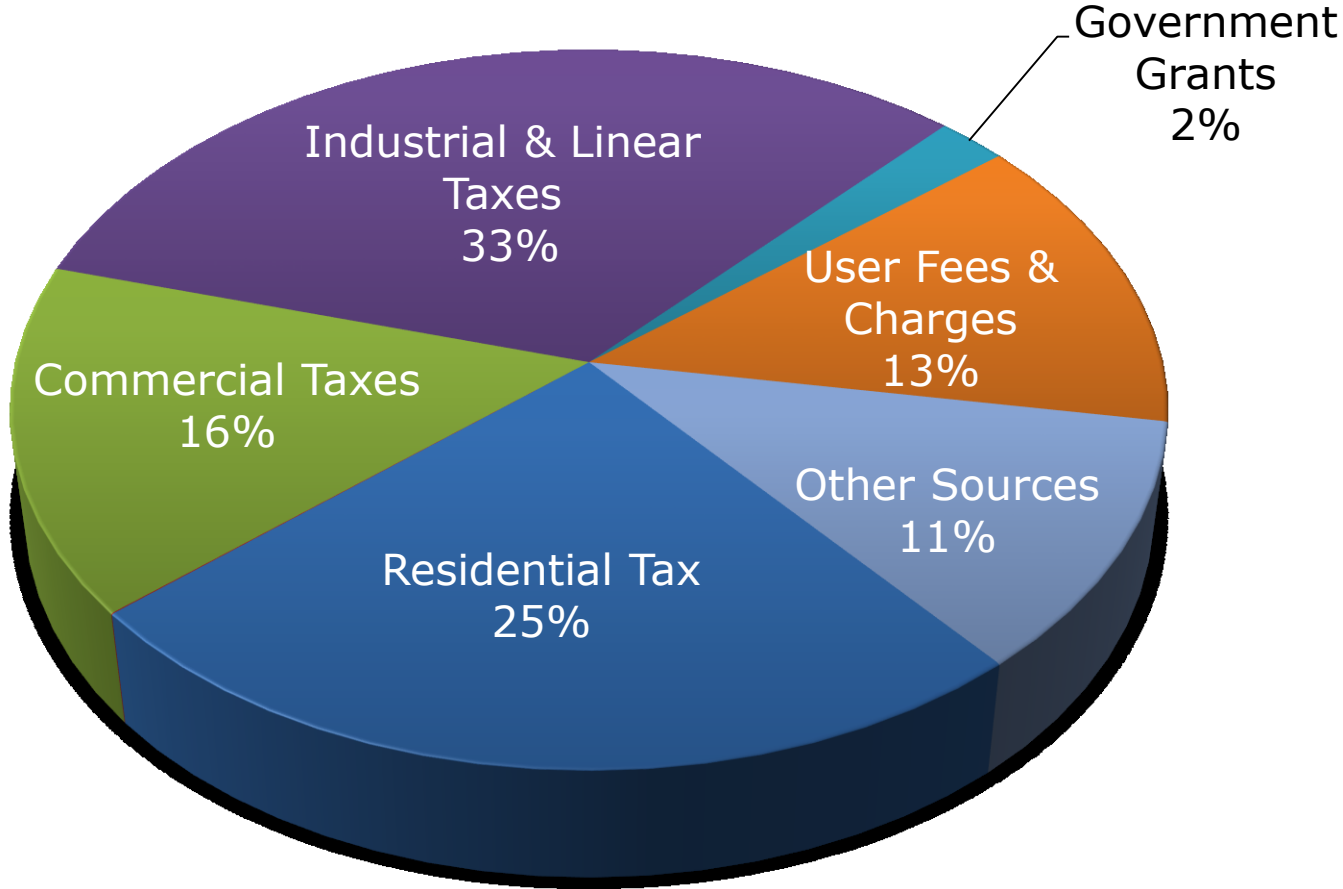
*Recommended 2018 Municipal Operating Budget includes revenues of \$277.4M and reserve transfers of \$12.7M.*



# Municipal residential property taxes

## Contribute 25% towards supporting municipal services

(Municipal operations)



*Other Sources includes local improvement charges, interest income, fines and penalties, transfers from reserves, and other revenues.*

# Sample residential property

## Impact of a 2.18% Municipal Property Tax Decrease on Sample Residential Property

Property Type	Assessed Value	Municipal Taxes 2017	Municipal Taxes 2018	Annual Change	Percent Change
Single Family Home	\$ 435,000	\$ 1,872	\$ 1,832	\$ (41)	(2.18%)

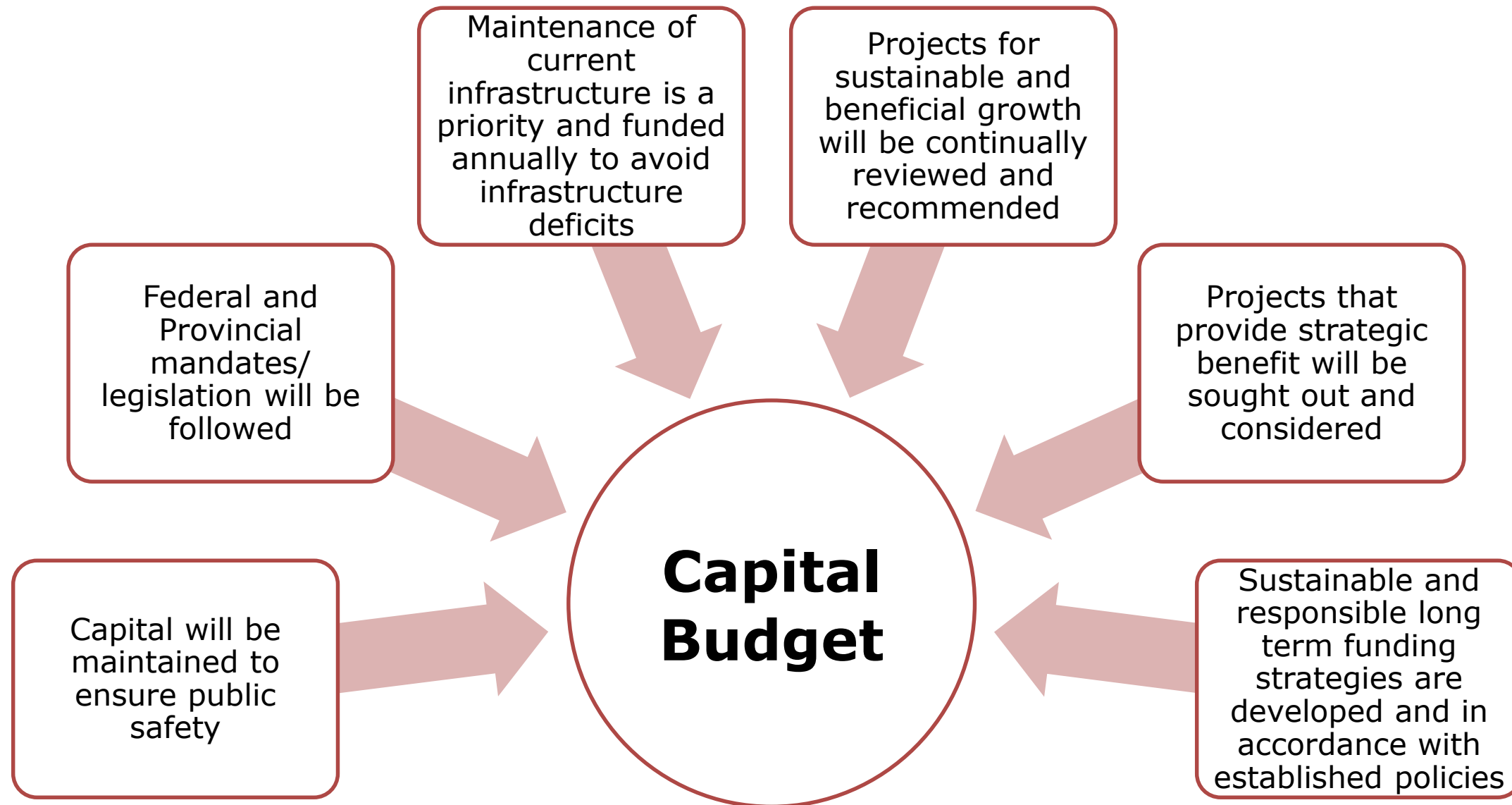
# Sample non-residential properties

## Impact of a 2.18% Municipal Property Tax Decrease on Sample Non-Residential Properties

Property Type	Assessed Value	Municipal Taxes 2017	Municipal Taxes 2018	Annual Change	Percent Change
Warehouse	\$ 2,000,000	\$ 17,252	\$ 16,876	\$ (376)	(2.18%)
Office	\$ 5,000,000	\$ 43,129	\$ 42,189	\$ (940)	(2.18%)
Retail	\$ 10,000,000	\$ 86,258	\$ 84,378	\$ (1,880)	(2.18%)

# Capital budget highlights

# Capital budget philosophy





# Key recommendations

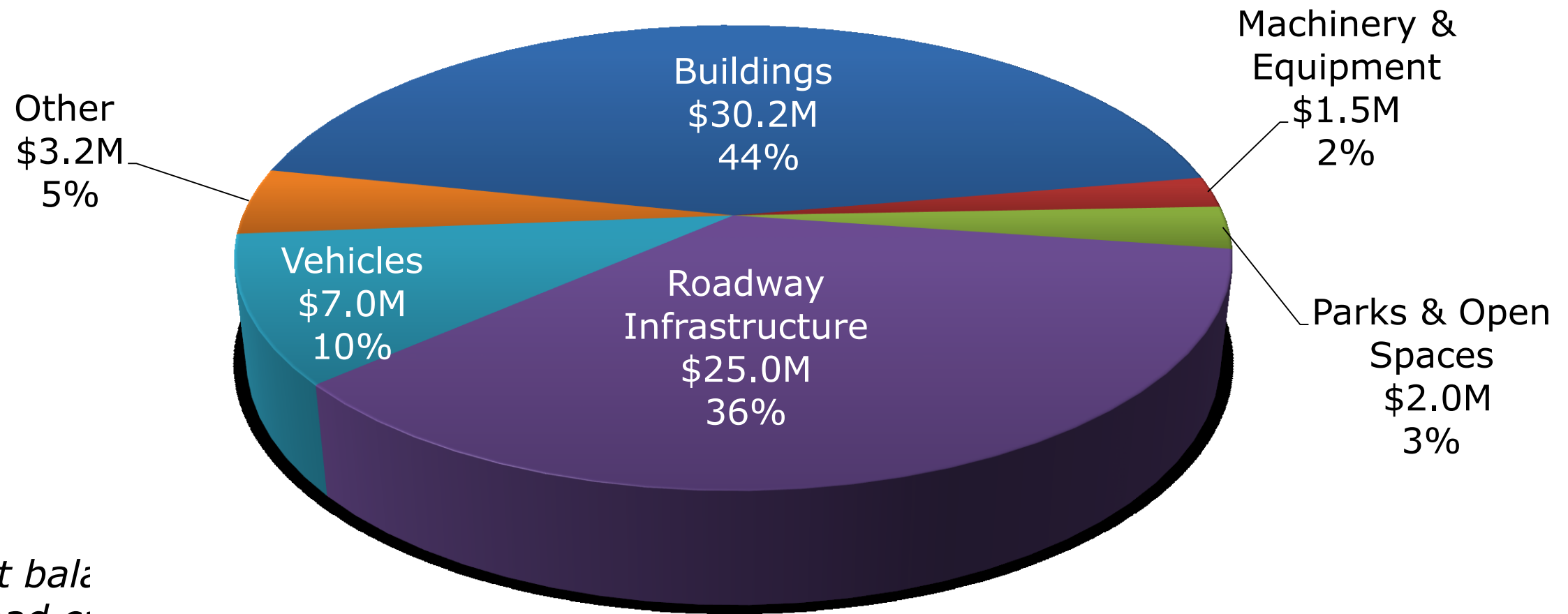
## 2018 capital budget

- Recommended capital budget for 2018 is **\$68.9M**
  - Municipal operations = \$64.9M
  - Utility operations = \$3.4M
  - Library operations = \$0.6M
- **Debt recommendation**
  - \$14.5M for the Multi-Use Agriculture Facility – Outdoor Amenities and Servicing

# Capital budget by asset type

## Municipal, Utility, Library operations

2018 Capital Budget by asset type - \$68.9M

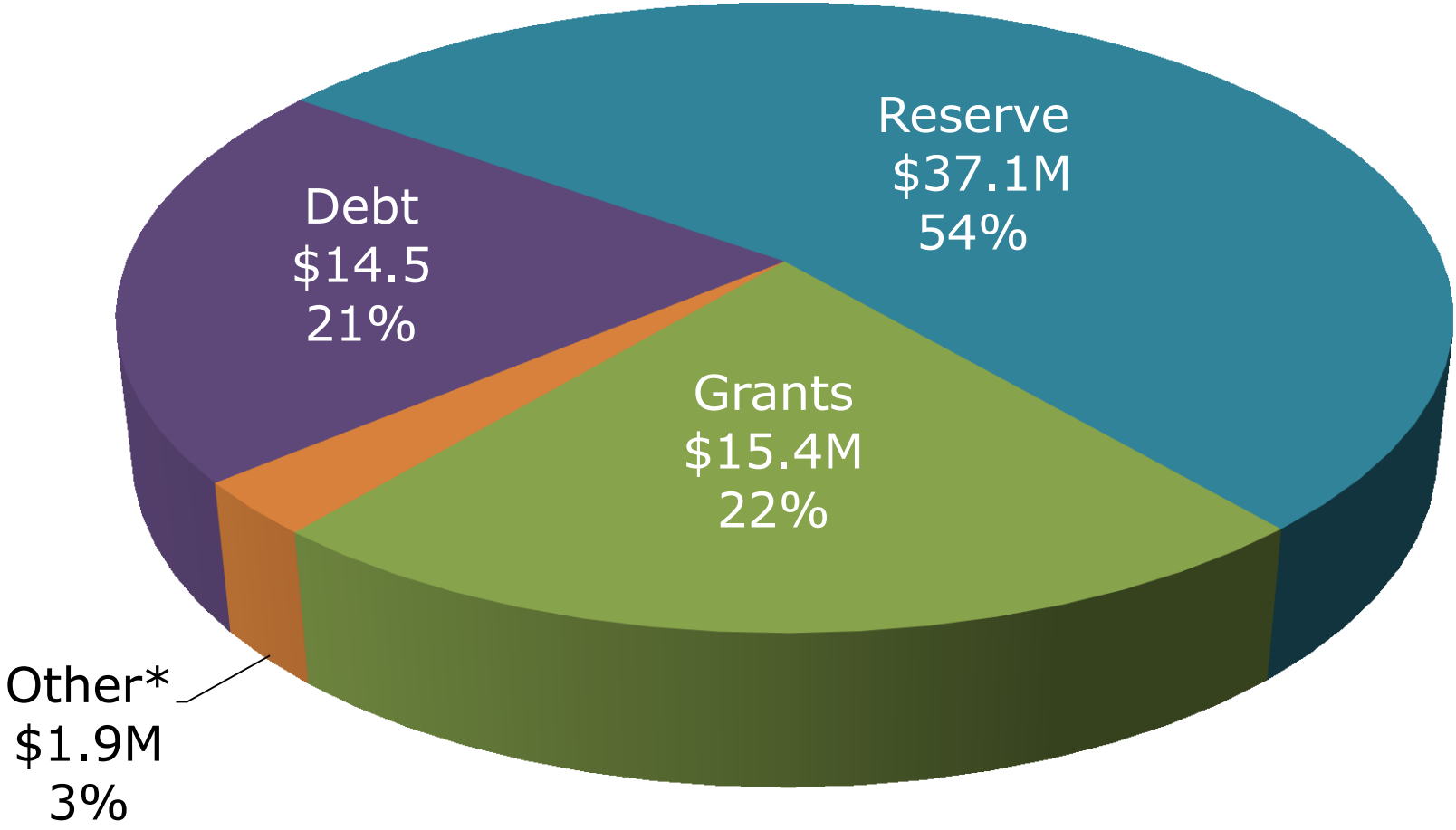


*The 2018 budget balances the County's broad capital needs to maintain services.*

# Capital budget funding

## Municipal, Utility, Library operations

2018 Capital Funding - \$68.9M



*Recommended debt financing of \$14.5M*

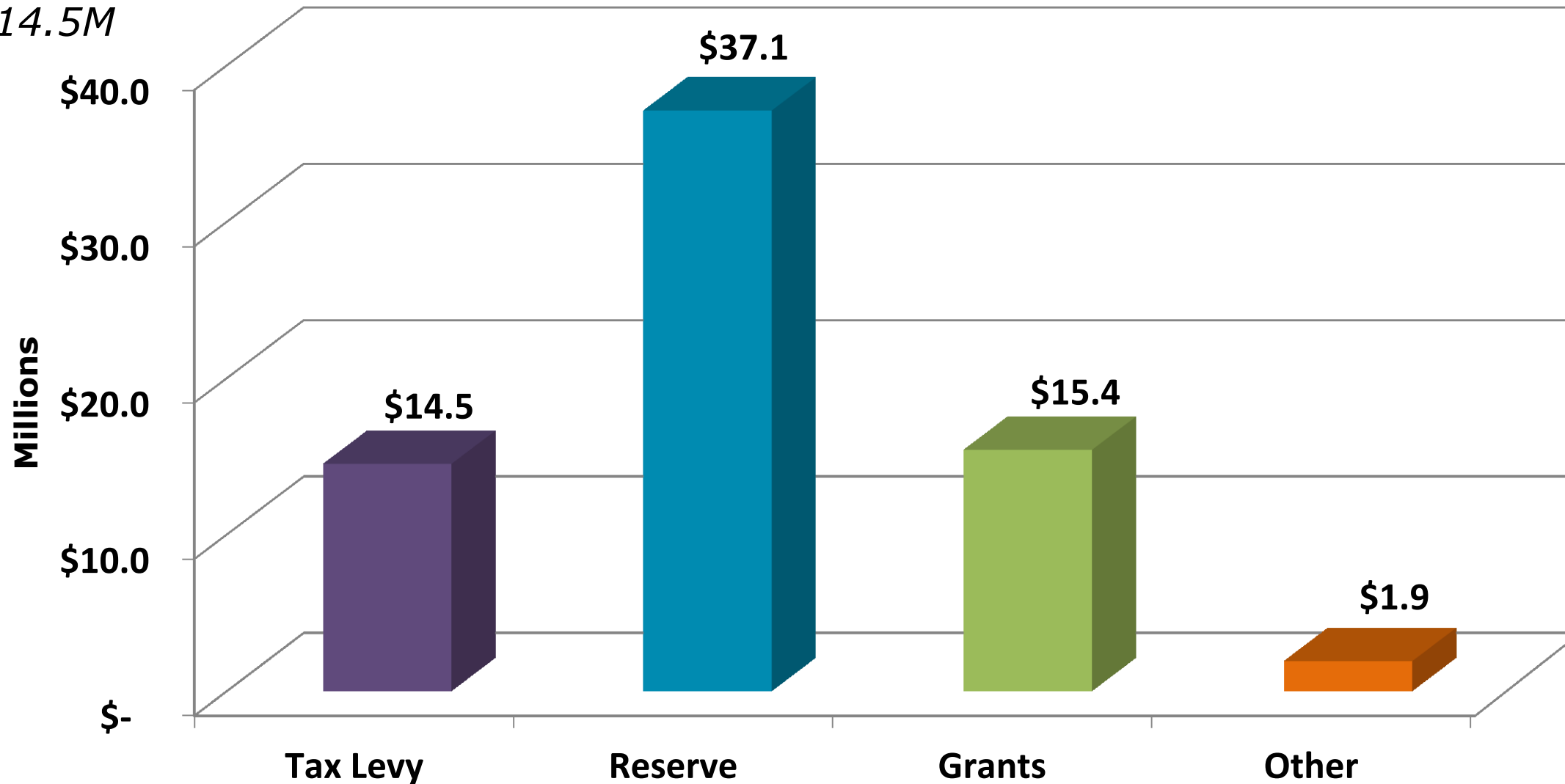
\* Includes developer contributions and contribution in aide of construction

# Capital budget funding

## Municipal, Utility, Library operations

2018 Capital Funding - \$68.9M

*Recommended debt financing of \$14.5M*



*\* Includes developer contributions and contribution in aid of construction*

# Summary

The 2018 Budget achieves the objectives of delivering balanced and fiscally responsible operating and capital budgets that...

- Reflect the programs and services required to meet current and emerging resident, business and industry needs
- Identify and allocate resources necessary to respond to and meet program and service delivery requirements
- Continue to invest in community quality of life

# Questions?