

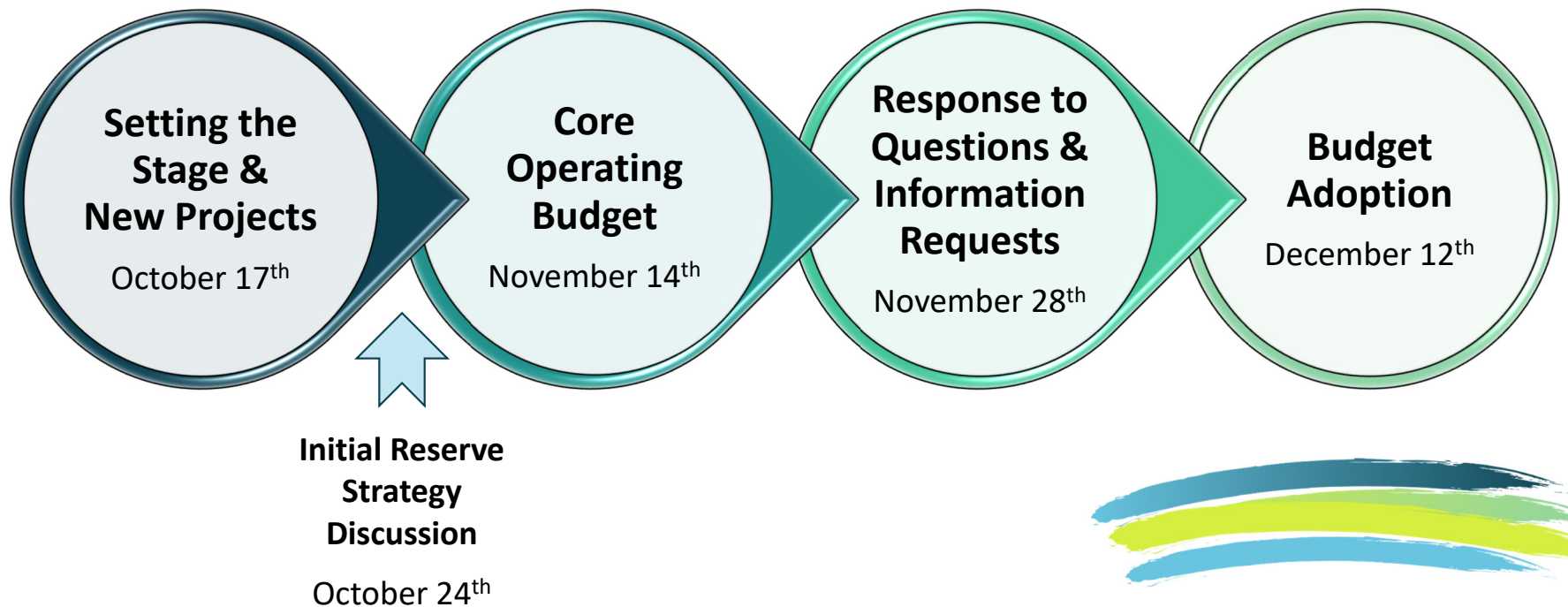


# Budget 2024

Core Operating Budget Presentation



# Budget 2024 Schedule





# Agenda



---

Introduction

---

Core Operating Budget

---

New Initiatives Review

---

Next Steps

# Introduction



**GUIDING  
PRINCIPLES**



**BUDGET PROCESS**



**SITUATIONAL RECAP**



# Guiding Principles



Advancement of Council's Strategic Plan



Maintain Existing Service Levels



Improve Customer Service



Keep Tax Rates Competitive



Incorporate a Proactive Infrastructure Renewal Plan



Identify and Incorporate Efficiencies



Ensure Rates and Fees for Services are Appropriate



# Introduction



GUIDING  
PRINCIPLES

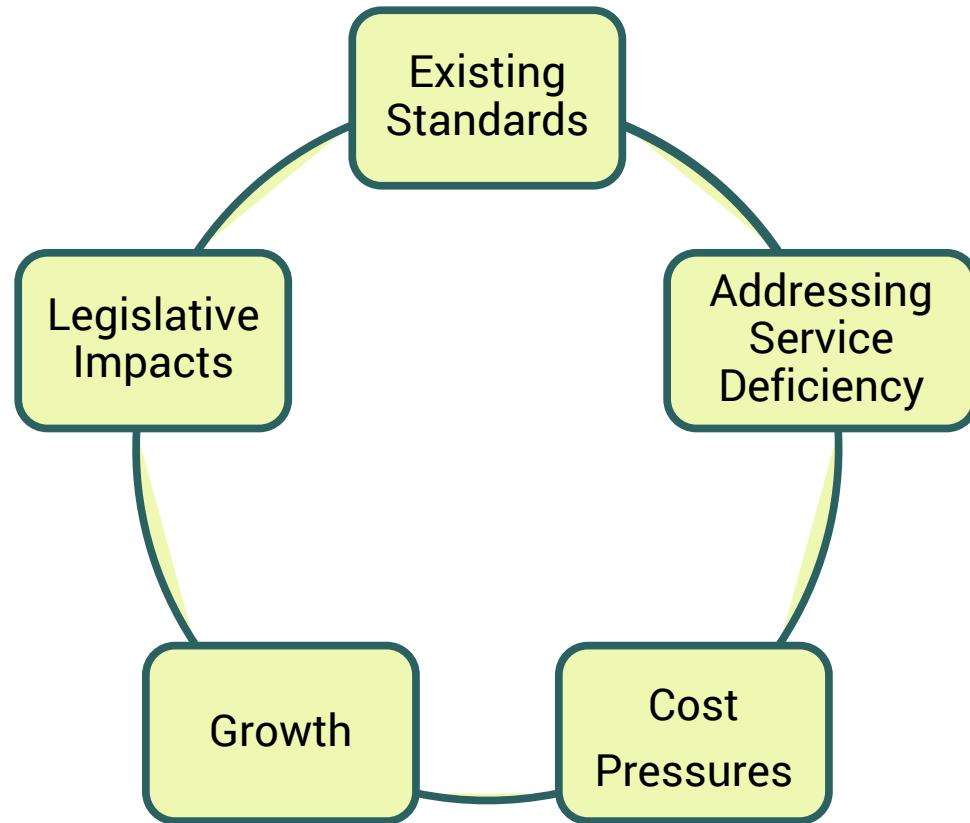


**BUDGET PROCESS**

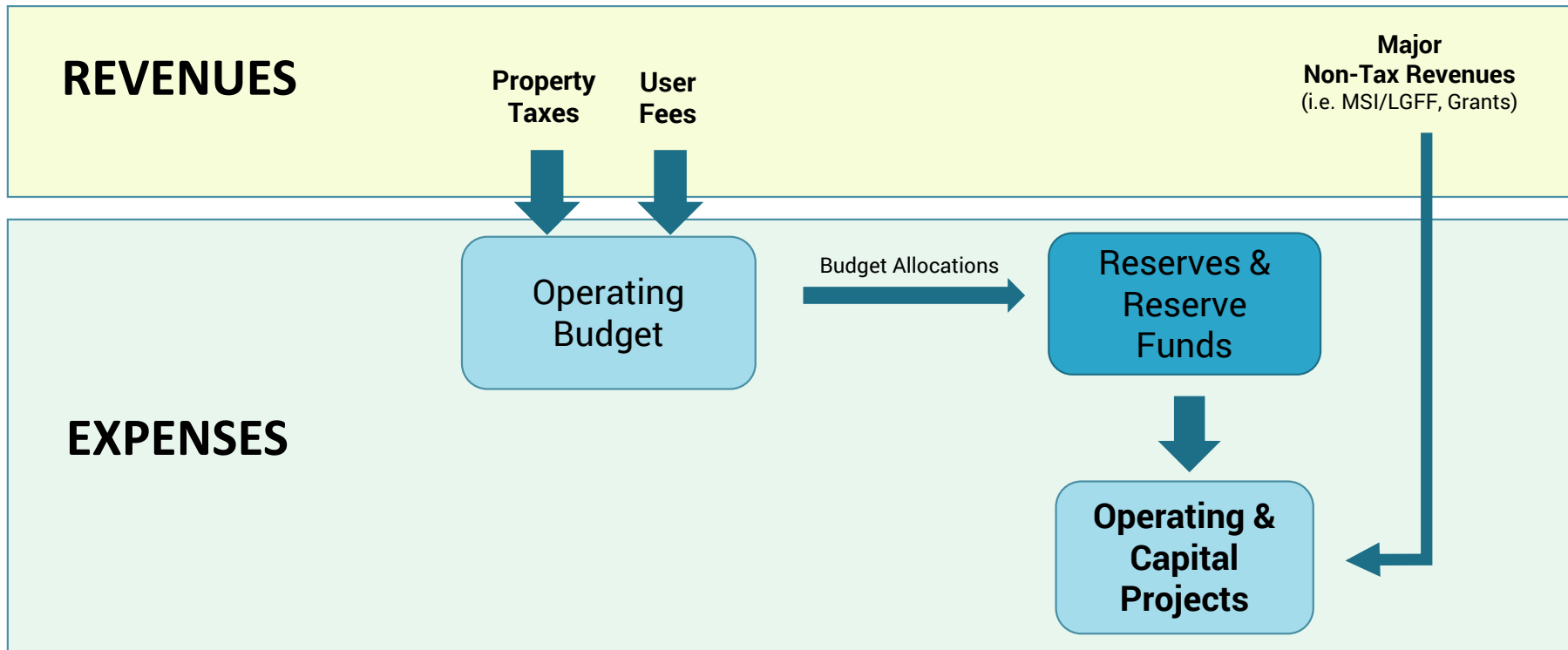


SITUATIONAL RECAP

# Operating Budget Inputs

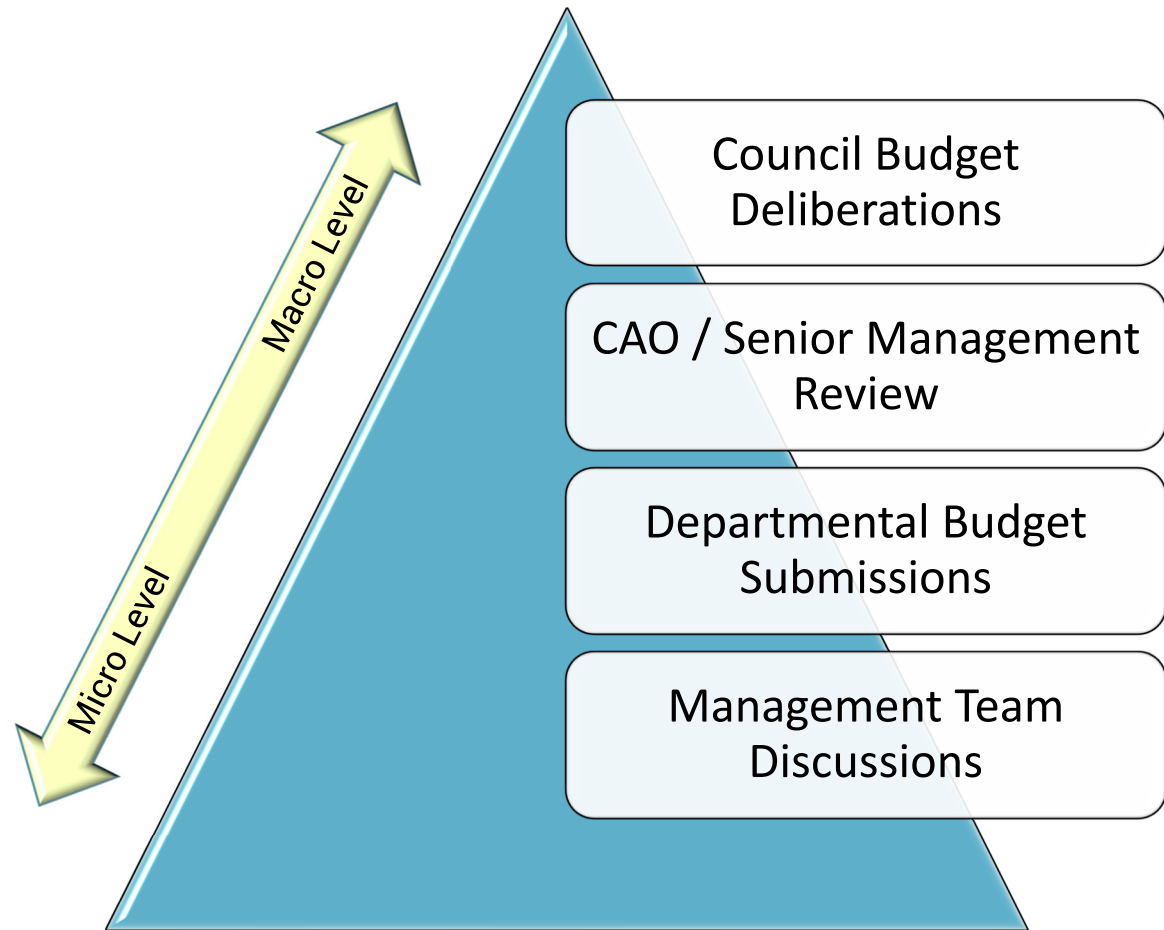


# Funding & Allocations

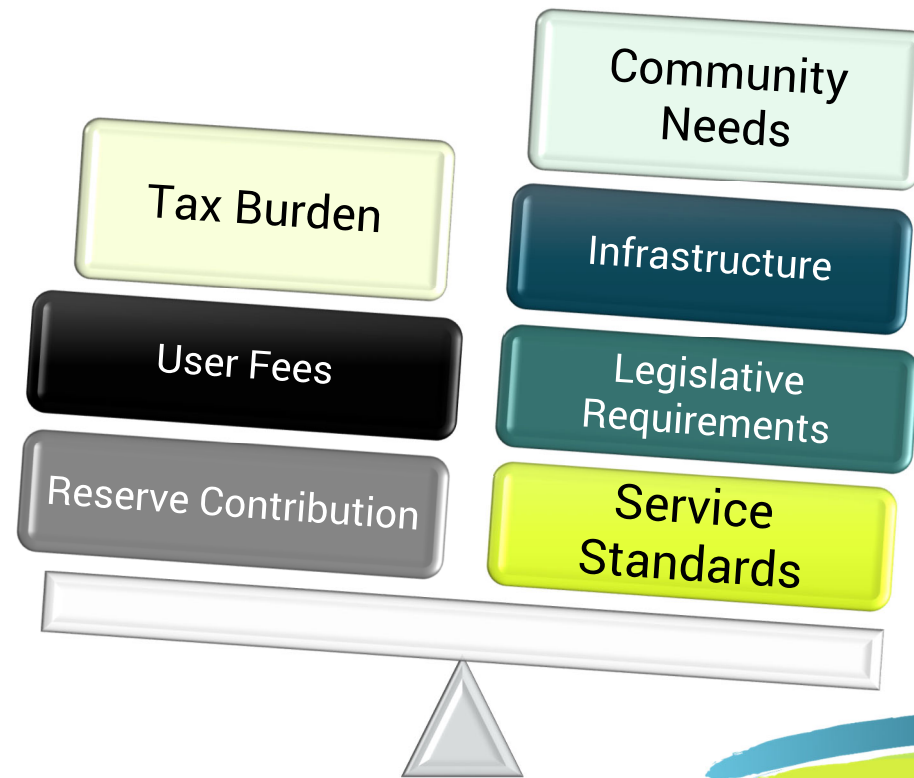




# Budget Undergoes Multiple Layers of Review



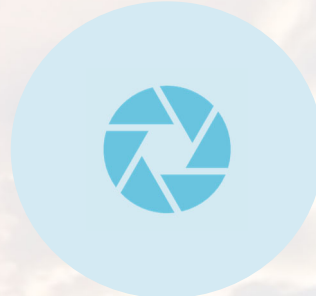
# The Budget is a Balancing Act



# Introduction



GUIDING PRINCIPLES



BUDGET PROCESS



**SITUATIONAL RECAP**



# Situational Recap

## Challenges

- Maintaining service levels with minimal tax burden impacts
- Minimal new assessment growth
- Provincial/Federal support lacking

## Positives

- Tax Collection success rates
- Reliance on borrowing
- Healthy Reserves
- Real Tax Increases (in dollars) not excessive



# 2023 Budget to Actuals



4% variance on core operating budget



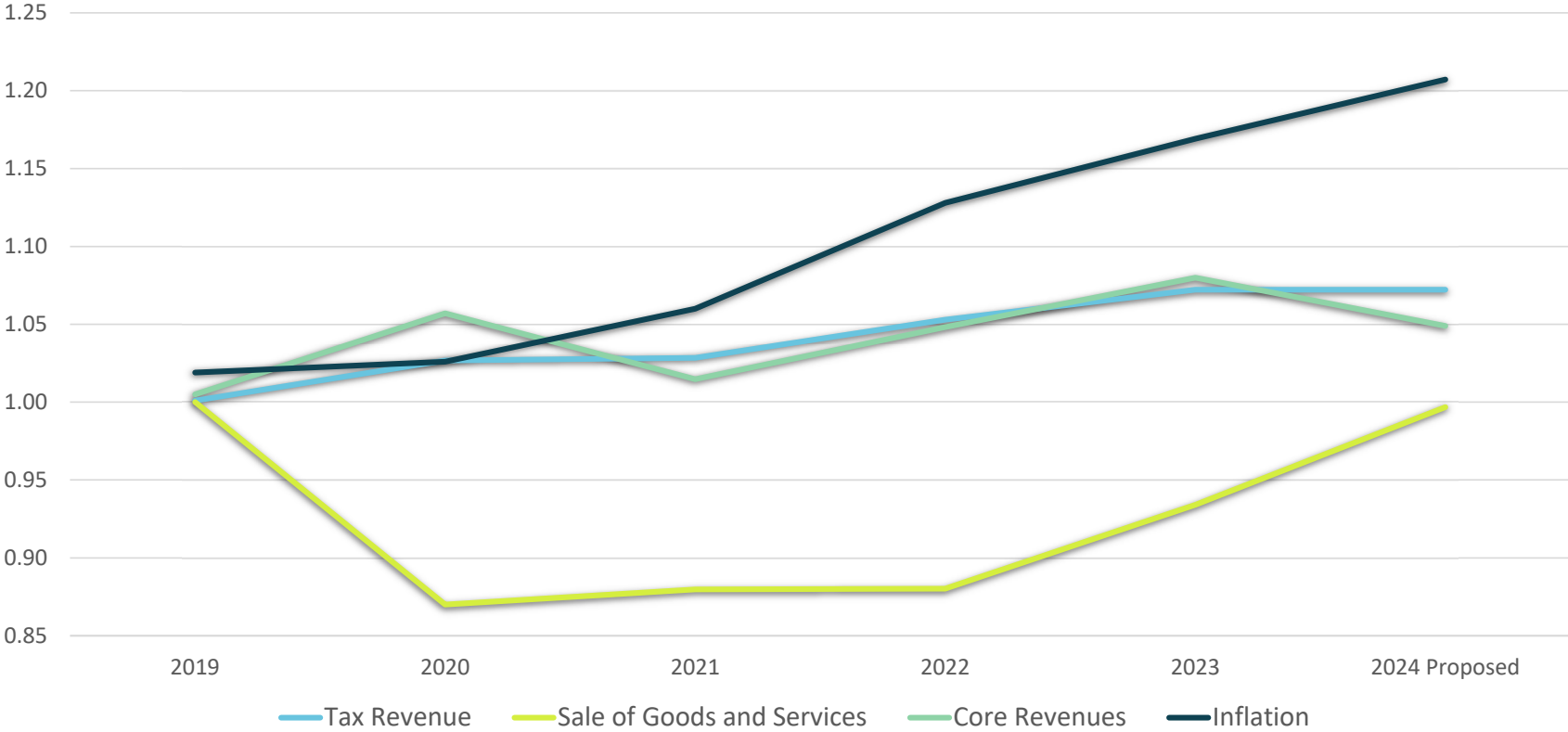
Favourable revenue variances



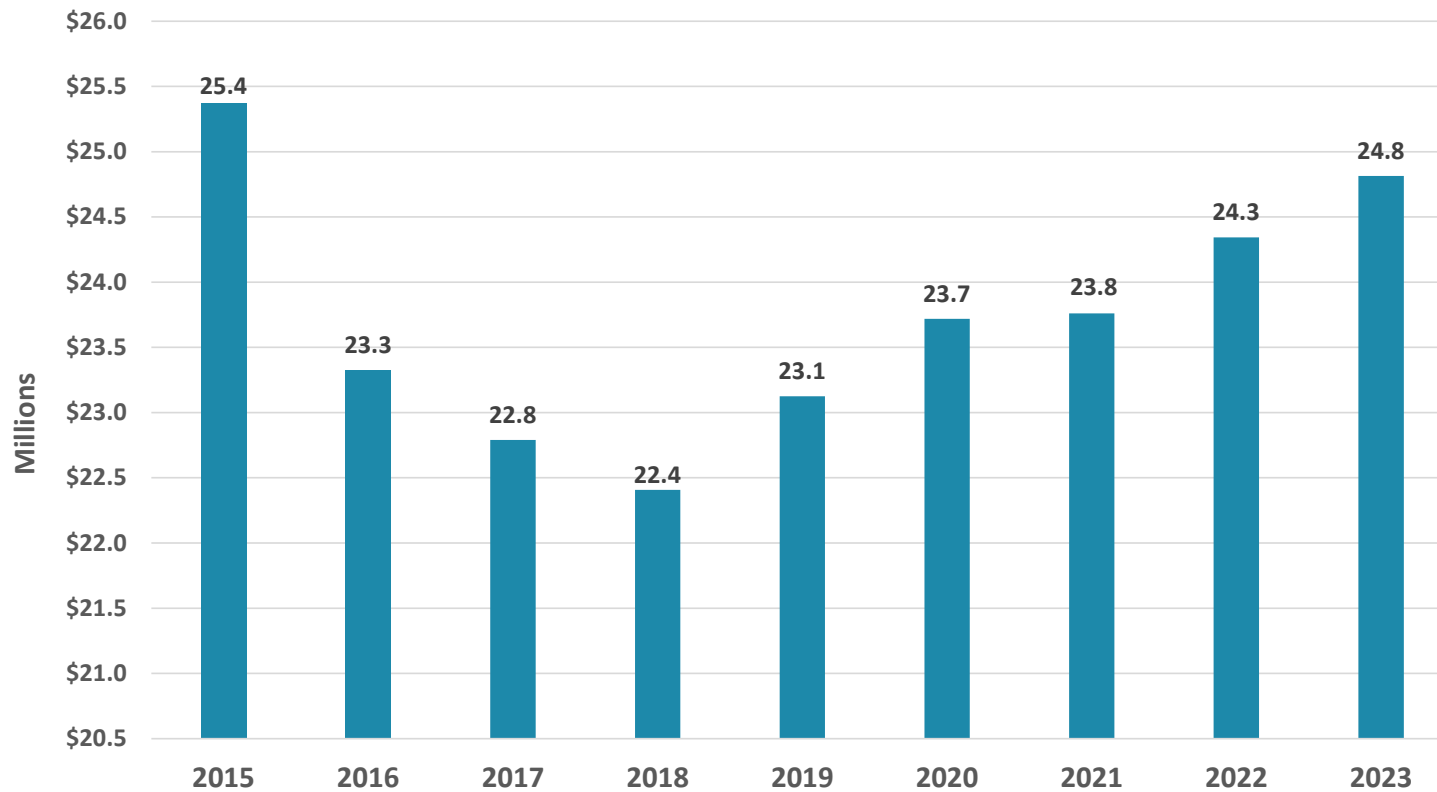
Unfavourable expenditure variances due to inflationary pressures



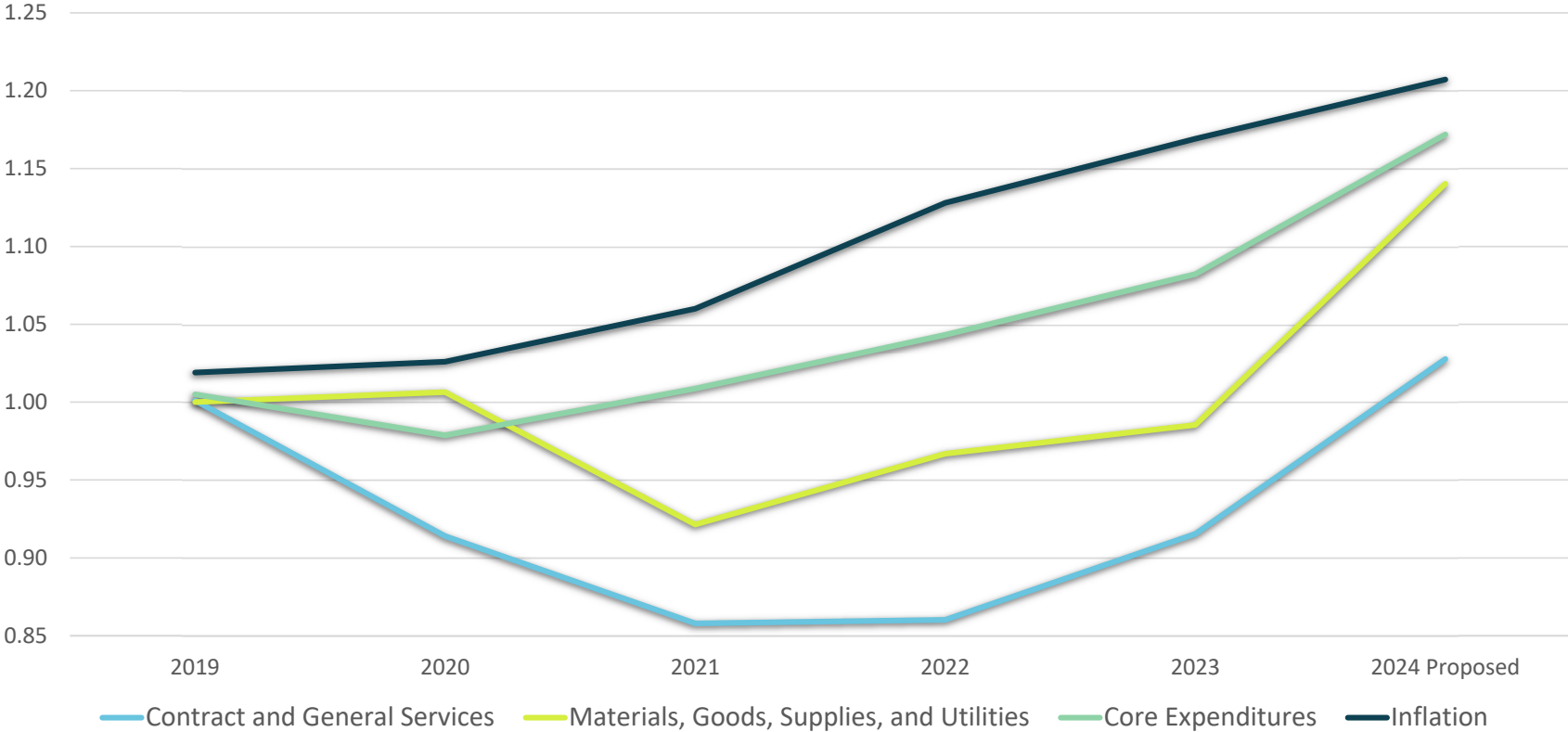
# Inflation vs. Revenues | Cumulative Impact



# Tax Levy 2015-2023 (Millions)



# Inflation vs. Expenditures | Cumulative Impact





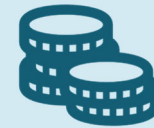
# Operating Budget



**CORE OPERATING  
BUDGET OVERVIEW**



**NEW INITIATIVES  
REVIEW**



**BUDGET OVERVIEW &  
NEXT STEPS**



# Budget Overview

- ✓ Capital & Operating Projects – Presented October 17<sup>th</sup>
- Proposed Core Operating Budget
- 2023 – 2024 Budget Variances
- Community Grant Programs
- Reserve Contributions



# Proposed Operating Budget Summary

## Core/Base Budget - Revenues

REVENUES	2023 BUDGET	2024 BUDGET
Licenses and Permits	(99,100)	(89,100)
Operating Grants	(463,302)	(506,647)
Other Revenue	(60,000)	(85,000)
Sales of Goods and Services	(1,461,350)	(1,553,058)
Sales to Other Governments	(131,753)	(132,370)
Rental Income	(140,404)	(140,700)
Penalties and Fines	(121,000)	(92,000)
Property Taxes	(24,474,002)	(24,474,002)
Special Taxes and Frontage	(339,749)	(293,587)
Return on Investment	(766,784)	(602,800)
Transfer from Reserves	(932,000)	-
Capital Equipment Plan Sales	(100,000)	(100,000)
<b>Total Revenues</b>	<b>(29,089,444)</b>	<b>(28,069,264)</b>



# Core Budget Variance Explanations | Revenues

2023 Budget - \$29,089,444 | 2024 Budget - \$28,069,264 | Decrease -\$1,020,180

ITEM	BUDGET VARIANCE	DESCRIPTION
Licenses and Permits	- \$10,000	Development and safety code permits
Operating Grants	+ \$43,345	Agricultural Services grants
Other Revenue	+ \$25,000	Oil and gas water agreements (+ \$25k)
Sales of Goods and Services	+ \$91,708	Water lines (+ \$31k) Dust control (+ \$30k) Scrap metal (+ \$16k) Bulk water (+ \$8k) Campgrounds (+ \$5k) Small adjustments across multiple revenues (+ \$1.7k)
Sales to Other Governments	+ \$617	Market increases
Rental Income	+ \$296	Market increases

# Core Budget Variance Explanations | Revenues Cont'd

ITEM	BUDGET VARIANCE	DESCRIPTION
Penalties and Fines	- \$29,000	Penalties on tax revenues
Property Taxes	-	Budgeted at 2023 levels pending further Council deliberations
Special Taxes and Frontage	- \$46,162	Expiry of one special levy
Return on Investment	- \$163,984	Decrease in line with long term reserve strategies
Transfer from Reserves	- \$932,000	No transfers from reserves budgeted at this time
Capital Equipment Plan Sales	-	No change from 2023 levels

# Proposed Operating Budget Summary

## Core/Base Budget - Expenses

EXPENSES	2023 BUDGET	2024 BUDGET
Contract, Goods, and Services	3,170,536	3,385,305
Materials, Goods, Supplies, and Utilities	3,835,936	4,400,479
Salaries, Wages, and Benefits	10,239,050	10,287,666
Provisions for Allowances	250,000	250,000
Purchases from Other Governments	749,498	746,220
Transfers to Other Governments	650,528	660,419
Transfers to Individuals and Organizations	288,900	306,450
Transfers to Local Boards and Agencies	120,852	120,852
Contributions to Reserves	8,352,144	9,291,158
Operating Projects	732,000	-
Gravel (Inventory) Projects	700,000	715,000
<b>Total Expenses</b>	<b>29,089,444</b>	<b>30,163,549</b>



# Core Budget Variance Explanations | Expenses

2023 Budget - \$ 29,089,444 | 2024 Budget - \$30,163,549 | Increase - \$1,074,105

ITEM	BUDGET VARIANCE	DESCRIPTION
Contract, Goods, and Services	+ \$214,769	Professional fees – legal, engineering and audit (+ \$70k) Contract repairs and maintenance (+ \$54k) Training and development (+ \$38K) Insurance (+ \$30k) Inspection Services (+ \$13k) Freight (+ \$5k) Advertising (+ \$4k)
Materials, Goods, Supplies, and Utilities	+ \$564,543	Shop supplies (+ \$201k) Road network supplies (+ \$140k) Fuel (+ \$88k) General goods and supplies (+ \$72k) Water for resale (+ \$38k) Utilities (+ \$25k) Public land weed control (+ \$20k) Small tools and equipment (+ \$10k) Extension Ag Programming (- \$30k)

# Core Budget Variance Explanations | Expenses Cont'd

ITEM	BUDGET VARIANCE	DESCRIPTION
Salaries, Wages, and Benefits	+ \$48,616	Benefits and government contributions (+ \$137K) Merit and market adjustments to 50 <sup>th</sup> percentile (+ \$27K) Seasonal support adjustments (- \$116k)
Provisions for Allowances	-	Budgeted at 2023 levels pending further Council deliberations
Purchases from Other Governments	- \$3,278	Commission requisitions
Transfers to Other Governments	+ \$9,891	Inflationary growth on existing agreements
Transfers to Individuals and Organizations	+ \$17,550	Inflationary growth on existing agreements and increased community grant programming
Transfers to Local Boards and Agencies	-	No change from 2023 levels.



# Core Budget Variance Explanations | Expenses Cont'd

ITEM	BUDGET VARIANCE	DESCRIPTION
Contributions to Reserves	+ \$939,014	Capital Equipment Plan (+ \$918k) Gravel strategy (+ \$100k) IT (+ \$1k) Water Reserve (- \$80k)
Operating Projects	- \$732,000	No operating projects included in base budget
Gravel (Inventory) Projects	+ \$15,000	Gravel crushing price increases



# Community Grant Programs | Built into Base Budget

- ICF Recreation Funding | \$288,060
- Airport | \$25,000
- Junior Achievement | \$3,000
- STARS Air Ambulance | \$3,000
- Arena Funding | \$30,000
- Community Halls | \$26,225
- Youth Sponsorship | \$10,000
- Grant Writer | \$15,000
- Community Arts and Culture | \$10,000
- Grants to Community Non-Profits | \$50,000
- Scholarship Award | \$4,000
- Century Farm Award | \$3,600
- Council Contingency | \$25,000
- Library | \$54,868.40
- FCSS | \$65,681
- Kneehill Medical Services R & R | \$10,114
- Kneehill Regional Partnership | \$7,600

# Reserve Contributions | Built into Base Budget

RESERVE	CONTRIBUTION
IT	\$79,647
Capital Equipment Plan	\$3,553,888
Disaster Recovery	\$150,000
Building Replacement	\$481,500
Gravel	\$350,000
Road	\$2,890,800
Bridge	\$600,000
Infrastructure	\$850,000
Water	\$335,323
<b>TOTAL</b>	<b>\$9,291,158</b>



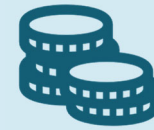
# Operating Budget



CORE OPERATING  
BUDGET OVERVIEW



NEW INITIATIVES  
REVIEW



BUDGET OVERVIEW &  
NEXT STEPS

# Proposed Operating Budget

## New Initiatives

INITIATIVE	2024 PROJECT COSTS	2024 OPERATING BUDGET IMPACT
Cemetery Community Grant		\$4,000
Ag Services Seasonal Support Strategy		\$44,071
Environmental Technician		\$144,927
Roadside Weed Control	\$77,000	\$88,270
Contracted IT Support		\$70,000
WaterCAD Software License Purchase	\$5,500	\$11,569
Enhanced Public Engagement		\$30,000
Protective Services Administrative Support		\$94,968
Equipment Operator		\$81,156
Shop Position		\$108,968
<b>Total Revenues</b>	<b>82,500</b>	<b>677,929</b>



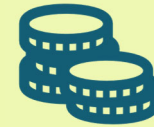
# Operating Budget



CORE OPERATING  
BUDGET OVERVIEW



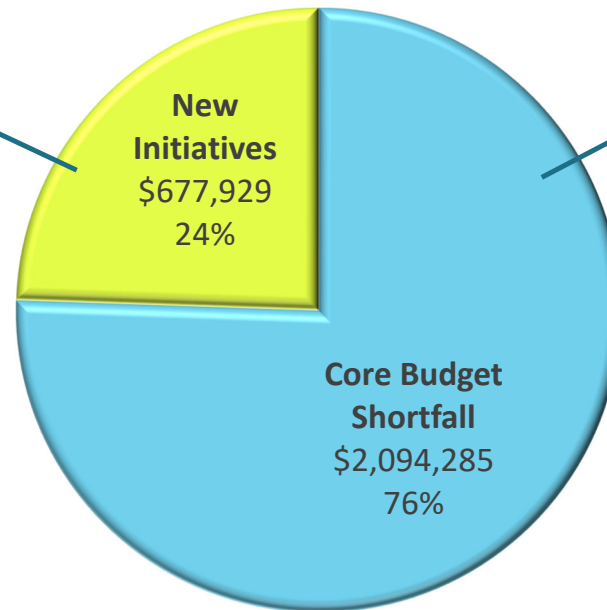
NEW INITIATIVES  
REVIEW



**BUDGET OVERVIEW  
& NEXT STEPS**

# Proposed Budget Summary | Operational Shortfall = \$2,772,214

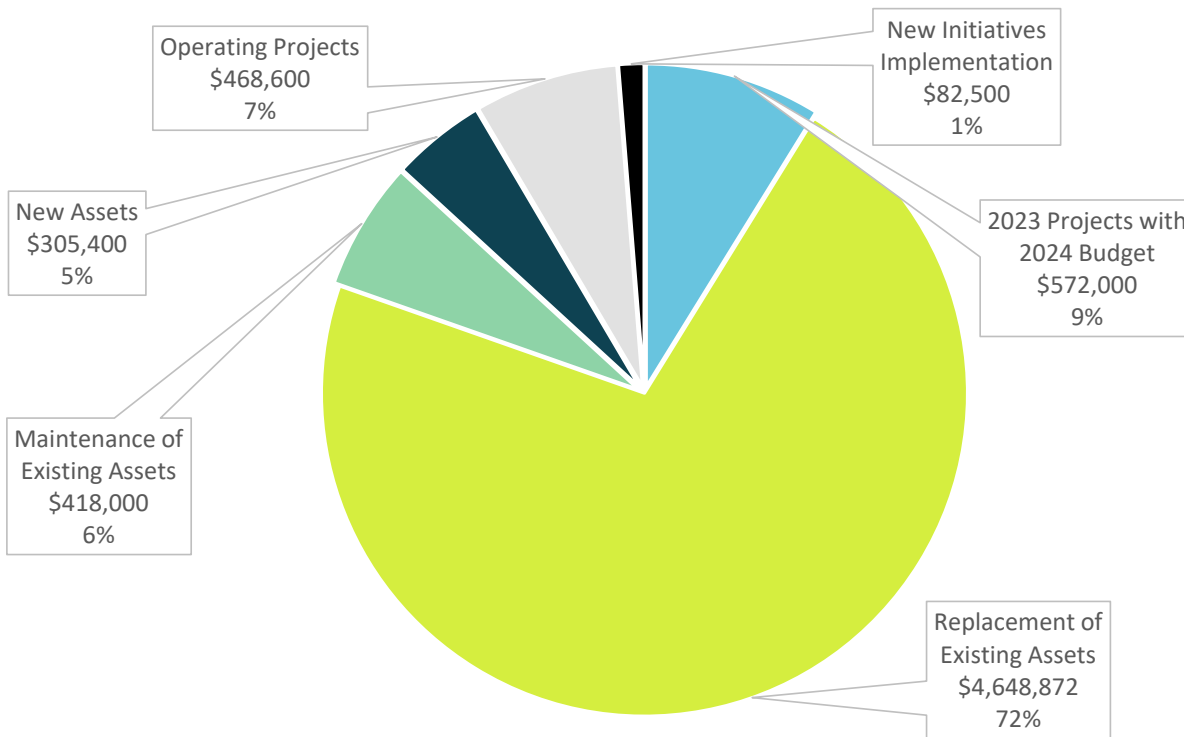
New Initiatives:	
Grants	\$4,000
Human Resources	\$502,640
Software	\$11,569
Public Engagement	\$30,000
Ag Services	\$30,000
IT Contracts	\$70,000



Core Budget Shortfall:	
\$28,069,264	(Total Revenues)
- \$30,163,549	(Total Expenses)
- \$2,094,285	Shortfall



# Proposed Projects & Funding Sources

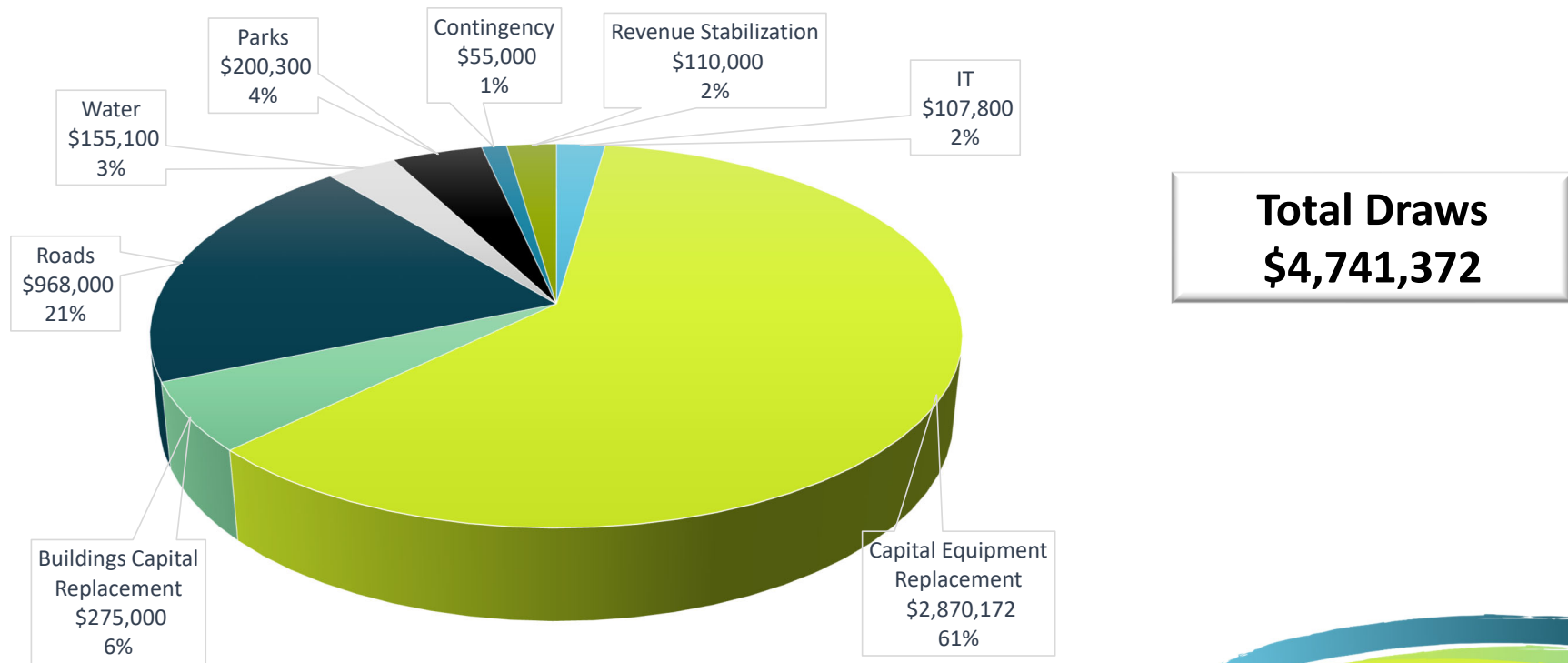


Funding Source	Amount
Reserves	\$4,741,372
CCBF Grant	\$1,716,000
Community Grant	\$16,500
Community Fundraising	\$6,500
Sponsorships / Ticket Sales	\$15,500
<b>Total</b>	<b>\$6,495,372</b>

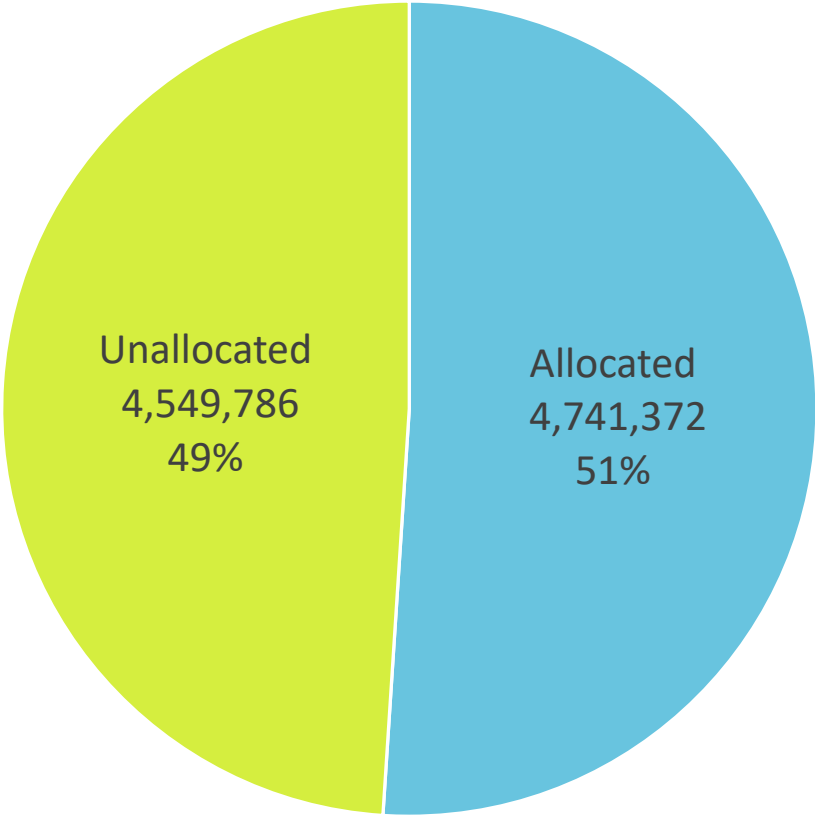




# Proposed Reserve Draws



# Reserve Contributions Vs. Allocations



# Next Steps | Council Input & Decisions



Accept/Reject New Initiatives



Level of Service Reduction/Deferral



Other Service Fee Rate Adjustment(s)



Tax Rate Adjustment(s)



Combination of Measures