



# 2024-2026 Draft Budget Summary

cochrane  
HOW THE WEST IS NOW



## Our Council

Cochrane's Council is the elected governing body of the municipality. The Mayor is the chief elected official. The Deputy Mayor position is appointed to each Councillor on rotation.

**Collectively, Council is responsible for:**

1. setting strategic priorities for the municipality
2. setting public policy and direction
3. adopting bylaws

Council was elected October, 18, 2021.

The Mayor and six council members are elected every four years.



Mayor  
Jeff Genung



Councillor  
Marni Fedeyko



Councillor  
Susan Flowers



Councillor  
Tara McFadden



Councillor  
Morgan Nagel



Councillor  
Alex Reed



Councillor  
Patrick Wilson

## Cochrane's budget cycle

Cochrane's financial operations are primarily funded through taxes, user fees, and, to a lesser extent, licenses and permits. To offer residents a transparent understanding of how this financial framework functions, the budget process progresses through distinct stages, each interconnected with the others.

These stages involve assessments, tax season, the vital input of Cochrane residents, and the process of setting the budget.

The visual on the next page provides an illustrative guide to help you navigate these financial aspects and appreciate their role in shaping our Town's fiscal landscape.

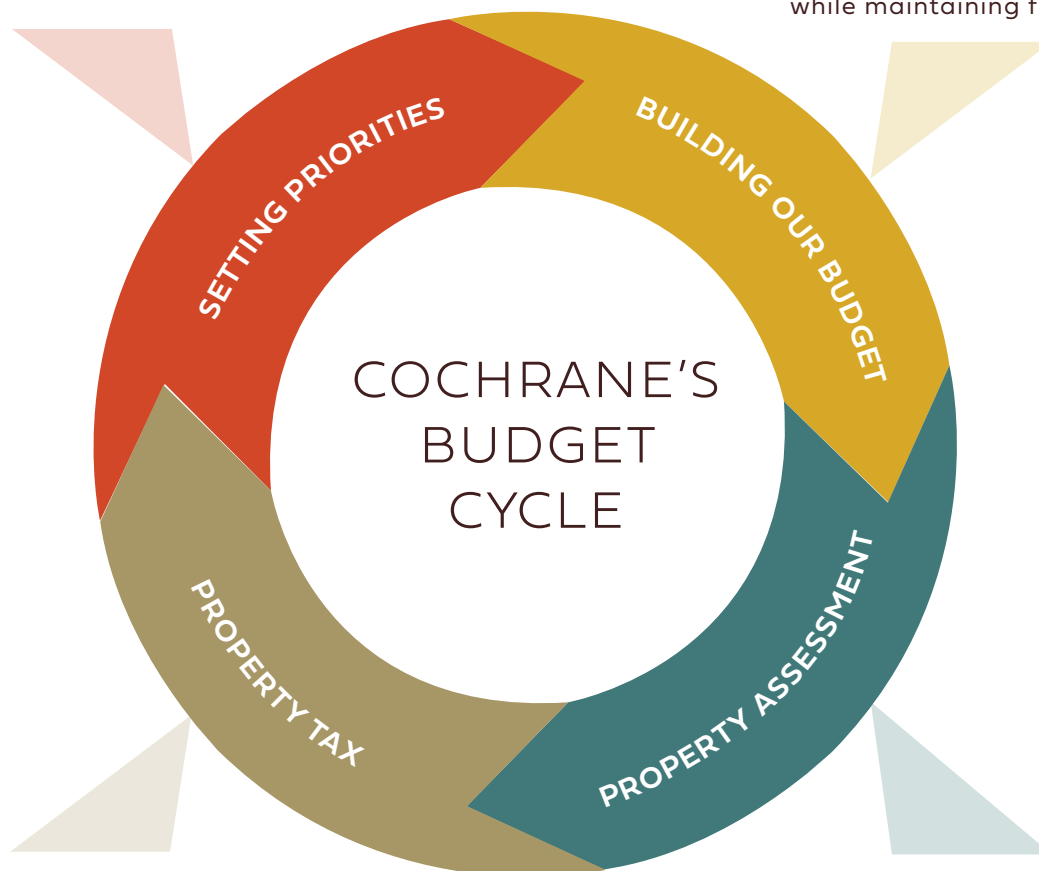
## What do we need

Annually, we assess our community's needs and goals through input from residents, businesses, and Town departments to prioritize projects and services.

## What is the cost

Council reviews and debates the proposed budget.

They make adjustments as needed to ensure it meets the community's needs while maintaining financial stability.



## How is your portion collected

After we've weighed priorities, determined the necessary funds, and assessed your property's value, your tax bill is calculated and delivered to you.

## How is your portion determined

Funding for services, programs, and civic partners comes from a combination of user fees and property taxes. The amount of property tax you are responsible for is partially determined by the assessed value of your property.

## Provincial budget

Cochrane waits to finalize the tax rate until we see how much money the Province will give us in their budget. Typically, a significant portion of the property taxes you pay for your home is sent to the Province, around 30%.

# Glossary of key terms

Understanding a municipal budget is crucial for residents to have a clear picture of how their local government allocates resources to serve the community's needs.

This glossary has been prepared to provide a valuable reference to key budget-related terms. By demystifying the financial language used in municipal budgeting, we aim to empower residents with the knowledge they need to engage meaningfully in discussions about public finances, participate in community decision-making, and ultimately ensure that their voices are heard in the budgeting process.

Whether you're a seasoned budget-watcher or exploring these concepts for the first time, this glossary is a valuable resource to help you navigate the financial aspects of your local government and play an active role in shaping your community's future.

**Assessment:** The process of determining the value of properties within the municipality, which forms the basis for property tax calculations.

**Audited Financial Statements:** Comprehensive financial reports that provide an accurate assessment of a municipality's financial health, typically performed by external auditors.

**Balance:** In the context of a municipal budget, balance typically refers to the financial equilibrium between revenues and expenditures. A balanced budget indicates that the municipality's income matches its spending.

**Capital Budget:** A budget that focuses on large, long-term investments in infrastructure, facilities and equipment.

**Capital Expenditure:** Capital expenditure, often referred to as "capex," involves the funds allocated for the acquisition or improvement of long-term assets or infrastructure, typically with a useful life of over one year.

**Debenture:** A debenture is a long-term bond issued by a municipality to raise funds for capital projects, with the promise of repayment, including interest, over a specific period.

**Debt:** Debt, in the context of a municipal budget, is the amount of money owed by the municipality, typically incurred to finance capital projects or cover budget shortfalls. Municipalities are responsible for managing and repaying their debt obligations.

**Debt Service:** The budget allocation for repaying loans or bonds used to finance capital projects or infrastructure development.

**Expenditure:** The money spent by a municipality to deliver services and maintain operations, encompassing various categories such as personnel costs, supplies and capital investments.

**Fiscal Year:** The 12-month period used for budgeting and financial reporting, which may or may not align with the calendar year.

**Fund Accounting:** Fund accounting is a method of accounting used by municipalities to track and manage financial resources for specific purposes or programs. Funds are separate accounts within the municipal budget, each earmarked for a particular area of expenditure, ensuring that money is used for its designated purpose.

**Fund Balance:** The difference between a fund's assets and liabilities, indicating the overall financial health of a specific fund.

**Infrastructure:** Infrastructure refers to the physical facilities, structures, and systems necessary for the functioning of a municipality, such as roads, bridges, water and sewage systems and public buildings.

**Mill Rate:** The tax rate applied to the assessed value of a property to determine the amount of property taxes owed.

**Multi-Year Budget:** A budget that covers multiple fiscal years, providing a longer-term financial plan for the municipality.

**Municipal Government Act (MGA):** The MGA is legislation that outlines the rules and regulations governing municipal governments in a specific jurisdiction. It typically covers matters related to governance, taxation, planning and more.

**Municipal Sustainability Initiative (MSI):** MSI is a funding program in Canada that provides financial assistance to municipalities for infrastructure projects and services that support community sustainability and growth.

**Operating Budget:** A budget that outlines the day-to-day expenses for running municipal services and operations, excluding capital expenditures.

**Public Sector Accounting Board (PSAB):** PSAB is an independent organization responsible for setting accounting standards for the public sector in Canada, including municipal governments. These standards ensure consistency, transparency and accountability in financial reporting.

**Property Taxation:** Property taxation is the process through which municipalities collect revenue by levying taxes on real property, such as homes, land, and businesses. These taxes fund local services and government operations.

**Reserves:** Financial accounts set aside to cover future expenses, emergencies, or capital projects, helping ensure financial stability.

**Revenue:** All the income and funds that a municipality receives, typically including taxes, fees, grants and other sources of income.

**Strategic Plan:** A strategic plan is a roadmap that outlines the long-term goals, objectives, and priorities of a municipality. It provides a clear vision of where the municipality is heading and the actions needed to achieve those goals.

**Surplus:** The amount of revenue remaining after all expenditures have been met, often used for future investments or to build financial reserves.

**Tax Levy:** The total amount of property taxes that a municipality imposes on property owners to fund its operations and services.

**Transparency:** The practice of making budget information easily accessible to the public, promoting accountability and understanding of the budgeting process.

# Executive summary: 2024-2026 draft budget

Cochrane's 2024-2026 draft budget is a reflection of our commitment to strategic leadership, collaboration, community well-being, technology integration, and sustainability across all sectors and departments. Common themes have emerged from this budget, which are vital in shaping our future as a community.

These themes underscore our dedication to serving our residents effectively and innovatively.

## **Strategic Leadership and Decision-Making:**

This draft budget places significant emphasis on data-driven decision-making. We have allocated resources for expert advice and analysis to ensure our plans align with strategic objectives, resulting in more efficient and impactful decision-making.

## **Leadership Development and Organizational Culture:**

Cultivating a culture of success, innovation, and continuous learning is a top priority. We have allocated resources for talent development and retention, ensuring that our team is equipped with the skills and knowledge needed to drive our community forward.

## **Stakeholder Engagement and Collaboration:**

We understand the importance of working together. Our draft budget encourages collaborative planning and partnerships, and we are investing in building intentional relationships with key stakeholders. Our community engagement initiatives are designed to empower residents.

## **Technology and Community Connection:**

Leveraging technology to enhance community engagement is at the forefront of our draft budget. We are launching community engagement tools, such as websites and resident apps, to facilitate communication and provide easy access to important information.

## **Employee Engagement and Human Resources:**

Our draft budget includes innovative HR strategies and performance development systems to foster a positive internal culture. We are committed to the well-being and professional growth of our employees.

## **Safety, Well-being, and Preparedness:**

Community safety and well-being are paramount. We are enhancing our plans for emergency responses, emphasizing mental health and skill development for safety personnel, and focusing on transportation safety.



**Operational Efficiency and Excellence:**

Efficiency and effectiveness of services are central to this draft budget. We are dedicated to continuous improvement and streamlined processes, and we are committed to environmental conservation and sustainability. Financial transparency and risk management remain key components.

**Community Growth and Development:**

Harmonizing growth plans with sustainability is a fundamental goal. The draft budget promotes collaboration, transparency, and stakeholder engagement, ensuring talent management and continuous learning to drive strategic alignment with Council’s plan.

The 2024-2026 draft budget reflects our collective commitment to the well-being and prosperity of our community. These common themes, which span various departments and services, serve as a blueprint for our future.

We are dedicated to responsible stewardship of resources and responsive governance, and we look forward to working together with our residents and stakeholders to achieve our shared vision for Cochrane.



## What we heard from you

In the spring of 2023, the Town of Cochrane partnered with a consultant to carry out the 2024-2026 Town of Cochrane Budget Planning Survey, an essential initiative to gauge the opinions of Cochrane residents about the upcoming budget.

A total of 448 Cochrane residents, aged 18 and older, participated in this survey between May 23 and June 19, 2023. The Town ensured that the survey was accessible to the entire community by having postcards printed and delivered to every household in Cochrane.

Residents were recruited using two different methods: telephone and postcard. While the telephone recruitment method was based on a random sample, the postcard approach aimed to reach every household, which is considered conducting a census. Both methods are considered statistically representative, ensuring a comprehensive and inclusive assessment of our community's perspectives. Additionally, the survey was also available on the [letstalkcochrane.ca](https://letstalkcochrane.ca) engagement portal.

**57%** of respondents indicated they receive good, very good or excellent value from municipal services and that funding is worth it.

When asked about the top priority facing the Town, **29%** chose long-term sustainability (smooth tax strategies). **23%** would like to see the Town prioritize planning for future growth to prevent overcrowding, and **14%** would like the Town to find ways to lower property taxes in the future.

Respondents were asked to rate their preference for how the Town should allocate funds (increase, decrease, or remain the same) for each of the services.

**Overall, results show most respondents want spending for most services to remain the same.**

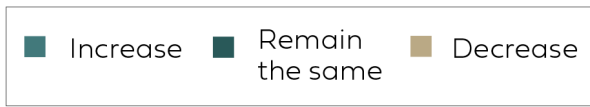
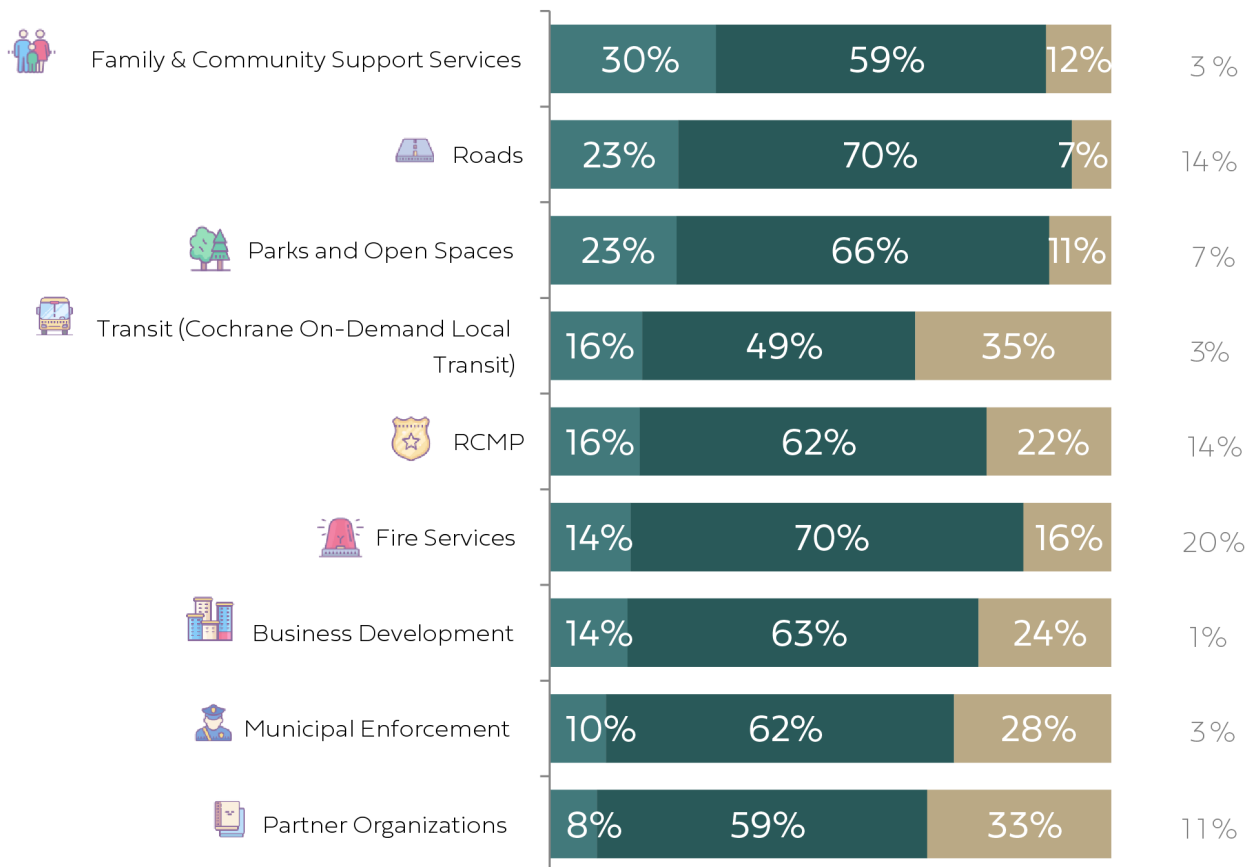
That said, the following services had the highest percentage of respondents requesting an increase in spending:

- **30%:** Family and Community Support Services
- **23%:** Roads
- **23%:** Parks and Open Spaces

Services that had the highest percentage of respondents requesting a decrease in spending include:

- **35%:** Transit (Cochrane On-Demand Local Transit)
- **33%:** Partner Organizations
- **28%:** Municipal Enforcement

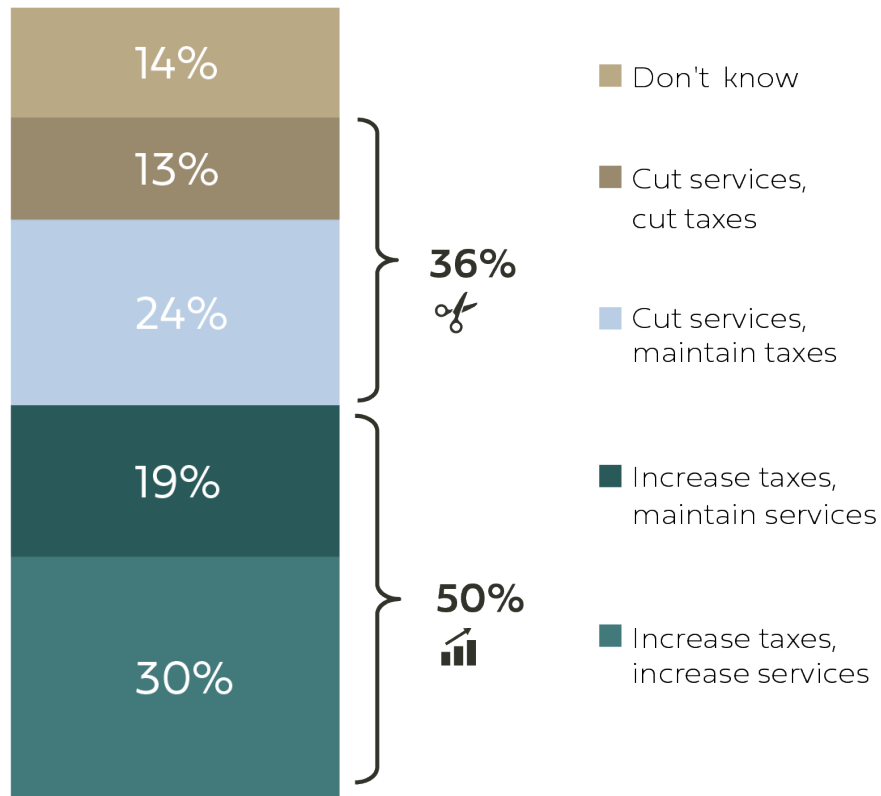
*Comparison of Preferred Budget Adjustments for all Services* *Proposed % of budget*



# Overall property tax preference

Respondents were shown four different tax strategies and asked for their preference. In total, 36% of respondents prefer cutting services to maintain or reduce taxes while 50% prefer an increase to taxes to maintain or increase services. A further 14% did not provide an opinion.

*Preferred Tax Strategy*



## **How we incorporated community priorities into this budget**

Results found that 50% of the respondents expressed a strong level of support for the idea of increasing taxes in order to either maintain or enhance our current service levels. This valuable input from our community members has played a pivotal role in shaping the direction of our proposed budget.

Our administration has meticulously crafted a budget that closely aligns with this feedback and the expressed desires of our residents. It includes a strategic allocation of resources to key areas that were clearly identified as top priorities for increased spending by our community. Notably, Roads and Parks & Open Spaces have emerged as two of the primary focus areas in this regard.

By directing resources toward these priority areas, we aim to not only meet the expectations and wishes of our residents but also to enhance the quality of life in our community. This budget reflects our commitment to actively listen to our residents and act upon their feedback to create a budget that best serves our growing and dynamic community. Your input matters, and it's our responsibility to ensure that your priorities are at the forefront of our financial planning.

# Budget principles

The draft budget was prepared based on the following Council approved principles.



# Council's strategic plan

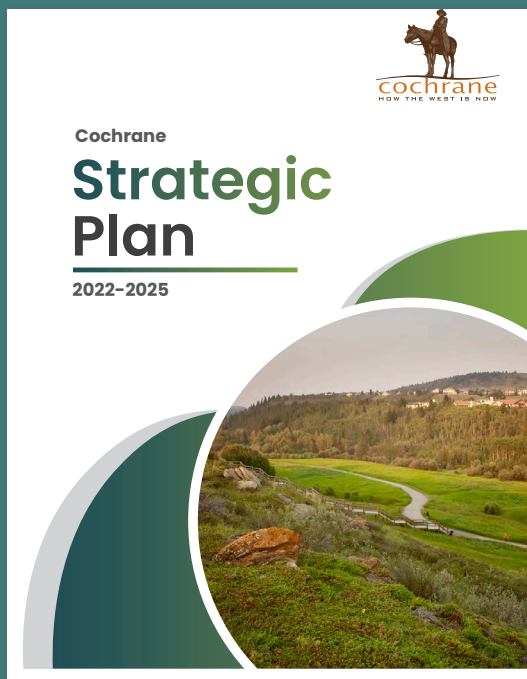
The strategic objectives of the draft budget were crafted in alignment with the commitment to the following key strategic priorities:

**Organizational Resiliency:** Strengthening the Town's capacity to respond effectively to evolving challenges and opportunities.

**Financial & Environmental Stewardship:** Ensuring prudent management of resources while promoting sustainability and environmental conservation.

**Built Environment:** Enhancing the infrastructure, facilities, and amenities that make Cochrane a great place to live.

**Intentional Relationships:** Nurturing partnerships and collaborations that enhance the quality of life and prosperity of our community.



The 2022-2025 Cochrane Strategic Plan provides clarity on organizational priorities, informs decisions, and sets the overall direction for the community.

The Plan was adopted by Council in July 2022.

# Draft budget highlights

Administration's key priorities revolve around sustaining vital services and ensuring staff support. Grant allocations and reserve contributions will be maintained at 2023 levels, while service levels remain a steadfast commitment.

Additionally, staffing resources are allocated crucial areas such as financial services, intergovernmental relations, parks and open spaces, capital infrastructure, roads, and community growth.

This underscores our dedication to providing essential services and supporting staff as we address financial considerations and inflationary pressures.

The following themes are found throughout the draft budget:



**Strategic leadership & decision-making**



**Leadership development & organizational culture**



**Safety, well-being & preparedness**



**Stakeholder engagement & collaboration**



**Technology & community connection**



**Community growth & development**

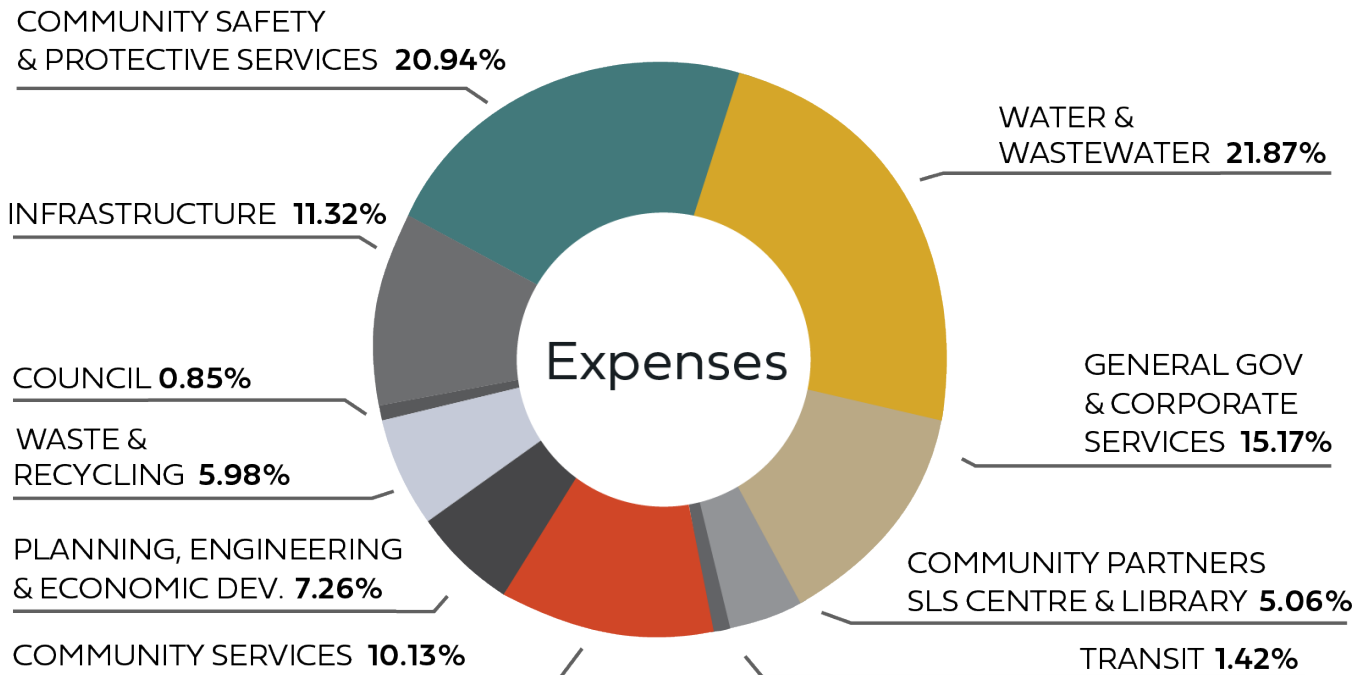
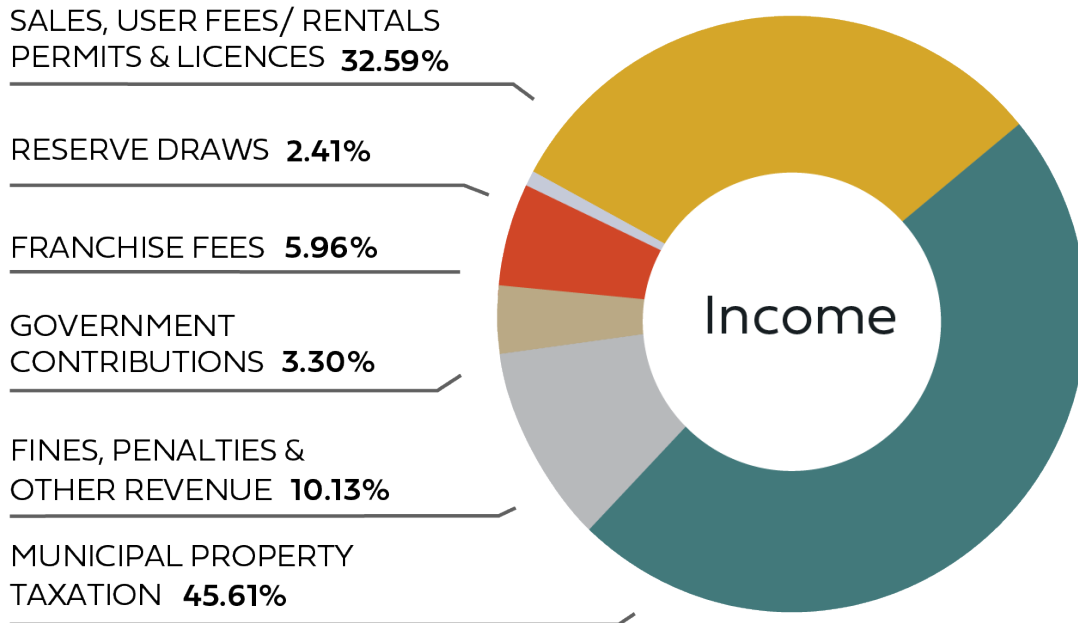


**Operational efficiency**



# Operating income and expenses

The charts below show a breakdown of Cochrane’s draft income sources and expenses.



# Tax dollar breakdown



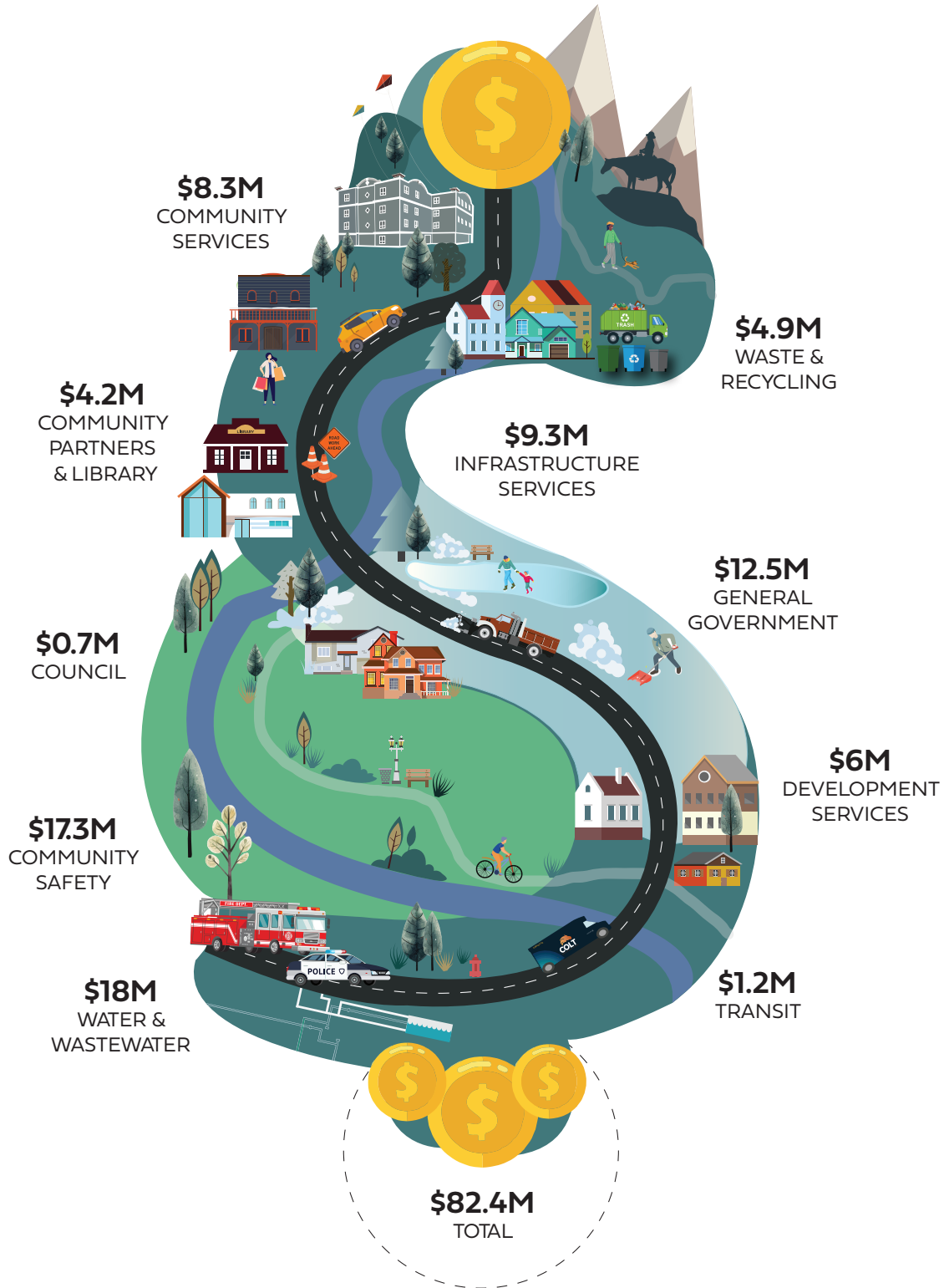
In the context of Cochrane’s municipal finances, it’s important to recognize that the Town receives just 0.67¢ out of every tax dollar collected.

This allocation directly funds essential local services, underlining the municipality’s dedication to providing the community with the services and support it needs to thrive.



This visual provides a breakdown of the 2024 proposed municipal budget, and approximate distribution of the funds.

## Operating budget: Total expenditure by department 2024 (\$M)



# Key capital investments





## Average residential impact

Tax implications, in the context of our community, refer to the financial effects of municipal property taxes. This chart illustrates the estimated impact of the 2024 municipal property tax increase on an average residential property. It's essential to understand that these figures represent an average, and each property's assessment will result in a unique impact.

Average Residential Costs (Assessed at \$561,200)	2023	2024	\$ Annual Increase	\$ Monthly Increase
Total Municipal Taxes	\$2,579.00	\$2,672.00	\$93.00	\$7.75
Average water bill per year* (base rate \$13.90+\$1.30/cubic metre)	\$335.88	\$377.40	\$41.52	\$3.46
Average sewer bill per year* (base rate \$19.78 + \$2.46/ cubic metre)	\$561.06	\$635.88	\$74.82	\$6.24
Storm sewer fee (\$6.63/ month)	\$71.40	\$79.56	\$8.16	\$0.68
Waste & recycling collection fee (\$26.65/month)	\$320.00	\$320.00	\$0.00	\$0.00
Eco Centre fee (\$5/month)	\$60.00	\$60.00	\$0.00	\$0.00
<b>Total Cost</b>	<b>\$3,927.34</b>	<b>\$4,144.84</b>	<b>\$217.50</b>	<b>\$18.13</b>



## Utility rate change implications

The average annual costs for water services and storm sewer fees are proposed to increase for a few reasons that will impact the upcoming budget.

Firstly, the City of Calgary, which handles wastewater treatment services for Cochrane, is increasing its rates. This means an annual cost increase of \$522,712 starting from January 1, 2023. This needs to be passed on to users to accurately reflect the service's actual cost.

Additionally, there are inflationary increases to consider. These include higher costs for power, natural gas, gasoline, water meters and water treatment supplies.

Furthermore, we need to address the condition of our aging water and wastewater infrastructure. While some components have long lifespans, others, like mechanical and digital parts, wear out more quickly.

This budget provides resources for maintenance and renewal to ensure continued service for Cochrane residents.

Even with rate increases, Cochrane continues to have the lowest rates for water and sewer utilities out of our neighbouring communities.

# In summary

The draft 2024-2026 budget was built to navigate the challenges of the current economic climate, ensuring the continuity of essential services, staff support and alignment with the evolving needs of the community.

Community engagement played a significant role in shaping this budget, underscoring Cochrane's commitment to meeting resident expectations and enhancing quality of life.

Administration's key priorities include sustaining services and adding staff support, while the budget's approval process ensures it reflects community aspirations. Residents are encouraged to connect with Council and engage on [letstalkcochrane.ca](https://letstalkcochrane.ca).

**For further information, visit [Letstalkcochrane.ca/budget](https://letstalkcochrane.ca/budget).**

