

# **2019 – 2021 Budget Presentation**

**Council**

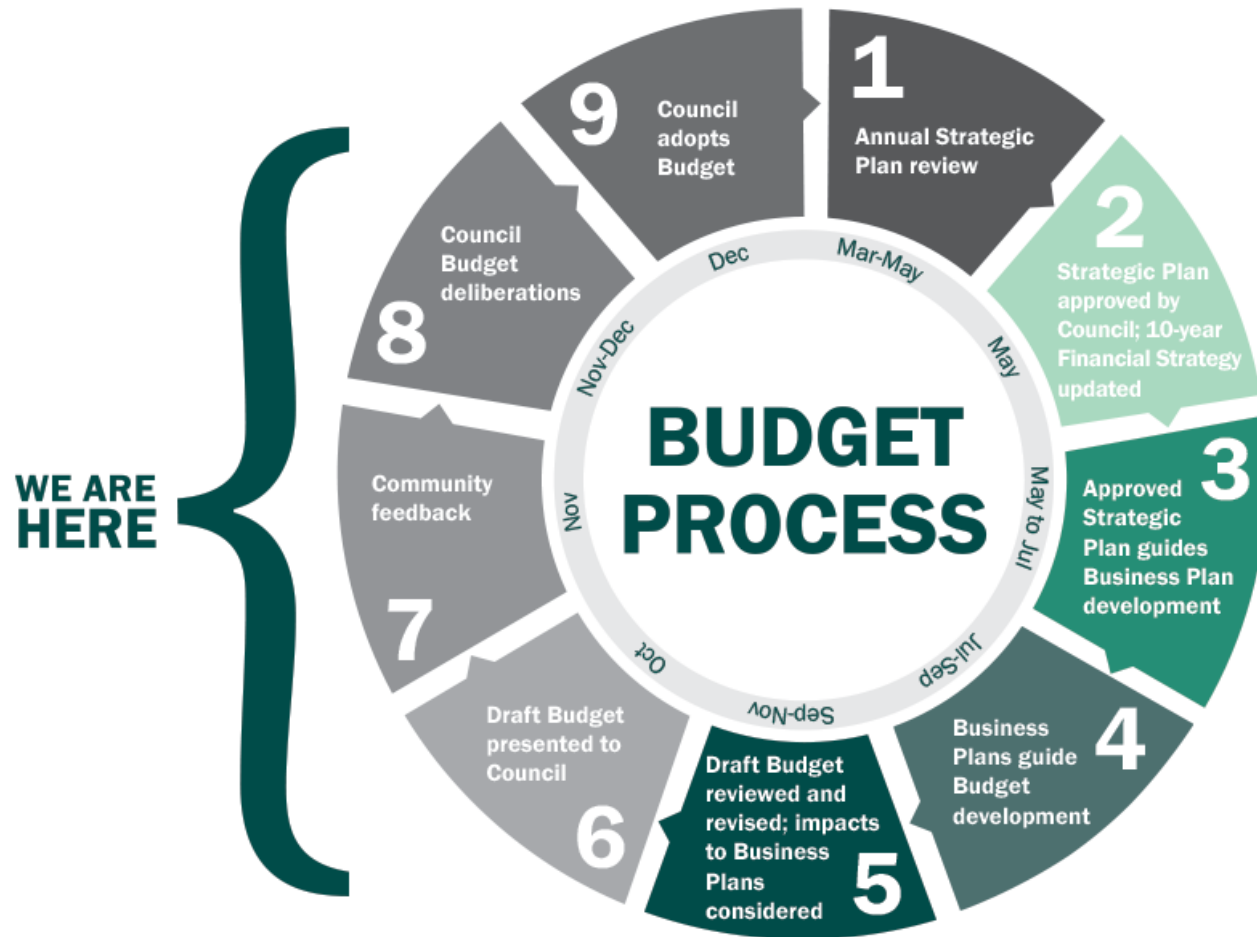
**October 22, 2018**



# Guiding Principles for 2019 – 2021 Budget

- Align and support Council's Strategic Priorities
- Align and support Council's policies and direction
- Maintain existing services
- Manage Growth
- Create a proactive infrastructure renewal plan

# Budget Process



# 3 Year Anticipated Tax Increases

	2019	2020	2021
Gross Tax Increase	7.60%	7.66%	6.95%
Less: Growth	(4.00%)	(4.00%)	(4.00%)
Net Tax Increase	3.60%	3.66%	2.95%

**Note:**

- 1) 3.59% in 2019 includes \$97,000 or 0.38% property tax shortfall in 2018 that was funded by reserves.
- 2) 1% in 2019 represents \$257,202 in additional property tax revenues

# Impact on Average Home

Year	Taxes on Avg. Home	Annual Increase	Cost per Month
2018 - Approved	\$2,191	\$65	\$5.42
2019	\$2,270	\$79	\$6.58
2020	\$2,353	\$83	\$6.92
2021	\$2,422	\$69	\$5.75

2018 Average Single Family Dwelling – Assessed at \$481,410

# Additional Budget Items covered by 3.60% in 2019

- \$97,000 to cover 2018 operating budget shortfall in growth related assessment taxation covered by reserves (estimated tax impact 0.38%)
- Net costs of \$300,000 for On Demand Transit Service based on a September 2019 full service start date (estimated tax impact 1.17%)
- 2% increase in contribution to the Infrastructure Gap Reserve of \$514K (estimated tax impact of 2%)
- Inflationary, reclassifications, OT and step increments for existing staff and Council

# Additional Budget Items covered by 4% growth in 2019

- 7.5 FTEs to hire staff to support growth with approx. cost of \$725,000
- One additional RCMP Member (anticipated POP to COP Ratio = 1,211). Target is 1,000 to 1.
- Increase Community Grants Program by \$20,000 to \$380,000
- Increase the Cochrane Library grant by \$49,976 to \$648,392 or \$23.19 per capita. Target \$25 per capita.
- Increase in snow removal budget by \$20,000 for operating and \$30,000 for reserves
- Increase in RV Handidart grant due to growth by \$25,788 to \$215,292

# Staffing - 2019

- Budget includes inflationary, reclassifications, overtime and step increments
- 2019 New Staff Positions (7.5 FTEs funded by property taxes)
  - Roads Operator
  - Parks and Open Space Operator
  - Planner II
  - Civil Land Development Tech 1 (0.5 FTE)
  - Capital Projects Engineer (funded by reserve in 2018)
  - Safety Codes Officer (offsetting contract reductions)
  - Accountant
  - GIS Technician
  - Wage Equity at FCSS (no impact on FTE)
- 2019 New Staff Positions (1.46 FTEs funded by utilities)
  - Water and Wastewater Operator
  - Eco Center Worker (0.20 FTE)
  - Environmental Worker (0.26 FTE)



# Transit Funding Strategy

	2019	2020	2021
Operating Costs (net revenue)	\$300,000	\$600,000	\$600,000
Less: Operating Reserve	(\$0)	(\$146,164)	(\$0)
Less: MSI Operating Grant	(\$0)	(\$100,000)	(\$100,000)
Net Tax Impact	\$300,000	\$353,836	\$500,000

<b>Incremental Tax Impact</b>	<b>\$300,000</b>	<b>\$53,836</b>	<b>\$146,164</b>
% Tax Impact	1.17%	0.19%	0.49%

# Tax Supported Capital Reserve

## Transfer included in proposed budget

- In 2018 Council create the Infrastructure Gap Reserve to increase Tax Supported Capital Transfers to Reserves from less to 8% to a target of 15% of Property Taxes.
- In 2018 Council transferred 1% or \$238,500 of Property Taxes to the Infrastructure Gap Reserve
- In the draft 2019 to 2021 Budget an additional 2%, 4% and 6% is transferred in 2019, 2020, 2021 respectively. Incrementally 2% more each year.

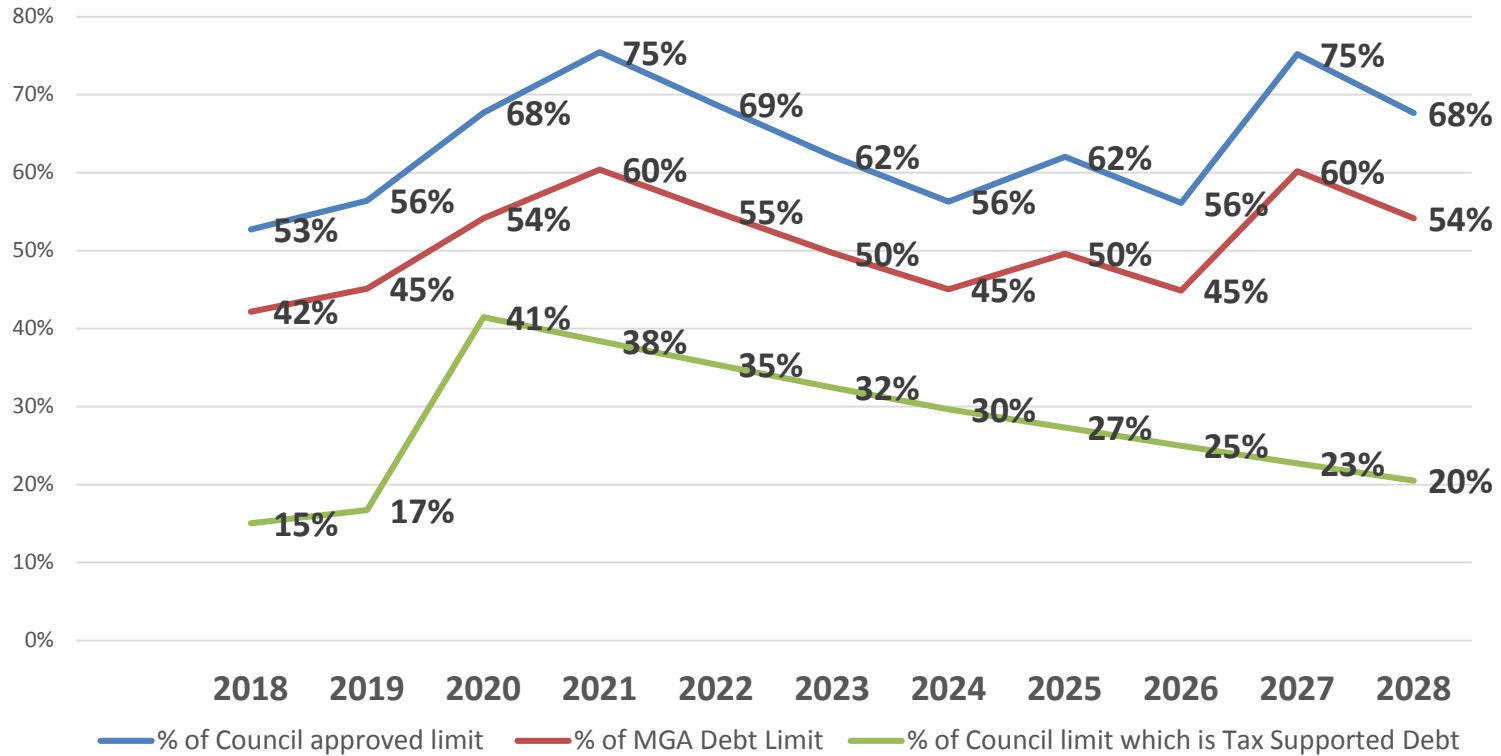
	2018 Approved	2019 Projected	2020 Projected	2021 Projected
Tax Supported Reserve Transfers	\$2,134,342	\$2,642,601	\$3,281,646	\$3,905,030
% of Property Taxes	8.30%	9.55%	11.02%	12.25%

# Capital Plan Highlights

- New Aquatic Center will be paid off in full in 2019
- Bow River Bridge - 2019/2020 (OSL Funded Debt and MSI)
- Horse Creek Pedestrian Crossing – 2018/2019 (OSL/MSI Funded)
- Transit Infrastructure – 2019/2020 (GreenTRIP, CRL and MSI Funded)
- Esso Bulk Station Pedestrian Crossing – 2020/2021 (CRL Funded)
- New RCMP Detachment – 2020/2021 (OSL and Tax Funded Debt)
- Centre Ave. Widening to 4 lanes – 2021 (OSL/MSI Funded)
- Centre Ave/1A Intersection Improvements – 2022 (OSL/MSI Funded)
- Grade Separated Crossing at Centre Ave – 2026/2027 (OSL/MSI Funded)
- Ongoing Fleet Replacements (Tax funded)
- Ongoing Water/Wastewater Upgrades (OSL and Utility Debt funded)
- Potential Arts/Culture/Innovation/Library – 2025 (Partially CRL Funded)

# Debt Projections

## Debt vs. Benchmark (%)



# Tax and Utility Summary

Residential Average Annual Cost assessed at \$481,410	2018	2019	\$ Annual Increase	% Increase	\$ Monthly Increase
Total Municipal Taxes	\$2,191.06	\$2,270.00	\$78.94	3.60%	\$6.58
Average water bill per year (assumes 20 cubic metres/month) base rate \$6.44 plus \$1.22 per cubic metre	\$346.80	\$370.08	\$23.28	6.71%	\$1.94
Average sewer bill per year (assumes 20 cubic metres/month) base rate \$6.90 plus \$2.30 per cubic metre	\$610.80	\$634.80	\$24.00	3.93%	\$2.00
Storm Sewer Fee (\$.4.47 per month)	\$49.92	\$53.64	\$3.72	7.45%	\$0.31
Waste/recycling collection fee (\$22.01/month - 4 months at 2018 rate and 8 month at 2019 rate)	\$258.60	\$264.12	\$5.52	2.13%	\$0.46
Eco-Centre fee \$5/month	\$60.00	\$60.00	\$0.00	0.00%	\$0.00
<b>Total Annual Costs</b>	<b>\$3,517.18</b>	<b>\$3,652.64</b>	<b>\$135.46</b>	<b>3.85%</b>	<b>\$11.29</b>

# Next Steps

- October 9, 2018 - Budget Outlook Presentation (today)
- **October 22, 2018 – Draft 2019 – 2021 Budget Presented to Council**
- November 5<sup>th</sup> – Two (2) Conversation Café Sessions on 2019 – 2021 Budget
- October 17<sup>th</sup> to November 9<sup>th</sup> – Outreach Campaign on Budget
- November 15<sup>th</sup> and 16<sup>th</sup> (19<sup>th</sup> if necessary) – Council Review of the Budget and Feedback
- December 10, 2018 – Adoption of 2019 – 2021 Budget by Council

Note: Transit RFP Closes November 2, 2018

