



A Community of Choice



2015 – 2016 Municipal Services Operating and Capital Budgets

OPEN COUNCIL January 5, 2015

AGENDA

- ***A Community of Choice***
- 2015 - 2016 Tangible Capital Asset & Major Operating Expense Budget
- 2015 - 2016 Operating Budget
- Revenues
- Expenses
- Personnel Summary
- Background Information

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Strategic Priority 1 (\$37.4 million)

Economic Development: We foster a sustainable, growing and diverse economy with a strong industrial base and a vibrant downtown.

- ✓ Downtown Development Incentive Program (DDIP) Phase II
- ✓ Downtown Streetscape Enhancement
- ✓ Box Springs Road intersection upgrades
- ✓ New Event Centre
- ✓ Air Service attraction, retention and design

Strategic Priority 2 (\$86.8 million)

Infrastructure and Amenities: We have high quality, sustainable infrastructure and amenities, and a reputation for excellent management and maintenance.

- ✓ Airport runway, taxiway and terminal ramp rehabilitation & expansion
- ✓ Aging Infrastructure Replacement
- ✓ Firehalls #1 & 2 relocation
- ✓ Northwest Storm Trunk A design and construction
- ✓ Flood Protection
- ✓ Compressed Natural Gas (CNG) Vehicles

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Strategic Priority 3 (\$31.8 million)

Social Wellness: A safe community that welcomes diversity and supports all citizens with high quality and accessible cultural, recreational and public services.

- ✓ Campground Sites upgrades expansion
- ✓ Recreational Development adjacent to the South Saskatchewan River
- ✓ New Seniors Centre - Planning
- ✓ Family Leisure Centre expansion
- ✓ Grant to Not For Profit Organizations

Strategic Priority 4 (\$1.3 million)

Image and Profile: We promote our distinctive community and excellent quality of life to our citizens and the world.

- ✓ Tourism Marketing RFP
- ✓ 2016 Alberta Winter Games
- ✓ Saamis Tepee Storyboard
- ✓ Kiwanis Park, Lions Park and Jeffries Park Kinsmen Ball Complex upgrading
- ✓ Electronic Sign for the Family Leisure Centre site
- ✓ Lawn Bowling Facility upgrade

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Strategic Priority 5 (\$1.7 million)

Fiscal Management: Responsible financial management focused on the long term ensures a sustainable city.

- ✓ Value for Money Audit
- ✓ Enterprise Information Systems: Enterprise Resource Planning (ERP) System; Asset Management; Point of Sale and Cashiering

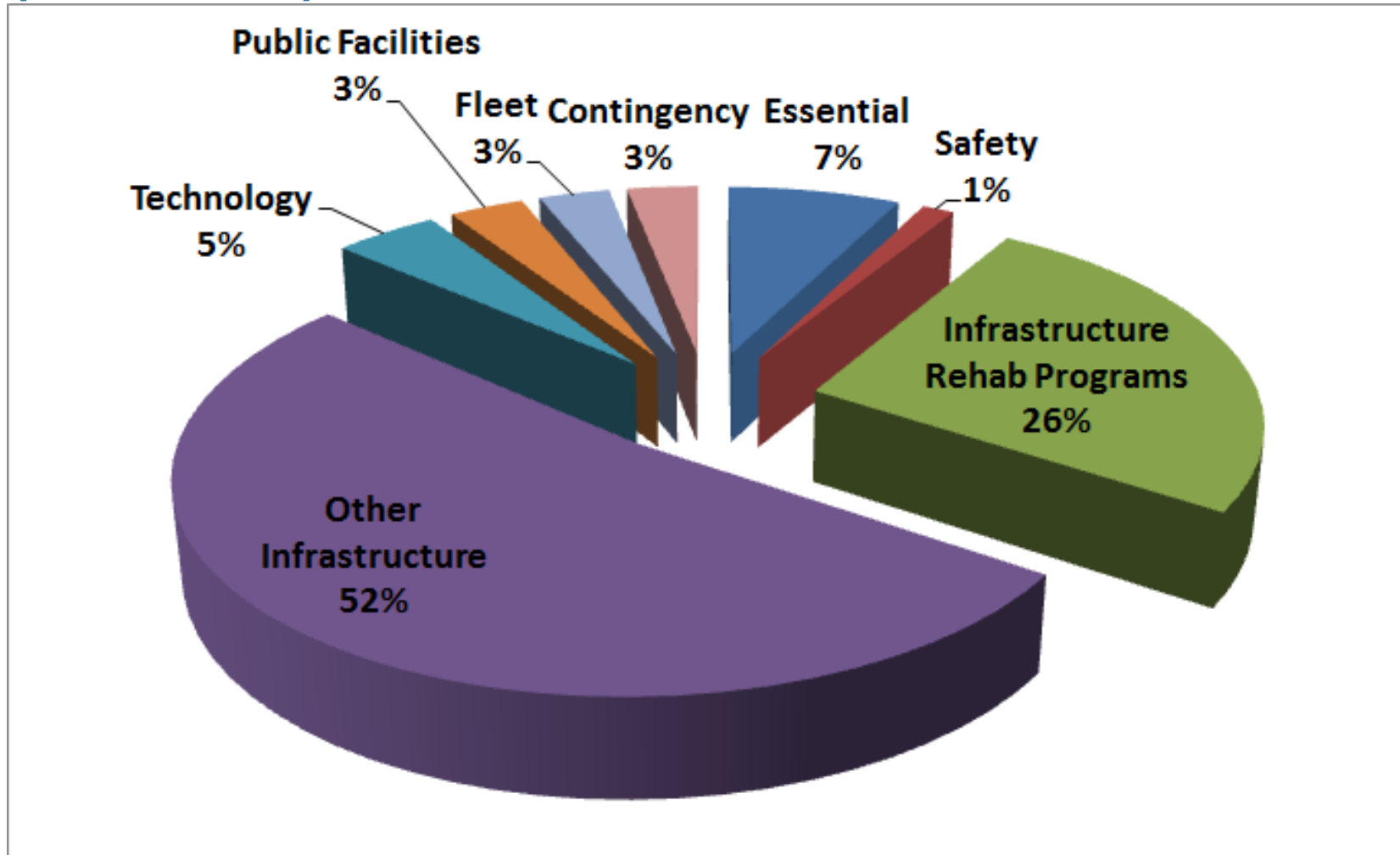
Strategic Priority 6 (\$2.6 million)

City Government: The City increasingly stands out as a well-governed and well-organized municipal corporation with a positive corporate culture.

- ✓ OH&S Legislation Training for all staff
- ✓ Corporate Employee Engagement Survey
- ✓ Municipal Census
- ✓ Trunked Radio

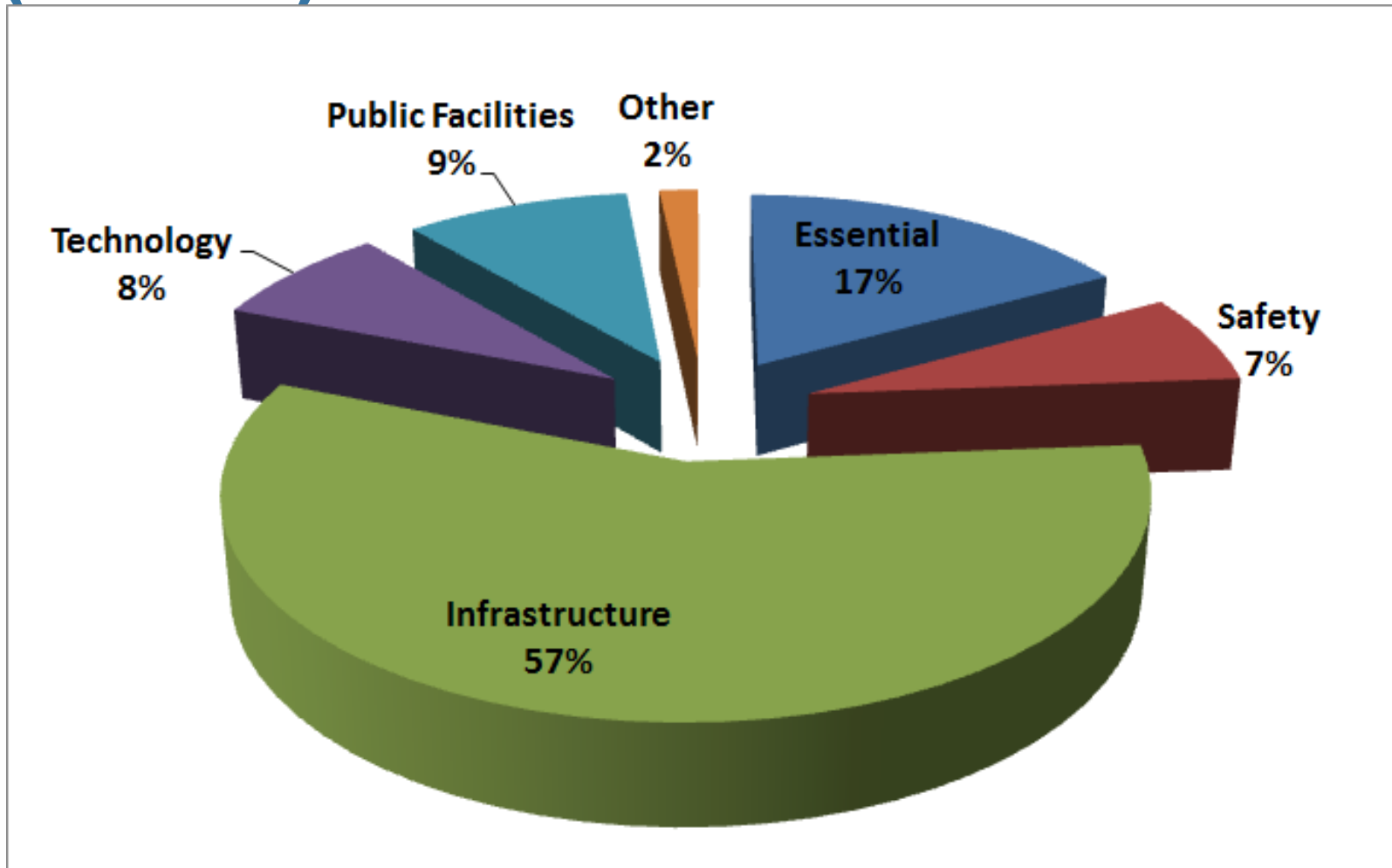
Tangible Capital Asset & Major Operating Expense Budget Highlights

Final Tangible Capital Asset Budget (2015 -2016)



\$33,048M (2015); \$50,019M (2016)

Final Major Operating Expense Budget (2015-2016)



\$1,892M (2015); \$1,122M (2016)

Operating Budget Highlights

Assumptions in Developing the 2015 – 2016 Operating Budget

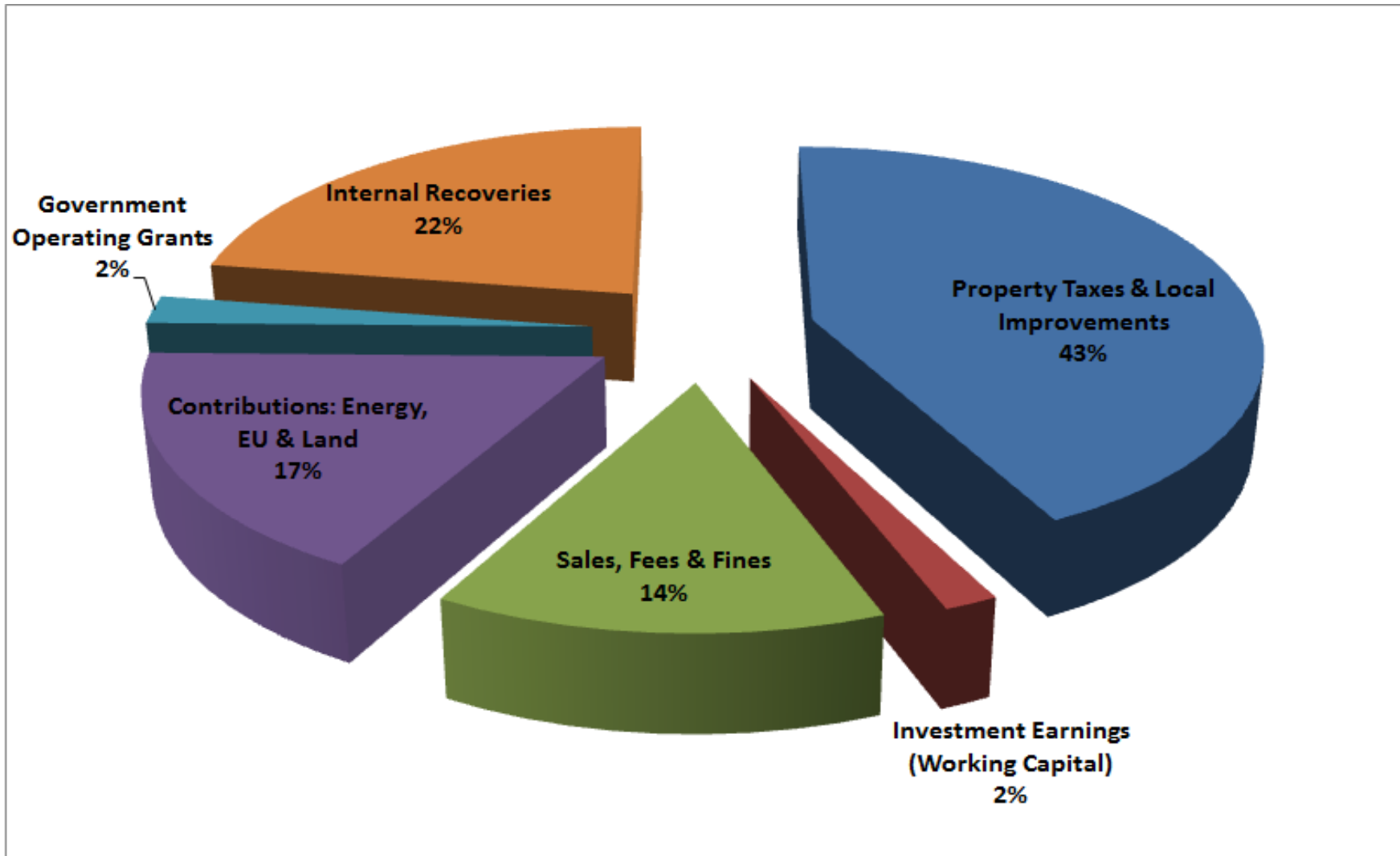
- Assessment Growth estimated at 1.0% for both 2015 and 2016
- No general Inflation provision; only known inflation adjustments included
- Salaries, Wages and Benefits provision based on market benchmarking
- Investment Earnings at 2.7%
- Population Growth at 1.25%

2015 - 2016 Operating Budget

Proposed operating budget recommends an estimated 4.8% annual tax increase (2015 and 2016) assuming a 1.0% growth in the assessment base.

3.8%	General revenue increase
<u>1.0%</u>	Aging Infrastructure Replacement
<u>4.8%</u>	Total annual tax increase

Where the Money Comes From (2015 - 2016)



Total Revenues by Activity

REVENUES

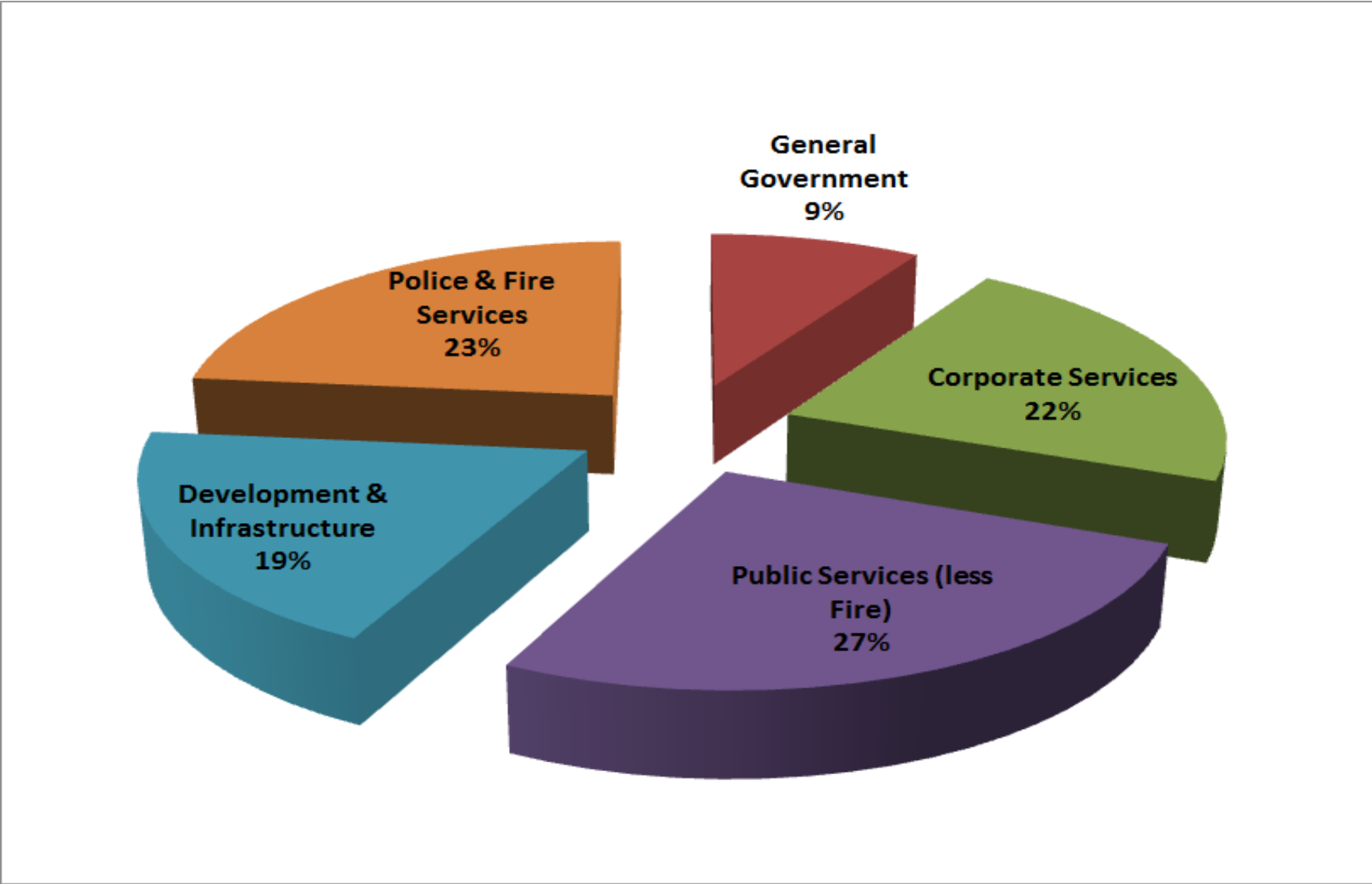
Sales of Goods & Services:

- Decreased sales (2015) due to loss of Arena revenues and Family Leisure Centre revenues due to construction.
- Event Centre opens fall of 2015 with offsetting revenues materializing in 2016.

Dividends:

- Dividends from enterprise activities remains at same level as prior years.

Where the Money is Spent (2015 - 2016)



Total Expenses by Division

EXPENSES

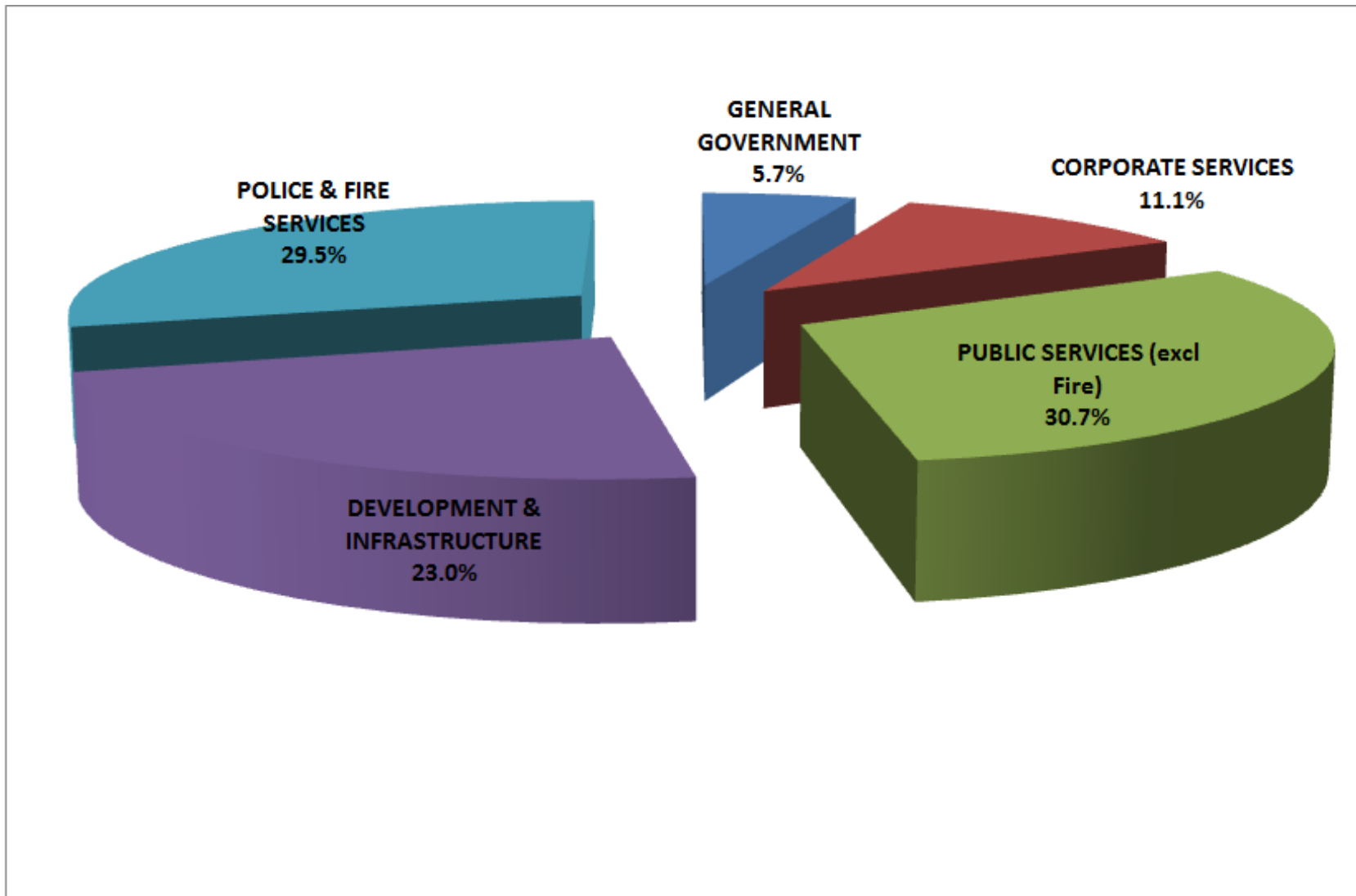
Projects:

- 2.8% impact due to Major Projects (Family Leisure Centre, Event Centre, Airport Expansion, Enterprise Resource Planning system) offset by cost savings from Compressed Natural Gas conversion project
- 1.0% impact due to incremental effect for the Aging Infrastructure Replacement Master Plan

Wages & Benefits:

- Net 2.0% annual increase for new positions, wages and benefits settlement provision
 - includes net increase of 2.6 Full Time Equivalent positions

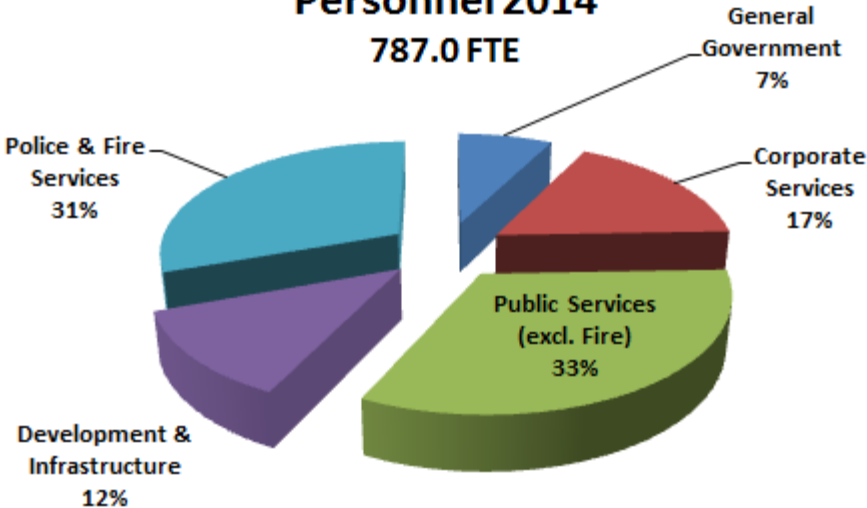
Net Expenses by Division



Personnel Summary

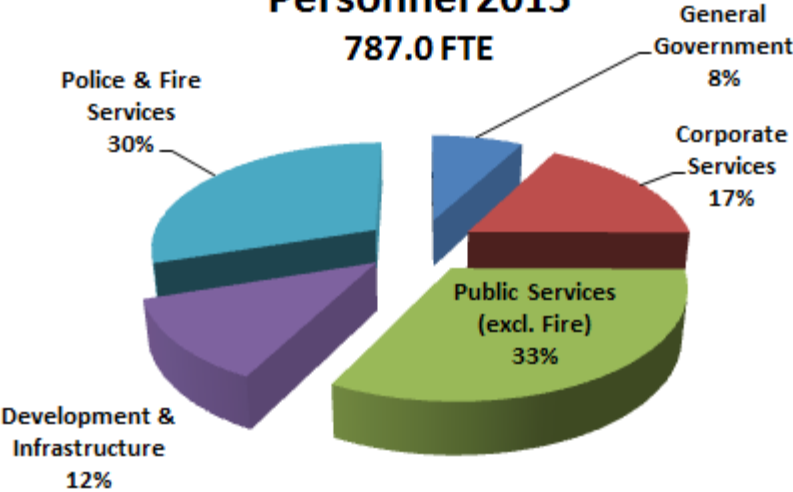
Personnel 2014

787.0 FTE



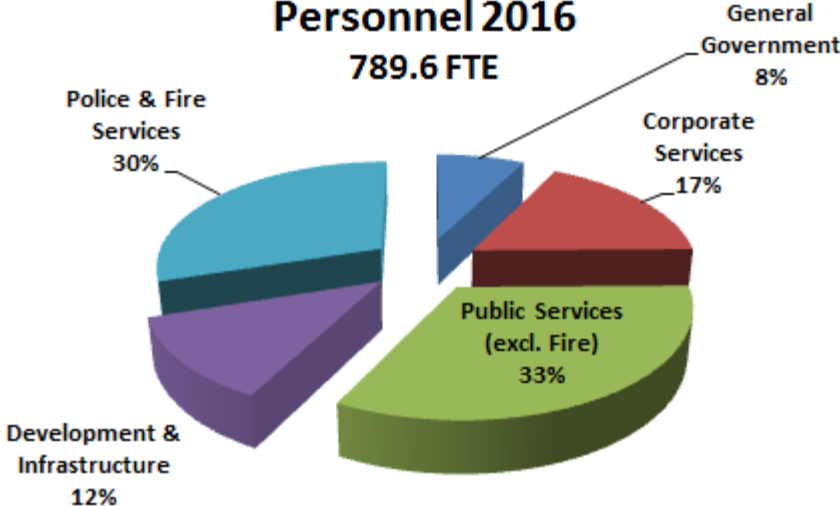
Personnel 2015

787.0 FTE



Personnel 2016

789.6 FTE



NEXT STEPS

- Open Council Adopts Final Budgets – Jan 05, 2015
- Tax Rates – Mar/Apr 2015

BACKGROUND INFORMATION

2015 - 2016 Budget Objectives

1. Align service plan initiatives with the Strategic Plan and Council's Priorities.
2. Prepare adjustments balancing competing public need and priorities.
3. Responsive to the community's desire to keep tax increases to a minimum.
4. Consider productivity gains as a source of savings.
5. Propose cost reductions with minimal service impacts.
6. Protect the City's long-term capacity to deliver services.
7. Sustain an acceptable level of maintenance without significant cost increases.

2015 - 2016 Budget Process

1. Business Plan Process (Dec 2013 – Feb 2014)
2. Council Strategic Planning Session (Feb 25)
3. Compile Business Plan goals and align to Council's Strategic Plan (Mar)
4. Departments prepare Capital Budgets (Mar – Apr)
5. Capital Ranking / Funding Process (May – Jul)
6. Commissioner / Admin Committee Review of Capital Ranking results (Jun – Sep)
7. Commissioner / Admin Committee Review of Operating results (Sep – Nov)
8. Council Capital Ranking Process (Oct 6 & Oct 20)
9. Council Review of Budgets (Sep 15, Nov 17, Dec 1, Dec 15)

PROCESS – Tangible Capital Assets (TCA) and Major Operating Expenses (MOE)

1. Departments submit their requests.
2. Finance determines the maximum funding availability for each year of the budget.
3. Ranking criteria is developed based on Council Priorities.
4. Projects are ranked by a Committee of cross sectional GM's using criteria that ensures projects aligned to Council's Priorities are recommended.
5. Projects are categorized into asset classifications. Projects are then sorted by ranking results within the assigned categories.
6. CAO and Commissioners review ranking results.
7. Administrative Committee makes final recommendations to City Council.
8. City Council approves the TCA & MOE budget.

THANK YOU



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