

CITY OF MEDICINE HAT

Municipal Operations & Invest Medicine Hat 2022 Budget Update

As approved by Council
December 20, 2021

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Total Municipal Operations

Municipal Operations

	2021 Budget	2022 Budget	Variance	Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Municipal Taxes	\$ 78,353,763	\$ 80,783,094	\$ 2,429,332	3.1% 1	\$ -	\$ 80,783,094
Sale of Services	13,695,909	12,972,134	(723,774)	-5.3% 2	153,120	13,125,254
Investment Income	5,491,231	8,340,406	2,849,175	51.9% 3	-	8,340,406
Licenses, Fines and Penalties	6,500,597	6,691,840	191,243	2.9% 4	-	6,691,840
Insurance Recovery	123,000	123,000	-	0.0%	-	123,000
Other Revenue	6,065,084	6,250,309	185,225	3.1% 5	175,000	6,425,309
Government Transfers for Operating	4,054,066	3,664,425	(389,641)	-9.6% 6	-	3,664,425
Contribution from Utilities and Land	3,115,000	3,115,000	-	0.0%	-	3,115,000
AFFI - 1/3 Revenue	-	2,600,000	2,600,000	7	-	-
Total Revenue	\$ 117,398,650	\$ 124,540,209	\$ 7,141,559	6.1%	\$ 328,120	\$ 122,268,329
Salaries, Wages and Benefits	86,436,818	92,930,064	6,493,246	7.5% 8	1,158,390	94,088,454
Contracted and General Services	21,042,411	21,397,441	355,030	1.7% 9	66,000	21,463,441
Materials, Goods & Utilities	7,698,119	7,305,463	(392,655)	-5.1% 9	93,795	7,399,258
Provision for Allowances	27,000	27,000	-	0.0%	-	27,000
Bank Charges & Short Term Interest	341,711	341,701	(10)	0.0%	2,000	343,701
Grants and Other Transfers	3,098,860	3,813,048	714,187	23.0% 10	-	3,813,048
Interest on Long-term Debt	1,149,871	1,038,809	(111,062)	-9.7% 11	-	1,038,809
Other Operating Expenses	442,985	442,985	-	0.0%	-	442,985
AFFI - 1/3 Expenses	-	(2,500,000)	(2,500,000)	7	-	-
Expense Total	\$ 120,237,775	\$ 124,796,511	\$ 4,558,736	3.8%	\$ 1,320,185	\$ 128,616,696
Net Cash Surplus/(Requirement) before internal transfers	\$ (2,839,126)	\$ (256,302)	\$ 2,582,823	-91.0%	\$ (992,065)	\$ (6,348,367)
Internal Recovery	44,291,609	47,421,263	3,129,654	7.1%	-	47,421,263
Internal Charges and Transfers	33,879,327	35,043,671	1,164,344	3.4%	157,935	35,201,606
Internal Recovery/(Charges) Total	\$ 10,412,282	\$ 12,377,592	\$ 1,965,310	18.9% 8	\$ (157,935)	\$ 12,219,657
Net Cash Surplus/(Requirement)	\$ 7,573,157	\$ 12,121,290	\$ 4,548,133	60.1%	\$ (1,150,000)	\$ 5,871,290

Tangible Capital Assets (TCA) and Major Operating Expense (MOE):

TCA- Moose Centre - Ice Slab Construction	\$ -	\$ -	\$ -	0.0%	\$ 1,200,000	\$ 1,200,000
MOE- City Centre Area Redevelopment Plan	\$ -	\$ -	\$ -	0.0% 3	\$ 250,000	\$ 250,000

NOTES:

- 2% increase, plus 0.5% assessment growth, plus 0.5% Grants in Place of Taxes (GIPOT) write off recovery.
- The decrease in Sales of Service is largely due to the change in operating model of the Seniors' Centre, where it is now operated by a 3rd party contractor.
- Revised investment projections to reflect new policy/strategy.
- Decreases in facility user fees and permit revenue to reflect current economic environment, offset by increased business license fees per actual results and tax arrears per approved penalty rates.
- Other revenue increased due to increased back check revenue in Police.
- Decrease in government transfers reflects the reduction in Grants in Place of Taxes (GIPOT).
- 2022 Accelerated Financially Fit Initiatives identified to offset decrease in transfer from reserves.
- 2% increase (\$2.6M) per ratified collective agreements, organizational realignment and strategic manpower adjustments (\$3.9M). Increases offset by recalculated internal recoveries and charges related to organizational realignment (\$2.0M).
- Adjustments to reflect transition to third party operator for the Senior's Centre.
- Increase in transfers to other organizations to reflect the City's funding contribution to the 3rd party operator of the Seniors' Centre.
- Decrease in interest on long term debt due to timing of borrowing for capital projects not occurring as originally anticipated.

Dec 20, 2021 Amendments - re-opening of Crestwood Facility \$600K; re-opening of Moose Centre \$300K; and resources for Mayor & Councilors \$250K to accomplish improved coordination of political efforts and improved communication with the community/constituents. Funding will be through operating reserves.

TCA - complete the ice slab construction at the Moose Centre, which will be funded through the capital reserves.

MOE- complete a City Centre Area Redevelopment Plan as it relates to the Municipal Development Plan, which will include planning and engineering, as well as the required background studies, funded from the operating reserves.

Total General Government Division

General Government						Amendments Dec 20, 2021 Council Meeting		
	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes		Approved 2022 Budget	
Municipal Taxes	\$ 78,353,763	\$ 80,783,094	\$ 2,429,332	3.1%	1	\$ -	\$ 80,783,094	
Sale of Services	3,000,000	3,000,000	-	0.0%		-	3,000,000	
Investment Income	5,491,231	8,340,406	2,849,175	51.9%	2	-	8,340,406	
Licenses, Fines and Penalties	3,567,410	3,752,410	185,000	5.2%	3	-	3,752,410	
Other Revenue	92,800	92,800	-	0.0%		-	92,800	
Government Transfers for Operating	(98,590)	(497,441)	(398,851)	404.6%	4	-	(497,441)	
Contribution from Utilities and Land	3,115,000	3,115,000	-	0.0%		-	3,115,000	
Revenue Total	\$ 93,521,614	\$ 98,586,269	\$ 5,064,656	5.4%		\$ -	\$ 98,586,269	
Salaries, Wages and Benefits	2,700,327	5,418,674	2,718,347	100.7%	5	247,913	5,666,587	
Contracted and General Services	1,823,548	474,888	(1,348,660)	-74.0%	6	-	474,888	
Materials, Goods & Utilities	234,709	261,975	27,266	11.6%		-	261,975	
Other Operating Expenses	400,000	400,000	-	0.0%		-	400,000	
Expense Total	\$ 5,158,584	\$ 6,555,537	\$ 1,396,953	27.1%		\$ 247,913	\$ 6,803,450	
Net Cash Surplus/(Requirement) before internal transfers	\$ 88,363,030	\$ 92,030,733	\$ 3,667,703	4.2%		\$ (247,913)	\$ 91,782,820	
Internal Recovery	7,653,331	9,060,813	1,407,482	18.4%		-	9,060,813	
Internal Charges and Transfers	9,815,355	11,362,693	1,547,338	15.8%		2,087	11,364,780	
Internal Recovery/(Charges) Total	\$ (2,162,024)	\$ (2,301,880)	\$ (139,856)	6.5%	7	\$ (2,087)	\$ (2,303,967)	
Net Cash Surplus/(Requirement)	\$ 86,201,006	\$ 89,728,853	\$ 3,527,846	4.1%		\$ (250,000)	\$ 89,478,853	

NOTES:

1. Increase in property taxes is due to the 2% increase, plus 0.5% Grants in Place of Taxes (GIPOT) write off recovery, plus 0.5% assessment growth.
2. Increase in investment income to reflect the new investment strategy.
3. Increase in penalties due to increased penalty rates for tax arrears.
4. Decrease in government transfers reflects the reduction in Grants in Place of Taxes (GIPOT).
5. Increase in salaries and wages reflects the 2% increase per ratified collective agreements and organization realignment.
6. Decrease in contracted services reflect the accelerated financially fit adjustments.
7. Increase in internal charges as a result of recovering the costs related to the Energy & Infrastructure, Strategic Management & Analysis and Invest Medicine Hat Directors.

Dec 20, 2021 Amendments - Resources for Mayor & Councilors to accomplish improved coordination of political efforts and improved communication with the community/constituents.

KEY ITEMS:

1. Corporate re-organization and division restructure - center led services and department right sizing and right skilling
2. Strategic Investment Asset Allocation to move towards a growth plus portfolio.

General Municipal

(Part of General Government Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Municipal Taxes	\$ 78,353,763	\$ 80,783,094	\$ 2,429,332	3.1%	1	\$ -	\$ 80,783,094
Sale of Services	3,000,000	3,000,000	-	0.0%		-	3,000,000
Investment Income	5,491,231	8,340,406	2,849,175	51.9%	2	-	8,340,406
Licenses, Fines and Penalties	3,567,410	3,752,410	185,000	5.2%	3	-	3,752,410
Other Revenue	88,000	88,000	-	0.0%		-	88,000
Government Transfers for Operating	(98,590)	(497,441)	(398,851)	404.6%	4	-	(497,441)
Contribution from Utilities and Land	3,115,000	3,115,000	-	0.0%		-	3,115,000
Revenue Total	\$ 93,516,814	\$ 98,581,469	\$ 5,064,656	5.4%		\$ -	\$ 98,581,469
Salaries, Wages and Benefits	(1,147,177)	1,004,228	2,151,405	-187.5%	5	-	1,004,228
Contracted and General Services	1,473,323	128,152	(1,345,171)	-91.3%	6	-	128,152
Materials, Goods & Utilities	202,080	202,080	-	0.0%		-	202,080
Other Operating Expenses	400,000	400,000	-	0.0%		-	400,000
Expense Total	\$ 928,226	\$ 1,734,460	\$ 806,234	86.9%		\$ -	\$ 1,734,460
Net Cash Surplus/(Requirement) before internal transfers	\$ 92,588,588	\$ 96,847,010	\$ 4,258,421	4.6%		\$ -	\$ 96,847,010
Internal Recovery	600,700	621,640	20,940	3.5%		-	621,640
Internal Charges and Transfers	4,529,948	4,939,167	409,219	9.0%		-	4,939,167
Internal Recovery/(Charges) Total	\$ (3,929,248)	\$ (4,317,527)	\$ (388,279)	9.9%	7	\$ -	\$ (4,317,527)
Net Cash Surplus/(Requirement)	\$ 88,659,341	\$ 92,529,483	\$ 3,870,142	4.4%		\$ -	\$ 92,529,483

NOTES:

1. Increase in property taxes is due to the 2% increase, plus 0.5% Grants in Place of Taxes (GIPOT) write off recovery, plus 0.5% assessment growth.
2. Increase in investment income to reflect the new investment strategy.
3. Increase in penalties due to increased penalty rates for tax arrears.
4. Decrease in government transfers reflects the reduction in Grants in Place of Taxes (GIPOT).
5. Increase in salaries and wages reflects the 2% increase per ratified collective agreements and organization realignment. 2021 reflects the manpower adjustments that did not materialize.
6. Decrease in contracted services reflect the accelerated financially fit adjustments.
7. Increase in internal charges due to change in recovery model in IMH where Land is recovering for services provided to other departments.

Mayor & Councilors

(Part of General Government Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Salaries, Wages and Benefits	737,275	752,020	14,746	2.0%	1	247,913	999,933
Contracted and General Services	43,700	41,700	(2,000)	-4.6%		-	41,700
Materials, Goods & Utilities	-	1,500	1,500			-	1,500
Expense Total	\$ 780,975	\$ 795,220	\$ 14,246	1.8%		\$ 247,913	\$ 1,043,133
Net Cash Surplus/(Requirement) before internal transfers	\$ (780,975)	\$ (795,220)	\$ (14,246)	1.8%		\$ (247,913)	\$ (1,043,133)
Internal Recovery	-	-	-			-	-
Internal Charges and Transfers	20,799	21,164	366	1.8%		2,087	23,251
Internal Recovery/(Charges) Total	\$ (20,799)	\$ (21,164)	\$ (366)	1.8%		\$ (2,087)	\$ (23,251)
Net Cash Surplus/(Requirement)	\$ (801,774)	\$ (816,385)	\$ (14,611)	1.8%		\$ (250,000)	\$ (1,066,385)

NOTES:

1. Increase in salaries & wages as a result of 2% increase.

Dec 20, 2021 Amendments - Resources for Mayor & Councilors to accomplish improved coordination of political efforts and improved communication with the community/constituents. Funding will be through operating reserves.

City Manager & Managing Directors

(Part of General Government Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Salaries, Wages and Benefits	1,701,796	2,258,611	556,815	32.7%	1	-	2,258,611
Contracted and General Services	146,221	161,282	15,061	10.3%		-	161,282
Materials, Goods & Utilities	9,879	28,857	18,978	192.1%		-	28,857
Expense Total	\$ 1,857,896	\$ 2,448,750	\$ 590,854	31.8%		\$ -	\$ 2,448,750
Net Cash Surplus/(Requirement) before internal transfers	\$ (1,857,896)	\$ (2,448,750)	\$ (590,854)	31.8%		\$ -	\$ (2,448,750)
Internal Recovery	6,193,982	7,465,698	1,271,716	20.5%		-	7,465,698
Internal Charges and Transfers	5,165,738	6,302,402	1,136,664	22.0%		-	6,302,402
Internal Recovery/(Charges) Total	\$ 1,028,244	\$ 1,163,296	\$ 135,052	13.1%	2	\$ -	\$ 1,163,296
Net Cash Surplus/(Requirement)	\$ (829,652)	\$ (1,285,454)	\$ (455,802)	54.9%		\$ -	\$ (1,285,454)

NOTES:

1. Increase in salaries & wages as a result of 2% increase and corporate reorganization to move the Strategic Management & Analysis Managing Director and Invest Medicine Hat Managing Director into the same area as the other Managing Directors.
2. Increase in internal charges as a result of recovering the costs related to the Strategic Management & Analysis and Invest Medicine Hat Managing Directors.

City Solicitor

(Part of General Government Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ 4,800	\$ 4,800	\$ -	0.0%		\$ -	\$ 4,800
Revenue Total	\$ 4,800	\$ 4,800	\$ -	0.0%		\$ -	\$ 4,800
Salaries, Wages and Benefits	1,408,433	1,403,814	(4,619)	-0.3%		-	1,403,814
Contracted and General Services	160,304	143,754	(16,550)	-10.3%		-	143,754
Materials, Goods & Utilities	22,750	29,538	6,788	29.8%		-	29,538
Expense Total	\$ 1,591,487	\$ 1,577,106	\$ (14,381)	-0.9%		\$ -	\$ 1,577,106
Net Cash Surplus/(Requirement) before internal transfers	\$ (1,586,687)	\$ (1,572,306)	\$ 14,381	-0.9%		\$ -	\$ (1,572,306)
Internal Recovery	858,649	973,475	114,825	13.4%	1	-	973,475
Internal Charges and Transfers	98,871	99,960	1,090	1.1%		-	99,960
Internal Recovery/(Charges) Total	\$ 759,779	\$ 873,514	\$ 113,736	15.0%		\$ -	\$ 873,514
Net Cash Surplus/(Requirement)	\$ (826,909)	\$ (698,792)	\$ 128,117	-15.5%		\$ -	\$ (698,792)

NOTES:

1. Increase in internal recoveries due to correction of prior year error, where the department was under recovering from the Energy & Infrastructure Division.

Other Organizations

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Grants and Other Transfers	2,465,428	2,561,180	95,751	3.9%	1	-	2,561,180
Interest on Long-term Debt	28,158	23,822	(4,335)	-15.4%		-	23,822
Expense Total	\$ 2,493,586	\$ 2,585,002	\$ 91,416	3.7%		\$ -	\$ 2,585,002
Net Cash Surplus/(Requirement) before internal transfers	\$ (2,493,586)	\$ (2,585,002)	\$ (91,416)	3.7%		\$ -	\$ (2,585,002)
Internal Recovery	-	-	-	0.0%		-	-
Internal Charges and Transfers	228,555	228,863	308	0.1%		-	228,863
Internal Recovery/(Charges) Total	\$ (228,555)	\$ (228,863)	\$ (308)	0.1%		\$ -	\$ (228,863)
Net Cash Surplus/(Requirement)	\$ (2,722,140)	\$ (2,813,865)	\$ (91,724)	3.4%		\$ -	\$ (2,813,865)

NOTES:

1. Reflects the increases in the other organization operating costs (salaries & wages).

Police

	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 250,000	\$ 250,000	\$ -	0.0%		\$ 250,000
Licenses, Fines and Penalties	67,067	100,000	32,933	49.1%		100,000
Other Revenue	2,254,341	2,405,703	151,362	6.7%	1	2,405,703
Government Transfers for Operating	1,690,175	1,690,175	-	0.0%		1,690,175
Revenue Total	\$ 4,261,583	\$ 4,445,878	\$ 184,295	4.3%		\$ 4,445,878
Salaries, Wages and Benefits	20,178,441	20,655,443	477,002	2.4%	2	20,655,443
Contracted and General Services	2,160,509	2,437,376	276,867	12.8%	3	2,437,376
Materials, Goods & Utilities	930,000	930,000	-	0.0%		930,000
Bank Charges & Short Term Interest	1,000	1,000	-	0.0%		1,000
Expense Total	\$ 23,269,950	\$ 24,023,820	\$ 753,869	3.2%		\$ 24,023,820
Net Cash Surplus/(Requirement) before internal transfers	\$ (19,008,367)	\$ (19,577,942)	\$ (569,574)	3.0%		\$ (19,577,942)
Internal Recovery	197,667	201,238	3,571	1.8%		201,238
Internal Charges and Transfers	2,000,012	1,998,177	(1,835)	-0.1%		1,998,177
Internal Recovery/(Charges) Total	\$ (1,802,345)	\$ (1,796,939)	\$ 5,406	-0.3%		\$ (1,796,939)
Net Cash Surplus/(Requirement)	\$ (20,810,712)	\$ (21,374,880)	\$ (564,168)	2.7%		\$ (21,374,880)

NOTES:

1. Other revenue increased due to increased back check revenue.
2. Salaries and Wages increased due to 2% increase.
- 3 Contracted services increased due to revised Government of Alberta Lab fee and planned training for new Police recruitments.

Total Corporate Services Division

Corporate Services					Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
	Approved 2021 Budget	Proposed 2022 Budget	Variance				
Sale of Services	\$ 639,175	\$ 648,923	\$ 9,748	1.5%		\$ -	\$ 648,923
Other Revenue	414,000	419,000	5,000	1.2%		-	419,000
Revenue Total	\$ 1,053,175	\$ 1,067,923	\$ 14,748	1.4%		\$ -	\$ 1,067,923
Salaries, Wages and Benefits	15,951,477	17,124,953	1,173,476	7.4%	1	-	17,124,953
Contracted and General Services	7,169,400	7,645,743	476,343	6.6%	2	-	7,645,743
Materials, Goods & Utilities	734,364	814,331	79,967	10.9%		-	814,331
Provision for Allowances	27,000	27,000	-	0.0%		-	27,000
Bank Charges & Short Term Interest	75,723	77,723	2,000	2.6%		-	77,723
Interest on Long-term Debt	28,175	19,063	(9,112)	-32.3%		-	19,063
Other Operating Expenses	25,985	25,985	-	0.0%		-	25,985
Expense Total	\$ 24,012,124	\$ 25,734,797	\$ 1,722,674	7.2%		\$ -	\$ 25,734,797
Net Cash Surplus/(Requirement) before internal transfers	\$ (22,958,949)	\$ (24,666,874)	\$ (1,707,926)	7.4%		-	\$ (24,666,874)
Internal Recovery	17,506,982	17,201,366	(305,616)	-1.7%	3	-	17,201,366
Internal Charges and Transfers	1,865,693	1,878,756	13,063	0.7%		-	1,878,756
Internal Recovery/(Charges) Total	\$ 15,641,290	\$ 15,322,611	\$ (318,679)	-2.0%		\$ -	\$ 15,322,611
Net Cash Surplus/(Requirement)	\$ (7,317,659)	\$ (9,344,264)	\$ (2,026,605)	27.7%		\$ -	\$ (9,344,264)

NOTES:

- Salaries and Wages increase is due to 2% increase as well as the net addition of 8 positions to provide sufficient support to achieve the strategic priorities of the organization (1 in IT; 6 in HR; 2 in Finance; and a reduction of 1 in Corporate Communication).
- Contracted Services increased due to increase in internal and third party insurance premiums.
- Internal recovery decreased largely due to corporate reorganization. In 2021, Corporate Communications was under Invest Medicine Hat and indirectly funded by taxes through a recovery from General Municipal Operations (GMR). Now that the department is in the Corporate Services Division, it is directly funded through taxes (GMR) and a recovery from the General Municipal Operations is not required.

KEY ITEMS:

- Corporate re-organization and division restructure - center led services and department right sizing and right skilling
- Investment in employees to support organizational talent/staffing needs of City through HR redesign in both structure and function in order to integrate the full value of Organizational Development.
- Increase IT support and focus in response to increasing volume and severity of cyber activity.
- Focus on development of grant revenue through creation of Grant Revenue Development Specialist to ensure strategic access and use of provincial, federal and other grant funding for City capital and operating.
- Strategic recruitment for City Treasurer in order to optimize risk and returns of investment portfolio.

KEY SERVICE IMPLICATIONS IN THE 2022 BUDGET:

- Digital transformation focus including phased rollout of MS365, phased introduction of Sharepoint (technology to advance collaboration & access to information), Citizen Facing Digital Strategy (new City website design and related myMH portal and digitization) IT as a Service, and internal digitization of documents.
- Investment in City employees to support organizational talent/staffing needs of City through HR redesign in both structure and function in order to integrate the full value of Organizational Development and talent attraction.
- Increase IT support and focus in response to increasing volume and severity of cyber activity.
- Strategic recruitment for City Treasurer in order to optimize risk and returns of investment portfolio.
- Rollout of Contracts & Requisition model to be integrated with our current Enterprise System.
- Increased focus and execution of public participation framework ("Public Matters").

Finance						Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
(Part of Corporate Services Division)							
	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes			
Sale of Services	\$ 639,175	\$ 648,923	\$ 9,748	1.5%		\$ -	\$ 648,923
Other Revenue	209,000	209,000	-	0.0%		-	209,000
Revenue Total	\$ 848,175	\$ 857,923	\$ 9,748	1.1%		\$ -	\$ 857,923
Salaries, Wages and Benefits	8,138,818	8,540,337	401,518	4.9%	1	-	8,540,337
Contracted and General Services	3,300,920	3,788,913	487,993	14.8%	2	-	3,788,913
Materials, Goods & Utilities	197,406	195,706	(1,700)	-0.9%		-	195,706
Provision for Allowances	27,000	27,000	-	0.0%		-	27,000
Bank Charges & Short Term Interest	75,723	77,723	2,000	2.6%		-	77,723
Other Operating Expenses	25,985	25,985	-	0.0%		-	25,985
Expense Total	\$ 11,765,852	\$ 12,655,664	\$ 889,812	7.6%		\$ -	\$ 12,655,664
Net Cash Surplus/(Requirement) before internal transfers	\$ (10,917,677)	\$ (11,797,741)	\$ (880,064)	8.1%		\$ -	\$ (11,797,741)
Internal Recovery	7,770,435	7,779,371	8,936	0.1%		-	7,779,371
Internal Charges and Transfers	1,275,547	1,293,811	18,264	1.4%		-	1,293,811
Internal Recovery/(Charges) Total	\$ 6,494,888	\$ 6,485,559	\$ (9,328)	-0.1%		\$ -	\$ 6,485,559
Net Cash Surplus/(Requirement)	\$ (4,422,789)	\$ (5,312,182)	\$ (889,392)	20.1%		\$ -	\$ (5,312,182)

NOTES:

- Salaries and Wages increased due to 2% increase and the addition of two positions to meet the investment portfolio and grant revenue strategic priorities. These two position will be offset by the increased investment and grant revenues received throughout the organization.
- Contracted Services increased due to increase in internal and third party insurance premiums.

Information Technology

(Part of Corporate Services Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Salaries, Wages and Benefits	3,240,283	3,464,526	224,244	6.9%	1	-	3,464,526
Contracted and General Services	2,695,285	2,660,285	(35,000)	-1.3%		-	2,660,285
Materials, Goods & Utilities	424,503	504,503	80,000	18.8%	2	-	504,503
Interest on Long-term Debt	28,175	19,063	(9,112)	-32.3%		-	19,063
Expense Total	\$ 6,388,246	\$ 6,648,377	\$ 260,131	4.1%		\$ -	\$ 6,648,377
Net Cash Surplus/(Requirement) before internal transfers	\$ (6,388,246)	\$ (6,648,377)	\$ (260,131)	4.1%		\$ -	\$ (6,648,377)
Internal Recovery	6,172,000	6,263,836	91,836	1.5%	3	-	6,263,836
Internal Charges and Transfers	179,381	172,800	(6,581)	-3.7%		-	172,800
Internal Recovery/(Charges) Total	\$ 5,992,619	\$ 6,091,036	\$ 98,416	1.6%		\$ -	\$ 6,091,036
Net Cash Surplus/(Requirement)	\$ (395,626)	\$ (557,341)	\$ (161,715)	40.9%		\$ -	\$ (557,341)

NOTES:

- Salaries and Wages increased due to 2% increase and the addition of one position to meet the cyber security priorities of the organization.
- Material & supplies increased due to implementation of 'IT as a Service' where department budgets were moved to IT for specific software & hardware licenses, purchases and replacements.
- Internal recoveries increased due to increase salaries and wages.

Human Resources

(Part of Corporate Services Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ 205,000	\$ 210,000	\$ 5,000	2.4%		\$ -	\$ 210,000
Revenue Total	\$ 205,000	\$ 210,000	\$ 5,000	2.4%		\$ -	\$ 210,000
Salaries, Wages and Benefits	3,948,341	4,598,636	650,294	16.5%	1	-	4,598,636
Contracted and General Services	1,078,050	1,103,800	25,750	2.4%		-	1,103,800
Materials, Goods & Utilities	78,822	78,822	-	0.0%		-	78,822
Expense Total	\$ 5,105,213	\$ 5,781,258	\$ 676,044	13.2%		\$ -	\$ 5,781,258
Net Cash Surplus/(Requirement) before internal transfers	\$ (4,900,213)	\$ (5,571,258)	\$ (671,044)	13.7%		\$ -	\$ (5,571,258)
Internal Recovery	2,725,430	2,768,461	43,031	1.6%	2	-	2,768,461
Internal Charges and Transfers	324,460	331,378	6,918	2.1%		-	331,378
Internal Recovery/(Charges) Total	\$ 2,400,970	\$ 2,437,083	\$ 36,113	1.5%		\$ -	\$ 2,437,083
Net Cash Surplus/(Requirement)	\$ (2,499,243)	\$ (3,134,175)	\$ (634,931)	25.4%		\$ -	\$ (3,134,175)

NOTES:

1. Salaries and Wages increased due to 2% increase and the addition of six positions to provide sufficient organizational support for organizational development, employee relations, and change management.

2. Internal recoveries increased as a result of three of the new positions being 32% recoverable. The other three positions are funded by the HR training reserve.

Corporate Communications

(Part of Corporate Services Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		-	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		-	\$ -
Salaries, Wages and Benefits	624,034	521,454	(102,581)	-16.4%	1	-	521,454
Contracted and General Services	95,145	92,745	(2,400)	-2.5%		-	92,745
Materials, Goods & Utilities	33,633	35,300	1,667	5.0%		-	35,300
Expense Total	\$ 752,812	\$ 649,499	\$ (103,314)	-13.7%		-	\$ 649,499
Net Cash Surplus/(Requirement) before internal transfers	\$ (752,812)	\$ (649,499)	\$ 103,314	-13.7%		-	\$ (649,499)
Internal Recovery	839,117	389,699	(449,418)	-53.6%	2	-	389,699
Internal Charges and Transfers	86,305	80,767	(5,538)	-6.4%		-	80,767
Internal Recovery/(Charges) Total	\$ 752,812	\$ 308,932	\$ (443,880)	-59.0%		-	\$ 308,932
Net Cash Surplus/(Requirement)	\$ -	\$ (340,566)	\$ (340,566)			-	\$ (340,566)

NOTES:

- Salaries and Wages decreased due to one position being moved to Invest Medicine Hat somewhat offset by the 2% increase.
- In 2021, Corporate Communications was under Invest Medicine Hat and indirectly funded by taxes through a recovery from General Municipal Operations (GMR). Now that the department is in the Corporate Services Division, it is directly funded through taxes (GMR) and a recovery from the General Municipal Operations is not required.

Total Public Services Division

Public Services					Notes	Amendments Dec 20, 2021 Council Meeting	Approved
	Approved 2021 Budget	Proposed 2022 Budget	Variance				2022 Budget
Sale of Services	\$ 9,086,962	\$ 8,456,621	\$ (630,341)	-6.9%	1	\$ 153,120	\$ 8,609,741
Insurance Recovery	123,000	123,000	-	0.0%		-	123,000
Other Revenue	3,043,351	3,069,050	25,699	0.8%		175,000	3,244,050
Government Transfers for Operating	2,317,907	2,327,025	9,118	0.4%		-	2,327,025
Revenue Total	\$ 14,571,220	\$ 13,975,696	\$ (595,524)	-4.1%		\$ 328,120	\$ 14,303,816
Salaries, Wages and Benefits	32,843,860	32,886,333	42,473	0.1%		910,477	33,796,810
Contracted and General Services	4,778,112	5,009,906	231,794	4.9%	2	66,000	5,075,906
Materials, Goods & Utilities	2,267,989	2,022,906	(245,083)	-10.8%	3	93,795	2,116,701
Bank Charges & Short Term Interest	259,783	257,703	(2,080)	-0.8%		2,000	259,703
Grants and Other Transfers	633,432	1,251,868	618,436	97.6%	4	-	1,251,868
Interest on Long-Term Debt	364,956	361,626	(3,330)	-0.9%		-	361,626
Other Operating Expenses	17,000	17,000	-	0.0%		-	17,000
Expense Total	\$ 41,165,132	\$ 41,807,342	\$ 642,210	1.6%		\$ 1,072,272	\$ 42,879,614
Net Cash Surplus/(Requirement) before internal transfers	\$ (26,593,912)	\$ (27,831,646)	\$ (1,237,734)	4.7%		\$ (744,152)	\$ (28,575,798)
Internal Recovery	337,787	321,217	(16,570)	-4.9%		-	321,217
Internal Charges and Transfers	12,227,946	12,040,009	(187,937)	-1.5%	5	155,848	12,195,857
Internal Recovery/(Charges) Total	\$ (11,890,160)	\$ (11,718,792)	\$ 171,368	-1.4%		\$ (155,848)	\$ (11,874,640)
Net Cash Surplus/(Requirement)	\$ (38,484,071)	\$ (39,550,438)	\$ (1,066,367)	2.8%		\$ (900,000)	\$ (40,450,438)
Tangible Capital Asset (TCA):							
Moose Centre - Ice Slab Construction	\$ -	\$ -	\$ -	0.0%		\$ 1,200,000	\$ 1,200,000

NOTES:

1. The decrease in Sales of Service is due to the change in operating model of the Seniors' Centre, where it is now operated by a 3rd party contractor who directly collects sales revenue.
2. In 2021, Parks & Recreation expected operating cost savings through open space development. However, savings from this initiative will be realized over a time period of 3-5 years and therefore the contracted services budget is increased to account for the actual timing of expected cost savings.
3. Materials and Supplies decreased due the change in operating model of the Seniors' Centre, where it is now operated by a 3rd party contractor.
4. Increase in transfers to other organizations to reflect the City's funding contribution to the 3rd party operator of the Seniors' Centre.
5. Internal charges has decreased due to the building maintenance of the Seniors' Centre decreasing, as the 3rd party operator is responsible for these costs.

Dec 20, 2021 Amendments - re-opening of Crestwood Facility \$600K and re-opening of Moose Centre \$300K. Funding will be through operating reserves. The Moose Centre also includes a tangible capital asset of \$1.2M to complete the ice slab construction, which will be funded through the capital reserves.

KEY ITEMS:

1. Corporate re-organization and division restructure - department right sizing and right skilling

KEY SERVICE IMPLICATIONS IN THE 2022 BUDGET:

1. Change in operating model for the Seniors Centre and Co-op place.
2. Transit on Demand
3. Facility closures in 2021 of Crestwood, Moose Rec Centre and Heights Pool; in 2022 re-opening of Crestwood and Moose Centre

Community Development

(Part of Public Services Division)	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 4,705,611	\$ 4,179,762	\$ (525,849)	-11.2%	1	\$ -	\$ 4,179,762
Other Revenue	1,110,121	1,089,708	- 20,413	-1.8%		-	1,089,708
Government Transfers for Operating	1,935,407	1,939,525	4,118	0.2%		-	1,939,525
Expense Total	\$ 7,751,139	\$ 7,208,995	\$ (542,144)	-7.0%		\$ -	\$ 7,208,995
Salaries, Wages and Benefits	8,881,146	8,763,672	(117,474)	-1.3%	2	-	8,763,672
Contracted and General Services	2,129,283	2,221,289	92,006	4.3%		-	2,221,289
Materials, Goods & Utilities	919,330	683,601	(235,729)	-25.6%	3	-	683,601
Bank Charges & Short Term Interest	230,010	227,800	(2,210)	-1.0%		-	227,800
Grants and Other Transfers	445,327	1,061,401	616,074	138.3%	4	-	1,061,401
Expense Total	\$ 12,605,096	\$ 12,957,763	\$ 352,667	2.8%		\$ -	\$ 12,957,763
Net Cash Surplus/(Requirement) before internal transfers	\$ (4,853,957)	\$ (5,748,768)	\$ (894,811)	18.4%		\$ -	\$ (5,748,768)
Internal Recovery	10,800	10,800	-	0.0%		-	10,800
Internal Charges and Transfers	5,744,088	5,554,892	(189,196)	-3.3%	5	-	5,554,892
Internal Recovery/(Charges) Total	\$ (5,733,288)	\$ (5,544,092)	\$ 189,196	-3.3%		\$ -	\$ (5,544,092)
Net Cash Surplus/(Requirement)	\$ (10,587,245)	\$ (11,292,860)	\$ (705,615)	6.7%		\$ -	\$ (11,292,860)

NOTES:

1. The decrease in Sales of Service is due to the change in operating model of the Seniors' Centre, where it is now operated by a 3rd party contractor. This is somewhat offset by an increase in revenue related to the corporate reorganization, where Co-op Place was previously under the Parks & Recreation Department but is now under the Community Development department.
2. Salaries and Wages decreased due to the change in operating model of the Seniors' Centre, where it is now operated by a 3rd party contractor.
3. Materials and Supplies decreased due the change in operating model of the Seniors' Centre, where it is now operated by a 3rd party contractor.
4. Increase in transfers to other organizations to reflect the City's funding contribution to the 3rd party operator of the Seniors' Centre.
5. Internal charges has decreased due to the building and utilities of the Seniors' Centre decreasing, as the 3rd party operator is responsible for a majority of these costs.

Emergency Services

(Part of Public Services Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 543,933	\$ 643,933	\$ 100,000	18.4% 1	\$ -	\$ 643,933
Insurance Recovery	80,000	80,000	-	0.0%	-	80,000
Other Revenue	116,960	116,960	-	0.0%	-	116,960
Government Transfers for Operating	382,500	387,500	5,000	1.3%	-	387,500
Revenue Total	\$ 1,123,393	\$ 1,228,393	\$ 105,000	9.3%	\$ -	\$ 1,228,393
Salaries, Wages and Benefits	14,550,183	14,881,997	331,814	2.3% 2	-	14,881,997
Contracted and General Services	435,489	435,489	-	0.0%	-	435,489
Materials, Goods & Utilities	220,879	220,879	-	0.0%	-	220,879
Expense Total	\$ 15,206,551	\$ 15,538,365	\$ 331,814	2.2%	\$ -	\$ 15,538,365
Net Cash Surplus/(Requirement) before internal transfers	\$ (14,083,158)	\$ (14,309,972)	\$ (226,814)	1.6%	\$ -	\$ (14,309,972)
Internal Recovery	177,523	157,962	(19,561)	-11.0%	-	157,962
Internal Charges and Transfers	1,677,786	1,605,969	(71,817)	-4.3%	-	1,605,969
Internal Recovery/(Charges) Total	\$ (1,500,263)	\$ (1,448,007)	\$ 52,256	-3.5%	\$ -	\$ (1,448,007)
Net Cash Surplus/(Requirement)	\$ (15,583,421)	\$ (15,757,979)	\$ (174,558)	1.1%	\$ -	\$ (15,757,979)

NOTES:

1. Increase in revenues is related to increase in back check revenue assumptions to reflect actual trends.
2. Salaries and Wages increased as a result of negotiated union collective agreements.

Parks & Recreation

(Part of Public Services Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 3,837,418	\$ 3,632,926	\$ (204,492)	-5.3%	1	\$ 153,120	\$ 3,786,046
Insurance Recovery	43,000	43,000	-	0.0%		-	43,000
Other Revenue	1,816,270	1,862,382	46,112	2.5%		175,000	2,037,382
Revenue Total	\$ 5,696,688	\$ 5,538,308	\$ (158,380)	-2.8%		\$ 328,120	\$ 5,866,428
Salaries, Wages and Benefits	9,412,531	9,240,664	(171,867)	-1.8%	2	910,477	10,151,141
Contracted and General Services	2,213,340	2,353,128	139,788	6.3%	3	66,000	2,419,128
Materials, Goods & Utilities	1,127,780	1,118,426	(9,354)	-0.8%		93,795	1,212,221
Bank Charges & Short Term Interest	29,773	29,903	130	0.4%		2,000	31,903
Grants and Other Transfers	188,105	190,467	2,362	1.3%		-	190,467
Interest on Long-Term Debt	364,956	361,626	(3,330)	-0.9%		-	361,626
Other Operating Expenses	17,000	17,000	-	0.0%		-	17,000
Expense Total	\$ 13,353,485	\$ 13,311,214	\$ (42,271)	-0.3%		\$ 1,072,272	\$ 14,383,486
Net Cash Surplus/(Requirement) before internal transfers	\$ (7,656,797)	\$ (7,772,906)	\$ (116,110)	1.5%		\$ (744,152)	\$ (8,517,058)
Internal Recovery	149,464	152,455	2,991	2.0%		-	152,455
Internal Charges and Transfers	4,806,072	4,879,148	73,076	1.5%		155,848	5,034,996
Internal Recovery/(Charges) Total	\$ (4,656,608)	\$ (4,726,693)	\$ (70,085)	1.5%		\$ (155,848)	\$ (4,882,541)
Net Cash Surplus/(Requirement)	\$ (12,313,405)	\$ (12,499,599)	\$ (186,194)	1.5%		\$ (900,000)	\$ (13,399,599)

Tangible Capital Asset (TCA):

Moose Centre - Ice Slab Construction	\$	-	\$	-	0.0%	\$ 1,200,000	\$ 1,200,000
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NOTES:

1. The decrease in Sales of Service is mainly due to no longer collecting a facility fee from a third-party operator of the Regional Event Centre.
 2. Salaries and Wages decreased due to corporate reorganization and elimination of 5 positions.
 3. In 2021, Parks & Recreation expected operating cost savings through open space development. However, savings from this initiative will be realized over a time period of 3-5 years and therefore the contracted services budget is increased to account for the actual timing of expected cost savings.
- Dec 20, 2021 Amendments - re-opening of Crestwood Facility \$600K and re-opening of Moose Centre \$300K. Funding will be through operating reserves. The Moose Centre also includes a tangible capital asset of \$1.2M to complete the ice slab construction, which will be funded through the capital reserves.

Total Strategic Management & Analysis Division

Strategic Management & Analysis

	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 6,715	\$ 6,850	\$ 135	2.0%	\$ -	\$ 6,850
Licenses, Fines and Penalties	2,866,120	2,839,430	(26,690)	-0.9%	-	2,839,430
Revenue Total	\$ 2,872,835	\$ 2,846,280	\$ (26,555)	-0.9%	\$ -	\$ 2,846,280
Salaries, Wages and Benefits	10,409,348	10,020,732	(388,616)	-3.7%	1	10,020,732
Contracted and General Services	1,977,208	1,593,718	(383,490)	-19.4%	2	1,593,718
Materials, Goods & Utilities	432,605	86,405	(346,200)	-80.0%	3	86,405
Bank Charges & Short Term Interest	975	975	-	0.0%	-	975
Expense Total	\$ 12,820,136	\$ 11,701,829	\$ (1,118,307)	-8.7%	\$ -	\$ 11,701,829
Net Cash Surplus/(Requirement) before internal transfers	\$ (9,947,301)	\$ (8,855,549)	\$ 1,091,752	-11.0%	\$ -	\$ (8,855,549)
Internal Recovery	5,324,735	6,480,929	1,156,194	21.7%	4	6,480,929
Internal Charges and Transfers	663,554	644,365	(19,189)	-2.9%	-	644,365
Internal Recovery/(Charges) Total	\$ 4,661,181	\$ 5,836,564	\$ 1,175,383	25.2%	\$ -	\$ 5,836,564
Net Cash Surplus/(Requirement)	\$ (5,286,120)	\$ (3,018,986)	\$ 2,267,134	-42.9%	\$ -	\$ (3,018,986)

Major Operating Expense (MOE):

City Centre Area Redevelopment Plan	\$ -	\$ -	\$ -	0.0%	\$ 250,000	\$ 250,000
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NOTES:

1. Decrease in salaries & wages is a result of positional changes from corporate restructuring and transfer of Geospatial Information Systems (GIS) and Operational Technology Systems Management (OTSM) staff to the Business Transformation Office (BTO).
2. Decrease in contracted services is a result of the transfer of the GIS and OTSM staff and related costs from Strategy & Analysis to the BTO.
3. Decrease in materials and supplies is a result of transfer of the GIS and OTSM staff and related costs from Strategy & Analysis to the BTO.
4. Internal recoveries increased as additional recoveries from energy and infrastructure were added as a result of support work now performed, as a result of the corporate restructuring.

Dec 20, 2021 Amendments - complete a City Centre Area Redevelopment Plan as it relates to the Municipal Development Plan, which will include planning and engineering, as well as the required background studies. This is classified as a major operating expense and is funded from the operating reserves.

KEY ITEMS:

1. Corporate re-organization and division restructure - center led services and department right sizing & right skilling.

KEY SERVICE IMPLICATIONS IN THE 2022 BUDGET:

1. Lower economic activity due to pandemic resulted in lower safety code revenues.

Strategy & Analysis

(Part of Strategic Management & Analysis Division)

Amendments
Dec 20, 2021
Council
Meeting

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -
Salaries, Wages and Benefits	3,776,772	2,057,304	(1,719,468)	-45.5%	1	2,057,304
Contracted and General Services	1,597,865	715,598	(882,267)	-55.2%	2	715,598
Materials, Goods & Utilities	359,100	5,000	(354,100)	-98.6%	3	5,000
Expense Total	\$ 5,733,737	\$ 2,777,902	\$ (2,955,835)	-51.6%		\$ 2,777,902
Net Cash Surplus/(Requirement) before internal transfers	\$ (5,733,737)	\$ (2,777,902)	\$ 2,955,835	-51.6%		\$ (2,777,902)
Internal Recovery	4,416,830	2,895,357	(1,521,473)	-34.4%	4	2,895,357
Internal Charges and Transfers	158,204	117,527	(40,676)	-25.7%		117,527
Internal Recovery/(Charges) Total	\$ 4,258,627	\$ 2,777,830	\$ (1,480,797)	-34.8%		\$ 2,777,830
Net Cash Surplus/(Requirement)	\$ (1,475,110)	\$ (72)	\$ 1,475,038	-100.0%		\$ (72)

NOTES:

1. Decrease in salaries & wages is a result of positional changes from corporate restructuring and transfer of Geospatial Information Systems (GIS) and Operational Technology Systems Management (OTSM) staff to the Business Transformation Office (BTO).
2. Decrease in contracted services is a result of the transfer of the GIS and OTSM staff and related costs from Strategy & Analysis to the BTO.
3. Decrease in materials and supplies is a result of transfer of the GIS and OTSM staff and related costs from Strategy & Analysis to the BTO.
4. Internal recoveries decreased as a result of recovering the costs of the positions and related costs transferred to the BTO.

Environment Land & Government Relations

(Part of Strategic Management & Analysis Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Salaries, Wages and Benefits	1,550,904	824,828	(726,076)	-46.8%	1	-	824,828
Contracted and General Services	168,103	6,880	(161,223)	-95.9%	2	-	6,880
Materials, Goods & Utilities	2,080	2,080	-	0.0%		-	2,080
Expense Total	\$ 1,721,087	\$ 833,788	\$ (887,299)	-51.6%		\$ -	\$ 833,788
Net Cash Surplus/(Requirement) before internal transfers	\$ (1,721,087)	\$ (833,788)	\$ 887,299	-51.6%		\$ -	\$ (833,788)
Internal Recovery	257,905	516,995	259,091	100.5%	3	-	516,995
Internal Charges and Transfers	35,364	38,899	3,536	10.0%		-	38,899
Internal Recovery/(Charges) Total	\$ 222,541	\$ 478,096	\$ 255,555	114.8%		\$ -	\$ 478,096
Net Cash Surplus/(Requirement)	\$ (1,498,546)	\$ (355,692)	\$ 1,142,854	-76.3%		\$ -	\$ (355,692)

NOTES:

- Salaries and Wages decreased due to downsizing of the oil & gas department.
- Contracted Services decreased due to downsizing of the oil & gas department.
- Internal recoveries have increased due to recovering costs from IMH for Land & Property Management services.

City Planning

(Part of Strategic Management & Analysis Division)

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 6,715	\$ 6,850	\$ 135	2.0%		\$ -	\$ 6,850
Licenses, Fines and Penalties	2,866,120	2,839,430	(26,690)	-0.9%	1	-	2,839,430
Revenue Total	\$ 2,872,835	\$ 2,846,280	\$ (26,555)	-0.9%		\$ -	\$ 2,846,280
Salaries, Wages and Benefits	4,146,681	4,172,402	25,721	0.6%	2	-	4,172,402
Contracted and General Services	202,540	202,540	-	0.0%		-	202,540
Materials, Goods & Utilities	60,525	60,525	-	0.0%		-	60,525
Bank Charges & Short Term Interest	975	975	-	0.0%		-	975
Expense Total	\$ 4,410,721	\$ 4,436,442	\$ 25,721	0.6%		\$ -	\$ 4,436,442
Net Cash Surplus/(Requirement) before internal transfers	\$ (1,537,886)	\$ (1,590,162)	\$ (52,276)	3.4%		\$ -	\$ (1,590,162)
Internal Recovery	-	-	-	0.0%		-	-
Internal Charges and Transfers	417,317	418,676	1,360	0.3%		-	418,676
Internal Recovery/(Charges) Total	\$ (417,317)	\$ (418,676)	\$ (1,360)	0.3%		\$ -	\$ (418,676)
Net Cash Surplus/(Requirement)	\$ (1,955,203)	\$ (2,008,838)	\$ (53,635)	2.7%		\$ -	\$ (2,008,838)

Major Operating Expense (MOE):

City Centre Area Redevelopment Plan	\$ -	\$ -	\$ -	0.0%		\$ 250,000	\$ 250,000
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NOTES:

1. Decrease in safety code services revenue related to economic trends impacted by the pandemic.
2. Increase in salaries & wages as a result of 2% increase.

Dec 20, 2021 Amendments - complete a City Centre Area Redevelopment Plan as it relates to the Municipal Development Plan, which will include planning and engineering, as well as the required background studies. This is classified as a major operating expense and is funded from the operating reserves.

Integrated Project Planning & Execution

(Part of Strategic Management &
Analysis Division)

Amendments
Dec 20, 2021
Council
Meeting

	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes		Approved 2022 Budget
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Salaries, Wages and Benefits	934,991	2,966,198	2,031,207	217.2%	1	-	2,966,198
Contracted and General Services	8,700	668,700	660,000	7586.2%	2	-	668,700
Materials, Goods & Utilities	10,900	18,800	7,900	72.5%		-	18,800
Expense Total	\$ 954,591	\$ 3,653,698	\$ 2,699,107	282.8%		\$ -	\$ 3,653,698
Net Cash Surplus/(Requirement) before internal transfers	\$ (954,591)	\$ (3,653,698)	\$ (2,699,107)	282.8%		\$ -	\$ (3,653,698)
Internal Recovery	650,000	3,068,577	2,418,577	372.1%	3	-	3,068,577
Internal Charges and Transfers	52,670	69,263	16,593	31.5%		-	69,263
Internal Recovery/(Charges) Total	\$ 597,330	\$ 2,999,314	\$ 2,401,984	402.1%		\$ -	\$ 2,999,314
Net Cash Surplus/(Requirement)	\$ (357,261)	\$ (654,384)	\$ (297,123)	83.2%		\$ -	\$ (654,384)

NOTES:

1. Increase in salaries & wages as a result of 2% increase and addition of several positions as part of the corporate reorganization. Positions that were originally imbedded in Strategy & Analysis are now in the Business Transformation Office.
2. Increase in contracted services is a result of the transfer of the Geospatial Information Systems (GIS) and Operational Technology Systems Management (OTSM) groups from Strategy & Analysis to the Business Transformation Office.
3. Internal recoveries increased as a result of recovering the costs of the positions and related costs transferred from Strategy & Analysis.

Total Invest Medicine Hat Division

Invest Medicine Hat						Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes			
Sale of Services	\$ 9,409,000	\$ 9,572,500	\$ 163,500	1.7%	1	\$ -	\$ 9,572,500
Licenses, Fines and Penalties	3,000	3,000	-	0.0%		-	3,000
Other Revenue	610,000	570,000	(40,000)	-6.6%		-	570,000
Revenue Total	\$ 10,022,000	\$ 10,145,500	\$ 123,500	1.2%		\$ -	\$ 10,145,500
Salaries, Wages and Benefits	1,221,729	1,064,555	(157,173)	-12.9%	2	-	1,064,555
Contracted and General Services	972,068	993,524	21,456	2.2%		-	993,524
Materials, Goods & Utilities	106,266	109,600	3,334	3.1%		-	109,600
Cost of Land Sold	5,618,000	6,188,250	570,250	10.2%	1	-	6,188,250
Expense Total	\$ 7,918,063	\$ 8,355,929	\$ 437,867	5.5%		\$ -	\$ 8,355,929
Net Cash Surplus/(Requirement) before internal transfers	\$ 2,103,937	\$ 1,789,571	\$ (314,367)	-14.9%		\$ -	\$ 1,789,571
Internal Recovery	4,134,018	4,522,738	388,720	9.4%		-	4,522,738
Internal Charges and Transfers	1,017,384	1,209,757	192,373	18.9%		-	1,209,757
Internal Recovery/(Charges) Total	\$ 3,116,634	\$ 3,312,981	\$ 196,347	6.3%	3	\$ -	\$ 3,312,981
Net Cash Surplus/(Requirement)	\$ 5,220,571	\$ 5,102,552	\$ (118,019)	-2.3%		\$ -	\$ 5,102,552

NOTES:

1. Sales and cost of lots sold increased as a result of residential (single family) lots projections going from 48 in 2021, to 45 in 2022. Also, 13 lots in Southlands which were originally budgeted in 2021, were moved to 2022. Along with other adjustments relating to "Infill" and commercial sales projections.
2. Salaries and Wages decreased as a result of the division restructuring and eliminating 3 positions in 2022 Budget.
3. Internal recoveries increased as a result of a change in the recovering model where Land is recovering for services provided to other departments.

KEY ITEMS:

1. Corporate re-organization and division restructure - 3 positions have been eliminated from the 2022 budget.
2. IMH has been transitioning away from selling residential lots towards commercial industrial development to facilitate tax-base growth and to get out of the way of private developers in the residential sector.

KEY SERVICE IMPLICATIONS IN THE 2022 BUDGET:

1. IMH currently has 7 staff and the ability to add 2 positions within their 2022 budget. IMH is currently recruiting for those positions and believe they will be adequately staffed once those positions are filled

Investment (Part of Invest Medicine Hat Division)						Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
	Approved 2021 Budget	Proposed 2022 Budget	Variance		Notes		
Other Revenue	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Revenue Total	\$ -	\$ -	\$ -	0.0%		\$ -	\$ -
Salaries, Wages and Benefits	323,744	535,855	212,111	65.5%	1	-	535,855
Contracted and General Services	670,740	670,740	-	0.0%		-	670,740
Materials, Goods & Utilities	32,433	34,100	1,667	5.1%		-	34,100
Expense Total	\$ 1,026,917	\$ 1,240,695	\$ 213,778	20.8%		\$ -	\$ 1,240,695
Net Cash Surplus/(Requirement) before internal transfers	\$ (1,026,917)	\$ (1,240,695)	\$ (213,778)	20.8%		\$ -	\$ (1,240,695)
Internal Recovery	1,381,679	1,364,980	(16,699)	-1.2%		-	1,364,980
Internal Charges and Transfers	139,062	123,839	(15,223)	-10.9%		-	123,839
Internal Recovery/(Charges) Total	\$ 1,242,618	\$ 1,241,142	\$ (1,476)	-0.1%		\$ -	\$ 1,241,142
Net Cash Surplus/(Requirement)	\$ 215,700	\$ 446	\$ (215,254)	-99.8%		\$ -	\$ 446

NOTES:

1. Salaries and wages increased as a result of positions moving from Land subdepartment to Investment subdepartment and increasing wages budget to reflect the right sizing & right skilling of the department.

Land						Amendments Dec 20, 2021 Council Meeting	
(Part of Invest Medicine Hat Division)		Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes	Approved 2022 Budget	
Sale of Services	\$	9,409,000	\$ 9,572,500	\$ 163,500	1.7% 1	\$	- \$ 9,572,500
Licenses, Fines and Penalties		3,000	3,000	-	0.0%		- 3,000
Other Revenue		610,000	570,000	(40,000)	-6.6%		- 570,000
Revenue Total	\$	10,022,000	\$ 10,145,500	\$ 123,500	1.2%	\$	- \$ 10,145,500
Salaries, Wages and Benefits		897,984	528,700	(369,284)	-41.1% 2		- 528,700
Contracted and General Services		301,328	322,784	21,456	7.1%		- 322,784
Materials, Goods & Utilities		73,833	75,500	1,667	2.3%		- 75,500
Cost of Land Sold		5,618,000	6,188,250	570,250	10.2% 1		- 6,188,250
Expense Total	\$	6,891,145	\$ 7,115,234	\$ 224,089	3.3%	\$	- \$ 7,115,234
Net Cash Surplus/(Requirement) before internal transfers	\$	3,130,855	\$ 3,030,266	\$ (100,589)	-3.2%	\$	- \$ 3,030,266
Internal Recovery		2,752,339	3,157,758	405,419	14.7%		- 3,157,758
Internal Charges and Transfers		878,323	1,085,918	207,596	23.6%		- 1,085,918
Internal Recovery/(Charges) Total	\$	1,874,016	\$ 2,071,840	\$ 197,823	10.6% 3	\$	- \$ 2,071,840
Net Cash Surplus/(Requirement)	\$	5,004,871	\$ 5,102,105	\$ 97,234	1.9%	\$	- \$ 5,102,105

NOTES:

1. Sales and cost of lots sold increased as a result of residential (single family) lots projections going from 48 in 2021, to 45 in 2022. Also, 13 lots in Southlands which were originally budgeted in 2021, were moved to 2022. Along with other adjustments relating to "Infill" and commercial sales projections.
2. Salaries and Wages decreased as a result of the division restructuring and eliminating 3 positions in 2022 Budget.
3. Internal recoveries increased as a result of a change in the recovering model where Land is recovering for services provided to other departments.

Airport	Approved 2021		Proposed 2022		Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget				
	Budget	Budget	Variance								
Sale of Services	\$	476,428	\$	370,190	\$ (106,238)	-22.3%	1	\$	-	\$	370,190
Other Revenue		260,592		263,756		3,164	1.2%		-		263,756
Revenue Total	\$	737,020	\$	633,946	\$ (103,074)	-14.0%		\$	-	\$	633,946
Salaries, Wages and Benefits		376,579		385,128		8,549	2.3%		-		385,128
Contracted and General Services		227,923		228,089		166	0.1%		-		228,089
Materials, Goods & Utilities		34,700		34,700		-	0.0%		-		34,700
Bank Charges & Short Term Interest		4,230		4,300		70	1.7%		-		4,300
Interest on Long-term Debt		106,593		94,563		(12,030)	-11.3%		-		94,563
Expense Total	\$	750,025	\$	746,780	\$ (3,245)	-0.4%		\$	-	\$	746,780
Net Cash Surplus/(Requirement) before internal transfers											
	\$	(13,005)	\$	(112,834)	\$ (99,829)	767.6%		\$	-	\$	(112,834)
Internal Recovery		-		-		-	0.0%		-		-
Internal Charges and Transfers		424,403		417,120		(7,283)	-1.7%		-		417,120
Internal Recovery/(Charges) Total	\$	(424,403)	\$	(417,120)	\$ 7,283	-1.7%		\$	-	\$	(417,120)
Net Cash Surplus/(Requirement)	\$	(437,408)	\$	(529,955)	\$ (92,546)	21.2%		\$	-	\$	(529,955)

NOTES:

1. Airport revenue has decreased from the 2021 budget due to Air Canada no longer offering passenger air service out of Medicine Hat Airport.

Municipal Works

	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Municipal Taxes	\$ 3,500	\$ 2,550	(950)		\$ -	\$ 2,550
Sale of Services	90,500	90,500	-		-	90,500
Government Transfers for Operating	141,074	142,116	1,042	0.7%	-	142,116
Revenue Total	\$ 235,074	\$ 235,166	\$ 92	0.0%	\$ -	\$ 235,166
Salaries, Wages and Benefits	4,936,177	4,898,084	(38,094)	-0.8%	-	4,898,084
Contracted and General Services	1,083,179	1,092,049	8,870	0.8%	-	1,092,049
Materials, Goods & Utilities	330,552	325,747	(4,805)	-1.5%	-	325,747
Interest on Long-term Debt	259,704	212,897	(46,807)	-18.0%	-	212,897
Expense Total	\$ 6,609,612	\$ 6,528,776	\$ (80,836)	-1.2%	\$ -	\$ 6,528,776
Net Cash Surplus/(Requirement) before internal transfers	\$ (6,374,538)	\$ (6,293,610)	\$ 80,928	-1.3%	\$ -	\$ (6,293,610)
Internal Recovery	-	-	-	0.0%	-	-
Internal Charges and Transfers	4,138,752	4,089,545	(49,207)	-1.2%	-	4,089,545
Internal Recovery/(Charges) Total	\$ (4,138,752)	\$ (4,089,545)	\$ 49,207	-1.2%	\$ -	\$ (4,089,545)
Net Cash Surplus/(Requirement)	\$ (10,513,290)	\$ (10,383,155)	\$ 130,135	-1.2%	\$ -	\$ (10,383,155)

NOTES:

N/A

Building Services & Fleet

	Approved 2021 Budget	Proposed 2022 Budget	Variance	Notes	Amendments Dec 20, 2021 Council Meeting	Approved 2022 Budget
Sale of Services	\$ 146,128	\$ 149,050	2,922	2.0%	\$ -	\$ 149,050
Revenue Total	\$ 146,128	\$ 149,050	\$ 2,922	2.0%	\$ -	\$ 149,050
Salaries, Wages and Benefits	4,368,286	4,422,850	54,565	1.2%	-	4,422,850
Contracted and General Services	3,588,500	3,638,150	49,650	1.4%	-	3,638,150
Materials, Goods & Utilities	3,094,379	2,836,479	(257,900)	-8.3%	1	2,836,479
Interest on Long-term Debt	362,285	326,838	(35,447)	-9.8%	-	326,838
Expense Total	\$ 11,413,450	\$ 11,224,317	\$ (189,133)	-1.7%	\$ -	\$ 11,224,317
Net Cash Surplus/(Requirement) before internal transfers	\$ (11,267,322)	\$ (11,075,267)	\$ 192,055	-1.7%	\$ -	\$ (11,075,267)
Internal Recovery	17,687,937	17,051,056	(636,881)	-3.6%	-	17,051,056
Internal Charges and Transfers	2,673,261	2,501,669	(171,592)	-6.4%	-	2,501,669
Internal Recovery/(Charges) Total	\$ 15,014,676	\$ 14,549,387	\$ (465,289)	-3.1%	2	\$ 14,549,387
Net Cash Surplus/(Requirement)	\$ 3,747,355	\$ 3,474,120	\$ (273,234)	-7.3%	\$ -	\$ 3,474,120

NOTES:

1. Decrease in Material and Supplies due to reductions in the fuel expense budget related to: Price - revised budget price at the pump from original 2018 assumptions and Volume - decrease due to combination of Transit On Demand implementation and Automatic Vehicle Locating system deployment/anti-idling campaign.

2. Reduction in internal Facilities Management (FM) recoveries due to change in operating model for the Seniors' Centre, where previously FM was responsible for all building repairs and maintenance including exterior campus care. Under the new operating model, a 3rd party contractor is now responsible for janitorial and snow & ice control.

Reduction in internal Fleet recoveries is related to cancelled or deferred mobile tangible capital asset replacements due to detailed asset condition assessments. Mobile tangible capital asset purchases are recovered from departments through an internal lease.