

Business Plan 2012 Strathcona County & Budget

2012 Approved Operating & Capital Budget

*“Responsibly Delivering
Quality Service
while
Preparing for Transition
to Sustainability”*

Your County

Your Budget

Your Input

Business Plan 2012

Strathcona County & Budget

Table of Contents

Executive Summary	1-1
PSAB Statements	2-1
Consolidated Operating Budget	3-1
Consolidated Capital Budget	
Maintain vs. New	4-1
Funding by Project	4-5
Municipal Operating and Capital Budget	5-1
 Division and Departments:	
Infrastructure & Planning Services	6-1
Economic Development & Tourism	6-3
Capital Planning & Construction	6-4
Planning & Development Services	6-6
Transportation & Agriculture Services	6-8
 Community Services	7-1
Strathcona County Emergency Services	7-3
Family & Community Services	7-5
Strathcona County Transit	7-6
Recreation, Parks & Culture	7-8
Broadmoor Public Golf Course	7-10
RCMP & Enforcement Services	7-12
 Corporate Services	8-1
Assessment & Tax	8-3
Communications	8-4
Facility Services	8-5
Financial Services	8-7
Fleet Services	8-8
Human Resources	8-10
Information Technology Services	8-11
Legislative & Legal Services	8-12
 Senior Administration	9-1
Executive Team	9-2
Corporate Planning & Intergovernmental Affairs	9-3
 Elected Officials	10-1
Mayor & Council	10-2
 Fiscal Services	11-1
Utilities Operating & Capital Budget	12-1
Library Operating & Capital Budget	13-1
Pioneer Housing Foundation Operating Budget	14-1
 Supplemental Information:	
Business Plan Initiatives	15-1
2012 Approved Staff Additions	16-1
Debentures by Cost Centre by Funding Type	17-1
2012-2016 Capital Requirements	18-1

“Responsibly Delivering Quality Service while Preparing for Transition to Sustainability”**Executive Summary**

Introduction

Putting together a business plan and budget requires that Council and Administration work together to address the needs and wants of our citizens within the parameters of available resources. It is not an easy process and a balance is the ultimate goal – quality services and acceptable tax levels. The Strategic Plan is a crucial document that assists decision making given it contains the goals and aspirations of the community. Every year difficult decisions have to be made around which initiatives to fund, what the appropriate service levels should be, and to chart the immediate direction of the organization through the Business Plan. The ultimate goal of this process is always to be cognizant of the long term viability of the community, to spend tax dollars wisely, and maintain the quality of life for all of our citizens.

When deliberating the business plan and budget Council must constantly weigh different community needs. Increases in service levels must be matched by corresponding revenues. By law, a municipality cannot spend more funds than it takes in. Because of this, Council often faces hard choices regarding service and taxation levels. This is a challenge at the best of times. In a climate of global and regional economic uncertainty the task is made that much harder. This also, however, presents an opportunity - a chance to be more resilient, to improve, and to do business differently where efficiencies can be achieved. Survey instruments like the annual public satisfaction survey and budget survey are extremely helpful tools in assessing where improvements in services are desired by our citizens.

The theme for the 2012 – 2014 Business Plan and 2012 Budget is ***“Responsibly Delivering Quality Service while Preparing for Transition to Sustainability”***. It speaks to a number of different factors influencing decisions within next year’s budget cycle. This transition has, of course, already begun, and is reflected in the Social, Environmental, and Economic Sustainability Frameworks approved by Council. The 2012 – 2014 Business Plan and 2012 Budget takes this one step further, as implementation will commence on both the Sustainability Platform and the Economic Sustainability Framework.

In the end, business plans and budgets are financial and organizational expressions of community priorities. Both Council and Administration are committed to a vision of sustainability that includes looking at each and every decision we make from a social, environmental and economic perspective. The 2012 – 2014 Strategic Business Plan and 2012 Budget reflect that commitment.

Executive Summary

The Budget Process

The budget is developed based on recommendations from our citizens, departments, senior administration and Council.

April:

Public input is invited through a random telephone survey of 400 residents, open houses, and an invitation for any interested resident to comment.

May:

- Council receives the public input (budget survey results included) and reviews all current programs and services and reviews financial projections.
- Council provides guidance and direction for the upcoming Business Plan and Budget

The 2012 Budget was developed under the following Council approved direction:

- ✓ Look at opportunities to modify service levels using a projected tax dollar increase of less than 7.4%.
- ✓ Investigate franchise fees with a view to increase the natural gas franchise fee and potentially implementing an electricity franchise fee.
- ✓ Explore using \$4 million to leverage \$50 million in new debt as well as explore implementing a 1% dedicated infrastructure tax to leverage \$20 million in new debt both to help fund future capital expenditures.

Highlights of the proposed 2012 Budget

Municipal Operations

- Programs and program service delivery levels will be generally maintained at Council-approved 2011 levels.
- Thirteen new Business Plan Initiatives are recommended:
 - Implement an Emergency Alerting System
 - Commence a Youth Intervention Program
 - Adjust shrub bed maintenance levels

2012 - 2014 Strategic Business Plan & 2012 Budget

“Responsibly Delivering Quality Service while Preparing for Transition to Sustainability”**Executive Summary**

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- Begin P3 Bus Stop Snow Clearing
 - Reduce Road Maintenance Activities
 - Implement recommendations from the Corporate Branding Strategy
 - Reduce services related to Backsloping
 - Discontinue Photo Radar
 - Review the Strategic Plan
 - Phase in a Restructuring of Specialized Transit
 - Purchase a new Water Tanker for Strathcona Emergency Services
 - Create a Community Greenhouse Gas Inventory
 - Construct an Enviroservice option at the Ardrossan Recycle Station
- The proposed municipal operations operating budget for 2012 is **\$239.9 million**.
 - This budget represents the resources required to implement Council's strategic direction, generally maintain current programs and service levels, and provide for important new Business Plan Initiatives.
 - The impact of municipal price inflation (MPI) has been incorporated into the total operating expenditure budget. MPI is estimated to be **3.4%** for 2012 and is expected to amount to an estimated **\$6.3 million** for County municipal operations. MPI represents the estimated increase in cost of the County's "basket of goods" (i.e., asphalt, gravel, etc.)
 - The impact of a projected **1.99% population increase**, continued development and the increased demand for and cost of municipal services have been addressed by the 2012 operating budget.
 - The 2012 operating budget requires additional municipal property tax revenues of **\$7.9 million** equivalent to approximately **\$82.90 per year (4.84%) tax dollar increase** for the average residential property assessed at \$424,050 to support maintaining current service levels.
 - Municipal tax rates for 2012 will be subject to Council's approving the 2012 Tax Rate Bylaw in May 2012. In addition to municipal property taxes, tax rates provide for anticipated provincial education requisitions, Library and Pioneer Housing Foundation.
 - Selective increases are recommended to occur in fees and charges for certain programs and services.
 - The recommended 2012 Municipal Capital Budget amounts to **\$90.1 million**.

The 2012 Capital Budget:

- Has a continued focus on the replacement of existing capital infrastructure (**\$37.9 million**), which is critical to maintaining programs and service levels.
- Includes an investment in new priority capital infrastructure (**\$52.2 million**), responding to the increased demand for services.
- **\$2 million** new debt for municipal operations is proposed to support priority capital infrastructure projects.

“Responsibly Delivering Quality Service while Preparing for Transition to Sustainability”

Executive Summary

Strathcona County's total debt (debentures and capital leases) of **\$201 million** projected for December 31, 2012 is well within the limit legislated by the Province of Alberta.

Utility Operations

- Programs and program service delivery levels will be generally maintained at Council-approved 2011 levels.
- The proposed Utilities operating budget for 2012 amounts to **\$51.6 million**.
- The Utilities user fee for water, wastewater, storm sewer, and solid waste will see a net rate increase of **approximately \$3.23 per month (2.96%)** for the typical Sherwood Park residential customer.
- Utilities will continue to be entirely self-sustaining in 2012 with no property tax revenues required to support utility operations (except for recycling stations and Enviro-service events). Only those customers who benefit from utility services pay for the utility services.
- The recommended 2012 Utilities Capital Budget amounts to **\$10.4 million**.

Strathcona County Library

- The proposed Library operating budget for 2012 amounts to **\$9.0 million**.
- The proposed Library tax dollar increase for 2012 is **approximately \$1.32 per year (2.02%)** for the average residential property assessed at \$424,050.
- The recommended 2012 Library Capital Budget amounts to **\$0.6 million**.

Pioneer Housing Foundation (PHF)

- The proposed PHF operating budget for 2012 amounts to **\$6.0 million**.
- The proposed tax dollar decrease for 2012 is **approximately (\$0.80) per year (2.70%)** for the average residential property assessed at \$424,050.
- PHF is not recommending any capital projects for 2012.