

2012 – 2014 BUSINESS PLAN & 2012 BUDGET

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

Report Purpose

To seek Council’s approval of the 2012 – 2014 Business Plan and the 2012 Operating and Capital Budgets for Municipal, Utility and Library Operations.

Recommendations

- 1. THAT Council approve the 2012 – 2014 Business Plan as the corporate guideline for service delivery.**
- 2. THAT Council approve the implementation of the 2012 Business Plan Initiatives (Enclosure II).**
- 3. THAT Council approve the 2012 Consolidated Operating Budget for Municipal, Utility, Library and Pioneer Housing Foundation Operations (Enclosure III).**
- 4. THAT Council approve the 2012 Consolidated Capital Budget for Municipal, Utility and Library Operations (Enclosure IV).**

Council History

February 22, 2011 – Council approved the timeline for preparing the 2012–2014 Business Plan and 2012 Budget.

May 27, 2011 – Council reviewed the 2012–2014 Operating and 2012–2016 Capital projections and public input received.

May 31, 2011 – Council received for information the report entitled 2012–2014 Business Plan and 2012 Budget, Council Guidance and Direction.

October 4, 2011 – Council received the initial 2012 – 2014 Business Plan Initiatives and 2012 Council Budget Requests in order to give direction for the preparation of the 2012 – 2014 Business Plan and 2012 Budget.

November 15, 2011 – Council received the recommended 2012–2014 Business Plan and the 2012 Budget Overview as information.

November 25 – November 30, 2011 – Council received the 2012–2014 Business Plan and 2012 Budget as information.

Background/Justification

Strategic Plan:

<i>Governance</i>		X	<i>Community Well Being</i>		X
<i>Community Sustainability</i>		X	<i>Economic Viability</i>		X
<i>Service Delivery</i>	X	<i>Stakeholder Communication</i>		X	<i>Resource Management</i>
		X		X	

Policy: N/A

Legislative/Legal: Sections 242 and 245 of the Municipal Government Act (MGA), RSA 2000, c.M-26, require Council to adopt operating and capital budgets for each calendar year. The Community Vision and Strategic Plan provide the overall direction for business plan and budget development.

Economic: The business plan is the corporate guideline for service delivery and the budgets allocate the resources necessary to deliver the services to the community and undertake the actions identified in the business plan.

Social: The Business Plan and Budget provides the resources to support social inclusion and community connectedness.

Environmental: The Business Plan and Budget provides the resources to address sustainability initiatives.

Stakeholder: Strathcona County residents, business and industry.

Interdepartmental: All departments.

Summary

The 2012 – 2014 Business Plan and 2012 Budget achieve the objective of delivering balanced and fiscally responsible initiatives and budgets that:

- align with the Community Vision and Strategic Plan,
- identify and allocate resources necessary to respond to and meet customer service requirements within the budget parameters provided by Council; and
- invest in community quality of life.

The Executive Summary (Enclosure I) provides highlights of the 2012 – 2014 Business Plan and 2012 Budget. The 2012 – 2014 Business Plan and Service Levels included in the November 15, 2011 budget binder (Tab 5) have not been reproduced with this report, as there have been no changes.

The 2012 consolidated operating budget which includes Municipal operations, Utility operations, Strathcona County Library and Pioneer Housing Foundation is presented in the required financial reporting (PSAB) format (Enclosure III). The consolidated capital budget is presented by asset category including funding source (Enclosure IV). Segmented information for the operating budget is provided as supplementary information in Schedule A and includes a reconciliation to the cash-based budget (Enclosure V).

Communications Plan

Communication with: The public

Method of Communication:

Letter		Newspaper Advertisement	
News Release	X	Meeting	
Website	X	Other: Copies of the approved 2012 – 2014 Business Plan & 2012 Budget will be made available through Strathcona County Library, the Legislative Library, and Corporate Planning & Intergovernmental Affairs	X

ENCLOSURES

- I Executive Summary (*Corp Planning.17399*)
- II 2012 – 2014 Business Plan Initiatives (*Corp Planning.17402*)
- III 2012 Consolidated Operating Budget (*FinAdmin.102677*)
- IV 2012 Consolidated Capital Budget (*FinAdmin.102677*)
- V 2012 Consolidated Schedule of Segmented Information (Schedule A) (*FinAdmin.102677*)
- VI PowerPoint Presentation (*FinAdmin.102610*)

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 Manager: Christine Jackson, Financial Services, Kevin Glebe, Corporate Planning & Intergovernmental Affairs
 Associate Commissioner, Division: George Huybregts, Corporate Services/County Treasurer
 Chief Commissioner: Robyn Singleton

2012 - 2014 Strategic Business Plan & 2012 Budget

“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.

2012 - 2014 Strategic Business Plan & 2012 Budget

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

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
 - Begin P3 Bus Stop Snow Clearing
 - Reduce Road Maintenance Activities
 - Implement recommendations from the Corporate Branding Strategy

2012 - 2014 Strategic Business Plan & 2012 Budget

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

- Reduce services related to Backslipping
- 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. 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.

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

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 Enviroservice 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.

Business Plan 2012

Strathcona County & Budget

ENCLOSURE II

2012 Municipal and Utility Business Plan Initiatives

Number	Department	Initiative	Impact on Services	2012 Impact (\$)	2013 Impact (\$)	2014 Impact (\$)
2012-BPI-6	Corporate Planning & Intergovernmental Affairs	Community Greenhouse Gas Inventory	Increase	25,000	0	0
2012-BPI-11	Strathcona County Emergency Services	Emergency Alerting System	Increase	165,000	65,800	24,800
2012-BPI-18	Family Community Services	Youth Intervention Program	Increase	40,961	0	0
2012-BPI-24	Recreation, Parks & Culture	Reduce Shrub Bed Maintenance Cycles	Modify	(85,000)	(85,000)	(85,000)
2012-BPI-29	Transportation & Agricultural Services	Priority 3 Bus Stop Snow Clearing	Increase	50,000	50,000	50,000
2012-BPI-30	Transportation & Agricultural Services	Reduce Road Maintenance Activities	Modify	(120,000)	0	0
2012-BPI-32	Transportation & Agricultural Services	Reduce Service Level in relation to Backsloping	Reduce	(50,000)	0	0
2012-BPI-34	Communications	Application of Corporate Brand	Increase	815,077	525,000	360,173
2012-BPI-35	RCMP	Discontinue Photo Radar	Modify	591,714	923,319	935,570
2012-BPI-36	Corporate Planning & Intergovernmental Affairs	Strategic Plan Review	Modify	200,000	0	0
2012-BPI-37	Strathcona County Transit	Phased Implementation of Specialized Transit Restructuring	Modify	20,000	0	0
2012-BPI-38	Strathcona County Emergency Services	Project # 173 Water Tanker	Increase	667,000	0	0
2012-BPI-39	Utilities	Enviroservice at Ardrossan Recycle Station	Increase	0	0	0

Your County

Your Budget

Your Input

STRATHCONA COUNTY
Consolidated Statement of Operations and Accumulated Surplus
(in thousands of dollars)

	2012 Budget	2011 Budget
REVENUE		
Property Taxes	\$181,176	\$165,770
Government Transfers	44,688	23,859
Utility User Rates	45,845	44,165
User Fees and Charges	39,721	38,780
Penalties and Fines	5,454	6,353
Investment Income	3,672	2,929
Other Capital Revenues	16,938	2,475
Other	6,531	7,069
TOTAL REVENUE	344,023	291,400
EXPENSES		
Infrastructure and Planning Services		
Economic Development and Tourism	919	879
Engineering and Environmental Planning	2,630	4,761
Planning and Development Services	8,988	7,485
Transportation and Agriculture Services	26,096	22,965
Utilities	48,895	46,318
	87,529	82,408
Community Services		
Emergency Services	26,650	24,861
Family and Community Services	6,760	6,188
Strathcona Transit	15,890	15,369
RCMP and Enforcement Services	18,271	17,769
Recreation, Parks and Culture	36,924	34,987
	104,497	99,174
Corporate Services		
Senior Administration	4,271	3,822
Elected Officials - Mayor & Council	1,241	1,267
Fiscal Services	50,730	44,228
Strathcona County Library	9,169	7,384
Pioneer Housing Foundation	6,037	5,421
	105,823	92,291
TOTAL EXPENSES	297,848	273,873
ANNUAL SURPLUS	46,175	17,527
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,358,857	1,341,330
ACCUMULATED SURPLUS, END OF YEAR	\$1,405,032	\$1,358,857

STRATHCONA COUNTY
Consolidated Statement of Change in Net Financial Debt
(in thousands of dollars)

	2012 Budget	2011 Budget <i>(as amended Nov 30, 2011)</i>
ANNUAL SURPLUS	\$46,175	\$17,527
Acquisition of Tangible Capital Assets	(101,012)	(77,782)
Amortization of Tangible Capital Assets	53,988	45,276
	(848)	(14,978)
Acquisition of Inventories of Supplies	(900)	(900)
Acquisition of Prepaid Expenses	(1,000)	(1,000)
Use of Inventories of Supplies	900	900
Use of Prepaid Expenses	1,000	1,000
	-	-
INCREASE IN NET FINANCIAL DEBT	(848)	(14,978)
NET FINANCIAL DEBT, BEGINNING OF YEAR	(81,504)	(66,526)
NET FINANCIAL DEBT, END OF YEAR	(\$82,353)	(\$81,504)

Business Plan 2012

Strathcona County & Budget

2012 Consolidated Capital Budget

Funding by Project

	RESERVES	TAXES / UTIL RATES	DEBT	DEVELOPER LEVY	GRANTS	OTHER	TOTAL
Buildings							
00118 Transit - Strathcona Park & Ride Terminal (SPARTA)	0	0	0	0	18,208,744	0	18,208,744
00130 OSRFS Indoor Facility Revitalization Program - Broadmoor	0	0	0	0	313,841	0	313,841
00150 SPSY Salt & Sand Storage Shed	750,000	0	0	0	0	0	750,000
00152 Annual Facility Capital Lifecycle	2,253,826	0	0	0	0	0	2,253,826
00189 Annual Parking Lot Rehab Program	0	308,040	0	0	0	0	308,040
00326 Recycle Stations and Enviro Service	165,000	0	0	0	2,310,000	0	2,475,000
00530 Amend 2009 Josephburg Public Services Yard	0	0	0	0	1,200,000	0	1,200,000
00543 SCES New Skills Maintenance Outdoor Training Centre Phase I	0	0	0	0	0	350,000	350,000
00548 OSRFS Indoor Facility Revitalization Program - Ardrossan	0	0	0	0	3,648,690	300,000	3,948,690
00549 OSRFS Indoor Revitalization Program - Aquatics	0	0	0	0	1,335,518	0	1,335,518
Total Buildings	3,168,826	308,040	0	0	27,016,793	650,000	31,143,659

Business Plan 2012

Strathcona County & Budget

2012 Consolidated Capital Budget

Funding by Project

	RESERVES	TAXES / UTIL RATES	DEBT	DEVELOPER LEVY	GRANTS	OTHER	TOTAL
Electronic Hardware/Software							
00007 Annual IT Infrastructure Replacement Program - Library	0	42,381	0	0	0	0	42,381
00055 Annual IT Infrastructure Replacement Program - Utilities	31,500	0	0	0	0	0	31,500
00210 SCES Add Incident Command Post Radio NetworkCounty Wide Emergency Mgmt Project	0	130,800	0	0	0	0	130,800
00218 Corporate Infrastructure Replacement Program - Lease Replacement	30,561	0	0	0	0	0	30,561
00221 Annual IT Infrastructure Replacement Program - Municipal	863,129	0	0	0	0	0	863,129
00493 SCES - Vehicle Data Terminals (On-Board Computers)	131,713	0	0	0	0	0	131,713
00501 SCES - Additional Computer Infrastructure	40,000	0	0	0	0	0	40,000
00512 Computers	0	6,200	0	0	0	0	6,200
00542 RCMP and ES Additional Computers	0	12,600	0	0	0	0	12,600
00551 ITS - Computers for New Staff	0	20,116	0	0	0	0	20,116
00553 Reverse 911Hardware Software for BPI-11 Emerg Alerting System	0	40,000	0	0	0	0	40,000
Total Electronic Hardware/Software	1,096,903	252,097	0	0	0	0	1,349,000
Land Development							
00533 Amend 2010 Meltwater Treatment Facility	0	0	2,000,000	0	0	0	2,000,000
Total Land Development	0	0	2,000,000	0	0	0	2,000,000

Business Plan 2012

Strathcona County & Budget

2012 Consolidated Capital Budget

Funding by Project

	RESERVES	TAXES / UTIL RATES	DEBT	DEVELOPER LEVY	GRANTS	OTHER	TOTAL
Machinery & Equipment							
00002 Annual - Library Collection Replacement	0	531,488	0	0	0	0	531,488
00050 Annual Water Meter / Radio Frequency Program	282,170	172,480	0	0	0	0	454,650
00081 Annual Recreation Equipment Replacement Program	128,740	0	0	0	0	0	128,740
00103 Annual SCES Equipment Replacement Program	189,500	0	0	0	0	0	189,500
00243 Annual Golf Course Equipment Replacement Program	46,350	0	0	0	0	0	46,350
00194 RPC Fleet Addition -Tool Cat & Attachments	0	105,575	0	0	0	0	105,575
00343 TAS V & E Addition - Loader w/Blower Attachment	565,000	0	0	0	0	0	565,000
00345 TAS V & E Addition - Track Hoe Bucket w/ Thumb	0	25,000	0	0	0	0	25,000
00347 TAS V & E Addition - Road Widener	125,000	0	0	0	0	0	125,000
00416 TAS V & E Upgrade - T2-021 to TA & HE-073 to T/A Sander w/wing	0	46,000	0	0	0	0	46,000
00417 TAS V & E Upgrade - T2-023 to TA & HE-076 to T/A Sander	0	46,000	0	0	0	0	46,000
00465 RPC Fleet Addition - Skid Steer Snow Blower	0	25,750	0	0	0	0	25,750
00466 RPC Fleet Addition - Skid Steer Pick Up Broom	0	13,390	0	0	0	0	13,390
00467 RPC Fleet Addition - Tandem Axle Dump Trailer	0	20,600	0	0	0	0	20,600
Total Machinery & Equipment	1,336,760	986,283	0	0	0	0	2,323,043

Business Plan 2012

Strathcona County & Budget

2012 Consolidated Capital Budget

Funding by Project

	RESERVES	TAXES / UTIL RATES	DEBT	DEVELOPER LEVY	GRANTS	OTHER	TOTAL
Parks & Open Space Development							
00076 Annual Parks Infrastructure Lifecycle	627,270	0	0	0	0	0	627,270
00108 Annual Golf Course Improvements	63,654	0	0	0	0	0	63,654
00450 CITP - Prairie Walk	157,500	0	0	0	0	0	157,500
00451 Annual OSRFS Outdoor Revitalization Program - Phase 1	0	475,000	0	0	0	0	475,000
00502 War Memorial Project	39,018	0	0	0	0	0	39,018
Total Parks & Open Space Development	887,442	475,000	0	0	0	0	1,362,442

Business Plan 2012

Strathcona County & Budget

2012 Consolidated Capital Budget

Funding by Project

	RESERVES	TAXES / UTIL RATES	DEBT	DEVELOPER LEVY	GRANTS	OTHER	TOTAL
Roadway Infrastructure							
00066 Annual Rural Road Rehab Program	5,337,000	0	0	0	0	0	5,337,000
00071 Annual Hamlet Street Rehab Program	0	37,241	0	0	118,320	0	155,561
00092 Annual Bridge Replacement Project	0	0	0	0	315,000	0	315,000
00114 Annual Traffic & Pedestrian Safety Improvements	525,000	0	0	0	0	0	525,000
00133 Annual Traffic Signal / Intersection Replacements	0	1,133,000	0	0	210,948	0	1,343,948
00137 Class I Rural Grid Road Improvement Projects - Utilities & Construction	7,753,610	0	0	2,450,720	0	0	10,204,330
00145 Annual Residential Rehab Program	0	4,256,000	0	0	0	0	4,256,000
00159 Annual Asphalt Trail Rehab Program	0	248,000	0	0	0	0	248,000
00167 Twp Rd 530 & Rge Rd 225 Intersection Upgrading	823,832	0	0	499,168	0	0	1,323,000
00197 Beauvista Drive	0	0	0	0	4,431,000	0	4,431,000
00209 Main Blvd, Sherwood Dr to Broadmoor Blvd Upgrade (Final Lift)	0	0	0	0	446,250	0	446,250
00232 Baseline Rd Upgrade & Asphalt Overlays, 17 Str-AT Boundary of Hwy 216 & 17 Street-34 Street	0	0	0	0	4,621,320	0	4,621,320
00267 CITP - Phase 2 - Festival Avenue	902,000	0	0	0	0	0	902,000
00474 Rehab Wye Rd - WB & EB from CBR to Hwy 21	945,000	0	0	0	0	0	945,000
00522 North of Yellowhead Design & Land for Roads	0	0	0	9,997,750	0	0	9,997,750
Total Roadway Infrastructure	16,286,442	5,674,241	0	12,947,638	10,142,838	0	45,051,159

Business Plan 2012

Strathcona County & Budget

2012 Consolidated Capital Budget

Funding by Project

	RESERVES	TAXES / UTIL RATES	DEBT	DEVELOPER LEVY	GRANTS	OTHER	TOTAL
Utilities							
00015 Annual Corrosion Control Program	115,500	0	0	0	0	0	115,500
00020 Annual Hydrant / Valve Replacement	241,500	0	0	0	0	0	241,500
00028 Annual Sanitary and Storm Mainline Rehab	307,650	0	0	0	0	0	307,650
00033 Annual Sump Pump Collector Retrofit	698,211	687,905	0	0	0	0	1,386,116
00060 Community Energy New Connections - CITP	463,769	0	0	0	0	0	463,769
00552 Ardrossan Water Supply - Interim Extension	0	0	441,210	0	0	0	441,210
00521 North of Yellowhead Design & Land for Utilities	0	0	177,450	3,340,050	0	0	3,517,500
00535 Relocation of Ardrossan Recycle Station	0	0	0	0	278,775	0	278,775
Total Utilities	1,826,630	687,905	618,660	3,340,050	278,775	0	6,752,020
Vehicles							
00045 Annual Utilities Fleet Addition & Replacement Program	664,300	0	0	0	0	0	664,300
00086 Annual Transit Department Replacements	4,444,600	0	0	0	0	0	4,444,600
00140 Annual V & E Fleet Replacements	4,717,500	0	0	0	0	0	4,717,500
00173 SCES V & E Addition - Water Tanker	667,000	0	0	0	0	0	667,000
00198 SCES V & E Addition - Brush Truck	0	150,000	0	0	0	0	150,000
00420 TAS V & E Upgrade - T1-108 1 Ton Crew Cab from 2WD to 4WD	0	5,000	0	0	0	0	5,000
00452 CPC V & E Upgrade - T1-052 3/4 ton to a 1 ton	0	23,500	0	0	0	0	23,500
00481 Annual V & E Fleet Additions Rental Buyout	0	95,000	0	0	0	0	95,000
00541 RCMP & ES - Additonal Cars	0	263,400	0	0	0	0	263,400
Total Vehicles	10,493,400	536,900	0	0	0	0	11,030,300
TOTAL PROJECTS	35,096,403	8,920,466	2,618,660	16,287,688	37,438,406	650,000	101,011,623

STRATHCONA COUNTY
Consolidated Schedule of Segmented Information (Schedule A)
(in thousands of dollars)

	<u>Municipal Operations</u>	<u>Utility Operations</u>	<u>Library Operations</u>	<u>Pioneer Housing Foundation</u>	<u>Eliminations</u>	<u>2012 Budget</u>	<u>2011 Budget</u>
REVENUE							
Property Taxes	\$171,409	\$86	\$7,836	\$1,875	(\$30)	\$181,176	\$165,770
Government Transfers - Operating	6,141	7	522	579	-	7,249	7,101
Government Transfers - Capital	37,438	-	-	-	-	37,438	16,759
Utility User Rates	-	45,845	-	-	-	45,845	44,165
User Fees and Charges	35,038	925	161	3,597	-	39,721	38,780
Penalties and Fines	5,251	-	203	-	-	5,454	6,353
Investment Income	3,499	146	27	-	-	3,672	2,929
Other Capital Revenues	16,938	-	-	-	-	16,938	2,475
Other	6,933	3	199	-	(604)	6,531	7,069
TOTAL REVENUE	<u>\$282,647</u>	<u>\$47,011</u>	<u>\$8,948</u>	<u>\$6,052</u>	<u>(\$634)</u>	<u>\$344,023</u>	<u>\$291,400</u>
EXPENSES							
Salaries, Wages and Benefits	113,429	9,008	5,219	3,351	-	131,007	121,413
Contracted and General Services	41,284	8,423	249	658	-	50,613	47,460
Supplies, Materials and Utilities	27,929	20,792	1,010	1,122	-	50,853	48,175
Interest on Long-term Debt	4,154	2,716	1,074	604	(604)	7,944	9,174
Grants and Requisitions	1,714	-	-	30	(30)	1,714	1,666
Amortization	44,205	7,868	1,613	302	-	53,988	45,276
Other Expenses	1,637	89	4	-	-	1,730	709
TOTAL EXPENSES	<u>234,352</u>	<u>48,895</u>	<u>9,169</u>	<u>6,067</u>	<u>(\$634)</u>	<u>297,848</u>	<u>273,873</u>
ANNUAL SURPLUS (DEFICIT)	48,295	(1,884)	(221)	(15)	-	46,175	17,527
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,103,904</u>	<u>236,119</u>	<u>8,426</u>	<u>10,408</u>	<u>-</u>	<u>1,358,857</u>	<u>1,341,330</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>\$1,152,199</u></u>	<u><u>\$234,235</u></u>	<u><u>\$8,205</u></u>	<u><u>\$10,393</u></u>	<u><u>-</u></u>	<u><u>\$1,405,032</u></u>	<u><u>\$1,358,857</u></u>
<i>Reconciliation to cash based budget:</i>							
<i>Surplus (Deficit) from above</i>	\$48,295	(\$1,884)	(\$221)	(\$15)	-	\$46,175	\$17,527
<i>Eliminate Government Transfers - Capital</i>	(37,438)	-	-	-	-	(37,438)	(16,759)
<i>Eliminate Other Capital Revenues</i>	(16,938)	-	-	-	-	(16,938)	(2,475)
<i>Eliminate Amortization expense</i>	44,205	7,868	1,613	302	-	53,988	45,276
<i>Add interfund entries:</i>							
<i>From Capital Fund</i>	4,351	578	-	-	-	4,929	4,717
<i>From Reserve Fund</i>	6,871	4,045	60	-	-	10,975	10,126
<i>To Capital Fund</i>	(8,153)	(860)	(574)	-	-	(9,587)	(7,609)
<i>To Reserve Fund</i>	(32,587)	(6,906)	(278)	-	-	(39,772)	(37,997)
<i>Loan Funds Repaid</i>	385	-	-	-	-	385	366
<i>Capital Leases Repaid</i>	(1,747)	-	-	-	-	(1,747)	(2,141)
<i>Long-Term Debt Repaid</i>	(7,242)	(2,841)	(600)	(385)	-	(11,068)	(10,453)
Balanced Cash Based Budget	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(\$98)</u></u>	<u><u>-</u></u>	<u><u>(\$98)</u></u>	<u><u>\$577</u></u>

Business Plan 2012 Strathcona County & Budget

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

**Council Meeting
December 13, 2011**

Your County

Your Budget

Your Input

2012 – 2014 Business Plan & 2012 Budget

- Introduction
- Key Recommendations
- Impact on Residents
- Council Approval

Notes

1. Consolidated budgets include Municipal Operations, Utility Operations, the Strathcona County Library and Pioneer Housing Foundation
2. This presentation is based on the cash-based budget format, which has been converted to the required financial reporting (PSAB) format for Council's approval. A reconciliation is provided in Enclosure V.

2011 Timeline

- Feb 22 Approval of Timeline
- May 27 Financial Projections
- May 31 Council Guidance & Direction
- Oct 4 1st Look at Business Plan Initiatives & Councillor Budget Requests
- Nov 15 Present Recommended Business Plan & Budget
- Nov 25, 28, 30 Recommended Business Plan & Budget Presentations
- ➔ • **Dec 13** ***Approval of Business Plan & Budget***

Key Service Drivers

- Community Vision & Strategic Plan (guiding document)
- County frameworks, plan & strategies
- Council approved policies & bylaws
- Provincial legislative requirements
- Federal legislative requirements
- Council's 2012 budget direction

Transition to Sustainability

- Complete “In Pursuit of Excellence” organization review
- Review and update strategic plan; confirm Community Vision
- Review and confirm program and service delivery
- Implement Sustainability Platform; strong link to strategic plan and key performance indicators
- Accelerate the implementation of the Economic Sustainability Framework recommendations

Business Plan 2012 Strathcona County & Budget

Key Recommendations

Your County

Your Budget

Your Input

Summary of Changes from November 25, 2011 ~ Consistent with Council Direction ~

- Municipal Operating Budget
 - Recommended tax dollar increase Nov 25, 2011 4.98%
 - Add one General Duty RCMP Officer
 - Add provision for electronic equipment for Elected Officials
 - Remove remaining provision for capital
 - **Recommended tax dollar increase Dec 13, 2011 4.84%**
- Municipal Capital Budget
 - Recommended capital budget Nov 25, 2011 \$90.0M
 - Add SCES 911 hardware/software (missed in error)
 - **Recommended capital budget Dec 13, 2011 \$90.0M**

Summary of Changes from November 25, 2011 Consistent with Council Direction

- Utilities Operating Budget
 - No changes
- Utilities Capital Budget
 - Recommended capital budget Nov 25, 2011 \$10.2M
 - Increase Recycle Stations & Enviroservice Project
 - **Recommended capital budget Dec 13, 2011** **\$10.4M**
- No changes to Strathcona County Library or Pioneer Housing Foundation

Business Plan Initiatives (BPIs)

- 13 BPIs recommended for inclusion in the 2012 – 2014 Business Plan
 - 12 BPIs for Municipal Operations
 - 6 BPIs that increase service levels, such as completing a community greenhouse gas inventory; implementing an emergency alerting system, funding a youth intervention program, and implement priority 3 bus stop snow clearing
 - 5 BPIs that modify service levels, such as reducing shrub bed maintenance cycles; discontinuing photo radar, and conducting a phased implementation of specialized transit restructuring
 - 1 BPI that reduces service levels in relation to backsloping
 - 1 BPI for Utility Operations
 - The implementation of enviroservice at the Ardrossan Recycle Station represents an increase in service

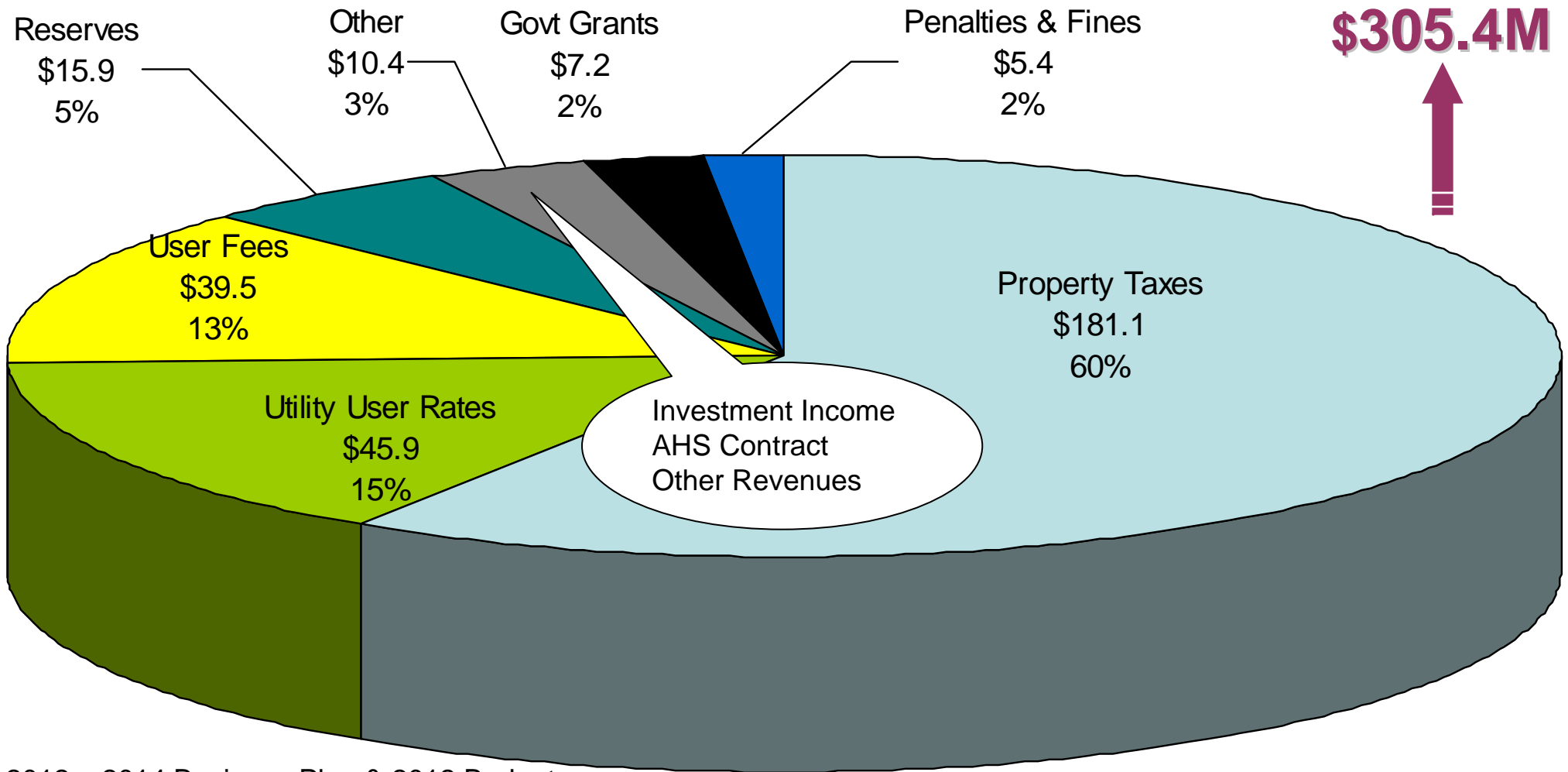
Strathcona County delivers a “balanced operating budget”

\$M	2010 Actual	2011 Budget	2011 Forecast**	2012 Budget
Revenues	264.7	267.0	270.3	289.6
Expenses	236.6	269.1	266.2	297.8
Net Revenues	28.1	(2.1)	4.1	(8.2)
Non-Operating Items*	(16.4)	2.1	2.1	8.2
Net Impact for Budget	11.7	(0.0)	6.2	0.0

*Non-operating items includes transfers to/from reserves, debt repayment and offset for TCA amortization

**Q3 forecast at September 30, 2011

Consolidated Operating Budget – Source of Funds



\$101M Capital Budget Required to Deliver Services

	2012	2011*
Municipal Operations	\$ 90.0	\$42.7
Utility Operations	10.4	22.6
Strathcona County Library	0.6	0.5
Pioneer Housing Foundation	0.0	12.0
County	<u>\$101.0</u>	<u>\$77.8</u>

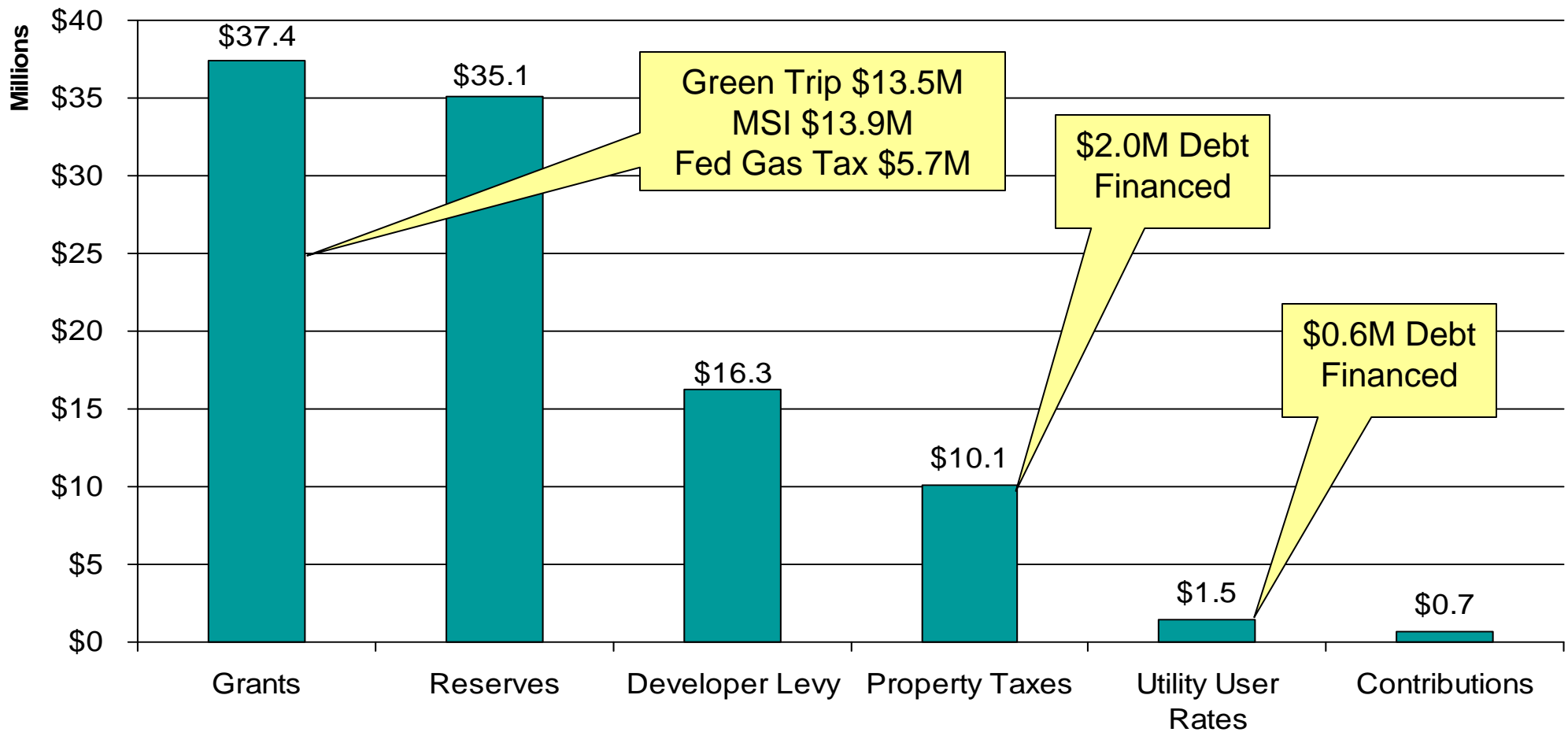
Note: \$710M capital projects identified for 2012 – 2016

**as amended at November 30, 2011*

\$101M Capital Budget – Maintain vs New

	2012		2011*	
<i>Maintain Existing Assets</i>				
Annual Programs	30.1	30%	27.5	35%
Rehabilitation & Replacement	11.9	12%	4.1	5%
<i>New Capital</i>				
SPARTA	18.1	18%	-	0%
North of Yellowhead	13.5	13%	-	0%
OSRFS	5.5	5%	0.5	1%
Ardrossan Wastewater to Reg'l Plant	-	0%	9.0	12%
Purchase Hwy 14 Water Assets	-	0%	5.4	7%
Silver Birch Court	-	0%	12.0	15%
Other	21.9	22%	19.3	25%
Total Capital Budget	101.0	100%	77.8	100%

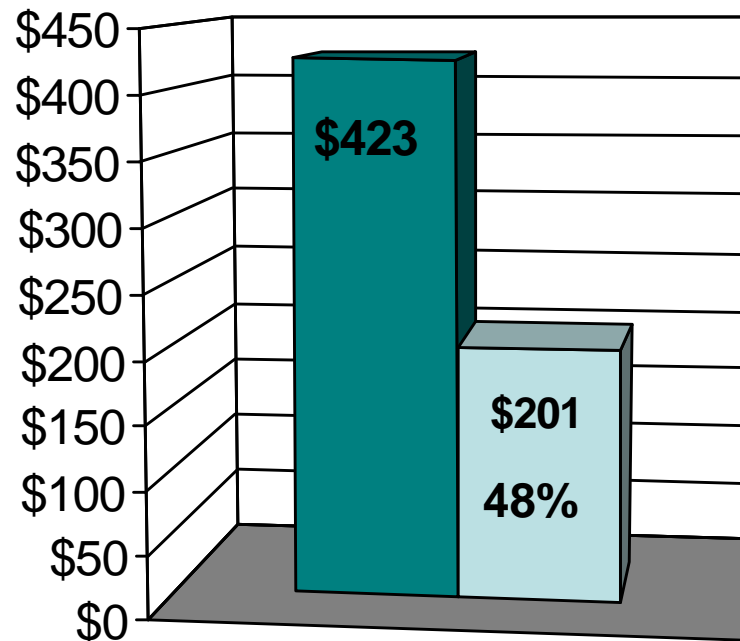
Consolidated Capital Budget – Source of Funds



Debt Management

External debt (debentures & capital leases) is well-managed, within MGA guidelines and County Policy

Millions



- MGA & Policy Debt Limit
- Projected Debt Outstanding at December 31, 2012

Business Plan 2012 Strathcona County & Budget

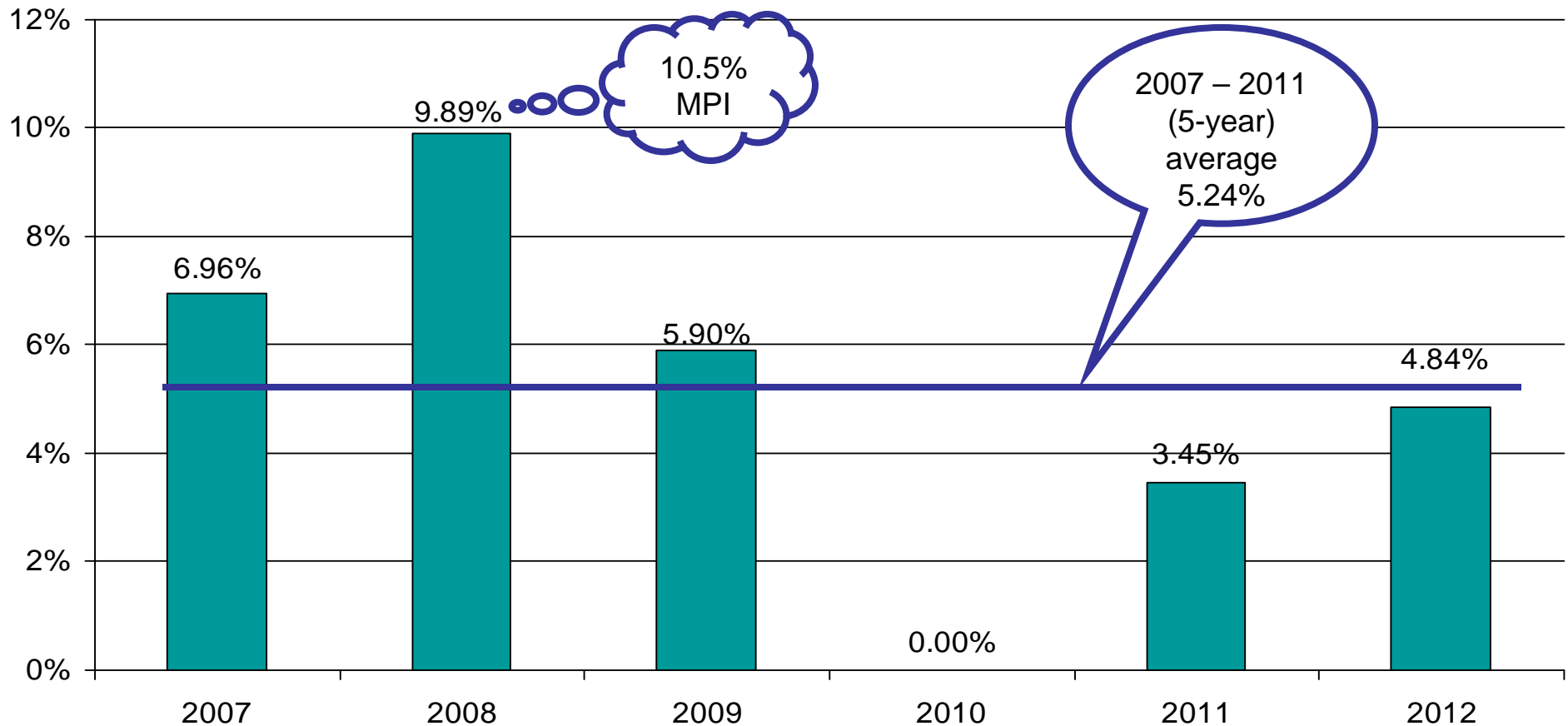
Impact on Residents

Your County

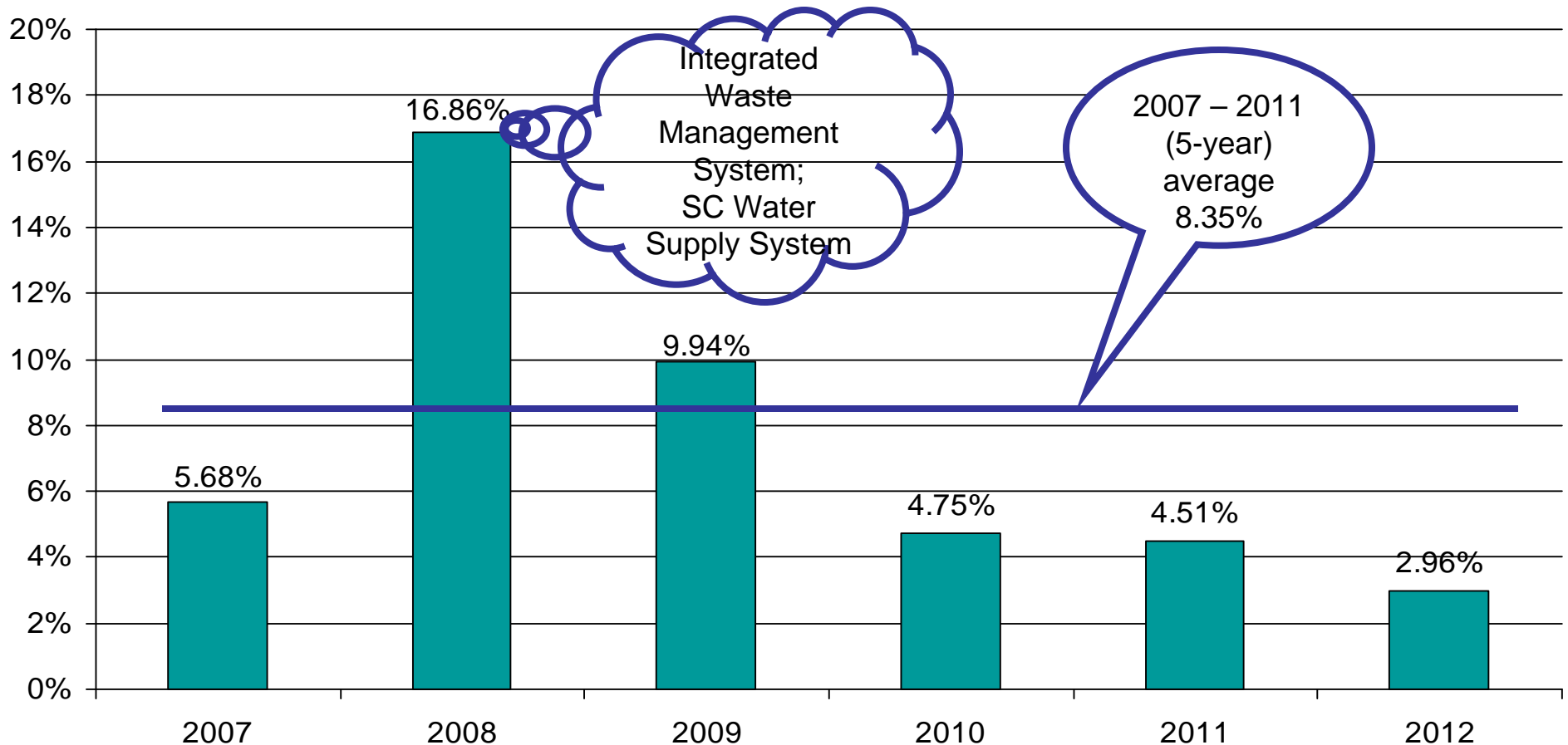
Your Budget

Your Input

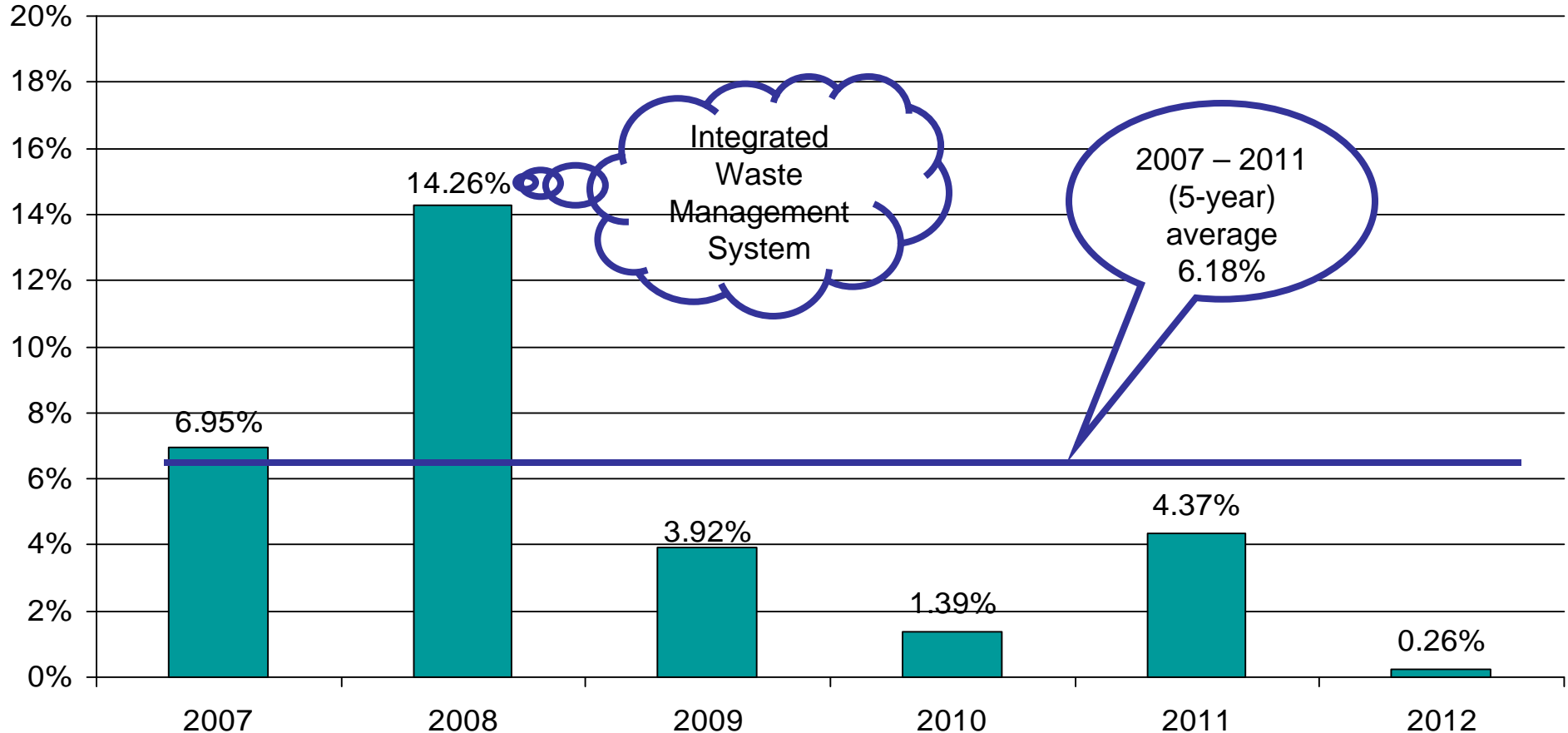
4.84% recommended Municipal tax dollar increase for the average residential property (assessed at \$424,050)



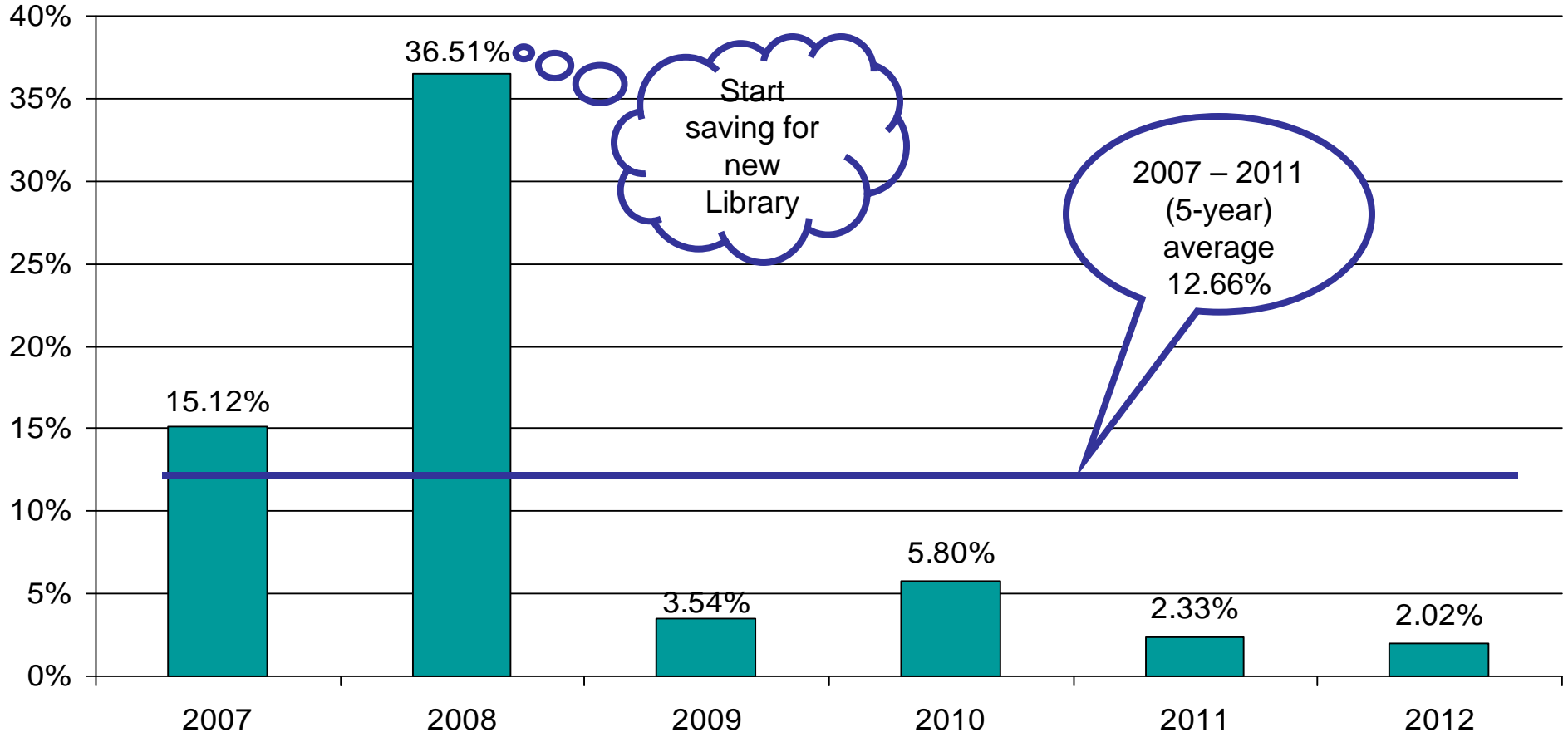
2.96% recommended increase for the average urban residential utility customer (18.5 cubic metres)



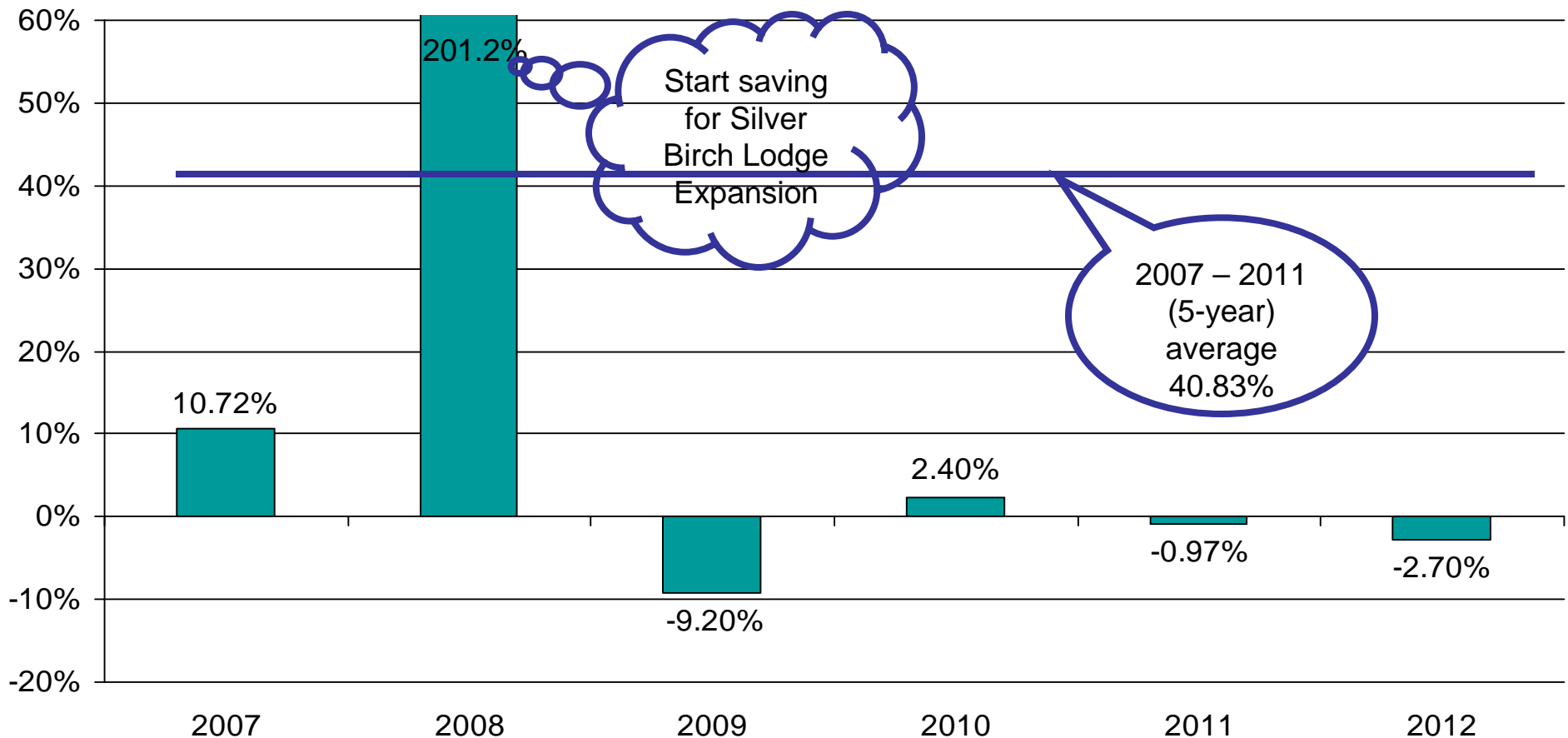
0.26% recommended increase for the average rural residential utility customer (18.5 cubic metres)



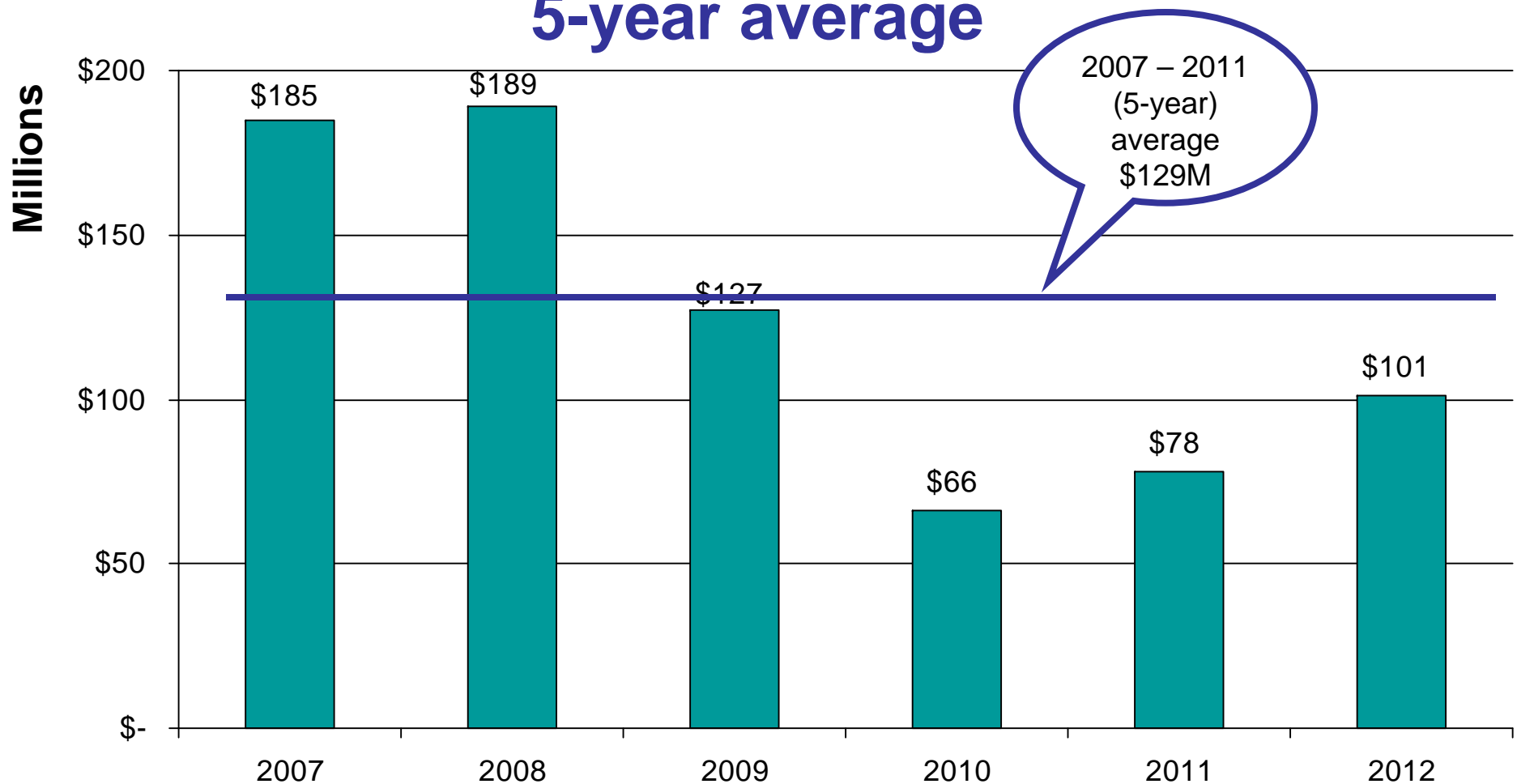
2.02% recommended Library tax dollar increase for the average residential property (assessed at \$424,050)



(2.7%) recommended PHF tax dollar decrease for the average residential property (assessed at \$424,050)



2012 recommended capital budget is less than the 5-year average



Consistent with Council Direction:	2012	5-Yr Ave*
Municipal Tax Dollar Increase	4.84%	5.24%
Utility Rate Increase – Typical Urban	2.96%	8.35%
Utility Rate Increase – Typical Rural	0.26%	6.18%
Library Tax Dollar Increase	2.02%	12.66%
Pioneer Housing Foundation	(2.70%)	40.83%
Recommended Capital Budget	\$101M	\$129M

**2007 - 2011*

Projected 2012 Property Taxes

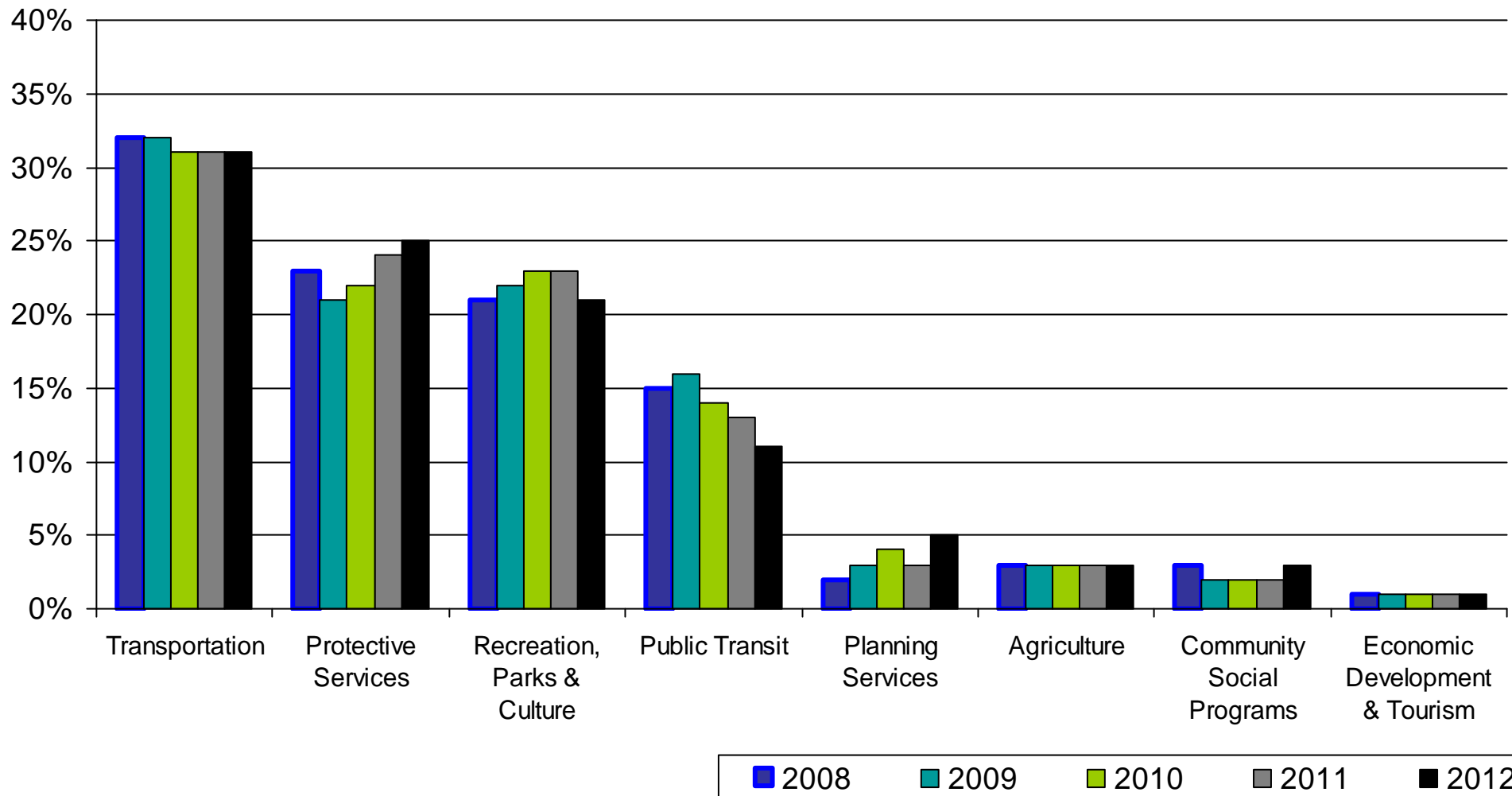
	2012 Budget	2011 Tax Rate Bylaw	Change	
For Municipal purposes	\$1,795.30	\$1,712.40	\$82.90	4.84%
<i>as a percent of total</i>	61.4%	60.3%		
For Library purposes	\$66.79	\$65.47	\$1.32	2.02%
	2.3%	2.3%		
For Pioneer Housing Foundation	\$28.71	\$29.51	(\$0.80)	-2.70%
	1.0%	1.0%		
Subtotal	\$1,890.80	\$1,807.38	\$83.42	4.62%
	64.7%	63.6%		
For Education purposes	\$1,032.44	\$1,032.44	\$0.00	0.00%
<i>actual amount unknown at this time</i>	35.3%	36.4%		
	\$2,923.24	\$2,839.82	\$83.42	2.94%

What do my \$1,795 Municipal taxes pay for?

• Roads	\$ 556
• Protective services	449
• Recreation, parks & culture	377
• Public transit	197
• Planning services	90
• Agriculture	54
• Community social programs	54
• Economic development & tourism	18
	<hr/>
	<u>\$1,795</u>

\$83 increase over 2011
< \$7 per month

How does this ratio compare to prior years?



That Council approve the:

1. 2012 – 2014 Business Plan as the corporate guideline for service delivery
2. Implementation of the 2012 Business Plan Initiatives
3. 2012 Consolidated Operating Budget for Municipal, Utility, Library and Pioneer Housing Foundation Operations
4. 2012 Consolidated Capital Budget for Municipal, Utility and Library Operations