



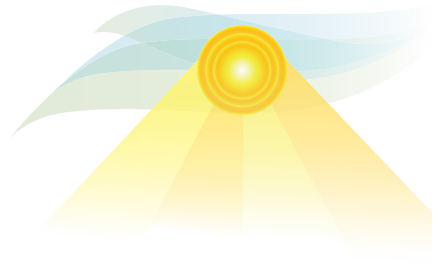
**Becoming Canada's  
most livable community**

...focusing on priorities

**2017 Approved Budget**

November 28, 2016





## Message from the Chief Commissioner

*Since 2015, when we introduced our first four-year corporate business plan and the innovative priority-based budgeting (PBB) process, Strathcona County has made great strides.*

As an organization we are undergoing a culture shift, as we direct our focus to aligning resources across the organization in support of the community priorities defined in our strategic plan and translated into our corporate and department business plans. We get stronger each year, as Council and Administration continue to apply a priority-based lens to decisions, ensuring every municipal dollar is clearly linked to priorities.

This year, we used PBB tools to define and examine each program offered across the organization. The tools allowed us to evaluate programs against a variety of factors, to understand how effective and efficient we are in serving our citizens and how these programs align with priorities. We are now better equipped to reconsider why we are doing things, how we are doing them, and how we can improve. PBB has changed the conversations we are having, enhanced our understanding of spending, and highlighted opportunities for improvement and resource reallocation.

We still have work to do; however, Budget 2017 is a clear result of the effects to date—supported by new information, analysis and conversations, we have used PBB tools to strengthen and change how we budget. We are using tools to think critically about spending and to ask, “Are we spending to support priorities and the needs of our community?” The approved budget reflects evidence-based decision making and continual advancement toward responsive, responsible services and fiscal sustainability.

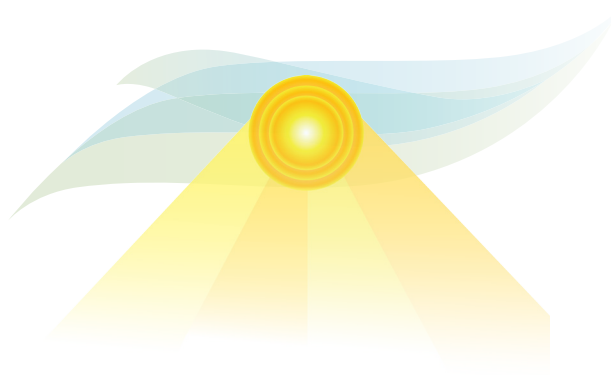
Further integration of public engagement and performance measurements into day-to-day operations and our planning processes has built accountability into every level of the organization. We monitor both strategic direction and operational performance to drive continuous improvement and achieve our long-term vision of being Canada’s most livable community.

Today and into 2017, I am pleased that Strathcona County stands as a leader in priority-based business planning and budgeting processes. We continue to set the standard in terms of how municipalities plan, deliver sustainable programs and services, and develop creative solutions to emerging issues. We will continue to evolve and improve as we adopt these tools and processes.



*I am pleased to submit to Council this Administration’s recommended 2017 Budget.*

**Rob Coon**



## Our Vision

### Living in Strathcona County

Strathcona County, located in the heart of Alberta, is an energetic and thriving community. A leader in North America's petroleum industry and a champion for advancing diverse agricultural business, we use our energy to power our new tomorrow.

We are a specialized municipality, and work cooperatively with our urban and rural residents to govern as a single municipality. Proud of our distinct governance model, we promote and demonstrate our achievements.

We are a welcoming place to live and attract people of all ages, cultures and walks of life to join us. Families thrive in our dynamic, caring and safe community.

We strive to be a model of ecological integrity, protecting our environment and preserving our agricultural heritage. Investment in infrastructure, quality services, cultural and recreational programs and facilities is a priority and sets us apart.

**We are Canada's most livable community.**





# Council's strategic planning framework

*Our strategic planning framework shows how Strathcona County activities align to achieve its vision. The strategic plan is the County's principal guiding document for governance, community development, infrastructure and service delivery. This document directs the long-term planning for the County and serves as a foundation on which the County's corporate business plan, department business plans, master plans and budgets are developed.*

## Our priorities

Based on community feedback and the desired future for our community, Council set 12 prioritized strategic goals in the strategic plan.

**Goal 1:** Strategically manage, invest and plan for sustainable municipal infrastructure

**Goal 2:** Increase and diversify the petrochemical business

**Goal 3:** Advance the community's interests by developing and maintaining strong relationships with our neighbouring municipalities and civic organizations to ensure long-term prosperity

**Goal 4:** Increase public involvement and communicate with the community on issues affecting the County's future

**Goal 5:** Increase and diversify agricultural business

**Goal 6:** Promote Strathcona County locally, nationally and internationally as a place that is open for business and investment

**Goal 7:** Build strong neighbourhoods/communities to support the diverse needs of our residents

**Goal 8:** Provide a climate of safety for individuals in homes, neighbourhoods and public places

**Goal 9:** Improve the efficiency of resource usage; minimize the volume of waste and its impact on the community

**Goal 10:** Conserve representative ecosystems

**Goal 11:** Ensure facilities and activities are available, accessible and used by residents

**Goal 12:** Define and strengthen the community's identity and heritage

### 2015-2018 focus

Prioritized strategic goals inform the creation of four-year business plan cycles. While all of the strategic goals are important, having them ranked by Council allows the organization to invest strategically and direct effort and resources to those areas deemed most important over the course of the four-year business plan cycle.

# Business planning and budgeting to priorities

*Priority-based budgeting is based on allocating budget dollars according to how effectively a program or service achieves the goals and objectives that are of the greatest value to the community.*

Priority-based budgeting tools enable Strathcona County to better understand the programs it provides citizens and businesses; how much they cost, and how they reflect and address community priorities. These priority-based budgeting tools, along with other data and considerations, help Strathcona County develop budget recommendations. The process is reshaping our conversations. This is a critical step on the path to becoming Canada's most livable community.

## What have we accomplished?

In our transition to a priority-based culture and the refinement of our business planning and budgeting processes, we have successfully achieved the following:

- ▶ Strathcona County-specific definitions of community priorities, developed by Council based on the community strategic plan, which serve as the foundation in priority-based budgeting
- ▶ Priority-based budgeting program inventories, costing and scoring to guide budget development and to better understand the relative value of the 300+ unique programs being offered to the community
- ▶ Priority-based lens to analyze and inform 2017 budget recommendations for current programs, as well as resource requests and capital projects
- ▶ Refinements to the strategic plan, corporate business plan and department business plans to reflect learning, while maintaining the integrity of our integrated planning framework

- ▶ Performance measurement and reporting framework to track our progress and performance, and to keep us accountable and aligned to priorities – all performance measures are posted on Strathcona County website, as well as in our open data portal
- ▶ Multi-year operating and capital financial forecasts to guide sustainable financial decisions
- ▶ Education and awareness surveys and campaigns on community priorities and priority-based budgeting to help us prepare for a priority check-in with the community in early 2018

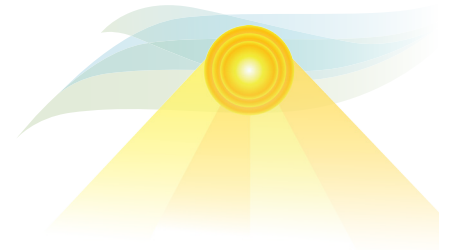
## What's next?

The coming year will see further evolution and continuous improvement of this process.

We will:

- ▶ Engage the public and seek involvement for projects and initiatives, as well as prepare for a priority check-in with the community in 2018
- ▶ Create Priority-Based Budgeting (PBB) Citizen Portal and open PBB data sets for community awareness and understanding of programs and spending towards priorities
- ▶ Implement an integrated review process for efficiencies and effectiveness that can be applied across the organization to inform business planning and budgeting
- ▶ Complete a long-term financial sustainability plan to complement the strategic plan and provide insight on long-term resource availability
- ▶ Implement multi-year financial plans in alignment with the long-term financial sustainability plan and prepare for multi-year budgets

# Engaging our public

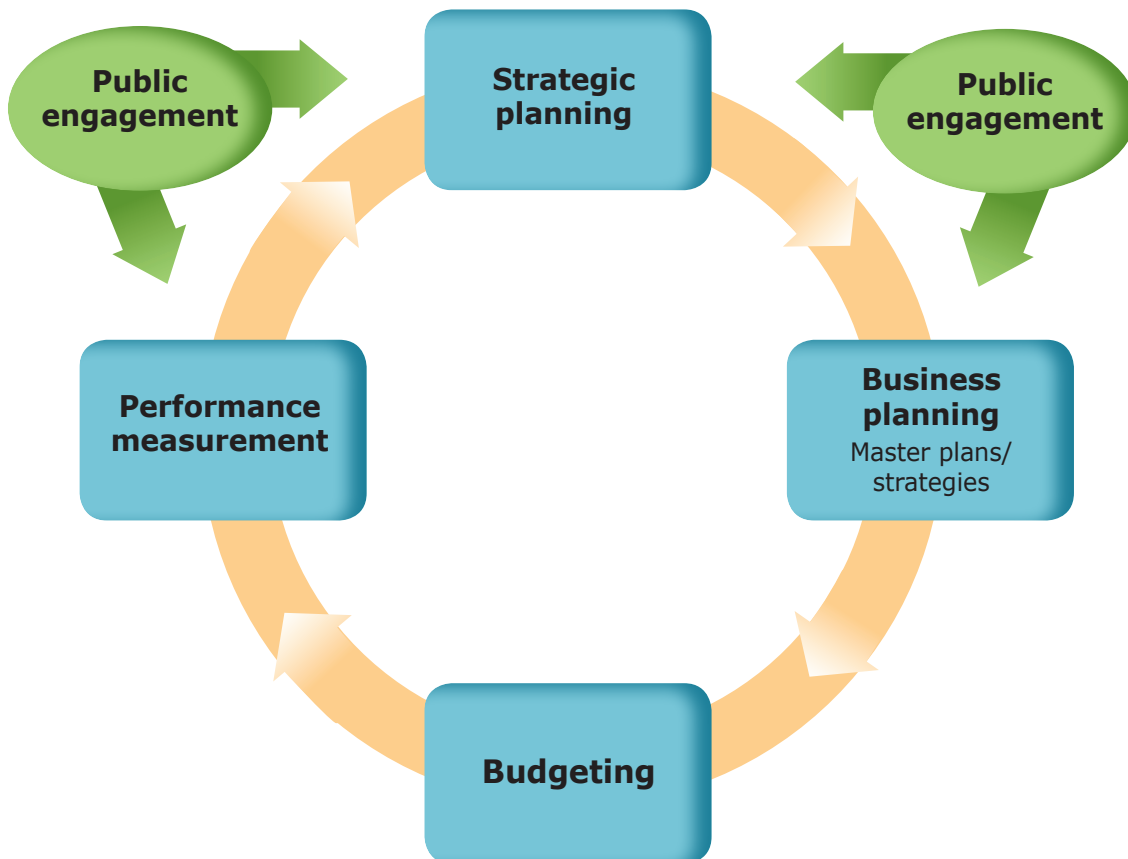


*Becoming Canada's most livable community is no small feat—we believe it is only possible to achieve together with our stakeholders and an engaged and empowered public.*



In 2017, we will continue our focus on informing citizens of the County's direction, priorities, successes and challenges. Public engagement and communication across the organization will focus discussions to capture public opinion at the strategic planning and performance measurement stages. Ongoing public engagement informs projects, plans and initiatives throughout the year, and the corresponding Council decisions flow into the business planning and budgeting processes.

This allows citizens to inform County activities and provides valuable data to define benchmarks, from which to measure our success and opportunities for improvement. As we move forward, we are committed to giving our public a powerful voice—from open houses and innovative survey tools, to social media networking and casual online chats, the public will continue to have opportunities to shape our collective future.



# Measuring our performance

*To drive continuous improvement and enhance decision making, we have built accountability into each step of the planning process. We monitor strategic direction and operational performance, as well as long-term direction at the level of strategic priorities through our corporate business plan progress and performance reporting.*



We are accountable to the community for our progress and performance, as well as the fiscal costs and resources used to achieve our desired goals and objectives.

Our strategic goals identify the long-term, achievable actions that must be accomplished for the success of our vision. Outcomes describe the result of what will occur when the strategic goal is reached.

Progress on corporate business plan goals and performance measures are provided to Council as part of quarterly management reports. The corporate business plan goals that are reported demonstrate linkages back to the strategic plan prioritized goals.

Departments also track performance measurement at an operational performance level. These reports are now available on the County website, and in Strathcona County's open data portal.

- ▶ At the strategic and corporate level: are we aligned with the achievement of prioritized strategic goals?

## Example indicators and performance measures:

- Overall citizen satisfaction with quality of life
  - Citizen satisfaction with opportunity to express opinion
  - Residential / non-residential tax revenue ratio
  - Citizen satisfaction with quality of service
- ▶ At the operational level: are we progressing on the goals of the department business plans and how are we doing delivering programs and services?

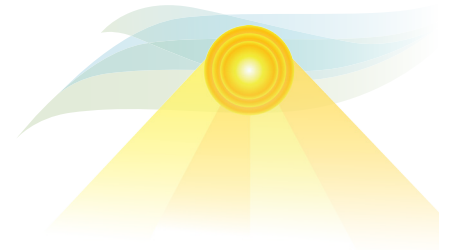
## Example performance measures:

- Citizen satisfaction with Green Routine for waste services
- Overall road quality condition index and citizen satisfaction with road maintenance
- Emergency preparedness – residents prepared for 72 hours without assistance
- Building permit values for commercial and industrial additions and renovations





# Applying a priority-based lens to decision making



*We owe it to our community to find new and better ways of doing business.*

*Strathcona County is committed to finding efficiencies and enhancing effectiveness throughout the organization so we can continue to provide high quality of life with the greatest value for tax dollars. Priority-based budgeting allows us to identify opportunities and actions, which can improve results and allow us to deliver programs and services at a lower cost.*

The approved 2017 budget reflects the first-year implementation of new priority-based budgeting tools to review and assess programs and services.

The focus of year one, respecting the pace of integration, has been on specific program-level opportunities for study, as recommended by the Center for Priority-Based Budgeting. In addition, we have used priority-based tools and data for new resource requests including initiatives, staffing and capital projects.

The five areas of focus for study at the program level for 2017 budget development include:

- i) High-cost, high-priority program areas and how these might be delivered more efficiently
- ii) Programs not mandated and not strongly connected to priority results
- iii) Fee review for programs serving small portion of community and subsidized by tax dollars
- iv) Programs that are less aligned across priority results, available in the market place and do not fully recover their costs
- v) Overall review of current program priority-based budgeting data, as well as identification of future years area of study

Priority-based budgeting tools and data support evidence-based decision making in budget development and complements other tools that Strathcona County utilizes such as strategic and business plan integrated framework, prior spending patterns and analysis, efficiency opportunities, capacity considerations and other external factors.

## Examples identified through priority-based budgeting tools and data to look at programs and budgets differently:

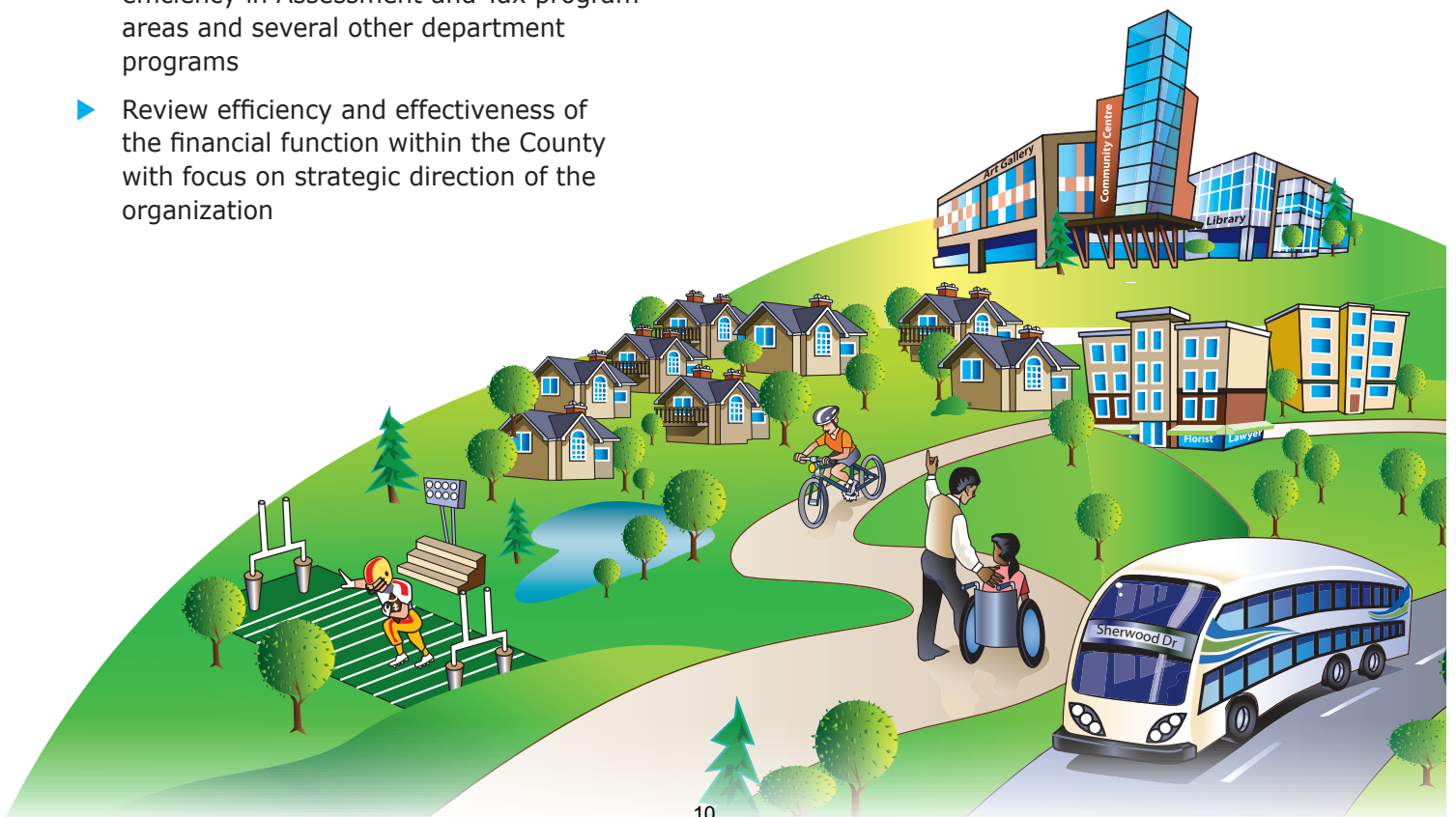
- ▶ Identifying efficiencies and cost savings in Recreation, Parks and Culture in 16 program areas across all four quartiles
- ▶ Creating opportunities to cross train staff to serve multiple program areas (e.g., development officers in Planning and Development Services)
- ▶ Reallocating operating dollars between programs and quartiles in support of priority results (e.g., Communications' digital media program area; a quartile one program)
- ▶ Enhancing coordination and synergies for cross-departmental program areas; for instance, utilizing Fleet Services' welding/fabrication program area in Utilities and Recreation, Parks and Culture departments
- ▶ Identifying program areas, such as those in Family and Community Services, that require longer-term study and assessment, based on outcomes of the social framework renewal
- ▶ Looking at fees through a priority-based lens; for example, adjusting fees related to two program areas in Assessment and Tax to reduce the burden to tax payers
- ▶ Utilizing priority-based budgeting tools to review programs not mandated and not strongly connected to priority results; such as reducing Utilities' management and contract work that occurs outside the community to focus resources on water transmission infrastructure within the community

## New initiatives coming forward through the strategic and business plan integrated framework include:

- ▶ Implement the Community Hall Sustainability Strategy through a new staff resource to support facility maintenance and long-term asset renewals
- ▶ Create a new community vision and strategic direction through renewal of the social framework
- ▶ Update the Transit Master Plan (2012) through public engagement to define vision and strategic direction.
- ▶ Implement Agricultural Master Plan Urban Agricultural Initiatives, including community gardens, and agriculture permitting
- ▶ Update Utilities Master Plan for water, sanitary and storm sewer
- ▶ Complete a joint study between Utilities and the City of Edmonton to review the water line on 34 Street, which is used by customers in both communities
- ▶ Continue development of the long-term financial sustainability plan
- ▶ Acquire enhanced air photos and related software to improve the effectiveness and efficiency in Assessment and Tax program areas and several other department programs
- ▶ Review efficiency and effectiveness of the financial function within the County with focus on strategic direction of the organization

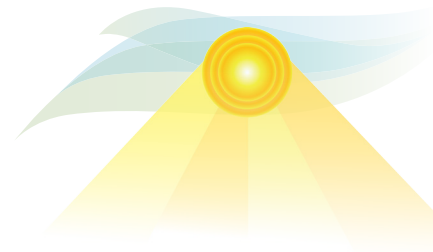
## Examples of efficiencies and enhanced effectiveness include:

- ▶ RCMP Electronic Voice Entry (EVE) project to streamline data entry and maximize the time officers spend patrolling and responding to issues in the community
- ▶ Fuel savings through an agreement with the Alberta Association of Municipal Districts and Counties
- ▶ Re-tendering expired agreements to take advantage of economic savings
- ▶ Print management efficiencies utilizing a combination of in-house and contracted services
- ▶ Enviroservice Station compactors to reduce removal and hauling costs
- ▶ RCMP and Family and Community Services partnerships to implement the necessary supports in the community
- ▶ Transit's continued transition to a double-decker fleet for ridership and maintenance efficiencies and effectiveness



# Your tax dollars at work

*Strathcona County has been and will continue to be a leader in service delivery. We are proud to provide some of the highest levels of service anywhere to citizens and businesses.*



Five divisions across the organization—Infrastructure and Planning Services, Community Services, Corporate Services, the Chief Financial Officer’s Division and Senior Administration—work together every day to deliver cost-effective programs and services that improve citizens’ quality of life and help them succeed, as we become the most livable community in Canada.

Budget 2017 ensures resources are directed toward the essential programs and services that our citizens have come to expect each day. A small sampling of what your tax dollars support includes\*:

## We keep you moving

- ▶ Maintain 1,705 km of urban and rural roads and 228 km of trails
- ▶ Service a fleet of 85 transit buses, including 14 double-deckers
- ▶ Offer 1.5 million transit rides per year (5,600 every weekday)
- ▶ Provide over 19,630 accessible transportation rides per year



## We keep you safe

- ▶ Engage 13,830 residents in community safety education
- ▶ 96 police officers and 27 enforcement services officers ensure 24/7 community safety, responding to 28,690 (RCMP) and 14,058 (Enforcement Services) calls per year
- ▶ 154 full-time and 38 part-time emergency responders tend to over 7,870 emergency calls per year

## We meet your need for fresh, clean water

- ▶ Distribute 33.7 million litres of water per day through 582 km of underground pipes (mains)
- ▶ Maintain 400 km of wastewater mains and 347 km of stormwater mains
- ▶ Treat 20.9 million litres of wastewater per day

## We generate opportunities for healthy, active lifestyles

- ▶ Accommodate over 1,170,000 admissions to our facilities annually
- ▶ See 285,000 participations in recreation and culture programs annually
- ▶ Maintain 1,944 hectares of developed open spaces including parks, boulevards, playgrounds, outdoor rinks, sports fields, trails and environmental education areas
- ▶ Provide for more than 1,607,686 library, bookmobile and online library visits

## We build a great community

- ▶ Annual capital budget to plan, maintain and rehabilitate infrastructure, invest, and grow, including roads, facilities, fleet, transit, utility infrastructure and land.

## We reduce impact

- ▶ Divert 60 per cent of waste from the landfill per year with the Green Routine Residential Waste Collection and Diversion Program
- ▶ Send 12,605 tonnes of organic waste for composting
- ▶ Recycle 7,057 tonnes per year with the community recycle stations
- ▶ Generate 10.35 million kWh per year of alternative heat energy with the Centre in the Park Community Energy System

## We support a strong and resilient economy

- ▶ Support for 10,560 local businesses and establishments
- ▶ Oversee commercial, industrial, institutional and residential construction valued at \$365 million

## We assess value

- ▶ Engage in over 5,000 residential and 400 commercial/industrial valuation inspections annually

## We plan for the future

- ▶ Successfully implement guiding documents to lead success in the organization, such as the 2015-2018 Corporate Business Plan, 19 department business plans and master plans, such as the Agriculture Master Plan

## We build relationships

- ▶ Facilitate conversation with citizens and key stakeholder groups through various public engagement campaigns and social media platforms (Twitter, Facebook, Pinterest and Instagram) on issues affecting the County's future

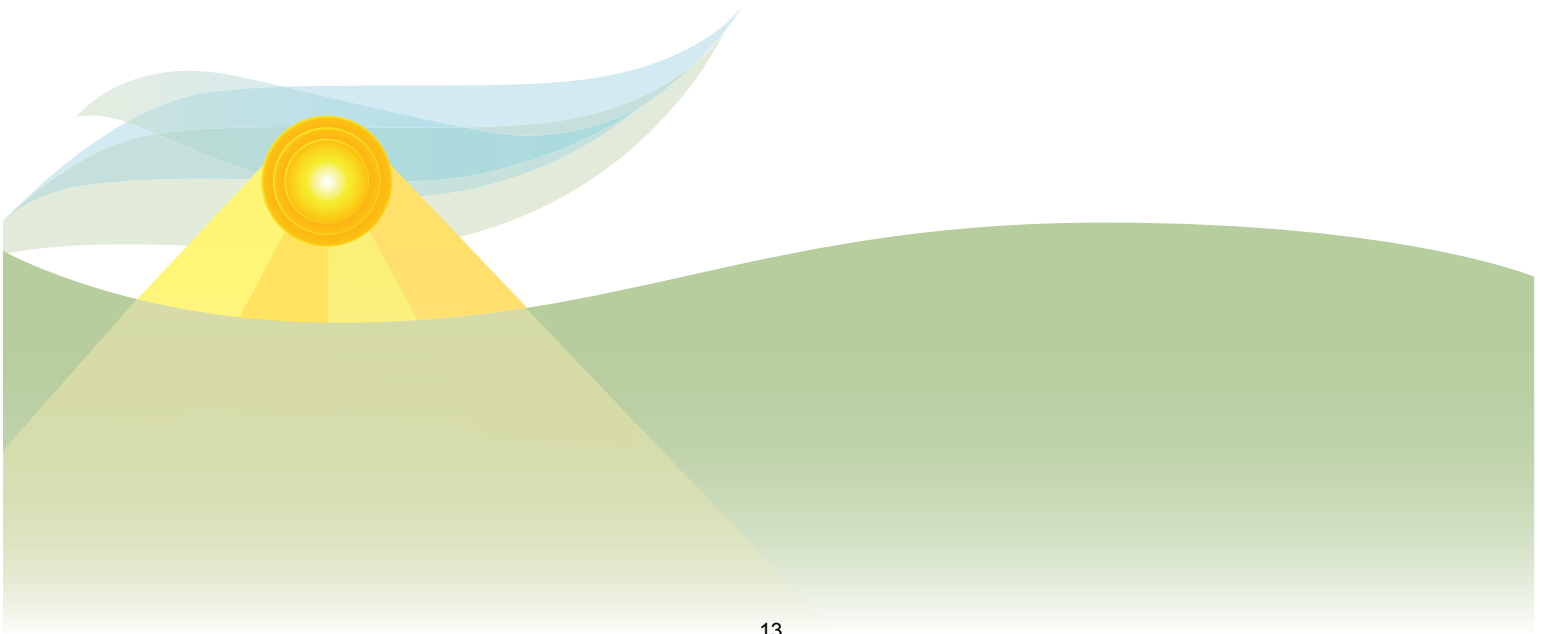
\* Numbers are estimates based on 2016 values.







Becoming Canada's  
most livable community





# **2017 Approved Consolidated Budget**

A decorative graphic at the bottom of the page. It features a central yellow sunburst or spotlight effect pointing upwards, set against a background of layered, wavy blue shapes that resemble water or hills. The sunburst is composed of several concentric yellow circles with a gradient, creating a bright, glowing center.

**Becoming Canada's  
most livable community**

...focusing on priorities

# 2017 Approved Budget

## Consolidated budget highlights

### Introduction to Budget 2017

The approved 2017 operating and capital budgets were developed to align with the 2015–2018 Corporate Business Plan to advance Council’s prioritized strategic goals outlined within the Strategic Plan, “Strathcona County 2030”. Initiatives and projects align with Council’s vision for sustainable municipal infrastructure, attracting petrochemical business, increasing public involvement and building relationships with neighboring municipalities and civic organizations.

### Capital vs operating budgets

The two types of budgets—operating and capital—are very distinct and both are reflective of maintaining current service levels for existing programs and services critical to the community, as well as additional resource requirements for new initiatives.

The **operating budget** provides resources for the ongoing day-to-day costs of delivering municipal services to residents. It covers items such as staff salaries, utility costs to run facilities, funding for community events, family support programs and maintenance repairs to essential infrastructure.

The **capital budget** deals with costs to develop new infrastructure and amenities and invest in long-term fixed assets required for daily service delivery. Examples include new water lines or roads, new facilities and technology, land and vehicles.

### 2017 budget highlights

Budget 2017 includes an approved consolidated budget of \$354 million and approved capital budget of \$65.6 million.

The approved 2017 Budget calls for a 2.15% tax dollar decrease, resulting in an annual decrease of \$41.28 or \$3.44/month for the average homeowner.

Utility rates are approved to increase 0.10%. On average, this translates to an additional \$0.12 on monthly bills.

Cost inflation, economic conditions, population growth and carbon tax impact the County budget.

The projected increase in Strathcona County’s population is 1.60%—this means we will serve 1,546 more residents in 2017.

195 new housing starts, 250,000 square feet of new commercial space and additional industrial projects are coming online in 2017.

Strathcona County budgets for inflation using the Municipal Price Index (MPI), a measure reflecting the price of goods and services purchased by the municipality. The MPI is budgeted at 1.1% or \$2.5 million for 2017.

### operating items

vs.

### capital items

|  |   |   |
|--|---|---|
| <br>programming   | <br>utilities        | <br>police, fire and ambulance |
| <br>delivery of drinking water                            | <br>waste collection | <br>snow removal               |
| <br>maintenance—parks, roads, facilities, vehicles + more | <br>staff            | <br>fuel                       |

|   |   |  |
|---|---|--|
| <br>new roads | <br>new trails   | <br>bridges     |
| <br>buildings | <br>vehicles     | <br>technology  |
| <br>sidewalks | <br>streetscapes | <br>water lines |

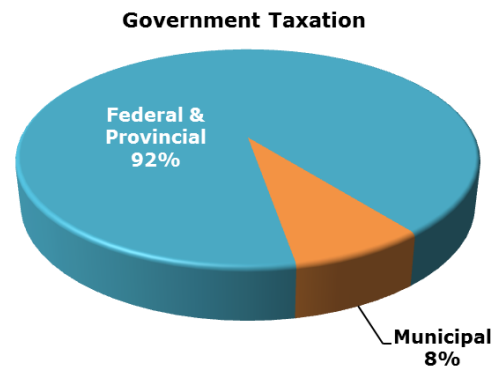
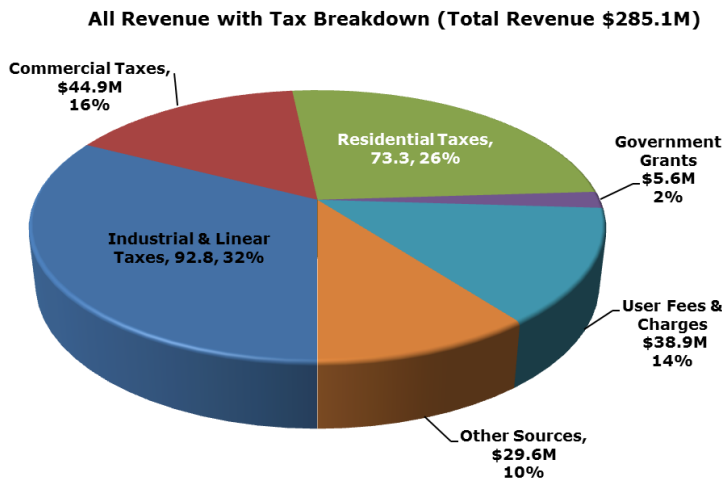
# Municipal budget highlights

## Where the money comes from

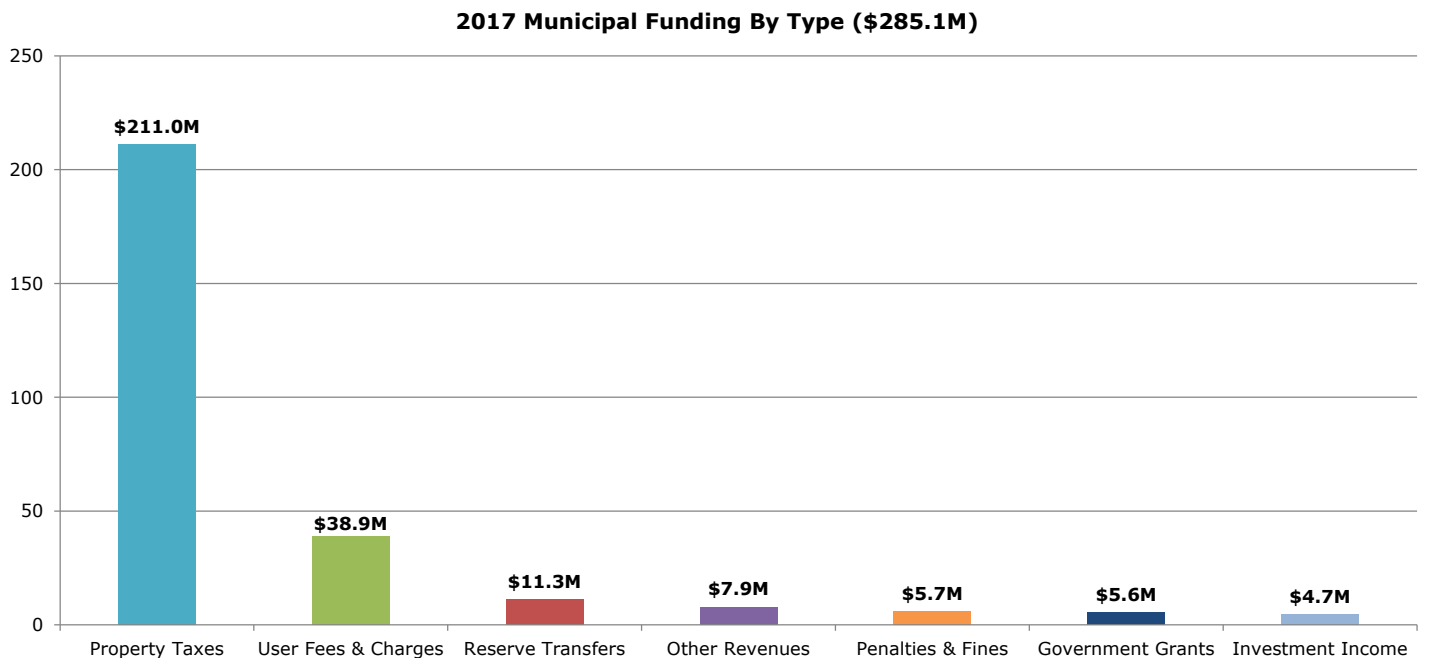
Strathcona County, like other Alberta municipalities, provides a diverse range of services. Funding for these services stems from a limited revenue stream consisting of two primary sources: property taxes and user fees and charges.

Property taxes collected make up 74% of Strathcona County’s total revenue. Residential taxes, which represent taxes paid by homeowners, make up 35% of the taxes collected. A significant industrial base, primarily from light and heavy industry (including linear) in Alberta’s Industrial Heartland, contributes 32% of all County revenues in support of municipal services. Linear taxes are from right of ways for pipe and power lines. Commercial taxes come from businesses that reside within the County.

User fees and charges form the next significant portion of revenue collected by the County, at 14% of total revenue, and are generated primarily from transit fares and fees collected for the use of recreation facilities.



Municipal governments receive only 8% of all government tax revenues (*Source: Federation of Canadian Municipalities (FCM) 2016*). The average homeowner in Strathcona County pays taxes annually to all orders of government, including income and education taxes, sales tax and property tax. Of all taxes collected, \$211M will go to the County to provide all municipal services in 2017.





## A snapshot of services supported by the budget:

### Infrastructure and Planning Services

- Urban and rural public works
- Winter maintenance
- Land development planning
- Business and development attraction and retention
- Agriculture services
- Capital construction
- Transportation planning
- Traffic safety

### Community Services

- Recreation programs
- Parks maintenance
- Transit operations
- RCMP & Enforcement services
- Individual and family support programs
- Seniors services
- Fire and rescue services
- Emergency medical services

### Corporate Services

- Fleet and building maintenance
- Legal services
- Legislative services
- Compensation and benefits
- Technology planning and strategy
- Occupational health and safety

### Chief Financial Officer

- Assessment and taxation
- Trade agreement compliance
- Financial planning services
- Financial reporting services
- Corporate revenues and expenses

### Senior Administration and Elected Officials

- Council and Elected Officials
- Business plan delivery
- Policy development and implementation
- Promotion and publicity
- Media relations
- Intergovernmental affairs
- Public engagement

## Municipal budget highlights

### Where the money goes

The operating budget maintains the vast array of high quality services provided to the community. Park and trail maintenance, policing, snow removal, community events, recreation opportunities and road maintenance are just a few of the many services delivered through the 2017 budget. The capital budget represents the capital required to support service delivery such as for roads and water lines, and investment in growth and planning for the future. Service delivery comes with costs associated with required inputs such as labour, oil-related supplies like road oil and fuel, utilities to heat and light facilities, office supplies and contracted services like the RCMP. The total cost of municipal services is budgeted at \$285.1 million for 2017.



Fire, Ambulance and Police: \$77.1M (27%)



Transportation: \$65.9M (23%)



Recreation, Parks and Culture: \$63.2M (22%)



Transit: \$27.6M (10%)



Fiscal Services: \$20.7M (7%)



Planning and Development: \$13.7M (5%)



Family and Community Services: \$11.1M (4%)



Agriculture: \$3.9M (1%)



Economic, Development and Tourism: \$1.9M (1%)

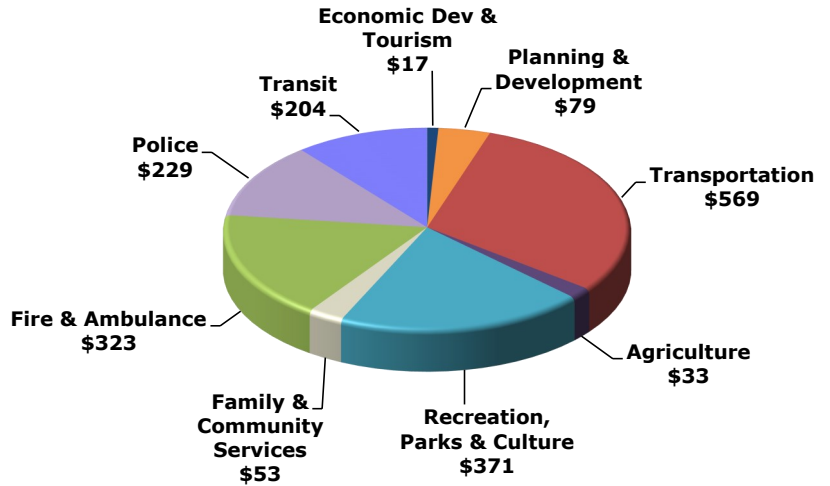
# Municipal budget highlights



## Understanding your municipal taxes

The sample single family residential property assessed at \$450,000 will pay approximately \$1,878 per year, or \$156.50 per month in property taxes in 2017 for Strathcona County municipal services. For this, residents will receive the snapshot of services listed in the graphic on the right, and much more. Transportation infrastructure requires 30% of your tax dollar, while recreation, parks and culture requires 20% and 17% goes to funding fire and ambulance.

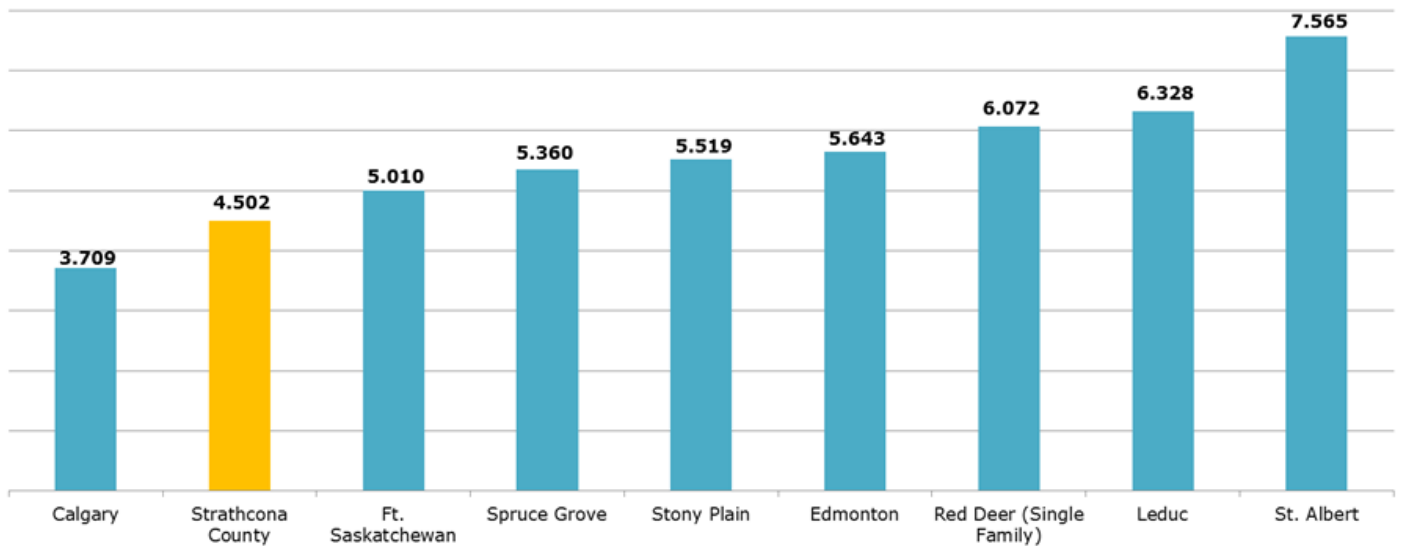
**2017 Annual Tax Dollars per Average Household  
Total \$1,878/year based on assessment of \$450,000**



## How does Strathcona County compare?

According to 2016 tax rates, Strathcona County residents pay some of the lowest municipal property taxes among 9 major Alberta municipalities.

**2016 Municipal Residential Tax Rates  
(excludes Education Taxes)**



**2016 Residential Municipal Property Tax Bill - Based on \$440,000 Assessed Value**

|         |         |         |         |         |         |         |         |         |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| \$1,632 | \$1,981 | \$2,204 | \$2,358 | \$2,428 | \$2,483 | \$2,672 | \$2,784 | \$3,329 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|

# Municipal budget highlights

## Value for your dollar

The average household in Strathcona County will spend \$156.50 on property taxes each month. For this amount, taxpayers get an entire menu of services. The true value of this expense may best be reflected when compared with other household expenses of the same approximate value.

***\$156.50 gets the average household:***

|            |   |   |
|------------|---|---|
| <b>VS.</b> | <b>Monthly property taxes, which include:</b> | <b>Monthly cable television + internet</b>  |
|            |   | or  |
|            |   | <b>Monthly vehicle insurance</b>            |
|            |   | or  |
|            |   | <b>Dinner and a movie for a family of 4</b> |
|            |   | or  |
|            | <b>Monthly heating—gas + electric</b>         |   |
|            | or  |   |
|            | <b>One week of groceries</b>                  |   |

## Understanding your utility bill

Utility rates will increase 0.10%. On average, this translates to an additional \$0.12 on monthly bills. This rate increase reflects the following challenges the County faces for the coming year:

- Meeting the needs of an expanding customer base as population growth puts pressure on infrastructure and utility programs.
- Maintaining service levels as costs rise due to inflation on goods and services sourced from external organizations.
- Planning appropriately for uncertainty in terms of development location and timing.
- Improving service delivery and rapid response through investment in infrastructure and the application of innovative technology, and maintaining service levels despite space constraints.

### Services supported by utility bill charges:

**Solid waste**—weekly garbage collection, curbside recycling program and special events such as large item pickup and Christmas tree pickup. Rates for Sherwood Park and rural hamlets also pay for weekly organics collection during the summer months.

**Water**—delivery of water to homes and businesses, water meter replacement / installation, water meter reading, maintenance of fire hydrants, water line infrastructure operation and maintenance costs.

**Wastewater**—operation and maintenance of sewer lines and the treatment of wastewater at the Alberta Capital Region Wastewater Commission Treatment Plant.

**Stormwater**—maintenance of stormwater infrastructure and facilities that collect rainwater and surface runoff to reduce the possibility of flooding and property damage.

# Municipal budget highlights



## The challenges we face

Many exciting opportunities exist for the County to capitalize on its strengths and step boldly into the future but we are not without challenges. Growth and inflation are two primary factors that affect the County's budgets. Both provide related opportunities and challenges.

### Growth

From the perspective of the 2017 budget, Strathcona County is still facing growth pressures. Changes in municipal growth are delayed, as projects already underway, such as new homes and roads, will continue to completion. This effect points to the fact that municipalities are quite stable in tough economic times.

Costs associated with this growth add pressure on expenses for program and service delivery. For example, more roads result in the need for extra roadway maintenance and snow removal, and a larger population means more people to serve.

Overall tax growth remains positive, with an estimated 250,000 square feet of new commercial space in addition to industrial projects coming online in 2017. Total municipal tax growth for 2017 is forecasted at approximately 2.3%, or \$4.9 million.

Municipal revenues remain relatively stable, and Strathcona County is committed to sound fiscal management. We are paying attention to risks and opportunities on the horizon related to growth and the economic downturn.

#### *Examples of how **growth** factors affect budgetary needs*

- Population—community programs, permitting, policing, traffic safety
- Roads—snow removal, crack filling, pothole repair
- Trails and sidewalks—maintenance and snow removal

### Inflation

We all know that prices for goods and services increase from year to year. These price increases, known as inflation, affect both the operating and capital budgets. Staffing, supplies, oil-related products, contracted services and utilities are just a few of the areas that are heavily influenced by the pressures of inflation. Costs for roads, building construction and land continue to rise.

As the economy shifts, we are experiencing and expecting positive effects on our operating costs due to lower inflation rates than were originally anticipated for 2017. For example, with lower fuel and contracted services costs, municipal inflation isn't as high as anticipated.

While the state of the economy is resulting in lower inflation rates, inflation is still a factor and our costs are still rising. Budget 2017 has included all known inflation factors and has matched this with funding sources to propose a fully-funded capital and balanced operating budget. The municipal inflation projection for 2017 is 1.1%, based on the Municipal Price Index (MPI), a measure that reflects the price of goods and services purchased by the municipality. This translates into an additional estimated cost of \$2.5 million.

#### *Examples of how **inflation** factors affect budgetary needs*

- Salaries and benefits
- Supplies—fuel, asphalt, landscaping materials, water, janitorial contracts, supplies
- Repairs and maintenance—facilities, computers, telecommunications, roads, trails

Strathcona County is a young, successful and vibrant community set in the centre of Alberta's energy and agricultural heartland.

Strathcona County is the **5th largest** municipality in Alberta.

The population has increased and is currently at **96,407** in 2016

The number of residential units added up to the end of September 2016 is **889** totalling 37,385 residences

Net business establishments have **increased 35%** in 5 years

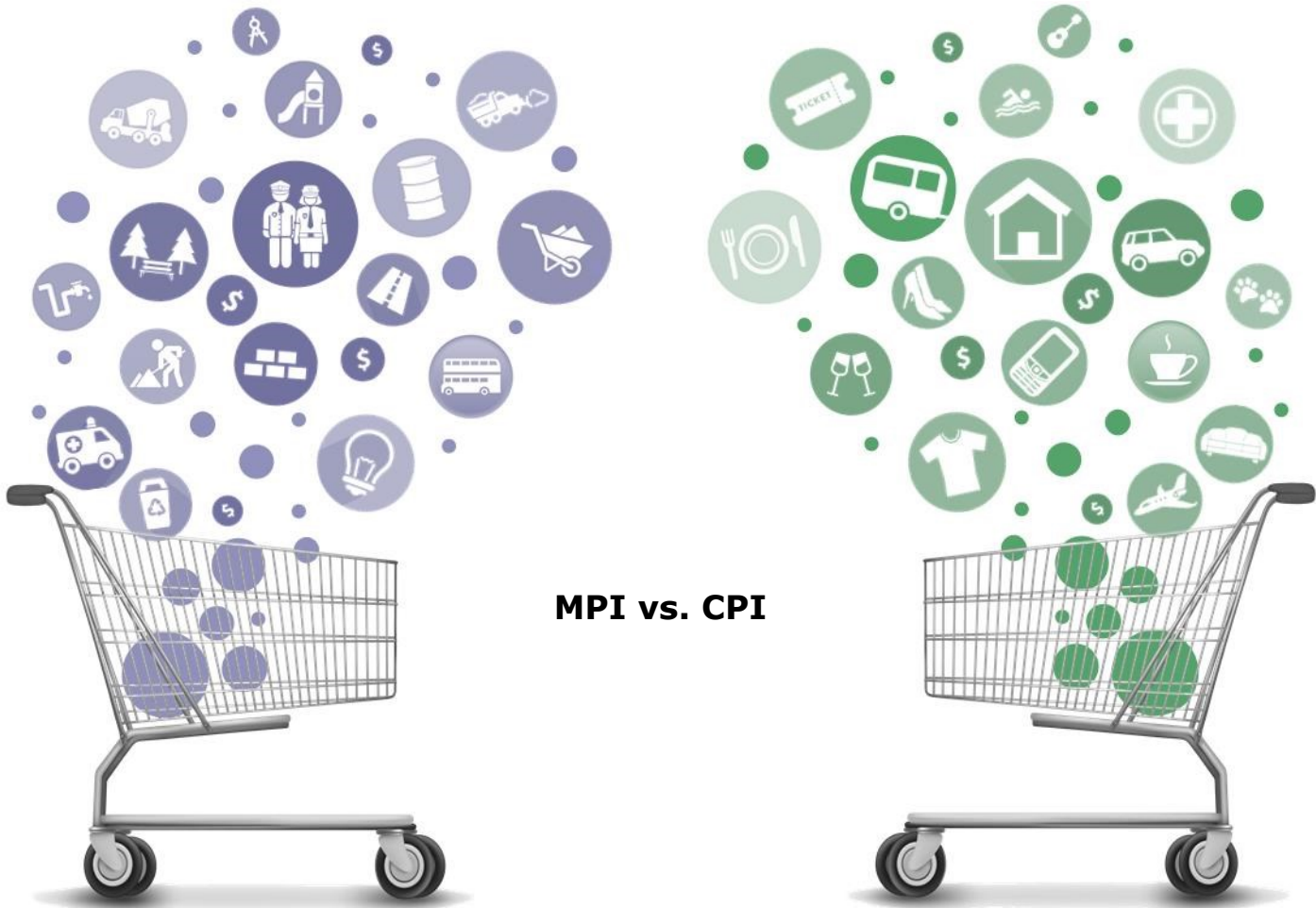


# Municipal budget highlights

## Understanding MPI

The Consumer Price Index (CPI) is the measurement for inflation that people are generally most familiar with. The CPI is based on a basket of goods that a typical family purchases, such as housing, food, clothing, recreation and transportation. Over the past several years in Alberta, the CPI has ranged from 1% to 2.6%. But this measurement is not an accurate indication of the inflation municipalities face because our spending is very different.

The Municipal Price Index (MPI) is based on a basket of goods reflective of municipal spending, such as asphalt, gravel, road oil and cement—items that a typical household does not purchase in bulk quantities. These items represent a significant portion of the County’s expenses and are much more susceptible to high inflation. Strathcona County uses MPI as a tool to forecast inflation costs. Utilizing MPI is the fiscally responsible approach to managing inflation costs to better respond to external economic conditions.



## Serving the community

The operating budget serves the community directly through:

- Police, ambulance and fire service
- Delivery of safe drinking water
- Road and parks maintenance
- Recreation and social programs
- Snow removal
- Garbage collection and recycling
- Transit
- Business attraction and retention
- Development and strategic planning
- Public engagement and communication
- And more

The operating budget serves the community indirectly through:

- Maintenance of facilities and fleet
- Stewardship and sustainability of financial assets
- Secure information technology
- Legal and legislative support
- Payroll and human resources
- Procurement of commodities
- And more

### The operating budget is funded by:

- Property taxes (residential, commercial and industrial)
- User fees
- Government grants
- Penalties and fines
- Investment income
- Transfers from reserves
- Other revenues

## Municipal operating budget

### 2017 operating budget

The operating budget funds the day-to-day activities required to deliver the high quality services which are guided by Councils strategic plan and vision for Strathcona County. The budget allows for continued maintenance and support of existing infrastructure, programs and services to support the 96,407 residents within our growing community.

### 2017 operations

Through the use of Priority-Based Budgeting tools and processes, many savings have been realized in the 2017 operating budget. Clear, evidence-based decision making has guided departments to find efficiencies in the following operations:

### New facility costs

New facility costs for 2017 include the annualization of operating costs for the Emerald Hills recreation facilities opened in October 2016 and the reopening of the renovated Glen Allan Recreation Centre.

### New initiatives coming forward in 2017 include:



#### Urban agriculture (Quartile 1)

Continue to develop and implement Urban Agriculture Strategy initiatives, such as community gardens.



#### Clean Air Responsible Schools (Quartile 3)

Partner with Strathcona Industrial Association, Alberta Capital Airshed and schools within the County to provide air quality education support to teachers delivering the grade five Clean Air Responsible Schools (C.A.R.S.) program.



#### Update Utilities Master Plan (Quartile 1)

Update the master plans for water, wastewater and stormwater infrastructure to establish servicing strategies for future development areas.



#### Update Transit Master Plan (Quartiles 1-4)

Update the Transit Master Plan to review projects and determine priorities for the next ten years in alignment with strategic goals.

### Challenges identified that impact the 2017 operating budget include:

- Uncertainties stemming from Alberta's modernized *Municipal Government Act*
- Addressing effects of the current economic climate while capitalizing on opportunities
- Unpredictable weather and its associated impacts on infrastructure and activities such as snow removal and transit service
- Inflation on utilities
- The 2017 municipal election
- Staff retirements
- Managing costs that may result from Alberta's carbon tax

## Consolidated operating budget

### 2017 consolidated operating budget

| Operating Revenue / Expense    |                        | 2016<br>Budget       | \$ Change<br>2016-2017 | 2017<br>Budget       | % Change<br>2016-2017 |
|--------------------------------|------------------------|----------------------|------------------------|----------------------|-----------------------|
| <b>Revenues</b>                | Property Taxes         | \$ (219,957,745)     | \$ (572,664)           | \$ (220,530,409)     | 0 %                   |
|                                | Government Grants      | (5,202,377)          | (987,182)              | (6,189,559)          | 19 %                  |
|                                | Utility User Rates     | (54,083,800)         | (100,312)              | (54,184,112)         | 0 %                   |
|                                | User Fees & Charges    | (40,269,768)         | 198,392                | (40,071,376)         | (0)%                  |
|                                | Penalties & Fines      | (5,829,778)          | (32,365)               | (5,862,143)          | 1 %                   |
|                                | Investment Income      | (6,092,815)          | 402,258                | (5,690,557)          | (7)%                  |
|                                | Other Revenues         | (7,389,929)          | (633,164)              | (8,023,093)          | 9 %                   |
|                                |                        | <u>(338,826,212)</u> | <u>(1,725,037)</u>     | <u>(340,551,249)</u> | 1 %                   |
| <b>Expenses</b>                | Salaries & Wages       | 135,666,283          | 3,390,657              | 139,056,940          | 2 %                   |
|                                | Employee Benefits      | 28,376,985           | 1,274,955              | 29,651,940           | 4 %                   |
|                                | Training & Development | 2,769,126            | (169,910)              | 2,599,216            | (6)%                  |
|                                | Business Expenses      | 1,017,826            | (35,947)               | 981,879              | (4)%                  |
|                                | Advertising & Printing | 2,639,805            | (159,224)              | 2,480,581            | (6)%                  |
|                                | Professional Services  | 5,355,306            | (827,598)              | 4,527,708            | (15)%                 |
|                                | Insurance              | 2,137,505            | (110,471)              | 2,027,034            | (5)%                  |
|                                | Rentals & Leases       | 2,952,169            | (51,682)               | 2,900,487            | (2)%                  |
|                                | Contracted Services    | 41,985,057           | 228,314                | 42,213,371           | 1 %                   |
|                                | Supplies & Materials   | 40,553,132           | (1,382,870)            | 39,170,262           | (3)%                  |
|                                | Repairs & Maintenance  | 6,710,470            | 425,324                | 7,135,794            | 6 %                   |
|                                | Equipment Purchases    | 2,788,967            | (645,234)              | 2,143,733            | (23)%                 |
|                                | Utilities              | 7,313,040            | 522,736                | 7,835,776            | 7 %                   |
|                                | Telecommunications     | 1,011,631            | 50,797                 | 1,062,428            | 5 %                   |
|                                | Interest on Debt       | 6,868,531            | 73,800                 | 6,942,331            | 1 %                   |
|                                | Grants & Requisitions  | 2,049,870            | 54,000                 | 2,103,870            | 3 %                   |
|                                | Other Expenses         | 1,515,464            | 115,899                | 1,631,363            | 8 %                   |
|                                | Interprogram           | -                    | -                      | -                    | 0 %                   |
|                                | Amortization Expense   | 52,313,172           | 2,305,063              | 54,618,235           | 4 %                   |
|                                |                        | <u>344,024,339</u>   | <u>5,058,609</u>       | <u>349,082,948</u>   | 1 %                   |
| <b>Net (Revenues)/Expenses</b> |                        | <u>5,198,127</u>     | <u>3,333,572</u>       | <u>8,531,699</u>     | 64 %                  |
| <b>Non-Operating Items</b>     |                        | <u>47,115,045</u>    | <u>(914,505)</u>       | <u>46,200,540</u>    | (2)%                  |
| <b>Non-Cash Adjustment</b>     |                        | <u>(52,313,172)</u>  | <u>(2,419,067)</u>     | <u>(54,732,239)</u>  | 5 %                   |
| <b>TOTAL Strathcona County</b> |                        | <u>\$ -</u>          | <u>\$ -</u>            | <u>\$ -</u>          |                       |

\*Revenue is shown as a credit (in brackets)

# Consolidated operating budget

## 2017 municipal operating budget

| Operating Revenue / Expense              | 2016 Budget          | \$ Change 2016-2017 | 2017 Budget          | % Change 2016-2017 |
|--|----------------------|---------------------|----------------------|--------------------|
| <b>Revenues</b>                          |                      |                     |                      |                    |
| Property Taxes                           | \$ (210,785,648)     | \$ (272,700)        | \$ (211,058,348)     | 0 %                |
| Government Grants                        | (4,665,057)          | (966,939)           | (5,631,996)          | 21 %               |
| User Fees & Charges                      | (38,642,315)         | (248,538)           | (38,890,853)         | 1 %                |
| Penalties & Fines                        | (5,651,850)          | (32,365)            | (5,684,215)          | 1 %                |
| Investment Income                        | (4,737,311)          | 74,951              | (4,662,360)          | (2)%               |
| Other Revenues                           | (7,272,580)          | (597,544)           | (7,870,124)          | 8 %                |
|  | <u>(271,754,761)</u> | <u>(2,043,135)</u>  | <u>(273,797,896)</u> | 1 %                |
| <b>Expenses</b>                          |                      |                     |                      |                    |
| Salaries & Wages                         | 121,809,289          | 3,233,509           | 125,042,798          | 3 %                |
| Employee Benefits                        | 25,309,675           | 1,291,659           | 26,601,334           | 5 %                |
| Training & Development                   | 2,469,954            | (169,896)           | 2,300,058            | (7)%               |
| Business Expenses                        | 941,481              | (30,757)            | 910,724              | (3)%               |
| Advertising & Printing                   | 2,043,662            | (143,325)           | 1,900,337            | (7)%               |
| Professional Services                    | 4,808,712            | (1,063,984)         | 3,744,728            | (22)%              |
| Insurance                                | 2,137,505            | (110,471)           | 2,027,034            | (5)%               |
| Rentals & Leases                         | 2,498,532            | 19,997              | 2,518,529            | 1 %                |
| Contracted Services                      | 33,500,401           | 323,196             | 33,823,597           | 1 %                |
| Supplies & Materials                     | 18,637,065           | (1,695,777)         | 16,941,288           | (9)%               |
| Repairs & Maintenance                    | 4,657,803            | 342,863             | 5,000,666            | 7 %                |
| Equipment Purchases                      | 2,547,705            | (665,711)           | 1,881,994            | (26)%              |
| Utilities                                | 7,523,999            | 657,422             | 8,181,421            | 9 %                |
| Telecommunications                       | 846,653              | 60,826              | 907,479              | 7 %                |
| Interest on Debt                         | 3,359,165            | 213,297             | 3,572,462            | 6 %                |
| Grants & Requisitions                    | 1,819,870            | 84,000              | 1,903,870            | 5 %                |
| Other Expenses                           | 1,402,626            | 131,851             | 1,534,477            | 9 %                |
| Interprogram                             | (3,535,840)          | 112,284             | (3,423,556)          | (3)%               |
| Amortization Expense                     | 44,177,361           | 1,751,372           | 45,928,733           | 4 %                |
|  | <u>276,955,618</u>   | <u>4,342,355</u>    | <u>281,297,973</u>   | 2 %                |
| <b>Net (Revenues)/Expenses</b>           | <u>5,200,857</u>     | <u>2,299,220</u>    | <u>7,500,077</u>     | 44 %               |
| <b>Non-Operating Items</b>               | <u>38,976,504</u>    | <u>(473,731)</u>    | <u>38,502,773</u>    | (1)%               |
| <b>Non-Cash Adjustment</b>               | <u>(44,177,361)</u>  | <u>(1,825,489)</u>  | <u>(46,002,850)</u>  | 4 %                |
| <b>TOTAL Strathcona County Municipal</b> | <u>\$ -</u>          | <u>\$ -</u>         | <u>\$ -</u>          |                    |

\*Revenue is shown as a credit (in brackets)

## Consolidated operating budget 2017 utility operating budget

| Operating Revenue / Expense    | 2016<br>Budget      | \$ Change<br>2016-2017 | 2017<br>Budget      | % Change<br>2016-2017 |
|--------------------------------|---------------------|------------------------|---------------------|-----------------------|
| <b>Revenues</b>                |                     |                        |                     |                       |
| Government Grants              | \$ (7,000)          | \$ -                   | \$ (7,000)          | 0 %                   |
| Utility User Rates             | (54,083,800)        | (100,312)              | (54,184,112)        | 0 %                   |
| User Fees & Charges            | (1,583,655)         | 455,005                | (1,128,650)         | (29)%                 |
| Investment Income              | (1,215,728)         | 299,903                | (915,825)           | (25)%                 |
| Other Revenues                 | (3,000)             | (3,000)                | (6,000)             | 100 %                 |
|                                | <u>(56,893,183)</u> | <u>651,596</u>         | <u>(56,241,587)</u> | <u>(1)%</u>           |
| <b>Expenses</b>                |                     |                        |                     |                       |
| Salaries & Wages               | 8,925,561           | (86,676)               | 8,838,885           | (1)%                  |
| Employee Benefits              | 1,876,841           | (106,927)              | 1,769,914           | (6)%                  |
| Training & Development         | 211,074             | (2)                    | 211,072             | (0)%                  |
| Business Expenses              | 65,735              | (10,305)               | 55,430              | (16)%                 |
| Advertising & Printing         | 491,494             | (10,991)               | 480,503             | (2)%                  |
| Professional Services          | 518,019             | 246,500                | 764,519             | 48 %                  |
| Rentals & Leases               | 434,067             | (71,492)               | 362,575             | (16)%                 |
| Contracted Services            | 8,397,004           | (98,914)               | 8,298,090           | (1)%                  |
| Supplies & Materials           | 21,396,817          | 291,720                | 21,688,537          | 1 %                   |
| Repairs & Maintenance          | 2,019,291           | 80,000                 | 2,099,291           | 4 %                   |
| Equipment Purchases            | 201,539             | -                      | 201,539             | 0 %                   |
| Utilities                      | (210,959)           | (134,686)              | (345,645)           | 64 %                  |
| Telecommunications             | 144,852             | -                      | 144,852             | 0 %                   |
| Interest on Debt               | 2,551,584           | (100,981)              | 2,450,603           | (4)%                  |
| Grants & Requisitions          | 200,000             | -                      | 200,000             | 0 %                   |
| Other Expenses                 | 107,902             | (15,648)               | 92,254              | (15)%                 |
| Interprogram                   | 2,906,254           | (155,755)              | 2,750,499           | (5)%                  |
| Amortization Expense           | 6,757,537           | 530,000                | 7,287,537           | 8 %                   |
|                                | <u>56,994,612</u>   | <u>355,843</u>         | <u>57,350,455</u>   | <u>1 %</u>            |
| <b>Net (Revenues)/Expenses</b> | <u>101,429</u>      | <u>1,007,439</u>       | <u>1,108,868</u>    | <u>993 %</u>          |
| <b>Non-Operating Items</b>     | <u>6,656,108</u>    | <u>(437,552)</u>       | <u>6,218,556</u>    | <u>(7)%</u>           |
| <b>Non-Cash Adjustment</b>     | <u>(6,757,537)</u>  | <u>(569,887)</u>       | <u>(7,327,424)</u>  | <u>8 %</u>            |
| <b>TOTAL Utilities</b>         | <u>\$ -</u>         | <u>\$ -</u>            | <u>\$ -</u>         |                       |

\*Revenue is shown as a credit (in brackets)



## Consolidated operating budget

### 2017 library operating budget

| Operating Revenue / Expense            | 2016 Budget         | \$ Change 2016-2017 | 2017 Budget         | % Change 2016-2017 |
|--|---------------------|---------------------|---------------------|--------------------|
| <b>Revenues</b>                        |                     |                     |                     |                    |
| Property Taxes                         | \$ (9,172,097)      | \$ (299,964)        | \$ (9,472,061)      | 3 %                |
| Government Grants                      | (530,320)           | (20,243)            | (550,563)           | 4 %                |
| User Fees & Charges                    | (43,798)            | (8,075)             | (51,873)            | 18 %               |
| Penalties & Fines                      | (177,928)           | -                   | (177,928)           | 0 %                |
| Investment Income                      | (139,776)           | 27,404              | (112,372)           | (20)%              |
| Other Revenues                         | (114,349)           | (32,620)            | (146,969)           | 29 %               |
|  | <u>(10,178,268)</u> | <u>(333,498)</u>    | <u>(10,511,766)</u> | 3 %                |
| <b>Expenses</b>                        |                     |                     |                     |                    |
| Salaries & Wages                       | 4,931,433           | 243,824             | 5,175,257           | 5 %                |
| Employee Benefits                      | 1,190,469           | 90,223              | 1,280,692           | 8 %                |
| Training & Development                 | 88,098              | (12)                | 88,086              | (0)%               |
| Business Expenses                      | 10,610              | 5,115               | 15,725              | 48 %               |
| Advertising & Printing                 | 104,649             | (4,908)             | 99,741              | (5)%               |
| Professional Services                  | 28,575              | (10,114)            | 18,461              | (35)%              |
| Rentals & Leases                       | 19,570              | (187)               | 19,383              | (1)%               |
| Contracted Services                    | 87,652              | 4,032               | 91,684              | 5 %                |
| Supplies & Materials                   | 519,250             | 21,187              | 540,437             | 4 %                |
| Repairs & Maintenance                  | 33,376              | 2,461               | 35,837              | 7 %                |
| Equipment Purchases                    | 39,723              | 20,477              | 60,200              | 52 %               |
| Telecommunications                     | 20,126              | (10,029)            | 10,097              | (50)%              |
| Interest on Debt                       | 957,782             | (38,516)            | 919,266             | (4)%               |
| Grants & Requisitions                  | 30,000              | (30,000)            | -                   | (100)%             |
| Other Expenses                         | 4,936               | (304)               | 4,632               | (6)%               |
| Interprogram                           | 629,586             | 43,471              | 673,057             | 7 %                |
| Amortization Expense                   | 1,378,274           | 23,691              | 1,401,965           | 2 %                |
|  | <u>10,074,109</u>   | <u>360,411</u>      | <u>10,434,520</u>   | 4 %                |
| <b>Net (Revenues)/Expenses</b>         | <u>(104,159)</u>    | <u>26,913</u>       | <u>(77,246)</u>     | (26)%              |
| <b>Non-Operating Items</b>             | <u>1,482,433</u>    | <u>(3,222)</u>      | <u>1,479,211</u>    | (0)%               |
| <b>Non-Cash Adjustment</b>             | <u>(1,378,274)</u>  | <u>(23,691)</u>     | <u>(1,401,965)</u>  | 2 %                |
| <b>TOTAL Strathcona County Library</b> | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |                    |

\*Revenue is shown as a credit (in brackets)



# Municipal operating budget

## Municipal operating 3 year forecast

|  | Approved         | Operating Forecast |                  |                  |
|--|------------------|--------------------|------------------|------------------|
|  | 2017             | 2018               | 2019             | 2020             |
| <b>Revenue</b>                                 |                  |                    |                  |                  |
| Property Taxes                                 | \$ (211,058,348) | \$ (214,631,700)   | \$ (231,448,752) | \$ (242,064,904) |
| Governments Grants                             | (5,631,996)      | (5,631,996)        | (5,684,016)      | (5,684,016)      |
| User Fees & Charges                            | (38,890,853)     | (39,893,553)       | (41,275,893)     | (42,771,774)     |
| Penalties & Fines                              | (5,684,215)      | (5,753,087)        | (5,822,839)      | (5,893,501)      |
| Investment Income                              | (4,662,360)      | (4,723,564)        | (4,785,098)      | (4,908,097)      |
| Other Revenue                                  | (7,870,124)      | (7,882,540)        | (7,895,790)      | (7,910,192)      |
|  | (273,797,896)    | (278,516,440)      | (296,912,388)    | (309,232,484)    |
| <b>Expense</b>                                 |                  |                    |                  |                  |
| Salaries, Wages & Benefits                     | 151,644,132      | 157,876,437        | 163,955,505      | 170,121,275      |
| Contracted & General Services                  | 47,225,007       | 49,777,176         | 54,283,210       | 63,448,538       |
| Supplies, Materials & Utilities                | 26,030,188       | 26,696,535         | 27,743,606       | 28,901,560       |
| Interest on Debt                               | 3,572,462        | 3,582,341          | 3,288,946        | 3,018,549        |
| Grants/Requisitions                            | 1,903,870        | 1,915,293          | 1,926,781        | 1,938,576        |
| Amortization                                   | 45,928,733       | 46,479,877         | 47,037,636       | 47,602,087       |
| Other Expenses                                 | 4,993,581        | 5,304,815          | 5,674,182        | 6,023,454        |
|  | 281,297,973      | 291,632,474        | 303,909,866      | 321,054,039      |
| Net (Revenues) / Expenses                      | (7,500,077)      | (13,116,034)       | (6,997,478)      | (11,821,555)     |
| <b>Non-Operating Expenses</b>                  |                  |                    |                  |                  |
| From Reserve Fund                              | (11,240,226)     | (8,304,543)        | (8,417,100)      | (8,523,041)      |
| To Capital Fund                                | (312,232)        | -                  | -                | -                |
| To Reserve Fund                                | 44,166,984       | 45,649,467         | 47,427,367       | 49,128,575       |
| Loan Funds Repaid                              | (971,644)        | (971,644)          | (971,644)        | (971,644)        |
| Capital Lease Repaid                           | -                | -                  | -                | -                |
| Long Term Debt Repaid                          | 6,859,891        | 6,710,607          | 6,366,374        | 6,500,542        |
|  | 38,502,773       | 43,083,887         | 44,404,997       | 46,134,432       |
| Non Cash Adjustment                            | (46,002,850)     | (46,479,878)       | (47,037,636)     | (47,602,088)     |
| <b>Net Impact to Base Budget</b>               | \$ -             | \$ 9,720,043       | \$ 4,364,839     | \$ 10,353,899    |
| <b>Equivalent Base Tax Increase/(Decrease)</b> | (2.15)%          | 4.51%              | 2.03%            | 4.81%            |

### Assumptions

Future budget forecasts are prior to any decisions being made by Administration or Council. The operating impact of future, so far unapproved, capital projects are included. Unapproved future Initiatives are included.

Property tax includes all residential and non-residential growth projection from Assessment and Taxation department.

Assumed current service levels are maintained.

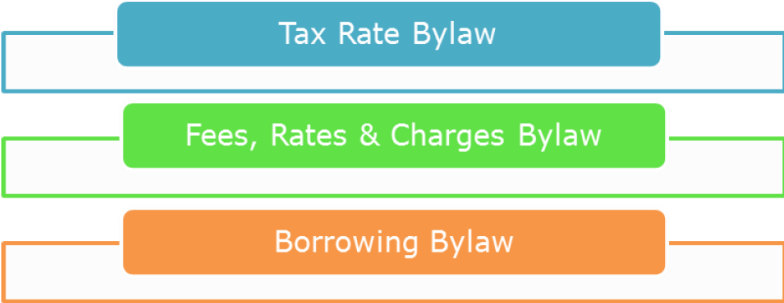
Assumed average 1.2% growth and 3% inflation for most expense categories other than Salaries, Wages & Benefits.

For 2018 to 2020 assumed that previous year shortfall is solved with prior years base tax increase only.

Assumed no new debt is acquired for any new capital.

### Mandate and guidance

In accordance with the *Municipal Government Act* (RSA 2000, ch. H-26, s. 242 & 246), every municipality must adopt an operating and capital budget each calendar year. The *Municipal Government Act* also dictates that several bylaws be passed after both budgets have been adopted. The bylaws below are passed after the budget is approved by Council.



At the heart of Strathcona County’s finance system is the budget—often referred to as the single most important policy decision Council makes each year. It is through the business plan and budget that Council affirms the municipality’s priorities by allocating funds to programs and services that align with the strategic direction. The two budgets—operating and capital—are very distinct and both are critical to providing municipal services.

### Municipal Government Act requirements

Under the updated *Municipal Government Act* (MGA), all municipalities will be legislated to submit a three year operating plan and five year capital plan. In preparation for this requirement, Strathcona County has created both a five year capital forecast and a three year operating forecast. These forecasts, along with the outcomes of our priority-based business planning and budgeting efforts, will support the operating and capital plans and contribute to ensuring long-term financial sustainability.

# Processes and mandates

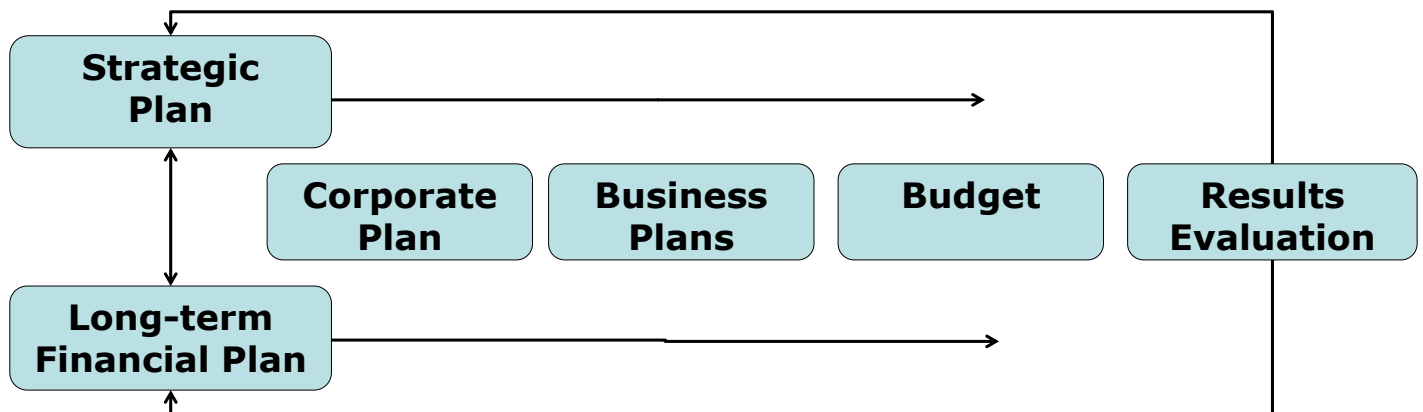
## Financial sustainability

What does it mean for Strathcona County to be financially sustainable? We believe it's our ability to manage our finances in such a way that meets existing and future spending commitments while at the same time ensuring that future generations of taxpayers will not face an unmanageable bill for services provided today. We are driven to be as efficient and effective as possible as we continue to build on the sound fiscal management strategies and policies needed to preserve long-term sustainability and optimal service delivery.

## Long-term financial sustainability plan

Budget 2017 demonstrates Strathcona County's success in applying the multi-year forecast process – we have utilized these projections to make sound long-term decisions within the budget. Projects and initiatives were reviewed in light of priority-based budgeting data and the three year operating and five year capital forecast windows to effectively measure the impact of today's decisions. We recognize that an annual budget is too short-term to maintain long-term financial sustainability – thus decisions were made with the long-term view in mind. Budget 2017 includes the identification of key risks in the County's environment, and careful attention to the implications for future budgets.

Focusing on the long-term makes good sense, as many of our policies and projects have long-term fiscal implications. By developing a long-term financial sustainability plan and looking at the "big picture", we will have more flexibility in addressing budget issues and ensuring fiscal wellness, prioritizing resource allocation, capitalizing on opportunities and maximizing efficiencies and citizens' understanding.



# **2017 Divisional Budget**

## **Infrastructure and Planning Services Division**



**Becoming Canada's  
most livable community**

...focusing on priorities

# 2017 Divisional Budget

## Infrastructure and Planning Services

### Introduction to Infrastructure and Planning Services

Infrastructure and Planning Services touches the lives of every citizen, every day. We are responsible for managing the County's infrastructure, above and below ground. Above ground, it's easy to see the impact we have—we plan, construct, and maintain streets, sidewalks and highways, design and construct open spaces and parks amenities, and coordinate plans and permits. Below ground, our work is more hidden but just as critical to everyday life—we provide treated water, wastewater and stormwater infrastructure that promotes public health and safety.

In addition to this, we aim to be an example in the environmental field by fueling an efficient and sustainable energy system that delivers heat to a number of buildings in Centre in the Park. Through marketing and business attraction, retention and expansion efforts, we inspire a strong, diverse and sustainable economy.

We support Council's vision for our community—and hundreds of employees across five departments work every day to maintain our quality infrastructure services to keep our citizens safe in all seasons, facilitate logical and balanced development and keep our community economically resilient with quality service delivery to citizens, business and industry.



#### Economic Development and Tourism

Economic Growth | Diversification and Innovation | Business Support | Readiness Research and Communication | Readiness Business Location Inventories



#### Capital Planning and Construction

Transportation Planning | Capital Construction | Design and Survey



#### Planning and Development Services

Land Development Planning | Land Development Engineering | Permitting, Inspections and Customer Service | Environmental Planning | Land Management Services



#### Transportation and Agriculture Services

Public Works—Urban | Public Works—Rural | Winter Maintenance | Agriculture | Traffic Management



#### Utilities

Waste Management Services | Community Energy Services | Water Services | Wastewater Services | Stormwater Services | Utility Engineering Services



# Infrastructure and Planning Services Division

## Who we are and how we serve



### Economic Development and Tourism (EDT)

Economic Development and Tourism (EDT) markets the advantages of doing business in the community in order to attract new business investment. We attract business at the regional, provincial, national, and international level. The department works to ensure that the community is well prepared for desired development opportunities. EDT supports the needs and interests of entrepreneurs and existing businesses through programs and education.



### Capital Planning and Construction (CPC)

In collaboration with Strathcona County Council and residents, Alberta Transportation, the Capital Region Board and neighbouring municipalities, CPC coordinates and provides transportation master plans for the County's major road networks and related transportation systems. CPC develops multi-year municipal capital plans by evaluating future transportation network needs and project manages the planning, design and construction for transportation infrastructure, such as roads, railway overpasses, interchanges, pedestrian/cycling trails and parking facilities. CPC maintains Strathcona County Transportation design and construction standards and contract documents, and provides design, topographical surveys, transportation impact reviews, cost estimates and project management services to other municipal departments for the planning, design and construction of transportation related infrastructure.



### Planning and Development Services (PDS)

Planning and Development Services (PDS) coordinates and facilitates logical and balanced development and servicing of land. The department leads effective land use planning review and approval processes, and is responsible for decisions on all development, building, and safety codes applications to ensure compliance with the Land Use Bylaw and Alberta Safety Codes Act. PDS coordinates and provides environmental monitoring and assessment for internal and external clients and delivers all real estate and leasing programs and activities that support the delivery of corporate programs.



### Transportation and Agriculture Services (TAS)

The maintenance and management of the County's transportation infrastructure—roads, sidewalks, parking lots and trails—is the responsibility of Transportation and Agriculture Services (TAS). The department keeps residents safe in all seasons through the use of speed and traffic controls, general road maintenance, snow removal and ice control programs. TAS also supports the unique needs of rural residents by implementing programs like vegetation management on rural roadsides, weed and pest control services, and programs to conserve soil and water and promote agricultural develop-



### Utilities (UT)

Utilities plans for, designs, operates and maintains water, wastewater and stormwater infrastructure systems—supplying clean water to residents, safely treating wastewater and reducing the possibility of flooding and property damage. The department provides innovative waste management services with a focus on diverting waste from landfill and also delivers heat to a number of buildings in Centre in the Park from a central source through the Community Energy System.



### Applying a priority-based lens to decision making

Utilizing PBB tools and data has allowed Infrastructure and Planning Services to:

- Cross train development officers in PDS to serve multiple program areas, create internal capacity and reduce staffing and contract costs
- Review programs not mandated and not strongly connected to priorities to reduce UT's management and contract work that occurs outside the community and focus on water transmission infrastructure within the community
- Reallocate resources among twelve EDT program areas based on quartiles and priorities, including reallocation to the industrial attraction program area
- Identify CPC's survey services program area for further analysis of charge out rates for 2018 budget recommendations
- Better understand funding distribution among programs in order to reallocate funding within TAS
- Find program efficiencies across departments (TAS, CPC and PDS) for coordination of projects under one tender, such as the current Broadmoor Boulevard project
- Evaluate capital projects against strategic outcomes

### Overcoming challenges

Infrastructure and Planning Services has identified challenges ahead in 2017:

- Managing complex issues that stem from uncertainties related to:
  - The current economy, such as commodity prices and Alberta's carbon tax
  - The modernized *Municipal Government Act*
  - Development location and timing
- Keeping pace with both increasing demands on the transportation road network and ongoing development requirements with existing resources
- Managing transportation planning projects with neighbouring communities to:
  - Determine the potential impacts of County development on neighbours, their municipal requirements, and the related cost responsibilities for transportation infrastructure
  - Evaluate the impacts of neighbours' development on the County early in the process to negotiate fair and equitable resolutions to costs and pressures
- Maintaining staff coverage and retaining critical knowledge and expertise as staff retire and departments experiences a lag in training outcomes
- Ensuring the appropriate level of training and public education is in place to support the new Energy Code requirements
- Understanding residents' desires for urban agriculture and appropriately allocating funding to support those projects and strategies
- Negotiating land acquisition and funding requirements for the North of Yellowhead project in order to fulfill servicing upgrades necessary to accommodate growth

Utilizing PBB tools and data to look at programs and budgets differently



Create a clear understanding of how programs align across priorities, as well as to individual priorities



Identify efficiencies and cost savings in program areas across all four quartiles



Reallocate operating dollars between programs and quartiles across the organization in support of priority results



Examine fees through a priority-based lens

**Utilizing PBB tools and data to look at programs and budgets differently**



Enhance coordination and synergies for cross-departmental program areas



Inform decisions for new initiatives and staffing requests through alignment to PBB programs and quartiles



Implement and integrate the evaluation of capital projects



Identify program areas requiring future assessment and long-term study

**Focusing on priorities**

2017 initiatives and projects that align with community priorities:

- Work with key partners in Alberta's Industrial Heartland toward the construction of new petrochemical plants in alignment with Strathcona County's strategic goals and the province's Petrochemical Diversification Program
- Implement the Foreign Direct Investment Strategy to improve the County's readiness for development
- Update the GIS Data Management System to promote economic diversity and enhance communication and knowledge sharing regarding small and medium businesses
- Implement the Integrated Transportation Master Plan recommendations to develop active transportation modes
- Assist in transportation network planning updates that facilitate development for the next growth node
- Collaborate with Alberta Transportation and the City of Edmonton on a regional transportation model
- Complete the Municipal Development Plan update to ensure compliance with both the modernized *Municipal Government Act* and Capital Region Growth Plan
- Continue the Area Concept Plan and design guidelines for the Bremner growth area
- Enhance the ePermits application by continuing to add features and services for users and acquiring new technology for the County's municipal database
- Formalize the right-of-way management program to ensure that construction within right-of-ways is completed in a safe manner to protect residents and infrastructure
- Develop and implement strategies identified in the Urban Agriculture Strategy, including alternative pets within hamlets and community gardens
- Continue with road condition ratings to drive successful maintenance and rehabilitation programs
- Develop master plans for water, wastewater and stormwater infrastructure to establish servicing strategies for future development areas
- Install connections to the Community Energy system for two new Centre in the Park developments
- Complete condition and risk assessments on water, wastewater and stormwater infrastructure in alignment with the Utilities Asset Management Plan

### Operating budget



In order to remain competitive and deliver the high quality services Strathcona County is known for, Infrastructure and Planning Services must invest in new and existing infrastructure as well as on-going operating expenses.

Whether adjusting maintenance and rehabilitation costs for new water lines or roads, or the development of long-range and master plans to guide sustainable development, our budgeting forecast is directed by Council's prioritized strategic goals.

### Capital budget



Strathcona County's core capital infrastructure—roads, sidewalks, bridges, and water, wastewater, and stormwater infrastructure systems—is critical to the everyday life of our citizens.

The activities and requirements related to core capital drive our capital planning and budget needs.

## Infrastructure and Planning Services Division

### 2017 divisional budget changes (excluding Utilities)

| Operating Revenue / Expense    |                        | 2016 Budget                 | \$ Change 2016-2017          | 2017 Budget                 | % Change 2016-2017 | Notes   |
|--------------------------------|------------------------|-----------------------------|------------------------------|-----------------------------|--------------------|---------|
| <b>Revenues</b>                | Government Grants      | \$ (178,374)                | \$ (10,488)                  | \$ (188,862)                | 6 %                |         |
|                                | User Fees & Charges    | (5,166,424)                 | 241,265                      | (4,925,159)                 | (5)%               | Note 1  |
|                                | Penalties & Fines      | (37,000)                    | 13,500                       | (23,500)                    | (36)%              |         |
|                                | Other Revenues         | (325,773)                   | (13,497)                     | (339,270)                   | 4 %                |         |
|                                |                        | <u>(5,707,571)</u>          | <u>230,780</u>               | <u>(5,476,791)</u>          | <u>(4)%</u>        |         |
| <b>Expenses</b>                | Salaries & Wages       | 22,284,716                  | 334,077                      | 22,618,793                  | 1 %                | Note 2  |
|                                | Employee Benefits      | 4,436,913                   | 212,516                      | 4,649,429                   | 5 %                | Note 2  |
|                                | Training & Development | 546,946                     | (47,265)                     | 499,681                     | (9)%               | Note 2  |
|                                | Business Expenses      | 338,067                     | 34,758                       | 372,825                     | 10 %               | Note 3  |
|                                | Advertising & Printing | 501,107                     | (27,710)                     | 473,397                     | (6)%               | Note 4  |
|                                | Professional Services  | 1,835,990                   | (1,031,468)                  | 804,522                     | (56)%              | Note 5  |
|                                | Rentals & Leases       | 1,233,688                   | (14,522)                     | 1,219,166                   | (1)%               | Note 6  |
|                                | Contracted Services    | 8,619,047                   | (74,013)                     | 8,545,034                   | (1)%               | Note 7  |
|                                | Supplies & Materials   | 6,179,139                   | (475,288)                    | 5,703,851                   | (8)%               | Note 8  |
|                                | Repairs & Maintenance  | 166,441                     | 38,509                       | 204,950                     | 23 %               | Note 9  |
|                                | Equipment Purchases    | 167,479                     | 25,071                       | 192,550                     | 15 %               | Note 10 |
|                                | Utilities              | 2,089,141                   | 143,644                      | 2,232,785                   | 7 %                | Note 11 |
|                                | Telecommunications     | 179,751                     | (37,366)                     | 142,385                     | (21)%              | Note 12 |
|                                | Interest on Debt       | 10                          | (10)                         | -                           | (100)%             |         |
|                                | Grants & Requisitions  | 15,560                      | -                            | 15,560                      | 0 %                |         |
|                                | Other Expenses         | 76,854                      | 13,133                       | 89,987                      | 17 %               |         |
|                                | Interprogram           | (182,890)                   | (6,075)                      | (188,965)                   | 3 %                |         |
|                                |                        | <u>48,487,959</u>           | <u>(912,009)</u>             | <u>47,575,950</u>           | <u>(2)%</u>        |         |
| <b>Net (Revenues)/Expenses</b> |                        | <u>42,780,388</u>           | <u>(681,229)</u>             | <u>42,099,159</u>           | <u>(2)%</u>        |         |
| <b>Non-Operating Items</b>     |                        | <u>18,334,997</u>           | <u>(1,370,326)</u>           | <u>16,964,671</u>           | <u>(7)%</u>        | Note 13 |
| <b>TOTAL DIVISIONAL BUDGET</b> |                        | <u><b>\$ 61,115,385</b></u> | <u><b>\$ (2,051,555)</b></u> | <u><b>\$ 59,063,830</b></u> | <u><b>(3)%</b></u> |         |

#### Notes for Changes

- Note 1:** PDS - Reduction to ASP, subdivision endorsements, compliance zoning single family, road crossing agreements, gas and sign permitting revenues offset by increases to conceptual scheme, subdivision application fees and leases, TAS - increase to Other Permits.
- Note 2:** COLA, Grid and benefit changes for all departments plus reallocation of funds based on programs/prioritization of funds. Increases in EDT due to training and development for new senior staff and with PDS and TAS, reductions are based on historical usage, staff decreases and capacity for training and development within the departments, staff increases for 2017 including 2017-INIT-20 Urban Agriculture (total cost \$158K including costs in other expense lines).
- Note 3:** Transfer of EDT international marketing and representation expenses to business expenses from advertising & printing.
- Note 4:** Increase for 2017-INIT-20 Urban Agriculture offset by transfer of EDT international marketing and representation expenses to business expenses.
- Note 5:** In CPC, decrease for completing planning studies, increases due to reallocations based on PBB, PDS, one time items removed from budget (Area Concept Plan, Colchester Growth Management Study and CIP Area Redevelopment Plan). PDS - reduction of consulting budget due to PBB, TAS increased budget for PIRCS (Partners In Road Construction Safety) not budgeted in prior years.
- Note 6:** TAS - Reduce excavator rentals in rural drainage & ditches - no longer required, offset by increases for 2017-INIT-20 Urban Agriculture.
- Note 7:** TAS - Reduce cold mix trucking budget as 2016 contracts include delivery in the base cold mix price, CPC - increase for Contract and Standards specialist (funded from reserve) and annualization of previous years decisions, PDS - Reallocations of resources from Development Services to Environmental Planning based on PBB priorities.
- Note 8:** TAS - Reduction to Road oil prices significantly lower than the prior year budget, reduce asphalt cold mix program to actuals and reallocate funds to streetlight maintenance.
- Note 9:** TAS - Reallocation of program funds to increase the under resourced streetlight maintenance program.
- Note 10:** PDS - budget correction from Telecommunications, increases for 2017-INIT-20 Urban Agriculture and 2017-INIT-15 - PDS - Clean Air Responsible Schools.
- Note 11:** TAS - Increase in consumption and inflation on electricity and natural gas.
- Note 12:** PDS - budget correction to Equipment Purchases, reallocations and adjustments to actuals.
- Note 13:** TAS - Annualize 2016 INIT to increase Capital Bridge Replacement Program, increase 2016 Parking Lot Rehab Reserve, overcommitted, fund P4 snow clearing and CPC Contract Specialist.

\*Revenue is shown as a credit (in brackets)



# Infrastructure and Planning Services Division

## 2017 Utilities budget changes

| Operating Revenue / Expense    |                        | 2016 Budget         | \$ Change 2016-2017 | 2017 Budget         | % Change 2016-2017 | Notes   |
|--------------------------------|------------------------|---------------------|---------------------|---------------------|--------------------|---------|
| <b>Revenues</b>                | Government Grants      | \$ (7,000)          | \$ -                | \$ (7,000)          | 0 %                |         |
|                                | Utility User Rates     | (54,083,800)        | (100,312)           | (54,184,112)        | 0 %                | Note 1  |
|                                | User Fees & Charges    | (1,583,655)         | 455,005             | (1,128,650)         | (29)%              | Note 2  |
|                                | Investment Income      | (1,215,728)         | 299,903             | (915,825)           | (25)%              | Note 3  |
|                                | Other Revenues         | (3,000)             | (3,000)             | (6,000)             | 100 %              |         |
|                                |                        | <u>(56,893,183)</u> | <u>651,596</u>      | <u>(56,241,587)</u> | <u>(1)%</u>        |         |
| <b>Expenses</b>                | Salaries & Wages       | 8,925,561           | (86,676)            | 8,838,885           | (1)%               | Note 4  |
|                                | Employee Benefits      | 1,876,841           | (106,927)           | 1,769,914           | (6)%               | Note 4  |
|                                | Training & Development | 211,074             | (2)                 | 211,072             | (0)%               |         |
|                                | Business Expenses      | 65,735              | (10,305)            | 55,430              | (16)%              |         |
|                                | Advertising & Printing | 491,494             | (10,991)            | 480,503             | (2)%               |         |
|                                | Professional Services  | 518,019             | 246,500             | 764,519             | 48 %               | Note 5  |
|                                | Rentals & Leases       | 434,067             | (71,492)            | 362,575             | (16)%              | Note 6  |
|                                | Contracted Services    | 8,397,004           | (98,914)            | 8,298,090           | (1)%               | Note 7  |
|                                | Supplies & Materials   | 21,396,817          | 291,720             | 21,688,537          | 1 %                | Note 8  |
|                                | Repairs & Maintenance  | 2,019,291           | 80,000              | 2,099,291           | 4 %                | Note 9  |
|                                | Equipment Purchases    | 201,539             | -                   | 201,539             | 0 %                |         |
|                                | Utilities              | (210,959)           | (134,686)           | (345,645)           | 64 %               | Note 10 |
|                                | Telecommunications     | 144,852             | -                   | 144,852             | 0 %                |         |
|                                | Interest on Debt       | 2,551,584           | (100,981)           | 2,450,603           | (4)%               | Note 11 |
|                                | Grants & Requisitions  | 200,000             | -                   | 200,000             | 0 %                |         |
|                                | Other Expenses         | 107,902             | (15,648)            | 92,254              | (15)%              |         |
|                                | Interprogram           | 2,906,254           | (155,755)           | 2,750,499           | (5)%               | Note 12 |
|                                | Amortization Expense   | 6,757,537           | 530,000             | 7,287,537           | 8 %                | Note 14 |
|                                |                        | <u>56,994,612</u>   | <u>355,843</u>      | <u>57,350,455</u>   | <u>1 %</u>         |         |
| <b>Net (Revenues)/Expenses</b> |                        | <u>101,429</u>      | <u>1,007,439</u>    | <u>1,108,868</u>    | <u>993 %</u>       |         |
| <b>Non-Operating Items</b>     |                        | <u>6,656,108</u>    | <u>(437,552)</u>    | <u>6,218,556</u>    | <u>(7)%</u>        | Note 13 |
| <b>Non-Cash Adjustment</b>     |                        | <u>(6,757,537)</u>  | <u>(569,887)</u>    | <u>(7,327,424)</u>  | <u>8 %</u>         | Note 14 |
| <b>TOTAL Utilities</b>         |                        | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>         |                    |         |

### Notes for Changes

- Note 1:** Increased user rates (charged back to the specific users) and increase customer growth and increased usage, offset by wholesale demand decline of 4.6% Water and Wastewater.
- Note 2:** Reduction of external contract work from the Capital Region Northeast Water Service Commission (CRNWSC) contract and Northern Bear contract, partially offset by enviroservice charges increase and increased recycling volumes at recycling stations.
- Note 3:** Interest revenue has dropped due to a interest rate decrease from cash and operating reserves.
- Note 4:** Mainly due to reduction in employee benefits and overtime related to providing service to CRNWSC and Northern Bear contracts. COLA, Grid movement and changes in standard salaries.
- Note 5:** Reduction in legal fees, reduction due to lower cost for landfill remediation, reduction in consulting budget to align with actuals, increases for 2017 INITs (2017-INIT-27 Update Utilities Master Plan \$120K, 2017-INIT-28 34th St Water Line Study with City of Edmonton \$125K, 2017-INIT-31 Mill Creek Hydro Technical Assessment with City of Edmonton \$100K).
- Note 6:** Reduced rental budget for four lease buyouts, reductions to align budget with actuals.
- Note 7:** Reduction of external contract work of CRNWSC and Northern Bear, full implementation of GFL waste collection contract cost savings, offset by increased customer volume from waste service, cost savings due to lower contracted cost for removing recycled materials off site.
- Note 8:** Reduction in water purchased for resale, Sewer Treatment for resale, and reduction related to a reduction in external contract work, cost increase due to \$.03 increase in water purchase from EPCOR, increase in cost due to a \$.06 increase for wastewater treatment Alberta Capital Region Waste Water Commission.
- Note 9:** Increased for sump pump maintenance.
- Note 10:** Reduction in the electricity budget align with historical actual costs, Carbon tax increase for natural gas, offset by lower usage, increase to wastewater recovery and increase to water recovery, increase in electricity usage and price, Community Energy recoveries decreased to align to 2015 actuals.
- Note 11:** Interest on existing debt decreases over time.
- Note 12:** Reduced fleet charges, reduction in building maintenance, insurance charges, and lower overhead.
- Note 13:** Reduced transfer to capital reserves due to a lower interest rate, removed transfer to reserve for CRNWSC and Northern Bear Contract discontinued, reduced reliance on the reserve to cover community energy shortfall, reduced transfer from developer levy accounts, lower principle on debt payments, increased for funding 2017-INIT-28 34th St Water Line Study with City of Edmonton and 2017-INIT-31 Mill Creek Hydro Technical Assessment with City of Edmonton.
- Note 14:** Amortization expense increase primarily due to the Enviroservice Building and Ardrossan reservoir.

\*Revenue is shown as a credit (in brackets)

**Infrastructure and Planning Services Division**  
**2017 departmental operating budgets**

| <b>DEPARTMENT OPERATING BUDGETS</b>              |           |                   |
|--|-----------|-------------------|
| <b>Economic Development &amp; Tourism</b>        |           |                   |
| Revenues   | \$        | (25,500)          |
| Expenses   |           | 1,457,367         |
| Non-Operating Items                              |           | -                 |
| <b>NET REQUIREMENT</b>                           | <b>\$</b> | <b>1,431,867</b>  |
| <b>Capital Planning &amp; Construction</b>       |           |                   |
| Revenues   | \$        | -                 |
| Expenses   |           | 4,272,515         |
| Non-Operating Items                              |           | (75,000)          |
| <b>NET REQUIREMENT</b>                           | <b>\$</b> | <b>4,197,515</b>  |
| <b>Planning &amp; Development Services</b>       |           |                   |
| Revenues   | \$        | (4,773,317)       |
| Expenses   |           | 10,174,949        |
| Non-Operating Items                              |           | 10,000            |
| <b>NET REQUIREMENT</b>                           | <b>\$</b> | <b>5,411,632</b>  |
| <b>Transportation &amp; Agriculture Services</b> |           |                   |
| Revenues   | \$        | (677,974)         |
| Expenses   |           | 31,671,119        |
| Non-Operating Items                              |           | 17,029,671        |
| <b>NET REQUIREMENT</b>                           | <b>\$</b> | <b>48,022,816</b> |
| <b>Utilities</b>                                 |           |                   |
| Revenues   | \$        | (56,241,587)      |
| Expenses   |           | 57,350,455        |
| Non-Operating Items                              |           | (1,108,868)       |
| <b>NET REQUIREMENT</b>                           | <b>\$</b> | <b>-</b>          |
| <b>TOTAL DIVISION</b>                            | <b>\$</b> | <b>59,063,830</b> |

## Infrastructure and Planning Services Division 2017 divisional capital budget

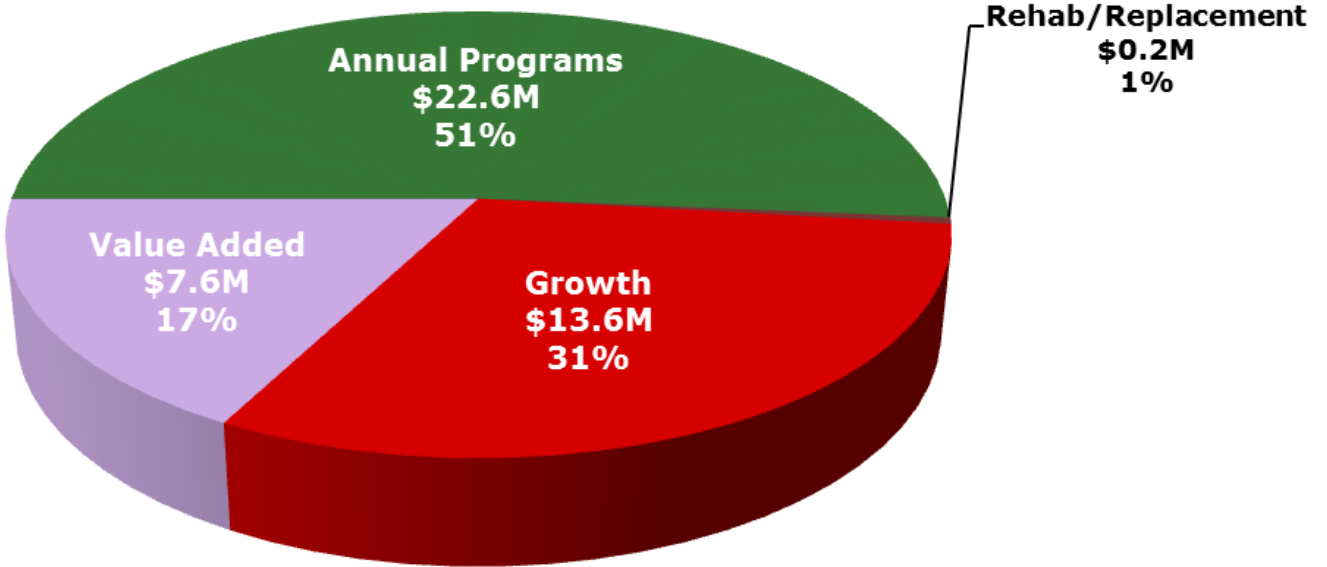
|   | Cost              | Dept. |
|---|-------------------|-------|
| <b>Buildings</b>  |                   |       |
| Annual Parking Lot Rehab Program                                    | \$ 353,088        | TAS   |
| Multi-Use Agriculture Facility_D (\$31.0M)                          | 7,000,000         | TAS   |
|   | <b>7,353,088</b>  |       |
| <b>Electronic Hardware/Software</b>                                 |                   |       |
| IT Infrastructure Replacement Program - Utilities                   | \$ 40,000         | UT    |
|   | <b>40,000</b>     |       |
| <b>Land Development</b>   |                   |       |
| CITP Sherwood Drive & Community Centre Sidewalks/Landscape (\$347K) | \$ 28,650         | PDS   |
|   | <b>28,650</b>     |       |
| <b>Machinery &amp; Equipment</b>                                    |                   |       |
| Annual Water Meter / Radio Frequency Program                        | \$ 495,000        | UT    |
| Boiler Expansion at Centre in the Park (Community Energy Centre)    | 520,000           | UT    |
|   | <b>1,015,000</b>  |       |
| <b>Program Parks &amp; Open Space Development</b>                   |                   |       |
| Petroleum Way Improvements Ph1 and Trans Canada Trail_C             | \$ 4,000,000      | CPC   |
|   | <b>4,000,000</b>  |       |
| <b>Utilities</b>  |                   |       |
| Annual Hydrant / Valve Replacement                                  | \$ 278,000        | UT    |
| UT Rural Water System Connections                                   | 200,000           | UT    |
| Annual Rollout Carts  | 90,800            | UT    |
| Infrastructure Renewal - Utilities Lifecycle Management             | 200,000           | UT    |
| Community Energy Connection Lot 4                                   | 600,000           | UT    |
|   | <b>1,368,800</b>  |       |
| <b>Roadway Infrastructure</b>                                       |                   |       |
| <b>Annual Programs</b>  |                   |       |
| Annual Rural Road Rehab Program                                     | \$ 7,453,892      | TAS   |
| Annual Bridge Replacement Project                                   | 1,700,000         | TAS   |
| Annual Residential Rehab Program                                    | 5,025,407         | TAS   |
| Annual Arterial Road Rehab Program                                  | 3,957,858         | TAS   |
| Annual Asphalt Trail Rehab Program                                  | 250,000           | TAS   |
| Annual Traffic & Pedestrian Safety Improvements                     | 644,707           | TAS   |
| Annual Traffic Signal / Intersection Replacements                   | 908,378           | TAS   |
| Annual Sidewalk Missing Links Program                               | 800,000           | TAS   |
| <b>Ardrossan</b>  |                   |       |
| Bridge Structure on Main St South_DLU (\$1.7M)                      | 230,000           | CPC   |
| Lindale Park and Highway 824 Intersection Upgrades                  | 460,000           | CPC   |
| <b>Heartland</b>  |                   |       |
| Hwy 15 and Range Rd 212 Intersection Upgrades_C                     | 1,400,000         | CPC   |
| <b>Rural</b>  |                   |       |
| Class I Grid Road Improvement_D (\$11.0M)                           | 600,000           | CPC   |
| <b>Sherwood Park</b>  |                   |       |
| 17 St, 105 Ave to Sherwood Park Freeway_D (\$17.5M)                 | 1,339,000         | CPC   |
| <b>Wye Road</b>   |                   |       |
| Wye Rd, Brentwood and Nottingham Intersection Improvements_C        | 4,740,000         | CPC   |
|   | <b>29,509,242</b> |       |
| <b>Vehicles</b>   |                   |       |
| Annual Utilities Fleet Addition & Replacement Program               | \$ 708,690        | UT    |
|   | <b>708,690</b>    |       |
| <b>GRAND TOTAL</b>  | <b>44,023,470</b> |       |

Annual Program    Rehab / Replacement    Suggested Annual  
Growth    Developer Levy    Value Added

C - Construction      D - Design      L - Land      U - Utilities      (\$) - Total Project Cost



**2017 Capital Budget by Asset Group -  
Infrastructure & Planning Services (\$44M)**



- Annual Programs
- Suggested Annual
- Rehab / Replacement
- Growth
- Developer Levy
- Value Added



# 2017 Divisional Budget

## Community Services Division



**Becoming Canada's  
most livable community**

...focusing on priorities



### Introduction to Community Services

The role of the Community Services Division is to create a healthy, vibrant, safe and welcoming community with extraordinary cultural and social amenities. Our division has the unique position of assisting residents in accessing vital programs and services, whether it be for health, public transportation, recreation, social or overall feelings of safety. We strive to build and strengthen relationships within our community—to engage and empower citizens through social support services, lifelong learning opportunities, recreation programming and exciting world-class events. Our RCMP, municipal enforcement and emergency services deliver a safe environment in which residents and businesses can flourish, and people of all ages and abilities benefit from being connected through our fully integrated and progressive transit system.

Through all of our initiatives, Community Services is a critical component of realizing Council’s vision of becoming Canada’s most livable community. Our success lies with our ability to strengthen and nourish partnerships and networks at all levels in our community to ensure services meet the current needs of our residents, while considering and preparing for future needs as well. It is our friendly and forward-thinking nature that draws people to Strathcona County, to invest, to play and to stay.

### Departments and their core functions



#### Strathcona County Emergency Services

Community Safety | Emergency Communications | Emergency Management | Operations  
(Emergency Response)



#### Family and Community Services

Individual and Family Supports | Outreach Supports | Developing Community | Community Education



#### Recreation, Parks and Culture

Programs | Facilities | Parks, Fields, Open Spaces | Community Development | Special Events



#### Strathcona County Transit

Inter-municipal Transit | Local Transit | Mobility Bus | Special Event



#### RCMP and Enforcement Services

RCMP General Duty | Drugs and Serious Crimes | Integrated Traffic Services | Crime Prevention and Victim Services | Enforcement Services

# Community Services Division

## Who we are and how we serve



### Strathcona County Emergency Services (SCES)



Strathcona County Emergency Services (SCES) believes in preventing emergencies before they occur through public education and its collaborative approach to emergency management within the community. This is accomplished through public education programs such as FireSmart workshops, first aid and CPR, targeted education to children, emergency preparedness and home safety, as well as working with industrial partners to encourage high standards of safety planning. When emergencies do occur, SCES also provides fire, rescue and ambulance services (under contract to Alberta Health Services) to the community. The department also provides 9-1-1 call answer and emergency dispatch service, and coordinates community alerting and emergency response planning to enhance community preparedness. SCES continues to enhance safety in helping to make Strathcona County Canada's most livable community.

### Family and Community Services (FCS)



Family and Community Services (FCS) provides a variety of social programs to positively affect the quality of life for County residents. The social needs of this community are ever-changing, and preventative social initiatives are created to respond to community trends. FCS is committed to increasing the ability of individuals, families and communities to prevent or address social problems. The department focuses on prevention, volunteerism, community development, local autonomy and accountability. The emphasis is on ensuring individuals and families, across the age and ability spectrum, have access to necessary social supports, while building their coping skills and maintaining independence. FCS works to keep informed about social needs, issues and gaps in the community to best meet resident needs. FCS is successful because of its partnership with community social agencies in delivering services and supports.

### Recreation, Parks and Culture (RPC)



Recreation, Parks and Culture (RPC) believes in enabling the pursuit of healthy lifestyle choices. The department provides people of all ages and abilities with safe, affordable, and accessible indoor and outdoor recreation choices at a number of rural and urban facilities, including multi-use recreation facilities, sports fields, ice rinks, green spaces, trails, gymnasiums and playgrounds. RPC works with the community to develop exciting and innovative opportunities to encourage physical activity, personal growth, skill development, social inclusion and overall mental wellbeing. RPC is proud to support the everyday active and healthy lifestyle choices of Strathcona County residents.

### Strathcona County Transit (SCT)



Strathcona County Transit (SCT) takes great pride in serving the public transportation needs in Strathcona County. Transit plays a vital role in providing residents with access to various destinations within the County and the Capital Region for work, school, medical appointments, social activities and special events. Transit provides four core services, including inter-municipal commuter service, local service within Sherwood Park, Mobility Bus service for persons with disabilities, and special event transportation. Transit continues to work collaboratively with its regional partners to best meet the transportation needs of its riders.

### RCMP and Enforcement Services (RCMP & ES)



At its core, RCMP and Enforcement Services (RCMP & ES) is about people and relationships. The detachment's overall goal is to ensure Strathcona County remains a safe place to live, where citizens can raise their families without fear or concern for their property or personal safety. The staff of the Strathcona Detachment are dedicated to partnership with the public and will continue to work to support this relationship in a sensitive and professional manner. True measures of success are reflected within Strathcona County through reduced crime, public confidence in personal safety, and reduced victimization.



## Community Services Division

### Applying a priority-based lens to decision making

Utilizing PBB tools and data has allowed Community Services to:

- Identify program areas requiring future assessment and long-term study, including:
  - FCS’s program areas based on outcomes of the Social Framework renewal
  - RPC’s indoor recreation programs (adult/older adult) and the Millennium Card
  - SCT’s Transit Master Plan review
- Study reactive and proactive policing programs—specifically RCMP’s Electronic Voice Entry (EVE) project—for efficiencies and effectiveness in staffing functions for RCMP members and municipal staff
- Reallocate resources to meet emerging needs and achieve initiatives within department business plans, such as SCES’s reallocation and realignment within the Fire Prevention and Investigation program area to facilitate implementation of the industrial inspection / collaboration initiative
- Utilize Fire Smart grant funding to expand SCES’s program by shifting priorities to achieve improved services with existing resources and without increased costs
- Reallocate operating dollars to meet high priority FCS program needs in the community
- Score capital projects to support capital budget analysis and planning across the division

### Overcoming challenges

Community Services has identified challenges ahead in 2017:

- Meeting operational response targets and responding effectively to the rise in emergency services and RCMP call volumes resulting from community growth, shifting demographics and regional service needs
- Delivering appropriate programs in the face of increased service delivery demands due to the provincial economic down-turn
- Responding to social and economic trends, including the rise in family violence, crimes against persons, mental health referrals and food bank usage
- Managing the first full year of operations of the Emerald Hills Leisure Centre, the Glen Allan Recreation Complex expansion and the Emerald Hills Regional Park
- Adapting to changes in revenue as transit ridership and usage rates for recreation and facilities fluctuate with the economy
- Retaining crucial knowledge and expertise as many divisional employees prepare for retirement within the next 5 years
- Absorbing the impacts of Alberta’s new carbon tax on the cost of fuel and other supplies
- Managing significant change within RCMP & ES with the implementation of several large initiatives, the Electronic Voice Entry Project, electronic file management and electronic disclosure
- Maintaining or improving upon current policing priority service levels due to increasing complex issues, organized crime and other stressors

Utilizing PBB tools and data to look at programs and budgets differently



Create a clear understanding of how programs align across priorities, as well as to individual priorities



Identify efficiencies and cost savings in program areas across all four quartiles



Reallocate operating dollars between programs and quartiles across the organization in support of priority results



Examine fees through a priority-based lens

**Focusing on priorities**

2017 initiatives and projects that align with community priorities:

- Improve operational efficiencies and best practices to meet Public Safety Answering Point (PSAP) performance guidelines and standards for 911 call answer
- Maintain urban and rural FireSmart initiatives, including community specific wildfire risk assessments, operational planning, and education and awareness
- Assist with the development of provincial standards for emergency incident management
- Renew and implement a social framework to focus resource allocation and define the County's social priorities and intended community outcomes
- Continue to assess community needs and social trends in order to build awareness and respond to emerging issues
- Advance in partnership with community stakeholders towards a collective vision for a healthy community
- Maintain current fees for all recreation services in 2017 to provide residents with affordable recreation opportunities
- Implement new recreation business software—train staff, identify needs to manage change and add more self-serve options
- Collaborate with neighbouring municipalities to construct the Trans Canada Trail and River Valley Alliance Trail alignments and plan for future amenities, such as pedestrian bridges and docks
- Support sport tourism in the community, such as the 2018 Grand Slam of Curling, Pan Am Senior Handball event and other local initiatives
- Partner with Edmonton Transit System and St. Albert Transit to implement Smart Fare and Smart Bus technologies to enhance customer experience, encourage ridership and increase operational efficiencies
- Implement the new Transit Fare Strategy—establish a clearer fare structure with a more rational methodology and investigate aligning Mobility Bus fares with fixed route service fares and the impacts to ridership and revenues
- Complete the process for making transit fully accessible to people with mobility limitations through projects supported by the Federal Public Transportation Infrastructure Fund—replace the remaining coaches with double-decker buses and renovate the Ordze Transit Centre to accommodate double-decker buses
- In alignment with the Annual Performance Plan policing priorities, continue to strengthen cooperation with regional partners, concentrate efforts of Drug Section investigators, enhance traffic safety and address family violence and mental health issues
- Continue to implement the Electronic Voice Entry (EVE) Project to increase RCMP & ES presence in the community for preventing and suppressing issues—members will spend more time in the community instead of dedicating time to administrative duties
- Continue to embed social services, parole and probation into the department to improve overall agency cooperation, build stronger relationships and identify high risk offenders in the community

Utilizing PBB tools and data to look at programs and budgets differently



Enhance coordination and synergies for cross-departmental program areas



Inform decisions for new initiatives and staffing requests through alignment to PBB programs and quartiles



Implement and integrate the evaluation of capital projects



Identify program areas requiring future assessment and long-term study



### **Operating budget**



Our operating budget represents our efforts to support a safe and healthy community as we proactively focus on prevention, education and early intervention to best support our residents in accessing the services they need most.

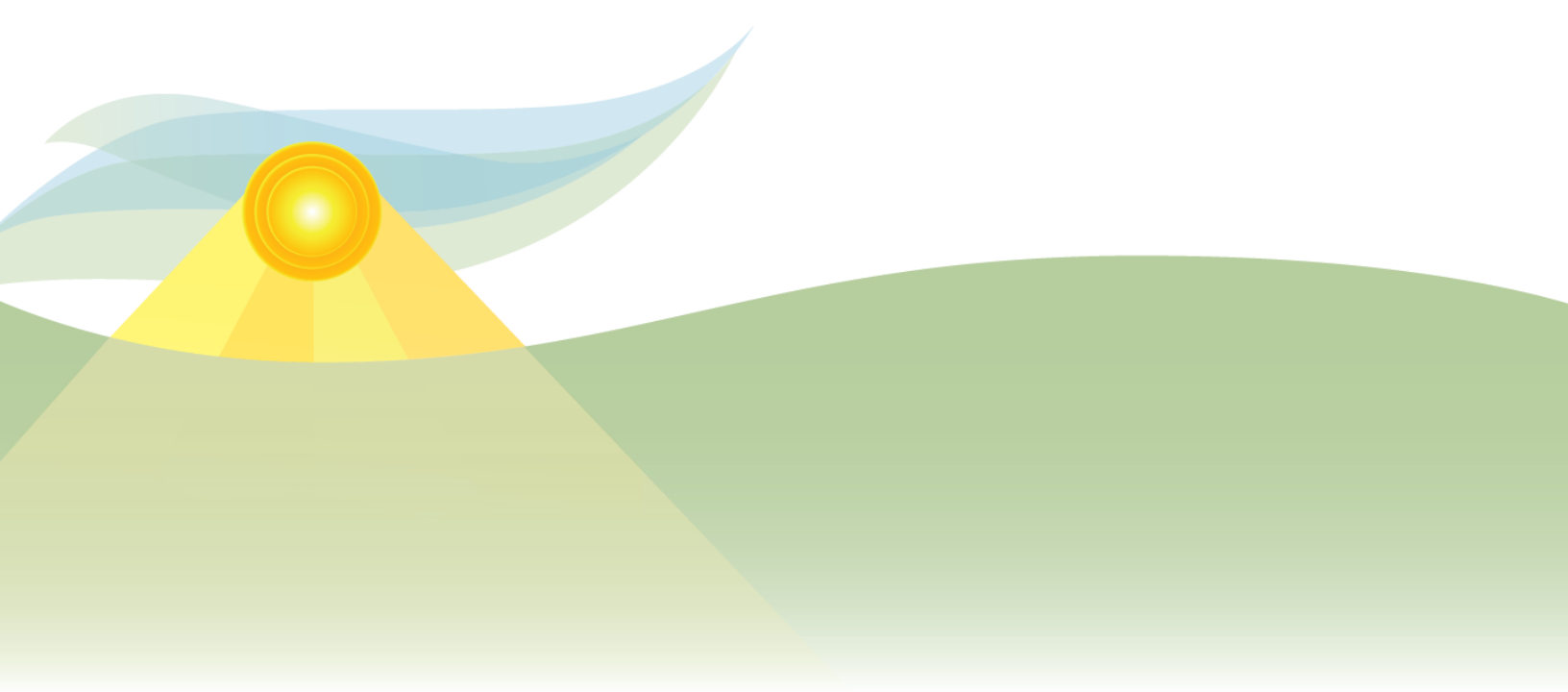
The daily activities of Community Services contribute to the welcoming feel of the community and empower citizens to take charge of their own enjoyment, health and safety. Our operating budget for 2017 captures this critical key to making Strathcona County Canada’s most livable community.

### **Capital budget**



The effective maintenance and procurement of capital assets that support the division’s services to the community—such as recreation facilities, fire halls, the police station, emergency vehicles and buses—is critical to enhancing quality of life. We recognize that investment in our capital is essential to meeting the growing needs of the community.

Our 2017 capital budget aligns with Council’s vision by reflecting our proactive approach to improving municipal infrastructure and maintaining capital assets. Programs such as our annual equipment replacement program, outdoor revitalization program and fleet additions support functional emergency, police and enforcement services and public transit, and create affordable and accessible recreational and cultural opportunities for residents to enjoy well into the future.





# Community Services Division

## 2017 divisional budget changes

| Operating Revenue / Expense    |                        | 2016 Budget          | \$ Change 2016-2017 | 2017 Budget          | % Change 2016-2017 | Notes   |
|--------------------------------|------------------------|----------------------|---------------------|----------------------|--------------------|---------|
| <b>Revenues</b>                | Government Grants      | \$ (4,456,460)       | \$ (978,674)        | \$ (5,435,134)       | 22 %               | Note 1  |
|                                | User Fees & Charges    | (29,434,966)         | 108,796             | (29,326,170)         | (0)%               | Note 2  |
|                                | Penalties & Fines      | (4,314,850)          | (45,865)            | (4,360,715)          | 1 %                | Note 3  |
|                                | Other Revenues         | (5,962,693)          | (351,142)           | (6,313,835)          | 6 %                | Note 4  |
|                                |                        | (44,168,969)         | (1,266,885)         | (45,435,854)         | 3 %                |         |
| <b>Expenses</b>                | Salaries & Wages       | 69,986,009           | 4,186,460           | 74,172,469           | 6 %                | Note 5  |
|                                | Employee Benefits      | 13,454,685           | 884,112             | 14,338,797           | 7 %                | Note 5  |
|                                | Training & Development | 1,042,499            | (106,759)           | 935,740              | (10)%              | Note 6  |
|                                | Business Expenses      | 474,648              | (75,392)            | 399,256              | (16)%              | Note 7  |
|                                | Advertising & Printing | 1,018,430            | (130,822)           | 887,608              | (13)%              | Note 8  |
|                                | Professional Services  | 228,151              | 13,221              | 241,372              | 6 %                | Note 9  |
|                                | Insurance              | 1,236                | (536)               | 700                  | (43)%              |         |
|                                | Rentals & Leases       | 619,196              | 23,287              | 642,483              | 4 %                | Note 10 |
|                                | Contracted Services    | 19,244,098           | 548,329             | 19,792,427           | 3 %                | Note 11 |
|                                | Supplies & Materials   | 4,923,491            | (397,404)           | 4,526,087            | (8)%               | Note 12 |
|                                | Repairs & Maintenance  | 1,249,778            | (19,715)            | 1,230,063            | (2)%               | Note 13 |
|                                | Equipment Purchases    | 2,028,156            | (627,200)           | 1,400,956            | (31)%              | Note 14 |
|                                | Utilities              | 4,421,460            | 322,445             | 4,743,905            | 7 %                | Note 15 |
|                                | Telecommunications     | 348,724              | 8,260               | 356,984              | 2 %                |         |
|                                | Interest on Debt       | 34,684               | (34,684)            | -                    | 100 %              | Note 16 |
|                                | Grants & Requisitions  | 667,452              | 24,000              | 691,452              | 4 %                | Note 17 |
|                                | Other Expenses         | 524,035              | 46,995              | 571,030              | 9 %                | Note 18 |
|                                | Interprogram           | 6,222,422            | (594,142)           | 5,628,280            | (10)%              | Note 19 |
|                                | Amortization Expense   | 187,317              | (187,317)           | -                    | (100)%             | Note 20 |
|                                |                        | 126,676,471          | 3,883,138           | 130,559,609          | 3 %                |         |
| <b>Net (Revenues)/Expenses</b> |                        | 82,507,502           | 2,616,253           | 85,123,755           | 3 %                |         |
| <b>Non-Operating Items</b>     |                        | 4,241,992            | 147,162             | 4,389,154            | 3 %                | Note 21 |
| <b>Non-Cash Adjustment</b>     |                        | (187,317)            | 187,317             | -                    | (100)%             | Note 22 |
| <b>TOTAL DIVISIONAL BUDGET</b> |                        | <b>\$ 86,562,177</b> | <b>\$ 2,950,732</b> | <b>\$ 89,512,909</b> | <b>3%</b>          |         |

**Notes for Changes**

**Note 1:** FCS - Grant annualization (FCSS Grant) and increases to the Community Safety Grant, SCES - Public Safety Answering Point (PSAP). RCMP & ES - Municipal Policing Assistance Grant.

**Note 2:** SCT - Reduction in revenue due to the Transit Fare Strategy. SCES - Correction in EMS direct patient billing, 911 Services and Dispatch Services. RPC - Increased revenues for reopened Glen Allen Recreation Center (GARC), the new Emerald Hills Leisure Centre (EHLC) and reduction to reflect lower recreation activity levels offset by expenditure savings.

**Note 3:** RCMP & ES - Increase in intersection safety devices violations, decreased volume of Traffic Safety Act violations and other bylaw violations.

**Note 4:** FCS - Anticipated budget for the Mental Health Capacity Building Project (KEYS) funded through Alberta Health Services. RPC - Increased Community Sponsorship. SCES - Increase to Alberta Health Services Contract.

**Note 5:** SCES - Allowance reallocated from Fiscal Services for contract settlement (2014-2016). RPC - Labor costs associated with reopening of GARC and the new EHLC. FCS - Personnel costs for added programs including all applicable benefit costs. SCES - Information Management branch moved to ITS. 2017 COLA and staff additions.

**Note 6:** Reduction based on historical spending and completed Individual Learning Plan costs.

**Note 7:** Reduction based on historical spending.

**Note 8:** RPC - Initial PBB review resulted in recreation guide distribution and print cost savings. Also reductions based on historical spending patterns.

**Note 9:** SCT - Consultant work completed. Further reductions based on historical spending in other Community Services departments. FCS - Increase for 2017-INIT-29 Social Renewal Framework \$100K.

**Note 10:** Increase based on historical spending partially funded from reductions in other areas.

**Note 11:** RCMP & ES - RCMP Contract and the Alberta First Responders' Radio Communication System (AFRACS). RPC - PBB efficiencies and savings including a reduction of costs offset by revenue reduction to reflect lower recreation activity levels. SCES - Reductions for the Information Management Branch moved to ITS. SCT - Increase for 2017-INIT-19 Update Transit Master Plan \$150K and other reductions based on PBB.

**Note 12:** RPC - Reduction of costs offset by revenue reduction to reflect lower recreation activity levels. Department reductions due to efficiencies, historical spending patterns, PBB, removal of contingency funds and removal of one time items.

**Note 13:** RPC - Reduction of costs offset by revenue reduction to reflect lower recreation activity levels. Department reductions based on historical spending patterns, removal of contingency funds and increases for annualization of previous years decisions.

**Note 14:** SCT - Removal of one-time security camera purchase. RCMP & ES - Removal of one-time respiratory masks.

**Note 15:** RPC - Addition of new facilities, expansions & inflation.

**Note 16:** RPC - Asset Management Strategy transferred to Fiscal Services in 2017.

**Note 17:** RPC - Initial PBB review resulted in reduction of the Arts, Culture & Heritage Grant Program; this program has met much of the latent demand and is now showing a normalized annual amount. Increase due to the annualization for the Community Small Grants program as approved by Council in February 2016.

**Note 18:** RCMP & ES - Increased tax expense for new RCMP building expansion. Other increases based on historical spending.

**Note 19:** SCT - Decrease fuel chargeback from Fleet Services to Transit due to lower prices.

**Note 20:** BPGC - Amortization moved to Fiscal Services.

**Note 21:** SCES - Removal of one-time reserve funding for replacement of wildland gear, reduction in funding for one-time costs for firefighter gear replacement (from four to two), creation of a new reserve for the Emergency Communications Centre. BPGC - Asset Management Strategy transfer of principal payments to Fiscal Services in 2017. FCS - Annual transfer to reserve (Social Sustainability) not required in 2017 as the reserve is at its optimal value, funding for 2017-INIT-29, FCS Social Renewal Framework.

**Note 22:** BPGC - Amortization moved to Fiscal Services.

\*Revenue is shown as a credit (in brackets)



| <b>DEPARTMENT OPERATING BUDGETS</b>                        |           |                   |
|--|-----------|-------------------|
| <b>Strathcona County Emergency Services</b>                |           |                   |
| Revenues   | \$        | (8,502,425)       |
| Expenses   |           | 34,732,091        |
| Non-Operating Items  |           | 233,500           |
| <b>NET REQUIREMENT</b>                                     | <b>\$</b> | <b>26,463,166</b> |
| <b>Family &amp; Community Services</b>                     |           |                   |
| Revenues   | \$        | (4,964,464)       |
| Expenses   |           | 8,392,922         |
| Non-Operating Items  |           | (100,000)         |
| <b>NET REQUIREMENT</b>                                     | <b>\$</b> | <b>3,328,458</b>  |
| <b>Recreation, Parks &amp; Culture (incls Golf Course)</b> |           |                   |
| Revenues   | \$        | (20,596,411)      |
| Expenses   |           | 43,733,430        |
| Non-Operating Items  |           | 1,111,752         |
| <b>NET REQUIREMENT</b>                                     | <b>\$</b> | <b>24,248,771</b> |
| <b>Strathcona County Transit</b>                           |           |                   |
| Revenues   | \$        | (4,741,860)       |
| Expenses   |           | 19,068,834        |
| Non-Operating Items  |           | 3,143,902         |
| <b>NET REQUIREMENT</b>                                     | <b>\$</b> | <b>17,470,876</b> |
| <b>RCMP &amp; Enforcement Services</b>                     |           |                   |
| Revenues   | \$        | (6,630,694)       |
| Expenses   |           | 24,632,332        |
| Non-Operating Items  |           | -                 |
| <b>NET REQUIREMENT</b>                                     | <b>\$</b> | <b>18,001,638</b> |
| <b>TOTAL DIVISION</b>                                      | <b>\$</b> | <b>89,512,909</b> |

*\*Revenue is shown as a credit (in brackets)*

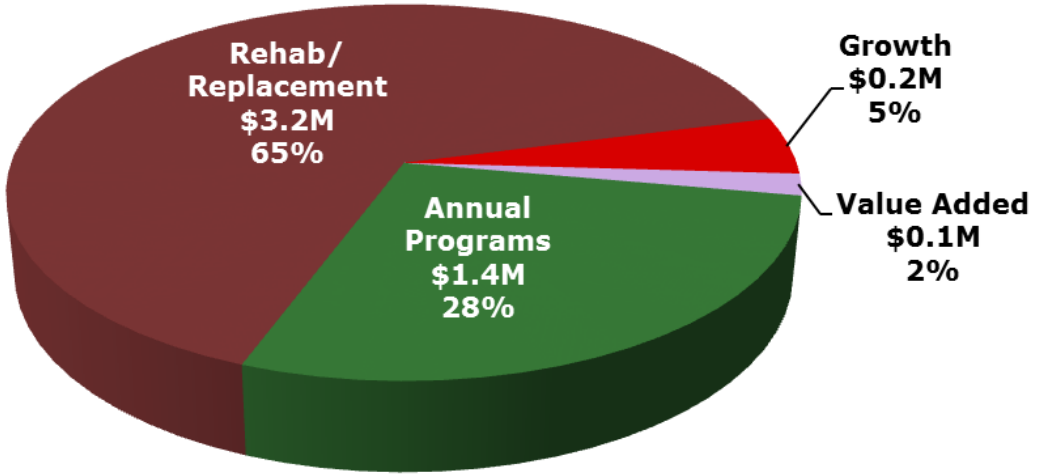
**Community Services Division**  
**2017 divisional capital budget**

|  | Cost             | Dept. |
|--|------------------|-------|
| <b>Buildings</b>   |                  |       |
| OSRFS - Moyer Recreation Centre Functional Design (\$5.0M) | \$ 110,000       | RPC   |
| OSRFS - Spray Park Functional Design (\$1.5M)              | 80,000           | RPC   |
| Strathcona Athletic Park Shop Expansion                    | 500,000          | RPC   |
| Orzde Transit Centre Renovation                            | 1,500,000        | SCT   |
|  | <b>2,190,000</b> |       |
| <b>Machinery &amp; Equipment</b>                           |                  |       |
| Annual Golf Course Equipment Replacement Program           | \$ 66,000        | RPC   |
| Annual Recreation Equipment Replacement Program            | 195,000          | RPC   |
| Annual Equipment Replacement Program                       | 105,000          | SCES  |
| Emergency Communications Centre Equipment Replacement PSAP | 53,000           | SCES  |
| Floor Cleaning Machine                                     | 90,000           | SCT   |
|  | <b>509,000</b>   |       |
| <b>Program Parks &amp; Open Space Development</b>          |                  |       |
| Annual Parks Infrastructure Lifecycle                      | \$ 990,000       | RPC   |
| Annual OSRFS Outdoor Revitalization Program                | 925,000          | RPC   |
|  | <b>1,915,000</b> |       |
| <b>Vehicles</b>  |                  |       |
| Fleet Addition - Utility Vehicle                           | \$ 30,000        | RPC   |
| Fleet Addition - Garbage Truck                             | 195,000          | RPC   |
| Fleet Addition - Aerator                                   | 15,000           | RPC   |
|  | <b>240,000</b>   |       |
| <b>GRAND TOTAL</b>   | <b>4,854,000</b> |       |

Annual Program    Rehab / Replacement    Suggested Annual  
Growth    Developer Levy    Value Added

C - Construction    D - Design    L - Land    U - Utilities    (\$) - Total Project Cost

**2017 Capital Budget by Asset Group - Community Services (\$4.9M)**



■ Annual Programs    ■ Suggested Annual  
■ Rehab / Replacement    ■ Growth  
■ Developer Levy    ■ Value Added

# 2017 Divisional Budget

## Corporate Services Division



**Becoming Canada's  
most livable community**

...focusing on priorities

### Introduction to Corporate Services

Corporate Services is at the core of Strathcona County—our programs and services enable all other departments to function at their best. We are behind the scenes to support the front-line departments, caring for the facilities used by staff and residents, repairing transit and emergency vehicles, recruiting and training staff, optimizing the benefits of technology, providing legal advice and supporting the activities of County Council. We are a critical key to achieving success for the organization, putting resources into place in order to respond to the needs of our residents. This fundamental internal structure allows the operational branches to concentrate on delivering their essential services to citizens, efficiently and effectively.

Enhancing the livability of our community requires that we have a solid foundation from which to adapt to growth and execute effective operations. Our five departments provide this foundation by anticipating and serving the needs of staff, Council and the public. The intrinsic value we offer all other departments naturally aligns the objectives of our division with the top strategic prioritized goals of the Strategic Plan.

### Departments and their core functions



#### Facility Services

Facility Asset Management | Facility Operations | Telecommunications | Print and Mail



#### Fleet Services

Fleet Asset Management | Fleet Maintenance | Materials Management | Fleet Services



#### Human Resources

Workforce Planning and Development | Labour Relations and HR Advisory Services | Compensation and Benefits | Employee Safety, Health and Wellbeing



#### Information Technology Services

Business Solutions | Enterprise Geographic Information System | Technology Planning and Strategy | Technology Infrastructure and Customer Support | Information Management



#### Legislative and Legal Services

Legislative Services | Legal Services | Council and Committee Management and Quasi-Judicial Tribunals



# Corporate Services Division

## Who we are and how we serve



### Facility Services (FAC)

Facility Services (FAC) ensures that the investments made in facility infrastructure are well planned in order to maximize the greatest benefit to the community at the lowest total cost of ownership. The department provides the maintenance standards, programs and services for the routine and non-routine care of the approximately 2 million square feet of County owned buildings. FAC also offers the organization critical telecommunication services, supporting voice communication systems and facility digital technologies such as council webcasting. A commercial grade print shop provides cost effective, professional quality printed material for the corporation. Mail services provides the day to day mail delivery required for utility and tax notices and courier services.



### Fleet Services (FLT)

Administering the County's Annual Capital Fleet Replacement Program jointly with each department, Fleet Services (FLT) plans, directs and recommends capital acquisitions and replacements based on life cycle analyses. The department operates the vehicle, equipment and transit bus repair shops which ensure that all county, transit, enforcement and emergency vehicles are prepared for action when needed. Materials management services support internal customers through the planning, procurement and inventory of the appropriate materials and products used in fleet maintenance.



### Human Resources (HR)

In order to deliver quality services to citizens, Strathcona County requires the right people in the right jobs for the right cost. Human Resources (HR) collaborates with departments to create work environments where employees are engaged and excel at what they do. From coordinating effective recruitment processes and maintaining competitive compensation, benefits and leave programs, to enabling effective performance planning and review conversations and providing learning and development programs and supports, HR helps ensure the organization has the "people" capacity to deliver its services. HR also provides leadership in key programs that enable a healthy workforce, such as corporate occupational health and safety, disability management, employee and family assistance and staff wellness.



### Information Technology Services (ITS)

Information Technology Services (ITS) works with departments to facilitate the efficient and effective management and use of information and technology in serving our citizens. By ensuring information and technology is secure, providing business and data solutions and reporting, and supporting staff through training and assistance, ITS delivers reliable technology solutions to meet the County's needs. The department operates the County's IT infrastructure, including computers and mobile devices, the Enterprise Geographic Information System (GIS), multiple data centres and an internal data network that connects all County buildings and staff. The work of this department allows County staff, decision-makers and citizens to obtain, utilize, and understand the information they need.



### Legislative and Legal Services (LLS)

The Legislative and Legal Services (LLS) ensures open and transparent government through the development of sound practices and systems for supporting effective decision making by Council, including ensuring that all activities of the municipality are conducted within legislative provisions respecting the roles and responsibilities of local government. LLS is responsible for managing the meetings of Council, Priorities Committee and Governance Advisory Committee. LLS also has the responsibility for the overall management of Council-established committees and the various quasi-judicial boards. LLS is responsible for Freedom of Information and Protection of Privacy (FOIP) program, which fosters an open and transparent government through access to information while protecting privacy. LLS manages municipal elections, by-elections, plebiscites, and delivers the municipal census as well as the review of policies and bylaws. LLS provides legal support to the County as a corporate entity by protecting and maintaining the County's legal rights and ensuring that it meets its legal obligations.



## Corporate Services Division

### Applying a priority-based lens to decision making

Utilizing PBB tools and data has allowed Corporate Services to:

- Enhance coordination and synergies across departments with FLT’s welding/fabrication services to other departments
- Review and restructure programs, such as FLT’s acquisitions/disposal program area for reduced time, cost and effort
- Reallocate resources and improve efficiencies through process reviews and enhanced use of technologies for FAC’s asset management program area
- Reallocate two positions from FLT to HR and Finance
- Identify FAC’s facility lifecycle program for future assessment and long-term study with a focus on technology, data information and equipment replacements
- Identify ITS’s future assessment and long-term study needs for technology purchasing in partnership with Procurement Services
- Realign resources to better support Human Resources programs by shifting funds from the health spending/ learning and fitness program to Fiscal Services in order to better manage the unpredictable nature of the program
- Find efficiencies in programs, such as LLS’s boards and committee program area utilizing HR’s existing electronic recruitment system for recruitment and selection
- Cross train existing staff resources and reallocate funds in LLS to maximize potential, build internal capacity and support succession planning
- Score capital projects to support capital budget analysis and planning across the division

Utilizing PBB tools and data to look at programs and budgets differently



Create a clear understanding of how programs align across priorities, as well as to individual priorities



Identify efficiencies and cost savings in program areas across all four quartiles



Reallocate operating dollars between programs and quartiles across the organization in support of priority results



Examine fees through a priority-based lens

### Overcoming challenges

Corporate Services has identified challenges ahead in 2017:

- Implementing start-up operations for several new / renovated facilities
- Managing the conditions and consequences of the current economic environment in order to maintain efficiencies and absorb costs to reduce burdens to the tax payer
- Efficiently maintaining fleet vehicles with limited space, supplier challenges and increasing workloads
- Meeting current organizational needs, maintaining service levels and addressing gaps in programs and services with the available resources within HR
- Maintaining the County’s position as an employer of choice with identified gaps in leadership development, succession management and learning and development programs
- Manage ITS capacity to meet demand from corporate and departmental projects that are not prioritized and at times unplanned
- Meeting the goals of the ITS business plan and organizational review with existing resources while absorbing costs and staff positions and managing increasing workloads
- Maximizing existing LLS resources as workloads grow and during the election to ensure enough staff are available for support
- Managing the uncertainties related to the modernized MGA, as changes will likely have significant resource and business process implications



**PBB**

## Corporate Services Division

### Focusing on priorities

2017 initiatives and projects that align with community priorities:

- Continue to focus on the facility asset management program with standards development and data management—update the asset database and create routine asset condition reports and future expenditure requirements
- Plan for future infrastructure additions to align with operational demands through the Transit bus barn facility and SPSY yard expansions
- Continue with the telecommunications infrastructure investments—replace the corporate radio system and extend the life of existing telephone system for 5 years
- Develop an energy rating system for all major facilities and explore opportunities to reduce energy use
- Complete service level agreements with internal partners to enable departments to fulfill business plan goals
- Partner with the Alberta Association of Municipal Districts and Counties (AAMDC) to negotiate rates for fuel and realize cost savings
- Utilize data from Fleet Management software to create accurate maintenance plans which will reduce duplicate maintenance activities and prevent costs related to failing to perform timely maintenance
- Continue to address the resource gaps that impact HR’s ability to deliver the required programs and services to departments, managers and employees
- Ensure the organization has talent for the future by:
  - Enhancing the processes, transparency and training related to job evaluation
  - Advancing the compensation review of job families
  - Ensuring an effective and transparent recruitment process
- Advance technology solutions for the organization, such as the ERP, County Connect, SmartBus/SmartFare, Enterprise GIS Address Repository initiative and Open Text Refresh
- Implement recommendations of the ITS organizational review, including enhancing enterprise architecture, focusing on business relationship management and restructuring ITS delivery
- Advance the IT Security Program and adopt the cloud computing framework completed in 2016
- Plan and run the 2017 Strathcona County Municipal Election
- Continue to ensure compliance with legislative requirements and gain insight for the future of the organization through the review of bylaws, policies and standards
- Bring bylaw prosecution in-house to provide significant cost-savings, knowledge and additional capacity for the organization

Utilizing PBB tools and data to look at programs and budgets differently



Enhance coordination and synergies for cross-departmental program areas



Inform decisions for new initiatives and staffing requests through alignment to PBB programs and quartiles



Implement and integrate the evaluation of capital projects



Identify program areas requiring future assessment and long-term study

### Operating budget



Corporate Services' operating budget reflects our role in providing strategic support to all departments within Strathcona County. We contribute both directly and indirectly to all of the critical services that touch the lives of residents on a daily basis.

Our operating costs focus on delivering core services to the organization, as well as on funding initiatives that position the County as an employer of choice, advance the benefit of technology infrastructure and proactively manage fleet and facility assets.

### Capital budget



The procurement and maintenance of Corporate Services' capital assets—facilities, vehicles and technological investments—guides the division's capital budget. Funding provides for the lifecycle maintenance, rehabilitation, and growth of these assets to expand our capacity as an organization to diversify, cope with population growth, and improve quality of life for residents.

**Facilities:** We take great pride in our many quality facilities—from arenas, multi-use recreation complexes and aquatic and seniors centres, to community halls and clubhouses.

**Technology:** Lifecycle replacement ensures departments are up to date with technology, which affects their business effectiveness and efficiency in service delivery.

**Vehicles:** Our residents rely on our fleet of vehicles for emergency and enforcement response, snow removal, public transit and other important municipal services.

## Corporate Services Division 2017 divisional budget changes

| Operating Revenue / Expense    |                        | 2016<br>Budget              | \$ Change<br>2016-2017    | 2017<br>Budget              | % Change<br>2016-2017 | Notes   |
|--------------------------------|------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------|---------|
| <b>Revenues</b>                | User Fees & Charges    | \$ (485,476)                | \$ (205,828)              | \$ (691,304)                | 42 %                  | Note 1  |
|                                | Other Revenues         | (76,410)                    | -                         | (76,410)                    | 0 %                   |         |
|                                |                        | <u>(561,886)</u>            | <u>(205,828)</u>          | <u>(767,714)</u>            | 37 %                  |         |
| <b>Expenses</b>                | Salaries & Wages       | 17,237,222                  | 1,028,349                 | 18,265,571                  | 6 %                   | Note 2  |
|                                | Employee Benefits      | 4,761,690                   | (468,689)                 | 4,293,001                   | (10)%                 | Note 2  |
|                                | Training & Development | 530,832                     | 1,085                     | 531,917                     | 0 %                   |         |
|                                | Business Expenses      | 92,931                      | 7,102                     | 100,033                     | 8 %                   |         |
|                                | Advertising & Printing | 354,379                     | 27,681                    | 382,060                     | 8 %                   | Note 3  |
|                                | Professional Services  | 1,218,068                   | (14,569)                  | 1,203,499                   | (1)%                  | Note 4  |
|                                | Insurance              | -                           | 2,000                     | 2,000                       | 100 %                 |         |
|                                | Rentals & Leases       | 678,718                     | 73,659                    | 752,377                     | 11 %                  | Note 5  |
|                                | Contracted Services    | 6,271,324                   | 36,338                    | 6,307,662                   | 1 %                   | Note 6  |
|                                | Supplies & Materials   | 8,263,975                   | (666,056)                 | 7,597,919                   | (8)%                  | Note 7  |
|                                | Repairs & Maintenance  | 3,240,395                   | 324,069                   | 3,564,464                   | 10 %                  | Note 8  |
|                                | Equipment Purchases    | 295,982                     | (49,732)                  | 246,250                     | (17)%                 | Note 9  |
|                                | Utilities              | 1,013,398                   | 41,333                    | 1,054,731                   | 4 %                   | Note 10 |
|                                | Telecommunications     | 314,956                     | 92,360                    | 407,316                     | 29 %                  | Note 11 |
|                                | Grants & Requisitions  | 82,000                      | -                         | 82,000                      | 0 %                   |         |
|                                | Other Expenses         | 105,389                     | 27,650                    | 133,039                     | 26 %                  | Note 12 |
|                                | Interprogram           | (7,530,604)                 | 588,193                   | (6,942,411)                 | (8)%                  | Note 13 |
|                                |                        | <u>36,930,655</u>           | <u>1,050,773</u>          | <u>37,981,428</u>           | 3 %                   |         |
| <b>Net (Revenues)/Expenses</b> |                        | <u>36,368,769</u>           | <u>844,945</u>            | <u>37,213,714</u>           | 2 %                   |         |
| <b>Non-Operating Items</b>     |                        | <u>7,176,623</u>            | <u>(874,269)</u>          | <u>6,302,354</u>            | (12)%                 | Note 14 |
| <b>TOTAL DIVISIONAL BUDGET</b> |                        | <u><b>\$ 43,545,392</b></u> | <u><b>\$ (29,324)</b></u> | <u><b>\$ 43,516,068</b></u> | <b>(0)%</b>           |         |

### Notes for Changes

#### Extraordinary Changes:

1) Included in budget is one-time funding of the Civic Election for \$592K which is funded 60% reserve and 40% school boards.

2) Transfer of 4 FTE's and budget from SCES to the ITS department as part of ITS business review \$781K.

3) Transfer of \$779K in Corporate Health Care Spending Accounts to Fiscal Services.

**Note 1:** LLS - Election recovery from School Boards partially offset by FAC - lease vacancy.

**Note 2:** COLA, Annualization growth, grid movements and changes in standard costing, benefit rate changes based on historical actuals and expected rate increases. Transfer of Corporate Health Care Spending and Learning Wellness Account to Fiscal Services. Staff moved from SCES to ITS, additional staff.

**Note 3:** LLS - Most change due to one-time election, partially offset by FAC - increase in postage chargebacks.

**Note 4:** ITS - One-time costs for system and Open Data removed, partially offset by LLS - increased legal activity.

**Note 5:** LLS - Lease for election support. FAC - Parking lot lease moved to Facilities from Fiscal Services.

**Note 6:** FAC - One-time tenant improvements and ITS - Rural Internet Towers removed. ITS - Initiative 2017-INIT-11 - Acquisition of Enhanced Air Photos & Related Software \$375K, ITS - SCES Information Management branch moved to ITS.

**Note 7:** FLT - Forecast drop in fuel prices for gas and diesel and reductions based on actuals, ITS - SCES Information Management branch moved to ITS, 2017-INIT-8 - FAC - Provide building maintenance service to Community Halls.

**Note 8:** Growth in facilities, fleet and information technology, 2017-INIT-8 - FAC - Provide building maintenance service to Community Halls.

**Note 9:** One time purchases for new employees removed, offset by additional costs for new staff.

**Note 10:** Impacts of carbon tax and inflation on natural gas and inflation on electricity.

**Note 11:** Increase in internet and web, historically underfunded partially offset by budget correction, ITS - SCES Information Management branch moved to ITS, 2017-INIT-8 - FAC - Provide building maintenance service to Community Halls.

**Note 12:** FAC - Annual radio license renewals.

**Note 13:** Decrease due mostly to lower Transit chargebacks because of lower fuel prices and better management of expenses. Also increase in chargebacks to Library and Utilities Dept.

**Note 14:** Increased reserve funding for Election and Fleet operating from capital as well as one-time reserve contribution from Facilities.

\*Revenue is shown as a credit (in brackets)





| <b>DEPARTMENT OPERATING BUDGETS</b>     |           |                   |
|---|-----------|-------------------|
| <b>Facility Services</b>                |           |                   |
| Revenues                                | \$        | (439,476)         |
| Expenses                                |           | 12,772,535        |
| Non-Operating Items                     |           | 1,445,000         |
| <b>NET REQUIREMENT</b>                  | <b>\$</b> | <b>13,778,059</b> |
| <b>Fleet Services</b>                   |           |                   |
| Revenues                                | \$        | (36,410)          |
| Expenses                                |           | 7,410,084         |
| Non-Operating Items                     |           | 4,160,000         |
| <b>NET REQUIREMENT</b>                  | <b>\$</b> | <b>11,533,674</b> |
| <b>Human Resources</b>                  |           |                   |
| Revenues                                | \$        | (40,000)          |
| Expenses                                |           | 4,995,670         |
| Non-Operating Items                     |           | (105,202)         |
| <b>NET REQUIREMENT</b>                  | <b>\$</b> | <b>4,850,468</b>  |
| <b>Information Technology Services</b>  |           |                   |
| Revenues                                | \$        | -                 |
| Expenses                                |           | 9,904,589         |
| Non-Operating Items                     |           | 962,799           |
| <b>NET REQUIREMENT</b>                  | <b>\$</b> | <b>10,867,388</b> |
| <b>Legislative &amp; Legal Services</b> |           |                   |
| Revenues                                | \$        | (251,828)         |
| Expenses                                |           | 2,898,550         |
| Non-Operating Items                     |           | (160,243)         |
| <b>NET REQUIREMENT</b>                  | <b>\$</b> | <b>2,486,479</b>  |
| <b>TOTAL DIVISION</b>                   | <b>\$</b> | <b>43,516,068</b> |

*\*Revenue is shown as a credit (in brackets)*

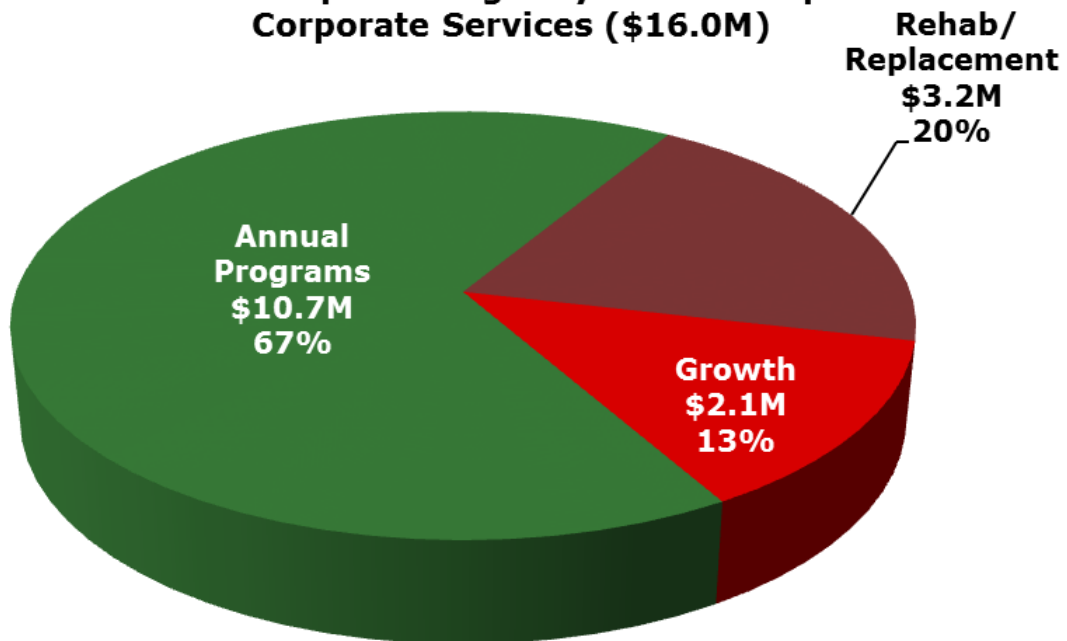
## Corporate Services Division 2017 divisional capital budget

|   | Cost              | Dept. |
|---|-------------------|-------|
| <b>Buildings</b>  |                   |       |
| Annual Facility Capital Lifecycle                           | \$ 2,200,000      | FAC   |
| FAC - SPSY Modernization - Office Building Design (\$13.6M) | 2,028,125         | FAC   |
|   | <b>4,228,125</b>  |       |
| <b>Electronic Hardware/Software</b>                         |                   |       |
| IT Corporate Infrastructure Replacement Program - Municipal | \$ 630,445        | ITS   |
|   | <b>630,445</b>    |       |
| <b>Machinery &amp; Equipment</b>                            |                   |       |
| Strathcona County Mitel VOIP Upgrade                        | \$ 136,830        | FAC   |
| ITS - Enhance Fibre: Granada                                | 243,000           | ITS   |
| Replacement of Radio System First Responders (Digital)      | 2,794,000         | FAC   |
|   | <b>3,173,830</b>  |       |
| <b>Vehicles</b>   |                   |       |
| Fleet Transit Replacements                                  | \$ 3,525,003      | FLT   |
| Annual V & E Fleet Replacements                             | 4,385,550         | FLT   |
| Vehicle for Community Halls Maintenance Operations          | 59,500            | FAC   |
| Lease Buyout RT-403 Toyota Matrix                           | 14,500            | FAC   |
|   | <b>7,984,553</b>  |       |
| <b>GRAND TOTAL</b>  | <b>16,016,953</b> |       |

Annual Program    Rehab / Replacement    Suggested Annual  
Growth    Developer Levy    Value Added

C - Construction    D - Design    L - Land    U - Utilities    (\$) - Total Project Cost

**2017 Capital Budget by Asset Group -  
Corporate Services (\$16.0M)**



■ Annual Programs    ■ Suggested Annual  
■ Rehab / Replacement    ■ Growth  
■ Developer Levy    ■ Value Added

# **2017 Divisional Budget**

**Chief Financial Officer's Division**



**Becoming Canada's  
most livable community**

...focusing on priorities

# 2017 Divisional Budget

## Chief Financial Officer's Division

### Introduction to the Chief Financial Officer's Division

The services provided by the Chief Financial Officer's (CFO) Division significantly contribute to Strathcona County's financial sustainability. With a focus on excellence in customer service and exercising best practices in financial management, we support sound stewardship of the County's financial resources. We support other County departments and inform corporate decision making by offering fiscal leadership and guidance, administering effective financial controls and processes, and reporting on the County's overall financial position.

Through a variety of direct financial services, analysis and advice, we are involved in all facets of County operations. Our work touches the lives of citizens every day, whether it be through the wise investment of tax dollars, assessment of properties, planning for a financially secure future, facilitating the acquisition of goods and services or ensuring accountability and transparency. As safe-keepers of the County's financial future, our operations contribute to realizing Council's vision for the community. Our contributions help to ensure that the high quality programs and services our residents are accustomed to will enrich lives well into the future.

### Departments and their core functions



#### Assessment and Tax

Assessment | Taxation



#### Financial Services

Financial Planning | Financial Reporting | Treasury and Risk Management Services | Financial Advisory Services



#### Procurement Services Branch

Procurement



#### Fiscal Services

Corporate Revenues (taxes, unconditional grants and franchise fees) | Corporate Expenses (grants, requisitions, amortization, debt servicing, Council Priority Funds)

# Chief Financial Officer's Division

## Who we are and how we serve



### Assessment and Tax (ASMTX)

Property taxes are a crucial source of revenue for Strathcona County, supporting delivery of the quality infrastructure and services made available to residents every day. The department annually prepares and communicates a legislative compliant assessment and tax roll that provides the distribution and collection of property taxes amongst residents, businesses, and industry. Assessment and Tax (ASMTX) is committed to clarifying the tax assessment process to its customers through stakeholder engagement and enhanced communication tools.



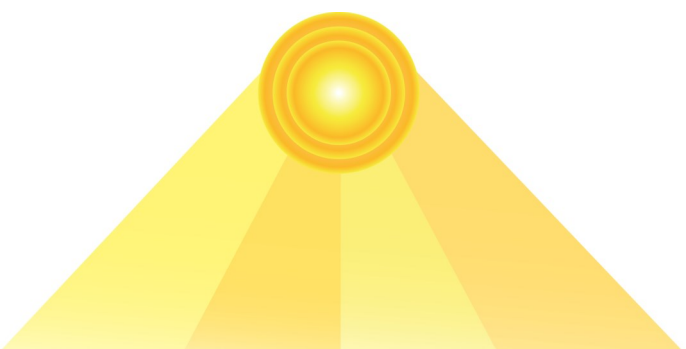
### Financial Services (FIN)

Financial Services (FIN) facilitates the County's operating and capital budgets and provides long-term financial planning and reporting for the organization. The department ensures internal control compliance, heads the annual audit program, and offers treasury and risk management services. Through business process management and improvements, financial training programs, advice and innovation, FIN serves as a support for all other departments.



### Procurement Services Branch (PSB)

The Procurement Services Branch (PSB) facilitates the procurement functions for Strathcona County. PSB supports the organization's focus on effective, efficient and legislatively compliant policy and supporting procedures, practices and processes. This is accomplished through collaboration, training and program improvement.







Utilizing PBB tools and data to look at programs and budgets differently



Create a clear understanding of how programs align across priorities, as well as to individual priorities



Identify efficiencies and cost savings in program areas across all four quartiles



Reallocate operating dollars between programs and quartiles across the organization in support of priority results



Examine fees through a priority-based lens

## Chief Financial Officer's Division

### Applying a priority-based lens to decision making

Utilizing PBB tools and data has allowed the CFO Division to:

- Adjust fees related to two ASMTX program areas to reduce the burden to tax payers
- Review current program priority-based budgeting data in FIN with a focus on staff roles
- Implement and integrate PBB methodology and priority results in capital projects planning across the organization

### Overcoming challenges

The CFO Division has identified challenges ahead in 2017:

- Adapting to legislative changes arising from the modernization of the *Municipal Government Act* that will come into effect in 2017 / 2018—manage related workloads and deliver on requirements to support the organization
- Maintaining service levels in the face of increasing volume and complexity of property tax assessments required—parcel count has jumped 50% over the last 20 years, yet the ASMTX department FTE staff has remained virtually the same
- Gaining the most effective use of technological tools and systems to provide efficient business processes that meet the needs and expectations of the organization and reflect best practices and standards
- Managing increasing workloads resulting from increasing demand for procurement support services
- Educating, directing and effectively collaborating with clients on procurement options to mitigate risk



**Utilizing PBB tools and data to look at programs and budgets differently**



Enhance coordination and synergies for cross-departmental program areas



Inform decisions for new initiatives and staffing requests through alignment to PBB programs and quartiles



Implement and integrate the evaluation of capital projects



Identify program areas requiring future assessment and long-term study

**Focusing on priorities**

2017 initiatives and projects that align with community priorities:

- Continue to undertake accurate valuation analysis, leverage technology and best practices and ensure legislative compliance in order to enable the corporation as a whole to fulfill strategic goals
- Enhance and introduce new online self-serve tools—tax certificates, tax notice reprints and third party credit card service—to add valuable customer service opportunities and free up staff resources
- Define and develop components of the Long Term Financial Sustainability Plan, including policies, financial strategies and scenarios
- Continue to implement the Business Plan and Budget Implementation (BPBI) project with a focus on utilizing the priority based tools and developing the effectiveness and efficiency reviews
- Continue with the implementation and improvement of the county-wide Enterprise Resource Planning (ERP) system to modernize business processes and leverage other system capabilities
- Enhance financial communications to strengthen financial reporting, performance measurement and customer service including a focus on the Insider, the website and open data
- Manage workloads while refining the structure of PSB's programs
- Educate customers on the appropriate information required for inquiries and bids to reduce unnecessary workloads and create efficiencies

**Budgets highlights—operating budget**

The CFO Division's 2017 operating budget reflects the key services we provide to citizens and the organization's internal departments, as well as our initiatives that serve Council's strategic vision. We are responsible for guaranteeing rigorous internal controls, constructive and timely reporting, and managing risk and investment. These activities will continue to improve upon the County's commitment to effectively serving tax payers.

## Chief Financial Officer's Division 2017 divisional budget changes

| Operating Revenue / Expense    |                            | 2016 Budget              | \$ Change 2016-2017        | 2017 Budget      | % Change 2016-2017 | Notes  |
|--------------------------------|----------------------------|--------------------------|----------------------------|------------------|--------------------|--------|
| <b>Revenues</b>                | User Fees & Charges        | \$ (310,449)             | \$ (42,771)                | \$ (353,220)     | 14 %               | Note 1 |
|                                | Other Revenues             | (13,600)                 | -                          | (13,600)         | 0 %                |        |
|                                |                            | <u>(324,049)</u>         | <u>(42,771)</u>            | <u>(366,820)</u> | 13 %               |        |
| <b>Expenses</b>                | Salaries & Wages           | 4,774,218                | 450,751                    | 5,224,969        | 9 %                | Note 2 |
|                                | Employee Benefits          | 1,148,401                | 143,728                    | 1,292,129        | 13 %               | Note 2 |
|                                | Training & Development     | 167,225                  | (23,741)                   | 143,484          | (14)%              | Note 3 |
|                                | Business Expenses          | 35,657                   | 2,523                      | 38,180           | 7 %                |        |
|                                | Advertising & Printing     | 105,224                  | (2,250)                    | 102,974          | (2)%               |        |
|                                | Professional Services      | 495,947                  | (96,692)                   | 399,255          | (19)%              | Note 4 |
|                                | Rentals & Leases           | 600                      | -                          | 600              | 0 %                |        |
|                                | Contracted Services        | 291,178                  | 15,431                     | 306,609          | 5 %                | Note 5 |
|                                | Supplies & Materials       | 74,217                   | (22,764)                   | 51,453           | (31)%              | Note 6 |
|                                | Repairs & Maintenance      | 600                      | -                          | 600              | 0 %                |        |
|                                | Equipment Purchases        | 38,800                   | (21,350)                   | 17,450           | (55)%              | Note 7 |
|                                | Telecommunications         | 17,390                   | (746)                      | 16,644           | (4)%               |        |
|                                | Other Expenses             | 58,555                   | 1,211                      | 59,766           | 2 %                |        |
|                                | Interprogram               | (565,894)                | 9,720                      | (556,174)        | (2)%               |        |
|                                | <u>6,642,118</u>           | <u>455,821</u>           | <u>7,097,939</u>           | 7 %              |                    |        |
| <b>Net (Revenues)/Expenses</b> | <u>6,318,069</u>           | <u>413,050</u>           | <u>6,731,119</u>           | 7 %              |                    |        |
| <b>Non-Operating Items</b>     | <u>(326,969)</u>           | <u>(37,445)</u>          | <u>(364,414)</u>           | 11 %             | Note 8             |        |
| <b>TOTAL DIVISIONAL BUDGET</b> | <u><b>\$ 5,991,100</b></u> | <u><b>\$ 375,605</b></u> | <u><b>\$ 6,366,705</b></u> | <b>6%</b>        |                    |        |

### Notes for Changes

- Note 1:** Increase in fee revenue from growth and inflation, adjustment to fee schedules resulting from priority based review.
- Note 2:** New positions funded through PBB reallocations and new temp positions funded through reserve, increases from COLA, grid movement, benefits inflation, and annualization of 2016 added positions, temporary buyer position approved in 2016 anticipated to terminate in July 2017.
- Note 3:** Completion of specialized procurement law training, completion of other one-time courses, other reductions to reflect revised professional development plans.
- Note 4:** Removal of one-time BPBI items, PBB reallocation to fund new positions, addition for BPBI policy writing (reserve funded), budget ledger account corrections (net-zero impact).
- Note 5:** Addition to support continued development and sustainment of Long Term Financial Plan (reserve funded).
- Note 6:** Removal of one-time items related to new positions in 2016, budget corrections (net-zero impact).
- Note 7:** Removal of one-time items related to new positions in 2016.
- Note 8:** Reduction in reserve funding proposed in conjunction with a requested Temp-to-Perm conversion, removal of one-time funding from 2016 budget, addition of new funding of BPBI work, addition of new funding for continued development of Long Term Financial Plan.

*\*Revenue is shown as a credit (in brackets)*

## Chief Financial Officer's Division 2017 budget changes—Fiscal Services

| Operating Revenue / Expense         |                        | 2016<br>Budget          | \$ Change<br>2016-2017 | 2017<br>Budget          | % Change<br>2016-2017 | Notes   |
|-------------------------------------|------------------------|-------------------------|------------------------|-------------------------|-----------------------|---------|
| <b>Revenues</b>                     | Property Taxes         | \$ (210,785,648)        | \$ (272,700)           | \$ (211,058,348)        | 0 %                   | Note 1  |
|                                     | User Fees & Charges    | (3,121,000)             | (350,000)              | (3,471,000)             | 11 %                  | Note 2  |
|                                     | Penalties & Fines      | (1,300,000)             | -                      | (1,300,000)             | 0 %                   |         |
|                                     | Investment Income      | (4,737,311)             | 74,951                 | (4,662,360)             | (2)%                  | Note 3  |
|                                     | Other Revenues         | (894,104)               | (232,905)              | (1,127,009)             | 26 %                  | Note 4  |
|                                     |                        | <u>(220,838,063)</u>    | <u>(780,654)</u>       | <u>(221,618,717)</u>    | 0 %                   |         |
| <b>Expenses</b>                     | Salaries & Wages       | 2,359,783               | (2,913,154)            | (553,371)               | (123)%                | Note 5  |
|                                     | Employee Benefits      | 451,854                 | 437,250                | 889,104                 | 97 %                  | Note 5  |
|                                     | Training & Development | (77,082)                | (4,800)                | (81,882)                | 6 %                   |         |
|                                     | Business Expenses      | (196,439)               | (6,561)                | (203,000)               | 3 %                   |         |
|                                     | Advertising & Printing | (325,500)               | -                      | (325,500)               | 0 %                   |         |
|                                     | Professional Services  | 714,749                 | (102,500)              | 612,249                 | (14)%                 | Note 6  |
|                                     | Insurance              | 2,136,269               | (111,935)              | 2,024,334               | (5)%                  | Note 7  |
|                                     | Rentals & Leases       | (42,400)                | (57,600)               | (100,000)               | 136 %                 | Note 8  |
|                                     | Contracted Services    | (1,190,000)             | -                      | (1,190,000)             | 0 %                   |         |
|                                     | Supplies & Materials   | (1,000,000)             | -                      | (1,000,000)             | 0 %                   |         |
|                                     | Utilities              | -                       | 150,000                | 150,000                 | 100 %                 | Note 9  |
|                                     | Telecommunications     | (49,100)                | (300)                  | (49,400)                | 1 %                   |         |
|                                     | Interest on Debt       | 3,324,471               | 247,991                | 3,572,462               | 7 %                   | Note 10 |
|                                     | Grants & Requisitions  | 1,054,858               | 60,000                 | 1,114,858               | 6 %                   | Note 11 |
|                                     | Other Expenses         | 637,793                 | 2,862                  | 640,655                 | 0 %                   |         |
|                                     | Interprogram           | (1,449,966)             | 113,118                | (1,336,848)             | (8)%                  | Note 12 |
|                                     | Amortization Expense   | 43,990,044              | 1,938,689              | 45,928,733              | 4 %                   | Note 13 |
|                                     |                        | <u>50,339,334</u>       | <u>(246,940)</u>       | <u>50,092,394</u>       | (0)%                  |         |
| <b>Net (Revenues)/Expenses</b>      |                        | <u>(170,498,729)</u>    | <u>(1,027,594)</u>     | <u>(171,526,323)</u>    | 1 %                   |         |
| <b>Non-Operating Items</b>          |                        | <u>9,653,861</u>        | <u>1,607,519</u>       | <u>11,261,380</u>       | 17 %                  | Note 14 |
| <b>Non-Cash Adjustment</b>          |                        | <u>(43,990,044)</u>     | <u>(2,012,806)</u>     | <u>(46,002,850)</u>     | 5 %                   | Note 13 |
| <b>TOTAL FISCAL SERVICES BUDGET</b> |                        | <u>\$ (204,834,912)</u> | <u>\$ (1,432,881)</u>  | <u>\$ (206,267,793)</u> | <b>1%</b>             |         |

### Notes for Changes

- Note 1:** Property tax growth and deflation.
- Note 2:** Increase in franchise fees revenue due to an increase in volume.
- Note 3:** Decrease in investments partially because of deflation.
- Note 4:** Increase due to interest payments made as a result of debenture borrowing for Heartland Housing Foundation.
- Note 5:** Removal of allowances for contracted negotiations, add allowance to set up program for mandatory fitness for Firefighters (funded from reserve), removal of allowance for Employee Handbook changes from the 2016 budget - reallocated to departments, Corporate Learning Wellness & Health Care Spending reallocated from Human Resources.
- Note 6:** Removal of one time Asset Management consultant.
- Note 7:** Increase in insurance claims due to growth, reduction in insurance premiums, adjustment to Ex-Gratia insurance payments to align with historical actuals.
- Note 8:** Reallocate parking lot lease to Facility Services.
- Note 9:** Contingency for unknown effect of Carbon Tax on electricity.
- Note 10:** Increase due to interest on new debt borrowed on behalf of Heartland Housing Foundation offset in Other Revenue, combination of new debt interest less interest on existing debt & capital lease.
- Note 11:** Increase to River Valley Alliance, addition of North Saskatchewan Watershed Alliance.
- Note 12:** Decrease to chargeback recoveries to Utilities for Support Services Allocation, decrease to insurance chargeback recoveries.
- Note 13:** Amortization increased for new assets, golf course amortization reallocated to Fiscal.
- Note 14:** Remove 2015 surplus funding of 2016 one time costs, remove capital lease funding (lease ended), remove one time reserve funding for 2016-EXCP-21 Business Process Review, increase for debentures reallocated from BPGC, increased Principal on Debentures for new borrowing, fund allowance for mandatory fitness for firefighters program.

\*Revenue is shown as a credit (in brackets)



| DEPARTMENT OPERATING BUDGETS       |           |                      |
|------------------------------------|-----------|----------------------|
| <b>Assessment &amp; Tax</b>        |           |                      |
| Revenues                           | \$        | (366,220)            |
| Expenses                           |           | 1,906,567            |
| Non-Operating Items                |           | -                    |
| <b>NET REQUIREMENT</b>             | <b>\$</b> | <b>1,540,347</b>     |
| <b>Financial Services</b>          |           |                      |
| Revenues                           | \$        | (600)                |
| Expenses                           |           | 4,681,210            |
| Non-Operating Items                |           | (364,414)            |
| <b>NET REQUIREMENT</b>             | <b>\$</b> | <b>4,316,196</b>     |
| <b>Procurement Services Branch</b> |           |                      |
| Revenues                           | \$        | -                    |
| Expenses                           |           | 510,162              |
| Non-Operating Items                |           | -                    |
| <b>NET REQUIREMENT</b>             | <b>\$</b> | <b>510,162</b>       |
| <b>TOTAL DIVISION</b>              | <b>\$</b> | <b>6,366,705</b>     |
| <b>Fiscal Services</b>             |           |                      |
| Revenues                           | \$        | (221,618,717)        |
| Expenses                           |           | 50,092,394           |
| Non-Operating Items                |           | (34,741,470)         |
| <b>TOTAL FISCAL SERVICES</b>       | <b>\$</b> | <b>(206,267,793)</b> |

\*Revenue is shown as a credit (in brackets)



# 2017 Budget

## Senior Administration



**Becoming Canada's  
most livable community**

...focusing on priorities

## Introduction to Senior Administration

Senior Administration develops, implements, and administers policies and programs established and approved by Strathcona County Council. Senior Administration also supports, assists and advises Council on legislation and municipal operations—the information necessary to support informed decision-making. Together with the Executive Team, the Chief Commissioner clarifies operations to achieve Council’s strategic vision. He is also responsible for delivering the County’s business plans in alignment with Council’s Strategic Plan and oversees the Corporate Planning and Intergovernmental Affairs and Communications departments.

The work of these departments serves to strengthen the programs and services offered by all other County departments by building a clear understanding of priorities, improving upon communication, engaging the public, advocating initiatives to regional partners and other orders of government, and monitoring success through a framework of performance measures. Through sound advice and identifying strategic issues and opportunities, Senior Administration aims to bring about collaborative success, leading Strathcona County to increase efficiency and effectiveness and become the most livable community in Canada.

## Departments and their core functions



### Executive Team

Leading Corporate-Wide Projects | Supporting and Integrating Council’s Strategic Goals Through Organizational Leadership



### Communications

Communications Planning | Stakeholder Relations | Digital Media | Production Services | History and Heritage



### Corporate Planning and Intergovernmental Affairs

Corporate Planning | Intergovernmental Affairs | Public Engagement and Outreach

# Senior Administration

## Who we are and how we serve



### Executive Team (ET)

Strathcona County's Executive Team (ET) is responsible for providing information, support, and advice to County Council and for contributing leadership and direction for the delivery of operational services through the departments, in alignment with the Strategic Plan. ET budgets to provide for efficient and effective implementation of corporate projects.



### Communications (COMC)

Communications (COMC) advances Strathcona County's reputation and ensures citizens and stakeholders receive transparent, relevant information to remain actively engaged. In collaboration with County departments, Communications manages the organization's communications, including communications planning, the County's internal and external websites, social media platforms, newsletters, marketing materials and advertising. By monitoring and proactively addressing emerging issues, Communications effectively facilitates corporate performance and success.



### Corporate Planning and Intergovernmental Affairs (CPIA)

Corporate Planning and Intergovernmental Affairs (CPIA) planning activities allow the organization to make informed decisions and prioritize actions. Facilitating the business planning process across all organizational levels, the department ensures that all County actions align with corporate and community priorities supported through priority-based business planning and budgeting. CPIA helps to monitor, measure, and report on the progress or achievement of outcomes embedded within priorities and goals, and develops policy and performs market and trend analysis. The department also works to help the public understand the strategic plan and how its prioritized strategic goals impact their daily lives. The department promotes meaningful relationships with neighbouring municipalities and advises elected officials and staff of intergovernmental issues that impact the County.





Utilizing PBB tools and data to look at programs and budgets differently



Create a clear understanding of how programs align across priorities, as well as to individual priorities



Identify efficiencies and cost savings in program areas across all four quartiles



Reallocate operating dollars between programs and quartiles across the organization in support of priority results



Examine fees through a priority-based lens

## Senior Administration

### Applying a priority-based lens to decision making

Utilizing PBB tools and data has allowed Senior Administration to:

- Reallocate operating dollars between programs across the organization in support of priority results in COMC's digital media program area
- Find efficiencies and cost savings in CPIA's intergovernmental relations program area through program level review
- Utilize existing staff resources to reduce contracted services in CPIA's government research program area
- Find efficiencies and cost savings in CPIA's public engagement program area through program level review and the reallocation of resources to reduce contract services

### Overcoming challenges

Senior Administration has identified challenges ahead in 2017:

- Continuing to execute several large corporate-wide initiatives simultaneously, ensuring their completion on-time, scope and budget
- Meeting the growing demand for communications resources from both internal and external clients
- Fulfilling the wide and growing spectrum of public expectations related to technology and issues management
- Responding to County growth in online ambition, leading to more online services, increased social engagement, a surge in content volumes and high user engagement and expectations
- Adapting and responding to the changes stemming from the modernized *Municipal Government Act*
- Understanding regional growth pressures and leveraging partnerships appropriately to ensure that Strathcona County remains regionally competitive and is making progress towards becoming Canada's most livable community

Utilizing PBB tools and data to look at programs and budgets differently



Enhance coordination and synergies for cross-departmental program areas



Inform decisions for new initiatives and staffing requests through alignment to PBB programs and quartiles



Implement and integrate the evaluation of capital projects



Identify program areas requiring future assessment and long-term study

## Focusing on priorities

2017 initiatives and projects that align with community priorities:

- Lead initiatives through the Corporate Business Plan
- Support Council's strategic goals through organizational leadership
- Review, redesign and upgrade Strathcona County's external website to capture advances in industry standards, technology and trends
- Initiate a needs assessment of the internal website as a precursor to its upgrade and redesign
- Continue to streamline, formalize and enhance the County's social media presence, through monitoring and tracking, exploring emerging tools, responding to citizen inquiries and measuring effectiveness
- Continue to assess and share communications trends, and measure and report on the effectiveness of communications programs, tools and specific campaigns
- Continue the corporate-wide integration of priority-based business planning and budgeting
- Enhance engagement with the public and Council to clearly capture the true vision of what it is to be Canada's most livable community
- Promote awareness of the strategic plan and priorities to ensure a more informed public to support Council in future reviews
- Continue to foster meaningful relationships with other orders of government and regional municipalities and agencies

## Budget highlights - Operating

Senior Administration supports the development and implementation of strategies that align with Strathcona County's prioritized strategic goals. The division's 2017 operating budget reflects services that enhance capacity to offer leadership and support to Council, the organization and other stakeholders in alignment with achieving these goals.

## Senior Administration 2017 budget changes

| Operating Revenue / Expense    | 2016<br>Budget      | \$ Change<br>2016-2017 | 2017<br>Budget      | % Change<br>2016-2017 | Notes  |
|--------------------------------|---------------------|------------------------|---------------------|-----------------------|--------|
| <b>Revenues</b>                |                     |                        |                     |                       |        |
| Government Grants              | \$ (30,223)         | \$ 22,223              | \$ (8,000)          | (74)%                 |        |
| User Fees & Charges            | (124,000)           | -                      | (124,000)           | 0 %                   |        |
|                                | <u>(154,223)</u>    | <u>22,223</u>          | <u>(132,000)</u>    | <u>(14)%</u>          |        |
| <b>Expenses</b>                |                     |                        |                     |                       |        |
| Salaries & Wages               | 4,308,346           | 118,197                | 4,426,543           | 3 %                   | Note 1 |
| Employee Benefits              | 933,236             | 66,621                 | 999,857             | 7 %                   | Note 1 |
| Training & Development         | 177,980             | 11,050                 | 189,030             | 6 %                   | Note 2 |
| Business Expenses              | 135,082             | 6,813                  | 141,895             | 5 %                   |        |
| Advertising & Printing         | 231,417             | (10,758)               | 220,659             | (5)%                  | Note 3 |
| Professional Services          | 315,807             | 168,024                | 483,831             | 53 %                  | Note 4 |
| Rentals & Leases               | 8,730               | (4,827)                | 3,903               | (55)%                 |        |
| Contracted Services            | 264,754             | (202,889)              | 61,865              | (77)%                 | Note 5 |
| Supplies & Materials           | 187,493             | (134,265)              | 53,228              | (72)%                 | Note 6 |
| Repairs & Maintenance          | 439                 | -                      | 439                 | 0 %                   |        |
| Equipment Purchases            | 15,288              | 7,500                  | 22,788              | 49 %                  |        |
| Telecommunications             | 26,575              | (314)                  | 26,261              | (1)%                  |        |
| Other Expenses                 | -                   | 40,000                 | 40,000              | 100 %                 | Note 7 |
| Interprogram                   | (28,908)            | 1,470                  | (27,438)            | (5)%                  |        |
|                                | <u>6,576,239</u>    | <u>66,622</u>          | <u>6,642,861</u>    | <u>1 %</u>            |        |
| <b>Net (Revenues)/Expenses</b> | <u>6,422,016</u>    | <u>88,845</u>          | <u>6,510,861</u>    | <u>1 %</u>            |        |
| <b>Non-Operating Items</b>     | <u>(104,000)</u>    | <u>53,628</u>          | <u>(50,372)</u>     | <u>(52)%</u>          | Note 8 |
| <b>TOTAL BUDGET</b>            | <b>\$ 6,318,016</b> | <b>\$ 142,473</b>      | <b>\$ 6,460,489</b> | <b>2%</b>             |        |

### Notes for Changes

- Note 1:** COLA, grid movement and benefits inflation, as well as reallocations through PBB to maintain current service levels in the Websites and Digital Assets program.
- Note 2:** PBB efficiencies identified in the Intergovernmental Affairs programs redirected to better support staff development.
- Note 3:** Reductions to Public Relations, Printing & Subscriptions due to historical spending statistics.
- Note 4:** Budget coding correction with zero net-tax impact (Note 5). Annualization of 2nd year costs of website evaluation and redesign (proposed to be funded through 2016 surplus carry-forward, Note 8). PBB reallocation towards the Website and Digital Assets program (Note 1). Additional decreases resulting from the removal of one-time items from 2016 budget and the reallocation of web hosting services from COMC to ITS.
- Note 5:** Budget coding correction described (Note 4). PBB savings by leveraging existing staff to deliver governance research. PBB cost avoidance mitigating anticipated online research panel costs approved in 2016 by leveraging existing staff. Portion of PBB savings leveraged to support sustainment of County Connect to further enable the capture of performance measurement data to aid business planning.
- Note 6:** Reduction of one-time costs in 2016 pertaining to the Online Research Panel initiative.
- Note 7:** Annualization of licensing costs associated with Online Research Panel initiative approved in the 2016 budget.
- Note 8:** Removal of one-time reserve funding for Online Research Panel (Note 6), addition of one-time 2016 surplus carry-forward to offset 2nd year costs of the Web Redesign project (Note 4).

*\*Revenue is shown as a credit (in brackets)*





| <b>OPERATING BUDGETS</b>                                  |           |                  |
|---|-----------|------------------|
| <b>Executive Team</b>                                     |           |                  |
| Revenues  | \$        | -                |
| Expenses  |           | 2,958,281        |
| Non-Operating Items                                       |           | 3,000            |
| <b>NET REQUIREMENT</b>                                    | <b>\$</b> | <b>2,961,281</b> |
| <b>Communications</b>                                     |           |                  |
| Revenues  | \$        | -                |
| Expenses  |           | 1,656,314        |
| Non-Operating Items                                       |           | (78,372)         |
| <b>NET REQUIREMENT</b>                                    | <b>\$</b> | <b>1,577,942</b> |
| <b>Corporate Planning &amp; Intergovernmental Affairs</b> |           |                  |
| Revenues  | \$        | (132,000)        |
| Expenses  |           | 2,028,266        |
| Non-Operating Items                                       |           | 25,000           |
| <b>NET REQUIREMENT</b>                                    | <b>\$</b> | <b>1,921,266</b> |
| <b>TOTAL</b>  | <b>\$</b> | <b>6,460,489</b> |

*\*Revenue is shown as a credit (in brackets)*



# 2017 Budget

**Elected Officials**



**Becoming Canada's  
most livable community**

...focusing on priorities

## Introduction to Elected Officials

As your elected officials, we are the stewards of Strathcona County's Strategic Plan, *Powering our New Tomorrow*, the document that guides the 2015-2018 Corporate Business Plan and the 2017 Budget. Engaged citizens contribute their aspirations for our future on an ongoing basis. It is our responsibility to guide the community to realizing our shared vision of becoming Canada's most livable community. With the voices of our citizens setting direction for the programs and services which meet the needs of our community, we have established priorities to execute the critical functions of County government.

Through our roles and obligations set out in the *Municipal Government Act* and other legislation, it is our job to govern and to plan for success. We provide leadership and direction to Administration in the review and approval of policies and programs that benefit the residents, businesses, and industry of Strathcona County.

To facilitate the decision making process and to inform the organization on regional issues, concerns and trends, Councillors are members of a number of external committees, boards and commissions. This external representation ensures that the well-being and interests of the municipality as a whole are considered, represented, and promoted now and into the future.



### Mayor

Mayor's Office



### Councillors

Ward 1 | Ward 2

Ward 3 | Ward 4

Ward 5 | Ward 6

Ward 7 | Ward 8



## Elected Officials 2017 operating budget

| Operating Revenue / Expense           |                        | 2016 Budget                | \$ Change 2016-2017     | 2017 Budget                | % Change 2016-2017 | Notes  |
|---------------------------------------|------------------------|----------------------------|-------------------------|----------------------------|--------------------|--------|
| <b>Expenses</b>                       | Salaries & Wages       | \$ 858,995                 | \$ 28,829               | \$ 887,824                 | 3 %                | Note 1 |
|                                       | Employee Benefits      | 122,896                    | 16,121                  | 139,017                    | 13 %               | Note 1 |
|                                       | Training & Development | 81,554                     | 534                     | 82,088                     | 1 %                |        |
|                                       | Business Expenses      | 61,535                     | -                       | 61,535                     | 0 %                |        |
|                                       | Advertising & Printing | 158,605                    | 534                     | 159,139                    | 0 %                |        |
|                                       | Professional Services  | 8,750                      | -                       | 8,750                      | 0 %                |        |
|                                       | Supplies & Materials   | 150                        | -                       | 150                        | 0 %                |        |
|                                       | Equipment Purchases    | 2,000                      | -                       | 2,000                      | 0 %                |        |
|                                       | Telecommunications     | 8,357                      | (1,068)                 | 7,289                      | (13)%              |        |
|                                       |                        | <u>1,302,842</u>           | <u>44,950</u>           | <u>1,347,792</u>           | <u>3 %</u>         |        |
| <b>Net (Revenues)/Expenses</b>        |                        | <u>1,302,842</u>           | <u>44,950</u>           | <u>1,347,792</u>           | <u>3 %</u>         |        |
| <b>Non-Operating Items</b>            |                        | <u>-</u>                   | <u>-</u>                | <u>-</u>                   | <u>0 %</u>         |        |
| <b>TOTAL Elected Officials Budget</b> |                        | <u><b>\$ 1,302,842</b></u> | <u><b>\$ 44,950</b></u> | <u><b>\$ 1,347,792</b></u> | <u><b>3%</b></u>   |        |

**Notes for Changes**  
**Note 1:** Adjustments based on remuneration policy and actual benefits costs.

*\*Revenue is shown as a credit (in brackets)*



# 2017 Approved Budget

## Consolidated Capital Budget

A decorative graphic at the bottom of the page. It features a central yellow sunburst or spotlight effect pointing upwards, set against a background of layered blue and teal wavy shapes that resemble water or hills. The text is positioned within the yellow spotlight area.

**Becoming Canada's  
most livable community**

...focusing on priorities

# 2017 Approved Budget

## Consolidated capital budget

### Introduction

The Capital Plan and approved 2017 Capital Budget demonstrate prudence and financial leadership with reasonable expectations on future budgets. A financially strategic approach in alignment with community priorities will guide the County in accomplishing goals while reducing risk and controlling costs.

In 2017, the focus will be to continue supporting annual maintenance programs, catch up on open projects and hold spending while preparing to manage community growth node pressures. By planning carefully to capture strategic and financial opportunities, the capital budget positions the County well to ensure the organization is able to deliver on its promises. The budget reflects the challenges and opportunities of today's economic environment and what can be accomplished within the County's means to deliver capital projects that add true value to the community.

### The value of capital

Capital assets, such as facilities, parks, vehicles, roads and water lines, are the backbone of every community. It is critical to rethink, revitalize and preserve our capital assets in order to meet community priorities, accommodate a vigorous and resilient economy, and continue to provide the essential services residents rely on each day for health, safety and enjoyment.

Building a responsible capital budget involves allocating resources to meet both today's needs and the requirements for long-term financial sustainability. A number of factors must be examined in terms of capital projects—the pressures of infrastructure maintenance, growth and new capital projects must be balanced against the impacts on future operating budgets, staff resources and available funding.

### The true cost of capital

Capital investment in the 2017 budget includes a number of design projects that will prepare the County to satisfy community priorities and provide quality of life for residents.

While these design projects come at a fairly low cost, initiating them may lead to significant financial implications for future budgets.

It is important to view capital investment in terms of these true costs in order to support sound decision making—choosing the most important projects based on priorities and funding—and create positive impacts for the future.

### A strategic planning approach

A variety of processes, strategies and funding options have been employed to promote long-term financial sustainability and responsible spending in the 2017 Capital Budget:

- Deferring projects with lower quartile scores in alignment with Priority-Based Budgeting (PBB) principles.
- Utilizing grant funding sources strategically has allowed for the reallocation of funds.
- A thorough review of open projects has:
  - Determined the cash flows of open projects and defined reasonable goals in terms of which open capital projects can be realistically achieved in 2017.
  - Resulted in the planned release of \$23M to fund future capital needs.



## Planning philosophy

The approach surrounding Strathcona County's capital planning has undergone a significant shift. The focus has changed from previous methods that centre on growth and construction, to methods that clearly examine present needs and capacity while exploring efficiencies in the context of priorities.

The philosophy has moved to:

Completing the appropriate steps, such as land purchase and utilities, prior to construction in order to help reduce capital budget amendments and issues with project delays.

Unbundling the stages of capital projects to create multiple decision points in the construction process and give the County greater flexibility.

The option to reconsider advancing on projects at the functional planning, schematic design or detailed design stages offers greater financial security.

Building strong partnerships with other municipalities and industry to establish mutually-beneficial funding options. For example, the Petroleum Way Pedestrian Trail will be funded through a \$1.5M contribution from Inter-Pipeline Ltd.

## Focus for capital spending in 2017

Capital spending in 2017 will support the following programs and projects:



### **Asset management: annual programs**

To ensure a sustainable future, the first capital consideration is the maintenance of existing assets. The approved 2017 Capital Budget focuses largely on annual rehabilitation and replacement programs to follow responsible capital planning and eliminate an infrastructure deficit in the future. It is imperative to continue with the renewal cycles and annual maintenance based on periodic asset reviews to maintain service levels in the long term and protect the County's investments. The cost for annual programs is expected to be \$35M in 2017.

These programs have historically been supported each year by specific, dedicated reserves that have been built over time to provide secure, continuous funding. However, in 2017, the County will utilize grants for annual programs to meet grant specifications and provide a possible one-time redirection of those reserve funds to support up to \$17M of strategic priorities.



### **Meeting community demands: service capital**

#### *Multi-Purpose Agricultural Facility design (Quartile 2)*

The importance of agriculture to the economic, cultural and social well-being of Strathcona County has been identified. A multi-purpose agricultural facility could enhance the profile and strength of agricultural lifestyle in the County. The cost for the project engineering/design, land purchase and servicing is expected to be \$7M over 2017 and 2018.



#### *Petroleum Way Improvements Phase 1 and Trans Canada Trail (Quartile 2)*

The completion of this multi-use trail network between Sherwood Park and the North Saskatchewan River valley in the City of Edmonton is an example of strong inter-municipal partnerships and positive relationships with industry. The cost for the project design and construction of phase 1 is expected to be \$4M in 2017.



#### *Ordze Transit Centre Renovation (Quartile 1)*

Strathcona County's new double-decker bus fleet provides essential and effective transit service to residents. Renovation at the Ordze Transit Centre will lower the platform to accommodate for the height of the buses. The cost for the renovation is expected to be \$1.5M in 2017.

# Consolidated capital budget

## **Improving safety and service delivery:**



### *Radio system replacement – first responders (Quartile 2)*

The organization’s current radio system is outdated and will soon no longer be serviced. Replacing the corporate radio system will address this issue, enhance service delivery and allow the County to tie into the province-wide radio system, which improves the safety of first responders and all Albertans. The cost for the replacement is expected to be \$2.8M in 2017.

## **Accommodating growth: infrastructure expansion**



### *Strathcona Public Services Yard (SPSY) modernization design (Quartiles 3 and 4)*

As the community has experienced growth, county staff has also grown. The SPSY facility is currently over capacity. Modernization of the facility will alleviate this pressure. The cost for the modernization design is expected to be \$2M.



### *Roads (Quartile 1)*

Road construction within Sherwood Park will manage development growth pressures and meet service levels. The cost for road construction is expected to be \$6M.

## **Serving the community**

### **The Capital Plan and budget serve the community in five main ways:**

- Planned maintenance and lifecycle repair
- One-time and emergent maintenance and repairs
- Rehabilitation and revitalization
- Planning and design of future assets
- The creation/ purchase / construction of new assets

### **Challenges identified include:**

- Maintaining current infrastructure
- Bridging the long-term funding gap
- Balancing capital needs for today and the future

**Consolidated capital budget**  
**2017 capital budget**

|   | <b>Cost</b>                               | <b>Dept.</b>                        |
|---|---|-------------------------------------|
| <b>Buildings</b>  |   |                                     |
| Annual Parking Lot Rehab Program                                    | \$ 353,088                                | TAS                                 |
| Annual Facility Capital Lifecycle                                   | 2,200,000                                 | FAC                                 |
| FAC - SPSY Modernization - Office Building Design (\$13.6M)         | 2,028,125                                 | FAC                                 |
| OSRFS - Moyer Recreation Centre Functional Design (\$5.0M)          | 110,000                                   | RPC                                 |
| OSRFS - Spray Park Functional Design (\$1.5M)                       | 80,000                                    | RPC                                 |
| Strathcona Athletic Park Shop Expansion                             | 500,000                                   | RPC                                 |
| Orzde Transit Centre Renovation                                     | 1,500,000                                 | SCT                                 |
| Multi-Use Agriculture Facility D (\$31.0M)                          | 7,000,000                                 | TAS                                 |
|   | <b>13,771,213</b>                         |                                     |
| <b>Electronic Hardware/Software</b>                                 |   |                                     |
| IT Infrastructure Replacement Program - Library                     | \$ 57,469                                 | LIB                                 |
| IT Infrastructure Replacement Program - Utilities                   | 40,000                                    | UT                                  |
| IT Corporate Infrastructure Replacement Program - Municipal         | 630,445                                   | ITS                                 |
|   | <b>727,914</b>                            |                                     |
| <b>Land Development</b>   |   |                                     |
| CITP Sherwood Drive & Community Centre Sidewalks/Landscape (\$347K) | \$ 28,650                                 | PDS                                 |
|   | <b>28,650</b>                             |                                     |
| <b>Machinery &amp; Equipment</b>                                    |   |                                     |
| Annual Golf Course Equipment Replacement Program                    | \$ 66,000                                 | RPC                                 |
| Annual Library Collection Replacement                               | 603,314                                   | LIB                                 |
| Annual Recreation Equipment Replacement Program                     | 195,000                                   | RPC                                 |
| Annual Equipment Replacement Program                                | 105,000                                   | SCES                                |
| Annual Water Meter / Radio Frequency Program                        | 495,000                                   | UT                                  |
| Boiler Expansion at Centre in the Park (Community Energy Centre)    | 520,000                                   | UT                                  |
| Strathcona County Mitel VOIP Upgrade                                | 136,830                                   | FAC                                 |
| ITS - Enhance Fibre: Granada  | 243,000                                   | ITS                                 |
| Emergency Communications Centre Equipment Replacement PSAP          | 53,000                                    | SCES                                |
| Replacement of Radio System First Responders (Digital)              | 2,794,000                                 | FAC                                 |
| Floor Cleaning Machine  | 90,000                                    | SCT                                 |
|   | <b>5,301,144</b>                          |                                     |
| <b>Program Parks &amp; Open Space Development</b>                   |   |                                     |
| Annual Parks Infrastructure Lifecycle                               | \$ 990,000                                | RPC                                 |
| Petroleum Way Improvements Ph1 and Trans Canada Trail C             | 4,000,000                                 | CPC                                 |
| Annual OSRFS Outdoor Revitalization Program                         | 925,000                                   | RPC                                 |
|   | <b>5,915,000</b>                          |                                     |
| <b>Utilities</b>  |   |                                     |
| Annual Hydrant / Valve Replacement                                  | \$ 278,000                                | UT                                  |
| UT Rural Water System Connections                                   | 200,000                                   | UT                                  |
| Annual Rollout Carts  | 90,800                                    | UT                                  |
| Infrastructure Renewal - Utilities Lifecycle Management             | 200,000                                   | UT                                  |
| Community Energy Connection Lot 4                                   | 600,000                                   | UT                                  |
|   | <b>1,368,800</b>                          |                                     |
| <b>Annual Program Growth</b>  | <b>Rehab / Replacement Developer Levy</b> | <b>Suggested Annual Value Added</b> |
| <b>C - Construction</b>   | <b>D - Design</b>                         | <b>L - Land</b>                     |
|   |   | <b>U - Utilities</b>                |
|   |   | <b>( \$ ) - Total Project Cost</b>  |

*Continued on next page*

# Consolidated capital budget

## 2017 capital budget (continued)

| <b>Roadway Infrastructure</b>                                |                       |                            |                         |                                  |
|--|-----------------------|----------------------------|-------------------------|----------------------------------|
| <b>Annual Programs</b>                                       |                       |                            |                         |                                  |
| Annual Rural Road Rehab Program                              |                       | \$                         | 7,453,892               | TAS                              |
| Annual Bridge Replacement Project                            |                       |                            | 1,700,000               | TAS                              |
| Annual Residential Rehab Program                             |                       |                            | 5,025,407               | TAS                              |
| Annual Arterial Road Rehab Program                           |                       |                            | 3,957,858               | TAS                              |
| Annual Asphalt Trail Rehab Program                           |                       |                            | 250,000                 | TAS                              |
| Annual Traffic & Pedestrian Safety Improvements              |                       |                            | 644,707                 | TAS                              |
| Annual Traffic Signal / Intersection Replacements            |                       |                            | 908,378                 | TAS                              |
| Annual Sidewalk Missing Links Program                        |                       |                            | 800,000                 | TAS                              |
| <b>Ardrossan</b>   |                       |                            |                         |                                  |
| Bridge Structure on Main St South DLU (\$1.7M)               |                       |                            | 230,000                 | CPC                              |
| Lindale Park and Highway 824 Intersection Upgrades           |                       |                            | 460,000                 | CPC                              |
| <b>Heartland</b>   |                       |                            |                         |                                  |
| Hwy 15 and Range Rd 212 Intersection Upgrades_C              |                       |                            | 1,400,000               | CPC                              |
| <b>Rural</b>   |                       |                            |                         |                                  |
| Class I Grid Road Improvement_D (\$11.0M)                    |                       |                            | 600,000                 | CPC                              |
| <b>Sherwood Park</b>   |                       |                            |                         |                                  |
| 17 St, 105 Ave to Sherwood Park Freeway_D (\$17.5M)          |                       |                            | 1,339,000               | CPC                              |
| <b>Wye Road</b>  |                       |                            |                         |                                  |
| Wye Rd, Brentwood and Nottingham Intersection Improvements_C |                       |                            | 4,740,000               | CPC                              |
|  |                       |                            | <b>29,509,242</b>       |                                  |
| <b>Vehicles</b>  |                       |                            |                         |                                  |
| Fleet Transit Replacements                                   |                       | \$                         | 3,525,003               | FLT                              |
| Annual Vehicle & Equipment Fleet Replacements                |                       |                            | 4,385,550               | FLT                              |
| Annual Utilities Fleet Addition & Replacement Program        |                       |                            | 708,690                 | UT                               |
| Vehicle for Community Halls Maintenance Operations           |                       |                            | 59,500                  | FAC                              |
| Fleet Addition - Utility Vehicle                             |                       |                            | 30,000                  | RPC                              |
| Fleet Addition - Garbage Truck                               |                       |                            | 195,000                 | RPC                              |
| Fleet Addition - Aerator                                     |                       |                            | 15,000                  | RPC                              |
| Lease Buyout RT-403 Toyota Matrix                            |                       |                            | 14,500                  | FAC                              |
|  |                       |                            | <b>8,933,243</b>        |                                  |
|  |                       |                            | <b>65,555,206</b>       |                                  |
| <b>GRAND TOTAL</b>   |                       |                            |                         |                                  |
|  |                       |                            | <b>65,555,206</b>       |                                  |
|  | <b>Annual Program</b> | <b>Rehab / Replacement</b> | <b>Suggested Annual</b> |                                  |
|  | <b>Growth</b>         | <b>Developer Levy</b>      | <b>Value Added</b>      |                                  |
| <b>C - Construction</b>                                      | <b>D - Design</b>     | <b>L - Land</b>            | <b>U - Utilities</b>    | <b>(\$) - Total Project Cost</b> |

# Consolidated capital budget



## 2017 capital funding

|  | Total Funding     | Tax Levy | Reserve           | Grants            | Developer Levy | User Rates | Other            |
|--|-------------------|----------|-------------------|-------------------|----------------|------------|------------------|
| Buildings                              | 13,771,213        | -        | 2,113,122         | 11,548,091        | -              | -          | 110,000          |
| Electronic Hardware / Software         | 727,914           | -        | 727,914           | -                 | -              | -          | -                |
| Land Development                       | 28,650            | -        | 28,650            | -                 | -              | -          | -                |
| Machinery & Equipment                  | 5,301,144         | -        | 2,130,230         | 2,567,600         | -              | -          | 603,314          |
| Program Parks & Open Space Development | 5,915,000         | -        | 925,000           | 3,295,000         | -              | -          | 1,695,000        |
| Roadway Infrastructure                 | 29,509,242        | -        | 4,387,928         | 22,968,537        | 701,390        | -          | 1,451,387        |
| Utilities                              | 1,368,800         | -        | 1,113,800         | -                 | -              | -          | 255,000          |
| Vehicles                               | 8,933,243         | -        | 5,760,740         | 3,172,503         | -              | -          | -                |
| <b>GRAND TOTAL</b>                     | <b>65,555,206</b> | <b>-</b> | <b>17,187,384</b> | <b>43,551,731</b> | <b>701,390</b> | <b>-</b>   | <b>4,114,701</b> |

## Capital 5 year forecast

| By Asset Type                | Approved            | Capital Forecast     |                      |                      |                      |                      |
|------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                              | 2017                | 2018                 | 2019                 | 2020                 | 2021                 | Total                |
| Buildings                    | \$ 13,771,213       | \$ 58,438,176        | \$ 20,742,480        | \$ 33,260,361        | \$ 28,334,145        | \$ 154,546,375       |
| Electronic Hardware/Software | 727,914             | 1,272,290            | 1,701,780            | 872,133              | 1,175,306            | 5,749,423            |
| Land Development             | 28,650              | 1,698,850            | 3,678,250            | 1,740,000            | -                    | 7,145,750            |
| Machinery & Equipment        | 5,301,144           | 3,160,474            | 2,529,012            | 4,247,196            | 2,032,714            | 17,270,540           |
| Program Parks & Open Space   | 5,915,000           | 1,680,000            | 1,780,000            | 1,740,000            | 3,070,000            | 14,185,000           |
| Roadway Infrastructure       | 29,509,242          | 48,933,982           | 77,020,607           | 50,908,255           | 35,557,127           | 241,929,213          |
| Utilities                    | 1,368,800           | 958,600              | 13,463,500           | 468,400              | 473,300              | 16,732,600           |
| Vehicles                     | 8,933,243           | 11,014,376           | 9,754,696            | 9,325,257            | 9,001,597            | 48,029,169           |
| <b>Grand Total</b>           | <b>\$65,555,206</b> | <b>\$127,156,748</b> | <b>\$130,670,325</b> | <b>\$102,561,602</b> | <b>\$ 79,644,189</b> | <b>\$505,588,070</b> |

| By Asset Need             | 2017                | 2018                 | 2019                 | 2020                 | 2021                 | Total                |
|---------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Annual Programs           | \$ 35,372,801       | \$ 34,439,529        | \$ 36,091,992        | \$ 36,366,595        | \$ 39,050,517        | \$ 181,321,434       |
| Suggested Annual Programs | -                   | -                    | -                    | -                    | 90,000               | 90,000               |
| Rehab / Replacement       | 6,556,330           | 12,911,389           | 2,161,638            | 16,088,969           | 2,513,000            | 40,231,326           |
| Growth                    | 15,936,075          | 52,286,075           | 87,528,695           | 44,132,438           | 37,990,672           | 237,873,955          |
| Developer Levy            | -                   | 2,362,655            | -                    | -                    | -                    | 2,362,655            |
| Value Added               | 7,690,000           | 25,157,100           | 4,888,000            | 5,973,600            | -                    | 43,708,700           |
| <b>Grand Total</b>        | <b>\$65,555,206</b> | <b>\$127,156,748</b> | <b>\$130,670,325</b> | <b>\$102,561,602</b> | <b>\$ 79,644,189</b> | <b>\$505,588,070</b> |

### Assumptions

The capital forecast identifies potential projects in the five year window  
 All funding sources have been projected in the five year window and result in a funding gap  
 The 2017 Priority Based Budgeting process will be used to prioritize the forecast and develop a funded plan

