



Focusing on what matters most
...becoming Canada's most livable community

2016 APPROVED BUDGET

December 8, 2015



Message from the Chief Commissioner

In 2015 we introduced our first four-year corporate business plan, and approach to priority-based budgeting, a comprehensive new budgeting process for Strathcona County. The priorities defined in our strategic plan provide focus to our corporate and department business plans, and act as a filter for all of our budget decisions and day-to-day operations.

Budget 2016 reflects our continued transition and evolution through this process. We are striving to ensure municipal dollars are clearly linked to the programs and services that are most aligned to community priorities. Council and administration have embraced this new approach. We continue to move toward long-term financial plans that will complement the strategic plan and offer valuable insight to long-term fiscal health and wellness.

Priority-based business planning and budgeting is reshaping our discussions; we are seeking clearer understanding from residents, businesses and other stakeholders through ongoing engagement across the County. Informing citizens about our vision and giving them a voice is critical for us to truly understand if decisions align with and advance our overall strategic objectives.

We are also rethinking how we measure our performance each step of the way. Our goal is to provide updates on our progress, reporting openly to Council and the public on how we are doing.

Though this process is long term, it is already bearing significant results and causing important conversations. It has strengthened us as an organization, allowing us to make proactive and prudent decisions that support priorities. We are well positioned to be flexible and adaptable in response to a changing economy and political dynamics, both provincially and federally.

Once complete, I believe Strathcona County's approach to priority-based business planning and budgeting will set the standard in terms of how municipalities plan, deliver sustainable programs and services, and develop creative solutions to emerging issues.

As a specialized municipality, our diverse tax base affords us the opportunity to offer our citizens exceptionally high quality of life at a relatively low cost to them. But like many Alberta communities, we are facing challenges.

We are committed to responding appropriately, while supporting the level of services needed. As we continue to employ good governance and strong leadership and safeguard our financial sustainability, we will ensure that our actions express our priorities on a daily basis, prudently holding the line on costs and achieving greater efficiencies. We will continue to build a strong, responsive and sustainable community going forward on our path to becoming Canada's most livable community.



I am pleased to report our continued progress on priority-based business planning and budgeting.

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.

STRATHCONA COUNTY

**Energy... energetic... can-do spirit...
high quality of living, built on strongly held values.**

Set in the centre of Alberta’s energy and agricultural heartland, Strathcona County is a thriving, successful and vibrant community of more than 95,500 residents.

Strathcona County is made up of the urban area of Sherwood Park and a large rural area of farms, acreages and eight smaller hamlets.

▷ **We are Canada’s energy engine...**

home to 75 per cent of refining in Western Canada and a strong partner in Alberta’s Industrial Heartland Association

▷ **We empower and enable your success...**

a municipality that supports its citizens in reaching their highest aspirations, that strives to provide quality infrastructure, and efficiently run programs and services

▷ **We are a community of choice...**

In the 2015 Strathcona County reputation survey, citizens rated Strathcona County highly as peaceful, safe and family friendly.

WHAT DRIVES STRATHCONA COUNTY?

Our vision: We are Canada's most livable community.

Budgeting to priorities

A new approach to better decisions

The priority-based business planning and budgeting approach—in which all of our actions and budget decisions are driven by community priorities—is a new step for Strathcona County.

Last year, we laid the foundation by creating and emphasizing alignment between our strategic plan and corporate and department business plans. In year two of the process, we continue to transition to a priority-based culture devoted to fulfilling the goals and objectives of these plans.

Our focus has also shifted to enhancing how we listen to, interact with and understand our citizens; to advance our community's vision and strengthen our accountability. Using performance measures will help focus our successes and challenges, so we can continue to improve. We believe this new approach is a necessary step in reaching fiscal health and wellness on our path to becoming Canada's most livable community.



STRATEGIC PLAN

Based on community feedback and the desired future for our community, Council set 12 prioritized strategic goals in the strategic plan, **Strathcona County 2030: Powering Our New Tomorrow**:

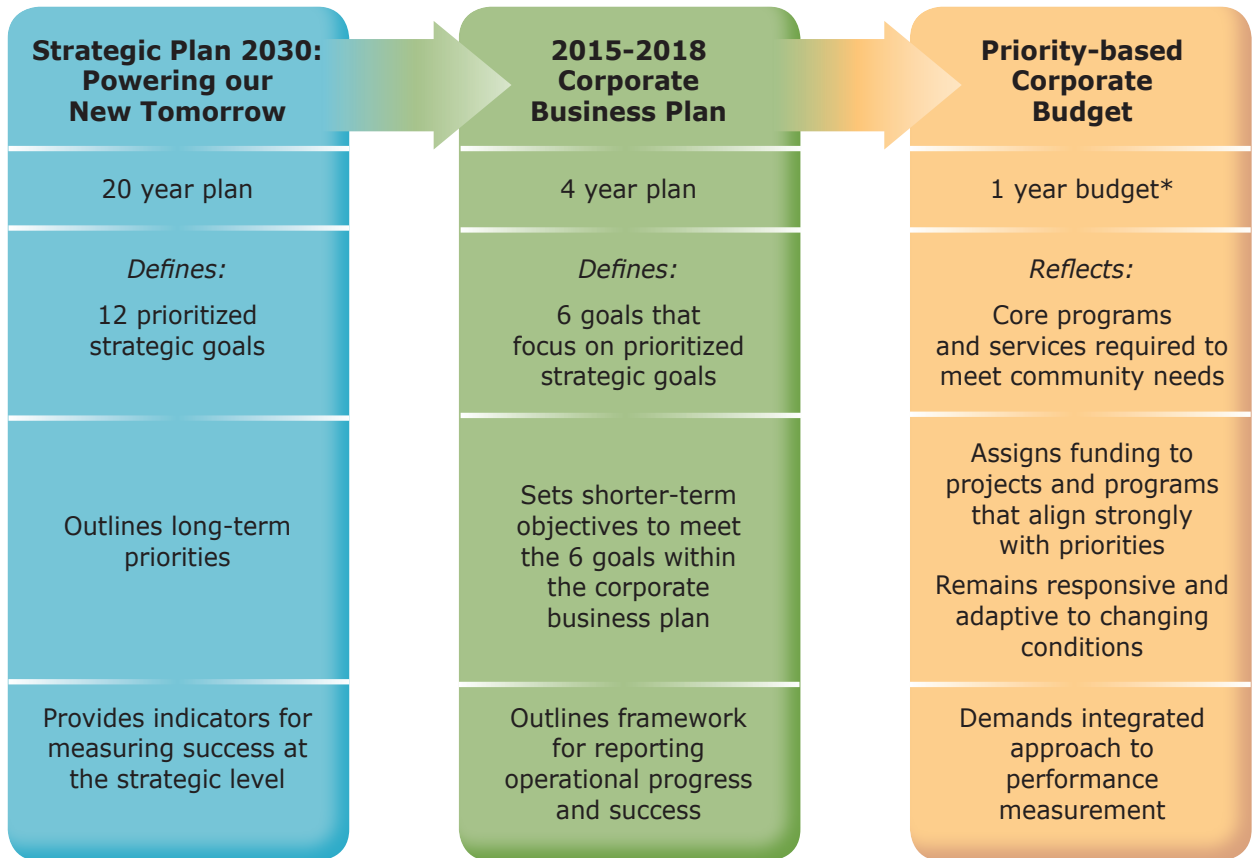
- ▷ Strategically manage, invest and plan for sustainable municipal infrastructure
 - ▷ Increase and diversify the petrochemical business
 - ▷ Increase public involvement and communicate with the community on issues affecting the County's future
 - ▷ Advance the community's interests by developing and maintaining strong relationships with our neighbouring municipalities and civic organizations to ensure long-term prosperity
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- ▷ Increase and diversify agricultural business
 - ▷ Promote Strathcona County locally, nationally and internationally as a place that is open for business and investment
 - ▷ Build strong neighborhoods/communities to support the diverse needs of our residents
 - ▷ Provide a climate of safety for individuals in homes, neighbourhoods and public places
 - ▷ Improve the efficiency of resource usage; minimize the volume of waste and its impact on the community
 - ▷ Conservation of representative ecosystems (Environmental Sustainability Framework)
 - ▷ Facilities and activities are available, accessible and used by residents
 - ▷ Define and strengthen the community's identity and heritage

In the spring of 2015, Strathcona County citizens were invited to complete an interactive survey regarding their perceptions of what constitutes a livable community and their awareness of Council's strategic plan and priorities. Results of the survey are being used to guide an education and awareness campaign to increase citizens' awareness of the County's strategic plan and priorities and our approach to priority-based business planning and budgeting.

CORPORATE BUSINESS PLAN

The **2015-2018 Corporate Business Plan** (CBP) emphasizes alignment with and advancement of strategic priorities and defines the short- and medium-term goals that will move us toward achieving Council's strategic vision. Department business plans further translate the CBP into department goals and initiatives that shape day-to-day operations to ensure that:

- ▷ Strathcona County has planned for long-term financial sustainability in support of service delivery and infrastructure asset management
 - OUTCOME: Stakeholders are aware of and support multi-year capital and operating budgets and business plans, and the supporting principles and policies
- ▷ Strathcona County priorities, successes and challenges are known
 - OUTCOME: Citizens, staff, and other stakeholders are informed about the community priorities, successes, and challenges
- ▷ Economic opportunities are created through strategic partnerships
 - OUTCOME: New industrial, commercial and residential developments are occurring at fiscally sustainable rates within Strathcona County
- ▷ Informed decision making supports quality of life in the community
 - OUTCOME: Anticipated growth maintains quality of life for our community
- ▷ We are efficient and effective in daily operations
 - OUTCOME: Strathcona County demonstrates efficient operations
- ▷ Strathcona County is an employer of choice, attracting and retaining the best people in all aspects of municipal service delivery
 - OUTCOME: Quality service delivery is evident in staff engagement and customer satisfaction



* Moving to multi-year forecasts (2016) and budgets (2017-2018)



Priority-based business planning and budgeting

Focusing on what matters most

Priority-based business planning and budgeting allows us to assess the programs and services being offered, based on community values and organizational priorities. Resources are allocated according to how strongly a program aligns to the community's priorities, ensuring optimal outcomes for our citizens.

Moving forward in 2016, we are creating and utilizing a number of different tools to help us fully understand the programs we provide our citizens—the value they offer, how much they cost and how well they reflect the community's priorities. With this knowledge and public input, we will be able to rank our programs, set targets, identify

opportunities for efficiencies and apply our resources to doing what matters most. Ultimately, this brings about a "future state" in which Strathcona County will:

- ▷ Be more adaptable to external uncertainties
- ▷ Do the important things well
- ▷ Prioritize programs and resource allocation
- ▷ Be more effective and efficient in program delivery
- ▷ Question spending patterns
- ▷ Spend within our means
- ▷ Provide accountability and transparency

What have we accomplished?

Our transition to a priority-based culture successfully achieved the following:

- ▷ Determined the community's top priorities and goals through the strategic plan, which are reflected in the corporate business plan and 19 department business plans
- ▷ Developed a performance measurement and reporting framework to track our progress and enable clear reporting
- ▷ Initiated education and awareness campaign on community priorities and priority-based budgeting
- ▷ Initiated development of a program inventory and costing system to better understand the relative value of some 320 unique programs being offered to the community and how they align to priorities

What's next?

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

- ▷ Emphasize public engagement and performance measures
- ▷ Continue to look for efficiencies and effectiveness in the way we deliver programs
- ▷ Finalize program inventories and scoring to guide 2017 budget development
- ▷ Complete long-term financial 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 plan and prepare for multi-year budgets



Focusing on finding efficiencies

We owe it to our citizens to find new and better ways of doing business. Strathcona County is committed to finding efficiencies throughout the organization so we can continue to provide high quality of life with the greatest value for tax dollars. Performance-based business planning and budgeting allows us to identify actions and directions which could improve results and allow us to deliver programs and services at a lower cost. Some examples of efficiencies include:

- ▷ Using technology to enhance data collection for the delivery of efficient and effective assessment and taxation services
- ▷ Implementing an innovative recirculating water system at the Broadmoor Lake Spray Park to reduce water usage and create utility cost savings
- ▷ Implementing new online community research panels and innovative survey tools to increase public engagement and survey participation
- ▷ Improving rural service delivery, by aligning rural service team and contact offices under the Transportation and Agriculture Services Department.
- ▷ Pursuing functional planning studies on transportation systems in partnership with neighbouring municipalities and provincial government grant funding to positively impact future travel in northeast Strathcona County
- ▷ Seeking alternatives to rehabilitate the Wye Road sound attenuation wall to reduce costs and extend the structural life of the wall by approximately 15 years
- ▷ Streamlining Crime Reduction Units processes and drawing upon analytics to help identify emerging crime trends and target property crime offenders
- ▷ Partnering with Edmonton and St. Albert Transit to initiate SMART fare and SMART bus technologies to enhance customer experiences, encourage ridership and increase operational efficiencies

Engaging our public



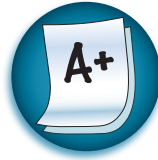
Becoming Canada's most livable community is no small feat—we believe it is only possible to achieve together with our stakeholders and an engaged and empowered public. In 2016, we will focus on informing citizens of the County's direction, priorities, successes and challenges. Future public engagement and communication across the organization will focus discussions to capture public opinion at the strategic planning and performance measurement

stages. 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.



Priority-based business planning and budgeting is reshaping our discussions; we are seeking clearer understanding from residents, businesses and other stakeholders through ongoing engagement across the County. Informing citizens and giving them a voice is critical for us to truly understand if decisions align with and advance our overall strategic objectives.

Measuring our performance



We are accountable for our progress and for the fiscal costs of achieving our goals. An integrated performance measurement framework with different types of progress indicators—such as specified outcomes, quality and productivity targets—permits us to monitor our status within the planning and budgeting process.

Essentially, performance measures tell us how we are doing in serving the community, living up to our promises and aligning to our business plans. To drive continuous improvement and support evidence-based decision-making, we have built a chain of accountability into each level of the planning and budgeting process:

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

Example indicators and performance measures:

- Community safety rating
 - Citizen satisfaction with opportunity to express opinion
 - Residential / non-residential tax ratio
 - Citizens feel informed about services and activities
- ▷ 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 indoor and outdoor recreational facilities
- Overall road quality condition index
- Transit on time successful connections



Enhancing livability

The approved 2016 Budget reflects the cost of maintaining Strathcona County's core services, programs and infrastructure that citizens rely on every day, as well as new initiatives and improvements to current programs that will advance Council's strategic vision.

Some highlights of what's coming up for 2016 include:

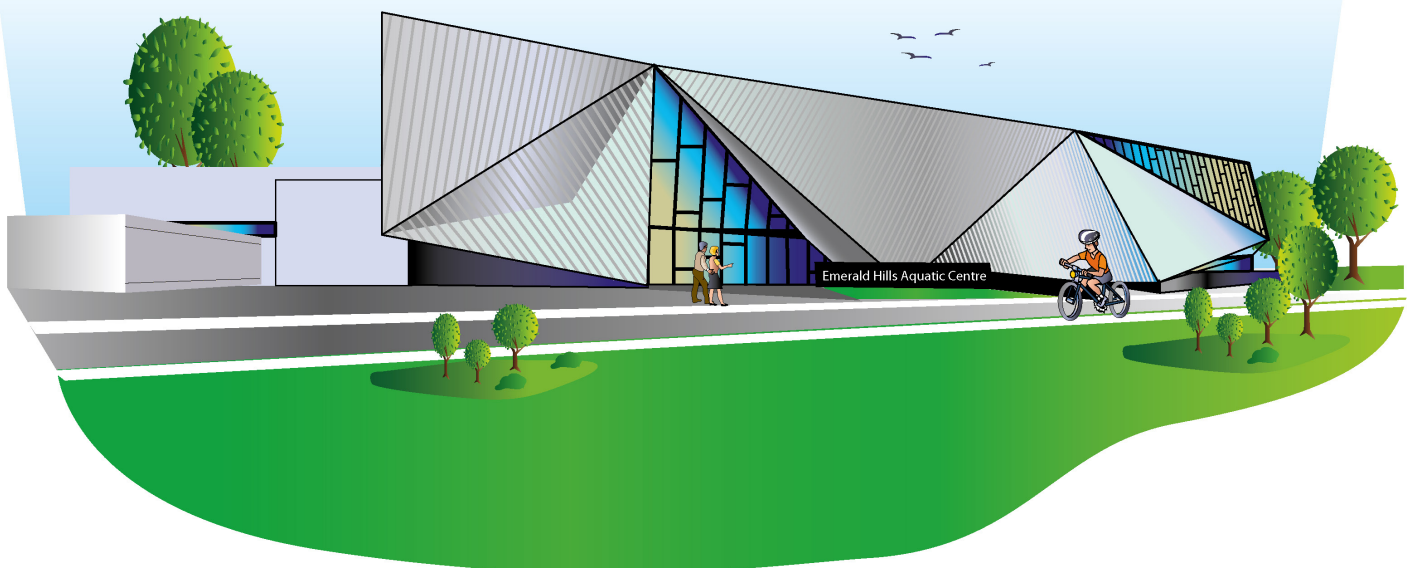
Sustainable municipal infrastructure

- ▷ Transportation infrastructure maintenance and rehab programs—parking lots, rural and residential roads, bridge replacements, traffic and pedestrian safety improvements
- ▷ Planning studies for major road networks
- ▷ Lifecycle replacement of the aging corporate financial and human resource computer system

- ▷ New recreation software system to maximize registration, booking and evaluation of recreation programs
- ▷ Continued focus on development within the urban service area and Ardrossan
- ▷ Completion of an area concept plan for the new growth area
- ▷ Annual lifecycle programs to maintain equipment and facility assets
- ▷ Corporate-wide strategies and policies for technology and asset management

Resilient economy

- ▷ Updates to statutory plans to accommodate new industrial development
- ▷ Creation of data systems to track business and property details
- ▷ Development of international marketing materials
- ▷ Engagement with and assistance to companies of all sizes looking to invest, grow and stay in Strathcona County
- ▷ Development of a long-term financial plan



Opportunities to engage and inform the community

- ▷ Upgrades to the public website www.strathcona.ca
- ▷ An online research panel to increase public engagement and survey participation
- ▷ Real-time information accessible through County Connect
- ▷ Ongoing engagement across the community to inform projects and planning

Strong relationships with our partners

- ▷ SMART fare and SMART bus technology in partnership with the cities of Edmonton and St. Albert
- ▷ Continued work with industry and regional partners to expand the air quality monitoring network
- ▷ Participation in the Metro Mayors Alliance to address key challenges over the next 30-50 years
- ▷ Functional planning studies for northeast transportation systems in partnership with our neighbours (Edmonton, Sturgeon County and Fort Saskatchewan) and the Government of Alberta



2016 BUDGET HIGHLIGHTS

Budget 2016 includes an approved consolidated operating budget of \$348.5 million and an approved capital budget of \$94.6 million.

The approved 2016 Budget calls for a 0.7% tax dollar increase, resulting in an annual increase of \$13.05 or \$1.09/month for the average homeowner.

Utility rates are approved to increase to 1.41%. On average, this translates to an additional \$1.74 on monthly bills.

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

The projected increase in Strathcona County's population is 1.54%—this means we will serve 1,473 more residents in 2016.

320 new housing unit starts, 225,000 square feet of new commercial space and additional industrial projects are anticipated in 2016.

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 consolidated MPI is budgeted at 2.3% or 6.3 million and the municipal MPI is budgeted at 2.6% or 5.5 million for 2016.



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.

The bulk of the 2016 Budget is directed to maintaining previously approved core service levels that citizens have come to expect each day (operational cost of \$279.4 million).

A small sampling of what your tax dollars support includes:

We keep you moving

- ▷ Maintain 1,700 km of urban and rural roads and 220 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 18,200 accessible transportation rides per year

We keep you safe

- ▷ Engage 13,150 residents in community safety education
- ▷ 96 police officers and 27 enforcement services officers ensure 24/7 community safety, responding to 27,600 (RCMP) and 12,760 (Enforcement Services) calls per year
- ▷ 155 full-time and 41 part-time emergency responders tend to 7,400 emergency calls per year

We meet your need for fresh, clean water

- ▷ Distribute 23.1 million litres of water per day through 566 km of underground pipes (mains)
- ▷ Maintain 388 km of wastewater mains and 342 km of stormwater mains
- ▷ Treat 18.3 million litres of wastewater per day

We generate opportunities for healthy, active lifestyles

- ▷ Accommodate over 1,331,700 admissions to our facilities annually*
- ▷ See 253,300 participants in recreation and culture programs annually
- ▷ Maintain 1,521 hectares of developed open spaces including parks, boulevards, playgrounds, outdoor rinks, sports fields, trails and environmental education areas
- ▷ Provide for more than 1,555,000 library, bookmobile and online library visits



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.



We build a great community

- ▷ Invest approximately \$100 million annually on the capital budget to plan, maintain and rehabilitate infrastructure. This includes roads, facilities, fleet, transit, utility infrastructure and land.

We reduce impact

- ▷ Divert 59 per cent of waste from the landfill per year with the Green Routine Residential Waste Collection and Diversion Program
- ▷ Send 11,915 tonnes of organic waste for composting
- ▷ Recycle 7,000 tonnes per year with the community recycle stations
- ▷ Generate 9.98 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 8,975 local businesses
- ▷ Oversee commercial, industrial and residential construction valued at \$402 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 conversations 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 2014 values.*



Budget 2016

This document contains the approved 2016 operating and capital budgets for Strathcona County. An overview of the budget is provided, followed by the consolidated budget information and more detailed budget descriptions for each division.

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 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.

The approved 2016 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: Powering our New Tomorrow”. 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.

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.

Municipal Government Act requirements

Under the newly updated *Municipal Government Act* (MGA), all municipalities are legislated to submit a three year operating plan and five year capital plan. In compliance with this requirement, Strathcona County has worked throughout 2015 to create 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 take the MGA requirement one step further in ensuring long-term financial sustainability.

BUDGET 2016

Budget 2016 includes a consolidated operating budget of \$348.5 million dollars and a capital budget of \$94.6 million, reflecting the cost of maintaining services and implementing initiatives that advance Councils strategic plan. The approved budget calls for a 0.7% tax dollar increase which results in an annual increase of \$13.05 for the average homeowner. Approved utility rates will increase by 1.41%. On average, this translates to an additional \$1.74 on monthly utility bills.



Multi-year budgeting process

As an outcome of our priority-based business planning and budgeting approach and the mandate of the *Municipal Government Act*, we are moving toward the implementation of multi-year plans and budgets. These long-term tools will allow us to understand the lasting impacts of our choices, examine and forecast resource pressures that influence the County's financial situation, and take advantage of opportunities to be proactive in our decisions, rather than simply reacting to market conditions. Multi-year plans and budgets will emphasize alignment with strategic priorities, ultimately enabling the strategic plan, and provide insight on the risks we may face in the future.

The primary benefit of a long-term financial plan is to stimulate discussion and the examination of long-term impacts of today's decisions—to maximize the organization's ability to meet challenges, capitalize on opportunities, and deliver a stable level of essential services.

Long-term financial plan

Budget 2016 exemplifies Strathcona County's success in transitioning in this process—we have developed and utilized multi-year forecasts to make sound long-term decisions within the budget. Each project and initiative was reviewed in light of 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 all decisions were made with the long-term view in mind. Budget 2016 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 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.

Economic outlook

The current economy is experiencing a downward shift due to decreased world oil prices in terms of jobs, business and industry in the Alberta economy. Municipalities are affected very differently than business and private industry over the short term in a slowing economy, due to the fact that municipal revenues remain fairly stable and expenses and inflation reduces.

Additionally, the provincial government has continued grant funding in the form of the Municipal Sustainability Initiative (MSI) and Family and Community Services grant funding for municipalities for 2016. Strathcona County is committed to maintaining service levels to citizens while holding the line on costs and planning wisely through the use of long-term forecasts and plans in looking to the future.

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

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

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The population has increased and is currently at **95,597** in 2015*

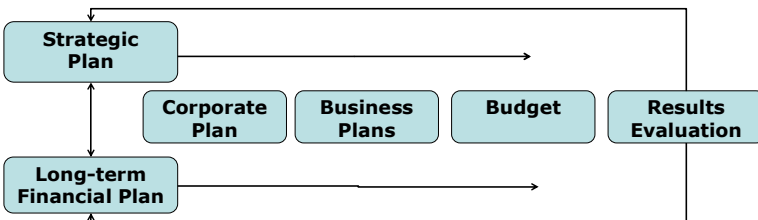
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The number of residential units added between May 2012 and September 2014 is **1,534**, totalling 36,496 residences.**

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Net business establishments have **increased 18%** in 5 years, rising from 7,609 in 2009* to 8,975 in June 2014.***

* Source: 2013 Municipal Affairs Population List.
 ** Source: 2015 Municipal Census and Building Permit Data
 *** Source: Business Registration Data—Statistics Canada.



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

With the impact of lower global oil prices, economic growth in our region is expected to slow to 0.7% in 2015 from the rate of 3.1% seen in 2014. From the perspective of the 2016 budget, however, 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.



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 225,000 square feet of new commercial space and additional industrial projects coming online in 2016. Total tax growth for 2016 is forecasted at approximately 5.0%, or \$10.6 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.

Growth factors

- Population—community programs, permitting, policing, traffic safety
- Roads— snow removal, crack filling, pothole repair
- Trails and sidewalks—maintenance and snow removal
- Green spaces—grass cutting, weed control, tree pruning
- Facilities—utilities, janitorial services, maintenance

Inflation factors

- Salaries and benefits
- Supplies—fuel, asphalt, landscaping materials, water, janitorial contracts, office supplies
- Repairs and maintenance—facilities, computers, telecommunications, roads, trails
- Contracted services—RCMP, snow removal, janitorial
- Utilities—street lights, facilities
- Insurance

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 2016. For example, with lower fuel and contracted services costs, municipal inflation isn't as high as anticipated. This effect points to the fact that municipalities are quite stable in tough economic times.

While the state of the economy is resulting in lower inflation rates, inflation is still a factor and our costs are still rising. Budget 2016 has included all known inflation factors and has matched this with funding sources to propose a fully-funded capital budget. The corporate inflation projection for 2016 is 2.3%, 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 \$6.3 million.

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’s *MPI Explained* describes how the County develops the MPI each year and uses it 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.

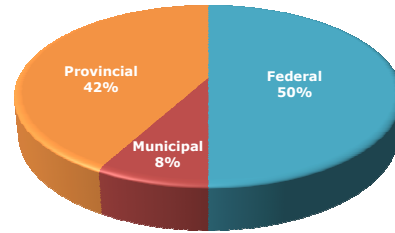
Where the money comes from

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 75% of Strathcona County’s total revenue. Residential taxes, which represent taxes paid by homeowners, make up only 35% of the taxes collected. A significant industrial base, primarily from light and heavy industry in Alberta’s Industrial Heartland, contributes 42% in support of municipal services. Linear taxes are from right of ways for pipe and power lines and commercial taxes come from businesses that reside within the County.

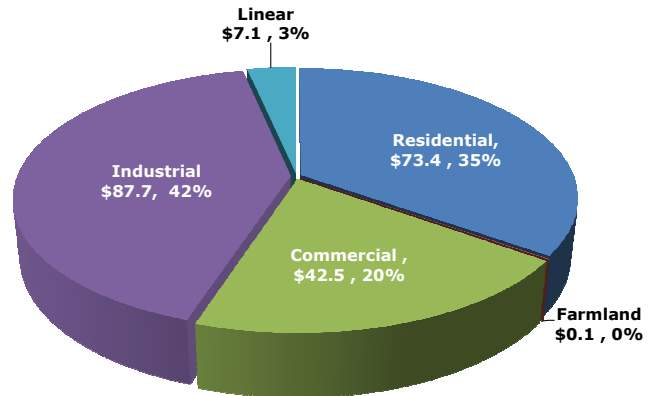
User fees and charges form the next significant portion of revenue collected by the County, at 14% of total revenue, and are generated primarily from transit fares and fees collected for the use of recreation facilities.

Government Taxation

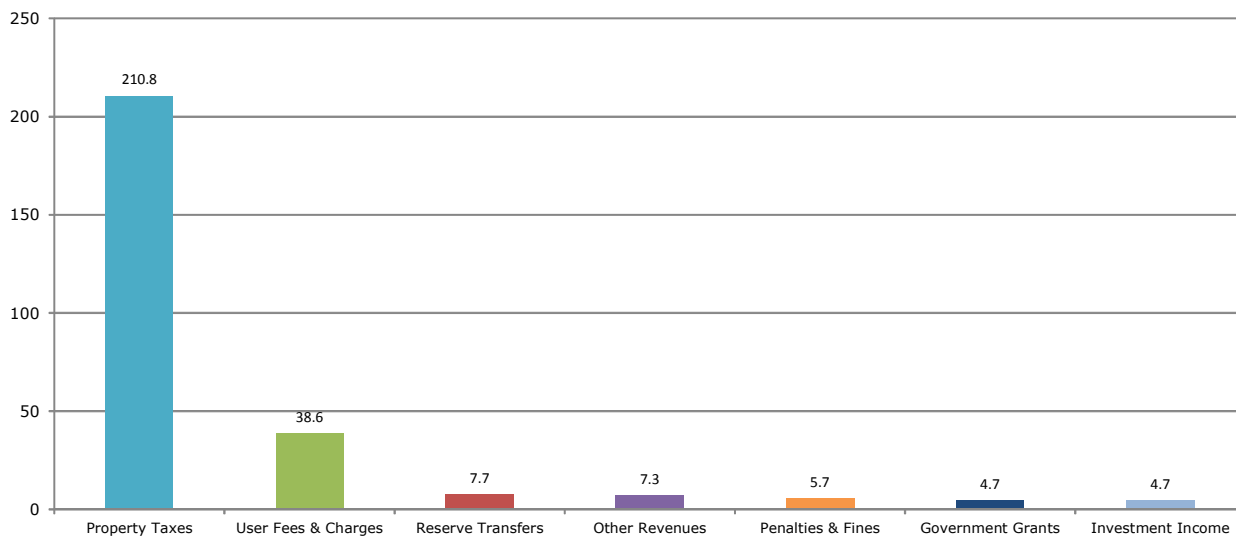


Municipal governments receive only 8% of all government tax revenues. (Source: Federation of Canadian Municipalities (FCM) 2005). The average homeowner in Strathcona County pays taxes annually to all orders of government, including income and education taxes, sales tax and property tax. Of this amount, only 8% or \$220M goes to the County to provide all municipal services.

Property Taxes By Source (Total Taxes \$210.8M)



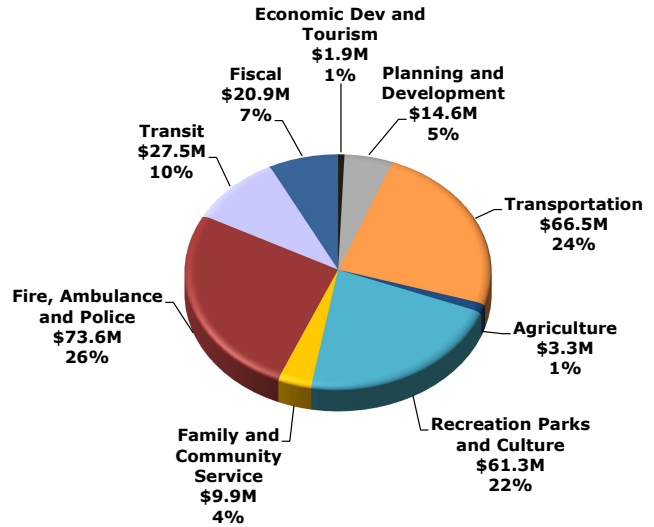
2016 Municipal Funding By Type (279.5M)



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 2016 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 \$279.5 million for 2016.

What Municipal Services Cost Total \$279.5M



| Infrastructure & Planning Services | Community Services |
|--|---|
| <ul style="list-style-type: none"> Urban & Rural Public Works Winter Maintenance Land Development Planning Business & Development Attraction & Retention Agriculture Services Capital Construction Transportation Planning & Traffic Safety | <ul style="list-style-type: none"> Recreation Programs Parks Maintenance Transit Operations RCMP & Enforcement Services Individual & Family Support Programs Seniors Services Fire Fighting & Rescue Emergency Medical Services |

The approved 2016 Municipal Operating Budget includes Expenditures of \$232.8M (excluding amortization of \$44.2M) and Interfund Transfers of \$46.7M; Corporate Support Services costs have been allocated.

| Senior Admin & Elected Officials | Chief Financial Officer | Corporate Services |
|--|---|---|
| <ul style="list-style-type: none"> Council & Elected Officials Business Plan Delivery Policy Development & Implementation Promotion & Publicity Media Relations Intergovernmental Affairs Public Engagement | <ul style="list-style-type: none"> Assessment & Taxation Trade Agreement Compliance Financial Planning Services Financial Reporting Services Corporate Revenues & Expenses | <ul style="list-style-type: none"> Fleet & Building Maintenance Legal Services Legislative Services Compensation & Benefits Technology Planning & Strategy OH&S |

How does Strathcona County compare?

According to 2015 tax rates, Strathcona County residents pay some of the lowest municipal property taxes among 13 major Alberta municipalities.

Value for your dollar

The average household in Strathcona County will spend \$159 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.

\$159 gets the average household:

- Monthly property taxes, which include:**
- Snow removal
 - Access to playgrounds, swimming pools, hockey rinks, and other recreation facilities
 - Safe roads
 - Police and enforcement services
 - Fire, ambulance and emergency services
 - Community events
 - Counselling services
 - Grass cutting
 - And more!

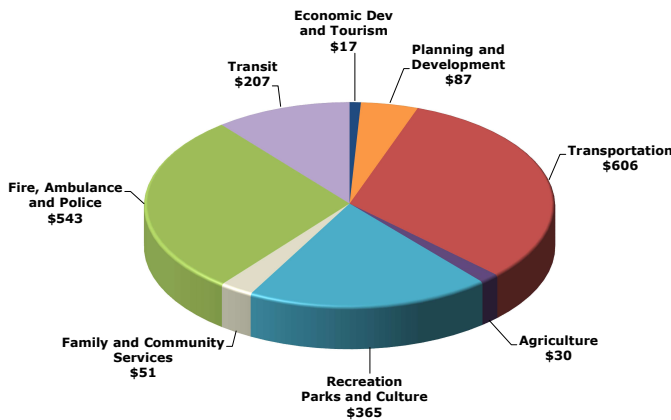
VS.

- Monthly cable television + internet
- OR
- Monthly vehicle insurance
- OR
- Dinner and a movie for a family of 4
- OR
- Monthly heating—gas + electric
- OR
- One week of groceries

Understanding your municipal taxes

The sample single family residential property assessed at \$440,000 will pay approximately \$159 per month in property taxes in 2016 for Strathcona County municipal services. For this, residents will receive the snapshot of services listed in the graphic below, and much more. Transportation infrastructure requires 32% of your tax dollar, while fire, ambulance and police services require 28% and 19% goes to funding recreation, parks and culture.

Annual Tax Dollars per Average Household Total \$1,906/year



Understanding your utility bill

Utility rates will increase 1.41%. On average, this translates to an additional \$1.74 on monthly bills. This approved 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

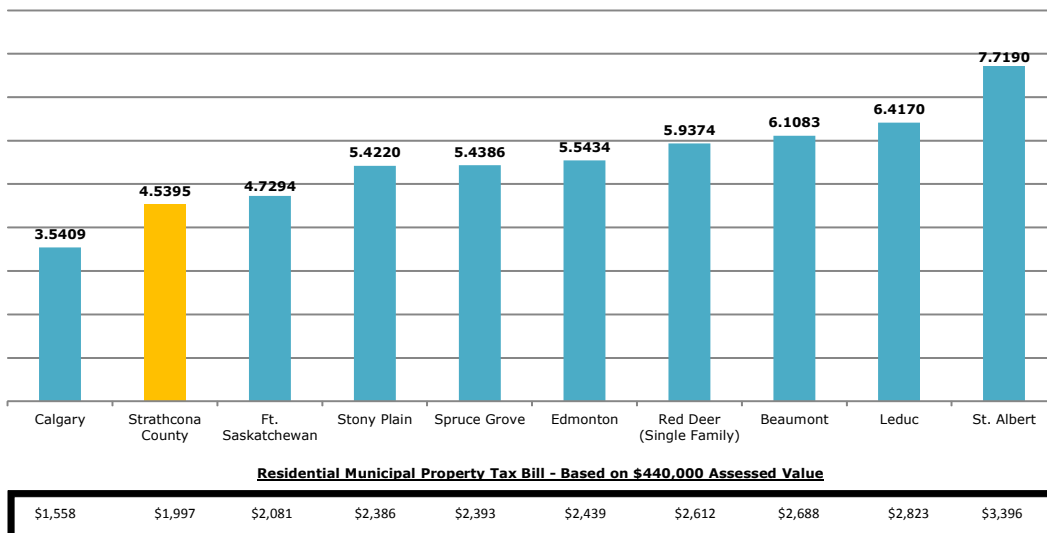
infrastructure and utility programs.

- 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.

2015 Municipal Residential Tax Rates (excludes Education Taxes)



Capital budget

Capital is the means by which we provide services to the community. For example, in order to provide recreation services, we require recreation facilities; in order to provide transportation services, we require roads and buses. Strathcona County's future potential is tied to the health of our capital assets. Investment in infrastructure—roads, water lines, facilities, technology, vehicles and more—is an investment in our future.

In striving to become Canada's most livable community, it is critical to rethink, revitalize and preserve our capital assets in order to continue to provide the essential services residents rely on each day for health, safety and enjoyment, and to accommodate a vigorous and resilient economy.

The 2016 capital budget provides clear linkages with Council's strategic plan, the corporate business plan and department business plans. Evidence-based decision making was a key goal for the 2016 capital process, and to achieve this, service delivery was the driving force behind the budgeting process.

The County is evolving from capital planning on an annual basis to a multi-year planning perspective. Budget decisions are considered in the context of five year forecasts and reflect sound budget decisions that take into account multi-year funding sources and long-term capital needs and impacts.

This multi-year approach is tied strongly to financial sustainability, as we must have a clearer understanding of what our decisions related to capital mean for us today and what it might mean for the County's future state in light of potential opportunities and risks on the horizon.

During the capital review, we have recognized that there is a funding gap related to capital needs. Forecasts indicate that prioritizing our spending is required to match our capital plan with what is affordable in future years in optimizing service delivery to citizens.

Impact of capital

The approved 2016 capital budget represents the capital needs required to support municipal service delivery and utility and library operations. The budget speaks to the County's commitment to infrastructure renewal (53% of budget) and investment in growth and planning for the future (47% of budget). The plan is fully funded (\$94.6 million) and incorporates no tax supported debt and \$11.6M in utility rate supported debt. The 2016 capital budget reflects good planning, proactive maintenance and purchases for growth to ensure services are maintained.

Serving the community

The Capital Plan and Budget serve the community in five main ways and they are:

- 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 funding gap identified during capital review
- Balancing capital needs for today and the future
- Accommodating for growth in core service infrastructure
- Investing in infrastructure for community growth



The annual program philosophy

Annual rehabilitation and replacement programs are used to identify capital assets that require funding and attention. For example, the Annual Facility Capital Lifecycle Program guides the maintenance and planning for facilities to ensure that the value of buildings to the community is protected over the long-term. Other examples include the Annual Parks Infrastructure Replacement Program and the Annual Rural Road Rehab Program. These programs are supported each year by specific, dedicated reserves that have been built over time to provide secure, sustainable funding.

How was the 2016 capital budget funded?

The approved capital budget is fully funded. 2016 capital projects are funded in the following ways:

Annual program funding—Specific, dedicated reserves have been built over time to ensure secure, sustainable funding for annual programs. These are funded through the operating budget.

Developer Levy Funding—eligible capital projects may be funded, in whole or in part, by specific developer levy accounts. In the event that there are insufficient funds in the appropriate levy account, the County may choose to use levy serviced debt to fund the project.

Grant Funding—eligible projects may be funded from Federal and Provincial grants. Grant funds are used prior to municipal funding sources, except when in relation to Annual Programs, which require continued and sustained funding.

Reserve Funding—municipal reserves are non-designated sources that provide the most flexibility in funding capital projects. All other funding options must be explored for availability and eligibility prior to using this funding source.

Debenture Financing—debenture financing is not a funding source; instead, it is a financing vehicle to be paid off by various sources, such as developer levy payments, through residential taxes, or utility rates. Strategic goals, political alignment and generational equity are all factors in selecting appropriate capital projects to be financed through debentures.

Other Considerations

- Funding is allocated in such a way that sources with the most restrictive conditions are used first. For example, government grants restricted to a specific type of project are used to fund those projects ahead of other more generic funding sources.
- Generational Equity—for projects that create long-term benefits for the community, financing vehicles such as debentures or residential taxes may be used to pay the debt over the lifespan of the asset.

2016 consolidated operating budget

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--------------------------------|----------------------|------------------------|----------------------|-----------------------|
| Revenues | | | | |
| Property Taxes | \$ (207,930,633) | \$ (12,027,112) | \$ (219,957,745) | 6 % |
| Government Grants | (5,456,880) | 254,503 | (5,202,377) | (5) % |
| Utility User Fees | (53,236,979) | (846,821) | (54,083,800) | 2 % |
| User Fees & Charges | (39,257,478) | (1,012,290) | (40,269,768) | 3 % |
| Penalties & Fines | (5,416,593) | (413,185) | (5,829,778) | 8 % |
| Investment Income | (6,156,317) | 63,502 | (6,092,815) | (1) % |
| Other Revenues | (7,622,877) | 232,948 | (7,389,929) | (3) % |
| | <u>(325,077,757)</u> | <u>(13,748,455)</u> | <u>(338,826,212)</u> | 4 % |
| Expenses | | | | |
| Salaries & Wages | 128,964,340 | 6,701,943 | 135,666,283 | 5 % |
| Employee Benefits | 25,025,178 | 3,351,807 | 28,376,985 | 13 % |
| Training & Development | 2,588,586 | 180,540 | 2,769,126 | 7 % |
| Business Expenses | 957,239 | 60,587 | 1,017,826 | 6 % |
| Advertising & Printing | 2,646,747 | (6,942) | 2,639,805 | (0) % |
| Professional Services | 5,184,407 | 170,899 | 5,355,306 | 3 % |
| Insurance | 2,095,761 | 41,744 | 2,137,505 | 2 % |
| Rentals & Leases | 3,191,254 | (239,085) | 2,952,169 | (7) % |
| Contracted Services | 39,592,253 | 2,392,804 | 41,985,057 | 6 % |
| Supplies & Materials | 39,239,934 | 1,313,198 | 40,553,132 | 3 % |
| Repairs & Maintenance | 6,750,053 | (39,583) | 6,710,470 | (1) % |
| Equipment Purchases | 2,318,687 | 470,280 | 2,788,967 | 20 % |
| Utilities | 7,991,444 | (678,404) | 7,313,040 | (8) % |
| Telecommunications | 965,399 | 46,232 | 1,011,631 | 5 % |
| Interest on Debt | 7,331,980 | (463,449) | 6,868,531 | (6) % |
| Grants & Requisitions | 1,959,802 | 90,068 | 2,049,870 | 5 % |
| Other Expenses | 1,427,206 | 88,258 | 1,515,464 | 6 % |
| Interprogram | - | - | - | 0 % |
| Amortization Expense | 49,708,589 | 2,604,583 | 52,313,172 | 5 % |
| | <u>327,938,859</u> | <u>16,085,480</u> | <u>344,024,339</u> | 5 % |
| Net (Revenues)/Expenses | <u>2,861,102</u> | <u>2,337,025</u> | <u>5,198,127</u> | 82 % |
| Non-Operating Items | <u>(2,861,102)</u> | <u>(2,337,025)</u> | <u>(5,198,127)</u> | 82 % |
| TOTAL Strathcona County | \$ - | \$ - | \$ - | 0% |

*Revenue is shown as a credit (in brackets)

2016 municipal operating budget

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--|----------------------|------------------------|----------------------|-----------------------|
| Revenues | | | | |
| Property Taxes | \$ (199,221,317) | \$ (11,564,331) | \$ (210,785,648) | 6 % |
| Government Grants | (4,947,291) | 282,234 | (4,665,057) | (6) % |
| User Fees & Charges | (38,452,431) | (189,884) | (38,642,315) | 0 % |
| Penalties & Fines | (5,238,665) | (413,185) | (5,651,850) | 8 % |
| Investment Income | (4,804,808) | 67,497 | (4,737,311) | (1) % |
| Other Revenues | (7,492,522) | 219,942 | (7,272,580) | (3) % |
| | <u>(260,157,034)</u> | <u>(11,597,727)</u> | <u>(271,754,761)</u> | 4 % |
| Expenses | | | | |
| Salaries & Wages | 115,159,918 | 6,649,371 | 121,809,289 | 6 % |
| Employee Benefits | 22,170,642 | 3,139,033 | 25,309,675 | 14 % |
| Training & Development | 2,320,246 | 149,708 | 2,469,954 | 6 % |
| Business Expenses | 884,060 | 57,421 | 941,481 | 6 % |
| Advertising & Printing | 2,074,580 | (30,918) | 2,043,662 | (1) % |
| Professional Services | 4,658,515 | 150,197 | 4,808,712 | 3 % |
| Insurance | 2,095,761 | 41,744 | 2,137,505 | 2 % |
| Rentals & Leases | 2,737,516 | (238,984) | 2,498,532 | (9) % |
| Contracted Services | 31,241,744 | 2,258,657 | 33,500,401 | 7 % |
| Supplies & Materials | 18,226,092 | 410,973 | 18,637,065 | 2 % |
| Repairs & Maintenance | 4,704,220 | (46,417) | 4,657,803 | (1) % |
| Equipment Purchases | 2,046,300 | 501,405 | 2,547,705 | 25 % |
| Utilities | 8,259,355 | (735,356) | 7,523,999 | (9) % |
| Telecommunications | 803,684 | 42,969 | 846,653 | 5 % |
| Interest on Debt | 3,624,875 | (265,710) | 3,359,165 | (7) % |
| Grants & Requisitions | 1,959,802 | (139,932) | 1,819,870 | (7) % |
| Other Expenses | 1,320,532 | 82,094 | 1,402,626 | 6 % |
| Interprogram | (3,489,255) | (46,585) | (3,535,840) | 1 % |
| Amortization Expense | 41,793,487 | 2,383,874 | 44,177,361 | 6 % |
| | <u>262,592,074</u> | <u>14,363,544</u> | <u>276,955,618</u> | 5 % |
| Net (Revenues)/Expenses | <u>2,435,040</u> | <u>2,765,817</u> | <u>5,200,857</u> | 114 % |
| Non-Operating Items | <u>(2,435,040)</u> | <u>(2,765,817)</u> | <u>(5,200,857)</u> | 114 % |
| TOTAL Strathcona County Municipal | \$ - | \$ - | \$ - | 0% |

*Revenue is shown as a credit (in brackets)

2016 capital budget

| | Cost | Department |
|--|--|-------------------------------------|
| Buildings | | |
| Annual Facility Capital Lifecycle | \$ 2,150,000 | FAC |
| Annual Parking Lot Rehab Program | 363,681 | TAS |
| Transit Bus Barn - Functional Program Development (\$27.5M) | 700,000 | FAC |
| SPSY Facility Master Plan - Design (\$7.2M) | 630,000 | FAC |
| County Hall Phase 4 Renovations - Design | 650,000 | FAC |
| Infrastructure Renewal - Asbestos Removal & Abatement Program | 156,000 | UT |
| Multi-Use Agriculture Facility - Functional Planning Study (\$36M) | 650,000 | TAS |
| | 5,299,681 | |
| Electronic Hardware/Software | | |
| IT Infrastructure Replacement Program - Utilities | \$ 42,400 | UT |
| IT Corporate Infrastructure Replacement Program - Municipal | 649,705 | ITS |
| IT Infrastructure Replacement Program - Library | 45,525 | LIB |
| Enterprise Repository for Address & Ownership Information | 219,900 | ITS |
| ERP Replacement Project | 11,513,735 | FIS |
| SCADA Replacement | 204,000 | UT |
| Emergency Communications Technology Replacement (PSAP) | 109,200 | SCES |
| Smart Fare and Smart Bus | 5,305,000 | SCT |
| Network Access Control Software | 115,000 | ITS |
| Systems Monitoring Software | 100,000 | ITS |
| Enhance Existing Fibre to County Buildings | 20,000 | ITS |
| | 18,324,465 | |
| Machinery & Equipment | | |
| Annual Golf Course Equipment Replacement Program | \$ 64,700 | BPGC |
| Annual Recreation Equipment Replacement Program | 125,000 | RPC |
| Annual Water Meter / Radio Frequency Program | 490,000 | UT |
| Annual Equipment Replacement Program | 147,000 | SCES |
| Annual - Library Collection Replacement | 603,314 | LIB |
| Emergency Communications Centre - Equipment Replacement (PSAP) | 40,250 | SCES |
| Electronic Management System for Evidence & Valuables | 125,000 | RCMP & ES |
| | 1,595,264 | |
| Program Parks & Open Space Development | | |
| Annual Parks Infrastructure Lifecycle | \$ 670,000 | RPC |
| Emerald Hills Regional Park Pavilion Phase II | 2,274,757 | RPC |
| Annual - OSRFS Outdoor Revitalization Program - | 850,000 | RPC |
| | 3,794,757 | |
| Utilities | | |
| Annual Corrosion Control Program | 88,000 | UT |
| Annual Hydrant / Valve Replacement | 275,000 | UT |
| Ardrossan Water Reservoir & Pumphouse Expansion Construction | 12,812,800 | UT |
| Annual Rollout Carts | 180,000 | UT |
| Ardrossan Collection System Upgrade | 6,905,600 | UT |
| | 20,261,400 | |
| Annual Program Growth | Rehab / Rehabilitation Developer Levy | Suggested Annual Value Added |

Continued on next page....

2016 capital budget (continued)

Roadway Infrastructure

Annual Programs

| | | |
|---|--------------|-----|
| Annual Rural Road Rehab Program | \$ 6,146,564 | TAS |
| Annual Residential Rehab Program | 5,025,407 | TAS |
| Annual Bridge Replacement Project | 750,000 | TAS |
| Annual Arterial Road Rehab Program | 4,660,075 | TAS |
| Annual Asphalt Trail Rehab Program | 292,834 | TAS |
| Annual Traffic & Pedestrian Safety Improvements | 619,911 | TAS |
| Annual Traffic Signal / Intersection Replacements | 873,440 | TAS |

Ardrossan

| | | |
|--|-----------|-----|
| Queen Street, Rge Rd 221A to Third Ave_CFL | 1,234,980 | CPC |
| Upgrade Queen, Main, Third and Rge Rd 221A_DLU | 206,000 | CPC |

Heartland

| | | |
|---|-----------|-----|
| South East Heartland Access Roads_3a, 6_DLU | 3,819,365 | CPC |
| Twp Rd 560, Rge Rd 213 to Rge Rd 214_1B_C | 7,150,300 | CPC |

Rural

| | | |
|----------------------------------|-----------|-----|
| TWP Rd 520, Hwy 21 to Hwy 824_FL | 1,582,080 | CPC |
|----------------------------------|-----------|-----|

Sherwood Park

| | | |
|--|-----------|-----|
| Petroleum Way Widening 17 St to Streambank Ave_DLU | 875,000 | CPC |
| Pembina Rd and Broadmoor Blvd Intersection Improvements_C | 946,434 | CPC |
| Broadmoor Blvd and Lakeland Dr Intersection Improvements_C | 783,560 | CPC |
| Broadview Dr to Buckingham_D | 108,150 | CPC |
| Suggested Annual Sidewalk Missing Links Program | 818,850 | TAS |
| Sherwood Dr, Ash St to Village Dr & Fir St Intersection Improvements_DLU | 1,030,000 | CPC |
| Sherwood Dr, Lakeland Dr to North of Emerald Dr_FL | 1,001,160 | CPC |

Wye Road

| | | |
|---|-------------------|-----|
| Ash St, Rge Rd 233 to Ordze Ln_DLU | 875,500 | CPC |
| Wye Rd, Estate Drive to Nottingham Way_DLU | 815,760 | CPC |
| Wye Rd, Nottingham Way to Clover Bar Rd_DLU | 896,100 | CPC |
| Wye Road Noise Attenuation Wall Rehab Project | 950,000 | TAS |
| | 41,461,470 | |

Vehicles

| | | |
|---|------------------|-----------|
| Annual V & E Fleet Replacements | 2,995,100 | FLT |
| Annual Utilities Fleet Addition & Replacement Program | 280,980 | UT |
| Fleet Addition - 1 Ton Truck | 45,675 | RPC |
| Fleet Addition - Aerator | 12,600 | RPC |
| Fleet Addition - Sand Rake | 32,550 | RPC |
| Fleet Addition - Van (2016) | 24,150 | FAC |
| Fleet Addition - SUV (2016) | 32,025 | SCES |
| Fleet Addition - Modular Containers | 395,325 | SCES |
| Fleet Addition - Stump Grinder | 24,150 | RPC |
| Fleet Upgrade for F-009 | 11,000 | SCES |
| Fleet Upgrade for C-017 (S-14) | 11,000 | RCMP & ES |
| Fleet Upgrade for C-025 (S-15) | 11,000 | RCMP & ES |
| | 3,875,555 | |

GRAND TOTAL

94,612,592

Annual Program
Growth

Rehab / Rehabilitation
Developer Levy

Suggested Annual
Value Added

Municipal operating 3 year forecast

| | Approved | Operating Forecast | |
|--|-----------------------|------------------------|------------------------|
| | 2016 | 2017 | 2018 |
| Revenue | | | |
| Property Taxes | \$ 209,344,746.00 | \$ 214,297,188.00 | \$ 228,198,491.00 |
| Governments Grants | 4,665,057 | 4,461,769 | 4,317,769 |
| User Fees & Charges | 38,642,311 | 39,844,093 | 40,835,860 |
| Penalties & Fines | 5,651,850 | 5,746,703 | 5,832,903 |
| Investment Income | 4,737,311 | 4,800,928 | 4,863,951 |
| Other Revenue | 7,272,580 | 7,292,416 | 7,312,421 |
| | 270,313,855 | 276,443,097 | 291,361,395 |
| Expense | | | |
| Salaries, Wages & Benefits | 147,127,524 | 157,380,905 | 164,154,903 |
| Contracted & General Services | 49,625,814 | 52,865,959 | 54,782,452 |
| Supplies, Materials & Utilities | 29,486,167 | 30,530,606 | 32,120,463 |
| Interest on Debt | 3,359,164 | 3,902,096 | 3,602,910 |
| Grants/Requisitions | 1,819,870 | 1,836,987 | 1,854,710 |
| Amortization | 44,177,361 | 44,177,361 | 44,177,361 |
| Other Expenses | 1,402,625 | 1,466,374 | 1,533,021 |
| | 276,998,525 | 292,160,288 | 302,225,820 |
| Net Revenues / (Expenses) | (6,684,670) | (15,717,191) | (10,864,425) |
| Non-Operating Expenses | | | |
| From Reserve Fund | 7,730,599 | 8,039,270 | 6,653,633 |
| To Capital Fund | 264,973 | 264,973 | 264,973 |
| To Reserve Fund | (41,549,482) | (42,832,238) | (44,385,329) |
| Loan Funds Repaid | 592,614 | 592,614 | 592,614 |
| Capital Lease Repaid | (109,394) | (108,128) | (108,128) |
| Long Term Debt Repaid | (5,862,903) | (6,776,196) | (6,875,986) |
| | (38,933,593) | (40,819,705) | (43,858,223) |
| Non Cash Adjustment | 44,177,361 | 44,177,361 | 44,177,361 |
| Net Impact to Base Budget | \$ (1,440,902) | \$ (12,359,535) | \$ (10,545,287) |
| Equivalent 2016 Base Tax Increase | 0.70% | 5.91% | 5.04% |

Assumptions

Property tax includes all residential and non-residential growth projection from assessment department
 Assumed current service levels are maintained
 Assumed average 1.5% Growth and 3% inflation for most expense categories other than Wages & Benefits
 For 2017 to 2018 assumed that previous year shortfall is solved with prior years Base Tax Increase only
 Assumed no new debt is acquired for any new capital

Capital 5 year forecast

| By Asset Type | Approved | Capital Forecast | | | | |
|------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
| Buildings | \$ 5,299,681 | \$ 29,050,965 | \$ 66,283,958 | \$ 60,822,006 | \$ 25,276,521 | \$ 186,733,131 |
| Electronic Hardware/Software | 18,324,465 | 1,105,173 | 1,920,042 | 1,661,570 | 819,450 | 23,830,700 |
| Land Development | - | 1,397,750 | 3,996,500 | - | 1,740,000 | 7,134,250 |
| Machinery & Equipment | 1,595,264 | 4,985,319 | 3,492,057 | 2,359,992 | 1,905,443 | 14,338,075 |
| Program Parks & Open Space | 3,794,757 | 16,429,286 | 1,310,000 | 1,360,000 | 1,295,000 | 24,189,043 |
| Roadway Infrastructure | 41,461,470 | 112,597,970 | 86,365,429 | 45,786,189 | 68,468,955 | 354,680,013 |
| Utilities | 20,261,400 | 468,000 | 497,000 | 518,000 | 525,600 | 22,270,000 |
| Vehicles | 3,875,555 | 7,508,491 | 9,172,752 | 9,778,348 | 10,272,406 | 40,607,552 |
| Grand Total | \$ 94,612,592 | \$ 173,542,954 | \$ 173,037,738 | \$ 122,286,105 | \$ 110,303,375 | \$ 673,782,764 |

| By Asset Need | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Annual Programs | \$ 27,358,636 | \$ 31,650,049 | \$ 34,376,974 | \$ 36,686,941 | \$ 37,545,173 | \$ 167,617,773 |
| Suggested Annual Programs | 974,850 | 859,793 | 902,782 | 947,921 | 976,359 | 4,661,705 |
| Rehab / Replacement | 21,635,785 | 10,736,362 | 6,587,547 | 39,584,638 | 6,174,129 | 84,718,461 |
| Growth | 35,745,081 | 124,256,490 | 94,784,980 | 44,622,105 | 41,446,064 | 340,854,720 |
| Developer Levy | - | - | - | - | 18,188,050 | 18,188,050 |
| Value Added | 8,898,240 | 6,040,260 | 36,385,455 | 444,500 | 5,973,600 | 57,742,055 |
| Grand Total | \$ 94,612,592 | \$ 173,542,954 | \$ 173,037,738 | \$ 122,286,105 | \$ 110,303,375 | \$ 673,782,764 |

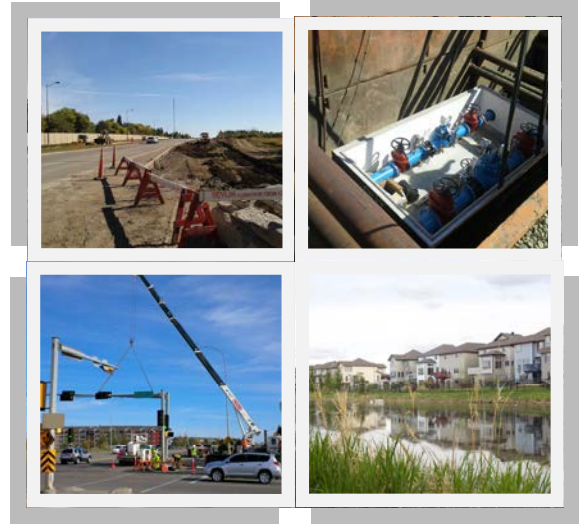
Assumptions

The capital forecast identifies potential projects in the five year window
 The forecast is not funded
 All funding sources have been projected in the five year window
 There is a funding gap
 The 2016 Priority Based Budgeting process will be used to prioritize the forecast and develop a funded plan

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, collect and divert waste, design and construct facilities and parks and coordinate plans and permits. Below ground, our work is less obvious, 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 believe in 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 preserve our community’s economic resiliency in a changing economy.

DEPARTMENT CORE FUNCTIONS

| ECONOMIC DEVELOPMENT AND TOURISM | CAPITAL PLANNING AND CONSTRUCTION | PLANNING AND DEVELOPMENT SERVICES | TRANSPORTATION AND AGRICULTURE SERVICES | UTILITIES |
|----------------------------------|-----------------------------------|--|---|---------------------------|
| Business attraction | Transportation planning | Land development planning | Public works - urban | Waste management services |
| Development attraction | Capital construction | Land development engineering | Public works - rural | Community energy services |
| Business retention | Design and survey | Permitting, inspections and customer service | Winter maintenance | Water services |
| Business expansion | | Environmental planning | Agriculture | Wastewater services |
| Entrepreneur support | | Land management services | Traffic management | Stormwater services |
| | | | | Utilities engineering |

Infrastructure and Planning Services' departments

Economic Development and Tourism (EDT)

EDT markets the advantages of doing business in the community 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 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. It also project manages the planning, design and construction for transportation infrastructure such as roads, railway overpasses, interchanges, pedestrian/cycling trails and parking facilities. CPC provides design, topographical surveys, transportation impact reviews, cost estimates and project management services to other municipal departments for the planning, design and construction of project-related transportation infrastructure.

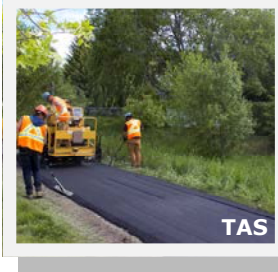
Planning and Development Services (PDS)

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 oversees the development of new outdoor open spaces. The department 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 TAS. The department keeps residents safe in all seasons through the use of speed and traffic controls, snow removal and ice control programs. The department also supports the unique needs of rural residents by implementing programs like vegetation management on rural roadsides, weed and pest control service; and programs to conserve soil and water and promote agricultural development.



Utilities (UT)

Utilities plans, 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. It also delivers heat to a number of buildings in Centre in the Park from a central source through the Community Energy System.



Succeeding in 2016

Capitalizing on opportunities

2016 initiatives that align with community priorities and advance corporate goals include:

- Initiate and update a number of master plans, including plans for the North Saskatchewan River Crossing and the Heartland Transportation Study, to support community expansion and growth of the petrochemical industry.
- Complete the Bremner and Colchester Growth Management Strategies and the Mature Neighbourhood Strategy to provide guidance for the County's next growth area.
- Continue to work collaboratively with land developers and industry partners to establish cost sharing strategies and agreements that minimize financial risk.
- Begin to develop the implementation strategies for the Agriculture Master Plan's six priorities in order to identify needs and growth sectors for agriculture and rural lifestyle.
- Continue to plan for the North of Yellowhead project.
- Interact with potential international business investors in the petrochemical sectors to attract and enhance investment in Strathcona County.
- Enhance and encourage support of the logistics hub in Strathcona County that serves the petrochemical sectors access to market.
- Continue with asset management programs to drive successful maintenance and rehabilitation programs in order to maintain appropriate levels of services.
- Prepare for Transportation Network updates that facilitate the next growth node in alignment with approved Growth Management Strategies.
- Continue to complete condition and risk assessments on water, wastewater and storm infrastructure in alignment with the Utilities Asset Management Plan.

Our focus for the year ahead

Infrastructure and Planning Services' direction aligns strongly with the prioritized goals of the strategic plan. Looking forward to 2016, our priorities are:

- Continue to advance the corporate business plan by building on the projects and programs initiated in 2015.
- Plan for and maintain sustainable municipal infrastructure to support and attract petrochemical and other related industry investment.
- Manage new growth alongside maintenance of current infrastructure as our community continues to grow.
- Balance limited resources and adapt to changes within the economic and political environment related to costs, funding sources and the pace of new development.

Overcoming challenges

Infrastructure and Planning Services has also identified challenges ahead in 2016:

- Maintaining service levels in the face of rising costs due to inflation and growth as well as current staff capacity challenges.
- Attracting value added projects to the County with increasing regional and global competition and shifts in the economy due to the downturn in oil and gas prices.
- Prioritizing growth areas to ensure maximum benefit to the community.
- Managing rising workloads and preparing for succession as a significant proportion of employees plan to retire.
- Negotiating land acquisition for the North of Yellowhead project in order to fulfill servicing upgrades necessary to accommodate growth.

Divisional impacts



Operating impacts

The health and wellbeing of our residents and the success of our businesses rely upon safe and dependable infrastructure and supportive programming. In order to remain competitive and deliver the high quality services we are known for, Infrastructure and Planning Services must invest in new and existing infrastructure as well as on-going operating expenses.

Whether it be increased 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 which focus on municipal infrastructure, petrochemical business, public involvement, and relationship building with neighboring municipalities and civic organizations.

Capital impacts

Strathcona County’s core capital infrastructure, critical to the everyday life of our citizens—roads, sidewalks, bridges, and water, wastewater, and stormwater infrastructure systems—is the responsibility of the Infrastructure and Planning Services Division. Additionally, we provide for the capital equipment that supports snow removal, traffic safety and other operational programs.

Infrastructure and Planning Services plays a very integral part in aligning with Council’s vision to ensure that the basic needs that promote health and safety, such as clean water and safe roads, are met and that our infrastructure contributes strongly to the vibrant nature of our community. The activities and requirements related to core capital drive our capital budget needs.



2016 divisional budget changes (excluding Utilities)

*Revenue is shown as a credit (in brackets)

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--|----------------------|------------------------|----------------------|-----------------------|
| Revenues | | | | |
| Government Grants | \$ (214,243) | \$ 35,869 | \$ (178,374) | (17)% |
| User Fees & Charges | (5,130,682) | (35,742) | (5,166,424) | 1% |
| Penalties & Fines | (37,000) | - | (37,000) | 0% |
| Other Revenues | (256,898) | (68,875) | (325,773) | 27% |
| | <u>(5,638,823)</u> | <u>(68,748)</u> | <u>(5,707,571)</u> | 1% |
| Expenses | | | | |
| Salaries & Wages ^a | 21,126,242 | 1,158,474 | 22,284,716 | 5% |
| Employee Benefits ^a | 3,935,267 | 501,646 | 4,436,913 | 13% |
| Training & Development ^a | 433,020 | 113,926 | 546,946 | 26% |
| Business Expenses ^a | 307,249 | 30,818 | 338,067 | 10% |
| Advertising & Printing | 453,163 | 47,944 | 501,107 | 11% |
| Professional Services | 2,051,280 | (215,290) | 1,835,990 | (10)% |
| Rentals & Leases | 1,000,801 | 232,887 | 1,233,688 | 23% |
| Contracted Services | 6,978,493 | 1,640,554 | 8,619,047 | 24% |
| Supplies & Materials | 6,682,947 | (503,808) | 6,179,139 | (8)% |
| Repairs & Maintenance | 195,221 | (28,780) | 166,441 | (15)% |
| Equipment Purchases | 205,558 | (38,079) | 167,479 | (19)% |
| Utilities | 2,406,672 | (317,531) | 2,089,141 | (13)% |
| Telecommunications | 179,566 | 185 | 179,751 | 0% |
| Interest on Debt | 10 | - | 10 | 0% |
| Grants & Requisitions | 165,560 | (150,000) | 15,560 | (91)% |
| Other Expenses | 72,369 | 4,485 | 76,854 | 6% |
| Interprogram | (137,748) | (45,142) | (182,890) | 33% |
| | <u>46,055,670</u> | <u>2,432,289</u> | <u>48,487,959</u> | 5% |
| Net (Revenues)/Expenses | <u>40,416,847</u> | <u>2,363,541</u> | <u>42,780,388</u> | 6% |
| Non-Operating Items | <u>18,445,900</u> | <u>(110,903)</u> | <u>18,334,997</u> | (1)% |
| TOTAL Infrastructure & Planning Services Division | \$ 58,862,747 | \$ 2,252,638 | \$ 61,115,385 | 4% |

Analysis of Changes from 2015 to 2016

| | | |
|---|---------|---------------------|
| Government Grants (revenue decrease) | Note 1 | \$ 35,869 |
| Other Revenues (revenue increase) | Note 2 | (68,875) |
| Salaries, Wages, Benefits and Labour Costs ^a | Note 3 | 1,804,864 |
| Advertising & Printing | Note 4 | 47,944 |
| Professional Services | Note 5 | (215,290) |
| Rentals & Leases | Note 6 | 232,887 |
| Contracted Services | Note 7 | 1,640,554 |
| Supplies & Materials | Note 8 | (503,808) |
| Repairs & Maintenance | Note 9 | (28,780) |
| Equipment Purchases | Note 10 | (38,079) |
| Utilities | Note 11 | (317,531) |
| Grants & Requisitions | Note 12 | (150,000) |
| Interprogram | Note 13 | (45,142) |
| Non-Operating Items | Note 14 | (110,903) |
| Other | | (31,072) |
| TOTAL CHANGES | | \$ 2,252,638 |

- Note 1:** The County is no longer receiving the Provincial Highway Grant. Included is an offset with the Agricultural Services Board's grant to reflect the trend of increases in the amounts actually received.
- Note 2:** Increased revenue for community aggregate levy as per actuals for the last 3 years.
- Note 3:** The increase in Salaries & Wages, Benefits and associated labour cost is due to cost of living increase, new positions, grid movement, increased benefit premiums and related staffing costs required to maintain approved service levels.
- Note 4:** Public relations and advertising increased to continue attracting new business, particularly in the petrochemical sector, to promote Strathcona County in a globally-competitive marketplace.
- Note 5:** Decrease in professional services result of decreases for one-time costs in initiatives for growth management and planning studies, statutory updates and municipal land strategies.
- Note 6:** Addition of equipment and vehicle rentals in Transportation and Agricultural Services.
- Note 7:** Higher contract prices and kilometers of road to maintain increased the cost of street sweeping, urban road maintenance, and winter maintenance. Includes funding for Area Concept Plans subsequent to growth management studies.
- Note 8:** Supplies and materials budget was aligned with historical actuals. Road oil use decreased significantly, while cement, cold mix, asphalt, signs and chips increased. Funds from supplies and materials were reallocated to other areas required for growth in urban road and winter maintenance requirements.
- Note 9:** Decreased repairs and maintenance for buildings and equipment in Transportation and Agricultural Services.
- Note 10:** Decreased office equipment and tools required for staff.
- Note 11:** Decreased electrical and natural gas contract prices.
- Note 12:** Grants & Requisitions decreased due to the removal of prior year one-time cost - Tour of Alberta sponsorship.
- Note 13:** Interprogram adjusted to reflect actuals for the past three years for charges to RPC & Utilities.
- Note 14:** Non-operating items increase due to higher transfer to reserves for inflation on capital projects.

2016 Utilities' budget changes

*Revenue is shown as a credit (in brackets)

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|-------------------------------------|---------------------|------------------------|---------------------|-----------------------|
| Revenues | | | | |
| Government Grants | \$ (7,000) | \$ - | \$ (7,000) | 0 % |
| Utility User Rates | (53,236,979) | (846,821) | (54,083,800) | 2 % |
| User Fees & Charges | (631,701) | (951,954) | (1,583,655) | 151 % |
| Penalties & Fines | (1,240,724) | 24,996 | (1,215,728) | (2)% |
| Other Revenues | (3,000) | - | (3,000) | 0 % |
| | <u>(55,119,404)</u> | <u>(1,773,779)</u> | <u>(56,893,183)</u> | 3 % |
| Expenses | | | | |
| Salaries & Wages ^a | 9,009,429 | (83,868) | 8,925,561 | (1)% |
| Employee Benefits ^a | 1,745,128 | 131,713 | 1,876,841 | 8 % |
| Training & Development ^a | 201,267 | 9,807 | 211,074 | 5 % |
| Business Expenses ^a | 64,894 | 841 | 65,735 | 1 % |
| Advertising & Printing | 471,838 | 19,656 | 491,494 | 4 % |
| Professional Services | 505,317 | 12,702 | 518,019 | 3 % |
| Rentals & Leases | 434,168 | (101) | 434,067 | (0)% |
| Contracted Services | 8,269,568 | 127,436 | 8,397,004 | 2 % |
| Supplies & Materials | 20,614,721 | 782,096 | 21,396,817 | 4 % |
| Repairs & Maintenance | 2,004,263 | 15,028 | 2,019,291 | 1 % |
| Equipment Purchases | 197,252 | 4,287 | 201,539 | 2 % |
| Utilities | (267,911) | 56,952 | (210,959) | (21)% |
| Telecommunications | 141,637 | 3,215 | 144,852 | 2 % |
| Interest on Debt | 2,718,223 | (166,639) | 2,551,584 | (6)% |
| Grants & Requisitions | - | 200,000 | 200,000 | 100 % |
| Other Expenses | 102,254 | 5,648 | 107,902 | 6 % |
| Interprogram | 2,825,202 | 81,052 | 2,906,254 | 3 % |
| Amortization Expense | 6,551,654 | 205,883 | 6,757,537 | 3 % |
| | <u>55,588,904</u> | <u>1,405,708</u> | <u>56,994,612</u> | 3 % |
| Net (Revenues)/Expenses | <u>469,500</u> | <u>(368,071)</u> | <u>101,429</u> | (78)% |
| Non-Operating Items | <u>(469,500)</u> | <u>368,071</u> | <u>(101,429)</u> | (78)% |
| TOTAL UTILITIES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | 0% |

Analysis of Changes from 2015 to 2016

| | | |
|---|---------|--------------|
| Utility User Rates (revenue increase) | Note 1 | \$ (846,821) |
| User Fees and Charges (revenue increase) | Note 2 | (951,954) |
| Salaries, Wages, Benefits and Labour Costs ^a | Note 3 | 58,493 |
| Contracted Services | Note 4 | 127,436 |
| Supplies & Materials | Note 5 | 782,096 |
| Utilities | Note 6 | 56,952 |
| Interest on Debt | Note 7 | (166,639) |
| Grants & Requisitions | Note 8 | 200,000 |
| Interprogram | Note 9 | 81,052 |
| Non-Operating Items | Note 10 | 368,071 |
| Amortization Expense | Note 11 | 205,883 |
| Other | | 85,431 |
| TOTAL CHANGES | | <u>\$ -</u> |

- Note 1:** Utility User Rates are higher due to increased rates for water and wastewater and growth of accounts for all the utility programs. In wastewater, a change in methodology in calculation of rates has resulted in elimination of the minimum charge, with costs reallocated to treatment, operations and maintenance fixed and variable rates. Waste rates have not changed.
- Note 2:** Majority of increase in User Fees is a result of development of revenue baseline budgets for external contracts related to operating and management agreements for other Commissions and Municipalities.
- Note 3:** The increase in Salaries & Wages, Benefits and associated labour cost is due to cost of living increase, new positions, grid movement, increased benefit premiums and related staffing costs required to maintain approved service levels.
- Note 4:** The development of baseline budgets for External Contracts resulted in an estimated increase in contracted services. There was also a decrease in solid waste contract plus growth and inflationary increases for other contractual services.
- Note 5:** There are projected increases in the purchase price of water from EPCOR and other smaller providers of 2¢ per cubic meter. Purchases of wastewater treatment from the Alberta Capital Region Wastewater Commission are projected to increase 4¢ per cubic meter. There is also growth in the customer base for each one to the utility programs - water, wastewater, solid waste and drainage.
- Note 6:** There are decreases in Community Energy internal recoveries due to a decrease in the customer base and lower prices as a result of decreases in natural gas prices. Decrease in electricity and natural gas costs due to lower contract rates, decreased internal recoveries for water and sewer and net growth and inflation for electricity and natural gas delivery.
- Note 7:** Decreased debenture borrowing directly related to a decreased interest on debt. Also as current debt gets paid down, interest payment decreases as principle payments increase.
- Note 8:** Grant program for the multi-tenant sump pump program.
- Note 9:** Increases are the result of net increases in facility maintenance, building maintenance, insurance charges, finance and corporate charges and net internal recoveries.
- Note 10:** Non-operating items changed due to a decrease in the transfer from the wastewater reserve which was utilized in 2015 to stabilize a 2¢ increase in treatment costs, an overall increase in the transfer to capital reserve, decrease in long-term debt payments, support from reserve for Community Energy, interest on reserves and other accounting flow-through on the non-cash adjustment for amortization.
- Note 11:** Amortization expense relates to increases in the utilities asset base.

DEPARTMENT OPERATING BUDGETS

Economic Development & Tourism

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (25,500) |
| Expenses | | 1,428,666 |
| Non-Operating Items | | 1,266 |
| NET REQUIREMENT | \$ | 1,404,432 |

Capital Planning & Construction

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (4,148) |
| Expenses | | 4,455,569 |
| Non-Operating Items | | 5,000 |
| NET REQUIREMENT | \$ | 4,456,421 |

Planning & Development Services

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (5,089,827) |
| Expenses | | 11,181,978 |
| Non-Operating Items | | 10,000 |
| NET REQUIREMENT | \$ | 6,102,151 |

Transportation & Agriculture Services

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (588,096) |
| Expenses | | 31,421,746 |
| Non-Operating Items | | 18,318,731 |
| NET REQUIREMENT | \$ | 49,152,381 |

Utilities

| | | |
|------------------------|-----------|--------------|
| Revenues | \$ | (56,893,183) |
| Expenses | | 56,994,612 |
| Non-Operating Items | | (101,429) |
| NET REQUIREMENT | \$ | - |

| | | |
|-----------------------|-----------|-------------------|
| TOTAL DIVISION | \$ | 61,115,385 |
|-----------------------|-----------|-------------------|

*Revenue is shown as a credit (in brackets)

2016 divisional capital budget

| | Cost | Department |
|--|-------------------|------------|
| Buildings | | |
| Annual Parking Lot Rehab Program | 363,681 | TAS |
| Asbestos Removal & Abatement Program | 156,000 | UT |
| Multi-Use Agriculture Facility - Functional Planning Study (\$36M) | 650,000 | TAS |
| | 1,169,681 | |
| Electronic Hardware/Software | | |
| IT Infrastructure Replacement Program - Utilities | \$ 42,400 | UT |
| SCADA Replacement | 204,000 | UT |
| | 246,400 | |
| Machinery & Equipment | | |
| Annual Water Meter / Radio Frequency Program | 490,000 | UT |
| | 490,000 | |
| Utilities | | |
| Annual Corrosion Control Program | 88,000 | UT |
| Annual Hydrant / Valve Replacement | 275,000 | UT |
| Ardrossan Water Reservoir & Pumphouse Expansion Construction | 12,812,800 | UT |
| Annual Rollout Carts | 180,000 | UT |
| Ardrossan Collection System Upgrade | 6,905,600 | UT |
| | 20,261,400 | |
| Roadway Infrastructure | | |
| Annual Programs | | |
| Annual Rural Road Rehab Program | \$ 6,146,564 | TAS |
| Annual Residential Rehab Program | 5,025,407 | TAS |
| Annual Bridge Replacement Project | 750,000 | TAS |
| Annual Arterial Road Rehab Program | 4,660,075 | TAS |
| Annual Asphalt Trail Rehab Program | 292,834 | TAS |
| Annual Traffic & Pedestrian Safety Improvements | 619,911 | TAS |
| Annual Traffic Signal / Intersection Replacements | 873,440 | TAS |
| Ardrossan | | |
| Queen Street, Rge Rd 221A to Third Ave_CFL | 1,234,980 | CPC |
| Upgrade Queen, Main, Third and Rge Rd 221A_DLU | 206,000 | CPC |
| Heartland | | |
| South East Heartland Access Roads_3a, 6_DLU | 3,819,365 | CPC |
| Twp Rd 560, Rge Rd 213 to Rge Rd 214_1B_C | 7,150,300 | CPC |
| Rural | | |
| TWP Rd 520, Hwy 21 to Hwy 824_FL | 1,582,080 | CPC |
| Sherwood Park | | |
| Petroleum Way Widening 17 St to Streambank Ave_DLU | 875,000 | CPC |
| Pembina Rd and Broadmoor Blvd Intersection Improvements_C | 946,434 | CPC |
| Broadmoor Blvd and Lakeland Dr Intersection Improvements_C | 783,560 | CPC |
| Broadview Dr to Buckingham_D | 108,150 | CPC |
| Suggested Annual Sidewalk Missing Links Program | 818,850 | TAS |
| Sherwood Dr, Ash St to Village Dr & Fir St Intersection Improvements_DLU | 1,030,000 | CPC |
| Sherwood Dr, Lakeland Dr to North of Emerald Dr_FL | 1,001,160 | CPC |
| Wye Road | | |
| Ash St, Rge Rd 233 to Ordze Ln_DLU | 875,500 | CPC |
| Wye Rd, Estate Drive to Nottingham Way_DLU | 815,760 | CPC |
| Wye Rd, Nottingham Way to Clover Bar Rd_DLU | 896,100 | CPC |
| Wye Road Noise Attenuation Wall Rehab Project | 950,000 | TAS |
| | 41,461,470 | |
| Vehicles | | |
| Annual Utilities Fleet Addition & Replacement Program | 280,980 | UT |
| | 280,980 | |
| GRAND TOTAL | 63,909,931 | |

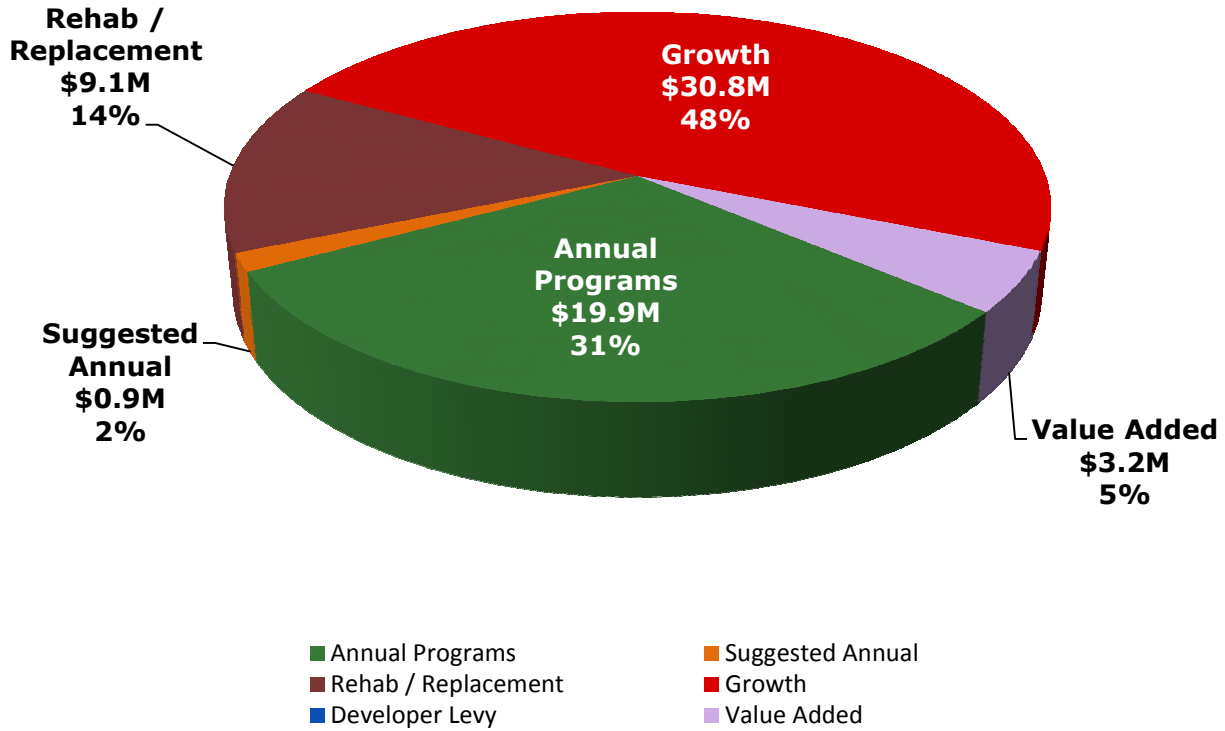
Annual Program
Growth

Rehab / Rehabilitation
Developer Levy

Suggested Annual
Value Added

2016 divisional capital budget (continued)

2016 Capital Ask by Asset Group -
Infrastructure & Planning Services (\$63.9M)



Introduction to Community Services

The role of the Community Services Division is to continue to create a healthy, vibrant, safe and welcoming community with extraordinary cultural and social amenities. We strive to engage and empower citizens through social support services for people of all ages and situations, lifelong learning opportunities, recreation programming and exciting world-class events. Our RCMP, municipal enforcement and emergency services ensure a safe environment in which residents and businesses can flourish. 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. It is our friendly and forward-thinking nature that draws people to Strathcona County, to invest, to play and to stay.



DEPARTMENT CORE FUNCTIONS

| STRATHCONA COUNTY EMERGENCY SERVICES | FAMILY AND COMMUNITY SERVICES | RECREATION, PARKS AND CULTURE | STRATHCONA COUNTY TRANSIT | RCMP AND ENFORCEMENT SERVICES |
|--------------------------------------|--------------------------------|-------------------------------|---------------------------|--------------------------------------|
| Community safety | Individual and family supports | Programs | Intermunicipal transit | RCMP general duty |
| Emergency communications | Outreach supports | Facilities | Local transit | Drugs and serious crimes |
| Emergency management | Developing community | Parks, fields, open spaces | Mobility bus | Integrated traffic services |
| Operations (emergency response) | Community education | Community development | Special event | Crime prevention and victim services |
| | | Special events | | Enforcement services |

Community Services' departments

Strathcona County Emergency Services (SCES)

Strathcona County Emergency Services (SCES) provides fire, rescue and ambulance services (under contract to Alberta Health Services) to 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. The department provides public education programs including FireSmart workshops, first aid and CPR, targeted education to children, emergency preparedness and home safety. SCES conducts occupancy inspections to ensure compliance with the Alberta Fire Code and plays a key role in the permitting processes, reviewing industrial designs and emergency response plans.

Strathcona County Transit (SCT)

Four types of transit services are offered by the Strathcona County Transit (SCT) department. These include inter-municipal commuter service, local service within Sherwood Park and mobility bus service for persons with disabilities and special event transportation. Transit services provides access and mobility to many employment, social, educational and medical opportunities throughout the region.



RCMP and Enforcement Services (RCMP & ES)

Through the delivery of front-line services, RCMP and Enforcement Services (RCMP & ES) work to promote 24/7 public safety and security. The department responds to 9-1-1 calls, investigates and enforces Municipal, Provincial and Federal Statutes, conducts crime investigation and analysis, and offers proactive policing related to serious crime, drug and substance abuse and traffic violations. In addition, RCMP & ES work to be a visible presence within the community, initiating crime prevention strategies, volunteer engagement, special events, media relations, and assistance to victims of crime and trauma.



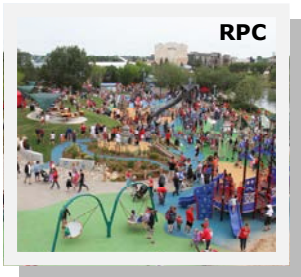
Family and Community Services (FCS)

Family and Community Services (FCS) offers social support services including a range of counselling supports; seniors and youth outreach, home visitation, and home support services; and community

development, community building, social issues awareness campaigns and social advocacy programs for marginalized and vulnerable populations. The department's courses, workshops and groups provide learning opportunities that facilitate personal growth and community connectedness.

Recreation, Parks and Culture (RPC)

Recreation, Parks and Culture (RPC) generates opportunities that enable the pursuit of healthy lifestyle choices. The department provides people of all ages with safe, available 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. The department offers both spontaneous and programmed activities, cultural services, festivals and events that encourage physical activity, personal growth, skill development, social inclusion and mental wellbeing.



Succeeding in 2016

Capitalizing on opportunities

2016 initiatives that align with community priorities and advance corporate goals include:

- Improve traffic safety by consistently reviewing the tools and technologies available for traffic enforcement, building upon public education programs and enhancing intersection safety.
- Reduce the incidence of domestic violence by equipping all regular RCMP and enforcement members with training in familial/relationship violence and leveraging partnerships with Family Community Services, community groups and government agencies to offer effective program supports.
- Use best practices to improve the operational efficiency and effectiveness of the 911 call centre to meet new provincial performance guidelines.
- Build on strategies for creating a caring and connected community, with a focus on social inclusion to support groups that may be marginalized.
- Manage the opening of the Emerald Hills Leisure Centre, Emerald Hills artificial turf/pavilion and the reopening of the expanded Glen Allan Recreation Complex.
- Enhance transit service with the addition of five new double decker buses.
- Implement new recreation business software to improve residents' registration experience and maximize the booking and evaluation of recreation programs.
- Partner with Edmonton Transit System and St. Albert Transit to initiate Smart Fare and Smart Bus technologies to enhance customer experience, encourage ridership and increase operational efficiencies.

Our focus for the year ahead

Community Services' priorities align strongly with Council's vision. Looking ahead for 2016, our focus will be to:

- Maintain approved service levels to meet the needs of a growing and changing population.
- Respond proactively to socio-demographic shifts as the economy changes and the population ages and diversifies.

Overcoming challenges

Community Services has also identified challenges ahead in 2016:

- Addressing the pressures that an economic downturn places on residents and families in terms of programming needs and community policing support. Responding to emerging social trends that reflect the needs of low income and immigrant groups and shifting incomes due to job losses, while meeting increased demand for social services in Parent Link, home support, outreach and other programs.
- Managing start-up operations for three new/renovated facilities simultaneously.
- Maintaining reliable transit on-time performance and customer satisfaction during inclement weather and as Edmonton and Anthony Henday road construction continues to cause delays.
- Ensuring traffic safety as the opening of the Anthony Henday is expected to bring an additional 60,000 – 80,000 vehicles per day through Strathcona County.
- Managing staff challenges, such as:
 - ⇒ Increasing workloads
 - ⇒ Succession planning

Divisional impacts



Operating impacts

As a service-oriented division, Community Services is in the unique position to identify trends in resident needs and overall programming. 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. At any given time, citizens can engage in community events, connect via transit, get active in one of our many recreation facilities, take part in emergency preparedness activities or seek assistance through counselling services and outreach programs.

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 2016 captures this critical key to making Strathcona County Canada’s most livable community.

Capital impacts

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 2016 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.



2016 divisional budget changes

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--|----------------------|------------------------|----------------------|-----------------------|
| Revenues | | | | |
| Government Grants | \$ (4,204,048) | \$ (252,412) | \$ (4,456,460) | 6 % |
| User Fees & Charges | (29,559,488) | 124,522 | (29,434,966) | (0) % |
| Penalties & Fines | (3,901,665) | (413,185) | (4,314,850) | 11 % |
| Other Revenues | (6,238,969) | 276,276 | (5,962,693) | (4) % |
| | <u>(43,904,170)</u> | <u>(264,799)</u> | <u>(44,168,969)</u> | 1 % |
| Expenses | | | | |
| Salaries & Wages | 67,726,035 | 2,259,974 | 69,986,009 | 3 % |
| Employee Benefits | 11,841,706 | 1,612,979 | 13,454,685 | 14 % |
| Training & Development | 1,023,466 | 19,033 | 1,042,499 | 2 % |
| Business Expenses | 452,986 | 21,662 | 474,648 | 5 % |
| Advertising & Printing | 958,210 | 60,220 | 1,018,430 | 6 % |
| Professional Services | 207,213 | 20,938 | 228,151 | 10 % |
| Insurance | 1,200 | 36 | 1,236 | 3 % |
| Rentals & Leases | 669,278 | (50,082) | 619,196 | (7) % |
| Contracted Services | 19,256,858 | (12,760) | 19,244,098 | (0) % |
| Supplies & Materials | 4,571,520 | 351,971 | 4,923,491 | 8 % |
| Repairs & Maintenance | 1,929,814 | (680,036) | 1,249,778 | (35) % |
| Equipment Purchases | 1,445,144 | 583,012 | 2,028,156 | 40 % |
| Utilities | 4,733,916 | (312,456) | 4,421,460 | (7) % |
| Telecommunications | 356,405 | (7,681) | 348,724 | (2) % |
| Interest on Debt | 41,252 | (6,568) | 34,684 | (16) % |
| Grants & Requisitions | 661,307 | 6,145 | 667,452 | 1 % |
| Other Expenses | 513,988 | 10,047 | 524,035 | 2 % |
| Interprogram | 6,108,884 | 113,538 | 6,222,422 | 2 % |
| Amortization Expense | 187,317 | - | 187,317 | 0 % |
| | <u>122,686,499</u> | <u>3,989,972</u> | <u>126,676,471</u> | 3 % |
| | <u>78,782,329</u> | <u>3,725,173</u> | <u>82,507,502</u> | 5 % |
| Net (Revenues)/Expenses | | | | |
| | <u>4,054,832</u> | <u>(157)</u> | <u>4,054,675</u> | (0) % |
| Non-Operating Items | | | | |
| | <u>4,054,832</u> | <u>(157)</u> | <u>4,054,675</u> | (0) % |
| TOTAL Community Services Division | \$ 82,837,161 | \$ 3,725,016 | \$ 86,562,177 | 4% |

Analysis of Changes from 2015 to 2016

| | | |
|-----------------------------|---------|---------------------|
| Government Grants | Note 1 | \$ (252,412) |
| User Fees & Charges | Note 2 | 124,522 |
| Penalties & Fines | Note 3 | (413,185) |
| Other Revenues | Note 4 | 276,276 |
| Salaries & Wages & Benefits | Note 5 | 3,913,648 |
| Supplies & Materials | Note 6 | 351,971 |
| Repairs & Maintenance | Note 7 | (680,036) |
| Equipment Purchases | Note 8 | 583,012 |
| Utilities | Note 9 | (312,456) |
| Interprogram | Note 10 | 113,538 |
| Other | | 20,138 |
| TOTAL CHANGES | | \$ 3,725,016 |

Note 1: The increase in Grant Revenue is primarily due to the Public Service Answering Point (PSAP) annual grant and the Family and Community Support Services (FCS) annual grant. It is partially offset by the removal of the Forrest Resource Improvement Association of Alberta (FRIAA) Grant.

Note 2: The decrease in Fees & Charges is mostly due to the impact of the EMS provincial standardized rate and the decrease in user fees due to the impact of the new Edmonton facilities on the Millennium Card, recreation admissions and registered programs. It is partially offset by growth and fee rate increases.

Note 3: The increase in Penalties and Fines is due to the ticket price increase in the 2015 Provincial Budget.

Note 4: The decrease in Other Revenue is due to the removal of the Safety Codes Council (SCC) Secondment, the decrease in Alberta Health Services (AHS) revenue associated with the 2015 contract and the reduction of one time funding for a developer deficiency.

Note 5: The increase in Salaries & Wages, Benefits and associated labour cost is due to cost of living increase, new positions, grid movement, increased benefit premiums and related staffing costs required to maintain approved service levels.

Note 6: The increase in Supplies & Materials can be attributed to the Emerald Hills Aquatic Centre opening, Parks infrastructure growth, one-time costs for required wildland gear and impacts from USD exchange rate increases.

Note 7: The decrease in Repairs & Maintenance is due to the transfer of facility maintenance duties from Recreation, Parks & Culture to Facility Services.

Note 8: The increase in Equipment Purchases is due to the replacement of Alberta First Responder Radio Communications Systems (AFRRCS), one-time costs for replacement equipment funded from the PSAP grant and impacts from USD exchange rate increases.

Note 9: New service providers for Electricity and Natural Gas have resulted in lower forecasts from Facilities.

Note 10: Interprogram has increased due to increased internal charges from Fleet Services related to higher fuel, parts and supplies for Transit Fleet Maintenance.

*Revenue is shown as a credit (in brackets)

DEPARTMENT OPERATING BUDGETS

Strathcona County Emergency Services

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (7,795,423) |
| Expenses | | 33,966,651 |
| Non-Operating Items | | (53,060) |
| NET REQUIREMENT | \$ | 26,118,168 |

Family & Community Services

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (4,211,133) |
| Expenses | | 7,376,298 |
| Non-Operating Items | | 50,000 |
| NET REQUIREMENT | \$ | 3,215,165 |

Recreation, Parks & Culture

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (19,276,840) |
| Expenses | | 41,116,817 |
| Non-Operating Items | | 1,107,796 |
| NET REQUIREMENT | \$ | 22,947,773 |

Broadmoor Public Golf Course

| | | |
|------------------------|-----------|-------------|
| Revenues | \$ | (1,397,501) |
| Expenses | | 1,591,464 |
| Non-Operating Items | | (193,963) |
| NET REQUIREMENT | \$ | - |

Strathcona County Transit

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (4,968,276) |
| Expenses | | 19,310,234 |
| Non-Operating Items | | 3,143,902 |
| NET REQUIREMENT | \$ | 17,485,860 |

RCMP & Enforcement Services

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (6,519,796) |
| Expenses | | 23,315,007 |
| Non-Operating Items | | - |
| NET REQUIREMENT | \$ | 16,795,211 |

| | | |
|-----------------------|-----------|-------------------|
| TOTAL DIVISION | \$ | 86,562,177 |
|-----------------------|-----------|-------------------|

*Revenue is shown as a credit (in brackets)

2016 divisional capital budget

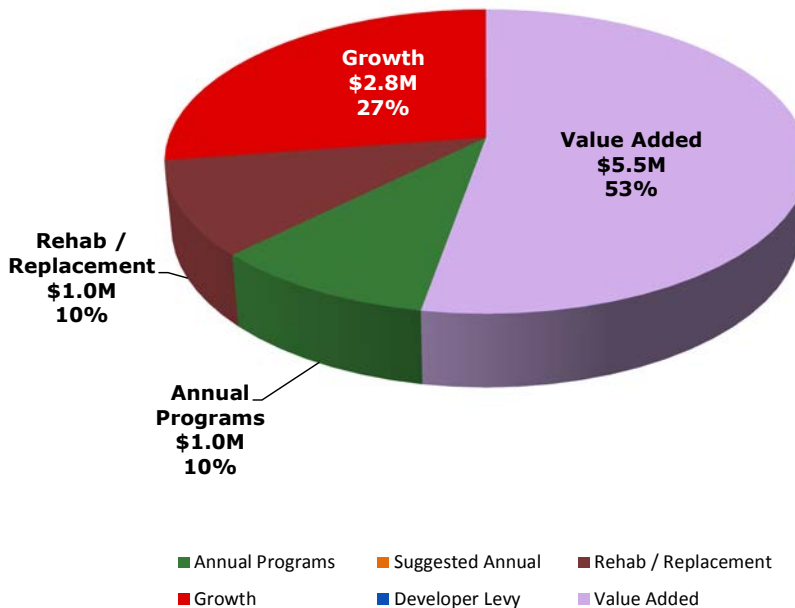
| | Cost | Department |
|--|-------------------|------------|
| Electronic Hardware/Software | | |
| Emergency Communications Technology Replacement (PSAP) | 109,200 | SCES |
| Smart Fare and Smart Bus | 5,305,000 | SCT |
| | 5,414,200 | |
| Machinery & Equipment | | |
| Annual Golf Course Equipment Replacement Program | 64,700 | BPGC |
| Annual Recreation Equipment Replacement Program | 125,000 | RPC |
| Annual Equipment Replacement Program | 147,000 | SCES |
| Emergency Communications Centre - Equipment Replacement (PSAP) | 40,250 | SCES |
| Electronic Management System for Evidence & Valuables | 125,000 | RCMP & ES |
| | 501,950 | |
| Program Parks & Open Space Development | | |
| Annual Parks Infrastructure Lifecycle | 670,000 | RPC |
| Emerald Hills Regional Park Pavilion Phase II | 2,274,757 | RPC |
| Annual - OSRFS Outdoor Revitalization Program | 850,000 | RPC |
| | 3,794,757 | |
| Vehicles | | |
| Fleet Addition - 1 Ton Truck | 45,675 | RPC |
| Fleet Addition - Aerator | 12,600 | RPC |
| Fleet Addition - Sand Rake | 32,550 | RPC |
| Fleet Addition - SUV (2016) | 32,025 | SCES |
| Fleet Addition - Modular Containers | 395,325 | SCES |
| Fleet Addition - Stump Grinder | 24,150 | RPC |
| Fleet Upgrade for F-009 | 11,000 | SCES |
| Fleet Upgrade for C-017 (S-14) | 11,000 | RCMP & ES |
| Fleet Upgrade for C-025 (S-15) | 11,000 | RCMP & ES |
| | 575,325 | |
| GRAND TOTAL | 10,286,232 | |

Annual Program
Growth

Rehab / Rehabilitation
Developer Levy

Suggested Annual
Value Added

2016 Capital Ask by Asset Group -
Community Services (\$10.3M)

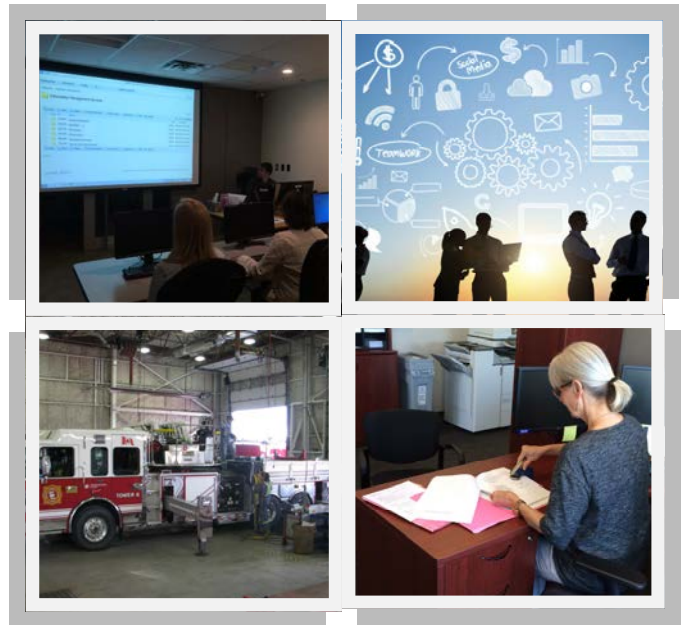




Introduction to Corporate Services

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.



DEPARTMENT CORE FUNCTIONS

| FACILITY SERVICES | FLEET SERVICES | HUMAN RESOURCES | INFORMATION TECHNOLOGY SERVICES | LEGISLATIVE AND LEGAL SERVICES |
|----------------------------|------------------------------|--|--|--|
| Asset management | Fleet asset management | Workforce planning and development | Business solutions | Legislative and legal services |
| Maintenance and operations | Fleet maintenance operations | Labour relations and human resources advisory services | Enterprise Geographic Information System | Corporate records and information governance |
| Telecommunications | Materials management | Compensation and benefits | Technology planning and strategy | Governance support services and deputy clerk |
| Print and mail | | Employee safety, health and wellbeing | Technology infrastructure and customer support | |



Corporate Services' departments

Facility Services (FAC)

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 internal department, 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 cost effective services to citizens Strathcona County requires the right people in the right jobs for the right cost. HR collaborates with departments to create work environments where employees are engaged and excel at what they do. From coordinating effective recruitment processes, to maintaining competitive compensation, benefits and leave programs, to delivering comprehensive training and development supports, HR helps ensure the organization has the 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)

ITS works with departments to help them use technology to be more efficient and effective in serving our citizens. Whether it be training staff on how to best use technology or getting technology to staff out in the field so that they can access the information they need, or making administrative processes faster and more efficient, or making sure that decision-makers have the information they need to make the best decisions, the County can trust ITS to deliver sound solutions that are reliable, secure, and aligned well with their needs. The ITS department also operates an effective and reliable IT infrastructure including well supported computers, multiple data centres that backup each other in case of disaster and an internal data network that connects all County building and staff together. Finally, ITS provides corporate support and oversight over the County's Geographical Information System (GIS). Most everything that the County does revolves around our land base and that information is stored in our GIS system. An effective and accurate GIS system allows staff and citizens to view, understand, interpret and visualize data in many ways including maps, globes, reports and charts.



Legislative and Legal Services (LLS)

The LLS team ensures that legislative requirements related to the delivery of municipal programs and services are met. LLS provides support to Council and Priorities Committee including agenda management, meeting management, records and Councillor inquiries as well as follow-up action items. LLS manages quasi-judicial boards, such as the Assessment Review Board and Subdivision and Development Appeal Board, and responsibility for Freedom of Information and Protection of Privacy (FOIP) which fosters an open and transparent government. The department is responsible for the Corporate Records and Information Management Program, assisting records representatives in all business units and provides internal legal support as well as liaison with external legal providers. LLS also manages municipal elections, by-elections and plebiscites and delivers the municipal census as well as the review of policies and bylaws.



Succeeding in 2016

Capitalizing on opportunities

2016 initiatives that align with community priorities and advance corporate goals include:

- Reorganize and realign the Information Technology Service department to better support County service delivery through the use of technology.
- Implement new service standards as a result of the service level agreements completed with our customers.
- Create new maintenance plans that meet current industry standards.
- Begin the replacement of the County’s Enterprise Resource Planning (ERP) system through collaboration with all departments.
- Apply the Open Text Enterprise Information Management System and Electronic Meeting Management System (eScribe) to ensure reliable, comprehensive and timely availability of information.
- Implement new energy contracts while continuing to identify areas for reducing energy use and maximizing overall energy cost savings in municipal facilities.
- Continue to develop and maintain human resource strategies, guidelines and programs to help the County attract and retain the talent it needs now and in the future, including leadership development and employee engagement.
- Reduce health and safety risk across the organization with an emphasis on employee and management accountability, hazard assessment, incident investigation and reporting processes.
- Continue to ensure compliance with legislative requirements and gain insight for the future of the organization through the review of bylaws, policies and standards.

Our focus for the year ahead

Corporate Services’ priorities align very closely to Council’s strategic goals. Looking ahead for 2016, our focus will be to:

- Meet the needs of our clients to enhance their abilities to deliver programs and services.
- Keep pace with community growth in terms of staffing and infrastructure requirements.
- Become better equipped to manage the complexity of issues that occur due to our changing environment and the resulting increase in demand for support from our departments.

Overcoming challenges

Corporate Services has also identified challenges ahead in 2016:

- Managing the volume of service and maintenance tasks within a growing facility portfolio to ensure efficient turnaround and delivery times, particularly with the opening of several new / renovated facilities, such as the Emerald Hills Aquatic Centre, Glen Allen Recreation Complex and RCMP detachment expansion.
- Efficiently maintaining fleet vehicles with aging lift equipment, limited space and supplier challenges.
- Inflation on costs for vehicle parts, fuel and tires.
- Supporting technology and providing technical leadership in an increasingly complex and critical IT environment.
- Recruiting and retaining talent in a fluctuating economy that creates opportunities and challenges.
- Coping with staff challenges such as rising workloads, skill gaps and succession planning while effectively maintaining service levels and delivering on priority initiatives.

Divisional impacts



Operating impacts

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 daily activities align very strongly to all of Council’s strategic prioritized goals, making us an integral piece to the puzzle in achieving the community’s vision. 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.

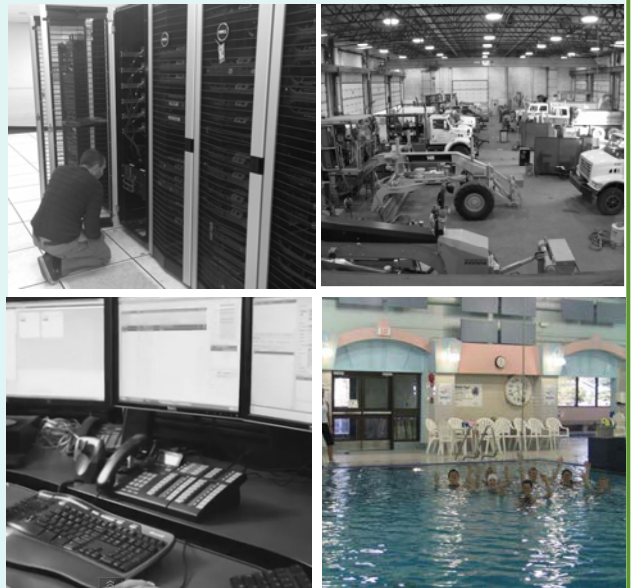
Capital impacts

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. There is also an emphasis on strengthening the IT Security Program to ensure that the information it protects on behalf of its citizens is assessed and used in appropriate manners. emergency and enforcement response, snow removal, public transit and other important municipal services.

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



2016 divisional budget changes

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--|----------------------|------------------------|----------------------|-----------------------|
| Revenues | | | | |
| User Fees & Charges | \$ (448,065) | \$ (37,411) | \$ (485,476) | 8 % |
| Other Revenues | (30,500) | (45,910) | (76,410) | 151 % |
| | <u>(478,565)</u> | <u>(83,321)</u> | <u>(561,886)</u> | 17 % |
| Expenses | | | | |
| Salaries & Wages | 15,600,476 | 1,636,746 | 17,237,222 | 10 % |
| Employee Benefits | 3,928,813 | 832,877 | 4,761,690 | 21 % |
| Training & Development | 525,964 | 4,868 | 530,832 | 1 % |
| Business Expenses | 101,980 | (9,049) | 92,931 | (9) % |
| Advertising & Printing | 472,120 | (117,741) | 354,379 | (25) % |
| Professional Services | 1,600,895 | (382,827) | 1,218,068 | (24) % |
| Rentals & Leases | 181,607 | 497,111 | 678,718 | 274 % |
| Contracted Services | 5,566,558 | 704,766 | 6,271,324 | 13 % |
| Supplies & Materials | 7,871,533 | 392,442 | 8,263,975 | 5 % |
| Repairs & Maintenance | 2,577,996 | 662,399 | 3,240,395 | 26 % |
| Equipment Purchases | 359,810 | (63,828) | 295,982 | (18) % |
| Utilities | 1,118,767 | (105,369) | 1,013,398 | (9) % |
| Telecommunications | 264,175 | 50,781 | 314,956 | 19 % |
| Grants & Requisitions | 82,000 | - | 82,000 | 0 % |
| Other Expenses | 98,584 | 6,805 | 105,389 | 7 % |
| Interprogram | (7,456,821) | (73,783) | (7,530,604) | 1 % |
| | <u>32,894,457</u> | <u>4,036,198</u> | <u>36,930,655</u> | 12 % |
| Net (Revenues)/Expenses | <u>32,415,892</u> | <u>3,952,877</u> | <u>36,368,769</u> | 12 % |
| Non-Operating Items | <u>6,763,095</u> | <u>413,528</u> | <u>7,176,623</u> | 6 % |
| TOTAL Corporate Services Division | \$ 39,178,987 | \$ 4,366,405 | \$ 43,545,392 | 11% |

Analysis of Changes from 2015 to 2016

| | | |
|--|---------|-------------|
| User Fees & Charges * Revenue increase | Note 1 | \$ (83,321) |
| Salaries, Benefits and Labour Costs | Note 2 | 2,469,623 |
| Training and other business expenses incl. telephone | Note 3 | 53,405 |
| Advertising & Printing | Note 4 | (117,741) |
| Professional Services | Note 5 | (382,827) |
| Rentals & Leases | Note 6 | 497,111 |
| Contracted Services | Note 7 | 704,766 |
| Supplies & Materials | Note 8 | 392,442 |
| Repairs & Maintenance | Note 9 | 662,399 |
| Equipment Purchases | Note 10 | (63,828) |
| Utilities | Note 11 | (105,369) |
| Interprogram *Increase | Note 12 | (73,783) |
| Non-Operating Items *Net increase | Note 13 | 413,528 |

TOTAL CHANGES

\$ 4,366,405

- Note 1:** Increase to parking rental and adjustments to facility rentals, increased warranty and budget adjustment for WCB rebate.
- Note 2:** Increase due to the cost of living increase, new positions, grid movement, increased benefit premiums and related costs required to maintain approved service levels.
- Note 3:** Most of increase for GPS airtime in fleet and expenses for new staff.
- Note 4:** One time census costs removed, increased postage chargebacks.
- Note 5:** Reduction mostly for removal of one time items for the following: Information Technology Services organization review, one-time energy review, research integration technology and Cloud strategy development.
- Note 6:** Lease for HR space needs.
- Note 7:** Tenant improvements, transfer budgets from Recreation, Parks and Culture, increase to Human Resources people support programs and further implementation of County Connect Employee Mobile Component.
- Note 8:** Growth and inflation for systems monitoring software and other software as well as for diesel fuel.
- Note 9:** Most increase due to transfer of budgets from Recreation, Parks and Culture.
- Note 10:** Reduction for general one-time equipment and furniture for staff from last year partially offset with items for new staff in 2016.
- Note 11:** Most of decrease due to new service providers for electricity and natural gas.
- Note 12:** Inflation/growth increase to Transit fleet.
- Note 13:** Decrease in reserve draw for Transit repairs and maintenance and one-time Census.

*Revenue is shown as a credit (in brackets)

DEPARTMENT OPERATING BUDGETS

Facility Services

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (470,476) |
| Expenses | | 12,490,341 |
| Non-Operating Items | | 1,745,000 |
| NET REQUIREMENT | \$ | 13,764,865 |

Fleet Services

| | | |
|------------------------|-----------|-------------------|
| Revenues | \$ | (36,410) |
| Expenses | | 7,555,694 |
| Non-Operating Items | | 4,640,000 |
| NET REQUIREMENT | \$ | 12,159,284 |

Human Resources

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (40,000) |
| Expenses | | 5,429,997 |
| Non-Operating Items | | (89,476) |
| NET REQUIREMENT | \$ | 5,300,521 |

Information Technology Services

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | - |
| Expenses | | 8,267,426 |
| Non-Operating Items | | 726,099 |
| NET REQUIREMENT | \$ | 8,993,525 |

Legislative & Legal Services

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (15,000) |
| Expenses | | 3,187,197 |
| Non-Operating Items | | 155,000 |
| NET REQUIREMENT | \$ | 3,327,197 |

| | | |
|-----------------------|-----------|-------------------|
| TOTAL DIVISION | \$ | 43,545,392 |
|-----------------------|-----------|-------------------|

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

2016 divisional capital budget

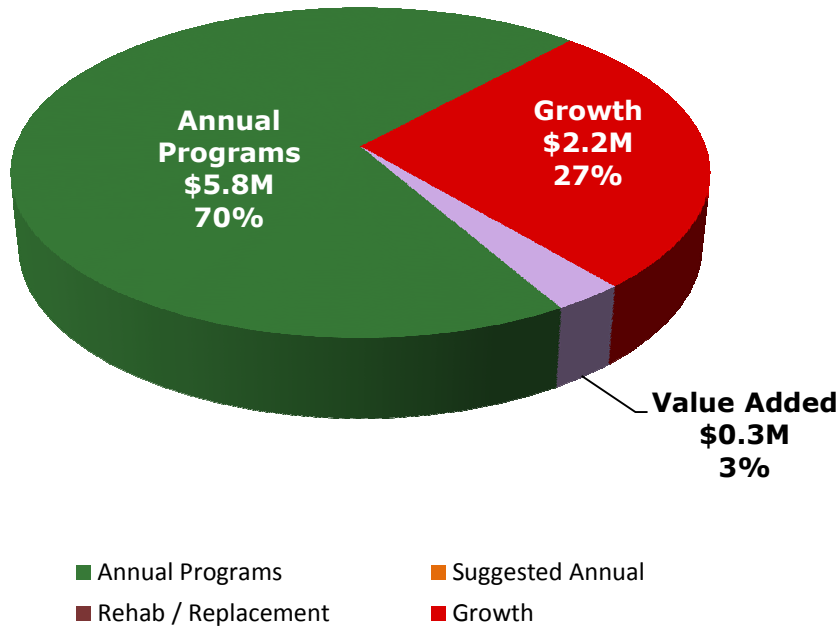
| | Cost | Department |
|---|------------------|------------|
| Buildings | | |
| Annual Facility Capital Lifecycle | \$ 2,150,000 | FAC |
| Transit Bus Barn - Functional Program Development (\$27.5M) | 700,000 | FAC |
| SPSY Facility Master Plan - Design (\$7.2M) | 630,000 | FAC |
| County Hall Phase 4 Renovations - Design | 650,000 | FAC |
| | 4,130,000 | |
| Electronic Hardware/Software | | |
| IT Corporate Infrastructure Replacement Program - Municipal | 649,705 | ITS |
| Enterprise Repository for Address & Ownership Information | 219,900 | ITS |
| Network Access Control Software | 115,000 | ITS |
| Systems Monitoring Software | 100,000 | ITS |
| Enhance Existing Fibre to County Buildings | 20,000 | ITS |
| | 1,104,605 | |
| Vehicles | | |
| Annual V & E Fleet Replacements | 2,995,100 | FLT |
| Fleet Addition - Van (2016) | 24,150 | FAC |
| | 3,019,250 | |
| GRAND TOTAL | 8,253,855 | |

Annual Program
Growth

Rehab / Rehabilitation
Developer Levy

Suggested Annual
Value Added

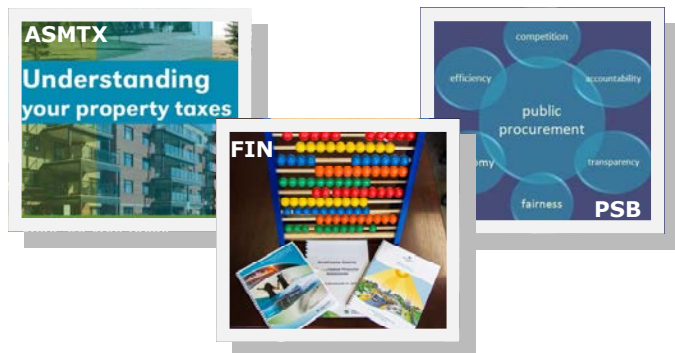
2016 Capital Ask by Asset Group -
Corporate Services (\$8.3M)



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 acquisitions 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.



Chief Financial Officer's departments

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. ASMTX is committed to clarifying the tax assessment process to its customers through stakeholder engagement and enhanced communication tools.

Financial Services (FIN)

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)

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.

| DEPARTMENT CORE FUNCTIONS | | | *FISCAL SERVICES |
|---------------------------|---------------------------------------|-----------------------------|---|
| ASSESSMENT AND TAX | FINANCIAL SERVICES | PROCUREMENT SERVICES BRANCH | |
| Assessment | Financial planning | Procurement | Corporate revenues (taxes, unconditional grants & franchise fees) |
| Taxation | Financial reporting | | Corporate expenses (grants, requisitions, amortization, debt servicing, Council Priority Funds) |
| | Treasury and risk management services | | |
| | Financial advisory services | | |

Succeeding in 2016

Our focus for the year ahead

The CFO's Division strives to align with Council's strategic goals to guide the organization into a secure future. In planning for the year ahead, our priorities are:

- Ensuring the sound stewardship of the County's financial resources.
- Maintaining compliance in a changing legislative landscape.
- Continued improvements in support provided to the organization and residents.

Capitalizing on opportunities

2016 initiatives that align with community priorities and advance corporate goals include:

- Leverage technology and best practice opportunities to provide an effective and efficient level of service.
- Continue to undertake accurate valuation analysis to ensure legislative compliance and enable the corporation as a whole to fulfill strategic goals.
- Address high priority targeted financial system and process improvements identified from the Business Process Review project.
- Ensure a lasting knowledge base through staff training, mentorship, professional accreditation and succession planning.
- Expand and introduce new online self-serve tools to add valuable, modern, and efficient customer service opportunities.
- Streamline the Notice of Awarded Contracts program processes to enhance transparent communication practices.
- Partner with operations departments to develop Asset Infrastructure Management (AIM).
- Enhance the purchasing function to assist in more efficient and effective purchasing/procurement and create more business/supplier awareness of County procurement processes and requirements.

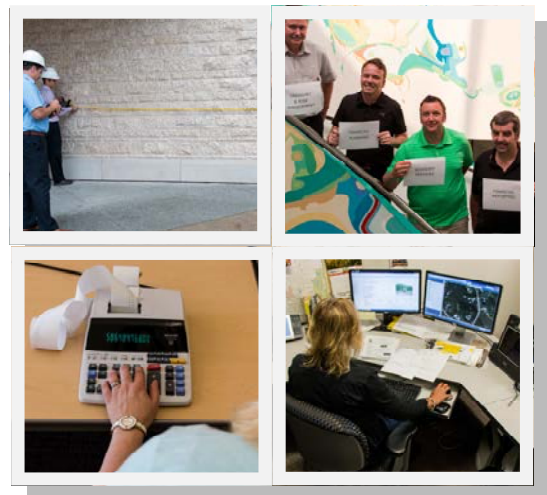
Overcoming challenges

The CFO's Division has also identified challenges ahead in 2016:

- Keeping pace with growth and managing the increase in new property assessments, customer inquiries and Assessment Review Board appeals.
- Addressing the unique assessment needs from the growing number of industrial projects.
- Anticipating legislative changes with the shift in the provincial government and the *Municipal Government Act* review.
- Encouraging collaborative divisional support towards meaningful and informed governance and decision making.
- Continuing to implement the Business Plan and Budget Implementation project while enhancing communication and stakeholder engagement.
- Preparing for staff retirements and succession planning.
- Meeting the greater volume of required procurement services which accompany continued growth within the county.

Operating impacts

The CFO Division's 2016 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.



2016 divisional budget changes

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|---|---------------------|------------------------|---------------------|-----------------------|
| Revenues | | | | |
| User Fees & Charges | \$ (303,955) | \$ (6,494) | \$ (310,449) | 2 % |
| Other Revenues | (16,600) | 3,000 | (13,600) | (18)% |
| | <u>(320,555)</u> | <u>(3,494)</u> | <u>(324,049)</u> | 1 % |
| Expenses | | | | |
| Salaries & Wages | 4,371,647 | 402,571 | 4,774,218 | 9 % |
| Employee Benefits | 928,917 | 219,484 | 1,148,401 | 24 % |
| Training & Development | 142,565 | 24,660 | 167,225 | 17 % |
| Business Expenses | 34,881 | 776 | 35,657 | 2 % |
| Advertising & Printing | 105,172 | 52 | 105,224 | 0 % |
| Professional Services | 446,681 | 49,266 | 495,947 | 11 % |
| Rentals & Leases | 600 | - | 600 | 0 % |
| Contracted Services | 260,081 | 31,097 | 291,178 | 12 % |
| Supplies & Materials | 26,994 | 47,223 | 74,217 | 175 % |
| Repairs & Maintenance | 600 | - | 600 | 0 % |
| Equipment Purchases | 15,600 | 23,200 | 38,800 | 149 % |
| Telecommunications | 13,634 | 3,756 | 17,390 | 28 % |
| Other Expenses | 59,335 | (780) | 58,555 | (1)% |
| Interprogram | (558,385) | (7,509) | (565,894) | 1 % |
| | <u>5,848,322</u> | <u>793,796</u> | <u>6,642,118</u> | 14 % |
| Net (Revenues)/Expenses | <u>5,527,767</u> | <u>790,302</u> | <u>6,318,069</u> | 14 % |
| Non-Operating Items | <u>(199,978)</u> | <u>(126,991)</u> | <u>(326,969)</u> | 64 % |
| TOTAL Chief Financial Officer's Division | \$ 5,327,789 | \$ 663,311 | \$ 5,991,100 | 12% |

Analysis of Changes from 2015 to 2016

| | | |
|--|--------|-------------------|
| Other Revenue | Note 1 | \$ 3,000 |
| Salaries, Wages, Benefits and Labour Costs | Note 2 | 646,715 |
| Professional Services | Note 3 | 49,266 |
| Contracted Services | Note 4 | 31,097 |
| Supplies & Materials | Note 5 | 47,223 |
| Equipment Purchases | Note 6 | 23,200 |
| Telecommunications | Note 7 | 3,756 |
| Non-Operating Items | Note 8 | (126,991) |
| Other | | (13,955) |
| TOTAL CHANGES | | \$ 663,311 |

Note 1: Reduction reflects decreased oil well drilling activity due to economy.

Note 2: The increase in Salaries & Wages, Benefits and associated labour cost is due to cost of living increase, new positions, grid movement, increased benefit premiums and related staffing costs required to maintain approved service levels.

Note 3: Annualization of a initiatives approved in the 2015 budget

Note 4: New initiatives including procurement of Fiscal Impact Model and development of training programs, offset by removal of one-time funding of initiatives from 2015 budget

Note 5: Assorted software licenses and upgrades

Note 6: Equipment purchases associated with staffing increases

Note 7: Staffing increases and business process changes

Note 8: Reserve funding of staffing increases and initiatives, offset by the removal of one-time reserve funding approved in the 2015 budget

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

2016 budget changes—Fiscal Services

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--------------------------------|-------------------------|------------------------|-------------------------|-----------------------|
| Revenues | | | | |
| Property Taxes | \$ (199,221,317) | \$ (11,564,331) | \$ (210,785,648) | 6 % |
| Government Grants | (486,000) | 486,000 | - | (100)% |
| User Fees & Charges | (2,871,000) | (250,000) | (3,121,000) | 9 % |
| Penalties & Fines | (1,300,000) | - | (1,300,000) | 0 % |
| Investment Income | (4,804,808) | 67,497 | (4,737,311) | (1)% |
| Other Revenues | (921,718) | 27,614 | (894,104) | (3)% |
| | <u>(209,604,843)</u> | <u>(11,233,220)</u> | <u>(220,838,063)</u> | 5 % |
| Expenses | | | | |
| Salaries & Wages | 1,231,846 | 1,127,937 | 2,359,783 | 92 % |
| Employee Benefits | 561,204 | (109,350) | 451,854 | (19)% |
| Training & Development | (77,582) | 500 | (77,082) | (1)% |
| Business Expenses | (196,579) | 140 | (196,439) | (0)% |
| Advertising & Printing | (325,500) | - | (325,500) | 0 % |
| Professional Services | 74,749 | 640,000 | 714,749 | 856 % |
| Insurance | 2,094,561 | 41,708 | 2,136,269 | 2 % |
| Rentals & Leases | 876,500 | (918,900) | (42,400) | (105)% |
| Contracted Services | (1,100,000) | (90,000) | (1,190,000) | 8 % |
| Supplies & Materials | (1,000,000) | - | (1,000,000) | 0 % |
| Telecommunications | (45,100) | (4,000) | (49,100) | 9 % |
| Interest on Debt | 3,583,613 | (259,142) | 3,324,471 | (7)% |
| Grants & Requisitions | 1,050,935 | 3,923 | 1,054,858 | 0 % |
| Other Expenses | 574,256 | 63,537 | 637,793 | 11 % |
| Interprogram | (1,416,547) | (33,419) | (1,449,966) | 2 % |
| Amortization Expense | 41,606,170 | 2,383,874 | 43,990,044 | 6 % |
| | <u>47,492,526</u> | <u>2,846,808</u> | <u>50,339,334</u> | 6 % |
| Net (Revenues)/Expenses | <u>(162,112,317)</u> | <u>(8,386,412)</u> | <u>(170,498,729)</u> | 5 % |
| Non-Operating Items | <u>(31,481,889)</u> | <u>(2,854,294)</u> | <u>(34,336,183)</u> | 9 % |
| TOTAL Fiscal Services | \$ (193,594,206) | \$ (11,240,706) | \$ (204,834,912) | 6% |

Analysis of Changes from 2015 to 2016

| | | |
|---|--------|-----------------|
| Property Taxes | Note 1 | \$ (11,564,331) |
| Government Grants | Note 2 | 486,000 |
| User Fees & Charges | Note 3 | (250,000) |
| Salaries & Wages | Note 4 | 1,127,937 |
| Rentals & Leases | Note 5 | (918,900) |
| Non-Operating - Reverse funding of One-Time Items from 2014 operating surplus | Note 6 | 1,071,184 |
| Non-Operating - Allocation of 2015 operating surplus | Note 7 | (1,383,590) |
| Other | | 190,994 |

TOTAL CHANGES

\$ (11,240,706)

Note 1: Increases in tax revenue are driven primarily by assessment growth

Note 2: Phasing out of the operating component of MSI

Note 3: Growth in Franchise Fees

Note 4: Staff related allowances.

Note 5: Removal of costs associated with the relocation of the Human Resources department

Note 6: Reverse direct contribution from the 2014 operating surplus for the funding of 2015 "One Time Items"

Note 7: Allocation of 2015 operating surplus for One-Time items in the 2016 budget

*Revenue is shown as a credit (in brackets)

DEPARTMENT OPERATING BUDGETS

Assessment & Tax

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (323,449) |
| Expenses | | 1,840,379 |
| Non-Operating Items | | - |
| NET REQUIREMENT | \$ | 1,516,930 |

Financial Services

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (600) |
| Expenses | | 4,360,969 |
| Non-Operating Items | | (326,969) |
| NET REQUIREMENT | \$ | 4,033,400 |

Procurement Services Branch

| | | |
|------------------------|-----------|----------------|
| Revenues | \$ | - |
| Expenses | | 440,770 |
| Non-Operating Items | | - |
| NET REQUIREMENT | \$ | 440,770 |

TOTAL DIVISION **\$** **5,991,100**

Fiscal Services

| | | |
|---------------------|----|---------------|
| Revenues | \$ | (220,838,063) |
| Expenses | | 50,339,334 |
| Non-Operating Items | | (34,336,183) |

TOTAL FISCAL SERVICES **\$** **(204,834,912)**

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

2016 divisional capital budget

Electronic Hardware/Software

ERP Replacement Project

GRAND TOTAL

**Annual Program
Growth**

**Rehab / Rehabilitation
Developer Levy**

| Cost | Department |
|-------------------|------------|
| 11,513,735 | FIS |
| 11,513,735 | |
| 11,513,735 | |

**Suggested Annual
Value Added**

Introduction to Senior Administration

Senior Administration develops, implements, and administers policies and programs established and approved by Strathcona County Council. The division 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.

Senior Administrations’ departments

Executive Team (ET)

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

Communications (COMC)

COMC advances Strathcona County’s reputation and ensures that citizens and stakeholders receive the transparent, relevant information they need to remain actively engaged. In collaboration with County departments, COMC manages the corporation’s communications materials including its internal and external websites, social media platforms, newsletters, marketing materials and advertisements, and conducts communications planning and training. By monitoring and proactively addressing emerging issues, COMC effectively facilitates corporate performance and success.

Corporate Planning and Intergovernmental Affairs (CPIA)

CPIA’s 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 priorities. CPIA helps to monitor, measure, and report on the progress or achievement of 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, and to build relationships with neighbouring municipalities to advise elected officials and staff of intergovernmental issues that impact the County.



| *EXECUTIVE TEAM | DEPARTMENT CORE FUNCTIONS | |
|---|--|---|
| | COMMUNICATIONS | CORPORATE PLANNING AND INTERGOVERNMENTAL AFFAIRS |
| Leading corporate-wide projects Supporting and integrating Council's Strategic goals through organizational leadership | Communications planning Stakeholder relations Digital media Production services History and heritage | Corporate planning Intergovernmental affairs Public engagement and outreach |

Succeeding in 2016

Capitalizing on opportunities

2016 initiatives that align with community priorities and advance corporate goals include:

- Support the evolution of the Business Plan and Budget Implementation (BPBI) Project by facilitating the organization’s transition toward a priority-based culture, creating multi-year budgets and linking strategic level documents to operations.
- Aid in capturing the public’s true vision of what it is to be Canada’s most livable community to inform and guide Council decisions.
- Establish a culture of performance measurement and introduce new tools to enhance transparency and dialogue with our community.
- Proactively monitor and respond positively and decisively to emerging issues.
- Continue to foster meaningful relationships with other municipalities and agencies within the region and provincial and federal governments.
- Evaluate, redesign and upgrade public the website to enhance citizens’ experience, improve delivery of information and support County Connect.
- Implement online community research panels to find more effective and efficient ways to increase public engagement and survey participation.
- Forge new relationships to proactively align priorities and create synergies with the new provincial and federal governments.

Overcoming challenges

Senior Administration has also identified challenges ahead in 2016:

- Continuing to execute several large corporate-wide initiatives simultaneously, ensuring their completion on-time, scope and budget.
- Addressing changes related to the *Municipal Government Act* review.
- Managing the flow of information across a wide range of media while quickly responding to emerging issues.
- Optimizing information delivery and use of technology to reach and connect with citizens.
- Reducing risk and liability through information accuracy, while keeping pace with the growing speed of communication.
- Meeting the growing demand for communication resources from both internal and external clients.

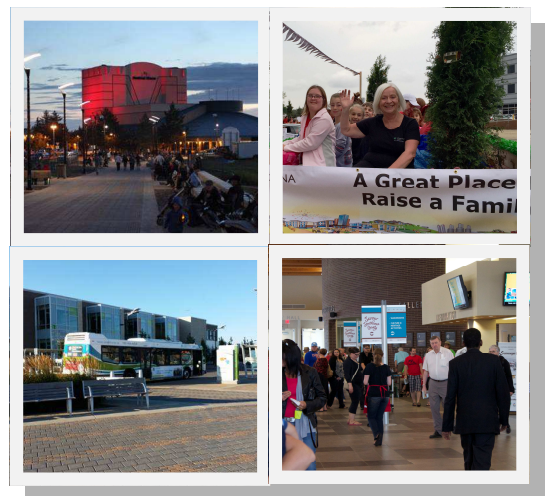
Our focus for the year ahead

Senior Administration’s activities support the prioritized goals of the strategic plan and play a key role in aligning the organization with those goals. Looking forward to 2016, our primary priorities are to continue to:

- Implement the strategic plan - *Strathcona County 2030: Powering our New Tomorrow*.
- Remain responsive to changing market/ economic conditions.
- Provide transparent and relevant information, direction and leadership to the organization, stakeholders and decision-makers to increase the efficiency and effectiveness of corporate projects and service delivery.
- Implement priority-based business planning stages.
- Enhance communications products, services and training.

Operating impacts

Senior Administration supports the development and implementation of strategies that align with Strathcona County’s prioritized strategic goals. The division’s 2016 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.



2016 divisional budget changes

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|---|---------------------|------------------------|---------------------|-----------------------|
| Revenues | | | | |
| Government Grants | \$ (43,000) | \$ 12,777 | \$ (30,223) | (29.7)% |
| User Fees & Charges | (139,241) | 15,241 | (124,000) | (11)% |
| Other Revenues | (27,837) | 27,837 | - | (100)% |
| | <u>(210,078)</u> | <u>55,855</u> | <u>(154,223)</u> | (27)% |
| Expenses | | | | |
| Salaries & Wages | 4,306,590 | 1,756 | 4,308,346 | 0% |
| Employee Benefits | 860,881 | 72,355 | 933,236 | 8% |
| Training & Development | 179,730 | (1,750) | 177,980 | (1)% |
| Business Expenses | 123,642 | 11,440 | 135,082 | 9% |
| Advertising & Printing | 260,946 | (29,529) | 231,417 | (11)% |
| Professional Services | 277,697 | 38,110 | 315,807 | 14% |
| Rentals & Leases | 8,730 | - | 8,730 | 0% |
| Contracted Services | 279,754 | (15,000) | 264,754 | (5)% |
| Supplies & Materials | 63,968 | 123,525 | 187,493 | 193% |
| Repairs & Maintenance | 439 | - | 439 | 0% |
| Equipment Purchases | 18,188 | (2,900) | 15,288 | (16)% |
| Telecommunications | 27,346 | (771) | 26,575 | (3)% |
| Other Expenses | 2,000 | (2,000) | - | (100)% |
| Interprogram | (28,638) | (270) | (28,908) | 1% |
| | <u>6,381,273</u> | <u>194,966</u> | <u>6,576,239</u> | 3% |
| Net (Revenues)/Expenses | <u>6,171,195</u> | <u>250,821</u> | <u>6,422,016</u> | 4% |
| Non-Operating Items | <u>(17,000)</u> | <u>(87,000)</u> | <u>(104,000)</u> | 512% |
| TOTAL Senior Administration Division | \$ 6,154,195 | \$ 163,821 | \$ 6,318,016 | 3% |

Analysis of Changes from 2015 to 2016

| | | |
|--------------------------------------|---------|-------------------|
| Government Grants | Note 1 | \$ 12,777 |
| User Fees & Charges | Note 2 | 15,241 |
| Other Revenues | Note 3 | 27,837 |
| Salaries & Wages & Employee Benefits | Note 4 | 74,111 |
| Business Expenses | Note 5 | 11,440 |
| Advertising & Printing | Note 6 | (29,529) |
| Professional Services | Note 7 | 38,110 |
| Contracted Services | Note 8 | (15,000) |
| Supplies & Materials | Note 9 | 123,525 |
| Non-Operating Items | Note 10 | (87,000) |
| Other | | (7,691) |
| TOTAL CHANGES | | \$ 163,821 |

- Note 1:** Budget correction
- Note 2:** Renegotiation of Bruderheim management agreement
- Note 3:** Budget correction related to Beaverhills Initiative partner funding
- Note 4:** Relocation of a position to Corporate Services division, partially offset by position reclassifications, cost of living increase, and Benefit rate increases.
- Note 5:** Mileage and assorted meeting costs
- Note 6:** Reductions to better reflect historical spending
- Note 7:** New initiatives including online research panel and website redesign, offset by removal of 2015 funding of reputation survey
- Note 8:** Reductions to better reflect historical spending
- Note 9:** New initiative - One-time costs associated with implementation of online research panel
- Note 10:** New initiative - Reserve funding of online research panel, offset by removal of one time funding for the reputation survey, as well as new reserve contributions for non-annual activities

*Revenue is shown as a credit (in brackets)

DEPARTMENT OPERATING BUDGETS

Executive Team

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | - |
| Expenses | | 2,916,711 |
| Non-Operating Items | | 3,000 |
| NET REQUIREMENT | \$ | 2,919,711 |

Communications

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | - |
| Expenses | | 1,541,003 |
| Non-Operating Items | | - |
| NET REQUIREMENT | \$ | 1,541,003 |

Corporate Planning & Intergovernmental Affairs

| | | |
|------------------------|-----------|------------------|
| Revenues | \$ | (154,223) |
| Expenses | | 2,118,525 |
| Non-Operating Items | | (107,000) |
| NET REQUIREMENT | \$ | 1,857,302 |

TOTAL DIVISION **\$** **6,318,016**

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

Introduction

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 2016 Budget. Engaged citizens contribute their aspirations for our future on an ongoing basis. It is our responsibility to lead 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, ensure that the duties and functions of the municipality are carried out in a timely and effective manner and plan for success. We provide leadership in the review and approval of policies and programs for the benefit and betterment of County residents, businesses, and industry.



To facilitate the decision making process and to inform the organization on regional issues, concerns and trends, Council members attend 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 5 |
| Ward 2 | Ward 6 |
| Ward 3 | Ward 7 |
| Ward 4 | Ward 8 |

2016 budget changes

| | 2015 Budget | \$ Change 2015-2016 | 2016 Budget | % Change 2015-2016 |
|--------------------------------|---------------------|------------------------|---------------------|-----------------------|
| Expenses | | | | |
| Salaries & Wages | \$ 868,961 * | \$ (9,966) | \$ 858,995 | (1)% |
| Employee Benefits | 113,854 | 9,042 | 122,896 | 8% |
| Training & Development | 93,083 | (11,529) | 81,554 | (12)% |
| Business Expenses | 59,901 | 1,634 | 61,535 | 3% |
| Advertising & Printing | 150,469 | 8,136 | 158,605 | 5% |
| Supplies & Materials | 9,130 | (380) | 8,750 | (4)% |
| Repairs & Maintenance | 150 | - | 150 | 0% |
| Equipment Purchases | 2,000 | - | 2,000 | 0% |
| Telecommunications | 7,658 | 699 | 8,357 | 9% |
| | <u>1,305,206</u> | <u>(2,364)</u> | <u>1,302,842</u> | (0)% |
| Net (Revenues)/Expenses | <u>1,305,206</u> | <u>(2,364)</u> | <u>1,302,842</u> | (0)% |
| Non-Operating Items | - | - | - | 0% |
| TOTAL Elected Officials | \$ 1,305,206 | \$ (2,364) | \$ 1,302,842 | (0)% |

Analysis of Changes from 2014 to 2015

| | | |
|------------------------|--------|-------------------|
| Salaries and Benefits | Note 1 | \$ (924) |
| Training & Development | Note 2 | (11,529) |
| Other | Note 3 | 10,089 |
| TOTAL CHANGES | | \$ (2,364) |

- Note 1:** Includes back-dated adjustments due to compensation review approved January 2015 and adjustments each July 1 and benefit inflation
* 2015 budget number has been adjusted for presentation purposes only. The 2015 budget was not amended for the January 2015 change in the Elected Officials salaries.
- Note 2:** Adjusted training plans
- Note 3:** Adjust budget to actuals

*Revenue is shown as a credit (in brackets)



STRATHCONA
COUNTY

Becoming Canada's
most livable community

