



## 2024 BUDGET OVERVIEW

NOVEMBER 14, 2023

# THE MUNICIPAL BUDGET

- The Municipal budget is the conduit that enables Council's Strategic Plan by allocating the County's resources to programs and services that create quality of life for residents, businesses, and visitors
- The Budget provides Residents, Council, and Administration with:
  - Transparent and open communication on how funds are allocated
  - Financial solutions to complex problems
  - Direct links between new initiatives and Council's Strategic Plan
  - Results of the Municipal Scan, identifying current obstacles and opportunities
  - An accountability structure for Council and Administration to ensure prudent financial management

# THE BUDGET PROCESS



Budget  
Target  
approved by  
Council

May 2023



Budget  
Request from  
departments

July 2023

EC Review and  
Prioritization

Sept 2023



Council  
Budget  
Briefing

Sept, Oct 2023

Budget  
Presentation  
to Council

Nov 2023



Budget  
Approval

Nov 2023

March 2023

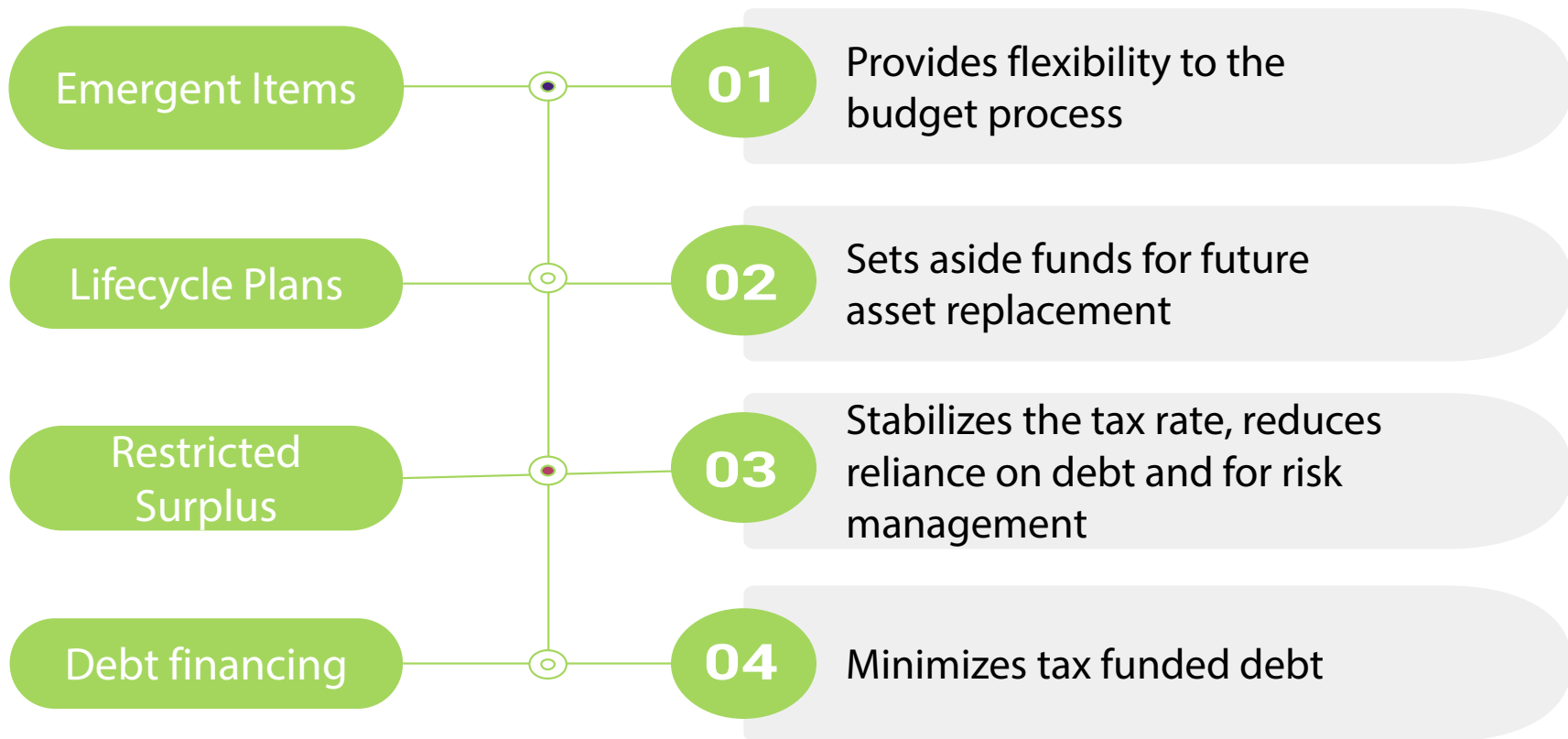
Municipal  
Budget Scan



# BUILDING A RESILIENT COUNTY

- The decisions we make today have future implications
- Prudent budget decisions ensure strong fiscal position and help keep taxes low now, and in the future
- Faced with high inflation and declining linear assessment, it is important that the County continues to make prudent budget decisions to ensure the long-term sustainability of the County
- Reasonable tax increases help the County to maintain service level for residents and businesses during high levels of inflation
- The County adopts a comprehensive approach to managing budget pressures including finding efficiencies through the budget process

# BUDGET TOOLS AND PHILOSOPHY



# BUDGET OPPORTUNITIES AND CHALLENGES

## External Pressures

- Inflationary/Deflationary Pressures
- Supply Chain Issues
- Tight Labor Market
- Cost Sharing Pressures
- Lack of Assessment Growth
- Decreasing Linear Assessment

## Internal Pressures/ Opportunities

- Council's Strategic Plan
- Emerging Capital Projects
- Organizational Review
- Department Capacity

# 2024 BUDGET HIGHLIGHTS



**3.4%**

Residential Tax Impact



**32%**

Utilized allowable debt limit



**\$1.25**

Monthly residential tax increase for every  
\$100,000 of assessed value



**\$83.7 M**

Projected Net Financial Asset



**\$54.2 M**

Capital Investment planned for 2024

## Strategic capital investment

Wabamun Initiatives  
Acheson Initiatives  
Development Services Optimization

## Dealing with budget pressures

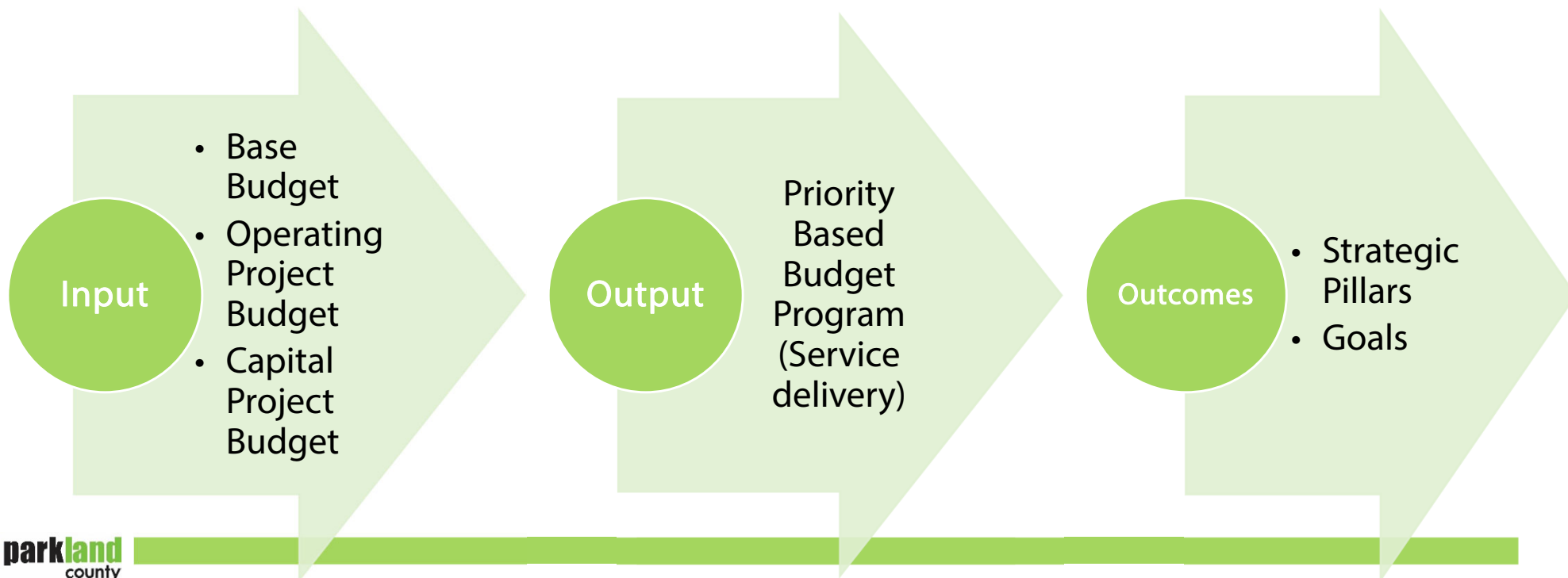
Inflation  
Declining Linear assessment  
Lack of Assessment Growth

## Low tax increase

Minimizing tax increases for  
residents and businesses while  
remaining fiscally sustainable

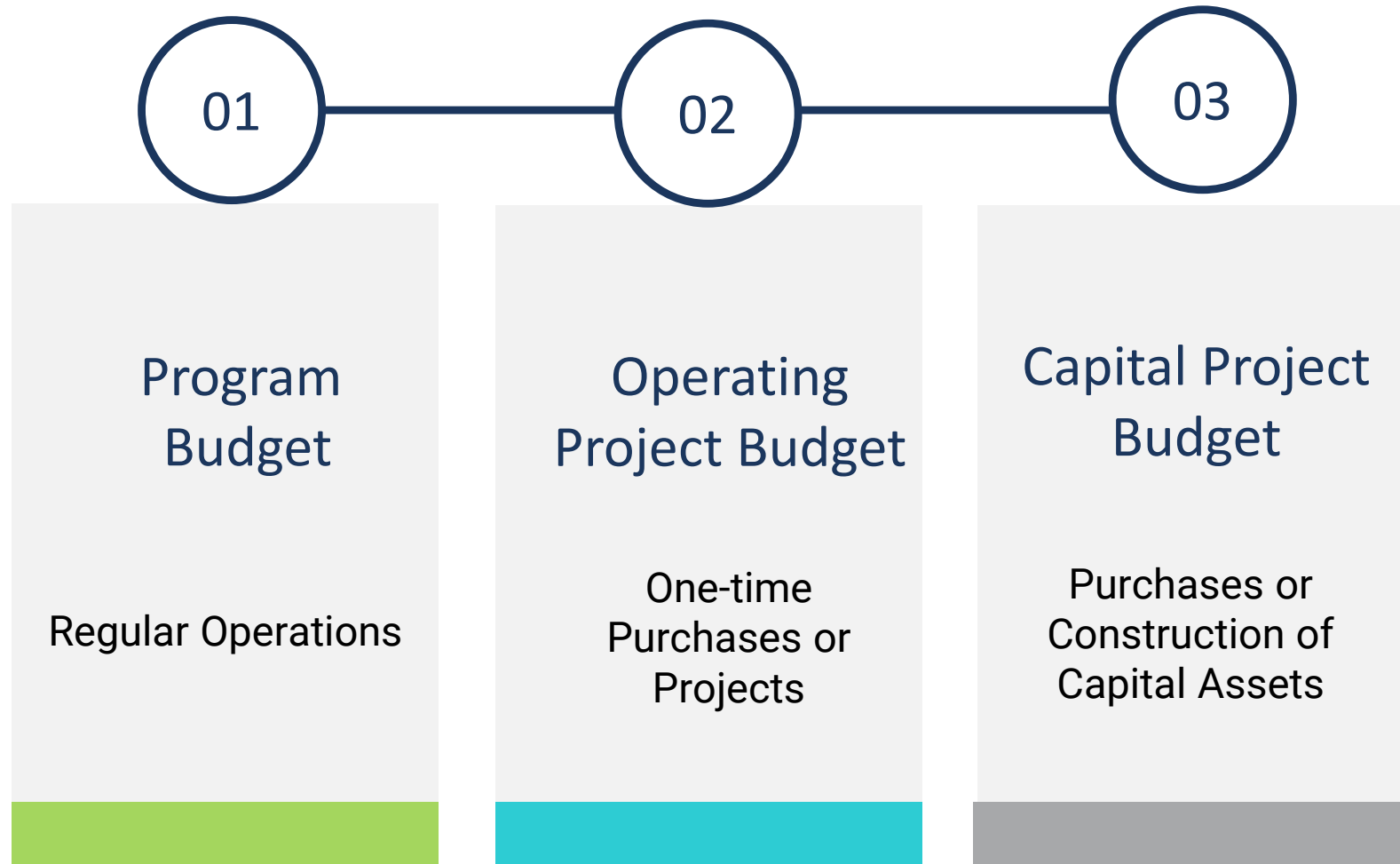
# OUTCOME BASED BUDGET REPORTING

- Budget reports that reflect the strategic pillars and goals in the 2022 – 2025 Strategic Plan
- Demonstrating how the budget aligns to the Strategic Plan
- Outcome based report provides a mechanism to ensure the strategic goals are prioritized through the budget process



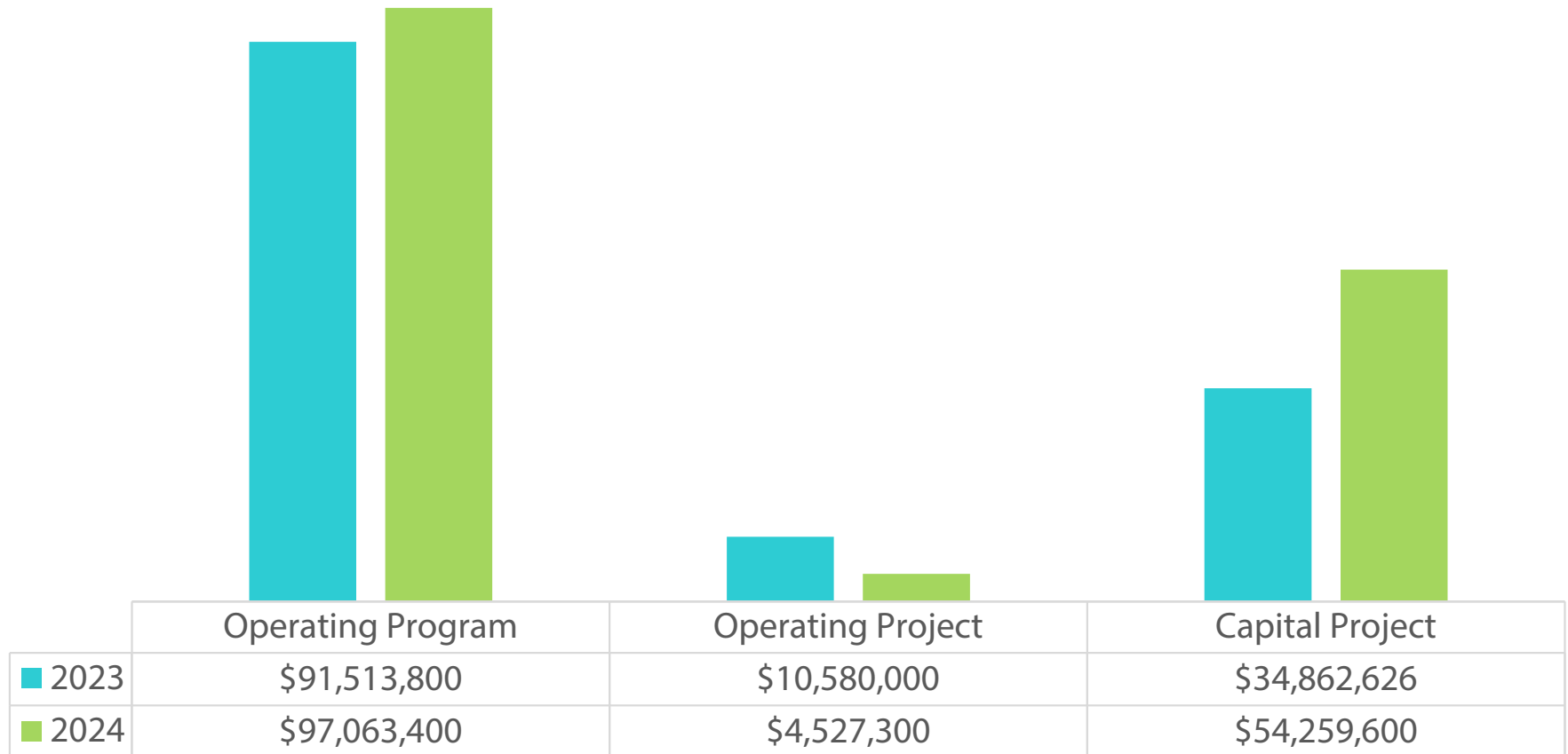


# COMPONENTS OF THE COUNTY'S BUDGET



# BUDGET SUMMARY

## Budget Expenditures - 2024 vs 2023



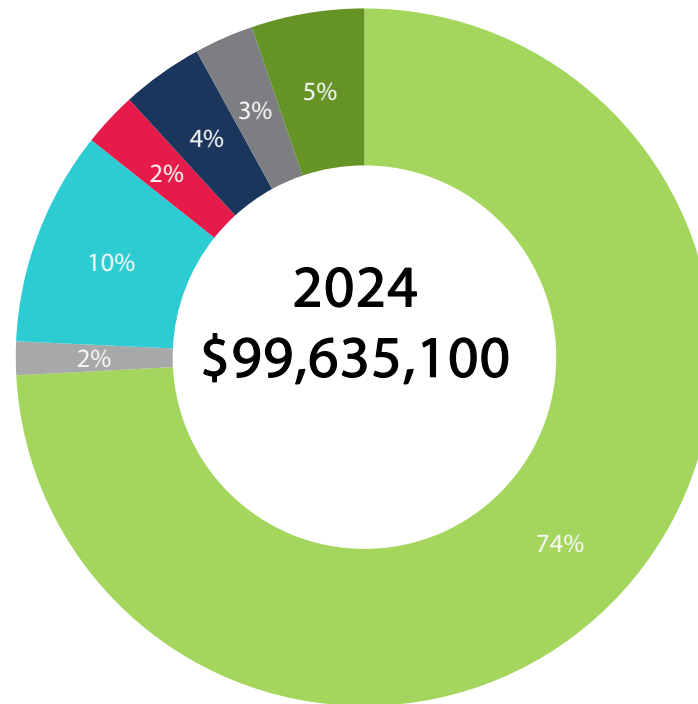
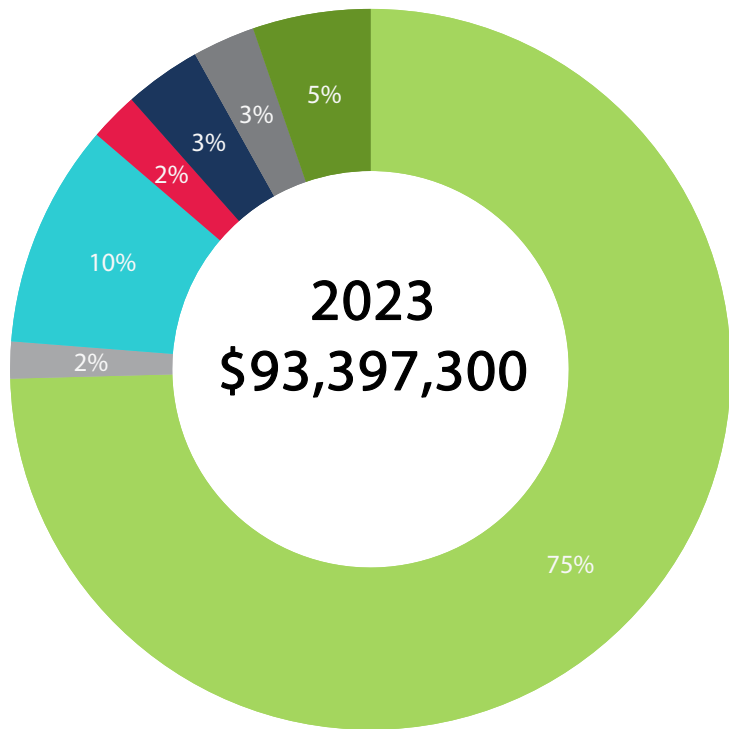


## OPERATING PROGRAM

2024 BUDGET

# OPERATING PROGRAM REVENUE

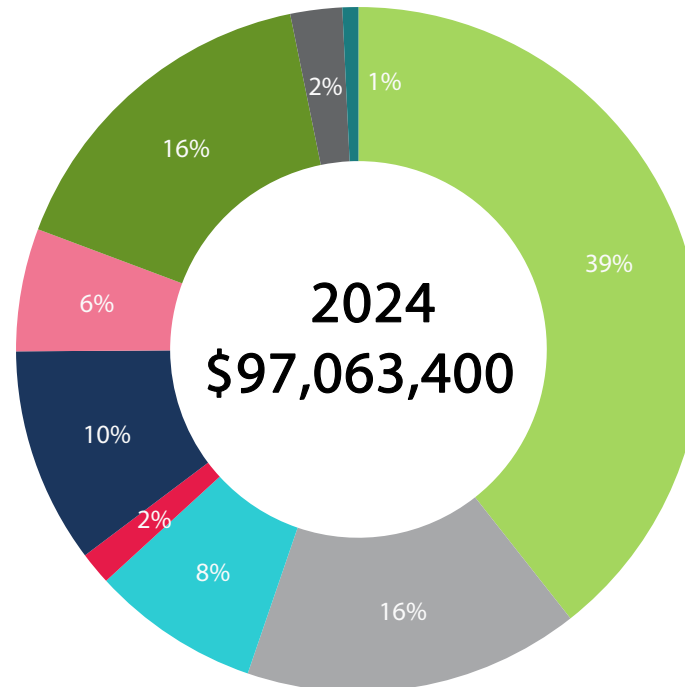
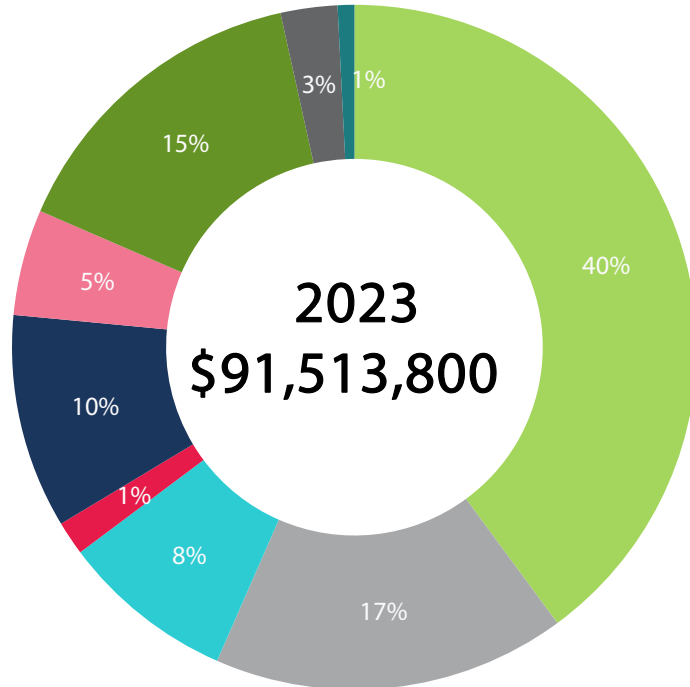
Where the Funds come from



- Taxes
- Special and Other Taxes
- User Fees and Sales
- Investment Income
- Government Transfers - Operating
- Others
- Transfers from Restricted Surplus

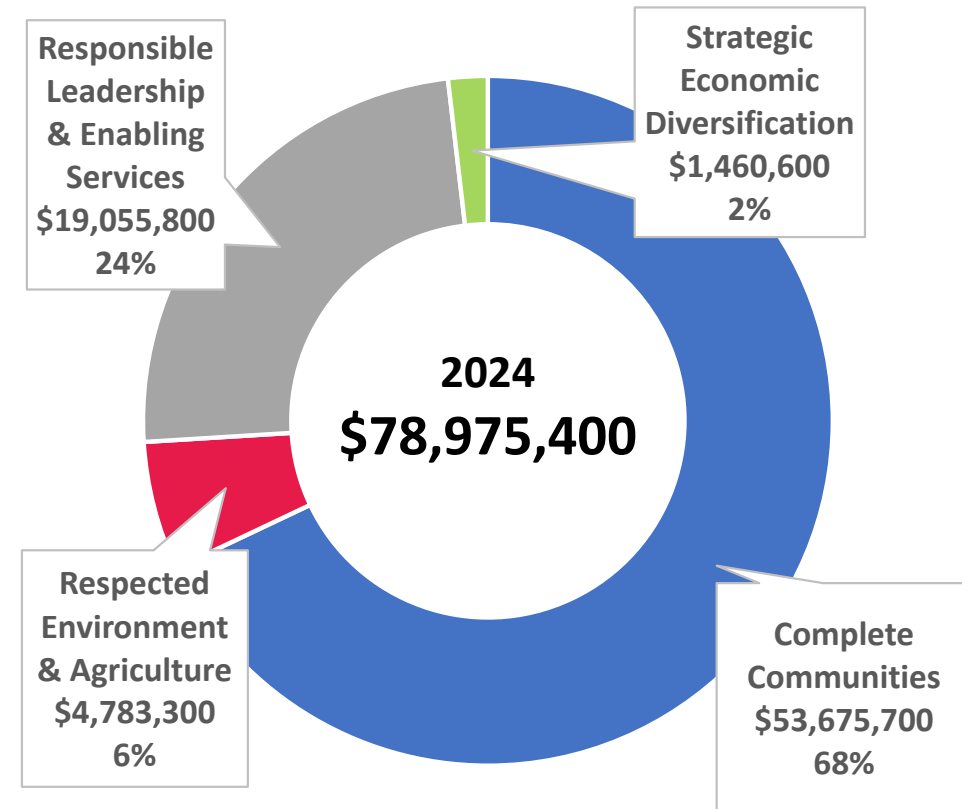
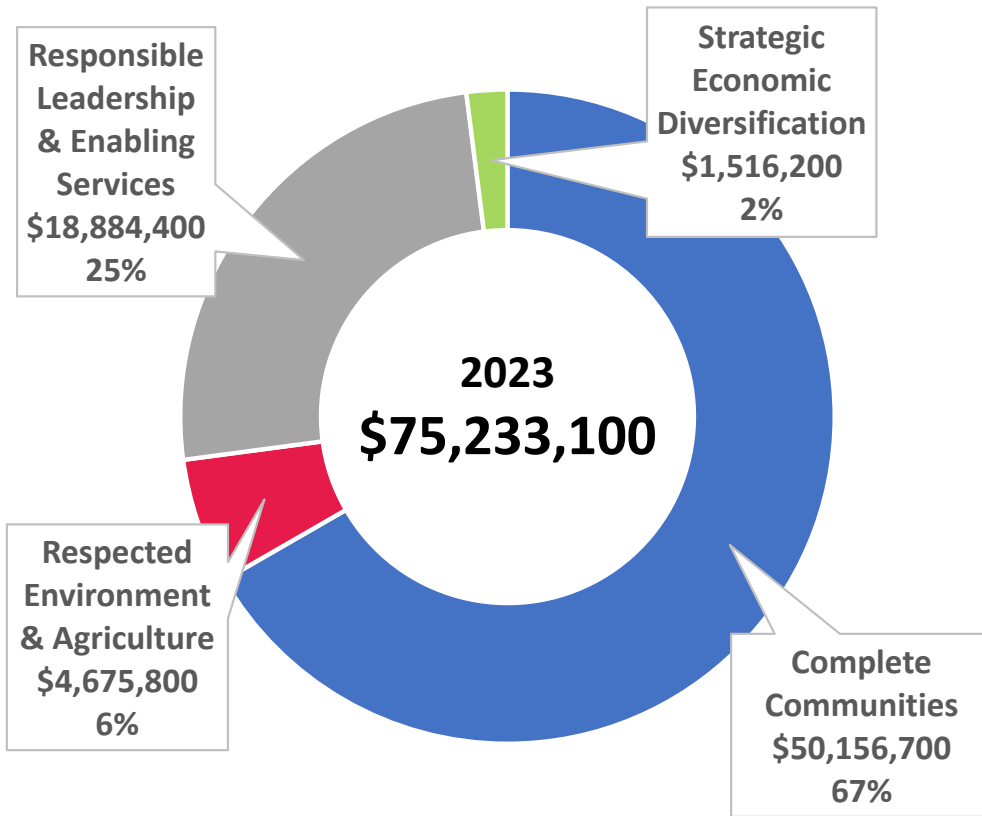
# OPERATING PROGRAM EXPENDITURE

How the funds support programs and services

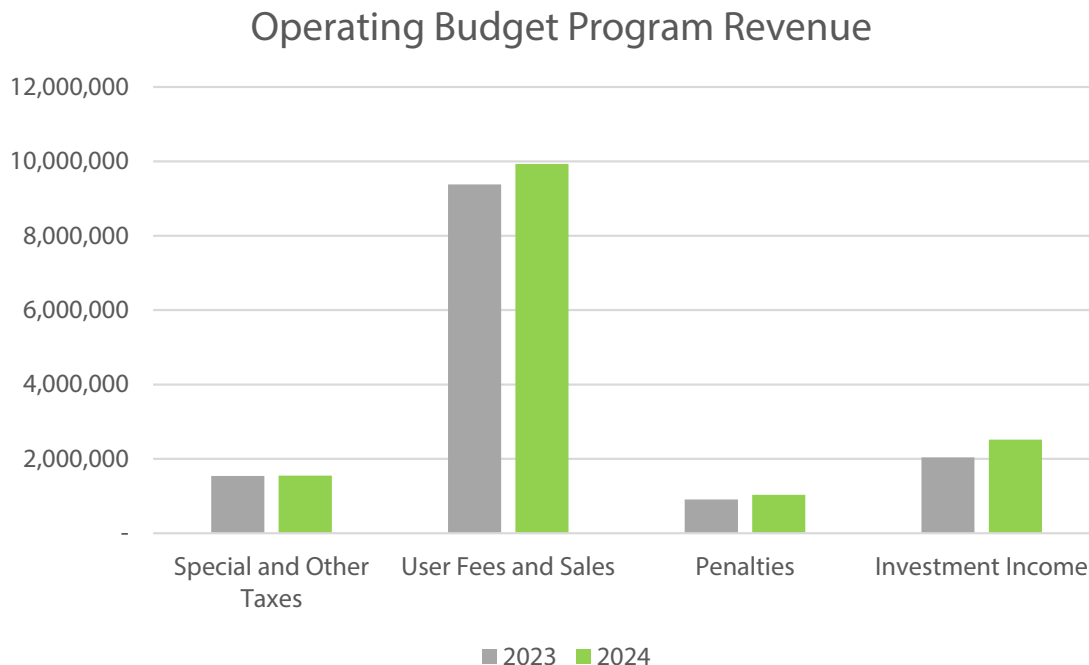


- Salaries, Wages and Employee Benefits
- Contracted and General Services
- Materials, Goods, Supplies and Utilities
- Interest on Long Term Debt, Bank Charges and Transfers
- Transfers to Government, Agencies and Organization
- Purchase from Other Government
- Transfers to Restricted Surplus
- Debuture Payments
- Other Expenses - Operating

# BASE PROGRAM BUDGET – STRATEGIC ALIGNMENT



# OPERATING PROGRAM BUDGET REVENUE



## Special and Other Taxes

- No significant variances

## User Fees and Sales

- Increase of 5.9% due to Water and Wastewater rates increase and an increase in Tipping fee revenue from transfer stations

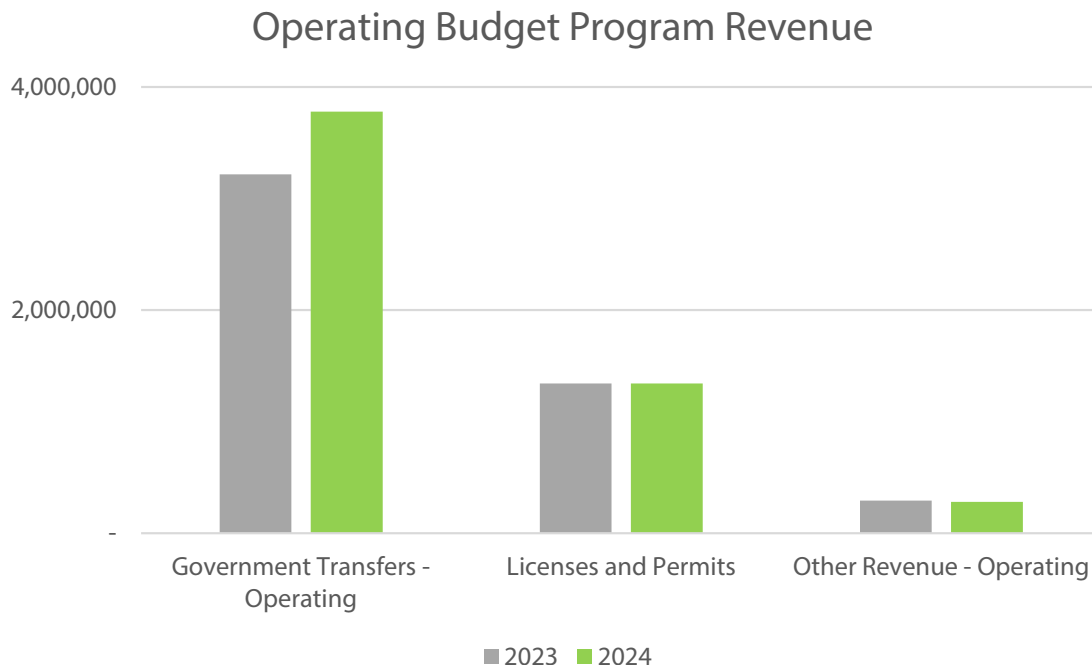
## Penalties

- No significant variances

## Investment Income

- Increase of 23.3% due to higher returns on investments

# OPERATING PROGRAM BUDGET REVENUE



## Government Transfers-Operating

- Increase of 17.5% due to additional MSI funding for the seal coat surfacing and additional Provincial 911 funding recognized

## Licenses and Permits

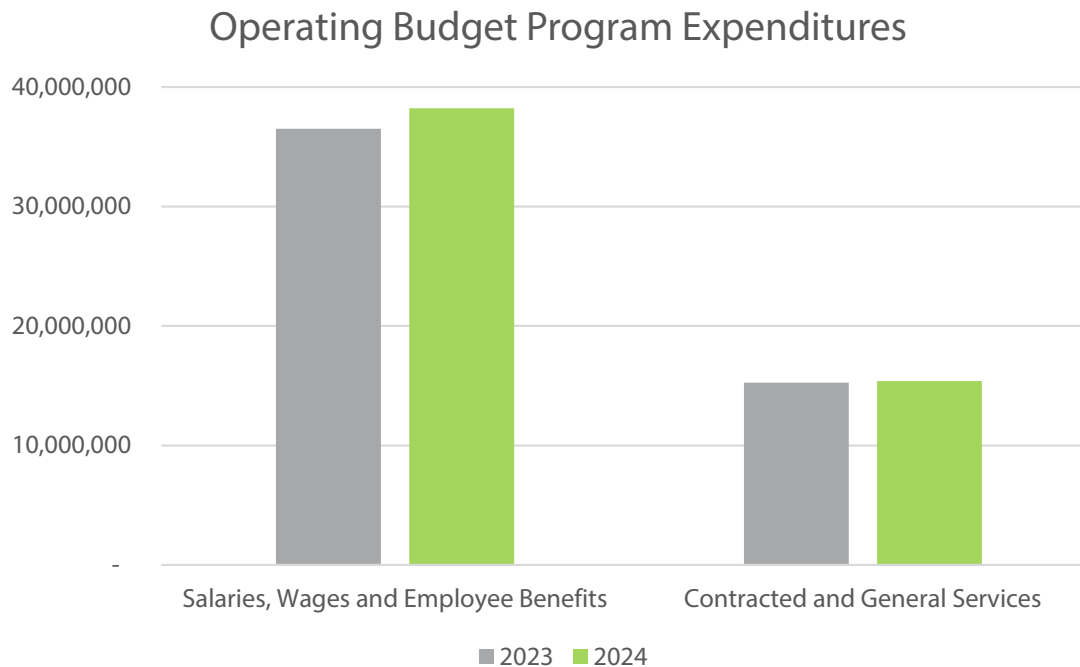
- No significant variances

## Other Revenue – Operating

- No significant variances



# OPERATING PROGRAM BUDGET EXPENDITURES



## Salaries, Wages, & Employee Benefits

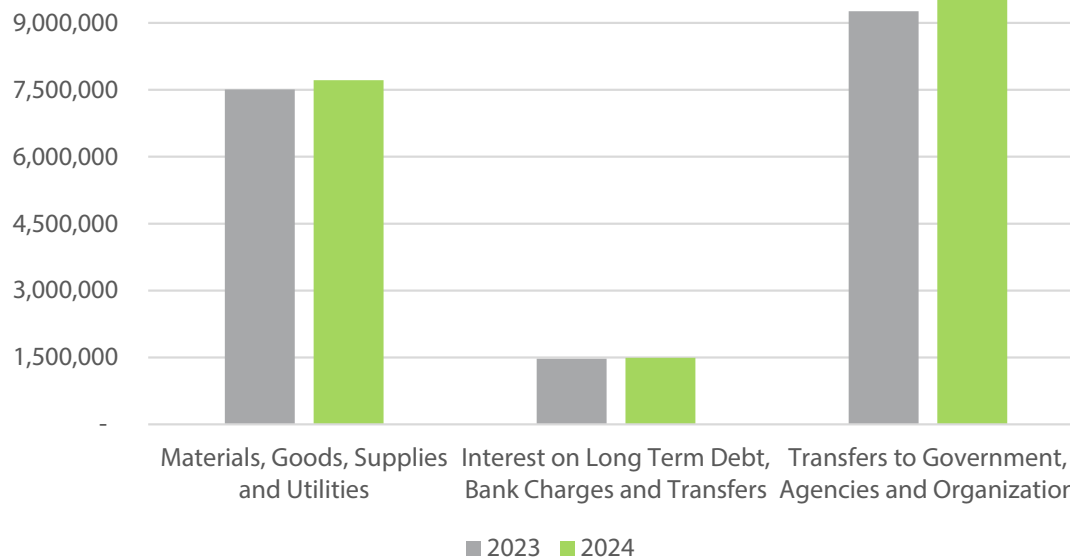
- Overall increase of 4.7% due to 9 new FTE positions and annual compensation review

## Contracted and General Services

- No significant variances

# OPERATING PROGRAM BUDGET EXPENDITURES

Operating Budget Program Expenditures



## Materials, Goods, Supplies and Utilities

- No significant variances

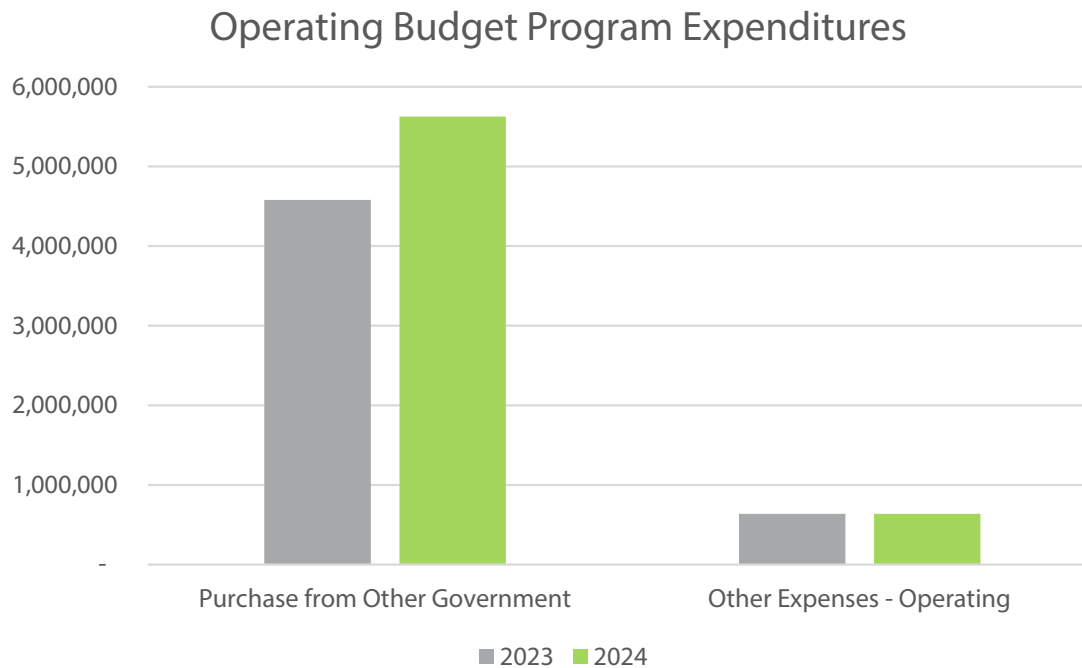
## Interest on Long Term Debt

- No significant variances

## • Transfer to Government, Agencies and Organization

- Increase of 6.7% due to cost shares with Municipal partners and Provincial Policing (RCMP) contract costs

# OPERATING PROGRAM BUDGET EXPENDITURES



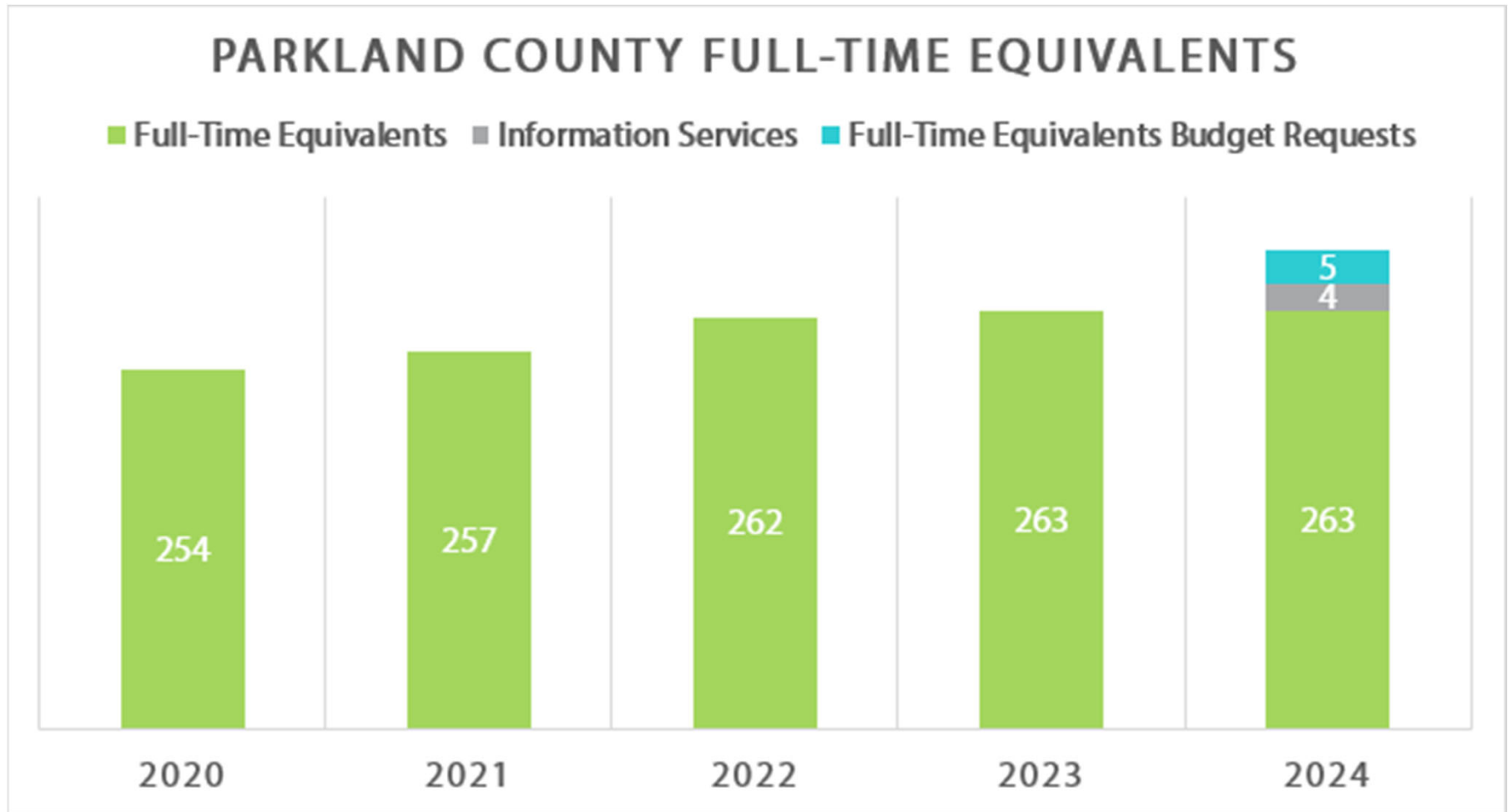
## Purchase from other Government

- Increase of 22.8% due to increased water and wastewater charges

## Other Expenses – Operating

- No significant variances

# SALARIES, WAGES AND BENEFITS



*Note: All years have been adjusted to include Wabamun full-time equivalents (6) to be comparative. This graph includes permanent part-time and seasonal staff and excludes temporary & casual.*



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## OPERATING PROJECT BUDGET

2024 BUDGET

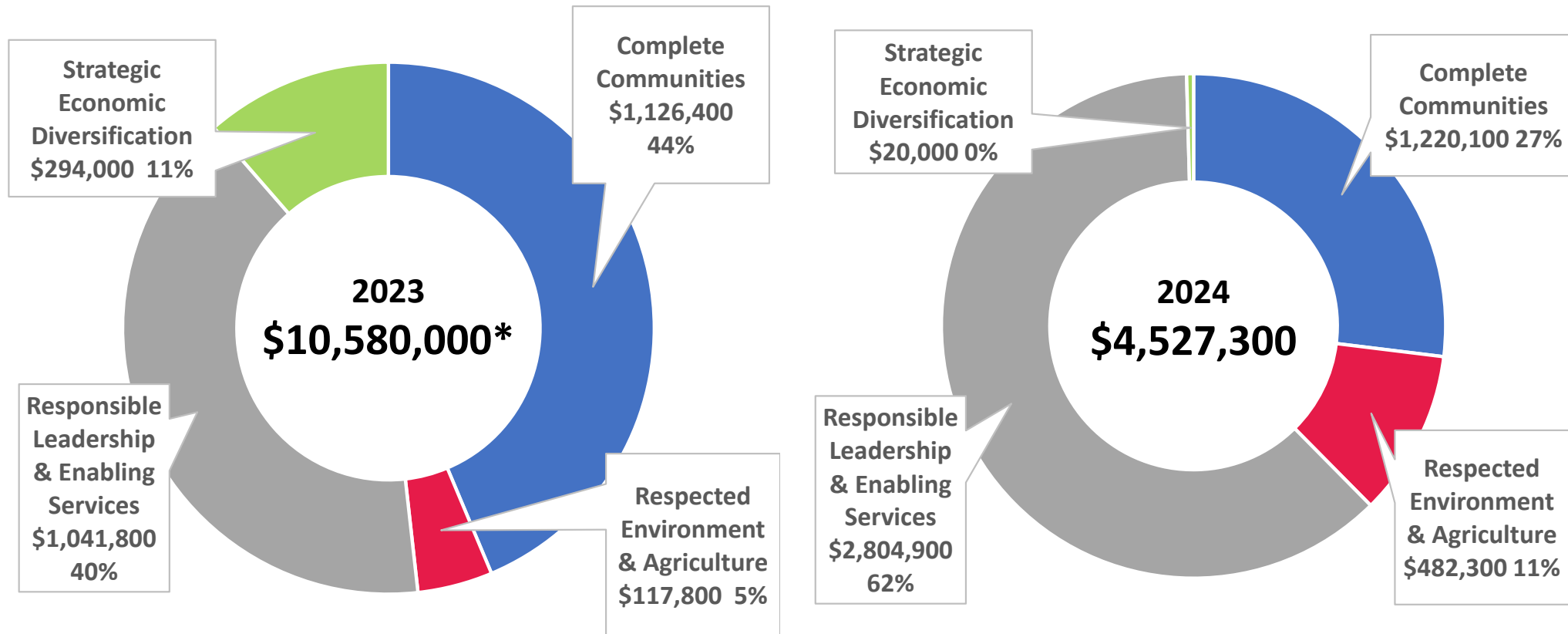
# OPERATING PROJECTS

In the 2024 operating project budget, the focus is on lifecycle maintenance, development services optimization, and the municipal development plan.



# OPERATING PROJECT BUDGET

## OPERATING PROJECT BUDGET BY STRATEGIC PILLARS



\*\$8,000,000 Broadband Fibre Strategy is included in the \$10M but removed from graph for comparability

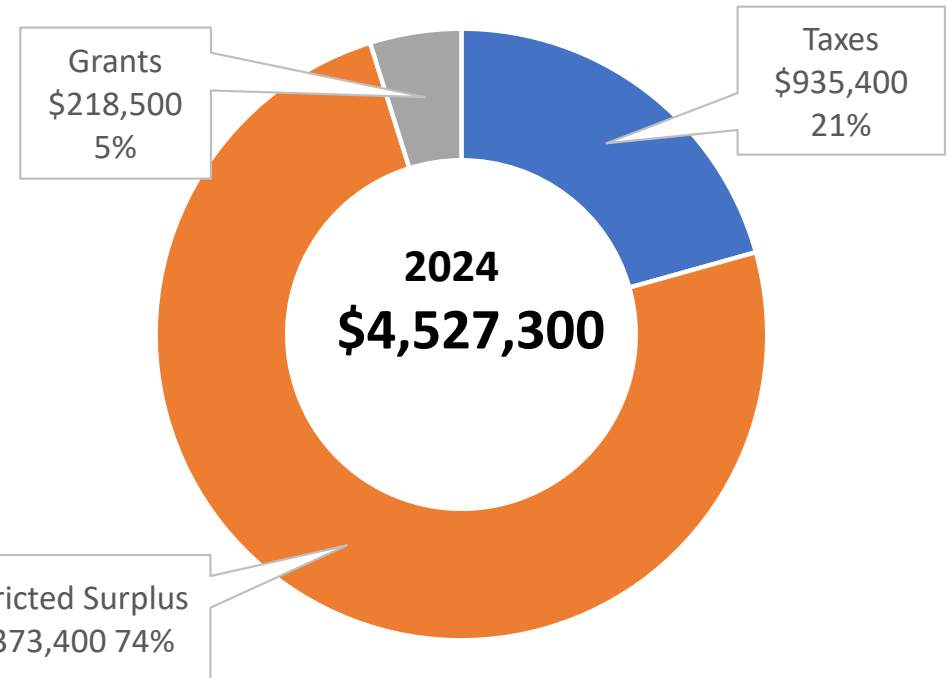
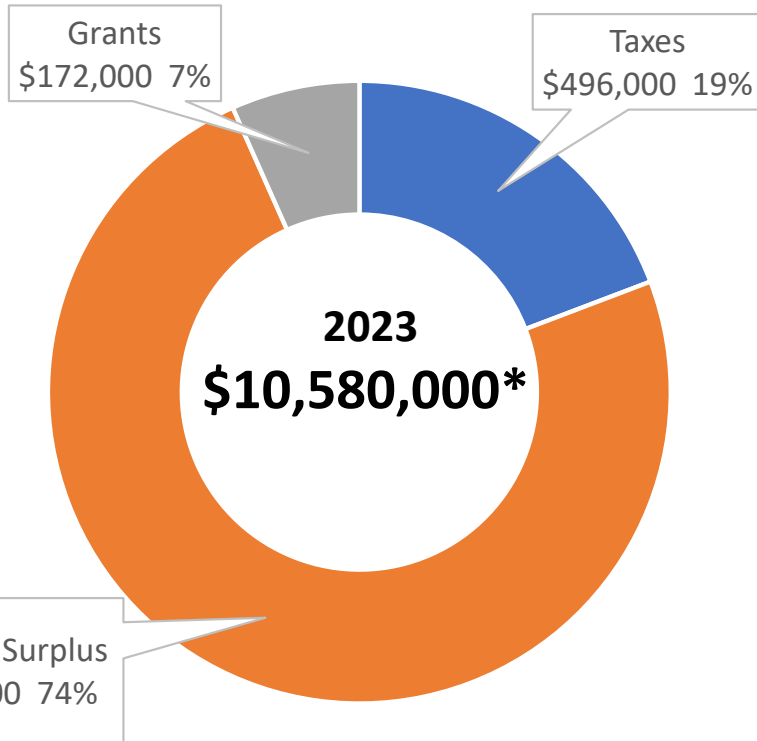
# KEY OPERATING PROJECTS

Project	Scope
Strategic Municipal Development Plan	To complete a strategic update of Parkland County's MDP to align with Council's Strategic Initiatives and recognize significant changes in industry.
Lifecycle Maintenance	Continue to maintain existing infrastructure to ensure consistent service levels while minimizing infrastructure deficits.
Development Services Optimization	This project will develop a best-in-class model for a customer focused Planning and Development function.
Lifecycle Plan Optimization	Working with departments on Facilities and Fleet lifecycle plans to optimize value for money.
Information Technology	Optimize existing software solutions to ensure they support our residents and departments.



# OPERATING BUDGET FUNDING

## How Operating Projects are Funded



\*\$8,000,000 Broadband Fibre Strategy is included in the \$10M but removed from graph for comparability



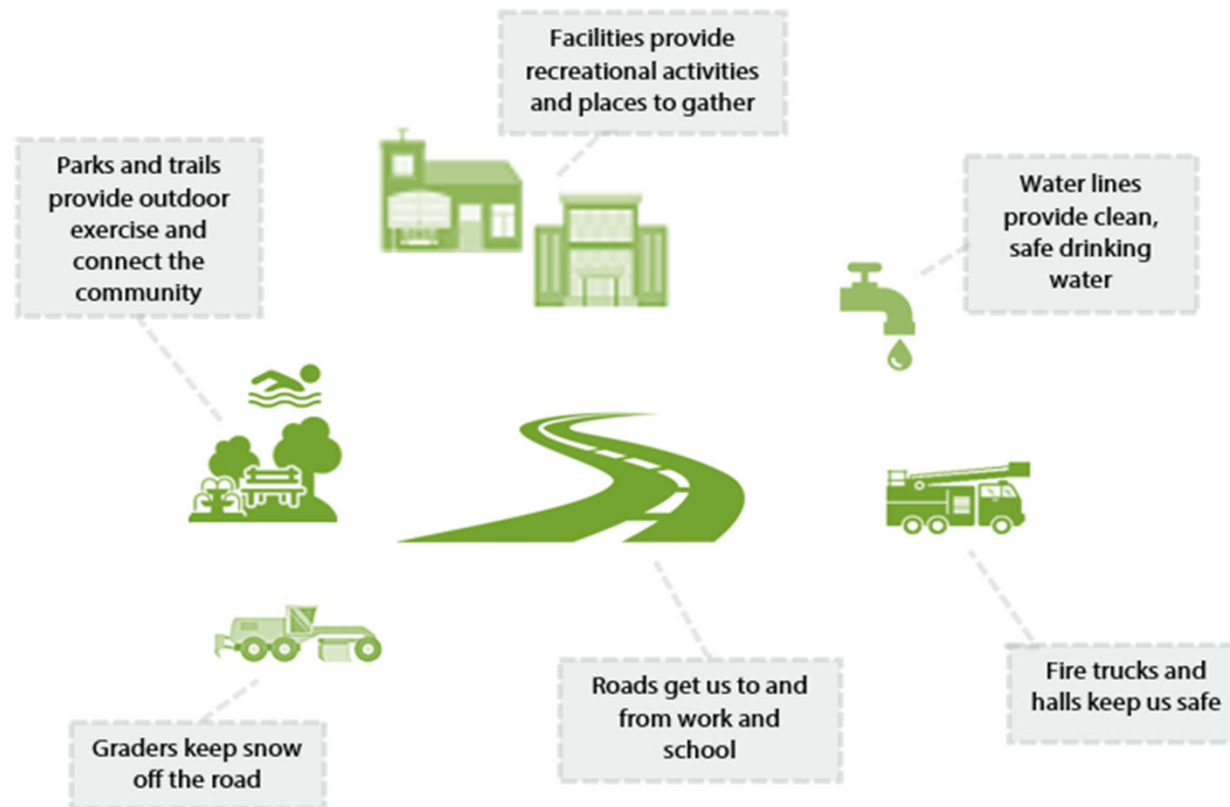
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## CAPITAL BUDGET

2024 BUDGET

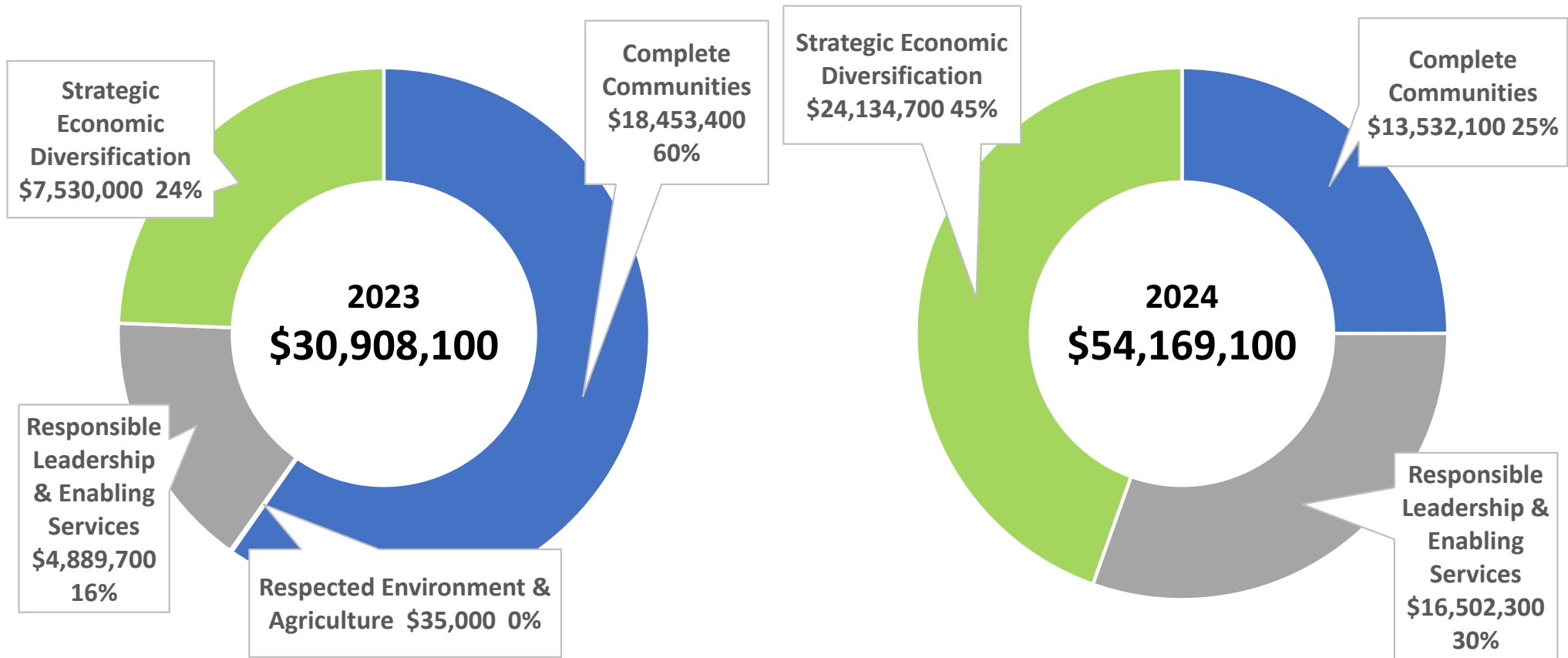
# CAPITAL PROJECT BUDGET

- In the 2024 Capital Budget, the focus is on road rehabilitation and construction, water and wastewater infrastructure, and emerging capital projects
- Council's focus is directed to projects intended to stimulate economic investment and enhancing the quality of life of residents



# CAPITAL BUDGET SUMMARY

## CAPITAL PROJECT BUDGET BY STRATEGIC PILLARS



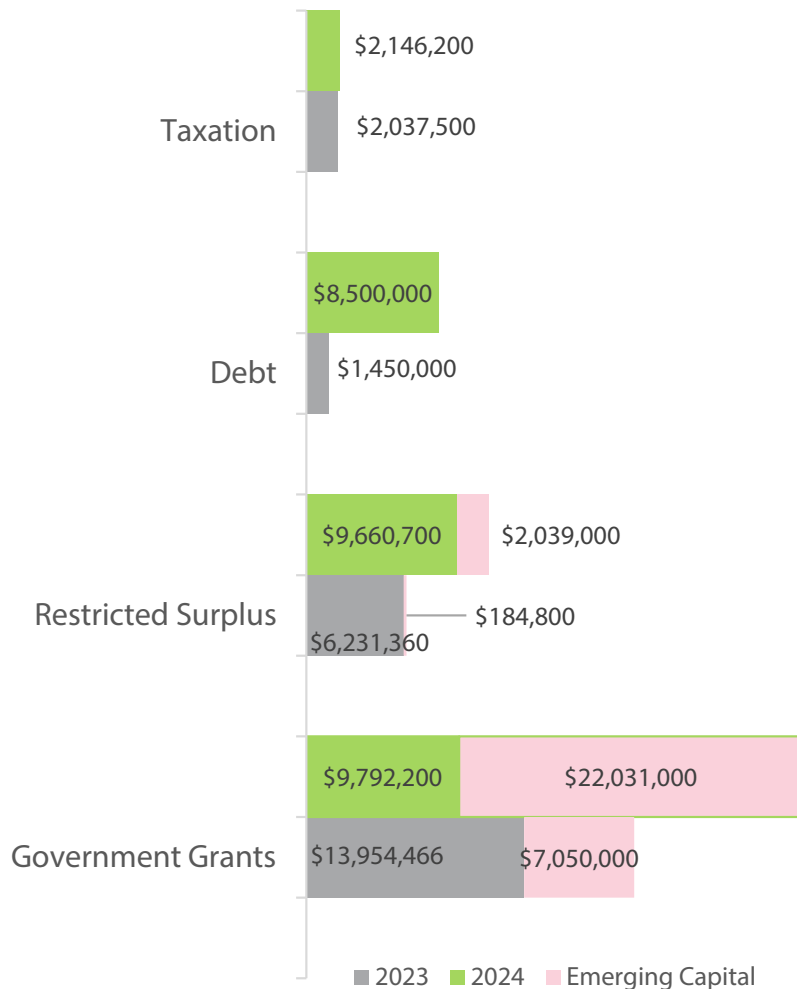
Total 2023 & 2024 Capital Budget exclude contributed assets

# KEY CAPITAL PROJECTS

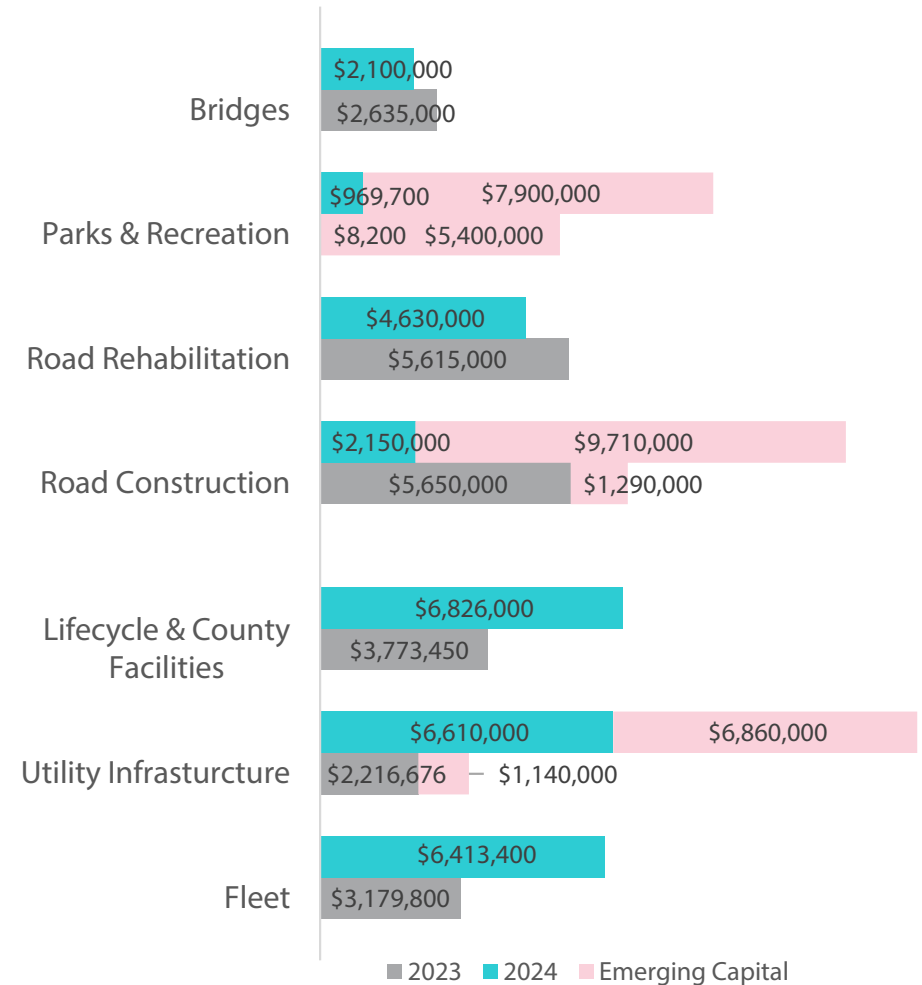
Project	Scope
Wabamun Initiatives	Project includes existing beach area improvements, wastewater facility upgrades, and a Water Feature to make Wabamun a more attractive recreational/tourist destination
Acheson Initiatives	Project includes intersection improvements and utility infrastructure in the Acheson Business Park to promote new development in the area
Entwistle Water Reservoir	Project includes the design, and construction of a new water reservoir and pumphouse in the Hamlet of Entwistle. It also includes the decommissioning of the existing water treatment plant
Road Program	Major maintenance and road rehabilitation projects completed as part of annual programs
Fleet	Increased fleet purchases as purchases in prior years were deferred due to supply chain constraints

# CAPITAL BUDGET

## Where the Funds comes from



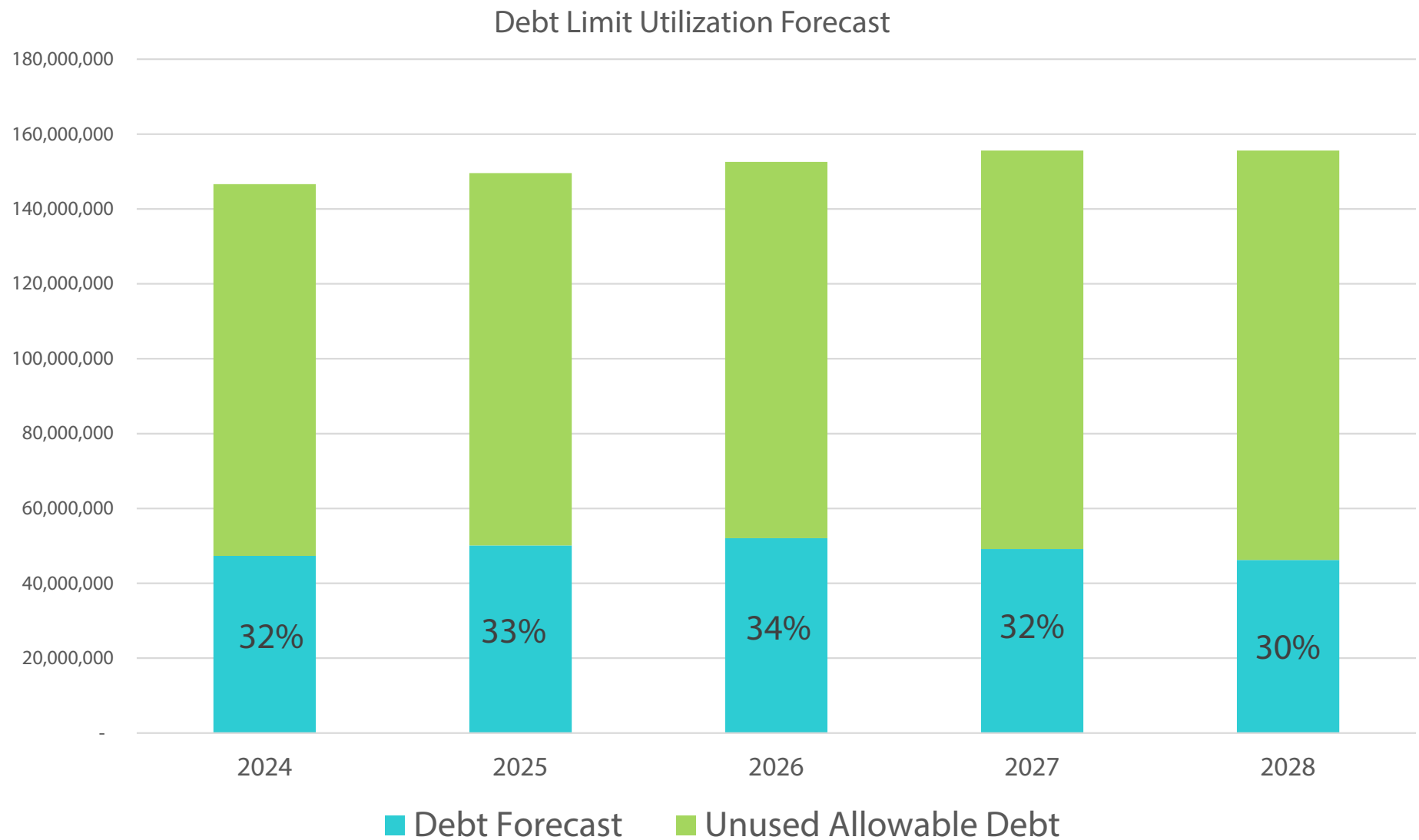
## How the Funds are Invested



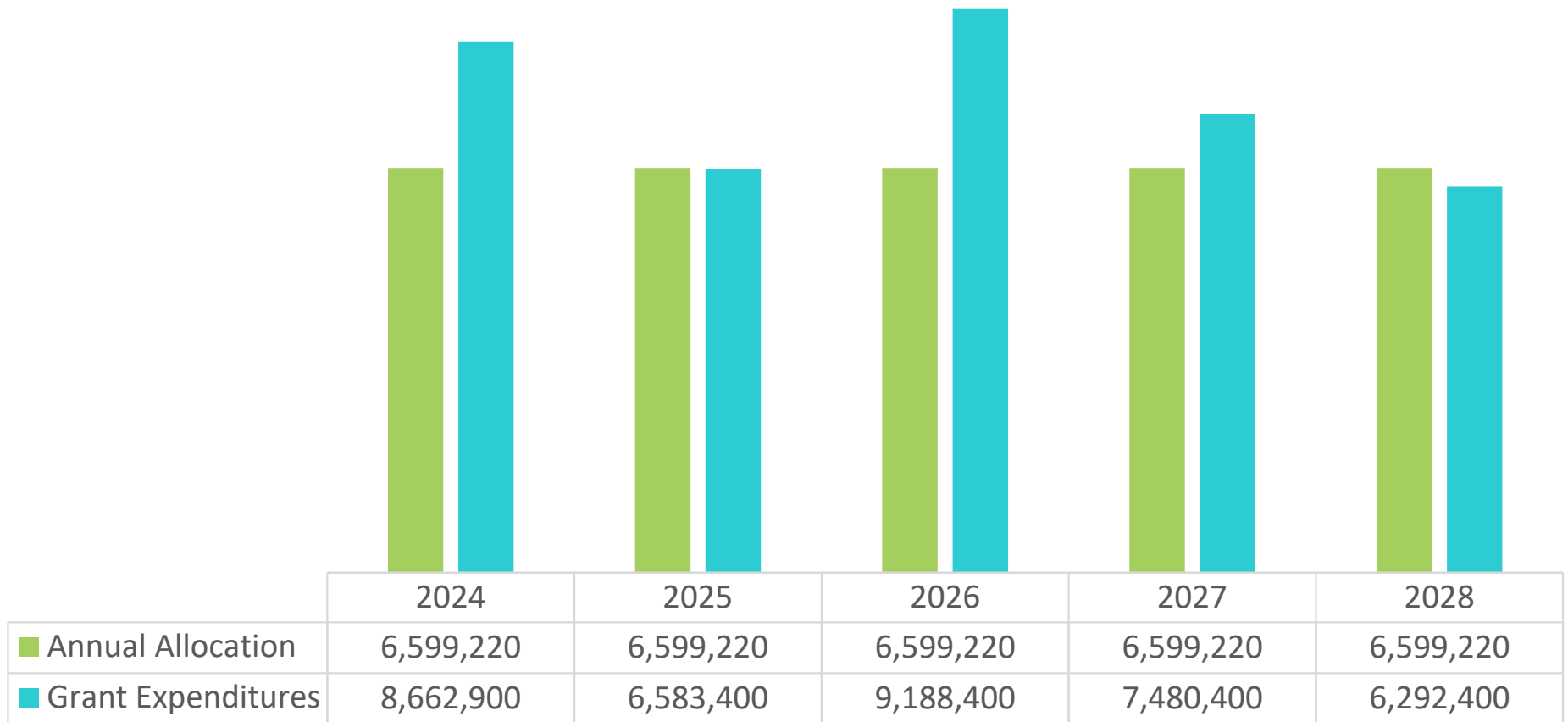
Total 2024 Capital Budget excluding contributed asset = \$54,169,100

Total 2023 Capital Budget excluding contributed asset = \$30,908,100

# CAPITAL PROJECT – DEBT FORECAST



# 5-YEAR CAPITAL BASE GRANT EXPENDITURE



Expected Annual Grant Allocation of Municipal Sustainability Initiative Grant / Local Government Fiscal Framework of \$4,539,900

Expected Annual Grant Allocation of Canada Community Building Fund of \$2,059,300





## TAXATION

# TAXATION APPROACH

- The County is committed to building a resilient economy as it reduces its exposure from the impact of the coal transition
- Incremental and predictable tax increases are generally preferred to significant tax fluctuations over the years
- With the higher cost of goods and services, reasonable tax increases help to maintain the level and quality of services and programs for residents
- The County's fiscal position, resulting from prudent budget decisions, helps to keep tax low for residents and businesses even during times of high inflation

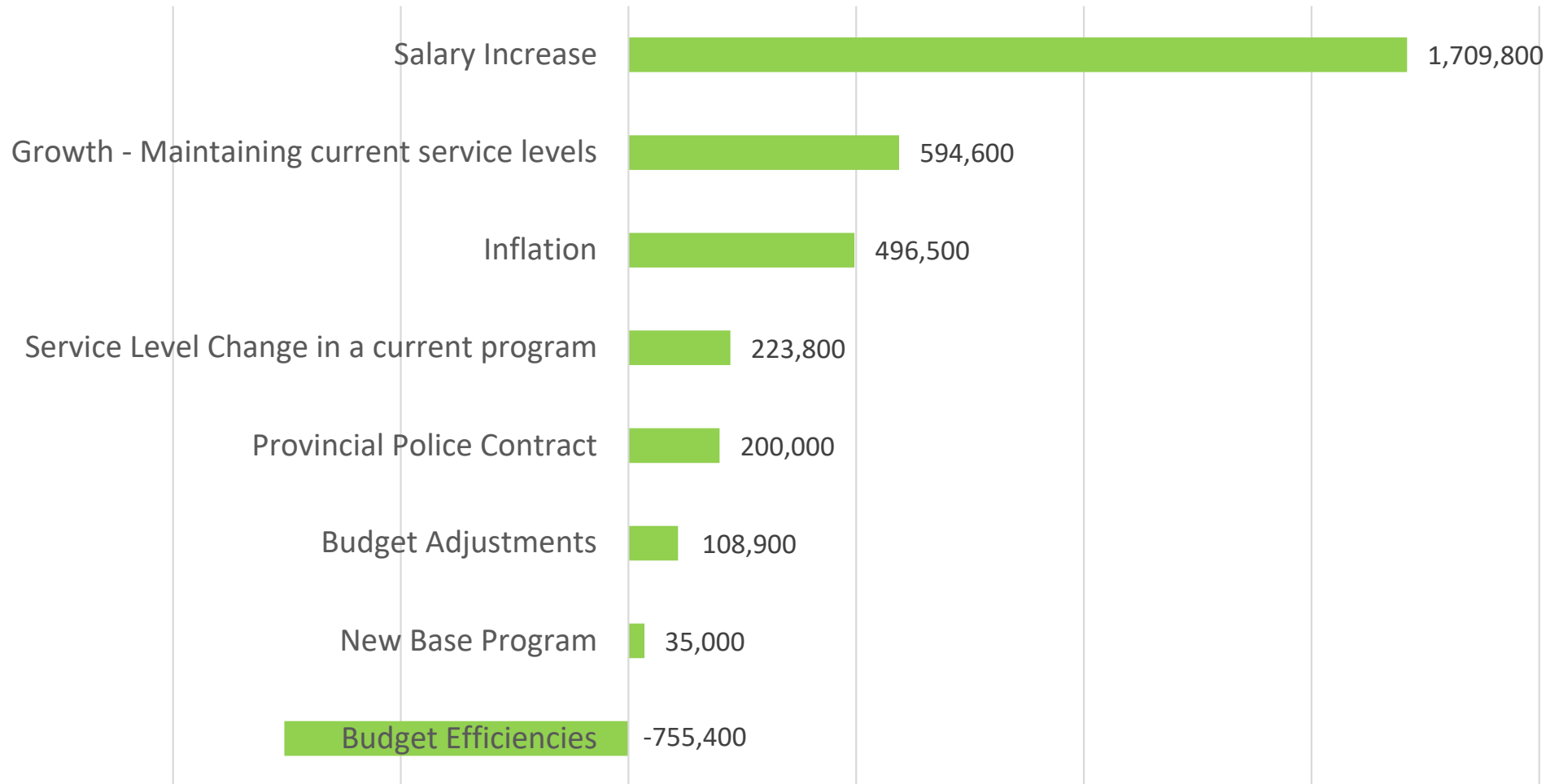
# LINEAR - ASSESSMENT

	2020	2021	2022	2023
Linear Impact Assessment	\$1,819,177,470	\$1,782,876,670	\$1,672,053,760	\$1,327,129,000
% Decrease		-2.00%	-6.22%	-20.63%
Tax Dollars	\$15,251,074	\$15,057,285	\$14,089,728	\$11,437,861
% Decrease		-1.27%	-6.43%	-18.82%

- Linear assessment continues to decline each year due to depreciation of the assets
- Linear losses are a direct result of the off-coal initiatives for Power Generation

# PROGRAM BUDGET EXPENDITURES (TAX IMPACT)

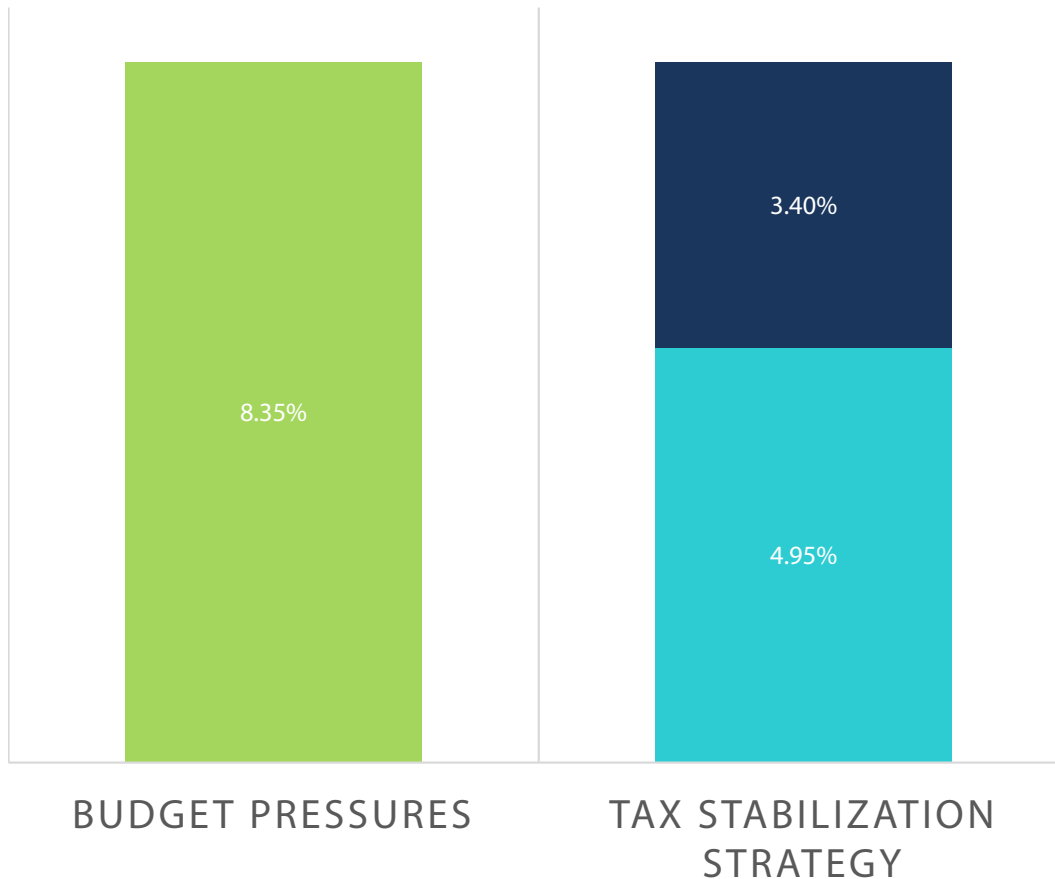
## Areas of Base Budget Request



# BUDGET GAP ANALYSIS

## BUDGET GAP ANALYSIS

■ Required Tax Increase ■ Net Budget Changes ■ Budget Pressures

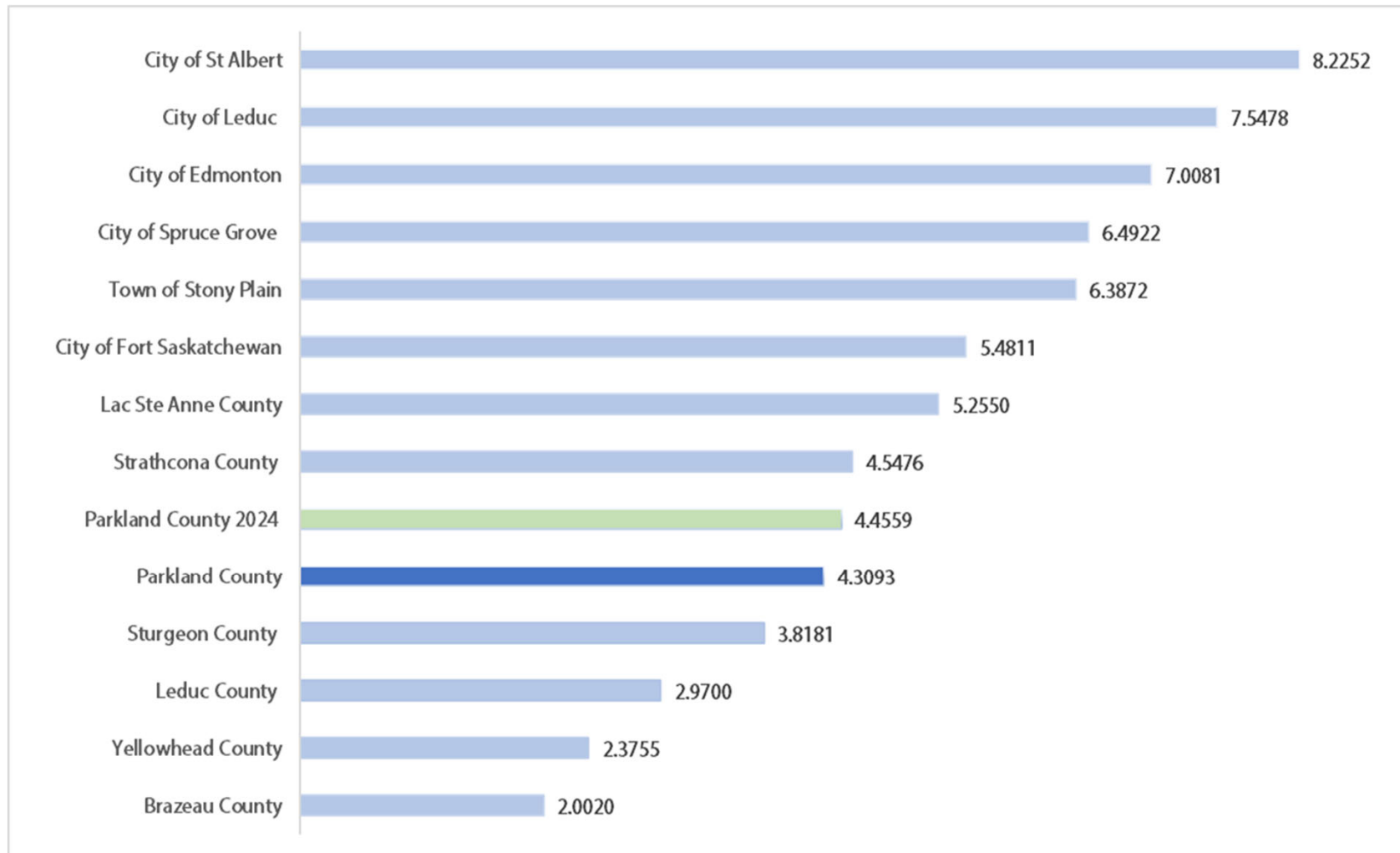


- Council approved target of 2.9%. Current budget shows a 3.4% increase
- To achieve the tax rate increase of 2.9%, an additional \$350,000 must be removed from the budget
- The County believes in predictable and reasonable annual rate adjustments

# TAX IMPACT ON RESIDENTS

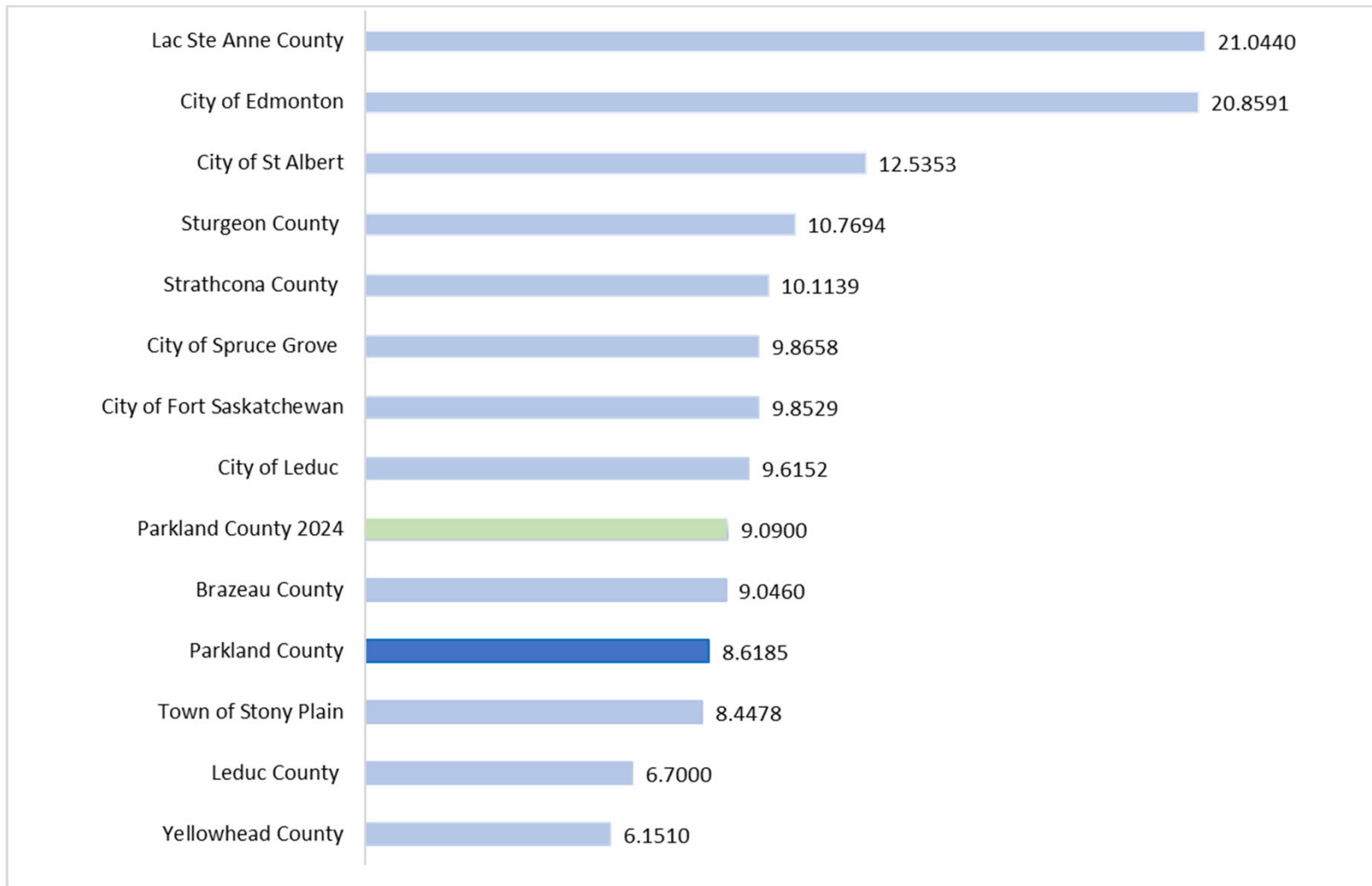
- The recommended increase to the 2024 municipal residential tax rate is 3.4%
  - A residential property, assessed at \$500,000, would see an increase of approximately \$6.25/month.
    - For every \$100,000 of their assessed value, a residential homeowner would pay an additional \$15 annually. Their total municipal taxes on each \$100,000 of assessment would be \$446 in 2024.
- The tax increase differs for each property based on the combined effects of:
  - Inflation, assessment, growth, and changes to the split tax ratio
- The tax impact above does not include the Education and Senior's Foundation property tax requisitions
  - Available in Q1 of 2024

# RESIDENTIAL RATE COMPARISON



- Parkland County is the 5<sup>th</sup> lowest tax rate after the combined effects of the 3.4% tax increase and the change in the tax split from 2.00 to 2.04
- This assumes our comparators have a 0% tax increase in 2024

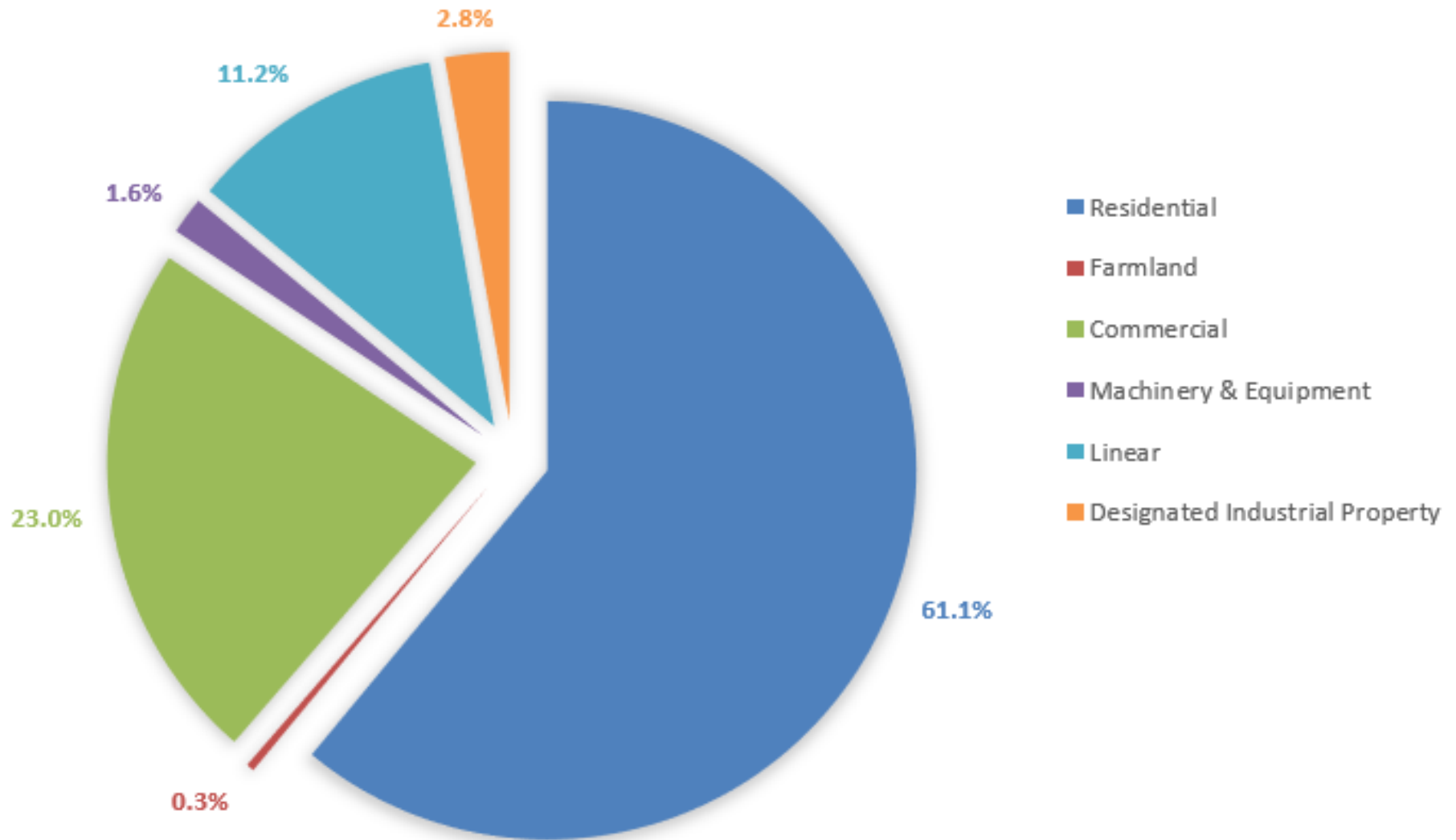
# NON- RESIDENTIAL TAX RATE COMPARISON



- Parkland County is the 5<sup>th</sup> lowest tax rate after the combined effects of the 3.4% tax increase and the change in the tax split from 2.00 to 2.04
- This assumes our comparators have a 0% tax increase in 2024



# ASSESSMENT DISTRIBUTION BY CATEGORY



# BUDGET GAP CONSIDERATIONS

Operating Program Considerations	Amount
Restricted Surplus Transfer Reduction	
Reduce Fleet Lifecycle Transfer	(175,000)
Reduce Facilities Lifecycle Transfer	(75,000)
Reduce Recreation Transfer	(100,000)
	(350,000)
Program Expenditure Reductions	
Reduce Chief Financial Office PSAB Support	(19,000)
Reduce Mental Health Initiative	(10,000)
Remove Graphic Design Increase	(5,000)
	(34,000)
<b>Total</b>	<b>(384,000)</b>

Capital Projects Considerations	Amount
CAO Contingency Capital	(250,000)
Trails	(400,000)
Fire Cache over 3 years	(30,000)
<b>Total</b>	<b>(680,000)</b>

\*Amount required is \$350,000

## NEXT STEPS

- Seek Council approval of 2024 budget approval – November 28, 2023
- Seek Council approval of 2023 Carryforward Projects – Q1 2024
- Seek Council approval of the 2024 Tax Levy Bylaw – Q2 2024



QUESTIONS?