



# BUDGET

2018

*One Parkland: Powerfully Connected.*

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## Parkland County Long-Term Strategic Plan

### VISION:

One Parkland: Powerfully Connected.

The vision is a high-level statement that expresses what the future looks like. Our vision has been crafted to be inspiring, energizing and motivating both internally and externally.

The Strategic Plan is intentional about the areas where focus must occur to advance our vision for the County. It is a roadmap, guiding our vision for the future – a plan to get us from where we are today to where we want to be.

### VALUES:

Values should be seen and visible in practice. Council and administration are committed to upholding high standards of conduct in all their interactions and behaviours based on these shared values.

#### CORE VALUES

Our values define our culture, govern the way we make decisions, and guide us as we interact with our stakeholders.

#### INTEGRITY

We conduct ourselves at all times in a manner that is ethical, legal and professional, fostering a culture of honesty, trust and fairness.

#### RESPECT

We ensure the equitable and fair treatment of all as a foundation of our policies and practices.

#### COLLABORATION

We build and maintain strong relationships both internally and externally, through cooperation, mutual respect and open communication, working together for the benefit of the region.

#### TRANSPARENCY

We conduct ourselves in a clear and visible manner, ensuring we are accountable for our actions at all times.

#### RESPONSIBILITY

We focus on operating in a safe, efficient, reliable, and cost effective manner, acting today with the interests of tomorrow in mind.

## PILLARS



### **COMPLETE COMMUNITIES**

We recognize the diversity of Parkland's communities, while fostering a united and shared vision for Parkland as a whole



### **STRATEGIC ECONOMIC DIVERSIFICATION**

We support the continuation and evolution of traditional economic activities, while pursuing new opportunities for diversified and sustainable growth



### **RESPECTED ENVIRONMENT**

We respect the natural environment, recognizing Parkland's biodiversity and unique natural beauty, and ensuring our commitment to sustainable practices



### **RESPONSIBLE LEADERSHIP**

We maintain the public's trust through transparent and fair decision-making, superior service delivery, and effective communication

## Budget Philosophy

The municipal budget puts into operational practice the strategies established in the Strategic and Business Plans. The municipal budget will provide administration with the resources needed to accomplish Council's desired program and service level goals. The budget process provides an opportunity for Council and Administration to examine all service areas from a budget perspective and determine the amount of resources that will be required in the current year to improve, reduce, or maintain each service.

Each department as well as Senior Management has critically evaluated their budgets, made budget adjustments where possible, and requested increases only if absolutely necessary to maintain existing programs and services and/or meet Council's strategic priorities.

Management has put forward for Council's review a budget that includes a number of initiatives that will be undertaken to achieve the outcomes envisioned in the Strategic Pillars as well as some departmental initiatives while remaining below the projected rate of inflation of 2.73%.

The overall net change in the Municipal Tax Levy from 2017 is 1%.

## Municipal Government Requirements

### Inflation & MPI

The cost of goods and services typically change year over year, therefore, in order for the County to maintain a consistent level of service, corresponding adjustments must be made to the Municipal Budget to account for inflation/deflation. The County uses published index rates to provide a recommendation for the rate applied to the budget. The most commonly referenced index is the Consumer Price Index (CPI) which is based on the goods and services used by the average consumer. The County, however; purchases a different range of goods and services than the average consumer therefore the CPI is not the most appropriate measure of inflation for the County. As a result, the County relies on the Municipal Price Index (MPI) to determine the rate of inflation/deflation to apply to its budget. The MPI is calculated using items commonly utilized by municipalities rather than consumers and is more indicative of the County's operations.

In order to maintain stability in tax rates year over year, administration would recommend an inflation adjustment equal to the 2018 forecasted MPI rate of 2.73%.

		Forecast				
Year	2017	2018	2019	2020	2021	Average
MPI*	2.25%	2.73%	2.55%	2.71%	2.79%	2.61%
CPI*	1.96%	2.26%	2.32%	1.99%	2.06%	2.12%

\*Source: Municipal Price Index 2017 Economic Insights, the City of Edmonton.

## Budget Process Overview

### 2017 BUDGET PROCESS OVERVIEW

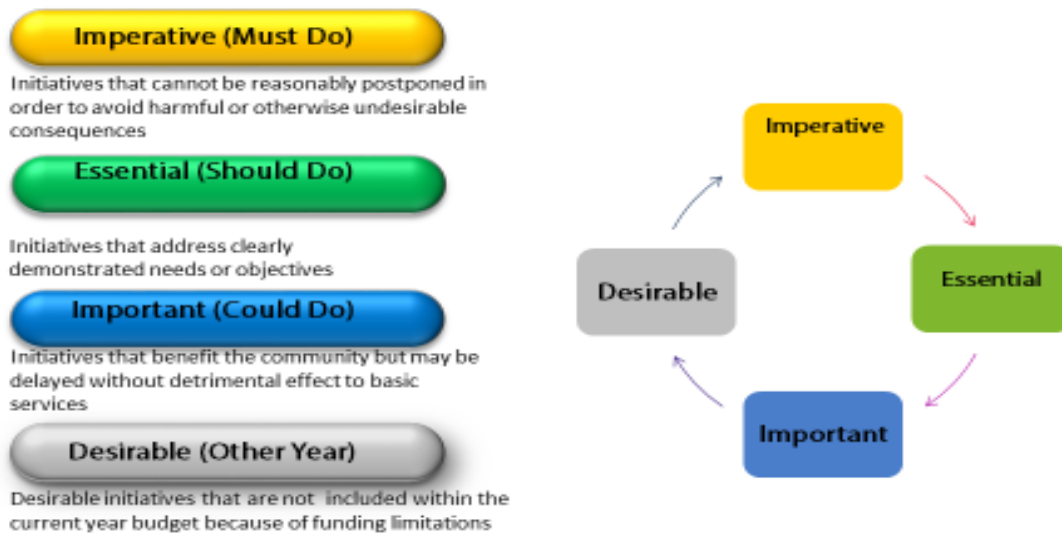




## Budget Initiatives

To ensure prudent fiscal management and financial sustainability for Parkland County, Administration has developed business initiative forms for which all departments were required to complete should they be recommending a new purchase, new program or an increased service level. These initiatives were ranked by the departments based on the following criteria:

### PRIORITIZING & RANKING CRITERIA FOR INITIATIVES



Executive Administration then evaluated and prioritized all initiatives based on the following set of criteria:

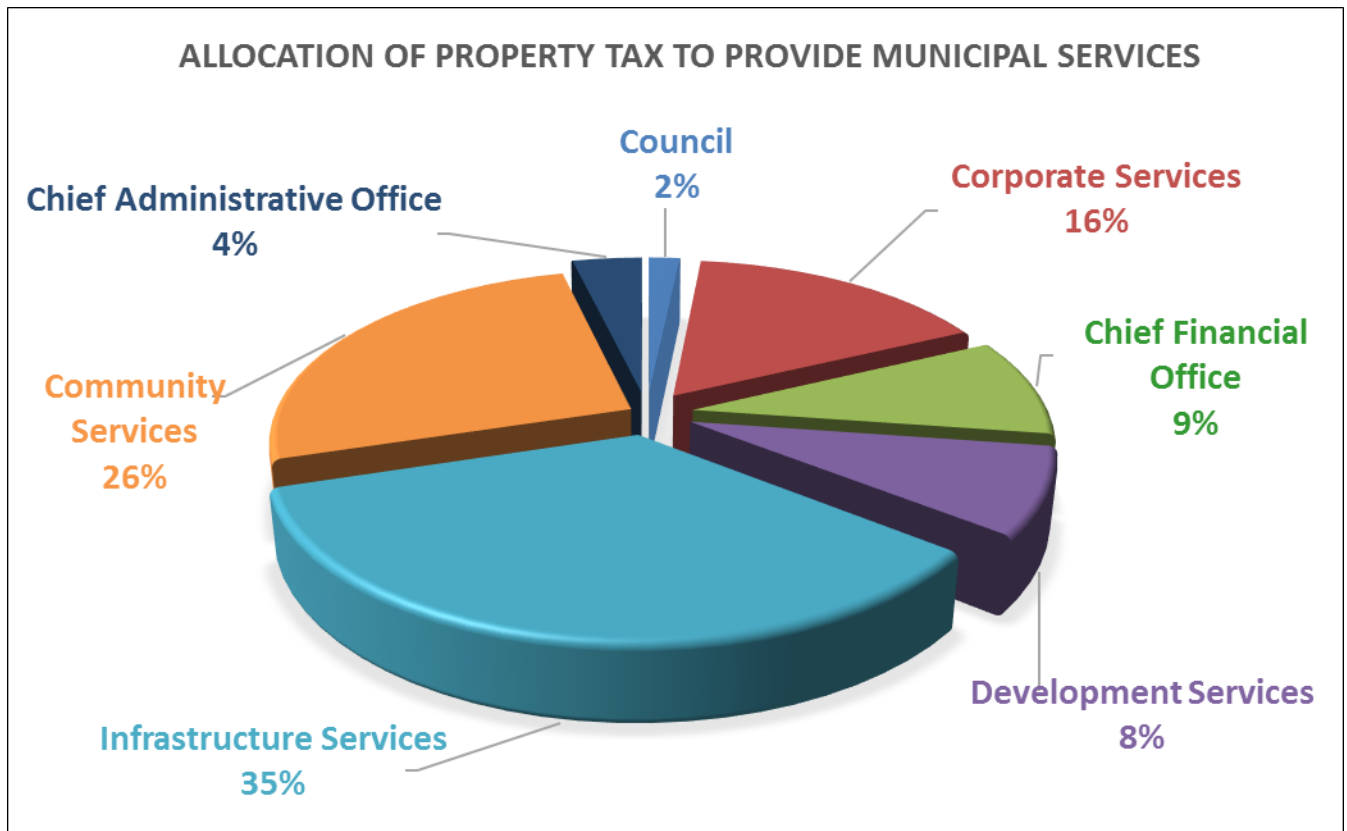
- Alignment with Council's Strategic Plan
- Business Need
  - Statutory/Regulatory Requirements
  - Maintenance of Services
  - Improves Efficiencies and Enhances Effectiveness
- Risk
- Cost Benefit/Return on Investment (ROI)
- Financial Impact and Funding Capabilities
- Effect on Organizational Capacity

Business initiatives in alignment with community priorities will guide the County in accomplishing goals while reducing risk and controlling costs.



## Services Provided Through Taxation

Parkland County staff work together to deliver a stable and effective base of cores services as well as invest in a promising future that allows Parkland County to be the rural community of choice. Services are provided through the following divisions:



**Council:** Mayor, 6 Councillors & 1 Support Staff

**Chief Administrative Office:** Executive Team, Corporate Planning & Intergovernmental Affairs and Customer Services

**Corporate Services:** Includes Communications, Legal & Legislative, Human Resources and Information Services

**Chief Financial Office:** Includes Assessment & Tax, Strategic Financial Services, Financial Planning & Reporting, Treasury

**Development Services:** Includes Planning and Development, Economic Diversification, Smart Parkland and Community Sustainability

**Community Services:** Includes Emergency Management, Agriculture, Fire, Emergency Communications Centre, Enforcement and Parks, Recreation and Culture

**Infrastructure Services:** Includes Engineering, Drainage, Utilities & Aggregate Resources, Road Maintenance, Facility Maintenance, Fleet Management, Solid Waste and Water & Wastewater

## Property Tax Allocation for Average Household/Business

			<b>Residential</b>	<b>Non Residential</b>
<b>Municipal Services</b>	<b>Taxes Levied</b>	<b>% Total</b>	<b>Tax</b>	<b>Tax</b>
Council	941,700	1.67%	\$ 33	\$ 670
Corporate Services	9,169,200	16.23%	\$ 316	\$ 6,507
Chief Financial Office	5,296,500	9.38%	\$ 183	\$ 3,760
Development Services	4,679,300	8.28%	\$ 161	\$ 3,319
Infrastructure Services	19,592,300	34.68%	\$ 676	\$ 13,903
Community Services	14,698,300	26.02%	\$ 507	\$ 10,431
Chief Administrative Office	2,112,500	3.74%	\$ 73	\$ 1,499
<b>Tax Levy (Municipal, TLC, EMRB)</b>	<b>\$ 56,489,800</b>	<b>100.00%</b>	<b>\$ 1,949</b>	<b>\$ 40,090</b>

The average household in Parkland County will spend \$162 on municipal property taxes each month.

## Municipal Budget Summary

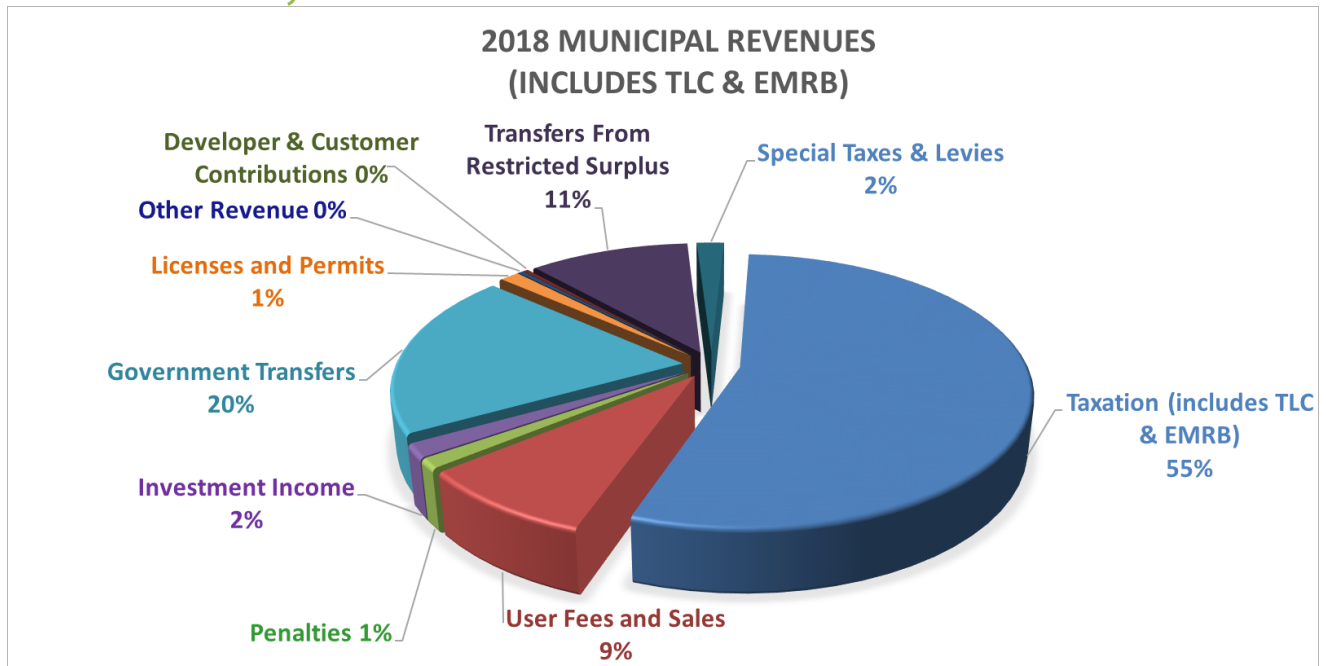
The following chart illustrates the revenues and expenditures by division as well as the required municipal tax levy. Note that revenues represent cash inflows and expenditures represent cash outflows for the purposes of this document.

### PARKLAND COUNTY

#### Municipal Budget - Net Cost by Division Interim 2018

	2017	2018	2018	2018
	BUDGET	BUDGET	CHANGE	CHANGE
	\$	\$	\$	%
<b>REVENUE</b>				
Council	30,900	400	(30,500)	(99%)
Corporate Services	1,556,700	3,780,300	2,223,600	143%
Development Services	27,514,000	3,424,100	(24,089,900)	(88%)
Infrastructure Services	46,193,200	40,491,200	(5,702,000)	(12%)
Community Services	8,372,000	5,357,400	(3,014,600)	(36%)
General Services	112,100	408,000	295,900	264%
Chief Financial Office	2,043,500	2,264,100	220,600	11%
<b>Total Revenue</b>	<b>85,822,400</b>	<b>55,725,500</b>	<b>(30,096,900)</b>	<b>(35%)</b>
<b>EXPENDITURES</b>				
Council	937,000	942,100	5,100	1%
Corporate Services	11,556,800	13,400,600	2,240,900	20%
Development Services	32,493,000	8,297,000	(24,196,000)	(74%)
Infrastructure Services	81,480,500	75,601,500	(5,879,000)	(7%)
Community Services	23,390,200	20,476,300	(2,913,900)	(12%)
General Services	2,027,100	2,520,500	493,400	24%
Chief Financial Office	6,240,800	7,561,500	923,600	14%
<b>Total Expenditures</b>	<b>158,125,400</b>	<b>128,799,500</b>	<b>(29,325,900)</b>	<b>(19%)</b>
<b>Surplus/(Shortfall)</b>	<b>(72,303,000)</b>	<b>(73,074,000)</b>	<b>(771,000)</b>	<b>1%</b>
<b>Add/(Subtract)</b>				
Amortization	15,879,100	15,864,400	(14,700)	(0%)
Gain on Sale of Assets	(98,100)	(31,100)	(67,000)	68%
Loss on Sale of Assets	345,800	272,300	(73,500)	(21%)
Proceeds on Sales of Assets	289,500	478,600	189,100	65%
TriLeisure Centre	1,129,300	1,202,300	73,000	6%
Edmonton Metropolitan Region Board	100,000	100,000		0%
	<b>17,645,600</b>	<b>17,886,500</b>	<b>240,900</b>	<b>1%</b>
<b>Municipal Levy</b>	<b>54,657,400</b>	<b>55,187,500</b>	<b>530,100</b>	<b>1%</b>
Less Minimum Tax	40,000	40,000		0%
<b>Net Municipal Tax Levy</b>	<b>54,617,400</b>	<b>55,147,500</b>	<b>530,100</b>	<b>1%</b>

## Where the Money Comes From



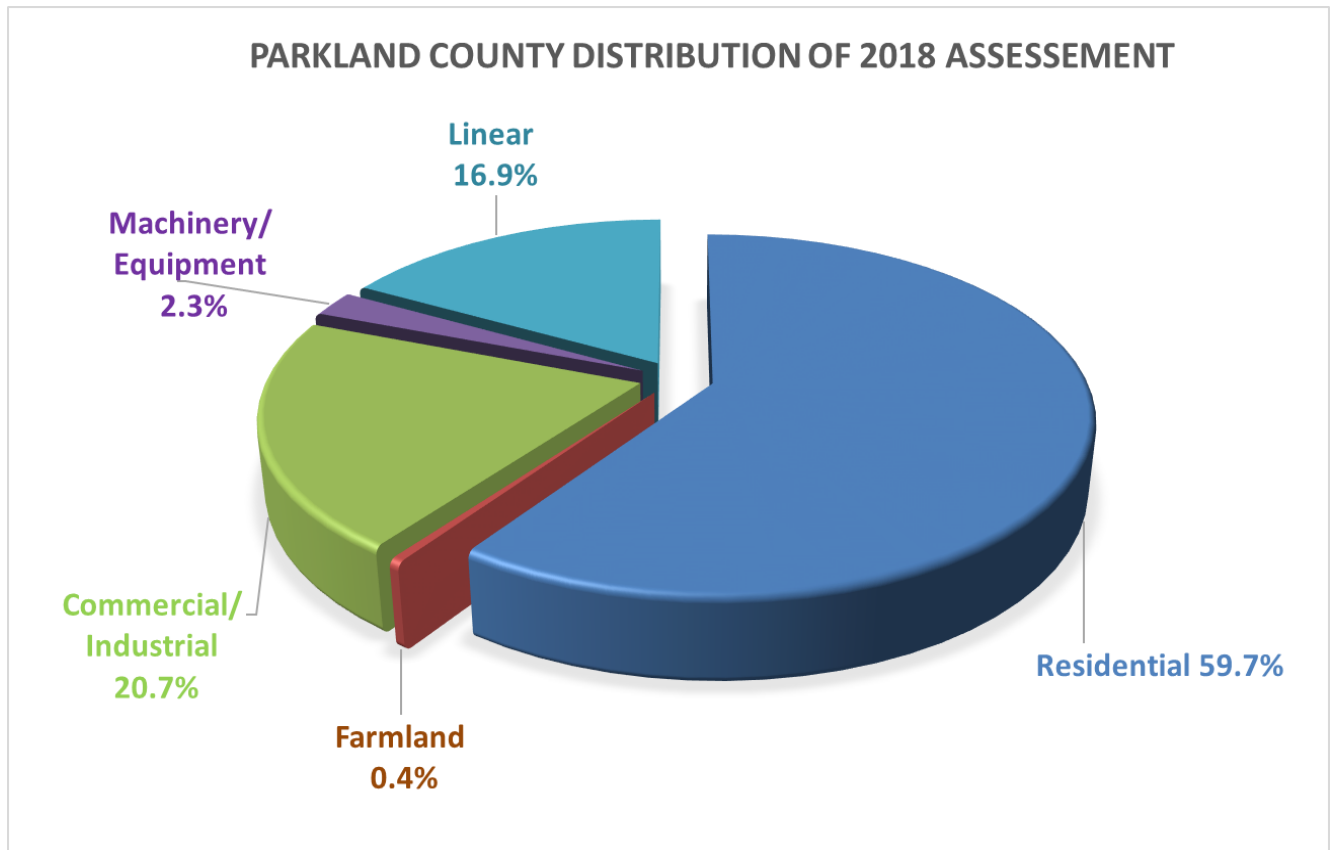
Total Municipal Revenues	2017		2018		Increase/ (Decrease) (\$)	Increase/ (Decrease) (%)
Taxation (includes TLC & EMRB)	55,886,700	42%	56,489,800	55%	603,100	1%
User Fees and Sales	8,697,200	6%	8,990,600	9%	293,400	3%
Penalties	1,183,000	1%	1,204,600	1%	21,600	2%
Investment Income	1,025,500	1%	1,648,500	2%	623,000	61%
Government Transfers	23,045,900	17%	20,303,400	20%	(2,742,500)	(12%)
Licenses and Permits	1,385,000	1%	1,330,600	1%	(54,400)	(4%)
Other Revenue	768,700	1%	377,200	0%	(391,500)	(51%)
Developer & Customer Contributions	1,184,600	1%	308,000	0%	(876,600)	(74%)
Proceeds from Long Term Debt	21,764,500	16%	-	0%	(21,764,500)	(100%)
Transfers From Restricted Surplus	17,180,100	13%	10,985,700	11%	(6,194,400)	(36%)
Special Taxes & Levies	1,818,200	1%	1,868,200	2%	50,000	3%
<b>Total Excluding Non-Cash Items</b>	<b>133,939,400</b>	<b>100%</b>	<b>103,506,600</b>	<b>100%</b>	<b>(30,432,800)</b>	<b>(23%)</b>
Gain on Disposal of Tangible Capital Assets	98,100	1%	31,100	0%	(67,000)	(68%)
Contributed Assets	9,008,100	99%	10,027,200	100%	1,019,100	11%
<b>Total Excluding Internal Charges</b>	<b>143,045,600</b>	<b>100%</b>	<b>113,564,900</b>	<b>100%</b>	<b>(29,480,700)</b>	<b>(21%)</b>
Internal Charges	(1,336,400)	(1%)	(1,349,600)	(1%)	(13,200)	1%
<b>Total Municipal Revenues</b>	<b>141,709,200</b>	<b>100%</b>	<b>112,215,300</b>	<b>100%</b>	<b>(29,493,900)</b>	<b>(21%)</b>

## Assessment & Taxation

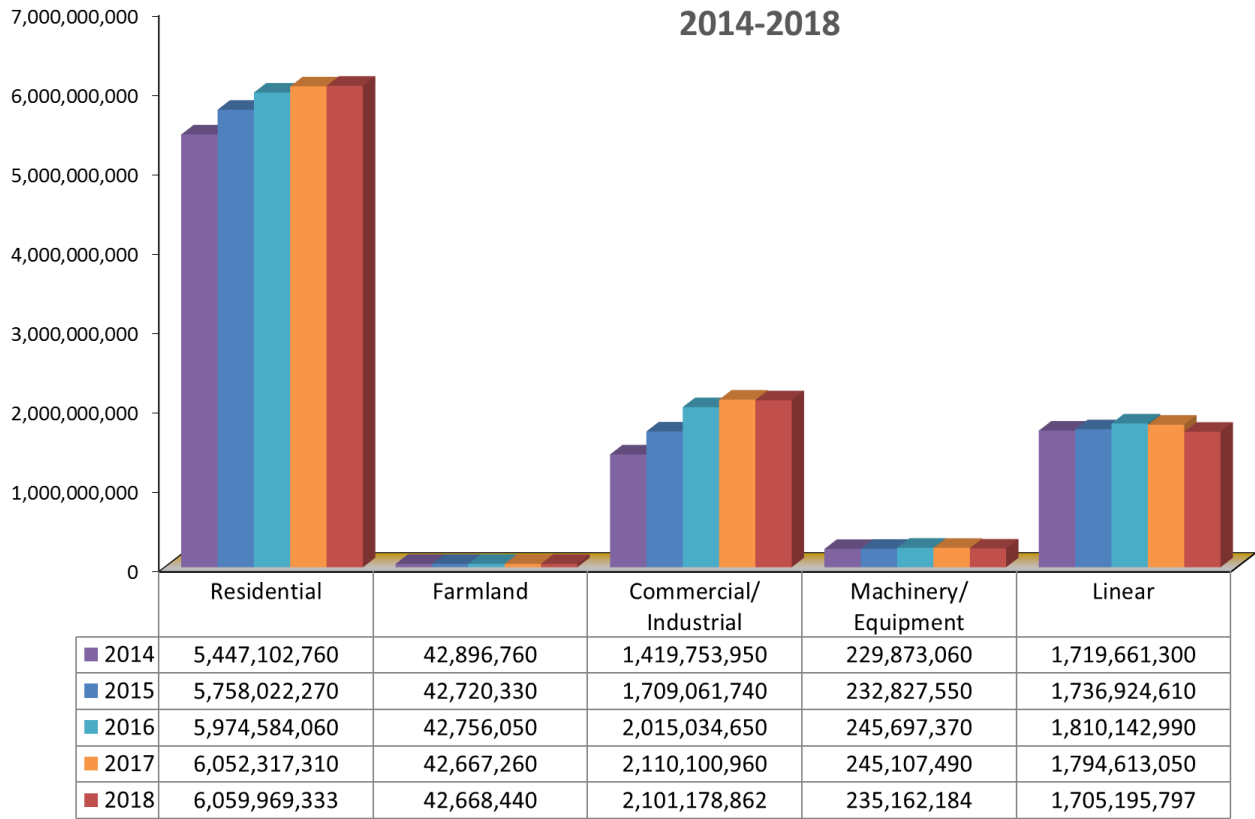
### Assessment Projections for the 2018 Tax Year

	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>\$ Change</b></u>	<u><b>% Change</b></u>
<u><b>Assessment Category:</b></u>				
Residential	6,052,317,310	6,059,969,333	7,652,023	0.13%
Farmland	42,667,260	42,668,440	1,180	0.00%
Commercial/Industrial	2,110,100,960	2,101,178,862	-8,922,098	-0.42%
Machinery/Equipment	245,107,490	235,162,184	-9,945,306	-4.06%
Linear	1,794,613,050	1,705,195,797	-89,417,253	-4.98%
	<b>10,244,806,070</b>	<b>10,144,174,616</b>	<b>-100,631,454</b>	<b>-1.00%</b>

Decrease in assessment is \$101M; a decrease of 1.00%

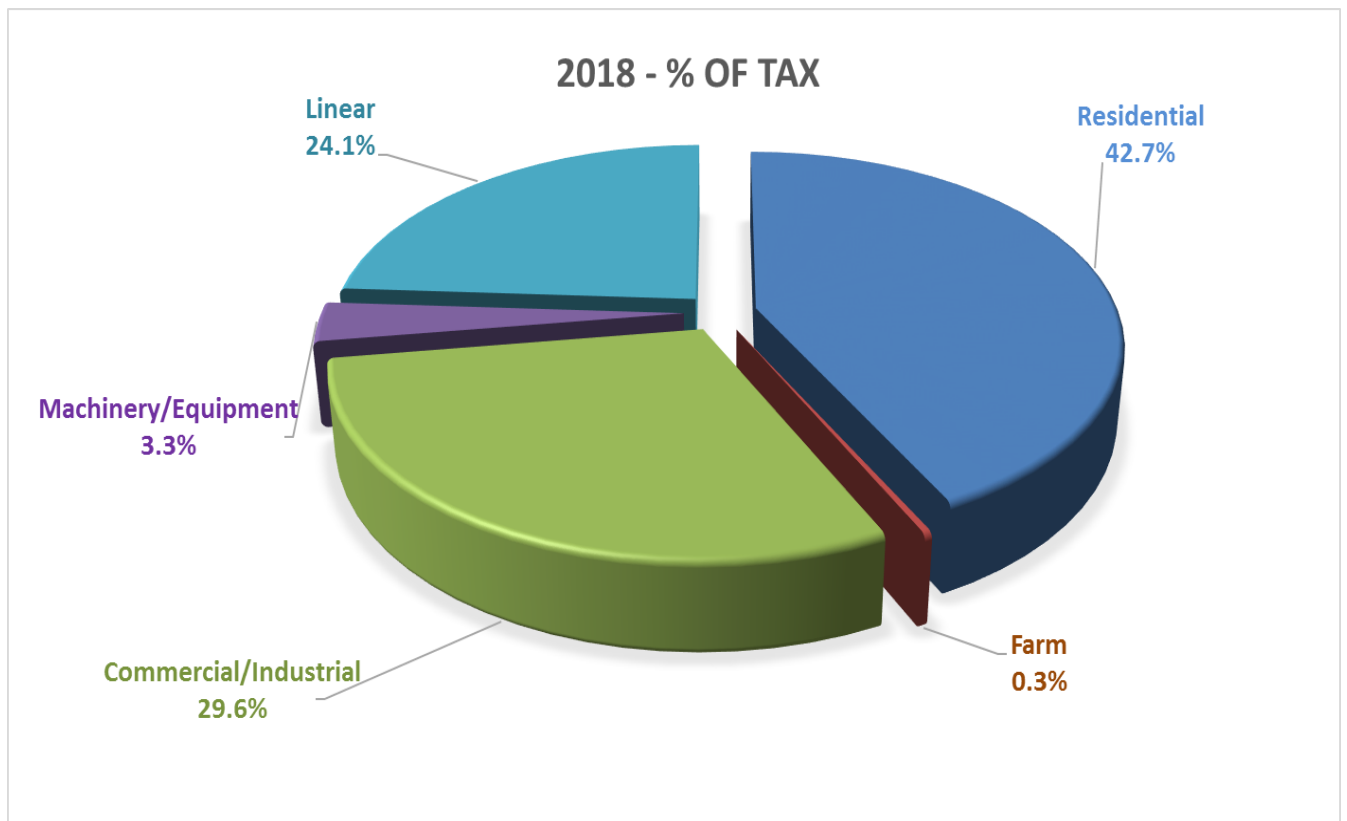


## MUNICIPAL ASSESSMENT COMPARISON 2014-2018



## Where Does the Tax Come From?

	Assessment	Municipal Tax Rate	Taxes	2018 - % of Tax
Residential	6,059,969,333	0.0038876	23,558,269	42.7%
Farm	42,668,440	0.0038876	165,878	0.3%
Commercial/Industrial	2,101,178,862	0.0077751	16,336,876	29.6%
Machinery/Equipment	235,162,184	0.0077751	1,828,409	3.3%
Linear	1,705,195,797	0.0077751	13,258,068	24.1%
	<b>10,144,174,616</b>		<b>55,147,500</b>	<b>100.0%</b>





## Impact to the taxpayer

The proposed 2018 budget results in the **typical residential** property paying \$50 in additional taxes per year or \$4/month for those on the monthly payment plan.

The proposed 2018 budget results in the **typical non-residential** property paying \$1,005 in additional taxes per year or \$84/month for those on the monthly payment plan.

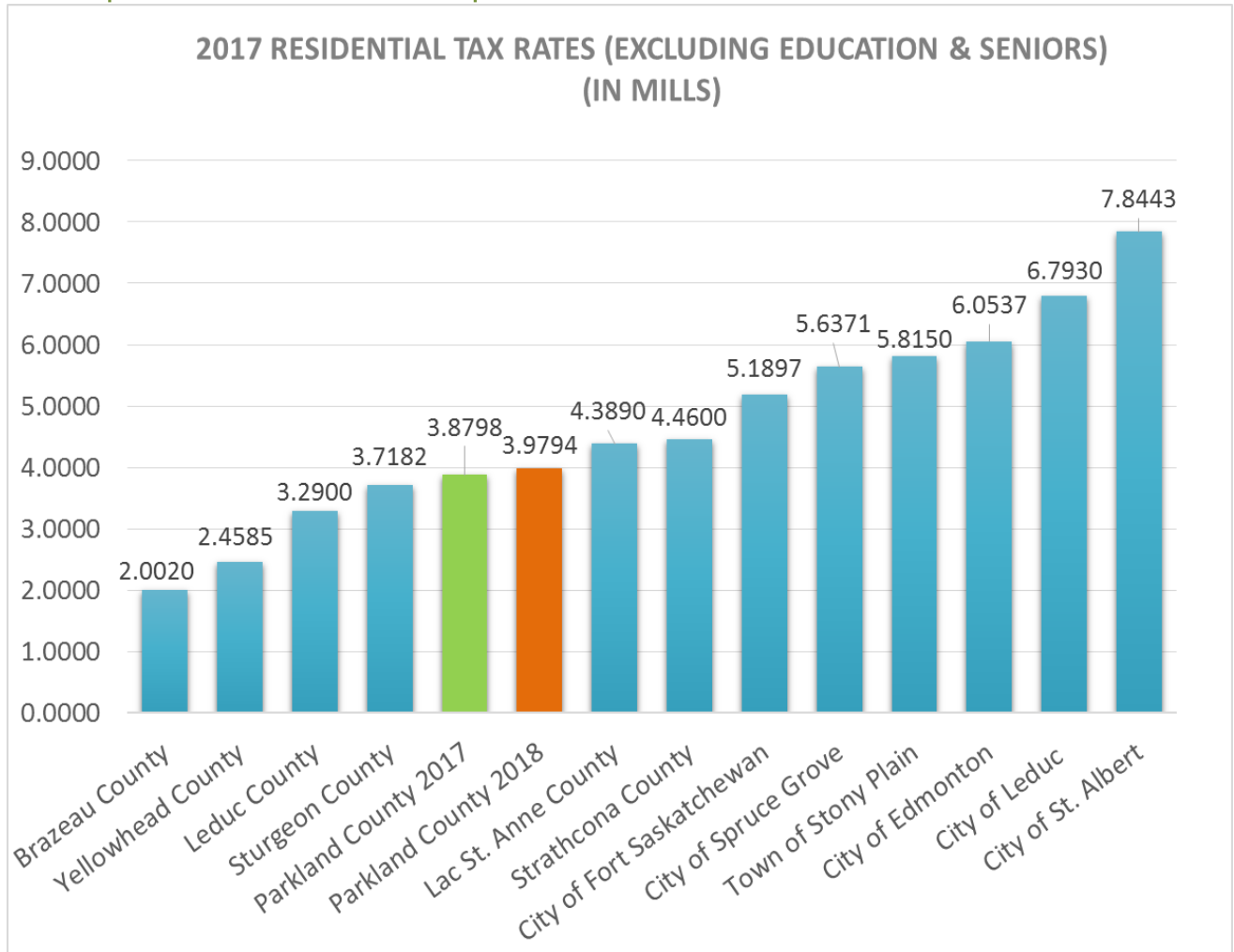
<b>Residential:</b>					
Median Assessment Value	\$	489,695	\$	489,695	
<b>PROPERTY TAX - Estimate</b>		<b>2017</b>	<b>2018</b>	<b>\$ Change</b>	<b>% Change</b>
Municipal	\$	1,858	\$ 1,904	\$ 46	2.48%
Tri Leisure Centre	\$	38	\$ 42	\$ 4	10.53%
Edmonton Metropolitan Region Board	\$	3	\$ 3	\$ -	0.00%
<b>Subtotal</b>	\$	<b>1,899</b>	\$ <b>1,949</b>	\$ <b>50</b>	<b>2.63%</b>
Senior's Foundation	\$	29	\$ 29	\$ -	0.00%
School	\$	1,220	\$ 1,220	\$ -	0.00%
<b>Total</b>	\$	<b>3,148</b>	\$ <b>3,198</b>	\$ <b>50</b>	<b>1.59%</b>
Increase in Monthly Payment				4	
<b>Non-Residential:</b>					
Median Assessment Value	\$	5,037,219	\$	5,037,219	
<b>PROPERTY TAX - Estimate</b>		<b>2017</b>	<b>2018</b>	<b>\$ Change</b>	<b>% Change</b>
Municipal	\$	38,225	\$ 39,165	\$ 940	2.46%
Tri Leisure Centre	\$	790	\$ 854	\$ 64	8.10%
Edmonton Metropolitan Region Board	\$	70	\$ 71	\$ 1	1.43%
<b>Subtotal</b>	\$	<b>39,085</b>	\$ <b>40,090</b>	\$ <b>1,005</b>	<b>2.57%</b>
Senior's Foundation	\$	299	\$ 299	\$ -	0.00%
School	\$	18,213	\$ 18,213	\$ -	0.00%
<b>Total</b>	\$	<b>57,597</b>	\$ <b>58,602</b>	\$ <b>1,005</b>	<b>1.74%</b>
Increase in Monthly Payment				84	

## Other Requisitions

All requisition costs will be recovered directly from applicable tax revenues. The County's budget will not be used to subsidize or cushion other requisition increases. Requisition increases will stand alone on their own merits.

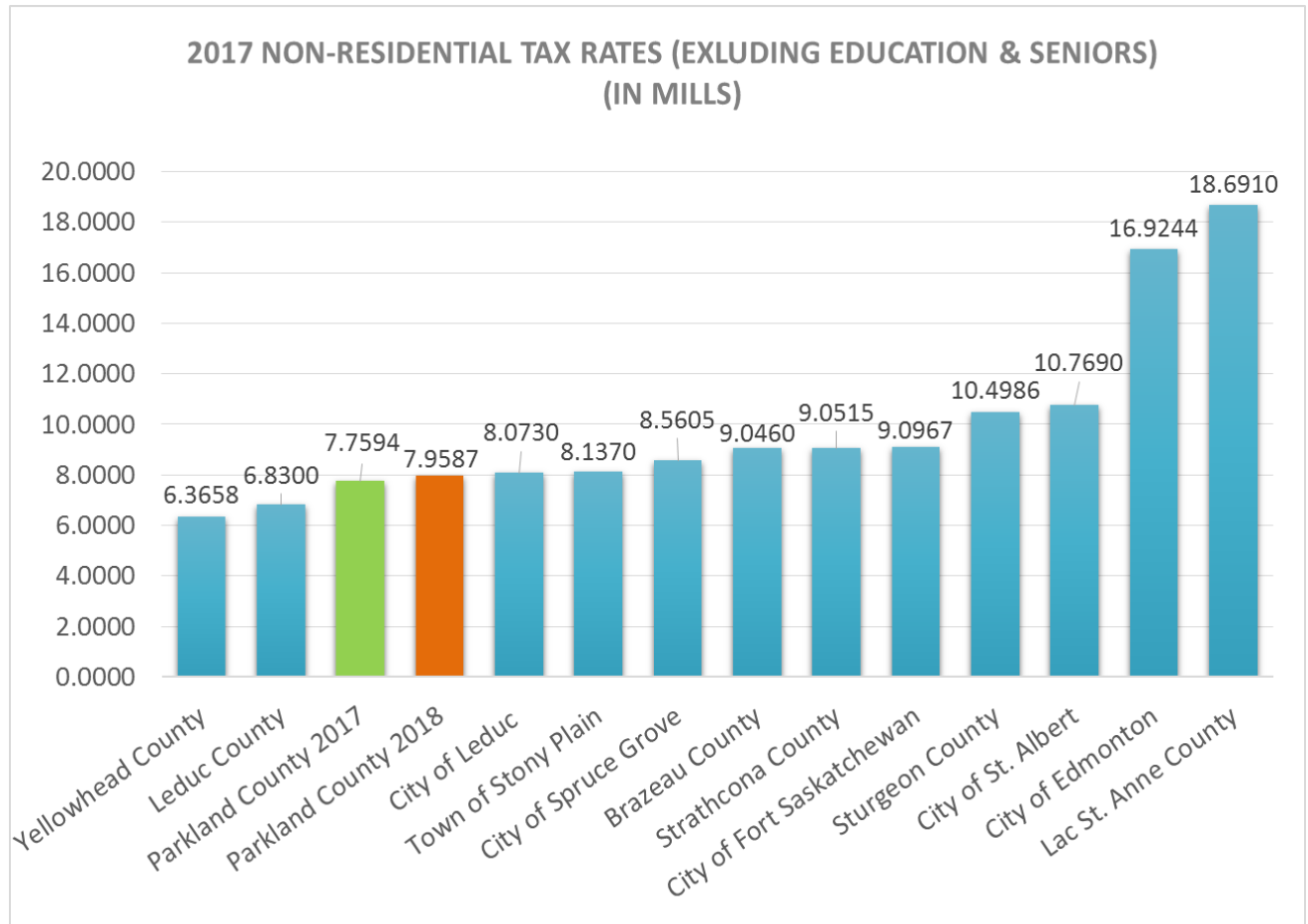
As Parkland County did not have the provincial school requisition or the Seniors Foundation requisitions when the budget was finalized, the assumption was made that the requisitions will remain unchanged from the prior year. These requisitions will be adjusted at Spring Budget to actual.

## Municipal Tax Rates of Our Comparators – Residential



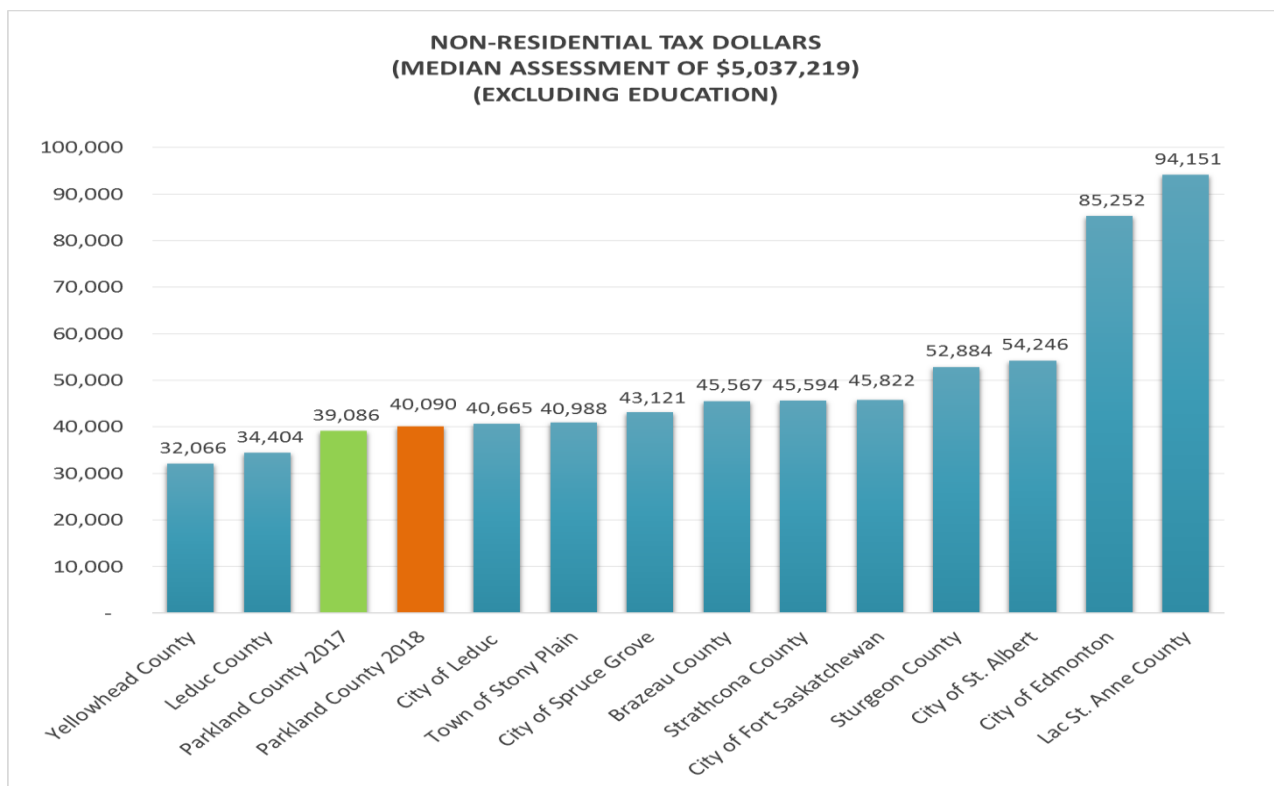
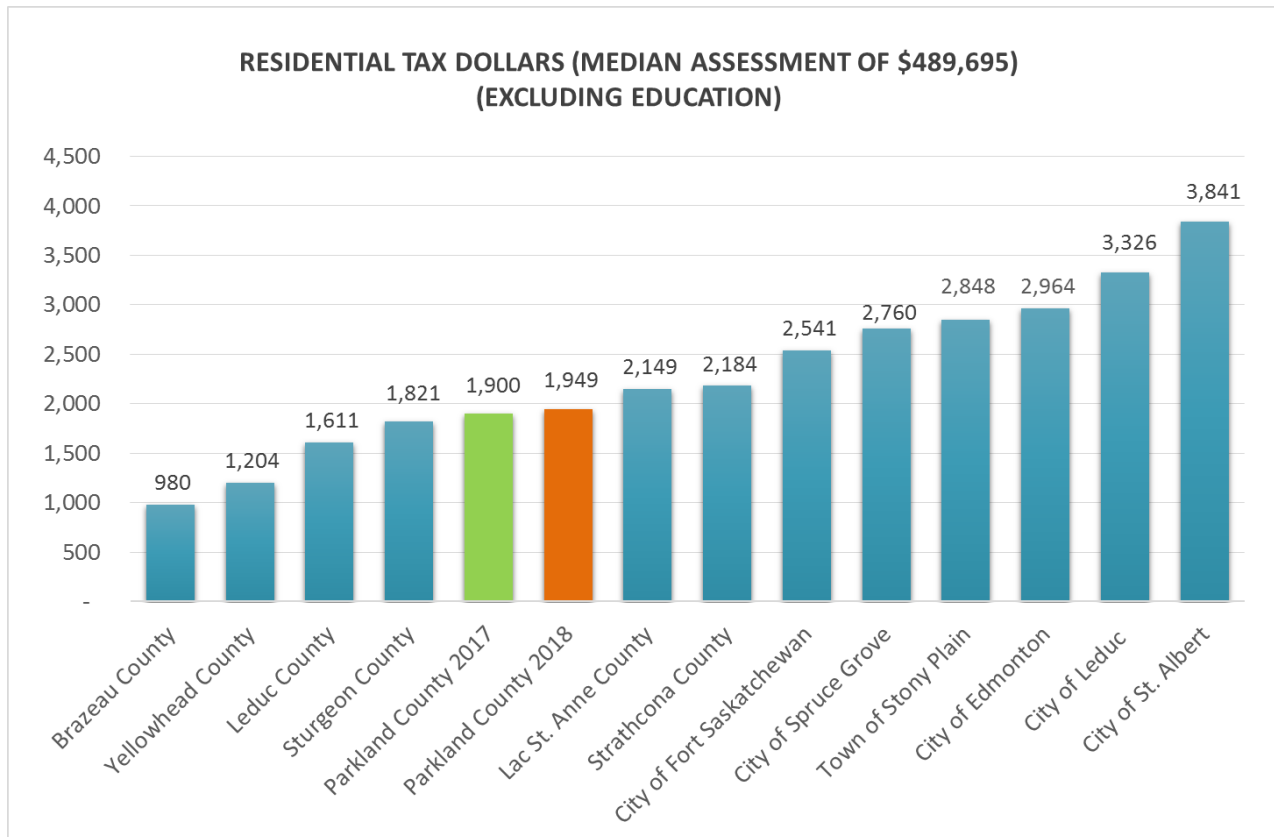
If one compares Parkland County's proposed 2018 residential rate to its comparator's 2017 tax rates, it is the fifth lowest.

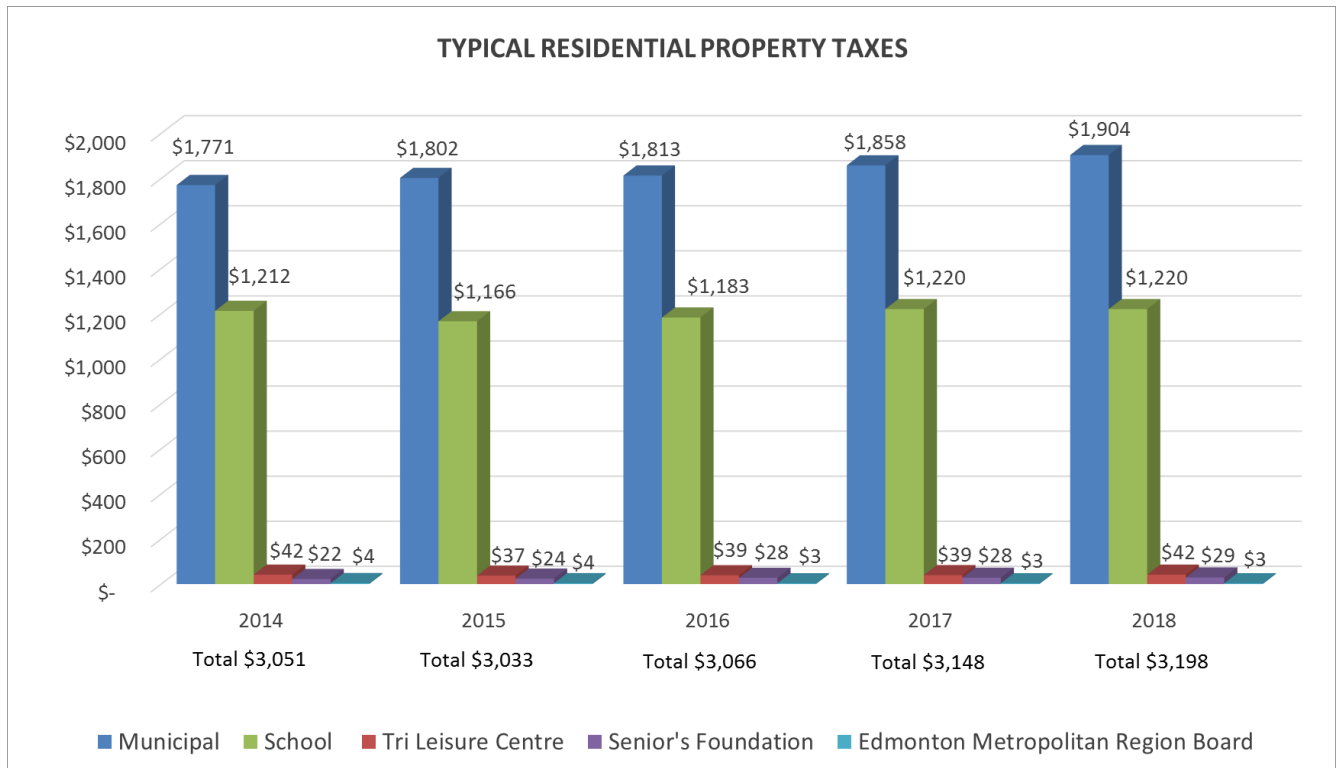
## Municipal Tax Rates of Our Comparators – Non Residential



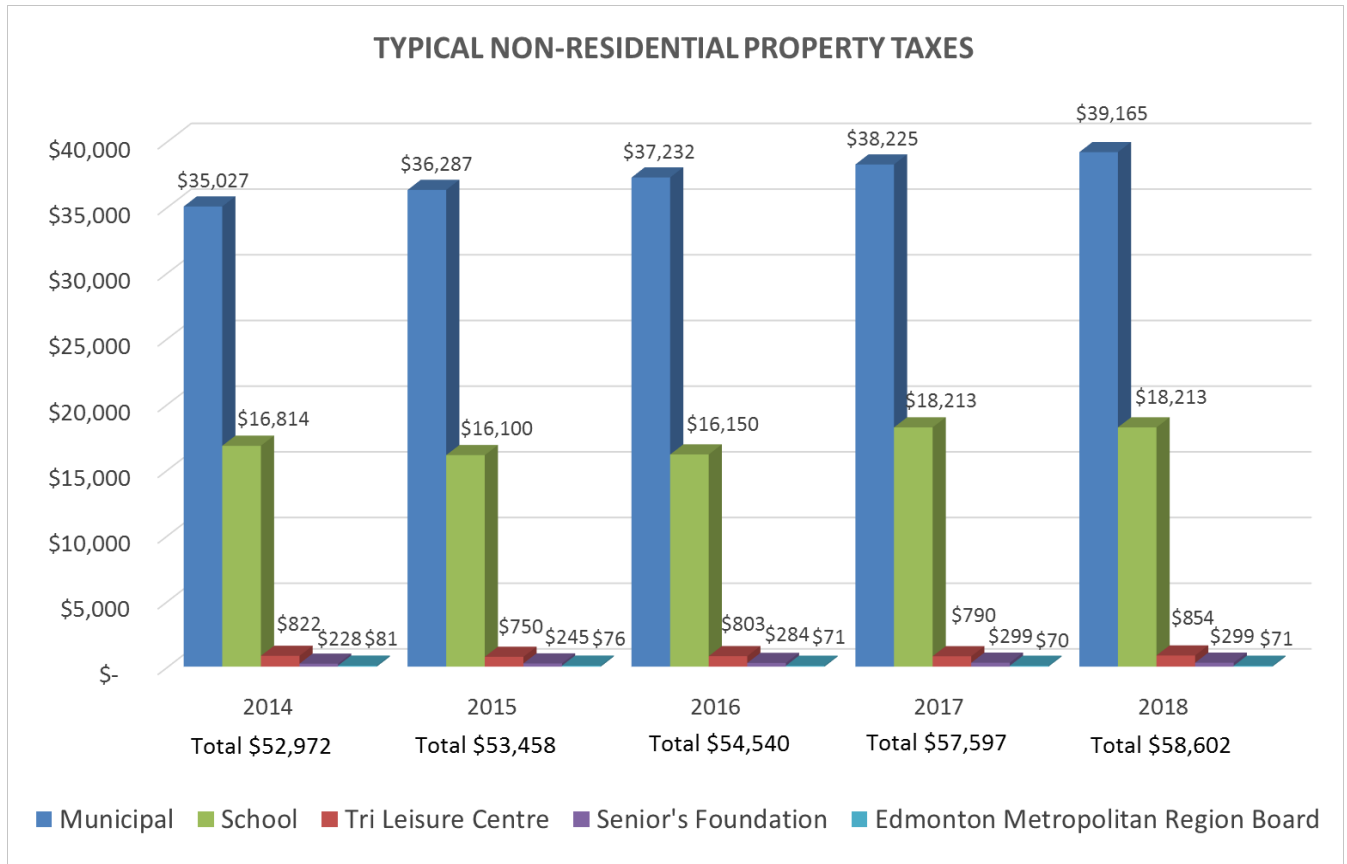
If one compares Parkland County's proposed 2018 non-residential rate to its comparator's 2017 tax rates, it is the third lowest, which remains very attractive in the business environment.

## Municipal Tax \$ Comparison of Our Comparators (2017 Tax Rates)





The five year average property taxes paid by the owner of a typical residential property are \$3,099. 2018 property taxes, for the typical residential property will be up by \$99 over the 5 year average.



The five year average property taxes paid by the typical owner of a non-residential property are \$55,434. 2018 property taxes, for the typical non-residential property, will be up by \$3,168 over the 5 year average.

## User Fees and Sales

As part of the budget process, all user fees are reviewed and updated on an annual basis by the department responsible for administering the fee. This annual review ensures that fees are consistent with changes to services levels, delivery methodology and all costs associated with delivering a particular service. A user fee review is guided by the following principles:

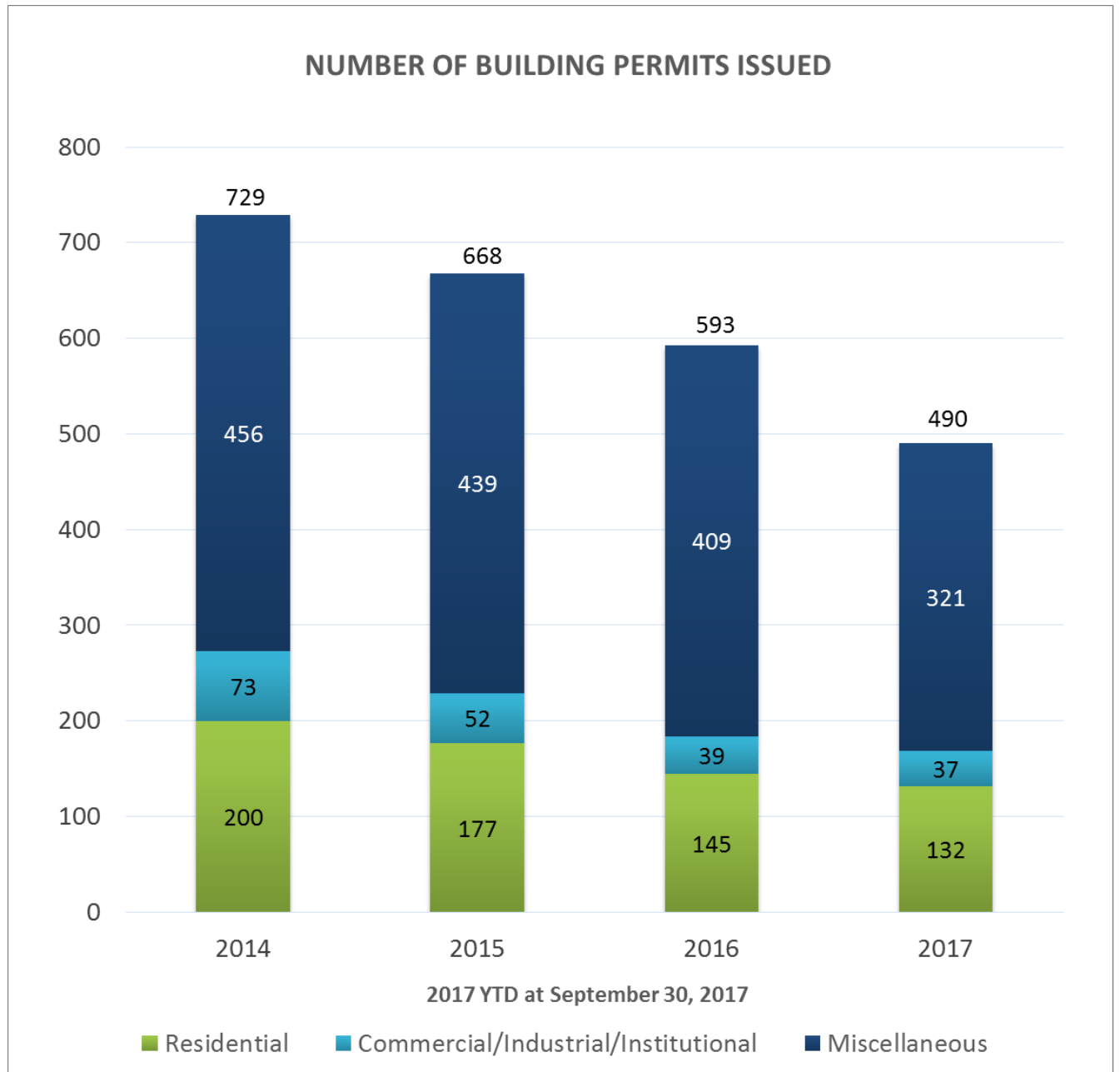
- Benefit Principle – those who receive benefits from a particular County-provided good or service should pay for that good or service according to the level of value received.
- Cost Recovery Principle – the total cost of providing a good or service, including operating expenses should be the starting point when calculating user fees.
- Management of Demand Principle – Fees have a role in managing the level of demand for a service. Too high a fee can discourage use of a service that benefits the community. In these cases Council may direct that a fee be subsidized or waived.
- Comparability Principle - an analysis of fees charged for similar services provided by the County's neighboring municipalities ensures fees are comparable to other providers.

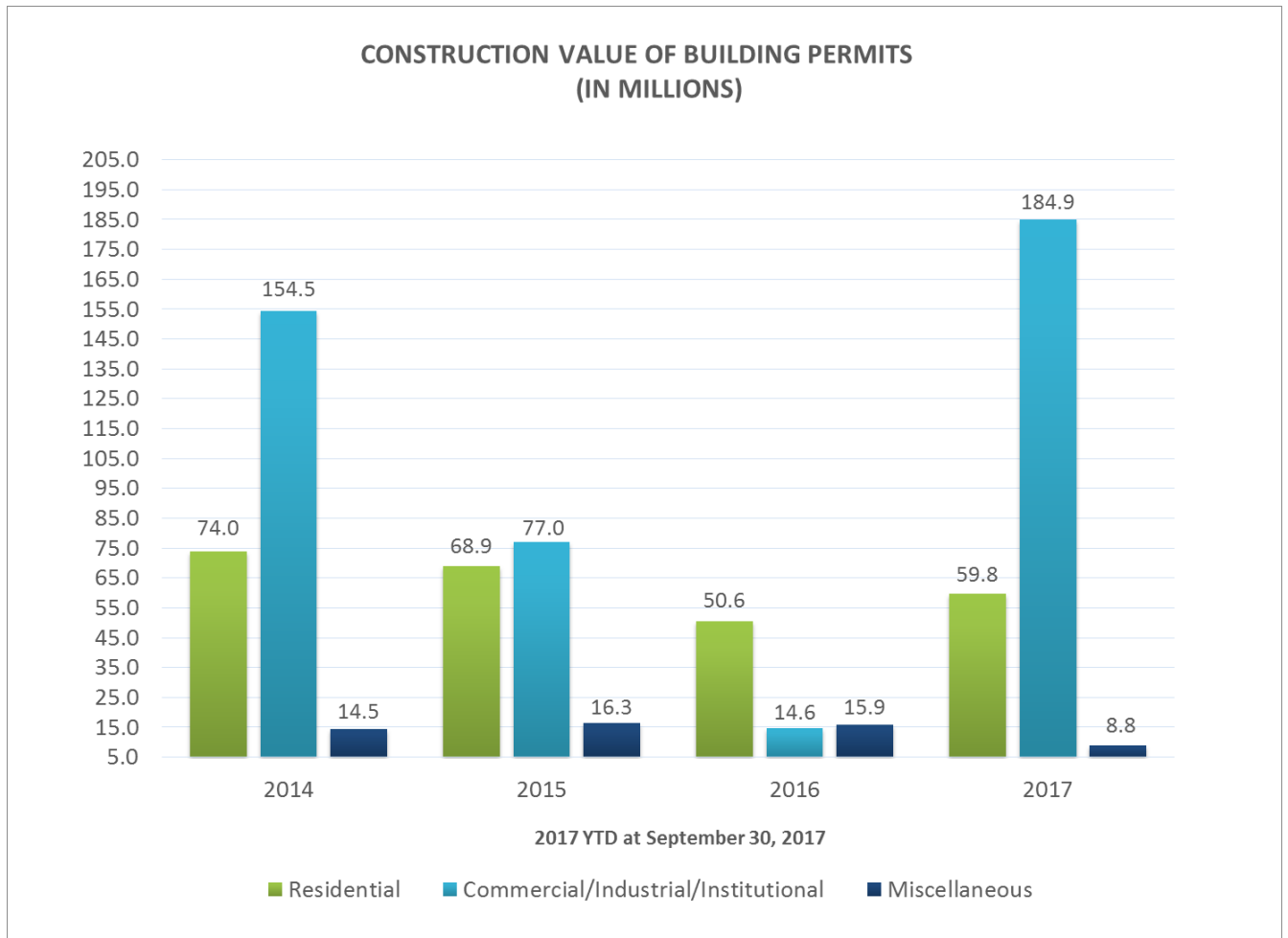
Utility rates should be set at levels adequate to cover operating costs, meet debt obligations and provide funding for capital improvements. The County is working towards elimination of subsidization between utility systems.



## Permit Revenue

One method to gauge the economic climate within Parkland County and estimate the User Fees revenue is to examine the number of building permits issued within the County. As illustrated below, economic activity within the County continues to slow down. The number of building permits issued as of September 30, 2017 is 17% below the 2016 totals.

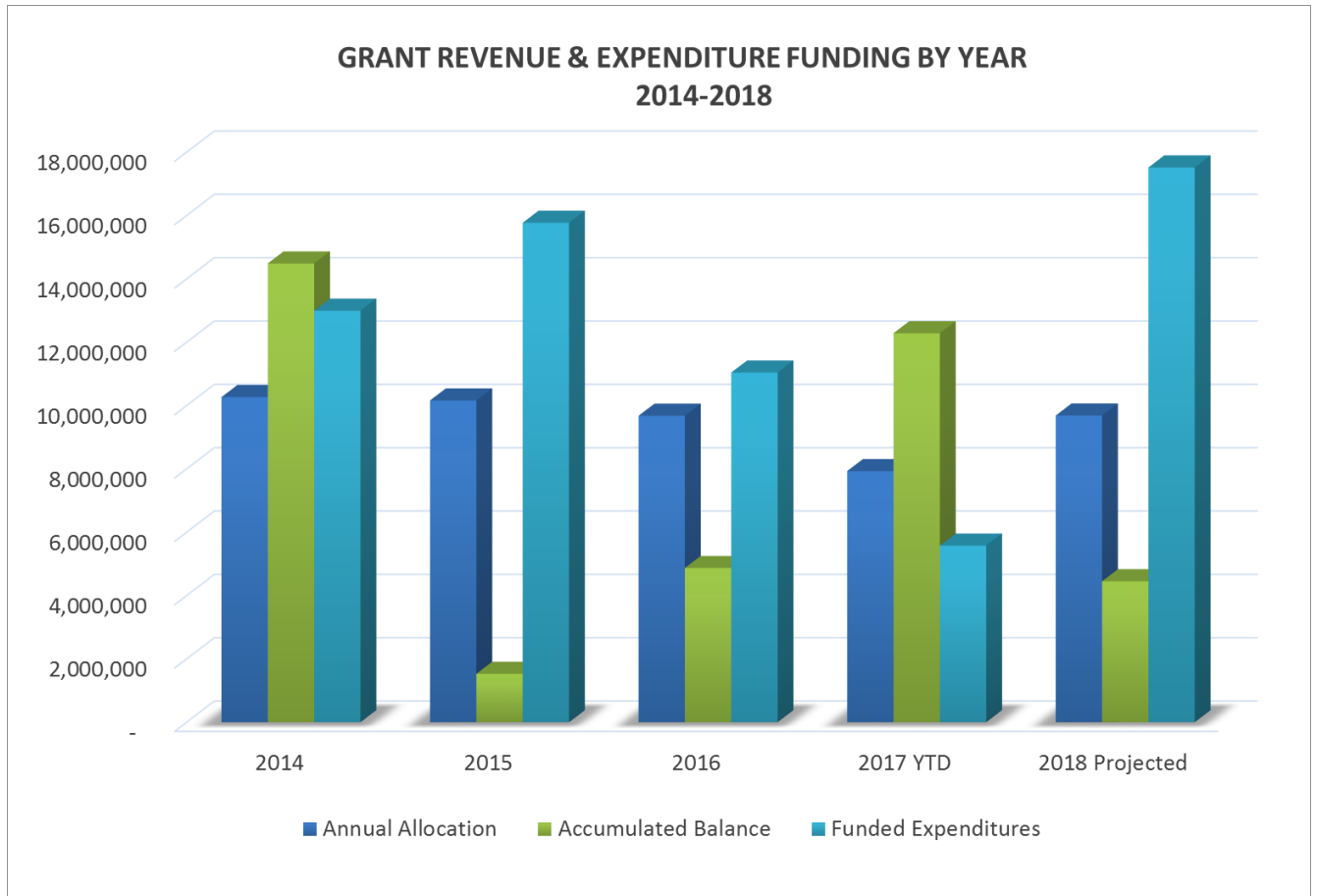




The large increase in the construction value of commercial/industrial building permits is the result of a new large scale manufacturing facility in Acheson.

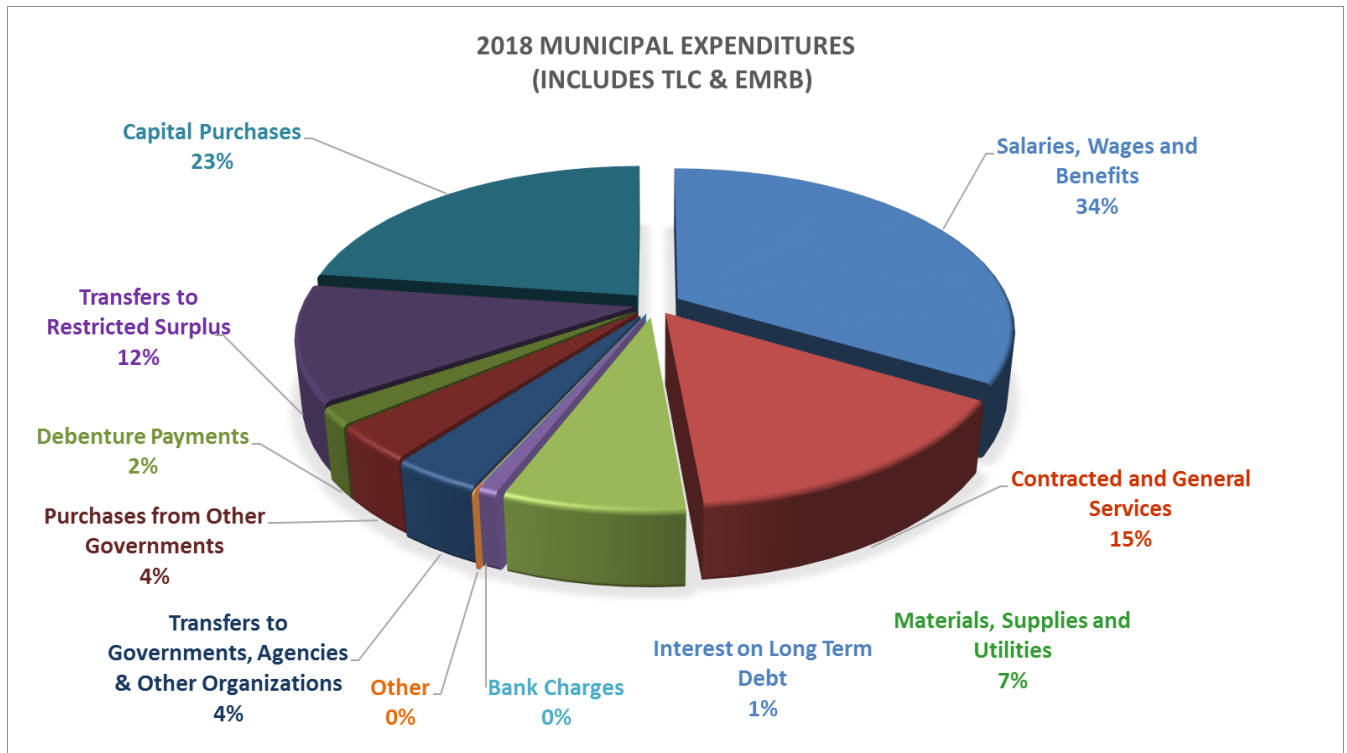
## Grants

For the 2018 fiscal year, there are unallocated grant funds totaling \$4,033,900.



\*Includes Gas Tax Fund, Alberta Municipal Infrastructure Program, Basic Municipal Transportation Grant, MSI Capital and MSI Operating Grants.

## How the Money is Spent



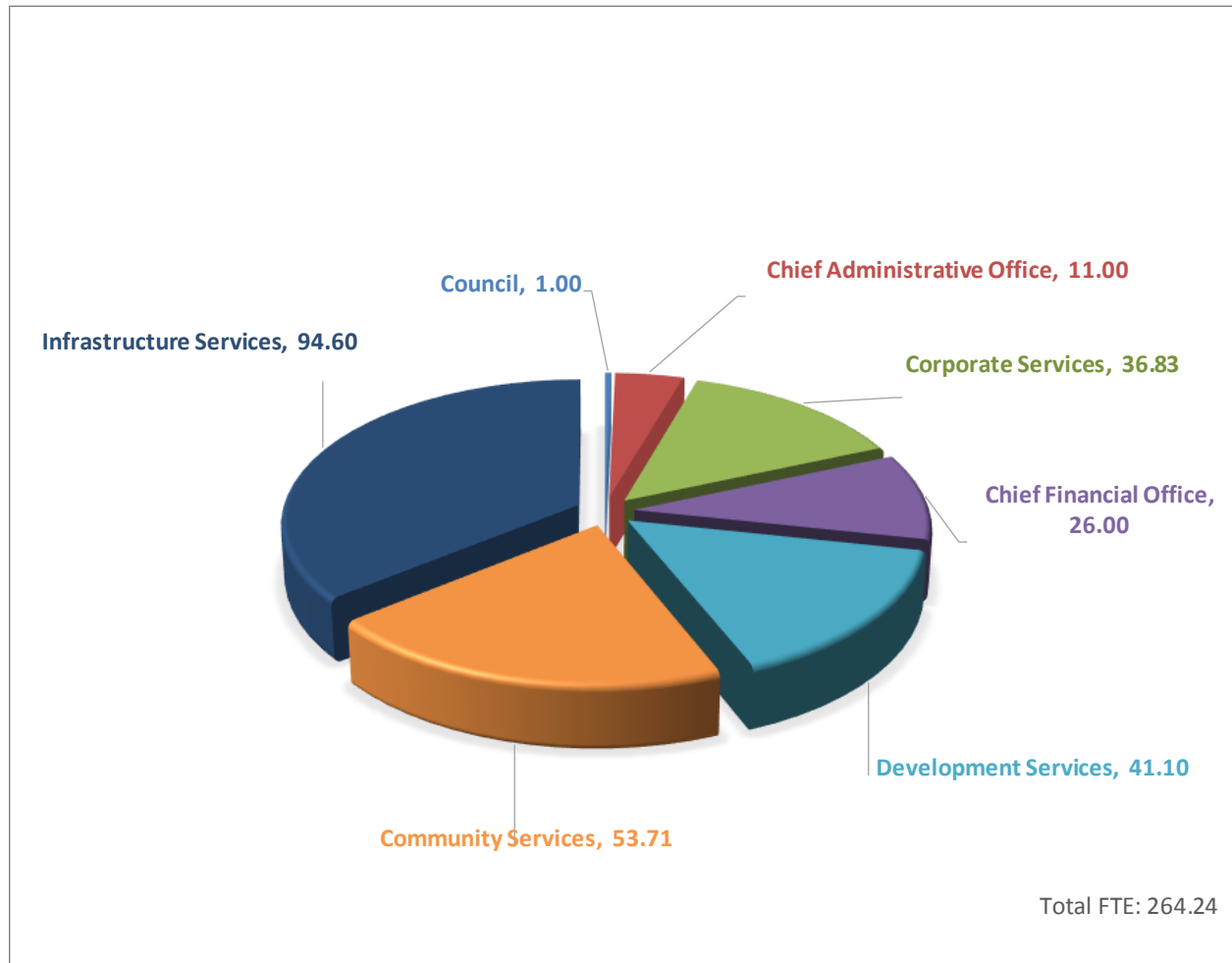
Total Municipal Expenditures	2017		2018		Increase/ (Decrease) \$	(Decrease) %
Salaries, Wages and Benefits	32,917,600	25%	34,882,400	34%	1,964,800	6%
Contracted and General Services	17,799,900	13%	15,634,700	15%	(2,165,200)	(12%)
Materials, Supplies and Utilities	7,871,300	6%	7,641,900	7%	(229,400)	(3%)
Interest on Long Term Debt	830,200	1%	792,900	1%	(37,300)	(4%)
Bank Charges	33,900	0%	38,300	0%	4,400	13%
Other	(112,000)	0%	66,900	0%	178,900	(160%)
Transfers to Governments, Agencies & Other Organizations	8,201,600	6%	3,757,900	4%	(4,443,700)	(54%)
Purchases from Other Governments	3,546,400	3%	3,650,700	4%	104,300	3%
Debtenture Payments	1,860,800	1%	1,832,000	2%	(28,800)	(2%)
Transfers to Restricted Surplus	11,578,300	9%	12,046,400	12%	468,100	4%
Capital Purchases	31,686,300	24%	23,641,200	23%	(8,045,100)	(25%)
Capital Purchases with Debt	18,014,500	13%	-	0%	(18,014,500)	(100%)
<b>Total Excluding Non-Cash Items</b>	<b>134,228,800</b>	<b>100%</b>	<b>103,985,300</b>	<b>100%</b>	<b>(30,243,500)</b>	<b>(23%)</b>
Amortization of Tangible Capital Assets	15,879,100	64%	15,864,400	60%	(14,700)	(0%)
Loss on Disposal of Tangible Capital Assets	345,800	1%	272,300	1%	(73,500)	(21%)
Contributed Assets	9,008,100	36%	10,027,200	38%	1,019,100	11%
<b>Total Excluding Internal Charges</b>	<b>159,461,800</b>	<b>100%</b>	<b>130,149,200</b>	<b>100%</b>	<b>(29,312,600)</b>	<b>(18%)</b>
Internal Charges	(1,336,400)	100%	(1,349,600)	100%	(13,200)	1%
<b>Total Municipal Expenditures</b>	<b>158,125,400</b>	<b>100%</b>	<b>128,799,600</b>	<b>100%</b>	<b>(29,325,800)</b>	<b>(19%)</b>

## Salaries & Benefits

The following shows the breakdown of new human resource requirements for 2018 by department and position. The justification for the Full Time Equivalent (FTE) increases will be discussed at the applicable department budget presentation.

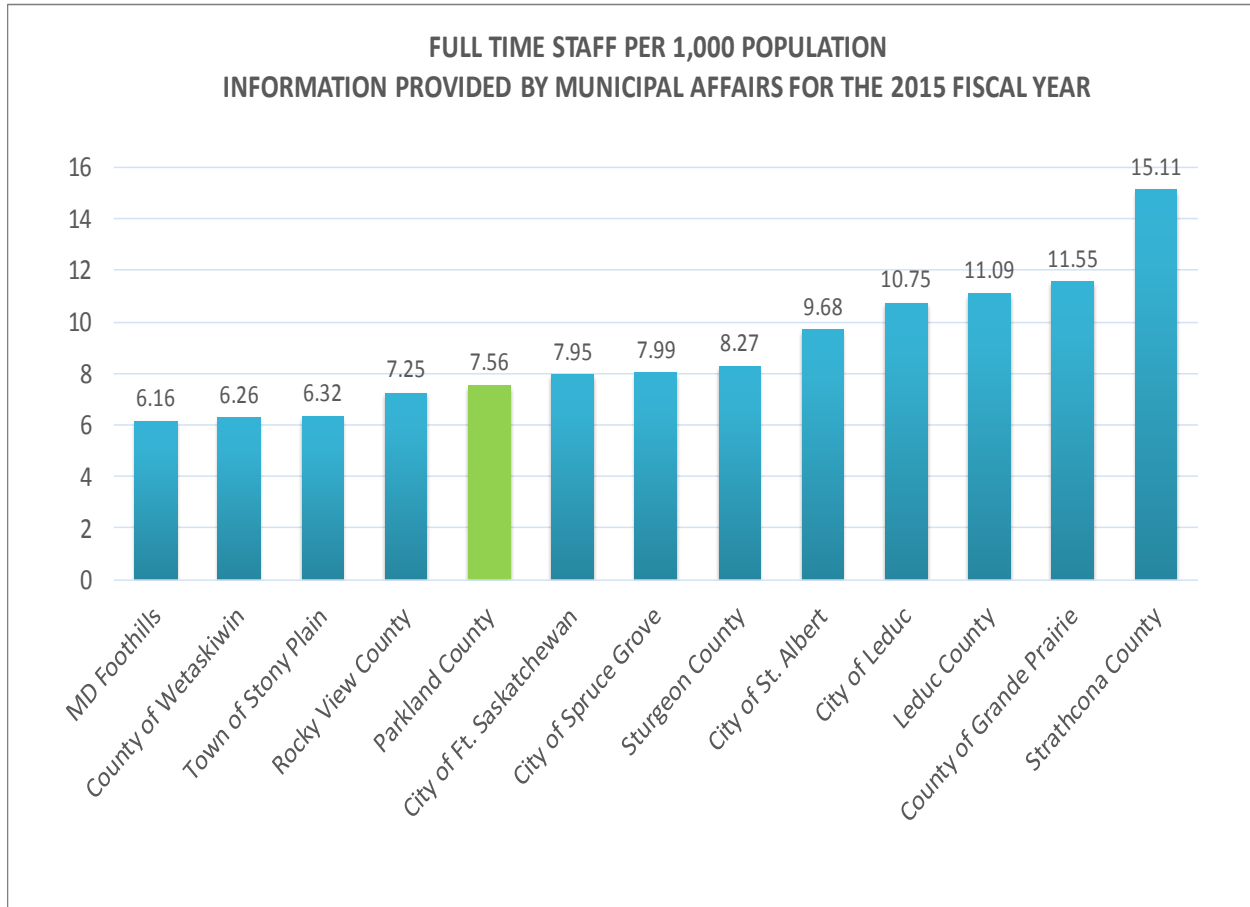
PARKLAND COUNTY 2018 Interim Budget Staffing Requests					
PERMANENT	FTE	Compensation Costs	Funding Appropriation*	Tax Impact	Budget Implication %
<b>Assessment &amp; Strategic Financial Services</b>					
Administrative Assistant (increase FTE)	0.20	\$ 14,600	\$ (14,600)	\$ -	0.00
<b>Community Sustainability</b>					
On-Site Biologist (change to permanent)	1.00	\$ 113,700	\$ (29,600)	\$ 84,100	0.15
<b>Engineering Services</b>					
Construction Foreman (increase FTE)	0.25	\$ 27,900	\$ -	\$ 27,900	0.05
<b>Health &amp; Safety</b>					
Safety & Training Clerk (new)	0.50	\$ 34,800	\$ -	\$ 34,800	0.06
<b>Human Resources</b>					
Coordinator (increase FTE)	0.30	\$ 32,900	\$ -	\$ 32,900	0.06
Coordinator (increase FTE)	0.20	\$ 16,900	\$ -	\$ 16,900	0.03
<b>Strategic Planning &amp; Intergovernmental Affairs</b>					
Customer Service Coordinator (new)	1.00	\$ 91,000	\$ -	\$ 91,000	0.17
<b>Permanent FTEs</b>	<b>3.45</b>	<b>\$ 331,800</b>	<b>\$ (44,200)</b>	<b>\$ 287,600</b>	<b>0.52</b>
TEMPORARY	FTE	Compensation Costs	Funding Appropriation*	Tax Impact	Budget Implication %
<b>Engineering Services</b>					
Capital Projects Procurement Specialist (Sep/17-Sep/18)	1.00	\$ 82,700	\$ (82,700)	\$ -	0.00
GIS Technician (Jan-Dec/18)	1.00	\$ 60,900	\$ (25,000)	\$ 35,900	0.07
Transit Coordinator (Jan-Dec/18)	0.60	\$ 70,000	\$ -	\$ 70,000	0.13
<b>Legal &amp; Legislative Services</b>					
Legislative Officer (new)	0.67	\$ 44,200	\$ -	\$ 44,200	0.08
<b>Planning &amp; Development Services</b>					
Planner (Jan/17-Dec/18)	1.00	\$ 73,500	\$ -	\$ 73,500	0.13
Intern-Intermunicipal Development Plans (Jan-Dec/19)	1.00	\$ 43,300	\$ -	\$ 43,300	0.08
<b>Temporary FTEs</b>	<b>5.27</b>	<b>\$ 374,600</b>	<b>\$ (107,700)</b>	<b>\$ 266,900</b>	<b>0.49</b>
MAJOR PROJECTS	FTE	Compensation Costs	Funding Appropriation*	Tax Impact	Budget Implication %
<b>Information Services</b>					
Project Management Officer (permanent)	1.00	\$ 193,800	\$ -	\$ 193,800	0.35
Dynamics AX 365 - backfill	4.03	\$ 631,700	\$ (631,700)	\$ -	0.00
<b>Payroll Services</b>					
Payroll & Benefits Administrator (May/18-Apr/19)	1.00	\$ 50,700	\$ -	\$ 50,700	0.09
<b>Major Projects FTEs</b>	<b>6.03</b>	<b>\$ 876,200</b>	<b>\$ (631,700)</b>	<b>\$ 244,500</b>	<b>0.44</b>
<b>TOTAL</b>	<b>14.75</b>	<b>\$ 1,582,600</b>	<b>\$ (783,600)</b>	<b>\$ 799,000</b>	<b>1.45</b>
<p>*Funding Appropriation - where positions are funded via the utilization of restricted surplus dollars, cost savings realized through budget reductions or departmental revenue generation.</p> <p>Assessment &amp; Strategic Financial Services - Administrative Assistant increase funded via cost savings from hiring a non-accredited assessor.</p> <p>Community Sustainability - Revenues generated through services provided by the Biologist for Bio Physical Preparations and/or Reviews are projected to</p> <p>Engineering - Capital Projects Procurement Specialist funded via the Future Operating Restricted Surplus at \$82,700. GIS Technician funded via a realignment of existing professional fees budget of \$25,000.</p> <p>Information Services - Dynamics AX 365 backfill funded via Future Capital and Future Operating Restricted Surplus.</p>					

## Staffing Levels by Division



## How We Compare

The following information is obtained from the Municipal Affairs website and represents the permanent full time staff employed by the municipality divided by the population, in thousands. This information is the most up to date available and is from 2015.





## Operating versus Capital Budget

New for the 2018 budget cycle is the distinct separation of the capital and operating budgets. The operating budget provides financial resources for the ongoing day-to-day costs of delivering municipal services to residents. It covers items such as staff salaries, patrol, fire, snow removal, utilities to run facilities, funding for recreational facilities, support to community associations, and repairs and maintenance of County infrastructure.

The Capital Budget deals with costs to develop new infrastructure and rehabilitate existing infrastructure. Examples include roads, new facilities, technology, vehicles and equipment, parks, and storm ponds.

## PARKLAND COUNTY

### Department Net Cost Summary

	2017	2018	2018	2018
	Budget	Budget	Increase/	Change
	\$	\$	(Decrease)	%
<b>Operating</b>				
Taxation	1,818,200	1,868,200	164,000	13%
User Fees and Sale of Goods and Services	8,697,171	8,990,627	293,456	3%
Government Transfers	2,898,000	2,742,000	(156,000)	(5%)
Investment Income	1,025,470	1,648,500	623,030	61%
Licenses and Permits	1,385,000	1,330,600	(54,400)	(4%)
Penalties	1,183,000	1,204,600	21,600	2%
Other Revenue - Operating	769,100	378,000	(166,100)	(31%)
Gain on Disposal of Tangible Capital Assets	97,600	30,300	(67,300)	(69%)
Transfers from Restricted Surplus	7,487,790	5,265,910	(2,221,880)	(30%)
Proceeds From Long-Term Debt	3,750,000	-	(3,750,000)	(100%)
<b>Total Revenues</b>	<b>29,111,331</b>	<b>23,458,737</b>	<b>(5,313,594)</b>	<b>(19%)</b>
Salaries, Wages and Employee Benefits	32,917,600	34,882,400	1,964,800	6%
Contracted and General Services	17,799,860	15,634,720	(2,165,140)	(12%)
Materials, Goods, Supplies and Utilities	7,871,300	7,641,850	(229,450)	(3%)
Interest on Long Term Debt	830,200	792,900	(37,300)	(4%)
Bank Charges	33,900	38,300	4,400	13%
Transfers to Governments, Agencies & Organization	8,201,600	3,757,900	(4,443,700)	(54%)
Purchases from Other Governments	3,546,400	3,650,706	104,306	3%
Amortization of Tangible Capital Assets	15,879,100	15,864,400	(14,700)	(0%)
Loss on Disposal of Tangible Capital Assets	345,800	272,300	(73,500)	(21%)
Other Expenses - Operating	(112,000)	66,900	178,900	(160%)
Debt Service Payments	1,860,800	1,832,000	(28,800)	(2%)
Transfers to Restricted Surplus	11,578,271	12,046,371	468,100	4%
<b>Total Expenses</b>	<b>100,752,831</b>	<b>96,480,747</b>	<b>(4,272,084)</b>	<b>(4%)</b>
<b>Operating Surplus/(Shortfall)</b>	<b>71,641,500</b>	<b>73,022,010</b>	<b>1,041,510</b>	<b>1%</b>
<b>Add/(Subtract)</b>				
Amortization	15,879,100	15,864,400	(14,700)	(0%)
Proceeds on Sale of Tangible Capital Assets	289,500	478,600	189,100	65%
Gain on Disposal of Tangible Capital Assets	(98,100)	(31,100)	67,000	(68%)
Loss on Disposal of Tangible Capital Assets	345,800	272,300	(73,500)	(21%)
<b>Operating Impact on Taxation</b>	<b>55,225,200</b>	<b>56,437,810</b>	<b>873,610</b>	<b>2%</b>
<b>Capital</b>				
Government Transfers	20,147,900	17,561,400	(2,586,500)	(13%)
Transfer from Restricted Surplus	9,692,324	5,719,800	(3,972,524)	(41%)
Developer and customer contributions	1,184,600	308,000		
Developer contributed assets	9,008,156	10,027,156	(196,560)	(2%)
Proceeds from Long-Term Debt	18,014,500	-	(18,014,500)	(100%)
<b>Total Revenues</b>	<b>58,047,480</b>	<b>33,616,356</b>	<b>(24,770,084)</b>	<b>(42%)</b>
Capital Purchases	31,686,324	23,641,200	(8,045,124)	(25%)
Capital Purchases with Debt	18,014,500	-	(18,014,500)	(100%)
Contributed Assets	9,008,156	10,027,156	1,019,000	11%
<b>Total Expenses</b>	<b>58,708,980</b>	<b>33,668,356</b>	<b>(25,040,624)</b>	<b>(43%)</b>
<b>Capital Surplus/(Shortfall)</b>	<b>661,500</b>	<b>52,000</b>	<b>(270,540)</b>	<b>362%</b>
<b>Overall Impact on Taxation</b>	<b>55,886,700</b>	<b>56,489,810</b>	<b>603,070</b>	<b>1%</b>

## Operating Budget

The operating budget is prepared on the basis of maintaining existing service levels unless otherwise directed by Council.

### PARKLAND COUNTY Department Net Cost Operating Summary

	2017 Budget	2018 Budget	2018 Increase/ (Decrease)	2018 Change
	\$	\$	\$	%
<b>DIVISION</b>				
<b>Council</b>				
Council - Revenues	30,900	400	(30,500)	(99%)
Council - Expenditures	937,000	942,100	5,100	1%
Council Net Cost	906,100	941,700	35,600	4%
<b>Corporate Services</b>				
Communication Services - Revenue	18,000	10,000	(8,000)	(44%)
Communication Services - Expenditures	687,400	661,400	(26,000)	(4%)
Communication Services - Net Cost	669,400	651,400	(18,000)	(3%)
Human Resources- Revenue	117,600	22,000	(95,600)	(81%)
Human Resources- Expenditures	1,971,600	1,852,200	(119,400)	(6%)
Human Resources- Net Cost	1,854,000	1,830,200	(23,800)	(1%)
Legal & Legislative Services- Revenue	170,000	20,000	(150,000)	(88%)
Legal & Legislative Services- Expenditures	2,574,500	2,367,000	(207,500)	(8%)
Legal & Legislative Services- Net Cost	2,404,500	2,347,000	(57,500)	(2%)
Information Services- Revenue	416,300	2,010,600	1,594,300	383%
Information Services- Expenditures	4,809,000	6,522,000	1,713,000	36%
Information Services- Net Cost	4,392,700	4,511,400	118,700	3%
Health & Safety- Revenue	44,800	15,400	(29,400)	(66%)
Health & Safety- Expenditures	370,600	295,700	(74,900)	(20%)
Health & Safety- Net Cost	325,800	280,300	(45,500)	(14%)
<b>Corporate Services Net Cost</b>	<b>9,646,400</b>	<b>9,620,300</b>	<b>(26,100)</b>	<b>(0%)</b>
<b>Development Services</b>				
Economic Diversification- Revenue	522,000	215,000	(307,000)	(59%)
Economic Diversification- Expenditures	1,453,000	925,000	(528,000)	(36%)
Economic Diversification- Net Cost	931,000	710,000	(221,000)	(24%)
Community Sustainability- Revenue	790,100	148,100	(642,000)	(81%)
Community Sustainability - Expenditures	1,204,500	841,300	(363,200)	(30%)
Community Sustainability - Net Cost	414,400	693,200	278,800	67%
Smart Parkland- Revenue	545,500	276,300	(269,200)	(49%)
Smart Parkland - Expenditures	1,842,200	1,348,900	(493,300)	(27%)
Smart Parkland- Net Cost	1,296,700	1,072,600	(224,100)	(17%)
Planning and Development Services- Revenue	6,494,400	2,566,300	(3,928,100)	(60%)
Planning and Development Services - Expenditures	8,818,800	4,963,400	(3,855,400)	(44%)
Planning and Development Services - Net Cost	2,324,400	2,397,100	72,700	3%
<b>Development Services Net Cost</b>	<b>4,966,500</b>	<b>4,872,900</b>	<b>(93,600)</b>	<b>(2%)</b>

	2017 Budget	2018 Budget	2018 Increase/ (Decrease)	2018 Change
	\$	\$	\$	%
<b>Infrastructure Services</b>				
Facilities Management - Revenue	1,333,500	803,000	(530,500)	(40%)
Facilities Management- Expenditures	4,357,500	4,177,700	(179,800)	(4%)
Facilities Management- Net Cost	3,024,000	3,374,700	350,700	12%
Fleet Services - Revenue	102,600	35,600	(67,000)	(65%)
Fleet Services- Expenditures	2,373,500	2,695,900	322,400	14%
Fleet Services- Net Cost	2,270,900	2,660,300	389,400	17%
Road Maintenance- Revenue	44,700	426,300	381,600	854%
Road Maintenance - Expenditures	10,836,300	10,716,800	(119,500)	(1%)
Road Maintenance - Net Cost	10,791,600	10,290,500	(501,100)	(5%)
Solid Waste - Revenue	1,937,400	2,196,900	259,500	13%
Solid Waste- Expenditures	4,218,300	4,379,100	160,800	4%
Solid Waste - Net Cost	2,280,900	2,182,200	(98,700)	(4%)
Water and Wastewater - Revenue	4,235,760	4,288,600	52,840	1%
Water and Wastewater - Expenditures	5,286,760	5,339,600	52,840	1%
Water and Wastewater - Net Cost	1,051,000	1,051,000	-	-
Engineering Services - Revenue	2,600,471	1,966,771	(633,700)	(24%)
Engineering Services- Expenditures	14,994,571	14,046,171	(948,400)	(6%)
Engineering Services - Net Cost	12,394,100	12,079,400	(314,700)	(3%)
Drainage, Utilities and Aggregate - Revenue	917,800	1,503,300	585,500	64%
Drainage, Utilities and Aggregate - Expenditures	4,102,600	4,960,500	857,900	21%
Drainage, Utilities and Aggregate - Net Cost	3,184,800	3,457,200	272,400	9%
<b>Infrastructure Services Net Cost</b>	<b>34,997,300</b>	<b>35,095,300</b>	<b>98,000</b>	<b>0%</b>
<b>Community Services</b>				
Fire Services - Revenue	740,900	267,500	(473,400)	(64%)
Fire Services - Expenditures	7,114,200	6,332,500	(781,700)	(11%)
Fire Services - Net Cost	6,373,300	6,065,000	(308,300)	(5%)
Emergency Management - Revenue	-	-	-	-
Emergency Management - Expenditures	45,300	39,100	(6,200)	(14%)
Emergency Management - Net Cost	45,300	39,100	(6,200)	(14%)
Emergency Communications Centre- Revenue	2,074,600	1,877,000	(197,600)	(10%)
Emergency Communications Centre - Expenditures	1,805,300	1,820,200	14,900	1%
Emergency Communications Centre - Net Cost	(269,300)	(56,800)	212,500	(79%)
Enforcement Services - Revenue	1,014,300	1,000,600	(13,700)	(1%)
Enforcement Services - Expenditures	3,203,000	3,218,300	15,300	0%
Enforcement Services - Net Cost	2,188,700	2,217,700	29,000	1%
Parks, Recreation and Culture - Revenue	2,586,100	1,209,000	(1,377,100)	(53%)
Parks, Recreations and Culture - Expenditures	7,677,800	6,550,200	(1,127,600)	(15%)
Parks, Recreation and Culture - Net Cost	5,091,700	5,341,200	249,500	5%
Agriculture Services - Revenue	228,000	228,000	-	-
Agriculture Services- Expenditures	1,811,200	1,740,700	(70,500)	(4%)
Agriculture Services - Net Cost	1,583,200	1,512,700	(70,500)	(4%)
<b>Community Services Net Cost</b>	<b>15,012,900</b>	<b>15,118,900</b>	<b>106,000</b>	<b>1%</b>

	2017 Budget \$	2018 Budget \$	2018 Increase/ (Decrease) \$	2018 Change %
<b>Chief Administrative Office</b>				
Executive Administration - Revenues	102,100	108,000	5,900	6%
Executive Administration - Expenditures	2,017,100	2,183,500	166,400	8%
<b>Chief Administrative Office - Net Cost</b>	<b>1,915,000</b>	<b>2,075,500</b>	<b>160,500</b>	<b>8%</b>
<b>Chief Financial Office</b>				
Financial Services - Revenues	817,100	1,334,200	517,100	63%
Financial Services - Expenditures	3,870,900	5,445,600	1,574,700	41%
Financial Services - Net Cost	3,053,800	4,111,400	1,057,600	35%
Assessment Services - Revenues	1,226,400	929,900	(296,500)	(24%)
Assessment Services - Expenditures	2,369,900	2,115,900	(254,000)	(11%)
Assessment Services - Net Cost	1,143,500	1,186,000	42,500	4%
<b>Chief Financial Office - Net Cost</b>	<b>4,197,300</b>	<b>5,297,400</b>	<b>1,100,100</b>	<b>26%</b>
<b>Total Operating - Net Cost</b>	<b>71,641,500</b>	<b>73,022,000</b>	<b>1,380,500</b>	<b>1%</b>

## Operating Budget Highlights

- Customer Service Initiative, \$179,000 (with an impact on taxation of \$91,000).
- Concept designs at Acheson Road \$220,000 and at Woodbend Road \$200,000, funded via MSI Capital.
- Economic Diversification Marketing Initiative, \$150,000, funded via the Business Attraction Restricted Surplus.
- Intermunicipal Development Plans, \$107,900, funded via taxation.
- Community Association Facility Lifecycle Management Plan Initiative, \$150,000, funded via the Federal Gas Tax Fund.
- Enterprise Resource Planning Software to Microsoft Dynamics AX 365 Upgrade Initiative, \$1,500,000, funded via the Office Systems Lifecycle, Future Capital and Operating Restricted Surpluses.
- Salt Remediation, \$100,000 Initiative, funded via taxation.
- Increase to the Long Term Sustainability Restricted Surplus as a result of County wide budget cuts, \$1,500,000.
- Investment interest revenue has increased as a result of rising interest rates and new investment opportunities, \$545,000.
- Transfer to Recreation Facilities Restricted Surplus due to anticipated future needs, \$861,100 (an increase of \$315,700 over 2017).
- Transfer to County Facilities Restricted Surplus to fund future county facilities, \$500,000.
- Establishment of the Storm Water Utility Bylaw Study Initiative, \$75,000.

## Transfers to Government, Agencies & Organizations

Transfer to Provincial Government	2017	2018	\$ Change	% Change
<b>Planning &amp; Development Services</b>				
Fronting of Acheson Overpass	3,750,000	-	(3,750,000)	-100%
Edmonton Metropolitan Region Board Member Contribution	86,300	86,300	-	-
<b>Planning &amp; Development Services</b>	<b>\$ 3,836,300</b>	<b>\$ 86,300</b>	<b>\$ (3,750,000)</b>	<b>-98%</b>
<b>Total Transfer to Provincial Government</b>	<b>\$ 3,836,300</b>	<b>\$ 86,300</b>	<b>\$ (3,750,000)</b>	<b>-98%</b>

Transfers to Local Government	2017	2018	\$ Change	% Change
<b>Planning &amp; Development Services</b>				
Edmonton Metropolitan Region Board Econ. Development	19,600	-	(19,600)	-100%
<b>Parks, Recreation and Culture</b>				
<b>Operating Cost Share</b>				
River Valley Alliance Annual Contribution	20,000	20,000	-	-
Stony Plain Arena	99,100	73,000	(26,100)	-26%
Spruce Grove Agrena	146,800	132,600	(14,200)	-10%
Spruce Grove Theatre	133,500	133,500	-	-
Yellowhead County Evansburg Arena	93,200	93,200	-	-
Yellowhead County Site Surveys	-	-	-	-100%
Drayton Valley Omniplex	111,900	111,900	-	-
Drayton Valley Pool	15,000	15,000	-	-
Mini Monster Bash Contribution to Stony Plain/Spruce Grove	2,500	1,000	(1,500)	-60%
Devon Pool	24,800	24,800	-	-
Devon Arena	124,100	84,700	(39,400)	-32%
Wabamun Arena	25,400	15,500	(9,900)	-39%
Wabamun Boat Launch	165,000	-	(165,000)	-100%
<b>Total Operating Cost Share</b>	<b>\$ 980,900</b>	<b>\$ 705,200</b>	<b>\$ (275,700)</b>	<b>-28%</b>
<b>Capital Cost Share</b>				
Yellowhead County Evansburg Arena	92,000	-	(92,000)	-100%
Drayton Valley Pool	5,600	-	(5,600)	-100%
Drayton Valley Omniplex	29,200	-	(29,200)	-100%
Spruce Grove Agrena	69,200	-	(69,200)	-100%
Stony Plain Arena	77,400	-	(77,400)	-100%
Devon Arena	68,900	-	(68,900)	-100%
Wabamun Arena	29,100	-	(29,100)	-100%
Wabamun Arena Assessment	15,900	-	(15,900)	-100%
<b>Total Capital Cost Share</b>	<b>\$ 387,300</b>	<b>\$ -</b>	<b>\$ (387,300)</b>	<b>-100%</b>
<b>TransAlta Tri-Leisure Centre</b>				
Operating Cost Share	389,800	441,700	51,900	13%
Capital Equipment	106,600	60,000	(46,600)	-44%
Preliminary Infrastructure	88,700	156,500	67,800	76%
<b>Total TransAlta Tri-Leisure</b>	<b>\$ 585,100</b>	<b>\$ 658,200</b>	<b>\$ 73,100</b>	<b>12%</b>

Transfers to Local Government (cont.)	2017	2018	\$ Change	% Change
<b>Parks, Recreation and Culture (cont.)</b>				
<b>Grants</b>				
Hamlet Beautification	30,000	-	(30,000)	-100%
RBC Learn to Play	16,500	-	(16,500)	-100%
Sustainability Major Blueberry Community League	3,900	-	(3,900)	-100%
Sustainability Major Woodbend	13,100	-	(13,100)	-100%
Sustainability Major Magnolia	23,200	-	(23,200)	-100%
Signage Grant Keephills	4,500	-	(4,500)	-100%
<b>Total Grants</b>	<b>\$ 91,200</b>	<b>\$ -</b>	<b>\$ (91,200)</b>	<b>-100%</b>
<b>Total Parks, Recreation &amp; Culture</b>	<b>2,044,500</b>	<b>1,363,400</b>	<b>(681,100)</b>	<b>-33%</b>
<b>Fire Services</b>				
Shared Fire Services Vehicles	18,500	18,500	-	-
<b>Total Fire Services</b>	<b>18,500</b>	<b>18,500</b>	<b>-</b>	<b>-</b>
<b>Planning &amp; Development</b>				
Enabling a World Class Edmonton	37,000	-	(37,000)	-100%
<b>Total Planning &amp; Development</b>	<b>37,000</b>	<b>-</b>	<b>(37,000)</b>	<b>-</b>
<b>Solid Waste</b>				
Devon Recycle Center	60,000	60,000	-	-
Yellowhead Agriculture Plastics Round Up	2,300	2,300	-	-
Stony Plain Community Toxic Round Up	2,300	2,300	-	-
<b>Total Solid Waste</b>	<b>64,600</b>	<b>64,600</b>	<b>-</b>	<b>-</b>
<b>Water &amp; Wastewater</b>				
West Inter Lake District Operating Costs	10,000	10,000	-	-
West Inter Lake District Capital Contribution	-	162,700	162,700	100%
<b>Total Water &amp; Wastewater</b>	<b>10,000</b>	<b>172,700</b>	<b>162,700</b>	<b>1627%</b>
<b>Total Transfers to Local Government</b>	<b>\$ 2,174,600</b>	<b>\$1,619,200</b>	<b>\$ (555,400)</b>	<b>-26%</b>

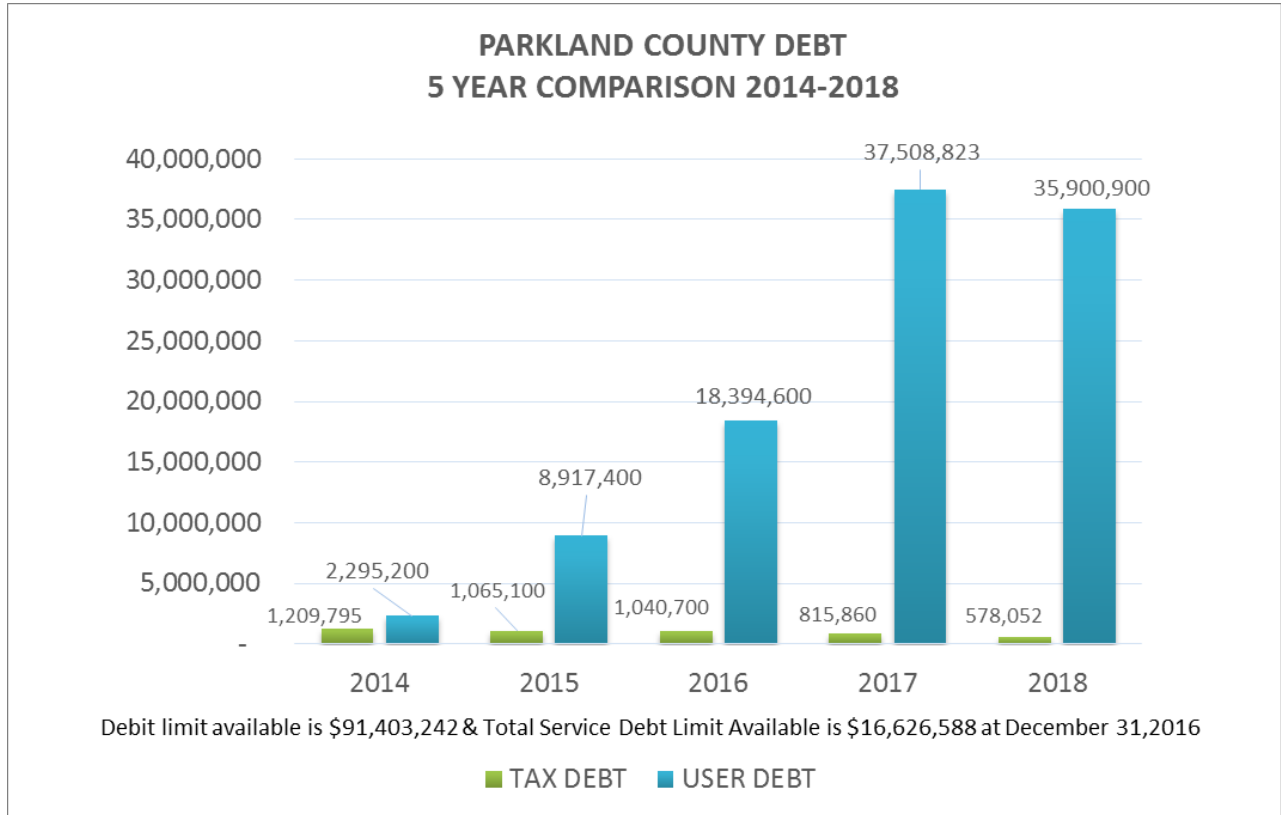
Transfers to Not for Profits & Individuals	2017	2018	\$ Change	% Change
<b>Parks, Recreation &amp; Culture</b>				
Handicapped Transport	28,500	28,500	-	-
Regional Recreation & Wellness Committee	2,000	2,000	-	-
Bunchberry Meadows Organizational Support	-	6,000	6,000	100%
River Days Assistance	-	1,300	1,300	100
Not for Profit Organization Funding	73,000	66,300	(6,700)	-9%
Canada 150 Birthday Celebrations	50,000	-	(50,000)	-100%
Pioneer Museum	65,300	65,300	-	-
Multicultural	53,700	53,700	-	-
Parkland County Library Board	658,100	658,100	-	-
Yellowhead Regional Library Membership	131,400	131,400	-	-
Cancellation of Tax Levy on Church Manses	3,700	3,700	-	-
Rotary Run for Life	2,000	2,000	-	-
<b>Total Parks, Recreation &amp; Culture</b>	<b>\$ 1,067,700</b>	<b>\$1,018,300</b>	<b>\$ (49,400)</b>	<b>-5%</b>
<b>Engineering Services</b>				
Crop Damages, Miscellaneous Road Projects	1,900	1,900	-	-
<b>Total Engineering Services</b>	<b>\$ 1,900</b>	<b>\$ 1,900</b>	<b>\$ -</b>	<b>0%</b>



Transfers to Not for Profits & Individuals (cont.)	2017	2018	\$ Change	% Change
<b>Agricultural Services</b>				
4-H 100 Year Anniversary	5,000	-	(5,000)	-100%
4-H Achievement Day Donation	2,000	2,000	-	-
Student Bursaries (five per year)	2,500	2,500	-	-
Farm Safety Program	1,000	1,000	-	-
Gateway Research Association	4,500	4,500	-	-
West Central Forage Association (WCFA)	4,000	4,000	-	-
<b>Total Agricultural Services</b>	<b>\$ 19,000</b>	<b>\$ 14,000</b>	<b>\$ (5,000)</b>	<b>-26%</b>
<b>Community Economic Diversification</b>				
Stony Plain Chamber Tourism Contribution	4,000	4,000	-	-
Youth in Business Sponsorship	500	500	-	-
<b>Total Community Economic Diversification</b>	<b>\$ 4,500</b>	<b>\$ 4,500</b>	<b>\$ -</b>	<b>0%</b>
<b>Road Maintenance</b>				
Road Side Clean Up	-	7,000	7,000	100%
<b>Total Road Maintenance</b>	<b>\$ -</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>	<b>100%</b>
<b>Environment &amp; Community Sustainability</b>				
Contribution to North Saskatchewan Watershed Alliance	15,000	15,000	-	-
Alternative Land Use Services Establishment Costs (ALUS)	100,000	78,000	(22,000)	
Alternative Land Use Services Landowner Payments (ALUS)	45,000	40,500	(4,500)	
Annual Landowner Payments & Incentives	29,600	11,800	(17,800)	
<b>Total Environment &amp; Community Sustainability</b>	<b>\$ 189,600</b>	<b>\$ 145,300</b>	<b>\$ (44,300)</b>	<b>-23%</b>
<b>Family &amp; Community Support Services</b>				
<b>Parks, Recreation &amp; Culture</b>				
Miscellaneous Children's Programs	40,000	40,000	-	-
Tricala Adult Program	4,000	4,000	-	-
Miscellaneous Programs	10,000	10,000	-	-
Payments to Individuals	8,500	8,500	-	-
Community Development Misc. Program	106,600	60,000	(46,600)	-44%
Stony Plain 211	8,000	8,000	-	-
Stony Plain	145,700	145,700	-	-
Spruce Grove Parkland Village	45,000	45,000	-	-
Spruce Grove	145,700	145,700	-	-
Yellowhead County	55,900	55,900	-	-
Drayton Valley	35,800	35,800	-	-
Leduc County	87,000	87,000	-	-
Wabamun	10,000	10,000	-	-
<b>Total Family &amp; Community Support Services Funding</b>	<b>\$ 702,200</b>	<b>\$ 655,600</b>	<b>\$ (46,600)</b>	<b>-7%</b>
<b>Community Association Funding</b>				
<b>Parks, Recreation &amp; Culture</b>				
Hall Operations	90,300	90,300	-	-
Sign Funding (three per year)	13,500	13,500	-	-
Minor Sustainability Grant	50,000	50,000	-	-
Various Program Events	30,000	30,000	-	-
Operation of Recreation Facilities	22,000	22,000	-	-
<b>Total Community Association Funding</b>	<b>\$ 205,800</b>	<b>\$ 205,800</b>	<b>\$ -</b>	<b>-</b>
<b>Total Transfers to Not for Profits &amp; Individuals</b>	<b>\$ 2,190,700</b>	<b>\$2,052,400</b>	<b>\$ (138,300)</b>	<b>-6%</b>
<b>Total Transfers to Government, Agencies &amp; Organizations</b>	<b>\$ 8,201,600</b>	<b>\$3,757,900</b>	<b>\$ (4,443,700)</b>	<b>-54%</b>

## Long-Term Debt

The 2018 Budget has no new debt planned. The County's current debt is illustrated in the next figure.



## Restricted Surplus

Administration continues to set aside funding for the County's future needs through appropriate restricted surplus transfers and continues to utilize restricted surplus as a financial strategy in preparing the 2018 budget. These funds help to smooth out the tax rate over time.

In the 2018 budget, restricted surplus is utilized in both the operating and capital budgets. Currently, the 2018 budget has the following projects utilizing a significant portion of restricted surplus funds:

### Operating Budget

- Enterprise Resources Plan (ERP) – Dynamics AX 365 Upgrade - \$1.5M
- Highlands Business Park Debenture Payment - \$700K
- Economic Diversification Marketing Initiative - \$150K
- Bamber Pit Reclamation - \$500K
- Acheson Storm Debenture Payment - \$700K
- Planned lifecycle purchases:
  - Facilities - \$300K
  - Office System - \$200K

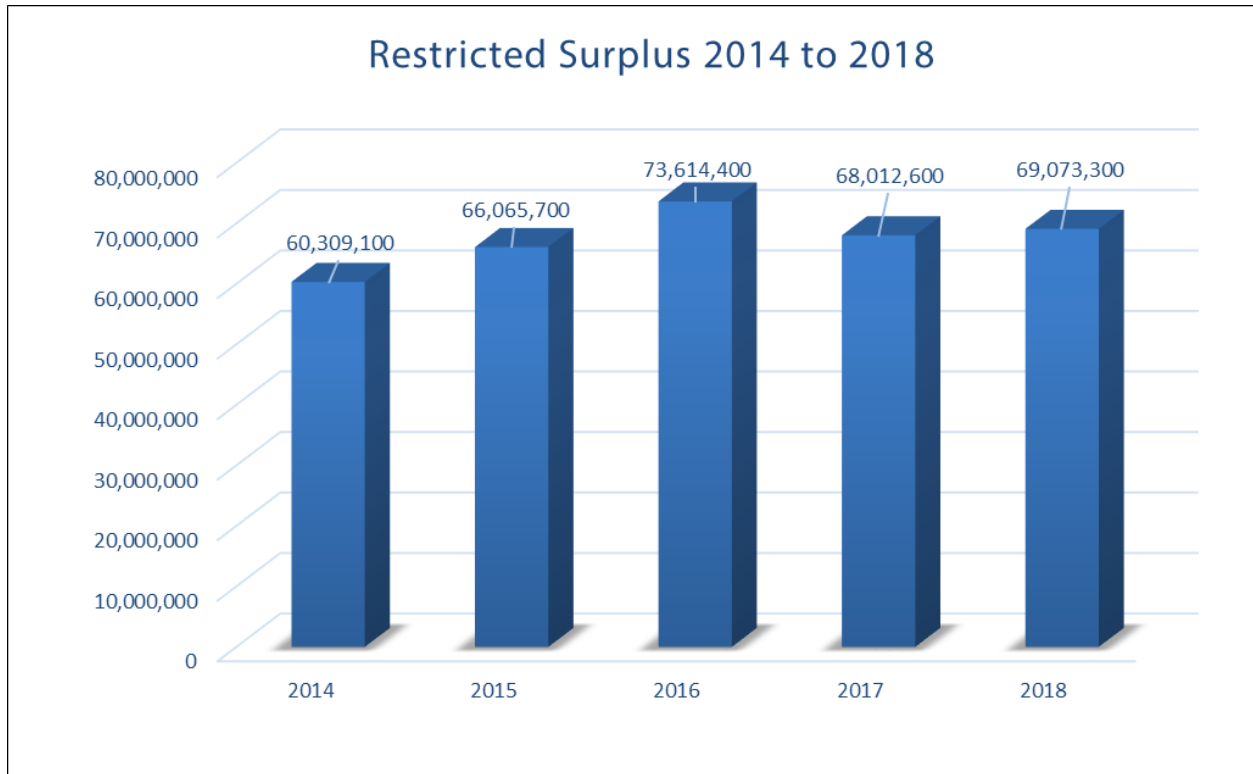
### Capital Budget

- Upgrades to the Parkland Country Transfer Station - \$200K
- Renovations to County Centre to address Customer Service Initiative - \$300K
- Enterprise Resources Plan (ERP) – Microsoft Dynamics AX 365 Upgrade - \$1M
- Wabamun Boat Launch - \$750K
- Planned lifecycle purchases:
  - Fire services - \$150K
  - Fleet management - \$2.9M
  - Office System - \$250K
  - Smart Parkland - \$200K

### Impact on the Restricted Surplus Balance

The 2018 budget contains a total Transfers from Restricted Surplus of \$10.9 Million which is a \$6.2 million decrease over 2017 and a Transfers to Restricted Surplus (RS) of \$11.6 Million which is an increase of \$230K over 2017.

The net transfer to restricted surplus for 2018 is \$1.1 million as illustrated in the 5 year restricted surplus graph below.



Note: The Restricted Surplus balances for 2014, 2015 and 2016 have been restated to actuals. 2017 & 2018 balances have been estimated to December 31 of the respective year based on budget.

Parkland County will maintain appropriate restricted surplus balances as determined by Council through its restricted surplus policy and appropriate planning.

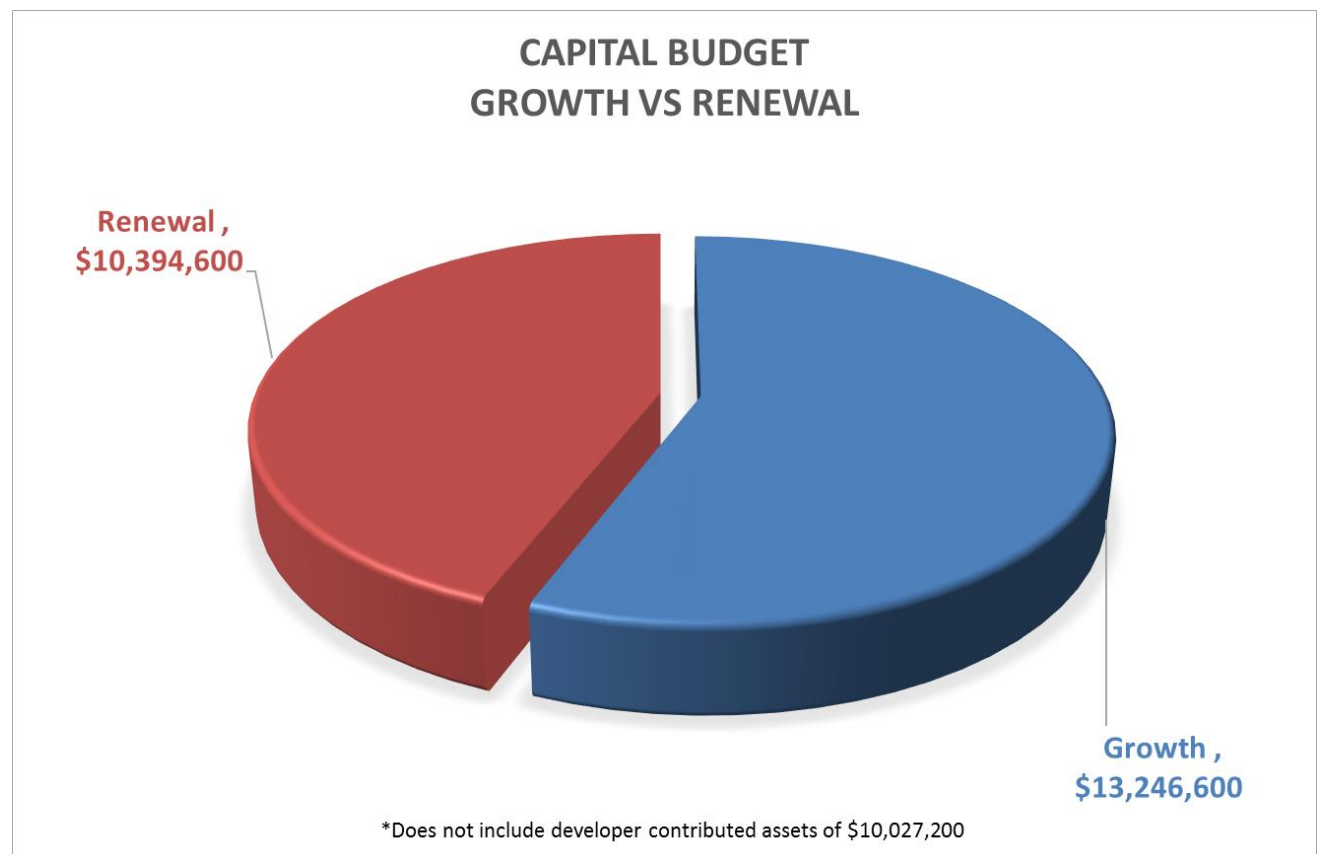
## Capital Budget

New for the 2018 budget cycle is the distinct separation of the Capital and Operating budgets. This separation, along with the information contained in the updated budget initiative forms, has allowed us to better examine trends and sustainability.

Parkland County will need to start to place a higher priority on Renewal projects than Growth projects due to revenue constraints facing the organization. Projects will need to be prioritized this way as deferring maintenance results in a direct increase in future spending requirements and the potential of early failure of the asset. Contrary to this, many Growth projects are less time sensitive and can be deferred to future years with no detrimental impact to the County. Growth projects will also increase future budget requirements as new infrastructure will need to be maintained and rehabilitated throughout its life.

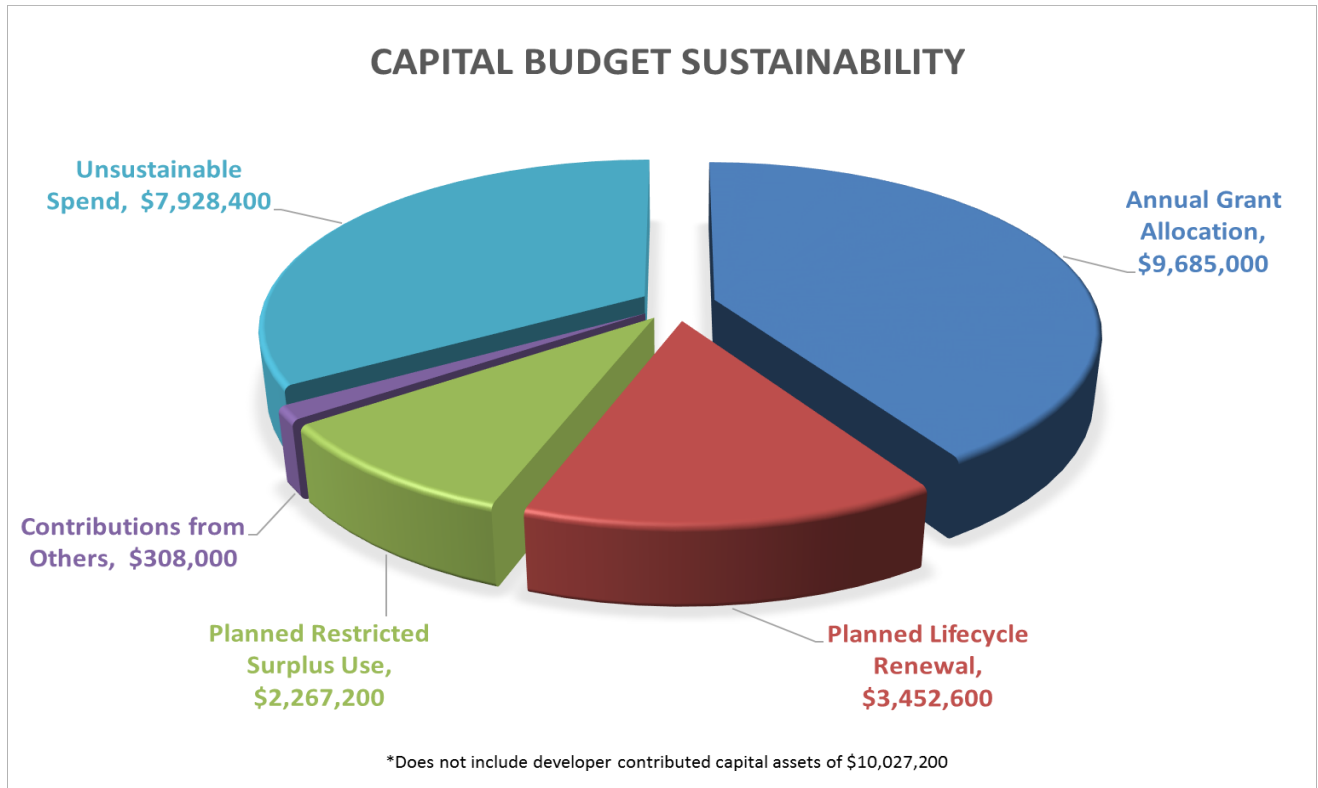
For the 2018 Capital Budget, Growth and Renewal have been defined as follows:

- Growth – new assets or significant upgrades to existing assets. A significant upgrade results in an increase in the assets ability to provide service to County residents.
- Renewal - capital maintenance of existing assets. These projects are large scale projects that rehabilitate existing infrastructure but do not significantly increase its ability to provide services.



## Sustainable Capital Spending

Sustainable spending practices are essential to the long term viability of any organization and governments are no different. The figure below is a snapshot of the sustainability of the 2018 capital budget.



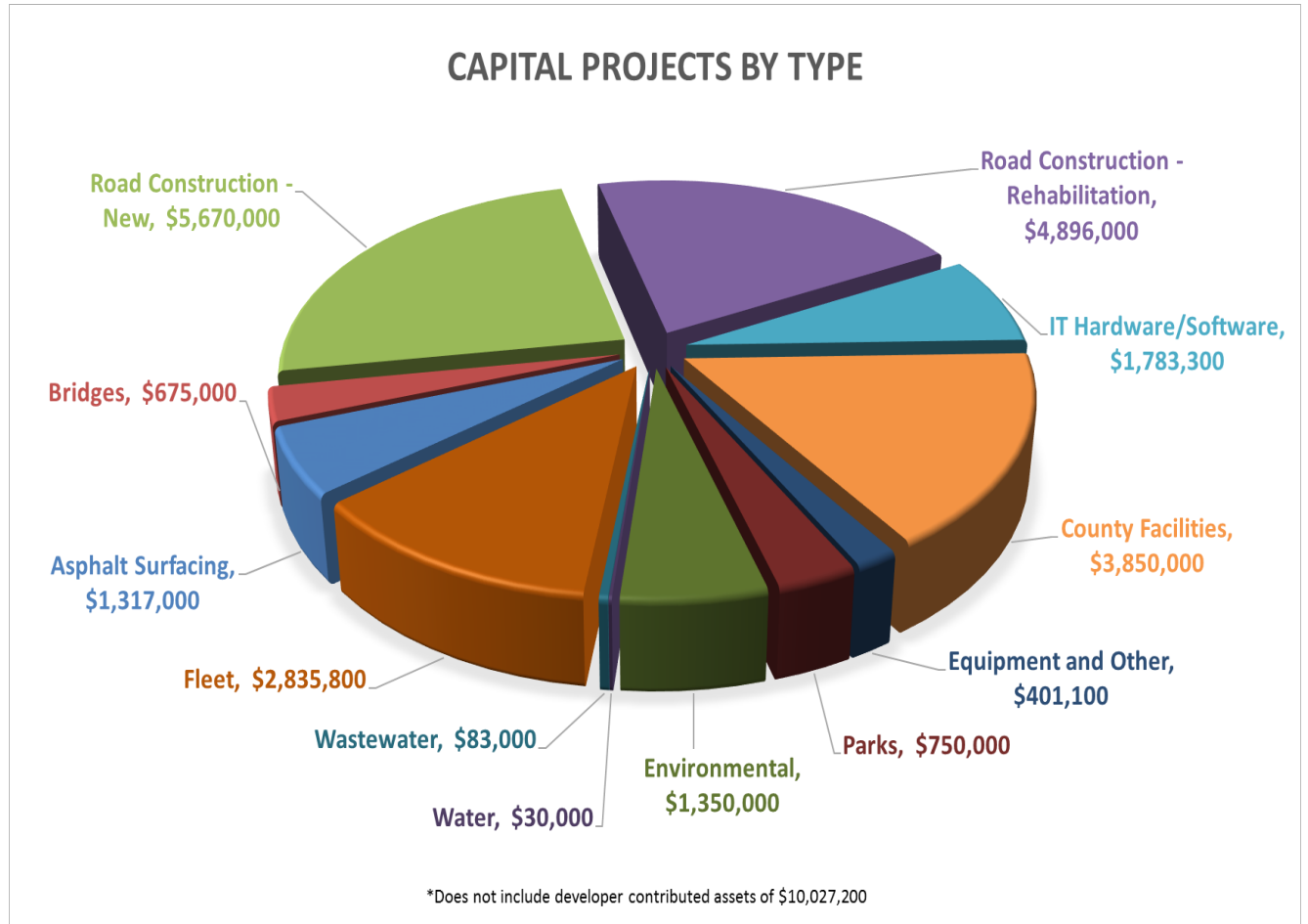
Sustainability is defined as “the ability to be maintained at a certain rate” or maybe more appropriately “the avoidance of depletion.” For Parkland County’s purposes, sustainability of the Capital Budget has been calculated as \$16M based on consistent sources of funding including: grant allocations, planned spending, and contributions from others.

Capital budgets are subject to fluctuation year over year by their very nature. One or two large scale projects in any given year can create a large variance from the base capital budget. Over the past 5 years, the County has completed a number of large scale projects which have resulted in capital budgets in excess of the base sustainable amount. These projects were and are critical to the County’s growth and development but spending at these levels is not sustainable year over year.

Reducing the amount and value of capital projects completed each year will also allow existing resources to accomplish the capital projects included in the budget. Historically, the County is only able to complete approximately 50% of what it plans to accomplish.

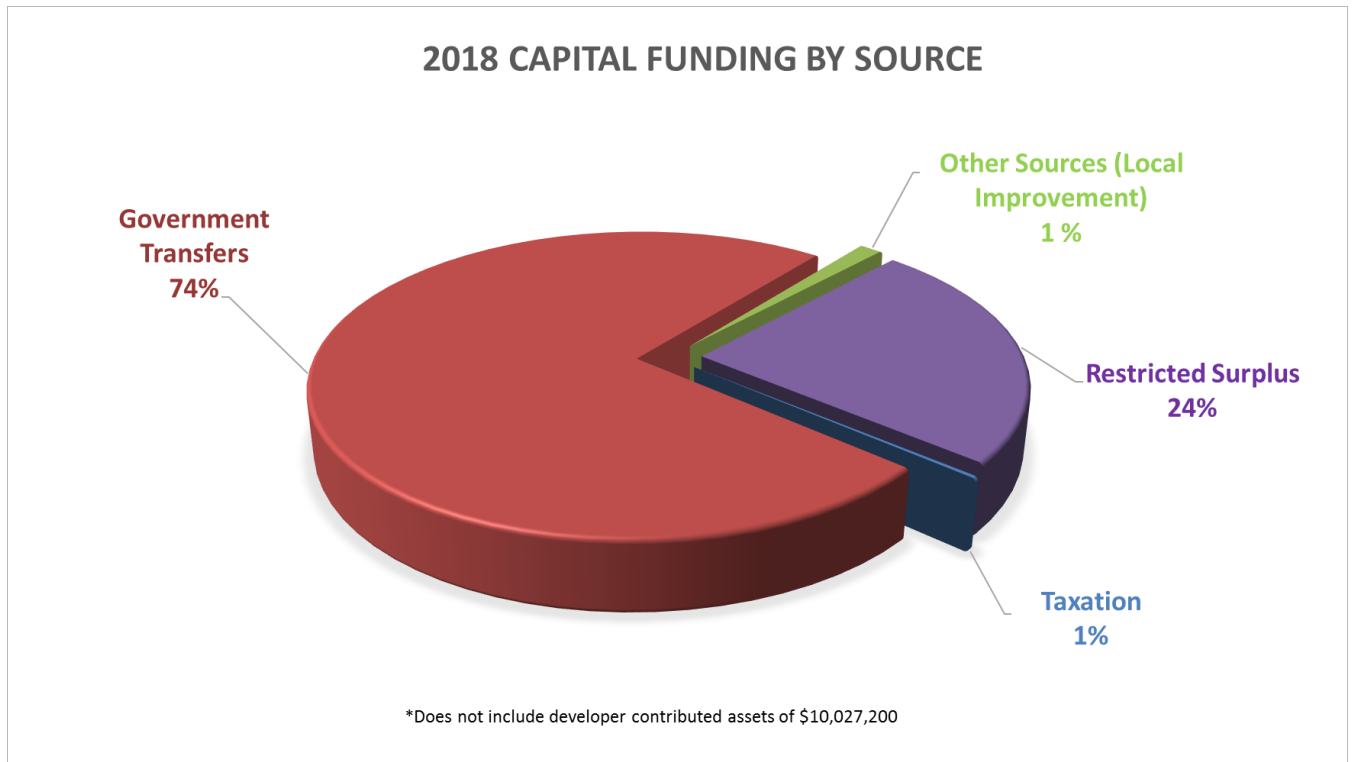
Debenture borrowing has been excluded from this definition of sustainability even though it can be an integral tool in the municipal funding when used wisely.

## Capital Purchases



## Capital Funding Sources

The following graph shows how capital purchases are funded in the 2017 budget.



The majority of capital funding comes from Government Transfers (74%) and Restricted Surplus (24%) as illustrated above.

### 2017 versus 2018 Capital Funding by Source

Sources of Funding	2017	2018	Increase/ (Decrease) \$	Increase/ (Decrease) %
Taxation	661,500	52,000	(609,500)	-92%
Government Transfers	20,147,900	17,561,400	(2,586,500)	-13%
Developer & Customer Contributions	646,100	308,000	(338,100)	-52%
Transfers from Restricted Surplus	9,692,300	5,719,800	(3,972,500)	-41%
Proceeds from Long-Term Debt	18,014,500	-	(18,014,500)	-100%
Off-Site Levy	538,500	-	(538,500)	-100%
<b>Subtotal</b>	<b>49,700,800</b>	<b>23,641,200</b>	<b>(26,059,600)</b>	<b>-52%</b>
Developer Contributed Assets	9,008,200	10,027,200	1,019,000	11%
<b>Total</b>	<b>58,709,000</b>	<b>33,668,400</b>	<b>(25,040,600)</b>	<b>-43%</b>



## What's Next?

December 12, 2017 – Council to Approve 2018 Interim Budget

April 10, 2018 – Council approval of 2018 Final Budget

April 25, 2017 – Council approval of 2017 Tax Levy Bylaw

## Appendix I – Summary of Budget Parameters and Guidelines

- Administration will prepare a balanced budget where expenses, both operating and capital, are equal to revenues with the exception of non-cash items such as amortization.
- Administration will also endeavor to implement a Structurally Balanced Budget as recommended by the Government Finance Officers Association (GFOA) to ensure that recurring expenditures are covered by recurring revenues and that non-recurring (one-time) revenues are used to fund non-recurring (one-time) expenditures. Increases to property taxation rates will be the last resort relative to balancing expenses with revenues.
- Council approval of the Interim Budget occurs in December of each year. This approval acts as authorization for the County's business units to utilize available resources to administer key programs and services until the Final Budget is approved in the spring.
- In order to include the finalized assessment and school requisition values, the Interim Budget is adjusted in the spring and then becomes the Final Budget. Adjustments to the budget are also made at this time to include any carry forward projects that were not completed in the previous year and for emergent budget items that were not foreseen during the Interim Budget process.
- Increases to property taxation will be the "last resort" relative to balancing expenses with revenues.
- Tax revenue obtained from new growth in assessment shall be used to support current levels of service.
- All requisition costs will be recovered directly from applicable tax revenues. The County's budget will not be used to subsidize or cushion other requisition increases. Requisition increases will stand alone on their own merits.
- The budget initiative form has been revised for the 2018 budget cycle so that it has a clear link to the Strategic Plan. The budget initiative form will provide all the necessary information Senior Administration and Council need to enable them to evaluate proposed changes to service levels (programs) as well as any new initiatives.
- The budget reflects estimates for both revenue and expenditures through an objective, analytical process utilizing trends, best judgments, and statistical analysis where appropriate. Estimates are conservative particularly on the revenue side.

## Capital Budget

- Capital and Operating Budgets have been split to ensure transparency, a clearer link to financial reporting requirements, and greater ease in monitoring and reporting.
- Capital projects have been separated into two categories being either “Growth”, referring to new infrastructure, or “Renewal”, referring to work on existing infrastructure. Renewal projects will not be subject to the same scrutiny as Growth projects in the budget approval process.
- Capital budgets are prepared using a priority setting process.
- Capital budgets represent what a department plans to spend in a given fiscal year. Projects that extend beyond one fiscal year will show the planned spend in the 2018 year.
- All capital purchases must conform to the County’s Capitalization Policy.
- Capital projects that are similar in nature can be “bundled” together and presented to Council as one line item on the Budget. For example, asphalt surfacing projects will now be presented to Council as a single line item.