



ROCKY VIEW COUNTY

2024

Budget Update

No.

1

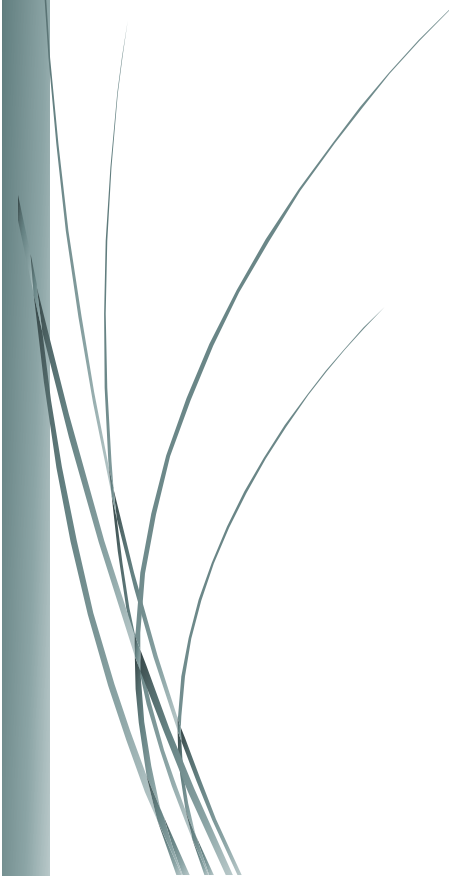


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TAX STABILIZATION RESERVE RECONCILIATION

Council requested a list of capital items projected to be completed by end of 2023 that have been funded by the Tax Stabilization Reserve, including surplus and deficits.

Figure 1

| Tax Stabilization Reserve Balance | |
|-----------------------------------|---------------------|
| 2023 Opening Balance* | 58,899,230 |
| 2023 Ending Balance | <u>46,323,630</u> |
| Difference | (12,575,600) |

Figure 2

| 2023 PROJECTS | | | | | | |
|--|-----------|-----------------------|---------------------|------------|----------|--------------|
| Project | Amount | Approval Basis | Type | Date | Impact | Expense Type |
| Firefighters Union Collective Bargaining Agreement Payback | 315,200 | 2023 Base Budget | Base Budget | 12/14/2022 | Increase | Operating |
| Legal Fee Repayment | 1,000,000 | 2023 Base Budget | Base Budget | 12/14/2022 | Increase | Operating |
| 2023 Spring Finalization – Transfer of Unallocated Live Growth | 2,183,800 | 2023 Budget Update #2 | Spring Finalization | 4/11/2023 | Increase | Operating |
| Bragg Creek Wastewater Treatment Plant Solids Handling/Drum Screen | (815,000) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Capital |

2023 PROJECTS

| Project | Amount | Approval Basis | Type | Date | Impact | Expense Type |
|--|-------------|-----------------------|---------------------|------------|----------|--------------|
| Bragg Creek Transfer Site Erosion Control Project - Phase 3 | (600,000) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Capital |
| Municipal Development Plan Review | (250,000) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Operating |
| Garden of Peace Expansion | (150,000) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Capital |
| Engagement Program (Software Purchase) | (75,000) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Capital |
| Road Operations Flag Person Truck | (75,000) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Capital |
| IT Infrastructure / Office Space & Furniture | (69,300) | 2023 Budget Update #1 | New Initiative | 12/14/2022 | Decrease | Operating |
| Cochrane & Springbank Subregional Wastewater Servicing Concept | (50,000) | Council Report | Budget Adjustment | 1/24/2023 | Decrease | Operating |
| West Balzac Servicing | (1,981,000) | Internal Memo | Carryover | 4/11/2023 | Decrease | Capital |
| County Priority Projects | (914,600) | Internal Memo | Carryover | 4/11/2023 | Decrease | Operating |
| Lower Springbank Rd and 101 St SW | (326,300) | Internal Memo | Carryover | 4/11/2023 | Decrease | Capital |
| 2023 Spring Finalization – Deficit in Blazer Utility System | (303,900) | 2023 Budget Update #2 | Spring Finalization | 4/11/2023 | Decrease | Operating |
| Woodland Rd Upgrade | (300,000) | Internal Memo | Carryover | 4/11/2023 | Decrease | Capital |
| Langdon Wastewater Treatment Plant Phase 2 Upgrade | (90,800) | Internal Memo | Carryover | 4/11/2023 | Decrease | Capital |

2023 PROJECTS

| Project | Amount | Approval Basis | Type | Date | Impact | Expense Type |
|--|-------------|----------------|-------------------|-----------|----------|--------------|
| Aggregate Resource Plan Project Phase 1 | (75,000) | Council Report | Budget Adjustment | 4/11/2023 | Decrease | Operating |
| Bearspaw Reservoir Public Consultation | (30,000) | Internal Memo | Carryover | 4/11/2023 | Decrease | Operating |
| Virtual City Hall Software | (18,800) | Internal Memo | Carryover | 4/11/2023 | Decrease | Capital |
| Trans Canada Trail (TCT) Contribution to Regional Footpath Feasibility | (13,300) | Internal Memo | Carryover | 4/11/2023 | Decrease | Operating |
| Airdrie Site Reclamation | (2,620,000) | Council Report | Budget Adjustment | 5/23/2023 | Decrease | Operating |
| Secondary Highway 566 Twinning – East Balzac | (505,000) | Council Report | Budget Adjustment | 5/23/2023 | Decrease | Operating |
| Electrical Upgrades – K.I.B.A Seed Cleaning Plant | (65,000) | Council Report | Budget Adjustment | 6/20/2023 | Decrease | Operating |
| Strategic Investments to Advance the County's Strategy Program | (804,400) | Council Report | Budget Adjustment | 7/18/2023 | Decrease | Operating |
| Prairie Economic Gateway Initiative | (785,000) | Council Report | Budget Adjustment | 7/18/2023 | Decrease | Operating |
| Increase in Community Social Support Programs | (7,200) | Council Report | Budget Adjustment | 7/18/2023 | Decrease | Operating |
| Adjustment Required to Address Budget Shortfall in the CAO Office | (150,000) | Council Report | Budget Adjustment | 9/13/2023 | Decrease | Operating |

2023 PROJECTS

| Project | Amount | Approval Basis | Type | Date | Impact | Expense Type |
|---|---------------------|-----------------------|----------------------|-------------|---------------|------------------------|
| Equalization Tank Purchase – Langdon Wastewater Treatment Plant | (5,000,000) | Council Report | Budget Adjustment | 10/3/2023 | Decrease | Capital & Operating |
| TOTAL | (12,575,600) | | | | | |

* Inclusive of 2022 Year-End Operating surplus of \$10,721,110.

PROPOSED 2024 INCREASES

Council requested a detailed explanation of proposed 2024 increases, and whether the increase can be attributed to inflation or growth.

Figure 3

| 2024 BUDGET ADJUSTMENTS | | | | |
|---|-------------|-------------------------|----------------------|---|
| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
| All Divisions – Salary and Wage Adjustments | 4,191,300 | 2,160,900 | - | INFLATIONARY COLA, STEP, Market Increase due to position reviews |
| | | - | 34,850 | GROWTH <u>Fire:</u> Increase part-time firefighters - \$17,550 Increase due to new strategy meeting requirement for platoon captains and long service awards - \$38,000 Decrease in overtime and on-call - \$20,700 Net: \$34,850 |
| | | - | 46,950 | GROWTH <u>Other:</u> Transportation FTE move from temp to perm - \$104,500 Decrease to total County Temporary employee cost - \$57,550 Net: \$46,950 |

2024 BUDGET ADJUSTMENTS

| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
|---|--------------------|--------------------------------|-----------------------------|--|
| | | - | 1,761,600 | <p>GROWTH <u>Strategic Investment:</u> Investment in Council priorities via new positions - \$1,761,600.</p> |
| | | 61,800 | 125,200 | <p>INFLATION <u>Training:</u> Legislated training requirements for Fire Services - \$61,800.</p> <p>GROWTH Required training to support County-wide growth - \$125,200.</p> |
| Chief Administrative Office – Contracted Services | 161,500 | - | 161,500 | <p>GROWTH <u>People & Culture:</u> Strategy implementation, conflict resolution coaching.</p> <p><u>SDAB:</u> Legal fees for complex hearings and increased legal advice.</p> |

2024 BUDGET ADJUSTMENTS

| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
|---|-------------|-------------------------|----------------------|---|
| Corporate Services Division – Contracted Services | 610,500 | 409,500 | 201,000 | <p>INFLATIONARY</p> <p><u>Information Technology:</u> Aerial Photo even-years cost of service increase - \$90,000. IS application services cost increased (TeamDynamix, Questica, Ceridian) - \$96,000. Maintenance cost increase (telecom, system, supply, equipment) - \$56,000.</p> <p><u>Communications & Engagement:</u> Cost increases - \$35,500.</p> <p><u>Customer Care & Support:</u> Postage expenses - \$16,000.</p> <p><u>Legal:</u> Increased insurance premiums - \$116,000.</p> <p>GROWTH</p> <p><u>Information Technology:</u> Increased costs in professional services (IM, BI, Dayforce) due to purchase of new software - \$201,000.</p> |

2024 BUDGET ADJUSTMENTS

| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
|---|--------------------|--------------------------------|-----------------------------|--|
| Operations Division – Road Maintenance | 1,565,100 | 1,254,100 | 311,000 | <p>INFLATIONARY Increase cost in paving, preservation, patching, gravel road R&D, re-chipping programs, snow and ice control, asset management, and increase cost in pavement markings and line painting - \$1,254,100.</p> <p>GROWTH Asset management optimization - \$311,000.</p> |
| Operations Division – Utility Systems Net Costs | 198,100 | 198,100 | - | <p>INFLATIONARY Increase in treatment costs, utilities, and maintenance.</p> |
| Operation Division – Waste & Recycling Net Cost | 507,800 | 507,800 | - | <p>INFLATIONARY Increased cost for recycling depot and chuckwagon.</p> |
| Operations Division – Operational Services | 501,000 | 501,000 | - | <p>INFLATIONARY</p> <p><u>Fleet:</u> Increase cost in outsourced repair, parts, and fuel.</p> <p><u>Corporate Properties:</u> Increase cost in County property maintenance.</p> |

2024 BUDGET ADJUSTMENTS

| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
|---|--------------------|--------------------------------|-----------------------------|--|
| Community Services Division – Fire and Emergency Management | 387,400 | 387,400 | - | <p>INFLATIONARY</p> <p><u>Fire Services:</u> Increase in materials (work clothes, fire hose, ladders), equipment services, and firefighter medical services.</p> <p><u>Emergency Management:</u> Increase in purchases from other governments (911 Dispatch).</p> |
| Community Services Division – Reserve Transfer | 75,000 | 75,000 | - | <p>INFLATIONARY</p> <p>Increase in transfer based on the Fire Vehicle Replacement Schedule.</p> |
| Operations Division – Reserve Transfer | 800,000 | 800,000 | - | <p>INFLATIONARY</p> <p>Increase in transfer of Fleet Replacement Reserve and Storm Mitigation Reserve.</p> |
| Additional Expense Variance | 126,300 | 126,300 | - | <p>INFLATIONARY</p> |
| Total Inflationary Cost/Growth | 9,124,000 | 6,481,900 | 2,642,100 | |

| 2024 BUDGET ADJUSTMENTS | | | | |
|---|--------------------|-------------------------|----------------------|---|
| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
| Other Drivers | | | | |
| Corporate Services Division – Net Finance Revenue | (1,079,000) | (1,079,000) | - | INFLATIONARY Increased net interest income and the cost of penalties. |
| Corporate Services Division – Reserve Transfer | (2,183,800) | - | (2,183,800) | GROWTH Council-approved transfer of operating surplus to Tax Stabilization Reserve at 2023 Spring Finalization. |
| Operations Division – Cemetery Revenue | (280,000) | (280,000) | - | INFLATIONARY Increase in revenue for plot sales, marker sales, and permits, mainly due to rate increases. |
| Community Services Division – License and Permits Revenue | (1,326,700) | - | (1,326,700) | GROWTH Increase in revenue for building permits and electrical permits, mainly due to volume increases. |
| Community Services Division – Enforcement Revenue | (264,000) | - | (264,000) | GROWTH Increase in revenue for traffic fines, mainly due to volume increases. |
| Total Other Drivers | (5,133,500) | (1,359,000) | (3,774,500) | |
| NET INCREASE OF REVENUE & EXPENSES | 3,990,500 | 5,122,900 | (1,132,400) | |

2024 BUDGET ADJUSTMENTS

| Item | 2024 Budget | Attributed to Inflation | Attributed to Growth | Explanation |
|---------------------------------|--------------------|--------------------------------|-----------------------------|--------------------|
| Proposed 3% Tax Increase | (2,658,600) | (2,658,600) | - | |
| Estimated Live Growth | (2,000,000) | - | (2,000,000) | |
| Unallocated Funds | (668,100) | 2,464,300 | (3,132,400) | |