



***City of St. Albert***  
***Corporate Business***  
***Plan & Budget***  
***2005-2007***

# ***Presentation Overview***

- Business Plan Overview – City Manager
  - Vision, Mission, Values
  - Council Outcome Goals
  - Business Planning Framework (6:30 – 7:30)
  - Major Accomplishments
  - Corporate Strategies and Plan Highlights
  - Performance Measures
- Financial Summary & Budget Overview  
GM Corporate Services (7:30 – 8:30)

# ***The Business Plan and Budget***

# *Corporate Business Plan*

A comprehensive change plan that reflects the goals, specific corporate strategies, initiatives and investments necessary to achieve short-term goals and to make progress toward the Vision.

# ***Business Planning:*** *What it is?*

Is a disciplined process to determine direction, define priorities, establish strategies and set a course for a defined period of time to achieve organizational goals.

# ***Business Planning: What it does?***

- An honest assessment of where the organization is today, where it should be in the future & actions necessary to get there.
- Refocuses organizational leadership from day-to-day management to a proactive focus on emerging opportunities and challenges.
- Encourages a corporate perspective and fosters divisional collaboration.

# ***Business Planning:***

## *What it does?*

- A mechanism to communicate, to share or confirm expectations, to seek feedback and to recommend a direction.
- A way to gain alignment as well as to identify, document and ensure focus on priorities that have impacts within and across departments.
- A way of informing/educating stakeholders.

# ***Business Planning:***

## *What it does?*

- A way of setting targets and making commitments.
- A roadmap for implementation and a mechanism to monitor results (e.g.: compare ‘actual’ to targets).
- A way of seeking support and gaining commitment.

# ***Business Plan***

- The Business Plan drives the 2005 Budget
- Addresses
  - Maintaining Services to Citizens
  - Maintaining Assets and replacement of infrastructure
  - Meeting Environmental obligations
  - Ensuring effective civic operations
  - Keeping pace with growth
  - Achieving affordability - Financial Outlook

Recommends a course for achieving the Vision, Mission, Values and Outcome Goals



***Vision, Mission, Values  
and Outcome Goals***

# *Vision*

St. Albert is a community that thrives on the rich foundation of its past, welcomes the challenges of its future, and embraces an outstanding quality of life.

# ***Mission***

The City of St. Albert demonstrates leadership in a well-managed and progressive environment to deliver innovative, high-quality municipal services that meet the needs of its citizens.

# *Values*

- The City of St. Albert values include:
  - Positive attitudes
  - Leadership
  - Good stewardship
  - Respect, trust, dignity, honesty, integrity, and flexibility
  - Safety
  - Open communication and diverse opinions
  - Competent, productive, and satisfied employees
  - A balanced work and family life
  - Life-long learning
  - The generosity of volunteers

# ***Council Outcome Goals***

# ***Outcome Goals***

***(drivers of the budget)***

- **Primary Outcome Goal:**  
Supporting “Quality of Life” in the community through the provision of municipal services.
- **Outcome Goals:**
  - Fiscal Responsibility
  - Municipal Leadership and Governance
  - Safety for people, property, and natural assets
  - Environmental preservation and protection
  - Long-term planning that guides community growth and development
  - Economic Development is welcomed and supported

# ***Introduction:***

## Business Plan:

A document that reflects priorities and the allocation of financial and human resources to move the organization toward the desired Outcomes over this specified timeframe.

It sets targets and clearly establishes accountabilities for monitoring and achieving results.

***Major  
Accomplishments  
for  
2004***

# *City Manager's Office*

- Leadership in planning, management, reporting and communication for key City Council Priorities
  - West Regional Road
  - Multipurpose Leisure Centre
  - Annexation
  - Fiscal Reform
- Innovative business and operating practices
- Maintained strong, cohesive, committed leadership
- Rigorous Business Planning and Budget process

# ***Economic Development***

- Completed servicing of 19 lots in Campbell Business Park
  - Sale of 4 lots and pending sales on 3 others
  - 10 lots available for sale in 2005
  - Reserve established to fund future servicing and expansion
- Contracted land sales through 3<sup>rd</sup> party Agent
- Established Economic Development direction through approval of Master Plan
- Completion of a comprehensive Tourism Strategy to diversify in St. Albert's revenue base

# *Planning & Engineering*

- Undertook Annexation negotiation & filed MGB application
- Established 'PAC' model for non-property tax recovery of roadway growth costs.
- Concluded roadway and related improvements
- Completed Phase 1 of Infrastructure review
- Created Office of the Environment and Policy
  - Pilot of Environmental Management System in Transit Services

# *Planning & Engineering*

## *(Cont'd)*

- Achieved DFO approvals, building permits for West Road
- Implemented “Spruce-up St. Albert” program
- Accelerated replacement of boulevard trees
- Refined Utility Model to determine the impact of asset replacement on future rates
- Established Transit service standards and developed Long-Term Department Plan
  - Reintroduced summer mid-day service and added overload service to meet peak demand

# ***Community & Protective***

- Approval and initial implementation of St. Albert Smoking Bylaw
- Negotiated and concluded Joint Use Agreement
- Set new benchmarks for satisfaction of citizens with Cultural facilities (87%) & programs (81%)
- Built a Multipurpose Leisure Centre business plan, design and achieved community support
- Approval of FCSS Long Term Department Plan
- Launch of St. Albert Drug Response Committee  
“Mobilizing our Community” campaign

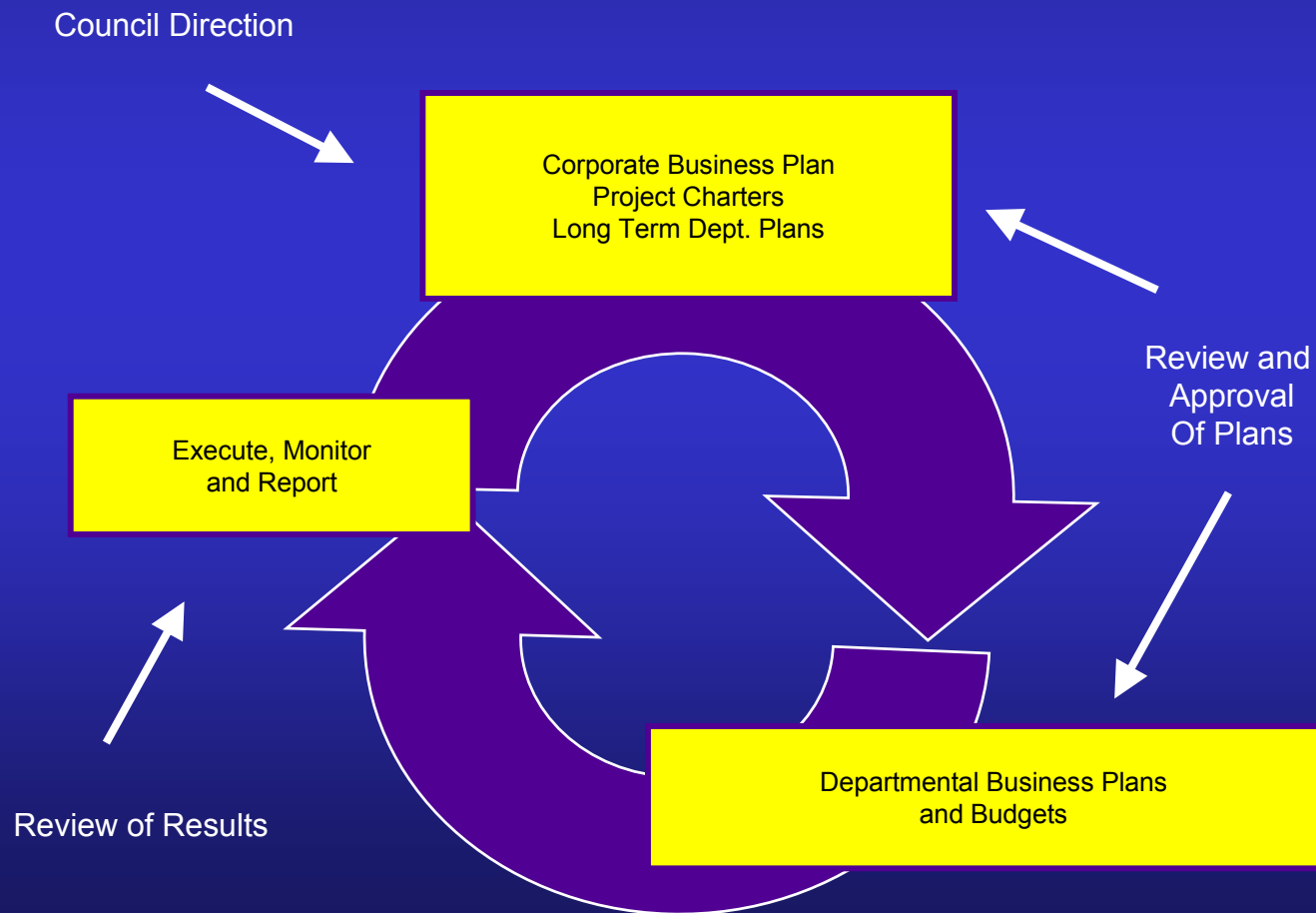
# ***Community & Protective (Cont'd)***

- Exceeded average emergency response time of 9/90% (8 min. 36 sec. / 90% of the time)
  - Staffed and deployed a second ALS ambulance
- Percent of traffic speeding decline (2.3 to 1.7%)
- Motor vehicle collisions down 21%
- St. Albert RCMP participation in national Drug Endangered Children pilot
- Supported the operations of 40 recreation and sports group and assisted in 57 major events involving over 250,000 participants

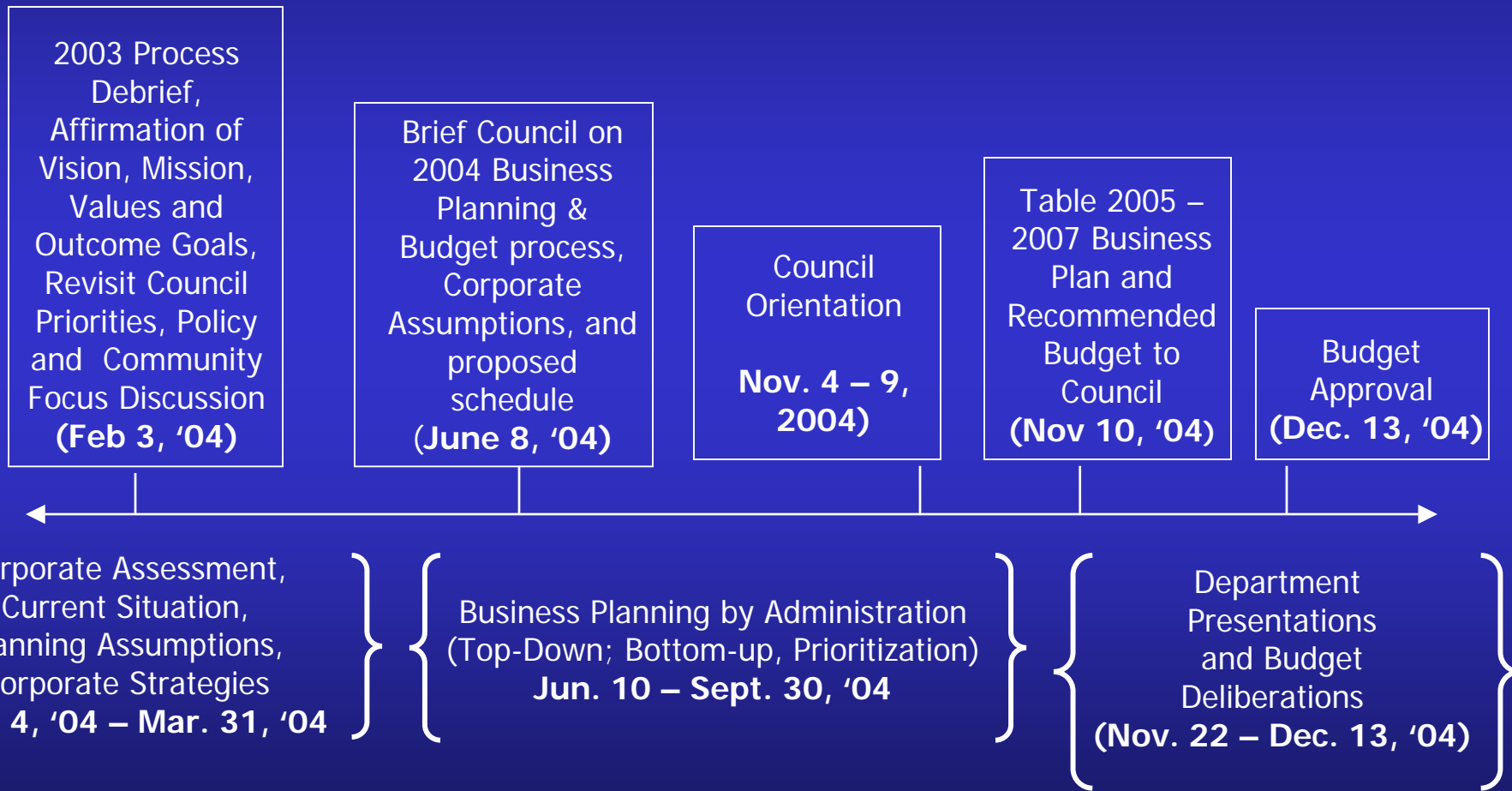
# *Corporate Services*

- Major progress in employee/workplace safety
  - 300% decrease in injury severity
  - 75% decrease in injury frequency
  - Reduction in WBC costs (5%)
- Refinement of the Long Term Financial Plan
- Established policies for Cash, Reserves & Debt Management, Purchasing and Budget
- Introduced e-Commerce applications
  - Program Registrations and Facility Bookings
  - Assessment Search and Tax Certificate
- Communications planning leadership on major projects and redevelopment of City Web-site
- Effective and uncontested municipal election

# Business Planning – The Process



# ***Business Planning & Budget 2004 Council Engagement***



# ***Business Planning:*** *How it drove Budget?*

- Involved review of revenues and expenditures
- Corporate Strategies drove the prioritization of key initiatives
- Incremental investments recommended on the basis of need and affordability, based upon
  - a review of current & anticipated service level performance (also in comparison to other Alberta Municipalities)
  - the impact of not investing on risk and key corporate performance measures
  - the impact of the investment on tax levy

# ***Outcome Goals & Corporate Strategies:***

***Quality of Life***

***Pursue activities that create a net favorable tax impact.***

***Fiscal Responsibility***

***Ensure full compliance with legislated requirements and obligations.***

***Municipal Leadership & Governance***



***Assure the ongoing safety and protection of citizens, civic employees and the environment***

***Safety***

***Environmental Protection***

***Maintain services to citizens and grow capacity as our community and its population grows.***

***Long Term Planning***

***Avoid Long Term costs***

***Economic Development***

***Support new and enhanced Services and Service levels to citizens.***

## Outcome Goal:

*Fiscal Responsibility*

## Corporate Strategy:

- 1.0 *Pursue activities and initiatives that create a net favorable tax impact.*
- i) Revenue Generation initiatives.*
  - ii) Cost Reduction initiatives.*

**Outcome Goal:** *Municipal Leadership & Governance*

**Corporate Strategy:**

2.0 *Undertake activities to ensure full compliance with Legislated requirements and obligations.*

**Outcome Goals:** *Safety for people, property & natural assets*  
*Environmental preservation & protection*

## **Corporate Strategy:**

3.0 *Assure the ongoing safety and protection of citizens, civic employees and the Environment.*

- i) Prevent and eliminate situations involving imminent danger;*
- ii) Mitigate risks and exposure to liabilities;*
- iii) Address safety proactively to minimize cost and losses to the community.*

## Outcome Goals: *Quality of Life*

### Corporate Strategy:

4.0 *Maintain services to citizens, support front-line employees delivering services to citizens, and grow capacity to maintain Service Levels as our community and its population grows.*

*i) Activities with no impact on Tax Base.*

*ii) Activities that impact on Tax Base.*

## Outcome Goals: *Long Term Planning*

### Corporate Strategy:

5.0 *Avoid Long Term costs by understanding and planning for major cost impacts.*

**Outcome Goals:** *Economic Development*

**Corporate Strategy:**

6.0 *Support new and enhanced Services and Service Levels to citizens.*

# *Utility Services*

## **Outcome Goals:**

*Municipal Leadership & Governance*

*Safety and Environmental Protection*

## **Corporate Strategies:**

*Infrastructure Investments*

- *Current Reinvestment*
- *Lifecycle Investment*
- *Growth*

Business Plan - Page 49

# *Business Planning & Budget Challenge*

**Maintain current Services and Service Levels  
to existing and new St. Albert citizens and  
businesses while minimizing the tax increase.**

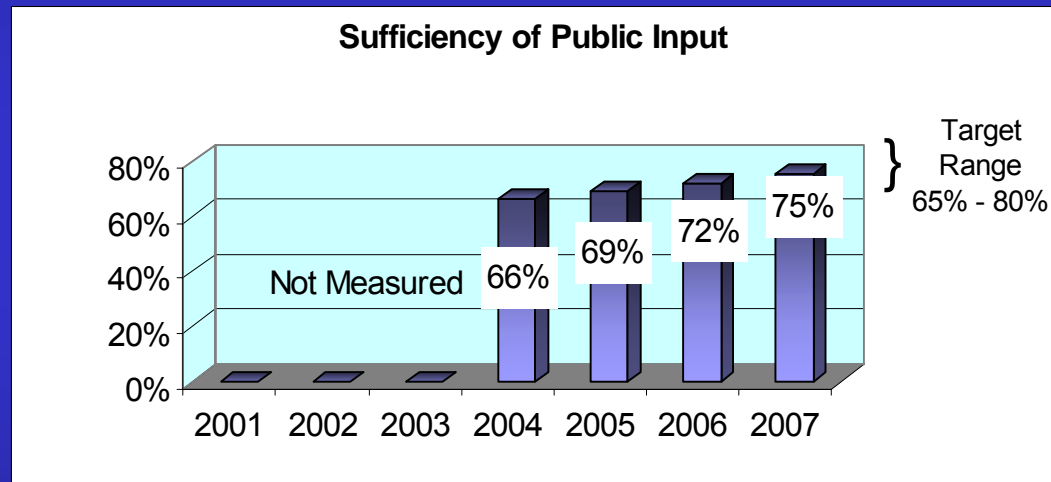
**Result:**

**5.73% recommended  
by Administration**

# *Corporate Performance Measures*

# Corporate Performance Measures:

## Municipal Leadership & Governance:

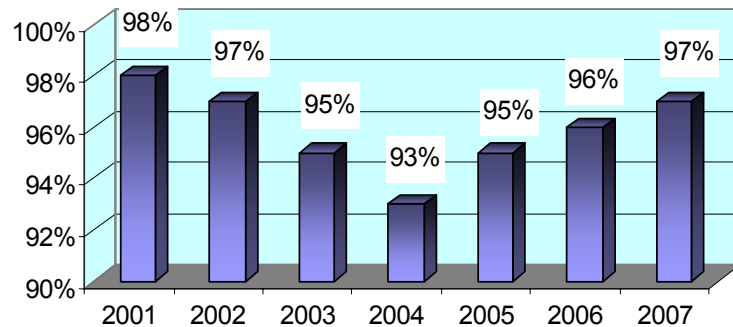


\* Others to be developed in consultation with Council

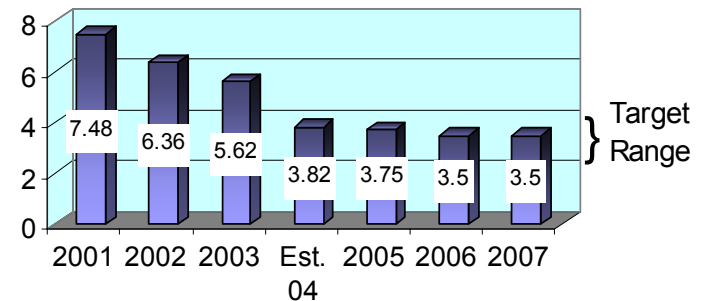
# Corporate Performance Measures:

## Safety:

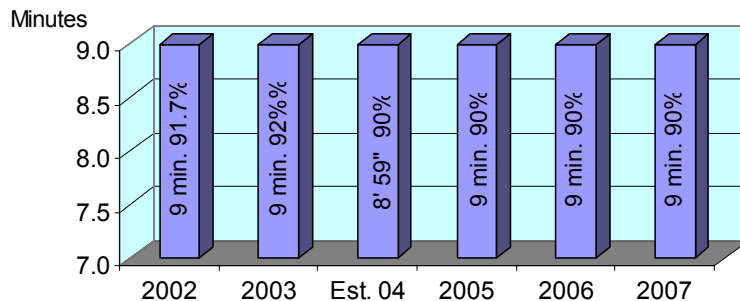
St. Albert as a Safe Place to Live



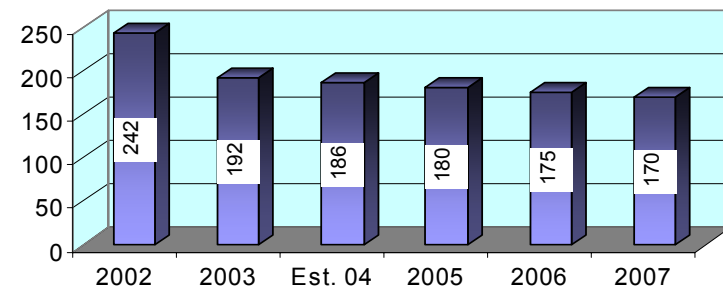
Lost time injuries per 100 employees



Emergency Services Response Time Index

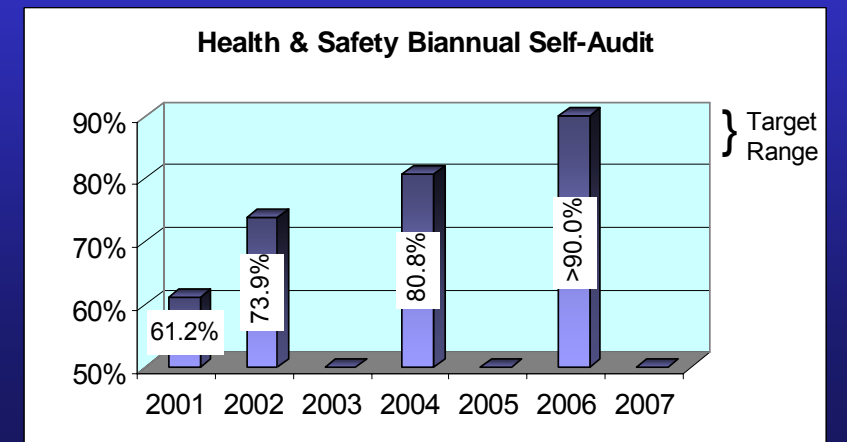
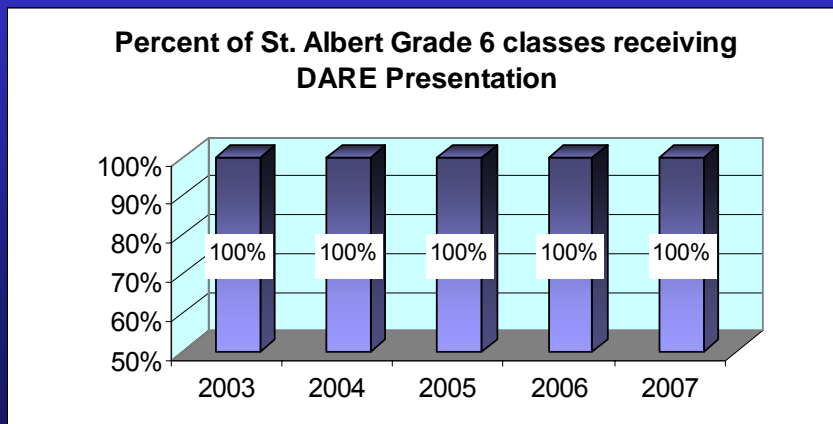
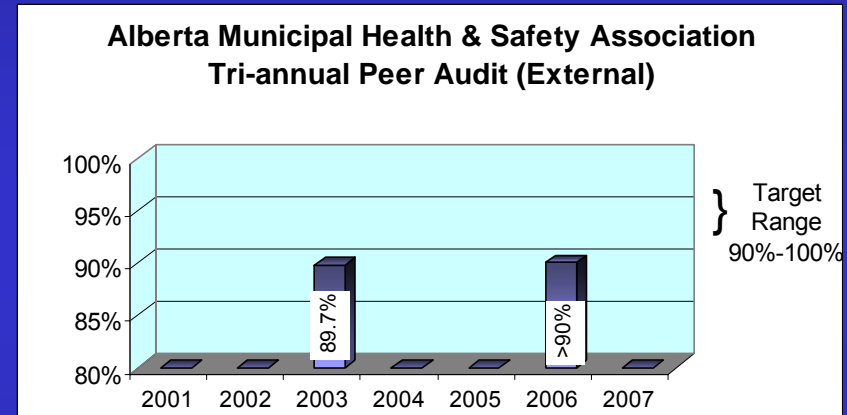
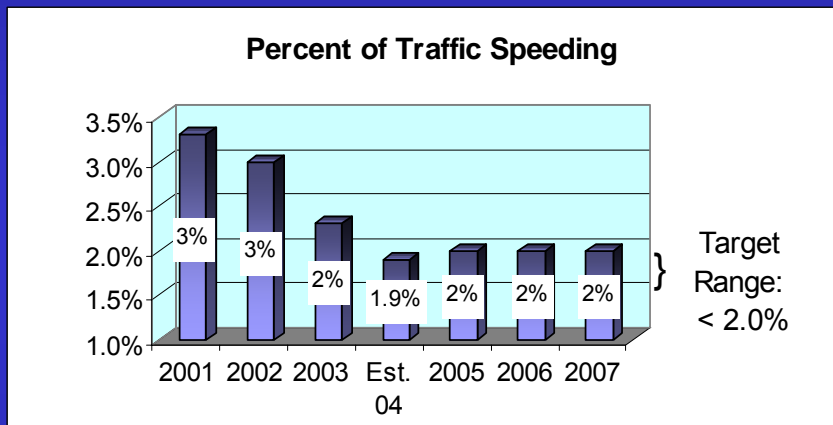


Number of Injury Collisions



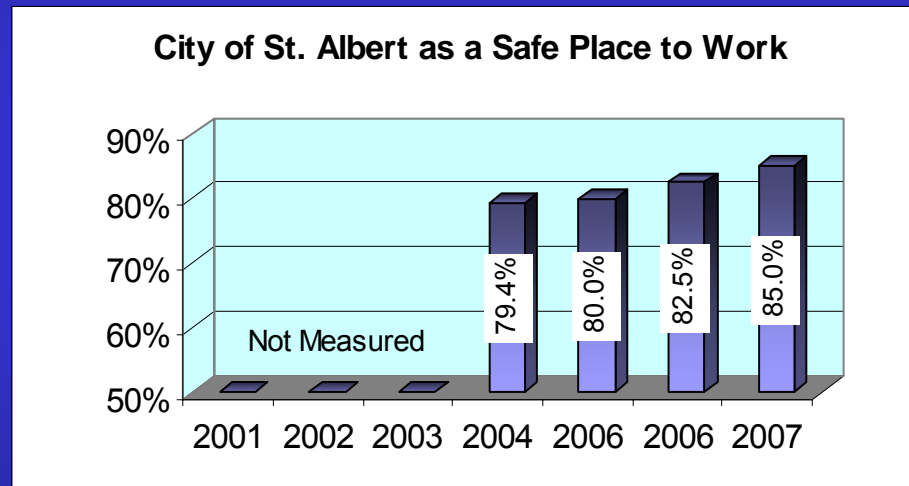
# Corporate Performance Measures:

## Safety (Cont'd):



# Corporate Performance Measures:

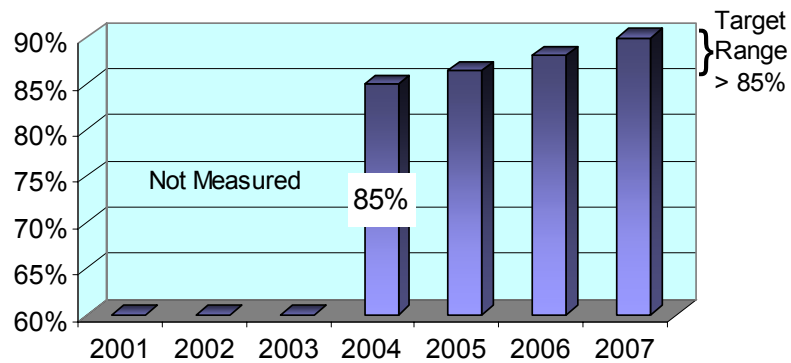
## Safety (Cont'd):



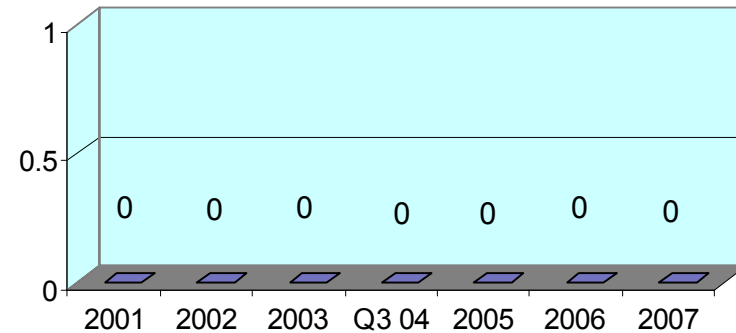
# Corporate Performance Measures:

## Environmental Protection:

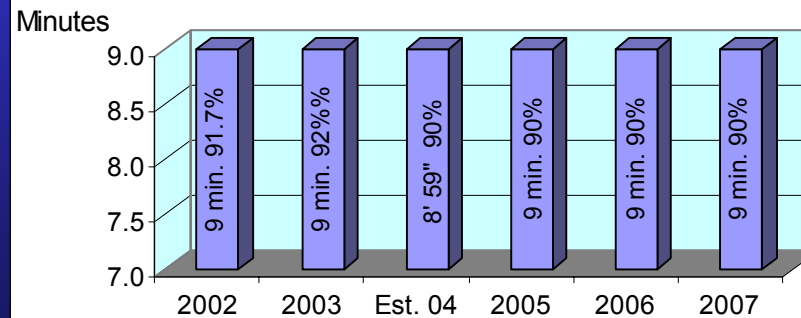
### Commitment to Preserving the Environment



### Number of Environmental Violations



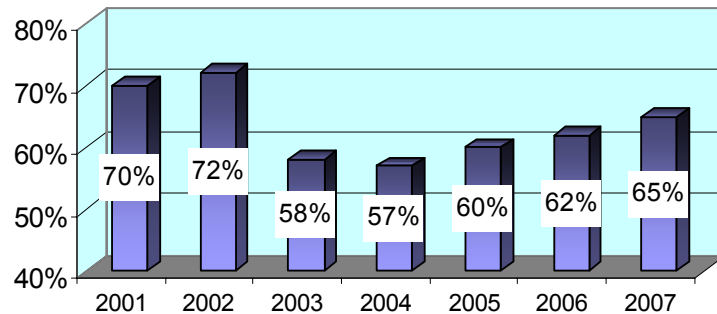
### Average Response Time to Environmental Spills



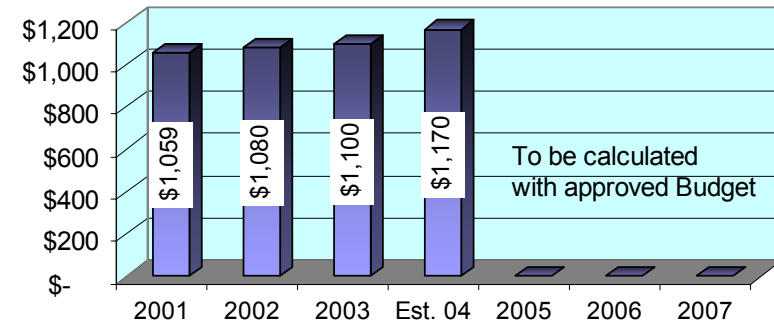
# Corporate Performance Measures:

## Fiscal Responsibility:

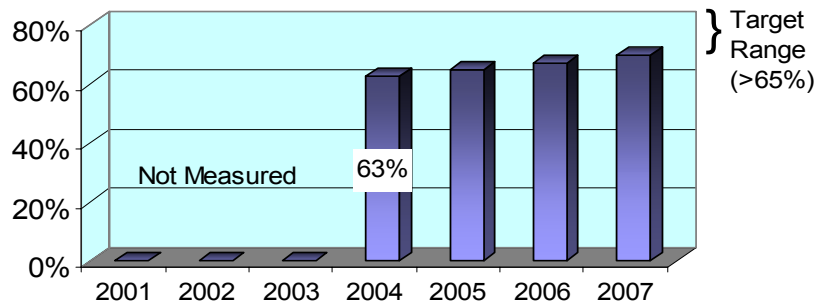
Satisfaction with Value of Property Taxes



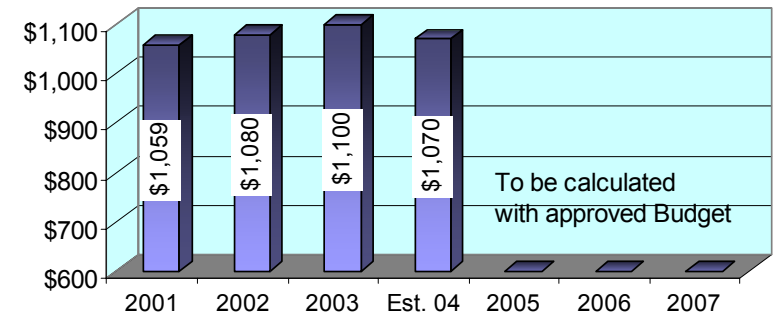
Revenue per capita



Citizen Support for User Fees.



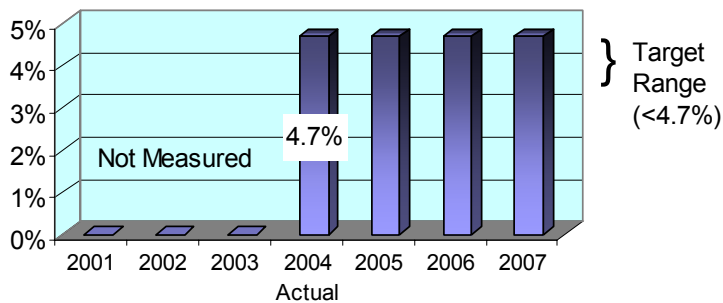
Expenditures per capita



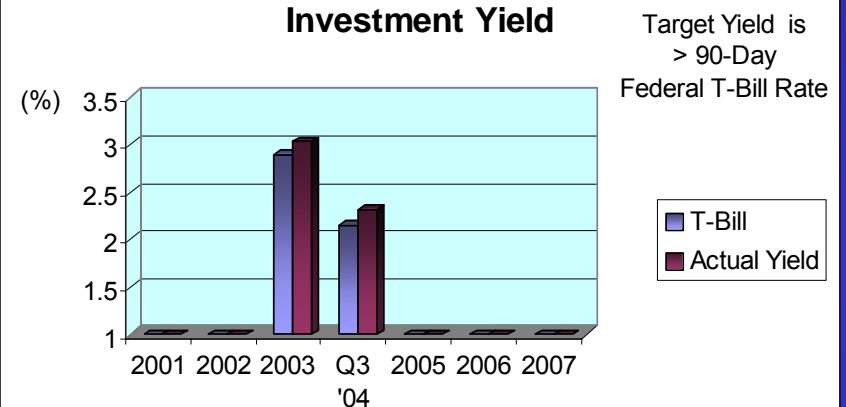
# Corporate Performance Measures:

## Fiscal Responsibility (Cont'd):

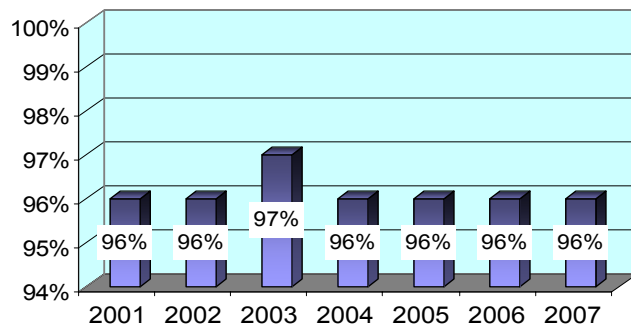
**Proportion of Infrastructure requiring Rehabilitation/Reconstruction**



**Investment Yield**



**Assessment to Market Value Ratio**



### Other Measures in Development:

- ✓ Reliance on Property Tax revenues (%)
- ✓ Capital financed through internal Borrowing
- ✓ Utility Debt (existing and new)

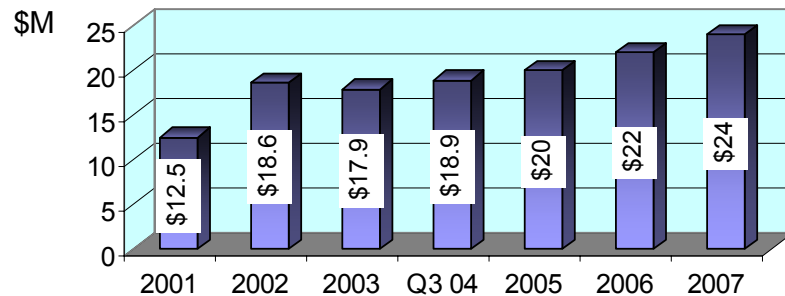
# Corporate Performance Measures:

## Long Term Planning:

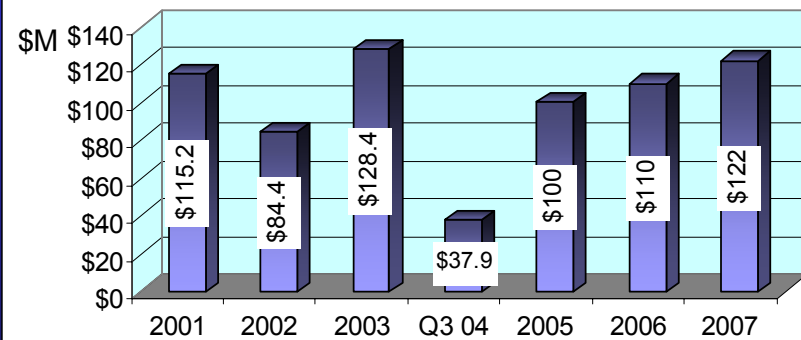
\* Pending Council Prioritization & Planning Direction

## Economic Development:

Value of Non-Residential Construction Growth



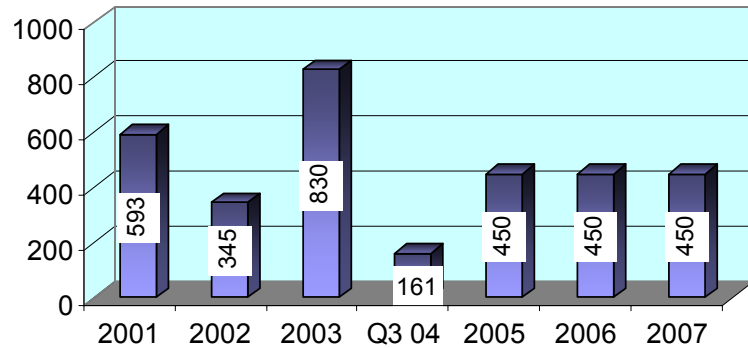
Value of Residential Construction Growth



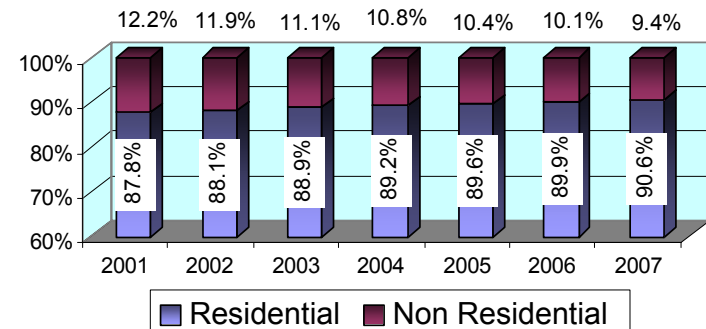
# Corporate Performance Measures:

## Economic Development (Cont'd):

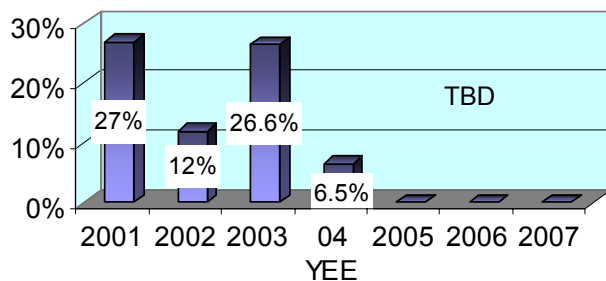
**Residential Housing Units Added**



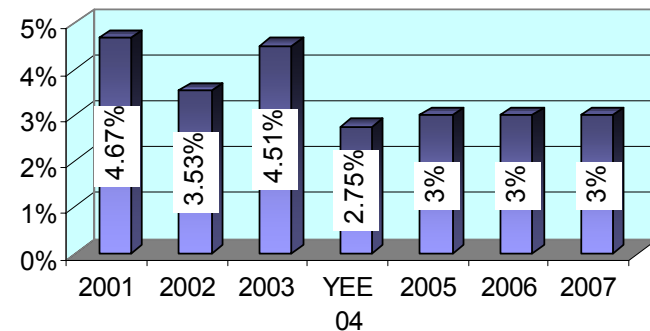
**Proportion of Residential and Non-Residential Assessment**



**Non-Residential Building Permits as a Percent of Residential Permits**



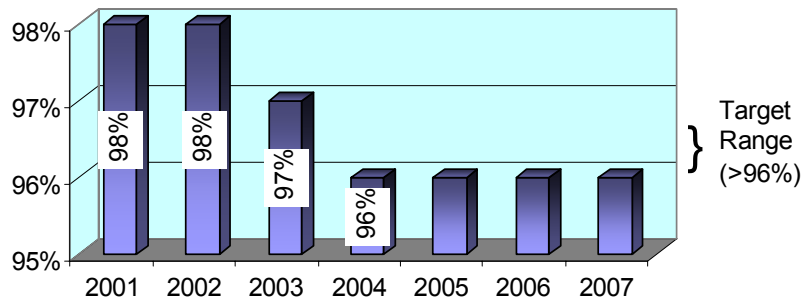
**Assessment Growth**



# Corporate Performance Measures:

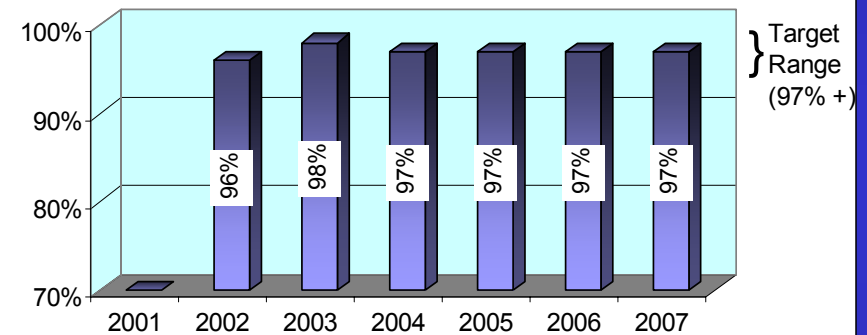
## Quality of Life:

**Overall Satisfaction with Quality of Life**

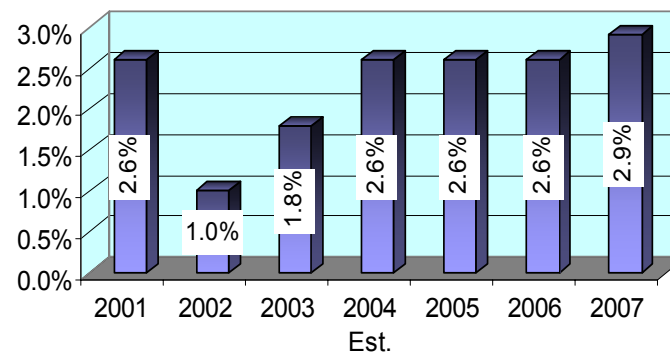


\* Note - No statistically significant decline in Quality of Life

**Satisfaction with Services, Facilities & Programs**



**Population Growth**



# Community Priorities

*Key Priorities reflected in Business Plan:*

	<i>Resourced</i>	
	<u>Staff</u>	<u>\$</u>
MPLC	√	2004
West Road	√	2004
Land Development/Annexation	√	√
New Financial Deal for Cities	X	X
Long Term Financial Plan	√	√
Infrastructure Deficit (Implementation Plan)	√	X
Land Use Bylaw	√	√
Business and Corporate Planning	√	√
Affordable Housing	X	√

# Community Priorities:

	<i>Resourced</i>	
	<u>Staff</u>	<u>\$</u>
Implement Econ. Dev't Master Plan	√	X
Space Needs Master Plan - immediate term	√	√
- long term planning	√	√
-construction	X	X
Enhance Regional Relationships	√	Pending Council Priority
Implement Parks & Open Spaces	√	(Partial) √
Dry Landfill Monitoring Requirements	√	√
Complete Heritage Sites Master Plan	√	√
Complete Tourism Strategy Master Plan	√	√



***City of St. Albert  
Recommended  
Corporate Budget  
2005***

# ***Economic Environment***

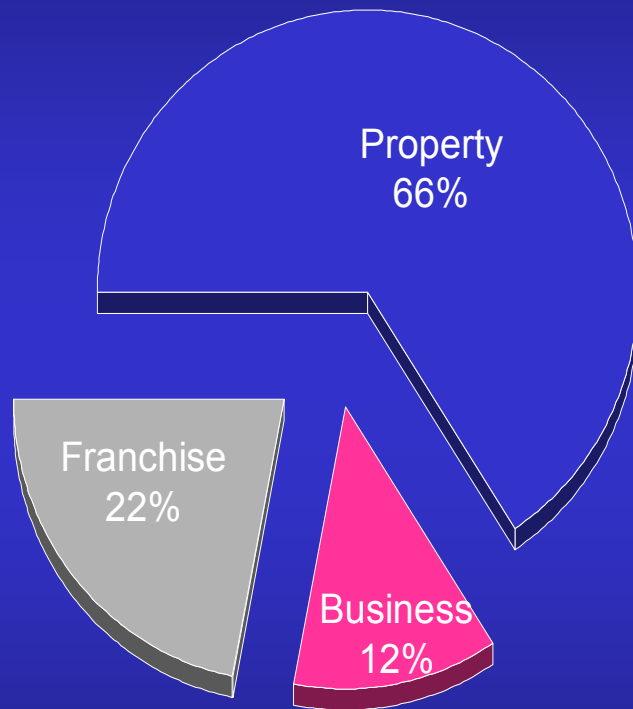
# ***Major Issues Facing St. Albert***

- The Infrastructure Challenge
- Environmental Management
- Maintaining City programs and services (within available resources)

# *Infrastructure*

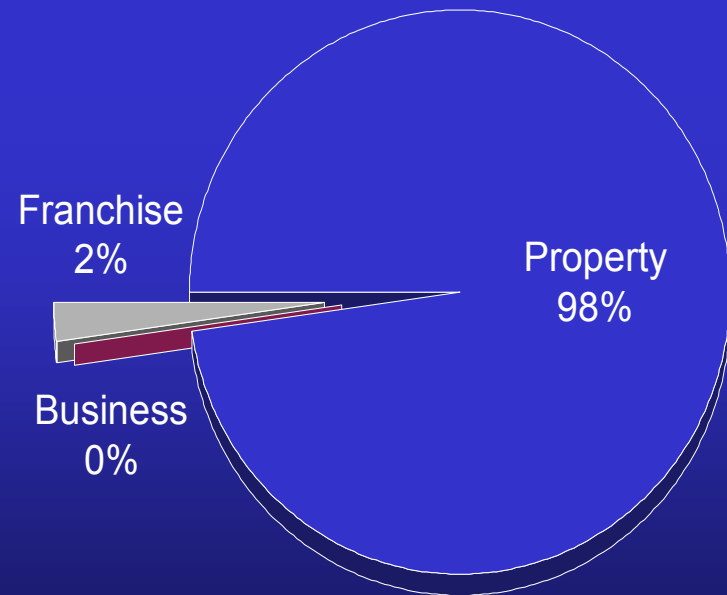
- All municipalities are facing a major infrastructure challenge
- Infrastructure for cities:
  - Roads, Buildings, Equipment, Utilities, Parks & Trails etc.
- This challenge cannot be managed by municipalities alone

# Limited Tax Tools



Edmonton

St. Albert



# *Infrastructure*

- St. Albert's challenge is:
  - Replacement of assets
    - current value \$1 billion
  - Maintenance backlog = \$46.8 million
  - Annual ongoing need
- This budget continues to focus on this challenge

# ***Canada West Foundation***

*Foundations for Prosperity – Sept 2004 - excerpts*

## Three Basic Assertions

- Community infrastructure = foundation for economic prosperity & quality of life;
- Current funding arrangements for infrastructure are not adequate
- The problem can be fixed

# ***Canada West Foundation***

*Foundations for Prosperity – Sept 2004 - excerpts*

## **Recommended Solution**

- Commitment to elimination
- Establish an infrastructure council
- Change in infrastructure funding
  - New tax tools
  - Provincial revenue sharing
  - Phased withdrawal of Education property tax
- Gov't of Alberta & municipalities approach Federal gov't

# *Infrastructure*

## St. Albert's approach in 2005

- Infrastructure study
  - Utility rates to reflect study findings
- Advocate governments for funding
- Paying for
  - Growth – pays its way - offsite & PAC's
  - Existing
    - PAYG & Internal Financing
    - New Grants

# *Environmental Management*

- Escalating regulatory requirements and expectations
- Municipal responsibility to safeguard water and provide effective storm water and sanitary sewer services
  - Monitoring
  - Proactive development of remediation strategies

# ***Environmental Management***

## **Municipal Fund**

- Underground Fuel Tank monitoring/reconciliation
- Monitoring of former Public Works yard
- Proactive development of remediation plans

# ***Environmental Management***

## **Utility Fund:**

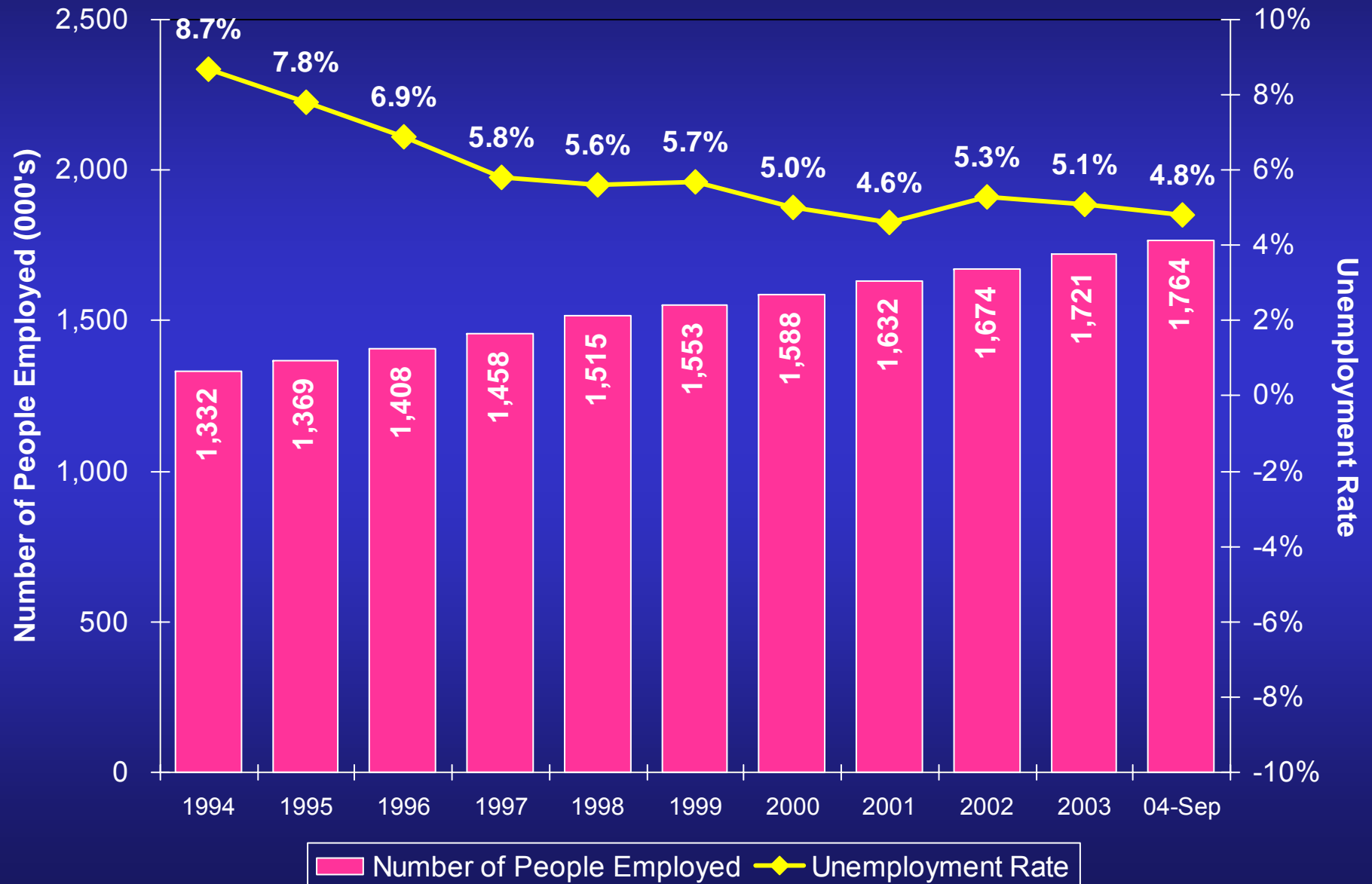
- Unique safety equipment for utility categories
- Monitoring of former dry landfill sites (Riel)
- Storm water outfall monitoring
  - Installation of Hydro Carbon Grit Interceptors
  - Expanded inspection of underground facilities (CCTV)
  - Expanded catch basin cleaning program in Co-op with Morrinville

# ***Maintaining City programs and services***

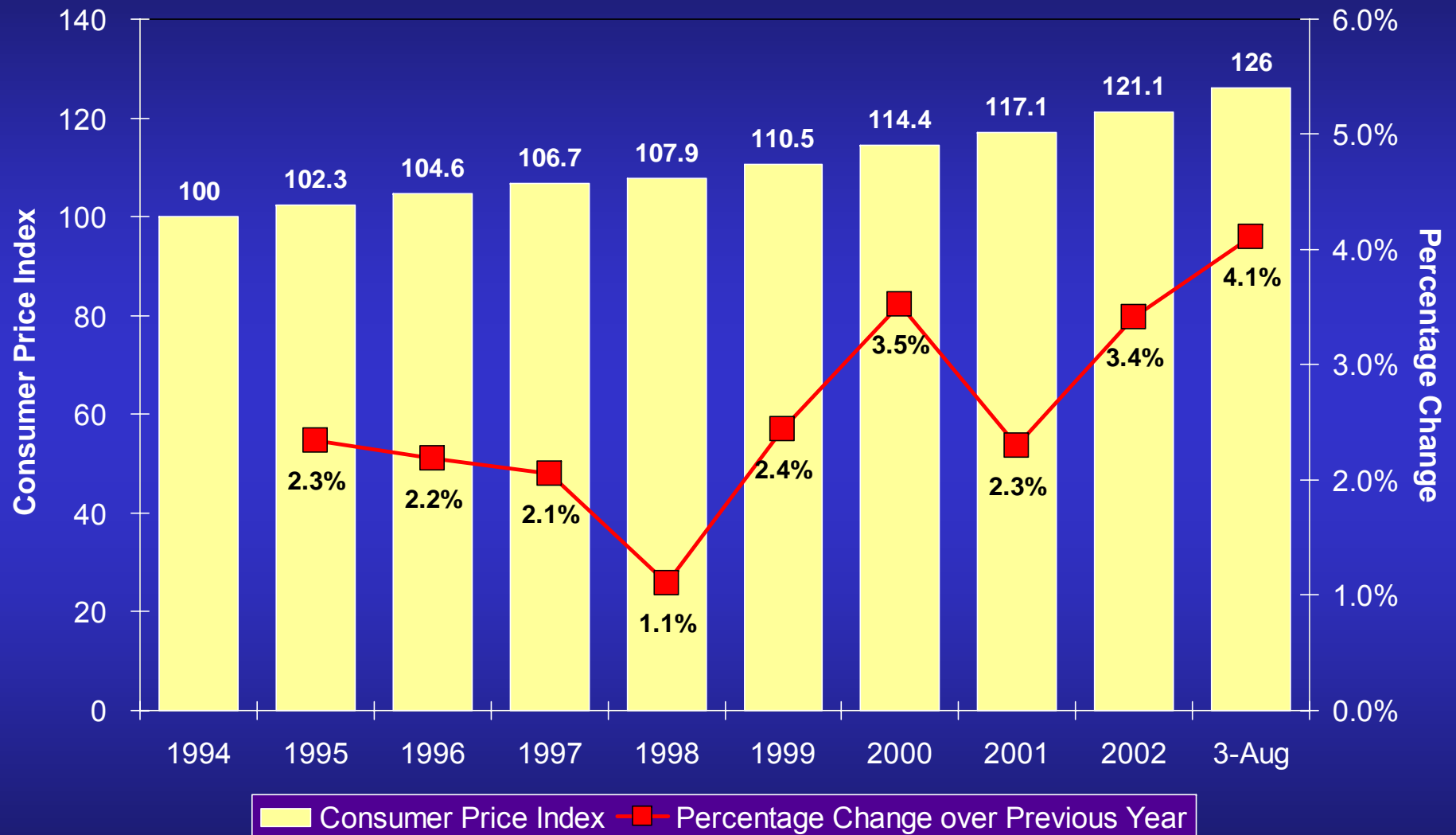
- Tightening labor markets
- Inflationary pressures
- Low tolerance for property tax increases

# Employment & Unemployment Rate

Source: Alberta Economic Development, Monthly Economic Review, October 2004



# Alberta Consumer Price Index



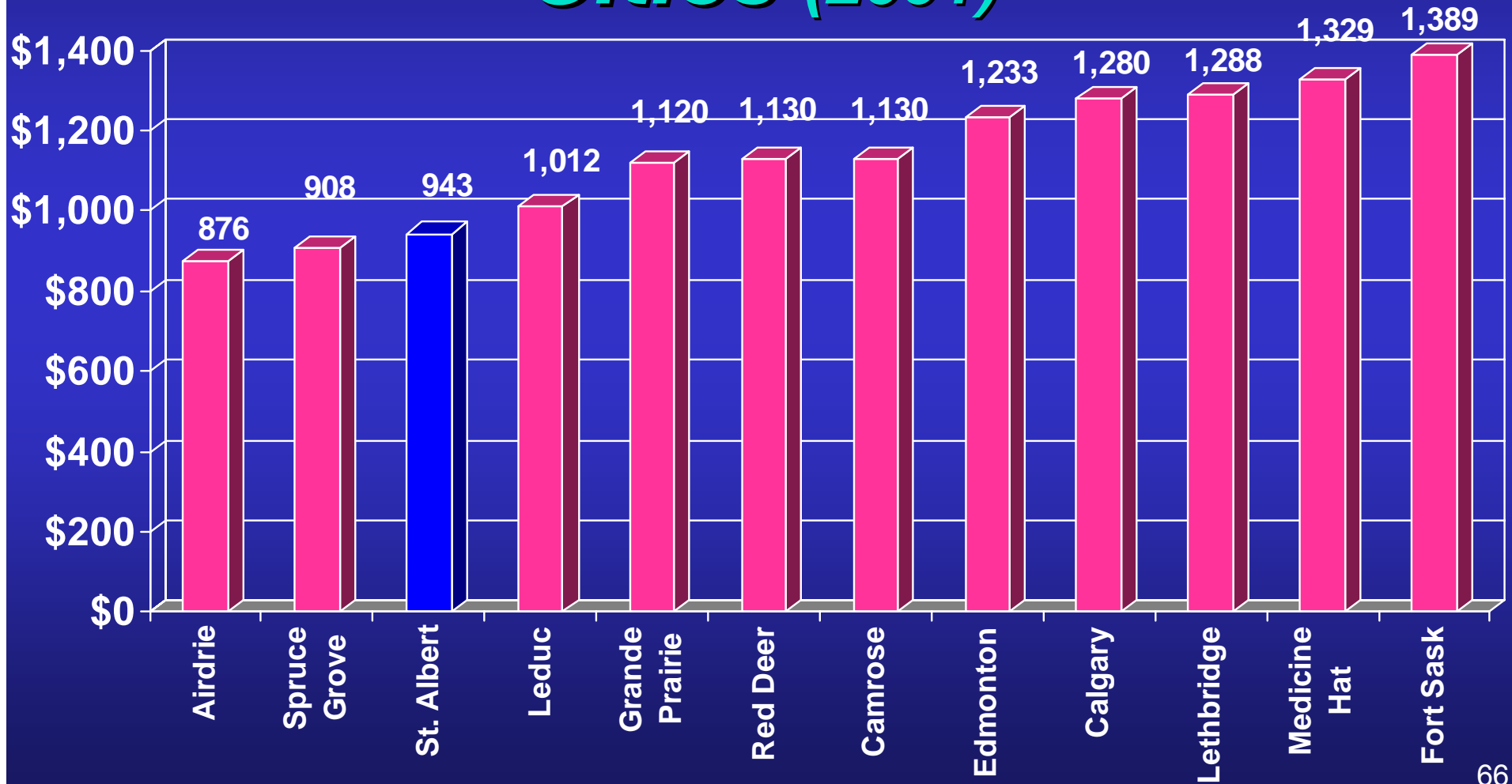
Average Annual Compounded Growth Rate = 2.6%

# *Price Index Comparison*

*Alta. 1996 to 2004 Stats Can.*

- Natural gas 162%
- Water fuel & electricity 77%
- Operation of automobiles 65%
- Home construction 38%
- Average total income 37%
- Shelter 25%
- Property taxes 10%

# Operating Expenditures per Capita - Relative to other Cities (2001)



# *In Summary*

- High Growth Province
- Demands unabated
  - Growing population
  - Business growth
- Costs push inflation
  - Labor costs to retain and attract staff
  - Material and Supply costs
  - Capital construction costs
- Provincial crowding out of tax room
  - Education tax increases

# *In Summary*

- Ongoing meetings with Ministers, MLA's, AUMA, FCM, Mid City Mayors etc.
- Municipalities require a “New Deal”
  - Federal & Provincial surpluses built on the backs of municipality's
- Its about choices
  - Higher end – needs fulfilled
  - Lower end – needs remain outstanding

**2005**  
***Municipal Budget***  
***& Utility Budget***

***Municipal  
Budget  
2005***

# ***Expenditures***

***Significant \$ Changes***

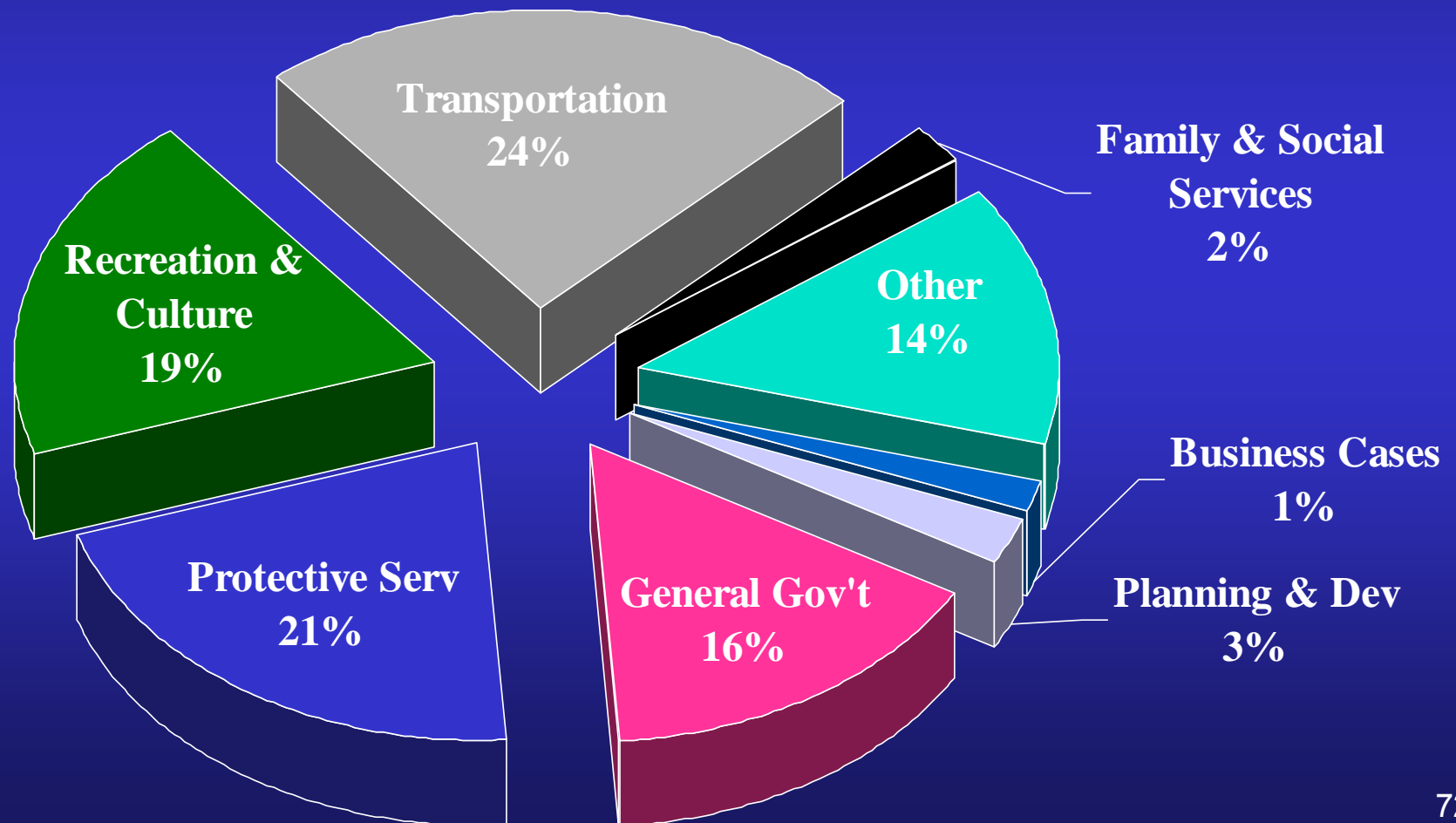
***Trends***

***Staffing***

***Utilities – Electricity & Gas***

# 2005 Municipal Operating Expenditures by Function

Source: 2005 Budget



# ***Increase in Expenditures***

2004 Budget	\$63.1 million
2005 Budget	<u>\$68.7 million</u>
Increase	\$ 5.6 million

# Annual Change in Operating Expenditures by Division



# ***Significant Changes*** ***(in thousands)***

## City Manager

- City Manager's Office \$110
    - Annualization of 1 FTE
    - Change in pay grid and merit increases
  - Economic Development \$109
    - Change in pay grid and merit increases
- Total City Manager \$219**

# ***Significant Changes*** ***(in thousands)***

## Comm/Protective

- Administration \$35
  - Change in pay grid and merit increases
- Culture \$138
  - Transfer to Arden Reserve (\$94)
  - Change in pay grid and merit increases (\$44)
- FCSS \$60
  - Additional grant funded positions (\$128)
  - Elimination of 2004 projects (\$-59)
  - Concession operations (\$-39)
  - FCSS grants (\$30)
- Recreation \$60
  - Change in pay grid and merit increases

# ***Significant Changes*** ***(in thousands)***

## **Comm/Protective (con't)**

- **Fire** **\$462**
    - Change in pay grid and merit increases (\$254)
    - Annualization of 4 firefighters (\$125)
    - Increase in equipment charges (\$64)
    - Pharmaceuticals & medical supplies (\$19)
  
  - **Police** **\$305**
    - Two new RCMP members
    - RCMP contract (\$180)
    - Change in pay grid and merit increases (\$87)
    - Increase in equipment charges (\$21)
    - Electricity and natural gas (\$17)
- Total Comm/Protective** **\$1,060**

# *Significant Changes*

*(in thousands)*

## Planning & Engineering

- Admin Support \$146
  - Change in pay grid and merit increases (\$51)
  - 2 new engineering FTEs (\$190)
  - Street lighting (\$76)
  - Remove one-time 2004 costs (\$-171)
  
- Planning \$26
  - Change in pay grid and merit increases

# *Significant Changes*

*(in thousands)*

## Planning & Engineering (con't)

- Public Works \$1,169
  - Change in pay grid and merit increases (\$143)
  - Facility refurbishment (\$566)
  - Insurance premiums (\$25)
  - Equipment replacement reserve (\$71)
  - Increase in equipment charges (\$426)
  - Transfer of telephones (\$-62)

# ***Significant Changes*** ***(in thousands)***

## Planning & Engineering (con't)

• Transit	\$1,299
– Change in pay grid and merit increases (\$55)	
– Transit bus driver contract (\$487)	
– Transit replacement reserve (\$690)	
– Gas and oil (\$67)	
<b>Total Planning &amp; Engineering</b>	<b>\$2,640</b>

# ***Significant Changes*** ***(in thousands)***

## Corporate Services

- Assessment & Taxation \$34
  - Change in pay grid and merit increases
  
- Corporate Communication \$48
  - Change in pay grid and merit increases (\$17)
  - Global weather watch sponsorship (\$31)
  
- Finance \$88
  - Change in pay grid and merit increases (\$102)
  - Transfer printer cartridge budgets (\$-14)

# ***Significant Changes*** ***(in thousands)***

## Corporate Services (con't)

- Human Resources \$86
  - Change in pay grid and merit increases
  
- Info Technology \$192
  - Change in pay grid and merit increases (\$25)
  - Budget for telephone systems (\$108)
  - Transfer to office system reserve (\$37)
  - Increase in computer leases (\$22)

# ***Significant Changes*** ***(in thousands)***

## Corporate Services (con't)

• Legal Services	\$-133
– Change in pay grid and merit increases (\$17)	
– One-time funding of Northern Lights (\$-150)	
• Legislative Services	<u>\$-110</u>
– Change in pay grid and merit increases	
– Removal of election funding	
<b>Total Corporate Services</b>	<b>\$205</b>

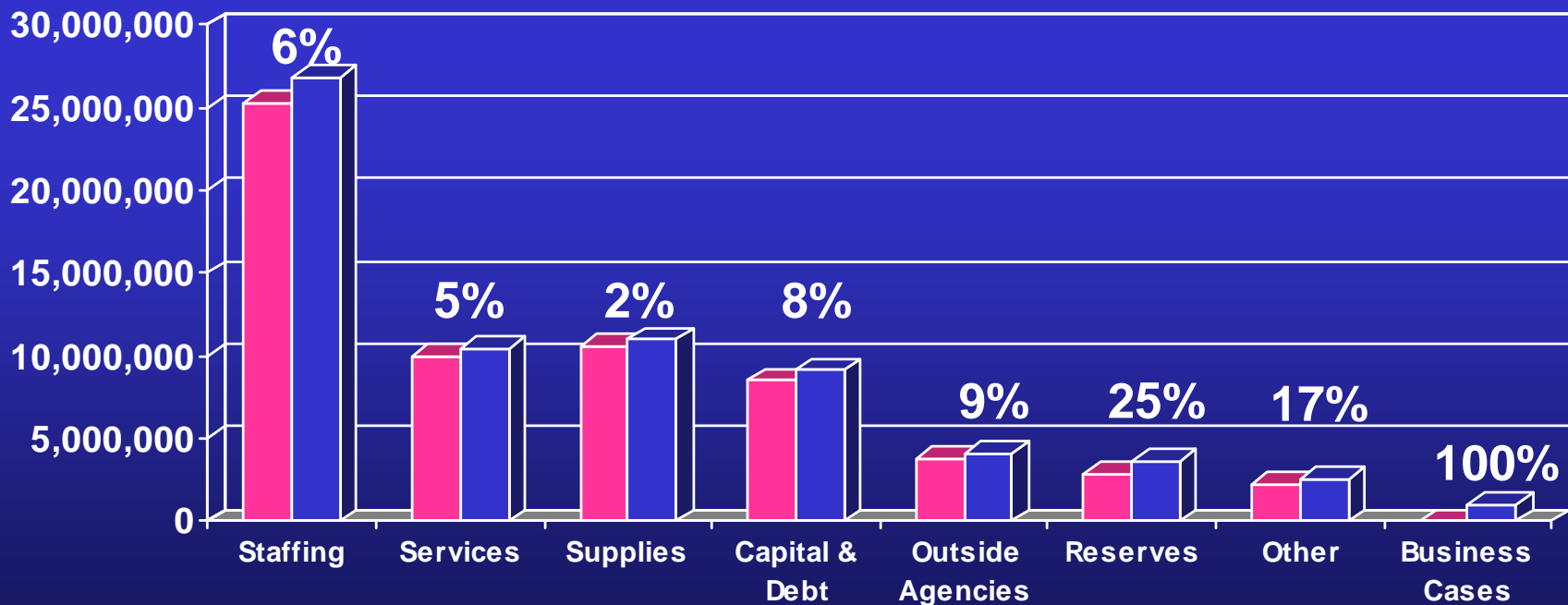
# *Significant Changes*

*(in thousands)*

## Common & Fiscal Services

# Annual Change in Operating Expenditures by Exp. Type

■ 2004 ■ 2005

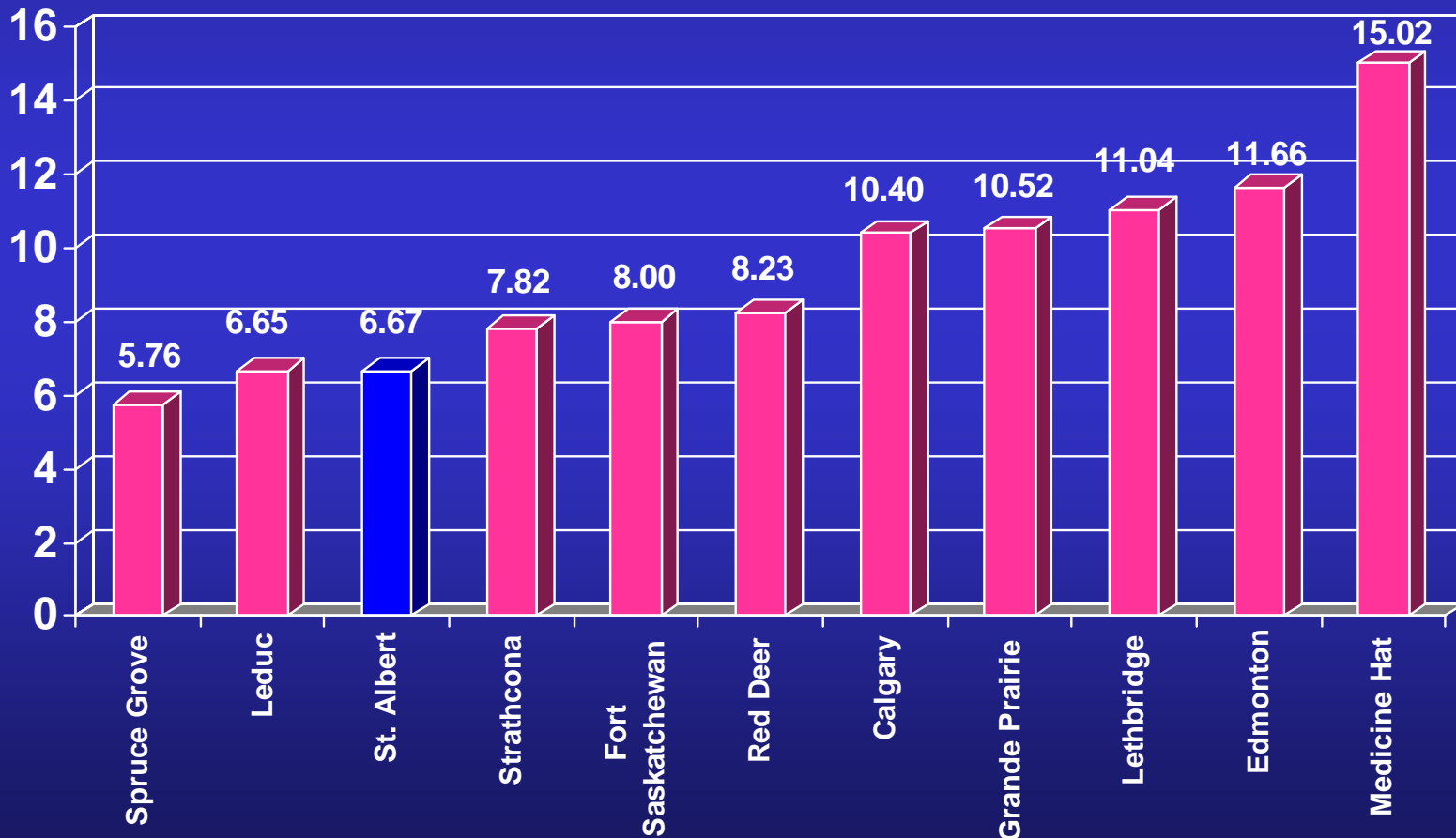


# *Staffing*

# Comparative Cities

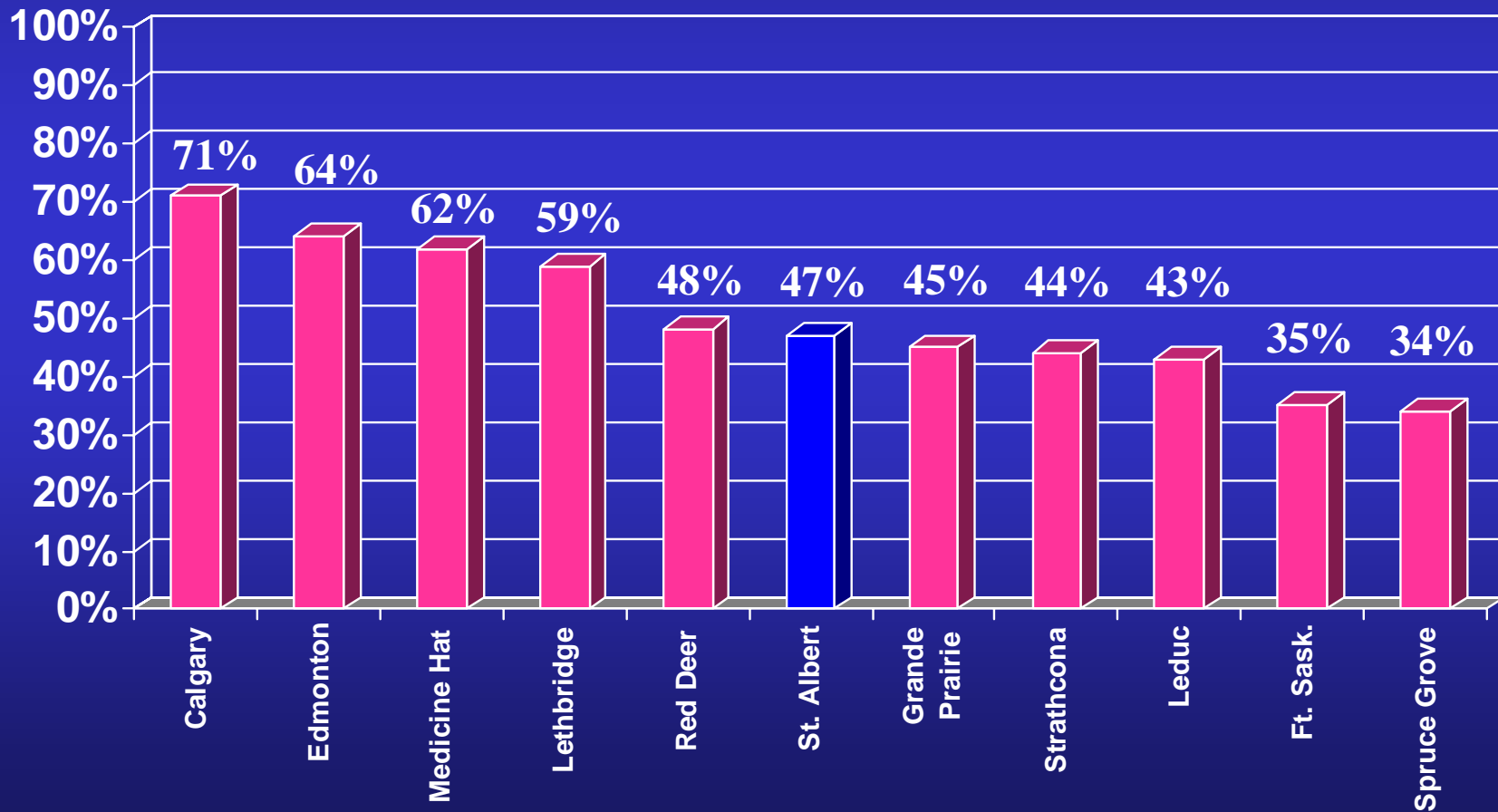
## Full-Time Positions Per 1000 Population

Source: Alberta Municipal Affairs 2002

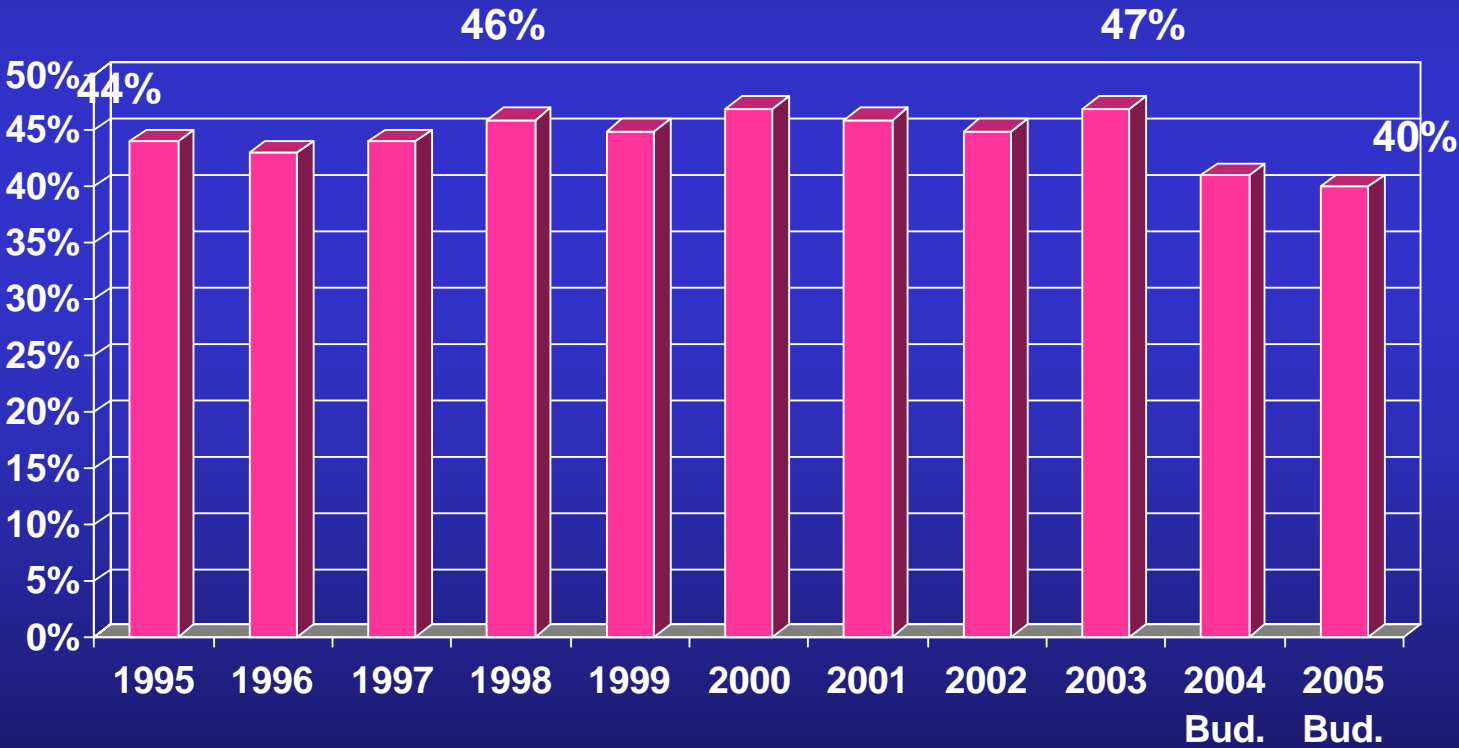


# Staffing as % of Operating Costs

Source: Alberta Municipal Affairs 2003



# Staffing as a % of Operating Costs (City of St. Albert)



Source: Alberta Municipal Affairs 1995 -2003

# *Significant Changes*

*(in thousands)*

- Staffing \$ 1,600
  - Annualization/Merit (\$300)
  - Economic Increase (\$800)
  - Benefits
    - Employee Pension (LAPP) \$400
    - Statutory Deductions \$50
    - All other (WCB, Dental, etc) \$50

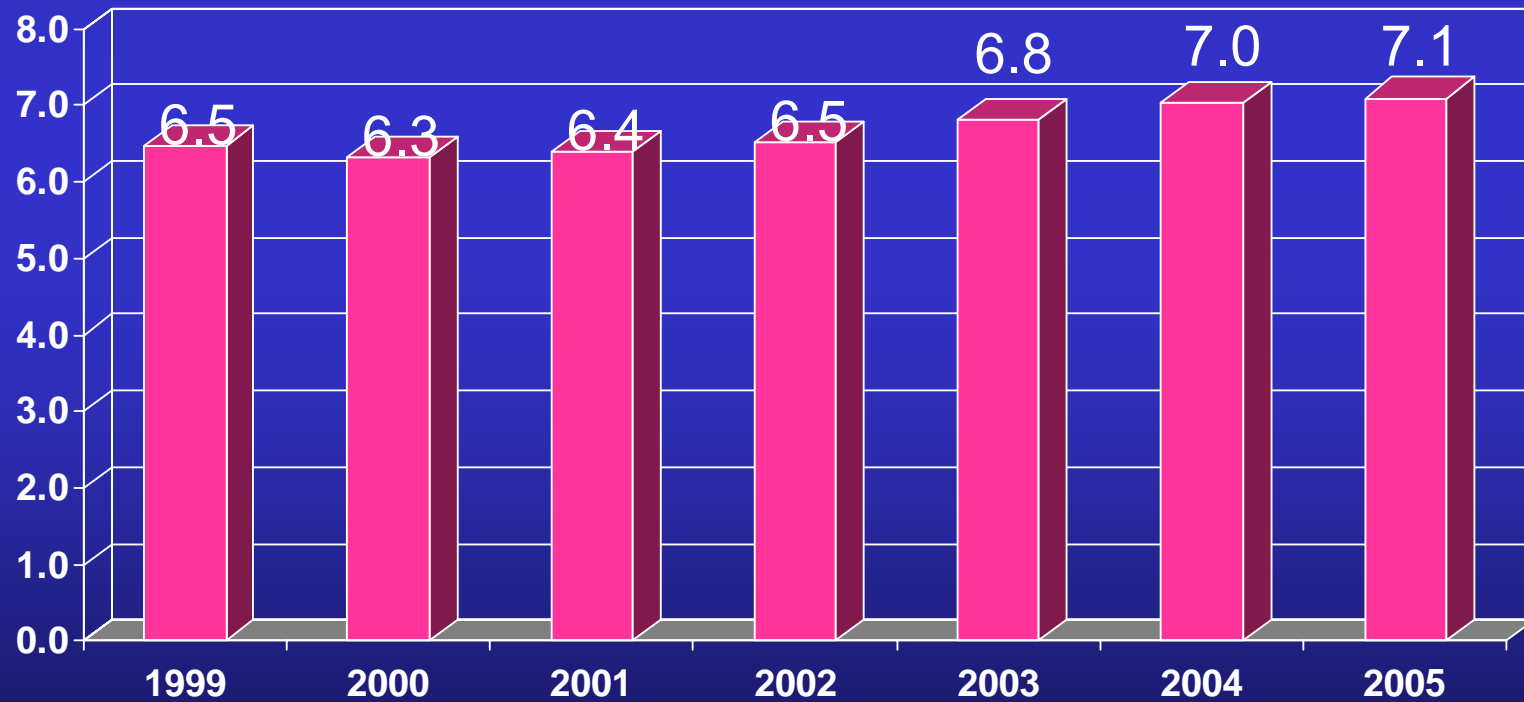
# **Staffing Changes for 2005**

*(includes business cases)*

<b><u>Position Changes</u></b>	<b><u>F.T.P</u></b>
-Admin. Support C&PS	1.0
-Fire Prevention Officer	1.0
-Municipal Bylaw Enforcement Supervisor	1.0
-Community Project Coordinator	1.0
-Transit Serviceman	1.0
-Stores Foreman	1.0
-General Accountant	1.0
-Security Specialist – RCMP	1.0
-Web Master/Graphic Designer	.5
-Admin. Support – HR/IT	.2
-Admin. Support – Transit	<u>.11</u>
Total	8.81

2.2% Inc.

# Staffing Per 1,000 Population



# *Services*

*Insurance*

*RCMP Contract*

# Insurance 2000 – 2007

(Municipal portion)



# ***Insurance***

*(municipal & utility)*

- Total increase of \$279,000 (36%) for Insurance in 2005 budget to \$1,056,000
- 2004 budget \$777,000 but actuals \$944,800
- Difference as reported to Council in 2004

# RCMP Members

	1999	2000	2001	2002	2003	2004	2005
# of Actual Members	36.8	35.2	37.9	37.0	39.3	40.4*	
# of Members Budgeted	39	39	39	40	42	42	43
# of Members Requested	40	40	40	41	44	44	46

\* Year to Date

# ***RCMP Members***

- 40 members in 1999
- 1 new member in 2002 (recover two-thirds as shared with 2 high schools -Paul Kane and Bellerose)
- 3 new members in 2003 for drug section
- 2 new members requested for 2005 (budget only increased for 1 member)
- Presently 46 members requested from K Division for 2005

# *Significant Changes*

## *(in thousands)*

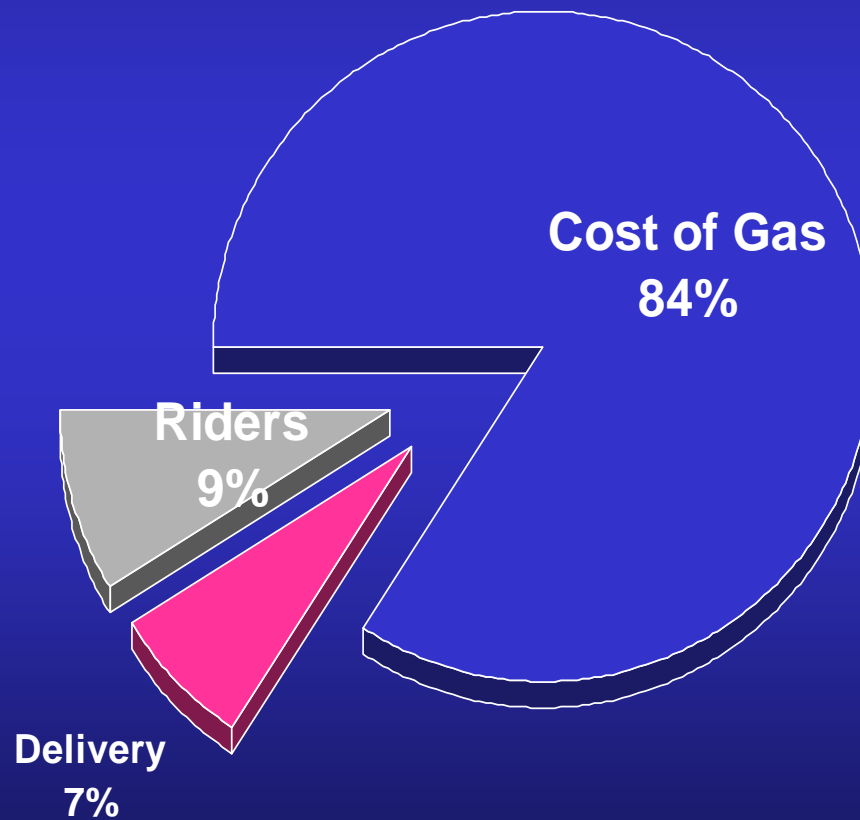
- Services \$ 800
  - RCMP contract (\$200)
  - Transit contract (\$500)
  - Insurance premiums (\$300)
  - Facility management (\$500)
  - Miscellaneous contracts (\$100)
  - Leachate monitoring (\$-200)
  - Computer Leases (\$-200)
  - Northern Lights (\$-200)
  - GST (\$-200)

# ***Supplies***

***Natural Gas***

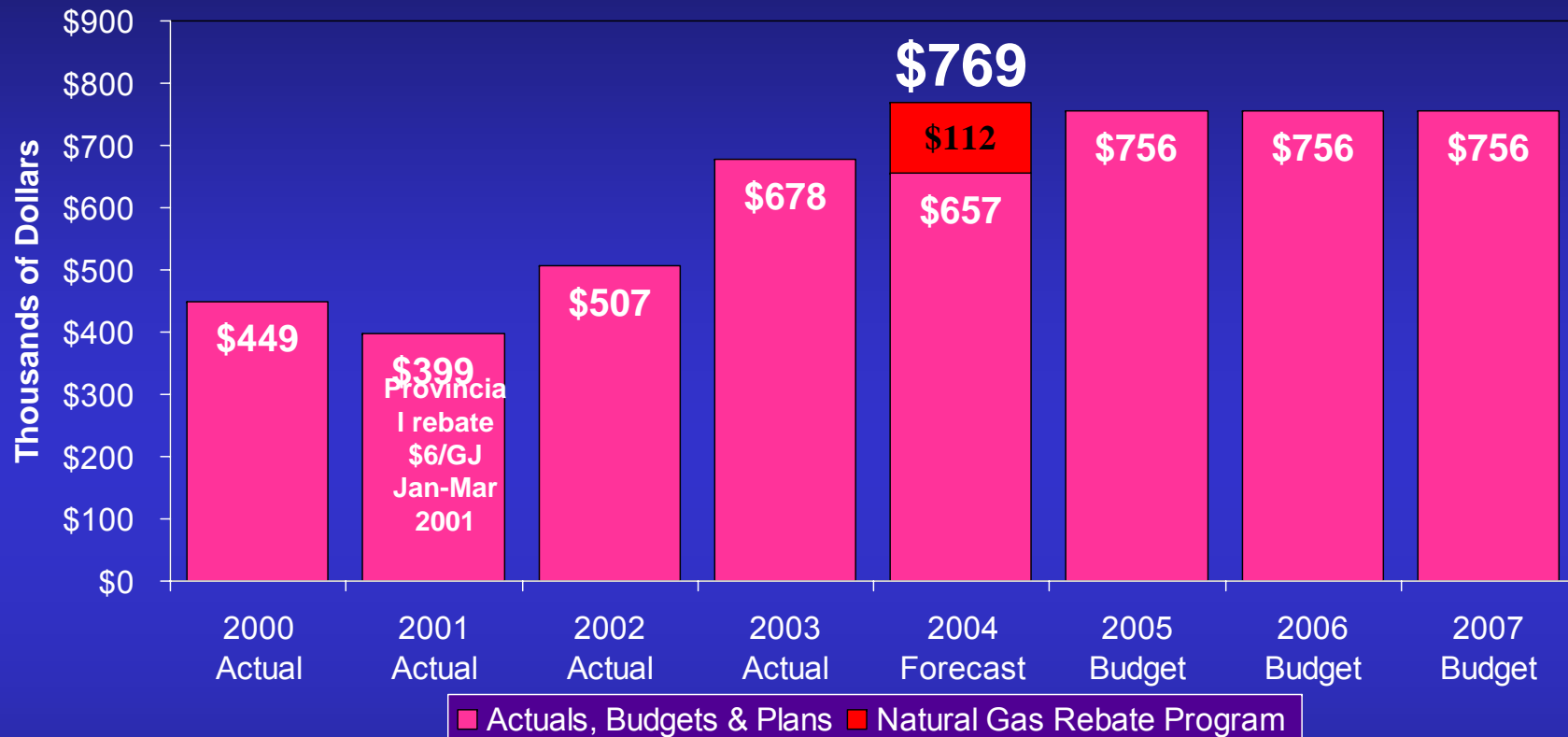
***Electricity***

# *Gas Cost in 2004 (forecast)*



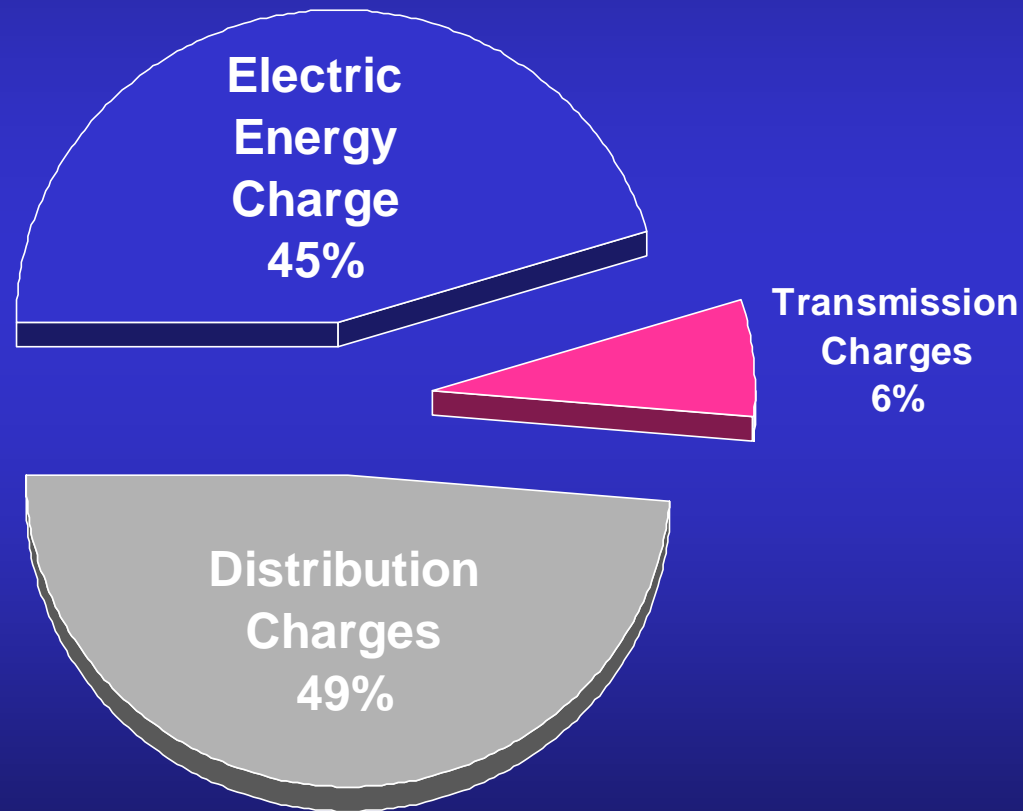
# Natural Gas 2000 - 2007

2005 Budget increase of \$0



- The total cost of Natural Gas is forecast to be \$657 thousand in 2004.
- If the Natural Gas Rebate Program did not exist, then the total cost of Natural Gas would have been \$769 thousand.
- The Natural Gas Rebate Program began in November 2004 and will end on March 31, 2006.
- We can expect the cost of Natural Gas to increase with the cost of oil. Taking into account the rebate program, a budget of \$756 thousand is reasonable for 2005. The budgets for 2006 and 2007 should be reviewed again next year.

# *Electricity Cost in 2004 (forecast)*



# Electricity 2000 - 2007

2005 Budget increase of \$8,000



- A three year contract for energy costs was entered into with Constellation Energy in January 2004 for a Base load of 1.85 MW of electricity for \$48.42 per MWh.
- The 2004 budget assumed a total average energy cost of \$52.70 per MWh, after taking into account various forecasted hourly pool price scenarios. The current forecast for 2004 is \$51.76 per MWh, which is 94 cents below the budgeted amount.
- An annual budget of \$2.0 million for 2005 to 2007 is considered reasonable at this time.

# *Significant Changes*

*(in thousands)*

- Supplies \$ 200
  - Utilities (\$181)
  - Inflation (\$178)
  - GST (\$-159)

# ***Significant Changes***

***(in thousands)***

• Capital & Debt	\$ 600
– PAYG (\$500)	
– Debt (\$100)	
• Reserves	\$ 700
• Outside Agencies	\$ 300
• Other	\$ 300
• 05 Business Cases	<u>\$1,000</u>
Total Change	\$5,500

# ***Revenues***

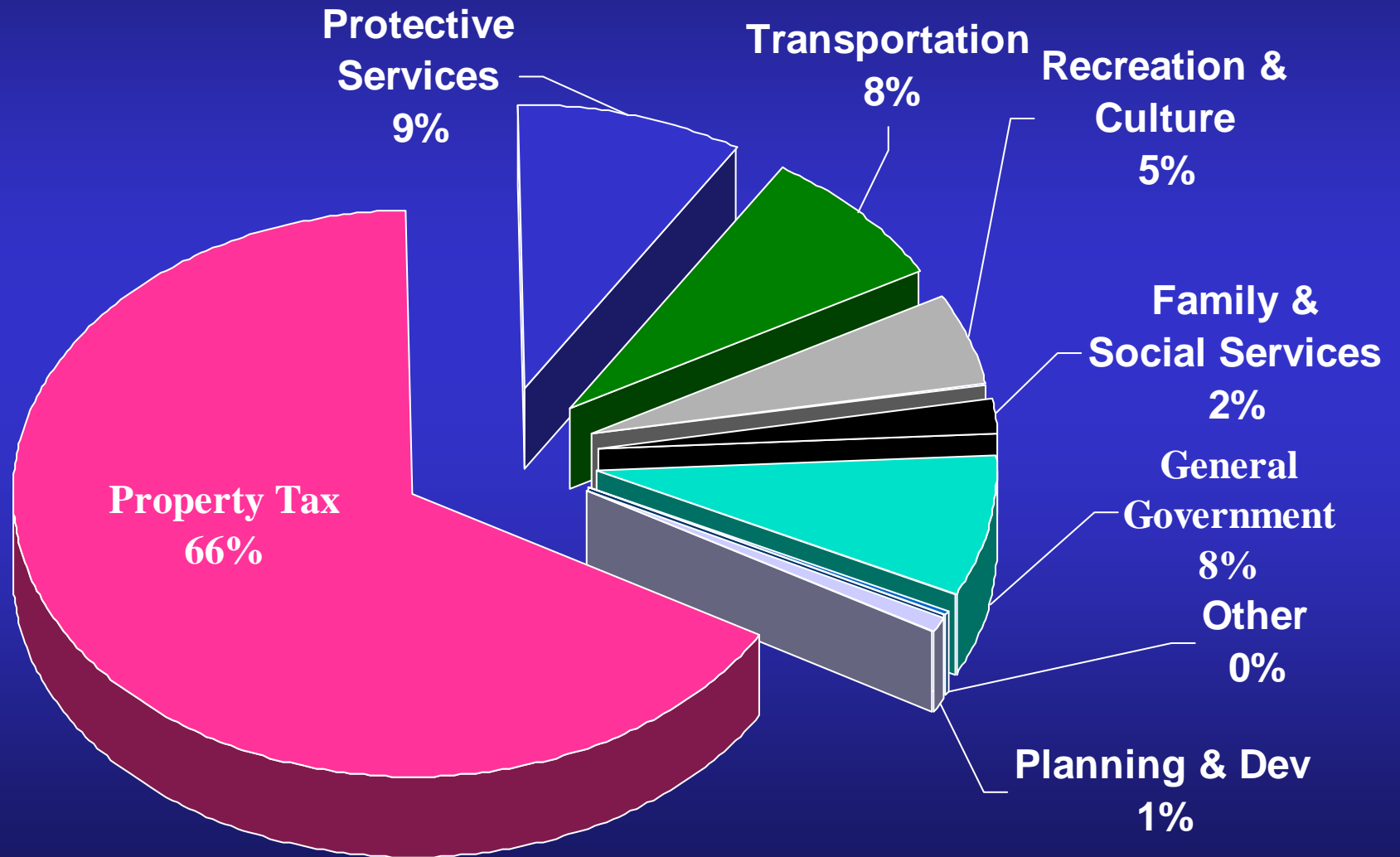
***Significant Changes***

***Taxation***

***Grants***

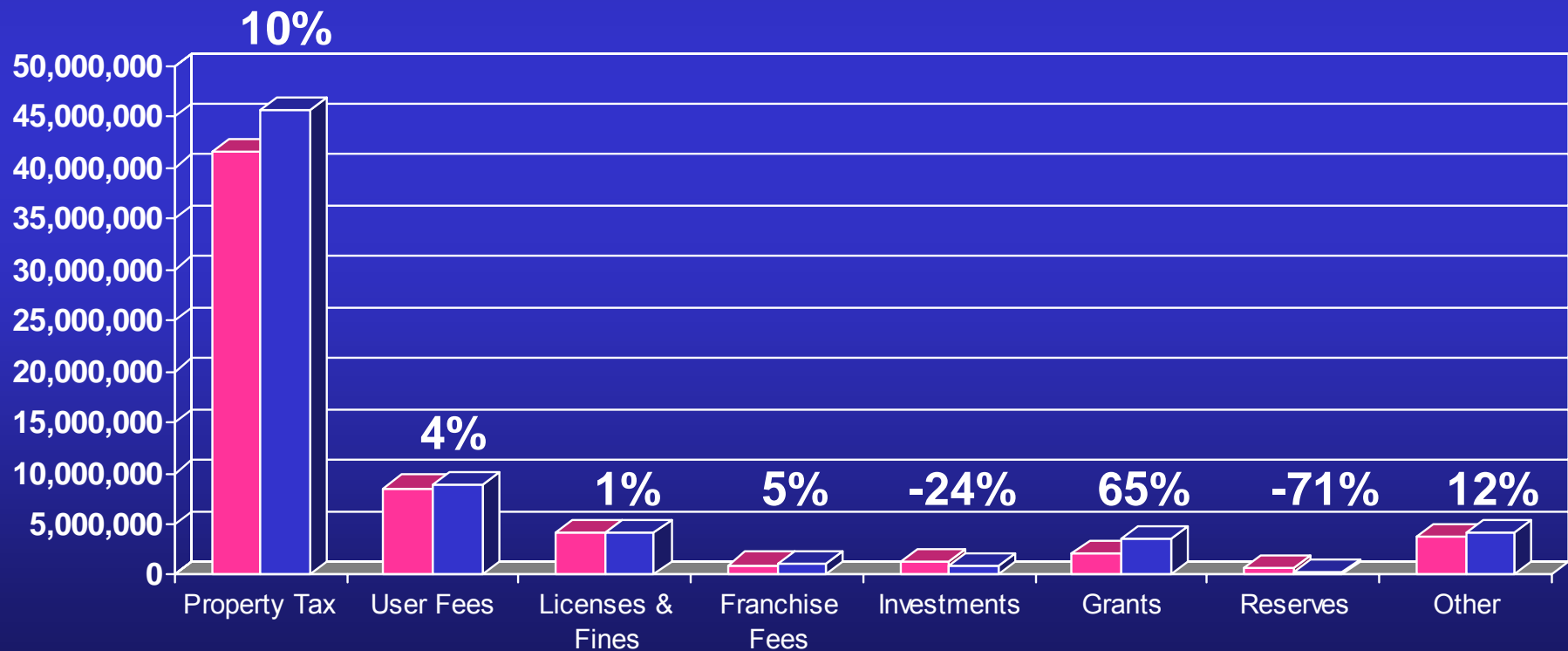
***User Fees***

# 2005 Municipal Operating Revenues by Function



# Annual Change in Operating Revenues by Object

2004 2005



# ***Significant Changes***

***(in thousands)***

- Property tax \$ 4,200
  - Growth (\$1,500)
  - Services (\$2,700)
  
- User fees \$ 300
  - Charge to Utilities (\$200)
  - FCSS recovered costs (\$100)

# ***Significant Changes*** ***(in thousands)***

• Government grants	\$ 1,400
– Police (\$600)	
– Ambulance (\$800)	
• Internal recoveries	\$ 400
• Investment income	\$ (300)
• Transfer from reserves	\$ (500)
• Other	<u>\$ 100</u>
Total Change	\$ 5,600

# *Fees & Charges*

# Changes to Fees

## Master Rates & Other Rate Bylaws

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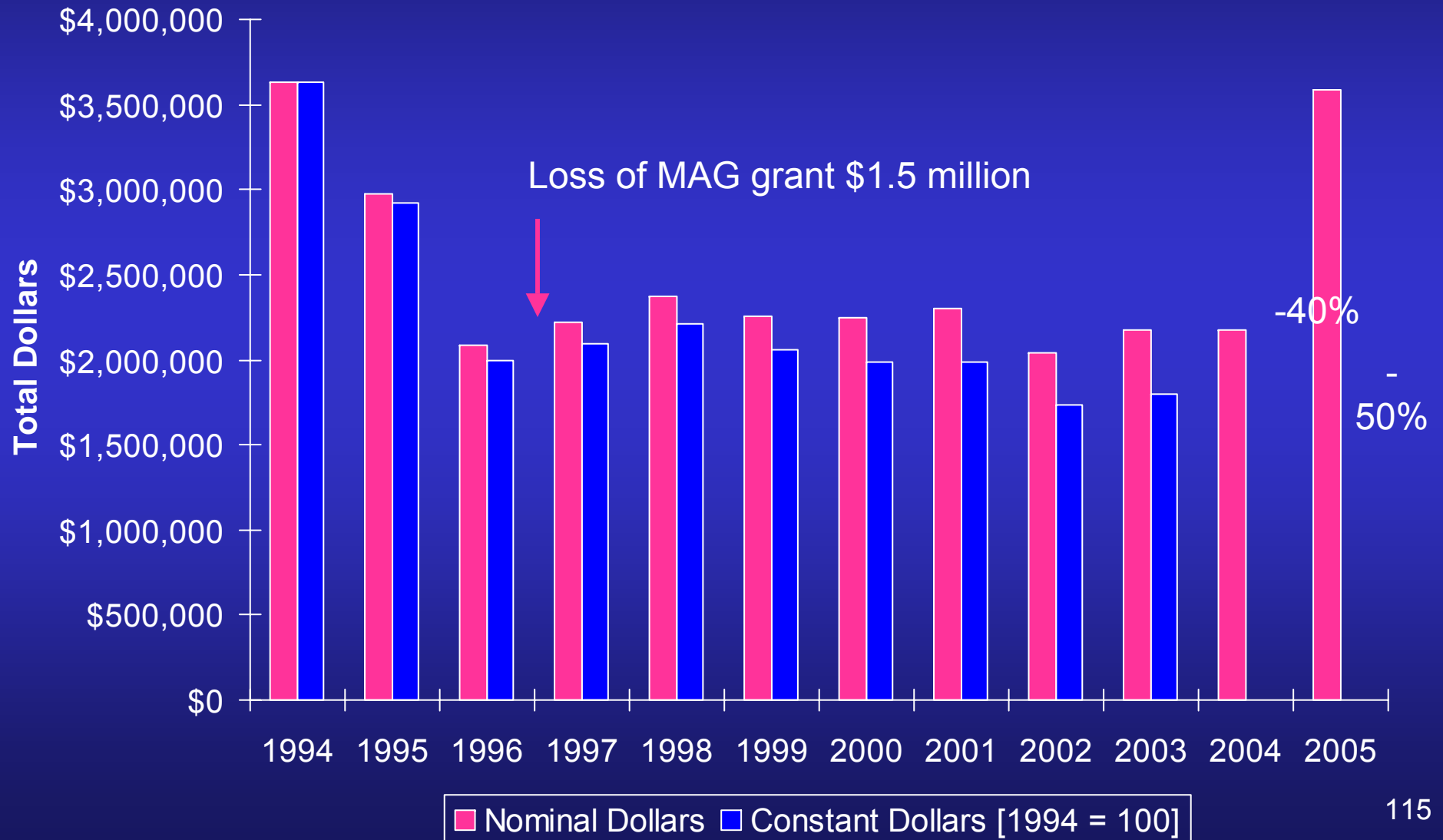
• Building Permit Fees	\$ 3,000
NEW – Lot Grading Fee for commercial properties	
• Land Use Fees	7,000
Subdivision Development Inspection Fee increasing to recover costs	
NEW – Cell Tower Application Fee	
• Tax Enquiry Fees	7,900
Tax Certificate Fees adjusted to encourage “on-line usage; Mortgage Co. Fee increase of \$5;	
• Cemetery Fees	12,400
NEW – Columbarium and Ash Scattering Fees;	
As a result of a rate review, all other rates have increased	
<b>Total</b>	<b>\$ 30,300</b>

# *Grants*

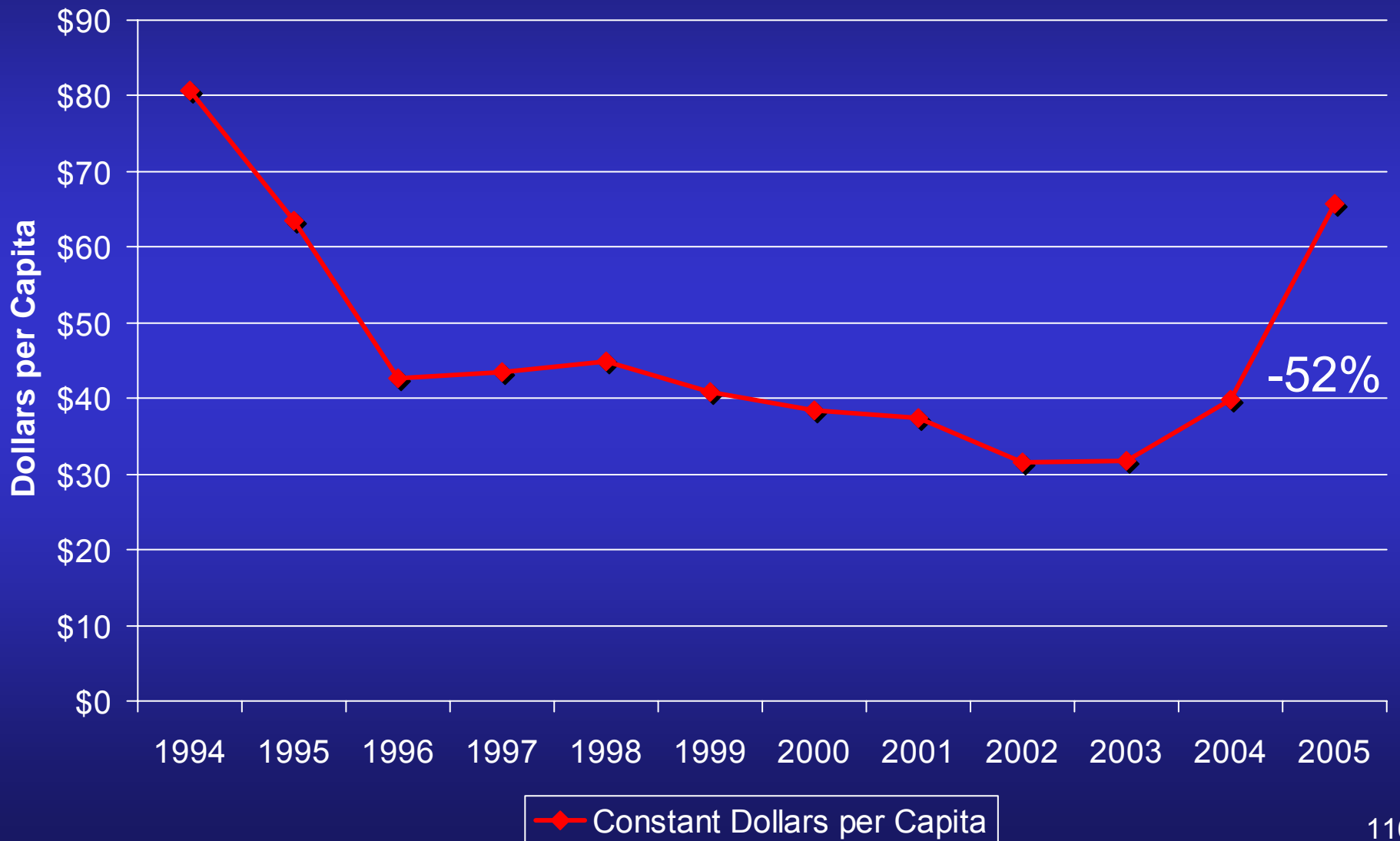
# Grants

- Operating Grants
  - Revenues have decreased 37% or \$1.5 million since 1994
  - Changes in 2005 Budget
    - \$561 Increase for Police
    - \$800 Increase for Ambulance Service
- Capital Grants
  - Basic Capital Transportation Grant included at \$60/capita in 2005 -2007 Business Plan

# Trend in Operating Grants



# Trend in Operating Grants ( per Capita )



# Grants

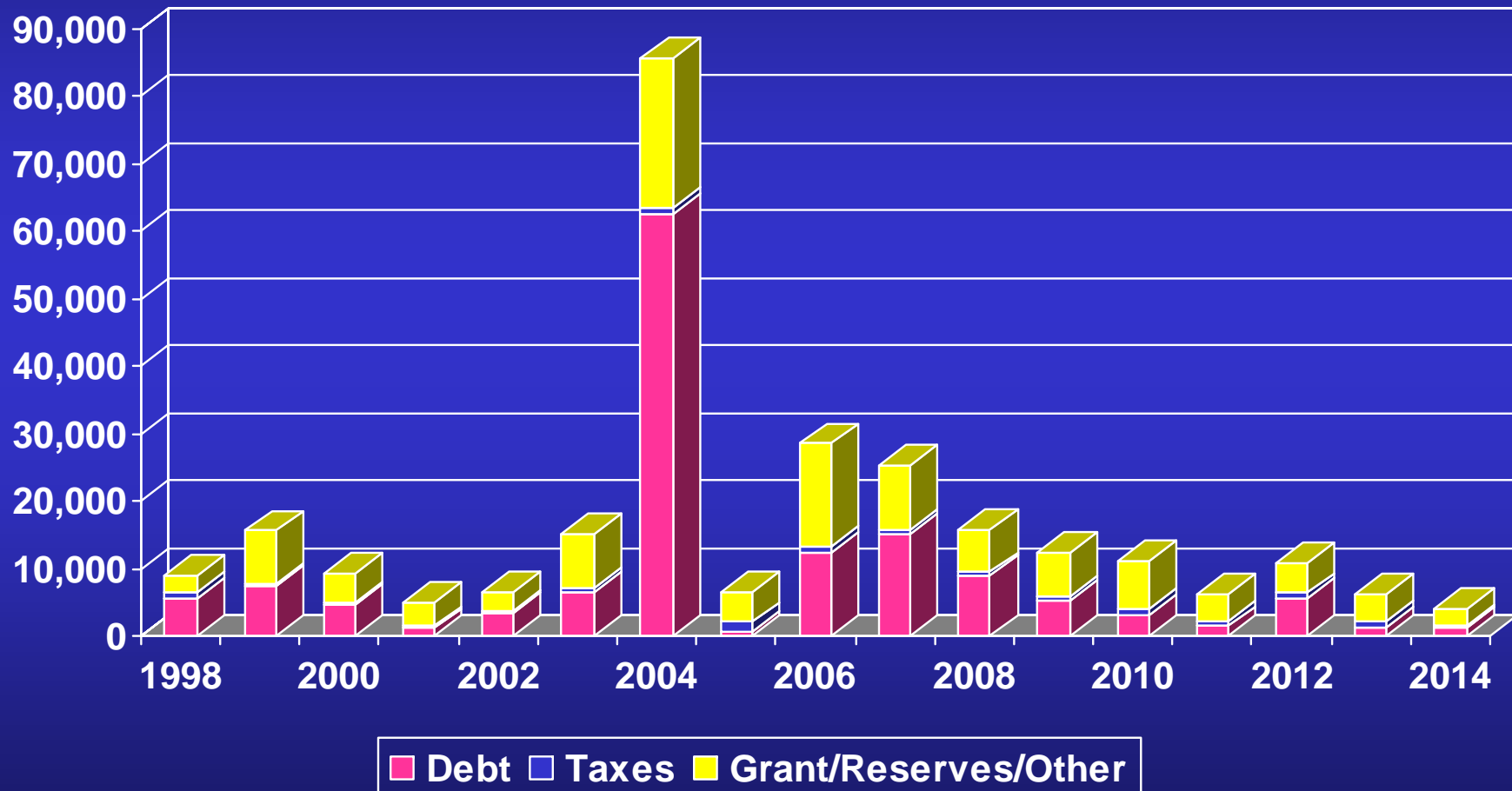
- Possible Grant Opportunities
  - Federal funding for infrastructure
    - 3 – 5 cents per litre gas tax.
    - \$2 to \$3.5 million
  - Provincial infrastructure funding
    - \$3 billion
    - St. Albert's share may be \$55 million
- Administrations recommendation
  - New funding used to address infrastructure findings

# ***Municipal Capital***

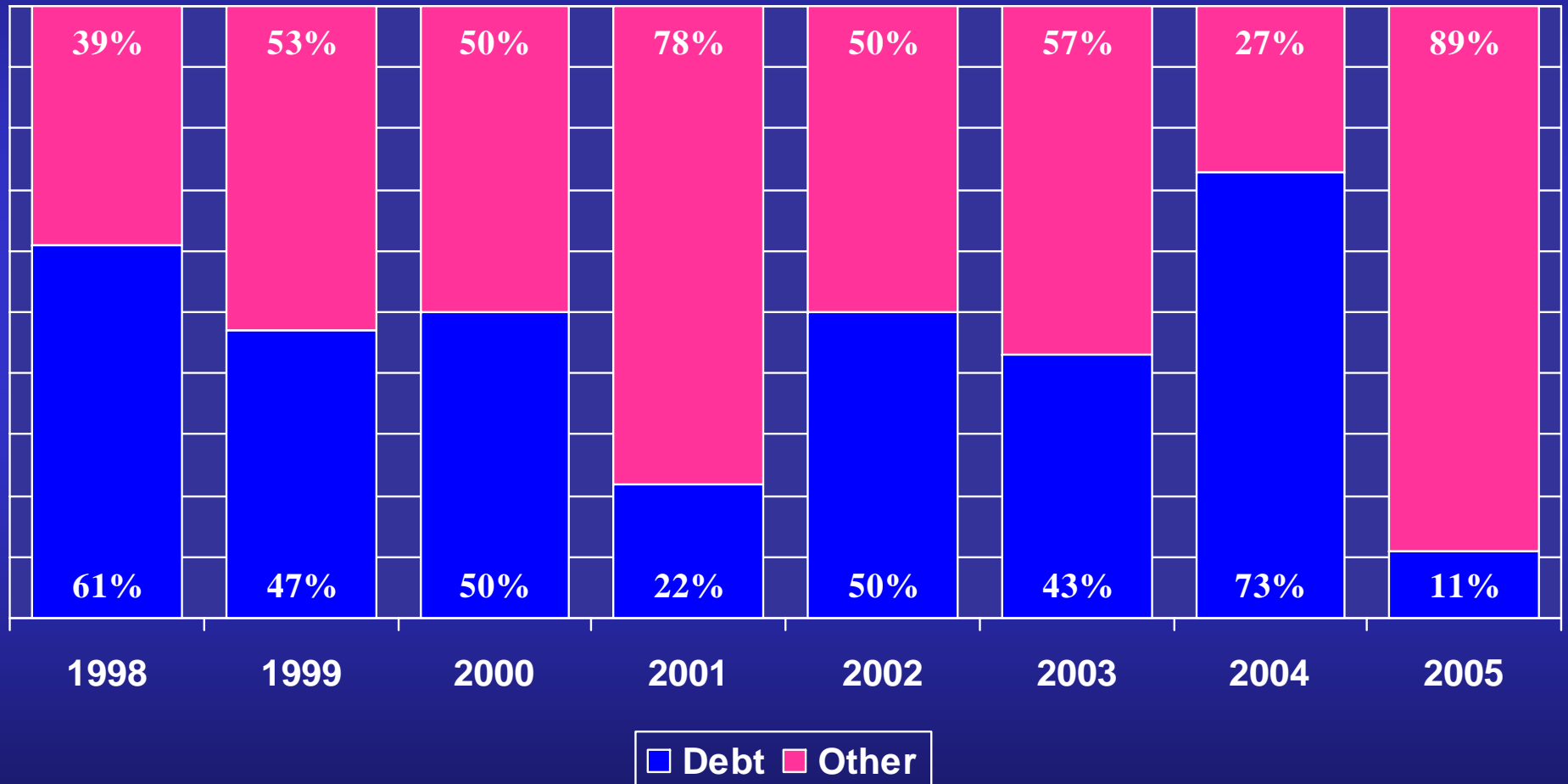


***West Road Approved in 2004***

# *Municipal Capital* *(in thousands)*



# *Capital Expenditures Financed by Debt*



# ***New Municipal Capital Projects for 2005***

- **Roadworks**

- Campbell Road–Poirier to Kingswood \$1,350,000
- Sturgeon Road Rehab 867,000
- Asphalt Overlay Program 429,000
- Neighborhood Sidewalk Replacement 164,800

- **Equipment**

- Transit Fleet Replacement \$1,200,000
- PW Equipment Replacement 748,000
- Office Systems Replacement 139,600

# ***New Municipal Capital Projects for 2005***

- **Buildings**

- Fire Station #3 (land & design) \$500,000
- Administrative Space Needs 120,000

- **Other**

- Cemetary Enhancements \$25,000
- Woodlands Waterpark Mechanical Rehab 50,000

- **Total \$6,620,000**

# ***Municipal Debt***

# *Council's Debt Policy*

## Principles

- Debt averse
  - PAYG
  - Internal financing from reserves
  - External financing with minimized terms
- Early retirement
  - City will retire debt where fiscally responsible
- Debt limits
  - Outstanding debt = 1.5 times revenues
  - Payments no greater than 25% of tax revenues

# *Council's Debt Policy*

## Actions

- Debt averse
  - PAYG increases by \$500,000
  - Internal financing = \$217,000
    - Transfer to internal financing reserve \$825,000
    - Current internal borrowings \$8 million
    - Saving taxpayers over \$250,000 per year
  - External financing = \$500,000
- Early retirement
  - City has maximized early repayments
- Debt limits
  - City remains well within debt limits

# ***New Debt Financed 2005 Capital Projects***

<u>Project</u>	<u>Amount</u>	<u>2006 Payment</u>	<u>Term</u>
Internal Financing			
– Sturgeon Rd Rehab	216,800	114,100	2
External Financing			
– Fire Station #3	\$500,000	\$ 48,300	15

# 2005 Debt Payments

<u>Project</u>	<u>Amount</u>	<u>Payment</u>	<u>Term</u>
2004 Debt Payments		\$7,001,000	
New 2005 Payments			
• RCMP Voice Data Recorder	\$ 37,500	\$ 37,500	1
• Riel Drive Lane Rehab	100,000	35,700	3
• New Ambulance	235,400	84,000	3
• Sturgeon Road Rehab	235,000	83,900	3
• Boudreau Bridge Rehab	286,800	102,400	3
• Transit Bus Fleet Growth(2)	793,100	177,900	5
• West Road	849,900	<u>73,300</u>	20
		\$594,700	
Accrued Interest (net)		<u>\$262,800</u>	
Increase to 2005 Payments		\$857,500	
Change in Approved Borrowings		\$(203,400)	
2005 Debt Maturities		<u>\$(487,600)</u>	
2005 Total Debt Payments		<b>\$7,167,500</b>	

# ***Municipal Reserves***

# *Council's Reserve Policy*

## Principles

- Stabilize tax rates
- Emergent/One time items
- Fund capital replacements (dep'n)
- Fund future capital = Pay-As-You-Go

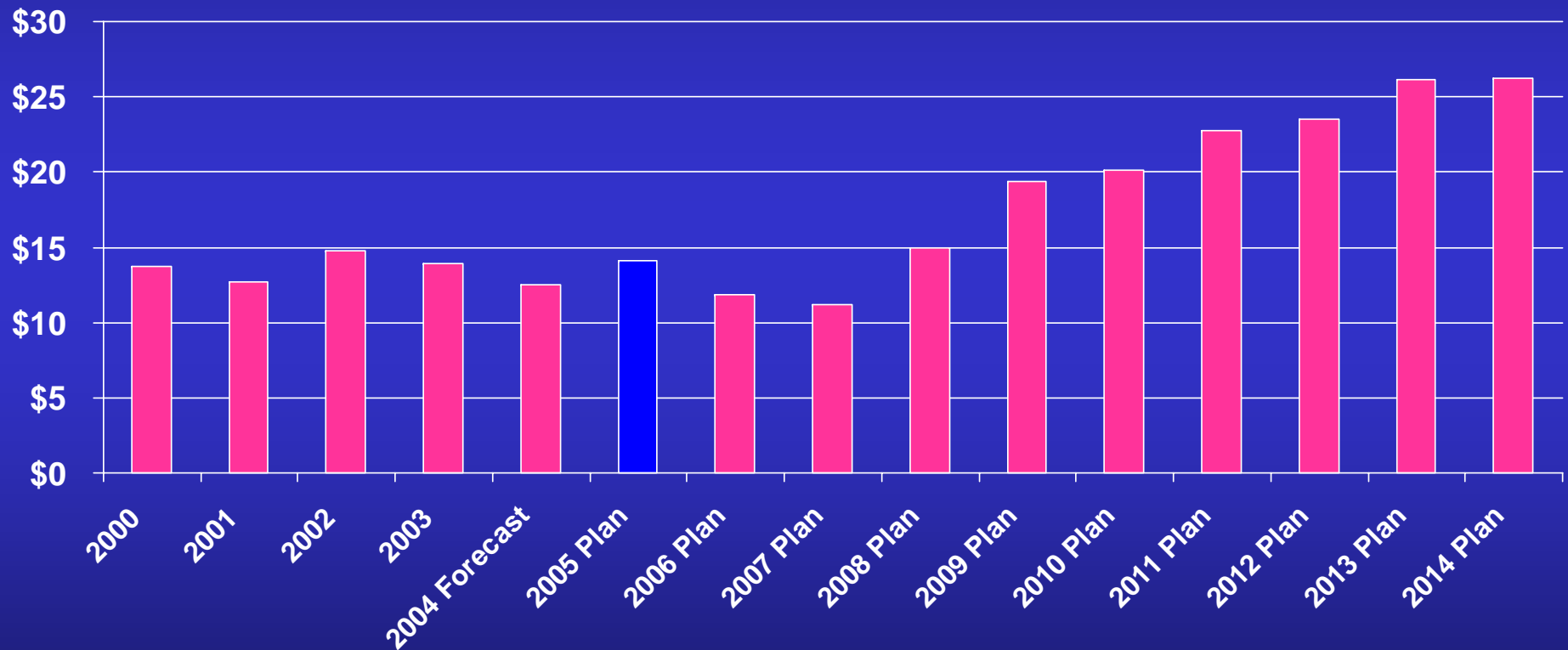
# *Council's Reserve Policy*

## Actions

- Emergent/One time items
  - Tree replacement
  - Leachate monitoring
  - Annexation
- Fund capital replacements (dep'n)
  - Added transit fleet
- Fund future capital = Pay-As-You-Go
  - Increased PAYG by \$1/2 million

# *Municipal Reserves 2000 – 2014*

*(in \$ millions)*



# *Changes to Reserves (Budgeted)*

## *2005*

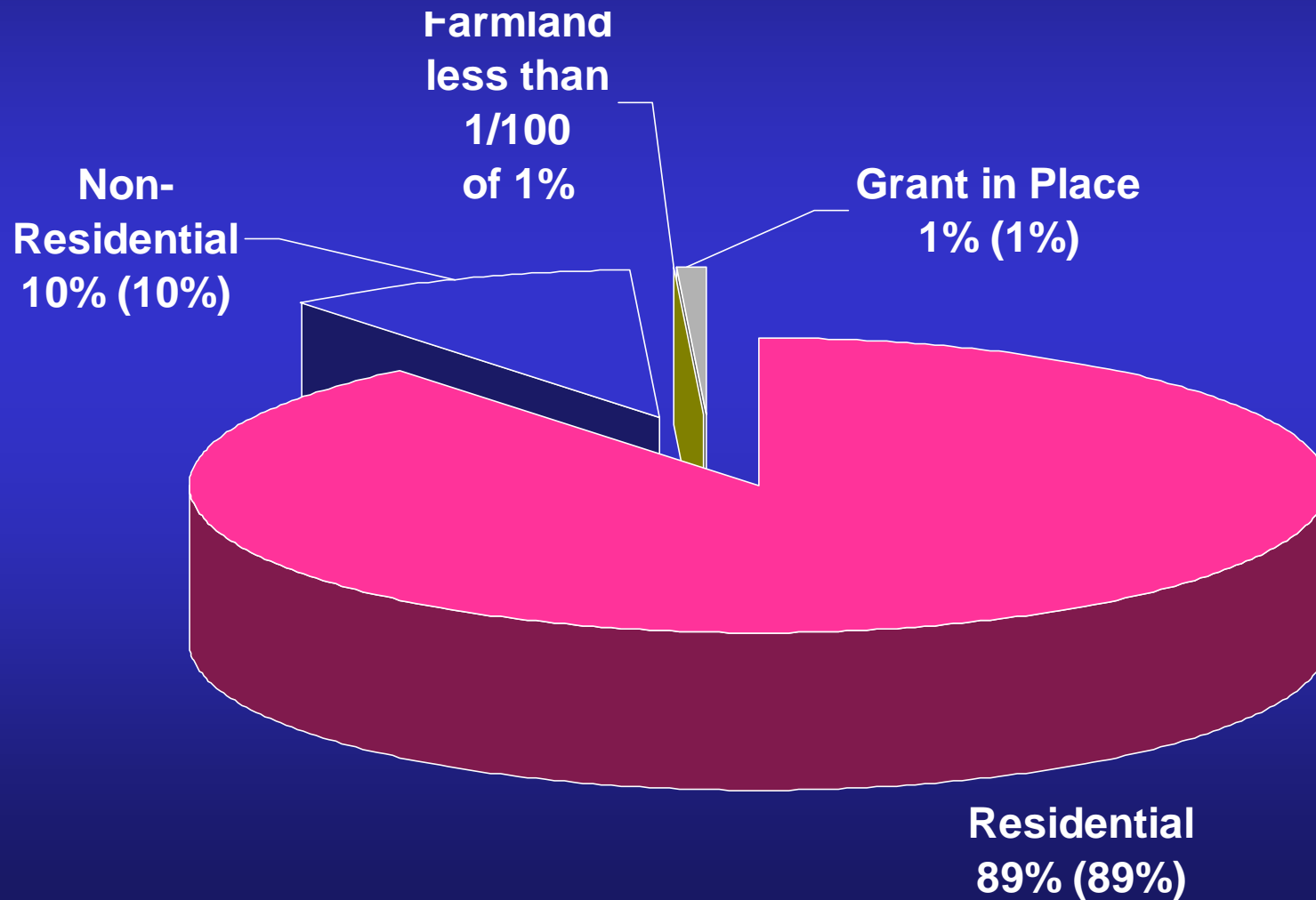
<u>Transfers To:</u>	<u>Increase</u>
• Transit Equip Replacement	\$690,000
• Stabilization Fund	<del>\$300,000</del>
• Arden Theatre Refurbishment	\$ 93,700
• Mobile Equipment Replacement	\$ 71,200
• Land Revolving Fund	\$ 87,500
• Office Systems Replacement	\$ 37,100

# Changes to Reserves (Budgeted) 2005

<u>Transfers From:</u>	<u>Increase</u>
• Carry Forwards (Census)	\$ 50,000
	<u>Removed</u>
• Carry Forwards (Election)	\$150,000
• Tree Maintenance	\$100,000
• Leachate Monitoring	\$200,000

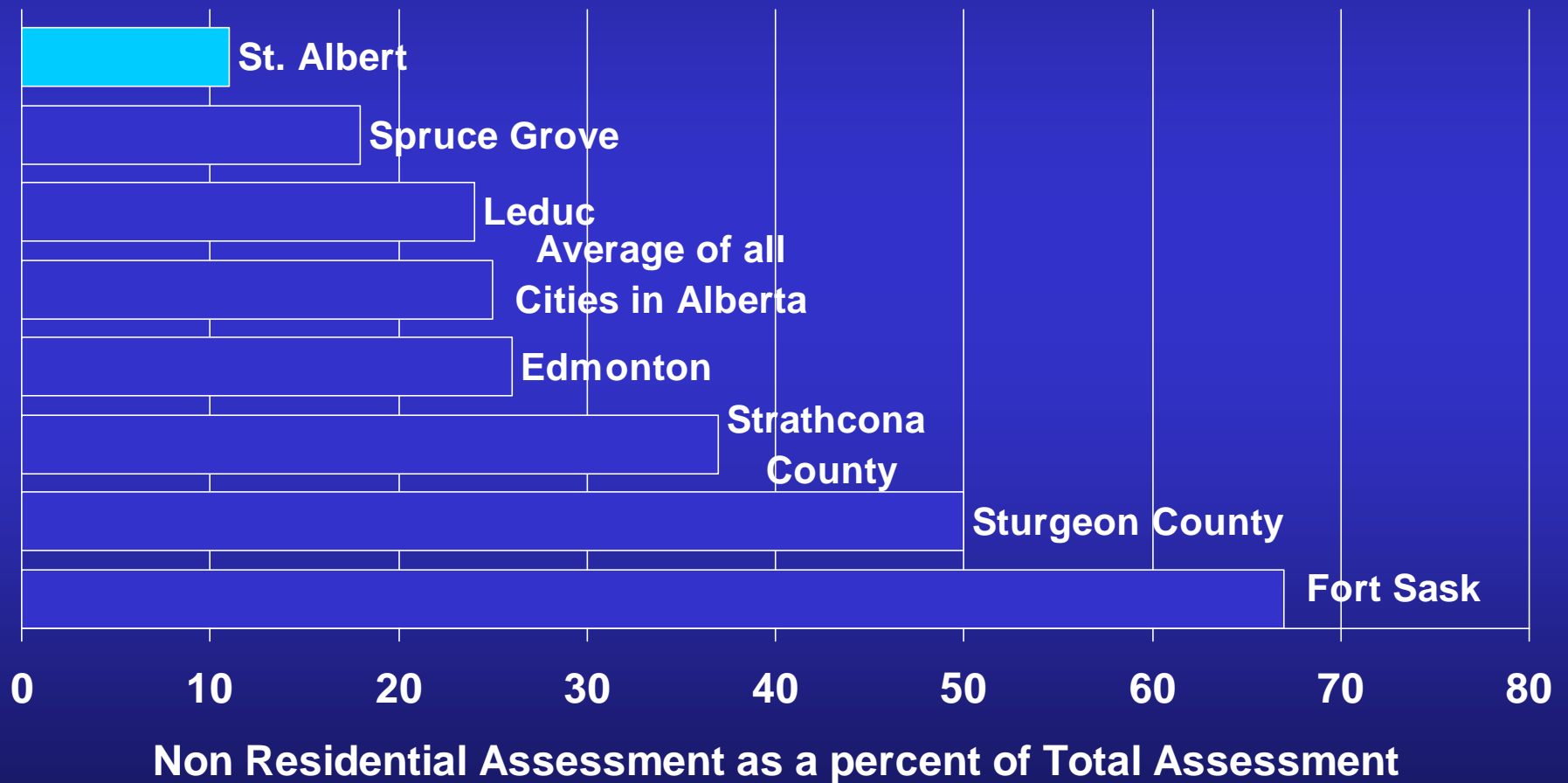
# ***Property Assessment & Taxation***

# Assessment for 2005

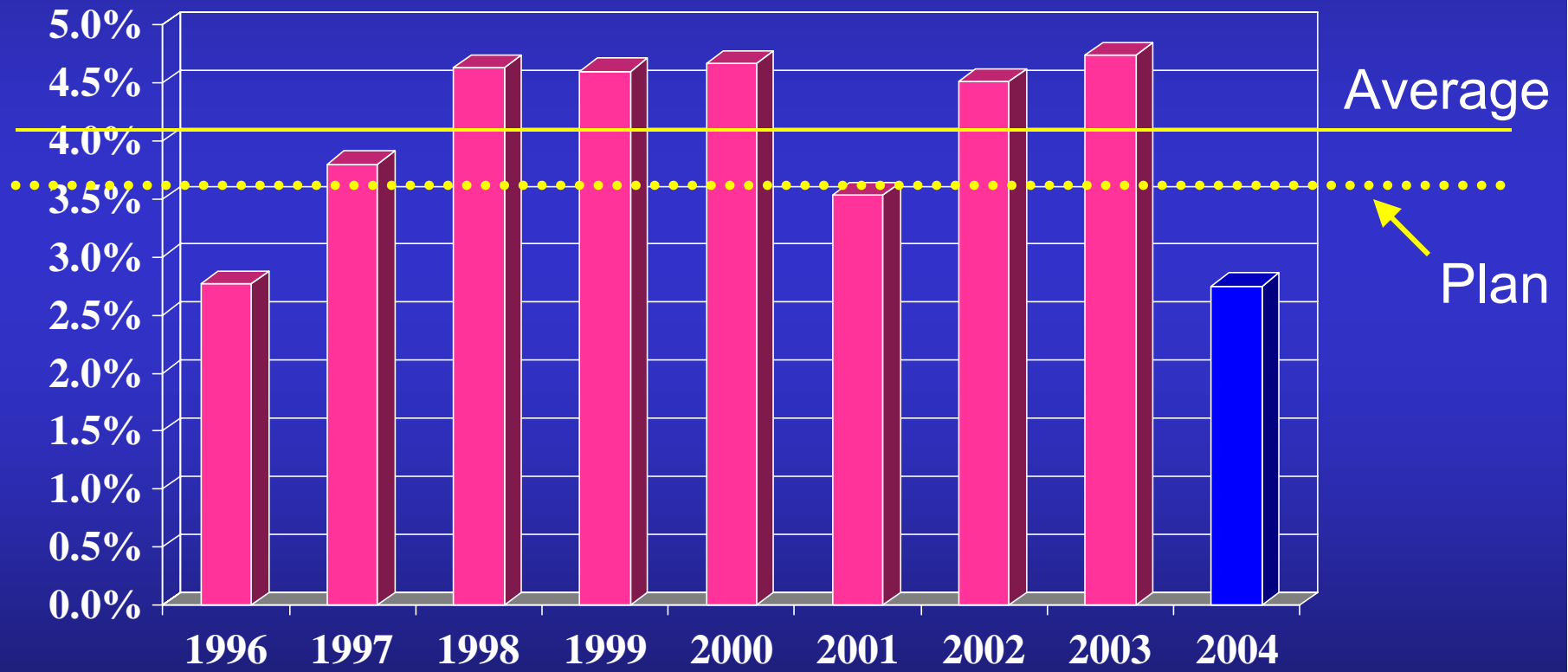


# *Non-Residential Assessment Ratio Relative to Other Cities*

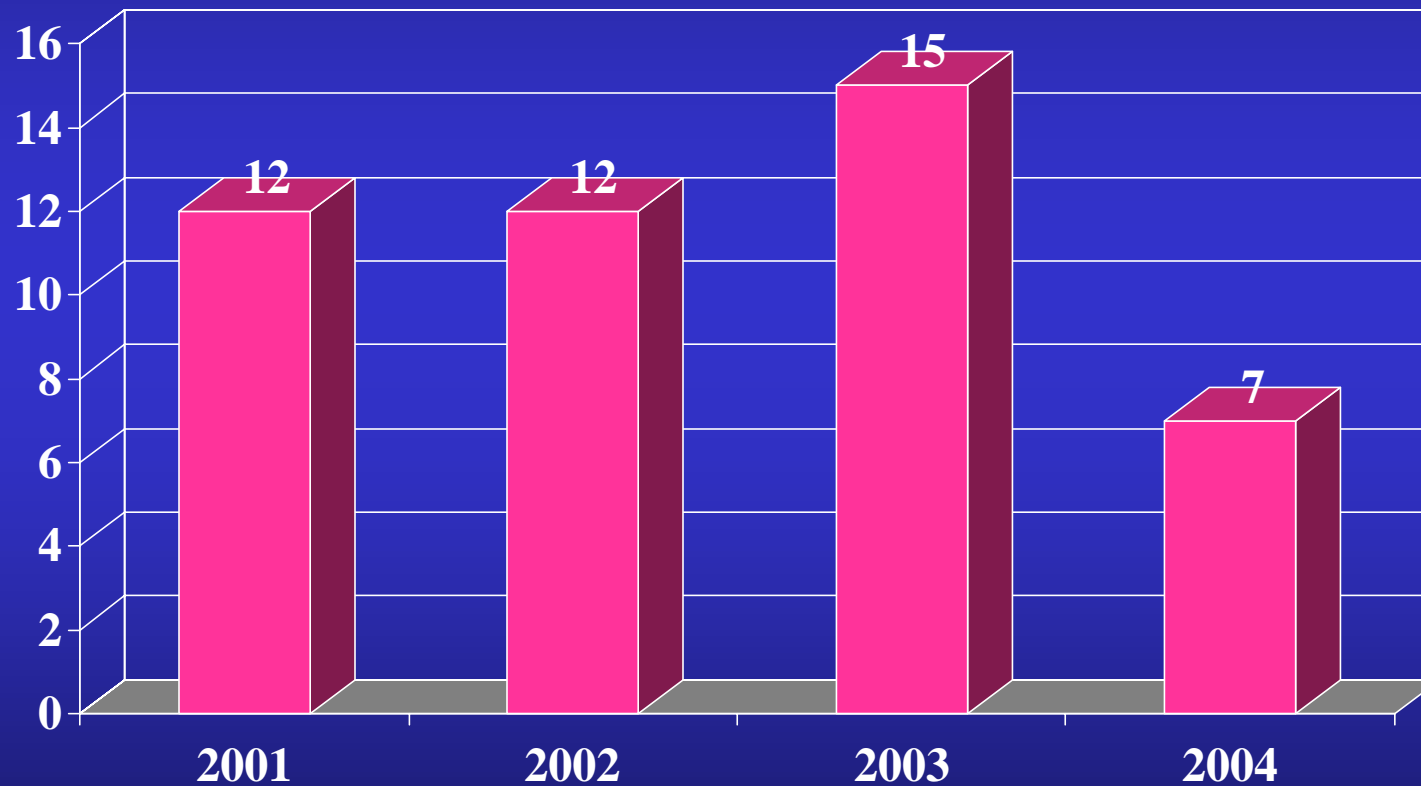
Source: 2004 Equalized Assessment Report



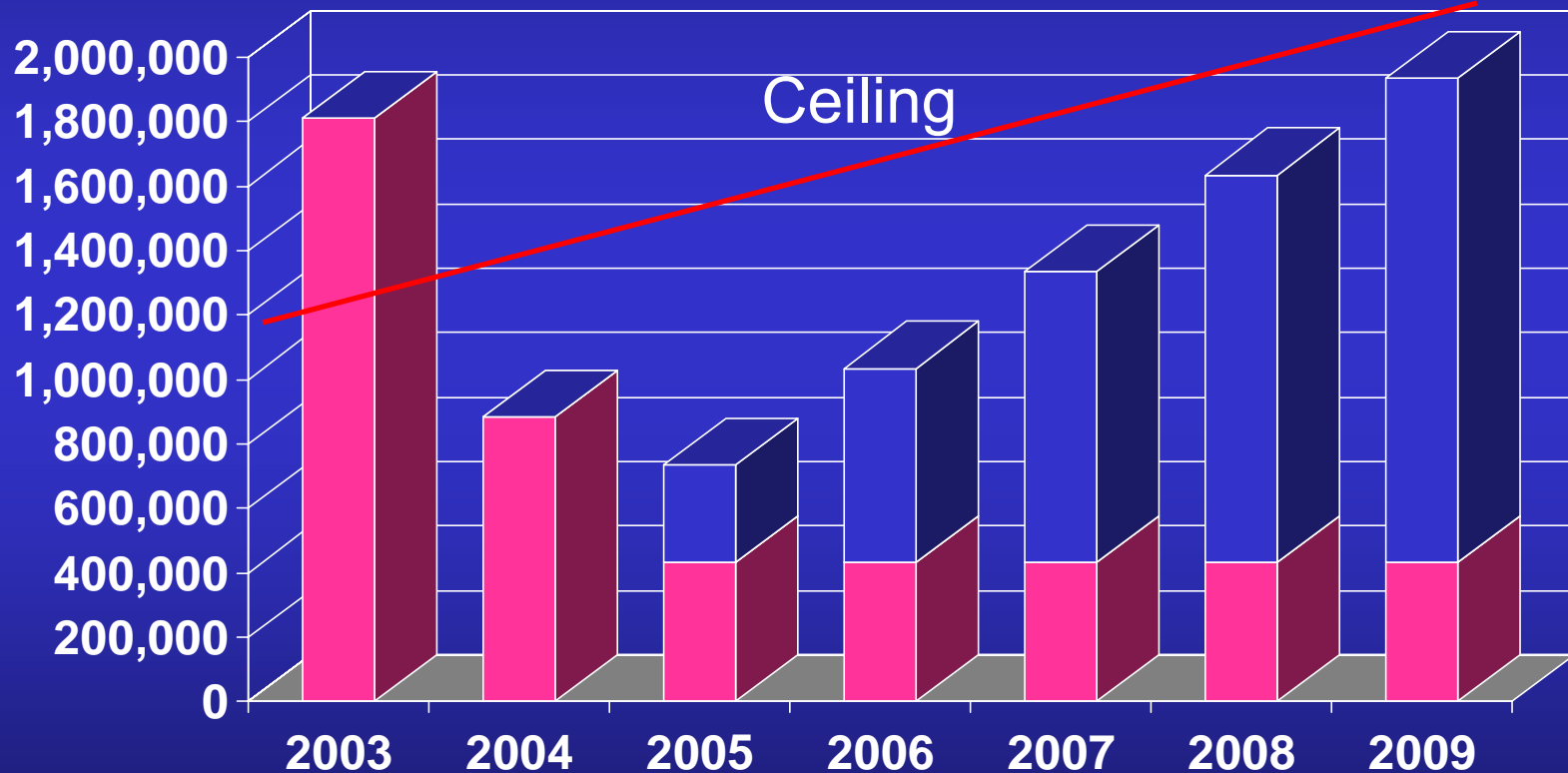
# Assessment Growth



# *Subdivision # of Permits*

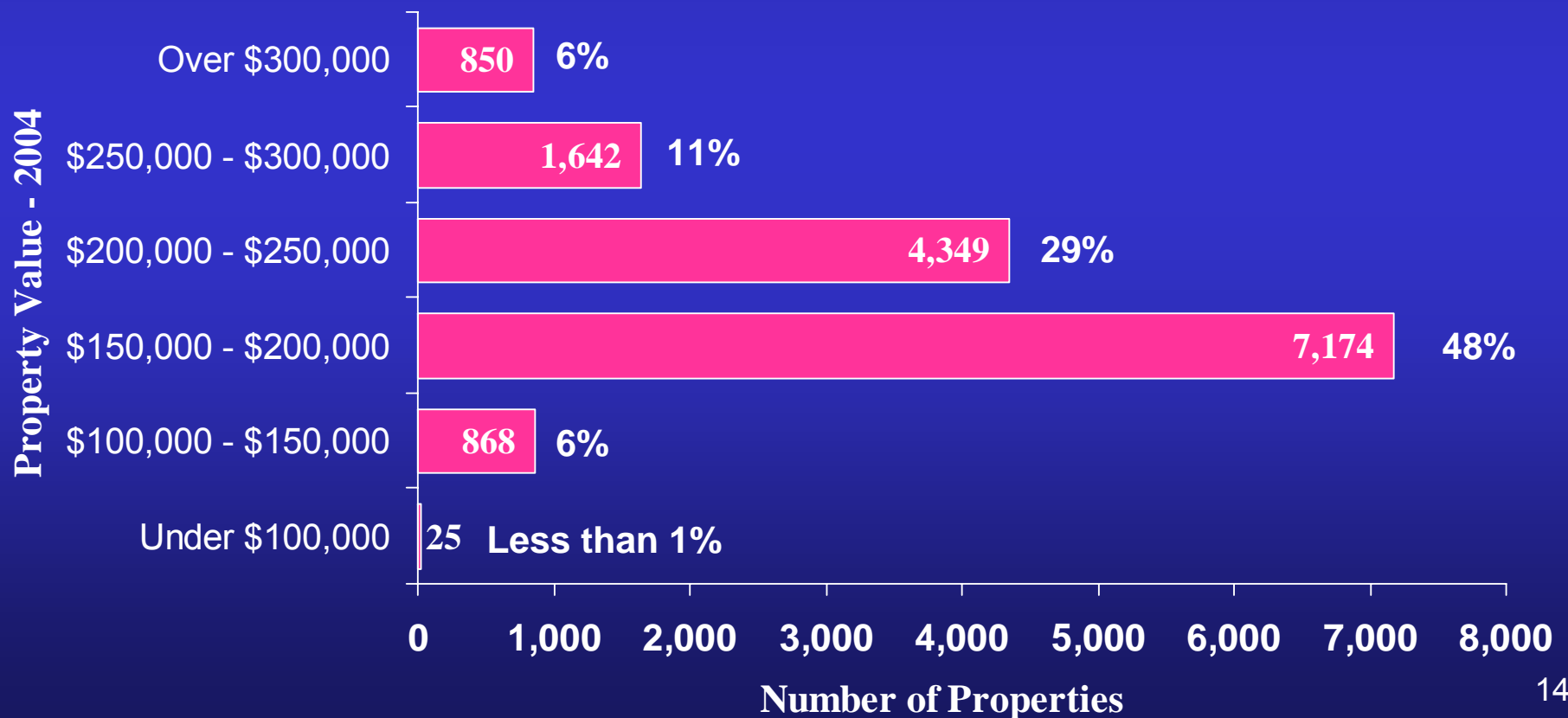


# Stabilization Reserve Balance

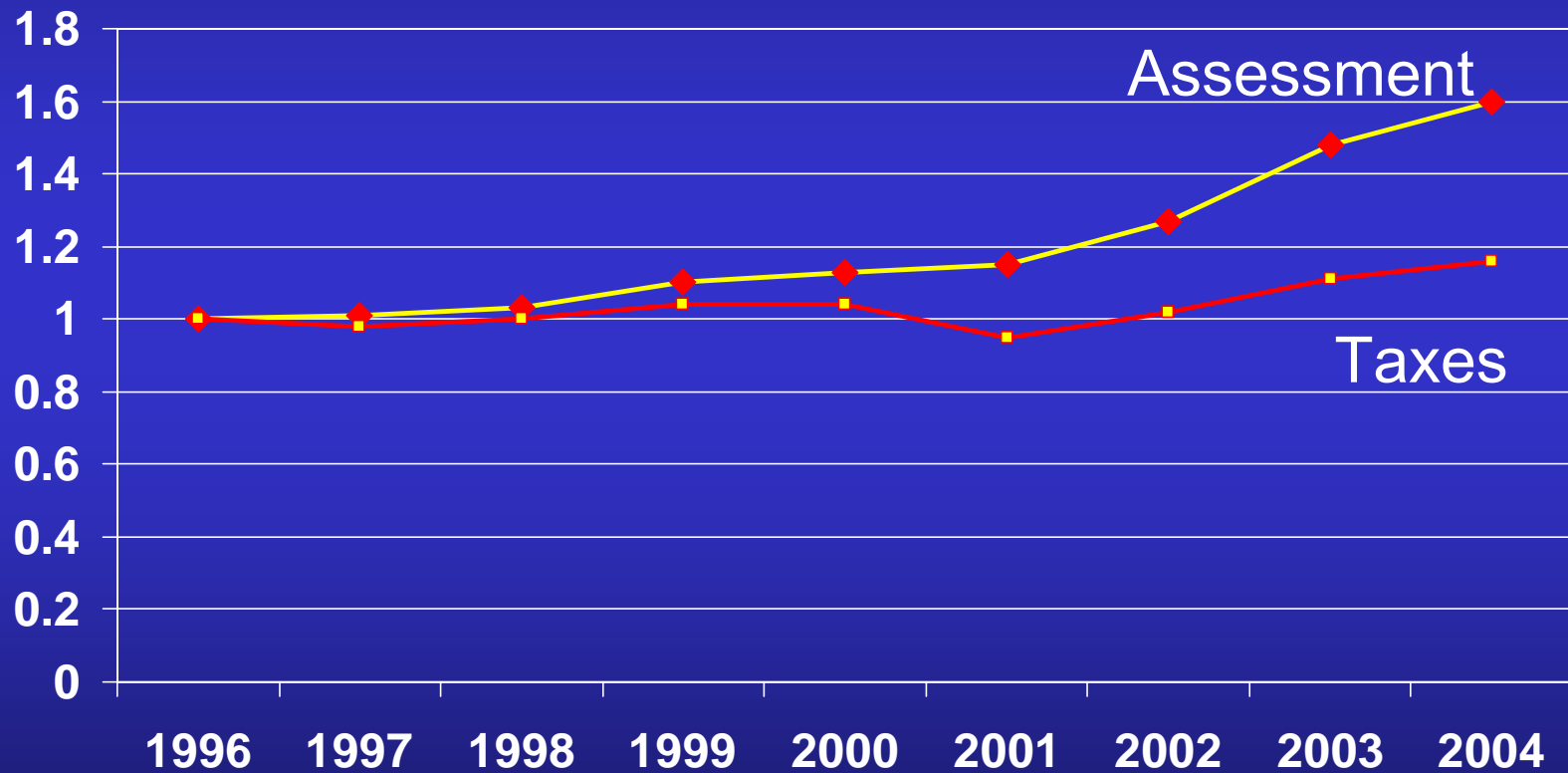


# *Distribution of Market Values by Number of Properties - Residential Single Family*

Source: City of St. Albert Assessment Department



# Assessments & Taxes



# *Municipal Property Taxes*

## *5.73% Increase in*

### *Sample Residential Properties*



<u>Property</u>	<u>Value</u>	<u>Monthly</u>	<u>Annual</u>	<u>2005</u>
Condo	\$125,000	\$ 6	\$67	\$1,236
<b>Home</b>	<b>\$180,000</b>	<b>\$ 8</b>	<b>\$96</b>	<b>\$1,780</b>
Home	\$375,000	\$17	\$200	\$3,709

# *Municipal Property Taxes*

## *5.73% Increase in*

### *Sample Non-res Properties*



Property  
 Restaurant  
**Industrial**

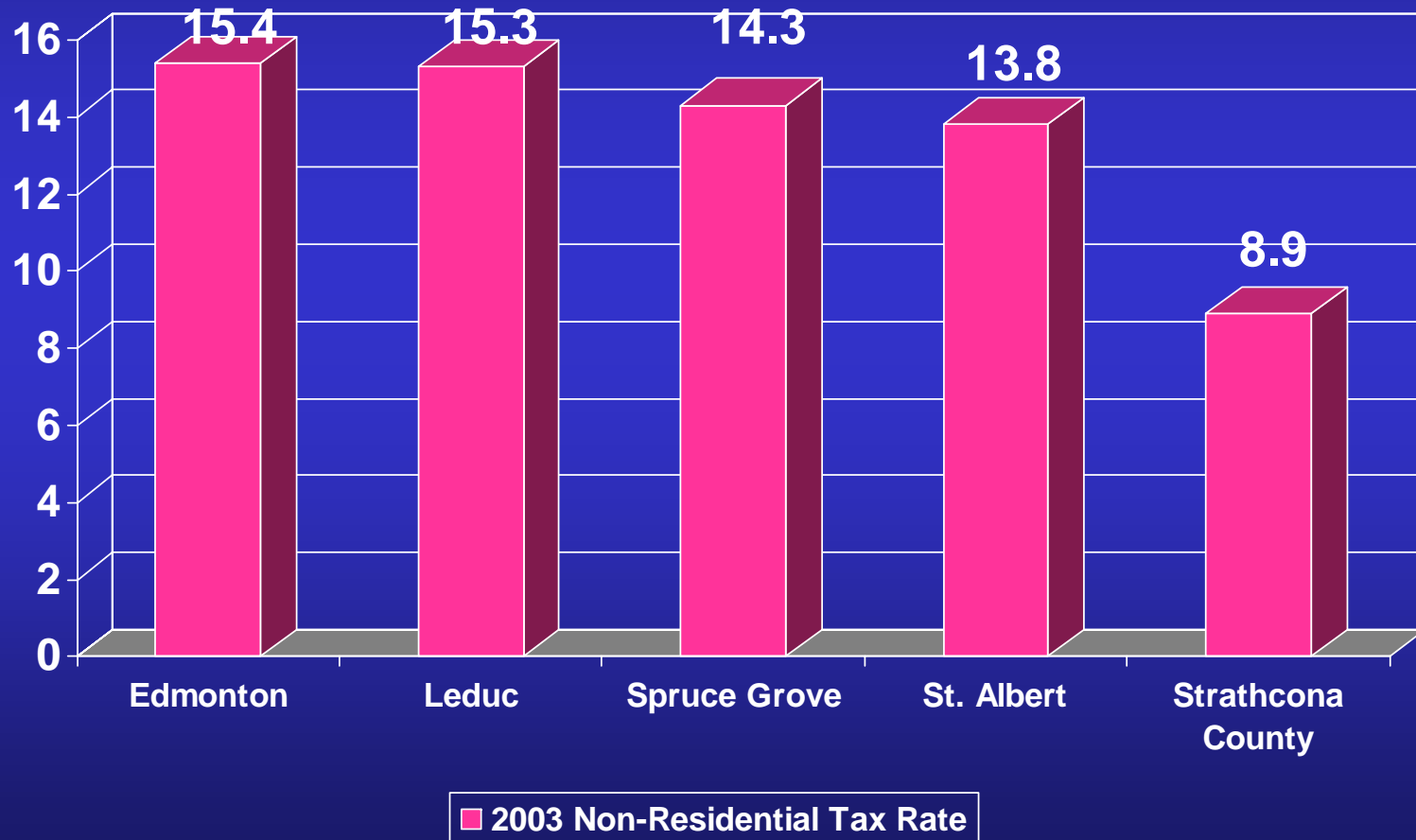
Value  
 \$920,00  
**\$4.2million**

Monthly  
 \$ 62  
**\$ 283**

Annual  
 \$ 743  
 \$3,392

2005  
 \$13,710  
 \$62,591

# *Municipal Comparison Non-Residential Tax Rates*



# *Multi Purpose Leisure Centre*

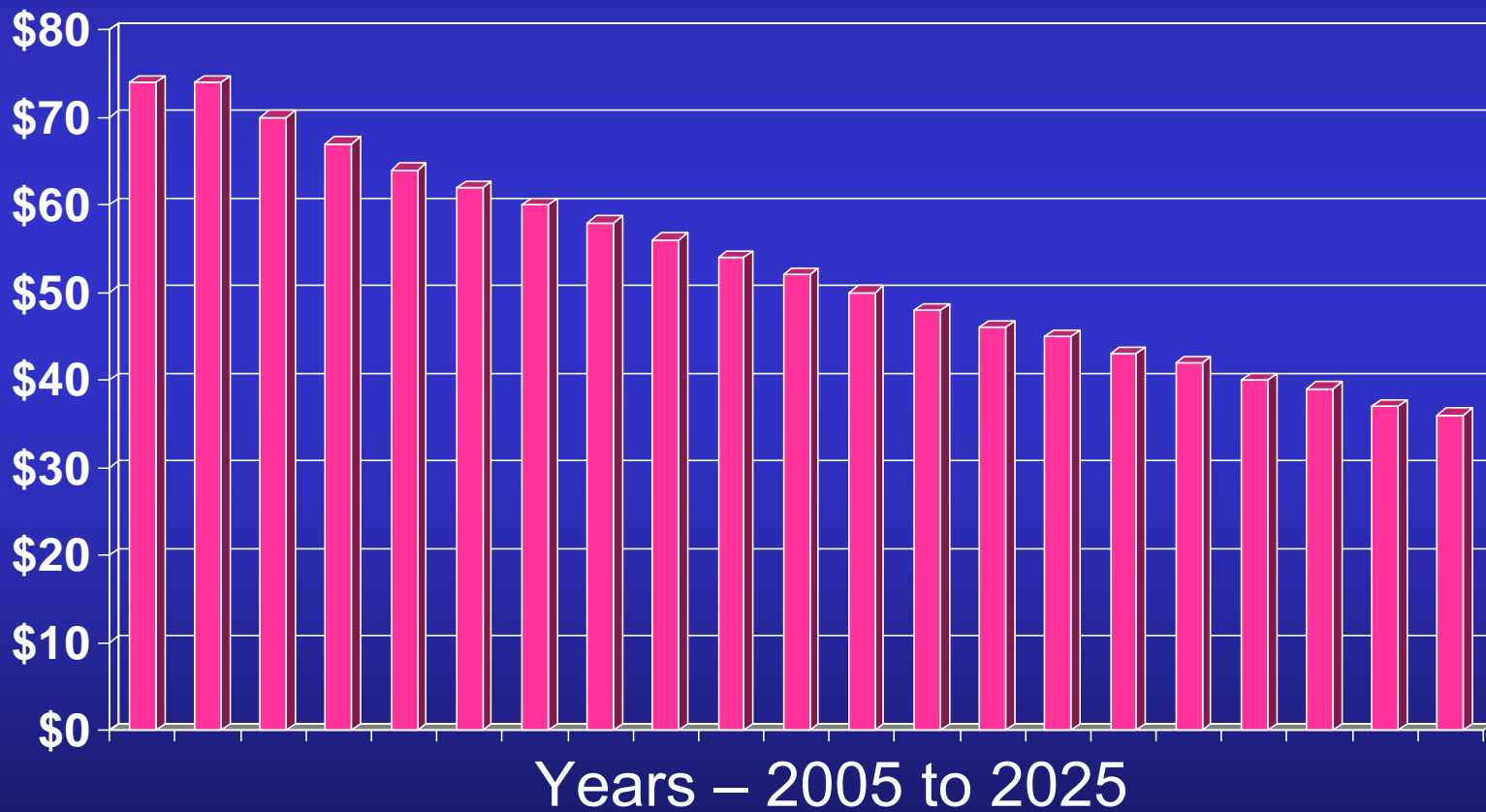




- October 18<sup>th</sup> plebiscite in support
- November 3<sup>rd</sup> MPLC budget approved
- Property tax impact for 2005
  - \$74 per \$100,000 assessment
  - Condo \$125,000 = \$ 93
  - Home \$180,000 = \$134
  - Home \$375,000 = \$279

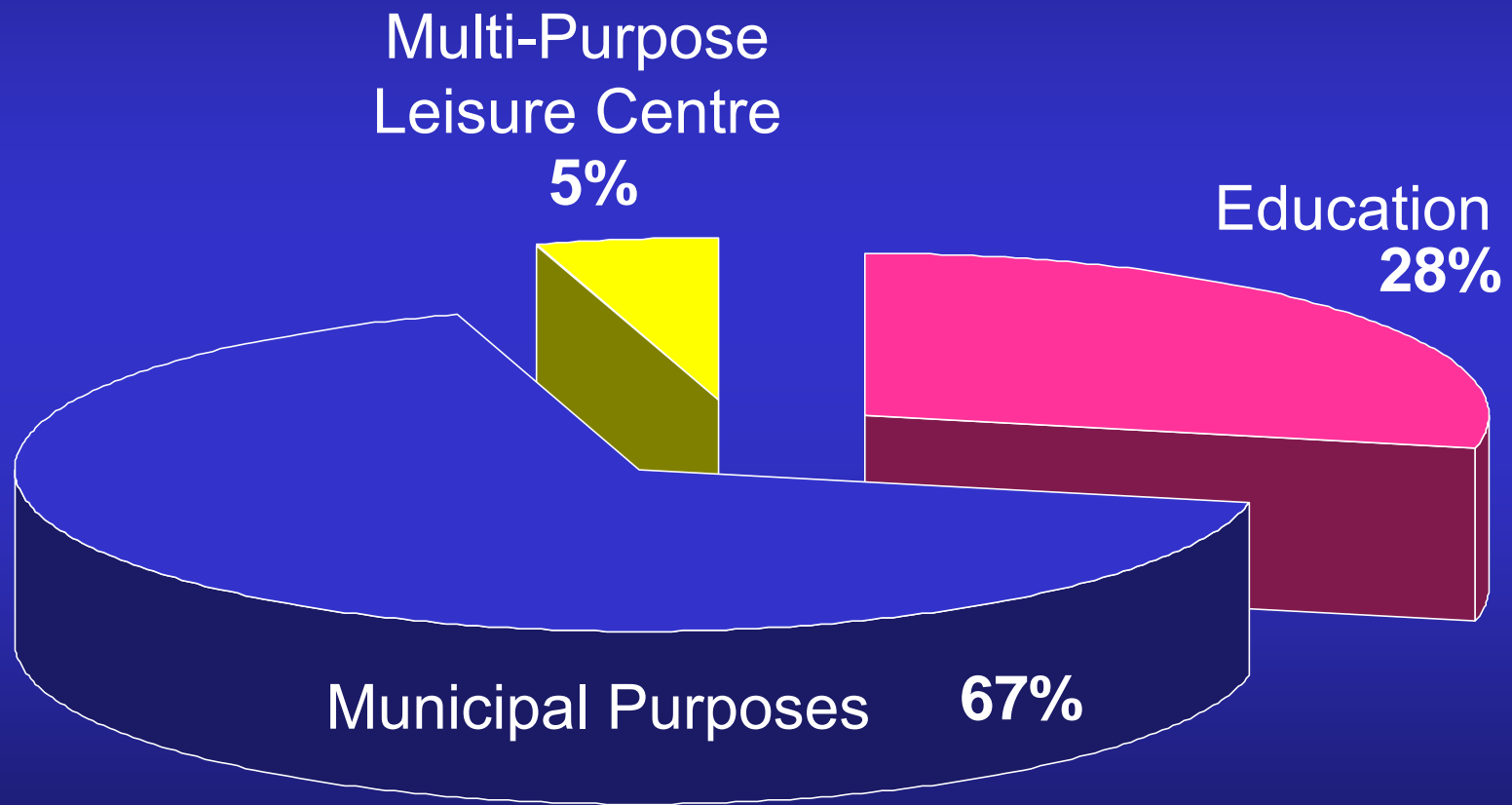
[www.stalbert.ca](http://www.stalbert.ca)

# Projected MPLC Taxes/\$100,000 Assessment



# Property Tax

## Source & Use



# 2005 Property Assessment & Tax Notice

## 2005 PROPERTY ASSESSMENT AND TAX NOTICE

Date Mailed Jun 30, 2005



DOE, JANE  
DOE, JOHN  
20 NORRIS CRES  
ST ALBERT AB T8N 0RS

<b>ROLL NUMBER</b>	117512
<b>PROPERTY ADDRESS</b>	20 NORRIS CRES
<b>LEGAL DESCRIPTION</b>	
9722499;5;159	

ASSESSMENT CLASS		ASSESSMENT VALUE	
1001	Single Family Taxable	LAND & BUILDING	221,600
DESCRIPTION	PERIOD OF TAXATION	RATE	AMOUNT
Education - Residential Undeclared ( 100% )	Jan 1, 2005 To Dec 31, 2005	4.20200	931.16
<b>TOTAL EDUCATION TAXES</b>			<u>931.16</u>
Multi Purpose Leisure Centre	Jan 1, 2005 To Dec 31, 2005	0.74000	163.98
Municipal - Residential	Jan 1, 2005 To Dec 31, 2005	9.35400	2,072.85
<b>TOTAL MUNICIPAL TAXES</b>			<u>2,236.83</u>
<b>TOTAL 2005 TAXES</b>			<u>3,167.99</u>

***Utility  
Budget  
2005***

# *Utility Funds*

- City utilities are operated as a true utility whereby property tax does not support or subsidize the utilities
- Utilities do not subsidize nor is there a transfer of funds to offset property taxes

# *Utility Funds*

Utility Budget contains the following utilities:

- Water
- Wastewater
- Storm sewer
- Solid Waste

# *Council's Utility Policy*

## Principles

- Self funding
  - No Franchise fees, ROI, Dividends or contributions back to Municipal fund
  - Utility rates pick up all costs
  - All assets amortized
  - Full Activity Based Accounting
  - Reserves vs Debt financing
- Utility rates based on Utility rate model
  - 100 year projections

# *Council's Utility Policy*

## Actions

- The 2005 Budget meets all policy principles
  - No operating deficits
- Impact of Infrastructure Study on rates
  - Introduced an additional \$38 million in deferred maintenance backlog
  - Result is significant pressure on rates
  - 2005 Budget begins to address the study
  - No debt principle challenged without a “New Deal”, Federal/Provincial funding

# *Utility Funds*

<u>Base</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008-14</u>	<u>Total</u>
Capital (millions)	\$7.0	\$1.6	\$1.3	\$33.1	\$43.0
New Debt (millions)	\$1.8	-	-	-	\$ 1.8
Rates/Month	\$55	\$57	\$57	\$60	

- Planned new debt \$1.8 million
- Stable rate \$60/month

# ***The Infrastructure Plan***

- In order to maintain Council's no debt policy
  - Infrastructure "Backlog" addressed on a priority basis over next 10 yrs.
  - The req'd \$26/month increase related to the Stable Rate held to \$8/month
  - Expect that Federal/Provincial new grant funding if available in 2005 may reduce the \$26/month stable rate

# Utility Funds

<u>With Infr.</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008-14</u>	<u>Total</u>
Capital (millions)	\$17.6	\$7.5	\$3.9	\$36.4	\$65.4
New Debt (millions)	\$ 3.4	\$3.5	-	\$ 3.1	\$10.0
Rates/Month	\$62	\$70	\$78	\$81	

- Planned new debt
  - \$1.6 in 2005 (internal)
  - \$1.8 in 2005 (external)
  - \$3.5 in 2006
  - \$3.1 to 2014
- Stable rate \$81/month

# Utility Increase Residential Properties

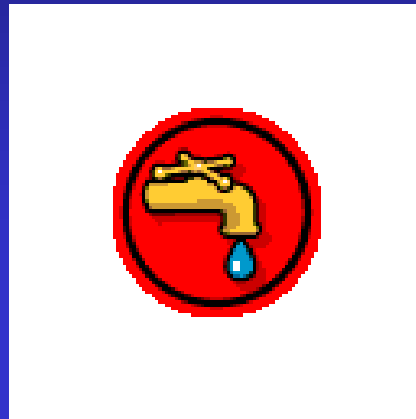


<u>Utility</u>	<u>2005</u>	<u>Monthly</u>	<u>Annual</u>
Water	\$ 22.55	\$ 1.41	\$17
Wastewater	\$ 24.60	\$ 5.66	\$68
Storm	\$ 5.20	\$ 0.70	\$ 8
Solid Waste	\$ 9.55	\$ 0.30	\$ 4
	\$ 61.90	\$ 8.07	\$97

\* Based on 20 cu. m and 1 bag/2 can subscription

# *Utility Increase*

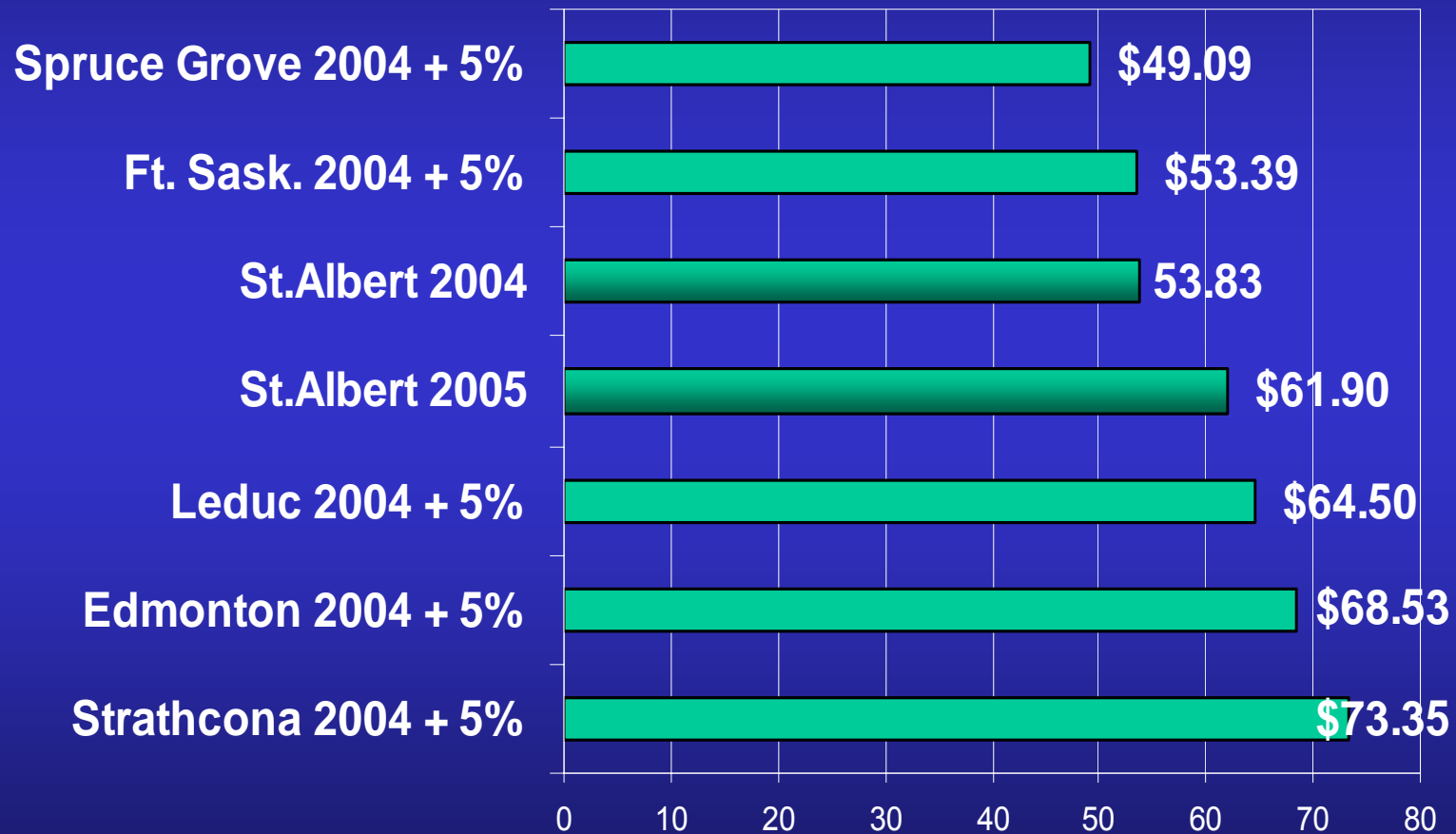
## *Non.-residential Properties*



<u>Property</u>	<u>2005 Mthly</u>	<u>Monthly</u>	<u>Annual</u>
Low use	\$ 159	\$ 17	\$ 204
Medium use	\$ 355	\$ 32	\$ 384
High use	\$1,253	\$103	\$1,236

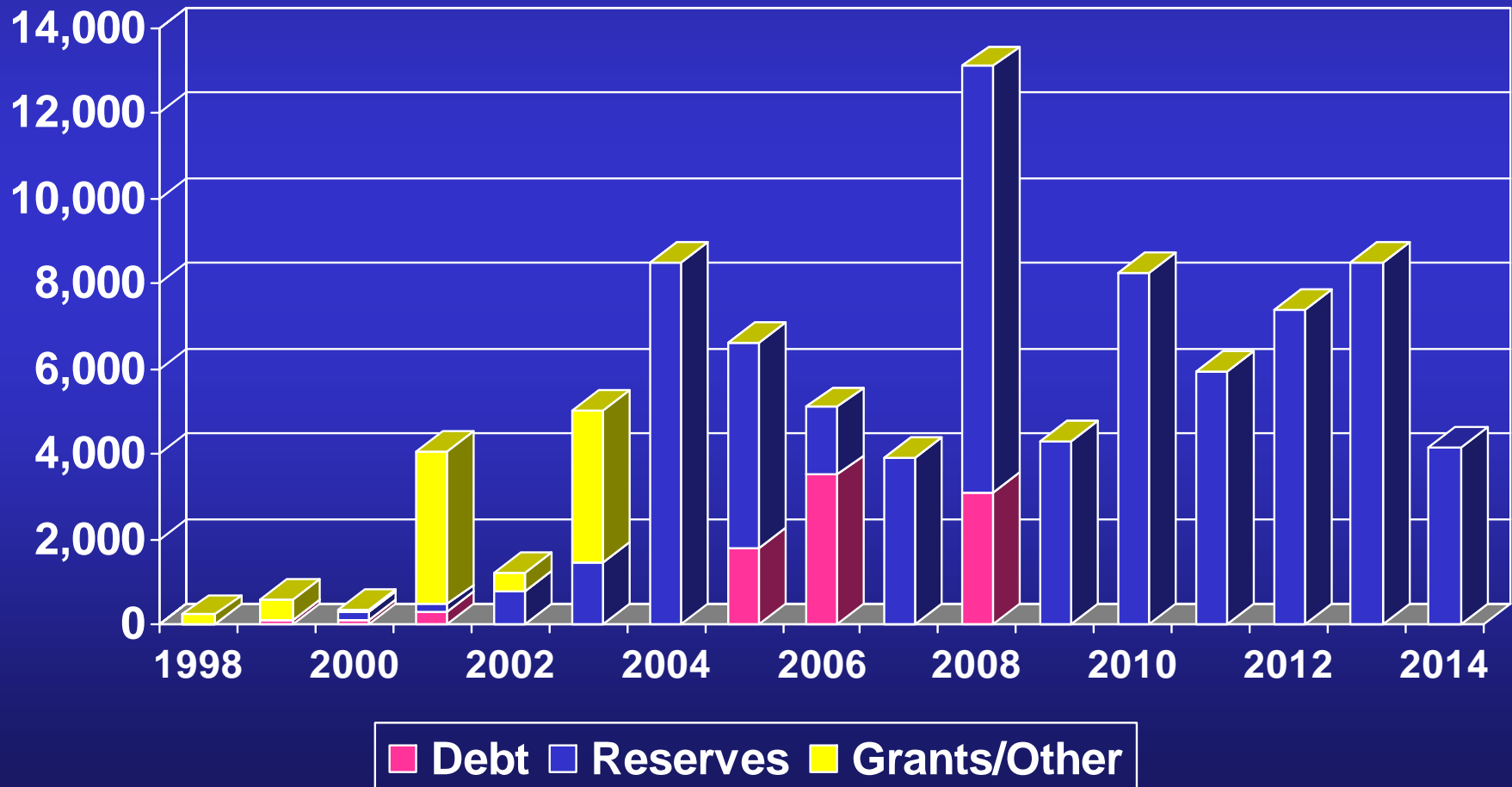
\* Consumption based at 80cu.m, 200 cu.m and 750 cu.m respectively

# Comparison with Cities



# *Utility Capital*

# Utility Capital (in 000's)



# ***New Utility Capital Projects for 2005***

## Water

- Lacombe Park Reservoir \$2,500,000  
(total project \$7.5M)

## Wastewater

- Lift Stations Rehab \$350,000
- Main Replacement 275,000
- Rehabilitation Program 165,000
- Household Service Replacement 156,000
- \$946,000

# ***New Utility Capital Projects for 2005***

## Storm Sewer

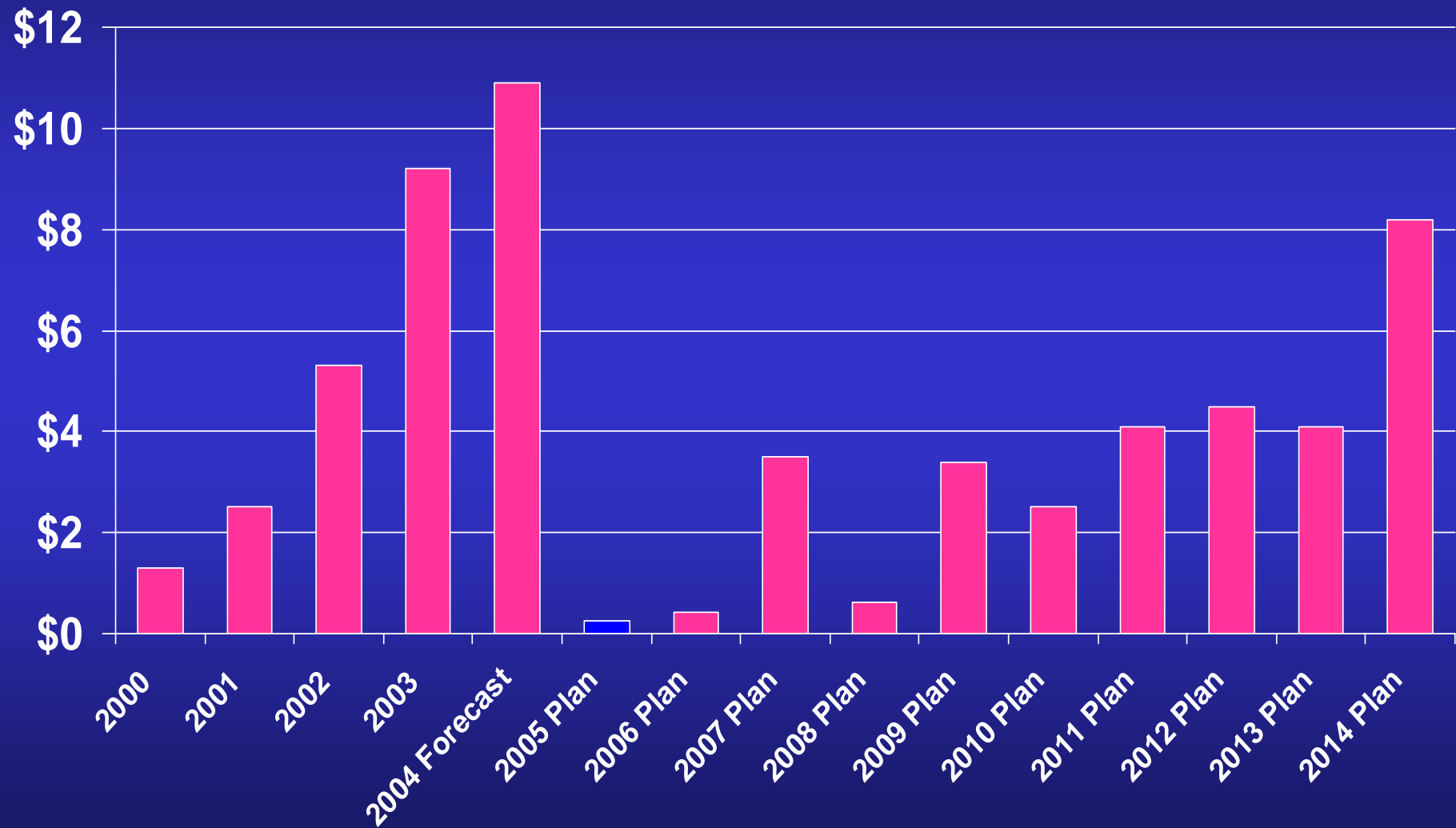
• Hydrocarbon Grit Interceptor	\$ 550,000
• Storm Main Replacement	380,000
• North Campbell Dry Pond Expansion	300,000
• Neighbourhood Flood Risk Study	75,000
• Storm Outfall Repairs	50,000
• MOUSE Analysis Tool	<u>25,000</u>
	\$1,380,000

**Total** **\$4,826,000**

# *Utility Reserves*

# Utility Reserves 2000 – 2014

(in \$ millions)

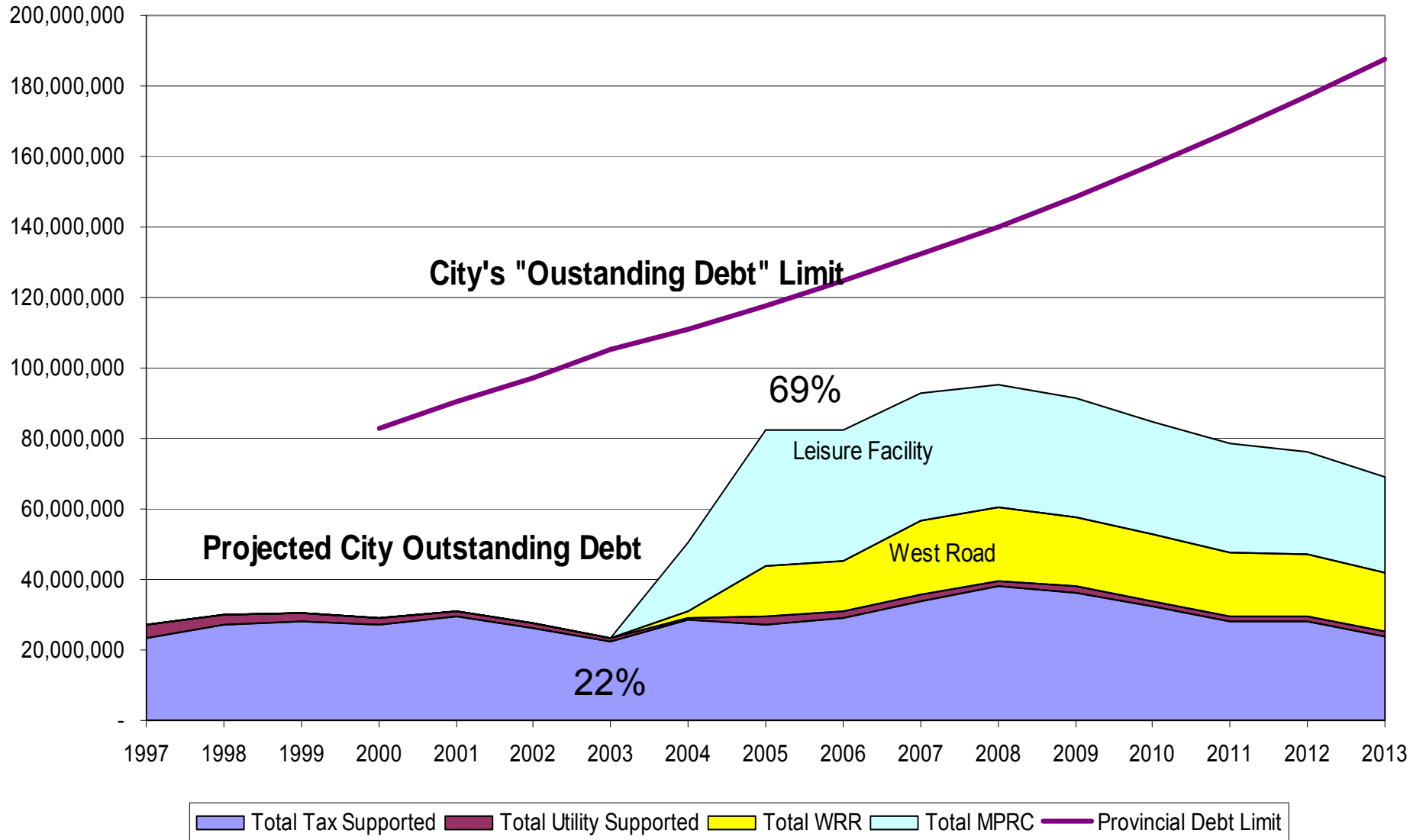


# ***Combined Municipal & Utility***

# *Debt*

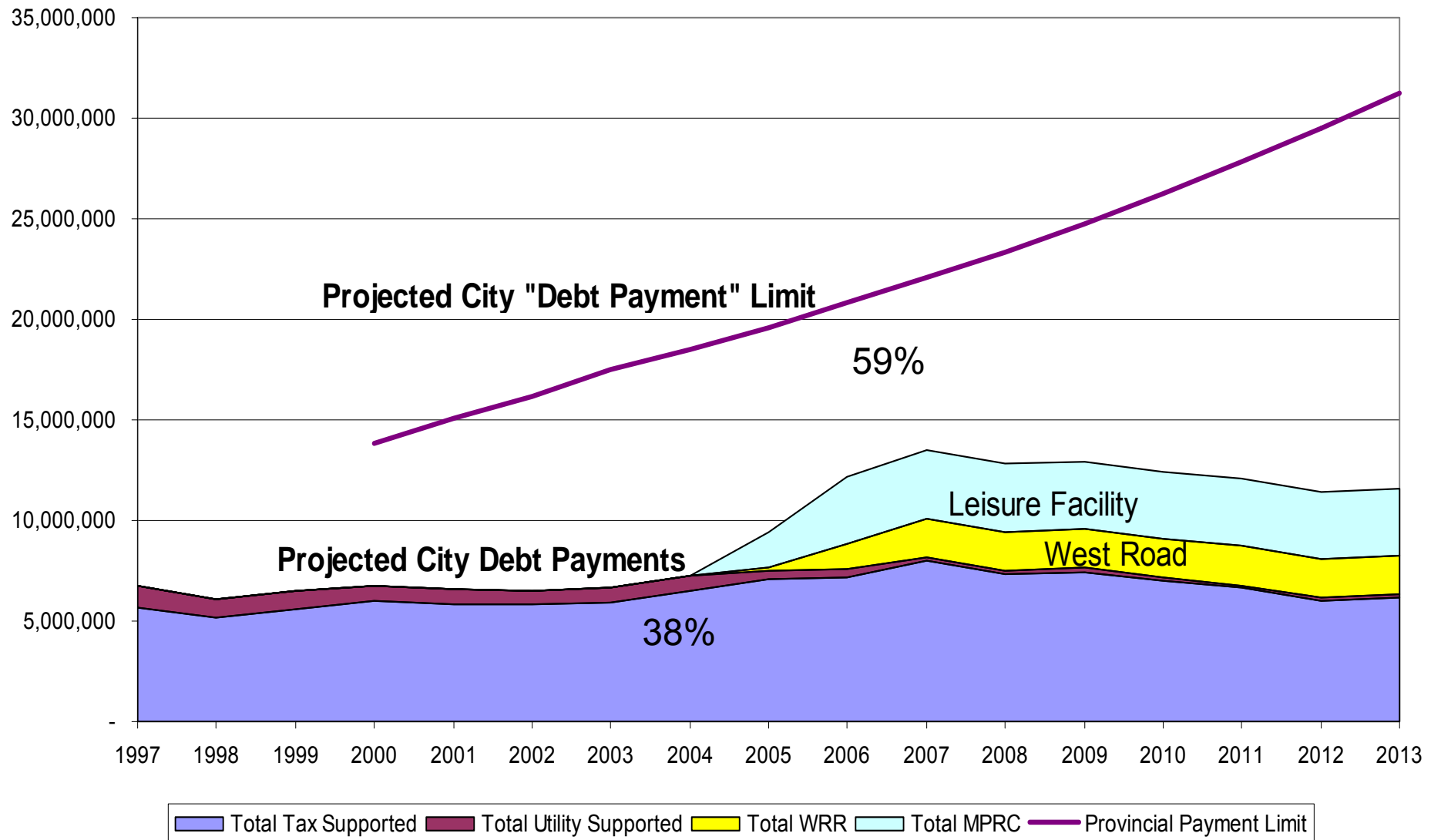
# TOTAL PROJECTED OUTSTANDING DEBT (Tax Supported / Utility Supported)

Sept 16, 2004



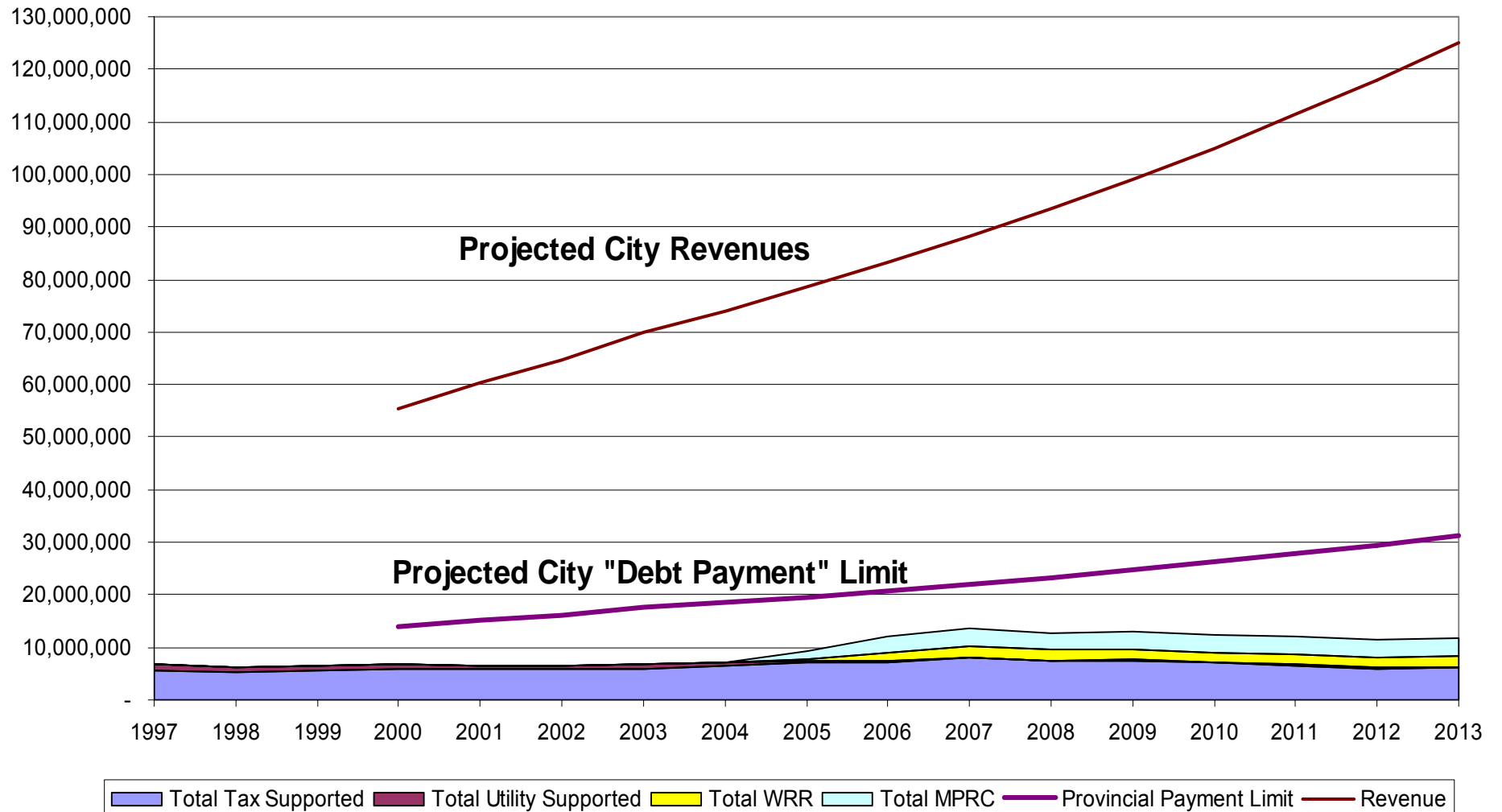
# TOTAL PROJECTED DEBT PAYMENTS (Tax Supported / Utility Supported)

Sept 16, 2004

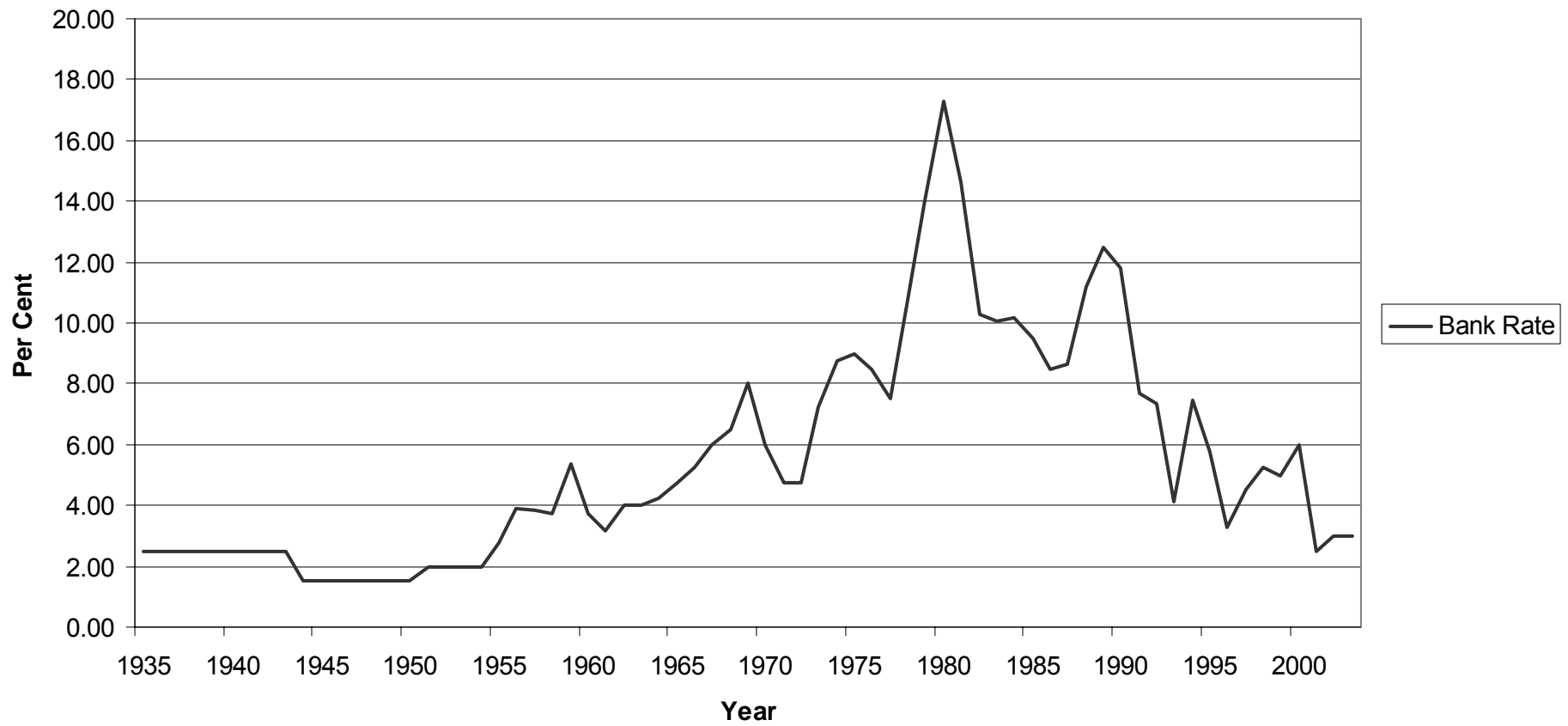


# TOTAL PROJECTED DEBT PAYMENTS (Tax Supported / Utility Supported)

Sept 16, 2004



## Bank Rate 1935 - 2003



## *Net Debt Per Capita*

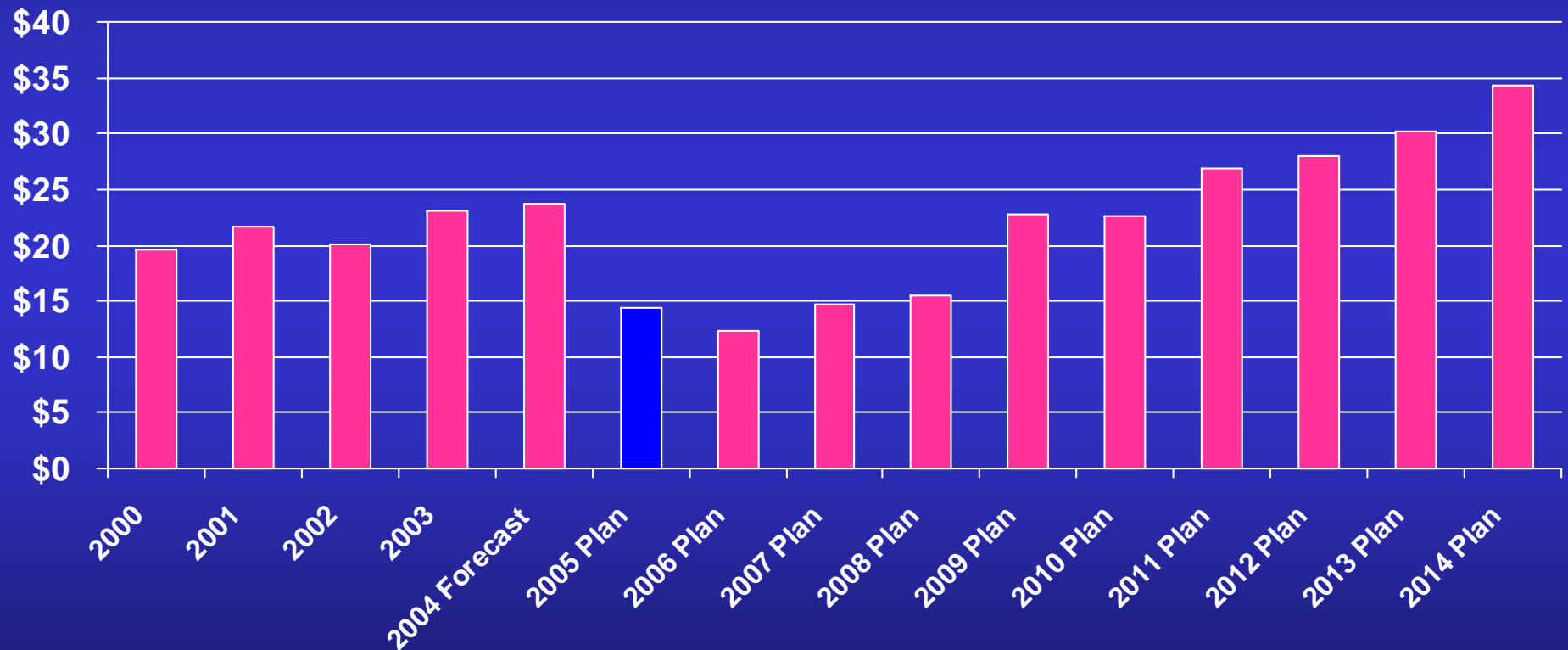


# *Reserves*

# *Municipal & Utility Reserves*

## *2000 – 2014*

*(in \$ millions)*



# *Budget Process*

# ***Budget Process 2005***

- Nov 10 - Wednesday
  - Recommended budget distributed
- Nov 22 - Monday
  - PowerPoint Overview presentation
  - **Public input**
  - Council, City Manager, Economic Development
- Nov 23 – Tuesday
  - **Public input**
  - Corporate Services

# *Budget Process 2005*

- Nov 25 – Thursday
  - Public Input
  - Planning & Engineering Services
  - Transit, Public Works
  - Utilities
  - Capital
- Dec 4 – Saturday
  - Public Input
  - Legislative, Legal and Human Resource Services
  - Community & Protective Services
  - Fire, Police, NABI, Library

# *Budget Process 2005*

- Dec 7 – Tuesday
  - Public Input
  - Culture, FCSS, Recreation
  - Youth Centre, Senior's, AHF
  - Flagged items
- Dec 13 – Monday
  - Council approval
- Additional days Dec. 9, 14, & 16 (if req'd)

# *Budget Process 2005*

- Council
  - Information request
  - Flagged item
  - Amendment to the Budget
- Flagged items and amendments to budget will be discussed just prior to approval

