

# Proposed Business Plan/Budget

(November 18, 2006)

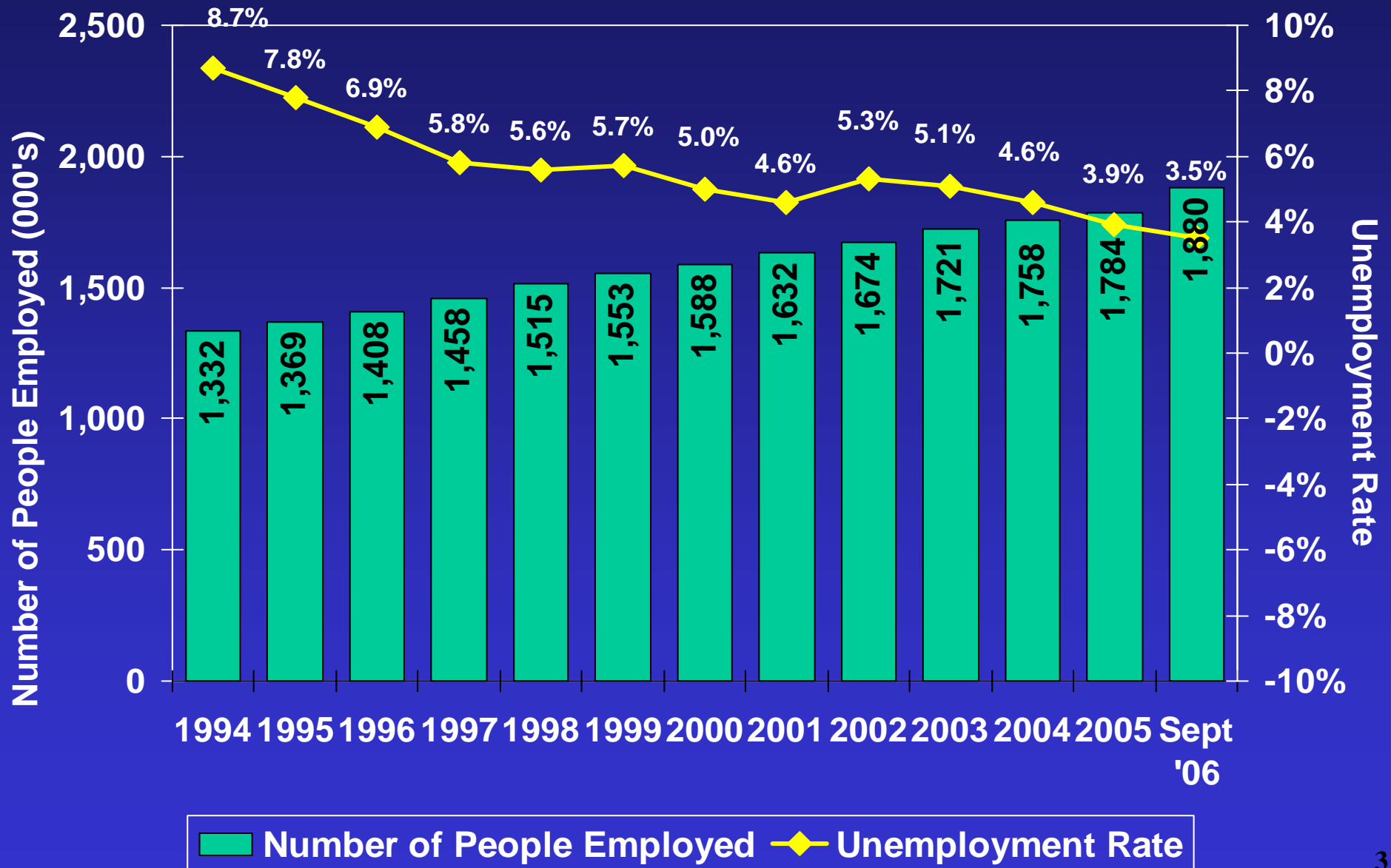


# Major Issues Facing St. Albert

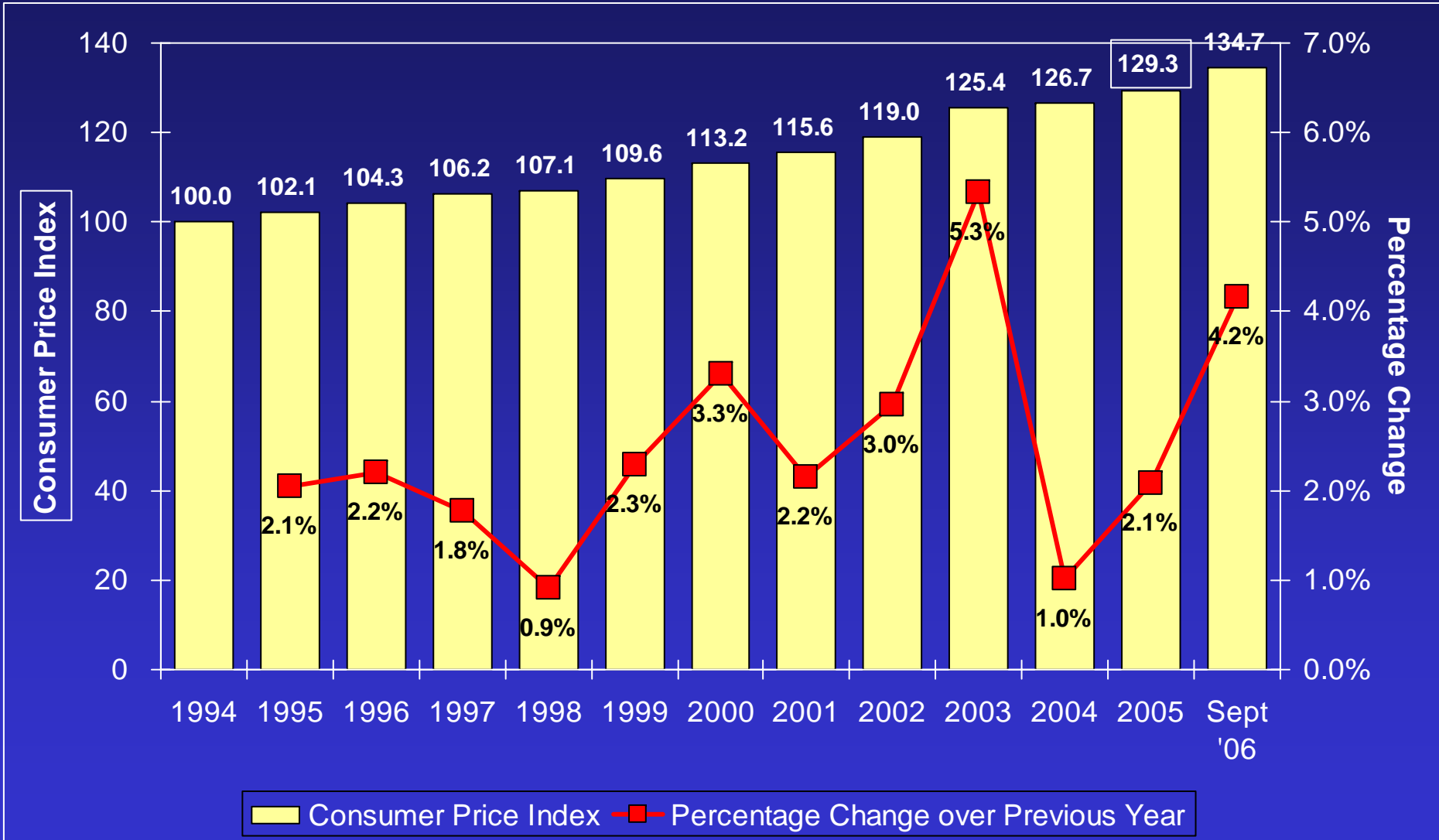
- Tight Labor Market/CPI
- Infrastructure Rehab/Growth
- Maintaining City programs and services (within available resources)
- Environmental Management

# Tight Labor Market

Source: Alberta Economic Development, Monthly Economic Review, October 2006



# Edmonton Consumer Price Index



Average Annual Compounded Growth Rate = 2.4%

# Price Index Comparison

Alberta 1996 to 2006 Stats Canada

- Average total income  $48\% + \sim 3 = 51\%$
- Natural gas 159%
- Water fuel & electricity 76%
- Operation of automobiles 69%
- Home construction 47%
- Shelter 35%
- Property taxes  $18\% + 2\% = 20\%$

# Infrastructure Rehab/Growth

- Infrastructure for cities includes:
  - Roads, Buildings, Equipment, Utilities, Parks & Trails etc.
- Cities are attempting to address this unfunded deficit
- This challenge cannot be managed by municipalities alone
- In 2005, both Federal & Provincial governments began financial support, but it is not yet enough

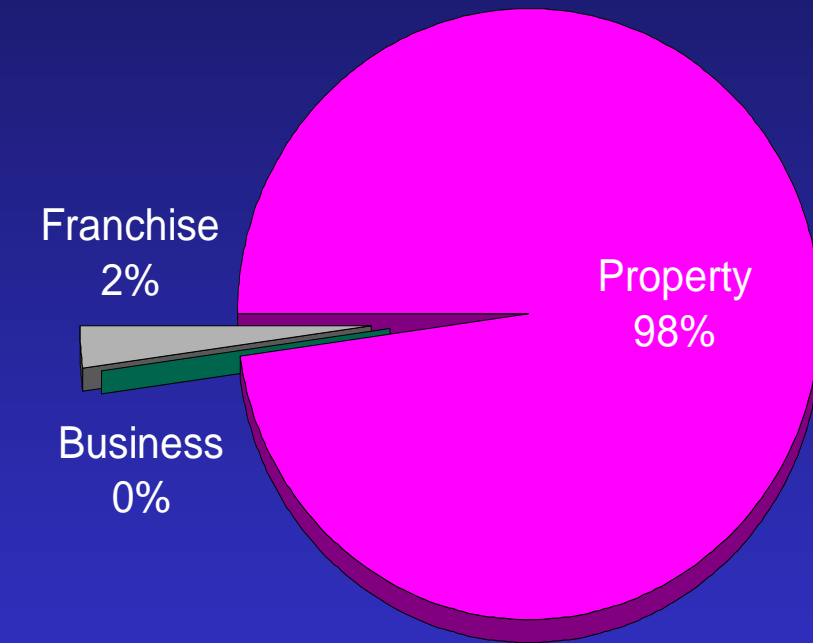
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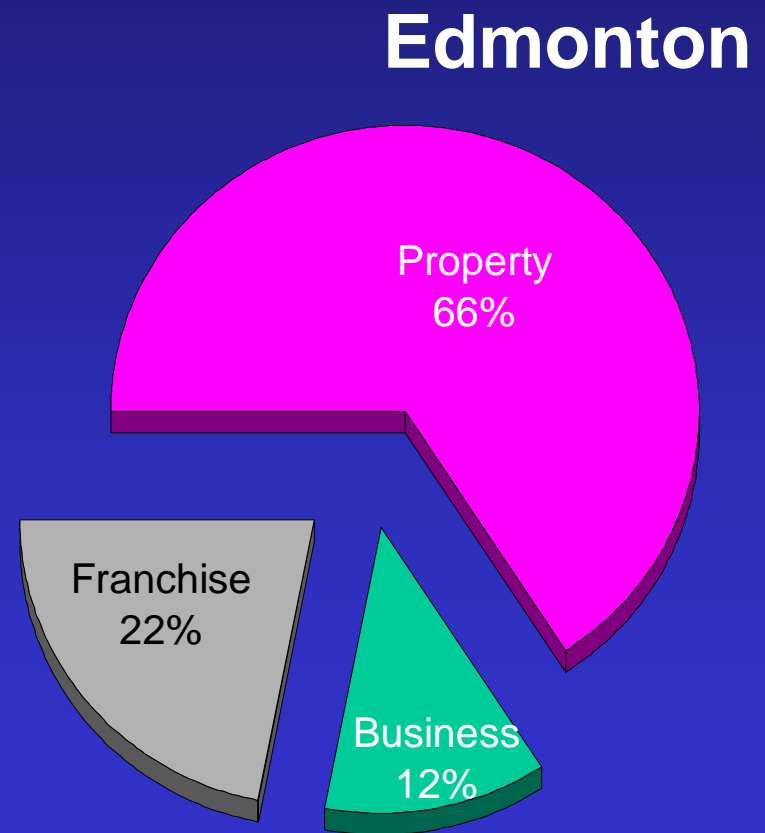
# Maintaining City programs and services

- **St. Albert recognized for green space and high standard of programs and services**
- **These programs need to keep pace with growth**
- **The Challenges are significant**
  - Servicing as annexation is completed
  - Inflationary pressures
  - Staff retention and attraction
  - High residential property taxes and limited use of industry standard tax tools

# Limited Tax Tools



**St. Albert**



**Edmonton**

# In Summary

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

# In Summary

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# “Building a Sustainable City”

- **To address a growing city**
  - Annexation taking place
  - \$54 million in 2007, and \$23 million in 2008 in capital spending to address growth
- **Infrastructure**
  - Needs analyzed; risks understood
  - New Federal Provincial grant structures assisting
  - 10 yr capital plan – funded thru PAYG & grants
  - 100 yr utility model – funded thru rates & grants

# “Building a Sustainable City”

## Significant fiscal reforms in place

- Strong fiscal policies
- No new debt planned
- No unfunded liabilities
- Replacement plans fully funded
- Elimination of the Business Tax in 2001
- Commercial/industrial land development fund established
- Long term financial plans developed
- Capital re-engineering process
- Capital envelope spending program
- City has bolstered its Business/Financial Planning resources
- Adopted true utility rate models

**2007 - 2008**  
**Municipal Budget**  
**Utility Budget**  
**Servus Place Budget**

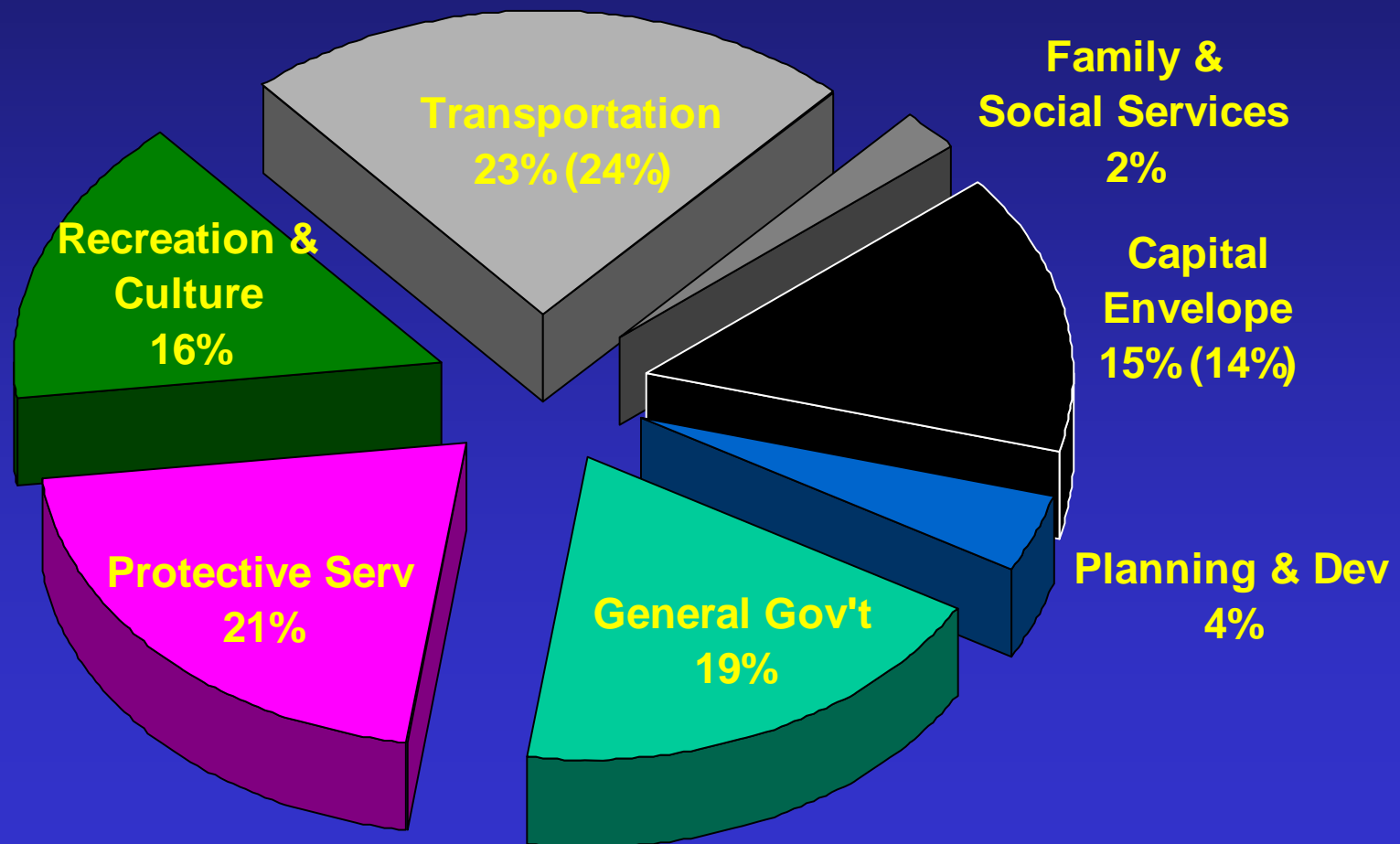
**Municipal  
Budget  
2007 - 2008**

# Expenditures

**Significant \$ Changes**  
**Trends**  
**Staffing**  
**Utilities (Gas & Utilities)**

# 2007-2008 Municipal Operating Expenditures by Program

Source: 2007- (2008) Budget

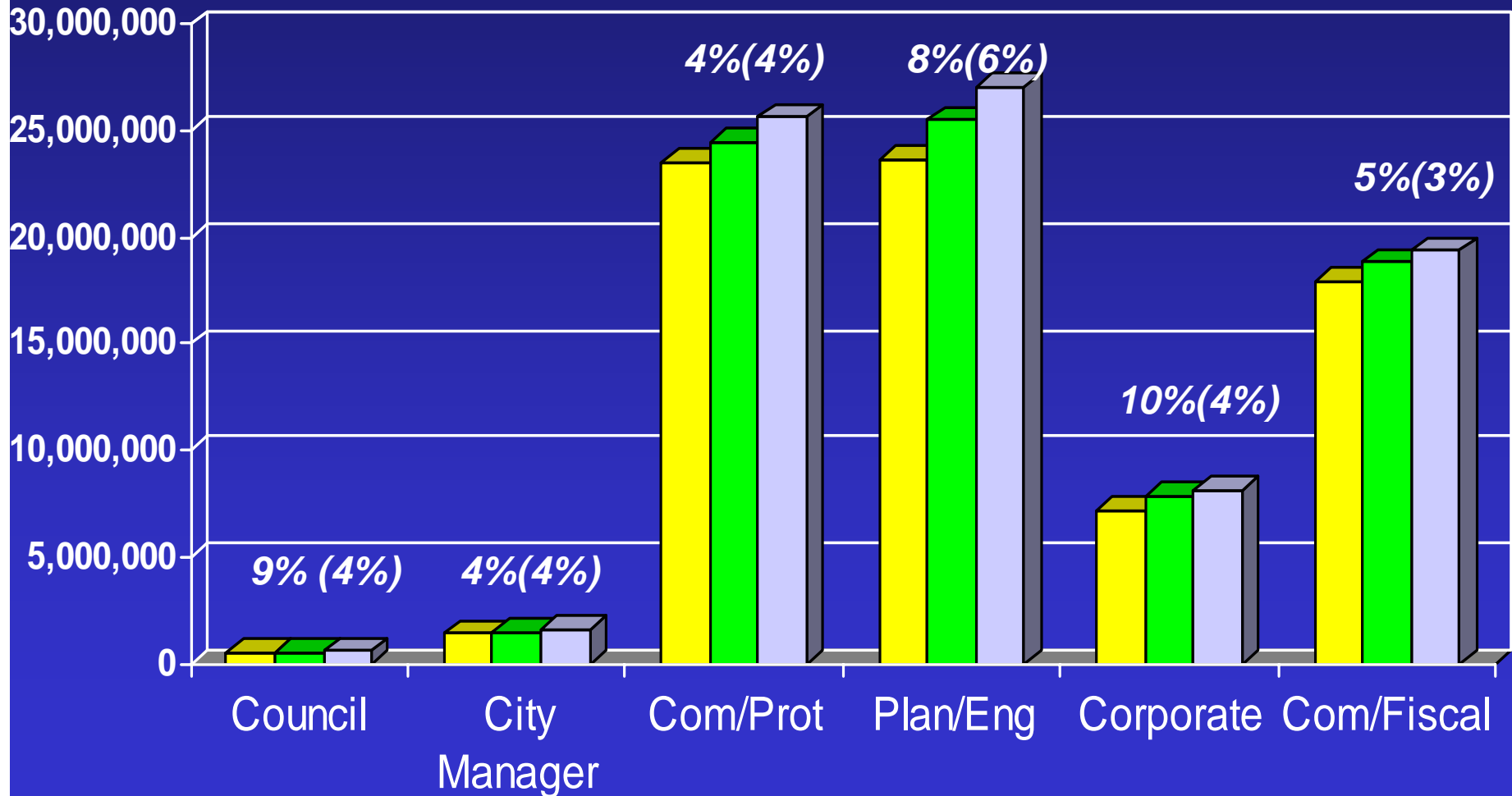


## Increase in Expenditures

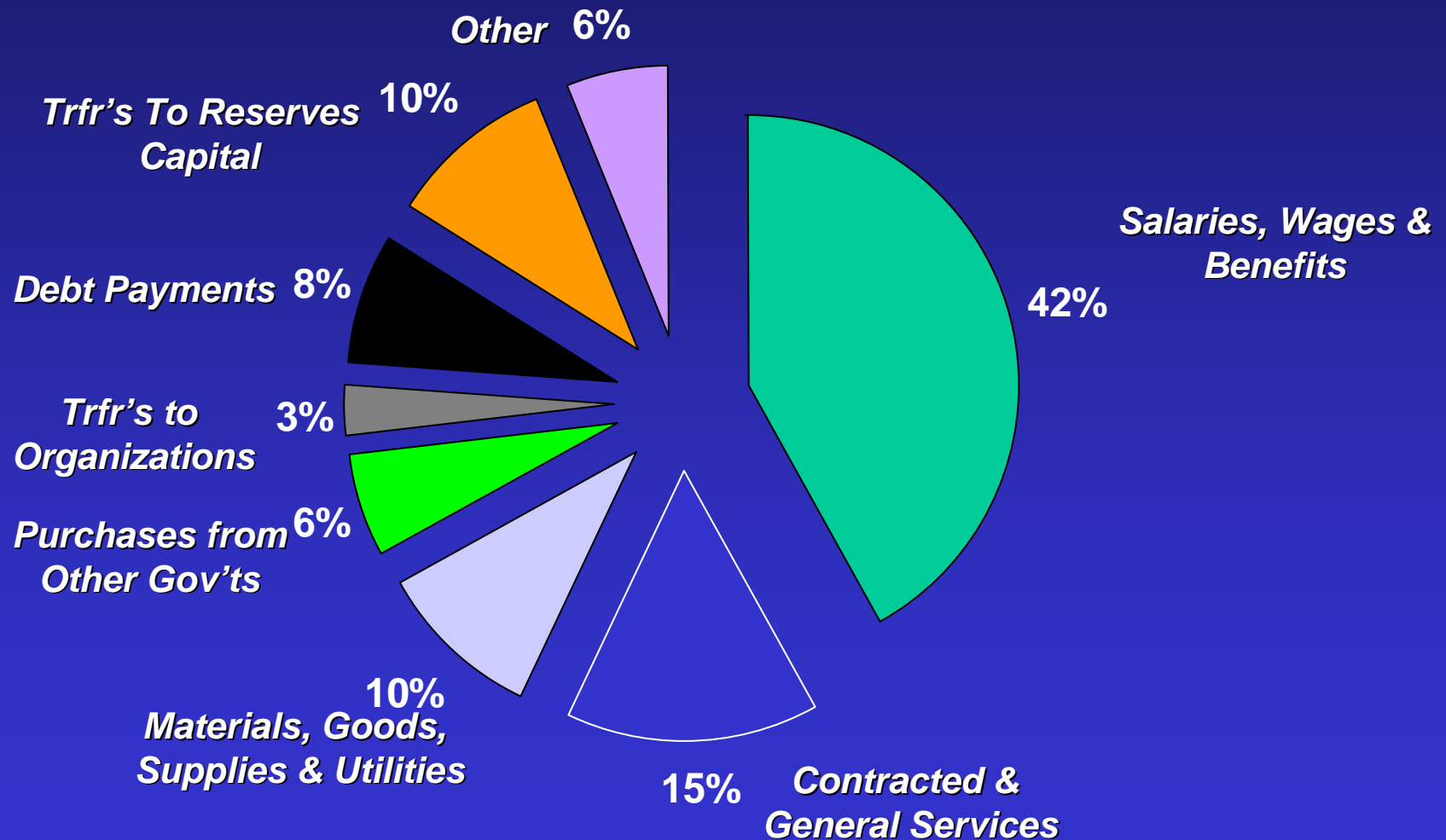
2006 Budget	\$74.1 million
2007 Budget	<u>79.9 million</u>
Increase	<u>\$ 5.8 million</u>
2008 Budget	<u>\$85.3 million</u>
Increase	<u>\$ 5.4 million</u>

# Annual Change in Operating Expenditures by Division

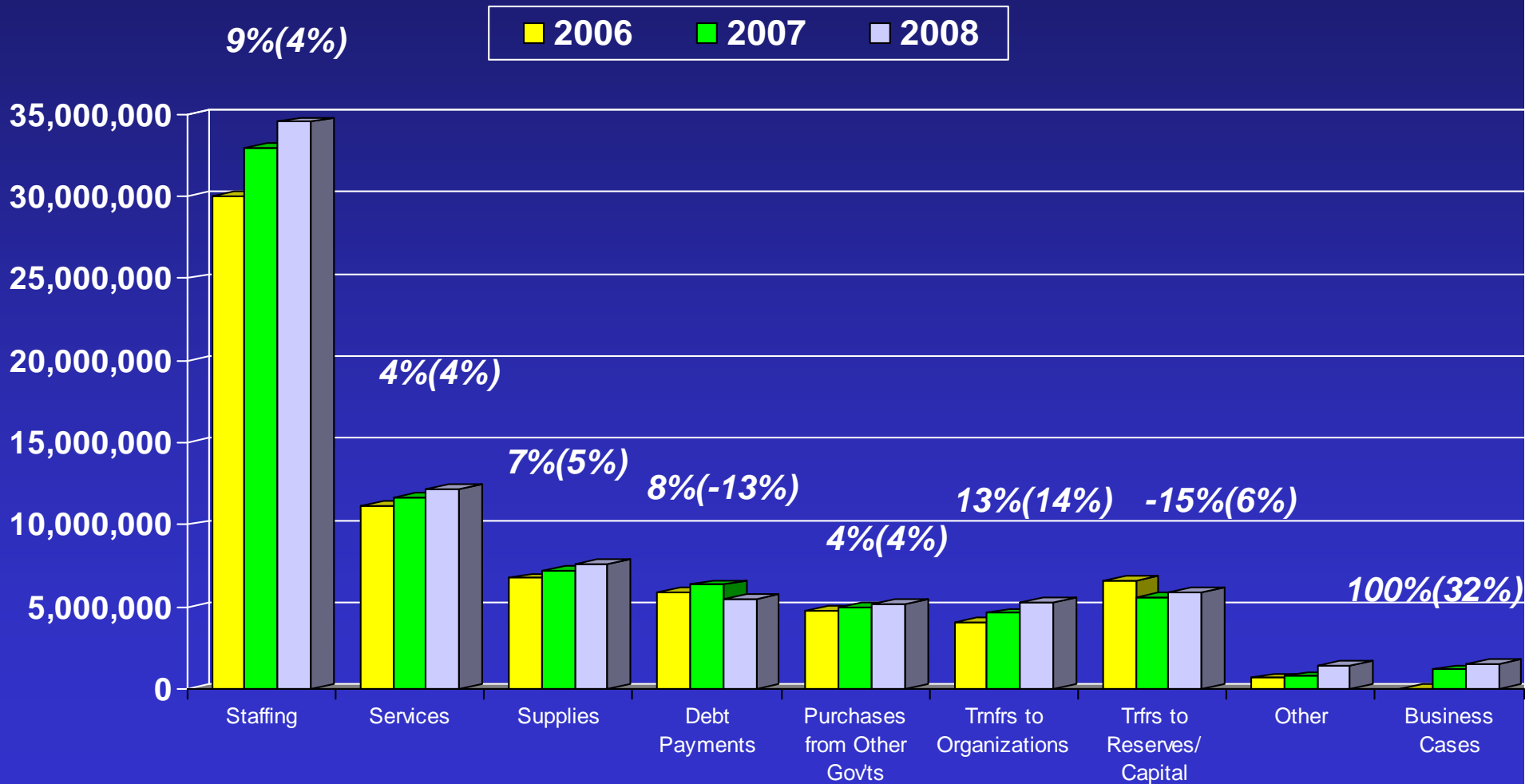
■ 2006 ■ 2007 ■ 2008



# 2007-2008 Operating Expenditures by Type



# Annual Change in Operating Expenditures by Type



# Staffing

# Significant Changes

(in thousands)

	<u>2007</u>	<u>2008</u>
• <b>Change in Staffing</b>	<b>\$ 2,939</b>	<b>\$ 1,593</b>
– Annualization/Merit	1,049	223
– 2006 Salary Survey	600	
– 2007 Economic Increase	895	964
– Employee Benefits	395	40

# Staffing Changes for 2007

<u>Business Case Additions</u>	<u>F.T.E.</u>
- Firefighters (Station #3)	4.00
- Community Liaison Coordinator	.56
- Police Administrative Support	1.00
- Compensation Tech/Admin Support – HR	.60
- IT Help Desk Assistant	.70
- Transit Fleet & Asset Manager	.50
- FCSS Administrative Assistant	.17
- Concession Supervisor	1.00
- Claims Mgmt/Health & Wellness Coordinator	1.00
- Business Mgr – Community & Protective Svcs	1.00
- Community Resource Team Coord – C & PS	1.00
- GIS Technician	1.00

# Staffing Changes for 2007 (cont'd)

## Business Case Additions

## F.T.E.

- Fire Services Administrative Support	.50
- Transit Operations Support & Data Analyst	1.00
- Apprentice Heavy Duty Mechanic (Transit)	1.00
- Insurance Claims Administrator	1.00
- Servus Place – Special Projects Manager	1.00
- Servus Place – Events & Facility Coord	.33
- Servus Place – Athletics & Leisure Coord	<u>1.00</u>

## **Total Municipal**

**19.36** (4.4%)

- Library Administrative Support	.50
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# Staffing Changes for 2008

<u>Business Case Additions</u>	<u>F.T.E.</u>
- Firefighters (Station #3)	8.00
- Communications Assistant	1.00
- Telecommunications Technician	1.00
- Community Recreation Coordinator	.60
- Safety Codes Officer	1.00
- Administrative Officer – Planning & Eng	1.00
- Capital Project Coordinator	1.00
- Customer Service Specialist – Transit	1.00

# Staffing Changes for 2008 (cont'd)

## Business Case Additions

## F.T.E.

- AutoCAD Technologist
- Servus Place – Events & Facility Coord
- Servus Place – Operations Coordinator

1.00  
.67  
1.00

## **Total Municipal**

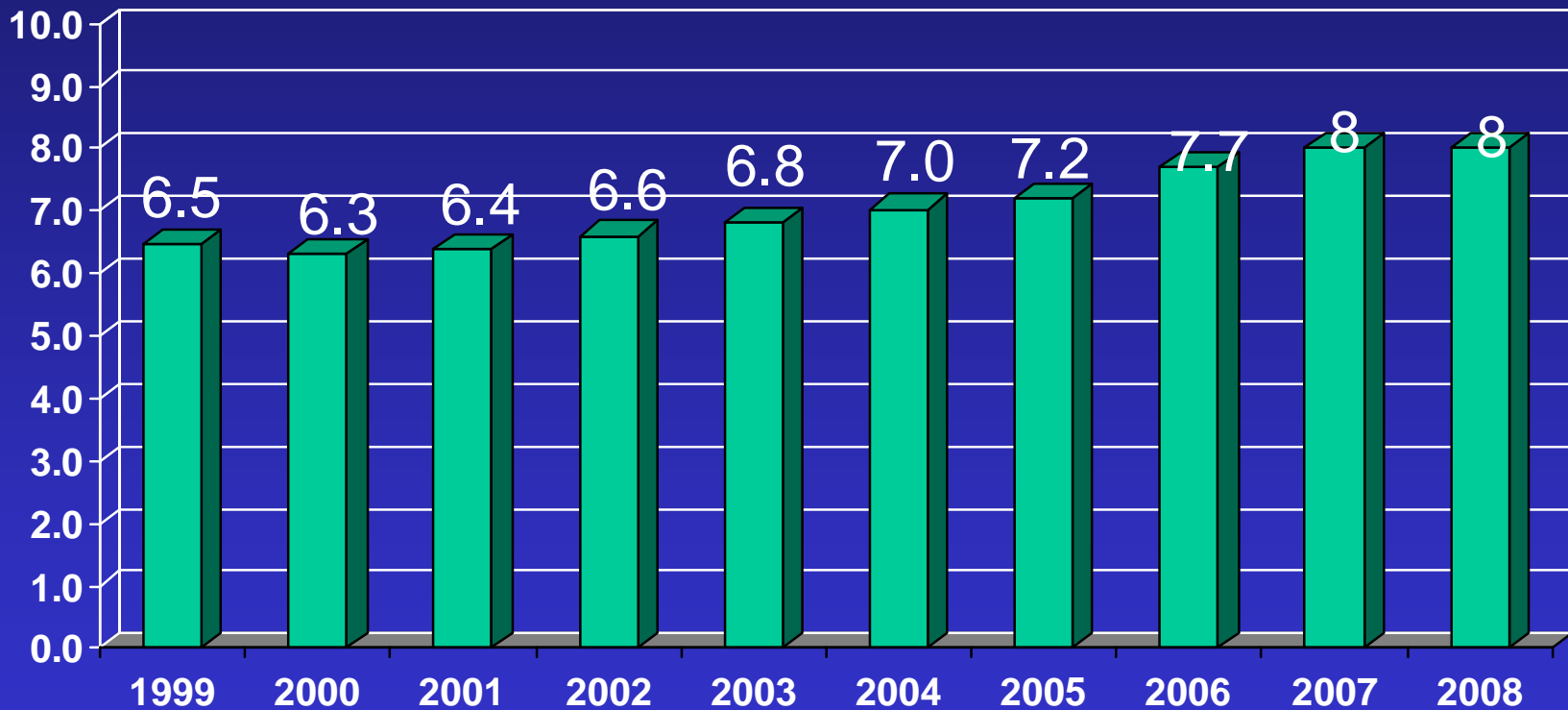
**17.27** (3.7%)

- Library Recovery of Service Levels

.75

# St. Albert Staffing Per 1,000 Population

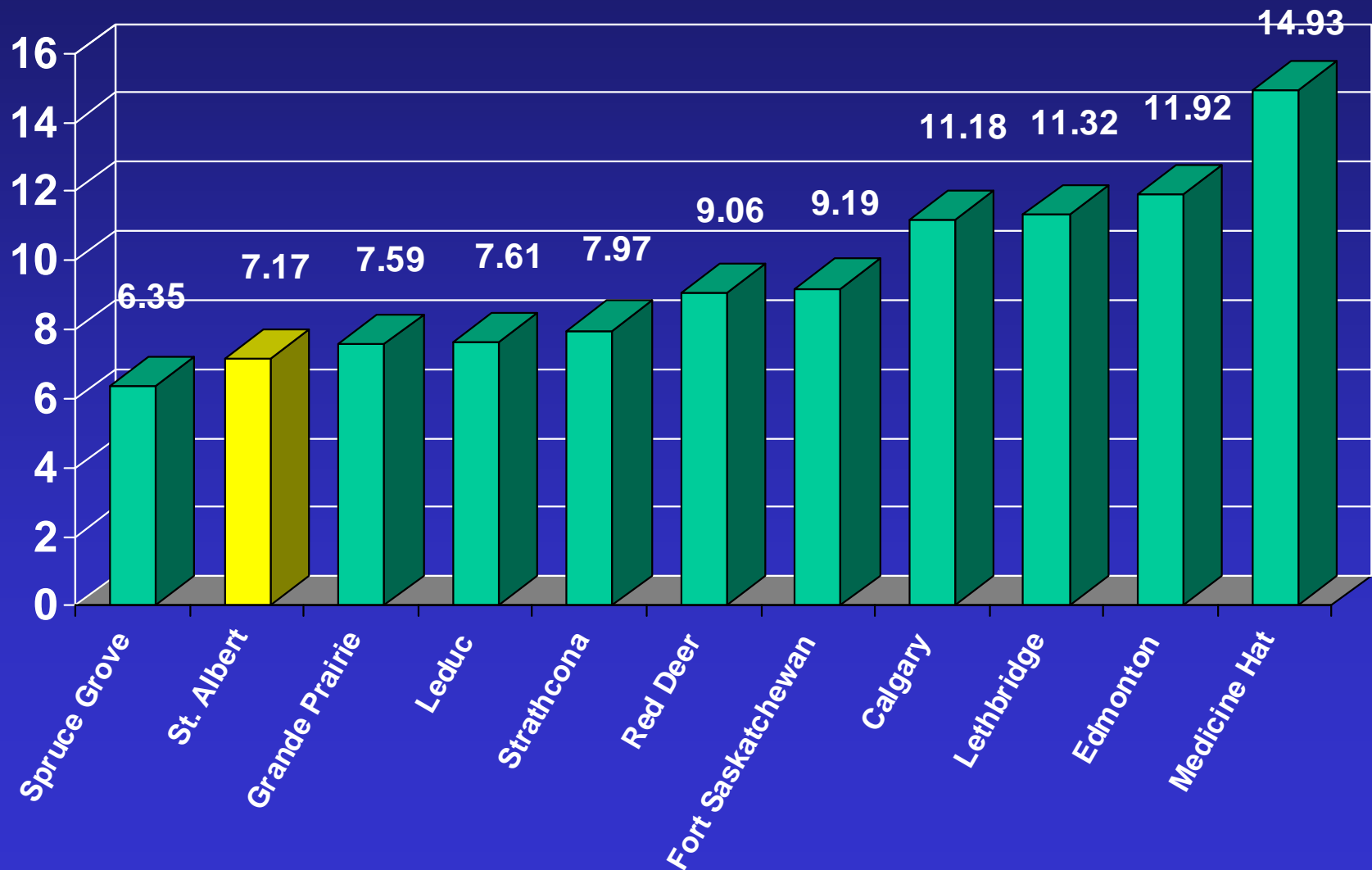
Source: Alberta Municipal Affairs 2005



# Comparative Cities

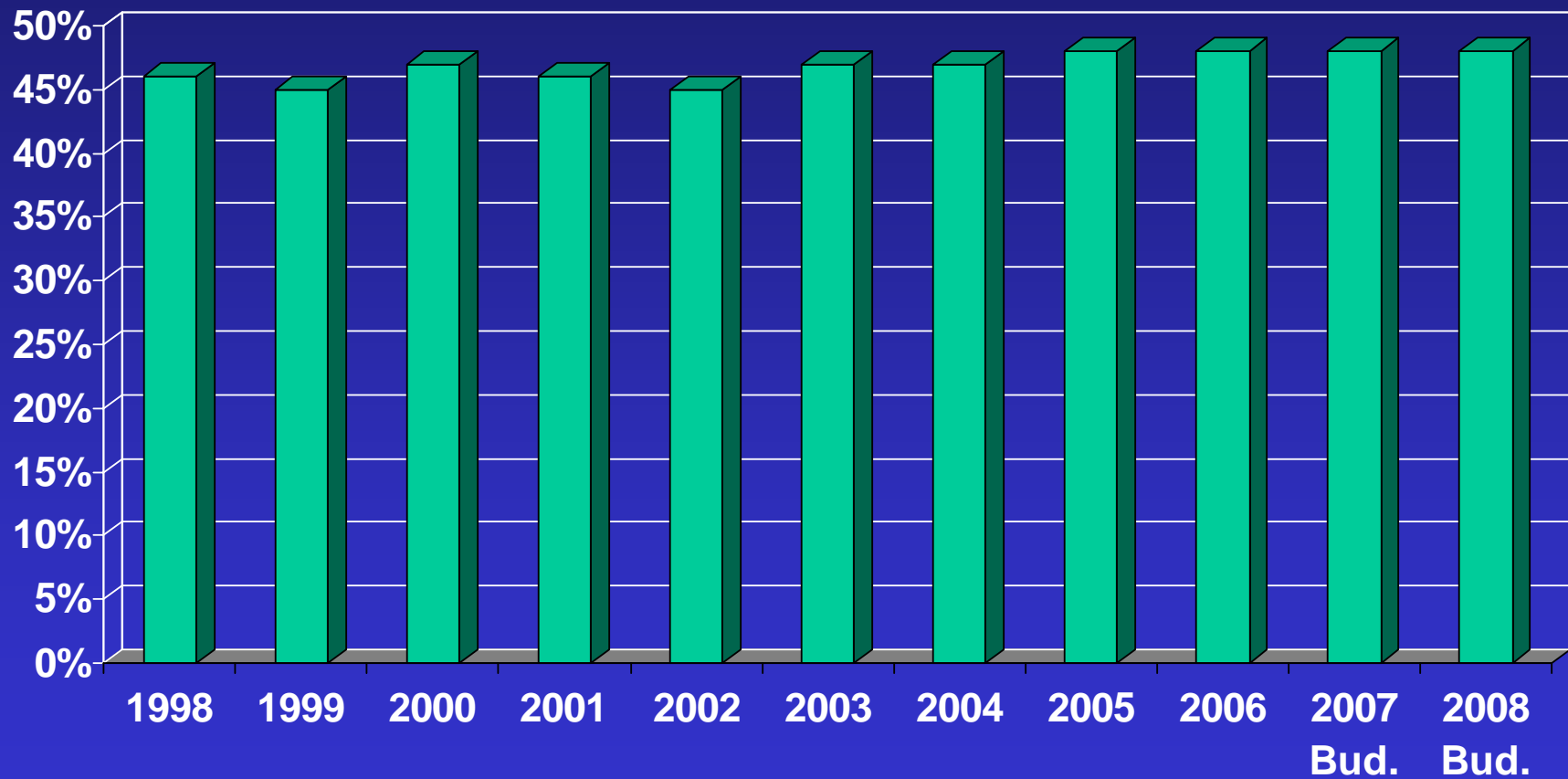
## Full-Time Positions Per 1000 Population

Source: Alberta Municipal Affairs 2005



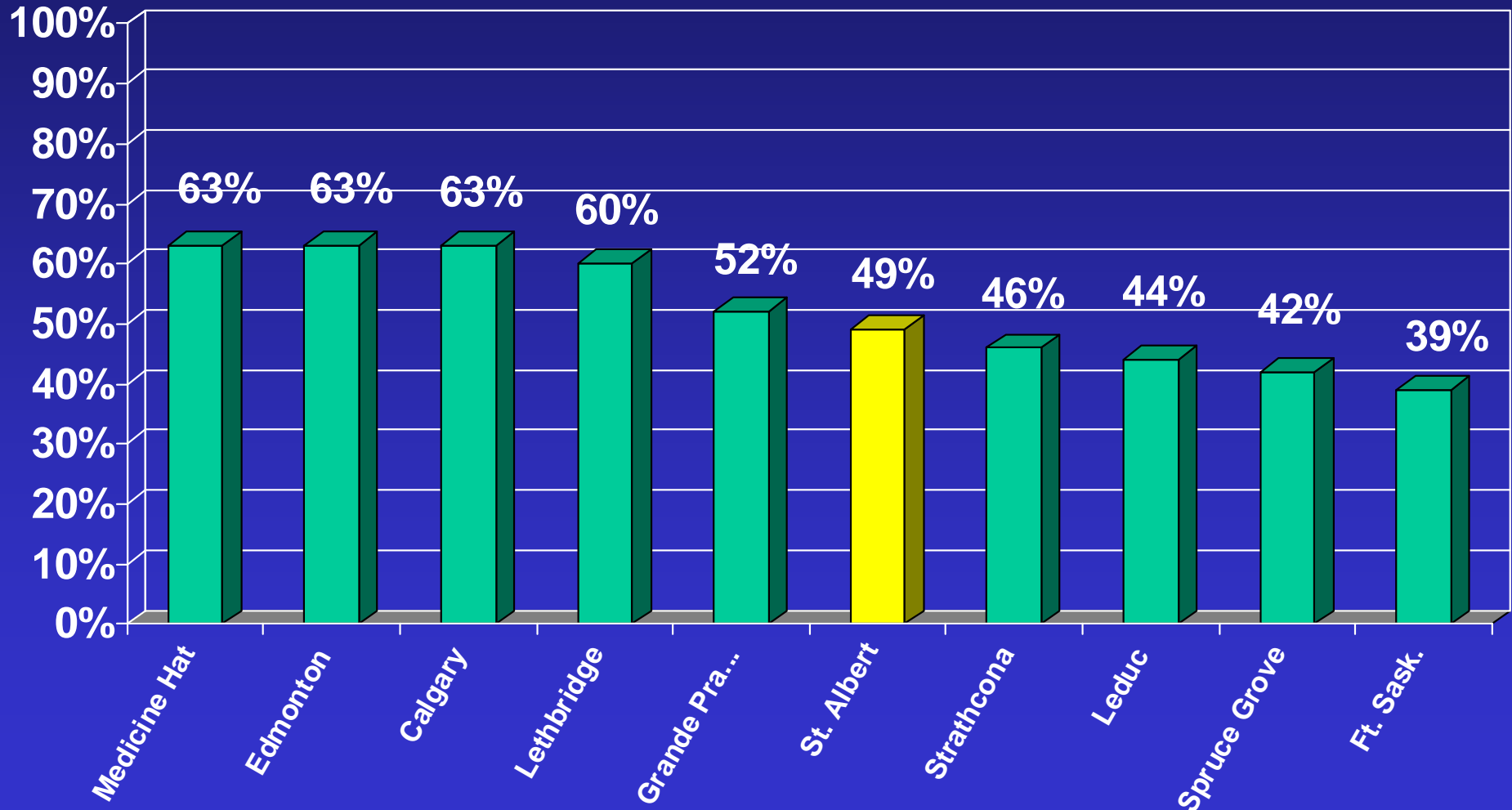
# Staffing as a % of Operating Costs

*(City of St. Albert)*



# Staffing as % of Operating Costs

Source: Alberta Municipal Affairs 2005



# **Contracted and General Services**

# Significant Changes

(in thousands)

	<u>2007</u>	<u>2008</u>
• <b>Contracted &amp; General Services</b>	<b>\$ 498</b>	<b>\$ 493</b>
– Transit driver contract (\$288)		
– Roadway Services Contracts (\$155)		
– Facility Maintenance Contracts (\$91)		
– Information Services contracts (\$66)		
– Hired Equipment contracts for Street Cleaning & Snow removal (\$63)		
– Photo Radar contract (\$-298)		

# Significant Changes

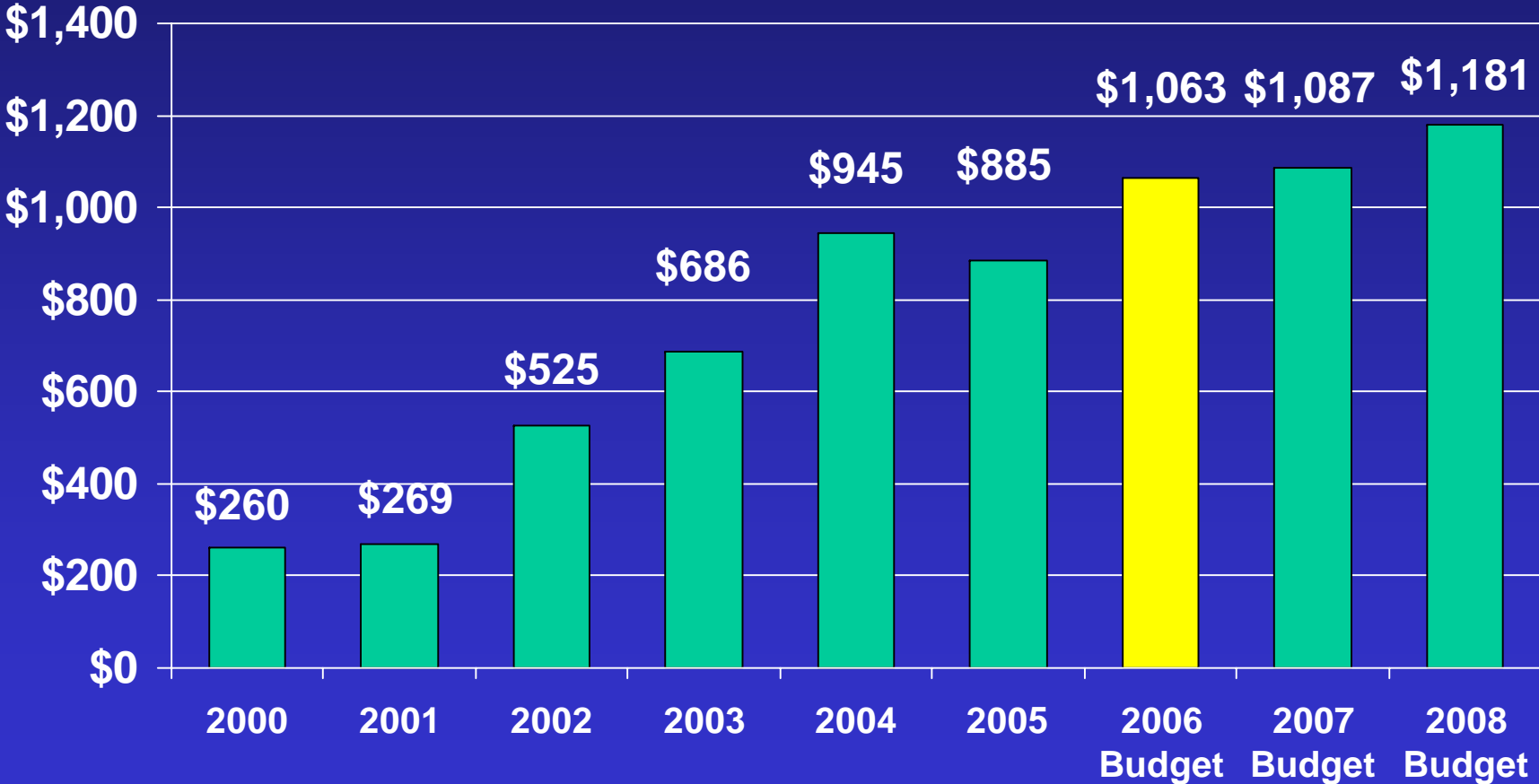
(in thousands)

- **Contracted & General Services (cont'd)**
  - Municipal Election - 2007 (\$141)
  - Development & Training (\$74)
  - Legal Services (\$10)
  - Professional Services-Consulting (\$94)
  - Insurance Premiums (-\$44)
  - One-time-2006 Payroll Conversion (-\$140)

# Insurance 2000 – 2008

(Municipal, Utility & Servus Credit Union Place)

(in thousands)



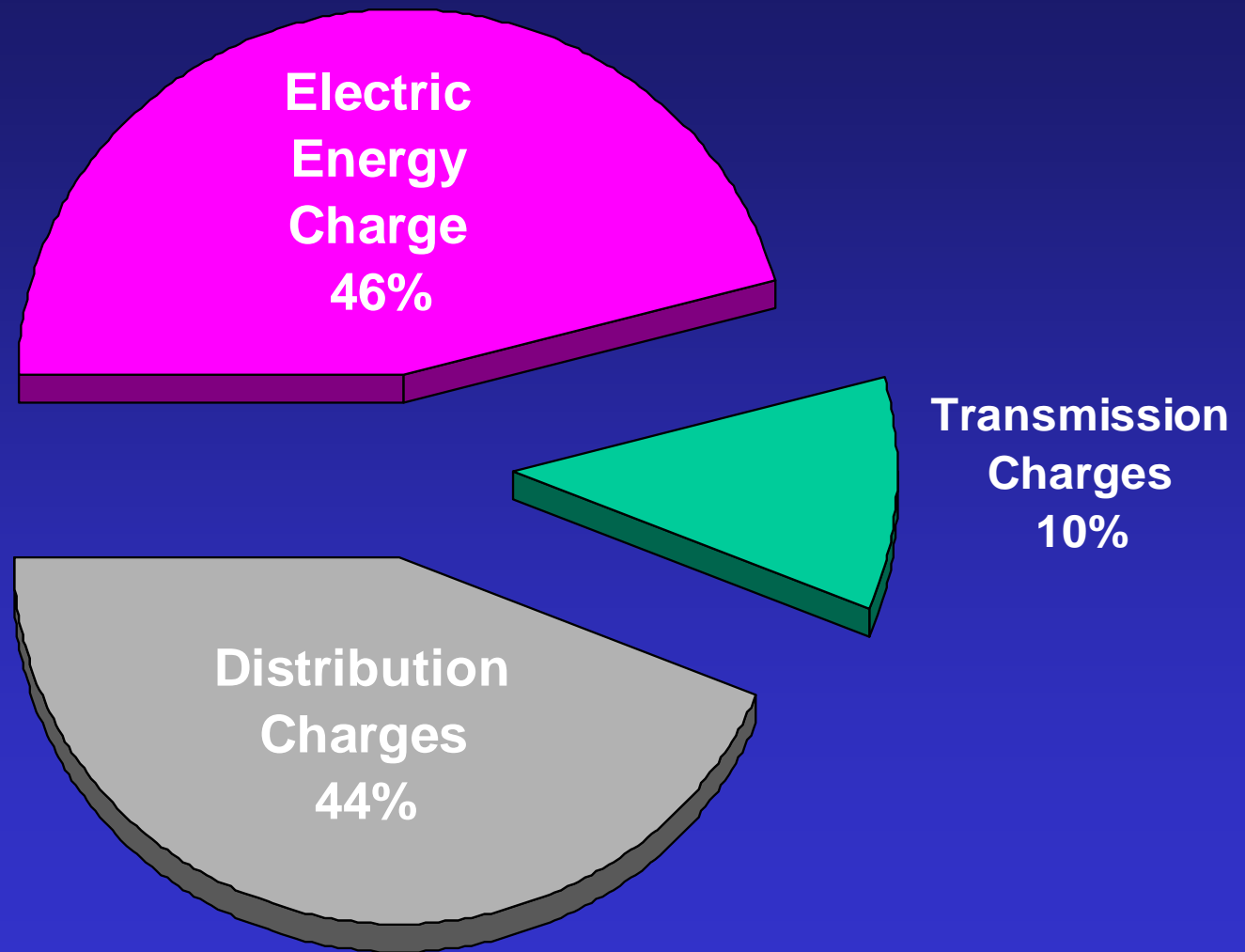
# **Materials, Goods, Supplies & Utilities**

# Significant Changes

(in thousands)

	<u>2007</u>	<u>2008</u>
<b>Materials, Goods, Supplies &amp; Utilities</b>	<b>\$ 473</b>	<b>\$393</b>
– Fuel (\$286)		
– Electricity (\$104)		
– Natural Gas (-\$221)		
– Equipment & Vehicle Parts (\$169)		
– Sand, salt, gravel & chemicals (\$82)		
– Construction & Mtce materials (\$62)		
– Operating & Program Supplies (-\$13)		

# The Cost of Electricity

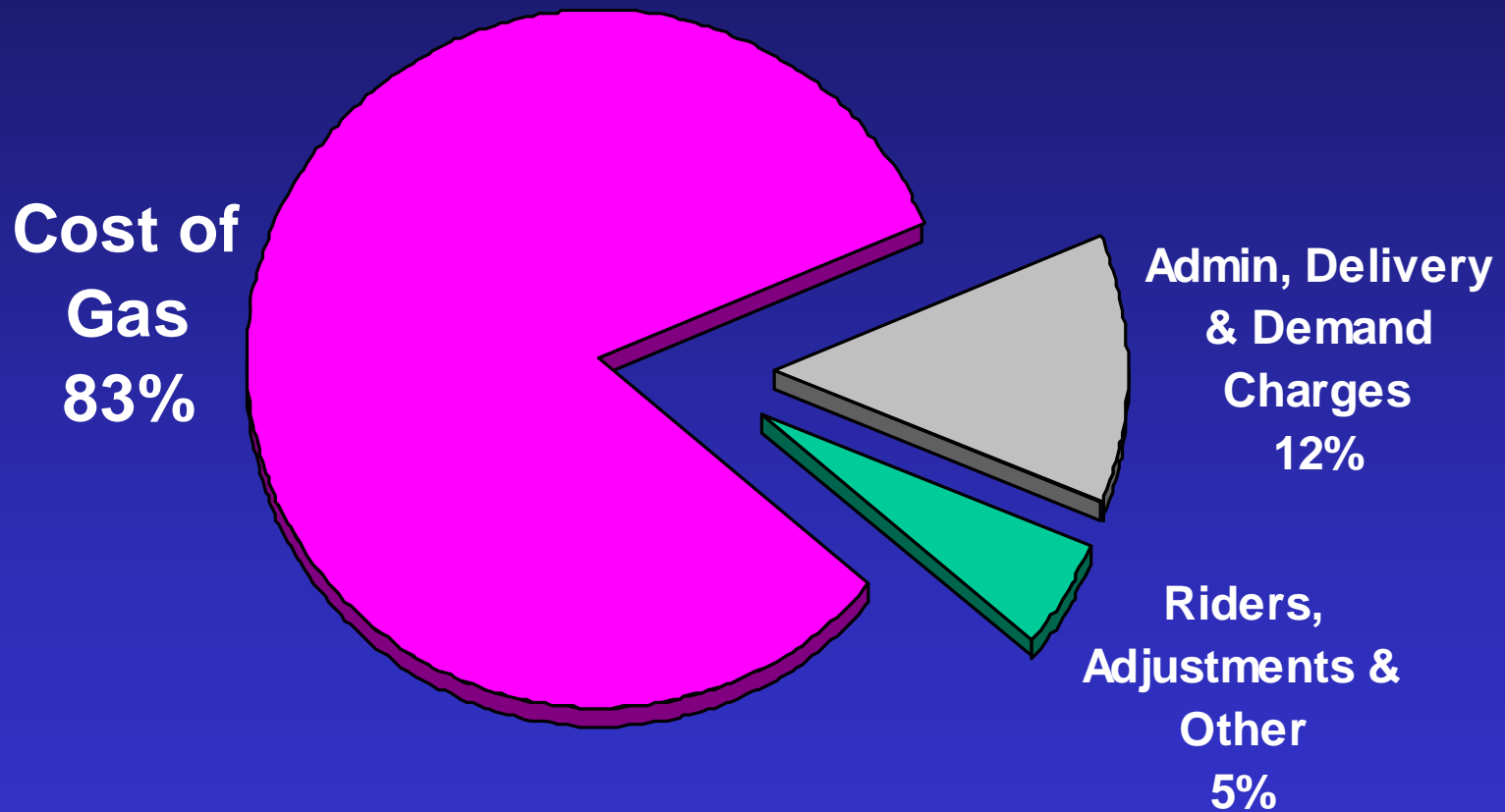


# Electricity 2000 - 2010

*(Includes Municipal, Utility & Servus Place)*



# The Cost of Natural Gas (excludes rebate)

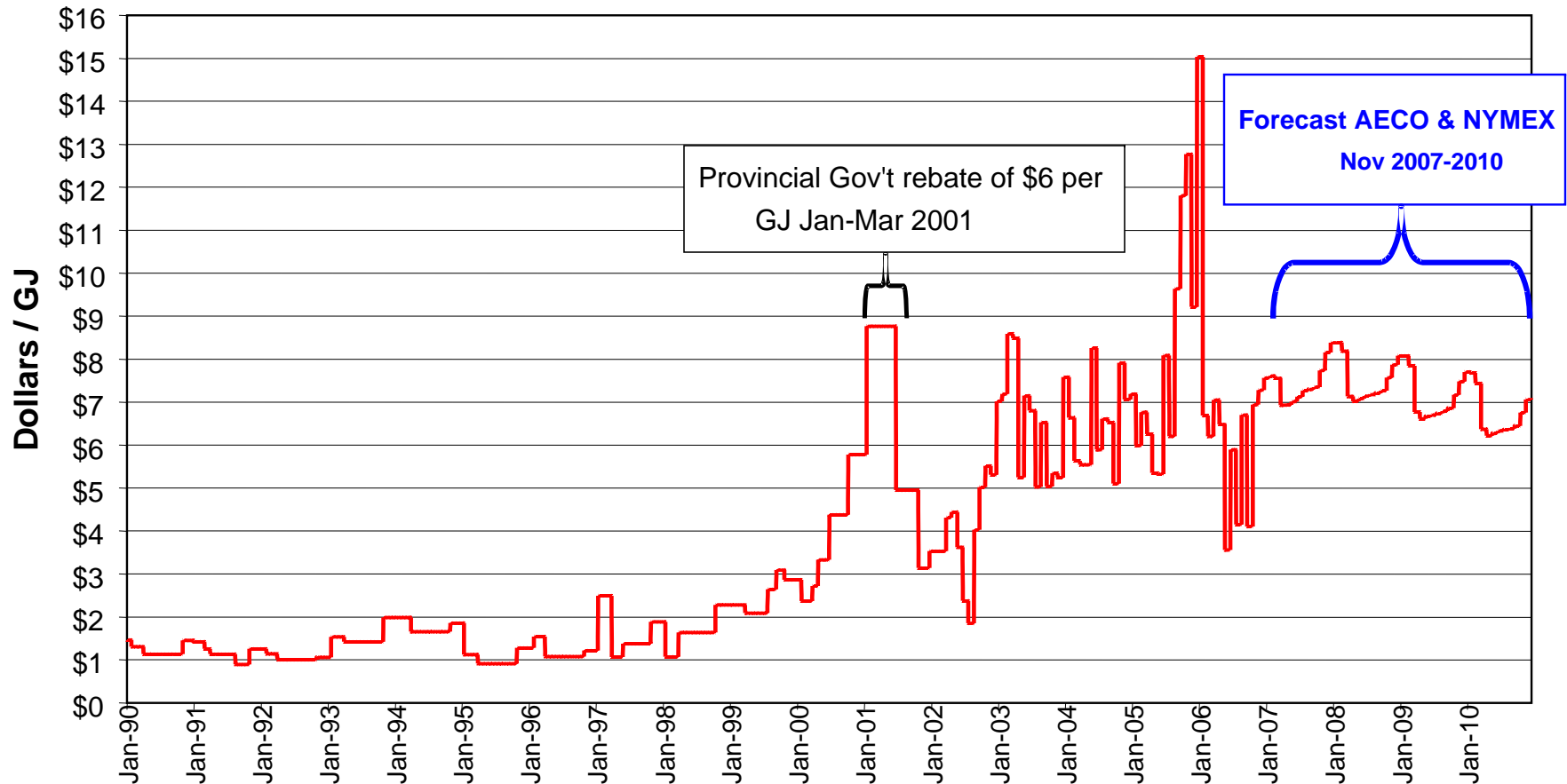


# Natural Gas 1990 - 2010

## Daily Rates - Cost of Natural Gas (\$/GJ)

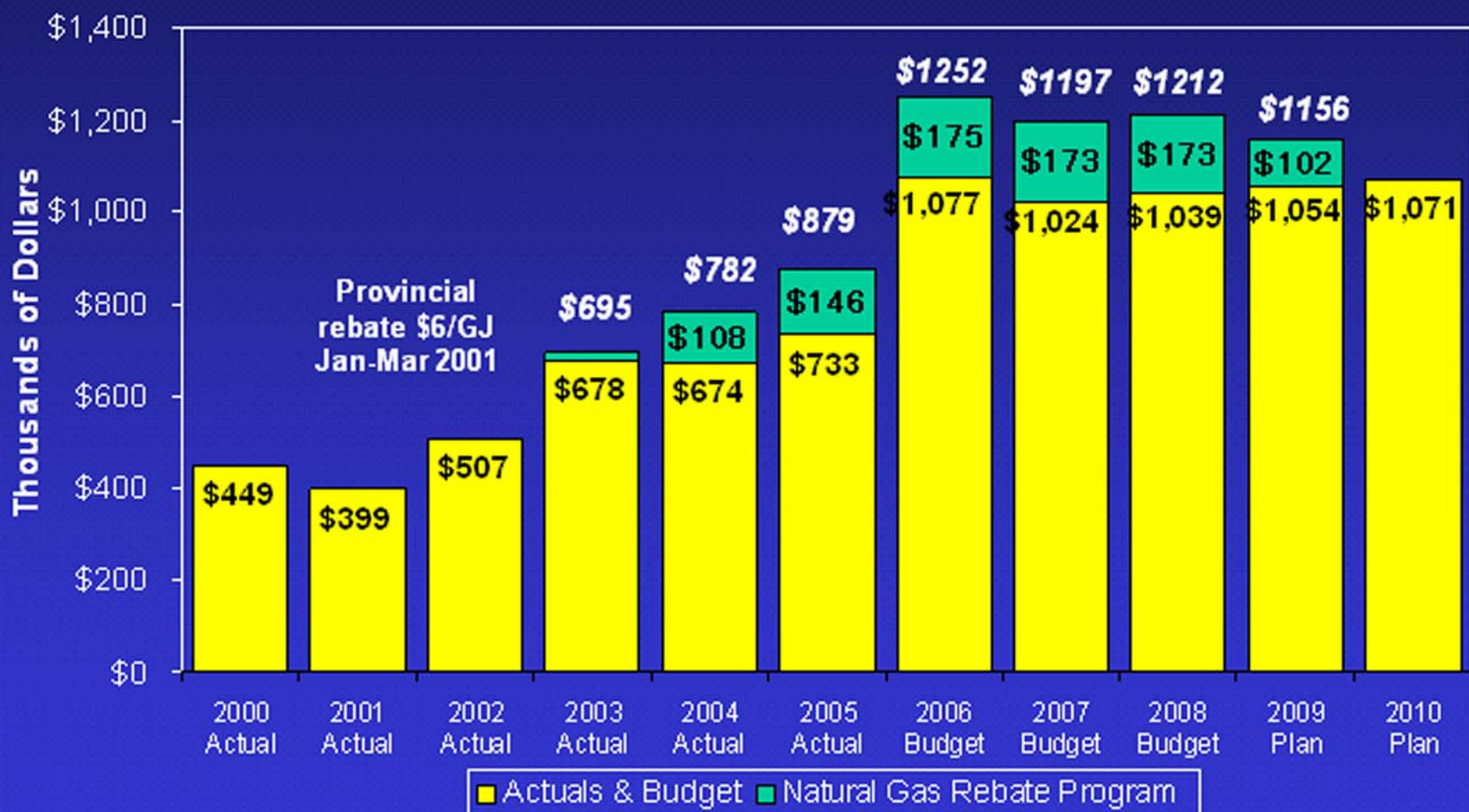
Jan/90 to Nov/06 are Actuals, Dec/06 to Nov/07 are based on AECO Settlement Data,

Dec/07 to Dec/10 are based on NYMEX Futures Market. All prices exclude Delivery Charges, Riders & Adjustments



# Natural Gas 2000 - 2010

*(includes Municipal, Utility & Servus Credit Union Place)*



# Significant Changes

(in thousands)

	<u>2007</u>	<u>2008</u>
• <b>Purchases from Other Gov'ts</b>		
- RCMP Contract	\$194	\$198
• <b>Transfers to Organizations</b>	\$548	\$640
- Outside Agencies		
- FCSS		

# Significant Changes

(in thousands)

	<u>2007</u>	<u>2008</u>
<b>Debt and Capital Lease Pymts</b>	\$ 462	\$ -234
<b>Transfer's to Capital Reserves</b> (Replacement Plans)	\$ 173	\$ 234
<b>Transfer to Reserves</b> (06 Bus Case –Tsf to Stabilization Reserve)	\$ 250	
<b>Recovery from Servus Place</b>	\$-1,052	\$ - 77
• Other	\$ 127	\$ -182
• 2008 Contingency		\$ 500
	<hr/> <b>\$4,612</b>	<b>\$3,558</b>

# Significant Changes

(in thousands)

	2007	2008
• 07 Business Cases	\$1,188	\$ 271
• 08 Business Cases		<u>\$1,571</u>
Total Change	\$5,800	\$5,400

# Operating & Capital Business Cases

- *A new initiative identified by a department that requires new funding dollars. Business cases are ordered by outcome goal, urgency, importance, and overall corporate priority.*

## Funded Business Case

Able to fund within the existing funding capacity within the Proposed Budget

## Unfunded Business Case

Exceeds overall available funding capacity within the Proposed Budget.

# 2007 Funded Operating Business Cases

(in 000's - Not including staffing)

- Fee Increase – Non Resident Criminal Records Check \$ (15.5)
- Fee Increase – Local Criminal Records Check \$ ( 26.6)
- Criminal Records Check Resources \$ 33
- Fee Increase – Not Neutered or Spayed Dogs \$ ( 3.5)
- Fee Increase – Extra Accident Reports \$ ( 2.1)
- Fee Increase – Shinny Hockey \$ ( 4.1)
- Transit Fare Revenue @ Inflation \$ ( 61.1)
- Implement UPASS Initiative @ \$90 \$ 120
- Land Development Advisor \$ 50
- Accounting Services – PSAB \$ 51.1
- Lease Administrative Space \$ 150

# 2007 Funded Operating Business Cases

(in 000's - Not including staffing)

• Environmental Strategic Plan	\$ 25
• Customer Service Centre Hours	\$ -
• Parks & Open Spaces Development Plan	\$ 25
• Corporate Planning Summer Intern	\$ 12
• Engineering Seasonal Project Support	\$ 15
• Business Continuity Plan – Fire	\$ -
• Municipal Enforcement Vehicle – Oper. Exp.	\$ 10.9
• AHF Contract Renewal	\$ TBD
• Sturgeon County Retainer – Fire	\$ TBD
<b>Total Operating Business Cases</b>	<hr/> <b>\$1,188</b>

# 2008 Funded Operating Business Cases

(in 000's - Not including staffing)

• RCMP Officers ( 1 Officer)	\$ 92.8
• Municipal Enforcement Uniform & Vehicle Marking	\$ 25
• Implement Health & Wellness Program	\$ 25
• Parks & Open Spaces Implementation	\$ 50
• Visual Arts Tech. Support (contract)	\$ 20
• Intermunicipal Plan Review w/ Sturgeon County	\$ 125
• Lease Administrative Space	\$ 200
• Employee Benefit Costs	\$ 75
• Implement Tourism Plan	\$ 25

**Total Funded Operating Business Cases**

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**\$1,570**

# 2007 - 2008 Unfunded Operating Business Cases

(in 000's - Not including staffing)

## 2007

- NABI Incremental Funding \$ 25

## 2008

- Leisure Services Update (Culture/Rec LTDP) \$ 35
- Founders Walk Redevelopment \$ -
- Study for Transit R/C Ratio - 50% \$ 175
- Image & Marketing Plan (EDT) \$ 50

# Revenues

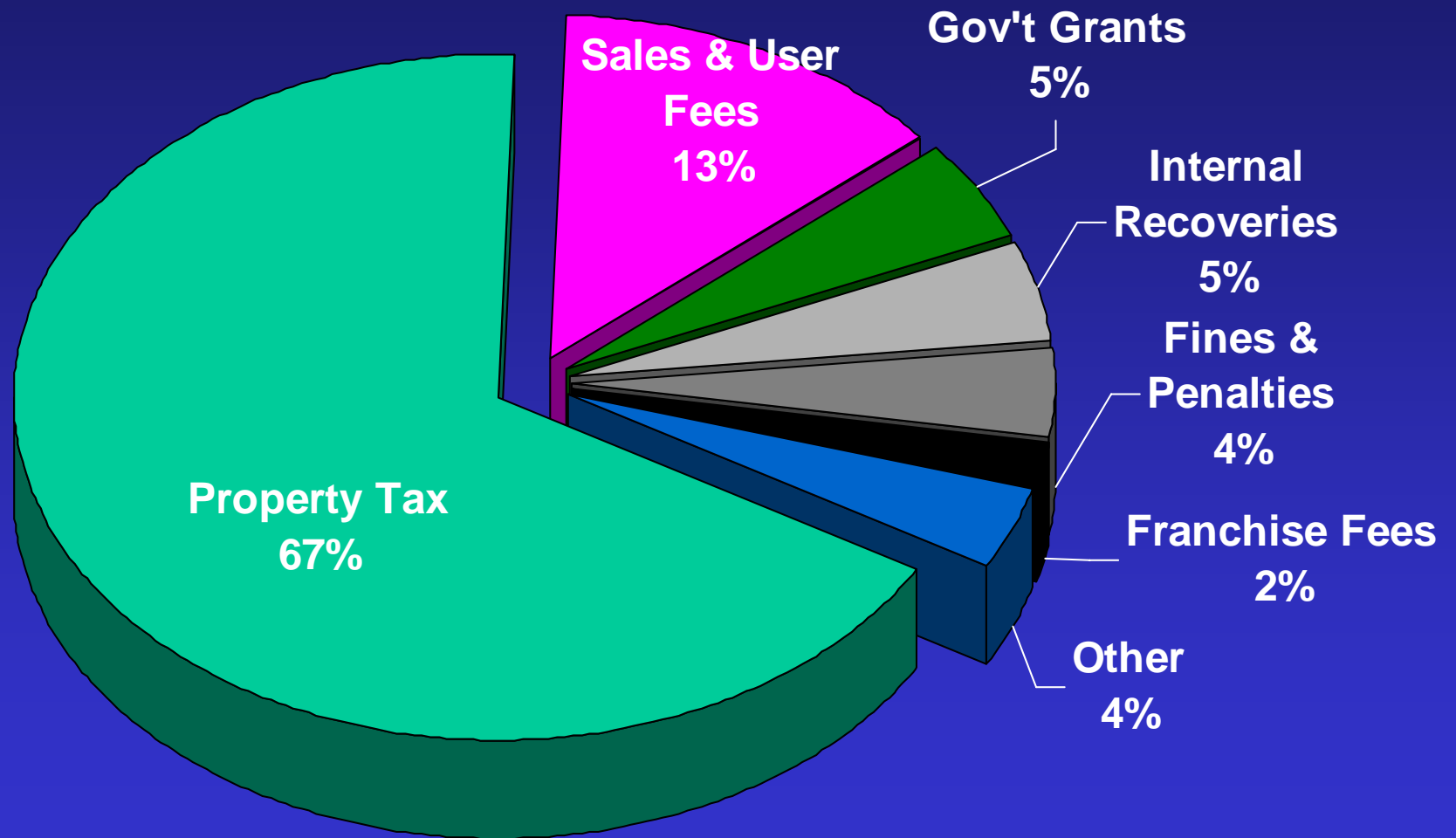
**Significant Changes**

**Taxation**

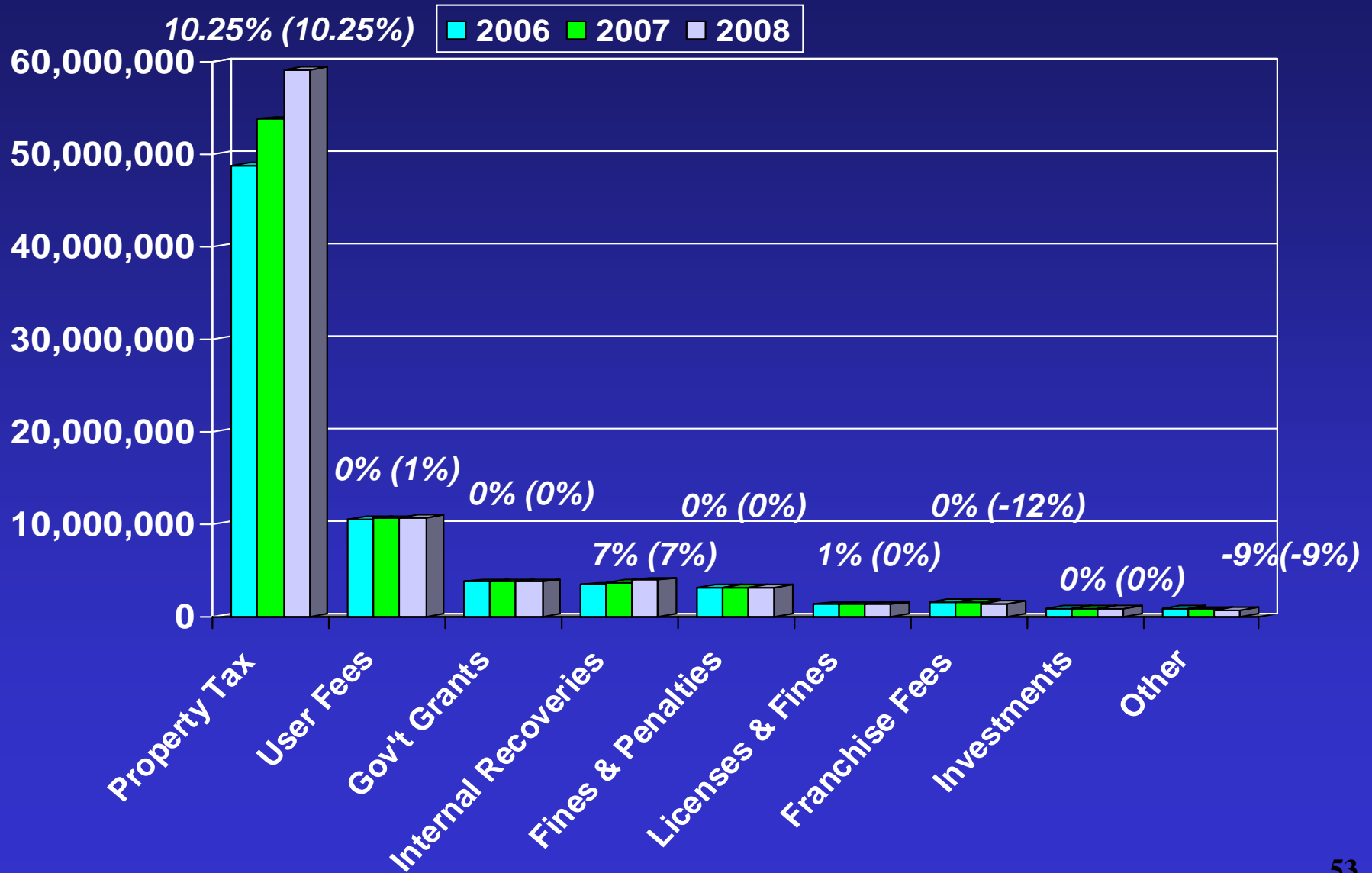
**Grants**

**User Fees**

# 2007-2008 Municipal Operating Revenues by Type



# Annual Change in Operating Revenues by Type



# Significant Changes

(in thousands)

	<u>2007</u>	<u>2008</u>
• <b>Property tax</b>	\$5,453	\$5,332
– 06 Additional assessment (\$430)		
– Growth (\$1,800)		
– Services (\$3,225)		
• <b>Sales &amp; User fees</b>	\$ 50	\$ 113
– Transit Fares		
• <b>Natural Gas Franchise Fees</b>	-	\$ -197

# Significant Changes

( in thousands)

	<u>2007</u>	<u>2008</u>
• Government grants	\$ 11	\$ - 11
• Internal Recoveries	\$ 259	\$ 261
• Fines & Penalties	\$ 7	\$ 7
• Licenses and permits	\$ 14	\$ 4
• Transfer from reserves	\$	\$ - 82
• Other	\$ 6	\$- 27
<b>Total Change</b>	<b>\$ 5,800</b>	<b>\$5,400</b>

# Fees & Charges

# Changes to Fees

## Master Rates & Other Rate Bylaws

	<u>2007</u>	<u>2008</u>
• <b>Dog License Fees</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>
Fee is being increased to encourage neutering/spaying of dogs licensed in St. Albert		
• <b>User Fees</b>	<b>\$ 4,100</b>	<b>\$ 4,100</b>
Includes an adjustment to rates to reflect GST Excluded, as well as an amendment to age categories for aquatics and an adjustment to Shiny Hockey Fees, which are well below other communities		

# Changes to Fees

## Master Rates & Other Rate Bylaws

	<u>2007</u>	<u>2008</u>
• <b>Transit Fares</b>	\$ 61,100	\$ 123,900
Transit Fares have been increased to keep with inflation, based on the Transit Fare Strategy		
• <b>Administrative Charges</b>	\$ 44,200	\$ 44,200
RCMP Fees are being increased to keep up with the human resource costs associated with the services provided		
<b>Total</b>	<b>\$ 112,900</b>	<b>\$175,700</b>

# Grants

# Significant Changes

(Rev. In thousands)

	<u>2007</u>	<u>2008</u>
<b>Operating Grants</b>	<b>\$ 11</b>	<b>\$ (11)</b>

- Increase in Provincial FCSS Funding (2007)
- Reduced grant funding from Interest Stabilization Reserve Grant

# Capital Grants

	<u>2007</u>	<u>2008</u>
<b>No Change</b>		
•Basic Capital Grant (annual)	\$ 3.3M	\$ 3.3M
•Federal Gas Tax (NDCC)	\$ 1.3M	\$ 1.7M
•Federal Gas Tax Transit (NDCC)	\$ 1.1M	-
•Provincial Inf. Grant (AMIP)	\$10.6 M	\$10.6M

## **New for 2007 – 2008**

–Canada Alberta Muni Rural Infr. Fund (CAMRIF)

- Projects decided upon a competitive basis
- Municipal & Utility Projects totaling \$9.5 M have been submitted for approval
- *All above grants are conditional*

# **Municipal Capital Program**

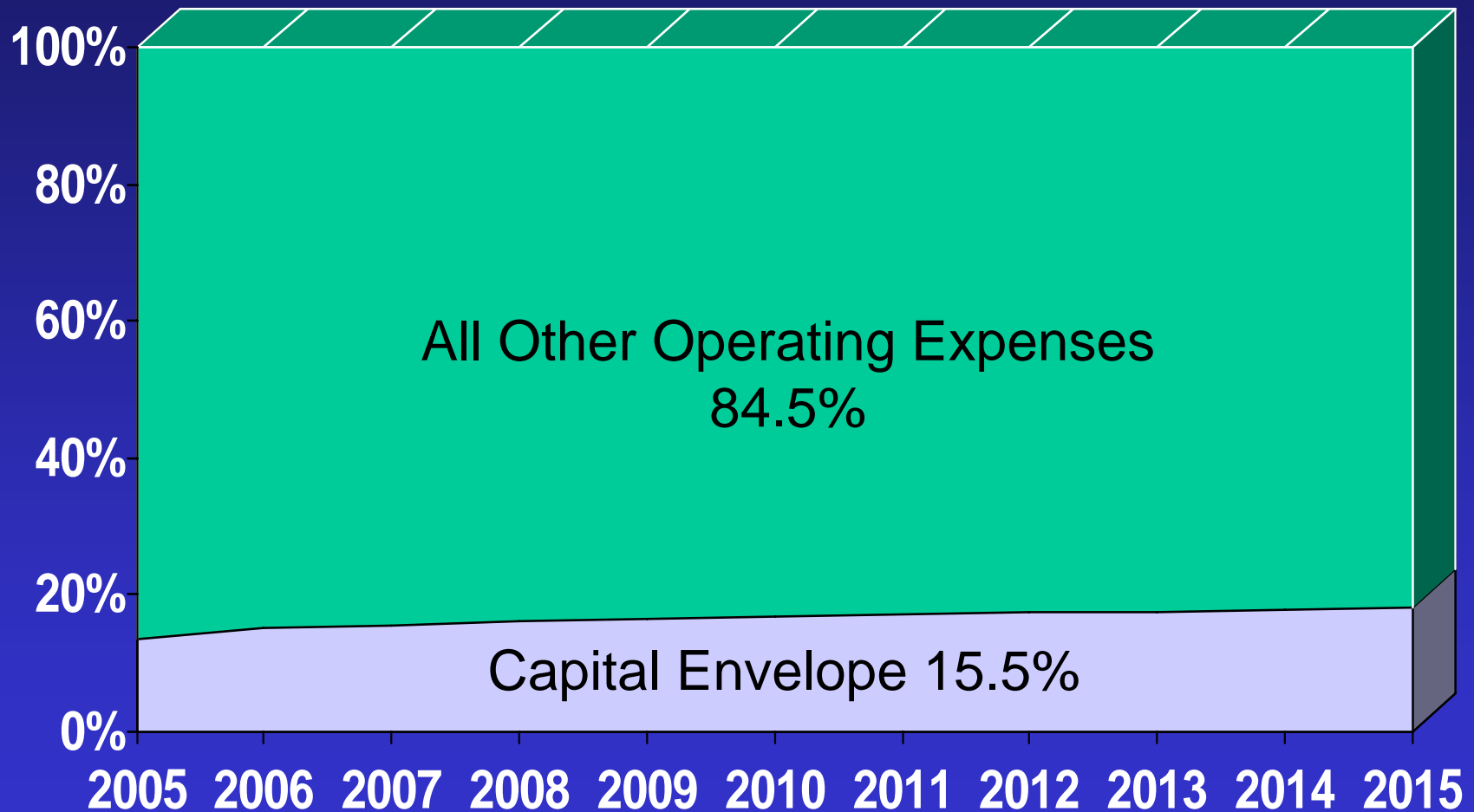
# Capital Envelope System

# Capital Envelope System

- **Capital Envelope System**
  - Ensures sustainable capital program
  - Protects capital spending from operating pressures
  - Ensures property tax stability
- **Property Tax Supports**
  - Pay as you go
  - Transfers to reserves
  - Debt payments (external & internal)

# Capital Envelope

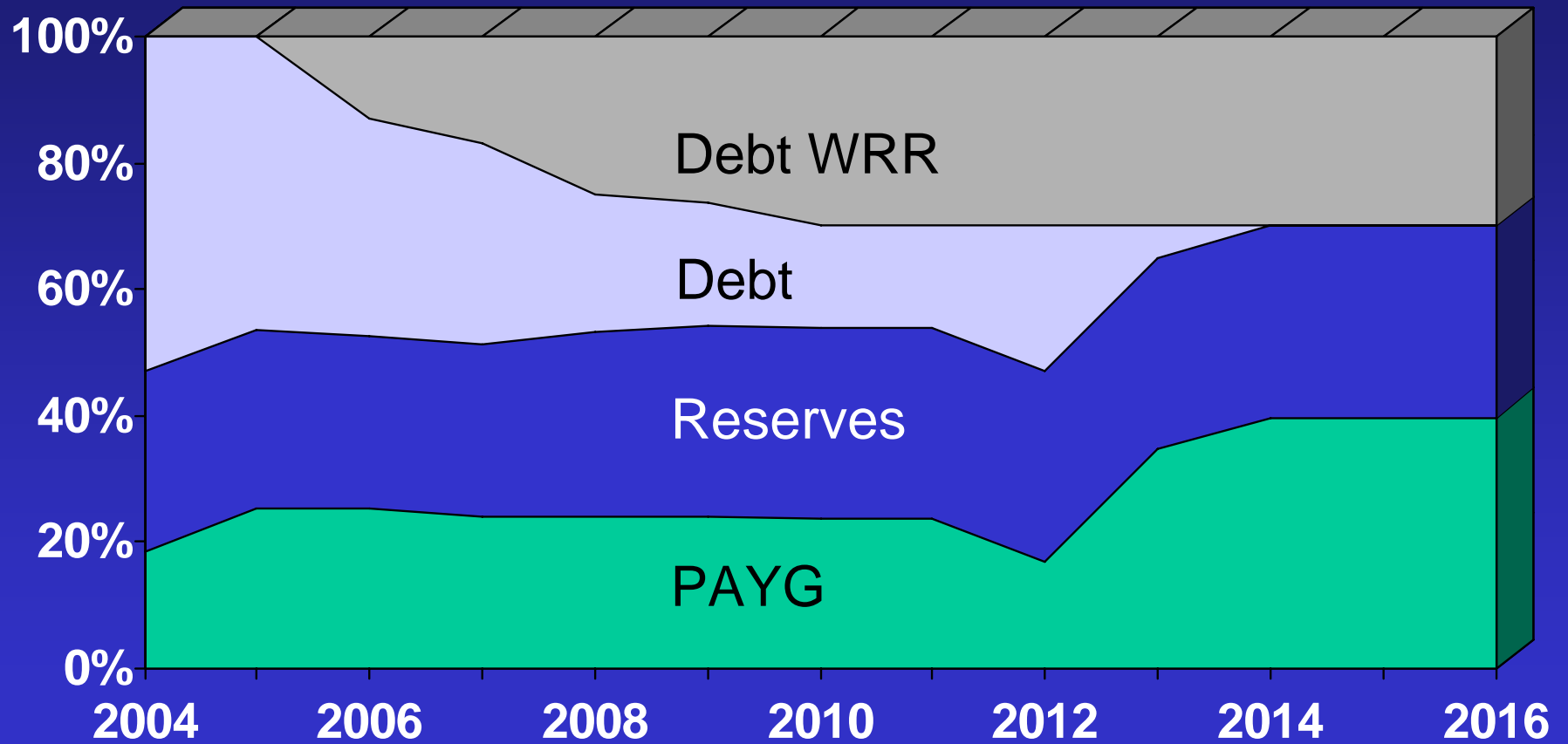
Allocate % of Operating Budget to Capital - Presently 15.5%



# Capital Envelope

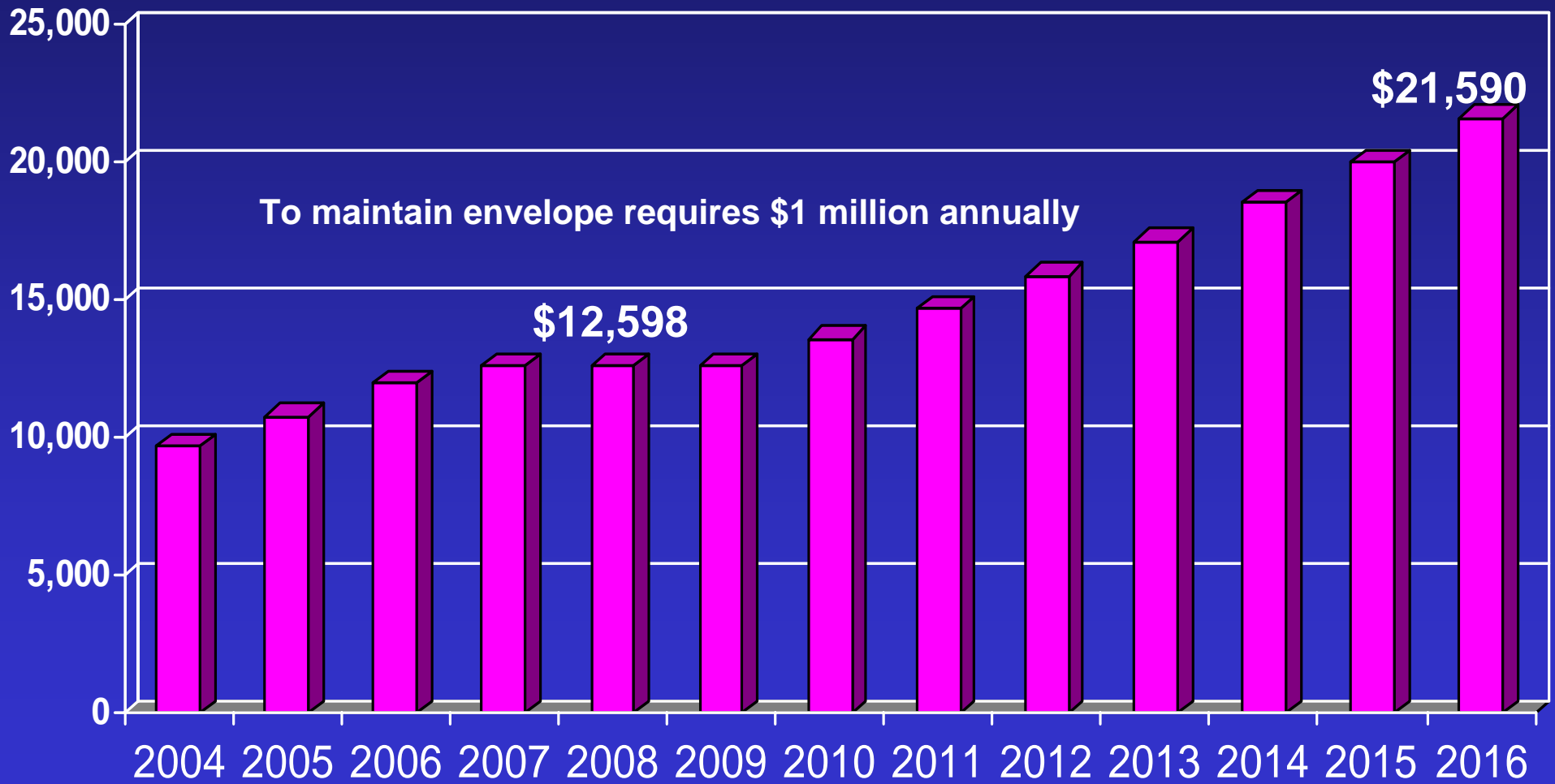
	2004	2005	2006	2007	2008	2009
<b>PAYG</b>	\$ 1,790	\$ 2,746	\$ 3,034	\$ 3,025	\$ 3,025	\$ 3,025
<b>Reserves</b>	\$ 2,784	\$ 3,057	\$ 3,284	\$ 3,457	\$ 3,691	\$ 3, 827
<b>Debt</b>	\$ 5,122	\$ 4,996	\$ 4,161	\$ 4,014	\$ 2,743	\$ 2,425
<b>WRR Debt</b>	<u>0</u>	<u>0</u>	<u>\$ 1,535</u>	<u>\$ 2,102</u>	<u>\$ 3,139</u>	<u>\$ 3,321</u>
<b>TOTAL</b>	<u>\$ 9,696</u>	<u>\$ 10,799</u>	<u>\$ 12,014</u>	<u>\$12,598</u>	<u>\$ 12,598</u>	<u>\$ 12,598</u>

# Capital Envelope

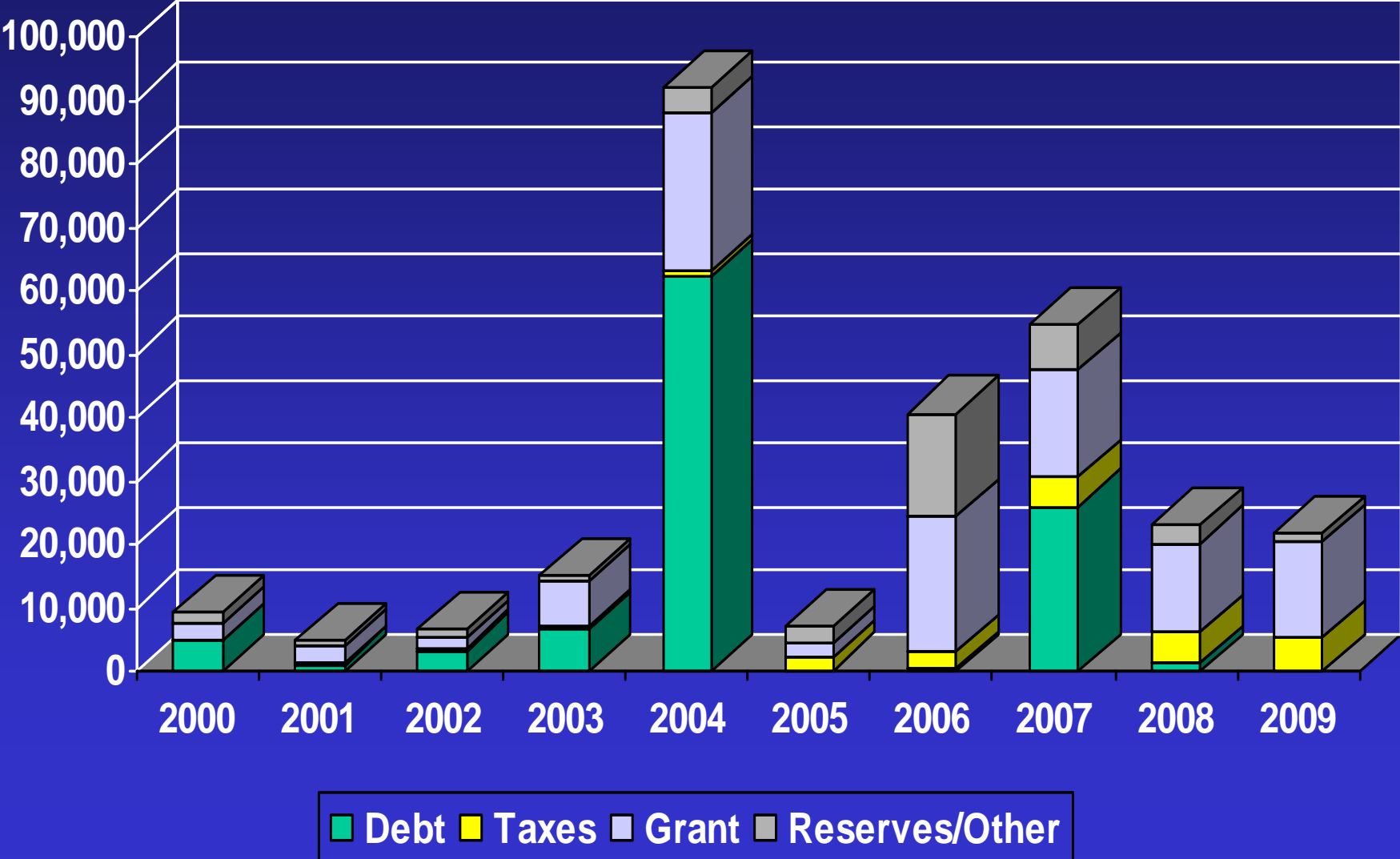


# Projected Increase in Contribution to Envelope

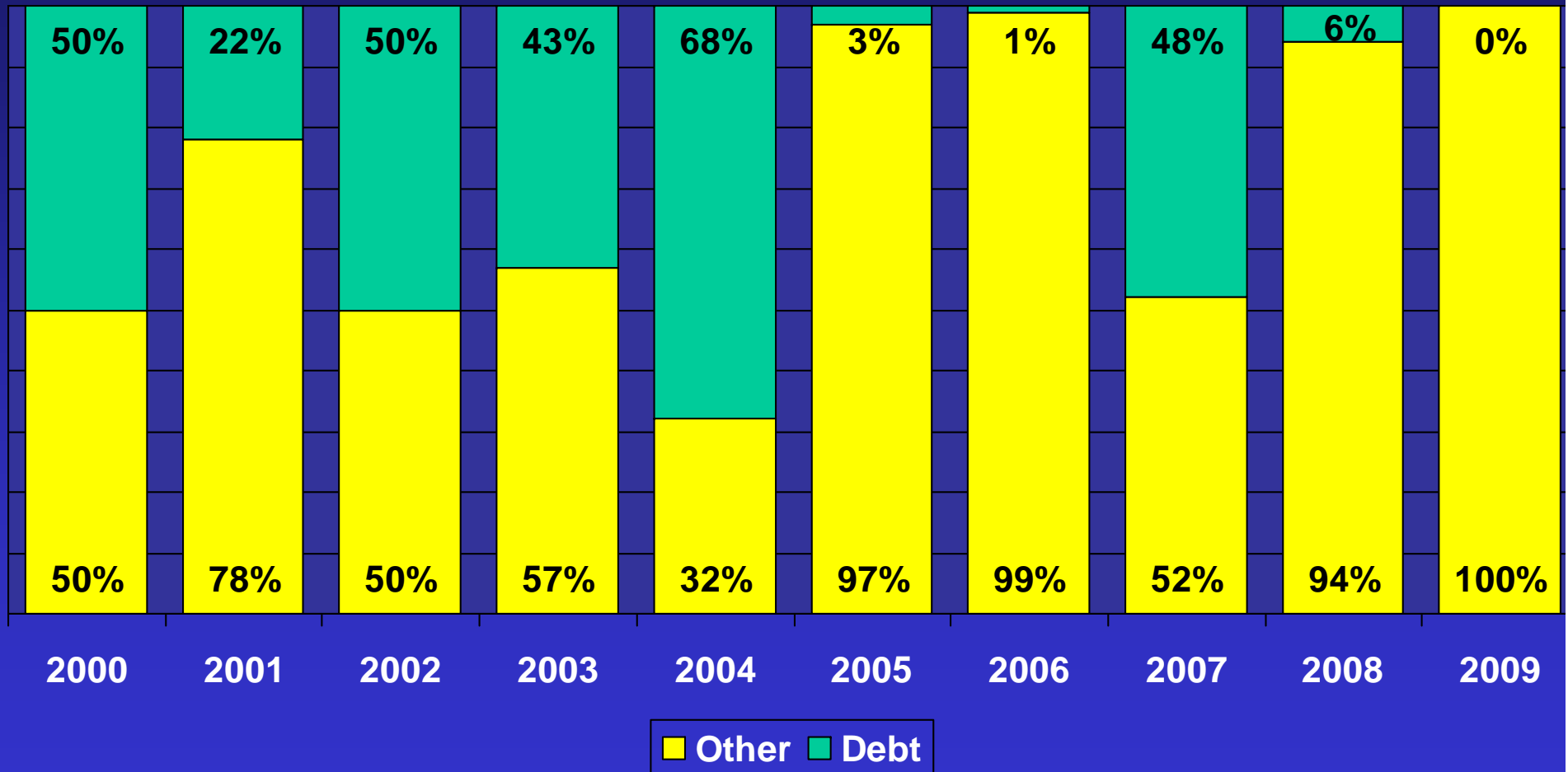
■ Cap Envelope



# Municipal Capital (in thousands)

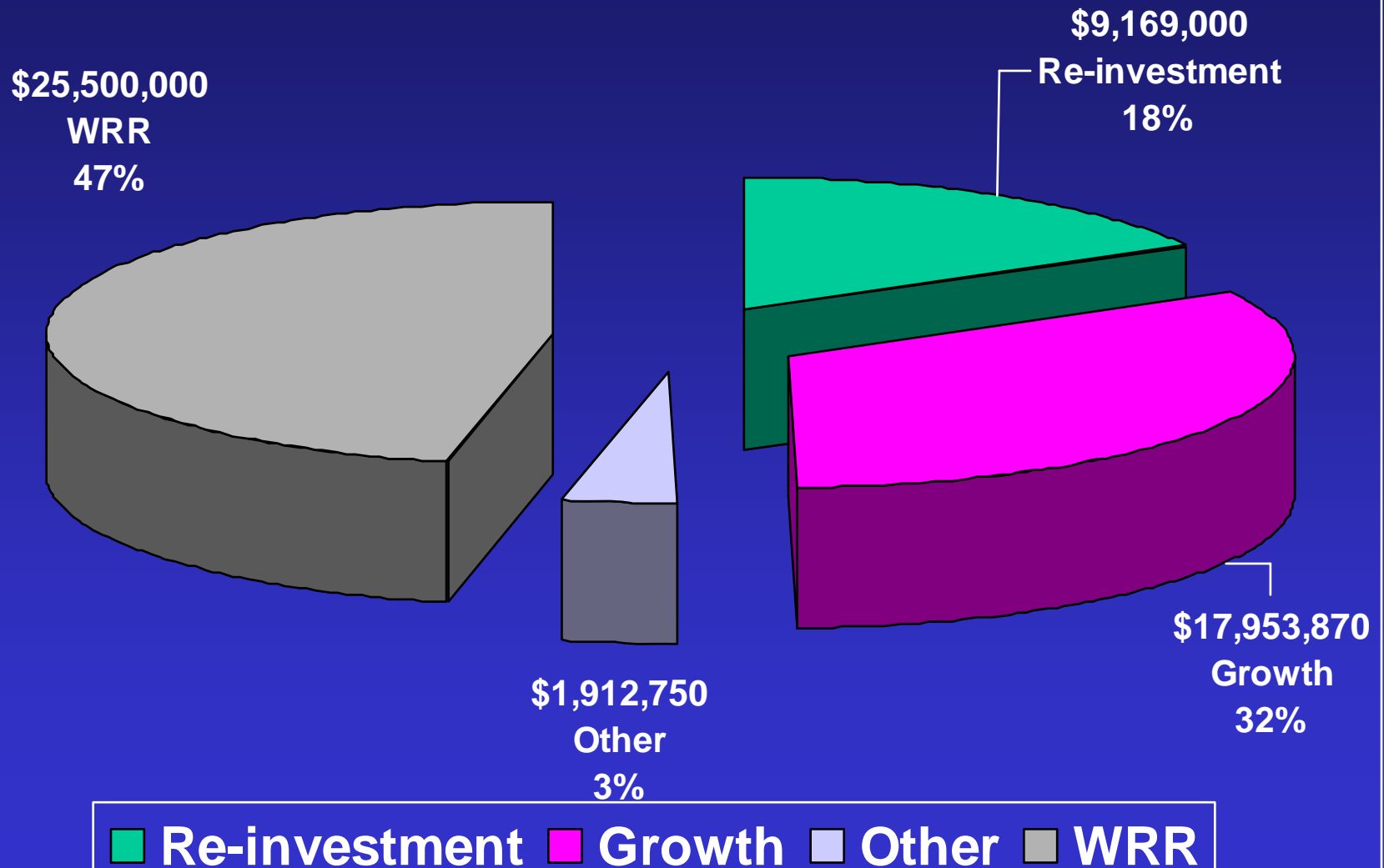


# Capital Projects Financed by Debt

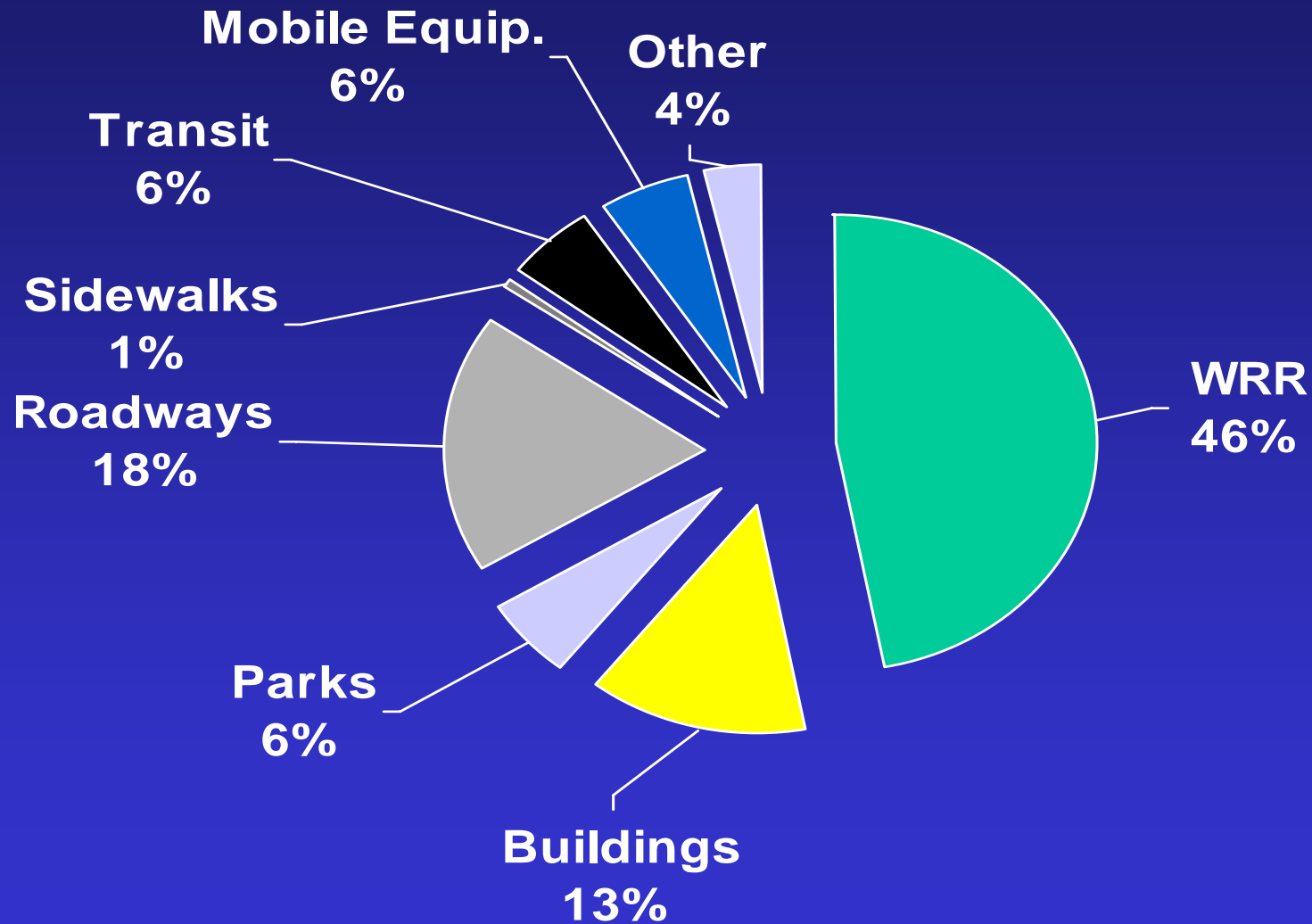


# 2007 Municipal Capital Projects Expenditures

Source: 2007 - 2008 Budget



# 2007 Municipal Capital Expenditures by Type



# 2007 Municipal Funded Capital Projects

## Re-investment Needs

### Buildings

Arden Theatre Refurbishment	\$	95,000
Heritage Building Assessment		75,000
Maintenance & Preservation of Heritage Buildings		50,000
City Buildings Fall Protection (OHS)		93,000
Energy Efficiency Program (ME First)		500,000
St. Albert Place		500,000

### Parks

Woodlands Dry Park Upgrades	\$	50,000
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# 2007 Municipal Funded Capital Projects

## Re-investment Needs (cont'd)

### Roads

Arterial Asphalt Overlay Program (1)	\$	720,000
Local / Collector Asphalt Overlay Program (1)		420,000

### Traffic Signals

PW Regulatory & Street Signage Upgrade	\$	25,000
Transportation Master Plan		400,000
Transportation Systems Mgmt Program		300,000

### Sidewalks

Neighborhood Sidewalk Replacement	\$	200,000
Pedestrian Ramp Upgrade Program		150,000

# 2007 Municipal Funded Capital Projects

## Re-investment Needs (cont'd)

### Bridges

Major Bridge Rehab	\$ 100,000
Pedestrian Bridge Rehab	30,000

### Transit Vehicles

Replacement Plan (7 12Metre Buses)	\$ 2,800,000
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### Mobile Equipment

Replacement Plan 2007	\$ 2,111,000
Replace Aerial Truck (Fire) – increase	550,000

<b>Total Re-investment Needs</b>	<b>\$ 9,169,000</b>
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# 2007 Municipal Funded Capital Projects

## Growth Needs

### Buildings

Civic Space Needs	\$	50,000
Fire Station #3		5,031,200
Transit Garage Phase 2 Expansion		1,000,000

### Parks

Kingswood Park & Playground	\$	20,000
Heritage Sites Land Purchase		500,000
Northridge Playground Installation		80,000
Riel Park Development Project (CAMRIF)		2,390,670

# 2007 Municipal Funded Capital Projects

## Growth Needs (Con't)

### Roads

Giroux Road – Existing to WRR	\$7,500,000
South Riel Connection	750,000

### Transit Vehicles

Transit Expansion Buses (1 Handi Bus)	\$ 200,000
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### Mobile Equipment

Fire Truck Pump Station #3	\$ 400,000
Municipal Enforcement Vehicle	32,000

<b>Total Growth Needs</b>	<b>\$ 17,953,870</b>
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# 2007 Municipal Funded Capital Projects

## Other Assets - Needs

### Equipment

Replace Dept Radio Systems (Corporate)	\$	325,000
PW Auto Vehicle Locate System		35,000
Scanner Plotter		50,000
Emergency Service Replacement Plan		54,500
IT Strategic Plan		240,000
Office Automation Program		50,000
Office Systems Replacement Plan		508,250

### Transit

Transit Priority Preemption	\$	200,000
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# 2007 Municipal Funded Capital Projects

## Other Assets – Needs (Con't)

### Other

Affordable Housing Project	\$	150,000
Fire Suppression System for Grain Elevators		200,000
Former PW Yard Remediation Program		100,000
<b>Total Other Assets – Needs</b>	<b>\$</b>	<b>1,912,750</b>

### West Regional Road

<b>Stage 2 &amp; 3</b>	<b>\$</b>	<b>25,500,000</b>
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### Total Municipal Capital Expenditures

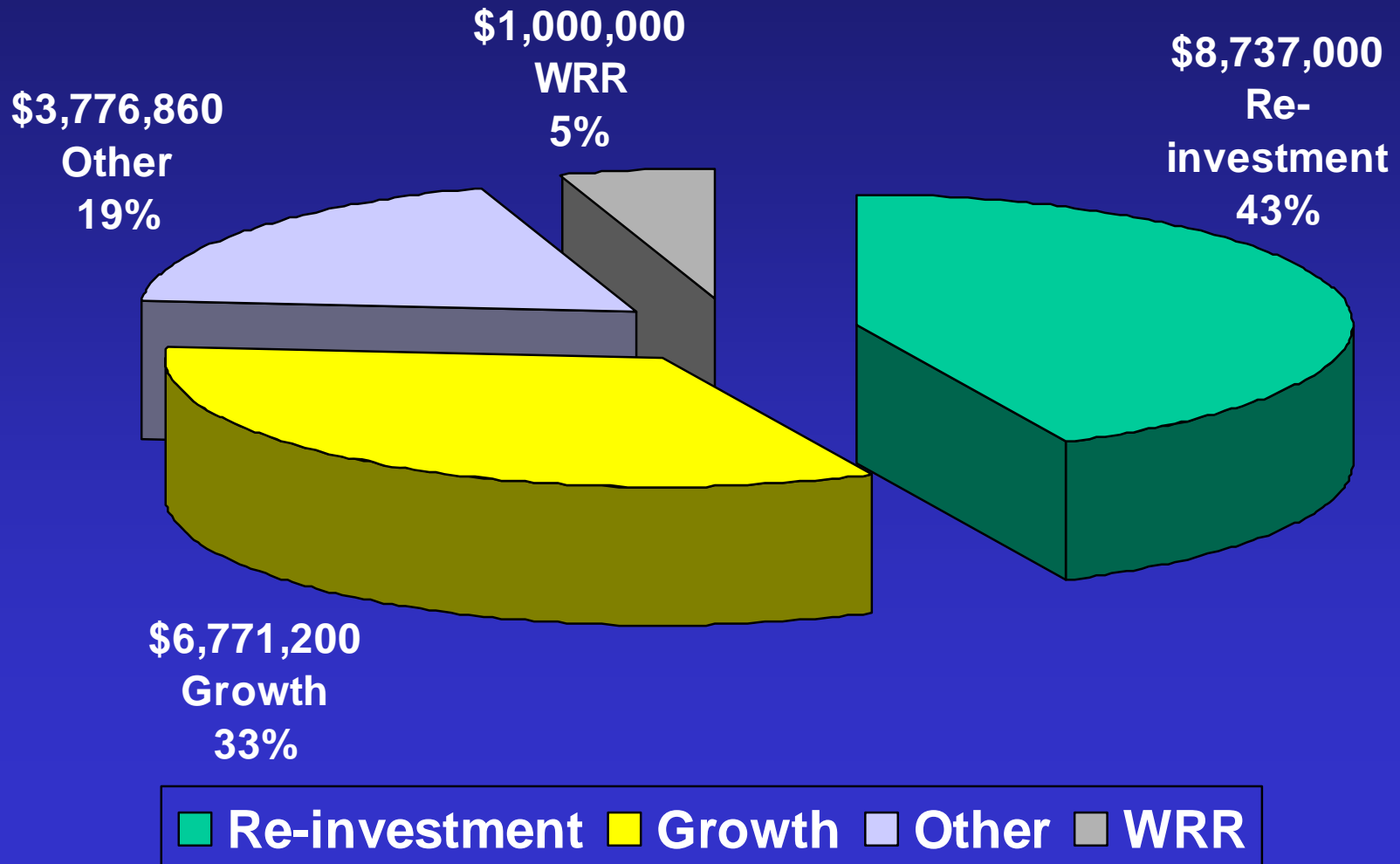
<b>2007</b>	<b>\$</b>	<b>54,535,620</b>
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# 2007 Municipal Unfunded Capital Projects

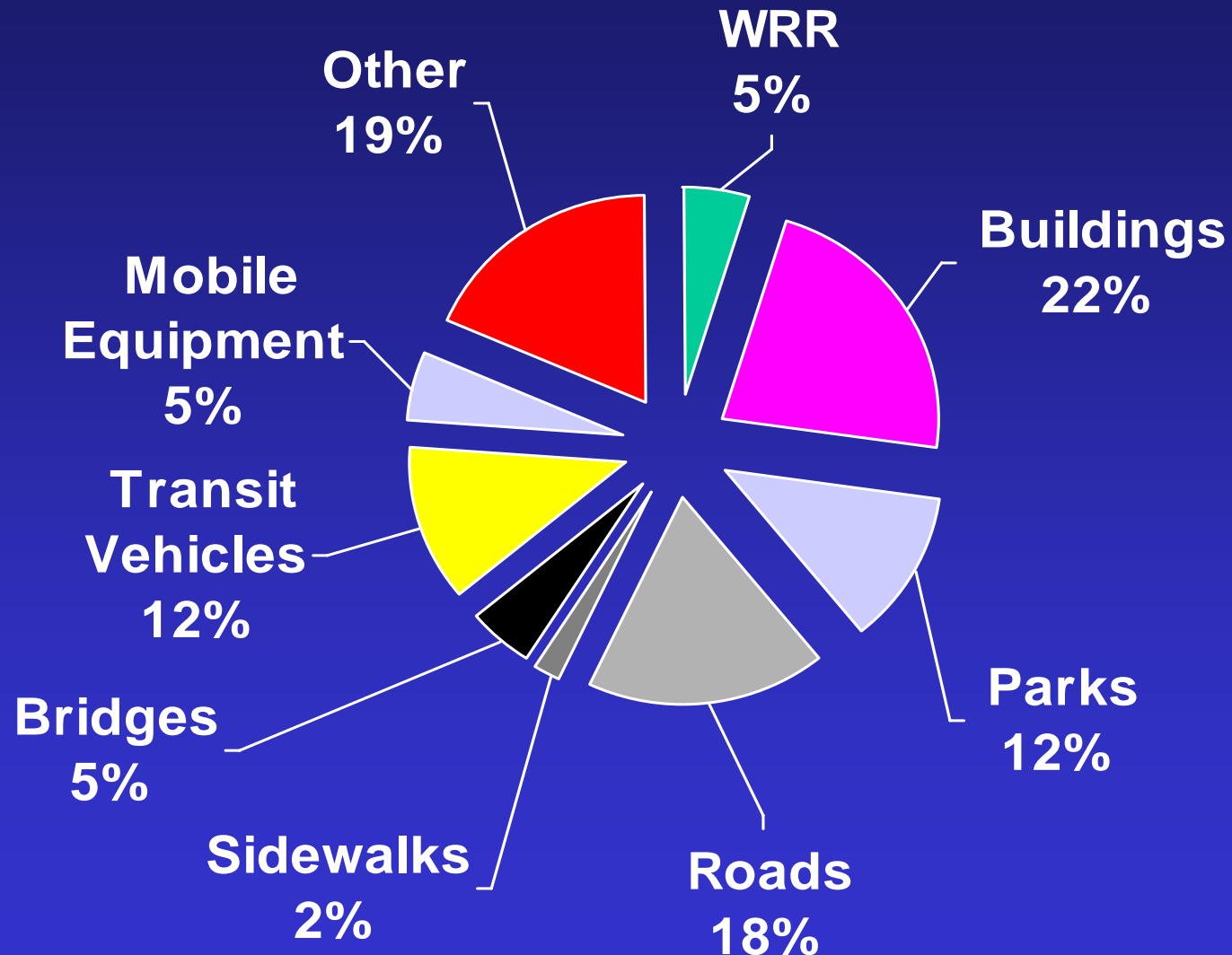
UPASS Growth Buses 2007 (3 X 675,000)	\$	2,025,000
Red Willow Trail Overlay 2007		90,000
Renovations to Kinex & Akinsdale Arenas		50,000
Sidewalk Linkages Older Areas 2007		150,000
Concession Upgrades		25,000
Fire Station #3 LEEDS Certification		645,000
Fire Station #3 2 Additional Bays & Dorms		910,000
Collector Reconstruct 2007		1,000,000
Expansion Buses (2 12M) 2007		800,000
Community Signage 2007		30,000
Bike Racks		45,000
Top Dresser		25,000
AHF Asbestos Removal (uninhabited buildings)		30,000
<b>TOTAL UNFUNDED CAPITAL PROJECTS</b>	<b>\$</b>	<b>5,825,000</b>

# 2008 Municipal Capital Projects Expenditures

Source: 2007 - 2008 Budget



# 2008 Municipal Capital Expenditures by Type



# 2008 Municipal Funded Capital Projects

## Re-investment Needs

### Buildings

Arden Theatre Refurbishment	\$	45,000
FPRC DE Filters		30,000
FPRC Large Water Slide Upgrade		50,000
Maintenance & Preservation of Heritage Buildings		60,000
PW Akinsdale Arena		292,000
City Buildings Fall Protection (OHS)		93,000
Energy Efficiency Program (ME First)		400,000
St. Albert Place		500,000

# 2008 Municipal Funded Capital Projects

## Re-investment Needs (cont'd)

### Roads

Arterial Asphalt Overlay Program (1)	\$	960,000
Arterial Asphalt Overlay Program (2)		280,000
Collector Reconstruct		1,000,000
Local / Collector Asphalt Overlay Program (1)		480,000
Local / Collector Asphalt Overlay Program (2)		480,000
Permanent Line Marking Rehabilitation		100,000

### Traffic Signals

PW Regulatory & Street Signage Upgrade	\$	25,000
Transportation Systems Mgmt Program		300,000

### Sidewalks

Neighborhood Sidewalk Replacement	\$	250,000
Pedestrian Ramp Upgrade Program		150,000

# 2008 Municipal Funded Capital Projects

## Re-investment Needs (cont'd)

### Bridges

Major Bridge Rehab	\$ 1,000,000
Pedestrian Bridge Rehab	30,000

### Transit Vehicles

Replacement Plan (3 12Metre Buses)	\$ 1,200,000
------------------------------------	--------------

### Mobile Equipment

Replacement Plan 2008	\$ 1,042,000
-----------------------	--------------

<b>Total Re-investment Needs</b>	<b>\$ 8,737,000</b>
----------------------------------	---------------------

# 2008 Municipal Funded Capital Projects

## Growth Needs

### Buildings

Fire Station #3	\$	3,031,200
-----------------	----	-----------

### Parks

Lacombe Park West Phase 1	\$	120,000
---------------------------	----	---------

Riel Park Development Project (CAMRIF)		2,300,000
----------------------------------------	--	-----------

### Transit Vehicles

Transit Expansion Buses (2 18 Metre buses)	\$	1,320,000
--------------------------------------------	----	-----------

<b>Total Growth Needs</b>	<b>\$</b>	<b>6,771,200</b>
---------------------------	-----------	------------------

# 2008 Municipal Funded Capital Projects

## Other Assets - Needs

### Equipment

Replace Dept Radio Systems (Corporate)	\$	550,000
PW/Transit Replace & Expand Fuel Storage		400,000
Emergency Dispatch Records Mgmt System		130,000
Emergency Service Replacement Plan		141,300
IT Strategic Plan		240,000
Office Automation Program		50,000
Office Systems Replacement Plan		430,560

### Transit

Bus Stop Location Identifier Labels	\$	25,000
Automatic Vehicle Location & GPS		100,000
Transit Priority Preemption		200,000



# 2008 Municipal Unfunded Capital Projects

Outdoor Rink Building Replacement 2008	\$ 30,000
RCMP Detachment Renovations	60,000
Renovations to Kinex and Akinsdale Arenas	300,000
Sidewalk Linkages Older Areas 2008	150,000
Trail Identification Project 2008	100,000
Fleet Management Inventory Control	200,000
Erin Ridge Trail Development	990,000
Community Signage 2008	100,000
Red Willow Trail Overlay 2008	95,000
Wireless Service for Campbell Bus Park	100,000

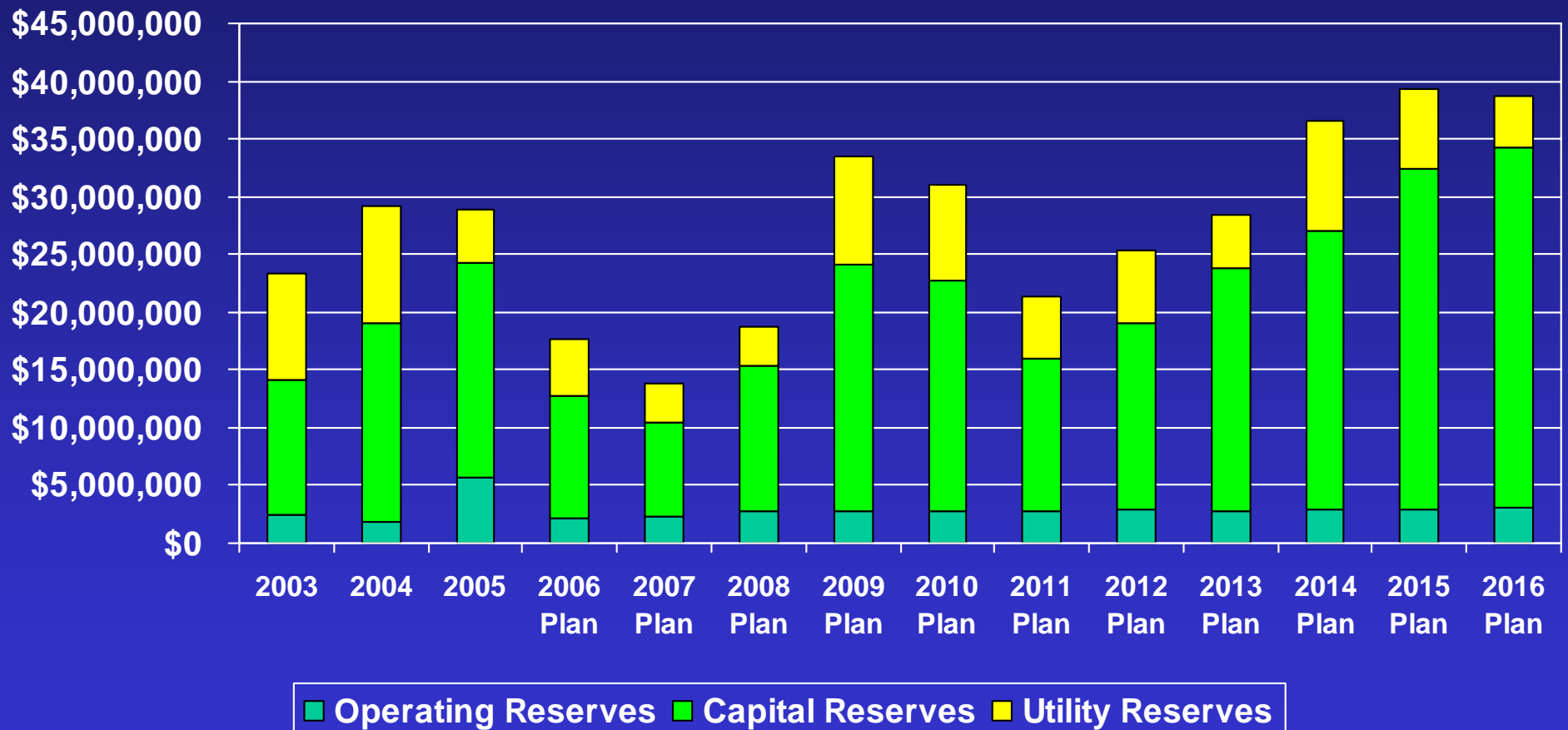
**TOTAL UNFUNDED CAPITAL PROJECTS \$ 2,125,000**

# Reserves

# Purpose

- Stabilize tax rates
- Fund capital replacements
  - a form of amortization
- Fund future capital

# Reserves 2003 – 2016 (in \$ millions)



# Budgeted Changes to Operating Reserves 2007 - 2008

## Transfers To:

### Increases:

	<u>2007</u>	<u>2008</u>
• Stabilization Fund	\$ 250,000	
• Public Transit	30,000	31,200
• Equipment Replacement	75,000	100,000
• Office Systems Replacement	11,416	11,800
• Emergency Service Equipment	3,600	3,700
• Revolving Land Fund	87,500	87,500

### Decreases:

• Internal Financing (to PAYG)	\$ 825,000
• Arden Theatre Refurbishment	35,000

# Budgeted Changes to Operating Reserves 2007 - 2008

## Transfers From:

### Increases:

2007

2008

- Operating Carry Forward                      \$ 200,000                      -\$ 75,000

### Decreases:

- Stabilization Fund                                      \$ 34,500

# Budgeted Changes to Capital Reserves 2007 - 2008

## Transfers From:

	<u>2007</u>	<u>2008</u>
• City Wide	\$ 50,000	\$
• Neighborhood	\$ 100,000	\$ 120,000
• Parkland Reserve	\$ 500,000	\$
• Public Transit	\$ 2,140,000	\$ 540,000
• Equipment Replacement	\$ 2,111,000	\$1,042,000
• Office Systems Replacement	\$ 508,250	560,560
• Arden Theatre Refurbishment	\$ 95,000	45,000
• Facilities Refurbishment	54,500	\$ 141,300
	<b>\$6,058,750</b>	<b>\$2,948,860</b>

# **Combined Municipal & Utility**

# Debt

# Council's Debt Policy

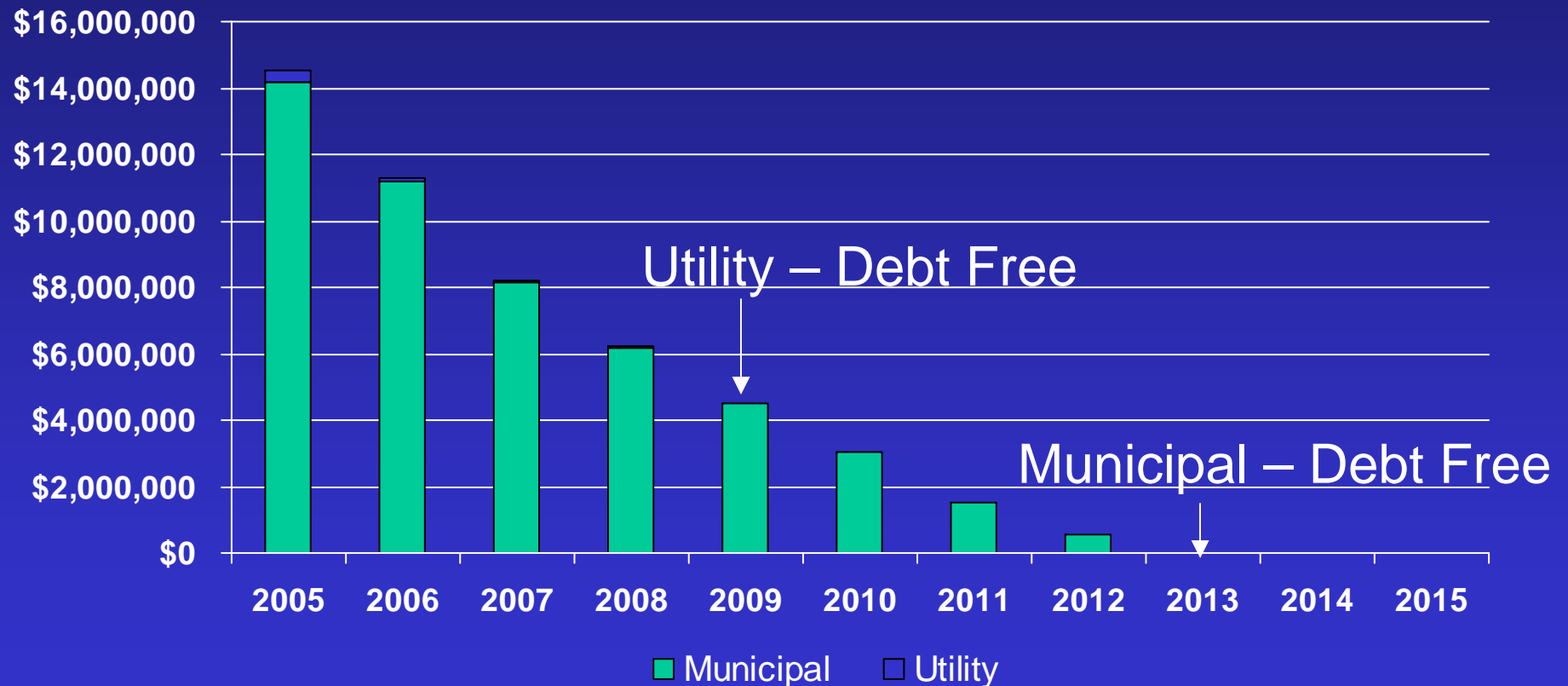
## Principles

- **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

# Existing Outstanding Debt 2005 - 2015

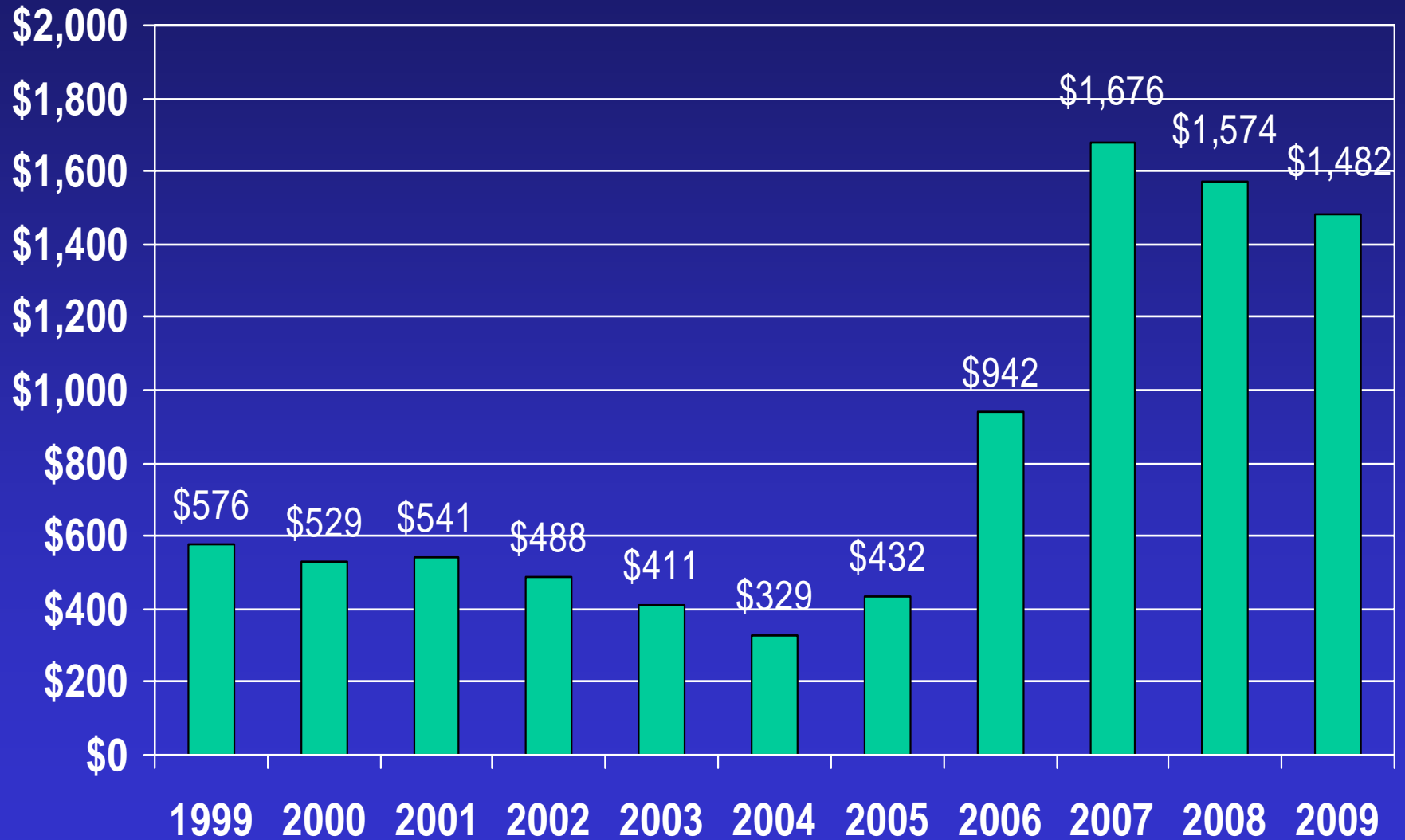
Excludes WRR & MPLC

Source: 10 Year Capital Plan, City of St. Albert

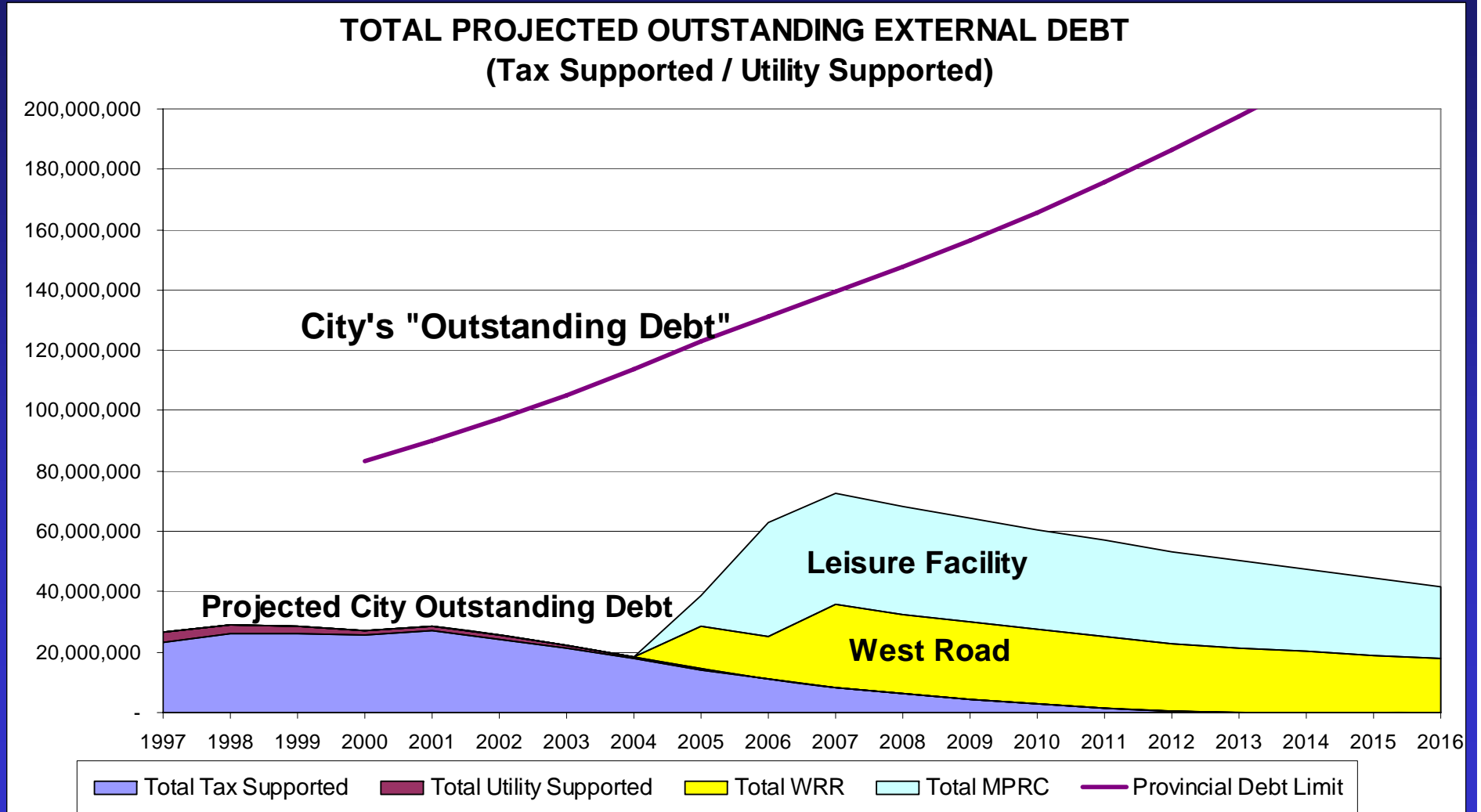


# Debt Per Capita

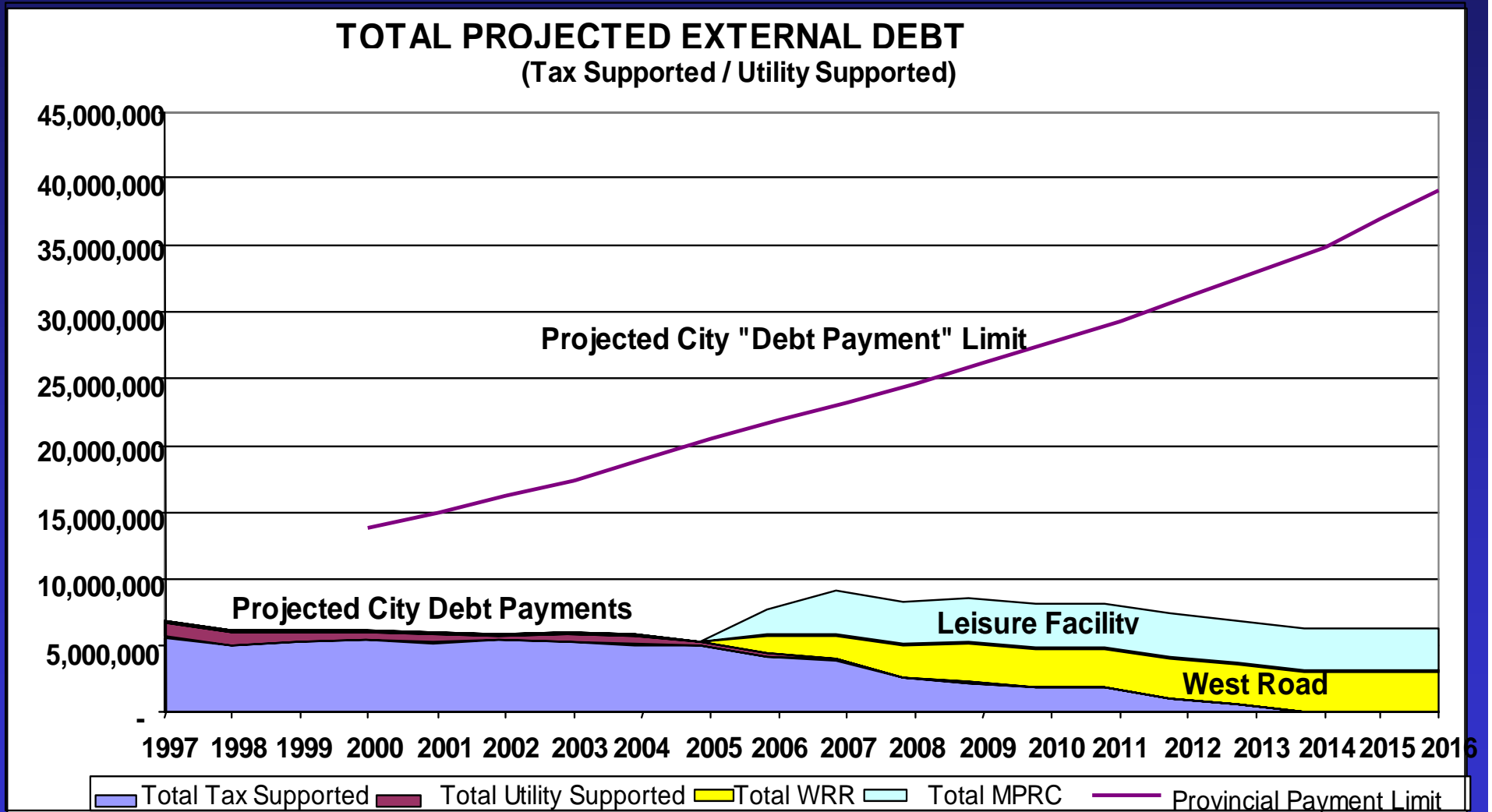
Includes Municipal, Utility, Servus Place, and WRR Stages 1, 2, & 3



# Forecast of Total Outstanding Debt 1997 - 2016

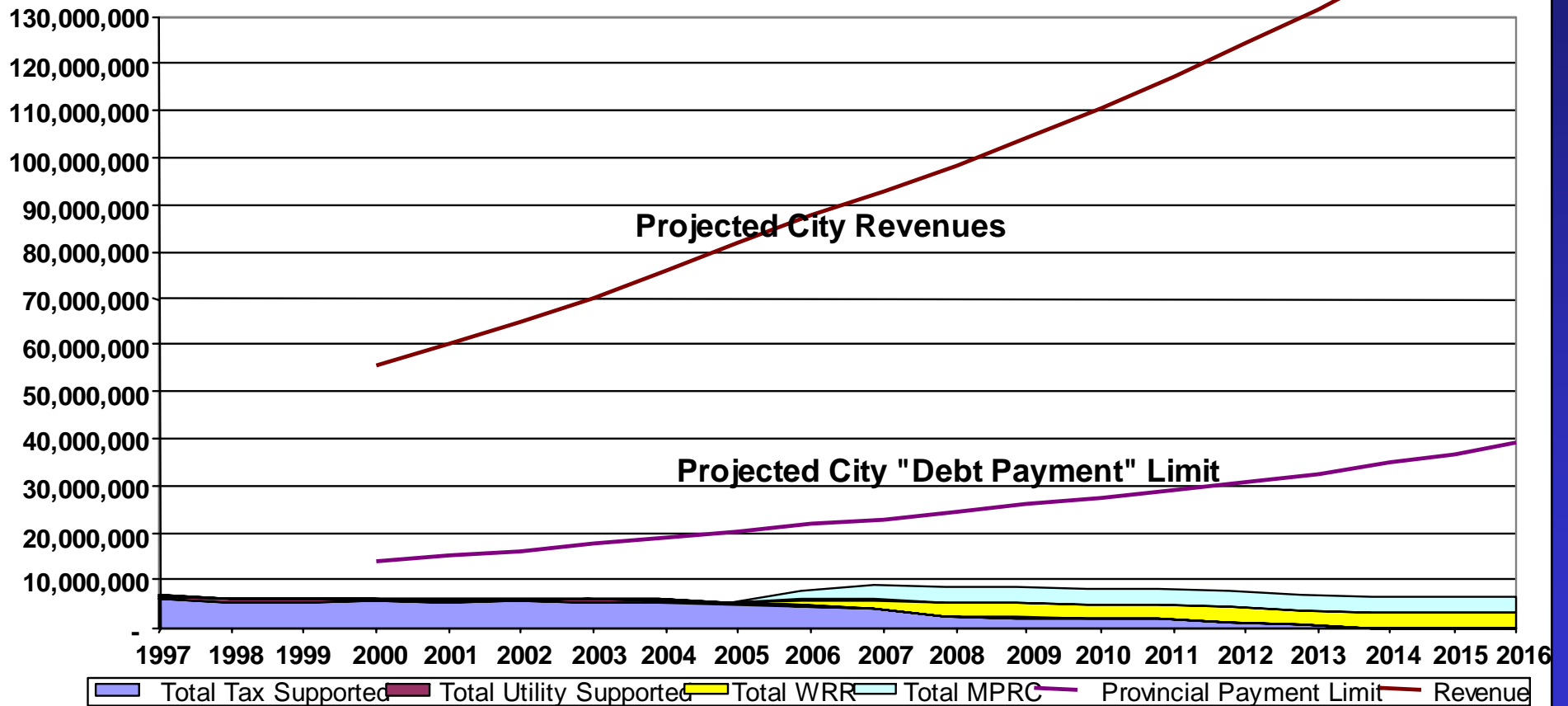


# Forecast of Total Debt Payments 1997 - 2016



# Forecast of Total Debt Payments 1997 - 2016

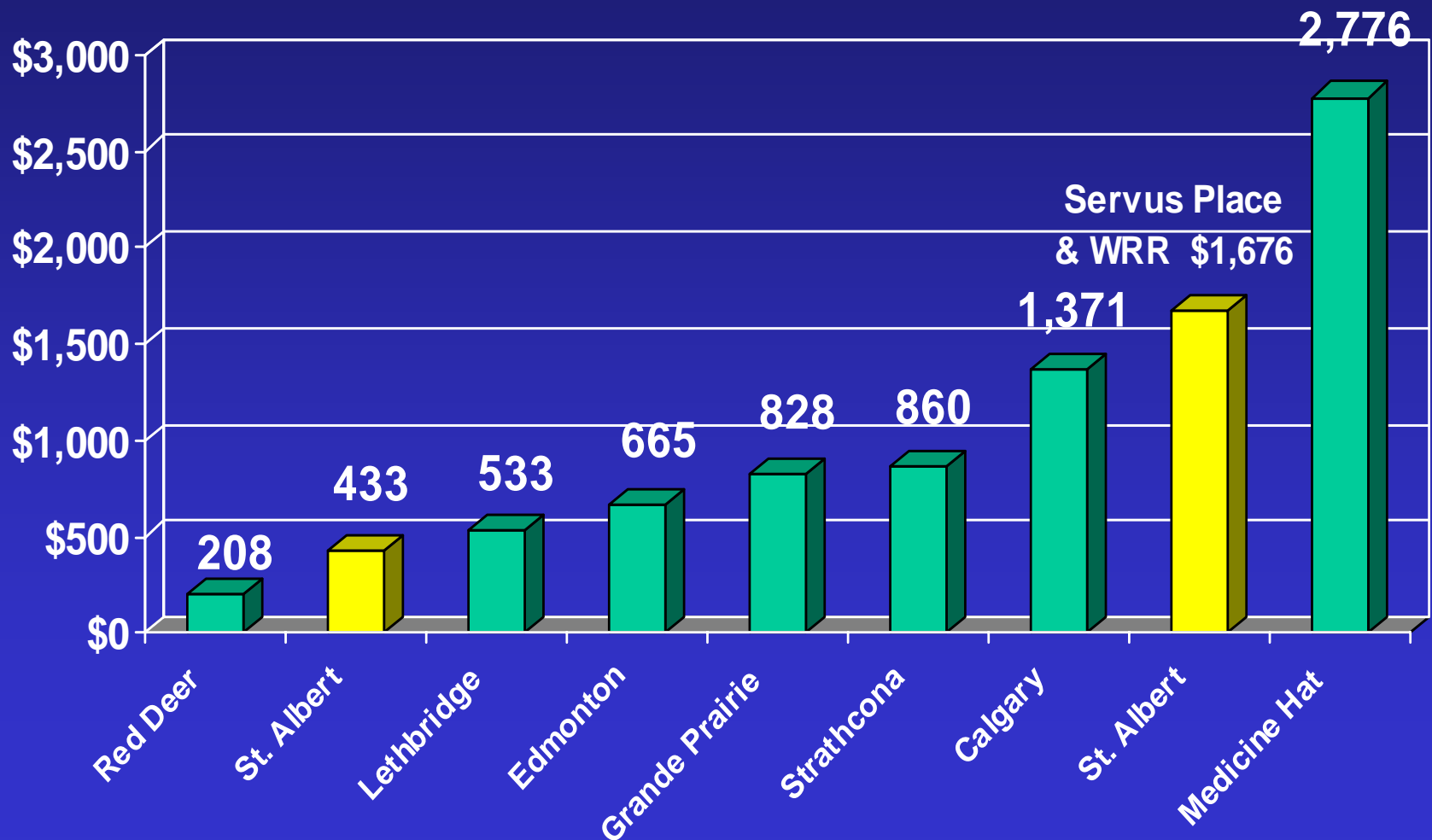
**TOTAL PROJECTED EXTERNAL DEBT PAYMENTS  
(Tax Supported / Utility Supported)**



# Debt Per Capita Comparison to Other Cities

Includes Utility Fund

Source: Municipal Affairs Profiles 2005 Data



# Servus Credit Union Place





## Our 2004 Commitment To Property Owners

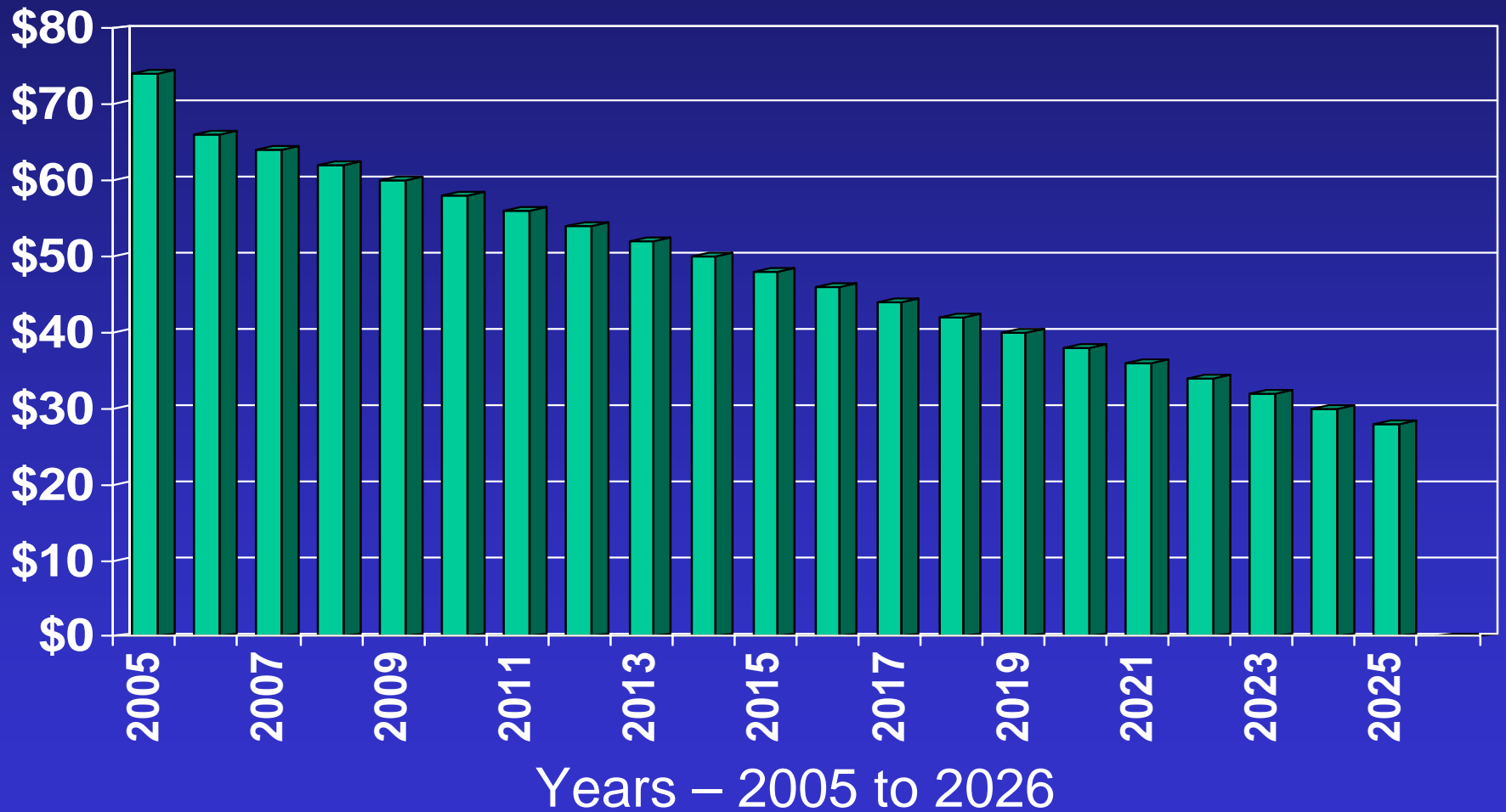
Commitment #1

- Borrowing not to exceed \$38 million
- \$10 million to date
- \$15 million in December 2006
- \$10 million in March 2007
- \$ Balance to remain flexible

Commitment #2

- Impact on Property Taxes would be:
- Reduced as assessment grows
- The 2007-2008 Budget reflects this 3.25% reduction at \$64 /100,000 in 2007 and 2008 at \$62/100,000
- For a median property assessed at \$310,000 the tax would result in a decrease of (\$6.66) from \$204.6 in 2006 to \$197.94 in 2007. In 2008, the Servus Place tax assessment would be \$191.52 - a further decrease of (\$6.42) from 2007.

# *Projected Servus Place Taxes/\$100,000 Assessment As Assessment Growth Continues*



Note: Tax eliminated in 2026

# Servus Place Budget & Plan

Revenues	2006	2007	2008	2009
•Operations	\$1.9	\$6.9	\$7.6	\$7.8
•Prop Taxes	\$3.3	\$3.3	\$3.3	\$3.3
	\$66/100,000	\$64/100,000	\$62/100,000	\$60/100,000
Expenses				
•Operations	\$3.8	\$7.1	\$7.4	\$7.6
•Debt Pymt	\$3.3	\$3.3	\$3.3	\$3.3
Net Budget	(\$1.9)	(\$0.2)	\$0.2	\$0.2
Reserve	\$0.4	\$0.2	\$0.4	\$0.6

# Significant Changes

(in thousands)

## Servus Place

- Increased revenue due to adjusted volume trends from full year of operations including reduced draw from the reserve (2007).
- Change in pay grid, merit increases for eligible staff and an economic adjustment
- Increased costs associated with contracts, program requirements, repairs and maintenance for annual operations

# Operating Business Cases 2007-2008

2007 \$ 47,600

- Servus Place Staffing Requirements (2.21 FTE's)

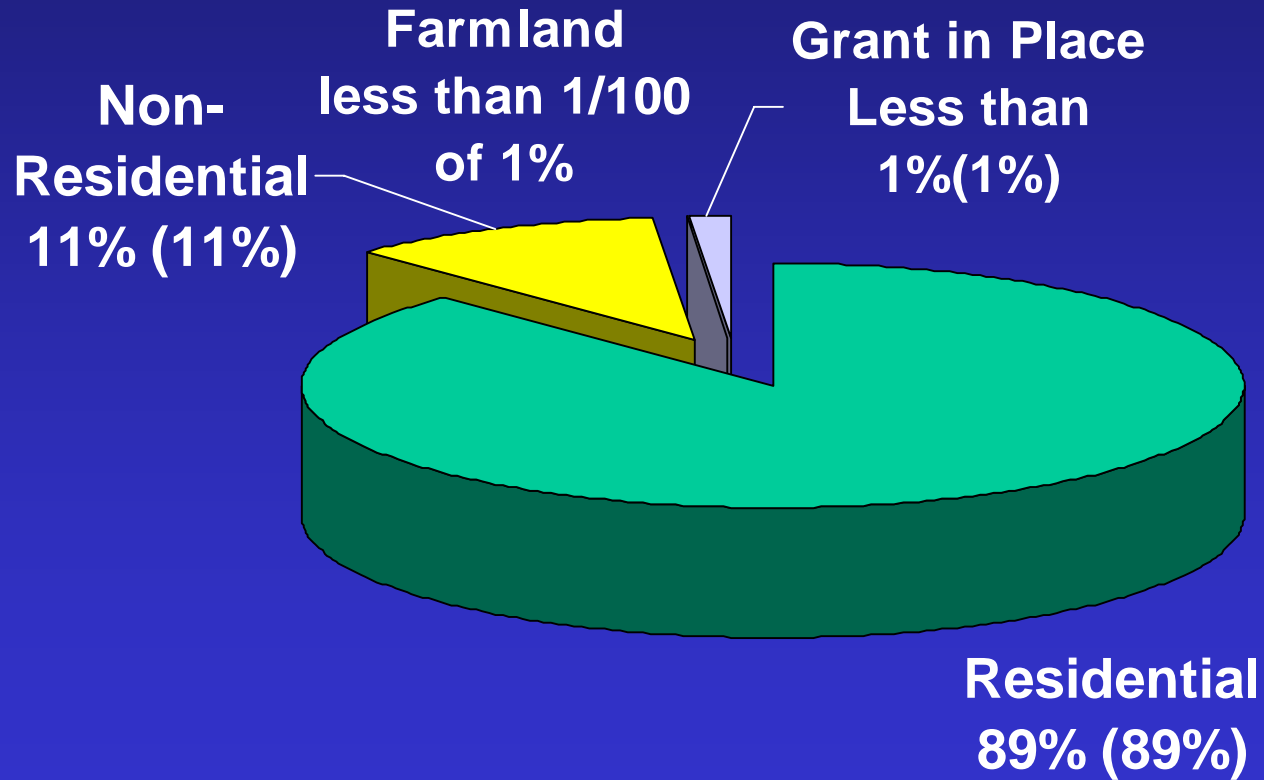
2008 \$ 99,000

- Servus Place Staffing Requirements (1.67 FTE's)

# **Property Assessment & Taxation**

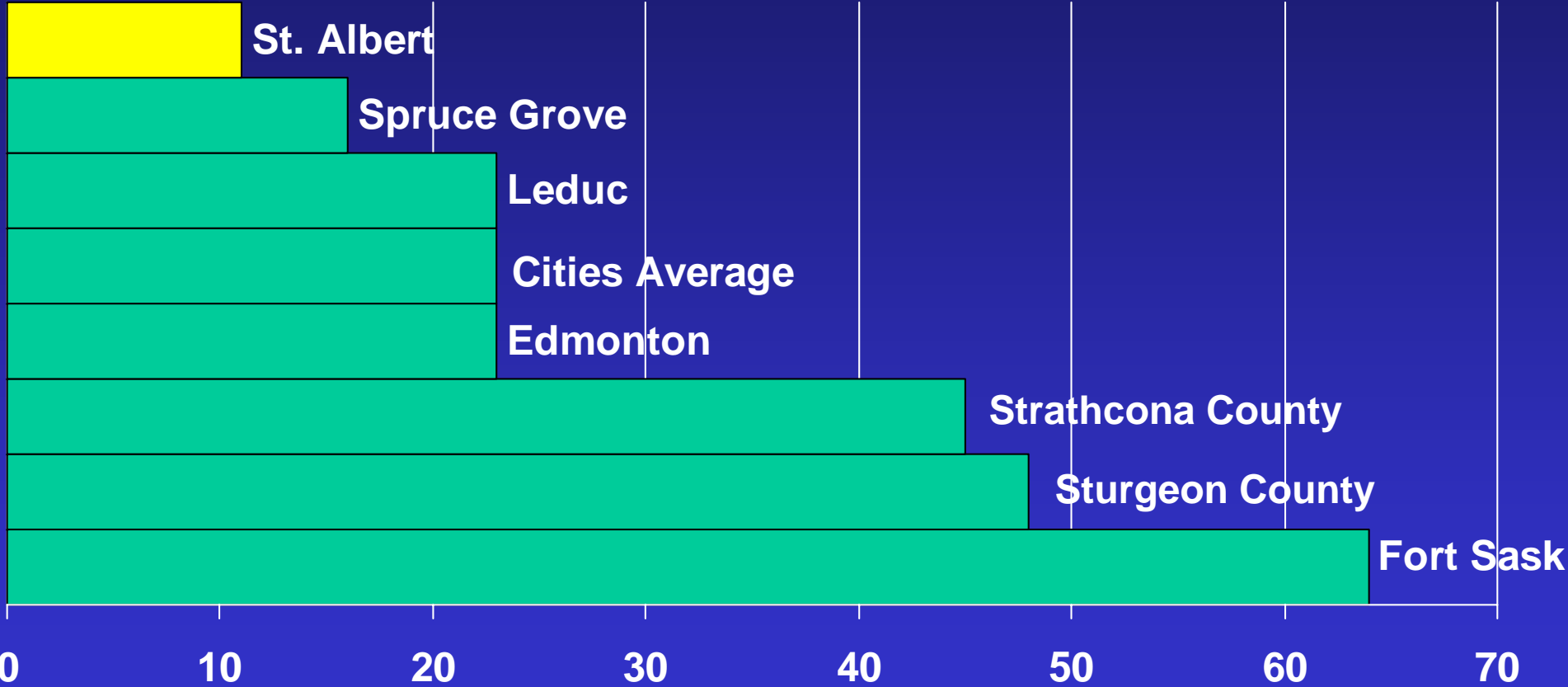
# Assessment for 2007-2008

(no change over 2006)



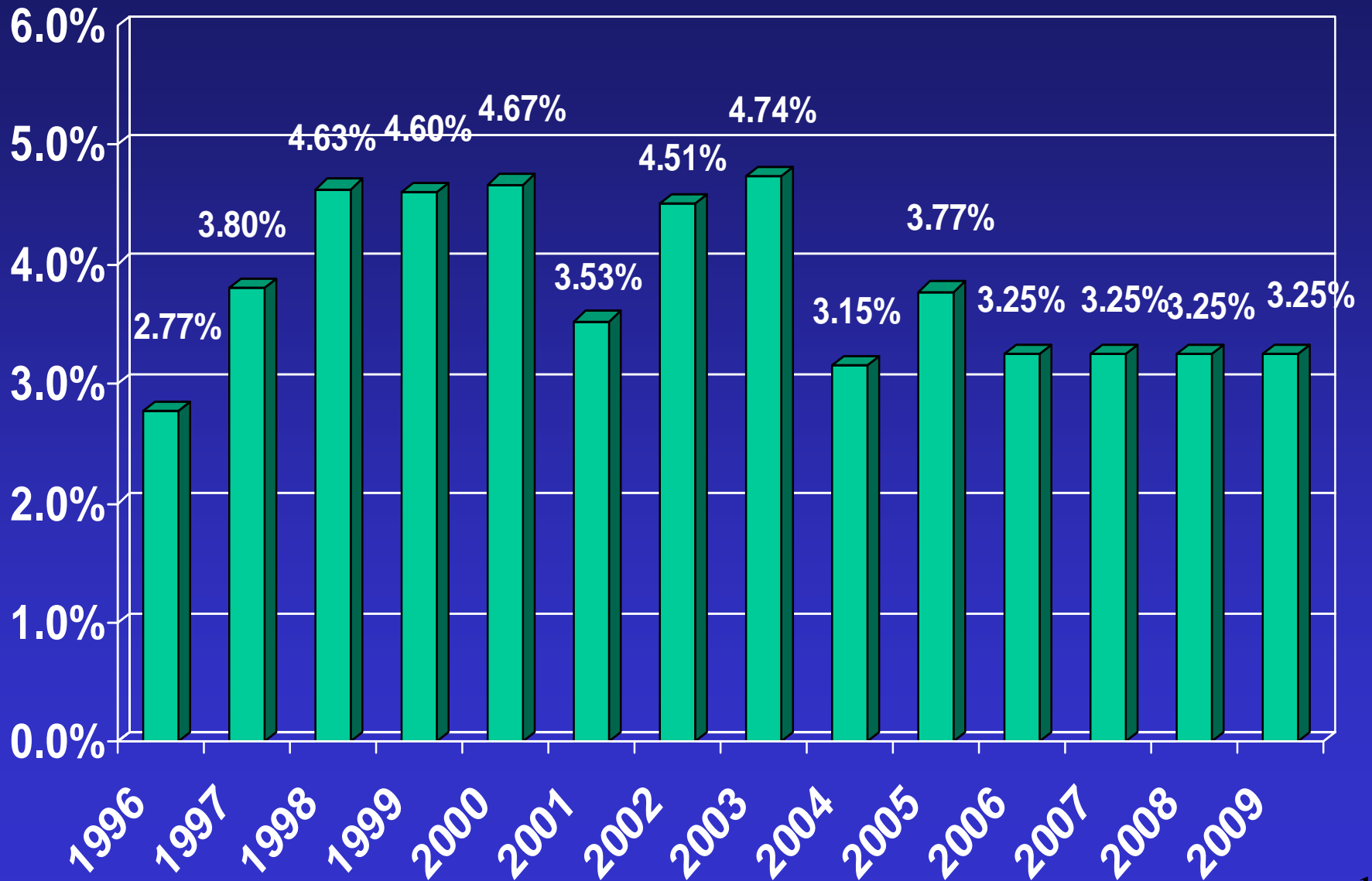
# Non-Residential Assessment Ratio Relative to Other Cities

Source: 2006 Live Assessment Statistics



Non Residential Assessment as a Percent of Total Taxable Assessment

# Assessment Growth



# Distribution of Market Values

## by Number of Properties - Residential Single Family

Source: City of St. Albert Assessment Department



# Municipal Property Taxes

## 7% Increase

(excluding Servus Place)



<u>Property</u>	<u>Value</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Condo	\$180,000	\$1,641	\$1,756	\$1,879
Home	<b>\$310,000</b>	<b>\$2,826</b>	<b>\$3,024</b>	<b>\$3,236</b>
Home	\$450,000	\$4,103	\$4,390	\$4,697

# Municipal Property Taxes

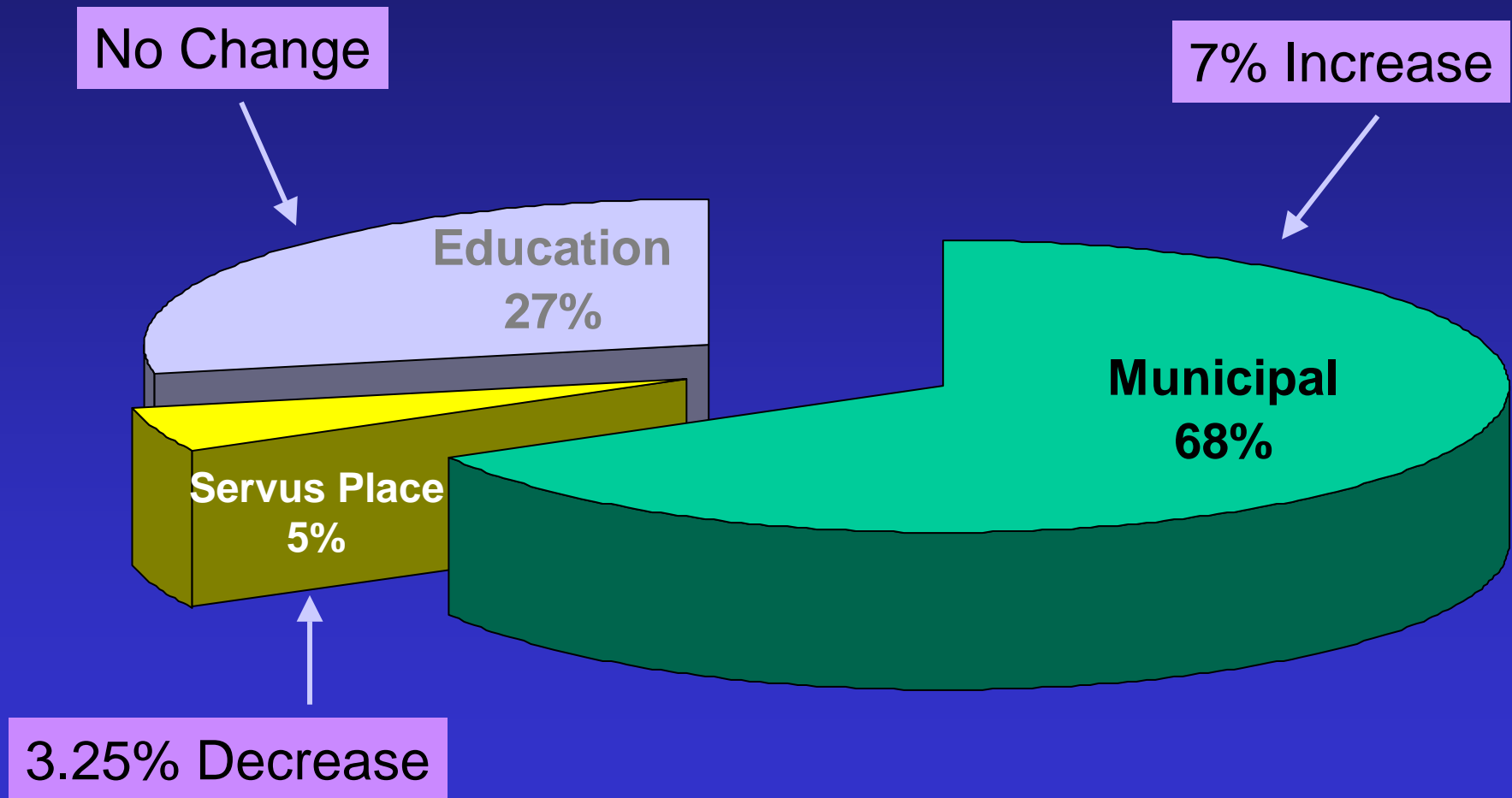
## 7% Increase

(excluding Servus Place)



<u>Property</u>	<u>Value</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Warehouse	\$ 500,000	\$ 6,935	\$ 7,420	\$ 7,939
Restaurant	\$1,180,000	\$16,365	\$17,511	\$18,737

# Tax Notice Components



# 2005 PROPERTY ASSESSMENT AND TAX NOTICE

DUE DATE: June 30, 2005

Date Mailed: May 30, 2005



1

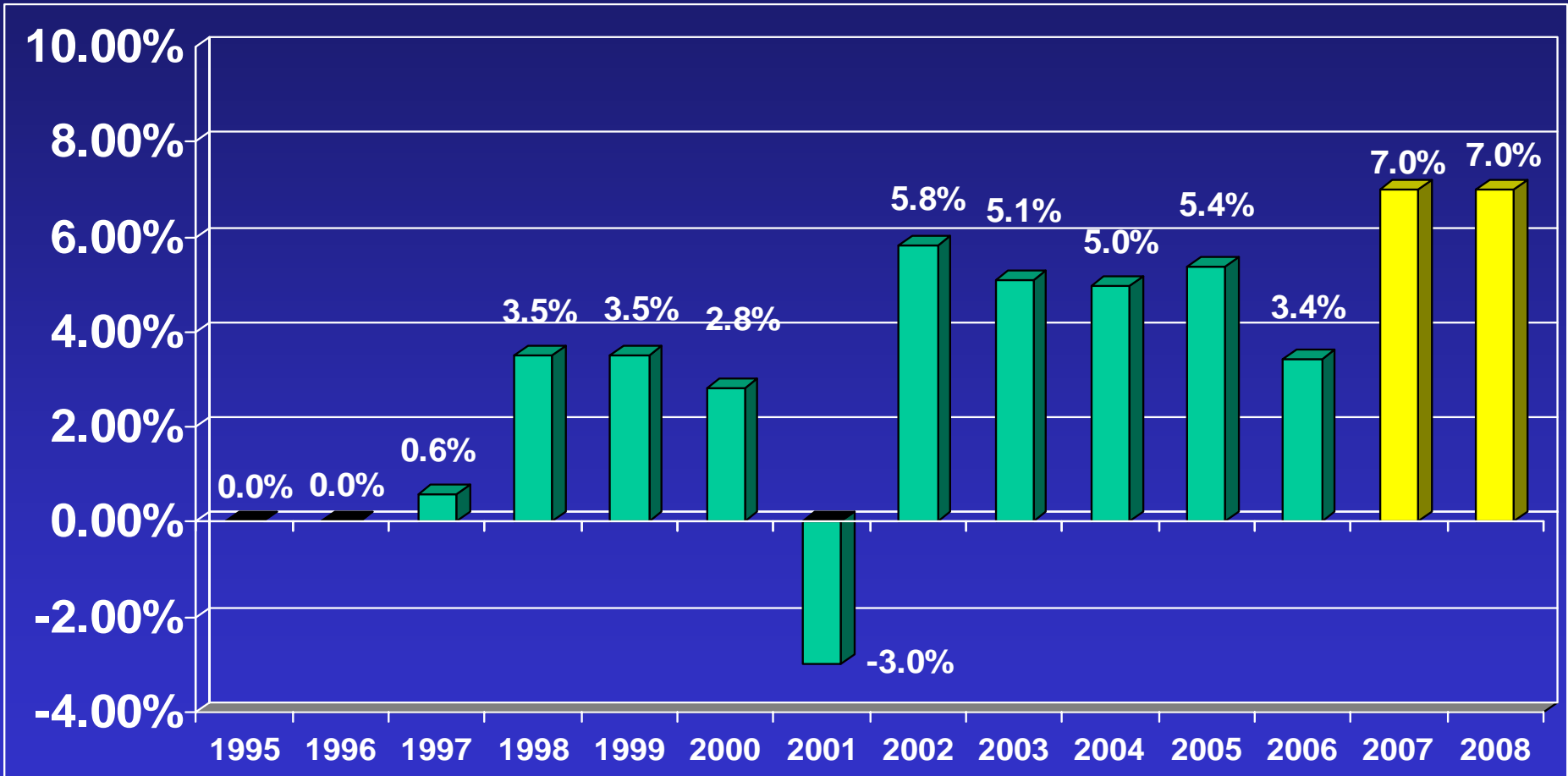
DOE, JANE  
DOE, JOE  
26 EASTPARK DR  
ST ALBERT AB T8N 6Z5

<b>ROLL NUMBER</b>	107499	<b>ACCESS</b>	739630
<b>PROPERTY ADDRESS</b>	26 EASTPARK DR		
<b>LEGAL DESCRIPTION</b>			
0022748;22;11			

ASSESSMENT CLASS			ASSESSMENT VALUE	
1001	Single Family Taxable	Jan 1, 2005 to Dec 31, 2005	CONSOLIDATED	180,000
DESCRIPTION	PERIOD OF TAXATION	RATE	AMOUNT	
Education - Residential Undeclared ( 100% )	Jan 1, 2005 to Dec 31, 2005	4.22700	760.86	
<b>TOTAL EDUCATION TAXES</b>			<b>760.86</b>	
Multipurpose Leisure Centre	Jan 1, 2005 to Dec 31, 2005	0.74000	133.20	
Municipal - Residential	Jan 1, 2005 to Dec 31, 2005	9.56700	1,722.06	
<b>TOTAL MUNICIPAL TAXES</b>			<b>1,855.26</b>	
<b>TOTAL CURRENT YEAR TAXES</b>			<b>2,616.12</b>	

# Property Tax Change

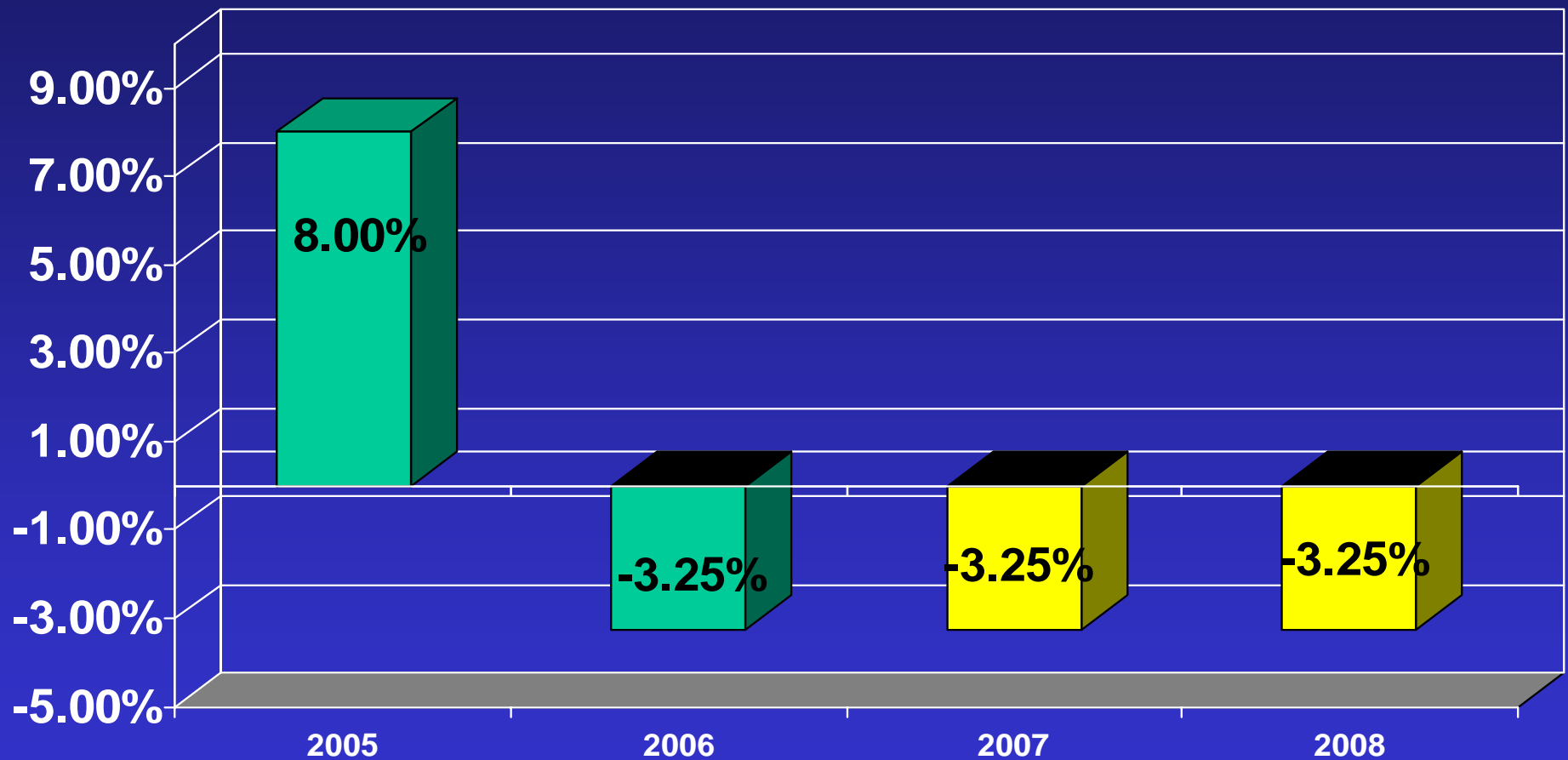
## *Municipal 1995 to 2008*



Note: 1995 to 2006 = actual, 2007 to 2008 proposed

# Property Tax Change

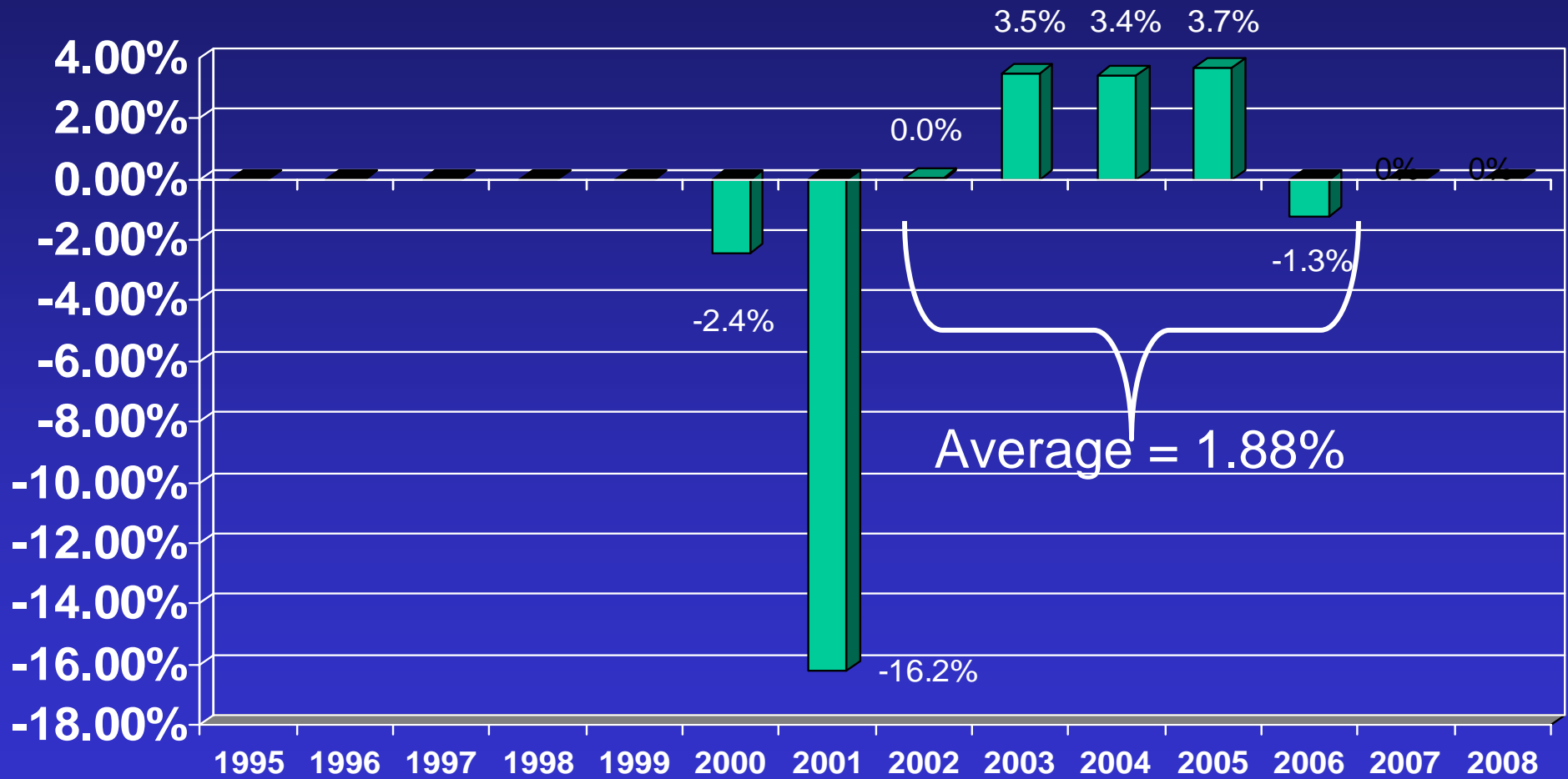
## *Servus Place 2005 to 2008*



Note: 2005 & 2006 = actual, 2007 to 2008 anticipated

# Property Tax Change

## Education 2000 to 2008

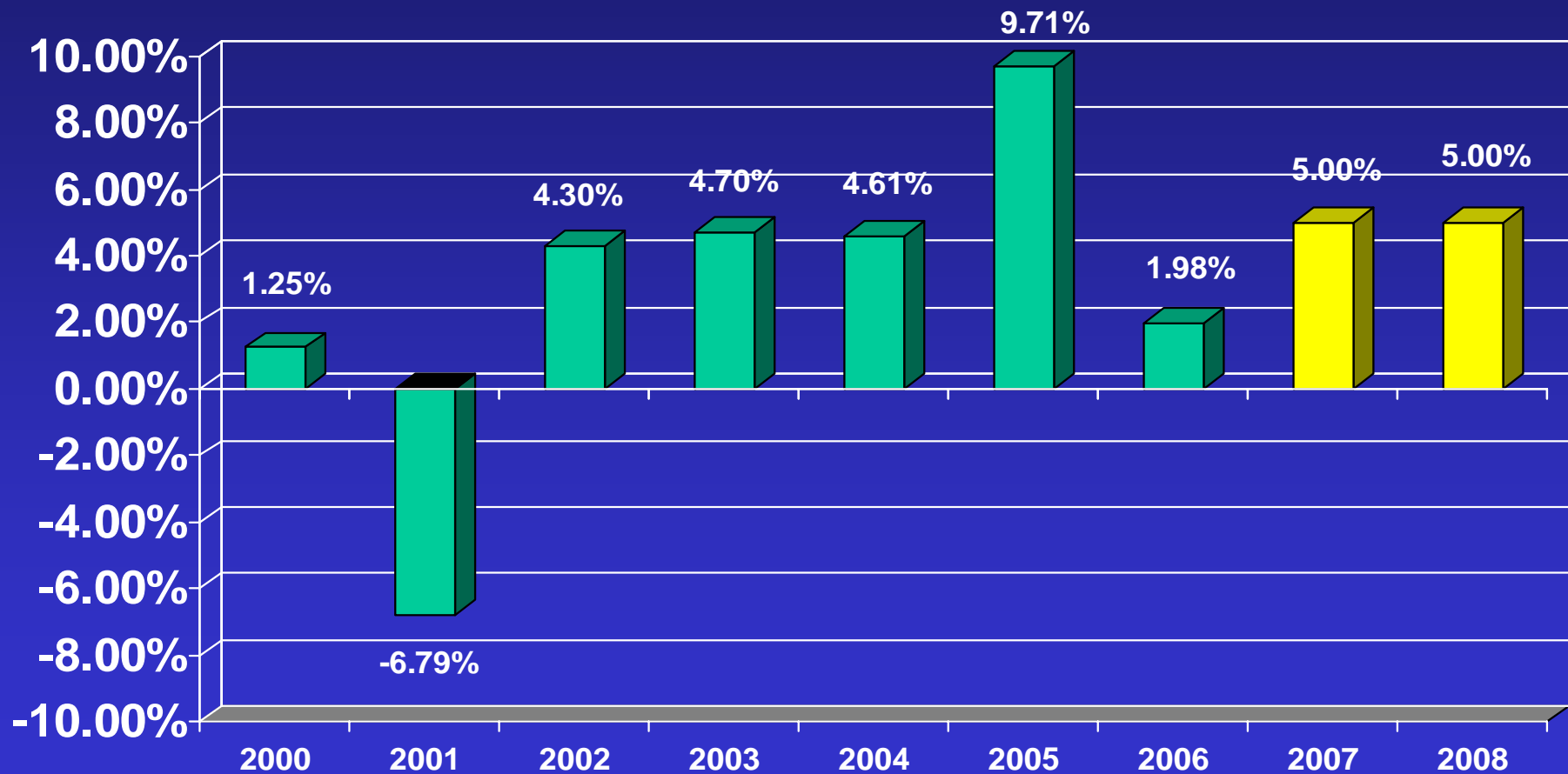


Note: 2000 to 2006 = actual, 2007 to 2008 anticipated

# Property Tax Change

## Overall 2000 to 2008

Overall average increase for the past 7 years = 2.82%



Note: 2000 to 2006 = actual, 2007 to 2008 anticipated

# Overall Tax Increase

## Assumes no increase in Education

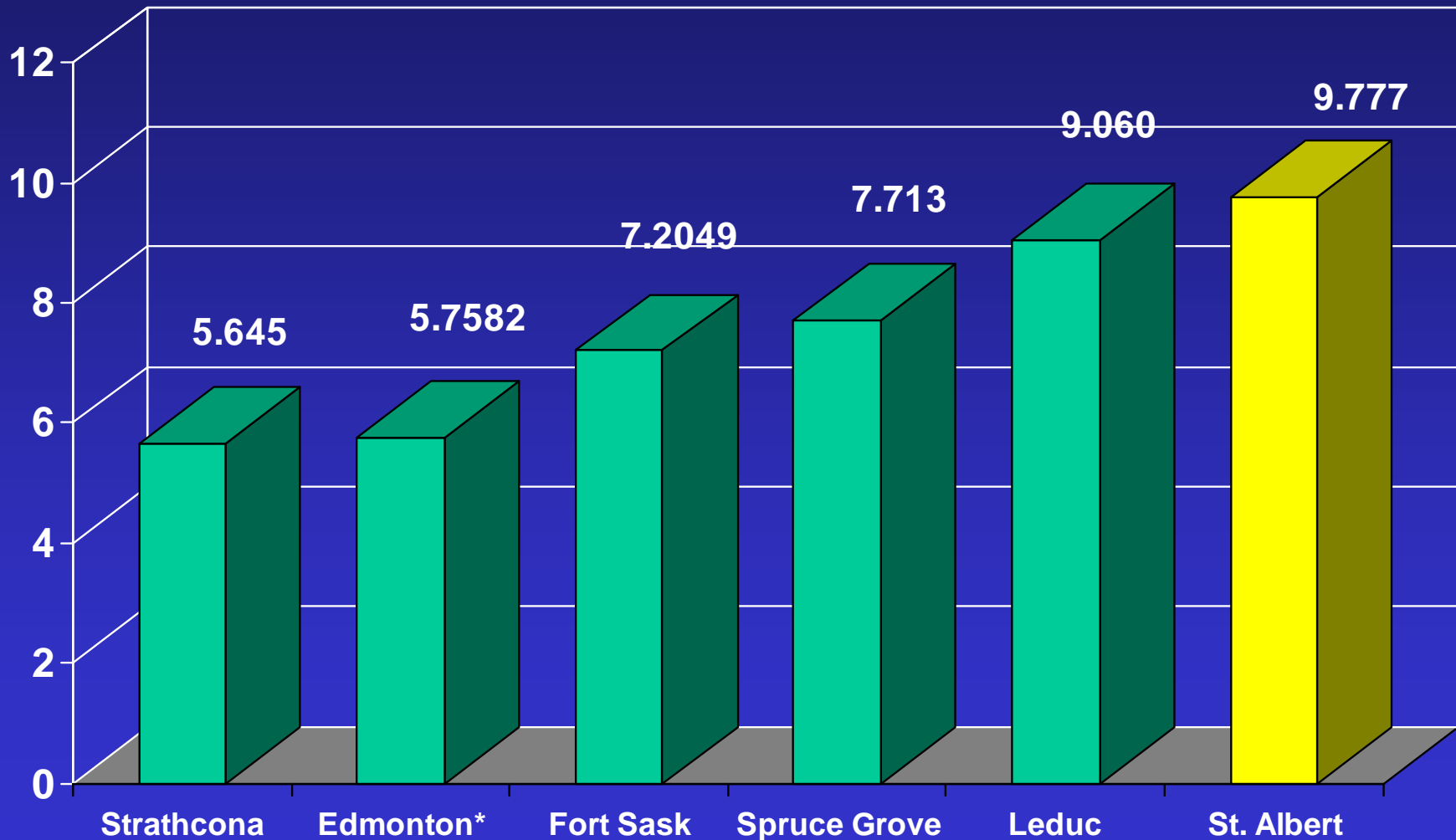
	2006	% Change	\$ Change	2007
<b>Municipal Tax</b>	<b>\$ 2,826</b>	<b>7.00%</b>	<b>\$ 198</b>	<b>\$ 3,024</b>
<b>Servus Place Tax</b>	<b>\$ 205</b>	<b>- 3.25%</b>	<b>\$ -7</b>	<b>\$ 198</b>
<b>Education Tax</b>	<b>\$ 1,201</b>	<b>0.00%</b>	<b>\$ 0</b>	<b>\$ 1,201</b>
<b>Total Property Taxes</b>	<b>\$ 4,232</b>		<b>\$ 191</b>	<b>\$ 4,423</b>
<b>Total proposed dollar increase in property tax</b>				<b>\$ 191</b>
<b>Total percent increase in property tax</b>				<b>4.5%</b>

# Overall Tax Increase

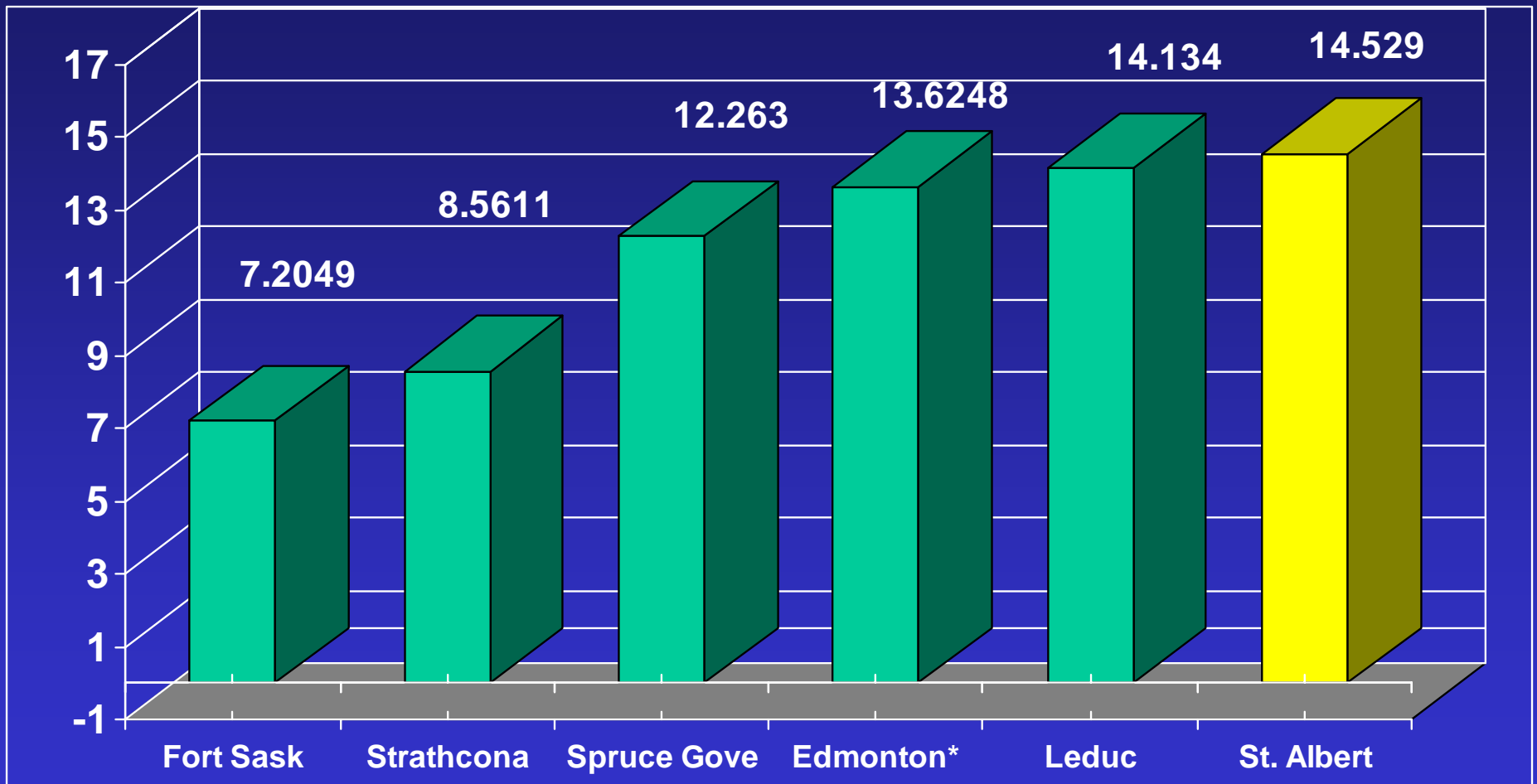
Assumes 5 yr average increase in Education

	2006	% Change	\$ Change	2007
Municipal Tax	\$ 2,826	7.00%	\$ 198	\$ 3,024
Servus Place Tax	\$ 205	- 3.25%	\$ - 7	\$ 198
Education Tax	\$ 1,201	1.88%	\$ 23	\$ 1,224
Total Property Taxes	\$ 4,232		\$ 214	\$ 4,446
Total proposed dollar increase in property tax				\$ 214
Total percent increase in property tax				5.1%

# 2006 Residential Tax Rates Municipal Comparison



# 2006 Non-Residential Tax Rates Municipal Comparison



\*Edmonton also levies a business tax in addition to this

**Utility  
Budget  
2007 - 2008**

# Utility Operations

- 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 Operations

Utility Operations include the following utilities:

- Water
- Wastewater
- Storm
- Solid Waste Management

# Utility Operations

When developing Utility Operations budgets, the following items are taken into consideration:

- Utility Fiscal Policies
- Infrastructure Review Findings
- Utility Capital Costs
- Infrastructure Grants
- Utility Debt
- Developer Levies
- 100 Yr Utility Rate Model
- Comparative of Rates to other Municipalities
- Affordability of Monthly Utility Rates

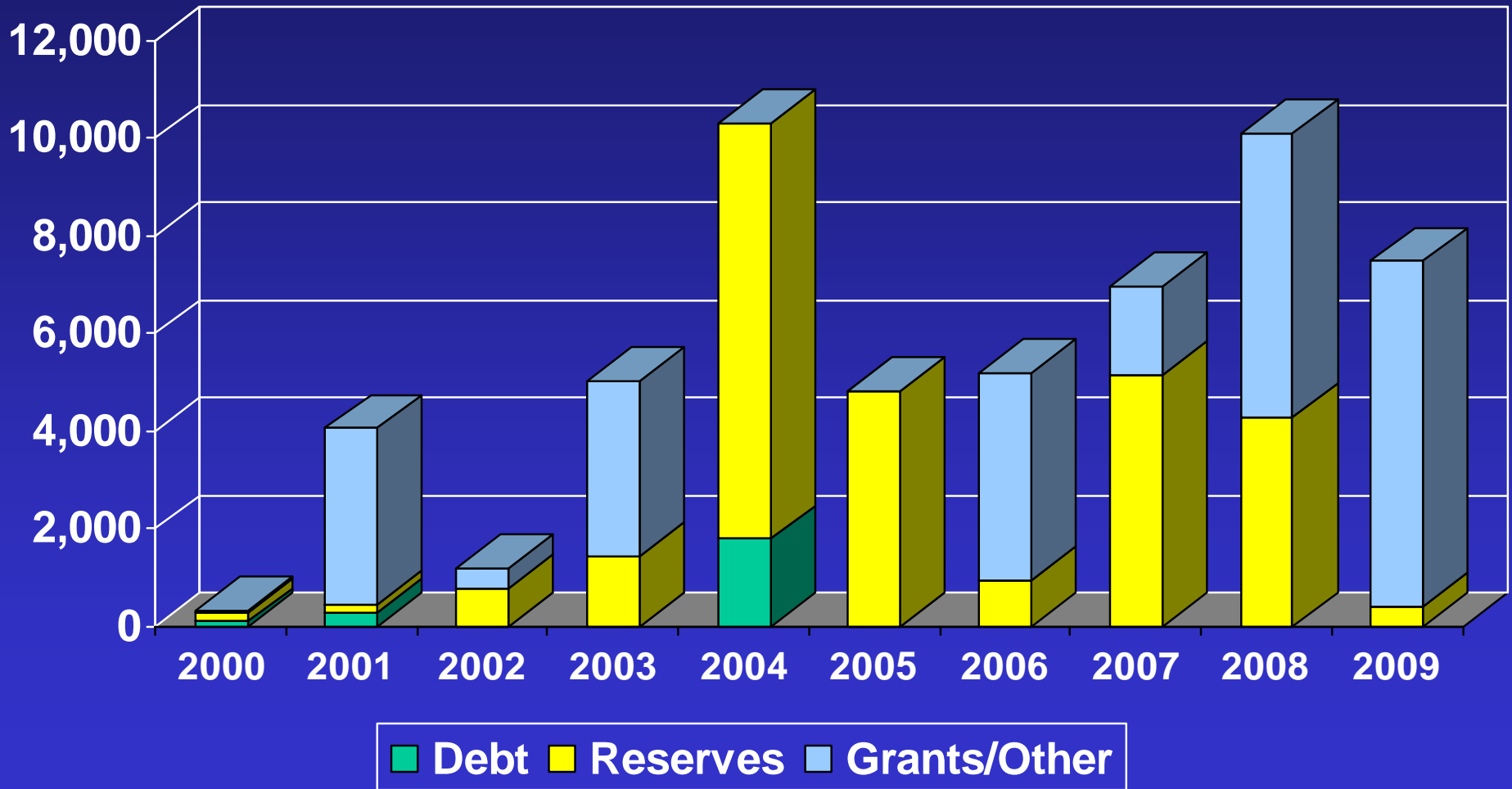
# 2007-2008 Utility Operating Business Cases

- Environmental Management System (2007) \$ 75
- CCTV Program & Equipment (2007) \$ -
- Infrastructure Technology Specialist (2008) \$ 53.8

# Utility Capital

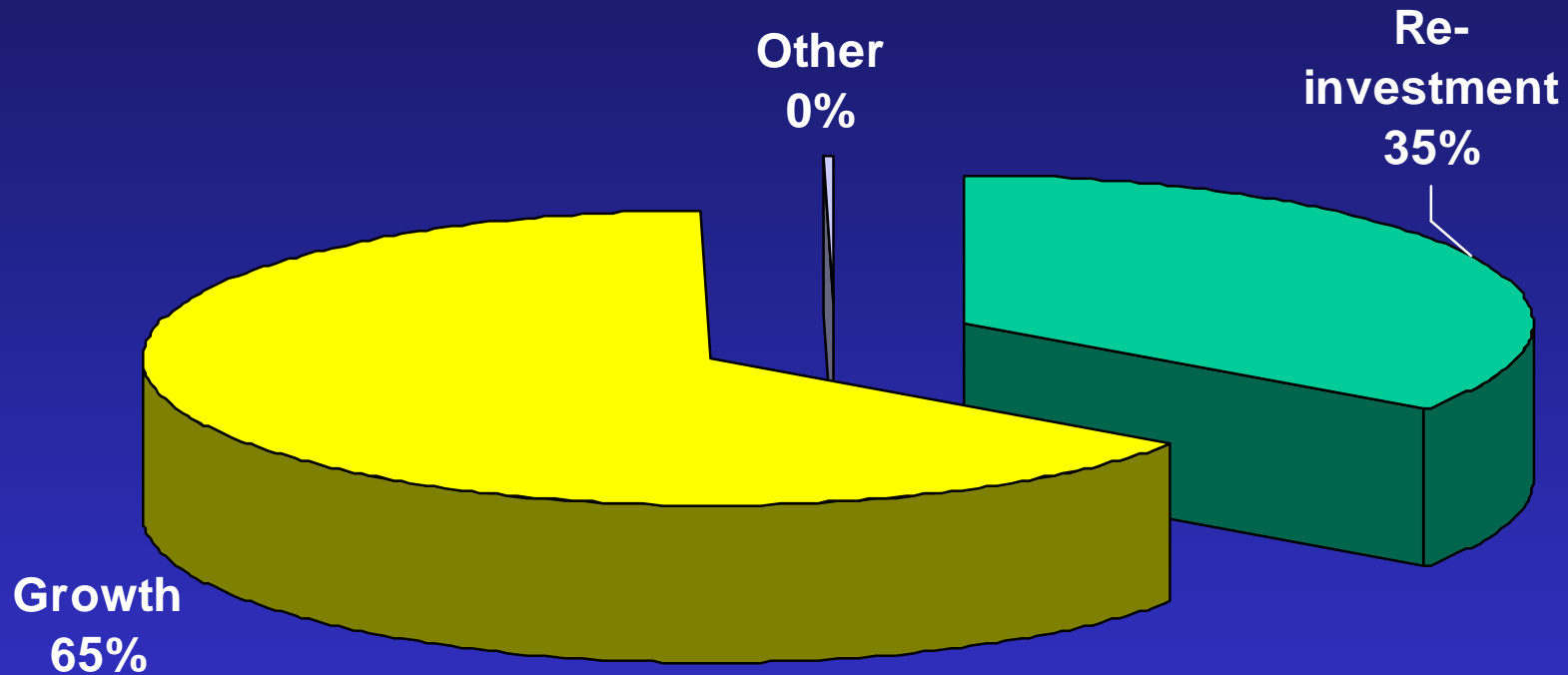
# Utility Capital

(in 000's)



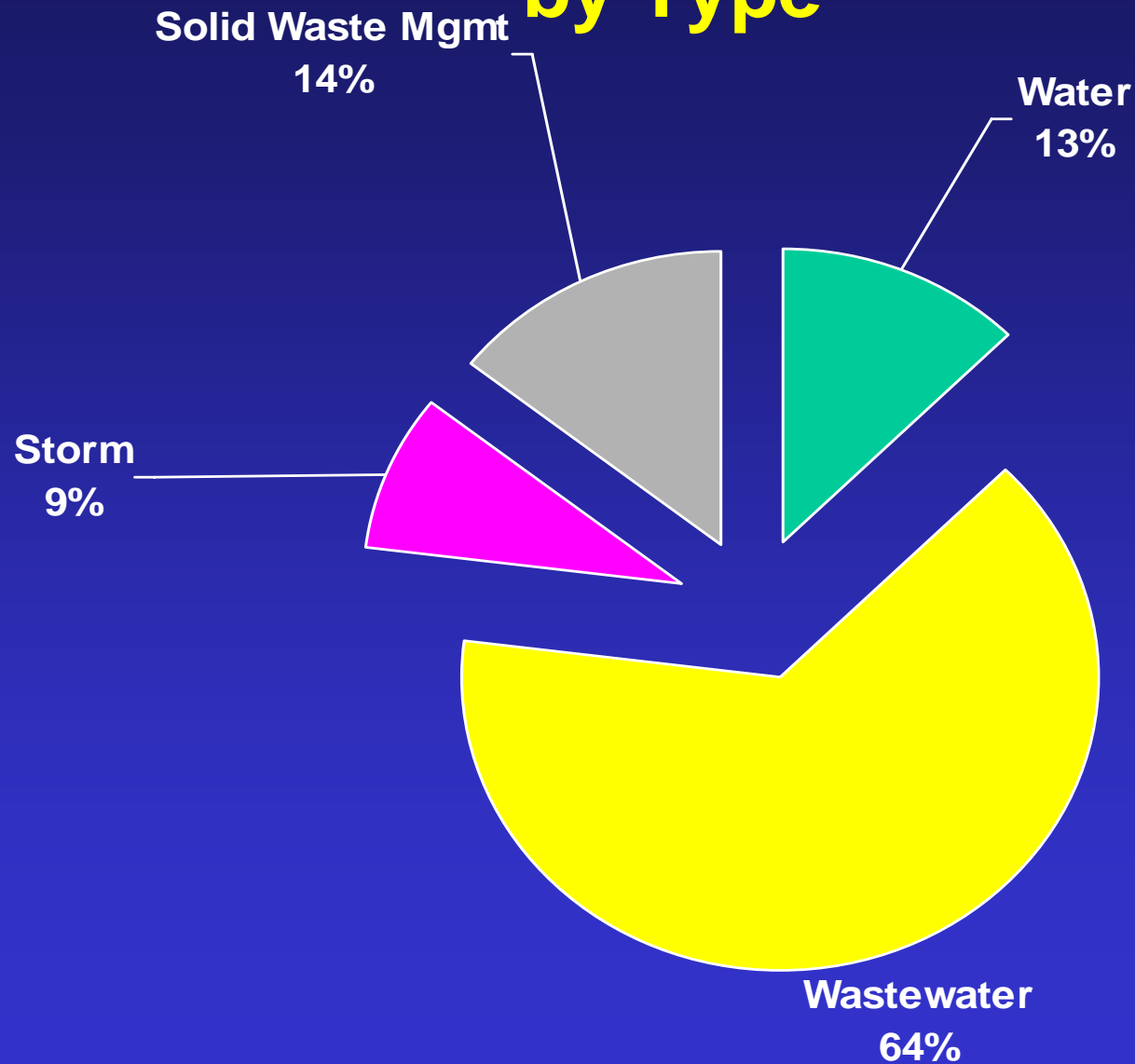
# 2007 Utility Capital Projects Expenditures

Source: 2007 - 2008 Budget



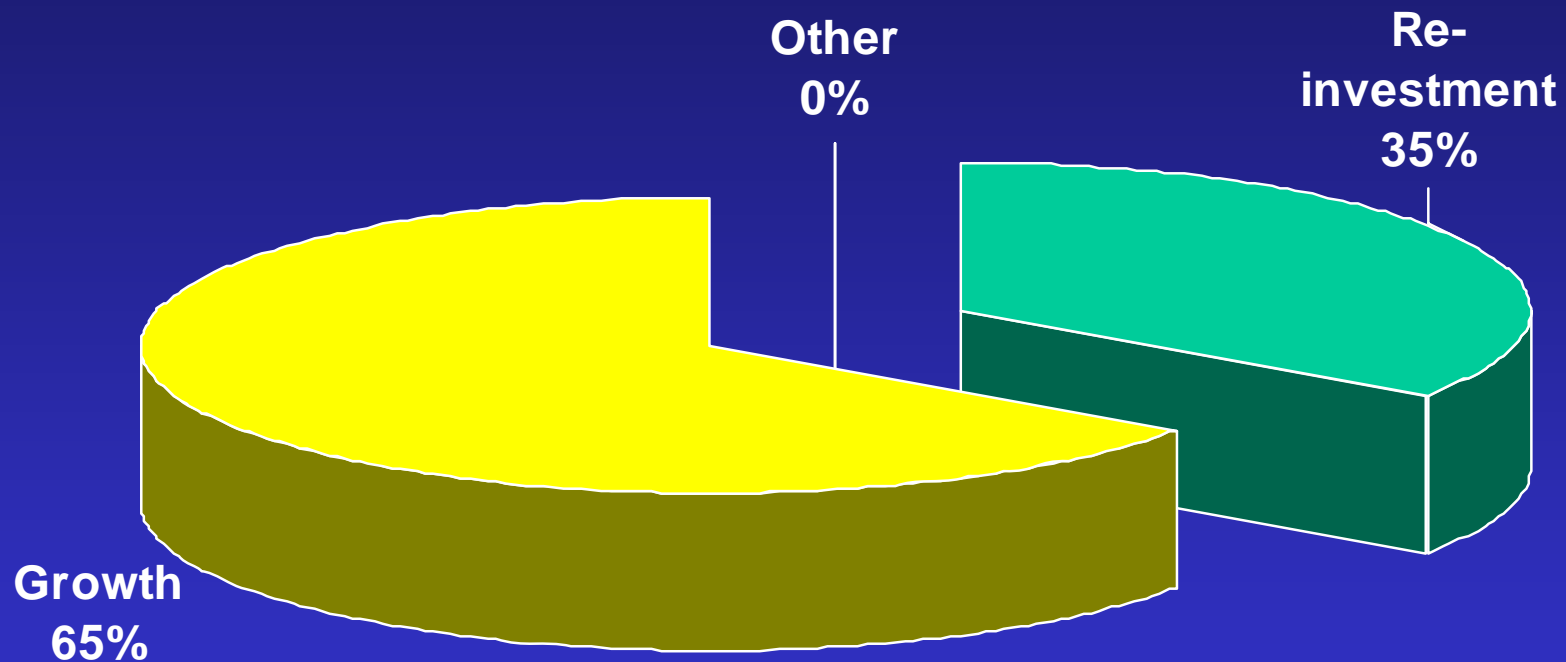
■ Re-investment ■ Growth ■ Other

# 2007 Utility Capital Expenditures by Type



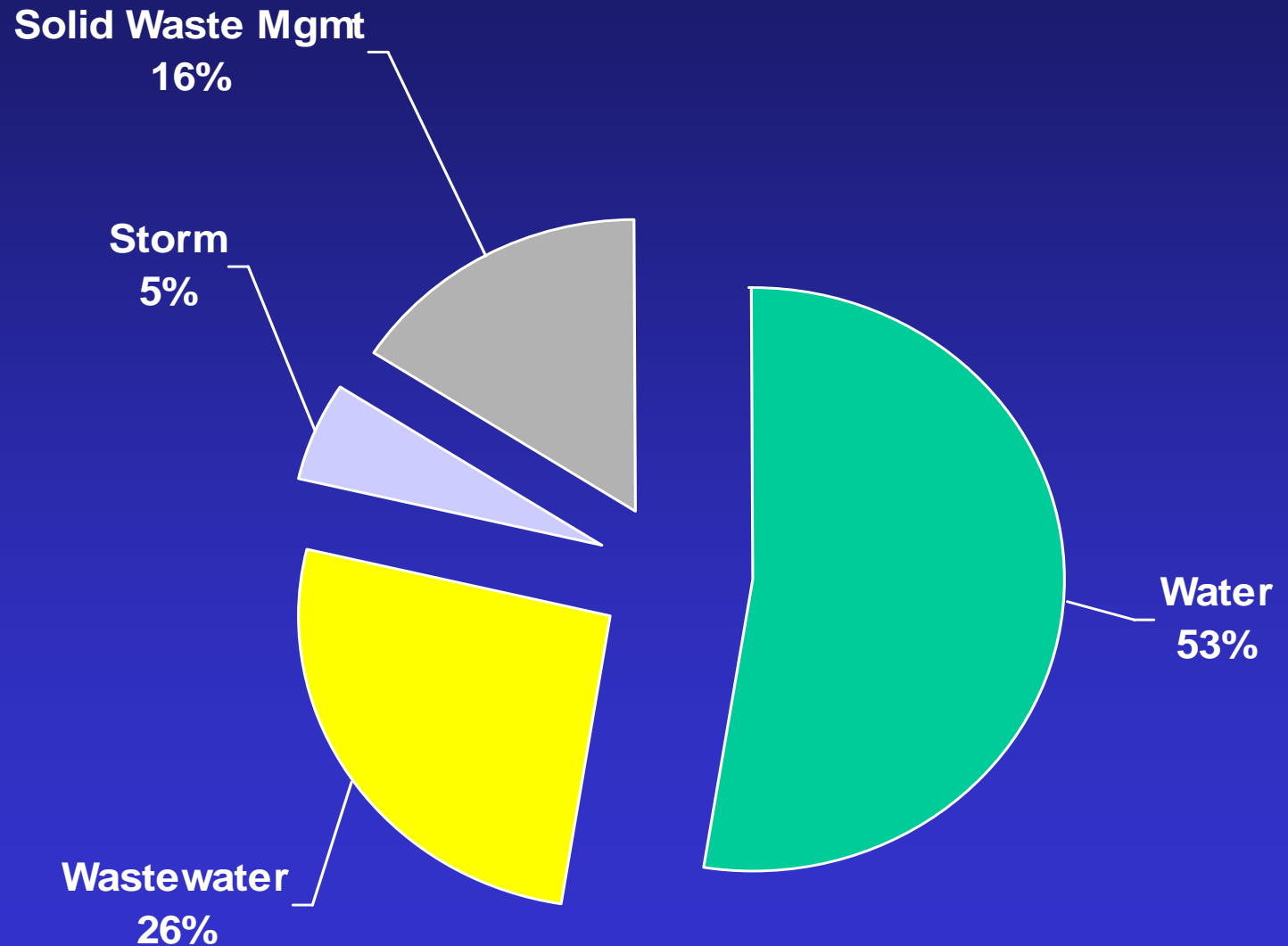
# 2008 Utility Capital Projects Expenditures

Source: 2007 - 2008 Budget



■ Re-investment ■ Growth ■ Other

# 2008 Utility Capital Expenditures by Type



# 2007 - 2008 Utility Funded Capital Projects

Re-investment Needs	2007	2008
<b>Water</b>		
SCADA/Radio Upgrades		\$ 100,000
Sturgeon Heights Pump house	\$ 250,000	
Water System Infrastructure Rehab	100,000	200,000
<b>Wastewater</b>		
Household Service Replacement	156,000	161,000
Lift Stations Rehabilitation		400,000
Main Replacement	150,000	800,000
Rehabilitation Program	173,000	181,000
SCADA/Radio System Upgrade		100,000

# 2007 - 2008 Utility Funded Capital Projects

Re-investment Needs	2007	2008
Storm		
Hydrocarbon / Grit Interceptor	\$ 100,000	\$ 50,000
Storm water Infrastructure Rehab	\$ 500,000	\$500,000
Solid Waste Management		
Riel Park Dry Landfill Site Remediation	1,000,000	1,000,000
<b>Total Re-investment Needs</b>	<b>\$2,429,000</b>	<b>\$3,492,000</b>

# 2007 - 2008 Utility Funded Capital Projects

Growth Needs	2007	2008
<b>Water</b>		
Oakmont Water Supply Line	\$ 500,000	\$ 5,000,000
<b>Wastewater</b>		
St. Albert North Interceptor Phase 2	\$4,000,000	\$1,000,000
<b>Solid Waste Management</b>		
Compost Site		\$600,000
<b>Total Growth Needs</b>	<b>\$4,500,000</b>	<b>\$6,600,000</b>

# 2007 - 2008 Utility Funded Capital Projects

Other Assets – Needs	2007	2008
Water		
Mobile Crane for 1 ton (OHS)	\$ 27,000	
<b>Total Utility Capital Needs</b>	<b>\$6,956,000</b>	<b>\$10,092,000</b>

# 2007 - 2008 Utility Funded Capital Projects

Other Assets – Needs	2007	2008
Water		
Mobile Crane for 1 ton (OHS)	\$ 27,000	
<b>Total Utility Capital Needs</b>	<b>\$6,956,000</b>	<b>\$10,092,000</b>

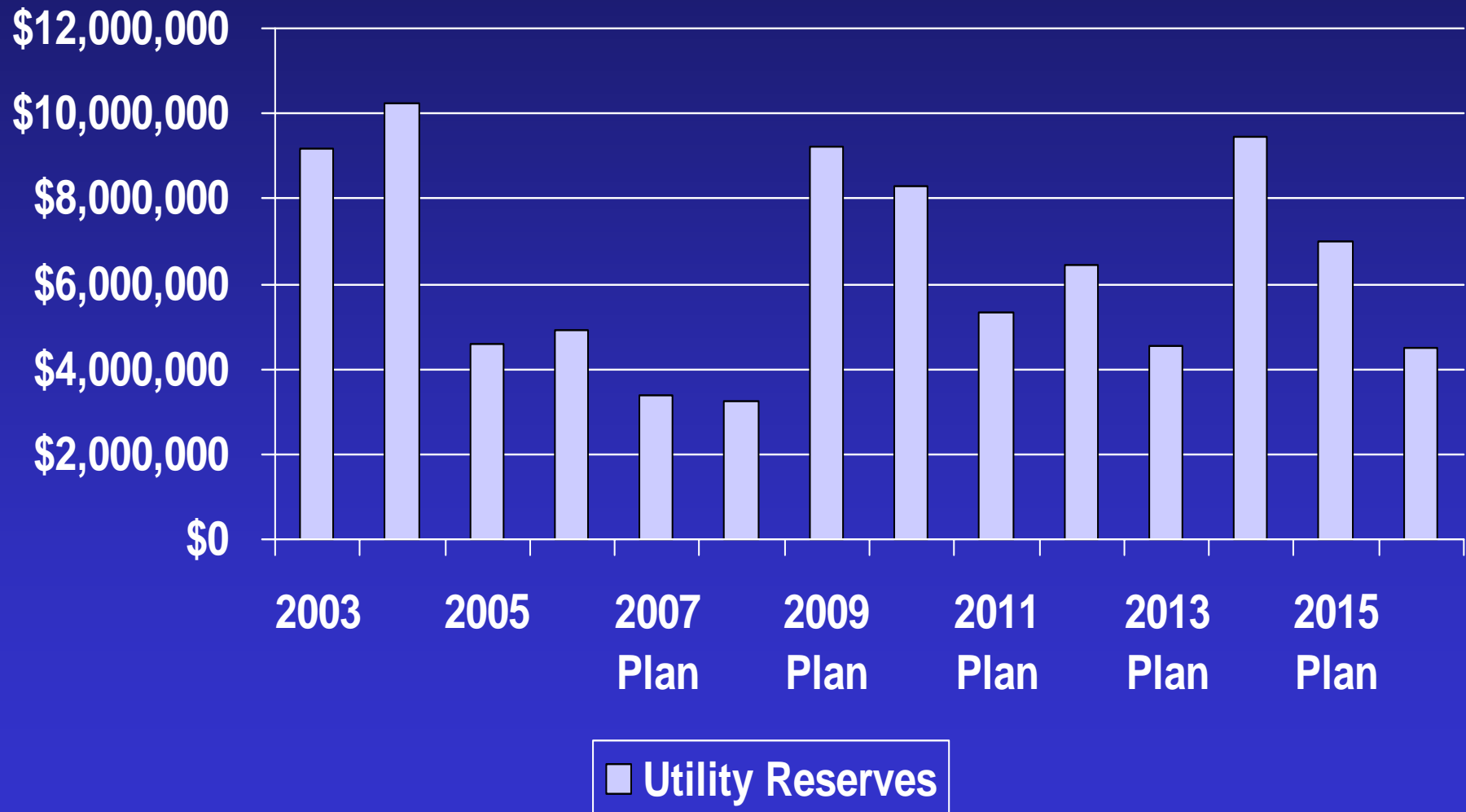
# 2007 - 2008 Utility Unfunded Capital Projects

Unfunded	2007	2008
<b>Wastewater</b>		
Boudreau Trunk Force Main		\$500,000
<b>Storm</b>		
Hwy 2 Lift Station		\$1,000,000
South Campbell Storm Facility		\$700,000
<b>Total Utility Unfunded Capital Needs</b>	\$0	\$2,200,000

# Utility Reserves

# Reserves 2003 – 2016

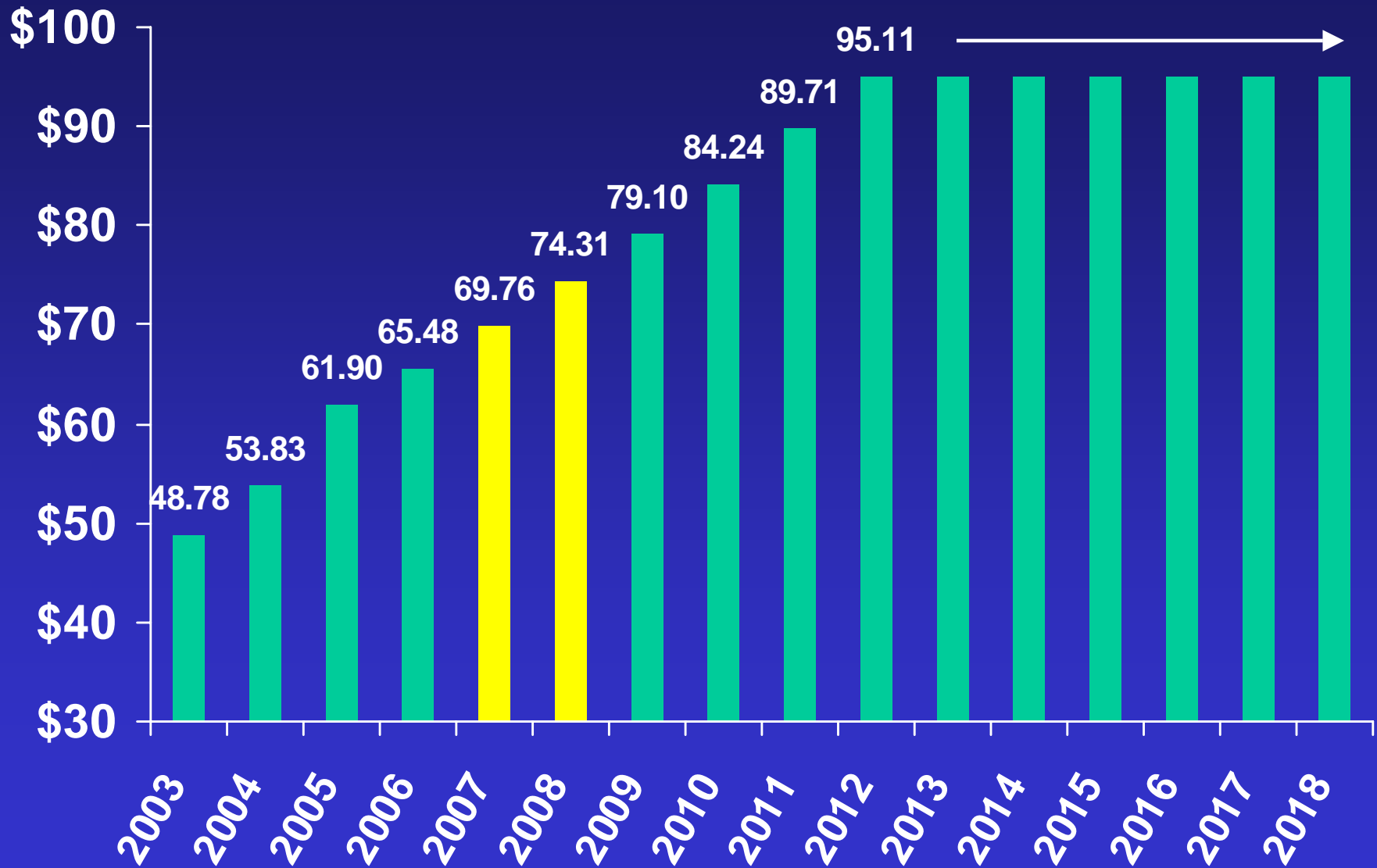
(in \$ millions)



# **Utility Debt**

**Debt eliminated in 2009  
No new debt in 10 yr Plan**

# Sustainable Utility Rate



# Monthly Impact of Increase in Utility Rates - Residential Properties



<u>Utility</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Incr. '06-'07<sup>1</sup></u>	<u>Incr. '07-'08<sup>1</sup></u>
Water	\$24.25	\$25.72	\$27.16	\$ 1.47	\$1.44
Wastewater	\$25.88	\$27.34	\$28.90	\$ 1.46	\$1.56
Storm	\$ 5.30	\$ 6.05	\$ 7.00	\$ 0.75	\$0.95
Solid Waste	<u>\$10.05</u>	<u>\$10.65</u>	<u>\$11.25</u>	<u>\$ 0.60</u>	<u>\$0.60</u>
	\$65.48	\$ 69.76	\$74.31	\$ 4.28	\$4.55

<sup>1</sup>Increase in 2007 and 2008 is 6.5% per year

\*Based on 20 m<sup>3</sup> and 1 can/2 bag subscription

# Impact of Increase in Utility Rates Non - Residential Properties



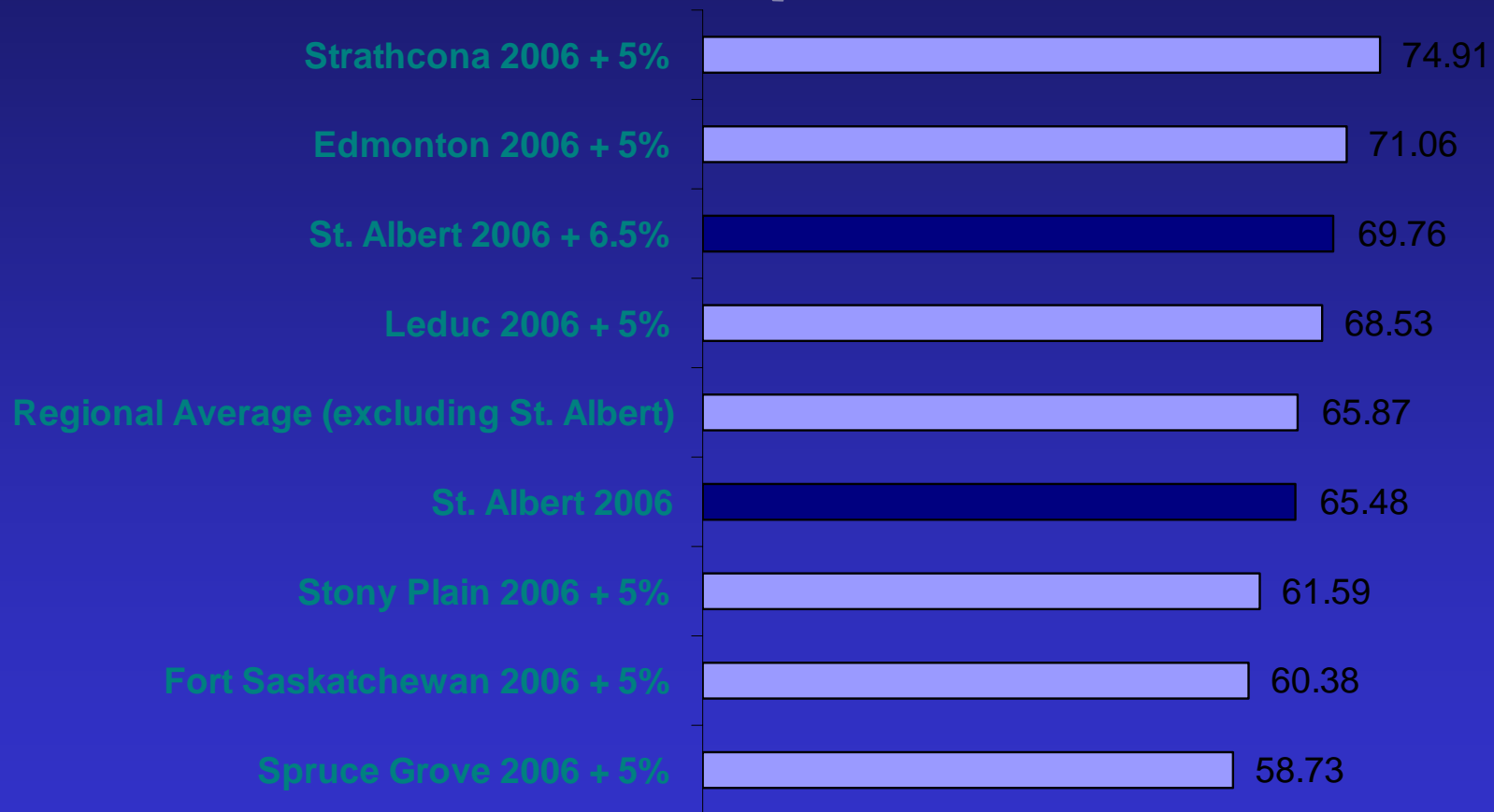
<u>Property</u>	<u>2006 Mthly</u>	<u>2007 Mthly</u>	<u>2008 Mthly</u>	<u>Incr. '06-'07</u>	<u>Incr. '07-'08</u>
Low use	\$ 168	\$ 182	\$ 197	\$ 14	\$ 15
Medium use	\$ 376	\$ 408	\$ 440	\$ 32	\$ 32
High use	\$1,329	\$1,441	\$1,556	\$112	\$115

\*Consumption based at 80 m<sup>3</sup>, 200 m<sup>3</sup> and 750 m<sup>3</sup> respectively

\*Excludes Solid Waste Fees

# Utility Rate Comparison

## 2007 Estimated Regional Utility Rates\*



\*For all utilities based on average water use of 20 m<sup>3</sup> and 1 can/2 bag option for waste

# Budget Process

# Budget Process

## **Oct 31 - Tuesday**

- Budget distributed to Council

## **Nov 6 – Monday**

- Council received Budget as information

## **Nov 18 - Saturday**

- CAO/GM Budget Overview
- Council, City Manager, Economic Development

# Budget Process

## **Nov 21 – Tuesday**

- Community & Protective Services

## **Nov 23 – Thursday**

- Planning & Engineering

## **Nov 25 – Saturday**

- Planning & Engineering, Utilities & Capital

## **Nov 28 – Tuesday**

- Corporate Services

# Budget Process 2006

## **Nov 30 – Tuesday**

- Outside Agencies

## **Dec 2 – Saturday**

- Council Debate & Motions

## **Dec 5 – Tuesday**

- Possible Budget Approval

## **Dec 7 – Thursday**

- If required.

# **Presentations & Deliberations**

- **Presentations**
- **Questions**
- **Flagged items**
  - **For further information**
  - **To be voted on for additions and deletions**
- **Taxometer**

# Business Cases

(subsequent to printing)

	2007	2008
UPASS – operating costs Refurbish 3 Retiring Buses	140,000	60,000
FCSS- (\$4,800) Additional Grant Funding	0	0
Health & Wellness Program (\$50,000)	0	0
Financial Services – Accounting Staff (0.5FTE)	0	0
MDP – Post Annexation	250,000	0

