



REQUEST FOR DECISION

Subject: 2015 Operating Budget
Prepared by: Alice Lettner, Finance Director
Reviewed by: Mark Fercho, CAO
Date – Notice: February 10, 2014
Date – Decision: February 17, 2015

Recommendation: That Council waive the two week notice requirement, and;
That Council accept and approve the 2015 Operating Budget as amended in the amount of \$14,368,429.00

CAO Comments: The interim budget was proposing a 4.37% increase. This final budget represents a 4.64% tax increase. The final budget accommodates the recently approved Collective Agreement and other adjustments as shown in the attached summary of changes.

Background: Council is required by the Municipal Government Act (276)1 to prepare an annual operating budget. A Preliminary Budget was presented in December, 2014. An interim budget was approved Jan 6. Final expense and revenue numbers plus the ratification of the new three year collective agreement gave Directors an opportunity to review their budget requests and final costs for energy and other 2014 expenditures were finalized.

The Preliminary Operating Budget as presented has a tax request of \$6,869,249.00. The changes summarized in the attached summary document outline an increase in the operating budget for an additional \$17,372.00 in the tax envelope from the approved interim budget. This final budget represents a 4.64% tax increase. (The interim budget was proposing a 4.37% increase.)

Bylaw-Policy: Fulfills requirements under Policy B-018

Director 

CAO 

Agenda Item _____

Fiscal:

The Annual Operating Budget is funded by operating grants, user fees and property taxes. The adoption of the Annual budget sets the user fees for the fiscal period anticipates operating grants and will determine the level of tax support that must be generated by the annual tax levy. The operating budget must be balanced and in sufficient detail that Council has confidence that operations as directed will be sustained at the level of service set by Council through policies, bylaws and other directives

Relevance to Council Priorities:

The Budget preparation process involves presentations by the various departments. Each department reviews the budget and requests a funding level to sustain current operations and fund new initiatives. These presentations were reviewed by Council on December 16 and 17. The Public was invited to attend these meetings which will be held Dec 16 at the Multi-Purpose in the Activity Centre and Dec 17 at the Upstairs Meeting Room, Emergency Services Building.

Options:

1. Accept the Budget as presented.
2. Council may make any changes it deems desirable.

Attachments:

- Budget Changes Summary
- Budget Summary Spreadsheet
- Operating Budget Highlights
- 2014 Budget Final Report, 2015 Operating Budget

Director  _____

CAO  _____

Agenda Item _____

Budget Changes

Directors have reviewed preliminary budgets presented in December. Finalization of the Collective Agreement allowed Directors to more accurately estimate the impact of the new agreement. The following changes are suggested.

CFS	reduce request in amount for Community Foundation Development	-7500
Administration	reduce amount allocated to Council Projects	-2500
	include separate line for contribution to Heritage Rodeo	10000
	include new expense - CAO evaluation	1000
Protective Services	increase Telephones	1000
	increase insurance liability	1000
Culture and Recreation	increase chemical costs - Aquatic centre	4000
	increase expenses in Aquatic centre	1000
Operations	Adjustments to salaries and utilities	9372
	Total Increase in Requests	17372



PRELIMINARY OPERATING BUDGET 2015

06-Feb-15

DEPARTMENT	Revenue		% Increase (decrease)	\$ Increase (decrease)
	2015	2014		
Operational Services	3,927,016	3,604,364	8.95%	322,652
Culture & Recreation	1,186,490	1,120,000	5.94%	66,490
Administration and Finance	144,945	158,100	-8.32%	-13,155
Franchise Revenue	345,000	345,000	0.00%	0
FCS, COS, Daycare	1,480,898	1,379,593	7.34%	101,305
Protective Services	424,829	430,741	-1.37%	-5,912
Jasper Community Housing Corp	3,902	3,902	0.00%	0
Municipal Taxes	6,855,349	6,551,523	4.64%	303,826
Total	14,368,429	13,593,223		775,206

DEPARTMENT	Expenditure		% Increase (decrease)	\$ Increase (decrease)
	2015	2014		
Operational Services	5,851,974	5,450,087	7.37%	401,887
Culture & Recreation	2,944,499	2,747,530	7.17%	196,969
Culture Library	172,515	172,515	0.00%	0
Culture Museum	47,235	46,305	2.01%	930
Culture Programs	0	1,000	-100.00%	-1,000
Administration and Finance	1,560,489	1,503,060	3.82%	57,429
Land Rent and Planning	623,205	608,005	2.50%	15,200
General Capital	165,000	165,000	0.00%	0
FCS, COS, Daycare	1,864,661	1,758,586	6.03%	106,075
Protective Services	1,107,047	1,109,860	-0.25%	-2,813
Housing	31,804	31,275	1.69%	529
Total	14,368,429	13,593,223		775,206

Expenditure	2015	2014	2015 Net Tax Envelope	2014 Net Tax Envelope	2015 Increase (Decrease)	
					\$	%
Operational Services	5,851,974	5,450,087	1,924,958	1,845,723	79,235	4.29%
Culture & Recreation	2,944,499	2,747,530	1,758,009	1,627,530	130,479	8.02%
Culture Library	172,515	172,515	172,515	172,515	0	0.00%
Culture Museum	47,235	46,305	47,235	46,305	930	2.01%
Culture Programs	0	1,000	0	1,000	-1,000	-100.00%
Administration and Finance	1,560,489	1,503,060	1,415,544	1,344,960	70,584	5.25%
Land Rent and Planning	623,205	608,005	623,205	608,005	15,200	2.50%
General Capital	165,000	165,000	165,000	165,000	0	0.00%
Franchise Revenue			-345,000	-345,000	0	0.00%
FCS, COS, Daycare	1,864,661	1,758,586	383,763	378,993	4,770	1.26%
Protective Services	1,107,047	1,106,860	682,218	679,119	3,099	0.46%
Jasper Community Housing Corp	31,804	31,275	27,902	27,373	529	1.93%
Total	14,368,429	13,590,223	6,855,349	6,551,523	303,826	4.64%

2015 Budget by Homeowner



Council approved the 2015 interim operating budget at its January 6 meeting, proposing a 4.37% tax increase. The final proposed budget accommodates the new Collective Agreement and final figures from the 2014 utilities. The final 2015 budget proposes a 4.64% tax increase, a total increase of just over ¼% (0.27%) or from approximately \$2.00 to \$5.00 increase on an annual tax bill, over the interim budget.

The interim budget presented by Administration focused on investments in existing infrastructure and maintaining current service levels. This final budget also accommodates the new collective agreement and all utility costs to maintain services at their current levels.

Projected Impact on Residential Tax Payers

Assessed Value	\$750,000	\$500,000	\$300,000
2014 Taxes	\$2005.50	\$1337.00	\$802.20
2015 Taxes	\$2098.55	\$1399.03	\$839.42
Tax Increase at the interim budget: 4.37%	\$87.64	\$58.43	\$35.06
Tax Increase Final Budget at 4.64%	\$93.05	\$62.03	\$37.22
Increase in Utilities*	\$ 7.00	\$ 7.00	\$ 7.00

*per two-month billing cycle

*Utility rates will be reviewed in the Asset Management Plan project this year and subject to a new rate structure and new rates to be proposed for late 2015 and 2016.

Projected Impact on Residential Water Rates

Based on a consumption of 35 cubic meters over a two-month billing cycle

	2014	2015
Water	\$33.25	\$39.90
Sewer	\$53.55	\$53.90
Garbage	\$45.14	\$44.87
Recycling	\$4.00	\$4.27
TOTAL	\$135.94	\$142.94
Increase		\$7.00

Residential Water Rates in Other Communities

Based on average monthly consumption of 15 cubic meters

	2014	2015
Jasper	\$0.95/m ³	\$1.14/m ³
Banff	\$1.42/m ³	
Edson	\$1.47/m ³	
Canmore	\$1.82/m ³	
Hinton	\$1.99/m ³	
Ponoka	\$2.65/m ³	
Calgary	\$2.77/m ³	

Draft Operating Budget 2015

Highlights – Projected

- \$14.3M in total expenditures
- \$7.5M in offsetting revenues
- \$6.8M net cost of operations (\$6.8M in 2014)
- \$303,826 (4.64%) increase in net cost of operations over 2014 (preliminary budget was 4.37%)
- \$15,200 increase in Land Rent and Land Planning Services to a total of \$623,005.00, or 9.1% of the total municipal tax envelope paid to Parks Canada
- 1% increase in taxes generates about \$65,550 in revenue