



FINANCIAL SERVICES

TO:	Council		
DATE:	April 13, 2021	DIVISION:	All
FILE:	0660	APPLICATION:	N/A
SUBJECT:	2021 Spring Budget Finalization		

POLICY DIRECTION:

Section 242 of the *Municipal Government Act* prescribes that Council must adopt a budget for each calendar year. Once the final budget is approved by Council, all subsequent adjustments are considered and approved by Council.

EXECUTIVE SUMMARY:

With the ongoing review of the 2021 Operating and Capital base budget, Administration requires budget adjustments to finalize Rocky View County's 2021 Operating and Capital budget. When Council approved the Operating Base Budget on December 1, 2020, it incorporated a 0.48% tax increase. This was brought about by an increase in service levels relating to Rocky View County's gravel road program and mosquito control program for \$352,000 of tax funding. Three budget adjustments are presented for Council's consideration.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

Council and Administration review the operating and capital budget on a regular basis. Administration has identified various operating and capital budget adjustments (increases and decreases) to better align service delivery with the 2021 Operating and Capital base budget. The capital budget adjustments are reallocated from the operating budget to the capital budget based on thresholds of the projects. These thresholds are directed by Rocky View County's Tangible Capital Assets, Policy C-216.

Administration started the 2021 budget process in June 2020. As part of the budget process, Administration uses an estimation of live growth from Assessment Services to increase tax revenue. The live growth component is essentially new property tax on new development growth within the County. Council approved the 2021 Operating and Capital base budget on December 1, 2020, which did not include a live growth factor at that time. Upon completion of the 2021 assessment roll, the final live growth component is an increase of 1.50% or \$1,184,200 in new tax dollars.

Section I - Operating Budget Adjustments (Attachment 'A')

Revenue**

Decreased Langdon Special Tax Budget Requirements	(\$6,800)
Increase Final Assessment – Live Growth (1.5%) – new development taxation	<u>\$1,184,200</u>
Total Increased Revenue	\$1,177,400

Expenses

Decreased full-time fire wages (shift differential)	(\$71,000)
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Administration Resources

Barry Woods, Financial Services



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Decreased part-time fire wages (shift differential)	(\$26,000)
Increased IAFF payback to the Tax Stabilization Reserve	\$315,200
Increased insurance premiums	\$195,000
Decreased Council expenses (9 to 7 members)	(\$36,600)
Decreased Community Grants	(\$6,800)
Decreased Emergency Management wages	(\$130,300)
Total increased Expenses	\$239,500

Net Summary

Total Increased Revenue Adjustments	\$1,177,400
Total Increased Expense Adjustments	\$239,50
Total Net Expense and Revenue Adjustments	\$937,900

** For presentation purposes, revenue numbers are reported in reverse of the actual budget adjustment.

Capital Budget Adjustments

In review of the 2021 capital budget, Administration requests the following capital budget adjustments. No new projects are being added; rather, there is a reallocation from the operating base budget to the capital base budget due to Tangible Capital asset reporting requirements based on Policy C-216. The following adjustment is required to ensure both the operating and capital budget stay in balance:

Decreased expenses – Bragg Creek Transfer Site Erosion Management – Operating Budget	(\$100,000)
Increased Capital Expenses – Bragg Creek Transfer Site Erosion management - Capital budget	\$100,000
Decreased expenses – Road maintenance paving overlays – Operating budget	(\$865,000)
Increased Capital Expenses – Road maintenance paving overlays - Capital budget	\$865,000
Decreased expenses – Re-chipping Program - Operating budget	(\$762,000)
Increased Capital Expenses – Re-chipping Program - Capital budget	\$762,000

Total increase to the Capital Budget = \$1,727,000

** For presentation purposes, revenue numbers are reported in reverse of the actual budget adjustment.

2021 Property Tax Adjustment (Attachment 'B')

Currently, there is a 0.48% tax increase (\$352,000) within the approved 2021 Operating base budget. Administration is recommending that a portion of the assessment growth remain in the 2021 budget, in the amount of \$352,000, to offset the amounts added by Council on the December 1, 2020, budget approval. This amount was to increase services standards relating to Rocky View County's gravel road program, as well as Rocky View County's mosquito control program. Should Council find it desirable to have a 0% tax increase, an amount of \$352,000 would need to remain in the 2021 operating budget. The remaining amount of \$585,900 could be transferred to the Tax Stabilization Reserve for future Council consideration as presented in Attachment 'B'.



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Net Expense and Revenue adjustments	\$937,900
Removal of current 0.48% property tax increase	(\$352,000)
Total unallocated amount	\$585,900
Transfer to Tax Stabilization Reserve to balance	\$585,900

External Requisitions – (Attachment ‘C’)

External requisitions are flow-through amounts, in that Rocky View County collects these funds through the property tax system and forwards them to the requisitioning bodies such as the Provincial government (education and designated industrial properties) and the Rocky View Foundation.

Administration has now received final external requisitions relating to schools from the Provincial government for the 2021 budget year. Changes to Rocky View County's external requisitions are as follows:

- Alberta School Foundation Fund (ASFF) and the Calgary Catholic School District (CCSD) requires an increase of \$937,600.
- The Rocky View Foundation has increased by 51% and will require an increase of \$344,900. This was due to a purchase of a retirement facility in the city of Airdrie.
- The Designated Industrial Property (DIP) that is administered on behalf of the Province of Alberta requires an increase of \$4,600 representing a 3.5% increase.

BUDGET IMPLICATIONS:

Operating Budget Adjustments

Increased operating revenues	\$1,177,400
Increased operating expenses	\$239,500
Net Adjustment	\$937,900

Capital Budget Adjustments

Expenses

Increased capital budget adjustment for the reallocation of capital projects from the operating budget.	\$1,727,000
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External Requisitions Budget Adjustments

Expenses

Education Requisitions	\$937,600
Rocky View Foundation	\$344,900
Designated Industrial Properties	\$4,600



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OPTIONS:

- Option #1: Motion #1 THAT the operating and capital budget adjustment be approved as presented in Attachment 'A'.
- Motion #2 THAT the budget to accommodate a 0% tax increase be approved as presented in Attachment 'B'.
- Motion #3 THAT the budget adjustment to accommodate external requisitions be approved as presented in Attachment 'C'.
- Option #2: THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Kent Robinson"

"Al Hoggan"

Executive Director
Corporate Services

Chief Administrative Officer

BW/rp

ATTACHMENTS:

- ATTACHMENT 'A': Operating & Capital Budget Adjustment
ATTACHMENT 'B': Transfer to Tax Stabilization Reserve Budget Adjustment
ATTACHMENT 'C': External Requisitions Budget Adjustment