



FINANCIAL SERVICES

TO: Council
DATE: April 26, 2022 **DIVISION:** All
FILE: 0660 **APPLICATION:** N/A
SUBJECT: 2022 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 Spring Budget Finalization is approved by Council, all subsequent adjustments will be considered and approved by Council.

EXECUTIVE SUMMARY:

With the ongoing review of the 2022 Operating and Capital base budget, Administration requires budget adjustments to finalize Rocky View County's 2022 Operating and Capital budget. Council approved the Operating Base Budget on January 18, 2022, which incorporated a 4.0% tax increase. Two budget adjustments are presented for Council's consideration.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

Council approved the 2022 base budget on January 18, 2022. The operating and capital budget are reviewed on a regular basis. Council and Administration have identified various operating adjustments, both increases and decreases, to better align service delivery with the 2022 Operating and Capital base budget.

Administration started the 2022 budget process in June 2021. 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 2022 Operating and Capital base budget on January 18, 2022, which included an estimated live growth factor of \$1,200,000. Upon completion of the 2022 assessment roll, the final live growth component is \$2,400,800. This results in an increase of \$1,200,800 in additional new tax dollars.

Administration has included a budget adjustment (Attachment 'A') representing the additional live growth and operating adjustments as set out in Section I.

Section II provides two alternatives for Council's consideration of allocating the excess amount of \$1,077,900 (Attachment 'B').

Section III adjusts the base budget to reflect external requisition increases/decreases (Attachment 'C').

Administration Resources

Barry Woods, Manager, Financial Services



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

Revenue**

Increase Final Assessment – Live Growth (1.25%) – new development taxation	\$1,200,800
Total Increased Revenue	\$1,200,800

Expenses

Decreased Enforcement Vehicle Weigh Scales – not required	(\$35,000)
Increased Cochrane Lake Utility Reserve transfer – to balance operating surplus	\$46,600
Increased Enforcement 1 FTE Detachment Admin Position	\$83,000
Increased STARS Foundation Donation – \$79,000 in current 2022 base budget	\$21,000
Increased Calgary Region Airshed Zone (CRAZ) – Contribution	\$4,100
Increased Country Lane Estates Water/Wastewater Local Improvement Tax – Rocky View County tax forfeiture properties	\$3,200
Total Increased Expenses	\$122,900

Net Summary

Total Increased Revenue Adjustments	\$1,200,800
Total Increased Expense Adjustments	(\$122,900)
Total Net Expense and Revenue Adjustments	\$1,077,900

Section II 2021 Property Tax Adjustment (Attachment 'B')

Currently, there is a 4.0% tax increase (\$2,965,000) within the approved 2022 Operating base budget. At the time the 2022 operating base budget was approved, a 1.25% assessment growth factor was included which amounted to \$1.2 million. Since then, Rocky View County's assessment has been finalized and an additional 1.25% is available in the amount of \$1,200,800. Council is presented with two options:

Alternative #1 Leave the current tax increase at 4%, with the remaining funding of \$1,077,900 transferred to the tax stabilization fund for future project/service level funding.

Alternative #2 Apply the remaining net amount of \$1,077,900 to the current 4% tax increase which would reduce the tax increase to 2.55%.

Net Expense and Revenue adjustments	\$1,077,900
Total unallocated amount	\$1,077,900



Section III 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 2022 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) has increased its requisitions by \$1,199,900 (2.321%).
 - 2022 amount: \$52,897,100
 - 2021 amount: \$51,697,200

- The Rocky View Foundation has decreased its requisition by \$14,000 (-1.4%).
 - 2022 amount: \$1,006,200
 - 2021 amount: \$1,020,200

- The Designated Industrial Property (DIP) that is administered on behalf of the Province has increased its requisition by \$5,800 (4.2%).
 - 2022 amount: \$143,700
 - 2021 amount: \$137,900

BUDGET IMPLICATIONS:

Operating Budget Adjustments

Increased Operating Revenues	\$1,200,800
Increased Operating Expenses	\$122,900
Net Adjustment	\$1,077,900

External Requisitions Budget Adjustments

Education Requisitions	\$1,199,900
Rocky View Foundation	(\$14,000)
Designated Industrial Properties	\$5,800

OPTIONS:

- | | | |
|------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Option #1: | Motion 1 | THAT the operating budget adjustment be approved as presented in Attachment ‘A’. |
| | Motion 2 | That the net amount of \$1,077,900 be transferred to the Tax Stabilization Reserve for future projects/service level funding 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”

“Byron Riemann”

Executive Director
Corporate Services

Acting Chief Administrative Officer

BW/sr

ATTACHMENTS:

- ATTACHMENT ‘A’: Operating & Capital Budget Adjustment
- ATTACHMENT ‘B’: Transfer to Reserve Budget Adjustment
- ATTACHMENT ‘C’: External Requisitions Budget Adjustment