

2019 SERVICE PRIORITIES AND BUDGET GUIDELINES

Issue

The 2019 Service Priorities and Budget Guidelines are provided to Council for approval and use by Administration to initiate the budget process.

Motion Proposed by Administration

That the 2019 Service Priorities and Budget Guidelines be approved as presented.

Report Analysis and Financial Implications

The *Municipal Government Act* requires that Council have an approved budget in place to manage the finances of the municipality. Okotoks has a well established budgeting process that ensures the Operating Budget is approved in advance of the operating cycle.

The budget preparation process and the associated timelines require budget development to begin in early May. The annual process begins with Council providing the Corporation with Budget Guidelines. The proposed Operating and Capital Budgets are then developed by each Business Centre, taking into consideration the Guidelines set by Council, the Strategic Plan and the needs and expectations of our customers and Business Centres.

The annual budget preparation schedule runs from May to December. All members of Council and the public are invited to attend the 2019 budget presentations to the Finance and Budget Committee on November 20, 21, and 22, 2018. Council will consider approval of the 2019 Budget at their regular Council meeting on December 10, 2018. This process enables a preliminary budget to be prepared by Administration for thorough and timely review by Council.

Multi-year Forecast

- Provide a 5-year Operating Plan
- Provide a 10-year Capital Plan

Debt Level

- Council's policy of 75% of the maximum debt level be maintained throughout the 10-year Capital Plan.

Reserves

- Maintain a minimum reserve balance of \$25 Million throughout the Capital Plan.
- Maintain contribution levels for General Recapitalization, Recreation Facilities, and Cultural Facilities Reserves at 2018 levels but consideration be given to include with property taxes and not show separately.

Grants

- For Municipal Sustainability Initiatives (MSI) capital beyond 2021/2022, use 75% of existing current MSI funding.
- For the Federal Gas Tax Fund, maintain current funding level for the 10-year plan.

Operating Projects

- Explore elimination of one time operating projects for asset maintenance.
- Use a 5-year average of one time projects going forward for impacted Business Centres.

Franchise Fees

- Fortis: Increase the rate to 18% for 2019.
- ATCO: Move to a Method “A” contract and a new rate of 16% which includes an amount equivalent to Rider “B” for 2019.
- Explore the timing and phase in of maximum amounts allowed by the Alberta Utilities Commission (AUC)

Municipal Tax Rates

- 2019 residential tax increase of 3% (based on a typical residence). Original Budget Guidelines had a 4% increase target.
- 2020 and beyond: residential tax increase for typical residence of 4%.
- Maintain contribution levels for General Recapitalization, Recreation Facilities, and Cultural Facilities Reserves at 2018 levels while exploring rolling all requisitions into a single requisition.
- Continue the non-residential differential tax rate multi-year phase-in program developed during the 2014 budget process. This will result in the ratio of 1.42% (depending on what is approved at tax time).
- For 2019, maintain the non-residential tax rate value of 1.50% and explore the timing and phasing-in a move to 1.60%.
*(subject to Council’s decision on the 2018 Tax Rate Bylaw)

Taxes for Requisitions (School, Foothills Foundation, Library)

- Rates to be set to meet the amount of requisition without subsidy from Municipal taxes.

Cost Recovery

- In general, municipal cost recovery rates target full cost recovery for billable services, with specific provisions as outlined below.

Utilities

- All utilities provide for full cost recovery including amortization and contribution to administrative overhead.
- Water and sewer rate structures based on 80% consumption/20% fixed rate, in a three (3) block structure.
- Recognition that the Utility Policy and utility rate structures are currently under review and may require changes to the current methodology and structure.

Community Services

- Rates will be benchmarked to rates charged in other municipalities providing similar services in comparable facilities for all demographics.

Service Levels

- No changes to service levels will be considered unless Council direction has been provided. Council requests Administration review the following list of services:
 - Snow and Ice Control
 - Public Free Wi-Fi

The 2019 Service Priorities and Budget Guidelines provide the foundation for the 2019 Budget development.

Current Policy or Bylaw Analysis

Budget Guidelines are developed on an annual basis.

Strategic Plan Goals

<input type="checkbox"/>	Manage Community Growth	<input checked="" type="checkbox"/>	Provide Strong Governance
<input type="checkbox"/>	Provide Quality Community Infrastructure	<input type="checkbox"/>	Healthy and Safe Community
<input type="checkbox"/>	Enhance Organizational Excellence	<input checked="" type="checkbox"/>	Foster Economic Vitality
		<input type="checkbox"/>	Promote Environmental Excellence

Public Participation/ Communication Strategy

The Community Household Survey (May 2 - June 10) contains general taxation and budget questions. Survey results will be provided to Council in July. Additional public participation opportunities for the 2019 budget will be considered in the fall.

CAO Comments

The Finance and Budget, and Governance and Priorities Committees have considered separately the issues of franchise fees, debt and reserve balances. Their recommendations form the foundation for the recommendations contained within this report. The Budget Guidelines, as presented, will require significant shifting in the current 10-year Capital Plan. The decline in grants and increase in debt will have impacts on the amount of capital projects that can be funded and the tax rate requirements to fund the debt.

Attachment(s)

1. 2019 Debt/Reserve/Tax Worksheet

Prepared by:
Ralph Ettenauer
Director, Finance and Systems
April 19, 2018



**TOWN OF OKOTOKS
ADOPTED MINUTES
FOR THE REGULAR COUNCIL MEETING
HELD MONDAY, APRIL 23, 2018
AT THE OKOTOKS MUNICIPAL CENTRE
COUNCIL CHAMBER**

COUNCIL PRESENT

Mayor Robertson (until 5:32 p.m.)
Councillor Christophers
Councillor Heemeryck
Councillor Rockley
Councillor Sands
Councillor Thorn
Councillor Watrin

STAFF PRESENT

Elaine Vincent, Chief Administrative Officer
Janice Storch, Legislative Services Administrator

1. CALL TO ORDER

Mayor Robertson called the meeting to order at 2:13 p.m.

Mayor Robertson presented Don Paterson with a certificate of recognition and appreciation for his years of service as editor of the Okotoks Western Wheel.

2. ADOPTION OF AGENDA

Item 7.1 – Bylaw 05-18 was moved to precede item 6.3.

MOTION 18.C.176

By Councillor Thorn

That the April 23, 2018 Regular Council Meeting agenda be adopted as amended.

Carried Unanimously

3. IN CAMERA ITEMS

MOTION 18.C.177

By Councillor Christophers

To go In Camera as the matters to be discussed during this portion of the meeting are within one of the exceptions to disclosure in Division 2 of Part I of the *Freedom of Information and Protection of Privacy (FOIP) Act* at 2:25 p.m.

Carried Unanimously

3.1 Legal Briefing (*FOIP* 27(1)(a))

In Attendance

Mayor Robertson

Councillors Christophers, Heemeryck, Rockley, Sands, Thorn, and Watrin

Chief Administrative Officer Elaine Vincent

Community & Protective Services Director Susan Laurin

Infrastructure & Operations Director Chris Radford

Legislative Services Administrator Janice Storch

MOTION 18.C.178

By Councillor Rockley

That the meeting come out of In Camera at 2:45 p.m.

Carried Unanimously

Break at 2:46 p.m. Reconvene at 2:53 p.m.

4. MINUTES OF PREVIOUS MEETING

4.1 Regular Council Meeting - April 9, 2018

MOTION 18.C.179

By Councillor Watrin

That the minutes of the Regular Council Meeting held April 9, 2018 be adopted as presented.

Carried Unanimously

5. CHIEF ADMINISTRATIVE OFFICER'S REPORT

Elaine Vincent, Chief Administrative Officer, reviewed the report containing information from Corporate & Strategic Services.

MOTION 18.C.180

By Councillor Heemeryck

That the Chief Administrative Officer's Report for April 23, 2018 be received as information.

Carried Unanimously

8. DELEGATIONS / QUESTION PERIOD BY THE PUBLIC - 3:00 P.M.**8.1 Okotoks Lions Campground**

Okotoks Lions Campground Manager, Pauline Krause was in attendance to present the Okotoks Lions Campground 2017 year end financial report.

8.2 Okotoks BMX Club

Okotoks BMX Club President, Trudi Andres was in attendance to invite Council to the September 2018 Premier Grands BMX Race in Okotoks.

8.3 Take a Stand for Kananaskis

Take a Stand for Kananaskis representative, John Carmichael was in attendance to update Council on clear cut logging in the Kananaskis Highwood House area.

6. BUSINESS**6.1 RCMP Annual Performance Plan**

Darrin Turnbull, Okotoks RCMP Acting Detachment Commander, was in attendance to review the report containing the issue that the Okotoks RCMP Detachment Annual Performance Plan is presented annually to Council for information.

MOTION 18.C.181

By Councillor Thorn

That the RCMP Annual Performance Plan, including the three priorities of Crime Reduction, Employee Wellness and Enhanced Visibility, be adopted as presented for the 2018 / 2019 fiscal year.

Carried Unanimously

Break at 4:19 p.m. Reconvene at 4:28 p.m.

6.2 2017 Audited Financial Statements

Darren Adamson, Avail CPA, was in attendance to review the report containing the issue that the 2017 Audited Financial Statements for the year ended December 31, 2017 are presented to Council for approval.

MOTION 18.C.182

By Councillor Rockley

That the Town of Okotoks 2017 Audited Financial Statements be approved as presented, as recommended by the Finance and Budget Committee.

Carried Unanimously

7. BYLAWS

7.1 Bylaw 05-18 - Property and Supplemental Tax Rates

Ralph Ettenauer, Finance & Systems Director, reviewed the report containing the issue that the purpose of Bylaw 05-18 is to authorize the rates of taxation to be levied against assessable property, including properties with supplementary assessments, for the 2018 taxation year.

MOTION 18.C.183

By Councillor Watrin

That Bylaw 05-18 be read a first time.

Carried Unanimously

AMENDING

MOTION 18.C.184

By Councillor Rockley

That Bylaw 05-18 be amended by inserting reference to the rescinding of Bylaw 08-95, a bylaw to provide for the assessment and taxation of certain businesses and professions within the Town of Okotoks, at the end of the bylaw text.

Carried Unanimously

MOTION 18.C.185

By Councillor Sands

That Bylaw 05-18 be read a second time as amended.

Carried Unanimously

MOTION 18.C.186

By Councillor Heemeryck

That authorization be given to read Bylaw 05-18 a third time.

Carried Unanimously

MOTION 18.C.187

By Councillor Thorn

That Bylaw 05-18 be read a third time and passed.

Carried Unanimously

6. BUSINESS RESUMED

6.3 2019 Service Priorities and Budget Guidelines

Ralph Ettenauer, Finance & Systems Director, reviewed the report containing the issue that the 2019 Service Priorities and Budget Guidelines are provided to Council for approval.

MAIN MOTION

By Councillor Rockley

That the 2019 Service Priorities and Budget Guidelines be approved as presented, as recommended by the Finance and Budget Committee.

AMENDING MOTION

By Councillor Thorn

That an additional service level be added to the 2019 Service Priorities and Budget Guidelines directing Administration to investigate the possibility of a municipal police force.

Councillor Thorn requested that the motion be withdrawn.

Mayor Robertson inquired if there were any objections and the motion was withdrawn with the unanimous consent of Council.

MAIN MOTION 18.C.188

By Councillor Rockley

That the 2019 Service Priorities and Budget Guidelines be approved as presented, as recommended by the Finance and Budget Committee.

Carried

6.4 2018 Budget Amendments for Requisitions

Ralph Ettenauer, Finance & Systems Director, reviewed the report containing the issue that the 2018 Budget requires amendment to reflect actual annual finalized requisitions.

MOTION 18.C.189

By Councillor Sands

That the 2018 Budget be amended, as recommended by the Finance and Budget Committee, to reflect finalized requisitions as follows:

Okotoks Public Library (includes Marigold)	\$ 51,000
Westwinds Communities	\$ 41,000
Alberta Education Requisition reduction	<u>(\$309,000)</u>
General Tax Revenue reduction	<u>(\$217,000)</u>

Carried Unanimously

Mayor Robertson requested that the Deputy Mayor assume the Chair.
Deputy Mayor Rockley assumed the Chair at 5:31 p.m.

Mayor Robertson left the meeting at 5:32 p.m.

6.5 Downtown Urban Design Master Plan

Michael McIntyre, Development Services Director, and Colin Gainer, Senior Planner, reviewed the report containing the issue that the Downtown Urban Design Master Plan is provided to Council for approval.

MOTION 18.C.190

By Councillor Thorn

That the description of Sensitive Infill on page 58 of the Downtown Urban Design Master Plan be amended from "Queen Anne style" to "Queen Anne Revival style" and the plan be adopted as amended.

Carried Unanimously
Mayor Robertson absent

Break at 6:03 p.m. Reconvene at 6:12 p.m.

7. **BYLAWS RESUMED**

7.2 Bylaw 24-18 - The Water Bylaw

Chris Radford, Infrastructure & Operations Director, reviewed the report containing the issue that the purpose of Bylaw 24-18 is for the provision of a water utility in and for the Town of Okotoks.

MOTION 18.C.191

By Councillor Christophers

That Bylaw 24-18 be read a first time.

Carried Unanimously
Mayor Robertson absent

7.3 Bylaw 25-18 - Fees, Rates, and Charges Amendments

Chris Radford, Infrastructure & Operations Director, reviewed the report containing the issue that the purpose of Bylaw 25-18 is to amend Schedule "A" of Fees, Rates, and Charges Bylaw 09-17.

MOTION 18.C.192

By Councillor Watrin

That Bylaw 25-18 be read a first time.

Carried Unanimously
Mayor Robertson absent

9. NOTICES OF MOTION

None

10. MOTIONS RE NOTICES

None

11. CORRESPONDENCE FOR ACTION

11.1 Alberta Public Works Association, Re: Public Works Week Proclamation Request - March 29, 2018

MOTION 18.C.193

By Councillor Christophers

That May 20 to May 26, 2018 be proclaimed as National Public Works Week in the Town of Okotoks.

Carried Unanimously
Mayor Robertson absent

12. COUNCILLOR INQUIRIES AND SUGGESTIONS

Councillor Thorn requested an update on the proposed shipping container apartment development at 2 Lineham Avenue.

Elaine Vincent, Chief Administrative Officer, responded that the developer is working with Administration toward completion of the prior to release conditions of approval in order that the Development Permit can be issued and the development can proceed.

13. COUNCIL REPRESENTATIVE REPORTS

Councillors Christophers, Sands, Thorn, and Watrin reported on their activities since the last Council meeting.

14. STATUTORY / NON STATUTORY HEARING(S)

None

15. BYLAWS / BUSINESS RELATING TO HEARING(S)

None

16. RESPONSES TO COUNCILLOR INQUIRIES AND SUGGESTIONS

None

17. CORRESPONDENCE FOR INFORMATION

17.1 Westwinds Communities 2017 Financial Statements

MOTION 18.C.194

By Councillor Heemeryck

That correspondence item 17.1 be received as information.

Carried Unanimously
Mayor Robertson absent

18. BOARD AND COMMITTEE MINUTES

- 18.1 Family and Community Support Services Advisory Committee - April 4, 2018
- 18.2 Finance and Budget Committee - April 18, 2018
- 18.3 Subdivision and Development Appeal Board Decision - April 17, 2018

MOTION 18.C.195

By Councillor Watrin

That the minutes of the Family and Community Support Services Advisory Committee dated April 4, 2018; the Finance and Budget Committee dated April 18, 2018; and the Subdivision and Development Appeal Board Decision dated April 17, 2018 be received as information.

Carried Unanimously
Mayor Robertson absent

19. ADJOURNMENT**MOTION 18.C.196**

By Councillor Christophers

That the April 23, 2018 Regular Council Meeting adjourn at 6:36 p.m.

Carried Unanimously
Mayor Robertson absent

Certified Correct:


Mayor


Chief Administrative Officer