



BUDGET 2025

ANNUAL CHECK IN PROCESS

Prepared for Governance and Priorities Committee, September 16, 2024

Budget Planning Process: Year 4

Where we are at

01. Review

Year in review to assess key results areas and what is on-track vs. off-track.

02. Environmental Scan

Review key economic outlook and potential funding changes. Are any significant changes expected?

03. Strategic Priority & Service Level Check

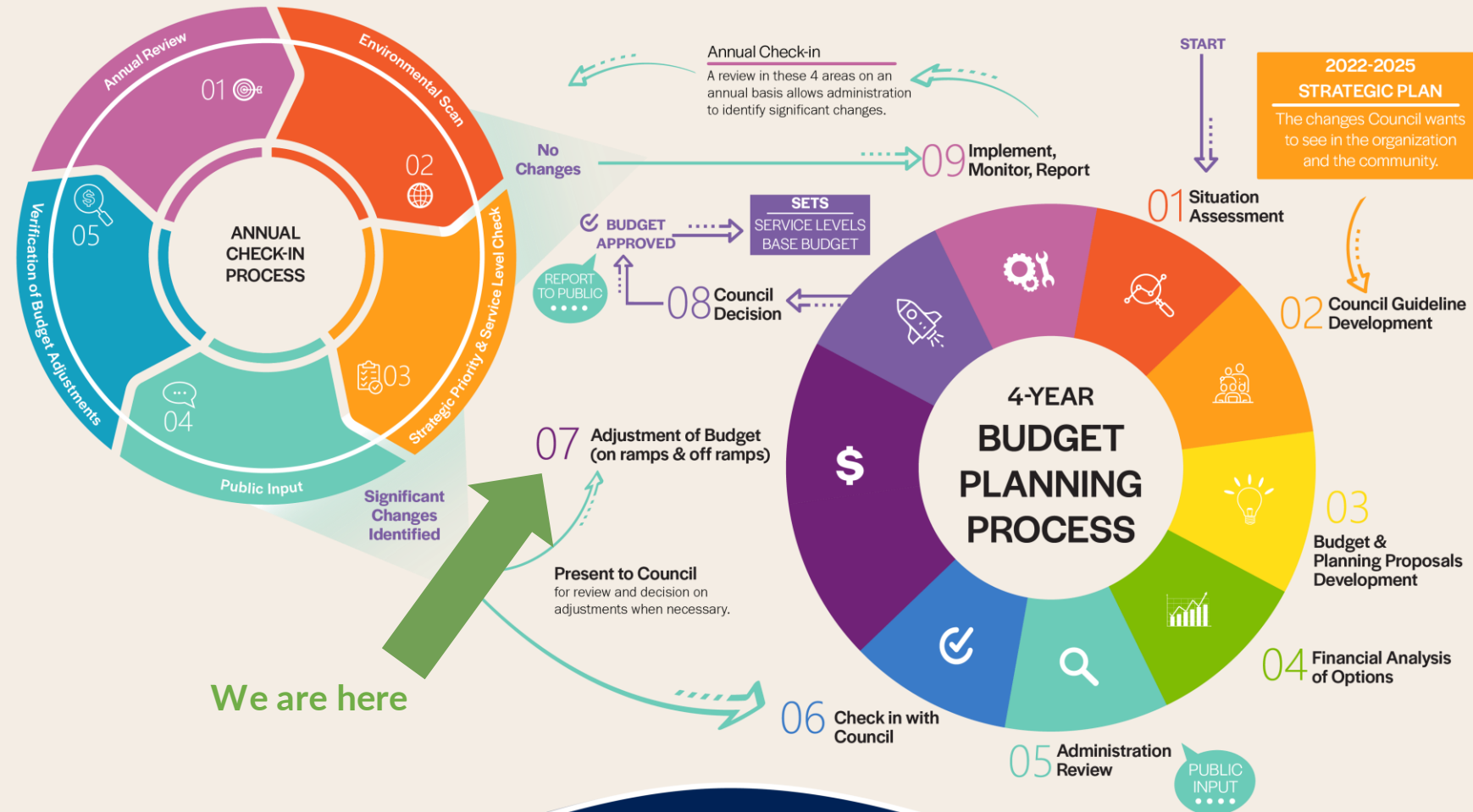
Review key result areas from the Strategic Plan. Has anything changed significantly?

04. Public Input

Touch base with the community. Are there significant concerns that need to be considered?

05. Verification of Budget Adjustments

Verify significant changes being recommended including both On Ramp (i.e. new budget items coming in; budget increases) and Off Ramp (i.e. old budget items going out/ budget decreases) items.



We are here

Strategic Priorities Check In



Responsibly Managed Growth

We have flourishing spaces for all

- › Improve diverse housing options for individuals and families
- › Achieve a supplemental water supply
- › Review additional revenue generation opportunities to meet the needs of a growing community



Strong Local Economy

We are the easiest place to do business in Alberta

- › Focus on arts and culture as economic drivers
- › Enhance the diversification of the tax base
- › Review and update processes that may be barriers to businesses choosing Okotoks
- › Develop downtown to attract new business



Enhanced Culture & Community Health

We are ready to welcome everyone

- › Enhance community dialogue and engagement with residents and organizations
- › Take meaningful steps to address the Truth and Reconciliation Commission's calls to action
- › Increase sport and recreational opportunities
- › Provide timely access to relevant programs and services that support health and well-being



Demonstrated Environmental Leadership

We do things differently to thrive tomorrow

- › Work towards achieving Municipal Development and Climate Action Plan targets for:
 - › Climate Change Resilience
 - › Greenhouse Gas Emissions
 - › Water Conservation
 - › Energy Efficiency
 - › Land and Biodiversity



Organizational Excellence

We lead with passion and are focused on multidisciplinary collaboration, fostering creativity and innovation, allowing us to be agile and creative in serving our vibrant Town

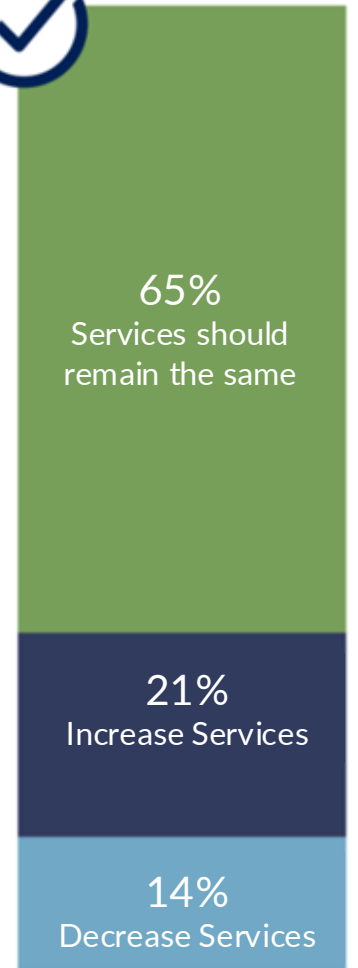
- › Become the Employer of Choice
- › Operationalize Asset Management
- › Create a technology roadmap to advance access to data and information, improve client experience and decision-making



Budget Engagement – What we learned



- 2025 Budget engagement was conducted with the public from May 23 to June 9, 2024
- Questions designed to help inform Council and Administration about the community's priorities and potential adjustments to service levels for the upcoming 2025 Budget.
- **The overall sentiment is that service levels should remain the same, with 65% of survey participants indicating this on average across all evaluated services.**



Budget Engagement – Areas of Focus

- Administration committed to an internal review of two service levels to determine whether alternate service delivery options could improve results with no cost to the public:



Roads & Sidewalks – provide higher standard of snow clearing & ice control



Economic Development - support local businesses to expand & grow

CAO Priorities

1. Supplemental Water Source operational for 2026
2. Organizational Excellence: Align new community engagement policy with organizational competency framework, relationship building within the community, Enterprise Risk Management, SLT succession planning
3. Affordable Housing: Identify shovel ready opportunities, advance advocacy strategy and develop the financial and governance options for future housing corporation
4. Strong Local Economy: Economic Development Strategy implementation, develop an events strategy including infrastructure assessment, determine linkages between arts/culture with economic development

Budget Key Themes

The theme of this year's budget focuses on affordability and making it easier to do business in Okotoks. The following budget priorities advance these initiatives:

- Business License Bylaw and Process Improvements – this will streamline processes, simplify the associated fee structure and make Okotoks more open for business. Resource request for a Business Support Technician.
- Waste Service Levels – optimizing service levels will reduce utility rates for customers
- Dog Licensing - this will eliminate all dog licensing fees
- Subsidized Transportation – this will continue to support the volunteer driver program and the community access program
- Water Rate Calculations – to incent lower water consumption to be revenue neutral



The goal today

Prioritize and provide guidance on the strategic and service level inputs that will become part of the 2025 budget deliberations on November 19, 2024.

The review today includes:

- Items originally identified in May
- New budget considerations



On Ramp/Off Ramp Summary

Section 1: Pre-approved Budget Items (no reports)

1. Water Rate Calculations
2. Vehicle Noise Attenuation Pilot
3. Affordable Housing
4. Fire Master Plan

Section 2: Budget Ramps (no reports)

1. Asset Management
2. Indigenous Relations
3. Regional Field House
4. Subsidized Transportation
5. On Demand Transit

On Ramp/Off Ramp Summary

Section 3: Budget Ramps (with reports/no presentations)

1. Business License Bylaw and Process Improvements
2. Priority 3 Snow & Ice Control Pilot
3. Neighbourhood Area Structure Plan – North Point
4. Fire & Rescue Radios
5. Licensed Child Care Services
6. Municipal Census and 2025 Municipal Election
7. Artificial Intelligence & Innovation
8. Transportation Master Plan
9. Stormwater Maintenance and Monitoring
10. Salary & Wage Adjustments (both closed and open components)

On Ramp/Off Ramp Summary

Section 4: Additional Budget Considerations (with reports/with presentations)

1. Library Budget Requisition
2. Waste Service Levels
3. Dog Licensing

Section 1: Pre-approved Budget Items (no reports)

The following are the 4 changes previously approved by Council



1-1. Water Rates Calculation Methodology

Pre-Approval Date: September 9, 2024 Council Meeting

Recommendation:

- Adjust 2025 Fees, Rates and Charges
 - Increase Tier 3 water rates to approximately 3x the rate for Tier 1 water
 - Replace summer wastewater discount with year-round charge of 0.9x metered water
 - Use revenue from additional Tier 3 fees and 0.9 wastewater discount to offset anticipated 2025 variable water and sewer rate increases
- **No budget impact**

1-2. Noise Attenuation

Pre-Approval Date: September 9, 2024 Council Meeting

Recommendation:

- Review Vehicle Noise Attenuation options for education and/or enforcement and speed enforcement:
 - A one (1) year noise attenuation pilot for the use of a sound pressure level meter and amend Traffic Bylaw as required for the November 25, 2024 Council Meeting
 - At this time, in review of technology/tools being cost prohibitive, an educative approach would support managing expectations involving this issue
- **No budget impact**

1-3. Affordable Housing

Pre-Approval Date: August 19, 2024 Council Meeting

Recommendation:

- Explore the role of the municipality in achieving affordable housing objectives
 - Report accepted by Council approved not pursuing a municipally controlled corporation
 - Additional short-term options still under review with a report expected in October
- **No budget impact**

1-4. Fire Master Plan

Pre-Approval Date: August 19, 2024 Council Meeting

Recommendation:

- That Administration be directed to develop a 5-year Fire Services Implementation Plan that considers risks, opportunities, and affordability for Council's consideration in the 2026 budget cycle and prepare any high-risk items for consideration in the 2025 budget cycle
- No high-risk items for 2025
- **No budget impact**

Section 2: Budget Ramps (no reports/no presentations)

The following are the
5 service level changes



2-1. Asset Management

Recommendation:

- Administration was to consider an increase to the asset management base funding amount increase from \$0.500M to \$0.750M. Unless there is a change in budget guidelines, this funding increase can not be accommodated
- **No budget impact**

2-2. Indigenous Services

Recommendation:

- Administration was asked to determine whether additional funding was necessary to meet our requirements. Administration found an internal transfer was the most appropriate tool and that a funding increase was not required
- **No budget impact**

2-3. Regional Field House

- The next phase of the work will require decisions in partnership with Foothills County and are not ready for decision at this time.
- **No budget impact**

2-4. Subsidized Transportation Policy

Recommendation:

- This is still a work in process and will be linked to the transit study that is underway and expected in early 2025
- **No budget impact**

2-5. On Demand Transit System Service Level Review

Recommendation:

- 2 key deliverables are in progress
- The interim strategy of leasing buses was implemented in May and the two new buses have just arrived and will go into operation in October. We need some more months of continuous operation of 7 units to determine the impact on service levels
- As CUTRIC is completing their report, which will model affordable service level enhancements including on demand and hybrid models, decisions on service level improvements will come forward in Q2 2025 for consideration
- **No Budget Impact**

Section 3: Budget Ramps (with reports/no presentations)

The following are the
10 changes



3-1. Business License Bylaw and Process Improvements

Pre-Approval Date: September 9, 2024 Council Meeting

Recommendation:

- Administration has completed a holistic review of the Business License Bylaw to reduce barriers for doing business in Okotoks and align the purpose of the bylaw with service levels. Current Business License Bylaw 21-23 to be updated
- The flat \$160 fee– Metro Region Average is recommended

Scenario	Estimated Yearly Revenue Change	Remaining Variance
Flat \$200 Fee	(\$21,000)	82%
Flat \$160 Fee - Metro Region Average	(\$79,000)	33%
Flat \$140 Fee - Provincial Average	(\$108,000)	8%
Flat \$60 Fee - Lowest Provincial Fee	(\$224,000)	(91%)

- **Revenue Budget Impact: -\$0.079M**



3-2. Priority 3 Snow and Ice Control Pilot

Recommendation:

- Increase snow and ice control pilot on select Priority 3 (P3) roadways in response to 2025 Budget Engagement community feedback
- **Operating Budget Impact: \$0.100M**
- Pilot details will be shared at time of budget approval

3-3. Neighbourhood Area Structure Plan Service Level - North Point

Recommendation:

- Develop the North Point NASP, which will allow landowners or developers for non-residential uses to commence land development, based on sequencing and phasing included in the NASP.
 - The Town-led NASP development will take a comprehensive approach to design and extend utility and infrastructure services logically into the planning area
 - It also creates the opportunity for Economic Development to attract businesses to the Town
- **Operating Budget impact: \$0.300M**

3-4. Okotoks Fire & Rescue Radios

Recommendation:

- Radios used by Okotoks Fire & Rescue for communication between firefighters and other agencies require replacement
 - Radio project is a 3-year program at \$0.100M per year
- **Operating Budget Impact for 2025: \$0.100M**

3-5. Licensed Child Care Service Review

Recommendation:

- Maintain current service levels of licensed before and after school care
- **No budget impact**

3-6. Municipal Census and 2025 Municipal Election

Recommendation:

- Cancel Municipal Census and repurpose existing budget to offset the additional workload and costs to administer the 2025 municipal election (as a result of changes to the election process from Bill 20)
 - Potential on-ramp for census in 2027/2028 to explore enhanced data needs and analysis
 - Federal census will be conducted in 2026 with information releases in early 2027
- **No budget impact**

3-7. Artificial Intelligence (AI) and Innovation

Recommendation:

- Investing in AI and Innovation is essential for the municipality to modernize operations, enhance productivity, streamline processes, centralize data, which ultimately can help improve decision making and the overall efficiency and delivery of public services
 - This would require an annual budget increase beginning in 2025 to fund three (3) innovation streams for the organization
- **Operating Budget impact: \$0.150M**

3-8. Transportation Master Plan

Recommendation:

- This study will identify the required transportation infrastructure upgrades to maintain an acceptable level of service for road users and enable the transportation networks in new development areas to be best integrated with existing arterial roadways
 - Requires updates to reflect significant changes to growth parameters, new development areas, corridor designs, project costing and traffic patterns/volumes.
 - Budget reflects 2025 only; however, the nature of this type of study creates potential for more time to be required. If completion is delayed, a variance in 2026 may be required
- **Operating Budget impact: \$0.150M**

3-9. Stormwater Maintenance and Monitoring

Recommendation:

- Increased maintenance to meet new service level targets including oil & grit separators (OGS), main line flushing and stormwater survey inspection
 - Regular inspection and maintenance of municipal stormwater collection systems are critical to preventing flooding, protecting water quality and protecting public safety. This investment can reduce costly emergency repairs, extend infrastructure lifespan, and support community resilience against climate change
- **Operating Budget impact: \$0.100M**

3-10. Salary & Wage Adjustments

Recommendation:

- Request for 3 new positions for 2025:
 - Business Support Technician
 - Legislative Affairs Officer
 - IT Security Analyst

- **Budget Impact: \$0.404M**

Section 4: New Requests (with reports/with presentation)

The following are the
3 new requests



4-1. Library Budget Requisition

Recommendation:

- Align library budget forecasts to municipal budgeting timelines.
 - That Council provide direction on any additional funding that is available to the Library board

Annual Estimated Change	2025B	2026F	2027F	2028F	2029F	Total
	\$0.025	0.069	0.076	0.077	TBD	\$0.247

- Operating Budget Impact: \$0.025M

4-2. Waste Service Level Recommendations

Recommendation:

- Prepare and amend the Waste Bylaw (18-16), the 2025 Rates and Fees Bylaw to reflect a service level change to every other week garbage pickup, cart size adjustments, fee reductions and other operational changes as outlined within this report for a Q2 2025 roll-out

Draft Proposed Bi-monthly Residential Billing Rates – Effective May 1, 2025

Cart Size	Stream	2024 Rate	2025 With inflation (\$)	2025 proposed (\$)	Difference (proposed vs inflated)
120L - Weekly	Garbage	\$16.75	\$17.60		
240L - Every other week	Garbage			\$13.20	-25%
120L	Organics	\$16.75	\$17.60	\$17.60	0%
240L	Recycling	\$12.00	\$12.60	\$0	-100%
Eco Centre	Drop-off	\$11.60	\$12.20	\$8.00	-11%
	Total Cost	\$57.10	\$60.00 (120L Weekly Garbage)	\$38.80 (240L every second week Garbage)	-35%

Budget impact: Revenue and expenses resulting in lower utility rate TBD

4-3. Dog Licensing Service Review

Recommendation:

- Discontinue dog licensing and re-focus administrative support to higher priority initiatives
 - Remove the fees for dog licensing, except Animal Fancier & Adoption License, from the 2025 Budget and from the 2025 Fees, Rates and Charges Bylaw
 - Bring forward amendments to the Responsible Pet Ownership Bylaw 18-08, which remove licensing requirements and introduce mandatory dog identification with fines for non-compliance
- **Revenue Budget Impact: -\$0.135M**

Summary

The following is the summary of the total budget items and the impacts



2025 Budget Impact Summary

Section 1 & Section 2

Item	Service Change	Budget Impact	Funding Source
SECTION 1 - PRE-APPROVED BUDGET ITEMS (no reports)			
1-1	Water Rate Calculations	\$0	Utilities
1-2	Vehicle Noise Attenuation Pilot	\$0	Property Tax
1-3	Affordable Housing	\$0	Property Tax
1-4	Fire Master Plan	\$0	Property Tax
SUBTOTAL		\$0	

Item	Service Change	Budget Impact	Funding Source
SECTION 2 - BUDGET RAMPS (no reports)			
2-1	Asset Management	\$0	Property Tax
2-2	Indigenous Relations	\$0	Property Tax
2-3	Regional Field House	\$0	Property Tax
2-4	Subsidized Transportation	\$0	Property Tax
2-5	On Demand Transit	\$0	Property Tax
SUBTOTAL		\$0	



2025 Budget Impact Summary **Section 3**

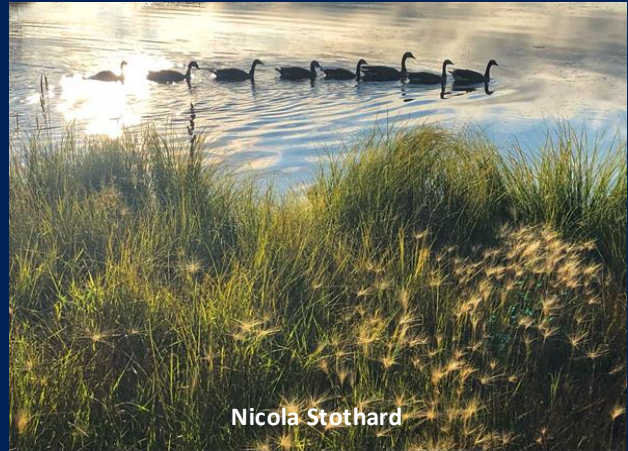
Item	Service Change	Budget Impact		Funding Source
SECTION 3 – BUDGET RAMPS (with reports/no presentations)				
3-1	Business License Changes	-\$0.079M	Revenue Decrease	Property Tax
3-2	Priority 3 Snow & Ice Control Pilot	\$0.100M	Expense Increase	Property Tax
3-3	North Point Neighbourhood Area Structure Plan	\$0.300M	Expense Increase	Property Tax
3-4	Fire & Rescue Radios	\$0.100M	Expense Increase	Property Tax
3-5	Licensed Child Care Services	\$0		Property Tax
3-6	Municipal Census and 2025 Municipal Election	\$0		Property Tax
3-7	Artificial Intelligence & Innovation	\$0.150M	Expense Increase	Property Tax
3-8	Transportation Master Plan	\$0.150M	Expense Increase	Property Tax
3-9	Stormwater Maintenance and Monitoring	\$0.100M	Expense Increase	Utilities
3-10	Salary & Wage Adjustments	\$0.405M	Expense Increase	Property Tax
SUBTOTAL		\$1.384M		



2025 Budget Impact Summary

Section 4

Item	Service Change	Budget Impact		Funding Source
SECTION 4 - BUDGET RAMPS (with reports/with presentations)				
4-1	Library Budget Requisition	\$0.025M	Expense Increase	Property Tax
4-2	Waste Service Levels	\$0		Utilities
4-3	Dog Licensing	-\$0.135M	Revenue Decrease	Property Tax
SUBTOTAL		\$0.160M		
GRAND TOTAL =		\$1.544M		
Utility Total		\$0.100M		
Property Tax Total		\$1.444M		



Questions?

Okotoks