

2022 Final Operating Budget
COUNCIL MEETING

June 23, 2022

Municipal Service Equation

- Municipalities are in the “**quality of life business**” providing value for taxes, rates, fees and charges.
- Hundreds of critical and quality of life services are delivered each day and are supported by **dedicated staff and well maintained capital assets**



Livable Community

1

Governance

(democracy, communication, public connection)

2

Housing

(affordability, senior, multifamily, diversity)

3

Neighborhood

(shopping access and convenience, land use policy outcomes)

4

Access to Greenspace

(parks, vegetation maintenance, trails)

5

Safety

(bylaw, police, fire department, emergency services)

6

Transportation (roadways, walking/cycling trails, cycling corridors, public transit - walkable community)

7

Culture and Pride (festival, committee events, community pride, community identity, well kept community, public display of community)

8

Health

(hospitals, recreation opportunity)

9

Engagement (social interaction, civic action, internet access)

10

Opportunity (education, jobs, "working in the community I grew up in")

11

Economy (business, jobs)

12

Social Opportunity (minor sports, clubs, social events)

13

Amenities (culture facilities, libraries, recreation complexes, shopping malls, walking trails, theatres, restaurants, service related businesses)

14

Value for Taxes (service levels, satisfaction surveys, service inventory menu, public perception, municipal equation)

The 2022 Budget Equation

The Municipal Operating Equation

Municipal Operations

Core Services
Value Add Services
Asset Maintenance
Special Projects
Reserve Transfers
Debt Servicing

=

Funding

Property Taxes
Reserves
Grants
User Rates
Development Levies
Other Sources

Budget Target: Municipal Resource Needs = Funding Sources

The Municipal Capital Equation

Capital Projects

Annual Projects
Rehab and Replacement
Growth Capital – Direct*
Growth Capital - Indirect
Value added Capital
Strategic Capital

=

Funding**

Operating Budget
Reserves
Grants
User Rates
Development Levies
Other Sources

Budget Target: Project Costs = Funding Sources

*Direct Capital includes Roads and Utility Infrastructure; Indirect includes Facilities, Vehicles and Equipment

** Debt is not a funding source; It is a Financing source that is funded from the above

Town of Onoway End Service Outcomes

Protect Residents

Fire services, bylaw, traffic safety measures

Increase Quality of Life

Culture, history, community events.

Ensure Financial Sustainability

Financial policy and controls, long term financial planning, quality reporting

Provide Transportation

Build and maintain roads, sidewalks, trails

Support Community Economics

Local business attraction, economic sustainability planning

Facilitate Planning for the Future

Strategic planning, master plans, long term capital plan, budgeting

Promote Health and Wellness

Fitness facilities, hockey arenas, pools, sports fields, family and individual support

Facilitate Positive Growth

Land use planning, MDP, development negotiations, plan for growth infrastructure, project management

Foster Sustainability

Green initiatives, climate mitigation, long term planning

Create Community Beauty

Cut grass, maintain trees, weed control, maintain infrastructure, public art

Provide Transparency

Effective and timely reporting and communication

Protect Community Assets

Asset management, long-term capital planning and infrastructure maintenance

2022



2021

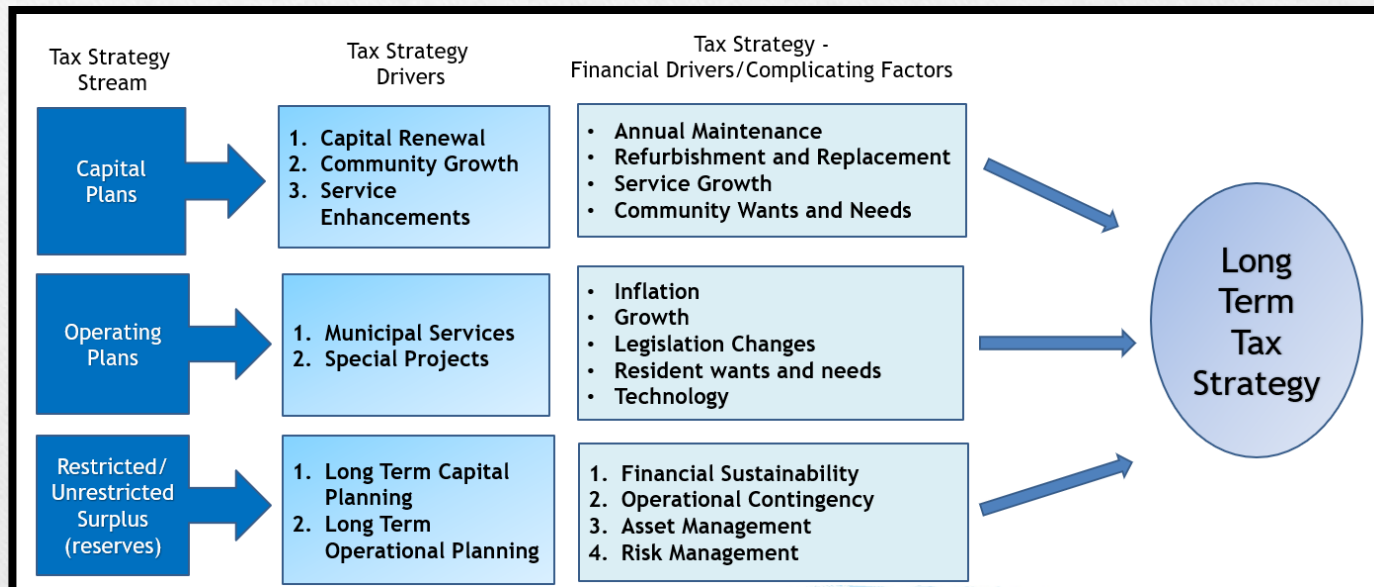
- Budgeted Operating Revenue:
\$3,728,073
- Budgeted Operating Expenses:
\$3,728,073
- **Municipal Taxation : \$1,337,012**

- Budgeted Operating Revenue:
\$3,662,479
- Budgeted Operating Expenses:
\$3,662,479
- Municipal Taxation: \$1,291,063

\$145,093 (3.56%) Increase over 2021 budget

LONG-TERM TAX STRATEGY

- Primary budget factors to be addressed for long-term tax strategy include:
 - Inflation
 - Growth
 - Service level changes
 - Maintenance of infrastructure
- 3 main “streams” for tax strategy:
 - Operating (includes inflation, growth, service level changes)
 - Capital plans
 - Reserve replenishment plans



Municipal Tax Dollar Value

"A Comparative View"

What does \$164/month get you?

Compared to?

Average Residential Property in
the Town of Onoway = \$175,000



\$175,000 = \$1,298 (\$108 per month)

3.8% tax dollar increase = \$49 year, \$4 month

Municipal Services

- Snow removal
- Fire safety
- Playgrounds
- Traffic safety
- Ball diamonds
- Safe roads
- Sidewalks
- Infrastructure maintenance
- Community events
- Recreation programming
- Family support
- Animal control
- Path/trails
- Hockey / skating rinks
- Counselling services
- Grass cutting
- Swimming pools
- Pest/weed control

Monthly Cable + Internet

or

Fancy Dinner for 2

or

Heating + Power Bill

or

Cell Phone Bill for 2

or

Monthly Insurance

or

Family Movie Night

VS

BUDGET HIGHLIGHTS

- **This budget was developed in the context of:**

1. Respect for residential and business taxpayers and their financial challenges.
2. Consideration of municipal environmental factors (inflation, service challenges, economic pressure)
3. Immediate service improvements. i.e. service first (with a smile), road repair best practices, communication improvements, community connection.
4. Long term service improvements. Organizational restructure, in-house skill development, strategic planning.
5. Long term tax strategy. Operations, Capital, Reserves. Actions taken to ensure long-term financial sustainability.

Council Budget Questions

Does council have any concern with the following budget strategies?

1. Long-term tax strategy development? (operating, capital and reserves)
2. Taxation increases implemented to maintain service levels.
3. Organizational restructure to support service level enhancements, in-house skill development, and operational sustainability
4. A tax dollar increase of 3.56% (\$4.00 increase per month)

FOCUS AREA 1 – COMMUNITY BEAUTIFICATION

WE WILL ACTIVELY FOSTER TOWN BEAUTIFICATION EMBRACING THE TOWN'S HISTORY AND PRIDE IN COMMUNITY

- **WE WILL.....**
- Take action ensuring a well-groomed community.
- Consider opportunities to enhance the community identity.
- Focus on season wide beautification actioning appropriate activities and long-term strategies.
- Embrace community pride and resident involvement.
- Endeavour to work with the business community to enhance business beautification.
- Foster cooperation with community groups (celebrating our identity and preserving history)
- Seek out specific opportunities for community revitalization and develop plans of action.



FOCUS AREA 2 – COMMUNITY SUSTAINABILITY

WE EMBRACE COMMUNITY SUSTAINABILITY FOCUSING ON WELL MAINTAINED AND PLANNED INFRASTRUCTURE, EFFECTIVE FINANCIAL STEWARDSHIP AND EXCELLENCE IN SERVICE DELIVERY

- **WE WILL.....**
- Continually review services and service levels to determine if they are sustainable and are meeting community needs.
- Endeavour to understand community needs vs wants.
- Prioritize long term planning focusing on infrastructure needs and financial constraints.
- Ensure we will strive for balanced service delivery serving the community as a whole.
- Take measures to understand what is affordable and achievable.
- Focus on a long-term tax strategy to meet the community needs.
- Develop infrastructure strategies to protect and plan for the community's capital assets.



FOCUS AREA 3 – CONNECTED COMMUNITIES

WE EMBRACE CONNECTED COMMUNITIES BY WELCOMING PARTNERSHIPS, FOSTERING COMMUNICATION AND PURSUING HEALTHY PUBLIC ENGAGEMENT

■ WE WILL.....

- Educate, engage and inform the public: be accountable.
- Be approachable to the public, neighbors, other levels of government.
- Celebrate success illustrating what we accomplish.
- Be transparent with residents on value for tax dollars highlighting what we do.
- Cooperate regionally and seek opportunity for mutual benefit.
- Foster and embrace partnerships with community groups.
- Embrace positive messaging through communications.
- Pursue healthy and productive relationships regionally.
- Foster positive and effective communication between governance and administrative levels.



FOCUS AREA 4 – ECONOMIC GROWTH

WE WILL PURSUE A HEALTHY ECONOMY FOCUSING ON OUR POTENTIAL IN TOURISM, LOCAL BUSINESS PROMOTION AND GOVERNANCE PARTNERSHIPS WITH BUSINESS

- **WE WILL.....**
- Work toward economic and residential growth— through relationship building and marketing strategies.
- Focus on targeting business growth and attracting new business.
- Pursue the retention of existing business.
- Expand economic development ideas.
- Support tourism activities and strategies.
- Foster economic diversification.



FOCUS AREA 5 – GOOD GOVERNANCE

WE ACTIVELY PURSUE AND EMBRACE GOOD GOVERNANCE AND INTEGRITY BY BEING ACCOUNTABLE, RESPONSIBLE, TRANSPARENT, FOCUSING ON THE OVERALL GOOD OF THE COMMUNITY

- **WE WILL.....**
- Always be responsible and accountable.
- Embrace compliance with legislation.
- Consider all perspectives and make decisions for the overall good of the community.
- Foster good communication with the public, our neighbors and other levels of government.
- Pursue visionary thinking to foster the future for our community.
- Create a culture of positive commitments.
- Commit to statutory and strategic planning focusing on the maintenance of key planning documents and bylaws.
- Embrace a culture of mutual respect at all levels and focus on the development of productive relationships.



FOCUS AREA 6 – SERVICE EXCELLENCE

WE PROACTIVELY CONSIDER SERVICE DELIVERY, FOCUSING ON DOING THE RIGHT THINGS WELL, UNDERSTANDING CORE VERSUS VALUE-ADDED SERVICES AND COMMUNICATING WHAT WE DO

- **WE WILL.....**
- Align financial resources with priority service requirements.
- Measure our performance ensuring service-level achievement.
- Strive for service excellence through the pursuit of innovation and best practices.
- Foster the well-being of staff promoting health and morale.
- Position ourselves to be an employer of choice and attract high quality staff.
- Promote ability through ongoing professional development.
- Continually plan for succession and embrace change.
- Recognize our staff for accomplishments and quality service delivery.



2022 BUDGET CHALLENGES/DRIVERS

- Returning to “normal” service levels, reinstatement of items reduced due to COVID i.e. fully operational programs
- Rising inflation for cost of goods and services
- Administrative turnover
- Organizational review.
- Organizational change, outcomes and implementation
- Learning phase for new staff.
- Aging infrastructure – continued costs of assessments of assets
- Long range reductions from Province for MSI Capital Grant; future funding strategies within taxation to compensate for reductions coming
- Eliminating some contractor positions for improved efficiency and customer service

2022 BUDGET OPPORTUNITIES

- A STRATEGIC PLANNING EXERCISE WITH BLOOM CENTRE FOR MUNICIPAL EDUCATION
- A CORPORATE RESTRUCTURE
 - COUNCIL
 - CHIEF ADMINISTRATION OFFICE
 - CORPORATE SUPPORT POSITION
 - PUBLIC WORKS AND PARKS – MANAGEMENT POSITION (RECLASSIFICATION)
 - CORPORATE AND COMMUNITY SERVICES – MANAGEMENT POSITION
- REALLOCATION OF DOLLARS PREVIOUSLY USED FOR CONTRACTORS AND A RESTRUCTURE OF THE FORMER ASSISTANT CAO POSITION ALLOWS FOR THE RESTRUCTURE TO BE COMPLETED AT NO ADDITIONAL COST FROM THE PREVIOUS BUDGET.
- TASKS COVERED.
 - GRANT WRITING, INFRASTRUCTURE PLANNING, CONTRACT REVIEW, COMMUNITY LEADS ON SUPPORT ETC.
- A FOCUS WILL BE PUT ON STAFF DEVELOPMENT AND SKILL ENHANCEMENT.
- SERVICE LEVEL IMPROVEMENT WILL BE THE YEARS FOCUS.
- COUNCIL BE CONTINUALLY UPDATED WITH PROGRESS.

Municipal Price Inflation vs. Consumer Price Inflation

- Inflation is one of the greatest financial challenges for municipal government
- It is critical for a long-term tax strategy to recognize municipal price inflation (MPI)

Consumer Price Inflation CPI

The largest preparation of the CPI consists of families and individuals living in urban and rural private households in Canada. It considers the prices of hundreds of things this group commonly spends money on including:

- Rent
- Childcare
- Groceries
- Mortgages
- Utilities
- Car payments



Municipal Price Inflation MPI

The MPI is developed to reflect the complex expense base of a municipality. A number of different purchases and expenses influence the town of Morinville's index such as:

- Wages
- Fuel
- Contracted services
- Asphalt
- Road supplies
- Parts and equipment

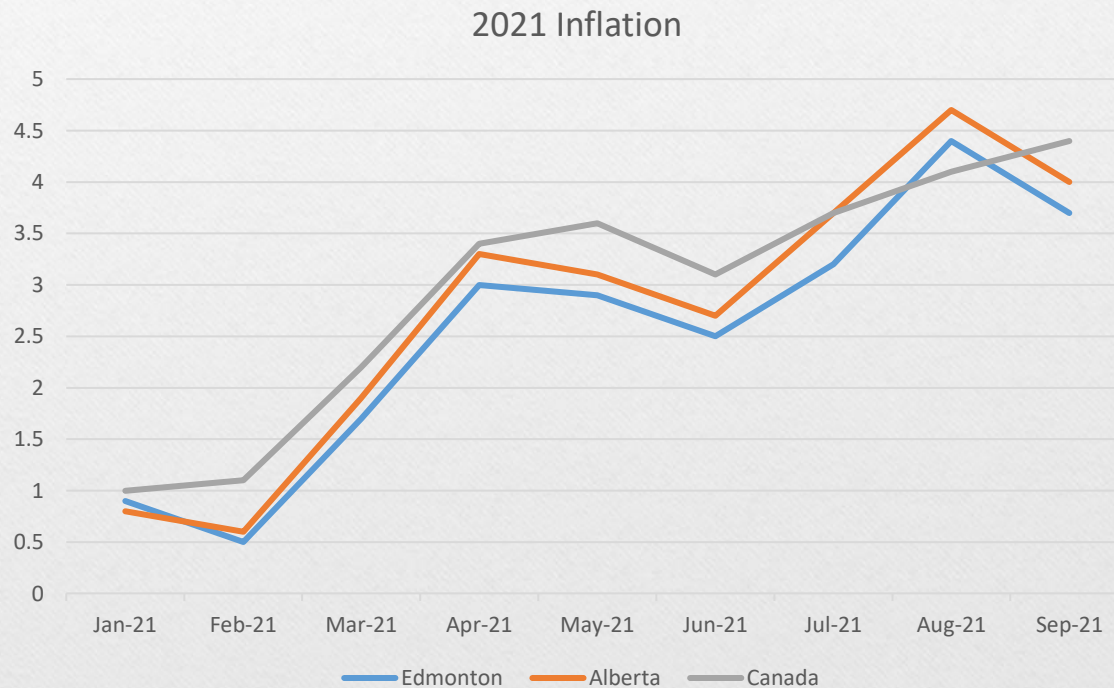


INFLATION

Edmonton Economic forecast for September 2021 shows inflation as:

- Edmonton 3.7%
- Alberta 4%
- Canada 4.4%

Per Budget Development Policy 319 – “The most recent local key economic indicators available each year will be utilized for the annual budget from Edmonton.com”



2022 ESTIMATED MUNICIPAL TAX DOLLAR COMPARISON OF VALUE FOR AVERAGE 2021 ASSESSMENT \$175,000

Municipal Services \$108/month)

- Bylaw Services
- Community Beautification
- Economic Development & Promotion
- Emergency & Disaster Recovery
- Fire Response & Prevention
- Road & Sidewalk Maintenance
- Streetlights
- Street Sweeping and Snow Removal
- Community Event Support
- Family and Community Services
- Land Use Planning
- Legal Protection
- Governance
- Land Use Planning
- Parks Maintenance



In Comparison - Other Services Monthly (Statistics Canada 2019 * most recent data)

- Transportation \$1061
- Food purchased from stores \$628
- Recreation \$385
- Clothing & accessories \$279
- Health care \$232
- Restaurants \$231
- Communications \$222
- Alcoholic beverages & tobacco products \$149
- Education \$141

Monthly tax increase for average ratepayer \$4/month

2022 BUDGET DETAIL REVIEW