

2012

Budget Plan



The Municipal Government Act in the Province of Alberta clearly outlines the purposes of a municipality. Municipalities are to provide good government, to provide services, facilities or other things that, in the opinion of Council, are necessary or desirable for all or a part of the municipality, in developing and maintaining safe and viable communities.



MUNICIPAL GOVERNMENT ACT

Revised Statutes of Alberta 2000
Chapter M-26

Current as of November 1, 2010

In order for a municipality to sustain itself and grow, Council must consider a variety of programs and services that are delivered in many different formats with each program and service having value to the citizens of the Town.

Some programs and services are utilized daily by the vast majority of the community (roads, utilities); other programs and services are utilized by specific groups or individuals (such as



recreation facilities and the library), while other programs and services are used on an as-needed basis, (such as fire, ambulance and police services). The Town delivers these programs and services using its own resources for the most part, supplemented with non-profit organizations like the Taber Library Board and the Taber Handibus Association.

Each year, Council is required to pass a budget which reflects the current year operating revenues and expenditures as well as a capital budget for infrastructure maintenance, replacement and improvements. The budget can be a direct correlation with service delivery for all the programs and services the Town provides. As part of the budget process, Administration continues to reference best practices to deliver efficiencies in the operations. Efficiencies can be achieved by eliminating processes, adapting existing service delivery models, introducing new technology and identifying/eliminating duplications of services. The attached request for decision document provides Council and the taxpayers of Taber details on the 2011 operating and capital budget.

The 2012 budget reflects a fiscally conservative approach, based on the growing infrastructure deficit that draws upon the majority of our revenue sources including senior government grants, municipal reserves, property tax and user fees, enabling the municipality to address the highest priority items. Council recognizes both the operational needs and capital replacement



requirements and as the Town moves forward with major capital infrastructure needs, new funding sources will be required to meet those demands.

The 2012 operating budget generally reflects maintaining existing municipal service levels. The Town anticipates undertaking a thorough review of its municipal programs & services in 2012 as it balances the demands for those programs & services with the ever-increasing challenge of sustainable funding.

The **2012 Operating budget** includes the following highlights:

Revenues

- A. Municipal Property Taxes – the proposed operating budget reflects a 2.50% increase in revenues generated from property taxes
- B. Utility Rates – proposed as follows:
 - I. Water – Residential properties: 0% fixed and 10% on variable fees. For Commercial, Industrial & Institutional properties: 3% increase to fixed and 5% increase to variable rates
 - II. Wastewater – Residential properties: 0% fixed and 10% on variable fees. For Commercial, Industrial & Institutional properties: 3% increase to fixed and 5% increase to variable rates
 - III. Stormwater – 15% increase on all properties
 - IV. Solid Waste Collection – 3% increase on all properties
 - V. Recycling – 3% increase on all properties
- C. Taber Landfill & Transfer Station Tipping Fees – reflects continuation of 2011 tipping fees at “cost recovery” level, completing the 2-year accumulated operating deficit recovery program in 2012 (initially implemented in 2011)
- D. Recreation & Leisure Services User Fees – no change to auditorium, summer programs & special event user fees in 2012; 3% increase to aquatics, arenas, sportsfields & cemetery fees
- E. Investment Income – operating revenue estimated at \$150,000 which then will be transferred to capital reserves at the end of the year
- F. Municipal Sustainability Initiative – same level of provincial operating grant funding as 2011



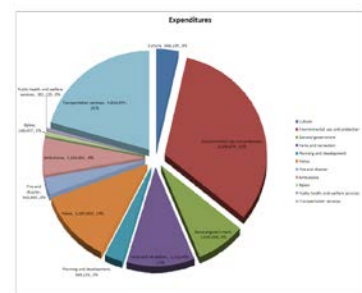
Expenditures

- A. Offsite Levies – Taber continues to grow and prosper at a steady and manageable rate. Along with growth and prosperity come capital costs to expand the municipal infrastructure. An offsite levies program is new to Taber and assist the Town by identifying infrastructure requirements/costs associated with new development within the municipal boundaries. It will also assist the Town with responding to municipal infrastructure servicing requests, originating from beyond our existing boundaries.
- B. Facility & Equipment Maintenance Lifecycle Program – our preliminary operating budget reflected fully funding and implementing the program, however the final 2012 budget reflects the same level of funding as was approved in 2011. The impact of this is deferral of some costs to future years to maintain & replace equipment, and the continuing risk of building and equipment failures and emergency shutdown, repairs and additional costs.

- C. Staffing levels – two full-time permanent positions have been removed from the original proposed 2012 budget, as has approximately \$70,000 in wages in the aquatics function. As such, the Town has frozen staffing to the same level as 2011.



- D. Staff training and development – a small increase to provide additional required staff training and development allowing for our valued employees to perform their duties/responsibilities and effectively serve our ratepayers & residents. The 2012 budget reflects employee external training/development programs as approximately 1.65% of total organizational wage/salary expenses – research suggests such training costs for larger organizations to be between 3-5% of annual operating expenses.
- E. There is limited contingency incorporated into the budget for unexpected expenditures.
- F. Recreation Sponsorship Program – In November 2011, Council authorized this new program as recommended by the Recreation Board, in an effort to generate new operating revenues to offset increasing operating expenditures. The budget plan reflects new operating revenues coming to fruition beginning in 2014.



- G. Contributions to Reserves – the municipality should be budgeting for taxation at a level that keeps pace with the depreciation of our assets; in fact the proposed operating budget reflects a shortfall in that regard with slightly increased level of contributions to vehicle and equipment reserves in 2012, compared to 2011.
- H. Based on Financial Indicators recently received from our provincial government, Taber compares well to a group of 18 other similar sized urban municipalities.

Highlights of the **2012 Capital budget** include:

A. Water Treatment Plant Upgrades – to satisfy water demands of our growing community and to meet today's regulatory requirements of potable water quality. This project relies heavily on senior government grant funding, reducing the financial burden on our ratepayers.



B. Administration Building Upgrades – constructed and officially opened in June 1966, the Administration is jointly owned by and home to municipal government offices for the Town of Taber and the Municipal District of Taber. After some 45 years in service, upgrades are required to the Town's portion of the building to make more effective use of the space and thereby better serving our ratepayers/residents.

C. Annual Concrete Replacement and Asphalt Milling/Overlay Program – each 'even-numbered' year Council typically undertakes rehabilitation and replacement of existing concrete sidewalk, curb/gutter, drainage swales and asphalt road surfaces. Each 'odd-numbered' year, Council typically undertakes a larger Roads reconstruction project.



These programs upgrade such infrastructure based on the Town's priority ranking/rating system. In 2012 Council is funding this concrete & asphalt construction work. The next Bi-Annual Roads project will be planned and designed in 2012 for tender & construction in 2013.

D. Alberta Police Integrated Information System – allows Taber Police Service to access provincial information network, as required by all AB police services.

E. 55/56 Street Sewer Trunk Pipeline Assessment – the Town's Infrastructure Master Plan (IMP) indicates sections of this sewer trunk line being at or above capacity. Council also recognizes the merit of ensuring the line is properly sized for the future before it proceeds with the roadway asphalt surface replacement.

F. Water Loading Station Upgrades – this facility is the primary source of high quality potable water for (primarily) rural customers, produced at the Taber water treatment plant. Operating challenges we have experienced in more recent years will be addressed in 2012.

More information is available....

Town of Taber Council acknowledges this document captures highlights of the approved 2012 operating and capital budget. There are many more municipal programs and projects supported in the approved budget and proceeding in 2012. We invite residents to contact Town of Taber Council members and/or Administration with any specific inquiries or feedback through our website at www.taber.ca or by calling (403) 223-5500.