



BEAVER COUNTY

2016 BUDGET

April 26, 2016

2016 Municipal Budget

Department	2016 Budget	Operating Revenue	Transfer From Reserve	Grants & Other Rev	2016 Tax Levy	2015 Budget	2015 Tax Levy	Budget 2016 - 2015	Tax Levy 2016 – 2015
Council	324,782	0	0	0	324,782	292,003	292,003	32,779	32,779
Administration	2,814,300	266,140	69,864	403,182	2,075,114	3,033,935	2,038,426	(219,635)	36,688
Community Peace Officer	350,494	26,000	28,000	0	296,494	309,445	283,445	41,049	13,049
Fire Protection	579,466	0	0	0	579,466	652,760	632,760	(73,294)	(53,294)
Animal Control	11,000	0	0	0	11,000	11,250	11,250	(250)	(250)
Public Works	14,593,868	406,995	1,622,937	4,825,053	7,738,883	12,587,026	7,913,798	2,006,843	(174,915)
Water	57,025	47,025	0	10,000	0	768,694	6,119	(711,669)	(6,119)
Sewer	134,691	16,000	0	75,000	43,691	45,000	29,000	89,691	14,691
Garbage	5,000	4,300	0	0	700	5,000	700	0	0
FCSS	133,451	0	0	0	133,451	138,450	138,450	(4,999)	(4,999)
CALC	135,022	9,500	0	125,522	0	145,200	0	(10,178)	0
Planning & Industrial Parks	522,238	242,325	195,660	0	84,253	554,100	82,795	(31,862)	1,458
Agriculture	1,255,349	21,000	28,000	188,500	1,017,849	1,460,599	974,599	(205,250)	43,250
Recreation & Parks	971,308	140,000	41,500	257,500	532,308	504,750	465,150	466,558	67,158
Culture	216,031	0	0	6,034	209,997	233,705	198,705	(17,674)	11,292
Total	22,104,025	1,179,285	1,985,961	5,890,791	13,047,988	20,741,917	13,067,200	1,362,108	(19,212)

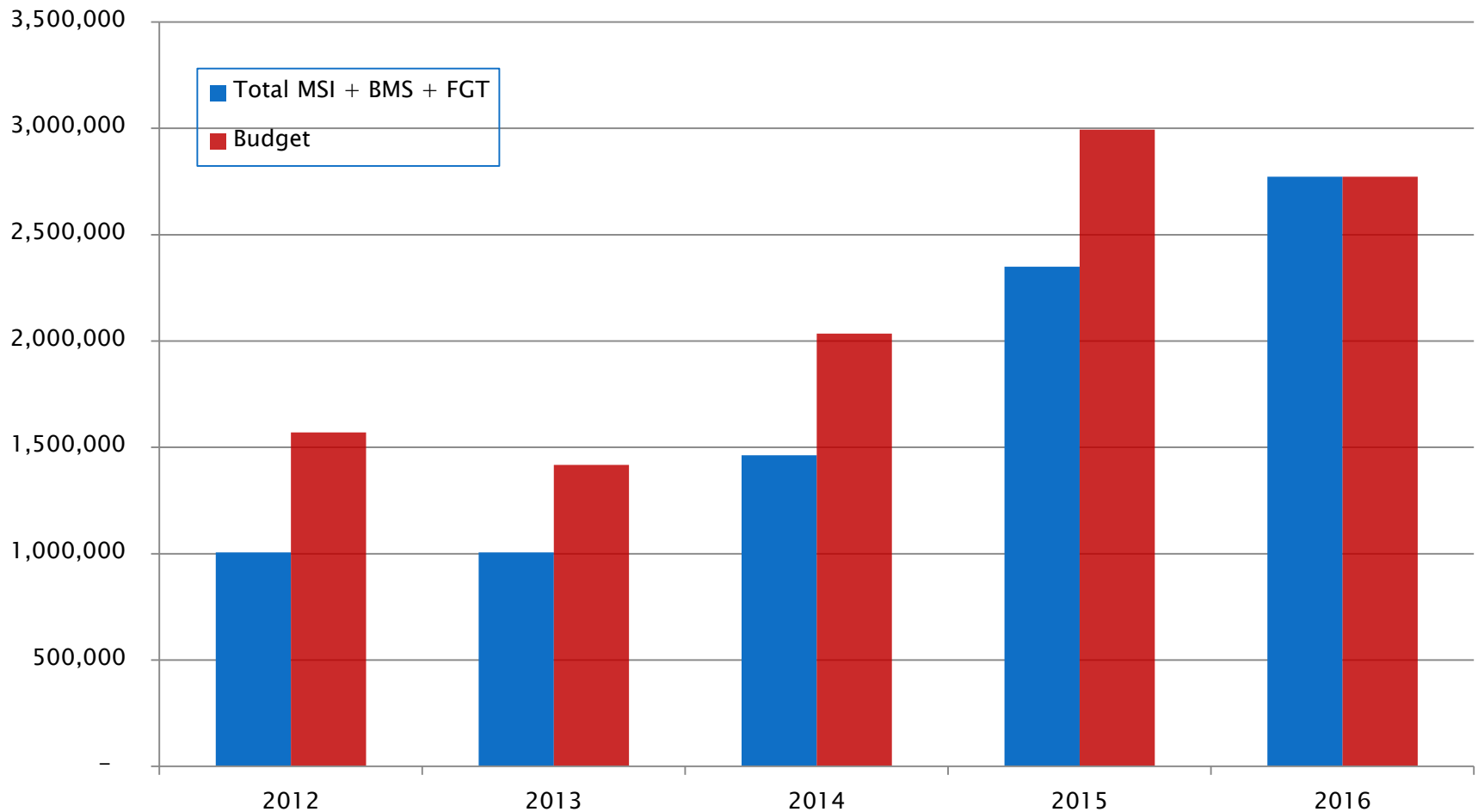
Budget Challenges

- ▶ Drop in oil prices has caused slowdown in oil and gas activity. Result is loss in assessment base of over \$14 million. 3.77% mill rate increase to raise same tax levy as 2015.
- ▶ Expect more loss of assessment in 2017.
- ▶ Provincial Government is considering idea of sharing linear assessment with urban municipalities. Impact is unknown.
- ▶ Long-term Provincial funding (MSI grants, regular road grants) is uncertain, therefore difficult to plan ahead.

Budget Challenges (cont'd)

- ▶ BMS surplus revenue is uncertain and not guaranteed beyond 2017. Revenue is currently used to fund community grants and road construction.
- ▶ Road construction is solely dependent on grant funding (Federal Gas Tax, MSI Capital grant, BMS surplus revenue).

Road Construction Funding



Over the years, the road construction program has increasingly relied upon grants for funding. In 2016, no tax levy is being used to fund road work.

Requisitions

School Requisition

- ▶ Province increased County's requisition by \$133,837.
- ▶ Residential portion = \$64,221 = 4% increase.
- ▶ Residential assessment base increased in 2016 therefore impact is buffered. Result is 1.1% increase in school mill rate.
- ▶ Non-residential portion = \$69,616 = 4.5% increase.
- ▶ Non-residential assessment base decreased in 2016 therefore impact is compounded. Result is 12.5% increase in school mill rate.
- ▶ School taxes are 20% of total tax bill. Increased requisition adds 0.2 – 0.5% to residential mill rate and 2.2% to non-residential mill rate .

Requisitions

Beaver Foundation Requisition

- ▶ Beaver Foundation increased County's requisition by \$3,441.
- ▶ Due to loss in assessment base, result is 3.4% increase in Beaver Foundation mill rate.
- ▶ Foundation taxes are 1% of total tax bill so impact on total mill rate is minimal.

Budget Summary

Total expenditures (\$22,104,025) are higher than 2015, but tax levy remains the same (\$13,047,988).

How was tax levy maintained?

- ▶ BESC requisition cost-sharing formula adjusted with towns & villages
- ▶ Additional BMS surplus revenue
- ▶ Fuel costs lower
- ▶ MSI capital grants
- ▶ Special projects (well site assessment and CN crossings review done in-house)

Highlights of 2016 Budget

Changes in funding:

- ▶ MSI Operating grant has been reduced by \$4,645.
- ▶ MSI Capital grant has been reduced by \$137,930, and will be used to fund road construction projects.
- ▶ Regular road grant (\$598,558) remains the same and will be used to fund gravel haul.
- ▶ BMS surplus revenue is in Year 2 of a 3-year authorization. 2016 revenue will be used for community grants, road construction projects, and bridge repairs. Note: prior budget for community support grants is now fully funded from BMS surplus.
- ▶ Clean Harbors' grant has been temporarily suspended. 2016 grant is \$10,000. Bathgate Waterline Project is deferred until funding becomes available.

Highlights of 2016 Budget

Changes in funding (cont'd):

- ▶ West-end truck fill station is fully operational. Expect \$15,675 more in user fees in 2016 (approximately \$47,000). User fees are transferred to reserve to pay back capital cost of construction.
- ▶ Safety codes revenue (land development) will be lower in 2016 due to fewer building starts.
- ▶ Atco Electric is no longer leasing land in Equity Industrial Park, resulting in drop of \$124,000 in property taxes.

Highlights of 2016 Budget

Expenditure adjustments:

- ▶ Beaver Emergency Services Commission requisition is fully phased-in. Savings of \$53,294 in 2016.
- ▶ Kinsella water system has been sold to Highway 14 Waterline Commission. Savings of \$6000 in tax levy in 2016.
- ▶ Financial assistance to Viking Carena is fully phased-in. Additional \$50,000 grant in 2016.
- ▶ Camp Lake campground will be operated by the County with contract campground attendant/host.

Highlights of 2016 Budget

Special projects include:

- ▶ Municipal sustainability plan will be developed with \$75,000 funding from MSI Operating grant.
- ▶ Additional grants available to community groups via BMS surplus revenue.
- ▶ Road construction projects include 25 miles of shoulder pulls, 2.5 miles of terracem (soil cement), 11.5 miles of oiling, and bridge repairs.
- ▶ Sludge will be removed from Kinsella sewage lagoon.
- ▶ Equity Industrial Park (EIP) Area Structure Plan will be completed. New land use rules will encourage development.
- ▶ Continue to share property taxes in Viking/Beaver Business Park with Town of Viking. 50% share = \$25,000.

Highlights of 2016 Budget

Special projects include (cont'd):

- ▶ Agriculture crew activity includes mowing and weed inspection of entire County as well as spraying and mulching as per policy.
- ▶ Grant to Seed Cleaning Plant of \$30,000.
- ▶ Partnering with University of Alberta (Augustana) for research project on ecological sustainability on the rural landscape. Cost = \$63,385.
- ▶ Camp Lake boat launch will be replaced.
- ▶ Continue to share costs of recreation and libraries with towns and villages. County share = \$464,469.
- ▶ Assist hamlet agricultural societies and rural community halls with operating costs. Cost = \$37,600.

Capital Purchases and Funding Sources

	Amount	Grant	Reserve	BMS	Tax Levy
Administration					
Server	20,000		20,000		
Farmland update	35,000		35,000		
Community Peace Officer					
Weigh scales	28,000		28,000		
Public Works					
Patrol graders	860,000				860,000
Trucks	105,000		105,000		
Loader	375,000	374,333	667		
Tractor	80,000		80,000		
Sod mulcher	15,000		15,000		
Auger attachment	4,000		4,000		
Road const & bridge repairs	3,268,432	2,018,716	648,270	601,446	
Agriculture					
Offset hitch/scarifier attach.	28,000		28,000		
Recreation					
Nugget Lake improvements	40,000				40,000
Camp Lake grounds equip.	26,500		26,500		
Boat launch replacement	55,000		15,000		40,000
Total	4,939,932	2,393,049	1,005,437	601,446	940,000

Projects Funded by Grants

	Funding Source	Amount
Administration		
BESC requisition	MSI Operating	135,648
Summer intern	BRAED	2,000
Municipal sustainability plan	MSI Operating	75,000
Community grants	BMS Joint Dividend	190,534
Public Works		
Equipment	MSI Capital	374,333
Road construction	MSI Capital	1,712,005
Road construction	Federal Gas Tax	306,711
Road construction	BMS Dividend	601,446
Road maintenance (gravel)	Regular Road	598,558
Water		
Bathgate Waterline Project reserve	Clean Harbors	10,000
Sewer		
Kinsella lagoon sludge removal	MSI Capital	75,000
CALC		
Operations	Alberta Education	125,522
Agriculture		
Operations	Alberta Agriculture & Forestry	183,500
Toxic Round-Up	BMS, Alberta Recycling, Ab Ag	5,000
Recreation & Parks		
Community grants	BMS Joint Dividend	257,500
Culture		
Paragon Theatre improvements	BMS Joint Dividend	6,034
	TOTAL	4,658,791

Projects Funded from Reserve

	Amount
Administration	
Upgrade power at Office re: emergency preparedness	10,000
Farmland assessment update	35,000
Computer server	20,000
Community grants (2015 unspent BMS joint dividend)	4,864
Community Peace Officer	
Weigh scales	28,000
Public Works	
Loader	667
Sod mulcher and auger attachment	19,000
Tractor	80,000
Trucks	105,000
Road construction (BMS dividend)	648,270
Gravel crushing	770,000
Land Development	
EIP Area Structure Plan & Park development	195,660
Agriculture	
Scarifier attachment	28,000
Recreation & Parks	
Camp Lake grounds equipment	26,500
Boat launch replacement	15,000
Total	1,985,961

Reserve Balances

	Jan 1/16 Balance	Budgeted Transfers In	Budgeted Transfers Out	Dec 31/16 Balance
Administration	1,498,811	229,000	(746,134)	981,677
Public Works	2,610,526	740,995	(204,667)	3,146,854
Water	187,340	47,025		234,365
Planning & Industrial Parks	1,223,054	123,000	(195,660)	1,150,394
Agriculture	72,800	75,000	(28,000)	119,800
Recreation	257,454	35,000	(41,500)	250,954
Contingency*	13,575,178	1,232,000	(770,000)	14,037,178
Total	19,425,163	2,482,020	(1,985,961)	19,921,222

* The County's contingency reserve is not fully funded in cash as this would tie up too much operational cash needed to run the day-to-day operations. It is net of miscellaneous accounts receivable, used to fund inventory, and assists with cash flow until taxes are received in October. The contingency reserve is available over time and used on an as-needed basis.

BMS Grants

	Dividend/ Good N'bour/ GIL of Taxes	Dividend (Joint Initiatives)
2015 unspent grant	1,059,938	4,864
Estimated 2016 grants	601,448	454,069
Less: Roadwork	(754,420)	
Less: Bridge repairs	(495,296)	
Less: Community grants (already approved)		(308,509)
Less: Community grants (unallocated to date)		(150,424)
Balance Available	411,670	0

MSI Capital Grant

	Grant Available
Cumulative received to Dec 31, 2015	14,645,526
Cumulative applied projects to Dec 31, 2015	(14,276,365)
Funds available Dec 31, 2015	369,161
2016 Provincial Grant	1,726,338
Total available funding	2,095,499
2016 budgeted equipment purchases	374,333
2016 road construction	1,712,005
Total 2016 budgeted spending	2,086,338
Balance of MSI Capital Dec 31, 2016	9,161

Grants Provided to Others

	Project	Amount
Beaver Hills Initiative	Operating	20,000
Various youth/students	Youth awards & scholarships	5,500
Cemetery associations	Operating	15,000
Community organizations	Various operating, capital, recreation	508,932
Beaver Emergency Services Commission	Operating and capital	579,466
FCSS (Tofield & Viking)	Operating	111,601
Health Foundations	Operating or capital	20,000
Holden Seed Cleaning Plant	Operating	30,000
Agricultural research and extension organizations	Operating	14,451
Watershed alliances (2)	Operating	3,000
University of Alberta (Augustana)	Research project	63,385
Town of Tofield and Agricultural Society	Recreation	90,100
Village of Ryley and Agricultural Society	Recreation	37,000
Village of Holden and Agricultural Society	Recreation	43,008
Town of Viking and Agricultural Society	Recreation and Carena	149,000
Hamlets of Bruce and Kinsella	Recreation	17,600
Community halls	Insurance, utilities, gravel	20,000
Northern Lights Library System	Regional library service	57,686
Tofield Library	Operating	94,185
Ryley Library	Operating	12,260
Holden Library	Operating	12,586
Viking Library	Operating	26,330
Beaverhill Players	Operating	5,000
Total		1,936,090

Assessment Base

Assessment Class	Assessment for 2015 Budget (\$)	Assessment for 2016 Budget (\$)
Farmland	114,141,500	114,176,140
Residential	570,283,170	589,538,030
Non-Residential	81,990,790	78,299,350
Linear	338,318,370	310,237,070
Railway	24,207,330	25,720,280
Machinery & Equipment	96,435,490	92,181,010
Grants-in-Lieu	167,490	201,100
TOTAL	1,225,544,140	1,210,352,980

The 2015 assessment base for the 2016 tax year has been finalized with an decrease of 1.17% from 2015.

Regulated farmland assessment remains constant and has not changed significantly over the past 25 years.

The residential class experienced a moderate increase in assessment. New residential construction and subdivisions, coupled with an increase in inflationary measures, has resulted in an increase of 3.32% overall.

The non-residential assessment base has seen a decrease in assessment of 4.3% due to the loss of assessment in the Equity Industrial Park (lease expired). This was offset by inflationary increases.

Linear property such as wells, pipelines, power lines, and telecommunications experienced a significant decrease of 8.02%. Most of the decrease is a result of inflation, with minimal growth in wells and pipelines.

Railway and Grant in Lieu assessments had a slight increase of \$1,546,560 primarily due to inflation.

Machinery and equipment assessment experienced a net decrease of \$4,254,480. Shut-in gas wells led to the decrease of over \$4.2 million.

2016 Mill Rate Information (and %age increase over 2015)

Assessment Class	Municipal	%age inc.	Beaver Fdn	%age inc.	School	%age inc.	Total Mill Rate	%age inc.
Farmland	16.3980	3.77	0.1451	3.4	2.4282	1.1	18.9713	3.4
Residential								
Class FMR	4.1719	3.77	0.1451	3.4	2.4282	1.1	6.7452	2.8
Class RES	4.1719	3.77	0.1451	3.4	2.4282	1.1	6.7452	2.8
Class VAC	8.0924	3.77	0.1451	3.4	2.4282	1.1	10.6657	3.1
Non-Residential	17.0589	3.77	0.1451	3.4	3.9068	12.5	21.1108	5.3
Linear	17.0589	3.77	0.1451	3.4	3.9068	12.5	21.1108	5.3
Machinery & Equipment	17.0589	3.77	0.1451	3.4	N/A	N/A	17.2040	3.8