



**BEAVER COUNTY**

# **2018 BUDGET**

**3<sup>rd</sup> Draft**

**April 4, 2018**

# Agenda

- ▶ Assessment base changes
- ▶ Summary of changes since Interim Budget
- ▶ 3<sup>rd</sup> draft budget summary
- ▶ Budget highlights
- ▶ Capital expenditures & funding
- ▶ MSI capital grants
- ▶ BMS grant
- ▶ Grants summary
- ▶ Projects funded from reserve
- ▶ Future considerations
- ▶ Next steps

# Assessment Base Changes (\$)

Assessment Class	2016 Assessment for 2017 Tax Year (\$)	2017 Assessment for 2018 Interim Budget (\$)	2017 Assessment after AYM Announcement (\$)	2017 Assessment for 3 <sup>rd</sup> Draft Budget (\$)
<b>Farmland</b>	114,259,540	114,266,200	114,266,200	114,204,840
<b>Residential</b>	602,620,720	617,897,610	617,897,610	623,992,000
<b>Non-Residential</b>	94,888,860	121,476,040	95,566,630	101,423,610
<b>Linear</b>	281,560,390	287,498,200	281,560,390	280,832,780
<b>Railway</b>	25,342,050	25,909,410	25,909,410	25,909,410
<b>M &amp; E</b>	87,239,200	85,436,200	85,436,200	87,222,410
<b>Grants-in-Lieu</b>	211,220	208,720	208,720	208,720
<b>TOTAL</b>	<b>1,206,121,980</b>	<b>1,252,692,380</b>	<b>1,220,845,160</b>	<b>1,233,793,770</b>
<b>TAXES</b>	<b>13,194,739</b>	<b>13,804,347</b>	<b>13,244,770</b>	<b>13,389,846</b>

# Summary of Changes from Interim Budget

- ▶ See Schedule at end of PowerPoint presentation

# 2018 Municipal Budget Summary

Department	2018 Budget	Operating Revenue	Transfer From Reserve	Grants & Other Rev	2018 Tax Levy	2017 Budget	2017 Tax Levy	Budget 2018 - 2017	Tax Levy 2018 - 2017
Council	323,291	0	0	0	323,291	322,491	322,491	800	800
Administration	3,772,331	380,830	431,619	762,835	2,197,047	3,075,801	2,160,766	696,530	36,281
Public Safety	401,378	50,000	60,000	0	291,378	416,593	286,593	-15,215	4,785
Fire Protection	849,358	0	0	0	849,358	685,765	685,765	163,593	163,593
Animal Control	11,000	0	0	0	11,000	11,000	11,000	0	0
Public Works	15,319,223	406,995	2,794,500	4,343,080	7,774,648	14,076,125	7,631,880	1,243,098	142,768
Water	70,700	70,700	0	0	0	170,700	37,000	-100,000	-37,000
Sewer	59,496	16,000	0	0	43,496	59,774	43,774	-278	-278
Garbage	12,200	4,300	0	7,200	700	5,000	700	7,200	0
FCSS	137,626	0	0	0	137,626	133,451	133,451	4,175	4,175
CALP	142,372	7,600	0	134,772	0	134,422	0	7,950	0
Planning/ Dev't	1,276,075	103,130	1,050,000	0	122,945	355,863	100,333	920,212	22,612
Agriculture	1,125,010	20,000		186,000	919,010	1,314,112	1,036,612	-189,102	-117,602
Rec & Parks	749,860	170,000	85,000	0	494,860	718,929	523,929	30,931	-29,069
Culture	224,487	0	0	0	224,487	220,407	220,407	4,079	4,079
<b>Grand Total</b>	<b>24,474,407</b>	<b>1,229,555</b>	<b>4,421,119</b>	<b>5,433,887</b>	<b>13,389,846</b>	<b>21,700,434</b>	<b>13,194,702</b>	<b>2,773,973</b>	<b>195,144</b>

# Budget Highlights

	Reserve	Grant	Tax Levy
<b>Administration projects:</b>			
BMS due diligence review		X	
Asset management plan		X	
Service capacity review			X
Compensation review		X	
Intermunicipal collaboration frameworks		X	
Designated industrial property assessment		X	
Computer equipment	X		
<b>Community Peace Officer projects:</b>			
Crime prevention forum			X
Vehicle	X		
<b>Public works projects:</b>			
Railway crossings			X
Public works equipment and vehicles	X	X	X

# Budget Highlights

	Reserve	Grant	Tax Levy
<b>Road construction/maintenance:</b>			
Restructure grader maintenance areas (pilot project)		X	
560 miles gravelling			X
21 miles dust control (subsequently corrected to 17 miles)			X
6 miles soil cement/chip seal		X	
6 miles re-oiling		X	
Bridge design and replacements (2)		X	
<b>Energy upgrade projects:</b>			
Ryley grader shed (includes building improvements)		X	
Transportation Shop		X	
Paragon Theatre (Holden)		X	
<b>Waste management programs:</b>			
BMS waste bin program		X	

# Budget Highlights

	Reserve	Grant	Tax Levy
<b>Equity Industrial Park projects:</b>			
Finalize EIP ASP			X
Storm water management	X		
Solar business plan	X		
<b>Agricultural services projects:</b>			
1000 miles of weed control			X
230 miles of roadside mowing in west end			X
Roadside brushing in east end			X
Beaver bounty program			X
<b>Campground projects:</b>			
Boat launch at Camp Lake	X		
Improvements at Camp Lake and Nugget Lake			X



# Capital Expenditures and Funding

	Amount	BMS	Reserve	MSI + FGTF	Other	Levy
<b>Administration</b>						
Computer equipment	45,000		45,000			-
<b>Peace Officer</b>						-
Vehicle	60,000		60,000			-
<b>Public Works</b>						-
Energy upgrades	102,687	68,020			34,667	-
Graders (2)	760,000					760,000
Service truck	99,590			99,590		-
Highway tractor	150,000			150,000		-
Gravel trailer	150,000			150,000		-
Water cannon	60,000		60,000			-
Packers	60,000		60,000			-
Pick-up truck	45,000		45,000			-
Bridges	1,220,000	1,100,000		120,000		-
Road construction	1,620,816	25,000		1,595,816		-
<b>Planning &amp; Development</b>						
EIP storm wtr management system	900,000		900,000			-
<b>Recreation</b>						-
Boat Launch	85,000		85,000			-
Improvements	80,000					80,000
	<b>5,438,093</b>	<b>1,193,020</b>	<b>1,255,000</b>	<b>2,115,406</b>	<b>34,667</b>	<b>840,000</b>

# MSI Capital Grant (2018)

Estimated unused 2017 grant	307,068
2017-18 supplementary estimate *	1,602,194
2018 grant **	895,227
BMGT (now part of MSI Capital) (used for gravelling program)	598,558
<b>Total available in 2018</b>	<b>3,403,047</b>
2018 budgeted expenses	
Highway tractor	150,000
Gravel trailer	150,000
Service truck	99,590
Bridge program	120,000
Road construction program	1,295,816
Gravelling program	598,558
<b>Total budgeted expenses</b>	<b>2,413,964</b>
<b>Estimated carry forward to 2019</b>	<b>989,083</b>
* The 2017-18 supplementary estimate is the sum of 50% of the 2018 grant and 50% of the 2019 grant (paid to municipalities in advance)	<b>The carry forward is necessary to ensure adequate funding in 2019 and 2020 (refer to next slide)</b>
** Reduced from expected grant of \$1.7 million due to partial transfer to supplementary estimate	

# MSI Capital Grant (2019 and 2020)

Estimated 2018 carry-over	989,083
2019 grant (per Municipal Affairs business plan) *	895,227
2019 BMGT (gravelling program)	598,558
2020 grant (estimate per Municipal Affairs business plan) **	1,400,000
2020 BMGT (gravelling program)	598,558
<b>Total available until MSI program expires</b>	<b>4,481,426</b>
Expenditures until MSI program expires (suggested)	
2019 expenditure	1,642,155
2019 gravelling	598,558
2020 expenditure	1,642,155
2020 gravelling	598,558
<b>Total expensed by December 31, 2020 (estimated)</b>	<b>4,481,426</b>
* Reduced from expected grant of \$1.7 million due to partial transfer to supplementary estimate in 2017-18	
** Municipal Affairs business plan projects a return to a near-normal level of program funding in 2020. No details are known on individual municipal allocations.	

The MSI Capital Grant program will be replaced in 2021 with a new infrastructure grant program. No details are known at this time.

# BMS Grant

	Dividend (County)	Dividend (Joint)	Good N'bour	GIL of Taxes	Total
Available from 2017	1,455,274	54,943	33,350	-	1,543,567
Estimated 2018 grants	464,229	464,229	35,390	128,350	1,092,198
Re-allocation	364,229	(364,229)			0
<b>Estimated total available</b>	<b>2,283,732</b>	<b>154,943</b>	<b>68,740</b>	<b>128,350</b>	<b>2,635,765</b>
Budgeted expenses					
BMS due diligence review	(50,000)				(50,000)
Asset management plan	(50,000)				(50,000)
Compensation review	(40,000)				(40,000)
Community support grants		(102,500)			(102,500)
Energy upgrades	(68,020)				(68,020)
Road maintenance pilot project	(153,177)				(153,177)
Bridge projects	(1,100,000)				(1,100,000)
Spot repairs	(248,252)				(248,252)
BMS waste bin program			(7,200)		(7,200)
<b>Total budgeted expenses</b>	<b>(1,709,449)</b>	<b>(102,500)</b>	<b>(7,200)</b>	<b>0</b>	<b>(1,819,149)</b>
<b>Estimated unexpended at December 31, 2018</b>	<b>574,283</b>	<b>52,443</b>	<b>61,540</b>	<b>128,350</b>	<b>816,616</b>

# Grants Summary

	MSI OPER	ACP	BMS	MSI CAP	FGT	OTHER
General operating	205,000					
DIP assessment reimbursement						115,335
BMS due diligence review			50,000			
ICFs		200,000				
Asset management plan			50,000			
Compensation review			40,000			
Community support			102,500			
Energy upgrade projects			68,020			34,667
PW equipment/vehicle				399,590		
Road maintenance pilot project			153,177			
Road construction				1,295,816	300,000	25,000
Bridges			1,100,000	120,000		
Spot repairs			248,252	598,558		
Waste bin program			7,200			
Agricultural programs						183,500
Toxic Round-up donations						2,500
CALP general operating						134,772
	<b>205,000</b>	<b>200,000</b>	<b>1,819,149</b>	<b>2,413,964</b>	<b>300,000</b>	<b>495,774</b>

# Projects Funded from Reserve

	Amount
<b>Administration</b>	
Allowance for uncollectible taxes	340,619
Computer equipment	45,000
Cost-share Town of Viking mediation	25,000
2017 Community Support request (student grant)	500
<b>Public Safety</b>	
Vehicle	60,000
<b>Public Works</b>	
Water cannon & packers	120,000
Vehicles	45,000
Gravel purchase	2,500,000
Guardrail	75,000
<b>Planning &amp; Development</b>	
Solar project business plan & related costs	30,000
Storm water management design	120,000
Storm water management system	900,000
<b>Recreation &amp; Parks</b>	
Boat launch at Camp Lake	85,000
<b>Retirement Allowances</b>	75,000
<b>Total</b>	<b>4,421,119</b>

# Future Considerations

- ▶ The following items may impact the final budget:
  - community support grant requests (operating and capital)
  - implications of changes to MGA (e.g. optional split non-residential mill rates)
  - uncertainty of BMS funding
  - implications of BMS MCC
  - Long-Range Financial Plan projects (asset management plan is the only project included in the draft budget)
  - Council has directed a 0% mill rate increase. Should organizations/municipalities to which grant funding is provided be asked to hold the line on expenses as well (e.g. BESC, FCSS, shared services partners)?
  - Although it appears there may be a surplus, the 2017 tax collection rate is 92%, significantly lower than normal. Will this trend continue in 2018?

# Next Steps

- ▶ Committee reviews impact on taxes with 0% mill rate increase
- ▶ Committee directs administration regarding budget changes
- ▶ Final budget and mill rate bylaw presented for approval at end of April



## Summary of Changes from Interim Budget

	Gross Expense Budget	Operating Revenue	Transfer From Reserve	Grants & Other Revenue	Tax Levy
<b>Interim Budget</b>	<b>25,109,001</b>	<b>1,199,265</b>	<b>4,277,646</b>	<b>5,837,388</b>	<b>13,794,702</b>
<b>All Departments</b>					-
COLA	27,023			635	26,388
Retirement Allowances	75,000		75,000		-
<b>Council</b>					-
ICF related expenses	10,938				10,938
<b>Administration</b>					-
Legal fees for BMS due diligence	50,000			50,000	-
Delete MSP initiatives	(100,000)		(100,000)		-
M&E asst contract+DIP contract grant	22,135			115,335	(93,200)
Uncollectable taxes			173,473		(173,473)
Minor items	16,037				16,037
Revenue adjustment		36,290			(36,290)
Grant to Town Viking	25,000		25,000		-
<b>Public Safety</b>					-
Minor adjustments	7,160				7,160
<b>Fire Protection</b>					-
BESC	23,218				23,218
<b>PW - Directors', Capital, Reserve</b>					-
Capital	102,277			102,277	-
<b>PW - Grader Operators</b>					-
Addition of 2 operators	133,176			153,176	(20,000)
<b>PW - Road Construction</b>					-
Terracem cement (2 miles less)	(226,720)			(226,720)	-
Terracem in-house chip and gravel	112,877			112,877	-
Chip seal (2 miles less)	(317,265)			(317,265)	-
Gravel (no shoulder pulls)	(155,500)			(155,500)	-
Manpower adj for indiv projects	(157,513)			(157,513)	-
Reduce shop repairs (no shoulder pulls)	(110,000)			(110,000)	-
Reduce supplies (no shoulder pulls)	(25,000)			(25,000)	-
Reduce fuel (no shoulder pulls)	(48,500)			(48,500)	-
Reduce oil (adj for indiv projects)	(61,440)			(61,440)	-
Reduce eqp supplies (adj for indiv proj)	(50,000)			(50,000)	-
Minor adjustments	(30,200)			(30,200)	-
<b>PW - Maintenance</b>					-
Railway crossings (3 crossings + maint)	126,921				126,921
Manpower (1 crew)	(150,927)				(150,927)
Gravel for new spot repairs	116,625			116,625	-
Shop repairs, etc. for new spot repairs	131,627			131,627	-
Culverts	20,000				20,000
<b>Waste Disposal</b>					-
Waste bin program	(3,240)			(3,240)	-
<b>CALP</b>					-
Minor adjustments	(3,075)	(2,400)		(675)	-
<b>Planning &amp; Econ Develop</b>					-
Minor adjustments	10,300	(3,600)			13,900
<b>Agriculture</b>					-
Delete mower	(96,080)		(30,000)		(66,080)
Reduce ADC contract	(115,500)				(115,500)
Royalty on tails	10,000				10,000
Minor adjustments	8,278				8,278
<b>Recreation &amp; Parks</b>					-
Grants	939				939
New CL contractor + no County staff	(10,800)				(10,800)
<b>Culture</b>					-
Minor adjustments	(2,365)				(2,365)
					-
<b>Draft Budget April 4, 2018</b>	<b>24,474,407</b>	<b>1,229,555</b>	<b>4,421,119</b>	<b>5,433,887</b>	<b>13,389,846</b>

## IMPACT ON TAXES RE: 2018 MUNICIPAL BUDGET

Property	2017 Taxes	0% ↑ All Mill Rates		0% Mun/↑ Bvr Fdn & ASFF	
		2018 Taxes	Difference	2018 Taxes	Difference
<i>Occupied Farmland</i>					
N of Ryley	1,320.55	1,349.32	28.77	1,362.86	42.31
NE of Holden	756.16	766.51	10.35	773.11	16.95
N of Holden	2,585.42	2,622.35	36.93	2,652.90	67.48
NE of Viking	1,999.68	2,022.44	22.76	2,046.26	46.58
Tofield Fringe	2,182.23	2,232.94	50.71	2,262.76	80.53
Ryley/Holden	1,695.73	1,741.26	45.53	1,760.78	65.05
SW of Tofield	1,702.01	1,714.08	12.07	1,737.23	35.22
SW of Holden	946.54	969.44	22.90	977.33	30.79
N of Bruce	929.85	956.00	26.15	965.46	35.61
NW of Viking	842.07	825.30	-16.77	836.60	-5.47
<i>Vacant Farmland</i>					
N of Viking	463.36	463.36	0.00	465.63	2.27
S of Tofield	766.29	766.29	0.00	770.04	3.75
<i>Vacant Acreages</i>					
El Greco	1,285.33	1,285.32	-0.01	1,296.51	11.18
Forest Glen	1,462.64	1,501.25	38.61	1,514.32	51.68
Birch Grove	955.08	930.68	-24.40	938.78	-16.30
Whispering Hills	1,137.32	1,137.32	0.00	1,147.22	9.90
Islet Lake	996.75	996.75	0.00	1,005.43	8.68
<i>Occupied Acreages</i>					
NW of Tofield	3,939.01	4,018.24	79.23	4,072.29	133.28
SW of Tofield	3,020.65	3,151.90	131.25	3,195.38	174.73
Lindbrook Estates	2,805.73	2,828.71	22.98	2,867.73	62.00
Twin Lakes	1,519.30	1,583.11	63.81	1,604.95	85.65
Beaver Creek	1,674.59	1,707.26	32.67	1,730.81	56.22
SH 833	4,547.26	4,657.33	110.07	4,720.90	173.64
Royal Glen	3,115.99	3,158.63	42.64	3,202.21	86.22
Carey Ridge	2,865.14	2,896.06	30.92	2,936.01	70.87
Park Glen	1,701.31	1,762.26	60.95	1,786.57	85.26
Islet Lake	2,741.82	2,750.11	8.29	2,788.05	46.23
Islet Lake	2,077.28	2,086.94	9.66	2,115.73	38.45
<i>Vacant/Occupied Hamlet</i>					
Bruce (2 vacant lots)	114.86	114.86	0.00	115.86	1.00
Bruce	1,107.24	1,144.84	37.60	1,160.64	53.40
Kinsella	610.38	613.34	2.96	621.80	11.42
Poe	273.68	279.62	5.94	283.48	9.80
<i>Linear</i>					
Pipeline	395,103.64	395,103.64	0.00	394,871.75	-231.89
Pipeline	1,161,930.10	1,161,930.10	0.00	1,161,248.17	-681.93
Powerline	224,636.43	227,208.60	2,572.17	227,075.26	2,438.83
<i>M &amp; E</i>					
Oil & Gas	233,387.38	224,688.22	-8,699.16	224,989.10	-8,398.28
Gas	3,072.24	3,170.47	98.23	3,170.63	98.39
Oil & Gas	3,122.72	3,146.23	23.51	3,148.34	25.62
<i>Non-Residential</i>					
N of Viking	35,253.27	35,125.96	-127.31	35,105.35	-147.92
Farm Business	3,449.25	3,483.97	34.72	3,501.23	51.98
S of Viking	26,686.15	26,855.32	169.17	26,839.56	153.41
Tofield	3,285.71	4,906.78	1,621.07	4,931.99	1,646.28
Tofield	15,516.15	15,886.05	369.90	15,876.73	360.58