



The Summer Village of Rochon Sands
2021 Operating Budget Presentation for Council

Prepared by Jason Olson on behalf of
Chief Administrative Officer Beebe

Presented to Council April 13, 2021

2021 Operating Budget Overview:

2020 Operating Budget for Summer Village of Rochon Sands included a 4% revenue increase to address increased costs and requisitions for the 2020 Operating Budget. The calendar year of 2020 saw an unprecedented pandemic in the form of COVID-19, To date, no lost work time from any employees was recognized in 2020 and starting the year of 2021, with implementation of protocols to protect employees, no additional work time lost or any confirmed cases of COVID-19 of any of the Summer Village employees.

The 2020 Operating Budget was projected to be a modest surplus budget of \$2600 recognizing the financial impacts of COVID-19, with an additional revenue of \$7225 from Parks Operations. Increased costs for Emergency Management with activating an Emergency Operations Center for 2020 increased costs. Additional support from the Alberta Government included one time grant funding as the Municipal Operating Support Transfer (MOST Grant) with \$13,708 being granted to the Summer Village to cover additional costs for COVID -19. This grant will be recorded in the Financial Statements as grant revenue for 2020, and not being shown as an operating budget item for 2021. Costs are to be reported to Alberta Municipal Affairs prior to July 1, 2021.

Village Council has approved past budgets with surplus values for reserve cash for unexpected additional operating costs and to contribute to the Summer Village Capital Budget. The “RBC Reserve Fund” Account (as presented to Council monthly) and investments held in Guaranteed Investment Certificates now holds grant funding but also unrestricted cash surplus from taxation.

To date as of December 30, 2020 the Reserve Account now holds an unrestricted surplus of \$35,715 for future use. These funds are still unspent by a donation from the **Schneider Family from 2018**. Additional funds should be realized from the Highway 835 land sales to close in 2021, with final value of \$14,000 to restricted surplus to be used as recreational funds.

Other surplus is held in two GIC's from the Royal Bank of Canada in the total amounts of \$352,845 with maturity in December 2021. Grant funding in MSI and FGTF funds (ending 2020) is \$301,879 received in previous years leaving unrestricted surplus from taxation at \$50,996.

As of December 30, 2020, the General Operating Account also held \$274,969 (increase from \$113,000 in 2019) with minimal payables outstanding for the 2020 operating year. However, these funds operate the Village until taxes are collected in July 2021 and include the profit funds from Parks Operations in 2020. This is equivalent to one year's residential taxes for 2021.

The Summer Village cash position is in excellent standing with surplus funds in both accounts and investments.

Non-Payment of Taxes

As of February 1, 2021, outstanding taxes are \$10,000.00. This is considered a manageable amount as collection rate is about 95.2% of total taxes levied. Three properties are in arrears with one being eligible for tax notification at Alberta Land Titles.

(2021 Operating Budget Spreadsheet)-Attached for review

Revenue:

Revenue is also referred to as income under headings. 2021 Operating budget reflects increasing costs in salaries, and overall operating expenses. Administration is of the opinion to retain past seasonal staff and reward profitable Park Operations; salaries will increase in the 2021 budget for the Village and Park Operations. Returning seasonal staff are more time efficient and require no additional orientation or training to operational duties. Additional costs must be addressed in the Residential Taxes heading as this is the revenue aspect of the Summer Village other than the revenue split received from Parks Operations.

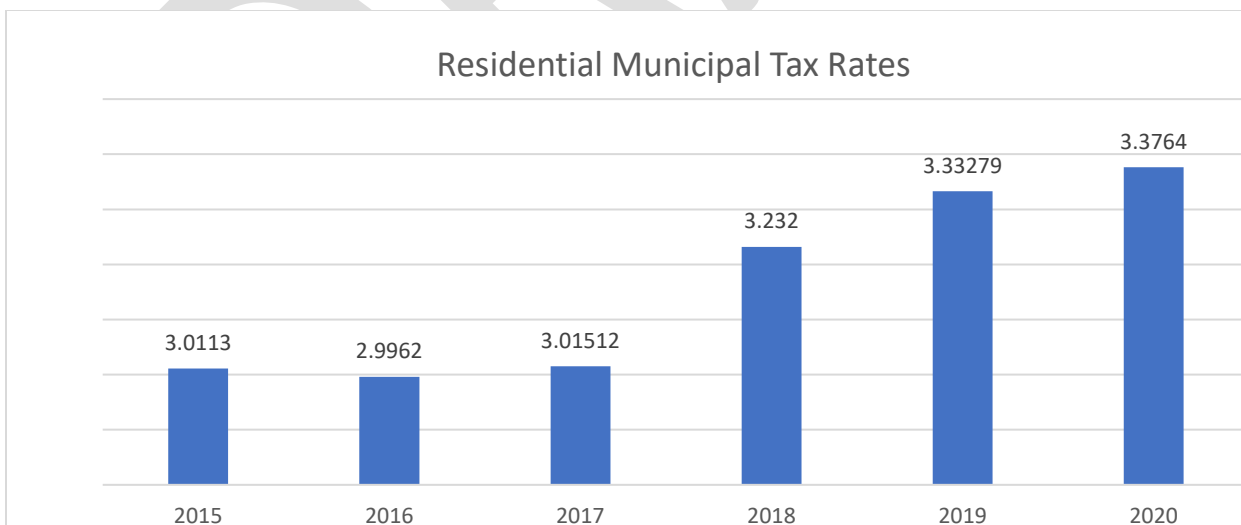
Minimal additional revenue has been projected as new assessment growth from new construction in 2020 (two development permits for garages). Additional assessment growth is calculated in the tax rates and lowers the overall tax rate that is applied to all properties. Actual overall assessment totals for the Summer Village have decreased from 2020.

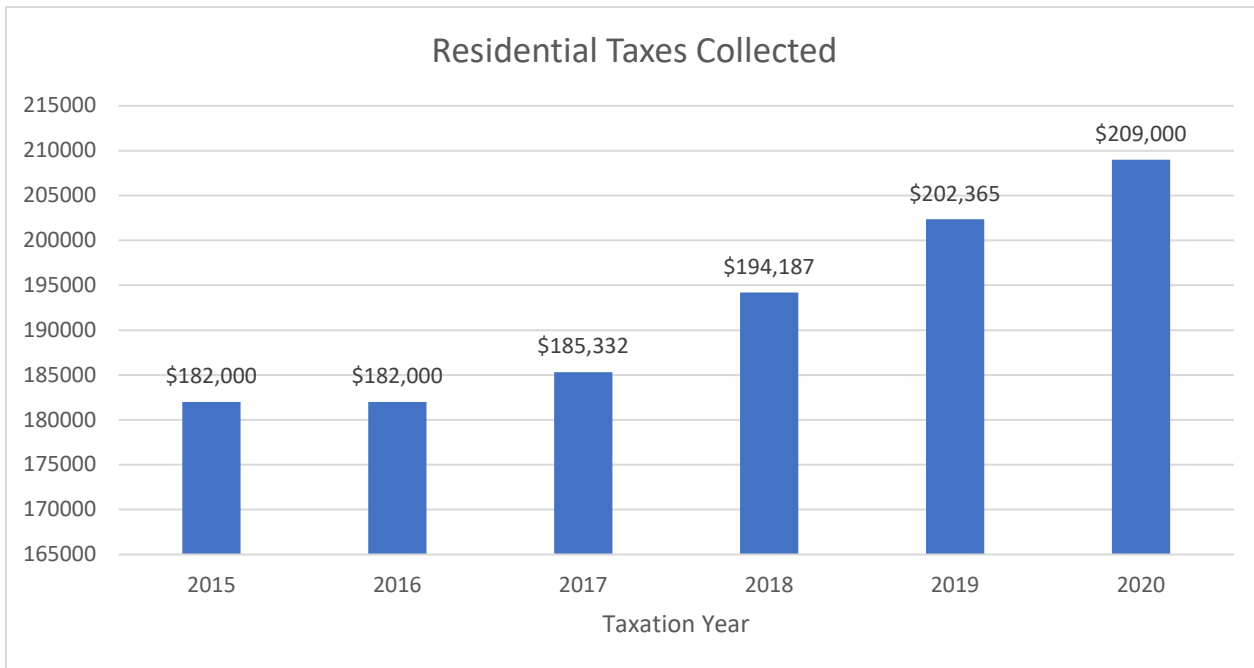
Parks Operations profits have been historically received as capital spending reserves and captured in the Reserve Bank Account at RBC along with grant funding.

Grant funding and General Reserves are documented as 2021-2026 Capital Budget as approved.

Residential Tax Rates:

Council has control of the amount of taxes collected in the tax year to address current and anticipated expenses. The Summer Village has limited Non-Residential and Linear Assessment to realized tax revenues.



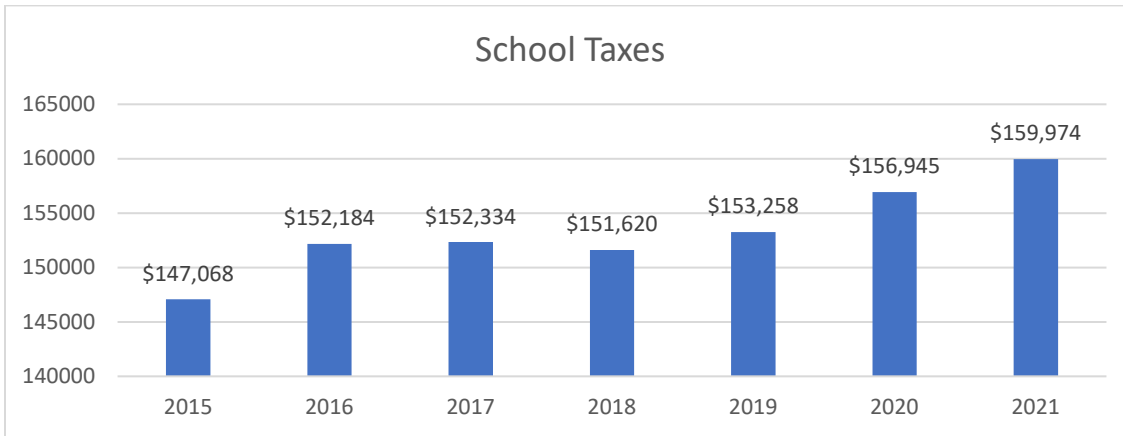


The above graphs show the residential tax rates and total amounts collected over the past 6 years. A total revenue increase of \$27,000 is a total 15% increase over the past 6 years as an average increase of \$4500/year to operate the Summer Village of Rochon Sands.

These costs include increasing costs for waste management, staff salaries, fuel and equipment expenses, insurance and costs that are requisitioned to the Village such as fire protection. Stettler County, under the new Intermunicipal Collaboration Framework (ICF) has notified the Summer Village with intent to negotiate (in 2021) new Fire Service Agreements and Emergency Management under Stettler Regional Emergency Management Agency (SREMA) agreements. Negotiations and new service agreements will be expected (to be finalized prior to calendar year end) to increase costs for the Summer Village of Rochon Sands and will be estimated into the 2021 Operating Budget. The new province wide policing policy that was suspended in 2020 by the COVID 19 pandemic are expected to be levied and collected by the Alberta Government for the 2021 operating budget.

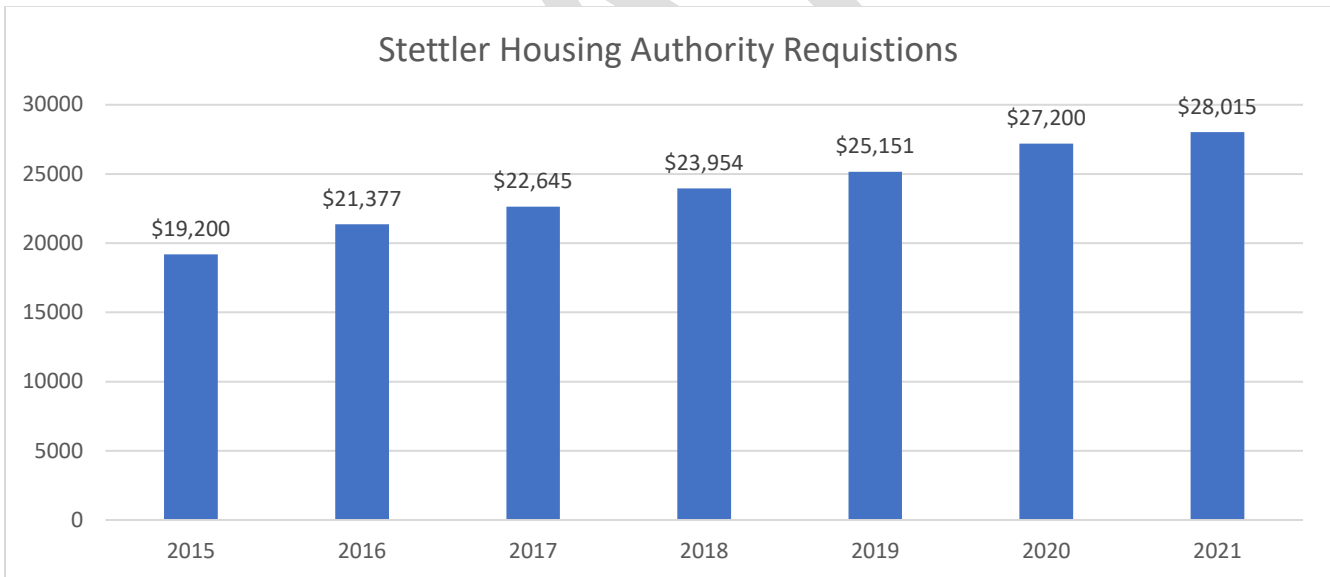
School Tax Requisitions:

The Summer Village of Rochon Sands will see a modest increase in School Foundation Taxes in accordance to the Alberta Government Budget 2021, with a slight increase of school taxes of for both residential and non-residential taxes.



Seniors Requisitions:

The Stettler Housing Authority has expressed budget increases for 2021 as their expenses increase. The requisition from Stettler Housing Authority is expected to increase.



Franchise Fees:

Council has historically decided not to implement franchise fees for AltaGas or ATCO Electric as additional revenues for the Summer Village as both remain at 0% fees.

Expenses:

Administration:

Increases for operating budget for inflationary increases for all categories. Draft budget for 2021 includes additional support for administration in part time position @ 7 hours/week (365 hours per year for Village Office for Rochon Sands). New Chief Administrative Officer (2021) contract included employer paid health benefits and Local Authority Pension Plan (LAPP) premiums (employer contributions are currently @ 9.39% of annual salary). Health benefits employer portion is estimated at \$350/month.

Insurance:

Insurance premiums are expected to increase with the industry predicting higher premiums.

Roads and Streets:

Salaries for PW Supervisor and Seasonal Staff are under the category of Roads and Streets. Anticipated higher salaries for all salaried staff for 2021.

All other categories have been stable increases such as contracted services, fuel, and equipment repairs. Equipment ages are starting to demand higher maintenance costs for operations.

Council may wish to consider Equipment Replacement with reserve funds as part of Capital Budget.

Water and Wastewater:

SMRWSC costs are increasing, therefore requisitions will increase. Anticipation of regional water line being extended into the Summer Village in 2021, as the Village enters into a service agreement with WSP Global Engineering with Council approval in 2020. WSP Global Engineering will oversee construction, general specifications, right of way requirements, and any other aspects of the water line servicing the Summer Village. General engineering fees for specific projects will be eligible to be included and claimed under either the MSI Capital Grant Funding or the Federal Gas Tax Fund. Any construction costs regarding the water line in the Village not covered by the Shirley McLellan Water Services Commission would be eligible for grant funding (refer to 2021-2025 Capital Budget Presentation to Council for more background information on funding).

Planning and Development:

The Summer Village entered into 5-year agreement with Parkland Community Planning Services (PCPS) in 2020, with a cost of \$2500 annually to PCPS for a declining balance fund for services rendered. In 2020, a new Intermunicipal Collaboration Framework (ICF) was required and contracted to PCPS with Stettler County to satisfy legislative requirements, with additional costs recognized in the 2020 operating budget.

Costs for legal mediation with Stettler County regarding the Buffalo Lake South Shore Intermunicipal Development Plan (BLSSIDP) will be covered by grant funding from Alberta Municipal Affairs.

Additional Planning and Development funds must be allocated for the anticipation of the dissolution of the BLSSIDP and subsequent review of the SV of Rochon Sands Municipal Development Plan to ensure compliance under the Buffalo Lake Intermunicipal Plan (BLIDP) as a statutory plan in 2021.

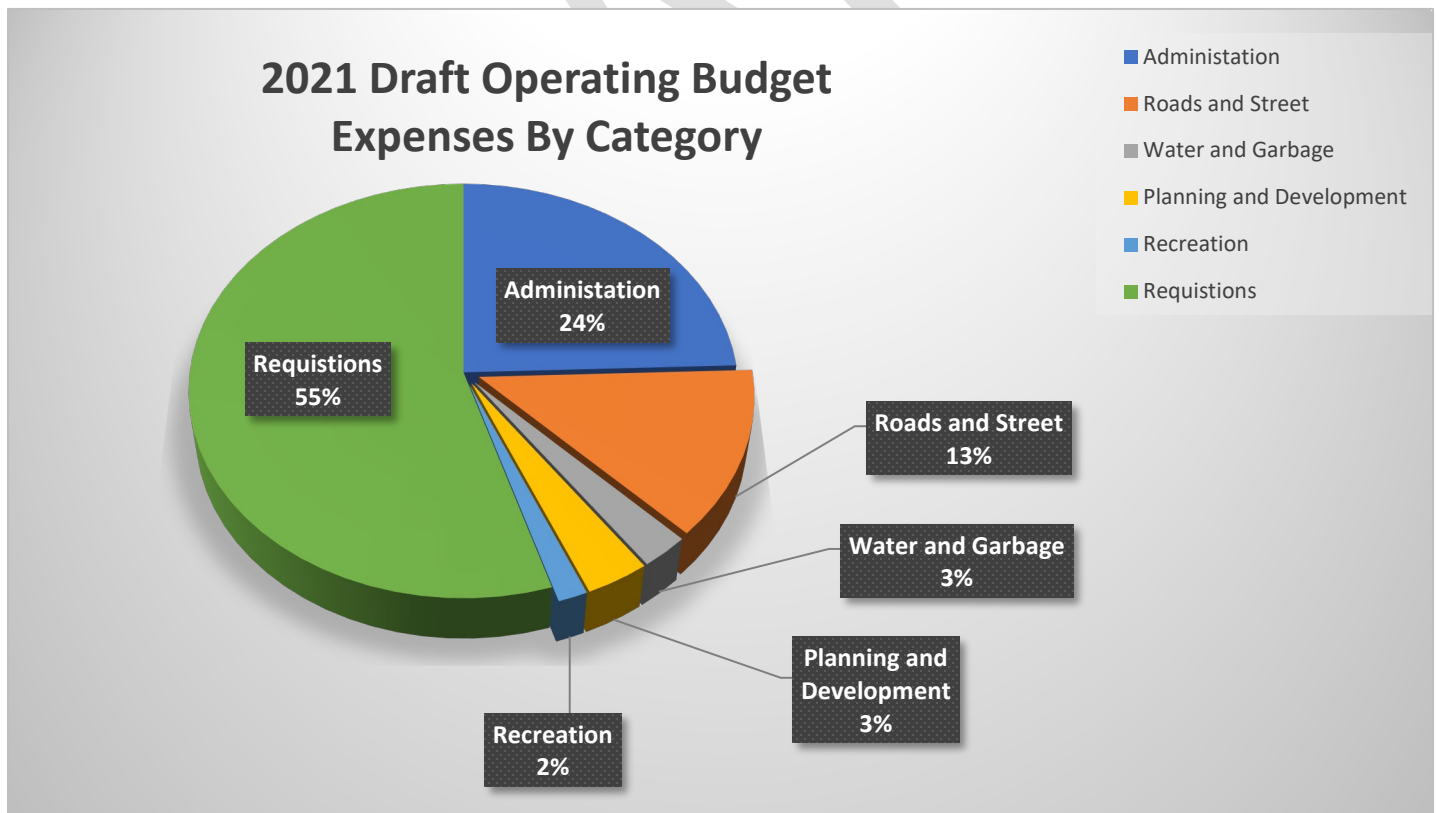
Recreation and Culture:

All costs are predicted to remain stable for 2021. Increased expenses for 2020 included purchase of new aluminum docking for the public boat launch and landscaping for the Northern Pike monument as one-time expenditures.

All requisitions increases are recognized in the corresponding revenues headings needed to equal requisition increases.

Requisitions:

Requisitions are monies collected on behalf of other organizations or levels of government by the Summer Village. The Summer Village of Rochon Sands requisitions are Alberta School Foundation, Stettler County Recreation Fund, Stettler Housing Authority, Stettler Waste Management, Regional Fire Services, and Parkland Library. These costs are calculated as total costs as expenses as part of the municipal budget.



New requisition for the Provincial Police funding model has increased expenses, along with expected increases from the Stettler Regional Emergency Management Agency (SREMA) and Stettler Regional Fire Services as the Intermunicipal Collaboration Framework (ICF) will be negotiated with Stettler County for the 2021 budget year.

Overall:

Deficit operating budgets are not allowed to be passed by Council. Council has recognized surplus budgets in the past years with a healthy reserve for operations.

To mitigate a tax increase Council has the option to move reserve funds to offset tax increases.

Attachment A: Summer Village of Rochon Sands 2021 Operating Budget Spreadsheet-forms part of 2021 Operating Budget approval.

Approved by Resolution # _____, _____ day of _____, 2021.

Chief Elected Official

Chief Administrative Officer