



Summer Village of Rochon Sands **2022 Operating Budget**

Prepared by

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Budget Overview:

The 2021-year end Operating Budget for Summer Village of Rochon Sands reflected the following changes that included addressing the loss of Assessment revenue, the Municipal Policing Requisition, increased costs in requisitions. The Pandemic Restrictions on travel for the year provided the municipality with increased park attendance of 16% over the previous year. A list of some of the changes that were completed during the 2021 year as follows:

- 1st quarter transition of New Shared CAO Contract and village office with Summer Village of White Sands.
- Assessments saw a decrease of 5% over the previous year
- Municipal Policing Requisition
- 2021 Municipal Dock Replacement
- Tennis Courts/Garbage/Security Lighting Upgrade
- Sanding Truck Repair
- Municipal Office Renovation, technology, and software upgrades
- Campground Office Upgrade
- Pandemic Restrictions
- No Canada Day Grants
- Provincial Campground Policy Rates increased for 2022
- Office Hours moved from 2 days to 4 days a week
- Bank Fee Reduction in Balance on Municipal Operating Account
- Municipal Policing Requisition Payment, Year 1 term of Five years

The 2021-year end Operating Budget shows that the Municipality for the year ending maintained a surplus overall as follows:

- \$28,156.78 to municipality General Revenue
- \$84,318.62 to Provincial Parks Reserve

The RBC GIC investment account contains \$354,257, which contains the following: \$204,235 of MSI and CCBC (FGT formally) \$43,292.45 of unused grant funding. The 2021 MSI grant funding received was \$107,024, which covered the following projects:

- Bayview Street Speed Control (speed bumps), MSI
- Emergency Property Address Signs (Installation), MSI
- Office Renovation, MSI
- Computer Upgrades and Software, MOST
- Conceptual Water Servicing Study, MSI
- Conceptual Trails Plan, MSI, CBFF (Formerly Federal Gas Tax)
- Campground Office Renovation, Provincial Park Reserve: \$17,000, \$27,916 remaining in 2020 Provincial Park Reserves.

To date as of December 31, 2021, the Reserve Account now holds an unrestricted surplus of \$35,799 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 hopefully close in 2022, with a final value of approximately \$14,000 to restricted surplus to be used as recreational funds.

As of December 30, 2021, the General Operating Account held \$319,960 (which includes the 2021 reserve surplus total of \$112,474). However, these general revenue funds operate the Village until taxes are collected in July 2022, which include the profit funds from Parks Operations in 2021. The left-over amount is not quite equivalent to one year's residential taxes from 2021.

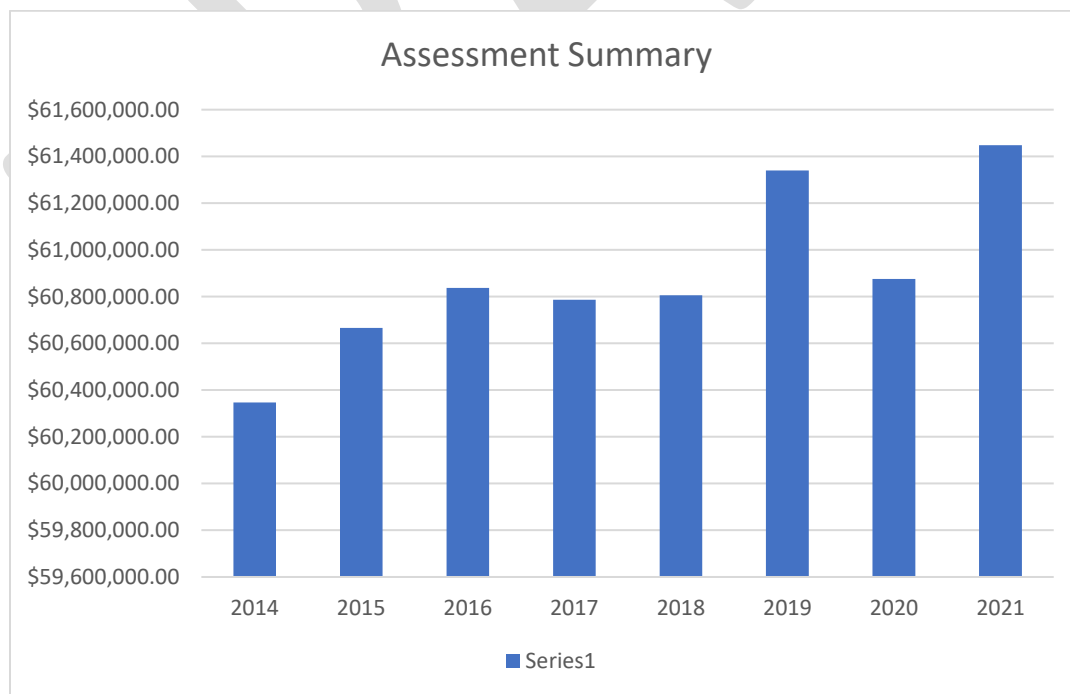
The Summer Village cash position is in excellent standing with surplus funds in both accounts and investments.

Non-Payment of Taxes

As of January 1, 2022, outstanding taxes are \$17,815.00. This is considered a manageable amount as collection rate is about 92.7% of total taxes levied. 10 properties that have outstanding taxes with two with two being eligible for tax notification at Alberta Land Titles for 2022.

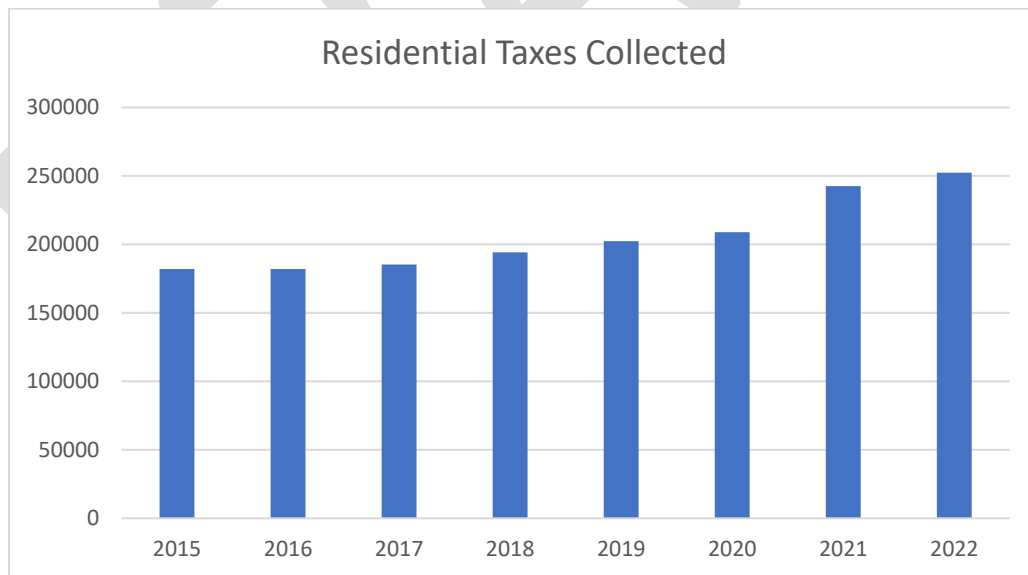
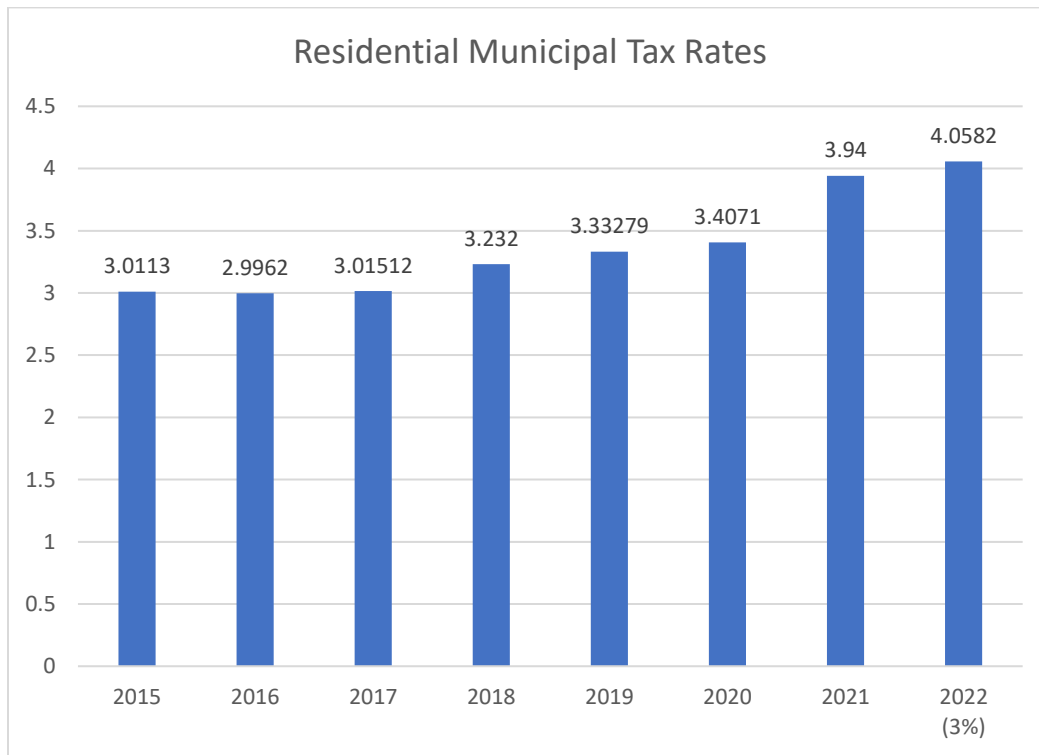
Assessments:

There were seven (7) Development Permits issued, which saw three single family dwelling units constructed/replaced, which helped bring assessment growth more in line with 2019 assessment growth. Assessment growth is calculated in the tax rates and lowers the overall tax rate that is applied to all properties, as shown in the below graph.



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.

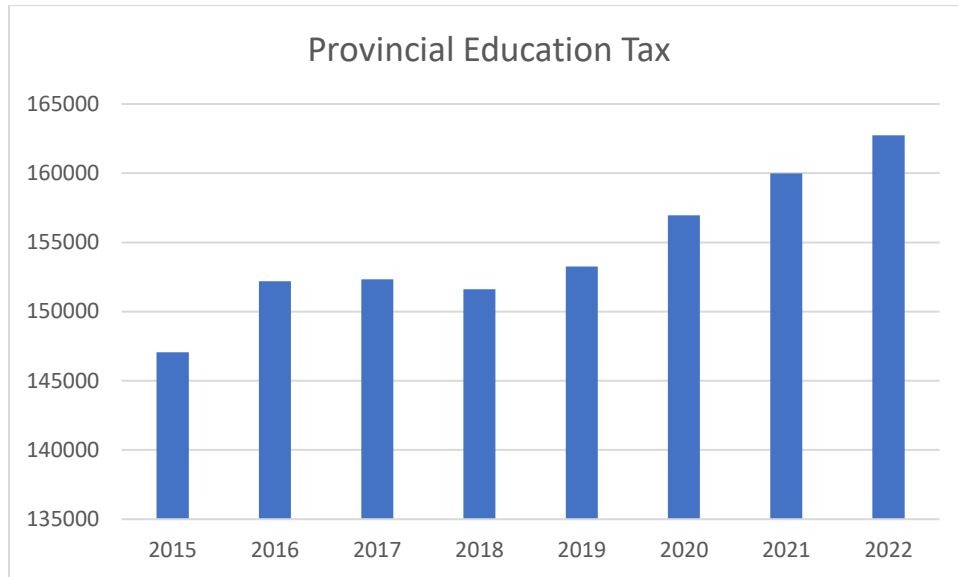


Franchise Fees:

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

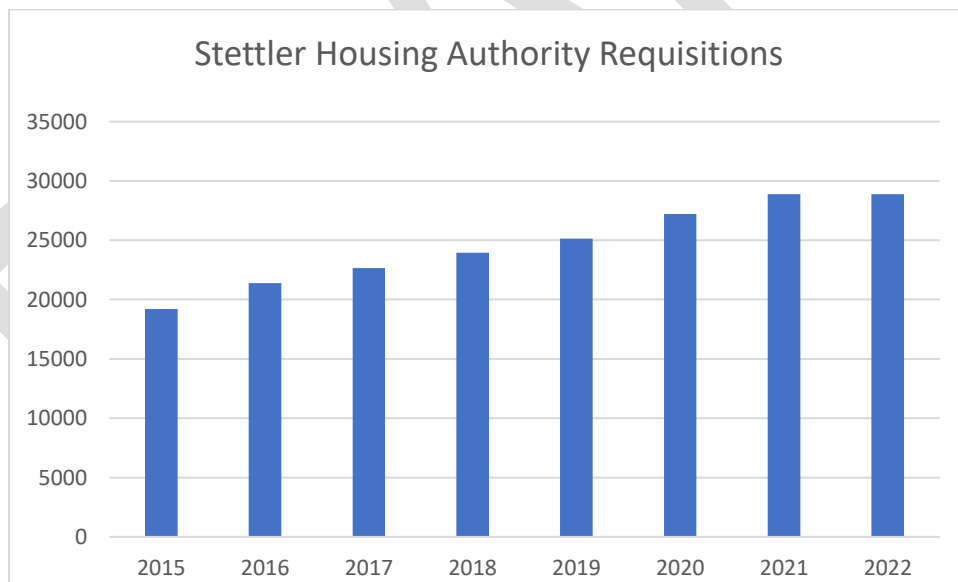
School Tax Requisitions:

The Summer Village of Rochon Sands will see a 1.7% increase in School Foundation Taxes in accordance to the Alberta Government Budget 2022, which received a 1.5% increase overall in the provincial budget.



Seniors Requisitions:

The Stettler Housing Authority has a minor increase of \$6.00 in 2022.



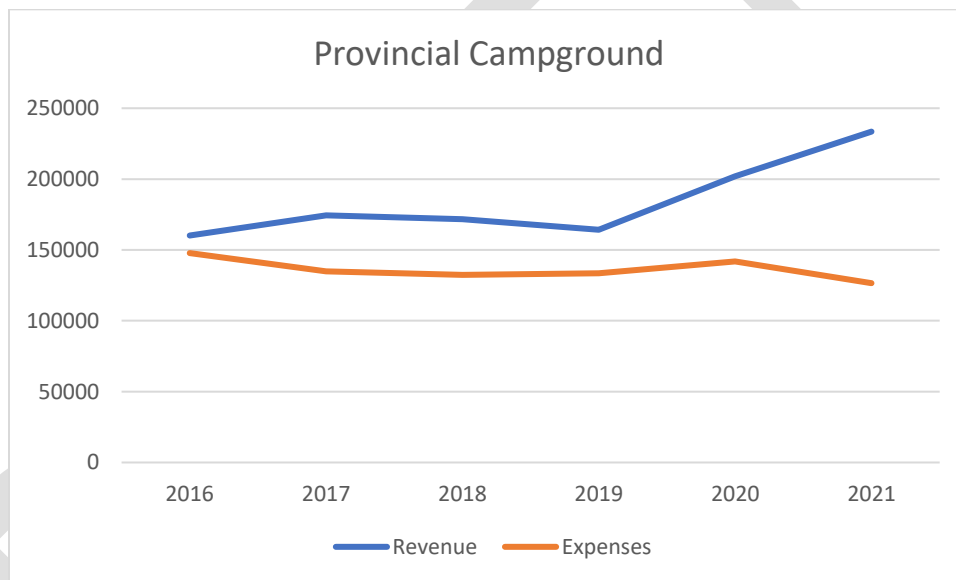
Staffing:

Administration is of the opinion to retain past seasonal staff and reward profitable Park Operations; salaries will increase in the 2022 budget for the Village and Park Operational Staff. The Municipality has maintained bringing back returning seasonal staff (3 with 2 returning), which are more time efficient and require no additional orientation or training for operational functions. The Municipality applies annual for the Summer Student Grants that help off set wages for the additional Staff. Additional costs

must be addressed in the Residential Taxes as this is the revenue aspect of the Summer Village other than the revenue split received from Parks Operations.

Provincial Park:

The provincial park operations in 2021 saw an increase of 30% over 2020 operational year. Based on AD 1.27 Operating Profit from Provincial Parks council had an allocation of 75% profit realized for the fiscal year to be allocated to Capital Expenditures which worked out to be \$84,316.62 and remaining 25% was allocated to the municipal general revenue. The 2020 allocation saw a portion being used for Provincial Campground Office Upgrades with \$27,916 remaining. 2022 will see the Narrows Campground washrooms receiving new roofs, which has an allocation of \$6,000 from parks capital reserves, which will not affect the overall Provincial Park Budgets. As part of the Provincial Park agreement, any replacement of signage, benches, tables, etc. will be approved through council resolution as required and allocated costs through the provincial park capital reserve account. Council also approved an increase in the camping fees, which will be reflected in revenues for 2022-year end.



Expenses:

2022 Operating budget reflects the increased costs in salaries, and overall operating expenses, such as:

- Inflation (Cost of Living increased by 4.8%, Energy increased by 32%, Transportation costs increased by 10.3%)
- Carbon Tax (increased April 1st to 25%, which increased 2.2 cents per litre of gas for a total of 11.05 cents per litre.)
- Insurance
- Equipment repairs
- Municipal Policing Requisition, Year 2 increase out of five years.(noted in the 3 year Operating budget)

Administration:

Increases for operating budget for inflationary increases for all categories. Draft budget for 2022 includes additional support for administration in part time position @ 28 hours/week. Funding allocated for employer paid health benefits and pension plan premiums CAO, as laid out in a shared contract agreement between the two Summer Villages.

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 2022.

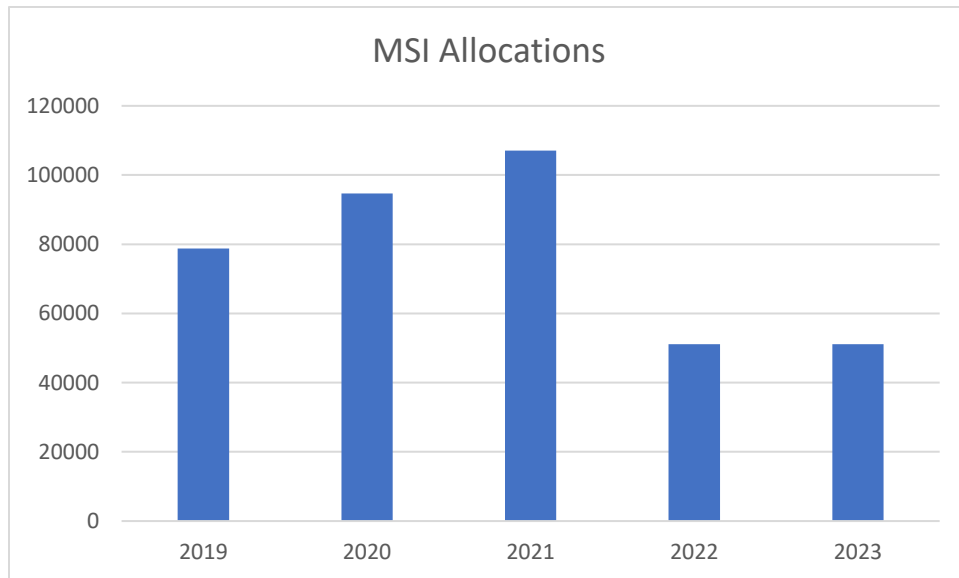
All other categories have been maintained with slight increases such as contracted services, fuel, and equipment repairs, based on inflation and supply and demand issues. Equipment ages are starting to demand higher maintenance costs for operations, such as Sander repair in 2021.

Water and Wastewater:

SMRWSC costs are increasing, therefore requisitions will increase as the regional water line is extended into the Summer Village in 2022. In 2021, under the MSI Grant, WSP prepared a conceptual water system design of the water distribution system requirements for future servicing needs of the community. WSP Global Engineering will continue to oversee construction, general specifications, right of way requirements, and any other aspects of the water line servicing within the Summer Village Boundary. 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 could be eligible for grant funding under the MSI.

MSI Grant Funding:

The MSI grant funding has seen a reduction of funding of 50% from the 2021 allocation of \$107,024 to \$51,096 for 2022 and 2023. Grant funding and General Reserves are documented as part of the Five Year Capital Plan Budget as approved.



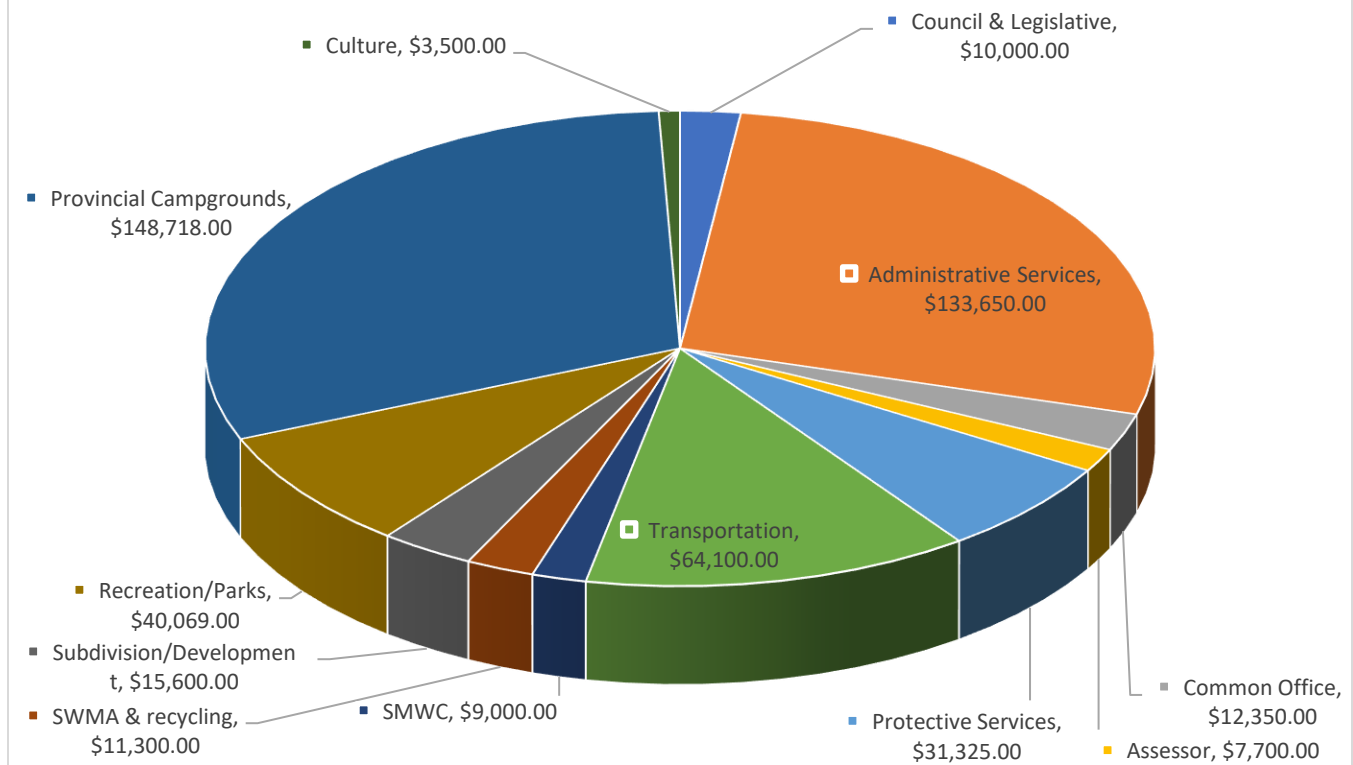
Recreation and Culture:

All costs are predicted to remain stable for 2022.

Requisitions:

- Requisitions are monies collected on behalf of other organizations or levels of government by the Summer Village and are costs calculated as expenses as part of the municipal budget for the following:
 - Alberta School Foundation (Provincial) and Stettler Housing Authority (Seniors) are separated rates on the tax notice and not part of the municipal tax rate.
 - Municipally Shared Service agreements are part of the municipal tax rate, which are as follows:
 - Fire Service Agreements
 - Stettler Regional Waste Management
 - Stettler Regional Emergency Management Agency (SREMA) agreements
 - Stettler County Recreation Fund
 - Parkland Library
 - Shirley McClellan Water Commission (SMRWSC), Water Line
 - Parkland Regional Subdivision Development Appeal Board Agency
 - Capital Regional Assessment Review Board Agency
 - Parkland Community Planning and Development Agency for Planning Services
 - Assessment Services Agreement

2022 Draft Operating Expenses



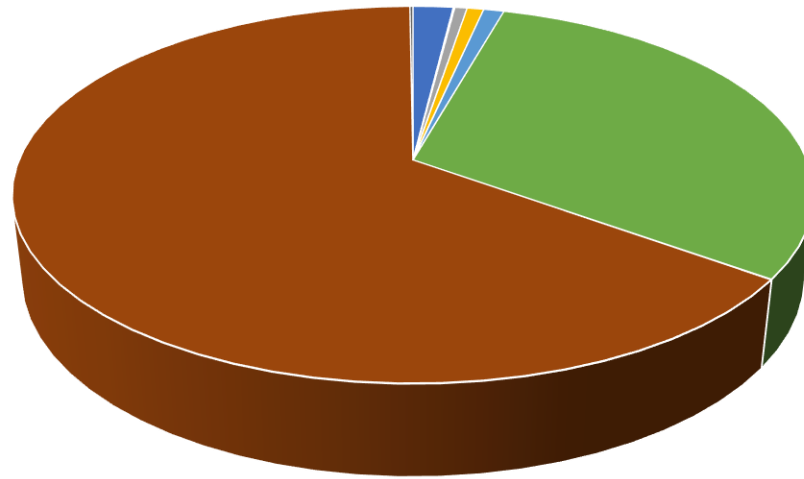
Overall:

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.

1. To mitigate a tax increase Council has the option to move surplus/reserve funds to offset tax increases and maintain current AD 1.27 Operating Profit from Provincial Parks to allocate 75% profit realized per 2022 fiscal year to next year's Capital Expenditures Provincial Park reserve with remaining 25% to General Revenue, which would entail a 6% tax rate increase to cover a \$15,767 deficit. **OR**
2. To increase the tax rate by 3% or Council has the option to move surplus/reserve funds to offset tax increase to cover the 2022 Draft Budget deficit and do a motion to allocate 60% profit realized per 2022 fiscal year to next years Capital Expenditures Provincial Park reserve with remaining 40% to General Revenue as per the AD1.27 Operating Profit from Provincial Parks Policy

Example: 3% tax rate increase would change the mill rate to 4.0582, which would offset the deficit.

2022 Draft Operating Revenue



- Administration
- Protective Services
- Common Services
- Planning and Development
- Parks and Rec
- Provincial Park
- Excess Collection Requisition
- Taxes
- Other

(2022 Operating Budget Spreadsheet)-Attached for review

Motions for Consideration:

- Council to approve the 2022 Draft Operating Budget amount of \$676,371.77 to include a 3% mill rate increase or transfer from reserves and approve the 2023-2025, 3-year draft operating budget.
- Council to allocate 60% profit realized for 2022 fiscal year to next years Capital Expenditures Provincial Park reserve with remaining 40% to general revenue as per AD 1.27 Policy.

3% Municipal Mill Rate Change over 2021 based on assessment value would be as follows:

Assessment	2021 Tax Rate	2022 Tax Rate	Annual	Monthly
\$200,000.00	\$788.00	\$811.64	\$23.64	\$1.97
\$250,000.00	\$985.00	\$1,014.55	\$29.55	\$2.46
\$300,000.00	\$1,182.00	\$1,217.46	\$35.46	\$2.96
\$350,000.00	\$1,379.00	\$1,420.37	\$41.37	\$3.45
\$400,000.00	\$1,576.00	\$1,623.28	\$47.28	\$3.94
\$450,000.00	\$1,773.00	\$1,826.19	\$53.19	\$4.43
\$500,000.00	\$1,970.00	\$2,029.10	\$59.10	\$4.93
\$600,000.00	\$2,364.00	\$2,434.92	\$70.92	\$5.91
\$700,000.00	\$2,758.00	\$2,840.74	\$82.74	\$6.89
\$800,000.00	\$3,152.00	\$3,246.56	\$94.56	\$7.88