

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 March 9, 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, which will affect the 2021 Operating Budget of Summer Village of Rochon Sands. 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.

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. These numbers will be subject to year end adjustments with the audit function of preparing financial statements with Gitzel and Company.

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 accounts for \$302,993 in MSI and FGTF funds received in previous years leaving unrestricted surplus from taxation at \$49,852.

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. 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. Alberta Minimum wage has increased and therefore, Administration is of the opinion to retain and attract seasonal staff including summer students, salaries must increase in 2021 budget. 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.

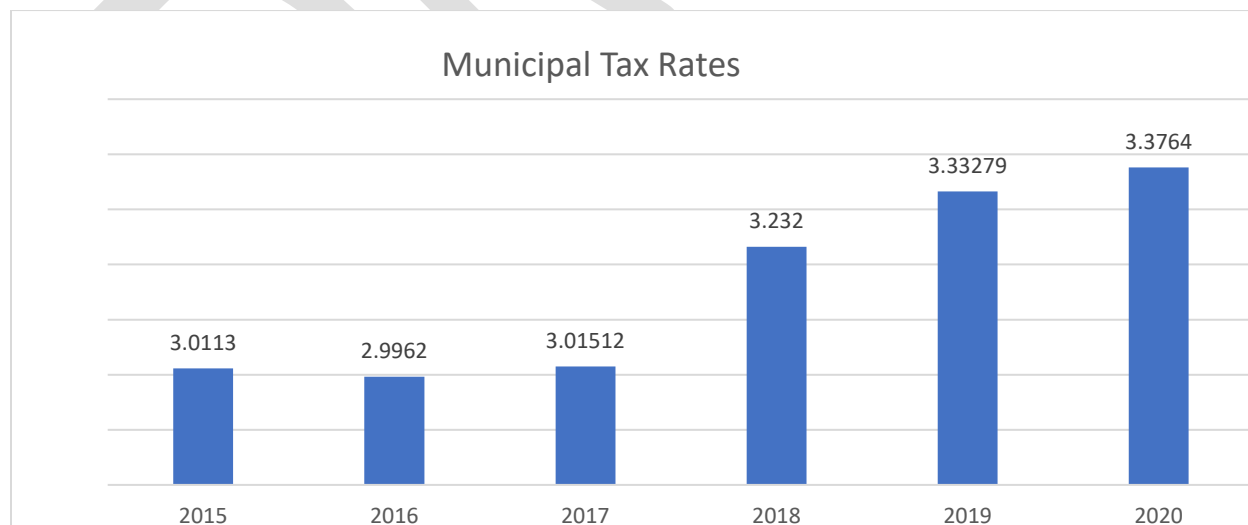
Minimal additional revenue has been projected as new assessment growth from new construction in 2020 (two development permits for garages). Additional assessment growth is calculated in the tax rates and lowers the overall tax rate that is applied to all properties.

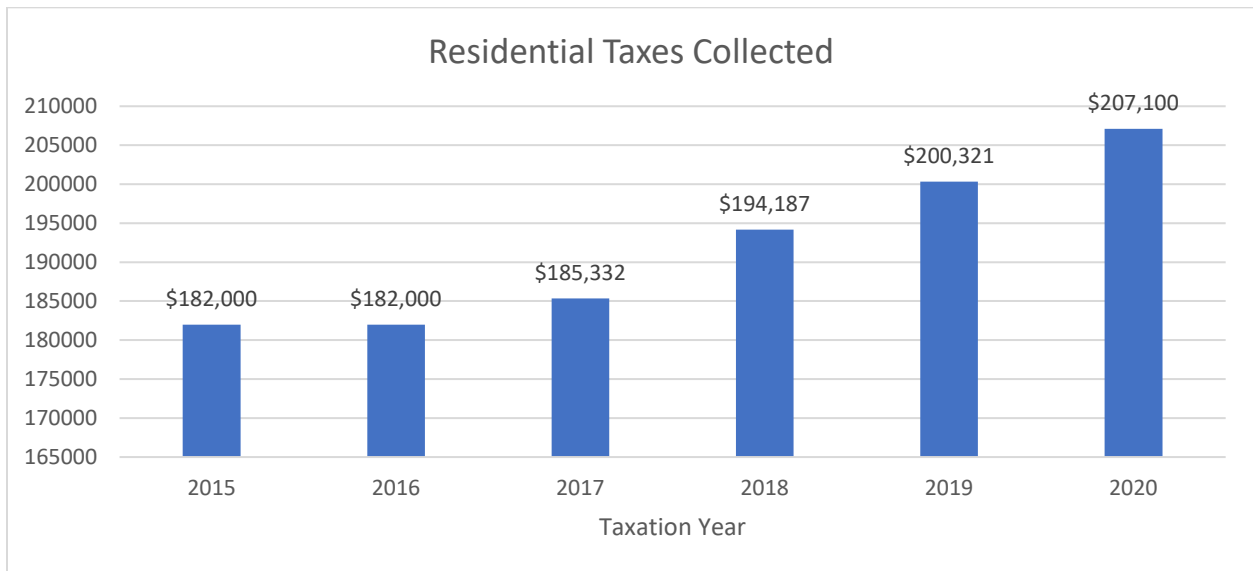
Parks Operations profits have been historically received as capital spending reserves and captured in the Reserve Bank Account at RBC along with grant funding.

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.



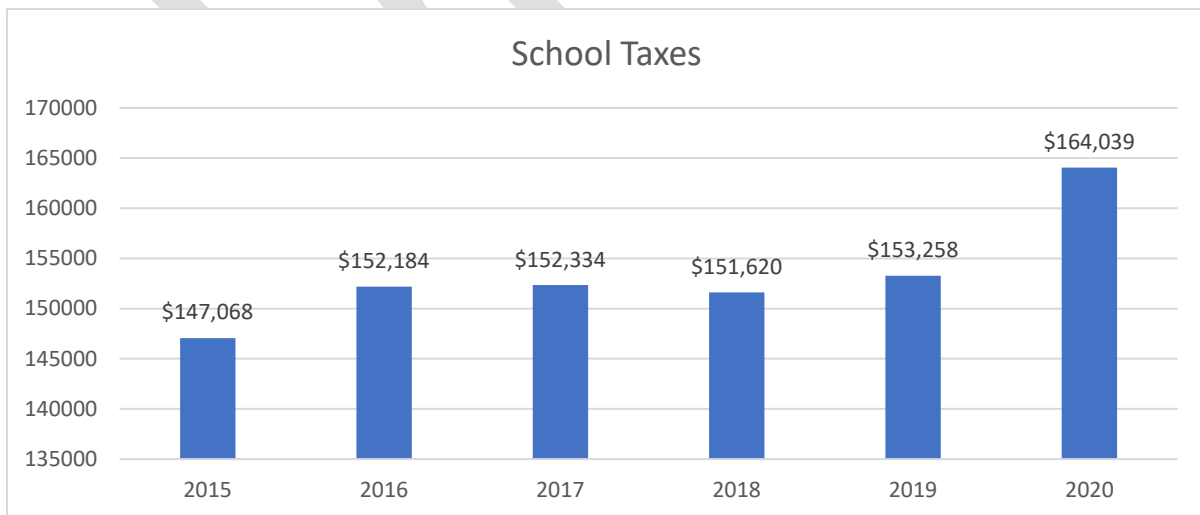


The graphs above show the residential tax rates and total amounts collected over the past 6 years. A total revenue increase of \$25,100 is a total 14% increase over the past 6 years as an average increase of \$4100/year to operate the Summer Village of Rochon Sands.

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 and the new policing levy province wide. In general, municipalities costs have increased with additional reporting requirements and introduction of new procedures brought on by the Modernized Municipal Government Act. The Chief Administrative Officer of the Summer Village has worked hard to ensure all financial requirements have been met.

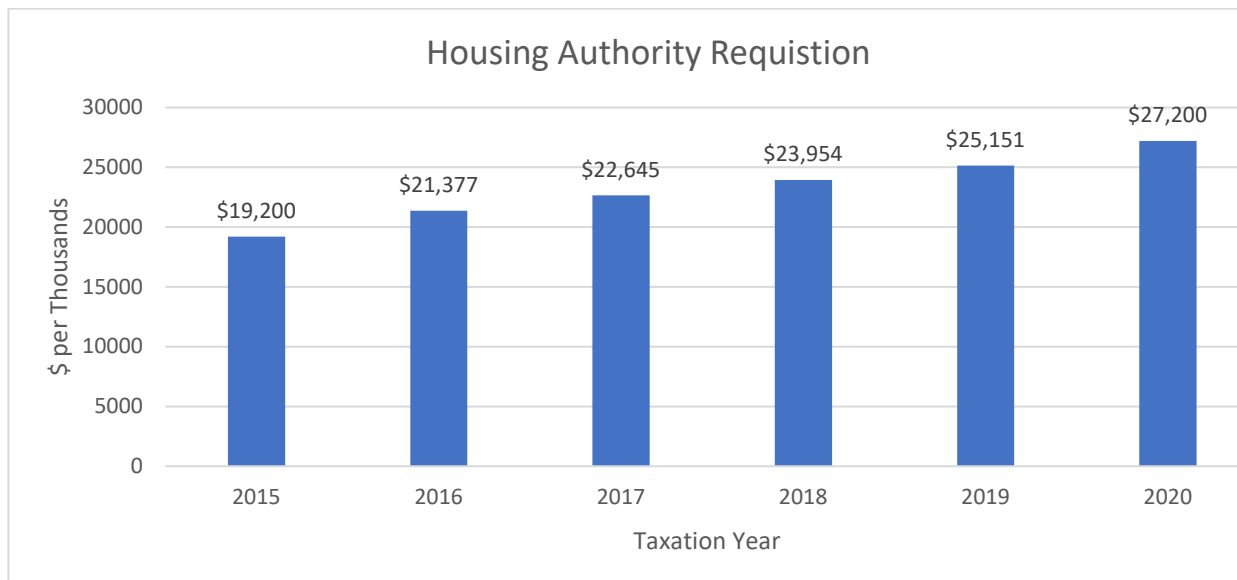
#### School Tax Requisitions:

The Summer Village of Rochon Sands has seen an increase in the Equalized Assessment for 2020 which has been adjusted for assessment growth in the past year with new construction. This increase is \$10,781 or a 7% increase in school taxes for 2020.



### Seniors Requisitions:

The Stettler Housing Authority has expressed budget increases for 2020 as their expenses increase. The requisition from Stettler Housing Authority is expected to increase.



### Franchise Fees:

Council has 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:

Chief Administrative Officer salary increases as prescribed in employment contract for 2020.

Small increases for operating budget for inflationary increases for all categories.

#### 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 2020.

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 discuss Capital Replacement with reserve funds as part of Capital Budget.

#### Water and Wastewater:

SMRWSC Costs are increasing, therefore requisitions will increase.

### Planning and Development:

The Summer Village will pay \$2500 annually to PCPS for a declining balance fund for services rendered. In calendar year 2019 the Summer Village undertook a Land Use Bylaw review to comply with new legislation as higher costs were encountered under expenses. For the 2020 Operating Year, the new Intermunicipal Collaboration Framework document has been contracted to a consultant with costs being shared with Stettler County.

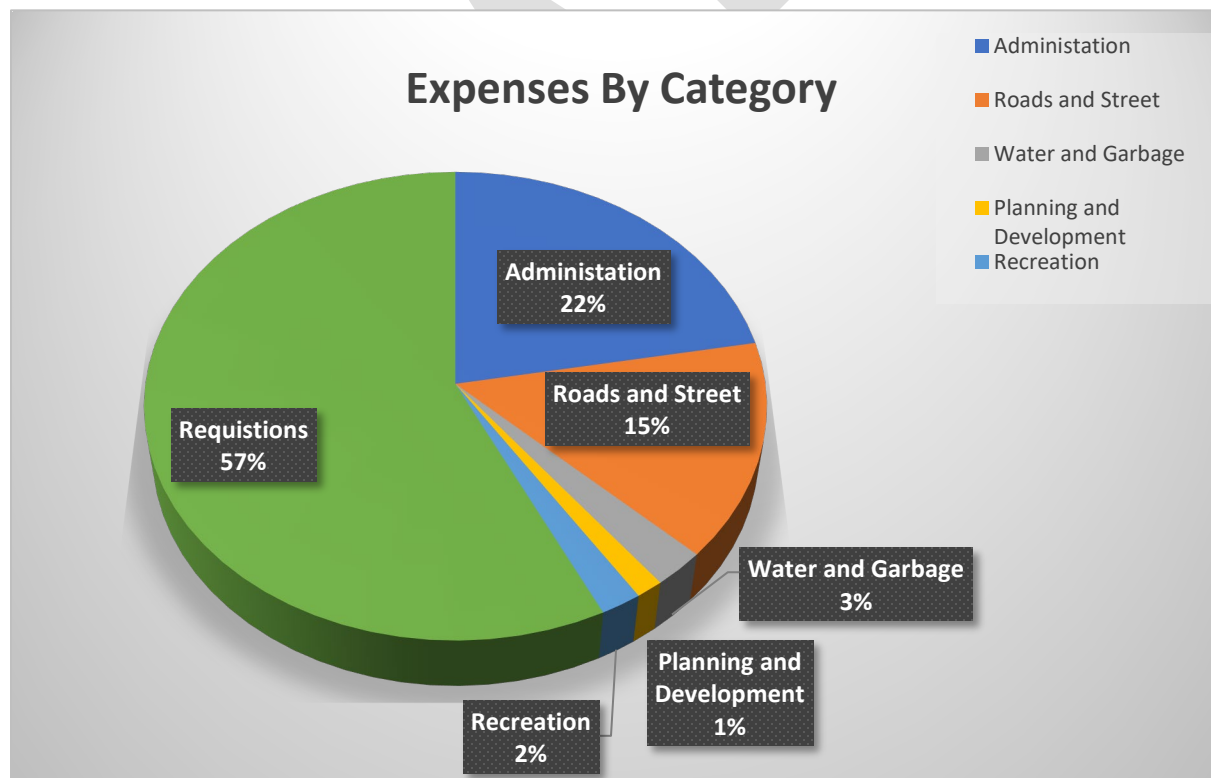
### Recreation and Culture:

All costs are predicted to remain stable for 2019.

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) for the coming years as the Rochon Sands Community Emergency Management Plan is reviewed and revised.**

**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 2020 Operating Budget-forms part of 2020 Operating Budget approval.

Approved by Resolution #

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Chief Elected Official

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Chief Administrative Officer