



# Report

## TITLE: 2023 BUDGET AMENDMENTS

Meeting: Council Meeting

Meeting Date: April 26, 2023

### Background

At their December 14<sup>th</sup>, 2022 regular meeting Council approved the 2023 budget with total operating expenses of \$34,337,750 and total capital expenditures of \$3,283,350.

Prior to setting the 2023 tax rates, administration is recommending the following amendments to these budgets.

### Operating

Department	Amount	Description
Corporate Services	(\$26,650)	Wages reallocated to Health and Safety, reduced cost for audio video project MSI Operating project. Reduced grant revenue for MSI operating
Health and Safety	\$34,050	Wages reallocated from Corporate Services plus small change to repairs/maintenance
Public Works	\$276,200	Includes increase to machinery repairs (\$112,000 for transmission & engine repair equipment, loader tires and additional grader warranty), gravel (\$102,500 for engineering and legal portion of gravel exploration and testing), gravel materials (\$50,000 for additional arterial road network gravel), and miscellaneous (\$11,700 for utilities and grader shed maintenance, MSI Grant allocation)
Public Health	\$5,475	Funding of the FIHAR Committee
Parks	\$19,000	Repairs to Galahad outdoor rink, playgrounds and aerator at Fish Lake
Recreation	\$120,000	\$100,000 to Killam Regional Pool and \$20,000 to Valley Ski Hill
Miscellaneous	\$12,400	Increase to utilities, equipment repairs and fuel for multiple departments
Revenue Own Sources/Bad Debt	\$0	Increase penalties on taxes \$700,000, increase bad debt taxes \$700,000; net change \$0
<b>Net Change</b>	<b>\$440,475</b>	

These proposed amendments would result in the following change to the budgets.

<b>Operating Budget</b>			
	<b>Approved Dec. 14, 2022</b>	<b>Proposed April 26, 2023</b>	<b>Difference</b>
<b>Taxes Raised</b>	<b>\$22,374,100</b>	<b>\$22,579,925</b>	<b>\$205,825</b>
Funded by taxes	\$22,128,100	\$22,516,275	\$388,175
Funded by reserves	\$164,400	\$231,700	\$67,300
Funded by grants and other	\$3,158,400	\$3,925,925	\$767,525
<b>Municipal Revenue</b>	<b>\$25,450,900</b>	<b>\$26,673,900</b>	<b>\$1,223,000</b>
To Capital Budget	\$213,050	\$11,515	(\$201,535)
Surplus	\$32,950	\$52,135	\$19,185
<b>Total Operating Expenses</b>	<b>\$34,337,750</b>	<b>\$35,214,780</b>	<b>\$877,030</b>
Requisitions	\$4,033,000	\$3,810,030	\$222,970
Depreciation	\$4,853,850	\$4,730,850	\$123,000
<b>Total Municipal Budget</b>	<b>\$25,450,900</b>	<b>\$26,673,900</b>	<b>\$1,223,000</b>

Notice that slightly more property tax revenue is being raised overall compared to what was approved in late 2022. This is due to increased assessment relative to what was estimated in December. The tax rates have been reduced to compensate for this increase as Council will review in the *2023 Tax Rate Bylaw* issue which is next on the agenda.

### Capital

<b>Capital Budget</b>			
	<b>Approved Dec. 14, 2022</b>	<b>Proposed April 26, 2023</b>	<b>Difference</b>
Grants	\$2,454,700	\$2,428,250	(\$26,450)
Sale of Assets	\$610,600	\$802,735	\$192,135
<b>Change in Revenue</b>	<b>\$3,070,300</b>	<b>\$3,235,985</b>	<b>\$165,685</b>
Capital - Hamlets	\$493,000	\$441,550	(\$51,450)
Capital - Buildings	\$90,000	\$103,000	\$13,000
Capital - Bridges	\$415,000	\$430,000	\$15,000
Inventory - Gravel	\$12,400	\$0	(\$12,400)
<b>Total Capital Expenditures</b>	<b>\$3,283,350</b>	<b>\$3,247,500</b>	<b>(\$35,850)</b>
<b>Net Change</b>	<b>\$213,050</b> (funded by taxes)	<b>\$11,515</b> (funded by taxes)	<b>\$201,535</b>

Notice that there is an increase in revenue of \$165,685 and a decrease in capital expenditure of \$35,850. This means there is a requirement for less tax dollars to fund capital purchases in 2023.

Administration is recommending that Council approve the above changes to the 2023 budgets which would result in the 2023 tax rate needing to generate \$22,579,925 in property tax revenue.

### **Alignment with the Strategic Plan**

The Business Plan and Budget is an integral part of Flagstaff County's Strategic Plan as it allows the County to do business with accountability to its citizens and future generations with openness, transparency, and inclusiveness. Taxes are the main source of revenue for the Business Plan and Budget.

## **Alternatives/Options**

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- 1) To approve the proposed amendments to the 2023 budgets as presented with operating expenses increasing by \$440,475 to total \$26,673,900 and capital expenditures decreasing by \$35,850 to total \$3,247,500.
- 2) To reject the proposed budget amendments
- 3) To approve alternative amendments to the 2023 budgets

## **Recommendation**

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THAT Council approve the proposed budget amendments for the 2023 Business Plan and Budget as presented with operating expenses increasing by \$440,475 to total \$26,673,900 and capital expenditures decreasing by \$35,850 to total \$3,247,500.

# 2023 - 2025 Budget Plan Summary

19-Apr-23

## OPERATING

DESCRIPTION	2022 ACTUAL	2022 APPROVED	2023 APPROVED	2023 REVISED	2024 FORECAST
<b>OPERATING REVENUE</b>					
Legislative	\$ (28,692)	\$ (33,100)	\$ -	\$ -	\$ -
Corporate Services	\$ (308,095)	\$ (425,100)	\$ (312,600)	\$ (282,600)	\$ (82,600)
Police Services	\$ (19,518)	\$ (54,000)	\$ (26,000)	\$ (26,000)	\$ (26,000)
Bylaw Enforcement	\$ (797)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)
Fire Protection	\$ (122,410)	\$ (48,000)	\$ (6,000)	\$ (6,000)	\$ (7,500)
Emergency Management	\$ (3,014)	\$ -	\$ -	\$ -	\$ -
Health & Safety	\$ (6,117)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Public Works	\$ (405,119)	\$ (149,500)	\$ (184,000)	\$ (261,500)	\$ (169,000)
Airport Transportation	\$ (102,682)	\$ (105,300)	\$ (137,850)	\$ (137,850)	\$ (144,100)
Water Distribution	\$ (280,598)	\$ (296,300)	\$ (318,600)	\$ (318,600)	\$ (291,200)
Sanitary Sewage	\$ (96,978)	\$ (97,000)	\$ (99,400)	\$ (99,400)	\$ (99,400)
Waste Disposal	\$ (60,828)	\$ (60,000)	\$ (63,800)	\$ (63,800)	\$ (65,100)
Community Services	\$ (299,084)	\$ (289,100)	\$ (289,100)	\$ (289,100)	\$ (289,100)
Public Health	\$ -	\$ -	\$ -	\$ (7,525)	\$ -
Environment (ASB)	\$ (237,117)	\$ (189,250)	\$ (232,350)	\$ (244,850)	\$ (186,350)
Economic Development	\$ (193,149)	\$ (1,500)	\$ (5,500)	\$ (5,500)	\$ (5,500)
Planning and Development	\$ (22,608)	\$ (26,000)	\$ (27,500)	\$ (27,500)	\$ (27,500)
Parks	\$ (15,829)	\$ (13,500)	\$ (13,700)	\$ (13,700)	\$ (13,700)
Recreation	\$ (6,645)	\$ -	\$ -	\$ -	\$ -
Culture	\$ (252)	\$ (1,000)	\$ (500)	\$ (500)	\$ (300)
Revenue Own Source/Taxes	\$ (25,982,666)	\$ (23,186,220)	\$ (23,804,100)	\$ (24,709,925)	\$ (24,126,100)
Tax Revenue Requisitions	\$ (3,977,505)	\$ (3,981,160)	\$ (4,033,000)	\$ (3,810,030)	\$ (4,096,300)
Transfer from Reserves Operating	\$ (14,375)	\$ (15,650)	\$ (164,400)	\$ (231,700)	\$ (4,960)
<b>TOTAL REVENUE OPERATING</b>	<b>\$ (32,184,078)</b>	<b>\$ (28,983,180)</b>	<b>\$ (29,729,900)</b>	<b>\$ (30,547,580)</b>	<b>\$ (29,646,210)</b>

<b>OPERATING EXPENSES</b>					
Legislative	\$ 421,468	\$ 458,750	\$ 436,450	\$ 436,450	\$ 463,450
Corporate Services	\$ 3,016,357	\$ 3,320,100	\$ 3,522,150	\$ 3,465,500	\$ 3,344,900
Police Services	\$ 450,575	\$ 544,000	\$ 674,800	\$ 674,800	\$ 674,350
Bylaw Enforcement	\$ 516	\$ 5,250	\$ 4,250	\$ 4,250	\$ 4,250
Fire Protection	\$ 843,794	\$ 791,800	\$ 672,950	\$ 672,950	\$ 678,400
Emergency Management	\$ 6,198	\$ 7,100	\$ 11,600	\$ 11,600	\$ 11,600
Health & Safety	\$ 207,641	\$ 244,450	\$ 230,350	\$ 264,400	\$ 234,600
Public Works	\$ 12,843,470	\$ 13,265,700	\$ 13,703,250	\$ 13,948,950	\$ 13,785,450
Airport Transportation	\$ 172,569	\$ 164,050	\$ 201,350	\$ 205,350	\$ 211,150
Water Distribution	\$ 317,612	\$ 313,500	\$ 346,250	\$ 347,050	\$ 322,850

DESCRIPTION	2022 ACTUAL	2022 APPROVED	2023 APPROVED	2023 REVISED	2024 FORECAST
Sanitary Sewage	\$ 104,573	\$ 100,550	\$ 112,850	\$ 113,450	\$ 113,500
Waste Disposal	\$ 493,004	\$ 494,500	\$ 520,350	\$ 520,350	\$ 524,350
Community Services	\$ 442,777	\$ 432,900	\$ 413,100	\$ 413,100	\$ 414,400
Public Health	\$ 23,144	\$ 23,150	\$ 22,400	\$ 35,400	\$ 22,400
Environment (ASB)	\$ 815,763	\$ 874,000	\$ 891,700	\$ 911,200	\$ 858,450
Economic Development	\$ 548,919	\$ 524,950	\$ 684,500	\$ 684,500	\$ 546,850
Planning and Development	\$ 241,304	\$ 298,900	\$ 310,350	\$ 310,350	\$ 313,400
Parks	\$ 122,172	\$ 123,550	\$ 152,800	\$ 171,800	\$ 139,500
Recreation	\$ 685,264	\$ 679,250	\$ 679,250	\$ 799,250	\$ 679,250
Culture	\$ 44,161	\$ 45,400	\$ 54,850	\$ 54,850	\$ 55,650
Tax Bad Debt	\$ 2,962,061	\$ 2,000,000	\$ 1,800,000	\$ 2,500,000	\$ 1,500,000
Requisitions	\$ 3,977,505	\$ 3,981,160	\$ 4,033,000	\$ 3,810,030	\$ 4,096,300
Transfer to Reserves Operating	\$ 5,052,000	\$ 1,542,800	\$ 1,950,000	\$ 1,950,000	\$ 1,000,000
Transfer to Capital Reserves	\$ 3,209,950	\$ 3,800,000	\$ 2,909,200	\$ 2,909,200	\$ 2,119,200
<b>TOTAL EXPENSES OPERATING</b>	<b>\$ 37,002,797</b>	<b>\$ 34,035,810</b>	<b>\$ 34,337,750</b>	<b>\$ 35,214,780</b>	<b>\$ 32,114,250</b>
<b>NET OPERATING</b>	<b>\$ 4,818,719</b>	<b>\$ 5,052,630</b>	<b>\$ 4,607,850</b>	<b>\$ 4,667,200</b>	<b>\$ 2,468,040</b>
Less Depreciation (non cash item)	\$ 4,589,852	\$ 4,853,650	\$ 4,853,850	\$ 4,730,850	\$ 5,014,750
<b>TOTAL NET OPERATING</b>	<b>\$ 228,867</b>	<b>\$ 198,980</b>	<b>\$ (246,000)</b>	<b>\$ (63,650)</b>	<b>\$ (2,546,710)</b>

## CAPITAL

DESCRIPTION	2022 ACTUAL	2022 APPROVED	2023 APPROVED	2023 REVISED	2024 FORECAST
<b>Capital Revenue</b>					
Transfer from MSI Capital Grant	\$ (1,119,460)	\$ (1,285,550)	\$ (1,658,700)	\$ (1,658,700)	\$ (3,314,000)
Canadian Community Building Fund	\$ -	\$ -	\$ (303,000)	\$ (328,000)	\$ -
MSP/STIP Grant	\$ -	\$ -	\$ -	\$ -	\$ -
MSI /FGT Grants Hamlets	\$ (137,347)	\$ (180,000)	\$ (493,000)	\$ (441,550)	\$ -
Sale of Assets	\$ (611,000)	\$ (531,000)	\$ (610,600)	\$ (802,735)	\$ (552,900)
Transfers From Reserves Capital	\$ (332,370)	\$ (406,370)	\$ (5,000)	\$ (5,000)	\$ -
<b>Total Revenue</b>	<b>\$ (2,200,177)</b>	<b>\$ (2,402,920)</b>	<b>\$ (3,070,300)</b>	<b>\$ (3,235,985)</b>	<b>\$ (3,866,900)</b>
<b>CAPITAL Expenses</b>					
Capital - Hamlets	\$ 128,841	\$ 180,000	\$ 493,000	\$ 441,550	\$ 33,000
Capital - Equipment/Vehicles	\$ 1,505,118	\$ 1,576,920	\$ 2,182,550	\$ 2,182,550	\$ 2,438,200
Capital - Buildings	\$ 8,506	\$ 74,000	\$ 90,000	\$ 103,000	\$ 100,000
Capital - Land/Improvements	\$ 11,499	\$ -	\$ -	\$ 12,400	\$ -
Capital - Airport	\$ -	\$ -	\$ 12,400	\$ -	\$ -
Capital - Road Construction	\$ 46,553	\$ 115,000	\$ 20,000	\$ 20,000	\$ 3,621,500
Capital - Bridges	\$ 94,010	\$ 155,000	\$ 415,000	\$ 430,000	\$ 211,500
Inventory - Gravel	\$ -	\$ -	\$ 12,400	\$ -	\$ -

DESCRIPTION	2022 ACTUAL	2022 APPROVED	2023 APPROVED	2023 REVISED	2024 FORECAST
Capital - Parks/Recreation	\$ -		\$ 58,000	\$ 58,000	\$ 5,000
<b>TOTAL EXPENSES CAPITAL</b>	\$ 1,794,527	\$ 2,100,920	\$ 3,283,350	\$ 3,247,500	\$ 6,409,200
<b>TOTAL NET CAPITAL</b>	\$ (405,650)	\$ (302,000)	\$ 213,050	\$ 11,515	\$ 2,542,300

\$ (32,950) \$ (52,135)