



Town of Morinville
2012 Operational Budget
& Capital Plan
- Addendum 1 -



November 25, 2011

Budget Update

Town Council, at their November 8, 2011 Regular Council Meeting passed first reading of the 2012 Operational Budget & Capital Plan. Following first reading, two open houses were held, November 14 and 16 at the Community Cultural Centre. Over 40 residents and business people attended these open houses and provided comments and recommendations to Council and Town Administration.

At the November 22, 2011 Regular Council Meeting, Council considered second reading of the Budget. Prior to the passing of second reading a number of amendments were considered by Council. The amendments that were passed applied to Operational Projects, Capital Projects, and Operational Budget. The impacts of the amendments specific to projects are as follows:

Project	Original Expense	Revised Expense	Change/Savings
Econ. Dev. Strategy. Implementation	\$80,000	\$40,000	\$40,000
Outdoor Message Sign	\$71,000	\$0	\$71,000
Tech Plan Dev. & Implementation.; PR, Com., Marketing & Adv.; Citizen Engagement (combined)	\$185,000	\$125,000	\$60,000
Walking Trail Signage	\$7,500	\$0	\$7,500
Multi-Term Council Development Program	\$10,000	\$0	\$10,000
Lakes Playground	\$200,000	\$100,000	\$100,000
Community Grant Program; Morinville Arts Council; Community Garden; G.P. Vanier School Playground (combined)	\$94,500	\$54,500	\$40,000
Heritage Lake Site Plan; Notre Dame/Montreau Site Plan (combined)	\$72,000	\$30,000	\$42,000
Development Plan East Boundary Road	\$200,000	\$100,000	\$100,000
Walking Trail Expansion	\$300,000	\$150,000	\$150,000
Total Savings on Projects			\$620,500

Amendments continued:

- Town Hall Technology Program this item had been previously deleted as Town Hall renovations/modernization budget was adequate – no savings
- Net Operational Budget to be reduced by \$150,000 – savings of \$150,000.

Total Savings/Reductions - \$770,500.

Tax Supported Operating Budget

Revenues

Administration has reviewed the operating budgets for departments and will be bringing forward to third reading a number of changes totaling \$150,000. The recommendation will include an increase of revenue of \$25,000 and a reduction in expenditures of \$125,000.

Net taxes for 2012 continue to be projected with an increase of 4% for residential and non-residential properties and a 2% increase in real assessment. Revenues now appear as follows:

	2009	2010	2011	2012	2013	2014
Net Taxes	5,885,466	6,278,073	6,622,052	6,984,596	7,266,774	7,560,352
Grants	683,208	526,395	435,023	797,290	813,236	829,501
Permits & Licenses	298,346	570,970	416,936	460,500	469,710	479,104
Franchise Fees	780,955	808,359	946,212	888,549	906,320	924,446
Fines & Penalties	454,249	1,013,752	644,013	660,000	673,200	686,664
Other Revenues	840,186	1,397,669	1,005,564	1,087,419	1,109,167	1,131,350
Return on Investments	91,494	86,685	92,437	90,000	91,800	93,636
	<u>9,033,904</u>	<u>10,681,903</u>	<u>10,162,237</u>	<u>10,968,354</u>	<u>11,330,207</u>	<u>11,705,053</u>
Increase in Revenues				25,000		
Total Revenues				<u>10,993,354</u>		

Expenditures

The reduction in expenditures will impact the operating expenditures as follows:

	2009	2010	2011	2012	2013	2014
Salaries & Wages	3,697,946	3,802,461	4,720,540	5,210,115	5,314,317	5,420,604
Contracted Services	1,165,679	1,290,339	1,172,593	1,385,636	1,408,249	1,415,033
Policing Contract	1,038,868	1,015,906	1,004,595	1,100,000	1,122,000	1,144,440
Legal Fees	123,700	195,335	107,703	114,000	116,280	118,606
Insurance	102,309	113,868	103,965	120,140	122,543	117,565
Audit Fees	24,156	35,986	36,000	36,100	36,822	37,558
General Goods	326,654	402,991	354,917	342,900	349,758	307,657
Other Expenditures	1,558,167	1,886,092	1,625,102	2,097,618	2,139,570	1,980,711
Financing costs	64,442	90,224	134,119	253,938	264,583	239,164
	<u>8,101,921</u>	<u>8,833,202</u>	<u>9,259,534</u>	<u>10,660,447</u>	<u>10,874,122</u>	<u>10,781,338</u>
Reduction in Expenditures				125,000		
Adjusted Expenditures				10,535,447		

Excess Funds Prior to Debenture Debt Commitments, Operational Projects & Amortization

As a result of the revised proposed revenues and expenditures, the projected excess position for the tax related operations is portrayed in the following table. Excess funds are used to provide payment for outstanding debentures, fund operational projects and provide resources for capital reserves. Capital projects are funded through capital reserves, Provincial/Federal government funding and debenture funding.

	2009	2010	2011	2012	2013	2014
Revenues	9,033,904	10,681,903	10,162,237	10,993,354	11,330,207	11,705,053
Expenditures	8,101,921	8,833,202	9,259,534	10,535,447	10,874,122	10,781,338
Excess of Funds	931,983	1,848,701	902,703	457,907	456,085	923,715

Application of Excess Funds

For the years 2009 through 2011, operational projects were included within the regular operating budgets for the Town. Commencing in 2012, it was felt that it was more informative and appropriate to budget these items separately.

For 2009 and 2010, these excess funds were directed to Capital Reserves to be used for Capital Purchases.

The following table outlines the proposed operational projects and the second table the application of these funds.

Project	2012	2012	Change
	Original	Revised	
CCC Morinville Arts Council	5,000		5,000
Citizen Engagement - Capacity Building	10,000		10,000
Coeur de Morinville Area Structure Plan	75,000	75,000	-
Community Grant Program	9,500	54,500	(45,000)
Continue Brand Rollout	50,000	50,000	-
Economic Development Strategy & Implementation	80,000	40,000	40,000
Highway 642 Functional Plan	75,000	75,000	-
MSP Stimulus	50,000	50,000	-
Multi Term Council Development Program	10,000	-	10,000
Outdoor Arena Repair	10,000	10,000	-
Outdoor Bathroom Facilities	10,500	10,500	-
Public Relations, Communications, Marketing & Advertising	50,000	-	50,000
Technology Plan Development & Implementation	125,000	125,000	-
Tree Program	35,000	35,000	-
Walking Trail signage	7,500	-	7,500
Total	602,500	525,000	77,500

The Budget as it now stands will be utilizing \$860,645 from Operational Reserves leaving an estimated \$176,768 in Operational Reserves.

	2009	2010	2011	2012 Original	2012 Revised
Excess of funds	931,983	1,848,701	902,703	307,907	457,907
Debenture Payments	58,108	61,595	65,290	793,552	793,552
	873,875	1,787,106	837,413	(485,645)	(335,645)
Operational Projects	-	-	-	602,500	525,000
Excess (Deficiency)	873,875	1,787,106	837,413	(1,088,145)	(860,645)
Directed to Capital Reserves	873,875	1,787,106	300,000		
Directed to Operating Reserves			537,413		
Funds from Operating Reserves				1,037,413	860,645
Final Excess (Deficiency)	-	-	-	(50,732)	-

Utility Supported Operating Budget

No changes were proposed to the Utility supported budgets and Revenues remain as follows:

	2009	2010	2011	2012	2013	2014
Revenues						
Water Sales	1,738,961	2,030,604	2,076,106	2,095,000	2,136,900	2,179,638
Sewer Charges	1,183,622	1,320,702	1,362,845	1,340,000	1,366,800	1,394,136
Garbage & Recycling	444,896	510,427	519,987	657,991	671,151	684,574
Other Income	362,878	299,439	311,696	313,000	319,260	325,645
Total Revenue	3,730,357	4,161,172	4,270,634	4,405,991	4,494,111	4,583,993
Expenditures						
Salaries & Wages	682,360	625,998	677,463	718,708	733,083	747,744
Contracted Services	324,385	475,758	485,687	675,991	689,511	703,301
Reg. Sewer Charges	527,275	508,223	600,092	610,000	622,200	634,644
Purchase of Water	772,980	777,071	758,129	775,000	790,500	806,310
Other Expenditures	466,196	503,892	404,570	388,200	395,963	403,884
Total Expenditures	2,773,196	2,890,942	2,925,941	3,167,899	3,231,257	3,295,883
Excess (Deficiency)	957,161	1,270,230	1,344,693	1,238,092	1,262,854	1,288,110

Tax Supported Capital Budget

The Tax Supported Capital Budget was reduced from \$6,065,000 to \$5,522,000.

The following Tax Supported Capital Projects have been proposed for 2012:

Projects	Original Cost Estimate	Revised Cost Estimate	Grant	Reserve	Debenture
Affordable Housing	750,000	750,000	✓		
Arena Upgrades	25,000	25,000		✓	
Burial Power Lines	300,000	300,000	✓	✓	
East Boundary Road Engineering	200,000	100,000	✓		
Fleet Addition	35,000	35,000		✓	
Fleet Replacement	184,000	184,000		✓	
General Bldg. Upgrades	21,000	21,000		✓	
Traffic & Pedestrian Safety Review/Plan	50,000	50,000	✓		
Outdoor Message Sign	71,000	-		NA	
Public Works Land Functional Plan	2,000	2,000	✓		
Road Rehabilitation	515,000	515,000	✓		
St. Germain Plaza	3,235,000	3,235,000	✓	✓	✓
Implem. Rec. Parks & Open Spaces Master Plan	677,000	305,000	✓	✓	
Total	6,065,000	5,522,000	1,950,000	847,000	2,725,000

The proposed Tax Supported Capital projects will impact Capital Reserves as follows:

Reserve	Balance 12/31/2011	Revenues Adjustments	Capital Projects	Balance 12/31/2012
General Capital Reserve	5,993,975	(1,885,354)	528,000	3,580,621
MCCC Capital Reserve	(1,584,310)	300,000		(1,284,310)
Transportation Reserve	(1,112,952)	1,112,952		-
Vehicle & Equipment Reserve	132,952	86,048	219,000	-
Vehicle & Equipment Reserve	(1,779)	1,779		-
Office Equipment Reserve	34,299			34,299
Parks, Recreation & Culture Reserve	(684,575)	684,575		-
Developers Recreation contribution	481,435		100,000	381,435
Total	3,259,045	300,000	847,000	2,712,045

Utility Supported Capital Budget

There were no changes proposed for the Utility Capital Budget.

The following Utility Supported Capital Projects have been proposed for 2012:

Project	Cost	Grant	Reserve	Debenture
Hydrant & Water Valve Replacement	56,275	✓		
Manhole Relining Program	173,891	✓		
Sanitary System Storage Improvement	2,950,000		✓	
South Pumphouse Renovations	1,000,000	✓		
Truck Mounted Valve Exerciser	21,000	✓		
Water Meter Replacement	205,209		✓	
Total	4,406,375	1,251,166	3,155,209	-

The 2012 Utility Supported Capital Projects will impact Capital Reserves as follows:

Reserve	Balance 12/31/2011	Revenues Adjustments	Capital Projects	Balance 12/31/2012
Water Capital Reserve	(1,664,627)	841,681	205,209	(1,028,155)
Sanitary Capital Reserve	1,448,521	396,411	2,950,000	(1,105,068)
Storm Sewer Capital Reserve	40,070			40,070
Total	(176,036)	1,238,092	3,155,209	(2,093,153)

The deficiency in Capital Reserves – utilities will be borrowed from Tax Supported Reserves or Debenture Funding. These amounts will be repaid from future revenues from the Utility Operations.

Utilities operations are based on a full cost recovery basis over a 25 to 40 year period. During that time capital projects will take place that are not fully covered by existing reserves. However, the full cost recovery basis is expected to cover the full cost of Capital Projects over the life of the utilities.