



Mackenzie County

2012 Budget

Mackenzie County's Vision, Mission, Organizational Values

Our Vision Is...

Working towards: an enhanced quality of life, choices in community opportunities and healthy economic climate.

Our Mission is...

Through the effective use of resources, provide a reasonable and equitable level of service and endeavor to create a sustainable economic climate.

Our Organizational Values are...

Efficient, fiscally responsible organization that is sincere and approachable, treats people with respect and maintains a high degree of integrity



Mackenzie County – Highlights of 2011–2014 Business Plan

2012 Budget is prepared to reflect the strategic objectives identified in the County's Business Plan. The County's Business Plan identifies strategic objectives within the following Core Activities:

1. Governance & Leadership

“We will provide responsible leadership and good government for our communities”

2. Community Infrastructure and Municipal Services

“We will ensure that our infrastructure continues to be renewed in a fiscally responsible manner and that our municipal services encourage innovation and cost effectiveness.”

3. Social and Cultural Vibrancy

“We will strive to ensure that Mackenzie County is a great place to live, work and raise a family.”

4. Environmental Stewardship

“Our County will reflect our residents by ensuring that planning proceeds within an environmentally sustainable framework that is innovative and fiscally responsible.

5. Economic Development

“Our County will adopt policies that encourage investment and opportunity while balancing the requirement to preserve and maintain playgrounds and community opening spaces for our residents in our hamlets and the County as a whole.”



Mackenzie County Highlights of 2012 Action Plan for the Core Activities

- ▶ Business Plan Update
- ▶ Sustainability Plan –Action Plan
- ▶ Review of Economic Development Strategy
- ▶ Working with All Stakeholders on the Provincial Land Use Framework
- ▶ Continue Working with Oil & Gas Producers (Maximizing the Fields Life Expectancy)
- ▶ Citizens engagement & education
- ▶ Preparation of a New Long Term Financial Plan
- ▶ Improving Inter–Governmental Relationships
- ▶ Updating Communication Plan
- ▶ Various Infrastructure Improvements (Capital Projects)
- ▶ Increase in Level of Service – Paving of 12 kilometers Highway 88 Connector, Continuing Paving Zama Access Road)
- ▶ New Service – Hamlet of La Crete waste pickup (self–sustainable)
- ▶ Area Structure Plans and Master Plans (water, sewer, storm sewer, transportation) for the Hamlets
- ▶ Finding Funding Solution for Rural Roads Network
- ▶ Working with the Provincial Stakeholders on Surface Water Management for New Agricultural Lands
- ▶ Working with Agricultural Service Board to establish agri–business opportunities



Mackenzie County Statistics

Mackenzie County remains the largest municipality in Alberta and carries specialized municipality status:

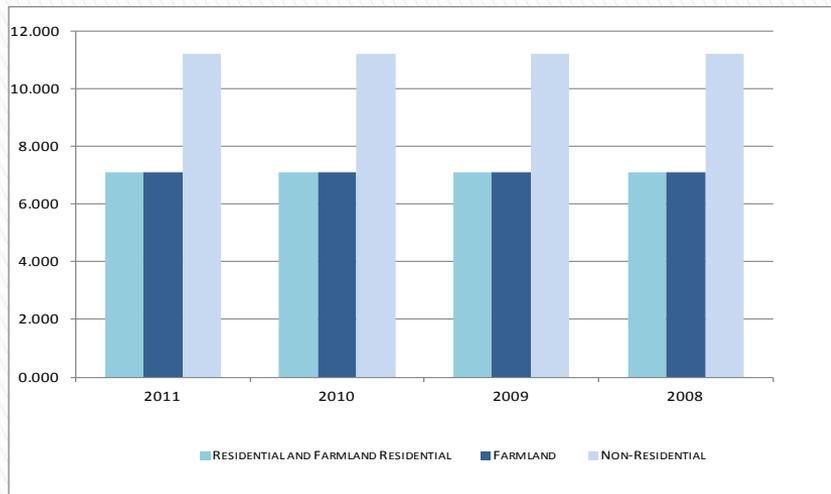
- ▶ Mackenzie County area 7,761,580 hectares
- ▶ Population (2010 Federal Census) 10,927 (9.7% increase from 2005)
- ▶ Number of Hamlets 3 (Fort Vermilion, La Crete, Zama)
- ▶ Number of dwelling units 2,924
- ▶ Total full time positions 72 (plus approximately 20 seasonal positions)
- ▶ Length of roads 1,805 kilometers
- ▶ Length of water mains 100.34 kilometers
- ▶ Length of wastewater mains 58.38 kilometers
- ▶ Length of storm water drains 8.14 kilometers
- ▶ Vehicles fleet (incl. fire equip.) 55 units (cost \geq \$5,000/unit)
- ▶ Equipment (incl. graders) 98 units (cost \geq \$5,000/unit)
- ▶ Buildings structures 71 units (cost \geq \$5,000/unit)
- ▶ Bridges (incl. culverts over 1500 mm) 75 units (cost \geq \$35,000/unit)



Mackenzie County 2012 Assessment, Taxation, Mil Rate



	2012	2011	2010	2009	2008
Residential and Farmland Re	7.598	7.098	7.098	7.098	7.098
Farmland	7.598	7.098	7.098	7.098	7.098
Non-Residential	11.711	11.211	11.211	11.211	11.211

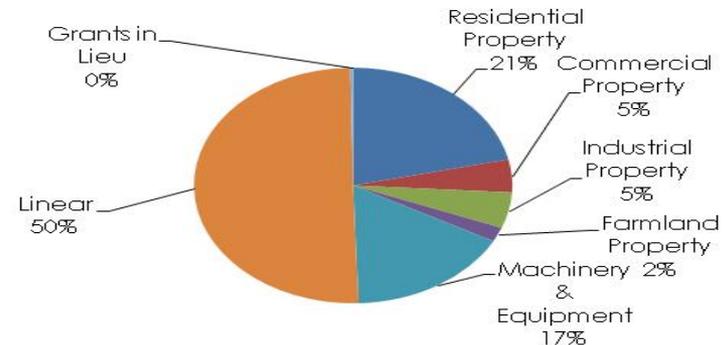


2012 rates:

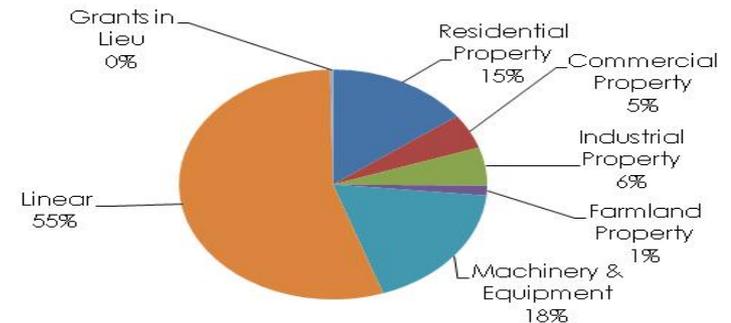
	Municipal	School	Seniors	Total	change
Residential	7.598	2.4160	0.135	10.1490	4.14%
Farmland	7.598	2.4160	0.135	10.1490	4.14%
Non-residential	11.711	3.9860	0.135	15.8320	0.79%

Mackenzie County Council increased 2012 rate by 0.5 mil for residential and non-residential in order to meet the projected financial obligations at the current level of service.

2011 Taxable Assessment



2011 Municipal Levy Revenue



Mackenzie County's 2012 tax revenues are:

Municipal Tax	\$23,371,634
School Tax	\$6,181,776
Seniors' Lodge	\$531,271*

*Please note the lodge requisition was reduced by \$239,556 due to prior years' over requisition and 2012 seniors' rate reflects this reduction.

Mackenzie County History of Taxable Assessment



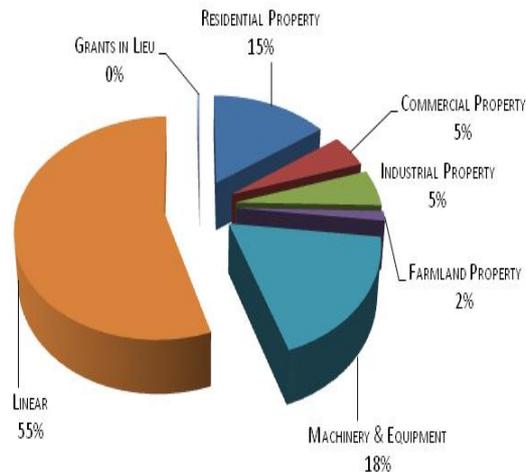
■ Residential Property
 ■ Commercial Property
 ■ Industrial Property
 ■ Farmland Property
 ■ Machinery & Equipment
 ■ Linear
 ■ Grants in Lieu



Mackenzie County 2012 Operating Budget



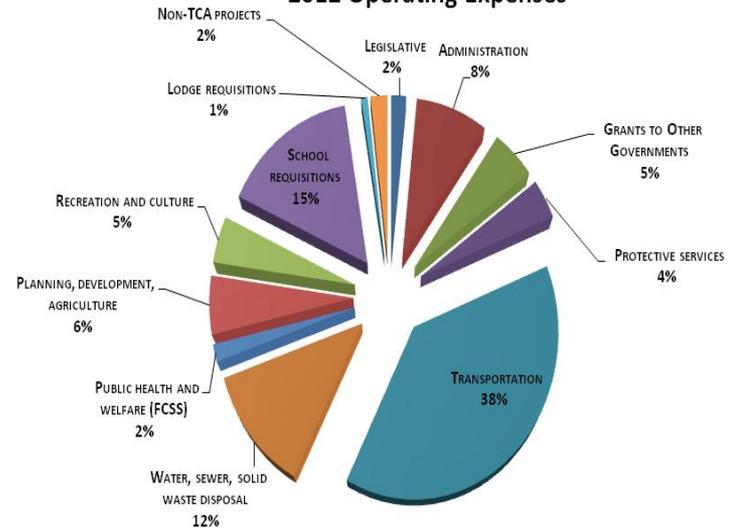
2012 MUNICIPAL TAX REVENUE



\$35,711,059

5% increase from 2011 Budget

2012 Operating Expenses



\$39,529,400

21% increase from 2011 Budget excluding \$7.8M amortization of assets expense and \$6.5M requisitions

Note: Municipal Government Act permits municipalities adopting an annual budget in a format that is consistent with its financial statements. Under the Act, municipalities are legislated to have a balanced budget, meaning that municipalities must raise sufficient revenue to cover its expenditures. The total expenditures referred to in those sections of the Act do not include any amortization on capital assets.

Mackenzie County 2012 Operating Budget

	2009 Actual	2010 Actual	2011 Actual	2012 Budget	\$ Budget to 2011 Actual Change	% Budget to 2011 Actual Change
OPERATIONAL REVENUES						
Property taxes	32,448,614	30,562,572	29,509,060	30,093,263	584,203	2%
User fees and sales of goods	1,939,122	1,969,856	2,327,164	3,204,882	877,718	27%
Government transfers	1,448,984	1,711,897	1,296,307	1,414,325	118,018	8%
Investment income (operating)	230,586	288,412	422,701	346,500	(76,201)	-22%
Penalties and costs on taxes	111,547	141,654	115,552	115,000	(552)	0%
Licenses, permits and fines	266,293	313,221	354,142	255,880	(98,262)	-38%
Rentals	29,434	64,542	74,858	61,211	(13,647)	-22%
Insurance proceeds	2,412	4,129	8,729		(8,729)	
Development levies	33,000	175,572	10,437		(10,437)	
Municipal reserve revenue	34,074	105,063	24,601		(24,601)	
Sale of non-TCA equipment	7,913	6,056	1,500		(1,500)	
Other	263,459	313,690	345,352	220,000	(125,352)	-57%
Total operating revenues	36,815,438	35,656,664	34,490,403	35,711,060	1,220,657	3%
OPERATIONAL EXPENSES						
Legislative	559,407	532,989	669,581	675,209	5,628	1%
Administration	2,291,302	2,695,552	2,992,174	3,296,246	304,072	9%
Grants to Other Governments	1,298,329	1,948,168	1,598,790	2,006,600	407,810	20%
Protective services	1,686,747	1,208,480	960,786	1,547,832	587,046	38%
Transportation	10,841,485	12,600,850	12,881,821	15,216,343	2,334,522	15%
Water, sewer, solid waste disposal	3,532,975	3,949,088	3,933,057	4,832,690	899,633	19%
Public health and welfare (FCSS)	583,771	594,579	622,969	671,041	48,072	7%
Planning, development, agriculture	1,907,330	1,859,884	1,564,630	2,254,807	690,177	31%
Recreation and culture	1,388,576	1,423,201	1,470,713	1,813,438	342,725	19%
School requisitions	6,768,922	6,559,007	6,295,112	6,157,364	(137,748)	-2%
Lodge requisitions	568,212	720,470	719,088	291,715	(427,373)	-147%
Non-TCA projects	1,156,348	531,942	341,735	766,114	424,379	55%
Total operating expenses	32,583,406	34,624,210	34,050,456	39,529,399	5,478,943	14%
Excess (deficiency) before other	4,232,032	1,032,454	439,946	(3,818,339)	(4,258,286)	112%
CAPITAL REVENUES						
Government transfers for capital	9,072,364	6,337,196	2,193,446	12,116,720	9,923,274	82%
Investment income (capital)	10,082	-	-		-	
Other revenue for capital	115,502	409,699	1,498,632	625,000	(873,632)	-140%
Proceeds from sale of TCA assets	320,517	1,160,660	1,003,616	634,001	(369,615)	-58%
	9,518,465	7,907,555	4,695,694	13,375,721	8,680,027	65%
EXCESS (DEFICIENCY)	13,750,497	8,940,009	5,135,640	9,557,382	4,421,742	46%

Note: This statement is consistent with the County's Financial Statement Format

Mackenzie County 2012 Operating Budget (excluding amortization of assets)

	2009 Actual	2010 Actual	2011 Actual	2012 Budget	\$ Budget to 2011 Actual Change	% Budget to 2011 Actual
OPERATIONAL REVENUES						
Property taxes	32,448,614	30,562,572	29,509,060	30,093,263	584,203	2%
School requisitions	6,768,922	6,559,007	6,295,112	6,157,364	(137,748)	
Lodge requisitions	568,212	720,470	719,088	291,715	(427,373)	
Net property taxes	25,111,480	23,283,095	22,494,860	23,644,183	1,149,323	5%
User fees and sales of goods	1,939,122	1,969,856	2,327,164	3,204,882	877,718	38%
Government transfers	1,448,984	1,711,897	1,296,307	1,414,325	118,018	9%
Investment income (operating)	230,586	288,412	422,701	346,500	(76,201)	-18%
Penalties and costs on taxes	111,547	141,654	115,552	115,000	(552)	0%
Licenses, permits and fines	266,293	313,221	354,142	255,880	(98,262)	-28%
Rentals	29,434	64,542	74,858	61,211	(13,647)	-18%
Insurance proceeds	2,412	4,129	8,729		(8,729)	
Development levies	33,000	175,572	10,437		(10,437)	
Municipal reserve revenue	34,074	105,063	24,601		(24,601)	
Sale of non-TCA equipment	7,913	6,056	1,500		(1,500)	
Other	263,459	313,690	345,352	220,000	(125,352)	-36%
Total operating revenues	29,478,304	28,377,187	27,476,202	29,261,981	1,785,779	6%
OPERATIONAL EXPENSES						
Legislative	559,407	532,989	669,581	675,209	5,628	1%
Administration	2,208,981	2,612,419	2,896,550	3,038,340	141,790	5%
Grants to Other Governments	1,298,329	1,948,168	1,598,790	2,006,600	407,810	26%
Protective services	1,583,884	1,100,310	838,851	1,417,565	578,714	69%
Transportation	7,680,289	8,499,765	8,473,234	9,768,204	1,294,970	15%
Water, sewer, solid waste disposal	2,487,050	2,488,794	2,449,703	3,277,433	827,730	34%
Public health and welfare (FCSS)	583,771	594,579	622,969	671,041	48,072	8%
Planning, development, agriculture	1,824,209	1,766,278	1,467,090	2,136,205	669,115	46%
Recreation and culture	1,247,490	1,258,783	1,276,579	1,567,646	291,067	23%
Total operating expenses	19,473,410	20,802,085	20,293,347	24,558,243	4,264,896	21%
Non-TCA projects	1,156,348	531,942	341,735	766,114	424,379	124%
Excess (deficiency) before other	8,848,546	7,043,160	6,841,120	3,937,624	(2,903,496)	-42%
CAPITAL REVENUES						
Government transfers for capital	9,072,364	6,337,196	2,193,446	12,116,720	9,923,274	452%
Investment income (capital)	10,082	-	-	-	-	
Other revenue for capital	115,502	409,699	1,498,632	625,000	(873,632)	-58%
Proceeds from sale of TCA assets	320,517	1,160,660	1,003,616	634,001	(369,615)	-37%
	9,518,465	7,907,555	4,695,694	13,375,721	8,680,027	185%
EXCESS (DEFICIENCY) - PSAB Model*	18,367,011	14,950,715	11,536,814	17,313,345	5,776,531	50%
Convert to local government model**						
Remove non-cash transactions	1,508,578	906,361	138,857	896,008	757,151	545%
Remove revenue for capital projects	(9,518,465)	(7,907,555)	(4,695,694)	(13,375,721)	(8,680,027)	185%
Long term debt principle	1,316,048	1,709,972	2,032,234	2,421,974	389,740	19%
Transfers to/from reserves or to fund capital projects	8,991,074	6,189,549	4,897,743	2,411,658	(2,486,085)	-51%
EXCESS (DEFICIENCY) - LG Model	50,001	50,000	50,000	0	(50,000)	0%

*Public Sector Accounting Board

**Local Government - balanced budget by Municipal Government Act (Municipal Affairs)

Mackenzie County 2012 Capital Projects Highlights

2012 Capital Program consist of 53 new projects and numerous projects carried forward from 2011. The total value of these project is estimated at \$26,320,802.

2012 Capital Program will be funded as follows:

▶ Municipal Tax Revenue	\$382,830
▶ Restricted Surplus*	\$5,762,250
▶ Provincial Grants	\$12,116,720
▶ Debenture	\$6,800,000
▶ Other (contributions, sale proceeds)	\$1,259,001

*Restricted surplus refers to the municipal reserves funds. These funds have been set aside for funding various projects. The County has a set of reserve policies under which annual contributions are made. These contributions are included in the budget.

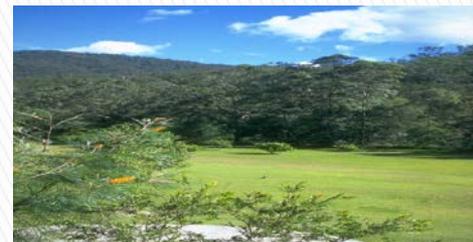


Mackenzie County – 2012 Capital Projects Highlights

- ▶ **Administration – \$1,199,491:** parking lots improvements at Fort vermilion and Zama offices; purchasing of lands from SRD for future County use; Xerox replacement; Vans replacements; electronic records management system.
- ▶ **Fire – \$469,404:** fire tanker for LCFD; roof repair at FVFD; final improvements to Tompkins fire hall and property; fire dispatch system improvement.
- ▶ **Enforcement – \$93,000:** acquire new units for Bylaw Enforcement, Safety Officer, Director of Community & Protective Services.
- ▶ **Transportation – \$16,718,856:** four graders replacement; paving the portions of Zama Access and HWY88 Connector roads; bridges rebuilding; various equipment & vehicles replacement; new road construction (based on approved requests); engineering for multiple road improvements within the Hamlets;
- ▶ **Airport – \$123,101:** airports development plans; instrument approach and a drainage ditch construction at LC airport.
- ▶ **Water Treatment and Distribution – \$1,628,866:** raw water reservoir & aeration system improvements in FV; Zama water distribution system upgrade; FV WTP expansion and capacity study; completion of rural water line Phase 1 and construction of Phase 2 portion from LC to LC Sawmill; completion of LC hydrant replacement program; rural water reservoir and pumping station construction; land purchase in FV for future expansion of the plant; Wolf Lake water point building replacement.
- ▶ **Sewer Disposal – \$4,443,809:** lagoon upgrade in LC – this project will be partially funded by the provincial government; services installation in Zama to the County owned lots.
- ▶ **Solid Waste Disposal – \$57,700:** bin replacements and land purchase at Tompkins (WTS).
- ▶ **Agricultural – \$841,000:** High Level East Drainage project.
- ▶ **Parks, Playgrounds & Recreation – 745,575:** various capital improvements to the arenas in all hamlets, including upgrading the FV ice plant; various parks maintenance equipment acquisition or replacement; water spray parks for the hamlets of LC and FV (to be undertaken in partnership with the local recreation boards and communities).

The following grants will be applied to 2012 projects:

Federal Gas Tax Fund	\$1,112,954
Alberta Municipal Improvement Program	\$21,696
Basic Transportation Grant	\$184,980
Municipal Sponsorship Initiative	\$4,122,200
Resource Road Grant	\$3,000,000
GAP – Transportation Bridges Program	\$1,163,754
Alberta Parks	\$3,539
Alberta Water & Wastewater Program	\$2,507,597

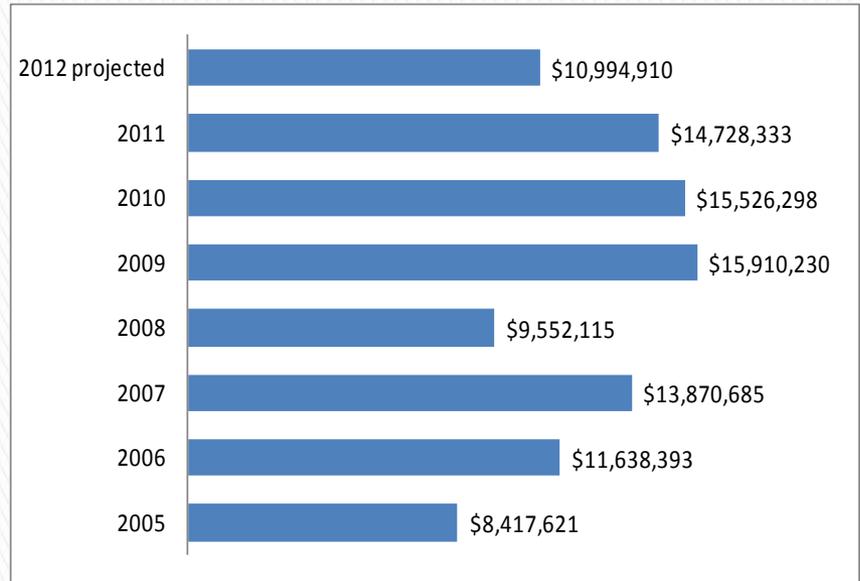
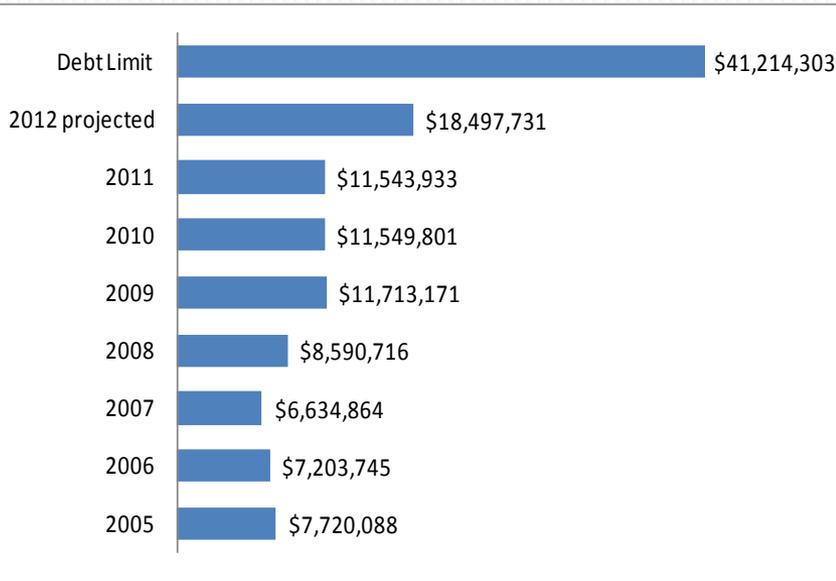


Mackenzie county – Grants to Other Governments

2012 Budget includes \$2,006,600 for the sharing with the Towns of High Level and Rainbow Lake:

- ▶ High Level: \$500,000 (operating) + \$706,600 (capital) = \$1,206,600
Note: operating is calculated as 25% of municipal revenue within the 40km radius of the Town of \$500,000, whichever is higher; capital is based on an annual request with 50% sharing for the fire department projects, 20% for the recreation projects, 30% for the airport projects.
- ▶ Rainbow Lake: \$800,000 (operating & capital)
Note: the revenue sharing amount is based on a formula whereas the negotiated base amount of \$796,400 is multiplied by the percentage of change in assessment within a specified sphere of influence between the base year (2011) and a current year.

Mackenzie County – Restricted Surplus (Reserves) and Long Term Debt



Long Term Debt

Municipal Government Act and Alberta Regulation 255/00 defines the debt limits for municipalities. If the borrowing takes place as intended based on the preapproved bylaws, the County will be at 45% of its allowable debt limit on December 31, 2012 as permitted under MGA, AR 255/00.

Reserves

Establishing reserves and setting aside a specified amount of funds annually assists in long term financial planning, and assists in maintaining a stable taxation structure. Council have established various reserve policies. These policies define the purposes, permitted uses (must have a motion of Council), targeted minimum & maximum reserve levels, and the annual minimum contributions.

Mackenzie County – 2012 Budget

Questions?

If you have questions regarding 2012 budget, please contact Mackenzie County administration at (780) 927-3718.

Thank you

