



Mackenzie County

BUDGET COUNCIL MEETING AGENDA

NOVEMBER 1, 2016

10:00 A.M.

**COUNCIL CHAMBERS
FORT VERMILION, AB**

**MACKENZIE COUNTY
BUDGET COUNCIL MEETING**

**Tuesday, November 1, 2016
10:00 a.m.**

**Fort Vermilion Council Chambers
Fort Vermilion, Alberta**

AGENDA

				Page
CALL TO ORDER:	1.	a)	Call to Order	
AGENDA:	2.	a)	Adoption of Agenda	
ADOPTION OF PREVIOUS MINUTES:	3.	a)	None	
DELEGATIONS:	4.	a)	S/Sgt. Bill Mooney, Fort Vermilion RCMP (11:30 a.m.)	
		b)	Roberto Noce, Q.C., Miller Thomson LLP (IN- CAMERA)	
		c)		
COUNCIL COMMITTEE REPORTS:	5.	a)	None	
GENERAL REPORTS:	6.	a)	None	
TENDERS:	7.	a)	None	
PUBLIC HEARINGS:	8.	a)	None	
ADMINISTRATION:	9.	a)	Organizational Chart	7
		b)	Request from Town of Peace River – Rotary House Funding	11

	c)	STARS – Request for Funding	17
	d)		
	e)		
AGRICULTURE SERVICES:	10.	a) None	
COMMUNITY SERVICES:	11.	a) Clerical Support - Royal Canadian Mounted Police (RCMP)	21
		b)	
FINANCE:	12.	a) Draft 2017 Operating Budget	25
		b)	
OPERATIONS:	13.	a) None	
PLANNING & DEVELOPMENT:	14.	a) None	
UTILITIES:	15.	a) None	
INFORMATION / CORRESPONDENCE:	16.	a) Information/Correspondence	
IN CAMERA SESSION:	17.	a) Legal	
		b) Labour	
		• AUPE Negotiations	
		c) Land	
NOTICE OF MOTION:	18.	Notices of Motion	
NEXT MEETING DATES:	19.	a) Regular Council Meeting November 8, 2016 10:00 a.m. Fort Vermilion Council Chambers	

- b) Budget Council Meeting
November 22, 2016
10:00 a.m.
Fort Vermilion Council Chambers
- c) Regular Council Meeting
November 23, 2016
10:00 a.m.
Fort Vermilion Council Chambers

ADJOURNMENT: 20. a) Adjournment



Mackenzie County

REQUEST FOR DECISION

Meeting:	Budget Council Meeting
Meeting Date:	November 1, 2016
Presented By:	Len Racher, Chief Administrative Officer
Title:	Organizational Chart

BACKGROUND / PROPOSAL:

Council approved Policy ADM038 Organizational Structure on September 24, 2002 (attached). The organizational chart is scheduled for review and approval during the budget process. A copy of the organizational chart will be provided at the meeting.

OPTIONS & BENEFITS:

COSTS & SOURCE OF FUNDING:

Operating Budget

SUSTAINABILITY PLAN:

COMMUNICATION:

RECOMMENDED ACTION:

- Simple Majority
 Requires 2/3
 Requires Unanimous

For review and discussion.

Author: C. Gabriel Reviewed by: _____ CAO: _____

Municipal District of Mackenzie No. 23

Title	Organizational Structure	Policy No:	ADM038
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Legislation Reference	Municipal Government Act, Section 201
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Purpose

To establish a process for approving the organizational structure.

Policy Statement and Guidelines

General Guidelines

Council shall approve the organizational chart during the budget process. The approved organizational chart will contain all position titles, the number of employees, and the reporting structure. Administration will present the budget for all positions according to the approved organizational chart.

Administration has the authority to:

- Fill all approved positions,
- Determine the key functions of each approved position, and
- Lay off any excess positions caused by a shortage of work.

In the event that an incremental position is needed, an updated organizational chart will be brought to Council for approval.

Administration is authorized to change the reporting structure temporarily if there are employee vacancies, staff training, et cetera. Temporary, seasonal, and part-time employees may be relocated between offices according to varying workloads, as determined by administration.

Reporting Guidelines

Administration will ensure that Council is current with employee changeovers by providing:

- A monthly update on all position changes, and
- An organizational chart listing all positions and corresponding employees, to be provided annually at the Council Organizational Meeting.

	Date	Resolution Number
Approved	September 24, 2002	02-680
Amended		
Amended		



Mackenzie County

REQUEST FOR DECISION

Meeting:	Budget Council Meeting
Meeting Date:	November 1, 2016
Presented By:	Len Racher, Chief Administrative Officer
Title:	Request from Town of Peace River – Rotary House Funding

BACKGROUND / PROPOSAL:

At the June 30, 2016 Regular Council Meeting, Council reviewed the request by the Town of Peace River requesting funding for their Rotary House in the amount of \$200,000.

On behalf of the Rotary House, the Town of Peace River is requesting a contribution of \$200,000 from your Council for this Project. We hope your Council can see the value of this important resource for your ratepayers, and the communities in the North. We would be extremely happy to

Council made a motion to send a letter of support for the project and that financial consideration be debated during the 2017 budget deliberations. Therefore, the request is being brought forward for review and decision.

OPTIONS & BENEFITS:

COSTS & SOURCE OF FUNDING:

SUSTAINABILITY PLAN:

COMMUNICATION:

Author: C. Gabriel Reviewed by: _____ CAO: _____

RECOMMENDED ACTION:

Simple Majority

Requires 2/3

Requires Unanimous

For review and discussion.

Author: _____ Reviewed by: _____ CAO: _____



October 26, 2016

Sent via Email: (bill@mackenziecounty.com)

Mackenzie County
4511 – 46 Avenue
P.O. Box 640
Fort Vermillion, AB T0H 1N0

Attention: Bill Neufeld

Dear Reeve: Bill:

Re: Rotary House Project

Bill, it was a pleasure to chat briefly with you at the recent Economic Development training workshop in Manning.

I wanted to thank you and acknowledge that your Council will be able to consider our request as part of your 2017 budget deliberations. (a copy of our June 17, 2016 letter is attached – for reference purposes)

Again, I also offer that we could organize a community delegation to make a formal presentation at one of your future Council meetings. Alternatively, the deputy mayor and I plan to attend AAMDC and we can certainly meet sometime during the conference.

Should you have any further questions or require any further information at this time, or anytime throughout your deliberations, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Needham". The signature is written in a cursive style and is positioned above a horizontal line.

Colin Needham, Councillor
THE TOWN OF PEACE RIVER

/ef

cc Town of Peace River Council (via email)



June 17, 2016

Sent via Email: (bill@mackenziecounty.com)

Mackenzie County
4511 – 46 Avenue
P.O. Box 640
Fort Vermillion, AB T0H 1N0

Attention: Bill Neufeld

Dear Reeve:

Re: Rotary House Project

It was a pleasure to chat with you at the Federation of Canadian Municipalities conference (FCM) in Winnipeg last week. As a follow up to our conversation regarding the Rotary House Project (hereinafter the "Project"), the following information may be helpful.

This Project is modelled after both the "Sorrentino's Compassion House" and the "Ronald MacDonald House" where patients (and family) are able to access living accommodations while loved ones receive medical treatments such as Cancer.

The Rotary House is conveniently located adjacent to the Peace River Community Health Centre, and will also offer healthcare space to many specialists in the medical community and will provide the following benefits to both our communities:

- Lodging options for those supporting family members requiring hospital visits. This could range from serious illness to the 519 child births at the Peace River Community Health Centre;
- Significantly reduced travel time for serious medical procedures such as chemotherapy treatment;
- Potential training for healthcare professional; training in a northern community has been used as a successful tool in recruiting these individuals who may not have had the opportunity to develop an appreciation for our northern lifestyle.

A concrete example of a clear benefit could be those requiring renal dialysis (currently available in Peace River, Grande Prairie and Slave Lake.) This facility will allow the patients from Mackenzie County to come the day before their treatment, (which starts at 6:00a.m.), ensuring both the convenience of an overnight stay and the travel safety of your ratepayers.



I understand that your County has its own health care at Ft. Vermillion, High Level and LaCrete. Just the same I hope your Council will consider this regional proposal and request.

The Town of Peace River and the County of Northern Sunrise Councils' understand the importance of this facility and have committed close to \$1,000,000 to this Project to date.

On behalf of the Rotary House, the Town of Peace River is requesting a contribution of \$200,000 from your Council for this Project. We hope your Council can see the value of this important resource for your ratepayers, and the communities in the North. We would be extremely happy to send a delegation to make a formal presentation should you see this to have any value in speaking to your Council. If you have any questions or concerns please contact me and I will be able to respond to you very quickly.

Sincerely,

Colin Needham, Councillor
THE TOWN OF PEACE RIVER

/ef

cc Town of Peace River Council (via email)



Mackenzie County

REQUEST FOR DECISION

Meeting:	Budget Council Meeting
Meeting Date:	November 1, 2016
Presented By:	Len Racher, Chief Administrative Officer
Title:	STARS – Request for Funding

BACKGROUND / PROPOSAL:

At the October 11, 2016 Regular Council meeting, a presentation was made by STARS requesting that Mackenzie County partner with STARS in providing a per capita funding amount. Based on their presentation a majority of municipalities provide support in the amount of \$2 per capita.

Council made a motion that financial consideration be debated during the 2017 budget deliberations. Therefore, the request is being brought forward for review and decision.

OPTIONS & BENEFITS:

COSTS & SOURCE OF FUNDING:

11,750 @ \$2 = \$23,500

SUSTAINABILITY PLAN:

COMMUNICATION:

Author: C. Gabriel Reviewed by: _____ CAO: _____

RECOMMENDED ACTION:

Simple Majority

Requires 2/3

Requires Unanimous

For review and discussion.

Author: _____ Reviewed by: _____ CAO: _____

October 26, 2016

Ms. Joulia Whittleton
Chief Administrative Officer
Mackenzie County
PO Box 640
Fort Vermilion, AB T0H 1N0

Dear Ms. Whittleton,

Re: Request for 2017 STARS Funding

Thank you for the opportunity to visit your Council this past month and for your continued commitment to STARS. We are truly grateful to Mackenzie County Council and residents for their dedication and support for STARS life-saving mission.

In response to questions your Council had regarding STARS Industry Services, there are approximately 75 registered sites at present in Mackenzie County. With regards to fuel caches, the answer is a bit more complicated. While the majority of oil and gas companies store Jet A fuel at their sites in case STARS comes out, they don't necessarily inform us of the caches when they register their sites, so we may not actually know until an incident occurs, when that information is exchanged.

In 2015, Alberta bases located in Calgary, Edmonton and Grande Prairie carried out over 1800 missions. Mackenzie County is an integral part of the reason why STARS is able to provide a vital service to Albertans. Thank you for recognizing STARS as a valued part of your protective service resources and helping us make a difference in many lives!

OUR REQUEST

- *We kindly request your consideration to support STARS through the Municipal Initiative with a symbolic per capita contribution of your choice for 2017*

Please do not hesitate to contact me directly @ 780-830-7006 or 780-512-6205 (cell), if you have further questions in the meantime.

Sincerely,



Glenda Farnden
Senior Municipal Relations Liaison
STARS Foundation



Mackenzie County

REQUEST FOR DECISION

Meeting:	Budget Council Meeting
Meeting Date:	November 1, 2016
Presented By:	Ron Pelensky, Director of Community Services & Operations (North)
Title:	Clerical Support – Royal Canadian Mounted Police (RCMP)

BACKGROUND / PROPOSAL:

1. Mackenzie County has signed a Memorandum of Understanding (MOU) with the RCMP to provide two Enhanced Police officers. The MOU is for a three year term that expires June 30, 2019.

Officer 1: (Community Policing in La Crete)

- 50 % School Resource Officer
- 50 % Enforcement in La Crete

Officer 2: (School Resource Officer)

- Full time School Resource duties (5 days/week)

Note: In 2017 we will only receive one officer as the second one is off on maternity leave.

2. Mackenzie County also has a RCMP office in La Crete that provides administration services for the RCMP. In prior years Mackenzie County provided an administration staff member to the RCMP and they provided 5 days a week administration services from the La Crete office. In the last couple years the county provided an administration assistant to the Fort Vermilion RCMP office and the RCMP staffed the La Crete office 2 days a week and provided administration support to the other officers so they could spend more time on the road. Recently the Fort Vermilion administrative personnel resigned and the County has an opportunity to alter the program we deliver. Also there was no formal agreement made on providing administration services.

Author: R. Pelensky Reviewed by: _____ CAO: _____

3. The new Staff Sargent has requested the position be filled as it helps their work load for administration, especially since he is still providing 2 days a week administration coverage in La Crete.

During the Community Services Committee meeting on October 28, 2016 the following motion was made:

That the Community Services Committee recommends to Council to change the RCMP clerical position to a contract position, with a minimum of 3 working days in the La Crete office, and that administration is to work with RCMP Sergeant to draft a job description and contract.

OPTIONS & BENEFITS:

Option 1:

That Mackenzie County provides a contract employee and creates a MOU with the RCMP to provide 5 days a week administration services from the La Crete office.

Benefit:

The county can offer the public 5 days a week administration service and the individual would be able to help the new Community Peace Officer once hired. Also hiring a contract employee will align better with who their supervisor is.

Option 2:

That Mackenzie County provides a contract employee and creates a MOU with the RCMP to provide 3 days a week administration services from the La Crete office and 2 days in Fort Vermilion RCMP office.

Benefit:

The County can offer the public 3 days a week administration service in La Crete and the individual would be able to help the new Community Peace Officer once hired. They will also help the other RCMP officers with administrative work which will free up their time to be on the road more. Also hiring a contract employee will align better with who their supervisor is.

Option 3:

That Mackenzie County adds the administration position to the current MOU and fund the RCMP to provide this service.

Benefit:

There would be clear responsibility lines with the new administrative employee however it would be more expensive and we may be limited to how much our upcoming community police officer could use them.

Option 4:

To accept this report for information, and not fill the recently vacated administrative position.

Author: R. Pelensky Reviewed by: _____ CAO: _____

COSTS & SOURCE OF FUNDING:

Funds for the administrative position would come from the Operating budget.

SUSTAINABILITY PLAN:

COMMUNICATION:

The Commander of the Fort Vermilion RCMP will be notified of Council's decision.

RECOMMENDED ACTION:

Simple Majority Requires 2/3 Requires Unanimous

That Mackenzie County continue to support the RCMP with a contract clerical position and that administration draft a Memorandum of Understanding with the RCMP which includes a job description and a minimum of three working days in the La Crete Office.

Author: R. Pelensky Reviewed by: _____ CAO: _____



Mackenzie County

REQUEST FOR DECISION

Meeting:	Budget Council Meeting
Meeting Date:	November 1, 2016
Presented By:	Peng Tian, Director of Finance
Title:	Draft 2017 Operating Budget

BACKGROUND / PROPOSAL:

A copy of the draft 2017 Operating Budget is attached.

OPTIONS & BENEFITS:

COSTS & SOURCE OF FUNDING:

SUSTAINABILITY PLAN:

COMMUNICATION:

RECOMMENDED ACTION:

- Simple Majority Requires 2/3 Requires Unanimous

For review and discussion.

Author: C. Gabriel Reviewed by: _____ CAO: _____

2017 Operating Budget

November 1, 2016 – Budget Council Meeting

Contents:

1. 2017 Draft Operating Budget
2. Cash Flow Requirement
3. Long Term Debt
4. Assessment and Estimated Tax Revenues
5. Review of Water & Sewer Rates

2017 Operating Budget

REVIEW OF STATEMENT OF OPERATIONS:

Mackenzie County's management team has drafted the 2017 operating budget for Council's consideration, using various assumptions including maintenance of current levels of service (status quo), and recalculation of the water and sewer rate, in order to reach 100% recovery rate of operating expenses excluding TCA amortization and including long-term debt principal and interest payments.

Significant Budget Changes

Revenue

Taxation

The 2017 linear assessment is estimated based on 2016 actual linear assessment with an assumption of 4.65% decrease in 2017. The non-linear assessments numbers are received from the assessor. 2016 tax rates were used in the calculation of the projected 2017 tax revenues. We anticipate an overall decrease of 0.77% in municipal assessment which will result in a decrease in taxation revenue of approximately \$420,908 in 2017.

Water Sales

Assuming the water and sewer rates remain the same in 2017, the water and sewer revenues may decrease slightly due to the projected decrease in metered water consumption.

Penalties on Taxes

The penalties on taxes are expected \$101,587 higher than 2016 budget. According to our current Tax Penalties Bylaw amended in 2013, we have four penalty runs on January 1 (12% penalties), July 1 (6% penalties), September 1 (9% penalties), and November 1 (12% penalties) in a yearly cycle. In addition, the estimated penalties for the uncollectable aged accounts, for example, the accounts of Winter Petroleum Ltd., will increase significantly in 2017.

Provincial Grants

We do not anticipate a significant change in provincial grants in 2017. Basic Municipal Transportation Grant should be same amount of \$608,694 as we received in last year. ASB grant, MSI operating grant, and FCSS grant should also remain unchanged.

Expenses

Wages and Salaries

Salaries and wages are based on the approved Organizational Chart and reflection of estimated of 3% in 2017. Actual budget will be subject to ratification of the AUPE Collective Agreement.

WCB

WCB rates are calculated based on percentages of overall annual salary. The average municipal rate is 1.19%. Our current 2016 rate is 0.78% however we are expecting an increase of 20% for 2017. This increase is largely due to the result of the number of claims over the past three years. Mackenzie County became COR certified in spring 2016; however the savings will not be in effect until 2017 giving us a 20% reduction.

Annually the municipality receives a return on investments along with other eligible Alberta employers and receive a surplus distribution cheque. The following table shows our return on investments from the past four years.

2015	2014	2013	2012
\$24,811.87	\$26,617.99	\$27,946.50	\$3,605.83

Professional Fees

Overall change in professional fees is approximately a decrease of \$66,460. The major changes within the professional fees include the following items:

Professional fees	66,460
Administration – Appraisal & Other Contracted Services	12,650
Fire – Emergency calls - Water trucks, Town of High Level Mutual Aid	(30,000)
Enforcement – Contracted Peace Officers	(78,500)
Roads – Mark Schonken	(15,000)
Waste – Increase in Contracts & Fees, Waste Pickup	63,043
Airport – Utilization Plan	(20,000)
Water – Clearwell Valve Replacements	32,880
Planning –Safety Codes Contract	(72,000)
Agriculture – Change in contract amount	44,000
Other – Under/Over Budgeted in previous year	3,533

Enhanced Policing Fee

The enhanced policing fee for 2017 is expected to be \$225,390, same amount as the budget for 2016. The fee includes the following items:

Enhanced policing	225,390
Enhanced policing - La Crete	150,260
School Resource Officer*	75,130

*The School Resource Officer position is being budgeted at half the full year cost for 2017 as the member is on maternity leave.

Repairs & Maintenance – Bridges

A large amount of bridge work has been carried forward to 2017 as we anticipate the reinstatement of the bridge funding to maximize our dollars.

Repairs & Maintenance – Building

It was decided to reclassify Parks & Playgrounds’ building repairs to structural repairs. As a result, the budget for this expense was decreased by \$25,120 for 2017.

Rental - Vehicle and Equipment

The decrease in the rental costs is mainly attributable to the elimination of the CAO Vehicle Allowance of \$11,500. There was also a slight increase in the rental expenses budget for rehabilitation and repairs to existing roads, packers, track hoes in 2017.

Dust Control

The overall dust control budget increased slightly due to Zama being under budgeted in 2016 and the increase in the maintenance of oil dust controlled roads. New dust control areas will be submitted under the capital budget for 2017.

Below are the dust control actual costs for 2013-2015 and dust control budget for 2016 and 2017:

Year	2013 Actual	2014 Actual	2015 Actual	2016 Budget*	2017 Budget**
Cost	\$458,750	\$698,227	\$568,170	\$728,405	\$660,000

*2016 budget included maintenance and capital costs of oil dust control.

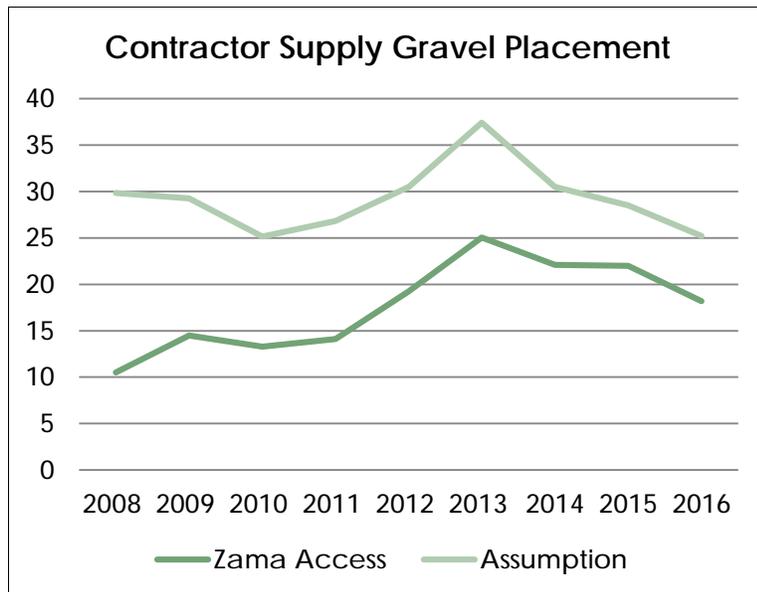
**\$510,000 for calcium dust control and \$150,000 for oil dust control.

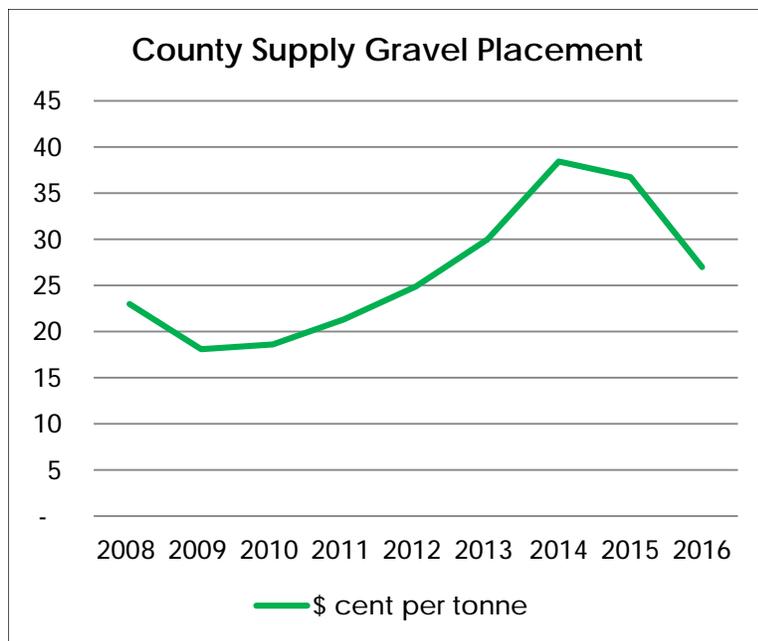
Gravel

Our gravel budget consists of two major activities namely gravel crushing and regravelling. There is also a non-cash component to the gravel expense which is generally reflected in the annual inventory adjustments.

Regravelling cost per tonne has decreased significantly since 2014, as can be seen in the graph below. The regravelling cost has more than doubled from the lowest in 2009 to the highest in 2014 in respect to the Zama Access and the County supply gravel. In 2016, re-gravelling cost continued to decrease slightly.

The significant increase in 2017 gravel cost budget is mainly due to the gravel crushing programme that takes place approximately every three years and the decrease in the placement costs for Filtler and North Vermilion, which is being completed by Mackenzie County staff.





Grants to Local Governments

This cost consists of both operating & capital grants to Town of High Level and Town of Rainbow Lake. The 2017 capital funding request from Town of High Level has been received. The 2017 grants to local governments will increase slightly due to an increase in the capital funding requests from Town of High Level.

Grants to Other Organizations

The current 2017 budget for grants to other organizations has been estimated basically by using the previous years’ budget numbers. These grants include the grant payments to Recreational Boards, FCSS, Mackenzie Library Board, and other non-profit organizations. The 2017 budget for grants to other organizations will be updated when all grant requests are received from the non-profit organizations.

Tax Cancellation/Write-Off

2017 tax cancellation/write-off cost will still be a significant amount. The majority of these uncollectable tax revenues are from the properties owned by Winter Petroleum Ltd.

Depreciation

The county’s annual depreciation continues to increase. The increase is due to the continued upgrade of facilities and road infrastructures. This trend is expected to continue as the county grows and infrastructure is improved and expanded.

Mackenzie County
2017 Operating Budget

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Budget	\$ Variance Budget	% Budget
OPERATING REVENUES							
100-Taxation	33,718,682	34,974,510	33,656,228	33,782,194	25,463,488	(8,318,706)	-24.62%
990-Over/under tax collections	(113,435)	137,336	-	(32,642)	-	32,642	-100.00%
124-Frontage	354,997	197,247	122,437	171,497	117,163	(54,334)	-31.68%
Less:						-	
747-School requisition	6,306,111	6,635,781	5,130,643	6,836,582	-	(6,836,582)	-100.00%
750-Lodge requisition	490,719	788,108	852,083	852,083	-	(852,083)	-100.00%
Net property taxes	<u>27,163,414</u>	<u>27,747,868</u>	<u>27,795,938</u>	<u>26,265,026</u>	<u>25,580,651</u>	<u>(684,375)</u>	
261-Ice Bridge		95,530	139,640	-	140,000	140,000	
420-Sales of goods and services	732,370	693,522	425,930	590,395	614,685	24,290	4.11%
421-Sale of water - metered	2,715,197	3,006,884	2,252,689	3,093,285	3,050,954	(42,331)	-1.37%
422-Sale of water - bulk	870,425	918,721	702,964	910,536	916,907	6,371	0.70%
424-Sale of land	45,956	1	52,900	-	-	-	
510-Penalties on taxes	444,838	1,057,962	950,383	1,288,413	1,390,000	101,587	7.88%
511-Penalties of AR and utilities	49,657	61,483	41,581	48,000	45,000	(3,000)	-6.25%
520-Licenses and permits	49,296	49,879	39,047	36,000	34,000	(2,000)	-5.56%
521-Offsite levy	112,359	47,870	-	-	-	-	
522-Municipal reserve revenue	60,132	92,428	76,329	50,000	30,000	(20,000)	-40.00%
526-Safety code permits	369,776	342,366	213,315	325,000	225,000	(100,000)	-30.77%
525-Subdivision fees	55,162	55,156	118,138	35,000	85,000	50,000	142.86%
530-Fines	38,974	78,310	34,175	39,000	50,000	11,000	28.21%
531-Safety code fees	13,952	13,777	8,170	13,000	9,000	(4,000)	-30.77%
550-Interest revenue	533,261	548,519	195,710	360,000	350,000	(10,000)	-2.78%
551-Market value changes	(110,574)	47,649	91,358	-	-	-	
560-Rental and lease revenue	124,928	140,118	92,660	80,455	108,741	28,286	35.16%
570-Insurance proceeds	25,603	329,409	36,663	-	-	-	
592-Well drilling revenue	103,826	11,114	34,848	20,000	15,000	(5,000)	-25.00%
597-Other revenue	165,028	206,704	64,161	143,500	9,000	(134,500)	-93.73%
598-Community aggregate levy	92,623	101,272	-	70,000	80,000	10,000	14.29%
630-Sale of non-TCA equipment	76,982	8,062	-	-	-	-	
790-Tradeshaw Revenues	25,016	25,580	28,884	26,500	25,600	(900)	-3.40%
840-Provincial grants	1,867,856	1,501,318	826,497	1,302,914	1,212,914	(90,000)	-6.91%
890-Gain (Loss) Penny Rounding	-	1	-	-	-	-	
990-Over/under tax collections		137,336	-	(32,642)	-	32,642	-100.00%
TOTAL REVENUE	<u>35,626,056</u>	<u>37,223,540</u>	<u>34,221,983</u>	<u>34,664,382</u>	<u>33,972,452</u>	<u>(691,930)</u>	
OPERATING EXPENSES							
110-Wages and salaries	5,810,098	6,354,973	5,350,581	7,168,699	7,405,859	237,160	3.31%
132-Benefits	1,107,369	1,255,906	1,075,993	1,514,850	1,586,441	71,591	4.73%
136-WCB contributions	39,501	40,547	25,674	51,743	58,075	6,332	12.24%
142-Recruiting	10,306	12,848	16,839	20,000	15,000	(5,000)	-25.00%
150-Isolation cost	66,438	66,993	58,692	72,000	72,000	-	0.00%
151-Honoraria	571,863	478,774	424,626	648,900	653,600	4,700	0.72%
211-Travel and subsistence	288,543	265,578	203,152	405,635	393,754	(11,881)	-2.93%
212-Promotional expense	100,672	77,983	44,845	82,500	82,500	-	0.00%
214-Memberships & conference fees	99,553	107,460	55,642	143,321	152,636	9,315	6.50%
215-Freight	117,871	107,164	61,882	141,460	115,490	(25,970)	-18.36%
216-Postage	52,064	44,344	35,307	43,150	43,150	-	0.00%
217-Telephone	128,213	124,467	35,819	123,640	120,000	(3,640)	-2.94%
221-Advertising	43,806	36,405	23,840	63,220	56,270	(6,950)	-10.99%
223-Subscriptions and publications	7,254	6,878	5,306	12,738	11,984	(754)	-5.92%
231-Audit fee	116,650	75,950	58,800	76,000	81,800	5,800	7.63%
232-Legal fee	50,814	68,527	72,652	60,500	70,000	9,500	15.70%
233-Engineering consulting	122,247	240,054	30,753	166,000	133,228	(32,772)	-19.74%
235-Professional fee	1,535,390	1,669,025	1,088,308	1,815,514	1,749,054	(66,460)	-3.66%
236-Enhanced policing fee	265,408	153,400	77,075	297,200	225,390	(71,810)	-24.16%
239-Training and education	157,583	96,483	77,081	163,329	169,439	6,110	3.74%
242-Computer programming	78,337	78,633	62,402	108,681	106,450	(2,231)	-2.05%
251-Repair & maintenance - bridges	26,536	205,079	3,172	602,000	590,500	(11,500)	-1.91%
252-Repair & maintenance - buildings	150,824	151,352	79,535	195,820	170,700	(25,120)	-12.83%
253-Repair & maintenance - equipment	339,438	421,486	235,625	414,800	377,850	(36,950)	-8.91%
255-Repair & maintenance - vehicles	79,638	64,432	52,983	81,900	87,940	6,040	7.37%
258-Contract graders	144,000	104,461	62,793	150,840	155,840	5,000	3.31%
259-Repair & maintenance - structural	1,636,879	1,596,984	715,563	1,543,193	1,687,610	144,417	9.36%
261-Ice bridge construction	79,564	77,703	90,632	120,000	120,000	-	0.00%
262-Rental - building and land	30,085	29,340	30,931	29,812	35,050	5,238	17.57%
263-Rental - vehicle and equipment	56,286	56,773	47,164	81,695	73,950	(7,745)	-9.48%

Mackenzie County
2017 Operating Budget

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Budget	\$ Variance Budget	% Budget
266-Communications	93,611	97,814	53,886	117,638	109,912	(7,726)	-6.57%
271-Licenses and permits	4,118	1,290	495	8,568	9,518	950	11.09%
272-Damage claims	285	-	1,000	5,000	5,000	-	0.00%
273-Taxes	-	-	-	-	-	-	-
274-Insurance	279,950	313,112	-	298,960	322,770	23,810	7.96%
342-Assessor fees	260,117	264,623	179,684	263,000	263,000	-	0.00%
290-Election cost	-	-	3,055	5,000	15,000	10,000	200.00%
511-Goods and supplies	786,446	861,048	550,550	935,116	893,359	(41,757)	-4.47%
521-Fuel and oil	920,643	740,479	554,931	1,017,070	988,875	(28,195)	-2.77%
531-Chemicals and salt	204,158	268,567	167,361	328,700	328,200	(500)	-0.15%
532-Dust control	698,227	568,170	667,977	728,405	660,000	(68,405)	-9.39%
533-Grader blades	123,534	149,959	146,604	137,500	139,000	1,500	1.09%
534-Gravel (apply; supply and apply)	2,767,176	1,612,430	1,078,697	1,617,378	3,430,091	1,812,713	112.08%
535-Gravel reclamation cost	132,375	29,792	-	-	-	-	-
543-Natural gas	132,863	87,911	29,880	113,877	92,226	(21,651)	-19.01%
544-Electrical power	597,395	689,859	277,843	679,037	674,485	(4,552)	-0.67%
710-Grants to local governments	1,711,647	1,927,281	1,440,393	1,805,000	2,229,900	424,900	23.54%
735-Grants to other organizations	2,020,465	2,068,118	1,816,775	2,104,245	2,334,269	230,024	10.93%
810-Interest and service charges	39,831	29,536	10,325	27,000	15,000	(12,000)	-44.44%
831-Interest - long term debt	687,927	614,288	7,114	562,323	505,190	(57,133)	-10.16%
921-Bad debt expense	2,696	4,324	114	3,800	4,100	300	7.89%
922-Tax cancellation/write-off	1,402,310	1,190,753	4,049	1,502,106	1,256,541	(245,565)	-16.35%
970-Other expenses	-	2,260	-	31,281	-	(31,281)	-100.00%
992-Cost of land sold	19,557	-	-	-	-	-	-
993-NBV value of disposed TCA	771,676	834,784	-	880,169	-	(880,169)	-100.00%
994-Change in inventory	(779,765)	216,403	-	580,324	429,265	(151,059)	-26.03%
995-Depreciation of TCA	8,252,150	8,922,961	-	9,169,166	9,507,478	338,312	3.69%
TOTAL	34,442,622	35,132,958	17,180,172	39,319,803	40,814,739	1,494,936	
Non-TCA projects	379,279	1,092,265	521,169	1,956,333	-	(1,956,333)	-93.42%
TOTAL EXPENSES	34,821,901	36,225,224	17,701,341	41,276,136	40,814,739	(461,397)	
EXCESS (DEFICIENCY)	804,155	998,316	16,520,642	(6,611,754)	(6,842,287)	(230,533)	
OTHER							
840-Provincial transfers for capital	8,481,362	5,102,465	3,994,110	12,635,212	-	(12,635,212)	-100.00%
575-Contributed TCA	1,401,131	718,363	-	323,020	-	(323,020)	-100.00%
597-Other capital revenue	-	14,787	135,247	610,621	-	(610,621)	-100.00%
630-Proceeds of sold TCA asset	553,000	528,614	5,600	492,932	-	(492,932)	-100.00%
	10,435,493	6,364,229	4,134,957	14,061,785	-	(14,061,785)	
EXCESS (DEFICIENCY) - PS MODEL	11,239,648	7,362,547	20,655,599	7,450,031	(6,842,287)	(14,292,318)	
CONVERT TO LG INCOME STATEMENT							
Remove non-cash transactions							
993-NBV value of disposed TCA	771,676	834,784	-	880,169	-	(880,169)	-100.00%
994-Change in inventory	(779,765)	216,403	-	580,324	429,265	(151,059)	-26.03%
995-Amortization of TCA	8,252,150	8,922,961	-	9,169,166	9,507,478	338,312	3.69%
Remove TCA revenues	-	-	-	-	-	-	-
Total of OTHER per above	(10,435,493)	6,364,229	4,134,957	(14,061,785)	-	14,061,785	-100.00%
Add LTD principle paid	-	-	-	-	-	-	-
832-Principle Payments	2,090,929	1,669,369	203,702	1,578,512	1,575,519	(2,993)	-0.19%
LG model TF to/from reserves	-	-	-	-	-	-	-
920-Contribution from Capital Reserve	(3,832)	-	-	-	-	-	-
930-Contribution from Operating Reserve	(1,605,110)	(\$370,205)	-	(1,597,254)	(1,500,000)	97,254	-6.09%
940-Contribution from Capital Reserve	(7,764)	515,310	-	(322,326)	-	322,326	-100.00%
762-Contribution to Capital	2,112,492	\$3,459,941	-	871,748	-	(871,748)	-100.00%
763-Contribution to Capital Reserves	3,678,692	3,716,473	-	3,240,267	2,715,324	(524,943)	-16.20%
764-Contribution to Operating Reserves	2,732,808	2,529,390	-	246,958	303,612	56,654	22.94%
EXCESS (DEFICIENCY) - LG MODEL	50,000	50,000	16,316,940	-	-	-	

MACKENZIE COUNTY
STATEMENT OF OPERATIONS - 2017 BUDGET (including depreciation of capital assets)

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Budget	\$ Variance	% Variance
OPERATIONAL REVENUES							
Property taxes	33,960,244	35,309,092	33,778,664	33,921,049	25,580,651	(8,340,398)	-24.59%
School requisitions	6,306,111	6,635,781	5,130,643	6,836,582	-	(6,836,582)	-100.00%
Lodge requisitions	490,719	788,108	852,083	852,083	-	(852,083)	-100.00%
Net property taxes	27,163,414	27,885,203	27,795,938	26,232,384	25,580,651	(651,733)	
User fees and sales of goods	4,317,992	4,619,126	3,381,583	4,594,216	4,582,546	(11,670)	-0.25%
Government transfers	1,867,856	1,501,319	826,498	1,302,914	1,212,914	(90,000)	-6.91%
Investment income (operating)	422,686	500,870	287,069	360,000	350,000	(10,000)	-2.78%
Penalties and costs on taxes	444,838	1,057,962	950,383	1,288,413	1,390,000	101,587	7.88%
Licenses, permits and fines	527,160	539,489	412,846	448,000	403,000	(45,000)	-10.04%
Rentals	124,928	140,117	92,660	80,455	108,741	28,286	35.16%
Insurance proceeds	25,603	329,409	36,663	-	-	-	
Development levies	112,359	47,870	-	-	-	-	
Municipal reserve revenue	60,132	92,428	76,329	50,000	30,000	(20,000)	-40.00%
Sale of non-TCA equipment	76,982	8,061	-	-	-	-	
Other	482,106	501,684	362,014	308,000	314,600	6,600	2.14%
Total operating revenues	35,626,056	37,223,538	34,221,983	34,664,382	33,972,452	(691,930)	
OPERATIONAL EXPENSES							
Legislative	616,185	543,500	450,107	796,640	795,089	(1,551)	-0.19%
Administration	4,502,402	4,955,429	2,662,068	5,684,653	5,472,058	(212,595)	-3.74%
Grants to other governments	1,711,647	1,927,281	1,440,393	1,805,000	2,229,900	424,900	23.54%
Protective services	1,608,343	1,406,990	790,678	1,864,996	1,754,225	(110,771)	-5.94%
Transportation	16,084,363	16,128,251	6,310,115	18,428,976	19,403,445	974,469	5.29%
Water, sewer, solid waste disposal	4,846,137	4,793,168	1,753,626	4,955,238	5,005,253	50,015	1.01%
Public health and welfare (FCSS)	693,797	639,256	759,182	789,053	793,400	4,347	0.55%
Planning, development	1,054,417	1,072,553	808,078	1,327,352	1,211,333	(116,019)	-8.74%
Agriculture and Veterinary	1,315,747	1,397,583	833,860	1,343,446	1,561,463	218,017	16.23%
Recreation and culture	2,009,584	2,268,946	1,372,064	2,324,449	2,588,573	264,124	11.36%
Non-TCA projects	379,279	1,092,265	521,170	1,956,333	-	(1,956,333)	-100.00%
Total operating expenses	34,821,901	36,225,222	17,701,341	41,276,136	40,814,739	(461,397)	
Excess (deficiency) before other	804,155	998,316	16,520,642	(6,611,754)	(6,842,287)	(230,533)	
CAPITAL REVENUES							
Government transfers for capital	8,481,362	5,102,465	3,994,110	12,635,212	-	(12,635,212)	-100.00%
Other revenue for capital	1,401,131	733,150	135,247	933,641	-	(933,641)	-100.00%
Proceeds from sale of TCA assets	553,000	528,614	5,600	492,932	-	(492,932)	-100.00%
	10,435,493	6,364,229	4,134,957	14,061,785	-	(14,061,785)	
EXCESS (DEFICIENCY) - PSAB Model	11,239,648	7,362,545	20,655,599	7,450,031	(6,842,287)	(14,292,318)	
Convert to local government model							
Remove non-cash transactions	8,244,062	9,541,342	-	10,629,659	9,936,743	(692,916)	-6.52%
Remove revenue for capital projects	(10,435,493)	(6,364,229)	(4,134,957)	(14,061,785)	-	14,061,785	-100.00%
Long term debt principle	2,090,929	1,669,369	203,702	1,578,512	1,575,519	(2,993)	-0.19%
Transfers to/from reserves	6,907,287	8,820,289	-	2,439,393	1,518,936	(920,457)	-37.73%
EXCESS (DEFICIENCY) - LG Model	50,000	50,000	16,316,940	-	-	-	

Cash Flow Requirement

Cash Flow Requirement:

The Cash Flow Requirement schedule summarizes all of the County's cash requirements for the 2017 year, including operating, capital, borrowing, and municipal reserve transactions.

For this presentation of the operating budget draft, this schedule includes only the following financial objectives:

- cash flow needs for the draft operating budget, including the projected operating costs offset by estimated operating revenues;
- capital debt interest expense and principal repayments; and,
- annual transfers to municipal reserves as mandated by Council.

One of the key figures in this schedule is the amount of revenue that will be required to be raised by municipal levy, or property taxes, in order to fund the County's operating expenses.

**Mackenzie County
2017 BUDGET - Cash Requirement**

	2016 Budget	% change	2017 Budget	
Operating Cash Requirements:				
Operating Cost (excluding non-cash items and capital debt interest expense)	28,032,518	8%	30,372,806	Schedule A-2
Non-TCA - Operating Costs (Non-TCA Projects List)	1,569,288	-100%		
Less: Other Operating Revenue (excluding municipal tax levy)	(8,570,853)	-1%	(8,508,964)	Schedule A-1
Anticipated draw from prior year accumulated surplus - restricted (for Non-TCA projects)	(799,438)	-100%		(1)
Anticipated draw from prior year accumulated surplus - restricted (for operating purposes)	(637,794)		(1,500,000)	(1) Gravel
Tax levy for operations	19,593,721		20,363,842	
Capital Cash Requirements:				
Capital costs -New	5,334,743	-100%		
Capital costs -CF	20,605,369			
Capital debt interest	562,323	-10%	505,190	Schedule E
Capital debt principal	1,578,512	0%	1,575,520	Schedule E
Less:				
Capital revenue - grants	(12,635,212)	-100%		Schedule B
Other capital revenue (community, developers' contributions; contributed assets)	(673,020)	-100%		
Proceeds on disposal of assets	(492,932)	-100%		Schedule D
Insurance Proceeds	(114,475)	-100%		
Proceeds from new debentures	(3,000,000)	-100%		Schedule E
Contribution (from)/to prior year accumulated surplus	(8,152,725)	-100%		(2)
Tax levy for capital	3,012,583	-31%	2,080,710	
Minimum Tax Levy	22,606,304	-1%	22,444,552	
Municipal Tax Revenue	(26,093,529)		(25,463,488)	
Deficit/(Surplus)	(3,487,225)		(3,018,936)	
Future Financial Plans:				
Contributions to Reserves as per Policies	3,487,225		3,018,936	Schedule C
Contributions to Reserves				
Tax levy for future financial plans	3,487,225	-13%	3,018,936	(3)
Total Tax Levy	26,093,529	-2%	25,463,488	Note 1
Net budgeted cash draw on accumulated surplus accounts	(6,102,732)	-125%	1,518,936	(1) + (2) + (3)
OTHER:				
Restricted surplus (reserves), beginning of year	27,261,055		21,158,323	
Restricted surplus (reserves), ending of year	21,158,323		22,677,259	
Total budgeted operating and capital costs (excluding non-cash items)	37,077,384		32,453,516	

Note 1: 2017 projected municipal tax revenue is \$25,463,488. This calculation is based on 2016 Tax Rate Bylaw.

Legislative and Administration	Protective Services	Transportation and Airport	Utilities	Planning & Development	Agricultural & Veterinary	Recreation & Cultural	2017
11 + 12	23 + 25 + 26	32 + 33	41 + 42 + 43	61 + 66	63 + 64	51+71+72+73+74	Budget

6.00

Schedule A-1: Operating Revenues (excluding municipal taxes, and excluding school and lodge requisitions)

Sale of Goods & Services	32,000	110,000	115,000	4,107,011	118,000	2,835	97,700	4,582,546
Interest Revenue	350,000	-	-	-	-	-	-	350,000
Provincial Grants - operating	-	-	730,873	-	-	183,359	298,682	1,212,914
Other Revenue including frontage	1,522,907	72,927	135,470	67,100	380,542	39,558	5,000	2,363,504
TOTAL REVENUE	1,904,907	182,927	981,343	4,174,111	498,542	225,752	401,382	8,508,964

Schedule A-2: General Operating Expenses (excluding school and lodge requisitions, and excluding debenture principal payments)

Wages & Salaries, Benefits, WCB, Recruiting, Honorariums	2,847,470	568,241	3,674,553	1,123,409	879,752	280,404	402,146	9,775,975
Contracted and General Services	1,512,286	735,739	2,574,094	1,244,091	306,020	913,530	265,025	7,550,785
Materials & Supplies, Fuel & Oil, Chemicals & Salt	138,050	245,919	6,014,886	305,495	16,000	89,650	58,790	6,868,790
Utilities (Gas, Power)	114,670	24,000	263,299	360,999	-	-	3,743	766,711
Grants to local governments	2,224,900	5,000	-	-	-	-	-	2,229,900
Grants to other organizations	-	-	-	-	-	127,000	2,207,269	2,334,269
Capital debt interest	37,393	-	381,613	86,184	-	-	-	505,190
Net Book Value of disposed TCA	-	-	-	-	-	-	-	-
Amortization	350,237	173,826	6,495,000	1,882,975	9,561	150,879	445,000	9,507,478
Other	1,272,041	1,500	-	2,100	-	-	-	1,275,641
TOTAL OPERATING EXPENSES	8,497,047	1,754,225	19,403,445	5,005,253	1,211,333	1,561,463	3,381,973	40,814,739
Non-TCA projects	-	-	-	-	-	-	-	-
TOTAL EXPENSES	8,497,047	1,754,225	19,403,445	5,005,253	1,211,333	1,561,463	3,381,973	40,814,739

Less:

Non-cash items included in the above:

Estimated gravel inventory change at Year End 2014	-	-	429,265	-	-	-	-	429,265
Net Book Value of disposed TCA	-	-	-	-	-	-	-	-
Amortization	350,237	173,826	6,495,000	1,882,975	9,561	150,879	445,000	9,507,478
Capital debt interest	37,393	-	381,613	86,184	-	-	-	505,190
Total operational expenses excluding non-cash items and capital debt interest	8,109,417	1,580,399	12,097,567	3,036,094	1,201,772	1,410,584	2,936,973	30,372,806

Mackenzie County
2017 Budget

Schedule C

Contributions to Reserves as per established Policies

Reserves	Minimal contribution	Comments
Roads	\$500,000	Reserve Policy #4
Vehicle & Equipment	\$250,000	Reserve Policy #6
Emergency Service	\$0	Reserve Policy #7; The current balance is \$963,496, which is close to \$1M targeted maximum amount.
Recreation and Parks	\$50,000	Reserve Policy #8
Drainage	\$250,000	Reserve Policy #9
Non-profit Organizations	\$20,000	Reserve Policy #15
Water	\$581,712	Reserve Policy #18
Street light replacement	\$250,000	Reserve Policy #19
Emergency - Fort Vermillion Fire Department	\$225,000	Annual \$225,000 transfer, upto \$675,000
Emergency - La Crete Tompkins	\$125,000	Annual \$125,000 transfer, upto \$375,000
Recreation - Fort Vermillion	\$100,000	
Recreation - La Crete	\$100,000	
General Operating	\$283,612	Reserve Policy #1
General Capital	\$283,612	Reserve Policy #2
Total	\$3,018,936	

Long Term Debt

1. Schedule of ending balances for long term debt as of December 31, 2017

		2017	2016
Debentures -		\$	\$
From Alberta Capital Finance Authority:			
12	4.453% due 2016 (for La Crete Gravity Sewer Line)	0	0
13	4.311% due 2017 (for La Crete 98th Ave, Curb, Gutter, Sidewalk)	(0)	8,958
14	4.501% due for 2027 (for Zama Tower Road Sewer)	108,353	117,315
15	4.311% due for 2017 (for FV 46th Str Sewer Line Extension)	0	4,623
16	4.012% due for 2018 (for Zama Water Treatment Plant)	188,785	370,217
17	4.012% due for 2018 (for Zama Wastewater System)	92,568	181,532
19	3.718% due for 2019 (for Zama Water Treatment Plant)	144,318	236,193
20	3.718% due for 2019 (for Zama Wastewater System)	42,637	69,781
21	3.334% due for 2019 (for La Crete Office Building)	251,243	370,752
22	3.334% due for 2019 (for Zama Multi-Use Cultural Building)	341,054	503,284
23	3.334% due for 2019 (for Zama Water Treatment Plant))	173,225	255,623
25	3.377% due on Dec 15,2020 (Fort Vermilion Corporate Office Expansion)	251,907	330,407
27	4.124% due on Dec 15, 2030 (La Crete Sewer Lift Station)	160,992	170,190
26	3.5635% due on Mar 15, 2021 (Ruaral Water Line)	851,987	1,076,683
28	2.942% due on Dec 17, 2031 (Highway #88 connector)	1,603,658	1,687,623
29	3.623% due on Dec 15, 2033 (Highway #88 connector)	8,871,043	9,274,109
		<u>13,081,770</u>	<u>14,657,290</u>

2. Principal and interest repayment requirements on long-term debt over the next five years

	Principal	Interest	Total
	\$	\$	\$
To be paid in 2017	1,575,520	505,190	2,080,710
To be paid in 2018	1,618,408	448,429	2,066,837
To be paid in 2019	1,319,527	392,813	1,712,340
To be paid in 2020	897,810	350,987	1,248,797
To be paid in 2021	709,482	319,774	1,029,257
To be paid in 2022 to maturity	8,536,543	1,974,755	10,511,299
	<u>14,657,291</u>	<u>3,991,949</u>	<u>18,649,240</u>

3. Debt limit calculation

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by *Alberta Regulation 255/00* for the County be disclosed as follows:

	2016 projected	2015
	\$	\$
Total debt limit, on December 31	51,996,573	55,835,307
Total debt (principal on loans and loan guarantees), on December 31	-14,657,291	-16,235,802
Amount by which debt limit exceeds debt	37,339,282	39,599,505
Limit on debt service, in fiscal year	8,666,096	9,305,885
Service on debt in fiscal year (are interest & principal payments)	-2,080,710	-2,140,835
Amount by which debt servicing limit exceeds debt servicing	6,585,385	7,165,049

The debt limit is calculated at 1.5 times the revenue of the County (as defined in *Alberta Regulation 255/00*) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the County. Rather, the financial statements must be interpreted as a whole.

4. New Debt

	2017
	\$
Debtures -	
From Alberta Capital Finance Authority:	
30 Zama Access due on Sep 15, 2032	3,000,000
Total new debt	3,000,000

Assessment and Estimated Tax Revenues

What is property assessment?

“Property assessment is the process of assigning a dollar value to a property for taxation purposes. In Alberta, property is taxed based on the *ad valorem* principle. *Ad valorem* means ‘according to value.’ This means that the amount of tax paid is based on the value of the property.

“Property taxes are a primary source of revenue for municipalities. Property taxes are used to finance local programs and services. ...

“The assessment and taxation system begins with the laws outlined in the *Municipal Government Act*. All activities that are associated with property assessment and taxation are governed by this legislation and its regulations.”

Source: *Guide to Property Assessment and Taxation in Alberta*, published by Alberta Municipal Affairs.

How is the tax rate calculated?

Revenue requirement / Assessment base = Tax rate.

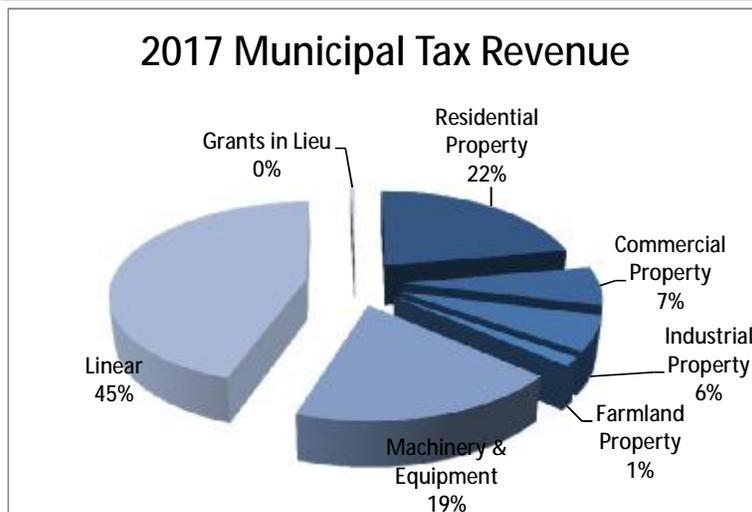
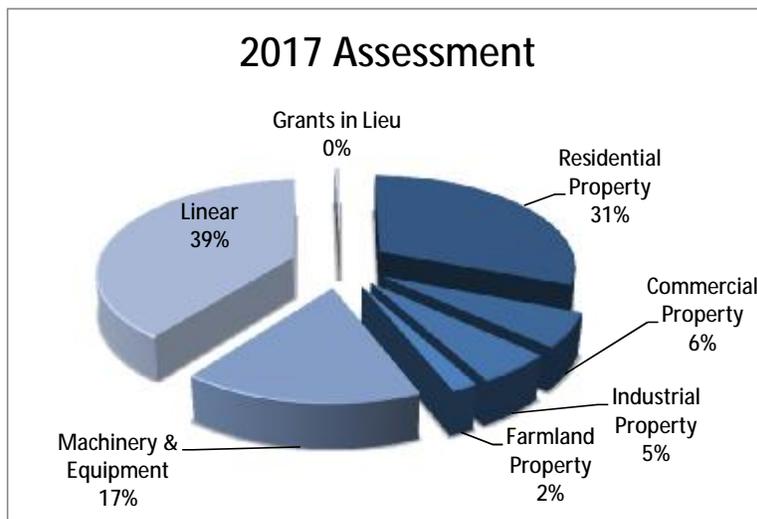
What is the County’s revenue requirement?

The County’s cash requirement decision worksheet identifies revenue requirements for operating, capital, and restricted surplus contributions.

	2016 assessment	% change estimated	2017 estimated assessment	2017 projected revenue
Residential Property	730,133,910	2.84%	750,884,020	5,637,637
Commercial Property	140,170,020	2.50%	143,679,900	1,710,222
Industrial Property	128,227,880	0.57%	128,960,370	1,535,015
Farmland Property	44,345,260	-0.02%	44,334,190	377,195
Machinery & Equipment	400,679,700	0.00%	400,679,700	4,769,290
Linear	998,801,290	-4.65%	952,321,356	11,335,481
Grants in Lieu	9,961,360	0.06%	9,967,780	98,646
Total Taxable Assessment	\$2,452,319,420	-0.88%	\$2,430,827,316	\$25,463,488
Tax exempt assessment	183,328,920	0.64%	184,511,300	0
Total Assessment	\$2,635,648,340	-0.77%	\$2,615,338,616	\$25,463,488

Notes:

- (1) Please note that 2016 tax bylaw rates were used in the calculation of the projected 2017 tax revenues.
- (2) Municipal tax revenue has decreased from \$25,884,396 (2016 actual) to 25,396,396 (2017 budget) due to an decrease in estimated assessment by 0.77%.



Review of Water & Sewer Rates

The first component used in the water rate calculation is consumption (in m³):

	2017	2016	2015
Metered, m ³	380,000	397,510	398,387
Cardlock, m ³	227,000	225,400	230,471
Raw, m ³	12,700	12,650	16,814
Tall Cree (treated water), m ³	10,000	9,500	9,990
Total	629,700	645,060	655,662

The following cost were used for calculations and are based on the 2017 budget:

Water

Cost	Distribution costs	Treatment cost	Total 2017 budget	Total 2016 budget
Fixed	\$504,178	\$437,890	\$942,067	\$939,432
Variable	\$221,802	\$537,173	\$758,975	\$809,438
Long term debt (interest + principal)	\$0	\$384,557	\$384,557	\$420,729
Total	\$725,979	\$1,359,620	\$2,085,599	\$2,169,599

Wastewater

Cost	Collection costs	Treatment cost	Total 2017 budget	Total 2016 budget
Fixed	\$271,989	\$190,968	\$462,957	\$465,046
Variable	\$89,098	\$60,955	\$150,053	\$164,213
Long term debt (interest + principal)	\$138,890	\$20,949	\$159,839	\$210,813
Total	\$499,977	\$272,872	\$772,849	\$840,072

The number of meters that are currently installed:

Location	2016	2015
La Crete	1,405	1,377
Fort Vermilion	353	354
Zama	97	103
Total	1,855	1,834

Current rates	Water		Sewer	
Rate Description	Cost per connection	Rate per m3	Cost per connection	Rate per m3

Mackenzie County
Water Rate Review

2017 Budget

Rates for Metered Users	\$37.04	\$3.18	\$31.52	\$0.73
Rates for Cardlock Users (treated water)		\$3.18		\$0.73
Rates for Cardlock Users (raw water)		\$2.31		

	WATER	SEWER	TOTAL
Projected revenue at current rate	\$2,824,525	\$1,159,379	\$3,983,904
- Connection cost	\$824,461	\$701,593	\$1,526,054
- Meter treated water	\$1,208,400	\$277,400	\$1,485,800
- Cardlock treated water	\$721,860	\$165,710	\$887,570
- Cardlock raw water	\$29,337	\$0	\$29,337
- Tall Cree	\$40,467	\$14,676	\$55,143
2017 Budget expenses	\$2,085,599	\$772,849	\$2,858,448

Points to consider

Long term debt fluctuates as debt is incurred or repaid.

Depreciation is excluded from above more consistent on a year to year basis.

Debt payments represent financing cost and not a true cost of infrastructure.

Above water calculation excludes the rural water line principal and interest payments.

No principal and debt payments were included for the the La Crete Lagoon.

