

VULCAN COUNTY

ANNUAL BUDGET REPORT 2023

FOR THE YEAR JANUARY 1 TO DECEMBER 31, 2023
VULCAN COUNTY, ALBERTA, CANADA



Vulcan County
Box 180, 102 Centre Street
Vulcan, Alberta T0L 2B0
www.vulcancounty.ab.ca



Realizing opportunity and
growth through collaborative leadership
and accessible administration.
- Vision Statement

Through proactive municipal leadership
and partnerships, we will balance
traditional planning with innovation
to realize economic development and
community growth for
future prosperity.
-Purpose Statement

Save Paper, view our report online.

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For best results, choose “two-page display”
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ANNUAL BUDGET REPORT

2023

2023 BUDGET - APPROVED MAY 3, 2023

FOR FISCAL YEAR ENDED DECEMBER 31, 2023
VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY
CORPORATE SERVICES DEPARTMENT
JULY 2023

Box 180, 102 Centre Street
Vulcan, Alberta, Canada T0L 2B0
www.vulcancounty.ab.ca



Welcome to Our Budget Report



It is our pleasure to submit Vulcan County's 2023 Annual Budget Report.

The purpose of the Annual Budget Report is to provide our community with a clear and transparent insight into the development of our budget. It also provides an opportunity to analyze and comment on the budget highlights, the information of the County, and the outlooks for the future.

READER'S GUIDE 101

The intention of this document is to provide Council and the Ratepayers of Vulcan County the details and factors that influence the development of the operating and capital budget.

A comprehensive overview of the budget, operating segments/departments, and capital will be provided in this document.

This overview outlines the strategies, priorities, and issues that Vulcan County faced during the development of the budget.



BUDGET REPORT SECTIONS

1) Introduction to the Budget Report

Provides an overview of the budget process/guidelines, profile of the County, and describes the strategic plan and priorities.

The budget overview will allow the reader to obtain an understanding of expenditures of the County and the sources of funding that support the County's operations and capital needs.

This will be provided on a high-level basis. The detail within this report will support the summaries provided in the budget overview.

2) Operating Budget

The operating budget provides resources for the ongoing day-to-day costs of delivering the municipal services to the County's ratepayers.

The operating budget gives details on the types of operating revenues, expenditures, and transfers in the budget. These details will be provided for all types of revenue and expense.

The operating segments are the major groups of similar departments and activities. These include: General Government, Protective Services, Transportation Services, Agricultural Services, Planning & Development Services, Community Services, and Utility Services.

BUDGET REPORT SECTIONS - Continued

3) Capital Budget, Reserves, & Debt

The capital budget deals with the costs to purchase or construct new infrastructure and invest in long-term fixed assets required for day-to-day operations (including road/bridge construction, graders and equipment, and vehicles).

This Section provides details on the capital requirements of the County, including all acquisitions and funding sources. This section also provides details on the County's operating/capital reserves and related debt.

4) Appendix and Glossary

Provides extra information and a list of definitions that are used throughout the budget report.

The Appendix includes:

- The Approved Operating & Capital Budgets
- Infographics & Charts
- Statistics & Ratios
- Financial Indicators & Performance Measures
- Financial Reporting & Dashboards



As shown above in the pencil infographic, the Budget Reporting is divided into six (6) major sections:



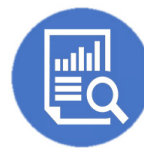
Introduction
& Overview



Operating
Revenues



Operating
Expenses



Segment
Reporting



Capital Budget,
Reserves, &
Debt



Appendix &
Glossary

Click the Icons to go to the related section

Budget Message from the County's Reeve

The development and adoption of the County's Annual Operating and Capital Budgets are some of the most important decisions for Council and outlines the operations and services provided by the County to its ratepayers.



Jason Schneider
County Reeve

The County's vision, mission statement, and values guide the development of the Strategic Plan and provides the "blueprint" for the future. Putting the right strategy together and developing a clear action plan for effective implementation is vital to the success of Vulcan County. The approved budget must reflect and work towards the goals and priorities outlined within the Strategic Plan.

Council has made it a priority to make Vulcan County an attractive place to invest in and to diversify the economy. Vulcan County remains focused on balancing the interests of agricultural producers, with a diverse range of residential, recreational, and business opportunities in our communities. We will strive to provide an atmosphere to foster economic growth and development so long as the development will be a positive contribution to the financial and/or social wellbeing of the County.

Budget 2023 includes a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates to support with the County's priority in maintaining competitive tax rates while trying to further increase the assessment base and diversification. To support in this goal, the County is also in process of completing the development of a new industrial park and has continued to bring in new businesses into the County.

Vulcan County Council is confident in the 2023 Operating and Capital Budgets and that Vulcan County is well-situated to ensure its long-term viability.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jason Schneider'.

Jason Schneider
Reeve



Budget Message from the County's CAO

On May 3rd, 2023, Vulcan County Council approved the 2023 operating and capital budgets. Together, these documents provide a roadmap for the year ahead and provide the necessary funding for the various County departments to administer the services that ratepayers expect.



Nels Petersen
Chief Administrative
Officer (CAO)

The budget process is an opportunity for Council and Administration to review the ever changing environment of the County, while ensuring that the County provides the appropriate levels of service throughout. The County makes use of a 3-year operating and 5-year capital plan, in addition to its larger 20-year capital plan. These plans were borne out of the recognition that long-term planning leads to greater stability. This planning also helps to secure funding for the County's capital replacement requirements which can vary greatly from one year to the next. Finally, municipal tax rates fluctuate far less when a long-term perspective is utilized.

In the weeks and months leading up to budget approval, County Council and Administration considered feedback from stakeholders within the County, current economic climate, and the County's strategic plan when determining its objectives for the year.

With one of the largest solar projects in Canada (Travers Solar - 465 Megawatt production capacity) being completed and commissioned in the County during the year, Vulcan County decided to implement a supplemental assessment and related property tax for 2023; whereas, these supplemental property taxes allowed the County to cover the required inflationary cost increases, maintain the service levels, and allow reduction in overall tax rates. Increasing investment in economic growth and diversity within the region is a priority in the strategic plan which will support growth of the assessment base. The reductions in the overall tax rates were included within the strategic planning as part of a multi-year analysis on projected assessment and tax rates. For 2023, this included a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates.

Vulcan County strives to have its annual municipal budget as open and transparent as possible to ensure that the County remains accountable to the community and its ratepayers. To further improve the transparency of the County's annual municipal budget, we have developed this Budget Report to assist in providing additional details on the operating and capital budgets, guidelines for how the municipal budget is prepared, and other details relating to the budget process. We hope that this report assists you in understanding the municipal budget and the process that creates it.

It is my pleasure to serve this community and assist in the development of plans which will help ensure its long-term viability.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Nels Petersen', written over a light blue grid background.

Nels Petersen
Chief Administrative Officer



Budget Presentation Recognition

Government Finance Officers Association of the United States and Canada (GFOA)

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Vulcan County, Alberta for its annual budget for the year beginning January 1, 2022.



In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

A Distinguished Budget Presentation Award is valid for a period of one year only. We believe our current budget presentation document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Notes Regarding this Report

This Annual Budget Report has been designed to act as a resource for the public, local businesses and community, and employees. The purpose of the Annual Budget Report is to provide our community with a clear and transparent insight into the development of our budget. It also provides an opportunity to analyze and comment on the budget highlights, the information of the County, and the outlooks for the future. The 2023 fiscal year representing the period from January 1st, 2023 to December 31st, 2023.

The electronic/PDF copy of this report is designed to be interactive for the readers of the report. The table of contents are hyperlinked to the related sections. The side tabs, as shown later in this report, are hyperlinked to the start of the related sections. There are also hyperlinks throughout the report to the County's website, social media, and other sources to provide the reader additional information. The PDF copy also maintains comprehensive electronic bookmarks on each of the major sections and sub-sections of the report.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Vulcan County
Alberta**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director



Vulcan County

2022 Annual Budget Report

Condensed Table of Contents:

The following is a condensed table of contents for the County's Annual Budget Report including all of the major sections and categories of the report. A detailed table of contents is also included on the cover pages of each of the major sections.

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An aerial photograph of a river delta, showing a complex network of channels and distributaries. The water is a mix of brown, tan, and blue, indicating varying depths and sediment levels. A white rectangular box with rounded corners is superimposed on the upper left portion of the image, containing the title text.

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Section 1 - INTRODUCTION TO THE BUDGET REPORT

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BUDGET OVERVIEW



At the May 3rd, 2023 regular Council meeting, County Council approved the 2023 Operating and Capital Budgets. The following is a summary of the 2023 Operating and Capital Budgets, including the prior year comparison and a reconciliation with the related reserves and capital transfers:

Vulcan County Budget Overview

REVENUE:

Net municipal taxes	\$ 15,555,033	\$ 14,710,373	844,660
Government transfers - operating	928,671	919,889	8,782
Return on investments	576,824	277,876	298,948
Sale of goods, services, and user charges	1,334,250	1,831,119	(496,869)
Rental Income	321,980	318,980	3,000
Community aggregate levy	140,110	137,363	2,747
Penalties and costs of taxes	194,000	194,000	-
Other revenue	28,000	30,382	(2,382)
	\$ 19,078,869	\$ 18,419,983	\$ 658,886

EXPENSES:

Salaries, wages and benefits	\$ 8,226,494	\$ 7,216,498	1,009,996
Contracted and general services	3,094,795	2,871,368	223,427
Materials, goods and utilities	3,240,880	4,517,365	(1,276,485)
Transfers to local boards and agencies	2,015,092	1,881,623	133,469
Interest and bank charges	45,142	54,468	(9,326)
Amortization of tangible capital assets	4,818,615	4,684,267	134,348
Machine expenses capitalized for construction	(2,066,788)	(1,709,808)	(356,980)
Loss on disposal of tangible capital assets	-	-	-
Other expenses	40,163	40,162	1
	\$ 19,414,393	\$ 19,555,942	(141,549)

OPERATING SURPLUS (DEFICIT)

	(335,524)	(1,135,959)	800,435
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OTHER

Government transfers - capital	2,474,235	4,667,397	(2,193,162)
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ANNUAL SURPLUS (DEFICIT)

	\$ 2,138,711	\$ 3,531,438	(1,392,727)
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RESERVE AND CAPITAL TRANSFERS:

Capital Acquisitions	(8,230,879)	(7,441,825)	(789,054)
Disposal of Capital	500,000	193,596	306,404
Transfer from Reserves - Capital	3,951,025	835,024	3,116,001
Transfer to Reserves - Capital	-	-	-
Transfer of Amortization	4,818,615	4,684,267	134,348
Transfer of Gain/Loss on disposal	-	-	-
Transfer from Reserves	1,000,595	2,451,948	(1,451,353)
Transfer to Reserves	(4,178,067)	(4,254,448)	76,381
Transfer to Capital Functions - Operating	(1,305,619)	(1,745,808)	440,189
Transfer from Operating Functions - Capital	1,305,619	1,745,808	(440,189)
Transfer to Other Functions	-	-	-
Transfer of Principal Repayment	-	-	-
	(2,138,711)	(3,531,438)	1,392,727

TOTAL NET EFFECT ON ACCUMLATED SURPLUS

	\$ -	\$ -	\$ -
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A comparison of the current and prior year property assessment figures is shown below. The different classes of property all saw changes, but the net impact was an increase to the County's assessment base:

	2023 Assessment	2022 Assessment	% change Assessment
Residential	574,714,680	503,479,110	14.15%
Commercial & Industrial	117,619,200	113,635,280	3.51%
Farmland	205,106,450	205,148,560	-0.02%
Machinery & Equipment (M&E)	78,620,730	81,174,990	-3.15%
Linear	634,671,090	611,163,930	3.85%
	1,610,732,150	1,514,601,870	6.35%
Supplementary	200,000,000	-	100.00%
	1,810,732,150	1,514,601,870	19.55%

As shown above, the County had an approximate 6.35% increase in taxable assessment (excluding supplementary assessment); whereas, the County is projecting an additional \$200 million in supplementary assessment with one of the largest solar projects in Canada (Travers Solar - 465 Megawatt production capacity) being completed and commissioned in the County during the year. The total estimated taxable assessment from this solar farm is estimated to be substantially higher than this amount; however, as the project is being commissioned during mid-year, the 2023 supplementary assessment was prorated based on projected commissioning dates. The overall estimated increase in assessment was 19.55%.

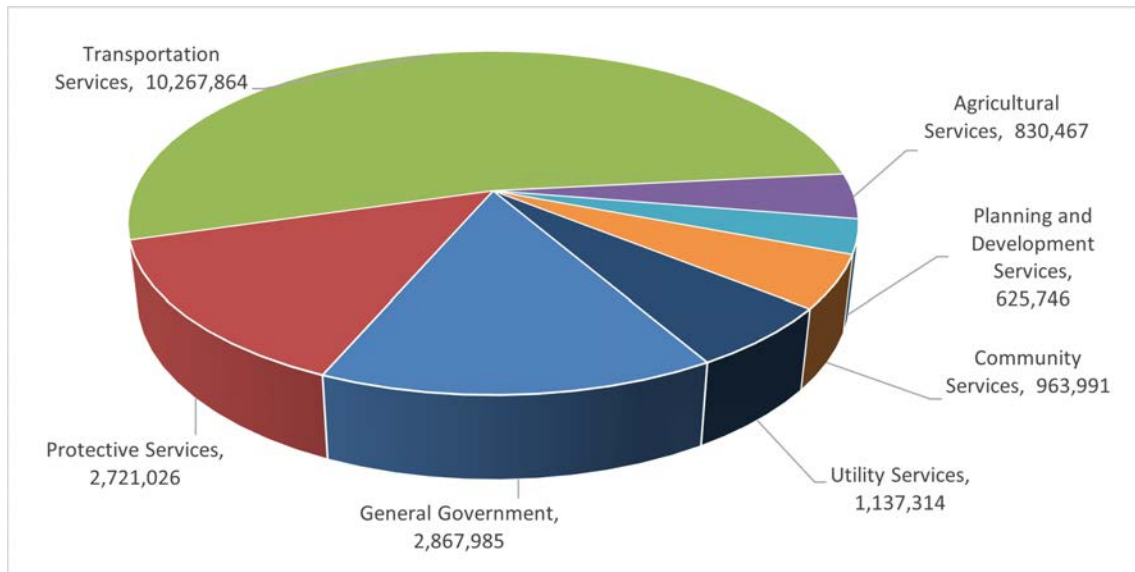
As part of the County's Strategic Planning, Council and Administration reviewed many different scenarios and analysis, including comparing tax rates and assessment to neighboring and other comparable municipalities during the budget process. This is done in an effort to ensure Vulcan County's rates are competitive while still addressing the unique needs of the County. Although there were many challenges with Budget 2023, including inflationary costs that have a large impact on the County, the County was able to minimize these costs as much as possible and able to utilize assessment growth to strategically achieve tax rate reductions for 2023, including a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates. Additionally, the County was able to maintain its strong financial position with respect to its operating and capital reserves.

Some departments saw a surplus in prior years, and those surpluses have been placed in reserve to be drawn on over the next few years which will help mitigate any fluctuations in revenue requirements. The County was also able to maintain its 20-year capital plan (funded by capital reserves and projected reserve transfers).



[See Appendix 1 for the 2023 Approved Operating and Capital Budget](#)

The following are the budgeted operating expenses (including amortization) for each of the County's major operating segments and by the type of the expenses:

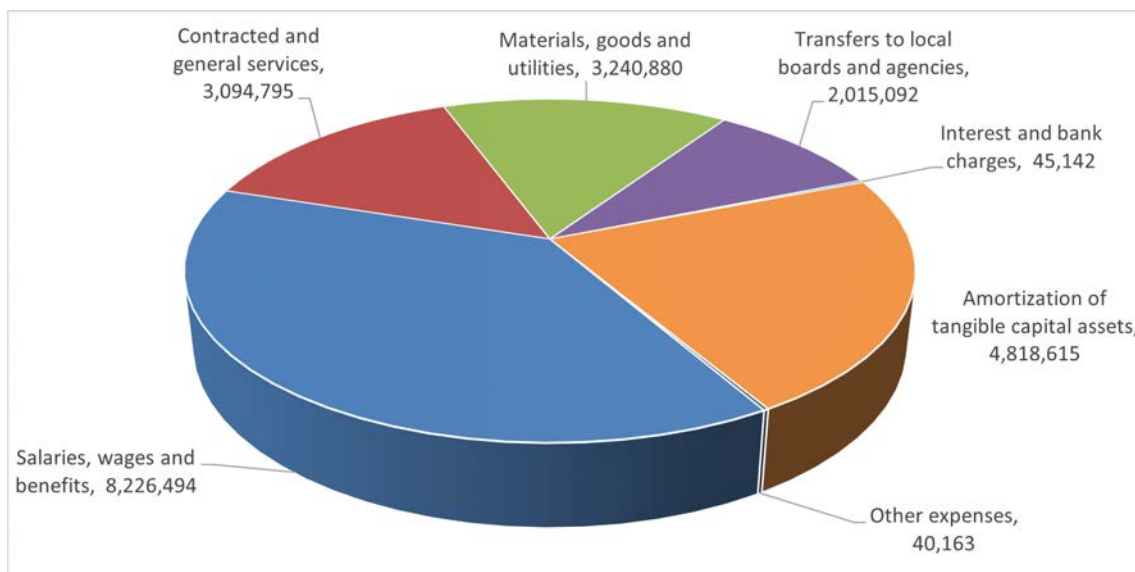


Expenses - by type/object

Salaries, wages and benefits	8,226,494	38.3%
Contracted and general services	3,094,795	14.4%
Materials, goods and utilities	3,240,880	15.1%
Transfers to local boards and agencies	2,015,092	9.4%
Interest and bank charges	45,142	0.2%
Amortization of tangible capital assets	4,818,615	22.4%
Other expenses	40,163	0.2%
	<u>21,481,181</u>	
Machine expenses capitalized for construction	<u>(2,066,788)</u>	
	19,414,393	

Expenses - by segment/department

General Government	2,867,985	14.8%
Legislative	506,709	
Administration	2,328,823	
Other General	32,453	
Protective Services	2,721,026	14.0%
Transportation Services	10,267,864	52.9%
Agricultural Services	830,467	4.3%
Planning and Development Services	625,746	3.2%
Community Services	963,991	5.0%
Family and Community Services	233,282	
Parks and Recreation	695,682	
Tourism and Economic Development	35,027	
Utility Services	<u>1,137,314</u>	5.9%
	19,414,393	



SIGNIFICANT CHANGES IN EXPENSES:

- Salaries and Benefits increased with an overall staffing increase, staffing grid movements and Cost of Living Adjustment (COLA) increase to the related salary grids. There was a 3.30 Full-Time Equivalent (FTE) increase from the prior year and the 2023 wage grids had a 5.95% COLA increase. The County also started providing benefits to its volunteer firefighters.
- Contracted Services increased from the prior year as there was increases in equipment repairs, increases in the dust abatement program, and during the year the County is planning on starting on the updating the Municipal Development Plan (MDP).
- Materials, Goods & Utilities had significant decreases as the prior year included the costs of the 2021/2022 gravel crushing program (reserve funded). These decreases were partially offset by increases in fuel/diesel costs, software costs, and purchases of small tools/equipment.
- Grants to Boards & Agencies increased from the prior year as there were increases in funding provided to the Waste Commission, Library grants, and the County supported in funding the Vulcan Ice Arena’s re-surfacer replacement.
- Amortization of Tangible Capital Assets (TCA) increased as it was adjusted to the 2022 actual expenses; in which, in the last couple years the County has added additional TCA for enhancements to the fire departments.

CAPITAL BUDGET:

The capital budget pertains to the construction and acquisition of capital assets. The majority of engineered structures relate to the construction of roads and bridges throughout the County.

The capital budget is funded by a combination of capital grants, reserve funding, operating transfers, and sale of capital assets no longer in use.

The majority of funding for capital assets is from capital grants and capital reserves. It is budgeted that approx. \$2.47 million will be funded by capital grants and \$3.95 million funded by capital reserves. There are \$2.07 million of operating machine expenses capitalized for construction (internally constructed projects) which is included in the net transfers from operating function (net between capitalized costs and relates operating funding transfers).

Some of the major capital acquisitions include the completion of the Industrial Park, road & bridge projects, phase 2 of the Mossleigh Drainage Project, enhancements to the Fire Training Tower, purchase of 3 graders with attachments, and other vehicle/equipment replacements.



The Pieces of the County's Budget

**Emergency
& Protective
Services**
\$3.18 million
(12.50%)

**General
Services**
\$1.57 million
(6.16%)

**Health &
Social Services**
\$357,600
(1.40%)

**Public Utilities
(Waste/Water)**
\$1.12 million
(4.39%)

**Agricultural
Services**
\$759,700
(2.98%)

**Transportation
Services**
\$10.21 million
(40.10%)

**Planning &
Development**
\$714,700
(2.81%)

**Recreation &
Culture**
\$807,500
(3.17%)

Legislative
\$506,700
(1.99%)

Administration
\$2.10 million
(8.25%)

**School,
Senior & Other
Requisitions**
\$4.14 million
(16.25%)

COUNTY PROFILE



Vulcan County is a rural municipality within Southern Alberta with a population of approximately 4,098 and is conveniently located one hour from both Calgary and Lethbridge. The County covers an area of 563,420 hectares and encompasses the following:

- Town of Vulcan
- Villages of Carmangay, Champion, Lomond, Milo, and Arrowwood
- Hamlets of Brant, Ensign, Kirkcaldy, Shouldice, Queenstown, Mossleigh, Herronton, and Travers

Vulcan County is a municipal government entity established under authority of the Municipal Government Act; whereas, the County is chosen by and is accountable to the local community by means of local elections (elected County Council).

Geographical Location

Vulcan County is a rural municipality located within Southern Alberta.

Major Highways:

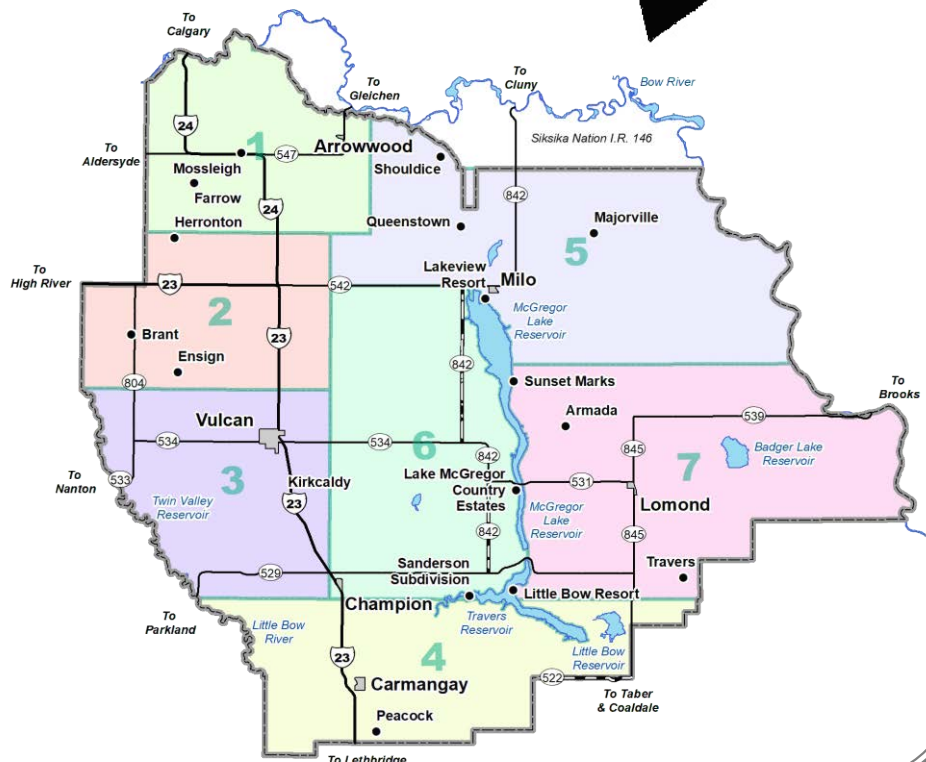
Highway 23 & 24

Secondary Highways:

Highway 529, 531, 534, 539, 542, 547, 804, 842, 845

Distance to Major Areas:

- 129 km (81 miles) to Calgary
- 94 km (59 miles) to Lethbridge
- 200 km (125 miles) to Coutts / Sweetgrass USA Border Crossing



Welcome to Vulcan County



County Services

Vulcan County provides a number of services to its residents, either directly or jointly with other municipalities and commissions. These services include the following:

- **General Government** - includes legislative and administrative matters, including Council expenditures and administration costs required to operate Vulcan County. Activities within General Government include: general municipal expenditures, Council expenditures, financial statement preparation and reporting, accounts receivable and payable, payroll, information technology, geographical information systems (GIS), and property assessment and taxation.
- **Protective Services** - is comprised of emergency management, health and safety, bylaw enforcement and fire services. This department prepares and coordinates the Municipal Emergency Plan and related plans and programs. The Protective Services department administers the fire districts within Vulcan County, ensuring compliance as per the Quality Management Plan. Other services with respect to fire include public education and fire prevention. Bylaw enforcement is provided by Vulcan County's Community Peace Officers.
- **Transportation Services** - is responsible for the delivery of municipal public works services relating to the maintenance and construction of roadways and bridges. This department ensures appropriate agreements are in place (i.e., access agreements, pipeline crossings, road and rural addressing signage, etc.) to minimize liability concerns.
- **Agricultural Services** - provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, and rental of specialized equipment. Working in conjunction with Alberta Agriculture, this department also provides field trials (i.e., insect counts, disease investigations, etc.).
- **Planning and Development Services** - facilitates development in accordance with the Land Use Bylaw as approved by County Council. This department ensures compliance of existing development applications with the Land Use Bylaw, offers recommendations to Council for amendments and assists developers with requirements of area structure plans.
- **Community Services** - including many community service organizations, such as the local Family Community Support Services (FCSS), daycare and public health, tourism and economic development, recreation boards, cultural programs and library boards.
- **Utility Services** - including garbage disposal (with the Vulcan and District Waste Commission) and water services (with Twin Valley Regional Water Commission and Mossleigh Water Coop).

Economics of the County

The largest industry in Vulcan County is agriculture, encompassing approximately 444,000 hectares of farmland. The County is a member of the Foothills Little Bow Association and is part of the Bow River Irrigation District. There are three operational inland grain terminals in Vulcan County; two just south of the Town of Vulcan, and one southwest of the Village of Carmangay.

Geophysical drilling and pipeline activity have become increasingly important in recent years, with many oil and gas deposits put into production. Likewise, renewable energy is a rapidly growing industry in the County due to our ideal location for wind and solar farms. One of the largest wind farms in western Canada is situated in the County. Many solar farms are in the development phase and we anticipate they will provide significant economic benefit to our region and is projected to produce 700 megawatt (MW) of clean energy.



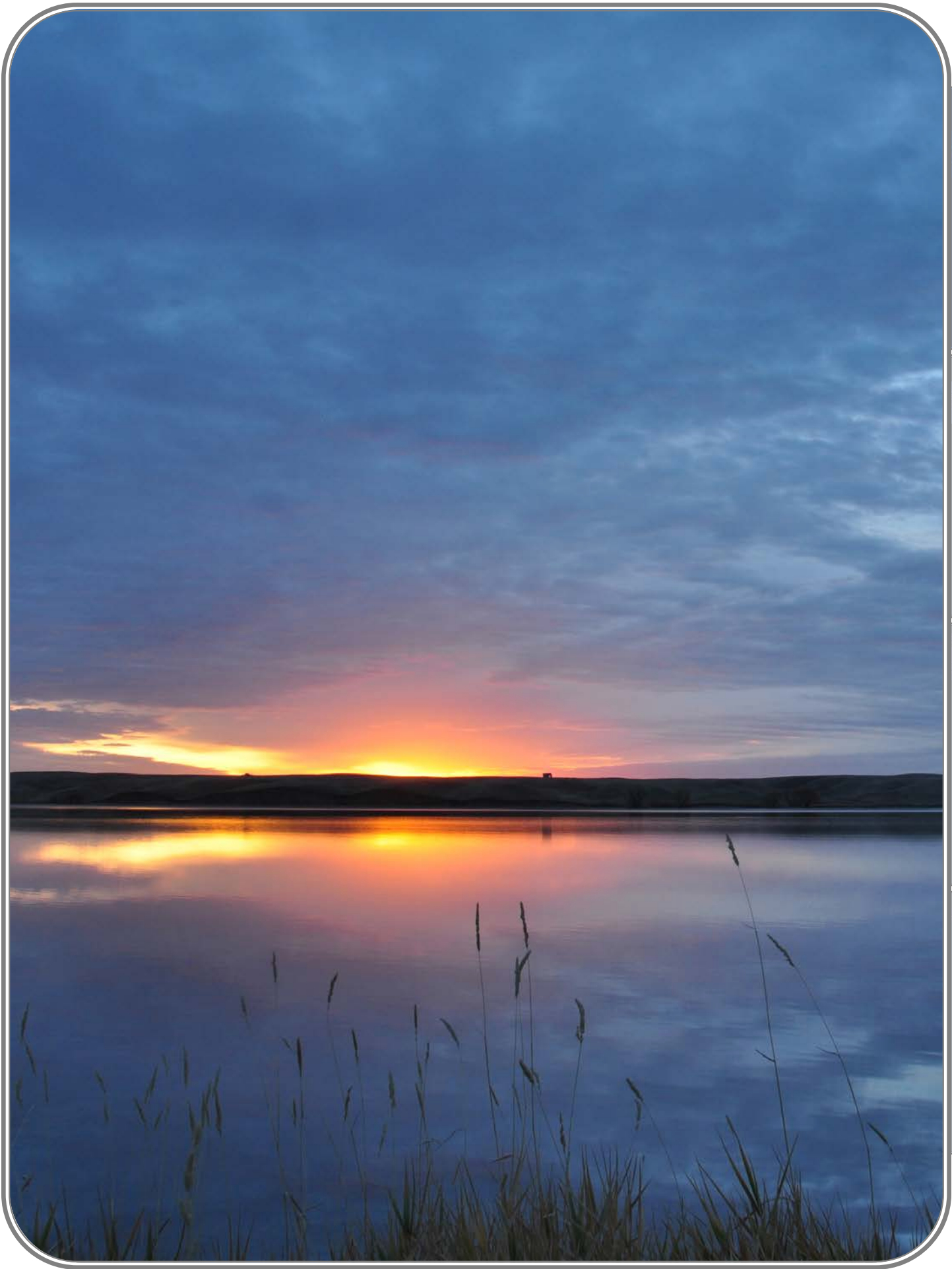
Recreation and Attractions



Throughout the County, communities have a wide range of recreational facilities, including playgrounds, community centres, senior citizens drop-in centres, golf courses, ice arenas, swimming pools, and rodeo arenas.

Water recreation areas in the County include the Travers Dam, Lake McGregor, Williams Lake and Badger Lake. Provincial Parks include the Little Bow Provincial Park, Little Bow Reservoir Provincial Recreation Area, McGregor Reservoir Provincial Recreation Area, Travers Reservoir Provincial Recreation area, and the Wyndham-Carseland Provincial Park.

County historical attractions that focus on the First Nations heritage are the Carmangay Tipi Rings, the Majorville Medicine Wheel, and the Sundial Medicine Wheel; while the aviation related attractions include the Royal Canadian Air Force Monument at the Vulcan Industrial Airport.



Introductory



Operating Budget



Capital & Reserves



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MUNICIPAL GOVERNANCE

County Council



Vulcan County is governed by a seven-person County Council, which is elected every four (4) years (previously three years) effective for the 2013 elections. All Councillors elected from each of the seven (7) electoral divisions of Vulcan County. The most recent municipal election took place in October 2021.



The County Council (the “Council”) of Vulcan County operates under the authority of the Municipal Government Act (Revised Statutes of Alberta, 2000, Chapter M-26) and policies and regulations pursuant to that legislation.

The position of Reeve and Deputy Reeve are determined at each of the annual Organizational Meetings held in October of each year.

Council holds two types of meetings:

- Council Meetings and Governance
- Priorities Committee Meetings

Council Meetings are more formal and where Council makes the actual decisions on important matters in the community. These Council Meetings are typically held on the 1st and 3rd Wednesday of each month and are always open to the public and media.

Governance & Priorities Committee Meetings are typically less formal and provide Administration opportunities to share information, discuss issues, and obtain direction from Council. This can include, but is not limited to, Budget Committee Meetings and Organizational Meetings.

[Click the Pictures to go to their Profiles](#)

Vulcan County - Council Members:



Jason Schneider
Reeve / Division 3
2013-date



Shane Cockwill
Deputy Reeve / Division 2
2017-date



Jodie Gateman
Councillor / Division 1
2021-date



Laurie Lyckman
Councillor / Division 4
2017-date



Kelly Nelson
Councillor / Division 5
2021-date



Christopher Northcott
Councillor / Division 6
2021-date



Doug Logan
Councillor / Division 7
2017-date

Vulcan County Council also establishes a number of policies and bylaws that provide governance on the County and its operations. Click on the binders below:



Council policies layout direction on governance, programs, and services delivered by Vulcan County in order to provide a consistent approach to operations. Council bylaws are the laws established by the County in accordance with the powers delegated under the Municipal Government Act (MGA) by the Province of Alberta.



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County Administration



Nels Petersen
Chief Administrative
Officer (CAO)

The position of Chief Administrative Officer (CAO) is the administrative head of the organization and reports directly to the County Council.

Reporting to the CAO are the four (4) Directors in charge of each of the County's departments and the Managers of Development Services, Engineering & Infrastructure Services, and Legislative Services. The following are the departments of the County:

- **Operations** - department includes road construction, road maintenance, graveling, bridge construction, and fleet maintenance.
- **Corporate Services** - department includes information technology, geographic information systems (GIS), and finance (assessment, taxation, receivables, payables and payroll).
- **Protective Services** - department includes fire protection services and bylaw enforcement.
- **Agricultural Services** - department includes seeding, weed control, spraying, pest control and agricultural rentals.



Mike Kiemele
Director of
Operations



Mark DeBoer
Director of
Corporate Services



Doug Hendricks
Director of
Protective Services



Kelly Malmberg
Director of
Agricultural Services



Anne Erickson
Manager of
Development Services



Nathan Forsyth
Manager of
Engineering & Infrastructure



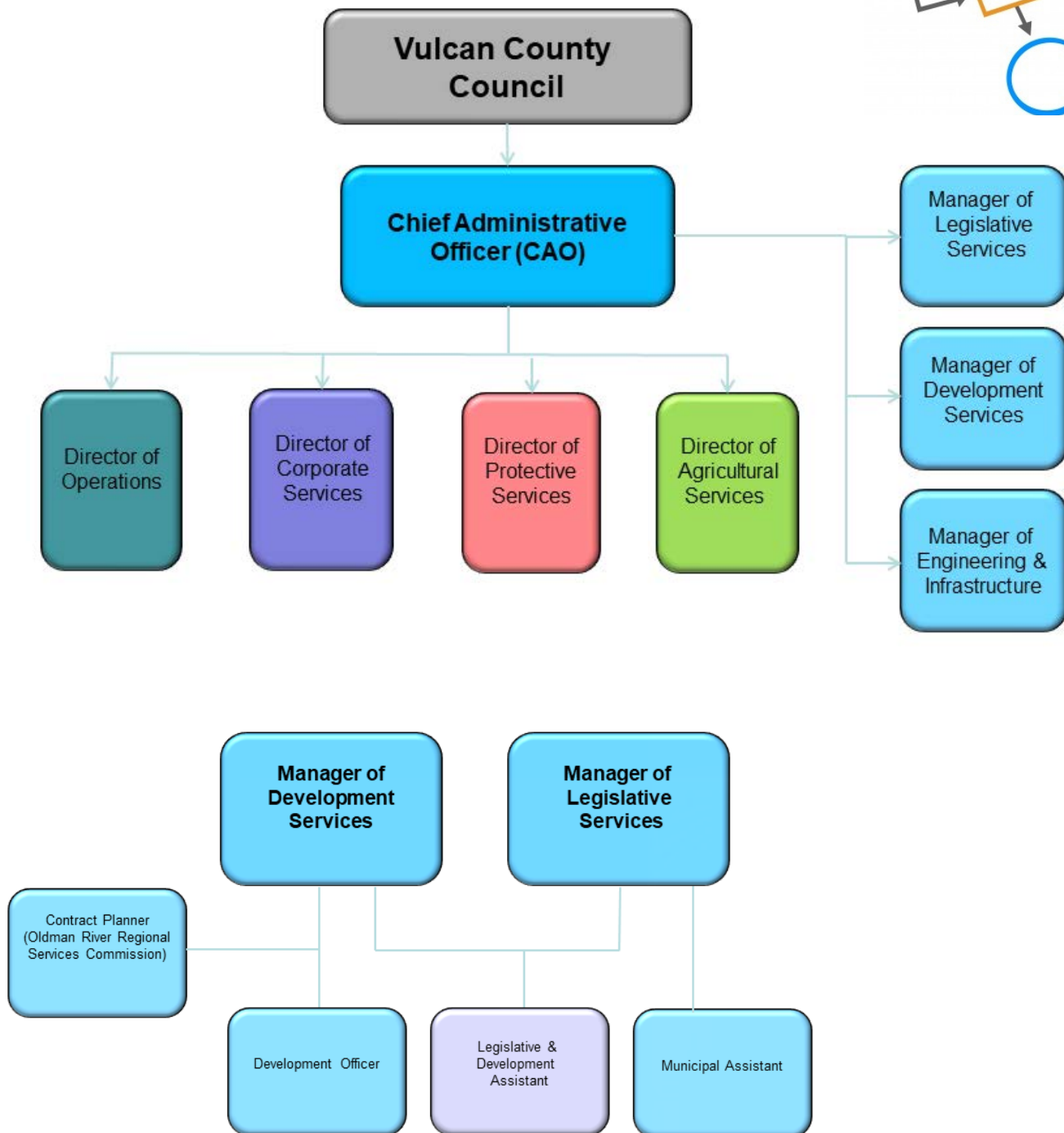
Lansey Middleton
Manager of
Legislative Services

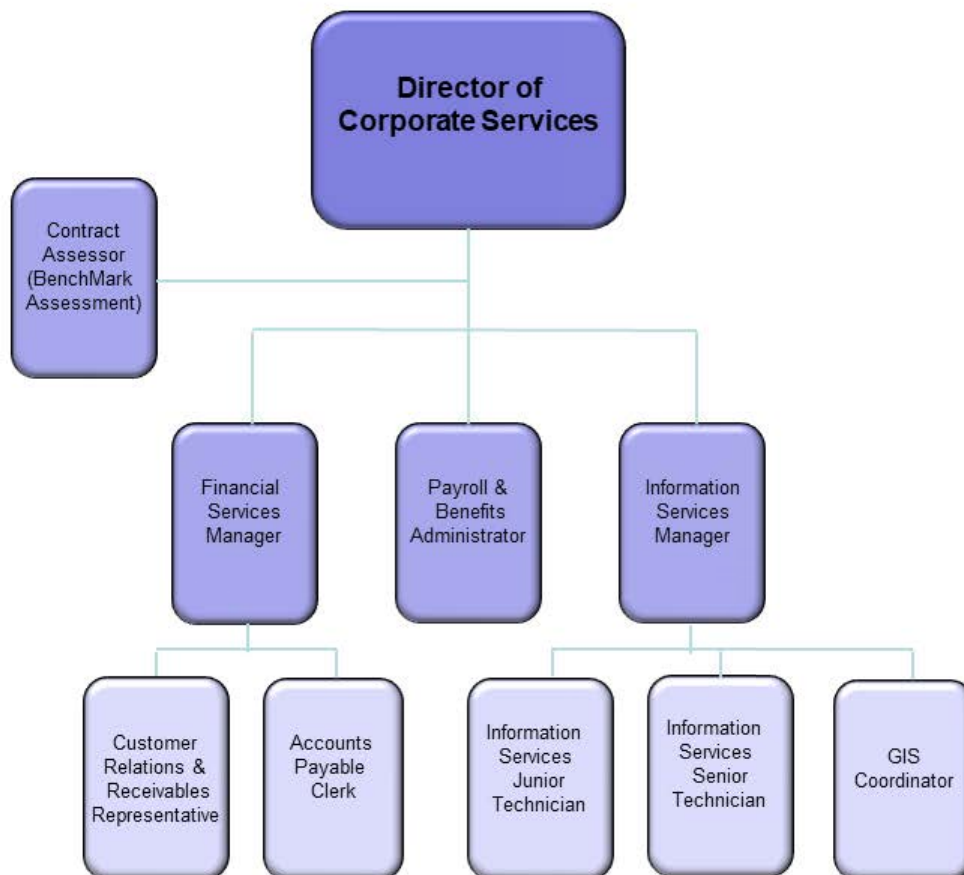
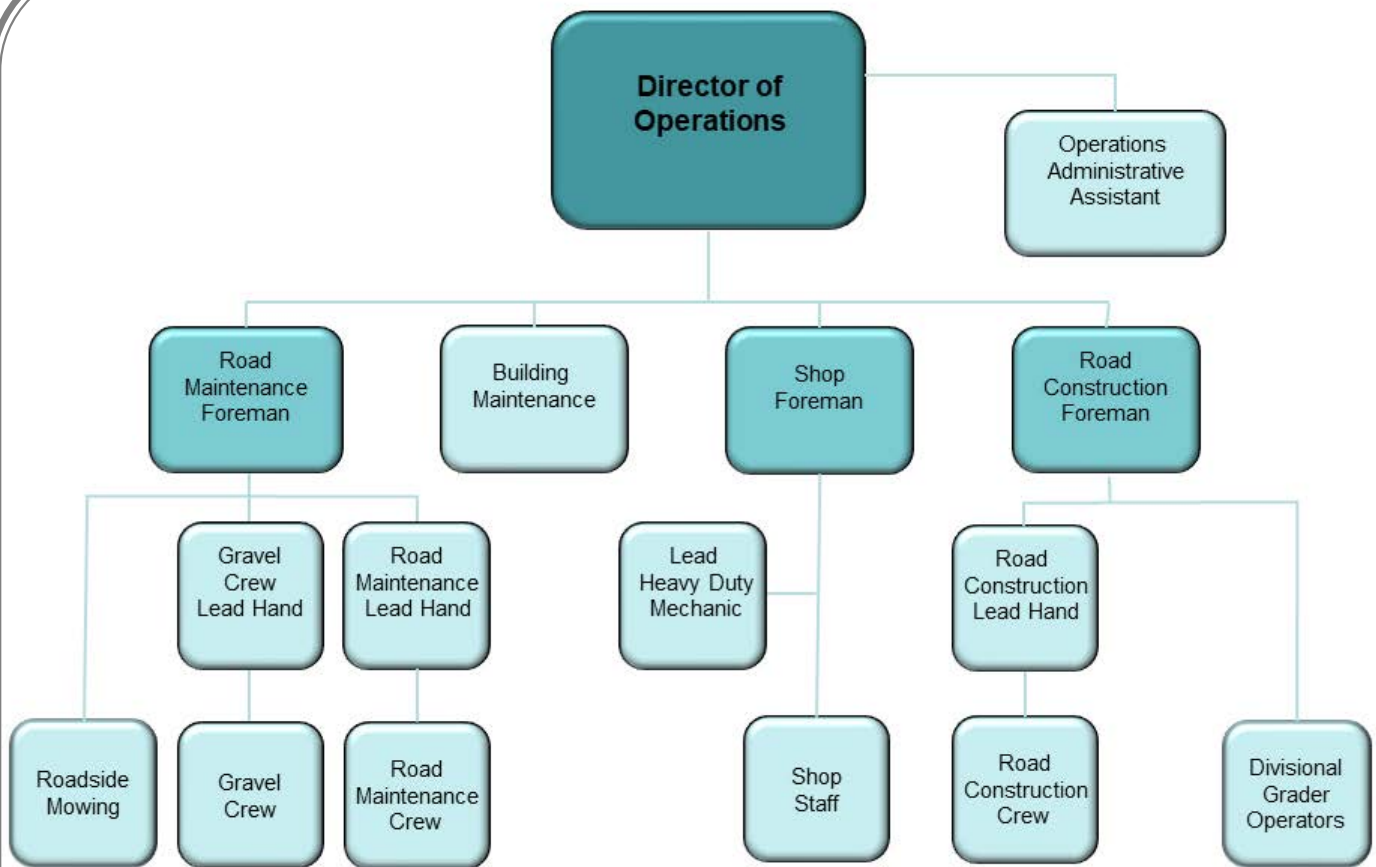
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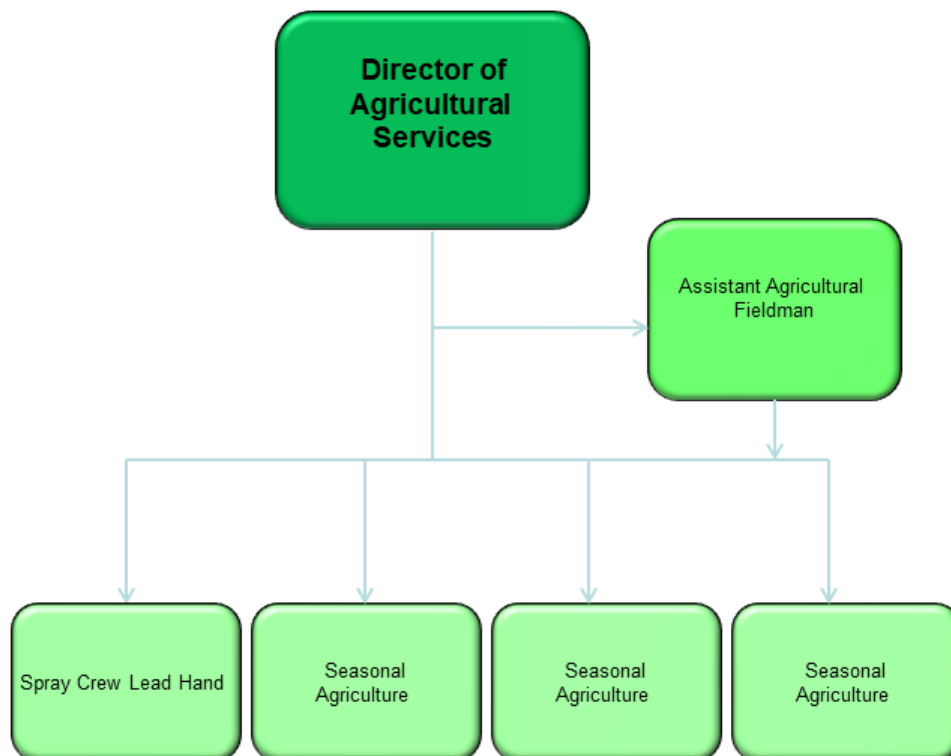
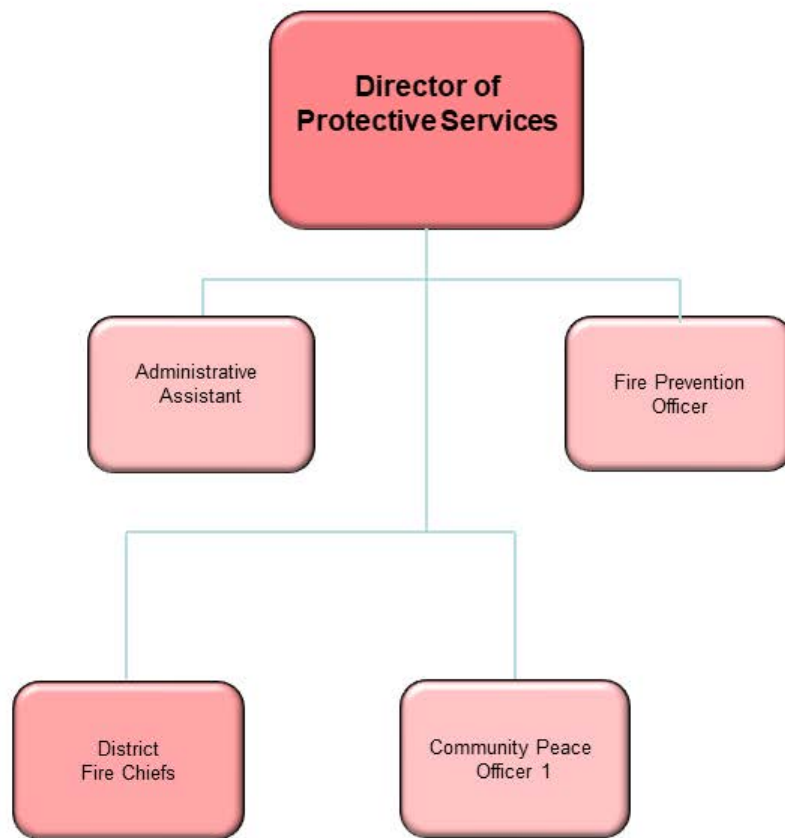
Organizational Structure/Charts

The organizational structure of Vulcan County aligns with each of County Departments represented within the County Services.

The following is the administrative/management structure of the County:







VISION, MISSION STATEMENT, & GUIDING PRINCIPLES

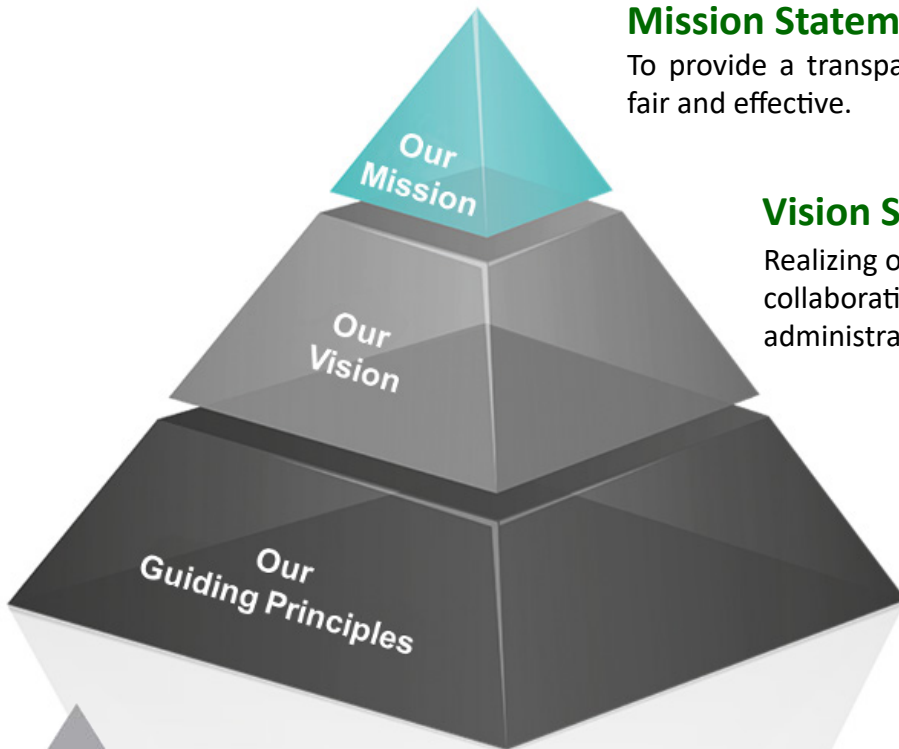


Mission Statement

To provide a transparent government that is fair and effective.

Vision Statement

Realizing opportunity and growth through collaborative leadership and accessible administration.



Guiding Principles & Values

- To provide a transparent government that is fair, reasonable, accountable and effective;
- A diligent Council and Administration that seeks the best long term outcomes for our ratepayers;
- Sound fiscal decisions that ensure sustainability of the County into the future;
- Values of the County include:
 - > Fiscal Responsibility
 - > Accountability
 - > Collaboration
 - > Leadership & Integrity



Every four years, as a new Council is elected, Vulcan County develops a new strategic plan and priorities that provide the roadmap and direction of what the County needs to achieve for the next four-year period and beyond.

During 2022, Vulcan County developed its next Strategic Plan “**Advance Successes**” which was adopted in late 2022. This Strategic Plan is for 2022-2026.

STRATEGIC PLAN AND PRIORITIES

Vulcan County Strategic Plan 2022-2026: Advancing Successes is intended to provide any interested persons or organizations a brief overview of the County's vision, values and strategic themes.

The purpose of Vulcan County's Strategic Plan is to create a "blue print" for the future. Putting the right strategy together and developing a clear action plan for effective implementation is vital to the success of Vulcan County. To achieve this, Vulcan County developed the 2022-2026 Strategic Plan, which includes the following seven (7) key priorities:



Economic Resiliency



Continued Collaboration with Regional Partners



Continued Investment into Infrastructure & Equipment



Responsible & Transparent Leadership and Governance



Continued Support of our Agricultural Industry



Safe Communities



Attract, Engage, and Retain New & Existing Employees

[Click the Report to go to the Strategic Plan](#)



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary

Strategic Plan - Key Priorities and Goals



Economic Resiliency

1) Economic Resiliency

We will actively pursue opportunities to diversify our assessment base to support the services we provide to our residents. To realize this goal, Vulcan County Council has committed to:

- Provide County staff with the resources and training to develop programs and initiatives.
- Rewrite of the Vulcan County Municipal Development Plan.
- Rewrite the Wyndham Carseland Area & Mossleigh Area Structure Plans.
- Complete and promote the Vulcan County Industrial Park build and explore other opportunities for similar developments.
- Continue to encourage businesses to register in the Vulcan County business directory. Create and maintain an online business directory.
- Develop online education page for development permit applications to assist applicants and free up staffing resources.
- Standardized requirements of what is considered a complete development application.
- Continue to explore Marina Development on MacGregor Reservoir.
- Procure additional water licencing through water allocation transfers to support economic growth.



Continued Collaboration with Regional Partners

2) Continued Collaboration with Regional Partners

We recognize that we cannot action all our objectives alone. To realize these goals Vulcan County has begun undertaking the following measures:

- Review of Intermunicipal Development Plans and Intermunicipal Collaborative Frameworks with municipal neighbours.
- Reinstitute annual meetings with the Bow River Irrigation District.
- Review and establish cost sharing formulas for funding that are equitable to all parties.
- Institute annual meetings with the Siksika Nation to investigate opportunities for partnerships.
- Explore opportunities and options with the Vulcan District Waste Commission which will allow for cost savings and stable requisitions.
- Build Upon community relationships and have more of a non-emergency presence at events.
- In collaboration with Siksika Nation, Arrowwood and Wheatland County, continue to pressure for bridge improvements on HWY's 547 & 842.
- Seek joint development areas with urban neighbors.



Continued Investment into Infrastructure & Equipment

3) Continued Investment into Infrastructure and Required Equipment

As a County, the majority of municipal activities typically relate to road and bridge infrastructure, making up approximately 43% of County expenditures. Vulcan County is committed to maintaining these assets by using the following strategies:

- Continued refinement and review of the 5 and 20 year capital plans for equipment and infrastructure construction and replacement.
- Review and approve 4-year road and bridge construction programs that recognize efficiencies in engineering, construction, and project tendering
- Continue capital equipment replacement based on life cycle asset management that ensures a balance between maintenance costs and down time.
- As capital equipment is replaced, considerations shall be given to future projects which may require larger equipment to undertake these projects. (i.e., bridge projects)
- Further investigate potential new aggregate sources to secure gravel requirements
- Create interactive mapping which provides information and grading and graveling programs.
- Undertake cost analysis for replacement of County building infrastructure.
- Lobby the Provincial Government for increased infrastructure funding
- Provide some minimal maintenance on undeveloped road allowances in support of farming operations based on budget availability and staff capacity.



Responsible & Transparent Leadership and Governance

4) Responsible & Transparent Leadership and Governance

Vulcan County will continue to endeavor to be a municipality which operates in a transparent and responsible manner. Key objectives to advance this priority are:

- Provide levels of service that balance ratepayer needs with organizational capacity.
- Build community confidence through responsible governance for long-term sustainability
- Continue to promote excellence through the production and submission of Annual Budget Reports and Annual Financial Reports to the Government Finance Officers Association.
- Improve public communication through our website, social media accounts, and printed media.
- Continued review of taxation rates as to remain competitive with our rural neighbours.
- Maintain our COR (Certificate of Recognition) certification which was achieved in 2020.
- Modernize the County website, allowing for easier navigation, updated content and a fresh look.
- Develop Environmental and Municipal Reserve Policy.
- Improved communication from Council regarding the ongoings of committees and boards.



Continued Support of our Agricultural Industry

5) Continued Support of our Agricultural Industry

Vulcan County recognizes that our main industry within our borders is agriculture. As such, the County is committed to supporting this industry by implementing the following strategies:

- Continue to have an active and engages Agricultural Service Board that reviews and investigates new programming and services which are of benefit to the agricultural industry.
- Marginal Land Recovery Grant -This program will help landowners with seeding marginal lands to grass and forages.
- Investigate and purchase specialized agricultural equipment.
- Work with Alberta Agriculture to assist them with the annual field scouting and inspection of various crop disease and insects.
- Work with companies wishing to bring business to Vulcan County to ensure their projects are a long-term benefit and that they have protocols in place to protect the land.
- Continue to enforce the Weed Act of Alberta, Soil Conservation Act, and the Agricultural Pests Act, while increasing weed control measures and awareness throughout Vulcan County.
- Develop a digital weed database for Vulcan County.



Safe Communities

6) Safe Communities

Protection of our community is accomplished by 6 fire departments, 4 RCMP detachments, and the Vulcan County Community Peace Officer Program. To provide safe communities, the County will undertake the following initiatives:

- Continue with education as a primary value in regard to enforcement.
- Training and exercises through the Vulcan County Regional Emergency Response Partnership.
- Engage RCMP on comprehensive policing and crime prevention strategy for the County.
- Continue to pressure the Province for better rural ambulance servicing in our region.
- Continue to be fully compliant with the NFPA standards.
- Explore Firefighter recruitment incentives to ensure sufficient staffing at all fire halls.
- Increase the delivery of prevention, and preparedness amongst our aging population.
- Build out the investigation program by purchasing equipment that will speed up the process and provide for in-depth reports.
- Develop Council awareness of the Incident Command System, as well as Council awareness of obligations regarding emergency management in legislation.



Attract, Engage, and Retain New & Existing Employees

7) Attract, Engage, and Retain New & Existing Employees

To ensure there is staff talent and capacity to provide the services the municipality is accustomed too, Vulcan County will undertake the following objectives to recruit and retain staff:

- Provide appropriate cross-training opportunities which will benefit staffing capacity and succession planning.
- Enhance the performance review tools for supervisors.
- Undertake compensation reviews to ensure Vulcan County is competitive within the market.
- Ensure adequate staffing to provide appropriate levels of service.

This Strategic Plan is a roadmap to the future and sets the direction for Administration to build work plans that will reach the fundamental vision as set by Vulcan County Council.

This plan sets the priorities and direction for the County while balancing the needs of infrastructure requirements, community growth and service provisions. The success of this plan will be measured on a quarterly basis through review of executed items, realized agreements and budgetary/financial impacts.

By Council's adoption of this plan, we commit to conscientiously work towards the best outcome for our ratepayers and community.

Strategic Plan "Advancing Successes"



2023 Priorities, Issues, and Goals

The following are the significant priorities, issues, and goals that impacted the 2023 budget, including the applicable performance measures :

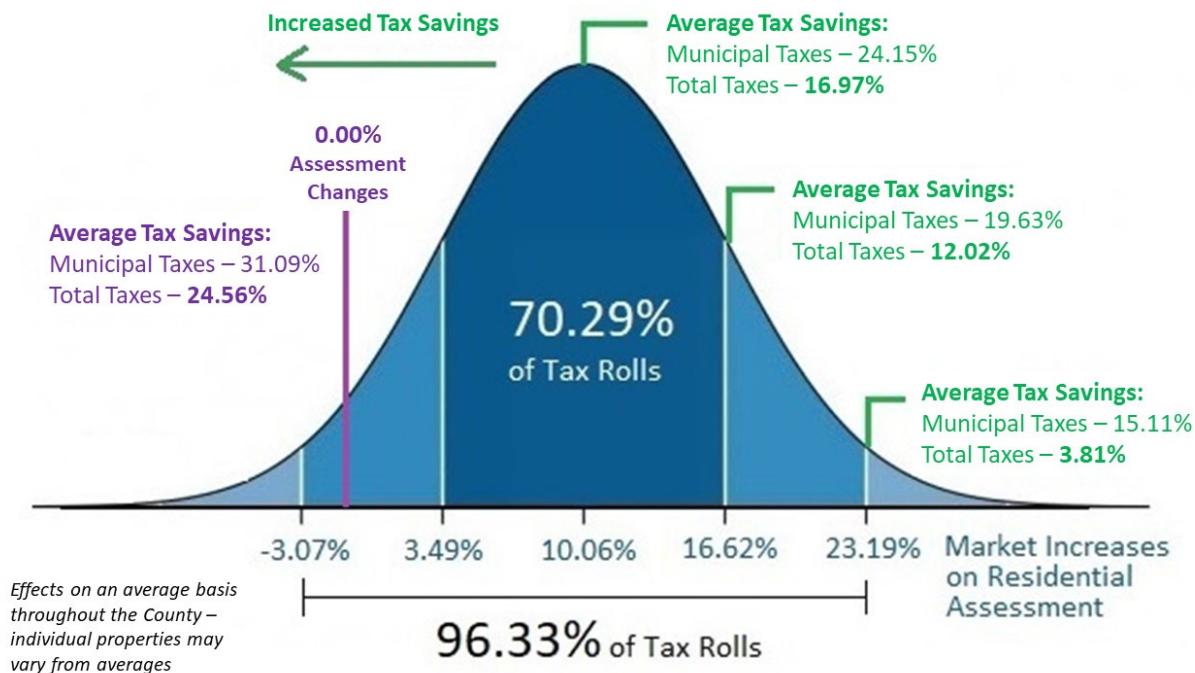


1) Tax Rates & Assessment

Maintaining competitive tax rates and increasing the assessment base continues to be a main goal for the County in 2023; including a continued review of taxation rates as to remain competitive and economic resiliency with further economic growth and diversity. This is part of the county-wide priority within governance and the departmental goals within Development Services.

Budget 2023 included an approximate 6.35% increase in taxable assessment (from \$1.514 billion to \$1.611 billion) and an estimated additional \$200 million in supplementary assessment; therefore, resulting in an estimated 19.55% taxable assessment growth from the prior year. This supplementary assessment growth was a result of one of the largest solar projects in Canada (Travers Solar - 465 Megawatt production capacity) being completed and commissioned in the County during 2023. These supplemental property taxes allowed the County to cover the required inflationary cost increases, maintain the service levels, and allow reduction in overall tax rates.

The reductions in the overall tax rates were included within the strategic planning as part of a multi-year analysis on projected assessment and tax rates. For 2023, this included a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates. Overall, residential taxes were estimated to have an average 16.97% savings on total taxes when taking into account the other applicable tax rates and an average 10.06% market increase on residential assessment:



As shown above, the vast majority of residential properties will see a decrease in total taxes.

[See our 2023 Tax Rates & Assessment Information Infographic](#)

Although there were many challenges with Budget 2023, including inflationary costs that have a large impact on the County, the County was able to minimize these costs as much as possible and able to utilize assessment growth to strategically achieve these tax rate reductions for 2023. As in the prior years, the 2023 budget was thoroughly reviewed by Council and Administration in order to find efficiencies while maintaining the required service levels. Some costs were able to be reduced and new sources of revenue were found, such as road use agreements for other large construction projects being worked on during the year.

Tax rates being applied to the various classes of property were also compared to neighboring and other comparable municipalities during the budget process. This is done in an effort to ensure Vulcan County's rates are competitive while still addressing the unique needs of the County. Rate comparisons between similar and neighboring municipalities is a key performance measure for the County.



With a continued focus on economic development and diversification, the County is attempting to increase the assessment base by attracting new businesses to the area. This would achieve the goal of increasing assessment while enabling residential and farmland rates to stay competitive. To support in this goal, the County has started planning on the development of an industrial park and has continued to bring in new businesses into the County.

2) Development of an Industrial Park

Economic Growth is part of the departmental goals within Development Services; whereas the County is planning on the development of an industrial park, located near the Town of Vulcan. An industrial park may encourage further economic growth and diversification within the County.

The prior years included \$3.8 million of specific capital reserves, grant funding, and internal construction costs to support with this initiative for the development of the industrial park (including land, roads, electrical, waterworks, and sewer); whereas, in Budget 2023, there is an estimated \$2.367 million for the completion of the industrial park including the storm-water reservoir, site development, and road infrastructure.

The industrial park is planned to be completed in 2023; whereas, a number of lots are already in process of being sold.



3) Infrastructure and Capital Replacement

Continued Investment into Infrastructure and Required Equipment is a county-wide priority and maintaining and replacing the infrastructure is a key performance measure for the County. As a County, the majority of municipal activities typically relate to road/bridge infrastructure, making up one of the largest components within the County's expenditures. The Provincial and Federal capital grant funding available to the County is not sufficient to cover the capital requirements for the County; and therefore, the County is required to further invest into its infrastructure.

The County utilizes long-term capital planning to ensure that the appropriate levels of investment into infrastructure and replacement of capital. The County tracks and maintains a 20-year capital funding program; whereas, all the costs and estimated replacement dates for the County's capital assets are projected forward (even beyond the 20-year cycle). This methodology is used to "level out" the annual budgeted funding requirements to avoid the highs and lows in capital requirements from year-to-year. The scheduled replacement of the capital is based on the estimated useful lives of the assets which takes into account the costs/benefits of replacing the asset vs. the costs to maintain the assets.

During the development of Budget 2023, this 20-year capital funding program was further refined and enhanced. This included enhancements to the bridge replacement cycles; whereas, each of the bridge's structural and sufficiency rating were incorporated within the capital plan to fine-tune the long-term replacement requirements. Equipment/vehicle requirements and costing was also further reviewed to determine the long-term effects and requirements within the capital plan as the cost of equipment has increased significantly from prior years. Budget 2023 includes a \$2.5 million reserve allocation for funding the 20-year capital funding program.

4) Staffing and Compensation

Ensuring the County maintains sufficient staff capacity and recruits/retains qualified staffing is a county-wide priority. As part of this priority, an objective includes undertaking compensation reviews (approximately every 4 years) to ensure Vulcan County is competitive within the market; whereas, in Budget 2023 includes an external staffing compensation review, which the results would likely come into effect for the 2024 staff wage grids. Compensation Policy (Policy 12-3131) also includes the option for Cost of Living Adjustments (COLA); whereas, 2023 wages grids were increased by 5.95% to align with the inflationary market increases.

Budget 2023 also included an increase in staffing levels, including a new information technology position (capacity), a new janitorial staff (replacing contracted service), and a temporary divisional grader (funded by road use agreement) to maintain the roads with high use for the Buffalo Hills Wind Project construction.

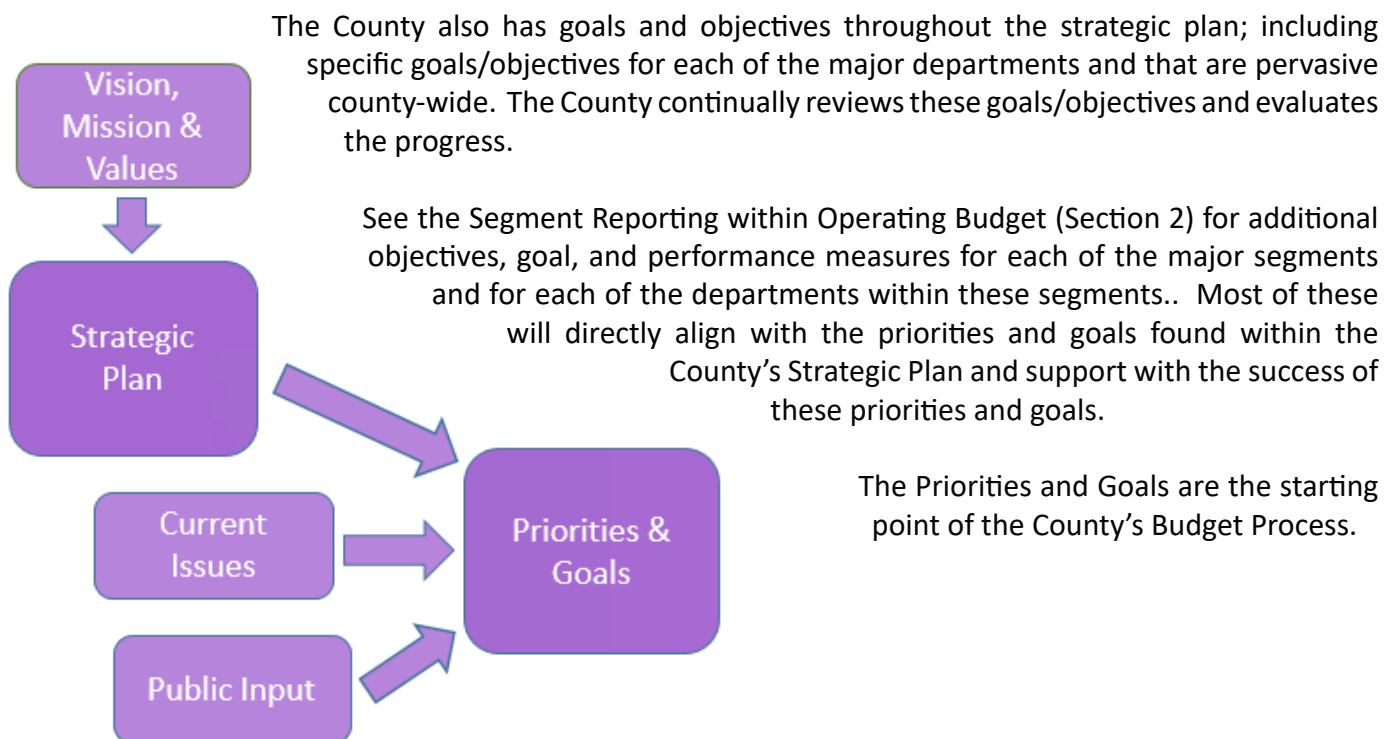
5) Municipal Development and Area Structure Plans

Economic Resiliency including rewrite/update the County's Municipal Development Plan (MDP) and multiple Area Structure Plans are county-wide priorities. Budget 2023 starts this process; whereas, the County plans on starting the rewrite/update of the Municipal Development Plan (MDP) in late 2023 through a contracted service provider in conjunction with the Planning and Development department and will continue into 2024 for completion and proposed adoption. The Area Structure Plans for Wyndham Carseland Area & Mossleigh Area is projected to be started in 2024/2025.

Development of the 2023 Priorities and Goals

The Vulcan County's vision, mission statement, and values guide the development of the Strategic Plan and provides the "blueprint" for the future. Through the Strategic Plan and in combination with the current issues and public input, the County established the Priorities and Goals impacting the current budget development.

These Priorities and Goals are provided on a County-Wide and on a Departmental Basis, in which, these impart the development and implementation of the budget and its process.



[See Appendix 2 for details of the Strategic Priorities and Key Success Measures](#)



BUDGETING GUIDELINES



Basis of Budgeting

The Municipal Government Act (MGA) requires that the County Council adopt an operating and capital budget each year. An interim budget may also be passed until the final budget is adopted. The budget is based on the estimated operating and capital costs for the County. After reviewing the other revenue sources available to the County, the net difference is raised by the levying of property taxes.

Typically, the County adopts an interim operating budget in December in the year prior to the budget year which is available for the County's operations at the beginning of the year. Once the County receives the other information required for the final budget (i.e. final assessment amounts, grant allocations, school & seniors requisitions, etc.) in March/April of the budget year, the County is able to adopt a final operating budget. The adoption of a final budget is done instead of amending the interim operating budget.

The capital budget is also typically adopted in December in the year prior to the budget allowing the County to pre-order large capital items during this time so that the County can receive reduced costs. Should there be any required changes during the final budget preparation, the capital budget will be amended accordingly.

The budgets are presented to a **Budget Committee** (comprised of all Councillors) which reviews the budgets in detail. Once they are in agreement on the budgets, they will provide the recommendation for formal approval.

The following is the Budget Process for the County:



The Budget Process starts through the Strategic Plan and in combination with the current issues and public input, the County established the Priorities and Goals impacting the current budget development. The County's priorities & goals will determine the required expenditures for programs and services that are offered by the County; whereas, the County projects these costs for the budget and upcoming budget years as part of its long-term budgeting process. To fund these expenditures, the County reviews the revenue sources available (i.e., provincial and federal government grants, user fees/recoveries, funding agreements, use of reserves); whereas, the remaining funding is to be raised by municipal tax revenues. Once Council is satisfied that the proposed tax rates are acceptable, the municipal tax rates are set in the Operating and Capital Budgets and these budgets and the tax rates are approved by Council.

The adopted/approved Operating and Capital Budgets outlines the approved activities for the budget year. The actual financial results are compared to these budgets and reported to Council on a quarterly basis. Should there be any significant changes be required after the budget adoption, any changes would require approval by Council Motion.

Modified Accrual Basis

The County utilizes a modified accrual basis for its budgeting which is a combination of cash and accrual bases of accounting. The cash basis recognizes the transaction upon the exchange of money (i.e. expenses recognized when actually paid). The accrual basis recognizes the transaction when a liability is incurred and does not consider the timing of when the cash is exchanged (i.e. expense is recognized when the goods/services are received even if it is not paid until a later date).



SHORT-TERM ITEMS

The County typically utilizes a cash basis of accounting for recognizing transactions that will occur within the budget year, and would not be expected to take several years to resolve. These include a large amount of revenues and expenditures that would be recognized on the Statement of Operations (also known as an income statement or profit/loss) and would not be expected to create a payable or receivable at the end of the year.

LONG-TERM ITEMS & PROJECTS

The County typically utilizes an accrual basis of accounting for transactions that occur over a longer time period, typically extending over multiple budget years. These transactions are recognized in the budget based on when the transaction or service is provided (not based on exchange of cash). Should a project extend over multiple years, the revenues and expenses are recognized in the budget based on the estimated amount of the project to be completed in each of the budget years.

Although the County's Annual Financial Statements are fully prepared using the accrual basis of accounting, the budget remains in-line with this methodology as the short-term items are still projected to be completed before yearend. The County's Annual Financial Statements provide a reconciliation between the modified accrual basis and the full accrual basis, including items such as the proceeds on disposal of capital (cash basis) compared to recognizing the gain/losses on disposals of capital (accrual basis) and the crushing of gravel for inventory. Amortization of tangible capital assets and reserve transfers are included in the approved budget (as the budget is presented in a format consistent with the financial statements).

Budget Presentation

In accordance with MGA, Section 248.1, the County has adopted budgets that are in a format that is consistent with the financial statements. This budget format has been adopted by Council and includes the following:

- Statement of Operations - revenues and expenses by department
- Schedule of Changes in Accumulated Surplus - transfer between reserves and capital
- Schedule of Tangible Capital Assets - capital additions/disposals and amortization
- Schedule of Property and Other Taxes - taxation revenues and requisitions
- Schedule of Government Transfers - government grants and contributions
- Schedule of Expenses by Object - expenses by the type of transaction
- Schedule of Segmented Reporting - revenues and expenses in each major segment/department



The change to this presentation format allows the readers of the budget to easily tie the budget in to the annual financial statements, provide additional details compared to prior budget formats, and would allow the County's budget to be in similar format as other municipalities that also adopt this format. See Appendix 1 for a copy of the Approved Operating and Capital Budgets.

To assist the readers of the budget, the County also provides supplementary budget information, such as the budget in the prior format, summaries of revenues and expenses by object, and other reconciliations.

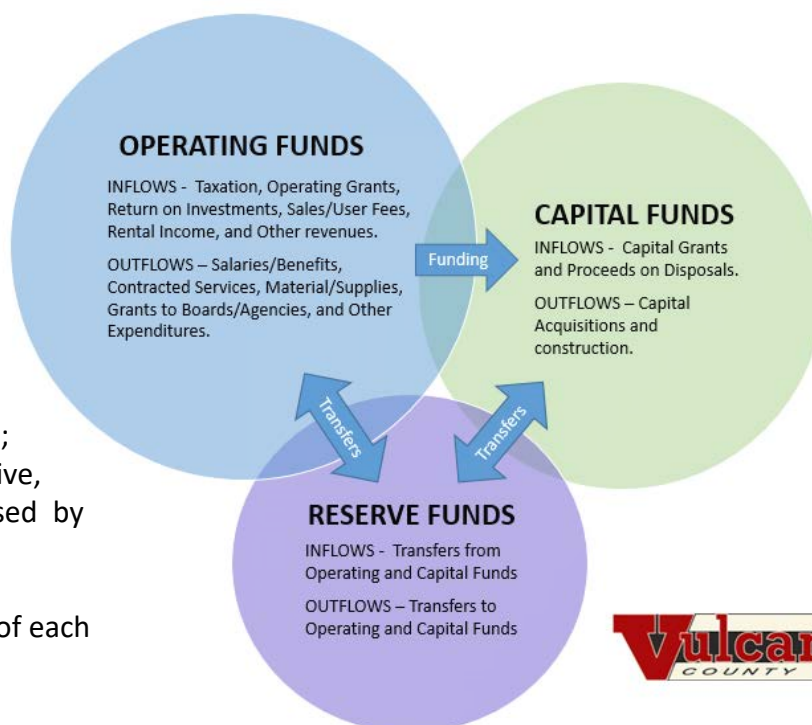
Fund Accounting

Vulcan County has 3 major types of funds:

- **Operating Funds**
- **Capital Funds**
- **Reserve Funds**

Each fund has a defined purpose and recognizes the inputs and outlays to come up with a net change in the fund balances. These inputs and outlays include revenues, expenses, and transfers to/from the fund accounts. Each of these funds also have restrictions on the use of the balances; some of these restrictions are legislative, whereas others are restrictions imposed by County Council.

See the following page for an overview of each major type of fund.





OPERATING FUNDS

The Operating Budget outlines the changes in these funds and includes all of the municipal programs and services in the operations of the County. This fund has the most expenditures each year, with the costs of these operating activities being covered through taxation, operating grants, user fees and other sources of revenue.

Typically, some operating funds are transferred to/from the other fund accounts, including:

- Operating funds used for capital projects
- Operating funds transferred to build capital or operating reserves
- Operating reserves used to fund operating costs and projects (i.e. contingency reserves)

Some of the legislative restrictions on these funds include the application of special tax levies, which requires these funds to be specifically used for the purpose in which the funds were raised (i.e. special tax levies for the Milo Fire Protection Area are required to be used for fire protection within that specific district).

CAPITAL FUNDS

The Capital Budget outlines the changes in these funds and includes all of the capital acquisitions/construction and their respective funding sources. The capital funding may include capital grants, proceeds on disposals, and transfers between other fund accounts, including:

- Capital projects funded by operations
- Capital reserves used to fund the capital acquisitions/construction
- Capital funds transferred to build capital reserves (i.e. proceeds from sale put to reserves for future use)

RESERVE FUNDS

The County has both operating and capital reserves funds. The changes in the reserve funds are a result of the net reserve transfers to and from the operating and capital fund accounts.

Some of these reserves also have legislative restrictions placed on the funds (i.e. reserves built from special tax levies). Other reserves have restrictions imposed on them by Council (i.e. departmental reserves), but these fund restrictions may be modified by Council, should they want to use the funds for a different purpose.

Financial Policies and Principles

Vulcan County has a number of financial policies relating to the budgets that are reviewed and approved by Council. These policies are designed to ensure that there are appropriate controls in place to safeguard the County and to ensure that the County is compliant with the Alberta Municipal Government Act, Canadian Public Sector Accounting Standards, and other related legislation. These policies ensure that the County assesses long-term financial and budgetary impacts during the budget process. The following are some of the policies that are in place:

The County's Policies are organized by the major categories:

- | | |
|---------------------------------------------|------------------------------|
| 12-1 - Legislative | 26-1 - Safety Policies |
| 12-2 - Financial Records | 32-1 - Road Transportation |
| 12-3 - Personnel | 62-1 - Agricultural Services |
| 21-1 - Community and
Protective Services | 69-1 - Land & Other Property |

The following are some of the financial policies that are in place:



- Purchasing Authority and Procurement Policy (Policy 12-2203)
- Compensation Policy (Policy 12-3131)
- Recreation and Culture Funding Policy (Policy 12-2215)
- Investment Policy (Policy 12-2204)
- Tangible Capital Assets (Policy 12-2214)
- Surplus Vehicle & Equipment Policy (Policy 12-2208)
- Reserve Policy (Policy 12-2218)

Vulcan County has a number of internal procedures that are used to document the steps and methods required to perform many of the financial tasks in the County's administration. These internal procedures ensure that the proper steps are taken for the recording of financial transactions to promote accuracy, consistency, and that policies are being followed appropriately.



There are many Policies and Procedures that are publicly available on our website:
www.vulcancounty.ab.ca/Your Government/Policies

Two of the policies that have the most impact on the development of the budget include the Purchasing and Procurement Authority Policy and the Compensation Policy.

- The **Purchasing and Procurement Authority Policy (12-2203)** sets the approval authorization limits and the procurement process for Administration, including that the County follows the New West Partnership Trade Agreement (NWPTA) and the Canadian Free Trade Agreement (CFTA). In relation to Capital, County Council has also set a threshold of \$50,000 requiring tender or proposals (considered significant capital). This ensures that the County is able to acquire capital that is priced competitively and that meets the requirements of the County. The policy effects the budget process as these items receive proposals/quotes throughout the budget process.
- The **Compensation Policy (12-3131)** dictates the staff wages and compensation, including directions on determination and approval of staff salary grids and staff grid movements. Therefore, prior to the approval of the budgets, the salary grids are determined and provided to Council for approval. Occasionally, the salary grids are amended for final budget (if new or updated information is available). The approved salary grids are applied to each of the staff positions at their current grid levels, with the budget accounting for any anticipated grid movement.

The County also follows many principles that are not currently specified as policy that are used in the development and implementation of the budget. The following are some of these principles:

- **Balanced Budget** - the County is required under Municipal Government Act (MGA) to not budget for a deficit. To achieve this, through the budget process the County ensures that the budgeted revenues either meet or exceed the budgeted expenditures.
- **Long-term Budgeting** - the County wants to ensure long-term financial stability in budgeting. Therefore, the County has adopted the use of multi-year operating and capital budgets. Council has approved the use of a 3-year written operating plan and a 5-year written capital plan. To plan long-term capital spending, the County has a 20-year capital funding plan for capital acquisitions and projects projected within this term.
- **Debentures** - the MGA and related Alberta Regulations provide debt limits for borrowing. Although the County currently has minimal borrowing (relative to its limit), it is still a principle to follow when reviewing potential borrowing in the budget process.

The County also has other formal documents (i.e. Bylaws) to assist in the annual budgeting process, including the Fees for Service Bylaw which dictates the fees to be charged in the year. This assists in the determination of budgeted revenues resulting from these fees.

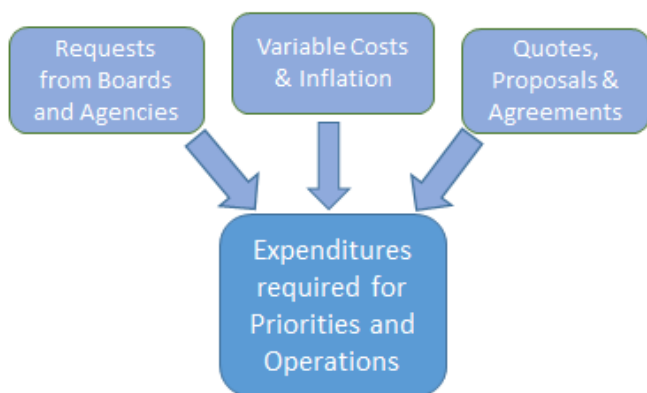
Budgeting for Expenditures

The County's priorities & goals will determine the required expenditures for programs and services. These priorities & goals are reviewed on an annual basis during the budget process, and are typically a result of the County's Strategic Plan, the current issues that are facing the County, and the input that we have received from our Ratepayers.

Operating Expenditures

The County has detailed listings of all of the transactions made in prior years. Therefore, the prior year actual expenditures are usually used as a base for what expenditures to expect in the coming year(s).

Each of the separate departments within the County has its own operating expenditures required to provide their services. The department heads (Directors and managers) periodically review their respective department's expenditures throughout the year.



The major operations of the County remain relatively consistent from year-to-year; hence, the current priorities & goals will only modify the specific sections of the budget relating to those goals. These base expenditures for operations are then modified to update the costs for the current budget year.

Some of the main factors that provide updates to these expenditures include:

- Variable Costs & Inflation,
- Quotes, Proposals & Agreements, and
- Requests from Boards and Agencies

VARIABLE COSTS & INFLATION

Variable costs & inflation are generally applied to the previous years costs to give a new baseline cost for the upcoming year. One significant variable cost is the cost of fuel/diesel; total fuel cost is based on estimated fuel usage multiplied by projected fuel cost (including projected increases and effective carbon tax increases). Inflation is also applied to operational costs from the prior year to estimate the cost increase in the following year. This is also applied to long-term financial planning since costs are expected to continue to increase over time.



Salaries, wages, and benefits have a combination of variable factors and inflationary factors. Variable factors include wage increases from grid movements and benefit rates depending on the wage levels. Inflationary factors include the determination of Cost of Living Adjustment (COLA) and market adjustments which are encompassed in the approved salary grids in accordance with Compensation Policy (Policy 12-3131). Each staff position is budgeted based on the effective working hours and their wage grid effective at the beginning of the budget year; whereas, the position is budgeted to have its related grid movement (if applicable) during the budget year in accordance with the staff's evaluation dates.



For the majority of these types of variable expenditures, the County takes a conservative approach to ensure that the budget is sufficient to cover the costs, including potential unexpected increases due to the nature of variable costs. There is usually a small “cushion” available in departmental costs for these types of increases.

The County also budgets a Contingency Fund in its general operations if the costs exceed expectations or unexpected costs arise. The use of the Contingency Fund is subject to Council’s approval. Should these funds not be required for the year, the resulting surplus may be added to reserves and potentially applied in future budget years.

QUOTES, PROPOSALS & AGREEMENTS

The County has a Purchasing Authority and Procurement Policy (Policy 12-2203) to guide the projects and costs that require quotes or proposals. Typically with larger operating expenditures, the County receives quotes or proposals to ensure that the operating costs follow the legislation requiring proposals/tenders (i.e. if the value is over \$75,000 for goods/services). Often, the County receives quotes or proposals on items that are less than the legislative requirements to ensure competitive pricing.

The County may also have previously entered into agreements for services. The budgeted costs for these services are based on the agreements and the terms within the agreements.

REQUESTS FROM BOARDS AND AGENCIES

The County receives many requests for funding from external boards & agencies which are located within the County’s borders.

There are currently six (6) Recreation Committees which submit requests to the County to fund their recreational and cultural activities. These committees review multiple applications from organizations within their recreational area and provide recommendations to Council for funding.



There are also currently two Commissions that the County is a member of including Vulcan and District Waste Commission and Twin Valley Regional Water Commission. These organizations request operating funding based on the member agreements.

Other requests may include operational funding for literacy, medical assistance (i.e., STARS), tourism, transportation initiatives, libraries, food banks, etc.

These funding requests from the boards/agencies are typically reviewed by the Budget Committee on an annual basis. Those approved are paid after final budget approval and receiving organizations are not required to report on their usage of funds. However, the County currently requires the prior year’s financial statements as part of a funding application and reviews usage at that time.

Capital Expenditures

In accordance with the Purchasing Authority and Procurement Policy (Policy 12-2203), any capital items over a \$50,000 threshold must go through the process of receiving tenders or proposals. Therefore, substantially all capital projects and purchases go through this process since very few are below \$50,000.

Although the policy allows for either tenders or proposals, typically the County will bring all of the capital acquisitions through the request for proposals process. Unlike tenders, which require the County to accept the lowest offer, requests for proposals allow the County to take other factors into account when making its decision. This can include historical experience with a vendor/model, warranty on capital, current equipment in fleet, and other factors. Price/cost is usually the most critical factor in determining the successful proposal.

The interim capital budget is typically adopted in December in the year prior to the budget allowing the County to pre-order large capital items during this time so that the County can receive reduced costs. During the interim capital budget process, the department heads (Directors and managers) will project the estimated capital costs either by historical costs, initial vendor quotes, or available costing through buying groups with standing offers.

In preparation of the final capital budget, any capital that requires to go through the process of receiving tenders or proposals is completed, the cost estimates are reviewed/awarded by Council, and the final numbers are adjusted in the final capital budget (if required).

Expenditures - Multi-Year Projections

The County wants to ensure long-term financial stability in budgeting; therefore, the County has adopted the use of multi-year operating and capital budgets. Council has approved the use of a 3-year written operating plan and a 5-year written capital plan. To plan long-term capital spending, the County has a 20-year capital funding plan for capital acquisitions and projects projected within this term. The following is a summary of the methods used for the County's long-term budgeting:

- Salaries, wages, and benefits are projected using the County's budgeting software; whereas, each staff/position is allocated their related salary/wage grid and what the current effective wage grid, hours worked and related anniversary date. Cost of Living Adjustment (COLA) and other market adjustments are applied if applicable. The budgeting software projects the annual budgeted costs for the current and upcoming budget years with the assumption that the staff are eligible to receive their grid movement each year on their anniversary date.
- Contracted Services are typically projected by terms of agreements, timing of projects, and with use of inflationary factors. Many contracted services are provided as part of multi-year agreements with the related service providers; therefore, the budget is projected based on the terms of the agreements for the upcoming budget years. Certain contracted projects are either on a project-by-project basis or only occur every couple years (i.e., contracted inter-municipal development plans); therefore, these services are budgeted based on the projected timing of the services being provided. Most other non-agreement based services are projected using either historical costs and use inflationary factors or trends to project the costs in the upcoming years.

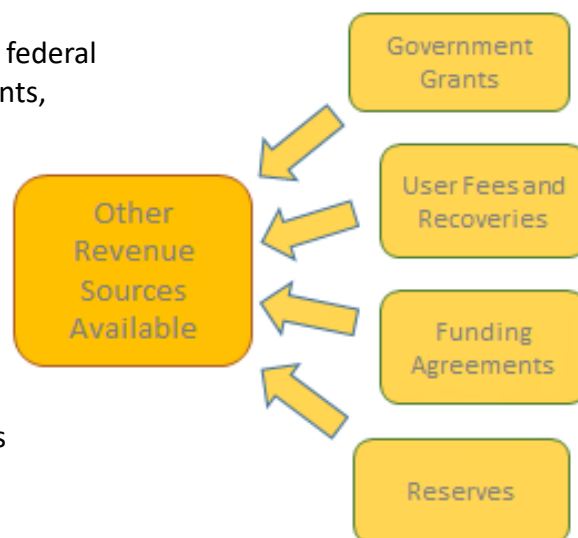
- Materials, goods and supplies are typically projected based on timing of purchases and with use of inflationary factors. Certain materials/supplies are either on a project-by-project basis or only occur every couple years (i.e., gravel crushing is typically every 3-4 years); therefore, these are budgeted based on the projected timing of the materials/supplies being provided. Most other materials, goods and supplies are projected using historical costs and use inflationary factors or trends to project the costs in the upcoming years.
- Transfers to Local Boards and Agencies are typically projected based on the continuing the same level of funding as the current approved budget year and/or as per funding agreements. Majority of the ongoing/reoccurring funding is provided at the same rate from year-to-year and is projected to continue in the upcoming budget years. One-time funding provided is not included in subsequent budget years. Other than funding agreements, the majority of these transfers to local boards/agencies are specifically approved by Council on the year-to-year basis
- Interest and bank charges mostly relates to the long-term debenture interest; in which, the interest rates are locked-in for the entire term; therefore, the budgeted debenture interest and projections for the upcoming years is tied directly the debenture's repayment schedule (which outlines the annual interest for each year for the entire term). Bank charges and projected based on historical trends.
- Amortization expenses are budgeted and projected based on the actual amortization that was recognized in the most recent financial statements (unless the change from the prior year is considered to be a trivial for making the change for the budget process). Currently, the County does not project annual changes in projected years as the actuals remain relatively consistent from year-to-year based on amortization policy being done on a straight-line basis. Amortization expense is also considered to be a "non-cash" expenses as the amortization expenses is effectively removed from the budget through the transfers in the Schedule of Accumulated Surplus (as these are transferred to the Equity in Tangible Capital Assets).
- Other expenses are typically projected based on the ongoing allocations of budgeted contingency/allowances. There is minimal changes in future year projections as these are already contingent in nature.
- Capital expenditures and machine expenses capitalized for construction are typically projected based on the projects outlined within the County's 20-year capital plan. The machine expenses capitalized for construction relates to the internal capital construction projects that the County provided (i.e., construction of roads and bridges); whereas, per the capital plan, the County typically replaces 10 miles of road per year and the bridges will vary from year-to-year depending on the bridge files and whether or not the County has the capacity to replace the bridges internally. Other capital expenditures, such as the purchase of new vehicles/equipment is projected based on the scheduled replacement cycles within the 20-year capital plan. Projected replacement costs are typically done based on current costs and inflationary factors/trends are applied to these projections.

Budgeting for Other Sources of Revenue

The County has certain other revenue sources available to fund some of the required expenditures. These are often somewhat limited in terms of what is actually available for County use.

The main other sources of revenues include provincial and federal government grants, user fees/recoveries, funding agreements, and use of reserves.

These revenues are budgeted on a conservative basis, meaning they are only included in the budget if likely to be received. Some of the revenues that are received each year can vary significantly from year-to-year. Therefore, these are usually included based on average or lower basis. Should the County receive more revenues than budgeted, the resulting surplus may be added to reserves and potentially applied in future budget years.



Government Transfers & Grants

The majority of the current government grants are fixed based on factors such as population/roads. The County typically knows which grants are available and ensures that the appropriate eligible expenditures are funded by these grants. Major grant funding includes the Provincial Municipal Sustainability Initiative (MSI) Operating and Capital grants, the Federal Canadian Community Building Fund (CCBF) grant, and the Agricultural Service Board (ASB) grant. These major grants are typically part of multi-year funding agreements; where the annual allocations are based on specific factors; therefore, during the development of the interim budget they are typically allocated based on the prior year funding and are updated in the final budget when the actual funding allocations are provided.

Some of the grants are competitive in nature; the County submits applications for these grants, but is not guaranteed to receive the grant funding. These are typically not included in the budget unless Council has authorized the use of contingency funds or reserves to cover any unfunded portion.

User Fees and Recoveries

The County also typically determines which specific services are recovered by User Fees and Recoveries. The majority are typically set by the annual Fees for Service bylaw, including administrative, development, public works, agricultural, and protective services charges. These usually recover or partially recover the costs of the services provided.



Other types of operating revenues may include investment income, penalties, and other various revenue sources. These types of revenues usually vary from year-to-year so they are budgeted for conservatively.

Funding Agreements

The County has some specific funding agreements, including agreements on shared services with other municipalities. Some of these shared services can include the County providing IT or GIS services for some nearby urban municipalities. The County also manages the Doctor Retention Program which provides subsidies to the local clinics; under this agreement, the County receives funding from the urban municipalities to contribute towards this program.

Other funding agreements can include rental income. These rental agreements are typically based on multi-year contracts which provide rental rate terms for each year. As the rental revenues are in the agreements, the total expected amount per the agreement is included in the budget.



Reserves

The County's reserves are funds specifically set aside for departments or projects. These are typically held until the project/purpose is undertaken. There are both operating and capital reserves including some reserves raised by special tax levies that are designated for the purpose the taxes were raised (MGA requirement). Council makes the decisions on the use and application of reserves.

Typically, the County avoids using dedicated reserves to fund operating deficits as the majority of these reserves have already been earmarked for specific purposes. The County would likely not want to deplete these reserves so that these funds are available for the purpose they were intended for.

Department-level operating reserves are maintained; whereas, the County internally maintains targeted minimum and maximum levels to be held within these operating reserves (determined through Administrative Procedure and not specifically through adopted Policy requirements - allowing flexibility to adjust these maximum/minimum levels as required). Should a department-level operating reserve exceed the targeted maximum, the excess amount may be utilized in the operating budget over a multi-year period to fund operations. It is typically provided over the multi-year period which scales back in the later years so to avoid a significant operational funding change when the excess reserves are no longer available. This long-term planning approach mitigates the fluctuations in funding from year-to-year.

Revenues - Multi-Year Projections

The County wants to ensure long-term financial stability in budgeting; therefore, the County has adopted the use of multi-year operating and capital budgets. The vast majority of revenues are budgeted on a conservative basis, meaning they are only included in the budget and projected in upcoming budget years, if likely to be received. Some of the revenues that are received each year can vary significantly from year-to-year. Therefore, these are usually included based on average or lower basis, especially with the uncertainty that arises with multi-year projections.

Reserves are often budgeted in the upcoming budget years as a "buffer" to cover some of the other sources of revenues than have a higher level of uncertainty, without simply showing increases in taxation revenues to cover these potential budgeted funding shortfalls. This methodology is part of the County's long-term budgeting process and is factored into the targeted minimum and maximum levels to be held department-level operating reserves.

County-Wide Tax Rates

The General Municipal Rates include the tax rates for residential and farmland property/non-residential (including M&E and Linear) and are used for County operations. The Solid Waste Rate is the tax rate to cover the operational costs of Vulcan and District Waste Commission. Both the General Municipal and the Solid Waste rates are distributed equally throughout the entire County.

The **General Municipal Rate** is determined by the net amount to be funded by taxes (excluding other amounts specifically taxed otherwise) and is divided by the total property assessment in the County. The General Municipal Rate funds the majority of the County's operations (other than other activities funded specifically by other and special tax rates).

There is a separate General Municipal Rate for Residential, Farmland, and Non-Residential (including M&E and linear).

The **Solid Waste Rate** is mostly determined by the total contribution from the County towards the Vulcan and District Waste Commission ("Waste Commission").

This contribution is based on the total annual operating budget of the Waste Commission, with the County portion being pro-rated based on the estimated population in the County. This equates to approx. 55-60% of the operating costs of the Waste Commission.



Special Tax Rates

In accordance with the Municipal Government Act, Section 382, the County uses Special Tax Levies to raise revenues to pay for specific services that the County provides. Currently, the special services include fire protection, recreational services, and some waterworks. The Fire Protection and Recreation Rates are special tax levies for each of the six (6) districts in the County.

These 6 districts include:

- Carmangay and District
- Champion and District
- Lomond and District
- Milo and District
- Vulcan and District
- Northwest District

The districts for both Fire Protection and Recreation effectively share the same borders (with some minor variance in locations based on fire response times). Maps of these areas are available on our website:

www.vulcancounty.ab.ca >
DEPARTMENTS > Corporate Services >
Assessment & Taxation



Special Tax Rates - Continued

The special tax rates for Fire Protection and Recreation are allocated on the related district rate (as shown on the prior page). The special tax rates for Waterworks is on a per parcel basis that are specifically attached to the related waterlines.

The **Fire Protection Area Rate** is used to fund the operational costs of the fire department in your specific district within the County.



There are currently 4 regionalized fire departments, including Lomond, Carmangay, Champion, and Vulcan. The County directly manages these departments, including setting the operating budget.

The remaining 2 fire departments are currently operated by Fire Associations and have service agreements in place to provide fire protection for the County. These Fire Associations provide the County with their annual operating budgets. These areas include Northwest and Milo.

Each of the districts' operating costs are reviewed by Council and their share of linear and other revenues are applied to offset these costs, resulting in the net amount to be raised by the special tax levies.

The **Recreational Area Rate** is used to fund the recreational activities that occur within your specific district as per your local Recreation Board's recommendations.

For each of the Recreation Areas, the local community groups within these areas provided recreational and cultural requests to the Recreation Board. The Board then reviews the applications and provides recommendations to Council on funding.

Once these recreational recommendations are reviewed by Council, the linear portion is applied against each district, resulting in the net amount to be raised by the special tax levies.



The **Waterworks Rate** is determined by the cost to build the water infrastructure for specific parcels of land. This includes residents using the Mossleigh Water Treatment Plant.

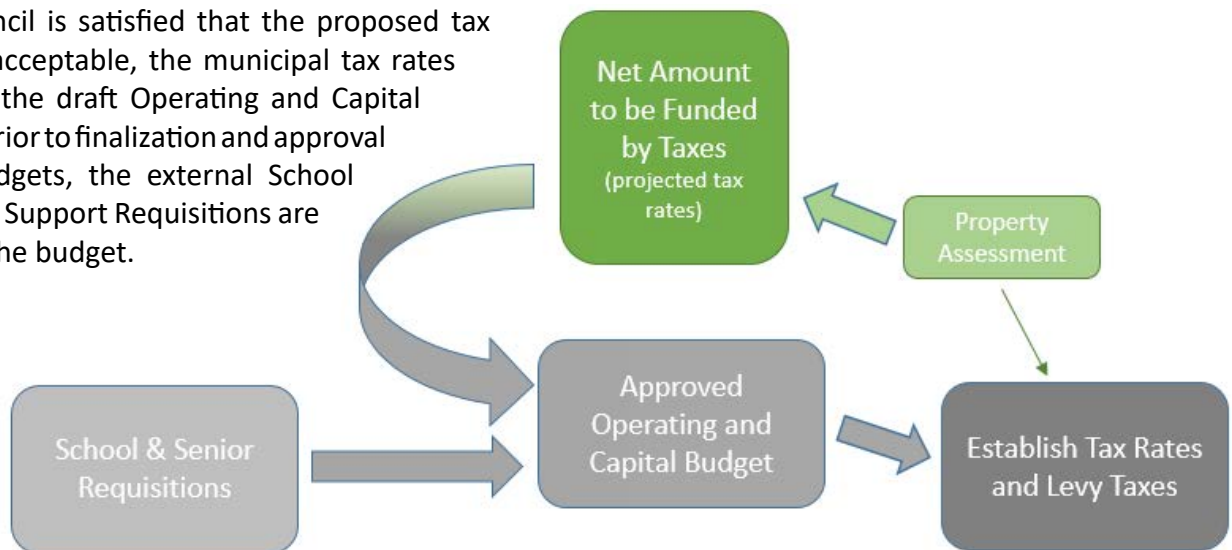


The residents of Kirkcaldy also have this special tax for their connection to the TVRWC water line. These cost recoveries are done over multiple years.



Council considers it a high priority that the County has tax rates in place that are competitive. For this reason, Council and Administration review the rates set by other comparable municipalities. If the projected final rates are not competitive, Council may wish to further review the objectives for the coming year and make changes. Review of the budget will continue until Council as a whole is satisfied.

Once Council is satisfied that the proposed tax rates are acceptable, the municipal tax rates are set in the draft Operating and Capital Budgets. Prior to finalization and approval of the budgets, the external School and Senior Support Requisitions are added to the budget.



The School, Senior & Other Requisitions are provided to the County from the Province and the Senior's Foundation. The County does not have any control over these amounts.

Requisition Tax Rates

The School Support tax rate and the Seniors Foundation tax rate are set once the County receives the annual requisitions from Alberta Learning and the Marquis Foundation.

Alberta Learning and the Marquis Foundation have requisitioning powers and, as such, the County is obligated by legislation to bill and collect taxes on behalf of Alberta Learning (for the distribution to public and separate school boards) and the Marquis Foundation (for seniors' housing). The County has no jurisdiction or control over their operations or budgeted tax revenue requirements.

All municipalities throughout the Province are required to levy charges on all assessable property (other than Machinery & Equipment and Electrical Power Generating properties). This typically represents approximately 20-25% of your total taxes, and is paid directly to Alberta Learning (Province) and to the Marquis Foundation.



There is also a specific Designated Industrial Property (DIP) Requisition that is only applied to these DIP Properties for covering the related assessment costs that are provided by the Provincial Assessor's Office. The DIP Requisition Rate is set by a Provincial Ministerial Order.

Property Assessment

Property taxes are levied based on the value of the property as determined from the property assessment process (this method is required by Provincial legislation). Property taxes are not a fee-for-service, but a way of distributing the cost for local government services and programs fairly throughout a municipality. Your property taxes are typically calculated using the market value assessment of your property (some types of property, like farmland, use regulated assessment rates).

Market value is the “most probable price that would be paid for a property in a competitive and open market”. It assumes the buyer and seller are acting prudently and knowledgeably, allowing sufficient time for the sale and assumes that the transaction would not be affected by undue pressures.

The Alberta Government has mandated that property assessment:

- Be completed annually;
- Reflect the market value of a property as of July 1st of the previous year;
- Reflect the characteristics and physical conditions of the property as of December 31st of the previous year.

To keep property details current and at values representing typical market values is a requirement of legislation and other regulations. The property assessment is an estimate of value based on similar properties that have sold in the property’s specific area within the County.

The County contracts the assessment services to Benchmark Assessment Consultants Inc. which are accredited municipal assessors for Alberta (referred to as the Assessor’s Office).

The Assessor’s Office does not create the value of the property; it is created by the real estate marketplace. The Assessor’s Office just measures it. The Alberta Land Titles Office informs the Assessor’s Office of all real estate sales within the County.

The Assessor’s Office applies the accepted mass appraisal best practices using information from all property sales within the County to estimate the market value of the property. They take into account all the market conditions that may affect the property’s value such as location, size, shape, replacement cost, age and condition of the buildings. There are also some Provincial regulations and exemptions that are governed by legislation (i.e. farmland).

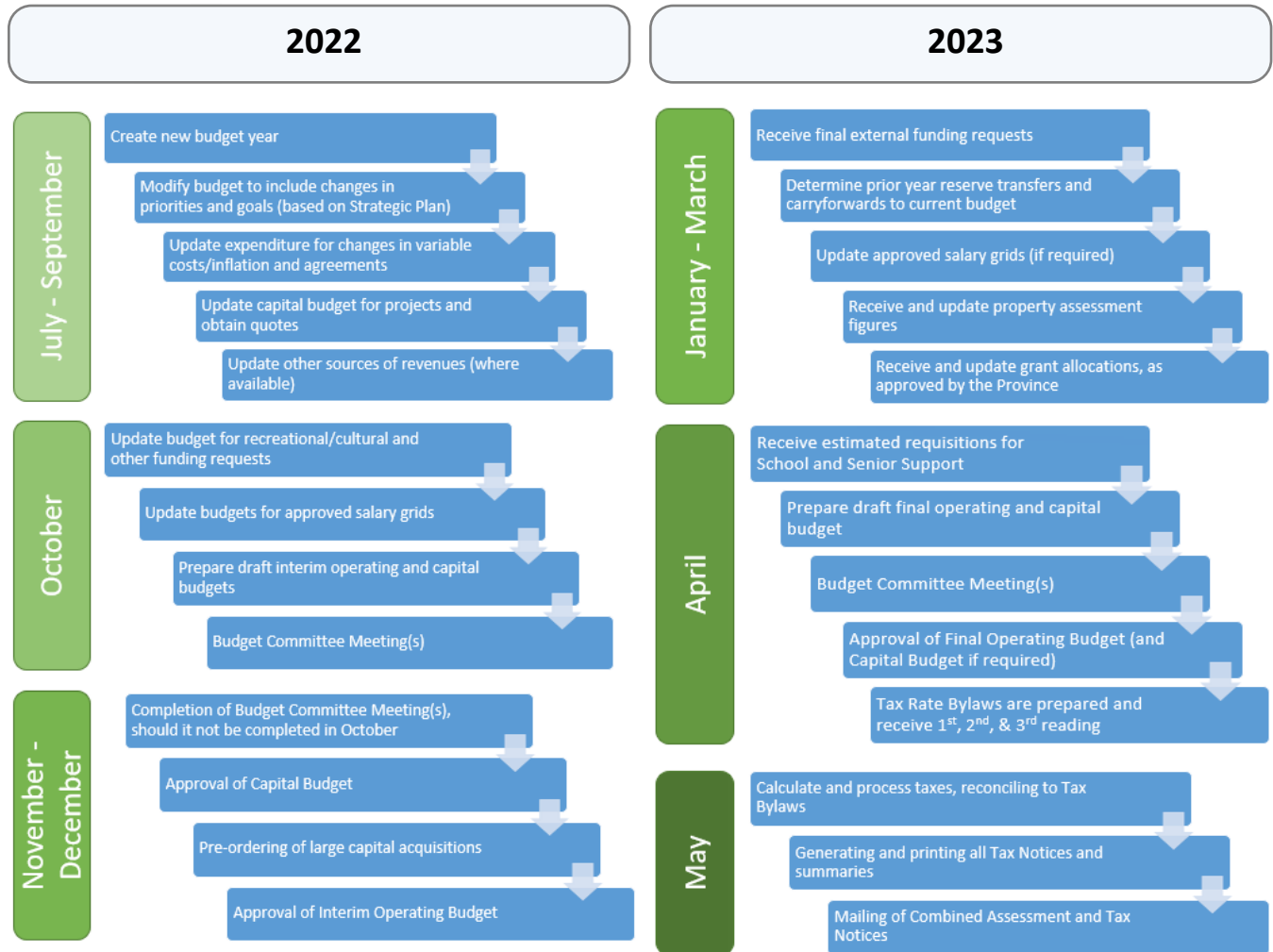
For more information on taxation and assessment, please see the forms and brochures (or frequently asked questions) that are available on our website:

www.vulcancounty.ab.ca > DEPARTMENTS > Corporate Services > Assessment & Taxation



Budget Schedule and Calendar

The following is the budget calendar that was used for the development of the current year budget:



BUDGET COMMITTEE MEETING DATES:

- November 17, 2022 - Interim Budget Committee Meeting
- November 21, 2022 - Interim Budget Committee Meeting
- May 3, 2023 - Final Budget Committee Meeting

BUDGET APPROVAL DATES:

- December 7, 2022 - Approval of Interim Operating and Capital Budgets
- May 3, 2023 - Approval of the 2023 Final Operating and Capital Budgets



The background of the slide is a photograph of a golden wheat field. In the foreground, a single wheat stalk is in sharp focus, showing its detailed structure of awns and glumes. The rest of the field and the sky are softly blurred. The sky is a clear, vibrant blue with a few wispy white clouds.

SECTION 2 - OPERATING BUDGET

Section 2 - OPERATING BUDGET

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Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary

OPERATING BUDGET OVERVIEW

The following is an overview of the County's operating budget. The operating budget outlines the changes in the operating funds and includes all of the municipal programs and services in the operations of the County. The operating fund has the most expenditures each year, with these operating costs being covered by taxation, operating grants, user fees, and other sources of revenues.

Vulcan County Budget Overview - Operating

REVENUE:

	Budget 2023	Budget 2022	Change
Net municipal taxes	\$ 15,555,033	\$ 14,710,373	844,660
Government transfers - operating	928,671	919,889	8,782
Return on investments	576,824	277,876	298,948
Sale of goods, services, and user charges	1,334,250	1,831,119	(496,869)
Rental Income	321,980	318,980	3,000
Community aggregate levy	140,110	137,363	2,747
Penalties and costs of taxes	194,000	194,000	-
Gain on disposal of tangible capital assets	-	-	-
Other revenue	28,000	30,382	(2,382)
	\$ 19,078,869	\$ 18,419,983	\$ 658,886

EXPENSES:

Salaries, wages and benefits	\$ 8,226,494	\$ 7,216,498	1,009,996
Contracted and general services	3,094,795	2,871,368	223,427
Materials, goods and utilities	3,240,880	4,517,365	(1,276,485)
Transfers to local boards and agencies	2,015,092	1,881,623	133,469
Interest and bank charges	45,142	54,468	(9,326)
Amortization of tangible capital assets	4,818,615	4,684,267	134,348
Machine expenses capitalized for construction	(2,066,788)	(1,709,808)	(356,980)
Loss on disposal of tangible capital assets	-	-	-
Other expenses	40,163	40,162	1
	\$ 19,414,393	\$ 19,555,942	(141,549)

OPERATING SURPLUS (DEFICIT)

	(335,524)	(1,135,959)	800,435
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RESERVE AND CAPITAL TRANSFERS:

Transfer of Amortization	4,818,615	4,684,267	134,348
Transfer of Gain/Loss on disposal	-	-	-
Transfer from Reserves	1,000,595	2,451,948	(1,451,353)
Transfer to Reserves	(4,178,067)	(4,254,448)	76,381
Transfer to Capital Functions - Operating	(1,305,619)	(1,745,808)	440,189
Transfer to Other Functions	-	-	-
Transfer of Principal Repayment	-	-	-
	335,524	1,135,959	(800,435)

TOTAL NET EFFECT ON ACCUMLATED SURPLUS

	\$ -	\$ -	\$ -
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The Operating Budget is provided in detail within three (3) major sections:

Click the Icons to go to the related section



Operating
Revenues



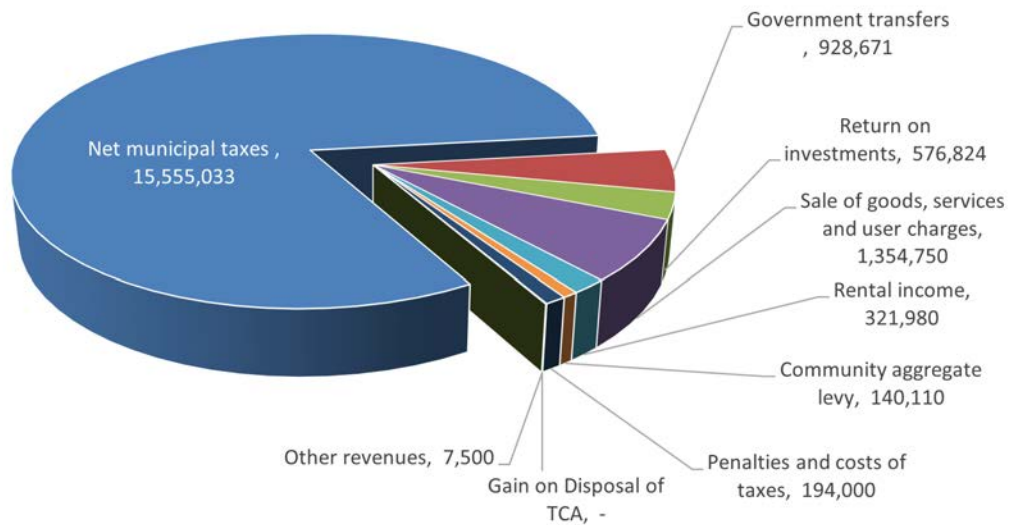
Operating
Expenses



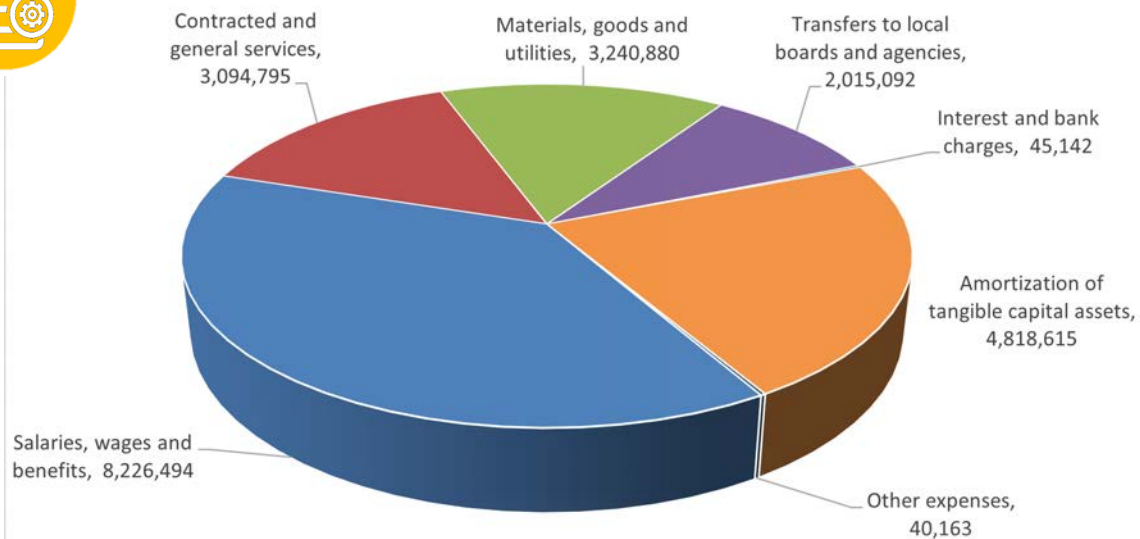
Segment
Reporting



Summary of Operating Revenues (by type):



Summary of Operating Expenses (by type):



Expenses - by type/object

Salaries, wages and benefits	8,226,494	38.3%
Contracted and general services	3,094,795	14.4%
Materials, goods and utilities	3,240,880	15.1%
Transfers to local boards and agencies	2,015,092	9.4%
Interest and bank charges	45,142	0.2%
Amortization of tangible capital assets	4,818,615	22.4%
Other expenses	40,163	0.2%
	<u>21,481,181</u>	
Machine expenses capitalized for construction	<u>(2,066,788)</u>	
	19,414,393	

Expenses - by segment/department

General Government	2,867,985	14.8%
Legislative	506,709	
Administration	2,328,823	
Other General	32,453	
Protective Services	2,721,026	14.0%
Transportation Services	10,267,864	52.9%
Agricultural Services	830,467	4.3%
Planning and Development Services	625,746	3.2%
Community Services	963,991	5.0%
Family and Community Services	233,282	
Parks and Recreation	695,682	
Tourism and Economic Development	35,027	
Utility Services	<u>1,137,314</u>	5.9%
	19,414,393	



The Operating Budget is reported both by type and by the segment/department. The above is a reconciliation between the expenses by type and by segment/department.

OPERATING BUDGET BY TYPE



Operating Revenues - Overview

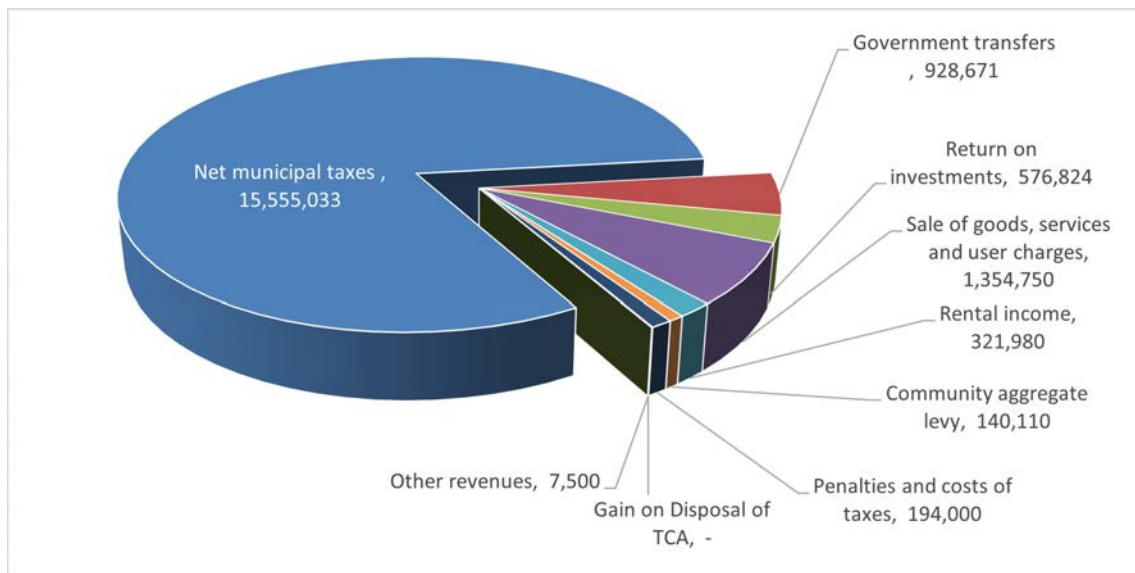
The County's operating revenues are typically budgeted on a conservative basis; the revenues are only included in the budget if they are considered to be more than likely to be received.

Typically, these operating revenues are determined by historical revenues received, funding agreements that are in place, and projected changes in service levels. Often many of the revenues correlate to expenditures that are also projected, such as government transfers for grant funding of operating costs.

The following is the 2023 budgeted operating revenues:

Net municipal taxes	15,555,033	81.5%
Government transfers	928,671	4.9%
Return on investments	576,824	3.0%
Sale of goods, services and user charges	1,354,750	7.1%
Rental income	321,980	1.7%
Community aggregate levy	140,110	0.7%
Penalties and costs of taxes	194,000	1.0%
Gain on Disposal of TCA	-	0.0%
Other revenues	7,500	0.0%
	19,078,869	

As shown, the taxation revenues (net of requisitions) represent the majority of the operating revenues from the County.



The other sources other than taxation are often somewhat limited in what is available to the County.

These operating revenues will be shown in detail in the following sections.

Operating Revenues - Details



Taxation

As part of the municipal budget process, County Council approves the amount of funds required to provide the required municipal services. From this amount, all other sources of municipal revenues and transfers, other than taxation, are subtracted (such as Provincial grants, investment income, user fees, etc.). This net remaining amount is to be raised by property taxation.

	2023 Assessment	2022 Assessment	% change Assessment
Residential	574,714,680	503,479,110	14.15%
Commercial & Industrial	117,619,200	113,635,280	3.51%
Farmland	205,106,450	205,148,560	-0.02%
Machinery & Equipment (M&E)	78,620,730	81,174,990	-3.15%
Linear	634,671,090	611,163,930	3.85%
	1,610,732,150	1,514,601,870	6.35%
Supplementary	200,000,000	-	100.00%
	1,810,732,150	1,514,601,870	19.55%

As shown above, the County had an approximate 6.35% increase in taxable assessment (excluding supplementary assessment); whereas, the County is projecting an additional \$200 million in supplementary assessment with one of the largest solar projects in Canada (Travers Solar - 465 Megawatt production capacity) being completed and commissioned in the County during the year. The total estimated taxable assessment from this solar farm is estimated to be substantially higher than this amount; however, as the project is being commissioned during mid-year, the 2023 supplementary assessment was prorated based on projected commissioning dates. The overall estimated increase in assessment was 19.55%.

As part of the County's Strategic Planning, Council and Administration reviewed many different scenarios and analysis, including comparing tax rates and assessment to neighboring and other comparable municipalities during the budget process. This is done in an effort to ensure Vulcan County's rates are competitive while still addressing the unique needs of the County. Although there were many challenges with Budget 2023, including inflationary costs that have a large impact on the County, the County was able to minimize these costs as much as possible and able to utilize assessment growth to strategically achieve tax rate reductions for 2023, including a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates. The following was the resulting taxation budget (with projections for the following three years):

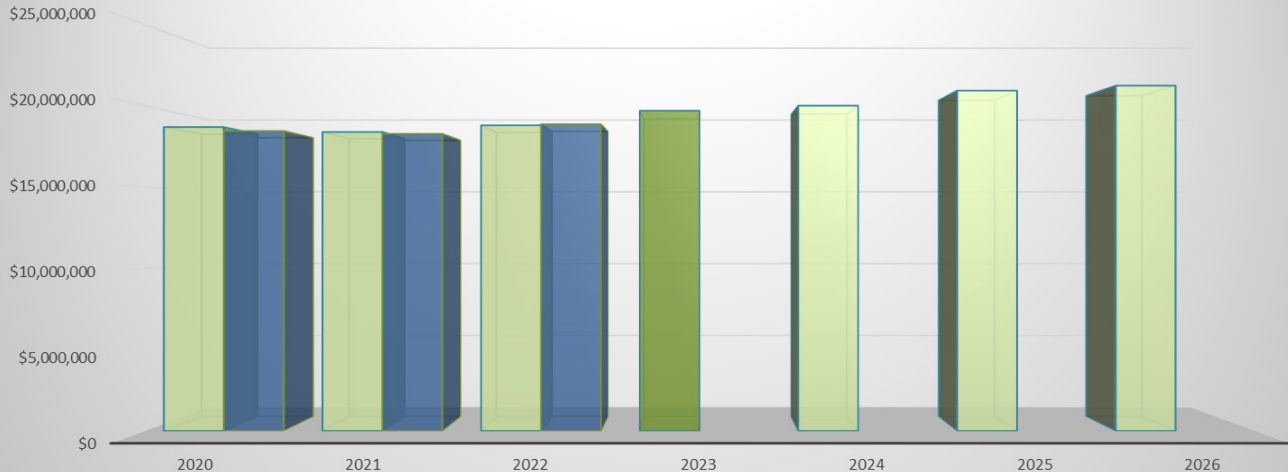
Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Net municipal taxes						
Real property taxes	\$ 8,792,583	\$ 8,507,937	\$ 7,626,467	\$ 7,254,713	\$ 6,967,391	\$ 6,967,391
Linear taxes	7,393,591	7,254,431	9,067,845	9,849,645	11,049,645	11,349,645
Commercial taxes	1,238,078	1,734,731	1,610,501	1,584,627	1,584,627	1,584,627
Government grants in lieu of taxes	21,310	18,594	21,507	21,661	21,661	21,661
Special levy	1,350,047	1,347,277	1,365,200	1,292,448	1,309,171	1,309,171
Well drilling tax	156	372	156	156	156	156
	18,795,765	18,863,342	19,691,676	20,003,250	20,932,651	21,232,651
School requisitions	(3,283,609)	(3,054,596)	(3,299,142)	(3,283,609)	(3,283,609)	(3,283,609)
Designated industrial	(54,046)	(44,289)	(55,177)	(54,046)	(54,046)	(54,046)
RCMP requisitions	(247,331)	(184,823)	(241,049)	(371,262)	(371,262)	(371,262)
Seniors foundation	(500,406)	(500,406)	(541,275)	(541,275)	(541,275)	(541,275)
	14,710,373	15,079,228	15,555,033	15,753,058	16,682,459	16,982,459

Taxation - Continued

The following was the resulting taxation revenues and related requisitions (with projections for the following three years):

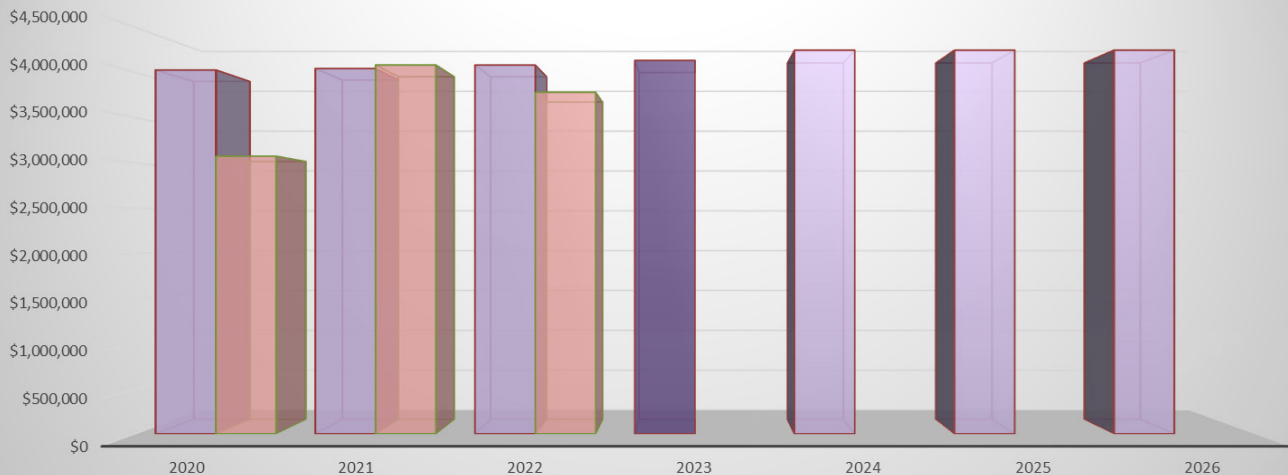


Tax Revenues



	2020	2021	2022	2023	2024	2025	2026
Budget	\$18,688,577	\$18,389,106	\$18,795,765	\$19,691,676	\$20,003,250	\$20,932,651	\$21,232,651
Year to Date	\$18,449,765	\$18,275,571	\$18,863,342				

Requisitions



	2020	2021	2022	2023	2024	2025	2026
Budget	\$4,029,940	\$4,046,449	\$4,085,392	\$4,136,643	\$4,250,192	\$4,250,192	\$4,250,192
Year to Date	\$3,075,911	\$4,085,777	\$3,784,114				

As shown above, there has been an increase in the budgeted tax revenues for 2023 with the increases in assessment value (including the supplementary assessment), which generated higher total taxation revenues, even with the reductions in the residential and non-residential general municipal tax rates. These reductions in these general municipal rates were done strategically to fund the additional tax revenues required for operations with utilizing the increased assessment. The total estimated taxable assessment from this solar farm is estimated to be substantially higher than this amount; however, as the project is being commissioned during mid-year, the 2023 supplementary assessment was prorated based on projected commissioning dates. The overall estimated increase in assessment was 19.55%.



The Tax Revenue projections for 2024-2026 are based on the 2023 budget and the projected increase in tax revenues from these large linear projects coming on-line (including Travers Solar Project being fully taxable for 2024 and Buffalo Plain Wind Project starting mid-2025) and other trend analysis. These future tax revenues will be examined more closely in future budget years to determine if there will be increased revenue or if there will potentially be tax rate reductions (maintaining or minimizing increase to tax revenue levels).

As shown in the Requisitions, there is a significant decrease in total requisitions for 2020 and 2022 from receiving specific Provincial Education Requisition Credit (PERC) for previously written off tax accounts (oil & gas accounts). The total requisitions are expected to remain relatively consistent over the next couple years. Requisition Tax Rates are directly co-related to the amount requisitioned; therefore, if there were future changes, the related tax revenues would effectively increase at the same rate (nil effect on the operating budgets).



At the Regular Council meeting on May 3rd, 2023, County Council approved and established the 2023 General Tax Rate and Special Levy Bylaws. These Tax Rate Bylaws are a result of the approved 2023 Operating and Capital Budgets.

- 2023 General Tax Rates (Bylaw 2023-011) for tax rates on the General Municipal, Waste Commission, RCMP, School Requisitions, and the Seniors Requisition.
- 2023 Special Levy Tax Rates (Bylaw 2023-012, 2023-013 & 2023-014) for tax rates on the special tax levies for the fire protection areas, the recreational areas, and the waterworks upgrades.
- 2023 Designated Industrial Property Tax Rate (Bylaw 2023-015) for tax rates on designated industrial properties (DIP) which are designed to recoup the cost of provincial assessment of those DIP properties.

In addition to the above Tax Rate Bylaws, the County approved and established the Bylaws required for establishing Supplementary Assessment and Tax Levies:

- 2023 Supplementary Assessment Bylaw (Bylaw 2023-003) for authorizing the preparation of supplementary assessment for improvements during 2023.
- 2023 Supplementary Tax Levies, Due Dates and Penalties (Bylaw 2023-016) for tax rates on the supplementary assessment, specifying timing of payment and related penalties. The Bylaw also establishes criteria for a Conditional Tax Rebate (of up to \$1,000) so to mitigate the impacts on residential and small-scale improvements during the year (but available to all assessment types).

The Tax Rate Bylaws are also available on our website:

www.vulcancounty.ab.ca > **YOUR GOVERNMENT** > *Bylaws*



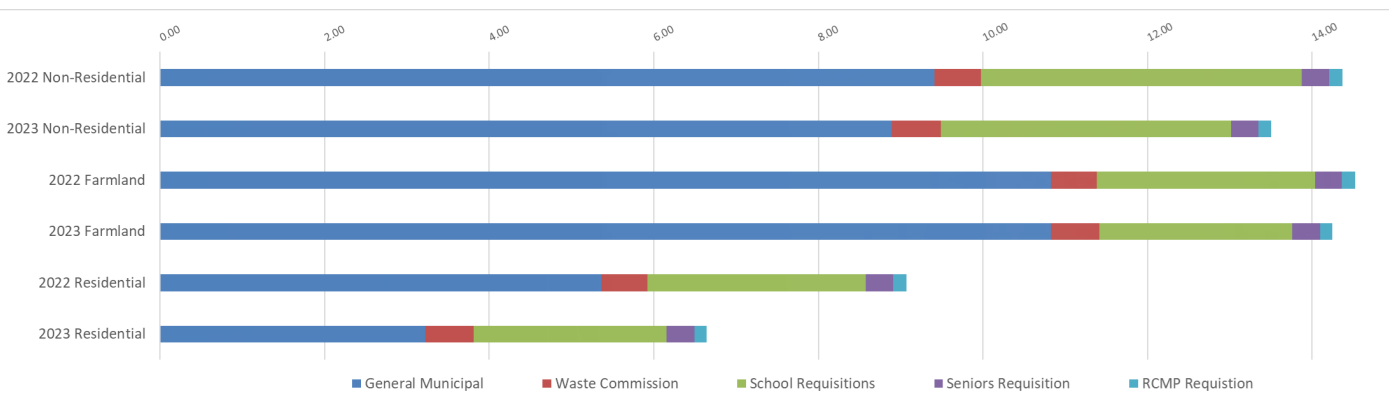
Taxation - Continued

The following is a comparison of the County-Wide tax rates, assessment, and total tax revenues; including the General Municipal, Waste Commission, and Requisition Tax Rates as outlined within the General Tax Rate Bylaw (compared to the prior year):



Municipal Tax Rates and Assessment Summary

General Municipal								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
Residential	503,479,110	0.0053660	2,701,669	574,714,680	0.0032196	1,850,351	14.15%	-40.00%
Farmland	205,148,560	0.0108230	2,220,323	205,106,450	0.0108230	2,219,867	-0.02%	0.00%
Non-Residential	805,974,200	0.0094140	7,587,441	830,911,020	0.0088962	7,391,975	3.09%	-5.50%
	1,514,601,870		12,509,433	1,610,732,150		11,462,193	6.35%	
Supplementary - Non-Residential	-	0.0094140	0	200,000,000	0.0088962	1,779,246	100.00%	-5.50%
	1,514,601,870		12,509,433	1,810,732,150		13,241,439	19.55%	
Waste Commission								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
Residential	503,479,110	0.0005599	281,898	574,714,680	0.0005887	338,335	14.15%	5.14%
Farmland	205,148,560	0.0005599	114,863	205,106,450	0.0005887	120,746	-0.02%	5.14%
Non-Residential	805,974,200	0.0005599	451,265	830,911,020	0.0005887	489,157	3.09%	5.14%
	1,514,601,870		848,026	1,610,732,150		948,238	6.35%	
School Support - Public & Separate Schools								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
Residential	503,353,400	0.0026500	1,333,887	574,597,720	0.0023470	1,348,582	14.15%	-11.43%
Farmland	204,569,550	0.0026500	542,109	204,527,440	0.0023470	480,026	-0.02%	-11.43%
Non-Residential	365,275,170	0.0039000	1,424,573	416,782,710	0.0035283	1,470,534	14.10%	-9.53%
	1,073,198,120		3,300,569	1,195,907,870		3,299,142	11.43%	
Exempt Assessment Types	441,403,750	N/A	0	414,824,280	N/A	0	-6.02%	
	1,514,601,870		3,300,569	1,610,732,150		3,299,142	6.35%	
Seniors Support - Marquis Foundation								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
Residential	503,479,110	0.0003304	166,349	574,714,680	0.0003362	193,219	14.15%	1.76%
Farmland	205,148,560	0.0003304	67,781	205,106,450	0.0003362	68,957	-0.02%	1.76%
Non-Residential	805,974,200	0.0003304	266,294	830,911,020	0.0003362	279,352	3.09%	1.76%
	1,514,601,870		500,424	1,610,732,150		541,528	6.35%	
Royal Canadian Mounted Police (RCMP) Funding								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
Residential	503,479,110	0.0001633	82,218	574,714,680	0.0001497	86,035	14.15%	-8.33%
Farmland	205,148,560	0.0001633	33,501	205,106,450	0.0001497	30,704	-0.02%	-8.33%
Non-Residential	805,974,200	0.0001633	131,616	830,911,020	0.0001497	124,388	3.09%	-8.33%
	1,514,601,870		247,335	1,610,732,150		241,127	6.35%	





2023 General Tax Rates (Bylaw 2023-011):

The General Tax Rate Bylaw sets the rates required to raise the necessary revenues to cover the municipal expenditures and transfers, the levies for the Waste Commission, and the levies required to be collected for the Public and Separate School Requisitions, the Seniors Foundation Requisition, and the Royal Canadian Mounted Police (RCMP) costs. These tax rates are applied County-wide.

The following are the General Tax Rates as expressed in mills (1:1000):

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
MUNICIPAL					
Residential	5.2100	5.3660	5.3660	5.3660	3.2196
Farmland	10.5075	10.8230	10.8230	10.8230	10.8230
Non-Residential, M&E, and Linear	9.1400	9.4140	9.4140	9.4140	8.8962
WASTE COMMISSION					
	0.4334	0.4690	0.5197	0.5599	0.5887
EDUCATION REQUISITION					
Residential and Farmland	2.6079	2.5500	2.6137	2.6500	2.3470
Non-Residential and Linear	3.8532	3.7500	4.0890	3.9000	3.5283
SENIOR FOUNDATION REQUISITION					
	0.2556	0.2682	0.3399	0.3304	0.3360
OTHER REQUISITION					
Royal Canadian Mounted Police	N/A	0.0822	0.1256	0.1633	0.1497

The General Municipal Tax Rates had one of the largest changes for the County, including a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates. The general farmland tax rate remained the same as the prior year. These reductions in these general municipal rates were done strategically to fund the additional tax revenues required for operations with utilizing the increased assessment (including supplementary assessment).

The Waste Commission tax rates are applied to cover the County's share of the operational costs of the Vulcan and District Waste Commission. As a member of this Commission, the County covers 55-60% of these costs (based on the populations within the County). The requisition increased to \$948,214 in 2023 (previously \$848,029).

The School Requisition rates are for the requisitions from Alberta Learning (Alberta School Foundation Fund and Christ the Redeemer CSRD) which are based on equalized assessment throughout the Province. Seniors Requisition rates are for the requisition from the Marquis Foundation. Alberta Learning and the Marquis Foundation have requisitioning powers and, as such, the County is obligated by legislation to bill and collect taxes on their behalf. The County has no control over the amounts required to be collected by these organizations.

Starting in 2020, the County has also been requisitioned for Royal Canadian Mounted Police (RCMP) costs with a mill rate of 0.1497 for 2023 (previously 0.1633 mills). The RCMP are the main policing force operating within Vulcan County.





Taxation - Continued

The Special Levy Tax Rate Bylaws set the rates required to raise the necessary revenues to district and/or parcel specific expenditures in accordance with Division 5 of the Municipal Government Act. These specific expenditures include the operating and capital costs of the Fire and Recreational Districts and recovery of costs for the Mossleigh Water Treatment Plant and the Kirkcaldy water line. These special tax rates are only applied to the district and/or parcels of land that the costs are associated with.

The following is a comparison of the District specific special tax rates, assessment, and total tax revenues; including the Fire Protection Area and the Recreation Tax Rates as outlined within the Special Tax Rate Bylaws (compared to the prior year):

Municipal Tax Rates and Assessment Summary

Fire Protection Areas								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
23-21 - Fire - Carmangay	79,648,420	0.0009142	72,815	82,447,160	0.0010187	83,989	3.51%	11.43%
23-20 - Fire - Champion	87,029,500	0.0011036	96,046	86,978,050	0.0013238	115,142	-0.06%	19.95%
23-19 - Fire - Lomond	190,420,810	0.0005241	99,800	205,480,140	0.0004736	97,315	7.91%	-9.64%
23-17 - Fire - Milo	107,814,180	0.0012897	139,048	112,910,860	0.0011777	132,975	4.73%	-8.68%
23-18/27 - Fire - Vulcan	249,697,180	0.0003299	82,375	274,735,710	0.0003215	88,328	10.03%	-2.55%
23-16 - Fire - Northwest	188,827,850	0.0007425	140,205	213,509,140	0.0007992	170,637	13.07%	7.64%
23-01 - Fire - Linear	611,163,930	0.0003618	221,119	634,671,090	0.0003618	229,624	3.85%	0.00%
	1,514,601,870		851,408	1,610,732,150		918,010	6.35%	

Recreation Areas								
	2022			2023			% change	
	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate	Tax Levy	Assessment	Tax Rate
71-01/74-02 - Recreation - Carmangay	78,971,650	0.0005859	46,269	81,746,090	0.0005031	41,126	3.51%	-14.13%
71-01/74-02 - Recreation - Champion	87,601,770	0.0007059	61,838	87,577,220	0.0005994	52,494	-0.03%	-15.09%
71-01/74-02 - Recreation - Lomond	198,816,480	0.0000810	16,104	216,851,080	0.0000571	12,382	9.07%	-29.51%
71-01/74-02 - Recreation - Milo	98,842,380	0.0006163	60,917	100,952,590	0.0006015	60,723	2.13%	-2.40%
71-01/74-02 - Recreation - Vulcan	250,377,810	0.0006571	164,523	275,424,940	0.0004569	125,842	10.00%	-30.47%
71-01/74-02 - Recreation - Northwest	188,827,850	0.0002522	47,622	213,509,140	0.0002340	49,961	13.07%	-7.22%
71-01/74-02 - Recreation - Linear	611,163,930	0.0001388	84,830	634,671,090	0.0001388	88,092	3.85%	0.00%
	1,514,601,870		482,103	1,610,732,150		430,620	6.35%	

The Fire Protection and Recreation Rates are special tax levies for each of the six (6) districts in the County. There is also a specific special tax levy for linear properties.

These 6 districts include:

- Carmangay and District
- Champion and District
- Lomond and District
- Milo and District
- Vulcan and District
- Northwest District

The districts for both Fire Protection and Recreation effectively share the same borders (with some minor variance in locations based on fire response times). Maps of these areas are available on our website:

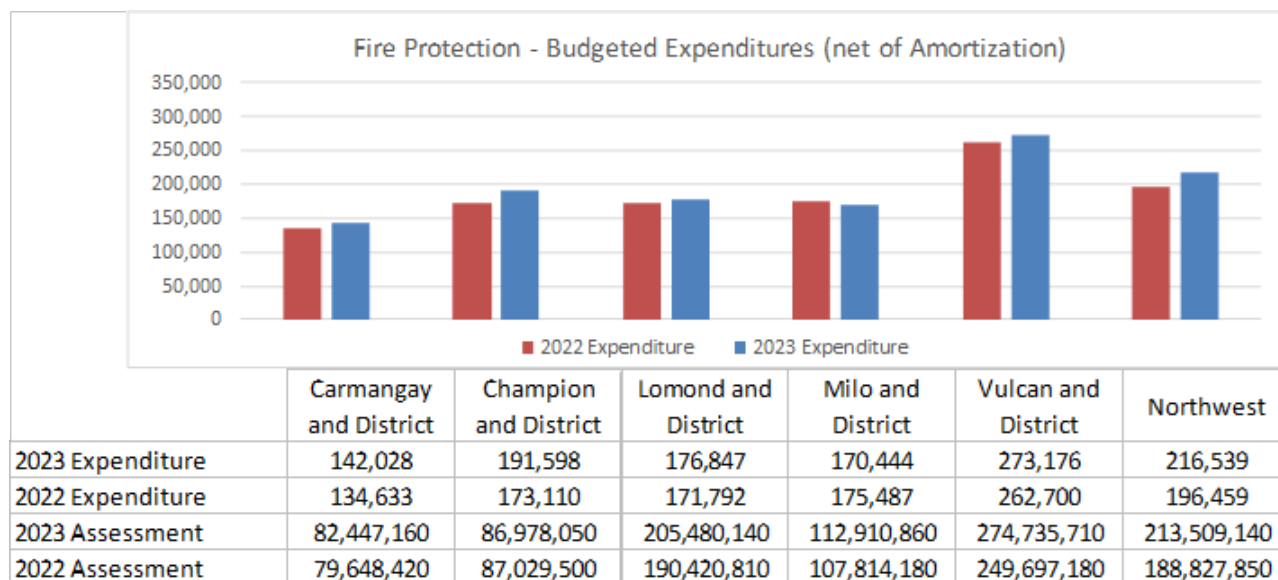
www.vulcancounty.ab.ca >
 DEPARTMENTS > Corporate Services >
 Assessment & Taxation





2023 Fire Protection Tax Rates (Bylaw 2023-012):

The Fire Protection Tax Rate Bylaw sets the rates required to raise the necessary revenues to cover the fire district specific expenditures and transfers for each of the fire departments.



Carmangay and District – total of \$142,028 area cost with a total of \$58,039 of revenues (other than taxes), resulting in \$83,989 to be raised by special levies. Based on \$82.45 million in taxable assessment, the special levies equate to a rate of 1.0187 mills (0.0010187).

Champion and District – total of \$191,598 area cost with a total of \$76,456 of revenues (other than taxes), resulting in \$115,142 to be raised by special levies. Based on \$86.98 million in taxable assessment, the special levies equate to a rate of 1.3238 mills (0.0013238).

Lomond and District – total of \$176,847 area cost with a total of \$79,532 of revenues (other than taxes), resulting in \$97,315 to be raised by special levies. Based on \$205.48 million in taxable assessment, the special levies equate to a rate of 0.4736 mills (0.0004736).

Milo and District – total of \$170,444 area cost mostly from the request of the Fire Association with a total of \$37,468 of revenues (other than taxes), resulting in \$132,976 to be raised by special levies. Based on \$112.91 million in taxable assessment, the special levies equate to a rate of 1.1777 mills (0.0011777).

Vulcan and District – total of \$273,176 area cost with a total of \$184,848 of revenues (other than taxes), resulting in \$88,328 to be raised by special levies. Based on \$274.74 million in taxable assessment, the special levies equate to a rate of 0.3215 mills (0.0003215).

Northwest – total of \$216,539 area cost mostly from the request of the Fire Association with a total of \$45,903 of revenues (other than taxes), resulting in \$170,636 to be raised by special levies. Based on \$213.51 million in taxable assessment, the special levies equate to a rate of 0.7992 mills (0.0007992).



Taxation - Continued

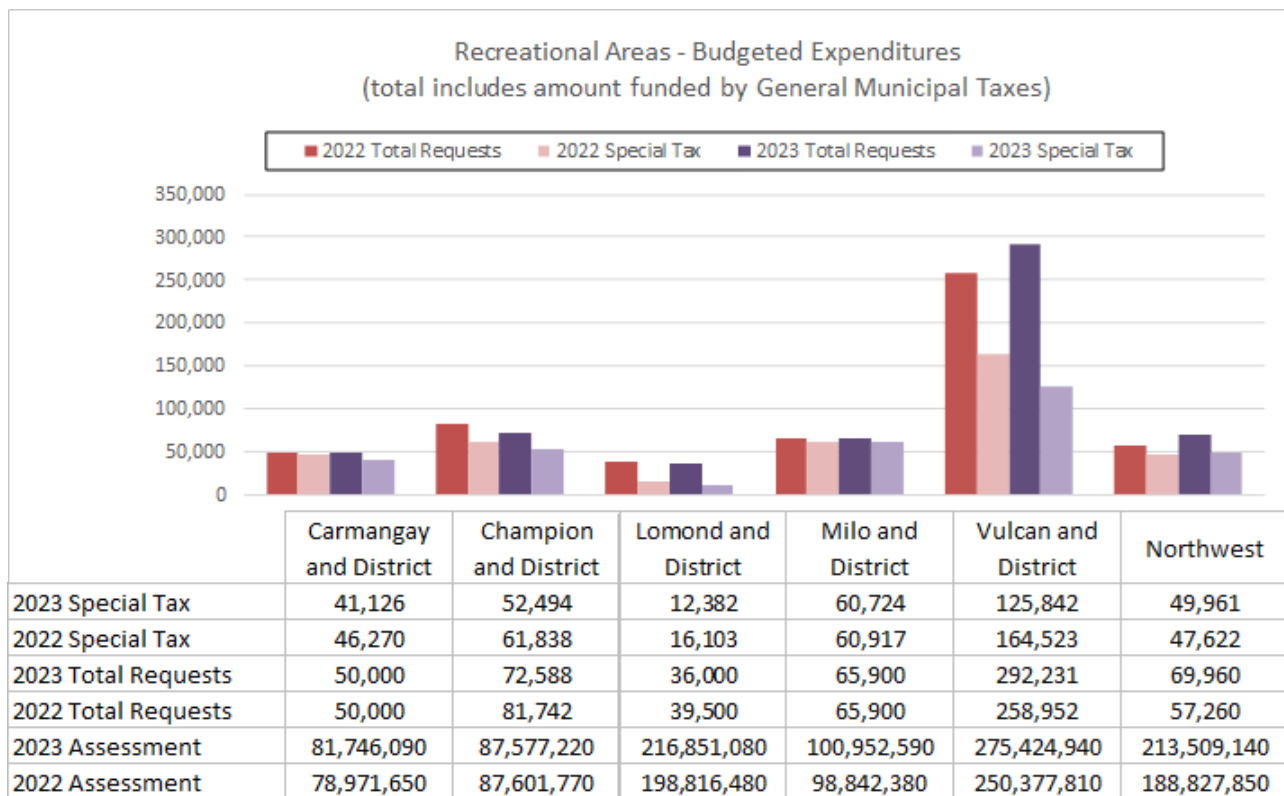


The following are the Special Levy Tax Rates as expressed in mills (1:1000):

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	1.8324	1.4430	0.7673	0.9142	1.0187
Champion and District	1.4412	1.1067	0.8920	1.1036	1.3238
Lomond and District	0.6102	0.6864	0.4328	0.5241	0.4736
Milo and District	0.6454	1.2271	1.1928	1.2897	1.1777
Vulcan and District	0.1872	0.2896	0.2665	0.3299	0.3215
Northwest	0.8748	0.6261	0.8495	0.7425	0.7992
Linear	0.3618	0.3618	0.3618	0.3618	0.3618

2023 Recreation Tax Rates (Bylaw 2023-013):

The Recreation Tax Rate Bylaw sets the rates required to raise the necessary revenues to cover the recreation district specific expenditures and transfers for each of the recreational areas:



The County maintains a separate Recreation Board representing each of the recreational areas. These Recreation Board include members-at-large within the recreational area and also have a County Councillor included on each of these Recreational Board. The Recreation Boards review each of the area's recreational/cultural funding requests and make recommendations to Council for funding these related recreational funding requests.





Carmangay and District – Approved requests for the district totalled \$50,000. The linear portion allocated was \$3,874 and \$5,000 was funded from the recreation district reserves. The result was that \$41,126 was raised by special levies. Based on \$81.75 million in taxable assessment, the special levies equate to a rate of 0.5031 mills (0.0005031).

Champion and District – Approved requests for the district totalled \$72,588. The linear portion allocated was \$5,094. There was \$15,000 in funds from general taxation to cover some of the contributions. The result was that \$52,494 was raised by special levies. Based on \$87.58 million in taxable assessment, the special levies equate to a rate of 0.5994 mills (0.0005994). The item funded with general tax dollars was 50% of the operating costs for the Champion Pool (\$15,000).

Lomond and District – Approved requests for the district totalled \$36,000. The linear portion allocated was \$6,118. There was \$17,500 in funds from general taxation to cover some of the contributions. The result was that \$12,382 was raised by special levies. Based on \$216.85 million in taxable assessment, the special levies equate to a rate of 0.0571 mills (0.0000571). The item funded with general tax dollars was 50% of the operating costs for the Lomond Community Centre (\$17,500).

Milo and District – Approved requests for the district totalled \$65,900. The linear portion allocated was \$5,176. The result was that \$60,724 was raised by special levies. Based on \$100.95 million in taxable assessment, the special levies equate to a rate of 0.6015 mills (0.0006015).

Vulcan and District – Approved requests for the district totalled \$292,231. The linear portion allocated was \$13,773 and \$51,000 was funded from the recreation district reserves. There was \$101,616 in funds from general taxation to cover some of the contributions. The result was that \$125,842 was raised by special levies. Based on \$275.42 million in taxable assessment, the special levies equate to a rate of 0.4569 mills (0.0004569). The items funded with general tax dollars were 50% of the operating costs for the Vulcan Arena (\$40,000) and the Vulcan Pool (\$41,000), funding for KidSport (\$5,000) and part of the reserve top-up.

Northwest – Approved requests from the Recreation Board totalled \$69,960. The linear portion allocated was \$9,999 and \$10,000 was funded from the recreation district reserves. The result was that \$49,961 was raised by special levies. Based on \$213.51 million in taxable assessment, the special levies equate to a rate of 0.2340 mills (0.0002340).

The following are the Special Levy Tax Rates as expressed in mills (1:1000):

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.6230	0.8548	0.6411	0.5859	0.5031
Champion and District	0.5261	0.5490	0.6420	0.7059	0.5994
Lomond and District	0.4521	0.3172	0.1623	0.0810	0.0571
Milo and District	0.7625	0.7724	0.6345	0.6163	0.6015
Vulcan and District	0.8070	0.7233	0.6580	0.6571	0.4569
Northwest	0.2814	0.2209	0.2835	0.2522	0.2340
Linear	0.1388	0.1388	0.1388	0.1388	0.1388



2023 Waterworks Tax Rates (Bylaw 2023-014):



There were no changes to the Waterworks Special Levy Tax Rates (Mossleigh Water Treatment Plant) of \$368.55 per parcel. This charge is based on the amount of parcels that are connected to the waterline and is currently being recovered over 20 years. Total recovery is \$11,425 including the 31 parcels connected.

The per parcel Special Levy applicable to Kirkcaldy is \$365.21. This is expected to cover the costs of the installation of the water line over a 25 year period. Total recovery is \$5,113 including the 14 parcels connected.

2023 Designated Industrial Property (DIP) Requisition (Bylaw 2023-015):

The Designated Industrial Property (DIP) Bylaw allows the County to bill back the costs of assessment for specific properties, the assessment of which, as of 2023, is under control of the province directly. The County pays our contract assessor to perform the assessment, and the province reimburses for those costs. The County then levies the property owners and forwards that money to the province, effectively charging the property owners for their own assessment.

This is a matter of regulation, which is set by Provincial Ministerial Order, and the County has no control over it. The Province sets the mill rate for this levy which is currently 0.0746 mills (0.0000746). The Total Tax Revenues for the DIP Requisition is \$55,177 (based on applicable DIP assessment of \$739,638,620).



All of the County's Bylaws may also be seen on our website:

www.vulcancounty.ab.ca > *YOUR GOVERNMENT* > *Bylaws*

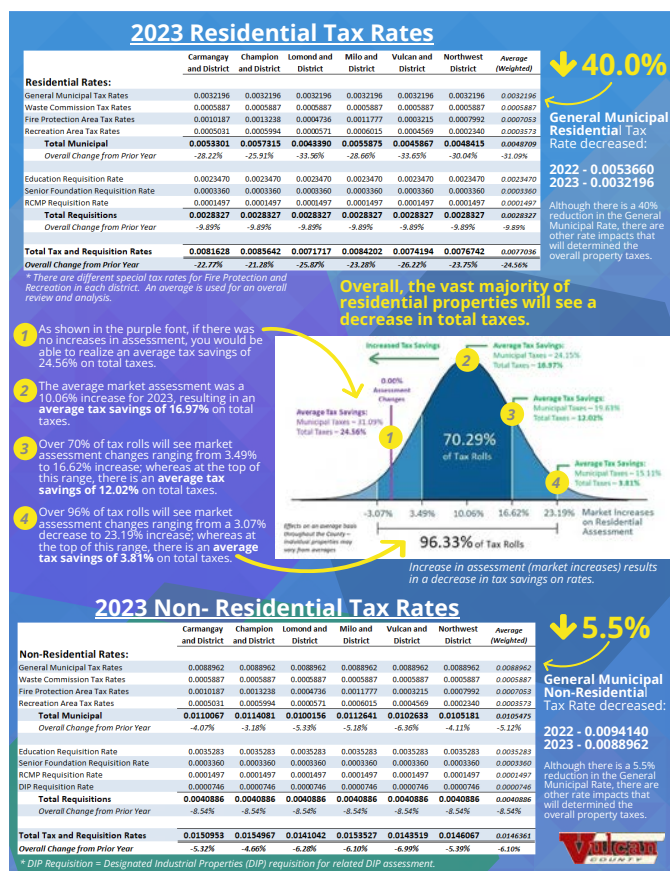
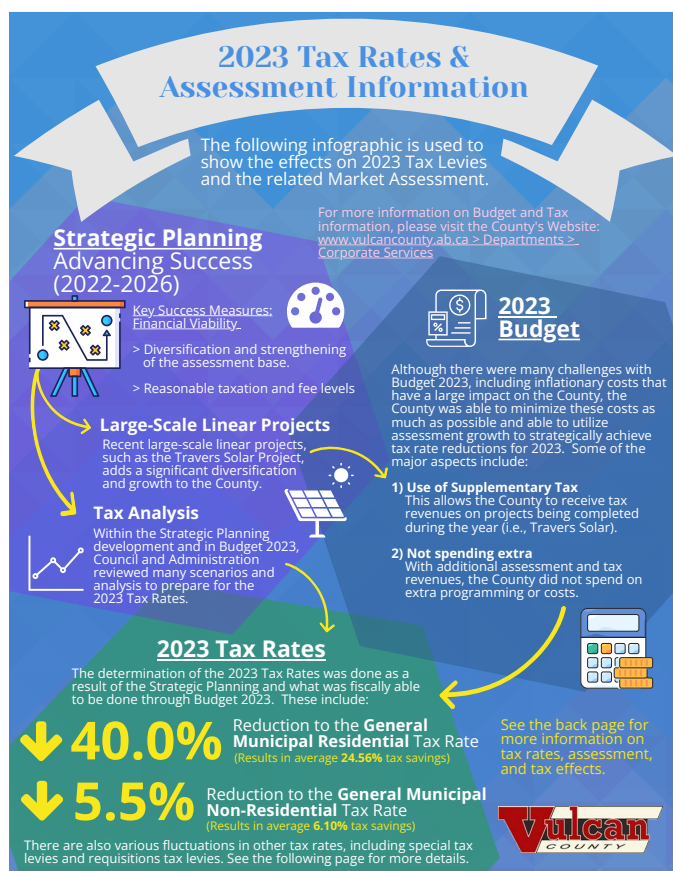


Additional Information on Assessment & Taxation:

In an attempt to be as transparent as possible, the County provides as much information as possible on assessment and taxation as these aspects are key for our ratepayers and community. For additional details on assessment and taxation, including overviews, forms/brochures, property tax calculator, TIPP program, FAQ and other details please visit our website:

www.vulcancounty.ab.ca > DEPARTMENTS > Corporate Services > Assessment & Taxation

The County has also published infographics to further show the effects on the 2023 Tax Levies and the related Market Assessment:



See Appendix 3 for the 2023 Tax Rates & Assessment Information Infographics

Government Transfers / Grants



As part of the municipal budget process, County Council reviews all other sources of municipal revenues, including government transfers. Government transfers include Provincial Grants, Federal Grants, and contributions from other local governments.

The following was the resulting operating government transfers/grants (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Government transfers						
Provincial government transfers - Operating	\$ 508,791	\$ 302,495	\$ 501,561	\$ 301,865	\$ 301,864	\$ 301,864
Federal government transfers - Operating	238,547	933,118	249,405	249,405	249,405	249,405
Transfers from Local Government - Operating	172,551	167,446	177,705	167,048	169,907	169,907
	919,889	1,403,059	928,671	718,318	721,176	721,176



The Operating Government Transfers/Grants can vary significantly from year-to-year, depending on the County's grant applications and whether or not there are specific grant funded projects being completed by the County. Budget 2020 had a significant increase as the budget included a large one-time Municipal Operating Support Transfer (MOST) that provided relief from the impacts of COVID-19. The Canadian Community-Building Fund (CCBF) grants utilized for internally constructed projects was delayed in 2021 and recognized in 2022 as these internally constructed projects were delayed due to the staffing impacts with the COVID-19 pandemic. Budget 2022 also included a one-time grant supporting with the Electrical Power for the Industrial Park grants.

Budget 2023 has slightly increased from prior year as the MSI Operating Grant increased significantly (effectively doubled from \$177,958 to \$355,916) as per the Provincial allocation for 2023; however, this increase is mostly offset by the removal of a one-time grant in the prior year (electrical power installation at Industrial Park). CCBF grant allocation and other local government transfers were also updated based on allocations and related funding agreements.



The following are the details of the Provincial Grants, Federal Grants, and contributions from other local governments (with the comparison year):.

Vulcan County Government Transfers - Operating	Budget 2023	Budget 2022	Change
Provincial government transfers - Operating			
MSI Operating Grant	\$ 355,916	\$ 177,958	177,958
AG Service Board Grant	123,907	123,907	-
Other Provincial Grants	21,738	206,926	(185,188)
	\$ 501,561	\$ 508,791	(7,230)
Federal government transfers - Operating			
Canadian Communities-Building Fund (CCBF) grant	\$ 249,405	\$ 238,547	10,858
	\$ 249,405	\$ 238,547	10,858
Transfers from Local Government - Operating			
Doctor Retention Program	\$ 60,150	\$ 60,150	-
Shared IT Services	9,150	9,150	-
Fire Protection Services	104,071	96,755	7,316
Other Local Government Transfers	4,334	6,496	(2,162)
	\$ 177,705	\$ 172,551	5,154
	\$ 928,671	\$ 919,889	8,782

The majority of the government transfers for operations relate to the Municipal Sustainability Initiative (MSI) Operating grant, the Agricultural Service Board (ASB) grant, and the Canadian Community-Building Fund (CCBF) (previously referred to as the Federal Gas Tax Fund (FGTF) grant).

The MSI Operating, ASB grant, and CCBF grant are based on funding allocations, which cover the eligible operating costs. These operating grants are budgeted to be fully used in year. Other Provincial Grants are typically based on specific eligible projects on these approved grants.

The Doctor Retention Program, the Shared IT Services , and the Fire Protection Services are based on funding agreements with the urban municipalities within the County.

The projections for 2024-2026 are based on a conservative basis; whereas, most of the projections are set at the same funding levels as in the 2023 budget as many of these are based on funding agreements and allocations. Budget 2023 had a couple smaller one-time grants that are not projected into the future.

The largest change in the projected Operating Government Transfers/Grants is in relation to the Municipal Sustainability Initiative (MSI) Operating grant; whereas, the MSI grant program is being replaced at the end of 2023 with the new Local Government Fiscal Framework (LGFF) grant program. Although the details of the LGFF funding model will not be available until late 2023, the information available and/or received by the County would project that it will remain relatively consistent with the prior MSI funding model in concept (with some modifications/updates to the allocation factors). With the uncertainty of the new LGFF funding model and given that the 2023 MSI Operating allocation is likely a one-time increase, the County took a conservative approach on these grants and projected these revenues at the same levels as the 2022 allocations of \$177,958 for 2024-2026.



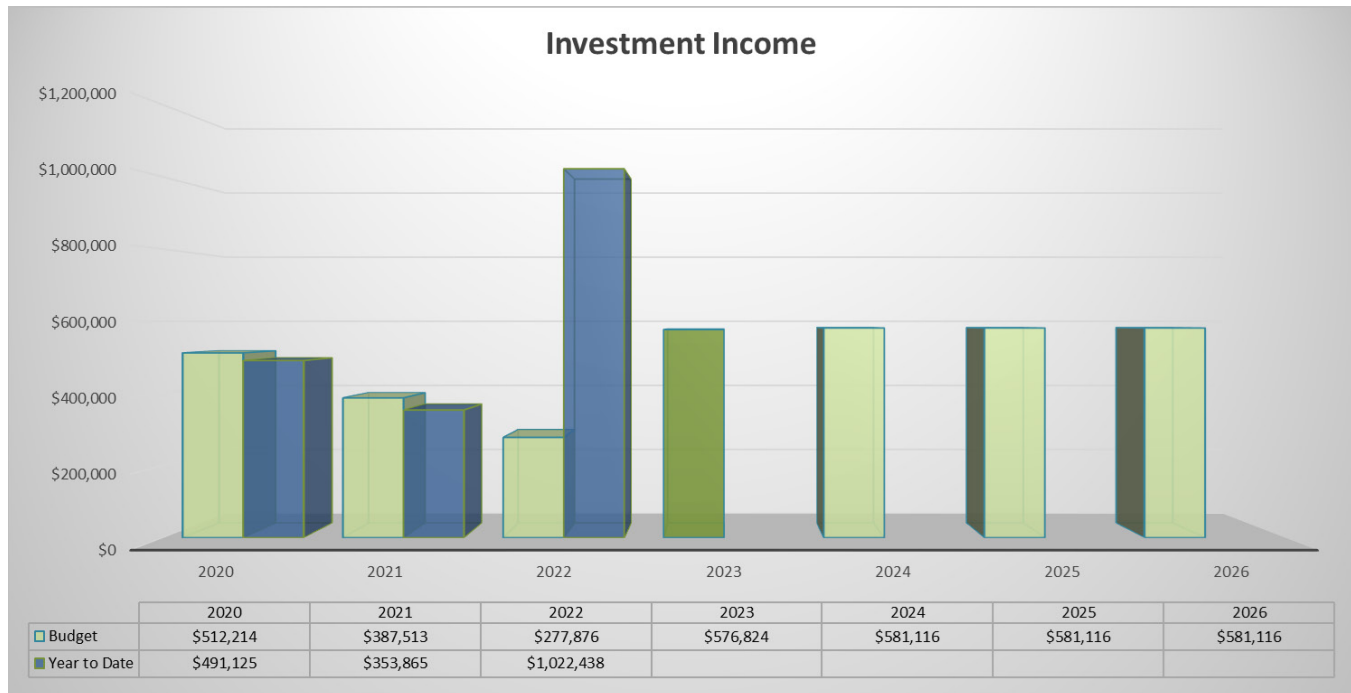
Investment Income



Investment Income is also included in the other sources of income. These revenues are based on the investments that the County holds (i.e. investments held to fund reserves).

The following was the resulting investment income (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Return on investments	\$ 277,876	\$ 1,022,438	\$ 576,824	\$ 581,116	\$ 581,116	\$ 581,116



The investment income is typically budgeted based on prior interest and dividends received on the County's investments. For operating cash flows during the year, the County invests the funds received on taxation to fund the upcoming operating period in term deposits. Projected cash flow requirements are carefully reviewed in order to time the maturity dates of these deposits. These investment strategies have been utilized to maximize the return on investment income and have been proven to increase investment income compared to prior investment strategies.

The budgeted investment income was slightly decreased in 2020-2022 to reflect the reduced interest rates with the reductions in the prime rate available at this time; however, during 2022 the County realized significant increases in investment revenues with the significant increases in the Bank's Prime Rate. Budget 2023 and projections for 2024-2026 had significant increases in the budgeted revenues with increases in the bank's Prime Rates and with the locked in investment rates that the County was able to receive (such as with multi-year GICs and other long-term investments).

The Municipal Government Act (MGA), Section 250, also dictates the types of investments that a municipality is able to invest. Generally, only low-risk investments are permitted to protect municipal funds. The County has also adopted an Investment Policy (12-2204) to provide guidance on its investments to ensure the County tries to obtain the highest rate of return while also safeguarding the public funds held by the County.

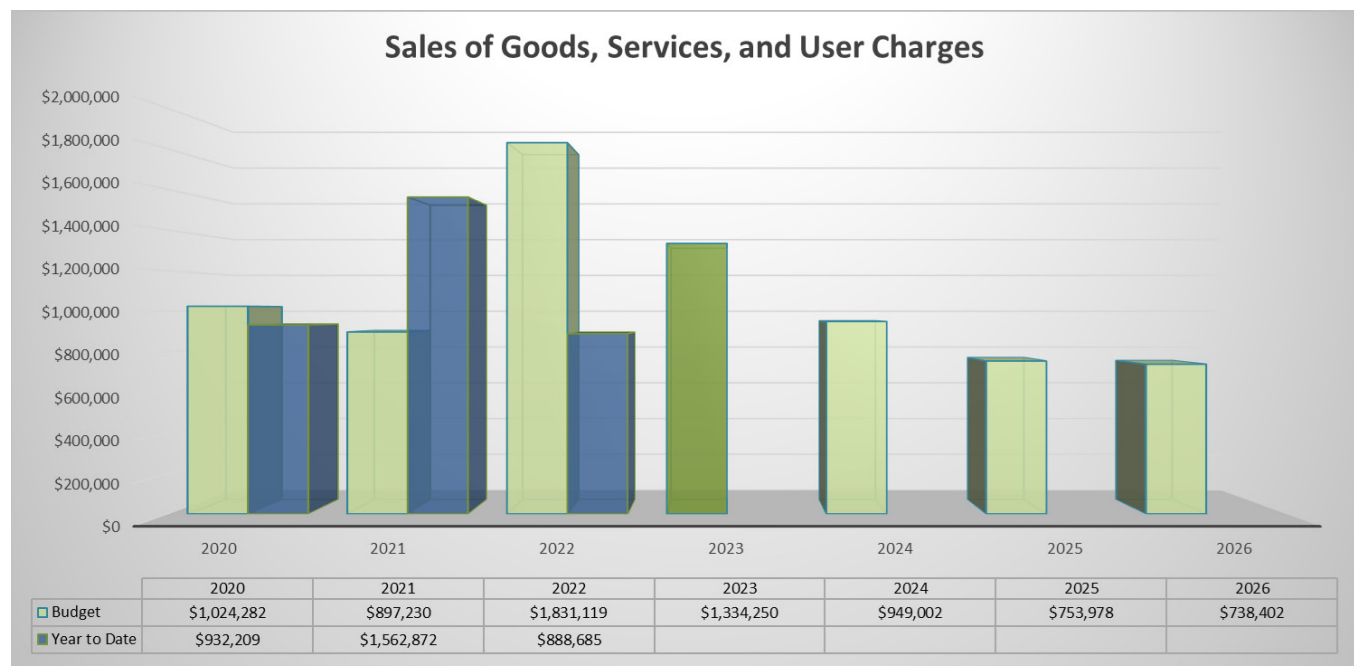
Sale of Goods, Services & User Charges



The sale of goods, services, and user charges are also included in other sources of income. These revenues are budgeted on a conservative basis and are only included in the budget if likely to be received. Some of the revenues included here can vary significantly from year-to-year. Therefore, these usually are included based on average or lower basis. Should the County receive more revenues than budgeted, the resulting surplus may be added to reserves and potentially applied in future budget years.

The following is the resulting budget for the sale of goods, services, and user charges (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Sale of goods, services, and user charges	\$ 1,831,119	\$ 888,685	\$ 1,334,250	\$ 949,002	\$ 753,978	\$ 738,402



The sale of goods, services, and user charges include the sale of materials and supplies (i.e. gravel sales), surface rights, fees charged for services (i.e. permits, tax certificates, safety codes), and cost recoveries (i.e. dust abatement). Typically, historical results are used to project these on-going revenue sources while remaining conservative in the budgeting.

The 2021 fiscal year included additional sale revenues from larger amount of gravel sales (significantly above budget). Budget 2022 included a large sale of lands totalling \$1.05 million; in which, the actuals were much lower than projected as these sales related to lands held in Tangible Capital Assets (TCA) therefore the revenues were reclassified as a Gains on Disposal of TCA rather than a sale of goods. Budget 2023 was decreased as the prior year as land sales were reduced to \$352,000 (substantially less than prior year of \$1.05 million). This reduction is somewhat offset further as Budget 2023 includes a one-time road use agreement for another linear project (which funds the additional services on the road such as a temporary grader driver). Projections for 2024-2026 are also done on a conservative approach, including the removal of land sales and other one-time revenues (such as the road-use agreement).

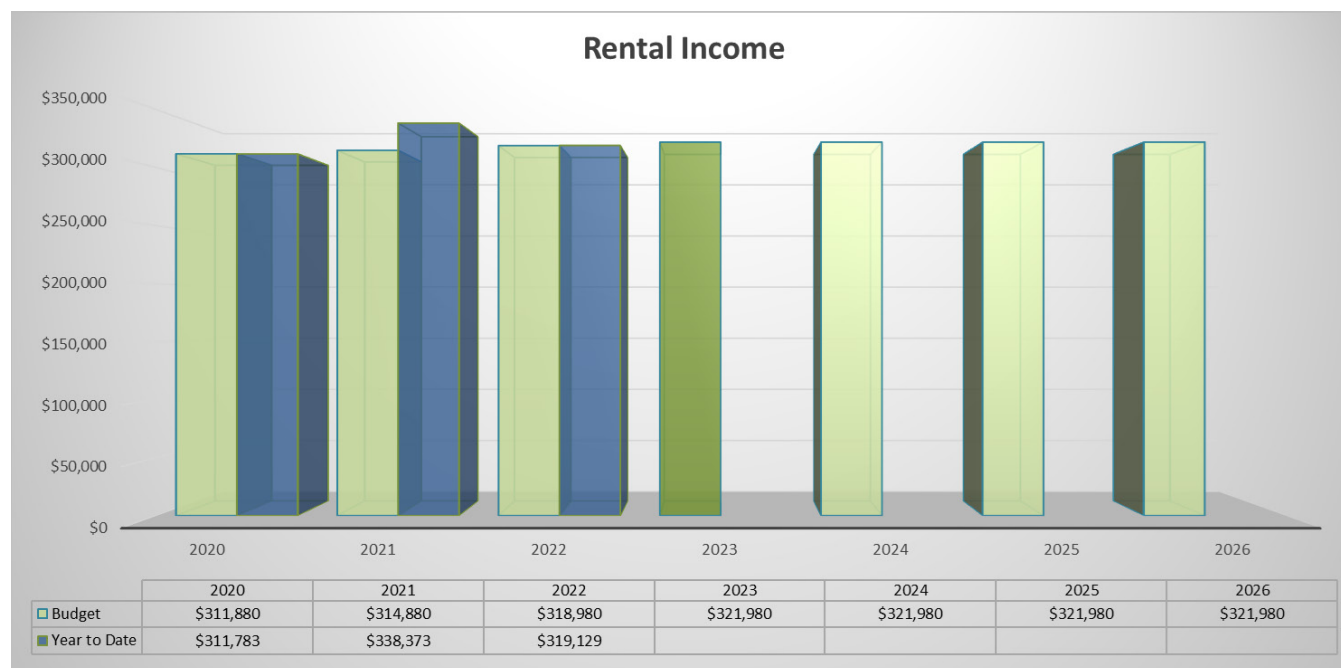
Rental Income

Rental Income is also included in other sources of income. These revenues are mostly based on the terms held within the rental agreements for County buildings. There is also a portion that relates to equipment rentals.



The following was the resulting rental income (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Rental Income	\$ 318,980	\$ 319,129	\$ 321,980	\$ 321,980	\$ 321,980	\$ 321,980



The majority of rental income is based on rental agreements that the County has with the Royal Canadian Mounted Police (RCMP) and Alberta Health Services (AHS). Rental income is projected to remain consistent for the next few years (including the projections for 2024-2026) as most of the agreements still have a few years remaining.

There are also other rental agreements for buildings (i.e. Adult Learning building) and equipment rentals, including agricultural equipment.



Community Aggregate Levy

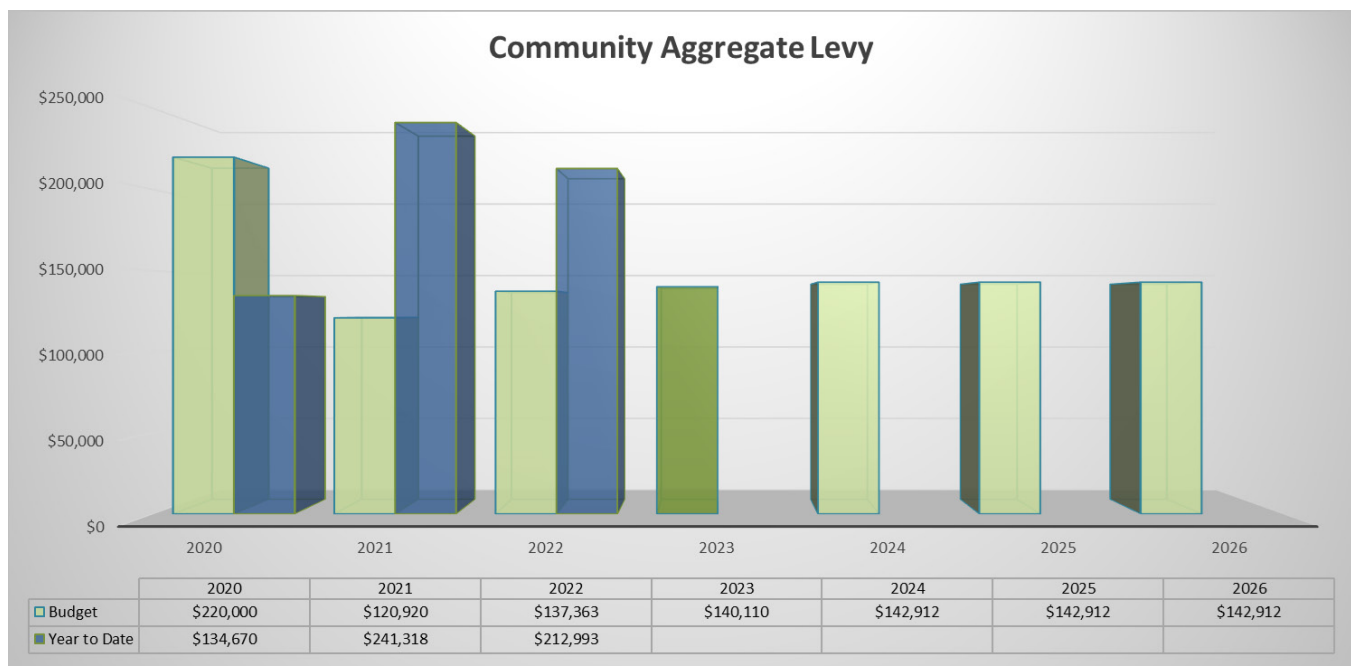


The community aggregate levies are also included in other sources of income. The community aggregate levy is the levy for transporting materials such as gravel and sand, where the rate of \$0.25/tonne is set by Bylaw 2017-027. As the actual amount transported can fluctuate significantly from year-to-year, and is outside of the County's control, the budget uses a somewhat conservative figure taking into account actual results from prior years.

The following was the resulting community aggregate levy (with projections for the following three years):

Vulcan County Budget Comparison and Projections

	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Community aggregate levy	\$ 137,363	\$ 212,993	\$ 140,110	\$ 142,912	\$ 142,912	\$ 142,912



As shown above, the County historically maintained a conservative budget of \$120,000 based on historical lows in community aggregate levies. In 2018, a detailed review of the prior 5 years was done and it was determined that \$220,000 was a more appropriate value for the budgeted revenue from this levy. In 2021, there was an additional review based on the reduction in 2020 as an impact from the COVID-19 pandemic whereas, there was a reduction in the transportation of materials; therefore, the budget was reduced to the historical conservative budget of approximately \$120,000. The actual results in 2021/2022 had a significant increase again in community aggregate levies as there were increases again to the transportation of materials within the County. The budget has been maintained at conservative figures until there is additional stability in these operations, including the projections for 2024-2026.

These revenues are applied against the road maintenance expenditures as the transportation of heavier goods such as aggregates (gravel, sand, etc.) cause more wear and tear on road infrastructure.



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary

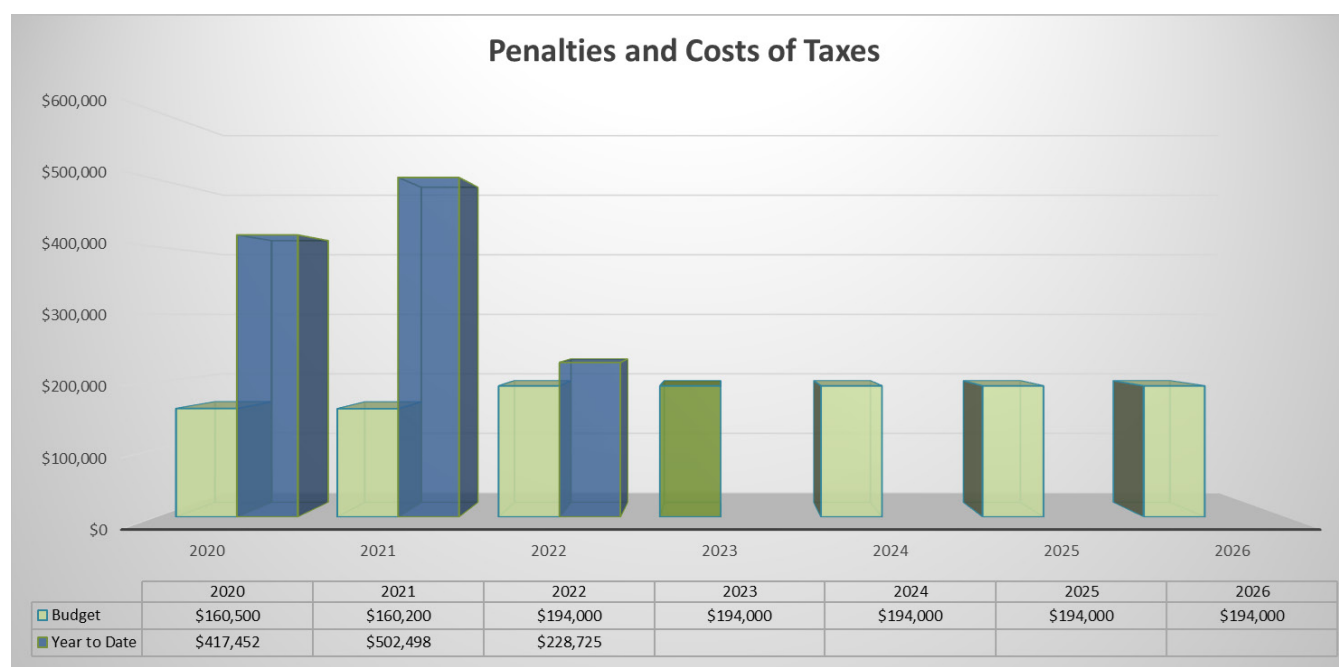


Penalties and Cost if Taxes

Penalties and costs of taxes are also included in other sources of income. The penalties and costs of taxes are the penalties charged on unpaid taxes and are added to the tax roll. The application of penalties is to provide the County's ratepayers an incentive to pay on time since County operations depend upon prompt payment of property tax.

The following was the resulting penalties and costs of taxes (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Penalties and costs of taxes	\$ 194,000	\$ 228,725	\$ 194,000	\$ 194,000	\$ 194,000	\$ 194,000



During 2019-2021, there was significantly higher revenue than budget due to a couple of larger accounts going into tax arrears. As the majority of these penalty revenues relate to oil & gas properties, the budget has been kept low in an attempt to normalize expectations in light of the current state of that sector of the economy. 2022 actual revenues were more in-line with the projected budget; whereas, it is continued for 2023 and the 2024-2026 projections.

The following is the penalty structure in accordance with Bylaw 2022-008 (Payment Due Date & Penalties Bylaw):



Penalties on Current Year taxes (due July 31st):

- August 1st - Six percent (6%) penalty on current tax levies outstanding
- October 1st - Three percent (3%) penalty on current tax levies outstanding
- December 1st - Three percent (3%) penalty on current tax levies outstanding

Penalties on Tax Arrears :

- January 1st - Twelve percent (12%) penalty on all tax arrears outstanding (all tax balances outstanding after December 31st)

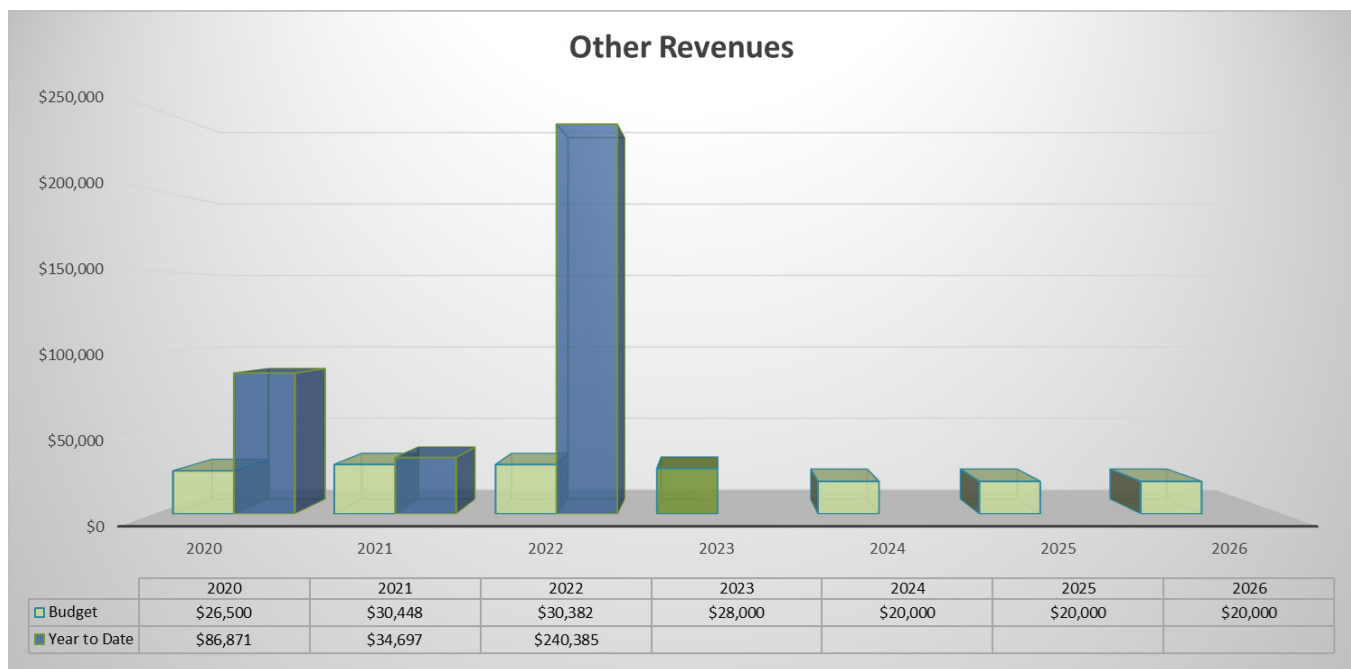
Other Revenues



Other revenues include fines, donations, recovery of accounts receivable, and other miscellaneous revenues. Most of these are not able to be projected; therefore, the budget currently only consists of the fines and any other known revenues. Fine revenues are projected forward based on the prior year but have fluctuated in the past.

The following was the resulting other revenues (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Other revenue						
Fines	\$ 30,382	\$ 11,655	\$ 20,500	\$ 20,000	\$ 20,000	\$ 20,000
Other	-	228,730	7,500	-	-	-
	30,382	240,385	28,000	20,000	20,000	20,000



The Other Revenues budgeted mostly consist of fines from year-to-year. In 2020, there was an increase in fines from budget and from prior years. This increase in fine revenues is partially due to a large-scale construction project being developed within the County which brought in a significant number of workers from outside the County; in which, there were increased amount of traffic fines during this period.

In 2022, there was an additional “other revenue” recognized as Gravel Reclamation Liability was reduced in 2022 (which creates an operating revenue instead of a negative expense) as the Gravel Reclamation Liability is estimated using a net present value (NPV) method and was impacted by the rates for borrowing which increased in 2022. This recognition of the change in the Gravel Reclamation Liability is likely a one-time revenue recognition and is not projected in the upcoming years (will likely go back to being an operating expense in 2023 and future years as rates are not projected to increase significantly as they did in 2022 fiscal year).

Budget 2023 and the projections for 2024-2026 are effectively based on the budgeted/projected fine revenues (with a one-time donation being projected in 2023 of \$7,500 for a specific project).





Operating Expenses - Overview



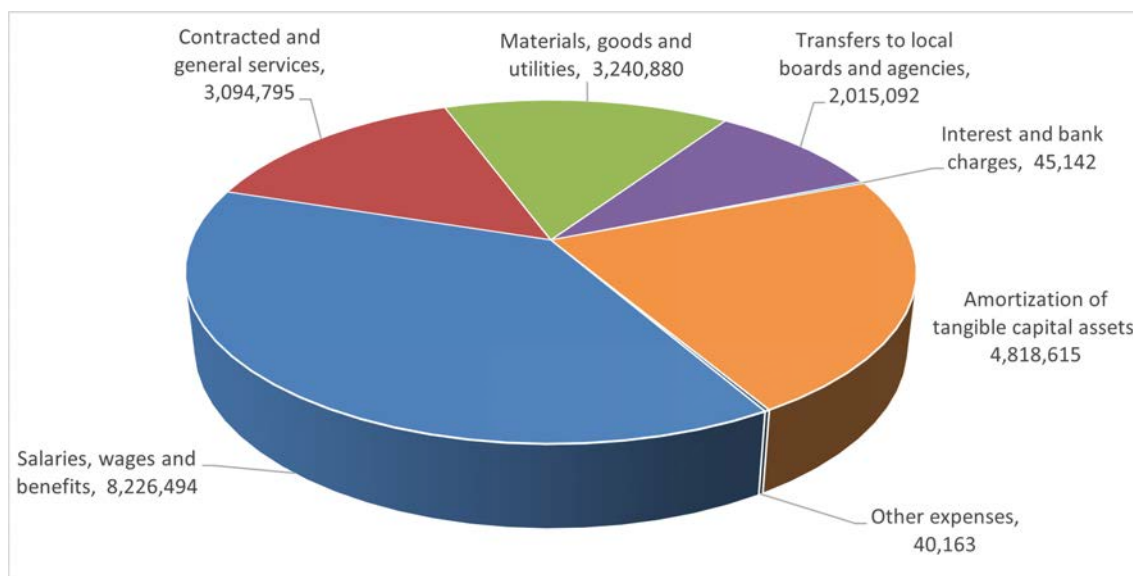
The majority of the County's operating expenditures are typically budgeted on a conservative basis to ensure that the budget is sufficient to cover the costs, including potential unexpected increases due to the nature of variable costs.

The following are the 2023 budgeted operating expenses:

Salaries, wages and benefits	8,226,494	38.3%
Contracted and general services	3,094,795	14.4%
Materials, goods and utilities	3,240,880	15.1%
Transfers to local boards and agencies	2,015,092	9.4%
Interest and bank charges	45,142	0.2%
Amortization of tangible capital assets	4,818,615	22.4%
Other expenses	40,163	0.2%
	<u>21,481,181</u>	
Machine expenses capitalized for construction	<u>(2,066,788)</u>	
	19,414,393	



The machine expenses capitalized for construction are a combination of expenses such as salaries/wages, contracted services, and materials/goods that are part of the County's internally constructed assets. These assets mainly include roads and bridges. These costs are capitalized as part of the year end Capital Transfers.



These operating expenses will be shown in detail in the following sections.



The Operating Budget reports expenses by both by type and by the segment/department. See the following section for the details within the Segment Reporting.

Operating Expenses - Details



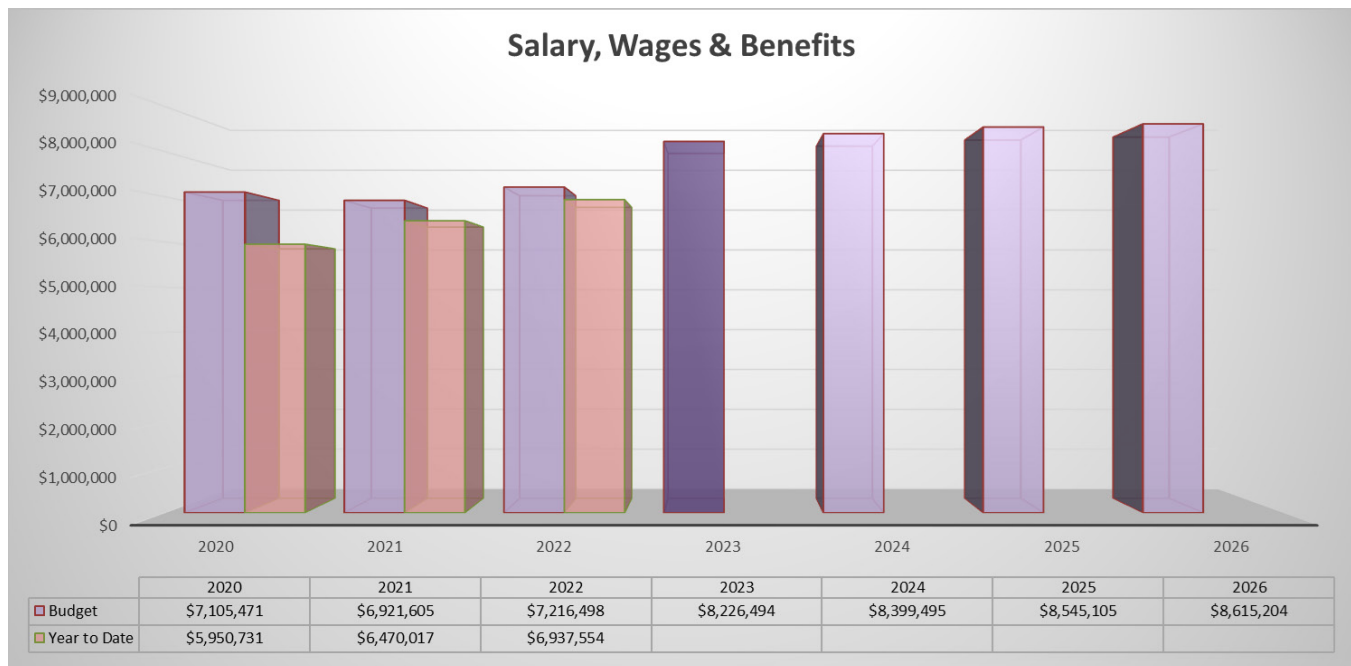
Salaries, Wages & Benefits

Salary, wages, and benefits includes all of the staff wages/benefits as well as Council per diems. All of the wages/benefits have the updates from the 2023 approved salary grids, staff grid movements, and some market adjustments in the staff wages. The County does not operate in a union environment.

The following was the resulting salary, wages & benefits (with projections for the following three years):

Vulcan County Budget Comparison and Projections

	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Salaries, wages and benefits	\$ 7,216,498	\$ 6,937,554	\$ 8,226,494	\$ 8,399,495	\$ 8,545,105	\$ 8,615,204



The County utilizes a 7 step salary/wage grid for each of the County staff. Each staff member is placed in a spot on the grid, and can move up annually if they receive a favorable performance review. The initial 2023 salary/wage grids were approved by Council on October 19th, 2022.

These salary/wage grids are developed in accordance with the Compensation Policy (12-3131); including a review of consumer price indexes (CPI) to assist in determining the Cost of Living Adjustments (COLA) for staff wages. The Alberta CPI (per Stats Canada) is reviewed from October to September of the prior year and an average is calculated to determine the COLA. For 2023, the COLA was determined to be 5.95% based on the average changes in the Alberta CPI.

The 2023 salary/wage grid was also updated for new staff positions that were added within the County operations, including janitorial staff position (previously contracted service) and distinguishing between junior vs. senior information technology technician positions.

Salaries, Wages & Benefits - Continued

The following are the budgeted details of salary, wages & benefits:



Salaries, Wages & Benefits - Budget Details



Salaries, wages, and benefits are projected using the County's budgeting software; whereas, each staff/position is allocated their related salary/wage grid and what the current effective wage grid, hours worked and related anniversary date. Cost of Living Adjustment (COLA) and other market adjustments are applied (if applicable). The budgeting software projects the annual budgeted costs for the current and upcoming budget years with the assumption that the staff are eligible to receive their grid movement each year on their anniversary date (including projections for 2024-2026).

During the 2023 budget process, wage costs increased for a few different reasons:

- There were increased for the anticipated grid movement of existing County staff.
- There was the COLA adjustment of 5.95% on the related salary/wage grids for 2023.
- Added staffing positions for janitorial, information technology (IT), and added a temporary grader driver position - total increase of 3.30 Full-Time Equivalent (FTE).
- Increases to benefit costs as County with benefit rate updates, the County providing long-term disability (previously employee paid), and the County is now providing health/dental benefits to the volunteer firefighters.

The County budgets the staffing benefits to be based on the actual calculations and benefit rates for each type of benefit, while still remaining somewhat conservative in the application of the benefits (i.e. assuming all staff are on a family plan and that each staff fully utilize their wellness accounts). This will allow the County to have more accurate budgeting for staff benefits. The health/dental benefits to the volunteer firefighters is budgeted based on providing coverage for total capacity at each fire hall.

As noted above, there was a 3.30 FTE increase in staffing positions including:

- Addition of a janitorial position as this was previously provided by contracted services (partial FTE as started in mid-2023).
- Increase in the Information Technology (IT) department to support with capacity constraints as this department both supports with County operations and also contacted out to support some of the smaller urban municipalities and non-profit organizations within the County.
- Additional temporary grader driver position to provide additional maintenance on roads being used for the construction of a windmill project (funded by revenues of a road use agreement).

FTE STAFFING



The following is a summary of the changes in the projected staffing full-time equivalents (FTE):

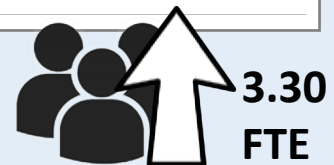
Budget 2023

Full-Time Equivalents (FTE)

	2023 Budget	2022 Budget	2022 Actual	Change in Budget	2021 Budget	2021 Actual	2020 Budget	2020 Actual
Management	5.00	5.00	4.92	0.00	5.52	4.27	5.03	4.78
Operations (Public Works)	41.27	38.89	36.45	2.38	39.24	36.78	39.19	36.73
Corporate Services	7.67	7.00	6.83	0.67	7.00	7.00	7.02	7.00
Protective Services	3.00	3.07	2.49	-0.07	2.58	2.58	3.08	3.08
Agricultural Services	2.50	2.18	2.18	0.32	2.14	2.14	2.97	2.97
Development Services	3.00	3.00	3.00	0.00	2.55	2.55	2.52	3.52
Legislative Services	2.00	2.00	1.42	0.00	1.50	1.50	1.50	1.50
	64.44	61.14	57.29	3.30	60.53	56.82	61.31	59.58

* FTE is based on full-time annual positions (i.e., Seasonal staff are a partial FTE). Overtime hours are in excess of regular FTE (i.e., full-time staff with OT can create greater than 1 FTE).

The 2022 actual FTE was slightly less than the budget as there were some staff on leaves that started mid-year (position remained vacant during leave) or the County was not able to specifically fill the position. Some of the vacancies required contracted services as support in the operations of the County.



In the Strategic Plan, the County has a strategic priority to “Attract, Engage, and Retain New & Existing Employees”. This includes many strategies/goals, including the following:

- Continual review of salaries and benefits, including comparing wages to other similar sized municipalities to ensure wages are competitive and ensure adequate staffing levels.
- The County currently has overtime agreements with the staff of the County; allowing the staff the option to bank and use their overtime. Many of the staff utilize this option to bank their overtime to allow them to have the paid time off at a later date.
- Money is set aside in the budget to allow for various training opportunities for staff in order to ensure they grow as professionals while providing better services to County ratepayers.
- County Council has established many policies allowing a better work/life balance, including:
 - > Flex Time Policy (12-3137) - allowing staff to adjust their work hours throughout the day, providing it still provides appropriate availability of the staff member.
 - > Earned Day Off Policy (12-3138) - allowing staff to bank non-overtime hours that are above their regular work day and to have a scheduled day off every couple of weeks (i.e. bank time to have every third Friday off).
 - > Wellness Policy (12-3135) - benefit providing up to \$300 per year on activities relating to wellness/fitness (i.e. gym memberships, fitness equipment).
- There is a Vulcan County Social Club that is set up by the staff at the County. Council provides some matching funding, through the budget, to assist in funding some of the staff functions (i.e. BBQs, golf tournament, etc.).



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary

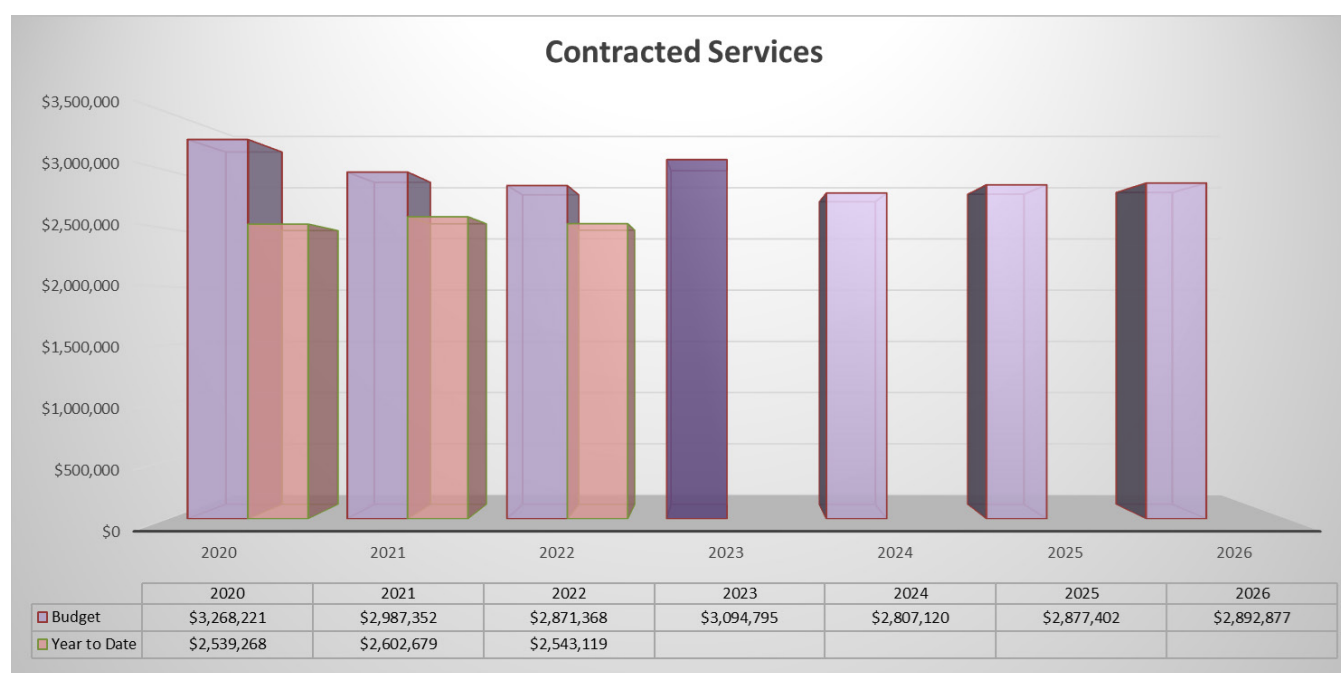
Contracted and General Services



Contracted services include the costs of repairs and maintenance, consulting services, audit and legal fees, leases, telecommunications, insurance, education/training, and other services. These expenses are typically budgeted on a conservative basis to ensure that the budget is sufficient to cover the costs, including potential unexpected increases due to variable costs. Some of these costs are based on agreements; for those costs, the amount budgeted agrees to the terms in the agreement.

The following is the budgeted contracted services costs (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Contracted and general services	\$ 2,871,368	\$ 2,543,119	\$ 3,094,795	\$ 2,807,120	\$ 2,877,402	\$ 2,892,877



The following are the budgeted details of contracted services:





Education, Training, and Travel:

Education, training and travel costs are expecting an increase from the prior year budget of \$342,553 to \$401,155 in the current budget. Some of the increase related to reinstating some of the training levels to pre-COVID levels (as many were reduced with budgetary constraints and restrictions from the COVID-19 pandemic). There was also an increase in the education and training for firefighters to catch-up on certain training activities. There is a decrease in these projected costs in 2024 as much of the education/training will be caught-up during 2023, whereas, this is projected to increase again into 2025/2026.

Legal Fees:

Legal fees are expected to decrease from \$78,232 to \$69,500, and then remain relatively consistent over the following projected years. This is due to the resolution of a significant legal matter in prior years and the anticipated resolution of some other legal matters that the County is dealing with. These matters have been ongoing for some time, but it is expected that the County will return to requiring a more normal level of legal representation.

Doctor Retention Program:

The Doctor Retention Program costs are based on the respective agreements with the local clinics/hospitals and are projected to remain constant for the next couple years. The actual costs have been very comparable to the prior budgets (minimal variances in the locum costs).

Contracted, Consulting & Engineering:

The contracted, consulting and engineering costs are expecting an overall increase from the prior year budget of \$719,656 to \$747,897 in the current budget. There was a projected increase in consulting costs in planning and development includes starting on the Municipal Development Plan (MDP) during 2023 and likely continuing into 2024 - which is a strategic priority for the County. There was also additional contracted services in Budget 2023 for continuing the comprehensive facility environmental assessment (in preparation PSAS 3280 for Asset Retirement Obligations) and a staff compensation review. There is a decrease in these projected costs in 2024-2026 as these one-time or periodic reviews will be completed during 2023.

Repairs and Maintenance:

The repairs and maintenance costs are expecting an overall increase from the prior year budget of \$734,141 to \$876,563 in the current budget. The increase mostly relates to additional dust abatement costs related to the road maintenance for the windmill construction project (funded by the road maintenance agreement revenues). these costs will return back to normal levels in 2024-2026 once the project is completed. There were other updates to repair costing as part of a historical costs review for equipment, vehicle, and infrastructure maintenance costs over the previous 5 years. The County continually monitors its infrastructure and will add maintenance projects if deemed necessary.

Damages and Deductibles:

The damages and deductibles costs are expecting to stay relatively consistent with the prior year budget and remains flat in projected years. These costs represent reimbursements to landowners for damages done to their crops during construction.

Insurance:

The insurance costs typically relatively consistent from year-to-year with small adjustments based on historical increases in premium costs, and reductions due to removal of insurance on disposed or obsolete equipment; however, there was an increase in the costs of insurance throughout which is projected to have increased costs for the County.

Other Services:

The other contracted and general services remains relatively consistent from year-to-year. These include smaller valued services such as subscriptions, advertising, etc.

Materials, Goods & Supplies

Materials, goods, and supplies includes the costs of supplies, utilities, information technology, diesel/fuel, gravel, herbicides, culverts, blades, tools, and other materials.

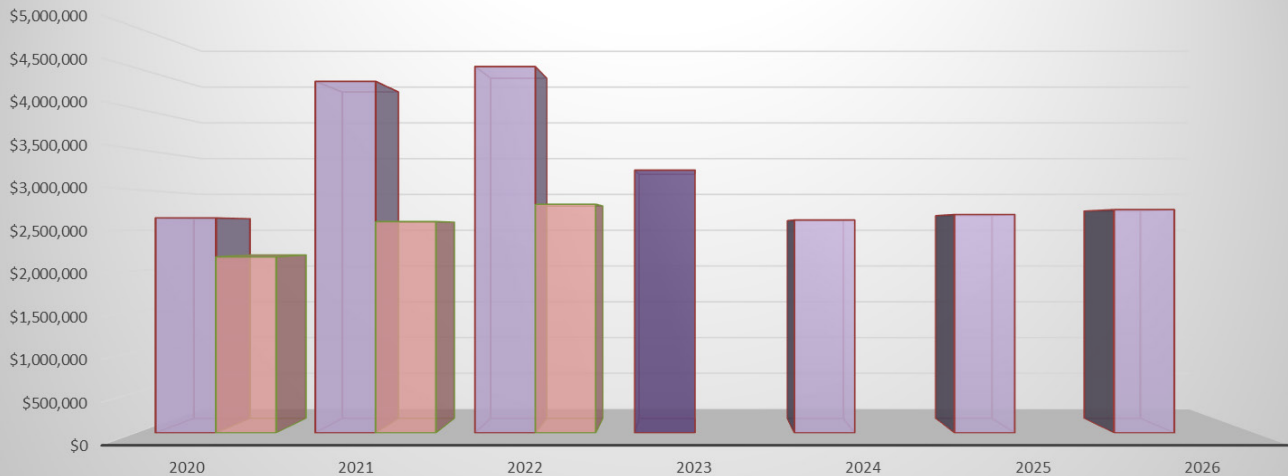


The following was the resulting materials, goods, and supplies (with projections for the following three years):

Vulcan County Budget Comparison and Projections

	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Materials, goods and utilities	\$ 4,517,365	\$ 2,820,479	\$ 3,240,880	\$ 2,625,949	\$ 2,693,170	\$ 2,753,944

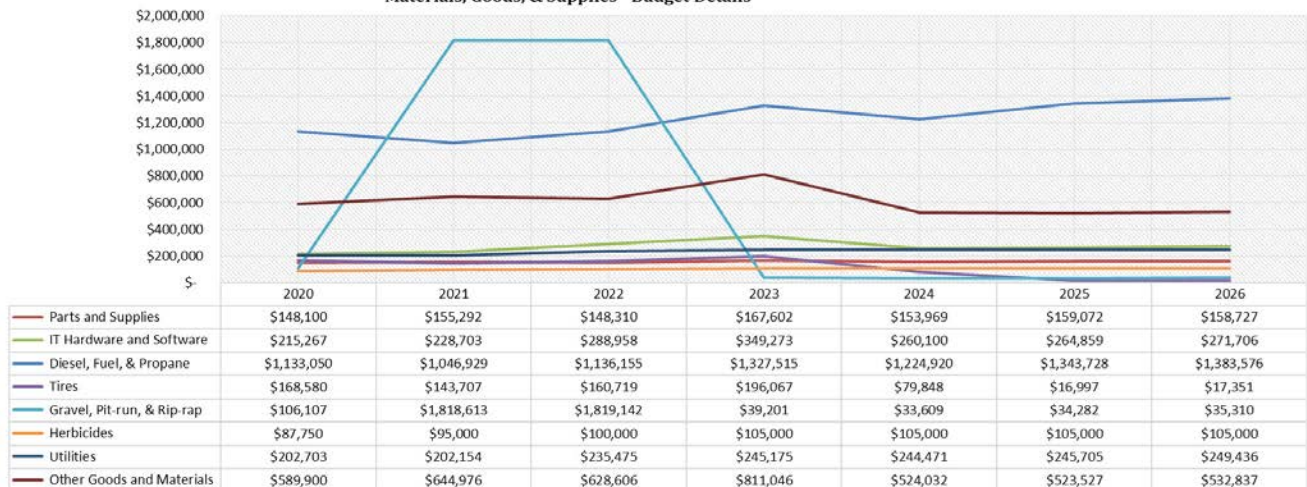
Materials, Goods, & Supplies



	2020	2021	2022	2023	2024	2025	2026
Budget	\$2,651,458	\$4,335,374	\$4,517,365	\$3,240,880	\$2,625,949	\$2,693,170	\$2,753,944
Year to Date	\$2,171,230	\$2,606,600	\$2,820,479				

The following are the budgeted details of material, goods & supplies:

Materials, Goods, & Supplies - Budget Details





Parts and Supplies:

The parts and supplies costs are expecting an increase from the prior year budget of \$148,310 to \$167,602 in the current budget. Generally, parts and supplies expenses move according to whether or not the County has a change to service levels and/or the operational requirements for the County. Budget 2023 has some one-time purchases of supplies/materials for the fire departments, emergency management, and other departments; whereas, the projections for 2024-2026 are reduced as these one-time purchases will be done in current budget year.

IT Hardware and Software:

The IT hardware and software costs are expecting an increase from the prior year budget of \$288,958 to \$349,273 in the current budget. Budget 2023 has some carry-forward IT projects, including the implementation of Virtual County Hall (VCH), Laserfiche Records Management, and an EFT Module - these are funded by carry-forward operating reserves. There is also some additional computer and laptop replacements scheduled for 2023. The projections for 2024-2026 are reduced as these one-time projects/purchases will be done in current budget year.

Diesel, Fuel, and Propane:

The diesel, fuel, and propane costs are expecting an overall increase from the prior year budget of \$1,136,155 to \$1,327,515 in the current budget with fluctuations in subsequent years. The majority of this increase is due to a couple of main factors. First, historical fuel expenditures were carefully reviewed by Administration. Second, estimates were made about the level of fuel consumption necessary to provide County services like road maintenance and bylaw enforcement. Third, market price projections were used that resulted in a revised estimate of per litre costs, including the costs of projected carbon taxes being added to fuel/diesel costs.

Tires:

The tire costs are expecting an overall increase from the prior year budget of \$160,719 to \$196,067 in the current budget and will be reduced significantly in 2024-2026 projected years (based on projected replacement cycles). Budget 2023 includes the replacement for scraper tires, which is based on the timing of replacement of tires for specific equipment. Tires for certain vehicles are much more expensive than others but are bought less often.

Gravel, Pit-run, and Rip-rap:

The gravel, pit-run, and rip-rap costs are expecting to be significantly decreased from the prior year budget of \$1,819,142 to \$39,201 in the current budget and will remain consistent for 2024-2026 projections. Budget 2021 specifically included the gravel crushing program with a projected cost of \$1,788,275 (funded by the gravel crushing reserve funds); however, due to delays, much of the gravel crushing program was delayed until the beginning of 2022 (which is one of the main reasons why the actuals for 2021 were less than budget). The gravel crushing program is where the County hires a contractor to go into the Gravel Pits and crush gravel/rocks into specific gravel sizes for developing stock piles to be used for roads and other infrastructure requirements (gravel crushing is specifically reserve funded).

Herbicides:

The herbicide costs remain relatively consistent from year-to-year; whereas, the County is expecting herbicide costs to remain relatively consistent for 2023 and the projections for 2024-2026.

Utilities:

The utilities costs remain relatively consistent from year-to-year with small changes based largely on expected inflation. These are carefully reviewed annually. Budget 2023 included some of the increases in utility costs and projected effects with the costs of projected carbon taxes being added.

Other Goods and Materials:

Other contracted and general services typically remains relatively consistent from year-to-year. These costs include goods/services such as grader blades, culverts, signage, lumber, small tools, and other miscellaneous goods/materials. There is an expected increase in 2023 including a significant increase to small tools/equipment for some one-time purchases (i.e., hazmat gear and GPS survey equipment) and with cost updates and reviews throughout the operational budgets.



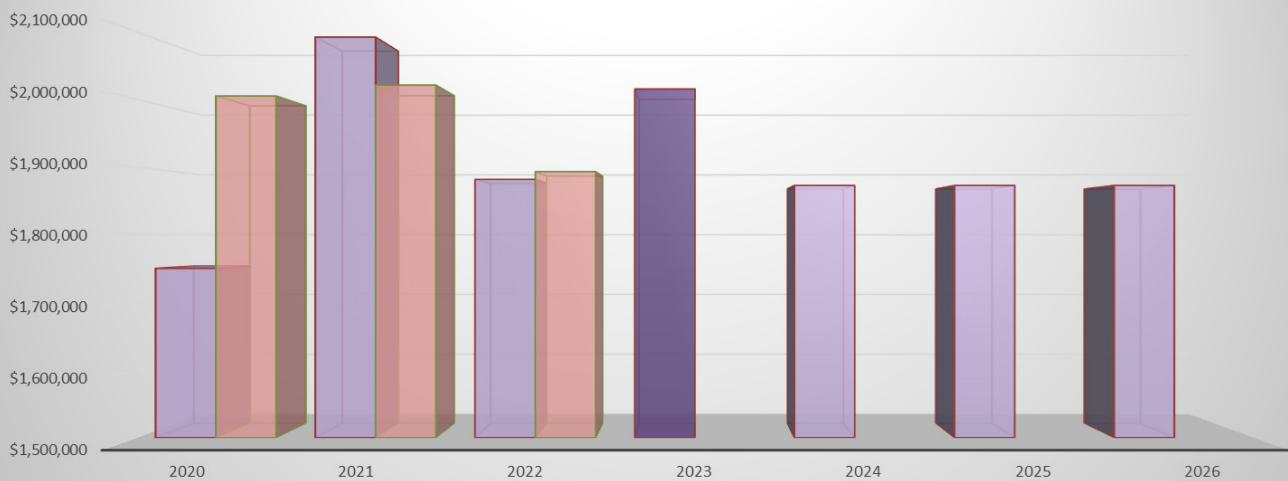
Transfers to Local Boards and Agencies

Transfers to local boards and agencies include contributions to fire associations, recreation boards, tourism, waste and water commissions, and other community groups. The budgets are typically based on approved requests by Council during the budget process.

The following are the resulting transfers to local boards and agencies (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Transfers to local boards and agencies	\$ 1,881,623	\$ 1,893,026	\$ 2,015,092	\$ 1,872,660	\$ 1,872,660	\$ 1,872,660

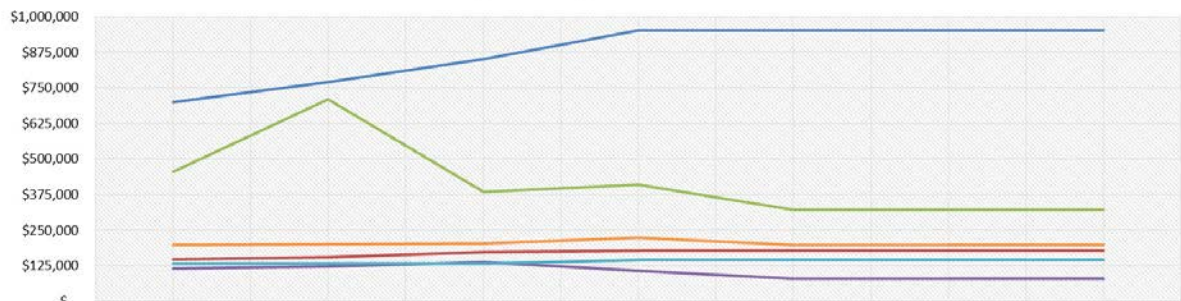
Transfer to Local Boards and Agencies



	2020	2021	2022	2023	2024	2025	2026
Budget	\$1,750,216	\$2,091,687	\$1,881,623	\$2,015,092	\$1,872,660	\$1,872,660	\$1,872,660
Year to Date	\$2,004,802	\$2,020,901	\$1,893,026				

The following are the budgeted details of the transfers to local board and agencies:

Transfers to Local Boards and Agencies- Budget Details



	2020	2021	2022	2023	2024	2025	2026
Fire Area Contributions	\$148,330	\$156,310	\$173,473	\$177,869	\$177,869	\$177,869	\$177,869
Recreational Area Contributions	\$455,694	\$709,634	\$383,299	\$410,648	\$322,560	\$322,560	\$322,560
Cultural Area Contribution	\$115,080	\$122,400	\$137,310	\$108,200	\$79,900	\$79,900	\$79,900
Waste Commission	\$698,922	\$770,389	\$850,378	\$950,563	\$950,563	\$950,563	\$950,563
Libraries	\$133,500	\$133,500	\$133,500	\$145,000	\$145,000	\$145,000	\$145,000
Other Contributions	\$198,690	\$199,454	\$203,663	\$222,812	\$196,768	\$196,768	\$196,768



The following are some of the recreation and cultural contributions that the County provides:

Carmangay and District Recreation Area	
Carmangay Curling Assoc. - Operating	\$10,000
Carmangay Curling Assoc. - Capital	\$5,000
Total Recreational Funding	15,000
Carmangay & District Historical Society	5,000
Carmangay Horticultural Society - trees	2,000
Carmangay Library - winter wellness program	5,000
Carmangay Recreation - Hall	9,400
Total Cultural Funding	21,400
Reserves - Carmangay Recreation	13,600
Total Recreational and Cultural Funding	\$50,000

Milo and District Recreation Area	
Milo Recreation Committee - Operations	\$36,600
Milo & District Ag Society - Arena	7,000
Milo Community School	5,000
Milo Curling Club	5,000
Total Recreational Funding	\$53,600
Snake Valley Drop-in Center	4,500
Friends of Milo Municipal Library	2,800
Milo Hall - Operations	5,000
Total Cultural Funding	\$12,300
Total Recreation and Cultural Funding	\$65,900

Champion and District Recreation Area	
Champion Pool - Operating	\$30,000
Champion School	288
Champion Skating Rink	5,000
Total Recreational Funding	35,288
Champion Community Hall - Operating	10,000
Champion Community Hall - Capital	20,000
Champion School - Band Program	1,300
Champion School - Art Program	1,000
Alston Hall	500
Champion Legion Hall	4,500
Total Cultural Funding	37,300
Total Recreation and Cultural Funding	\$72,588

Northwest Recreation Area	
Mossleigh Kids Ball Club	\$2,000
Arrowwood Lions	6,400
Arrowwood 4-H	500
Arrowwood ECS	900
Arrowwood Community Hall - Fitness	10,000
Arrowwood Municipal Library	2,000
Recreation Board Costs	1,960
Northwest Recreation Association	10,000
Total Recreational Funding	\$33,760
Mossleigh Community Club	20,000
Arrowwood Comm. Rec. Association	15,000
Arrowwood Restoration Society	1,200
Total Cultural Funding	\$36,200
Total Recreation and Cultural Funding	\$69,960

Vulcan and District Recreation Area	
Vulcan Arena - Operating	\$80,000
Vulcan Arena - Resurfacer	\$51,000
Vulcan Swimming - Operating	82,000
Recreation Committee - Operations	43,000
Kid Sport	5,000
Total Recreational Funding	\$261,000
N/A	0
Total Cultural Funding	\$0
Reserves - Vulcan Recreation - topup	31,231
Total Recreation and Cultural Funding	\$292,231

Lomond and District Recreation Area	
Lomond Comm. Center Ag Society	\$12,000
Total Recreational Funding	12,000
Lomond 4-H Club	1,000
Total Cultural Funding	1,000
Reserves - Lomond Recreation	23,000
Total Recreation & Culture	\$36,000

Total Recreation funding:

Contributions	\$410,648
Reserves	67,831
Total	\$478,479

Total Cultural funding:

Contributions	\$108,200
Reserves	N/A
Total	\$108,200

Total budgeted funding for recreation and cultural activities is **\$586,679** - funded by special tax levies and general municipal tax revenues.

Vulcan County also funds other organizations throughout the County. The following are some of the other organizations that the County funds (other than recreation and culture):

Contributions to other organizations	
Rainbow Literacy Society	\$35,000
STARS Air Ambulance	16,948
HALO Air Ambulance	16,948
Vulcan Town Airport - Operating	8,000
Missing Graves Project	15,000
Farming Smarter Sponsorship	3,000
Oldman Watershed Council	1,872
Foothills Forage and Grazing Association	5,000
Alberta Farm Animal Care	500

Vulcan and District Waste Commission	\$948,214
Twin Valley Regional Water Commission	40,467
Doctor Retention Program- County's share	81,310
Farm Safety Center	3,000
Alberta Invasive Plants Council	500
Vulcan County Salinity Project	10,000
FCSS - Operating	41,412
FCSS - Transportation Initiative	19,665
County of Vulcan Library Board	145,000
Total	\$1,391,836

The total contributions to the fire protection areas is budgeted at \$177,869; including \$110,985 to the Northwest Fire Association, and \$66,884 to the Milo Fire Association. These are funded by special tax levies, and are exclusive of the annual \$25,000 per district capital reserve allocation.



Introductory



Operating Budget



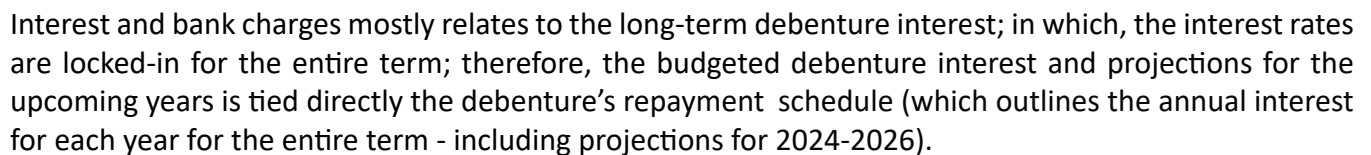
Capital & Reserves



Appendix & Glossary

The following are the resulting interest and bank charges (with projections for the following three years):

Budget 2022		Actual 2022		Budget 2023		Projected 2024		Projected 2025		Projected 2026	
						-		-		-	
\$	14,409	\$	15,862	\$	14,697	\$	14,990	\$	14,990	\$	14,990
	40,059		32,772		30,445		27,078		23,626		20,087
	54,468		48,635		45,142		42,068		38,616		35,077



No change to our typical banking practices is expected, and lower interest is expected on the debenture as the principal is paid down.

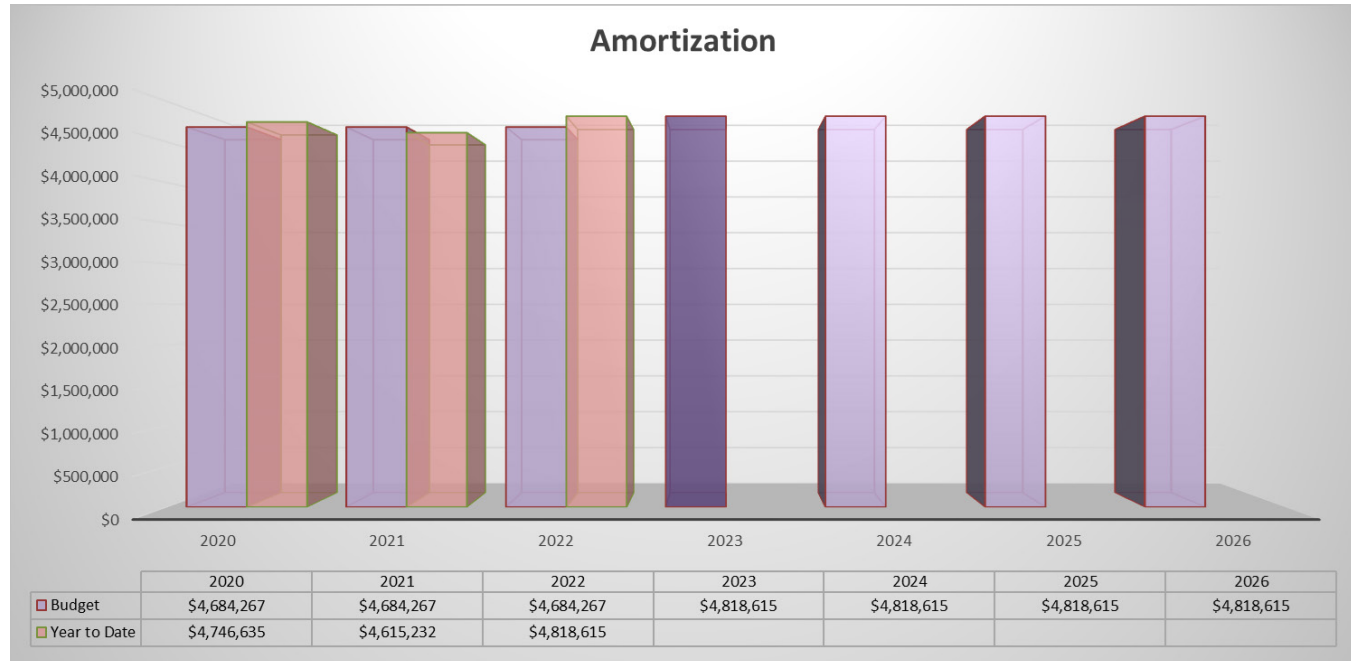
Amortization

The amortization expenses are non-cash expenditures to reduce the net book value of the tangible capital assets (roads, buildings, equipment) over the course of their useful lives.



The following was the resulting amortization (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Amortization of tangible capital assets	\$ 4,684,267	\$ 4,818,615	\$ 4,818,615	\$ 4,818,615	\$ 4,818,615	\$ 4,818,615



Amortization expenses are budgeted and projected based on the actual amortization that was recognized in the most recent financial statements (unless the change from the prior year is considered to be a trivial for making the change for the budget process). Currently, the County does not project annual changes in projected years as the actuals remain relatively consistent from year-to-year based on amortization policy being done on a straight-line basis. Amortization expense is also considered to be a “non-cash” expenses as the amortization expenses is effectively removed from the budget through the transfers in the Schedule of Accumulated Surplus (as these are transferred to the Equity in Tangible Capital Assets).

To recognize assets and to determine amortization, the County has adopted a Tangible Capital Assets Policy (12-2214) which provides guidance on the estimated useful lives of specific asset classes (based on the productive use of the asset). Amortization is recognized on a straight-line basis. This policy provides guidance to the County’s Administration to ensure that the amortization is recognized in a rational and systematic manner, and aids in the formulation of the 20-year Capital Plan. The following are the useful lives of the major asset classes:



Land improvements	15 - 45
Buildings	25 - 50
Engineered structures	
Bridges	40 - 100
Communication towers	38
Roads	5 - 75
Machinery and equipment	2 - 25
Vehicles	6 - 10

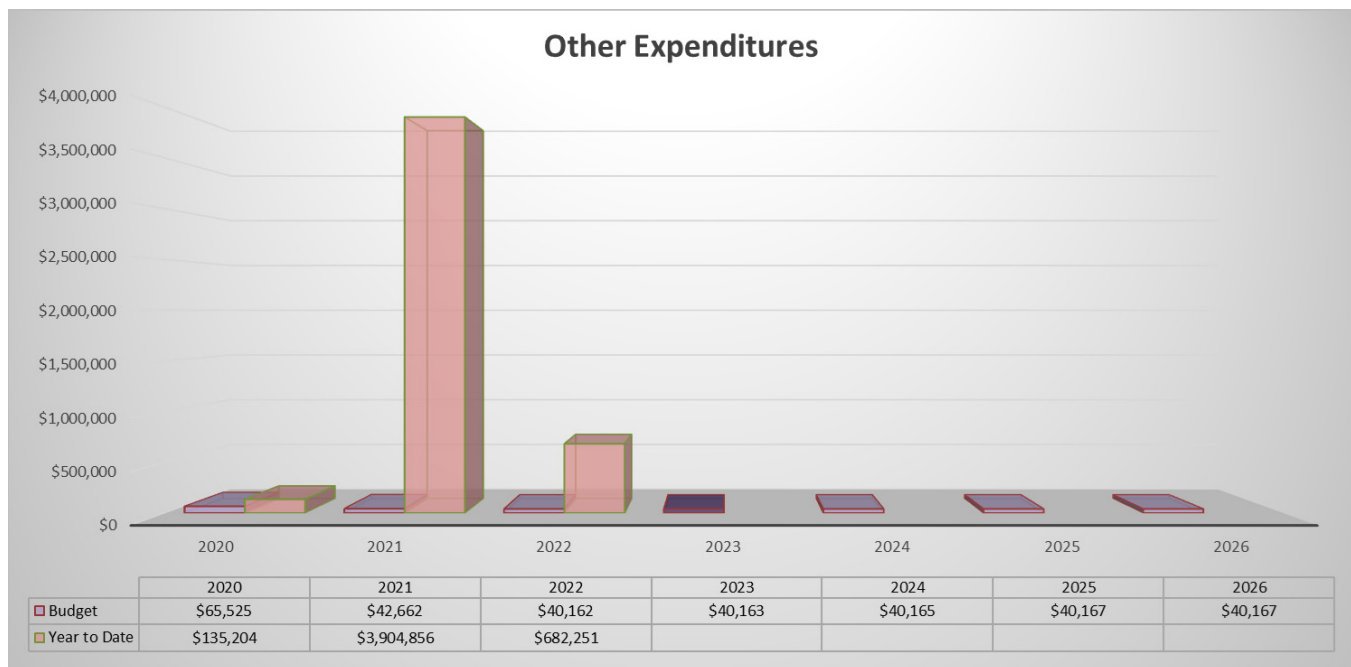
Other Expenditures



The other expenditures include contingency expenses, tax and receivable write-offs, contributions of interest to reserves, and other miscellaneous expenses. Most of these are not able to be projected; therefore, the budget currently mainly consists of the contingency and tax write-offs.

The following was the resulting other expenditures (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Other expenses						
Contingency	\$ 20,000	\$ 135	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Tax Discounts & Write-offs	12,670	602,629	12,671	12,673	12,675	12,675
Other	7,492	79,487	7,492	7,492	7,492	7,492
	40,162	682,251	40,163	40,165	40,167	40,167



The large spike in expense in 2021 is due to the completion of bankruptcy proceedings with respect to a large oil & gas producer within the County. It became apparent that the County was not going to be able to collect on the substantial amount of taxes owing (including a large customer in 2021 that was previously in a multi-year tax repayment plan agreement; however, defaulted on the agreement during 2021), so the full balance was written off in order to apply for the Provincial Education Requisition Credit (PERC) from the Province. The expense in 2022 is a further write-offs on some of these same insolvent oil & gas companies for their 2022 property tax levies (which had some residual taxable assessment into 2022 fiscal year).

The other expenditures include contingency expenses, increases in the gravel reclamation liability, contributions of interest to reserves, and other miscellaneous expenses. Most of these are not able to be projected; therefore, the budget currently mainly consists of the contingency accounts. There is minimal changes in the 2024-2026 projections as these are already contingent in nature.

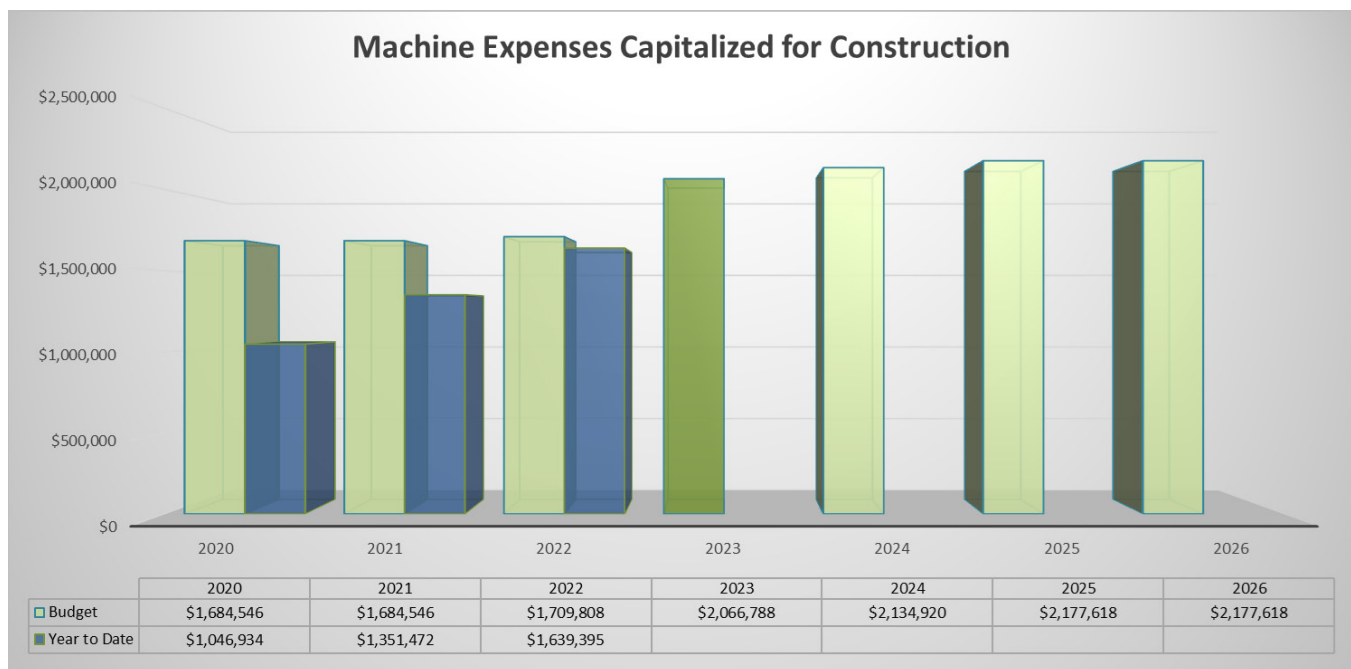
Machine Expenses Capitalized for Construction



The machine expenses capitalized for construction relates to the capitalization of operating expenses used for the internal construction of roads and bridges. These operating costs are included in the other operating expenses, such as wages/benefits, engineering costs, gravel, culverts, crop damages and other costs relating to the construction. The County breaks this amount out instead of netting the expenditure against what is capitalized.

The following was the resulting machine costs capitalized for construction (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
Machine expenses capitalized for construction	\$ (1,709,808)	\$ (1,639,395)	\$ (2,066,788)	\$ (2,134,920)	\$ (2,177,618)	\$ (2,177,618)



The machine expenses capitalized for construction relates to the internal capital construction projects that the County provided (i.e., construction of roads and bridges); whereas, per the capital plan, the County typically replaces 10 miles of road per year and the bridges will vary from year-to-year depending on the bridge files and whether or not the County has the capacity to replace the bridges internally.



These expenses can vary significantly from year-to-year and are based on a percentage of the operating costs of the various departments within Public Works. Various costs within Public works are capitalized as part of road construction for internally constructed road projects. A portion of wages, materials, and overhead are allocated to the projects based on miles built and machine hours used.

The 2019-2020 resulted in reduction in the capitalized costs relating to road and bridge construction as many of the projects were delayed due to supply chain issues and operational shut downs from the COVID-19 pandemic.

SEGMENT REPORTING

Segment Reporting - Overview



Vulcan County provides numerous services to its citizens, including services within each of the major reporting segments: General Government, Protective Services, Transportation Services, Agricultural Services, Planning and Development Services, Community Services, and Utility Services

For management reporting and tracking purposes, these services are separated into segments/departments. Certain departments have been separately disclosed in the segmented information, along with the services they provide.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The following are each of the segment's budgeted operating revenues and expenses:

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	FINAL Budget 2023 Total
REVENUE								
Net municipal taxes	\$ 13,241,595	918,029	-	-	-	430,633	964,776	\$ 15,555,033
Government transfers (operating)	29,425	288,984	249,405	123,907	-	236,950	-	928,671
Return on investments	576,824	-	-	-	-	-	-	576,824
Sale of goods, services and user charges	388,200	127,736	508,778	234,175	89,965	-	5,896	1,354,750
Rental income	7,100	306,880	-	8,000	-	-	-	321,980
Community aggregate levy	-	-	140,110	-	-	-	-	140,110
Penalties and costs of taxes	194,000	-	-	-	-	-	-	194,000
Other revenues	7,500	-	-	-	-	-	-	7,500
	14,444,644	1,641,629	898,293	366,082	89,965	667,583	970,672	19,078,869
EXPENSES								
Salaries, wages and benefits	\$ 1,505,004	949,244	4,907,469	411,527	410,856	19,343	23,050	\$ 8,226,494
Contracted and general services	763,817	647,822	1,104,096	96,439	211,915	182,214	88,492	3,094,795
Materials, goods and utilities	343,703	383,733	2,288,312	207,489	2,975	7,030	7,638	3,240,880
Transfers to local boards and agencies	88,896	177,869	8,000	24,372	-	724,925	991,030	2,015,092
Interest and bank charges	14,697	-	-	-	-	30,445	-	45,142
Amortization of tangible capital assets	111,923	562,263	4,026,775	90,640	-	-	27,014	4,818,615
Machine expenses capitalized for construction	-	-	(2,066,788)	-	-	-	-	(2,066,788)
Other expenses	39,945	94	-	-	-	34	90	40,163
	2,867,985	2,721,026	10,267,864	830,467	625,746	963,991	1,137,314	19,414,393
OPERATING SURPLUS - BEFORE OTHER	\$ 11,576,659	(1,079,396)	(9,369,571)	(464,385)	(535,781)	(296,408)	(166,641)	\$ (335,524)

The above segment reporting is outlined in Schedule 6 (Schedule of Segmented Disclosure) of the Approved Operating and Capital Budget. This report provides a combination of reporting by type and by department and should assist the reader of the budget by showing which types of transactions occur within each department.

As the budget is in a format that is similar to the financial statements, the expenses are displayed by departments in the Statement of Operations and they are also displayed by type/object in the Schedule of Expenses by Object (Schedule 5). Segment reporting is the combination of these two methods of displaying the expenses.



[See Appendix 1 for the 2023 Approved
Operating and Capital Budget](#)



The following is a reconciliation between the departments in the Statement of Operations and the major segment reporting:



**BUDGETED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2023**

EXPENSES

Legislative	506,709
Administration	2,328,823
Protection services	2,721,026
Transportation services	10,267,864
Environmental use and protection	1,137,314
Family and community support	233,282
Community planning and development	625,746
Agricultural services	830,467
Tourism and economic development	35,027
Parks and recreation	695,682
Other	32,453

TOTAL EXPENSES

19,414,393

General Government includes:

- Legislative
- Administration
- Other

Community Services includes:

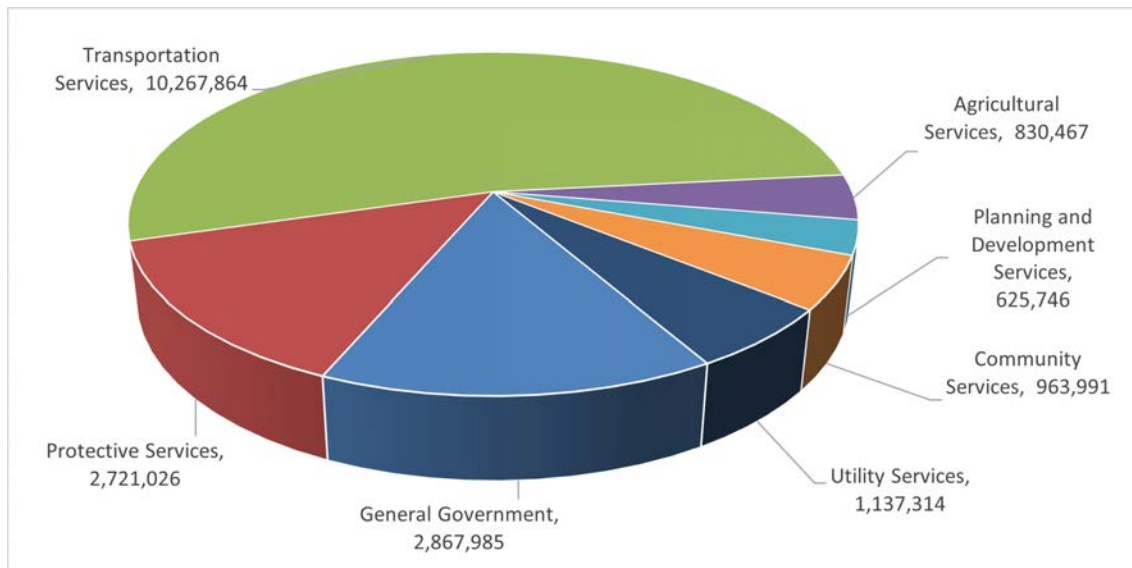
- Family and community services
- Parks and recreation
- Tourism and economic development

General Government		2,867,985	14.8%
Legislative	506,709		
Administration	2,328,823		
Other General	32,453		
Protective Services		2,721,026	14.0%
Transportation Services		10,267,864	52.9%
Agricultural Services		830,467	4.3%
Planning and Development Services		625,746	3.2%
Community Services		963,991	5.0%
Family and Community Services	233,282		
Parks and Recreation	695,682		
Tourism and Economic Development	35,027		
Utility Services		1,137,314	5.9%
		<u>19,414,393</u>	



These totals for the major segments agree to the total expenses in the segment reporting, including details of types of expenses (i.e. salaries/wages, contracted services, materials, etc.).

The following is the breakdown of expenses by each of the major segments:



As shown in the chart, Transportation Services represents the majority of all of the County's Expenditures (approx. 57.6%). As a County, the majority of the municipal activities typically relate to road and bridge infrastructure.



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



The following is a reconciliation between the segment/department reporting and the reporting by the types of expenses:

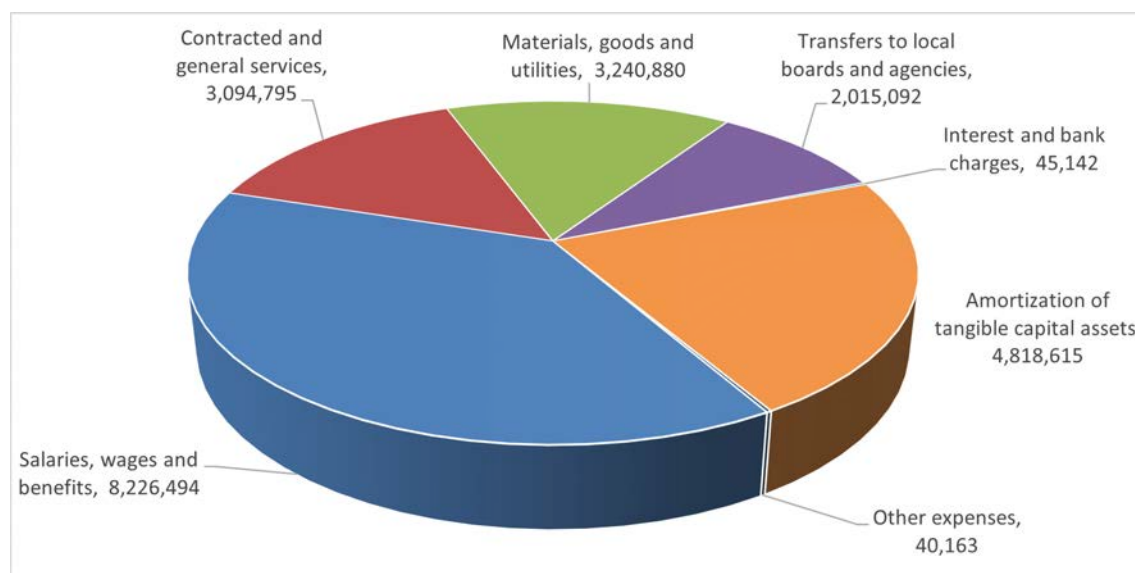
Expenses - by segment/department

General Government		2,867,985	14.8%
Legislative	506,709		
Administration	2,328,823		
Other General	32,453		
Protective Services		2,721,026	14.0%
Transportation Services		10,267,864	52.9%
Agricultural Services		830,467	4.3%
Planning and Development Services		625,746	3.2%
Community Services		963,991	5.0%
Family and Community Services	233,282		
Parks and Recreation	695,682		
Tourism and Economic Development	35,027		
Utility Services		1,137,314	5.9%
		<u>19,414,393</u>	

These totals for the major segments agree to the total expenses outlined in Schedule 5 (Schedule of Expenses by Object)

Expenses - by type/object

Salaries, wages and benefits	8,226,494	38.3%
Contracted and general services	3,094,795	14.4%
Materials, goods and utilities	3,240,880	15.1%
Transfers to local boards and agencies	2,015,092	9.4%
Interest and bank charges	45,142	0.2%
Amortization of tangible capital assets	4,818,615	22.4%
Other expenses	40,163	0.2%
	<u>21,481,181</u>	
Machine expenses capitalized for construction	<u>(2,066,788)</u>	
	<u>19,414,393</u>	



FTE STAFFING

The following is a summary of the budgeted staffing within each of the major segments, including the full-time equivalents (FTE) staffing in each of the staffing categories:



Budget 2023

Full-Time Equivalents (FTE)

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Total FTE
Management	2.00	1.00	1.00	1.00	-	5.00
Operations (Public Works)	-	-	41.27	-	-	41.27
Corporate Services	7.67	-	-	-	-	7.67
Protective Services	-	3.00	-	-	-	3.00
Agricultural Services	-	-	-	2.50	-	2.50
Development Services	-	-	-	-	3.00	3.00
Legislative Services	2.00	-	-	-	-	2.00
	11.67	4.00	42.27	3.50	3.00	64.44

* FTE is based on full-time annual positions (i.e., Seasonal staff are a partial FTE). Overtime hours are in excess of regular FTE (i.e., full-time staff with OT can create greater than 1 FTE).

See the following sections for each major segment for an analysis of staffing within each of the major segments. Note that both Community and Utility Services segments have no specific staffing allocated in terms of staffing full-time equivalents (FTE), even if some costing is allocated within these segment/departments. Any related oversight of these segments would be included within general government.



For additional reference purposes, the following is the prior year segment reporting is outlined in Schedule 6 (Schedule of Segmented Disclosure) for Budget 2022.

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	Final Budget 2022 Total
REVENUE								
Net municipal taxes	\$ 12,512,300	851,406	-	-	-	482,103	864,564	\$ 14,710,373
Government transfers (operating)	216,076	147,709	238,547	123,907	-	193,650	-	919,889
Return on investments	277,876	-	-	-	-	-	-	277,876
Sale of goods, services and user charges	1,089,200	169,718	276,677	234,175	89,140	-	2,591	1,861,501
Rental income	7,100	303,880	-	8,000	-	-	-	318,980
Community aggregate levy	-	-	137,363	-	-	-	-	137,363
Penalties and costs of taxes	194,000	-	-	-	-	-	-	194,000
Other revenues	-	-	-	-	-	-	-	-
	14,296,552	1,472,713	652,587	366,082	89,140	675,753	867,155	18,419,983
EXPENSES								
Salaries, wages and benefits	\$ 1,374,309	703,270	4,379,620	352,317	368,725	17,813	20,444	\$ 7,216,498
Contracted and general services	739,998	573,459	979,554	95,013	191,086	196,352	95,906	2,871,368
Materials, goods and utilities	283,014	330,320	3,693,219	195,387	2,300	5,210	7,914	4,517,365
Transfers to local boards and agencies	76,144	173,473	8,000	24,372	-	711,057	888,577	1,881,623
Interest and bank charges	14,409	-	-	-	-	40,059	-	54,468
Amortization of tangible capital assets	98,299	562,263	3,906,051	90,640	-	-	27,014	4,684,267
Machine expenses capitalized for construction	-	-	(1,709,808)	-	-	-	-	(1,709,808)
Other expenses	39,945	94	-	-	-	34	89	40,162
	2,626,118	2,342,879	11,256,636	757,728	562,111	970,525	1,039,944	19,555,942
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ 11,670,434	(870,165)	(10,604,049)	(391,646)	(472,971)	(294,772)	(172,789)	\$ (1,135,959)

These comparison figures are included within each of the following sections for each major segment.



Segment Reporting - General Government

General Government includes legislative and administrative matters, including Council expenditures and administration costs required to operate Vulcan County. Activities within General Government include: general municipal expenditures, Council expenditures, financial statement preparation and reporting, accounts receivable and payable, payroll, information technology (IT), geographical information systems (GIS), and property assessment and taxation. This assists with the Strategic Plan's goals of providing "Responsible and Transparent Leadership and Governance", "Attracting, Engaging, and Retain New and Existing Employees", and supporting with most other priorities/goals.

The following is budget summary of the General Government segment:

General Government Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ 13,241,595	\$ 12,512,300	729,295
Government transfers (operating)	29,425	216,076	(186,651)
Return on investments	576,824	277,876	298,948
Sale of goods, services and user charges	388,200	1,089,200	(701,000)
Rental income	7,100	7,100	-
Community aggregate levy	-	-	-
Penalties and costs of taxes	194,000	194,000	-
Other revenues	7,500	-	7,500
	\$ 14,444,644	\$ 14,296,552	148,092
EXPENSES			
Salaries, wages and benefits	\$ 1,505,004	\$ 1,374,309	130,695
Contracted and general services	763,817	739,998	23,819
Materials, goods and utilities	343,703	283,014	60,689
Transfers to local boards and agencies	88,896	76,144	12,752
Interest and bank charges	14,697	14,409	288
Amortization of tangible capital assets	111,923	98,299	13,624
Machine expenses capitalized for construction	-	-	-
Other expenses	39,945	39,945	-
	\$ 2,867,985	\$ 2,626,118	241,867
OPERATING SURPLUS - BEFORE OTHER	\$ 11,576,659	\$ 11,670,434	(93,775)



SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

The General Government segment provides the majority of all revenues for the County by way of general municipal taxation. Other revenues that are only applicable to this segment are the return on investments and the tax penalties.

Government transfers includes contributions for shared IT services and MSI operating funding. The sales of goods, services and user charges relate to issuance of tax certificates and cost recoveries.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

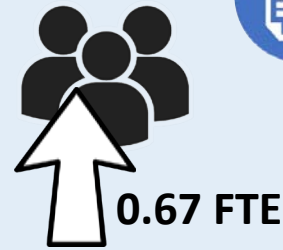
- General Municipal (10-00)
- Legislative Services (11-xx)
- Administration Services (12-02)
- Elections, Census & Referendums (19-01)
- Other Government Requisitions (81-01)

The transfers to local boards and agencies include Rainbow Literacy, STARS Air Ambulance, and other various organizations. Interest and bank charges mostly relate to credit card fees. Other expenses relate to tax write-offs and the contingency funds.

FTE STAFFING

The following is a summary of the budgeted full-time equivalent (FTE):

General Government Full-Time Equivalents (FTE)				
	2023 Budget	2022 Budget	2022 Actual	Change in Budget
Management	2.00	2.00	1.92	-
Corporate Services	7.67	7.00	6.83	0.67
Legislative Services	2.00	2.00	1.42	-
	11.67	11.00	10.17	0.67



Management includes the Chief Administrative Officer (CAO) and the Director of Corporate Services. Staffing includes positions within Corporate Services and Legislative Services (see the organization charts for more information). The increase of 0.67 FTE includes the mid-year addition of the senior information technology technician to further support with IT capacity concerns.

The following is a summary of all departments, including revenues and expenses, that are included within the General Government segment:

General Government - Segment Budget 2023

REVENUE

	General Municipal 10-00	Legislative General 11-00	Legislative Division 1 11-01	Legislative Division 2 11-02	Legislative Division 3 11-03	Legislative Division 4 11-04	Legislative Division 5 11-05	Legislative Division 6 11-06
Net municipal taxes	\$ 13,241,595	-	-	-	-	-	-	-
Government transfers (operating)	-	-	-	-	-	-	-	-
Return on investments	576,824	-	-	-	-	-	-	-
Sale of goods, services and user charges	352,000	-	-	-	-	-	-	-
Rental income	7,100	-	-	-	-	-	-	-
Community aggregate levy	-	-	-	-	-	-	-	-
Penalties and costs of taxes	194,000	-	-	-	-	-	-	-
Other revenues	7,500	-	-	-	-	-	-	-
	14,379,019	-	-	-	-	-	-	-

EXPENSES

Salaries, wages and benefits	\$ -	161,540	30,371	29,937	46,426	42,503	34,880	30,370
Contracted and general services	48,568	46,993	4,644	4,902	4,372	11,512	7,199	5,206
Materials, goods and utilities	29,054	6,348	-	-	-	-	-	-
Transfers to local boards and agencies	88,896	-	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	-	-	-	-	-
Machine expenses capitalized for construction	-	-	-	-	-	-	-	-
Other expenses	39,945	-	-	-	-	-	-	-
	206,463	214,881	35,015	34,839	50,798	54,015	42,079	35,576

OPERATING SURPLUS (DEFICIT)

\$	14,172,556	(214,881)	(35,015)	(34,839)	(50,798)	(54,015)	(42,079)	(35,576)
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General Government - Segment Budget 2023

REVENUE

	Legislative Division 7 11-07	General Administration 12-02	Elections, Census and Referendums 19-01	Other Government Requisitions 81-01	General Government Total
Net municipal taxes	\$ -	-	-	-	13,241,595
Government transfers (operating)	-	29,425	-	-	29,425
Return on investments	-	-	-	-	576,824
Sale of goods, services and user charges	-	36,200	-	-	388,200
Rental income	-	-	-	-	7,100
Community aggregate levy	-	-	-	-	-
Penalties and costs of taxes	-	-	-	-	194,000
Other revenues	-	-	-	-	7,500
	-	65,625	-	-	14,444,644

EXPENSES

Salaries, wages and benefits	\$ 32,502	1,096,477	-	-	1,505,004
Contracted and general services	7,007	623,415	-	-	763,817
Materials, goods and utilities	-	308,301	-	-	343,703
Transfers to local boards and agencies	-	-	-	-	88,896
Interest and bank charges	-	14,697	-	-	14,697
Amortization of tangible capital assets	-	111,923	-	-	111,923
Machine expenses capitalized for construction	-	-	-	-	-
Other expenses	-	-	-	-	39,945
	39,509	2,154,813	-	-	2,867,985

OPERATING SURPLUS (DEFICIT)

\$	(39,509)	(2,089,188)	-	-	11,576,659
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The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):



Vulcan County Budget Segments		Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
SEGMENT - GENERAL GOVERNMENT							
REVENUES:							
10-00	General Municipal Function	\$ 14,251,202	\$ 15,071,522	\$ 14,379,019	\$ 14,294,648	\$ 15,207,326	\$ 15,507,326
11-00	Legislative Services - General	-	-	-	-	-	-
12-02	General Administration	45,350	41,517	65,625	45,350	45,350	45,350
19-01	Elections, Census and Referendums	-	-	-	-	15,576	-
81-01	Other Government Requisitions	-	414,720	-	-	-	-
		14,296,552	15,527,759	14,444,644	14,339,998	15,268,252	15,552,676
EXPENSES:							
10-00	General Municipal Function	\$ 244,556	\$ 789,260	\$ 206,463	\$ 161,273	\$ 161,506	\$ 153,440
11-00	Legislative Services - General	221,815	205,049	214,881	219,238	218,769	217,420
11-01	Legislative Services - Division 1	37,090	25,022	35,015	40,615	43,390	43,549
11-02	Legislative Services - Division 2	31,512	28,232	34,839	38,348	41,056	41,190
11-03	Legislative Services - Division 3 (Reeve)	44,890	38,959	50,798	52,537	55,492	55,589
11-04	Legislative Services - Division 4 (Deputy Reeve)	49,531	44,533	54,015	57,064	60,327	60,560
11-05	Legislative Services - Division 5	41,059	42,081	42,079	46,454	49,613	49,795
11-06	Legislative Services - Division 6	34,682	28,749	35,576	41,275	44,093	44,241
11-07	Legislative Services - Division 7	35,512	35,183	39,509	40,576	43,511	43,667
12-02	General Administration	1,885,471	1,869,049	2,154,813	2,130,191	2,191,032	2,223,526
19-01	Elections, Census and Referendums	-	-	-	-	15,576	-
		2,626,118	3,106,116	2,867,985	2,827,571	2,924,364	2,932,975
OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)		\$ 11,670,434	\$ 12,421,642	\$ 11,576,659	\$ 11,512,427	\$ 12,343,888	\$ 12,619,701

BUDGET HIGHLIGHTS

The following are some of the 2023 budget highlights for General Government:

- Increases in assessment values (including the projected supplementary assessment); whereas, the County was able to still increase total tax revenues while providing a 40% reduction in the general municipal residential tax rate and a 5.5% reduction in the general municipal non-residential tax rates (as part of the County's Strategic Planning).
- Decrease in Government Transfers as the 2022 include the Electrical Power for the Industrial Park grants.
- Increase in Return on Investments as a result of increased interest rates.
- Decrease in Sales of Goods and Services as the prior year included a large land sale of \$1.05 million, whereas, current budget is reduced to \$352,000.
- Staffing increased by 0.67 FTE within the Information Technology (IT) department to support with capacity constraints as this department both supports with County operations and also contracted out to support some of the smaller urban municipalities and non-profit organizations within the County.
- Increased costs of Contracted Services for the continuing of a comprehensive facility environmental assessment (in preparation PSAS 3280 for Asset Retirement Obligations) and a staff compensation review (as part of the County's Strategic Planning).
- Increased cost of Materials, Goods & Utilities as 2023 has some carry-forward IT projects, including the implementation of Virtual County Hall (VCH), Laserfiche Records Management, and an EFT Module - these are funded by carry-forward operating reserves.

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:



10-00 - General Municipal Function

General Municipal Function is used to record revenues and expenditures that have a global Corporate impact and cannot be assigned to a particular function. Examples are Municipal Taxes on the Revenue side and a General Contingency Fund on the Expense side. The excess of revenue over expenditure in this Department is counter-balanced by deficits in other departments for which individual tax rates are not levied to derive revenues. Each year, the budget is established in December using the previous year's assessment values, with a tentative tax rate set. Once the current year assessment values are received at the end of February, those numbers are updated and the Budget is given final approval in April, in time to approve the Tax Rate Bylaws and generate and mail out the annual Assessment and Tax Notices. A priority of this department is to keep the general tax rates competitive with other municipalities.

11-XX - Legislative Services

Legislative Services encompasses all activities related to County Council. These include memberships in political associations and related travel and associated costs to attend conferences. A portion of administrative support staff costs are also allocated to this function. The County currently has 7 electoral divisions with each division having its own department to track its costs separately. A goal of this department is to provide efficient and effective governance to the County operations.

12-02 - Administrative Services

Overall management and administration services required primarily to administer the municipality as a whole and operate the Municipal Office. Activities include central office operations, customer service, A/R and A/P, assessment & taxation, payment and collection for all services provided by the County, Payroll and HR, IT services, GIS services, and the sale of information, pins, maps etc. In contributing to the achievement of this objective, the CAO's Office and the Corporate Services Department focus on Policy Development and Review, Bylaw Administration, enhanced customer service, improved communications both internally with Staff and Council, and externally with the public at large. A priority of this department is to provide efficient and effective governance, including providing timely communication to the ratepayers.

19-01 - Elections, Census & Referendums

Municipal Elections are held every 4 years and, at the discretion of Council, a by-election or referendum/plebiscite may be required, or a census other than the Federal Census. Costs and activities for these requirements are recorded in this functional area. 2021 is was the prior election year; therefore no related costs until the next projected election (2025).

81-01 - Other Government Requisitions

This function serves to represent the portion of the overall Tax Levy which is required to be collected by Vulcan County on behalf of other authorities and redistributed back to those authorities. Education and Seniors' Foundation requisitions are in this area. The values represented in the Interim Budget represent the same numbers as the prior year in terms of dollars, tax rates and assessment values. These values and dollar amounts are then updated once hard assessment numbers are finalized in March/April and the Actual Requisition numbers are received.

Additional Objectives, Goals, and Performance Measures:

As part of the County's Strategic Planning, Administration within this departments supported Council with reviewing many different tax/assessment scenarios and analysis, including comparing tax rates and assessment to neighboring and other comparable municipalities during the budget process. This is done in an effort to ensure Vulcan County's rates are competitive while still addressing the unique needs of the County. This included further detailed analysis and review on the "Tax Base Balance Ratio" performance measure.



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary

Segment Reporting - Protective Services



Protective Services is comprised of emergency management, health and safety, bylaw enforcement and fire services. This department prepares and coordinates the Municipal Emergency Plan and related plans and programs. The Protective Services department administers the fire districts within Vulcan County, ensuring compliance as per the Quality Management Plan. Other services with respect to fire include public education and fire prevention. Bylaw enforcement is provided by Vulcan County's Community Peace Officers (CPO). This assists with the Strategic Plan's goals of providing "Safe Communities".

The following is budget summary of the Protective Services segment:

Protective Services Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ 918,029	\$ 851,406	66,623
Government transfers (operating)	288,984	147,709	141,275
Return on investments	-	-	-
Sale of goods, services and user charges	127,736	169,718	(41,982)
Rental income	306,880	303,880	3,000
Community aggregate levy	-	-	-
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	\$ 1,641,629	\$ 1,472,713	168,916
EXPENSES			
Salaries, wages and benefits	\$ 949,244	\$ 703,270	245,974
Contracted and general services	647,822	573,459	74,363
Materials, goods and utilities	383,733	330,320	53,413
Transfers to local boards and agencies	177,869	173,473	4,396
Interest and bank charges	-	-	-
Amortization of tangible capital assets	562,263	562,263	-
Machine expenses capitalized for construction	-	-	-
Other expenses	94	94	-
	\$ 2,721,026	\$ 2,342,879	378,147
OPERATING SURPLUS - BEFORE OTHER	(1,079,396)	(870,166)	(209,230)



SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

The Protective Services segment revenues include the special tax levies relating to the Fire Protection Areas. Government transfers include MSI operating funding for the CPO positions and grants for training and developing regional emergency management and safety plans.

Sales of goods/services and user charges include the recoveries of charges from highway accidents and recovery of utility charges on rentals. Rental income includes the rentals of the Tri-Services building to the RCMP and AHS.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

- Police Protection (21-01)
- Fire Protection (23-xx)
- Emergency Management (24-01)
- Ambulance services (25-01)
- Regulatory Services (26-01)
- Health & Safety (27-01)

The transfers to local boards and agencies include contributions to Fire Associations.

FTE STAFFING

The following is a summary of the budgeted full-time equivalent (FTE):



0.07 FTE

Introductory

Operating Budget

Capital & Reserves

Appendix & Glossary

Protective Services Full-Time Equivalents (FTE)

	2023 Budget	2022 Budget	2022 Actual	Change in Budget
Management	1.00	1.00	1.00	-
Protective Services	3.00	3.07	2.49	- 0.07
	4.00	4.07	3.49	- 0.07

Management includes the Director of Protective Services. Staffing includes positions within Protective Services, including Community Peace Officer, Fire Prevention Officer, and administrative support (see the organization charts for more information). The decrease of 0.07 FTE relates to the removal of a temporary support that was included in the prior year with some staff transition.

The following is a summary of all departments, including revenues and expenses, that are included within the Protective Services segment:

Protective Services - Segment Budget 2023

	Police Protection 21-01	Fire Protection General 23-01	Fire Protection Northwest 23-16	Fire Protection Milo 23-17	Fire Protection Lomond 23-19	Fire Protection Champion 23-20	Fire Protection Carmangay 23-21	Fire Protection Vulcan Rural 23-27
REVENUE								
Net municipal taxes	\$ -	229,652	170,631	132,980	97,314	115,139	83,993	88,320
Government transfers (operating)	-	21,738	-	-	5,056	26,747	17,324	54,944
Return on investments	-	-	-	-	-	-	-	-
Sale of goods, services and user charges	-	5,000	-	10,000	10,000	18,000	6,536	36,000
Rental income	210,000	9,000	-	-	-	-	-	-
Community aggregate levy	-	-	-	-	-	-	-	-
Penalties and costs of taxes	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
	210,000	265,390	170,631	142,980	112,370	159,886	107,853	179,264
EXPENSES								
Salaries, wages and benefits	\$ 8,871	523,174	1,166	808	20,342	43,650	30,473	50,860
Contracted and general services	53,051	270,567	-	1,203	49,649	51,666	36,637	57,686
Materials, goods and utilities	19,167	118,965	-	-	30,539	36,589	23,768	61,478
Transfers to local boards and agencies	-	-	110,985	66,884	-	-	-	-
Interest and bank charges	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	75,822	196,675	-	-	44,618	71,988	14,985	133,148
Machine expenses capitalized for construction	-	-	-	-	-	-	-	-
Other expenses	-	94	-	-	-	-	-	-
	156,911	1,109,474	112,151	68,895	145,148	203,893	105,863	303,172
OPERATING SURPLUS (DEFICIT)	\$ 53,089	(844,084)	58,480	74,085	(32,778)	(44,007)	1,990	(123,908)

Protective Services - Segment Budget 2023

	Emergency Management 24-01	Ambulance Services 25-01	Regulatory Services 26-01	Health & Safety 27-01	Protective Services Total
REVENUE					
Net municipal taxes	\$ -	-	-	-	918,029
Government transfers (operating)	4,334	-	158,841	-	268,984
Return on investments	-	-	-	-	-
Sale of goods, services and user charges	-	8,600	33,600	-	127,736
Rental income	-	87,880	-	-	306,880
Community aggregate levy	-	-	-	-	-
Penalties and costs of taxes	-	-	-	-	-
Other revenues	-	-	-	-	-
	4,334	96,480	192,441	-	1,641,629
EXPENSES					
Salaries, wages and benefits	\$ 65,601	-	158,840	45,460	949,244
Contracted and general services	21,392	7,964	47,051	50,956	647,822
Materials, goods and utilities	15,902	12,845	27,059	37,422	383,733
Transfers to local boards and agencies	-	-	-	-	177,869
Interest and bank charges	-	-	-	-	-
Amortization of tangible capital assets	3,919	9,369	11,739	-	562,263
Machine expenses capitalized for construction	-	-	-	-	-
Other expenses	-	-	-	-	94
	106,814	30,178	244,689	133,838	2,721,026
OPERATING SURPLUS (DEFICIT)	\$ (102,480)	66,302	(52,248)	(133,838)	(1,079,396)

The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):



Vulcan County Budget Segments	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
SEGMENT - PROTECTIVE SERVICES						
REVENUES:						
21-01 Police Protection	\$ 210,000	\$ 206,400	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
23-01 Fire Protection Services - General	237,319	332,597	265,390	245,938	248,286	248,286
23-16 Fire Protection Services - Northwest	165,209	142,665	170,631	177,586	177,505	177,505
23-17 Fire Protection Services - Milo	149,044	147,517	142,980	137,264	137,237	137,237
23-27 Fire Protection Services - Vulcan	172,848	148,131	179,264	164,930	164,102	164,102
23-19 Fire Protection Services - Lomond	117,568	118,346	112,370	94,037	98,990	98,990
23-20 Fire Protection Services - Champion	134,714	145,303	159,886	150,754	157,387	157,387
23-21 Fire Protection Services - Carmangay	95,196	104,610	107,853	106,902	112,452	112,452
24-01 Emergency Management	6,496	5,991	4,334	2,017	2,575	2,575
25-01 Ambulance Services	96,380	94,147	96,480	96,580	96,580	96,580
26-01 Regulatory Services	87,940	75,608	192,441	77,558	77,557	77,557
27-01 Health & Safety	-	-	-	-	-	-
	1,472,713	1,521,315	1,641,629	1,463,566	1,482,671	1,482,671
EXPENSES:						
21-01 Police Protection	\$ 160,870	\$ 156,175	\$ 156,911	\$ 149,171	\$ 151,280	\$ 151,874
23-01 Fire Protection Services - General	830,348	682,375	1,109,474	1,059,435	1,065,898	1,069,037
23-16 Fire Protection Services - Northwest	95,501	127,370	112,151	112,151	112,151	112,151
23-17 Fire Protection Services - Milo	81,149	87,068	68,895	68,975	69,017	69,043
23-27 Fire Protection Services - Vulcan	297,568	232,345	303,172	293,162	292,449	293,300
23-19 Fire Protection Services - Lomond	143,292	108,935	145,148	129,655	134,683	134,749
23-20 Fire Protection Services - Champion	187,568	191,382	203,893	185,431	192,115	192,573
23-21 Fire Protection Services - Carmangay	100,098	93,277	105,863	96,559	102,148	102,199
24-01 Emergency Management	95,777	77,334	106,814	95,819	99,120	99,365
25-01 Ambulance Services	23,913	23,005	30,178	25,283	25,283	25,283
26-01 Regulatory Services	213,994	190,158	244,689	240,493	245,959	246,397
27-01 Health & Safety	112,802	76,152	133,838	119,373	120,775	121,687
	2,342,879	2,045,574	2,721,026	2,575,507	2,610,878	2,617,658
OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)	\$ (870,165)	\$ (524,258)	\$ (1,079,396)	\$ (1,111,941)	\$ (1,128,207)	\$ (1,134,987)

BUDGET HIGHLIGHTS

The following are some of the 2023 budget highlights for Protective Services:

- The 4 out of the 6 fire districts saw increases in the total amount levied through special tax for fire protection; however, increases in district assessment mitigated some of these increases.
- Increases in government transfers for increases in MSI Operating grants to fund the CPO position, Community Wildfire Prevention initiative grant, and adding the budgeted cost recoveries from the urban municipalities within the County for fire protection.
- Decreases in Sales of Goods and Services as there was a decrease in projected cost recoveries from responding to Motor Vehicle Accidents (MVA) based on historical trends.
- Increases in Salary, Wages & Benefits were mostly the result with the addition of the County providing health/dental benefits to the County's volunteer firefighters (budget based on providing at full capacity at each fire hall).
- Increases in Contracted Services for training costs for fire fighters.
- Increases in Materials, Goods & Utilities as there was a Community Wildfire Prevention initiative being provided in 2023 (grant funded program)

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:



21-01 - Police Protection Services

The RCMP is Canada's national police service. The County has a working relationship with the RCMP which includes leasing a building to them so they may provide service in our area. An objective of this department is to utilize the rental revenues towards future capital replacement.

23-XX - Fire Protection Services

Providing fire protection services to the County and its residents. To work with all stakeholders within the County to provide cost effective efficient emergency services. To manage and provide Fire Life Safety Inspections, Fire Prevention, and Safety training. The County currently has 6 fire protection districts with separate departments to track the costs within each (which assists in determining the special tax levies within each district). Goals of this department include the future regionalization of all of the fire departments, and providing effective and efficient fire services.

24-01 - Emergency Management

Ensures that all municipalities and collaborative groups within the County work together in the prevention, preparedness and response to disasters and emergencies. This ensures the delivery of vital services during a crisis.

25-01 - Ambulance Services

Vulcan County continues to have a working relationship with Ambulance Services provided by Alberta Health Services. By providing the Tri-Services building rental, Vulcan County helps reassure its residents they have these services.

26-01 - Regulatory Services

Responsible for the overall interpretation and enforcement of Provincial Statutes and Municipal Bylaws within the County and other contracted municipalities. Activities include infrastructure protection, road safety, inspections, investigations, and assistance to other municipal and emergency services. Regulatory services achieves success through collaboration, cooperation and communication with other municipal, provincial and federal departments to evaluate and deliver effective law enforcement. A goal of this department is to provide timely services and bylaw enforcement within the County.

27-01 - Health and Safety

Vulcan County supports initiatives that contribute to the overall Health and Safety of the staff within the organization. This area covers purchasing of protective equipment and tools, first aid supplies, safety training and software. An objective of this department is to make improvements to the health and safety program so the County can receive/maintain its Certificate of Recognition (COR) status.



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Segment Reporting - Transportation Services



The Transportation Department is responsible for the delivery of municipal public works services relating to the maintenance and construction of roadways and bridges. This department ensures appropriate agreements are in place (i.e. access agreements, pipeline crossings, road and rural addressing signage, etc.) to minimize liability concerns. This assists with the Strategic Plan's goals of providing "Continued Investment into Infrastructure and Required Equipment".

The following is budget summary of the Transportation Services segment:

Transportation Services Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ -	\$ -	-
Government transfers (operating)	249,405	238,547	10,858
Return on investments	-	-	-
Sale of goods, services and user charges	508,778	276,677	232,101
Rental income	-	-	-
Community aggregate levy	140,110	137,363	2,747
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	\$ 898,293	\$ 652,587	245,706
EXPENSES			
Salaries, wages and benefits	\$ 4,907,469	\$ 4,379,620	527,849
Contracted and general services	1,104,096	979,554	124,542
Materials, goods and utilities	2,288,312	3,693,219	(1,404,907)
Transfers to local boards and agencies	8,000	8,000	-
Interest and bank charges	-	-	-
Amortization of tangible capital assets	4,026,775	3,906,051	120,724
Machine expenses capitalized for construction	(2,066,788)	(1,709,808)	(356,980)
Other expenses	-	-	-
	\$ 10,267,864	\$ 11,256,636	(988,772)
OPERATING SURPLUS - BEFORE OTHER	(9,369,571)	(10,604,049)	1,234,478



SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

Transportation Services segment revenues include government transfers (Canadian Community-Building Fund grant funding - previously known as the Federal Fuel Gas Tax program) for road construction projects.

Sales of goods/services and user charges include the sale of gravel to the Town/Villages and to individuals/companies, recoveries on the dust abatement program, and providing other services with fees (i.e. driveway maintenance).

This is the only segment that includes the Community Aggregate Levies as these levies are to assist with road maintenance programs.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

- Common Services (31-01)
- Road Transportation (32-00)
- Road Construction (32-01)
- Road Maintenance (32-02)
- Road Graveling (32-03)
- Bridges (32-04)
- Air Transportation (33-01)

The transfers to local boards and agencies include Vulcan Airport contributions. Machine expenses capitalized for construction relates to the expenditures for internally constructed assets (i.e., roads/bridges).

FTE STAFFING

The following is a summary of the budgeted full-time equivalent (FTE):



2.38 FTE

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Transportation Services Full-Time Equivalents (FTE)

	2023 Budget	2022 Budget	2022 Actual	Change in Budget
Management	1.00	1.00	1.00	-
Operations (Public Works)	41.27	38.89	36.45	2.38
	42.27	39.89	37.45	2.38

Management includes the Director of Operations. Staffing includes positions within Operation/Public Works, including the Manager of Engineering & Infrastructure and other operational staff (see the organization charts for more information). The increase of 2.38 FTE includes the mid-year addition of a janitorial staff (previously contracted service), a temporary grader driver (funded by road use agreement), and other staffing updates.

The following is a summary of all departments, including revenues and expenses, that are included within the Transportation Services segment:

Transportation Services - Segment Budget 2023

	Common Services 31-01	Road Transportation 32-00	Road Construction 32-01	Road Maintenance 32-02	Road Gravelling 32-03	Bridges 32-04	Air Transport 33-01	Transportation Services Total
REVENUE								
Net municipal taxes	\$ -	-	-	-	-	-	-	-
Government transfers (operating)	-	-	249,405	-	-	-	-	249,405
Return on investments	-	-	-	-	-	-	-	-
Sale of goods, services and user charges	3,740	235,645	9,500	123,893	136,000	-	-	508,778
Rental income	-	-	-	-	-	-	-	-
Community aggregate levy	-	-	-	140,110	-	-	-	140,110
Penalties and costs of taxes	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
	3,740	235,645	258,905	264,003	136,000	-	-	898,293
EXPENSES								
Salaries, wages and benefits	\$ 1,215,102	1,478,197	817,358	636,798	528,986	231,028	-	4,907,469
Contracted and general services	157,199	151,353	377,759	286,273	110,512	21,000	-	1,104,096
Materials, goods and utilities	160,795	883,502	564,978	323,579	326,099	29,359	-	2,288,312
Transfers to local boards and agencies	-	-	-	-	-	-	8,000	8,000
Interest and bank charges	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	81,787	2,748,266	436,350	177,285	270,257	312,830	-	4,026,775
Machine expenses capitalized for construction	(235,347)	-	(1,474,428)	-	-	(357,013)	-	(2,066,788)
Other expenses	-	-	-	-	-	-	-	-
	1,379,536	5,261,318	722,017	1,423,935	1,235,854	237,204	8,000	10,267,864
OPERATING SURPLUS (DEFICIT)	\$ (1,375,796)	(5,025,673)	(463,112)	(1,159,932)	(1,099,854)	(237,204)	(8,000)	(9,369,571)



The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):



Vulcan County Budget Segments	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
SEGMENT - TRANSPORTATION SERVICES						
REVENUES:						
31-01 Common Services	\$ 3,740	\$ 12,675	\$ 3,740	\$ 3,740	\$ 3,740	\$ 3,740
32-00 Road Transportation	6,000	13,314	235,645	216,600	6,000	6,000
32-01 Road Construction	247,847	964,445	258,905	259,105	259,105	259,105
32-02 Road Maintenance	259,000	440,897	264,003	269,107	269,107	269,107
32-03 Road Graveling	136,000	68,953	136,000	136,000	136,000	136,000
32-04 Bridges	-	-	-	-	-	-
33-01 Air Transport	-	-	-	-	-	-
	652,587	1,500,283	898,293	884,552	673,952	673,952
EXPENSES:						
31-01 Common Services	\$ 1,151,619	\$ 1,111,261	\$ 1,379,536	\$ 1,363,132	\$ 1,386,085	\$ 1,415,814
32-00 Road Transportation	5,036,544	5,668,127	5,261,318	5,088,576	5,136,007	5,167,265
32-01 Road Construction	520,796	788,356	722,017	651,630	636,181	662,166
32-02 Road Maintenance	1,247,692	1,209,329	1,423,935	1,283,401	1,295,320	1,307,550
32-03 Road Graveling	2,941,716	1,068,476	1,235,854	1,148,580	1,184,328	1,194,396
32-04 Bridges	350,269	475,266	237,204	117,551	108,229	110,655
33-01 Air Transport	8,000	8,000	8,000	8,000	8,000	8,000
	11,256,636	10,328,814	10,267,864	9,660,870	9,754,151	9,865,846
OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)	\$ (10,604,049)	\$ (8,828,531)	\$ (9,369,571)	\$ (8,776,318)	\$ (9,080,199)	\$ (9,191,894)

BUDGET HIGHLIGHTS

The following are some of the 2023 budget highlights for Transportation Services:

- Approximately \$450,000 is budgeted for bridge projects in 2023 (including internal construction).
- Approximately \$1.73 million is budgeted for road projects in 2023 (including internal construction).
- Approximately \$2.37 million is budgeted for completion of the Industrial Park in 2023 (including internal construction) as part of the County's Strategic Planning.
- Increase in Sales of Goods and Services with the addition of a one-time road use agreement for another windmill construction project (which funds the additional services on the road such as a temporary grader driver and dust abatement).
- Increase in Salary, Wages & Benefits with the additional 2.38 FTE of staffing which includes the mid-year addition of a janitorial staff (previously contracted service), a temporary grader driver (funded by road use agreement), and other staffing updates. Cost increases also include staff grid movements, updates to benefit rates/coverage, and the effect of the increases with the Cost of Living Adjustments.
- Increases in Contracted Services for additional dust abatement costs, increased equipment repairs, and other cost increases. These increases are partially offset by reductions in contracted janitorial services.
- Overall net decrease in Materials, Goods & Utilities as the prior year included a \$1.79 million cost for the 2021/2022 gravel crushing program (which finished in early 2022). The gravel crushing program only occurs every 3-4 years and increases the gravel inventory; whereas, this was not required for 2023. These decreases were somewhat offset by projected increase in the cost of fuel/diesel (including the costs of projected carbon taxes being added and other market increase) and other material/supply cost increases.

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:



31-01 - Common Services

Common Services are required to administer fleet maintenance and repair on all Vulcan County Equipment. In contributing to the achievement of this objective, the Director of Operations and the Common Services Department focus on routine and preventative maintenance, promoting a safe work environment and improved communications both with Staff and Management, and externally with the public.

32-00 - Road Transportation

Road Transportation services are required primarily to meet the ongoing maintenance of gravel roads within Vulcan County. Activities include divisional road grading, roadside mowing and snow removal. Rail crossing maintenance and shoulder pulling also fall within the scope of this program. Safe and efficient equipment operation and general workplace safety are a top priority. To achieve this objective, Road Transportation focuses on enhanced customer service and improved communications both internally with Staff and Management, and externally with the public.

32-01 - Road Construction

Road Construction services are required primarily to build or reconstruct roads within the County. Activities include road building, reconstruction, roadway drainage, fence removal and replacement, and crop damage reimbursement. Safe and efficient operation of equipment and general workplace safety are a top priority. To achieve this objective, Road Construction focuses on future road development, assistance with road maintenance, enhanced service, and improved communications with Staff and Management. A goal of this department is to provide long-term cost effective road rehabilitation.

32-02 - Road Maintenance

Road Maintenance services are required primarily to maintain and repair roads within Vulcan County. Activities include repair or replacement of culverts, ditch clean-out, signage installation, dust abatement, asphalt and pothole repairs, and the closing of roads if they become impassable. Road Maintenance is also responsible for working closely with Alberta Transportation's Bridge Inspector to ensure bridges are kept in a good state of repair. Safe and efficient operation of equipment and general workplace safety are a top priority. To achieve this objective, the Road Maintenance department focuses on future road maintenance, assistance with road construction, and continued training. A goal/objective of this department is to provide long-term cost effective road maintenance.

32-03 - Road Graveling

Road Graveling services are required primarily on newly constructed roads or the re-graveling of existing roads. Activities include crushing, application of gravel, and the expansion of new and existing pits. The Director of Operations and the Graveling Department focus on safe and efficient equipment operation and enhanced customer service.

32-04 - Bridges

Bridge services are required to ensure the safety, maintenance and replacement of bridges and bridge culverts within Vulcan County. Activities include working with Alberta Transportation on bridge inspections, minor maintenance, and acquiring engineering and contracting services for major projects. The Director of Operations focuses on bridge inspection and productive partnerships with Alberta Transportation to acquire funding for bridge replacement. A goal for current year is the replacement of 5 bridge projects and to investigate new funding for bridge repairs/replacement.

33-01 - Air Transportation

Includes the contribution to the Airport Board for the operations of the Vulcan Airport. This is jointly owned by County and Town of Vulcan (administration is provided by the Town of Vulcan).



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Segment Reporting - Agricultural Services

Agricultural Services provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, and rental of specialized equipment. Working in conjunction with Alberta Agriculture, this department also provides field trials (insect counts, disease investigations, etc.). This assists with the Strategic Plan's goals of providing "Continued Support of Our Agricultural Industry".

The following is budget summary of the Agricultural Services segment:

Agricultural Services Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ -	\$ -	-
Government transfers (operating)	123,907	123,907	-
Return on investments	-	-	-
Sale of goods, services and user charges	234,175	234,175	-
Rental income	8,000	8,000	-
Community aggregate levy	-	-	-
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	\$ 366,082	\$ 366,082	-
EXPENSES			
Salaries, wages and benefits	\$ 411,527	\$ 352,317	59,210
Contracted and general services	96,439	95,013	1,426
Materials, goods and utilities	207,489	195,387	12,102
Transfers to local boards and agencies	24,372	24,372	-
Interest and bank charges	-	-	-
Amortization of tangible capital assets	90,640	90,640	-
Machine expenses capitalized for construction	-	-	-
Other expenses	-	-	-
	\$ 830,467	\$ 757,729	72,738
OPERATING SURPLUS - BEFORE OTHER	(464,385)	(391,647)	(72,738)



SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

Agricultural Services segment revenues include government transfers (for the AG Service Board grant for the related costs of providing agricultural services).

Sales of goods/services and user charges include the surface rights/grazing lease income that the County receives on County owned lands, and sale of herbicides/pesticides. Rental income is from the rental of agricultural equipment.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

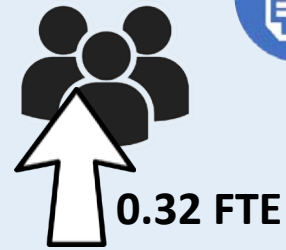
- General Agricultural Services (62-00)
- Training, Tours & Conferences (62-02)
- Roadside Spraying & Weed Control (62-03)
- Roadside Seeding (62-04)
- Pest Control (62-05)
- County Agricultural Lands (69-01)

The transfers to local boards and agencies include Foothills Forage Association, Farm Safety Center, and other various organizations. Contracted and general services include the one-third share of the surface rights revenues being provided to the grazing lessees.

FTE STAFFING

The following is a summary of the budgeted full-time equivalent (FTE):

Agricultural Services Full-Time Equivalents (FTE)				
	2023 Budget	2022 Budget	2022 Actual	Change in Budget
Management	1.00	1.00	1.00	-
Agricultural Services	2.50	2.18	2.18	0.32
	3.50	3.18	3.18	0.32



Management includes the Director of Agriculture. Staffing includes positions within Agricultural Services, including the Assistant Agricultural Fieldman (previously the Rural Conservation Technician) and Seasonal Agricultural Staff (see the organization charts for more information). The increase of 0.32 FTE includes updating the budget for an additional seasonal agricultural staff.

The following is a summary of all departments, including revenues and expenses, that are included within the Agricultural Services segment:

Agricultural Services - Segment Budget 2023	General Agriculture Services 62-00	Training, Tours & Conferences 62-02	Roadside Spraying & Weed Control 62-03	Roadside Seeding 62-04	Pest Control 62-05	Campgrounds 62-09	County Agriculture Lands 69-01	Agricultural Services Total
REVENUE								
Net municipal taxes	\$ -	-	-	-	-	-	-	-
Government transfers (operating)	123,907	-	-	-	-	-	-	123,907
Return on investments	-	-	-	-	-	-	-	-
Sale of goods, services and user charges	-	-	10,000	-	2,000	-	222,175	234,175
Rental income	8,000	-	-	-	-	-	-	8,000
Community aggregate levy	-	-	-	-	-	-	-	-
Penalties and costs of taxes	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
	131,907	-	10,000	-	2,000	-	222,175	366,082
EXPENSES								
Salaries, wages and benefits	\$ 176,082	16,370	113,010	42,440	16,882	-	46,744	411,527
Contracted and general services	37,800	26,700	17,254	7,485	-	-	7,200	96,439
Materials, goods and utilities	56,193	-	122,946	26,350	2,000	-	-	207,489
Transfers to local boards and agencies	24,372	-	-	-	-	-	-	24,372
Interest and bank charges	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	66,872	-	23,768	-	-	-	-	90,640
Machine expenses capitalized for construction	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
	361,318	43,070	276,978	76,275	18,882	-	53,944	830,467
OPERATING SURPLUS (DEFICIT)	\$ (229,411)	(43,070)	(266,978)	(76,275)	(16,882)	-	168,231	(464,385)



The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):



Vulcan County Budget Segments	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
SEGMENT - AGRICULTURAL SERVICES						
REVENUES:						
62-00 General Agriculture Services	\$ 131,907	\$ 147,951	\$ 131,907	\$ 131,907	\$ 131,907	\$ 131,907
62-02 Training, Tours & Conferences	-	-	-	-	-	-
62-03 Roadside Spraying & Weed Control	10,000	-	10,000	10,000	10,000	10,000
62-04 Roadside Seeding	-	-	-	-	-	-
62-05 Pest Control	2,000	-	2,000	2,000	2,000	2,000
62-09 Campgrounds	-	-	-	-	-	-
69-01 County Agriculture Lands	222,175	250,477	222,175	208,095	208,095	208,095
	366,082	398,428	366,082	352,002	352,002	352,002
EXPENSES:						
62-00 General Agriculture Services	\$ 335,749	\$ 301,617	\$ 361,318	\$ 358,566	\$ 362,379	\$ 365,038
62-02 Training, Tours & Conferences	40,887	23,260	43,070	43,495	44,087	44,290
62-03 Roadside Spraying & Weed Control	250,584	183,251	276,978	280,039	283,946	287,457
62-04 Roadside Seeding	62,114	39,492	76,275	79,619	81,169	82,891
62-05 Pest Control	17,656	17,617	18,882	18,882	18,882	18,882
62-09 Campgrounds	-	42,481	-	-	-	-
69-01 County Agriculture Lands	50,738	42,001	53,944	54,844	55,599	55,726
	757,728	649,718	830,467	835,445	846,062	854,283
OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)	\$ (391,646)	\$ (251,290)	\$ (464,385)	\$ (483,443)	\$ (494,060)	\$ (502,281)

BUDGET HIGHLIGHTS

The following are some of the 2023 budget highlights for Agricultural Services:

- No projected changes to related revenues; whereas, the AG Service Board grant is the same as the last couple year and there is no changes to the sales of good/service. As in the prior year, the sale of strychnine is no longer available to sell by the County due to Federal Requirements.
- Increase in Salary, Wages & Benefits with the additional 0.32 FTE of seasonal staffing; in which the AG Service Board approved the recommendation for the additional seasonal staff at their October 2022 meeting.
- Increases in Materials, Goods & Utilities as there were required information technology (IT) upgrades required at the County's Agricultural Shop including computer replacement, wireless bridge, and upgrades to security systems. There were also other cost increases throughout the departments. The County is expecting herbicide costs to remain relatively consistent for 2023.

There is also expected to be some staff transition during 2023 as the Director of Agriculture is planning on retiring towards the end of 2023; therefore, there may be additional impacts from this staffing transition (which is still to be determined at this time)..

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:



62-00 - General Agricultural Services

Overall management and administration services required primarily to administer the Agricultural Service Board. Activities include central office operations, and the general areas of our programming that are not funded by the Agricultural Service Board Grant that is administered by Alberta Agriculture.

62-02 - Training Tours & Conferences

Overall support for training opportunities and to address agricultural issues and to help Agricultural Services perform their programming to the ratepayers as efficiently and effectively as possible. This program is grant funded by Alberta Agriculture.

62-03 - Roadside Spraying & Weed Control

As required by the Weed Control Act of Alberta, the Roadside Spraying Program will ensure that Vulcan County's Agricultural Services control all weed infestations along our right-of-ways, as well as weed inspection along all private land in Vulcan County. Weed control is one of the top priorities within this department and this program is grant funded from Alberta Agriculture.

62-04 - Roadside Seeding

Overall support of the roadside seeding program which includes seeding of all roadsides that have been effected by road construction as well as the seeding of private land effected by the road construction program. Ensures that Agricultural Services follows the Soil Conservation Act in Alberta.

62-05 - Pest Control

Overall management and administration of pest control services to the farm and ranch community within Vulcan County, this program is in place to ensure that producers have proper control options on pest control by providing liquid strychnine to control high infestations of Richardson Ground Squirrels within Vulcan County. This product can only be administered by Agricultural Service Boards within Alberta and is controlled by the Pest Management Regulatory Agency (PMRA). Ensures that Agricultural Services follows the Pests Act. During 2021 this program was shut down by Federal Requirements and Regulations being added (strychnine not available for sale in 2022).

69-01 - County Agricultural Lands

This area deals with the management of the Tax Recovery Properties that have been titled to the County. Management of the grazing leases, surface leases, pipeline agreements and stocking reports are included in this section.



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Segment Reporting - Planning & Development Services



Planning and Development Services facilitates development in accordance with the Land Use Bylaw as approved by County Council. This department ensures compliance of existing development applications with the Land Use Bylaw, offers recommendations to Council for amendments and assists developers with requirements of area structure plans. This assists with the Strategic Plan's goals of providing "Economic Resiliency" and "Continued Collaboration with Regional Partners".

The following is budget summary of the Planning and Development Services segment:

Planning and Development Services Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ -	\$ -	-
Government transfers (operating)	-	-	-
Return on investments	-	-	-
Sale of goods, services and user charges	89,965	89,140	825
Rental income	-	-	-
Community aggregate levy	-	-	-
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	\$ 89,965	\$ 89,140	825
EXPENSES			
Salaries, wages and benefits	\$ 410,856	\$ 368,725	42,131
Contracted and general services	211,915	191,086	20,829
Materials, goods and utilities	2,975	2,300	675
Transfers to local boards and agencies	-	-	-
Interest and bank charges	-	-	-
Amortization of tangible capital assets	-	-	-
Machine expenses capitalized for construction	-	-	-
Other expenses	-	-	-
	\$ 625,746	\$ 562,111	63,635
OPERATING SURPLUS - BEFORE OTHER	(535,781)	(472,971)	(62,810)



SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

The Planning and Development Services segment revenues include the sales of goods & services and user charges revenue comes from development and subdivision fees, permits, road closure fees, and safety codes/compliance fees.

Occasionally, this segment will also have revenues of Government Transfers, which are specific project funded grants (i.e., Intermunicipal Development Plans and Intermunicipal Collaborative Frameworks). Note that these are not being done at this time.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

- Planning, Zoning & Development (61-01)
- Subdivision & Land Development (66-01)

Contracted services includes the membership to the Oldman River Regional Services Commission (ORRSC), which provides assistance in planning & development, subdivisions, and assistance in developing the County's municipal & inter-municipal development plans (if required).

FTE STAFFING

The following is a summary of the budgeted full-time equivalent (FTE):



No FTE changes

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Planning and Development Services

Full-Time Equivalents (FTE)

	2023 Budget	2022 Budget	2022 Actual	Change in Budget
Management	-	-	-	-
Development Services	3.00	3.00	3.00	-
	3.00	3.00	3.00	-

Staffing includes positions within Development Services, including the Manager of Development Services, Development Officer, and administrative support (see the organization charts for more information). There is currently no proposed changes in these departments.

The following is a summary of all departments, including revenues and expenses, that are included within the Planning and Development segment:

Planning and Development Services - Segment Budget 2023	Planning, Zoning & Development 61-01	Subdivision & Land Development 66-01	Planning and Development Services Total
REVENUE			
Net municipal taxes	\$ -	-	-
Government transfers (operating)	-	-	-
Return on investments	-	-	-
Sale of goods, services and user charges	89,365	600	89,965
Rental income	-	-	-
Community aggregate levy	-	-	-
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	89,365	600	89,965
EXPENSES			
Salaries, wages and benefits	\$ 361,737	49,120	410,856
Contracted and general services	118,398	93,517	211,915
Materials, goods and utilities	2,975	-	2,975
Transfers to local boards and agencies	-	-	-
Interest and bank charges	-	-	-
Amortization of tangible capital assets	-	-	-
Machine expenses capitalized for construction	-	-	-
Other expenses	-	-	-
	483,110	142,637	625,746
OPERATING SURPLUS (DEFICIT)	\$ (393,745)	(142,037)	(535,781)

The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):

Vulcan County Budget Segments	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
SEGMENT - PLANNING AND DEVELOPMENT SERVICES						
REVENUES:						
61-01 Planning, Zoning & Development	\$ 87,340	\$ 123,738	\$ 89,365	\$ 88,740	\$ 88,740	\$ 88,740
66-01 Subdivision & Land Development	1,800	-	600	1,800	1,800	1,800
	89,140	123,738	89,965	90,540	90,540	90,540
EXPENSES:						
61-01 Planning, Zoning & Development	\$ 425,246	\$ 431,356	\$ 483,110	\$ 473,161	\$ 478,177	\$ 484,270
66-01 Subdivision & Land Development	136,865	113,367	142,637	144,540	146,487	148,635
	562,111	544,723	625,746	617,700	624,664	632,905
OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)	\$ (472,971)	\$ (420,985)	\$ (535,781)	\$ (527,160)	\$ (534,124)	\$ (542,365)

BUDGET HIGHLIGHTS



The following are some of the 2023 budget highlights for Planning & Development Services:

- Although there is no projected changes in the full-time equivalent (FTE) staffing, there is an increase in the Salary, Wages & Benefits with a redistribution of staffing costing (between Planning & Development and within General Government) this is due to changes with some of the staff responsibilities and reporting structures.
- Increases in Contracted Services for relate to consulting costs in planning and development for starting on the development/updating of the Municipal Development Plan (MDP) during 2023 and likely continuing into 2024 - which is a strategic priority for the County.

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

61-01 - Planning, Zoning & Development

To administer development permits and regulate land use in an efficient and responsive way, therefore mitigating land use conflicts. Land use planning to manage the development of land within the County as well as the protection of County resources. The contract for Safety Code Permit Services is also contained in this area. Every third year the ORTHO-photo project is conducted.

66-01 - Subdivision & Land Development

To regulate land use in an efficient and responsive way, thereby providing quality service and the mitigation of land use conflicts. Land use planning to manage the development of land within the County as well as the protection of County resources.

Additional Objectives, Goals, and Performance Measures:

As part of the County's Strategic Planning, the Planning & Development department is supporting with the priority of "Economic Resiliency" including rewrite/updating the County's Municipal Development Plan (MDP) and multiple Area Structure Plans are county-wide priorities. Budget 2023 starts this process; whereas, the County plans on starting the rewrite/update of the Municipal Development Plan (MDP) in late 2023 through a contracted service provider in conjunction with the Planning and Development department and will continue into 2024 for completion and proposed adoption. The Area Structure Plans for Wyndham Carseland Area & Mossleigh Area is projected to be started in 2024/2025. The development of the Industrial Park is being completed during 2023.

Other strategic priorities relating to this department also include review of the potential marina development and continual review of the intermunicipal development plans/frameworks. The budget supports this goal by providing the funding necessary to have proper staffing in place to accomplish these objectives.

Segment Reporting - Community Services

Vulcan County contributes to many community service organizations, such as the local Family Community Support Services, daycare and public health, tourism and economic development, recreation boards, cultural programs and library boards. This assists with the Strategic Plan's goals of improving the overall health of County residents and maintaining doctor retention and recruitment.

The following is budget summary of the Community Services segment:

Community Services Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ 430,633	\$ 482,103	(51,470)
Government transfers (operating)	236,950	193,650	43,300
Return on investments	-	-	-
Sale of goods, services and user charges	-	-	-
Rental income	-	-	-
Community aggregate levy	-	-	-
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	\$ 667,583	\$ 675,753	(8,170)
EXPENSES			
Salaries, wages and benefits	\$ 19,343	\$ 17,813	1,530
Contracted and general services	182,214	196,352	(14,138)
Materials, goods and utilities	7,030	5,210	1,820
Transfers to local boards and agencies	724,925	711,057	13,868
Interest and bank charges	30,445	40,059	(9,614)
Amortization of tangible capital assets	-	-	-
Machine expenses capitalized for construction	-	-	-
Other expenses	34	34	-
	\$ 963,991	\$ 970,525	(6,534)
OPERATING SURPLUS - BEFORE OTHER	(296,408)	(294,772)	(1,636)



SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

The Community Services segment revenues include the special tax levies relating to the Recreational Areas.

Government transfers include contributions for the Doctor Retention Program and the MSI operating funding allocated towards the library board.

General Municipal Funds also support these Community Services; whereas, any operating deficits are funded either by specific reserves and/or through general municipal funds.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

- FCSS (51-01)
- Daycare (52-01)
- Other Public Health (52-03)
- Tourism & Economic Development (63-01)
- Recreation Boards (71-01)
- Libraries (74-01)
- Cultural Programs & Events (74-02)

Contracted and general services include the Doctor Retention Program and memberships to the Chinook Arch Regional Library System. The transfers to local boards and agencies include contributions to the Recreation Boards for recreation and cultural activities, libraries, FCSS, and Tourism.



The following are some of the recreation and cultural contributions that the County provides:

Carmangay and District Recreation Area	
Carmangay Curling Assoc. - Operating	\$10,000
Carmangay Curling Assoc. - Capital	\$5,000
Total Recreational Funding	15,000
Carmangay & District Historical Society	5,000
Carmangay Horticultural Society - trees	2,000
Carmangay Library - winter wellness program	5,000
Carmangay Recreation - Hall	9,400
Total Cultural Funding	21,400
Reserves - Carmangay Recreation	13,600
Total Recreational and Cultural Funding	\$50,000

Milo and District Recreation Area	
Milo Recreation Committee - Operations	\$36,600
Milo & District Ag Society - Arena	7,000
Milo Community School	5,000
Milo Curling Club	5,000
Total Recreational Funding	\$53,600
Snake Valley Drop-in Center	4,500
Friends of Milo Municipal Library	2,800
Milo Hall - Operations	5,000
Total Cultural Funding	\$12,300
Total Recreation and Cultural Funding	\$65,900

Champion and District Recreation Area	
Champion Pool - Operating	\$30,000
Champion School	288
Champion Skating Rink	5,000
Total Recreational Funding	35,288
Champion Community Hall - Operating	10,000
Champion Community Hall - Capital	20,000
Champion School - Band Program	1,300
Champion School - Art Program	1,000
Alston Hall	500
Champion Legion Hall	4,500
Total Cultural Funding	37,300
Total Recreation and Cultural Funding	\$72,588

Northwest Recreation Area	
Mossleigh Kids Ball Club	\$2,000
Arrowwood Lions	6,400
Arrowwood 4-H	500
Arrowwood ECS	900
Arrowwood Community Hall - Fitness	10,000
Arrowwood Municipal Library	2,000
Recreation Board Costs	1,960
Northwest Recreation Association	10,000
Total Recreational Funding	\$33,760
Mossleigh Community Club	20,000
Arrowwood Comm. Rec. Association	15,000
Arrowwood Restoration Society	1,200
Total Cultural Funding	\$36,200
Total Recreation and Cultural Funding	\$69,960

Vulcan and District Recreation Area	
Vulcan Arena - Operating	\$80,000
Vulcan Arena - Resurfacier	\$51,000
Vulcan Swimming - Operating	82,000
Recreation Committee - Operations	43,000
Kid Sport	5,000
Total Recreational Funding	\$261,000
N/A	0
Total Cultural Funding	\$0
Reserves - Vulcan Recreation - topup	31,231
Total Recreation and Cultural Funding	\$292,231

Lomond and District Recreation Area	
Lomond Comm. Center Ag Society	\$12,000
Total Recreational Funding	12,000
Lomond 4-H Club	1,000
Total Cultural Funding	1,000
Reserves - Lomond Recreation	23,000
Total Recreation & Culture	\$36,000

Total Recreation funding:

Contributions	\$410,648
Reserves	67,831
Total	\$478,479

Total Cultural funding:

Contributions	\$108,200
Reserves	N/A
Total	\$108,200

Total budgeted funding for recreation and cultural activities is **\$586,679** - funded by special tax levies and general municipal tax revenues.

The County receives many requests for funding from external boards & agencies which are located within the County's borders. There are currently six (6) Recreation Committees which submit requests to the County to fund their recreational and cultural activities.



These Recreation Board include members-at-large within the recreational area and also have a County Councillor included on each of these Recreational Board. The Recreation Boards review each of the area's recreational/cultural funding requests and make recommendations to Council for funding these related recreational funding requests.

click the map to see the full size view



FTE STAFFING

The Community Services segment has no specific staffing allocated in terms of staffing full-time equivalents (FTE), even if some costing is allocated within these segment/departments. Any related oversight of the segment would be included within general government.



The following is a summary of all departments, including revenues and expenses, that are included within the Community Services segment:

Community Services - Segment Budget 2023

	FCSS 51-01	Daycare 52-01	Other Public Health 52-03	Tourism & Economic Development 63-01	Recreation Boards 71-01	Cultural Programs & Events 74-01	Libraries 74-02	Community Services Total
REVENUE								
Net municipal taxes	\$ -	-	-	-	322,433	-	108,200	430,633
Government transfers (operating)	-	-	60,150	-	-	176,800	-	236,950
Return on investments	-	-	-	-	-	-	-	-
Sale of goods, services and user charges	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-
Community aggregate levy	-	-	-	-	-	-	-	-
Penalties and costs of taxes	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
	-	-	60,150	-	322,433	176,800	108,200	667,583
EXPENSES								
Salaries, wages and benefits	\$ -	-	-	19,343	-	-	-	19,343
Contracted and general services	-	-	141,460	8,954	-	31,800	-	182,214
Materials, goods and utilities	300	-	-	6,730	-	-	-	7,030
Transfers to local boards and agencies	61,077	-	-	-	410,648	145,000	108,200	724,925
Interest and bank charges	-	-	30,445	-	-	-	-	30,445
Amortization of tangible capital assets	-	-	-	-	-	-	-	-
Machine expenses capitalized for construction	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	34	-	-	34
	61,377	-	171,905	35,027	410,682	176,800	108,200	963,991
OPERATING SURPLUS (DEFICIT)	\$ (61,377)	-	(111,755)	(35,027)	(88,249)	-	-	(296,408)



Vulcan Swimming Pool
Vulcan Alberta



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The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):



Vulcan County Budget Segments	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
SEGMENT - COMMUNITY SERVICES						
REVENUES:						
51-01 FCSS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52-01 Daycare	-	-	-	-	-	-
52-03 Other Public Health	60,150	53,531	60,150	60,150	60,150	60,150
63-01 Tourism & Economic Development	-	-	-	-	-	-
71-01 Recreation Boards	344,793	481,227	322,433	308,866	309,342	309,342
74-01 Libraries	133,500	133,500	176,800	133,500	133,500	133,500
74-02 Cultural Programs & Events	137,310	-	108,200	79,900	79,900	79,900
	675,753	668,258	667,583	582,416	582,892	582,892
EXPENSES:						
51-01 FCSS	\$ 54,748	\$ 54,580	\$ 61,377	\$ 50,033	\$ 50,033	\$ 50,033
52-01 Daycare	2,500	2,500	-	-	-	-
52-03 Other Public Health	181,519	160,038	171,905	168,538	165,086	161,547
63-01 Tourism & Economic Development	44,588	24,040	35,027	29,885	24,928	25,705
71-01 Recreation Boards	383,333	370,602	410,682	322,594	322,594	322,594
74-01 Libraries	166,527	163,089	176,800	176,800	176,800	176,800
74-02 Cultural Programs & Events	137,310	137,310	108,200	79,900	79,900	79,900
	970,525	912,159	963,991	827,750	819,341	816,579
OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)	\$ (294,772)	\$ (243,901)	\$ (296,408)	\$ (245,334)	\$ (236,449)	\$ (233,687)

BUDGET HIGHLIGHTS

The following are some of the 2023 budget highlights for the Community Services:

- The overall special tax levies for recreational activities decreased from the prior year as some of the current capital-based funding requests were able to be funded through the specific district's reserves, which reduced the amounts required to be raised by the special tax levies.
- The government transfers increased with the available MSI Operating grants; which also fully funds the library board funding request (which increased from \$133,500 to \$145,000).
- Decreases in Contracted Services mostly relates to that the prior year costs for Industrial Park Marketing; whereas, this was completed in 2022 and was not required for 2023.
- Total funding for recreation and culture for 2023 is \$586,679, including projected transfers to the specific recreational reserves. This is an increase from the prior year of \$552,972; however, the net increase is minimal for recreation/culture as the increase is mostly relating to the transfers to reserves (which is not included in the operating expenses). The increase in the Transfers to Local Board and Agencies mostly relates to the increases in the library board funding request (which increased from \$133,500 to \$145,000).

Budget 2023 also includes a \$51,000 contribution towards Vulcan Ice Arena's re-surfacer replacement; whereas, this was funded by a combination of the recreation district's reserves, general municipal funds, and funding partially through the district special tax levies.

- Interest and bank charges relates to the long-term debenture interest; whereas, the interest portion decreased from the prior year with the reduction in the outstanding balance (with repayments). The rates are set for the duration of the term with the rates locked in at the time of taking the debenture.

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:



51-01 - FCSS

Vulcan County supports initiatives that contribute to the overall well-being of the County's residents. Family and Community Support Services (FCSS) is a regional initiative with the other area Municipalities and is funded 80% by the Province and 20% by the partner Municipalities. The amount shown above represents the County's 20% of the partnership share (\$35,168), along with the County's share of the Transportation initiative for passengers.

52-01 - Daycare

Vulcan County provides subsidies to the Vulcan Daycare (if available). Those subsidies are recorded in this functional area.

52-03 - Other Public Health

Vulcan County supports initiatives that contribute to the well-being of County Residents by participating in and managing the regional Physician Recruitment and Retention Program. This municipal partnership is administered by Vulcan County. An objective of this department is to maintain the doctor recruitment and retention program.

63-01 - Tourism & Economic Development

Vulcan County participates in and supports regional initiatives which develop and strengthen the area through Tourism and Economic Development. Support for the Tourism Society is in this area.

71-01 - Recreation Boards

The County offers support to Recreation Boards to promote and encourage healthy active lifestyles for the residents within the County. The proceeds go towards the upkeep of recreational facilities as well as recreational programs offered at these facilities and by local area groups.

74-01 - Libraries

Vulcan County supports all regional libraries through the Vulcan County Library Board. Vulcan County is also a member of the Chinook Arch Regional Library System (CARLS) which enhances the libraries within the County and provides greater access to library services and materials to all residents.

74-02 - Cultural Programs & Events

The County offers support through the Recreation Boards to promote and encourage cultural programs, facilities and events within the county. The proceeds go towards the upkeep of cultural facilities as well as cultural programs offered at these facilities and by these community groups.



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Segment Reporting - Utility Services

Vulcan County is a member of the Twin Valley Regional Water Commission and the Vulcan District Waste Commission. Operations for the Mossleigh Water Treatment Plant are contracted to Rocky View Utility Corp. This assists with the Strategic Plan's goals of collaboration for providing water and waste water management, supply and innovation.

The following is budget summary of the Utility Services segment:

Utility Services Segment Reporting	Budget 2023	Budget 2022	Change
REVENUE			
Net municipal taxes	\$ 964,776	\$ 864,564	100,212
Government transfers (operating)	-	-	-
Return on investments	-	-	-
Sale of goods, services and user charges	5,896	2,591	3,305
Rental income	-	-	-
Community aggregate levy	-	-	-
Penalties and costs of taxes	-	-	-
Other revenues	-	-	-
	\$ 970,672	\$ 867,155	103,517
EXPENSES			
Salaries, wages and benefits	\$ 23,050	\$ 20,444	2,606
Contracted and general services	88,492	95,906	(7,414)
Materials, goods and utilities	7,638	7,914	(276)
Transfers to local boards and agencies	991,030	888,577	102,453
Interest and bank charges	-	-	-
Amortization of tangible capital assets	27,014	27,014	-
Machine expenses capitalized for construction	-	-	-
Other expenses	90	89	1
	\$ 1,137,314	\$ 1,039,944	97,370
OPERATING SURPLUS - BEFORE OTHER	(166,641)	(172,789)	6,148

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING

The Utility Services segment revenues include the tax levies relating to the contribution to the Vulcan and District Waste Commission.

Sales of goods/services and user charges include the annual charges for garbage pickup in the Hamlet of Brant.

SEGMENT EXPENSES

The expenditures are the costs required to provide the services included in this segment. These are the costs for the following:

- Storm Sewers & Drainage (37-01)
- Water Supply & Distribution (41-01)
- Twin Valley Regional Water (41-02)
- Solid Waste Management (43-03)

Contracted and general services include the contract to operate the Mossleigh Water Treatment Plant and legal fees to potentially expropriate land for drainage (if required). The transfers to local boards and agencies include contributions to the Vulcan and District Waste Commission and to the Twin Valley Regional Water Commission.



FTE STAFFING

The Utility Services segment has no specific staffing allocated in terms of staffing full-time equivalents (FTE), even if some costing is allocated within these segment/departments. Any related oversight of the segment would be included within general government.



The following is a summary of all departments, including revenues and expenses, that are included within the Utility Services segment:

Utility Services - Segment Budget 2023

	Storm Sewers & Drainage 37-01	Water Supply & Distribution 41-01	Twin Valley Regional Water Commission 41-02	Solid Waste Management 43-03	Utility Services Total
REVENUE					
Net municipal taxes	\$ -	16,538	-	948,238	964,776
Government transfers (operating)	-	-	-	-	-
Return on investments	-	-	-	-	-
Sale of goods, services and user charges	-	3,300	247	2,349	5,896
Rental income	-	-	-	-	-
Community aggregate levy	-	-	-	-	-
Penalties and costs of taxes	-	-	-	-	-
Other revenues	-	-	-	-	-
	-	19,838	247	950,587	970,672
EXPENSES					
Salaries, wages and benefits	\$ 9,898	4,949	-	8,203	23,050
Contracted and general services	-	88,492	-	-	88,492
Materials, goods and utilities	-	7,003	635	-	7,638
Transfers to local boards and agencies	-	-	40,467	950,563	991,030
Interest and bank charges	-	-	-	-	-
Amortization of tangible capital assets	-	27,014	-	-	27,014
Machine expenses capitalized for construction	-	-	-	-	-
Other expenses	-	-	-	90	90
	9,898	127,458	41,102	958,856	1,137,314
OPERATING SURPLUS (DEFICIT)	\$ (9,898)	(107,619)	(40,855)	(8,269)	(166,641)

The following is a summary of the operating segment for the department level revenues and expenses within the segment (with projections for the following three years):

Vulcan County Budget Segments

SEGMENT - UTILITY SERVICES

REVENUES:

	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
37-01 Storm Sewers & Drainage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41-01 Water Supply & Distribution	16,538	14,492	19,838	16,538	16,538	16,538
41-02 Twin Valley Regional Water Commission	242	-	247	247	247	247
43-03 Solid Waste Management	850,375	846,088	950,587	950,527	950,527	950,527
	867,155	860,580	970,672	967,312	967,312	967,312

EXPENSES:

37-01 Storm Sewers & Drainage	\$ 9,970	\$ 8,781	\$ 9,898	\$ 10,275	\$ 10,667	\$ 10,766
41-01 Water Supply & Distribution	133,587	116,907	127,458	115,783	117,428	119,027
41-02 Twin Valley Regional Water Commission	38,774	39,536	41,102	41,102	41,102	41,102
43-03 Solid Waste Management	857,614	856,699	958,856	959,150	959,460	959,785
	1,039,944	1,021,923	1,137,314	1,126,310	1,128,658	1,130,680

OPERATING SURPLUS - BEFORE OTHER (EXCLUDING CAPITAL AND TRANSFERS)

	\$ (172,789)	\$ (161,343)	\$ (166,641)	\$ (158,997)	\$ (161,345)	\$ (163,368)
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BUDGET HIGHLIGHTS



The following are some of the 2023 budget highlights for the Utility Services:

- There was an increase in the contribution to the Vulcan and District Waste Commission to \$948,214 (previously \$848,029), resulting in an increase in both the Transfers to Local Boards and Agencies and the related tax levies.
- Decreases in Contracted Services mostly relates to that the prior year included some additional equipment repair costs at the Mossleigh Water Treatment Plant (which were completed in 2022).

Phase One of the Mossleigh drainage project was effectively completed in 2020 (included within the capital budget). Phase Two of the Mossleigh Drainage Project is for the excavation of a retention pond and new drainage channel to control water runoff during spring run off and times of high precipitation; whereas, this is projected to start in late 2023 (included within the capital budget).

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

37-01 - Storm Sewers & Drainage

This function represents activities related to the provision of services for Storm Facilities and Surface Drainage. An objective of this department includes the completion of the drainage project near the Hamlet of Mossleigh.

41-01 - Water Supply & Distribution

This function reflects the costs and other activities related to the well and water treatment plant in the Hamlet of Mossleigh. The Well and Water Plant are owned and operated by the County, while the water distribution system is owned and operated by the Mossleigh Water Co-op. The waterline connection to the Hamlet of Kirkcaldy is also included in this area. A priority of this department includes recouping the costs of construction of the Kirkcaldy water line, potentially reviewing the feasibility of a northern regional waterline (potentially combined with other goals of waterfront development just west of Milo), and procuring additional water licenses for the County.

41-02 - Twin Valley Regional Water

Covers the Twin Valley Regional Water Commission (TVRWC). Until or unless this project expands into the rural area, Vulcan County will have minimal involvement in the overall operation of the Commission, other than ensuring that the landowners in the County who have the waterline through their properties are treated fairly. Three members of Council sit on the Commission Board. The County share of administration costs is 25% and share of operations is based on usage, which covers the water consumption of the various rural co-ops connected to the system.

43-03 - Solid Waste Management

Funds are paid directly to the Vulcan District Waste Commission to administer the solid waste management in the County as well as the six urban Municipalities within the County (who also contribute). As this is a locally organized Commission, subsequently approved by the Province, it has requisitioning powers granted under legislation. There is also a small fee charged to the Hamlet of Brant residents as they receive individual garbage pick up. A priority of this department includes exploring opportunities and options with the Vulcan District Waste Commission which will allow for cost savings and stable requisitions.

OPERATING BUDGET - TRANSFERS

Reserves and Capital Transfers

The operating budget also includes the reserve and capital transfers to reconcile to the net budget effect for the fiscal year. The total operating revenues less the operating expenses is then either transferred to capital or funded/transferred to the County's operating and capital reserves. The net effect on the "accumulated surplus" is the operating surplus or deficit for each of the fiscal years.

These include both transfers to and from reserves and transfers to capital. The reserve transfers include the application of reserves used to fund operating and capital activities and the projected budgeted funds that are to be transferred into capital or operating reserves for future use. The transfers to capital include budgeted funds used to fund capital, amortization of tangible capital assets, and the transfer of gains/losses on disposals of tangible capital assets.

The following was the resulting transfers (with projections for the following three years):

Vulcan County Budget Comparison and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026
TOTAL BUDGETED REVENUES	\$ 18,419,983	\$ 20,824,695	\$ 19,078,869	\$ 18,680,386	\$ 19,417,621	\$ 19,702,045
TOTAL BUDGETED EXPENSES	(19,555,942)	(18,833,362)	(19,414,393)	(18,471,152)	(18,708,117)	(18,850,926)
ANNUAL SURPLUS	(1,135,959)	1,991,333	(335,524)	209,235	709,504	851,120
RESERVE AND CAPITAL TRANSFERS:						
Transfer of Amortization	4,684,267	4,818,615	4,818,615	4,818,615	4,818,615	4,818,615
Transfer of Gain/Loss on disposal	0	(700,976)	0	0	0	0
Transfer from Reserves	2,451,949	2,803,693	1,000,595	838,757	838,757	838,757
Transfer to Reserves	(4,254,448)	(7,322,761)	(4,178,067)	(3,731,687)	(4,189,257)	(4,330,873)
Transfer to Capital Functions	(1,745,808)	(1,705,065)	(1,305,619)	(2,134,920)	(2,177,619)	(2,177,619)
Transfer to Other Functions	0	52,054	0	0	0	0
Transfer of Principal Repayment	0	0	0	0	0	0
TOTAL RESERVE AND CAPITAL TRANSFERS	1,135,959	(2,054,441)	335,524	(209,235)	(709,504)	(851,120)
TOTAL NET EFFECT ON ACCUMULATED SURPLUS	\$ -	\$ (63,108)	\$ -	\$ -	\$ -	\$ -

As shown above, the County is able to maintain a balanced budget in 2023 and future projected years; however, this will be tied to future assessment and tax information is available. In the next couple years, there may be future growth in assessment with the large solar project being completed and commissioned during 2023, it should become fully taxable starting in 2024. The upcoming windmill project is also being constructed (deemed assessable when project is "plugged-in" to the energy grid and commissioned). Should the County's assessment increase, it may reduce the deficit/increase the surplus or it can potentially lead to decreases in municipal tax rates (i.e., increase in assessment and decrease in rate can lead to similar total tax revenues). However, if there is no assessment increases (or decreases), the County will either have to try to further reduce the operating costs, try to find increases in operating revenues, use reserves, and/or increase tax rates to eliminate the operating deficit. As this information is not known at this time, the increased surplus is shown until the County can determine the appropriate course of action.



Reserve Transfers

The reserve transfers include the application of reserves used to fund operating and capital activities and the projected budgeted funds that are to be transferred into capital or operating reserves for future use.

TRANSFERS FROM RESERVES

The transfers from reserves is the amount of funding used from operating reserves that have been set up in prior years. This can include the reserves that have been built up specifically for operating expenditures or that have been built from prior surpluses.

The 2023 transfer from reserves is decreased significantly from the prior year. This is mainly due to that the prior year include the 2021/2022 Gravel Crushing Program which used \$1.78 million in operating reserves (specifically saved for this program) in the prior year. As this was completed in 2022, these costs/reserves are not required in 2023.

TRANSFERS TO RESERVES

The transfers to reserves are the amount of funds that are raised in the operating budget to be used for either future operating projects or capital projects:

- Currently, the County has a 20-year capital funding program in which there is approximately \$2.5 million put into capital reserves for this program (funding both 2023 and future years' capital acquisitions). There is also an additional \$960,000 being contributed to capital reserves, including specific capital allocations included in facility rental recoveries, fire/recreation district specific reserves, reserve recoveries, and contributions from land sales.
- There is also approximately \$718,000 budgeted to be allocated to operating reserves for future projects. This includes approximately \$279,200 allocated to the gravel crushing reserves each year so that the reserve will be sufficient to cover the next gravel crushing project in 2025-2026. The County also has some of the projected Supplementary Tax Revenues being allocated to a contingent reserve as a "buffer" in case the actual Supplementary Tax Revenues are less than projected (if greater than expected, the excess amount will be put into reserves).



Capital Transfers from Operations

The transfers to capital include budgeted funds used to fund capital, amortization of tangible capital assets, and the transfer of gains/losses on disposals of tangible capital assets.

TRANSFER OF AMORTIZATION

The transfer of amortization is the offset to the amortization expense included in the operating expenses. This transfer is to apply the reduction in the net book value of the tangible capital assets (roads, buildings, equipment) to the “equity in tangible capital assets,” a separate account which helps to break down the proportion of accumulated surplus that has been allocated to capital assets.

TRANSFER OF GAIN/LOSS ON DISPOSAL

The County does not typically budget for estimated gains/losses on disposals (these are only included in the actual figures). The 2022 actuals include the total gains on disposals (included in revenues) of \$1,430,054 and the total loss on disposals (included in expenses) of \$729,078; therefore, the net gain transferred to capital was \$700,976.

TRANSFERS TO CAPITAL FUNCTIONS

The transfers to capital function is the offset to the capitalization of the machine expenses included in the operating expenses. This is to transfer these operating costs to the capital costs of the internally constructed projects (i.e. roads and bridges).

TRANSFERS OF PRINCIPAL REPAYMENTS

The transfers of principal repayments relates to the principal portion of the long-term debt (or capital lease obligation, in this case) for the payments made throughout the year. The County is currently budgeting the total lease payments as expenditures in contracted services. The lease is with respect to a vehicle has been fully repaid.



A full-page background image showing a sunset over a calm body of water. The sky is filled with orange and yellow clouds, reflecting on the water's surface. In the foreground, there is a dark silhouette of tall grass or reeds. A white rounded rectangle is positioned in the upper left quadrant, containing the section title.

SECTION 3 - CAPITAL BUDGET, RESERVES & DEBT

Section 3 - CAPITAL BUDGET, RESERVES & DEBT

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Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



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CAPITAL BUDGET

Capital Budget - Overview

The following is an overview of the County's capital budget. The capital budget pertains to the construction and acquisition of capital assets. The capital budget is funded by a combination of capital grants, reserve funding, operating transfers, and sale of capital assets no longer in use.

Vulcan County Budget Overview - Capital

CAPITAL ACQUISITIONS:

	Budget 2023	Budget 2022	Change
Land	\$ -	\$ -	-
Land Improvements	-	-	-
Buildings	254,557	-	254,557
Equipment	2,434,400	1,556,440	877,960
Vehicles	282,500	620,862	(338,362)
Engineered Structures	5,259,422	5,264,523	(5,101)
\$	8,230,879	\$ 7,441,825	789,054

OTHER REVENUE:

Government transfers - capital	2,474,235	4,667,397	(2,193,162)
\$	2,474,235	\$ 4,667,397	(2,193,162)

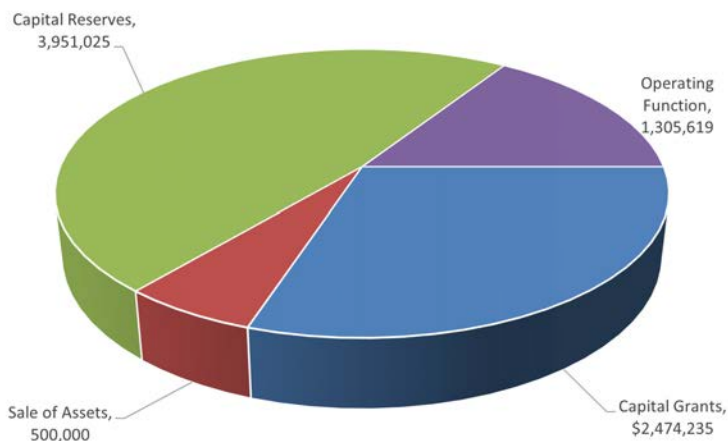
RESERVE AND CAPITAL TRANSFERS:

Disposal of Capital	500,000	193,596	306,404
Transfer from Reserves - Capital	3,951,025	835,024	3,116,001
Transfer to Reserves - Capital	-	-	-
Transfer from Operating Functions - Capital	1,305,619	1,745,808	(440,189)
\$	5,756,644	2,774,428	2,982,216

TOTAL NET EFFECT ON ACCUMULATED SURPLUS

\$	-	\$ -	\$ -
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Capital Budget - Funding

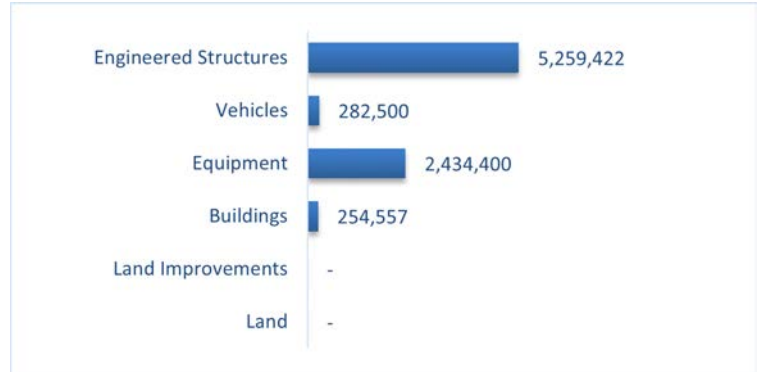


The majority of the funding for the capital budget is from capital reserves, capital grants, followed by transfers from the operating function. These reserves have been built up over time as part of the 20-year capital plan in order to fund these projects.

The MSI Capital grant allocation is fully utilized in these capital projects. These grants have been allocated replacement of equipment/vehicle purchases and work on phase two of the Mossleigh Drainage Project. *MSI Capital is included within "Other Revenue" within the Budgeted Statement of Operations.*

It is budgeted that approx. \$2.47 million will be funded by capital grants and \$3.95 million funded by capital reserves. There are \$2.07 million of operating machine expenses capitalized for construction (internally constructed projects) which is included in the net transfers from operating function (net between capitalized costs and relates operating funding transfers).

Some of the major capital acquisitions include the completion of the Industrial Park, road & bridge projects, phase 2 of the Mossleigh Drainage Project, enhancements to the Fire Training Tower, purchase of 3 graders with attachments, and other vehicle/equipment replacements.



The following is a 5-year capital projections, including the Capital Budget 2023 (with prior year comparison) and projections for 2024-2027:

Vulcan County Capital Budget and Projections	Budget 2022	Actual 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
CAPITAL ACQUIRED:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Improvement	-	-	-	-	-	-	-
Buildings	-	-	254,557	-	12,527	78,631	8,648
Equipment	1,556,440	1,448,345	2,434,400	525,991	1,127,658	2,439,511	3,210,614
Vehicles	620,862	572,129	282,500	373,303	426,512	353,059	1,007,144
Engineered Structures	5,264,523	4,500,839	5,259,422	2,559,816	2,411,813	2,510,101	506,307
TOTAL CAPITAL ACQUIRED	\$ 7,441,825	\$ 6,521,313	\$ 8,230,879	\$ 3,459,110	\$ 3,978,510	\$ 5,381,302	\$ 4,732,713
CAPITAL FUNDING:							
Capital Grants	\$ 4,667,397	\$ 4,294,087	\$ 2,474,235	\$ 1,297,675	\$ 1,297,675	\$ 1,297,675	\$ 1,297,675
Sale of Assets	193,596	1,441,515	500,000	-	-	-	-
Contributed Asset	-	-	-	-	-	-	-
Transfer from Capital Reserves	835,025	442,911	3,951,025	26,515	503,216	1,906,008	1,257,419
Transfer to Capital Reserves	-	(1,295,221)	-	-	-	-	-
Transfer from Operating Function	1,745,807	1,690,075	1,305,619	2,134,920	2,177,619	2,177,619	2,177,619
Transfer to Operating Function	-	52,054	-	-	-	-	-
Capital Lease acquired	-	-	-	-	-	-	-
TOTAL CAPITAL FUNDING	\$ 7,441,825	\$ 6,521,313	\$ 8,230,879	\$ 3,459,110	\$ 3,978,510	\$ 5,381,302	\$ 4,732,713

The County currently utilizes a 5 year written capital plan to address the future requirements of the County in upcoming years and to ensure that the County is prepared and has the funding available for these future capital projects and purchases. This ensures that these activities are planned in a fiscally responsible manner. The plan further allows for stability in capital funding requirements so as to avoid significant fluctuations from one year to the next (a goal of the Strategic Plan). The capital projections are an extract of the comprehensive 20-year capital funding plan.

MSI Capital Grant Funds

The following is a reconciliation of the Municipal Sustainability Initiative (MSI) Capital Grant funding:

Municipal Sustainability Initiative (MSI) Capital Grant Reconciliation

	2023 Budget
Carry-forward balance	1,415,305
2023 Grant Allocation	1,058,930
Available MSI Funds	2,474,235

	Budgeted cost	Grant Funded
Replacement of 3 John Deer Graders	1,997,220	867,432
Mossleigh Drainage Project - Phase 2	708,863	708,863
Bridge and Road Engineering	116,771	116,771
Bridge and Road Construction	2,066,788	781,169
	4,889,642	2,474,235

Unallocated MSI Funds

-

As shown above, the MSI Capital grant allocation is fully utilized in these capital projects, including both the carry-forward funding from 2022 and the 2023 Allocation. Some of the carry-forward funding already specifically was allocated to specific road and bridge projects that were delayed in 2022 and are to be completed during 2023.

The projections for 2024-2027 (and future years within the 20-year capital plan) are based on a conservative basis; whereas, most of the projections are set at the same funding allocation levels as in the 2023 budget as many of these are based on funding agreements and allocations.

The Municipal Sustainability Initiative (MSI) grant program is being replaced at the end of 2023 with the new Local Government Fiscal Framework (LGFF) grant program. Although the details of the LGFF funding model will not be available until late 2023, the information available and/or received by the County would project that it will remain relatively consistent with the prior MSI funding model in concept (with some modifications/updates to the allocation factors).



Land & Land Improvements

Land and Land Improvement include the acquisition of lands for the County and improvements on these County owned lands. There are no land or land improvement projects budgeted to be constructed or improved in 2023.

Land/land improvements acquisitions are typically non-recurring costs that vary significantly from year-to-year.

Buildings

Buildings include the acquisition and construction of new buildings and additions or upgrades to existing buildings that are owned by the County. The following are the capital budgets of buildings:

Capital Acquired - Buildings:

23-01	General Fire Protection	Training Tower Replacements	20,000
23-01	General Fire Protection	Training Tower Upgrades	234,557
			<u>254,557</u>

Capital Funding:

Capital reserves	<u>254,557</u>
	254,557

The Fire Training Tower is used for training purposes by the County Firefighters and may be rented to other municipal fire departments for their training. This tower includes a steel structure with high quality interior and exterior burning props. In Budget 2023, the Fire Training Tower is having certain components replaced and there are also some new upgrades including a new control room and new secondary story Window fire/smoke system.



As the 20-year capital plan is a living document, these projects and dates are reviewed annually during the budget process and may be pushed back or moved forward as the dates draw nearer. County priorities at those times will also be taken into account. All buildings/facilities for each department is listed within the 20-year capital plan; whereas, each asset include projected year of replacement (based on useful life, replacement cycles, and condition).





Equipment

Equipment includes the acquisition/development of new pieces of equipment including technology, office equipment, shop/light duty equipment, and heavy duty equipment (i.e. graders, dozer). The following are the capital budgets of equipment:

Capital Acquired - Equipment:

10-00	General Municipal	Survey Drone	16,610
12-02	Administration	Storage Area Network Replacement	47,000
12-02	Administration	County Phone System Replacement	95,000
23-01	General Fire Protection	Bunker Gear	141,600
23-01	General Fire Protection	Fire Command Equipment	40,000
23-01	General Fire Protection	Public Education/Fire Safety Trailer	20,000
23-17	Milo Fire Protection Area	T28 to Rapid 17 Conversion	55,454
32-00	Road Transportation	3 John Deer 872GP graders replaced	1,997,220
41-01	Water Supply & Distribution	Mossleigh Water Meters	21,516
			2,434,400

Capital Funding:

Capital reserves	1,046,968
Grants	867,432
Sale of assets	500,000
Transfer from operating	20,000
2,434,400	

Equipment acquisitions are always required, but the specific items will vary significantly from year-to-year. The only significant reoccurring equipment purchases are for graders; the County typically purchases 2 graders per year.

The 2023 capital budget, includes the following:

- General Municipal (10-00) - Purchase of Survey Drone which can be used by engineering/operations for review of construction site/gravel pits and other locations. Protective Services is also able to utilize this for surveying accidents or other emergencies. The item is funded by capital reserves.
- Administration (12-02) - Replacement IT equipment that is at end of life, including the County's Storage Area Network and the Network Phone Systems. These items are funded by capital reserves.
- General Fire Protection (23-01) - The fire departments are replacing the firefighter's bunker gear over a two years period (year 2 - part of 20-year capital plan). As shown within vehicles, the County is replacing the Fire Command Vehicle; in which, there is a significant amount of equipment that is replaced with the vehicle replacement (tracked separately for capital purposes). There public education/Fire Safety Trailer also has components that are required to be replaced. These items are funded through a combination of operating transfers and capital reserves.
- Milo Fire Protection Area (23-17) - The Milo Fire Department is receiving a previous public works vehicle (T28); whereas, this truck is being converted to a Fire Rapid Unit and will require a significant amount of equipment to be added to convert the vehicle. The item is funded by capital reserves.



- Road Transportation (32-00) - Typically the County funds the replacement of two graders; however, in Budget 2023 the County is replacing three (3) John Deere 872GP graders based on the requirements within the 20-year capital plan (and given the prior year was for scraper rebuilds instead of graders) These items are funded approximately 43.4% with MSI capital grant funds and the remaining funded by proceeds on sales of old equipment and use of capital reserves.
- Water Supply & Distribution (41-01) - The County is installing water meters in the Hamlet of Mossleigh for the water distribution system, this will allow for more accurate water readings. With the installation of water meters at users point of use it would be easier to identify high usage users and better control water usage during water restrictions. These are funded by capital reserves.

As the 20-year capital plan is a living document, these projects and dates are reviewed annually during the budget process and may be pushed back or moved forward as the dates draw nearer. County priorities at those times will also be taken into account.

All major equipment for each department is listed within the 20-year capital plan; whereas, each asset include projected year of replacement (based on useful life, replacement cycles, and condition). Administration and the related department heads review the listing on periodic basis (typically as part of budget process and/or as significant changes/updates are required) to ensure accuracy, operational requirements, and current replacement costs.



Vehicles

Vehicles acquisitions light duty trucks (i.e. pickups) and heavy duty vehicles (i.e. fire trucks, hi-way tractors). The following is the capital budget for vehicles:



Capital Acquired - Vehicles:

23-01	General Fire Protection	Fire Command Truck	75,000
32-01	Road Construction	Road Construction 1 Ton Truck	70,500
32-02	Road Maintenance	2022 3/4 ton pickup	66,500
62-00	Agricultural Services	2023 - AG Truck	70,500
			282,500

Capital Funding:

Capital reserves	282,500
Grants	-
	<u>282,500</u>

Vehicle acquisitions are required every year, but do vary significantly in their type and purpose.

The 2023 capital budget, includes the following:

- General Fire Protection (23-01) - Replacement of the Fire Command Truck for the fire protection fleet and is to be replaced by the acquisition of a new capital leased truck; whereas, the lease is effectively funded upfront as 99.9% of cost is funded at time of acquisition using capital reserves. The prior vehicles was getting towards the end of its useful life for a command vehicle and was considered to no longer be conducive to a safe working command truck; therefore, the prior truck can be re-purposed to a fire department for supporting in fire protection activities. There is also a significant amount of equipment that will be purchased and included within the truck.
- Road Construction (32-01) - A 1 ton truck has reached the end of its useful life and is to be replaced by the acquisition of a new capital leased truck; whereas, the lease is effectively funded upfront as 99.9% of cost is funded at time of acquisition using capital reserves.
- Road Maintenance (32-02) - A 3/4 ton truck has reached the end of its useful life and is to be replaced by the acquisition of a new capital leased truck; whereas, the lease is effectively funded upfront as 99.9% of cost is funded at time of acquisition using capital reserves.
- Agricultural Services (62-00) - A 1 ton truck has reached the end of its useful life and is to be replaced by the acquisition of a new capital leased truck; whereas, the lease is effectively funded upfront as 99.9% of cost is funded at time of acquisition using capital reserves.





Engineered Structures

Engineered structures include the construction/development of infrastructure including roads, bridges, water systems, drainage, and other systems. The following are the capital budgets for engineered structures:

Capital Acquired - Engineered Structures:

10-00	General Municipal	Industrial Park - completion	2,367,000
32-01	Road Construction	Capitalization of road construction	1,733,559
32-04	Bridges	Bridge projects (2 projects)	450,000
37-01	Storm Sewers & Drainage	Mossleigh Drainage Improvements	708,863
			5,259,422

Capital Funding:

Capital reserves	2,367,000
Grants	1,606,803
Transfer from operating	1,285,619
	5,259,422

Engineered structure construction/development (specifically bridges) are typically non-recurring costs that vary significantly from year-to-year. The only significant recurring engineered structures are road construction projects; there will virtually always be roads built during the year, but bridges, water lines, drainage and other systems aren't always in progress.

The 2023 capital budget, includes the following:

- General Municipal (10-00) - The County is developing an industrial park located just to the south-east of the Town of Vulcan. The County is developing a total of 78.72 acres, including road, water/waste water, and electrical infrastructure. 2023 include the completion of this project including the storm-water reservoir, site development, and road infrastructure. This project is funded by capital reserves (which will be replenished with the industrial park lot sales).
- Road Construction (32-01) - These roads are internally constructed by the County's road construction crew. Therefore, the internal costs relating to these roads are capitalized (i.e. salaries, contracted services, materials, etc.). These costs are funded by the operating fund which includes Canadian Communities-Building Fund (CCBF) grant funding and general funding through taxation.
- Bridges (32-04) - The two (2) bridge projects that are within the County's ability to complete internally (so no requirements to contracted out for these projects other than the engineering designs). These bridge project costs are funded through MSI Capital grants, by the operating fund, and the use of capital reserves.
- Storm Sewers & Drainage (37-01) - Phase Two of the Mossleigh Drainage Project is for the excavation of a retention pond and new drainage channel to control water runoff during spring run off and times of high precipitation; whereas, this is projected to start in late 2023. This project is funded through MSI Capital grants.





Long-term Capital Funding Plan

The County currently utilizes a 5 year written capital plan to address the future requirements of the County in upcoming years and to ensure that the County is prepared and has the funding available for these future capital projects and purchases. This ensures that these activities are planned in a fiscally responsible manner. The plan further allows for stability in capital funding requirements so as to avoid significant fluctuations from one year to the next (a goal of the Strategic Plan).

The County also utilizes a 20 year capital funding program. All the costs and estimated replacement dates for the County's capital assets are projected forward. When an asset is due to be either purchased or constructed, the total projected replacement costs (using inflation rates) is effectively "saved up" through the building of the capital reserves over this period of time. For example: a grader with an estimated replacement cost of \$550,000 is scheduled to be replaced in 5 years; therefore, a total of \$110,000 of funds are allocated to a capital reserve each year, so that when the grader is to be purchased after 5 years, the funds will be available.

This methodology is used to "level out" the annual funding requirements to avoid the highs and lows in capital requirements from year-to-year. The scheduled replacement of the capital is based on the estimated useful lives of the assets which takes into account the costs/benefits of replacing the asset vs. the costs to maintain the assets. A goal in the Strategic Plan is to have a long-term, effective road maintenance and rehabilitation program (including maintaining the equipment replacement program); therefore, the utilization of the 20-year capital funding plan aligns with the goals of the Strategic Plan.

This 20-year capital funding program already takes into account the projected non-recurring capital requirements. As such, the County already has plans (and reserves) to fund these capital items. This assists the County with its priority to keep its tax rates competitive. If the funding plan were not in place, tax rates could spike in years with higher capital requirements, leading to less competitive taxes and uncertainty for ratepayers. The capital reserve balances are closely monitored so that the County is aware of any potential issues long in advance. The capital reserves have been built up over the past few years as part of this 20 year capital funding program, which will allow the County to fund these projects without radical changes in tax rates or taking on additional debt. County Council approves the road and bridge capital programs.

The 20 year capital funding program is considered a "living" document and is updated on an annual basis to take into account changes in capital reserve levels, changes in years of replacement, and projected replacement costs. As the year of replacement gets closer to the current year, the estimations of replacement costs typically become more accurate.

Long-term Capital Funding - Plan Development



Continued Investment into Infrastructure and Required Equipment is a county-wide priority and maintaining and replacing the infrastructure is a key performance measure for the County. As a County, the majority of municipal activities typically relate to road/bridge infrastructure, making up one of the largest components within the County's expenditures.

All major capital assets for each department is listed within the 20-year capital plan; whereas, each asset include projected year of replacement (based on useful life, replacement cycles, and condition). Administration and the related department heads review the listing on periodic basis (typically as part of budget process and/or as significant changes/updates are required) to ensure accuracy, operational requirements, and current replacement costs. The following are the processes for identifying the capital projects that are to be funded:

- **Bridges Projects** - There is approximately 180 separate bridge files and 44 local road culverts that the County tracks in its 20-year capital plan. These have projected replacement years ranging from the current budget year and up to 2074 based on useful life, replacement cycles, and condition. Each of the bridge projects separately tracks their structural and sufficiency rating; whereas, these ratings and in combination with ongoing review, determines the replacement priority and the projected replacement timing within the capital budget and 20-year capital plan.
- **Road Construction Projects** - The County currently maintains 2,677 kilometer (km) of roadways, including approximately 2,830 separate asset IDs tracks in its 20-year capital plan (including partial road segments). Each road ID is tracked separately by road type (i.e., gravel, oiled, paved) and with the projected replacement year (tied to useful life and replacement cycles). The County typically replaces/ constructs 10 miles (16 kilometers) of road year; therefore, there is a importance on prioritization. Ongoing review, feedback from grader drivers, and tracking road maintenance costs supports in determining the roads required for replacement.

The Bridges and Roads priorities are also provided to Council for review and a 4-year priority replacement listing is reviewed and approved by Council (on a 4-year cycle). Adjustments may be included to the priority replacement listing if required and would either be provided to Council directly or be included in the budget committee review as part of the development of the capital budget.

All major equipment/vehicles for each department is listed within the 20-year capital plan (ranges from 350-375 separate equipment/vehicles assets that are tracked); whereas, each asset include projected year of replacement (based on useful life, replacement cycles, and condition). The determination of replacements is typically tied directly to the equipment/vehicles and the specific predetermined replacement cycles (i.e., most vehicles are replaced every 10 years, graders are replaced every 5-6 years, etc.). The replacement cycles are typically determined on historical trends of the cost/benefit of replacement in relation to maintenance/repair costs.

The following pages include charts for the replacement of the capital currently included in the twenty 20 year capital funding program. Some departments have significant spikes in certain years. These years of high expenditure are timing issues from the useful lives of different types of assets dictating replacement all at once. These will be reviewed and 'smoothed out' where possible closer to those years.

Long-term Capital Funding - 20 Year Capital Plan Summary

Vulcan County Capital Cost Projections	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Administration - Property, Plant, & Equipment (PP&E):										
Building	-	-	-	-	6,213,176	-	-	-	-	-
Equipment - Technology	18,715	-	79,034	52,549	-	19,187	-	81,029	53,876	100,859
Truck - Light Duty	-	-	-	-	38,943	-	-	-	-	-
	18,715	-	79,034	52,549	6,252,119	19,187	-	81,029	53,876	100,859
Agriculture - Property, Plant, & Equipment (PP&E):										
Building	-	-	5,782	-	-	-	-	-	-	30,840
Equipment - Heavy Duty	-	-	19,310	-	-	-	75,306	-	-	-
Equipment - Light Duty	-	44,810	5,782	-	-	26,009	55,563	40,468	23,204	8,019
Truck - Heavy Duty	-	57,526	53,420	-	48,102	-	111,552	-	-	-
Truck - Light Duty	-	-	-	-	-	63,903	41,168	-	-	54,699
	-	102,336	84,294	-	48,102	89,912	283,589	40,468	23,204	93,558
Protective Services - Property, Plant, & Equipment (PP&E):										
Building	-	-	-	-	-	-	-	-	-	-
Equipment - Heavy Duty	-	-	-	-	-	15,858	-	-	-	-
Equipment - Light Duty	-	622,691	7,603	3,606	246,591	92,153	56,158	3,697	697,222	272,320
Equipment - Buildings	307,001	-	-	394,863	165,685	-	-	-	-	-
Equipment - Technology	-	-	54,756	-	-	-	-	56,138	-	-
Truck - Heavy Duty	-	-	-	-	421,938	-	637,064	630,684	-	711,200
Truck - Light Duty	-	58,311	64,349	83,463	355,833	17,959	45,217	-	-	302,579
Land Improvement	-	-	-	-	-	8,643	-	-	-	-
	307,001	681,002	126,708	481,932	1,190,047	134,613	738,439	690,519	697,222	1,286,099
Public Works - Property, Plant, & Equipment (PP&E):										
Building	-	12,527	72,849	8,648	17,722	95,024	12,210	-	35,031	-
Equipment - Heavy Duty	63,442	388,590	2,255,552	2,759,596	3,171,235	626,945	1,820,666	2,375,778	3,843,168	1,813,745
Equipment - Light Duty	136,833	71,567	17,474	-	78,869	33,489	100,318	-	113,161	-
Truck - Heavy Duty	298,402	310,675	200,247	923,681	190,375	196,049	467,595	-	-	194,007
Truck - Light Duty	74,901	-	35,043	-	53,412	42,618	196,975	-	98,288	48,573
	573,578	783,359	2,581,165	3,691,925	3,511,613	994,125	2,597,764	2,375,778	4,089,648	2,056,325
Total Property, Plant, & Equipment (PP&E):	899,294	1,566,697	2,871,201	4,226,406	11,001,881	1,237,837	3,619,792	3,187,794	4,863,950	3,536,841
Public Works - Bridges:										
Bridges	653,923	844,652	410,101	154,557	395,201	763,561	869,216	462,502	947,955	2,654,195
	653,923	844,652	410,101	154,557	395,201	763,561	869,216	462,502	947,955	2,654,195
Public Works - Roads:										
Roads	1,905,893	1,567,161	2,100,000	351,750	2,297,802	1,776,380	6,596,450	5,358,277	1,803,160	1,812,180
	1,905,893	1,567,161	2,100,000	351,750	2,297,802	1,776,380	6,596,450	5,358,277	1,803,160	1,812,180
Total costs of PP&E, Bridges, Roads	3,459,110	3,978,510	5,381,302	4,732,713	13,694,884	3,777,778	11,085,458	9,008,573	7,615,065	8,003,216

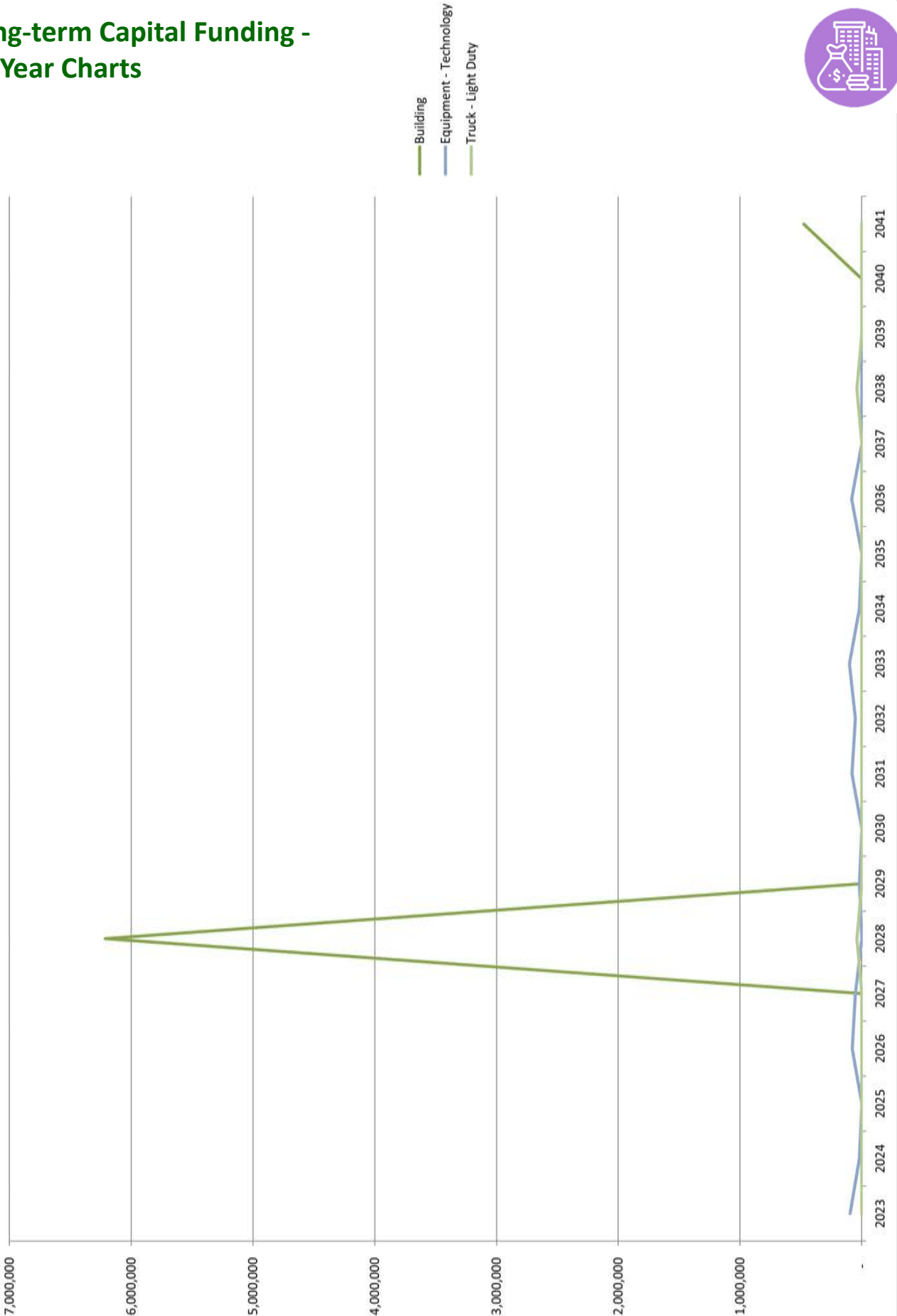
Vulcan County Capital Cost Projections

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Administration - Property, Plant, & Equipment (PP&E):										
Building	-	-	-	-	-	-	-	476,540	-	-
Equipment - Technology	19,671	-	83,074	-	-	-	-	-	-	293,120
Truck - Light Duty	-	-	-	-	40,935	-	-	-	-	-
	19,671	-	83,074	-	40,935	-	-	476,540	-	293,120
Agriculture - Property, Plant, & Equipment (PP&E):										
Building	-	-	-	-	-	13,965	-	6,232	127,699	35,529
Equipment - Heavy Duty	96,029	-	111,900	-	-	-	-	27,622	-	27,899
Equipment - Light Duty	-	47,101	68,054	-	-	21,879	58,132	31,490	23,790	8,221
Truck - Heavy Duty	-	60,468	56,152	-	50,562	-	117,257	-	-	-
Truck - Light Duty	-	-	-	-	-	66,418	43,274	-	-	56,080
	96,029	107,569	236,106	-	50,562	102,262	323,356	65,344	151,489	127,729
Protective Services - Property, Plant, & Equipment (PPI)										
Building	-	-	-	-	-	-	-	36,531	-	-
Equipment - Heavy Duty	-	-	-	-	-	16,669	-	-	-	-
Equipment - Light Duty	-	75,062	48,496	184,122	176,913	130,669	729,908	-	487,382	356,505
Equipment - Buildings	-	-	-	848,285	174,158	330,850	-	-	-	-
Equipment - Technology	-	-	57,556	-	-	-	-	-	-	-
Truck - Heavy Duty	-	-	1,347,104	-	443,516	-	170,606	994,407	666,252	-
Truck - Light Duty	-	61,293	67,640	87,731	252,195	111,861	47,529	-	-	92,522
Land Improvement	-	325,639	-	-	-	9,085	-	-	-	-
	-	461,994	1,520,796	1,120,138	1,046,782	599,134	948,043	1,030,938	1,153,634	449,027
Public Works - Property, Plant, & Equipment (PP&E):										
Building	-	17,549	-	-	7,739	10,639	-	52,592	-	-
Equipment - Heavy Duty	1,025,481	75,707	2,455,675	2,890,674	490,300	119,065	1,903,983	66,506	1,337,407	2,982,892
Equipment - Light Duty	107,127	143,267	58,335	-	-	35,202	33,213	-	-	24,053
Truck - Heavy Duty	144,546	326,563	380,451	970,918	200,111	206,075	317,253	-	-	198,906
Truck - Light Duty	78,731	-	36,835	-	56,144	44,798	207,048	-	100,770	49,800
	1,355,885	563,086	2,931,296	3,861,592	754,294	415,779	2,461,497	119,098	1,438,177	3,255,651
Total Property, Plant, & Equipment (PP&E):	1,471,585	1,132,649	4,771,272	4,981,730	1,892,573	1,117,175	3,732,896	1,691,920	2,743,300	4,125,527
Public Works - Bridges:										
Bridges	1,365,334	2,370,936	2,473,638	886,760	798,602	1,201,808	1,671,539	1,535,733	824,286	1,909,263
	1,365,334	2,370,936	2,473,638	886,760	798,602	1,201,808	1,671,539	1,535,733	824,286	1,909,263
Public Works - Roads:										
Roads	1,821,240	1,830,340	2,151,275	1,663,821	1,857,940	3,734,455	1,876,560	1,697,346	1,895,370	1,142,910
	1,821,240	1,830,340	2,151,275	1,663,821	1,857,940	3,734,455	1,876,560	1,697,346	1,895,370	1,142,910
Total costs of PP&E, Bridges, Roads	4,658,159	5,333,925	9,396,185	7,532,311	4,549,115	6,053,438	7,280,995	4,924,999	5,462,956	7,177,700

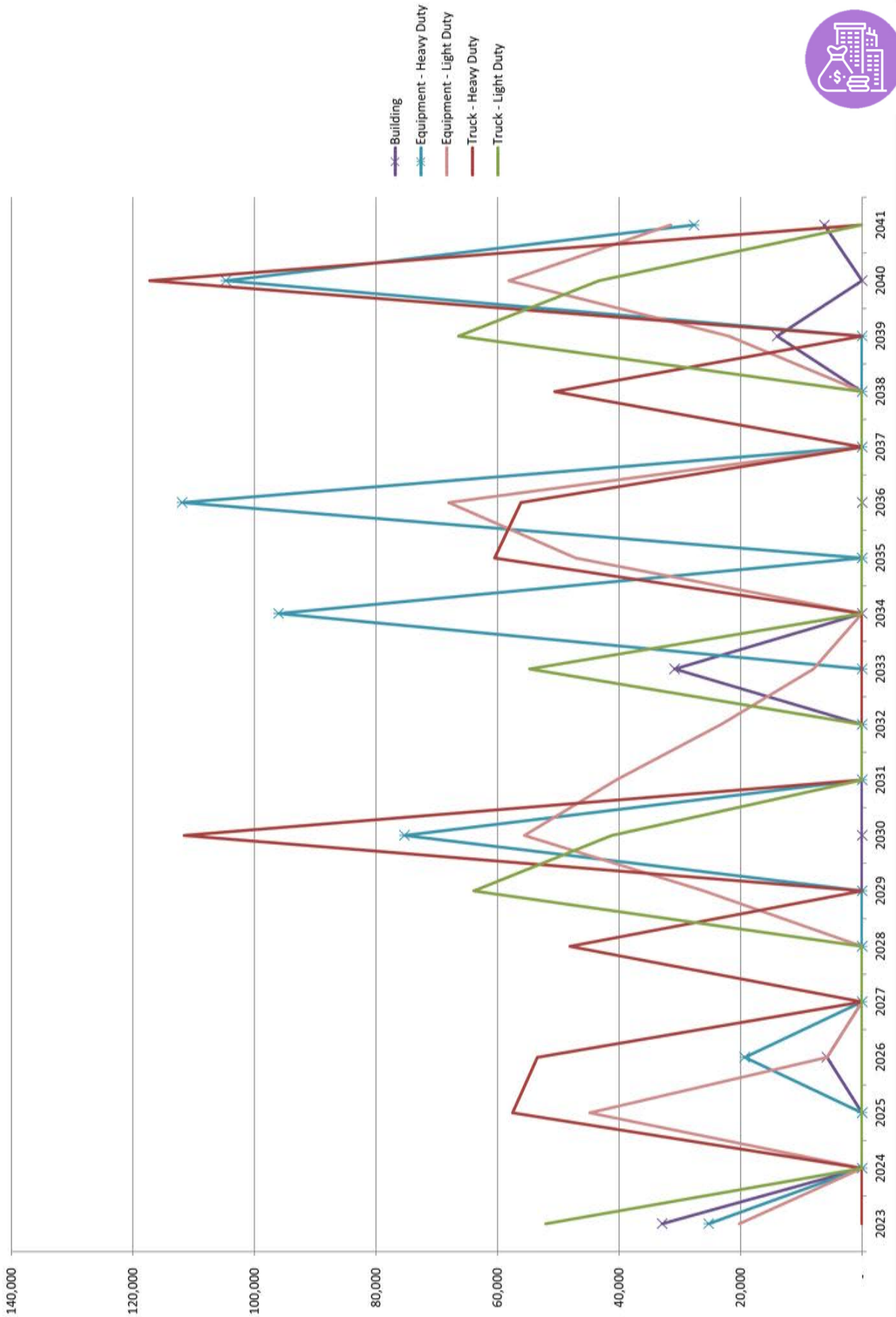
Long-term Capital Funding - 20 Year Charts



Administration - Property, Plant, & Equipments



Agriculture - Property, Plant, & Equipments



Introductory



Operating Budget



Capital & Reserves

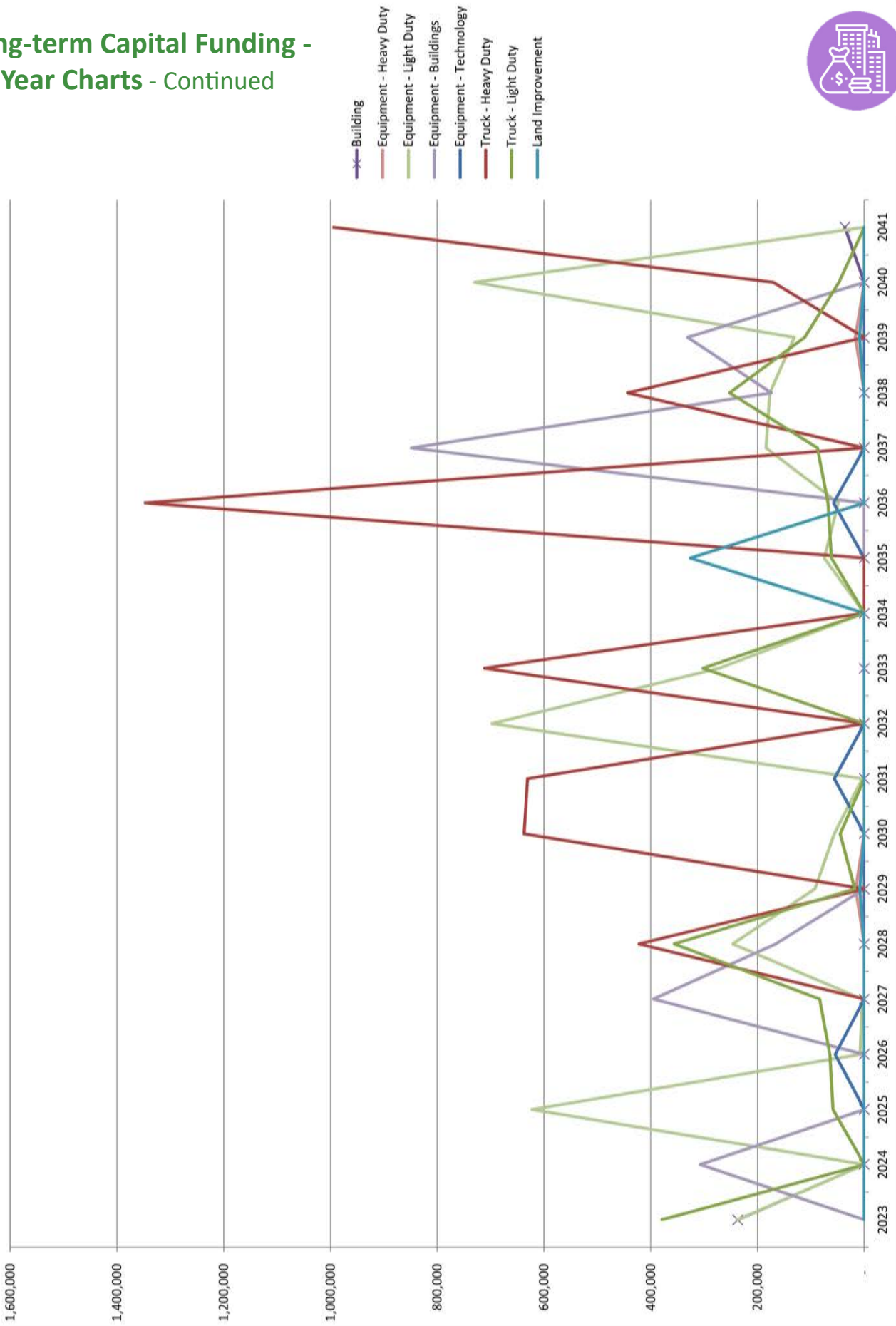


Appendix & Glossary

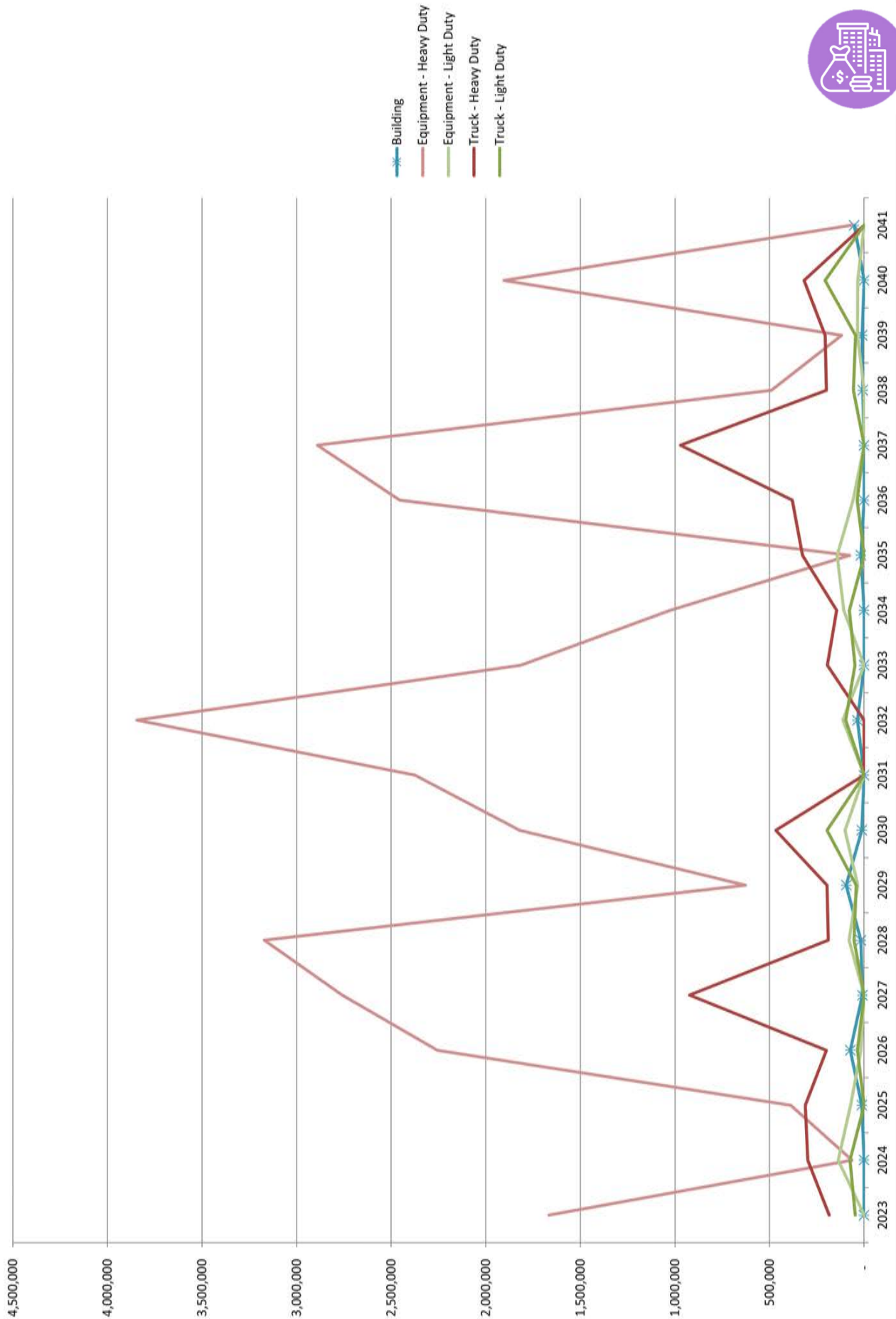
Long-term Capital Funding - 20 Year Charts - Continued



Protective Services - Property, Plant, & Equipments



Public Works - Property, Plant, & Equipments



Introductory



Operating Budget



Capital & Reserves

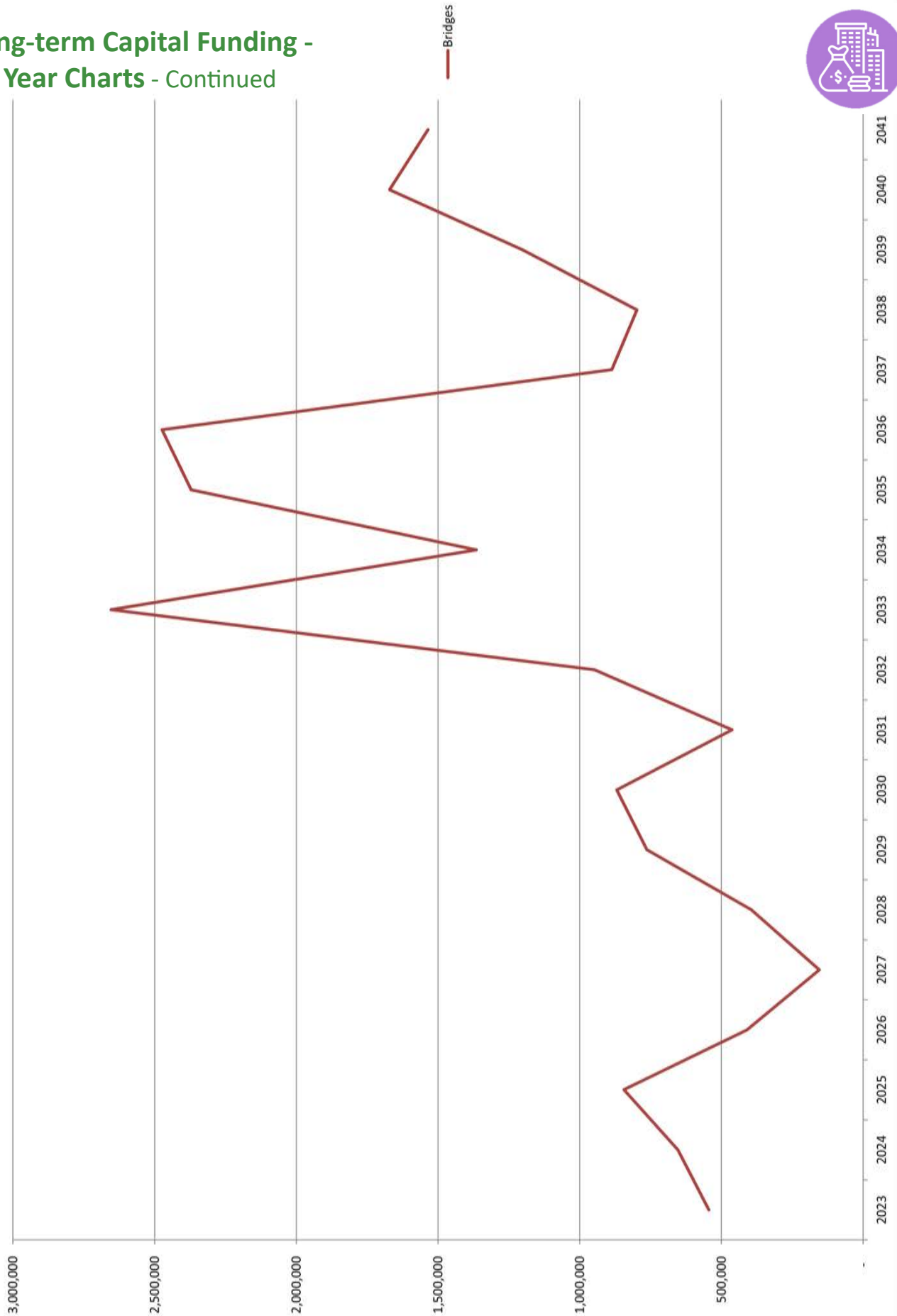


Appendix & Glossary

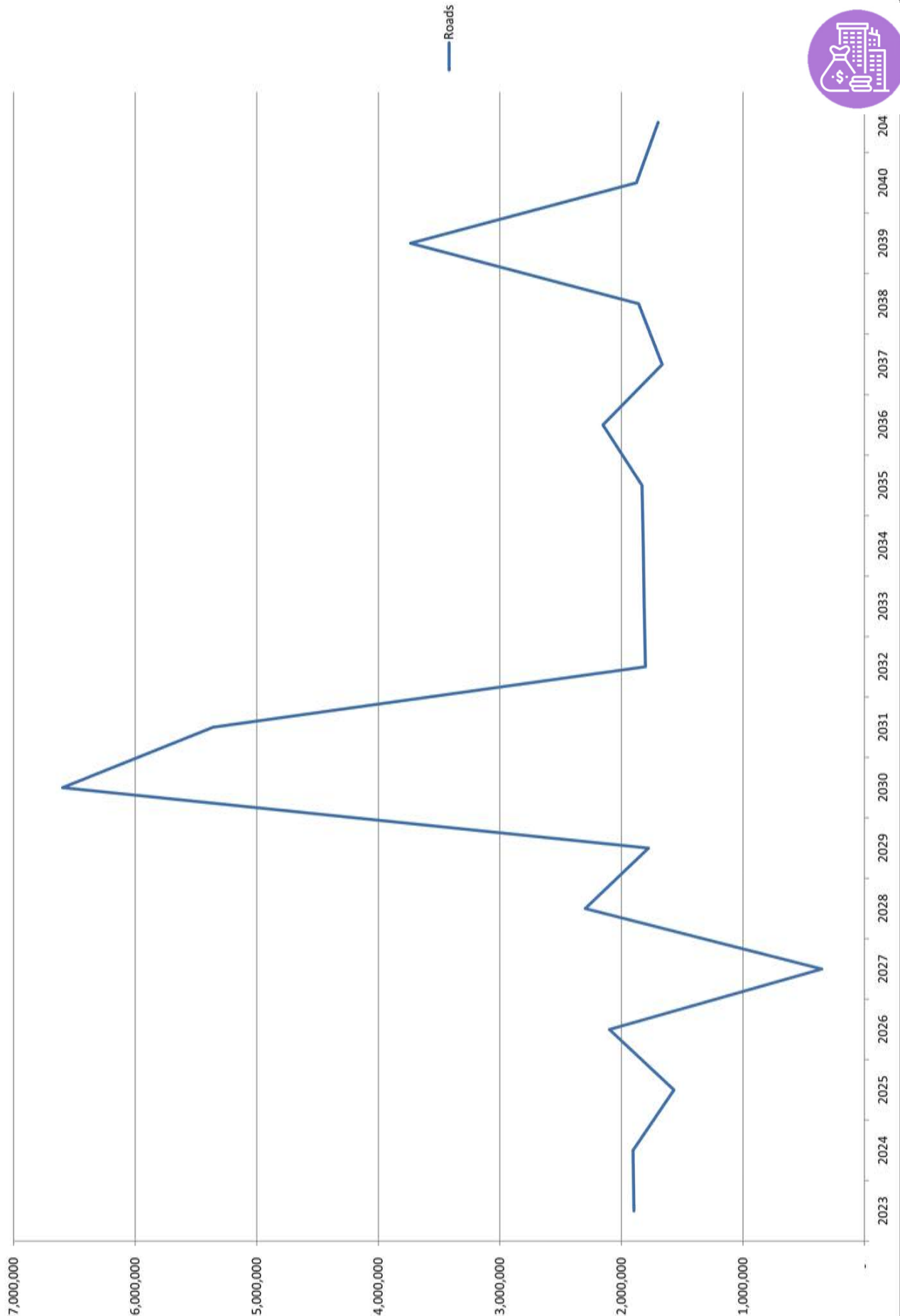
Long-term Capital Funding - 20 Year Charts - Continued



Public Works - Bridges



Public Works - Roads



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



Effects of Capital Purchases on Operations

The capital budget can have a material effect on the operating budget due to the costs of maintaining and operating new assets, as well as potential required training on proper usage of new assets. The 2023 budget includes several capital additions, but few are expected to have an effect on operating costs.

The County currently maintains 2,677 kilometer (km) of roadways. Operating costs in the road maintenance department, which include staff wages, materials, contractors and other costs required to keep roads functional, are budgeted to reach \$1.25 million, not including amortization (a non-cash expense). Therefore, road maintenance can be expected to average approximately \$466/year/km of roadway. When the County constructs new roads, this will affect operating costs. In 2023, road projects consist of road reconstruction rather than new roads, so no impact on operating costs is expected.

Bridge construction has primarily changed from concrete span bridges to large culvert installation which has had a positive impact on operations while increasing the service level to area farmers. The 2018 overland flooding event revealed that the new culvert installations were not as easily damaged by flooding events, and therefore incurred fewer maintenance and repair costs on the operational side.

In terms of equipment additions, the majority of the 2023 acquisitions are replacements of other pieces of equipment in accordance with the 20-year capital plan. Those that aren't simple replacements include the budgeting software in Administration, which are expected to incur some training costs. Those costs are fairly quantifiable and have been included in the budget where appropriate.

Vehicles are being added in 2023 which will bring additional fuel, maintenance, and insurance costs into operations. One example is the New Trucks and the New Command vehicle in Protective Services. While newer vehicles tend to be more fuel efficient and reliable, the increase to these costs from a new vehicle can still be estimated and has been included in the operating budget. Some of the replaced vehicles in Protective Services are being re-purposed to other fire departments; therefore, these operational costs will increase with additional vehicles within the fleet.





RESERVES & FUND BALANCES

Operating & Capital Reserves

The following is the projected changes in the operating and capital reserves:

RESTRICTED SURPLUS Budget 2023

	2023 Opening	Budgeted Council Reallocation	Operating		Capital	Projected 2023 Closing
			Transfer to Reserves	Transfer from Reserves	Transfer from Reserves	
Capital Restricted Surplus						
General Government	66,580	-	58,436	-	-	125,016
Protective Equipment	7,919,875	-	534,567	(10,000)	(566,611)	7,877,831
Transportation Equipment	1,356,500	-	466,222	-	-	1,822,722
Road Construction	2,196,971	-	488,259	-	(70,500)	2,614,730
Bridge Construction	5,028,410	-	659,183	(156,337)	-	5,531,256
Gravel Crushing	215,355	-	-	-	-	215,355
Mossleigh Water Treatment Plant - Recovery	(438,255)	-	16,538	-	-	(421,717)
Agriculture Services	98,006	-	73,778	-	(70,500)	101,284
Air Transportation	20,000	-	-	-	-	20,000
Capital Acquisition	12,596,801	-	926,803	-	(2,778,237)	10,745,367
Capital Contingency	970,682	-	-	-	-	970,682
Total Capital Restricted Surplus	30,030,925	-	3,223,786	(166,337)	(3,485,848)	29,602,526
Operating Restricted Surplus						
Assessment Appeal	5,506	-	-	-	-	5,506
Community Enhancement	14,841	-	-	-	-	14,841
General Government Service	319,195	-	-	(16,159)	-	303,036
Protective Services	1,419,840	-	4,308	(262,078)	-	1,162,070
Transportation Contingency	1,773,349	-	-	(176,450)	-	1,596,899
Road Construction	738,011	-	-	(70,248)	-	667,763
Road Maintenance	777,244	-	-	(101,403)	-	675,841
Gravel Crushing	4,157,695	-	279,240	(31,187)	-	4,405,748
Uncrushed Gravel Inventory	4,046,215	-	-	-	-	4,046,215
Bridges	51,107	-	-	-	-	51,107
Water Management	36,670	-	-	(5,805)	-	30,865
Environment Treatment	45	-	-	-	-	45
Vulcan Hospital Project - Debenture Recovery	(1,258,374)	-	124,346	-	-	(1,134,028)
Planning and Development	94,921	-	-	(2,643)	-	92,278
Agriculture Services	504,163	-	-	(74,035)	-	430,128
Recreation and Culture	743,402	-	111,865	(66,000)	-	789,267
Operating Contingency	3,181,529	-	434,522	(28,250)	(465,177)	3,122,624
Total Operating Restricted Surplus	16,605,359	-	954,281	(834,258)	(465,177)	16,260,205
Total Restricted Surplus	46,636,284	-	4,178,067	(1,000,595)	(3,951,025)	45,862,731

The changes in the reserve funds are a result of the net reserve transfers to and from the operating and capital fund accounts. There are also budgeted transfers between the reserve accounts projected to be reallocated during the year (the majority relates to use of the general capital acquisition reserve).



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



Operating Transfers to Reserves

The operating fund account provides \$4,178,067 towards the operating and capital reserves to be used for future use or specific purposes. These transfers to reserves include:

- A total of \$3,223,786 is transferred into capital reserves; including \$2.5 million to fund the 20-year capital funding program. The other transfers to capital reserves are allocations to specific reserves (i.e., fire and recreational area contribution) and other capital reserve recoveries.
- A total of \$954,281 is transferred into the operating reserves, including \$279,240 for the 2026-2027 gravel crushing program and a total of \$434,522 to the operating contingency reserve (to mitigate potential future write-offs of taxes and provide a contingency for reductions in the projected supplementary assessment and taxes).

Operating Transfers from Reserves

There is \$1,000,595 of reserves used for the operating fund. These transfers from reserves include:

- A total of \$156,337 is transferred from the capital reserves and put into the operating budget to support with the internal bridge construction and repair costs. Some of these costs may be transferred into the capital budget (for capital bridge replacements).
- A total of \$834,258 is transferred from the operating reserves and put into the operating budget to support with funding these operational programs. The County internally maintains targeted minimum and maximum levels to be held within these operating reserves; whereas, certain department-level operating reserves were noted to exceed their targeted maximum, therefore a total of \$693,670 was used from these reserves to bring their balances towards their specific targeted maximums. This is part of a multi-year utilization of excess operating reserves and the amount used will be scaled back in the later years so to avoid a significant operational funding change when the excess reserves are no longer available. Other transfers from reserves includes carry-forward funding from prior years to support projects that were delayed into the 2023 budget year.

Capital Transfers from Reserves

There is \$3,951,025 of reserves used for the capital fund. These transfers from reserves include:

- A total of \$2.367 million is transferred from the capital reserves to fund the completion of the Industrial Park including the storm-water reservoir, site development, and road infrastructure. The reserves will be replenished with the industrial park lot sales.
- A total of \$629,788 is transferred from the capital reserves to support with the replacement of 3 divisional graders (part of 20-year capital plan), which is also funded by MSI Capital Grants and sale proceeds of old equipment.
- A total of \$566,611 is transferred from the capital reserves to support with the replacement and upgrades within Protective Services, including replacement of firefighter bunker gear, upgrades to the fire training tower, and the replacement to vehicles/equipment.
- The remaining use of capital reserves are for the replacement of vehicles and IT Equipment, and some one-time purchases of a survey drone and water meters.



Overall, there is a net decrease in capital reserve balances of \$428,399 planned by the end of 2023. This reduction is due to several capital acquisitions are planned for the year (a total of \$8,230,879 worth of acquisitions) in which \$3,951,025 is funded by capital reserves and the remaining is funded by sale proceeds, operations, and by grant funding. These grants lessen the burden on County reserves and allow an increase in the overall balance. The changes in capital reserve balances is in line with the 20-year capital plan.

There is also an overall decrease of \$345,154 expected in operating reserve balances which mostly relates to the reserves used for operating funding (including use of some department-level operating reserves over expected threshold maximums) and project funding; whereas, these decreases are partially offset by additional reserves added into the operating contingency (to mitigate potential future write-offs of taxes and provide a contingency for reductions in the projected supplementary assessment and taxes).

Fund Balances

The 3 major types of funds are the Operating Fund, the Capital Fund and the Reserve Fund. The following are the projected fund balances based on the 2023 budgets:

ACCUMULATED SURPLUS (FUND BALANCES) 2023 BUDGET EFFECTS

	Unrestricted Surplus (Operating Funds)	Restricted Surplus (Reserve Funds)	Equity in Tangible Capital Assets (Capital Funds)	Total Funds
2023 Opening Balance	\$ 889,414	\$ 46,636,284	\$ 108,066,893	\$ 155,592,591
Operating Income (Deficit)	(335,524)		2,474,235	2,138,711
Transfer to/from Reserves	(3,177,472)	(773,553)	3,951,025	-
Amortization of TCA	4,818,615		(4,818,615)	-
Proceeds on Disposals	500,000		(500,000)	-
Transfer to/from Funds accounts	(1,805,619)		1,805,619	-
2023 Budget Effects	-	(773,553)	2,912,264	2,138,711
Projected 2023 Closing Balance	889,414	45,862,731	110,979,157	157,731,302

As shown above, there is no net effect on the Operating Funds as the County is operating on a balanced budget. The Reserve Funds have a net decrease of \$773,553 resulting from the net transfers to and from the operating and capital funds. There is an overall \$2,912,264 increase in the Capital Funds as the capital additions exceed the reduction of the capital through amortization.

Note: the net deficit from operations of \$335,524 (including amortization expense), plus the capital grants of \$2,474,235 results in a total increase in the accumulated surplus (total funds) of \$2,138,711 (Annual Surplus).

The 2023 budget effects are also shown in both the Budgeted Schedule of Change in Accumulated Surplus (Schedule 1) and the Budgeted Schedule of Tangible Capital Assets (Schedule 2), as presented in the approved Operating and Capital Budget. These schedules are included in the next section of this document.

DEBT & DEBT LIMITS



Long-term Debt

The County currently has two long-term debts: a debenture with Alberta Capital Finance Authority (ACFA), and historically had an obligation under capital lease of the Community Peace Officer's vehicle. The total debt and annual repayments are significantly less than the County's debt limits.

Debt/Debentures

2023 Budget Effects

	ACFA	Capital Lease	Total Debt
2023 Opening Debt Balances	1,252,044	0	1,252,044
Loan Payments	(164,405)	0	(164,405)
Interest Portion	30,445	0	30,445
Principle Portion	(133,960)	0	(133,960)
Projected 2023 Closing Debt	1,118,084	0	1,118,084

	Total Debt Limit	Debt Servicing Limit
Debt Limits (per 2022 F/S)	31,237,043	5,206,174
Total Debt	1,252,044	164,405
Amount of debt limit unused	29,984,999	5,041,769
% Used	4.0%	3.2%

The County's debt limits are legislated in Alberta Regulation 255/00. Per the regulation, the total debt limit (total maximum principle debt) is calculated at 1.5 times the municipal revenues and the debt servicing limit (total maximum annual debt payments) is calculated at 0.25 times the municipal revenues. As shown above, based on the debt limits calculated in the 2022 Audited Financial Statements, the County has only used a small portion of its maximum debt and debt servicing (4.0% of total available debt and 3.2% of annual debt servicing).

The debenture received from Alberta Capital Finance Authority (ACFA) was for the purpose of funding the County's share of the Vulcan Hospital Expansion Project. In March 2016, the County borrowed a total of \$2,046,224 over 15 years at a rate of 2.498% interest. These rates are locked in for the duration of the term. The County recuperates the loan payments through the general tax rate, with the principal portion being a recovery on the reserves that were used (creating a transfer to the reserve account).

The capital lease of the CPO vehicle was entered into during 2016. The terms of the lease required it to be classified as capital, with the County showing both the asset value and debt on its Statement of Financial Position. The lease payments effectively become loan payments on the obligation under the capital lease. lease was completed in 2021.



The



Effects of Debt on Operations

Other than the ACFA debenture, the County has no additional long-term debt. The overall annual debenture payments is \$164,405 per year (including principal and interest) which only relates to 0.847% of the operating expenses; therefore, the actual effects of the current levels of debt are considered minimal for the County operations.

Currently, with the utilization of the 20-year capital funding program, building of specific reserves for large operating projects and the use of long-term budgeting should assist the County in mitigating the requirements to take on additional debt. There is a total of \$2.5 million contributed each year into reserves for the 20-year capital plan which is the larger impact of the operating budget (compared to the impacts of debt)

Although it may not be the intention of the County to take on additional debt in the future, having borrowing ability is an option which could prove to be beneficial, should an unexpected event or opportunity present itself in the future. Depending on market conditions, borrowing could even make financial sense should interest rates on borrowing vs. cashing in investments for purchases shift.

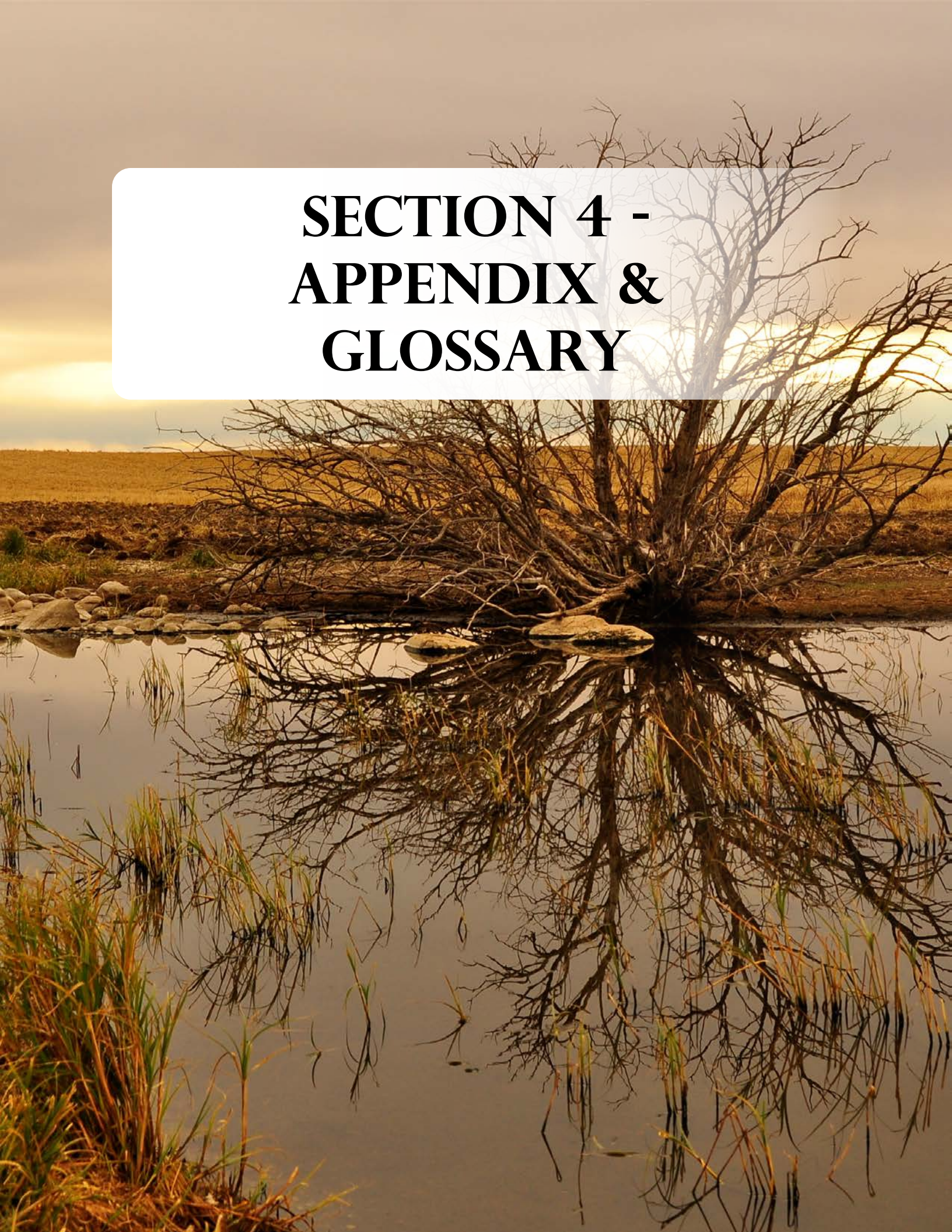
The following is the Alberta Capital Finance Authority (ACFA) repayment schedule:

Debentures - Alberta Capital Finance Authority (ACFA) Repayment/Maturity Schedule

Fiscal Year	Opening	Payment	Interest	Closing
2023	1,252,044	(164,405)	30,445	1,118,084
2024	1,118,084	(164,405)	27,077	980,757
2025	980,757	(164,405)	23,626	839,977
2026	839,977	(164,405)	20,087	695,659
2027	695,659	(164,405)	16,459	547,714
2028	547,714	(164,405)	12,741	396,050
2029	396,050	(164,405)	8,928	240,573
2030	240,573	(164,405)	5,020	81,188
2031	81,188	(82,202)	1,014	0

Under the Province of Alberta's Local Authorities Capital Financing Act, the Government of Alberta provides local authorities, including municipalities, with financing for capital projects. The "Loans to Local Authorities" program, which replaced the Alberta Capital Finance Authority (ACFA), is the Provincial program that issues these debentures and uses long-term fixed-rate loans for capital purposes. These debentures/loans can have a term ranging from 3-40 years, depending on the useful life of the capital asset. The fixed interest rates are posted on a regular basis and vary depending on the term. Any borrowing/debt requires a bylaw to be passed.

The County may also uses other financial institutions for taking either short-term or long-term debt; however, these types of loans typically have interest rates tied to the Bank's Prime which can fluctuate from year-to-year. Due to the nature of being an Alberta Municipality, the County does not issue bonds to raise funds for capital projects and therefore does not maintain a bond rating.

A landscape photograph of a dead tree in a wetland at sunset. The tree's intricate, bare branches are reflected in the calm water. The sky is a warm, golden-orange color, and the foreground shows some green and brown vegetation. A white rounded rectangle is overlaid on the upper part of the image, containing the section header text.

SECTION 4 - APPENDIX & GLOSSARY

Section 4 - APPENDIX & GLOSSARY

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APPENDIX 1 - 2023 APPROVED OPERATING AND CAPITAL BUDGET



VULCAN COUNTY

BUDGETED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2023

	FINAL Budget 2023
REVENUE	
Net municipal taxes (schedule 3)	\$ 15,555,033
Government transfers (schedule 4)	928,671
Return on investments	576,824
Sale of goods, services and user charges	1,354,750
Rental income	321,980
Community aggregate levy	140,110
Penalties and costs of taxes	194,000
Other revenues	7,500
TOTAL REVENUE	19,078,869
EXPENSES	
Legislative	506,709
Administration	2,328,823
Protection services	2,721,026
Transportation services	10,267,864
Environmental use and protection	1,137,314
Family and community support	233,282
Community planning and development	625,746
Agricultural services	830,467
Tourism and economic development	35,027
Parks and recreation	695,682
Other	32,453
TOTAL EXPENSES	19,414,393
OPERATING SURPLUS - BEFORE OTHER	(335,524)
OTHER	
Contributed tangible capital assets	
Government transfers for capital (schedule 4)	2,474,235
ANNUAL SURPLUS	\$ 2,138,711

Statement of Operations

The Statement of Operations highlights the revenues and expenses of the County. This statement is mainly used to evaluate County operations and capital revenues for the County. The budget report also includes a number of schedules that provide additional details on operating revenues/expenses, capital funding/acquisitions, and changes in fund balances.

VULCAN COUNTY

BUDGETED SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2023

	SCHEDULE 1			
	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	FINAL Budget 2023
Annual Surplus	\$ 2,138,711	-	-	\$ 2,138,711
Unrestricted funds designated for future use	(4,178,067)	4,178,067	-	-
Restricted funds used for operations	1,000,595	(1,000,595)	-	-
Restricted funds used for tangible capital assets	-	(3,951,025)	3,951,025	-
Current year funds used for tangible capital assets	(4,279,854)	-	4,279,854	-
Contributed tangible capital assets	-	-	-	-
Disposal of tangible capital assets	500,000	-	(500,000)	-
Annual amortization expense	4,818,615	-	(4,818,615)	-
Long term capital debt repaid	-	-	-	-
Increase (decrease) in accumulated surplus	\$ -	(773,553)	2,912,264	\$ 2,138,711

Schedule 1 - Schedule of Changes in Accumulated Surplus

Provides details on the changes in the components of Accumulated Surplus, including the transfers to and from each of these components (i.e. transfers from unrestricted to a restricted reserve) and the overall changes in the Accumulated Surplus.



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



VULCAN COUNTY

**BUDGETED SCHEDULE OF TANGIBLE CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 2023**

	Land	Land Improvements	Buildings	Equipment	Vehicles	Engineered Structures	FINAL Budget 2023
COST:							
Acquisition of tangible capital assets	\$ -	-	254,557	2,434,400	282,500	5,259,422	\$ 8,230,879
New construction-in-progress	-	-	-	-	-	-	-
Disposition of tangible capital assets	-	-	-	(500,000)	-	-	(500,000)
TOTAL	-	-	254,557	1,934,400	282,500	5,259,422	7,730,879
ACCUMULATED AMORTIZATION:							
Annual amortization	\$ -	56,338	281,623	1,697,035	462,590	2,321,029	\$ 4,818,615
Accumulated amortization on disposal	-	-	-	-	-	-	-
TOTAL	-	56,338	281,623	1,697,035	462,590	2,321,029	4,818,615
NET INCREASE (DECREASE) TO TANGIBLE CAPITAL ASSETS	\$ -	(56,338)	(27,066)	237,365	(180,090)	2,938,393	\$ 2,912,264

Schedule 2 - Schedule of Tangible Capital Assets

Provides details on the Tangible Capital Assets (TCA) including the historical costs, acquisition/construction of TCA, and the amount of amortization accumulated on the TCA. These details are provided for each of the major types of TCA (i.e., land, land improvements, buildings, equipment, vehicles, and engineered structures).



VULCAN COUNTY

BUDGETED SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2023

SCHEDULE 3

FINAL Budget 2023

TAXATION

Real property taxes	\$ 7,626,467
Linear taxes	9,067,845
Commercial taxes	1,610,501
Government grants in lieu of taxes	21,507
Special levy	1,365,200
Well drilling tax	156
	<hr/>
	19,691,676

REQUISITIONS

School requisitions	3,299,142
Seniors foundation	541,275
RCMP policing requisition	241,049
Provincial DIP assessment requisition	55,177
	<hr/>
	4,136,643

NET MUNICIPAL TAXES

\$ 15,555,033

Schedule 3 - Schedule of Property and Other Taxes

Provides the details of the Net Municipal Taxes, including the details within the taxation revenues (i.e., real property taxes, linear taxes, special tax levies, etc.) and within the funding requisitions required by the County (i.e., school requisitions, senior requisitions, etc.).



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



VULCAN COUNTY

BUDGETED SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2023

SCHEDULE 4

FINAL Budget 2023

TRANSFERS FOR OPERATING

Local government transfers	\$ 177,705
Provincial government transfers	501,561
Federal government transfers	249,405
	<u>928,671</u>

TRANSFERS FOR CAPITAL

Provincial government transfers	2,474,235
Federal government transfers	-
	<u>2,474,235</u>

TOTAL GOVERNMENT TRANSFERS

\$ 3,402,906

Schedule 4 - Schedule of Government Transfers

Provides the additional details on the government funding transfers recognized for operating and capital purposes. This includes information on the types of government support (local, provincial, and federal government).

VULCAN COUNTY

BUDGETED SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2023

SCHEDULE 5

FINAL Budget 2023

EXPENSES BY OBJECT

Salaries, wages and benefits	\$ 8,226,494
Contracted and general services	3,094,795
Materials, goods and utilities	3,240,880
Transfers to local boards and agencies	2,015,092
Interest and bank charges	45,142
Amortization of tangible capital assets	4,818,615
Machine expenses capitalized for construction	(2,066,788)
Other expenses	<u>40,163</u>

\$ 19,414,393

Schedule 5 - Schedule of Expenses by Object

Provides details on the operating expenses by the type/object of the expenses. This reconciles to the Statement of Operations, which reports the expenses based on the department/activity. These types/objects include salaries/benefits, contracted services, materials/supplies, amortization, and other types of expenses.

VULCAN COUNTY

BUDGETED SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2023

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	FINAL Budget 2023 Total
REVENUE								
Net municipal taxes	\$ 13,241,595	918,029	-	-	-	430,633	964,776	\$ 15,555,033
Government transfers (operating)	29,425	288,984	249,405	123,907	-	236,950	-	928,671
Return on investments	576,824	-	-	-	-	-	-	576,824
Sale of goods, services and user charges	388,200	127,736	508,778	234,175	89,965	-	5,896	1,354,750
Rental income	7,100	306,880	-	8,000	-	-	-	321,980
Community aggregate levy	-	-	140,110	-	-	-	-	140,110
Penalties and costs of taxes	194,000	-	-	-	-	-	-	194,000
Other revenues	7,500	-	-	-	-	-	-	7,500
	14,444,644	1,641,629	898,293	366,082	89,965	667,583	970,672	19,078,869
EXPENSES								
Salaries, wages and benefits	\$ 1,505,004	949,244	4,907,469	411,527	410,856	19,343	23,050	\$ 8,226,494
Contracted and general services	763,817	647,822	1,104,096	96,439	211,915	182,214	88,492	3,094,795
Materials, goods and utilities	343,703	383,733	2,288,312	207,489	2,975	7,030	7,638	3,240,880
Transfers to local boards and agencies	88,896	177,869	8,000	24,372	-	724,925	991,030	2,015,092
Interest and bank charges	14,697	-	-	-	-	30,445	-	45,142
Amortization of tangible capital assets	111,923	562,263	4,026,775	90,640	-	-	27,014	4,818,615
Machine expenses capitalized for construction	-	-	(2,066,788)	-	-	-	-	(2,066,788)
Other expenses	39,945	94	-	-	-	34	90	40,163
	2,867,985	2,721,026	10,267,864	830,467	625,746	963,991	1,137,314	19,414,393
OPERATING SURPLUS - BEFORE OTHER	\$ 11,576,659	(1,079,396)	(9,369,571)	(464,385)	(535,781)	(296,408)	(166,641)	\$ (335,524)
OTHER								
Contributed tangible capital assets	-	-	-	-	-	-	-	-
Government transfers (capital)	-	-	2,474,235	-	-	-	-	2,474,235
ANNUAL SURPLUS	\$ 11,576,659	(1,079,396)	(6,895,336)	(464,385)	(535,781)	(296,408)	(166,641)	\$ 2,138,711

Schedule 6 - Schedule of Segmented Disclosure

Provides the details of the current year's revenues and expenses for each of the County's major segments including: General Government, Protective Services, Transportation Services, Agricultural Services, Planning and Development Services, Community Services, and Utility Services.



APPENDIX 2 - STRATEGIC PRIORITIES & KEY SUCCESS MEASURES



Key Success Measures

Stakeholder Satisfaction

- Reduced complaints
- Timely response times to complaints and requests for service
- Healthy relationships with neighbouring municipalities, communities, and our citizens
- Improved external communications

Council Satisfaction

- Effective communications with CAO
- Policy development, implementation & evaluation
- Public consultation

Employee Satisfaction

- Low levels of absenteeism
- High levels of staff retention
- Elevated performance
- Improved internal communications
- Professional growth

Sustainability

- New and existing municipal services and infrastructure are maintainable and provide benefits for the future
- Negative impacts from external stakeholder projects are reviewed and mitigated to the best of our ability

Process and Systems Improvements

- Approval and acceptance of innovative ideas and approaches
- Investment in innovative technologies
- Updated regulatory documents and processes

Financial Viability

- Diversification and strengthening of the assessment base
- Reasonable taxation and fee levels
- Prudent reserve levels
- High quality and well-maintained infrastructure
- Successfully working within budget

Strategic Priorities #1 Economic Resiliency

Vulcan County is still and will continue to be open for business. We will strive to provide an atmosphere to foster economic growth and development so long as the development will be a positive contribution to the financial and/or social wellbeing of the County. We will actively pursue opportunities to diversify our assessment base to support the services we provide to our residents. To realize this goal, Vulcan County Council has committed to:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Provide County staff with the resources and training to develop programs and initiatives conducive to economic growth.	CAO & Department Heads	2022-2026	New	<ul style="list-style-type: none"> ✓ Council Satisfaction ✓ Sustainability ✓ Employee Satisfaction
Rewrite of the Vulcan County Municipal Development Plan, to ensure good planning process and consistency with other statutory documents and legislative requirements.	Development Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Rewrite the Wyndham Carseland Area Structure Plan	Development Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Rewrite the Mossleigh Area Structure Plan	Development Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Complete and promote the Vulcan County Industrial Park build and explore other opportunities for similar developments.	Engineering & Operations Development CAO	2018-2022	Ongoing with revisions	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction ✓ Financial Viability
Continue to encourage businesses to register in the Vulcan County business directory. Create and maintain an online business directory.	Development Services	2018-2022 with revisions	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements ✓ Financial Viability
Develop online education page for development permit applications to assist applicants and free up staffing resources. Ensure proper development policies are approved and are accessible to the public (re: MGA) (i.e., Municipal Reserve & Environmental policy, Subdivision Endorsement Policy, Compliance Letter Policy, Private Sewage Disposal Policy)	Development Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Standardized requirements of what is considered a complete development application.	Development Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Continue to explore Marina Development on MacGregor Reservoir.	Engineering and Infrastructure Council	NEW Not officially in last plan.	Ongoing with revisions	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction
Procure additional water licencing through water allocation transfers to support economic growth.	CAO & Engineering	2022-2026	New	<ul style="list-style-type: none"> ✓ Sustainability ✓ Financial Viability

Strategic Priorities #2 Continued

Collaboration with Regional Partners

Vulcan County is committed to seeking opportunities that enhance the relationships and are of mutual benefit with our rural and urban neighbors, and other area stakeholders. We recognise that we cannot action all our objectives alone. To realize these goals Vulcan County has begun undertaking the following measures:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Review of Intermunicipal Development Plans and Intermunicipal Collaborative Frameworks with municipal neighbours.	CAO Development Services	2022-2026	New	✓ Stakeholder Satisfaction
Reinstitute annual meetings with the Bow River Irrigation District to review capital projects and maintenance priorities to determine if there are cost saving opportunities through partnerships.	CAO Agriculture Services	2018-2022	Initiated	✓ Stakeholder Satisfaction
Review and establish cost sharing formulas for funding that are equitable to all parties.	CAO Corporate Services	2018-2022	Ongoing with revisions	✓ Stakeholder Satisfaction ✓ Financial Viability
Institute annual meetings with the Siksika Nation to investigate opportunities for partnerships.	CAO Legislative Services	2018-2022	Initiated	✓ Stakeholder Satisfaction
Explore opportunities and options with the Vulcan District Waste Commission which will allow for cost savings and stable requisitions.	CAO Operations	2022-2026	New	✓ Stakeholder Satisfaction ✓ Sustainability ✓ Financial Viability
Build Upon community relationships and have more of a non-emergency presence at events.	Protective Services	2022-2026	New	✓ Stakeholder Satisfaction ✓ Council Satisfaction ✓ Employee Satisfaction
In collaboration with Siksika Nation, Arrowwood and Wheatland County, continue to pressure for bridge improvements on HWY's 547 & 842.	Council CAO	2018-2022	Initiated	✓ Stakeholder Satisfaction ✓ Sustainability ✓ Financial Viability
Seek joint development areas with urban neighbors.	CAO Engineering and Infrastructure Development Services	2022-2026	New	✓ Council Satisfaction ✓ Sustainability ✓ Stakeholder Satisfaction ✓ Financial Viability

Strategic Priorities #3 Continued Investment into Infrastructure and Required Equipment

As a County, the majority of municipal activities typically relate to road and bridge infrastructure. Transportation Services represents approximately 43% of Vulcan County expenditures. Through the continued development and maintenance of municipal infrastructure, Vulcan County will be able to support agricultural, residential, and industrial growth. To achieve these goals Vulcan County will continue to:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Continued refinement and review of the 5 and 20 year capital plans for equipment and infrastructure construction and replacement.	Department Heads Corporate Services	2014-2017	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Sustainability ✓ Financial Viability
Review and approval of a 4-year road and bridge construction program that recognizes efficiencies in engineering, construction, and project tendering.	Engineering & Infrastructure Operations	2014-2017	Ongoing	<ul style="list-style-type: none"> ✓ Sustainability ✓ Financial Viability
Continued capital equipment replacement based on life cycle asset management that ensures a balance between maintenance costs and down time and allows for a good overall service level.	Department Heads Corporate Services	2014-2017	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Financial Viability
As capital equipment is replaced, considerations shall be given to future projects which may require larger equipment to undertake these projects. (i.e., bridge projects)	Operations	2022-2026	New	<ul style="list-style-type: none"> ✓ Sustainability ✓ Financial Viability
Further investigate potential new aggregate sources within the County to secure surfacing gravel requirements. A strategically located aggregate supply will reduce transportation cost associated with the gravelling program.	Engineering and Infrastructure	2018-2022	Initiated	<ul style="list-style-type: none"> ✓ Sustainability
Create interactive mapping which provides information and grading and graveling programs.	Corporate Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction
Undertake cost analysis for replacement of County building infrastructure.	Corporate Services CAO Engineering and Infrastructure	2022-2026	New	<ul style="list-style-type: none"> ✓ Sustainability ✓ Employee Satisfaction ✓ Financial Viability
Lobby the Provincial Government for increased infrastructure funding.	Council CAO	2022-2026	New	<ul style="list-style-type: none"> ✓ Sustainability ✓ Financial Viability
Provide some minimal maintenance on undeveloped road allowances in support of farming operations based on budget availability and staff capacity.	Operations	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction

Strategic Priorities # 4 Responsible and Transparent Leadership and Governance

Vulcan County will continue to endeavor to be a municipality which operates in a transparent and responsible manner, with long term sustainability being a guiding factor. Key objectives to advance this priority are:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Provide levels of service that balance ratepayer needs with organizational capacity.	CAO Department Heads	2018-2022	Ongoing	✓ Stakeholder Satisfaction ✓ Council Satisfaction
Build community confidence through responsible governance for long term sustainability.	CAO Department Heads	2014-2017	Ongoing	✓ Stakeholder Satisfaction
Continue to promote excellence through the production and submission of Annual Budget Reports and Annual Financial Reports to the Government Finance Officers Association Canadian Award for Financial and Budget Reporting.	Corporate Services	2018-2022	Ongoing	✓ Stakeholder Satisfaction ✓ Council Satisfaction ✓ Financial Viability
Improve public communications through our website, social media accounts, and print media. Review our meeting access options such as livestream and recorded options.	Legislative Services Department Heads	2018-2022	Ongoing with revisions	✓ Stakeholder Satisfaction ✓ Council Satisfaction
Continued review of taxation rates as to remain competitive with our rural neighbours and explore tax guideline options.	Corporate Services	2018-2022	Ongoing	✓ Stakeholder Satisfaction ✓ Financial Viability
Maintain our COR (Certificate of Recognition) certification which was achieved in 2020.	Department Heads	2022-2026	New	✓ Employee Satisfaction ✓ Process and System Improvements
Modernize the County website, allowing for easier navigation, updated content and a fresh look.	Corporate Services	2022-2026	New	✓ Stakeholder Satisfaction ✓ Process and System Improvements
Develop Environmental and Municipal Reserve Policy	Development Services	2022-2026	New	✓ Stakeholder Satisfaction ✓ Process and System Improvements
Improved communication from Council regarding the ongoings of committees and boards on which they are appointed to.	Legislative Services	2022-2026	Reinstituted	✓ Stakeholder Satisfaction

Strategic Priorities # 5 Continued Support of Our Agricultural Industry

As a County, we recognize that our main industry within our borders is Agriculture. As such, Vulcan County is committed to supporting this industry not only through well maintained infrastructure, but programs and services through our Agricultural Service Board. Over the next four years, the following initiatives will be undertaken:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Vulcan County will continue to have an active an engaged Agricultural Service Board that reviews and investigates new programming and services which are of benefit to our Agricultural Industry.	Ag Services	2018-2022	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Sustainability
Marginal Land Recovery Grant This program will help landowners with seeding marginal lands to grass and forages.	Rural Conservation Technician	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Investigate and purchase specialized agricultural equipment for our ratepayers that would not be available for rent or feasible to purchase.	Ag Services		Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction
Work with Alberta Agriculture to assist them with the annual field scouting and inspection of various crop disease and insects.	Ag Services		Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction
Work with companies wishing to bring business to Vulcan County to ensure their projects are a long-term benefit and that they have protocols in place to protect the land, with clear expectations of what is required.	Ag Services Development Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction ✓ Process and System Improvements
Continue to enforce the Weed Act of Alberta, Soil Conservation Act, and the Agricultural Pests Act, while increasing weed control measures and awareness throughout Vulcan County.	Ag Services	2018-2022	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction
Develop and maintain a digital weed database for Vulcan County.	Ag Services GIS	2018-2022	Initiated	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction

Strategic Priorities # 6 Safe Communities

As a rural community, Vulcan County can be faced with emergencies that rely on both volunteer and professional resources. Protection of our community is accomplished by six fire departments (Northwest, Milo, Lomond, Carmangay, Champion and Vulcan Fire), four RCMP detachments (Vulcan, Vauxhall, High River, and Strathmore), and the Vulcan County Community Peace Officer Program. To continue to provide protected communities, Vulcan County will undertake the following objectives:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Continue with education as a primary value in regard to enforcement.	Protective Services	2018-2022	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction
Training and exercises through the Vulcan County Regional Emergency Response Partnership.	CAO – RDEM Protective Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction
Engage RCMP on comprehensive policing and crime prevention strategy for the County.	Protective Services Council	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction
Continue to pressure the Province for better rural ambulance servicing in our region.	Council CAO Protective Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Employee Satisfaction ✓ Sustainability ✓ Process and System Improvements
Continue to be fully compliant with the NFPA standards to operate at the service levels identified in the Bylaw.	Protective Services	2014-2017	Ongoing	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Employee Satisfaction ✓ Sustainability ✓ Process and System Improvements
Explore Firefighter recruitment incentives to ensure sufficient staffing at all fire halls.	Protective Services CAO	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Employee Satisfaction ✓ Sustainability
Increase the delivery of prevention, and preparedness amongst our aging population.	Protective Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Build out the investigation program by purchasing equipment that will speed up the process and provide for in-depth reports. The camera's that the realtors use to give 360-degree views or walk-through pictures, drones for aerial assessment.	Protective Services	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Process and System Improvements
Develop Council awareness of the Incident Command System, as well as Council awareness of obligations regarding emergency management in legislation.	CAO RDEM Council	2022-2026	New	<ul style="list-style-type: none"> ✓ Stakeholder Satisfaction ✓ Council Satisfaction

Strategic Priorities #7 Attract, Engage, and Retain New and Existing Employees

As work forces age, and transitions occur, it is important for Vulcan County to be positioned as an employer of choice. To ensure there is staff talent and capacity to provide the services the municipality is accustomed too, Vulcan County will undertake the following objectives to recruit and retain staff:

Key Action Item	Lead Role	Initiated	Status	Key Measures
Provide appropriate cross-training opportunities which will benefit staffing capacity and succession planning.	CAO Department Heads	2022-2026	New	<ul style="list-style-type: none"> ✓ Employee Satisfaction ✓ Sustainability ✓ Process and System Improvements
Enhance the performance review tools for supervisors.	CAO	2022-2026	New	<ul style="list-style-type: none"> ✓ Employee Satisfaction ✓ Process and System Improvements
Undertake compensation reviews to ensure Vulcan County is competitive within the market.	CAO Third Party	2018-2022	Ongoing	<ul style="list-style-type: none"> ✓ Employee Satisfaction ✓ Sustainability ✓ Council Satisfaction
Ensure adequate staffing to provide appropriate levels of service	CAO Department Heads Council	2022-2026	New	<ul style="list-style-type: none"> ✓ Employee Satisfaction ✓ Sustainability ✓ Council Satisfaction

APPENDIX 3 - INFOGRAPHICS & CHARTS

2023 Tax Rates & Assessment Information

2023 Tax Rates & Assessment Information

The following infographic is used to show the effects on 2023 Tax Levies and the related Market Assessment.

For more information on Budget and Tax information, please visit the County's Website: www.vulcancounty.ab.ca > [Departments](#) > [Corporate Services](#)

Strategic Planning Advancing Success (2022-2026)



Key Success Measures:
Financial Viability



- > Diversification and strengthening of the assessment base.
- > Reasonable taxation and fee levels

Large-Scale Linear Projects

Recent large-scale linear projects, such as the Travers Solar Project, adds a significant diversification and growth to the County.



Tax Analysis

Within the Strategic Planning development and in Budget 2023, Council and Administration reviewed many scenarios and analysis to prepare for the 2023 Tax Rates.



2023 Budget



Although there were many challenges with Budget 2023, including inflationary costs that have a large impact on the County, the County was able to minimize these costs as much as possible and able to utilize assessment growth to strategically achieve tax rate reductions for 2023. Some of the major aspects include:

1) Use of Supplementary Tax

This allows the County to receive tax revenues on projects being completed during the year (i.e., Travers Solar).

2) Not spending extra

With additional assessment and tax revenues, the County did not spend on extra programming or costs.

2023 Tax Rates

The determination of the 2023 Tax Rates was done as a result of the Strategic Planning and what was fiscally able to be done through Budget 2023. These include:

↓ **40.0%**

Reduction to the **General Municipal Residential Tax Rate**
(Results in average **24.56%** tax savings)

↓ **5.5%**

Reduction to the **General Municipal Non-Residential Tax Rate**
(Results in average **6.10%** tax savings)

There are also various fluctuations in other tax rates, including special tax levies and requisitions tax levies. See the following page for more details.



See the back page for more information on tax rates, assessment, and tax effects.





2023 Residential Tax Rates

	Carmangay and District	Champion and District	Lomond and District	Milo and District	Vulcan and District	Northwest District	Average (Weighted)
Residential Rates:							
General Municipal Tax Rates	0.0032196	0.0032196	0.0032196	0.0032196	0.0032196	0.0032196	0.0032196
Waste Commission Tax Rates	0.0005887	0.0005887	0.0005887	0.0005887	0.0005887	0.0005887	0.0005887
Fire Protection Area Tax Rates	0.0010187	0.0013238	0.0004736	0.0011777	0.0003215	0.0007992	0.0007053
Recreation Area Tax Rates	0.0005031	0.0005994	0.0000571	0.0006015	0.0004569	0.0002340	0.0003573
Total Municipal	0.0053301	0.0057315	0.0043390	0.0055875	0.0045867	0.0048415	0.0048709
Overall Change from Prior Year	-28.22%	-25.91%	-33.56%	-28.66%	-33.65%	-30.04%	-31.09%
Education Requisition Rate	0.0023470	0.0023470	0.0023470	0.0023470	0.0023470	0.0023470	0.0023470
Senior Foundation Requisition Rate	0.0003360	0.0003360	0.0003360	0.0003360	0.0003360	0.0003360	0.0003360
RCMP Requisition Rate	0.0001497	0.0001497	0.0001497	0.0001497	0.0001497	0.0001497	0.0001497
Total Requisitions	0.0028327	0.0028327	0.0028327	0.0028327	0.0028327	0.0028327	0.0028327
Overall Change from Prior Year	-9.89%	-9.89%	-9.89%	-9.89%	-9.89%	-9.89%	-9.89%
Total Tax and Requisition Rates	0.0081628	0.0085642	0.0071717	0.0084202	0.0074194	0.0076742	0.0077036
Overall Change from Prior Year	-22.77%	-21.28%	-25.87%	-23.28%	-26.22%	-23.75%	-24.56%

* There are different special tax rates for Fire Protection and Recreation in each district. An average is used for an overall review and analysis.

↓ **40.0%**

General Municipal Residential Tax Rate decreased:

2022 - 0.0053660
2023 - 0.0032196

Although there is a 40% reduction in the General Municipal Rate, there are other rate impacts that will determine the overall property taxes.

Overall, the vast majority of residential properties will see a decrease in total taxes.

- As shown in the purple font, if there was no increases in assessment, you would be able to realize an average tax savings of 24.56% on total taxes.
- The average market assessment was a 10.06% increase for 2023, resulting in an **average tax savings of 16.97%** on total taxes.
- Over 70% of tax rolls will see market assessment changes ranging from 3.49% to 16.62% increase; whereas at the top of this range, there is an **average tax savings of 12.02%** on total taxes.
- Over 96% of tax rolls will see market assessment changes ranging from a 3.07% decrease to 23.19% increase; whereas at the top of this range, there is an **average tax savings of 3.81%** on total taxes.



Increase in assessment (market increases) results in a decrease in tax savings on rates.

2023 Non-Residential Tax Rates

	Carmangay and District	Champion and District	Lomond and District	Milo and District	Vulcan and District	Northwest District	Average (Weighted)
Non-Residential Rates:							
General Municipal Tax Rates	0.0088962	0.0088962	0.0088962	0.0088962	0.0088962	0.0088962	0.0088962
Waste Commission Tax Rates	0.0005887	0.0005887	0.0005887	0.0005887	0.0005887	0.0005887	0.0005887
Fire Protection Area Tax Rates	0.0010187	0.0013238	0.0004736	0.0011777	0.0003215	0.0007992	0.0007053
Recreation Area Tax Rates	0.0005031	0.0005994	0.0000571	0.0006015	0.0004569	0.0002340	0.0003573
Total Municipal	0.0110067	0.0114081	0.0100156	0.0112641	0.0102633	0.0105181	0.0105475
Overall Change from Prior Year	-4.07%	-3.18%	-5.33%	-5.18%	-6.36%	-4.11%	-5.12%
Education Requisition Rate	0.0035283	0.0035283	0.0035283	0.0035283	0.0035283	0.0035283	0.0035283
Senior Foundation Requisition Rate	0.0003360	0.0003360	0.0003360	0.0003360	0.0003360	0.0003360	0.0003360
RCMP Requisition Rate	0.0001497	0.0001497	0.0001497	0.0001497	0.0001497	0.0001497	0.0001497
DIP Requisition Rate	0.0000746	0.0000746	0.0000746	0.0000746	0.0000746	0.0000746	0.0000746
Total Requisitions	0.0040886	0.0040886	0.0040886	0.0040886	0.0040886	0.0040886	0.0040886
Overall Change from Prior Year	-8.54%	-8.54%	-8.54%	-8.54%	-8.54%	-8.54%	-8.54%
Total Tax and Requisition Rates	0.0150953	0.0154967	0.0141042	0.0153527	0.0143519	0.0146067	0.0146361
Overall Change from Prior Year	-5.32%	-4.66%	-6.28%	-6.10%	-6.99%	-5.39%	-6.10%

* DIP Requisition = Designated Industrial Properties (DIP) requisition for related DIP assessment.

↓ **5.5%**

General Municipal Non-Residential Tax Rate decreased:

2022 - 0.0094140
2023 - 0.0088962

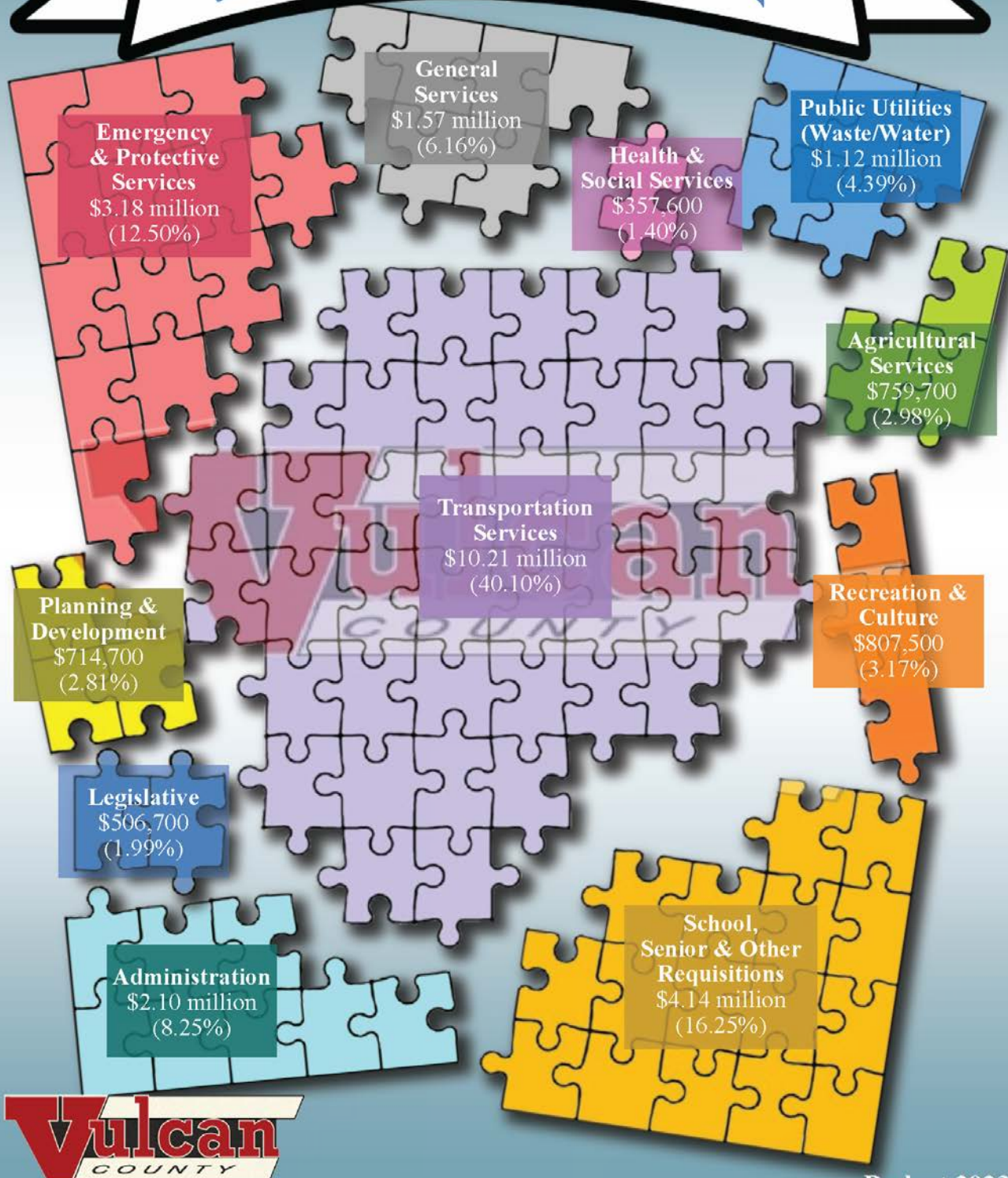
Although there is a 5.5% reduction in the General Municipal Rate, there are other rate impacts that will determine the overall property taxes.



2023 Infographic - The Pieces of the County's Budget



The Pieces of the County's Budget



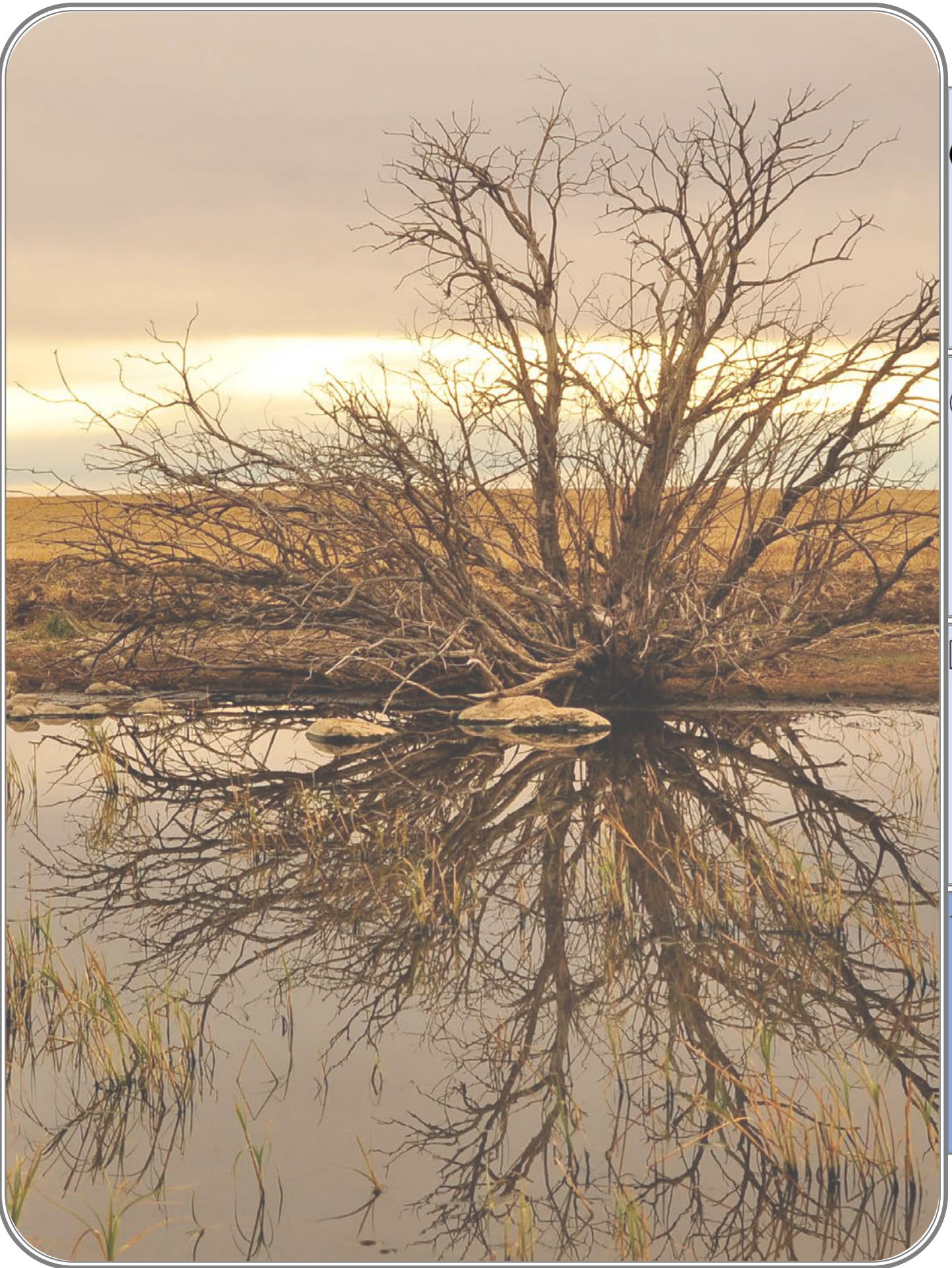
Budget 2023

Introductory

Operating Budget

Capital & Reserves

Appendix & Glossary



Introductory



Operating Budget



Capital & Reserves



Appendix & Glossary



APPENDIX 4 - STATISTICS AND RATIOS

Demographics and Other Factors

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
POPULATION	3,984	3,984	4,237	4,237	N/A
NUMBER OF DWELLING UNITS	2,218	2,249	2,286	2,313	N/A
AREA OF MUNICIPALITY IN HECTARES	554,574	554,574	554,574	554,574	554,574
NUMBER OF HAMLETS	8	8	8	8	8
ROAD MAINTAINED (Km)	2,672	2,672	2,670	2,670	2,670
WATER PIPELINE (Km)	455	455	455	456	456
DEVELOPMENT PERMITS	45	57	132	77	N/A
SUBDIVISIONS APPLICATIONS	11	8	13	20	N/A
FULL TIME STAFF	49	49	49	50	N/A

OTHER VULCAN COUNTY STATISTICS:

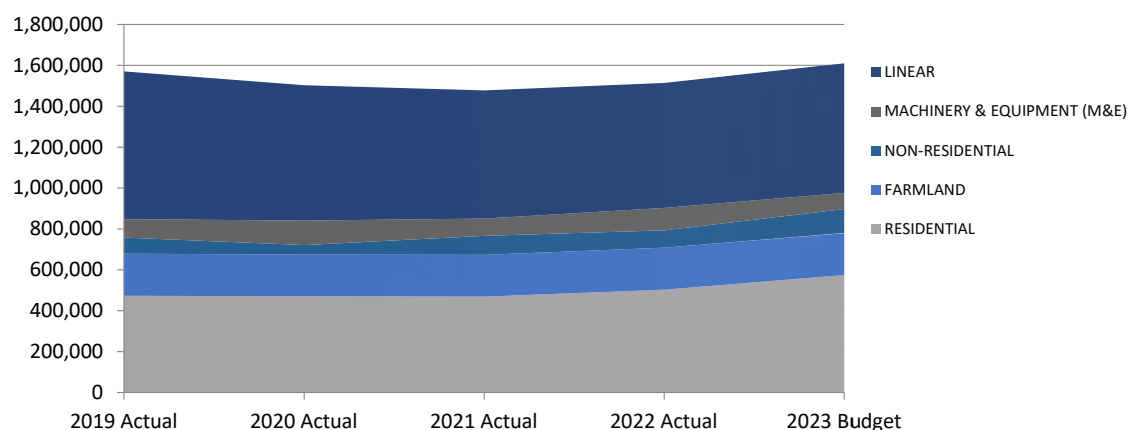
Source: <https://regionaldashboard.alberta.ca/region/vulcan-county/>

EMPLOYMENT RATE	64.9%	64.9%	67.0%	67.0%	N/A
UNEMPLOYMENT RATE - OVERALL	4.0%	4.0%	5.0%	5.0%	N/A
UNEMPLOYMENT RATE - FEMALE	4.9%	4.9%	6.0%	6.0%	N/A
UNEMPLOYMENT RATE - MALE	3.2%	3.2%	4.0%	4.0%	N/A

Property Assessment (in thousands)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
RESIDENTIAL	473,806	469,990	468,930	503,479	574,715
FARMLAND	204,893	204,924	204,911	205,149	205,106
NON-RESIDENTIAL	78,916	46,161	92,825	84,272	117,619
MACHINERY & EQUIPMENT (M&E)	89,905	120,002	84,490	110,538	78,621
LINEAR	723,770	662,745	626,613	611,164	634,671

TOTAL ASSESSMENT	1,571,290	1,503,822	1,477,769	1,514,602	1,610,732
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Tax Rates (expressed in mills)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
MUNICIPAL					
Residential	5.2100	5.3660	5.3660	5.3660	3.2196
Farmland	10.5075	10.8230	10.8230	10.8230	10.8230
Non-Residential, M&E, and Linear	9.1400	9.4140	9.4140	9.4140	8.8962
WASTE COMMISSION	0.4334	0.4690	0.5197	0.5599	0.5887
EDUCATION REQUISITION					
Residential and Farmland	2.6079	2.5500	2.6137	2.6500	2.3470
Non-Residential and Linear	3.8532	3.7500	4.0890	3.9000	3.5283
SENIOR FOUNDATION REQUISITION	0.2556	0.2682	0.3399	0.3304	0.3360
OTHER REQUISITION					
Royal Canadian Mounted Police	N/A	0.0822	0.1256	0.1633	0.1497
Designated Industrial Properties	0.0786	0.0760	0.0766	0.0766	0.0746
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	1.8324	1.4430	0.7673	0.9142	1.0187
Champion and District	1.4412	1.1067	0.8920	1.1036	1.3238
Lomond and District	0.6102	0.6864	0.4328	0.5241	0.4736
Milo and District	0.6454	1.2271	1.1928	1.2897	1.1777
Vulcan and District	0.1872	0.2896	0.2665	0.3299	0.3215
Northwest	0.8748	0.6261	0.8495	0.7425	0.7992
Linear	0.3618	0.3618	0.3618	0.3618	0.3618
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.6230	0.8548	0.6411	0.5859	0.5031
Champion and District	0.5261	0.5490	0.6420	0.7059	0.5994
Lomond and District	0.4521	0.3172	0.1623	0.0810	0.0571
Milo and District	0.7625	0.7724	0.6345	0.6163	0.6015
Vulcan and District	0.8070	0.7233	0.6580	0.6571	0.4569
Northwest	0.2814	0.2209	0.2835	0.2522	0.2340
Linear	0.1388	0.1388	0.1388	0.1388	0.1388

Total Tax Collections

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
Net Municipal Taxes	15,720,229	15,373,853	14,189,795	15,079,227	15,555,033
School Requisitions	2,401,454	2,614,518	3,404,742	3,054,596	3,299,142
Seniors Requisitions	401,515	402,387	502,326	500,406	541,275
Other Requisitions	66,063	59,007	178,708	229,112	296,226
TOTAL TAX COLLECTIONS	18,589,261	18,449,765	18,275,571	18,863,341	19,691,676



Assets, Liabilities & Surplus

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	1,462,178	3,475,225	913,671	763,379	N/A
Total Tax Levies	18,589,261	18,449,765	18,275,571	18,863,341	N/A
Tax Receivable as % of Taxes	7.9%	18.8%	5.0%	4.0%	N/A
Financial Assets	35,188,822	37,719,297	42,083,056	42,541,150	N/A
Financial Liabilities	(8,138,857)	(5,003,095)	(7,965,347)	(4,546,967)	N/A
NET FINANCIAL ASSETS	27,049,965	32,716,202	34,117,709	37,994,183	N/A
Tangible Capital Assets	108,371,002	107,985,733	107,104,734	108,066,893	N/A
Inventory Held for Consumption	7,729,636	7,253,675	7,847,867	9,103,226	N/A
Prepaid Expenses	262,965	262,666	236,861	428,289	N/A
ACCUMULATED SURPLUS	143,413,568	148,218,276	149,307,171	155,592,591	N/A
Unrestricted Surplus	4,340,307	954,934	952,521	889,414	N/A
Restricted Surplus (Reserves)	30,717,537	39,278,821	41,249,916	46,636,284	N/A
Equity in Tangible Capital Assets	108,355,724	107,984,521	107,104,734	108,066,893	N/A
ACCUMULATED SURPLUS	143,413,568	148,218,276	149,307,171	155,592,591	N/A

Revenues (by source)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
Net Municipal Taxes	15,720,229	15,373,853	14,189,795	15,079,227	15,555,033
Government Transfers	813,131	1,185,684	535,535	1,403,059	928,671
Return on Investments	706,124	491,125	353,865	1,022,438	576,824
Charges	1,482,349	932,209	1,562,870	888,685	1,354,750
Rental Income	311,900	311,783	338,373	319,129	321,980
Community Aggregate Levy	193,941	134,670	241,318	212,993	140,110
Penalties and Costs of Taxes	610,397	417,452	502,498	228,725	194,000
Gain on Disposal of Capital Assets	330,186	2,306,556	2,427,982	1,430,054	0
Other Revenue	388,583	86,871	34,697	240,385	7,500
OPERATING REVENUES	20,556,840	21,240,203	20,186,933	20,824,695	19,078,869
Contributed Tangible Capital Assets	0	0	0	0	0
Government Transfers for Capital	2,953,380	533,134	2,672,336	4,294,087	2,474,235
TOTAL REVENUES	23,510,220	21,773,337	22,859,269	25,118,782	21,553,104



Expenses (by function and object)

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
EXPENSES BY FUNCTION					
Legislative	402,227	369,215	399,079	447,807	506,709
Administration	1,787,966	1,712,655	1,743,816	2,041,445	2,328,823
Protective services	1,808,897	1,856,185	1,918,900	2,045,574	2,721,026
Transportation services	9,916,821	9,257,939	10,366,739	10,548,916	10,267,864
Agricultural services	735,985	694,700	722,417	649,718	1,137,314
Planning and development services	577,232	640,093	643,074	544,723	233,282
Family and community support	220,570	218,639	236,248	217,118	625,746
Parks and recreation	879,716	877,590	937,291	671,001	830,467
Tourism and economic development	129,408	255,514	125,537	24,040	35,027
Utility Services	833,851	1,008,446	952,000	1,021,923	695,682
Other	3,644,608	77,653	3,725,273	621,097	32,453
TOTAL EXPENSES	20,937,281	16,968,629	21,770,374	18,833,362	19,414,393

* The term "function" refers to the grouping of expenses by department or service

EXPENSE BY OBJECT					
Salaries, wages and benefits	6,310,622	5,950,731	6,470,017	6,937,554	8,226,494
Contracted and general services	2,703,769	2,539,268	2,602,679	2,543,119	3,094,795
Materials, goods and utilities	2,473,000	2,171,230	2,606,600	2,820,479	3,240,880
Provision for allowances	3,649,993	58,189	3,202,579	602,629	0
Transfers to local boards and agencies	1,824,107	2,004,802	2,020,901	1,893,026	2,015,092
Interest and bank charges	55,706	51,505	48,758	48,635	45,142
Amortization of tangible capital assets	4,763,530	4,746,635	4,615,232	4,818,615	4,818,615
Machine expenses capitalized	(1,175,224)	(1,046,934)	(1,351,472)	(1,639,395)	(2,066,788)
Loss on disposal of capital assets	274,491	416,189	852,803	729,078	0
Other expenses	57,287	77,014	702,277	79,622	40,163
TOTAL EXPENSES	20,937,281	16,968,629	21,770,374	18,833,362	19,414,393

* The term "object" refers to the grouping by the nature or type of expense

Debt Supported by Taxes

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
Gross Debt (supported by tax)	1,649,815	1,511,404	1,382,720	1,252,044	N/A
County Population	3,984	3,984	4,237	4,237	N/A
LONG-TERM DEBT PER CAPITA	414	379	326	296	N/A

* Note: Net debt, defined as the difference between debt and "cash & cash equivalents", is zero for all years

Transfer to Local Boards and Agencies

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
TRANSFERS TO OTHER LOCAL GOVERNMENTS					
Vulcan District Waste Commission	674,640	696,573	768,040	852,340	950,563
Twin Valley Regional Water Commission	35,385	36,096	37,246	39,536	40,467
Vulcan Library Board	133,500	133,500	133,500	133,500	145,000
Fire Area Contributions	135,945	148,330	156,310	207,972	177,869
Recreation Area Contributions	628,806	711,541	772,875	507,912	518,848
Other local governments and organizations	215,831	278,762	152,930	151,766	182,345
	1,824,107	2,004,802	2,020,901	1,893,026	2,015,092

Annual Surplus and Allocations

	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget
TOTAL REVENUES	23,510,220	21,773,337	22,859,269	25,118,782	21,553,104
TOTAL EXPENSES	(20,937,281)	(16,968,629)	(21,770,374)	(18,833,362)	(19,414,393)
ANNUAL SURPLUS	2,572,939	4,804,708	1,088,895	6,285,420	2,138,711
ADD: Proceeds from Sale of Tangible Capital Assets	355,305	1,366,244	1,213,582	740,539	500,000
ADD: Transfer from Restricted Surplus to Operations	6,140,143	4,584,950	6,897,047	3,231,614	4,951,620
ADD: Amortization of Tangible Capital Assets	4,763,530	4,746,635	4,615,232	4,818,615	4,818,615
LESS: Transfers to Restricted Surplus	(4,937,522)	(13,146,234)	(8,868,142)	(8,617,982)	(4,178,067)
LESS: Capital Expenditures	(6,047,818)	(5,741,676)	(4,949,027)	(6,521,313)	(8,230,879)
ALLOCATION TO UNRESTRICTED SURPLUS	2,846,577	(3,385,373)	(2,413)	(63,107)	0



Principal Corporate Taxpayers and Industries

Top 10 Principal Corporate Taxpayers:

EDF RENEWABLES DEVELOPMENT
 ALTALINK MANAGEMENT LTD
 CANADIAN NATURAL RESOURCES
 TAQA NORTH LTD
 G3 CANADA LIMITED
 HUTTERIAN BRETHREN CHURCH (MULTIPLE)
 NOVA GAS TRANSMISSION LTD
 RICHARDSON INTERNATIONAL L
 JOURNEY ENERGY INC.
 RAZOR ENERGY CORP

** These top 10 taxpayers represent 49.86% of the total tax base*

Top 10 Industries of Employment:

Agriculture, forestry, fishing and hunting
 Health care and social assistance
 Construction
 Educational services
 Other services (except public administration)
 Public administration
 Professional, scientific and technical services
 Retail trade
 Wholesale trade
 Transportation and warehousing

Source: <https://regionaldashboard.alberta.ca/region/vulcan-county/labour-force/#/custom/industry/>

Note: The Principal Corporate Taxpayers and Industry Statistic are based on the most recent data available. The 2023 Supplementary Assessment and Taxation is not finalized until late 2023 (supplementary linear assessment is provide by the Provincial Assessor's Office and it not received until after November 1st of the supplementary year).

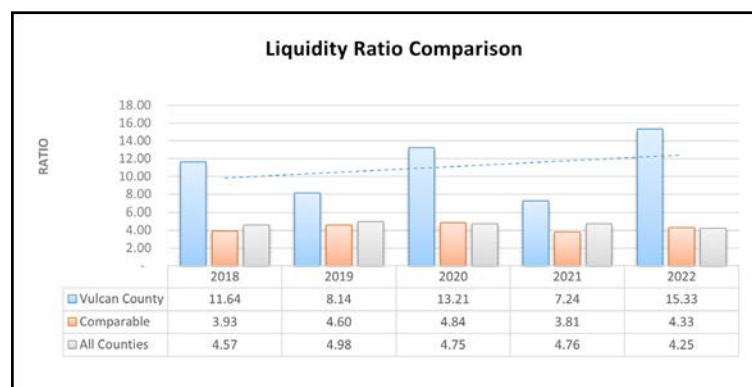
APPENDIX 5 - FINANCIAL INDICATORS & PERFORMANCE MEASURES



Indicators of Financial Health and other Performance Measures help to indicate how the County is doing over time and alert management to any issues or concerns that should be addressed.

Through Provincial data on all municipalities, the County is able to compare specific indicators to other Alberta municipalities and compare to specific municipalities that are in comparable size and in close proximity in geological locations.

Current/Liquidity Ratio Comparison



The Current/Liquidity Ratio is a measure to indicate that the County can meet its short-term obligations and that the County has the ability to better respond to rapidly changing circumstances (as often required). The Current Ratio is calculated by the ratio of current assets to current liabilities.

The County has historically maintained a high current ratio (2022 ratio of 15.33) as the County has the current assets are sufficient to cover the related current liabilities. Some of the current assets, such as portfolio investments are also used to fund specific reserve funds, which further increases the

County's Current Ratio. The majority of the County's financial assets are comprised of cash and short-term investments (representing approx. 82.5%); therefore, further increasing the liquidity of the County. The ratio increased in 2022 as the County delayed investing in long-term investments until early 2023 as investment rates were increasing.

Total Percentage of Debt Limit



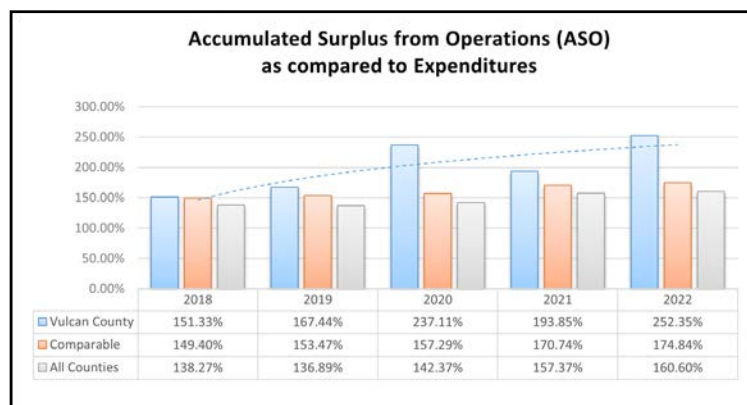
The Total % of Debt Limit Ratio is a measure to indicate the total amount of municipal borrowings, including long term capital leases, as a percentage of the total regulated debt limit available to the municipality. This is an indicator if the municipality has maintained reasonable levels of borrowing debt.

The Total % of Debt Limit Ratio is calculated by the ratio between total municipal debt and the related total debt limit. The debt limit is calculated at 1.5 times the revenue of the municipality (as defined by Alberta Regulation 255/00).

The County has historically maintained minimal levels of debt (2022 ratio of 4.01%); whereas, the County uses long-term planning and its 20-year capital plan to fund large capital projects (without requiring debt). The current debt relates specifically to a long-term debenture debt received to provide as a funding contribution towards the Vulcan Hospital Expansion Project.



Accumulated Surplus from Operations

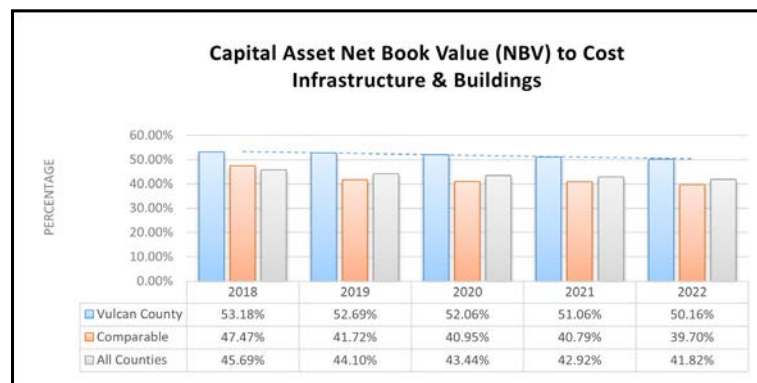


The Accumulated Operating Surplus (AOS) as a % of Expenses Ratio is a measure to indicate level Unrestricted Surplus and Reserves that are available to cover the annual costs of operations. The AOS represents the total Accumulated Surplus excluding the Equity in Tangible Capital Assets. This can be an indicator of long-term stability and planning.

The AOS% of Expenses Ratio is calculated by the ratio of combining the Unrestricted Surplus and Reserves and dividing this by the total annual expenses. Reserves can include both specific operating and capital reserves (2022 ratio of 252.35%).

The County has historically maintained a higher than average AOS% of Expenses ratio (compared to other comparables and provincial averages) as the County believes in long-term stability and planning, including maintaining appropriate levels of operating and contingency reserves and a fully-funded 20-year capital plan to ensure the infrastructure and capital needs are covered while minimizing significant fluctuations from year-to-year.

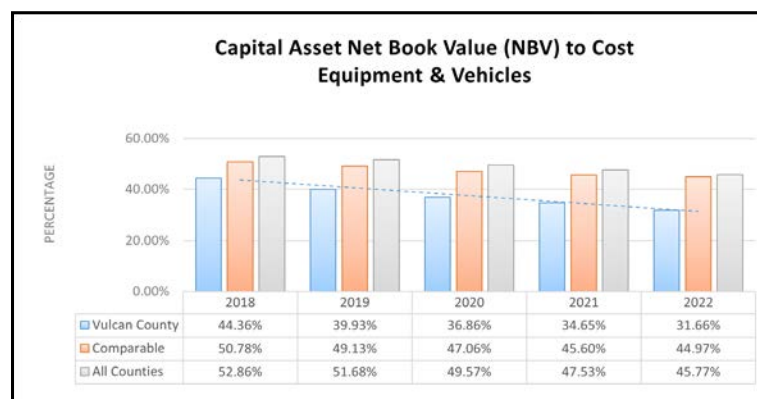
Capital Asset Net Book Value



In both the Capital Asset Net Book Value to Cost of Infrastructure/Buildings and the Equipment/Vehicles charts indicate how much is remaining in the capital assets useful life and/or in productive use. This indicator is for all of the County's capital assets.

These ratio is calculated by the ratio of the net book value (NBV) of TCA as a percentage of the total original costs. The NBV is the original purchase cost less the accumulative amortization (depreciation).

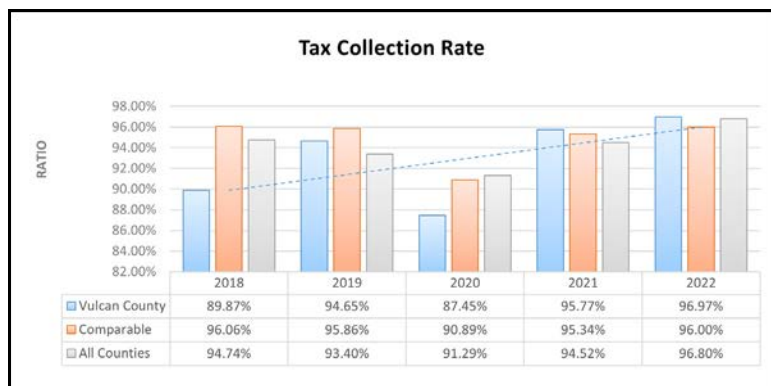
The County has historically maintained a high Infrastructure and Buildings TCA ratio (2022 ratio of 50.16%) as the County maintains a 20-year capital plan for the replacement of infrastructure and facilities. Continual replacement and maintenance of the County's road and bridge infrastructure is a strategic priority for the County.



The County maintains a 20-year capital plan for the replacement of vehicles, and machinery & equipment (which can include multiple replacement cycles). The County has a lower ratio (2022 ratio of 31.66%) as the County often is able to effectively extend the useful life of the vehicles/equipment by appropriate maintenance and also the County may re-purposes equipment (within other departments).



Tax Collection Rate



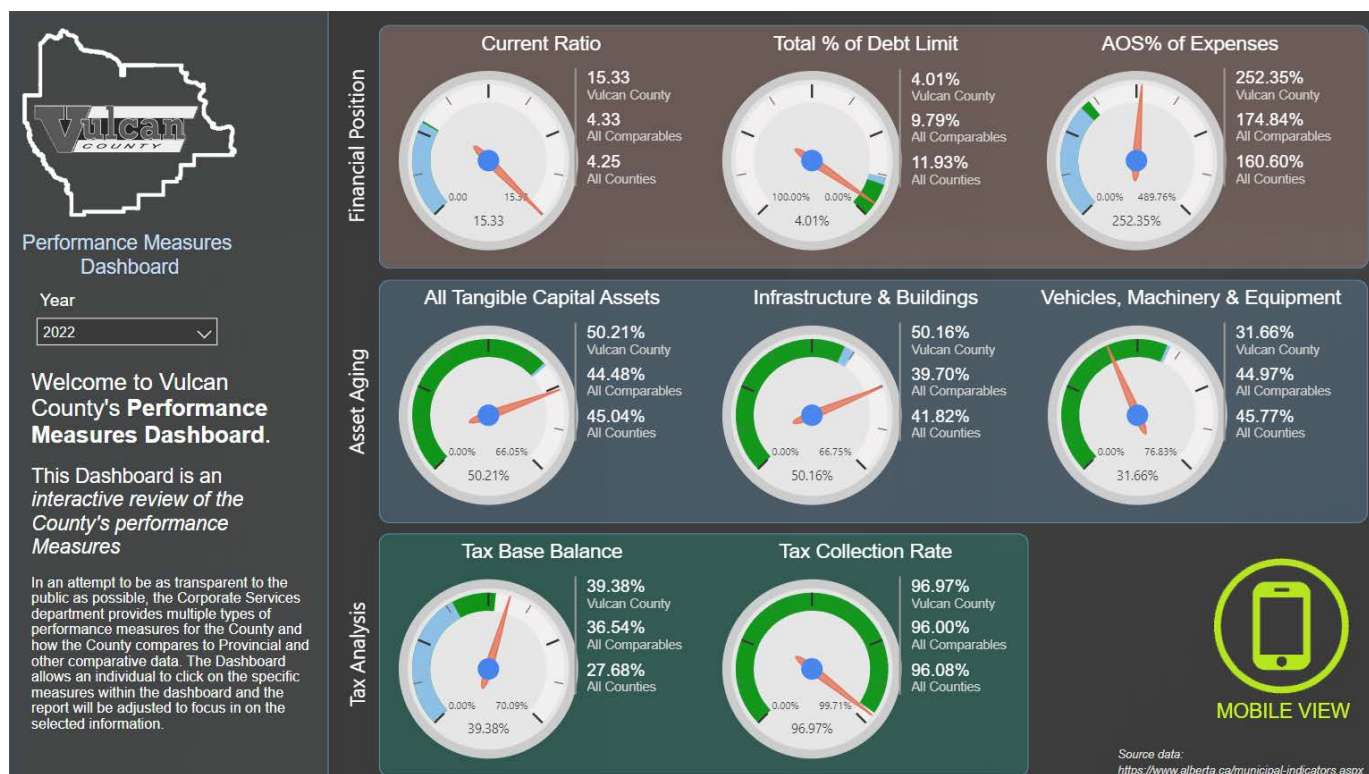
The Tax Collection Rate is a measure to indicate the ability of the municipality to collect own-source revenues, including property taxes, special taxes, local improvement taxes, well drilling equipment taxes, and grants-in-place-of taxes.

The Tax Collection Rate is calculated by the inverse ratio of current taxes outstanding at yearend against the total tax revenues issued in the year. Note that this calculation does not include any allowances on tax receivables as these typically relate specifically to tax arrears (over 1-year aged tax receivables).

The County has historically been able to collect on tax receivables over the 90% expectation (2022 ratio of 96.97%); however, there have been additional challenges on the collection of oil & gas tax receivables in the past couple years as certain organizations have gone insolvent (this has been seen throughout the Province). This may include that the County setting up allowances on current tax balances for these related insolvent organizations. The County continually monitors the tax receivable balances for collectability and outstanding balances.

Performance Measure Dashboard

In an attempt to be as transparent to the public as possible, the Corporate Services department provides multiple types of performance measures for the County and how the County compares to Provincial and other comparative data:



[Click the Dashboard for link](#)



Overall, Vulcan County has a strong financial health; whereas, the County seems to be in a strong financial position when in comparison to many of the other comparable municipalities. This is shown throughout the performance measures, including liquidity, debt limits, accumulated surplus, capital assets, and through tax collections.

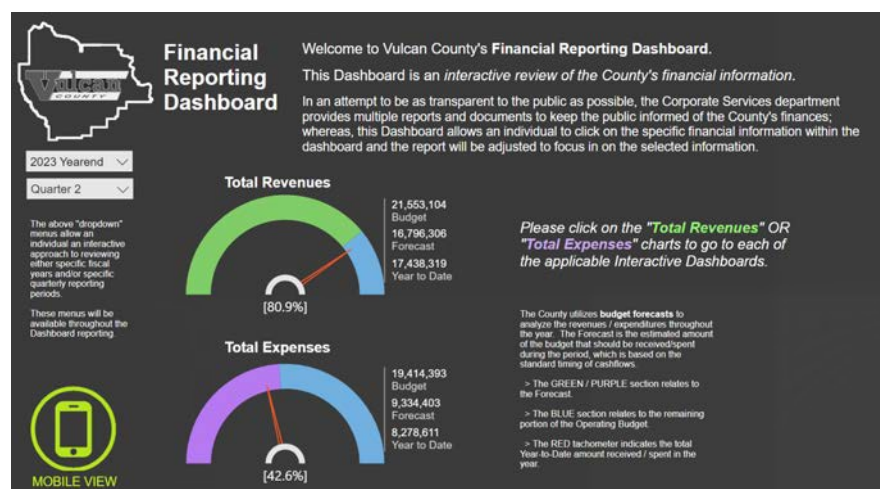
Financial Reports and Dashboards

The County maintains multiple financial reports and interactive financial reporting dashboards to provide useful information to understand the financial position and results of operations of the County which are included so that this reporting helps to provide additional data, accountability, and transparency.

The County maintains quarterly, yearend and budget reports to provide the details of the County's financial planning and progress throughout the year in comparison to the approved budgets. These financial reports and the other financial reporting and dashboards are located:

www.vulcancounty.ab.ca > Departments > Corporate Services > Financial Plans & Reports > Financial Statements & Reporting

In an attempt to be as transparent to the public as possible, the Corporate Services department provides Financial Dashboards for an interactive review of the County's financial information. These interactive Financial Dashboards are to further increase the transparency of the County's finances to the public:



This interactive reporting dashboard allows an individual to click on specific financial information within the dashboard and the report will be adjusted to focus in on the selected information. This allows for a multi-year review and the option to review each of the reporting periods within the report.

This interactive reporting dashboard is updated throughout the year (after completing each fiscal quarter) so that our ratepayers and community can be kept up-to-date on the financial results and compare to the approved budgets.

[Click the Dashboard for Link](#)

GLOSSARY & ACRONYMS

Glossary of Terms

ACCRUAL BASIS ACCOUNTING

Accrual basis of accounting for recognizing transactions that occur over a longer time period; typically, extending over multiple budget years. These transactions are recognized in the budget based on when the transaction or service is provided (not based on exchange of cash).

ACCUMULATED SURPLUS

The overall surplus for the County that has been accumulated from year-to-year. The three (3) major components include Unrestricted Surplus, Restricted Surplus, and Equity in Tangible Capital Assets.

AMORTIZATION

The systematic allocation of an asset to expense over a certain period of time. This is a non-cash transaction, in which, an asset is expensed over its projected useful life.

APPROPRIATION

The act of setting money aside by formal action for a specific use, such as is the case with reserve allocations.

APPROVED BUDGET

The budget(s) that have been presented and have been approved by Council by way of Council Motion, which will govern the County's operations for the budget year. This may include interim or final budgets.

ASSESSMENT

The value established for property for use as a basis of levying taxes for municipal purposes. Assessment can be valued by market or regulated rates. All property assessments are prepared under direction of the Alberta Municipal Government Act (MGA), and relevant Regulations and Minister's Guidelines.

ASSESSMENT - FARMLAND

Farmland is assessed on the basis of its productive value; that is, the ability of the land to produce income from the growing of crops and/or the raising of livestock. Farmland is assessed by the local assessor by regulated rates.

ASSESSMENT - LINEAR

The assessment on properties such as cable, electrical power/generation, telecommunications, pipelines, and wells. These types of properties are assessed by the Provincial assessor's office.

ASSESSMENT - MACHINERY & EQUIPMENT

Machinery and equipment (M&E) includes such things as underground tanks, separators, fuel gas scrubbers, compressors, chemical injectors, and metering and analysis equipment. Most machinery and equipment is assessed by the local assessor, while machinery and equipment forming part of linear property is assessed by the assessor designated by the Minister of Municipal Affairs.

ASSESSMENT - NON-RESIDENTIAL

All types of property categorized as non-residential for assessment purposes. It includes industrial, commercial and institutional properties, engineering construction and mining properties, and vacant lands which are lawfully usable for non-residential purposes. Linear and Machinery/Equipment are classified separately for assessment purposes.

ASSESSMENT - RESIDENTIAL

All types of property categorized as residential for assessment purposes. It includes single and multi-unit properties, farm residences, cottages and vacation homes, mobile homes, and vacant lands which are lawfully usable for residential purposes.

BALANCED BUDGET

A budget where the total budgeted revenues & transfers in match the total budgeted expenditures & transfers out.

BASE BUDGET

The base budget is the budget carried forward from the prior year to maintain the same service levels and is at the same rates/costs as budgeted in the prior year.

BUDGET

An estimate of revenue and a plan for expenditures of an organization, either for a specific time period or for a specific project.

CAPITAL BUDGET

The planned capital revenues, expenditures, and transfers required for the acquisition/construction of the tangible capital assets for the County in the current budget year.

CAPITAL EXPENDITURES

Expenditures to acquire, develop or construct tangible capital assets.



CAPITALIZATION

The inclusion of expenditures into the cost of a tangible capital asset. Internally constructed capital assets include the capitalization of the related costs.

CASH BASIS ACCOUNTING

Cash basis of accounting for recognizing transactions that occur in a short time period (based on the exchange of cash). These include revenues and expenses that will typically be completed in the budget year and are not expected to occur over multiple years.

COUNCIL/COUNCILLORS

The governing body that is elected to represent the ratepayers of the County. Councillors are the individual members that make up the Council; in which, there are currently seven (7) Councillors on Council. Elections for Councillors occur every four (4) years.

CONTINGENCY FUNDS

The budgetary reserve/account set aside for emergencies or unforeseen expenditures (not otherwise budgeted).

CONTRACTED SERVICES

Services provided to the County by external organizations, individuals, or agencies. The County contracted out these services as the County does not have the expertise or resources to complete the work internally (i.e., engineering and legal services).

DEBT/DEBENTURE

A financial obligation resulting from the borrowing of money. A debenture is a certificate of indebtedness; typically issued by another governmental body (i.e., ACFA).

DEBT LIMITS

The regulated limits on the amount of debt that a municipality may borrow or the amount of annual repayment imposed to a municipality. Regulated by forms of legislation (i.e., MGA, Alberta Regulations).

DEFICIT

The result of expenditures/transfers out exceeding the revenues/transfers in (costs greater than revenues). The MGA requires that a municipality can not budget a deficit and if a deficit results in a period of three years that it has to be recovered in the following budget year.

DEPARTMENTS

The management responsible for an operation program or a group of related activities within a functional area. The County has multiple departments for the operations of the County; whereas, there may be multiple departments held within an operating segment.

EXPENDITURES/EXPENSE

The use of financial resources for cash outflows or transactions resulting in current or future cash outflows.

EQUITY IN TANGIBLE CAPITAL ASSETS

Equates to the net book value (NBV) of the Tangible Capital Assets less the related capital debt. This is included within the County's Accumulated Surplus

FEES FOR SERVICE

User charges and fees for services provided by the County.

FUND ACCOUNTING

The use of specific groups of funds/activities which are a self-balancing set of accounts containing inflows and outflows; which is tracked and funded separately. The County's fund accounting includes the Operating (general) funds, the Capital funds, and the Reserve funds.

GENERAL OPERATING FUND

The general operating fund provides the resources necessary to complete the day-to-day activities of a municipality, which includes operational and administrative activities.

GOVERNMENT GRANTS

A monetary contribution by a governmental unit to another governmental unit. Typically, the grants received by the County are from larger governmental bodies that are higher forms of government (i.e., Provincial and Federal).

INFLATION

The increase in price levels/costs caused by economic factors.

INFRASTRUCTURE

The facilities and assets used by the County to deliver the programs and services. These include (but are not limited to) roads, bridges, land, and buildings.

INTERIM BUDGET

The Interim Budget is the budget that is developed and approved in advance of the start of the budget year (typically approved in December in the year preceding the budget year). The Interim Budget is replaced with the development of the final budget is developed and approved.

OPERATING BUDGET

The planned operating revenues, expenditures and transfers required to deliver the programs and services that the County provides.

RATEPAYER

An individual or organization that owns assessable property in the County and as such, is taxed by the County.

REEVE

The Reeve is the chief elected official and a member of Council. The position of Reeve is elected at the County's Organization Meeting from within the elected Councillors.

RESERVES

The operating and capital funds held for a future use or for a specific purpose. These reserves are typically held for multiple budget years.

REVENUES

The financial resources received from cash inflows or transactions resulting in current or future cash inflows.

SPECIAL TAX LEVY

The tax levies issued for specific purposes under Section 382 of the MGA. The County currently utilizes the levies for fire protection, recreational areas, and waterworks.

SEGMENT

The overall management responsibility for an operation or a group of related operations within a functional area. An operating segment may include multiple departments.

SURPLUS

The result of revenues/transfers in exceeding the expenditures/transfers out (revenues greater than expenses). Surpluses are often transferred to reserves at the yearend to be used in future budget years.

TANGIBLE CAPITAL ASSETS

A capital asset that has a physical form. These tangible capital assets (TCA) include (but are not limited to) land, infrastructure, vehicles, and equipment.

TAXES

The compulsory charges levied by a government for the purpose of financing services for the common benefit of the government's ratepayers.

UNRESTRICTED SURPLUS

The accumulation of the County's surpluses from year-to-year that have not been specifically restricted (either internally or externally).

Glossary of Common Acronyms

ORGANIZATIONS:

ACFA - Alberta Capital Finance Authority
AHS - Alberta Health Services
CARLS - Chinook Arch Regional Library System
FCSS - Family and Community Support Services
RCMP - Royal Canadian Mounted Police
SAEWA - Sothorn Alberta Energy from Waste Association
TVRWC - Twin Valley Regional Water Commission
VCHWF - Vulcan County Health and Wellness Foundation
VBDS - Vulcan Business Development Society

GRANTS:

ACP - Alberta Community Partnership grant
ASB - Agricultural Service Board grant
CCBF - Canadian Community-Building Fund grant
MSI - Municipal Sustainability Initiative grants (Operating and Capital)

OPERATIONS:

AOS - Accumulative Operating Surplus
A/P - Accounts Payable
A/R - Accounts Receivable
CAO - Chief Administrative Officer
COLA - Cost of Living Adjustment
CPO - Community Peace Officer
DIP - Designated Industrial Property
FTE - Full-Time Equivalent
GIS - Geographical Information Systems
HR - Human Resources
IT - Information Technology
MDP - Municipal Development Plan
MGA - Municipal Government Act
M&E - Machinery and Equipment
NBV - Net Book Value
PERC - Provincial Education Requisition Credit
TCA - Tangible Capital Assets

OTHER:

FSD&A - Financial Statement Discussion and Analysis
PSAS - Public Sector Accounting Standards





Special thanks to Rick Beck, EDF EN Canada, and various other photographers for providing pictures of the County used in this report.



Vulcan County

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