



2017

VULCAN COUNTY BUDGET REPORT

FOR THE YEAR JANUARY 1 TO DECEMBER 31, 2017
VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY:
CORPORATE SERVICES DEPARTMENT





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INTRODUCTION

READER'S GUIDE TO THE BUDGET DOCUMENT

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 operating and capital budget development.

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.

2) Operating Budget by Type

Provides details on the operating revenues, expenditures, and transfers in the budget. These details will be provided on all of the major types included in these areas.

3) Operating Budget by Segment

Provides details on each of the major segments/departments within the County. An overview and details of each department within the segments are provided. These segments include:

- General Government
- Protective Services
- Transportation Services
- Agricultural Services
- Planning and Development Services
- Community Services
- Utility Services

4) Capital Budget and Reserves

Provides details on the capital requirements of the County, including the acquisitions and funding for the capital. This section also provides details on the County's operating and capital reserves.

5) Appendix and Glossary

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

BUDGET OVERVIEW

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.

BUDGET GUIDELINES

The budget guidelines will provide the readers with information on the process of budgeting and how it is developed. It will provide information on what information is gathered to prepare the budget and how this information is applied throughout the budget.

OPERATING BUDGET

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

CAPITAL BUDGET

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

OPERATING SEGMENTS

The operating segments are the major groups of similar departments and activities. An example of this is the Protective Services segment, which includes operating departments, such as police, fire protection, emergency management, ambulance, regulatory, and safety.

BUDGET MESSAGE FROM THE CAO

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.

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. These operating and capital budgets are developed using the Strategic Plan where the Goals and Priorities are set by Council. The County also has policies/principles that are used for the development of the operating and capital budgets.

To ensure that the County maintains its strong financial position and to reduce significant fluctuations in tax rates, the County has developed long-term budgets to review the large upcoming operating and capital projects. This includes the adoption of the following:

- A three (3) year operating plan creating a multi-year budget including large operating projects and projected costs increases.
- A five (5) year capital plan, which is developed out of the County's 20-year capital funding plan; which reviews the assets projected to be replaced within the upcoming 20 years and starts building reserves to fund the projected costs of replacing or acquiring these assets.



During the development of the 2017 municipal budget, there were many challenges that faced the County including significant decreases in the County's property assessment values, which often can lead to significant increases in municipal tax rates. This was a significant decrease from the prior years' assessment; in which, this created challenges in the development of the current year's budgets. Through the collaborative efforts between Council and Administration, the County was able to minimize these effects and only require a small 5% increase in the farmland municipal tax rate (impact of less than \$20 per quarter section of farmland).

In an attempt 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 the understanding of the municipal budget.

I feel honoured to be part of a team that truly cares about the County and our efforts to provide the programs and services that we deliver to the County's ratepayers.

Respectfully submitted,

Nels Petersen
Chief Administrative Officer



2017 BUDGET OVERVIEW

Vulcan County 2017 Final Budget

At the April 19, 2017, County Council approved the 2017 Operating and Capital Budgets and 2017 tax rates for the County. Council and Administration had many challenges this year in having a balanced budget; whereas, the budget was reviewed throughout to find additional efficiencies and cost reductions (with minimal effects on service levels).

A major change from the prior year was a significant decrease in the County's linear assessment as there was an overall \$124 million decrease:

Class	Assessment		
	2016	2017	Change
Residential	436,185,830	439,254,600	3,068,770
Commercial & Industrial	83,523,650	87,609,370	4,085,720
Farmland	204,013,140	204,305,680	292,540
Machinery and Equipment	123,015,890	116,822,580	(6,193,310)
Linear	814,328,980	689,075,790	(125,253,190)
Total	1,661,067,490	1,537,068,020	(123,999,470)

Based on the prior year's tax rates, this equated to an approx. \$1.144 million decrease in tax revenues for the operations of the County. Through the detailed review of the budget, the County was able to apply reductions in certain staffing (including full-time, seasonal staff, and overtime costs), reduction in the miles of roads constructed each year to eight [8] miles (previously ten [10] miles per year), reduction in dust abatement on non-mandatory roads and haul routes, and other reductions/cost savings.

The result was a remaining \$66,000 deficit, that after considerable consideration, was covered by the proposed increases in the general farmland tax rate of 5%; providing a balanced budget (with a small surplus transferred to reserves). Due to the regulated farmland assessment, this tax rate increase had an impact of less than \$20.00 per quarter section of farmland. Therefore, no other increases in municipal tax rates were required (i.e. residential, non-residential, etc.), so that the County remains competitive in attracting new development and businesses.

Although there were challenges in the development of the 2017 budgets, the County was able to have a balanced budget with minimal tax rate adjustments, while maintaining a strong financial position in operating and capital reserves. The County's reserves were not needed to be significantly drawn from to cover the reduction in tax revenues.

Carryforward surpluses from 2016 were distributed through the 2017-2019 budget years to avoid significant fluctuations from year to year. The County was also able to maintain its 20-year capital plan (funded by the capital reserves and projected reserve transfers).

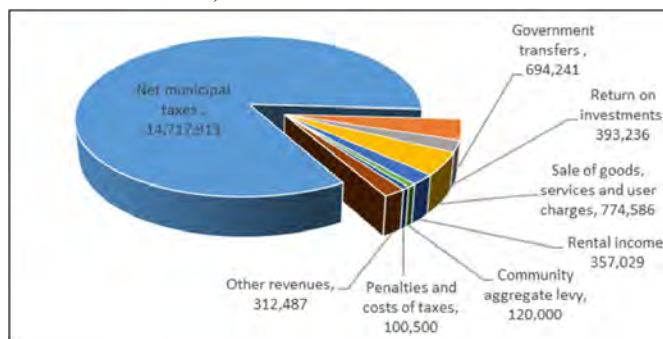
A copy of the 2017 Operating and Capital Budgets and Supplementary Budget Information is available on our website:

www.vulcancounty.ab.ca > Departments > Corporate Services > Municipal Budgets.

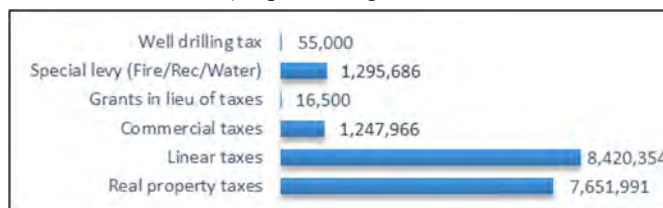
OPERATING BUDGET:

The County has budgeted \$17.47 million in operating revenues (net of requisitions) and \$19.96 million in operating expenses (including amortization). After transfers to/from reserves and capital, there is a \$nil operating surplus.

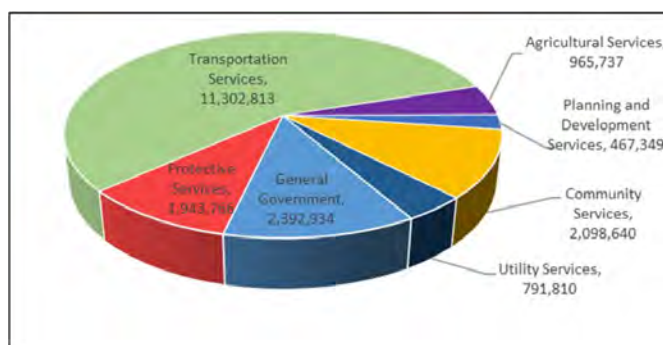
The County's operating revenues consist mostly of tax revenues (net of requisitions) of approx. 84%; whereas, the remaining 16% is made up of other sources of income (i.e. operating grants, investment income, sale/user charges, rental income, etc.)



Of the municipal taxes, the largest components include linear taxes (pipeline, wells, energy, etc.) representing approx. 45% and real property taxes (i.e. residential, farmland, and M&E) representing 41%:

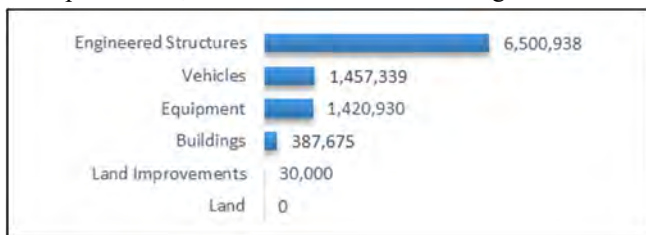


The following are the budgeted operating expenses (including amortization) for each of the County's major operating segments:



CAPITAL BUDGET:

The capital budget is for the construction and acquisition of capital assets, which includes the following:



The majority of the 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 the funding for capital assets are from capital reserves and capital grants. It is budgeted that approx. \$5.25 million will be funded by capital reserves and \$2.96 million funded by capital grants.



2017 Budget Summary:

	2017 Budget	2016 Budget	Change
REVENUES:			
Taxes (Net of Requisitions)	14,717,913	15,552,886	(834,973)
Operating Grants	694,241	879,126	(184,885)
Return on Investment	393,236	389,736	3,500
Sales & User Charges	774,586	670,811	103,775
Rental Income	357,029	357,029	-
Other Revenues	532,987	298,300	234,687
	17,469,992	18,147,888	(677,896)
EXPENSES:			
Salaries & Benefits	6,603,690	6,972,242	(368,552)
Contracted Services	3,216,804	3,602,211	(385,407)
Material, Goods & Utilities	4,488,890	4,182,167	306,723
Grants to Boards & Agencies	2,820,420	1,850,093	970,327
Amortization & Capital	2,670,618	2,221,725	448,893
Other Expenses	162,628	323,113	(160,485)
	19,963,050	19,151,551	811,499
OPERATING INCOME (DEFICIT)	(2,493,058)	(1,003,663)	(1,489,395)
Capital Revenues	2,959,774	3,392,781	(433,007)
Capital Acquisitions	(9,796,881)	(7,694,537)	(2,102,344)
Disposal of Capital	64,000	198,250	(134,250)
Amortization Add-back (Non-cash)	4,328,196	4,014,425	313,771
Transfers from Reserves	8,455,540	7,715,746	739,794
Transfers to Reserves	(3,517,571)	(6,621,154)	3,103,583
NET EFFECT OF FUNDING	0	1,848	(1,848)

CHANGES IN REVENUES:

♦ Taxes (Net of Requisitions) mostly decreased with the reduction in linear assessment

♦ Operating Grants decreased as many of the grant funded programs were completed in 2016.

♦ Sales & User Charges increased with additional cost and recovery charges (i.e. dust abatement program) and the sale of goods and materials.

♦ Other revenues increased with the addition of the projected contributions from the Town of Vulcan for the Hospital Expansion Project.

CHANGES IN EXPENSES:

♦ Salaries & Benefits decreased with a reduction in seasonal staffing for the road construction program and reduction in benefits (revised budget calculations to actual rates instead of based on a fixed percentage).

♦ Contracted Services decreased as contracted development projects were completed in 2016.

♦ Materials, Goods & Utilities increased with the completion of the gravel crushing program.

♦ Grants to Boards & Agencies increased with the 2017 contributions to the Vulcan Hospital Expansion Project (not budgeted in 2016).

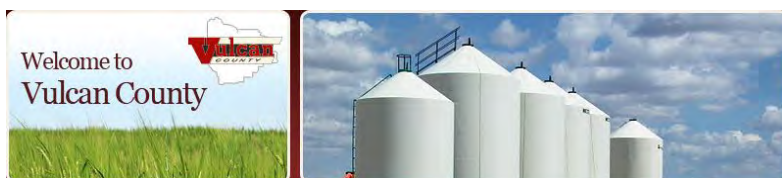
♦ Amortization increased from the prior year.

♦ Other Expenses decreased with a reduction in the tax write-offs as the linear assessment on these properties was removed.

VULCAN COUNTY PROFILE

Vulcan County is a rural municipality within Southern Alberta with a population of approximately 3,984 and is conveniently located one hour from both Calgary and Lethbridge. The County covers an area of 556,342 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



GEOGRAPHICAL INFORMATION:

Location:
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

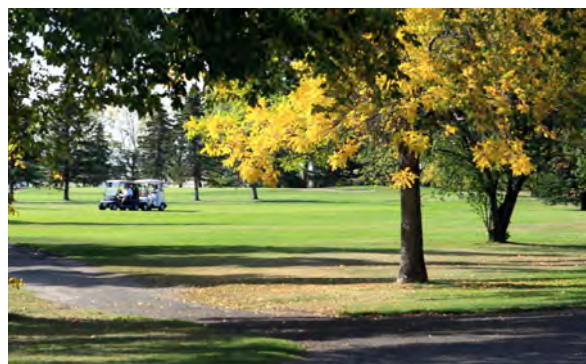


RECREATION AND ATTRACTIONS:

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.

Several 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 and the Majorville Medicine Wheel; while the aviation related attractions include the Royal Canadian Air Force Monument at the Vulcan Industrial Airport.



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 (3) operational grain elevators in Vulcan County; two (2) just south of the Town of Vulcan, and one (1) in the Town of Vulcan.

The County includes significant amounts of geophysical drilling and pipeline activity with many oil and gas deposits put into production throughout the County.



Renewable energy production has become increasingly important in the County, where the County currently has the largest wind facility in Western Canada producing an astonishing 300 megawatts, enough emissions-free electricity to power over 140,000 Alberta homes. The County has also been receiving much interest in large scale solar production, including potentially having one of the largest solar facilities in Canada producing approx. 77.5 megawatts.

COUNTY SERVICES:

Vulcan County provides a number of services, directly or jointly with other municipalities and commissions, to the residents of the rural area and the County's hamlets. These services include the following:

- General Government - including general administration and legislation;
- Protective Services - including fire protection, bylaw enforcement and safety;
- Transportation Services - including road maintenance, fleet repairs, road & bridge construction;
- Agricultural Services - including weed/pest control, campground, AG rentals, County lands and other general agricultural services;
- Planning and Development Services - including development permits, zoning, sub-division and land-use bylaws;
- Community Services - including supporting FCSS, recreational and cultural activities, tourism and economical development (VBDS);
- 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).

VULCAN COUNTY PROFILE - Continued

ORGANIZATIONAL STRUCTURE:

GOVERNANCE

Vulcan County is governed by its Council, which consists of Councillors elected from each of the seven (7) divisions of Vulcan County. As of 2013, Municipal elections are held every four (4) years in the month of October. The upcoming Municipal elections will be held October 2017. The position of Reeve and Deputy Reeve are determined at each of the annual Organizational Meetings.

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



FRONT:

Mark DeBoer, Director of Corporate Services
Nels Petersen, Chief Administrative Officer
Jason Schneider (Division 3), Councillor/Reeve

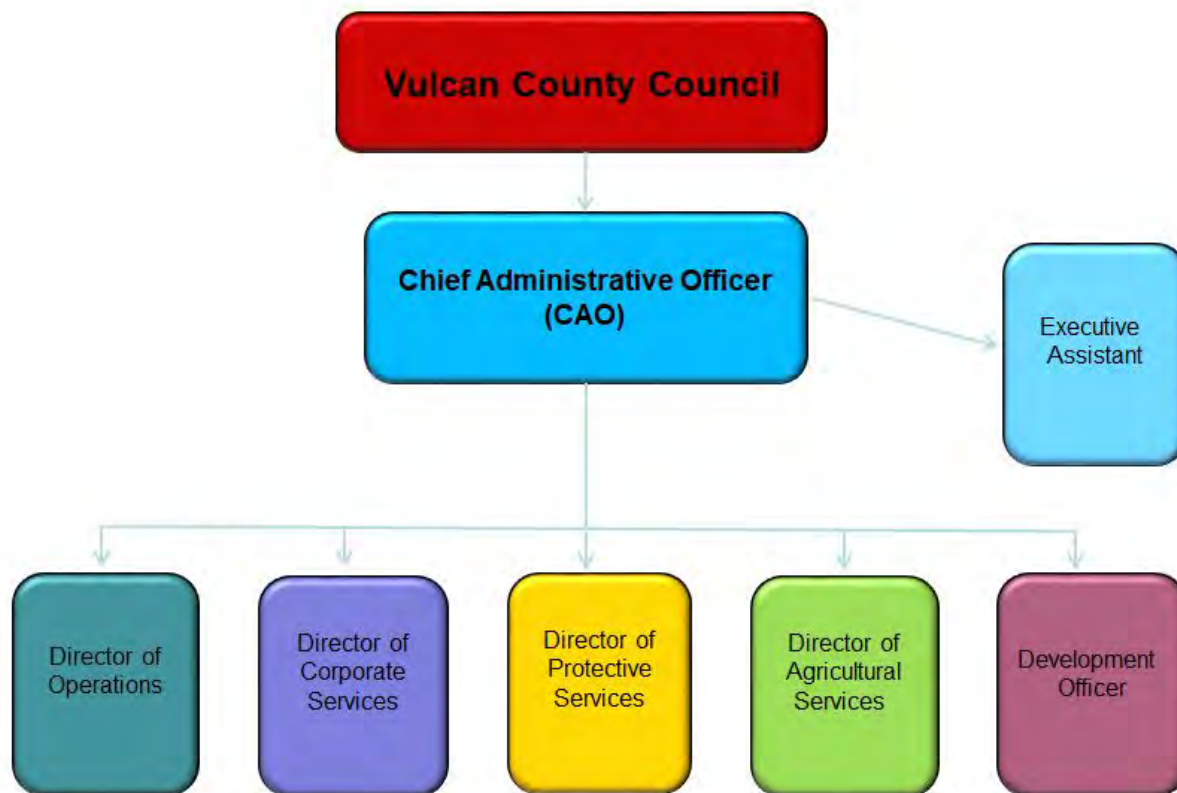
BACK:

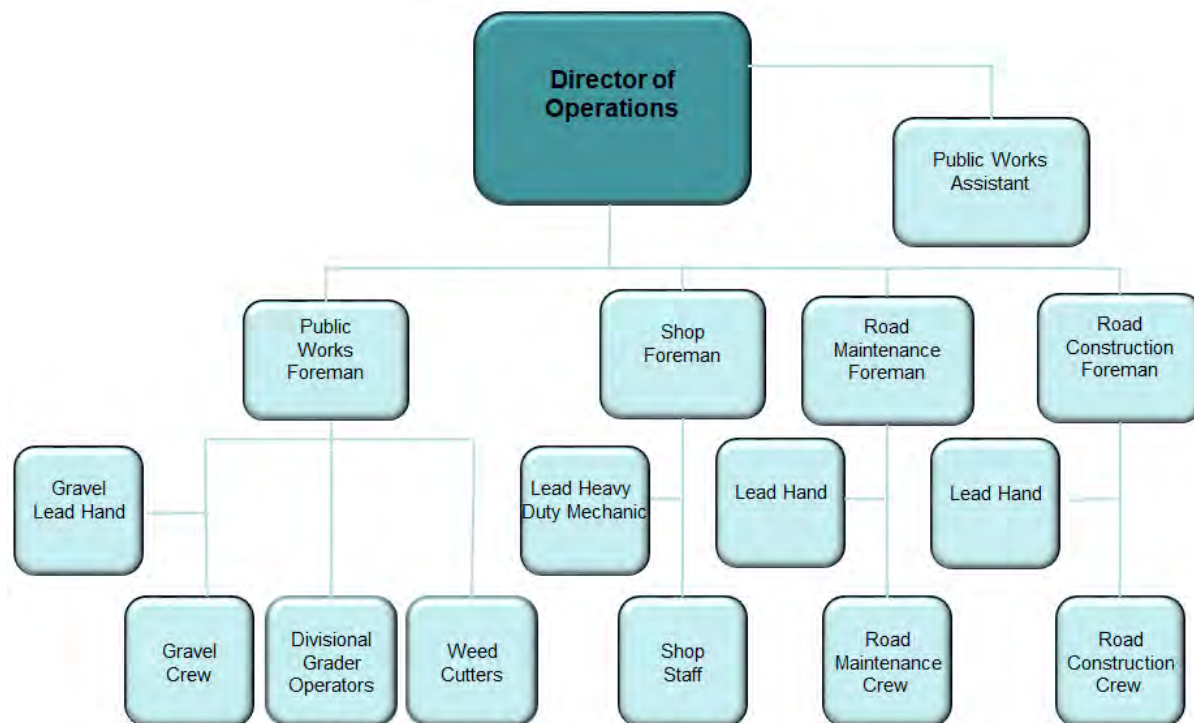
Shane Cockwell (Division 2), Councillor
Michael Monner (Division 5), Councillor
Glen Gateman (Division 1), Councillor/Deputy Reeve
Murray McLean (Division 6), Councillor

ABSENT:

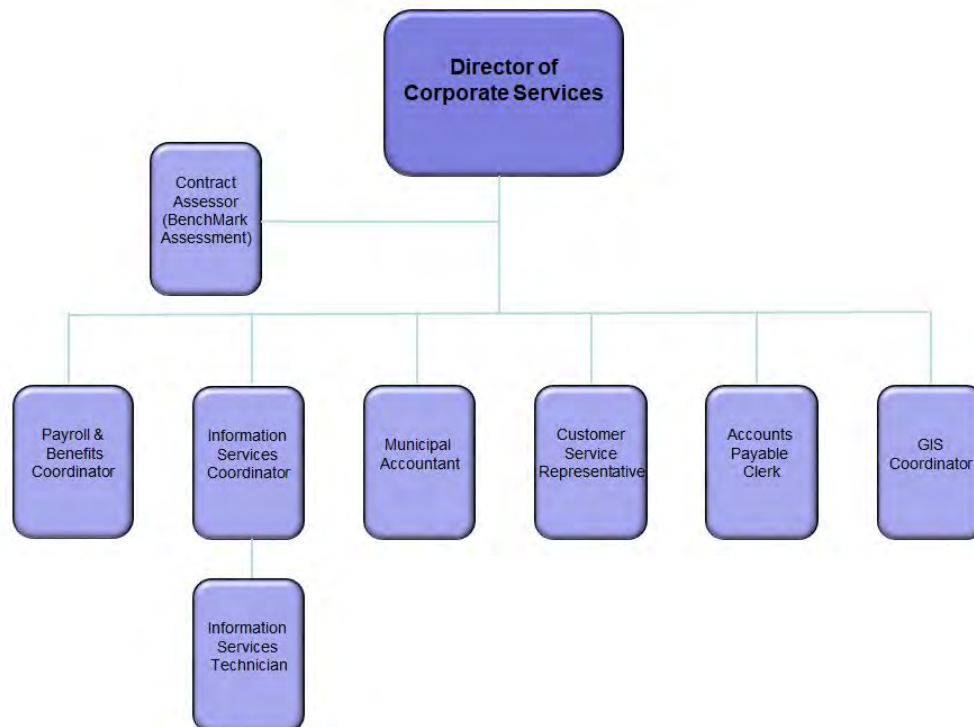
Roy Lucas (Division 7), Councillor
Derrick Annable (Division 4), Councillor

ORGANIZATIONAL CHARTS



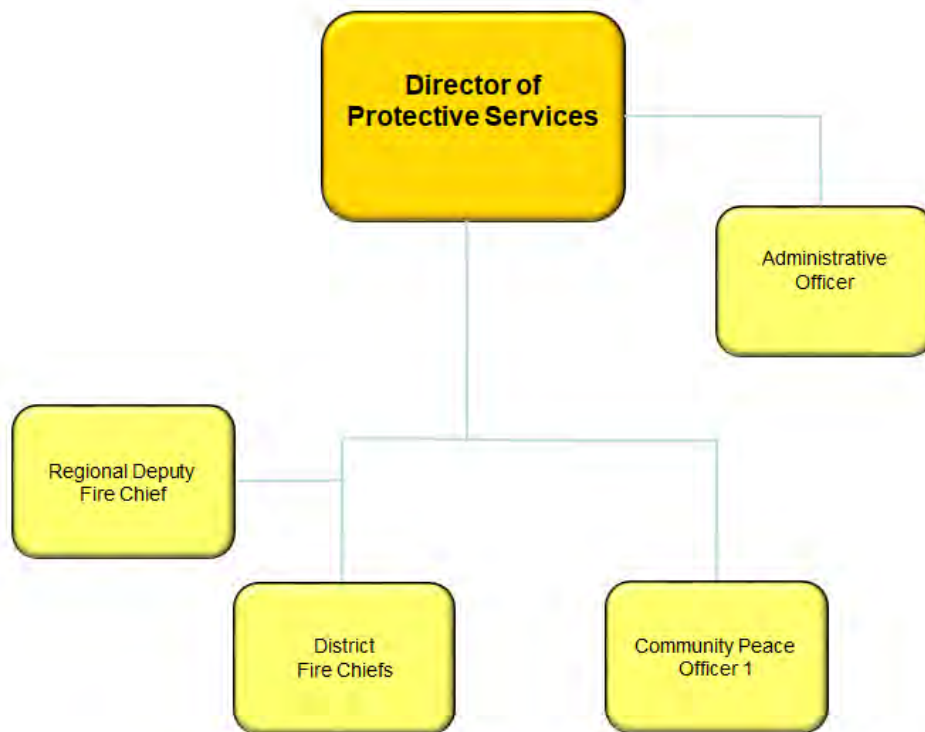


Operations - department includes road construction, road maintenance, gravelling, bridges, and fleet maintenance.



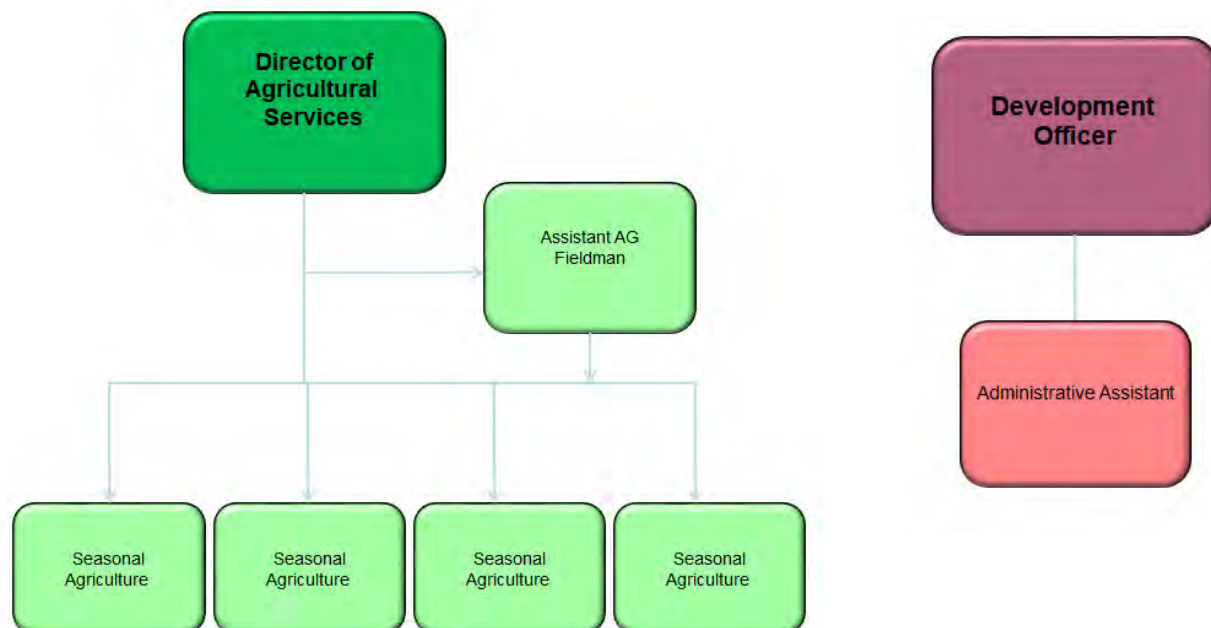
Corporate Services - department includes information technology, geographical integrated systems (GIS), and finances (i.e. assessment, taxation, receivables, payables, payroll, etc.).

VULCAN COUNTY PROFILE - Continued



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Protective Services - department includes fire protection services and bylaw enforcement.



Agricultural Services - department includes seeding, weed control / spraying, pest control, agricultural rentals, and operations of the County's campground.

Planning and Development Services - department including development permits, zoning, sub-division and land-use bylaws.

STRATEGIC PLANNING & PRIORITIES

STRATEGIC PLAN

The purpose of Vulcan County's Strategic Plan is to create a "blueprint" for the future. Putting the right strategy together and developing a clear action plan aligned with effective implementation is vital to the success of Vulcan County. To achieve this, Vulcan County developed the *2014-2017 Strategic Plan*, which includes the following seven (7) key goals:

1) TRANSPORTATION NETWORKS

Long-term cost effective road maintenance and rehabilitation plan, including the following strategies:

- Investigate new funding for bridge repair/replacement
- Bylaw enforcement of roadway irrigation
- Continue with the shoulder pull program
- Maintain equipment replacement program
- Long-term plan for road rebuilding and rehabilitation
- Qualified operators

2) RECRUITMENT AND RETAIN QUALIFIED STAFF

Improve recruitment and retention of qualified staff, including the following strategies:

- Participate in the Municipal Intern Program
- Continue in the Apprenticeship Program with Operations
- Partner with high schools and colleges
- Bi-annual benefit and salary review
- Social interaction across organization
- Mutual respect between Council and Administration

3) GROWTH AND DEVELOPMENT

To support the development of a business park with hotel/restaurant, and waterfront development, including the following strategies:

Business park with hotel/restaurant

- Collaborate with an urban municipality or developer (or independently)
- Business assessment: communicate with possible hotels and restaurants to find interest
- Investigate potential loans or tax breaks

Waterfront development

- Streamline the development process
- Have sufficient staff for planning and development
- Potential collaboration with other group or groups for staffing
- Marketing

4) COLLABORATION FOR DOCTOR RECRUITMENT AND RETENTION

Doctor recruitment and retention, including the following strategies:

- Lobby provincial and federal governments
- Investigate communities with success stories
- Consider a specialty hospital
- Rural physician training program

STRATEGIC PLAN - Continued

5) PROTECTIVE SERVICES

Regionalization of fire services and to provide timely protective services to stakeholders, including the following strategies:

Regionalization of fire services

- Complete the transition with those already regionalized
- Build confidence with existing departments to help ease frustration with the other departments not regionalized

Provide timely protective services to stakeholders

- Hire qualified personnel
- Orientate personnel as to the mandate of the program as it relates to the County and other municipal partner needs

6) GOVERNANCE

Timely communication to ratepayers and consolidation of shop and administration in new building and yard, including the following strategies:

Timely communication to ratepayers

- Improve Website
- More timely information
- Utilize social media
- Newspaper advertisement
- Quarterly newsletter

Consolidation of shop and administration in new building

- Financial Plan
- External Stakeholders to have agreements
- Establishing working committee

7) WATER AND WASTE MANAGEMENT, SUPPLY AND INNOVATION

To forward the Southern Alberta Energy from Waste Association (SAEWA) Project, connect Kirkcaldy to the waterline by 2017, and develop a feasibility study for the northern part of the County, including the following strategies:

To forward the SAEWA Project

- Meet with Council and communities to get buy-in to forward SAEWA host community proposal

Connect Kirkcaldy to the waterline by 2017

- Get buy-in from the residents of Kirkcaldy and the existing water commission

Develop feasibility study for the northern part of the County (Milo, Mossleigh, Arrowwood, & Brant)

- Research grant funding for the feasibility study
- Get buy-in from landowners
- Talk to the villages to find their interest in project

In October 2017, the Alberta Municipal Elections will occur; subsequently County Council and Administration will review the Strategic Plan. At this time, the Strategic Plan will be updated and/or new goals will be established.

As part of the Strategic Plan for the County, Council provided the following statements indicating their vision, mission statement, and values for the governance and administration of the County and its programs.

- **VISION**

Striving towards innovation in agriculture and development while respecting our roots and history

- **MISSION STATEMENT**

To provide collaborative leadership, governance and municipal services

- **VALUES**

- Fairness & Equality
- Respect & Trust
- Ethics
- Honesty



It is important to the Council of Vulcan County that these statements reflect the collaborative spirit that will enhance their own and their neighbours' initiatives and prospects for the future, and support the cooperative initiatives that will provide more cost effective municipal and other services within the region. (2014-2017 Strategic Plan)

2017 PRIORITIES, ISSUES, AND GOALS

1) TAX RATES & ASSESSMENT:

The most significant challenge that arose during the development of the 2017 budget was the large decrease in the linear assessment totalling over \$125 million (greater than 15%) decrease. Although Council and Administration expected a decrease in the linear assessment as the oil and gas sector has somewhat been struggling with the current economic climate, the actual decrease was still larger than expected. Based on the prior year's tax rates, this equated to an approx. \$1.144 million decrease in tax revenues for the operations of the County.

Typically, with a decrease in assessment of this magnitude, a municipality would be required to raise the tax rates to cover this reduction; however, it was Council's and Administration's goal to minimize these effects as the County wanted the tax rates to remain competitive in attracting new development and businesses. Through the collaborative efforts between Council and Administration, the County was able to minimize these effects and only require a small 5% increase in farmland municipal tax rate (impact of less than \$20 per quarter section of farmland).

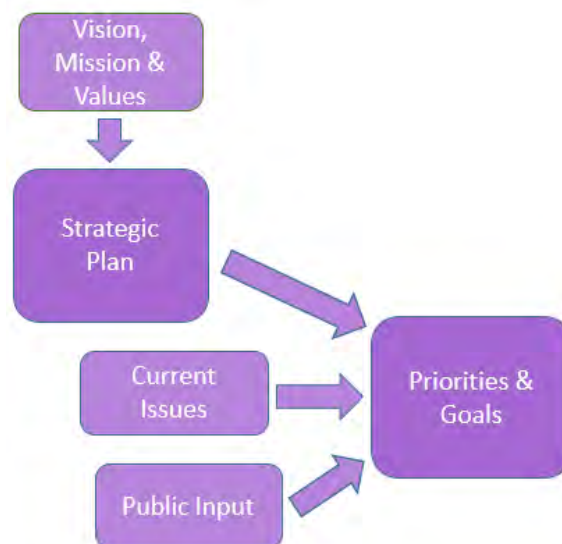
As approved in 2016, the tax and assessment notices are to be sent on or before May 31st, 2017 as the deadline for 2017 taxes was changed to July 31st, 2017.

2) BRIDGE PROJECTS:

A priority for 2017 includes the replacement of multiple bridges, including two large contracted bridge projects with an estimated cost of \$3.355 million. The other bridge projects the County is able to replace internally. These bridges are funded by the capital grants and capital reserves that have been set in the 20-year capital replacement plan.

3) KIRKCALDY WATERLINE:

A priority to be completed in 2017 is the installation of a waterline for the residences of Kirkcaldy to the regional waterline. The County had received interest from the residences of Kirkcaldy in connecting to this waterline. As most of the planning and design was completed in 2016; the budget needed to include these project construction costs and funding sources. This will include community input from residences on potential special tax effects and approval from the TVRWC commission.



BUDGETING GUIDELINES

BASIS OF BUDGETING

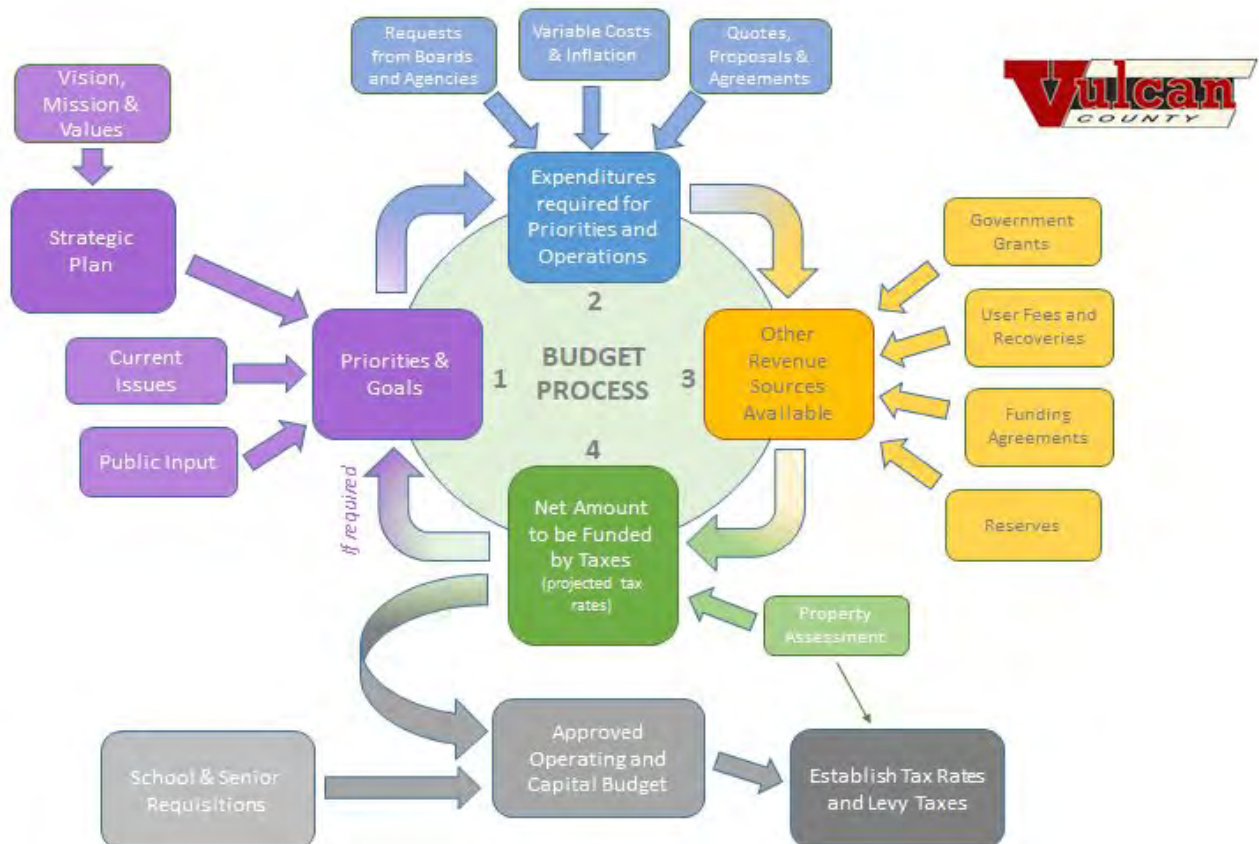
The Municipal Government Act (MGA) requires that the County Council adopt an operating and capital budget each year. An interim budget may also be passed until the final budget is adopted. The budget is based on the estimated operating and capital costs for the County; whereas, after reviewing the other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

Typically, the County adopts an interim operating budget in November/December in the year prior to the budget year so that interim budget 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 utilized instead of amending the original operating budget.

The capital budget is also typically adopted in November/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 (to a level of their satisfaction); whereas, once they are in agreement on the budgets, they will provide the recommendation to County Council for formal approval.

The following is the budget process for the County:



An interactive version of the Budget Process may also be seen on our website:

www.vulcancounty.ab.ca > YOUR COUNTY > Departments > Corporate Services
> Operating & Capital Budgets > Budget Process

MODIFIED ACCRUAL BASIS:

The County utilizes a modified accrual basis for its budgeting; whereas, this is a combination of cash basis and accrual basis 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 as it incurs and does not matter the timing of when the cash is exchanged (i.e. expense is recognized when the good/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 incur in a short time period. These include revenues and expenses that will typically be completed in the budget year and are not expected to occur over multiple years. These include a large amount of revenues and expenditures that would be recognized on an 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 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). 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 incurred in each of the budget years.



Although the County's Annual Financial Statements are recorded fully on an accrual basis of accounting, the budget remains in-line with this methodology as the short-term items are still projected to be completed before the yearend. The County's Annual Financial Statements provide a reconciliation between the modified accrual basis and the recognition of the financial statements; 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. Starting the 2017 budget year, 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).

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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 section of the MGA was proclaimed in early 2016; therefore, during 2016 Council approved this change effective for the 2017 budget. This budget format includes the following:

- Statement of Operations - revenues and expenses by department
- Schedule of Change 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 Segment Reporting - revenues and expenses in each major segment/department



The change to this presentation format allows the readers of the budget to easily tie in the budget with 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.

BASIS OF BUDGETING - Continued

FUND ACCOUNTING:

Vulcan County has three (3) major types of funds; Operating, Capital and Reserves. 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.

OPERATING FUNDS

The Operating Budget outlines the changes in these funds; whereas, this includes all of the municipal programs and services in the operations of the County. This fund has the largest amount of funds where the costs of these operating activities are recovered through taxation, operating grants, user fees and other sources of revenues.

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 reserves
- Operating funds transferred to build operating reserves (i.e. contingency)
- Operating reserves used to fund operating costs and projects (i.e. carry forward funds)

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

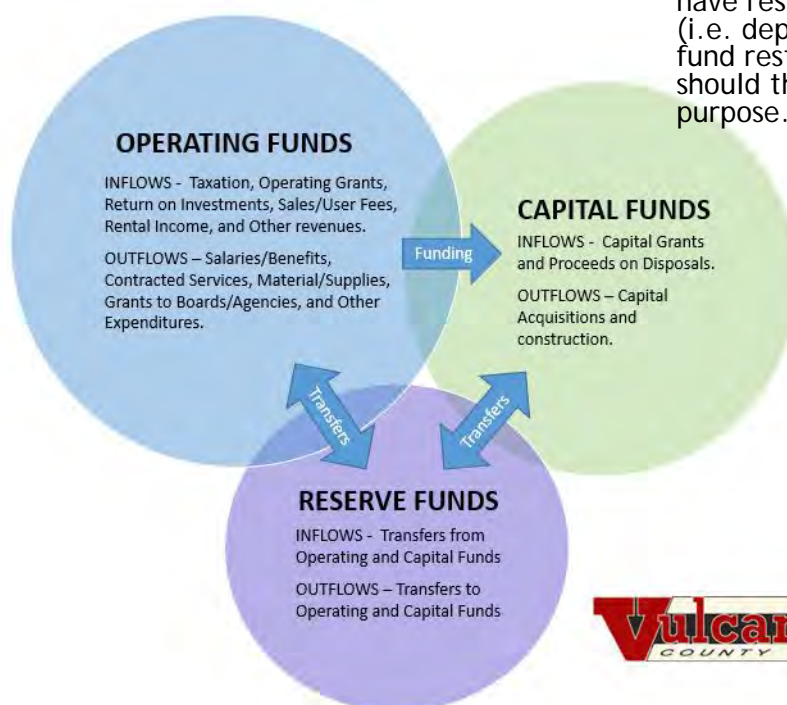
The Capital Budget outlines the changes in these funds; whereas, this includes all of the capital acquisitions/construction and the related capital funding of the County. The capital funding may include capital grants, proceeds on disposals, and transfers from/to the other fund accounts, including:

- 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); whereas, these fund restrictions may be modified by Council, should they want to use the funds for a different purpose.



FINANCIAL POLICIES AND PRINCIPALS:

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, the Canadian Public Sector Accounting Standards, and other related legislation. These policies ensure that the County assesses the long-term financial and budgetary impacts in the budget process. The following are some of the policies that are in place:

- Purchasing and Procurement Authority
- Compensation Policy
- Recreation Funding Policy
- Investment Policy
- Tangible Capital Assets
- Surplus Vehicle & Equipment Policy
- Reserves Policy



Two of the policies that have the most effect 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 Trade, Investment and Labour Mobility Agreement (TILMA). In relation to Capital, County Council has also set a threshold of \$30,000 requiring tender or proposals (considered significant capital); whereas, this ensures that the County is able to acquire capital that is market competitive for prices and that meets the requirements of the County. This policy has effect on 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; whereas, occasionally the salary grids are amended for final budget (if new or updated information is available). These approved salary grids are attributed to each of the staff positions in combination with their current salary grid levels (and projected change in grid levels).

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

www.vulcancounty.ab.ca > YOUR COUNTY > Reeve and Council > Policies

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 plan for a budgeted 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 had early adopted the use of multi-year operating and capital budgets. Council has approved the use of a three (3) year written operating plan and a five (5) year written capital plan. To review long-term capital planning, the County has a twenty (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 limits), 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 in these fees.

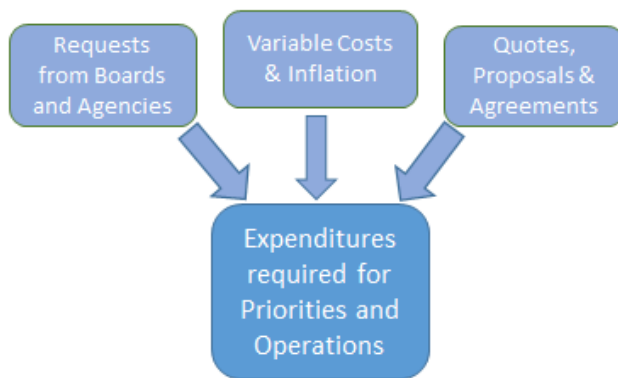
BUDGETING FOR EXPENDITURES

The County's priorities & goals will determine the required expenditures for these 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:

For each of the operating expenditures, the County has detailed listings of all of the transactions included in each of these expenditures (transactions/items making up the balance); therefore, the prior year budget details are usually used as the base for the operating activities/expenditures.

Each of the separate departments within the County have its own operating expenditures required to operate the respective department. The department heads (Directors and supervisors) typically review the departmental expenditures that they oversee.



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 projects. 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

The variable costs & inflation mostly update the base operating expenditures for the major operations of the County. Some of the significant variable costs include the cost of fuel/diesel; whereas, the determination of these costs are made from the total projected quantities required (relatively consistent from year-to-year) multiplied by the projected fuel/diesel prices. Inflation is also reviewed on the operational base costs for increases from the prior year budget; whereas, this may also be taken into account in the determination of multi-year operating budget plans as many costs are projected to increase in the upcoming budget years.



Salaries, wages, and benefits somewhat have a combination of variable factors and inflationary factors. Variable factors such as 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.



For the majority of these types of variable expenditures, the County takes a conservative basis to ensure that the budget is sufficient to cover the costs, including potential unexpected increases due to the nature the 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 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 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 also receives quotes or proposals on items that are less than the legislative requirements to ensure market competitive pricing.

The County may also have previously entered into agreements for services; in which, the budgeted costs 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, where the majority of the boards/agencies are located within the County's borders.

There are currently six (6) Recreation Committees which requests 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 are members 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, business development (i.e. VBDS), 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.

CAPITAL EXPENDITURES:

In accordance with the Purchasing Authority and Procurement Policy, any capital items over a \$30,000 threshold requires the process of receiving tenders or proposals; therefore, substantially all of the capital projects and purchases have this process.

Although the policy allows for either tenders or proposals; typically, the County usually brings all of the capital acquisitions through the request for proposals process. Unlike tenders, which require the County to accept the lowest offer, request for proposals allows the County to take other factors into account when making it's decision; this can include historical experience with vendor/model, warranty on capital, current equipment in fleet, and other factors.

Price/cost is usually the most critical factor in determining the capital procurement.



BUDGETING OTHER SOURCES OF REVENUE

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

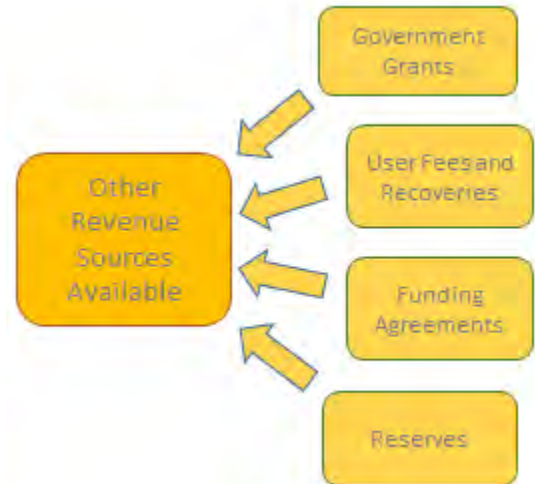
The main other sources of revenues include government grants, user fees/recoveries, funding agreements, and use of reserves.

These revenues are recognized on a conservative basis; whereas, 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 usually are included based on average or lower basis. Should the County receive more revenues than budgeted, the resulting surplus resulting may be added to reserves and potentially applied in future budget years.

GOVERNMENT 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. The major grant funding include the Provincial MSI Operating and Capital grants.

Some of the grants are competitive in nature; therefore, the County submits for these grants on these programs, 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. These usually recover or partially recover the costs of the services provided.

Other recoveries/revenues may include investment income, penalties, and other various revenue sources. These types of revenues usually vary from year-to-year; therefore, these are included in the budget on a conservative basis.

FUNDING AGREEMENTS

The County has some specific funding agreements, including agreement on shared services with other municipalities. Some of these shared services can include the County providing IT services for some of the urban municipalities. The County also manages the Doctor Retention Program which provides subsidies to the local clinics; whereas, based on the funding 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 provides 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 specific 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 specified for specific purposes; whereas, the County would likely want to avoid depleting these reserves so that these funds are still available for the purpose that they were intended for.

DETERMINATION OF TAX RATES

As part of the municipal budget, 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 fee revenues, etc.). This net remaining amount is to be raised by property taxes.

Net Amount to be Funded by Taxes is effectively:

Total Cost of Expenditures
Less: Other Revenue Sources

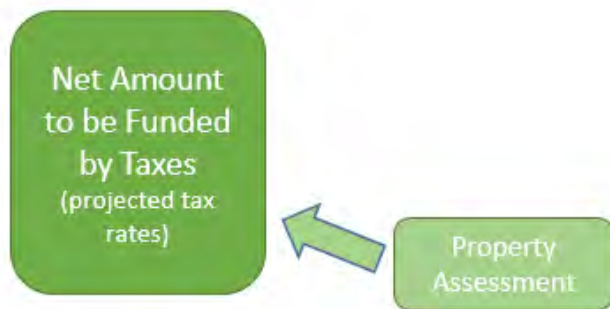
This will provide the total amount to be raised through taxes. Using the Property Assessment figures, the projected tax rates may be determined.

To calculate taxes, a tax rate is established through the County's Bylaws. The following is the formula to determine the tax rate:

$$\text{Tax Rate} = \frac{\text{Total Property Tax}}{\text{Total Assessment}}$$

Your property taxes are calculated by multiplying the assessed value of your property by the tax rate:

$$\begin{aligned} \text{Property Tax Bill} &= (\text{Assessment} \times \text{Municipal Tax Rates}) \\ &+ (\text{Assessment} \times \text{Education Tax Rate}) \\ &+ (\text{Assessment} \times \text{Senior Tax Rate}) \end{aligned}$$



The Municipal Tax Rates may include:

- *General Municipal Rates* - County-wide
- *Solid Waste Rate* - County-wide
- *Fire Protection Rate* - District specific
- *Recreation Rate* - District specific
- *Waterworks Rate* - Parcel specific

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COUNTY-WIDE TAX RATES

The General Municipal Rates include the tax rates for residential and non-residential/farmland property 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. There are currently five (5) major assessment classes that are applicable to the General Municipal Rate, including:

- Residential
- Farmland
- Non-Residential
- Machinery & Equipment (M&E)
- Linear

Of these classes Residential, Farmland, and Non-Residential (including M&E and linear) may have separate General Municipal Rates.

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; whereas, the County portion is pro-rated based on the estimated population in the County. This equates to an approx. 56% of the operating costs of the Waste Commission.



DETERMINATION OF TAX RATES - Continued

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 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 >
YOUR COUNTY > Corporate Services > Assessment & Taxation > Property Tax Calculator

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

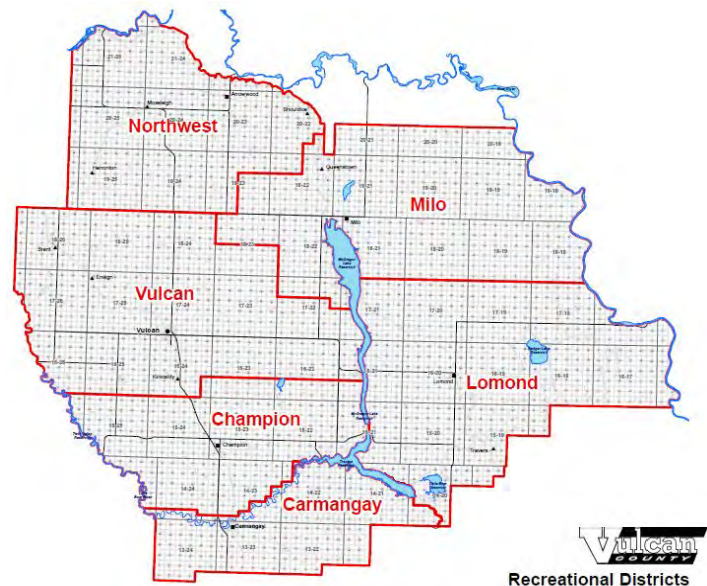
There are currently three (3) regionalized fire departments, including Carmangay, Champion, and Vulcan. The County directly manages these departments, including determining the operating budget.

The remaining three (3) fire departments are currently operated by Fire Associations; in which, they have a service agreement to provided fire protection for the County. These Fire Associations provide the County with their annual operating budgets. These areas include Northwest, Milo, and Lomond.

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 **Waterworks Rate** is determined by the recovery of costs of building the water infrastructure for specific parcels of land; currently this includes the residents using the Mossleigh Water Treatment Plant.

In the next couple years, the residents of Kirkcaldy will also have this special tax for their new connection to the TVRWC line. These cost recoveries are done over multiple years.



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.

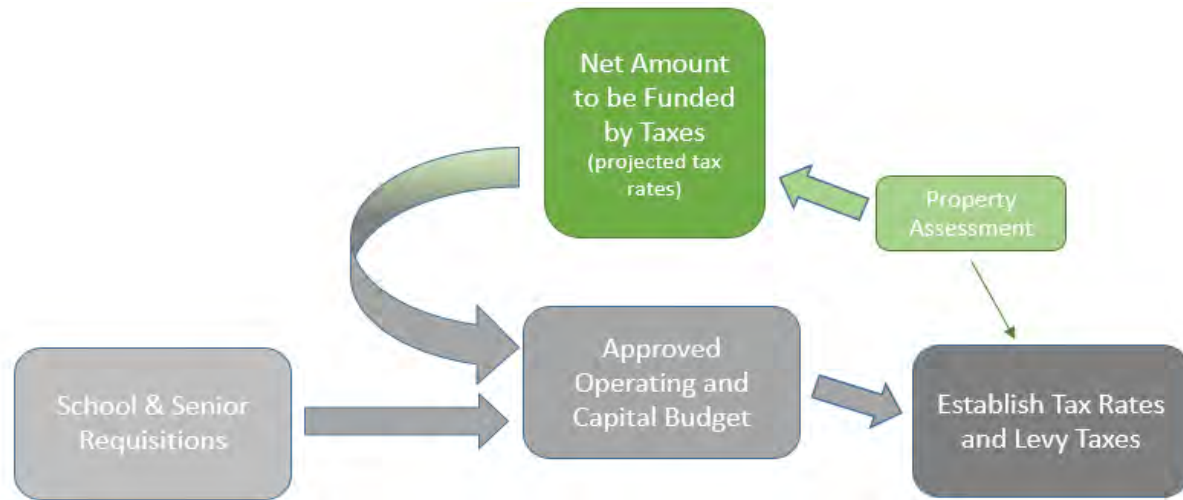
For each of the Recreation Areas, the local community groups within these areas provided recreational and cultural requests to the Recreation Board; who then reviews the applications and provides recommendations to Council on funding. The cultural requests are funded by the General Municipal Rate; whereas, the recreational requests are mostly funded by the special tax levies.

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.



During the budget process, while reviewing the potential tax rates, the County reviews these rates in detail and compares to other rates as it is always a priority for Council to keep the tax rates competitive. Should the projected tax rates not be in-line with this priority, Council may wish to further review the other Priorities & Goals for potential changes. Hence, reviewing the budget process again for these areas until Council is satisfied.

Once Council is satisfied that the proposed tax rates are in-line; 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 Requisitions are provided to the County from the Province and the Senior's Foundation. The County does not have any control over these amounts.

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REQUISITION 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 (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.



DETERMINATION OF TAX RATES - Continued

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 (others like farmland are regulated assessment).

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 is not 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).

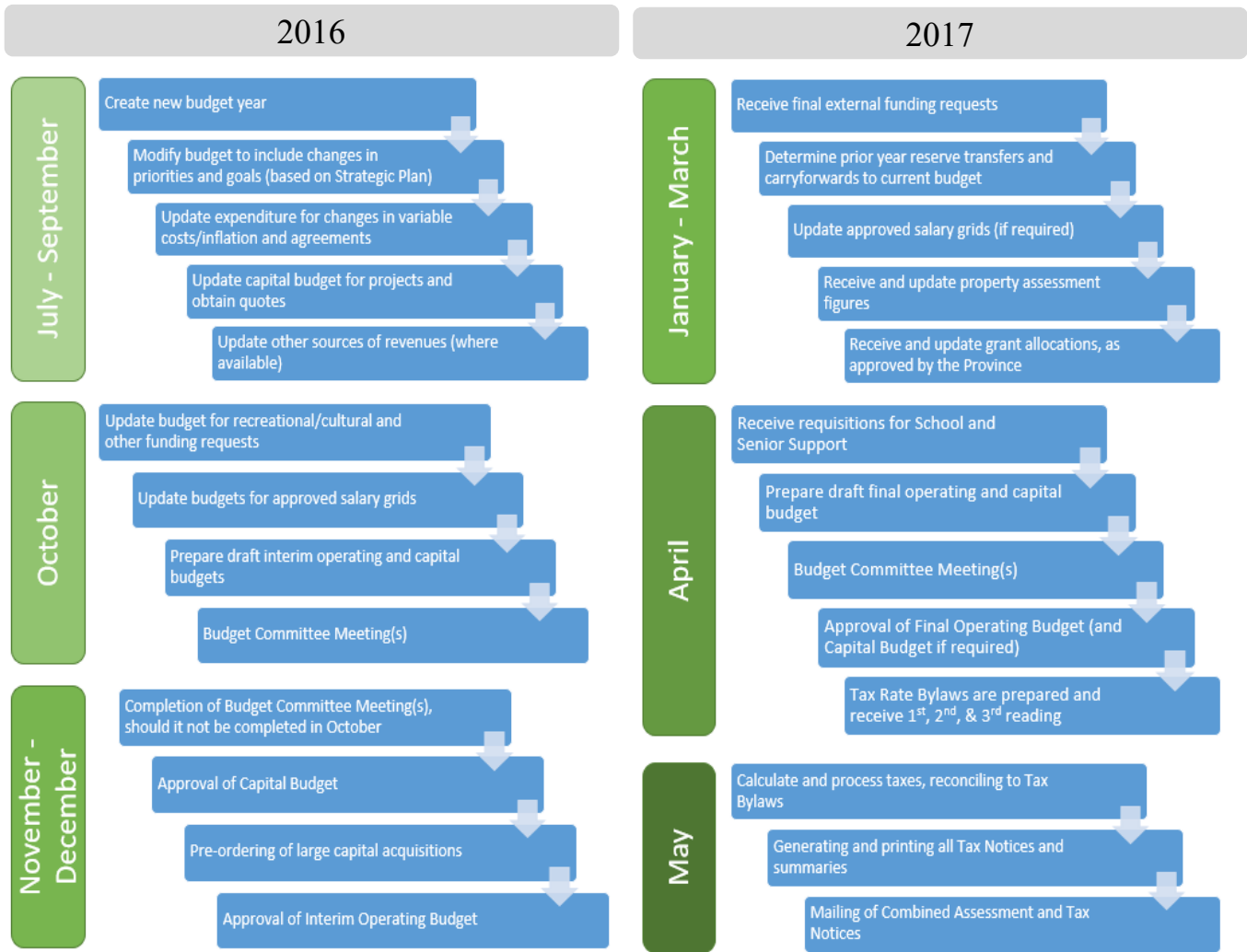
For more information on taxation and assessment, please see the forms and brochures (or frequently asked questions) that are available on our website:

www.vulcancounty.ab.ca > YOUR COUNTY > Corporate Services > Assessment & Taxation > Forms & Brochures (or FAQs)



BUDGET SCHEDULE AND CALENDER

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



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BUDGET COMMITTEE MEETING DATES:

- October 24-25, 2016 - Interim Budget Committee Meeting
- November 2, 2016 - Interim Budget Committee Meeting
- April 5-12, 2017 - Final Budget Committee Meeting

BUDGET APPROVAL DATES:

- October 25, 2016 - Approval of Capital Budget
- December 7, 2016 - Approval of Interim Operating Budget
- April 19, 2017 - Approval of the 2017 Final Operating and Capital Budgets





SECTION TWO

OPERATING BUDGET BY TYPE

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SECTION TWO

Operating Budget by Type

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REVENUES

The County's operating revenues are typically budgeted on a conservative basis; whereas, the revenues are only included in the budget if it is considered to be more than likely 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 2017 budgeted operating revenues:

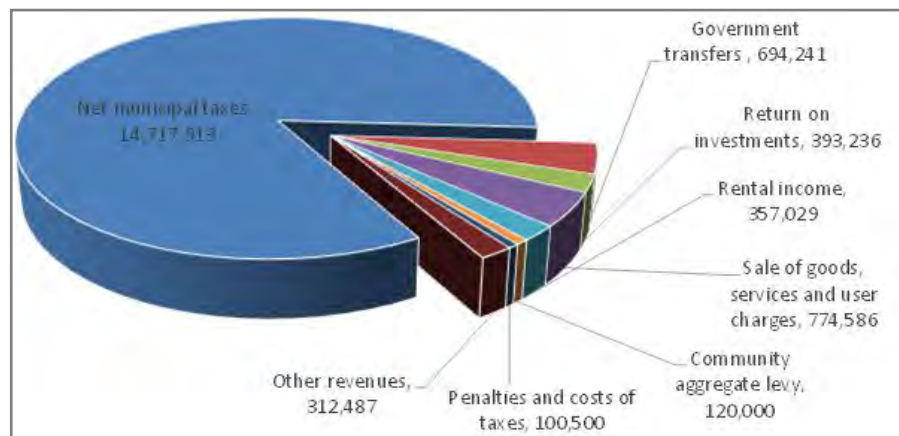
Net municipal taxes	14,717,913	84.2%
Government transfers	694,241	4.0%
Return on investments	393,236	2.3%
Sale of goods, services and user charges	774,586	4.4%
Rental income	357,029	2.0%
Community aggregate levy	120,000	0.7%
Penalties and costs of taxes	100,500	0.6%
Other revenues	312,487	1.8%
	<u>17,469,992</u>	



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.



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.

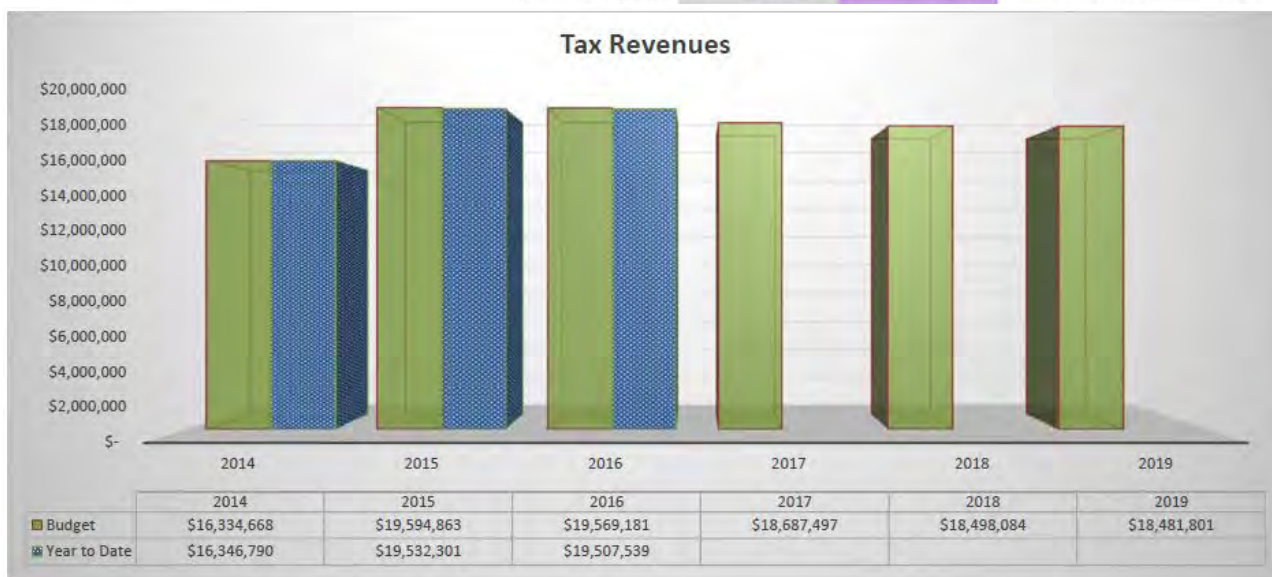
A major change from the prior years was a significant decrease in the County's linear as there was an overall \$124 million decrease in assessment. Based on prior year's tax rates, this equated to approx. \$1.144 million decrease in the tax revenues for the County. Through the detailed review of the 2017 budget, the County was able to reduce this effect to a remaining \$66,000 deficit through cost reductions and efficiencies.

Class	Taxable Assessment		
	2016	2017	Change
Residential	436,185,830	439,254,600	3,068,770
Commercial & Industrial	83,523,650	87,609,370	4,085,720
Farmland	204,013,140	204,305,680	292,540
Machinery and Equipment	123,015,890	116,822,580	(6,193,310)
Linear	814,328,980	689,075,790	(125,253,190)
Total	1,661,067,490	1,537,068,020	(123,999,470)

After considerable consideration, Council applied a 5% increase in the general farmland tax rate to provide a balanced budget (with a small surplus transferred to reserves). Due to the regulated farmland assessment, this tax rate increase had an impact of less than \$20.00 per quarter section of farmland.

The following was the resulting taxation budget (with projections for the following two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Net municipal taxes					
Real property taxes	\$ 7,455,776	\$ 7,453,642	\$ 7,651,991	\$ 7,554,046	\$ 7,554,123
Linear taxes	9,792,962	9,786,327	8,420,354	8,420,415	8,420,484
Commercial taxes	1,124,320	1,114,535	1,247,966	1,247,972	1,247,981
Government grants in lieu of taxes	16,500	19,141	16,500	16,500	16,500
Special levy	1,124,624	1,124,276	1,295,686	1,204,151	1,187,713
Well drilling tax	55,000	9,618	55,000	55,000	55,000
	19,569,181	19,507,539	18,687,497	18,498,084	18,481,801
School requisitions	(3,789,172)	(3,789,172)	(3,717,487)	(3,717,487)	(3,717,487)
Seniors foundation	(227,124)	(227,124)	(252,098)	(252,098)	(252,098)
	15,552,886	15,491,243	14,717,913	14,528,500	14,512,216



As shown above, there has been an overall decrease in the budgeted tax revenues as a result of the decrease in the linear assessment. The overall decrease is somewhat offset by increases on the real property taxation from the increases in the residential and commercial/industrial assessment and the slight increase in the general farmland tax rate. The projections for 2018 & 2019 remain relatively consistent with the 2017 budget as it is uncertain on the potential changes in these areas.



As shown above, there is a slight decrease in the overall requisitions as there is a decrease in the overall assessment of the County (based on equalized assessment across the Province). This overall decrease in requisitions is somewhat offset by the increase in the Seniors' Foundation Requisition.

TAXATION - Continued

At the April 19, 2017, County Council approved and established the 2017 General Tax Rate and Special Levy Bylaws. These Tax Rate Bylaws are a result of the approved 2017 Operating and Capital Budgets.

- 2017 General Tax Rates (Bylaw 2017-015) for tax rates on the General Municipal, Waste Commission, School Requisitions, and the Seniors Requisition.
- 2017 Special Levy Tax Rates (Bylaw 2017-016, 2017-017, & 2017-018) for tax rates on the special tax levies for the fire protection areas, the recreational areas, and the waterworks upgrades.

2017 General Tax Rates (Bylaw 2017-015):

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 collect the Public and Separate School Requisitions and the Seniors Foundation Requisition. These tax rates are applied County-wide.

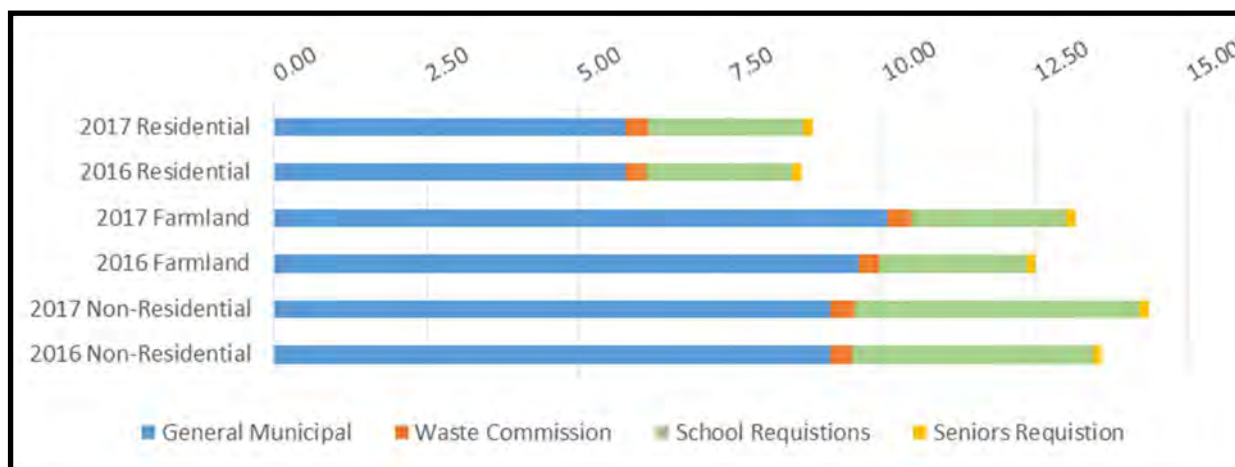
The following are the General Tax Rates as expressed in mills (1:1000):

General Municipal	2016 Rates	2017 Rates	% Change
Residential	5.7600	5.7600	0.0%
Farmland	9.5970	10.0769	5.0%
Non-Residential	9.1400	9.1400	0.0%

Waste Commission	2016 Rates	2017 Rates	% Change
Residential	0.3412	0.3980	16.6%
Farmland	0.3412	0.3980	16.6%
Non-Residential	0.3412	0.3980	16.6%

School Requisitions	2016 Rates	2017 Rates	% Change
Residential	2.4130	2.5229	4.6%
Farmland	2.4130	2.5229	4.6%
Non-Residential	3.9729	4.6660	17.4%

Senior Requisition	2016 Rates	2017 Rates	% Change
Residential	0.1387	0.1662	19.8%
Farmland	0.1387	0.1662	19.8%
Non-Residential	0.1387	0.1662	19.8%



The Waste Commission tax rates are applied to cover the County's share of the operational costs of the Vulcan and District Waste Commission; in which, as a member of this Commission, the County covers 56% of these costs (based on the populations within the County). The requisition increased to \$603,577 (previously \$555,260).

The School Requisitions rates are for the requisitions from Alberta Learning (Alberta School Foundation Fund and Christ the Redeemer Catholic Separate Regional Division No. 3); 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 behalf of these entities. The County has no jurisdiction or control over their operations or budgeted tax revenue requirements. This typically represents approximately 20-25% of your total taxes, and Vulcan County is required to directly pay this to Alberta Learning (Province) and to the Marquis Foundation (paid on a quarterly basis).

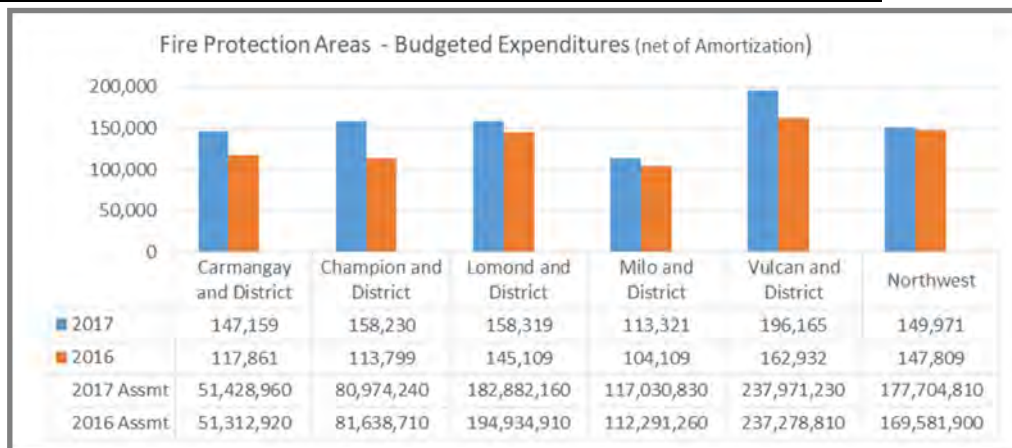
2017 Special Levy Tax Rates (Bylaw 2017-016, 2017-017, & 2017-018):

The Special Levy Tax Rate Bylaws sets 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 municipal costs and contributions to the Fire and Recreational Districts and the recovery of costs for the Mossleigh Water Treatment Plant. These special levy tax rates are only applied to the related district and/or parcels of land that the costs are associated with.

Fire Protection Districts (Bylaw 2017-016):

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

Fire Protection Area	2014 Rates	2015 Rates	2016 Rates	2017 Rates	% Change
Carmangay and District	1.3652	1.0661	1.6896	2.2602	33.8%
Champion and District	0.6509	0.6115	0.9387	1.5369	63.7%
Lomond and District	0.2987	0.4195	0.5250	0.6584	25.4%
Milo and District	0.3442	0.2269	0.5690	0.6649	16.9%
Vulcan and District	0.3378	0.2437	0.0893	0.4071	355.9%
Northwest	0.6399	0.6180	0.6910	0.6917	0.1%
Linear	0.3122	0.3216	0.3312	0.3411	3.0%



Carmangay and District - total of \$147,159 area cost with a total of \$30,918 of revenues (other than taxes), resulting in \$116,241 to be raised by special levies. Based on \$51.428 million in taxable assessment, the special levies equate to a rate of 2.2602 mills (0.0022602).

Champion and District - total of \$158,230 area cost with a total of \$33,781 of revenues (other than taxes), resulting in \$124,449 to be raised by special levies. Based on \$80.974 million in taxable assessment, the special levies equate to a rate of 1.5369 mills (0.0015369).

Lomond and District - total of \$158,319 area cost mostly from the request of the Fire Association with a total of \$37,910 of revenues (other than taxes), resulting in \$120,409 to be raised by special levies. Based on \$182.882 million in taxable assessment, the special levies equate to a rate of 0.6584 mills (0.0006584).

Milo and District - total of \$113,321 area cost mostly from the request of the Fire Association with a total of \$35,507 of revenues (other than taxes), resulting in \$77,814 to be raised by special levies. Based on \$117.030 million in taxable assessment, the special levies equate to a rate of 0.6649 mills (0.0006649). Milo District is currently has no honorarium costs.

Vulcan and District - total of \$196,165 area cost with a total of \$99,287 of revenues (other than taxes), resulting in \$96,878 to be raised by special levies. Based on \$237,971 million in taxable assessment, the special levies equate to a rate of 0.4071 mills (0.0004071). The prior year included a \$37,500 carry forward from reserves (making the prior year's special tax rate very low compared to other years).

Northwest - total of \$149,971 area cost mostly from the request of the Fire Association with a total of \$27,049 of revenues (other than taxes), resulting in \$122,919 to be raised by special levies. Based on \$177.704 million in taxable assessment, the special levies equate to a rate of 0.6917 mills (0.0006917).

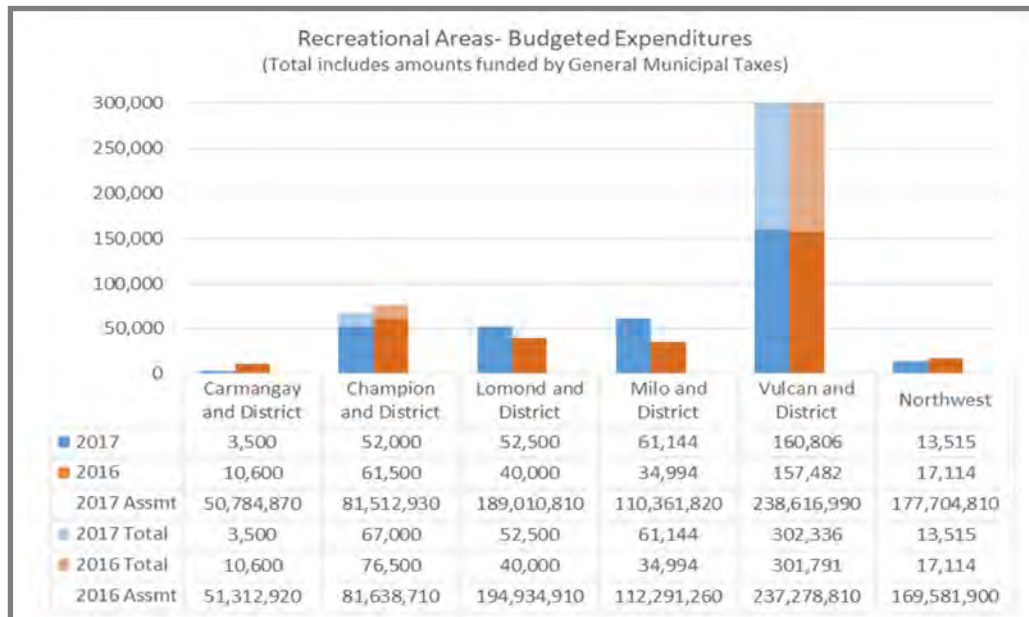


TAXATION - Continued

Recreational Districts (Bylaw 2017-017):

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

Recreational Area	2014 Rates	2015 Rates	2016 Rates	2017 Rates	% Change
Carmangay and District	0.6478	0.3440	0.1165	0.0000	(100.0%)
Champion and District	0.6179	0.5561	0.6788	0.5720	(15.7%)
Lomond and District	0.1406	0.1515	0.1680	0.2436	45.0%
Milo and District	0.3572	0.3122	0.2566	0.5046	96.6%
Vulcan and District	0.3897	0.6771	0.5944	0.6131	3.1%
Northwest	0.0027	0.0000	0.0305	0.0167	(45.2%)
Linear	0.1234	0.1271	0.1309	0.1348	3.0%



Carmangay and District - total approved requests from the Recreation Board were a total of \$3,500; whereas, the linear portion of \$4,081 was sufficient to cover contributions. The remaining amount was allocated to the district's specific recreational reserve. The result was that \$nil is to be raised by special levies. Based on \$50.785 million in taxable assessment, the special levies equate to a rate of 0.0000 mills (0.000000).

Champion and District - total approved requests from the Recreation Board were \$17,000 and \$35,000 for capital for a total of \$52,000; whereas, the linear portion of \$5,375 was applied to cover some of the contributions. The result was that \$46,625 is to be raised by special levies. Based on \$81.513 million in taxable assessment, the special levies equate to a rate of 0.5720 mills (0.0005720). For the Champion Swimming Pool's request of \$30,000, a 50% portion is included in the district specific contribution (\$15,000) and 50% is funded by the general municipal tax rates (\$15,000). There is a total of \$67,000 of recreational activities funded in this district by special levies and the general municipal taxes.

Lomond and District - total approved requests from the Recreation Board were \$27,500 and \$25,000 for capital for a total of \$52,500; whereas, the linear portion of \$6,457 was applied to cover some of the contributions. The result was that \$46,043 is to be raised by special levies. Based on \$189.011 million in taxable assessment, the special levies equate to a rate of 0.2436 mills (0.0002436).

Milo and District - total approved requests from the Recreation Board were a total of \$61,144; whereas, the linear portion of \$5,455 was applied to cover some of the contributions. The operating costs of the Recreation Board increased to \$34,500, the Ice Committee increased to \$10,000, and the Recreation Board requested an additional \$4,000 for a storage container. The result was that \$55,689 is to be raised by special levies. Based on \$110.362 million in taxable assessment, the special levies equate to a rate of 0.5046 mills (0.0005046).

Vulcan and District - total approved requests from the Recreation Board were a total of \$160,806; whereas, the linear portion of \$14,517 was applied to cover some of the contributions. The result was that \$146,296 is to be raised by special levies. Based on \$238,617 million in taxable assessment, the special levies equate to a rate of 0.6131 mills (0.0006131). For the Vulcan Swimming Pool request of \$79,108 and the Vulcan Arena request of \$77,920, a 50% portion is included in the district specific contribution (\$78,514) and 50% is funded by the general municipal tax rates (\$78,514). The contributions for the Southern Alberta Summer Games of \$9,070 and the Virginia Mitchell Ball Park/Campground/AG Grounds of \$56,725 are funded by the general municipal tax rates. There is a total of \$302,336 of recreational activities funded in this district by special levies and the general municipal taxes.

Northwest - total approved requests from the Recreation Board were a total of \$13,515; whereas, the linear portion of \$10,548 was applied to cover some of the contributions. The result was that \$2,967 is to be raised by special levies. Based on \$177.705 million in taxable assessment, the special levies equate to a rate of 0.0167 mills (0.0000167).



Waterworks (Bylaw 2017-018):

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.



Once the residences of Kirkcaldy are connected to the Twin Valley Regional Water Commission (TVRWC) waterlines, the special tax levies will be provided to these parcels to recover the costs of connecting to the waterline.

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

www.vulcancounty.ab.ca > *YOUR COUNTY* > *Reeve and Council* > *Bylaws*

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 > *YOUR COUNTY* > *Corporate Services* > *Assessment & Taxation*

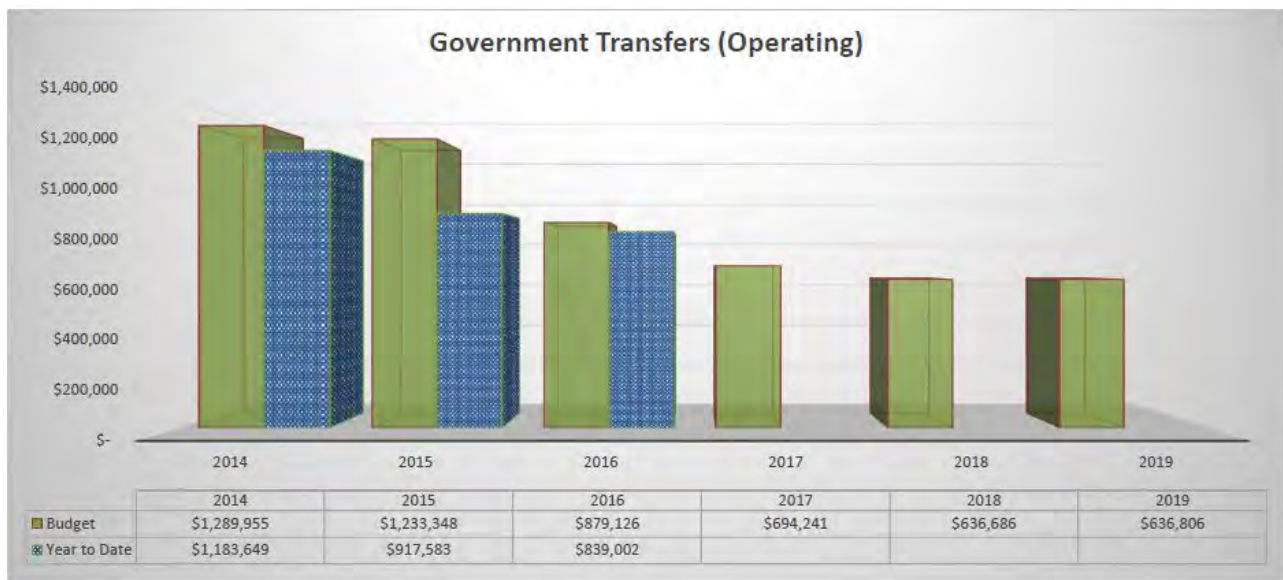


GOVERNMENT TRANSFERS / GRANTS

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 two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Government transfers					
Provincial government transfers - Operating	\$ 593,020	\$ 550,630	\$ 414,305	\$ 356,630	\$ 356,630
Federal government transfers - Operating	204,082	209,883	210,854	210,854	210,854
Transfers from Local Government - Operating	82,024	78,489	69,082	69,202	69,322
	879,126	839,002	694,241	636,686	636,806



The majority of the government transfers for operations relate to the Municipal Sustainability Initiative (MSI) Operating grant, the Alberta Collaboration Partnership (ACP) grant, the Agricultural Service Board (ASB) grant, and the Federal Gas Tax (FGTF) grant.

The MSI Operating, ASB grant, and FGTF grant are based on funding allocations, which cover the eligible operating costs. These operating grants are budgeted to be fully used in year; whereas, the approved expenditures exceed the grant funds available.

The ACP grant is based on the grant funding agreements to cover specific operating costs included in the budgets.

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

Provincial Government Grants:

MSI Operating Grant	185,940
AG Service Board Grant	168,350
ACP Grants	33,000
Other	27,015
	414,305

Federal Government Grants:

Federal Gas Tax Fund Grant	210,854
	210,854

Transfers from Local Government:

Doctor Retention Program	56,407
Shared IT Services	12,675
	69,082

The projected decrease in the budgeted Government Transfers relate to the projects being completed in the prior years; therefore, less carry forward operating grant funding is available. In 2014-2016 budget years, there were grant funded projects for the ORTHO project and the Rural Inter-Municipal Development Plan (IMDP).

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 two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Return on investments	389,736	733,530	393,236	389,736	393,236



The investment income is based on prior interest and dividends received on the County's investments. The investment income is projected to remain relatively constant over the next couple years with minor fluctuations for dividend income.

During 2016, the County modified its investment strategies from holding long-term government bonds to long-term GIC, which includes a large one-time gain on the sale of bonds. With the additional proceeds from the sale of the bonds, the County was able to obtain a higher overall rate of return compared to holding the bond. These long-term investments are scheduled to mature in conjunction with the large capital projects that are held in reserves.

For operating cash flows during the year, the County invests the funds received on taxation to fund the upcoming operating period in term deposits; whereas, the County reviews its projected cash flows to determine the maturity dates of these term deposits.

These recent 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. During the review of these investment strategies in 2014, the County was also able to negotiate reduced fees relating to the investments.

The Municipal Government Act (MGA), Section 250, also dictates the types of investments that a municipality is able to invest; whereas, it is limited to guaranteed/very low risk investments to protect the finances of the municipality. 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.



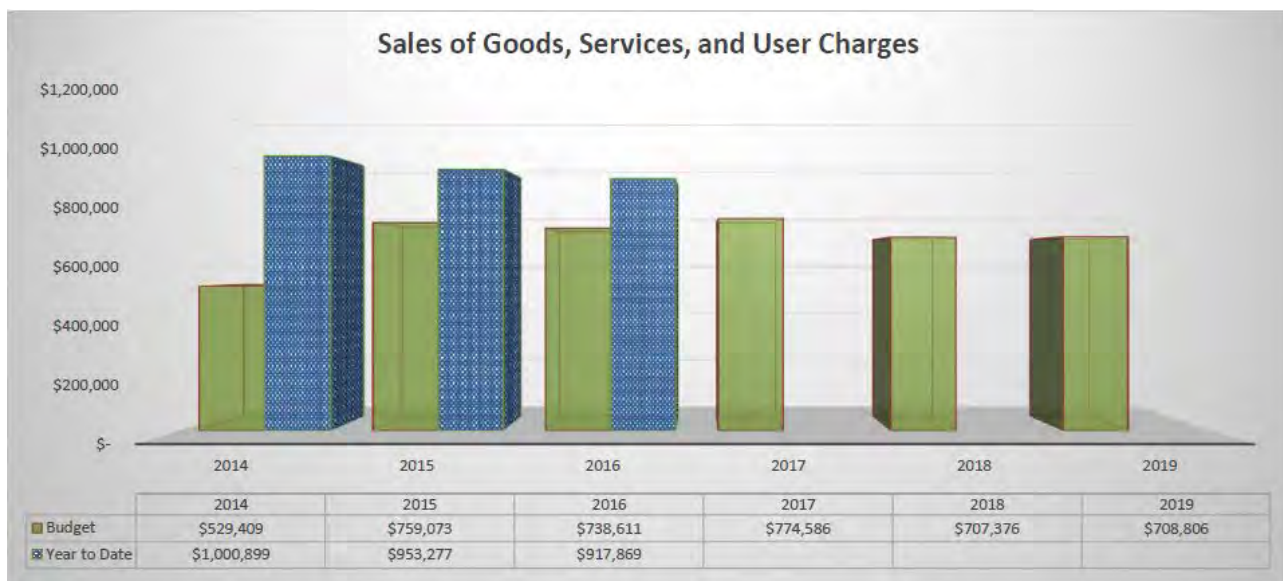
SALES OF GOODS, SERVICES & USER CHARGES

The sale of goods, services, and user charges are also included in other sources of income. These revenues are recognized on a conservative basis; whereas, 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 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 was the resulting sale of goods, services, and user charges (with projections for the following two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Sale of goods, services, and user charges	738,611	917,869	774,586	707,376	708,806



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 revenues are used to project these revenues sources; while remaining conservative in the budgeting. These revenues are projected to remain relatively consistent, with a slight increase in 2017 for potential sale of gravel to the Town and Villages throughout the year.

The County also typically determines which specific services are recovered by User Fees and Recoveries. The majority are typically set by the annual Fee for Service bylaw. These usually recover or partially recover the costs of the services provided. All of the County's Bylaws may also be seen on our website:

www.vulcancounty.ab.ca >
YOUR COUNTY > Reeve and Council > Bylaws

Fees & Charges



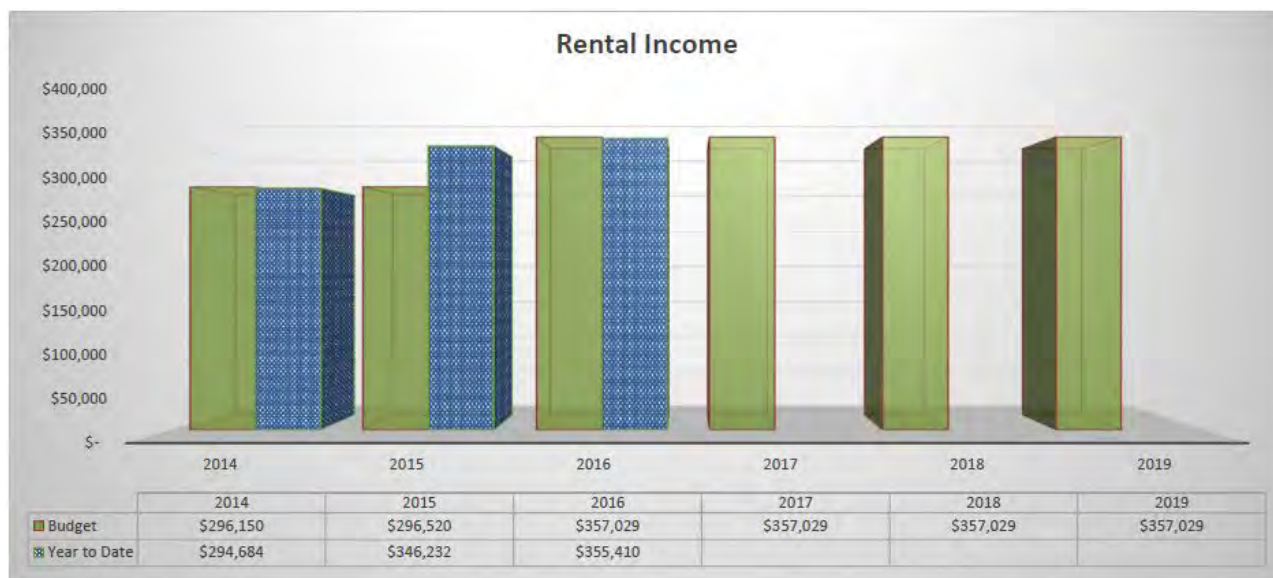
Historically, the actual cost recoveries revenue received has been significantly higher than budgeted; whereas, this is budgeted on a conservative basis. These cost recoveries were higher for items such as additional legal costs of oil/gas companies being added to the respective tax roll accounts and receiving additional surface right revenues compared to what was budgeted.

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 two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Rental Income	357,029	355,410	357,029	357,029	357,029



Majority of the rental income is based on rental agreements that the County has with the RCMP, Alberta Health Services (AHS), and the Town of Vulcan for the rental in the Tri-Services Building. Rental income is projected to remain consistent for the next years as they are based on agreements; whereas, most of these agreements still have a couple years left in their terms.



There are also other rental agreements for buildings (i.e. VBDS 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 2006-016. As the actual amount transported can fluctuate significantly from year-to-year, and is outside of the County's control, the budget uses a conservative amount which is based on historical lows in the revenues.

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

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Community aggregate levy	120,000	149,287	120,000	120,000	120,000



As shown above, the County has consistently maintained a conservative budget of \$120,000 based on historical lows in the community aggregate levies. The amount of aggregate transported in the County during 2016 was closer to the historical low; therefore, minimal amounts were able to be carried forward to the 2017 budget. This is an example of the benefits of maintaining the conservative budget, so that if the revenues are lower that it does not create a deficit.

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



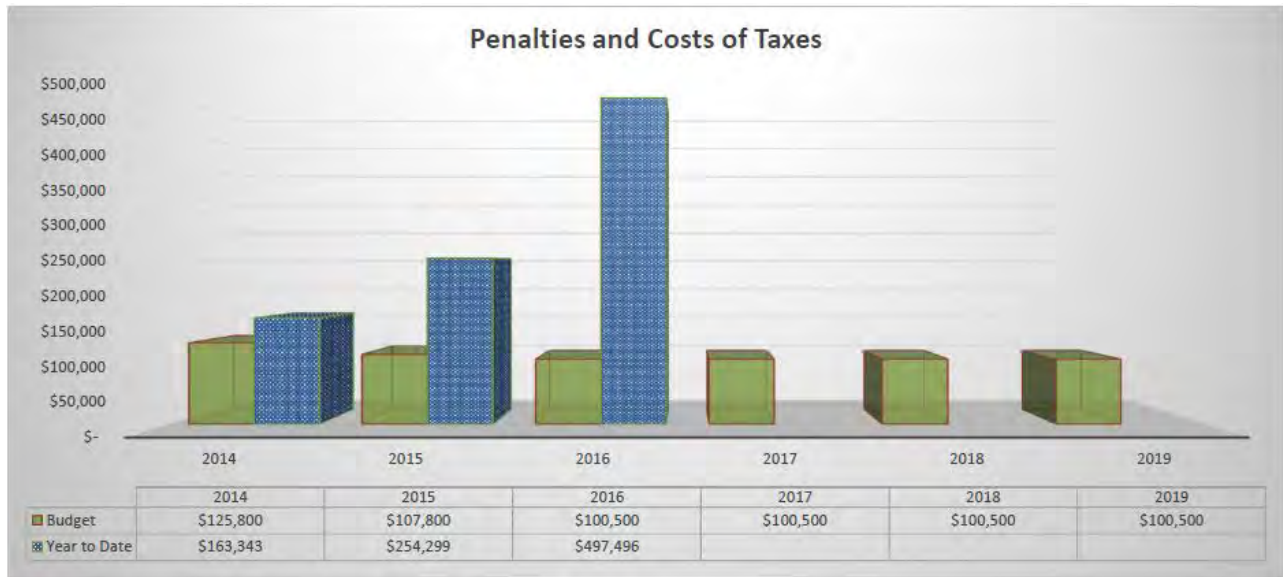
PENALTIES AND COSTS OF TAXES

The penalties and cost 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"; Hence, penalize those who do not pay in accordance with the deadlines, as the County depends on receiving the tax revenues to fund the County's operations.

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

Vulcan County Budget Comparison and Projections

	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Penalties and costs of taxes	100,500	497,496	100,500	100,500	100,500



During 2015-2016, there was a higher than usual amount due to a couple of larger accounts going into tax arrears. These revenues are projected at the same rate as in prior years. As the actual outstanding tax arrears fluctuate from year to year, and is outside of the County's control, the budget uses a conservative amount of \$50,000 of penalties on current year taxes, \$50,000 of penalties on tax arrears, and \$500 for other penalties.

During 2016, County Council decide to change the tax payment due date to July 31st of each year, starting for the 2017 budget year. Therefore, with the change in the due date, there were also changes to the tax penalty structure.



The following is the penalty structure in accordance with Bylaw 2016-019 (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 :

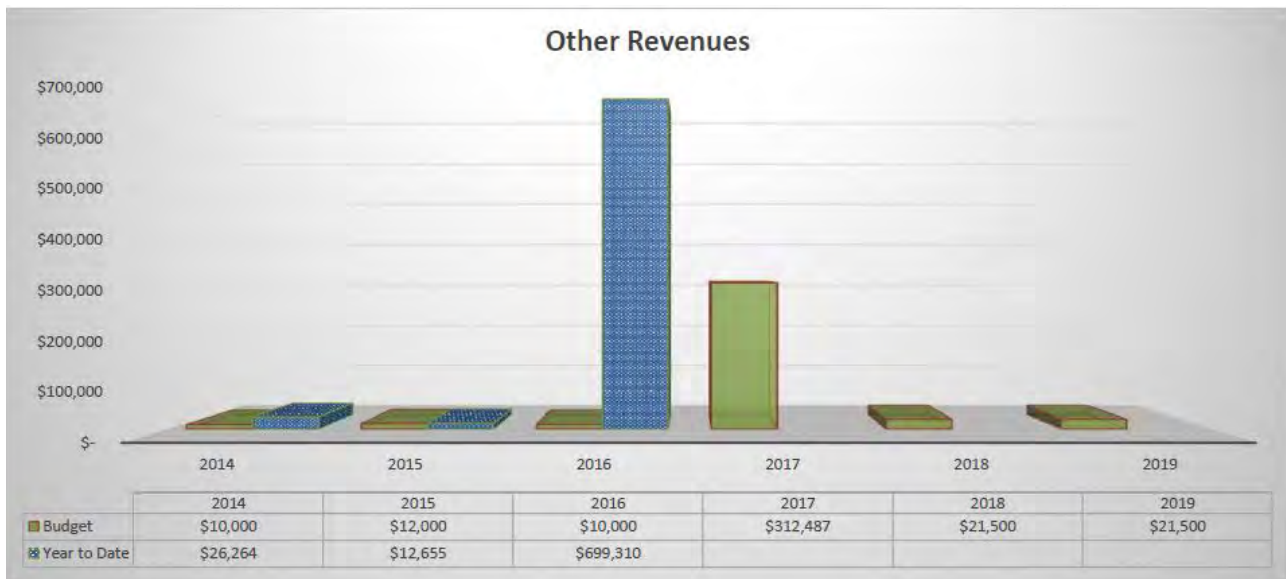
- January 1st - Twelve percent (12%) penalty on all tax arrears outstanding (all tax balances outstanding after December 31st)

OTHER REVENUES

The 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 other known revenues. Fine revenues are projected to also slightly increase for the next couple years.

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

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Other revenue					
Fines	10,000	14,984	21,500	21,500	21,500
Other	-	684,326	290,987	-	-
	10,000	699,310	312,487	21,500	21,500



During 2016, the County received \$657,326 matching contribution from the Town of Vulcan for the Vulcan Hospital Expansion Project. This was not budgeted for in the 2016 budget. The 2017 budget is projected that the remaining matching funds of \$290,987 will be received for the Vulcan Hospital Expansion Project.



EXPENDITURES

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.

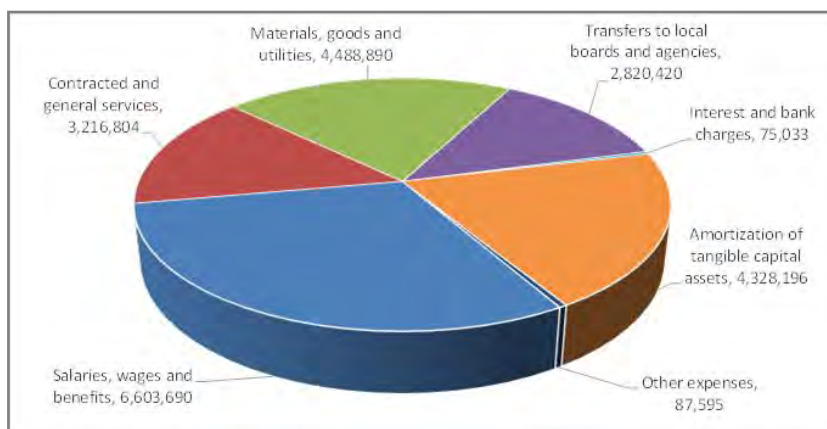
The following is the 2017 budgeted operating expenses:

Salaries, wages and benefits	6,603,690	30.5%
Contracted and general services	3,216,804	14.9%
Materials, goods and utilities	4,488,890	20.8%
Transfers to local boards and agencies	2,820,420	13.0%
Interest and bank charges	75,033	0.3%
Amortization of tangible capital assets	4,328,196	20.0%
Other expenses	87,595	0.4%
	<u>21,620,628</u>	
Machine expenses capitalized for construction	<u>(1,657,578)</u>	
	<u>19,963,050</u>	



The machine expenses capitalized for construction is a combination of the other expenses (salaries/wages, contracted services, materials/goods, etc.) that are part of the County's internally constructed assets, such as roads/bridges. These costs are capitalized as part of the Capital Transfers.

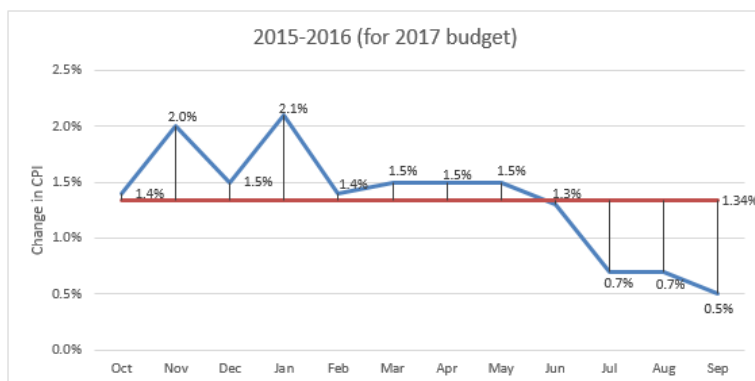
These operating expenses will be shown in detail in the following sections.



SALARY, WAGES & BENEFITS

The salary, wages, and benefits includes all of the staff wages/benefits and Council per diems. All of the wages/benefits have the increases from the 2017 approved salary grids for cost of living increases, staff grid movements, and some market adjustments in the staff wages. The County also does not operate in a union environment.

The County utilizes a seven (7) step salary/wage grid for each of the County staff; whereas, each of the staff members' wage is allocated to a specific grid level and that they may move up a grid level with a successful annual performance review. The initial 2017 salary grids were approved by Council on December 7th, 2016 and after additional review, the final 2017 salary grids were approved on January 15th, 2017.



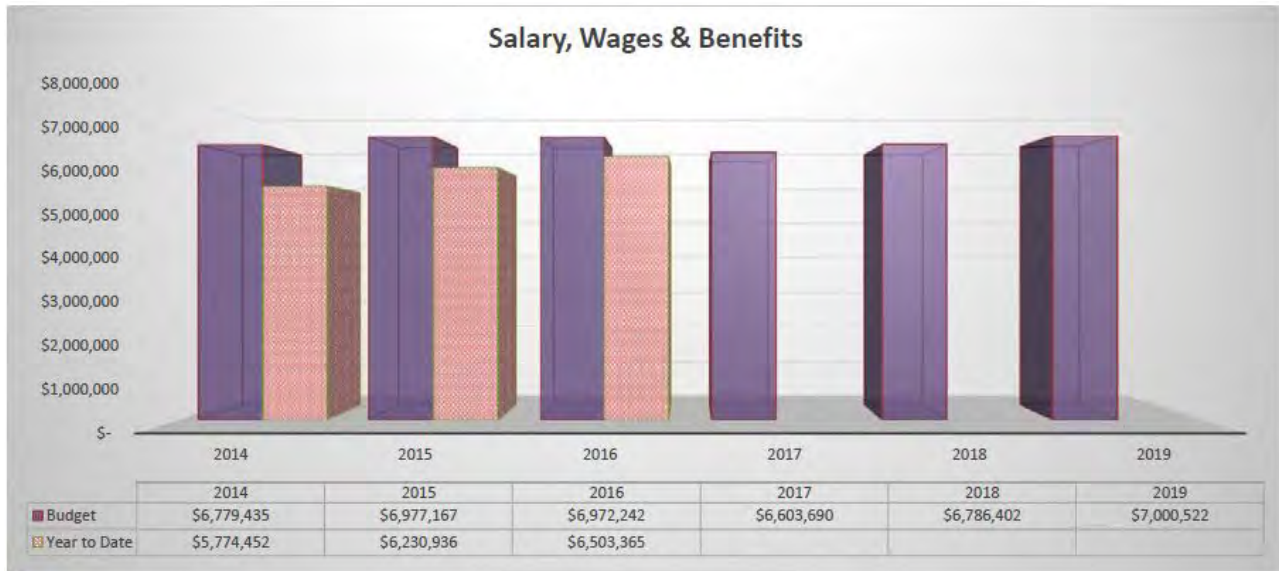
These salary/wage grids are developed in accordance with the Compensation Policy (12-3131); including a review of consumer price indexes (CPI) to assist in determining the Cost of Living Adjustments (COLA) for staff wages.

The Alberta CPI (per Stats Canada) is reviewed from October to September of the prior year to the budget and an average is calculated to determine the COLA. For the 2017, the COLA was determined to be 1.34%.

SALARY, WAGES & BENEFITS - Continued

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

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Salaries, wages and benefits	\$ 6,972,242	\$ 6,503,365	\$ 6,603,690	\$ 6,786,402	\$ 7,000,522



As part of the 2017 budget review/approval, there were some changes to staffing that reduced the budgeted wages/benefits, including:

- The County reduced the miles of roads constructed each year (from 10 miles to 8 miles); in which, resulted in reductions in seasonal staffing and overtime.
- Reduction in staffing positions, such as not filling positions that were vacant in prior years and no longer requiring the positions of Director of Human Resources and Emergency Management and Safety Coordinator.

Budget 2017

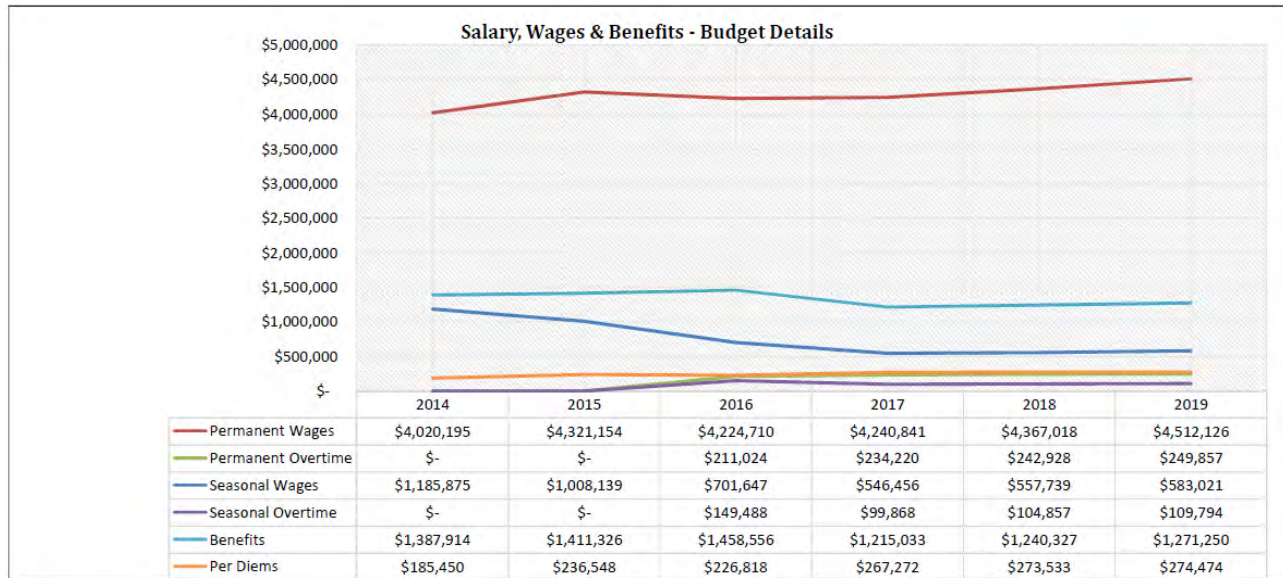
Full-Time Equivalents (FTE)

	2017 Budget	2016 Budget	Actual	Change in budget
Management	6.12	7.14	6.82	(1.02)
Operations (Public Works)	42.26	46.42	44.38	(4.16)
Corporate Services	7.03	7.03	7.09	(0.00)
Protective Services	3.06	3.02	2.96	0.04
Agricultural Services	2.72	2.42	1.98	0.30
Development Services	2.04	2.03	1.95	0.01
	63.23	68.06	65.18	(4.83)

* 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).



In previous budgets, the benefits have historically been based on a fixed percentage of wages; however, this has been shown to typically be over budgeted in the prior years. Starting in 2017, the County modified the budgeted 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 plans and that each staff fully utilize their wellness accounts). This will likely allow the County to have more accurate budgeting in the staff benefits.



Note that the overtime was included in the 2014-2015 wages; whereas, starting in 2016 it was budgeted separately.

In the Strategic Plan, the County has a strategic goal for "Recruitment and Retain Qualified Staff"; in which, the County tries to be the employer of choice for the staff. 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.
- 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.
- 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 the availability to the staff/ratepayers.
 - ◊ 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 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).
- There is a Vulcan County Social Club that is set up by the staff at the County, in which, Council provides some matching funding, through the budget, to assist in funding some of the staff functions (i.e. BBQs, golf tournament, etc.).



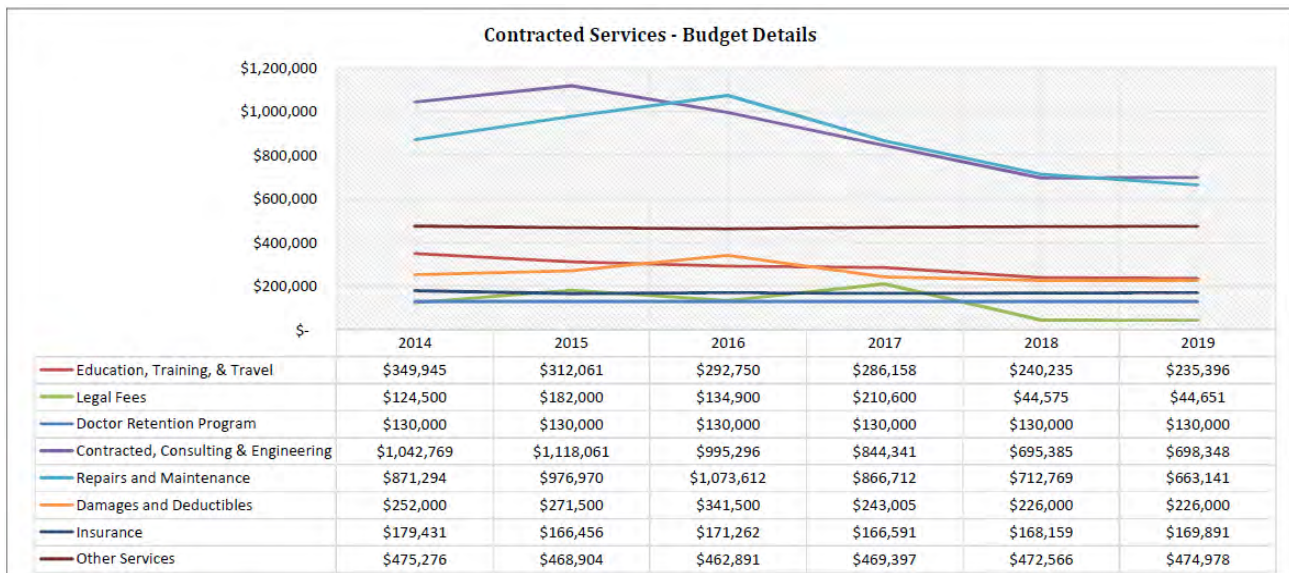
CONTRACTED SERVICES

The contracted services includes the costs of repairs and maintenance, consulting and contracted 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 the potential variable costs. Some of these costs are based on agreements; whereas, the amount budgeted agrees to the terms in the agreement.

The following was the resulting contracted services (with projections for the following two years):

Vulcan County Budget Comparison and Projections

	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Contracted and general services	3,602,211	2,960,984	3,216,804	2,689,688	2,642,405



Although, most of these costs stay consistent from year to year (with no changes in service levels), these will change from year-to-year depending on the priorities and issues of the County for the upcoming budget year.

Education, Training, and Travel:

The education, training and travel costs are expecting an overall decrease from the prior year budget of \$292,750 to \$286,158 in the current budget and even further reductions in projected years. The majority of this decrease is due to changes in staffing which reduced training for those staff and an overall "tightening" of the budget during the 2017 budget process. This is projected to further decrease in future years as there is some specific staff training that is to be completed during the 2017 budget year.

Legal Fees:

The legal fees are expected to increase from \$134,900 to \$210,600 in the current budget only and then see significant reductions in future years. The majority of the 2017 increase is due to the County potentially having to expropriate lands for a drainage issue, a current development subdivision appeal issue, legal assistance with an insurance lawsuit, and for the County using legal to assist in the collection of tax arrears from oil & gas companies. Most of these items are projected to be completed during the 2017 budget year. In relation to the other legal costs (i.e. general inquiries), the County has actually reduced the budgeted costs significantly; whereas, a minimal budget is provided and should an issue arise, Administration will request the use of Council's contingency funds (which keeps Council more informed of potential legal matters).

Doctor Retention Program:

There is no budgeted changes with the Doctor Retention Program as these costs are based on the respective agreements with the local clinics/hospitals. The actual costs have been very comparable to the prior budgets (minimal variances in the locum costs).

Contracted, Consulting & Engineering:

The contract, consulting and engineering costs are expecting an overall decrease from the prior year budget of \$995,296 to \$844,341 in the current budget and even further reductions in projected years. The majority of this decrease is due to consulting and professional fees, including that the prior year had large development projects (Rural Inter-Municipal Development Plans (IMDP) and ORTHO Project) and professional fees for a Governance Collaboration Program for Council (which was decided not to be undertaken). These special projects were either completed during 2016 or were decided not to continue in future years.

Repairs and Maintenance:

The repairs and maintenance costs are expecting an overall decrease from the prior year budget of \$1,073,612 to \$866,712 in the current budget and even further reductions in projected years. These costs relate to the repairs and maintenance of the roads, equipment and vehicles. The decrease is throughout these types of repairs; however, there were specifically larger decreases in equipment and road repairs. There were specific pieces of equipment that required major repairs in 2016 that were one time repairs, including an engine and transmission rebuild on a grader. There were also specific larger road repair projects in 2016 and 2017, including chip/sealing on the "Airport/Nanton Roads" in 2016 and on the "Groenveld Road" in 2017 (smaller project than done in 2016).

Damages and Deductibles:

The damages and deductibles costs are expecting an overall decrease from the prior year budget of \$341,500 to \$243,005 in the current budget and even further reductions in projected years. The majority of this decrease is due to that the 2016 budget included a potential "damages" for tower sites and the potential drainage project; whereas, these were considered "one-time" costs. For the 2017 budget, the County also had an overall reduction throughout as these have been budgeted a bit more conservative than required in prior years (per historical review of actuals).

Insurance:

The insurance costs remain relatively consistent from year to year with small increases based on historical increases in premium costs. The current budget is slightly less than the 2016 budget as 2016 included a specific additional insurance policy; which was later reviewed that it was not necessary for the County.

Other Services:

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

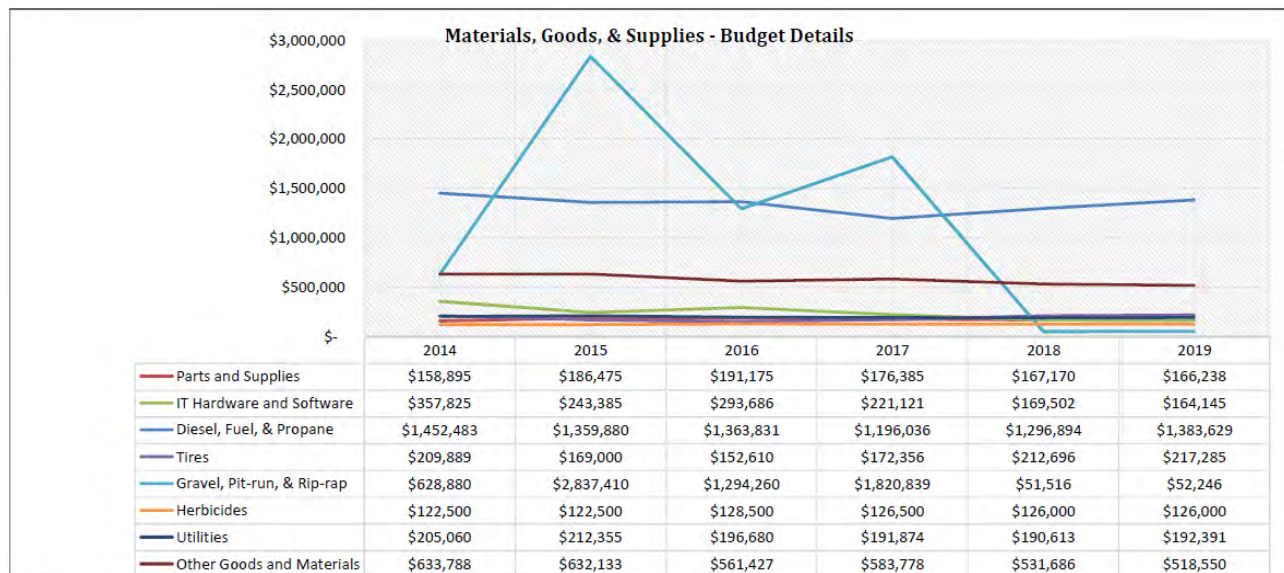
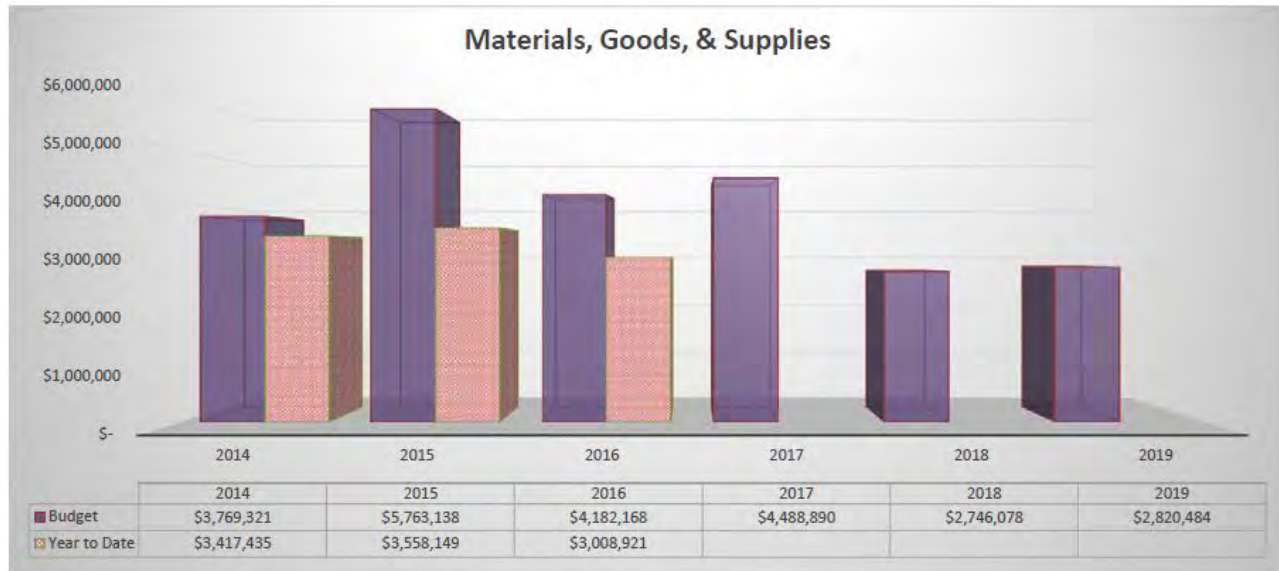
MATERIALS, GOODS & SUPPLIES

The 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 two years):

Vulcan County
Budget Comparison and Projections

	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Materials, goods and utilities	4,182,168	3,008,921	4,488,890	2,746,078	2,820,484



Although, most of these costs stay consistent from year to year (with no changes in service levels), these will change from year-to-year depending on the priorities and issues of the County for the upcoming budget year.

Parts and Supplies:

The parts and supplies costs are expecting an overall decrease from the prior year budget of \$191,175 to \$176,385 in the current budget and even further reductions in projected years. The majority of this decrease is due to no longer retaining the Twin Valley Campground (giving back to the Province at the end of 2017); therefore, no additional supplies such as trees, pumps, etc. were added into the campground for the 2017 budget year (was \$28,500 in 2016 budget).

IT Hardware and Software:

The IT hardware and software costs are expecting an overall decrease from the prior year budget of \$293,686 to \$221,121 in the current budget and even further reductions in projected years. During 2016-2017, the County has been implementing a new asset management software program (to replace the old software that was no longer supported); whereas, these budgets include the cost of the software and the configuration/implementation. The majority of these costs were budgeted in 2016 (software purchase); hence, why these costs decreased in 2017 and why it is budgeted to further decrease in 2018/2019 as the project will be completed in 2017.

Diesel, Fuel, and Propane:

The diesel, fuel, and propane costs are expecting an overall decrease from the prior year budget of \$1,363,831 to \$1,196,036 in the current budget and is projected to have small increases in future years. The majority of this 2017 decrease is due to a change in the methodology in budgeting these costs; whereas, in prior year, these costs were budgeted based on total projected costs per unit. In 2017, this was changed to budget these costs on two factors, price and quantity; therefore, allowing the price to be the variable cost and the quantities remained relatively consistent. Historically, these costs were somewhat over budgeted compared to historical actuals. With the current budget taking into account the price of diesel/fuel, the County was able to factor in projected costs (using barrel of oil projections) and carbon tax effects for each year. This should allow for more accurate budgeting and analysis on these costs. Diesel/fuel costs are also projected to be slightly decreased with the reduction in the amount of road construction (from 10 to 8 miles).

Tires:

The tire costs are expecting an overall increase from the prior year budget of \$152,610 to \$172,356 in the current budget and have some additional increases in the projected years. The majority of this increase is due to the County planning on replacing the set of tires on two graders per year, compared to 2016 only replacing one (prior years typically replacing two sets). The projection for 2018 budget year are further increases as there are two additional graders in road construction and one additional grader in road graveling that require replacement in 2018. During 2019, it is projected that a loader requires a new set of tires which are high value costs (approx. \$44,000 for the set).

Gravel, Pit-run, and Rip-rap:

The gravel, pit-run, and rip-rap costs are expecting an overall increase from the prior year budget of \$1,294,260 to \$1,820,839 in the current budget and have very significant decreases in the projected years. The majority of this 2017 increase is due to the completion of the remaining 2015-2017 gravel crushing program; whereas, less than expected was completed during 2016, so it was carried forward to the 2017 budget for completion. It is not projected to be required until the 2021 budget year.

Herbicides:

The herbicide costs remain relatively consistent from year to year with small decreases based on no longer providing herbicides at the campground.

Utilities:

The utilities costs remain relatively consistent from year to year with small changes based on a decrease from 2016 for the power of the Administrative building (based on historical actuals).

Other Goods and Materials:

The other contracted and general services remains relatively consistent from year-to-year; whereas, there include goods/services such as grader blades, culverts, signage, lumber, small tools, and other miscellaneous goods/materials.

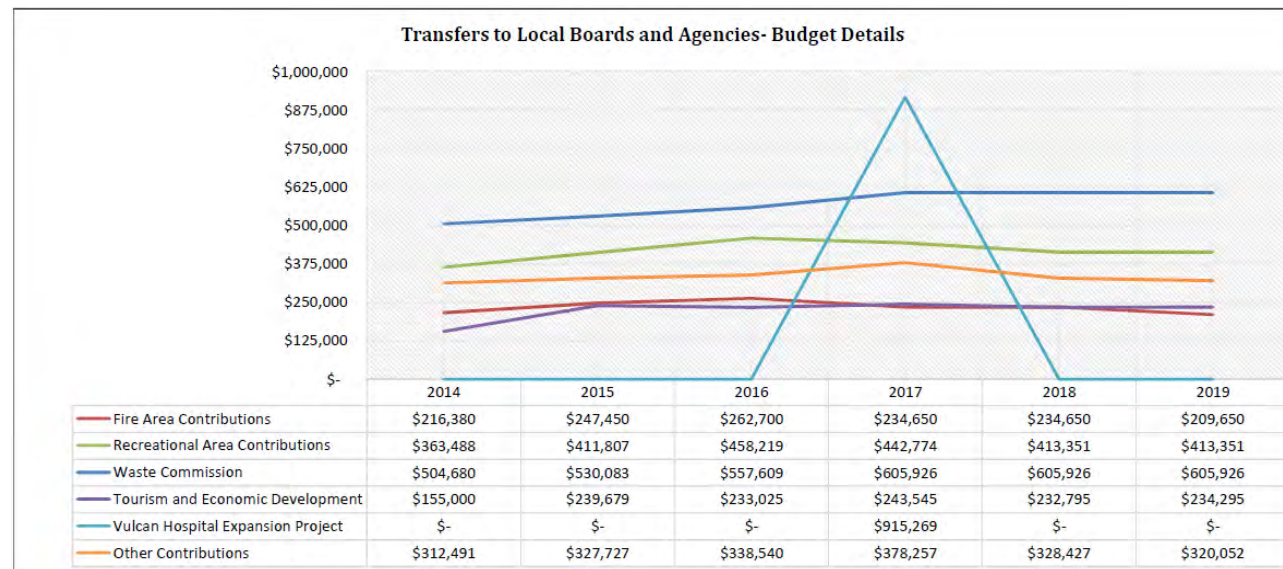
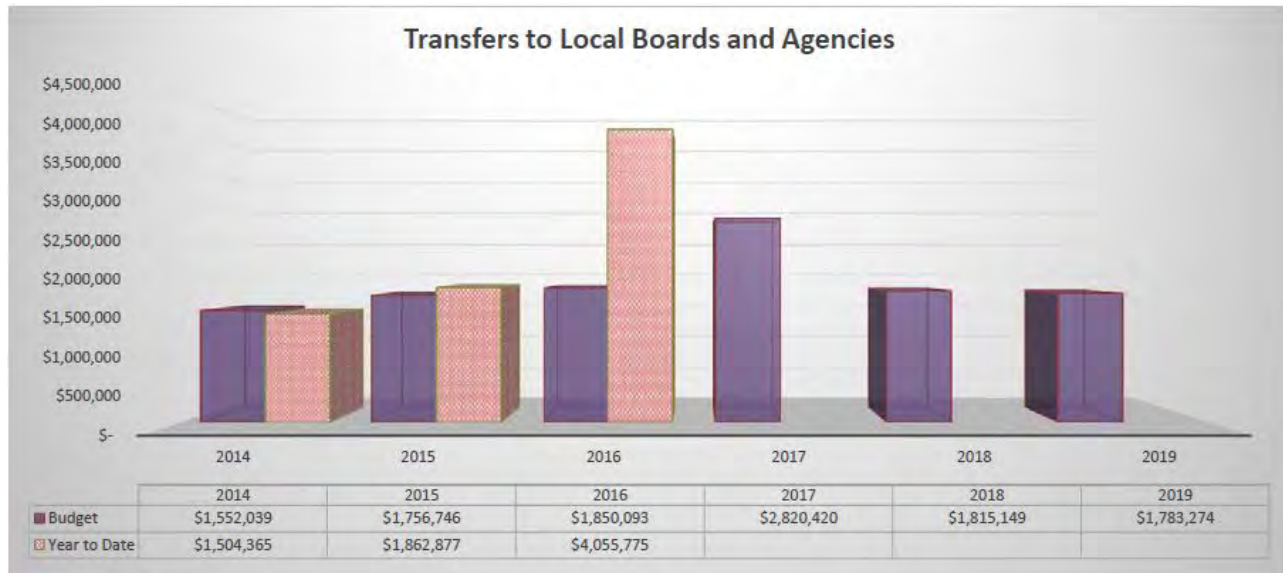
TRANSFERS TO LOCAL BOARDS AND AGENCIES

The transfers to local boards and agencies includes contributions to fire associations, recreation boards, Vulcan Business Development Society (VBDS), tourism, waste and water commissions, and other community groups. The budgets are typically based on prior year annual requests for funding.

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

Vulcan County Budget Comparison and Projections

	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Transfers to local boards and agencies	1,850,093	4,055,775	2,820,420	1,815,149	1,783,274



During 2016, the County contributed a total of approximately \$2.085 million towards the Vulcan Hospital Expansion Project as matching contributions from the Town of Vulcan and the County. The remaining \$915,269 is projected to be contributed in 2017 (\$290,987 from the Town of Vulcan and \$624,282 from the County). These contributions are held by the County until the project is started.

The County is contributing to the Hospital Expansion Project; whereas, there is \$624,282 of matching funds budgeted for 2017. This, in combination with 2016's matching funding of \$1,421,942, results in a total contribution of \$2,046,224 to this project.

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

Vulcan and District Recreation Area	
Vulcan Arena - Operating	\$ 77,920
Vulcan Swimming - Operating	79,108
Ball Park, Campground, & AG Grounds	56,725
Recreation Committee - Operations	70,542
Recreation Committee - SASG	9,070
Recreation Committee - Programming	8,750
Vulcan County Kid Sport	3,000
Total Recreational Funding	305,115
Community Fall Fair and Concert Series	4,000
Total Cultural Funding	4,000
Total Recreation and Cultural Funding	\$ 309,115

Milo and District Recreation Area	
Milo Recreation Committee - Operations	\$ 34,500
Milo Ice Committee	10,000
Milo Community School	5,000
Milo Curling Club	5,644
Milo Board – Golf Tournament	1,000
Milo Board – Bleachers	1,000
Milo Board – Storage Container	4,000
Total Recreational Funding	61,144
Milo Board – Christmas in the park	1,000
Milo Hall - Operations	8,000
Milo Hall – Capital Renovations	10,000
Friends of the Milo Library	3,000
Total Cultural Funding	22,000
Total Recreation and Cultural Funding	\$ 83,144

Carmangay and District Recreation Area	
Carmangay Ball Club	\$ 500
Carmangay Curling Assoc.	3,000
Total Recreational Funding	\$ 3,500

Champion and District Recreation Area	
Champion Pool - Operating	\$ 30,000
Champion School	2,000
Total Recreational Funding	32,000
Champion Community Hall - Operating	10,000
Champion Community Hall - Capital	8,500
Champion School - Band	1,000
Champion School - Drama	1,500
Alston Hall	500
Champion Legion Hall	4,500
Total Cultural Funding	26,000
Total Recreation and Cultural Funding	58,000
Reserves - Champion Pool	35,000
Total Recreation/Cultural	\$ 93,000

Lomond and District Recreation Area	
Lomond Comm. Center Ag Society	\$ 27,500
Total Recreational Funding	27,500
Reserves - LCCAS Building	25,000
Total Recreation	\$ 52,500

Northwest Recreation Area	
Mossleigh Kids Ball Club	\$ 1,000
Mossleigh Sports Council	4,500
Arrowwood Lions	5,535
Arrowwood 4-H	500
Arrowwood & District ECS	1,180
Recreation Board Costs	800
Total Recreational Funding	13,515
Mossleigh Community Club	10,000
Arrowwood Comm. Rec. Association	14,197
Arrowwood Restoration Society	2,580
NW Fire Association – Family Christmas	1,400
Total Cultural Funding	28,177
Total Recreation and Cultural Funding	\$ 41,692

The total recreation funding is \$442,774 (funded by special tax levies), cultural funding is \$80,177, and allocated to reserves is a total of \$60,000. Total budgeted funding for recreation and cultural activities is \$582,951.

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	11,679
Vulcan Town Airport - Operating	8,000
Vulcan Town Airport – Capital reserve	20,000
Vulcan Business Development Society	144,450
VBDS – Industrial Assessment Project	12,500
Vulcan and District Tourism	86,595
County of Vulcan Library Board	109,000
Vulcan County Health & Wellness	35,000

Vulcan and District Waste Commission	603,577
Twin Valley Regional Water Commission	32,961
Doctor Retention Program- County's share	73,593
Farm Safety Center	3,000
Vulcan Regional Food Bank – Capital	10,000
FCSS - Operating	30,201
FCSS – Transportation Initiative	19,089
Foothills Forage and Grazing Association	3,000
Vulcan Daycare Society	5,000
Total	\$ 1,242,645

The total contributions to the fire protection areas is budgeted at \$234,650; including \$86,650 to the Northwest Fire Association, \$35,000 to the Milo Fire Association, \$93,000 to the Lomond Fire Association, \$10,000 toward the Vulcan Fire District loan repayment, and \$10,000 towards the Carmangay Fire District loan repayment. These are funded by special tax levies.

INTEREST & BANK CHARGES

The interest and bank charges includes bank and credit card fees, and interest on debentures.

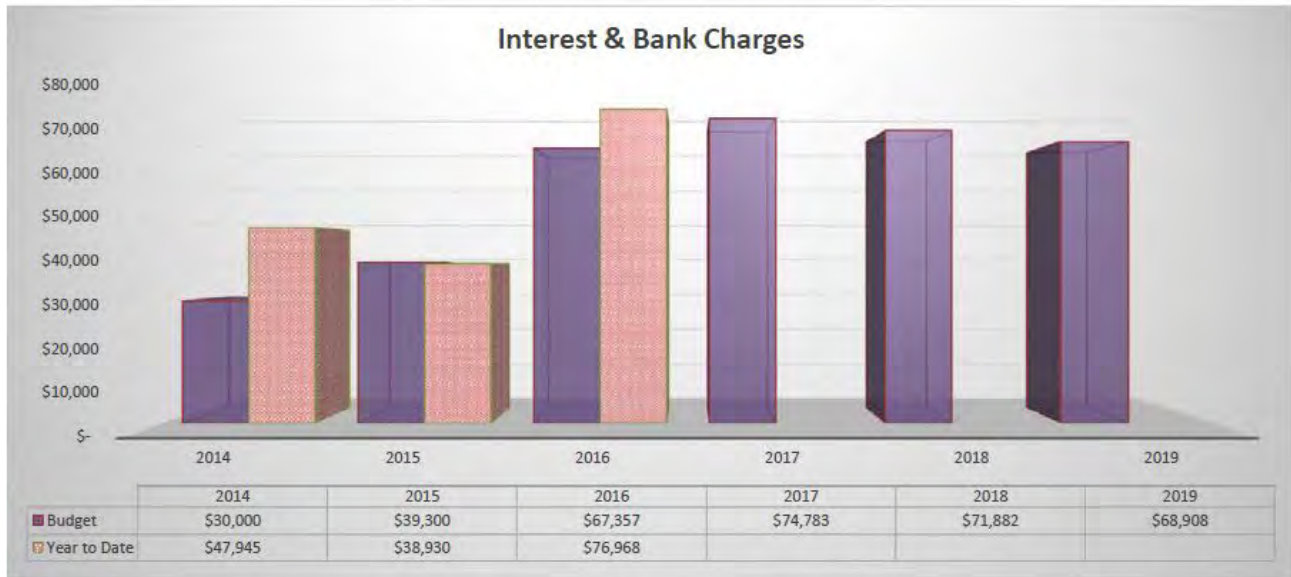
The following was the resulting interest and bank charges (with projections for the following two years)

Vulcan County Budget Comparison and Projections

Interest and bank charges

Bank Charges and Short Term Interest
Interest on Capital Long Term Debt

Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
41,800	33,778	25,800	25,800	25,800
25,557	43,190	48,983	46,082	43,108
67,357	76,968	74,783	71,882	68,908



The bank and credit card fee rates were able to be negotiated down from prior years and the County has recently implemented a "convenience fee" to recover the credit card fees on taxes.

In 2016, the County started to incur the interest costs for the Vulcan Hospital Expansion Project debenture; whereas, the actual was higher than budgeted as the actual interest that was recognized included the accrued interest from the September to December 2016 period (budget is based on interest included in debenture payments) as the last payment was made in September.

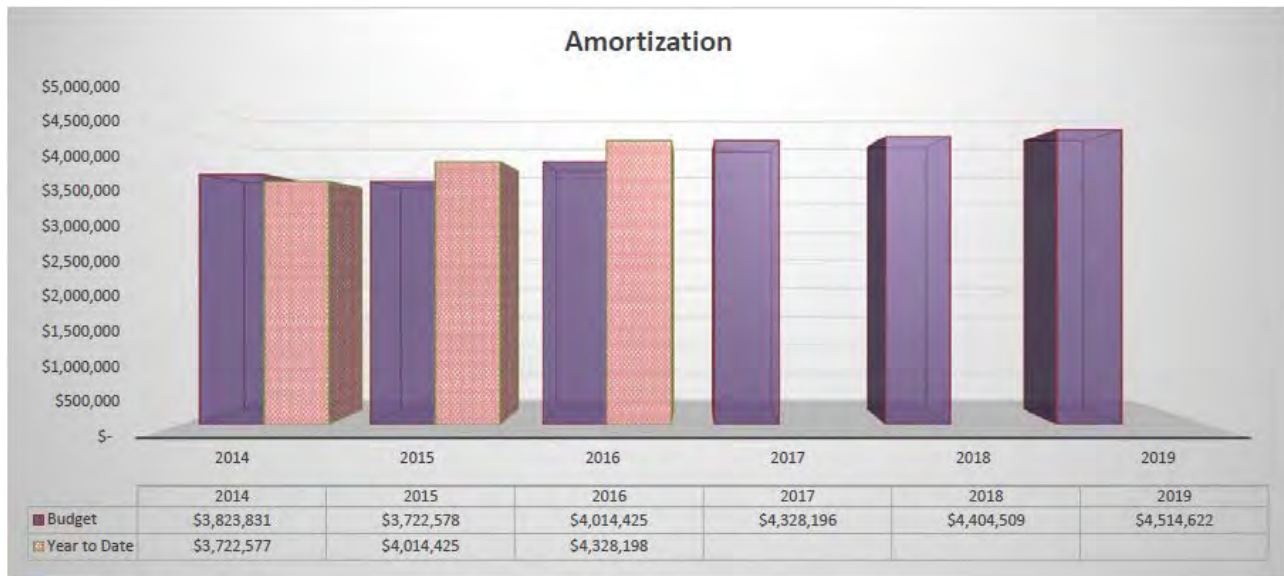


AMORTIZATION

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

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

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Amortization of tangible capital assets	4,014,425	4,328,198	4,328,196	4,404,509	4,514,622



Amortization is currently budgeted based on the prior year actual as this provides a base for the estimated reduction in the net book value of the tangible capital assets. The projected amortization in future years is based on historical increases in amortization.

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. 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

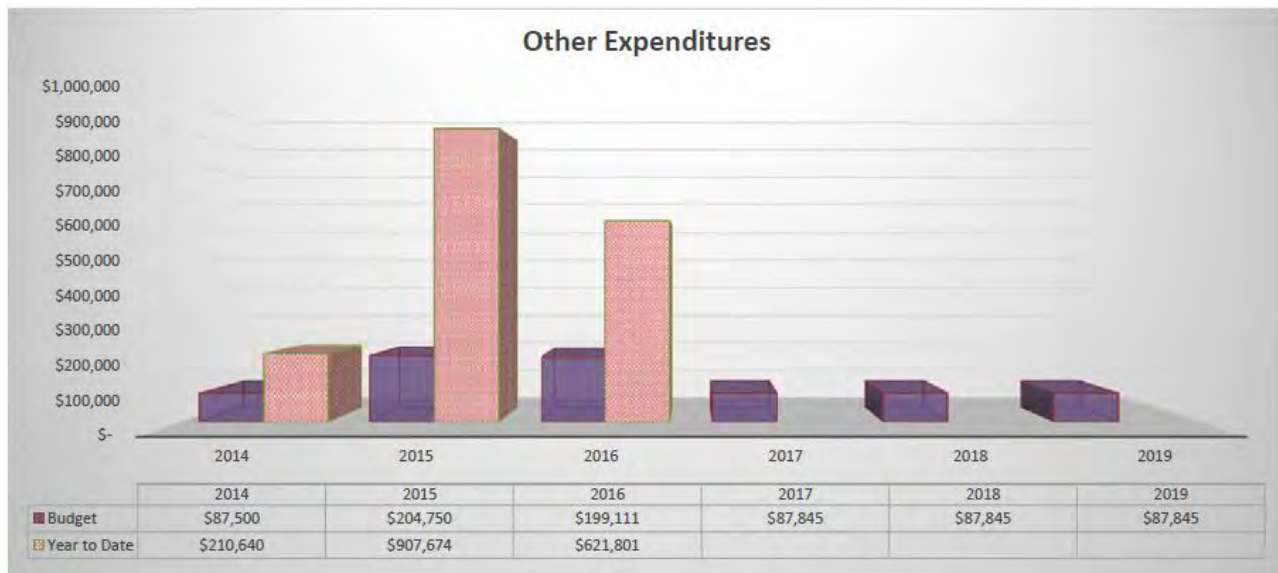


OTHER EXPENDITURES

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 only consists of the contingency and tax write-offs.

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

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Other expenses					
Contingency	70,000	217,067	70,000	70,000	70,000
Tax Discounts & Write-offs	119,111	266,687	12,845	12,845	12,845
Other	10,000	138,047	5,000	5,000	5,000
	199,111	621,801	87,845	87,845	87,845



The majority of the 2015-2016 actual costs include write-offs of large tax oil & gas accounts that went insolvent and increases in the gravel reclamation liability for the gravel crushing program.

The increases in the gravel reclamation liability relates to the projected liability that will incur to reclaim the County's gravel pits; whereas, currently the gravel pits have had the top soil/dirt removed from the surface of the pits and stored in piles off to the side so that the gravel in the ground may be easily accessed for crushing to create gravel inventory. Once the gravel has been removed, the County is required to reclaim the lands by shaping the lands to have a maximum slope (6:1 ratio) and to reapply the top soil/dirt over the exposed lands. The changes in this liability is not budgeted as it is not reasonable to be determined until the crushing program is completed.

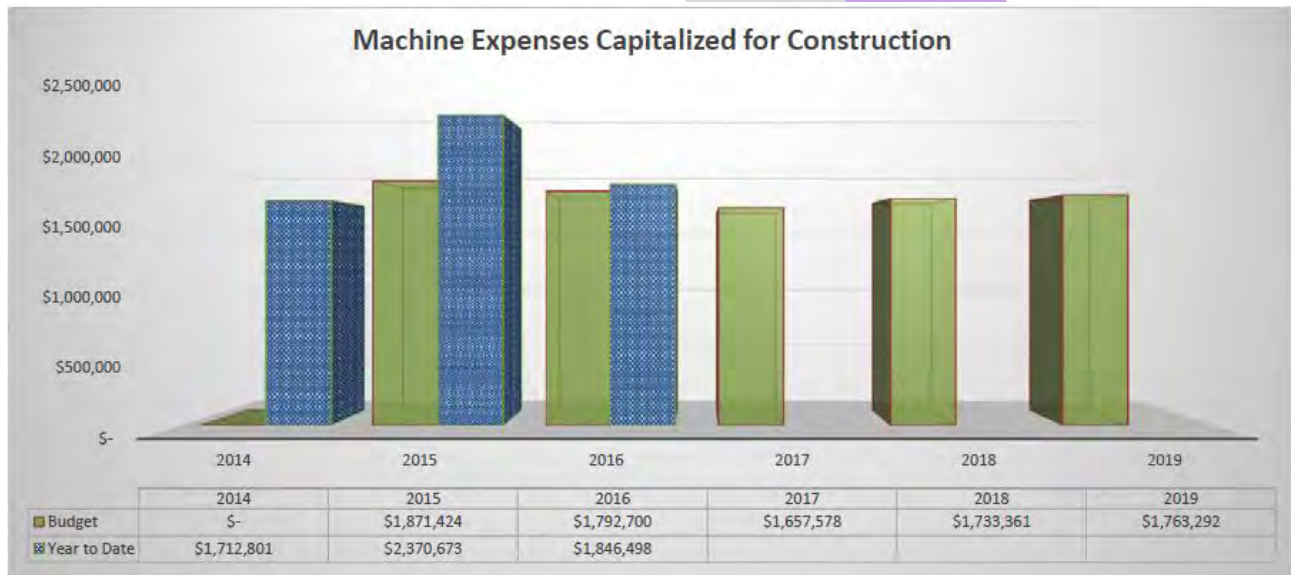


MACHINE EXPENSES CAPITALIZED

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 two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
Machine expenses capitalized for construction	(1,792,700)	(1,846,498)	(1,657,578)	(1,733,361)	(1,763,292)



These expenses can vary significantly from year-to-year, however, are based on a percentage of the operating costs. The 2015 budget year was the first year of budgeting for these transactions; whereas, it used the 2016 actual as a base for budgeting. The 2016 budget year was able to be budgeted more accurately with the rates and percentages that were determined during the 2015 actual results.

Using the updated 2016 rates and percentages, the County budgeted the 2017-2019 machine expenses capitalized for construction.



TRANSFERS

RESERVE 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 two years):

Vulcan County Budget Comparison and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
TOTAL BUDGETED REVENUES	18,147,888	19,709,959	17,469,992	16,861,327	16,850,093
TOTAL BUDGETED EXPENSES	(19,094,908)	(20,546,735)	(19,963,050)	(16,868,191)	(17,154,767)
EXCESS OF REVENUES OVER EXPENSES	(947,020)	(836,776)	(2,493,058)	(6,864)	(304,674)
RESERVE AND CAPITAL TRANSFERS:					
Transfer of Amortization	4,014,425	4,328,198	4,328,196	4,404,509	4,514,622
Transfer of Gain/Loss on disposal	0	810,408	0	0	0
Transfer from Reserves	5,436,443	6,107,909	3,335,011	568,853	573,145
Transfer to Reserves	(6,616,154)	(8,173,677)	(3,512,570)	(3,419,840)	(3,424,388)
Transfer to Capital Functions	(1,829,200)	(1,935,416)	(1,657,578)	(1,733,361)	(1,763,292)
Transfer of Principal Repayment	(56,645)	(10,114)	0	0	0
TOTAL RESERVE AND CAPITAL TRANSFERS	948,869	1,127,308	2,493,058	(179,839)	(99,913)
TOTAL NET EFFECT ON ACCUMULATED SURPLUS	\$ 1,848	\$ 290,532	\$ 0	\$ (186,703)	\$ (404,587)

As shown above, there is a projected deficit in 2018 and 2019; however, this will be significantly revised when the final assessment and tax information is available. Should the County's assessment increase, it will reduce the deficit; 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 deficit is shown until the County can determine the appropriate course of action.

RESERVE TRANSFERS:

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 (revenues exceeded budget and/or expenses less than budget).

The 2016/2017 transfer from reserves is substantially larger than other years as the majority relates to the completion of the gravel crushing program of approximately \$1.74 million for the 2017 budget. There is also \$624,282 of County reserves remaining from the debenture acquired for the Vulcan Hospital Expansion Project that is planned to be used during the year.

The 2016 budget also includes significantly more transfers from operating reserves for the 2015 operating surplus carry forward (totalling \$1,857,550); whereas, for the development of the 2017 budget, the County used the 2016 operating surplus carry forward over the 2017-2019 budget years (totalling \$955,570, where \$424,357 applied to the 2017 budget). This change to spreading the surplus over multiple years should assist in reducing the fluctuations in the budgets from year-to-year.

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 twenty (20) year capital funding program; in which there is approximately \$2.9 million to \$3.1 million put into capital reserves for this program (funding both 2017 and future years capital).
- There is also approximately \$424,400 to \$456,200 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 2020-2021.

The 2016 budget and actuals include the transfers to reserves for the debenture funds received for the Vulcan Hospital Expansion Project.



CAPITAL TRANSFERS:

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 the tangible capital assets.

TRANSFER OF GAIN/LOSS ON DISPOSAL

The County does not budget for estimated gains/losses on disposals (these are only included in the actual figures). The 2016 actuals include the total gains on disposals (included in revenues) of \$26,812 and the total loss on disposals (included in expenses) of \$837,220; therefore, the net gain/loss transferred to capital was \$810,408.

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 (capital lease obligation) for the payments made throughout the year. The County is currently budgeting the total lease payments as expenditures in contracted services.





SECTION THREE

OPERATING BUDGET BY SEGMENT

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SECTION THREE

Operating Budget by Segment

SEGMENT REPORTING

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SEGMENT REPORTING

SEGMENT OVERVIEW

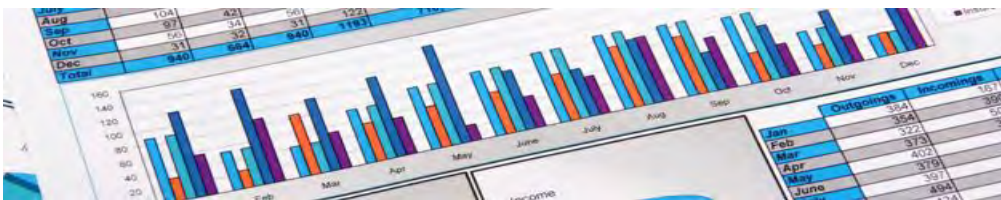
Vulcan County provides numerous services to its citizens, including general, protective, transportation, agricultural, planning and development, community and utility services.

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 operating revenues and expenses:

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	Final Budget 2017 Total
REVENUE								
Net municipal taxes	\$ 12,810,473	893,754	-	-	-	390,507	623,178	\$ 14,717,913
Government transfers (operating)	44,615	105,015	210,854	168,350	-	165,407	-	694,241
Return on investments	393,236	-	-	-	-	-	-	393,236
Sale of goods, services and user charges	37,250	81,740	270,335	316,112	66,800	-	2,349	774,586
Rental income	-	335,629	-	7,000	-	14,400	-	357,029
Community aggregate levy	-	-	120,000	-	-	-	-	120,000
Penalties and costs of taxes	100,500	-	-	-	-	-	-	100,500
Other revenues	-	21,500	-	-	-	290,987	-	312,487
	13,386,075	1,437,638	601,189	491,462	66,800	861,301	625,527	17,469,992
EXPENSES								
Salaries, wages and benefits	\$ 1,037,050	584,363	4,336,325	364,859	266,177	-	14,917	\$ 6,603,690
Contracted and general services	838,267	447,859	1,238,392	213,145	197,233	161,188	120,720	3,216,804
Materials, goods and utilities	263,467	221,449	3,708,499	279,641	3,939	8,415	3,480	4,488,890
Transfers to local boards and agencies	50,679	234,650	8,000	8,150	-	1,880,055	638,887	2,820,420
Interest and bank charges	25,800	-	-	-	-	48,983	-	74,783
Amortization of tangible capital assets	89,827	455,445	3,669,176	99,942	-	-	13,806	4,328,196
Machine expenses capitalized for construction	-	-	(1,657,578)	-	-	-	-	(1,657,578)
Other expenses	87,845	-	-	-	-	-	-	87,845
	2,392,934	1,943,766	11,302,813	965,737	467,349	2,098,640	791,810	19,963,050
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ 10,993,141	(506,129)	(10,701,624)	(474,275)	(400,549)	(1,237,339)	(166,283)	\$ (2,493,058)

The above segment reporting is outlined in Schedule 6 of the Approved Budget.



This report provides a combination of reporting by type/object and by function/departments (in a matrix format); therefore, this report should assist the reader of the budget of the types of transactions that are included in each of the major segments of the County.

In recent years, the County reviewed and modified the segment reporting to potentially allow for a more accurate portrayal of the County's operations by combining the departments that have similar activities. The following were some of the changes:

- Agricultural, Planning/Development, and Tourism/Economic Development were previously combined into a segment referred to as "Economic and Agricultural Services". These are now disclosed separately; whereas, Tourism/Economic Development has been included in the Community Services segment.
- Community Services segment is an additional segment that includes the funding to external boards and agencies (previously in General Government segment) and includes the Tourism/Economic Development.
- Utility Services segment was renamed from the previous "Environmental Planning".

As the budget is in a format that is similar to the financial statement, 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). Therefore, the segment reporting is the combination of these two methods of displaying the expenses. The following is a reconciliation between the departments in the Statement of Operations and the major segment reporting:

BUDGETED STATEMENT OF OPERATIONS

EXPENSES

Legislative	\$ 362,554
Administration	1,947,785
Protection services	1,943,766
Transportation services	11,302,813
Agricultural services	965,737
Planning and development services	467,349
Family and community support	1,183,542
Parks and recreation	661,638
Tourism and economic development	253,460
Utility Services	791,810
Other	82,595

TOTAL EXPENSES

19,963,050

General Government includes:

- Legislative
- Administration
- Other

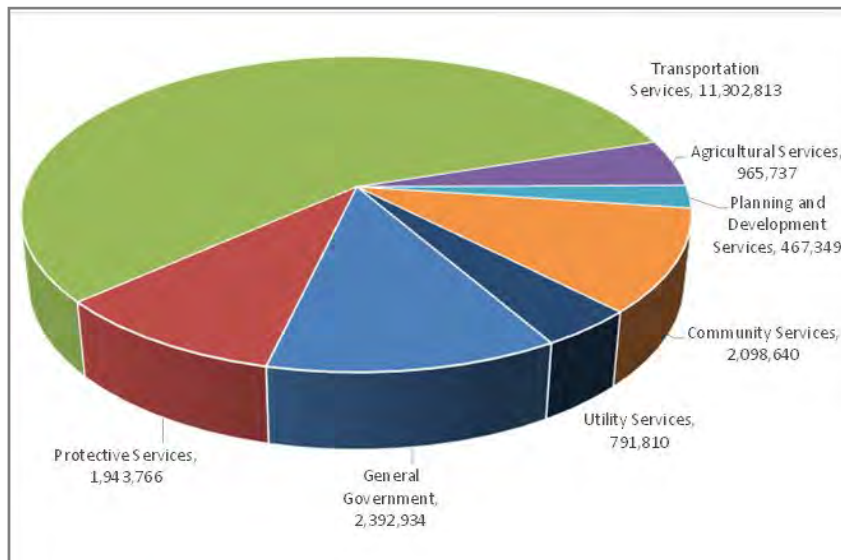
Community Services includes:

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

General Government	2,392,934	12.0%
Legislative	362,554	
Administration	1,947,785	
Other General	82,595	
Protective Services	1,943,766	9.7%
Transportation Services	11,302,813	56.6%
Agricultural Services	965,737	4.8%
Planning and Development Services	467,349	2.3%
Community Services	2,098,640	10.5%
Family and Community Services	1,183,542	
Parks and Recreation	661,638	
Tourism and Economic Development	253,460	
Utility Services	791,810	4.0%
	19,963,050	

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. 56.6%). As a County, the majority of the municipal activities typically relate to the road and bridge infrastructure.

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, GIS, and property assessment and taxation. This assists with the Strategic Plan's goals of providing governance and the recruitment and retention of qualified staff.

The following is the 2017 General Government segment budget:

	General Government
REVENUE	
Net municipal taxes	\$ 12,810,473
Government transfers (operating)	44,615
Return on investments	393,236
Sale of goods, services and user charges	37,250
Rental income	-
Community aggregate levy	-
Penalties and costs of taxes	100,500
Other revenues	-
	13,386,075
EXPENSES	
Salaries, wages and benefits	\$ 1,037,050
Contracted and general services	838,267
Materials, goods and utilities	263,467
Transfers to local boards and agencies	50,679
Interest and bank charges	25,800
Amortization of tangible capital assets	89,827
Machine expenses capitalized for construction	-
Other expenses	87,845
	2,392,934
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ 10,993,141

This reporting segment includes the following departments within the County:

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

Full-Time Equivalents (FTE)

General Government

	Budget 2017	Prior year	Change
Management	3.09	3.34	(0.25)
Corporate Services	7.03	7.03	0.00
	10.12	10.37	(0.25)

This segment includes the following staffing: Management includes the Chief Administrative Officer (CAO), the Director of Corporate Services, and the Executive Assistant to the CAO. The Director of Human Resources was allocated to this segment (approx. 20%); whereas, this position was eliminated in early 2017.

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING:

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

Government transfers includes contributions for the shared IT services and MSI operating funding for staff education/training. The sales of goods/services and user charges relate to the issuance of tax certificate and recoveries (i.e. credit card fees).

SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

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.

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- The reduction in linear assessment created a significant decrease in tax revenues. Only a small increase to the farmland tax rate was required
- Decrease in projected tax write-offs as the insolvent companies are removed from linear assessment
- Change in CAO from prior years
- Elimination of Director of Human Resources position
- Remaining costs from the asset management setup/configuration (Worktech)
- The budget includes the 2017 elections, including costs for the returning officer, advertising and other related costs
- The budget includes additional legal costs relating to an insurance lawsuit; whereas, the County is suing an insurance provider for a previous claim that was not covered.
- Cost reductions throughout, with the reduction of the linear revenues.

**Vulcan County
Budget Segments**

SEGMENT - GENERAL GOVERNMENT

REVENUES:

	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
10-00 General Municipal Function	\$ 14,351,318	\$ 15,034,578	\$ 13,300,261	\$ 13,202,225	\$ 13,202,225
11-00 Legislative Services - General	50,000	-	-	-	-
12-02 General Administration	56,773	98,229	85,865	80,025	83,645
19-01 Elections, Census and Referendums	-	-	-	-	-
81-01 Other Government Requisitions	(76)	(6,066)	(52)	(47)	(47)
	14,458,015	15,126,741	13,386,075	13,282,204	13,285,824

EXPENSES:

10-00 General Municipal Function	\$ 379,847	\$ 505,571	\$ 255,574	\$ 180,574	\$ 180,574
11-00 Legislative Services - General	160,755	94,046	159,070	142,398	146,516
11-01 Legislative Services - Division 1	25,549	21,061	26,900	26,900	26,900
11-02 Legislative Services - Division 2	35,677	31,192	28,250	28,250	28,250
11-03 Legislative Services - Division 3	37,709	42,919	42,577	42,577	42,577
11-04 Legislative Services - Division 4	27,219	24,015	28,082	28,082	28,082
11-05 Legislative Services - Division 5	25,959	27,383	27,295	27,295	27,295
11-06 Legislative Services - Division 6	25,169	20,807	25,535	25,535	25,535
11-07 Legislative Services - Division 7	26,094	24,351	24,845	24,845	24,845
12-02 General Administration	1,894,613	1,769,660	1,759,956	1,648,956	1,667,737
19-01 Elections, Census and Referendums	-	415	14,850	-	-
	2,638,591	2,561,421	2,392,934	2,175,412	2,198,310

**EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES -
EXCLUDING CAPITAL AND TRANSFERS**

	\$ 11,819,424	\$ 12,565,320	\$ 10,993,141	\$ 11,106,792	\$ 11,087,513
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DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

10-00 - General Municipal Function

General Municipal Function is not an active line department but is used to record the application of Revenues or 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 Net Revenue 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 (Mill) 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 goal/priority of this department is to keep the general tax rates competitive with other municipalities; including potentially reviewing the ability to reduce the residential tax rates in the future.

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 staffing costs are also allocated to this function. The County currently has seven (7) electoral divisions; in which, there are separate departments to track the costs within each of these divisions. A goal of this department includes providing 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, 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 goal/priority of this department includes providing efficient and effective governance, including providing timely communication to the ratepayers.

19-01 - Elections, Census & Referendums

Legislation schedules Municipal Elections 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. The current year goal of this department is the effective and efficient elections process and providing the appropriate resources to have the elections.

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 Senior's Foundation requisitions are in this area. The values represented in the Budget represent the same numbers as the prior year in terms of dollars, tax rates and assessment values. Tax rates, assessment values and dollar amounts are all subject to change once hard assessment numbers are finalized in March/April and the Actual Requisition numbers are also received in March/April.

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 Officer. This also includes the building rentals to AHS and the RCMP and the related costs to operate these facilities. This assists with the Strategic Plan's goals of providing protective services and bylaw enforcement on the transportation networks.

The following is the 2017 Protective Services segment budget:

	Protective Services
REVENUE	
Net municipal taxes	\$ 893,754
Government transfers (operating)	105,015
Return on investments	-
Sale of goods, services and user charges	81,740
Rental income	335,629
Community aggregate levy	-
Penalties and costs of taxes	-
Other revenues	21,500
	1,437,638
EXPENSES	
Salaries, wages and benefits	\$ 584,363
Contracted and general services	447,859
Materials, goods and utilities	221,449
Transfers to local boards and agencies	234,650
Interest and bank charges	-
Amortization of tangible capital assets	455,445
Machine expenses capitalized for construction	-
Other expenses	-
	1,943,766
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (506,129)

This reporting segment includes the following departments within the County:

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

Full-Time Equivalents (FTE)

Protective Services

	Budget 2017	Prior year	Change
Management	1.04	1.10	(0.06)
Protective Services	3.06	3.02	0.04
	4.10	4.12	(0.02)

This segment includes the following staffing: Management includes the Director of Protective Services. The Director of Human Resources was allocated to this segment (approx. 10%); whereas, this position was eliminated in early 2017.

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING:

The Protective Services segment revenues include the special tax levies relating to the Fire Protection Area. Government transfers includes MSI operating funding for the CPO position and APC grants for training, developing a regional emergency management plan, and developing a regional safety plan.

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, AHS, and the Town of Vulcan for fire services.

SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

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

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- Increases in fire protection costs in almost each fire district with additional training, supplies, and honorariums. These increases in the fire protection areas, in combination with a reduction in allocated linear tax, creates increases in fire tax rates
- Decreases in emergency management and health/safety costs with the elimination of the Emergency Management and Safety Coordinator (staff reported to the Transportation department)
- Application to have a regional emergency management plan and a regional safety plans funded by ACP grant funding.



Vulcan County Budget Segments	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
SEGMENT - PROTECTIVE SERVICES					
REVENUES:					
21-01 Police Protection	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
23-01 Fire Protection Services - General	323,206	322,814	251,544	257,072	264,308
23-16 Fire Protection Services - Northwest	117,181	117,318	122,919	120,023	94,824
23-17 Fire Protection Services - Milo	63,894	63,996	77,814	74,654	74,127
23-18 Fire Protection Services - Vulcan	81,908	80,555	157,597	155,812	156,288
23-19 Fire Protection Services - Lomond	102,183	102,184	120,409	117,210	116,587
23-20 Fire Protection Services - Champion	88,634	96,482	136,449	122,975	123,153
23-21 Fire Protection Services - Carmangay	99,198	106,809	128,741	124,342	124,768
24-01 Emergency Management	3,380	18,821	23,715	-	-
25-01 Ambulance Services	95,850	94,217	95,850	95,850	95,850
26-01 Regulatory Services	83,800	70,897	82,600	82,600	82,600
27-01 Health & Safety	24,322	30,570	30,000	-	-
	1,293,556	1,314,662	1,437,638	1,360,538	1,342,505
EXPENSES:					
21-01 Police Protection	\$ 148,400	\$ 137,733	\$ 148,660	\$ 150,582	\$ 152,551
23-01 Fire Protection Services - General	594,718	552,609	685,450	664,545	679,716
23-16 Fire Protection Services - Northwest	94,433	94,326	87,383	87,383	62,383
23-17 Fire Protection Services - Milo	50,733	50,626	35,733	35,733	35,733
23-18 Fire Protection Services - Vulcan	172,582	190,005	233,101	237,053	240,727
23-19 Fire Protection Services - Lomond	89,733	116,212	122,135	122,816	123,513
23-20 Fire Protection Services - Champion	98,594	110,847	150,698	141,342	142,907
23-21 Fire Protection Services - Carmangay	81,472	59,601	98,049	93,546	94,027
24-01 Emergency Management	136,398	135,816	99,784	77,265	79,346
25-01 Ambulance Services	18,014	16,996	18,884	19,129	19,381
26-01 Regulatory Services	215,722	188,029	175,495	180,751	192,001
27-01 Health & Safety	138,296	78,183	88,395	52,730	53,088
	1,839,096	1,730,984	1,943,766	1,862,875	1,875,374
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS	\$ (545,539)	\$ (416,321)	\$ (506,129)	\$ (502,337)	\$ (532,869)

DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

21-01 - Police Protection Services

The RCMP is Canada's national police service. RCMP: "Proud of our traditions and confident in meeting future challenges, we commit to preserve the peace, uphold the law and provide quality service in partnership with our communities." The County has a working relationship with the RCMP, this includes leasing them a building so they may provide service in our area. A goal/objective of this department is to utilize the rental revenues towards the 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 six (6) fire protection districts; in which, there are separate departments to track the costs within each of these districts (which assists in determining the special tax levies within each district). These include Northwest (16), Milo and District (17), Vulcan and District (18), Lomond and District (19), Champion and District (20), and Carmangay and District (21). A goal/priority of this department includes the future regionalization of all of the fire departments, the setting up service agreements with the Fire Associations (not yet regionalized) 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 as well as detailed planning to prepare for emergency situations.

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, public education 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 and bylaw services to the residents of the County and public at large. A goal/objective of this department includes providing timely services and provide bylaw enforcement on roadway irrigation.

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 safety software Programs. A goal/objective of this department include improvements to the health and safety program so the County can receive the Certificate of Recognition (COR) status.

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 the transportation networks.

The following is the 2017 Transportation Services segment budget:

	Transportation Services
REVENUE	
Net municipal taxes	\$ -
Government transfers (operating)	210,854
Return on investments	-
Sale of goods, services and user charges	270,335
Rental income	-
Community aggregate levy	120,000
Penalties and costs of taxes	-
Other revenues	-
	601,189
EXPENSES	
Salaries, wages and benefits	\$ 4,336,325
Contracted and general services	1,238,392
Materials, goods and utilities	3,708,499
Transfers to local boards and agencies	8,000
Interest and bank charges	-
Amortization of tangible capital assets	3,669,176
Machine expenses capitalized for construction	(1,657,578)
Other expenses	-
	11,302,813
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (10,701,624)

This reporting segment includes the following departments within the County:

- 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)

Full-Time Equivalents (FTE)			
Transportation Services			
	Budget 2017	Prior year	Change
Management	0.89	1.45	(0.56)
Transportation Services	42.26	46.42	(4.16)
	43.15	47.87	(4.72)

This segment includes the following staffing: Management includes the Director of Operations. The Director of Human Resources was allocated to this segment (approx. 45%); whereas, this position was eliminated in early 2017.

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING:

The Transportation Services segment revenues include the government transfers (FGTF funding) for the 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 the road maintenance programs.

SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

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

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- Due to the impacts of the reduction in linear revenues, the County reduced the service levels in the road construction from ten (10) miles per year to eight (8) miles per year, which reduced the seasonal hours and the overtime hours, machine costs, and other costs relating to these projects.
- The County also reduced the service levels in the dust abatement program; whereas, the roads applied with dust abatement were only allocated to the high traffic roads and haul routes.
- Changes in budgeting diesel /fuel costs to calculating based on quantities and projected diesel/fuel costs (compared to using only the totals as the base).
- Reduction in staffing, including elimination of Emergency Management and Safety Coordinator, Director of Human Resources (45% of wages allocated to Transportation), and a couple of seasonal positions that remained vacant in prior years.

Vulcan County Budget Segments	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
SEGMENT - TRANSPORTATION SERVICES					
REVENUES:					
31-01 Common Services	\$ 1,870	\$ 16,081	\$ 1,870	\$ 1,870	\$ 1,870
32-00 Road Transportation	3,500	12,644	3,500	3,500	3,500
32-01 Road Construction	211,957	221,707	217,854	217,854	217,854
32-02 Road Maintenance	189,215	229,735	200,315	201,717	203,147
32-03 Road Graveling	167,650	86,139	177,650	127,650	127,650
32-04 Bridges	-	-	-	-	-
33-01 Air Transport	-	-	-	-	-
	574,192	566,305	601,189	552,591	554,021
EXPENSES:					
31-01 Common Services	\$ 1,331,858	\$ 1,310,566	\$ 1,201,870	\$ 1,216,089	\$ 1,241,644
32-00 Road Transportation	4,930,847	4,800,503	4,950,596	4,994,256	5,058,653
32-01 Road Construction	487,093	283,594	429,062	444,905	457,082
32-02 Road Maintenance	1,320,195	1,147,851	1,248,421	1,253,987	1,286,610
32-03 Road Graveling	2,838,522	2,144,150	3,152,667	1,451,563	1,539,886
32-04 Bridges	271,076	352,275	312,196	318,902	326,134
33-01 Air Transport	8,000	8,000	8,000	8,000	8,000
	11,187,591	10,046,941	11,302,813	9,687,702	9,918,009
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS	\$ (10,613,399)	\$ (9,480,635)	\$ (10,701,624)	\$ (9,135,111)	\$ (9,363,988)

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 at large.

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. In contributing to the achievement of this objective Road Transportation focuses on enhanced customer service and improved communications both internally with Staff and Management, and externally with the public at large.

32-01 - Road Construction

Road Construction services are required primarily to build or reconstruct roads within the County. Activities include engineering, road building, reconstruction, roadway drainage, fence removal and replacement, relocation of utilities from right-of-way and crop damage reimbursement. Safe and efficient operation of equipment and general workplace safety are a top priority. In contributing to the achievement of this objective, Road Construction focuses on future road development, assistance with road maintenance, enhanced service, and improved communications with Staff and Management. A goal/objective 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 cleanout, signage erection and repair, dust abatement, asphalt and pothole repairs, tree or brush removal from the road allowance 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. In contributing to the achievement of this objective, the Road Maintenance department focuses on future road maintenance, assistance with road construction, enhanced service, and improved communications both internally with Staff and Management. 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 to gravel newly constructed roads or the re-graveling of existing roads. Activities include crushing, application of gravel, and the expansion of new and existing pits. Contributing to the achievement of this objective, the Director of Operations and the Graveling Department focus on safe and efficient equipment operation, enhanced customer service, improved communications both internally with Staff and Management, and externally with the public at large.

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, acquiring engineering and contracting services for major repairs or replacement. In contributing to the achievement of this objective, the Director of Operations focuses on bridge inspection and productive partnerships with Alberta Transportation to acquire funding for bridge replacement. A priority/goal for current year is the replacement of two large 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).

AGRICULTURAL SERVICES

Agricultural Services provides advice and expertise with respect to weed and pest control, as well as soil and water conservation, campground maintenance and rental of specialized equipment. Working in conjunction with Alberta Agriculture, this department also provides field trials (insect counts, disease investigations, etc.).

The following is the 2017 Agricultural Services segment budget:

	Agricultural Services
REVENUE	
Net municipal taxes	\$ -
Government transfers (operating)	168,350
Return on investments	-
Sale of goods, services and user charges	316,112
Rental income	7,000
Community aggregate levy	-
Penalties and costs of taxes	-
Other revenues	-
	<hr/> 491,462
EXPENSES	
Salaries, wages and benefits	\$ 364,859
Contracted and general services	213,145
Materials, goods and utilities	279,641
Transfers to local boards and agencies	8,150
Interest and bank charges	-
Amortization of tangible capital assets	99,942
Machine expenses capitalized for construction	-
Other expenses	-
	<hr/> 965,737
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (474,275)

This reporting segment includes the following departments within the County:

- General Agricultural 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 Agricultural Lands (69-01)

This segment includes the following staffing:

Full-Time Equivalents (FTE)			
Agricultural Services			
	Budget 2017	Prior year	Change
Management	1.04	1.10	(0.06)
Agricultural Services	2.72	2.42	0.30
	<hr/> 3.76	<hr/> 3.52	<hr/> 0.24

Management includes the Director of Agricultural Services. The Director of Human Resources was allocated to this segment (approx. 10%); whereas, this position was eliminated in early 2017.

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING:

The Agricultural Services segment revenues include the government transfers include 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, recoveries on the Weed Coordinator Program, sale of herbicides/strychnine, and campground fees. Rental income is from the rental of agricultural equipment.

SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

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 (1/3) share of the surface rights revenues being provided to the grazing leasees.

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- The campground is being discontinued as at the end of 2017; whereas, the County is giving the land back to the Province. This had been creating losses in prior years (costs exceeded the benefit of maintaining the campground). The County provided one year notice to the Province towards the end of 2016 (to provide the required one year notice of terminating the agreement).
- Purchase of new land aerator (capital) will allow for additional rental revenues.

Vulcan County Budget Segments	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
SEGMENT - AGRICULTURAL SERVICES					
REVENUES:					
62-00 General Agriculture Services	\$ 225,350	\$ 229,310	\$ 222,850	\$ 222,850	\$ 222,850
62-02 Training, Tours & Conferences	-	-	-	-	-
62-03 Roadside Spraying & Weed Control	15,000	1,526	10,000	10,000	10,000
62-04 Roadside Seeding	-	-	-	-	-
62-05 Pest Control	25,000	31,669	30,000	25,000	25,000
62-09 Campgrounds	13,612	9,620	13,612	-	-
69-01 County Agriculture Lands	215,000	240,273	215,000	215,000	215,000
	493,962	512,398	491,462	472,850	472,850
EXPENSES:					
62-00 General Agriculture Services	\$ 367,686	\$ 300,444	\$ 349,853	\$ 366,682	\$ 373,572
62-02 Training, Tours & Conferences	45,032	26,665	40,805	39,747	40,406
62-03 Roadside Spraying & Weed Control	251,337	155,874	265,382	269,736	275,869
62-04 Roadside Seeding	80,244	43,574	80,588	81,968	83,610
62-05 Pest Control	39,951	43,833	45,432	40,609	40,788
62-09 Campgrounds	109,510	85,198	89,483	-	-
69-01 County Agriculture Lands	93,171	34,450	94,195	95,670	97,222
	986,930	690,037	965,737	894,412	911,466
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS	\$ (492,968)	\$ (177,639)	\$ (474,275)	\$ (421,562)	\$ (438,616)

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 controls 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 our 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.

62-09 - Campgrounds

Overall management and administration services required primarily to administer the Twin Valley Dam Campground. Activities include maintenance and upkeep of the campground, customer service, contracted services for administration of the campground. The County will be discontinuing this campground as at the end of 2017; whereas, the lands are being given back to the Province.

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.

PLANNING AND 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 department assists with the Strategic Plan's goals of providing growth and development.

The following is the 2017 Planning and Development Services segment budget:

	Planning and Development Services
REVENUE	
Net municipal taxes	\$ -
Government transfers (operating)	-
Return on investments	-
Sale of goods, services and user charges	66,800
Rental income	-
Community aggregate levy	-
Penalties and costs of taxes	-
Other revenues	-
	66,800
EXPENSES	
Salaries, wages and benefits	\$ 266,177
Contracted and general services	197,233
Materials, goods and utilities	3,939
Transfers to local boards and agencies	-
Interest and bank charges	-
Amortization of tangible capital assets	-
Machine expenses capitalized for construction	-
Other expenses	-
	467,349
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (400,549)

This reporting segment includes the following departments within the County:

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

Full-Time Equivalents (FTE)

Development Services

	Budget 2017	Prior year	Change
Management	0.06	0.15	(0.09)
Development Services	2.04	2.03	0.01
	2.10	2.18	(0.08)

This segment includes the following staffing: Management includes a portion of the Director of Human Resources as this position previously oversaw these departments and was allocated to this segment (approx. 15%); whereas, this position was eliminated in early 2017 and the CAO currently oversees this department.

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING:

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

SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

Contracted services includes the membership to the Oldman River Regional Services Commission (ORRSC), which provides assistance in planning/development and subdivisions.

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- There is a larger appeal with the Subdivision Appeal Board (SDAB) that may require legal assistance; therefore, additional legal costs were added for the 2017 budget.
- The prior years had larger development projects for the Rural Inter-Municipal Development Plan (IMDP) and the ORTHO Projects; as these costs were completed in 2016, it was not budgeted in 2017.
- The position of Director of Human Resources was eliminated during the year, which previously oversaw these departments. The CAO now oversee these departments.

Vulcan County
Budget Segments

SEGMENT - PLANNING AND DEVELOPMENT SERVICES

REVENUES:

61-01 Planning, Zoning & Development	\$ 147,332	\$ 171,967	\$ 65,000	\$ 65,000	\$ 65,000
66-01 Subdivision & Land Development	1,200	1,800	1,800	1,800	1,800
	148,532	173,767	66,800	66,800	66,800

EXPENSES:

61-01 Planning, Zoning & Development	\$ 480,514	\$ 425,792	\$ 352,174	\$ 310,222	\$ 321,081
66-01 Subdivision & Land Development	108,572	108,415	115,175	117,059	119,041
	589,087	534,207	467,349	427,281	440,122

**EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES -
EXCLUDING CAPITAL AND TRANSFERS**

	\$ (440,555)	\$ (360,440)	\$ (400,549)	\$ (360,481)	\$ (373,322)
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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. 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, therefore 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.



A goal in the Strategic Plan is for growth and development in the County; including potential development of a business park and waterfront development. The Planning and Development Services departments have been working towards these goals; including collaboration with Vulcan Business Development Society (VBDS) and the Town of Vulcan to undertake a study on the viability of a business park between the Town of Vulcan and the County. This department has also been working with potential developers on land development on the north part of Lake McGregor (west of the Village of Milo). The budget supports this goal with the staffing element of the budget.

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 collaboration for the doctor recruitment and retention.

The following is the 2017 Community Services segment budget:

	Community Services
REVENUE	
Net municipal taxes	\$ 390,507
Government transfers (operating)	165,407
Return on investments	-
Sale of goods, services and user charges	-
Rental income	14,400
Community aggregate levy	-
Penalties and costs of taxes	-
Other revenues	290,987
	<hr/> 861,301
EXPENSES	
Salaries, wages and benefits	\$ -
Contracted and general services	161,188
Materials, goods and utilities	8,415
Transfers to local boards and agencies	1,880,055
Interest and bank charges	48,983
Amortization of tangible capital assets	-
Machine expenses capitalized for construction	-
Other expenses	-
	<hr/> 2,098,640
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (1,237,339)

This reporting segment includes the following departments within the County:

- 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)

This segment has no specific staffing; whereas, any related staffing is provided through General Government segment. No charges are allocated to this segment.

SEGMENT BUDGET OVERVIEW:

SEGMENT FUNDING:

The Community Services segment revenues include the special tax levies relating to the Recreational Area. Government transfers include contributions for the Doctor Retention Program and the MSI operating funding allocated towards the library boards.

Rental income is for the rental of the VBDS administration building. Other revenues include the Town's contribution to the Vulcan Hospital Expansion Project.

SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

Contracted and general services includes the Doctor Retention Program and memberships to Chinook Arch Regional Library System.

The transfers to local boards and agencies includes contributions to the Recreation Board for recreation and cultural activities, libraries, FCSS, VBDS, Tourism, and towards the Vulcan Hospital Expansion Project.

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- The Vulcan Hospital Expansion Project is projected to be funded by the end of 2017; therefore, the Town of Vulcan matching contributions are expected during the year. The Town's and the County's matching shares will be contributed to a liability account and held until the project is started.
- There were increases in the request from the library boards from \$91,000 to \$109,000; which is currently being funded by MSI Operating grants.
- A portion of the grant writer position was previously funded by MSI Operating grants; however, these funds were reallocated to cover staff education/training costs at the County.

Vulcan County Budget Segments	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019
SEGMENT - COMMUNITY SERVICES					
REVENUES:					
51-01 FCSS	\$ -	\$ -	\$ -	\$ -	\$ -
52-01 Daycare	-	-	-	-	-
52-03 Other Public Health	56,407	77,383	56,407	56,407	56,407
63-01 Tourism & Economic Development	84,480	84,480	14,400	14,400	14,400
71-01 Recreation Boards	375,713	375,722	390,507	315,351	316,945
74-01 Cultural Programs & Events	91,000	91,000	109,000	109,000	109,000
74-02 Libraries	-	-	-	-	-
Vulcan Hospital Expansion Project - Capital	-	657,326	290,987	-	-
	607,600	1,285,912	861,301	495,158	496,752
EXPENSES:					
51-01 FCSS	\$ 46,089	\$ 46,926	\$ 49,290	\$ 49,290	\$ 49,290
52-01 Daycare	-	-	5,000	-	-
52-03 Other Public Health	247,202	206,717	213,983	192,832	181,483
63-01 Tourism & Economic Development	256,945	243,172	253,460	242,710	244,210
71-01 Recreation Boards	458,219	465,045	442,774	413,351	413,351
74-01 Cultural Programs & Events	119,830	119,808	138,688	139,584	139,584
74-02 Libraries	64,687	149,095	80,177	53,597	53,597
Vulcan Hospital Expansion Project - Capital	-	2,084,731	915,269	-	-
	1,192,973	3,315,494	2,098,640	1,091,363	1,081,514
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS	\$ (585,373)	\$ (2,029,583)	\$ (1,237,339)	\$ (596,206)	\$ (584,762)

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. The 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 represents the County's 20% of the partnership share. The Transportation initiative for passengers is also funded from this area of the budget.

52-01 - Daycare

Vulcan County supports initiatives that benefit the well-being of the County's residents. Subsidies to the Vulcan Daycare is in this area (if available).

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. Funding for the Hospital Expansion project through debenture payment for the initiative is provided here. The Vulcan County Health and Wellness Foundation receives operating funds from this area as well. An objective/goal of this department is the collaboration for doctor recruitment and retention.

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 Vulcan Business Development Society (VBDS) and the Tourism Society are in this area. The County also shares the cost of a grant writer position that benefits all the partner municipalities and local groups in acquiring grants.

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.

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 the 2017 Utility Services segment budget:

	Utility Services
REVENUE	
Net municipal taxes	\$ 623,178
Government transfers (operating)	-
Return on investments	-
Sale of goods, services and user charges	2,349
Rental income	-
Community aggregate levy	-
Penalties and costs of taxes	-
Other revenues	-
	<hr/> 625,527
EXPENSES	
Salaries, wages and benefits	\$ 14,917
Contracted and general services	120,720
Materials, goods and utilities	3,480
Transfers to local boards and agencies	638,887
Interest and bank charges	-
Amortization of tangible capital assets	13,806
Machine expenses capitalized for construction	-
Other expenses	-
	<hr/> 791,810
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ (166,283)

This reporting segment includes the following departments within the County:

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

This segment has no specific staffing; whereas, any relating staffing is provided through General Government segment. Minimal charges are allocated to this segment.



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 EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment (these costs are identified above).

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.

BUDGET HIGHLIGHTS

The following are some of the 2017 budget highlights for this segment:

- There was an increase in the contribution to the Vulcan and District Waste Commission to \$603,577 (previously \$555,260); therefore, increasing the tax levies for Solid Waste.
- Significant increase in the contracted costs to operate the Mossleigh Water Treatment Plant as legislation required it to be operated five (5) days per week compared to previously being three (3) days per week.
- Legal costs were included in the budget for the potential expropriation of land for drainage (if required).

**Vulcan County
Budget Segments**

SEGMENT - UTILITY SERVICES

REVENUES:

37-01 Storm Sewers & Drainage	\$ -	\$ -	\$ -	\$ -	\$ -
41-01 Water Supply & Distribution	11,425	11,425	11,425	16,932	16,932
41-02 Twin Valley Regional Water Commission	-	-	-	-	-
43-03 Solid Waste Management	569,105	568,744	614,102	614,255	614,410
	580,530	580,169	625,527	631,187	631,342

EXPENSES:

37-01 Storm Sewers & Drainage	\$ 70,704	\$ 11,181	\$ 68,163	\$ 4,806	\$ 5,051
41-01 Water Supply & Distribution	49,331	101,770	76,687	77,156	77,633
41-02 Twin Valley Regional Water Commission	31,828	66,516	32,961	32,961	32,961
43-03 Solid Waste Management	565,423	561,387	613,998	614,223	614,327
	717,287	740,854	791,810	729,146	729,972

**EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES -
EXCLUDING CAPITAL AND TRANSFERS**

	\$ (136,756)	\$ (160,684)	\$ (166,283)	\$ (97,959)	\$ (98,630)
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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/goal 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 of the Hamlet of Kirkcaldy is also included in this area. A goal/priority of this department includes the connection of the Hamlet of Kirkcaldy with the TVRWC waterline and potentially reviewing the feasibility of a northern regional waterline (potentially combined with other goals of waterfront development just west of Milo).

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. Two members of Council sit on the Commission Board. 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 and as well as the six urban Municipalities within the County contributes to the Commission. 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 goal/objective of this department includes the review of the SAEWA project for a waste processing facility.





SECTION FOUR

CAPITAL BUDGET, RESERVES, & DEBT

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SECTION FOUR

Capital Budget, Reserves, & Debt

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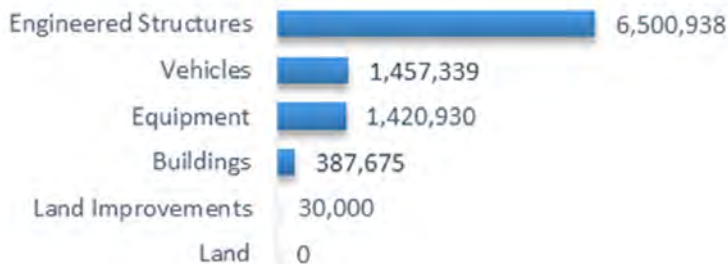


CAPITAL BUDGET

OVERVIEW

The following is the capital budget (with projections for the following four years):

Vulcan County Capital Budget and Projections	Budget 2016	Actual 2016	Budget 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
CAPITAL ACQUIRED:							
Land	\$ -	\$ 449	\$ -	\$ -	\$ -	\$ -	\$ -
Land Improvement		-	30,000	-	-	-	-
Buildings	600,000	38,515	387,675	721,158	116,238	-	-
Equipment	1,718,798	1,617,800	1,420,930	1,059,235	1,124,124	2,020,238	283,231
Vehicles	1,176,230	1,224,426	1,457,339	1,520,714	1,303,512	1,051,468	603,862
Engineered Structures	4,199,509	3,131,853	6,500,938	3,549,836	6,110,771	7,118,552	9,016,514
TOTAL CAPITAL ACQUIRED	\$ 7,694,537	\$ 6,013,043	\$ 9,796,881	\$ 6,850,943	\$ 8,654,645	\$ 10,190,258	\$ 9,903,607
CAPITAL FUNDING:							
Capital Grants	\$ 3,392,781	\$ 2,769,481	\$ 2,959,774	\$ 2,568,638	\$ 2,568,638	\$ 2,568,638	\$ 2,568,638
Sale of Assets	198,250	178,443	64,000	-	-	-	-
Contributed Asset	-	23,500	-	-	-	-	-
Transfer from Capital Reserves	2,279,306	1,125,756	6,773,107	4,282,305	6,086,007	7,621,620	7,334,969
Transfer to Capital Reserves	(5,000)	(82,317)	-	-	-	-	-
Transfer from Operating Function	1,837,700	1,935,416	-	-	-	-	-
Transfer to Operating Function	(8,500)	-	-	-	-	-	-
Capital Lease acquired	0	62,764	-	-	-	-	-
TOTAL CAPITAL FUNDING	7,694,537	6,013,043	9,796,881	6,850,943	8,654,645	10,190,258	9,903,607

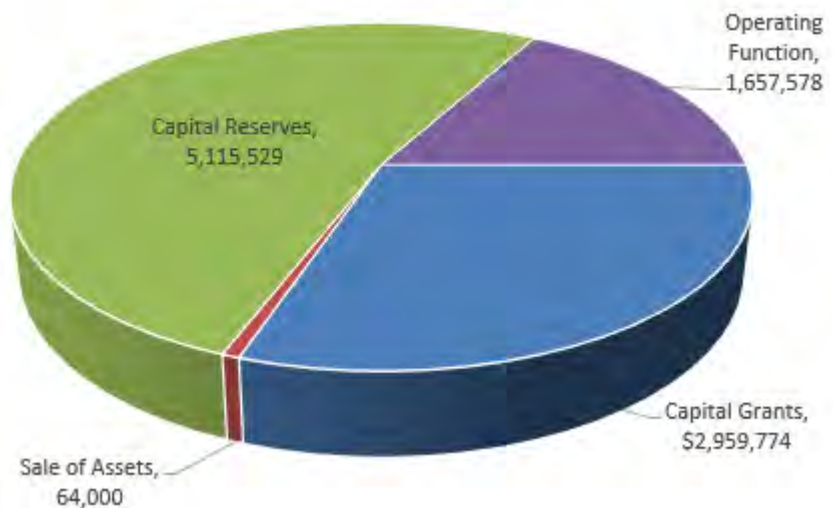


As shown above, these are the total capital acquisitions/construction budgeted for 2017. The majority of the engineered structures relate to the construction of roads and bridges throughout the County.

The majority of the funding for the capital budget is from the capital reserves as most of the bridge construction is being funded by the capital reserves (including the two large bridge files).

The MSI Capital grant allocation is fully utilized in these capital projects. These grants have been allocated to the larger capital equipment and vehicle purchases and towards the bridge projects.

These capital budget will be shown in detail in the following sections.



LAND & LAND IMPROVEMENT

Land and Land Improvement includes the acquisition of lands for the County and improvements on these County owned lands.

The following are the capital budgets of land/land improvements:

Capital Acquired:			
Land & Land Improvements:			
23-01	General Fire Protection	Parking Lot	30,000
			30,000
Capital Funding:			
Capital Reserves:			30,000
			30,000

Land/land improvements acquisitions are typically non-reoccurring costs that vary significantly from year-to-year. In the 2017 capital budget, there is \$30,000 to pave the parking lot surrounding the fire training tower; whereas, this is funded by capital reserves.



BUILDINGS

Buildings include the acquisition/construction of new buildings and additions/upgrades to existing buildings that are owned by the County.

The following are the capital budgets of buildings:

Capital Acquired:			
Buildings:			
23-20	Champion Fire Protection	Fire Hall	387,675
			387,675
Capital Funding:			
Capital Reserves:			387,675
			387,675

Buildings acquisitions/construction are typically non-reoccurring costs that vary significantly from year-to-year. In the 2017 capital budget, there is \$387,675 to build the Champion fire hall; whereas, this is funded by capital reserves (approx. \$216,000 was fundraising and other funds saved by the Champion Fire Association). This project should be completed in 2017.



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:			
12-02	General Administration	IT Equipment	73,053
23-01	General Fire Protection	AFRRCS Radios	600,000
23-01	General Fire Protection	Fire Prevention Trailer	85,000
32-01	Road Construction	4WD Tractor	280,000
32-01	Road Construction	CAT D6N	207,500
32-03	Road Gravelling	Tri-axle Belly Dump	63,685
32-03	Road Gravelling	Tri-axle End Dump	69,692
62-00	General Agricultural	Land Aerator	42,000
			1,420,930
Capital Funding:			
MSI Capital grants			549,553
Proceeds on Disposals			39,000
Capital Reserves			832,377
			1,420,930

Equipment acquisitions/development are typically non-reoccurring costs that vary significantly from year-to-year. The only significant reoccurring equipment purchases are for graders; in which, the County typically purchases two (2) graders per year (not done in 2017 as three were purchased in the prior year).

The 2017 capital budget, includes the following:

- General Administration (12-02) - the administration building has been upgrading the IT infrastructure over the last couple years; whereas, there is only some wireless networks and switches that are still to be replaced in 2017. These upgrades are funded by MSI Capital grants.
- General Fire Protection (23-01) - the fire departments are planning on replacing all of the AFRRCS radios throughout the County; whereas, this is a major one-time upgrade to the current radio network. This upgrade is funded though capital reserves. The fire department is also purchasing a fire prevention trailer; whereas, this is funded by capital reserves (including \$23,500 of reserves from donations made in prior years for this trailer).
- Road Construction (32-01) - the road construction crew required a 4WD tractor and a Cat D6N dozer; whereas, in an effort to save some costs, the County was able to find minimally used equipment used. This replaced the previous 1981 dozer, which will potentially allow for cost savings on maintenance. These pieces of equipment were funded by the sale of the old dozer (approx. \$11,000) and by MSI Capital grants.
- Road Gravelling (32-03) - the road gravelling crew required the replacement of two trailers (end dump/belly dump), which will likely result in cost saving sin maintenance. These trailers were funded by the sale of the old trailers (approx. \$28,000)and by the use of capital reserves.
- General Agricultural Services (62-00) - to add new AG rental equipment, the AG Service Board recommended the purchase of a land aerator with grass seeder. This replaced the old grass seeders that were previously in the rentals. This was funded by capital reserves.



VEHICLES

Vehicles include the acquisition/development of new vehicles, including light duty trucks (i.e. pickups) and heavy duty vehicles (i.e. fire trucks, hi-way tractors).

The following are the capital budgets of vehicles:

Capital Acquired:			
Vehicles			
23-01	General Fire Protection	Command Vehicle (FC1)	110,000
23-16	Northwest Fire Protection	Fire Truck	436,139
23-17	Milo Fire Protection	Fire Truck	450,000
32-03	Road Gravelling	Tandem Tractor	192,900
32-03	Road Gravelling	Tridem Water Tanker	268,300
			1,457,339
Capital Funding:			
MSI Capital grants			441,200
Proceeds on Disposals			20,000
Capital Reserves			996,139
			1,457,339

Vehicle acquisitions/development are typically non-reoccurring costs that vary significantly from year-to-year.

The 2017 capital budget, includes the following:

- General Fire Protection (23-01) - the fire department's command vehicle was requiring to be replaced as it was a bit older and the type of vehicle (Tahoe) was not considered as suitable for the requirements of the command vehicle as it had no hauling room. The old command vehicle was re-purposed in the County fleet as an emergency response vehicle for one of the district's fire associations. The new vehicle was purchased as a pickup truck so that it would allow hauling of material as required. This was funded by capital reserves.
- Northwest (23-16) and Milo (23-17) Fire Protection - both of these fire protection areas were requiring a new front-line fire truck as the previous trucks were at the end of their ability to function as a front-line response vehicle (due to the age of the trucks - 20 year requirement); whereas, these old fire trucks can remain as a secondary response vehicle. The other fire departments have also received these trucks in the past couple years. These fire trucks are funded by capital reserves.
- Road Gravelling (32-03) - the road gravelling crew required a new tandem tractor to replace the older tractor, which will likely allow for cost savings on maintenance. An addition to the fleet was the Tridem water tanker (with a 20,000 litre tank); whereas, the gravelling crew previously had a smaller water tanker for spraying down the road ahead of the gravel crew. The old gravelling water tanker is being provided to the road construction crew for their construction projects (to replace their 1993 water tanker); whereas, the construction crew's old water tanker will remain as a spare truck for the fleet (i.e. for dust abatement program) and will likely save maintenance costs as it will not be a primary vehicle.



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 of engineered structures:

Capital Acquired:

Engineered Structures:

32-01	Road Construction	2017 Roads	1,475,586
32-04	Bridges	Contracted Bridges	3,355,000
32-04	Bridges	Internally Constructed	701,343
32-04	Bridges	Engineering	200,774
37-01	Storm Sewers & Drainage	Mossleigh Drainage	562,926
41-01	Water Supply	Kirkcaldy Water	205,309
			6,500,938

Capital Funding:

MSI Capital grants	1,969,021
Transfer from Operating	1,657,579
Capital Reserves	2,874,338
	<u>6,500,938</u>

Engineered structures (specifically bridges) construction/development are typically non-reoccurring costs that vary significantly from year-to-year. The only significant reoccurring engineered structures are the roads that are constructed from year-to-year; however, during the current budget the roads were reduced to eight (8) mile to be constructed compared to historical years of ten (10) miles (reduction in services levels due to reduced linear tax revenues during this economic time).

The 2017 capital budget, includes the following:

- Road Construction (32-01) - the miles of roads that are replaced/constructed were reduced to eight (8) miles from prior ten (10) miles. These roads are internally constructed by the 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; in which, is funded partially by the FGTF grants and the remainder is funded by general operations (i.e. taxation revenues).
- Bridges (32-04) - there are currently two (2) major bridge files that are currently outside of the County's abilities to replace; therefore, the County has contracted out these two bridge files (obtaining requests for proposals). There are also four (4) smaller bridge files that the County's construction crew is able to internally replace. These internally constructed assets have some of the operating funds relating to these bridges capitalized (some costs funded by the operating fund). The County also contracts out the engineering for these (and future) bridge files. These bridge projects are mostly funded by MSI Capital grants (\$1.4 million) and capital reserves that have been set aside as part of the capital plan.
- Storm Sewers & Drainage (37-01) - there is a section of land near the Hamlet of Mossleigh that has been proposed for a drainage project; whereas, this project has been in the works for multiple years (requires land easement). Once the easement is available the construction of the drainage project will start in 2017. This project is funded by MSI Capital grants.
- Water Supply & Distribution (41-01) - as identified in the Strategic Plan, the residences of the Hamlet of Kirkcaldy are wanting to connect into the TVRWC waterline; whereas, the waterline currently runs adjacent to the hamlet. These are the infrastructure costs relating to the water connection the residences and is funded by capital reserves. This draw from capital reserves will be transferred back over approx. 20 years though a special tax levy.



LONG-TERM CAPITAL FUNDING PLAN

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

The County also utilizes a twenty (20) year capital funding program. All the costs and estimated replacement dates for the capital assets are projected; whereas, once the capital asset is to be either purchased or constructed within 20 years, 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 \$400,000 is scheduled to be replaced in 5 years; therefore, a total of \$80,000 of funding/reserves are allocated 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 funding requirements so that there is not the highs and lows in capital requirement from year-to-year. The scheduled replacement of the capital is based on the estimated useful lives of the assets; whereas, this takes into account the cost/benefits of replacing the asset vs. the costs to maintain the assets (repairs and maintenance). A goal in the Strategic Plan is to have 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-reoccurring capital requirements; therefore, the County already has plans (and reserves) to fund these non-reoccurring capital items. This assists the County with its priority to keep the tax rates competitive; whereas, this allows for a consistent allocation to capital (instead of having the significant fluctuations from year-to-year) and potentially requiring increases in tax rates or debt for the large non-reoccurring capital transactions. The capital reserve balances are monitored in this review so that the County maintains a positive reserve balance.

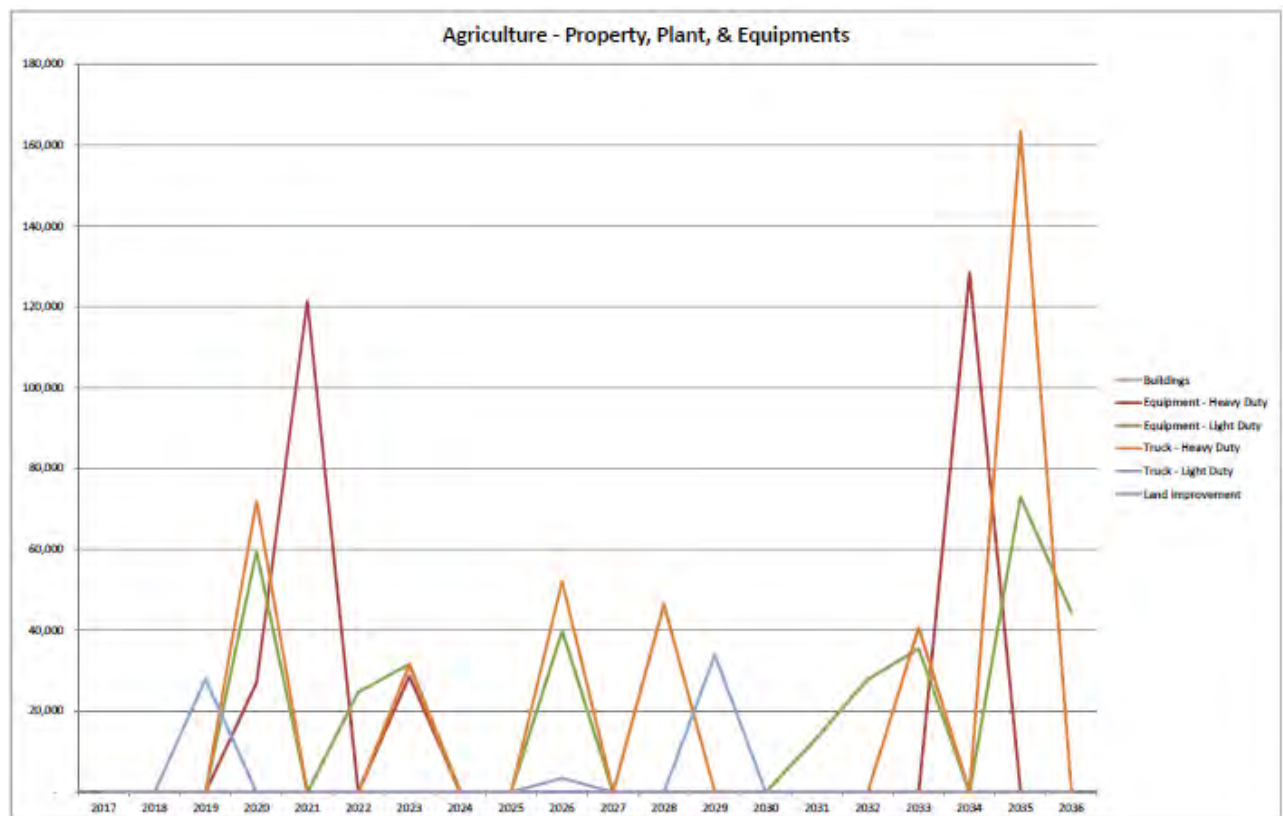
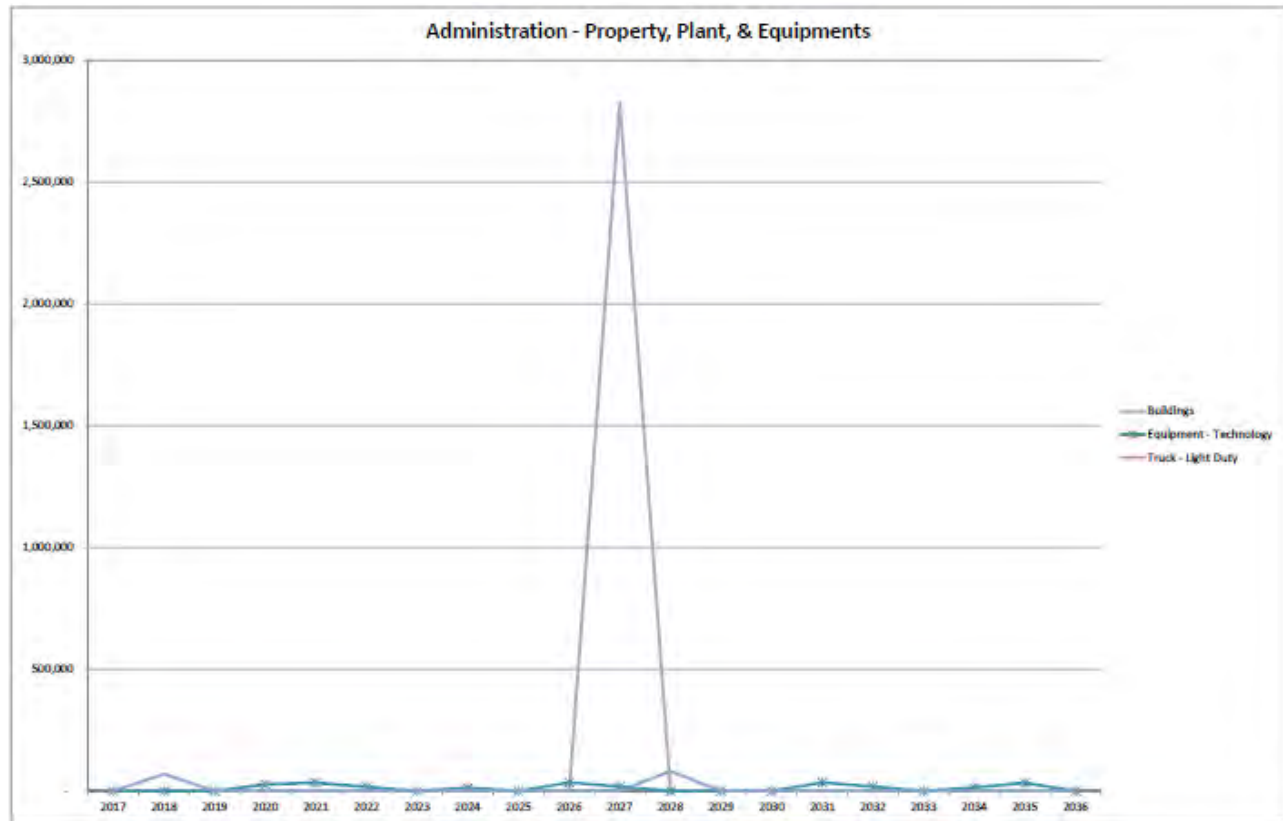
The twenty (20) year capital funding program is considered a “living” document, where it is updated on an annual basis to take into account changes in capital reserve levels, changes in years of replacement, and the projected replacement costs. As the year of replacement gets closer to the current year,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

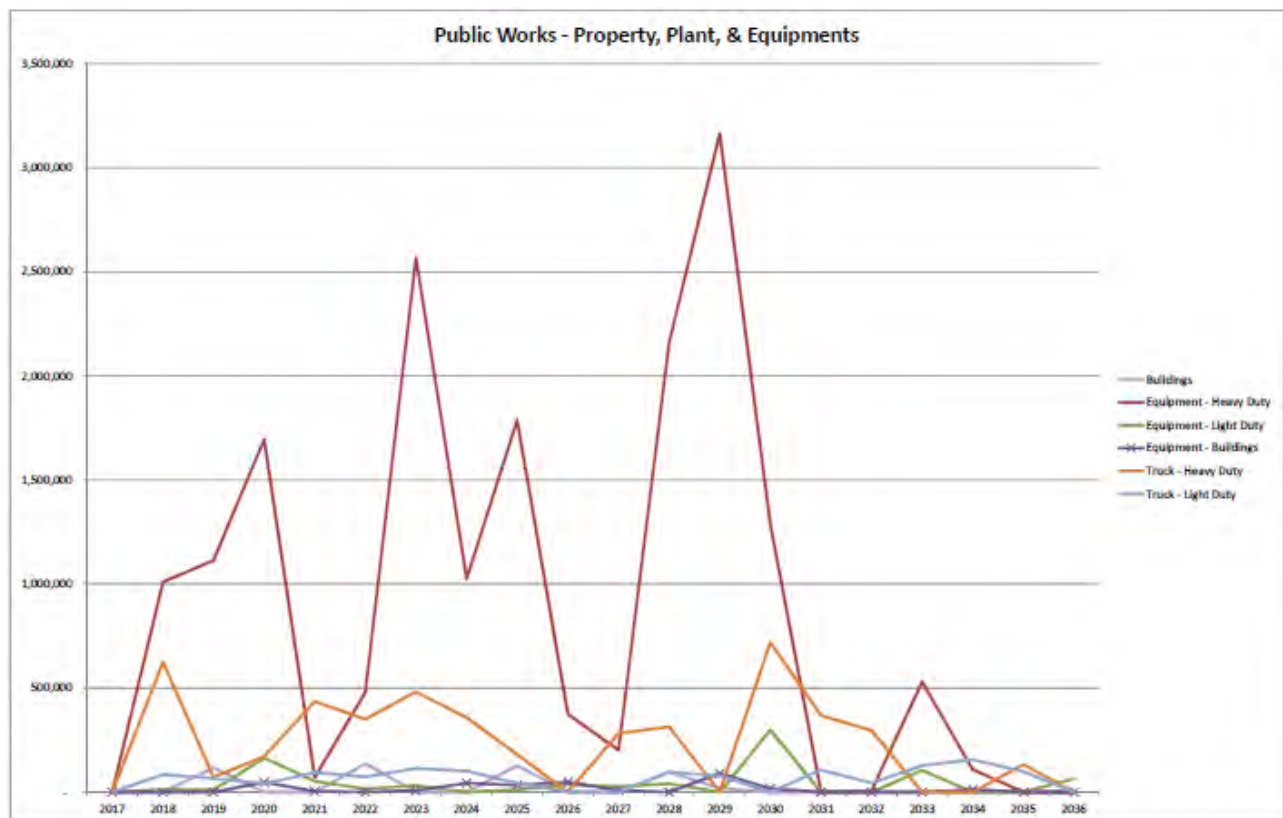
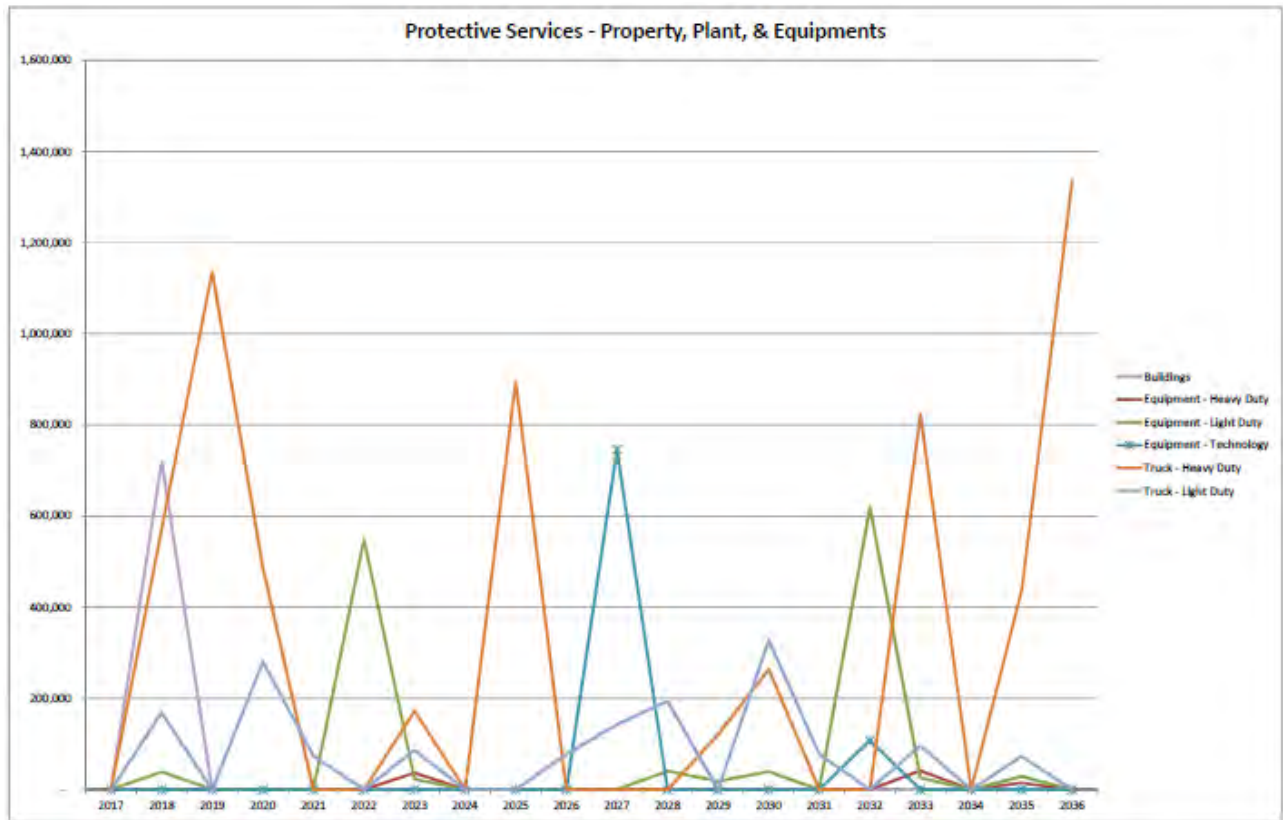
The capital reserves have been built up over the past couple years as part of this twenty (20) year capital funding program, which will allow the County to likely fund these projects without needing to increase tax rates or take on debt. County Council approves the road and bridge capital programs; in which, they review these projects, determine priorities, and determine the year of replacement. This is reviewed by Council every four (4) years and can be modified if required.

The following pages include charts for the replacement of the capital currently included in the twenty (20) year capital funding program.

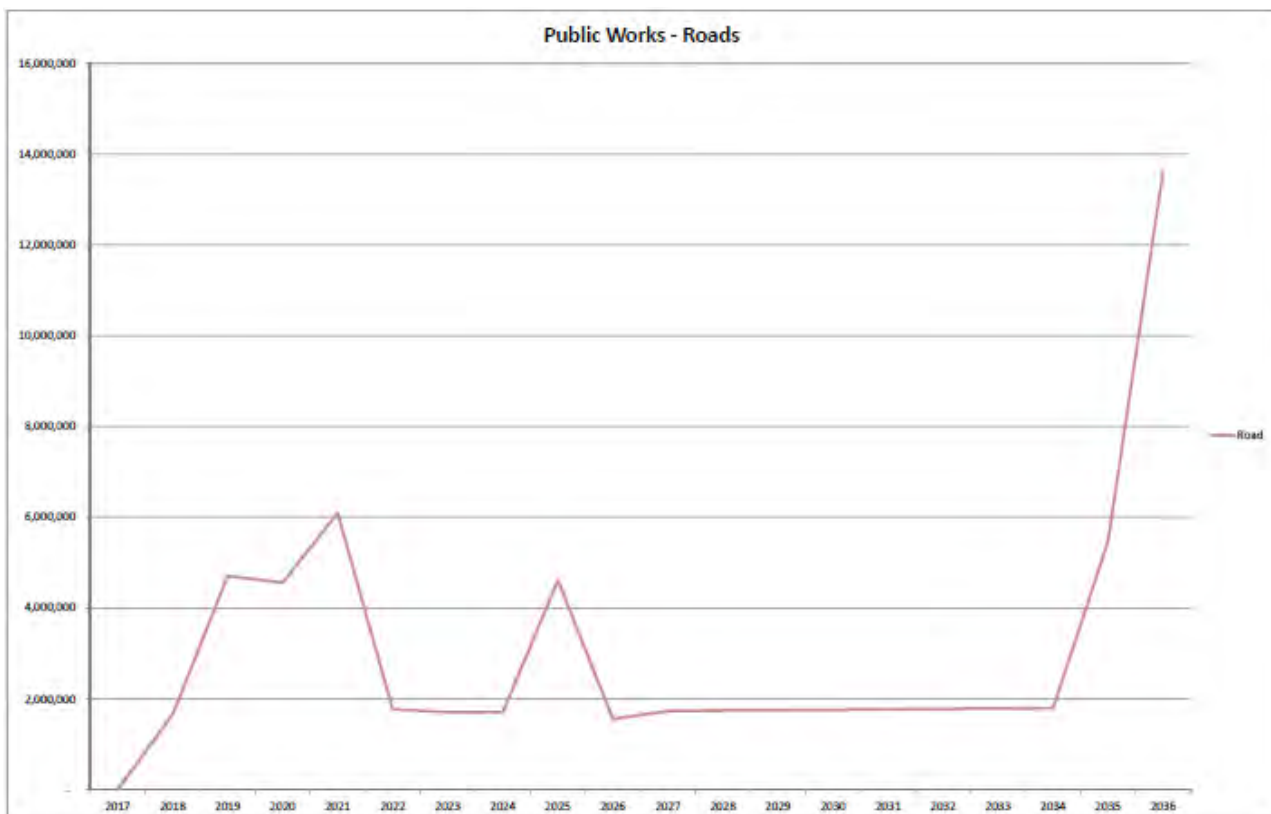
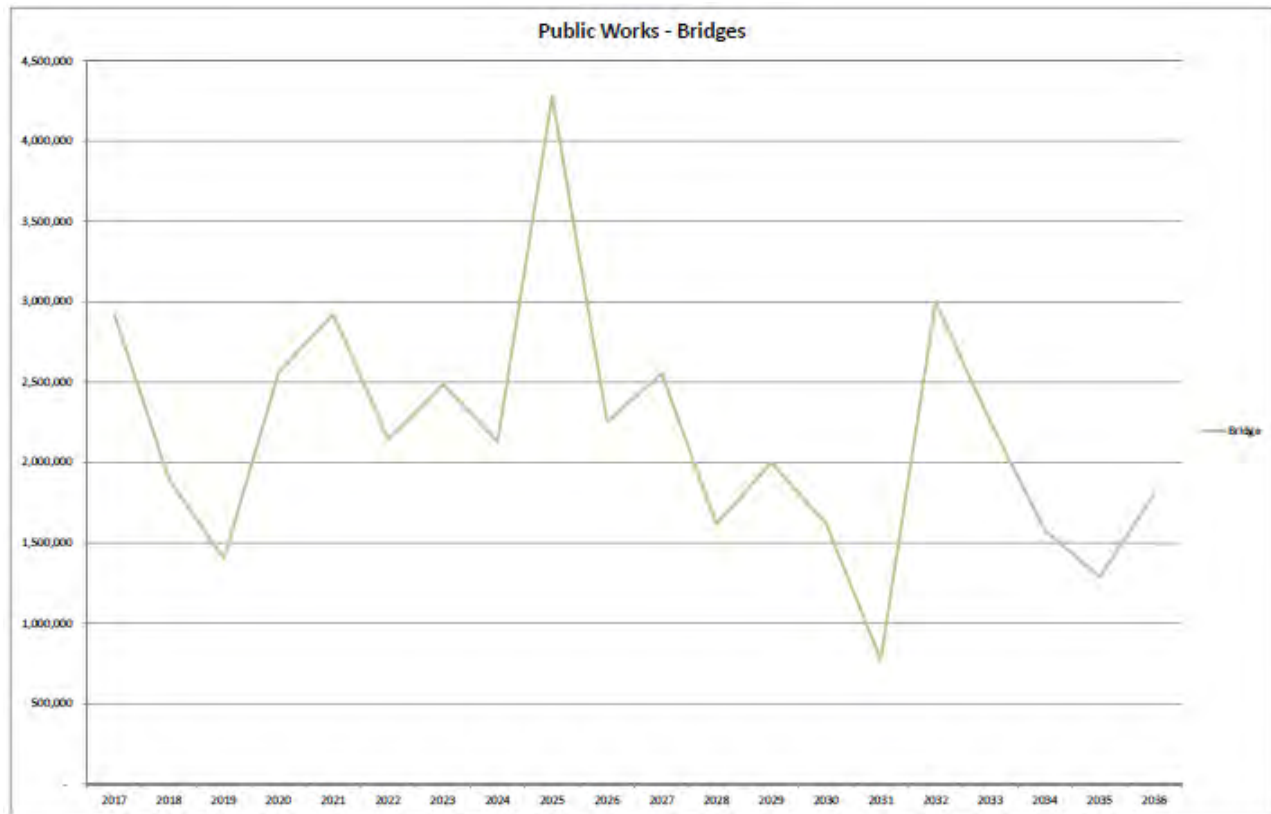
LONG-TERM CAPITAL FUNDING PLAN - Continued

* Administration Building is projected to be replaced by 2027; however, will be reviewed on an ongoing basis.





LONG-TERM CAPITAL FUNDING PLAN - Continued



RESERVES & FUND BALANCES

OPERATING & CAPITAL RESERVES

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

RESTRICTED SURPLUS Budget 2017	2017 Opening	Budgeted Council Reallocation	Operating		Capital	Projected 2017 Closing
			Transfer to Reserves	Transfer from Reserves	Transfer from Reserves	
Capital Restricted Surplus						
General Government	100,329	0	0	0	0	100,329
Protective Equipment	2,102,193	0	1,717,934	0	(2,098,814)	1,721,313
Transportation Equipment	1,973,156	0	144,943	0	0	2,118,099
Road Construction	1,380,131	0	216,334	0	0	1,596,465
Bridge Construction	1,257,067	1,480,000	654,232	0	(2,669,029)	722,270
Gravel Crushing	129,542	0	0	0	(105,377)	24,165
Mossleigh Water Treatment Plant - Recovery	(319,874)	0	11,425	0	0	(308,449)
Kirkcaldy Waterline - Recovery	0	(40,125)	0	0	(205,309)	(245,434)
Environment Development Equipment	106,130	0	26,726	0	(42,000)	90,856
Campground	7,500	(7,500)	0	0	0	0
Capital Acquisition	7,044,765	(1,675,000)	32,302	0	0	5,402,067
Capital Contingency	1,000,000	0	0	0	0	1,000,000
Total Capital Restricted Surplus	14,780,939	(242,625)	2,803,896	0	(5,120,529)	12,221,681
Operating Restricted Surplus						
Assessment Appeal	107,054	0	0	0	0	107,054
Community Enhancement	50,000	0	0	0	0	50,000
General Government Service	559,376	0	0	(91,487)	0	467,889
Protective Services	629,454	0	0	(23,000)	0	606,454
Transportation Contingency	1,390,590	0	0	(222,455)	0	1,168,135
Road Construction	1,762,579	0	0	(50,000)	0	1,712,579
Road Maintenance	204,000	0	0	0	0	204,000
Gravel Crushing	4,677,080	0	279,240	(1,742,039)	0	3,214,281
Uncrushed Gravel Inventory	4,886,220	0	0	0	0	4,886,220
Bridges	52,459	195,000	0	(183,699)	0	63,760
Air Transportation	0	0	20,000	0	0	20,000
Water Management	141,774	0	0	(60,000)	0	81,774
Environment Treatment	1,892	0	0	0	0	1,892
Vulcan Hospital Project - Debenture Funding	624,282	0	0	(624,282)	0	0
Vulcan Hospital Project - Debenture Recovery	(1,989,579)	0	115,422	0	0	(1,874,157)
Planning and development	303,844	0	0	(24,000)	0	279,844
Agriculture Services	494,371	0	0	(51,100)	5,000	448,271
Campground	84,348	7,500	0	(91,848)	0	0
Recreation and Culture	305,384	0	117,007	0	0	422,391
Operating Contingency	1,526,489	40,125	177,006	(171,101)	0	1,572,519
Total Operating Restricted Surplus	15,611,617	242,625	708,675	(3,335,011)	5,000	13,232,906
Total Restricted Surplus	30,392,556	0	3,512,571	(3,335,011)	(5,115,529)	25,454,587

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 (majority relates to use of the general capital acquisition reserve).

The operating fund account provides \$3,512,571 towards the operating and capital reserves to be used for future use or specific purposes. A total of \$2,803,896 is transferred into capital reserves; including \$2.5 million to fund the 20-year capital funding program and \$127,471 for the capital replacement of the Tri-Services Building (based on portion of rental revenues). A total of \$708,675 is transferred into the operating reserves; including \$279,240 for the 2021 gravel crushing program (there should be sufficient reserves available by the time the program starts) and a total of \$177,006 to the operating contingency reserve (to mitigate potential future write-offs of taxes).

There is \$3,335,011 of reserves used for the operating fund; including \$1,742,039 drawn from the gravel crushing reserves to complete the 2015-2017 gravel crushing program and \$624,282 drawn from the Vulcan Hospital Expansion (Debenture Funding) reserve as the County's remaining share of the matching contributions.

OPERATING & CAPITAL RESERVES - Continued

There is \$5,115,529 of reserves used for the capital fund; including \$2,098,814 drawn from the capital reserves to fund the capital acquisitions of Protective Services (including purchase of two fire trucks, building a fire hall, AFRRACS radio system, and the command vehicle) and \$2,669,029 drawn from the capital reserves to fund Transportation Services (including bridges and equipment). The purchase of capital for the specific fire protection areas is mostly funded through the general capital acquisition reserves; whereas, these balances are to be recovered in the future by special tax levies (over an extended period of time - i.e. 20 years).

Overall, there is a \$2,559,258 decrease in capital reserves as there were large capital expenditures required during the year for the bridge files and the capital requirements for the fire protection Areas. The majority of the capital acquisitions were included in the 20-year capital funding program. There was also an overall decrease of \$2,378,711 in the operating reserves which mostly relate to the use of the gravel crushing reserve and the use of the remaining funds set aside for the Vulcan Hospital Expansion Project.

FUND BALANCES

The three (3) major types of funds are the Operating Funds, the Capital Funds and the Reserve Funds. The following are the projected fund balances based on the 2017 budgets:

ACCUMULATED SURPLUS (FUND BALANCES)

2017 BUDGET EFFECTS

	Unrestricted Surplus {Operating Funds}	Restricted Surplus {Reserve Funds}	Equity in Tangible Capital Assets {Capital Funds}	Total Funds
2017 Opening Balance	\$ 1,187,942	\$ 30,392,556	\$ 108,434,742	\$ 140,015,240
Operating Income (Deficit)	(2,493,058)		2,959,774	466,716
Transfer to/from Reserves	2,378,711	(4,937,969)	2,559,258	-
Amortization of TCA	4,328,196		(4,328,196)	-
Proceeds on Disposals	64,000		(64,000)	-
Transfer to/from Funds accounts	(4,277,849)		4,277,849	-
2017 Budget Effects	-	(4,937,969)	5,404,685	466,716
Projected 2017 Closing Balance	1,187,942	25,454,587	113,839,427	140,481,956

As shown above, there is a \$nil effect on the Operating Funds as the County is operating a balanced budget. The Reserve Funds have a net decrease of \$4,937,969 resulting from the net transfers to and from the operating and capital funds. There is an overall \$5,404,685 increase in the Capital Funds as the capital additions exceed the reduction of the capital through amortization.

Note: the net deficit from operations is \$2,493,058 (including amortization expense), plus the capital grants of \$2,959,774 results in a total increase in the accumulated surplus (total funds) of \$466,716 (Excess of Revenues over Expenses).

The 2017 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 approve Operating and Capital Budget.

DEBT AND DEBT LIMITS

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

2017 Budget Effects

	ACFA	Capital Lease	Total Debt
2017 Opening Debt Balances	1,989,579	52,650	2,042,229
Loan Payments	(164,405)	(14,539)	(178,944)
Interest Portion	48,983	2,837	51,820
Principle Portion	(115,422)	(11,702)	(127,124)
Projected 2017 Closing Debt	1,874,157	40,948	1,915,105

	Total Debt Limit	Debt Servicing Limit
Debt Limits (per 2016 F/S)	29,564,939	4,927,490
Total Debt	2,042,229	178,944
Amount of debt limit unused	27,522,710	4,748,546
% Used	6.9%	3.6%

The County's debt limits are legislated in Alberta Regulation 255/00; in which, the total debt limit (total available principle debt) is calculated at 1.5 times the municipal revenues and the debt servicing limit (total available annual debt payments) is calculated at 0.25 times the municipal revenues. As shown above, based on the debt limits calculated in the 2016 Audited Financial Statements (should be similar in 2017), the County has only used a small portion of the debt limits (6.9% of total available debt and 3.6% of annual debt servicing).

The debenture received from ACFA related to funding the County's share of the Vulcan Hospital Expansion Project; whereas, 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; whereas, the principal portion is a recovery on the reserves that were used (creates a transfer to the reserve account).

The capital lease of the CPO vehicle was a lease that was entered into during 2016; in which, this lease was determined that it was classified as a capital lease (set up capital asset and related obligation/debt). The lease payments effectively become loan payments on the obligation for the capital lease (including the imputed interest rate of 6.15% - term of 5 years). The total value of the lease when it was acquired was \$62,764 in February 2016.

Currently, with the utilization of the 20-year capital funding program, building of specific reserves for large operating projects (i.e. 2021 gravel crushing project), and the use of long-term budgeting should assist the County in mitigating the requirements to take on additional debt (unless the County views it to be cost beneficial).

Although it may not be the intention of the County to take on additional debt in the future; having the amounts available to borrow more long-term debt does provide the County more options when it comes to financing the non-reoccurring capital and operating costs (if required).





SECTION FIVE

APPENDIX AND GLOSSARY

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SECTION FIVE

Appendix and Glossary

APPENDIX AND GLOSSARY

- 94 Appendix 1 - 2017 Approved
Operating and Capital Budget
- 98 Appendix 2 - MSI Grant Allocations
- 99 Appendix 3 - 5-Year Statistics
- 104 Glossary and Acronyms



APPENDIX AND GLOSSARY

APPENDIX 1 - 2017 APPROVED OPERATING AND CAPITAL BUDGETS

VULCAN COUNTY

BUDGETED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2017

	<u>Final Budget 2017</u>
REVENUE	
Net municipal taxes (schedule 3)	\$ 14,717,913
Government transfers (schedule 4)	894,241
Return on investments	393,236
Sale of goods, services and user charges	774,586
Rental income	357,029
Community aggregate levy	120,000
Penalties and costs of taxes	100,500
Other revenues	<u>312,487</u>
TOTAL REVENUE	<u>17,469,992</u>
EXPENSES	
Legislative	362,554
Administration	1,947,785
Protection services	1,943,766
Transportation services	11,302,813
Agricultural services	965,737
Planning and development services	467,349
Family and community support	1,183,542
Parks and recreation	661,638
Tourism and economic development	253,460
Utility Services	791,810
Other	<u>82,595</u>
TOTAL EXPENSES	<u>19,963,050</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	(2,493,058)
OTHER	
Contributed tangible capital assets	-
Government transfers for capital (schedule 4)	<u>2,959,774</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 466,716</u>

VULCAN COUNTY

BUDGETED SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2017

SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Final Budget 2017
Excess of revenues over expenses	\$ 466,716	-	-	\$ 466,716
Unrestricted funds designated for future use	(3,517,570)	3,517,570	-	-
Restricted funds used for operations	3,204,812	(3,204,812)	-	-
Restricted funds used for tangible capital assets	-	(5,250,728)	5,250,728	-
Current year funds used for tangible capital assets	(4,546,153)	-	4,546,153	-
Contributed tangible capital assets	-	-	-	-
Disposal of tangible capital assets	64,000	-	(64,000)	-
Annual amortization expense	4,328,196	-	(4,328,196)	-
Increase (decrease) in accumulated surplus	\$ 0	(4,937,969)	5,404,685	\$ 466,716

VULCAN COUNTY

BUDGETED SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2017

SCHEDULE 2

	Land	Land Improvement	Buildings	Equipment	Vehicles	Engineered Structures	Final Budget 2017
COST:							
Acquisition of tangible capital assets	\$ -	30,000	387,675	1,420,930	1,457,339	6,500,938	\$ 9,796,881
New construction-in-progress	-	-	-	-	-	-	-
Disposition of tangible capital assets	-	-	-	(39,000)	(25,000)	-	(64,000)
TOTAL	-	30,000	387,675	1,381,930	1,432,339	6,500,938	9,732,881
ACCUMULATED AMORTIZATION:							
Annual amortization	\$ -	43,289	274,458	1,386,150	500,219	2,124,080	\$ 4,328,196
Accumulated amortization on disposal	-	-	-	-	-	-	-
TOTAL	-	43,289	274,458	1,386,150	500,219	2,124,080	4,328,196
NET INCREASE (DECREASE) TO TANGIBLE CAPITAL ASSETS	\$ -	(13,289)	113,217	(4,221)	932,120	4,376,857	\$ 5,404,685

APPENDIX 1 - Continued

VULCAN COUNTY

BUDGETED SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2017

SCHEDULE 3

Final Budget 2017

TAXATION

Real property taxes	\$ 7,651,991
Linear taxes	8,420,354
Commercial taxes	1,247,966
Government grants in lieu of taxes	16,500
Special levy	1,295,886
Well drilling tax	55,000
	<u>18,687,497</u>

REQUISITIONS

School requisitions	3,717,487
Seniors foundation	252,098
	<u>3,969,585</u>

NET MUNICIPAL TAXES

\$ 14,717,913

VULCAN COUNTY

BUDGETED SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2017

SCHEDULE 4

Final Budget 2017

TRANSFERS FOR OPERATING

Local government transfers	\$ 69,082
Provincial government transfers	414,305
Federal government transfers	210,854
	<u>694,241</u>

TRANSFERS FOR CAPITAL

Provincial government transfers	2,959,774
Federal government transfers	-
	<u>2,959,774</u>

TOTAL GOVERNMENT TRANSFERS

\$ 3,654,015

VULCAN COUNTY

BUDGETED SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2017

SCHEDULE 5

Final Budget 2017

EXPENSES BY OBJECT

Salaries, wages and benefits	\$ 6,603,690
Contracted and general services	3,216,804
Materials, goods and utilities	4,488,890
Transfers to local boards and agencies	2,820,420
Interest and bank charges	75,033
Amortization of tangible capital assets	4,328,196
Machine expenses capitalized for construction	(1,657,578)
Other expenses	87,595
	<u>\$ 19,963,050</u>

VULCAN COUNTY

BUDGETED SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2017

SCHEDULE 6

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	Final Budget 2017 Total
REVENUE								
Net municipal taxes	\$ 12,810,473	893,754	-	-	-	390,507	623,176	\$ 14,717,913
Government transfers (operating)	44,615	105,015	210,854	168,350	-	165,407	-	694,241
Return on investments	393,236	-	-	-	-	-	-	393,236
Sale of goods, services and user charges	37,250	81,740	270,335	315,112	66,800	-	2,349	774,586
Rental income	-	335,629	-	7,000	-	14,400	-	357,029
Community aggregate levy	-	-	120,000	-	-	-	-	120,000
Penalties and costs of taxes	100,500	-	-	-	-	-	-	100,500
Other revenues	-	21,500	-	-	-	290,987	-	312,487
	<u>13,386,075</u>	<u>1,437,638</u>	<u>601,189</u>	<u>491,462</u>	<u>66,800</u>	<u>861,301</u>	<u>625,527</u>	<u>17,469,992</u>
EXPENSES								
Salaries, wages and benefits	\$ 1,037,050	584,363	4,336,325	364,859	266,177	-	14,917	\$ 6,603,690
Contracted and general services	836,267	447,859	1,236,392	213,145	197,233	161,188	120,720	3,216,804
Materials, goods and utilities	263,467	221,449	3,708,499	279,641	3,939	8,415	3,480	4,488,890
Transfers to local boards and agencies	50,679	234,650	8,000	8,150	-	1,880,055	638,887	2,820,420
Interest and bank charges	26,050	-	-	-	-	48,983	-	75,033
Amortization of tangible capital assets	89,827	455,445	3,669,176	99,942	-	-	13,806	4,328,196
Machine expenses capitalized for construction	-	-	(1,657,578)	2130	-	-	-	(1,657,578)
Other expenses	87,595	-	-	-	-	-	-	87,595
	<u>2,392,934</u>	<u>1,943,766</u>	<u>11,302,813</u>	<u>965,737</u>	<u>467,349</u>	<u>2,098,640</u>	<u>791,810</u>	<u>19,963,050</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER	\$ 10,993,141	(506,129)	(10,701,624)	(474,275)	(400,549)	(1,237,339)	(166,283)	\$ (2,493,058)
OTHER								
Government transfers (capital)	73,053	-	2,323,795	-	-	-	562,926	2,959,774
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	\$ 11,066,193	(506,129)	(8,377,829)	(474,275)	(400,549)	(1,237,339)	396,644	\$ 466,716

APPENDIX 2 - MSI GRANT ALLOCATIONS

Municipal Sustainability Initiative (MSI) Operating Grant

	2017 Budget
Carry-forward balance	2,460
2017 Grant Allocation	183,480
Available MSI Funds	185,940

	Budgeted cost	Grant Funded
Libraries	109,000	109,000
Public Security and Safety	45,000	45,000
Staff development	64,488	31,940
	218,488	185,940

Unallocated MSI Funds	-
------------------------------	----------

Municipal Sustainability Initiative (MSI) Capital Grant

	2017 Budget
Carry-forward balance	631,768
2017 Grant Allocation	2,328,006
Available MSI Funds	2,959,774

	Budgeted cost	Grant Funded
IT Infrastructure Project	73,053	73,053
Drainage Project	562,926	562,926
Tractor with 12' Blade	487,500	476,500
Tandem Tractor	192,900	172,900
Tridem Water Tanker	268,300	268,300
Bridge Projects	4,256,290	1,406,095
	5,840,969	2,959,774

Unallocated MSI Funds	-
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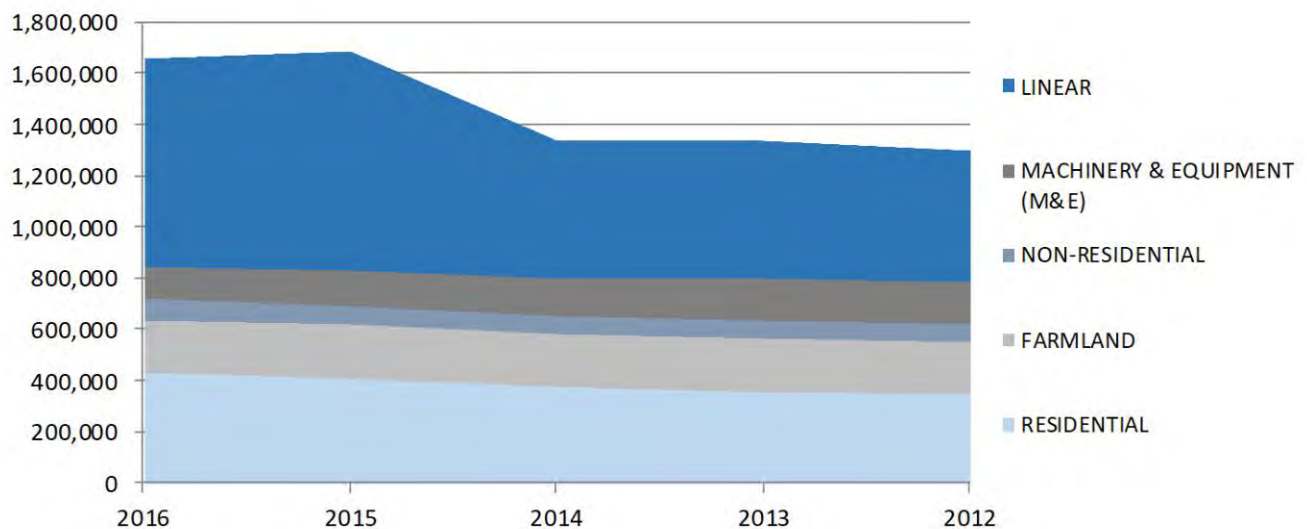
APPENDIX 3 - FIVE (5) YEAR STATISTICS (Actuals)

DEMOGRAPHICS, AREA, & OTHER

	2016	2015	2014	2013	2012
POPULATION	3,984	3,893	3,893	3,893	3,893
NUMBER OF DWELLING UNITS	2,138	2,125	2,065	2,218	2,008
AREA OF MUNICIPALITY IN HECTARES	556,342	556,342	556,342	556,342	556,342
NUMBER OF HAMLETS	8	8	8	8	8
ROAD MAINTAINED (Km)	2,672	2,672	2,672	2,672	2,646
WATER PIPELINE (Km)	454	454	454	454	452
DEVELOPMENT PERMITS	69	54	66	71	54
SUBDIVISIONS APPLICATIONS	11	20	20	18	18
FULL TIME STAFF	64	59	56	57	47

PROPERTY ASSESSMENT (in thousands)

	2016	2015	2014	2013	2012
RESIDENTIAL	436,186	416,179	381,027	361,476	349,923
FARMLAND	204,013	204,199	204,147	204,178	204,173
NON-RESIDENTIAL	83,524	76,883	72,395	70,296	68,260
MACHINERY & EQUIPMENT (M&E)	123,016	135,065	144,018	163,222	166,535
LINEAR	814,329	858,761	541,310	540,645	515,921
TOTAL ASSESSMENT	1,661,068	1,691,087	1,342,897	1,339,817	1,304,811



APPENDIX 3 - Continued

TAX RATES (expressed in mills)

	2016	2015	2014	2013	2012
MUNICIPAL					
Residential	5.7600	5.7600	5.7600	5.7600	5.7600
Farmland	9.5970	9.1400	9.1400	9.1400	9.1400
Non-Residential, M&E, and Linear	9.1400	9.1400	9.1400	9.1400	9.1400
WASTE COMMISSION	0.3412	0.3164	0.3882	0.3791	0.3796
EDUCATION REQUISITION					
Residential and Farmland	2.4130	2.3668	2.4610	2.6075	2.2396
Non-Residential and Linear	3.9729	3.6489	3.6943	3.7357	3.9606
SENIOR FOUNDATION REQUISITION	0.1387	0.1302	0.1579	0.1461	0.1260
SPECIAL LEVY - FIRE PROTECTION AREA					
Carmangay and District	1.6896	1.0661	1.3652	0.6912	0.5828
Champion and District	0.9387	0.6115	0.6509	0.2383	0.3638
Lomond and District	0.5250	0.4195	0.2987	0.1481	0.1132
Milo and District	0.5690	0.2269	0.3442	0.2536	0.1565
Vulcan and District	0.0893	0.2437	0.3378	0.1262	0.2884
Northwest	0.6910	0.6180	0.6399	0.4732	0.6551
Linear	0.3312	0.3216	0.3122	0.3031	0.2893
SPECIAL LEVY - RECREATIONAL AREA					
Carmangay and District	0.1165	0.3440	0.6478	0.0162	0.0521
Champion and District	0.6788	0.5561	0.6179	0.3357	0.2035
Lomond and District	0.1680	0.1515	0.1406	0.1082	0.1039
Milo and District	0.2566	0.3122	0.3572	0.2621	0.5076
Vulcan and District	0.5944	0.6771	0.3897	0.2389	0.1587
Northwest	0.0305	0.0000	0.0027	0.0000	0.0295
Linear	0.1309	0.1271	0.1234	0.1198	0.1198

ASSETS, LIABILITIES, & SURPLUS

	2016	2015	2014	2013	2012
TAX RECEIVABLE AS % OF TAXES					
Tax Receivables	2,716,399	1,439,354	846,191	965,511	617,723
Total Tax Levies	19,507,539	19,532,301	16,346,790	16,082,860	15,675,596
Tax Receivable as % of Taxes	13.9%	7.4%	5.2%	6.0%	3.9%
Financial Assets	30,395,326	26,065,387	27,972,864	26,080,253	24,430,666
Financial Liabilities	(6,670,665)	(2,915,709)	(3,761,555)	(3,073,913)	(3,216,181)
NET FINANCIAL ASSET	23,724,661	23,149,678	24,211,309	23,006,340	21,214,485
Tangible Capital Assets	108,487,392	107,791,397	104,637,218	102,951,507	103,110,604
Inventory Held for Consumption	7,570,991	6,939,868	4,385,348	5,110,680	5,117,653
Prepaid Expenses	232,196	201,591	183,792	169,585	123,994
ACCUMULATIVE SURPLUS	140,015,240	138,082,534	133,417,667	131,238,112	129,566,736
Unrestricted Surplus	1,187,942	897,409	896,650	7,908,695	7,898,893
Restricted Surplus (Reserves)	30,392,556	29,393,728	27,883,799	20,377,910	18,557,239
Equity in Tangible Capital Assets	108,434,742	107,791,397	104,637,218	102,951,507	103,110,604
ACCUMULATIVE SURPLUS	140,015,240	138,082,534	133,417,667	131,238,112	129,566,736

REVENUES (by source)

	2016	2015	2014	2013	2012
Net Municipal Taxes	15,491,243	15,593,397	12,419,678	12,132,072	11,958,937
Government Transfers	839,002	778,748	1,183,649	907,568	756,646
Return on Investments	733,530	405,743	395,617	434,653	509,692
Sale of Goods, Services, and User Charges	864,215	903,222	959,381	810,664	1,062,159
Rental Income	355,410	346,232	294,684	294,813	533,918
Community Aggregate Levy	149,287	259,213	282,789	127,522	224,683
Penalties and Costs of Taxes	497,496	254,299	163,343	134,472	144,952
Gain on Disposal of Capital Assets	26,813	43,431	0	72,477	5,776
Other Revenue	752,963	120,041	67,783	103,454	103,681
OPERATING REVENUES	19,709,959	18,704,326	15,766,924	15,017,695	15,300,444
Contributed Tangible Capital Assets	0	0	0	836,725	379,230
Government Transfers for Capital	2,769,481	3,893,203	2,516,327	3,575,216	3,107,459
TOTAL REVENUES	22,479,440	22,597,529	18,283,251	19,429,636	18,787,133

APPENDIX 3 - Continued

EXPENSES (by function and object)

	2016	2015	2014	2013	2012
EXPENSES BY FUNCTION					
Legislative	285,775	365,768	287,864	284,849	248,944
Administration	1,962,577	1,763,226	1,927,001	1,992,912	2,004,109
Protection services	1,720,869	1,466,953	1,381,614	1,187,252	1,185,600
Transportation services	10,863,798	10,484,568	9,803,242	10,854,148	8,318,051
Agricultural services	810,091	823,176	775,473	624,465	608,485
Planning and development services	534,207	442,352	367,517	365,282	350,960
Family and community support	2,338,374	214,943	186,720	178,870	106,575
Parks and recreation	733,948	684,775	500,852	405,422	384,408
Tourism and economic development	243,172	266,392	192,122	182,416	268,490
Utility Services	740,853	628,794	615,296	601,140	563,411
Other	313,069	791,715	65,993	811,035	10,015
TOTAL EXPENSES	20,546,733	17,932,662	16,103,694	17,487,791	14,049,048

* The term "function" refers to the grouping of expenses by department or service

EXPENSE BY OBJECT					
Salaries, wages and benefits	6,503,365	6,230,936	5,774,452	5,385,996	5,009,245
Contracted and general services	2,960,984	3,178,521	2,962,885	3,747,147	2,149,270
Materials, goods and utilities	3,008,920	3,558,148	3,417,437	3,282,721	3,442,776
Transfers to local boards and agencies	4,055,775	1,862,877	1,504,365	1,375,684	1,500,900
Interest and bank charges	76,968	38,930	50,626	52,535	58,318
Amortization of tangible capital assets	4,328,198	4,014,425	3,722,577	3,663,080	3,602,966
Machine expenses capitalized for construction	(1,846,498)	(2,370,673)	(1,712,801)	(1,420,904)	(1,867,787)
Loss on disposal of capital assets	837,220	454,493	176,194	475,617	142,735
Other expenses	621,801	965,005	207,959	925,915	10,625
TOTAL EXPENSES	20,546,733	17,932,662	16,103,694	17,487,791	14,049,048

* The term "object" refers to the grouping by the nature or type of expense

TRANSFERS TO LOCAL BOARDS AND AGENCIES

	2016	2015	2014	2013	2012
TRANSFERS TO OTHER LOCAL GOVERNMENTS					
Vulcan District Waste Commission	554,000	529,804	504,665	497,247	485,880
Twin Valley Regional Water Commission	66,516	26,856	23,601	24,540	21,962
Vulcan Business Development Society	146,430	154,159	89,078	75,000	75,000
Vulcan and District Tourism Society	86,595	89,679	80,000	80,000	80,000
Vulcan Library Board	91,000	79,000	76,700	76,700	25,700
Fire Area Contributions	262,700	247,450	216,380	195,380	334,380
Recreation Area Contributions	465,045	494,089	359,440	252,315	312,396
Other local governments and organizations	2,383,489	241,840	154,501	174,502	165,582
	4,055,775	1,862,877	1,504,365	1,375,684	1,500,900

Note: the 2016 transfer to other local governments and organization includes the approx. \$2.1 million matching contributed for the Vulcan Hospital Expansion project.

ANNUAL SURPLUS

	2016	2015	2014	2013	2012
TOTAL REVENUES	22,479,440	22,597,529	18,283,251	19,429,636	18,787,133
TOTAL EXPENSES	(20,546,733)	(17,932,662)	(16,103,694)	(17,487,791)	(14,049,048)
ANNUAL SURPLUS	1,932,707	4,664,867	2,179,557	1,941,845	4,738,085
ADD: Proceeds from Sale of Tangible Capital Assets	178,443	316,510	786,854	1,236,768	343,821
ADD: Transfer from Restricted Surplus to Operations	8,044,072	8,640,091	2,991,304	3,655,821	1,027,104
ADD: Amortization of Tangible Capital Assets	4,328,198	4,014,425	3,722,577	3,663,080	3,602,966
LESS: Transfers to Restricted Surplus	(8,232,494)	(9,738,958)	(10,320,999)	(5,068,774)	(2,263,222)
LESS: Capital Expenditures	(5,960,393)	(7,896,176)	(6,371,335)	(5,148,470)	(5,508,187)
ALLOCATION TO UNRESTRICTED SURPLUS	290,533	759	(7,012,042)	280,270	1,940,567

GLOSSARY AND ACRONYMS

GLOSSARY:

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).

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.

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.

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.

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.

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.

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.



LINEAR ASSESSMENT

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.

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.

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.



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 - Southern Alberta Energy from Waste Association
TVRWC - Twin Valley Regional Water Commission
VBDS - Vulcan Business Development Society

GRANTS:

ACP - Alberta Community Partnership grant
ASB - Agricultural Service Board grant
FGTF - Federal Gas Tax Fund grant
MSI - Municipal Sustainability Initiative grants (Operating and Capital)

OPERATIONS:

A/P - Accounts Payable
A/R - Accounts Receivable
CAO - Chief Administrative Officer
COLA - Cost of Living Adjustment
CPO - Community Peace Officer
FTE - Full-Time Equivalent
GIS - Geographical Information Systems
HR - Human Resources
IT - Information Technology
TCA - Tangible Capital Assets
MGA - Municipal Government Act
M&E - Machinery and Equipment



CONTACT INFORMATION

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