



# 2020

## VULCAN COUNTY BUDGET REPORT

FOR THE YEAR JANUARY 1 TO DECEMBER 31, 2020  
VULCAN COUNTY, ALBERTA, CANADA

PREPARED BY VULCAN COUNTY:  
CORPORATE SERVICES DEPARTMENT





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# SECTION ONE

# INTRODUCTION TO THE BUDGET REPORT

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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 development of the operating and capital budget.

A comprehensive overview of the budget, operating segments/departments, and capital will be provided in this document. This overview outlines the strategies, priorities, and issues that Vulcan County faced during the development of the budget.



### BUDGET REPORT SECTIONS

#### **1) Introduction to the Budget Report**

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

#### **2) Operating Budget by Type**

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

#### **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 all acquisitions and funding sources. This section also provides details on the County's operating and capital reserves.

#### **5) Appendix and Glossary**

Provides extra information and 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 reader with information on the process of budgeting and how it is developed. It will provide detail 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 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 services, and safety.

## BUDGET MESSAGE FROM THE CAO

On April 8th, 2020, Vulcan County Council approved the 2020 operating and capital budgets. Together, these documents provide a roadmap for the year ahead and provide the necessary funding for the various County departments to administer the services that ratepayers expect.

Also built into these budgets are provisions for the future beyond 2020. The County makes use of a 3-year operating and 5-year capital plan, in addition to its larger 20-year capital plan. These plans were borne out of the recognition that long-term planning leads to greater stability by preparing contingency funds for unexpected events such as the COVID19 Pandemic. This planning also helps to secure funding for the County's capital replacement requirements which can vary greatly from one year to the next. Finally, municipal tax rates fluctuate far less when a long-term perspective is utilized.



In the weeks and months leading up to budget approval, County Council and administration considered feedback from stakeholders within the County, current economic climate, and the County's strategic plan when determining its objectives for the year. With the reduction in overall assessment within the County, the general municipal tax rates were slightly increased to somewhat offset these reductions. Increasing investment in economic growth within the region which is a priority in the strategic plan as this also supports in the growth of the assessment base.

Another priority for the County which was identified during the budget process was the need to further protect itself against the uncertainty in the oil & gas sector that we are presently experiencing. Significant losses were realized in 2018 and 2019 when a large producer completed bankruptcy proceedings, leaving the County without a means to collect. As part of the 2020 budget, Council continues to build the appropriate level of reserves to help mitigate this should it happen again in the future. We are optimistic that the sector will recover over the coming few years.

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. 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 understanding the municipal budget and the process that creates it.

It is my pleasure to serve this community.

Respectfully submitted,

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

Nels Petersen  
Chief Administrative Officer



## DISTINGUISHED BUDGET PRESENTATION AWARD



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**Vulcan County**

**Alberta**

For the Fiscal Year Beginning

**January 1, 2019**

*Christopher P. Morill*

Executive Director

The Government Finance Officers Association (GFOA) presented a Distinguished Budget Presentation Award to Vulcan County, Alberta for its annual budget for the year beginning January 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

# 2020 BUDGET OVERVIEW

## Vulcan County 2020 Final Budget

At the April 8, 2020 regular Council meeting, County Council approved the 2020 Operating and Capital Budgets, along with the 2020 tax rates. Council and Administration were tasked with finding ways to reduce spending in order to reduce tax rates where possible. To that end, the budget was reviewed thoroughly to find additional efficiencies and cost reductions without affecting current service levels.

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

Class	Assessment		
	2019	2020	Change
Residential	473,806,080	469,990,490	(3,815,590)
Commercial & Industrial	78,915,710	46,160,950	(32,754,760)
Farmland	204,892,870	204,923,760	30,890
Machinery and Equipment	89,904,800	120,002,260	30,097,460
Linear	723,770,260	662,744,880	(61,025,380)
<b>Total</b>	<b>1,571,289,720</b>	<b>1,503,822,340</b>	<b>(67,467,380)</b>

As shown above, the County had an approximate 4.2% reduction in taxable assessment; therefore, the County was able to minimize the tax rate increases to 3% while finding costs savings throughout the budget.

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

Although there were challenges in the development of the 2020 budgets, the County was able to create a balanced budget while providing for the future. Additionally, the County was able to maintain its strong financial position with respect to its operating and capital reserves.

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

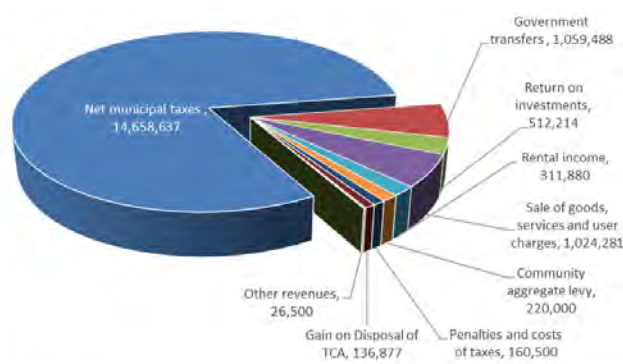
The 2020 Operating and Capital Budgets and additional information are available on our website:

[www.vulcancounty.ab.ca](http://www.vulcancounty.ab.ca) > Your County > Corporate Services > Operating & Capital Budgets

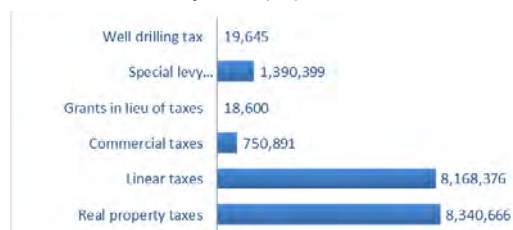
### OPERATING BUDGET:

The County has budgeted \$18.11 million in operating revenues (net of requisitions) and \$17.90 million in operating expenses including amortization. After transfers to/from reserves and capital, there is a no budgeted operating surplus.

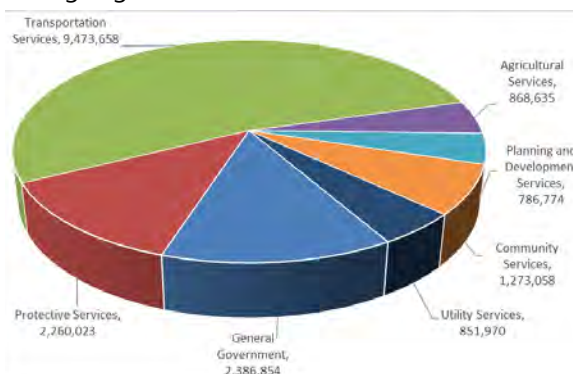
The County's operating revenues consist mostly of tax revenues (80%, net of requisitions). The remaining 20% is made up of other sources of income (i.e. operating grants, investment income, user fees, etc.).



Of the municipal taxes, the largest components include linear taxes (pipeline, wells, energy, etc.) totaling approximately 45% and real property taxes (residential, farmland, machinery & equipment, etc.) totaling 41%:



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



## CAPITAL BUDGET:

The capital budget pertains to the construction and acquisition of capital assets, which includes the following:



The majority of engineered structures relate to the construction of roads and bridges throughout the County.

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

The majority of funding for capital assets is from capital grants and capital reserves. It is budgeted that approx. \$2.92 million will be funded by capital grants and \$1.76 million funded by capital reserves.



## 2020 Budget Summary:

	2020 Budget	2019 Budget	Change
<b>REVENUES:</b>			
Taxes (Net of Requisitions)	14,658,637	14,945,100	(286,463)
Operating Grants	1,059,488	1,223,692	(164,204)
Return on Investment	512,214	542,214	(30,000)
Sales & User Charges	1,024,281	1,364,945	(340,664)
Rental Income	311,880	311,880	-
Other Revenues	543,877	407,000	136,877
	18,110,377	18,794,831	(684,454)
<b>EXPENSES:</b>			
Salaries & Benefits	7,105,469	7,080,147	25,322
Contracted Services	3,268,222	3,608,291	(340,069)
Material, Goods & Utilities	2,651,461	3,172,964	(521,503)
Grants to Boards & Agencies	1,750,216	1,921,832	(171,616)
Amortization & Capital	2,999,720	2,877,345	122,375
Other Expenses	125,884	122,749	3,135
	17,900,972	18,783,328	(882,356)
<b>OPERATING INCOME (DEFICIT)</b>	209,405	11,503	197,902
Capital Revenues	2,617,600	4,635,281	(2,017,681)
Capital Acquisitions	(6,243,228)	(7,435,177)	1,191,949
Disposal of Capital	388,232	409,333	(21,101)
Amortization Add-back (Non-cash)	4,684,267	4,684,267	-
Transfers from Reserves	2,242,509	1,512,445	730,064
Transfers to Reserves	(3,898,785)	(3,817,652)	(81,133)
<b>NET EFFECT OF FUNDING</b>	-	-	-

### SIGNIFICANT CHANGES IN REVENUES:

♦ Taxes (Net of Requisitions) decreased due to decreases in assessment value and it was partially offset by general tax rate increases.

♦ Operating Grants decreased due to prior year including a grant received under the Community Capacity Generation program.

♦ Sales & User Charges decreased due primarily the prior year including a significant gravel sales.

♦ Other revenue increased with the estimates sale proceeds on equipment.

### SIGNIFICANT CHANGES IN EXPENSES:

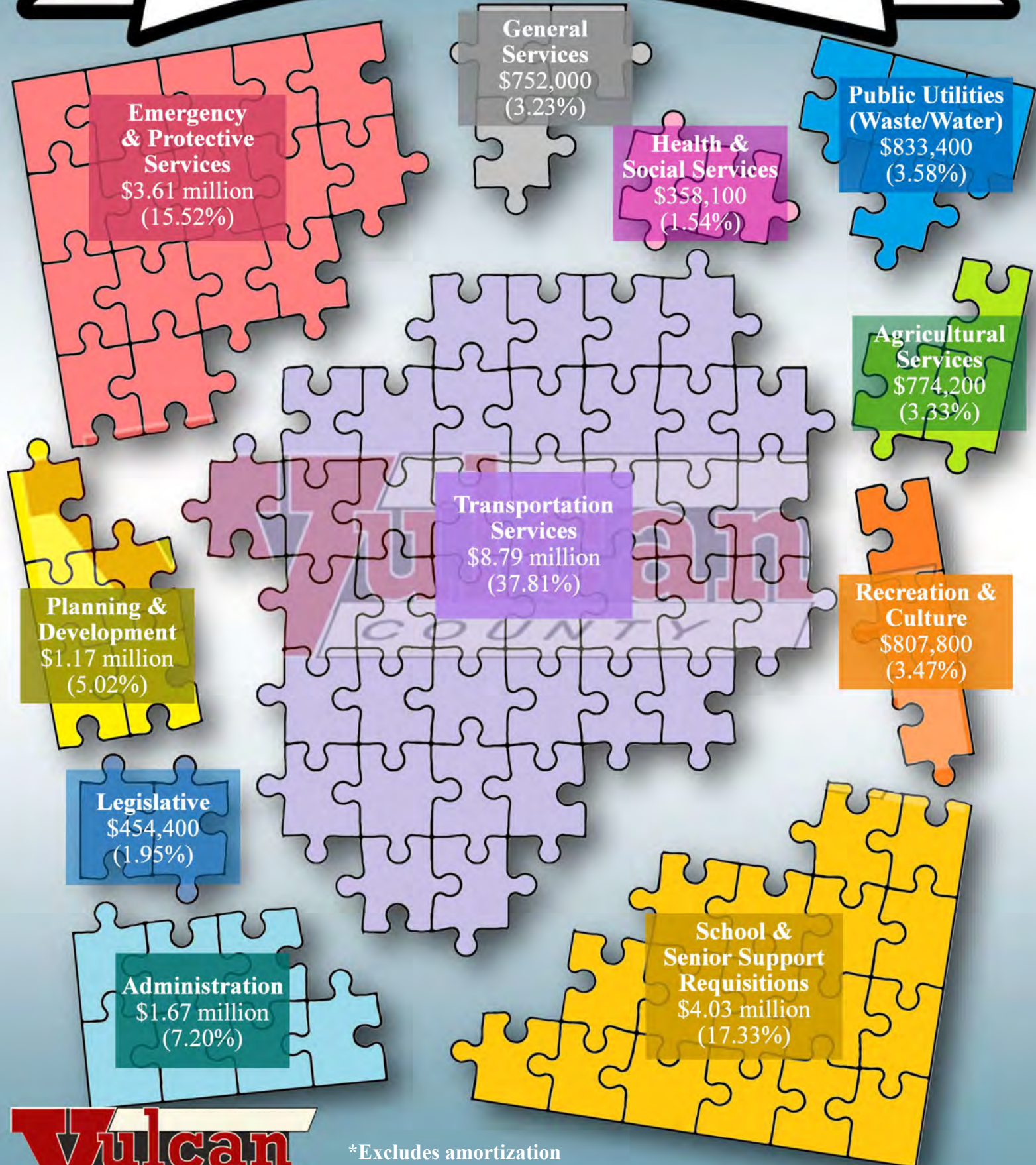
♦ Contracted Services decreased due to prior year including costs for the Community Capacity Generation grant and reductions for other cost savings.

♦ Materials, Goods & Utilities decreased due to prior year including a significant gravel sales (higher sales lead to a higher cost of sales), reduction in the cost of diesel, and reductions for other cost savings

♦ Grants to Boards & Agencies decreased because there were reductions to the recreational/culture contributions as the prior year had a large contribution to the Lomond Community Center renovations.

♦ Amortization and Capital increased as there was a reduction in the capitalized machine costs (which is a credit offset account).

# The Pieces of the County's Budget



# 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:

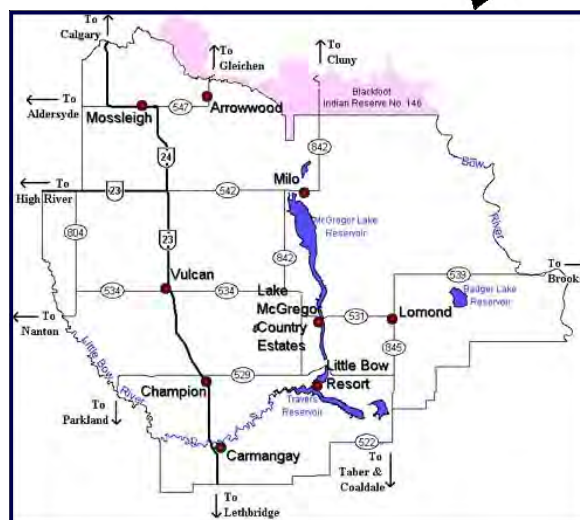
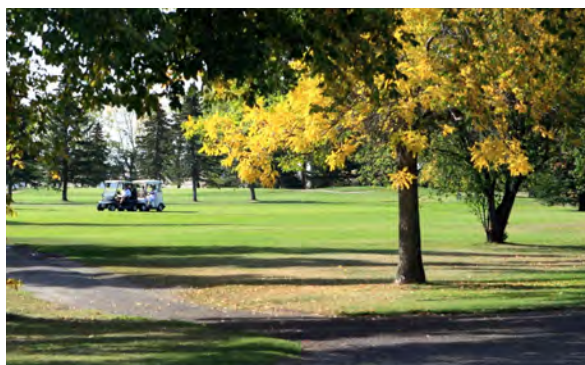
- 129 km (81 miles) to Calgary
- 94 km (59 miles) to Lethbridge
- 200 km (125 miles) to Coutts / Sweetgrass USA Border Crossing

## RECREATION AND ATTRACTIONS:

Communities within the County have a wide range of recreational facilities including playgrounds, community centres, seniors' 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 3 operational grain elevators in Vulcan County; 2 just south of the Town of Vulcan, and 1 within 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. 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 significant interest in large scale solar production, including potentially having one of the largest solar facilities in Canada producing approximately 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, and construction of roads & bridges;
- Agricultural Services - including weed/pest control, agricultural equipment 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 support for FCSS (Family and Community Support Services), recreational and cultural activities, tourism and economic development;
- Utility Services - including garbage disposal (with the Vulcan and District Waste Commission) and water services (with the Twin Valley Regional Water Commission and the 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 7 divisions of Vulcan County. Municipal elections are held every 4 years in the month of October. The next Municipal election will be held in October 2021. 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. The following are the Councillors and CAO of Vulcan County:



Jason Schneider  
Reeve  
Division 3



Shane Cockwill  
Deputy Reeve  
Division 2



Serena Donovan  
Councillor  
Division 1



Laurie Lyckman  
Councillor  
Division 4



Michael Monner  
Councillor  
Division 5



Ryan Smith  
Councillor  
Division 6

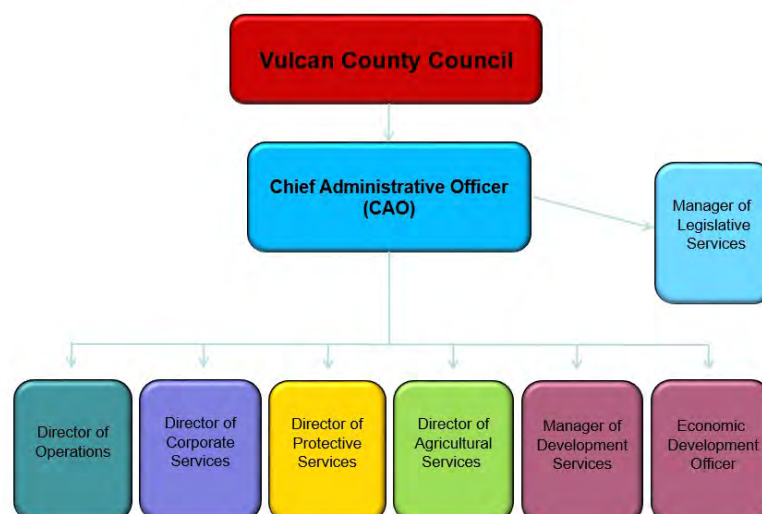


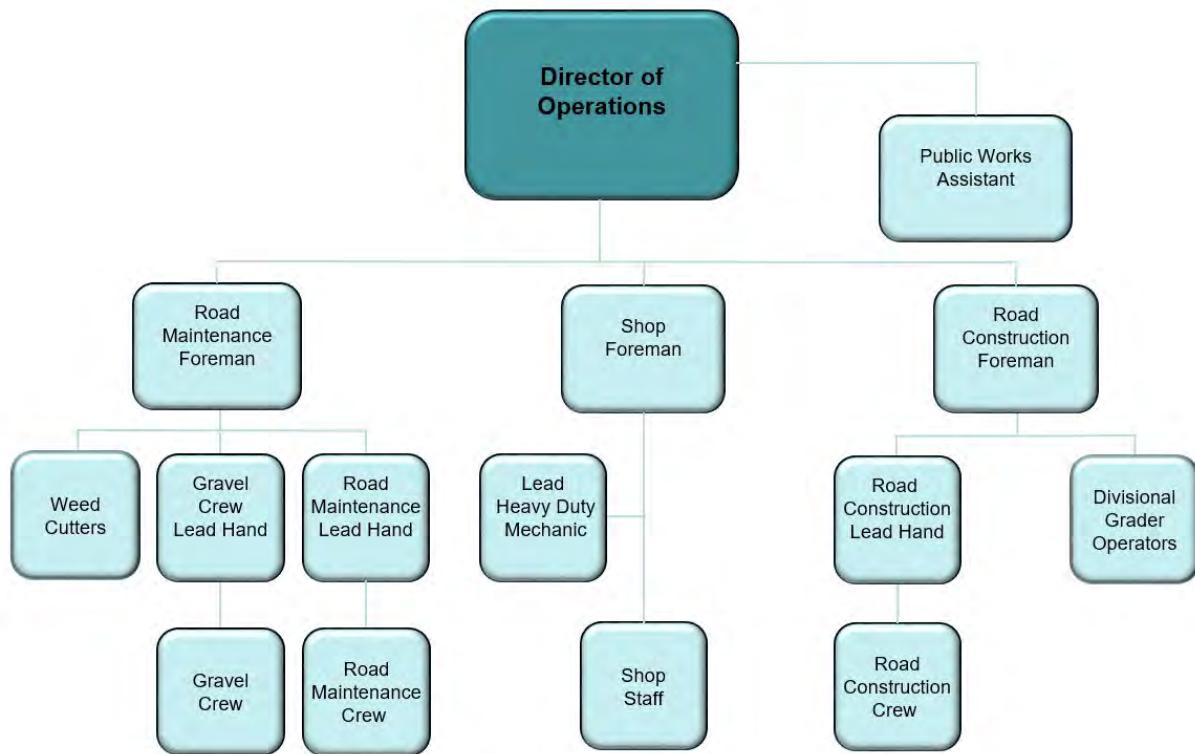
Doug Logan  
Councillor  
Division 7



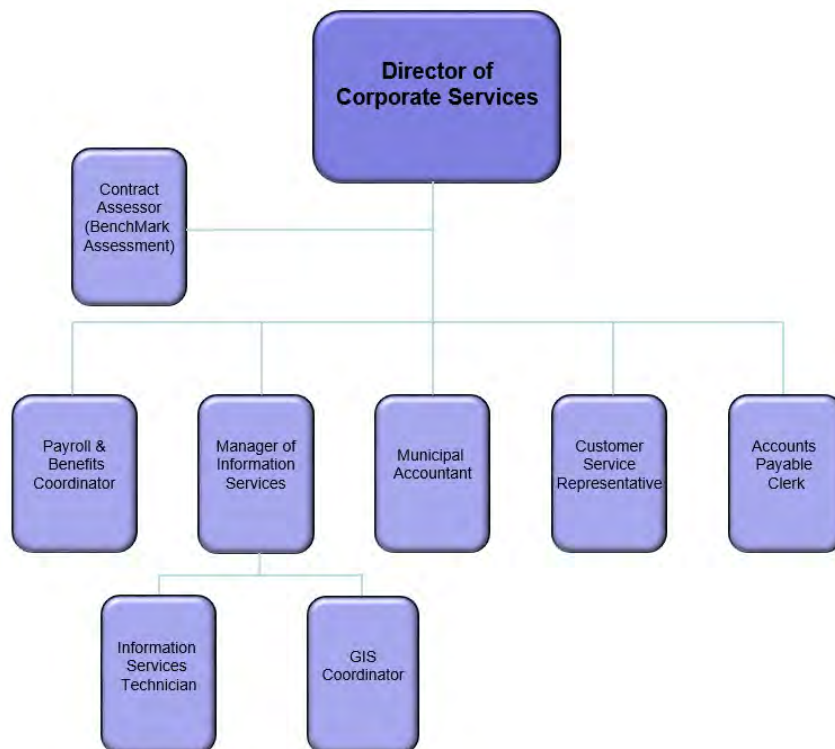
Nels Petersen  
Chief Administrative Officer

### ORGANIZATIONAL CHARTS



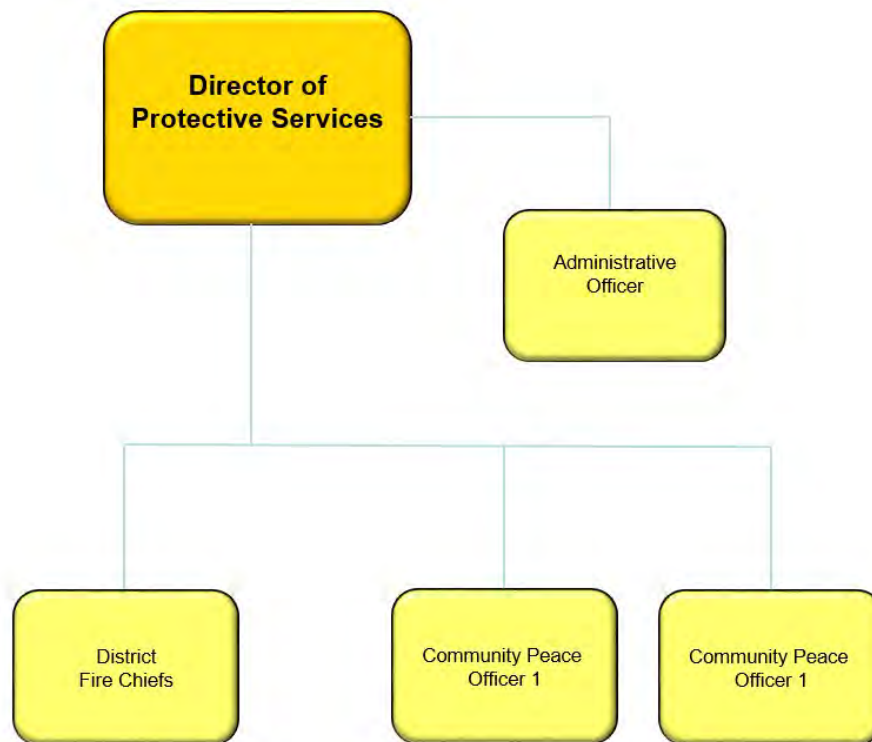


**Operations** - department includes road construction, road maintenance, gravelling, bridges, and fleet maintenance.



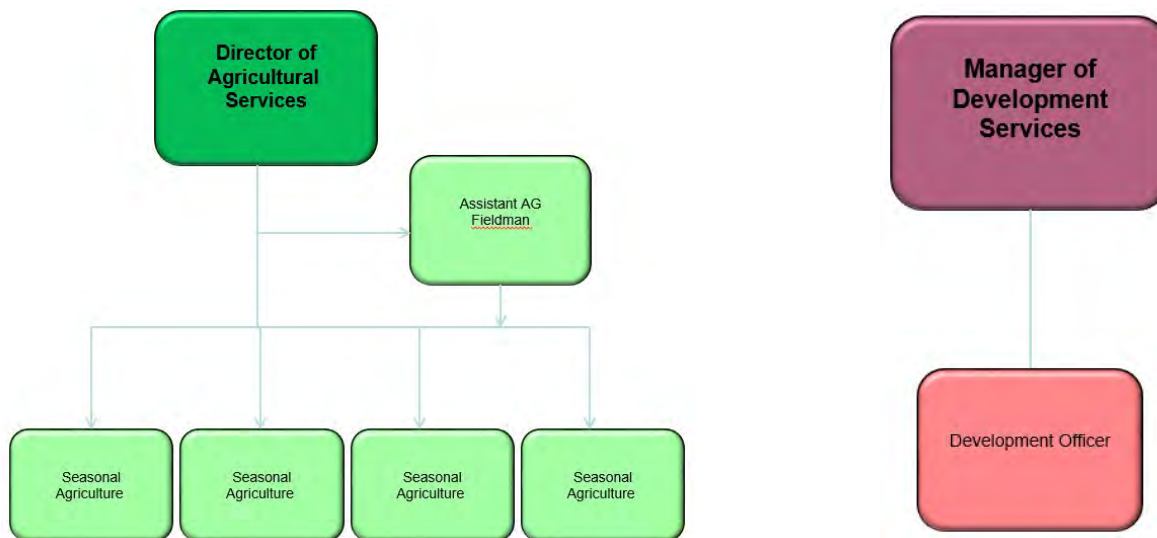
**Corporate Services** - department includes information technology, geographic information systems (GIS), and finance (i.e. assessment, taxation, receivables, payables, payroll, etc.).

## VULCAN COUNTY PROFILE - Continued



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**Protective Services** - department includes fire protection services and bylaw enforcement. Police services are provided by the RCMP.



**Agricultural Services** - department includes seeding, weed control / spraying, pest control, and agricultural equipment rentals.

**Planning and Development Services** - department includes development permits, zoning, subdivision, land use bylaws, and economic development.

# 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 *2018-2022 Strategic Plan* which includes the following departmental and County-wide priorities and goals:

## DEPARTMENTAL PRIORITIES AND GOALS

### TRANSPORTATION SERVICES

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

- Continue with the County's 4-year bridge and road replacement program
- Purchase of future aggregate source lands within the County for future building materials
- Continue with the shoulder pull program
- Follow the County's 20-year capital replacement plan for road construction and maintenance equipment
- Provide specific safety training for equipment operators

### PROTECTIVE SERVICES

Strategies intended to improve safeguards over the County over time, including the following:

- Increasing focus on public education and fire prevention
- Work toward regionalization of 2 remaining fire associations to unify fire protection services
- Partnership with the RCMP to provide a School Resource Officer to area schools
- Add a second Community Peace Officer and increase patrols for a greater law enforcement presence
- Update the County's safety policies and implement annual safety training for staff
- Purchase necessary equipment and complete staff training to operate an emergency response centre as needed

### DEVELOPMENT SERVICES

Initiatives meant to protect ratepayers investment in their property while encouraging economic growth, including the following:

- Continue to improve the land use bylaw and municipal development plan
- Completion of 7 new inter-municipal development plans and updates to 4 existing plans
- Modernization of several policies including subdivision endorsement, sewage disposal, environmental policy, and more
- Ensure compliance with the South Saskatchewan Regional Plan
- Addition of an Economic Development Officer to bring new business to the County

### AGRICULTURAL SERVICES

Strategies intended to assist local farmers and the environment, including the following:

- Initiation of the first phase of the baby's breath weed control program in 2018
- Increase weed control measures in areas of higher impact from weeds
- Work collaboratively with research stations to release insects to control leafy spurge
- Work with Alberta Agriculture to create a digital weed database to aid in weed control

# STRATEGIC PLAN - Continued

## CORPORATE SERVICES

Initiatives aimed to improve the County's administration and internal functions, including:

- Further development of Geographic Information Systems (GIS) to allow for greater utility and user interaction
- Streamline financial reporting to improve clarity of information while maintaining transparency
- Improvements to the County's I.T. environment including backups, security measures, and upgraded equipment
- Improve systems of internal control and audit reporting with the goal of further reducing audit fees
- Research and utilize additional grant funding sources

## COUNTY-WIDE PRIORITIES AND GOALS

### RECRUIT AND RETAIN QUALITY STAFF

Staffing is the County's greatest resource. To maintain this resource, the plan calls for the following:

- Provide additional opportunities for professional development in all departments
- Complete a wage review to ensure the County is compensating staff appropriately
- Review of job descriptions
- Succession planning within departments

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### GOVERNANCE

Strategies that impact the County as a whole by impacting the governance and direction of the County, such as:

- Continue to build on the good relationship that currently exists between Council and Administration
- Cooperation with neighbouring municipalities by following newly established inter-municipal development plans and collaborative frameworks
- Increase usage of social media to communicate more effectively with all stakeholders
- Diversification of assessment base through industrial development and renewable energy projects

### PUBLIC HEALTH

Initiatives intended to improve the overall quality of life of County residents, including:

- Continue contributions to the Vulcan Hospital Expansion project until completed
- Continue contributing to the doctor recruitment and retention program
- Ongoing support for Family and Community Support Services (FCSS)

Beginning in 2019, Council has directed staff to provide quarterly updates on their progress toward all goals in the strategic plan. These progress reports are presented in chambers at 4 of the regularly scheduled Governance Priorities Committee meetings. In this way, Council is able to ensure progress is being made toward County objectives and staff are held accountable to their responsibilities (a strategic goal). These meetings are open to the public.

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**

To provide opportunity and growth through cooperation, progressive leadership, and accessible administration.

- **MISSION STATEMENT**

To provide collaborative leadership, governance and municipal services

- **VALUES**

- Accountability
- Leadership & Integrity
- Fiscal Responsibility
- Collaboration & Accessibility



It is important to the Council of Vulcan County that these statements reflect the collaborative spirit they wish to foster within themselves and amongst their neighbours. With these ideals, Council believes the County can prosper both socially and economically.

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The Vulcan County's vision, mission statement, and values guide the development of the Strategic Plan and provides the "blueprint" for the future.

Through the Strategic Plan and in combination with the current issues and public input, the County established the Priorities and Goals.

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



## 2020 PRIORITIES, ISSUES, AND GOALS

The following are the significant priorities, issues, and goals that impacted the 2020 budget, including the applicable performance measures :

### 1) TAX RATES & ASSESSMENT:

Maintaining competitive tax rates and increasing the assessment base continues to be a main goal for the County in 2020. This is part of the county-wide priority in governance and the departmental goals within Development Services.

Budget 2020 included an approximate 4.2% reduction in taxable assessment; therefore, the County was able to minimize the tax rate increases to 3% while finding costs savings throughout the budget. This obviously adds additional challenges in maintaining competitive tax rates;; however, assessment reductions in oil & gas is common between rural municipalities and most other rural municipalities are facing these same challenges.

As in the prior year, the 2020 budget was thoroughly reviewed by Council and Administration in order to find new efficiencies to prevent any increases in tax rates. Some costs were able to be reduced and new sources of revenue were found, such as additional gravel sales and provision of services to neighbouring municipalities.

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

With a continued focus on economic development, the County is attempting to increase the assessment base by attracting new businesses to the area. This would achieve the goal of increasing assessment while enabling residential and farmland rates to stay competitive. To support in this goal, the County had hired a Economic Development Officer and is in the process for reviewing the feasibility of an industrial park (to be completed by the end of 2020).



## **2) BRIDGE AND ROAD PROJECTS:**

Bridges and Roads will remain a top priority in 2020. Certain projects from 2018 were delayed to 2019, creating additional work to be done in the coming year. The delays were primarily the result of significant overland flooding that required County staff to focus on repairs rather than construction. This is part of the departmental goals within Transportation Services.

Approximately \$3.6 million is budgeted for bridge and road construction in 2020. Some challenges for these construction projects include that the COVID-19 pandemic could have significant effect on the County's ability to work on these projects (creating additional delays). The County has seen some shut downs during the early part of the year; however, is hopeful that these projects can be underway with minimal delays for completion by the end of the year.

## **3) MOSSLEIGH DRAINAGE PROJECT:**

Water drainage paths near Mossleigh were determined to require extensive modification several years ago, but right of way and easement issues prevented the initiation of the project. The final issue was rectified in 2018 allowing the project to begin, and will continue into 2020.

This has been an ongoing project for many years; whereas, the County has the ability to now move forward with this project during 2020. This project is planned on being completed in 2021.

The County also has goals and objectives throughout the strategic plan; including specific goals/objectives for each of the major departments and that are pervasive county-wide. The County continually reviews these goals/objectives and evaluates the progress.

See Section 3 for additional objectives, goal, and performance measures for each of the major segments and for each of the departments within these segments.. Most of these will directly align with the priorities and goals found within the Strategic Plan

# BUDGETING GUIDELINES

## BASIS OF BUDGETING

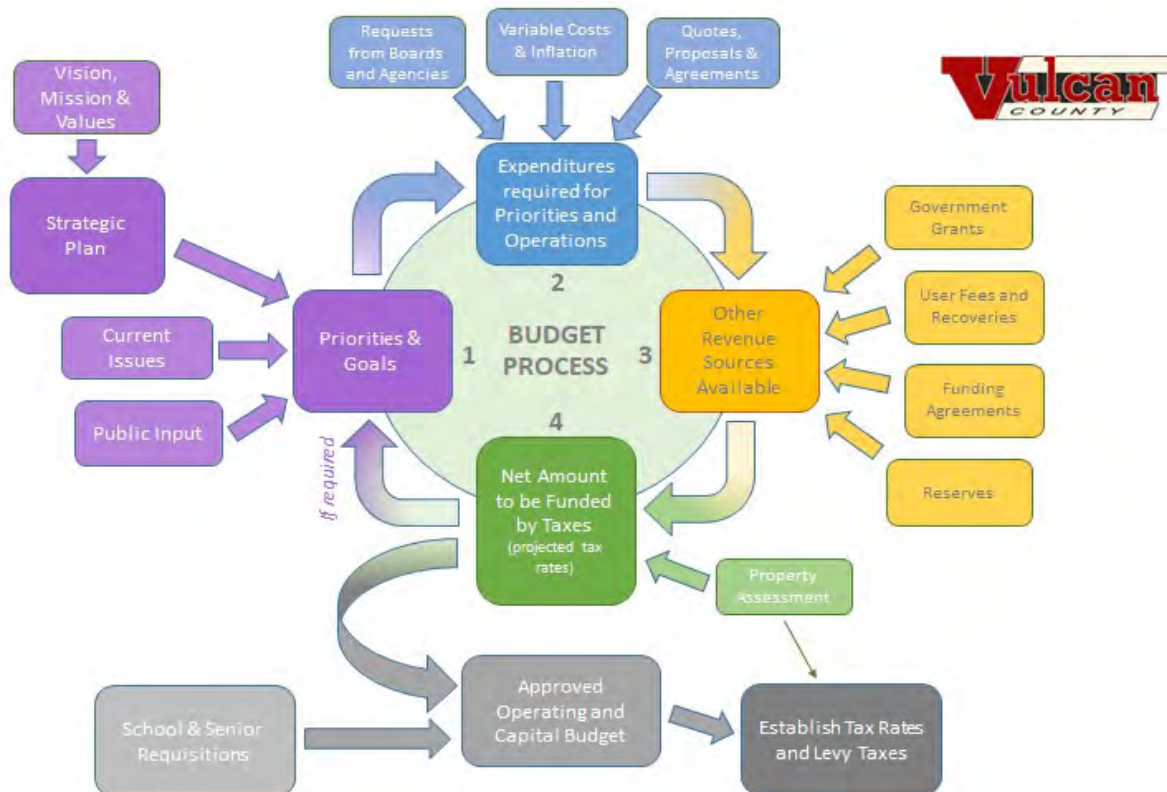
The Municipal Government Act (MGA) requires that the County Council adopt an operating and capital budget each year. An interim budget may also be passed until the final budget is adopted. The budget is based on the estimated operating and capital costs for the County. After reviewing the other revenue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

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

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

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

The following is the budget process for the County:



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

[www.vulcancounty.ab.ca](http://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 which is a combination of cash and accrual bases of accounting. The cash basis recognizes the transaction upon the exchange of money (i.e. expenses recognized when actually paid). The accrual basis recognizes the transaction when a liability is incurred and does not consider the timing of when the cash is exchanged (i.e. expense is recognized when the goods/services are received even if it is not paid until a later date).

### SHORT-TERM ITEMS

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

### LONG-TERM ITEMS & PROJECTS

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



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

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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. This budget format has been adopted by Council and includes the following:

- Statement of Operations - revenues and expenses by department
- Schedule of Changes in Accumulated Surplus - transfer between reserves and capital
- Schedule of Tangible Capital Assets - capital additions/disposals and amortization
- Schedule of Property and Other Taxes - taxation revenues and requisitions
- Schedule of Government Transfers - government grants and contributions
- Schedule of Expenses by Object - expenses by the type of transaction
- Schedule of 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 the budget in to the annual financial statements, provide additional details compared to prior budget formats, and would allow the County's budget to be in similar format as other municipalities that also adopt this format. *See Appendix 1 for a copy of the Approved Operating and Capital Budgets.*

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

# BASIS OF BUDGETING - Continued

## FUND ACCOUNTING:

Vulcan County has 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 and includes all of the municipal programs and services in the operations of the County. This fund has the most expenditure each year, with the costs of these operating activities being covered through taxation, operating grants, user fees and other sources of revenue.

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

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

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

### CAPITAL FUNDS

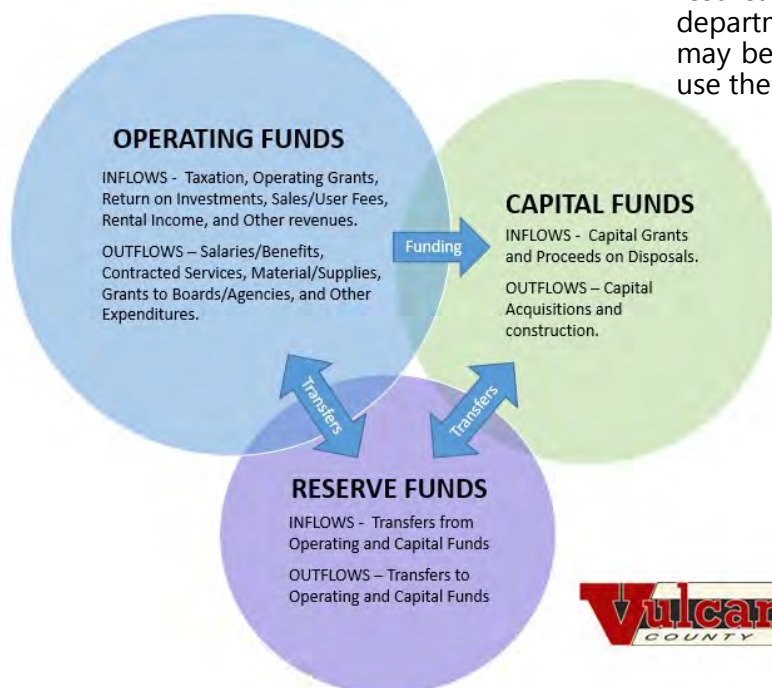
The Capital Budget outlines the changes in these funds and includes all of the capital acquisitions/construction and their respective funding sources. The capital funding may include capital grants, proceeds on disposals, and transfers between other fund accounts, including:

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

### RESERVE FUNDS

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

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



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

- 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 impact on the development of the budget include the Purchasing and Procurement Authority Policy and the Compensation Policy.

The **Purchasing and Procurement Authority Policy** (12-2203) sets the approval authorization limits and the procurement process for Administration, including that the County follows the New West Partnership Trade Agreement (NWPTA) and the 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). This ensures that the County is able to acquire capital that is priced competitively and that meets the requirements of the County. The policy effects the budget process as these items receive proposals/quotes throughout the budget process.

The **Compensation Policy** (12-3131) dictates the staff wages and compensation, including directions on determination and approval of staff salary grids and staff grid movements. Therefore, prior to the approval of the budgets, the salary grids are determined and provided to Council for approval. Occasionally, the salary grids are amended for final budget (if new or updated information is available). The approved salary grids are applied to each of the staff positions at their current grid levels, with the budget accounting for any anticipated grid movement.

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

*[www.vulcancounty.ab.ca](http://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 budget for a deficit. To achieve this, through the budget process the County ensures that the budgeted revenues either meet or exceed the budgeted expenditures.
- **Long-term Budgeting** - the County wants to ensure long-term financial stability in budgeting. Therefore, the County has adopted the use of multi-year operating and capital budgets. Council has approved the use of a 3-year written operating plan and a 5-year written capital plan. To plan long-term capital spending, the County has a 20-year capital funding plan for capital acquisitions and projects projected within this term.
- **Debentures** - the MGA and related Alberta Regulations provide debt limits for borrowing. Although the County currently has minimal borrowing (relative to its limit), it is still a principle to follow when reviewing potential borrowing in the budget process.

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

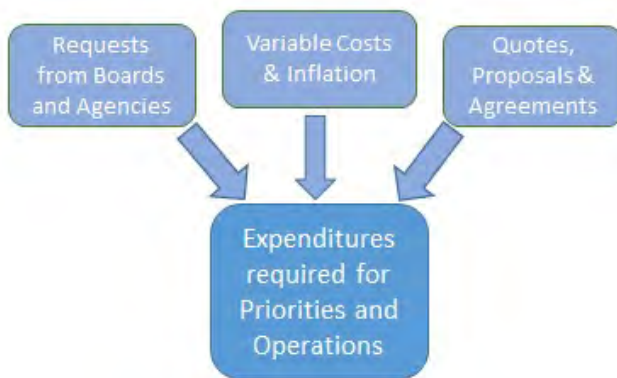
# BUDGETING FOR EXPENDITURES

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

## OPERATING EXPENDITURES:

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

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



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

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

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

## VARIABLE COSTS & INFLATION

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



Salaries, wages, and benefits have a combination of variable factors and inflationary factors. Variable factors include wage increases from grid movements and benefit rates depending on the wage levels. Inflationary factors include the determination of Cost of Living Adjustment (COLA) and market adjustments which are encompassed in the approved salary grids.



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

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

## QUOTES, PROPOSALS & AGREEMENTS

The County has a Purchasing Authority and Procurement Policy to guide the projects and costs that require quotes or proposals.

Typically with larger operating expenditures, the County receives quotes or proposals to ensure that the operating costs follow the legislation requiring proposals/tenders (i.e. if the value is over \$75,000 for goods/services). Often, the County receives quotes or proposals on items that are less than the legislative requirements to ensure competitive pricing.

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



## REQUESTS FROM BOARDS AND AGENCIES

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

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

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

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

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

## **CAPITAL EXPENDITURES:**

In accordance with the Purchasing Authority and Procurement Policy, any capital items over a \$30,000 threshold must go through the process of receiving tenders or proposals. Therefore, substantially all capital projects and purchases go through this process since very few are below \$30,000.



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

Price/cost is usually the most critical factor in determining the successful proposal.

## BUDGETING OTHER SOURCES OF REVENUE

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

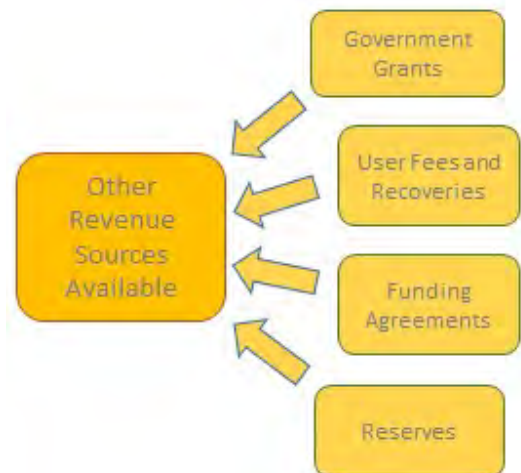
The main other sources of revenues include provincial and federal government grants, user fees/recoveries, funding agreements, and use of reserves.

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

### GOVERNMENT GRANTS

The majority of the current government grants are fixed based on factors such as population/roads. The County typically knows which grants are available and ensures that the appropriate eligible expenditures are funded by these grants. Major grant funding includes the Provincial MSI Operating and Capital grants.

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



### USER FEES AND RECOVERIES

The County also typically determines which specific services are recovered by User Fees and Recoveries. The majority are typically set by the annual Fees for Service bylaw. These usually recover or partially recover the costs of the services provided.

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

### FUNDING AGREEMENTS

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

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

### RESERVES

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

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

# 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, user fee revenues, etc.). The net remaining amount is to be raised by property taxes.

Net Amount to be Funded by Taxes is effectively:

$$\text{Total Cost of Expenditures} - \text{Non-Tax Revenue Sources} = \text{Amount to be raised through tax}$$

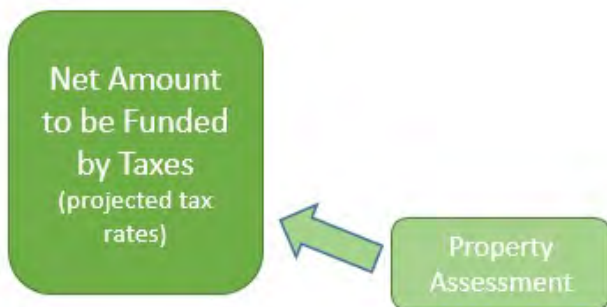
This will provide the total amount to be raised through taxes. Using the Property Assessment figures, the projected tax rates may be determined.

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 and are used for County operations. The Solid Waste Rate is the tax rate to cover the operational costs of Vulcan and District Waste Commission. Both the General Municipal and the Solid Waste rates are distributed equally throughout the entire County.

The **General Municipal Rate** is determined by the net amount to be funded by taxes (excluding other amounts specifically taxed otherwise) and is divided by the total property assessment in the County. There are currently 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, with the County portion being pro-rated based on the estimated population in the County. This equates to 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 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](http://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.

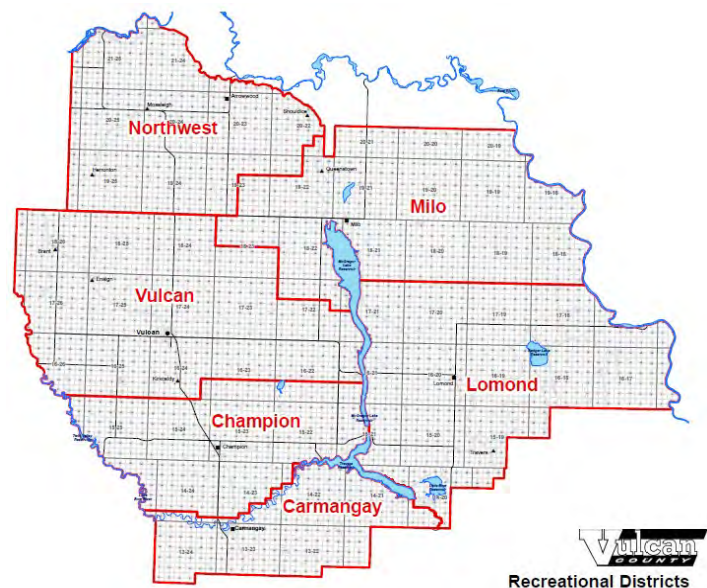
There are currently 4 regionalized fire departments, including Lomond, Carmangay, Champion, and Vulcan. The County directly manages these departments, including setting the operating budget.

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

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

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

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



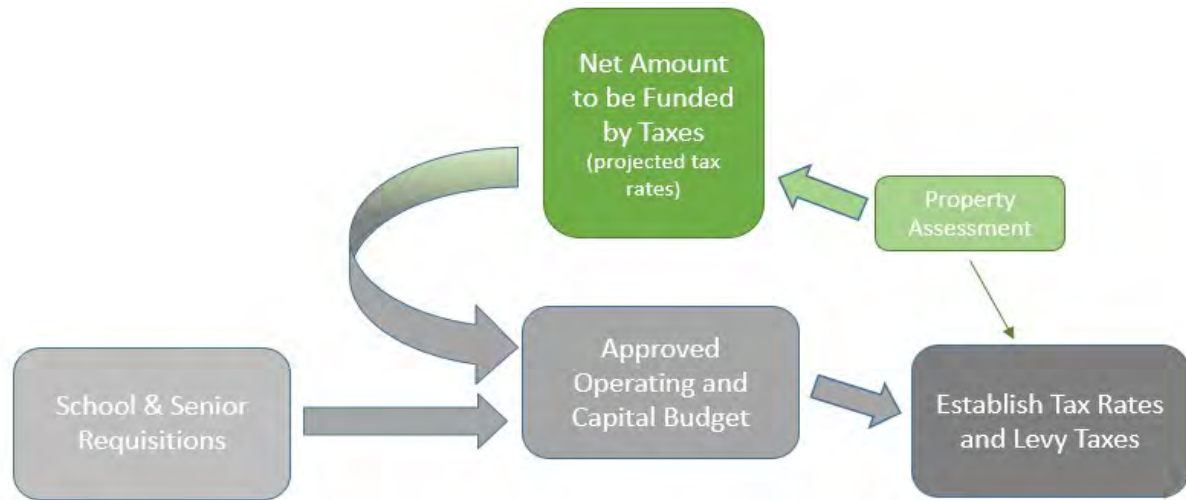
The **Recreational Area Rate** is used to fund the recreational activities that occur within your specific district as per your local Recreation Board's recommendations.

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

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

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

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



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

### REQUISITION RATES

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

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

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



# 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 (some types of property, like farmland, use regulated assessment rates).

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

The Alberta Government has mandated that property assessment:

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

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

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

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

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

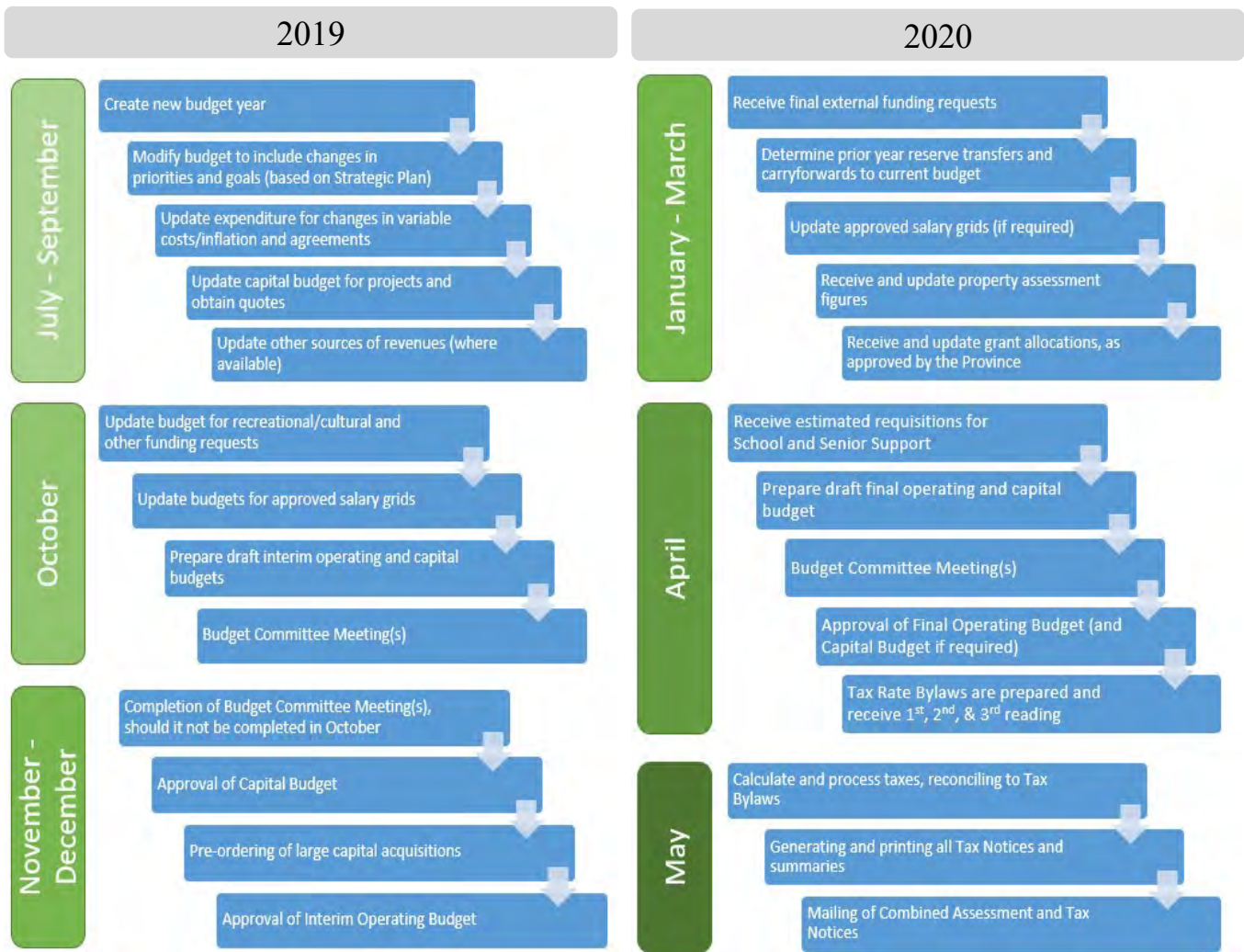
For more information on taxation and assessment, please see the forms and brochures (or frequently asked questions) that are available on our website:

[www.vulcancounty.ab.ca](http://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:

- November 18, 2019 - Interim Budget Committee Meeting
- November 25-26, 2019 - Interim Budget Committee Meeting
- March 30 to April 1, 2020 - Final Budget Committee Meeting
- April 8, 2020 - Final Budget Committee Meeting

## BUDGET APPROVAL DATES:

- December 4, 2019 - Approval of Interim Operating and Capital Budgets
- April 8, 2020 - Approval of the 2020 Final Operating and Capital Budgets
- June 17, 2020 - Amendment to the 2020 Final Operating and Capital Budgets reports





# SECTION TWO

# OPERATING BUDGET BY TYPE

## SECTION TWO

### Operating Budget by Type

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# REVENUES

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

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

The following is the 2020 budgeted operating revenues:

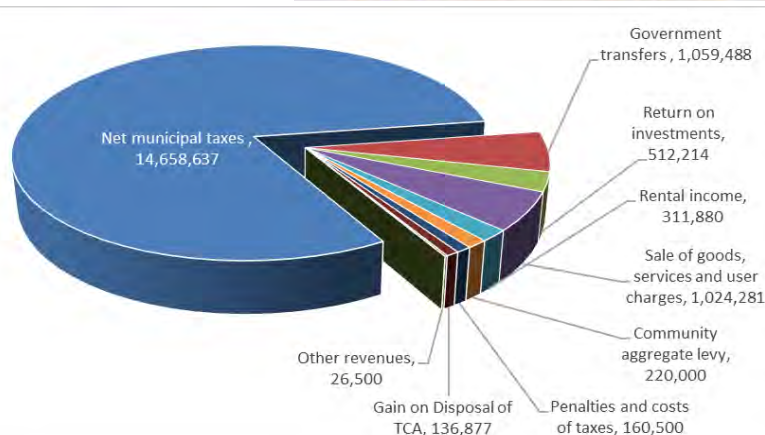
Net municipal taxes	14,658,637	80.9%
Government transfers	1,059,488	5.9%
Return on investments	512,214	2.8%
Sale of goods, services and user charges	1,024,281	5.7%
Rental income	311,880	1.7%
Community aggregate levy	220,000	1.2%
Penalties and costs of taxes	160,500	0.9%
Gain on Disposal of TCA	136,877	0.8%
Other revenues	26,500	0.1%
	<u>18,110,378</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.

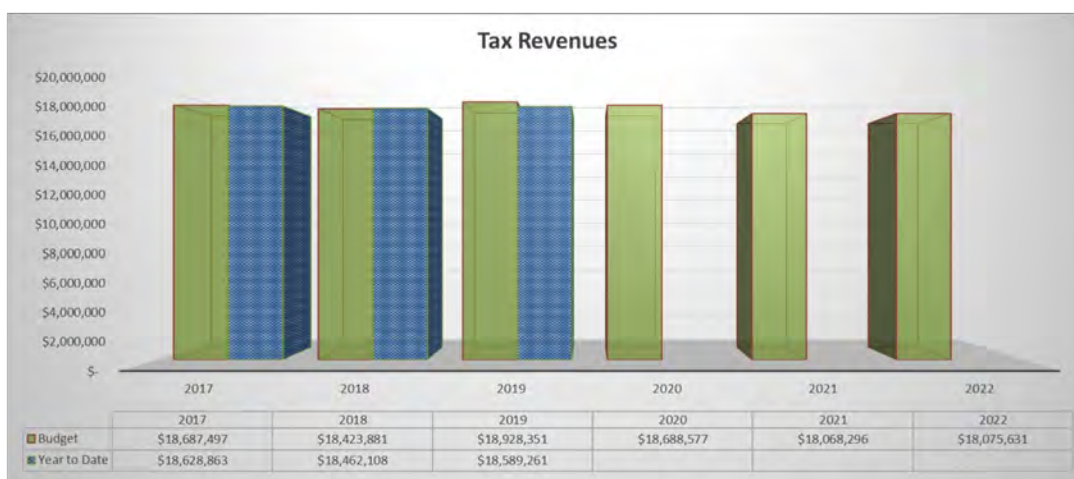
Overall, the taxable assessment for the County decreased by just over \$67 million. Overall, the general municipal tax revenue was remained relatively consistent by an estimated 3% increase in the general tax rates to account for the decreased assessment.

Class	Taxable Assessment		
	2019	2020	Change
Residential	473,806,080	469,990,490	(3,815,590)
Commercial & Industrial	78,915,710	46,160,950	(32,754,760)
Farmland	204,892,870	204,923,760	30,890
Machinery and Equipment	89,904,800	120,002,260	30,097,460
Linear	723,770,260	662,744,880	(61,025,380)
<b>Total</b>	<b>1,571,289,720</b>	<b>1,503,822,340</b>	<b>(67,467,380)</b>

These strategic objectives include assisting the County's economic growth in order to make it stronger in the future, as well as protect against areas of vulnerability, such as the uncertainty inherent in the oil & gas sector at present and anticipated fluctuations in fuel costs over the next couple of years.

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

Vulcan County Budget Comparison and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>Net municipal taxes</b>					
Real property taxes	\$ 7,735,238	\$ 7,736,804	\$ 8,276,788	\$ 7,989,570	\$ 7,989,650
Linear taxes	8,623,392	8,230,432	8,168,376	7,942,224	7,942,291
Commercial taxes	1,066,741	1,150,641	814,769	841,441	841,446
Government grants in lieu of taxes	18,600	20,224	18,600	18,600	18,600
Special levy	1,464,735	1,451,015	1,390,399	1,256,816	1,263,999
Well drilling tax	19,645	146	19,645	19,645	19,645
	18,928,351	18,589,261	18,688,577	18,068,296	18,075,631
School requisitions	(3,581,736)	(2,467,517)	(3,504,760)	(3,506,945)	(3,506,945)
RCMP requisitions	0	0	(123,665)	0	0
Seniors foundation	(401,515)	(401,515)	(401,515)	(401,515)	(401,515)
	<b>14,945,100</b>	<b>15,720,229</b>	<b>14,658,637</b>	<b>14,159,836</b>	<b>14,167,171</b>



As shown above, there has been a slight decrease in the budgeted tax revenues. This is the result of the decrease to the total assessment value in the County and somewhat offset by increases in the general tax rates. Certain recreation and fire districts saw a reduction in special tax rates which partially offsets this. The projections for 2020 & 2021 are based on the 2019 budget and will be examined more closely in future budget years.



As shown above, there is a significant decrease in total requisitions for 2019 from receiving a one-time Provincial Education Requisition Credit (PERC) for previously written off tax accounts (oil & gas accounts). The total requisitions are expected to remain relatively consistent over the next couple year.

## TAXATION - Continued

At the Regular Council meeting on April 8, 2020, County Council approved and established the 2020 General Tax Rate and Special Levy Bylaws. These Tax Rate Bylaws are a result of the approved 2020 Operating and Capital Budgets.

- 2020 General Tax Rates (Bylaw 2020-009) for tax rates on the General Municipal, Waste Commission, School Requisitions, and the Seniors Requisition.
- 2020 Special Levy Tax Rates (Bylaw 2020-010, 2020-011, & 2020-012) for tax rates on the special tax levies for the fire protection areas, the recreational areas, and the waterworks upgrades.
- 2020 Designated Industrial Property Tax Rate (Bylaw 2020-013) for tax rates on designated industrial properties which are designed to recoup the cost of provincial assessment of those properties.

### 2020 General Tax Rates (Bylaw 2020-009):

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

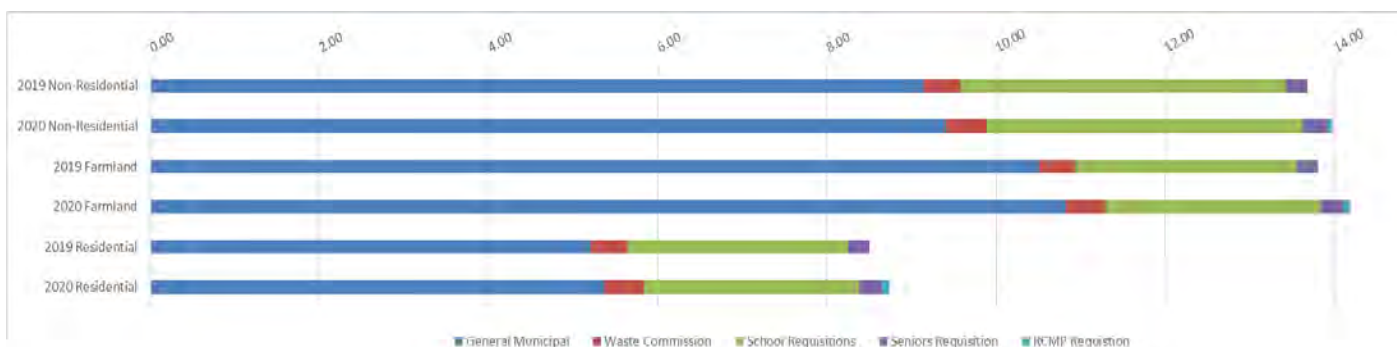
The following are the General Tax Rates as expressed in mills (1:1000):

General Municipal	2019 Rates	2020 Rates	% Change
Residential	5.2100	5.3660	3.0%
Farmland	10.5075	10.8230	3.0%
Non-Residential	9.1400	9.4140	3.0%

Waste Commission	2019 Rates	2020 Rates	% Change
Residential	0.4334	0.4690	8.21%
Farmland	0.4334	0.4690	8.21%
Non-Residential	0.4334	0.4690	8.21%

School Requisitions	2019 Rates	2020 Rates	% Change
Residential	2.6079	2.5500	-2.22%
Farmland	2.6079	2.5500	-2.22%
Non-Residential	3.8532	3.7500	-2.68%

Senior Requisition	2019 Rates	2020 Rates	% Change
Residential	0.2556	0.2688	5.17%
Farmland	0.2556	0.2688	5.17%
Non-Residential	0.2556	0.2688	5.17%



The Waste Commission tax rates are applied to cover the County's share of the operational costs of the Vulcan and District Waste Commission. As a member of this Commission, the County covers 56% of these costs (based on the populations within the County). The requisition increased to \$696,573 in 2020 (previously \$672,432).

The School Requisition rates are for the requisitions from Alberta Learning (Alberta School Foundation Fund and Christ the Redeemer CSRD) which are based on equalized assessment throughout the Province. Seniors Requisition rates are for the requisition from the Marquis Foundation. Alberta Learning and the Marquis Foundation have requisitioning powers and, as such, the County is obligated by legislation to bill and collect taxes on their behalf. The Seniors requisition did not change from the prior year. The County has no control over the amounts required to be collected by these organizations.

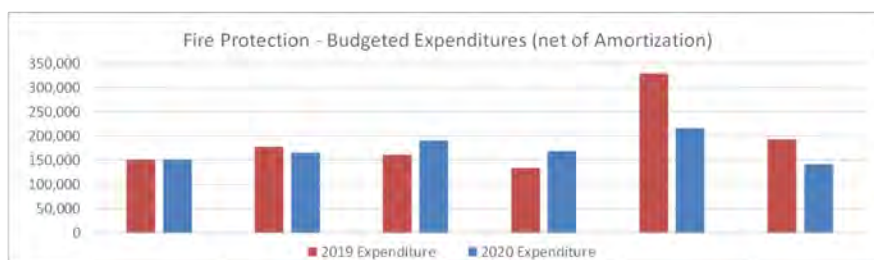
## 2020 Special Levy Tax Rates (Bylaw 2020-010, 2020-011, & 2020-012):

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

### Fire Protection Districts (Bylaw 2020-010):

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

Fire Protection Area	2017 Rates	2018 Rates	2019 Rates	2020 Rates	% Change
Carmangay and District	2.2602	1.8685	1.8324	1.4430	-21.3%
Champion and District	1.5369	1.3935	1.4412	1.1067	-23.2%
Lomond and District	0.6584	0.6503	0.6102	0.6864	12.5%
Milo and District	0.6649	0.6942	0.6454	1.2271	90.1%
Vulcan and District	0.4071	0.3730	0.1872	0.2896	54.7%
Northwest	0.6917	0.8504	0.8748	0.6261	-28.4%
Linear	0.3411	0.3513	0.3618	0.3618	0.0%



	Carmangay and District	Champion and District	Lomond and District	Milo and District	Vulcan and District	Northwest
2020 Expenditure	150,491	165,001	190,940	168,249	215,433	140,936
2019 Expenditure	150,907	176,984	160,966	133,284	329,391	192,275
2020 Assessment	54,403,530	81,406,290	174,268,900	107,591,370	239,395,450	181,027,410
2019 Assessment	54,561,350	80,986,080	178,362,730	108,533,080	239,731,650	185,344,570

**Carmangay and District** – total of \$150,491 area cost with a total of \$71,986 of revenues (other than taxes), resulting in \$78,505 to be raised by special levies. Based on \$54.40 million in taxable assessment, the special levies equate to a rate of 1.4430 mills (0.0014430).

**Champion and District** – total of \$165,001 area cost with a total of \$74,908 of revenues (other than taxes), resulting in \$90,093 to be raised by special levies. Based on \$81.41 million in taxable assessment, the special levies equate to a rate of 1.1067 mills (0.0011067).

**Lomond and District** – total of \$190,940 area cost with a total of \$71,323 of revenues (other than taxes), resulting in \$119,617 to be raised by special levies. Based on \$174.27 million in taxable assessment, the special levies equate to a rate of 0.6864 mills (0.0006864).

**Milo and District** – total of \$168,249 area cost mostly from the request of the Fire Association with a total of \$36,223 of revenues (other than taxes), resulting in \$132,026 to be raised by special levies. Based on \$107.59 million in taxable assessment, the special levies equate to a rate of 1.2271 mills (0.0012271). Milo District currently has no honorarium costs.

**Vulcan and District** – total of \$215,433 area cost with a total of \$146,105 of revenues (other than taxes), resulting in \$69,328 to be raised by special levies. Based on \$239.40 million in taxable assessment, the special levies equate to a rate of 0.2896 mills (0.0002896).

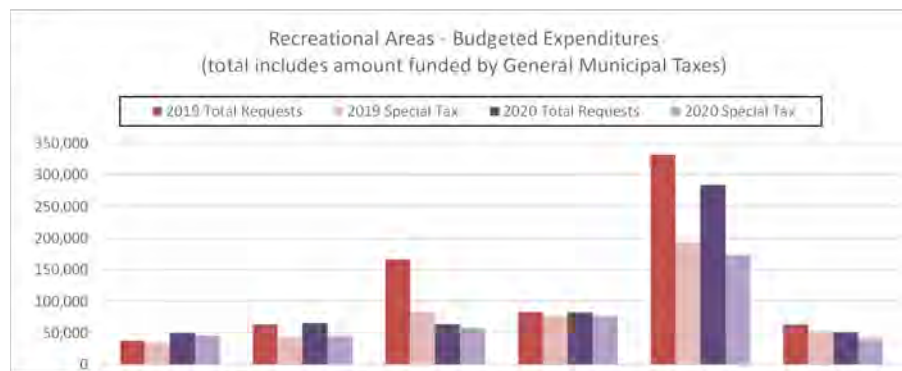
**Northwest** – total of \$140,936 area cost mostly from the request of the Fire Association with a total of \$27,594 of revenues (other than taxes), resulting in \$113,342 to be raised by special levies. Based on \$181.03 million in taxable assessment, the special levies equate to a rate of 0.6261 mills (0.0006261).

## TAXATION - Continued

### Recreational Districts (Bylaw 2020-011):

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

Recreational Area	2017 Rates	2018 Rates	2019 Rates	2020 Rates	% Change
Carmangay and District	0.0000	0.3061	0.6230	0.8548	37.2%
Champion and District	0.5720	0.3518	0.5261	0.5490	4.4%
Lomond and District	0.2436	0.1681	0.4521	0.3172	-29.8%
Milo and District	0.5046	0.7426	0.7625	0.7724	1.3%
Vulcan and District	0.6131	0.7873	0.8070	0.7233	-10.4%
Northwest	0.0167	0.2840	0.2814	0.2209	-21.5%
Linear	0.1348	0.1348	0.1388	0.1388	0.0%



	Carmangay and District	Champion and District	Lomond and District	Milo and District	Vulcan and District	Northwest
2020 Special Tax	45,960	44,985	57,606	76,997	173,643	39,989
2019 Special Tax	33,587	42,893	84,029	76,585	194,027	52,156
2020 Total Requests	50,000	65,300	64,000	82,400	283,634	50,440
2019 Total Requests	38,000	63,700	166,000	82,486	331,446	63,558
2020 Assessment	53,765,960	81,939,060	181,604,670	99,685,470	240,070,380	181,027,410
2019 Assessment	53,912,180	81,530,450	185,860,450	100,440,630	240,431,180	185,344,570

**Carmangay and District** – Approved requests for the district totalled \$50,000. The linear portion of \$4,040 was applied to cover some of the contributions. The result was that \$45,960 was raised by special levies. Based on \$53.77 million in taxable assessment, the special levies equate to a rate of 0.8548 mills (0.0008548).

**Champion and District** – Approved requests for the district totalled \$65,300. The linear portion of \$5,315 was applied to cover some of the contributions, as was \$15,000 in funds from general taxation. The result was that \$44,985 was raised by special levies. Based on \$81.94 million in taxable assessment, the special levies equate to a rate of 0.5490 mills (0.0005490). The item funded with general tax dollars was operating costs for the Champion Pool (\$15,000).

**Lomond and District** – Approved requests for the district totalled \$64,000. The linear portion of \$6,394 was applied to cover some of the contributions. The result was that \$57,606 was raised by special levies. Based on \$181.60 million in taxable assessment, the special levies equate to a rate of 0.3172 mills (0.0003172).

**Milo and District** – Approved requests for the district totalled \$82,400. The linear portion of \$5,403 was applied to cover some of the contributions. The result was that \$76,997 was raised by special levies. Based on \$99.69 million in taxable assessment, the special levies equate to a rate of 0.7724 mills (0.0007724).

**Vulcan and District** – Approved requests for the district totalled \$283,634. The linear portion of \$18,377 was applied to cover some of the contributions, as was \$91,614 in funds from general taxation. The result was that \$173,643 was raised by special levies. Based on \$240.07 million in taxable assessment, the special levies equate to a rate of 0.7233 mills (0.0007233). The items funded with general tax dollars were 50% of operating costs for the Vulcan Arena (\$43,027), 50% of operating costs for the Vulcan Pool (\$20,250), and 50% of operating costs for the Virginia Mitchell Ballpark, campground, and Ag grounds (\$28,337).

**Northwest** – Approved requests from the Recreation Board totalled \$50,440. The linear portion of \$10,451 was applied to cover some of the contributions. The result was that \$39,989 was raised by special levies. Based on \$181.03 million in taxable assessment, the special levies equate to a rate of 0.2209 mills (0.0002209).



### **Waterworks (Bylaw 2020-012):**

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.



The per parcel Special Levy applicable to Kirkcaldy is \$393.34. This is expected to cover the costs of the installation of the water line over a 25 year period.

### **Designated Industrial Property (Bylaw 2020-013):**

The Designated Industrial Property (DIP) Bylaw allows the County to bill back the costs of assessment for specific properties, the assessment of which, as of 2020, is under control of the province directly. The County pays our contract assessor to perform the assessment, and the province reimburses for those costs. The County then levies the property owners and forwards that money to the province, effectively charging the property owners for their own assessment. This is a matter of regulation and the County has no control over it. The Province sets the mill rate for this levy which is currently 0.0760 mills (0.0000760).

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

[www.vulcancounty.ab.ca](http://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's program, FAQ and other details please visit our website:

[www.vulcancounty.ab.ca](http://www.vulcancounty.ab.ca) > *YOUR COUNTY* > *Corporate Services* > *Assessment & Taxation*

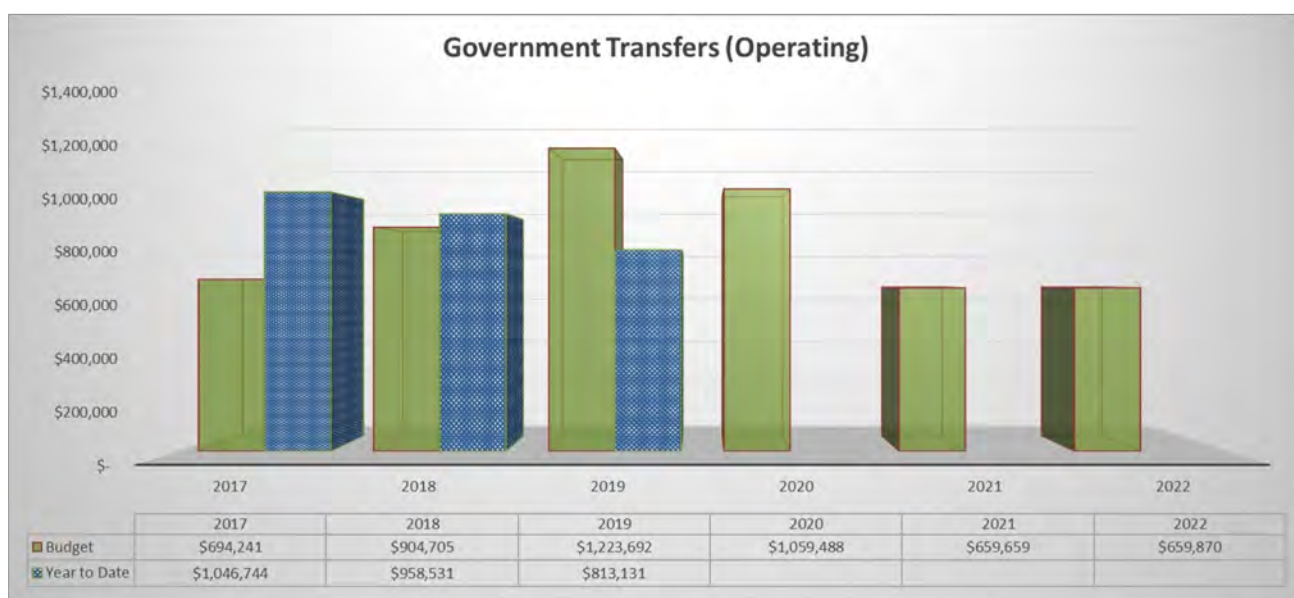


## GOVERNMENT TRANSFERS / GRANTS

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 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>Government transfers</b>					
Provincial government transfers - Operating	\$ 862,233	\$ 446,443	\$ 691,597	\$ 300,806	\$ 300,806
Federal government transfers - Operating	219,734	219,734	219,734	219,734	219,734
Transfers from Local Government - Operating	141,725	146,954	148,157	139,119	139,330
	<b>1,223,692</b>	<b>813,131</b>	<b>1,059,488</b>	<b>659,659</b>	<b>659,870</b>



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. 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	122,326
ACP Grants	5,000
Other	378,331
	<b>691,597</b>

### Federal Government Grants:

Federal Gas Tax Fund Grant	219,734
	<b>219,734</b>

### Transfers from Local Government:

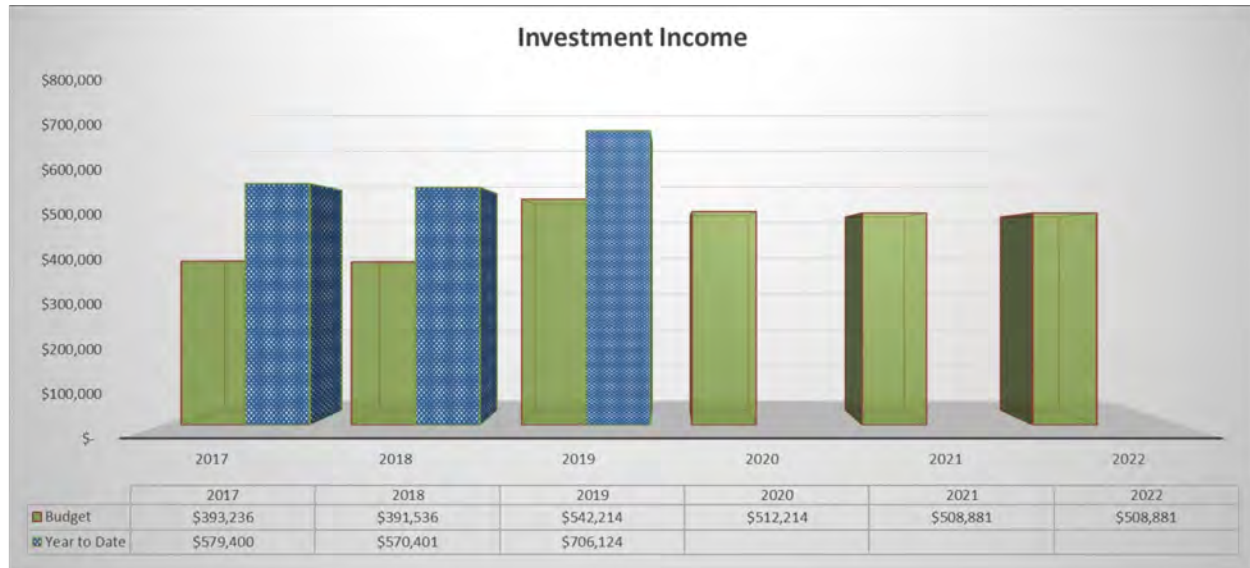
Doctor Retention Program	60,149
Shared IT Services	13,202
Other	68,374
	<b>141,725</b>

## 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 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Return on investments	542,214	706,124	512,214	508,881	508,881



The investment income is based on prior interest and dividends received on the County's investments. The budgeted investment income was slightly decreased in 2020 to reflect the reduced interest rates with the reductions in the prime rate available at this time. Future years are uncertain, so are projected relatively flat.

During 2016, the County modified its investment strategies from holding long-term government bonds to long-term GIC, which included 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 bonds. These long-term investments are scheduled to mature in conjunction with the large capital projects that are planned in the future.

For operating cash flows during the year, the County invests the funds received on taxation to fund the upcoming operating period in term deposits. Projected cash flow requirements are carefully reviewed in order to time the maturity dates of these deposits.

These 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.

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



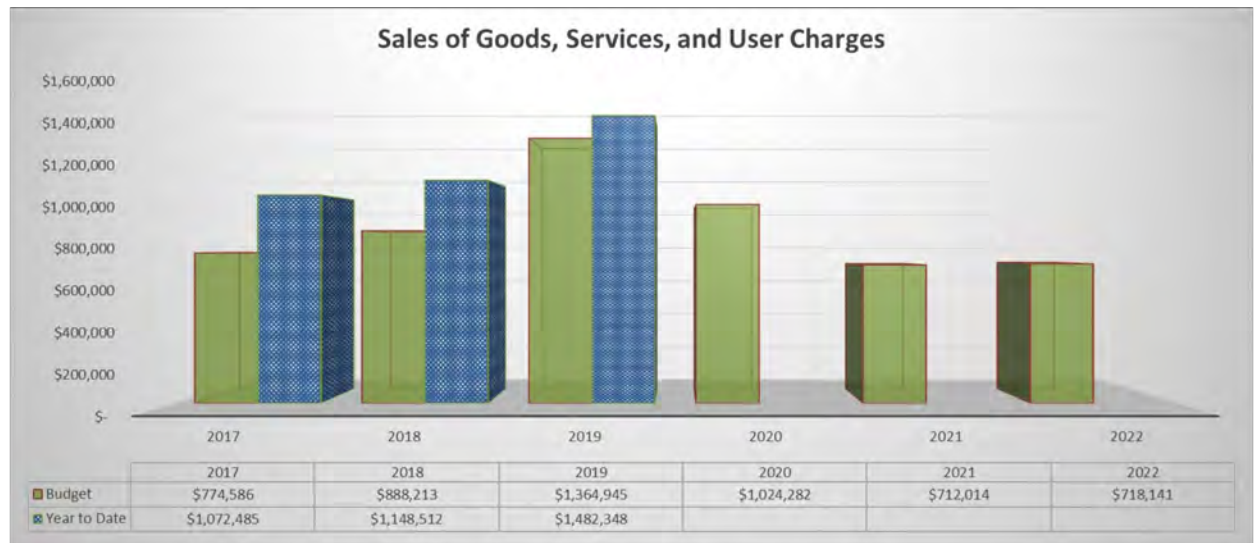
## SALES OF GOODS, SERVICES & USER CHARGES

The sale of goods, services, and user charges are also included in other sources of income. These revenues are budgeted on a conservative basis and are only included in the budget if likely to be received.

Some of the revenues included here can vary significantly from year-to-year. Therefore, these usually are included based on average or lower basis. Should the County receive more revenues than budgeted, the resulting surplus may be added to reserves and potentially applied in future budget years.

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

Vulcan County Budget Comparison and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Sale of goods, services, and user charges	1,364,945	1,482,348	1,024,282	712,014	718,141



The sale of goods, services, and user charges include the sale of materials and supplies (i.e. gravel sales), surface rights, fees charged for services (i.e. permits, tax certificates, safety codes), and cost recoveries (i.e. dust abatement). Typically, historical results are used to project these revenue sources while remaining conservative in the budgeting. 2019 included additional sale revenues from larger amount of gravel sales.

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:

### Fees & Charges



[www.vulcancounty.ab.ca](http://www.vulcancounty.ab.ca) > YOUR COUNTY > Reeve and Council > Bylaws

## 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 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Rental Income	311,880	311,900	311,880	311,880	311,880



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



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

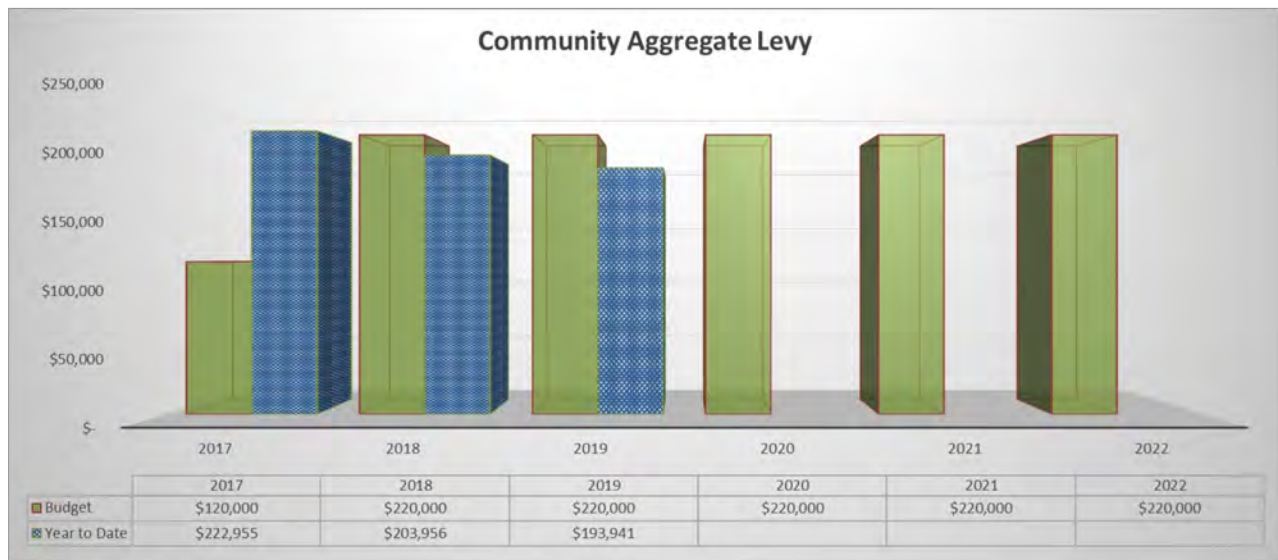


## COMMUNITY AGGREGATE LEVY

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

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

Vulcan County Budget Comparison and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Community aggregate levy	220,000	193,941	220,000	220,000	220,000



As shown above, the County historically maintained a conservative budget of \$120,000 based on historical lows in community aggregate levies. In 2018, a detailed review of the prior 5 years was done and it was determined that \$220,000 was a more appropriate value for the budgeted revenue from this levy. This was an example of being overly conservative in the past, and an opportunity to lessen the tax burden on Ratepayers going forward. This new estimate was very close to actual results in 2017 to 2019 and is being used going forward as well.

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



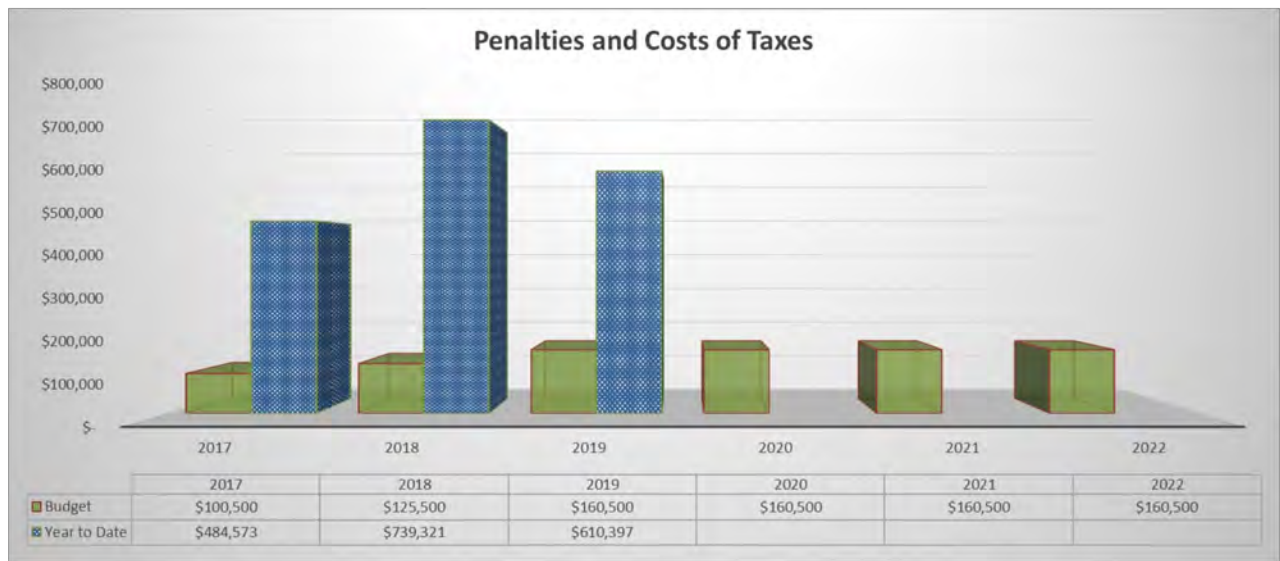
## PENALTIES AND COSTS OF TAXES

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

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

### Vulcan County Budget Comparison and Projections

	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Penalties and costs of taxes	160,500	610,397	160,500	160,500	160,500



During 2017-2019, there was significantly higher revenue than budget due to a couple of larger accounts going into tax arrears. As the majority of these penalty revenues relate to oil & gas properties, the budget has been kept low in an attempt to normalize expectations in light of the current state of that sector of the economy.

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 :

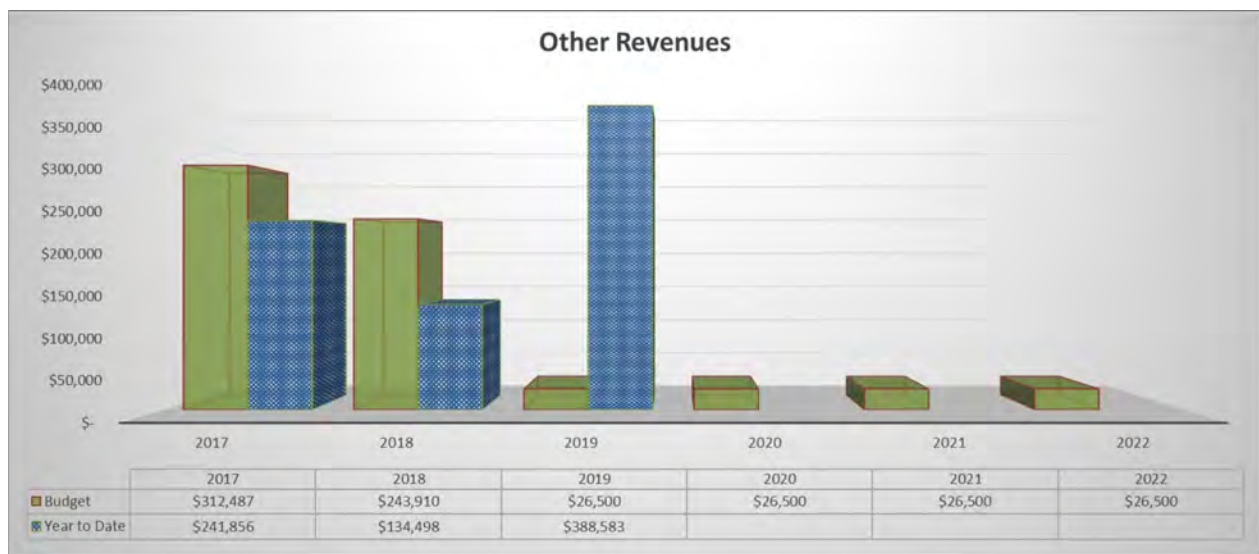
- January 1st - Twelve percent (12%) penalty on all tax arrears outstanding (all tax balances outstanding after December 31st)

## OTHER REVENUES

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

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

Vulcan County Budget Comparison and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>Other revenue</b>					
Fines	26,500	28,833	26,500	26,500	26,500
Other	-	355,163	-	-	-
	<b>26,500</b>	<b>383,996</b>	<b>26,500</b>	<b>26,500</b>	<b>26,500</b>



The 2017 budget was projected that the remaining matching funds of \$290,987 would be received for the Vulcan Hospital Expansion Project. Not all funds were received, so the remainder was included in 2018's budget. Those remaining funds were contributed in 2018, so that line item is at \$0 for 2019 and subsequent years. 2019 included an additional a \$355,200 contribution toward the Milo Fire Area (for capital use).



# 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.

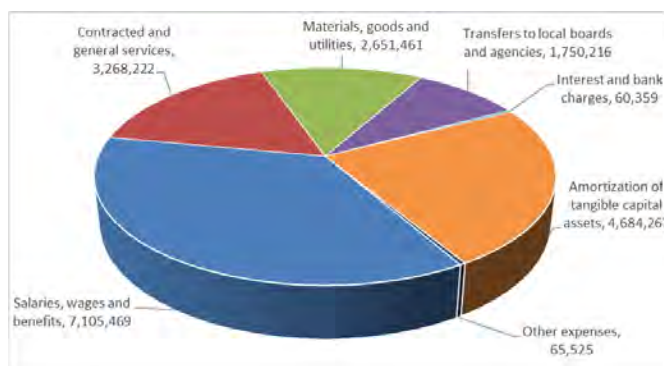
The following are the 2020 budgeted operating expenses:

Salaries, wages and benefits	7,105,469	36.3%
Contracted and general services	3,268,222	16.7%
Materials, goods and utilities	2,651,461	13.5%
Transfers to local boards and agencies	1,750,216	8.9%
Interest and bank charges	60,359	0.3%
Amortization of tangible capital assets	4,684,267	23.9%
Other expenses	65,525	0.3%
	<hr/> 19,585,520	
Machine expenses capitalized for construction	<hr/> -1,684,547	
	<hr/> 17,900,973	



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

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



## SALARY, WAGES & BENEFITS

Salary, wages, and benefits includes all of the staff wages/benefits as well as Council per diems. All of the wages/benefits have the increases from the 2020 approved salary grids for cost of living increases, staff grid movements, and some market adjustments in the staff wages. The County does not operate in a union environment.

The County utilizes a 7 step salary/wage grid for each of the County staff. Each staff member is placed in a spot on the grid, and can move up annually if they receive a favorable performance review. The initial 2020 salary grids were approved by Council on October 16th, 2019.

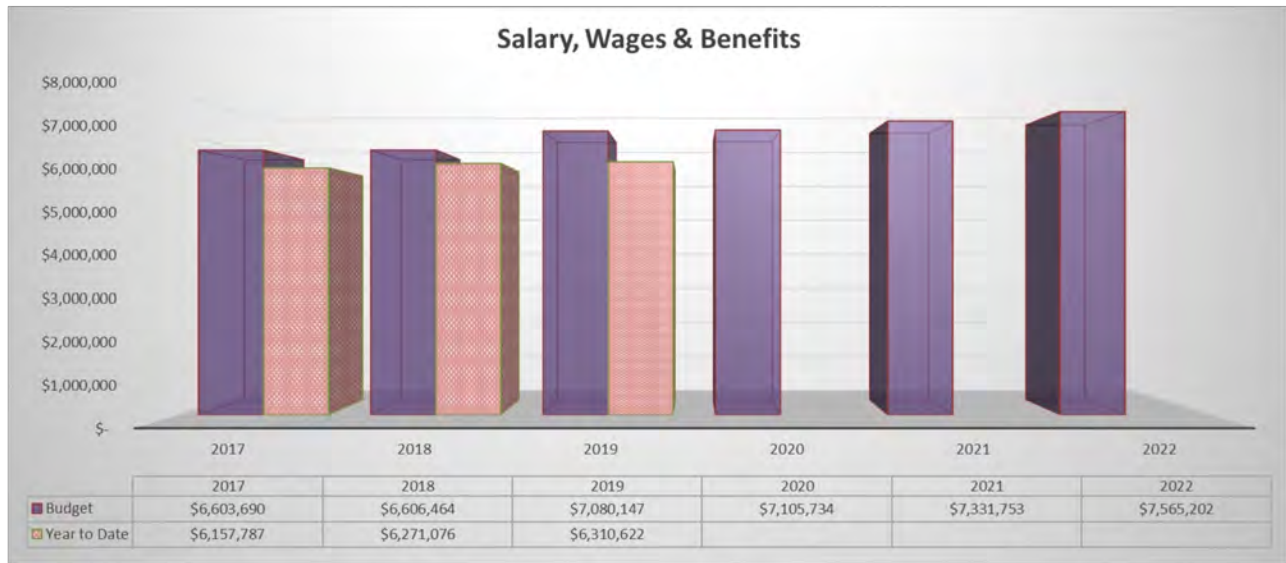
These salary/wage grids are developed in accordance with the Compensation Policy (12-3131); including a review of consumer price indexes (CPI) to assist in determining the Cost of Living Adjustments (COLA) for staff wages.

The Alberta CPI (per Stats Canada) is reviewed from October to September of the prior year and an average is calculated to determine the COLA. For 2020, the COLA was determined to be 1% (and there were additional grid updates to market comparators).

## 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 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Salaries, wages and benefits	\$ 7,080,147	\$ 6,310,622	\$ 7,105,734	\$ 7,331,753	\$ 7,565,202



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During the 2020 budget process, wage costs increased for a few different reasons. One reason was the COLA adjustment of 1.00% and other wage adjustments noted on the previous page. Also built into the budget is the anticipated grid movement of existing County staff.

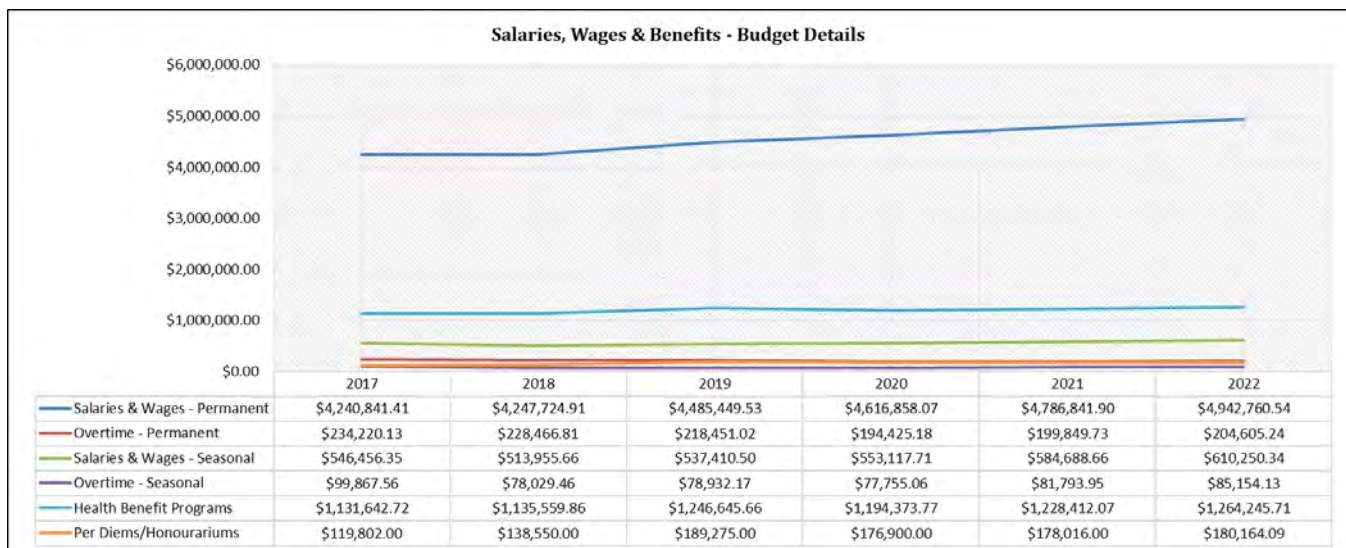
In previous budgets, the benefits have historically been based on a fixed percentage of wages; however, this has been shown to typically be over budgeted in the prior years. The County has modified the budgeted benefits to be based on the actual calculations and benefit rates for each type of benefit, while still remaining somewhat conservative in the application of the benefits (i.e. assuming all staff are on a family plan and that each staff fully utilize their wellness accounts).

This will allow the County to have more accurate budgeting for staff benefits.

Budget 2020 Full-Time Equivalents (FTE)								
	2020 Budget	2019 Budget	2019 Actual	Change in budget	2018 Budget	2018 Actual	2017 Budget	2017 Actual
Management	7.03	7.01	6.49	0.02	6.02	6.07	6.12	5.17
Operations (Public Works)	38.19	39.25	36.72	(1.06)	39.37	37.64	42.26	38.73
Corporate Services	7.02	7.02	7.87	(0.00)	7.23	7.87	7.03	8.12
Protective Services	3.08	3.01	3.01	0.07	3.73	3.67	3.06	3.12
Agricultural Services	2.97	3.22	2.96	(0.25)	2.42	2.25	2.72	2.47
Development Services	3.02	3.07	2.84	(0.05)	2.68	2.4	2.04	1.97
	<b>61.31</b>	<b>62.58</b>	<b>59.89</b>	<b>(1.27)</b>	<b>61.45</b>	<b>59.90</b>	<b>63.23</b>	<b>59.58</b>

\* 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 the Strategic Plan, the County has a strategic priority to invest in and support a proficient and motivated workforce and be an employer of choice. 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.
- Money is set aside in the budget to allow for various training opportunities for staff in order to ensure they grow as professionals while providing better services to County ratepayers.
- County Council has established many policies allowing a better work/life balance, including:
  - ◊ Flex Time Policy (12-3137) - allowing staff to adjust their work hours throughout the day, providing it still provides appropriate availability of the staff member.
  - ◊ Earned Day Off Policy (12-3138) - allowing staff to bank non-overtime hours that are above their regular work day and to have a scheduled day off every couple of weeks (i.e. bank time to have every third Friday off).
  - ◊ Wellness Policy (12-3135) - benefit providing up to \$300 per year on activities relating to wellness/fitness (i.e. gym memberships, fitness equipment).
- There is a Vulcan County Social Club that is set up by the staff at the County. Council provides some matching funding, through the budget, to assist in funding some of the staff functions (i.e. BBQs, golf tournament, etc.).



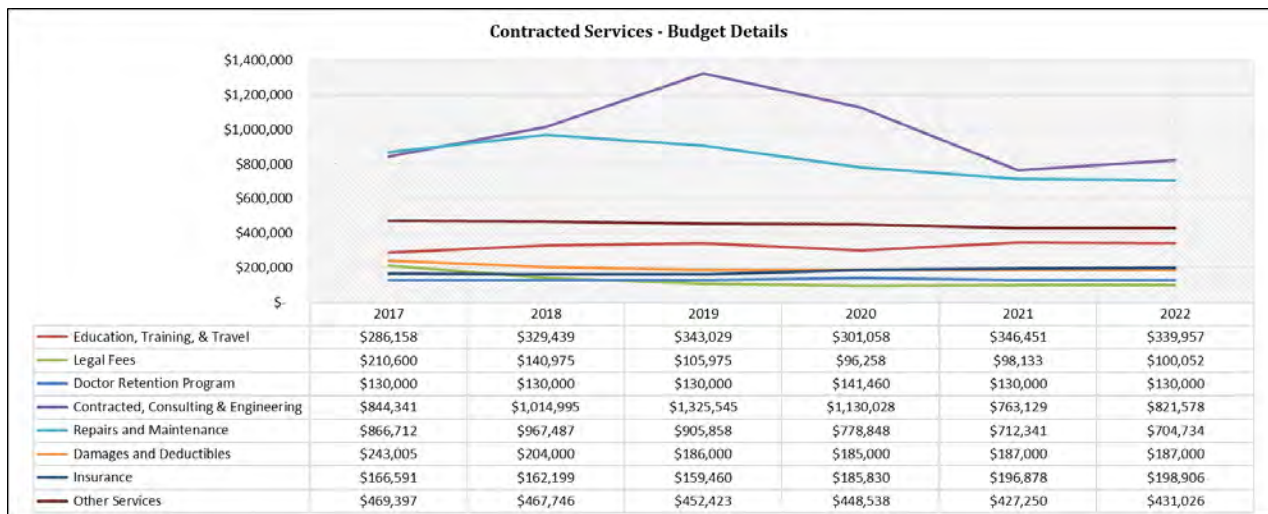
## CONTRACTED SERVICES

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

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

### Vulcan County Budget Comparison and Projections

	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Contracted and general services	3,608,291	2,703,768	3,267,957	2,861,182	2,913,253



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

### **Education, Training, and Travel:**

Education, training and travel costs are expecting a small decrease from the prior year budget of \$329,343,029 to \$301,058 in the current budget. In the prior year, the County identified the need for additional safety courses to achieve compliance with OH&S and as these were completed in 2019, they were not required in 2020.

### **Legal Fees:**

Legal fees are expected to decrease from \$105,975 to \$96,258 in 2020, and then further small declines over time. This is due to the resolution of a significant legal matter in prior years and the anticipated resolution of some other legal matters that the County is dealing with. These matters have been ongoing for some time, but it is expected that the County will return to requiring a more normal level of legal representation.

### **Doctor Retention Program:**

There is a slight increase in 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 contracted, consulting and engineering costs are expecting an overall decrease from the prior year budget of \$1,325,545 to \$1,130,028 in the current budget.. The prior year included additional contracted bridge work which was slated for 2018 but pushed back to 2019, in one case due to regulatory issues.

### **Repairs and Maintenance:**

The repairs and maintenance costs are expecting an overall decrease from the prior year budget of \$905,858 to \$778,848 in the current budget. The decrease is partly due to a careful review of historical costs for equipment, vehicle, and infrastructure maintenance costs over the previous 5 years. The County continually monitors its infrastructure and will add maintenance projects if deemed necessary.

### **Damages and Deductibles:**

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

### **Insurance:**

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

### **Other Services:**

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

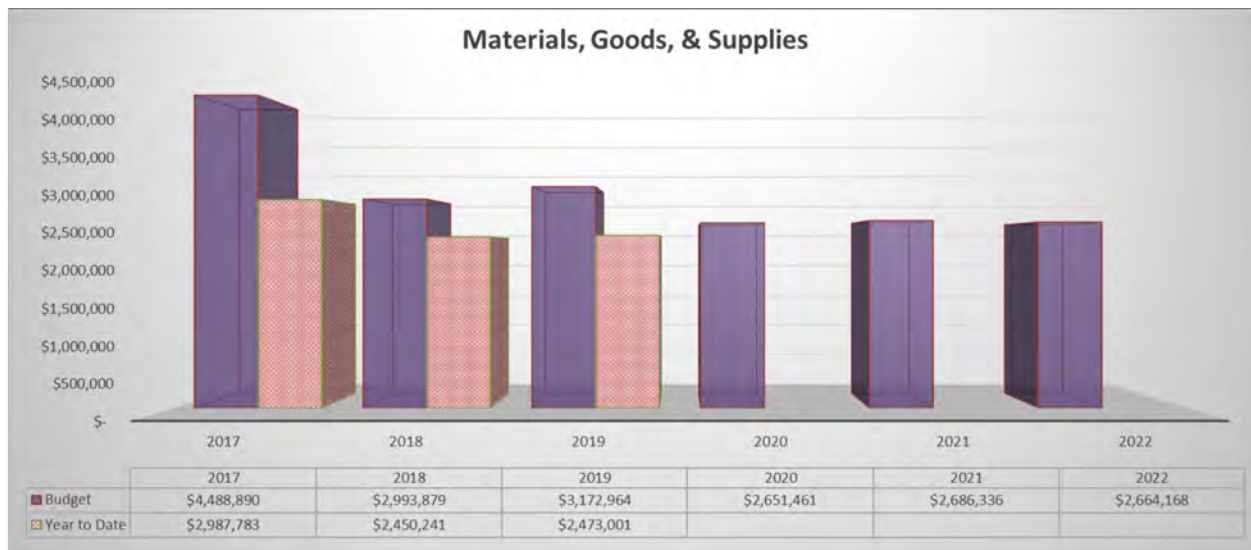
## MATERIALS, GOODS & SUPPLIES

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

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

### Vulcan County Budget Comparison and Projections

	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Materials, goods and utilities	3,172,964	2,473,001	2,651,461	2,686,336	2,664,168



Although, most of these costs stay consistent from year to year (with the exception of gravel which varies with the timing of gravel crushing and road projects), 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 a slight decrease from the prior year budget of \$171,803 to \$148,101 in the current budget with some minor fluctuations in projected years. Generally, parts and supplies expenses move according to whether or not the County has a change to service levels as it did in 2018 when the County ceased operation of the Twin Valley Campground. No such changes are projected in the near term.

### **IT Hardware and Software:**

The IT hardware and software costs are expecting a slight decrease from the prior year budget of \$234,796 to \$215,267 in the current budget with fluctuations in subsequent years. There are expected increase in 2021 with specific upgrades to server software and a storage area network replacement.

### **Diesel, Fuel, and Propane:**

The diesel, fuel, and propane costs are expecting an overall decrease from the prior year budget of \$1,359,140 to \$1,133,054 in the current budget and is projected to remain relatively flat in future years. The majority of this decrease is due to a three main factors. First, historical fuel expenditures were carefully reviewed by Administration and found that the prior year figure was slightly high. Second, estimates were made about the level of fuel consumption necessary to provide County services like road maintenance and bylaw enforcement. Third, market price projections were used that resulted in a revised estimate of per litre costs.

### **Tires:**

The tire costs are expecting an overall decrease from the prior year budget of \$209,319 to \$168,579 in the current budget and will fluctuate in the projected years. The prior year included additional replacement for grader tires, is also due to timing of replacement of tires. Tires for certain vehicles are much more expensive than others but are bought less often.

### **Gravel, Pit-run, and Rip-rap:**

The gravel, pit-run, and rip-rap costs are expecting an overall decrease from the prior year budget of \$256,917 to \$106,108 in the current budget and are expected to come down and remain relatively flat in the projected years. The prior year included a higher than normal gravel sales relating to a construction project in the County. While the County will profit from the sales, the original cost of the gravel sold shows up here in the budget.

### **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 largely on expected inflation. These are carefully reviewed annually.

### **Other Goods and Materials:**

Other contracted and general services remains relatively consistent from year-to-year. These costs include goods/services such as grader blades, culverts, signage, lumber, small tools, and other miscellaneous goods/materials. 2020 has a significant decrease in these costs as the prior year included a Community Improvement and Diversification Initiative project.

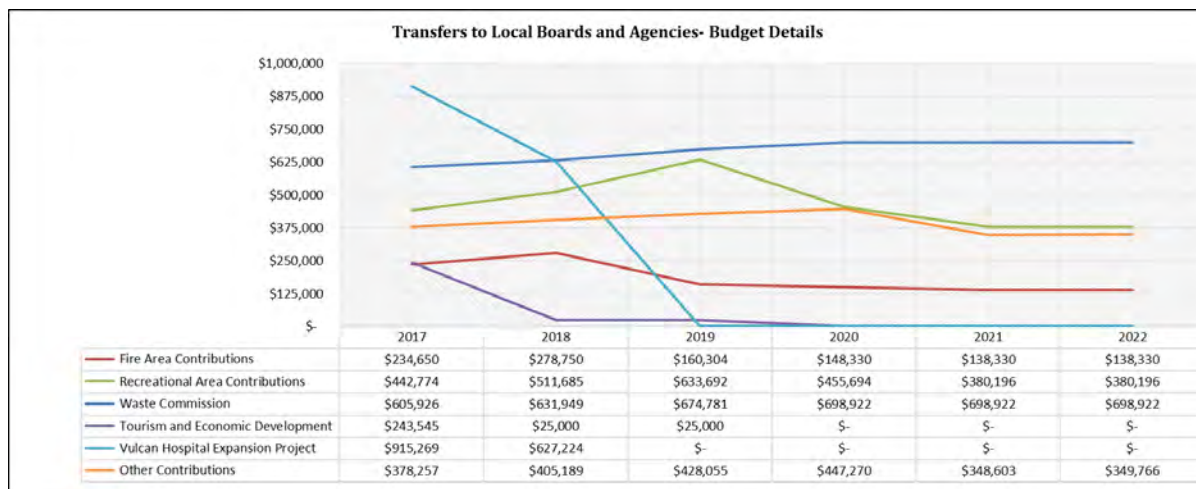
## TRANSFERS TO LOCAL BOARDS AND AGENCIES

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

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

### Vulcan County Budget Comparison and Projections

	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Transfers to local boards and agencies	1,921,832	1,824,107	1,750,216	1,566,051	1,567,214



The Town of Vulcan and Vulcan County are contributing matching funds toward the Vulcan Hospital Expansion project. During 2018, the final contributions to this project were made, leaving no amount to be budgeted for 2019 and beyond. These contributions are held by the County until the project is started.

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

<b>Milo and District Recreation Area</b>	
Milo Recreation Committee - Operations	\$36,600
Milo Ice Committee	5,000
Milo Community School	5,000
Milo Curling Club	8,000
Milo Board – Digital Sign	2,000
<b>Total Recreational Funding</b>	<b>\$66,600</b>
Snake Valley Drop-in Center	10,000
Milo Hall - Operations	5,000
Milo Hall – Capital Renovations	8,000
Friends of the Milo Library	2,800
<b>Total Cultural Funding</b>	<b>\$25,800</b>
<b>Total Recreation and Cultural Funding</b>	<b>\$92,400</b>

<b>Northwest Recreation Area</b>	
Mossleigh Kids Ball Club	\$1,000
Arrowwood Lions	3,000
Arrowwood 4-H	500
Arrowwood & District ECS	500
Arrowwood Ag Society	10,000
Recreation Board Costs	1,960
Northwest Recreation Association	10,000
<b>Total Recreational Funding</b>	<b>\$26,960</b>
Mossleigh Community Club	10,000
Arrowwood Comm. Rec. Association	10,630
Arrowwood Restoration Society	1,400
NW Fire Association – Family Christmas	1,450
<b>Total Cultural Funding</b>	<b>\$23,480</b>
<b>Total Recreation and Cultural Funding</b>	<b>\$50,440</b>

<b>Carmanagay and District Recreation Area</b>	
Carmanagay Curling Assoc. - Dishes/Utensils	\$1,500
Carmanagay Curling Assoc. - Operating	\$10,000
Village of Carmanagay - McFarland Trail	\$7,500
Village of Carmanagay - Tipi Rings Site	\$1,000
Carmanagay Recreation - Reserve	\$4,500
<b>Total Recreational Funding</b>	<b>\$24,500</b>
Carmanagay Historical Society - Kiosk	2,500
Carmanagay 110th Anniversary Committee	6,500
Carmanagay Recreation - Hall	15,000
Carmanagay Horticultural Association	1,500
<b>Total Cultural Funding</b>	<b>\$25,500</b>
<b>Total Recreational and Cultural Funding</b>	<b>\$50,000</b>

<b>Champion and District Recreation Area</b>	
Champion Pool - Operating	\$30,000
Champion School	1,500
Champion Skating Rink	5,200
<b>Total Recreational Funding</b>	<b>\$36,700</b>
Champion Community Hall - Operating	10,000
Champion Community Hall - Equipment	7,500
Champion Pioneer Club	4,000
Champion School - Band	1,000
Champion School - Drama	1,100
Alston Hall	500
Champion Legion Hall	4,500
<b>Total Cultural Funding</b>	<b>\$28,600</b>
<b>Total Recreation and Cultural Funding</b>	<b>\$65,300</b>

<b>Lomond and District Recreation Area</b>	
Lomond Comm. Center Ag Society	\$33,000
Lomond Lakers Jr. B Hockey	\$3,000
<b>Total Recreational Funding</b>	<b>\$36,000</b>
Lomond 4H Club	\$1,000
Village of Lomond - Fireworks	\$2,000
<b>Total Cultural Funding</b>	<b>\$3,000</b>
Reserves - LCCAS Building	25,000
<b>Total Recreation &amp; Culture</b>	<b>\$64,000</b>

<b>Vulcan and District Recreation Area</b>	
Vulcan Arena - Operating	\$86,055
Vulcan Swimming - Operating	40,500
Ball Park, Campground, & AG Grounds	56,675
Recreation Committee - Operations	73,658
Recreation Committee - Programming	8,660
Vulcan Arena - Ice Plant	4,886
Vulcan Volleyball Club	750
Vulcan Minor Baseball	3,000
Vulcan Volley Ball Club	750
<b>Total Recreational Funding</b>	<b>\$274,934</b>
Vulcan Regional Food Bank	4,000
Vulcan & District - Cultural Events	4,700
<b>Total Cultural Funding</b>	<b>\$8,700</b>
<b>Total Recreation and Cultural Funding</b>	<b>\$283,634</b>

The total recreation funding is \$480,694 (funded by special tax levies), cultural funding is \$115,080 (also funded through special tax levies). Total budgeted funding for recreation and cultural activities is \$595,774.

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):

<b>Contributions to other organizations</b>	
Rainbow Literacy Society	\$35,000
STARS Air Ambulance	15,572
HALO Air Ambulance	15,572
Vulcan Town Airport - Operating	8,000
Oldman Watershed Council	1,872
Foothills Forage and Grazing Association	5,000
Vulcan Daycare Society	2,500
Alberta Farm Animal Care	500

Vulcan and District Waste Commission	\$696,573
Twin Valley Regional Water Commission	35,217
Doctor Retention Program - County's share	81,311
Farm Safety Center	3,000
Alberta Invasive Plants Council	500
FCSS - Operating	30,368
FCSS – Transportation Initiative	19,089
County of Vulcan Library Board	133,500
<b>Total</b>	<b>\$1,083,574</b>

The total contributions to the fire protection areas is budgeted at \$138,330; including \$79,945 to the Northwest Fire Association, and \$58,385 to the Milo Fire Association. These are funded by special tax levies, and are exclusive of the annual \$25,000 per district capital reserve allocation.

## INTEREST & BANK CHARGES

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

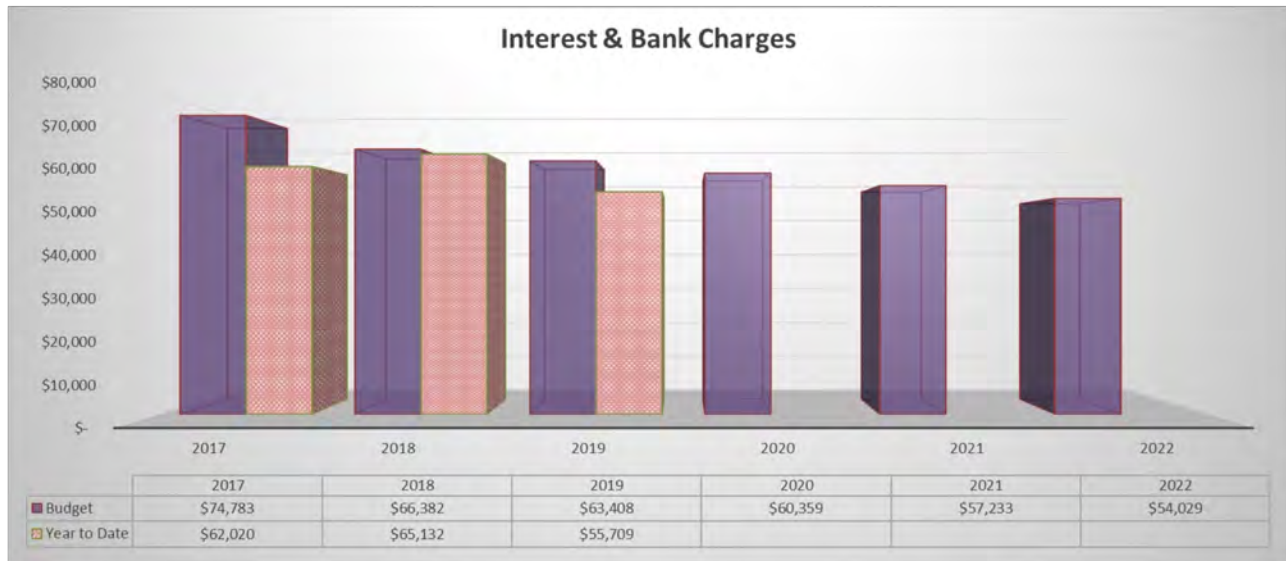
The following are the resulting interest and bank charges (with projections for the following two years)

### Vulcan County Budget Comparison and Projections

#### Interest and bank charges

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

	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
				-	-
Bank Charges and Short Term Interest	20,300	12,179	20,300	20,300	20,300
Interest on Capital Long Term Debt	43,108	43,530	40,059	36,933	33,729
	<b>63,408</b>	<b>55,709</b>	<b>60,359</b>	<b>57,233</b>	<b>54,029</b>



The bank and credit card fee rates were budgeted based on the prior two years of actual expenses and the County has recently implemented a "convenience fee" to recover the credit card fees on taxes.

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

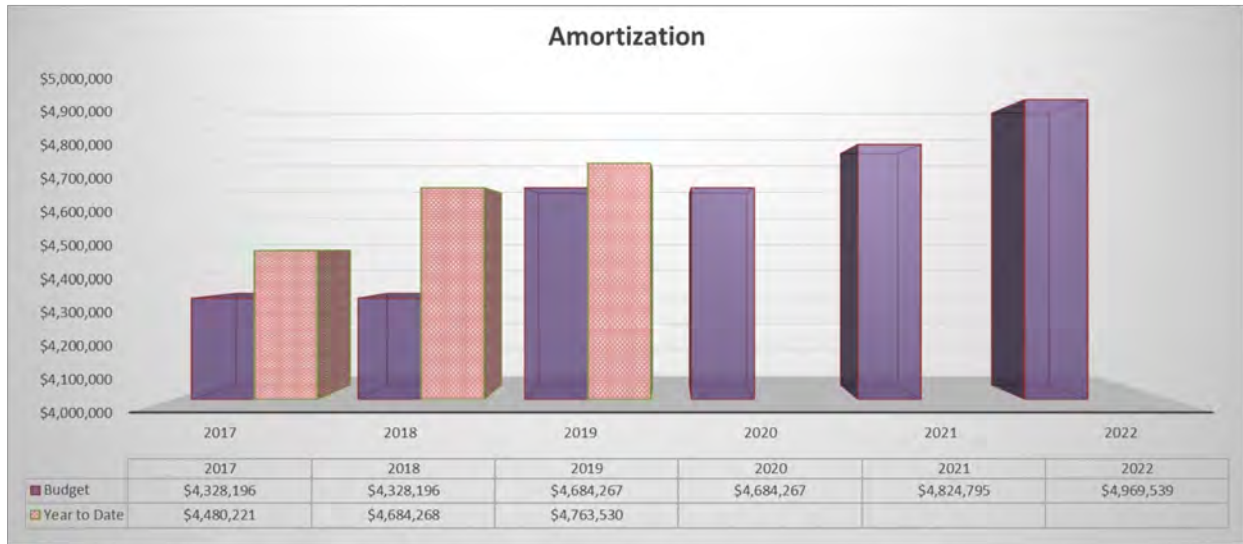


## AMORTIZATION

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

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

Vulcan County Budget Comparison and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Amortization of tangible capital assets	4,684,267	4,763,530	4,684,267	4,824,795	4,969,539



Amortization is currently budgeted based on the prior year as this provides a base for the estimated reduction in the net book value of the County's 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, and aids in the formulation of the 20-year Capital Plan. The following are the useful lives of the major asset classes:

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



## OTHER EXPENDITURES

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

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

Vulcan County Budget Comparison and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>Other expenses</b>					
Contingency	39,250	55,852	45,361	26,111	26,111
Tax Discounts & Write-offs	12,601	3,649,993	12,672	12,672	12,672
Other	7,492	1,431	7,492	7,492	7,492
	<b>59,343</b>	<b>3,707,276</b>	<b>65,525</b>	<b>46,275</b>	<b>46,275</b>



The large spike in expense in 2018-2019 is due to the completion of bankruptcy proceedings with respect to a large oil & gas producer within the County. It became apparent that the County was not going to be able to collect on the substantial amount of taxes owing, so the full balance was written off in order to apply for the Provincial Education Requisition Credit (PERC) from the Province. This credit offsets the education portion of uncollected taxes and allowed the County to recover approximately 20% of what was outstanding.

The increases in the gravel reclamation liability relates to the projected liability that will incur to reclaim the County's gravel pits. 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 are not budgeted as it is not reasonable to be determined until the crushing program is completed.



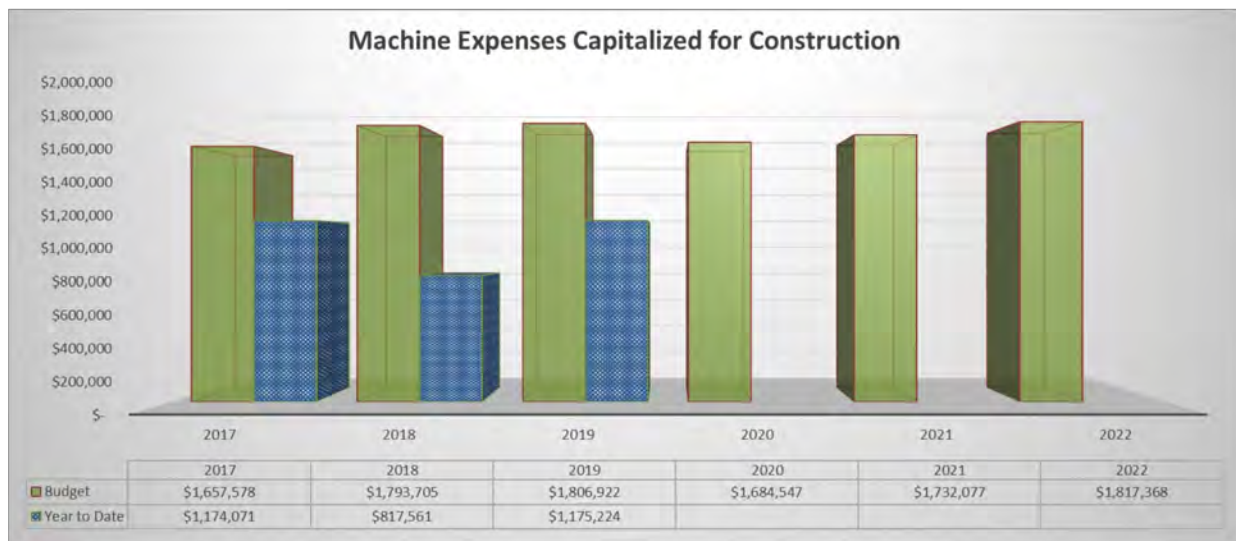
## MACHINE EXPENSES CAPITALIZED

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 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
Machine expenses capitalized for construction	(1,806,922)	(1,175,224)	(1,684,547)	(1,732,077)	(1,817,368)



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

2018-2019 saw a budget underrun due to the postponement of several projects due to the overland flooding emergency in the spring.



# 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 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>TOTAL BUDGETED REVENUES</b>	18,794,831	20,552,253	18,110,379	16,759,270	16,772,942
<b>TOTAL BUDGETED EXPENSES</b>	(18,783,328)	(20,937,280)	(17,900,973)	(17,641,550)	(17,962,312)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	11,503	(385,028)	209,406	(882,279)	(1,189,369)
<b>RESERVE AND CAPITAL TRANSFERS:</b>					
Transfer of Amortization	4,684,267	4,763,530	4,684,267	4,824,795	4,969,539
Transfer of Gain/Loss on disposal	0	(55,695)	0	0	0
Transfer from Reserves	1,131,126	4,778,171	716,000	187,964	1,991,101
Transfer to Reserves	(3,769,498)	(4,924,121)	(3,854,612)	(3,530,512)	(3,534,446)
Transfer to Capital Functions	(2,014,246)	(1,321,636)	(1,759,947)	(1,754,477)	(1,817,368)
Transfer to Other Functions	(43,151)	0	4,886	(19,473)	(19,473)
Transfer of Principal Repayment	0	(13,229)	0	0	0
<b>TOTAL RESERVE AND CAPITAL TRANSFERS</b>	(11,503)	3,227,020	(209,406)	(291,703)	1,589,353
<b>TOTAL NET EFFECT ON ACCUMULATED SURPLUS</b>	\$ -	\$ 2,841,993	\$ -	\$ (1,173,982)	\$ 399,983

As shown above, there is a projected deficit in 2021 and a surplus in 2022; 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/increase the surplus. 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.

The 2020 transfer from reserves is reduced than the prior year. This is mainly a timing issue as the majority of reserve draws are timed to coincide with purchases dictated by the County's 20-year capital plan.

## TRANSFERS TO RESERVES

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

- Currently, the County has a 20-year capital funding program in which there is approximately \$3.0 million put into capital reserves for this program (funding both 2020 and future years' capital acquisitions).
- There is also approximately \$750,000 budgeted to be allocated to operating reserves for future projects. This includes approximately \$279,200 allocated to the gravel crushing reserves each year so that the reserve will be sufficient to cover the next gravel crushing project in 2020-2021.



## **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 tangible capital assets," a separate account which helps to break down the proportion of accumulated surplus that has been allocated to capital assets.

### TRANSFER OF GAIN/LOSS ON DISPOSAL

The County does not typically budget for estimated gains/losses on disposals (these are only included in the actual figures). The 2019 actuals include the total gains on disposals (included in revenues) of \$330,186 and the total loss on disposals (included in expenses) of \$274,491; therefore, the net loss transferred to capital was \$55,695.

### TRANSFERS TO CAPITAL FUNCTIONS

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

### TRANSFERS OF PRINCIPAL REPAYMENTS

The transfers of principal repayments relates to the principal portion of the long-term debt (or capital lease obligation, in this case) for the payments made throughout the year. The County is currently budgeting the total lease payments as expenditures in contracted services. The lease is with respect to a vehicle used by the County and has 3 years remaining.





## 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

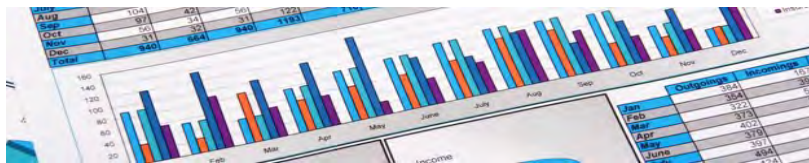
Vulcan County provides numerous services to its citizens, including general, protective, transportation, agricultural, planning and development, community and utility services.

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 budgeted operating revenues and expenses:

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	Final Budget 2020 Total
<b>REVENUE</b>								
Net municipal taxes	\$ 12,563,095	842,692	-	-	-	531,169	721,681	\$ 14,658,637
Government transfers (operating)	114,442	80,745	219,734	122,326	195,000	327,242	-	1,059,488
Return on investments	512,214	-	-	-	-	-	-	512,214
Sale of goods, services and user charges	52,800	201,539	327,236	335,390	96,498	8,229	2,589	1,024,281
Rental income	6,000	297,880	-	8,000	-	-	-	311,880
Community aggregate levy	-	-	220,000	-	-	-	-	220,000
Penalties and costs of taxes	160,500	-	-	-	-	-	-	160,500
Gain on disposal of tangible capital assets	-	-	136,877	-	-	-	-	136,877
Other revenues	-	26,500	-	-	-	-	-	26,500
	13,409,051	1,449,356	903,847	465,716	291,498	866,640	724,270	18,110,378
<b>EXPENSES</b>								
Salaries, wages and benefits	\$ 1,232,345	687,001	4,292,916	420,136	327,525	124,733	20,813	\$ 7,105,469
Contracted and general services	662,803	562,712	1,079,179	113,124	457,210	327,505	65,689	3,268,222
Materials, goods and utilities	236,438	299,717	1,872,059	212,363	2,039	24,530	4,315	2,651,461
Transfers to local boards and agencies	71,144	148,330	8,000	32,372	-	756,231	734,139	1,750,216
Interest and bank charges	20,300	-	-	-	-	40,059	-	60,359
Amortization of tangible capital assets	98,299	562,263	3,906,051	90,640	-	-	27,014	4,684,267
Machine expenses capitalized for construction	-	-	(1,684,547)	-	-	-	-	(1,684,547)
Other expenses	65,525	-	-	-	-	-	-	65,525
	2,386,854	2,260,023	9,473,658	868,635	786,774	1,273,058	851,970	17,900,973
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ 11,022,197</b>	<b>(810,667)</b>	<b>(8,569,811)</b>	<b>(402,919)</b>	<b>(495,276)</b>	<b>(406,419)</b>	<b>(127,700)</b>	<b>\$ 209,405</b>

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




This report provides a combination of reporting by type and by department and should assist the reader of the budget by showing which types of transactions occur within each department.

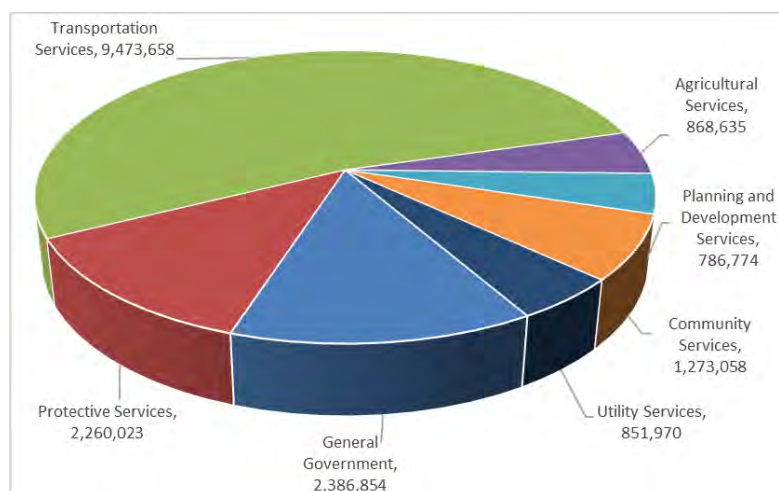
In recent years, the County reviewed and modified the segment reporting to potentially allow for a more accurate portrayal of the County's operations by combining the departments that have similar activities. The following were some of the changes:

- 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, with Tourism/Economic Development being included with Community Services.
- The 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.

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

BUDGETED STATEMENT OF OPERATIONS				<b>General Government includes:</b>	
EXPENSES				<ul style="list-style-type: none"> <li>Legislative</li> <li>Administration</li> <li>Other</li> </ul>	
Legislative	\$	454,363		<b>Community Services includes:</b> <ul style="list-style-type: none"> <li>Family and community services</li> <li>Parks and recreation</li> <li>Tourism and economic development</li> </ul>	
Administration		1,874,457			
Protection services		2,260,023			
Transportation services		9,473,658			
Agricultural services		868,635			
Planning and development services		786,774			
Family and community support		233,776			
Parks and recreation		736,823			
Tourism and economic development		302,459			
Utility Services		851,970			
Other		58,033			
<b>TOTAL EXPENSES</b>		<b>17,900,973</b>			
					
General Government		2,386,854	13.3%		
Legislative	454,363				
Administration	1,874,457				
Other General	58,033				
Protective Services		2,260,023	12.6%		
Transportation Services		9,473,658	52.9%		
Agricultural Services		868,635	4.9%		
Planning and Development Services		786,774	4.4%		
Community Services		1,273,058	7.1%		
Family and Community Services	233,776			<i>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.).</i>	
Parks and Recreation	736,823				
Tourism and Economic Development	302,459				
Utility Services		851,970	4.8%		
		<b>17,900,973</b>			

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. 52.9%). As a County, the majority of the municipal activities typically relate to 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 2020 General Government segment budget:

	General Government
<b>REVENUE</b>	
Net municipal taxes	\$ 12,563,095
Government transfers (operating)	114,442
Return on investments	512,214
Sale of goods, services and user charges	52,800
Rental income	6,000
Community aggregate levy	-
Penalties and costs of taxes	160,500
Gain on disposal of tangible capital assets	-
Other revenues	-
	<b>13,409,051</b>
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 1,232,345
Contracted and general services	662,803
Materials, goods and utilities	236,438
Transfers to local boards and agencies	71,144
Interest and bank charges	20,300
Amortization of tangible capital assets	98,299
Machine expenses capitalized for construction	-
Other expenses	65,525
	<b>2,386,854</b>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ 11,022,197</b>

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 2020	Prior year	Change
Management	4.03	4.00	0.03
Corporate Services	7.02	7.02	(0.00)
	<b>11.04</b>	<b>11.02</b>	<b>0.02</b>

Management includes the Chief Administrative Officer (CAO), the Director of Corporate Services, the Manager of Legislative Services, and the Development and Legislative Services Assistant.

## SEGMENT BUDGET OVERVIEW:

### SEGMENT FUNDING:

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

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

### SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment.

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 2020 budget highlights for this segment:

- Decreases in assessment values within the County have been somewhat offset by 3% increase in general tax rates (overall approximate \$360,000 reduction)
- Staffing has remained consistent.
- Decrease in contracted services from the prior year as new software was implemented in the prior year.
- Cost reductions throughout the budget in order to reduce the tax burden on rate payers as much as possible.

Vulcan County Budget Segments	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>SEGMENT - GENERAL GOVERNMENT</b>					
<b>REVENUES:</b>					
10-00 General Municipal Function	\$ 13,604,442	\$ 13,808,017	\$ 13,244,309	\$ 12,872,632	\$ 12,872,632
11-00 Legislative Services - General	-	-	-	-	-
12-02 General Administration	164,742	137,891	164,742	162,492	162,703
19-01 Elections, Census and Referendums	-	-	-	-	-
81-01 Other Government Requisitions	0	1,064,850	0	(23)	(23)
	<b>13,769,184</b>	<b>15,010,759</b>	<b>13,409,051</b>	<b>13,035,101</b>	<b>13,035,312</b>
<b>EXPENSES:</b>					
10-00 General Municipal Function	\$ 171,853	\$ 3,776,215	\$ 183,072	\$ 139,725	\$ 139,892
11-00 Legislative Services - General	171,123	148,340	152,075	173,409	169,187
11-01 Legislative Services - Division 1	51,301	31,828	35,989	46,027	46,695
11-02 Legislative Services - Division 2	41,164	33,250	40,987	39,109	40,127
11-03 Legislative Services - Division 3	61,992	50,672	53,311	53,260	54,164
11-04 Legislative Services - Division 4	48,318	42,572	54,545	53,692	54,646
11-05 Legislative Services - Division 5	46,192	33,120	43,017	45,528	46,340
11-06 Legislative Services - Division 6	41,333	29,823	36,065	35,612	36,112
11-07 Legislative Services - Division 7	48,236	32,622	38,374	39,501	40,017
12-02 General Administration	1,815,820	1,656,359	1,749,418	1,859,131	1,792,157
19-01 Elections, Census and Referendums	-	-	-	-	-
	<b>2,497,332</b>	<b>5,834,801</b>	<b>2,386,854</b>	<b>2,484,994</b>	<b>2,419,338</b>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS</b>	<b>\$ 11,271,852</b>	<b>\$ 9,175,958</b>	<b>\$ 11,022,197</b>	<b>\$ 10,550,107</b>	<b>\$ 10,615,974</b>

## DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

### 10-00 - General Municipal Function

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

### 11-XX - Legislative Services

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

### 12-02 - Administrative Services

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

### 19-01 - Elections, Census & Referendums

Municipal Elections are held every 4 years and, at the discretion of Council, a by-election or referendum/plebiscite may be required, or a census other than the Federal Census. Costs and activities for these requirements are recorded in this functional area. No expenditure is expected in 2019 as this is not an election year.

### 81-01 - Other Government Requisitions

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

## PROTECTIVE SERVICES

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

The following is the 2020 Protective Services segment budget:

	Protective Services
<b>REVENUE</b>	
Net municipal taxes	\$ 842,692
Government transfers (operating)	80,745
Return on investments	-
Sale of goods, services and user charges	201,539
Rental income	297,880
Community aggregate levy	-
Penalties and costs of taxes	-
Gain on disposal of tangible capital assets	-
Other revenues	26,500
	<u>1,449,356</u>
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 687,001
Contracted and general services	562,712
Materials, goods and utilities	299,717
Transfers to local boards and agencies	148,330
Interest and bank charges	-
Amortization of tangible capital assets	562,263
Machine expenses capitalized for construction	-
Other expenses	-
	<u>2,260,023</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (810,667)</b>

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 2020	Prior year	Change
Management	1.00	1.00	0.00
Protective Services	3.08	3.01	0.07
	<u>4.08</u>	<u>4.01</u>	<u>0.07</u>

This segment includes the following staffing: The Director of Protective Services, 2 County Peace Officers, and Admin Support.

### SEGMENT BUDGET OVERVIEW:

#### SEGMENT FUNDING:

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

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

#### SEGMENT 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 contributions to Fire Associations.

### BUDGET HIGHLIGHTS

The following are some of the 2020 budget highlights for this segment:

- 4 out of the 6 fire districts saw reductions in the total amount levied through special tax for fire protection.
- Reduction in capital contribution to the 20-year capital plan as the County (with healthy levels of reserves for capital replacement).
- Reduction in training costs as the prior year included some additional training costs.



Vulcan County Budget Segments		Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>SEGMENT - PROTECTIVE SERVICES</b>						
<b>REVENUES:</b>						
21-01	Police Protection	\$ 210,000	\$ 206,400	\$ 210,000	\$ 210,000	\$ 210,000
23-01	Fire Protection Services - General	293,996	277,825	277,719	261,605	269,028
23-16	Fire Protection Services - Northwest	162,139	168,617	113,342	133,236	132,855
23-17	Fire Protection Services - Milo	93,725	425,249	132,026	127,324	126,593
23-27	Fire Protection Services - Vulcan	133,435	-	157,100	164,284	165,422
23-19	Fire Protection Services - Lomond	118,737	142,496	132,273	122,614	120,644
23-20	Fire Protection Services - Champion	152,718	140,055	126,482	135,874	137,120
23-21	Fire Protection Services - Carmangay	119,979	118,670	113,500	119,647	120,555
24-01	Emergency Management	12,816	10,356	5,507	-	-
25-01	Ambulance Services	95,608	96,059	95,608	95,607	95,607
26-01	Regulatory Services	88,300	87,660	85,800	85,800	85,800
27-01	Health & Safety	-	-	-	-	-
		<b>1,481,452</b>	<b>1,673,387</b>	<b>1,449,356</b>	<b>1,455,991</b>	<b>1,463,625</b>
<b>EXPENSES:</b>						
21-01	Police Protection	\$ 151,038	\$ 159,415	\$ 153,436	\$ 155,726	\$ 158,084
23-01	Fire Protection Services - General	716,821	527,120	664,554	658,463	673,542
23-16	Fire Protection Services - Northwest	105,037	81,344	80,678	80,678	80,678
23-17	Fire Protection Services - Milo	46,733	56,999	60,321	60,333	60,346
23-27	Fire Protection Services - Vulcan	399,663	160,283	289,326	285,308	291,435
23-19	Fire Protection Services - Lomond	142,715	90,051	175,302	151,766	152,038
23-20	Fire Protection Services - Champion	186,095	157,769	176,739	176,280	179,917
23-21	Fire Protection Services - Carmangay	103,015	65,412	105,223	94,656	95,924
24-01	Emergency Management	99,885	97,092	94,393	80,891	83,661
25-01	Ambulance Services	18,538	23,291	18,338	18,627	18,924
26-01	Regulatory Services	311,119	248,534	343,316	329,235	338,773
27-01	Health & Safety	101,225	59,492	98,396	103,348	101,995
		<b>2,381,884</b>	<b>1,726,802</b>	<b>2,260,023</b>	<b>2,195,311</b>	<b>2,235,317</b>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS</b>		<b>\$ (900,432)</b>	<b>\$ (53,415)</b>	<b>\$ (810,667)</b>	<b>\$ (739,320)</b>	<b>\$ (771,692)</b>

## DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

### 21-01 - Police Protection Services

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

### 23-XX - Fire Protection Services

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

### 24-01 - Emergency Management

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

### 25-01 - Ambulance Services

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

### 26-01 - Regulatory Services

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

### 27-01 - Health and Safety

Vulcan County supports initiatives that contribute to the overall Health and Safety of the staff within the organization. This area covers purchasing of protective equipment and tools, first aid supplies, safety training and software. An objective of this department is to make improvements to the health and safety program so the County can receive its 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 goal of providing the transportation networks.*

The following is the 2020 Transportation Services segment budget:

	Transportation Services
<b>REVENUE</b>	
Net municipal taxes	\$ -
Government transfers (operating)	219,734
Return on investments	-
Sale of goods, services and user charges	327,236
Rental income	-
Community aggregate levy	220,000
Penalties and costs of taxes	-
Gain on disposal of tangible capital assets	136,877
Other revenues	-
	<u>903,847</u>
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 4,292,916
Contracted and general services	1,079,179
Materials, goods and utilities	1,872,059
Transfers to local boards and agencies	8,000
Interest and bank charges	-
Amortization of tangible capital assets	3,906,051
Machine expenses capitalized for construction	(1,684,547)
Other expenses	-
	<u>9,473,658</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (8,569,811)</b>

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 2020	Prior year	Change
Management	1.00	1.00	0.00
Transportation Services	38.19	39.25	(1.06)
	<u>39.19</u>	<u>40.25</u>	<u>(1.06)</u>

This segment includes the following staffing: Director of Operations, construction staff, and repair / maintenance staff.

## SEGMENT BUDGET OVERVIEW:

### SEGMENT FUNDING:

Transportation Services segment revenues include government transfers (FGTF grant funding) for road construction projects.

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

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

### SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment.

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

## BUDGET HIGHLIGHTS

The following are some of the 2020 budget highlights for this segment:

- Approximately \$1.98 million is budgeted for bridge projects in 2020.
- Consulting costs decreased as prior year included a railway crossing study. The study will review all rail crossings in the County to ensure that all at-grade railway crossings meet the new regulatory requirements at set forth by Transport Canada.
- Road repair costs are decreased as the prior year includes a large chip seal project.
- The cost of diesel is reduced from the prior year as the fuel costs are projected to be reduced.
- Gravel sales and costs have decreased as prior year included a large gravel sale.



Vulcan County Budget Segments		Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>SEGMENT - TRANSPORTATION SERVICES</b>						
<b>REVENUES:</b>						
31-01	Common Services	\$ 1,870	\$ 21,576	\$ 1,870	\$ 1,870	\$ 1,870
32-00	Road Transportation	5,044	305,733	141,921	5,044	5,044
32-01	Road Construction	233,734	237,039	233,734	233,734	233,734
32-02	Road Maintenance	388,322	378,184	406,322	365,852	368,564
32-03	Road Gravelling	450,000	544,012	120,000	-	-
32-04	Bridges	-	-	-	-	-
33-01	Air Transport	-	-	-	-	-
		<b>1,078,970</b>	<b>1,486,544</b>	<b>903,847</b>	<b>606,500</b>	<b>609,212</b>
<b>EXPENSES:</b>						
31-01	Common Services	\$ 1,185,241	\$ 1,032,914	\$ 1,213,677	\$ 1,236,254	\$ 1,266,720
32-00	Road Transportation	5,117,147	4,967,251	4,911,259	5,009,462	5,103,355
32-01	Road Construction	439,848	609,280	420,429	432,396	449,211
32-02	Road Maintenance	1,414,398	1,175,004	1,329,106	1,340,844	1,380,206
32-03	Road Gravelling	1,477,572	1,698,586	1,246,190	1,278,347	1,346,267
32-04	Bridges	344,913	474,481	344,997	354,529	364,344
33-01	Air Transport	8,000	8,000	8,000	8,000	8,000
		<b>9,987,119</b>	<b>9,965,516</b>	<b>9,473,658</b>	<b>9,659,832</b>	<b>9,918,104</b>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS</b>		<b>\$ (8,908,149)</b>	<b>\$ (8,478,972)</b>	<b>\$ (8,569,811)</b>	<b>\$ (9,053,332)</b>	<b>\$ (9,308,891)</b>

## DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

### 31-01 - Common Services

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

### 32-00 - Road Transportation

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

### 32-01 - Road Construction

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

### 32-02 - Road Maintenance

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

### 32-03 - Road Gravelling

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

### 32-04 - Bridges

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

### 33-01 - Air Transportation

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

## AGRICULTURAL SERVICES

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

The following is the 2020 Agricultural Services segment budget:

	Agricultural Services
<b>REVENUE</b>	
Net municipal taxes	\$ -
Government transfers (operating)	122,326
Return on investments	-
Sale of goods, services and user charges	335,390
Rental income	8,000
Community aggregate levy	-
Penalties and costs of taxes	-
Gain on disposal of tangible capital assets	-
Other revenues	-
	<u>465,716</u>
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 420,136
Contracted and general services	113,124
Materials, goods and utilities	212,363
Transfers to local boards and agencies	32,372
Interest and bank charges	-
Amortization of tangible capital assets	90,640
Machine expenses capitalized for construction	-
Other expenses	-
	<u>868,635</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (402,919)</b>

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)
- County Agricultural Lands (69-01)

Full-Time Equivalents (FTE)			
Agricultural Services			
	Budget 2020	Prior year	Change
Management	1.00	1.00	0.00
Agricultural Services	2.97	3.22	(0.25)
	<u>3.97</u>	<u>4.22</u>	<u>(0.25)</u>

This segment includes the following staffing: Director of Agricultural Services, Agricultural Technician, and various seasonal positions as demand requires.

### SEGMENT BUDGET OVERVIEW:

#### SEGMENT FUNDING:

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

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

#### SEGMENT EXPENDITURES:

The expenditures are the costs required to provide the services included in this segment.

The transfers to local boards and agencies include Foothills Forage Association, Farm Safety Center, and other various organizations.

Contracted and general services include the one-third share of the surface rights revenues being provided to the grazing lessees.

### BUDGET HIGHLIGHTS

The following are some of the 2020 budget highlights for this segment:

- The cost of herbicides are projected to reduce from the prior year.
- Overall staffing to remain consistent with the prior year (Rural Conservation Technician position added in prior year).
- The capital budget includes a \$40,000 for a truck replacement.

Vulcan County Budget Segments	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>SEGMENT - AGRICULTURAL SERVICES</b>					
<b>REVENUES:</b>					
62-00 General Agriculture Services	\$ 186,350	\$ 178,047	\$ 140,326	\$ 140,326	\$ 155,326
62-02 Training, Tours & Conferences	-	-	-	-	-
62-03 Roadside Spraying & Weed Control	10,000	2,663	10,000	10,000	10,000
62-04 Roadside Seeding	-	-	-	-	-
62-05 Pest Control	38,250	41,471	38,250	-	-
62-09 Campgrounds	-	-	-	-	-
69-01 County Agriculture Lands	215,000	191,755	277,140	178,928	163,126
	<b>449,600</b>	<b>413,935</b>	<b>465,716</b>	<b>329,254</b>	<b>328,452</b>
<b>EXPENSES:</b>					
62-00 General Agriculture Services	\$ 340,096	\$ 322,643	\$ 368,399	\$ 368,767	\$ 376,943
62-02 Training, Tours & Conferences	50,087	36,652	54,895	55,577	56,305
62-03 Roadside Spraying & Weed Control	271,048	202,813	236,412	255,370	261,135
62-04 Roadside Seeding	80,994	47,830	75,341	73,355	74,422
62-05 Pest Control	54,224	42,860	54,443	55,213	17,245
62-09 Campgrounds	21,253	21,901	-	-	-
69-01 County Agriculture Lands	76,486	68,286	79,145	81,426	83,407
	<b>894,188</b>	<b>742,985</b>	<b>868,635</b>	<b>889,707</b>	<b>869,458</b>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS</b>	<b>\$ (444,588)</b>	<b>\$ (329,050)</b>	<b>\$ (402,919)</b>	<b>\$ (560,454)</b>	<b>\$ (541,006)</b>

## DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

### 62-00 - General Agricultural Services

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

### 62-02 - Training Tours & Conferences

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

### 62-03 - Roadside Spraying & Weed Control

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

### 62-04 - Roadside Seeding

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

### 62-05 - Pest Control

Overall management and administration of pest control services to the farm and ranch community within Vulcan County, this program is in place to ensure that producers have proper control options on pest control by providing liquid strychnine to control high infestations of Richardson Ground Squirrels within Vulcan County. This product can only be administered by Agricultural Service Boards within Alberta and is controlled by the Pest Management Regulatory Agency (PMRA). Ensures that Agricultural Services follows the Pests Act.

### 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 2020 Planning and Development Services segment budget:

	Planning and Development Services
<b>REVENUE</b>	
Net municipal taxes	\$ -
Government transfers (operating)	195,000
Return on investments	-
Sale of goods, services and user charges	96,498
Rental income	-
Community aggregate levy	-
Penalties and costs of taxes	-
Gain on disposal of tangible capital assets	-
Other revenues	-
	<u>291,498</u>
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 327,525
Contracted and general services	457,210
Materials, goods and utilities	2,039
Transfers to local boards and agencies	-
Interest and bank charges	-
Amortization of tangible capital assets	-
Machine expenses capitalized for construction	-
Other expenses	-
	<u>786,774</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (495,276)</b>

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 2020	Prior year	Change
Management	0.00	0.00	0.00
Development Services	3.02	3.07	(0.05)
	<u>3.02</u>	<u>3.07</u>	<u>(0.05)</u>

This segment includes the following staffing: Manager of Development Services, Economic Development Officer, Development Assistant. The CAO currently oversees this department, but no portion of his FTE is allocated here at this time.

### SEGMENT BUDGET OVERVIEW:

#### SEGMENT FUNDING:

The Planning and Development Services segment revenues include government transfers relating to grants for inter-municipal development plans.

The sales of goods & services and user charges revenue comes from 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, subdivisions, and assistance in developing the County's inter-municipal development plans.

### BUDGET HIGHLIGHTS

The following are some of the 2020 budget highlights for this segment:

- The inter-municipal development plans (IMDPs) with the Town and Villages were partially deferred from 2019 and will continue into 2020.
- Contracted service expense is expected to increase in 2020 as the County is planning on completing a Reservoir Area Structure plan.

**Vulcan County  
Budget Segments**

**SEGMENT - PLANNING AND DEVELOPMENT SERVICES**

**REVENUES:**

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

	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
	\$ 318,400	\$ 133,725	\$ 289,698	\$ 96,542	\$ 98,423
	1,800	1,800	1,800	1,800	1,800
	<b>320,200</b>	<b>135,525</b>	<b>291,498</b>	<b>98,342</b>	<b>100,223</b>
	\$ 591,976	\$ 453,092	\$ 660,671	\$ 391,005	\$ 492,683
	115,871	124,140	126,103	128,278	130,662
	<b>707,847</b>	<b>577,232</b>	<b>786,774</b>	<b>519,283</b>	<b>623,346</b>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS</b>	<b>\$ (387,647)</b>	<b>\$ (441,708)</b>	<b>\$ (495,276)</b>	<b>\$ (420,941)</b>	<b>\$ (523,123)</b>

**EXPENSES:**

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

**DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:**

**61-01 - Planning, Zoning & Development**

To administer development permits and regulate land use in an efficient and responsive way, therefore mitigating land use conflicts. Land use planning to manage the development of land within the County as well as the protection of County resources. The contract for Safety Code Permit Services is also contained in this area. Every third year the ORTHO-photo project is conducted, and this is due to be done in 2018.

**66-01 - Subdivision & Land Development**

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



A goal in the Strategic Plan is for growth and development in the County, including development of a business park and potential marina development. The Planning and Development Services department has been working towards these goals through collaboration with 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 by providing the funding necessary to have proper staffing in place to accomplish these objectives.

## COMMUNITY SERVICES

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

The following is the 2020 Community Services segment budget:

	Community Services
<b>REVENUE</b>	
Net municipal taxes	\$ 531,169
Government transfers (operating)	327,242
Return on investments	-
Sale of goods, services and user charges	8,229
Rental income	-
Community aggregate levy	-
Penalties and costs of taxes	-
Gain on disposal of tangible capital assets	-
Other revenues	-
	<hr/> 866,640
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 124,733
Contracted and general services	327,505
Materials, goods and utilities	24,530
Transfers to local boards and agencies	756,231
Interest and bank charges	40,059
Amortization of tangible capital assets	-
Machine expenses capitalized for construction	-
Other expenses	-
	<hr/> 1,273,058
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (406,419)</b>

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 allocated to it in terms of FTEs. Any related staffing is provided through the General Government segment.

### SEGMENT BUDGET OVERVIEW:

#### SEGMENT FUNDING:

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

#### SEGMENT EXPENDITURES:

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

The transfers to local boards and agencies include contributions to the Recreation Boards for recreation and cultural activities, libraries, FCSS, and Tourism.

### BUDGET HIGHLIGHTS

The following are some of the 2020 budget highlights for this segment:

- There was an increase in the request from the library board remained at \$133,500. This is currently being funded 82% by MSI Operating grants.
- Total funding for recreation and culture for 2020 is \$595,774.
- The consulting costs are estimated to decrease as the prior year included a large Solar Community Capacity Generation Viability study.

Vulcan County Budget Segments	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022
<b>SEGMENT - COMMUNITY SERVICES</b>					
<b>REVENUES:</b>					
51-01 FCSS	\$ -	\$ -	\$ -	\$ -	\$ -
52-01 Daycare	-	-	-	-	-
52-03 Other Public Health	56,407	113,042	60,149	56,407	56,407
63-01 Tourism & Economic Development	246,157	97,869	166,323	-	-
71-01 Recreation Boards	472,238	655,130	420,089	307,417	309,300
74-01 Libraries	109,000	109,000	109,000	104,000	104,000
74-02 Cultural Programs & Events	111,498	-	111,080	42,080	42,080
	<b>995,300</b>	<b>975,041</b>	<b>866,641</b>	<b>509,904</b>	<b>511,787</b>
<b>EXPENSES:</b>					
51-01 FCSS	\$ 54,557	\$ 48,995	\$ 49,757	\$ 49,757	\$ 49,757
52-01 Daycare	2,500	2,500	2,500	-	-
52-03 Other Public Health	173,108	169,075	181,519	166,933	163,729
63-01 Tourism & Economic Development	455,177	129,408	302,459	245,331	249,561
71-01 Recreation Boards	633,692	628,806	455,694	380,196	380,196
74-01 Libraries	165,412	165,412	166,049	166,049	166,527
74-02 Cultural Programs & Events	115,498	85,498	115,080	42,080	42,080
	<b>1,599,944</b>	<b>1,229,694</b>	<b>1,273,058</b>	<b>1,050,346</b>	<b>1,051,851</b>
<b>EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES - EXCLUDING CAPITAL AND TRANSFERS</b>	<b>\$ (604,644)</b>	<b>\$ (254,652)</b>	<b>\$ (406,418)</b>	<b>\$ (540,443)</b>	<b>\$ (540,063)</b>

## DEPARTMENTAL OBJECTIVES, GOALS, AND PERFORMANCE MEASURES:

### 51-01 - FCSS

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

### 52-01 - Daycare

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

### 52-03 - Other Public Health

Vulcan County supports initiatives that contribute to the well-being of County Residents by participating in and managing the regional Physician Recruitment and Retention Program. This municipal partnership is administered by Vulcan County. The Vulcan County Health and Wellness Foundation receives operating funds from this area as well (if available - funding not available in 2019). An objective of this department is to maintain the doctor recruitment and retention program.

### 63-01 - Tourism & Economic Development

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

### 71-01 - Recreation Boards

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

### 74-01 - Libraries

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

### 74-02 - Cultural Programs & Events

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

## 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 2020 Utility Services segment budget:

	Utility Services
<b>REVENUE</b>	
Net municipal taxes	\$ 721,681
Government transfers (operating)	-
Return on investments	-
Sale of goods, services and user charges	2,589
Rental income	-
Community aggregate levy	-
Penalties and costs of taxes	-
Gain on disposal of tangible capital assets	-
Other revenues	-
	<hr/> 724,270
<b>EXPENSES</b>	
Salaries, wages and benefits	\$ 20,813
Contracted and general services	65,689
Materials, goods and utilities	4,315
Transfers to local boards and agencies	734,139
Interest and bank charges	-
Amortization of tangible capital assets	27,014
Machine expenses capitalized for construction	-
Other expenses	-
	<hr/> 851,970
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ (127,700)</b>

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. Any relating staffing is provided though the 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:

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 2020 budget highlights for this segment:

- There was an increase in the contribution to the Vulcan and District Waste Commission to \$696,573 (previously \$672,432), resulting in an increase in tax levies.
- The Mossleigh drainage project is expected to continue in 2020. Approximately \$435,000 is included for this project in this segment's capital budget.

**Vulcan County  
Budget Segments**

**SEGMENT - UTILITY SERVICES**

**REVENUES:**

37-01 Storm Sewers & Drainage	\$ -	\$ -	\$ -	\$ -	\$ -
41-01 Water Supply & Distribution	16,538	18,752	16,538	16,538	16,538
41-02 Twin Valley Regional Water Commission	240	-	240	-	-
43-03 Solid Waste Management	683,347	670,852	707,492	707,641	707,793
	<b>700,125</b>	<b>689,604</b>	<b>724,270</b>	<b>724,179</b>	<b>724,331</b>

**EXPENSES:**

37-01 Storm Sewers & Drainage	\$ 7,153	\$ 7,173	\$ 8,199	\$ 8,621	\$ 9,088
41-01 Water Supply & Distribution	103,019	108,610	100,617	89,572	90,642
41-02 Twin Valley Regional Water Commission	34,628	35,385	35,717	36,344	37,507
43-03 Solid Waste Management	683,216	682,683	707,437	707,538	707,662
	<b>828,015</b>	<b>833,851</b>	<b>851,970</b>	<b>842,075</b>	<b>844,899</b>

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

	\$ (127,890)	\$ (144,246)	\$ (127,700)	\$ (117,896)	\$ (120,567)
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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 of this department includes the completion of the drainage project near the Hamlet of Mossleigh.

**41-01 - Water Supply & Distribution**

This function reflects the costs and other activities related to the well and water treatment plant in the Hamlet of Mossleigh. The Well and Water Plant are owned and operated by the County, while the water distribution system is owned and operated by the Mossleigh Water Co-op. The waterline connection to the Hamlet of Kirkcaldy is also included in this area. A priority of this department includes recouping the costs of construction of the Kirkcaldy water line 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. Three members of Council sit on the Commission Board. The County share of administration costs is 25% and share of operations is based on usage, which covers the water consumption of the various rural co-ops connected to the system.

**43-03 - Solid Waste Management**

Funds are paid directly to the Vulcan District Waste Commission to administer the solid waste management in the County as well as the six urban Municipalities within the County (who also contribute). As this is a locally organized Commission, subsequently approved by the Province, it has requisitioning powers granted under legislation. There is also a small fee charged to the Hamlet of Brant residents as they receive individual garbage pick up. A priority of this department includes the review of the Southern Alberta Energy from Waste Association (SAEWA) project for a waste processing facility.





## SECTION FOUR

# CAPITAL BUDGET, RESERVES, & DEBT

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### SECTION FOUR

#### Capital Budget, Reserves, & Debt

##### CAPITAL BUDGET

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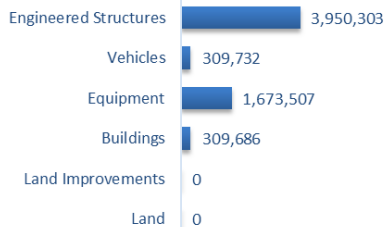


# CAPITAL BUDGET

## OVERVIEW

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

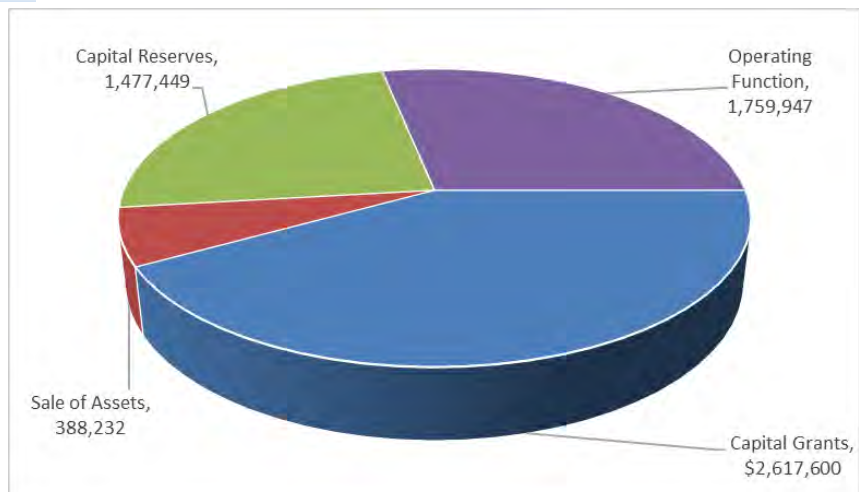
Vulcan County Capital Budget and Projections	Budget 2019	Actual 2019	Budget 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
<b>CAPITAL ACQUIRED:</b>							
Land	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Land Improvement	30,000	776,161	-	-	-	-	-
Buildings	50,000	19,434	309,686	-	130,710	-	-
Equipment	1,402,467	1,219,984	1,673,507	354,861	1,020,679	2,548,729	1,033,985
Vehicles	1,354,834	369,392	309,732	587,293	399,528	683,315	1,037,777
Engineered Structures	6,242,499	3,649,618	3,950,303	5,816,506	2,637,721	2,917,828	7,292,317
<b>TOTAL CAPITAL ACQUIRED</b>	<b>\$ 9,079,800</b>	<b>\$ 6,034,589</b>	<b>\$ 6,243,228</b>	<b>\$ 6,758,660</b>	<b>\$ 4,188,638</b>	<b>\$ 6,149,872</b>	<b>\$ 9,364,079</b>
<b>CAPITAL FUNDING:</b>							
Capital Grants	\$ 4,455,435	\$ 2,953,381	\$ 2,617,600	\$ 2,568,638	\$ 2,568,638	\$ 2,568,638	\$ 2,568,638
Sale of Assets	301,330	411,000	388,232	-	-	-	-
Contributed Asset	-	-	-	-	-	-	-
Transfer from Capital Reserves	4,323,034	1,361,972	1,477,449	2,435,545	-	1,763,866	4,978,073
Transfer to Capital Reserves	-	(13,400)	-	-	(197,368)	-	-
Transfer from Operating Function	-	1,321,636	1,759,947	1,754,477	1,817,368	1,817,368	1,817,368
Transfer to Operating Function	-	-	-	-	-	-	-
Capital Lease acquired	-	-	-	-	-	-	-
<b>TOTAL CAPITAL FUNDING</b>	<b>9,079,800</b>	<b>6,034,589</b>	<b>\$ 6,243,228</b>	<b>\$ 6,758,660</b>	<b>\$ 4,188,638</b>	<b>\$ 6,149,872</b>	<b>\$ 9,364,079</b>



As shown above, these are the total capital acquisitions/construction budgeted for 2020. 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 capital grants followed by transfers from the operating function and capital reserves. These reserves have been built up over time as part of the 20-year capital plan in order to fund these projects.

The MSI Capital grant allocation is fully utilized in these capital projects. These grants have been allocated primarily to bridge projects, but also to certain heavy equipment and vehicle purchases.



The capital budget will be broken down in greater detail in the following sections.

## LAND & LAND IMPROVEMENT

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

There are no land or land improvement projects budgeted to be constructed or improved in 2020.

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



## BUILDINGS

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

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

<b>Capital Aquired:</b>			
Buildings:			
23-17	Milo Fire Protection Area	Fire Hall Completion	309,686
			309,686
<b>Capital Funding:</b>			
	Capital reserves		309,686
			309,686

The 2020 Capital Budget includes the completion of the construction of the Milo Fire Hall in the northeast section of the County.

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



## 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 :

<b>Capital Aquired:</b>			
Equipment:			
12-02	Administration	Vmware Host	22,400
12-02	Administration	Technology Infrastructure Replacement	73,052
23-01	General Fire Protection	Halomatro Extrication Equipment	36,900
23-01	General Fire Protection	Light Kit for Fire Command Truck	8,000
32-00	Road Transportation	Rebuild Two Graders	500,000
32-00	Road Transportation	Caterpillar 160M Graders	490,000
32-02	Road Maintenance	Excavator	386,155
62-00	General Agricultural	Side-by-side ATV	22,000
62-00	General Agricultural	Grass Seeder	25,000
62-04	Roadside Seeding	Truck Replacement with Gooseneck Hitch	110,000
			<b>1,673,507</b>
<b>Capital Funding:</b>			
Capital reserves			415,055
Grants			903,052
Sale of assets			280,000
Transfer from operating			75,400
			<b>1,673,507</b>

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

The 2020 capital budget, includes the following:

- Administration (12-02) - Purchase of a Vmware host and the continuation of an ongoing technology infrastructure upgrade, are budget for 2020. These items are funded through a combination of operating transfers and MSI grant funding.
- General Fire (23-01) - Purchase of Holmatro Extrication Equipment (hydraulic rescue tools) and the light kit for the command vehicle. These items are funded from the operating function and capital reserves.
- Road Transportation (32-00) - As noted above, two new graders are being rebuilt (instead of being replaced) and replacement of one M160 grader. These items are funded approximately 80% with MSI capital grant money and 20% with sale proceeds from older graders.
- Road Maintenance (32-02) - A excavator will be purchased and funded partially by the sale proceeds of an older excavator with the remainder coming from capital reserves.
- General Agriculture (62-00) - A side-by-side ATV and brillion grass seeder are budgeted to be purchased and are funded by the sale of equipment and the use of reserves.
- Roadside Seeding (62-04) - Replacement of a truck with a steel deck and gooseneck hitch funded by the he sale of equipment and the use of reserves.



## VEHICLES

Vehicles acquisitions light duty trucks (i.e. pickups) and heavy duty vehicles (i.e. fire trucks, hi-way tractors).

The following is the capital budget for vehicles:

<b>Capital Aquired:</b>			
Vehicles:			
23-16	Northwest Fire Protection Area	New Truck	43,232
32-01	Road Construction	Replacement of two trucks	112,890
32-02	Road Maintenance	Truck Replacement	56,805
32-03	Road Gravelling	Truck Replacement	56,805
62-00	General Agricultural	Truck Replacement	40,000
			<u>309,732</u>
<b>Capital Funding:</b>			
Capital reserves			201,500
Sale of assets			<u>108,232</u>
			309,732

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

The 2020 capital budget, includes the following:

- Northwest Fire District (23-16) - The replacement of truck for the fire protection fleet. This will be funded through a transfer from the sale of the old truck.
- Road Construction (32-01) – Acquisition of two new capital leased trucks to replace the previously owned road construction trucks. Funded by sale of the previous trucks and capital reserves.
- Road Maintenance (32-02) - A truck has reached the end of its useful life and is being replaced with a new model. The funding source for this purchase is a combination of sale proceeds and capital reserves.
- Road Gravelling (32-03) - A truck has reached the end of its useful life and is being replaced with a new model. The funding source for this purchase is a combination of sale proceeds and capital reserves.



- General Agricultural Services (62-00) - As part of the capital plan, a new truck is required in Ag Services. This will be funded primarily from capital reserves with some of the cost offset from sale proceeds of older vehicles.

## ENGINEERED STRUCTURES

Engineered structures include the construction/development of infrastructure including roads, bridges, water systems, drainage, and other systems

The following are the capital budgets for engineered structures:

<b>Capital Aquired:</b>			
Engineered Structures:			
32-01	Road Construction	Capitalization of road construction	1,501,076
32-04	Bridges	2020 bridge projects (6 projects)	1,979,950
37-01	Storm Sewers & Drainage	Mossleigh drainage projects	435,190
41-01	Water Supply & Distribution	Water Cleaning and Testing Equipment	34,086
			<u>3,950,302</u>
<b>Capital Funding:</b>			
Capital reserves			551,208
Grants			1,714,548
Transfer from operating			<u>1,684,546</u>
			<u>3,950,302</u>

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

The 2020 capital budget, includes the following:

- Road Construction (32-01) - These roads are internally constructed by the County's road construction crew. Therefore, the internal costs relating to these roads are capitalized (i.e. salaries, contracted services, materials, etc.). These costs are funded by the operating fund which includes Federal Gas Tax grant funding and general funding through taxation.
- Bridges (32-04) - There are currently 2 bridge projects that are outside of the County's ability to complete internally, so those projects are being contracted out. The majority of bridge project costs are funded through MSI Capital. Although these projects are all contracted, they still require some County resources so certain bridge department costs are capitalized as well.
- Storm Sewers & Drainage (37-01) - There is a section of land near the Hamlet of Mossleigh that has been proposed for a drainage project. The project has been in the works for multiple years (awaiting land easement). The easement issue has been resolved and the construction of the drainage project can now proceed. This project is funded by MSI Capital grants.



## LONG-TERM CAPITAL FUNDING PLAN

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

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



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

This 20-year capital funding program already takes into account the projected non-recurring capital requirements. As such, the County already has plans (and reserves) to fund these capital items. This assists the County with its priority to keep its tax rates competitive. If the funding plan were not in place, tax rates could spike in years with higher capital requirements, leading to less competitive taxes and uncertainty for ratepayers. The capital reserve balances are closely monitored so that the County is aware of any potential issues long in advance.

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

The capital reserves have been built up over the past few years as part of this 20 year capital funding program, which will allow the County to fund these projects without radical changes in tax rates or taking on additional debt. County Council approves the road and bridge capital programs. They cooperate with Administration in determining priorities and years of replacement, and the plan is reviewed by Council every 4 years.

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

## EFFECT OF CAPITAL PURCHASES ON OPERATIONS

The capital budget can have a material effect on the operating budget due to the costs of maintaining and operating new assets, as well as potential required training on proper usage of new assets. The 2020 budget includes several capital additions, but few are expected to have an effect on operating costs.

The County currently maintains 2,677 kilometer (km) of roadways. Operating costs in the road maintenance department, which include staff wages, materials, contractors and other costs required to keep roads functional, are budgeted to reach \$1,151,821, not including amortization (a non-cash expense). Therefore, road maintenance can be expected to average approximately \$430/year/km of roadway. When the County constructs new roads, this will affect operating costs. In 2020, road projects consist of road reconstruction rather than new roads, so no impact on operating costs is expected.

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

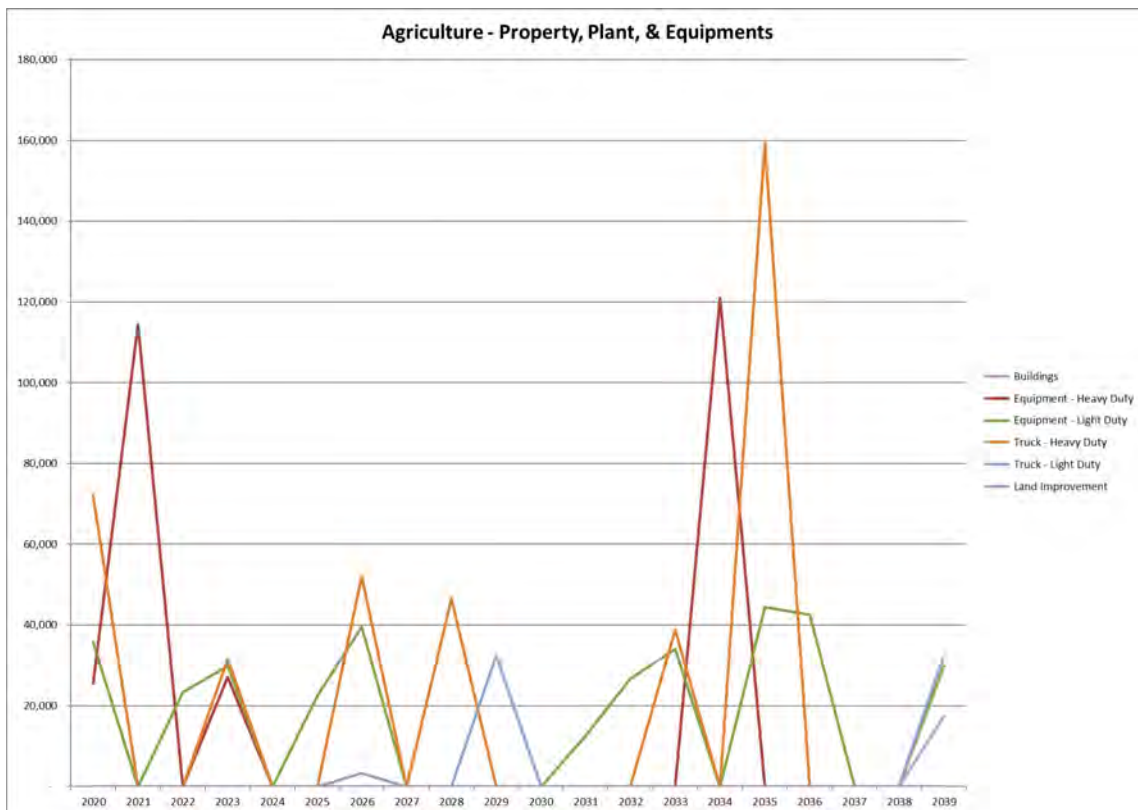
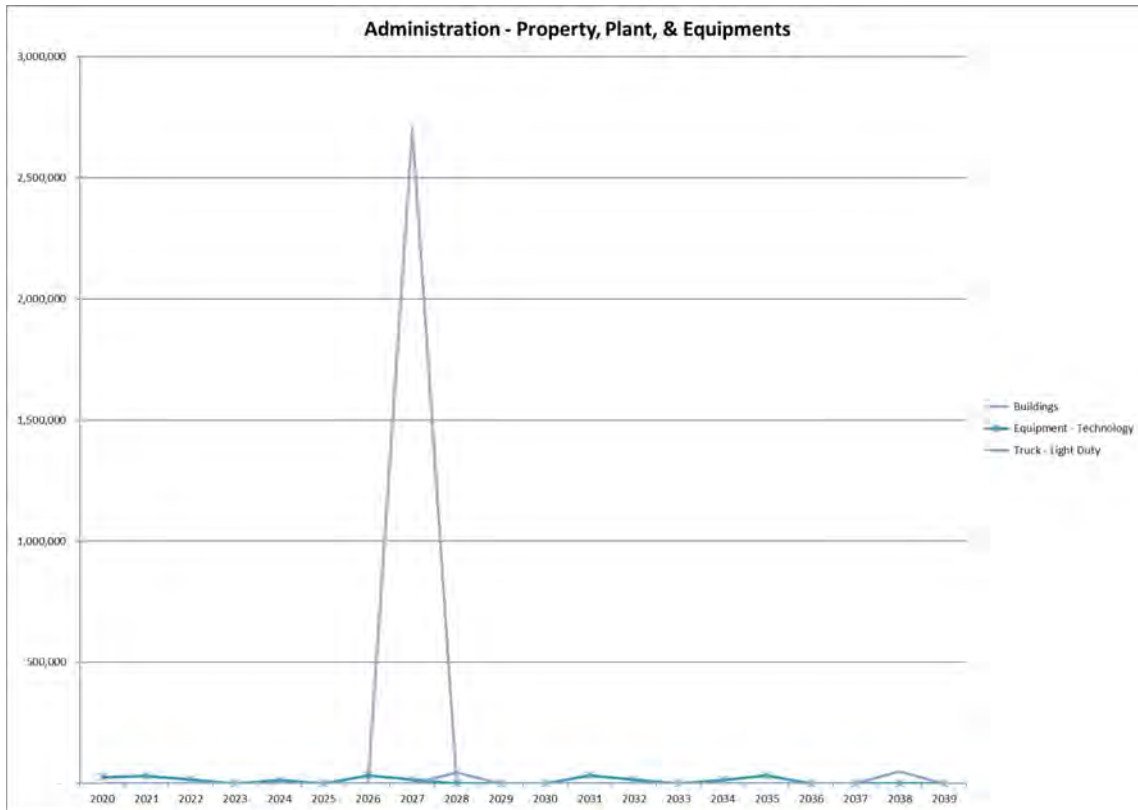
In terms of equipment additions, the majority of the 2020 acquisitions are replacements of other pieces of equipment in accordance with the 20-year capital plan. Those that aren't simple replacements include the budgeting software in Administration and the CPR mannequin in Protective Services, which are expected to incur some training costs. Those costs are fairly quantifiable and have been included in the budget where appropriate.

Vehicles are being added in 2020 which will bring additional fuel, maintenance, and insurance costs into operations. One example is the bush buggy apparatus in Protective Services. While newer vehicles tend to be more fuel efficient and reliable, the increase to these costs from a new vehicle can still be estimated and has been included in the operating budget.

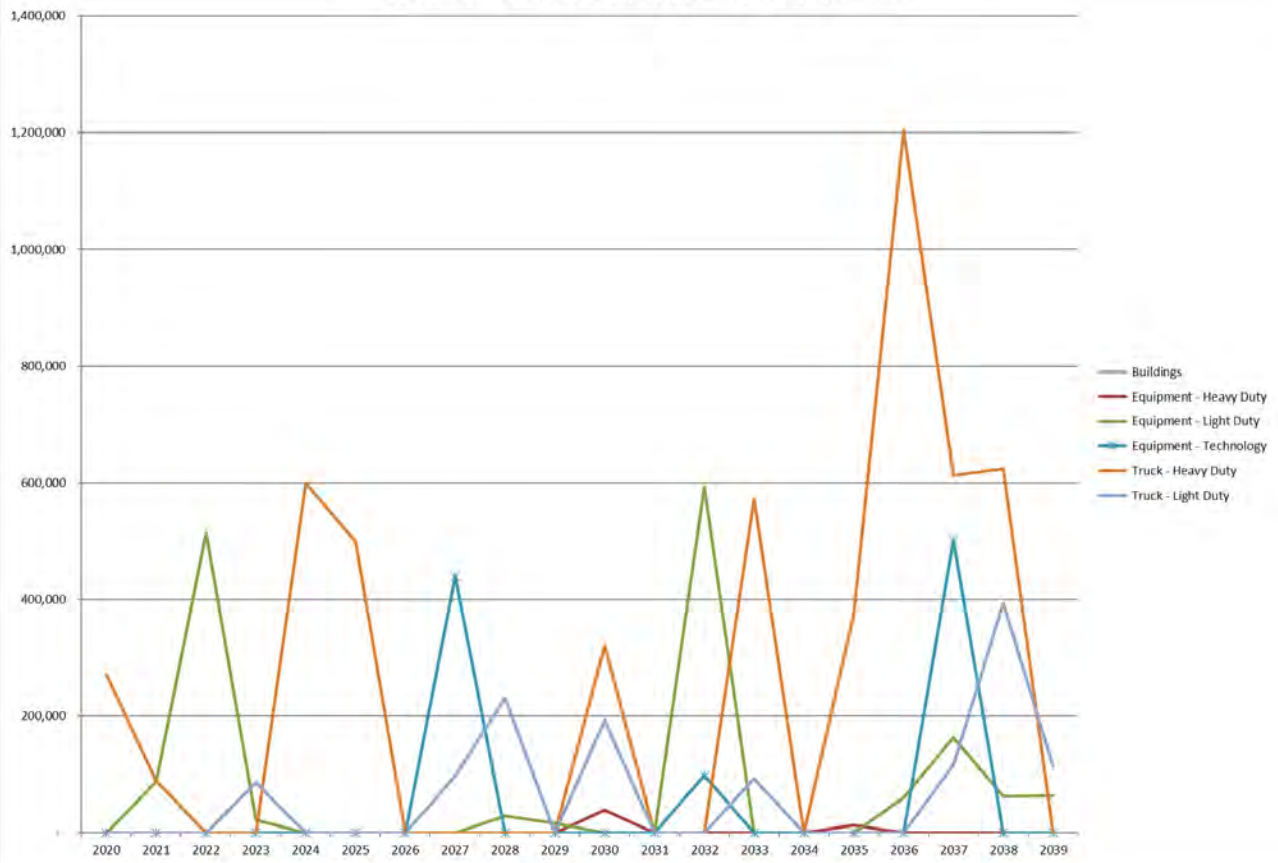


# LONG-TERM CAPITAL FUNDING PLAN - Continued

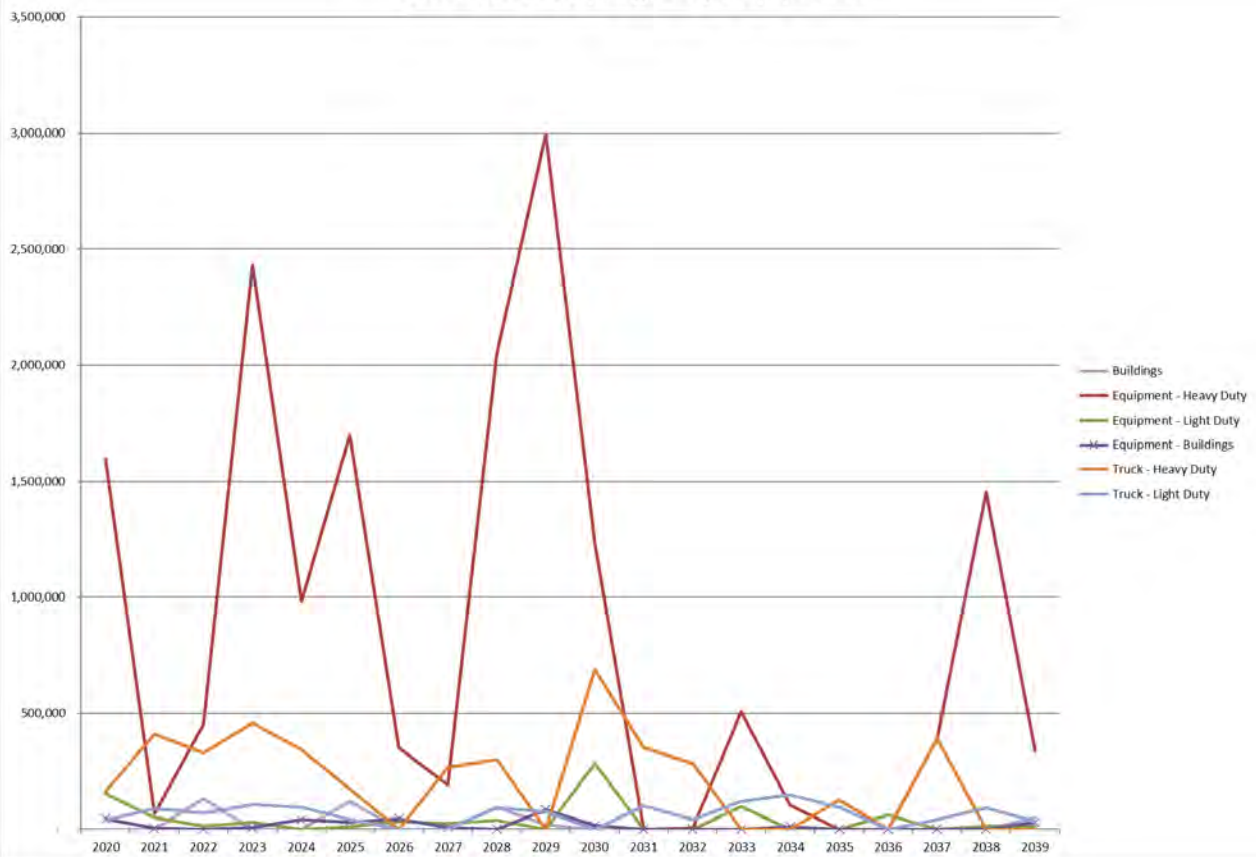
\* The Administration Building is projected to be replaced by 2027, but this will be reviewed on an ongoing basis.



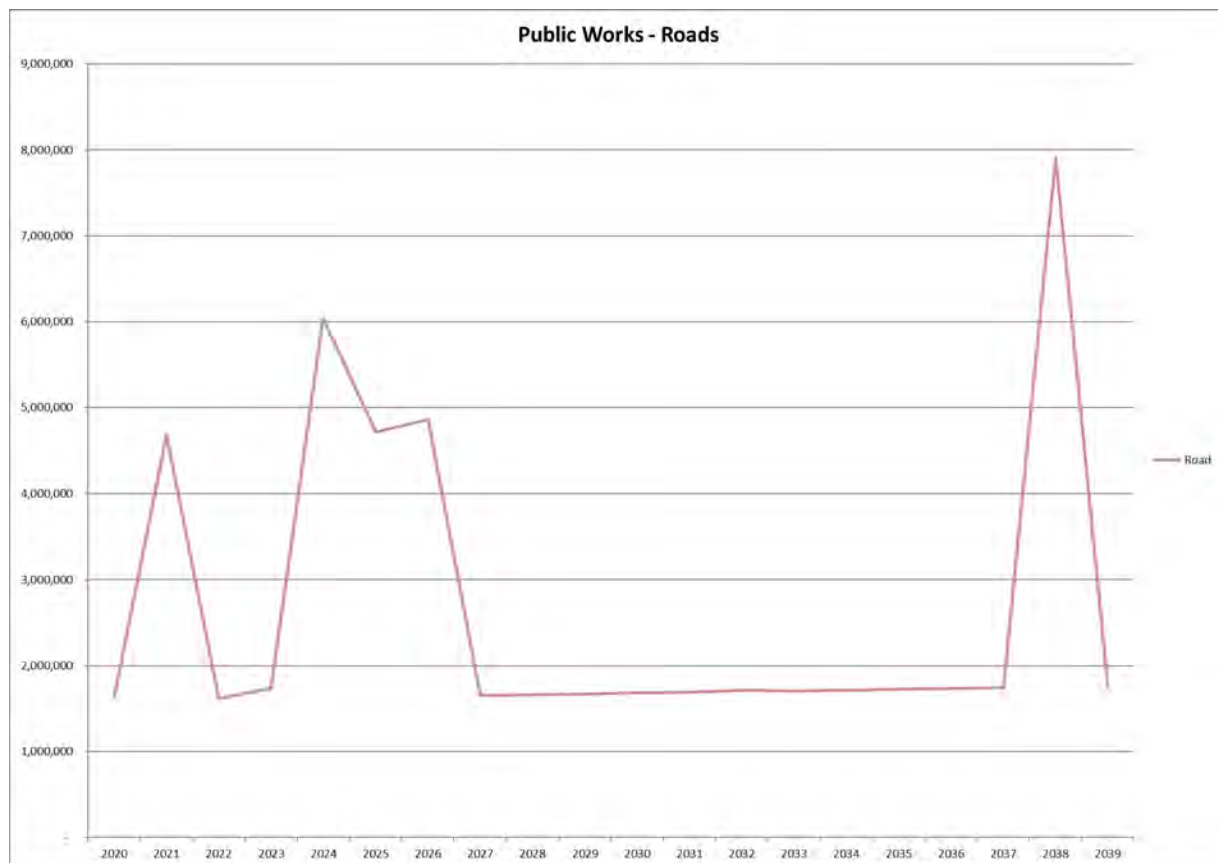
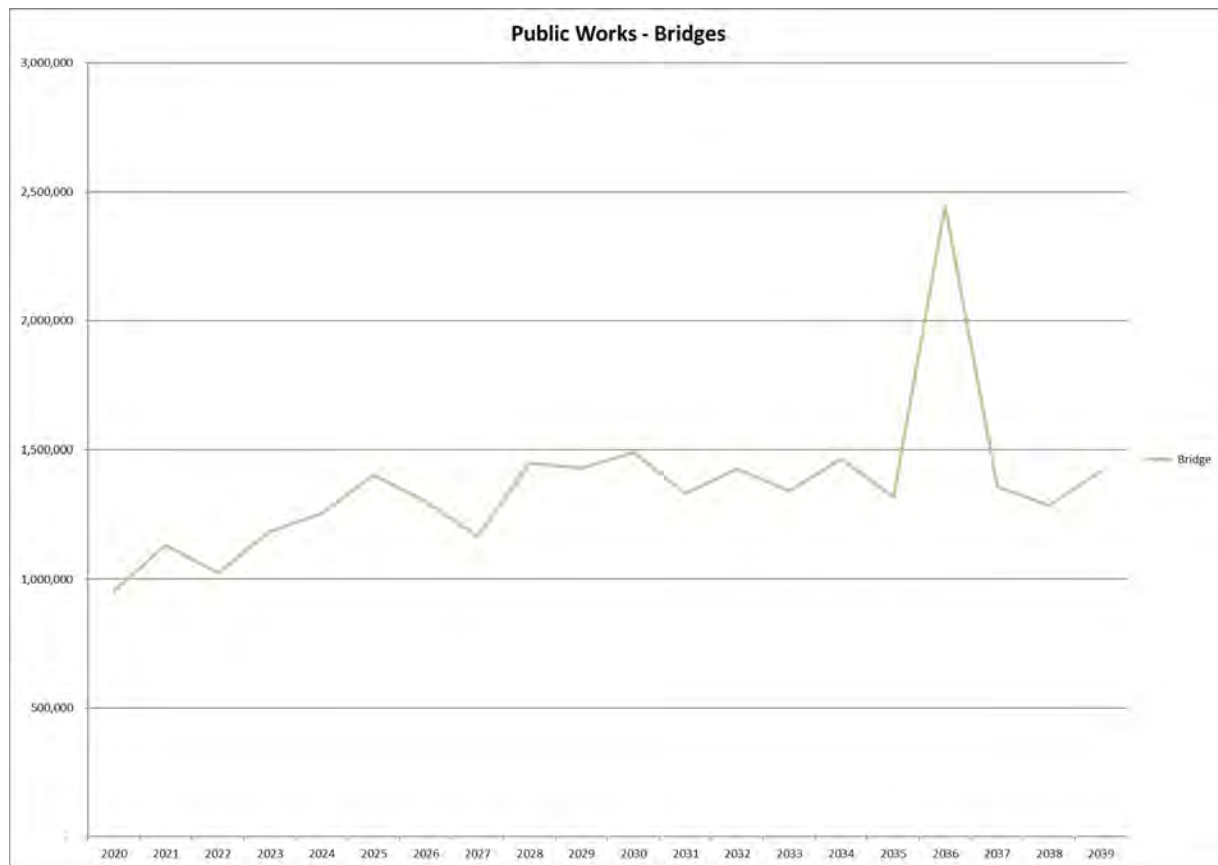
### Protective Services - Property, Plant, & Equipments



### Public Works - Property, Plant, & Equipments



# 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 2020	2020 Opening	Budgeted Council Reallocation	Operating		Capital	Projected 2020 Closing
			Transfer to Reserves	Transfer from Reserves	Transfer from Reserves	
<b>Capital Restricted Surplus</b>						
General Government	77,667	0	0	0	0	77,667
Protective Equipment	5,363,719	4,007	1,465,796	0	-301,586	6,531,936
Transportation Equipment	2,188,887	0	2,080	0	4,000	2,194,967
Road Construction	1,597,855	0	-34,675	0	-97,890	1,465,290
Bridge Construction	1,941,126	0	1,285,893	-156,337	-517,122	2,553,560
Gravel Crushing	148,249	0	0	0	-36,805	111,444
Mossleigh Water Treatment Plant - Recovery	-442,203	0	0	0	0	-442,203
Environment Development Equipment	144,793	0	75,375	0	-46,000	174,168
Air Transportation	20,000	0	0	0	0	20,000
Capital Acquisition	6,407,471	0	100,374	0	0	6,507,845
Capital Contingency	970,682	0	0	0	0	970,682
<b>Total Capital Restricted Surplus</b>	<b>18,418,246</b>	<b>4,007</b>	<b>2,894,843</b>	<b>-156,337</b>	<b>-995,403</b>	<b>20,165,356</b>
<b>Operating Restricted Surplus</b>						
Assessment Appeal	5,506	0	0	0	0	5,506
Community Enhancement	14,841	0	0	0	0	14,841
General Government Service	234,979	0	0	-107,681	0	127,298
Protective Services	484,402	3,162	0	-123,062	0	364,502
Transportation Contingency	670,011	0	0	-50,044	0	619,967
Road Construction	410,673	0	0	-32,370	0	378,303
Road Maintenance	185,261	0	0	-41,160	-362,960	-218,859
Gravel Crushing	5,515,761	0	279,240	-65,240	0	5,729,761
Uncrushed Gravel Inventory	4,351,891	0	0	0	0	4,351,891
Bridges	9,338	0	0	0	0	9,338
Water Management	39,707	0	16,538	0	-34,086	22,159
Environment Treatment	561	0	0	0	0	561
Vulcan Hospital Project - Debenture Recovery	-1,634,537	0	124,346	0	0	-1,510,191
Planning and development	149,157	0	0	-90,416	0	58,741
Agriculture Services	257,916	0	0	-12,000	-85,000	160,916
Recreation and Culture	678,768	36,443	66,090	0	0	781,301
Operating Contingency	925,056	-43,612	468,728	-37,750	0	1,312,422
<b>Total Operating Restricted Surplus</b>	<b>12,299,291</b>	<b>-4,007</b>	<b>954,942</b>	<b>-559,723</b>	<b>-482,046</b>	<b>12,208,457</b>
<b>Total Restricted Surplus</b>	<b>30,717,537</b>	<b>0</b>	<b>3,849,785</b>	<b>-716,060</b>	<b>-1,477,449</b>	<b>32,373,813</b>

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

The operating fund account provides \$3,849,785 towards the operating and capital reserves to be used for future use or specific purposes. A total of \$2,894,843 is transferred into capital reserves; including \$2.5 million to fund the 20 year capital funding program. A total of \$954,942 is transferred into the operating reserves, including \$279,240 for the 2021 gravel crushing program and a total of \$468,728 to the operating contingency reserve (to mitigate potential future write-offs of taxes, and to provide for future economic development).

There is \$716,060 of reserves used for the operating fund. As funding for the hospital expansion project has been completed, no reserve allocation for that project is present in the budget.

## OPERATING & CAPITAL RESERVES - Continued

There is \$1,477,449 of reserves used for the capital fund, including \$517,122 from capital reserves to fund the construction of bridges in 2020.

Overall, there is an increase in capital reserve balances of \$1,656,275 planned by the end of 2020. While several capital acquisitions are planned for the year (a total of \$6,243,228 worth of acquisitions), the vast majority of the acquisitions are funded with grants such as the Municipal Sustainability Initiative (MSI) and the Strategic Transportation Infrastructure Program (STIP). These grants lessen the burden on County reserves and allow an increase in the overall balance. The increase in capital reserve balances is in line with the 20-year capital plan.

There is also an overall decrease of \$86,827 expected in operating reserve balances which mostly relates to the use of carry forward amounts from surpluses in prior years.

## FUND BALANCES

The 3 major types of funds are the Operating Fund, the Capital Fund and the Reserve Fund. The following are the projected fund balances based on the 2019 budgets:

### ACCUMULATED SURPLUS (FUND BALANCES)

#### 2020 BUDGET EFFECTS

	Unrestricted Surplus (Operating Funds)	Restricted Surplus (Reserve Funds)	Equity in Tangible Capital Assets (Capital Funds)	Total Funds
2020 Opening Balance	\$ 4,340,307	\$ 30,717,537	\$ 108,355,724	\$ 143,413,568
Operating Income (Deficit)	209,405		2,617,600	2,827,005
Transfer to/from Reserves	(3,339,062)	1,656,276	1,682,786	-
Amortization of TCA	4,684,267		(4,684,267)	-
Proceeds on Disposals	388,232		(388,232)	-
Transfer to/from Funds accounts	(1,942,842)		1,942,842	-
2020 Budget Effects	-	1,656,276	1,170,729	2,827,005
<b>Projected 2020 Closing Balance</b>	<b>4,340,307</b>	<b>32,373,813</b>	<b>109,526,453</b>	<b>146,240,573</b>

As shown above, there is no net effect on the Operating Funds as the County is operating on a balanced budget. The Reserve Funds have a net increase of \$1,656,276 resulting from the net transfers to and from the operating and capital funds. There is an overall \$1,170,729 increase in the Capital Funds as the capital additions exceed the reduction of the capital through amortization.

Note: the net surplus from operations of \$209,405 (including amortization expense), plus the capital grants of \$2,617,600 results in a total increase in the accumulated surplus (total funds) of \$2,827,005 (Excess of Revenues over Expenses).

The 2020 budget effects are also shown in both the Budgeted Schedule of Change in Accumulated Surplus (Schedule 1) and the Budgeted Schedule of Tangible Capital Assets (Schedule 2), as presented in the approved Operating and Capital Budget. These schedules are included in the next section of this document.

# DEBT 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 vehicle. The total debt and annual repayments are significantly less than the County's debt limits.

## Debt/Debentures

### 2020 Budget Effects

	ACFA	Capital Lease	Total Debt
2020 Opening Debt Balances	1,634,537	15,278	1,649,815
Loan Payments	(164,405)	(14,539)	(178,944)
Interest Portion	40,059	473	40,532
Principle Portion	(124,346)	(14,066)	(138,412)
<b>Projected 2020 Closing Debt</b>	<b>1,510,191</b>	<b>1,212</b>	<b>1,511,403</b>

	Total Debt Limit	Debt Servicing Limit
Debt Limits (per 2019 F/S)	30,835,260	5,139,210
Total Debt	1,649,815	178,944
Amount of debt limit unused	29,185,445	4,960,266
% Used	5.4%	3.5%

The County's debt limits are legislated in Alberta Regulation 255/00. Per the regulation, the total debt limit (total maximum principle debt) is calculated at 1.5 times the municipal revenues and the debt servicing limit (total maximum annual debt payments) is calculated at 0.25 times the municipal revenues. As shown above, based on the debt limits calculated in the 2019 Audited Financial Statements, the County has only used a small portion of its maximum debt and debt servicing (5.4% of total available debt and 3.5% of annual debt servicing).

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



The capital lease of the CPO vehicle was entered into during 2016. The terms of the lease required it to be classified as capital, with the County showing both the asset value and debt on its Statement of Financial Position. The lease payments effectively become loan payments on the obligation under the capital lease (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 and the use of long-term budgeting should assist the County in mitigating the requirements to take on additional debt.

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

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

Principal and interest repayments are as follows:

	Principal	Interest	Total
2020	\$ 124,346	\$ 40,059	\$ 164,405
2021	127,471	36,933	164,404
2022	130,676	33,729	164,405
2023	133,960	30,445	164,405
2024	137,327	27,077	164,404
Thereafter	980,757	87,875	1,068,632
	<u>\$ 1,634,537</u>	<u>\$ 256,118</u>	<u>\$ 1,890,655</u>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at 2.498% per annum and matures on March 15, 2031. Debenture debt is issued on the credit and security of the County at large.



## SECTION FIVE

# APPENDIX AND GLOSSARY

## SECTION FIVE

### Appendix and Glossary

#### APPENDIX AND GLOSSARY

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Operating and Capital Budget
- 104 Appendix 2 - MSI Grant Allocations
- 105 Appendix 3 - 5-Year Statistics
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# APPENDIX AND GLOSSARY

## APPENDIX 1 - 2020 APPROVED OPERATING AND CAPITAL BUDGETS

### VULCAN COUNTY

#### BUDGETED STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget 2020</u>
<b>REVENUE</b>	
Net municipal taxes	\$ 14,658,637
Government transfers	1,059,488
Return on investments	512,214
Sale of goods, services and user charges	1,024,281
Rental income	311,880
Community aggregate levy	220,000
Penalties and costs of taxes	160,500
Gain on disposal of tangible capital assets	136,877
Other revenues	<u>26,500</u>
<b>TOTAL REVENUE</b>	<u>\$ 18,110,378</u>
<b>EXPENSES</b>	
Legislative	\$ 454,363
Administration	1,874,457
Protection services	2,260,023
Transportation services	9,473,658
Agricultural services	868,635
Planning and development services	786,774
Family and community support	233,776
Parks and recreation	736,823
Tourism and economic development	302,459
Utility Services	851,970
Other	<u>58,033</u>
<b>TOTAL EXPENSES</b>	<u>17,900,973</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	209,405
<b>OTHER</b>	
Contributed tangible capital assets	-
Government transfers for capital (schedule 4)	<u>2,617,600</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><u>\$ 2,827,005</u></u>

## VULCAN COUNTY

### BUDGETED SCHEDULE OF CHANGE IN ACCUMULATED SURPLUS YEAR ENDED DECEMBER 31, 2020

#### SCHEDULE 1

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	Final Budget 2020
<b>Excess of revenues over expenses</b>	\$ 2,827,005	-	-	\$ 2,827,005
Unrestricted funds designated for future use	(3,898,785)	3,898,785	-	-
Restricted funds used for operations	559,723	(559,723)	-	-
Restricted funds used for tangible capital assets	-	(1,682,786)	1,682,786	-
Current year funds used for tangible capital assets	(4,560,442)	-	4,560,442	-
Contributed tangible capital assets	-	-	-	-
Disposal of tangible capital assets	388,232	-	(388,232)	-
Annual amortization expense	4,684,267	-	(4,684,267)	-
<b>Increase (decrease) in accumulated surplus</b>	<b>\$ -</b>	<b>1,656,276</b>	<b>1,170,729</b>	<b>\$ 2,827,005</b>

## VULCAN COUNTY

### BUDGETED SCHEDULE OF TANGIBLE CAPITAL ASSETS YEAR ENDED DECEMBER 31, 2020

#### SCHEDULE 2

	Land	Land Improvement	Buildings	Equipment	Vehicles	Engineered Structures	Final Budget 2020
<b>COST:</b>							
Acquisition of tangible capital assets	\$ -	-	309,686	1,673,507	309,732	3,950,303	\$ 6,243,228
New construction-in-progress	-	-	-	-	-	-	-
Disposition of tangible capital assets	(15,000)	-	-	(271,000)	(102,232)	-	(388,232)
<b>TOTAL</b>	<b>(15,000)</b>	<b>-</b>	<b>309,686</b>	<b>1,402,507</b>	<b>207,500</b>	<b>3,950,303</b>	<b>5,854,996</b>
<b>ACCUMULATED AMORTIZATION:</b>							
Annual amortization	\$ -	46,850	297,037	1,500,186	541,371	2,298,823	\$ 4,684,267
Accumulated amortization on disposal	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>46,850</b>	<b>297,037</b>	<b>1,500,186</b>	<b>541,371</b>	<b>2,298,823</b>	<b>4,684,267</b>
<b>NET INCREASE (DECREASE) TO TANGIBLE CAPITAL ASSETS</b>	<b>\$ (15,000)</b>	<b>(46,850)</b>	<b>12,649</b>	<b>(97,679)</b>	<b>(333,871)</b>	<b>1,651,479</b>	<b>\$ 1,170,729</b>

## APPENDIX 1 - Continued

### VULCAN COUNTY

#### BUDGETED SCHEDULE OF PROPERTY AND OTHER TAXES YEAR ENDED DECEMBER 31, 2020

##### SCHEDULE 3

##### Final Budget 2020

##### TAXATION

Real property taxes	\$ 8,340,666
Linear taxes	8,168,376
Commercial taxes	750,891
Government grants in lieu of taxes	18,600
Special levy	1,390,399
Well drilling tax	19,645

18,688,577

##### REQUISITIONS

School requisitions	3,440,882
Seniors foundation	401,515
RCMP policing requisition	123,665
Provincial DIP assessment requisition	63,878

4,029,940

##### NET MUNICIPAL TAXES

\$ 14,658,637

### VULCAN COUNTY

#### BUDGETED SCHEDULE OF GOVERNMENT TRANSFERS YEAR ENDED DECEMBER 31, 2020

##### SCHEDULE 4

##### Final Budget 2020

##### TRANSFERS FOR OPERATING

Local government transfers	\$ 148,157
Provincial government transfers	691,597
Federal government transfers	219,734

1,059,488

##### TRANSFERS FOR CAPITAL

Provincial government transfers	2,617,600
Federal government transfers	-

2,617,600

##### TOTAL GOVERNMENT TRANSFERS

\$ 3,677,088

## VULCAN COUNTY

### BUDGETED SCHEDULE OF EXPENSES BY OBJECT YEAR ENDED DECEMBER 31, 2020

#### SCHEDULE 5

#### Final Budget 2020

#### EXPENSES BY OBJECT

Salaries, wages and benefits	\$ 7,105,469
Contracted and general services	3,268,222
Materials, goods and utilities	2,651,461
Transfers to local boards and agencies	1,750,216
Interest and bank charges	60,359
Amortization of tangible capital assets	4,684,267
Machine expenses capitalized for construction	(1,684,547)
Other expenses	65,525
	<u>\$ 17,900,973</u>

## VULCAN COUNTY

### BUDGETED SCHEDULE OF SEGMENTED DISCLOSURE YEAR ENDED DECEMBER 31, 2020

#### SCHEDULE 6

	General Government	Protective Services	Transportation Services	Agricultural Services	Planning and Development Services	Community Services	Utility Services	Final Budget 2020 Total
<b>REVENUE</b>								
Net municipal taxes	\$ 12,563,095	842,692	-	-	-	531,169	721,681	\$ 14,658,637
Government transfers (operating)	114,442	80,745	219,734	122,326	195,000	327,242	-	1,059,488
Return on investments	512,214	-	-	-	-	-	-	512,214
Sale of goods, services and user charges	52,800	201,539	327,236	335,390	96,498	8,229	2,589	1,024,281
Rental income	6,000	297,880	-	8,000	-	-	-	311,880
Community aggregate levy	-	-	220,000	-	-	-	-	220,000
Penalties and costs of taxes	160,500	-	-	-	-	-	-	160,500
Gain on disposal of tangible capital assets	-	-	136,877	-	-	-	-	136,877
Other revenues	-	26,500	-	-	-	-	-	26,500
	<u>13,409,051</u>	<u>1,449,356</u>	<u>903,847</u>	<u>465,716</u>	<u>291,498</u>	<u>866,640</u>	<u>724,270</u>	<u>18,110,378</u>
<b>EXPENSES</b>								
Salaries, wages and benefits	\$ 1,232,345	687,001	4,292,916	420,136	327,525	124,733	20,813	\$ 7,105,469
Contracted and general services	662,803	562,712	1,079,179	113,124	457,210	327,505	65,689	3,268,222
Materials, goods and utilities	236,438	299,717	1,872,059	212,363	2,039	24,530	4,315	2,651,461
Transfers to local boards and agencies	71,144	148,330	8,000	32,372	-	756,231	734,139	1,750,216
Interest and bank charges	20,300	-	-	-	-	40,059	-	60,359
Amortization of tangible capital assets	98,299	562,263	3,906,051	90,640	-	-	27,014	4,684,267
Machine expenses capitalized for construction	-	-	(1,684,547)	-	-	-	-	(1,684,547)
Other expenses	65,525	-	-	-	-	-	-	65,525
	<u>2,386,854</u>	<u>2,260,023</u>	<u>9,473,658</u>	<u>868,635</u>	<u>786,774</u>	<u>1,273,058</u>	<u>851,970</u>	<u>17,900,973</u>
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES - BEFORE OTHER</b>	<b>\$ 11,022,197</b>	<b>(810,667)</b>	<b>(8,569,811)</b>	<b>(402,919)</b>	<b>(495,276)</b>	<b>(406,419)</b>	<b>(127,700)</b>	<b>\$ 209,405</b>
<b>OTHER</b>								
Government transfers (capital)	73,052	-	2,109,358	-	-	-	435,190	2,617,600
<b>EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES</b>	<b>\$ 11,095,249</b>	<b>(810,667)</b>	<b>(6,460,453)</b>	<b>(402,919)</b>	<b>(495,276)</b>	<b>(406,419)</b>	<b>307,490</b>	<b>\$ 2,827,005</b>

## APPENDIX 2 - MSI GRANT ALLOCATIONS

### Municipal Sustainability Initiative (MSI) Operating Grant

	<b>2020 Budget</b>
Carry-forward balance	15,397
2020 Grant Allocation (estimated)	176,798
Available MSI Funds	<b>192,195</b>

	<b>Budgeted cost</b>	<b>Grant Funded</b>
Libraries	133,500	109,000
Public Security and Safety	45,000	45,000
Staff development	33,602	31,940
	<b>212,102</b>	<b>185,940</b>

<b>Unallocated MSI Funds</b>	<b>6,255</b>
------------------------------	--------------

### Municipal Sustainability Initiative (MSI) Capital Grant

	<b>2020 Budget</b>
Carry-forward balance	2,384,120
2020 Grant Allocation (estimated)	2,111,006
Available MSI Funds	<b>4,495,126</b>

	<b>Budgeted cost</b>	<b>Grant Funded</b>
Common Equipment Application	95,452	73,052
Two Grader Rebuilds	500,000	340,000
Grader Replacement	490,000	490,000
Bridge program - BF 70833 & 72710	1,979,950	1,279,358
Mossleigh Drainage	435,190	435,190
	<b>3,405,140</b>	<b>2,617,600</b>

<b>Unallocated MSI Funds</b>	<b>1,877,526</b>
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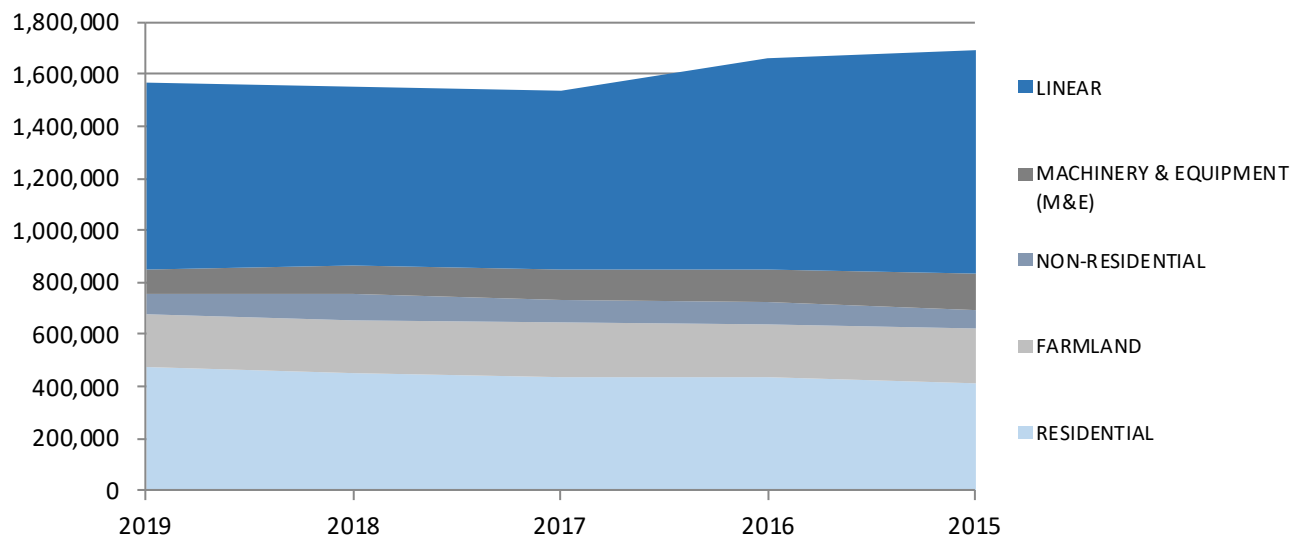
## APPENDIX 3 - FIVE-YEAR STATISTICS (Actuals)

### DEMOGRAPHICS, AREA, & OTHER

	2019	2018	2017	2016	2015
POPULATION	3,984	3,984	3,984	3,984	3,893
NUMBER OF DWELLING UNITS	2,218	2,189	2,145	2,138	2,125
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	2,672
WATER PIPELINE (Km)	455	455	455	454	454
DEVELOPMENT PERMITS	45	48	60	69	54
SUBDIVISIONS APPLICATIONS	11	21	18	11	20
FULL TIME STAFF	49	51	49	64	59

### PROPERTY ASSESSMENT (in thousands)

	2019	2018	2017	2016	2015
RESIDENTIAL	473,806	453,456	439,255	436,186	416,179
FARMLAND	204,893	204,838	204,306	204,013	204,199
NON-RESIDENTIAL	78,916	98,060	87,609	83,524	76,883
MACHINERY & EQUIPMENT (M&E)	89,905	108,158	116,822	123,016	135,065
LINEAR	723,770	686,522	689,076	814,329	858,761
<b>TOTAL ASSESSMENT</b>	<b>1,571,290</b>	<b>1,551,034</b>	<b>1,537,068</b>	<b>1,661,068</b>	<b>1,691,087</b>



## TAX RATES (expressed in mills)

	2019	2018	2017	2016	2015
<b>MUNICIPAL</b>					
Residential	5.2100	5.2100	5.7600	5.7600	5.7600
Farmland	10.5075	10.5075	10.0769	9.5970	9.1400
Non-Residential, M&E, and Linear	9.1400	9.1400	9.1400	9.1400	9.1400
<b>WASTE COMMISSION</b>	0.4334	0.4113	0.3980	0.3412	0.3164
<b>EDUCATION REQUISITION</b>					
Residential and Farmland	2.6079	2.5585	2.5229	2.4130	2.3668
Non-Residential and Linear	3.8532	3.8612	4.6660	3.9729	3.6489
<b>SENIOR FOUNDATION REQUISITION</b>	0.2556	0.1601	0.1662	0.1387	0.1302
<b>SPECIAL LEVY - FIRE PROTECTION AREA</b>					
Carmangay and District	1.8324	1.8685	2.2602	1.6896	1.0661
Champion and District	1.4412	1.3935	1.5369	0.9387	0.6115
Lomond and District	0.6102	0.6503	0.6584	0.5250	0.4195
Milo and District	0.6454	0.6942	0.6649	0.5690	0.2269
Vulcan and District	0.1872	0.3730	0.4071	0.0893	0.2437
Northwest	0.8748	0.8504	0.6917	0.6910	0.6180
Linear	0.3618	0.3513	0.3411	0.3312	0.3216
<b>SPECIAL LEVY - RECREATIONAL AREA</b>					
Carmangay and District	0.6230	0.3061	0.0000	0.1165	0.3440
Champion and District	0.5261	0.3518	0.5720	0.6788	0.5561
Lomond and District	0.4521	0.1681	0.2436	0.1680	0.1515
Milo and District	0.7625	0.7426	0.5046	0.2566	0.3122
Vulcan and District	0.8070	0.7873	0.6131	0.5944	0.6771
Northwest	0.2814	0.2840	0.0167	0.0305	0.0000
Linear	0.1388	0.1348	0.1348	0.1309	0.1271

## TOTAL TAX COLLECTIONS

	2019	2018	2017	2016	2015
Net Municipal Taxes	15,720,229	14,777,202	14,658,890	15,491,243	15,593,397
School Requisitions	2,467,517	3,436,669	3,717,875	3,789,172	3,718,658
Seniors Requisitions	401,515	248,237	252,098	227,124	220,245
<b>TOTAL TAX COLLECTIONS</b>	<b>18,589,261</b>	<b>18,462,108</b>	<b>18,628,863</b>	<b>19,507,539</b>	<b>19,532,300</b>

## ASSETS, LIABILITIES, & SURPLUS

	2019	2018	2017	2016	2015
<b>TAX RECEIVABLE AS % OF TAXES</b>					
Tax Receivables	1,462,178	2,913,837	3,969,857	2,716,399	1,439,354
Total Tax Levies	18,589,261	18,462,108	18,628,863	19,507,539	19,532,301
Tax Receivable as % of Taxes	7.9%	15.8%	21.3%	13.9%	7.4%
Financial Assets	35,188,822	32,703,044	33,513,546	30,395,326	26,065,387
Financial Liabilities	(8,138,857)	(7,755,556)	(9,054,418)	(6,670,665)	(2,915,709)
<b>NET FINANCIAL ASSET</b>	<b>27,049,965</b>	<b>24,947,488</b>	<b>24,459,128</b>	<b>23,724,661</b>	<b>23,149,678</b>
Tangible Capital Assets	108,371,002	107,455,248	107,659,792	108,487,392	107,791,397
Inventory Held for Consumption	7,729,636	8,244,446	8,522,618	7,570,991	6,939,868
Prepaid Expenses	262,965	193,446	182,065	232,196	201,591
<b>ACCUMULATIVE SURPLUS</b>	<b>143,413,568</b>	<b>140,840,628</b>	<b>140,823,603</b>	<b>140,015,240</b>	<b>138,082,534</b>
Unrestricted Surplus	4,340,307	1,493,729	1,091,769	1,187,942	897,409
Restricted Surplus (Reserves)	30,717,537	31,920,158	32,112,991	30,392,556	29,393,728
Equity in Tangible Capital Assets	108,355,724	107,426,741	107,618,843	108,434,742	107,791,397
<b>ACCUMULATIVE SURPLUS</b>	<b>143,413,568</b>	<b>140,840,628</b>	<b>140,823,603</b>	<b>140,015,240</b>	<b>138,082,534</b>

## REVENUES (by source)

	2019	2018	2017	2016	2015
Net Municipal Taxes	15,720,229	14,777,202	14,658,890	15,491,243	15,593,397
Government Transfers	813,131	958,531	624,347	839,002	778,748
Return on Investments	706,124	570,401	579,400	733,530	405,743
Sale of Goods, Services, and User Charges	1,482,349	1,148,512	1,052,435	864,215	903,222
Rental Income	311,900	353,265	352,634	355,410	346,232
Community Aggregate Levy	193,941	203,956	222,955	149,287	259,213
Penalties and Costs of Taxes	610,397	739,321	484,573	497,496	254,299
Gain on Disposal of Capital Assets	330,186	209,326	101,059	26,813	43,431
Other Revenue	388,583	134,498	676,208	752,963	120,041
<b>OPERATING REVENUES</b>	<b>20,556,840</b>	<b>19,095,012</b>	<b>18,752,501</b>	<b>19,709,959</b>	<b>18,704,326</b>
Contributed Tangible Capital Assets	0	284,792	0	0	0
Government Transfers for Capital	2,953,380	2,717,012	767,378	2,769,481	3,893,203
<b>TOTAL REVENUES</b>	<b>23,510,220</b>	<b>22,096,816</b>	<b>19,519,879</b>	<b>22,479,440</b>	<b>22,597,529</b>

## EXPENSES (by function and object)

	2019	2018	2017	2016	2015
<b>EXPENSES BY FUNCTION</b>					
Legislative	402,227	388,098	324,110	285,775	365,768
Administration	1,787,966	1,807,970	1,806,441	1,962,577	1,763,226
Protection services	1,808,897	2,403,045	2,746,165	1,720,869	1,466,953
Transportation services	9,916,821	10,575,050	9,948,597	10,863,798	10,484,568
Agricultural services	735,985	689,459	803,018	810,091	823,176
Planning and development services	577,232	599,308	414,237	534,207	442,352
Family and community support	220,570	447,923	956,894	2,338,374	214,943
Parks and recreation	879,716	842,564	671,616	733,948	684,775
Tourism and economic development	129,408	40,844	236,010	243,172	266,392
Utility Services	833,851	772,690	768,346	740,853	628,794
Other	3,644,608	3,512,840	36,083	313,069	791,715
<b>TOTAL EXPENSES</b>	<b>20,937,281</b>	<b>22,079,791</b>	<b>18,711,517</b>	<b>20,546,733</b>	<b>17,932,662</b>

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

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<b>EXPENSE BY OBJECT</b>					
Salaries, wages and benefits	6,310,622	6,271,331	6,158,349	6,503,365	6,230,936
Contracted and general services	2,703,769	3,367,611	2,960,101	2,960,984	3,178,521
Materials, goods and utilities	2,473,000	2,450,240	2,987,785	3,008,920	3,558,148
Transfers to local boards and agencies	1,824,107	2,370,354	3,150,296	4,055,775	1,862,877
Interest and bank charges	55,706	62,460	65,821	76,968	38,930
Amortization of tangible capital assets	4,763,530	4,684,268	4,480,221	4,328,198	4,014,425
Machine expenses capitalized for construction	(1,175,224)	(817,561)	(1,174,071)	(1,846,498)	(2,370,673)
Loss on disposal of capital assets	274,491	217,929	87,080	837,220	454,493
Other expenses	3,707,280	3,473,159	(4,065)	621,801	965,005
<b>TOTAL EXPENSES</b>	<b>20,937,281</b>	<b>22,079,791</b>	<b>18,711,517</b>	<b>20,546,733</b>	<b>17,932,662</b>

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

## DEBT SUPPORTED BY TAXES

	2019	2018	2017	2016	2015
Net Long-Term Debt (supported by tax)	1,649,815	1,784,341	1,915,106	2,042,229	0
County Population	3,984	3,984	3,984	3,984	3,893
<b>LONG-TERM DEBT PER CAPITA</b>	<b>414</b>	<b>448</b>	<b>481</b>	<b>513</b>	<b>0</b>

\* Note: Net debt, defined as the difference between debt and "cash & cash equivalents", is zero for all years

## TRANSFERS TO LOCAL BOARDS AND AGENCIES

	2019	2018	2017	2016	2015
<b>TRANSFERS TO OTHER LOCAL GOVERNMENTS</b>					
Vulcan District Waste Commission	674,640	631,808	605,702	554,000	529,804
Twin Valley Regional Water Commission	35,385	21,348	50,069	66,516	26,856
Vulcan Business Development Society	0	0	127,200	146,430	154,159
Vulcan and District Tourism Society	0	25,000	86,595	86,595	89,679
Vulcan Library Board	133,500	126,000	109,000	91,000	79,000
Fire Area Contributions	135,945	530,570	779,244	262,700	247,450
Recreation Area Contributions	628,806	584,748	442,774	465,045	494,089
Other local governments and organizations	215,831	450,880	949,712	2,383,489	241,840
	<u>1,824,107</u>	<u>2,370,354</u>	<u>3,150,296</u>	<u>4,055,775</u>	<u>1,862,877</u>

*Note: The 2018 transfer to other local governments and organizations includes approximately \$225,000 in matching contributions for the Vulcan Hospital Expansion project.*

## ANNUAL SURPLUS

	2019	2018	2017	2016	2015
TOTAL REVENUES	23,510,220	22,096,816	19,519,879	22,479,440	22,597,529
TOTAL EXPENSES	(20,937,281)	(22,079,791)	(18,711,517)	(20,546,733)	(17,932,662)
<b>ANNUAL SURPLUS</b>	<u>2,572,939</u>	<u>17,025</u>	<u>808,362</u>	<u>1,932,707</u>	<u>4,664,867</u>
ADD: Proceeds from Sale of Tangible Capital Assets	355,305	161,075	101,262	178,443	316,510
ADD: Transfer from Restricted Surplus to Operations	6,140,143	4,579,162	3,097,216	8,044,072	8,640,091
ADD: Amortization of Tangible Capital Assets	4,763,530	4,684,268	4,480,221	4,328,198	4,014,425
LESS: Transfers to Restricted Surplus	(4,937,522)	(5,539,875)	(7,998,816)	(8,232,494)	(9,738,958)
LESS: Capital Expenditures	(6,047,818)	(3,499,695)	(584,419)	(5,960,393)	(7,896,176)
<b>ALLOCATION TO UNRESTRICTED SURPLUS</b>	<u>2,846,577</u>	<u>401,960</u>	<u>(96,174)</u>	<u>290,533</u>	<u>759</u>

# 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.

### APPROPRIATION

The act of setting money aside by formal action for a specific use, such as is the case with reserve allocations.

### APPROVED BUDGET

The budget(s) that have been presented and have been approved by Council by way of Council Motion, which will govern the County's operations for the budget year. This may include interim or final budgets.

### ASSESSMENT

The value established for property for use as a basis of levying taxes for municipal purposes. Assessment can be valued by market or regulated rates.

### BALANCED BUDGET

A budget where the total budgeted revenues/transfers in match the total budgeted expenditures/transfers out.

### BASE BUDGET

The base budget is the budget carried forward from the prior year to maintain the same service levels and is at the same rates/costs as budgeted in the prior year.

### BUDGET

An estimate of revenue and a plan for expenditures of an organization, either for a specific time period or for a specific project.

### CAPITAL BUDGET

The planned capital revenues, expenditures, and transfers required for the acquisition/construction of the tangible capital assets for the County in the current budget year.

### CAPITAL EXPENDITURES

Expenditures to acquire, develop or construct tangible capital assets.

### CAPITALIZATION

The inclusion of expenditures into the cost of a tangible capital asset. Internally constructed capital assets include the capitalization of the related costs.

### CASH BASIS ACCOUNTING

Cash basis of accounting for recognizing transactions that occur in a short time period (based on the exchange of cash). These include revenues and expenses that will typically be completed in the budget year and are not expected to occur over multiple years.

### COUNCIL/COUNCILLORS

The governing body that is elected to represent the ratepayers of the County. Councillors are the individual members that make up the Council; in which, there are currently seven (7) Councillors on Council. Elections for Councillors occur every four (4) years.

### CONTINGENCY FUNDS

The budgetary reserve/account set aside for emergencies or unforeseen expenditures (not otherwise budgeted).

### CONTRACTED SERVICES

Services provided to the County by external organizations, individuals, or agencies. The County contracted out these services as the County does not have the expertise or resources to complete the work internally (i.e. engineering and legal services).

### DEBT/DEBENTURE

A financial obligation resulting from the borrowing of money. A debenture is a certificate of indebtedness; typically issued by another governmental body (i.e. ACFA).

### DEBT LIMITS

The regulated limits on the amount of debt that a municipality may borrow or the amount of annual repayment imposed to a municipality. Regulated by forms of legislation (i.e. MGA, Alberta Regulations).

### DEFICIT

The result of expenditures/transfers out exceeding the revenues/transfers in (costs greater than revenues). The MGA requires that a municipality can not budget a deficit and if a deficit results in a period of three years that it has to be recovered in the following budget year.

### DEPARTMENTS

The management responsible for an operation program or a group of related activities within a functional area. The County has multiple departments for the operations of the County; whereas, there may be multiple departments held within an operating segment.

### EXPENDITURES/EXPENSE

The use of financial resources for cash outflows or transactions resulting in current or future cash outflows.

### FEES FOR SERVICE

User charges and fees for services provided by the County.

### FUND ACCOUNTING

The use of specific groups of funds/activities which are a self-balancing set of accounts containing inflows and outflows; which is tracked and funded separately. The County's fund accounting includes the Operating (general) funds, the Capital funds, and the Reserve funds.

### GENERAL OPERATING FUND

The general operating fund provides the resources necessary to complete the day-to-day activities of a municipality, which includes operational and administrative activities.

## GOVERNMENT GRANTS

A monetary contribution by a governmental unit to another governmental unit. Typically, the grants received by the County are from larger governmental bodies that are higher forms of government (i.e. Provincial and Federal).

## INFLATION

The increase in price levels/costs caused by economic factors.

## INFRASTRUCTURE

The facilities and assets used by the County to deliver the programs and services. These include (but are not limited to) roads, bridges, land, and buildings.

## 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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