



CITY OF

LACOMBE

2019 PROPOSED BUDGET

OPEN HOUSE



BUDGET MESSAGES

1. **Governing within our Means:**

This prudent and policy-driven budget allows the City of Lacombe to maintain current service levels and support increased demand from residents in a sustainable manner.

2. **Our Focus is on People through Partnerships:**

The City of Lacombe's priorities for establishing and adjusting budgets are based on the needs and preferences of residents, established through public engagement strategies and collaboration with community organizations.

3. **Building for Today and Tomorrow:**

Not only will the 2019 Capital Projects maintain and enhance our existing infrastructure and facilities, they will develop new infrastructure to encourage economic growth.



CITY OF

LACOMBE

**2018 PROPOSED
OPERATING BUDGET**



2018 OPERATING BUDGET HIGHLIGHTS

The 2019 Provisional Operating Budget is presented with total revenues of **\$43,638,326** and total expenses of **\$43,638,326** resulting in a balanced budget.

Consistent with Council's budget guidelines, property tax rates have been budgeted with a **2.8% increase**. For information purposes, **1 mill or a 1% tax rate increase equals \$142,155**. The tax revenue increases in 2019 are currently projected as follows:

- **Council-proposed 2.8% property tax rate increase or \$398,034**
- **Assessment growth revenue of \$116,397**
- **Supplementary property tax of \$73,053**

Revenues - Year over Year

	2018	2019
Franchise Fees	1,190,474	1,679,167
Goods and Services Sold	13,085,385	14,452,819
Grants	979,362	930,682
Interest & Penalties	367,099	389,144
Local Agencies	983,787	1,084,828
Other Sources	130,834	142,284
Permits, Fines & Licenses	799,255	799,755
Taxation & Grant in Lieu	19,228,110	19,828,058
Transfer from Other Operating	3,376,770	3,860,145
Transfer from Reserves	954,474	472,874
Total	41,095,550	43,639,756

Expenses – Year Over Year

	2018	2019
Allowances & Cancel	22,446	22,446
Debt & Banking Charges	2,467,577	2,547,948
Funding To Others	5,044,573	5,174,178
Goods and Services	7,260,212	8,113,664
Personnel	13,325,039	14,446,015
Requisitions	4,985,775	4,987,223
Transfer to Other Operating	3,361,701	3,860,145
Transfer to Reserves	2,539,774	2,649,312
Upgrading & Replacement	383,919	431,575
Utilities	1,704,534	1,407,250
Total	41,095,550	43,639,756

2019 OPERATING BUDGET: GREEN BINS

Water utility services.

- Consumption rate will NOT increase in 2018
- Monthly flat rate will NOT increase in 2018

Wastewater utility services rates will increase in 2018:

- Consumption rate increase of \$0.50 per m³ (Billed per cube)
- Monthly flat rate increase is \$0.00 per month

Solid Waste utility service (curbside waste & recycling/Wolf Creek Recycling Depot rates for 2019:

- Residential rate increase is \$3.90 per month
- Apartment / Trailer Courts rate increase is \$2.70 per month
- Commercial monthly rate increase is \$6.90 per month

2019 OPERATING BUDGET: GREEN YARD WASTE

- Green Bins are located through out the City to collect Yard Waste separate from other household waste
 - City crews collect the yard waste from the green bins and deposit it at a 3rd party site for a fee
 - From 2014-2018 yard waste was reused and repurposed by the local 3rd party for land reclamation
 - The current contract is up at the end of 2018 for and administration will be seeking new proposals in 2019.
- The external cost for this program is \$160,000
- **This equates to approximately \$33/yr per residential household**

2019 OPERATING BUDGET: UTILITIES

The City of Lacombe utilities services consist of water distribution (potable water), wastewater collection and treatment, and solid waste collection and disposal. These services are self-funded and include the following rates for 2019:

	2018	2019	\$ Change
Water			
Fixed	\$26.22	\$26.22	\$0
Consumption	\$2.47	\$2.47	\$0
Wastewater			
Fixed	\$20	\$20	\$0
Consumption	\$2.15	\$2.65	\$0.50
Solid Waste			
Residential	\$27.86	\$31.86	\$3.90
Non-residential	\$109.89	\$116.79	\$6.90
Apartment	\$17.27	\$19.97	\$2.70
Trailer Courts	\$21.80	\$24.50	\$2.70

Average home using 18 cubic meters of water will see a \$12.90 per month increase

2019 OPERATING BUDGET: UTILITIES

2019 Utilities Forecasted Expenditures

Water Department	\$ 4,755,454
Waste Water Department	\$4,841,277
Solid Waste Department	\$2,571,637
Total	\$ 12,168,368

2019 OPERATING BUDGET CHANGES

2019 OPERATING BUDGET CHANGES - HIGHLIGHTS					
Changes in Major Revenue					
Assessment Growth Revenue			0.82%	\$	116,397
Supplementary Property Tax			0.51%	\$	73,053
Alberta CPI aligned Tax Increase (2.8%)			2.80%	\$	398,034
Franchise Fees (Fortis & Atco)			41.10%	\$	488,784
Municipal Franchise Fee			29.76%	\$	125,798
Term Deposit Interest			20.00%	\$	25,000
Total Revenue				\$	1,227,066
Changes in Expenses					
Insurance			2.00%	\$	6,880
Fuel, Oil and Gas			26.30%	\$	36,452
Electricity (savings through partial rate hedging)			-5.58%	-\$	73,817
Proposed New Positions (See Personnel)			3.42%	\$	299,639
Increase in Wages and Benefits (See Personnel)					
Cost of Living Adjustment			2.80%	\$	245,230
- Police collective agreement			1.75%	\$	32,000
- Annual Increments			0.80%	\$	109,000
- Median of Comparators			3.20%	\$	435,240
Increase in Tax Supported Borrowing (See Debt)				\$	109,015
Training and Development (Restoration to Policy)			25.70%	\$	31,097
Upgrading and Replacement			12.75%	\$	64,706
Various Departmental Expenses (Decreased)				-\$	68,376
Balanced				\$	-

2019 WAGES & BENEFITS

2019 Wage & Benefits Budget		2018 Budget			2019 (1.75% Police 2.8% Staff) New Positions			
		Wages	Benefits	Total	Wages	Benefits	Total	\$ Difference from 2018
Council	Dept. 11	204,339	4,472	208,811	241,691	13,258	254,949	46,138
Administration	Dept. 12	1,450,069	320,302	1,770,371	1,490,752	324,202	1,852,954	82,583
Information Services	Dept. 15	449,090	107,712	556,802	470,688	106,994	602,682	45,880
Police Dept.	Dept. 21	2,777,366	669,001	3,446,367	708,183	3,093,594	3,826,777	380,410
Fire Dept.	Dept. 23	400,505	56,163	456,668	435,655	60,613	496,268	39,600
Enforcement Services	Dept. 26	152,542	34,736	187,278	152,673	33,822	186,495	(783)
Common Services	Dept. 31	223,932	54,927	278,859	236,309	51,092	327,401	48,542
Streets & Roads	Dept. 32	839,717	189,587	1,029,304	878,214	192,017	1,070,231	40,927
Storm Sewer	Dept. 37	38,447	9,047	47,494	38,086	8,603	46,689	(805)
Engineering Services	Dept. 38	212,707	45,343	258,050	217,802	41,067	258,869	819
Water	Dept. 41	465,047	106,494	571,541	461,055	101,093	562,148	(9,393)
Waste Water	Dept. 42	337,697	60,214	397,911	343,292	77,871	421,163	23,252
Solid Waste	Dept. 43	380,976	89,000	469,976	391,872	87,163	479,035	9,059
Cemetery	Dept. 56	84,359	19,204	103,563	90,657	19,563	110,220	6,657
Planning & Development	Dept. 61	422,927	91,833	514,760	443,699	88,824	532,523	17,763
Economic Development	Dept. 62	273,635	62,723	336,358	291,454	62,828	354,282	17,924
Recreation Services	Dept. 71	92,276	22,188	114,464	123,442	30,727	154,169	39,705
Lacombe Memorial Centre	Dept. 72	411,846	90,657	502,503	427,053	93,254	520,307	17,804
Aquatic Center	Dept. 73	716,551	136,225	852,776	787,079	140,814	927,893	75,117
Arena	Dept. 74	422,055	100,222	522,277	485,235	109,642	609,877	87,600
Parks & Playgrounds	Dept. 75	569,388	99,669	669,057	636,432	104,100	820,532	151,475
Library	Dept. 77	21,773	4,517	26,290	22,413	4,712	27,125	835
	Totals	10,947,244	2,374,236	13,321,480	9,373,736	4,845,853	14,442,589	1,121,109

2019 COMMUNITY GROUP FUNDING

Entity	Received in 2017	Requested In 2018	Received In 2018	Requested In 2019	Proposed Increase
Library (M.C. Moore)	297,920	319,560	319,560	333,775	14,215
Library Grant in Kind	284,654	245,000	TBD	TBD	
FCSS Provincial Base Grant	317,914	317,914	317,914	317,914	0
City Matching Portion	79,478	79,478	79,478	79,478	0
Municipal additional Cont.	6,337	6,337	6,337	15,275	8,938
FCSS External Granting	25,000	25,000	35,000	35,000	0
CONNEX	76,709	64,709	64,709	69,587	4,878
*Parkland Regional Library	102,333	103,351	106,023	107,720	1,697
Historical Society	32,500	42,500	42,500	42,500	0
Regional Tourism	49,000	49,000	49,000	55,960	6,960
LAPA	50,000	50,000	50,000	50,000	0
Chamber of Commerce	12,500	13,000	13,000	13,500	500
Lacombe Days	25,000	30,000	25,000	25,000	0
Echo Lacombe	12,000	20,500	20,500	31,000	10,500
Rikubetsu Friendship Society	13,875	6,500	6,500	6,525	25
Lacombe Police Commission	2,874,806	3,209,962	3,153,180	3,321,495	118,315
Heritage Resources	24,750	14,250	14,250	14,250	0

2019 TRANSFER TO RESERVES

Reserve Account	2019 Proposed Transfer	Estimated 2019 ending Reserve Balances
Information Services – Equipment Replacement	\$161,190	\$87,498
Police – Fleet Replacement	\$84,000	\$38,647
Common Services – Fleet Replacement	\$568,796	\$143,134
Roads –		
General Roads	\$220,000	\$1,974,732
General Capital	\$220,691	\$443,195
Public Transportation – Handivan Replacement	\$20,000	-\$18,491
Storm Sewer – General Transfer	\$39,050	\$58,132
Water – General Transfer	\$645,569	\$2,299,739
Sewer – General Transfer	\$447,407	\$1,422,189
Solid Waste – General Transfer	\$15,000	\$406,469
Land Development – Sale of Land	\$162,609	-\$1,879,777
Community Builder	\$50,000	\$156,250
Parks & Playgrounds – Trail Development	\$20,000	-\$78,346
Culture – Future Murals	\$10,000	\$19,285
Total	2,699,312	5,276,968

2019 BUDGET DEBT LEVELS

In 2019, the City of Lacombe is making historic investments in long term infrastructure, and economic development. In total, the 2019 Provisional Operating Budget includes \$2.6M of new debt, to support development on the west, north, and east sides of the community.

Increase in Borrowing - 2019		
	Original Debenture Value	Annual Servicing Cost
Henners Pond Stormwater Outlet	\$ 1,820,000	\$ 107,286
4951 Wolf Creek Drive (LMS)	\$ 750,000	\$ 63,737
TOTAL	\$ 2,570,000	\$ 171,023
Debt Retired in 2019		
	Original Debenture Value	Annual Servicing Cost
City Hall/Public Works Upgrade	\$ 1,265,000	-\$ 62,009
Lagoon Upgrades	\$ 220,000	-\$ 10,784
S.E. Lift Station	\$ 1,471,800	-\$ 72,146
TOTAL	\$ 2,956,800	-\$ 144,939

2019 PROPOSED DEBT LIMITS

DEBT LIMITS				
	2017		2019 (Budgeted)	
	Note 1	% Used		% Used
Total Debt Limits	45,088,150	35.9%	45,088,150	64.03%
Total Debt	16,176,619		28,985,202	
Debt Limit Unused	28,911,531		16,102,948	
DEBT SERVICING				
Debt Servicing Limit	7,313,701	23.2%	7,313,701	34.2%
Debt Servicing	1,698,443		2,498,523	
Debt Servicing Limit Unused	5,615,258		4,873,547	
Note 1 – 2017 Audited Financial Statement figures				