

SMOKY LAKE COUNTY

Minutes of the **County Council Budget Meeting** held on Tuesday, **April 25, 2023** starting at 2:06 P.M. held in County Council Chambers as well as virtually online through Electronic Communication Technology.

The meeting was called to Order by the Reeve, Mr. Lorne Halisky in the presence of the following persons:

ATTENDANCE		
<u>Div. No.</u>	<u>Councillor(s)</u>	<u>Tuesday, Apr. 25, 2023</u>
1	Dan Gawalko	Present in Chambers
2	Linda Fenerty	Present in Chambers
3	Dominique Cere	Present in Chambers
4	Lorne Halisky	Present in Chambers
5	Jered Serben	Present in Chambers
CAO	Gene Sobolewski	Present in Chambers
Asst. CAO	Lydia Cielin	Virtually Present
Finance Manager	Brenda Adamson	Present in Chambers
Executive Svcs/R.S.	Patti Priest	Virtually Present

Members of Administrative Staff in attendance:

Mark Fedoretz – Public Works Shop Foreman	Virtually Present
Jordan Ruegg – Planning & Dev. Manager	Virtually Present
Kyle Schole – Planning Technician	Virtually Present
Amanda Kihn – Interim Ag. Fieldman	Virtually Present
Evonne Zukiwski – Communications Officer	Virtually Present
Carole Dowhaniuk – GIS Operator	Virtually Present
Scott Franchuk – Fire Chief	Virtually Present
Tate Murphy – Community Peace Officer	Virtually Present
Dave Franchuk – Enviro & Park Manager	Virtually Present
Daniel Moric – Natural Gas Manager	Virtually Present

No Members of the Media were in attendance.
No Members of the Public were in attendance.

Agenda:

532-23: Fenerty

That the Smoky Lake County Council Budget Meeting Agenda for Tuesday, April 25, 2023, be adopted, as amended – correction in the meeting date: should be Tuesday not Thursday.

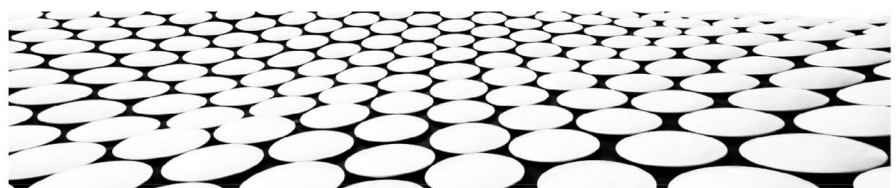
Carried Unanimously.

Presentation:

Smoky Lake County Final 2023 Budget

SMOKY LAKE COUNTY FINAL 2023 BUDGET

APRIL, 2023



MEETING OBJECTIVE:

- ✓ PASS THE 2023 CAPITAL AND OPERATING BUDGETS
- ✓ ARRIVE AT CONSENSUS REGARDING TAX LEVY

BUDGET SUMMARY

We have achieved a balanced budget for 2023.

These are the changes that have been made to the approved interim budget.

Tasks as a result of the Strategic Planning Process Have NOT been included: Lobbying, Additional Planning and Development activity, Additional School activity

	Revenue	Expense	Balance
Interim Budget			
Operation	\$ 15,919,360.00	16,424,103-\$	504,743.00
Capital	\$ 3,769,048.00	\$ 5,284,605.00	\$ -1,515,557.00
	\$ 19,688,408.00	\$ 21,708,708.00	\$ -2,020,300.00
Changes Proposed	Motion		
NRED Grant Commitment	286-23 \$ 125,000.00	\$ 125,000.00	\$ -
Mayor Reeve Lobby	316	\$ 2,000.00	\$ -2,000.00
Back rent for Town Eq Storage Bldg	307	\$ 10,860.00	\$ -10,860.00
Fire Truck Pump	310	\$ 93,000.00	\$ -93,000.00
Fire Smart Grant	370 \$ 40,000.00	\$ 38,000.00	\$ 2,000.00
Apply to fund Fire Truck pumps from MSI		\$ 93,000.00	\$ 93,000.00
Apply CCBF to Paving project		\$ 65,000.00	\$ 65,000.00
actual tax revenue lower than bud		\$ -92,347.00	\$ -92,347.00
tax requisitions		\$ 110,938.00	\$ -110,938.00
Flow point improvements to Credit Card syst		\$ 13,000.00	\$ -13,000.00
Sale of land to Metis Crossing	\$ 80,000.00		\$ 80,000.00
Purchase 206 from gas dept		\$ 10,000.00	\$ -10,000.00
purchase blade for 206		\$ 11,000.00	\$ -11,000.00
BF76552 (funded by STIP& CCBF)	\$ 668,000.00	\$ 668,000.00	\$ -
Increase in MSI operating budget	\$ 115,000.00		\$ 115,000.00
2022 Capital Carried forward	\$ 1,075,400.00	\$ 1,075,400.00	\$ -
Contingency		\$ 11,855.00	\$ -11,855.00
		\$ -	\$ -
	\$ 21,857,461.00	\$ 23,877,761.00	\$ -2,020,300.00
Remove amortization		\$ -2,020,300.00	\$ 2,020,300.00
Net Surplus/Deficit	\$ 21,857,461.00	\$ 21,857,461.00	\$ -

FINAL CAPITAL BUDGET

CHANGES TO THE CAPITAL BUDGET INCLUDE:

- ✓ PUMP FOR WASKATENAU FIRE TRUCK (FUNDING FROM MSI) \$93,000
- ✓ APPLY CCBF GRANT TO 2023 PAVING PROJECT P2313 \$65,000
- ✓ SALE OF LAND \$80,000
- ✓ TRANSFER UNIT 206 FROM GAS TO MUNICIPAL AND PURCHASE A BLADE \$21,000
- ✓ REHAB TO BF 76552 TO BE FUNDED FROM STIP GRANT AND CCBF GRANT \$668,000
- ✓ PROJECTS CARRIED FORWARD FROM 2022 BUDGET FUNDED FROM RESERVES \$1,075,400

2023 FINAL CAPITAL BUDGET

	BUDGET 2022	BUDGET 2023	VARIANCE	VAR. %
Capital Funding				
Sale of Capital Assets	222,000	543,800		
Provincial Capital Grants	3,388,587	3,303,469		
Transfer from Reserve	1,459,426	1,883,159	352,400	
Capital Funding	5,070,013	5,730,448	690,435	13.02%
Capital Expenses				
Buildings & Land	646,025	0		
Transfer to Reserve	489,000	1,014,000		
Land Improvements	578,000	73,000		
Engineering Structure	25,000	0		
Engineering Structure - Road	2,068,075	2,421,877		
Engineering Structure - Bridge	1,003,611	1,659,659		
Equipment	1,213,352	1,443,155		
Vehicles	443,000	510,304		
Capital Expenses	6,467,263	7,121,995	654,732	10.12%
Total Capital	-1,397,250	-1,391,547	5,703	(0.41%)

FINAL OPERATIONS BUDGET

CHANGES TO THE OPERATING BUDGET INCLUDE:

- ✓ MOTION 286-23 TO COMMIT TO NRED GRANT FUNDED FROM RESERVE
- ✓ MOTION 316-23 TO PAY FOR MAYOR/REEVE LOBBY
- ✓ MOTION 307-23 TO PAY BACK RENT FOR THE FIRE EQUIPMENT STORAGE BUILDING
- ✓ MOTION 370-23 REGARDING FIRE SMART GRANT PROGRAM
- ✓ REQUIREMENT TO UPGRADE THE WATER CREDIT CARD SYSTEM
- ✓ INCREASED MSI OPERATING GRANT
- ✓ ADDED CONTINGENCY
- ✓ ACTUAL TOTAL TAX REVENUE (INCLUDING REVENUE FROM REQUISITIONS) IS LESS THAN EXPECTED
- ✓ TAX REQUISITIONS ARE HIGHER THAN EXPECTED DUE TO INCREASED ASSESSMENT

2023 FINAL OPERATING BUDGET

	BUDGET 2022	BUDGET 2023	CHANGE	CHANGE %
OPERATING REVENUE				
Taxes				
Farmland & Residential	\$3,839,874	\$4,099,872	\$259,998	6.77%
Machinery & Equipment	1,116,699	1,220,267	113,568	10.17%
Non-Residential	1,220,945	1,304,884	83,959	6.86%
Linear	6,113,204	5,998,187	-115,017	(1.88%)
Provincial Government	66,753	63,758	-2,995	-4.49%
Sewer Levy	9,940	9,940	0	0.00%
Other Income				
Well Drilling/Drill Rigs	5,500	5,500	0	0.00%
Penalties	85,300	80,200	-5,100	(5.98%)
User Fees and Sales of Goods	668,140	629,309	-38,832	(5.81%)
Investment Income	200,000	350,000	150,000	75.00%
Development Levies	62,000	30,000	-32,000	(51.61%)
Licenses and Permits	180,500	224,500	44,000	24.38%
Sales to Other Governments	358,713	342,135	-16,578	(4.62%)
Grants				
Provincial Conditional - Operating	590,215	707,215	117,000	19.82%
CLC	125,700	113,230	-12,470	(9.92%)
Transfer from Operating Reserve	1,680,000	913,069	-766,931	(45.60%)
TOTAL OPERATING REVENUE	16,322,453	16,107,063	-215,390	(1.32%)

	BUDGET 2022	BUDGET 2023	VARIANCE	VAR. %
OPERATING EXPENSES				
Salaries, Wages, and Benefits				
Salaries & Wages	5,797,149	5,789,298	-7,851	(0.14%)
Benefits	1,418,086	1,446,017	28,131	1.98%
Other Wages	12,750	10,000	-2,750	(21.57%)
Contracted and General Services				
Mileage	58,105	56,350	-1,755	(3.02%)
Meals and Lodgings	97,870	95,360	-2,510	(2.56%)
Membership & Conference Fees	56,215	59,015	2,800	4.98%
Freight, Express, Postage	40,060	44,450	4,390	10.96%
Telephone & Communication	97,112	96,410	-702	(0.72%)
Training	119,000	126,000	7,000	5.88%
Advertising, Printing, Subscriptions	68,200	70,050	1,850	2.71%
Accounting & Auditing	31,000	42,000	11,000	35.48%
Legal Fees	64,500	42,500	-22,000	(34.11%)
Assessor Fees	140,000	142,000	2,000	1.43%
Engineering Fees	110,001	173,520	63,519	57.74%
Other Consulting	62,300	62,300	0	0.00%
Computer Programming	148,980	148,750	-230	(0.16%)
Insurance	220,465	281,362	60,897	27.62%
Other Services	1,487,221	1,757,317	270,096	18.18%
Materials, Goods, and Utilities				
Official/Personal Supplies	68,953	104,237	35,284	51.18%
Fuel/Parts/ Etc	84,863	-21,618	-106,481	(125.47%)
Gravel	0	0	0	0.00%
Chemicals	60,500	50,000	-10,500	(17.36%)
Computer Supplies	39,233	61,600	22,367	57.01%
Utilities	177,026	209,079	32,053	18.11%
Employee Recognition	25,000	26,000	1,000	4.00%
Other General Supplies	694,145	458,000	-236,145	(34.01%)
Transfers to Local Boards & Agencies	1,377,055	784,685	-592,370	(43.00%)
Write Offs	3,000	3,000	0	0.00%
Bank Charges & Interest	8,980	6,000	-2,980	(33.19%)
Requisitions	2,478,865	2,574,024	95,159	3.84%
Contingency	-1	12,121	12,122	(1212200.00%)
Amortization	2,026,800	2,020,300	-6,500	(0.32%)
Total Operating Expense	16,892,053	16,735,758	-156,295	(0.93%)
Total Operations	-469,540	-628,753	-159,213	(33.70%)

This does not include any costs related to implementing the strategic plan. A \$150,000 contingency should be added to cover the costs so that the County can move forward on the plan in 2023

2023 OVERALL BUDGET

Despite inflation operating expenses have decrease by 1%

	BUDGET		VARIANCE	VAR %
	2022	2023		
TOTAL OPERATING REVENUE	16,322,483	16,107,003	-215,480	(1.32%)
Total Operating Expense	16,952,033	16,735,756	-216,277	(1.28%)
Total Operations	-629,550	-628,753	797	(0.13%)
Capital Funding	5,079,013	5,730,448	651,435	13.03%
Capital Expenses	6,467,263	7,121,995	654,732	10.12%
Total Capital	-1,397,250	-1,391,547	5,703	(0.41%)
Net Profit/Loss	-2,026,800	-2,020,300	6,500	(0.32%)
Remove Amortization	2,026,800	2,020,300		0.00%
Adjusted Surplus (Deficit)	0	0	0	

PROPOSED AMENDMENT

If a \$150,000 contingency is added:
tax revenue would need to be increased by \$150,000

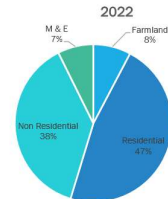
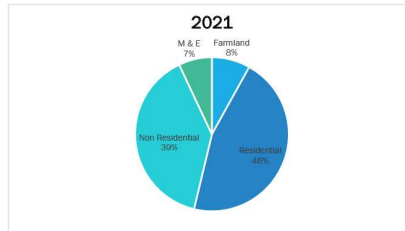
	Budget before start plan 2023	Budget with added contingency 2023
OPERATING REVENUE		
Taxes	\$12,701,906	\$12,681,906
Sewer Levy	9,040	9,040
Other Income		
Well Drilling/Drill Rig	5,500	5,500
Penalties	80,200	80,200
User Fees and Sales of Goods	629,309	629,309
Investment Income	350,000	350,000
Development Levies	30,000	30,000
Licenses and Permits	224,500	224,500
Sales to Other Governments	342,125	342,125
Grants	82045	82045
Transfer from Operating Reserve	913,969	913,969
TOTAL OPERATING REVENUE	16,107,003	16,257,003
OPERATING EXPENSES		
Salaries, Wages, and Benefits	2,246,110	2,246,110
Contracted and General Services	3,293,224	3,293,224
Materials, Goods, and Utilities	888,097	888,097
Transfers to Local Boards & Agencies	784,865	784,865
Write Offs	-3,000	-3,000
Bank Charges & Interest	6,000	6,000
Requisitions	2,574,024	2,574,024
Contingency	12,321	162,321
Amortization	2,020,300	2,020,300
Total Operating Expense	16,735,756	16,685,756
Total Operations	-628,753	-428,753
Capital Funding		
Capital Expenses	5,730,448	5,730,448
Capital Expenses	2,141,585	2,141,585
Total Capital	-1,391,547	-1,391,547
Net Profit/Loss	-2,020,300	-2,020,300
Remove Amortization	2,020,300	2,020,300
Adjusted Surplus (Deficit)	0	0

2022 ASSESSMENT

DETAILS OF THE 2022 ASSESSMENT WERE PROVIDED AT THE SMOKY LAKE COUNTY COUNCIL MEETING HELD APRIL 27, 2023

ASSESSMENT

The proportion of Residential assessment vs non residential continues to increase



This is significant because it creates a greater tax burden for the residential properties



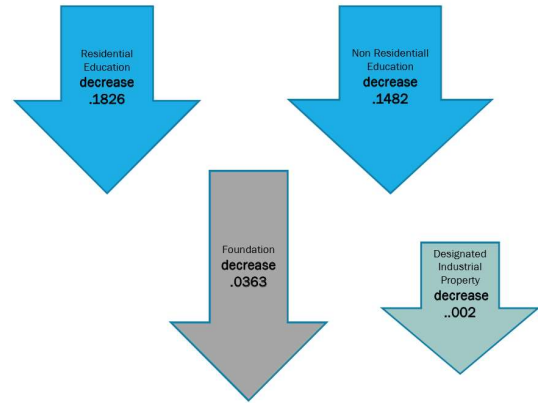
ASSESSMENT CHANGES SINCE 2015

2023 TAX RATES

THE TAX RATE INCLUDES EDUCATION REQUISITION, FOUNDATION REQUISITION DESIGNATED PROPERTY REQUISITION AND THE MUNICIPAL TAX

2023 REQUISITIONS

- Total School Requisitions increased due to the assessment change, however the rate has decreased
 - Residential Rate will be 2.4387 (2022 - 2.6213)
 - Non- Residential Rate will be 3.7365 (2022 - 3.8847)
- Foundation Requisition has decreased slightly:
 - 2023 Rate will be .688 (2022 - .7243)



OPTION 1: MUNICIPAL TAX RATE (NO INCREASE TO CONTINGENCY)

Due to the assessment increases, we are able to keep the tax Municipal rate the same as 2022

	2022 rate	Option 1 2023 rate		Option 2 2023 rate with contingency	
Farmland	16.2209	16.002	-1%	16.202	0%
Residential	9.0986	8.8797	-2%	9.0797	0%
Small Business	26.1582	25.9737	-1%	26.1737	0%
Non Residential	26.1582	25.9737	-1%	26.1737	0%
M & E	22.2735	22.2372	0%	22.4372	1%

Res/Farmland	2022 Rate	Assessment	Municipal
Residential	5.753	352,937,710	\$2,030,451
gll no requisitions	12.8753	831,070	10,700
Farmland	12.8753	56,792,850	\$731,225
		410,561,630	\$2,772,376
Non Res			
Commercial	21.5492	31,960,970	\$688,733
Small Business	21.5492	18,306,340	\$394,487
Grant in Lieu	21.5492	2,747,220	59,200
Linear	21.5492	230,500,520	\$4,967,102
		283,515,050	\$6,109,523
M and E	21.5492	55,163,990	\$1,188,740
TOTAL ASSESSMENT & TAXES		749,240,670	\$10,070,638
Estimated Minimum Tax Revenue			\$60,000
TOTAL ASSESSMENT & TAXES		\$749,240,670	\$10,130,638

AVERAGE CHANGE PER PARCEL

Based on Option #1

	MILL RATE	2022	2023
TOTAL FARMLAND MILL RATE		16.002	16.2209
Total number of assessed farmland properties		4,272	4,271
Total assessment for farmland parcels		56,792,850	56,782,770
Total average assessment per parcel		13,291	13,295
Average total tax per parcel		\$213.66	\$219.66
Total increase (decrease) / average parcel			5.60%
TOTAL RESIDENTIAL MILL RATE		8.8797	9.0986
Total number of assessed residential parcels		452	463
Total assessment for residential parcels		352,937,710	325,919,440
Average assessment per parcel		162,719	150,798
Average total tax per parcel		\$1,444.90	\$1,371.69
Total increase (decrease) / average parcel			-4.92%
TOTAL SMALL BUSINESS MILL RATE		26.1582	26.1582
Total number of assessed non-residential parcels		40	38
Total assessment for non-residential parcels		8,543,400	8,543,400
Total average assessment per parcel		213,585	224,828
Average total tax per parcel		\$5,587.00	\$5,881.05
Total increase (decrease) / average parcel			5.17%
TOTAL NON-RESIDENTIAL MILL RATE		26.1582	26.1582
Total number of assessed non-residential parcels		452	463
Total assessment for non-residential parcels		31,960,970	28,975,160
Total average assessment per parcel		70,710	62,581
Average total tax per parcel		\$1,585.65	\$1,457.22
Total increase (decrease) / average parcel			-7.44%
TOTAL MACHINERY & EQUIPMENT MILL RATE		22.2735	22.2735
Total number of assessed M & E parcels		138	144
Total assessment for M & E parcels		55,163,990	50,080,070
Total average assessment per parcel		399,739	347,834
Average total tax per parcel		\$8,903.39	\$7,747.48
Total increase (decrease) / average parcel			-12.51%
TOTAL LINEAR MILL RATE		26.1582	26.1582
Total number of assessed Linear parcels		33	33
Total assessment for Linear parcels		230,500,520	233,211,680
Total average assessment per parcel		6,984,864	7,067,021
Average total tax per parcel		\$182,711.48	\$184,860.54
Total increase (decrease) / average parcel			1.19%

OPTION 2: MUNICIPAL TAX RATE (INCREASING CONTINGENCY BY \$150,000)

	2022 rate	Option 1 2023 rate		Option 2 2023 rate with contingency	
Farmland	16.2209	16.002	-1%	16.202	0%
Residential	9.0986	8.8797	-2%	9.0797	0%
Small Business	26.1582	25.9737	-1%	26.1737	0%
Non Residential	26.1582	25.9737	-1%	26.1737	0%
M & E	22.2735	22.2372	0%	22.4372	1%

We can cover a contingency while keeping the overall tax rate lower than 2022 for Residential, Non Residential, and Farmland

Res/Farmland	2022 Rate	Assessment	Municipal
Residential	5.953	352,937,710	\$2,101,038
gll no requisitions	13.0753	831,070	10,868
Farmland	13.0753	56,792,850	\$742,584
		410,561,630	\$2,854,488
Non Res			
Commercial	21.7492	31,960,970	\$695,126
Small Business	21.7492	18,306,340	\$398,148
Grant in Lieu	21.7492	2,747,220	59,750
Linear	21.7492	230,500,520	\$5,013,202
		283,515,050	\$6,166,226
M and E	21.7492	55,163,990	\$1,199,773
TOTAL ASSESSMENT & TAXES		749,240,670	\$10,220,488
Estimated Minimum Tax Revenue			\$60,000
TOTAL ASSESSMENT & TAXES		\$749,240,670	\$10,280,488

	2022 Total	TOTAL PROPOSED MILL RATE TOTAL
TOTAL FARMLAND MILL RATE	16.2209	16.402
Total number of assessed farmland properties	4,271	4,273
Total assessment for farmland parcels	56,782,770	56,792,850
Total average assessment per parcel	13,295	13,291
Average total tax per parcel	\$215.66	\$218.00
Total Increase (decrease) / average parcel		\$ 2.34
TOTAL RESIDENTIAL MILL RATE	9.0984	9.2797
Total number of assessed residential parcels	2,162	2,169
Total assessment for residential parcels	325,939,440	352,937,710
Average assessment per parcel	150,758	162,719
Average total tax per parcel	\$1,371.69	\$1,509.98
Total Increase (decrease) / average parcel		\$138.29
TOTAL SMALL BUSINESS MILL RATE	26.1587	26.3737
Total number of assessed non-residential parcels	38	48
Total assessment for non-residential parcels	8,543,400	8,543,400
Total average assessment per parcel	224,826	213,589
Average total tax per parcel	55,881.07	55,633.03
Total Increase (decrease) / average parcel		\$ 248.04
TOTAL NON-RESIDENTIAL MILL RATE	26.1582	26.3737
Total number of assessed non-residential parcels	463	452
Total assessment for non-residential parcels	28,975,100	31,960,970
Total average assessment per parcel	62,581	70,710
Average total tax per parcel	\$1,637.03	\$1,804.89
Total Increase (decrease) / average parcel		\$227.87
TOTAL MACHINERY & EQUIPMENT MILL RATE	22.2735	22.6372
Total number of assessed M & E parcels	144	138
Total assessment for M & E parcels	50,088,000	55,163,998
Total average assessment per parcel	347,834	399,739
Average total tax per parcel	57,747.48	59,048.97
Total Increase (decrease) / average parcel		\$1,301.50
TOTAL LINEAR	26.1582	26.3737
Total number of assessed Linear parcels	53	53
Total assessment for Linear parcels	233,211,680	230,500,520
Total average assessment per parcel	7,067,021	6,984,884
Average total tax per parcel	\$184,860.54	\$184,216.71
Total Increase (decrease) / average parcel		\$ 643.83

**AVERAGE CHANGE
PER PARCEL**

Based on
Option #2

NEXT STEPS

❖ TO MEET MGA REQUIREMENTS THE TAX BYLAW WILL NEED TO BE APPROVED BY MAY 11, 2023

❖ IF THE TAX RATE HAS BEEN AGREED UPON, THE TAX RATE BYLAW WILL BE PRESENTED AT THE MAY 11, 2023 COUNCIL MEETING

❖ IF MORE DISCUSSION IS NEEDED REGARDING THE TAX RATE, ANOTHER BUDGET MEETING HAS BEEN SCHEDULED FOR MAY 9, 2023

Request for Decision:

Year-2023 Total Function Budget

533-23: Gawalko

That Smoky Lake County Council approve the balanced Year-2023 Municipal Total Function Budget, with a total Revenue in the amount of \$22,019,856 and total expenditures in the amount of \$22,019,856, not including amortization in the amount of \$2,020,300.

Carried.

Year-2023 to Year-2027 Consolidated Five-Year Capital Budget

534-23: Gawalko

That Smoky Lake County Council approve the Year-2023 to Year-2027 Consolidated Five-Year Capital Budget, including the Capital Bridge Plan and Capital Road Plan, of expenditures as follows:

- Year-2023 = \$7,487,498,
- Year-2024 = \$9,903,656,
- Year-2025 = \$6,194,053,
- Year-2026 = \$6,882,889, and
- Year-2027 = \$4,364,117.

Carried.

Next Meeting:

The next Smoky Lake **County Council Budget Meeting** is scheduled for **Tuesday, May 9, 2023 at 9:00 a.m.** to be held virtually, through Electronic Communication Technology as per Bylaw 1376-20 **and/or** physically in County Council Chambers.

Adjournment:

535-23: Serben

That the Smoky Lake County Council Budget Meeting of April 25, 2023, be adjourned, time 3:33 p.m.

Carried.

REEVE

S E A L

CHIEF ADMINISTRATIVE OFFICER