

BUDGET 2020



APPENDIX

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BUDGET 2020

Descriptions for Budget Reports

Revenues

1. Property Taxes

Property taxes include municipal taxes collected from residential and non-residential properties.

2. Utility User Rates and Charges

Utility User Rates are derived from the City's utility operations: water, sewer and waste management. Utilities is supported by the utility rates to cover expenses for service delivery.

3. Fines and Penalties

Fines and penalties include penalties for late payments on property taxes, as well as Municipal Enforcement fines, such as automated traffic enforcement and animal control.

4. User Fees and Charges

User Fees and Charges are derived from the City's operational areas and include recreation fees, tax certificates, business licenses, development permits, facility rentals, public transit, etc.

5. Government Operating Grants

Government operating grants are funds received from Federal and Provincial levels of government to help support programs such as Municipal Policing, Family and Community Support Services, Shell Theatre, Recreation, Culture and highway maintenance.

6. Investment Income

Investment income captures the City's investments and current bank account interest.

7. Other Revenue

Other revenues include insurance proceeds and donations for events such as Youth Action Club fundraising.

Expenditures

1. Salaries, Wages, and Benefits

Salaries and wages include unionized, non-unionized staff and Council remunerations. Benefits include Alberta Blue Cross, Local Authorities Pension Plan, Workers Compensation, Lifestyles Wellness program for staff and the Employee Assistance Program.

2. Purchases from Other Governments and Agencies

Purchases from other governments are comprised of transactions between the City and other public agencies for services, such as the RCMP contract, 911 dispatching services, commuter transit, assessment commission, water commission and sewer commission.

3. Contracted Services

Contracted services captures contracts for municipal enforcement ticket processing, roadway maintenance and snow removal, city facility maintenance, recreation program instructors, and utility maintenance.

4. Utilities

Utilities include natural gas, power, water, sewer and solid waste for all City facilities.

5. Materials and Supplies

Materials and supplies category consists of items required to maintain the City on a daily basis. These items include office supplies, uniforms and personal protective equipment, furnishings and equipment, and fuel for all City vehicles.

6. Community Grants and Programs

Community Grants and Programs provides funding support to various community not-for-profit groups, organizations, and boards and committees. Detailed information can be found in Section 23.

7. Interest on Long Term Debt

Interest on Long Term Debt includes interest payments for capital projects, such as the Dow Centennial Centre, City Hall, RCMP Building, Sewer Reline Program and the Westpark Reservoir.

8. Service Maintenance Contracts

Service maintenance contracts are agreements to maintain software, computers, equipment, building inspections, local transit, solid waste and organics collection and disposal, and Shell Theatre ticket processing.

9. Advertising and Printing

Advertising and printing represent expenses related to promoting the City, including employee recruitment, public transit, solid waste and recycling, local business support and business attraction.

10. Training and Development

Training and development captures training and travel for staff, professional and creditable courses, conferences and in-house development.

11. Insurance

Insurance applies to all City assets, including buildings, equipment and vehicles.

12. General Administration

General Administration consists of all city telephones, cell phones, fax, postage and courier costs. Also included are regional and professional memberships.

13. Other expenses

Other expenses primarily consist of bank charges, contingency funds for unforeseen and emergent issue held in the City Manager's budget, bank interest and charges.

Other Items

1. Repayment of Long Term Debt

Debentures include principal payment for capital projects, such as the Dow Centennial Centre, City Hall, RCMP Building, Sewer Reline program and Westpark Reservoir.

2. Annual Capital Funding

Annual capital funding helps fund the City's capital projects that are relatively small-scale or are short-lived improvements. Capital projects that are funded through this source are typically new assets to the City, such as vehicles and equipment that are in addition to the City's current fleet, on-going projects such as local road rehabilitation, and new computer equipment acquisitions.

3. Transfer to Reserves

Transfers to Reserves are like making deposits into a savings account on an ongoing basis to ensure future funding requirements, stabilize fluctuations in operating and capital activities, and provide contingency funding.

4. Funding from Reserves

Reserve funds are like savings accounts that are used to offset major expenditures and stabilize impacts to the operating budget.

5. Internal Allocation Between Funds

Internal allocation between funds consists of transfers between general operations and utility funds.

Capital Items

1. Community Funding Contribution

Community funding contribution consists of assets that have been donated or transferred to the City. These assets do not represent cash received by the City. For example, a asset could be a subdivision turned over to the City by a developer.

2. Proceeds on Disposal of Tangible Capital Assets

Proceeds from the sale of a capital asset that are greater than (gain) or less than (loss) the net book value of the asset.

3. Government Capital Grants

Government grants are funds typically received from Federal and Provincial levels of government. These funds are designated to specific initiatives to help support the City's infrastructure needs, such as projects that involve the purchase, construction, development, betterment, rehabilitation or non-routine maintenance of capital assets.

4. Amortization of Capital Assets

Amortization is an allocation of the City's capital assets historical cost over its useful life.

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BUDGET 2020



Budget 101—Terminology

Amortization

The process of allocating the cost of a fixed asset over its useful life in accordance with accounting principles and policy.

Annual Budget Process

The yearly development of the City's operating and capital budgets for review and deliberation by Council in November, and adoption by Council in December.

Approved Budget

The final budget passed by Council, which will govern the operations and reporting during the fiscal year.

Base Budget

The previous year's approved operating budget adjusted for one-time revenues and expenses.

Budget

A financial plan for a specified period of time that matches all planned revenues and expenditures with funds for various City services.

Capital Budget Request

Proposed capital expenditure based on a recommendation by Administration and presented to Council for deliberation during the budget process.

Capital Budget

Consists of an annual and a long-term financial plan for the proposed acquisition and financing of tangible capital assets, more commonly referred to as the 10 -year Capital Plan.

Capital Expenditure/Project

Any expenditure, other than a major capital project, in excess of \$10,000 incurred to acquire, construct or improve a capital asset used in the provision of municipal services.

Cost of Living Adjustment (COLA)

An adjustment made to salaries and wages to counteract the effects of inflation. For example, an employee receiving \$10,000 salary and a 1% COLA, the salary would be \$10,100.

Debt Servicing

The annually required debt repayments for principal plus the interest amount to be paid on outstanding debt.

Debt Limit

The legislated maximum that the City can borrow in accordance with Section 252 of the Municipal Government Act.

Debenture

A type of debt instrument that is similar to a loan but not secured by assets or collateral.

Deficit

The excess expenditures or expenses over revenues during a single accounting period.

Department

A team of individuals providing a unique service led by a director. For example, the City's Information Technology department.

Division

A group of Departments providing similar or complementary services led by a general manager. For example, the City's Community and Protective Services division.

Senior Leadership

The top level of Administration, which includes the City Manager, General Manager of Corporate Services, General Manager of Infrastructure and Planning and General Manager of Community and Protective Services.

Full-Time Equivalent (FTE)

Full-Time Equivalent (FTE) is a common measure of staff levels and is defined as the ratio of the total number of paid hours during a period for staff divided by the number of working hours in that period that would be worked by a regular full-time employee. For example, if an employee worked 15 hours out of 37.5 hours, the FTE would be equal to 0.4.

Grant Revenue

A monetary contribution by one governmental unit or organization to another. Typically, these contributions are made to the City by the Provincial and Federal Governments.

Growth

Where additional resources are required to deliver existing service levels on a broader scale. For example, snow removal and park maintenance for additional new neighbourhoods.

Inflation

Increase in the cost to deliver existing service levels. For example, an increase in the cost of natural gas or an increase to the snow removal contract.

Infrastructure

Facilities and assets required by the City to deliver services. These facilities and assets are numerous and are not limited to roads, sewers, buildings, and vehicles.

New Initiatives

Where improvements are being made to the level of a service, or new programs or services are being undertaken. For example, introducing a new recreation program.

Offsite Levy

Funds levied from developer agreements on new land developments and subdivisions, which is restricted for projects required due to growth.

Operating Budget

A financial plan for the purchase and financing of the City's day-to-day operations that includes expenses such as salaries, wages and benefits, materials, supplies and utilities. After all own-source (user fees, government grants, fines, investment income, etc.) revenues have been accounted for, property taxes are levied to balance this budget.

Operating Budget Request

The proposed change to the operating base budget based on Administration's recommendation and subject to Council approval.

Operating Impact from Capital

Operating revenues and expenditures that are imposed by a capital project. For example, the construction of a new building will have operational expenses and possible revenue sources.

Operating Plan Request

Proposed adjustment to the base budget recommended by Administration and presented to Council for deliberation.

Property Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people.

Reserve

Specific funds set aside on an ongoing basis for future funding requirements, stabilization of fluctuations in operating and capital activities, contingency funding, and to reduce the need for debt financing.

Revenue

Funds received from various sources treated as income and used to finance expenditures. Revenue includes, but is not limited to, taxes, user fees, government transfers, interest and penalties.

Supplementary Tax Revenue

Property taxes on new properties that are completed and occupied during the year.

Surplus

The excess of revenues over expenditures as compared to the annual operating budget approved by Council.

Capital Assets

Land, buildings, water and sewer systems, roads, infrastructure, machinery, vehicles, and equipment that has been purchased, constructed or contributed to the City and provides long-term benefits.

Tax Levy

The total amount to be raised by general property taxes for operating and debt services purposes.

Tax Assessment

An estimate of a property's value in order to determine an amount subject to a property tax levy.

Utility Operations

A component of the operating budget that includes water distribution, wastewater collection (sewer) and solid waste services with these specific services provided on a user pay basis, ensuring that users pay the full cost of utility services.

Municipal Sustainability Initiative Capital Grant

The Municipal Sustainability Initiative (MSI) capital grant is the major grant that the City of Fort Saskatchewan receives from the Province of Alberta. This grant helps support infrastructure needs and manage growth demands. The MSI grant has been instrumental to the City, as it has been used to rehabilitate roadways, build recreation and sports facilities and fund other key priorities. A portion of the annual MSI capital grant allocation can also be used for operating costs for the maintenance of provincial highways. Whenever possible, grant funds are used ahead of municipal funding sources to reduce the impact on taxpayers.

MSI capital funding is limited to projects that involve the purchase, construction, development, betterment, rehabilitation, or non-routine maintenance of a capital asset that is owned by the City. These projects include roads, bridges, public transit vehicles or facilities, emergency services facilities or equipment, water and wastewater systems, solid waste management facilities and equipment, and other municipal buildings (libraries, public works, culture and community centres and recreation and sports facilities).

However, there are some limitations to the use of the MSI capital grant. First, there is a minimum threshold of at least 5% of the City's current year capital allocation that can be assigned to a project. For example, the City's annual MSI capital allocation is approximately \$5.3M—the minimum project threshold that can be used for a capital project is approximately \$265K. Secondly, some activities that are related to or support capital assets are not eligible for MSI capital—these include general administration and operating support, acquisition of fleet vehicles, subdivision construction or development, land purchases that are not intended for a specific capital asset, land betterment intended for resale.

The proposed 2020 Capital and Operating Budgets have allocated (\$5,038,051) MSI capital funding to the following capital projects and eligible operating cost:

Proposed Capital budget

- | | |
|---|--------------|
| • 16021 City Hall Space Development | \$ 400,000 |
| • 18036 Point Aux Pins Road Enhancement | \$ 959,000 |
| • 19007 Local Road Rehabilitation* | \$ 1,291,751 |
| • 19008 Neighbourhood Rehabilitation* | \$ 676,000 |
| • 19009 Veterans Way Corridor Widening | \$ 300,000 |
| • 20028 112 Street Widening | \$ 1,300,000 |

Proposed Operating Budget

- | | |
|----------------------------------|------------|
| • Provincial Highway Maintenance | \$ 111,300 |
|----------------------------------|------------|

The below chart shows the proposed 2020 MSI ending balance.

Rounded to the nearest thousand dollars

	Opening	2020 Activity		Closing
	Uncommitted	Contributions	Withdrawals	Uncommitted
	Balance			Balance
	\$000s	\$000s	\$000s	\$000s
MSI Capital Grant	2,734	5,300	(5,038)	2,996

Note: the above chart is based on the interpretation of the provincial budget (\$5.3M projected MSI capital grant contribution for 2020)

* Due to the uncertainty surrounding the future provincial MSI capital grant funding levels, the City continues to reduce its reliance on MSI capital grants to fund capital projects of an ongoing nature. The proposed 2020 Capital Budget includes \$1,967,751 of MSI capital grant devoted to ongoing local road and neighbourhood rehabilitation projects, which is down \$300,000 from 2019.

2020 Capital Plan

Asset Categories

	Capital Budget	2020 Operating Impact	2021 Operating Impact
Engineering Structure			
18028 Water Reservoir Lifecycle	60,000		
18023 Bulk Water Station Modernization		2,600	
18036 Point Aux Pins Road Enhancement	1,500,000	3,900	
19007 Local Road Rehabilitation	2,700,000		
19008 Neighbourhood Rehabilitation	3,800,000	358,000	300,000
19009 Veterans Way Corridor Widening Planning Study	300,000		
19018 Sump Pump Retrofit Program	600,000		
20002 Roadway Safety Improvements	100,000		100,000
20010 Old Gaol Bridge Rail Replacement	130,000		
20028 112 Street Widening	1,300,000	5,840	
20046 99 Ave Street Lamp Life Cycle Replacement	100,000		
Total Engineering Structure	10,590,000	370,340	400,000
Vehicles, Machinery & Equipment			
18003 Water Meter Lifecycle Replacement	200,000	82,000	10,000
19004 Highway Safety Equipment		2,200	
19011 Information Technology Equipment Replacement	166,800		
19013 Transit Smart Fare Equipment		9,000	9,600
19012 Information Technology Network Infrastructure	193,000		
19017 Information Technology New Acquisitions	164,300	26,600	35,275
19027 Annual Fleet & Equipment Replacement	1,362,000		
19030 Mobile Message Board		2,000	
19032 Flail Mower Attachment		4,800	
19033 400 Gallon Pesticide Tank		1,800	
19034 Additional Transit Bus		26,200	
20001 Protective Services Equipment Lifecycle Replacement	280,000		
20032 Harbour Equipment Lifecycle Replacement	60,000		
20042 Fire Station Direct Capture Exhaust System	275,000	5,000	11,300
20047 Dow Centennial Centre Equipment Lifecycle Replacement	53,000		
20048 Municipal Enforcement Patrol Vehicle	85,000	9,250	10,000
20050 Public Works New Backup Power System	250,000	500	10,000
Total Vehicles, Machinery & Equipment	3,089,100	169,350	86,175
Buildings			
16021 City Hall Space Development	400,000		
18043 Gymnastics Facility		(31,875)	(13,600)
Total Buildings	400,000	(31,875)	(13,600)
Developer Levy Projects			
19010 Medium Industrial 450mm Water Main		20,050	8,800
Total Developer Levy Projects	-	20,050	8,800
Total	14,079,100	527,865	481,375

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Note: The 10-Year Capital Plan is a planning and guiding document. Project costs (2021-2029) are high-level estimates using the best information that is currently available. These estimates are subject to Council's formal budget approvals in the budget year supported by detailed assessments, public engagement, economic fluctuations, and other key considerations.

10 Year Capital Plan - By Asset Category

City Plans/Studies	Funding Source	2020	5 Year					10 Year				Total	
			2021	2022	2023	2024	2025	2026	2027	2028	2029		
Engineering Structure													
18028 Water Reservoir Lifecycle	10	Reserve	60,000	-	-	-	-	-	-	-	-	-	60,000
18036 Point Aux Pins Road Enhancement	6	Contribution/Grant	1,500,000	-	-	-	-	-	-	-	-	-	1,500,000
19007 Local Road Rehabilitation	11	Grant	2,700,000	2,700,000	2,700,000	2,750,000	2,800,000	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	27,900,000
19008 Neighbourhood Rehabilitation		Annual Capital/Grant/Reserve	3,800,000	4,000,000	4,100,000	4,300,000	4,400,000	4,400,000	4,400,000	4,400,000	4,500,000	4,500,000	42,900,000
19009 Veterans Way Corridor Widening Planning Study	15, 16	Grant	300,000	2,400,000	3,000,000	3,000,000	-	-	-	-	-	-	8,700,000
19018 Sump Pump Retrofit Program	13	Reserve	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	6,000,000
20002 Roadway Safety Improvements	15, 14, 7	Annual Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
20010 Old Gaol Bridge Rail Replacement	12	Reserve	130,000	-	-	-	-	-	-	-	-	-	130,000
20028 112 Street Widening		Grant	1,300,000	-	-	-	-	-	-	-	-	-	1,300,000
20046 99 Ave Street Lamp Life Cycle Replacement		Reserve	100,000	-	-	-	-	-	-	-	-	-	100,000
23019 Paving at Dog Park and Dow Fields		Annual Capital/Reserves	-	-	440,000	-	-	-	-	-	-	-	440,000
24002 Traffic Lights - 108 Street and 99 Avenue		Annual Capital/Developer Contributions	-	-	-	300,000	-	-	-	-	-	-	300,000
Total Engineering Structure			10,590,000	9,800,000	10,500,000	11,190,000	8,200,000	7,950,000	7,950,000	8,050,000	8,050,000	8,050,000	90,330,000
Vehicles, Machinery & Equipment													
18003 Water Meter Lifecycle Replacement	4	Reserve	200,000	-	-	-	-	-	-	-	-	-	200,000
19006 Culture Equipment Lifecycle Replacement		Grant/Reserve	-	16,000	113,900	-	68,448	25,000	8,000	39,108	22,148	22,670	315,274
19011 Information Technology Equipment Replacement		Reserve	166,800	163,000	190,000	150,000	165,000	165,000	165,000	165,000	165,000	165,000	1,659,800
19012 Information Technology Network Infrastructure		Reserve	193,000	220,000	190,000	150,000	185,000	185,000	185,000	185,000	185,000	185,000	1,863,000
19017 Information Technology New Acquisitions		Annual Capital	164,300	232,000	248,000	248,000	262,000	262,000	262,000	262,000	262,000	262,000	2,464,300
19027 Annual Fleet & Equipment Replacement		Annual Capital/Reserve/Trade-in	1,362,000	423,400	595,800	2,178,600	1,892,100	1,045,400	1,132,150	1,060,900	1,401,800	774,800	11,866,950
20001 Protective Services Equipment Lifecycle Replacement		Annual Capital/Reserves	280,000	293,000	319,400	339,200	313,700	408,800	345,000	443,200	343,600	102,600	3,188,500
20032 Harbour Equipment Lifecycle Replacement		Reserve	60,000	-	35,000	-	-	225,000	-	30,000	-	-	350,000
20042 Fire Station Direct Capture Exhaust System		Annual Capital	275,000	-	-	-	-	-	-	-	-	-	275,000
20047 Dow Centennial Centre Equipment Lifecycle Replacement		Reserve	53,000	65,000	281,000	25,000	350,000	30,000	-	155,000	55,000	1,160,000	2,174,000
20048 Municipal Enforcement Patrol Vehicle		Annual Capital	85,000	-	-	-	-	-	-	-	-	-	85,000
20050 Public Works New Backup Power System		Annual Capital/Reserves	250,000	-	-	-	-	-	-	-	-	-	250,000
21017 Arborist Lift Truck		Annual Capital	-	150,000	-	-	-	-	-	-	-	-	150,000
21024 Utility Operator - Customer Service - New Truck		Annual Capital	-	57,500	-	-	-	-	-	-	-	-	57,500
21030 Outdoor Ice Resurfacer Attachment		Annual Capital	-	15,000	-	-	-	-	-	-	-	-	15,000
22020 New Roadway Clearing Equipment		Annual Capital	-	-	350,000	-	-	-	-	-	-	-	350,000
24001 Fire Services Radio System Replacement		Reserve	-	-	-	-	450,000	-	-	-	-	-	450,000
25002 Fire Services Self Contained Breathing Apparatus Replacement		Reserve	-	-	-	-	-	125,000	-	-	-	-	125,000
25003 Fire Engine Replacement		Reserve	-	-	-	-	-	1,015,000	-	-	-	-	1,015,000
26002 Siren System Replacement - 3 Sites		Reserve	-	-	-	-	-	-	400,000	-	-	-	400,000
26003 Fire Logistics Vehicle Replacement		Reserve	-	-	-	-	-	-	77,000	-	-	-	77,000
27001 Fire Planning Vehicle Replacement		Reserve	-	-	-	-	-	-	-	50,000	-	-	50,000
28001 Fire Rescue Tools Replacement		Reserve	-	-	-	-	-	-	-	-	117,000	-	117,000
28011 Waste Carts Lifecycle Replacement		Reserve	-	-	-	-	-	55,000	110,000	110,000	550,000	110,000	935,000
29002 Wildland Firefighting Vehicle Replacement		Reserve	-	-	-	-	-	-	-	-	-	120,000	120,000
29004 Fire Ladder Truck Replacement		Reserve	-	-	-	-	-	-	-	-	-	1,920,000	1,920,000
Total Vehicles, Machinery & Equipment			3,089,100	1,634,900	2,323,100	3,090,800	3,686,248	3,541,200	2,684,150	2,500,208	3,101,548	4,822,070	30,473,324

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10 Year Capital Plan - By Asset Category

City Plans/Studies	Funding Source	2020	5 Year					10 Year				Total	
			2021	2022	2023	2024	2025	2026	2027	2028	2029		
Buildings													
16021 City Hall Space Development	Grant	400,000	-	-	-	-	-	-	-	-	-	-	400,000
21029 Transfer Station Site Enhancements	Reserve	-	270,500	1,303,500	-	-	-	-	-	-	-	600,000	2,174,000
22022 New Arena Dow Centennial Centre Planning /Construction	Debt/Reserve	-	-	721,857	8,795,783	4,919,495	-	-	-	-	-	-	14,437,135
23006 Museum Building Acquisition	Community Contribution	-	-	-	160,000	-	-	-	-	-	-	-	160,000
23016 New Fire Station Planning /Construction	Debt/Reserve	-	-	-	300,000	3,400,000	4,300,000	-	-	-	-	-	8,000,000
24016 Aquatics Planning / Construction	Debt/Grant	-	-	-	-	2,000,000	12,000,000	20,000,000	10,000,000	-	-	-	44,000,000
26005 West Rivers Edge Community Facility	Grant	-	-	-	-	-	-	138,020	2,622,383	-	-	-	2,760,403
26015 Jubilee Recreation Centre Planning /Renovation	Annual Capital/Debt	-	-	-	-	-	-	659,294	6,478,955	6,047,624	-	-	13,185,873
28010 Harbour Pool Planning/Renovation	Annual Capital/Grant	-	-	-	-	-	-	-	-	501,008	9,519,143	-	10,020,151
Total Buildings		400,000	270,500	2,025,357	9,255,783	10,319,495	16,300,000	20,797,314	19,101,338	6,548,632	10,119,143		95,137,562
Land Improvements													
22011 West Rivers Edge Trails	Grant	-	-	417,918	-	506,708	-	-	-	-	-	-	924,626
22012 Cemetery Concrete Runners	Reserve	-	-	70,000	-	-	-	-	-	-	-	-	70,000
22023 Fort Centre Park	Annual Capital/Reserves	-	-	500,000	500,000	500,000	-	-	-	-	-	-	1,500,000
26006 Complete Area 1 Cemetery Expansion	Reserve	-	-	-	-	-	-	300,000	-	-	-	-	300,000
28002 West Rivers Edge Family Play Area	Grant	-	-	-	-	-	-	-	-	4,277,282	-	-	4,277,282
Total Land Improvements		-	-	987,918	500,000	1,006,708	-	300,000	-	4,277,282	-	-	7,071,908
Total Capital Projects		14,079,100	11,705,400	15,836,375	24,036,583	23,212,451	27,791,200	31,731,464	29,651,546	21,977,462	22,991,213		223,012,794

Funding Sources	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Grant Funds Used										
Municipal Sustainability Initiative (MSI)**	4,926,751	4,067,751	4,785,669	4,067,751	3,274,459	2,467,751	305,771	2,622,383	4,277,282	9,519,143
Federal Gas Tax	1,408,249	1,408,249	1,408,249	1,408,249	1,408,249	1,408,249	1,408,249	1,276,000	976,000	676,000
Heritage Canada Grant	-	5,333	37,967	-	22,816	8,333	2,667	13,036	7,383	7,557
Total Grant Funds Used	6,335,000	5,481,333	6,231,885	5,476,000	4,705,524	3,884,333	1,716,687	3,911,419	5,260,665	10,202,700
New Debt Issued	-	-	-	8,795,783	7,919,495	14,300,000	20,000,000	16,478,955	6,047,624	-
Annual Capital Funds Used	1,531,700	1,949,400	2,332,400	2,781,400	3,145,400	3,495,400	3,795,294	4,145,400	4,445,400	4,745,400
Trade-in Vehicles, Machinery, Equipment and Other Funds	626,700	87,400	89,100	446,900	152,700	94,600	96,500	98,400	100,400	102,400
Total Planned Capital Additions	14,079,100	11,705,400	15,836,375	24,036,583	23,212,451	27,791,200	31,731,464	29,651,546	21,977,462	22,991,213
Reserve Funds Used ***	5,585,700	4,187,267	7,182,990	6,536,500	7,289,332	6,016,867	6,122,983	5,017,372	6,123,373	7,940,713
Reserve Balance Remaining****	33,436,404	34,945,356	35,224,246	37,031,666	38,261,254	38,288,307	40,956,244	44,457,792	46,853,339	47,431,546

City Plans/Studies

1. 2015 Dow Centennial Centre Master Plan Report
2. 2015 Harbour Pool Concept Report
3. 2015 Recreation Facility & Parks Master Plan Update
4. 2016 Water Metering, Consumption Process and Controls Assessment
5. 2019 Transfer Station Reconfiguration Study (Pending)
6. Annexation Agreement
7. Capital Region Intersection Safety Partnership
8. Cemetery Master Plan
9. 2008 Fort Centre Park Master Plan (draft); New plan is in development
10. Fort Saskatchewan Reservoir Lifecycle Renewal Assessment Report
11. Pavement Network Performance Update
12. STANTEC Bridge Inspection Report May 16/19

Notes

13. Sump Pump Retrofit Program
 14. Traffic Calming Policy
 15. Transportation Master Plan
 16. Veterans Way Functional Planning Study (underway)
- **2022 to 2029 projects are subject to funding availability from by the Province. Future MSI grant funding has been estimated based on the interpretation of the Provincial budget.
 ***10-year capital plan assumes planned reserve contributions
 ****Does not include externally restricted funds or developer levy funds

Note: The 10-Year Capital Plan is a planning and guiding document. Project costs (2021-2029) are high-level estimates using the best information that is currently available. These estimates are subject to Council's formal budget approvals in the budget year supported by detailed assessments, public engagement, economic fluctuations, and other key considerations.

10 Year Capital Plan - By Asset Category

City Plans/Studies	Funding Source	2020	5 Year					10 Year				Total	
			2021	2022	2023	2024	2025	2026	2027	2028	2029		
Developer Levy Projects													
21010 Southfort Boulevard Widening - Hwy 21 to Southfort Drive	Levy	-	2,500,000	-	-	-	-	-	-	-	-	-	2,500,000
21013 Southfort - 525mm 94 Street Deep Sanitary Phase 2	Levy	-	430,362	-	-	-	-	-	-	-	-	-	430,362
21020 Southfort Dr. and Southfort Blvd Intersection Signalization	Levy	-	318,362	-	-	-	-	-	-	-	-	-	318,362
21031 Southfort Drive Widening -South Greenfield Way to Southfort Blvd	Levy	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
21032 Medium Industrial - 450 mm Water Main - Area 3 to Dow	Levy/Reserve	-	622,130	-	-	-	-	-	-	-	-	-	622,130
21033 94 St Widening Hospital to Sienna Boulevard	Levy	-	2,850,000	-	-	-	-	-	-	-	-	-	2,850,000
22007 Medium Industrial - 400mm Water Main Along 118 Street	Levy	-	-	879,046	-	-	-	-	-	-	-	-	879,046
22008 Southridge Boulevard Including Intersection at Hwy 21	Levy	-	-	231,965	-	-	-	-	-	-	-	-	231,965
23004 Medium Industrial - Josephsburg Road from 1st Intersection to 2nd Intersection	Levy	-	-	-	1,332,927	-	-	-	-	-	-	-	1,332,927
23005 88th Ave and 101 Street Intersection A Signalization	Levy	-	-	-	388,082	-	-	-	-	-	-	-	388,082
23007 Southfort Drive and Southridge Blvd Intersection Signalization	Levy	-	-	-	337,849	-	-	-	-	-	-	-	337,849
23009 Southfort Yorkville Ditch Upgrade	Levy	-	-	-	2,193,604	-	-	-	-	-	-	-	2,193,604
23010 Southfort Drive Widening Southfort Blvd to Southridge Blvd	Levy	-	-	-	2,200,000	-	-	-	-	-	-	-	2,200,000
23020 Medium Industrial - Dow Main & Hwy 15 Intersection Upgrade	Levy	-	-	-	1,620,000	-	-	-	-	-	-	-	1,620,000
23021 Southfort Drainage Parkway 1 to Yorkville Ditch	Levy	-	-	-	2,588,181	-	-	-	-	-	-	-	2,588,181
24017 Galloway Wynd and 84th Street Intersection K Signalization	Levy	-	-	-	-	312,120	-	-	-	-	-	-	312,120
25004 Medium Industrial - Josephsburg Road and 1st Road Intersection	Levy	-	-	-	-	-	360,000	-	-	-	-	-	360,000
25012 Medium Industrial - 450 mm Water Main Dow Main to 125 Street	Levy/Reserve	-	-	-	-	-	1,345,968	-	-	-	-	-	1,345,968
27002 Medium Industrial - Josephsburg Road and Unnamed Road Intersection	Levy	-	-	-	-	-	-	360,000	-	-	-	-	360,000
27003 Ridgepoint Gate & Southridge Blvd Intersection Signalization	Levy	-	-	-	-	-	-	365,698	-	-	-	-	365,698
27004 Southfort Wetland E	Levy	-	-	-	-	-	-	1,208,267	-	-	-	-	1,208,267
27006 Southfort Overflow from Wetland E to Ross Creek	Levy	-	-	-	-	-	-	1,206,063	-	-	-	-	1,206,063
28011 Medium Industrial - 450 mm Water Main - Josephsburg Road to Area 5	Levy	-	-	-	-	-	-	-	-	969,803	-	-	969,803
28012 Medium Industrial - Sanitary Lift Station at 119 Street	Levy	-	-	-	-	-	-	-	-	4,680,000	-	-	4,680,000
28013 Medium Industrial - Sanitary Force Main Along CNR Right of Way to 119 Street	Levy	-	-	-	-	-	-	-	-	1,541,610	-	-	1,541,610
28014 Medium Industrial - 900 mm Sanitary Trunk IV: Ross Creek Trunk Twinning	Levy	-	-	-	-	-	-	-	-	998,426	-	-	998,426
Total Developer Levy Projects		-	7,720,854	1,111,011	10,660,643	312,120	1,705,968	-	3,140,028	8,189,839	-	-	32,840,463

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BUDGET 2020

Three Year Operating Financial Plan Forecast (2021-2023)

	2020 Proposed	2021 Forecast	2022 Forecast	2023 Forecast	Note
Operating Revenue					
Property Taxes	48,338,748	50,047,958	52,228,087	53,786,497	1
Utility User Rates & Charges	18,738,371	19,412,362	20,301,064	20,948,656	2
Fines and Penalties	2,554,300	2,554,300	2,554,300	2,554,300	
User Fees & Charges	7,233,043	7,180,178	7,292,248	7,306,954	3
Government Operating Grants	1,565,837	1,551,139	1,559,441	1,559,441	
Investment Income	1,257,000	1,257,000	1,257,000	1,257,000	
Other Revenue	22,250	22,250	22,250	22,250	
Total Operating Revenue	79,709,549	82,025,187	85,214,390	87,435,098	
Operating Expenses					
Salaries, Wages, and Benefits	31,191,102	32,013,899	32,667,431	33,311,937	4
Purchases from Other Governments and Agencies					
Purchases from Other Governments and Agencies	1,087,200	1,114,100	1,139,200	1,164,500	
Wastewater Management Services	4,935,900	5,198,800	5,476,200	5,768,900	5
Water Supply Services	4,099,200	4,346,300	4,608,400	4,886,200	5
RCMP Contract	4,655,809	4,814,659	4,814,659	4,814,659	6
Contracted Services	6,887,204	8,087,063	7,074,310	6,705,288	7
Utilities	2,932,328	2,953,978	2,973,678	2,993,978	
Materials and Supplies	3,226,795	3,303,829	3,454,314	3,391,149	
Community Grants and Programs	1,747,141	1,754,901	1,793,794	1,833,684	8
Interest on Long Term Debt	1,226,510	1,089,999	959,590	827,061	9
Service Maintenance Contracts	4,047,215	4,126,415	4,233,015	4,344,715	
Advertising and Printing	597,642	599,087	583,112	588,139	
Training and Development	813,805	823,675	780,112	780,859	
Insurance	779,116	780,116	781,116	782,016	
General Administration	888,969	896,004	896,527	896,753	
Other Expenses	256,800	256,800	256,800	256,800	
Total Operating Expenses	69,372,736	72,159,625	72,492,258	73,346,638	
Other Items					
Repayment of Long Term Debt	3,455,206	3,408,112	3,538,522	3,446,860	9
Annual Capital Funding	1,531,700	1,949,400	2,381,400	2,781,400	10
Transfers to Reserves	7,801,240	8,123,200	8,459,820	8,798,240	11
Transfers from Reserves	(1,442,123)	(2,135,021)	(799,200)	(334,200)	12
Internal Allocations Between Funds	-	-	-	-	
Total Other Items	11,346,023	11,345,691	13,580,542	14,692,300	
Net (Surplus)/Deficit	1,009,210	1,480,129	858,410	603,840	

Under Alberta's modernized Municipal Government Act, municipalities are mandated to create and adopt 3-year operating financial plan forecasts to support strong financial management. The City's Operating and Capital Budgets Policy ([FIN-024-C](#)) also requires that the 3-year operating financial plan forecasts inform the budget process.

A financial operating forecast evaluates current and future market conditions to guide policy and program decisions. A financial forecast is a tool that presents estimates based on the past, current, and projected financial conditions. This helps to identify future revenue and expenditure trends that may have immediate or long-term impacts on government policies, strategic goals, or community services. The forecast is an integral part of the annual budget process and allows for improved decision-making in maintaining fiscal responsibility and delivering essential community services.

Notes:

1. Property taxes include residential and non-residential growth. Also, the additional projected property tax requirement from prior years (net (surplus)/deficit) has been included in the following year's property tax revenue.
2. Growth and inflation assumptions have been included for the utility variable rate. Also, the fixed-rate includes a recommended gradual increase to help reduce with recovering costs of replacing utility infrastructure.
3. User fee and charges fluctuate from 2021 to 2023 due to the following:
 - 2020 is the last year where the City is able to recognize revenue from the Province for the reimbursement of preparing the Designated Industrial Properties (DIP) assessment; DIP property assessment is completed by the Capital Regions Assessment Services Commission (CRASC).
 - Starting in 2021, revenue increases in sales to other governments is due to Sturgeon County's share of the maintenance costs for maintaining highway 21 pedestrian bridge.
 - Includes an inflation assumption for 2021 to 2023
4. Salaries, wages and benefits are adjusted for the cost of living, salary grid movements and proposed new positions due to growth.
Includes two new positions proposed for 2021, and one position planned for 2022.
5. Wastewater Commission and Water Commission increase each year due to growth and inflation, which are based on future population and historical trends.
6. RCMP contracts include a proposed new Domestic Violence RCMP officer (21-0040, pg. 11-7)
7. 2021 - 2023 includes contracted services cost fluctuations which are mainly due to one-time projects, such as:

2021	2022	2023
<ul style="list-style-type: none"> • Highway 15 pedestrian bridge funding • Fort Heritage Precinct interpretive signs • Theatre Seat Refurbishment • Masterplans/levy reports for growth areas • Review of the Mature Neighbourhoods • Open Spaces Master Plan 	<ul style="list-style-type: none"> • Stormwater drainage master plan • Harbour Pool basin maintenance • West River Edge Bike Park signage 	<ul style="list-style-type: none"> • Wastewater system master plan • Parkland bylaw update • Cemetery modification and Scattering Garden

8. Community Grants and Programs increases each year due to an anticipated increase in the local appropriation from the Fort Saskatchewan Public Library.
9. The change in interest and principal on long term debt is due to the following:
 - o Dow Centennial Centre debenture expires in 2023
10. Due to the uncertainty surrounding the future provincial Municipal Sustainability Initiative (MSI) capital grant funding levels, the City continues to reduce its reliance on MSI capital grants to fund capital projects of an ongoing nature. Therefore, projects such as local road and neighbourhood rehabilitation will continue to transition from MSI capital grant to annual capital funding.
11. Increase in Transfer to Reserves ensures a funding source for repairs, life cycle replacement or upgrade of City infrastructure, equipment or vehicles.
12. Changes in transfer from reserves are used for one-time initiatives. Some key initiatives include:

2021	2022	2023
• Strategic Emergency Management Program	• Stormwater drainage master plan	• Wastewater system master plan
• Highway 15 pedestrian bridge	• Harbour Pool basin maintenance	• Cemetery modification and Scattering Garden
• Corporate Branding	• Public art at Taurus Field	
• Masterplans/levy reports for growth areas		
• Theatre Seat Refurbishment		

General Assumptions:

- The forecast includes inflation factors based on existing contracts and estimates determined using the Consumer Price Index (CPI) and City of Edmonton's forecasted municipal price index (MPI) as a guideline.
- Current service levels are maintained.
- Revenues are difficult to forecast due to uncertainty and without having secured contracts in place. It is always best to be conservative when projecting revenues. If the City does not meet the forecasted revenues, then this can adversely affect the City's financial position.
- Future budget forecasts are estimated before any decisions being made by Council.
- The operating impact of future unapproved capital projects is included.

2021 Highlights - Planned

- Development of Open Spaces Master Plan
- Review of mature neighbourhoods
- Refresh of Land Use Bylaw
- Plan and review the size of equipment and fleet need for the city
- Development of levies for growth area
- Updated Asset Management plans
- Highway 15 pedestrian bridge funding
- Culture Services - development of an Artifact Maintenance Plan

- Economic Development - continuation of the client management system
- Foreign direct investment (FDI) strategy
- Municipal election

2022 Highlights - Planned

- Negotiation with CUPE Local 30
- Shell Theatre - Move to annual programming from seasonal programming
- Review animal licenses to ensure completeness and accuracy of city records
- Acquire real-time interactive mapping system for infrastructure
- Review City's current Enterprise Resource Planning (ERP) system
- Strategic Planning for 2023-2026

2023 Highlights - Planned

- Wastewater system master plan
- Parkland Bylaw update
- Cemetery modification and Scattering Garden

City of Fort Saskatchewan

2016 to 2018 Actuals (Including Utilities)

	2016 Actual	2017 Actual	2018 Actual
Operating Revenue			
Property Taxes	43,350,155	43,351,320	44,732,300
Utility User Rates & Charges	16,856,130	16,960,385	16,708,873
Fines and Penalties	3,321,130	1,468,731	2,122,449
User Fees & Charges	6,161,970	5,773,865	7,046,612
Government Operating Grants	1,617,467	1,759,436	1,811,229
Investment Income	912,665	1,071,809	1,224,940
Other Revenue	476,168	265,692	194,372
Total Operating Revenue	72,695,685	70,651,238	73,840,775
Operating Expenses			
Salaries, Wages, and Benefits	24,206,102	25,807,586	27,154,985
Purchases from Other Governments and Agencies	14,259,326	14,026,136	12,836,787
Contracted Services	7,763,312	7,264,380	8,797,067
Utilities	2,713,185	2,846,674	2,904,187
Materials and Supplies	2,628,886	2,680,124	3,114,891
Community Grants and Programs	1,601,458	1,648,256	1,667,355
Interest on Long Term Debt	1,520,943	1,511,453	1,399,665
Service Maintenance Contracts	817,820	840,797	807,808
Advertising and Printing	747,823	843,960	885,826
Training and Development	579,079	585,895	540,413
Insurance	615,333	697,009	731,811
General Administration	507,366	522,785	751,504
Other Expenses	406,948	271,200	220,512
Total Operating Expenses	58,367,581	59,546,255	61,812,811
Other Items			
Repayment of Long Term Debt	2,503,856	2,878,233	3,057,831
Annual Capital Funding	1,102,040	1,006,121	1,464,545
Transfers to Reserves	13,708,364	8,335,277	8,339,070
Transfers from Reserves	(2,986,156)	(1,114,648)	(831,269)
Internal Allocations Between Funds	-	-	(2,213)
Total Other Items	14,328,104	11,104,983	12,027,964
Net (Surplus)/Deficit	-	-	-

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