

2023 INTERIM BUDGET





2023 Operating and Capital Summary

<u>Expense Groupings</u>	<u>2023 Interim</u>	<u>2022 Budget</u>
Operations	\$ 43,850,480	\$ 45,034,751
Contribution to local governments	2,696,541	2,346,178
Revenue sharing Agreements	7,238,975	6,347,748
School requisition	25,233,141	25,233,141
Seniors requisition	5,104,857	5,104,857
Designated Industrial Property requisition	623,222	623,222
Contributions to reserves	7,524,485	7,453,768
Capital projects	63,629,346	58,303,317
Sub-Total	\$ 155,901,047	\$ 150,446,982
Amortization - non cash item	17,615,451	17,615,451
Total	\$ 173,516,498	\$ 168,062,433

"Yellowhead County works hard to provide tax payers value for their hard-earned tax dollars. Council and Staff endeavor to ensure that they are provided with the highest level of service possible while considering the needs and expectations of Yellowhead County Residents."

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"A Responsible and Diverse Community of Choice where Quality of Life Matters."

Strategic Plan 2022-2025, Vision

01

WELCOME

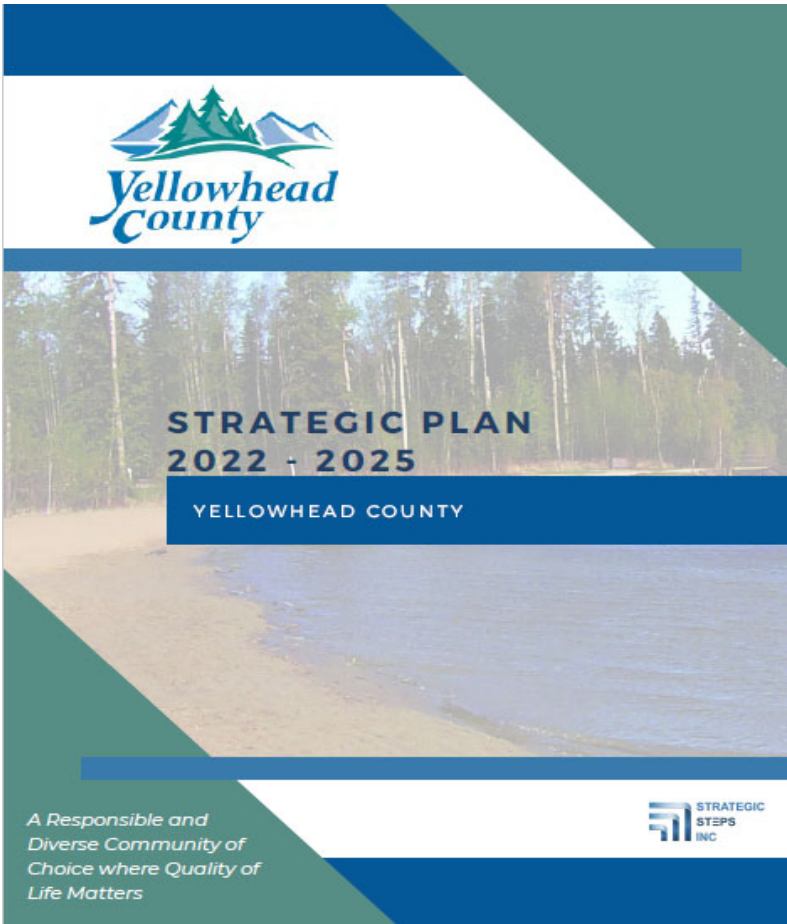
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Welcome to Yellowhead County

Yellowhead County's perfect combination of location, lifestyle and opportunity makes it a great place to live and do business. Yellowhead County is located in one of the most picturesque areas of Alberta. County citizens, business, organizations, and other community stakeholders appreciate the diverse landscape and the County's varied selection of amenities and activities.

Your Yellowhead County Council and senior management met in February 2022 to develop an updated Strategic Plan for 2022-2025. This plan comprises Council's expressed desires for the County and it provides County citizens, business, organizations, and other community stakeholders with an indication of the planned future of our County.



The Strategic Plan 2022-2025 is a result of what Council heard from members of the community and it sets the tone for the County's future, through the course of this Council and beyond.

Throughout the development of the Strategic Plan, Council identified a series of goals and strategies to work toward a common future for the County. These goals and strategies are the guiding principles used in the development of the annual budget.

Looking forward Council first decided on the County's ideal long-term future (Vision) and the general direction it will take to achieve that future (Mission).

Vision, Mission, and Values

Vision:	<i>A Responsible and Diverse Community of Choice where Quality of Life Matters.</i>	
Mission:	<i>Building a Better Community for Present and Future Generations.</i>	
Values:	<i>Accountability</i>	We do what we say we are going to do.
	<i>Collaboration</i>	We seek out partners and work together to the benefit of all.
	<i>Fairness</i>	We respect all opinions and make decisions in the best long-term interests of the County.
	<i>Ingenuity</i>	We look for new ideas and new ways of providing necessary services to County residents, businesses, and community organizations.
	<i>Respect</i>	We value everyone who chooses to contribute to the betterment of the County.

Within the full list of strategies that appear in the Strategic Plan, Council has created a subset of 'high' ranked strategies for 2022-2023. The items on this list reflect the priorities that Council sees as both important and timely.

Strategic Pillar	High Priority Strategy
Quality of Life	Complete the Yellowhead County - Edson Multiplex.
Quality of Life	All historically significant people, locations, buildings, and facilities are known, recorded, and shared.
Infrastructure	The County's paving schedule remains responsive to resident, industry, and business needs.
Effective Leadership	The County is clear on what constitutes a 'need' versus what constitutes a 'want', and budgets accordingly.

Strategic Pillar:	Area of major concentration for County Council over the term of the Strategic Plan.	<i>Maximize Quality of Life for Residents and Visitors Alike</i>	<i>Build a Robust and Adaptable Economy</i>	<i>Build and Maintain Infrastructure that Meets the Needs of the County</i>	<i>Provide Effective, Respectful, and Efficient Leadership</i>

Message from our Mayor

Yellowhead County Council and Administration have been working very hard on several of the County's strategic priorities.

Some of these include:

- + Working with the Town of Edson and Dialog Architecture and Engineering to develop the best and most cost-effective design for the new Multiplex that had to be redesigned due to the tenders coming in significantly over budget.
- + Expanding fibre optic broadband service; a project commenced in 2014, which is being accomplished with the help of a Federal Government grant. This project is steadily moving forward, and we are currently installing fibre into 8 of the Hamlets and Subdivisions within Yellowhead County to expand fibre optic broadband service to some of the most underserved areas of the County.
- + Sustaining costly infrastructure that includes yearly maintenance, including the development of long-term road and bridge plans.
- + Another priority in progress is the Lagoon in Marlboro, an extensive infrastructure service long overdue for this Hamlet.

In addition, Yellowhead County is also working very hard to promote our beautiful scenic county for recreation and tourism, highlighting the vast and diverse landscape within our borders, which provides everyone with numerous things to do and enjoy in this picturesque region that borders Jasper National Park.

With these and other strategic priorities identified, Yellowhead County Council, Administration and Staff are proud of the ongoing work in *Building A Better Community For Present And Future Generations* .



Wade Williams
Mayor
Yellowhead County

Our Values

The values expressed here are the guiding principles that help determine how Yellowhead County will operate, both in public and privately.

The County's core values include:



ACCOUNTABILITY
We do what we say we are going to do



COLLABORATION
We seek out partners and work together to the benefit of all



FAIRNESS
We respect all opinions and make decisions in the best long-term interests of the County



INGENUITY
We look for new ideas and new ways of providing necessary services to County residents, businesses, and community organizations



RESPECT
We value everyone who chooses to contribute to the betterment of the County

WELCOME

Message from our CAO

What a great community to live, work and recreate in. Yellowhead County is appealing on all fronts, and we will capitalize on this to enhance our region in the years to come.

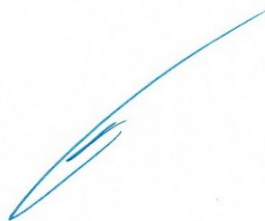
With just over 18 months under my belt at Yellowhead County, I truly appreciate the fabulous staff that I have the privilege of working with every day, and for the forward thinking Council that is fair and decisive in their decision making. This makes my job easier as we move forward in our ever changing world to provide the best service to our residents in the most effective way possible.

We have focused over the past year in keeping the organization functioning efficiently while filling in gaps throughout our staffing contingent caused by attrition as our "baby boomers" retire. While this has caused angst due to the significant loss in history and knowledge at all levels, we will continue to succeed in attracting high caliber staff as the next generation of municipal employees.

Moving into 2023, we have focused on meeting the Council mandate through their plans that have been adopted over the years, which ensures that the municipal business plan captures Council policy in all areas of operations. This has been evidenced by building on the County's strategic plan, in addition to evolving our long term planning, especially in areas of asset management and by reviewing operations to ensure expectations are being met.

The 2023 Budget and Business Plan finds a balance between operations and in capital investment to ensure that Yellowhead County continues to be viable into the foreseeable future. We have had to make some hard decisions in balancing the budget but believe that our long term outlook, at items such as capital replacement, will allow the county to plan for these eventualities in a strategic fashion and strengthen our decision making processes in the years to come.

I have nothing but positive notes to say about our Council, our staff, our residents, our businesses and I am excited to see the progress that we can make in 2023.



Luc Mercier, CLGM, AMAA

CAO

Yellowhead County



Message from our General Manager of Corporate Services

As we worked to navigate through 2022 and adapt to an economic environment that was facing supply related pressures and significant inflationary increases, Yellowhead County continued to offer value to citizens in the form of operational efficiencies and strategic capital investments.

The County's 2023 budget is built using long-term funding strategies and tools to manage the diverse mixture of operational necessities and capital needs. Integrated long-term financial planning in Yellowhead County continues to mature and evolve as key components are developed and implemented, providing administration with the ability to model our financial performance in the future and allowing for continued efficient and effective allocation of public funding.

Although the overriding principle of the annual budget, as highlighted in this document, is to execute the initiatives as identified in the Strategic Plan, there are also base everyday service obligations that the County must continue to deliver. The County needs to consider its funding strategy to maintain and replace infrastructure asset inventory; as infrastructure ages, funds must be committed through operations for the ongoing maintenance of the County's assets, and through contributions to reserve for the future replacement of such assets.

As we move towards and through 2023, I look forward to being a part of the wonderful things that make Yellowhead County a great place to live, grow, and conduct business.



Jeffrey R. Morrison CPA, CGA, Dipl.M.M., CMRP

General Manager of Corporate Services

Yellowhead County



Organizational Structure

Mayor & Council



Wade Williams
Mayor

Council is the governing body responsible for representing the public and considering the well-being and interests of the municipality.



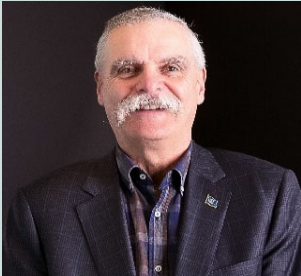
Patrick Soroka
Councillor - Division 1



Anthony Giezen
Councillor Division - 2



Penny Lowe
Councillor - Division 3



David Russell
Councillor - Division 4



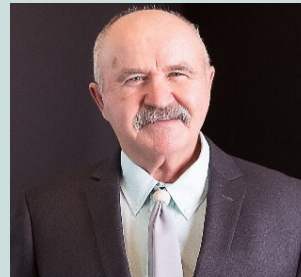
Shawn Berry
Councillor - Division 5



Brigitte Lemieux
Councillor - Division 6



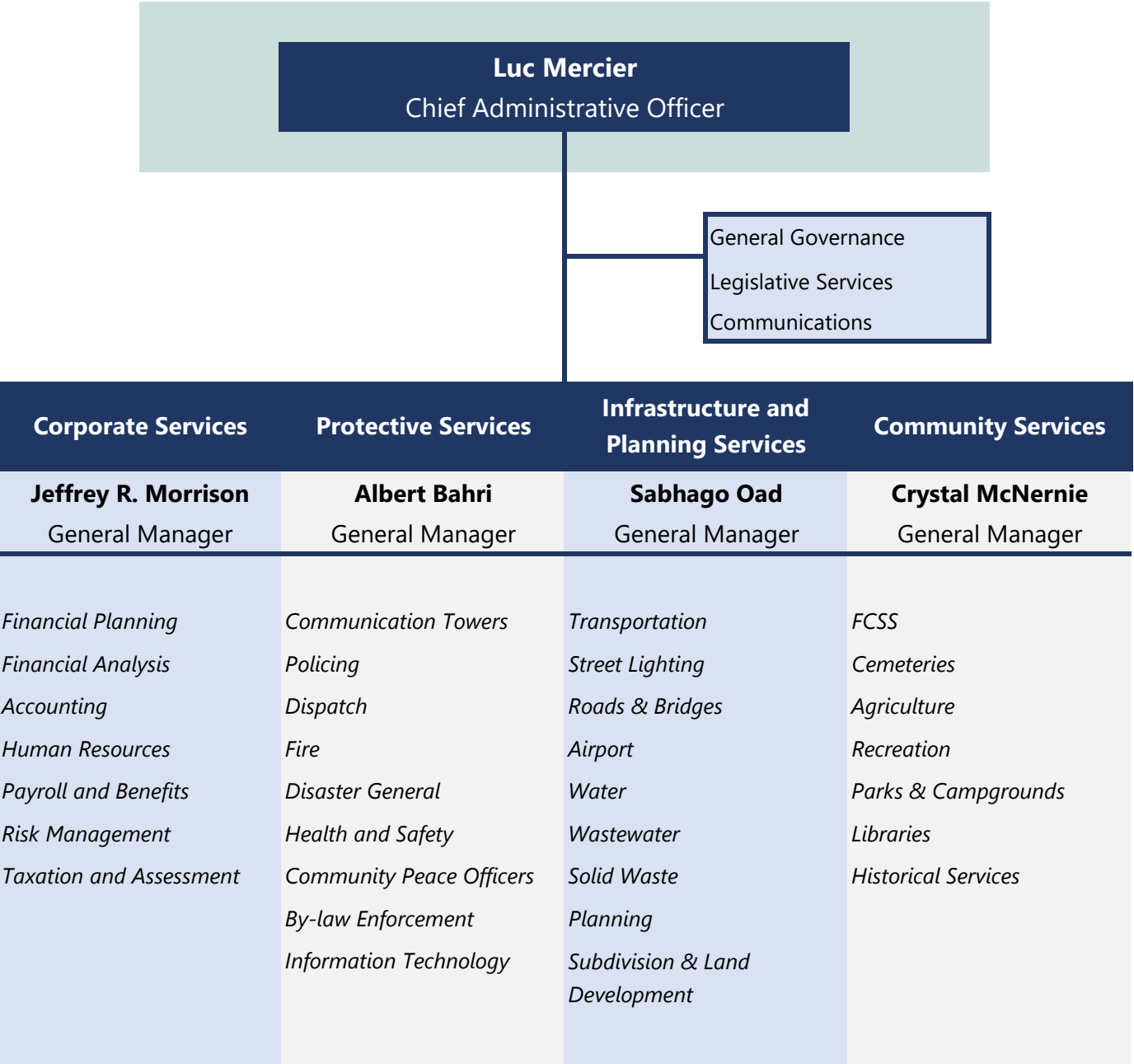
Dawn Mitchell
Councillor - Division 7



Ken Groat
Councillor - Division 8

Administration

Through a variety of divisions, staff are responsible for administering County programs and services.



"Building a Better Community for Present and Future Generations."

Strategic Plan 2022-2025, Mission



02

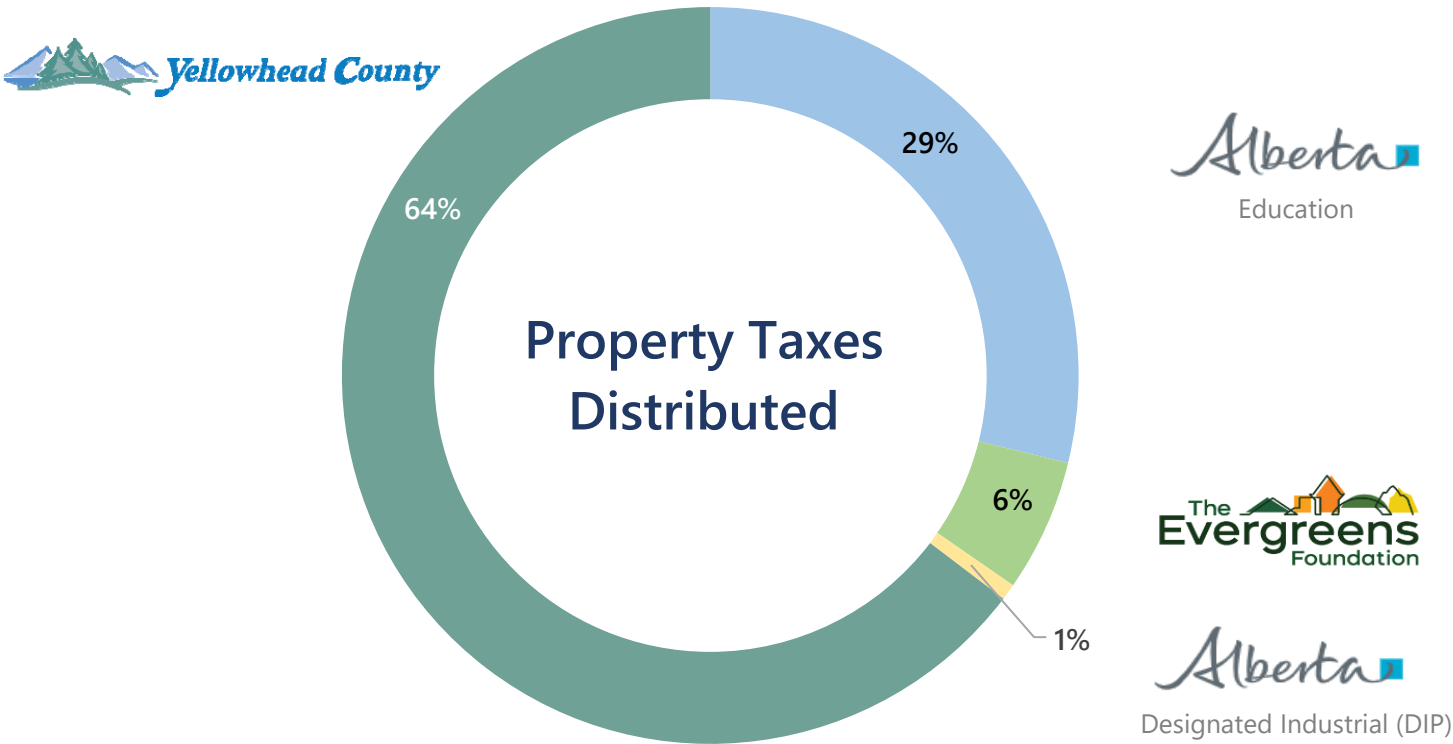
Budget Overview & Financial Health

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Yellowhead County in Numbers

The proposed change to the County's general mill rate for the 2023 Interim Budget is 2%. The interim budget has been built and presented under the assumption that for 2023 there is no change to the County's total assessment base.

When you pay your property taxes, these amounts are broken up and distributed to Yellowhead County and different government bodies; Yellowhead County, Provincial Education Requisition, and Seniors Requisition. The distribution between these government bodies for \$100 of your property tax dollars is:



For every \$100 of property tax revenue collected, Yellowhead County retains \$64.

For every \$100 of Property Taxes that Yellowhead County collects, it is utilized as follows to support various operational services and capital projects under the following divisions:

\$100

=

Alberta Education	\$ 28.82	29%
Alberta DIP	\$ 0.71	1%
The Evergreens Foundation	\$ 5.83	6%
Yellowhead County	\$ 64.64	65%
Infrastructure Services	\$ 24.19	37%
Corporate Services and Administration	\$ 23.50	36%
Protective Services	\$ 6.65	10%
Community Services	\$ 4.59	7%
To Capital	\$ 5.26	8%
General Governance - Council	\$ 0.46	1%

The amount of property tax dollars that Yellowhead County receives and retains per year on an average residential home assessed at \$308,138 (2021).



\$ 732

Land Size

22,238.56 km²

Population

10,426 (2021)

Dwelling Units

5,839 (2021)

Average Home Value

\$308,138 (2021)

Total Assessment

\$10,189,279,730 (2021)

Revenue from Taxation

\$55,483,626 (2021)

Statistics Canada: 2021 Census Profile

What Is A Municipal Budget?

The passing of the budget is Council's biggest policy decision on an annual basis. It reflects the annual review of operations based on the service levels to be delivered, priorities, needs and goals while also determining the appropriate funding sources for each service to be delivered. The main sources of funding are taxation, reserves, grants, and user fees.

A budget is a financial plan. It can be defined as an estimate of costs, revenues, and resources over a specified period that reflect forecast of future financial conditions based upon a set of assumptions.

A budget is a tool for management and serves as a:

- 1

Plan of action for achieving program objectives and the financial commitments to meet those objectives
- 2

Statement of priorities
- 3

Standard for measuring performance
- 4

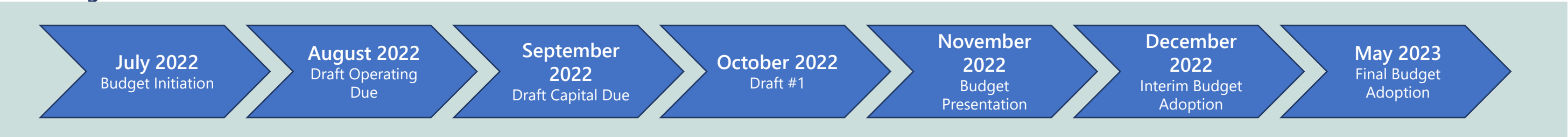
Reflects financial policies
- 5

Device for coping with foreseeable adverse situations

" Each year Council adopts an interim budget before December 31st to allow the municipality to operate beginning January 1st. The interim budget allows the County to proceed with operational and capital projects until municipal tax rates are set and provincial requisition rates are received. Once the Seniors Requisition and School Requisitions are finalized by the Province each year, Council can adopt the final budget."

Finance 101 - Guide to Municipal Finance

The Budget Process



The Municipal Government Act (MGA) and the Municipal Budget Process

The "annual budget" as defined under the MGA means a combined operating budget and capital budget for the calendar year determined on a basis consistent with accounting standards and the requirements of Part 8 Financial Administration.

The MGA identifies that each council must adopt an operating and capital budget for each calendar year. The operating budget must include the estimated amounts needed to provide for council's policies and programs, pay debt obligations, commitments to reserve, amounts transferred to the capital budget, and other commitments and obligations as identified under the MGA. The capital budget must include the estimated amounts needed to acquire, construct, remove or improve capital property, the revenue to fund the capital expenditures, including the amount transferred from the operating budget.

Consolidated Budget

While more detailed schedules for operating and capital budgets are provided at the divisional level, the consolidated budget aims to provide a more aggregate overview. The 2023 Interim Budget has been prepared on the premise that the County will deliver the same level and quality of services approved under the 2022 Final Budget.

	2023	2022	2022	Final vs. Interim	
	Interim	Forecast	Budget	\$ Change	% Change
Operating Revenues					
Investment Income	\$ 2,988,982	\$ 2,500,000	\$ 928,741	\$ 2,060,241	221.83%
Local Government Transfers	727,690	1,168,224	2,501,791	- 1,774,101	-70.91%
Amortization of Capital Assets	17,615,451	17,230,360	17,615,451	-	0.00%
Penalties	326,861	506,731	326,861	-	0.00%
Property Taxation - Yellowhead County	56,593,298	55,454,858	55,483,626	1,109,672	2.00%
Property Taxation - Education	25,233,141	25,229,785	25,233,141	-	0.00%
Property Taxation - Seniors Foundation	5,104,857	3,795,450	5,104,857	-	0.00%
Property Taxation - Designated Industrial	623,222	623,222	623,222	-	0.00%
Provincial Government Transfers	1,416,812	1,569,232	1,603,032	- 186,220	-11.62%
Reserves/Surplus	4,087,546	551,292	1,531,301	2,556,245	166.93%
Other	359,177	10,091	188,373	170,804	90.67%
Sales and User Charges	4,535,072	2,813,470	3,031,672	1,503,400	49.59%
Total Operating Revenues	\$ 119,612,109	\$ 111,452,715	\$ 114,172,068	\$ 5,440,041	4.76%
Operating Expenses					
Allowances	\$ 517,500	\$ 65,000	\$ 517,500	\$ -	0.00%
Amortization of TCA	17,615,451	17,230,360	17,615,451	-	0.00%
Bank Charges	12,000	7,000	12,000	-	0.00%
Communication & Promotions	561,331	415,236	489,901	71,430	14.58%
Contracted General Services	7,029,601	6,949,964	7,873,759	- 844,158	-10.72%
Contracted Professional Services	3,962,743	2,185,242	4,022,620	- 59,877	-1.49%
Contributions and Grants	1,497,985	932,484	1,052,959	445,026	42.26%
Revenue Sharing Agreements	7,238,975	7,238,975	6,347,748	891,227	14.04%
Contributions to Local Government and Grants	2,696,541	2,152,074	2,346,178	350,363	14.93%
Gravel Program	3,687,168	3,769,272	4,539,094	- 851,926	-18.77%
Interest on Debt	92,783	79,657	92,783	-	0.00%
Materials & Supplies	2,782,279	2,768,954	3,719,602	- 937,323	-25.20%
Principal on Debt	204,475	203,995	204,475	-	0.00%
Purchases from Other Governments	1,068,188	1,068,188	1,068,188	-	0.00%
Rentals	141,640	71,123	93,820	47,820	50.97%
Requisitions	30,961,222	30,961,222	30,961,222	-	0.00%
Reserves/Surplus	7,524,485	7,387,030	7,453,768	70,717	0.95%
Road Maintenance	5,476,620	5,284,959	5,929,279	- 452,659	-7.63%
Salaries, Wages and Benefits	15,271,725	13,061,641	13,974,780	1,296,946	9.28%
Travel, Subsistence & Training	578,171	322,172	529,918	48,253	9.11%
Utilities	966,269	930,086	914,072	52,197	5.71%
Total Operating Expenses	\$ 109,887,152	\$ 103,084,633	\$ 109,759,116	\$ 128,036	0.12%
Operating Surplus/(Deficit)	\$ 9,724,957	\$ 8,368,083	\$ 4,412,952	\$ 5,312,005	120.37%

	2023	2022	2022	2023 vs 2022	
	Interim	Forecast	Budget	\$ Change	% Change
Capital Financing					
Sale of Assets	\$ -	\$ -	\$ -	\$ -	0.00%
Local Government Contributions	-	-	-	-	0.00%
Other Capital	6,000,000	-	-	6,000,000	100.00%
Provincial Conditional Grants	3,527,837	8,025,800	8,025,800	- 4,497,963	-56.04%
Transfer from Reserves	4,487,075	9,073,886	9,073,886	- 4,586,811	-50.55%
Carry forward from Prior Year	39,889,477	36,790,679	36,790,679	3,098,798	8.42%
Donations, Contributions, Rebates	-	-	-	-	0.00%
Total Capital Financing	\$ 53,904,389	\$ 53,890,365	\$ 53,890,365	\$ 14,024	0.03%
Capital Expenses					
Capital Applied	\$ 23,739,869	\$ 21,512,638	\$ 21,512,638	\$ 2,227,231	10.35%
Carry forward Capital Applied	39,889,477	36,790,679	36,790,679	3,098,798	8.42%
Total Capital Expenses	\$ 63,629,346	\$ 58,303,317	\$ 58,303,317	\$ 5,326,029	9.14%
Capital Surplus/(Deficit)	-\$ 9,724,957	-\$ 4,412,952	-\$ 4,412,952	-\$ 5,312,005	120.37%

The County's 'Net Surplus / (Deficit)' is calculated by adding the Operating Surplus / (Deficit) and the Capital Surplus / (Deficit). When the 'Net Surplus / (Deficit)' is \$0, the County has a balanced budget. Municipalities are not allowed to budget for a surplus or deficit (Municipal Government Act, Section 243(3)).

	2023	2022	2022	2023 vs. 2022	
	Interim	Forecast	Budget	\$ Change	% Change
Operating Surplus / (Deficit)	\$ 9,724,957	\$ 8,368,083	\$ 4,412,952	\$ 5,312,005	120.37%
Capital Surplus / (Deficit)	- 9,724,957	- 4,412,952	- 4,412,952	- 5,312,005	120.37%
Net Surplus/(Deficit)	\$ -	\$ 3,955,131	\$ -	-	0.00%

Municipal Rebate

Municipal GST Implications: A Municipal rebate is a public service body's rebate available for municipalities at a rate of 100% of the GST. Due to the municipal rebate, municipal expenditures as presented do not include GST.

Additional information on the Municipal rebate and Municipal GST can be found on the Government of Canada website:

<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4049/gst-hst-information-municipalities.html>