



# Report

## TITLE: 9:00 A.M. – 2024 BUDGET AMENDMENTS

Meeting: Council Meeting

Meeting Date: May 8, 2024

### Background

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At their December 13, 2023 meeting Council approved the 2024 Business Plan and Budget with a total operating expense of \$26,279,100 and a total capital expense 2024 - \$5,922,950 and 2025 - \$5,212,750.

Prior to setting the 2024 tax rates, administration is recommending the following budget revisions:

### OPERATING:

DEPARTMENT	AMOUNT	DESCRIPTION
Legislative	(\$51,650)	Updated Census budget and utilize MSI Operating grant to fund Census.
Corporate Services	(\$194,650)	Decrease in wages and benefit due to Maternity Leave and Change in new position start date. Decrease in Depreciation and an increase in MSI grant revenue to fund website upgrade.
Protective Services	(\$68,000)	Decrease in RCMP funding based on updated invoicing and utilize MSI grant to fund in-car video system upgrade. Increase in wages/benefits reallocation of Community Services Director.
Fire Protection	\$15,100	Increase for demolition of Galahad Fire Hall and decrease of FRESS requisition based on approved budget.
Municipal Services – Transportation	(\$68,600)	Includes decrease in wages and benefits due to allocation of road recovery wages to capital and update to current wages and benefits (\$227,950), increase in professional development \$10,000, decrease in fuel (\$250,000), decrease in depreciation (\$178,900), Increase in loss on disposal of assets \$205,000, increase of \$129,500 for machinery repair, increase of \$36,100 revenue dust suppressant, increase of \$46,600 for gravel engineering, utilize MSI grant for grader shed renos.

Municipal Services – Airport	\$14,650	Increase in runway and building maintenance.
Municipal Services – Water/Wastewater	\$14,350	Utilize MSI grant to fund small projects.
Municipal Services – Environment (ASB)	\$14,100	Decrease in wages/benefits \$11,400, Increase GPS Expenses \$17,100, increase in small tools and decrease in depreciation.
Municipal Services – Parks	(\$17,500)	Utilize MSI Grant for purchase of small equipment.
Family & Community Services	(\$190,950)	Reallocate wages Community Services Director and utilize MSI grant to fund Community Development grants \$150,000
Economic Development	\$91,350	Increase in contracted projects approved by Council.
Planning and Development	(\$56,400)	Decrease in Wages/Benefits
Recreation	(\$100,500)	Decrease of \$100,000 utilize MSI for grant to Killam pool.
Culture	\$50,050	Increase for Tourism Grants approved previously by council.
Revenue Own Sources/Tax Bad Debt	(\$2,306,500)	Increase of \$1,255,500 for interest earned, decrease in tax bad debt \$755,000 and increase for PERC Grant \$296,000.
Transfer to Operating Reserves	\$186,800	Gravel Reserve
Transfer to Capital Reserves	\$1,000,000	Fleet Management

The proposed amendments would result in the following changes to the budget.

OPERATING BUDGET			
	Approved December 14, 2023	Proposed budget (Including revisions)	Difference
<b>Taxes Raised</b>	<b>\$23,513,200</b>	<b>\$22,573,100</b>	<b>(\$940,100)</b>
Funded by Taxes	\$21,073,200	\$19,589,200	(\$1,484,000)
Funded by Reserves	\$0	\$63,200	\$63,200
Funded by Grants and Other Sources	\$5,205,900	\$7,740,050	\$2,534,150
<b>Municipal Revenue</b>	<b>\$26,279,100</b>	<b>\$27,392,450</b>	<b>\$1,113,350</b>
<b>To Capital Budget</b>	<b>\$2,429,800</b>	<b>\$2,982,300</b>	<b>\$552,500</b>
<b>To Capital Reserves</b>	<b>\$2,114,000</b>	<b>\$3,114,000</b>	<b>\$1,000,000</b>
<b>Surplus/(Deficit)</b>	<b>\$10,200</b>	<b>\$1,600</b>	<b>(\$8,600)</b>
<b>Total Operating Expense</b>	<b>\$35,092,400</b>	<b>\$35,823,050</b>	<b>\$730,650</b>
Requisitions	\$4,068,450	\$3,892,550	\$175,900
Depreciation	\$4,744,850	\$4,538,050	\$206,800
<b>Total Municipal Operating Budget</b>	<b>\$26,279,100</b>	<b>\$27,392,450</b>	<b>\$1,113,350</b>

**CAPITAL:** The attached Capital Summary documents describe the below changes for 2024 and 2025.

CAPITAL BUDGET 2024			
	Approved December 14, 2023	Proposed May 8, 2024	Difference
Grants	\$2,802,000	\$3,517,400	\$715,400
Sale of Assets	\$576,150	\$558,000	(\$18,150)
Reserves	\$115,000	\$0	(\$115,000)
<b>Capital Revenue</b>	<b>\$3,493,150</b>	<b>\$4,075,400</b>	<b>\$582,250</b>

Equipment & Vehicles	\$2,679,250	\$3,076,900	\$397,650
Buildings	\$183,500	\$194,000	\$10,500
Land/Improvements	\$5,000	\$25,500	\$20,500
Hamlets	\$62,000	\$62,000	\$0
Road Improvements	\$1,362,750	\$1,385,550	\$22,800
Bridges	\$1,630,450	\$2,313,750	\$683,300
<b>Total Capital</b>	<b>\$5,922,950</b>	<b>\$7,057,700</b>	<b>\$1,134,750</b>
<b>Net Change Funded by Taxes</b>	<b>\$2,429,800</b>	<b>\$2,982,300</b>	<b>\$552,500</b>

CAPITAL BUDGET 2025			
	Approved December 14, 2023	Proposed May 8, 2024	Difference
Grants	\$2,437,550	\$4,254,550	\$1,270,600
Sale of Assets	\$558,750	\$558,750	\$0
Reserves	\$0	\$0	\$0
<b>Capital Revenue</b>	<b>\$3,221,300</b>	<b>\$4,813,300</b>	<b>\$1,592,000</b>

Equipment & Vehicles	\$3,114,050	\$3,114,050	\$0
Buildings	\$40,000	\$109,000	\$69,000
Land/Improvements	\$300,000	\$300,000	\$0
Road Improvements	\$1,470,700	\$3,017,700	\$1,547,000
Bridges	\$288,000	\$288,000	\$0
<b>Total Capital</b>	<b>\$5,212,750</b>	<b>\$6,828,750</b>	<b>\$1,616,000</b>
<b>Net Change Funded by Taxes</b>	<b>\$1,991,450</b>	<b>\$2,015,450</b>	<b>\$24,000</b>

Administration is recommending that Council approve the above changes to the 2024 Operating and Capital Budget which would result in the tax rate needing to generate \$22,573,100 in property tax revenue.

## Alignment with the Strategic Plan

The Business Plan and Budget is an integral part of Flagstaff County's Strategic Plan as it allows the County to do business with accountability to its citizens and for future generations with openness, transparency, and inclusiveness. Taxes are the main source of revenue for the county.

## Alternatives/Options

- 1) To approve the proposed amendments to the 2024 budgets as presented with operating expenses increasing by \$1,113,350 to a total of \$27,392,450 and capital expenditures increasing by \$1,134,750 to a total of \$7,057,700.  
To approve the proposed amendments to the 2025 Capital budget with an increase of \$1,616,000 for a total of \$6,828,750.
- 2) To reject the proposed budget amendments.
- 3) To approve alternative amendments to the 2024 budget.

## **Recommendation**

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THAT Council approve the proposed amendments to the 2024 budgets as presented with operating expenses increasing by \$1,113,350 to a total of \$27,392,450 and capital expenditures increasing by \$1,134,750 to a total of \$7,057,700.

THAT Council approve the proposed amendments to the 2025 Capital budget with an increase of \$1,616,000 for a total of \$6,828,750.