

2018 BUDGET REPORT

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2018 Budget Overview

March 27, 2018

Preamble

The Municipal Government Act requires the Village to adopt a balanced budget each year such that revenues raised from all sources including taxation are sufficient to cover all expenditures during the budget year. The MGA also requires the Village to budget for consumption of tangible capital assets through depreciation expense in its operating budget. For the purposes of the operating budget, depreciation expense is not an expenditure. The 2018 proposed balanced budget, before depreciation, includes an operating budget of \$1,089,050.

The budget is a major component of the accountability cycle and plays a key role in ensuring the Village's long-term financial sustainability. It represents the Villages overall plan for identifying services and allocating appropriate resources to fund them.

Municipal staff have dedicated significant time and effort in developing the 2018 Operating budget that determines service levels and priorities initiatives according to the objectives and goals outlined in the Village's Strategic Plan.

A budget is a collection of anticipated revenue sources, operational expenses and reserve transfers. The annual operating budget provides detailed estimates of the funding required by the Village to meet its ongoing financial obligations and provide services and programs for residents.

The budget also sets out the expectations of the rate payers for property taxation for 2018 municipal purposes only of \$424,000 and represents a decrease of 15.5% from the 2017 municipal tax levy.

Our budget is well defined, with timelines and schedules set out in advance with the objective of meeting Council's expectations.

Council together with Administration have met and had discussions regarding the Village's goals and strategies through strategic planning and budget discussions during meetings.

Taxable Assessment

The taxable assessment for the Village of Ryley for 2017 was \$36,384,950 comprised of:

Residential \$25,528,510

Non-Residential \$10,856,440

Over the 10-year period from 2008-2017 the taxable assessment has been as follows:

Taxable Assessment

Year	Residential Taxable Assessment	Non-Residential Taxable Assessment	Total Taxable Assessment
2008	18,479,850	6,403,920	24,883,770
2009	22,441,750	9,402,230	31,843,980
2010	22,934,590	9,351,670	32,286,260
2011	28,010,430	10,420,460	38,430,890
2012	27,113,680	10,878,020	37,991,700
2013	27,066,900	10,995,300	38,062,200
2014	26,003,930	11,284,090	37,288,020
2015	25,532,930	11,035,950	36,568,880
2016	25,434,330	11,029,620	36,463,950
2017	25,528,510	10,856,440	36,384,950
2018	25,313,950	10,918,360	36,232,310

In preliminary discussions with our assessor it appears that the overall assessment for 2018 may be similar, however indicators point to a decline in residential and non-residential assessment.

Taxation Ratios

The *Municipal Government Act* allows Council to determine its own rates of taxation annually for each assessment classification. Under the modernized MGA, taxation ratios cannot exceed 5:1 Non-residential/residential ratios. The ratio used in 2017 was roughly 2:1 (Non-Res : Res). The taxation ratio used in 2018 will be roughly 2.6:1 (Non-Res : Res)

Debt Management

The Village is granted authority through the Municipal Government Act to incur debt and must adhere to provincial debt limit regulations and borrowing procedures outlined in the Municipal Government Act.

In 2017 the Village began making payments on a 5-year debenture, which will be completed by year-end of 2021. Annual payments of MSI Capital are indicated on the attached debenture repayment schedule.

The Village of Ryley debt limit (1.5 X Revenue) is \$2,099,804, with an annual servicing limit of \$329,967. Ryley's actual annual debt servicing for the next 4 years is (principal and interest) approximately \$208,888.

Village of Ryley Debenture re-payment schedule

08-Aug-2017

ALBERTA CAPITAL FINANCE AUTHORITY

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PAYMENT CONFIRMATION REPORT FOR THE PERIOD FROM 01-JAN-2017 TO 31-DEC-2024

Village of Ryley

DUE DATE	ACCOUNT NUMBER	OPENING BALANCE	PAYMENT NUMBER	MATURITY DATE	PRINCIPAL PORTION	INTEREST PORTION	TOTAL PAYMENT
LOAN PAYMENTS DUE FROM:		Village of Ryley					
15-Jun-2017	4002149	1,000,000.00	1 of 10	15-Dec-2021	96,459.14	7,985.00	104,444.14
TOTAL FOR PAYMENT DUE DATE: June 15, 2017					96,459.14	7,985.00	104,444.14
15-Dec-2017	4002149	903,540.86	2 of 10	15-Dec-2021	97,229.37	7,214.77	104,444.14
TOTAL FOR PAYMENT DUE DATE: December 15, 2017					97,229.37	7,214.77	104,444.14
TOTAL FOR YEAR: Year Ending 2017			PAYMENTS: 2		193,688.51	15,199.77	208,888.28
15-Jun-2018	4002149	806,311.49	3 of 10	15-Dec-2021	98,005.74	6,438.40	104,444.14
TOTAL FOR PAYMENT DUE DATE: June 15, 2018					98,005.74	6,438.40	104,444.14
15-Dec-2018	4002149	708,305.75	4 of 10	15-Dec-2021	98,788.32	5,655.82	104,444.14
TOTAL FOR PAYMENT DUE DATE: December 15, 2018					98,788.32	5,655.82	104,444.14
TOTAL FOR YEAR: Year Ending 2018			PAYMENTS: 2		196,794.06	12,094.22	208,888.28
15-Jun-2019	4002149	609,517.43	5 of 10	15-Dec-2021	99,577.14	4,867.00	104,444.14
TOTAL FOR PAYMENT DUE DATE: June 15, 2019					99,577.14	4,867.00	104,444.14
15-Dec-2019	4002149	509,940.29	6 of 10	15-Dec-2021	100,372.27	4,071.87	104,444.14
TOTAL FOR PAYMENT DUE DATE: December 15, 2019					100,372.27	4,071.87	104,444.14
TOTAL FOR YEAR: Year Ending 2019			PAYMENTS: 2		199,949.41	8,938.87	208,888.28
15-Jun-2020	4002149	409,568.02	7 of 10	15-Dec-2021	101,173.74	3,270.40	104,444.14
TOTAL FOR PAYMENT DUE DATE: June 15, 2020					101,173.74	3,270.40	104,444.14
15-Dec-2020	4002149	308,394.28	8 of 10	15-Dec-2021	101,981.61	2,462.53	104,444.14
TOTAL FOR PAYMENT DUE DATE: December 15, 2020					101,981.61	2,462.53	104,444.14
TOTAL FOR YEAR: Year Ending 2020			PAYMENTS: 2		203,155.35	5,732.93	208,888.28
15-Jun-2021	4002149	206,412.67	9 of 10	15-Dec-2021	102,795.93	1,648.21	104,444.14
TOTAL FOR PAYMENT DUE DATE: June 15, 2021					102,795.93	1,648.21	104,444.14
15-Dec-2021	4002149	103,616.74	10 of 10	15-Dec-2021	103,616.74	827.40	104,444.14
TOTAL FOR PAYMENT DUE DATE: December 15, 2021					103,616.74	827.40	104,444.14
TOTAL FOR YEAR: Year Ending 2021			PAYMENTS: 2		206,412.67	2,475.61	208,888.28
TOTAL FOR BORROWER:					1,000,000.00	44,441.40	1,044,441.40

Salaries & Wages

This budget reflects a 2% wage increases for staff excluding temporary staff and the CAO. When Council considered an increase in staff wages, the corresponding increases in budget would be as follows:

1% wage adjustment \$2,024 for wages and related benefits

2% wage adjustment \$4,047 for wages and related benefits

3% wage adjustment \$6,071 for wages and related benefits

There have been no pay increases for staff since 2014.

Grants and supports to organizations

The Village of Ryley budgets for routine contributions to the following organizations, and is amenable to requests for other organizations during the year under Donation Policy 2017-04-08.

Kids Help Phone	\$200
Tofield Health Foundation	\$3,500
Farm Safety Center	\$250
Citizenship Award	\$100
Ryley Legion	\$100
Beaver Heritage and Ag Society	\$28,000
Ryley Christmas Hamper	\$800
Beaver County Victim Services	\$1,000
Ryley Sunshine Club	\$500
Century Park Committee	\$2,500
<u>Total</u>	<u>\$36,950</u>

The Village of Ryley typically forgives Hall Rental fees for various non-profit groups throughout the year.

The Village of Ryley offers a Business Tax Rebate Program valued at approximately \$20,000 annually

The 2018 Operating Budget features a one-time grant of \$15,000 to the Ryley Firefighters Society to assist with firefighter training and development.

Mill rate and taxation history for Village of Ryley 2004-2018

2004: Res 21.791	Non Res 21.791	levy \$451,591
2005: Res 19.816	Non Res 22.046	levy \$464,330
2006: Res 20.725	Non Res 23.450	levy \$408,023
2007: Res 18.590	Non Res 24.490	levy \$428,324
2008: Res 14.2255	Non Res 21.8495	levy \$446,609
2009: Res 12.256	Non Res 22.799	levy \$502,588
2010: Res 11.8867	Non Res 22.6244	levy \$497,281
2011: Res 11.8867	Non Res 22.6244	levy \$568,705
2012: Res 11.5895	Non Res 22.0588	levy \$554,191
2013: Res 9.9848	Non Res 19.457	levy \$484,194
2014: Res 9.5014	Non Res 18.0749	levy \$451,032
2015: Res 9.8672	Non Res 18.7708	levy \$459,000
2016: Res 9.9	Non Res 19.8	levy \$470,000
2017: Res 10.5142	Non Res 21.515	levy \$501,987
2018: Res 7.8602	Non Res 20.61	levy \$424,000

Comparison:

2004 Residential taxes per \$200,000 of assessment = \$4,358.20

2009 Residential taxes per \$200,000 of assessment = \$2,451.20

2017 Residential taxes per \$200,000 of assessment = \$2,102.84

2018 Residential taxes per \$200,000 of assessment = \$1,572.04

2018 Capital Budget Summary

<u>Project</u>	<u>Estimated Cost</u>	<u>Funding Source</u>
Area Structure Plan	\$10,000	Reserves
Playground sand	\$5,000	Reserves
Sanitary Sewer Inspections	\$30,000	Reserves
Phase I & II Environmental	\$30,000	Reserves
51 Ave and 51 St Sewer upgrade	\$33,000	Grant funds
Total:	\$108,000	

Village of Ryley Operating Budget Summary

Revenues	Budget 2017	Budget 2018	% Change
Operating Revenues			
Property Tax, Franchise Fees	549,587	465,600	-15.30%
General Administrative Rev.	5,600	2,950	-47.40%
Bylaw Enforcement/Fees	2,400	900	-62.50%
Public Works Services	1,000	200	-80.00%
Sewer Services	57,000	57,000	0%
Garbage Collection & Disposal	26,000	26,000	0%
Cemetery sales	1,600	1,500	-6.25%
Planning & Dev Fees & Permits	11,100	2,500	-77.40%
Recreation/ Facilities Revenue	67,650	61,700	-8.70%
Grant Revenues			
MSI Operating	56,000	54,000	-3.50%
Transfer from Reserves	143,126	288,900	50.40%
Other revenues			
Requisitions	125,600	127,800	1.70%
Total Revenues	1,046,663	1,089,050	3.80%
Operating Expenses Summary			
Expenses	Budget 2017	Budget 2018	
Business Tax Rebate Pgm	22,000	20,000	-9.10%
Council	52,140	59,500	12.30%
Administration	287,640	295,600	2.70%
Planning & Ec Dev	17,000	22,500	24.40%
Public Works/Roads	202,050	225,094	10.20%
Parks & Recreation	218,394	217,141	-0.50%
Sewer & Garbage	43,739	42,900	-1.90%
Requisitions	125,600	127,800	1.70%
Bylaw & Emergency Services	78,000	78,510	0.70%
Amortization Expense	308,169	308,169	
Total Expenditures	1,354,732	1,397,214	
Totals less amortization	1,046,563	1,089,045	3.80%
Surplus/Deficit	100	5	

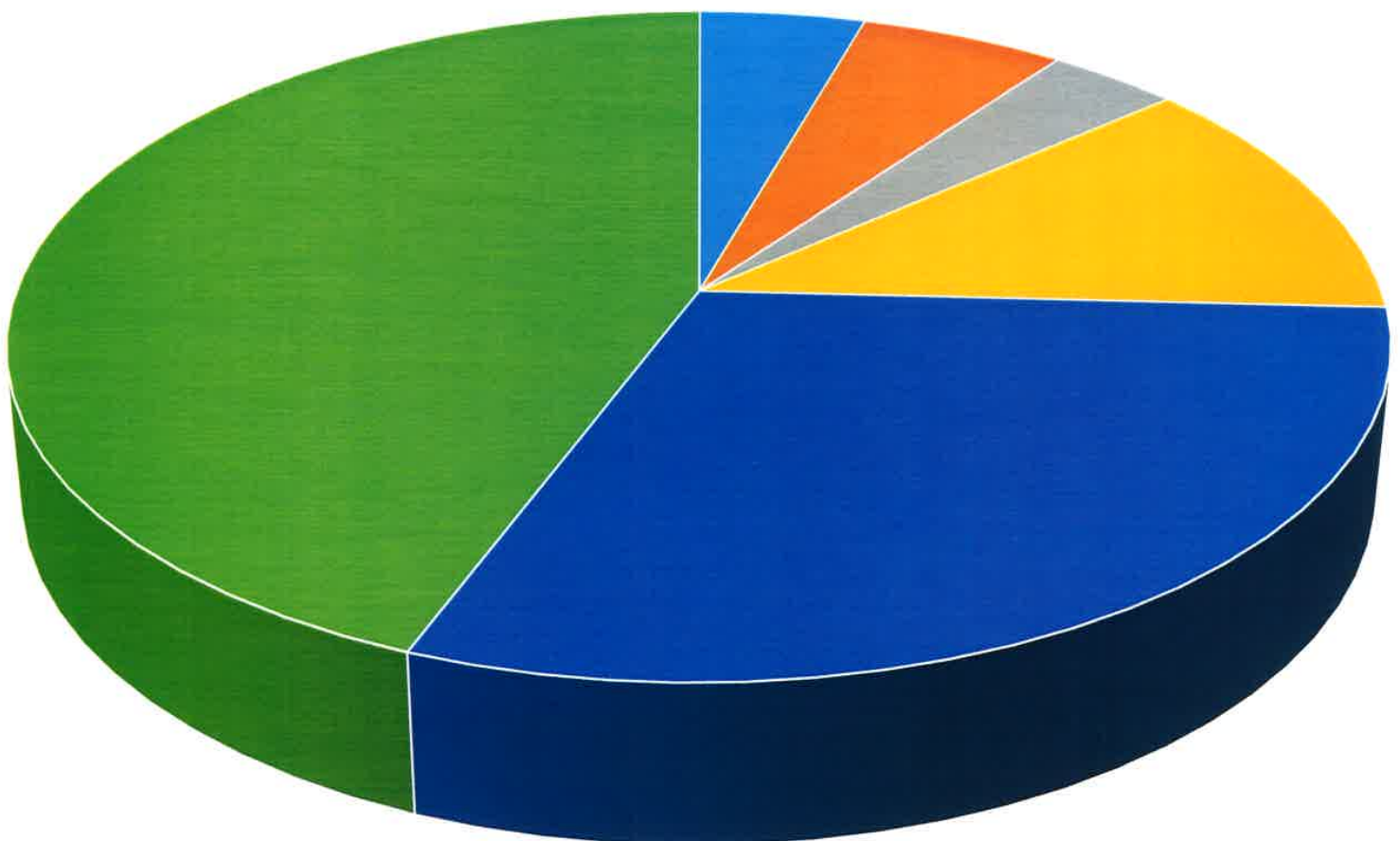
Where Funds Come From

Revenues By Object

Where funds come from (Revenues by object)

Own sources 4.5%	43,750
Federal and provincial grants 5.5%	54,000
local government transfers 4%	34,600
sale of goods & services 12%	116,000
internal transfers 30%	288,900
taxes 44%	424,000

Where funds come from (object)



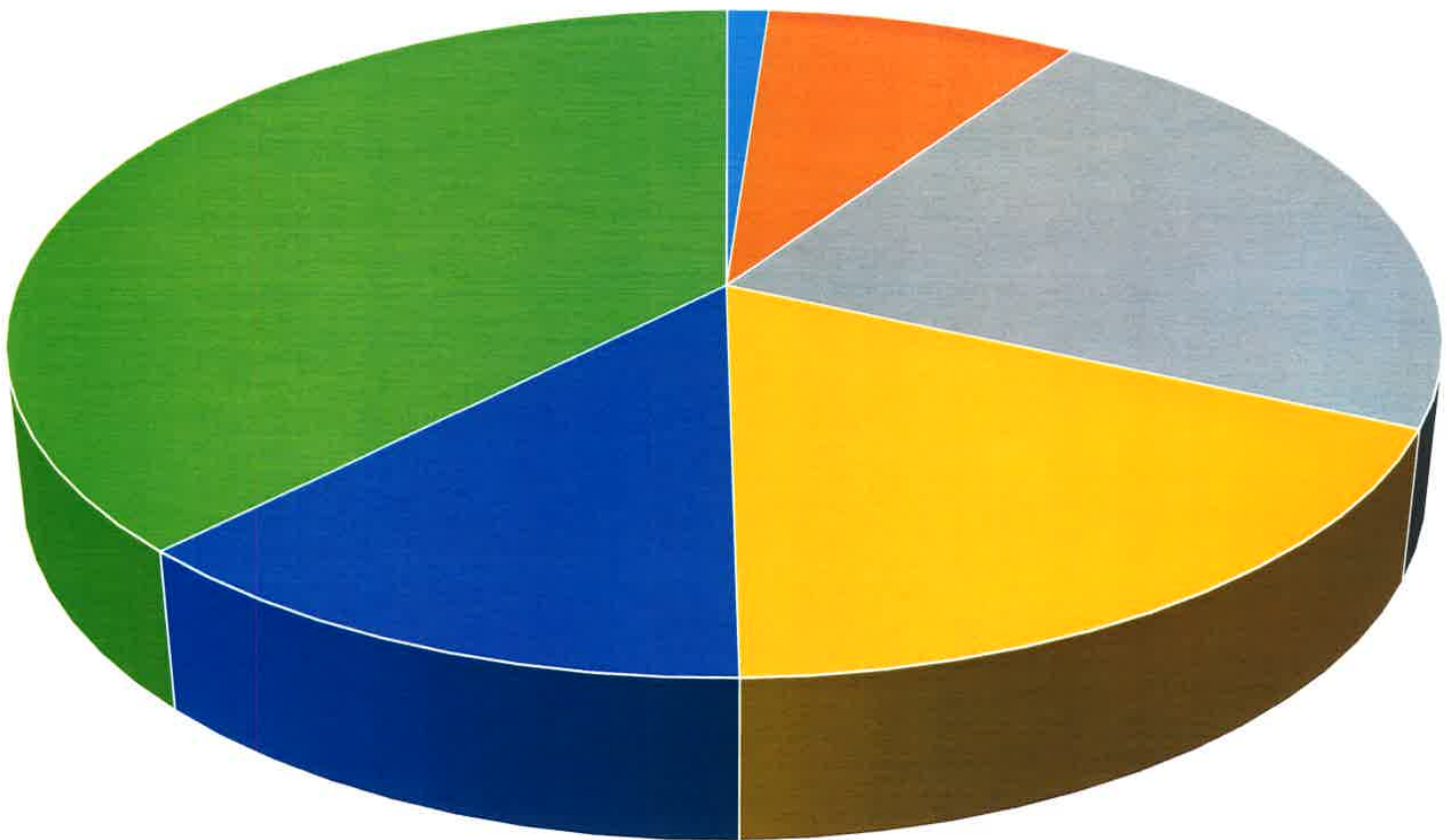
- Own sources 4.5%
- Federal and provincial grants 5.5%
- local government transfers 4%
- sale of goods & services 12%
- internal transfers 30%
- taxes 44%

How The Funds Are Spent

Expenses By Object

Debt servicing 1%	12,094
Transfers to community groups 8%	90,500
Goods, supplies, utilities 22%	244,025
Contracted general services 18%	195,110
internal transfers & other 13%	136,750
Salaries, wages & benefits 38%	410,566

How funds are spent (object)



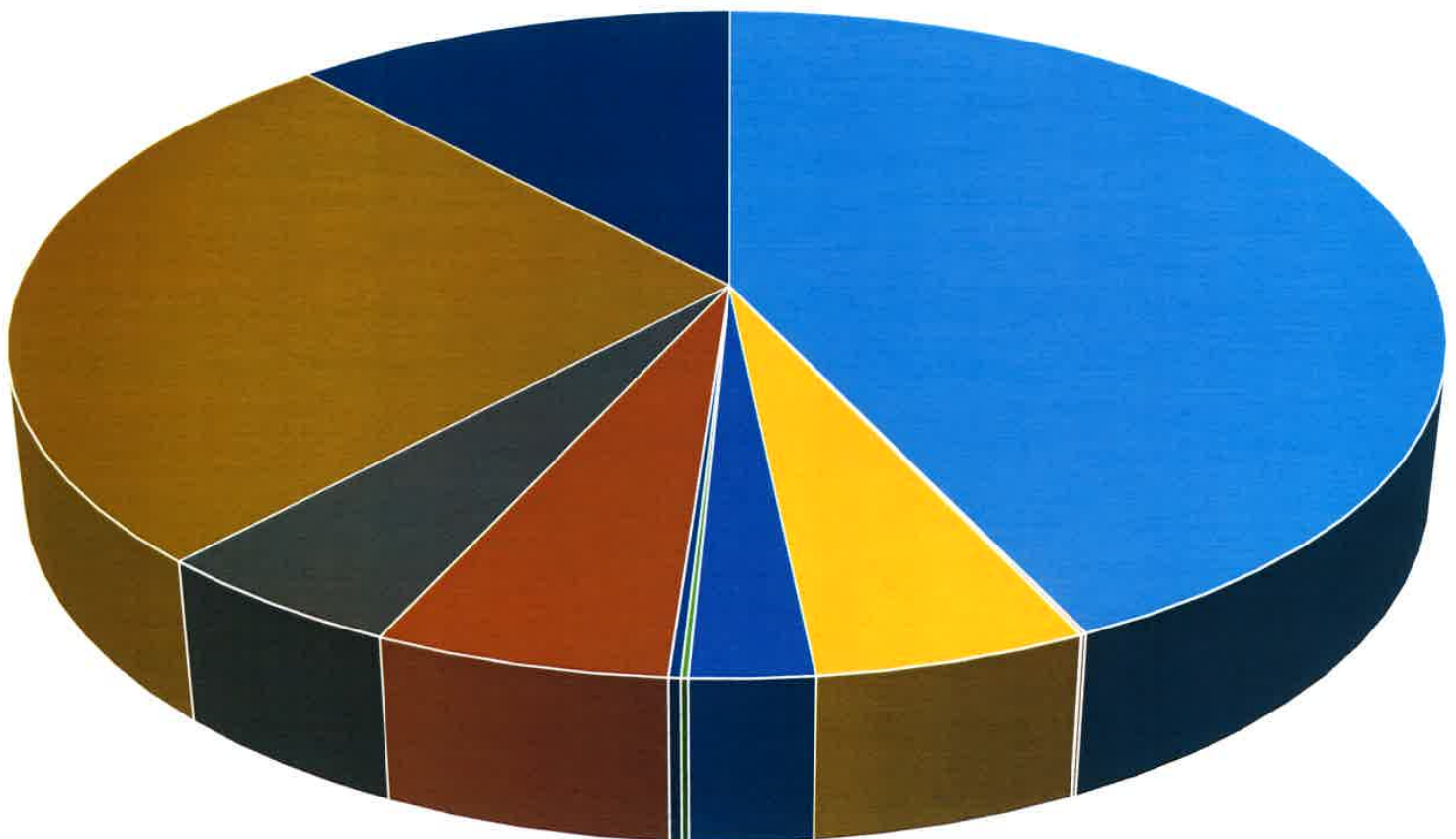
- Debt servicing 1%
- Transfers to community groups 8%
- Goods, supplies, utilities 22%
- Contracted general services 18%
- internal transfers & other 13%
- Salaries, wages & benefits 38%

Where Funds Come From

Revenues By Function

Admin 49.9%	468,550
Bylaw .08%	900
Public Works .02%	200
Sewer Services 5%	57,000
Waste Collection 2%	26,000
Cemetery .1%	1,500
Planning & Development .2%	2,500
Recreation & Facilities 6%	61,700
MSI Operating 5%	54,000
Reserve Transfer 20%	288,900
Requisitions 11.7%	127,800

Where funds are earned (function)



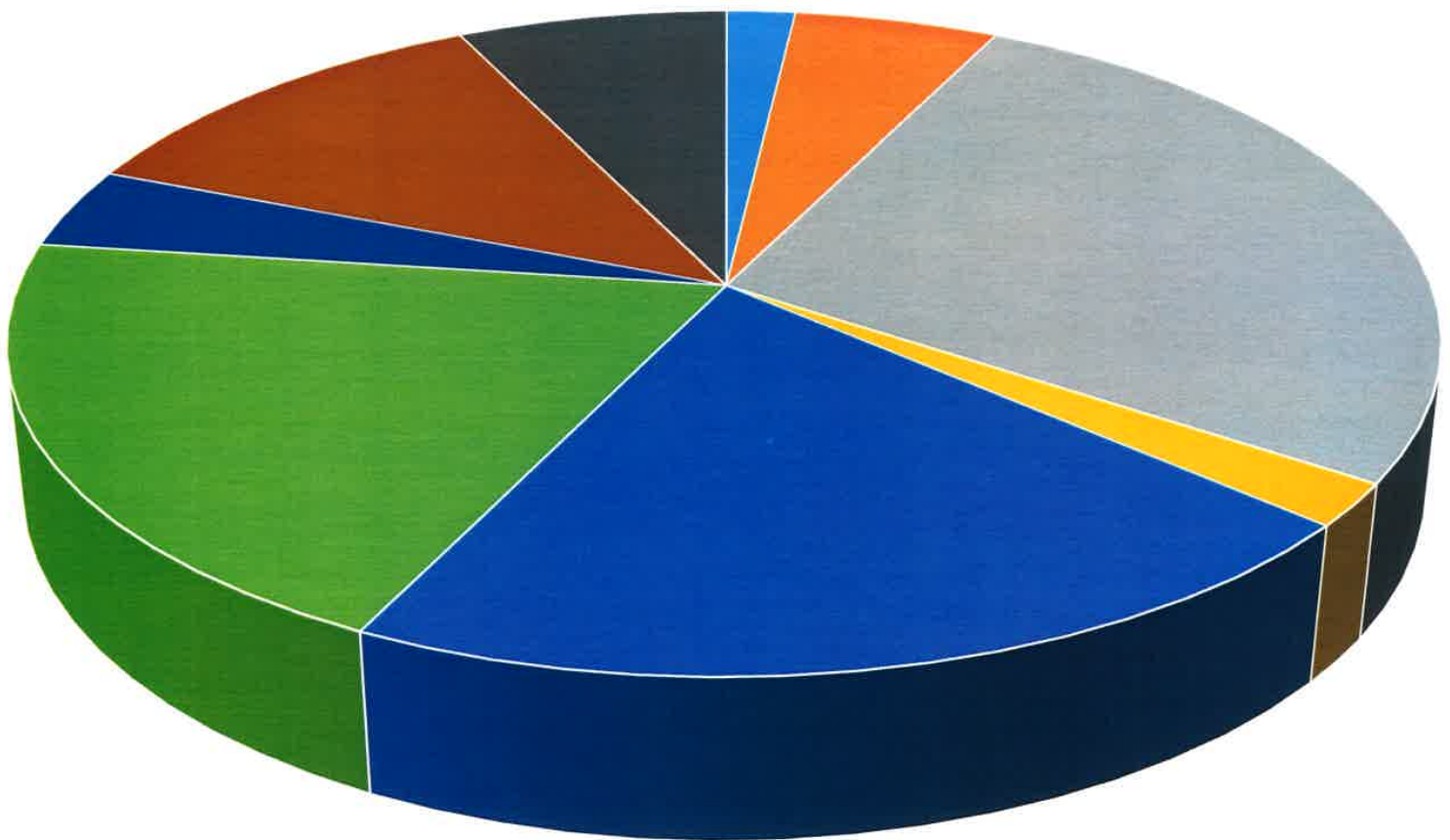
- Admin 49.9%
- Bylaw .08%
- Public Works .02%
- Sewer Services 5%
- Waste Collection 2%
- Cemetery .1%
- Planning & Development .2%
- Recreation & Facilities 6%
- MSI Operating 5%
- Reserve Transfer 20%
- Requisitions 11.7%

How The Funds Are Spent

Expenses By Function

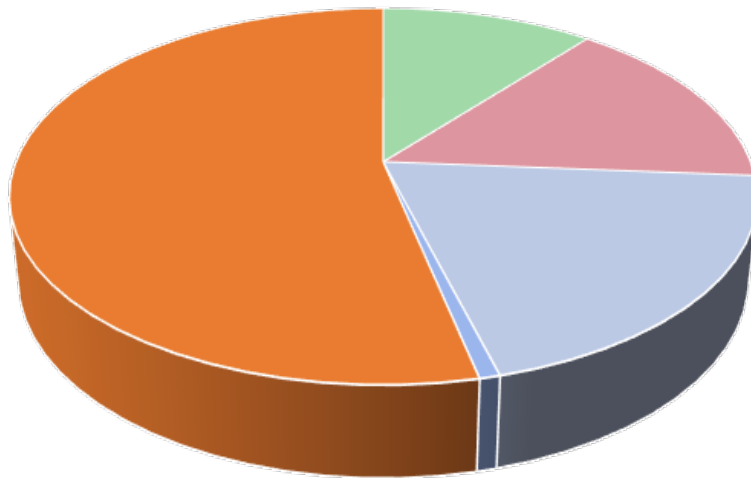
Business tax rebate 2%	20,000
Council 5.4%	59,500
Administration 27.1%	295,600
Planning & Development 2%	22,500
Public Works/Roads 20.6%	225,094
Parks & Recreation 20%	217,141
Utilities 4%	42,900
Requisitions 11.7%	127,800
Bylaw & Emergency Services 7.2%	78,510

Where funds are spent (function)



- Business tax rebate 2%
- Council 5.4%
- Administration 27.1%
- Planning & Development 2%
- Public Works/Roads 20.6%
- Parks & Recreation 20%
- Utilities 4%
- Requisitions 11.7%
- Bylaw & Emergency Services 7.2%

Admin and Council expenses (by object)

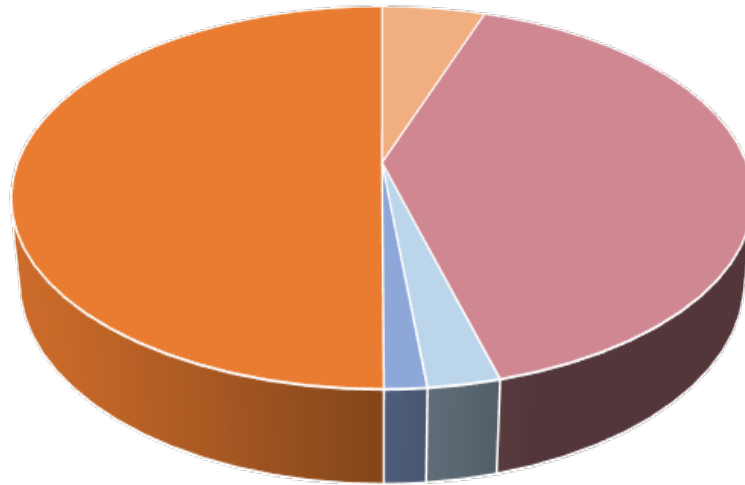


- Debt servicing 0%
- Goods, supplies, utilities 15.2%
- internal transfers & other .7%
- Transfers to community groups 11%
- Contracted general services 19.6%
- Salaries, wages & benefits 53.5%

Admin + Council (by object)

Debt servicing 0%	-
Transfers to community groups 11%	43,500
Goods, supplies, utilities 15.2%	60,600
Contracted general services 19.6%	78,000
internal transfers & other .7%	3,000
Salaries, wages & benefits 53.5%	212,500

Public Works expenses (by object)

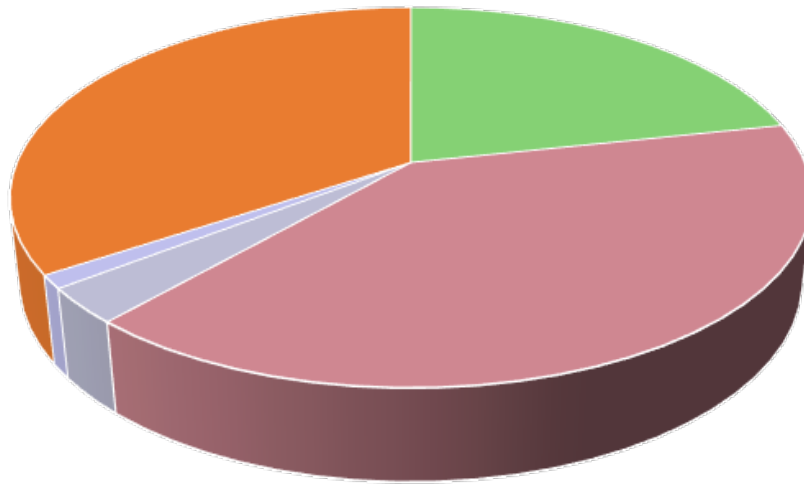


- Debt servicing 5.4%
- Goods, supplies, utilities 40%
- internal transfers & other 2%
- Transfers to community groups 0%
- Contracted general services 2.6%
- Salaries, wages & benefits 50%

Pub Wks (by object)

Debt servicing 5.4%	12,094
Transfers to community groups 0%	0
Goods, supplies, utilities 40%	90,800
Contracted general services 2.6%	6,000
internal transfers & other 2%	3,500
Salaries, wages & benefits 50%	112,700

Parks & Recreation expenses (by object)

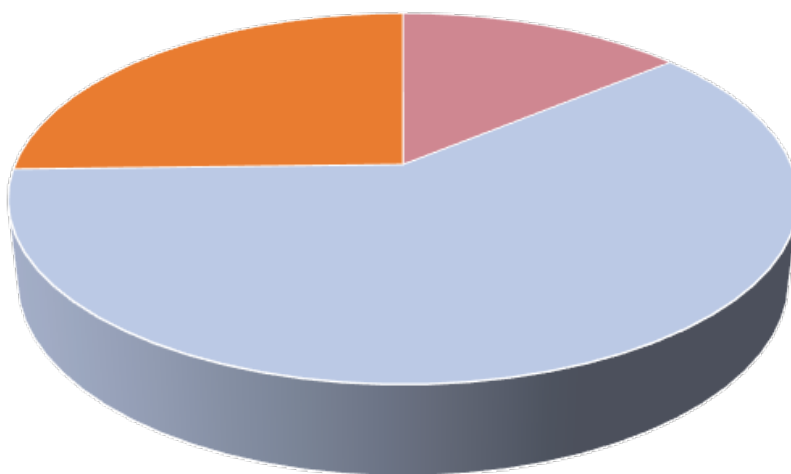


- Debt servicing 0%
- Goods, supplies, utilities 40%
- internal transfers & other 1%
- Transfers to community groups 22%
- Contracted general services 3%
- Salaries, wages & benefits 34%

Parks & Recreation (by object)

Debt servicing 0%	0
Transfers to community groups 22%	47,000
Goods, supplies, utilities 40%	86,625
Contracted general services 3%	6,600
internal transfers & other 1%	2,450
Salaries, wages & benefits 34%	74,466

Sewer & Garbage expenses (by object)

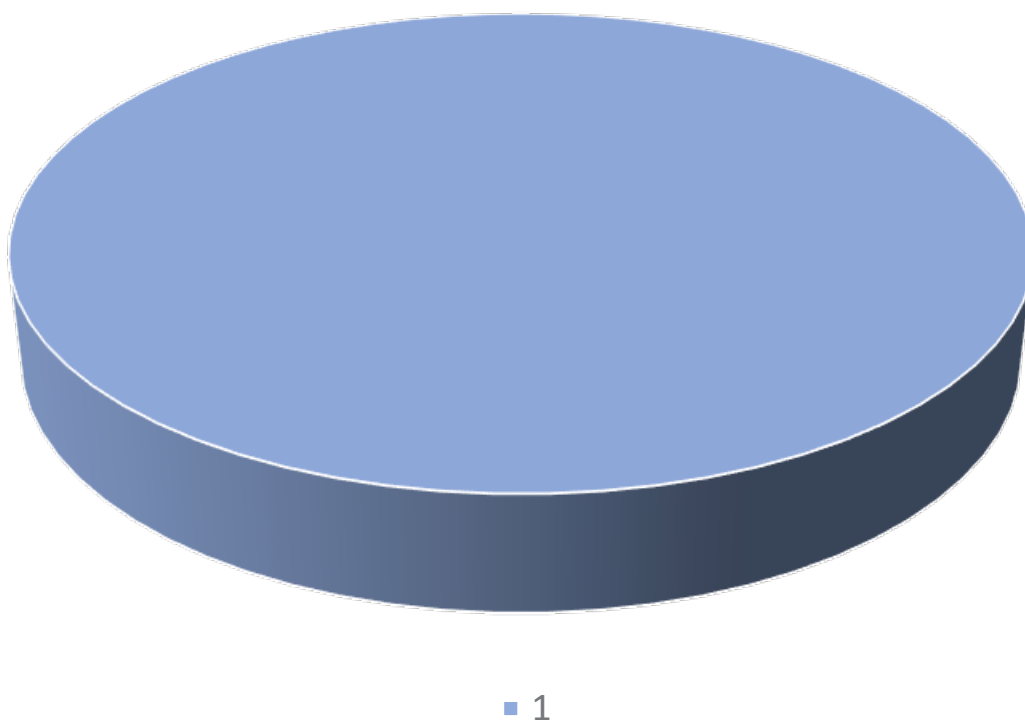


- Debt servicing 0%
- Goods, supplies, utilities 14%
- internal transfers & other 0%
- Transfers to community groups 0%
- Contracted general services 61%
- Salaries, wages & benefits 25%

Sewer & Garbage (by object)

Debt servicing 0%	0
Transfers to community groups 0%	0
Goods, supplies, utilities 14%	6,000
Contracted general services 61%	26,000
internal transfers & other 0%	0
Salaries, wages & benefits 25%	10,900

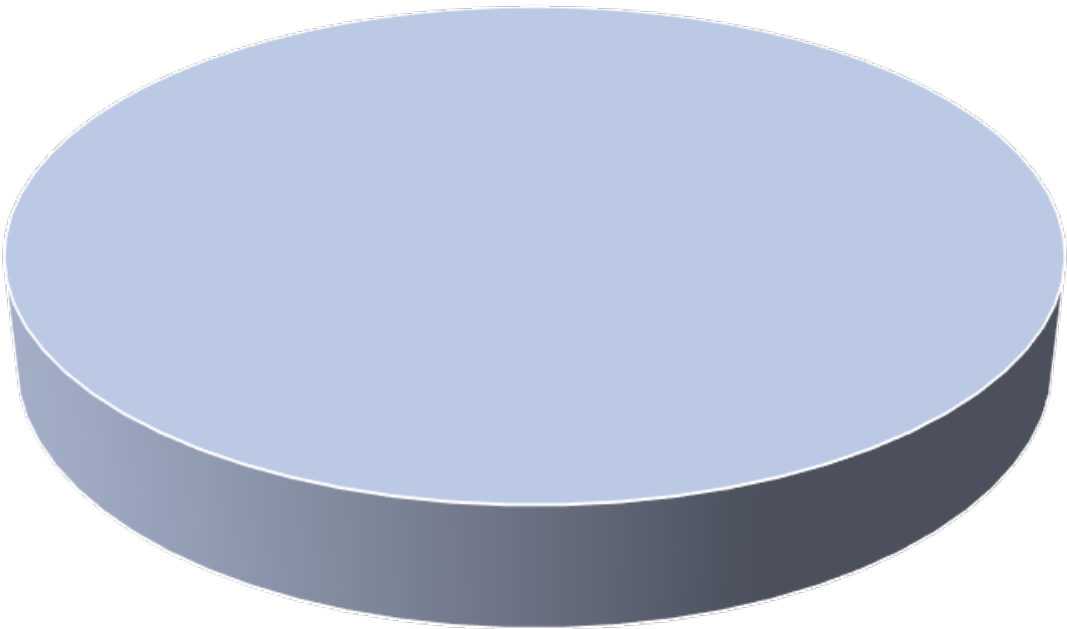
Requisition expenses (by object)



Requisitions (by object)

Requisitions: Internal transfers & Other 100%	127,800
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Bylaw & Emergency Services expenses (by object)



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Bylaw & Emergency Services (by object)		
Contracted Services	100%	78510