

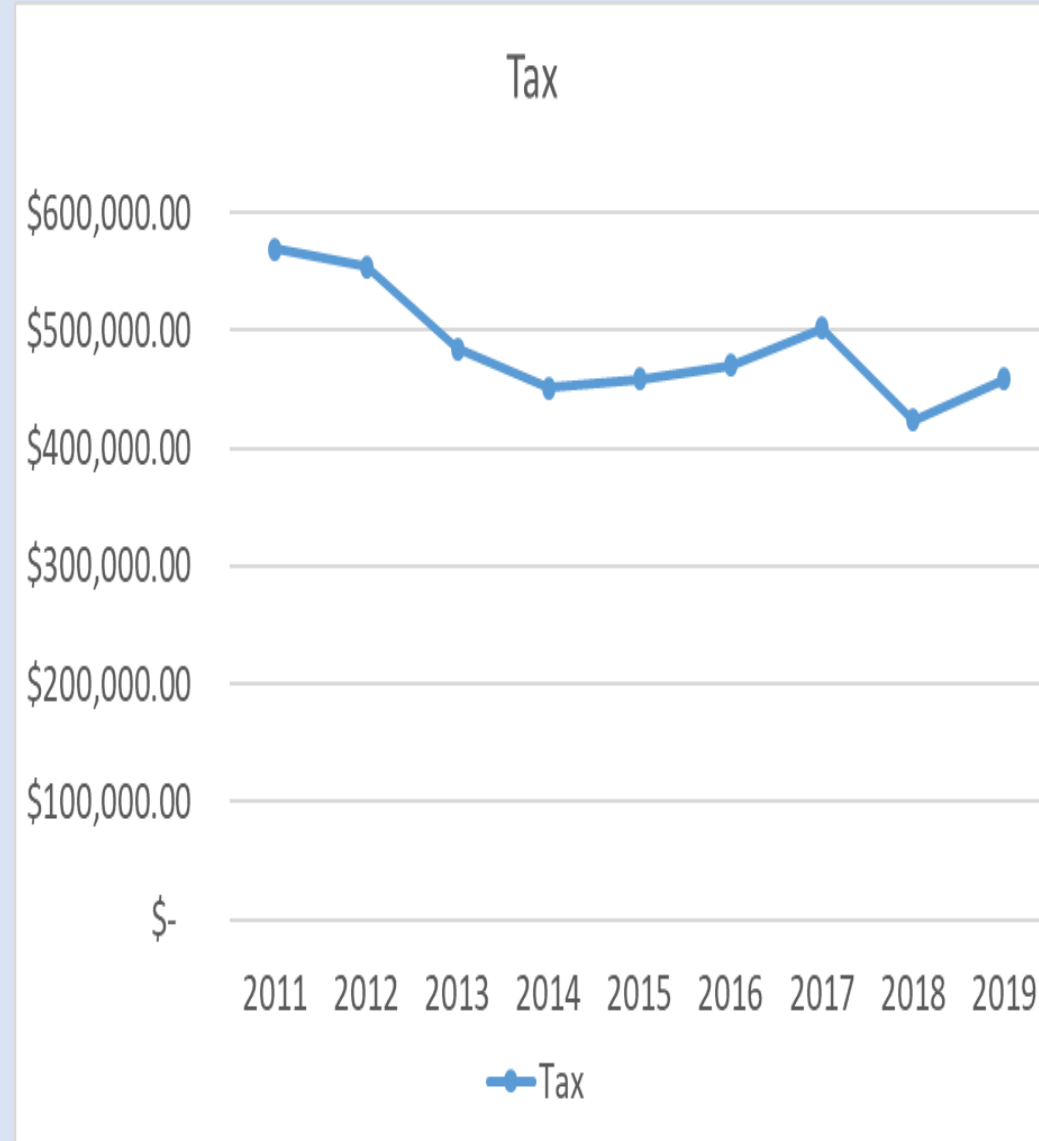
2020 BUDGET

SITUATION - INFLATION

- Tax Levy in 2011 = \$569K
- \$569K in 2011 is **\$667K** today

- Tax Levy in 2019 = \$459K
- \$459K in 2019 is **\$469K** today

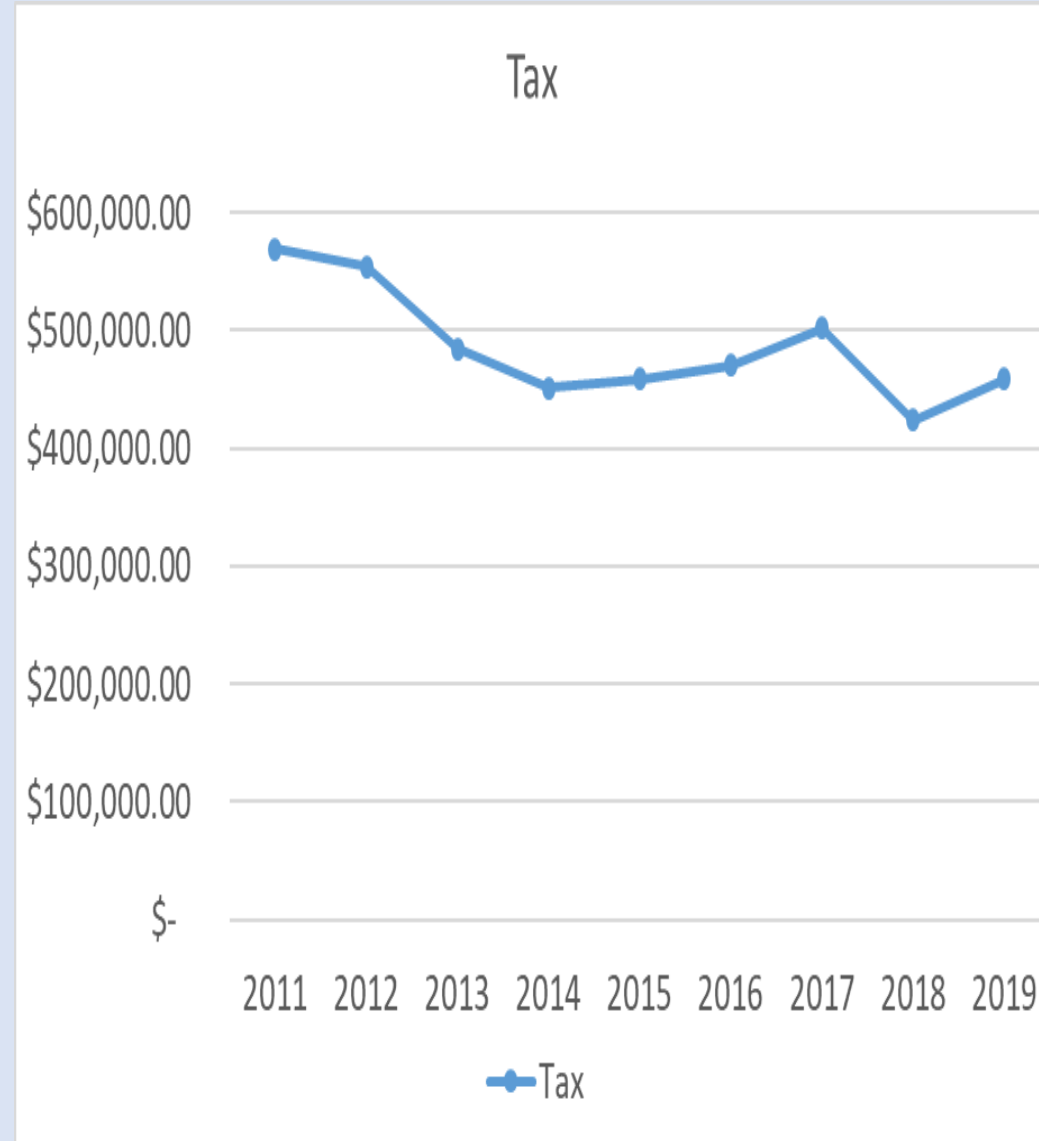
- 2020: **\$667K** - **\$469K** = **\$198K**



2020 BUDGET

SITUATION

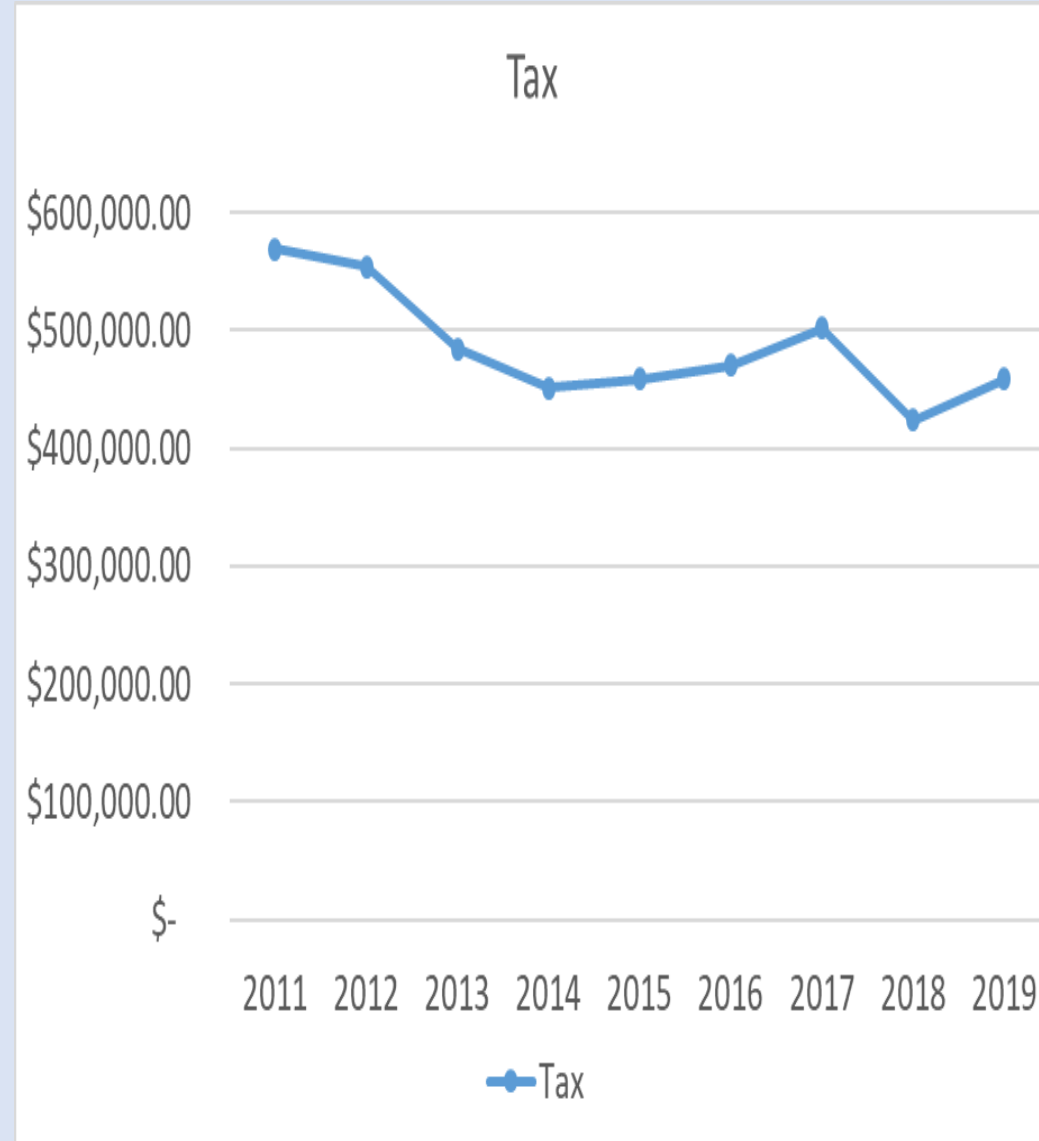
- 2020: \$667K - \$469K = \$198K
- 10-year Accum OP Loss = \$990K
 - This is only through inflation as a result of not keeping tax levy even with inflation growth
- 10-year Accum CAP Loss = \$3M
 - \$310K/year = \$3M



2020 BUDGET

SITUATION - TCA

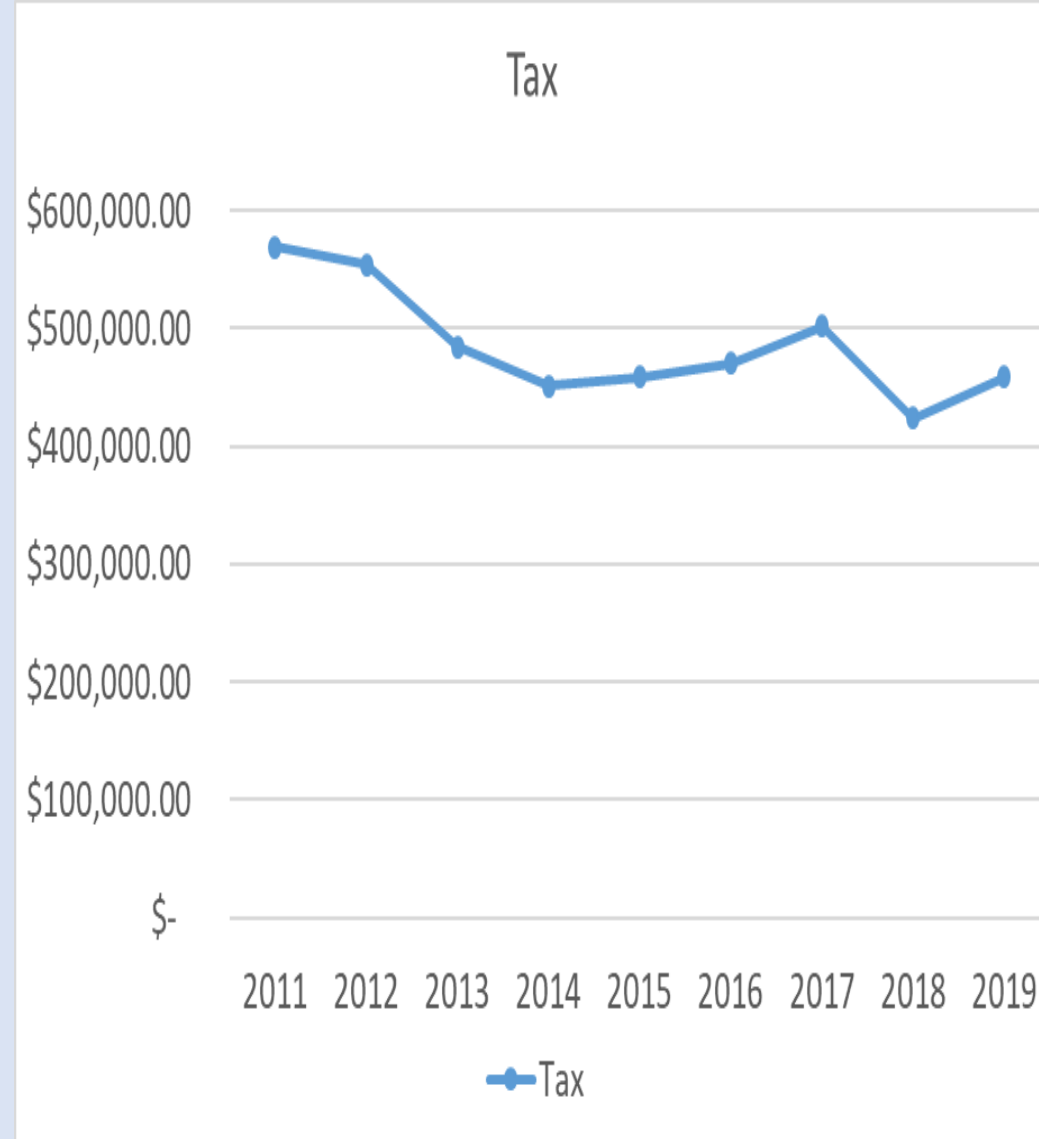
- We have been running an **OPERATING DEFICIT** for a decade
- We have been drawing a **CAPITAL LOSS** to pay an operating deficit
- It's supposed to be the opposite: **OP SURPLUS** transfer to **CAP RES**



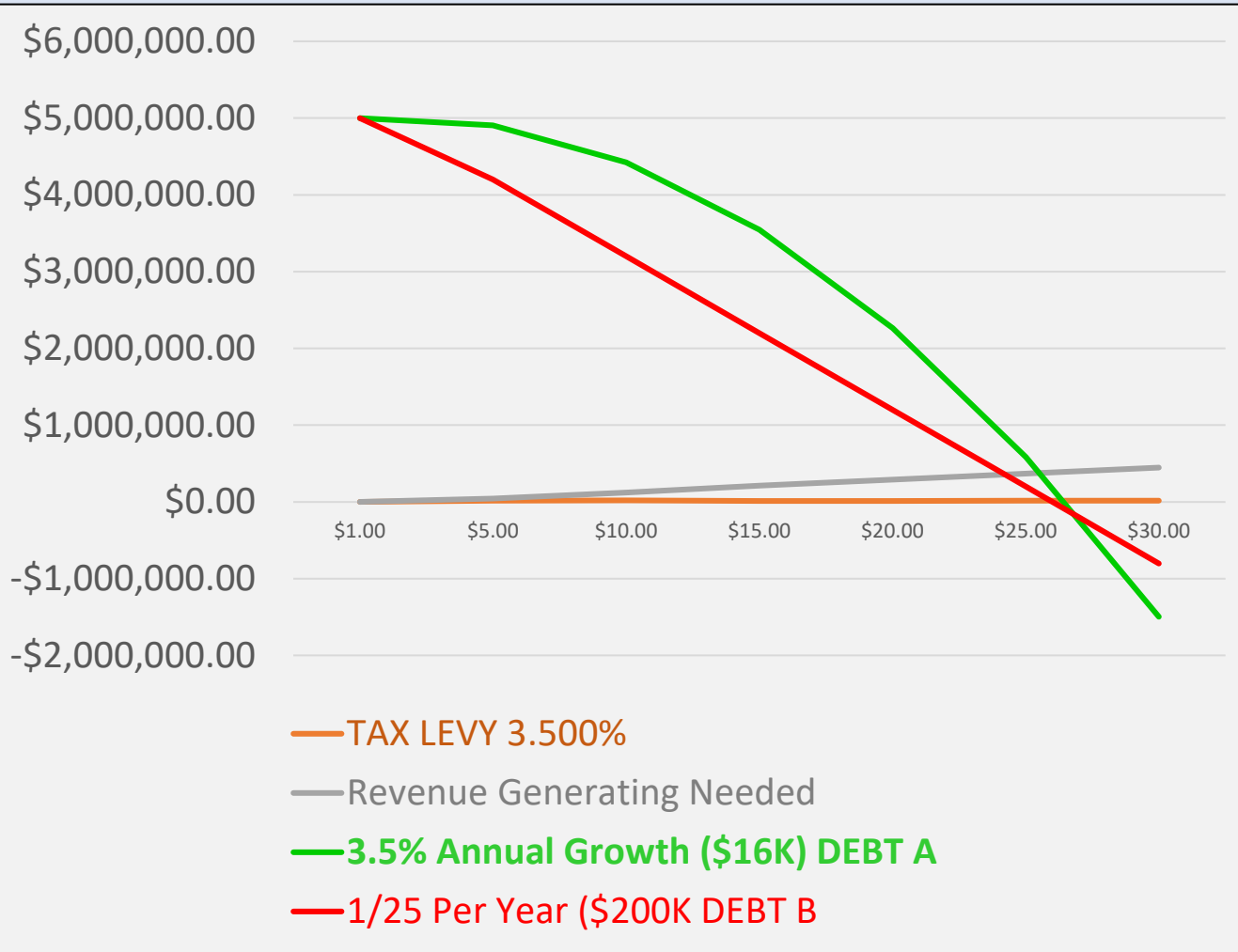
2020 BUDGET

SITUATION

- For inflation alone, we should have a municipal tax levy of \$667K – a tax rise of **\$198K**
- Clearly this is not possible...
- But what is the situation today?
 - No Reserve to RECAP TCA
 - No OP Surplus xfer to CAP Reserve
 - Insufficient OP Cash to maintain
 - **CAP Reserve DEBT of \$5M**



Capital (TCA) Debt Payment Plan



Over 25 Years, \$200K per year is needed to pay off \$5M (RED).

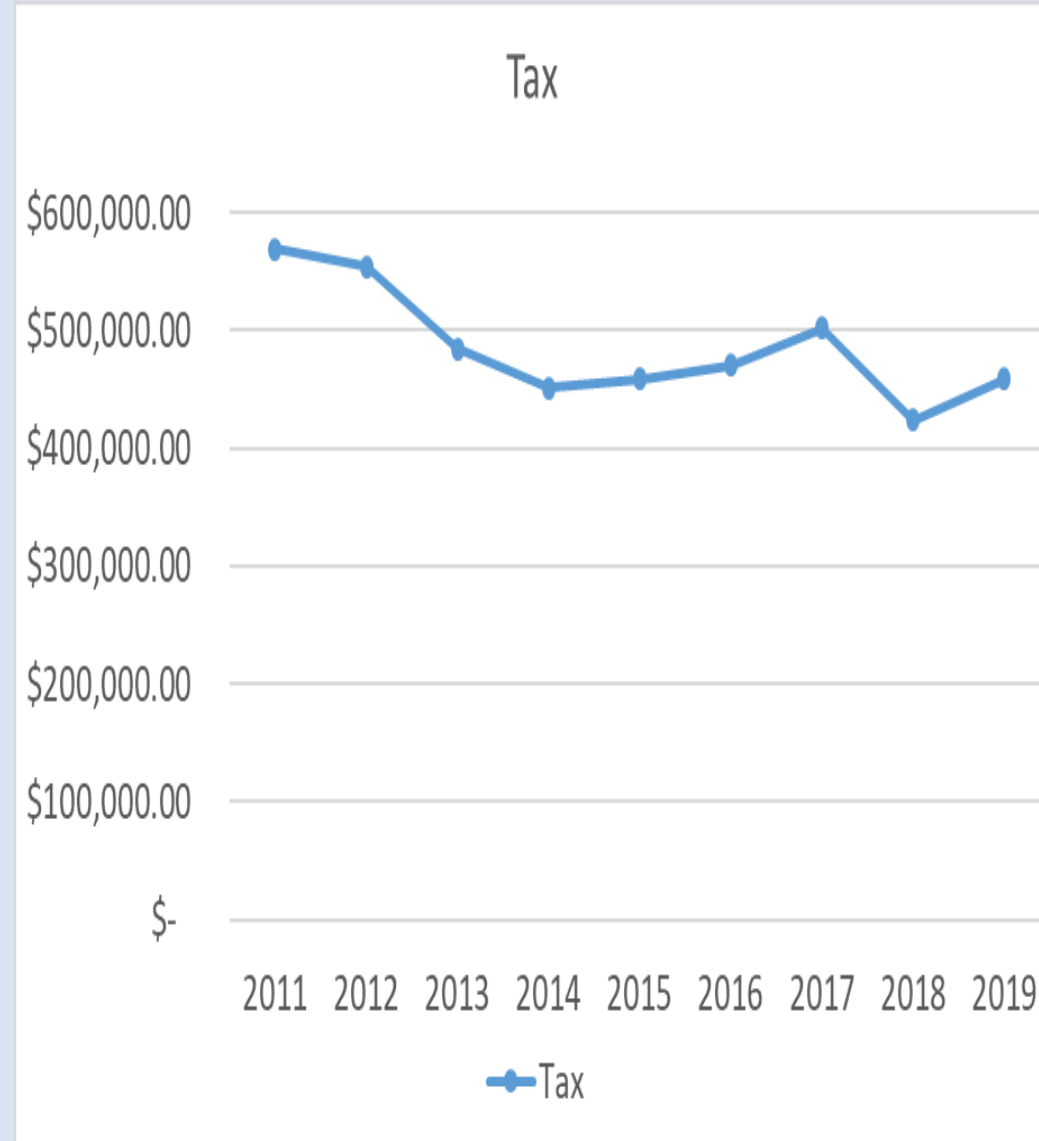
This can be amortized at 3.5% to a \$16K cumulative growth per year. As seen (GREEN vs GREY), this starts off low and affordable and rises as we gain revenue initiatives.

Tax Levy growth is necessary to meet this plan (ORANGE)

2020 BUDGET

SITUATION

- There are only two ways to fix this problem...
1. Raise Operational Surplus
 - Lower Costs & Raise Revenues
 2. Raise Tax Levy

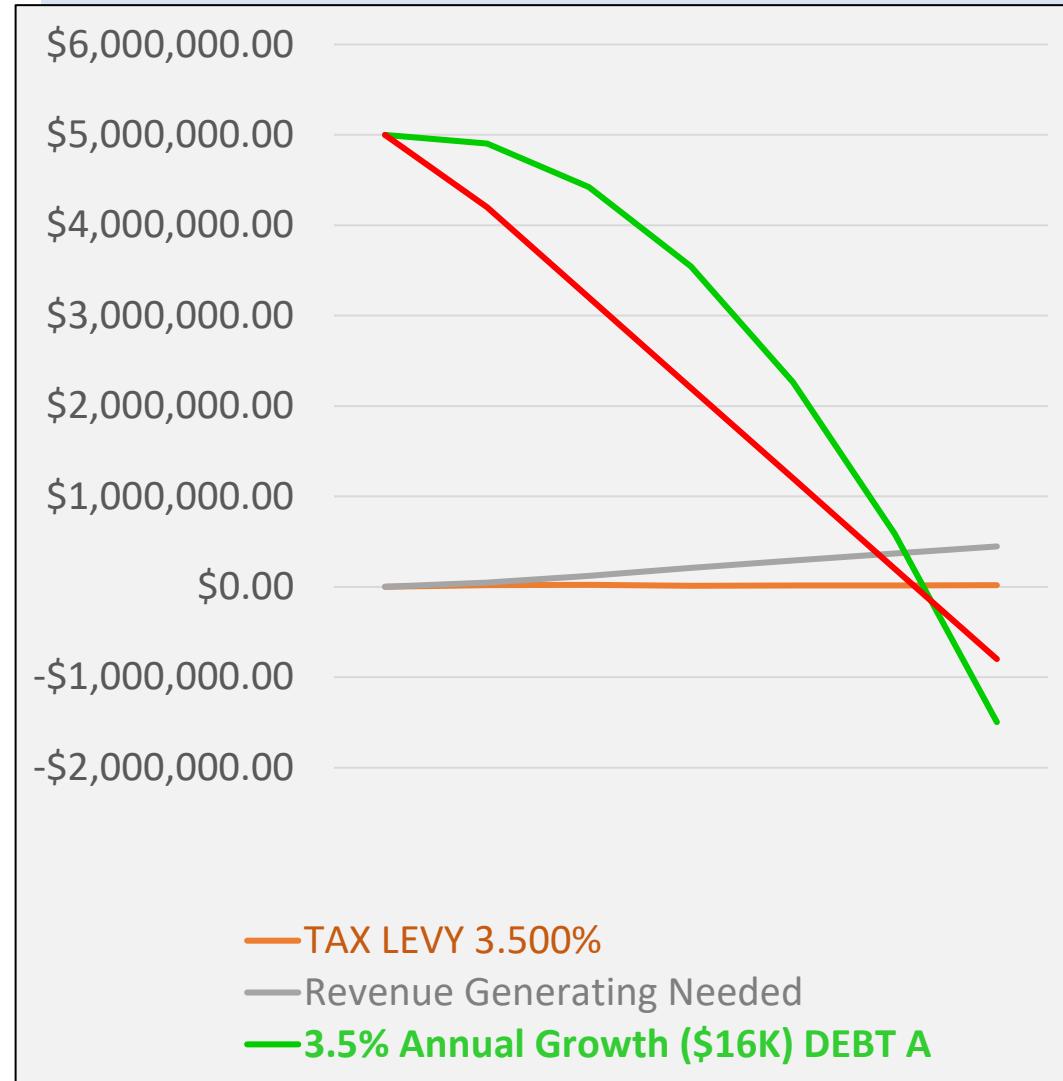


2020 BUDGET

What is Council

Asking of Administration

- Develop Revenue Generating Projects to realize a \$16K “GROWTH” each year.
- Absorb this in 23% OPERATING efficiencies for 2020 before future Revenue is developed...
 - \$330K for 2020 CAP Transfer
 - \$222K in OP Cost Reductions



2020 BUDGET

What is Council **Asking of Citizens**

- \$16K levy raise: 3.5%:
- Average Ryley Home: \$117K
- Median Ryley Home: \$97K
- **\$31 increase for \$100K**

Assessment	2019	2020	Diff
Levy	\$459K	\$475K	\$16K
\$ 70,000.00	\$616	\$638	\$22
\$ 100,000.00	\$880	\$911	\$31
\$ 150,000.00	\$1,320	\$1,367	\$47
\$ 200,000.00	\$1,760	\$1,823	\$63
\$ 250,000.00	\$2,200	\$2,279	\$79
\$ 300,000.00	\$2,640	\$2,734	\$94

2020 BUDGET PLAN HIGHLIGHTS

1. Reduction in total Operating Budget (\$552K = 23%)
 - 2020 Operating Budget is \$1.86M
 - 2019 Operating Budget was \$2.41M
2. New Financial Controls (Incl Planning & Tracking Tool)
 - Follows Strategic Priorities
 - Facilitates Planning
 - More transparency
 - Easier to follow REVENUE streams to EXPENSES

- Newly Introduced Budget Planning & Expense Tracking Tool

- It links & controls Revenue Streams to Expenses and follows along Strategic Priorities

Printed	2020-05-17				RESERVE:	DEBT:	NET DEBT LIMIT:			(NET SVC LIMIT)
					\$ 4,450.00	\$ 871,149.00	\$ -135,070	\$ 3,478,382.81	\$ 5176.06	
		GRANTS \$ 829,873.00 20%	NEIGHBOUR \$ 577,149.35 14%	SERVICES \$ 228,124.94 6%	RESERVES \$ 1,913,500.00 46%	TAX \$ 593,727.95 14%		\$ 4,142,375.24	\$ 4,142,375.24	\$ 4,142,199.18
					\$ 168,884.68	\$ -	\$ 82,620.00			\$ 313,900.00
					\$ 27,430.14		\$ 82,620.00			\$ 23,400.00
					\$ 59,316.48					\$ 73,500.00
										\$ 2,000.00
										\$ 5,200.00
										\$ 1,500.00
										\$ 50,000.00
										\$ 50,000.00
										\$ 39,100.00
										\$ 1,000.00
										\$ 13,000.00
										\$ 16,000.00
										\$ 2,000.00
										\$ 200.00
										\$ 10,000.00
										\$ 117,554.00
										\$ 125,915.95
										\$ 10,700.00
										\$ 38,450.00
										\$ 6,000.00
										\$ 8,500.00
										\$ 52,990.00
										\$ 30,000.00
										\$ 8,812.00
										\$ 1,500.00
										\$ 35,000.00
										\$ 5,000.00
										\$ 20,000.00
										\$ 25,000.00
										\$ 50,000.00
										\$ 18,750.00
										\$ 1,100.00
										\$ 3,500.00
										\$ 19,400.00
										\$ 7,000.00
										\$ 7,300.00
										\$ 10,000.00
										\$ 43,750.00
										\$ 4,000.00
										\$ 15,000.00
										\$ 10,000.00
										\$ 1,000.00
										\$ 50,000.00
										\$ 4,150.00
										\$ 100,000.00
										\$ 2,000.00
										\$ 500.00
										\$ 25,000.00
										\$ 5,000.00
										\$ 6,250.00
										\$ 1,500.00
										\$ 500.00
										\$ 2,000.00
										\$ 22,000.00
										\$ -
										\$ 112,500.00
										\$ 36,000.00
										\$ 45,000.00
										\$ 11,250.00
										\$ 13,000.00
										\$ 5,000.00
										\$ 208,888.00
										\$ 150,839.23
										\$ 725,000.00
										\$ 495,000.00
										\$ 75,000.00
										\$ 100,000.00
										\$ 287,600.00
										\$ 220,000.00
										\$ 125,000.00

REVENUE TO ADMIN/O&M EXPENSE CATEGORY

REVENUE TO RYLEY LIVING EXPENSE CATEGORY

REVENUE TO BIZ & E.D. EXPENSE CATEGORY

REVENUE TO CAP & INFRA EXPENSE CATEGORY

ADMIN/O&M

RYLEY LIVING

BIZ & E.D.

CAP & Infra

2020 BUDGET PLAN HIGHLIGHTS (continued)

3. Updated Salary Management

- Salary envelopes within Strategic Priorities
 - \$115K (33%) reduction in Administrative Salaries
 - Redistributed to Operational Salaries (Strategic Priorities)
 - 2020 Total Salary Budget Envelope -0.4% of 2019 Budget
 - 2020 Total Salary Budget Envelope +2% over 2019 Actual
- ❖ Does not include \$23,266.35 excess for 2019 Interim CAO → if considered: 2020 is 4% decrease from 2019 Actual

2020 BUDGET PLAN HIGHLIGHTS (continued)

DEPARTMENT	PRESENT		NEW	
ADMIN	\$175,995.00	46%	15%	\$ 56,805.30
ADMIN		46%	15%	\$ 56,805.30
HALL	\$ 12,088.00	3%	10%	\$ 37,870.20
BALL	\$ 5,886.00	2%	5%	\$ 18,935.10
CURLING	\$ 3,449.00	1%	5%	\$ 18,935.10
SKATING	\$ 6,993.00	2%	5%	\$ 18,935.10
RECREATION	\$ 42,594.00	11%	5%	\$ 18,935.10
Ryley Living		19%	30%	\$ 113,610.60
CAMPGROUND	\$ 7,472.00	2%	15%	\$ 56,805.30
CEMETERY	\$ 5,860.00	2%	10%	\$ 37,870.20
B & E.D.		4%	25%	\$ 94,675.50
ROADS	\$107,011.00	28%	20%	\$ 75,740.40
SEWER	\$ 11,354.00	3%	10%	\$ 37,870.20
Cap & Infra		31%	30%	\$ 113,610.60
TOTAL	\$378,702.00			\$ 378,702.00

2020 BUDGET PLAN HIGHLIGHTS (continued)

4. Provincial Costs → REQUISITIONS

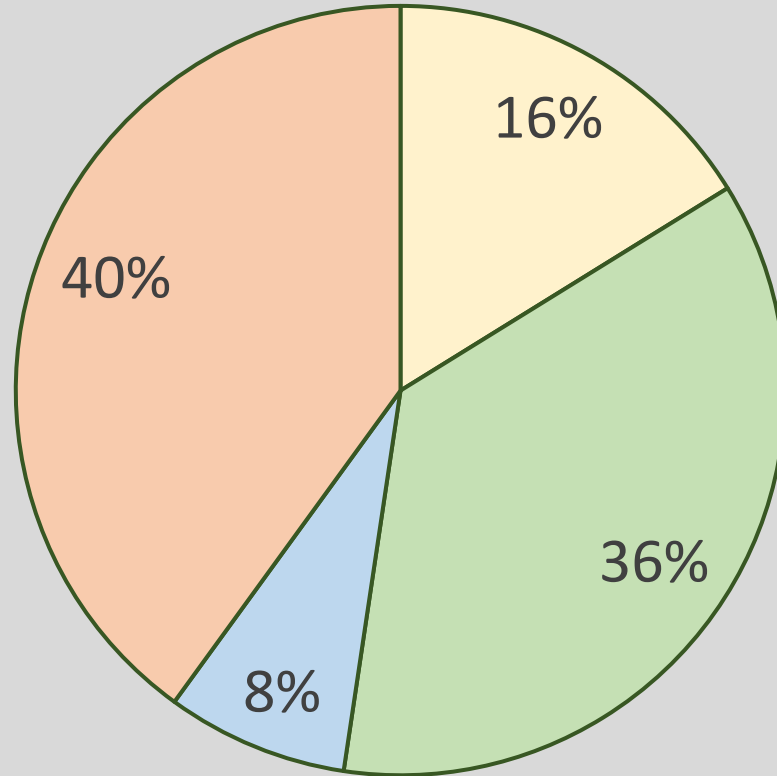
- Increase of \$8809 over 2019

5. Beaver Emergency Services Commission (BESC) (\$69.5K)

- Ryley does not collect BESC as a Requisition from Taxpayers
- This is enabled by Clean Harbors Hosting Fees

BUDGET EXPENSES BY STRATEGIC PRIORITIES

EXPENDITURES



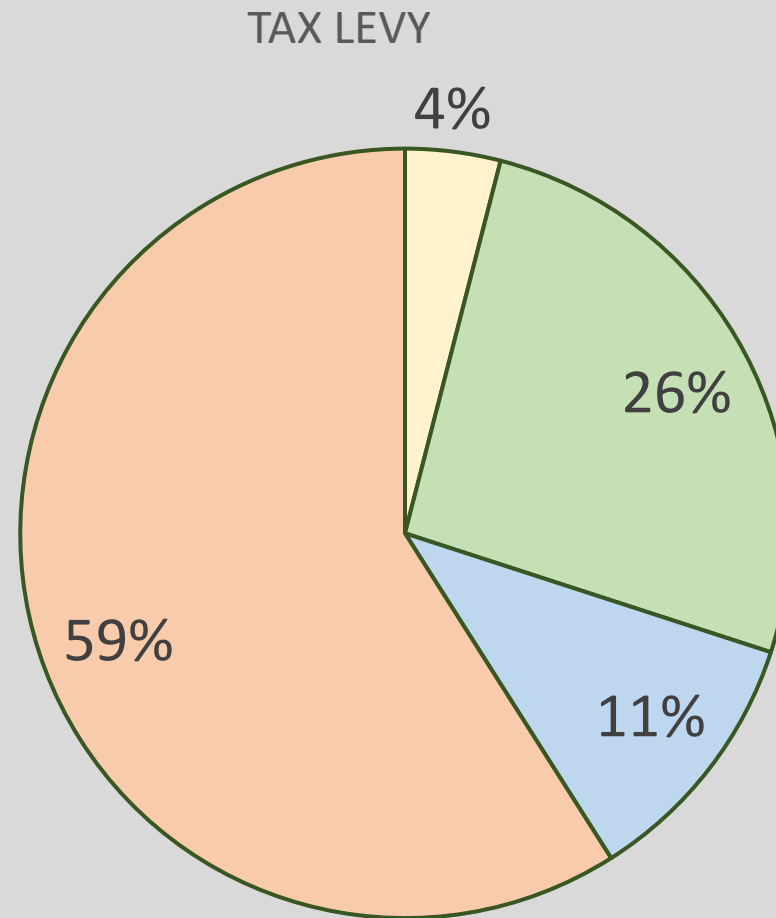
Administration

Ryley Living

Business & Economic Development

Infrastructure & Maintenance

ALLOCATION OF TAX LEVY



Administration

Ryley Living

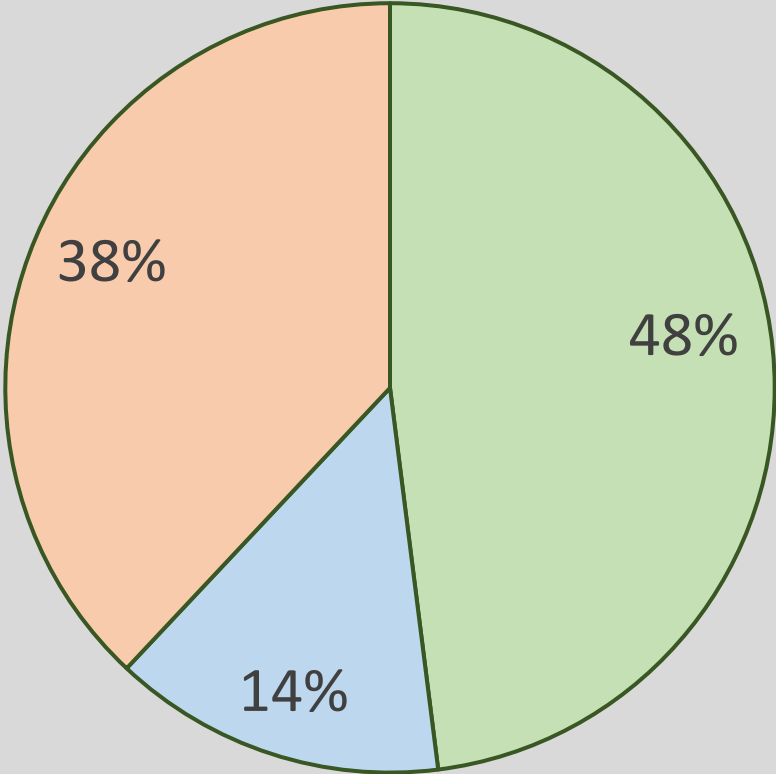
Business & Economic Development

Infrastructure & Maintenance

ALLOCATION OF LANDFILL REVENUES

LANDFILL \$

0%



ZERO LANDFILL REVENUES WILL GO TO ADMINISTRATION

ALL LANDFILL REVENUES WILL GO TO: RYLEY LIVING, BUSINESS & ECONOMIC DEVELOPMENT, AND INFRASTRUCTURE

- Administration
- Ryley Living
- Business & Economic Development
- Infrastructure & Maintenance

CLEAN HARBORS: \$251K FOR RYLEY LIVING

AGREEMENTS	BESC	\$70K
	FCSS	\$10K
	HEALTH FOUNDATION	\$ 2K
	AG SOCIETY	\$17K
	MCPHERSON LIBRARY	\$23K
	NORTHERN LIGHTS LIBRARY	\$ 3K
COMMUNITY COSTS	BALL	\$4K
	LIBRARY	\$ 8K
	CURLING	\$16K
	SKATING	\$ 7K
	RECREATION AREAS	\$ 4K
RYLEY SPORTS DAY	SUMMER FESTIVALS	\$15K
BYLAW / CPO	CONTRACTS	\$20K
STREET LIGHTING	OPERATIONAL COSTS	\$35K
SUMMER STUDENTS	COMMUNITY DEVELOPMENT	\$20K

CLAYSTONE (BMS): \$198K FOR CAP & INFRA

GARBAGE CONTRACT	FULL CONTRACT COSTS	\$22K
DEBENTURE	ONE-THIRD OF PAYMENT	\$68K
INFRASTRUCTURE SUPPORT	MAINTENANCE COSTS	\$20K
PUBLIC WORKS	MAINTENANCE SUPPLIES	\$23K
PROJECTS	SOLAR POWER GENERATOR	\$65K

GOOD NEIGHBOUR GRANT: \$73K – BUSINESS / E.D.

ECONOMIC STIMULATION	BUSINESS GRANTS	\$21K
FACILITY SUPPORT	CEMETERY COSTS	\$26K
	CAMPGROUND COSTS	\$26K

THIS IS \$271K LESS TAX LEVY TO BE RAISED

SO... WHY THE 3.5% TAX LEVY INCREASE?

- WE HOLD A \$5M CAPITAL RESERVE DEFICIT
- WE CARRY A HIGHLY DEPRECIATED TCA
- OPERATIONAL CUTS HAVE BEEN MAXIMIZED

Modifications: 29 June Budget Meeting

1. RPAC: identified missing FCSSAA Expenditures: **ADDED**
2. BESC Requisition: **Drafts had BESC as REQ**
3. Discussion over Debenture.
 - **Administration is offering a non-DEB OPTION...**

DEBENTURE OPTION

the advantage is that a debenture provides us with a safety net for our Capital Reserves and keeps us north of \$1M. This guarantees insulation against a volatile tax levy because if we cannot draw from reserves for budget 2021 or future, then we may find ourselves in a position to need a larger tax levy increase than desired. The disadvantage to getting a debenture is facing a possible application to the Court of the Queen's Bench if any interested party is not able to mobilize a petition but still wants to fight it. An application to the courts would hold everything up and we would not be able to move forward on 54th Avenue until the issue is settled. Further, if a petition is launched and even if it is not successful, then we also would lose time this year and will likely face higher costs in a re-tendering. We have a huge bargain deal on the table at present given the eagerness of companies to get to work now and we will lose this if we don't give the go ahead very soon.

NO DEBENTURE OPTION

the advantage is that we could move forward immediately on our 2020 Capital Project as soon as the budget is passed. Of course, an additional advantage to NO debenture would be saving the \$108K debenture payment per year from our Operating Budget that we could add to our amortization. The disadvantage is that we would need to draw down our Capital Reserves to a very low level: south of \$1M. We could possibly get as low as \$250K if all of stars lined up against us. This disadvantage is not very risky because we have a \$200K Line of Credit, because we are already making the moves to fix our capital debt, and because we have full control and could always return to our Operating Budget to make some adjustments for pressures if we found ourselves in danger.