

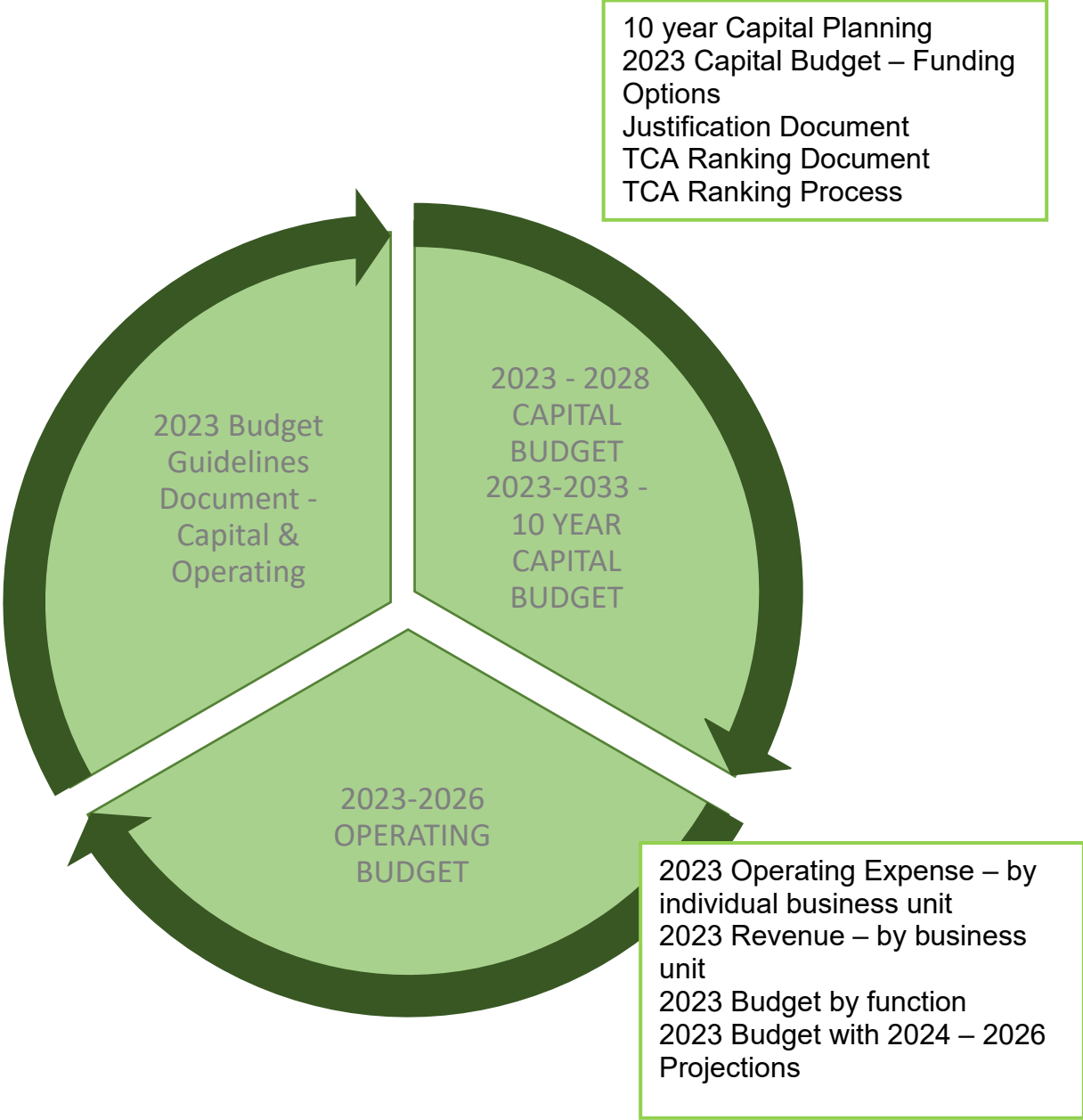
The Town of Diamond Valley
2023 Financial Plan

**2023 OPERATING BUDGET FOR THE YEARS
2023 TO 2026 ASSUMPTIONS & GUIDELINES**

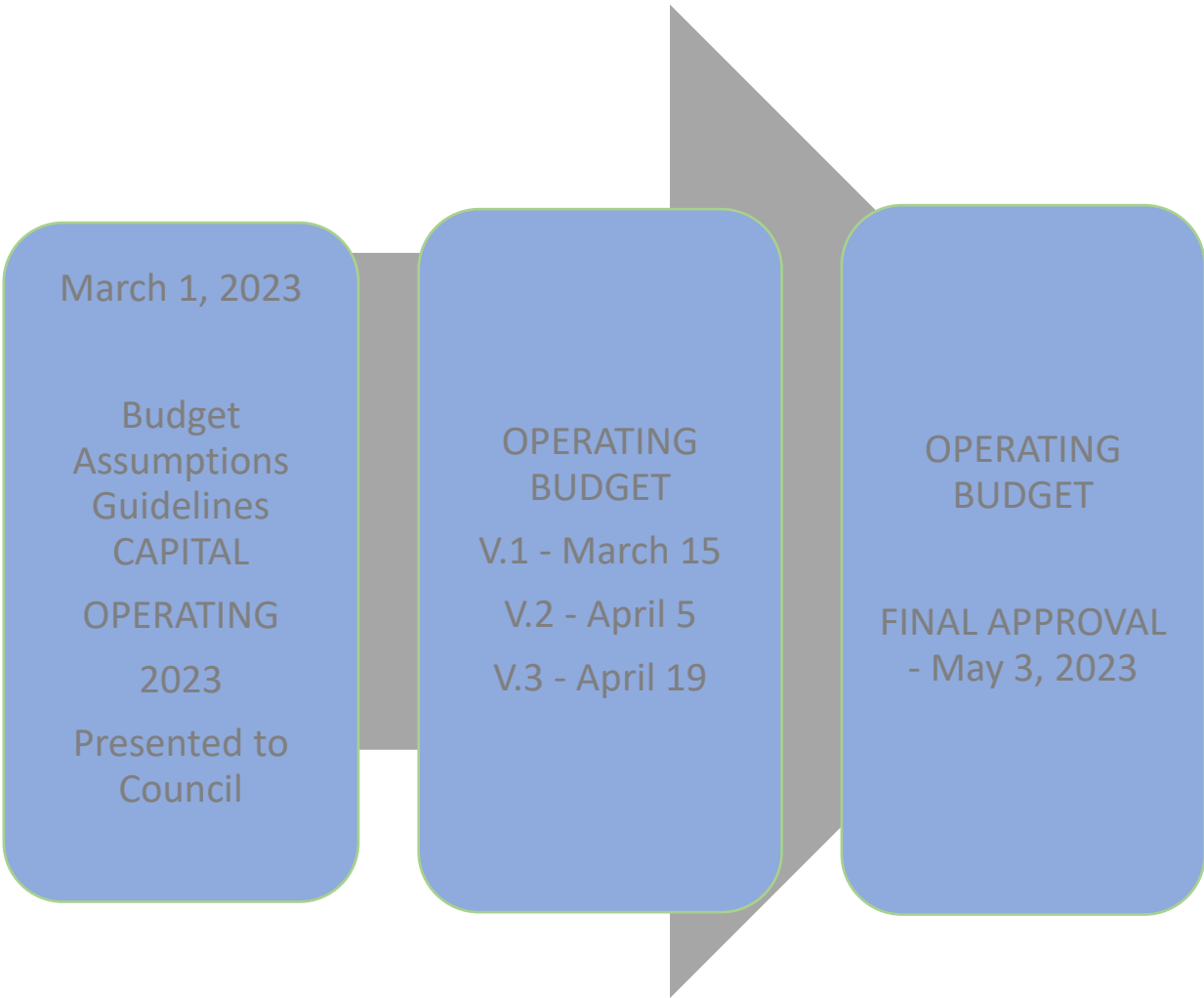
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I. 2023 BUDGET - THREE KEY DOCUMENTS



II. TIMING OF 2023-2026 OPERATING BUDGET PROCESS



III. LEGISLATIVE REQUIREMENTS

Alberta municipalities will continue to adopt an operating budget for each calendar year; this budget should reflect sufficient revenue to pay the estimated expenditures.

Section 283 (1) includes the following:

- Each municipality must prepare a written plan respecting its anticipated financial operations over a period of at least the next 3 financial years (283.1(2)).
- Each municipality must prepare a written plan respecting its anticipated capital additions over a period of at least the next 5 financial years (283.1(3)).
- Multi-year plans do not include the year in which they are being prepared (s.283.1(4)).
- Council must review and update the financial and capital plans annually (s.283.1(6)).
- Council may elect to include more than 3 financial years in a financial plan and more than 5 financial years in a capital plan.

The “financial plan” is a specific term used in the MGA to refer to the three years of additional financial operating cost estimates now required by every Alberta municipality.

The “capital plan” is a specific term used in the MGA to refer to the five years of anticipated capital property additions over a period of at least the next five years.

Source: “A GUIDE TO THE NEW LEGISLATIVE REQUIREMENTS FOR MUNICIPAL FINANCIAL & CAPITAL PLANS (prepared by Alberta Municipal Affairs)”.

IV. ROLE REQUIREMENTS

Council’s Role in the Budget Development Process

Council is responsible for the following key components of the budget development process:

- Primary focus is on governance and policy setting establishing programs and service delivery expectations.
- Determines the Strategic Priorities which will guide Administrations actions.
- Ensure Administration has the necessary resources to execute and achieve its goals and strategies.
- Determine and approve the operating principles and assumptions that will guide the execution of the Strategic Priorities.
- Reviews, assesses and re-evaluates key priorities on an annual basis.

Administration’s Role in the Budget Development Process

Administration is responsible for the following key components of the budget development process:

- Responsible for ensuring it has the capacity to execute the strategic priorities of council.
- Gatekeeper of financial resources ensures effective utilization of town resources.
- Implements, maintains and assesses service delivery and service levels as determined by council.
- Develops and maintains the budget and other administrative processes.

Administration’s role in the budget preparation process is responsibility for both the operating and the capital budgets each calendar year for council’s review and adoption in accordance with the legislation, the municipality’s financial policies, and the strategic operational plans.

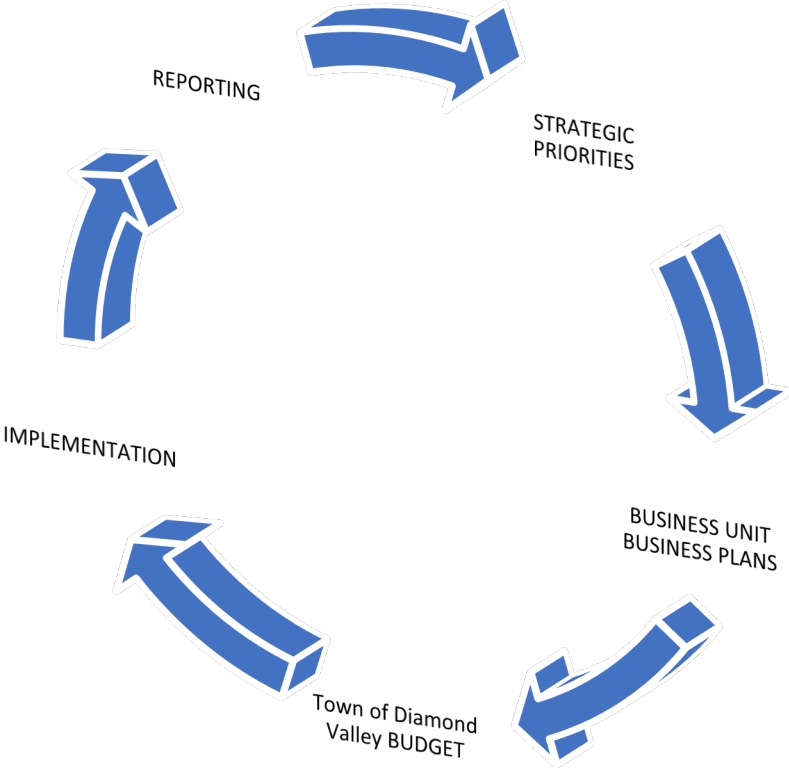


Figure 1 – Illustrates the process flow of the Strategic Priorities and how they integrate into the business plans and overall Town budget.

**V. DIAMOND VALLEY'S STRATEGIC PRIORITIES – 2023 – 2026
SUMMARY (TBA)**

Diamond Valley Council has established its key strategic priorities which will guide decisions related to municipal operations and capital expenditures. Council has considered several factors when developing its priorities. The strategic priorities and key results focus the limited energy and resources of the organization on those issues and initiatives that are most critical to the organization's success.

Council's strategic priorities respect and reflect community values; well-planned development and smart growth; the desire for improved communications and transparency; a maintenance of the urban and rural setting and character; the attraction of innovative investment; a showcase of our oil and gas and ranching history; being a truly welcoming community; and encouraging innovative investment.

Council has identified the following priorities which will move the Town toward its vision for the future. Additionally, key results have been set to ensure Council and administration remain focused on priority tasks that will help us achieve the strategic vision for Town.

SECTION I

GENERAL BUDGET ASSUMPTIONS

1. STRATEGIC PLANS/POLICY DIRECTION

All budgets shall be prepared in accordance with the Town Policies where applicable and as outlined in the Municipal Government Act RSA 200 Chapter M-26 as amended referenced in sections 242(1) to 249(1) and the new requirements under section 283.1. The CAO and the Department Managers shall be responsible for the compilation of their department budgets.

Update your department Budget Plan and report changes over the prior year that are:

Greater than 2% for wages (over and above negotiated settlements)

All Other Expenses greater than \$5,000 or 10% other than and Wages.

All personnel changes – any additions/deletion in FTE’s must be fully supported.

All major operating expenditures (MOE) must be justified.

The operating budget will cover the period 2023 Budget, 2024 – 2026 Projected.

2. BUDGET ASSUMPTIONS

a. Key budget assumptions for 2023 - 2026 include the following:

Key Budget Assumptions	2023 - 2026 Budget Targets
1. Property Tax, <ul style="list-style-type: none"> • discuss potential adjustments with Town Assessor. 	7-10% increase in assessment values
2. Pool & Flare & Derrick Hall Rentals <ul style="list-style-type: none"> • Fee increase based on discussions with the Town of Okotoks 	
3. Utility Rate Review <ul style="list-style-type: none"> • Early/middle of 2023 	
4. Cost Containment <ul style="list-style-type: none"> • Potential areas for reduction/status quo/ongoing with service level reviews and discussions 	
5. Major Operating Expenditures (MOE) <ul style="list-style-type: none"> • Need to be identified during budget process 	

6. Third party – Joint billings (Sheep River Library/Marigold, Foothills Cemetery, SRUCC, WRSSC, Town of Okotoks- garbage/recycle, Foothills County), RCMP	
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b. Inflation

The inflation rate applied will be based on the 2022 Annual rate which was 6.5%. It is expected that the 2024 inflation rate should stabilize around 4.0%

Source: <https://inflationcalculator.ca/2022-cpi-and-inflation-rates-for-alberta/>

c. Salary, Wages & Benefits

Increases in staffing levels must have a business case to justify changes.

All Salary, Wage & Benefit amounts will be populated to reflect any 2023 anticipated changes:

CPP Adjustments:

The maximum pensionable earnings under the CPP for 2023 will be \$66,600 with a basic exemption of \$3,500. In 2024 – 2025 Phase 2 of the CPP enhancement program will be introduced. The ceiling for the first earnings ceiling is expected

to increase 2024 - \$67,700 and 2025 - \$69,700. There will be the introduction of a second, higher limit which will be known as the Year’s Additional Maximum Pensionable Earnings, which will not replace the first earnings ceiling. As a result there will be two earnings limits. The second earnings limit will be 7% higher than the first. The next rate will see employees and employers each contribute at the rate of 4%.

Year	Employer/Employee Increase	Employer/Employee Rate	Second Tier Rate
2023	.25%	5.95%	
2024E	0%	5.95%	4.0%
2025E	0%	5.95%	4.0%
2026E	0%	5.95%	4.0%

Source: [Canada Pension Plan Enhancement – Canada.ca](https://www.canada.ca/en/revenue-agency/news/2018/10/the-canada-pension-plan-enhancement--businesses-individuals-and-self-employed-what-it-means-for-you.html)
<https://www.canada.ca/en/revenue-agency/news/2018/10/the-canada-pension-plan-enhancement--businesses-individuals-and-self-employed-what-it-means-for-you.html>

El Adjustments:

The maximum insurable earnings (MIE) is the income level up to which employment insurance premiums are paid. Effective January 1, 2023, the MIE increased from \$60,300 to \$61,500. As a result the maximum annual EI premium for insured workers is \$1,002.45 and

d. Debt

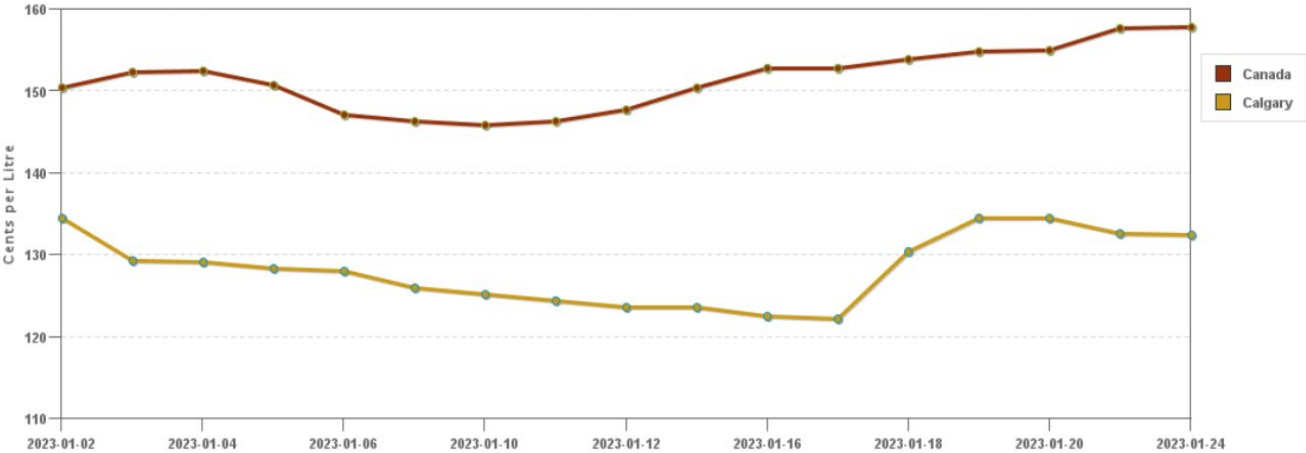
The current cost of debt as of January 2023 is the following:

3 Year	5.22%
5 Year	4.91%
10 Year	4.85%
15 Year	5.02%
20 Year	5.15%
25 Year	5.23%
30 Year	5.25%

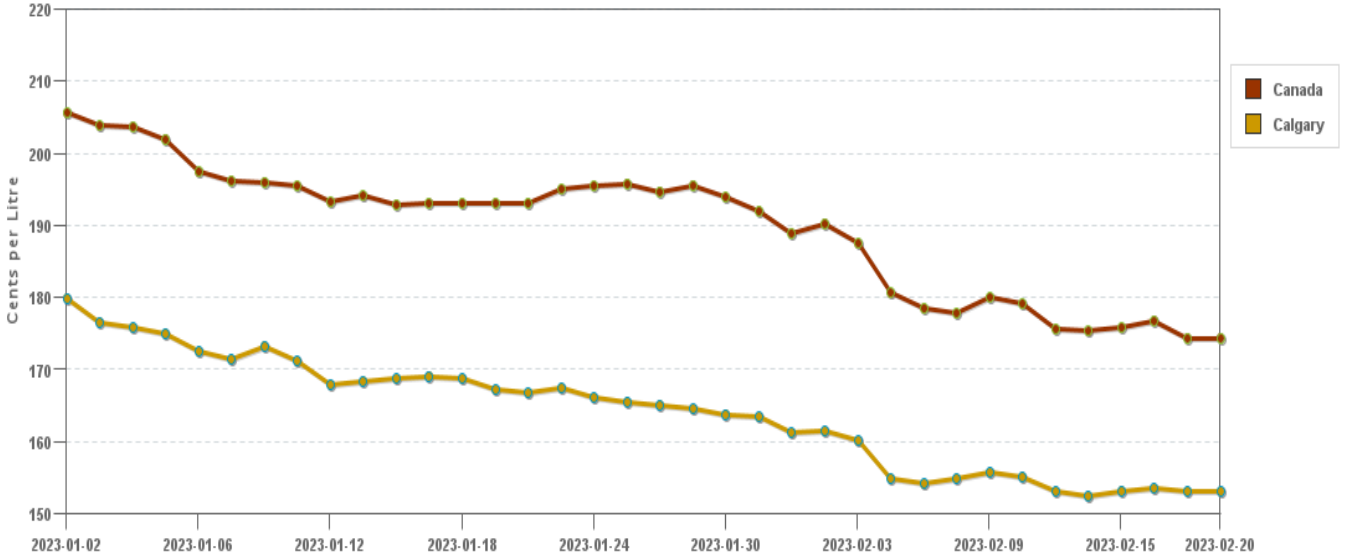
Source: Alberta Capital Finance Authority
<https://acfa.gov.ab.ca/nav/rates.html>

e. Fuel (including Carbon Tax Levy Impact)

Gasoline:



Diesel:



Source: Government of Canada – Department of Finance

<https://www.canada.ca/en/department-finance/news/2021/12/fuel-charge-rates-for-listed-provinces-and-territories-for-2023-to-2030.html>

The retail gasoline prices continue to be averaging around \$1.25 - \$1.30/litre in Alberta. The retail diesel prices continue to average around \$1.55 - \$1.70/litre. The Alberta Government has provided a fuel tax rebate on the price of gasoline \$0.14 and diesel of \$0.11 until June. The federal carbon tax will result in an increase in the price of gasoline from \$0.1105/litre to \$0.1431/litre effective April 1,

2023. For the price of diesel this will be from \$0.1341/litre to \$0.1738/litre. This will result in significant fuel increases. For the purposes of the 2023 budget prices are the following:

Fuel Price at the Pumps:

Fuel Type	2023 Budget	2024 Projected	2025 Projected	2026 Projected
Unleaded	\$1.40/litre	\$1.45/litre	\$1.50/litre	\$1.50/litre
Diesel	\$1.65/litre	\$1.70/litre	\$1.75/litre	\$1.75/litre

Carbon pricing for key fuels utilized by the town.

f. Utility Rates

Projected Utility charges will be distributed by Finance to those Managers that are impacted by Utility expenses. Utility expenses are based on consumption and administrative fees that are set by the respective utilities – Fortis (natural gas provider) billed through Access Gas Services and Enmax (electricity provider). EAI Global currently manages the Town’s electricity hedge program. Both Town’s independently have hedge programs for town facilities.

Electricity Budget – TV Facilities

Usage – approximately 2,500 MWh
Electricity – 2022 Actual - \$397,856 (pre-GST)
Largest increase 2021 to 2022 – Distribution Fees increased 4%
SRUCC and Westend \$219,504 (hedge under Town of Turner Valley)
Annual volumes will be the average of 2021 and 2022 (see table below)
Hedged 2,125 MWh.
Commodity price of \$62.17/MWh – contract ends December 31, 2024

Electricity Budget – BD Facilities

Usage – approximately 1,040 MWh
Electricity – 2022 Actual -
Annual volumes are below.
Commodity price of \$49.62/MWh – contract ends December 31, 2023
100% hedge for electricity

Delivery Costs (Transmission & Distribution, Riders and Local Access Fees) are projected to increase at (approximately 3%) from current tariffs. Transmission costs are expected to increase approximately 5% due to infrastructure upgrades. There are significant concerns with respect to the transmission costs long term.

Town of Turner Valley – Monthly Electricity usage (MWh) (includes Westend/SRUCC)

*See Below:

	2016	2017	2018	2019	2020	2021	2022	Average
January	179	183	155	188	189	206	222	214
February	159	163	147	187	188	187	187	187
March	165	174	154	190	191	210	210	204
April	159	161	141	160	160	202	195	186
May	169	168	145	183	184	200	198	194
June	169	165	136	136	169	207	194	190
July	170	173	141	141	175	195	195	189
August	167	164	144	144	176	194	188	186
September	160	137	134	134	134	186	177	166
October	173	149	152	152	153	184	184	174
November	172	170	163	163	163	202	196	187
December	190	165	186	186	187	231	219	212
Total MWh	2,031	1,970	1,797	1,963	2,069	2,406	2,364	2,288
Use 2021 and 2022 Average as guidance								

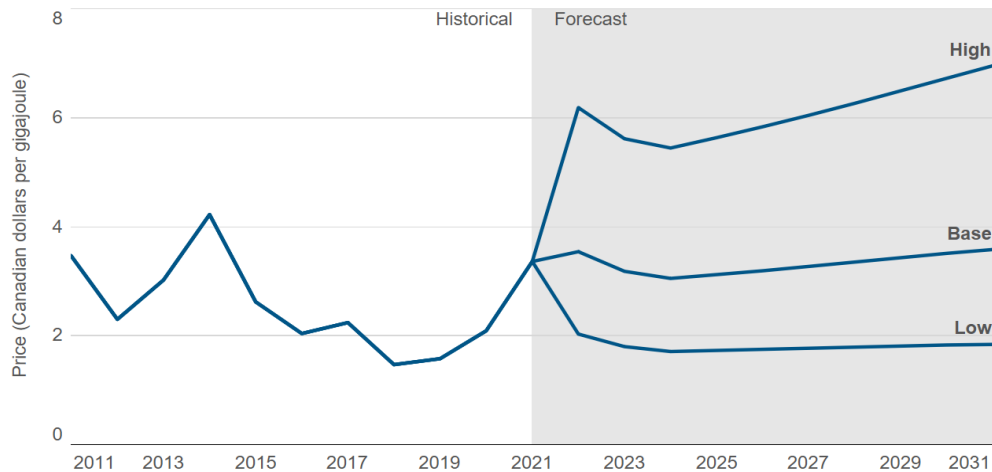
Town of Black Diamond – Monthly Electricity usage (MWh)

Month	Usage (MWh)	Commodity Cost (\$)	T&D Cost (\$)	Rider Cost (\$)	LAF Cost (\$)	Sub-Total Cost (\$)
January-23	118	\$6,256	\$17,805	\$492	\$1,832	\$26,385
February-23	109	\$5,757	\$16,515	\$455	\$1,699	\$24,426
March-23	82	\$4,358	\$16,024	\$347	\$1,649	\$22,377
April-23	40	\$2,142	\$15,614	\$172	\$1,607	\$19,535
May-23	68	\$3,592	\$15,833	\$290	\$1,629	\$21,344
June-23	45	\$2,359	\$15,579	\$194	\$1,603	\$19,736
July-23	53	\$2,827	\$16,719	\$231	\$1,720	\$21,498
August-23	77	\$4,080	\$17,004	\$329	\$1,750	\$23,163
September-23	89	\$4,697	\$18,023	\$375	\$1,855	\$24,949
October-23	113	\$5,987	\$17,903	\$475	\$1,842	\$26,207
November-23	123	\$6,532	\$17,260	\$516	\$1,776	\$26,084
December-23	117	\$6,182	\$17,898	\$485	\$1,842	\$26,406
Grand Total	1,034	\$54,767	\$202,176	\$4,363	\$20,804	\$282,110
Unit Equivalent (\$/ MWh)		\$52.96	\$195.51	\$4.22	\$20.12	\$272.81
% of Total Cost (%)		19%	72%	2%	7%	100%

Natural Gas Budget:

Forward Pricing:

Figure S1.6 AECO-C natural gas price



Historical values from the *Canadian Gas Price Reporter*.

<https://www.aer.ca/providing-information/data-and-reports/statistical-reports/st98/prices-and-capital-expenditure/natural-gas-prices/aeco-c-price>

Natural Gas – price likely around the average of \$7.00/GJ (includes carbon tax)

Natural Gas - TV Facilities

Natural Gas – 2022 – \$48,125 (including GST)

Average volume – 4,200 GJ's

Natural Gas Price Assumptions:

- Forecast for 2023 - \$3.19/GJ, 2024 \$3.06/GJ, 2025 \$3.13/GJ
- Delivery costs projected to increase modestly (approximately 5%) but overall portion of portfolio costs remain ~30%
- Carbon Tax effective April 1, 2023 - \$3.29/GJ

TV Facilities: 2022 Volume and Cost breakdown:

Flow Month	Year	Total Volume (GJs)	Commodity Cost (\$)	GJ Cost	Delivery (\$)	GST (\$)	Total (\$)
January	2022	521.89	\$2,438.55	\$4.67	\$3,084.56	\$276.16	\$5,799.27
February	2022	435.48	\$2,225.67	\$5.11	\$2,597.70	\$241.17	\$5,064.54
March	2022	349.07	\$1,845.16	\$5.29	\$2,317.03	\$208.11	\$4,370.30
April	2022	305.86	\$2,211.62	\$7.23	\$2,225.02	\$221.83	\$4,658.47
May	2022	249.45	\$1,851.90	\$7.42	\$1,910.69	\$188.13	\$3,950.72
June	2022	219.7	\$1,625.71	\$7.40	\$1,529.05	\$157.74	\$3,312.50
July	2022	134.61	\$755.61	\$5.61	\$1,363.32	\$105.95	\$2,224.88
August	2022	99.7	\$306.05	\$3.07	\$930.74	\$61.84	\$1,298.63
September	2022	86.35	\$395.45	\$4.58	\$1,058.29	\$72.69	\$1,526.43
October	2022	175.56	\$594.50	\$3.39	\$1,364.89	\$97.97	\$2,057.36
November	2022	438.21	\$2,691.39	\$6.14	\$2,761.04	\$272.62	\$5,725.05
December	2022	621.17	\$3,940.91	\$6.34	\$3,808.59	\$387.48	\$8,136.98
TOTAL 2022	2022	3637.05	\$20,882.52	\$5.52	\$24,950.92	\$2,291.69	\$48,125.13

Volumes GJ	2021	2022	2023
January	469	522	495
February	580	435	508
March	331	349	340
April	233	306	270
May	274	249	262
June	265	220	242
July	219	135	177
August	315	100	207
September	172	86	129
October	240	176	208
November	323	438	381
December	655	621	638
Total GJ	4,076	3,637	3,856

Natural Gas - BD Facilities

Natural Gas – 2022 – \$35,697 (including GST)

Average volume – 4,004 GJ's

Natural Gas Price Assumptions:

- Commodity Hedge - \$3.91 GJ
- Hedge expires – December 1, 2026
- 80% of volume hedged.
- Forecast for 2023 - \$3.19/GJ, 2024 \$3.06/GJ, 2025 \$3.13/GJ
- Delivery costs projected to increase modestly (approximately 5%) but overall portion of portfolio costs remain ~30%
- Carbon Tax effective April 1, 2023 - \$3.29/GJ

Natural Gas – BD Facilities

Forward Commodity Price – Natural Gas – GJ

Month	Usage (GJ)	Commodity Cost (\$)	T&D Cost (\$)	Rider Cost (\$)	LAF Cost (\$)	Carbon Tax (\$)	Sub-Total (\$)
January-23	752	\$2,461	\$885	\$631	\$142	\$1,977	\$6,095
February-23	479	\$1,569	\$628	\$401	\$101	\$1,260	\$3,959
March-23	591	\$1,935	\$748	\$497	\$120	\$1,554	\$4,853
April-23	248	\$813	\$446	\$210	\$71	\$818	\$2,359
May-23	126	\$411	\$349	\$106	\$56	\$413	\$1,334
June-23	56	\$185	\$282	\$48	\$45	\$186	\$745
July-23	34	\$112	\$271	\$29	\$43	\$113	\$568
August-23	54	\$178	\$288	\$45	\$46	\$179	\$735
September-23	176	\$575	\$384	\$146	\$61	\$578	\$1,744
October-23	321	\$1,052	\$516	\$267	\$83	\$1,057	\$2,975
November-23	519	\$1,698	\$678	\$433	\$108	\$1,707	\$4,624
December-23	646	\$2,115	\$795	\$542	\$127	\$2,126	\$5,705
Grand Total	4,004	\$13,103	\$6,269	\$3,354	\$1,003	\$11,968	\$35,697
Unit Equivalent (\$/ GJ)		\$3.27	\$1.57	\$0.84	\$0.25	\$2.99	\$8.92
% of Total Cost (%)		37%	18%	9%	3%	34%	100%

Natural Gas – price likely around the average of \$7.00/GJ (includes carbon tax)

Water/Waste and Sewer Budget:

Water/Sewer – 2023 Budget – a Utility Rate Review is going to be conducted in 2023 to validate the rates being charged are appropriate. For 2023 Budget Assumptions the current rates will be utilized until the Utility Rate Review Bylaw has been completed and reviewed by Administration and Council.

Current Rates ~

- Town Office - \$165.00/bi-monthly
- Forestry Garage - \$90.31/bi-monthly
- Flare & Derrick - \$218.40/bi-monthly and \$1,042 for November/December
- Fire Hall - \$351.17/bi-monthly
- Recycling Depot - \$/bi-monthly
- Public Workshop - \$235.10/bi-monthly
- Spray Park – summer months ~ \$4,000/year
- Swimming Pool – summer months ~ \$12,000/year

g. Car Allowance Rates

The mileage rate is (\$0.62/km). For budget purposes, please use the current rate for 2020 Budget and 2021 to 2023 Projected. (CRA Guidelines are \$0.68/km for the first 5,000 kilometers driven and \$0.62/km for the kilometers driven thereafter).

Source: Government of Canada - CRA

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/automobile/automobile-motor-vehicle-allowances/reasonable-kilometre-allowance.html>

The National Joint Council mileage rate for 2023 - \$0.54/km. This is the rate for which private vehicles are reimbursed for government business.

3. POPULATION ASSUMPTIONS

For the purposes of the budget preparation, please assume a 1% annual growth rate.

Year	Population
2016 A	2,559
2017 E	2,585
2018 E	2,610
2019 E	2,636
2020 E	2,663
2021	2,611
2021 C	5,341 Diamond Valley

Source:

<https://www12.statcan.gc.ca/census-recensement/2021/as-sa/fogs-spg/page.cfm?topic=1&lang=E&dguid=2021A00054806009>

Town of Black Diamond – Statistics – 2021 Census

127

Provincial population rank: 127

National population rank: 1,123 of 4,831

0.9%

In 2021, the enumerated population of Black Diamond (Town), was 2,730, which represents a change of 0.9% from 2016. This compares to the provincial average of 4.8% and the national average of 5.2%.

7.1%

In 2021, there were 1,178 private dwellings occupied in Black Diamond (Town), which represent a change of 7.1% from 2016.

400.4

The land area of Black Diamond (Town) is 6.82 square kilometres and the population density was 400.4 people per square kilometre.



Town of Turner Valley – Statistics – 2021 Census

129

Provincial population rank: 129

2.0%

National population rank: 1,152 of 4,831

In 2021, the enumerated population of Turner Valley (Town), was 2,611, which represents a change of 2.0% from 2016. This compares to the provincial average of 4.8% and the national average of 5.2%.

5.3%

In 2021, there were 1,073 private dwellings occupied in Turner Valley (Town), which represent a change of 5.3% from 2016.

453.7

The land area of Turner Valley (Town) is 5.75 square kilometres and the population density was 453.7 people per square kilometre.



4. PROJECTED SUBDIVISION LOT DEVELOPMENT (includes: Residential, Commercial, Industrial)

Residential Development

As of February 2023, there are only 26 vacant single detached residential lots ready for home construction in the (8 in the former Town of Black Diamond, and 18 in the former Town of Turner Valley). There is a subdivision application for 20 country residential lots in Turner Valley, and if approved, it's possible the parcels may be available in the fall of 2023. A Concept Plan is currently being prepared by a developer for a quarter section in Black Diamond – the concept plan provides for a range of housing types – singles, semis, and townhomes. The developer believes market demand may be for 70 units/year starting in 2025

In terms of multi-unit residential development, there are a number of lots available throughout the Town. In Black Diamond, there are 2 approved development permits for apartment housing (a 22 unit building, and a 50 unit building), however construction has not yet started on either project. In Turner Valley, there is interest in developing a 7 unit townhouse complex.

Commercial/Industrial Development

While no new subdivision development is anticipated for commercial lots in 2023, administration has been in discussions with the property owners of the vacant commercial lots and anticipate development permits will be forthcoming with respect to redeveloping underutilized lots in Turner Valley. In Black Diamond there remain some undeveloped commercial lots, and significant commercial development is expected in Black Diamond in 2023.

In terms of industrial lot development, the Concept Plan that is being prepared in Black Diamond will include some sites for business development, which may be available in 2025.

EFFECTS OF NEW BORROWING ON OPERATING BUDGETS

Once the Ranking process on new infrastructure projects and Major Operational Expenditures (MOE's) has been completed Departments/Business Units are required to include any debt costs in their operating budgets.

1. EXTERNAL DEBT

a. Loan Calculator for ACFA Debenture Debt

If debt is required to fulfill department infrastructure requirements to determine the semi-annual principal and interest costs of Debenture Debt, please use the

Alberta Capital Finance Authority (A.C.F.A.) Loan Calculator (link to website is below).

- Type in the amount of the loan in “Loan Value”.
- Click “Calculate Loan” button.
- The Calculator automatically uses a 10 year term. If this is not the correct term, update the appropriate Term as per the Maximum Term of Loan on the Debenture Debt Amortization Schedule which follows on page 6.
- Type of loan should be left on the “Blended” value.
- Click “recalculate loan” button.
- A repayment schedule is provided.
- As this calculates a semi-annual payment – a 10 year term will show 20 payments. Please add payments 1 & 2 for the first year of the loan, years 3&4 for the second year, and so on.

Source: Alberta Capital Finance Authority (ACFA)
https://acfa.gov.ab.ca/loan-form-script/loan_calc_index.html

b. Calculation of Accrued Interest

This consists of two parts:

Determine the number of days the funds will be borrowed for the year. This calculation will apply to all debt advances until project completion.

Multiply the principal amount expected to be borrowed by the interest rate, divided by 365 days per year and then multiply by the approximate number of days the funds are expected to be borrowed for during the year. This will determine your expected accrued interest.

Example: If there is a request for \$2,000,000.

Term ~ 20 years

Interest Rate ~ 5.15%

Advance ~ September - \$1,000,000

Accrued interest in the year of borrowing on that \$1,000,000 advance is:

$$\$1,000,000 \times 0.0515 / 365 \times 107 \text{ days} = \$15,097$$

The annual payments on the \$2,000,000 amortized over 20 years will be \$161,364.12 (\$80,682.06 x 2) starting the year after you borrow funds, calculated as per the Loan Calculator.

SECTION II

ALLOCATIONS AND INTERNAL CHARGES

Allocations that are charged to other business/department budgets must be communicated to those department managers.

1. ALLOCATIONS

The purpose of these charges is to distribute fixed charges from departments who provide services that support the operations of other departments.

2. INTERNAL CHARGES

These include variable charges that are allocated based on consumption and/or other allocation methodologies these include the following and will be reviewed by CAO and Manager, Finance and Corporate Services to ensure relevancy and fairness of distribution:

Insurance – based on type of insurance provided, taxable insurable value (TIV for property), number of employees, number of directors etc. depending on the type of insurance.

The basis for the insurance allocation utilized the various premium distribution.

Telephone – Telus – Mobile/Office Phone System – based on location and ownership of equipment.

IT Charges – Bulletproof – based on location/ownership of equipment.

RCMP – Municipal Police Funding

MUNICIPAL OPERATIONS AND ENGINEERING – Major Operating Expenditures (MOE)

1. GENERAL INFORMATION

The Municipal Operations and Engineering team provides maintain the town facilities and various assets within the Town. These services include management of buildings, roads, infrastructure and designated facilities. The Town of Turner Valley is committed to ensuring that all Town assets are maintained to optimize service delivery ensuring fiscal responsibility. The budget process should highlight any major operating expenditures and ensure they are captured in the budget. Key costs that should be considered are:

Maintenance Program

Preventative Maintenance

Predictive Maintenance

Corrective Maintenance

Operational Maintenance

Grounds Maintenance

Betterment costs – paving upgrades and preventative maintenance

Contracted Services

There are financial considerations that will impact the cost of contracted services. The items with the greatest impact are; inflation and the cost of third-party services that are billed to the Town of Diamond Valley. These items must be taken into consideration when budgeting for Contracted Services.

APPENDIX A - OPERATING SUMMARIES – TEMPLATE

2023 Operating Budget - Draft November 16, 2022 VARIANCE REPORT BY CATEGORY				
Revenues				
	2022 OPERATING BUDGET	2023 INTERIM OPERATING BUDGET	VARIANCE	
Taxes	\$ 3,172,932	\$ 3,171,156	\$	1,776
Franchise Fees	\$ 316,691	\$ 326,192	\$	(9,501) 1
Reserve Draws	\$ 49,864	\$ 36,060	\$	13,804 2
Sales - Goods and Services	\$ 1,935,612	\$ 1,933,532	\$	2,080
Operating Grants	\$ 152,493	\$ 86,696	\$	65,797 3
Other Revenues	\$ 51,000	\$ 52,236	\$	(1,236)
Return on Investments	\$ 71,643	\$ 73,792	\$	(2,149)
Penalties	\$ 133,800	\$ 137,814	\$	(4,014) 4
Licenses and Permits	\$ 62,700	\$ 64,581	\$	(1,881)
TOTAL REVENUES	\$ 5,946,735	\$ 5,882,059	\$	64,676
Expenses				
	2022 OPERATING BUDGET	2023 INTERIM OPERATING BUDGET	VARIANCE	
Wages and Benefits	\$ 2,266,506	\$ 2,151,547	\$	114,959 5
Training, Conferences, Travel	\$ 92,645	\$ 83,837	\$	8,808 6
Engineering and Legal	\$ 84,000	\$ 85,490	\$	(1,490)
Materials and Supplies	\$ 289,122	\$ 296,507	\$	(7,385) 7
Purchases from Other Agencies (SWR/Water/Waste)	\$ 899,456	\$ 926,440	\$	(26,984) 8
General and Building Maintenance	\$ 157,400	\$ 162,122	\$	(4,722) 9
Vehicle Maintenance	\$ 45,540	\$ 46,906	\$	(1,366)
Equip Maint and Fuel	\$ 136,396	\$ 140,488	\$	(4,092) 10
Phones	\$ 57,749	\$ 58,616	\$	(867)
Utilities	\$ 219,563	\$ 224,479	\$	(4,916) 11
Insurance	\$ 70,778	\$ 72,680	\$	(1,902)
IT Support and Purchases	\$ 110,313	\$ 113,622	\$	(3,309) 12
PR and Communications	\$ 18,760	\$ 16,748	\$	2,012
Transfers to Reserves	\$ 202,303	\$ 226,725	\$	(24,422) 13
Debt Payments	\$ 168,216	\$ 168,216	\$	-
Gain/Loss on Asset Disposal	\$ -	\$ -	\$	-
Contracted Services	\$ 704,802	\$ 647,623	\$	57,179 14
Transfer Payments	\$ 423,186	\$ 460,013	\$	(36,827) 15
TOTAL EXPENSES	\$ 5,946,735	\$ 5,882,059	\$	64,676
Variance of Adjustments	\$ -	\$ -	\$	-

APPENDIX B - APPROVED OPERATING BUDGET TEMPLATE – BY DEPARTMENT

Breakdown by Business Unit 2023 Interim Budget 2024 and 2025 Projections November 16 2022												
Department	2021 Budget			2022 Budget			2023 Interim Budget			Variance 2023 Interim Budget vs 2022 Budget	2024 Projections (NET)	2025 Projections (NET)
	Revenue	Expenses	NET	Revenue	Expenses	NET	Revenue	Expenses	NET			
Legislative Services	\$ 21,728	\$ 230,619	(208,891)	-	219,034	(219,034)	-	112,802	(112,802)	106,232	(116,186)	(119,672)
Administration	\$ 129,000	\$ 845,730	(716,730)	102,500	883,353	(780,853)	105,575	909,854	(804,279)	(23,426)	(828,407)	(853,260)
Fire	\$ 91,500	\$ 313,438	(221,938)	148,500	341,893	(193,393)	152,955	351,564	(198,609)	(5,216)	(204,567)	(210,704)
Disaster Services	\$ -	\$ 42,856	(42,856)	-	42,771	(42,771)	-	44,054	(44,054)	(1,283)	(45,376)	(46,737)
FRESC (911)	\$ -	\$ 20,000	(20,000)	-	20,420	(20,420)	-	20,420	(20,420)	-	(21,033)	(21,664)
Bylaw	\$ 72,460	\$ 290,755	(218,295)	72,660	319,729	(247,069)	74,840	328,920	(254,080)	(7,011)	(261,702)	(269,553)
Amalgamation	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-
Roads	\$ -	\$ 752,242	(752,242)	-	780,012	(780,012)	-	802,827	(802,827)	(22,815)	(826,912)	(851,719)
Common Services	\$ 5,200	\$ 275,212	(270,012)	5,200	285,129	(279,929)	5,356	266,448	(261,092)	18,837	(268,925)	(276,993)
Storm	\$ 70,913	\$ 20,320	50,593	70,913	-	70,913	73,040	-	-	-	-	-
Distribution	\$ 537,628	\$ 524,124	13,504	551,628	551,628	-	567,329	567,329	-	-	-	-
Sewer	\$ 685,434	\$ 609,207	76,227	697,077	697,077	-	717,989	717,989	-	-	-	-
Waste Management - Garbage	\$ 160,720	\$ 158,697	2,023	169,052	151,232	17,820	174,124	174,122	2	(17,818)	2	2
Waste Management - Recycle	\$ 167,346	\$ 122,670	44,676	174,148	183,351	(9,203)	120,071	118,214	1,857	11,060	1,913	1,970
FCS	\$ 56,171	\$ 67,615	(11,444)	56,171	68,176	(12,005)	57,856	70,221	(12,365)	(360)	(12,736)	(13,118)
Foothills Cemetery	\$ -	\$ 56,000	(56,000)	-	36,950	(36,950)	-	37,000	(37,000)	(50)	(38,110)	(39,253)
Planning and Development	\$ 19,000	\$ 266,233	(247,233)	87,500	257,220	(169,720)	38,625	214,937	(176,312)	(6,592)	(181,601)	(187,049)
Economic Development	\$ 68,000	\$ 141,088	(73,088)	21,000	58,127	(37,127)	21,630	59,871	(38,241)	(1,114)	(39,388)	(40,570)
Special Events	\$ 7,500	\$ 54,802	(47,302)	4,000	52,686	(48,686)	4,120	54,267	(50,147)	(1,461)	(51,651)	(53,201)
Parks	\$ 9,800	\$ 285,763	(275,963)	9,800	321,165	(311,365)	9,800	330,273	(320,473)	(9,108)	(330,087)	(339,980)
Dr. Lander Memorial Pool	\$ 108,243	\$ 230,607	(122,364)	110,128	205,551	(95,423)	113,432	211,718	(98,286)	(2,863)	(101,235)	(104,272)
Municipal Campground	\$ 23,000	\$ 35,880	(12,880)	28,460	40,446	(11,986)	29,314	41,659	(12,345)	(359)	(12,715)	(13,097)
Municipal Outdoor Skating Rink	\$ -	\$ 8,636	(8,636)	-	12,049	(12,049)	-	12,411	(12,411)	(362)	(12,783)	(13,167)
Spray Park	\$ -	\$ 21,410	(21,410)	-	20,384	(20,384)	-	20,995	(20,995)	(611)	(21,625)	(22,274)
Flare n' Derrick Community Hall	\$ 12,000	\$ 39,254	(27,254)	12,000	52,004	(40,004)	12,360	53,564	(41,204)	(1,200)	(42,440)	(43,713)
Sheep River Library	\$ 53,708	\$ 175,431	(121,723)	50,511	173,429	(122,918)	33,154	178,296	(145,142)	(22,224)	(149,496)	(153,981)
General Taxes, Grants, Other Revenue	\$ 3,385,870	\$ 106,632	3,279,238	3,575,487	102,006	3,473,481	3,570,489	109,264	3,461,225	(12,256)	3,565,062	3,672,014
Net Surplus/(Deficit)	\$ 5,685,221	\$ 5,685,221	-	5,946,735	5,946,735	-	5,882,059	5,882,059	-	-	-	-
BUDGET AMOUNT - ZERO BALANCE												

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