

MUNICIPALITY OF CROWSNEST PASS
TUESDAY, JANUARY 25, 2011 - 7:30 P.M.

SPECIAL MEETING OF COUNCIL

AGENDA

CALL TO ORDER

ADOPTION OF AGENDA

BUSINESS ARISING FROM THE MINUTES

1. 2011 Budget

IN CAMERA

1. Personnel (1)

BUSINESS OUT OF CAMERA

ADJOURN



Municipality of Crowsnest Pass

Council Agenda Report

Meeting: Special Meeting of Council
Meeting Date: January 25, 2011
Originated By: Tully Clifford, Chief Administrative Officer
Subject: **ADOPTION OF FISCAL YEAR 2011 BUDGET**
Agenda Item No: C 2011-004

Administration Recommendation:

That Council approve the Fiscal Year 2011 budget presented by Administration, amended by the budget adjustments included in Attachment A, in accordance with the Municipal Government Act.

Background:

Council deliberated the Municipality of Crowsnest Pass budget on December 13, 14 and 21, 2010 and again on January 18, 2011. Administration has acted on the comments of Council and has prepared a revised budget proposal for Fiscal Year 2011.

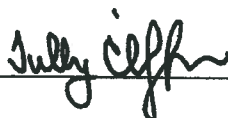
Discussion:

Section 242(1) and Section 245 of the Municipal Government Act (MGA) require Council to adopt operating and capital budgets for each calendar year. Accordingly, Administration has prepared a budget that recognizes Fiscal Year 2011 will be a year of transition and change. The budget, in conjunction with the visions and guidance of Council, should help move towards becoming a municipality which operates in an effective and cost-efficient manner with full and transparent accountability to the residents and businesses.

Following the four budget deliberation sessions Administration reviewed the entire budget and has identified a series of budget adjustments included as Attachment A. The budget adjustments are being suggested in response to comments and concerns expressed by Council and to make minor corrections in some areas. The adjustments result in a net decrease of \$354,351. This is a significant reduction in the proposed tax levy increase. The resulting budget will provide Administration with a fiscal framework that supports

Approvals:

CAO



Department Head _____

change initiatives. Additional savings will be realized when recruiting and hiring for the proposed new positions. The positions may only be funded for nine to ten months rather than a full year as indicated in the proposed budget.

Administration has provided a written response to other concerns and it is included as Attachment B. Many of the items included in Attachment A have an accompanying explanation in Attachment B.

Administration will be working throughout the year to prepare performance measures that will assist Council to strategically determine budget allocations in subsequent years. It is anticipated that the budget process will change and that the vision and goals of Council will positively guide the budget process. Administration will provide regular budget updates, including the status of new initiatives and progress regarding performance measures

Alternatives:

Council could choose to approve the proposed budget with the adjustments outlined in Attachment A, could send the budget back to Administration for further review, or could suggest other revisions to the proposed budget.

Financial Impact:

The proposed budget, with the budget adjustments outlined in Attachment A, will result in a final budget requiring a tax levy increase of \$7,039. This represents only a 0.1% increase. However, considering the delay in recruiting and hiring new positions there will be no need for a tax levy increase.

Attachments:

- A. Potential Fiscal Year 2011 Budget Adjustments
- B. Fiscal Year 2011 Budget Clarifications

**Municipality of Crowsnest Pass
Potential Budget Adjustments to Proposed Fiscal Year 2011 Budget**

Account Code	Description	Current Proposed Budget	Adjusted Budget	Difference
2-12-00-121-00-00	Benefit Administration Clerk - full time	\$498,657	\$522,657	\$24,000
2-12-00-221-00-00	Advertising	\$50,000	\$20,000	-\$30,000
2-12-00-251-00-00	New Rug for Municipal Office	\$35,700	\$1,500	-\$34,200
2-12-00-252-00-00	Table and Chairs for Council Chambers	\$9,000	\$2,000	-\$7,000
2-15-00-222-02-00	CCHS/Hokuto City High School Exchange	\$2,500	\$2,250	-\$250
2-15-00-222-03-00	Thunder in the Valley Traffic Control	\$5,000	\$4,500	-\$500
2-15-00-222-03-02	Policing Thunder in the Valley	\$40,000	\$10,000	-\$30,000
2-15-00-222-07-00	Bellecrest Community Association	\$5,000	\$4,500	-\$500
2-15-00-222-07-00	Coleman Community Association	\$6,000	\$4,500	-\$1,500
2-23-00-122-00-01	Casual Wages Coleman Fire Dept	\$16,800.00	\$15,000.00	-\$1,800
2-23-00-122-00-02	Casual Wages Blairmore Fire Dept	\$25,000.00	\$16,500.00	-\$8,500
2-23-00-122-00-03	Casual Wages-Bellevue Fire Dept	\$11,600.00	\$7,500.00	-\$4,100
2-23-00-122-00-04	Casual Wages-Hillcrest Fire Dept	\$16,900.00	\$12,000.00	-\$4,900
2-23-00-130-00-01	Benefits on casual wages-Coleman FD	\$2,520.00	\$600.00	-\$1,920
2-23-00-130-00-02	Benefits on casual wages-Blairmore FD	\$3,750.00	\$660.00	-\$3,090
2-23-00-130-00-03	Benefits on Casual Wages-Bellevue FD	\$1,740.00	\$300.00	-\$1,440
2-23-00-130-00-04	Benefits on Casual Wages-Hillcrest FD	\$2,535.00	\$480.00	-\$2,055
2-24-00-121-00-00	Permanent Staff - Rescue	\$14,538.00	\$0.00	-\$14,538
2-24-00-122-00-00	Casual Wages - Rescue	\$0.00	\$14,538.00	\$14,538
2-24-00-243-03-00	Foothills Regional Inc. (Dispatch)	\$36,000	\$25,000	-\$11,000
2-26-04-240-00-00	Bylaw Contracted Services	\$650	\$0	-\$650
2-32-00-121-00-00	Public Works Casuals	\$855,013	\$843,313	-\$11,700
2-32-00-122-10-00	Streets & Roads Casual Labour	\$24,400	\$0	-\$24,400
2-41-00-251-00-00	Coleman Metering	\$18,000	\$11,000	-\$7,000
2-42-00-122-00-00	Sanitary Sewer Casual Labour	\$41,800	\$20,900	-\$20,900
2-43-00-263-00-00	Sanitary Landfill Tipping Fees	\$160,000	\$119,000	-\$41,000
2-62-00-774-10-00	Chamber of Commerce	\$4,800	\$0	-\$4,800
2-72-05-531-00-00	Pool-Floor Tiling	\$20,000	\$5,000	-\$15,000
2-74-00-773-00-00	Crowsnest Museum Grant	\$20,000	\$18,000	-\$2,000
2-74-00-777-00-00	Allied Arts Grant	\$30,000	\$22,500	-\$7,500
2-74-01-775-00-00	Library Grant	\$103,950	\$98,304	-\$5,646
3-12-02-630-04-00	Archiving System	\$30,000	\$0	-\$30,000
3-15-00-630-00-00	Parade Float	\$10,000	\$0	-\$10,000
3-23-00-620-20-02	Hillcrest Fire Department-Storage Shed	\$10,000	\$0	-\$10,000
3-32-00-630-00-00	Generator for Municipal Office	\$30,000	\$0	-\$30,000
3-32-00-630-00-00	Sno-Gates	\$45,000	\$30,000	-\$15,000
to be assigned	Maplevue Hall Demolition	\$0	\$50,000	\$50,000
Revenue				
1-69-00-450-00-00	Land Sales	-\$75,000	-\$125,000	-\$50,000

-\$354,351

FISCAL YEAR 2011 BUDGET CLARIFICATIONS

Council deliberated the Municipality of Crowsnest Pass Fiscal Year 2011 budget on December 13, 14 and 21, 2010 and again on January 18, 2011. Council raised several issues during the deliberations and this document will provide some information regarding the issues. Several issues were addressed by making adjustments and corrections to the budget.

Fire and Rescue Departments;

The budgets for these areas have been reviewed and appropriate adjustments made. This has resulted in a budget savings of approximately \$28,000. The investigation revealed that Administration should review these departments and institute a better budgeting process, including items such as a clothing allowance policy.

Bylaw Enforcement:

The bylaw enforcement wage category does not include funding in excess of the 4% Council approved increase, instead it includes an increase due to a recent evaluation of the position.

Operational Services - Casual Labour:

Administration was asked to describe why casual labour was used in Operational Services activities. There are numerous functions that have traditionally undertaken by casual labour due to the seasonal nature of the work, the assignment of full-time staff to other functions and the strategic use of employees accounting for activities such as vacation and illness. For example, two casual staff flush the sanitary mains. Another casual position was to assist Building Maintenance in the repairs and installation of curb/gutter & sidewalk. There is a backlog of work, much of it from utility digs, plus a need to remedy areas that are a concern in the way of liability. In addition the crews will be called upon for some of the trail crossings and other concrete elements relating to the trail program Community Services has undertaken. Casual staff also assists with spring cleanup and the toxic roundup. Finally, \$7,000 has been assigned for the cleaning of storm lines and catch basins. Administration is reviewing these functions and is suggesting that approximately \$57,000 be deleted from the budget. How these functions are completed will be reviewed by the Director of Operational Services. It should be noted that the Municipality has traditionally used up to six casual labourers annually to assist with a variable and somewhat fluctuating workload. Casual labour is used to enable the experienced equipment operators to concentrate on work requiring a higher level of skill and experience.

Operational Services - Transportation Services:

This area was somewhat confusing and the reconfigurations in the budget are the first step in capturing costs accurately:

<i>Contracted Services. (2-32-00-240-00-00)</i>	<u>2010</u>	<u>2011</u>
	\$35,255	5,000
	Net Decrease - \$30,255	

This area is for costs associated with our afterhours/emergency answering service. Better line item title will be made in the future. Road maintenance costs had been included in this line item in previous years.

<i>Road Maintenance Contracted Services (2-32-00-240-10-00-00)- new line item</i>	<u>2010</u>	<u>2011</u>
	0	60,000
	Net Increase - \$60,000	

New line item called Road Maintenance Contract Services created for this specific function with a budget of \$60,000. Costs included in this function include line painting, dust control, crack filling, and asphalt patching. Costs for asphalt patching associated with repairs to water main breaks are captured in the water utility. This is an increase in costs from other years because of the need to improve some of the grid roads going into the rural areas. We need to be increasing dust control (oil based product) in these areas and improving overall road surfaces.

<i>Asphalt (2-32-00-532-00-00)</i>	<u>2010</u>	<u>2011</u>
	\$75,000	30,000
	Net Decrease - \$45,000	

This amount reduced as component transferred to Contract Services to reflect the fact that contracted services carry out the majority of patching. This account item is for purchase of cold mix asphalt products utilized and installed by own forces.

<i>Road Mtce. Materials (2-32-00-532-10-00)</i>	<u>2010</u>	<u>2011</u>
New line item	0	75,000
	Net Increase- \$75,000	

This is a new line item to identify costs other than road building/maintenance materials and includes items such as street and traffic signage, posts, guardrails, culverts, dust suppressant, concrete, backfill, etc

<i>Sand & Gravel (2-32-00-533-00-00)</i>	<u>2010</u>	<u>2011</u>
	60,000	60,000
	Unchanged	

<i>Urban Street & Roads Mtce.(2-32-00-534-00-00)</i>	<u>2010</u>	<u>2011</u>
	25,000	0
	Net Decrease - \$25,000	

Discontinued – Line item redundant

Overall net increase of \$34,745 from 2010 - Justification includes much needed work to grid roads, and increased work to clear back log of road repairs.

Equipment Maintenance Parts (Account codes 2-32-00-522-00-00 thru to 523-04)

Previously account codes were established for tires as well as parts for regular fleet, heavy trucks, loaders, graders, and miscellaneous equipment. Until such as job costing assigned to individual equipment takes place there is no benefit in breaking out these costs. This change took place in the 2010 budget and was carried over to this year with the only change being that of adding in the tires line item. In 2010 the budget for tires (\$16,000) added to the budget for parts in total (\$170,000) gave a total budget of \$186,000. The 2011 budget is \$175,000 for these items combined, which is a **decrease of \$11,000**. It should be noted that this account area can fluctuate greatly from year to year if un-expected high cost breakdowns are experienced which is a likelihood with older fleet such as ours.

Operational Services - Solid Waste:

Sanitary Landfill Tipping Fees 2-43-00-263-00-00

This is the area where costs associated with tipping fees at the regional landfill are identified. These tipping fees are associated with waste picked up by our contracted haulers and taken to the regional landfill. Monthly invoices for tonnage accepted at the landfill from the haulers, residents, and bio-solids from the Frank Wastewater Treatment Plant are included. The tipping fee value for the bio-solids are included in this line item but also show up in the Sanitary Sewage Functional Area (Sanitary Landfill Tipping Fees – 2-42-00-263-00-00) in the amount of \$25,000. This amount should come off of the \$160,000 value shown in Sanitary Landfill Tipping Fees 2-43-00-263-00-00. The line item also includes \$16,000 for annual bin rental for our municipal owned facilities. However, this amount has already been included in the contract. This amount should be subtracted from the above account to reduce the value to \$119,000.

Recycling Contracted Services (2-43-00-241-00-00)

The recycling contract with 660903 Alberta Ltd. included a 3 year term which expired in December of 2009 with two renewal extensions of three years each. We are presently in the 2nd year of the first extension. Contract amount is \$7500/month.

The following are the recycling quantities (shown in pounds) for 2009 and 2010. These quantities reflect materials that have been shipped out of the recycling facility for process

	2009	2010	(weight in lbs)
1) Cardboard	332,127	423,733	
2) Newsprint	160,230	202,415	
3) Plastics	30,806	20,706	

4)	Glass	28,714	10,373
5)	Tin Cans	19,807	32,000
6)	Office Paper	8907	12,000

The plastics are lower in 2010 because jugs now have a deposit and they are showing up in larger quantities in the depot system. A large quantity of glass is still in inventory from 2010 awaiting shipment. Cardboard and other paper products have seen an increase. Increase of tin largely due to carry over from 2009 into 2010.

Without undertaking a thorough review it can be assumed that the annual reduction in tonnage of solid waste being transferred from the Municipality to the Crowsnest Pass/ Pincher Creek Regional Landfill directly correlates to the increase in recyclable products being collected and removed from the waste stream.

Operational Services – Track Excavator:

Municipality currently has two rubber tired backhoes. These machines are versatile as they have a front mount bucket and a rear mounted digging bucket. These machines are suitable for smaller excavations such as those required for utility service repairs, valve and hydrant repairs and installations, as well as road patching and excavating work associated with curb/gutter and sidewalk projects.

A track excavator fulfills an important role in Municipal Operations when it comes to larger and deeper excavations. These excavations include those of water and sanitary main installations and repairs. These trenches vary in depth from 2.5 m to 5 m requiring the longer reach of a track excavator. Safe trenching requirements require removal of fill material on sides of excavation to that of a safe slope and in the majority of cases where a shoring cage is utilized a trench width wide enough for the shoring cage. This trench width is easily attainable as the bucket size is much larger on a track hoe.

Benefit #1 - Safer operation with more power, larger bucket, longer reach and deeper digging depth.

Secondary Benefit - Increased productivity and efficiency resulting in reduced costs

Benefit #2 - 360 degree swing allows operator to load/unload trucks away from excavation and increased reach accessibility to spill piles.

Secondary Benefit – reduced need to move equipment around excavation site therefore improving safety of workers

Benefit #3 - Track Excavator has more stability (platform-tracks and weight) which means the digging cycles cause less movement in machine which translates into a safer environment.

Benefit #4 - Track Excavators have ability to excavate in conditions where backhoes cannot, specifically in frost conditions. Many emergency digs (water breaks) happen during winter months.

Benefit #5 – Excavator has other uses not conducive to that of a back hoe including excavations and maintenance of ditches and landscape projects. Bucket configurations and hydraulic systems allow excavations to be done at various angles.

Also the size of the machine coupled with the power and stability allow attachments such as boom compactors, rams, and hammers to be added. Compaction of trenches is a very important element of remedial work that needs to be improved upon in this municipality.

Finally machine storage would be at the Blairmore shop and machine would see duty of loading trucks. This would be a time and cost saver as existing conditions require loader operators to return to shop from within municipality to carry out this function.

Operational Services – Electrical:

The meter reading cost (account code 2-92-00-247-00-00) is a tendered contract service that was recently undertaken, at a much higher cost than previously.

Community Services:

The demographics in our community are consistently changing, the activities desired by each demographic are diverse and pose dramatic challenges to Community Services for effectively meeting the needs of the community. As indicated in budget deliberations, over the past three years the Parks and Recreation Department has standardized the business of providing programs and services within the community. In all three major facilities we have eliminated duplication and set a specific vision and mandate for each. Within each facility we have also established baseline expenditures that represent what we determined to be the ceiling for operational cost. This has been accomplished through a strategic evaluation of major cost(s) and ensuring that streamlining is implemented where appropriate. This has been accomplished to ensure that going forward budget accuracy is realized. It is important to realize that this process must now be aligned with the vision and goals of Council.

The recreation programmer is an extremely important component of the operational and performance plan for 2011. Without this position in place, providing focused attention on the goals and objectives of the upcoming year, we will not be successful. The additional costs of the fulltime recreation programmer are accounted for in the additional revenue generated through targeted formalized and casual programming opportunities. The full

time programmer allows for the distribution of tasks efficiently throughout the Department allowing administration to focus on high level strategies (implementation of performance measures, preventative maintenance programs, capital replacement programs, sponsorship program). Eliminating funding for the proposed fulltime recreation programmer impacts the proposal for the fulltime FCSS programmer as the position is currently shared. The implementation of the full time recreation programmer provides the Department an opportunity to capitalize on the investment of public dollars into community facilities and improve business performance in all areas of the Department. We see the addition of the proposed positions in Community Services as a strategic mechanism to accomplish our goals of providing quality, engaging programs that seek to fully utilize community facilities within the Crowsnest Pass and produce user generated revenue to offset costs associated with operation of these facilities.

The need to evolve the way we do business in the Community Services Department is a priority if we are to achieve a new standard of program/service provision, development of new revenue streams and a mechanism to measure/evaluate performance. Proposed changes are planned and needed to advance the Department to a new level of program and service provision that improves quality of life for residents, positions the Crowsnest Pass as a destination and increases performance and accountability to the budget.

Community Organization Requests:

The Municipality provides funding to several community organizations. Without the benefit of a process, Administration has reduced Fiscal Year 2011 requests for funding to Fiscal Year 2010 levels. This has resulted in a budget saving of approximately \$48,000. This includes a reduction of \$30,000 in the request for additional funding for policing associated with the Thunder in the Valley event. This will not result in a decrease in the policing provided to the event.