

2022 Budget Considerations

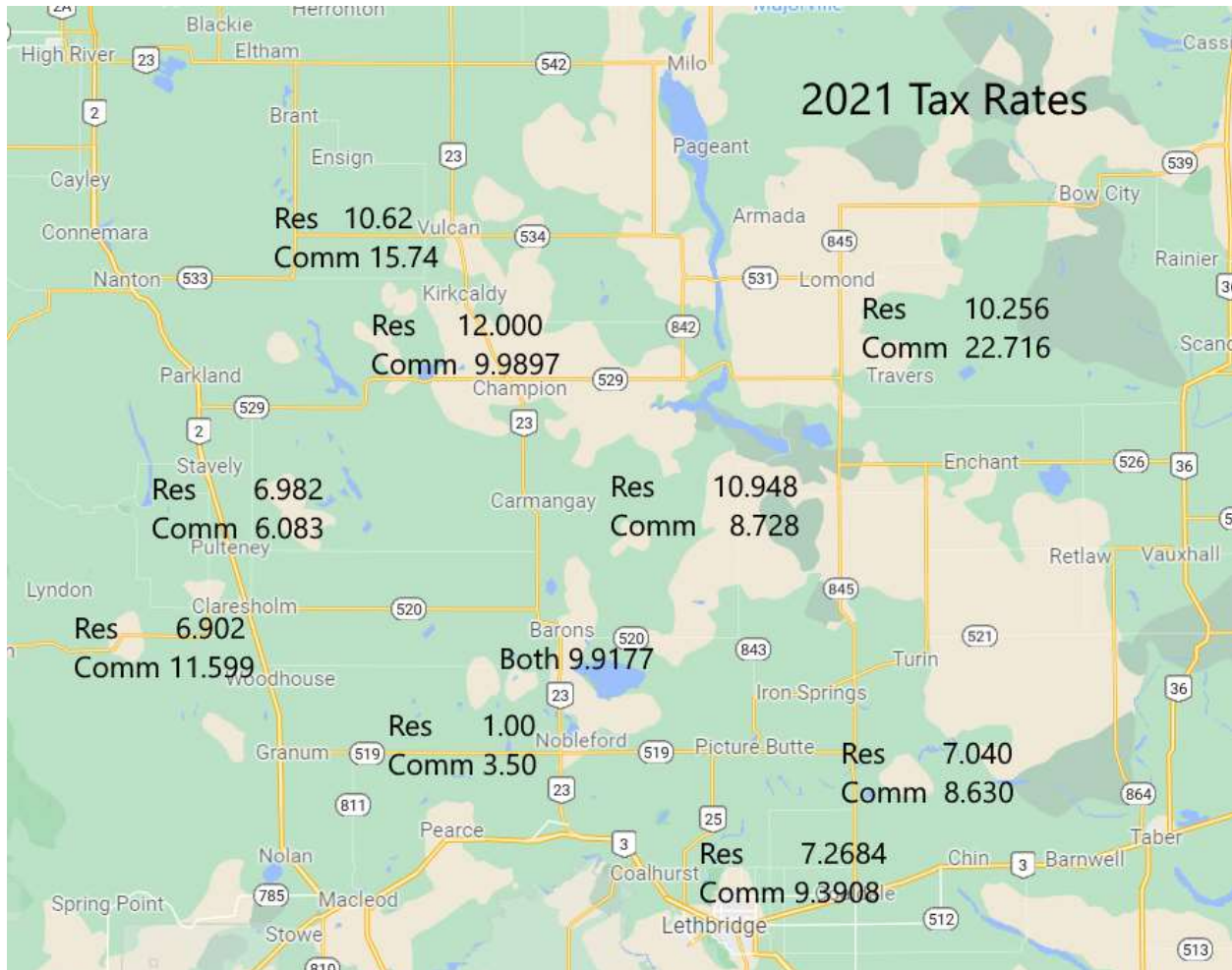
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Commercial Property Tax Rate

Does Council want to maintain lower commercial tax rates to attract more businesses?

The commercial tax rate including the fire requisition has been reduced from 12.000 in 2018 to 8.728 in 2021. There has been a common consensus between this Council, the previous Council and even citizens through a survey to increase the commercial tax base. In 2021 Carmangay had the 3rd lowest commercial tax rate behind Nobleford and Picture Butte.






Administration has created a website specifically to market the available residential and commercial Village owned lots. Additionally, for sale signs are on a number of the properties. The first lots for sale are the ones that are or can be easily serviced.

The website can be viewed at <http://carmangay.ca>

Cost Increases

Administration has tried to keep the tax bill the same over the last few years. This has been accomplished by reducing the municipal portion of the tax bill while other requisitions have continued to increase.

In 2022, it will be \$17,000 more expensive than it was 5 years before. This increase in has required the Village to take a smaller share of taxes and find other ways to increase revenue.

						Estimated		
	2017	2018	2019	2020	2021	2022	2023	Trend
Net Municipal Taxes	\$231,601	\$228,459	\$239,117	\$219,834	\$207,889	\$215,000	\$215,000	
Vulcan County Fire Requisition	\$ 9,000	\$ 9,000	\$ 9,000	\$ 25,309	\$ 14,041	\$ 20,000	\$ 20,000	
Police Requisition	\$ -	\$ -	\$ -	\$ -	\$ 4,342	\$ 6,518	\$ 8,684	
School Taxes	\$ 47,403	\$ 51,385	\$ 50,574	\$ 53,512	\$ 53,512	\$ 55,000	\$ 55,000	
Marquis	\$ 2,746	\$ 3,024	\$ 4,798	\$ 5,050	\$ 4,934	\$ 5,000	\$ 5,000	
Total Tax and Requisitions	\$290,750	\$291,868	\$ 303,489	\$ 303,705	\$ 284,718	\$ 301,518	\$ 303,684	

Does Council want to consider tax and / or utility rate increases?

The increases in requisitions that have impacted the tax bill over the last few years include:

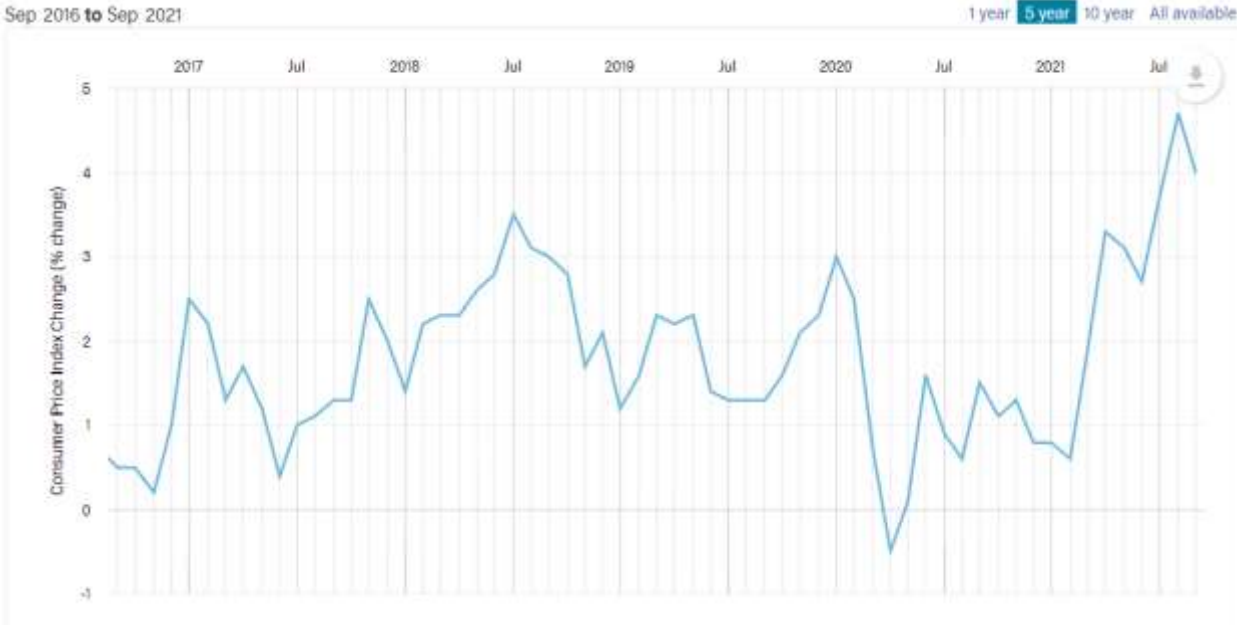
Vulcan County Fire Requisition which has been \$9,000 for a number of years was increased to \$23,309 in 2020 and back down to \$14,041 in 2021. It is likely given the resources used for the Grange fire (over \$90k) that the rate will go back up.

The Police Requisition was new in 2021 and increases over the next few years to \$8,684 from half that in 2021. The rate is supposed to stay the same after 2023.

The School Tax requisition has steadily climbed each year from \$47,404 in 2017 to \$53,512 in 2021.

The Marquis Foundation has increase by 80% of its original cost since 2017.

Inflation has increase by 4% over the last 4 years and is erratic.



Revenue Increases

Administration has focused on bringing new revenue opportunities to Council for consideration. The initiatives that have increased revenue over the last few years include:

The Solar Farm

The solar farm was built at a net cost of \$234,000 after the Municipal Climate Action Committee grant was applied.

The revenue generated by the solar farm connected to the lift station is paid to the Village each month. This revenue can be used in whatever fashion Council chooses. The amount is net of whatever energy usage and fees were incurred by the lift station itself. Additionally, the public works shop, Village office and water pumping station's electricity bills are taken from the same revenue. Council also previously agreed to pay the electrical bills for the Library. The revenue generated by the lift station for the first 9 months of this year has been \$12,157 even after the lift station energy has been deducted which is trending higher than the anticipated \$13,000 amount for the whole year originally.

Telus Tower

The Telus Tower pays a lease of \$8,800 each year to the Village. In addition, Telus pays taxes. The assessors will need to do an assessment to include the Telus structure in taxes. It would be reasonable to consider an assessment of \$80k which should generate approximately \$700 in addition to the lease.

Franchise Fee Changes

Does Council want to reduce the franchise fees back to their original levels or change any other revenue strategies?

The Fortis Franchise fee was changed from 5% to 15% which should produce an increase of \$19,915 in franchise revenue each year. The ATCO franchise rate was already at 15%. The cap for both is 20%. A comparison was reviewed when the change was made and was:

Municipality	Franchise Fee Rate	Proposed
Carmangay	5%	Change to 15%
Champion	15%	
Milo	20%	
Arrowwood	12%	
Vulcan	20%	

Average rate 14%

Lot Sales

Is Council supportive of continuing efforts to promote and sell lots that are or can be serviced?

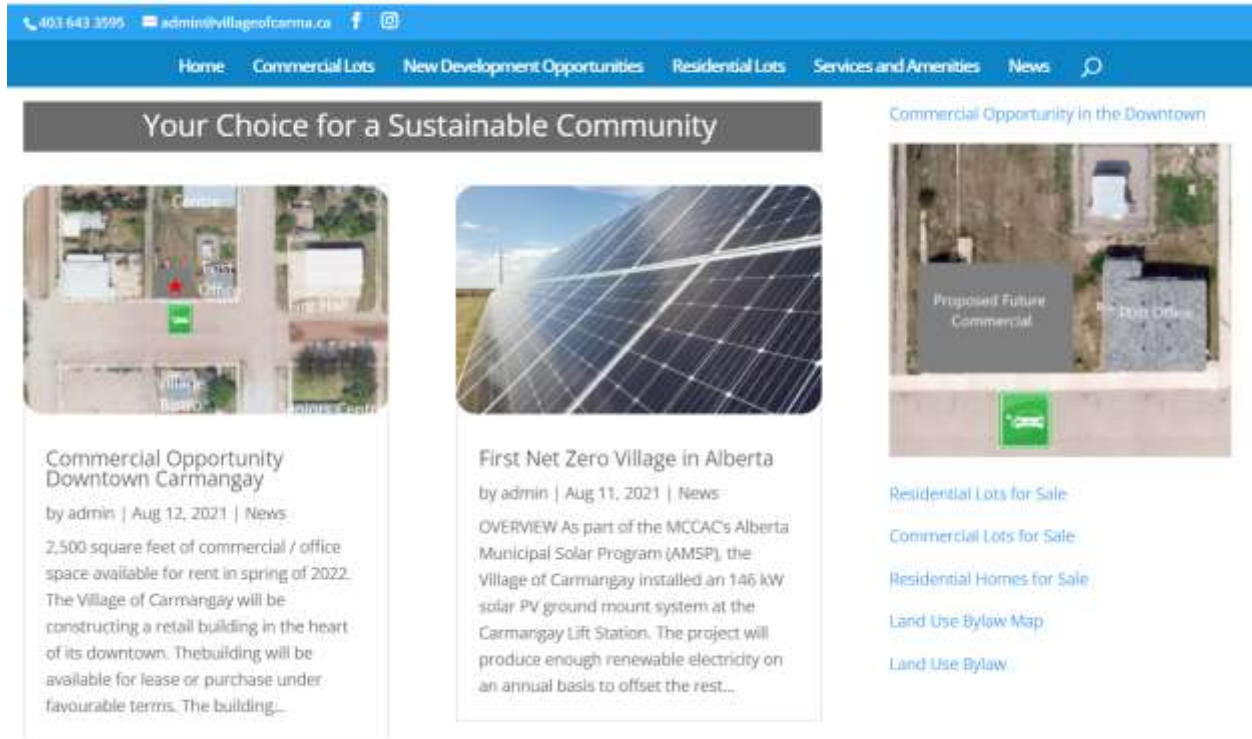
Administration has identified a number of Village owned commercial and residential properties that are currently serviced or could be. This has been an ongoing effort over the last few years to identify and promote the properties.

Carmangay owns 131 acres or 532,000 square metres of land, most of which a large portion is available for development.

Below is a chart of all of the Village owned land.



Administration has identified and posted on <http://carmangay.com> the properties which are currently serviced or could reasonably be serviced. The website is intended to be used exclusively for attracting residential and commercial property buyers.



Country Residential / Small Business Park

Does Council want administration to continue to develop next steps for the County Residential / Small Business Park for consideration by Council?

There is approximately 30 acres of land between the Carmangay border with G3 and the properties on Alta Vista. To date, a draft overview of the potential for the site has been presented to Council and previous Council supported ORRSC building an Area Structure Plan that will identify the number of lots and where roads and services will be placed.



Future Commercial Building

Does Council want to continue to be the owner of the new commercial building and collect rent or sell the building once it is complete?

Council has reviewed and will continue to direct the use for the new commercial building that will be built from the insurance funds of the old MLA Building fire.

Below is a chart that estimates the comparison of renting the building out at a 60% occupancy for 10 years versus selling the building.

Years	Rent Revenue at \$500 per month net revenue per unit x 60% occupancy	Tax Revenue @ \$207,000 assessed value
1		\$ 207,000
	\$ 10,800	\$ 1,656
2	\$ 10,800	\$ 1,656
3	\$ 10,800	\$ 1,656
4	\$ 10,800	\$ 1,656
5	\$ 10,800	\$ 1,656
6	\$ 10,800	\$ 1,656
7	\$ 10,800	\$ 1,656
8	\$ 10,800	\$ 1,656
9	\$ 10,800	\$ 1,656
10	\$ 10,800	\$ 1,656
Total Cash	\$ 108,000	\$ 223,560
Total Assets	\$ 207,000	\$ -
Total Cash and Assets	\$ 315,000	\$ 223,560



Projects Team

Does Council want administration to bring plans to expand, reduce or cancel the Projects Team?

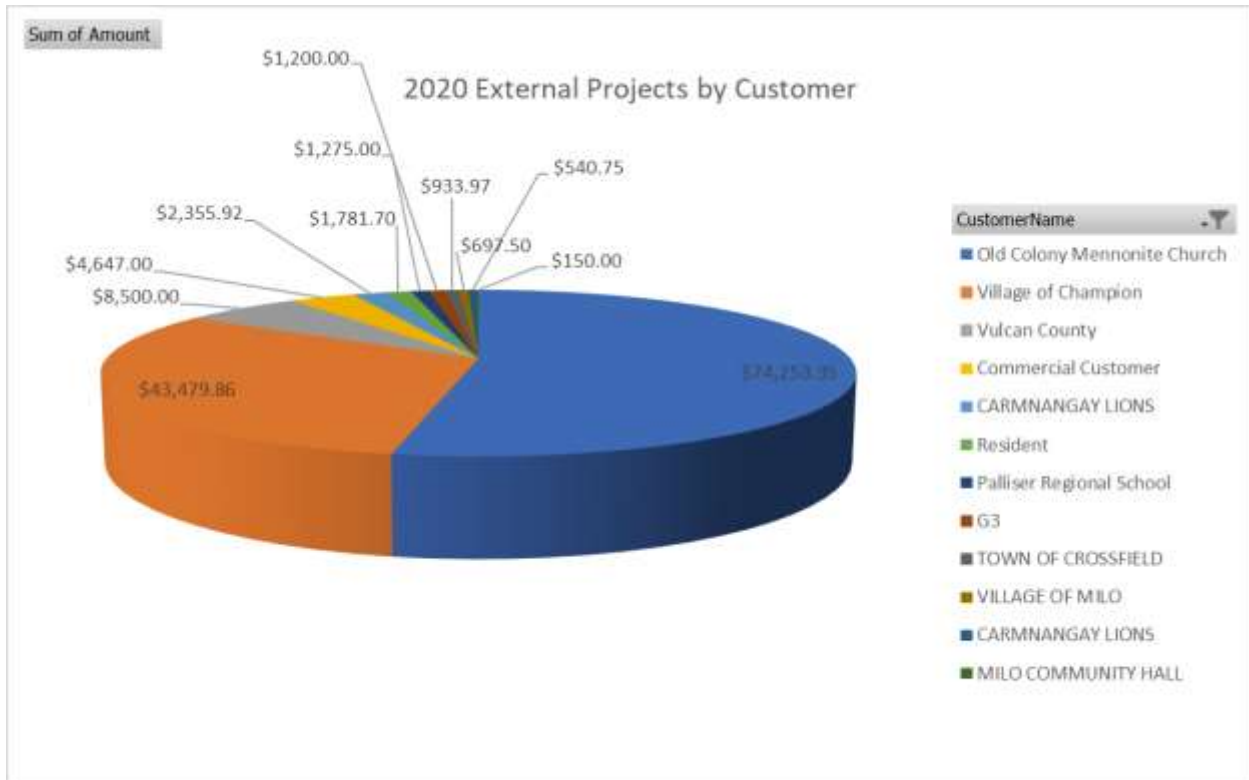
The projects team has been operating for the last 2 years doing capital projects for the Village of Carmangay as well as external work. The internal work has been done at a savings of 15 to 25% to the Village versus using outside vendors.



External Work

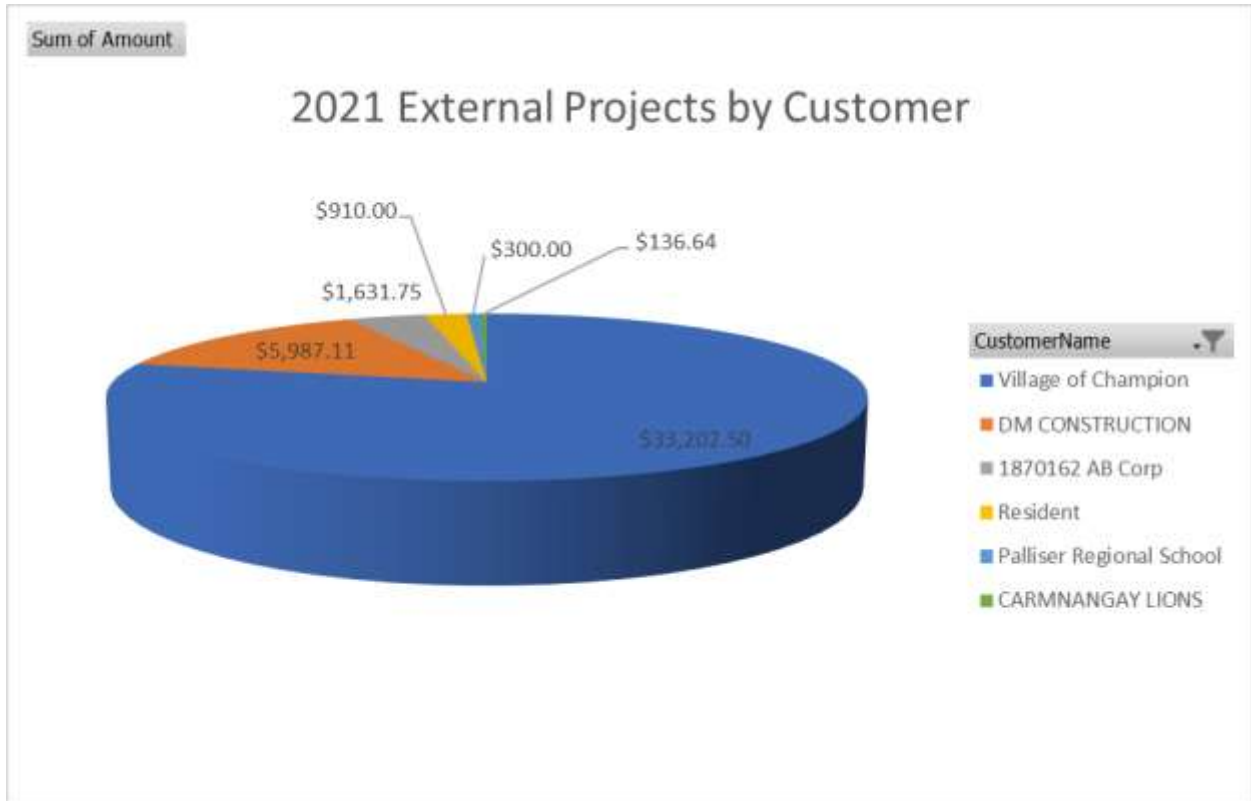
The external work done by the Projects Team is predominantly for other municipalities or with the local area. Administration has confirmed the insurance for working on projects other than the Village's is valid. Much work has been done as well to have safety practices put in place as well as safety equipment.

Below are the revenues for 2020 and 2021 for external work done by the projects team.



2020 Revenue by Customer

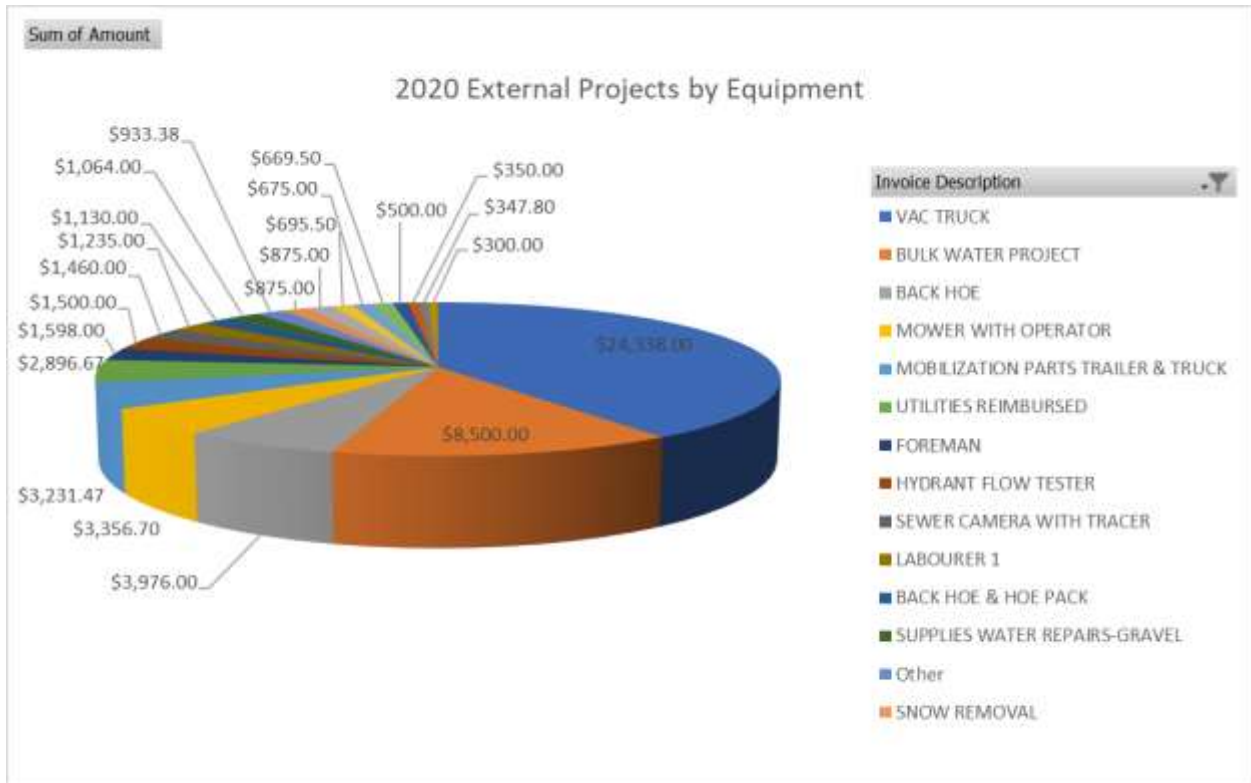
Customer	Revenue
Old Colony Mennonite Church	\$ 74,253.35
Village of Champion	\$ 43,479.86
Vulcan County	\$ 8,500.00
Commercial Customer	\$ 4,647.00
CARMNANGAY LIONS	\$ 2,355.92
Resident	\$ 1,781.70
Palliser Regional School	\$ 1,275.00
G3	\$ 1,200.00
TOWN OF CROSSFIELD	\$ 933.97
VILLAGE OF MILO	\$ 697.50
CARMNANGAY LIONS	\$ 540.75
MILO COMMUNITY HALL	\$ 150.00
Grand Total	\$ 139,815.05



2021 Revenue by Customer

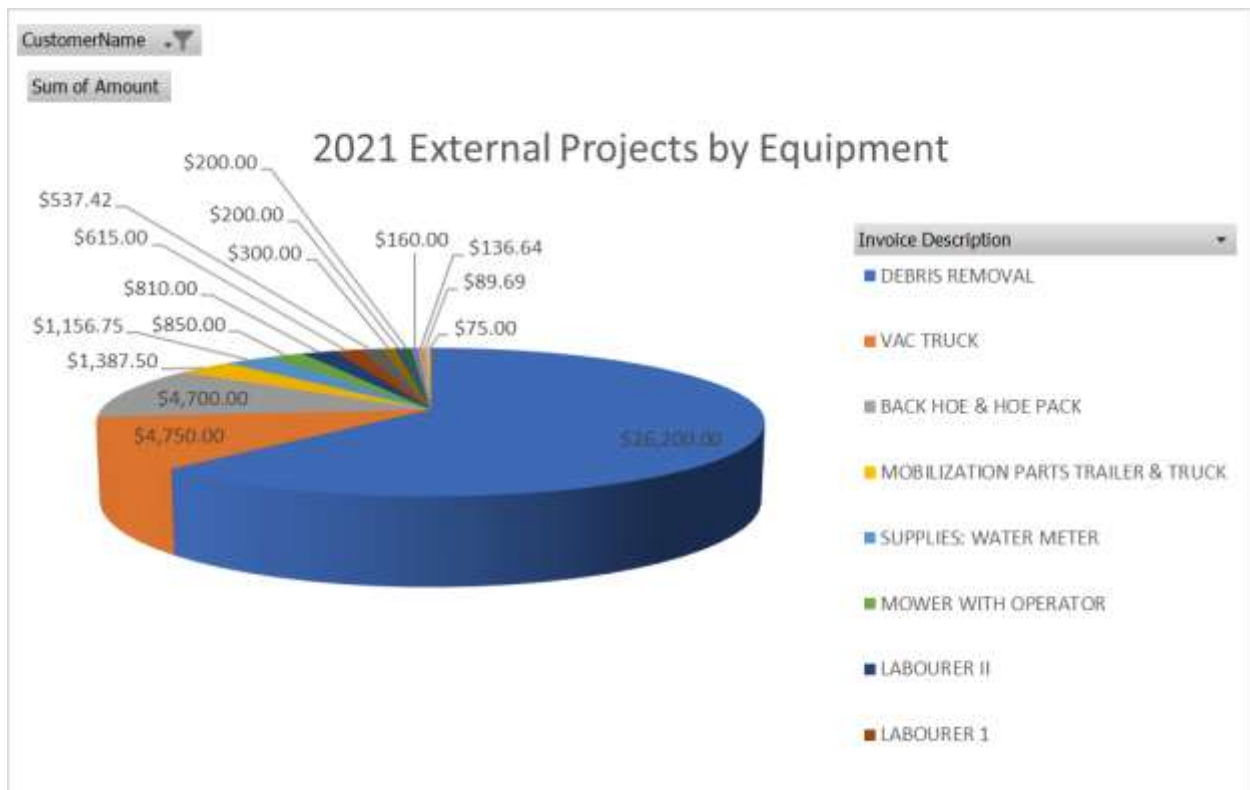
Customer	Revenue
Village of Champion	\$33,202.50
DM CONSTRUCTION	\$ 5,987.11
1870162 AB Corp	\$ 1,631.75
Resident	\$ 910.00
Palliser Regional School	\$ 300.00
CARMNANGAY LIONS	\$ 136.64
Grand Total	\$42,168.00

Below are charts that show the revenue by equipment for 2020 and 2021. Note that the amounts are only for the part of the year that the projects were entered and broken down in the Accounts Receivable Module.



2020 Revenue by equipment type

Equipment	Revenue
VAC TRUCK	\$ 24,338.00
BULK WATER PROJECT	\$ 8,500.00
BACK HOE	\$ 3,976.00
MOWER WITH OPERATOR	\$ 3,356.70
MOBILIZATION PARTS TRAILER & TRUCK	\$ 3,231.47
UTILITIES REIMBURSED	\$ 2,896.67
FOREMAN	\$ 1,598.00
HYDRANT FLOW TESTER	\$ 1,500.00
SEWER CAMERA WITH TRACER	\$ 1,460.00
LABOURER 1	\$ 1,235.00
BACK HOE & HOE PACK	\$ 1,130.00
SUPPLIES WATER REPAIRS-GRAVEL	\$ 1,064.00
Other	\$ 933.38
SNOW REMOVAL	\$ 875.00
AML LINE LOCATOR	\$ 875.00
PIPE LAYER	\$ 695.50
MOBILIZATION TRUCK	\$ 675.00
LABOURER II	\$ 669.50
HOT TAP MACHINE	\$ 500.00
HOE PACK	\$ 350.00
SUPPLIES WATER REPAIRS	\$ 347.80
MOBILIZATION PARTS TRAILER	\$ 300.00
Grand Total	\$ 60,507.02



2021 Revenue by Equipment. Note that the Debris Removal includes labour, backhoe, dump truck and skid steer.

Equipment	Revenue
DEBRIS REMOVAL**	\$ 26,200
VAC TRUCK	\$ 4,750
BACK HOE & HOE PACK	\$ 4,700
MOBILIZATION PARTS TRAILER & TRUCK	\$ 1,388
SUPPLIES: WATER METER	\$ 1,157
MOWER WITH OPERATOR	\$ 850
LABOURER II	\$ 810
LABOURER 1	\$ 615
SUPPLIES SEWER REPAIRS	\$ 537
SNOW REMOVAL	\$ 300
SEWER REPAIRS	\$ 200
MOBILIZATION PARTS TRAILER AND OR T	\$ 200
GRAVEL SALES	\$ 160
UTILITIES REIMBURSED	\$ 137
SUPPLIES WATER REPAIRS	\$ 90
SUPPLIES	\$ 75
Grand Total	\$ 42,168

The chart below considered all of the revenue and costs identified as being done by the Projects Team for 2020. The costing for employees was at their full salary and benefits. The equipment costs considered depreciation or lease costs, fuel, and maintenance.

Date	Project Description	Revenue	Profit (Loss)
11-May-20	1 hour Lions Club Campground Service	\$ 175.00	\$ 57
01-Feb-20	Sewer Work Champion	\$ 15,978.00	\$ 3,000
01-Jun-20	3.5 Hours Hydrovac work in Champion	\$ 665.00	\$ 62
01-Jun-20	5 Hours Weed Whipping Lions	\$ 500.00	\$ 330
11-Jun-20	Extend water / sewer Lions	\$ 324.65	\$ 89
24-Jun-20	Champion 4 hours Hydrovac	\$ 760.00	\$ 72
25-Jun-20	Lions 1.5 hours Weed Whipping	\$ 150.00	\$ 44
29-Jun-20	Champion 4.5 hour Hydrovac	\$ 855.00	\$ 74
06-Jul-20	Champion Water Break	\$ 1,856.00	\$ 529
16-Jul-20	Lions 3 hours Weed Whipping	\$ 300.00	\$ 188
20-Jul-20	2 hours Resident Mowing	\$ 200.00	\$ 112
24-Jul-20	4 hours Resident Mowing	\$ 400.00	\$ 224
17-Jul-20	Lions 1.5 hours Weed Whipping	\$ 150.00	\$ 44
21-Jul-20	Champion Water / Sewer to Property Edge	\$ 1,795.00	\$ 468
21-Jul-20	Private Water / Sewer Connections	\$ 4,747.00	\$ 1,860
22-Jul-20	Milo Camera Trace	\$ 697.50	\$ 153
23-Jul-20	2 hours mowing	\$ 200.00	\$ 132
24-Jul-20	Champion Sewer Camera	\$ 537.50	\$ 221
14-Aug-20	G3 Mowing	\$ 400.00	\$ 220
17-Aug-20	G3 Mowing	\$ 400.00	\$ 220
17-Aug-20	Champion Hydrant Replacement	\$ 9,530.10	\$ 3,914
07-Sep-20	Champion Hydrant Replacement	\$ 4,377.54	\$ 1,333
23-Sep-20	Champion Sewer Camera	\$ 150.00	\$ 50
01-Nov-20	Palliser Snow Removal	\$ 175.00	\$ 50
23-Sep-20	Milo Hall Sewer Camera	\$ 150.00	\$ -
02-Nov-20	Champion Flush Culverts	\$ 1,800.00	\$ 279
02-Nov-20	Champion Flow Testing	\$ 1,500.00	\$ 592
04-Nov-20	Champion Install Water Sewer to Vacant Lot	\$ 3,002.80	\$ 1,288
24-Nov-21	Champion Sewer Camera	\$ 150.00	\$ 50
26-Nov-20	Old Colony Seniors Home	\$ 74,253.35	\$ 21,794
26-Nov-20	Crossfield - Locate Water Line	\$ 934.00	\$ 344
08-Dec-20	Champion Water Leak Repair	\$ 4,274.00	\$ 1,111
	Total Revenue	\$131,387.44	
	Total Profit	\$ 38,902.44	

Hutterite Tribunal

What amount does Council want to set aside for the Hutterite Tribunal Costs and any future costs?

Other Considerations

Does Council have any other initiatives they would like included in the upcoming budget?