

BACKGROUNDER

Following are some of the key points to take into budget deliberations...

- The draft budget was prepared taking into account the City of Wetaskiwin's Strategic Plan, which was approved by Council July 23, 2012. At that point, having received direction from Council on how to proceed in the future, City Administration began to organize the goals and objectives listed in the Strategic Plan. These included: Serve & Protect our Community; Increase Pride & Communication; Be Sustainable; Support, Expand & Diversify our Economic Base; and Achieve Organizational Excellence.
- Although some of the increases are a result of new initiatives, others are beyond the City's control. The draft budget has included 1.9% for inflation, a 2% increase for the new Provincial Contract for the RCMP, 3.1% for the new aquatic and fitness centre and 1% for increased pension costs and the financial system lease.
- The budget includes \$709,485 for projects in 2013. This is an increase of \$244,390 over 2012. An additional \$406,115 is proposed for 2014 for a total of \$1,115,600. These projects are a combination of infrastructure replacement and improvements to service levels.
- The City's utility departments, including water, sewer and solid waste operations, are funded on a user pay system. In 2011, the City started a process to budget increases in the utility rates as a start to becoming financially sustainable. Unfortunately, the system is underfunded at its present rate structure. The approach taken is to phase-in rate increases so that the utilities will eventually cover all of the operating costs, annual inflation and replacement costs. An 8.1 per cent increase in 2013 will bring the City closer to sustainability.
- A comparison with other urban communities in Alberta provides Council with an indication of how the City stands with these communities. In 2011, Taxes Per Capita in Wetaskiwin were \$835, while Sales and User Charges Per Capita were \$505, for a total of \$1,340. By comparison, Leduc's combined total was \$1,997, Camrose had a combined total of \$2,052, Fort Saskatchewan had a combined total of \$2,090, and Beaumont had a combined total of \$1,310.
- Another comparison with other urban municipalities to take into account involves Operating Gains and Costs. In 2011, the Cost Per Capita with regard to Total Operating Costs was \$1,848 in Wetaskiwin. By comparison, the Cost Per Capita was \$2,762 in Camrose, \$2,742 in Leduc, \$2,473 in Fort Saskatchewan and \$1,814 in Beaumont.
- City of Wetaskiwin residents also receive the benefit of lower costs associated with Major Services such as water, sewer and waste removal. In 2011, the Cost Per Capita in Wetaskiwin was \$432, compared with \$505 in Camrose, and \$514 in Fort Saskatchewan.
- Council has decided not to give itself an increase (for the second straight year), and only approved a 1 per cent Cost of Living Allowance (COLA) increase for City staff.

- In the 2013 budget, a difference of 1 per cent equates to \$112,000, and in 2014, that number rises to \$129,000 for every per cent the tax rate increases or decreases.

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