



TOWN OF
SLAVE LAKE

2019 OPERATING & CAPITAL **BUDGET**





The proposed budget reflects the priorities of the community, decisions of council, delivers on current services and addresses resource needs for growth areas.

“Slave Lake is committed to building opportunities by growing business, industry and population, while promoting ourselves and our exceptional quality of life.”

Our objective is clear – continue to deliver services to support growing business, industry and population, while promoting ourselves and our exceptional quality of life and within the financial capacity available from the community.

The 2019 budget will help us get there.

Town of Slave Lake, AB
2019
Operating & Capital
Budget



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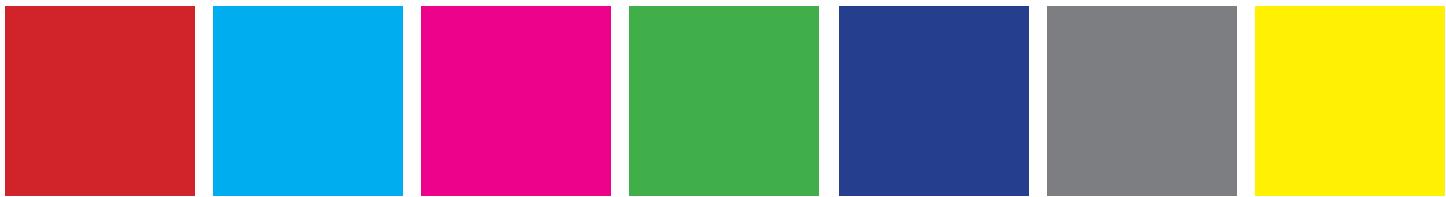
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THE TOWN OF SLAVE LAKE



AT A GLANCE



SLAVE LAKE

POPULATION

6,782

Population



30-39

AVERAGE AGE

50.1%

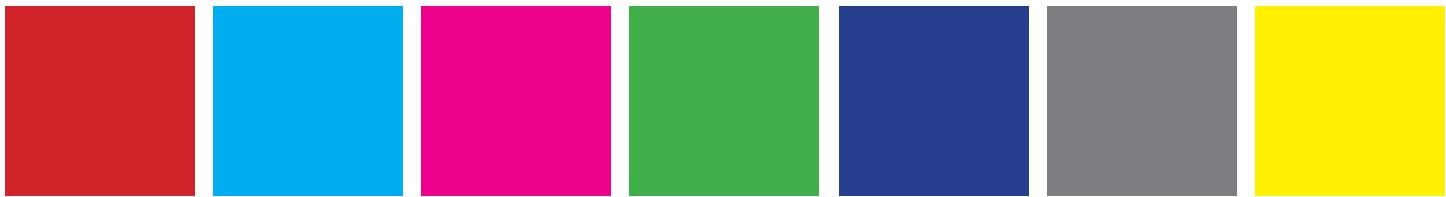
FEMALE

HOUSEHOLD

CHARACTERISTICS



- 1,225** - Single-detached house
- 700** - Other attached dwelling
- 410** - Apartment building
- 165** - Row House
- 120** - Semi-detached house



TOP EMPLOYMENT SECTORS IN

SLAVE LAKE



660

ENGINEERING AND TECHNOLOGIES



200

PUBLIC ADMINISTRATION



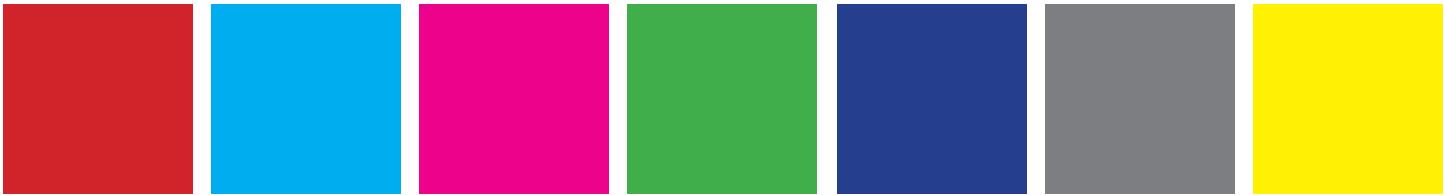
375

HEALTH AND RELATED FIELDS



295

EDUCATION SERVICES



TOWN OF SLAVE LAKE

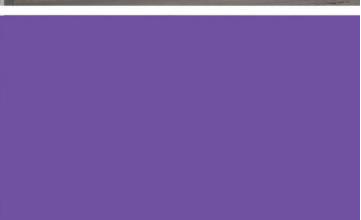
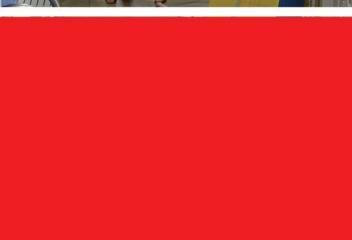
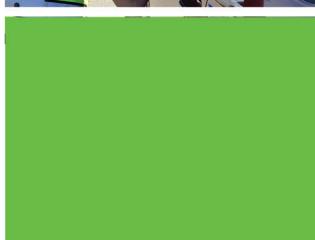
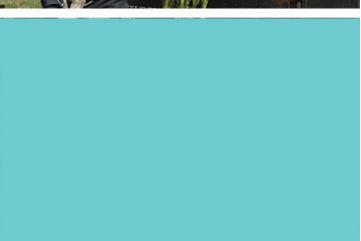
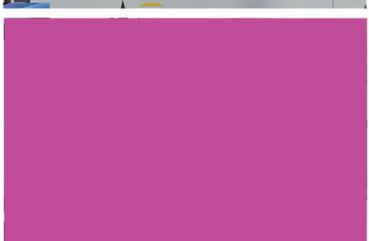
ADMINISTRATION



69 **FULL TIME
EMPLOYEES**

28 **PART TIME
EMPLOYEES**

16 **SEASONAL
EMPLOYEES**





BUDGET BASICS

INTRODUCTION

WHAT EXACTLY IS A BUDGET?

The budget is the Town's plan and priorities expressed in dollars and cents.

WHAT IS THE DIFFERENCE BETWEEN OPERATING AND CAPITAL BUDGETS?

OPERATING BUDGET: The operating budget covers the daily expenses of delivering municipal services, such as fire protection, snow removal, park maintenance, RCMP, and library services to name a few. Operation is supported by taxes and commercial revenue such as the lease for the provincial government building. Utilities and cemeteries are funded separately through their fees.

CAPITAL BUDGET: The capital budget covers constructing new assets and rebuilding assets. These assets include roads, water and sewer, equipment, and town facilities.

BUDGET BASICS

ASSESSMENT

MARKET VALUE ASSESSMENT: The budget process determines how much tax income is required. The assessment process helps to fairly distribute the annual municipal taxes. A market value based assessment does **NOT** necessarily identify a property's individual sale price or potential sale price. It attempts to provide a "fair actual" or average value based on several factors including similar properties which have sold.

Your current assessment value is based upon the July 1st, 2018 market conditions. Market trends since then may not be reflected on this assessment. An increase or decrease in your property assessment does not automatically mean that your taxation amount will change in a similar fashion. It depends on how your property changes in relation to others and the total income required.

Assessors use a technique known as 'mass appraisal'. 'Mass appraisal' is the process of valuing a larger group of properties, as of a given date, using standard methods and statistical testing. The focus in property assessment is not on the individual property, rather the entire class or group of properties.

BUDGET BASICS

VALUE AND CONDITION DATES

Legislation requires the assessment process to comply with two key dates: the "valuation date" and "condition date".

VALUATION DATE: The valuation date ensures all properties are valued as of the same date. The valuation date for the 2019 tax year is July 1, 2018. This means the assessment value on the 2019 Assessment and Tax Notice is an estimate of the value as of July 1, 2018 .

CONDITION DATE: The condition date is the "as-of-date" used to identify the physical state of a property for assessment purposes. The condition date for the current tax year is December 31, 2018.

This means the assessment on your current Assessment and Tax Notice represents the "fair actual value" as of July 1, of 2018 and represents the physical condition of the property as of December 31, of 2018.

BUDGET BASICS

CHANGES IN MARKET VALUE

It is important to note that increases or decreases in assessment do not result in more or less income for the Town. Assessments determine the portion each property owner pays of the total budget. The Mill Rate determines how much you pay. The mill rate is set annually by Town Council to ensure that they have adequate funding to meet the budget.

The calculation is as follows:

Mill Rate Calculation

$$\frac{\text{Total budgeted taxation revenue}}{\text{Total of assessed property values}} = \text{MILL RATE}$$

Individual Tax Calculation:

$$\text{Mill Rate} \times \text{Individual property value} = \text{Individual Tax}$$

BUDGET BASICS

YOUR TAX BILL

Your tax bill may be either for non-residential or residential property. In Slave Lake the commercial tax rate is higher than the residential rate by about one third.

If your bill is for residential, you will notice that almost one third of the bill is for Schools and Seniors. These rates are set by the Provincial Government. The Town collects them, but forwards them on to the province. We have no control of increases to these.

In 2018 there was a special tax of \$215 for road maintenance applied to each parcel of taxable land within the Town of Slave Lake. This special tax expired as of December 31, 2018. There will be no special tax or local improvement levy applied to any property in the Town of Slave Lake for the 2019 tax year. In 2019, a portion of your property taxes will go towards the road reserves.

This year Council has decided to transfer \$400,000 to that reserve. This is not a special tax but is already included in your property tax bill.

Residents can either pay their taxes in full by June 30th, or set up monthly reoccurring payments for your bill with the tax clerk at 780-849-8001, before June 30th 2019. On July 1st a 2% penalty will be applied to any outstanding amount owed on your current fiscal year tax bill.

Four penalties will be applied to accounts that do not pay their taxes in full.

KNOW YOUR PENALTY DATES

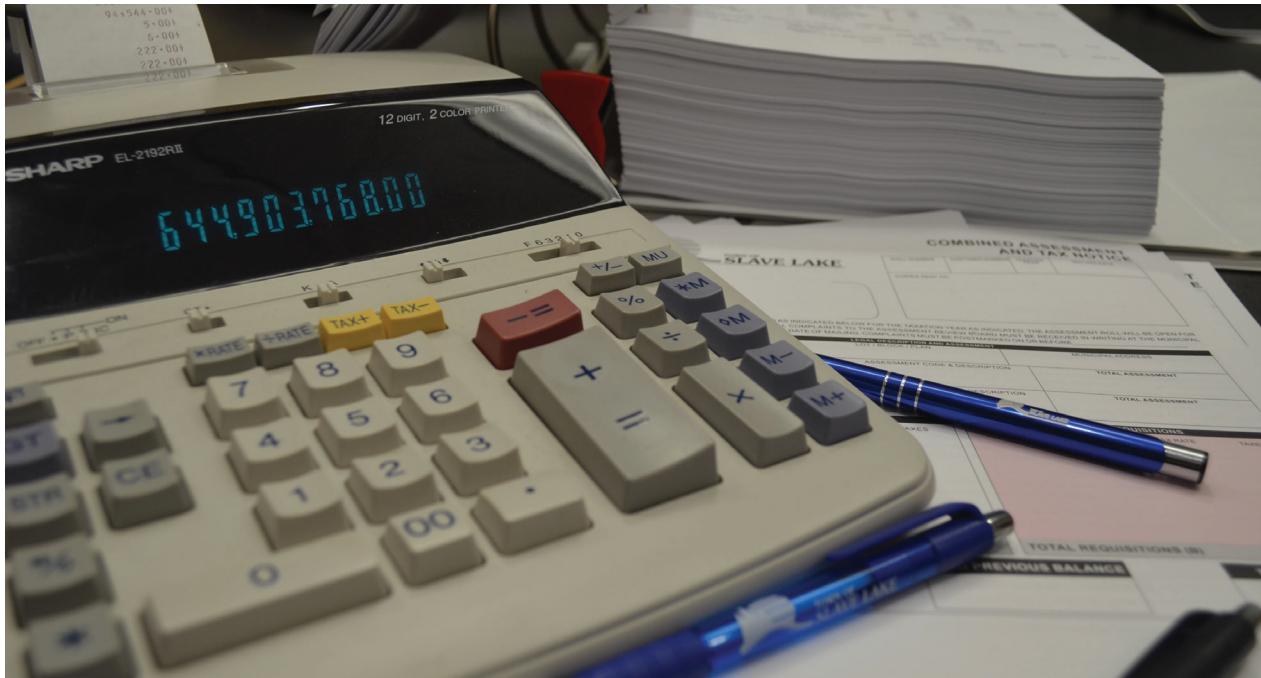
July 1st, 2019	August 1st, 2019	October 1st, 2019	January 1st, 2020
2%	6%	8%	10%

BUDGET BASICS MUNICIPAL EQUATION

Municipalities are in the “quality of life” business providing value for taxes, rates, fees and charges.

Hundreds of critical and quality of life services are delivered each day to residents with a financial impact.





OPERATING BUDGET INTRODUCTION

**\$23 MILLION
TOWN OPERATING BUDGET**

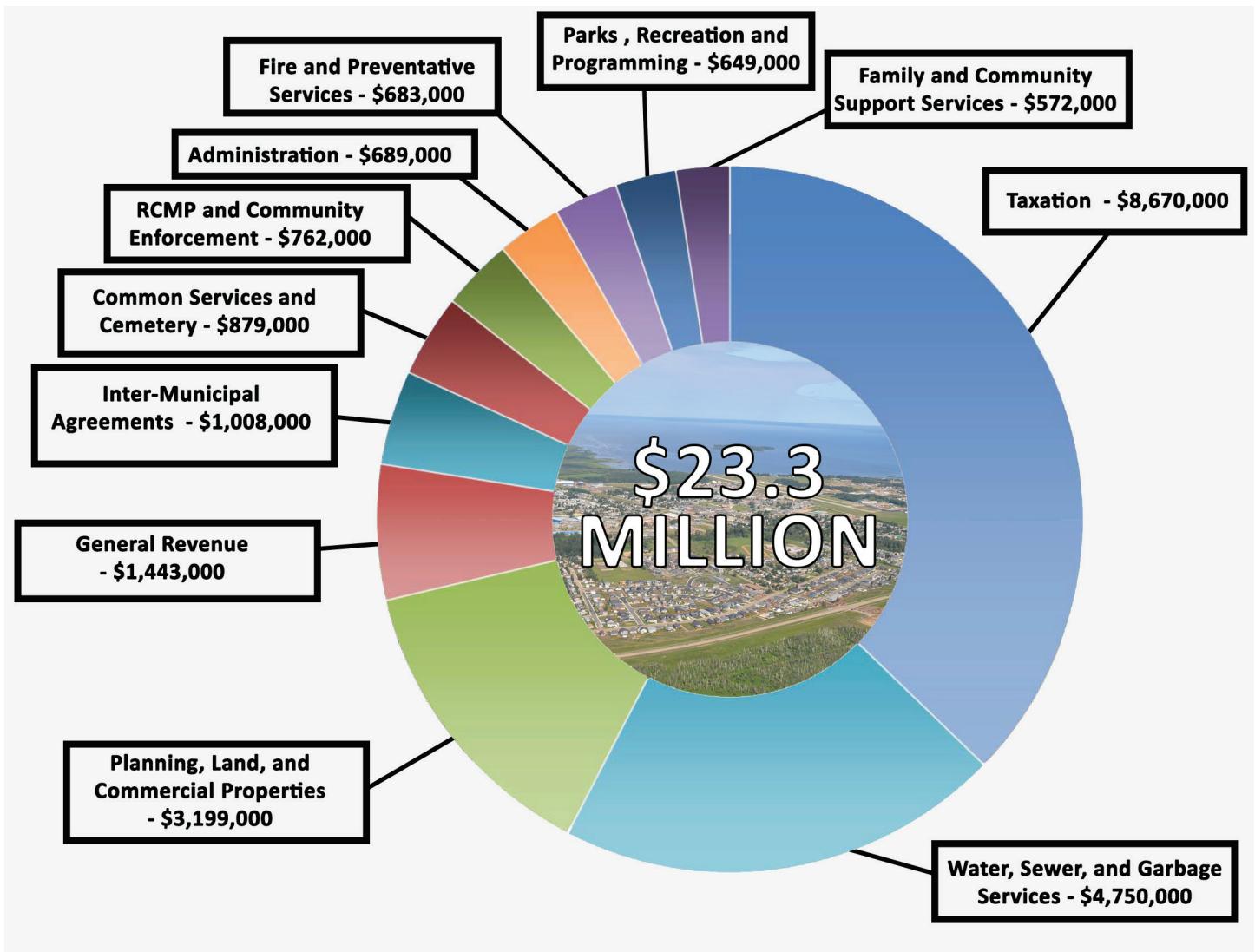
When crafting the 2019 Operating Budget, Administration and Council kept in mind the Vision of Slave Lake.

"Slave Lake is committed to building opportunities by growing business, industry and population, while promoting ourselves and our exceptional quality of life."

The proposed 2019 Budget reflects the cost of maintaining Slave Lake's core services, programs and infrastructure that citizens rely on every day, as well as new initiatives and improvements to current programs that will advance Council's strategic vision.

OPERATING BUDGET

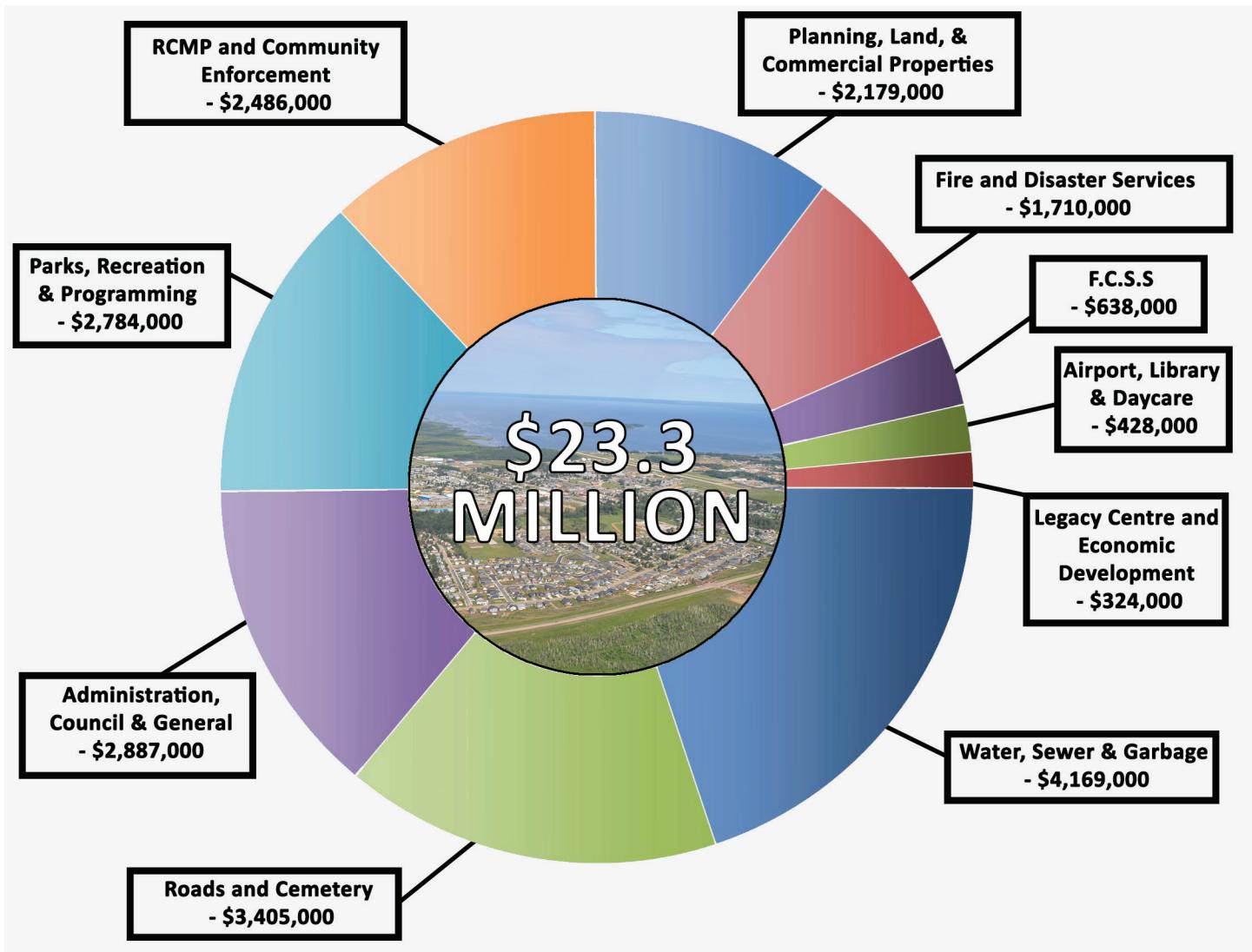
SOURCES OF REVENUE



Note that numbers are rounded to the nearest \$1,000 and does not include Provincial requisitions

OPERATING BUDGET

WHERE DOES THE FUNDING GO?



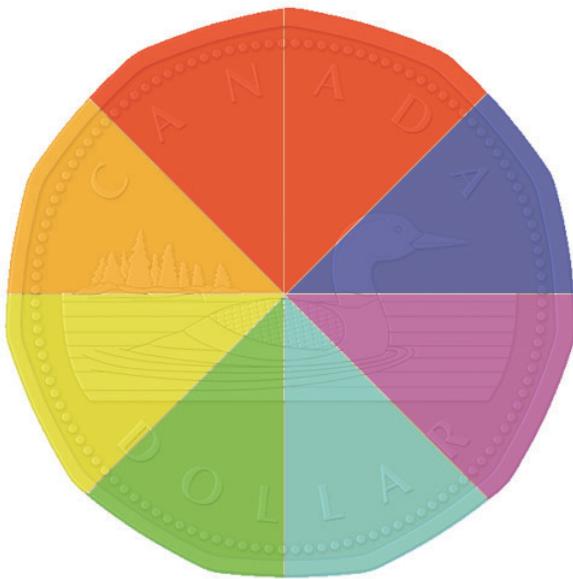
** Fire Department net cost to the Town of Slave Lake is \$600,000

Note that numbers are rounded to the nearest \$1,000 and do not include amortization

Not shown on graph Principal Payments - \$2,302,000

OPERATING BUDGET

WHAT DOES \$1 OF TAXES BUY?



\$0.24	Fire, RCMP & Protective Services
\$0.20	Parks, Recreation, & Community Services
\$0.16	Operations Services
\$0.16	Administration, Legislative & General Services
\$0.13	Planning, Economic Development
\$0.08	Reserve Transfers
\$0.03	Airport and Library Services

\$1.00



CAPITAL BUDGET INTRODUCTION

\$24 MILLION
TOWN CAPITAL BUDGET

Town Council and Administration look carefully at the Capital requirements and pick the most critical ones each year.

Selection depends on how critical they are and also if alternative funding is available. 2019 is largely a year of completion for two major projects (Raw Water Line and Sewage Treatment) and upgrading aging infrastructure.

It is a top priority to provide residents with reliable and excellent water and sewer. We have done road rebuild work every year since 2011 and have taken a year off to restore our road building reserves.

CAPITAL BUDGET FUNDING COMES FROM

FUNDING SOURCES	
Reserves	\$5,588,084
TOSL External Sources	\$650,000
Municipal District of Lesser Slave River Contributions	\$35,490
Town of Slave Lake Rates and Fees (Debentures)	\$10,623,824
Town of Slave Lake	\$16,897,398
Alberta Provincial Grants	\$6,411,700
Alberta Municipal Sustainability Initiative	\$500,000
Alberta Federal Gas Tax Fund	\$151,450
Province of Alberta	\$7,063,150
Total Funding for Capital Projects in 2019	\$23,960,548

CAPITAL BUDGET FUNDING GOES

Council approved 40 projects estimated at \$24 million.

20 Projects have been rejected or deferred with an estimated cost of \$8 million. 2019 will continue to see major investments into water and sewer infrastructure.



MAJOR CAPITAL PROJECTS

WATER & SEWER

Clean drinking water and sewage treatment are the backbone of every community.

These pieces of infrastructure have serviced the needs of past generations, continue to service the current generation and will, with continuing investment, service the needs of future generations. In every facet of our lives we require access to clean drinking water and the ability to properly dispose of our waste.

It is used in our homes, business, parks, schools, recreational centers and much more. 2019 will see major investments into our water and sewer infrastructure.

Investments in our aging water and sewer infrastructure will make sure the Town provides an adequate and safe water supply as well as make certain we have the capacity to manage our waste water in a safe and environmentally friendly manner.

In order to fund these projects utility rates will be increased.

RAW WATER LINE PROJECT

COST - \$18,600,000

The Town of Slave Lake is responsible for treating, disinfecting and supplying drinking water to the residents of Slave Lake, adjacent MD of Lesser Slave River residents, and the Sawridge First Nations. A new water intake is being constructed in Widewater which will draw water from a deeper area of the lake. This will eliminate problems treating water during spring runoff and during storms. Also it will minimize risk due to contamination spills into the lake and from Blue-Green Algae.



WATER TREATMENT PLANT OFFICE UPGRADE

COST - \$1,300,000

The water treatment lab and office is over 40 years old. Upgrades will be done to modernize the facility, allowing it to meet current needs and requirements for testing of the water and sewage treatment processes.



RESERVOIR PIPING REPLACEMENT

COST - \$1,700,000

The Towns upper water reservoir dates back to when the first water system was installed in the early 1960's. The piping, electrical, and controls will be modernized and brought to current standards.



LIFT STATION UPGRADES

COST - \$50,000

The sewage lift station on Main Street across from the Library was part of the Town's original sewage system and will be replaced in order to improve reliability.

In 2019 council has budgeted \$50,000 for engineering and design of the new lift station. Administration has proposed construction to start in 2020.



SEWAGE TREATMENT UPGRADE

COST - \$14,150,000

The sewage treatment system dates back to the 1960's. It must be modernized in order to meet current provincial effluent treatment standards.



MAJOR CAPITAL PROJECTS

PARKS AND RECREATION

Parks and recreation facilities can promote active lifestyles, build healthy communities, and lower health care costs for residents of all ages. The Town of Slave Lake is investing in our parks and trail system to promote our exceptional quality of life.

Funding for Parks is provided by photo radar proceeds and provincial grants.

BARTON PARK UPGRADE

COST - \$211,500

Continuing improvement will be made to the major quadrant park in the southwest. This includes constructing an actual parking lot, that will be larger and better defined, built to a gravel parking lot standard. Also includes accessible paths linking the playground to 2 Ave. S.W. (and the parking lot), 7 St. S.W. & 6 Ave S.W.



ALLARIE TRAIL UPGRADES

COST - \$60,000

The flood in June 2018 washed away the creek bank so that the top of bank is very close to the Allarie Trails in two locations: behind the Northern Lakes College and behind Roland Michener Secondary School. This project will entail removing the sections of trail that are very close to the top of bank and relocating those sections further away from the bank. Relocated trails will be paved.





PROPOSED BUDGET CHANGES

INTRODUCTION

The overall budget increase for 2019 is 2.5%. However, the average homeowner will see no increase on his tax bill. Owners of homes and businesses above the average will see an increase while if your property is below the average value you will actually see a decrease.

Council and administration have worked hard to try and reduce costs and cut spending wherever possible. However they have also considered what residents want and expect for municipal services.

The 2019 budget reflects a number of continuous improvement efforts, including reductions throughout the organization and also increased revenue opportunities. These efforts have resulted in efficiencies and cost savings of approximately \$300 thousand for 2019. However, these are offset by costs that have increased such as energy and costs for materials, supplies and labour.

The budget supports many important services and projects including snow removal, sewer maintenance, fire protection, bylaw enforcement, road maintenance and repairs, parks, recreation, culture and leisure services and youth and older adult programming. Some key initiatives ahead include: economic development, investment in town infrastructure such as roads.

This budget will allow us to deliver the important day-to-day services our residents have come to expect, along with key Town initiatives to support sustainability and growth in our community.

One addition to previous service levels is that about 1.5% will go towards economic development. Town Council believes that is important to invest in economic development in order to ensure ongoing growth and prosperity.

PROPOSED BUDGET CHANGES

ASSESSED VALUES IMPACT

ASSESSED VALUE	2018 TAXES	PROPOSED 2019 TAXES	Monthly Increase/Decrease
\$220,000	\$1,886	\$1,822	-\$5.10
\$320,000	\$2,631	\$2,634	+ \$0.25
\$420,000	\$3,325	\$3,391	+ \$5.50
\$520,000	\$4,086	\$4,220	+ \$11.17



UTILITIES **INTRODUCTION**

\$29 **AVERAGE HOUSEHOLD INCREASE**
Based on 20m³ usage per month

Utility rate increases are primarily driven by the need to take out a debenture for the new Raw Water Line and the sewage treatment upgrade.

Surveys have been done to determine whether residents would like to save money by eliminating one of the 3 methods available for recycle.

It was found that residents feel that the three recycling services currently provided, curb-side recycling, the town recycling centre, and the recycling centre at the landfill, provide good value to the town as a whole.

Although utilities are included in the annual budget, the Utility rates will not be finalized until the Utility Rate Bylaw is revised in March.

UTILITIES

INCREASE BREAKDOWN

	2018	2019	Change
Water Rates			
Flat Rate per month	\$26.43	\$31.03	\$4.60
Variable Consumption m ³ per month	\$30.60	\$35.92	\$5.32
			\$9.92
Waste Water Rates			
Flat Rate per month	\$16.20	\$25.11	\$8.91
Variable Consumption m ³ per month	\$18.60	\$28.83	\$10.23
			\$19.14
Total Change			\$29.06

** Proposed Increase. Will be adopted when council passes the 2019 Utility Rate Bylaw.



IMPACT OF PROPERTY TAXES AND UTILITIES INTRODUCTION

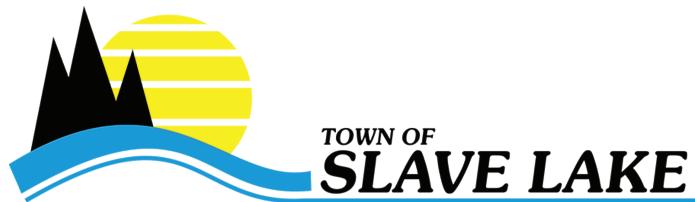
\$29 TOTAL INCREASE TO AN AVERAGE HOUSE
based on a \$320,000 Assessed Value House

A Town of Slave Lake home with an average assessed value of \$320,000 will pay \$2,633.73 for town property taxes and \$151.23 water/wastewater/stormwater/garbage utilities.

This represents a total increase to an average household of \$29 per month compared to 2018.

Monthly Increase

$$\begin{array}{r} \$29.06 \\ + \\ \left[\begin{array}{l} \text{Utilities Increase} \\ \text{based on 20m}^3 \end{array} \right] \end{array} \quad \begin{array}{r} \$0.25 \\ = \\ \left[\begin{array}{l} \text{Monthly Tax} \\ \text{Increase on \$320,000} \\ \text{household} \end{array} \right] \end{array} \quad \begin{array}{r} \$29.31 \\ = \\ \left[\begin{array}{l} \text{Monthly Tax} \\ \text{and Utilities} \\ \text{Increase} \end{array} \right] \end{array}$$



10 Main Street S.W.
Slave Lake, Alberta, T0G 2A0
(c) 2019