

2020 BUDGET

A Report to the
Community



Mountain View
C O U N T Y

2020 BUDGET MESSAGE



From the Reeve

The process of completing Budget 2020 has been an arduous one, with both revenue and expense proving difficult to predict. With the collapse of oil prices, the tax base that we rely heavily upon has become unstable. Energy companies looking for tax relief have looked to municipalities, while the province continues to download provision of some services to rural Alberta. The first year of invoicing for provincial policing is part of this budget, with increases occurring over the next three years, reaching a total of over 1 million dollars by 2023.

The impact of the pandemic is far reaching and also difficult to predict. Walking through the County office brings home the extent to which our delivery of service has changed, our interaction with our residents, and our ability to fully engage the public in policy making. How long these will continue is anyone's guess, however Council is committed to use every means possible to ensure full accountability. Reliable rural high-speed internet has never been more critical, and we continue to lobby both Federal and Provincial governments to recognize the need for action on this issue.

One response to the pandemic is recognition of the potential financial impact on our ratepayers. To that end, except for the previously mentioned policing costs, we have held the Municipal tax rate steady, reducing costs where reasonable, while maintaining our current service levels in road maintenance and repair. In the same vein, new incentives for early payment as well as forgiveness of penalties for payments before December 1st have been put in place for this year.

We have listened to the province in doing our share to keep Albertans working. The road network is critical to a healthy economy. This year we are sticking to our long-range infrastructure plan with the reconstruction and paving of the Bergen Road from Fallen Timber Trail to Highway 22. This portion of road connects Highway 760 with Highway 22, and is one of the most heavily travelled roads in the County. Other capital projects consist of repair and replacement of several bridges, again a critical part of our County assets.

As members of the Waste Commission, we were pleased to see significant improvements in management over the past year, resulting in reduced costs and improved operations that will extend the life of the current land fill that serves County residents.

Planning will soon begin for next years budget. This Council comes to the end of its four-year mandate in 2021. It will be our goal to ensure Mountain View County remains fiscally healthy, with a well-maintained road system along with continued support for agriculture, recreation and culture, which together are the foundation of a healthy and productive society.

Bruce Beattie, Reeve of Mountain View County

2020 BUDGET MESSAGE

From the CAO

It comes as no surprise that 2020 is setting up to be one of the most challenging years in the County's history. The County's budget was passed during the middle of the COVID 19 Pandemic and global oil price war. There will be a lot of uncertainty in 2020, and I suspect in the coming years as well, for Mountain View County to navigate. With the exception of Base Stabilization, Council has elected to maintain the 2019 service levels and administration will be doing our best to deliver services in the most efficient manner possible considering the numerous adjustments that have been made in response to the Pandemic. The Base Stabilization program was reduced by 20% due to the COVID delay in hiring seasonal staff. Our 2020 Road maintenance highlights include:

- Re Gravel 650 Km (+/- 3-year cycle to cover entire network of 1975 km)
- Re-Chip 122 Km (+/- 7-year cycle to cover entire network of 828 km)
- Base Stabilization 10 Km (may vary depending on material within existing Road structure)

Due to the uncertain economic times the County is preparing for additional Bad Debt Allowance within the 2020 budget. We are hopeful that actual results are better than budget, however we have budgeted for 5 million dollars of our forecasted revenue that may not be realized in 2020. This is nearly 17% of our operating budget so it will be a big factor in determining what future fiscal health and budgets look like.

Grants received from both the Provincial Government and Federal Government have been trending down in recent years. For 2020 grants received from higher levels of government are forecasted to be down an estimated 13% or approximately \$700,000 per year when compared to historic levels in the past 5 years. One of the tools that Mountain View County is utilizing in 2020 to respond to all of the uncertainty is expanding our Line of Credit. In 2020 the Line of credit is being extended to 12.5 million from 5 million in 2019. The purpose of the line of credit is to support cash flow needs until tax revenue is collected. In 2019 the Line of Credit was not utilized, but it provided a backup to ensure operations run smoothly year-round. There is no cost to the County unless the line of Credit is utilized.

The Past couple of years we have been able to find some staffing efficiencies and have reduced our overall staffing levels at the County. Through consolidation of some job duties and staff attrition and succession planning the County has responded to general weakness in the Alberta Economy and will have 90 Full time employees in 2020 compared to 97 in 2018. This includes an increase of 2 equipment operators that coincided with the 2019 addition of 2 graders to our fleet to enhance road grading and snow clearing services. In addition to Full time staff the County hires numerous Term staff to fulfill seasonal work programs. Some of the vacant administrative positions will be re-evaluated in 2021 to determine the appropriate staffing level to deliver ongoing services to the public.

The most prevalent change the public will notice is an increased reliance on technology and working remotely. From March through May we have been working out any minor glitches in delivering services to the public, including Council meetings through electronic means. The County is very fortunate that the majority of our software programs have a web-based interface which has allowed us to continue normal operations remotely while responding to COVID 19 restrictions. It is widely anticipated that less face to face meetings will be the norm for the foreseeable future, and I want to thank our community for their understanding and encourage everyone to continue to conduct municipal business through electronic means when possible.

Jeff Holmes, Chief Administrative Officer

Mountain View County

STRATEGIC PLAN

VALUES (Beliefs and principles that guide decision making)

- ETHICAL • FAIR-MINDED • RESPECTFUL

VISION (Articulates the desired future direction)

An engaged rural and agricultural community inspired by the unique and diverse qualities of our people and environment

MISSION (The County's distinctive identity)

Provide high quality services in support of a healthy, safe, and vibrant rural community

(Ideal states to be achieved through services, policy and advocacy)

Agriculture

1. Support traditional, innovative, and value-added agriculture industry.

Community / Quality of Life

1. Promote safe communities.
2. Provide and support culture and recreational opportunities.
3. Foster an environment for people to age in their communities.
4. Promote a vibrant, rural culture in Mountain View County.

Economy / Financial Health

1. Enable business diversification and retention.
2. Ensure adequate resources to meet Council approved service levels.
3. Programs and services are delivered efficiently and fairly within a fiscally responsible framework.

Environment

1. Protect and preserve the natural environment through programs, education and collaboration.

Governance

1. Adhere to a culture of open communication and responsive effective governance.
2. Engage in respectful, positive and productive relationships while maintaining our local autonomy.

Infrastructure

1. Provide and maintain sustainable infrastructure efficiently, effectively and in an environmentally responsible way in our rural neighbourhoods.

2019 / 2020 OPERATIONAL PRIORITIES (Key drivers for focused action)

1. Statutory and Policy Framework
2. Asset Management
3. Economic Development
4. Communications & Public Engagement

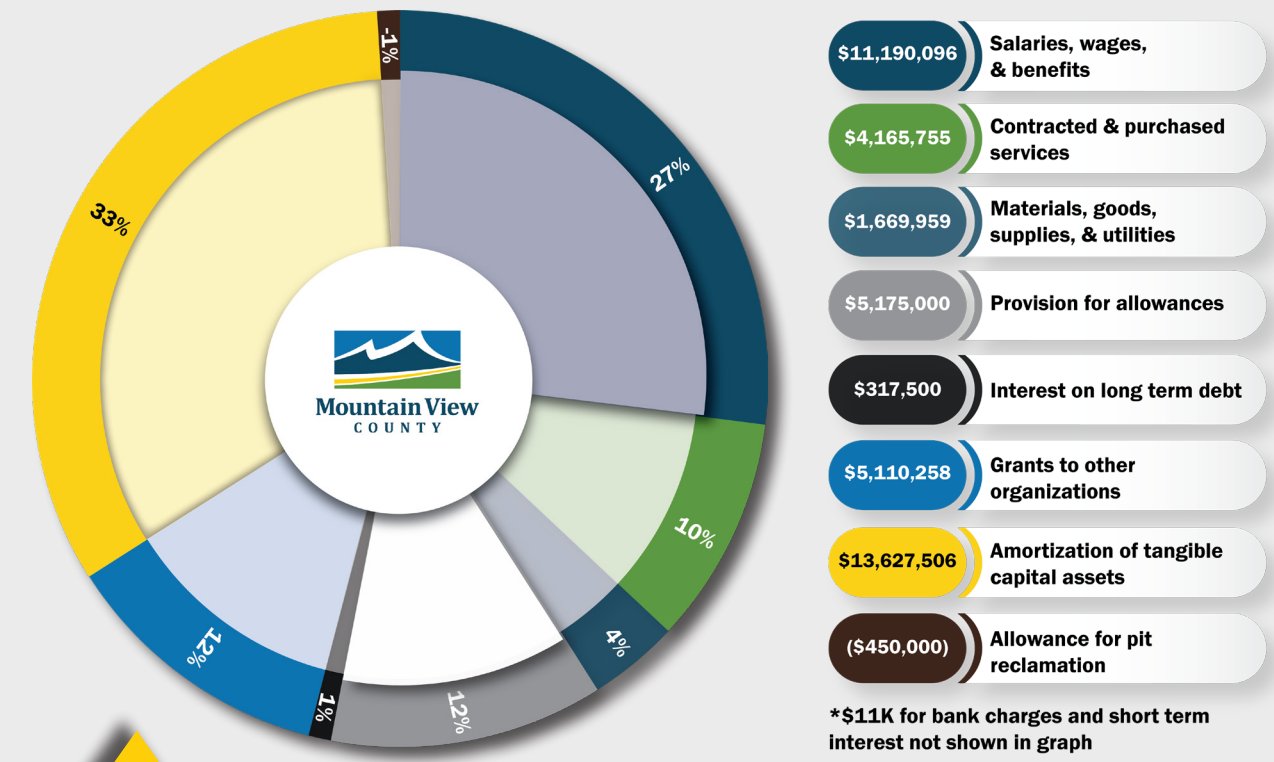
KEY SUCCESS FACTORS (Conditions that when properly managed, will significantly impact the County's ability to achieve its Vision)

- EFFECTIVE RELATIONSHIPS • FISCAL RESPONSIBILITY
- STRONG POLICIES AND PROGRAMS • INFORMED PUBLIC

KEY PERFORMANCE INDICATORS (Basic measures used to gauge actual results against the KSFs and Goals)

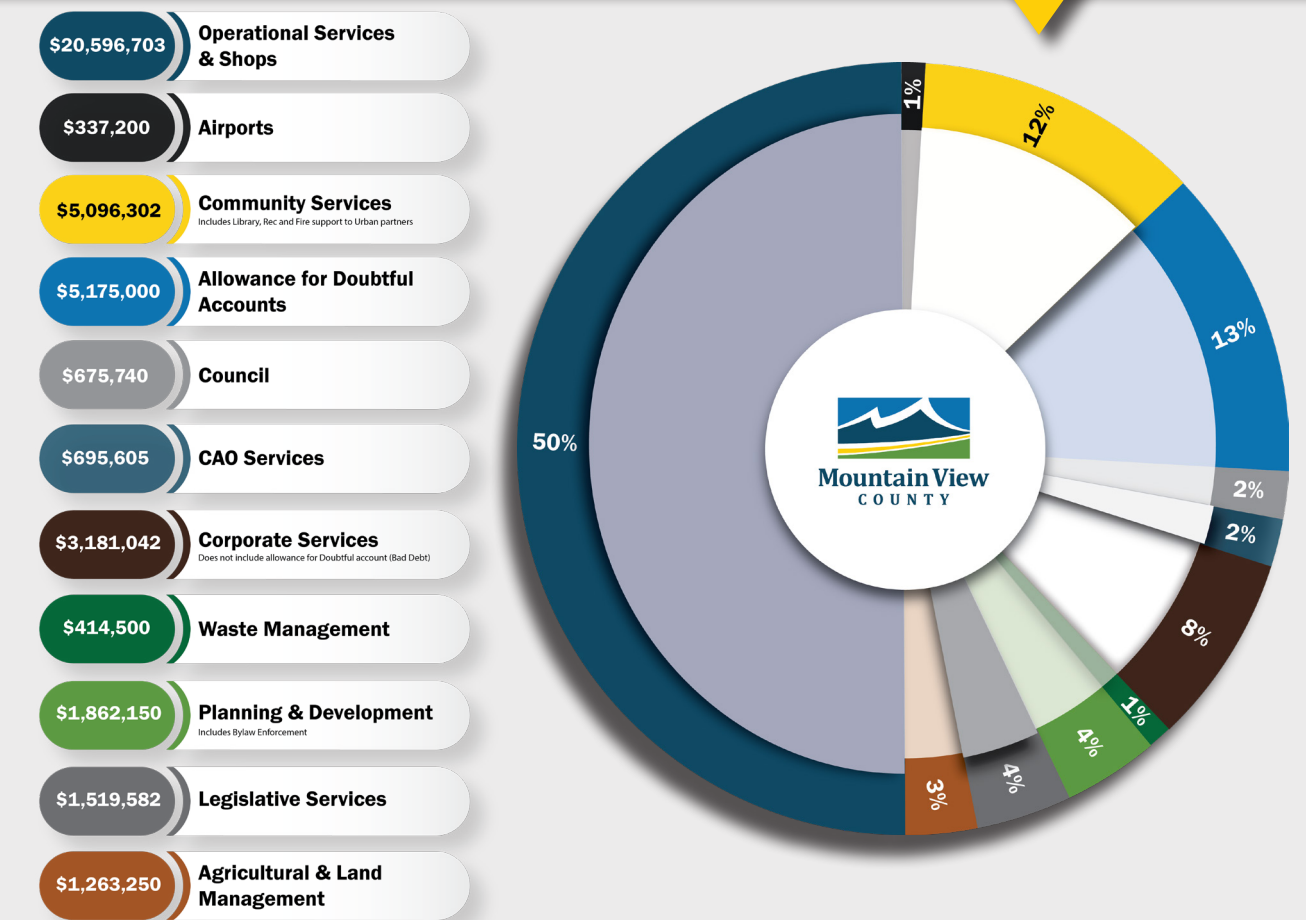
1. Financial Metrics
2. Strategic Alignment
3. Public Engagement
4. Operational Excellence
5. Economic Growth
6. Safe Communities
7. Collaboration
8. Sustainability

OPERATING EXPENSES BY TYPE



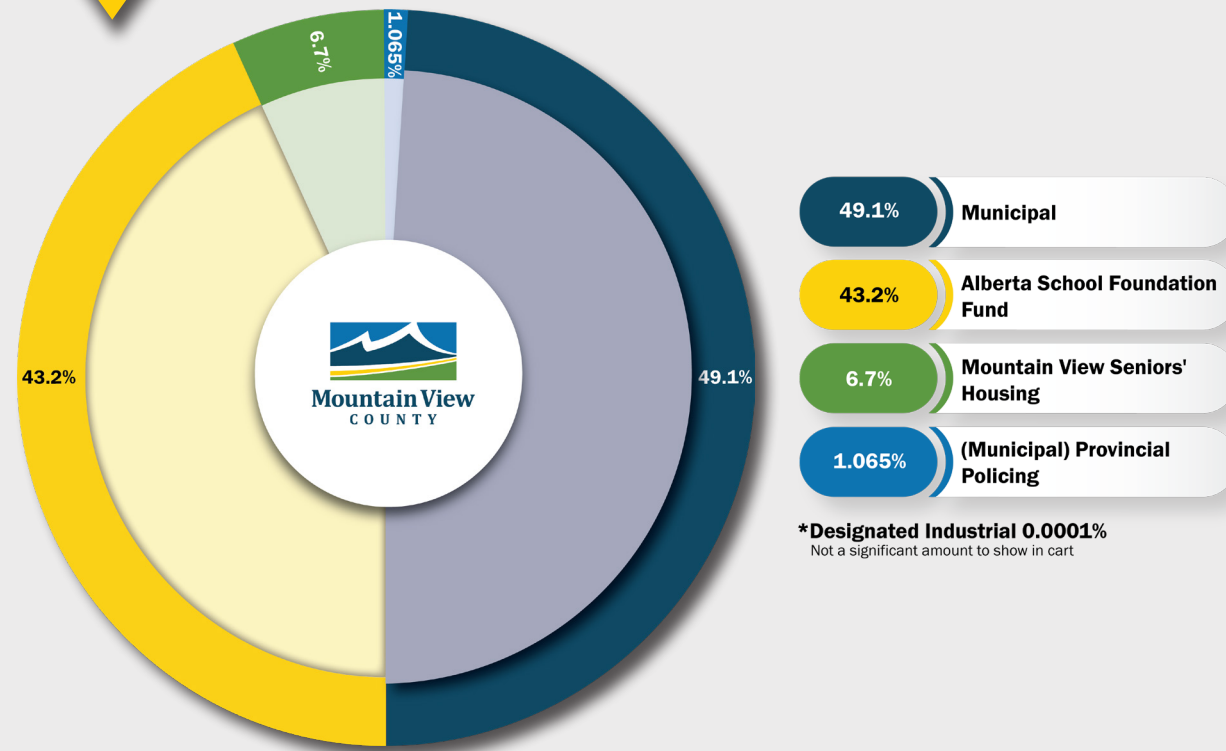
Mountain View County Operating Expenses are the expected costs for conducting County business in 2020, delivering services and programs to County residents directly or through partners, including the four Towns and Village.

OPERATING EXPENSES BY DEPARTMENT



For residential taxpayers, the education requisition represents 43.2% of your total tax bill in 2020, while 49.1% of the typical residential property tax bill goes to municipal use.

RESIDENTIAL TAX DOLLARS

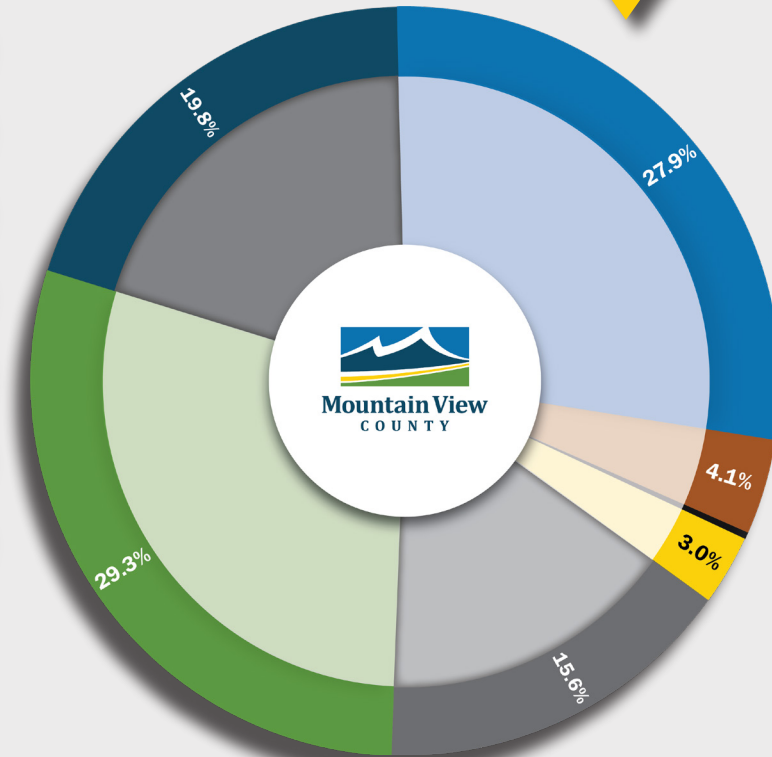


Tax Dollars Available For Municipal Service

Just over 67.7% of all property taxes (industrial, commercial, agricultural and residential) collected by Mountain View County is used to provide infrastructure, and services to County residents. The remaining 32.3% is split between the Province to fund education (A.S.F.F.) and Mountain View Seniors Housing.

TOTAL PROPERTY TAXES COLLECTED

- \$12,162,368 AASF
- \$1,786,954.06 MVSH
- \$139,489.97 DIP
- \$1,320,773.82 Farmland
- \$6,801,123.03 Residential
- \$12,785,874.21 Linear
- \$8,665,385.06 Non-Residential



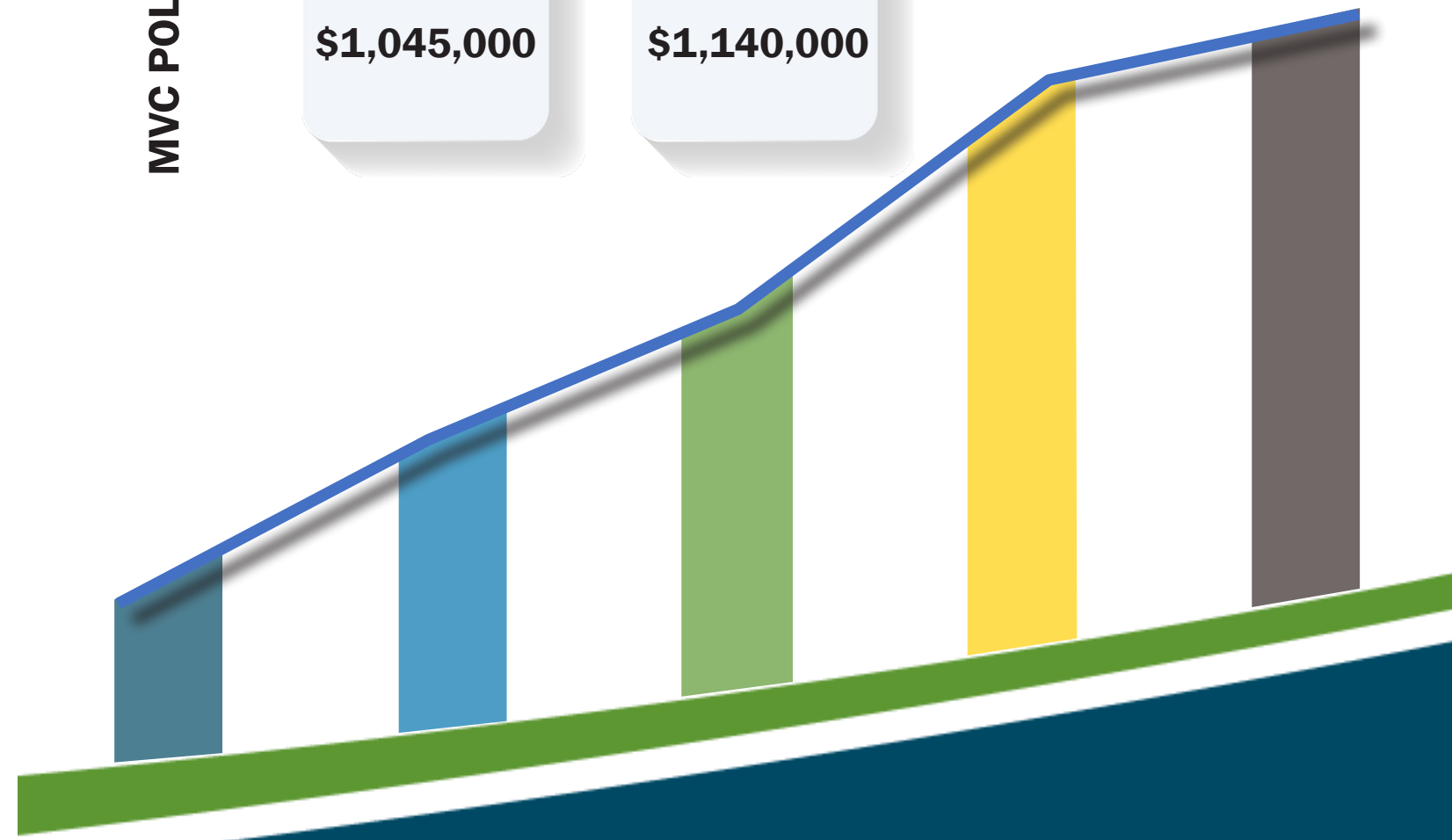
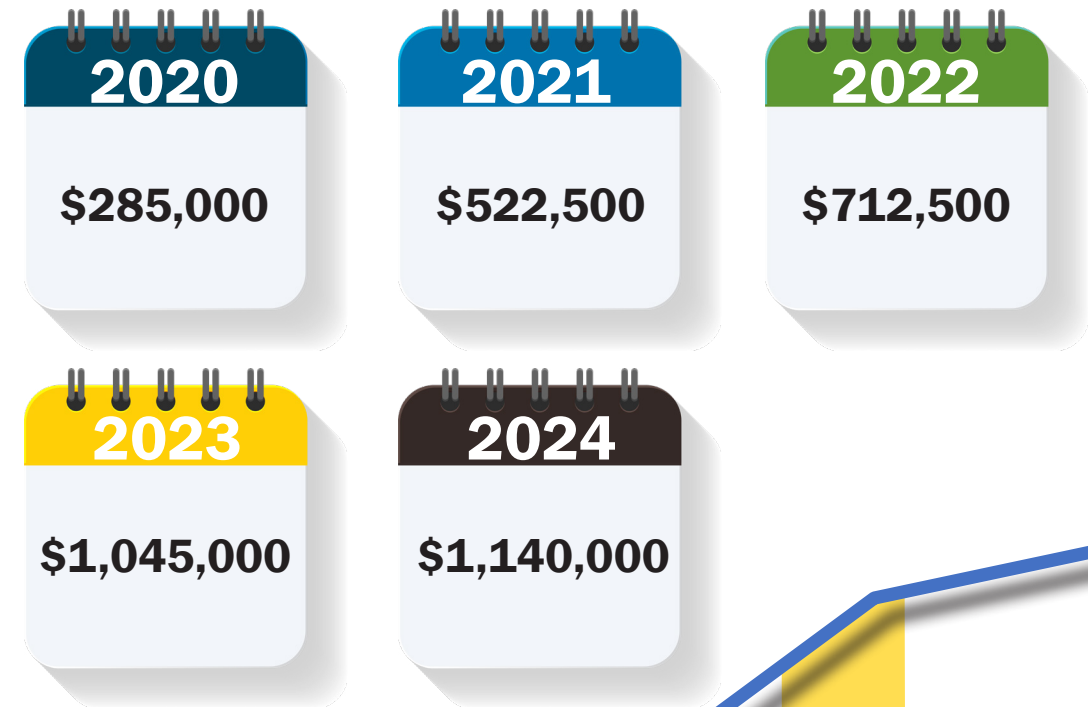
Total Taxation including Requisitions
\$43,661,968.15

\$ POLICING COSTS

New for the 2020 Budget for Mountain View County is a requirement from the Province of Alberta to contribute directly to policing costs.

The amount Mountain View County pays annually is formulated based on an equal combination of equalized assessment and population.

MVC POLICING COSTS BY YEAR



MUNICIPAL PARTNERSHIPS:

It is important to note that the County has many agreements in place with its urban partners to provide services to the greater community. These agreements cover a wide range of service from Family and Community Support Services funding to Fire protection. Besides these agreements, the County funds other projects for recreation and culture as well as funding Intermunicipal Collaboration Reserves annually which the County's Urban Partners can access for capital projects.



FIRE SERVICES FUNDING:



The County contributes both operating and capital funding to the five municipal fire departments that service Mountain View County.

The operating expenses are split with the Urban Municipalities and the capital expenses are agreed to in a Capital Replacement Plan between the County and the corresponding urban municipality. The County directly operates the Cremona and District Emergency Services Department which results in MVC paying much of the operating and all capital expenses. The Village contributes on a per capita basis and provides the Cremona Fire Hall as part of the partnership.

RECREATION FUNDING:

Urban Municipalities work collaboratively with the County to plan and provide facilities and services for the benefit of residents of both municipalities. County funding for recreation and culture is based on a per capita rate for the rural population in each recreation district. The per capita funding is higher for those communities which have a swimming pool located within their jurisdiction. Annually, the per capita amount is increased based on the Consumer Price Index (CPI). Following are the 2020 per capita rates:



\$172.28/per capita with pool \$111.03/per capita with no pool

Cremona Recreation funding is calculated on a per capita rate of \$79.31, and distributed through the Cremona & District Recreation Board, as per Policy and Procedure No. 8016. An additional per capita rate of \$31.72 is placed in the Cremona Intermunicipal Collaboration Reserve that is intended to support non-recreation intermunicipal Capital projects that occur within the Village of Cremona that Mountain View County deems to have mutual benefit.

Additionally, the County sets aside a capital recreation fund annually that, at County Council's discretion, can be provided to Urban Municipalities on an as-needed basis. This fund is comprised of the remaining funds from the 9% of net tax revenue collected, minus the annual per capita operating contributions, that is designated for recreation funding to the towns.

LIBRARY FUNDING:

Library Funding is also distributed to Urban Municipalities annually, to maintain and operate each municipal library located within their jurisdiction. In 2020 the per capita rate for libraries is calculated at \$16.30 based on the rural population in each recreation district. Library funding in the Cremona Recreation District is distributed on a 70/30 percent per capita split between the Cremona Library and the Water Valley Library respectively. The per capita rate is increased annually based on the Consumer Price Index (CPI).

The County also pays a requisition amount to the Parkland Library System based on a per capita formula. In 2020, the County has budgeted for \$111,800 which Parkland uses to fund the system, including funding back into the local libraries, all of which are members of the Parkland system.



	TOWN OF CARSTAIRS	VILLAGE OF CREMONA	TOWN OF DIDSBURY	TOWN OF OLDS	TOWN OF SUNDRÉ	
FUNDING TYPE						
FCSS	\$29,036	\$45,152	\$40,698	\$48,365	\$59,007	\$222,258
Fire - Operating	\$166,660	\$300,240	\$168,450	\$267,975	\$180,180	\$1,083,505
Fire - Capital Equipment	-	\$395,000	\$348,750	-	-	\$743,750
Fire - Contributed Assets	\$395,000	-	\$395,000	\$395,000	-	\$1,185,000
Library	\$27,840	\$43,293	\$39,020	\$46,375	\$56,576	\$213,104
Recreation - Operating	\$189,639	\$210,647	\$412,438	\$490,137	\$597,984	\$1,900,845
Recreation - Capital	-	\$245,636	-	-	-	\$245,636
	\$808,175	\$1,239,968	\$1,404,356	\$1,247,852	\$893,747	\$5,594,098

**Does not include funding for the Intermunicipal Collaboration Reserve
 NOTE: for comparative purposes \$115K of amortization has been removed from the Village of Cremona Fire Operating Budget.

COMMUNITY GRANT FUNDING

Every year Mountain View County has Community Grant Funding available that's directly provided to organizations (such as the Museums Grants, STARS grant or the Olds College Werklund Institute Grant) or is applied for by community groups to provide programs or services that benefit County residents. Some of the grant programs do allow groups from the Urban Municipalities within Mountain View County to apply, provided the program and/or service is available to County residents. The Strings & Keys Music Education Funding is available to residents from the County and the five urban municipalities.



RECURRING COMMUNITY GRANTS



TOTAL
\$468,773

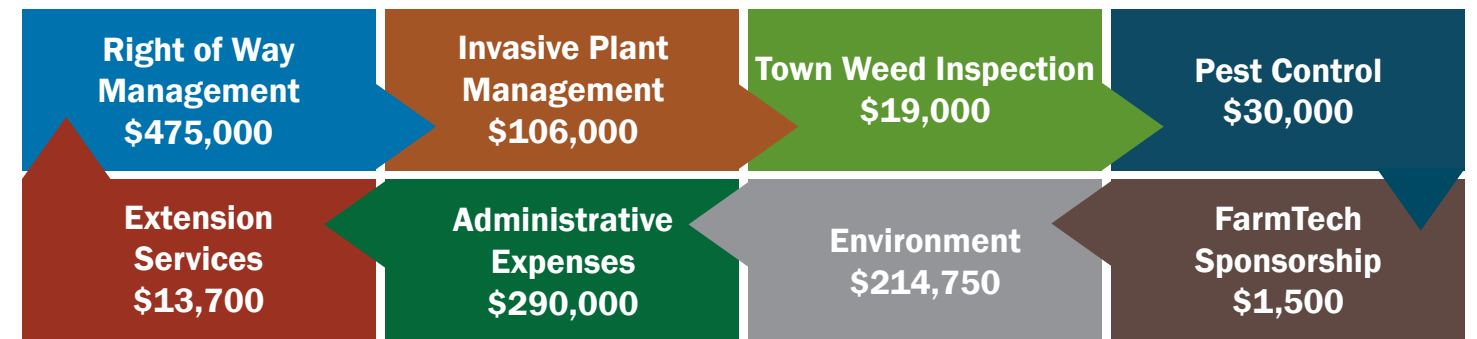
AGRICULTURAL, LANDS & PARKS SERVICES FUNDING



Mountain View County Council has made agriculture and land management one of the cornerstones of its strategic plan (see PG 3). Developing policies and bylaws that help preserve agricultural land and support the continuation and development of agricultural business is one part of seeing the strategy through. The other is providing a budget to the Agricultural Services Department and the Agricultural Service Board to ensure those policies have the resources needed to achieve Council's goals and service levels.

For 2020, Mountain View County has approved a budget for Agricultural, Lands & Parks Services totalling \$1.26 Million. Broken down, the services provided include:

- \$55,300 for Land Management which includes maintenance of the County's land inventory, and business park maintenance, plus some other general land management needs.
- \$58,000 for Parks management, including maintaining the County's day-use areas and Water Valley campground.
- The largest portion of the Ag Services Budget is for the operations under the advisement of the Ag Service Board; a total of \$1.15 Million. Included within this budget are the following services:



- The Agricultural Service Board budget is funded by just under \$310,000 in grants and other revenues, with funding requirements of just over \$840,000 from municipal tax revenue.
- Right of Way Management includes roadside spraying, brush control, grass seeding, grass mowing, and the Toad Flax Program, among others.

CAPITAL AND OPERATING PROJECTS

Every year Mountain View County Council approves a Projects Budget to address the capital and infrastructure needs of the municipality. Typically, projects are funded through a combination of tax revenue, reserves, and grants from other levels of government.

In 2020 Council approved Capital Projects for a total of \$26,858,130. Council also approved \$2,933,901 for Operating Projects, plus an additional \$5 million allowance for doubtful accounts (bad debt). The annual Projects budget is approved before the turn of the year to facilitate the tendering of large projects in order to ensure competitive pricing and having contractors for project work.



Mountain View County also includes annual programs within the capital portion of the Projects Budget. These programs are dedicated towards maintaining and enhancing County road infrastructure and are based on service levels approved by County Council.

These programs include:

- Re-gravel Program
- Re-chipping Program
- Asphalt Long Patching
- Base Stabilization
- Subdivision Chip Program

RE-GRAVEL PROGRAM

Graveled roadways require re-gravelling, on average, once every three years. The Re-gravel Program targets 650 km of re-gravel per year, based on an assumed spread of 222 tonnes/km.

2020 Re-gravel Program budget: \$2,250,000

RE-CHIPPING PROGRAM

Mountain View County Operational Services annually selects 122 km of hard surfaced chip sealed roads for re-chipping. The re-chipping is scheduled on a seven-year life cycle. This program's major cost driver is paving oil, making it subject to the volatility of crude oil pricing.

2020 Re-chipping Program budget: \$1,275,000

LONG PATCHING PROGRAM

Operational Services evaluates hard surface roads and selects the most critical sections for long patching, which entails treating a section of chip sealed or paved road that is failing. The program applies asphalt patches to a large section rather than spot patching potholes and cracks. Long patching is a temporary solution to enhance the integrity of the road and prolong its life and to protect the road until it can be improved or rebuilt. On average the County completes 0.4 km of long patching per year.

2020 Long Patching Program budget: \$400,000

BASE STABILIZATION PROGRAM

The Base Stabilization program (nicknamed rip and chip) is meant to address repair issues on chip sealed roads, to allow sealing of multiple kilometers of roads either by contract work or by County staff. Roads requiring base stabilization are selected to be ripped in year one and then chipped in year two. Each year includes both the current year's selected roads for ripping and the chipping of the prior year's rips. The program is designed to maximize cost efficiency and to achieve the maximum life cycle for the roadway.

2020 Base Stabilization Program budget: \$480,000

SUBDIVISION CHIP PROGRAM

A program to re-chip the portion of roadway within County Subdivisions on an annual basis. The program is based on need

2020 Subdivision Chip Program Budget: \$120,000

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