

TOWN OF LAMONT 3-YEAR OPERATING PLAN



MGA SECTION 283.1 CHANGE

- Section 283.1 includes the following:
- Each municipality must prepare a written plan respecting its anticipated financial operations over a period of at least the next 3 financial years (283.1(2))
- Council must review and update the plan annually.

WRITTEN 3 YEAR OPERATING PLAN REQUIREMENT

- If Budget approved in the 2019 Calendar Year (e.g. December 2019), develop 2020 Annual Budget + 2 Year Plan;
- If the Budget approved in the 2020 Calendar Year (e.g. April 2020), develop 2020 Annual budget + 3 Year Plan.

FINANCIAL PLAN – MINIMUM STANDARDS

- In addition to section 283.1 of the MGA, the Municipal Corporate Planning Regulation establishes a minimum standard for the content of financial and capital plans.
- The regulation provides that the **three-year financial plan** must include, at a minimum
 - anticipated total revenues and total expenses by major category
 - anticipated annual surplus or deficit
 - anticipated accumulated surplus or deficit.



THREE-YEAR PLAN ASSUMPTIONS

- Projected inflation rate is at 1.3% per year.
- Growth at 0.5% per year
- MSI Operating grant stay no change at \$66,161 for 2021 and 2022.
- Tax and Utility rates increased by 1.3%. Franchise fee to remain on change.
- Policing Cost recovery at 15% model for 2020, 2021, and 2022.
- No major changes in service levels

REVENUE BY DEPARTMENT

Revenue by Department	2020 Budget	2021 Forecast	2022 Forecast
Admin	(2,938,351)	(2,973,193)	(3,008,471)
Water	(569,910)	(577,267)	(584,719)
Garbage	(338,095)	(342,490)	(346,942)
Arena	(224,534)	(224,989)	(225,446)
Sewer	(169,523)	(171,723)	(173,951)
Hall	(25,500)	(25,628)	(25,756)
Park	(10,500)	(10,553)	(10,605)
Street & Road	(6,000)	(6,030)	(6,060)
Planning & Subdivision	(3,000)	(3,015)	(3,030)
Bylaw	(2,500)	(2,513)	(2,525)
Cemetery	(2,000)	(2,010)	(2,020)
Curling Rink	(500)	(503)	(505)
Total	(4,290,413)	(4,339,912)	(4,390,032)
% Increase		1.15%	1.15%

EXPENSES BY DEPARTMENT

Expenses by Department	2021		2022
	2020 Budget	Forecast	Forecast
Street & Road	733,300	746,499	759,936
Admin	695,700	708,222	720,970
Other & School Fund	615,760	626,844	638,127
Water	607,900	618,842	629,981
Public Work	570,343	580,609	591,060
Garbage	388,510	395,503	402,623
Arena	374,122	380,856	387,711
Sewer	216,700	220,601	224,571
Hall	168,009	171,033	174,111
Planning & Subdivision	163,350	166,290	169,284
Council	142,200	144,760	147,365
Curling Rink	138,029	140,514	143,043
Park	94,963	96,672	98,413
Bylaw	60,420	61,508	62,615
Fire	47,850	48,711	49,588
Town Beautification	30,500	31,049	31,608
Storm Sewer	17,400	17,713	18,032
FCSS	11,275	11,478	11,685
Cemetery	4,800	4,886	4,974
Disaster Service	1,500	1,527	1,554
Total	5,082,630	5,174,117	5,267,252
% Increase		1.80%	1.80%

REVENUE BY OBJECT

Revenue by Object	2020 Budget	2021 Forecast	2022 Forecast
Tax	(2,593,269)	(2,626,386)	(2,659,930)
Utility Sales	(1,070,528)	(1,084,445)	(1,098,543)
Fees	(492,382)	(494,844)	(497,318)
Grants	(134,234)	(134,238)	(134,241)
Total	(4,290,413)	(4,339,912)	(4,390,032)
% Increase		1.15%	1.15%

EXPENSE BY OBJECT

Expenses by Object	2020 Budget	2021 Forecast	2022 Forecast
Wage & Benefit	1,328,931	1,352,852	1,377,203
Amortization	956,209	973,421	990,942
Contracted Services	757,373	771,005	784,883
Alberta School	515,000	524,270	533,707
Repairs	238,600	242,895	247,267
Electricity	224,000	228,032	232,137
Others	220,910	224,886	228,934
Water purchase	220,000	223,960	227,991
Goods & Supplies	138,700	141,197	143,738
Solid Waste C	108,958	110,919	112,916
County Of Lan	77,000	78,386	79,797
Insurance	76,560	77,938	79,341
Natural Gas	62,800	63,930	65,081
Water	28,350	28,860	29,380
Fuel	26,700	27,181	27,670
Telus	18,340	18,670	19,006
Advertising &	15,200	15,474	15,752
Travel	14,960	15,229	15,503
Training/Deve	12,115	12,333	12,555
FCSS	11,275	11,478	11,685
Postage & Fre	10,750	10,944	11,140
Public Relatio	7,000	7,126	7,254
Janitorial Supp	6,500	6,617	6,736
Chemical	5,400	5,497	5,596
Bank Interest	1,000	1,018	1,036
Total	5,082,630	5,174,117	5,267,252
% Increase		1.80%	1.80%

CASH FLOW AT OPERATION ANALYSIS

Cash Flow Analysis	2020 Budget	2021 Forecast	2022 Forecast
Revenue	4,290,413	4,339,912	4,390,032
Expenses	5,082,630	5,174,117	5,267,252
Profit/(Loss)	(792,217)	(834,205)	(877,220)
Add back Amortization	956,209	973,421	990,942
Funds available for Capital	\$ 163,992	\$ 139,216	\$ 113,723

TOWN OF LAMONT 5-YEAR CAPITAL PLAN



MGA SECTION 283.1 CHANGE

- Section 283.1 includes the following:
- Each municipality must prepare a written plan respecting its anticipated capital property additions over a period of at least the next 5 financial years (283.1(3)).
- Council must review and update the plans annually.

WRITTEN 5 YEAR CAPITAL PLAN REQUIREMENT

- If Budget approved in the 2019 Calendar Year (e.g. December 2019), develop 2020 Annual Budget + 4 Year Plan;
- If the Budget approved in the 2020 Calendar Year (e.g. April 2020), develop 2020 Annual budget + 5 Year Plan.

CAPITAL PLAN – MINIMUM STANDARDS

The minimum standard provided in the regulation for **capital plans** includes:

- Planned capital additions and allocated or anticipated funding sources.
- Municipalities with financial and capital plans that meet or exceed the multi-year requirements do not need to make any changes to existing practices.

Municipal Capital

Diverse

Valuable

Complex



TOWN OF LAMONT CAPITAL PLAN 2020- 2024

Project Description	2020	2021	2022	2023	2024
51 Street Road and Watermain Improvements	653,400				
Bike Park	27,000				
Campbell Playground		14,000			
Playground Enhancement		TBA			
57 Ave/45 Street Road Reconstruction		446,350			
49 Street Reconstruction		179,630			
55 Street Road Reconstruction		179,630			
52 Ave Road Reconstruction		179,630			
Roof repalcement at Arena		350,000			
Kubota F2560 Mower		32,000			
Olympic Ice Resurfacer Millenium 2000		89,288			



TOWN OF LAMONT CAPITAL PLAN 2020- 2024

Project Description	2020	2021	2022	2023	2024
Kubota F2690E with 72" mower deck		32,000			
Hotsy 3500 psi 1075BE		2,500			
Case 509SM Backhoe Loader w extra snow bucket and front fork		85,000			
GMC Sierra 1500		32,000			
Campbell Improvement Stage 2-Phase 1			862,901		
Campbell Improvement Stage 2-Phase 2				787,691	
New LED Lighting at Arena				85,000	
John Deere Skid Steer JD320				65,000	
50 Ave Improvements					1,278,600
Two new compressors at Arena					75,000
Total	680,400	1,622,028	862,901	937,691	1,353,600

TOWN OF LAMONT 2020 – 2024 BY ASSET GROUP

Asset Group	2020	2021	2022	2023	2024	Total
Buildings		399,000		85,000		484,000
Machinery and Equipment		240,788		65,000	75,000	380,788
Sidewalks, Trails, and Park	27,000	14,000				41,000
Utilities						-
Vehicles		32,000				32,000
Roadway Infrastructure	653,400	985,240	862,901	787,691	1,278,600	4,567,832
						-
Total	680,400	1,671,028	862,901	937,691	1,353,600	5,505,620

FIVE YEAR CAPITAL PLAN – FUNDING ANALYSIS

Project Description	2020	2021	2022	2023	2024
Funding from Operating Surplus to Reserve	151,990	139,216	113,723	113,723	113,723
Funding from Reserve	106,760				
Plus Capital Grants:					
- MSI Capital	194,259	169,977	-	-	-
- Basic Municipal Transportation Grant (BMTG)	111,348	114,109	-	-	-
- Local Government Fiscal Framework (LGFF) Capital	-	-	272,367	272,367	272,367
- Gas Tax Funding (GTF)	102,543	107,166	107,166	107,166	107,166
Other revenues	13,500				
Total Funds Available	680,400	530,467	493,256	493,256	493,256
Total Cost of Proposed Capital Project	680,400	1,671,028	862,901	937,691	1,353,600
Deficit (The amount of additional funds needed)	(0)	(1,140,561)	(369,645)	(444,435)	(860,344)

FIVE YEAR CAPITAL PLAN – FUNDING ANALYSIS

- Source of funding to balance the deficit are:
 - Funds from reserve
 - Debenture
 - Adjust tax and utility rates

RESERVE LEVEL

Reserve Categories	2019 Amount (\$)	2020 Amount (\$)
Unrestricted		
Fire	7,986	7,986
Public Work	62,073	62,073
General	384,128	384,128
Administration	486,127	486,127
Water	14,000	14,000
Storm Sewer	15,000	15,000
Sewer	77,500	77,500
Planning & Subdivision	1,627,311	1,620,969
Recreation General	52,500	52,500
Hall	10,000	10,000
Arena	242,100	40,997
Park	17,615	17,615
Curling Rink	10,000	10,000
Total unrestricted Reserve	3,006,340	2,798,895

LIABILITY – DEBENTURE I

- Semi annual payment - \$48,594.67
- Current balance - \$787,251.19

Debenture for Water & Sewer Project Cross Highway 15

Date of Loan	16-Dec-13
Principle Amount	\$ 1,143,000.00
Term	15 years
Interest Rate	3.295%
Total Interest	\$ 314,840



LIABILITY – DEBENTURE II

- Semi annual payment - \$23,956.39
- Current balance - \$487,903.97

Debenture for Public Work Shop:

Date of Loan Issued	16-Mar-09
Principle Amount	\$ 675,000
Term	25 years
Interest Rate	5.066%
Total Interest	\$ 522,820



THE TOWN FINANCIAL POSITION COMPARISON

Financial Position Comparison						
Municipalities	Population	Cash on Hand	Reserve	Debts	Reserve vs Debts	Unused Debt Limits
Redwater	2053	3,682,285	2,296,300	2,586,732	(290,432)	8,275,964
Lamont	1774	4,415,845	3,058,010	1,332,546	1,725,464	4,142,381
Bruderheim	1308	1,288,068	1,051,166	1,499,376	(448,210)	2,626,455
Mundare	852	330,799	301,633	1,342,036	(1,040,403)	1,695,771

Note:

1. the population was based on the 2016 Census
2. the rest of information was based on 2018 audited financial statements

LONG TERM FINANCIAL PLANNING BENEFITS

- **Primary Benefit:**
- Identifies **future financial challenges and opportunities**, allowing the leadership group to **plan ahead** and develop “a roadmap” to **minimize/eliminate challenges** and **take full advantage of opportunities**.

Services



Quality of Life



Taxes,
Utility Rates,
Fees &
Charges

QUESTIONS??????

