

Town of Hinton

Budget 2022

Approved March 1, 2022



Introduction

Budget 2022 presents the approved 2022 Operational Budget for the Town of Hinton, including key operating priorities for each Department within the municipal organization.

This budget provides an overview of the resources to be allocated for the delivery of daily services, including the costs to run community facilities, community events, social programs, and support of staff who maintain and operate essential infrastructure like roads, utilities, and pathways.

Budget 2022 aligns directly with the Town of Hinton's Community Vision Plan and Strategic Plan in order to advance Council's prioritized goals in a cohesive and streamlined manner.

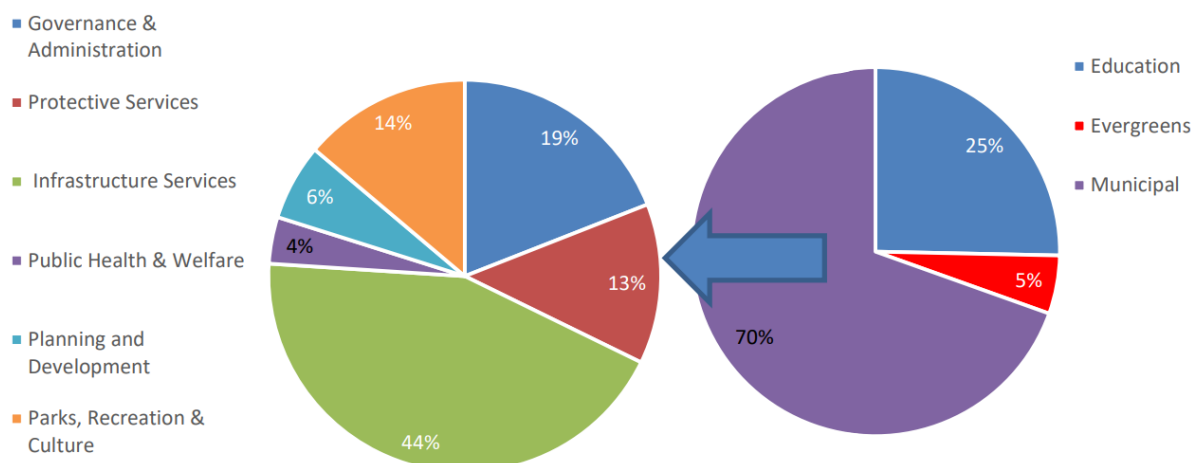
Priority Areas for 2022

1. Maintaining existing service levels
2. Maintaining a +/- 1% tax levy
3. Tactical implementation of the 2022-2025 Strategic Plan
4. Securing Municipal Utility Servicing Agreements with West Fraser

Tax Levy Distribution

Property taxes are a primary source of revenue for municipalities and are used to finance local programs and services. Each year, Council determines the amount of money required to operate the Town. From this, Council subtracts known revenues such as licences, grants, permits, and user fees. The remainder (the revenue requirement) is the amount of money the municipality collects through property taxes in order to provide programs and services throughout the year.

The Town of Hinton collects taxation for municipal services as well as for the provincial education levy, the Evergreens Foundation levy for senior housing, and the designated industrial assessments levy that is paid to the Province. The tax levy distribution can be seen below:



Budget 2022 Overview

The Town of Hinton Operating Budget provides the financial allocations to support the delivery of efficient daily services. The funds committed to supporting specific programs and service branches are directly related to the draft proposed priority focus areas and the long-term vision for the Town. The Operating Budget must contain all possible forecasted costs required by the Town to carry out operations and meet specified financial obligations and challenges.

The 2022 Operational Budget was approved with a revenue requirement of \$13,099,872 from municipal taxation. The requisition for the provincial education levy from the Province of Alberta is \$4,747,030, the requisition for seniors' housing from the Evergreens Foundation is \$959,564 (which comprises both operating and capital requirements) and the requisition for the designated industrial assessment levy is \$28,758.

From this, Administration projects a 0.99% tax increase for residential properties and a 1% increase for non-residential properties in 2022.



	2022 Budget	2021 Budget
Sources of funds		
General Taxes	\$18,835,224	\$18,068,586
Requisitions	-\$5,735,351	-\$5,195,564
Net Municipal Taxes	\$13,099,872	\$12,873,022
Government Transfers for Operating	\$3,970,995	\$4,075,871
User Fees and Sale of Goods	\$6,740,457	\$6,833,662
Fines	\$310,000	\$440,000
Franchise Fees	\$1,732,520	\$1,732,520
Investment Income	\$143,760	\$235,230
Rentals	\$465,360	\$597,283
Other Revenue	\$138,566	\$191,624
Development Levies	\$21,000	\$10,000
Penalties on Taxes	\$168,625	\$195,361
Gain on Disposal of Assets	-	-
Licences and Permits	\$262,000	\$234,600
Interdepartmental Transfers	\$1,594,315	-
Total Revenue Funding Sources	\$28,647,470	\$27,419,173
Transfers from Reserves	\$969,000	\$1,312,524
Total Funds Available	\$29,616,470	\$28,731,697

Please note values are rounded to the nearest dollar

	2022 Budget	2021 Budget
Operating Expenses by Nature		
Salaries, Wages & Benefits	\$12,342,594	\$11,781,278
Contracted & General Services	\$7,086,879	\$7,115,331
Materials, Goods, Supplies & Utilities	\$3,346,661	\$3,434,519
Amortization of Tangible Capital Assets	\$4,701,569	\$4,701,503
One-Time Operational Projects	\$658,571	\$976,111
Transfers to Local Boards & Agencies	\$581,600	\$371,949
Long Term Debt Interest	\$158,111	\$204,167
Bank Charges and Short Term Interest	\$28,085	\$23,854
Interdepartmental Transfers	\$1,522,416	-
Total Operating Expenditures	\$30,456,486	\$28,608,712
Long Term Debt Principal	\$689,553	\$1,122,269
Transfers to Reserves	\$3,172,000	\$3,702,219
Total Non-Operational Expenditures	\$3,861,553	\$4,824,488
Total Expenditures	\$34,318,039	\$33,433,200
Less: Non-cash item Amortization	-\$4,701,569	-\$4,701,503
Total Expenditures Less Amortization	\$29,616,470	\$28,731,697



CAO's Office

Governance, Human Resources, CAO's Office.

Operating Priorities 2022

- Unifor Local 855 Collective Bargaining
- Diversity and Inclusion Policy and Procedures
- Salary Survey
- Anti-Drug and Alcohol Training

2022 Budget	2021 Budget
\$1,152,440	\$915,215

Community Services

Parks, Recreation, Culture, Transportation, Family & Community Support Services (FCSS), Library, Performing Arts, & Museum.

Operating Priorities 2022

Parks, Recreation & Culture:

- Develop two-tiered pricing structure for equipment rentals
- Strive to keep all available services and areas clean and maintained
- Showmobile sound upgrade
- Beautification of various green spaces
- Ensure programs and amenities are accessible and enjoyable for all

Library:

- Continue to build partnerships with stakeholders to deliver quality programs that are in line with the library's Plan of Services
- Increase our collection development, informed by a collection analysis from YRL (Yellowhead Regional Library)
- Integrate YRL services into operating and programming strategies

FCSS:

- FCSS plans to play a larger role in the Domestic Violence Committee focussing on education and awareness
- Increase enrollment for HKFS (Hinton Kids for Success) and Discovery Camp
- Continue the development of the Rural Mental Health project initiated in 2020
- Continue Regional Elder Abuse Prevention and provincial advocacy
- Deliver trauma informed sessions to the community
- Increase partnerships and supports for respite care and individuals with disabilities

	2022 Budget	2021 Budget
Parks, Recreation and Culture	\$3,121,834	\$2,964,077
FCSS	\$449,869	\$428,311
Transit	\$362,185	\$311,051

Corporate Services

Finance, Human Resources, Information Technology, Insurance, Legal, Legislative.

Operating Priorities 2022

- Bylaw and Policy updates (financial Policies and Bylaws of highest priority)
- Council Strategic Planning
- Operational Business Plan
- Banking system upgrade and enhanced customer service
- Reserve Policies
- Server upgrade
- Preparation of Budget Policy
- Adoption of 2023 Budget in December

2022 Budget	2021 Budget
\$1,778,395	\$1,755,372

Development & Infrastructure Services

Capital Planning, Construction, Economic Development, Planning & Development Services, Geographic Information Systems Services, Waste/Wastewater, Roads & Sidewalks, Waste & Recycling, Building Maintenance, Fleet Management.

Operating Priorities 2022

- Short Term Rental Bylaw
- Land Use Bylaw amendment to include provisions for Short Term Rentals
- Mobile Food Truck Vendors use of Municipal Land Policy
- Hire Municipal Energy Manager in collaboration with Municipality of Jasper (cost shared resource for 24-months)
- Undertake, over a period 3-4 years, a complete sanitary, storm and watermain pipe evaluation and integrity inspections
- Focus on inter-municipal collaboration between neighbouring municipalities in conjunction with AUMA
- Continue the facilitation of the West Yellowhead Waste Management Authority to finalize the governance and administrative model
- Focus economic development efforts on business attraction
- Asset management

	2022 Budget	2021 Budget
Infrastructure Services	\$3,596,152	\$3,853,821
Development Services	\$937,308	\$803,145

Protective Services

Fire Rescue, Bylaw Services, RCMP Services, Health and Safety Services.

Operating Priorities 2022

- Hire replacement CPO1
- Complete level Firefighter training and First Responder course
- Plan and spec out replacement Engine 27
- Review of Traffic Bylaw and Fire Services Bylaw
- Review of ATE program
- Review of Standard Operating Procedures
- Implementation of Emergency Reporting Program (Data Management)
- Additional Emergency Management Training for Town staff

	2022 Budget	2021 Budget
Protective Services	\$1,551,988	\$1,568,715
RCMP	\$1,957,932	\$1,810,392



Utility Fees

In conjunction with each year's budget preparation, Administration reviews and considers possible increases to User Fees (typically the Town's Schedule of Fees and Charges). The review has already been completed by Administration for 2022. The Town will also be increasing Utility Rates in 2022 by 4% which projects additional revenues this year of \$105,000 in the Utility area.

Utility fees comprise of a water flat rate, a sewer flat rate, a waste management fee, and capital enhancement surcharge.

- **Water flat rate:** The water flat rate is standard on utility bills across the region. Starting in 2018, revenue goes towards the Operation of the Water Treatment Plant, the running of lines, billing, and some transfer to the capital reserves for future replacement of infrastructure.
- **Sewer flat charge:** The sewer flat charge is another standard charge on municipal utility bills, and the money goes to operate sewer and storm water operations. You flush your toilet, this charge pays for the operation of all the infrastructure needed to manage that waste once it's out of sight, with some of the money transferred to the water and sewer reserve for replacement and refurbishment of water and sanitary sewer pipes and lift stations.
- **Capital enhancement surcharge:** The capital enhancement surcharge of \$10 bi-monthly was introduced in 2012 as part of a 15- year capital budget plan. Unlike the other fees listed on the utility bill, this fee is unique to Hinton. The revenue created from this fee is annually directed into the water and sewer reserve for replacement and refurbishment of water and sanitary sewer pipes and lift stations. A supplementary surcharge of \$5.00 bi-monthly for the transition of the Water Treatment Plant was introduced in 2015.

Utility Service	2020	2021	Rate % increase	Bimonthly increase	Annual increase	2022 Budget
Water Flat Rate	\$71.75	\$74.62	4	\$2.98	\$17.88	\$77.60
Sewer Flat Rate	\$29.83	\$31.02	4	\$1.24	\$7.44	\$32.26
Waste Management Fee (Residential)	\$25.16	\$26.16	4	\$1.04	\$6.24	\$27.20
Waste Management Fee (Commercial)	\$71.92	\$75.52	5	\$3.02	\$18.12	\$78.54
Capital Enhancement Fee	\$10	\$10.40	4	\$0.42	\$2.52	\$10.82
Water Treatment Surcharge	\$5	\$5.20	4	\$0.21	\$1.26	\$5.41

Capital Plan

Capital assets include the infrastructure, machines, equipment, land, technology, and facilities that support the hundreds of municipal services that are delivered to residents every day. Due to their critical role in any community, it is necessary to plan for their maintenance, repairs, and construction of new capital assets in order to maintain quality of life for residents.

There are two components to the capital budget: one-time operational projects and capital projects. One-time operational projects are for periodic maintenance, planning documents, master plans, and emergent issues requiring support that are not part of the daily operational budget and are expensed in the year the transactions occur. For capital projects, the Town invests in the development, construction, maintenance, or repair of other tangible capital assets. These have a useful life beyond one year and are used on a continuous basis. They are recorded as an asset and amortized over the projected life of the assets. Projects are usually approved on the total cost and are often completed over multiple years.

Funding for capital asset management comes from a variety of different sources, including Developer Levy Funding, Grant Funding, Reserve Funding, and Debenture Funding.

2022 Project	Budget
Rubber Surface Spray & Play Park	\$132,000
Water Treatment Plant Upgrades & Replacement	\$24,400,000
Switzer Drive Water/Sanitary Upgrades	\$410,000
Hardisty to Tamarack Water/Sanitary Upgrades	\$400,000
Gregg Ave Water Line	\$350,000
Engine 27 Replacement	\$600,000
Server Replacement	\$146,000
Various Storm Water Studies	\$50,000
Bunker Gear	\$135,000
Wildland Sprinkler Trailer	\$15,000
Pump Skid Unit	\$6,000
Public Works Equipment Upgrades/Replacements	\$60,000
Water/Wastewater Infrastructure Rehab/Replacement	\$110,000
Total Capital Budget 2022	\$26,814,000

Other capital projects planned for 2023-2026 include:

- Beaver Boardwalk Improvements
- Erith Outdoor Rink
- Park Improvements
- Water and Sewer Line Upgrades
- Water Treatment Plant Upgrades
- Columbarium/Cemetery Expansion

Revenue Used to Fund Projects	2022
Reserve Funded	\$1,590,225
Grant Funded	\$1,091,775
Debt/Loan	\$5,700,000
Other	\$18,432,000
Total Revenue Funding Available	\$26,814,000

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