Municipality of Crowsnest Pass
AS A MATTER OF FACT - A Message From Your Municipal Council

It is often said that change is difficult and people resist it. These have been difficult days in Crowsnest Pass with much misinformation circulating.

This Council campaigned on change to improve the Municipality. Despite the challenges, Council is united and continues to seek input on our plans and efforts.

We developed a Community Strategic Action Plan with help from a number of dedicated citizens who worked hard to provide public input. It contains "action items" under four main pillars. This plan is essentially a roadmap to our future.

This document has been made available to the public in hard copy at various public events and at the Municipal Office. It is also available for review on our website. We have also provided this document to businesses, agencies and to government officials including the Minister of Municipal Affairs. We have been commended for the effort and foresight in developing such a document and for implementing the recommendations, rather than allowing them to sit on a shelf.

The changes contained in the Strategic plan will make our services more efficient, more effective, and more cost-effective. They won't be easy and they will have some impact but it will be worth it.

It is easy to say we need change but when it comes to actually implementing that change there is always resistance, especially when it has a personal impact. Consolidation of Operational Services and the Fire & Rescue Services are two areas where concerns have been expressed. To be honest, the changes we are undertaking should have been made 30 years ago when amalgamation first took place. Over the years successive councils have attempted to make the changes required but always met resistance. This council intends to complete the changes required because we are all agreed they are necessary and overdue. We also have the support of the Fire Commissioner in this initiative.

The Fire Services Master Plan Review is complete and will be rolled out to the Fire Rescue personnel shortly. The purpose of the Fire Protection Master Plan is to develop a successful Fire Protection Program. A great deal of work has gone into the development of this Plan which is intended to ensure our emergency services provide industry best practices. The Master Fire Plan has reviewed present resources available relative to the needs and circumstances of the Municipality. The Plan is an objective evaluation and focuses on operational capacity, resource deployment based on community risk, response protocol, training, public

education and awareness programs, inspection, code enforcement, emergency communications, and water delivery systems in order to provide optimal levels of protection.

Currently the Fire and Rescue Services has 45 members on the active roster, made up of returning and new firefighters as well members on rescue. We have 15 members ready to respond at any given time to any given emergency. This response meets and exceeds industry best practices as laid out by NFPA, the accepted authority for fire department operations and training. To further enhance our response capabilities, an expedited training schedule is being rolled out to provide new skills to those with some experience, and to train the many interested volunteers who will require a full training program before they can respond to emergencies in the Community.

Suspending Thunder in the Valley has been another very unpopular decision Council made. That decision was made in the interest of public safety, and also due to the financial burden The RCMP made it very clear to Council that major changes were needed as they were extremely concerned for public safety. We took their advice. At this moment we are working on a plan that will make the safety changes required, and allow us to bring back a fireworks event in the future. We will be able to provide more information closer to the end of the year as plans firm up.

Over the past year we have heard on numerous fronts that we need to improve our communications. We have made some strides through regular updates of our website, implementation of Facebook and by providing monthly newsletters that are available on the Municipal Website, distributed throughout the Community and in Community mailboxes. We have also held Town hall Meetings and the Mayor has been providing a weekly address on our Community radio station. We welcome any input from the Community and have provided platforms for you to contact us with your ideas.

We welcome any input from the Community and assure you that Council is committed to making the tough changes required to put Crowsnest Pass on the road to peace and prosperity.

Council has been pleased with the Triennial Budget Process although it is very new to us. This type of budgeting allows us to allocate financial resources to the programs, services and facilities which are identified in the Municipality's vision

The Triennial Budget Process leads to improved accountability, encourages analysis, evaluation and innovation and lends itself to continuous improvement, forward thinking and transparency.

We recognize that the process is complex but Council and Administration were quite concerned at the lack of public input and interaction during the budget process. In the 4 months of that process much information was made available and deliberated during each of the budget meetings.

It is disappointing to have the Rate Payers Association voice concerns regarding the Triennial Budget given that detailed documentation and information was discussed in open public sessions earlier this year. Administration and staff also prepared and distributed budget information to residents' mailboxes and to businesses, put the information on the website, and left packages for pickup at the reception counter of the Municipal Office. It is perplexing that information was requested again by the Rate Payers Association and was made available, once again, at the meeting on October 9th at which time the Rate Payers Association asked Council to scrap the Triennial budget and return to an annual budgeting process starting with 2013.

It is very disappointing to see the October 16, 2012 Rate Payer Association newspaper insert manipulate and skew the audited financial data, as well as the Triennial Budget. This is a misrepresentation of data that is readily available and accessible through the Municipality's audited financial statements and bylaws.

General Municipal Taxes:

Rate Payers Interpretation:
TAXES have increased "$387, 331 per year."

Municipal Fact:

Municipal Tax Levies:

Year	Tax Levy (NET of *ASFF, CNP Senior Housing Requisitions)	Increase from prior year	% increase from prior year
Budget - 2014	$6,951,421	$ 96,045	1.4%
Budget - 2013	$6,855,376	$ 35,224	0.52%
2012	$6,820,152	$264,162	4.0%
2011	$6,555,990	$123,169	1.91%
2010	$6,432,821	$ 72,806	1.14%
2009	$6,360,015	$ 82,326	1.31%
2008	$6,277,689	$802,535	14.65%
2007	$5,475,154		

2012 Property Tax Levy: Linear Assessment and Railway 9.38% ($639,842) plus 37.71% ($2,570,556) paid by Coleman and Area (previously known as Ward 1), 32.6% ($2,224,664) paid by Blairmore and Frank area (previously known as Ward 2) and 20.31% ($1,385,090) by Bellevue, Hillcrest, and area (previously known as Ward 3). ***ASFF=Alberta School Foundation Fund**

Municipal Fact:

Municipal Mill Rate data from 2007 T0 2014:

Year	Total Assessment Base	Increase (decrease)	Residential-Mill Rate	Increase (decrease)	Non Residential-Mill Rate	Increase (decrease)
Budget 2014	$1,003,782,349	-1.09%	6.16847993	2.50%	11.07282265	2.50%
Budget 2013	$1,014,853,057	-1.93%	6.0180292	2.50%	10.8027538	2.50%
2012	$1,034,776,030	4.02%	5.871248	2.50%	10.539272	2.50%
2011	$994,781,170	0.91%	5.7280466	-0.34%	10.282217	-0.14%
2010	$985,820,620	-1.31%	5.747381	3.00%	10.297142	3.00%
2009	$998,927,440	6.33%	5.579981	-3.18%	9.997225	0.00%
2008	$939,483,630	45.32%	5.763281	-27.84%	9.997225	-0.59%
2007	$646,515,100		7.986733		10.056733	

- The Municipal Taxable Assessment Base is impacted by new development and fair market value adjustments with consideration in 2013 for the decreased industrial assessment relating to Devon announcements.
- The Municipal Residential Mill Rate has increased from 5.763281 (2008) to 5.871248 (2012)- less than 2%.
- The Municipal Non Residential Mill Rate has increased from 9.997225 (2008-2009) to 10.539272 (2012) approx 5.4%.

Municipal Utilities:

Water/Waste Water/ Solid Waste-Recycling

Municipal Fact:

Municipal utility rates are based on complex pieces of engineering and topography. The Municipality, unlike other communities, has multiple wells, four water reservoirs, two sewage treatment plants, and deep utilities that are interrupted by the topography of the land. Even with the present utility rate structure we are not able to recover the operating costs of water and waste water utilities. As a result the mill rate subsidizes these utilities. The subsidy is a concern and so too is the concern that we have no financial reserves for water and wastewater. All capital works are funded by provincial grants that vary from year to year. Council believes this is an issue we must address to ensure the economic sustainability of our Community.

Water Utility Costs and Revenues:

			Blair/Belle Water Line		**Annual Revenue**	
	Operating Costs	**Annual Interest**	**Debenture**	**Total Costs**	includes other cost recoveries and revenue from water rates	**Annual Capital Costs**
Budget 2014	**$781,162**	**$16,124**	**$214,985**	**$1,012,271**	**$1,055,060**	**$412,000**
Budget 2013	**$759,629**	**$22,950**	**$214,985**	**$997,564**	**$1,008,135**	**$25,000**
Budget 2012	**$708,422**	**$35,476**	**$214,985**	**$958,883**	**$963,757**	**$3,168,534**
2011	**$589,068**	**$30,622**	**$214,985**	**$834,676**	**$937,684**	**$593,193**
2010	**$539,680**	**$31,735**	**$214,985**	**$786,400**	**$853,273**	**$0**
2009	**$585,482**	**$35,476**	**$214,985**	**$835,943**	**$744,163**	**$3,795,937**
2008	**$895,588**	**$80,687**	**$214,985**	**$1,191,260**	**$742,073**	**$2,022,630**
2007	**$501,575**	**$115,073**	**$214,985**	**$831,633**	**$757,815**	**$11,834**
2006	**$309,654**	**$133,506**	**$429,970**	**$873,130**	**$725,650**	**$75,600**

Waste Water (Sewer)

		Annual Revenue	
	Annual Operating Costs	includes other cost recoveries and revenue from water rates	**Annual Capital Costs**
Budget 2014	**$786,827**	**$714,777**	**$7,764,000**
Budget 2013	**$760,251**	**$676,338**	**$1,124,000**
Budget 2012	**$673,286**	**$650,301**	**$487,000**
2011	**$643,405**	**$637,299**	**$87,248**
2010	**$627,964**	**$590,585**	**$5,380,420**
2009	**$601,469**	**$567,529**	**$0**
2008	**$611,293**	**$537,322**	**$0**
2007	**$495,702**	**$531,764**	**$192,680**
2006	**$497,217**	**$533,195**	**$361,596**

Solid Waste/Recycle

	Operating Costs	Annual Solid Waste	Annual Revenue Recycling	Annual Capital Costs
Budget 2014	**$655,903**	**$640,818**	**$97,576**	
Budget 2013	**$644,649**	**$640,818**	**$97,576**	
Budget 2012	**$630,412**	**$640,818**	**$97,576**	
2011	**$556,524**	**$622,841**	**$97,576**	
2010	**$612,876**	**$621,071**	**$97,180**	
2009	**$626,010**	**$565,140**	**$97,199**	
2008	**$669,287**	**$560,209**	**$95,383**	
2007	**$707,060**	**$512,102**	**$57,545**	**$70,346**

Utility Rate Summary 2007-2014:

	Water	Waste Water	Solid Waste	Recycling	Total	Annual $ increase	Annual % increase
Budget 2014	**$1,055,060**	**$714,777**	**$640,818**	**$97,576**	$2,508,231	$85,365	3.50%
Budget 2013	**$1,008,135**	**$676,338**	**$640,818**	**$97,576**	$2,422,867	$70,415	2.90%
Budget 2012	**$963,757**	**$650,301**	**$640,818**	**$97,576**	$2,352,452	$57,052	2.90%
2011	**$937,684**	**$637,299**	**$622,841**	**$97,576**	$2,295,400	$133,291	6.16%
2010	**$853,273**	**$590,585**	**$621,071**	**$97,180**	$2,162,109	$188,078	9.50%
2009	**$744,163**	**$567,529**	**$565,140**	**$97,199**	$1,974,031	$39,044	2.01%
2008	**$742,073**	**$537,322**	**$560,209**	**$95,383**	$1,934,987	$75,761	4.07%
2007	**$757,815**	**$531,764**	**$512,102**	**$57,545**	$1,859,226		

Franchise Fees:

Municipal Fact:

What is a municipal franchise agreement?
A municipal franchise agreement is a contract between a municipal government and a utility company or cable provider that outlines certain requirements that must be met in order for the utility or cable provider to use the municipality's (public) right-of-way.

What is public right-of-way and what is it used for?
Public right-of-way is an interest in property that is held in the public's interest by municipalities and is used to accommodate traffic, utility and cable facilities, drainage and other similar public uses.

What is a franchise fee?
In short, franchise fees are the "rent" or "reimbursement" utility and cable providers pay for the use of the public's right-of-way.

Are franchise fees a tax?
No. Franchise fees are simply the cost utility and cable providers incur for being allowed to place their facilities in the public's right-of-way. Franchise fees are considered a cost of doing business. Franchise fees are an important component of a diversified revenue stream for municipalities.

What would happen if there was no access to the public right-of-way?
Utility and cable providers would have to purchase the property themselves. In the instance where utilities have eminent domain powers, the utility could condemn the property, but would still have to pay the property owner for the land. In municipalities, the cost to purchase the required right-of-way would be extremely expensive and would result in increased rates to the residents using the utility and cable services provided by the utility company.

Municipal Fact:

Since 2008 the Municipality has increased the Franchise Fees received from ATCO and Fortis from $271,037 to $569,749 to generate revenues and reduce the impact on mill rate increases and as well to establish reserve funds.

Franchise Fee Summary 2008-2014:

Utility Company	Max Fee	2008	2009	2010	2011	2012	Budget 2013	Budget 2014
ATCO Gas	35.00%	0.00%	15.00%	15.00%	15.00%	20.00%	35.00%	35.00%
Franchise Fees Collected		$250,000	$219,431	$206,932	$220,471	$268,109	$480,089	$480,089
increase revenues per year				-$12,499	$13,539	$47,638	$211,980	$0
Fortis	**20.00%**	**0.00%**	**5.00%**	**5.00%**	**8.00%**	**14.00%**	**20.00%**	**20.00%**
Franchise Fees Collected			$76,866	$88,619	$153,817	$301,640	$426,605	$426,605
increase revenues per year				$11,753	$65,198	$147,823	$124,965	$0
Revenue increase per year				-$746	$78,737	**$195,461**	**$336,945**	

Taxes, Utilities and Franchise Fees:

Rate Payers Interpretation:

"Taxes, Utilities and Franchise Fees come to a total of $900,029 per year more. That will transfer $1,400,000 more a year from the Taxpayers pockets to the Municipality versus 2010".

Municipal Fact:

Summary of Revenues Generated from Tax Levy, Utilities and Franchise Fees:

Year	Tax Levy (NET of *ASFF, CNP Senior Housing Requisitions)	Utility Levies	Franchise Fees	Total Revenue	Annual $ Increase	Annual % increase
Budget - 2014	**$6,951,421**	$2,508,231	$906,694	$10,366,346	$181,409	1.78%
Budget - 2013	**$6,855,376**	$2,422,867	$906,694	$10.184.937	$442,584	4.34%
2012	**$6,820,152**	$2,352,452	$569,749	$ 9,742,353	$516,675	5.30%
2011	**$6,555,990**	$2,295,400	$374,288	$ 9,225,678	$335,197	3.77%
2010	**$6,432,821**	$2,162,109	$295,551	$ 8,890,481	$260,138	3.01%
2009	**$6,360,015**	$1,974,031	$296,297	$ 8,630,343	$167,667	1.98%
2008	**$6,277,689**	$1,934,987	$250,000	$ 8,462,676	$878,296	11.58%
2007	**$5,475,154**	$1,859,226	$250,000	$ 7,584,380		

Municipal Staffing

Rate Payers Interpretation:

"At the date of the last election there were 19 employees in the Municipal Office (Administrators and Staff) Today that number is 25. "

Municipal Fact:

- Wages for Hourly positions are driven by the negotiations of the Union Collective Agreement while Management wages are set based on surveys assembled and distributed to municipalities by AAMDC (Alberta Association of Municipal Districts and Counties) and AUMA (Alberta Urban Municipalities Association).
- In 2011 a new Corporate structure was established that added one new position to administration. Currently the Municipality's administrative structure includes a CAO, three Directors and three Managers overseeing the areas of Finance and Corporate Services, Planning, Engineering and Operations and Protective and Community Services. Currently two of the three manager positions are vacant while recruiting for suitable applicants takes place.

Positions:	# of Positions on October 2010	# of Positions on October 2012
Administrative Positions	6	7
Municipal Inside (office) Union Positions	10	13
Total Positions in Municipal Office	16	20
Municipal Outside Union Positions	33	37
Total Municipal Administration, Inside (office) and Outside Union Positions	49	57
Non Union Positions:		
Library	4	3
Pool Seasonal (May-August)	17 (May-August)	16 (May –August)
Ski Hill (November-April)	42 (39 November-April) (3 Full Time)	42 (39 November-April) (3 Full Time)
Paid on call Fire Fighters/Rescue	100	45

Consultants:

Municipal Fact:

- The Municipality incurs approximately $750,000 of costs associated with contractors and consultants on an annual basis. This is due to the fact that these consultants and contractors provide service, experience and expertise in areas that are not available in house or which are not required on a regular basis, thereby reducing the need to hire additional permanent employees. Significant consulting requirements were required in the recruitment of administration staff members and to fill roles while the recruitment was underway. The Municipality accesses grant programs to offset costs for contractors and consultants and also offsets such costs with budget allocations for vacant positions.

User Fees:

Municipal Fact:

- User Fees and charges increased in the recent budget as there had been no increases over the last 10 years. Fees have not kept pace with the cost of living increases for operational costs such as wages, supplies and utilities.

Protective and Enforcement Services:

Municipal Fact:

- Revenue and costs for the 2012, 2013, and 2014 Triennial Budget for Protective and Enforcement Services reflect the strategic direction in the Community Strategic Action Plan to create one Crowsnest Pass Fire and Rescue Department with one Chief, multiple stations, and a Community Police Officer Program focusing on enforcement of Municipal Bylaws and Provincial Statutes.
- Policing fine revenues that have been generated historically have been reduced due to the provincial traffic control program changes.

Municipal Debt:

Rate Payers Interpretation:

"Prior to 2010 previous councils had a policy of putting money aside to purchase new equipment."

Municipal Fact:

Prior to 2010 previous Councils DID NOT budget funds to be placed into a reserve (or set aside) to purchase new equipment. See Municipal Audited Financial Statements describing restricted funds for equipment.

In 2004, $78,000 and in 2005, $50,000 were budgeted for equipment purchases but were not expended. These funds were carried forward for future equipment purchases rather than flowing into general revenues. These funds were depleted down to $43,855 during the period 2007-2011.

In 2012, the Municipality developed a 10 year capital replacement plan for its capital infrastructure and fleet and equipment. Information gathered through the facility audit and the recreation feasibility study will assist the Municipality in developing a long term capital facility replacement program. These are key components of the Triennial Budget Process.

The Municipal Debt limit is approximately $21 million. Existing Municipal debt is $1.72 million. This is a very positive position for the Municipality and is a strength as we go forward to secure the sustainability of our Community.

Anyone who wishes more detail is welcome to email, call or visit the Municipal Office.