

# 2030 Financial Sustainability Plan (Preliminary)

*Sustaining*

*community*

*funding and*

*lifestyle. . .*

**Okotoks**

Historic Past, Sustainable Future

September 2007



## 2030 FINANCIAL SUSTAINABILITY PLAN

### Table of Contents

<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
<b>INTRODUCTION</b> .....	<b>6</b>
VISION.....	6
MISSION.....	6
SUSTAINABLE OKOTOKS.....	6
TOWN OF OKOTOKS 2007 SNAPSHOT.....	7
<b>OVERVIEW</b> .....	<b>9</b>
PURPOSE.....	9
METHODOLOGY.....	9
SCOPE.....	10
CORPORATE ASSUMPTIONS.....	10
<b>OPERATIONS SUMMARY</b> .....	<b>15</b>
WATER AND WASTEWATER UTILITIES.....	15
Water Supply.....	15
Water and Wastewater Treatment.....	15
Water Distribution and Wastewater Collection.....	16
Storm Sewer System.....	16
TRANSPORTATION NETWORK.....	16
OPEN SPACES, PARKS AND CEMETERY.....	16
MUNICIPAL BUILDINGS.....	16
MAJOR ISSUES.....	16
<b>RECREATION AND SOCIAL COMMUNITY SUMMARY</b> .....	<b>17</b>
<b>BUSINESS CENTRE ANALYSIS</b> .....	<b>18</b>
BUSINESS CENTRE SUMMARIES.....	18
BUSINESS CENTRE HIGHLIGHTS.....	21
<b>OPERATIONS HIGHLIGHTS</b> .....	<b>22</b>
OPEN SPACES.....	23
CEMETERY.....	24
RESOURCE RECOVERY.....	25
WATER & SEWER UTILITIES.....	26
TRANSPORTATION.....	27
STORM SEWER.....	28
COMMON SERVICES.....	29
BUILDING MAINTENANCE.....	30

<b>COMMUNITY SERVICES HIGHLIGHTS .....</b>	<b>31</b>
AQUATICS.....	32
CLIENT SERVICES .....	33
COMMUNITY PROGRAMS .....	34
CULTURE AND HERITAGE .....	35
FAMILY AND COMMUNITY SERVICES .....	36
INDOOR FACILITIES.....	37
<b>PROTECTIVE SERVICES HIGHLIGHTS.....</b>	<b>38</b>
FIRE SERVICES.....	39
MUNICIPAL ENFORCEMENT .....	40
POLICING SERVICES.....	41
DISASTER & RESCUE SERVICES.....	42
EMERGENCY MEDICAL SERVICES.....	43
<b>DEVELOPMENT SERVICES HIGHLIGHTS .....</b>	<b>44</b>
PLANNING.....	45
SAFETY CODES .....	46
ASSESSMENT SERVICES .....	47
ENGINEERING.....	48
ECONOMIC DEVELOPMENT .....	49
<b>CORPORATE SUPPORT SERVICES HIGHLIGHTS .....</b>	<b>50</b>
GENERAL MUNICIPAL .....	51
FINANCIAL SERVICES .....	52
INFORMATION TECHNOLOGY .....	53
COUNCIL / LEGISLATIVE SERVICES .....	54
CORPORATE STRATEGY .....	55
HUMAN RESOURCES .....	56
COMMUNICATIONS.....	57
<b>OUTSIDE INFLUENCES.....</b>	<b>58</b>
<b>CONCLUSION .....</b>	<b>59</b>
<b>RECOMMENDATIONS .....</b>	<b>59</b>
<b>OPTIONS .....</b>	<b>62</b>
<b>CLOSING COMMENTS .....</b>	<b>62</b>

## EXECUTIVE SUMMARY

The Town of Okotoks 2005 – 2007 Corporate Business Plan establishes, by Council resolution, the business direction of the Corporation for the 3-year elected mandate of Council. The Plan reflects Council's commitment to deliver corporate services, which are in the best interest of our citizens today and our future citizens of tomorrow. Council determines the business of the Corporation and the core services to be delivered.

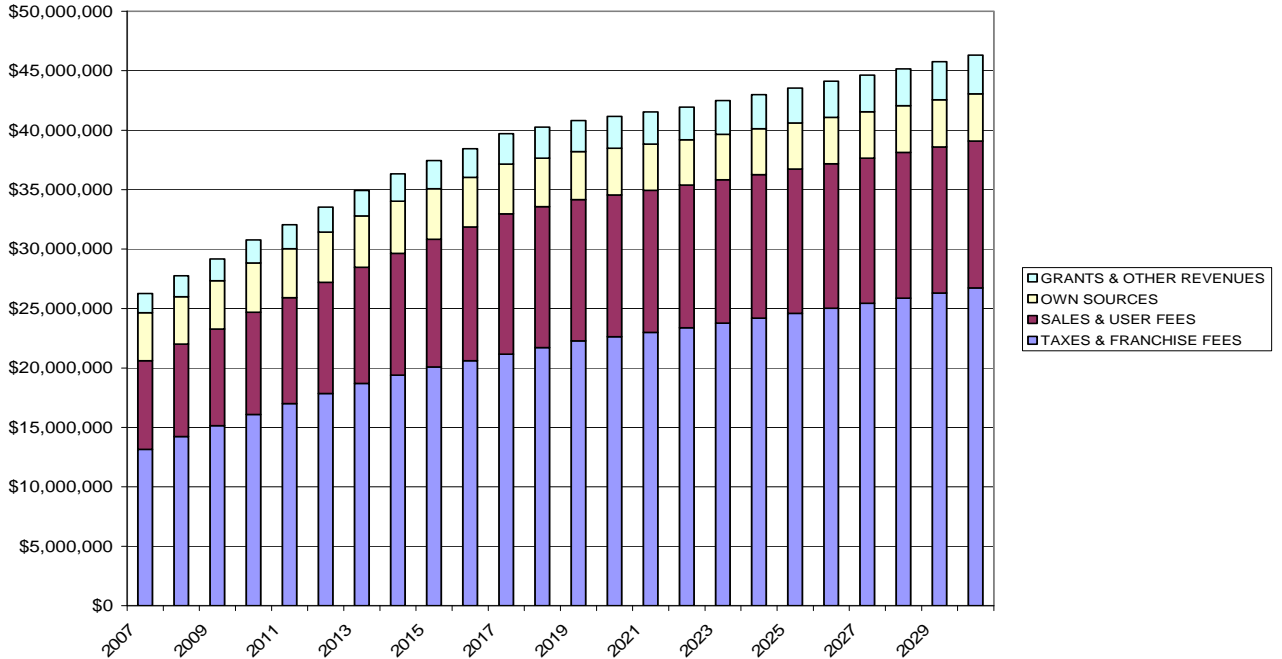
Council has identified and broadly defined 8 key strategic directions for the Town for the three year term 2005 -2007. Included is the key strategic direction for managing growth which contains a requirement for the development of a long term financial sustainability plan to take the community to the year 2030.

This Plan has been developed over the past three years and work activities and background research has included a series of visioning and brainstorming sessions involving citizen stakeholders. The focus of this Plan is to present a financial picture of the Corporation going forward to 2030. The foundation work for the Plan rests with the 22 business centres that were tasked with taking a critical look at the services types and levels being provided in 2007; assessing the needs and requirements of the community as Okotoks grows to build-out and beyond; and translating this into financial revenue and expenditure streams for both operating and capital budgets.

A summary of the 2007 to 2030 analysis follows.

- Revenues are forecasted to grow as follows:
  - Property taxes and utility revenues will grow according to the forecast assessment growth.
  - User fees will grow proportionate to population growth.
  - Acreage assessments and building permits will gradually decline from 2008 to 2015, two years prior to residential build-out for residential development activity and by 2022 for commercial/industrial development activity.
  - Current senior government grant funding programs are presumed to continue with the current formulas.

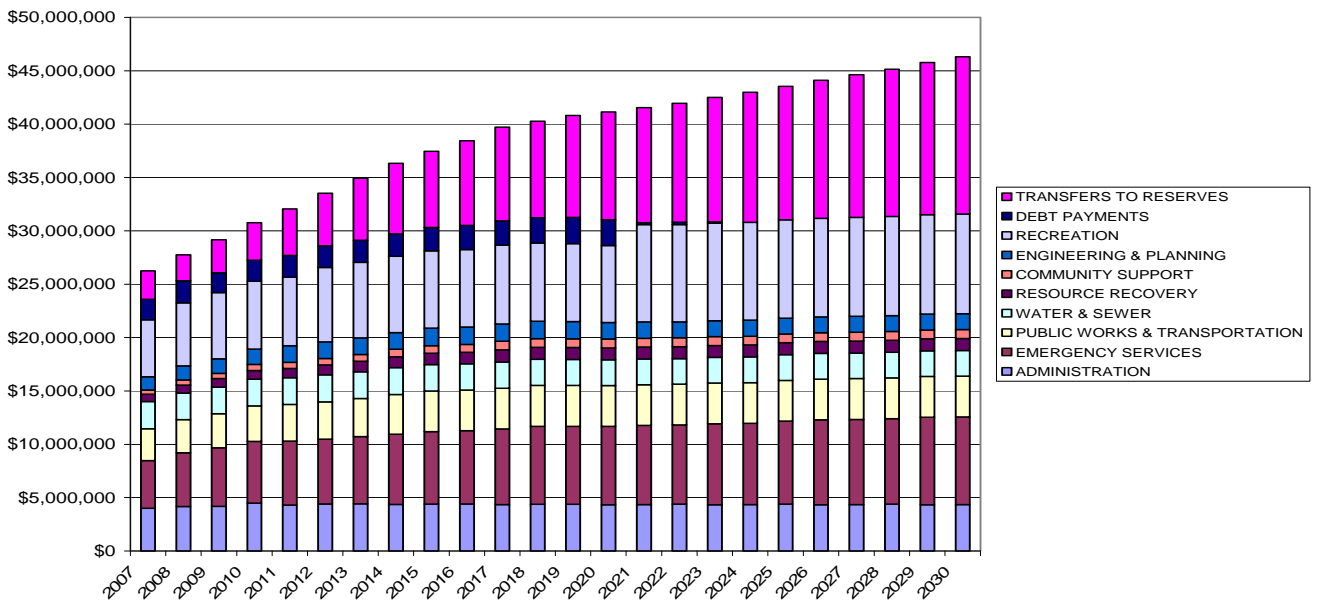
**OKOTOKS FINANCIAL SUSTAINABILITY PLAN  
PROJECTED REVENUES**



- Expenditures are forecasted to grow as follows:

- Staffing increases have been identified in order to maintain current service levels.
- A 30% increase in materials and supplies is required to maintain service levels for an anticipated 30% increase in infrastructure.

**OKOTOKS FINANCIAL SUSTAINABILITY PLAN  
PROJECTED EXPENDITURES**



In the year 2010 for example, we have a \$3.1 million operating surplus, although the capital requirements require \$17.8 million. Strategies and recommendations to address this infrastructure deficit are outlined. The most significant challenge for Okotoks over the next few years is to carefully plan for setting aside advanced funding to begin the process of reinvesting in the Corporation's capital assets.

This Plan partially integrates the operating budget and capital budget. Future capital requirements are identified along with potential funding sources.

Major capital projects to accommodate new facilities such as an additional fire station, recycling centres, performing arts centre, operations centre, etc., are included. There are a few large future capital projects where cost estimates have not yet been determined (e.g. Performing Arts Centre).

There are four key milestones in the development of our community:

- 2015 development infrastructure & building permit build-out
- 2017 residential build-out population achieved
- 2020 commercial land development build-out
- 2022 industrial land development build-out

This preliminary 2030 Financial Sustainability Plan clearly indicates that Okotoks can and will continue to be a financially viable corporation - one that will sustain itself well beyond its targeted population build-out. Financial sustainability is achieved with Okotoks continuing to provide the quality services its residents have come to enjoy. Expansion of its facilities and services to meet anticipated future needs in a financially responsible manner can and will occur. Okotoks financial sustainability requires careful planning, prioritizing, and balancing of community needs with strategic management of available funds to deliver the facilities and services.

The Plan contains a series of 31 recommendations to guide the Corporation along this path of financial sustainability. Included are recommendations for annual review and refinement by Council to incorporate evolving priorities and changing circumstances, community dialogue and consultations, incorporation of changing partnership arrangements with outside organizations, refinement of asset management and lifecycle replacement practices, strategies for combined revenue sources and the integration of multi-year operating and capital budget programs.

## **INTRODUCTION**

All good plans begin with the end objective in mind and then work out the details of how the desired end result will be achieved. The following community vision was created with community input and adopted by Council in early 2006. This vision statement, along with the Corporate mission, and sustainability foundations, formed the framework for creation of the 2030 Financial Sustainability Plan.

### **VISION**

In the year 2030, Okotoks is a leader in sustainability, driven by an involved, connected and creative community. Through visionary leadership, citizens are engaged in maintaining a safe, caring and vital community that honours our culture, heritage and environment.

### **MISSION**

The mission of the Town of Okotoks is to create and nurture an environment in which people are able to pursue the fulfilment of their values, in harmony with the community.

### **SUSTAINABLE OKOTOKS**

Sustainability has been broadly defined to mean meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable Okotoks has four foundations:

- Environmental Stewardship
- Social Conscience
- Economic Prosperity
- Fiscal Responsibility

Sustainable communities have key core principles about the way we should live in and plan for the future as communities:

- We should live within the carrying capacity of the natural environment, including our watershed.
- We should leave the next generation with equal or better opportunities than the present generation has enjoyed.
- We should create a harmonious balance between economic opportunity, social conscience, and environmental stewardship.
- We must look beyond traditional municipal boundaries and urban/rural boundaries to incorporate regional ecosystem boundaries.
- Successful sustainability is a grass roots initiative that must be supported by the community.

The Sustainable Okotoks vision, which reflects the aforementioned principles and responds to key community-specific issues, formulates development policy based on a number of key criteria:

- Living within the environmental carrying capacity of the Sheep River watershed (30,000 residents), thereby establishing a finite urban growth boundary and sizing infrastructure for an ultimate population of approximately 30,000.
- Utilizing urban design modifications to reduce the reliance on vehicles as the primary source of mobility by planning for mixed land use neighborhoods. This includes creation of employment opportunities and home-based businesses, off-street pedestrian pathway and open space systems, and ecologically sensitive landscaping requirements.
- Pursuing diverse yet integrated activities such as eco-efficiency, recycling, water conservation, architectural regulations, and urban forest policy.
- Acknowledging and balancing the four foundations that define community sustainability: nurturing economic vitality, sound fiscal management, social conscience and environmental stewardship.
- Recognizing that Okotoks is not an island unto itself, facilitate intermunicipal cooperation and dialogue to implement a sustainable development plan to manage the ecological footprint of Okotoks on the Sheep River watershed.
- Promote and advocate intermunicipal planning and service delivery and coordination and integration of regional transportation systems.

Okotoks is locally, nationally and internationally recognized for its efforts toward implementing a sustainable community (see Appendix 1 for highlights of sustainable Okotoks achievements). The next stage of this implementation strategy is the subject of this report and will address the 'fiscal responsibility' foundation by creating a long term financial sustainability plan.

## **TOWN OF OKOTOKS 2007 SNAPSHOT**

Before we begin to develop a 25-year financial sustainability plan, a snapshot of both the Corporation of the Town of Okotoks and the community will help the readers of this Plan understand the current scope of our community:

- The Corporate summary in 2007 is as follows:
  - 2007 total operating budget \$26.3 million
  - 2007 total capital budget \$54.8 million
  - 2007 full-time equivalent staff = 151.5
  - Core services are provided by 22 business units (see Appendix 2 for organizational design and Appendix 3 for core service summaries).
- A summary snapshot of the community of Okotoks in 2007 includes:
  - Official Population: 17,145 (as per 2006 Federal Census).
  - 2006 total area of municipality: 1895 hectares, with roughly 67% of the residential land developed; 47% commercial and only 18% of the build-out land base for industrial being developed at this time. Future annexation includes approximately 90 hectares (see Appendix 4 for Land Use Distribution map).



- Major Town owned facilities/amenities:
  - Indoor Recreation: Recreation Centre (2 ice surfaces, Aquatic Centre, Youth Centre, gymnasium, 6-sheet curling rink, concession, leased space for physiotherapy and fitness centre), 1500 seat Centennial Arena.
  - Outdoor recreation: skateboard park, 33 tot lots, 10 playgrounds, 11 soccer fields, 11 baseball diamonds, 4 football/rugby fields, tennis courts, 2 multi-sport courts, outdoor skating rink, 9 basketball courts; running track.
  - Culture Station, Heritage House, Rotary Performing Arts Centre.
  - Foothills Centennial Centre (including Seniors Centre).
  - Campground
  - Municipal Centre, Town Hall, Operations, 2 Fire Stations, Police Services, Public Library, Recycling Depot.
  - Utility infrastructure = wastewater treatment plant, water treatment plant, 110.30 kilometers of water mains, 91.34 kilometers of wastewater mains and 83.91 kilometers of storm drainage mains.
  - 124.87 kilometers of maintained roads.
  - Over 45 kilometers of pathways / integrated pedestrian corridors.
  - Cemetery
  - 2,381 trees
  - Six outdoor washrooms

## OVERVIEW

### PURPOSE

The 2030 Financial Sustainability Plan is the result of Council directive to determine if and how our community will be financially sustainable when development slows after the community achieves build-out to the defined urban growth boundary and the target population of 30,000 is reached.

The 2030 Financial Sustainability Plan is based on the policy direction of Council, through their adoption of *The Legacy Plan* (1998 Municipal Development Plan). *The Legacy Plan* was reaffirmed by subsequent Councils in 2002 and 2005. The *Legacy Plan* established future annexation requirements, housing types and densities and the resultant target population. Community surveys have been conducted on a triennial basis since 1997, resulting in continued strong resident support for maintaining a high quality of life by limiting the size our community. The creation of the 2030 Financial Sustainability Plan is a requirement emanating from the Town of Okotoks 2005 – 2007 Corporate Business Plan.

### METHODOLOGY

In accordance with Council's 2005-2007 Business Plan strategy, Administration has created a preliminary corporate financial sustainability plan to the year 2030. Activities and research undertaken has included a series of visioning and brainstorming workshops involving various levels of citizen stakeholders, Council and Administration to develop the framework for the 2030 Financial Sustainability Plan. The initial workshops helped to envision what the community and Corporation would look like when we reached our target population. Assumptions, challenges and issues were also identified.

Once the framework was established, the subsequent months focused on activities to determine each business centre's needs and plan for them to the year 2030.

The framework for the 2030 Financial Sustainability Plan includes a number of base assumptions and analysis that are premised on the following:

- Okotoks' 2007 population is 17,645 (includes 500 persons "infill").
- Population will increase at an average rate of 5.5% per year, enabling us to estimate our target population for residential build-out (30,000) in 2017.
- Developed commercial land will increase at an average rate of 5% per year, resulting in commercial build-out by 2020. Approximately 50% of commercial land has been developed in 2007.
- Developed industrial land will increase at a rate of 15% per year and the industrial build-out will occur in 2022 with an aggressive effort.
- Re-development initiatives in all areas will accelerate when build-out is reached in residential, commercial and industrial segments.

- Population in the M.D. of Foothills in proximity to Okotoks will continue to grow at an average rate of 5.5% per year (based on historic growth patterns).
- As a result of Okotoks' defined growth strategy coupled with continued growth in the M.D. of Foothills, many Town services such as Fire and Recreation will require additional staff to service the area beyond build-out. Approximately 86 additional municipal employees will be required by 2030, with the largest increase being in Fire Services.
- Current levels of federal and provincial grants will continue into the future.

The next step in the process was to undertake more review and in-depth analysis of:

- Historical spending patterns relative to 2030 Plans.
- Funding strategies.
- Integrating and comparing other information and planning tools such as asset management, lifecycle maintenance and recapitalization programs.
- Determining impacts of various strategies and analyzing those impacts.
- Developing strategies to ensure financial sustainability beyond physical build-out.

A corporate financial analysis followed with a review of funding strategies, long term debt management analysis, utility revenue and expenditure analysis to maintain return on investment policy, development of asset/infrastructure lifecycle replacement schedules, incorporating the outdoor recreation facilities master plan, etc. External research and economic analysis resources were also utilized, such as the Calgary Region Economic Development Outlook (2006-2016), Statistics Canada and various other long term studies conducted in/for Alberta based communities.

## **SCOPE**

The 2030 Financial Sustainability Plan contains the Corporation's municipal financial management practices and strategies, and is considered a tool to help guide and manage the Corporation. Projections are based on considered analysis and are not definitive in timing. Continuous review and refinement of projections and assumptions will be required. The Plan provides a financial roadmap for the future with financial sustainability being the destiny.

## **CORPORATE ASSUMPTIONS**

In order to ensure consistency throughout the analysis, a number of broad corporate assumptions were developed and included in all levels of analysis:

- The 2007 operating budget was used to establish the "base year" to provide the established core services and programs. Inflationary activity is NOT factored in. All values are shown in 2007 dollars.
- Current core services and programs will continue to be offered. There is limited provision for new services that may be required or downloaded from senior government agencies or new legislation that may require new or increased levels of service (e.g. affordable housing, social services, etc.).

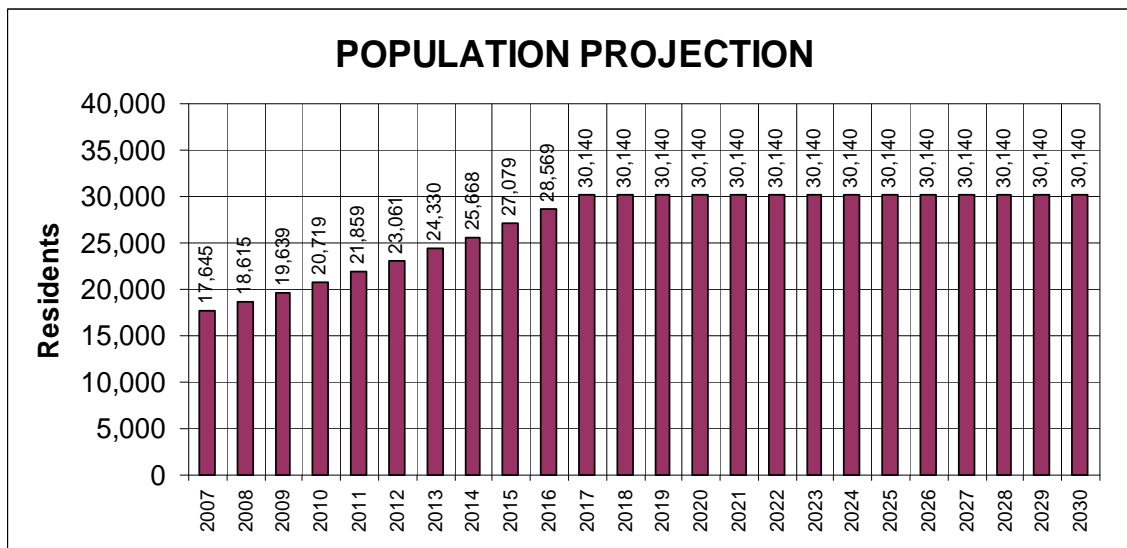
- “*The Legacy Plan*” is premised on the foundation of living within the carrying capacity of the natural environment, including the Sheep River watershed.
- *The Legacy Plan* will be followed including all associated policy and planning initiatives (e.g. water management and conservation policies, Transportation plan, Outdoor Recreation Facilities Master Plan, etc).
- Pursuant to *The Legacy Plan*, the Financial/Utility Plan framework adopted and utilized in this plan is as follows:
  - New development pays 100% of the cost of providing additional facilities (water, sewer, roads) for the new population the specific development creates;
  - Commercial/industrial assessment base is proportionately increased from 12% in 1997 to 22% by build out;
  - The private sector pays 50% of the cost of retrofitting and maintaining landscaping in developed areas;
  - The private sector pays 100% of the cost of parkway and other off-street pedestrian systems in new neighborhoods;
  - The private sector funds 25% of the cost of purchasing river valley and escarpment lands, and any additional lands purchased for park or open space systems;
  - Alberta Transportation and Utilities pays 100% of the cost of upgrading Highway 2A to four lane status, including landscaping;
  - Municipal infrastructure is sized for a build out population of 30,000;
  - Annexed lands meet land use classification targets identified in *The Legacy Plan* to ensure that an adequate commercial/industrial assessment base is created; and
  - Total property taxation demand (using 1998 benchmark figures) on a “typical” home does not increase to build-out population (excepting for inflationary pressures).
- Revenue assumptions include:
  - Property taxes and utility revenues will grow in accordance with the forecast assessment growth, using existing tax and utility rates.
  - User fee revenue will grow proportionate to population growth.
  - Current senior government grant funding programs will continue with the current formulas.
- Expenditures are based on 2007 dollars and will reflect increased population demands.
- Utilities (water and sewer) will be self-sustaining while maintaining current return on investment philosophy.
- In accordance with current practice, the accumulated surplus balance will be adjusted to 5% of annual operating budget.
- Annual operating budget surplus will continue to be allocated to capital reserves.

Future Capital assumptions include:

- The return on investment from utilities will continue to be redirected to capital reserves.
- The new requirements to report municipal capital assets at cost and to depreciate them over their estimated useful life (Tangible Capital Asset Program), commencing in 2009, will be met through the operating and capital budgets.
- Strategic financial management practices (e.g. advance funding, utilization of grant programs, developer/user contributions, half lifecycle debenture borrowing, partnerships, etc.) will fund future capital requirements.

*Population Growth Projections:*

The 2006 Federal Census (see Appendix 5) results indicated that Okotoks grew 46.7% over the period 2001-2006, resulting in an average annual growth rate of 9.3%. The 2001 Federal Census (see Appendix 6) covering the period 1996-2001 indicated that Okotoks grew at an average annual rate of 7.3%. After careful analysis of historical growth patterns, building permit activity and residential dwelling occupancy characteristics, serviced residential land “build-out” is anticipated to occur in 2015 and realization of “warm body” occupancy is expected to occur in 2017.



*Population Characteristics:*

Okotoks has remained a young community, with the median age remaining the same at 32.4 in 2006 compared to 32.3 in 2001. The population is aging slightly, indicating that a large majority of the population has not moved away from Okotoks. The population aged 19 years and under has decreased slightly from 37.3% in 2001 compared to 34.5% in 2006; while the percentage of population ages 15 and over has also increased slightly, with 74.5% in 2006, compared to 72.5% in 2001. The number of senior citizens has also increased, with residents 65 years and over being 8.8% in 2006, compared to

5.3% in 2001. The increased amenities, employment opportunities and housing options have likely influenced the decision to stay in Okotoks.

The 2006 Federal Census (see Appendix 7) reported M.D. of Foothills' growth during the period 2001-2006 at 18.9%, or an annual average increase of 3.8%. Further analysis indicates that population growth in the area surrounding Okotoks is increasing at a faster rate –accordingly a 5.5% population growth rate has been used from 2008-2030, resulting in increasing demand for services after 2017. Community Services (recreation, parks, culture and recycling) and Protective Services (police services, fire services, emergency medical services and municipal enforcement) will be most directly impacted from a service delivery perspective.

The Calgary Regional Economic Outlook indicates that Calgary has outperformed both Alberta and Canada from 1993-2005 and expects to continue this trend through 2016 (See Appendix 8). Okotoks will continue to be affected by the Calgary economy as many residents are employed by Calgary based firms.

*Commercial/Industrial Build-out:*

- Approximately 50% of commercial land identified in the MDP has been developed to date. Developed commercial land will increase at a rate of approximately 5% per year and commercial build out will occur in 2020.
- Approximately 11% of industrial land identified in the MDP has been developed to date. Developed industrial land will increase at a rate of approximately 15% per year and industrial build out will occur in 2022.

The following chart depicts developed commercial and industrial land areas (hectares) in 2006, and cumulative projections for subsequent years:

Commercial/Industrial Build-out					
	Cumulative Area with Approx. 5% Growth/Year	Cumulative Area with Approx. 5% Growth/Year	Annual Land Absorption (Ha)		
			Com.	Ind.	Total
Existing Estimate as of 2006	52.0	25.0			
2007	54.7	28.7	2.7	3.7	6.4
2008	57.5	33.0	2.8	4.3	7.1
2009	60.5	37.9	3.0	4.9	7.9
2010	63.7	43.5	3.1	5.6	8.8
2011	67.0	50.0	3.3	6.5	9.8
2012	70.5	57.4	3.5	7.4	10.9
2013	74.2	65.9	3.7	8.5	12.2
2014	78.0	75.7	3.9	9.8	13.6
2015	82.1	86.9	4.1	11.2	15.3
2016	86.3	99.8	4.3	12.9	17.2
2017	90.8	114.7	4.5	14.8	19.3
2018	95.5	131.7	4.7	17.0	21.7
2019	100.5	151.2	5.0	19.6	24.5
2020	105.7	173.7	5.2	22.5	27.7
2021	-	199.5	-	25.8	25.8
2022	-	229.1	-	29.6	29.6
2023	-	-	-	-	-
Build Out Total	106	229	54	204	258
MDP Target	80	218			
Difference (+ -)	+26	+11			

- The Plan provides for re-development and intensification activity in all land use categories beyond build-out. Analysis was conducted whereby the Floor Area Ratios were examined in conjunction with taxation revenues and employment opportunities (see Appendix 9 for analysis and recommendations). Also, analysis of the Banff Commercial Study was completed by Economic Development (see Appendix 10) for analysis and lessons learned).

## OPERATIONS SUMMARY

The Operations business centres deal with maintenance and repairs to the physical assets of the Community. This physical infrastructure includes the water and wastewater utilities, storm sewer and transportation systems, playgrounds, parks and open spaces, equipment and machinery fleet, and maintenance of the Corporation's buildings.

In general, there will be approximately 30% more physical infrastructure constructed by 2015. The Town accepts responsibility for different infrastructure on a phased in basis, which occurs approximately 2-3 years ahead of the "warm body" population build-out in 2017.

The Operations 2030 Business Centre Plans have carefully considered the equipment needs along with the operating and maintenance costs of each area to a physical build-out in the year 2014. The plans also identified the key issues that require resolve over the next decade.

### WATER AND WASTEWATER UTILITIES

#### Water Supply

The total Alberta Environment (AE) licensed water allocation for Okotoks from the Sheep River aquifer is for 608 million imperial gallons per year. At population build-out in 2017, the total allocation required to meet the needs of the community will be 766.5 million imperial gallons. The Province has imposed a moratorium on new water well licensing in the South Saskatchewan River Basin.

Based on 70 gallons per person per day, the Corporation currently has sufficient annual licensed water allocation to provide for a population of 23,800 people, which is projected to occur in 2012. In order to make up the 158.5 million gallon shortfall in licensed water allocation, the Town is currently pursuing options through AE. Options include the potential of purchasing other existing senior water licenses in the Bow River Basin and a "Return Flow Compensation" strategy that recognizes the quality effluent that is being returned to the Sheep River through the Town's wastewater treatment facility and the concurrent development of a net licensing system.

#### Water and Wastewater Treatment

The Town's existing water treatment facilities were constructed to provide treated "potable water" to a build-out population of 30,000. The wastewater treatment facilities are also sufficient to meet the needs of 30,000 people. The design and capacity of these facilities is based on an average consumption of 70 gallons per person, per day.



## Water Distribution and Wastewater Collection

The current water distribution and wastewater collection systems are expected to increase by approximately 25% through growth of the system to build-out in 2014 for water distribution and for wastewater collection. Additional storage reservoirs may be considered in order to assist with operations of the water system during extreme drought conditions.

## Storm Sewer System

At 2015 the Town's ultimate storm sewer system will increase by approximately 25% with a doubling of the Storm Water Treatment Facilities from 7 to 14 ponds.

## TRANSPORTATION NETWORK

It is expected the Town's transportation network will grow by approximately 30% and the ultimate network will be in place in 2014. The major challenge is to ensure the 32<sup>nd</sup> Street Bridge across the Sheep River is complete prior to 2014.

## OPEN SPACES, PARKS AND CEMETERY

Pathways, parks and playgrounds are expected to increase by approximately 30% by the year 2017 and will be completed with development as each area is completed. The draft Urban Forest Management Plan identifies additional costs to maintain the urban forest. The Outdoor Recreation Facilities Master Plan identifies outdoor facility needs beyond build-out to the year 2022. The requirements of both of these plans have been incorporated into the 2030 Open Spaces Plan and the 2030 Capital Forecast. The status of the cemetery is currently being reviewed and a Cemetery Upgrade Plan is under development. Recommendations arising from the plan will be incorporated into future operating and capital programs.

## MUNICIPAL BUILDINGS

A number of known facility expansions and upgrades have been incorporated into the Building Maintenance 2030 operating plan, and additional facilities are identified in the 2030 Capital Forecast. Notable current and future facility issues include incorporating the maintenance of the Seaman Stadium, Municipal Centre and Fire Station expansion.

## MAJOR ISSUES

The major outstanding infrastructure requirements and issues that require resolution in the very near future are:

- Securing sufficient licensed water supply allocation
- 32<sup>nd</sup> Street Bridge construction
- Recapitalization of the Town's physical assets – implementation in 2009.

The vast majority of the Town's physical infrastructure will be relatively new in 2017 and require little replacement or major repair through 2030. This extended life span of the infrastructure allows the Corporation to proactively plan for the future replacement needs in a financially achievable manner.

## **RECREATION AND SOCIAL COMMUNITY SUMMARY**

As our community rapidly grows and the hard infrastructure for the community (economic and environmental) is established, a shift in focus will occur towards social sustainability and an emphasis on "quality of life" resources and opportunities. To be effective and sustainable, the following social components will need to be addressed:

- Living: shelter and housing.
- Working: employment and the supports required for it, income, volunteerism and unpaid work, job skills and training.
- Sense of place: community identity, history and heritage, public art, public spaces, and community events.
- Playing: leisure activities, arts and culture, parks, sports, and recreation.
- Engaging: public processes for a civil society, accessibility; and opportunities for people to provide input into decisions that affect them.
- Learning: formal and informal education, literacy, skills training, life-long learning.
- Moving: movement of people and goods by various modes of transportation (public and private), and the associated infrastructure (e.g. roads, bridges, handicap and special needs, transit, etc.).

Okotoks is experiencing a socio-economic trend towards a young affluent community. Residents are beginning to expect to be able to participate in the same experiences available in Calgary and other major centers. As the population continues to increase, a focussed effort will be needed to ensure an adequate supply of recreational, cultural and social programming, services and facilities are available. Existing facilities will need to increase operational hours by 20-25% to meet the increased demands and community expectations. In order to prevent a cultural and recreational infrastructure deficit, new facilities required will include:

- Additional outdoor recreational facilities:
  - Playing fields for soccer, football/rugby, baseball
  - Water Features Spray Park
  - Playgrounds
  - Pathways
  - Off-leash dog park
- Additional ice surface(s)
- Meeting/multi-purpose spaces
- Indoor and outdoor performing arts venue
- Indoor soccer facilities

In order to provide adequate “social” resources, partnerships will need to be managed and refined with local school divisions, community groups, service organizations, regional, provincial and federal governments, and health and wellness organizations.

Challenges facing Community Services include a staffing increase to administer and deliver programs and services, new technologies, facility and equipment lifecycle maintenance. In order to meet these demands partnerships with stakeholders and other communities will need to be explored (e.g. regional transportation and athletic facilities).

There is an increasing expectation to provide quality culture and heritage facilities and programming. The limited ability for the museum and arts to generate revenues will require increased tax support, therefore a cost recovery rate of 35% is projected which is comparable to other communities. Before and after school programming, youth services/programming, and family support programs will require provincial funding and/or increased tax support.

The user pay ratio for indoor recreational facilities necessitates increased tax support for recreational facilities in proportion to the increased usage of the facilities. Council's policy direction for cost recovery is required for outdoor recreational facilities and cultural facilities.

The population growth in proximity to Okotoks will create a challenge in the delivery of community services programs (i.e. Library, Recreation Centre, performing arts venues, cultural facilities, outdoor recreation facilities, community programming and family and community support services).

## **BUSINESS CENTRE ANALYSIS**

### **BUSINESS CENTRE SUMMARIES**

Each business centre completed an in-depth analysis based on the corporate assumptions provided and their business needs to serve the growing community.

Corporate highlights for operating budget requirements are as follows:

- Open Spaces - Increased expenditures are required for additional staff and contract services to maintain service levels. Considerations include a 30% increase in open spaces (parks, boulevards, etc.) maintenance by 2017, along with implementation costs of the Urban Forest Management Plan and operational costs of the Outdoor Recreation Master Plan.
- Cemetery - Additional operating costs and re-capitalization of the Cemetery's physical assets as a result of the Cemetery Upgrade Plan that will be incorporated in 2008 and future years.
- Resource Recovery - Increased operational expenditures, including additional staff and/or equipment will be offset by rates and fees to maintain self-sufficiency. An annual contribution of to a Resource Recovery Recapitalization Reserve will be achieved.

- Utilities - Revenues in excess of expenditures will partially fund general recapitalization.
- Transportation - Expenditures will increase over the next decade and then level out. Expenditures are required for increased equipment, materials and staffing to maintain road and street light infrastructure.
- Storm sewer - Additional expenditures are required primarily for the expanding storm sewer system for operation, as well as maintenance and testing of the storm water treatment ponds (14 facilities by build-out).
- Common Services – The annual contribution to the Eco Efficiency Reserve for street lights is projected to end in 2015.
- Aquatics - Revenue and expenditures will increase proportionate to population as facility usage grows. Revenues reflect a 60/40 cost recovery rate.
- Client Services – Increased hours of operation will require additional support staff to meet the increased demands on reception, admissions, registrations and bookings and to accommodate additional satellite facilities (e.g. reception at Centennial Arena).
- Programs - Revenue and expenditures to offer increased programs will grow proportionately to meet the population demands. Tax support and FCSS funding contributions will be required to operate the youth centre, gymnasium and kinder care.
- Culture and Historical - increased expenditures are required for additional staffing to meet increased demands, customer expectations and serve a broader role in sustaining social needs of the community.
- FCSS will continue to support preventive social programs that are operated by other business centers (e.g. Community Programs). Expenditures will be proportionate to the grant monies received.
- Indoor Facilities – Revenue and expenditures will increase proportionate to population growth as facilities expand and usage increases. Revenues reflect a 60/40 cost recovery rate.
- Police services - Expenditures increase substantially to cover a significant increase in RCMP officers and support staff to serve the growing community.
- Fire - Operating expenditures will increase substantially to accommodate a significant staffing increase, as well as additional operating expenditures for new buildings, equipment and technology, with some offsetting revenue increase.
- Municipal Enforcement - Operating expenditures will increase substantially to 2017 due to increased operating expenses for kennel facilities, vehicles and staff requirements. Revenues will also increase proportionately with population growth.

- Disaster & Rescue Services - Revenues will increase proportionately with Okotoks and MD population growth, while expenses will level out. The end result is anticipated to realize full cost recovery by 2030.
- Emergency Medical Services – Revenues and expenses will increase proportionately with Okotoks and MD population growth. Organizational structure and Provincial involvement in this pre-hospital health care service will remain status quo.
- Planning - Expenditures will remain consistent until 2015, then decline to 2022 and remain constant to 2030 as a result of reduced staff needs. Revenues during the period 2015 to 2022 are largely derived from commercial and industrial development as well as infill and redevelopment activity.
- Safety Codes – Fluctuating development activity as we approach build-out will be managed through reduction in contract services. As build-out approaches, development permit focus will change to redevelopment.
- Engineering – With declining new development activity, the focus will change to overseeing lifecycle capital projects and redevelopment activities.
- Economic Development – Revenues from commercial business and resident site licenses will rise in proportion to business community expansion. Expenses will increase to accommodate additional staff required to meet aggressive industrial growth targets and to nurture and support the existing business community.
- Finance – Revenues will increase proportionate to population growth. Technological advances benefiting both the corporation and residents will make information easier to access.
- Information Technology – Expenditure increases to provide expanded technology support services for additional facilities, equipment and hours of operation will be required.
- Council – modest expenditure increase in election years to cover the cost to administer the triennial election process.
- Corporate Strategy – Expenditure increase is required for dedicated resources focused on community sustainability initiatives and administering the annual census program. There is also an offsetting revenue and expenditure increase to cover annexation costs in 2010.
- Human Resources – Overall corporate staffing projections include an estimated 86 additional staff required to maintain service levels to serve the growing community.
- Communications – modest increases in communication related expenditures are relative to population growth.

Corporate highlights for capital expenditure forecast to 2030 includes over \$2 million in annual recapitalization requirements (see Appendix 11). Upcoming large capital projects over the next decade include:

- RCMP building expansion
- 32<sup>nd</sup> Street and 32<sup>nd</sup> Street bridge construction (two lane)
- Water Features Spray Park
- Pedestrian Footbridge – west end
- Southside Fire Station #2
- Southside Operations Centre
- Additional water storage reservoir(s)
- Centennial Arena expansion

The 2030 capital expenditure forecast does not include a new performing arts facility or a regional athletic park/indoor soccer facility.

Additional business centre analysis highlights are contained on the following pages.

## **BUSINESS CENTRE HIGHLIGHTS**

# **OPERATIONS HIGHLIGHTS**

## BUSINESS CENTRE OPEN SPACES

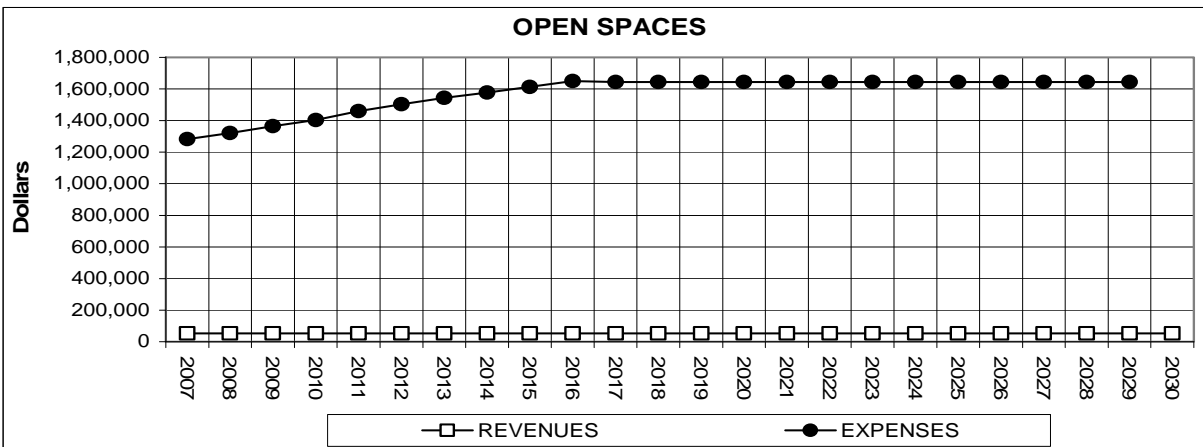
### BUSINESS CENTRE ASSUMPTIONS

- Pathways, parks and playgrounds will increase by approximately 30% by 2017.
- The River Valley Management Plan will continue to form the basis for managing activities in the Town's natural areas.
- A formal "Urban Forest Management Plan" and associated costs will be implemented in 2008 and continue through to 2030.
- The recommendations contained in the Outdoor Recreational Facilities Master Plan will be implemented as per the schedule to build-out and 2030.
- A potential for regional facility initiatives may evolve as the Town's finite capacity of facilities is reached, although not included in this Plan. MD growth in the Okotoks area will continue after 2017 and it is likely that the Town's facilities will reach capacity. This assumes status quo for MD participation rates.
- As the population increases, it is expected that the Town's Open Spaces will experience intensified use and may require changes or enhancements to meet needs of changing demographics.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- The Outdoor Recreational Facilities Master Plan identifies new facilities through 2021 with an estimated increase in annual operating costs of \$187,698. The subsequent operating cost increases are aligned with the proposed facility additions, requiring an estimated increase of \$200,000 from 2008 to 2021. A combined increase of in-house staff and contract services has been used to implement this Plan to build-out and beyond.
- The annual operating costs to fully implement the proposed Urban Forest Management plan by 2017 are included.
- 2008 includes \$15,000 operating costs for an Off-leash Dog Park.
- An additional 1.2 FTE seasonal staff is required. A balance of in-house and contracted service provision will be maintained to build-out in 2017 with a focus on high profile facilities, the urban forest and plan to balance routine maintenance activities with contract services. Developing and retaining a highly specialized workforce to manage the overall Open Spaces needs will be a priority. For the most part this will depend on available resources and facilities to house operations and equipment. For this plan, contracting the additional services has been used.

### SUMMARY



- Increased expenditures are required to cover a 30% increase in Open Spaces to maintain by 2017, along with implementation costs of the Urban Forest Management Plan, the operational costs of the Outdoor Recreation Master Plan with an additional staff requirement of 1.2 FTE.



**BUSINESS CENTRE  
CEMETERY**

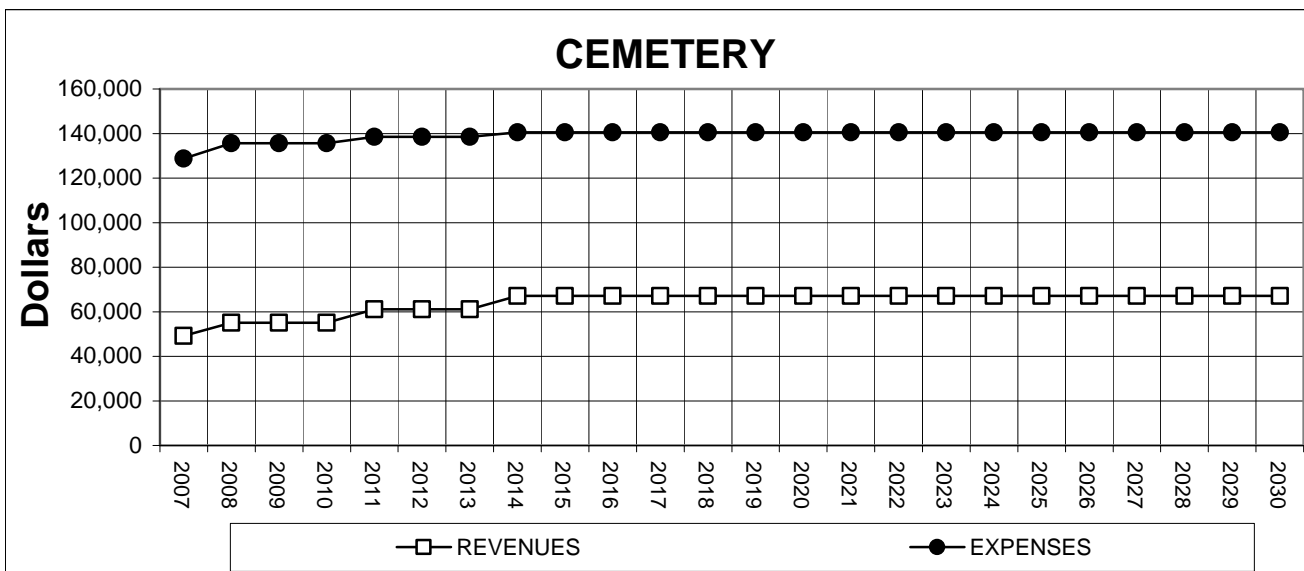
**BUSINESS CENTRE ASSUMPTIONS**

- The number of annual cemetery internments will increase by approximately 30% by 2017 (an average of 75 annual interments).
- The existing cemetery has sufficient capacity to approximately the year 2020 without expansion (based on an annual average of 75 interments).
- The small triangle parcel on the existing site will be developed to accommodate growth beyond 2020.
- Internment fees will reflect marketplace conditions with other Cemetery operations in the area.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- A Cemetery Memorial Garden Upgrade Plan is being developed in 2007 that will review the current Cemetery functionality, provide guidance to plan for the Town's current and future needs, and recommend improvements to for the Cemetery's long term development and utilization patterns. The capital plan and budget to improve the Cemetery and accommodate these future needs is anticipated to begin in 2008.

**SUMMARY**



- Cemetery revenue and expenditures will increase slightly to 2017 and then level out.
- Additional operating costs and re-capitalization of the Cemetery's physical assets may arise from the results of the Cemetery Upgrade Plan which would be incorporated into future years beyond 2008.

## BUSINESS CENTRE RESOURCE RECOVERY

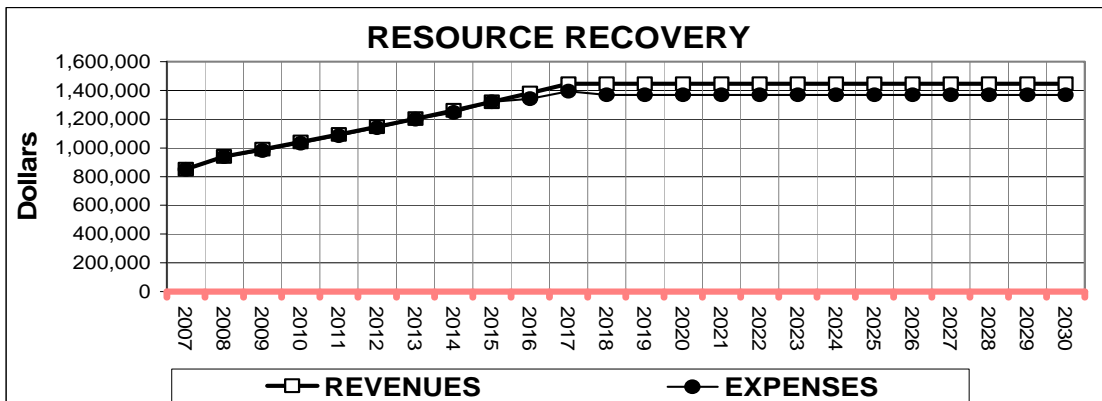
### BUSINESS CENTRE ASSUMPTIONS

- Resource Recovery will continue to provide residential refuse collection and recycling services, with accounts increasing from 5,128 in 2007 to 7,628 by 2017.
- Re-capitalization of physical assets to reserve will begin in 2014 using surplus revenues generated.
- Grass and leaves drop off will continue to be hauled to the Foothills Regional Compost Site
- Rates and fees will cover increased costs to service growth and landfill fee costs so that the service will be self supporting.
- It is uncertain if the Calgary Regional Partnership (CRP) initiative will move towards “regional” composting/recycling facilities and if so, it will also impact the Foothills Regional Services Commission and the composting/landfill facility.
- Strategies developed over the next few years will determine the future local initiatives required to achieve a “zero waste” status for Okotoks and therefore costs not included.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- A 5.5% rate increase is required in 2008 anticipated.
- The Recycling Centre will move to a 7 day/week operation starting in 2008.
- Recyclables (volumes) are projected to increase by 10% per year to 2017 (4,798 tonnes)
- A Southside Recycling Depot will be operational in 2012.
- An increase of 3.6 FTE staff for refuse and recycling is required to provide service for population growth and expanded recycling services on the south side

### SUMMARY



- Increased operational expenditures, including an additional 3.6 FTE staff, will be offset by rates and fees to maintain self-sufficiency.
- Net Gain of \$77K/year achieved in 2020 to create an annual contribution Resource Recovery Recapitalization Reserve

**BUSINESS CENTRE  
WATER & SEWER UTILITIES**

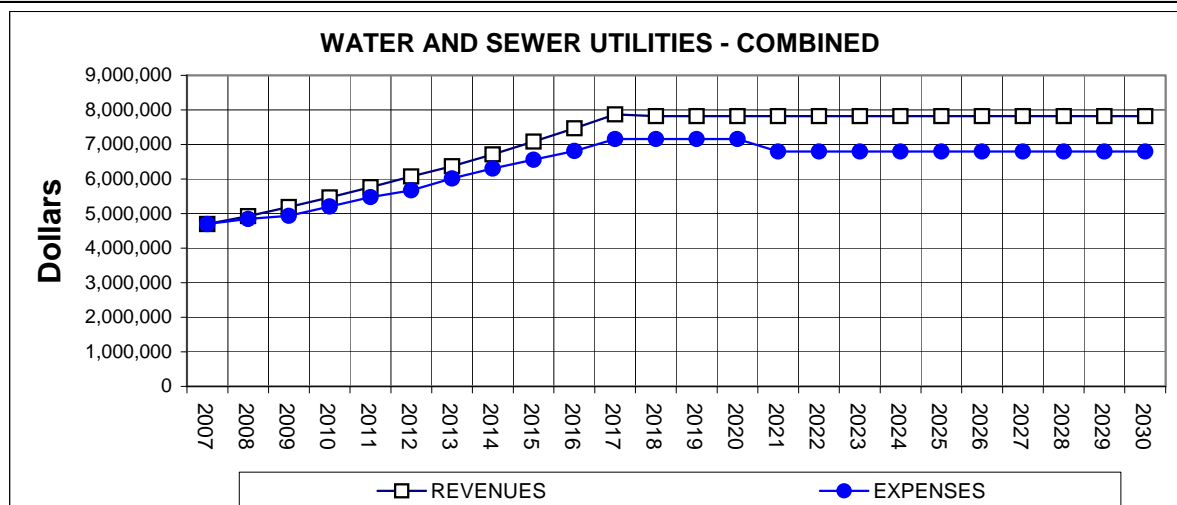
**BUSINESS CENTRE ASSUMPTIONS**

- The EPCOR Operating Contract remains in place through 2030
- Utilities will remain self supporting through rates and user fees increases as required.
- Transfers to other operating functions will remain at current funding levels
- Utilities debt will end in 2017; no new debt is forecasted and capital requirements will be funded through reserves
- Grants will stabilize at an average of 25% eligibility (15% AMWWP, 50% SIP & Others)
- Return on Investments increases by 5.5% per year to 2017, then is maintained to 2030
- Rates will stabilize at current levels – (subject to change by Council)
- No services will be extended outside of Town boundaries beyond existing agreements
- Only minor new facilities (ie: wells,) will be required to 2017.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Re-capitalization of physical assets to reserves using surplus revenues generated
- Utility accounts will increase to 9,810 in 2017 and remain through 2030
- Utilities Debt Payments (2007 - \$674,920) ends in 2020 with no new debt forecasted
- Annual Return on Investment increases to \$1.19 Million in 2017 and is maintained to 2030
- Annual Contribution to Capital increases to \$2.85 Million in 2017 and is maintained to 2030
- Acreage Assessment (growth) revenues will drop off in 2015

**SUMMARY**



- Revenues exceed expenditures to maintain return on investment policy.
- The projections above do not anticipate major infrastructure additions that may be required from changes in legislation or the possibility of additional reservoir storage in the future that may be required to ensure sufficient water supply during extreme drought events.

**BUSINESS CENTRE  
TRANSPORTATION**

**BUSINESS CENTRE ASSUMPTIONS**

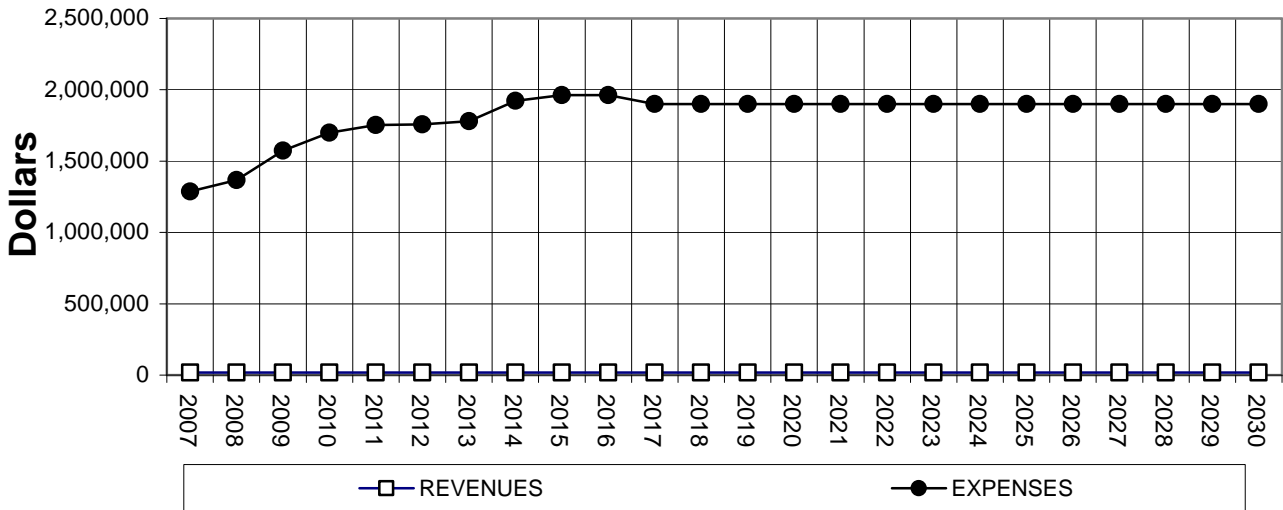
- Transportation will continue to provide maintenance and repairs services for the Okotoks transportation network, with the roadways growing by approximately 30%. Roadway infrastructure will be constructed by 2014, 3 years before build-out.
- As the population approaches build-out, increased usage (vehicles and people) of the roads and pedestrian systems from Okotoks and the surrounding areas could decrease road life span.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- An additional 3.4 FTE staff is required to maintain and service increased and aging roads and pathways. Contracted services and materials and supplies have increased 30% (\$76K/yr) from 2008 to 2014.
- At 30% increase in utilities from 2008 to 2014 results in an estimated increase of 77 lights/year at a cost of \$93K
- Reserves – as the Northridge / Southridge Dr. reserve has been spent, \$25,600 will be added to the existing budget; and from 2008 to 2014 there will be a \$35K contribution to the Transportation reserve to increase the emergency snow removal budget to \$65K.
- New equipment is required for an approximate cost of \$782K that will be spread out from 2009 up 2017 in equipment rental. Costs of new equipment will not be paid out until 2017
- Transportation Services is being amalgamated with Open Spaces into one single Business Centre in 2007, although budgets will remain separate.

**SUMMARY**

**TRANSPORTATION**



- Expenditures will increase during the period 2008-2017, and then level out. Increased expenditures are primarily required for increased equipment and material requirements along with an additional 3.4 staff, to maintain the additional road infrastructure and street lights through to build-out in 2017.

## BUSINESS CENTRE STORM SEWER

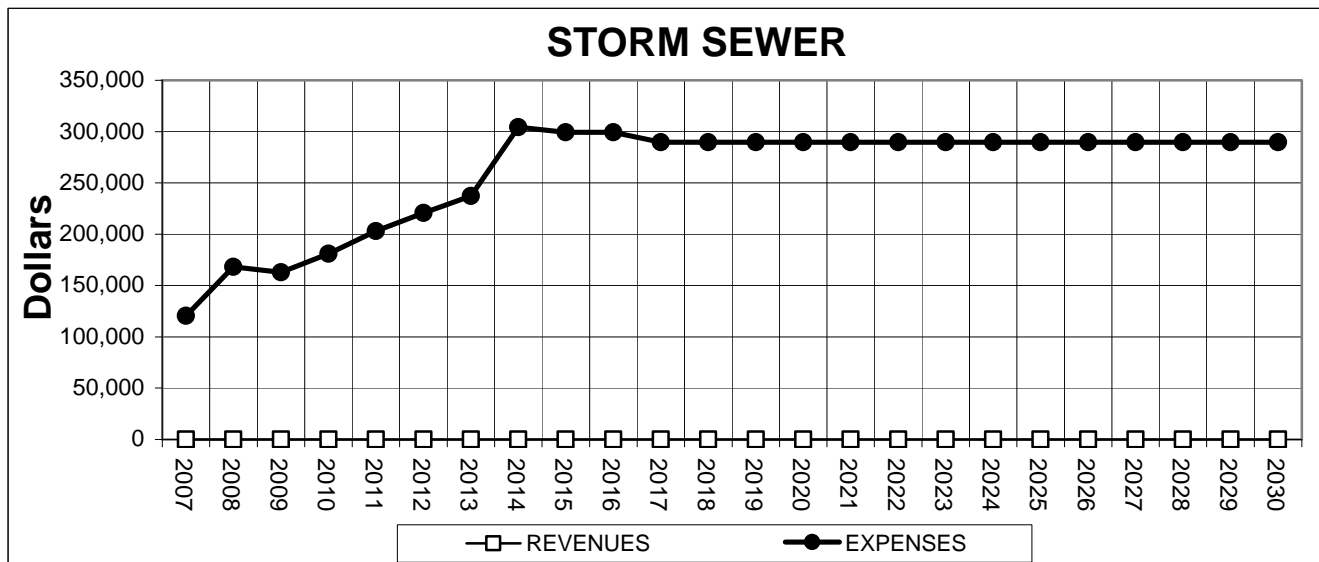
### BUSINESS CENTRE ASSUMPTIONS

- Transportation Services will continue to monitor, repair and maintain the Town's storm water collection system, including managing surface drainage, underground piped systems and outfalls. Transportation staff also manages the storm water systems.
- Approximately 25% additional storm sewer infrastructure, including storm water treatment facilities, will be constructed by 2014 (3 years prior to build-out).

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Storm ponds will double by 2017. In 2007, there are 7 existing storm ponds (only one turned over to the Town) with an additional seven by build out at an estimated cost of \$25K/pond required to the reserve for a total of \$350K for future maintenance needs.
- An additional 1.5 FTE staff will be required to service the additional storm water ponds. Additional activities include inspecting outfalls, storm water treatment areas, backflow prevention devices, flushing and vacuuming mainlines, repairing manholes, cleaning catch basins, testing storm water outfalls and street cleaning.
- Remainder of storm sewers will be \$210K (compared to \$70K in 2007)
- New snow dump sites will have to be constructed in non-residential areas for night hauling and be able to drain into storm ponds for treatment
- Equipment to check silt sediments levels in ponds and a hydro-vac truck unit is required in the future
- Contracted services will increase from 2008 to 2014 for storm water facilities and Sheep River testing

### SUMMARY



- The additional expenditures are required primarily for the expanding storm sewer system for operation, maintenance and testing of the storm water treatment ponds (14 facilities by build-out), including 1.5 FTE additional staff.

**BUSINESS CENTRE  
COMMON SERVICES**

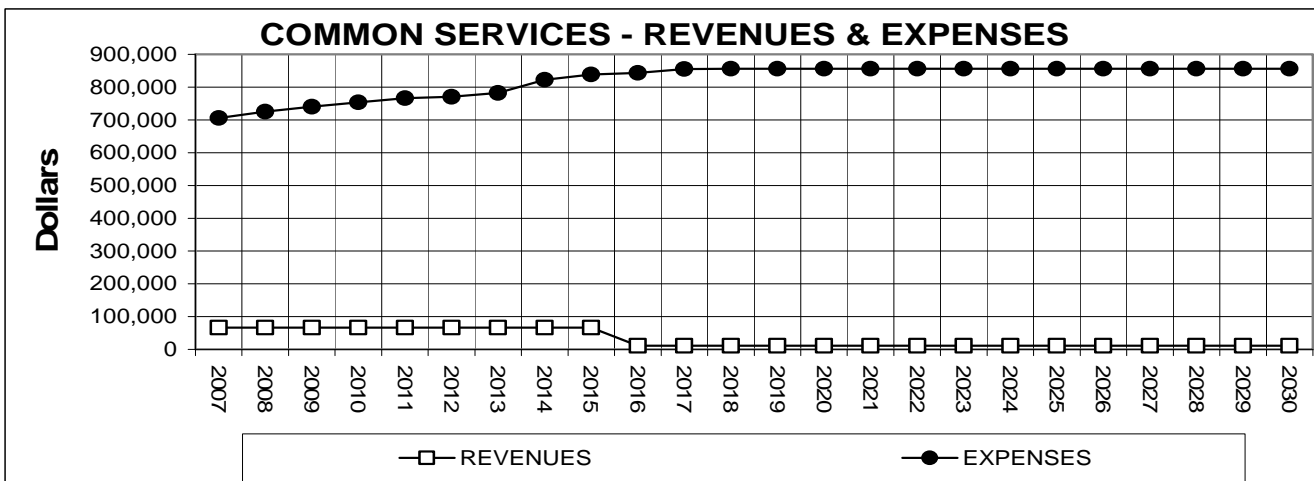
**BUSINESS CENTRE ASSUMPTIONS**

- The Common Services Administration offices will remain at their current location, providing contract administration services for the the Epcor Water and Sewer Utilities, coordination of the energy supplier contracts (Nexen and AMSC) and energy tracking systems, and administration for Operations business centres (including fleet and building maintenance). Technology upgrades will continue to increase the efficiencies in this office
- The existing site (yard) will remain for use primarily by Transportation and Open Spaces for storage of materials and supplies. An additional south Storage yard for Transportation may be considered closer to build-out.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- An additional capital expansion to the Operations Centre in 2012 to house the fleet equipment will allow for modifications in the main building to accommodate future office space required.
- The fleet will increase by approximately 30% by 2017, largely to accommodate additional equipment required by Municipal Enforcement, Transportation and Resource Recovery Services
- Life-cycle replacement of the existing fleet will continue in accordance with the Fleet Management Plan
- An additional 0.5 FTE support staff is required. Greenhouse gas emissions and energy reduction reporting is a new task anticipated in 2008/2009. The Eco Efficiency fund will offset the costs of administering the Energy Program.

**SUMMARY**



- Annual operating costs are fully recovered through the Operations Business Centers using the services.
- Revenue generation in Common Services for the most part is limited to fleet maintenance services provided to the Town's contract Utility Operator, Epcor Water Services Inc.
- The contribution to the Eco Efficiency Reserve of depreciated assets for Street Lights (\$55,000/yr) is projected to end in 2015.

## BUSINESS CENTRE BUILDING MAINTENANCE

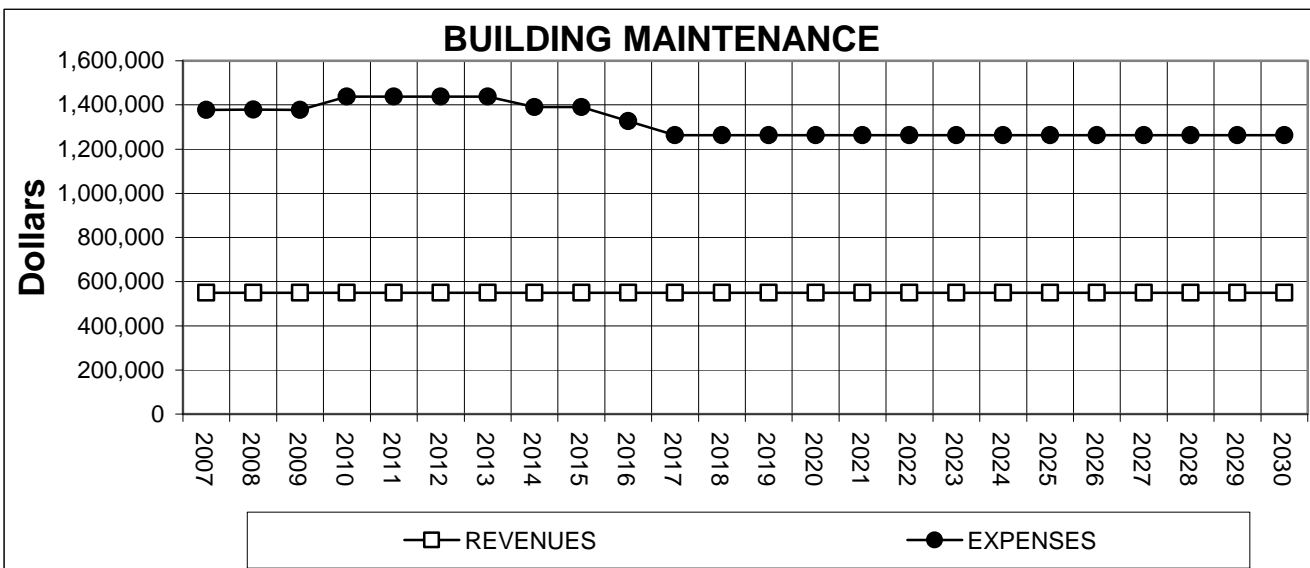
### BUSINESS CENTRE ASSUMPTIONS

- Provide improved response times to work requests
- Develop and track inventory to achieve faster response times.
- Upgrade training of Maintenance personnel.
- Utility costs should remain constant, except for the Police Services Building and Fire Station #1. Utility cost will rise approx. 50% for the Police Services Building in 2009 and 100% for Fire Hall #1 in 2010.
- RPAC will be back in service in 2008, all GL's are adjusted to reflect this change since our 2007 Operating Budget had these amounts lowered to reflect the temporary closing of the building.
- The Police Services Building will expand in 2009; this will impact their rent greatly until build out in 2017.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Facilities Maintenance will expand to include Tradesmen to reduce costs of outsourcing.
- Establishing a Recapitalization Fund to replace all buildings and equipment as per the Life Cycle Plan.
- Life Cycle Plan of existing buildings and equipment will proceed in accordance with the Life Cycle Plan.
- Buildings that have been added to the plan for Recapitalization purposes only are; the Dawgs Stadium and the Foothills Centennial Centre.
- Buildings not included in this report are the Recreation Centre and Centennial Arena. The life cycle plans for these buildings have been captured within Indoor Facilities.
- Long term debt will be paid off in the year 2017

### SUMMARY



- Re-Capitalization fund will be approximately \$1,000,000 / year.
- Building Maintenance is a net zero department with no revenue except for rentals from the Library and RCMP. All expenditures are then returned back to Building Maintenance through Transfers To/From Other Functions

# **COMMUNITY SERVICES HIGHLIGHTS**



**BUSINESS CENTRE  
AQUATICS**

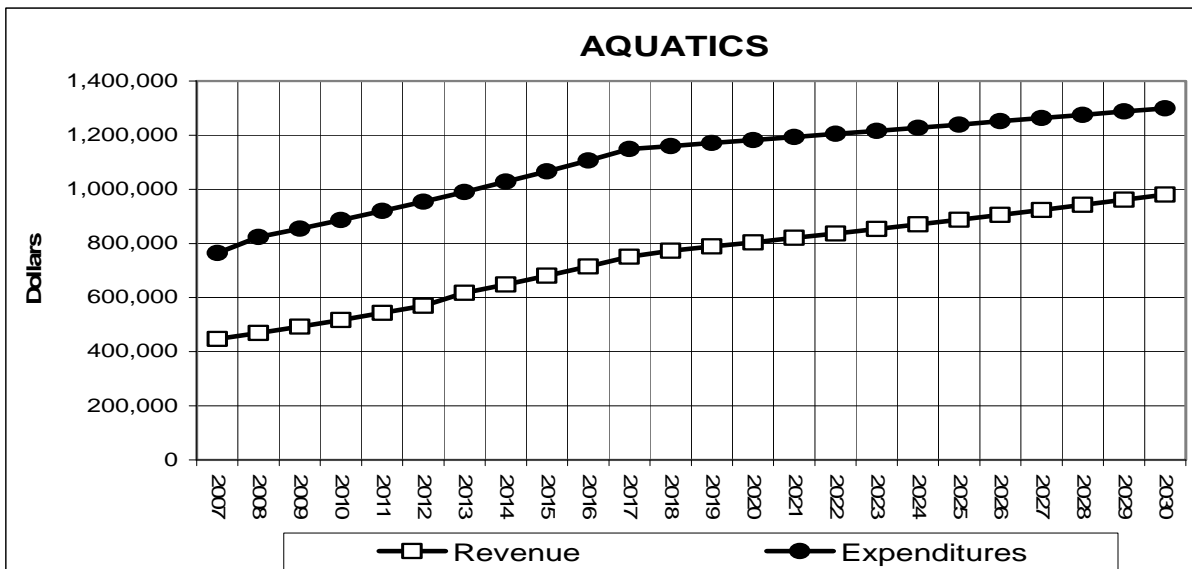
**BUSINESS CENTRE ASSUMPTIONS**

- Will continue to work towards 65%35% user pay /tax support ratio for operational costs, while considering market conditions.
- Water Spray Park will be constructed in 2008. The Aquatic staff will maintain the park at an estimated annual cost of \$50K. The water park need 100% tax support presuming be no admission is charged.
- New aquatic facility water features (water slide and indoor spray features) may be constructed in 2009. Capital expenditures on water features and upgrades will address the aquatic recreational needs of community.
- Client Services will continue to handle reception, admissions and registrations for the Aquatic Centre.
- The existing MD contribution formula will continue, although partnerships will need to be initiated or renegotiated for MD resident use of facilities and programs.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Aquatic Centre will increase hours of operation by 20% to meet population increase. Revenue will be affected by the availability of staff to offer programs.
- Staffing requirements will increase by 4.5 FTE to meet the increase program demands.
- Aquatic programs will continue to use contract instructors for the delivery of specialized programs. The use of contract instructors has little impact on the budget; no payment is made without sufficient registrations.

**SUMMARY**



- Revenue and expenditures will increase proportionately as aquatic facilities usage grows to meet Okotoks and are population needs.
- The recovery rate reflects a 60/40 cost recovery rate (as opposed to Council approved 65/35%) until 2017; with the Aquatic Centre projected to meet 65/35 by 2024

## BUSINESS CENTRE CLIENT SERVICES

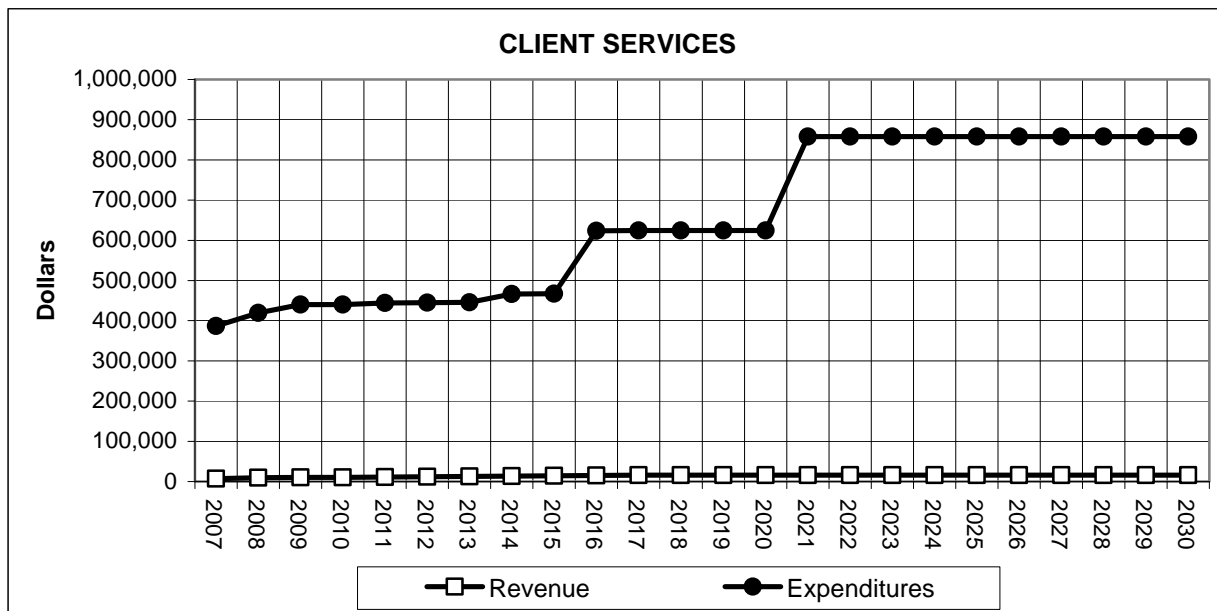
### BUSINESS CENTRE ASSUMPTIONS

- Client Services continue to be 100% tax supported.
- Client Services will increase hours of operation by 20% to meet facility and community requirements.
- Satellite facilities will be added (e.g. Centennial Arena), although registrations and bookings for all community facilities and community programs will continue to be administered from the Okotoks Recreation Centre.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Revenue will increase in the aquatics store, with supplies increasing 5% to meet the population growth rate to 2017 after which the population growth will level out.
- Client Services operating costs will increase to meet the community demands. This includes items such as stationery, supplies and financial charges.
- An additional 6.0 FTE staff are required to meet the increased demands on reception, admissions, registrations and bookings and to accommodate additional satellite facilities.

### SUMMARY



- The increase in expenditures is largely due to the need for 6 additional support staff to meet the increased demands on reception, admissions, registrations and bookings and to accommodate additional satellite facilities.

## BUSINESS CENTRE COMMUNITY PROGRAMS

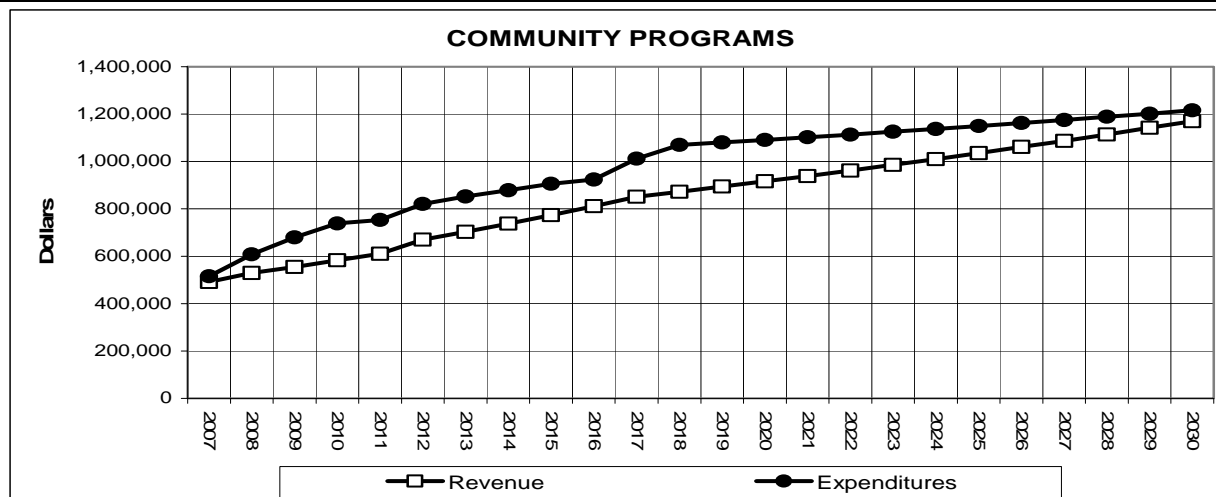
### BUSINESS CENTRE ASSUMPTIONS

- Additional school facilities will be available through the joint use agreement; negotiations with the school divisions will ensure maximum access for community user groups.
- Okotoks will remain predominately a community of young families and service hours will be extended to meet increased demands.
- The Okotoks Youth Centre will utilize new and creative programming to meet the needs of the community.
- Community Programs will continue to utilize contract instructors for the delivery of the majority of programs. The use of contract instructors has little impact on the budget; no costs are incurred unless there are sufficient registrations to run the program.
- Individual programs will remain self sufficient (costs will be recovered by program fees).

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Tax support and FCSS funding contributions will be required to operate the youth centre, gymnasium and kinder care.
- Program administration will remain at the Okotoks Recreation Centre. Additional office space required by programs staff will be site specific.  
An increase of 4.1 FTE staff is required to meet growing community demands for programs and youth centre activities.

### SUMMARY



- Revenue and expenditures to offer increased programs will grow proportionately with the population increases in Okotoks and the MD. FCSS funding for Programs will steadily increase along with population increases, eventually closing the revenue/expenditure gap, and result in Programs making a modest profit by 2030.
- The cost of increased staff will largely be offset by increased revenues.
- Programs offered will increase along with the population, many of which will be self-sufficient. Individual programs will remain self sufficient.
- Tax support and FCSS funding contributions will be required to operate the youth centre, gymnasium and kinder care.
- Partnerships will need to be initiated or renegotiated for MD resident use of Community Facilities and Programs.

## BUSINESS CENTRE CULTURE AND HERITAGE

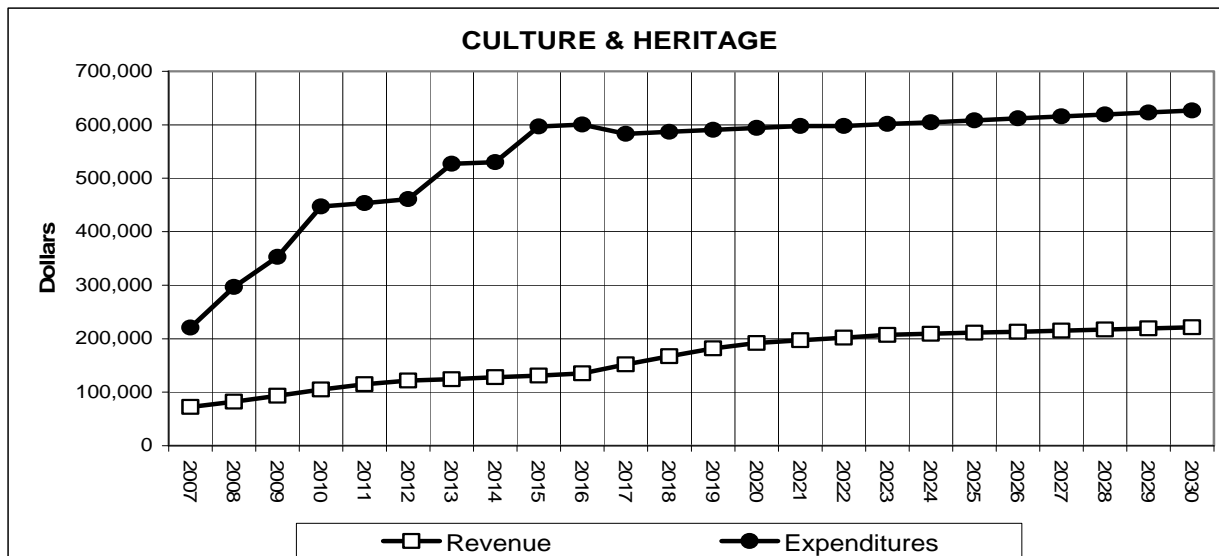
### BUSINESS CENTRE ASSUMPTIONS

- Okotoks is an affluent community and residents often expect to be able to participate in similar experiences available in Calgary and that those experiences are suitable for all demographics.
- Cultural & Historical Services will continue to manage and operate The Station Cultural Centre, Heritage House Museum and Archives, the Rotary Performing Arts Centre, and the Visitor Information Centre (until 2011).
- The Museum will have complete use of Heritage House in 2008 when the Municipal Centre is complete.
- The Rotary Performing Arts Centre (RPAC) will be operational in 2008.
- There will be an outdoor stage/amphitheatre in 2008.
- There will be a new performing arts venue which will include multi-purpose space in 2017.
- Partnerships will need to be initiated or renegotiated for MD resident's use of community facilities and programs.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Culture and Heritage will increase hours of operation to meet community expectations and demands and growth in participation of community initiatives such as developing educational kits and programs, Storytelling Festival, etc. will be required.
- The performing arts venue, Museum and archives will strive to operate at a 40% recovery/60% tax support.
- Safe, secure and environmentally controlled off-site storage for the Museum and any art housed in the Public Art Program will eventually be required, although no additional expenditures are identified in this plan.
- Staffing requirements will increase by 9.0 FTE from 2008 to 2015 to meet the increased community expectations and program demands.

### SUMMARY



- Increased expenditures are largely due to the 9.0 additional staff required to meet increased demands, customer expectations and serve a broader role in sustaining social needs of the community.
- Revenue will not increase at the same rate as expenditures, as there are limited opportunities for the Museum to raise revenues. The Museum will require tax support.

**BUSINESS CENTRE  
FAMILY AND COMMUNITY SERVICES**

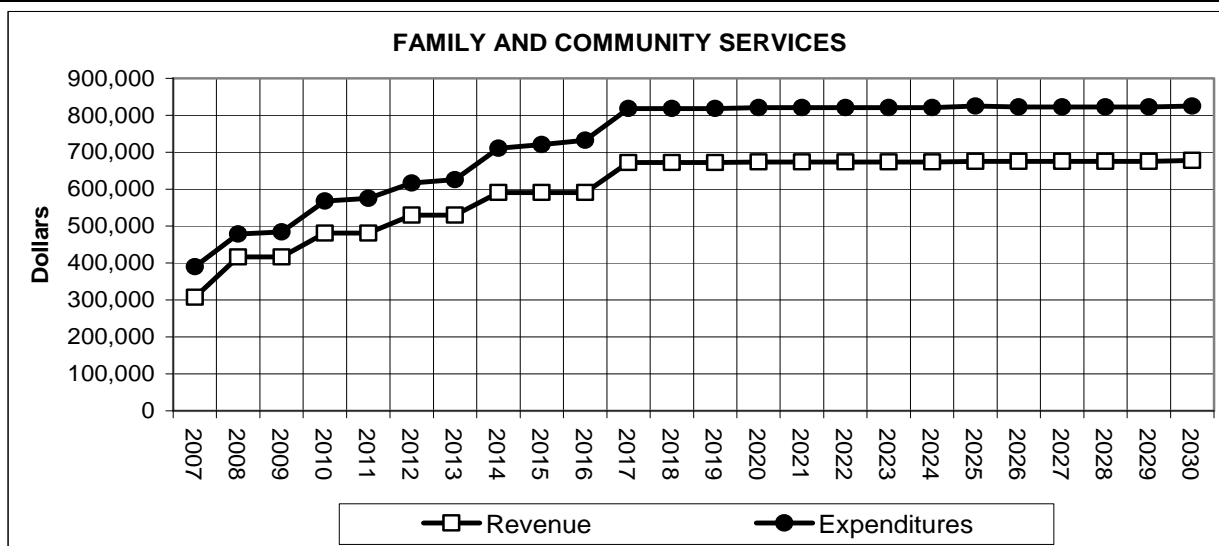
**BUSINESS CENTRE ASSUMPTIONS**

- The Province will continue to provide funding for FCSS services using a per capita funding formula and the MD of Foothills will continue to provide funding for their residents who seek support at the Okotoks Healthy Family Resource Centre.
- Programs will be developed in satellite locations e.g. Seniors Outreach at the Okotoks and District Seniors Club.
- The Community Access program (seniors and physically challenged accessible transportation) will require review by 2012, along with an enhanced special needs public transportation program review by 2017.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- FCSS will increase hours of operation to meet population needs and expectations.
- Staffing requirements will increase by 5.5 FTE to meet the increased community demands.
- Revenue will increase in proportion to population growth due to the provincial per capita funding for FCSS Alternate funding sources or additional tax support will be needed for FCSS to maintain services if Provincial funding support does not keep pace with population growth and increased service needs.
- FCSS will continue to provide coordination of services in the community, and provide grants to organizations so they can enhance services. New, additional or expanded programs will need to be funded through additional revenue sources.
- Community Access Program usage will increase until 2017, and then remain constant as of 2017 when build out population is reached and an enhanced special needs public transportation program is in place (e.g. a vehicle that is wheelchair accessible). Additional staff will be needed to monitor use of the program.
- Social Sustainability (community facility, programs and services) will become a focus of the community.
- Partnerships will need to be initiated or renegotiated for MD residents use of community facilities and programs.

**SUMMARY**



- Revenues and expenditures will increase to 2017 and then level out. Expenditure increases are largely due to the need for 5.5 FTE additional staff.
- FCSS will continue to support preventive social programs (e.g. Community Programs) that are operated by other business centers. Expenditures will be proportionate to the grant monies received.

## BUSINESS CENTRE INDOOR FACILITIES

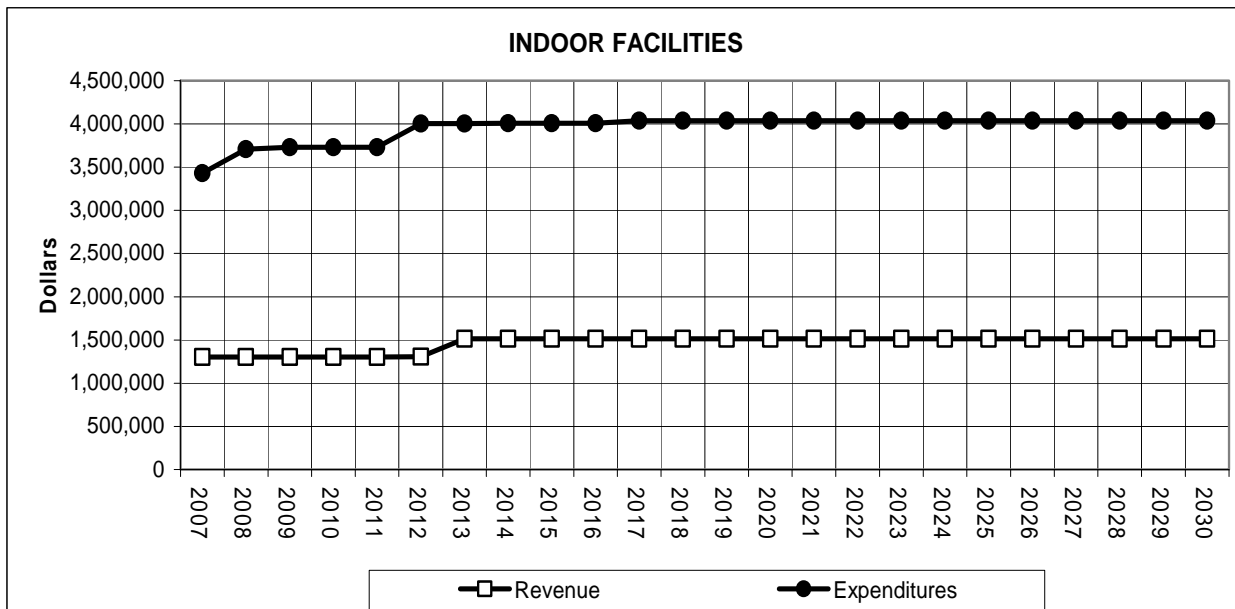
### BUSINESS CENTRE ASSUMPTIONS

- Work towards 65 / 35 percent user pay /tax support ratio for operational costs, while considering market conditions.
- Future needs for Indoor Facilities should include a new community sized arena by 2012.
- The increasing growth in population and the rise of participation in new activities such as indoor soccer and lacrosse has created a demand for new facility types. A regional recreation centre for indoor recreation and other needs will need to be established.
- Internal transfers to and from leased areas, Gymnasium, building maintenance and fleet will remain at current levels.
- Specialty recreation facilities (squash/racquetball, etc) will be built and operated by the private sector.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Indoor Facilities will increase hours of operation in existing facilities to meet increased demand.
- Staffing requirements will increase by 4.5 FTE to meet the increasing program demands and additional arena.
- There will need to be an increase in hours of operation by 20% by 2017 to meet growth in population.
- Partnerships will need to be initiated or renegotiated for MD residents' use of Facilities and Programs.
- Operating costs or contributions to a regional recreation facility are not included.
- The average life expectancy of facilities is 40 to 60 years with proper life-cycle maintenance. These facilities should be occasionally retrofitted to be more efficient to operate and to keep up with new technology and to bear in mind the possibility of an ever changing user base.

### SUMMARY



- Increased expenditures are largely due to 4.5 FTE additional staff required to operate an additional arena in 2012.
- The additional ice surface in 2012 will result in an increase of revenue of \$205,888, an increased transfer to building maintenance of \$250,000, and increase in overall expenditures by \$275,282 (this budget estimate is based on a twin ice facility at Centennial Arena).
- The decision whether the second play surface will be an ice arena or soccer pitch has not been made by Council at this time.

# **PROTECTIVE SERVICES HIGHLIGHTS**

**BUSINESS CENTRE  
FIRE SERVICES**

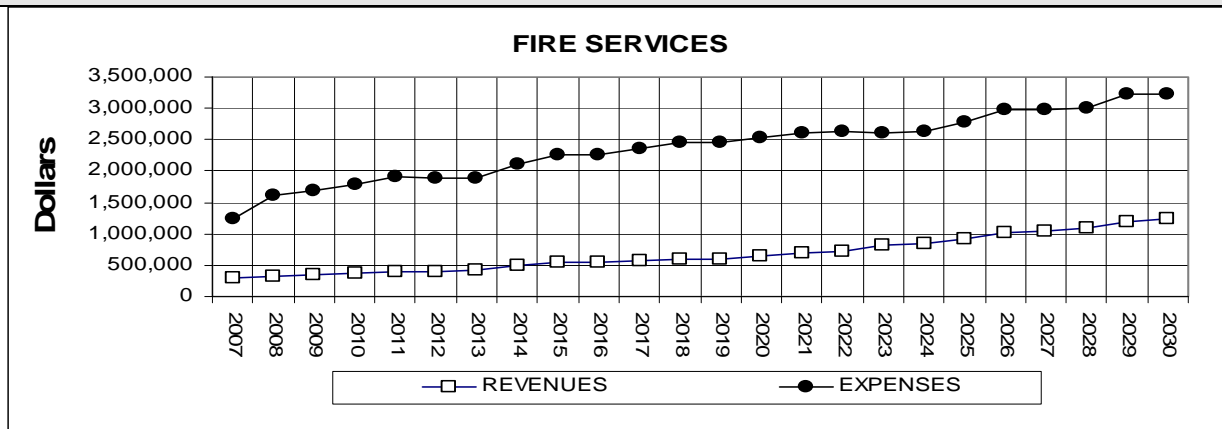
**BUSINESS CENTRE ASSUMPTIONS**

- Fire Services will continue to service both Okotoks and the surrounding MD of Foothills area, with Foothills continuing to grow at an annual rate of 5.5% to an estimated population of 28,700 in 2030.
- The availability of volunteer firefighters will diminish and require replacement with full time firefighters.
- This report does not reflect a potential integrated Fire/EMS service, a joint regional fire service in Aldersyde, nor the potential for a province-wide 9-1-1.
- Fire Station No. 1 expansion will be complete in late 2008, with the EMS co-habiting in the same building. A second Fire Station on the south side (Westmount) will be built in 2012.
- Technology improvements will include mapping, larger data base and inter-provincial information retrieval systems.
- Staff focus will change to ensure aging buildings are kept in a maintained condition, and move from fire suppression towards fire and injury prevention and fire code enforcement.
- Access to the south side (second bridge) operational by 2012.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- An additional 27.5 FTE staff is required to service both the growing Okotoks (12.5 FTE) and MD (15 FTE) population.
- Significant additional capital will be required, with the MD continuing to contribute to capital at the current rate of 31.3%. Capital is required to replace the major apparatus over their life expectancy (20 years) and support trucks in 10-15 years; \$150K communications system 2010; computer upgrades for apparatus \$100K in 2008; SCBA \$150K in 2011 + \$50K in 2016; 2010 traffic light controls for \$200K; 2012 South Fire Station built for \$4M with skeleton day staff occupying it in 2011.

**SUMMARY**



- Operating expenditures will increase significantly to accommodate an increase of 27.5 FTE staff, and additional operating expenditures for new buildings, equipment and technology, with some offsetting revenue increase.



**BUSINESS CENTRE  
MUNICIPAL ENFORCEMENT**

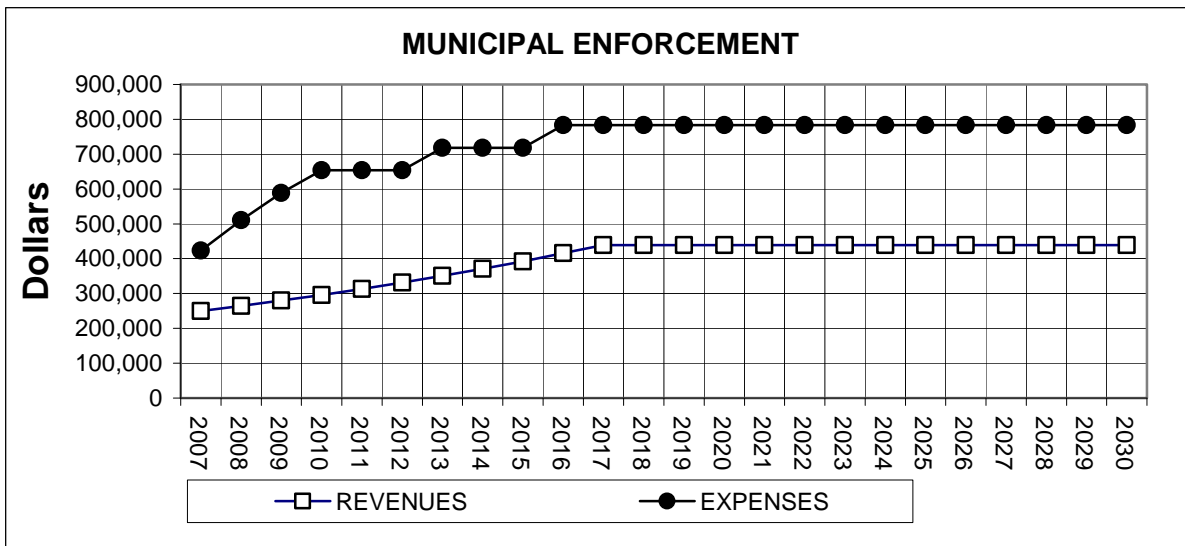
**BUSINESS CENTRE ASSUMPTIONS**

- Municipal Enforcement scope of services/Peace Officer authority to maintain status quo.
- The construction of a kennel facility for animal control will be required by 2010.
- Increased staffing and coverage requirements to meet an aging population's demand for higher security will also necessitate the addition of one vehicle.
- The urban pathway system will continue to grow proportionately with development and require more hours to patrol.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- An additional 6 FTE staff are required by 2017, along with associated costs for an additional training, uniforms and equipment and other costs.
- Capital required includes a \$200K kennel facility in 2010, along with utilities and operating costs; \$43K for an additional vehicle in 2011 along with \$16K in operational costs; life cycle replacement of vehicles every 6 years; and potential for photo radar and red light cameras in 2017.
- Alberta First Responder network will be introduced in 2011, increasing communication between municipal enforcement and other law enforcement agencies – no cost.

**SUMMARY**



- Operating expenditures will increase substantially to 2017, largely due to increased operating expenses for facilities and vehicles and additional staff requirements, and then will level out.
- Revenues will increase proportionately with population growth and then remain consistent.

## BUSINESS CENTRE POLICING SERVICES

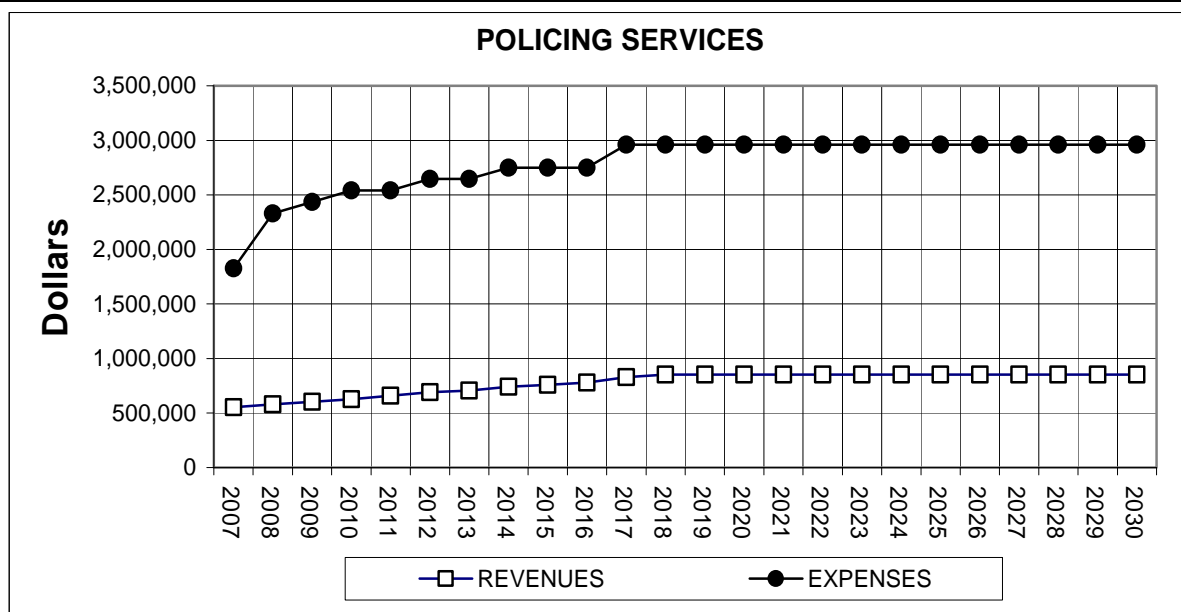
### BUSINESS CENTRE ASSUMPTIONS

- Okotoks will continue to contract police services through a provincial agreement which expires in 2020 and will be renewed at that time.
- Okotoks detachment works as a combined rural (28%) and municipal detachment (72%). Current cost share will continue with Okotoks paying 90% of the Okotoks urban RCMP detachment costs.
- Sometime in the next 5-10 years, the greater S.W. rural Calgary area (includes Okotoks, High River, and Turner Valley) will warrant a feasibility study to determine the utility of amalgamating these policing jurisdictions. Some consideration will be given to targeting efficiencies, streamlining to reduce redundancy of administrative roles and resources as an example, and ultimately enhance the quality of service at the best cost.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- An additional 10 RCMP officers are required and paid through contract services at 90% of costs. New RCMP positions will include a plainclothes and crime prevention/school liaison positions to meet changing community demands.
- \$5-7M capital costs are required in 2008 for the Town of Okotoks Police Services building expansion in 2008.
- 3.5 additional support staff are required to service population growth and paid at 100% cost.

### SUMMARY



- Expenditures increases substantially largely to cover RCMP and support staffing costs to build out, and then level out through 2030. Expenditures are slightly offset by minor increased revenues.

**BUSINESS CENTRE  
DISASTER & RESCUE SERVICES**

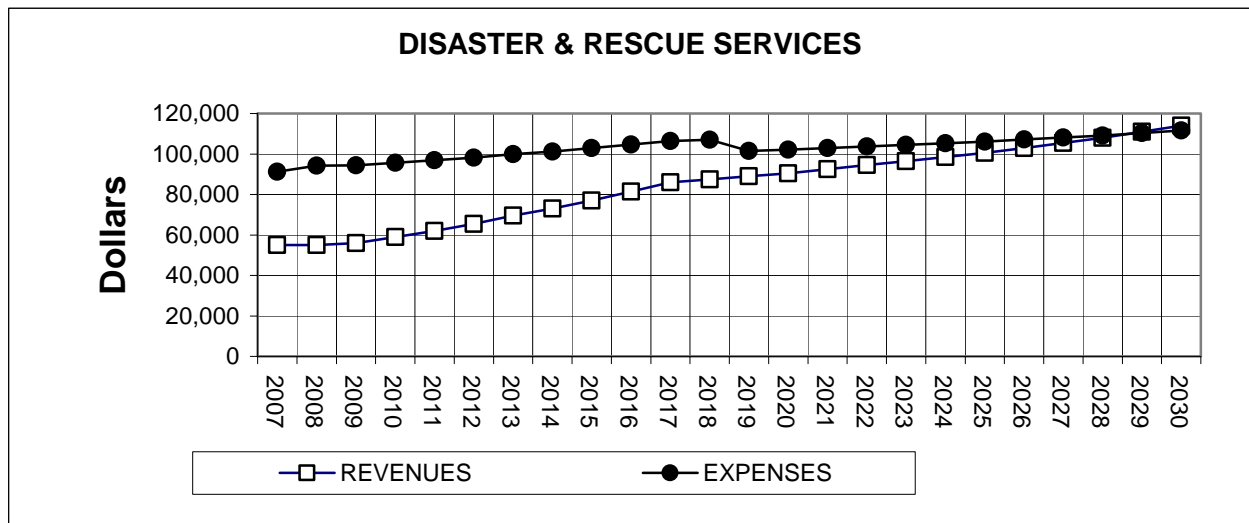
**BUSINESS CENTRE ASSUMPTIONS**

- Disaster and emergency preparedness planning, coordination, training and administration and rescue services will continue to be offered by Fire Services personnel.
- Rescue services, primarily for motor vehicle accidents, will continue to be offered on a cost recovery basis from insurance and Alberta Transportation billings.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Disaster and emergency planning expenditures for staff, materials, and supplies will increase as population in both Okotoks and the MD of Foothills grows.
- Rescue services will increase in accordance with Okotoks and MD population growth.
- Support staff to process rescue services billings, and assist with administration of emergency planning activities will require a minor increase.

**SUMMARY**



- Revenues will increase proportionately to Okotoks and MD population growth, while expenses will level out with the end result being full cost recovery by 2030.

**BUSINESS CENTRE  
EMERGENCY MEDICAL SERVICES**

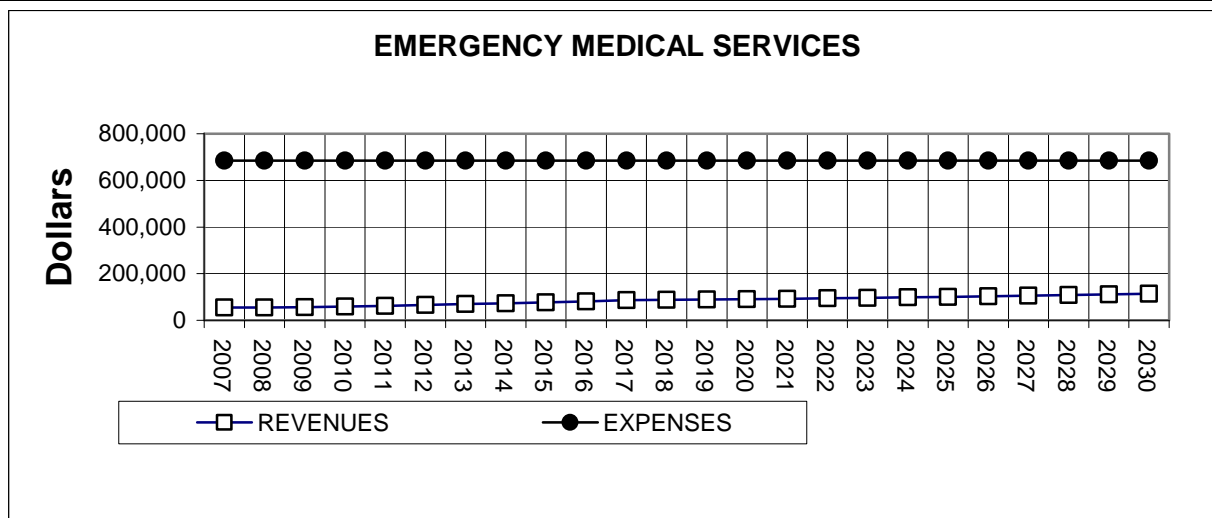
**BUSINESS CENTRE ASSUMPTIONS**

- EMS is provided to Okotoks residents through the contracted services of Foothills Regional Emergency Services Commission.
- EMS provides Advanced Life Support emergency medical services 24/7.
- Funding will continue to be provided to FREMS on a per capita basis as per the contracted services agreement and supported by limited provincial funding.
- No integration with Fire/EMS is contained in this plan.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- The EMS billing requisition is estimated to increase at 5.5% annually to match population increase projections until 2017.
- With an annual census being conducted by Okotoks in 2008 through 2017, provincial funding will increase to reflect population.

**SUMMARY**



- Expenses will increase to accommodate provision of service to a growing population and then level out at 2017.
- With an annual census being conducted by Okotoks in 2008 through 2017, provincial funding will increase to reflect population.

# **DEVELOPMENT SERVICES HIGHLIGHTS**

**BUSINESS CENTRE  
PLANNING**

**BUSINESS CENTRE ASSUMPTIONS**

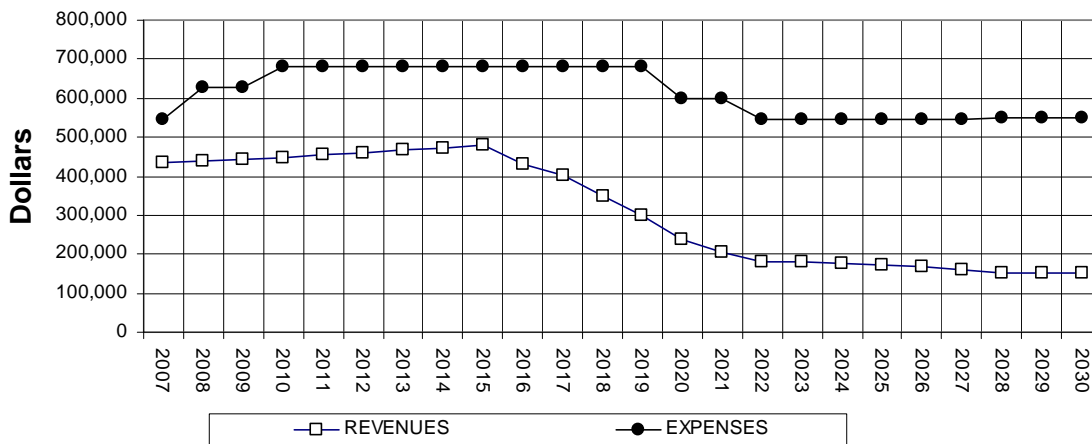
- Revenues: Growth related revenue (subdivision, development and statutory) will remain relatively constant until 2017 and then decline and level off to 2030. Sales and user fee revenue will increase at a rate similar to population growth until 2017 and plateau into the future.
- Approximately 50% of commercial land identified in the MDP has been developed to date. Developed commercial land will increase at an annual rate of approximately 5%, with commercial build out occurring in 2020.
- Approximately 11% of industrial land identified in the MDP has been developed to date. Developed industrial land will increase at an annual rate of approximately 15%, with industrial build out occurring in 2022.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Revenues related to growth will begin to decline in 2015 for a period of 7 years and stabilize reflecting a mature community with ongoing redevelopment and infill projects.
- An additional 2 FTE staff will be required to assist with growth-related activity in 2008 and 2010 and then will decrease a few years after build-out.
- The focus Planning Services will shift from preparation of growth management plans and processing new subdivision and development to strategic plans including comprehensive redevelopment initiatives and processing infill and redevelopment applications.
- Okotoks' role in regional planning initiatives and project work such as downtown vitalization will increase over time as the community and regional grow and this role will continue beyond build out.

**SUMMARY**

**PLANNING SERVICES**



- Expenditures will remain consistent until 2015, then drop off to 2022 and remain constant to 2030, largely due to reduced staff needs and the associated operating costs.
- Revenues will increase as substantial development continues to occur, then decrease and level off to 2030 as the focus changes from new development to infill and re-development.

## BUSINESS CENTRE SAFETY CODES

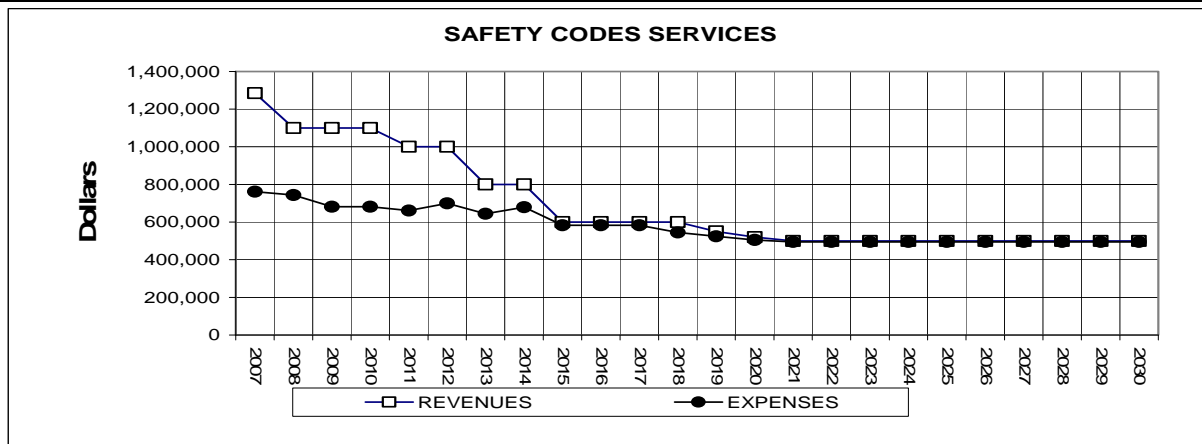
### BUSINESS CENTRE ASSUMPTIONS

- New residential, commercial and industrial development will occur as per the Municipal Development Plan.
- After build-out, new home construction or reconstruction would only occur in existing developments.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Revenues and expenditures will decrease accordingly as build-out approaches and then level off to 2030.
- As build out approaches, the focus will change to applying the Safety Codes Act for new construction to reconstruction of existing structures.
- As development slows, Safety Codes would maintain existing staff levels and complete permit reviews / inspections without contracted agency assistance and as redevelopment occurs, the work would likely be directly with the home owner for permit submission.

### SUMMARY



- Revenues for development related permits will remain strong, although experience a dramatic decline from 2008 to 2014, after which revenues will level off and remain consistent, reflecting a focus on redevelopment permits.
- Expenditures will decline along due to less reliance on contracted services and work towards full cost recovery by 2021 and this strategy will remain consistent through 2030.

## BUSINESS CENTRE ASSESSMENT SERVICES

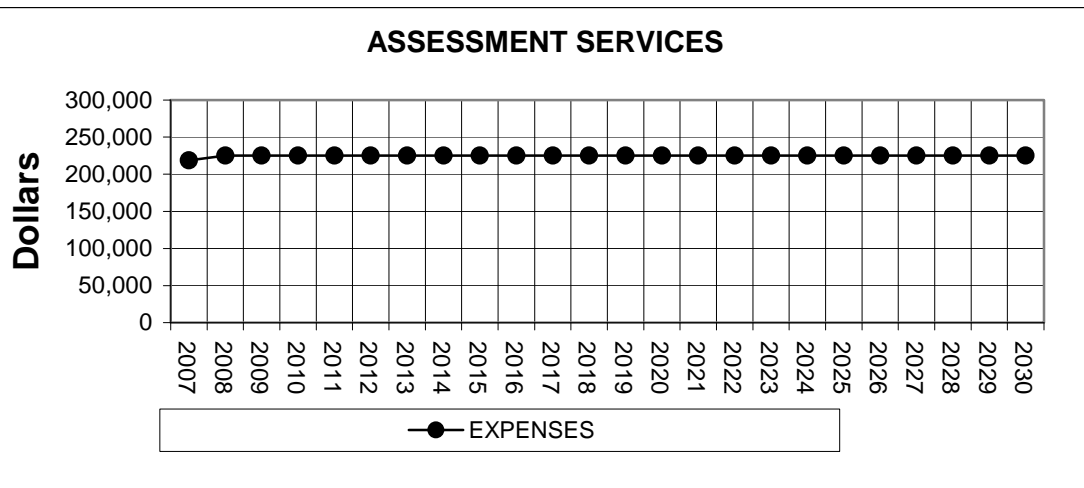
### BUSINESS CENTRE ASSUMPTIONS

- Lot inventory: residential will be absorbed in 2017; non-residential/commercial in 2020, and industrial in 2022.
- Property values will stabilize. Aging structures will increase or decrease in value and Okotoks will remain a community that attracts people.
- Assessor staff levels will remain the same, with staff concentrating on existing property for re-inspection.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Assessment will focus on reassessing property for market value as existing home sales would be the only source of determining values.
- Assessment Services will not require additional staff.
- Property values would stabilize according to market demand.
- Assessors will concentrate on existing property in re-inspections and use market sales to determine property values.

### SUMMARY



- Assessment Services will continue to receive transfer funds from Safety Codes to support assessment services for new development (thereby reducing net tax support) until 2017-2022 when build-out occurs.



## BUSINESS CENTRE ENGINEERING

### BUSINESS CENTRE ASSUMPTIONS

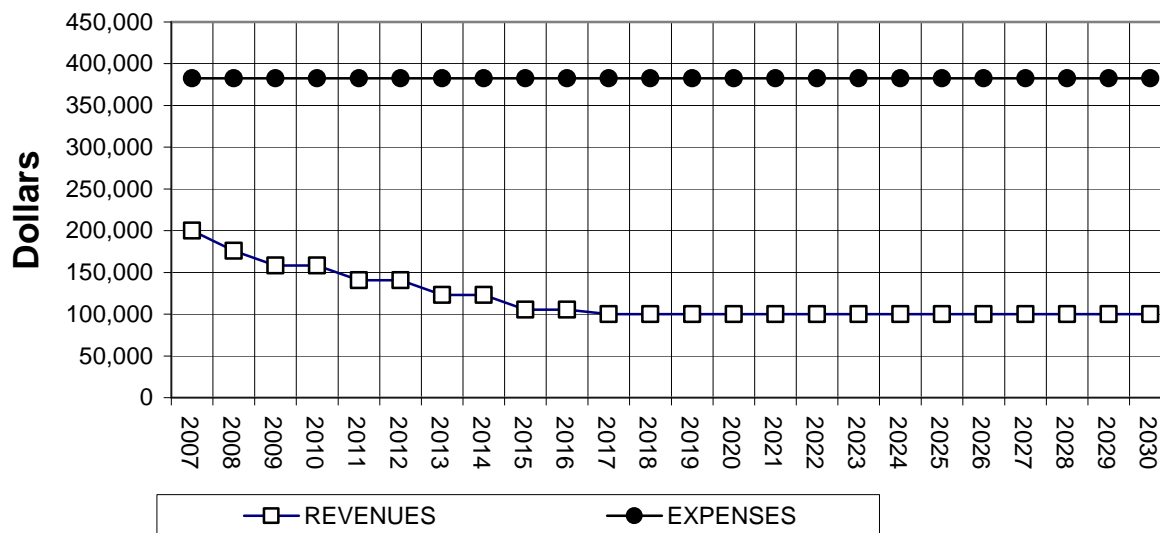
- Engineering will provide support for utility infrastructure planning and upgrading.
- There will be a gradual transition as build-out approaches. Workload will shift from development-oriented (planning, subdivision and development) to capital projects, regional initiatives, and utility infrastructure life-cycle maintenance upgrades. There will also be less reliance on consultants that are currently used for project management.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Grants will stabilize at an average of 25% eligibility (15% AMWWP and 50 – 75% SIP and others).
- Some capital budget monies previously directed to consulting services will be directed to Engineering (capital transfers).
- By 2015 all projects required as a result of new development will have been identified and all appropriate applicable acreage assessments will be collected.
- Transfers from Engineering Acreage Assessment will continue to 2022.
- Acreage assessments for Industrial Development will continue until 2019.
- Capital projects will be required to meet new requirements, new technology, and for life-cycle maintenance.
- No additional staff will be required.

### SUMMARY

#### ENGINEERING SERVICES



- Expenses will remain consistent through to 2030.
- Revenues will slowly decline and then level off in 2021.
- Contributions planned to off-set capital project engineering services where funding sources permit.

## BUSINESS CENTRE ECONOMIC DEVELOPMENT

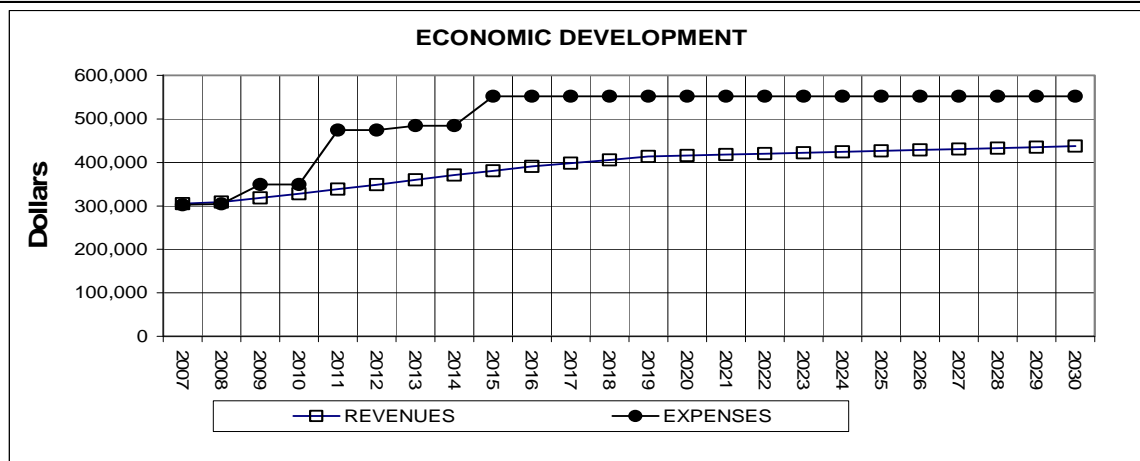
### BUSINESS CENTRE ASSUMPTIONS

- Commercial growth is estimated at 5.20% per year until 2020.
- Industrial growth is estimated to be fairly aggressive at 14.85% per year until 2022.
- Calgary Regional Partnership will be advanced and remain strong and will pursue an industrial corridor initiative between Okotoks, the MD of Foothills and the Town of High River.
- Business licensing will continue to fund economic development services, programs and initiatives and access to government grants will continue to be limited.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- Business attraction efforts focused on mid and large sized companies will continue aggressively until 2022. Between 2022 and 2030 the focus will be on business retention & expansion activities, tourism product development and marketing, as well as home based business policy, programs and services.
- Business licensing revenues will increase slightly (from a 10 year average of 11.7%/yr), stabilize and then level off. Anticipated growth of 3% per year and decrease to 2% per year by 2022 and beyond. New sources of revenues may need to be identified beginning in 2011. Home based business licenses are currently 32% and will grow annually by 1-2% until 2017 as residences are built.
- Residential site license revenues are expected to reach \$85K in 2007 and will maintain for a few more years before leveling off by 2015.
- Expenses will increase to assume management of the Visitor's Information Centre by 2011, and likely be managed by contracting visitor's services on a seasonal basis.
- An additional 4.0 FTE staff is required to accommodate increased expectations due to growth.

### SUMMARY



- Revenues from business licenses and residential site licenses will increase to 2018 and then remain relatively consistent to 2030.
- Expenditures will increase, largely to accommodate 4 additional staff and their associated costs, as well as the management of the Visitor Information Centre in 2011.

# **CORPORATE SUPPORT SERVICES HIGHLIGHTS**

**BUSINESS CENTRE  
GENERAL MUNICIPAL**

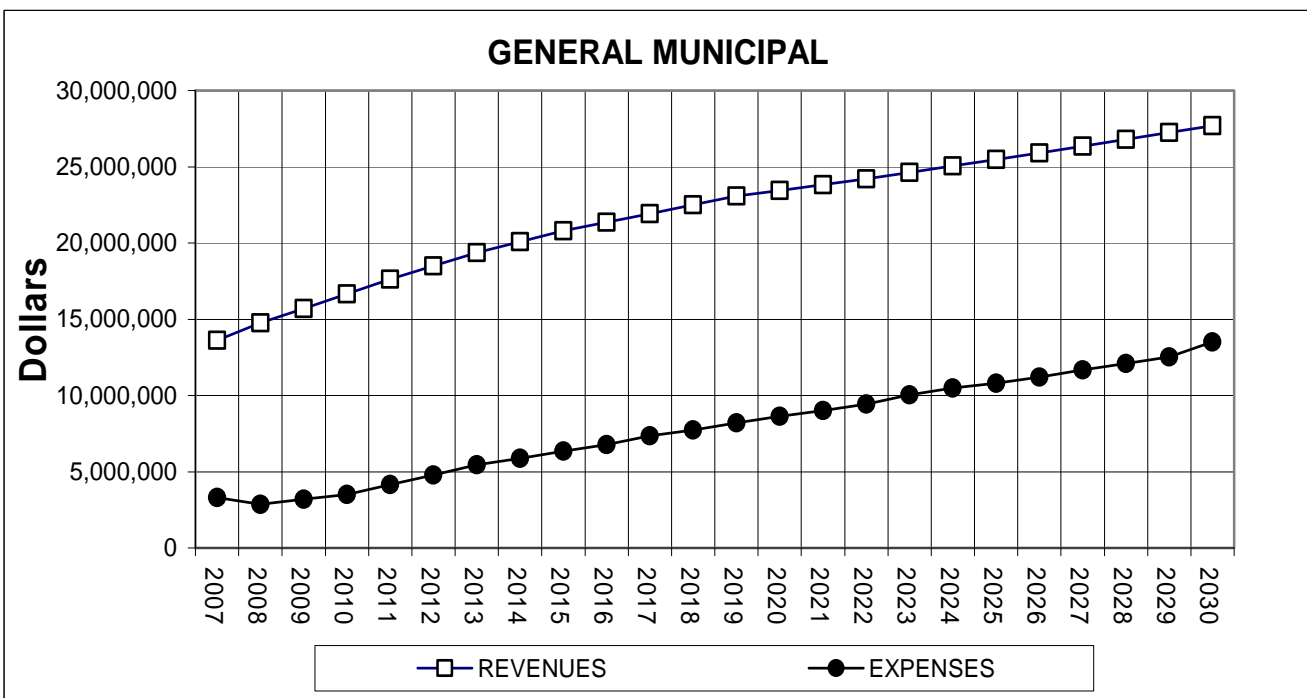
**BUSINESS CENTRE ASSUMPTIONS**

- Assessment growth is captured in 2007 dollars. No provision for market growth.
- 2007 tax rates are used to calculate property tax revenues, with no differential between residential rates and commercial/industrial rates.
- Contributions to Recapitalization Reserve, Future Recreational Facility Reserve and Future Cultural Facility Reserve increase by \$100K, \$100K and \$50K per year respectively until 2017.
- Franchise fees from natural gas and electricity increase proportionate to population increases.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Property tax revenues are based upon forecast assessment growth.

**SUMMARY**



- Revenues and expenditures will increase with growth.

**BUSINESS CENTRE  
FINANCIAL SERVICES**

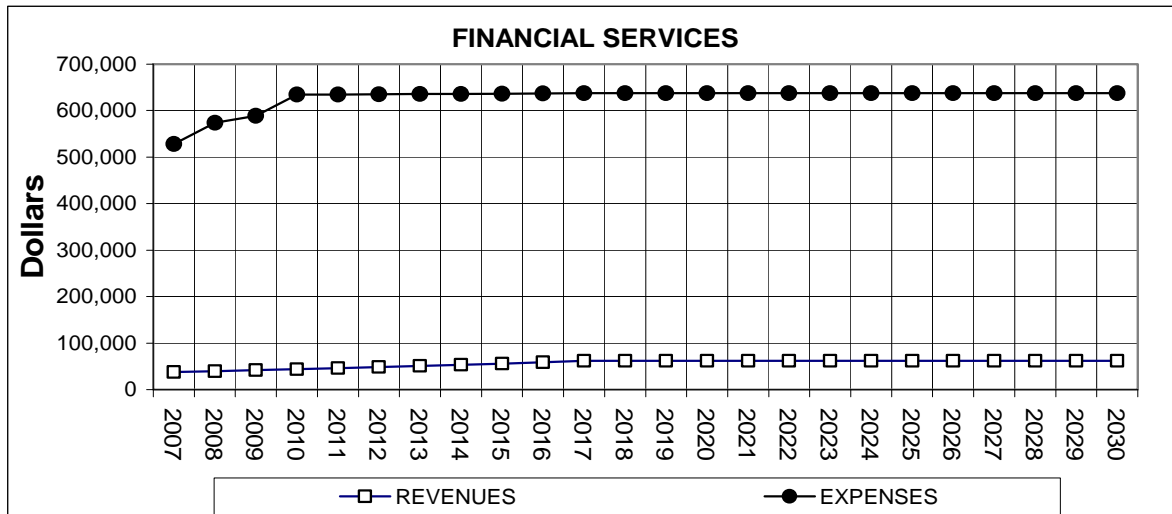
**BUSINESS CENTRE ASSUMPTIONS**

- Increased customer use of technology (automated tax and utility payments, electronic tax searches, accounts payable by EFT, etc.) will offset need for some additional staffing.
- Relocation to Municipal Centre in 2008 will result in improved customer service with minimal cost impact.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Increased revenues at 5.0% per year until 2017.
- Bank charges increase proportionate to population increase.
- An additional 2.0 FTE support staff required in 2008 and 2010 due to increased volumes.

**SUMMARY**



- The increase in expenditures is to cover the cost of 2 additional staff.
- Revenues increase 5% annually until 2017.
- Technological advances will benefit both the Corporation and the residents by making information easier to access and distribute. The number of clerical staff required to manage an increasing number of client accounts will therefore proportionately lessen. Although the number of clients is expected to almost double by 2017, the amount of clerical staff required will not increase at the same rate.

**BUSINESS CENTRE  
INFORMATION TECHNOLOGY**

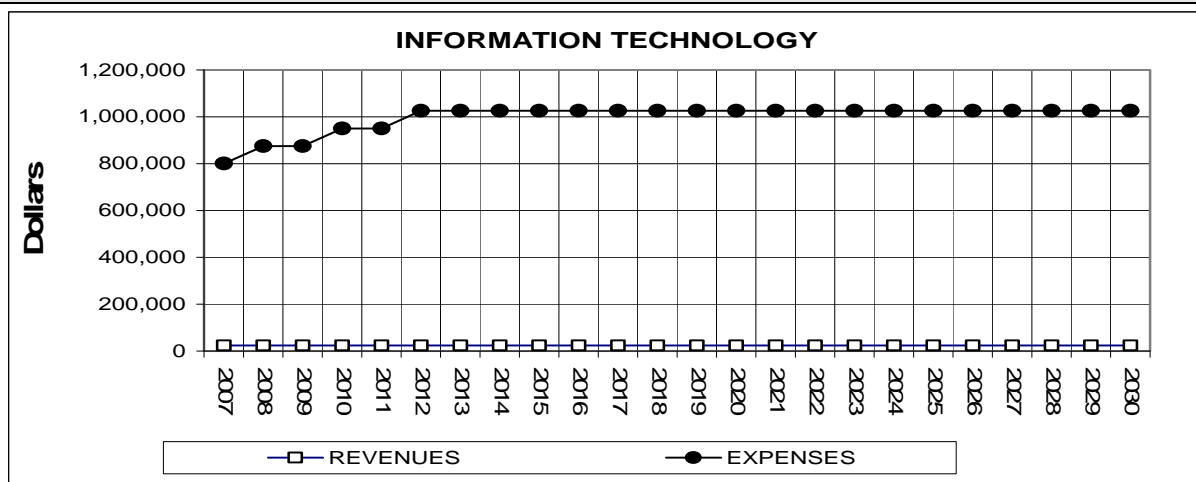
**BUSINESS CENTRE ASSUMPTIONS**

- Workstation growth will decrease from the current rate of approximately 40 to 45% to a rate of 5 to 7% per year (based on other business centre's anticipated staff increases) for the next 5 years with no additional growth after 2012, except for 2017 which will see a 5% increase with small decreases in the following 2 or 3 years. Anticipate additional networked facilities will require an increase in the number of workstations as well.
- Technology advancement will continue to at least double every 12 months.
- Approximately half of the business centres are anticipating increases in staffing that will require computers and telephones.
- A combination of in-house and contract services will continue to be used to provide IT services.
- System security will continue to be a major issue and will take up an ever increasing percentage of our capital and operating funds.
- IT support hours will need to increase and eventually include some week-end support to provide regular service during extended hours of operations and to accommodate additional facilities anticipated in other business centres.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- The annual \$120K expenditure for upgrades to the network infrastructure, including firewalls, servers, software, and various network devices will continue.
- As new buildings are added, the need to connect these buildings through fiber optics or other communication devices will be required. Capital costs are dependent on proximity to existing fibre infrastructure.
- A telephone system upgrade is required every 5 years starting in 2008 at a cost of \$80K
- Plotter replacement is required every 4 years starting in 2010 at a cost of \$20K
- Ortho-photos are required every 2 years starting in 2009-2017 and then every 3-5 years as required at a cost of \$25K.
- An additional 3.0 FTE is required until 2018, at which time the GIS/Mapping position will no longer be required.

**SUMMARY**



- Expenditure increases are due to increased staffing requirements
- No revenue increase is anticipated.
- Additional capital expenditures will be required for IT expansion and updates to meet growing customer requirements and new technology.

**BUSINESS CENTRE  
COUNCIL / LEGISLATIVE SERVICES**

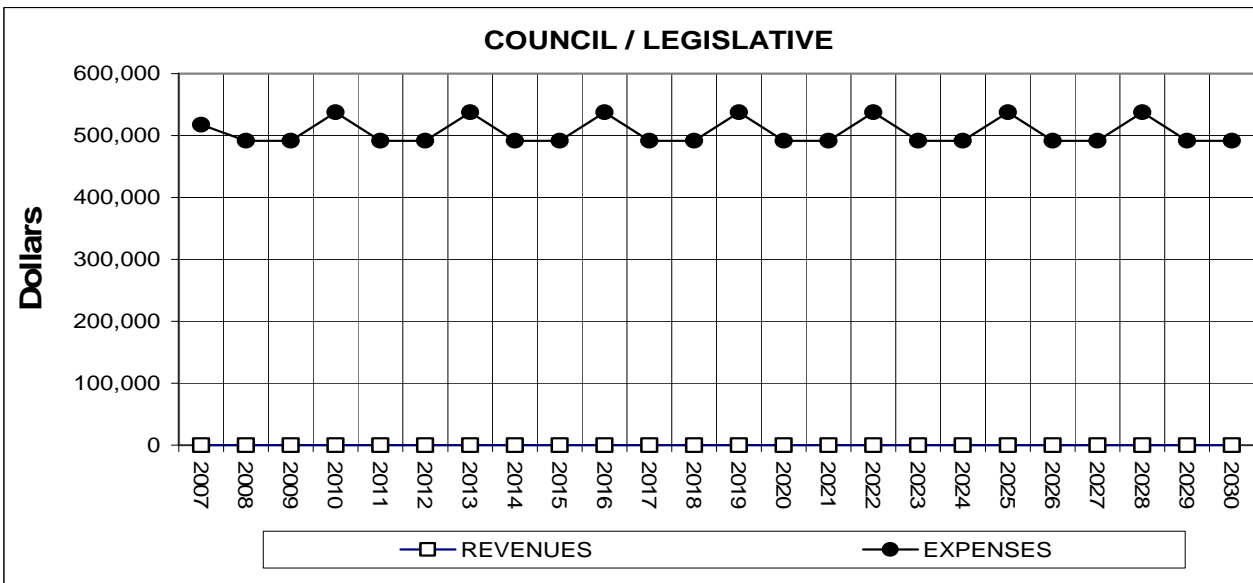
**BUSINESS CENTRE ASSUMPTIONS**

- Town Council will retain the current governance structure of election at large, with 7 part time members, a Municipal Secretary and annual contracted services for additional staff.
- Town Council offices and chambers will move to the Municipal Centre in 2008

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- Expenditures to cover the triennial Municipal Election have been included beginning in 2010, etc. No funds are allocated for by-elections.

**SUMMARY**



- Expenditures increase by \$40K in election years to cover the triennial Municipal Election expenses beginning in 2010, etc.

**BUSINESS CENTRE  
CORPORATE STRATEGY**

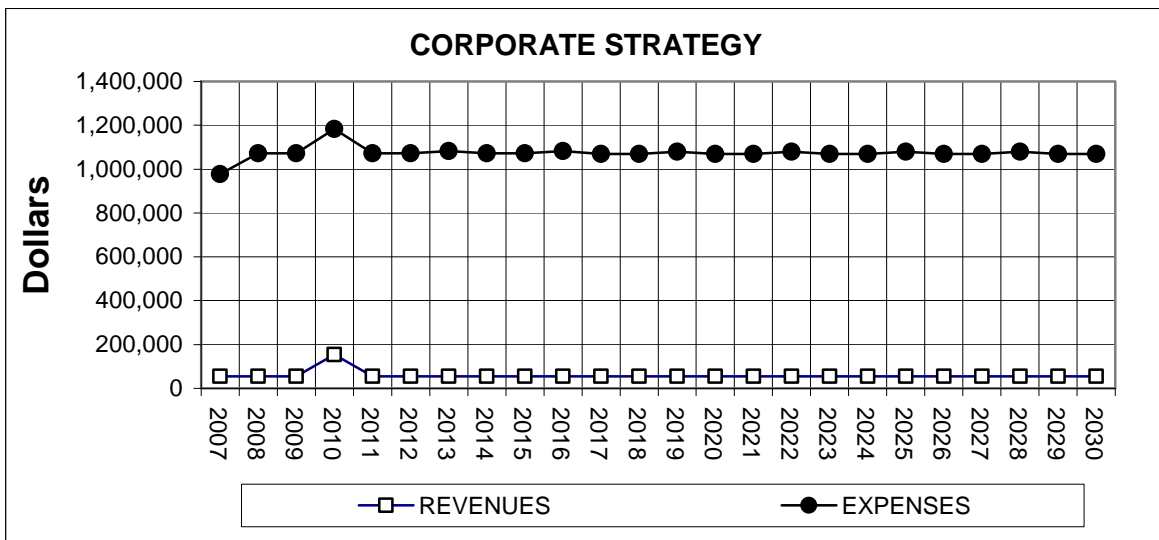
**BUSINESS CENTRE ASSUMPTIONS**

- Corporate Strategy will continue to provide overall leadership to the corporation, advice and support to Council, intermunicipal and intergovernmental relations and corporate services.
- Records management hardware and software for the Corporation to move towards electronic document management will continue to be implemented through 2010. Training and system and process changes, to manage corporate records and maintain customer privacy is anticipated to take 3-5 years. The shift from hard copy to electronic document management will require a shift in focus.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- An annual municipal census will be conducted until 2017 to capture government grants that are based on per capital formulas.
- An additional 2.0 FTE staff will be required to assist with sustainability coordination in 2008 and to assist with corporate administration in 2018 and remain to 2030.

**SUMMARY**



- Expenditure increase will be required in 2008 and 2010 and then level out through to 2030. The increased expenditures are required for municipal census and additional staff requirements.
- Revenue increases for annexation in 2010 and has the same offsetting expenditure.



**BUSINESS CENTRE  
HUMAN RESOURCES**

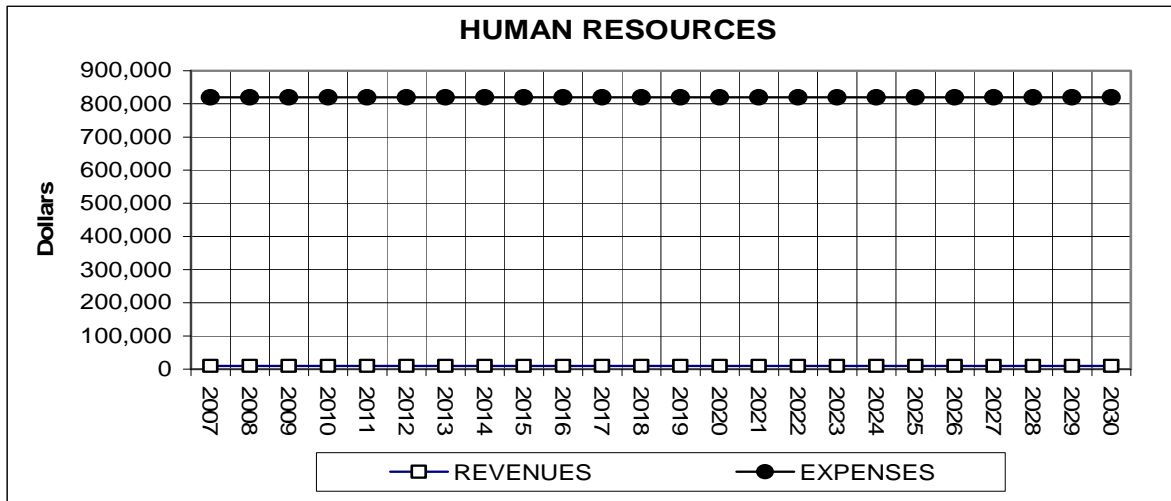
**BUSINESS CENTRE ASSUMPTIONS**

- Human Resources operating budget contains expenditures for the business centre as well as the corporation to for human resource management systems, services & programs including corporate compensation.
- Attracting and retaining talented staff for all business centres will be critical. A strong Alberta economy, along with an aging population, and predicted skill gaps in many professions, has created a 'war' for talent that will intensify over the next decade. Increased demand for talented employees and reduced supply will result in a continued volatile employment market requiring employee attraction and retention strategies to continue to provide quality service to the growing population.
- Adjustments may be required to Council's current corporate compensation philosophy and corporate practices, although none have been included in this plan. Compensation levels are linked to area inflation, supply and demand, and industry practices.
- A Human Resource Information System (HRIS) will be introduced in 2008 that will increase efficiencies and reduce paper.

**KEY HIGHLIGHTS AND CHANGES TO 2030**

- The HR budget contains annual corporate compensation program costs, which will increase to accommodate the overall increase in employees. Cost includes \$20K for triennial corporate compensation survey beginning in 2009.
- Modest increase overall corporate training expenditures, due to additional staff throughout the corporation, attraction and retention strategies, increased need for on-call staff to meet OH&S legislation, leadership development/succession planning initiatives, and to adapt to frequent technology enhancements and changes. The aging workforce may require creative strategies and new HR programs/policies such as OH&S training, disability management, and wellness programs.
- 0.5 additional support staff will be required in 2010.

**SUMMARY**



- Expenditures increase reflects need to service increased needs for overall staff training, compensation programs and support staff.

## BUSINESS CENTRE COMMUNICATIONS

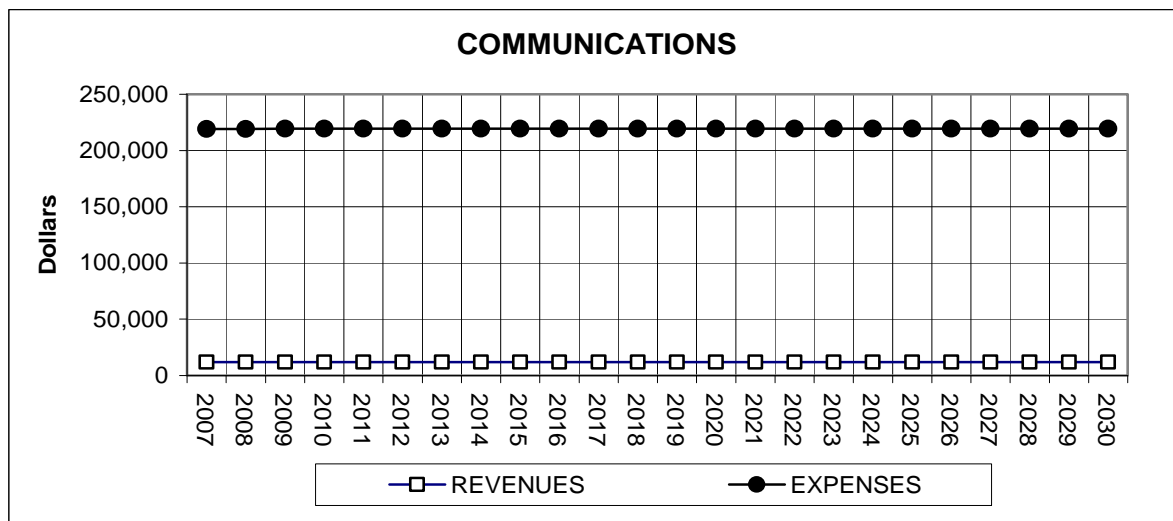
### BUSINESS CENTRE ASSUMPTIONS

- Technology will continue to advance, requiring more focus on website and electronic means of communications with residents. Online services will expand.
- Resident's expectations of the Town to provide frequent, timely and varied methods of communication, along with increased opportunities for public participation in decision making, will continue to increase.

### KEY HIGHLIGHTS AND CHANGES TO 2030

- The population increase will require additional expenditures to distribute publications to increased households to 2017 and then level out.
- The triennial community survey is included beginning in 2009.
- An additional 0.5 FTE for support staff assistance is required in 2010.
- Advertising revenues contribute to offsetting the cost of some Town publications.

### SUMMARY



- Expenditures will increase every three years to conduct community survey. Transfers from utilities will continue to support conservation communication initiatives.

## OUTSIDE INFLUENCES

Previous experience indicates that there are a number of outside influences that can have a direct effect on community service delivery and operating and capital expenditures:

- Senior government (Federal and Provincial) legislation:
  - Many municipalities experienced the affects of significant downloading of services and the associated costs in the early 1990's. Examples include: regional/intermunicipal planning, safety codes, assessment services and more recently, regional emergency medical services and police services funding support, etc. It is unknown what services may be downloaded in the future.
  - Changes to meet new legislative requirements can also have a significant impact on municipalities (e.g. the Environmental Protection Act, Peace Officer Act, Occupational Health & Safety regulations, etc.). A future known impact will be the introduction of Tangible Capital Asset depreciation costing as required of all municipalities in 2009.
- Calgary Regional Partnership initiatives include regional studies underway for watershed information management systems; economic development; solid waste management; regional sustainability land use plan; regional utilities water and sewer servicing; and Geographic Information Systems/Information Technology initiatives.
- Municipal District of Foothills growth management strategies and residential densification patterns in proximity to Okotoks in particular.

## CONCLUSION

The purpose of this long term financial planning exercise was to determine if and how the Town of Okotoks will be financially sustainable when development slows after the target population of 30,000 is reached. The short answer is a confident YES. This will be achieved by the Corporation diligently managing its financial affairs, being responsive to changing circumstances and exploring new opportunities.

This preliminary 2030 Financial Sustainability Plan clearly indicates that Okotoks can and will continue to be a financially viable corporation - one that will sustain itself well beyond its targeted population build-out. Financial sustainability is achieved with Okotoks continuing to provide the quality services its residents have come to enjoy. Expansion of its facilities and services to meet anticipated future needs in a financially responsible manner can and will occur. Okotoks financial sustainability requires careful planning, prioritizing, and balancing of community needs with strategic management of available funds to deliver the facilities and services.

## RECOMMENDATIONS

- The 2030 Financial Sustainability Plan will require annual review and refinement by Council to incorporate major changes including evolving Council priorities, legislated requirements, growth patterns, additions/modifications to core services, operating and capital requirements and local / regional economic, social and political changes.
- Opportunities for community dialogue and consultation to gain the input of the newly elected Council, residents, businesses, community organizations and other interested stakeholders, should be undertaken prior to the adoption of the 2030 Financial Sustainability Plan.
- Discussions with the M.D. of Foothills should be initiated in the near future regarding the Intermunicipal Development Plan and developing fair and equitable cost sharing agreements for delivery of community, recreation and emergency services and facilities.
- In addition to the Calgary Regional Partnership initiatives that Okotoks is actively involved in, focused expert research and analysis is necessary to augment the Plan and develop additional strategies including:
  - Fiscal impacts of land use – Cost of Community Services
  - Development of a social sustainability framework
  - Commercial and industrial capacity analysis
  - Regional transportation systems and connectivity
  - Sub-regional watershed based carrying capacity/sustainability

- Integration of the long term capital and operating budget programs must be completed and updated on an ongoing basis to ensure advanced funding strategies are in place.
- Continue to seek-out and develop strategic partnership initiatives for the Corporation that will enhance fiscal sustainability and augment service delivery that aligns with corporate sustainability objectives.
- Maintain and refine the consumption driven water and wastewater utility rate structure. Ensure revenue stabilization over the long-term operation of the water and sewer utility. Encourage and reward wise water use.
- Formalize the asset management and lifecycle replacement program for the Corporation's assets and incorporate the program into annual and multi-year financial planning process. This will achieve planned and coordinated management of assets.
- Direct supplemental revenue streams from utility operations to fund capital asset lifecycle replacement program.
- Maintain policy of prohibiting extension of water and sewer utilities beyond corporate limits (excepting as provided for in *The Legacy Plan*) and require storm water flow entering Town to be managed to "pre-development" flow rates and characteristics.
- Continue to pursue Okotoks *Water For Life* objectives including return flow compensation strategies and water license transfers to achieve Legacy Plan objectives and financial sustainability.
- Ensure utility functions (water, sewer, and resource recovery) are all self-funded relative to rate structure and cost of service.
- Continue to be transparent in cost of service delivery by core service area.
- Utilize debt as a financial tool to responsibly and appropriately fund new infrastructure, using half lifecycle debenture repayment terms as the general rule of practice.
- Ensure strategic utilization of combined revenue sources, (grants, developer contributions, public-private partnerships, advanced funding sources,) and pursue and optimize use of non-traditional funding sources (e.g. Drake Landing) where appropriate.
- Business case analysis will continue to be used to determine the best methods and combinations to provide quality service in the most cost-effective manner (e.g. staff vs. contractor, public vs. private, user pay ratios to tax support, etc.).

- Council must be cautious when considering expansion or broadening of services and/or facilities and conduct a comprehensive review that analyses the long term implications (e.g. use business case analysis). Develop a comprehensive decision making matrix that considers long term impact.
- Continue to use best financial and business management practices including full cost accounting, when value added and appropriate.
- Actively pursue innovative and collaborative partnership arrangements with Foothills and neighboring communities (industrial land development, provision of EMS, performing arts, regional athletic facilities, etc.).
- Maintain the Corporation's long-standing approach of restricting residential property taxation increases (expressed relative to a defined typical residence) to the Calgary region annual rate of inflation or less.
- Continue to regularly communicate with residents and businesses to maintain a pulse on community wishes, desires, aspirations, governance, Legacy Plan, etc. through offering opportunities for public engagement in the community governance (e.g. community surveys, focus groups, public community planning sessions, etc.).
- Continually revisit corporate employee attraction and retention practices and strategies (e.g. learning organization, employer of choice, compensation policies, etc.) to ensure the Corporation can continue to attract and retain the talented staff required to provide quality services to a growing community.
- Follow prudent procurement strategies that reflect full lifecycle analysis.
- Continue to provide services using innovative technology to improve service delivery and business management practices.
- Continue to explore entrepreneurial opportunities (i.e. take responsible risks) that may benefit the Corporation and community.
- Continue to monitor local and regional economic, social and political environments and conditions to remain prepared to adjust to changes.
- Conduct contingency analysis, plan for necessary provisions, and be ready to implement should growth scenarios change.
- Ensure the organization is well prepared for transitioning service requirements and opportunities just prior to achievement of build-out and after.
- Non-residential lands must be developed to meet their highest and best use (i.e. identified commercial and industrial land base must be maintained for that purpose); and ensure that decision-making incorporates optimization of taxation revenue, employment opportunities and high ratio of gross building to land area.

- Complete a comprehensive cost recovery analysis for fire service provision to the M.D. of Foothills to determine if rates and/or future plans require adjustment.
- Council's annual budget cycle rates and fees review be cognizant of the long term financial plan requirement for apportionment of costs between users, growth and general tax support.

## **OPTIONS**

There are a number of options that are worthwhile considering, implementing and/or aggressively pursuing, should changes require augmentation of the long term financial plan:

- Expanding return on investment practices for other services (e.g. resource recovery)
- Pursue alternative sources of revenue generation
- Explore outsourcing opportunities as they arise
- Offer services to a broader region when appropriate and subject to cost recovery

## **CLOSING COMMENTS**

This long term financial planning exercise has been a challenging and rewarding exercise for the corporation and its employees, and we believe the analysis and conclusions will benefit the community for many years to come.