

Town of Okotoks

Cost of Community Services Analysis

August, 2009



Harold Johnsrude Consulting Inc.

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1 Executive Summary

The sustainable Town of Okotoks (Town) vision encompasses capping growth and urban boundaries at 30,000 residents and balancing the four foundations that define sustainability:

- Environmental stewardship
- Social conscience
- Economic prosperity
- Fiscal responsibility

The Town recognizes the importance of a clear understanding of the relationship between residential and commercial growth, the environment, the culture of the community and the impact on the Town's bottom line to ensure effective planning and informed participation in regional planning initiatives.

The analysis of the cost of community services is the first stage of a more thorough investigation to support long term planning for growth and provision of municipal services. The resulting report is intended to assist the Town in developing a strategy to ensure that, as the Town expands to its build-out size, there is an economic balance of commercial and residential development. It will also assist the Town in developing strategies for delivery of services that are efficiently operated and fairly priced to its residents and regional partners.

Financial and statistical information for the past, present and future was used for this study. Financial Services provided actual financial data for the 2004 – 2008 fiscal years and the 2009 budget. Senior management provided additional information for each business centre through interviews and they also had opportunity to review the draft report. The 2030 Financial Sustainability Plan was also a very useful source of information.

The cost to deliver a service should include all the related operating and capital costs because both types of costs are required in order to provide the service. It was known at the outset of conducting this study that reporting the annual capital financial activity would create difficulty in the analyses and could significantly impact the results. Capital transactions have historically been recorded as an expense at the time of purchase and the expense has not been spread over its useful life, that is, depreciation (amortization) of the asset has not been recorded. Furthermore, funds are annually transferred to and from capital reserves; some transfers are identified for a specific business centre while others are not. This creates capital reporting inconsistencies from one year to the next and is one of the limitations to this study. Municipalities will be required to record amortization effective in 2009 which should improve financial analyses in the future. This change is explained further in Section 4.

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Establishing positions and assuming certain premises to be fact are necessary in data analysis. It is important that the reader understands these positions and assumptions because they impact the interpretations of the study results. Some of the key positions, assumptions and principles used in this study are:

- The services provided by the Town are essential or expected by the residents and are provided in an efficient and effective manner.
- The financial data and statistics provided are assumed to be accurate.
- The taxes levied and requisitions paid for the Alberta School Foundation Fund (education) and the Foothills Foundation (seniors lodge) have been excluded from this study.
- Transfers to operating and capital reserves are included because it is assumed that long range plans are in place to necessitate the existence of these reserves and that municipal taxes were levied to provide these funds for future use.
- Annual transfers to reserves at the end of the fiscal year due to an annual surplus will be included but any remaining surplus will be excluded when calculating the land use ratio.
- Revenues, expenditures and transfers to capital reserves recorded in the capital fund will be included.
- The terms ‘operating’ and ‘capital’ will be used throughout this report and will normally refer to transactions occurring in the ‘operating fund’ and the ‘capital fund’ but the approach to this study will be a ‘consolidated fund’ approach. Therefore, there will be no information on transfers between the operating and capital funds.
- Extraordinary capital transactions are expected to distort the results and brief explanations will be provided where possible.
- Decisions impacting the ratios will be made by management.

Land Use Allocation

Section 3 addresses the analysis of revenues and expenses for residential and non-residential assessments. It provides a snapshot of the 2008 costs versus revenues for residential and non-residential land use. A ratio is calculated for each land use and the calculation is a ratio of 1 to the sum of expenditures divided by the sum of revenues for the specific land use. A ratio greater than 1.0 suggests that for every dollar of revenue collected from a given category of land, more than one dollar is spent.

Residential	Single and multiple-family dwellings, mobile homes and institutions (schools, hospitals, town and religious).
Non-residential	Commercial, industrial, linear (electric, power and pipelines), railway, manufacturing/processing machinery & equipment

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The following financial information relates to the Town's 2008 fiscal year:

	Residential	Non-residential	Total
Expenditures	\$46,876,698	\$7,014,256	\$53,890,954
Revenues	\$46,425,555	\$7,465,399	\$53,890,954
Ratio	1.010	0.940	
Land Use Percent of Revenues	86%	14%	
Land Use Percent of Expenditures	87%	13%	

Approximately \$1 is expended for residential purposes for every residential dollar received whereas \$.94 is expended on non-residential for every \$1 received from non-residential sources.

Other studies were reviewed for comparative purposes. The Town's relationship of residential costs to residential revenue was lower than the other studies and the relationship of non-residential costs to revenue was higher but the comparative usefulness was limited. The percentage make-up of residential vs non-residential assessment was significantly different as were the rates of tax applied to residential vs non-residential properties in the other studies.

This analysis demonstrates that it is important to have commercial development in the Town. Besides focusing on the ratio, it is important to note the 13% of costs allocated to non-residential properties compared to the 87% required for residential properties. Non-residential properties do not require the same services as the residents of the Town require. Transportation and utility services are necessary for non-residential properties and businesses desire an attractive community with sufficient protective services. But non-residential properties do not require recreation and community services, for example. Therefore, it is important that the goals of the 2030 Financial Sustainability Plan to develop a higher percentage of non-residential assessment are achieved.

Fixed and Variable Costs

Sections 4 and 5 address the net costs to provide services to the Town residents and the fixed and variable nature of these costs. Section 5 identifies the services that are used by non-residents and provides a brief analysis of the costs regarding these services. The Town is to be commended for approaching the delivery of core services as a business. The Town uses a competitive environment attitude towards providing these services. These are significant ideals because, in reality, there is minimal or no competition to provide these services. Whether or not these services are provided by the Town or contracted to the private sector, it is important that good information is regularly provided on the cost and net cost of providing these services. The Town is already providing cost and net cost information on municipal services; for example, in the 2009 budget document. From the interviews with the managers, the 'operate like a business' mindset was evident while recognizing that there are challenges and limitations to fully

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achieve this objective. The information in this report is intended to supplement the short and long term information provided in the budget documents and the 2030 Financial Sustainability Plan.

The Town is projecting growth through to 2030 and the 2030 Financial Sustainability Plan forecasts revenues and expenditures for this time period. The forecasts are based on staffing increases to maintain current service levels with a 30% increase in materials resulting from a 30% increase in infrastructure. This study analyzes the 2008 actual operating expenses by breaking these costs into variable and fixed costs. The results are:

Fixed costs	\$11.9 million (45%)
Variable costs	\$14.5 million (55%)

Operating costs due to their variable nature could potentially increase by:

- \$145,000 for every 1% increase in population.
- \$664,000 for every 1,000 increase in population.

It should also be noted that the assumption that fixed costs will not increase may not be valid if the population increases by 36% from 22,000 to 30,000.

The increase in operating costs due to growth should not be interpreted to mean tax rates will need to increase at a similar rate for the following reasons:

- Some of the cost increases will be offset with increased user revenues; not an increase in user rates but user revenues due to increased activity.
- The tax base will increase as the population grows resulting in additional tax revenues even if the municipal tax rate remains constant. The revenue/expense ratio for residential properties reported in Section 3 is that \$1 is spent for every \$1 of revenue. The \$145,000 is part of the \$1 expended ratio.

The purpose of this analysis is to identify those costs that may vary as the Town population and size increases and/or as the level of services currently provided increase. This information can provide a broad indication of the cost base that can increase as the Town grows and the demand for services comes from a larger population base. It also can be used as a tool to verify the operating cost projections in the 2030 Financial Sustainability Plan.

Net Cost of Services

The way municipal services are delivered and who pays for these services will vary between municipalities.

How much of the cost should be paid by the user?

How much of the cost should be paid by property taxes?

Should the service be provided by Town employees or should the service be contracted to the private sector?

Should capital costs only be incurred when the cash is available or should capital expenditures be financed with debt?

These questions are regularly discussed as Councils and management develop and approve policy, annual budgets and long range plans. The Town has developed positions that address these questions; for example, the goal for recreation

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services is to recover 65% of the operating costs by user fees and the water and sewer rates are established to fully cover the operating costs with excess revenues to supplement the overall Town net costs.

The term 'net cost' can have different meanings to the user; it could be:

- The net operating cost which excludes capital.
- The total net cost which includes the costs for capital.
- The net cost to Town residents which includes all sources of revenue.
- The net cost of providing the service to determine how much a neighbouring municipality should contribute.

Therefore, it is important that the Town has a good reporting system in place to properly determine the net cost of providing each specific service with the ability to properly analyze the net cost.

Management has tracked operating revenues and expenses well making it reasonably easy to determine the operating net cost for each business centre. The difficulties regarding capital transactions and their impact on the annual net costs have been mentioned previously and create limitations to this study. The purpose of this study is provide net cost information in broad terms; detailed analysis will be required subsequently. Net cost financial models and summary net cost information is provided for 21 business centres. Management has already been analyzing the financial information for their business centres with net cost in mind and it is anticipated that this information and the suggested financial models and recommendations will enhance their analyses in the future.

Recommendations

Financial models to assist future reporting and analysis have been provided that recognize the changes effective in 2009 to record and report capital expenditures and the annual amortization expense. The following recommendations have also been suggested:

1. The general ledger accounts should be expanded to categorize the municipal tax levy between residential and non-residential sources.
2. Capital fund transactions should be coded to the specific program.
3. The Town will need to determine how amortization expenses will be reported.
4. Transfers to capital reserves should be in accordance with capital reserve policies and plans.
5. Parameters should be established for determining net costs.
6. Consideration should be given to discontinuing the use of the operating fund and the capital fund.
7. Financial policies should be developed to achieve consistency.
8. Formalizing performance measurement should be considered sometime in the future.

In conclusion, the key points of this report are summarized as follows:

- Commercial development provides more revenues than are expended and, therefore, it is important to increase this type of development.
- Current costs that are variable in nature will increase as the Town grows and it is important to be aware of these costs as the Town plans to achieve sustainability.
- The cost of a tangible capital asset amortized over its useful life will be reported in the future and will impact the approach to the Town's internal and external financial reporting.
- The annual amortization expense should be included in the net cost to provide services.
- Net cost analysis, capital plans and strategies and financial policy development are very important in achieving and evaluating the 2030 Sustainability Plan.

Good financial reporting is an essential tool for future planning, whether it is planning for improved efficiencies or for future growth. The Town already has the financial framework in place and appears to be using it effectively. The information in this report can enhance what already exists and should assist the Town in developing and achieving its vision of future financial sustainability.

2 Project Scope, Methodology and Assumptions

2.1 Project Scope

The scope of this project is:

- a. To support land use planning and assessment diversification by:
 - Defining each assessment category,
 - Allocating revenues and expenditures by assessment categories, and
 - Calculating revenue-to-expenditure ratios for each assessment category.
- b. To support service delivery planning, user rate setting and financial planning by:
 - Defining services currently provided by the Town,
 - Determining the cost per unit of service, and
 - Developing a cost model, based on the Town's current information systems, which will facilitate future planning for services and financing.

The general benefits of this study are that the information along with the results of this analysis:

- Can be used as a tool to support long range planning now and amendments can be made in future years as actual data changes.
- Will provide information to assist in determining the appropriate balance of residential and commercial development.

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- Will assist in projecting increases in operating costs as the Town population increases or the level of services increase.
- Will provide the net cost of providing services by each business centre and the net cost per unit of service for some business centre programs.

While it is intended that this report will be a beneficial tool for management, there will be shortcomings and limitations to this report. These will be identified later in the report but, for example, regarding the net costs reported:

- Net costs are presented in broad terms with some brief analysis; management will be required to analyze the data in greater detail to determine the reasons for changes between years and programs.
- Costs per unit of service are provided for some programs. These calculations may need to be refined by collecting statistical information that may be more relevant or specific and additional financial detail may need to be recorded.
- The scope of this study and resulting report does not address performance measurement. Some of the data, analytical tools and information provided in the report may be used as a start to address performance measurement but, for example, statistical analysis will be required in greater detail for performance measurement and comparative analyses would need to be conducted.

2.2 Resources

Financial Services personnel and senior management were very important to the success of this study. Each manager provided general and statistical information on their business centers and input on how costs should be allocated and categorized. Financial services provided financial reports and general ledger account totals for the fiscal years of 2004 – 2008 along with assistance in providing support information on some of this financial data.

Two publications were referenced for the land use planning and assessment diversification component of this study.

- The American Farmland Trust publication *Cost of Community Services Studies: Making the Case for Conservation* and
- *The Fiscal Implications of Land Use: A “Cost of Community Service” Study for Red Deer County* prepared by the Miistakis Institute.

These will be mentioned further in Section 3. Another important publication referred to during this study was the Okotoks 2030 Financial Sustainability Plan. Comments regarding this plan are in Section 2.3.

2.3 2030 Financial Sustainability Plan

The Town Council adopted the 2030 Financial Sustainability Plan in 2006. The focus of this plan is to present a financial picture of the Town going forward from 2007 to 2030 with the goal of achieving long term financial sustainability. There

are many statements and positions in this plan with financial implications and the following list identifies some that may be relevant to this study:

- Official 2006 population: 17,145
- 2006 total area of municipality: 1,895 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.
- 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.
- Utilities (water and sewer) will be self-sustaining while maintaining the current return on investment philosophy.
- In accordance with current practice, the accumulated surplus balance will be adjusted to 5% of the annual operating budget.
- Annual operating budget surpluses will continue to be allocated to capital reserves.
- In general, there will be approximately 30% more physical infrastructure constructed by 2015.
- The 2030 Capital Expenditure Forecast identifies on-going annual requirements for recapitalization such as:
 - Information technology - \$120,000
 - Fleet replacement program - \$200,000
 - Curbs and gutters - \$50,000
 - Road surfaces - \$500,000
 - Municipal buildings & facilities - \$1,000,000
 - Ball diamonds - \$30,000
 - Community parks - \$25,000
 - Open spaces fencing - \$10,000
 - Playground equipment - \$40,000
 - Public pedestrian transportation system - \$40,000
- In addition, water and sanitary sewer utility accounts will be contributing \$2,854,000 per year by 2017 toward recapitalization of water and sanitary sewer capital assets.

2.4 Methodology

The scope of this study is broader than the scope of the Cost of Community Services studies referenced in Section 2.2; therefore, additional information was required and different or amended methodologies were used. Actual financial information for the fiscal years 2004 – 2008 and the 2009 budget detail was provided. Statistical information was provided for 2008 and for additional years by some business centers. Long range plans, infrastructure studies, calculations for user fee rates and off-site levies and agreements with neighbouring municipalities, commissions and associations were available for review.

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Meetings were held with each of the managers to review the information collected and to obtain additional information about how the services are delivered and for what land use. The costs and revenues that varied in relation to the level of activity were also determined at these meetings. The preliminary results were presented to the managers for their review and discussion before this report was prepared and the draft report was reviewed with management.

Master financial data worksheets were developed and analyzed for each business centre and each objective of this study. Great care was taken to ensure that these worksheets were in balance and in agreement with the results of the annual Town financial statements and actual general ledger information. Transactions in the general ledger accounts were not analyzed apart from various questions to Financial Services regarding some anomalies. Some key aspects of the Town's financial system are noted as follows:

- Operating costs and revenues are allocated, in most cases, to specific programs within business centers. In some cases, the business center will track costs for specific programs in greater detail than the financial system.
- A project costing system is used for capital projects which collects the costs by project and allocates the costs to the appropriate business center. Capital costs are not recorded to individual programs within a business center.
- Rates for Town equipment are determined at the beginning of the year; these rates are based on projected fuel and maintenance operating costs and future replacement cost. Costs for using the equipment are charged to the respective business center. There is a resulting net revenue due to the replacement cost component in the rate; this net revenue is transferred to a capital reserve for future use.
- Long term debt interest expense and principal payments are coded to the business center for which the long term debt was incurred.
- Revenues and expenses are internally transferred between business centers with the intent of properly reflecting the true financial situation for each business center. One example is transferring some of the revenue generated by one business center to another business center which also indirectly provides services resulting in the revenue generated. Another example is that the costs to operate each Town facility are recorded for each facility and then transferred at the end of the fiscal year to the business center (s) using the respective facility.

2.5 Positions, Assumptions and Principles

Establishing positions and assuming certain premises to be fact are necessary in data analysis. It is important that the reader recognizes and understands the following positions, assumptions and principles used in this study so that the results are used and interpreted correctly.

1. The services provided by the Town are essential or expected by the residents and are provided in an efficient and effective manner.
2. The financial data and statistics provided are assumed to be accurate.
3. Amendments to the data will only be made if the analysis identifies amendments that are warranted.
4. The taxes levied and requisitions paid for the Alberta School Foundation Fund (education) and the Foothills Foundation (seniors lodge) have been excluded from this study.
5. Transfers to operating and capital reserves are included because it is assumed that long range plans are in place to necessitate the existence of these reserves and that municipal taxes were levied to provide these funds for future use.
6. Annual transfers to reserves at the end of the fiscal year due to an annual surplus will be included but any remaining surplus will be excluded when calculating the land use ratio.
7. Revenues, expenditures and transfers to capital reserves recorded in the capital fund will be included.
8. The terms 'operating' and 'capital' will be used throughout this report and will normally refer to transactions occurring in the 'operating fund' and the 'capital fund' but the approach to this study will be a 'consolidated fund' approach. Therefore, there will be no information on transfers between the operating and capital funds.
9. Extraordinary capital transactions are expected to distort the results and brief explanations will be provided where possible.
10. Operating ratios determined for each function or business center will be used to allocate capital transactions.
11. Decisions impacting the ratios will be made by management.
12. 'Fall back percentages' will be used to determine the land use allocation ratios. Note: The use of 'fall back percentages' will be explained further in Section 3.2.
13. Multi-year data will be used in the following ways:
 - a. Land use planning and assessment diversification
The ratios will be determined for 2008 only but these ratios will be tested using the significant data from prior years.
 - b. Fixed and variable cost analysis
This analysis will use 2008 financial data only.
 - c. Net cost of services
The net costs will be determined for five years for the business centers that establish user fees and provide services to non-residents. The five year overview will assist in determining trends and identifying anomalies.

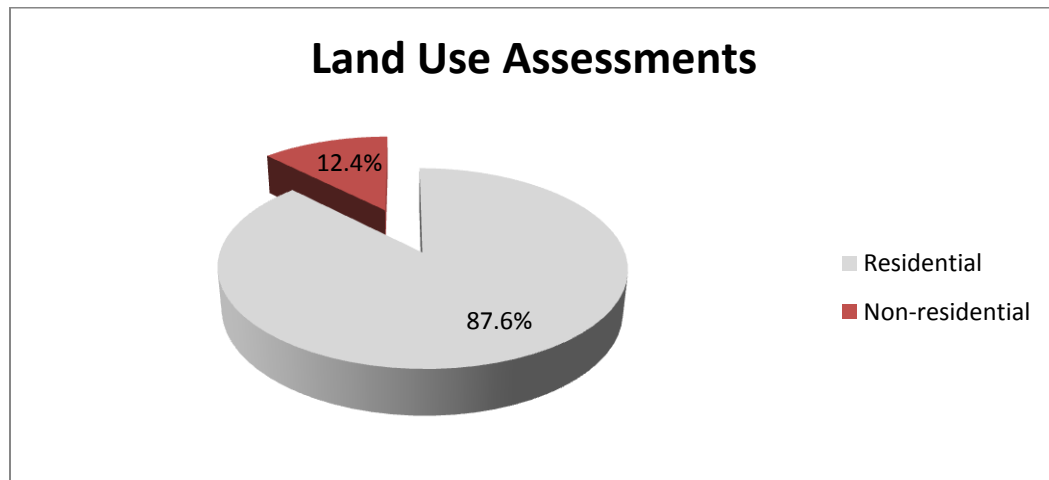
3 Land Use Planning and Assessment Diversification

This section addresses the project requirement to determine the revenue-to-expenditure ratio for each assessment category. Cost of Community Service (COCS) studies, developed by American Farmland Trust to measure the contribution of agricultural lands to the local tax base, have been conducted in the United States since the 1980's. Few COCS studies have been conducted in Alberta. The Miistakis Institute conducted a COCS study for Red Deer County in April, 2006 using 2004 cost data. These studies attempt to explain whether or not different types of land use generate more (or less) revenue than they consume in public services. They provide a snapshot in time of costs versus revenues for each type of land use. The ratio calculation is a ratio of 1 to the sum of expenditures/sum of revenues. A ratio greater than 1.0 suggests that for every dollar of revenue collected from a given category of land, more than one dollar is spent.

3.1 Land Use Assessments Defined

The land use allocation will be based on the ratio of residential and non-residential assessment. It was decided not to separate 'industrial' assessment from 'commercial' assessment because industrial was less than 3% of the total 2008 live assessment for the Town. Residential assessment and non-residential assessment percentages of the total assessment are 87.6% and 12.4%, respectively. These assessment categories include the following types of properties:

Residential	Single and multiple-family dwellings, mobile homes, institution properties such as schools, hospitals, town and religious. Note: Institution properties are tax-exempt and considered to be for the benefit of the residents; therefore, the costs of services provided to or at these properties have been allocated to the residential revenue base.
Non-residential	Commercial, industrial, linear (electric, power and pipelines), railway, manufacturing/processing machinery & equipment



3.2 Assumptions and Methodology

3.2.1 Methodology

Studies allocating costs to specific land uses have been conducted mainly in the United States but one was conducted recently in Alberta for Red Deer County (Miistakis report). These studies were reviewed prior to developing the methodology for this study. The following are some comments and observations regarding these studies indicating the position taken for this study:

1. Land use categories

The land use categories normally identified are residential, commercial/industrial and working/open land (agriculture/forest). The Miistakis report chose to separate commercial and industrial assessments due to the large portion of linear pipeline assessment that is normally part of the tax base for rural Alberta municipalities. The Town has minimal agriculture lands and minimal linear assessment; therefore, these categories were not appropriate to treat separately.

2. Education

Education is included in the USA studies and the Miistakis report provided information including and excluding the Alberta School Foundation Fund tax levy and related requisition. Education and health care are essential services provided to the Town residents with an indirect impact on some of the Town costs and services but the Town is not directly responsible for providing education and health care services. Therefore, the education tax revenues and requisitions have not been included in the land use allocation analysis.

3. Capital expenditures and long term debt

The COCS studies do not indicate how capital expenditures were treated but it was confirmed that capital expenditures were included in the analyses including principal and interest payments on long term debt. Infrastructure, buildings and equipment are necessary to provide municipal services and,

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therefore, the revenues and costs related to this capital investment need to be reflected in cost of community services analyses. Capital revenues such as grants and capital expenditures have been included. Transfers to capital reserves for future use have been included because it is assumed that municipal taxes were levied for this purpose. Principal and interest payments on long term debt have been included because taxes have been levied for this purpose. The issuance of debt has been excluded as a revenue source and capital expenditures financed by debt have also been excluded. Including these transactions would result in duplication because the debt payments and revenues to pay the debt are included.

4. Municipal tax rates

Municipal tax rates are not mentioned in any of the studies, just the tax revenues generated by applying the tax rate to the property assessment. Alberta municipalities have the authority to establish municipal tax rates with the only legislated limitation regarding the municipal tax rate for machinery and equipment assessments. The ability to set a tax rate for non-residential assessment that is different than the residential tax rate can have a significant impact on the land use ratios. This will be demonstrated later in Section 3.4. The Town uses the same municipal tax rate for all assessment classes for the years of this study including 2008. The 2009 Town budget changes this pattern by increasing the non-residential municipal tax rate to 10% more than the residential municipal tax rate.

5. Annual surplus

The studies reviewed included the annual surplus in determining the land use ratios. American Farmland Trust reasoned that including the annual surplus would offset the timing differences of cash received and cash disbursed. An annual surplus is necessary to achieve sufficient working capital levels as the annual costs increase. The Town does not have a policy regarding annual surpluses and working capital apart from the following statement in the 2030 Financial Sustainability Plan, *'In accordance with current practice, the accumulated surplus balance will be adjusted to 5% of annual operating budget.'* Therefore, annual surpluses have been excluded from the ratio calculation based on the assumption that the municipal tax levy was established to achieve a breakeven fiscal year end position.

The following process and methodology was used to determine the land use revenue to expense ratios:

1. The 2008 live assessment data was reviewed and the Town Manager and Manager of Financial Services determined that residential and non-residential assessment categories would be a sufficient breakdown and that institutional properties would be included with residential.
2. A master financial data worksheet was developed for each business center.

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3. The consultant and the Manager of Financial Services met with each manager to determine the percentage of costs to be allocated to the residential and non-residential tax base. Appendix 8.3 Land Use Allocation Decisions provides the land use percentage allocation for each business centre with the supporting rationale.
4. Similar to the reports referenced in this study, transportation costs were quite difficult to allocate between residential and non-residential. For example, snow removal may be focused on the main corridors which are generally the non-residential areas but the snow removal benefits both the residents and businesses. The allocation of expenses was determined by a combination of statistical analysis and staff estimates. The number of kilometres of roads was determined for the residential (116 km) and non-residential (21 km) and it was decided that residential roads would be 100% residential and non-residential roads would be 100% non-residential. This calculation resulted in an 85% residential and 15% non-residential allocation for Transportation Special Projects. The financial system does not allocate expenditures by program; therefore, the decision was made to allocate all Transportation capital expenditures and transfers to reserves to Special Projects.
5. The percentage allocation for residential and non-residential land use identified for each business center was applied to the operating expenses, capital expenditures and transfers to reserves pertaining to the respective business center.
6. Transfers to and from the accumulated operating surplus were excluded.
7. The 2008 consolidated annual surplus was \$1.4 million. A non-cash land donation of \$1.5 million accounted for this surplus. The 2008 annual surplus was reduced to zero by excluding the land donation and including a transfer from the accumulated surplus.
8. Revenues that were categorized in the financial records by business center were allocated to the land use based on the respective business center expense land use allocation percentages; i.e. the same percentage was used for revenues and expenditures.
9. The municipal tax levy was balanced with the live assessment data and allocated to the residential and non-residential tax base.
10. Some of the financial data was amended as a result of the analysis. Two of these amendments were to transfer \$1,125,585 specific to the Recreation Centre but coded to General Municipal and to transfer \$500,000 specific to Corporate Strategy but coded to General Municipal.
11. The fall back percentage was calculated as noted in Section 3.2.4 and determined to be 87% residential and 13% non-residential. This fallback percentage was applied to the following expenses and revenues:
 - Expenses (29% of the total expenses and transfers)
 - Legislative
 - Corporate Strategy
 - Financial Services
 - Information Technology

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Human Resources
Corporate Communications
Disaster Services
Fleet Operations
Eco-efficiency
Town Hall
Revenue (20% of the total revenue and transfers)
Legislative
Corporate Strategy
Financial Services
Information Technology
Land Development
Disaster Services
Fleet Operations
Eco-efficiency
Town Hall
Investment income

3.2.2 Assumptions and Positions

The following assumptions were made and positions taken to determine the land use allocation ratios:

1. The financial data and statistics provided are assumed to be accurate.
2. Amendments to the data will only be made if the analysis identifies the amendments to be appropriate.
3. The taxes levied and requisitions paid for the Alberta School Foundation Fund (education) and the Foothills Foundation (seniors lodge) have been excluded from this study.
4. Transfers to operating and capital reserves are included because it is assumed that long range plans are in place to necessitate the existence of these reserves and that municipal taxes were levied to provide these funds for future use.
5. Annual transfers to reserves at the end of the fiscal year due to an annual surplus will be included but any remaining surplus will be excluded when calculating the land use ratio.
6. Revenues, expenditures and transfers to capital reserves recorded in the capital fund will be included.
7. The terms 'operating' and 'capital' will be used throughout this report and will normally refer to transactions occurring in the 'operating fund' and the 'capital fund' but the approach to this study will be a 'consolidated fund' approach. Therefore, there will be no information on transfers between the operating and capital funds.
8. Extraordinary capital transactions are expected to distort the results and brief explanations will be provided where possible.
9. Operating ratios determined for each function or business center will be used to allocate capital transactions.

10. Decisions impacting the ratios will be made by management.
11. 'Fall back percentages' will be used to determine the land use allocation ratios.
12. The ratios will be determined for 2008 only but these ratios will be tested using the significant data from prior years.

3.2.3 Land Use Allocation Financial model

Revenues

Operating Fund Revenues

Revenue

Transfers from operating reserves

Transfer from operating surplus if required to achieve a net zero position

Capital Fund Sources

Revenue (excludes revenue that has flowed through the operating fund)

Transfers from existing capital reserves

Less: Expenditures

Operating Fund

Expenses

Equipment rental transfers

Transfers to/from other functions

Long term debt payments

Transfers to operating reserves

Transfer to operating surplus (if required to achieve a net zero position)

Capital Fund

Expenditures less debt issued

Transfers to capital reserves

Annual Surplus/Deficit will be zero.

3.2.4 Fallback percentage

Some of the municipal services provided cannot be identified to a specific land use; for example, Corporate Strategy and Financial Services. It is important that all financial transactions are included in the ratio calculation because if some expenses were not included, the ratio would be distorted. Therefore, after the land use allocation percentages have been applied to the business centers for which a land use allocation can be identified, the resulting total percentage allocation for each land use is referred to as the 'fallback percentage'. This fallback percentage was applied to the revenues and expenses that cannot be specifically allocated.

It should be noted that the approach of using a consistent fallback percentage for allocating revenues that could not be identified to a land use was not used in the studies reviewed. The American Farmland Trust determined the fall back

percentage using the allocated revenue ratio. The Miistakis report developed a fall back revenue percentage based on allocated revenues and a fall back expense percentage based on allocated expenses and only applied the expense percentage to unallocated revenues that specifically related to an unallocated expense. The application of the fallback percentage for this report was to apply the expense fallback percentage to revenues and expenses that could not be allocated to a specific land use. The rationale for using this approach was that expenses normally determine revenues. Tax and grant revenues which can be allocated to a specific land use make up a large percentage of the municipal revenue stream and may not appropriately represent the allocation ratio for the revenues that cannot be allocated.

3.3 Revenue to Expense Ratios

The ratio of revenue to expense for each land allocation is determined by dividing the sum of the expenditures by the sum of the revenues.

Ratio is 1 : Sum of Expenditures/Sum of Revenues

A ratio greater than 1 suggests that for every dollar of revenue collected from a given category of land more than one dollar is spent.

The ratios for the Town using 2008 data are:

	Residential	Non-residential	Total
Expenditures	\$46,876,698	\$7,014,256	\$53,890,954
Revenues	\$46,425,555	\$7,465,399	\$53,890,954
Ratio	1.010	0.940	
Land Use Percent of Revenues	86%	14%	
Land Use Percent of Expenditures	87%	13%	

3.4 Conclusions

3.4.1 Why is the Okotoks Residential Ratio 1:1?

The results of the COCS studies referenced are as follows:

American Farmland Trust median

Residential	1.15
Commercial	0.27
Agriculture/open land	0.36

Miistakis Report (Red Deer County)

Residential	1.66
Commercial	1.00
Industrial	.014
Farmland	1.01

Town of Okotoks
Cost of Community Services Analysis

The logical question when comparing the results of past studies to the results of this study is ‘why are the ratios for Okotoks so different?’ There is a reasonable explanation.

1. The ratio of residential and non-residential assessments varies significantly. The American Farmland Trust and Miistakis studies focus on the tax revenue generated for each land category, they do not provide live assessment or tax rate information. 2004 live assessment information was obtained for Red Deer County; the following table reports the significant differences:

	Okotoks	American*	Red Deer County
Residential	88%	69%	50%
Commercial/industrial	12%	15%	42%
Agriculture/open land		16%	8%

* percentages are based on tax revenue

Residential properties which require the most services are a significantly higher percentage for Okotoks than for the other studies but it should be noted that the other studies represent rural municipalities as indicated by the percentage of agriculture and open lands. Therefore, it should not be interpreted that residential assessment should only be at 70% of the total assessment.

2. Agriculture, open lands and industrial properties require limited services. It is important to note that the main purpose of the Cost of Community Services studies conducted in the USA and for Red Deer County was to evaluate the overall contribution of agricultural and other open lands on equal ground with residential, commercial and industrial development. The table in point 1 states that agriculture makes up 16% and 8% of the total assessment for the municipalities studied. Also, half of Red Deer County’s commercial/industrial assessment is linear assessment (21% of the total assessment). Linear assessment is electric transmission lines and pipelines which requires limited services. And this is confirmed by the industrial ratio for Red Deer County; \$0.14 is expended on industrial for every \$1 raised from industrial properties.
3. The approach to establishing the municipal tax rates for residential and non-residential assessment varies between the municipalities studied. This final reason for the difference in ratios is very important. Councils of Alberta municipalities have the authority to establish the municipal tax rates and can approve a municipal tax rate for non-residential properties that is different from the residential tax rate. If this option is exercised, the tax revenues will be affected. No information is available on the American study. The following table provides information on the Okotoks and Red Deer County tax rates:

Town of Okotoks
Cost of Community Services Analysis

	Okotoks		Red Deer County	
	2008 Tax Rate	% Greater than Residential Rate	2004 Tax Rate	% Greater than Residential Rate
Residential	4.37		3.85	
Non-residential	4.37	0%	9.00	134%
Farmland			6.50	69%

This table shows that Red Deer County generates 134% additional tax revenue from the non-residential properties by using a 9.00 tax rate yet the costs allocated to these non-residential properties would remain the same. Therefore, the land use ratios are impacted as tax rates change and tax rates are an important factor to consider when comparing land use ratios with other municipalities.

3.4.2 ‘What if’ Projections

What if the tax revenues from the non-residential assessment base were increased by either additional commercial assessment, establishing a non-residential tax rate greater than the residential tax rate or a combination of both? This is a good question since the Town’s goal is to increase the non-residential assessment base to 22% of the total assessment base coupled with population growth to 30,000; but it is very difficult to quantify because it raises other questions:

- How much will expenses increase as the non-residential sector grows?
- How much will be included in off-setting revenues?
- What impact will growth of the residential tax base have on revenues and expenses?

The fallback percentages can be used to a degree but one needs to be cautious when extrapolating and projecting using a one-year point in time calculation which already has variables when compared to other years. The additional assumptions that would need to be developed would potentially compound any projection errors.

Some general information can be provided that will be useful in making future decisions. The Town decided in 2009 to establish a non-residential municipal tax rate that is 10% higher than the residential municipal tax rate. Had this 10% differential existed in 2008, an additional \$194,000 would have been generated. Assuming that these additional funds resulted in a reduced residential tax rate, the residential ratio would be 1.014 instead of 1.010 and the non-residential ratio would be 0.916 compared to 0.940; a minor increase in residential and a 2.5% decrease in the non-residential ratio.

The 2030 Financial Sustainability Plan specifically refers to increasing the commercial/industrial assessment base. This infers that non-residential tax revenues will be increased by non-residential growth and not a non-residential tax rate budget decision. Therefore it is reasonable to project that there will be some additional costs related to this growth. In spite of these additional costs, it is reasonable to assume that the costs will not increase at the same rate as the non-

residential revenues. Therefore, the non-residential ratio will probably decrease; in other words, for every \$1 of non-residential revenue received less will be spent of that \$1.

3.4.3 Conclusions, Future Research and Limitations

This analysis demonstrates that it is important to have commercial development in the Town. Besides focusing on the ratio, it is important to note the 13% of costs allocated to non-residential properties compared to the 87% required for residential properties. Non-residential properties do not require the same services as the residents of the Town require. Transportation and utility services are necessary for non-residential properties and businesses desire an attractive community with sufficient protective services. But non-residential properties do not require recreation and community services, for example. Therefore, it is important that the goals of the 2030 Financial Sustainability Plan to develop a higher percentage of non-residential assessment are achieved.

The residential and non-residential ratios are currently similar and do not compare to other municipalities studied. The reasons for this have been identified and the goal to achieve a higher percentage of non-residential assessment should create a larger spread in these ratios. This study has refrained from developing projections but financial modelling can still be done to try to quantify this question and information in this report will be able to assist the process but caution needs to be used when interpreting and using the results.

It must be recognized that this study is a snapshot in time; specifically, 2008 and that a similar analysis be conducted once in every 5 year period. 2008 may have some extraordinary items that have not been identified and have skewed the ratios. On the other hand, the 2008 fiscal year may not have included sufficient funds to cover future maintenance of infrastructure or replacement of capital. Section 4 will address the average capital requirements in more detail; capital requirements are important and can have a significant impact on the future. Municipalities may currently have excess infrastructure capacity to handle future growth and adding residences has minimal impact on the infrastructure costs. But there will come a time when this capacity has been fully used and extensive infrastructure and equipment additions are required to accommodate growth. The Town has determined future capital requirements; it is important that the required funding is being addressed and these capital requirements are regularly reviewed and revised as necessary.

This study is not to stand alone but rather to be used as one of the tools for long range planning for growth and achieving financial stability.

4 Service Delivery Planning, User Rate Setting and Financial Planning

The Corporation of the Town of Okotoks is organized into a number of Business Centres. These Business Centres operate like a small business in a competitive market and are charged with the delivery of core services, under the policy direction of Council. Core services are the businesses that the Corporation will deliver to the best of its ability within the resources approved by Council. Available resources will focus on the delivery of core services. The Business Centres have relative independence recognizing they operate under the corporate umbrella, take their direction from the Corporate Business Plan, and are often interdependent in order to be successful.

Okotoks 2030 Financial Sustainability Plan

The Town is to be commended for approaching the delivery of core services as a business. The Town uses a competitive environment attitude towards providing these services. These are significant ideals because, in reality, there is minimal or no competition to provide these services. Whether or not these services are provided by the Town or contracted to the private sector, it is important that good information is regularly provided on the cost and net cost of providing these services. The Town is already providing cost and net cost information on municipal services; for example, in the 2009 budget document. From the interviews with the managers, the ‘operate like a business’ mindset was evident while recognizing that there are challenges and limitations to fully achieve this objective. This section is intended to supplement the short and long term information provided in the budget documents and the 2030 Financial Sustainability Plan.

4.1 Current Services Provided

Town core services are managed by an administrative team of five managers. Section 8.1 provides a detailed list of the programs within each function. The following summarizes each of the core services by management area:

4.1.1 Municipal Manager

- Legislative
Ensures the Town is governed according to provincial statutes and provides legislative support services for Council.
- Corporate strategy
Implements Council’s direction and policies and provides overall administrative leadership to the Town.
- Police protection and municipal enforcement
Contracts public safety and protective services from the Royal Canadian Mounted Police who work collaboratively with the Town municipal peace officers.

- **Fire and disaster services**
Provides fire protection and rescue services, co-ordinates and provides emergency management and leads preventive measures through safety inspections and awareness programs.
- **Emergency medical services**
Contracts advanced life support, pre-hospital and emergency medical care from the Foothills Regional Emergency Medical Services Commission.
- **Planning**
Leads and facilitates community development consistent with Council direction and administers all aspects of the land use planning and development process.
- **Engineering**
Leads and directs the planning, design, construction and rehabilitation of Town transportation and utility infrastructure and approves engineering requirements for new development.
- **Safety codes and assessment**
Coordinates, administers and enforces compliance with regulatory codes to ensure safe structures are constructed in the Town and maintains the property tax assessment records.
- **Economic development**
Promotes and markets the Town for existing businesses and future development, facilitates new development and administers the business licenses.

4.1.2 Financial Services Manager

- **Financial services**
Provides corporate financial and accounting services and facilitates short and long term fiscal planning.
- **Information technology**
Develops and administers information management strategies for all sectors of the Town and provides support for the hardware and software.

4.1.3 Human Resources Manager

- **Human resources**
Provides leadership to organizational design and development, co-ordinates employee recruitment and manages the financial and non-financial aspects of the Town's human resources.

- Corporate communications
Communicates priority information to residents, assists other business centres with their communication needs and promotes resident participation in Town governance.

4.1.4 Operations Manager

- Common services
Leads and manages all of the Town operations including managing and maintaining buildings, mechanical equipment and the vehicle fleet.
- Utilities
Contracts from EPCOR Water Services Inc. the provision of safe, reliable water and the collection, treatment and release of wastewater.
- Transportation
Maintains and repairs the traffic and pedestrian transportation networks and the storm water collection and treatment systems.
- Solid waste
Provides residential solid waste pick-up, provides drop-off sites for recyclable materials and transports solid waste and recyclables to designated locations.
- Open spaces
Manages and maintains the parks, playgrounds, sports fields, pathways, natural areas, local urban forest and cemetery.

4.1.5 Community Services Manager

- Client services
Provides a 'one-stop shopping' service for users of Town programs and facilities along with information on the services and programs provided by the Town.
- Aquatics
Manages and operates the aquatics centre and provides swim, health and lifestyle programs.
- Indoor facilities
Manages and operates the public arenas, the common areas of the Recreation Centre and Centennial arena and the curling rink.
- Community programs
Provides or facilitates delivery of lifelong learning and skill development opportunities for children, youth and adults.

- Cultural & historical
Provides cultural, historical and entertainment experiences through the operation of the Cultural Centre, Museum and Performing Arts Centre.
- Family and community support services
Administers the preventive programs that address social needs in the community and operates the Okotoks Health Family Resource Centre which provides comprehensive referrals to support services.

4.2 Costs Defined

1. Operating costs
Operating costs are the expenses incurred to provide the day to day services. These are normally the costs for personnel, contracted services and materials.
2. Capital costs
Capital costs are defined as those expenditures for items that have a useful life for longer than one year. For the purposes of this study, capital costs will be those costs which have flowed through the capital fund. Sections 4.4.2 and 6 will address how capital expenditures will be recorded effective 2009 and be referred to as ‘tangible capital assets’. These changes may impact what is currently referred to as a capital cost.
3. Variable costs
Variable costs are costs that vary as the activity or service levels change. For example, fuel costs for a vehicle will vary as the vehicle travels different distances. The definition for variable costs may vary for departments that provide essential services compared to those that provide ‘soft’ services. For example, the service levels may be more fixed for essential services with the only variable component being how often the service is required such as snow removal. Whereas, the variable costs for recreation programs may include all of the staff required to present the programs because if residents do not use the programs or facility, the staff will not be required. For the purposes of this study, variable costs will be defined as those costs that will increase as the population increases and the demand for services and programs increase.
4. Fixed costs
Fixed costs are those costs whose total does not change in proportion to the volume of activity in a business centre. Fixed costs can include overhead costs; those costs that are not attributed directly to a specific function. Example of fixed costs will be insurance, building utilities and administrative costs.

5. Net costs

The net cost to operate a business centre is the remaining cost after revenues specific to the business centre have been applied to the expenses. It is the remaining cost to be funded by other sources such as municipal taxes. The net cost of services is used to evaluate the services and establish user fees.

4.3 Fixed and Variable Costs Analysis

4.3.1 Purpose for this analysis

The Town is projecting residential growth through to 2017 and non-residential growth to 2022. The 2030 Financial Sustainability Plan forecasts revenues and expenditures to 2030. The forecasts are based on staffing increases to maintain current service levels with a 30% increase in materials resulting from a 30% increase in infrastructure. This study analyzes the 2008 actual operating expenses breaking these costs into variable and fixed costs as defined in Section 4.2.

The purpose of this analysis is to identify those costs that may vary as the Town population and size increases and/or as the level of services currently provided increases. This information is intended to provide a broad indication of the cost base that can increase as the Town grows and the demand for services comes from a larger population base.

4.3.2 Methodology, Positions and Assumptions

The consultant and the Manager of Financial Services met with the managers to review the 2008 actual costs for each business center and to identify the costs that would be considered fixed and those considered to be variable. Appendix 8.5 provides information on the decisions for each business centre. Human Resources provided salary information so that personnel costs could be analyzed in the same manner. The following positions and assumptions were used in this analysis:

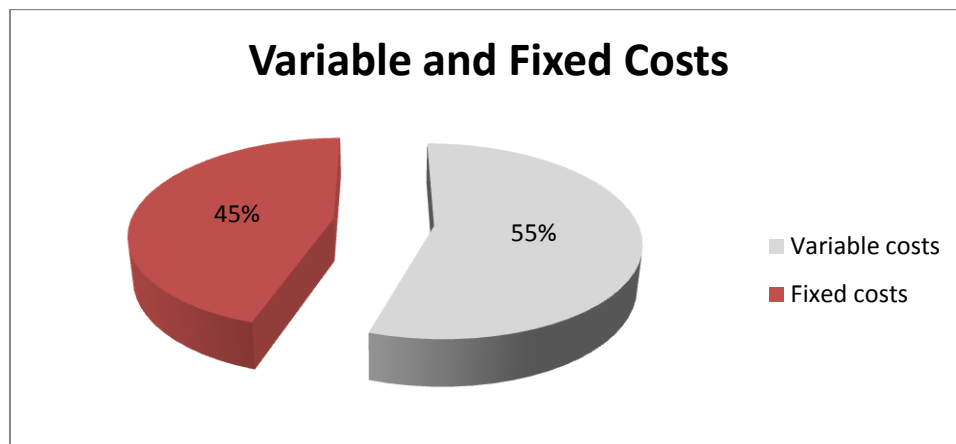
- This cost analysis is specifically on the operating expenses; transfers to operating reserves and the capital fund and long term debt payments were excluded.
- The premise for this analysis is that the level of services will not be reduced; therefore, costs identified as variable does not mean that they can be reduced and still retain existing service levels.
- A percentage of these variable costs may be recovered through user fees; for example, as the aquatic centre has increased use, more costs are incurred; some of these costs will be offset with the increase in user fee revenues (current objective is to recover 65% of operating costs). These potential revenue increases are not reflected in this analysis; however, the greater the usage, the greater the percentage of the fixed costs recovered.
- The administrative personnel in each business centre with one or two assistants have normally been considered to be a fixed cost where as any additional personnel are considered to be variable because as the Town

population and size increases, the number of personnel will also need to increase to retain the same levels of service.

- The costs for operating the buildings have all been considered to be fixed. This may not reflect reality entirely because even if the building size remains the same, the usage may increase which will result in utility cost increases.
- It was determined that analyzing 2008 data was sufficient and that analyzing prior years was not required.

4.3.3 Conclusions

The 2008 operating cost base used for this analysis is \$26.4 million. Fixed costs were determined to be \$11.9 million (45%) and variable costs \$14.5 million (55%). Section 8.6 provides a summary of this analysis.



There could potentially be an operating cost increase of \$145,000 for every 1% increase in population or, stated in a different way, an operating cost increase of \$664,000 for every 1,000 increase in population. It should also be noted that the assumption that fixed costs will not increase may not be valid if the population increases by 50% from 20,000 to 30,000.

This increase in operating costs due to growth should not be interpreted to mean tax rates will need to increase at a similar rate for the following reasons:

- Some of the cost increases will be offset with increased user revenues; not an increase in user rates but user revenues due to increased activity.
- The tax base will increase as the population grows resulting in additional tax revenues even if the municipal tax rate remains constant. The revenue/expense ratio for residential properties reported in Section 3.3 is that \$1 is spent for every \$1 of revenue. The \$145,000 is part of the \$1 expended ratio.

The 2030 Financial Sustainability Plan includes a summary for each business centre of projected cost and revenue increases through to 2030. Managers should

consider using this variable/fixed cost analysis to verify their projections for operating costs in the 2030 Plan.

4.4 Net Cost of Services

This section and Section 5 address the cost of providing services. It is important to note that this section identifies the net cost to the Town resident after all of the business centre revenues have been taken into account. The approach in Section 5 is to identify the net cost before user fees or contributions from non-residents have been included. This then helps to assist in determining what the additional charges should be. Section 5 identifies the services provided to non-residents.

4.4.1 Purposes for this analysis

The methods used to deliver municipal services and who pays for these services will vary between municipalities.

How much of the cost should be paid by the user?

How much of the cost should be paid by property taxes?

Should the service be provided by Town employees or should the service be contacted to the private sector?

Should capital costs only be incurred when the cash is available or should capital expenditures be financed with debt?

These questions are regularly discussed as Councils and management develop policy, approve annual budgets and develop long range plans. The Town has developed positions that address these questions; for example, the goal for recreation services is to recover 65% of the operating costs by user fees and the water and sewer rates are established to fully cover the operating costs with excess revenues to supplement the overall Town net costs.

The term 'net cost' can have different meanings to the user; it could be:

- The net operating cost which excludes capital.
- The total net cost which includes the costs for capital.
- The net cost to Town residents which includes all sources of revenue.
- The net cost of providing the service to determine how much a neighbouring municipality should contribute.

Therefore, it is important that the Town has a good reporting system in place to properly determine the net cost of providing each specific service with the ability to properly analyze the net cost.

4.4.2 The 'capital dilemma'

The cost to deliver a core service should include the capital costs because it is a necessary cost to provide the service. Up to 2009, there have been no standardized requirements for municipalities to record capital expenditures as an asset and municipalities have not recorded an annual amortization (depreciation) expense. The financial statements report what funds were received for capital expenditures, whether it was capital grants, municipal tax levy or debt, and the

capital expenditure is reported in the statement of revenue and expenditure in the total amount. The financial statements will report:

- Capital expenditures in the year of purchase which have a useful life over multiple years.
- Debt issued to purchase the asset.
- Debt principal payments.
- Capital expenditures financed with debt.
- Transfers to capital reserves for future capital purchases.
- Transfers from capital reserves for current capital purchases.
- Transfers between the operating and capital funds.

This can result in potentially significant fluctuations in costs and net costs from one year to the next.

And this poses a problem when trying to determine the total net cost to provide a service. That is until 2009. Commencing with 2009, all municipalities will be required to follow a standardized procedure to record capital purchases (referred to as tangible capital assets) and to amortize them over their normal useful life; this results in an amortization expense reported in the financial statements. In the future, only the annual amortization expense and capital related revenues will be reported in the statement of the cost of operations. The capital expenditures and capital debt issued or paid will no longer be reported in this revenue and expense statement but reported in other financial statements such as the statement of cash flow. This new requirement should in the future improve the ability to determine the total net cost of providing services and the net cost model for this new era will be discussed in Section 6.

4.4.3 Methodology, Positions and Assumptions

Operating revenues and expenses have been tracked well making it reasonably easy to determine the operating net cost for each business centre. The consultant and Manager of Financial Services met with each manager to discuss the services provided and the 2008 operating costs. Statistical information was provided by each business centre. The following positions and assumptions have been used to determine the business centre net costs:

- The financial data and statistics provided are assumed to be accurate.
- Only revenues, expenses, expenditures and reserves transfers identified to a specific business centre will be reported.
- Operating expenses and revenues are allocated to programs; therefore, the net operating cost can be determined by program.
- The total net cost should be calculated which will include capital transactions.
- Capital costs are allocated to functions, not programs; therefore, the total net cost will be determined by function and not by program.
- Some transfers to capital reserves are not specified to a function; therefore, there will be some anomalies in the net cost report.
- All capital revenues will be included.

Town of Okotoks
Cost of Community Services Analysis

- Transfers to operating and capital reserves will be included based on the assumption that it is a required and planned transfer for future requirements.
- Transfers from operating and capital reserves will be included to match with the operating expense or capital expenditure that is funded partially or fully by the reserve.
- Capital debt and the portion of capital expenditures financed with debt will not be included.
- Capital debt principal and interest payments will be included.
- The statistical information provided will be used to determine costs per units of service as much as possible. There may be more appropriate units of service to use but, if they were not available, the managers were not requested to collect the data.
- The net costs will be determined for five years for the business centres that establish user fees and provide services to non-residents. The five year overview will assist in determining trends and identifying anomalies.

4.4.4 Net Cost of Services Financial Model

Operating Fund Expenses

Expenses

Equipment rental transfers

Transfers to/from other functions

Long term debt payments

Transfers to operating reserves

Total Operating Fund Expenses

Less: Operating Fund Revenue

Revenue

Transfers from operating reserves

Contribution from Municipal District

Total Operating Fund Revenue

Operating Net Cost

Capital Fund Outlays

Capital expenditures

Transfers to capital reserves

Total Capital Fund Outlays

Capital Fund Sources

Revenue (excludes revenue that has flowed through the operating fund)

Transfers from capital reserves

Contribution from Municipal District

Total Capital Fund Sources

Operating and Capital Net Cost

Town of Okotoks
Cost of Community Services Analysis

4.4.5 Business Centre Net Costs

Summary net cost statements calculated for the years 2004 – 2008 are provided in Section 8.7. More detailed information by programs with cost per unit of service, where possible, is provided for business centres that establish user fees or provide services to non-residents as follows:

1. Assessment services

Assessment services are necessary to maintain the assessment tax base in accordance with provincial regulations and legislation. This business centre does not charge for its services but it is subsidized by revenues generated by the Safety Codes business centre and thus it has been included in the net cost analysis.

- The following are the total costs for assessment services and the costs after the safety codes subsidy has been applied:

	2004	2005	2006	2007	2008
Total Costs	\$105,635	\$156,496	\$227,725	\$209,668	\$247,340
Subsidy	\$0	\$18,200	\$164,909	\$209,772	\$207,827
Costs after subsidy	\$105,635	\$138,296	\$62,816	(\$104)	\$39,513

- There are no capital transactions during these five years.
- The net costs in the following table range from a net revenue in 2007 of \$1,234 to a net cost of \$119,822 in 2005 because of the subsidy.
- The number of residential and non-residential properties, possibly weighted to recognize the difference in time to assess a residential property versus a commercial or industrial property, could be used as a statistical measurement of the business centre.

	2004	2005	2006	2007	2008
Total Operating Net Cost (Revenue)	\$100,053	\$119,822	\$24,113	(\$1,234)	\$36,813
Total properties					9,095
Net cost per property					\$4
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Cost (Revenue)	\$100,053	\$119,822	\$24,113	(\$1,234)	\$36,813
Total properties					9,095
Net cost per property					\$4

2. Policing services

- The Town contracts the RCMP for policing services.
- The Okotoks detachment operates as a combined urban and rural detachment; the 2030 Financial Stability Plan states that the distribution of services is 72% urban and 28% rural.

Town of Okotoks
Cost of Community Services Analysis

- Sources of revenue are a provincial grant, fines and sale of goods which averaged approximately \$530,000 in each of the last 3 years.
- Capital transactions have been minimal with no net cost due to offsetting grants.
- The net cost per capita has decreased from \$68 to \$64 as the Town population has increased.
- There are numerous statistics provided by the RCMP in the annual report but the most relevant statistic in respect to cost is the cost per capita.

	2004	2005	2006	2007	2008
Total Operating Net Cost	\$987,497	\$969,241	\$1,108,852	\$1,278,128	\$1,279,145
Total action items			7,501	7,621	
Net cost per action item			\$148	\$168	
 Total Capital Net Cost	 \$0	 \$0	 \$0	 \$0	 \$0
 Total Net Cost	 \$987,497	 \$969,241	 \$1,108,852	 \$1,278,128	 \$1,279,145
Total action items			7,501	7,621	
Net cost per action item			\$148	\$168	
Population	14,478	15,500	17,145	18,570	19,996
Net cost per capita	\$68	\$63	\$65	\$69	\$64

3. Fire services

Fire services are provided for the Town and surrounding area in the Municipal District of Foothills. The revenues and expenses for these services are allocated to three programs;

- Town Attributed to Town residents and properties
- Shared Expenses and revenues to provide services that benefit all Town and MD residents and properties
- MD Attributed to MD residents and properties

- Operating revenues from course registrations and sales range from \$25,000 to \$50,000 annually.
- Contributions from the MD ranged from \$193,000 to \$421,000.
- There are capital expenditures funded by grants, transfers from capital reserves and contributions from the MD.
- The net operating cost per Town fire call has increased from \$1,200 (2004) to \$2,176 (2008). The total net cost per Town fire call has increased from \$1,934 to \$2,176 for the same time period.
- Activity statistics such as calls and inspections are reasonable to use to determine the cost per units of service along with the per capita cost.

Town of Okotoks
Cost of Community Services Analysis

- The net operating cost per capita has doubled from \$29 (2004) to \$58 (2008).
- The total net cost per capita has increased from \$46 (2004) to \$58 (2008).

	2004	2005	2006	2007	2008
Town					
Operating Net Cost	\$36,142	\$190,984	\$221,415	\$205,106	\$338,729
Shared					
Operating Net Cost	\$380,294	\$565,763	\$661,859	\$762,845	\$826,117
MD of Foothills					
Operating Net Cost (Revenue)	\$0	(\$208)	\$12,781	(\$7,703)	\$1,718
Total Operating Net Cost	\$416,436	\$756,539	\$896,055	\$960,248	\$1,166,564
Town calls	347	427	464	514	536
Net operating cost per Town call	\$1,200	\$1,772	\$1,931	\$1,868	\$2,176
Town calls and inspections					1,058
Net operating cost per Town call/inspection					\$1,103
Population	14,478	15,500	17,145	18,570	19,996
Net operating cost per capita	\$29	\$49	\$52	\$52	\$58
Total Capital Net Cost	\$254,637	\$0	\$9,808	\$0	\$0
Total Net Cost	\$671,073	\$756,539	\$905,863	\$960,248	\$1,166,564
Town calls	347	427	464	514	536
Net cost per Town call	\$1,934	\$1,772	\$1,952	\$1,868	\$2,176
Town calls and inspections					1,058
Net cost per Town call/inspection					\$1,103
Population	14,478	15,500	17,145	18,570	19,996
Net cost per capita	\$46	\$49	\$53	\$52	\$58

4. Disaster services

The Disaster Services business centre works with other protective services business centres to provide rescue and emergency management services to Town and area residents.

- Services are intended to be provided on a cost recovery basis.
- There were significant multi-million dollar expenses for flood damage under special projects with a majority of these costs covered by provincial funding.

Town of Okotoks
Cost of Community Services Analysis

- Revenue sources are charges for services, grants and donations.
- There are capital expenses with offsetting grants mainly regarding the flood damages and also other capital expenditures funded by capital reserves.
- The rescue vehicle operating net revenues are offset by transferring these excess funds to capital reserves; these amounts are netted in determining the total net cost.
- There were no statistics provided for disaster services; the number of responses is a pertinent statistic.

	2004	2005	2006	2007	2008
General					
Operating Net Cost	\$4,766	\$10,972	\$26,996	\$44,058	\$27,726
Rescue Vehicle					
Operating Net Revenue	(\$29,521)	(\$31,466)	(\$91,852)	(\$128,137)	(\$49,904)
Special Projects					
Operating Net Cost	\$0	\$20,001	\$9,409	\$0	\$13,612
Total Operating Net Revenue	(\$24,755)	(\$493)	(\$55,447)	(\$84,079)	(\$8,566)
Total Capital Net Cost	\$41,573	\$27,500	\$189,404	\$161,274	\$33,699
Total Net Cost	\$16,818	\$27,007	\$133,957	\$77,195	\$25,133

5. Municipal enforcement

The Municipal Enforcement business centre provides public protection and safety in conjunction with the Royal Canadian Mounted Police. The action items recorded by Municipal Enforcement include:

General and animal complaints

Animals impounded and returned to owners

Issuing traffic tickets and dog licenses

- Statistics were provided for 3 years and activity has increased 72% from 2006 to 2008.
- The largest 3-year activity increase was in traffic tickets issued; 185%.
- Revenue sources are fines and license fees with total revenues ranging from \$209,000 (2006) to \$394,000 (2008) for the last five years.
- There were no capital transactions for the last five years. It is assumed that the capital cost to replace vehicles is included in the equipment rental rate which is part of the annual operating cost.

Town of Okotoks
Cost of Community Services Analysis

- The operating and total net cost has increased since 2004 with the highest in 2006.
- The net cost per action item has decreased from \$36 (2006) to \$17 (2008).

	2004	2005	2006	2007	2008
Total Operating Net Cost	\$85,484	\$96,112	\$171,218	\$153,249	\$134,865
Total action items			4,760	6,772	8,169
Net cost per action item			\$36	\$23	\$17
 Total Capital Net Cost	 \$0	 \$0	 \$0	 \$0	 \$0
 Total Net Cost	 \$85,484	 \$96,112	 \$171,218	 \$153,249	 \$134,865
Total action items			4,760	6,772	8,169
Net cost per action item			\$36	\$23	\$17

6. Safety codes services

Permits are issued, inspections conducted and compliance enforced by Safety Codes Services for buildings, plumbing, electricity and gas.

- The total annual operating costs ranged from \$327,000 (2004) to \$889,000 (2007).
- Total revenues from permit fees ranged from \$662,000 (2004) to \$1,580,000 (2006).
- Each of the last five years has resulted in net operating revenues. A portion of these net revenues are used to offset operating costs of Assessment Services.
- Statistics on the number of permits issued were provided for 2007 and 2008. Activity decreased in 2008 by 28%.
- The operating net revenues decreased by \$68,000 (12%) mainly due to a revenue decrease because the operating costs were similar for both years.
- The net revenue per permit increased from \$165 to \$201 because the total revenue per permit increased from \$417 to \$548.
- There were no capital transactions allocated to Safety Codes Services during the last five years.

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Building					
Operating Net Revenue	(\$230,226)	(\$401,927)	(\$543,642)	(\$326,257)	(\$420,032)
Permits issued				1,035	722
Net revenue per permit				(\$315)	(\$582)
Plumbing					
Operating Net Revenue	(\$39,138)	(\$57,072)	(\$94,580)	(\$74,910)	(\$15,375)
Permits issued				684	419
Net revenue per permit				(\$110)	(\$37)
Electric					
Operating Net Revenue	(\$39,383)	(\$70,458)	(\$76,604)	(\$104,050)	(\$56,135)
Permits issued				1,011	749
Net revenue per permit				(\$103)	(\$75)
Gas					
Operating Net Revenue	(\$26,876)	(\$38,323)	(\$83,600)	(\$76,780)	(\$22,906)
Permits issued				797	667
Net revenue per permit				(\$96)	(\$34)
Total Operating Net Revenue	(\$335,623)	(\$567,780)	(\$798,426)	(\$581,997)	(\$514,448)
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Revenue	(\$335,623)	(\$567,780)	(\$798,426)	(\$581,997)	(\$514,448)
Permits issued				3,527	2,557
Net revenue per permit				(\$165)	(\$201)

7. Planning & development

Services provided by the Planning and Development business centre focus on land use planning and administering the related processes. Applications are processed for subdivision plans, development permits and certificates of compliance.

- There were no relevant statistics provided for this study. Pertinent statistical information could be collected regarding the number of applications received and processed by category as well as information on appeals.
- With the exception of 2005, the operating net cost has increased each year.

Town of Okotoks
Cost of Community Services Analysis

- The subdivision department generates sufficient fee revenues to offset the departmental direct costs but it is more appropriate to consider the net cost of the total business centre because, for example, some statutory costs may be attributed to the subdivision section.
- Total annual operating costs ranged from \$436,000 (2004) to \$696,000 (2006).
- Total revenues ranged from \$350,000 (2004) to \$606,000 (2006).
- A \$98,000 provincial grant is included in the 2008 revenues and in each of the five years there are transfers to and from reserves which will impact the net cost.
- There was no net capital cost in this five year period but in 2008 a grant was received and transferred in total to a capital reserve.

	2004	2005	2006	2007	2008
Statutory					
Operating Net Cost	\$63,826	\$111,519	\$232,937	\$156,298	\$128,407
Development					
Operating Net Cost	\$52,347	\$7,236	\$12,029	\$90,262	\$123,367
Subdivision					
Operating Net Revenue	(\$30,097)	(\$97,322)	(\$154,556)	(\$126,789)	(\$60,199)
Total Operating Net Cost	\$86,076	\$21,433	\$90,410	\$119,771	\$191,575
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Cost	\$86,076	\$21,433	\$90,410	\$119,771	\$191,575

8. Economic Development

The Economic Development business centre promotes the Town to attract non-residential development and facilitates such development as well as tourism marketing.

- Business licenses are the main source of revenue with some advertising revenue and provincial grants.
- With the exception of 2008, the other four years have ended in a net revenue position.
- There were no capital transactions allocated to Economic Development in this five year period.
- No statistics were provided for this report. Some suggested statistics to consider recording would be opportunity contacts with the ratio of success and some promotion statistics.

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Total Operating Net Cost (Revenue)	(\$8,250)	(\$13,548)	(\$79,593)	(\$20,661)	\$3,211
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Cost (Revenue)	(\$8,250)	(\$13,548)	(\$79,593)	(\$20,661)	\$3,211

9. Engineering

The Engineering business centre provides leadership to the Town infrastructure projects as well as approves the required infrastructure for subdivision development.

- The total operating net cost increased each year except in 2006 and ranged from \$76,000 (2004) to \$400,000 (2008).
- The operating net cost doubled in 2008 because the subdivision fees significantly decreased from \$301,000 in 2007 to \$2,000 in 2008. This statement needs to be qualified somewhat because the practice over the five years is to transfer the subdivision fees generated to an operating reserve and then transfer funds from the operating reserves as required. No funds were transferred from operating reserves in 2008. This is another example where more detailed analysis is required to determine the 'true' net cost.
- The years of 2004 – 2006 had capital expenditures some of which were offset partially by transfers from capital reserves but still resulting in a capital net cost. Again, further analysis is required to determine if the funds transferred to these capital reserves were initially allocated to the Engineering Services business centre but it appears that they were not.
- No statistics were provided for this report but statistics that relate to the fee revenues generated may be useful.

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$73,236	\$203,468	\$176,522	\$176,785	\$200,388
Development					
Operating Net Cost (Revenue)	\$3,773	(\$29,578)	(\$19,306)	(\$576)	\$86,045
Subdivision					
Operating Net Cost (Revenue)	(\$1,293)	(\$35,706)	(\$25,497)	\$11,115	\$113,162
Total Operating Net Cost	\$75,716	\$138,184	\$131,719	\$187,324	\$399,595
Total Capital Net Cost	\$19,657	\$4,231	\$0	\$0	\$0
Total Net Cost	\$95,373	\$142,415	\$131,719	\$187,324	\$399,595

10. Water

Water treatment and distribution has been contracted to EPCOR Water Services Inc. since June, 2005 for a 20 year term. EPCOR also provides sanitary sewer services to the Town.

- The annual cost for EPCOR water and sanitary sewer services is divided equally between the water and sanitary sewer business centres.
- An annually established percentage of Common Services and the Operations Manager is charged to water and sanitary sewer services.
- Funds are transferred annually to water and sewer capital depreciation reserves per the 2030 Financial Sustainability Plan. The transfer in 2008 was \$900,000.
- Utility rates include water and sanitary sewer and are based on a combination of consumption rates and fixed rates. The ratio is reviewed annually and was 70% consumption and 30% fixed in 2006 – 2008, 60% and 40% for 2004 – 2005.
- 15% of the net operations revenue remains in general revenues.
- The major source of operating revenue is user fees with some grants and transfers from reserves.
- Capital revenues include grants and developer contributions. These are significant in some years as the following table reflects. Capital expenditures are also identified. There were transfers to and from capital reserves in these years which will have some relationship to the expenditures and use of grants in subsequent years.

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Grants	\$917,204	\$938,212	\$813,471	\$112,455	\$14,167
Developer contributions	\$655,647	\$459,606	\$591,193	\$384,697	\$22,579
Total	\$1,572,851	\$1,397,818	\$1,404,664	\$497,152	\$36,746
Capital expenditures	\$498,072	\$2,164,935	\$1,271,824	\$727,055	\$803,690

- There is an operating and total net revenue in each of the 5 years. It should be noted that the operating net revenue will be different than the operating net income (NOI) reported by the Town because this report has been developed using a consolidated approach (operating and capital) whereas the Town will have included transfers to and from the capital fund to determine the NOI.
- Long range capital planning is important in this business centre as well as the sanitary sewer business centre. Determining the health of the capital plans and analyzing the reserves activity and levels is outside the scope of this report.
- Net operating revenues per gallons of water consumption, flat rate accounts and population are provided in the following table. The Town calculates in greater detail the consumption rates and flat rates; the information in this report is much broader and is not intended to replace the rate calculations prepared by the Town.
- The per capita statistics may be the most relevant; net operating revenue per capita ranges from \$64 (2004) to \$47 (2007). 2004 should be disregarded when reviewing the net revenue per capita because of the lower than average capital expenditures in that year. The remaining four years are more consistent with the range being \$30 (2006) to \$16 (2005).

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$321,437	\$898,693	\$1,359,603	\$1,499,188	\$1,370,202
Water consumption (imp gal)					391,048,233
Net operating cost per gallon					\$0.0035
Flat rate accounts			6,265	6,931	7,735
Net operating cost per account			\$217	\$216	\$177
Meters Repair					
Operating Net Cost (Revenue)	\$311	(\$57,035)	(\$45,746)	(\$16,863)	\$8,369
Customer Billing					
Operating Net Revenue	(\$1,793,917)	(\$1,914,036)	(\$2,108,031)	(\$2,288,939)	(\$2,564,892)
Flat rate accounts			6,265	6,931	7,735
Net operating revenue per account			(\$336)	(\$330)	(\$332)

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Water Storage					
Operating Net Revenue	(\$5,521)	(\$40,031)	(\$80,563)	(\$77,659)	(\$28,243)
Water Booster Station					
Operating Net Cost	\$29,814	\$21,629	\$0	\$0	\$0
Water Purification					
Operating Net Cost	\$329,592	\$93,568	\$0	\$0	\$0
Transmission					
Operating Net Cost	\$194,511	\$193,114	\$3,766	\$16,445	\$25,236
Total Operating Net Revenue	(\$923,773)	(\$804,098)	(\$870,971)	(\$867,828)	(\$1,189,328)
Water consumption (imp gal)					391,048,233
Net operating revenue per gallon					(\$0.0030)
Flat rate accounts			6,265	6,931	7,735
Net operating revenue per account			(\$139)	(\$125)	(\$154)
Population	14,478	15,500	17,145	18,570	19,996
Net operating revenue per capita	(\$64)	(\$52)	(\$51)	(\$47)	(\$59)
Total Capital Net Cost (Revenue)	(\$665,872)	\$555,761	\$352,549	\$518,415	\$766,340
Total Net Revenue	(\$1,589,645)	(\$248,337)	(\$518,422)	(\$349,413)	(\$422,988)
Water consumption (imp gal)					391,048,233
Net revenue per gallon					(\$0.0011)
Flat rate accounts			6,265	6,931	7,735
Net revenue per account			(\$83)	(\$50)	(\$55)
Population	14,478	15,500	17,145	18,570	19,996
Net revenue per capita	(\$110)	(\$16)	(\$30)	(\$19)	(\$21)

11. Sanitary sewer

Waste water treatment and waste water collection has also been contracted to EPCOR Water Services Inc. since June, 2005 for a 20 year term.

- The annual cost for EPCOR water and sanitary sewer services is divided equally between the water and sanitary sewer business centres.
- An annually established percentage of Common Services and the Operations Manager is charged to water and sanitary sewer services.

Town of Okotoks
Cost of Community Services Analysis

- Funds are transferred annually to water and sewer capital depreciation reserves per the 2030 Financial Sustainability Plan. The transfer in 2008 was \$900,000.
- Utility rates include water and sanitary sewer services and are based on a combination of consumption rates and fixed rates. The ratio is reviewed annually and was 70% consumption and 30% fixed in 2006 – 2008, 60% and 40% for 2004 – 2005.
- 15% of the net operations revenue remains in general revenues.
- The major source of operating revenue is user fees with some grants and transfers from reserves.
- Capital revenues include grants and developer contributions. These are significant in some years as the following table reflects. Capital expenditures are also identified. There were transfers to and from capital reserves in these years which will have some relationship to the expenditures and use of grants in subsequent years.

	2004	2005	2006	2007	2008
Grants	\$57,943	\$918,850	\$2,868,615	\$761,348	\$161,237
Developer contributions	\$993,883	\$1,359,871	\$1,213,897	\$567,684	\$18,804
Total	\$1,051,826	\$2,278,721	\$4,082,512	\$1,329,032	\$180,041
Capital expenditures	\$1,637,561	\$3,688,853	\$3,274,980	\$3,071,730	\$136,745

- There is an operating and total net revenue in each of the 5 years. It should be noted that the operating net revenue will be different than the operating net income (NOI) reported by the Town because this report has been developed using a consolidated approach (operating and capital) whereas the Town will have included transfers to and from the capital fund to determine the NOI.
- Long range capital planning is important in this business centre also. Determining the health of the capital plans and analyzing the reserves activity and levels is outside the scope of this report.
- There are no sanitary sewer specific statistics; therefore, the same statistics as used for water are used for sanitary sewer. Net operating revenues per gallons of water consumption, flat rate accounts and population are provided in the following table. The Town calculates in greater detail the consumption rates and flat rates; the information in this report is much broader and is not intended to replace the rate calculations prepared by the Town.
- The per capita statistics may be the most relevant; net operating revenue ranges from \$41 (2004) to \$22 (2006) and the range for net revenue is \$23 (2004) to \$7 (2006).

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$585,362	\$1,113,785	\$1,940,915	\$2,086,848	\$2,182,029
Water consumption (imp gal)					391,048,233
Net operating cost per gallon					\$0.0056
Flat rate accounts			6,265	6,931	7,735
Net operating cost per account			\$310	\$301	\$282
In-vessel Composting					
Operating Net Revenue	(\$1,876,060)	(\$1,977,262)	\$0	\$0	\$0
Customer Billing					
Operating Net Cost (Revenue)	\$25,046	\$20,711	(\$2,320,919)	(\$2,572,959)	(\$2,885,269)
Flat rate accounts			6,265	6,931	7,735
Net operating revenue per account			(\$370)	(\$371)	(\$373)
Lift Station					
Operating Net Cost	\$12,749	\$8,751	\$0	\$0	\$0
Sanitary Sewer Treatment					
Operating Net Cost (Revenue)	\$620,965	\$304,500	\$0	(\$78)	\$0
Collection					
Operating Net Cost	\$41,600	\$42,370	\$0	\$6,547	\$30,737
Total Operating Net Revenue					
Operating Net Revenue	(\$590,338)	(\$487,145)	(\$380,004)	(\$479,642)	(\$672,503)
Water consumption (imp gal)					391,048,233
Net operating revenue per gallon					(\$0.0017)
Flat rate accounts			6,265	6,931	7,735
Net operating revenue per account			(\$61)	(\$69)	(\$87)
Population	14,478	15,500	17,145	18,570	19,996
Net operating revenue per capita	(\$41)	(\$31)	(\$22)	(\$26)	(\$34)
Total Capital Net Cost					
Total Capital Net Cost	\$261,585	\$271,000	\$258,016	\$129,747	\$283,966

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Total Net Revenue	(\$328,753)	(\$216,145)	(\$121,988)	(\$349,895)	(\$388,537)
Water consumption (imp gal)					391,048,233
Net revenue per gallon					(\$0.0010)
Flat rate accounts			6,265	6,931	7,735
Net revenue per account			(\$19)	(\$50)	(\$50)
Population	14,478	15,500	17,145	18,570	19,996
Net revenue per capita	(\$23)	(\$14)	(\$7)	(\$19)	(\$19)

12. Resource recovery – refuse

Refuse recovery focuses on residential solid waste pick-up on a weekly basis with transport to a regional landfill owned and operating jointly by the Town and other municipalities in the area.

- The only source of revenue is user fees with the exception of a \$71,000 grant in 2008.
- The only capital transactions were in 2005 and 2008 which were transfers to capital reserves.
- For the five year period, the operating net revenue has increased each year from \$121,000 (2004) to \$256,000 (2008).
- The total net revenue also increased each year except in 2008.
- The total net revenue per capita ranges from \$8 (2004) to \$13 (2007).

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$100,187	\$94,233	\$93,190	\$101,323	\$150,290
Customer Billing					
Operating Net Revenue	(\$493,094)	(\$563,047)	(\$619,498)	(\$790,144)	(\$894,711)
Yard Waste Compost					
Operating Net Cost	\$0	\$19,134	\$20,493	\$27,445	\$27,942
Collection					
Operating Net Cost	\$271,393	\$302,741	\$344,395	\$410,933	\$460,014
Total Operating Net Revenue	(\$121,514)	(\$146,939)	(\$161,420)	(\$250,443)	(\$256,465)
Total Capital Net Cost	\$0	\$21,347	\$0	\$0	\$19,093
Total Net Revenue	(\$121,514)	(\$125,592)	(\$161,420)	(\$250,443)	(\$237,372)
Population	14,478	15,500	17,145	18,570	19,996
Net revenue per capita	(\$8)	(\$8)	(\$9)	(\$13)	(\$12)

Town of Okotoks
Cost of Community Services Analysis

13. Resource recovery – recycling

Recycling recovery includes drop-off areas for recyclables and community composting along with regional landfill co-operative endeavours.

- The major source of revenue is from selling recyclable goods with smaller revenues from selling rain barrels and composters.
- A recycling charge to residents was included in the refuse rate and not allocated to the recycling business centre.
- Commercial properties are not charged a recycling fee because these properties are responsible for refuse and, therefore, not charged a refuse fee.
- There is a net operating cost in each year. The operating net cost ranges from \$74,000 (2007) to \$242,000 (2008) with the range for the net operating cost per capita being \$4 (2007) to \$11 (2005, 2008). The reason for the low 2007 net operating cost is a \$150,000 provincial grant.
- Most of the years have capital transactions. The most significant capital transaction is a transfer to capital reserves in 2008 in the amount of \$300,000. This is a major reason for the significant increase in the net cost in 2008.
- The range of net costs is \$80,000 (2004) to \$542,000 (2008). The total net cost per capita ranges from \$4 (2007) to \$27 (2008).

	2004	2005	2006	2007	2008
Administration					
Operating Net Revenue	\$0	\$0	\$0	(\$146,020)	\$0
Collection					
Operating Net Cost	\$145,610	\$148,585	\$209,127	\$220,391	\$242,353
Total Operating Net Cost	\$145,610	\$148,585	\$209,127	\$74,371	\$242,353
Population	14,478	15,500	17,145	18,570	19,996
Net operating cost per capita	\$10	\$10	\$12	\$4	\$12
Total Capital Net Cost	\$0	\$44,309	\$99,739	\$5,953	\$300,000
Total Net Cost	\$145,610	\$192,894	\$308,866	\$80,324	\$542,353
Population	14,478	15,500	17,145	18,570	19,996
Net cost per capita	\$10	\$12	\$18	\$4	\$27

Town of Okotoks
Cost of Community Services Analysis

14. Cemetery

The Open Spaces business centre manages the public cemetery which provides traditional and cremation interments. Costs are identified for interments which are activity dependent and administration and maintenance.

- Sources of revenue are sales of plots and columbarium niches, interment fees and investment income.
- An annual \$15,000 transfer to capital reserve started in 2006 with capital expenditures funded by a transfer from capital reserves. There were no capital transaction in 2004 and 2005.
- Costs for interment are to be covered by interment fees but the interment program still has a net cost in four of the five years.
- The net operating cost ranged from \$10,000 (2007) to \$27,000 (2005) and the total net cost ranged from \$15,000 (2004) to \$38,000 (2006).
- No cemetery statistics were provided for this study.

	2004	2005	2006	2007	2008
Administration					
Operating Net Revenue	(\$11,706)	(\$9,155)	(\$9,964)	(\$11,689)	(\$15,244)
Interment					
Operating Net Cost (Revenue)	\$6,599	\$7,179	\$7,442	(\$2,144)	\$2,876
Buildings & Grounds					
Operating Net Cost	\$19,690	\$28,710	\$25,537	\$23,563	\$28,061
Total Operating Net Cost	\$14,583	\$26,734	\$23,015	\$9,730	\$15,693
Total Capital Net Cost	\$0	\$0	\$15,000	\$15,000	\$15,000
Total Net Cost	\$14,583	\$26,734	\$38,015	\$24,730	\$30,693

15. Open Spaces

The Open Spaces business centre manages the parks, playgrounds, sports fields, pathways, natural areas and the local urban forest. Separate programs have been established for each area of responsibility with expenses and revenues allocated accordingly.

- Revenue sources are mainly rentals, grants and donations.
- The nature of the services provided does not generate significant operating revenues. The portion of the operating expenses covered by revenues has decreased each year from 13% in 2004 to 4% in 2008.
- There is a net operating cost for each program and the total operating net cost has increased each year from \$699,000 (2004) to \$1,446,000 (2008).

Town of Okotoks
Cost of Community Services Analysis

- The net capital costs are minor except in 2007 but there have been significant capital transactions mainly due to the construction of the Seaman Stadium. The following table summarizes the capital fund activity:

	2004	2005	2006	2007	2008
Capital expenditures	\$24,884	\$583,198	\$1,468,938	\$6,410,572	\$2,517,470
Capital revenues					
Donations		\$40,200	\$788,670	\$4,638,080	\$819,803
Grants		\$87,878	\$19,018	\$7,000	\$650,000
Transfer from reserve	\$42,197	\$455,120	\$639,040	\$967,842	\$859,082
Net capital cost(revenue)	(\$17,313)	\$0	\$22,210	\$797,650	\$188,585

- The total net cost ranged from \$681,000 (2004) to \$2,003,000 (2007).
- Open spaces tracks time spent on programs and estimates the time required for specific tasks; this information is not transferred to the financial system. There were no useful statistics provided for this report but relevant statistics could be identified for future cost analysis such as frequency of activities.

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$155,073	\$173,237	\$214,340	\$351,053	\$323,550
Turf Management					
Operating Net Cost	\$193,076	\$211,191	\$273,633	\$318,220	\$403,753
Park Maintenance					
Operating Net Cost	\$144,704	\$149,383	\$219,938	\$220,492	\$259,157
Amenities					
Operating Net Cost	\$86,876	\$81,021	\$130,010	\$74,052	\$86,768
Urban Forest					
Operating Net Cost	\$44,975	\$53,193	\$110,696	\$117,293	\$232,722
Horticultural Extension Office					
Operating Net Cost (Revenue)	(\$1,413)	\$11,378	\$16,453	\$21,867	\$24,024

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Pathways					
Operating Net Cost	\$25,957	\$45,399	\$36,840	\$39,300	\$38,261
Sheep River Park					
Operating Net Cost (Revenue)	(\$500)	\$1,516	\$6,317	\$2,012	\$785
Special Projects					
Operating Net Cost	\$14,673	\$10,760	\$15,075	\$11,961	\$9,698
North/Southridge					
Operating Net Cost	\$35,227	\$49,776	\$50,139	\$49,014	\$67,536
Total Operating Net Cost	\$698,648	\$786,854	\$1,073,441	\$1,205,264	\$1,446,254
Total Capital Net Cost (Revenue)	(\$17,313)	\$0	\$22,210	\$797,650	\$188,585
Total Net Cost	\$681,335	\$786,854	\$1,095,651	\$2,002,914	\$1,634,839

16. Family & community support services (FCSS)

The FCSS business centre administers the preventive programs to address social needs in the community and operates the Okotoks Health Family Resource Centre which is a program that provides comprehensive referrals to support services.

- Grants and donations are the sources of revenue. The Provincial FCSS grant is the main revenue source for the administration component and a combination of grants and donations fund the Family Resource Centre.
- There were no capital transactions in the five years.
- The Family Resource Centre had a break even position in three of the five years and the other two years had a minimal net cost.
- The overall net cost gradually increased over the five year period but the per capita net cost remained constant at \$4 for 2004 to 2007 and increased to \$5 in 2008.

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Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$53,794	\$65,149	\$76,934	\$70,360	\$91,382
Clients served					6,752
Net operating cost per client					\$14
Okotoks Health Family Resource Centre					
Operating Net Cost	\$2,732	\$0	\$0	\$5,401	\$0
Activity from Town residents	1,024	1,344	1,354	1,598	1,888
Net operating cost per activity	\$3	\$0	\$0	\$3	\$0
Total Operating Net Cost	\$56,526	\$65,149	\$76,934	\$75,761	\$91,382
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Cost	\$56,526	\$65,149	\$76,934	\$75,761	\$91,382
Population	14,478	15,500	17,145	18,570	19,996
Net cost per capita	\$4	\$4	\$4	\$4	\$5

17. Client services

The Client Services business centre provides a ‘one-stop shopping’ service to all who use Town facilities or participate in Town recreation and community programs. Information on Town and community services and programs is provided and a Recreation Centre Pro Shop is managed and operated.

- This business centre collects revenues on behalf of the following business centres and programs:

Open spaces

Aquatics

Indoor facilities

Community programs

These revenues are allocated to the respective business centre but the costs to operate Client Services are not. Therefore, the net cost for operating the aforementioned business centres will be lower than they should be because they do not incur the administrative costs to collect these revenues. There is an administration fee included in the facility pass fee which is 5% of the fee. This fee is allocated to this business centre which started in 2007; \$26,000 (2007) and \$36,000 (2008).

- The major costs are in the Administration program; the Recreation Centre Store and Recreation Centre Projects programs incur minimal costs.
- The operating net cost for the Administration program did not increase each year as much as the activity increased; therefore, the cost per unit of activity has annually decreased to the following 2008 levels:

Town of Okotoks
Cost of Community Services Analysis

19,308 registrations at \$18 per registration
105,058 facility admissions at \$3 per admission
4,628 facility passes at \$76 per pass

- The Recreation Centre Store experienced net revenues in all of the five years ranging from \$560 (2006) to \$9,240 (2008).
- There were no capital transactions in any of the five years.
- The total net cost increased from 2004 (\$194,000) to 2007 (\$360,000) and decreased to \$348,000 in 2008.

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$179,347	\$225,230	\$286,249	\$363,716	\$353,580
Registrations		10,032	10,154	16,408	19,398
Net operating cost per registration		\$22	\$28	\$22	\$18
Facility admissions		35,318	16,322	90,380	105,058
Net operating cost per facility admission		\$6	\$18	\$4	\$3
Facility passes sold		307	719	4,282	4,628
Net operating cost per facility pass sold		\$734	\$398	\$85	\$76
Recreation Centre Store					
Operating Net Revenue	(\$1,651)	(\$2,142)	(\$560)	(\$6,067)	(\$9,240)
Recreation Centre Projects					
Operating Net Cost	\$15,968	\$1,138	\$4,986	\$2,771	\$3,403
Total Operating Net Cost	\$193,664	\$224,226	\$290,675	\$360,420	\$347,743
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Cost	\$193,664	\$224,226	\$290,675	\$360,420	\$347,743
Registrations		10,032	10,154	16,408	19,398
Net operating cost per registration		\$22	\$29	\$22	\$18
Facility admissions		35,318	16,322	90,380	105,058
Net operating cost per facility admission		\$6	\$18	\$4	\$3
Facility passes sold		307	719	4,282	4,628
Net operating cost per facility pass sold		\$730	\$404	\$84	\$75

Town of Okotoks
Cost of Community Services Analysis

18. Aquatics

The Aquatics business centre manages and operates the aquatics centre and provides swim, health and lifestyle programs.

- Expenses and revenues for the administration, admissions, programs and rentals cost centres are individually tracked but should be combined for analytical purposes.
- Client Services collects the revenues for these programs but a portion of the costs for Client Services is not allocated to the Aquatics business centre.
- The main sources of revenue are from user fees and rentals.
- There were no capital transactions in the last five years allocated to this business centre.
- The aquatics centre was renovated and increased in size to in 2006 from one small pool to two pools. The centre was closed three months in 2006; therefore, information is provided for 2004 to 2006 but the data most reflective of the current situation is for 2007 and 2008.
- Aquatics management estimate that the aquatics centre is at 87% capacity based on hours of use.
- The revenue goal is a 65/35 ratio between user fees and tax support. This has not been achieved in order to favourably compare with market; i.e. other municipalities. 51% of the operating costs were recovered in 2007 and 2008 as noted in the following table:

	2007	2008
Operating cost including long term debt payment	\$839,077	\$969,402
Long term debt payment	\$20,340	\$22,737
User fees and rentals	\$426,380	\$490,240
Revenue % of operating cost	51%	51%

- The total net cost has increased each year from \$203,000 (2004) to \$479,000 (2008).
- Due to significant increases in activity, the cost per enrolment decreased from \$72 in 2007 to \$60 in 2008; a 17% decrease. The cost per Town enrolment also decreased from \$95 to \$93 but the % decrease is not as large because the Town enrolments did not increase as much as the increase from non-resident users.

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$371,051	\$423,339	\$368,423	\$491,047	\$664,053
Admissions					
Operating Net Cost (Revenue)	(\$27,243)	(\$63,085)	\$36,966	\$110,267	\$40,280
Programs					
Operating Net Revenue	(\$59,251)	(\$73,294)	(\$28,667)	(\$70,835)	(\$101,563)
Rentals					
Operating Net Revenue	(\$81,847)	(\$78,742)	(\$36,102)	(\$117,782)	(\$123,608)
Total Operating Net Cost	\$202,710	\$208,218	\$340,620	\$412,697	\$479,162
Total Capital Net Cost	\$0	\$0	\$0	\$0	\$0
Total Net Cost	\$202,710	\$208,218	\$340,620	\$412,697	\$479,162
Total enrolments				5,712	8,042
Net cost per enrolment				\$72	\$60
Town enrolments				4,339	5,154
Net cost per Town enrolment				\$95	\$93

19. Indoor facilities

The Indoor Facilities business centre is responsible for three arenas, the common areas of the Recreation Centre and the curling rink.

- Expenses and revenues are tracked for each of the facilities but there are some expenses and revenues that may be allocated to one facility but cover multiple facilities. Therefore, for example, the information for arenas are combined for analytical purposes.
- Client Services collects the revenues for these programs but a portion of the costs for Client Services is not allocated to the Indoor Facilities business centre.
- Revenue sources are user fees, rentals, provincial grants and contributions from other municipalities. The MD of Foothills made annual contributions in each of the five years; in 2004 and 2005 the contributions totalling \$103,562 and \$111,442 respectively, were allocated to the Murray and Piper arenas and the curling rink. The contribution changed in 2006 to fund a \$5 million debenture with annual payments of \$443,500 allocated to the Recreation Centre.
- There were significant capital transactions in both the operating and capital funds due to the renovation and construction of the Recreation

Town of Okotoks
Cost of Community Services Analysis

Centre. These transactions include funds received for future expenditures with the expenditures in subsequent years, transfers to and from reserves and the debt payments starting in 2006. Funds received for future expenditures are the reason for the net revenues in 2004 and 2005. It is difficult to conduct any trend analysis due to these major transactions and changes in funding allocations.

	2004	2005	2006	2007	2008
Murray Arena					
Operating Net Cost	\$163,485	\$144,853	\$244,638	\$73,808	\$50,944
Piper Arena					
Operating Net Revenue	(\$87,666)	(\$89,689)	(\$40,786)	(\$49,168)	(\$34,829)
Centennial Arena					
Operating Net Cost (Revenue)	\$0	\$0	(\$39,462)	\$194,493	\$183,792
Total Arenas					
Operating Net Cost	\$75,819	\$55,164	\$164,390	\$219,133	\$199,907
Total users	1,047		1,354	1,323	1,538
Net operating cost per user	\$72		\$121	\$166	\$130
Total Town users	640		826	820	991
Net operating cost per Town user	\$118		\$199	\$267	\$202
Recreation Centre Main Areas					
Operating Net Cost (Revenue)	(\$851,021)	(\$512,565)	\$1,569,220	\$1,673,923	\$1,696,427
Registrations	7,347	8,289	7,047	16,001	18,752
Net cost per registration			\$223	\$105	\$90
Drop-in attendance	27,660	34,242	16,063	93,750	101,200
Net cost per drop-in attender			\$98	\$18	\$17
Curling Rink					
Operating Net Cost	\$90,392	\$88,865	\$141,443	\$67,944	\$70,306
Total members	472		556	513	642
Net operating cost per member	\$192		\$254	\$132	\$110
Total Town members	251		313	291	363
Net operating cost per Town member	\$360		\$452	\$233	\$194
Total Operating Net Cost (Revenue)	(\$684,810)	(\$368,536)	\$1,875,053	\$1,961,000	\$1,966,640

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Total Capital Net Cost (Revenue)	(\$3,546,319)	(\$3,368,183)	\$8,769,024	\$180,087	\$630,285
Total Net Cost (Revenue)	(\$4,231,129)	(\$3,736,719)	\$10,644,077	\$2,141,087	\$2,596,925

20. Community programs

The Community Programs business centre delivers or facilitates the delivery of long learning and skill development opportunities for children, youth, adults and seniors. Operating revenues and costs are allocated to administration, Summer in the Sun day camp program (SITS), the Youth Centre and the Gymnasium/KinderCare Babysitting Centre.

- User fees are the major source of revenue accompanied by some minor grants and donations.
- The goal of total operating cost recovery for SITS was achieved in each of the five years including all of the administrative operating costs.
- The goal of the Youth Centre is to make programs available for youth recognizing that in doing so there may be a net operating cost which was the case for two of the three years of operation.
- The gym/babysitting centre had a net cost for all three of the years ranging from \$3,000 (2006) to \$26,000 (2007).
- The only capital transaction was a transfer to capital reserves in 2006 in the amount of a grant and transfer from other functions attributed to the Youth Centre.

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$10,076	\$8,579	\$34,287	\$17,209	\$50,713
SITS					
Operating Net Revenue	(\$19,047)	(\$20,484)	(\$35,873)	(\$50,365)	(\$62,408)
Total Administration & SITS					
Operating Net Revenue	(\$8,971)	(\$11,905)	(\$1,586)	(\$33,156)	(\$11,695)
Town participants Net revenue per town participant					6,014 (\$2)
Youth Centre					
Operating Net Cost (Revenue)	\$0	\$0	(\$14,543)	\$16,396	\$30,962
Gym/Babysitting Centre					
Operating Net Cost	\$0	\$0	\$3,432	\$25,643	\$7,059

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Total Operating Net Cost (Revenue)	(\$8,971)	(\$11,905)	(\$12,697)	\$8,883	\$26,326
Total Capital Net Cost	\$0	\$0	\$38,214	\$0	\$0
Total Net Cost (Revenue)	(\$8,971)	(\$11,905)	\$25,517	\$8,883	\$26,326

21. Cultural & historical services

This business centre focuses on the Cultural Centre, museum and the Performing Arts Centre. Revenues and costs are allocated to these areas as well as a youth festival.

- Revenues are generated from user fees, grants and donations.
- There is no target cost recovery percentage.
- The total net operating cost has increased each year with the exception of 2005 from \$107,000 (2004) to \$271,000 (2008).
- There were capital transactions in all of the years except in 2004. \$500,000 was expended on capital in 2005 but totally offset by donations and transfers from reserves. The capital net cost in 2008 of \$226,000 was largely due to a \$216,000 transfer to capital reserves which does not appear to be related to operating revenues generated by this business centre.
- The total net cost in 2004 was \$107,000 and it was \$497,000 in 2008. The cost per visitor/booking increased from \$14 in 2006 to \$42 in 2008.
- The operating net cost and total net cost increased dramatically from 2007 to 2008 whereas the activity decreased.

	2004	2005	2006	2007	2008
Administration					
Operating Net Cost	\$90,238	\$86,862	\$93,267	\$115,366	\$188,460
Station Cultural Centre visitors			9,854	12,674	9,038
Net operating cost per visitor			\$9	\$9	\$21
Heritage					
Operating Net Cost	\$15,604	\$25,485	\$38,598	\$43,133	\$76,693
Visitors			1,420	1,619	2,338
Net operating cost per visitor			\$27	\$27	\$33
Performing Arts Centre					
Operating Net Cost (Revenue)	\$149	(\$11,421)	\$6,232	\$8,594	\$6,745
Bookings			310	0	492
Net operating cost per booking			\$20		\$14

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Youth Festival					
Operating Net Cost (Revenue)	\$709	\$3,272	\$3,906	\$3,188	(\$1,325)
Total Operating Net Cost	\$106,700	\$104,198	\$142,003	\$170,281	\$270,573
Total Capital Net Cost	\$0	\$0	\$23,134	\$116,478	\$226,401
Total Net Cost	\$106,700	\$104,198	\$165,137	\$286,759	\$496,974
Total visitors/bookings			11,584	14,293	11,868
Net cost per visitor/booking			\$14	\$20	\$42

4.5 Conclusions

This analysis provides a broad overview with basic information that can be used as a basis for those business centres which require a more in-depth analysis. This can also be done for the business centres which have not been analyzed because they do not generate revenues. The approach for these business centres would be to determine the cost per units of service.

This analysis probably does not reflect the true net cost. The main reason is that transfers from capital reserves have been included and the funds initially transferred to these reserves may not have been allocated to the respective business centres. This reduces the cumulative net cost. The purposes and level of capital reserves and long range capital plans, a significant component in analyzing specific business centres, have not been analyzed because it was not in the scope of this project.

Costs per unit of service would appear, on the surface, to form a reasonable basis to compare operations and costs from year to year. Some of the trends and results without obvious correlations with activities invite further investigation and explanations for cost increases.

5 Services Provided to Non-Residents

Some of the services provided by the Town are used by non-residents. The cost of these services may be shared by agreement, paid by the non-resident user when the service is used or provided with no contribution made or required. This section will identify the services provided by the Town that are used by non-residents and provide information regarding the net costs and how non-residents contribute towards these costs. The net cost information provided in Section 4 will be summarized for this section and will identify any contributions specifically made by other local governments.

Town of Okotoks
Cost of Community Services Analysis

5.1 Fire

The Town provides fire fighting services to the Municipal District of Foothills (MD) under a Fire Services Agreement. The financial terms of this agreement are:

- This is a five year agreement expiring in December, 2010.
- The MD pays an annual service fee based on a blended formula of the area population ratio (55%) and a three year rolling average of fire calls ratio (45%) applied to the costs allocated to the Shared Cost program.
- There is a separate Fire Hall Ownership and Maintenance agreement.
- Each municipality is responsible for additional personnel costs such as overtime regarding fires in their jurisdiction.
- There are separate cost sharing formulas for repairs or replacement costs less than and greater than \$10,000.
- Major equipment is owned wholly or partially by each municipality and the MD makes financial contributions towards capital purchases.

There are other services provided for Town residents of which some non-residents participate or benefit such as car seat clinics and inspections, environmental services and disaster services.

The financial records allocate all operating financial transactions to either a Town specific program, shared costs program or an MD specific program. Capital transactions are not identified whether they are Town, shared or MD related. Assuming that the allocations have been made accurately and that the capital transactions are shared, the following table summarizes the total and net costs of the Shared Costs program.

	2004	2005	2006	2007	2008
Operating Costs	\$650,005	\$775,289	\$888,727	\$1,010,749	\$1,131,192
Operating Revenue	\$8,267	\$16,323	\$8,025	\$17,223	\$20,525
	\$641,738	\$758,966	\$880,702	\$993,526	\$1,110,667
MD Contribution	\$261,444	\$193,203	\$218,843	\$230,681	\$284,550
Net operating cost	\$380,294	\$565,763	\$661,859	\$762,845	\$826,117
Town % of Net Cost before MD contribution	59%	75%	75%	77%	74%
Capital expenditures	\$23,789	\$11,823	\$124,389	\$499,014	\$1,219,539
Transfer to reserve	\$254,637				\$1,656
Total capital outlays	\$278,426	\$11,823	\$124,389	\$499,014	\$1,221,195
Capital revenues				\$417,737	\$74,712
Transfer from reserve	\$23,789	\$11,823	\$102,952	\$62,463	\$6,224
	\$254,637	\$0	\$21,437	\$18,814	\$1,140,259
MD contribution			\$11,629	\$18,814	\$1,140,259
Net capital cost	\$254,637	\$0	\$9,808	\$0	\$0
Total net cost	\$634,931	\$565,763	\$671,667	\$762,845	\$826,117

5.2 Disaster Services

The Disaster Services business centre operates on a cost recovery basis charging residents and non-residents for these services. The Rescue Vehicle program has generated net revenues for the last five years which more than offsets the operating costs for the General and Special Projects programs. Capital transactions are not allocated to each Disaster Services program and include significant flood special project transactions; therefore, more detailed analysis is required to identify the non-flood related capital transactions to determine the net cost including capital transactions.

5.3 Municipal Enforcement

The majority of the services provided by Municipal Enforcement are for the Town residents. There will be non-residents who are impacted by receiving traffic tickets with resulting fines which provides a source of revenue for the Town. There is no indication that costs incurred by Municipal Enforcement are directly related to non-residents and no statistics are kept on services provided to non-residents. Some non-residents may receive benefits from the education services provided. Municipal Enforcement partners and co-operates with protective and enforcement agencies from other jurisdictions which is a normal part of providing an effective service to the Town.

5.4 Resource Recovery – Recycling

The Town recycling facilities are available to non-residents at no cost. The user fees are paid by Town residents through the monthly utility billing. The following table provides information that excludes the user fees paid by the Town residents. There are no statistics for recycling to determine costs per unit or to determine usage by residents and non-residents.

	2004	2005	2006	2007	2008
Operating Costs	\$238,893	\$249,503	\$312,976	\$364,640	\$420,340
Operating Revenue	\$759	\$9	\$10,092	\$155,427	\$8,638
Net operating cost	\$238,134	\$249,494	\$302,884	\$209,213	\$411,702
Capital expenditures		\$44,309	\$144,739	\$43,325	\$33,182
Transfer to reserve				\$5,953	\$300,000
Total capital outlays		\$44,309	\$144,739	\$49,278	\$333,182
Capital revenues					
Transfer from reserve			\$45,000	\$43,325	\$33,182
Net capital cost	\$0	\$44,309	\$99,739	\$5,953	\$300,000
Total net cost	\$238,134	\$293,803	\$402,623	\$215,166	\$711,702

5.5 Cemetery

The Town cemetery is used by Town and area residents. Revenues are activity based; the sale of lots and columbarium niches and interment fees. The cemetery is not fully cost recovery as the following table indicates:

Town of Okotoks
Cost of Community Services Analysis

	2004	2005	2006	2007	2008
Net operating cost	\$14,583	\$26,734	\$23,015	\$9,730	\$15,693
Net capital cost	\$0	\$0	\$15,000	\$15,000	\$15,000
Total net cost	\$14,583	\$26,734	\$38,015	\$24,730	\$30,693

5.6 Family & Community Support Services (FCSS)

FCSS programs are provided for Town residents but there are some non-residents which use the services provided by the Family Resource Centre. Non-residents visiting and/or using the Centre ranged from 18% to 27% of the total users for the last five years. The Municipal District of Foothills FCSS Committee provides annual funding based on the percentage of MD residents using these services. Annual funding ranged from \$5,000 (2004) to \$8,000 (2008) of which 80% would be allocation of the MD's annual provincial FCSS grant. The net cost for providing these services to non-residents was negligible because there was no net cost in three of the five years and the other two years had a net cost of \$3,000 and \$5,000.

5.7 Recreation – Client Services, Aquatics & Indoor Facilities

Recreation programs and facilities are provided on a user pay basis. For some programs/facilities, but not all, different user fees are established for residents, non-residents, non-profit and profit/commercial entities. Due to the increase in programs available in 2007 and 2008, it is difficult to compare the activity increase with years prior but the following table demonstrates that the ratio of resident use to non-resident use has changed for some programs:

	2006		2007		2008	
	Resident	Non-res	Resident	Non-res	Resident	Non-res
Aquatic programs	1,730	571	4,339	1,373	5,154	2,888
Ratio (%)	75	25	76	24	64	36
Arena users	826	528	820	503	991	547
Ratio (%)	61	39	62	38	64	36
Curling rink users	313	243	291	222	363	279
Ratio (%)	56	44	57	43	57	43

The following table summarizes the combined financial results for the 2007 and 2008 fiscal years. While recognizing that the financial information is a composite of different activities and facilities, the summarized information indicates that the residents bear 86% of the operating cost while representing 64% of the users. The MD contribution was increased to \$443,500 per year for payment of a \$5 million debenture on the recreation centre facility. This contribution, while related to capital debt, covers 14% of the net operating costs which include debt principal and interest payments. The remaining 86% is supported by the Town tax base.

Town of Okotoks
Cost of Community Services Analysis

	2007	2008
Operating Costs including debt payment		
Client Services	\$400,696	\$400,918
Aquatics	\$839,077	\$969,402
Indoor Facilities	\$3,433,174	\$3,591,490
Total Operating Costs	\$4,672,947	\$4,961,810
Operating Revenue		
Client Services	\$40,276	\$53,175
Aquatics	\$426,380	\$490,240
Indoor Facilities	\$1,028,674	\$1,181,350
Total Operating Revenue	\$1,495,330	\$1,724,765
	\$3,177,617	\$3,237,045
MD Contribution	\$443,500	\$443,500
Net operating cost	\$2,734,117	\$2,793,545
Town % of Net Operating Cost before MD contribution	86%	86%
Capital expenditures	\$1,161,104	\$766,888
Transfer to reserve	\$1,373,699	\$1,907,444
Total capital outlays	\$2,534,803	\$2,674,332
Capital revenues	\$449,088	\$103,975
Transfer from reserve	\$1,905,628	\$1,940,072
Net capital cost	\$180,087	\$630,285
Total net cost	\$2,914,204	\$3,423,830
Town % of Total Net Cost before MD contribution	87%	89%

5.8 Community Programs

Town statistics report that 29% of the users of the learning and skill development programs provided are non-residents. User fees are charged for these programs but there is not a surcharge for non-residents. The total net cost of these programs for the last three years ranged from \$9,000 (2007) to \$26,000 (2008).

5.9 Cultural & Historical Services

There are no statistics recorded on the number of non-resident visitors to the museum, cultural centre or performing arts centre but it can be assumed that there will be non-resident visitors. User fees are charged for some of these facilities which provide some contribution by non-residents to the cost. The total net cost per visitor/booking for 2006 to 2008 were \$14, \$20 and \$44, respectively. The increase in net cost per visitor/booking results from increased net costs with reduced activity.

5.10 Other Services to Non-Residents

In 2009, the Town has started to track the use of sports fields by residents and non-residents; the ratio to date is 71% residents and 29% non-residents. Non-

residents have also been obtaining bulk water which the Town started to record in 2009.

6 Costing Model Development and Recommendations

It is important to not only glean information from what happened in the past to help set future direction but is it also important to identify what improvements can be made in data collection to provide better analyses in the future. This section will recommend the financial models to be used in the future and also provide other recommendations for management to consider that will enhance the Town's information system.

6.1 Financial Models and Amortization

Section 4.4.2 refers to the changes in recording and reporting capital expenditures effective in 2009. These changes will impact the financial models used in this study to determine the land use allocation and net cost. The cost of the capital asset will now be spread over its estimated useful life.

The following example will show the difference between the reporting treatment before 2009 and in 2009. Equipment was purchased for \$100,000 and has a useful life of 5 years. It is assumed that the use of the asset is the same in year 1 through its life to year 5; therefore, the annual amortization expense is \$20,000 and this amount will be recorded in year 1.

Pre 2009	The purchase was expensed in the amount of \$100,000 in year 1 and nothing was recorded in years 2 – 5. The net cost for the business centre was \$100,000 in year 1 and zero for the remaining years.
2009	The purchase will be recorded as an asset in the amount of \$100,000 but it will not be recorded as an expense. The \$20,000 annual amortization expense will be recorded in each of the 5 years. Therefore, the net cost will be \$20,000 in each of the 5 years.

This example demonstrates the improvement in trying to determine the net cost of operating a business centre. The changes in the financial model used for this study to the one used in the future are:

- Capital expenditures will not be included.
- Revenues received such as grants for the purpose of purchasing tangible capital assets will not be included but will need to be identified when analyzing the amortization expense.
- Transfers to and from operating and capital reserves for the purpose of purchasing tangible capital assets will not be included.

Note: An exception will be for the land use allocation financial model; transfers to capital reserves will be included to reflect funds required for replacement cost; amortization expense and the transfers to and from

operating surplus need to also be considered to achieve the zero balance end position.

- Debt principal payments will not be included.
- Amortization expense will be included.

Transfers to operating reserves will be included based on the assumption that these funds are being set aside for a future operating cost and the transfer is to reduce the financial impact in the year the operating cost is incurred; for example, the cost of a study that is not conducted annually. Transfers from operating and capital reserves for operating expenses will be included because the expense is recognized.

When the net cost is determined using this new model, it is important to remember that the amortization expense is based on historical cost. Therefore, if user fees, developer levies and long range capital planning are to address replacement cost, the fee calculation needs to recognize the future replacement cost and not just use the current net cost.

6.1.1 Land Use Allocation Financial Model for Future Use

Revenues

Operating Fund Revenues

Revenue

Transfers from operating reserves

Transfer from operating surplus if required to achieve a net zero position

Less: Expenditures

Operating Fund

Expenses

Equipment rental transfers

Transfers to/from other functions

Amortization expense

Transfers to operating reserves

Transfer to operating surplus (if required to achieve a net zero position)

Capital Fund

Transfers to capital reserves

Annual Surplus/Deficit will be zero.

6.1.2 Net Cost Financial Model for Future Use

Operating Fund Expenses
Expenses
Equipment rental transfers
Transfers to/from other functions
Amortization expense
Transfers to operating reserves
Total Operating Fund Expenses
Less: Operating Fund Revenue
Revenue
Transfers from operating reserves
Contribution from Municipal District
Total Operating Fund Revenue
Operating Net Cost

6.2 Recommendations

1. The general ledger accounts should be expanded to categorize the municipal tax levy between residential and non-residential sources.
The general ledger accounts currently do not break out the tax levy between residential and non-residential sources and this created some difficulties for this study because the assessment information is always changing and records were not able to be retrieved to support the tax levy by assessment category.
2. Capital fund transactions should be coded to the specific program.
Transactions in the capital fund are allocated to the specific function but not the programs within that function. The Town should determine if it is possible to allocate capital transactions to programs to achieve better accuracy in reporting the net cost of these programs.
3. The Town will need to determine how amortization expenses will be reported. The following questions need to be addressed by the Town regarding amortization expense:
 - How will amortization expenses be allocated? Will they be identified to specific programs?
 - What if the capital expenditure was fully or partially funded by a senior level of government or private entity; how will the amortization expense be treated because, while it is a cost of service, it is not a cost that is required to be funded by the Town? It is important to consider whether future replacement of this asset funded by another entity will be again funded by that external entity or if it will be the Town's responsibility in the future.

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4. Transfers to capital reserves should be in accordance with capital reserve policies and plans.
The Town has long range capital plans but there are some transfers to capital reserves of significant dollar amounts that are not identified for specific capital projects or items other than 'recapitalization'. It is preferable to allocate these funds more specifically which will enhance the long range capital planning process. Also, amortization will now need to be considered in the long term capital plans and future funding requirements.
5. Parameters should be established for determining net costs.
The purpose for determining the net cost needs to be established. Is it for establishing user fees and charges, performance measurement or a combination of both? The information required to determine reliable net costs should be established. For example, some internal transfers may result in a net cost that does not present the actual picture. A specific situation is that the net cost for assessment services is low; not due to revenues but due to a transfer of revenues generated by another department.
6. Consideration should be given to discontinuing the use of the operating fund and the capital fund.
The new era of reporting tangible capital assets and recording amortization expense has required amendments to the Municipal Government Act (currently by regulation). One of the amendments is that municipalities will no longer be required to have operating funds and capital funds. Using one fund for all of the Town operations will simplify financial records and financial reporting. This does not exclude establishing reserves for operating purposes and capital purposes.
7. Financial policies should be developed to achieve consistency.
Financial Services was not able to provide policies that would be pertinent to this study; not that there were no pertinent statements necessitating policies but rather formal policies did not exist. There are references in the 2030 Financial Sustainability Plan that are of a policy nature; examples are the percentage of cost recovery through user fees, the level to maintain the accumulated surplus and that annual operating surpluses would be transferred to capital reserves. There should be policies in place for these aforementioned positions.
8. Formalizing performance measurement should be considered sometime in the future.
Performance measurement is a systematic process of evaluating outcomes of specific programs and services that are delivered to customers with respect to effectiveness, efficiency, quality and return on investment. The Town has already moved in this direction by initiating the objective of 'operating like a

business'. Some of the processes are already in place such as setting and reviewing business centre goals. This net cost study is also a key indicator of the Town's focus on doing things right. Implementing a formal performance measurement system may be one of the next steps to consider.

7 **References**

1. Town of Okotoks
 - a. *2004 – 2008 General Ledger Trial Balances*
 - b. *2004 – 2008 Financial Statements*
 - c. *2009 Budget – Proceed with Caution*
 - d. *2030 Financial Sustainability Plan*
2. American Farmland Trust, *Cost of Community Services Studies: Making the Case for Conservation*
3. Miistakis Institute, *The Fiscal Implications of Land Use: A “Cost of Community Services” Study for Red Deer County*

8 Appendices

8.1 Services and Programs by Management Area

Municipal Manager

110	Council & Legislative Services
20	Council & Legislative
30	Council Election
100	Council Emergent/Grants in Aid
120	Corporate Strategy
20	Administration
40	Records Management
50	Census
60	Annexation
150	Assessment Services
210	Policing Services
230	Fire Services
20	Town Costs
100	Shared Costs
110	MD Costs
240	Disaster Services
20	General
30	Rescue Vehicle
100	Special Projects
250	Emergency Medical Services
260	Municipal Enforcement
270	Safety Codes Services
20	Building
30	Plumbing
40	Electric
50	Gas
610	Planning & Development
20	Statutory
61	Development
66	Subdivision
620	Economic Development
630	Engineering
20	Administration
61	Development
66	Subdivision

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Financial Services Manager

0	General Municipal
130	Financial Services
140	Information Technology
20	General
30	GIS
40	Mapping
50	Web Server
660	Land Development

Human Resources Manager

170	Human Resources
180	Corporate Communications

Operations Manager

310	Common Services
20	Administration
311	Shop & Yards
312	Fleet Operations
620	General
650	Vehicle Maintenance
314	Eco Efficiency
320	Transportation
20	Administration
30	Snow Removal
40	Sidewalk Repair
50	Street Cleaning
60	Roads & Streets
70	Christmas Decorating
80	Street Lighting
90	Traffic Control
100	Special Projects
110	Rail Crossings
120	North/Southridge
330	Building Maintenance
20	Town Hall
30	Council Building
40	Library Building
50	Operations Shop
60	Recycling Building
70	Lift Station

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80	Sanitary Sewer Plant
90	Water Treatment Plant
100	Main Booster
110	Zone 3 Water Reservoir
130	Cultural Stations
140	Recreation Centre
150	Open Spaces Shop
160	Fire Station 1
170	Policing Services Building
180	West Well Pumphouse
190	Development Services Building
200	Heritage House
210	Communication Tower
220	Fire Station 2
230	Zone 2 Water Reservoir
240	Rotary Performing Arts Centre
250	Municipal Centre
260	Centennial Arena
270	Drake Landing
280	Seaman (Dawgs) Stadium
290	FCC
410	Water Buildings - Epcor
420	Sewer Buildings - Epcor
620	Common Service Building Admin
370	Storm Water Management
410	Water
20	Administration
30	Meters Repair
50	Customer Billing
60	Water Storage
70	Water Booster Station
80	Water Purification
90	Transmission
420	Sanitary Sewer
20	Administration
30	In-vessel Composting
50	Customer Billing
70	Lift Station
80	Sanitary Sewer Treatment
90	Collection

Town of Okotoks
Cost of Community Services Analysis

430	Resource Recovery - Refuse
20	Administration
50	Customer Billing
80	Yard Waste Compost
90	Collection
440	Resource Recovery - Recycling
20	Administration
90	Collection
560	Cemetery
20	Administration
70	Internment
80	Building & Grounds
750	Open Spaces
20	Administration
30	Turf Management
40	Park Maintenance
50	Amenities
60	Urban Forest
70	Horticultural Extension Office
80	Pathways
90	Sheep River Park
100	Special Projects
120	North/Southridge

Community Services Manager

340	Community Access Program
510	Family & Community Support Services
20	Administration
30	Okotoks Health Family Resource Cent.
700	Client Services
20	Administration
30	Recreation Centre Store
100	Recreation Centre Special Projects
710	Aquatics
20	Administration
30	Admissions
40	Programs
50	Rentals
720	Indoor Facilities
60	Murray Arena
70	Piper Arena

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Cost of Community Services Analysis

	80	Recreation Centre Main Areas
	90	Centennial Arena
	100	Curling Rink
730		Community Programs
	20	Administration
	30	SITS
	40	Youth Centre
	50	Gym/Babysitting Centre
740		Cultural Historical Services
	20	Administration
	30	WORKS
	40	Heritage
	50	Sports Exhibit
	60	Performing Arts Centre
	100	Youth Festival

Town of Okotoks
Cost of Community Services Analysis

8.2 Financial Summary

	2008 \$	2007 \$	2006 \$	2005 \$	2004 \$
Operating Fund Revenues					
Net municipal tax levy	15,596,860	13,191,620	11,245,461	9,734,551	8,375,825
User charges and sales of goods	11,075,067	10,830,698	9,739,111	7,948,491	6,684,105
Penalties and costs on taxes	243,772	192,391	162,614	224,971	184,168
Franchise and concession contracts	876,421	691,193	626,611	577,412	466,663
Return on investments	211,574	254,176	700,448	347,981	126,682
Rentals	1,374,413	1,231,250	834,068	781,930	727,362
Government transfers	3,183,788	1,501,520	1,315,679	1,670,626	1,014,518
Other revenue	2,351,789	617,860	598,536	491,558	698,883
Transfers from operating reserves	199,742	944,551	787,854	453,911	383,737
Total Operating Revenue	<u>35,113,426</u>	<u>29,455,259</u>	<u>26,010,382</u>	<u>22,231,431</u>	<u>18,661,943</u>
Capital Fund Sources					
Sale of land	1,459,964	0	43,665	1,000	0
Investment income	617,824	784,896	502,396	403,131	290,424
Sale of assets	2,368	4,500		1,748	170
Sale of assets	25,674	32,871	56,000	32,842	0
Donations	3,740,813	4,859,580	796,113	666,651	(471)
Grants	5,164,640	8,313,955	6,377,268	8,166,433	2,396,275
Contribution from MD	969,093	189,980	11,629	158,622	26,518
Contribution from local governments					126,437
Developer contributions	443,885	7,525,524	5,319,882	3,953,042	2,689,987
Transfers from capital reserves	7,767,646	8,874,168	9,873,230	7,583,031	5,088,514
Total Capital Fund Sources	<u>20,191,907</u>	<u>30,585,474</u>	<u>22,980,183</u>	<u>20,966,500</u>	<u>10,617,854</u>
Total Consolidated Revenue	<u>55,305,333</u>	<u>60,040,733</u>	<u>48,990,565</u>	<u>43,197,931</u>	<u>29,279,797</u>

Town of Okotoks
Cost of Community Services Analysis

	2008 \$	2007 \$	2006 \$	2005 \$	2004 \$
Operating Expenditures					
Operating expenses	26,444,349	22,027,722	19,335,299	16,491,805	13,637,717
Equipment rental transfers	0	0	0	0	0
Transfer to/from other functions	0	0	0	0	0
Long term debt payments	2,071,563	1,911,156	1,991,671	1,940,304	827,029
Transfers to operating reserves	<u>116,427</u>	<u>861,297</u>	<u>1,634,668</u>	<u>718,590</u>	<u>481,327</u>
Total Operating Expenditures	<u>28,632,339</u>	<u>24,800,175</u>	<u>22,961,638</u>	<u>19,150,699</u>	<u>14,946,073</u>
Capital Fund Outlays					
Expenditures	17,897,323	23,009,759	24,695,730	30,235,577	8,264,734
Less: Debt issued	(2,400,000)	(400,119)	(1,000,000)	(19,000,000)	(8,000,000)
Transfers to capital reserves (debit)	<u>9,761,292</u>	<u>13,169,620</u>	<u>10,277,209</u>	<u>10,922,432</u>	<u>6,657,217</u>
Total Capital Outlays	<u>25,258,615</u>	<u>35,779,260</u>	<u>33,972,939</u>	<u>22,158,009</u>	<u>6,921,951</u>
Total Consolidated Expenditures	<u>53,890,954</u>	<u>60,579,435</u>	<u>56,934,577</u>	<u>41,308,708</u>	<u>21,868,024</u>
Annual Surplus/(Deficit)	<u>1,414,379</u>	<u>(538,702)</u>	<u>(7,944,012)</u>	<u>1,889,223</u>	<u>7,411,773</u>
Change in Operating Fund balance	1,599,856	285,589	(73,813)	(454,237)	(5,759)
Change in Capital Fund balance	(185,477)	(824,291)	(7,870,199)	2,343,460	7,417,532
Total per Financial Statements	1,414,379	(538,702)	(7,944,012)	1,889,223	7,411,773

Note: For the 2008 land use allocation calculation, the 2008 surplus was reduced to zero by removing the land donation and including a transfer from prior years' surpluses.

Town of Okotoks
Cost of Community Services Analysis

8.3 Land Use Allocation Decisions

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Expenditures				
Municipal Manager				
Council & Legislative Services				
Council & Legislative			x	The residents vote, not commercial
Council Election	100			
Council Emergent/Grants in Aid			x	
Corporate Strategy				
Administration			x	The census is to determine the number of residents
Records Management			x	
Census	100			
Annexation	75	25		Annexations are required mainly for increased population % of time spent in each land use because ratio of properties is 96%/4% which is too much different than time spent.
Assessment Services	66	34		
Policing Services	88	12		Statistics reports do not identify calls by location and location cannot be determined by the types of calls. The fallback percentage is not appropriate to use because Policing Services is not impacted by services of other Town departments. Therefore, the assessment value ratio has been used.

Town of Okotoks
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Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Fire Services				
Town Costs	96	4		Based on the ratio of residential/non-residential properties Town calls are 536; residential is 515 (96% of 536). MD calls (129) and highway calls (117) will be considered to be non-residential. The ratio will be 515 residential calls (66%) and 267 non-residential (34%).
Shared Costs	66	34		Considered all to be commercial which will be offset by revenue
MD Costs	0	100		
Disaster Services				
General			x	
Rescue Vehicle			x	
Special Projects			x	
Emergency Medical Services	96	4		Ratio of properties Total activity was 8,169 events; general complaints (1,701), traffic tickets (3,061), dog licenses and animal related (3,407). Ratio determined as follows with residential % in brackets: general complaints based on # of properties (96%), traffic tickets on land area (67%), animal (100%) for a total residential of 7,091.
Municipal Enforcement	87	13		
Safety Codes Services				
Building	90	10		Expenditures based on permit ratio; revenue on reported revenue ratio
Plumbing	91	9		Expenditures based on permit ratio; revenue on reported revenue ratio

Town of Okotoks
Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Electric	91	9		Expenditures based on permit ratio; revenue on reported revenue ratio
Gas	95	5		Expenditures based on permit ratio; revenue on reported revenue ratio
Planning & Development				
Statutory	50	50		Staff estimate
Development	50	50		Staff estimate
Subdivision	50	50		Staff estimate
Economic Development	25	75		Estimate; home based businesses are not assessed commercial
Engineering				
Administration	50	50		Staff estimate
Development	50	50		Staff estimate
Subdivision	50	50		Staff estimate
Financial Services Manager				
General Municipal	95	5		Library - residential; Cargill - commercial; % will vary for each year
Financial Services			x	
Information Technology				
General			x	
GIS			x	
Mapping			x	
Web Server			x	
Land Development			x	

Town of Okotoks
Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Human Resources Manager				
Human Resources			x	
Corporate Communications			x	
Operations Manager				
Common Services				
Administration	77	23		Same ratio as Transportation administration Used fallback percentage because just about break even;
Shop & Yards			x	small net cost
Fleet Operations				
General			x	Used fallback percentage due to a net revenue
Vehicle Maintenance			x	Used fallback percentage because break even.
Eco Efficiency			x	Used fallback percentage because this program is mainly internal and not a service to the community
Transportation				
Administration	77	23		Used the average ratio of the other Transportation programs. Residential \$4,441,887 (77%), non-residential \$1,358,560 (23%), total \$5,800,447
Snow Removal	25	75		Based on staff estimate of 75% commercial.
Sidewalk Repair	100			Commercial sidewalks are normally capital projects
Street Cleaning	28	72		Contracts are 50/50 split; other costs are 25% residential/75% commercial because the one time Town blitz takes about 2.5 months

Town of Okotoks
Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Roads & Streets	25	75		Same ratio as snow removal because highest percentage of repairs is on priority and secondary routes
Christmas Decorating		100		Considered to be a benefit for the commercial sector.
Street Lighting	90	10		Based on location of street lights.
Traffic Control	50	50		High signage requirements around schools which are considered to be residential and on main corridor
Special Projects	85	15		Roads serving residential (116 km) - 100 % residential and roads serving non-residential areas (21 km) - 100% non-residential.
Rail Crossings	75	25		Required for the safety of all traffic; located mainly in the non-residential area but traffic considered to be 75% residential.
North/Southridge		100		This route is included in the roadways serving commercial sites; 100% non-residential using the rationale for Special Projects.
Building Maintenance				The ratio of the respective function was used to distribute any net costs or net revenues.
Town Hall			x	Corporate Strategy
Council Building			x	Legislative
Library Building	100			General Municipal
Operations Shop	49	51		Transportation administration
Recycling Building	100			Resource Recovery - Recycling
Lift Station	83	17		Sanitary Sewer
Sanitary Sewer Plant	83	17		Sanitary Sewer

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Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential	Commercial	Fallback	
	%	%		
Water Treatment Plant	83	17		Water
Main Booster	83	17		Water
Zone 3 Water Reservoir	83	17		Water
Cultural Stations	100			Recreation & Culture
Recreation Centre	100			Recreation & Culture
Open Spaces Shop	91	9		Open Spaces Administration
Fire Station 1	83	17		Fire
Policing Services Building	88	12		Policing
West Well Pumphouse	83	17		Water
Development Services Building	50	50		Planning & Development
Heritage House	100			Recreation & Culture
Communication Tower	83	17		Fire
Fire Station 2	83	17		Fire
Zone 2 Water Reservoir	83	17		Water
Rotary Performing Arts Centre	100			Recreation & Culture
Municipal Centre			x	Corporate Strategy
Centennial Arena	100			Recreation & Culture
Drake Landing	100			Solar for residents
Seaman (Dawgs) Stadium	100			Recreation & Culture
FCC				
Water Buildings - Epcor	83	17		Water
Sewer Buildings - Epcor	83	17		Sanitary Sewer
Common Service Building Admin	49	51		Transportation administration
Storm Water Management	67	33		Use land area ratio because this is drainage from these properties

Town of Okotoks
Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Water				
Administration	83	17		Ratio of water consumption
Meters Repair	95	5		Ratio of flat rate accounts
Customer Billing	95	5		Ratio of flat rate accounts
Water Storage				Costs only in 2004 and 2005
Water Booster Station				Costs only in 2004 and 2005
Water Purification				Costs only in 2004 and 2005
Transmission	83	17		Ratio of water consumption
Sanitary Sewer				
Administration	83	17		Ratio of water consumption
In-vessel Composting				Costs only in 2004 and 2005
Customer Billing	95	5		Ratio of flat rate accounts
Lift Station				Costs only in 2004 and 2005
Sanitary Sewer Treatment				Costs only in 2004 and 2005
Collection	83	17		Ratio of water consumption
Resource Recovery - Refuse				
Administration	100			Commercial not billed for refuse
Customer Billing	100			
Yard Waste Compost	100			
Collection	100			
Resource Recovery - Recycling				
Administration	100			
Collection	100			
Cemetery				
Administration	100			

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Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Internment	100			
Building & Grounds	100			
Open Spaces				Use ratio of other open spaces programs; residential \$1,008,548 (88%), non-residential \$134,720 (12%), total \$1,143,268
Administration	88	12		
Turf Management	95	5		Residents mainly use these facilities
Park Maintenance	95	5		Residents mainly use these facilities
Amenities	100			
Urban Forest	95	5		Residents mainly use these facilities
Horticultural Extension Office	95	5		Residents mainly use these facilities
Pathways	70	30		Pathways lead to the commercial areas
Sheep River Park	100			
Special Projects		100		
North/Southridge	50	50		Use Transportation north/southridge ratio
Community Services Manager				All of these programs are provided for the benefit of the residents
Community Access Program	100			
Family & Community Support Services				
Administration	100			
Okotoks Health Family Resource Cent.	100			
Client Services				
Administration	100			
Recreation Centre Store	100			

Town of Okotoks
Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Recreation Centre Special Projects	100			
Aquatics				
Administration	100			
Admissions	100			
Programs	100			
Rentals	100			
Indoor Facilities				
Murray Arena	100			
Piper Arena	100			
Recreation Centre Main Areas	100			
Centennial Arena	100			
Curling Rink	100			
Community Programs				
Administration	100			
SITS	100			
Youth Centre	100			
Gym/Babysitting Centre	100			
Cultural Historical Services				
Administration	100			
WORKS	100			
Heritage	100			
Sports Exhibit	100			
Performing Arts Centre	100			
Youth Festival	100			

Town of Okotoks
Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Revenue				
Tax levy	87.6	12.4		Ratio of residential and non-residential live assessment
Water & Wastewater				
Sales of goods and services	95	5		Ratio of flat rate accounts
Water and sewer billings	87	13		Ratio of billings
Bulk water		100		Mainly commercial with some MD residents
Waste Management	100			
Recreation & Culture	100			
Land Development				
Sale of land			x	
				Based on related department expenditure ratio with the noted exceptions
Other Sales of Goods & Services				
Municipal Enforcement - general	87	13		Ratio of expenditures
Municipal Enforcement - traffic	67	33		Ratio of land area
Building inspections	62	38		Ratio of reported revenue
Plumbing, electric, gas	80	20		Ratio of reported revenue
Drake Landing	100			Solar power related costs billed to residents
Penalties				
Taxes and tax recovery	87.6	12.4		Ratio of live assessments
Water & sewer	87	13		Ratio of billings
Refuse	100			
Finance			x	

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Cost of Community Services Analysis

Program Description	Land Use Allocation			Rationale
	Residential %	Commercial %	Fallback	
Franchise and concession contracts				
Electricity and gas	87.6	12.4		Ratio of live assessments which is also similar to the ratio of water & sewer billings
Recreation Centre concession	100			
Investment income				
General municipal & finance			x	
Cemetery	100			
Rentals				Based on related department expenditure ratio
Government transfers				Based on related department expenditure ratio
Other revenue				Based on related department expenditure ratio
MD contributions		100		Specific and shared MD costs have been allocated to non-residential; therefore, the MD contributions will be allocated to non-residential.

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8.4 Land Use Allocation Summary

For the Year ended December 31, 2008

	Total	Residential	Non-Residential
	\$	\$	\$
REVENUES			
Operating Fund Revenues			
Net municipal tax levy	15,596,861	13,656,897	1,939,964
User charges and sales of goods	11,075,068	9,276,641	1,798,427
Penalties and costs on taxes	243,771	214,105	29,666
Franchise and concession contracts	876,422	769,591	106,831
Return on investments	211,574	184,836	26,738
Rentals	1,374,412	1,332,948	41,464
Government transfers	3,183,788	2,577,593	606,195
Other revenue	895,354	800,648	94,706
Transfers from operating reserves	199,742	174,704	25,038
Transfers from operating surplus	42,055	36,588	5,467
	<hr/>	<hr/>	<hr/>
Total Operating Revenue	33,699,047	29,024,551	4,674,496
Capital Fund Sources			
Sale of land	1,459,964	1,270,169	189,795
Investment income	617,824	532,650	85,174
Sale of assets	28,042	21,763	6,279
Donations	3,740,813	3,288,571	452,242
Grants	6,133,733	5,070,568	1,063,165
Developer contributions	443,885	335,020	108,865
Transfers from capital reserves	7,767,646	6,882,263	885,383
	<hr/>	<hr/>	<hr/>
Total Capital Fund Sources	20,191,907	17,401,004	2,790,903
	<hr/>	<hr/>	<hr/>
Total Consolidated Revenue	53,890,954	46,425,555	7,465,399
OPERATING EXPENSES, CAPITAL EXPENDITURES AND TRANSFERS TO RESERVES			
Legislative	607,718	528,632	79,086
Administration			
Corporate Strategy	4,317,194	3,753,382	563,812
Financial Services	753,309	655,261	98,048
Information Technology	1,290,015	1,122,111	167,904
Human Resources	668,200	581,229	86,971

Town of Okotoks
Cost of Community Services Analysis

	Total	Residential	Non-Residential
	\$	\$	\$
Communications	249,108	216,685	32,423
Assessment Services	39,513	25,683	13,830
Protective Services			
Police	1,913,841	1,684,180	229,661
Fire	2,738,566	2,280,032	458,534
Disaster	1,674,964	1,456,957	218,007
Emergency Medical	622,952	598,034	24,918
Municipal Enforcement	529,121	460,335	68,786
Safety Codes	885,699	800,787	84,912
Public Works and Transportation Services			
Common Services	667,627	514,073	153,554
Shop and Yards	205	178	27
Fleet Operations	(210,316)	(182,942)	(27,374)
Eco Efficiency	236,126	205,393	30,733
Transportation	6,011,826	4,604,648	1,407,178
Building Maintenance	2,780,024	2,409,245	370,779
Storm Water Management	190,395	127,565	62,830
Cemetery	145,499	145,499	
Open Spaces	4,026,647	3,545,922	480,725
Water and Wastewater			
Water	3,340,735	2,782,952	557,783
Sanitary Sewer	2,776,650	2,306,539	470,111
Waste Management			
Refuse	740,061	740,061	
Recycling	753,522	753,522	
Planning and Development			
Planning and Development	613,454	306,727	306,727
Economic Development	344,827	86,207	258,620
Engineering	425,956	212,978	212,978
Land Development	4,295,925	3,736,782	559,143
Recreation and Culture			
Community Access Program	51,025	51,025	
Family & Community Support Services	488,887	488,887	
Client Services	400,918	400,918	
Aquatics	969,402	969,402	
Indoor Facilities	6,265,822	6,265,822	
Community Programs	636,377	636,377	
Cultural Historical Services	752,543	752,543	
Other	896,617	853,067	43,550

Town of Okotoks
Cost of Community Services Analysis

	Total \$	Residential \$	Non-Residential \$
Total Consolidated Expenditures and Transfers	<u>53,890,954</u>	<u>46,876,698</u>	<u>7,014,256</u>
Annual Surplus	<u>0</u>	<u>(451,143)</u>	<u>451,143</u>

Note: The total annual surplus has been adjusted to zero for the land use allocation financial model.

Land Use Ratio	1.010	0.940
Land Use Percent of Revenue	86%	14%
Land Use Percent of Expenditures	87%	13%

Town of Okotoks
Cost of Community Services Analysis

8.5 Fixed and Variable Costs Decisions

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Municipal Manager				
Council & Legislative Services				
Council & Legislative	100			
Council Election	100			
Council Emergent/Grants in Aid	100			
Corporate Strategy				
Administration			x	Legal fees and contracted services will be variable
Records Management			x	Non-permanent staff, overtime, contracted services will be variable
Census		100		The Federal Government can conduct a census at no cost to the Town and as the Town grows so will the time to conduct a census
Annexation		100		As Town grows, more lands are required to be annexed.
Assessment Services			x	Business centre leader plus assistant would be fixed; software contract fixed; the rest based on staff ratio
Policing Services		100		
Fire Services				
Town Costs			x	Long term debt fixed
Shared Costs			x	Fixed personnel would be Chief and two deputies
MD Costs		x		

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Disaster Services				
General	100			
Rescue Vehicle			x	
Special Projects		100		Grant dependent
Emergency Medical Services		100		Contribution based on population which changes
Municipal Enforcement			x	Fixed personnel supervisor and support staff (1 FTE)
Safety Codes Services				
Building			x	Contract costs variable; most other costs fixed
Plumbing		100		
Electric		100		
Gas		100		
Planning & Development				
Statutory			x	Team leader fixed
Development			x	1 FTE fixed
Subdivision			x	1 FTE fixed
Economic Development			x	Team leader fixed
Engineering				
Administration			x	Team leader fixed
Development		100		
Subdivision		100		
Financial Services Manager				
General Municipal	16	84		Fixed - Library and Cargill long term debt principal, variable - library requisition
Financial Services			x	2 senior staff positions fixed

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Information Technology				
General			x	3 full time positions fixed
GIS			x	include mapping
Mapping				
Web Server		100		
Land Development		100		
Human Resources Manager				
Human Resources			x	Team leader is fixed
Corporate Communications			x	2 full time position are fixed
Operations Manager				
Common Services				
Administration			x	Contracts variable
Shop & Yards		100		Costs can vary as additional equipment is required
Fleet Operations				
General		100		
Vehicle Maintenance			x	Personnel fixed, all other costs variable
Eco Efficiency			x	Personnel fixed, all other costs variable
Transportation				
Administration	100			Team leader and base administration
Snow Removal		100		Will vary as the Town size increases and/or service levels change
Sidewalk Repair		100		Will vary as the Town size increases and/or service levels change

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Street Cleaning		100		Will vary as the Town size increases and/or service levels change
Roads & Streets		100		Will vary as the Town size increases and/or service levels change
Christmas Decorating		100		Will vary as the Town size increases and/or service levels change
Street Lighting		100		Will vary as the Town size increases and/or service levels change
Traffic Control		100		Will vary as the Town size increases and/or service levels change
Special Projects		100		Will vary as the Town size increases and/or service levels change
Rail Crossings	100			The number of railway crossing will generally remain the same.
North/Southridge		100		Will vary as the Town size increases and/or service levels change
Building Maintenance Town Hall Council Building Library Building Operations Shop Recycling Building Lift Station	100			All costs are considered to be fixed but there is potential for some of the costs to vary with building usage such as utilities.

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Sanitary Sewer Plant				
Water Treatment Plant				
Main Booster				
Zone 3 Water Reservoir				
Cultural Stations				
Recreation Centre				
Open Spaces Shop				
Fire Station 1				
Policing Services Building				
West Well Pumphouse				
Development Services Building				
Heritage House				
Communication Tower				
Fire Station 2				
Zone 2 Water Reservoir				
Rotary Performing Arts Centre				
Municipal Centre				
Centennial Arena				
Drake Landing				
Seaman (Dawgs) Stadium				
FCC				
Water Buildings - Epcor				
Sewer Buildings - Epcor				
Common Service Building Admin				

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Storm Water Management Water			x	Will vary as the Town size increases and/or service levels change
Administration			x	The majority of the costs are a contract that already has growth built into it. Personnel costs should not vary due to growth due to the contracted services provided.
Meters Repair		100		All of these costs will probably vary as the Town increases in size and residents.
Customer Billing Water Storage Water Booster Station Water Purification		100		All of these costs will probably vary as the Town increases in size and residents.
Transmission Sanitary Sewer		100		All of these costs will probably vary as the Town increases in size and residents.
Administration In-vessel Composting	100			The majority of the costs are a contract that already has growth built into it. Personnel costs should not vary due to growth due to the contracted services provided.
Customer Billing Lift Station Sanitary Sewer Treatment		100		All of these costs will probably vary as the Town increases in size and residents.

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Collection		100		All of these costs will probably vary as the Town increases in size and residents.
Resource Recovery - Refuse Administration			x	Personnel fixed
Customer Billing		100		All of these costs will probably vary as the Town increases in size and residents.
Yard Waste Compost Collection		100	x	All of these costs will probably vary as the Town increases in size and residents. Business team leader fixed
Resource Recovery - Recycling Administration				
Collection		100		All of these costs will probably vary as the Town increases in size and residents.
Cemetery Administration	100			
Internment		100		Dependent on the number of deaths and sales
Building & Grounds	100			
Open Spaces Administration			x	1 full time position is fixed
Turf Management			x	Permanent staff is fixed; mainly contract which is variable
Park Maintenance		100		As the Town expands, so do the green areas; therefore, variable
Amenities		100		
Urban Forest			x	Permanent staff is fixed

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Horticultural Extension Office			x	Contract work is variable Potential for pathway systems to increase
Pathways		100		
Sheep River Park	100			Park camping is contracted; the park will not increase in size. Costs will vary with the number of special projects Costs are considered fixed unless the Town expands further along Highway 2A
Special Projects		100		
North/Southeridge	100			
Community Services Manager				
Community Access Program		100		
Family & Community Support Services				
Administration			x	
Okotoks Health Family Resource Cent.		100		
Client Services				
Administration			x	2000 FTE fixed; remainder variable
Recreation Centre Store		100		
Recreation Centre Special Projects		100		
Aquatics				
Administration			x	
Admissions		100		
Programs		100		
Rentals		100		
Indoor Facilities				
Murray Arena			x	
Piper Arena			x	

Town of Okotoks
Cost of Community Services Analysis

Program Description	Fixed/Variable			Rationale
	Fixed %	Variable %	Combination	
Recreation Centre Main Areas			x	
Centennial Arena			x	
Curling Rink	100			
Community Programs				
Administration			x	
SITS			x	
Youth Centre			x	
Gym/Babysitting Centre			x	
Cultural Historical Services				
Administration			x	
WORKS			x	
Heritage			x	
Sports Exhibit		100		
Performing Arts Centre			x	
Youth Festival		100		

Town of Okotoks
Cost of Community Services Analysis

8.6 Fixed and Variable Costs Summary

Program Description	Total Costs		Fixed Costs		Variable Costs	
	\$	%	\$	%	\$	
Municipal Manager						
Council & Legislative Services						
Council & Legislative	533,749	100	533,749	0	0	0
Council Election	95	100	95	0	0	0
Council Emergent/Grants in Aid	20,023	100	20,023	0	0	0
Corporate Strategy						
Administration	629,094	98	616,512	2	12,582	
Records Management	109,247	73	79,750	27	29,497	
Census	22,271	0	0	100	22,271	
Annexation	40,046	0	0	100	40,046	
Assessment Services	247,340	92	227,553	8	19,787	
Policing Services	1,872,834	0	0	100	1,872,834	
Fire Services						
Town Costs	141,003	73	102,932	27	38,071	
Shared Costs	1,075,537	28	301,150	72	774,387	
MD Costs	10,035	0	0	100	10,035	
Disaster Services						
General	25,248	100	25,248	0	0	
Rescue Vehicle	31,296	5	1,565	95	29,731	
Special Projects	1,335,017	0	0	100	1,335,017	
Emergency Medical Services	622,952	0	0	100	622,952	
Municipal Enforcement	486,337	35	170,218	65	316,119	
Safety Codes Services						
Building	447,368	64	286,316	36	161,052	
Plumbing	47,000	0	0	100	47,000	
Electric	56,300	0	0	100	56,300	
Gas	52,500	0	0	100	52,500	
Planning & Development						
Statutory	178,930	68	121,672	32	57,258	
Development	270,377	33	89,224	67	181,153	
Subdivision	81,834	83	67,922	17	13,912	
Economic Development	325,676	33	107,473	67	218,203	
Engineering						
Administration	193,985	73	141,609	27	52,376	
Development	86,045	0	0	100	86,045	
Subdivision	113,162	0	0	100	113,162	
Total Municipal Manager Departments	9,055,301		2,893,012		6,162,289	

Town of Okotoks
Cost of Community Services Analysis

Program Description	Total Costs		Fixed Costs		Variable Costs	
	\$	%	\$	%	\$	
Financial Services Manager						
General Municipal	759,287	16	121,486	84	637,801	
Financial Services	753,309	39	293,791	61	459,518	
Information Technology						
General	576,600	47	271,002	53	305,598	
GIS	88,989	0	0	100	88,989	
Mapping	107,348	0	0	100	107,348	
Web Server	0	0	0	0	0	
Land Development	2,380	0	0	100	2,380	
Total Financial Services Departments	<u>2,287,913</u>		<u>686,278</u>		<u>1,601,635</u>	
Human Resources Manager						
Human Resources	670,400	21	140,784	79	529,616	
Corporate Communications	355,108	39	138,492	61	216,616	
Total Human Resources Departments	<u>1,025,508</u>		<u>279,276</u>		<u>746,232</u>	
Operations Manager						
Common Services						
Administration	187,967	91	171,050	9	16,917	
Shop & Yards	67,455	0	0	100	67,455	
Fleet Operations						
General	87,277	0	0	100	87,277	
Vehicle Maintenance	397,558	22	87,463	78	310,095	
Eco Efficiency	31,668	50	15,834	50	15,834	
Transportation						
Administration	62,552	100	62,552	0	0	
Snow Removal	128,283	0	0	100	128,283	
Sidewalk Repair	25,082	0	0	100	25,082	
Street Cleaning	81,888	0	0	100	81,888	
Roads & Streets	190,153	0	0	100	190,153	
Christmas Decorating	6,038	0	0	100	6,038	
Street Lighting	440,882	0	0	100	440,882	
Traffic Control	104,321	0	0	100	104,321	
Special Projects	43,425	0	0	100	43,425	
Rail Crossings	16,025	100	16,025	0	0	

Town of Okotoks
Cost of Community Services Analysis

Program Description	Total Costs		Fixed Costs		Variable Costs	
	\$	%	\$	%	\$	
North/Southridge	111,018	0	0	100	111,018	
Building Maintenance						
Town Hall	35,908	100	35,908	0	0	
Council Building	8,408	100	8,408	0	0	
Library Building	11,443	100	11,443	0	0	
Operations Shop	85,781	100	85,781	0	0	
Recycling Building	56,313	100	56,313	0	0	
Lift Station	0	100	0	0	0	
Sanitary Sewer Plant	0	100	0	0	0	
Water Treatment Plant	0	100	0	0	0	
Main Booster	0	100	0	0	0	
Zone 3 Water Reservoir	0	100	0	0	0	
Cultural Stations	35,098	100	35,098	0	0	
Recreation Centre	23,973	100	23,973	0	0	
Open Spaces Shop	18,661	100	18,661	0	0	
Fire Station 1	43,046	100	43,046	0	0	
Policing Services Building	73,449	100	73,449	0	0	
West Well Pumphouse	0	100	0	0	0	
Development Services Building	17,765	100	17,765	0	0	
Heritage House	14,640	100	14,640	0	0	
Communication Tower	2,001	100	2,001	0	0	
Fire Station 2	5,068	100	5,068	0	0	
Zone 2 Water Reservoir	0	100	0	0	0	
Rotary Performing Arts Centre	13,740	100	13,740	0	0	
Municipal Centre	176,252	100	176,252	0	0	
Centennial Arena	16,564	100	16,564	0	0	
Drake Landing	7,523	100	7,523	0	0	
Seaman (Dawgs) Stadium	49,343	100	49,343	0	0	
FCC		100	0	0	0	
Water Buildings - Epcor	276,758	100	276,758	0	0	
Sewer Buildings - Epcor	264,984	100	264,984	0	0	
Common Service Building Admin	118,424	100	118,424	0	0	
Storm Water Management	75,042	0	0	100	75,042	
Water						
Administration	1,387,231	94	1,303,997	6	83,234	
Meters Repair	46,169	0	0	100	46,169	
Customer Billing	38,350	0	0	100	38,350	
Water Storage	0	0	0	0	0	

Town of Okotoks
Cost of Community Services Analysis

Program Description	Total Costs		Fixed Costs		Variable Costs	
	\$	%	\$	%	\$	
Water Booster Station	0	0	0	0	0	0
Water Purification	0	0	0	0	0	0
Transmission	56,516	0	0	100	56,516	
Sanitary Sewer						
Administration	1,632,497	100	1,632,497	0	0	0
In-vessel Composting	0	0	0	0	0	0
Customer Billing	15,998	0	0	100	15,998	
Lift Station	0	0	0	0	0	0
Sanitary Sewer Treatment	0	0	0	0	0	0
Collection	30,737	0	0	100	30,737	
Resource Recovery - Refuse						
Administration	117,386	37	43,433	63	73,953	
Customer Billing	11,190	0	0	100	11,190	
Yard Waste Compost	20,349	0	0	100	20,349	
Collection	381,723	21	80,162	79	301,561	
Resource Recovery - Recycling						
Administration	0	0	0	0	0	0
Collection	409,149	0	0	100	409,149	
Cemetery						
Administration	39,355	41	16,136	59	23,219	
Internment	10,236	0	0	100	10,236	
Building & Grounds	18,929	100	18,929	0	0	0
Open Spaces						
Administration	273,825	42	115,007	58	158,819	
Turf Management	335,656	6	20,139	94	315,517	
Park Maintenance	193,871	0	0	100	193,871	
Amenities	80,969	0	0	100	80,969	
Urban Forest	212,789	51	108,522	49	104,267	
Horticultural Extension Office	36,020	88	31,698	12	4,322	
Pathways	31,205	0	0	100	31,205	
Sheep River Park	7,280	100	7,280	0	0	0
Special Projects	8,952	0	0	100	8,952	
North/Southridge	55,011	100	55,011	0	0	0
Total Operations Departments	8,863,169		5,140,876		3,722,293	

Town of Okotoks
Cost of Community Services Analysis

Program Description	Total Costs		Fixed Costs		Variable Costs	
	\$	%	\$	%	\$	
Community Services Manager						
Community Access Program	63,025	0	0	100	63,025	
Family & Community Support Services						
Administration	269,863	75	202,397	25	67,466	
Okotoks Health Family Resource Cent.	119,686	0	0	100	119,686	
Client Services						
Administration	389,928	53	206,662	47	183,266	
Recreation Centre Store	7,587	0	0	100	7,587	
Recreation Centre Special Projects	3,403	0	0	100	3,403	
Aquatics						
Administration	631,664	70	442,165	30	189,499	
Admissions	190,881	0	0	100	190,881	
Programs	113,563	0	0	100	113,563	
Rentals	358	0	0	100	358	
Indoor Facilities						
Murray Arena	239,896	40	95,958	60	143,938	
Piper Arena	233,325	39	90,997	61	142,328	
Recreation Centre Main Areas	1,387,988	83	1,152,030	17	235,958	
Centennial Arena	535,434	60	321,260	40	214,174	
Curling Rink	66,196	100	66,196	0	0	
Community Programs						
Administration	458,646	34	155,940	66	302,706	
SITS	100,037	7	7,003	93	93,034	
Youth Centre	32,530	6	1,952	94	30,578	
Gym/Babysitting Centre	37,364	3	1,121	97	36,243	
Cultural Historical Services						
Administration	240,965	51	122,892	49	118,073	
WORKS	0		0		0	
Heritage	73,018	69	50,382	31	22,636	
Sports Exhibit	0		0		0	
Performing Arts Centre	9,884	9	890	91	8,994	
Youth Festival	4,217	0	0	100	4,217	
Total Community Services Departments	<u>5,209,458</u>		<u>2,917,845</u>		<u>2,291,613</u>	
Total Operating Costs	<u>26,441,349</u>		<u>11,917,287</u>		<u>14,524,062</u>	
(excluding transfers and debt principal payments)			45%		55%	

Town of Okotoks
Cost of Community Services Analysis

8.7 Net Cost Summary

8.7.1 2008

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses \$	Revenues \$	Net Cost \$	Outlays \$	Sources \$	
110 Council & Legislative Services	607,718	3,379	604,339			604,339
120 Corporate Strategy	1,023,184	97,076	926,108	3,294,009	775,064	3,445,053
150 Assessment Services	39,513	2,700	36,813			36,813
210 Policing Services	1,909,419	630,274	1,279,145	4,422	4,422	1,279,145
230 Fire Services	1,517,371	350,807	1,166,564	1,221,195	1,050,028	1,337,731
240 Disaster Services	1,394,064	1,402,630	(8,566)	280,900	247,201	25,133
250 Emergency Medical Services	622,952		622,952			622,952
260 Municipal Enforcement	529,121	394,256	134,865			134,865
270 Safety Codes Services	885,699	1,400,147	(514,448)			(514,448)
610 Planning & Development	579,453	387,878	191,575	34,000	34,000	191,575
620 Economic Development	344,826	341,615	3,211			3,211
630 Engineering	425,955	26,360	399,595			399,595
0 General Municipal	871,048		871,048			871,048
130 Financial Services	753,309	296,157	457,152			457,152
140 Information Technology	776,703	26,598	750,105	513,312	513,312	750,105
660 Land Development	2,380	0	2,380	4,293,545	4,293,545	2,380
170 Human Resources	668,200	28,757	639,443			639,443
180 Corporate Communications	249,108	50,417	198,691			198,691
310 Common Services	100	100	0	667,527	450,471	217,056
311 Shop & Yards	205	204	1			1

Town of Okotoks
Cost of Community Services Analysis

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses	Revenues	Net Cost	Outlays	Sources	
	\$	\$	\$	\$	\$	
312 Fleet Operations	(210,315)	6,742	(217,057)			(217,057)
314 Eco Efficiency	31,668	177,342	(145,674)	204,458	58,783	1
320 Transportation	1,597,775	22,524	1,575,251	4,414,049	4,403,373	1,585,927
330 Building Maintenance	659,789	625,824	33,965	2,120,236	2,580,416	(426,215)
370 Storm Water Management	122,928		122,928	67,467	67,467	122,928
410 Water	1,707,945	2,897,273	(1,189,328)	1,632,789	866,449	(422,988)
420 Sanitary Sewer	2,238,064	2,910,567	(672,503)	538,586	254,620	(388,537)
430 Resource Recovery - Refuse	720,968	977,433	(256,465)	19,093		(237,372)
440 Resource Recovery - Recycling	420,340	177,987	242,353	333,182	33,182	542,353
560 Cemetery	84,764	69,071	15,693	60,735	45,735	30,693
750 Open Spaces	1,509,177	62,923	1,446,254	2,517,470	2,328,885	1,634,839
340 Community Access Program Family & Community Support	51,025		51,025			51,025
510 Services	488,887	397,504	91,383			91,383
700 Client Services	400,918	53,175	347,743			347,743
710 Aquatics	969,402	490,240	479,162			479,162
720 Indoor Facilities	3,591,490	1,624,850	1,966,640	2,674,332	2,044,047	2,596,925
730 Community Programs	636,377	610,051	26,326			26,326
740 Cultural Historical Services	385,235	114,662	270,573	367,308	140,907	496,974
General	25,574		25,574			25,574
	<u>28,632,339</u>	<u>16,657,523</u>	<u>11,974,816</u>	<u>25,258,615</u>	<u>20,191,907</u>	<u>17,041,524</u>

Town of Okotoks
Cost of Community Services Analysis

Net Cost covered by the following revenues	
Municipal property taxes	15,541,481
Net requisitions	55,380
Penalties on taxes	189,919
Franchise tax on utilities	861,543
General investment income	204,270
Rental - ambulance building	4,506
Unconditional municipal grant	23,641
General revenue	118,729
Transfer from operating surplus	<u>42,055</u>
	<u><u>17,041,524</u></u>

Note: A land donation for future sale valued at \$1,456,419 was not included in revenues.

Town of Okotoks
Cost of Community Services Analysis

8.7.2 2007

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses \$	Revenues \$	Net Cost \$	Outlays \$	Sources \$	
110 Council & Legislative Services	443,745	10,502	433,243			433,243
120 Corporate Strategy	828,520	31,734	796,786	2,626,262	635,987	2,787,061
150 Assessment Services	(104)	1,130	(1,234)			(1,234)
210 Policing Services	1,807,667	532,539	1,275,128	35,577	35,577	1,275,128
230 Fire Services	1,243,908	283,660	960,248	499,014	670,180	789,082
240 Disaster Services	79,216	163,295	(84,079)	1,678,334	1,517,060	77,195
250 Emergency Medical Services	490,557		490,557			490,557
260 Municipal Enforcement	413,155	259,906	153,249			153,249
270 Safety Codes Services	888,733	1,470,730	(581,997)			(581,997)
610 Planning & Development	645,215	525,444	119,771			119,771
620 Economic Development	291,426	312,087	(20,661)			(20,661)
630 Engineering	710,290	522,966	187,324			187,324
0 General Municipal	734,628	600,000	134,628			134,628
130 Financial Services	544,993	59,337	485,656			485,656
140 Information Technology	733,574	70,550	663,024	290,925	265,925	688,024
660 Land Development	1,482	95,805	(94,323)	95,805		1,482
170 Human Resources	655,994	47,400	608,594			608,594
180 Corporate Communications	193,980	20,642	173,338			173,338
310 Common Services	474	250	224	483,934	264,181	219,977
311 Shop & Yards	123	121	2			2
312 Fleet Operations	(212,017)	7,735	(219,752)			(219,752)
314 Eco Efficiency	9,260	115,018	(105,758)	300,536	192,655	2,123

Town of Okotoks
Cost of Community Services Analysis

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses	Revenues	Net Cost	Outlays	Sources	
	\$	\$	\$	\$	\$	
320 Transportation	1,426,335	12,155	1,414,180	7,154,610	7,185,465	1,383,325
330 Building Maintenance	660,715	580,945	79,770	7,783,931	6,751,442	1,112,259
370 Storm Water Management	109,590		109,590	137,188	137,188	109,590
410 Water	1,672,695	2,540,523	(867,828)	1,706,167	1,187,752	(349,413)
420 Sanitary Sewer	2,123,419	2,603,061	(479,642)	3,799,161	3,669,414	(349,895)
430 Resource Recovery - Refuse	550,953	771,396	(220,443)			(220,443)
440 Resource Recovery - Recycling	364,640	290,269	74,371	49,278	43,325	80,324
560 Cemetery	81,751	72,021	9,730	39,045	24,045	24,730
750 Open Spaces	1,291,588	86,324	1,205,264	6,410,572	5,612,922	2,002,914
340 Community Access Program Family & Community Support	47,687		47,687			47,687
510 Services	407,745	331,984	75,761			75,761
700 Client Services	400,696	40,276	360,420			360,420
710 Aquatics	839,077	426,380	412,697			412,697
720 Indoor Facilities	3,433,174	1,472,174	1,961,000	2,534,803	2,354,716	2,141,087
730 Community Programs	576,423	567,540	8,883			8,883
740 Cultural Historical Services	284,796	114,515	170,281	154,118	37,640	286,759
General	24,070		24,070			24,070
	<u>24,800,173</u>	<u>15,040,414</u>	<u>9,759,759</u>	<u>35,779,260</u>	<u>30,585,474</u>	<u>14,953,545</u>

Town of Okotoks
Cost of Community Services Analysis

Net Cost covered by the following revenues	
Municipal property taxes	13,191,620
Penalties on taxes	142,086
Franchise tax on utilities	678,083
General investment income	247,119
Rental - ambulance building	6,800
Unconditional municipal grant	23,641
General revenue	125,461
Transfer from operating surplus	<u>538,735</u>
	<u><u>14,953,545</u></u>

Town of Okotoks
Cost of Community Services Analysis

8.7.3 2006

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses \$	Revenues \$	Net Cost \$	Outlays \$	Sources \$	
110 Council & Legislative Services	456,187	14,165	442,022			442,022
120 Corporate Strategy	741,127	4,894	736,233	1,986,917	433,378	2,289,772
150 Assessment Services	62,816	38,703	24,113			24,113
210 Policing Services	1,650,470	541,618	1,108,852			1,108,852
230 Fire Services	1,152,181	256,126	896,055	124,389	114,581	905,863
240 Disaster Services	83,179	138,626	(55,447)	1,705,256	1,515,852	133,957
250 Emergency Medical Services	233,581		233,581			233,581
260 Municipal Enforcement	379,999	208,781	171,218			171,218
270 Safety Codes Services	781,554	1,579,980	(798,426)			(798,426)
610 Planning & Development	696,308	605,898	90,410			90,410
620 Economic Development	203,794	283,387	(79,593)			(79,593)
630 Engineering	657,041	525,772	131,269	104,038	104,038	131,269
0 General Municipal	1,310,101		1,310,101			1,310,101
130 Financial Services	499,989	33,952	466,037			466,037
140 Information Technology	634,396	110,930	523,466	242,880	210,213	556,133
660 Land Development	5,414	29,170	(23,756)	72,835	43,665	5,414
170 Human Resources	597,012	86,769	510,243			510,243
180 Corporate Communications	166,410	26,945	139,465			139,465
310 Common Services	410	410	0	555,632	341,668	213,964
311 Shop & Yards	27,947	237	27,710			27,710
312 Fleet Operations	(199,820)	14,144	(213,964)			(213,964)
314 Eco Efficiency	5,194	135,494	(130,300)	130,300		0

Town of Okotoks
Cost of Community Services Analysis

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses	Revenues	Net Cost	Outlays	Sources	
	\$	\$	\$	\$	\$	
320 Transportation	1,230,412	22,209	1,208,203	5,088,958	5,154,279	1,142,882
330 Building Maintenance	545,488	545,491	(3)	(192,933)	485,728	(678,664)
370 Storm Water Management	119,541		119,541	272,131	272,131	119,541
410 Water	1,557,218	2,428,189	(870,971)	2,432,013	2,079,464	(518,422)
420 Sanitary Sewer	1,967,544	2,347,548	(380,004)	4,746,894	4,488,878	(121,988)
430 Resource Recovery - Refuse	467,778	629,198	(161,420)			(161,420)
440 Resource Recovery - Recycling	312,976	103,849	209,127	144,739	45,000	308,866
560 Cemetery	77,362	54,347	23,015	15,000		38,015
750 Open Spaces	1,191,010	117,569	1,073,441	1,468,938	1,446,728	1,095,651
340 Community Access Program	37,993		37,993			37,993
Family & Community Support						
510 Services	396,794	319,859	76,935			76,935
700 Client Services	294,824	4,149	290,675			290,675
710 Aquatics	564,173	223,553	340,620			340,620
720 Indoor Facilities	3,374,092	1,499,039	1,875,053	14,997,151	6,228,127	10,644,077
730 Community Programs	437,417	450,114	(12,697)	38,214		25,517
740 Cultural Historical Services	219,070	77,067	142,003	39,587	16,453	165,137
General	22,654		22,654			22,654
	<u>22,961,636</u>	<u>13,458,182</u>	<u>9,503,454</u>	<u>33,972,939</u>	<u>22,980,183</u>	<u>20,496,210</u>

Town of Okotoks
Cost of Community Services Analysis

Net Cost covered by the following revenues	
Municipal property taxes	11,245,461
Penalties on taxes	130,678
Franchise tax on utilities	622,968
General investment income	448,711
Rental - ambulance building	6,800
Unconditional municipal grant	23,641
General revenue	73,939
Transfer from operating surplus	73,813
Use unexpended capital funds	<u>7,870,199</u>
	<u><u>20,496,210</u></u>

Town of Okotoks
Cost of Community Services Analysis

8.7.4 2005

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses \$	Revenues \$	Net Cost \$	Outlays \$	Sources \$	
110 Council & Legislative Services	420,117	8,065	412,052			412,052
120 Corporate Strategy	1,090,830	19,143	1,071,687	2,075,435	970,497	2,176,625
150 Assessment Services	138,296	18,474	119,822			119,822
210 Policing Services	1,457,288	488,047	969,241			969,241
230 Fire Services	1,000,966	244,427	756,539	11,823	11,823	756,539
240 Disaster Services	335,145	335,638	(493)	3,366,183	3,338,683	27,007
250 Emergency Medical Services	475,174	193,752	281,422			281,422
260 Municipal Enforcement	345,107	248,995	96,112			96,112
270 Safety Codes Services	464,433	1,032,213	(567,780)			(567,780)
610 Planning & Development	490,439	469,006	21,433			21,433
620 Economic Development	225,444	238,992	(13,548)			(13,548)
630 Engineering	523,236	385,052	138,184	7,901	3,670	142,415
0 General Municipal	2,363,216		2,363,216			2,363,216
130 Financial Services	443,733	71,072	372,661			372,661
140 Information Technology	736,690	262,608	474,082	84,628	84,628	474,082
660 Land Development	2,609	3,553	(944)	1,000	1,000	(944)
170 Human Resources	487,300	19,451	467,849			467,849
180 Corporate Communications	146,756	10,779	135,977			135,977
310 Common Services	455	456	(1)	602,766	287,951	314,814
311 Shop & Yards	57	145	(88)			(88)
312 Fleet Operations	(306,966)	8,503	(315,469)			(315,469)
314 Eco Efficiency	1,631	86,731	(85,100)	113,833	28,733	0

Town of Okotoks
Cost of Community Services Analysis

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses	Revenues	Net Cost	Outlays	Sources	
	\$	\$	\$	\$	\$	
320 Transportation	1,109,207	32,067	1,077,140	6,266,999	6,283,792	1,060,347
330 Building Maintenance	373,393	373,956	(563)	2,507,517	360,033	2,146,921
370 Storm Water Management	96,189	213	95,976	125,345	125,345	95,976
410 Water	1,368,383	2,172,481	(804,098)	3,206,303	2,650,542	(248,337)
420 Sanitary Sewer	1,522,845	2,009,990	(487,145)	5,374,724	5,103,724	(216,145)
430 Resource Recovery - Refuse	421,884	568,823	(146,939)	21,347		(125,592)
440 Resource Recovery - Recycling	249,503	100,918	148,585	44,309		192,894
560 Cemetery	77,261	50,527	26,734			26,734
750 Open Spaces	882,142	95,288	786,854	583,198	583,198	786,854
340 Community Access Program	29,430		29,430			29,430
Family & Community Support						
510 Services	385,568	320,418	65,150			65,150
700 Client Services	230,281	6,055	224,226			224,226
710 Aquatics	572,962	364,744	208,218			208,218
720 Indoor Facilities	453,933	822,469	(368,536)	(2,749,429)	618,754	(3,736,719)
730 Community Programs	338,262	350,167	(11,905)			(11,905)
740 Cultural Historical Services	175,679	71,481	104,198	514,127	514,127	104,198
General	21,870		21,870			21,870
	<u>19,150,748</u>	<u>11,484,699</u>	<u>7,666,049</u>	<u>22,158,009</u>	<u>20,966,500</u>	<u>8,857,558</u>

Town of Okotoks
Cost of Community Services Analysis

Net Cost covered by the following revenues:

Municipal property taxes	9,727,531
Penalties on taxes	152,656
Franchise tax on utilities	570,170
General investment income	172,466
Rental - ambulance building	6,800
Unconditional municipal grant	23,641
General revenue	93,510
Transfer from operating surplus	454,244
Increase in unexpended capital funds	<u>(2,343,460)</u>
	<u><u>8,857,558</u></u>

Town of Okotoks
Cost of Community Services Analysis

8.7.5 2004

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses \$	Revenues \$	Net Cost \$	Outlays \$	Sources \$	
110 Council & Legislative Services	394,376	28,431	365,945	12,104	12,104	365,945
120 Corporate Strategy	625,152	113,736	511,416	1,524,971	323,382	1,713,005
150 Assessment Services	105,635	5,582	100,053			100,053
210 Policing Services	1,311,707	324,210	987,497			987,497
230 Fire Services	881,164	464,727	416,437	278,426	23,789	671,074
240 Disaster Services	17,652	42,407	(24,755)	55,914	14,341	16,818
250 Emergency Medical Services	290,846	0	290,846			290,846
260 Municipal Enforcement	324,299	238,815	85,484			85,484
270 Safety Codes Services	326,765	662,388	(335,623)			(335,623)
610 Planning & Development	435,974	349,898	86,076			86,076
620 Economic Development	193,065	201,315	(8,250)			(8,250)
630 Engineering	403,208	327,492	75,716	73,400	53,743	95,373
0 General Municipal	1,730,124	0	1,730,124			1,730,124
130 Financial Services	426,566	35,869	390,697			390,697
140 Information Technology	444,738	81,530	363,208	113,566	113,566	363,208
660 Land Development	0	955	(955)			(955)
170 Human Resources	454,854	39,706	415,148			415,148
180 Corporate Communications	139,470	16,381	123,089			123,089
310 Common Services	292	290	2	478,639	229,565	249,076
311 Shop & Yards	92	91	1	14,950	14,950	1
312 Fleet Operations	(249,076)	0	(249,076)			(249,076)
314 Eco Efficiency	2,290	2,290	0	72,512	72,512	0

Town of Okotoks
Cost of Community Services Analysis

Program	----- Operating -----			----- Capital -----		Total Net Cost \$
	Expenses	Revenues	Net Cost	Outlays	Sources	
	\$	\$	\$	\$	\$	
320 Transportation	959,161	12,914	946,247	3,729,126	3,764,780	910,593
330 Building Maintenance	142,566	142,575	(9)	(1,266,326)	554,721	(1,821,056)
370 Storm Water Management	149,906	1,006	148,900	400,195	38,008	511,087
410 Water	1,064,428	1,988,201	(923,773)	1,369,873	2,035,745	(1,589,645)
420 Sanitary Sewer	1,290,784	1,881,122	(590,338)	2,922,443	2,660,858	(328,753)
430 Resource Recovery - Refuse	380,723	502,237	(121,514)			(121,514)
440 Resource Recovery - Recycling	238,893	93,283	145,610			145,610
560 Cemetery	58,036	43,453	14,583			14,583
750 Open Spaces	800,733	102,085	698,648	24,884	42,197	681,335
340 Community Access Program Family & Community Support	25,322	0	25,322			25,322
510 Services	374,743	318,217	56,526			56,526
700 Client Services	201,840	8,176	193,664			193,664
710 Aquatics	530,653	327,943	202,710			202,710
720 Indoor Facilities	(11,738)	673,072	(684,810)	(2,882,726)	663,593	(4,231,129)
730 Community Programs	254,378	263,349	(8,971)			(8,971)
740 Cultural Historical Services	206,382	101,162	105,220			105,220
General	20,067		20,067			20,067
	<u>14,946,070</u>	<u>9,394,908</u>	<u>5,551,162</u>	<u>6,921,951</u>	<u>10,617,854</u>	<u>1,855,259</u>

Town of Okotoks
Cost of Community Services Analysis

Net Cost covered by the following revenues:

Municipal property taxes	8,377,947
Net requisitions	(9,142)
Penalties on taxes	149,042
Franchise tax on utilities	459,211
General investment income	102,942
Rental - ambulance building	6,800
Unconditional municipal grant	23,641
General revenue	156,592
Transfer from operating surplus	5,759
Increase in unexpended capital funds	<u>(7,417,533)</u>
	<u><u>1,855,259</u></u>

Town of Okotoks
Cost of Community Services Analysis

8.8 Business Centre Statistics

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Population	19,996	18,570	17,145	15,500	14,478
Assessment Services					
Number of properties	9,095				
Residential	8,708				
Commercial	387				
Residential	95.7%				
Commercial	4.3%				
Time spent					
Residential	66%				
Commercial	34%				
Policing Services					
RCMP Statistics Note: 2008 is Jan - Sept	5,667	7,621	7,501		
Person crimes	195	267	275		
Property crimes	485	746	847		
Other criminal code crimes	714	881	930		
Other provincial statistics	511	772	734		
Traffic criminal code	136	142	142		
Traffic provincial statistics	1,431	2,058	1,824		
Common police activities	2,195	2,755	2,749		
Fire Services					
Total responses	782	780	736	618	526
Fires - Dollar loss	36				
Fires - No dollar loss	53				
Investigations/complaints	21				

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Public service	316				
Public hazards	56				
Alarms system activation	187				
Motor vehicle accidents	113				
Calls by municipality					
Town	536	514	464	427	347
MD	129	132	153	106	99
Highway	117	134	119	85	80
Car seat inspections	170				
Town	116				
MD	17				
Calgary	30				
Other	7				
Inspections	1,249				
Town	406				
MD	28				
Plan reviews	35				
Hydrants	780				
Municipal Enforcement	8,169	6,772	4,760		
General complaints	1,701	1,926	1,225		
Animal complaints	487	512	344		
Animals taken to pound	66	62	57		
Pound animals returned to owner	59	59	48		
Traffic tickets issued	3,061	1,886	1,074		
Dog licenses issued	2,795	2,327	2,012		

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Safety Codes Services					
Building					
Permits issued					
Building	722	1,035			
Foundation	282	521			
Heating, venting, air conditioning (HVAC)	414	555			
Residential (includes miscellaneous)	653	980			
Commercial	69	55			
Residential (includes miscellaneous)	90%	95%			
Commercial	10%	5%			
Permit revenue (from reports)					
Residential (includes miscellaneous)	\$524,304	\$968,781			
Commercial	\$314,976	\$155,285			
Residential (includes miscellaneous)	62%	86%			
Commercial	38%	14%			
Plumbing					
Permits issued					
Residential (includes miscellaneous)	382	648			
Commercial	37	36			
Residential (includes miscellaneous)	91%	95%			
Commercial	9%	5%			
Electric					
Permits issued					
Residential (includes miscellaneous)	684	939			
Commercial	66	72			

Town of Okotoks
Cost of Community Services Analysis

Program Description						
Program Statistics		2008	2007	2006	2005	2004
Residential (includes miscellaneous)		91%	93%			
Commercial		9%	7%			
Gas						
Permits issued		667	797			
Residential (includes miscellaneous)		636	771			
Commercial		31	26			
Residential (includes miscellaneous)		95%	97%			
Commercial		5%	3%			
Plumbing, gas, electric						
Permit revenue (from reports)		\$233,101	\$363,208			
Residential (includes miscellaneous)		\$186,775	\$335,945			
Commercial		\$46,326	\$27,263			
Residential (includes miscellaneous)		80%	92%			
Commercial		20%	8%			
Planning & Development						
Statutory						
Development						
Subdivision						
Inventory of available units for development		792	1,078			
Transportation						
Street Lighting		2,014				
Residential		1,819				
Commercial		195				
Residential		90%				
Commercial		10%				

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Storm Water Management					
Area of land use zones (exclude direct control & heritage mixed use)	740				
Residential	497				
Commercial & Industrial	243				
Residential	67%				
Commercial & Industrial	33%				
Water					
Flat rate accounts	7,735	6,931	6,265		
Residential	7,319	6,537	5,884		
Commercial	416	394	381		
Residential	95%	94%	94%		
Commercial	5%	6%	6%		
Water consumption	391,048,233				
Residential	326,276,443				
Commercial	64,771,790				
Residential	83%				
Commercial	17%				
Water consumption billed	\$2,550,671				
Residential	\$2,222,854				
Commercial	\$327,817				
Residential	87%				
Commercial	13%				
Water consumption billed					
Residential	83.7%	82.9%	82.6%		
Commercial	15.0%	15.6%	15.8%		

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Irrigation	1.3%	1.5%	1.6%		
Water consumption billed (annual average)	28,817	29,713	30,570		
Residential	21,216	21,781	22,022		
Commercial	7,601	7,932	8,548		
Residential	73.6%	73.3%	72.0%		
Commercial	26.4%	26.7%	28.0%		
Population used for per capita calculations	22,000	20,000	18,208	15,500	14,478
Per capita water consumption	73	78	73	72	82
Water Purification					
Total annual well production (imperial gallons)		570,235,076	471,266,341	406,999,607	435,938,319
Transmission					
Average peak daily flow (imperial gallons)		1,809,638	1,709,195	1,488,743	1,431,275
Average daily flow (imperial gallons)		1,560,136	1,369,251	1,114,071	1,190,564
Sanitary Sewer					
Customer Billing					
Flat rate sewer accounts					
Sewer billing	\$2,861,439				
Residential	\$2,485,078				
Commercial	\$376,361				
Residential	87%				
Commercial	13%				
Open Spaces					
Turf Management					
54 hectares; cost per hectare	\$4,200				

Town of Okotoks
Cost of Community Services Analysis

Program Description	2008	2007	2006	2005	2004
Program Statistics					
Park Maintenance					
13 outdoor washrooms, 60 playgrounds, 188 parks garbage receptacles					
Pathways					
Snow removal - pathways & sidewalks					
23 km of 40 km; public stairways, footbridge, pathway connectors					
Total hours	1,291				
Family & Community Support Services					
Administration					
Clients served in FCSS programs	6,752				
Children/youth	891				
Families	5,093				
Adults	568				
Seniors	100				
Community development	100				
Okotoks Health Family Resource Cent.					
Total activity	2,839	2,316	1,831	1,782	1,436
Walk in	1,095	859	684	636	441
Phone	1,563	1,331	1,101	1,118	977
E-mail/mail	100	92	40	20	16
Unspecified	81	34	6	8	2
Activity by community					
Town	1,888	1,598	1,354	1,344	1,024
MD	324	274	210	185	142
New	180	176	117	115	140
Out of town/visitors	447	268	150	138	196

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Client Services					
Statistical graphs comparing activity/population/total costs/user fees					
Total facility passes sold (from 2008 budget)	4,600	4,222	459	479	519
Client Services Activity (from activity summary)					
Registrations (community & aquatic programs)	19,398	16,408	10,154	10,032	
Facility admissions (one time and pass scans)	105,058	90,380	16,322	35,318	
One time					
Pass scans					
Facility passes sold	4,628	4,282	719	307	
New accounts	2,348	2,421	1,220	1,065	
Aquatics					
Admissions				19,078	
Adult				5,931	
Youth				2,257	
Child				7,806	
Preschool				850	
Senior				771	
Family				1,463	
Programs					
Enrolments (closed 3 months in 2006)	8,042	5,712	2,301		
Town	5,154	4,339	1,730		
MD	1,236	959	432		
Other	528	80	96		
Calgary	1,124	334	43		

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Enrolments by percentage					
Town	64.1%	76.0%	75.2%		
MD	15.4%	16.8%	18.8%		
Other	6.5%	1.4%	4.2%		
Calgary	14.0%	5.8%	1.9%		
Indoor Facilities					
Users of three arenas	1,538	1,323	1,354		1,047
Town	991	820	826		640
MD	417	354	378		308
Other	130	149	150		99
Recreation Centre Main Areas					
Registrations	18,752	16,001	7,047	8,289	7,347
Drop-in attendance	101,200	93,750	16,063	34,242	27,660
Curling Rink					
Members	642	513	556		472
Town	363	291	313		251
MD	124	96	119		115
Other	155	126	124		106
Community Programs					
Registrations	8,372	7,323			
Users					
Town	71%				
MD	17%				
Regional	12%				

Town of Okotoks
Cost of Community Services Analysis

Program Description					
Program Statistics	2008	2007	2006	2005	2004
Administration					
Statistics for Administration and SITS					
Number of programs scheduled	918	908	772	554	455
Number of programs that ran	688	630	594	464	324
Total number of adult participants	2,211	1,892	1,779	1,694	1,516
Total number of children/youth participants	6,259	5,319	4,617	3,720	3,129
Total number of participants	8,470	7,211	6,396	5,414	4,645
Cultural Historical Services	11,376	14,293	11,584		
Administration					
The Station Cultural Centre visitors	9,038	12,674	9,854		
Heritage					
Visitors	2,338	1,619	1,420		
Performing Arts Centre					
Bookings	492	0	310		