

# **TOWN OF TWO HILLS**

## **2019 OPERATING BUDGET AND 2020 TO 2022 OPERATING PLAN**

**PREPARED FOR COUNCIL MEETING  
DECEMBER 18, 2018**



**COUNCIL and OTHER LEGISLATIVE**

2019	Net Budget	134,065
2018	Net Budget	102,150
	Budget Change	31,915
	% Change	31.24
2019	Councillors	4
2018	Councillors	4
2019	Mayor	1
2018	Mayor	1

**Services & Programs Provided**

The five Town of Two Hills elected officials are stewards of the Town. It is their responsibility to guide the community in realizing our shared vision of becoming a sustainable, livable community. We have yet to establish a strategic plan and priorities to execute the critical functions of our local government.

Our roles and obligations are set out in the Municipal Government Act and other legislation. It is our job to govern and to plan for success. We provide leadership and direction to Administration in the review and approval of bylaws, policies and programs that benefit our residents, businesses, and industry.

To facilitate the decision making process and to inform the Town on regional issues, concerns and trends, Councillors are encouraged to take training and are members of a number of external committees, boards and commissions. Training and external representation ensures that the well-being and interests of the municipality as a whole are considered, represented, and promoted now and into the future.

**2018 Key Accomplishments**

- Completed 1 year of a 4 year term
- Attended the Elected Officials Course, and some attended conferences related to their duties either as an elected official or a member of a board or committee.
- Attended meetings related to their appointments to boards, committees, or commissions.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
Establish a strategic plan and priorities to execute the critical functions of our local government	To have a vision and set goals for the future of our community and set direction for administration.	The Town does not currently have a Strategic Plan. This goal is to increase public involvement and communicate with the community on issues affecting the Town's future by establishing a Plan.
To update the oldest current bylaws and policies.	To keep up to current legislation, trends and best practises for the betterment of the community, and provide direction for administration.	
To discover committees and boards that are of importance to the critical functions of our local government.	To ensure public funds are being used wisely.	

**Innovations & Efficiencies**

- Task Force to provide recommendations regarding Council salaries, remuneration and expenses.
- Updating bylaws and policies provide opportunities for bettering efficiencies and seeking alternative/innovative ways to providing services.
- Discovering whether internal or external board appointments are an effective use of elected official's time.

**COUNCIL and OTHER LEGISLATIVE**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Sale of Goods & Services				0
Government Transfers				0
Other Revenue				0
<b>Total Revenue</b>	0	0	0	0
<b>Operating Expenses</b>				
Salaries	79,150	79,150	91,043	11,893
Training	10,000	10,000	10,000	0
Mileage & Subsistence	12,000	12,000	12,000	0
Goods and Services	1,000	1,000	21,022	20,022
Election and/or Census	0	0	0	0
<b>Total Expenses</b>	102,150	102,150	134,065	31,915
<b>Net Operating Cash Cost</b>	102,150	102,150	134,065	31,915
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	102,150	102,150	134,065	31,915

**2019 Budget Highlights:**

Task Force was initiated in 2018 with expectation to provide a report prior to June 1, 2019; anticipated increase in budget (\$5,000 cushion) for the latter half of 2019 in the event that 1) the recommendations are for higher remunerations and 2) that Council approves the recommendations of the Task Force.

Consultant Fees to conduct a 5 year strategic plan.

**2020-2022 Operating Plan:**

A Task Force will be presenting Council with their recommendations by June 1, 2019 of Council remuneration and expenses. Council did not implement an increase for 2019 however they may consider the Task Force's recommendations for future years.

The cost of the Strategic Plan for 2019 is not required in the following 3 year operational plan therefore the departmental budget for 2020 is reduced by \$20,000.

The 2021 operating plan shows a \$7,000 expense for running an election.

The 2022 operating plan shows a \$7,000 expense for running a municipal census.

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) for goods and services there are no operational changes.

**GENERAL ADMINISTRATION**

2019 Net Budget	401,949
2018 Net Budget	396,888
Budget Change	5,061
% Change	1.28
2019 CAO and staff	4
2018 CAO and staff	4

**Services & Programs Provided**

General Administration delivers quality services to citizens, businesses, and visitors of Two Hills. Four administrative staff members, including the Chief Administrative Officer and Chief Financial Officer, provide the following services to Council, other staff and residents/customers: Legislative Services, Human Resources, Assessment and Taxation, Corporate Finance, Procurement, Planning and Development, Bylaw Services, Communications, Utilities, etc. Administration also supports the Public Works department with respect to some administrative functions as they do not have staff or time to do both labourous and administrative work. As of 2018 Administration is no longer providing programming for the Centennial Hall.

The Chief Administrative Officer is responsible for overall administration of the Town including developing, implementing and administering all policies and programs established and approved by Council, providing information, support, and guidance to Council, and for contributing leadership and direction for the efficient and effective delivery of services.

**2018 Key Accomplishments**

- Training due to staff turnaround (3).
- Revising Personnel Policy, which was discovered to be an administrative policy, with input from all staff; in final draft.
- Supporting staff and ensuring Council's agendas are followed through with (operating and capital).

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
Assist Council and public with Strategic Planning.	Council has indicated support for a Strategic Plan however it is yet to be decided on through the budget.	The Town does not currently have a Strategic Plan. This goal is to increase public involvement and communicate with the community on issues affecting the Town's future by establishing a Plan.
Provide Council with up to 20 Council bylaws and policies for review.	Latest policies not reviewed date back to 2008. Some policies need to be introduced. Latest bylaws not reviewed date back to 2010.	
Provide required information to Task Force for their review of Council and staff remuneration.	Council driven Task Force.	
Create an Intermunicipal Collaboration Framework with technical studies i.e. growth study and asset management.	Provincially mandated initiative.	

**Innovations & Efficiencies**

**GENERAL ADMINISTRATION**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Sale of Goods & Services	190,364	190,364	214,964	24,600
<b>Total Revenue</b>	<b>190,364</b>	<b>190,364</b>	<b>214,964</b>	<b>24,600</b>
<b>Operating Expenses</b>				
Salaries	315,498	315,498	328,421	12,923
Training	14,000	14,000	21,808	7,808
Goods, Services & Materials	157,600	157,600	142,067	-15,533
Insurance	34,104	34,104	34,854	750
Utilities	16,300	16,300	16,959	659
Grants to Ind. & Organizations	2,000	19,250	8,200	-11,050
Transfer to Capital	5,000	5,000	5,000	0
Borrowing Payments/Bad Debt	8,000	8,000	8,176	176
Debenture Repayment	0	0	33,928	33,928
<b>Total Expenses</b>	<b>552,502</b>	<b>569,752</b>	<b>599,413</b>	<b>29,661</b>
<b>Net Operating Cash Cost</b>	<b>362,138</b>	<b>379,388</b>	<b>384,449</b>	<b>5,061</b>
Amortization Expense	17,500	17,500	17,500	0
<b>Net Operating Cost</b>	<b>379,638</b>	<b>396,888</b>	<b>401,949</b>	<b>5,061</b>

**2019 Budget Highlights:**

Task Force was initiated in 2018 with expectation to provide a report prior to June 1, 2019; anticipated increase in budget of 5% for the latter half of 2019 in the event that 1) the recommendations are for higher remunerations and 2) that Council approves the recommendations of the Task Force.

Website development was initiated in 2018; cost not required in 2019.

There is an increase in CPP and WCB rates, and a decrease in EI and LAPP rates.

Decrease to Grants to Individuals and Organizations decreased as 2018 did not budget for tax incentives.

Debt repayment due to renovations for dental clinic.

Increase cost to training due to new staff.

**2020-2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) and a possible gradual increase in wages for administrative staff there are no other major changes.

The lease agreement with the dentist increases \$2,400 per year between 2020 to 2022.

There are no planned changes to Administration Fees.

## FIREFIGHTING AND PREVENTATIVE SERVICES

2019 Net Budget	25,642
2018 Net Budget	22,930
Budget Change	2,712
% Change	12
2019 Volunteer Firefighters	18
2018 Volunteer Firefighters	17

### Services & Programs Provided

The Fire Department's 17 volunteer members focus on creating a safe community in and around the Town of Two Hills. The Fire Department's Fire Chief is appointed through bylaw by Town Council who now has routine meetings with the Chief Administrative Officer regarding the departments operations. The department conducts occupancy inspections to ensure compliance with the Alberta Fire Code. The volunteers are encouraged to develop knowledge and skills for Fire Protection, including operation and maintenance of Apparatus and Equipment. The department is ambitious by putting on fundraising events for the purposes of updating their inventory of firefighting equipment. Strathcona County provides 9-1-1 call answer and emergency dispatch services to the Two Hills Fire Department and other area departments.

### 2018 Key Accomplishments

- Fire Prevention Week; attended school visits.
- Training; ongoing in-house, and attend live fire training in Vermilion two times a year. Also conducted extracation course and traffic training.
- Support community functions such as FCSS food drive and drive around during Halloween.

### 2019 Priority Departmental Initiatives

Goal	Rationale	Strategic Plan Link
Maintain and increase roster of volunteers by 1.	To maintain a certain number of trained volunteers.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
90 Year Anniversary - host a ball instead of a fundraising supper.	To honor and respect 90 years of fire fighting services and volunteers.	
To provide Fire Fighting Basic training in the spring.	To provide new and current volunteers up-to-date on basic fire fighter training so they have the skills and knowledge to extinguish a fire safely.	

### Innovations & Efficiencies

Quarterly meetings between Fire Chief and the CAO to keep up-to-date and have better communication between the CAO and the fire department.

**FIREFIGHTING AND PREVENTATIVE SERVICES**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Firefighting Fees Charged	16,000	16,000	16,000	0
<b>Total Revenue</b>	<b>16,000</b>	<b>16,000</b>	<b>16,000</b>	<b>0</b>
<b>Operating Expenses</b>				
Honorariums & Salaries	16,800	16,800	16,800	0
Training	2,000	2,000	4,000	2,000
Services & Materials	13,240	13,240	13,681	441
Utilities	5,500	5,500	5,771	271
<b>Total Expenses</b>	<b>37,540</b>	<b>37,540</b>	<b>40,252</b>	<b>2,712</b>
<b>Net Operating Cash Cost</b>	<b>21,540</b>	<b>21,540</b>	<b>24,252</b>	<b>2,712</b>
Amortization Expense	1,390	1,390	1,390	0
<b>Net Operating Cost</b>	<b>22,930</b>	<b>22,930</b>	<b>25,642</b>	<b>2,712</b>

**2019 Budget Highlights:**

Increase due to more training for volunteer fire fighters.

**2020-2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no major operational changes for 2020 to 2022.

Slight increase to Fire Chief monthly honorarium from \$150 per month to \$175 per month starting in 2020.



## EMERGENCY MANAGEMENT

2019 Net Budget	8,182
2018 Net Budget	4,096
Budget Change	4,086
% Change	100
2019 DEM and Deputy DEM	2
2018 DEM and Deputy DEM	2

### Services & Programs Provided

The Chief Administrative Officer, due to lack of public interest, is the Director of Emergency Management and Ranny Bourassa is the Deputy Director of Emergency Management for the Town of Two Hills. These appointments are in the event there is an emergency response that is solely within the Town boundaries.

### 2018 Key Accomplishments

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The Town of Two Hills, County of Two Hills, and the Village of Myrnam are engaged in a Regional Emergency Management Agency (REMA) for the purposes of a regional emergency planning and community preparedness.

### 2019 Priority Departmental Initiatives

Goal	Rationale	Strategic Plan Link
Establish regular meetings.	New regulations as per the Emergency Management Act and Regulations.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Review Regional Emergency Management Agency bylaw.	New regulations as per the Emergency Management Act and Regulations.	
Schedule tabletop exercises.	New regulations as per the Emergency Management Act and Regulations.	

### Innovations & Efficiencies

Mandatory act and regulations to establish regular meetings and training will improve the efficiency of the Regional Emergency Management Agency.

**EMERGENCY MANAGEMENT**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Government Transfers				0
Other Revenue				0
<b>Total Revenue</b>	0	0	0	0
<b>Operating Expenses</b>				
Salaries	200	200	200	0
General Services Purchased	3,896	3,896	3,982	86
Contribution to REMA and training	0	0	4,000	4,000
<b>Total Expenses</b>	4,096	4,096	8,182	4,086
<b>Net Operating Cash Cost</b>	4,096	4,096	8,182	4,086
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	4,096	4,096	8,182	4,086

**2019 Budget Highlights:**

Required meetings, tabletop exercises, and training as per new Emergency Management Act and regulations.

**2020-2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes for 2020 to 2022.

**BYLAW SERVICES**

2019 Net Budget	7,983
2018 Net Budget	850
Budget Change	7,133
% Change	839
2019 Bylaw Officer	CAO & Occasional
2018 Bylaw Officer	CAO

**Services & Programs Provided**

The Chief Administrative Officer, by default, is the Town's Bylaw Enforcement Officer. Enforcement is limited to unsightly premises (mostly grass/weed control and some general cleanup), and traffic (overhanging trees, removing snow from properties/sidewalks) related compliance issues. Other bylaw compliance issues are dealt with on a complaint basis. The Chief Administrative Officer enforcing the town bylaws has saved the Town approximately \$8 - 12,000 annually and generated revenue (\$10,000 in 2018).

**2018 Key Accomplishments**

- Enforcement statistics for 2018:  
 Unsightly Premise 116  
 Traffic 13  
 Snow Removal 14  
 Land-Use 1  
 Other 6

Council is considering hiring a contracted bylaw officer for the spring to fall months. The method suggested by Council is more relationship building by educating the community on bylaw regulations as opposed to providing a written notice/order and issuing penalties for enforcement.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
To contract a bylaw enforcement officer seasonally. Method of enforcement is based on one-to-one communication and education.	Council and the CAO feel that the CAO should not be the enforcement officer.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Community education sessions on various bylaws.	Help educate public on current bylaws; may reduce enforcement and build an understanding gaining community trust and support.	

**Innovations & Efficiencies**

**BYLAW SERVICES**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Animal Licenses	650	650	650	0
Other Fines and Services	1,000	1,000	1,000	0
Grass cutting Fees	0	0	0	0
<b>Total Revenue</b>	<b>1,650</b>	<b>1,650</b>	<b>1,650</b>	<b>0</b>
<b>Operating Expenses</b>				
Bylaw Services	500	500	7,589	7,089
Services & Materials	2,000	2,000	2,044	44
<b>Total Expenses</b>	<b>2,500</b>	<b>2,500</b>	<b>9,633</b>	<b>7,133</b>
<b>Net Operating Cash Cost</b>	<b>850</b>	<b>850</b>	<b>7,983</b>	<b>7,133</b>
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	<b>850</b>	<b>850</b>	<b>7,983</b>	<b>7,133</b>

**2019 Budget Highlights:**

Increase to service cost due to hiring a contractor to conduct bylaw enforcement during spring, summer, and fall months.

**2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes for 2020 to 2022.

**ROADS, SIDEWALKS, AND LIGHTING**

2019 Net Budget	866,416
2018 Net Budget	822,077
Budget Change	44,340
% Change	5
2019 PW staff	5
2018 PW staff	4

**2018 Key Accomplishments**

- Rebuilt 3 roads with SB90.
- Reconstructed the sidewalk in front of the potential dental clinic. Installing new curb and gutter and sidewalk in the golf course subdivision.
- Replaced the grader and skidsteer. Purchased a new mower and a welder. Replaced overhead door on shop.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
To improve the health and safety program by having regular recorded minutes with action-tracking features.	Although not a requirement under the new Occupational Health & Safety (OHS) Codes, it is encouraged for the health and safety of Town staff.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Offer more training for employees.	Training is recommended to keep staff up-to-date on current trends, and knowledgeable on equipment and overall safety.	
Provide updated safety gear and equipment.	Safety for staff.	

**Innovations & Efficiencies**

**Services & Programs Provided**

Public works manages the towns road and sidewalk infrastructure. This department keeps residents safe in all seasons through traffic controls, pothole patrol, snow removal and ice control.

The Town owns their own equipment for both maintenance, construction, and rehabilitation. The equipment is routinely upgraded in order to maintain safe and reliable operations of the equipment to conduct the works required.

The Public Works Foreman provides recommendations for capital road and sidewalk construction or re-construction, and related equipment upgrades for Council's considerations.

**ROADS, SIDEWALKS, AND LIGHTING**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Special Levy - Repair & Maint.	89,000	89,000	89,000	0
Sale of Goods & Services	30,000	30,000	30,000	0
Transfer from Capital	0	0	35,481	35,481
<b>Total Revenue</b>	<b>119,000</b>	<b>119,000</b>	<b>154,481</b>	<b>35,481</b>
<b>Operating Expenses</b>				
Salaries	344,383	344,383	370,137	25,754
Training	1,000	1,000	7,522	6,522
Services & Materials	253,150	253,150	261,634	8,484
Insurance	14,744	14,744	15,068	324
Utilities	129,800	129,800	133,056	3,256
Debenture Repayment	0	0	35,481	35,481
<b>Total Expenses</b>	<b>743,077</b>	<b>743,077</b>	<b>822,897</b>	<b>79,821</b>
<b>Net Operating Cash Cost</b>	<b>624,077</b>	<b>624,077</b>	<b>668,416</b>	<b>44,340</b>
Amortization Expense	198,000	198,000	198,000	0
<b>Net Operating Cost</b>	<b>822,077</b>	<b>822,077</b>	<b>866,416</b>	<b>44,340</b>

**2019 Budget Highlights:**

Task Force was initiated in 2018 with expectation to provide a report prior to June 1, 2019; anticipated increase in budget of 5% for the latter half of 2019 in the event that 1) the recommendations are for higher remunerations and 2) that Council approves the recommendations of the Task Force.

All of Public Works staff wages and employer contributions are recorded in the Roads/Sidewalk portion of the operating budget however the wages and contributions are recorded separately in the accounting program of the municipality.

Increased training costs.

Took into account an employee's wages (who started working for the Town during 2018) for a full calendar year.

**2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes for 2020 to 2022.

**STORM SEWER SYSTEM**

2019 Net Budget	19,654
2018 Net Budget	19,654
Budget Change	0
% Change	0
2019 Water Operator	1 contracted 1 in-house
2018 Water Operator	2 contracted 1 in-house

**Services & Programs Provided**

A portion of Public Works department responsible for maintenance of storm infrastructure and facilities that collect rain and surface runoff to reduce the possibility of flooding and property damage.

**2018 Key Accomplishments**

- Installed a new storm line on 45 Avenue.
- Replaced storm system along 49 Street between 47th and 50th Avenue; adjacent to the Mennonite School.
- Rehabilitated a manhole at 51 Street and 55 Ave to mitigate surface runoff.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
There are no storm water management initiatives planned for 2019.		The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

**STORM SEWER SYSTEM**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
				0
				0
				0
<b>Total Revenue</b>	0	0	0	0
<b>Operating Expenses</b>				
Salaries	0	0	0	0
Repairs, Goods and Services	0	0	0	0
				0
<b>Total Expenses</b>	0	0	0	0
<b>Net Operating Cash Cost</b>	0	0	0	0
Amortization Expense	19,654	19,654	19,654	0
<b>Net Operating Cost</b>	19,654	19,654	19,654	0

**2019 Budget Highlights:**

**2020 - 2022 Operating Plan:**

There are no operational changes for 2020 to 2022 from 2019.



## WATER SUPPLY AND DISTRIBUTION SYSTEM

2019 Net Budget	76,883
2018 Net Budget	95,875
Budget Change	-18,992
% Change	-20
2019 Water Operator	1 contracted 1 in-house
2018 Water Operator	2 contracted 1 in-house

### Services & Programs Provided

Responsibility of the overall Public Works department. The Town has one employee designated to maintain the Town water facilities and mandatory reporting. As the Town does not have a certified water operator the Town contracts from the Town of Vegreville to comply with Federal and Provincial regulations.

The Town's Public Works department also conducts all water infrastructure repairs, construction and rehabilitation in-house.

The Town receives potable water from the Alberta Central East (ACE) Water Corporation.

### 2018 Key Accomplishments

- Repaired 8 water breaks.
- Installed a portion of new water line on 45 Avenue between 52nd and 53 Street (looping).
- Contribution to Alberta Central East (ACE) Water Corporation for phase 3 to 6.

### 2019 Priority Departmental Initiatives

Goal	Rationale	Strategic Plan Link
Seek regional cooperation initiatives for operation of water facilities and repairs to related infrastructure.	Initiative introduced a few years ago; update to be provided at the next Joint Municipalities meeting. Will be part of Intermunicipal Collaboration Framework (ICF) discussions.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Replace water infrastructure at 47 Avenue between 46th to 48th Street.	Replacement of one of the oldest water lines, cc valves, etc. Two to three year project.	
Replace cc valves.	Prevent loss of water.	

### Innovations & Efficiencies

## WATER SUPPLY AND DISTRIBUTION SYSTEM

SUMMARY BUDGET	2018 PROJECTED ANNUAL (\$)	2018 BUDGET (\$)	2019 BUDGET (\$)	BUDGET INCREASE [DECREASE](\$)
<b>Operating Revenues</b>				
Sale of water	357,850	357,850	366,900	9,050
Other	18,000	18,000	18,000	0
Infrastructure Sust. Fee	206,400	206,400	220,920	14,520
<b>Total Revenue</b>	<b>582,250</b>	<b>582,250</b>	<b>605,820</b>	<b>23,570</b>
<b>Operating Expenses</b>				
Salaries	0	0	0	0
Purchase of water	298,943	298,943	297,676	-1,268
Services & Materials	42,100	42,100	42,936	836
Insurance	10,871	10,871	11,110	239
Utilities	26,000	26,000	26,872	872
Debenture Repayment	198,210	198,210	202,108	3,898
<b>Total Expenses</b>	<b>576,125</b>	<b>576,125</b>	<b>580,703</b>	<b>4,578</b>
<b>Net Operating Cash Cost</b>	<b>-6,125</b>	<b>-6,125</b>	<b>-25,117</b>	<b>-18,992</b>
Amortization Expense	102,000	102,000	102,000	0
<b>Net Operating Cost</b>	<b>95,875</b>	<b>95,875</b>	<b>76,883</b>	<b>-18,992</b>

### 2019 Budget Highlights:

Task Force was initiated in 2018 with expectation to provide a report prior to June 1, 2019; anticipated increase in budget of 5% in the event that the recommendations are higher salaries or remunerations and that Council approves the recommendations of the Task Force.

All of Public Works staff wages and employer contributions are recorded in the Roads/Sidewalk portion of the operating budget however the wages and contributions are recorded separately in the accounting program of the municipality.

Factored in Alberta Central East (ACE) increase per m3 to \$2.50 starting April 2019.

One water/sewer related debenture is paid off in 2019.

### 2020 - 2022 Operating Plan:

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes.

There is no planned increase to water rates or Infrastructure Sustainability Fees.

**SANITARY SEWAGE SERVICE AND TREATMENT**

2019 Net Budget	-64,006
2018 Net Budget	-59,248
Budget Change	-4,758
% Change	8
2019 Water Operator	1 contracted 1 in-house
2018 Water Operator	2 contracted 1 in-house

**Services & Programs Provided**

Responsibility of the overall Public Works department. The Town has one employee designated to maintain the Town sewer facilities and mandatory reporting. As the Town does not have a certified water/sewer operator the Town contracts from the Town of Vegreville to comply with Federal and Provincial regulations.

**2018 Key Accomplishments**

- Purchased two replacement pumps at the lift station.
- Installed a bypass pump at the lift station.
- 

The Town's Public Works department also conducts all sewer infrastructure repairs, construction and rehabilitation in-house.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
Seek regional cooperation initiatives for operation of sewer facilities and repairs to related infrastructure.	Initiative introduced a few years ago; update to be provided at the next Joint Municipalities meeting. Will be part of Intermunicipal Collaboration Framework (ICF) discussions.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Replace sewer infrastructure at 47 Avenue between 46th to 48th Street.	Replacement of one of the oldest sewer lines, cc valves, etc. Two to three year project.	
Repair manholes.	Prevent infiltration of groundwater into sewer system; decreasing annual capacity of the annual lagoon pond.	

**Innovations & Efficiencies**

**SANITARY SEWAGE SERVICE AND TREATMENT**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET (\$)</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Service Fees and Charges	132,950	132,950	136,500	3,550
Other	0	0	0	0
<b>Total Revenue</b>	<b>132,950</b>	<b>132,950</b>	<b>136,500</b>	<b>3,550</b>
<b>Operating Expenses</b>				
Salaries	0	0	0	0
Services & Materials	20,500	20,500	20,218	-282
Insurance	845	845	863	19
Utilities	9,700	9,700	9,913	213
Debenture - Repayment	1,158	1,158	-0	-1,158
<b>Total Expenses</b>	<b>32,202</b>	<b>32,202</b>	<b>30,994</b>	<b>-1,208</b>
<b>Net Operating Cash Cost</b>	<b>-100,748</b>	<b>-100,748</b>	<b>-105,506</b>	<b>-4,758</b>
Amortization Expense	41,500	41,500	41,500	0
<b>Net Operating Cost</b>	<b>-59,248</b>	<b>-59,248</b>	<b>-64,006</b>	<b>-4,758</b>

**2019 Budget Highlights:**

Increase in sewer rates revenue is due to changes to rates imposed in 2018.

One water/sewer related debenture is paid off in 2019.

**2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes.

There is no planned increase to sewer rates.

**GARBAGE COLLECTION AND DISPOSAL**

2019 Net Budget	-36,573
2018 Net Budget	-34,608
Budget Change	-1,965
% Change	6
2019 Commission	
2018 Commission	

**Services & Programs Provided**

The Public Works department maintains the garbage bins as part of their responsibilities.

The Town is part of the Landfill Commission who operates the regional garbage pickup and landfill sites. The residential and commercial pickups are conducted once a week.

**2018 Key Accomplishments**

- Replaced numerous bins with springs for lids.
- Purchased and are gradually placing stickers on bins regarding compliance issues i.e. what should or shouldn't placed in the bins.
- 

At this time there is no recycling programs.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
Finish placing stickers on all bins.	Program started in 2018 to educate the public on garbage bin regulations.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Survey of recycling opportunities to residents and businesses.	Seek input and desire of residents and businesses of recycling and the cost of recycling.	

**Innovations & Efficiencies**

**GARBAGE COLLECTION AND DISPOSAL  
RECYCLING**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Garbage - Service Fees and Charges	166,100	166,100	166,100	0
Recycling - Service Fees and Charges	0	0	24,120	24,120
<b>Total Revenue</b>	<b>166,100</b>	<b>166,100</b>	<b>190,220</b>	<b>24,120</b>
<b>Operating Expenses</b>				
Contract Service - Garbage	120,000	120,000	120,000	0
Contract Service - Recycling	0	0	22,142	22,142
Services & Materials	600	600	613	13
Transfer to Reserve	0	0	0	0
<b>Total Expenses</b>	<b>120,600</b>	<b>120,600</b>	<b>142,755</b>	<b>22,155</b>
<b>Net Operating Cash Cost</b>	<b>-45,500</b>	<b>-45,500</b>	<b>-47,465</b>	<b>-1,965</b>
Amortization Expense	10,892	10,892	10,892	0
<b>Net Operating Cost</b>	<b>-34,608</b>	<b>-34,608</b>	<b>-36,573</b>	<b>-1,965</b>

**2019 Budget Highlights:**

Anticipate a recycling program; depends on community wants and Council's approval; fees are estimate for partial year (Apr - Dec).

**2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes.

There is no planned increase to garbage or recycling rates.

Recycling revenue and expenses increase in 2020 due to a full year of service.

**FAMILY AND COMMUNITY SUPPORT SERVICES**

2019 Net Budget	14,813
2018 Net Budget	14,783
Budget Change	30
% Change	0
2019 Operated by a Board	
2018 Operated by a Board	

**Services & Programs Provided**

Two Hills Family & Community Social Services (FCSS) is funded provincially, and municipally from the County of Two Hills, Town of Two Hills, and the Village of Myrnam each contributing their share per capita.

The FCSS program provides the following:

- Aid and Referral Services, Mennonite Assistance
- Babysitter Course and Registry, Home Alone Course
- Christmas Open House, Hampers, and Concert
- Community Garage Sales
- Income Tax Program, Notary Public
- Employment Board
- Meals on Wheels, Senior Transportation in Town
- Newcomer Welcome
- Parent Link Centre, Youth Centre, Mountain Movers
- Roots of Empathy, School Liason Worker Program
- Senior Citizens Week, Volunteer Appreciation Week
- Social Services during Disaster

**2018 Key Accomplishments**

- 
- 

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link

**Innovations & Efficiencies**

**FAMILY AND COMMUNITY SUPPORT SERVICES**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Provincial Grant	64,149	64,149	64,149	0
Contributing Municipality	2,631	2,631	2,631	0
				0
<b>Total Revenue</b>	<b>66,780</b>	<b>66,780</b>	<b>66,780</b>	<b>0</b>
<b>Operating Expenses</b>				
Contribution to Program	80,186	80,186	80,186	0
Other	1,377	1,377	1,407	30
<b>Total Expenses</b>	<b>81,563</b>	<b>81,563</b>	<b>81,593</b>	<b>30</b>
<b>Net Operating Cash Cost</b>				
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	<b>14,783</b>	<b>14,783</b>	<b>14,813</b>	<b>30</b>

**2019 Budget Highlights:**

Net operating cost is the Town's 0.25 contribution to the program. Other is insurance costs for the handivan.

**2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) for insurance to the handivan there are no other anticipated changes.



**CEMETERY AND CREMATORIUMS**

2019 Net Budget	125
2018 Net Budget	122
Budget Change	3
% Change	2
2019 Operated by a 3 churches	
2018 Operated by a 3 churches	

**Services & Programs Provided**

The cemetery is on lands owned by the Town of Two Hills however it is divided up into 3 sections operated individually by 3 different churches: United Church which as an area designated for non-denominational plots; the Ukrainian Catholic Church, and the Greek Orthodox Church. The cemetery does not have a crematorium.

**2018 Key Accomplishments**

- 
  
- 

The Public Works departments clears snow at the cemetery.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
		The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

**CEMETERY AND CREMATORIUM**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
				0
				0
				0
<b>Total Revenue</b>	0	0	0	0
<b>Operating Expenses</b>				
Insurance	82	82	84	2
Other	40	40	41	1
Debt Repayment	0	0	0	
<b>Total Expenses</b>	122	122	125	3
<b>Net Operating Cash Cost</b>	122	122	125	3
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	122	122	125	3

**2019 Budget Highlights:**

**2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) for insurance and goods/services there are no operational changes.

**REGIONAL COOPERATION PROGRAMS**

2019 Net Budget	8,322
2018 Net Budget	8,322
Budget Change	0
% Change	0

**Services & Programs Provided**

The Town used to have joint tourism advertising through various tourism magazines to obtain funding through Travel Alberta. Joint advertising doesn't occur anymore as municipalities were advertising through different companies.

**2018 Key Accomplishments**

- The amount of funds being reimbursed under the 2018 Dr. Incentive Program is undetermined at this time.

The Doctor Incentive Program was initiated and is managed through the Joint Municipalities Committee. The maximum contribution to the program is set at \$20,000 which is recovered by the County and Town of Two Hills and the Village of Myrnam on a per capita basis.

The airport is maintained and operated by an Airport Commission consisting of representation from the County and Town of Two Hills.

The Town of Two Hills used to be part of a Regional Economic Development Officer program. Although the program has since ceased the concept will be brought up during the Intermunicipal Collaboration Framework (ICF) discussions.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
		The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

**REGIONAL COOPERATION PROGRAMS**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Joint Advertising	0	0	0	0
Dr. Incentive Program	14,678	14,678	14,678	0
<b>Total Revenue</b>	<b>14,678</b>	<b>14,678</b>	<b>14,678</b>	<b>0</b>
<b>Operating Expenses</b>				
Joint Advertising	0	0	0	0
Dr. Incentive Program	20,000	20,000	20,000	0
Airport Commission	3,000	3,000	3,000	0
Economic Development Officer	0	0	0	0
<b>Total Expenses</b>	<b>23,000</b>	<b>23,000</b>	<b>23,000</b>	<b>0</b>
<b>Net Operating Cash Cost</b>				
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	<b>8,322</b>	<b>8,322</b>	<b>8,322</b>	<b>0</b>

**2019 Budget Highlights:**

**2020 - 2022 Operating Plan:**

Although there is the possibility of joint advertising, there is no change to the Dr. Incentive Program or the contributions to the Airport Commission.

**COMMUNITY SERVICES**

2019 Net Budget	97,663
2018 Net Budget	47,500
Budget Change	50,163
% Change	106
2019	
2018	

**Services & Programs Provided**

The Town of Two Hills lacks representatives to showcase the Town of Two Hills on a global basis therefore Council is seeking opportunities to obtain an Economic Development Officer.

The Town no longer has a Community on Patrol (COP) program or a Chamber of Commerce as it did in the past; therefore there is no funding set aside for these programs.

The Town of Two Hills engaged the Sports Activity Council (SAC) to operate and maintain all of the facilities within and including Geleta Park.

The swimming pool is owned and operated by a non-profit organization who has requested Council to consider providing funds for operations and a capital replacement fund starting in 2019.

The Town made a \$400,000 contribution to the new medical facility in order to attract doctors. The debenture repayment is covered by a special levy.

**2018 Key Accomplishments**

- Sports Activity Council has taken over operations and maintenance of the Centennial Hall and Geleta Park.
- The Town is now supported by 5 doctors.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
To provide a financial contribution to the swimming pool board.	Providing funding to cover some operational costs and capital replacement program will allow the board to continue operating the pool.	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

The operation and maintenance of all facilities within and including Geleta Park streamlines where people go to book facilities. This initiative was also intended to improve the overall finances of SAC so they could afford to hire someone throughout the year for consistency and reliability.

**COMMUNITY SERVICES**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Special Levy - Doctor Incentive	26,166	26,166	26,166	0
				0
				0
<b>Total Revenue</b>	<b>26,166</b>	<b>26,166</b>	<b>26,166</b>	<b>0</b>
<b>Operating Expenses</b>				
EDO wages	0	0	0	0
EDO other	0	0	5,000	5,000
Chamber of Commerce	0	0	0	0
Community Design Group	0	0	0	0
Community on Patrol	0	0	0	0
Centennial Hall Committee	2,500	2,500	2,500	0
Sports Activity Council	45,000	45,000	80,000	35,000
Swimming Pool	0	0	10,000	10,000
Debenture Repayment - Med. Clinic	26,166	26,166	26,329	163
<b>Total Expenses</b>	<b>73,666</b>	<b>73,666</b>	<b>123,829</b>	<b>50,163</b>
<b>Net Operating Cash Cost</b>	<b>47,500</b>	<b>47,500</b>	<b>97,663</b>	<b>50,163</b>
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	<b>47,500</b>	<b>47,500</b>	<b>97,663</b>	<b>50,163</b>

**2019 Budget Highlights:**

A fund towards the Economic Development Committee to undertake some projects.

Increase to Sports Activity Council (SAC) for the maintenance of the recreational facilities in Geleta Park plus a \$50,000 buffer for possible deficit.

Financial contribution to the swimming pool towards general operations and capital fund.

**2020 - 2022 Operating Plan:**

Increase of Economic Development Budget of \$20,000 in 2020 in the event there is either more funds required for a Town or Regional Economic Development personnel or initiative.

Increase to contributions for the swimming pool of \$10,000 per year in 2020 and 2021; maintaining \$30,000 annual contribution to the swimming pool starting 2022.

**MUNICIPAL PLANNING, ZONING, AND DEVELOPMENT  
SUBDIVISION, LANDS, AND DEVELOPMENTS**

2019 Net Budget	-1,000
2018 Net Budget	-1,000
Budget Change	0
% Change	0
2019	
2018	

**Services & Programs Provided**

The Chief Administrative Officer is also the Development Officer for the Town of Two Hills.

Over the last few years the development activity has decreased with exception to the rebuilding of the recreational facility, a new doctors office, a new Mennonite School, the rebuilding of an office for an industrial business, and a fuel card-lock facility.

**2018 Key Accomplishments**

- The subdivision authority for the Town of Two Hills is Municipal Planning Services who is also experience a decline in subdivision applications.
- 

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
		The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

**MUNICIPAL PLANNING, ZONING, AND DEVELOPMENT  
SUBDIVISION, LANDS, AND DEVELOPMENTS**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
General Goods and Services	1,000	1,000	1,000	0
Sale of land or cost recovery of land	0	0	0	0
<b>Total Revenue</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>
<b>Operating Expenses</b>				
General Goods & Services	0	0	0	0
<b>Total Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Operating Cash Cost</b>	<b>-1,000</b>	<b>-1,000</b>	<b>-1,000</b>	<b>0</b>
Amortization Expense	0	0	0	0
<b>Net Operating Cost</b>	<b>-1,000</b>	<b>-1,000</b>	<b>-1,000</b>	<b>0</b>

**2019 Budget Highlights:**

**2020 - 2022 Operating Plan:**

There are no anticipated operational changes.



**RECREATION, PARKS, FACILITIES AND PROGRAMS**

2019 Net Budget	282,260
2018 Net Budget	287,345
Budget Change	-5,085
% Change	-2
2019	
2018	

**Services & Programs Provided**

The Town of Two Hills engaged the Sports Activity Council (SAC) to operate and maintain all of the facilities within and including Geleta Park.

The Public Works department is responsible for maintenance of all other parks, except the school parks. There are currently 5 parks that Public Works now maintains: grass cutting, weed control, rotovating sand, and inspecting playground equipment.

The Town still funds the insurance, and HVAC services for all the facilities (arena, recreation facility, hall, and Geleta Park). The Town also continues to pay for the utilities at the hall; the utilities of the arena and recreational facility are covered by SAC and the Agricultural Society.

The Town of Two Hills is supporting the Grow Arena Group's initiative to conduct an upgrade to the arena. Costs to the Town is estimated to be \$250,000 being funded by a debenture and recovered through special levies. Currently the recreation special levy is used to pay the annual debenture fees for the Town's portion of the construction of the recreational facility.

**2018 Key Accomplishments**

- Sports Activity Council has taken over operations and maintenance of the Centennial Hall and Geleta Park.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
		The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

The operation and maintenance of all facilities within and including Geleta Park streamlines where people go to book facilities. This initiative was also intended to improve the overall finances of SAC so they could afford to hire someone throughout the year for consistency and reliability.

## RECREATION, PARKS, FACILITIES, AND PROGRAMS

SUMMARY BUDGET	2018 PROJECTED ANNUAL (\$)	2018 BUDGET	2019 BUDGET (\$)	BUDGET INCREASE [DECREASE](\$)
<b>Operating Revenues</b>				
Special Levy - Recreation	23,204	23,204	46,705	23,501
Rentals	3,000	3,000	0	-3,000
Grants (County)	12,000	12,000	12,000	0
Other Revenue	5,000	5,000	0	-5,000
<b>Total Revenue</b>	<b>43,204</b>	<b>43,204</b>	<b>58,705</b>	<b>15,501</b>
<b>Operating Expenses</b>				
Parks - Goods, Services, Supplies, Maint.	5,900	5,900	6,030	130
Parks - Insurance	3,529	3,529	3,607	78
Parks - Utilities	3,500	3,500	3,577	77
Parks - Transfer to capital	0	0	0	0
Hall - Goods, Services, Supplies, Maint.	36,900	36,900	31,560	-5,340
Hall - Insurance	6,096	6,096	6,230	134
Hall - Utilities	22,500	22,500	23,395	895
Arena - Goods, Services, Supplies, Maint.	12,250	12,250	12,520	270
Arena - Insurance	24,555	24,555	25,095	540
Arena - Debt Repayment	0	0	13,501	13,501
Rec. Centre - Goods, Services, Supplies, Maint.	3,700	3,700	3,381	-319
Rec. Centre - Insurance	27,857	27,857	28,470	613
Rec. Centre - Debenture Repayment	23,204	23,204	23,041	-163
<b>Total Expenses</b>	<b>169,991</b>	<b>169,991</b>	<b>180,407</b>	<b>10,416</b>
<b>Net Operating Cash Cost</b>	<b>126,787</b>	<b>126,787</b>	<b>121,702</b>	<b>-5,085</b>
Amortization Expense - Parks	25,000	25,000	25,000	0
Amortization Expense - Hall	8,000	8,000	8,000	0
Amortization Expense - Arena	22,558	22,558	22,558	0
Amortization Expense - Rec. Centre	105,000	105,000	105,000	0
<b>Net Operating Cost</b>	<b>287,345</b>	<b>287,345</b>	<b>282,260</b>	<b>-5,085</b>

### 2019 Budget Highlights:

The Sports Activity Council, as per agreement, will receive any revenue from rentals of the hall and Geleta Park. Town continues to cover expenses for utilities and insurance for the hall.

Arena - Debt Repayment - \$250,000 debenture repayment.

### 2020 - 2022 Operating Plan:

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no major operational changes except funding \$5,000 to park upgrades starting in 2020.

Anticipate decrease to County Recreational Funding from \$12,000 to \$8,000 starting 2020.

**CULTURE: LIBRARY, MUSEUM**

2019 Net Budget	39,065
2018 Net Budget	38,651
Budget Change	414
% Change	1
2019 Operated by library board	
2018 Operated by library board	

**Services & Programs Provided**

The Two Hills (Alice Melnyk) Public Library is maintained and operated by the Two Hills Library Board. The Town contributes to the library through two streams: the library board directly and to the Northern Lights Library System (NLLS).

**2018 Key Accomplishments**

- The Town also contributes to the operation of the library by offering a building for the library.
- These are the current services provided by the library:  
  - Internet and computer access
  - Fax, copying, email, printing, laminating,
  - Exam proctoring
  - Storytime, Book Club, Hutterite Colony visits, Summer Programming, Books and Resources, and a location for community building.

**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
Increase awareness of library services and programs and offer diverse programs.	Plan of Service document 2018 - 2023	The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.
Seek community partnerships.	Plan of Service document 2018 - 2023	
Continue upgrading library building (which is owned by the Town).	Plan of Service document 2018 - 2023	

**Innovations & Efficiencies**

**CULTURE: LIBRARY, MUSEUM**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
				0
				0
				0
<b>Total Revenue</b>	0	0	0	0
<b>Operating Expenses</b>				
Repairs, Goods and Supplies	3,000	3,000	3,066	66
Insurance	6,085	6,085	6,218	134
Utilities	4,500	4,500	4,599	99
Contribution to Northern Lights	7,316	7,316	7,431	115
Grant to Library	17,248	17,248	17,248	0
<b>Total Expenses</b>	<b>38,149</b>	<b>38,149</b>	<b>38,563</b>	<b>414</b>
<b>Net Operating Cash Cost</b>	<b>38,149</b>	<b>38,149</b>	<b>38,563</b>	<b>414</b>
Amortization Expense	502	502	502	0
<b>Net Operating Cost</b>	<b>38,651</b>	<b>38,651</b>	<b>39,065</b>	<b>414</b>

**2019 Budget Highlights:****2020 - 2022 Operating Plan:**

Besides the rate of inflation (2020 - 2.44%, 2021 - 2.49%, 2022 - 2.47%) there are no operational changes.

**GENERAL AND ADMINISTRATIVE (REQUISITIONS)**

**RESERVES**

2019 Net Budget	-1,329,447
2018 Net Budget	-1,214,390
Budget Change	-115,057
% Change	9
2019	
2018	

**Services & Programs Provided**

**2018 Key Accomplishments**

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**2019 Priority Departmental Initiatives**

Goal	Rationale	Strategic Plan Link
		The Town does not currently have a Strategic Plan. Council's goal is to establish a strategic plan in 2019.

**Innovations & Efficiencies**

**GENERAL AND ADMINISTRATIVE (REQUISITIONS)****RESERVES**

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Municipal Taxes (excl. special)	1,340,329	1,340,329	1,408,137	67,808
Penalties on taxes	40,000	40,000	40,000	0
Government Transfers	218,803	218,803	208,803	-10,000
				0
<b>Total Revenue</b>	<b>1,599,132</b>	<b>1,599,132</b>	<b>1,656,940</b>	<b>57,808</b>
<b>Operating Expenses</b>				
School Requisition	237,584	237,584	242,811	5,227
Lodge Requisition	49,361	49,361	50,447	1,086
Operating Reserves	79,783	62,533	0	-62,533
Transfer to Infr. Sust. Fee Reserve	7,032	7,032	24,236	17,204
Transfer to Garbage Reserve	28,232	28,232	10,000	-18,232
<b>Total Expenses</b>	<b>401,992</b>	<b>384,742</b>	<b>327,493</b>	<b>-57,249</b>
<b>Net Operating Cash Cost</b>	<b>-1,197,140</b>	<b>-1,214,390</b>	<b>-1,329,447</b>	<b>-115,057</b>
Amortization	0	0	0	0
<b>Net Operating Cost</b>	<b>-1,197,140</b>	<b>-1,214,390</b>	<b>-1,329,447</b>	<b>-115,057</b>

**2019 Budget Highlights:**

Taxes collected support requisitions and all other departments.

Increase in minimum tax from \$600 to \$800.

Any increases to School Foundation or the Seniors Lodge Foundation will be passed directly to property owners regardless of Town operational budget.

Reserves: Do not anticipate any reserves for general operations. Do not anticipate to keep reserves from Infrastructure Sustainability Fees as it will be used up annually for capital. Anticipate \$10,000 annually towards garbage reserves in order to purchase new bins in 5 years (2023).

**2020 - 2022 Operating Plan:**

Increase of general taxes based on inflation rates of 2.44% in 2020, 2.49% in 2021, and 2.47% in 2022.

Increase of minimum tax on property taxes from \$800 to \$900 in 2020 and \$900 to \$1,000 in 2021.

Less of dependency on Provincial Operating grants (MSI-Operating) of \$20,000 in 2020 and the remainder of an estimated \$129,453 in 2021.

Slight increase of franchise fees \$1,000 estimated per year however there is a possibility of not receiving any natural gas franchise fees if the Town purchases the natural gas distribution system; not yet determined in 2020 - 2022 operating plan.

Any increases to School Foundation or the Seniors Lodge Foundation will be passed directly to property owners regardless of Town operational budget.

Reserves: Do not anticipate any reserves for general operations. Do not anticipate to keep reserves from Infrastructure Sustainability Fees as it will be used up annually for capital. Anticipate \$10,000 annually towards garbage reserves in order to purchase new bins in 5 years (2023).

## SUMMARY

<b>SUMMARY BUDGET</b>	<b>2018 PROJECTED ANNUAL (\$)</b>	<b>2018 BUDGET</b>	<b>2019 BUDGET (\$)</b>	<b>BUDGET INCREASE [DECREASE](\$)</b>
<b>Operating Revenues</b>				
Total Revenue	2,959,275	2,959,275	3,143,905	184,630
<b>Operating Expenses</b>				
Total Expenses	2,959,275	2,959,275	3,143,905	184,630
<b>Net Operating Cash Cost</b>	0	0	0	0
Amortization Expense	551,996	551,996	551,996	0
<b>Net Operating Cost</b>	551,996	551,996	551,996	-0

### 2019 Budget Highlights and 2020 - 2022 Operating Plan:

Overall budget reflects 2.20% increase due to accepted rate of inflation.

Actual revenue and expenses from 2018 are not recorded until verified.

\$50,000 of County's annual contribution is in general operations as did last year; balance of \$100,000 goes to capital.

Subdivision and sale of lots (if purchasing large industrial area) is not included.

Natural Gas Distribution System not recorded in the operating budget as potential revenues and expenses are currently being analyzed.

Amortization needs to be updated across the budget.

Amortization not funded as a funded line item. Capital projects are done every year to keep updating infrastructure. Also, excess funds from Infrastructure Fees collected and debenture payments are either put into reserves or used towards upgrading infrastructure.