



TOWN OF  
**PEACE RIVER**  
ALBERTA

## TOWN OF PEACE RIVER Request for Decision

<b>To:</b>	Mayor & Council	<b>Date:</b>	Feb 13, 2023
<b>Presenter:</b>	Sam Mugford, CPA, CA - Director of Corporate Services	<b>Prepared By:</b>	S. Mugford
<b>Topic:</b>	Adoption of 2023 Utility Supported Operating Budget	<b>File No.:</b>	12/122
<b>Attachments:</b>	2023 Utility Operating Budget		

### Issue

In its meetings held on December 5<sup>th</sup> and February 6<sup>th</sup>, Council debated the 2023 Utility Operating Budget for the Town. The guiding principles in the preparation of these documents may be summarized as follows:

- Keep utility rates competitive;
- Mitigate negative future budget changes;
- Maintain existing service level standards;
- Include funding for the current year capital plan.

This year, Administration separated the Tax-supported operating budget from the Utility Budget. The utility budget includes water, wastewater, storm sewer, and solid waste. There are several benefits in presenting the budget in this manner, including the elimination of cross subsidization between funds, and being able to more clearly see whether funds are achieving their stated goal of self-liquidation.

Across the four funds, this budget includes an average of 5% increase to utility fees over prior year.

### Background

Council has reviewed and received input from administration and the public as to the contents of the 2023 Utility Operating Budget. Council's recommended changes have been captured in the current version.

The total revenue and expense included in the budget is \$7,504,070. Included in expenses is \$1,091,610 in contributions to capital to fund current and future year capital needs, and \$988,580 of repayment on long term debt. The budget does not include amortization expense or anticipated revenue for capital from third parties.

**Option 1:** Adopt the 2023 Utility Supported Operating Budget.

### Advantages

Allows the town to execute its operational plan for 2023.  
Complies with section 242 of the Municipal Government Act.

### Disadvantages

none

**Option 2:** Council may choose not to support the budget.

Advantages

None


Disadvantages

Without an approved operating budget, the Town will not be in compliance with the Municipal Government Act.

**Recommendation**

That the Council of the Town of Peace River adopt the 2023 Operating Utility Budget as presented.

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Submitted by: Sam Mugford, CPA, CA  
Director of Corporate Services

  
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Approved by: Barb Miller, CGA, CPA, CLGM  
Chief Administrative Officer

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Date Submitted: February 9, 2023

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Date Approved: February 10, 2023

# Budget Forecast by Sub-Department

Town of Peace River

	<b>2022</b>	<b>2023</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
<b>Revenues</b>			
350 - Storm Sewers	108,720	247,420	138,700
12730 - Service Charges	108,720	247,420	138,700
<b>Total 350 - Storm Sewers</b>	<b>108,720</b>	<b>247,420</b>	<b>138,700</b>
410 - Water - Administration	4,338,900	4,410,900	72,000
12005 - Sale Of Services	18,000	0	(18,000)
12720 - Sales - Metered Water	4,224,180	4,314,400	90,220
12722 - Sales - Bulk Water	74,220	65,000	(9,220)
12730 - Service Charges	0	9,000	9,000
13410 - Interest On Outstanding Receivables	22,500	22,500	0
<b>Total 410 - Water - Administration</b>	<b>4,338,900</b>	<b>4,410,900</b>	<b>72,000</b>
420 - Wastewater - Administration	1,291,320	2,180,470	889,150
12750 - Wastewater Charges	1,291,320	2,180,470	889,150
<b>Total 420 - Wastewater - Administration</b>	<b>1,291,320</b>	<b>2,180,470</b>	<b>889,150</b>
430 - Waste Mgmt - Administration	844,120	665,280	(178,840)
12190 - Recovered Costs	920	61,280	60,360
12800 - Waste Management Charges	842,800	603,650	(239,150)
12805 - Garbage Tags	400	350	(50)
<b>Total 430 - Waste Mgmt - Administration</b>	<b>844,120</b>	<b>665,280</b>	<b>(178,840)</b>
<b>Total Revenues</b>	<b>6,583,060</b>	<b>7,504,070</b>	<b>1,884,950</b>
<b>Expenses</b>			
350 - Storm Sewers	383,580	247,420	(136,160)
22200 - Contracted Services	145,500	130,500	(15,000)
23205 - R & M - Equipment	16,000	16,000	0
23240 - Materials & Supplies	111,500	71,500	(40,000)
23280 - Software	0	1,030	1,030
23460 - Contracted Equipment	3,000	3,000	0
23990 - Miscellaneous Expenses	0	5,000	5,000
28305 - Contribution to Capital Reserve	107,580	20,390	(87,190)
<b>Total 350 - Storm Sewers</b>	<b>383,580</b>	<b>247,420</b>	<b>(136,160)</b>
410 - Water - Administration	1,530,160	1,997,010	466,850
21010 - Salaries	556,890	643,480	86,590
21020 - Overtime	37,920	42,490	4,570
21025 - Shift Differential	100	700	600
21030 - Weekend Premium	6,900	7,110	210
21035 - Standby / Oncall	32,410	30,170	(2,240)
21300 - CPP / EI	35,500	35,300	(200)
21305 - AMSC Benefits	23,200	26,840	3,640
21306 - APEX Pension	550	470	(80)
21307 - EAP Benefits	0	350	350
21310 - LAPP Expense	61,350	60,770	(580)
21315 - Workers Compensation	17,190	8,870	(8,320)

# Budget Forecast by Sub-Department

Town of Peace River

21400 - Health Care Spending Account	10,560	7,080	(3,480)
22070 - Consultant Fees	0	7,500	7,500
22200 - Contracted Services	6,150	0	(6,150)
23025 - Travel (Mileage)	4,800	2,800	(2,000)
23040 - Training & Development	9,400	9,000	(400)
23055 - Memberships & Publications	1,450	1,200	(250)
23100 - Communications	7,220	31,640	24,420
23105 - Postage	15,600	13,000	(2,600)
23115 - Advertising	1,500	1,500	0
23240 - Materials & Supplies	1,000	1,200	200
23255 - Office Supplies	7,410	8,000	590
23275 - Hardware	1,500	1,200	(300)
23280 - Software	9,580	10,880	1,300
23300 - Vehicle Costs	0	12,270	12,270
23400 - Insurance	4,180	4,310	130
23990 - Miscellaneous Expenses	0	35,000	35,000
28105 - Bank Charges	0	960	960
28305 - Contribution to Capital Reserve	355,440	992,920	637,480
29050 - Interest on S.T. Debt	70	0	(70)
29060 - Interest on L.T. Debt	133,910	0	(133,910)
29130 - Principal on L.T. Debt	188,380	0	(188,380)
<b>Total 410 - Water - Administration</b>	<b>1,530,160</b>	<b>1,997,010</b>	<b>466,850</b>
<b>411 - Water Treatment Plant</b>	<b>956,740</b>	<b>1,171,940</b>	<b>215,200</b>
22070 - Consultant Fees	26,490	19,000	(7,490)
22200 - Contracted Services	45,000	56,700	11,700
23100 - Communications	6,350	6,540	190
23115 - Advertising	200	250	50
23200 - R & M - Building	41,500	62,000	20,500
23205 - R & M - Equipment	164,750	218,150	53,400
23220 - Janitorial	6,500	7,500	1,000
23240 - Materials & Supplies	13,100	12,000	(1,100)
23260 - Facility Supplies	6,000	6,000	0
23280 - Software	0	1,030	1,030
23400 - Insurance	47,960	52,140	4,180
23410 - Testing	18,000	32,000	14,000
23430 - Waste Disposal	2,160	2,400	240
23440 - Chemicals	265,500	362,450	96,950
23460 - Contracted Equipment	1,200	1,200	0
24100 - Utilities - Gas	48,810	54,350	5,540
24105 - Utilities - Power	263,050	277,230	14,180
24110 - Utilities - Water	170	1,000	830
<b>Total 411 - Water Treatment Plant</b>	<b>956,740</b>	<b>1,171,940</b>	<b>215,200</b>
<b>412 - Water Trans. &amp; Dist.</b>	<b>837,960</b>	<b>768,080</b>	<b>(69,880)</b>
22200 - Contracted Services	136,200	126,200	(10,000)

# Budget Forecast by Sub-Department

Town of Peace River

23100 - Communications	3,400	3,500	100
23200 - R & M - Building	2,400	4,400	2,000
23205 - R & M - Equipment	2,000	2,000	0
23240 - Materials & Supplies	323,000	148,500	(174,500)
23280 - Software	0	1,030	1,030
23300 - Vehicle Costs	25,320	25,550	230
23400 - Insurance	9,940	10,800	860
23410 - Testing	6,000	6,000	0
23450 - Meters	37,700	6,500	(31,200)
23460 - Contracted Equipment	10,000	10,000	0
23480 - Lease Costs	0	24,210	24,210
29060 - Interest on L.T. Debt	0	72,690	72,690
29130 - Principal on L.T. Debt	282,000	326,700	44,700
<b>Total 412 - Water Trans. &amp; Dist.</b>	<b>837,960</b>	<b>768,080</b>	<b>(69,880)</b>
<b>413 - Water Reservoirs</b>	<b>338,110</b>	<b>473,870</b>	<b>135,760</b>
22200 - Contracted Services	37,000	40,000	3,000
23100 - Communications	6,120	6,320	200
23200 - R & M - Building	14,800	15,800	1,000
23205 - R & M - Equipment	30,000	30,000	0
23240 - Materials & Supplies	1,200	1,200	0
23260 - Facility Supplies	600	1,000	400
23280 - Software	0	1,030	1,030
23400 - Insurance	27,890	30,330	2,440
24100 - Utilities - Gas	9,220	10,270	1,050
24105 - Utilities - Power	137,810	145,210	7,400
29060 - Interest on L.T. Debt	1,060	93,690	92,630
29130 - Principal on L.T. Debt	72,410	99,020	26,610
<b>Total 413 - Water Reservoirs</b>	<b>338,110</b>	<b>473,870</b>	<b>135,760</b>
<b>420 - Wastewater - Administration</b>	<b>1,380,080</b>	<b>628,850</b>	<b>(751,230)</b>
21010 - Salaries	336,690	330,610	(6,080)
21020 - Overtime	22,730	32,050	9,320
21025 - Shift Differential	80	260	180
21030 - Weekend Premium	3,330	2,700	(630)
21035 - Standby / Oncall	17,390	13,070	(4,320)
21300 - CPP / EI	21,870	18,890	(2,980)
21305 - AMSC Benefits	14,480	13,830	(650)
21306 - APEX Pension	580	470	(110)
21307 - EAP Benefits	0	170	170
21310 - LAPP Expense	36,970	30,950	(6,020)
21315 - Workers Compensation	10,280	4,580	(5,700)
21400 - Health Care Spending Account	0	3,720	3,720
23040 - Training & Development	17,200	11,000	(6,200)
23055 - Memberships & Publications	800	850	50
23100 - Communications	4,850	4,850	0

# Budget Forecast by Sub-Department

Town of Peace River

23105 - Postage	13,200	13,000	(200)
23115 - Advertising	500	500	0
23240 - Materials & Supplies	300	300	0
23255 - Office Supplies	100	100	0
23275 - Hardware	1,500	500	(1,000)
23280 - Software	6,760	7,990	1,230
23300 - Vehicle Costs	0	12,270	12,270
23400 - Insurance	12,570	12,890	320
23990 - Miscellaneous Expenses	0	35,000	35,000
28305 - Contribution to Capital Reserve	451,200	78,300	(372,900)
29060 - Interest on L.T. Debt	85,890	0	(85,890)
29130 - Principal on L.T. Debt	320,810	0	(320,810)
<b>Total 420 - Wastewater - Administration</b>	<b>1,380,080</b>	<b>628,850</b>	<b>(751,230)</b>
<b>421 - Wastewater Treatment Plant</b>	<b>337,420</b>	<b>454,850</b>	<b>117,430</b>
22200 - Contracted Services	5,200	5,200	0
23100 - Communications	10,160	10,330	170
23200 - R & M - Building	38,300	28,300	(10,000)
23205 - R & M - Equipment	56,000	57,800	1,800
23220 - Janitorial	6,500	7,800	1,300
23240 - Materials & Supplies	12,000	17,000	5,000
23260 - Facility Supplies	6,000	6,000	0
23280 - Software	0	1,030	1,030
23400 - Insurance	36,950	40,140	3,190
23430 - Waste Disposal	7,500	7,500	0
23440 - Chemicals	27,000	25,000	(2,000)
23460 - Contracted Equipment	0	3,000	3,000
24100 - Utilities - Gas	14,510	16,160	1,650
24105 - Utilities - Power	91,030	125,920	34,890
24110 - Utilities - Water	26,270	18,800	(7,470)
29060 - Interest on L.T. Debt	0	52,740	52,740
29130 - Principal on L.T. Debt	0	32,130	32,130
<b>Total 421 - Wastewater Treatment Plant</b>	<b>337,420</b>	<b>454,850</b>	<b>117,430</b>
<b>422 - Wastewater Collection</b>	<b>319,180</b>	<b>875,080</b>	<b>555,900</b>
22200 - Contracted Services	68,000	113,000	45,000
23205 - R & M - Equipment	3,500	3,500	0
23240 - Materials & Supplies	69,000	69,000	0
23280 - Software	0	1,030	1,030
23300 - Vehicle Costs	0	24,550	24,550
23400 - Insurance	1,680	1,760	80
23460 - Contracted Equipment	20,000	5,000	(15,000)
23480 - Lease Costs	0	24,200	24,200
29060 - Interest on L.T. Debt	0	118,230	118,230
29130 - Principal on L.T. Debt	157,000	514,810	357,810
<b>Total 422 - Wastewater Collection</b>	<b>319,180</b>	<b>875,080</b>	<b>555,900</b>

# Budget Forecast by Sub-Department

Town of Peace River

423 - Lift Stations	203,690	221,690	18,000
22200 - Contracted Services	17,000	17,000	0
23100 - Communications	4,290	20,840	16,550
23200 - R & M - Building	33,300	21,000	(12,300)
23205 - R & M - Equipment	71,500	57,500	(14,000)
23240 - Materials & Supplies	1,800	1,800	0
23260 - Facility Supplies	1,200	1,200	0
23280 - Software	0	1,030	1,030
23400 - Insurance	5,440	10,000	4,560
23460 - Contracted Equipment	2,000	2,000	0
24100 - Utilities - Gas	8,600	9,580	980
24105 - Utilities - Power	58,440	61,580	3,140
24110 - Utilities - Water	120	400	280
29060 - Interest on L.T. Debt	0	1,840	1,840
29130 - Principal on L.T. Debt	0	15,920	15,920
<b>Total 423 - Lift Stations</b>	<b>203,690</b>	<b>221,690</b>	<b>18,000</b>
430 - Waste Mgmt - Administration	802,920	665,280	(137,640)
22200 - Contracted Services	326,320	358,310	31,990
23115 - Advertising	1,600	1,500	(100)
23430 - Waste Disposal	469,000	180,780	(288,220)
23600 - Program Costs	6,000	35,000	29,000
23990 - Miscellaneous Expenses	0	5,000	5,000
28300 - Contribution to Operating Reserve	0	84,690	84,690
<b>Total 430 - Waste Mgmt - Administration</b>	<b>802,920</b>	<b>665,280</b>	<b>(137,640)</b>
<b>Total Expenses</b>	<b>7,089,840</b>	<b>7,504,070</b>	<b>1,883,990</b>
<b>Net Total</b>	<b>(506,780)</b>	<b>0</b>	<b>506,780</b>

# Budget Forecast by Sub-Department

Town of Peace River