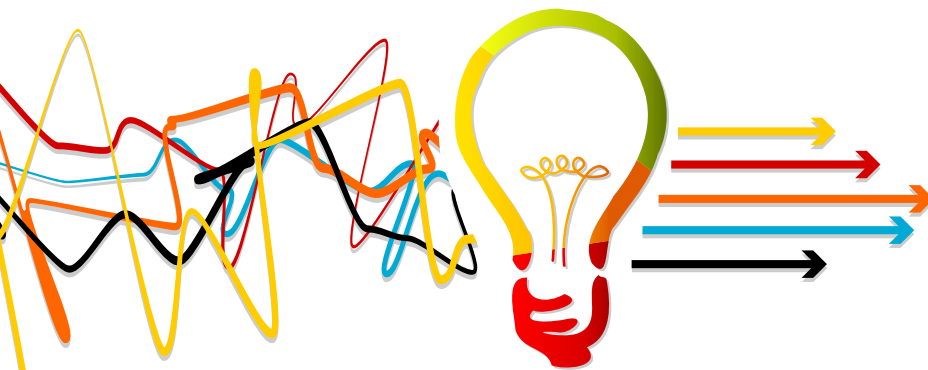


The Road Ahead

A look inside the City's 2020–2022 Corporate Plan and Reframe 2020

Spruce Grove City Council has approved the 2020–2022 Corporate Plan, which is a reflection of where the City is today including reduced growth rates, a rise in debt servicing costs and reductions in provincial funding.

This plan is the City's guiding document for governance, community development and service delivery. It also sets the municipal tax increase and any changes to utility, solid waste or franchise fees. The goal of the plan is to maintain the City's existing service levels, while also meeting the needs of a growing community, at an affordable rate and sustainable pace.





Where we are today

97%
of residents
would recommend
Spruce Grove as a
great place to live.

Residents enjoy a high quality of life in Spruce Grove with excellent service levels and access to a wide range of community programs, amenities and events. According to the City's most recent Resident Satisfaction Survey, 97 per cent of residents would recommend Spruce Grove as a great place to live.

This success hasn't happened by accident. City Council, with the support and advice of Administration, has made very deliberate decisions and planned strategically to make Spruce Grove a place where people want to live, experience community and grow their business.

Today the City of Spruce Grove is in a time of transition as it makes the shift to operating as a mid-sized city, and with this shift comes a variety of opportunities and challenges that need to be addressed in the coming years.

Growth rates and debt servicing costs

In recent years, the City has been in the fortunate position of having a significant amount of growth, and has made investments and decisions based on those growth rates.

This includes investing in new capital projects and services, such as:

- the new Protective Services building;
- a new Parkland RCMP detachment through a partnership with the Town of Stony Plain;
- improved underground infrastructure; and
- local transit, along with a variety of service enhancements to our community.

However, growth rates have now slowed down and the City's debt servicing costs, combined with inflation and launching a local transit service, have had a significant impact on the City's financial position. In 2020, 8.68 per cent of the tax base will be supporting debt service.

Provincial budget impacts

The recent provincial budget has resulted in a \$831,153 reduction in funding to the City through reduced or eliminated grants, including Municipal Sustainability Initiative funding, and changes in provincial fine revenue collection.

Department savings

To prepare for this year's municipal budget, City departments reviewed both their 2019 budget forecast and their 2020 status quo budgets to determine where cost saving adjustments could be made, and as a result identified a combined \$3.9 million in adjustments. This was accomplished by deferring or removing various initiatives, including not hiring any new full-time municipally funded staff next year, and identifying only what was critical to continue in 2020.



Looking to the future

Reframe 2020 – Building a Great City



As a result, City Council and Administration have decided that 2020 will be a reframing year for the organization.

What does this mean?

This reframing year will be an opportunity for Administration to work closely with City Council to review and confirm Council's strategic direction for the organization.

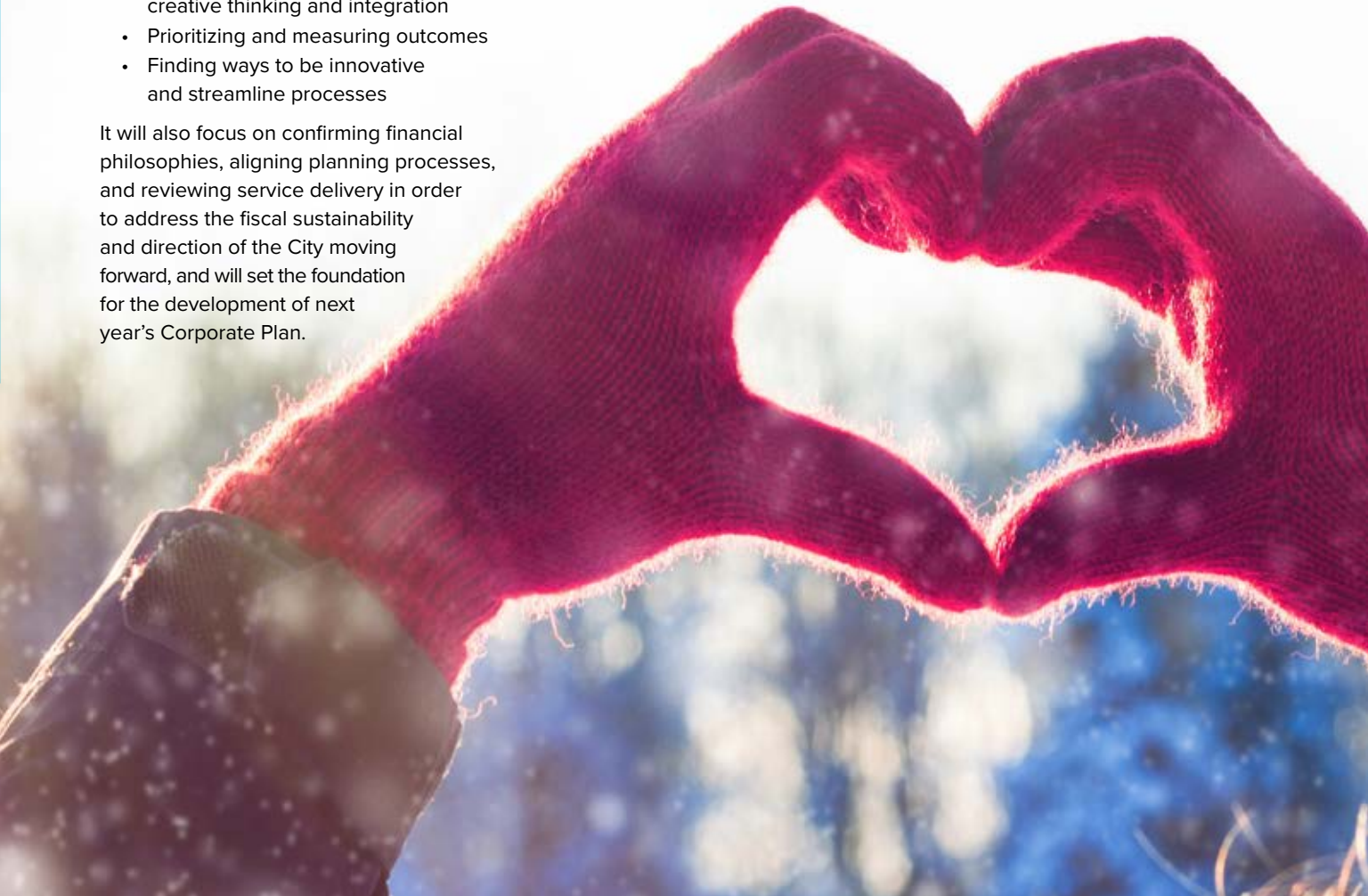
This process will be about:

- Identifying where the City wants to go and how to get there
- Achieving alignment through innovation, creative thinking and integration
- Prioritizing and measuring outcomes
- Finding ways to be innovative and streamline processes

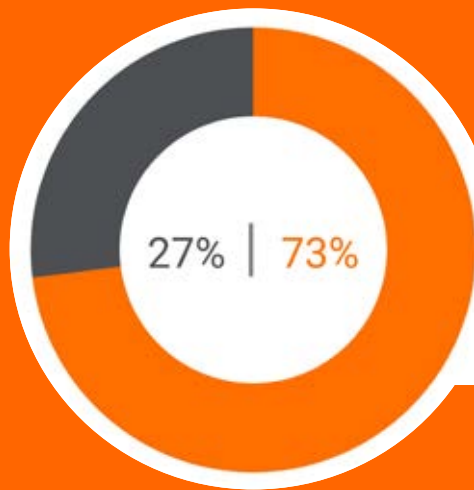
It will also focus on confirming financial philosophies, aligning planning processes, and reviewing service delivery in order to address the fiscal sustainability and direction of the City moving forward, and will set the foundation for the development of next year's Corporate Plan.

How will this affect 2020?

The 2020-2022 Corporate Plan was built with this change in strategy and direction in mind and, therefore, it represents only what Administration believes is critical to proceed in 2020. It is a "hold the line" budget.



The 2020 budget in brief



Operating budget = \$86.5 million

This pays for providing day-to-day services to residents

Capital budget = \$32.2 million

This pays for long-term investments, like infrastructure and facilities

Revenue sources for 2020

The City of Spruce Grove's revenue comes from a variety of sources:

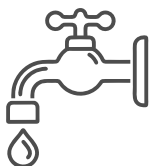
- **35.7% – Property taxes:** Paid by Spruce Grove property owners to help cover the costs of the services they use within the City. Residents pay approximately 76 per cent of total property taxes, while businesses pay the remaining 24 per cent.
- **36.2% – User fees:** The cost of utilities, fines and permits and facility rentals.
- **15.1% – Capital grants:** Funds the City receives from the provincial and federal governments, as well as neighbouring municipalities.
- **2.7% – Operating grants:** Funds the City receives from the provincial and federal governments, as well as neighbouring municipalities.
- **3.1% – Developer contributions:** Funds developers pay directly to the City that are used for new growth for roads, water and sewer, as well as regional parks and recreation facilities.
- **5.5% – Contributed capital assets:** Items such as roads and sewers, which are put in by developers and then transferred to the City to own and manage.
- **1.6% – Other**

The City also collects levies on behalf of the provincial government for education and on behalf of the Meridian Foundation for local seniors housing. The City does not use this funding and passes it on directly to both the Province of Alberta and the Meridian Foundation. The City also does not set or control the amount of these levies.



Property taxes – 3.9% increase = \$7.37/month

City Council has approved a 3.9 per cent municipal tax increase for 2020. The actual mill rate will be set in May 2020 and property tax notices will be sent out at the end of May. This will have a monthly impact of \$7.37 for a household with a median assessed value of \$364,500.



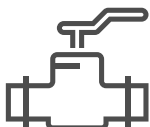
Utility rate (water and sewer) – 2.0% increase = \$1.67/month

There will be a 2.0 per cent increase in the utility rate next year, which will translate into a monthly cost of \$1.67 for households with monthly consumption of 14 cubic metres of water.



Solid waste collection

There is no increase to the solid waste collection rate for 2020.



Franchise fees (natural gas) – 5.0% increase = \$2.27/month

Franchise fees for natural gas will be increasing by 5.0 per cent for 2020, or \$2.27 per month. There will be no increase to electric franchise fees.

The City charges franchise fees to utility providers for the exclusive right to provide service and access lands within Spruce Grove. These fees compensate the City for direct costs, restrictions on planning and development due to utility rights of way, as well as inherent risks related to utility access. The utility provider then charges these costs to their customers, which typically appear on a utility bill as a “local access fee” or “municipal franchise fee”. Franchise fees are also an equitable way to distribute these costs to all utility users, including buildings or organizations, such as schools and churches, that don’t pay property taxes.



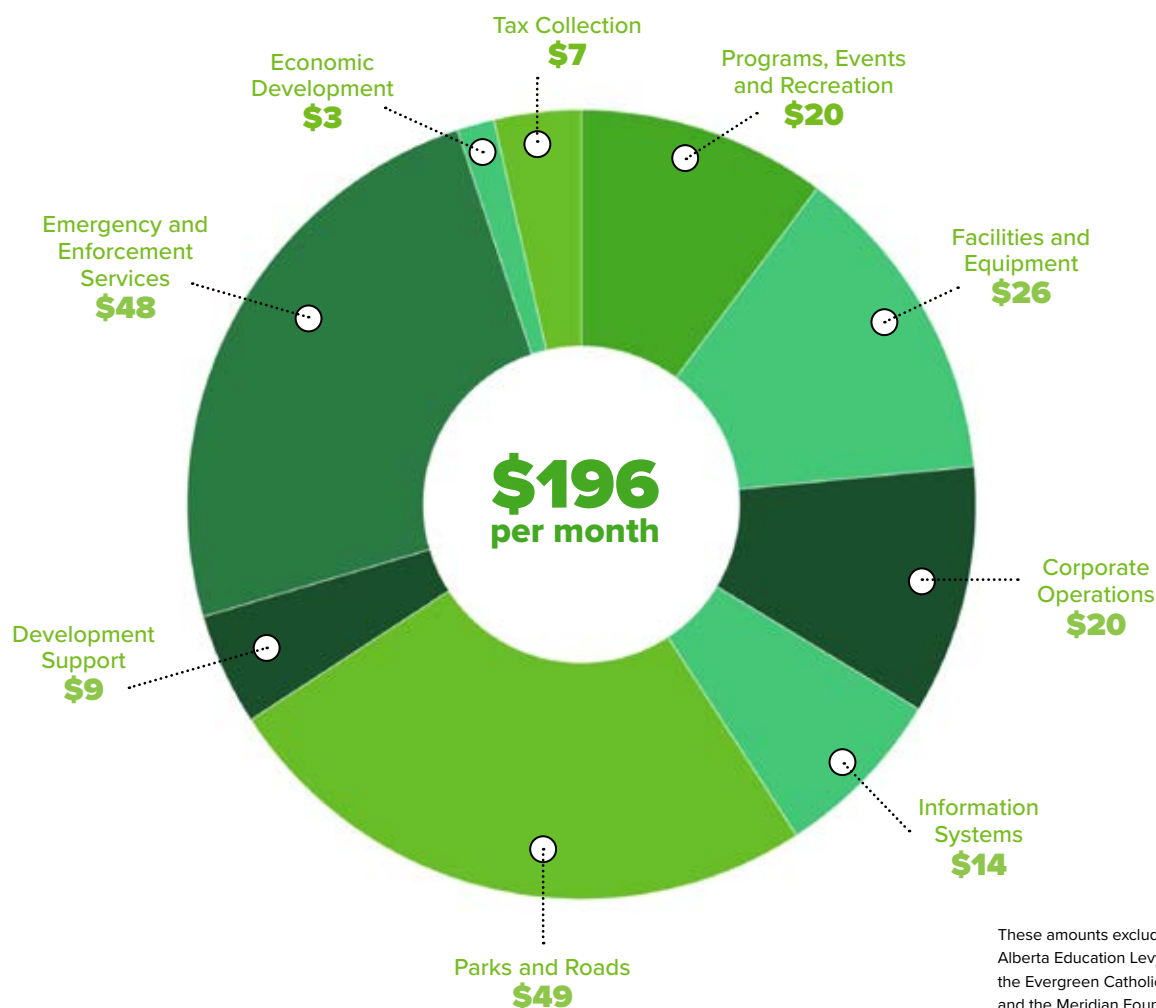
NEW – Storm utility rate

Council approved a proposal to implement a new storm utility rate by April 2020. This utility will specifically fund stormwater related infrastructure and maintenance. The implementation plan for the storm utility rate will be brought forward to Council early in the new year. Detailed discussion will take place in 2020 that will include a bylaw, public hearing and proposed rate schedule.

Services for residents

2020 budgeted distribution of your tax dollars

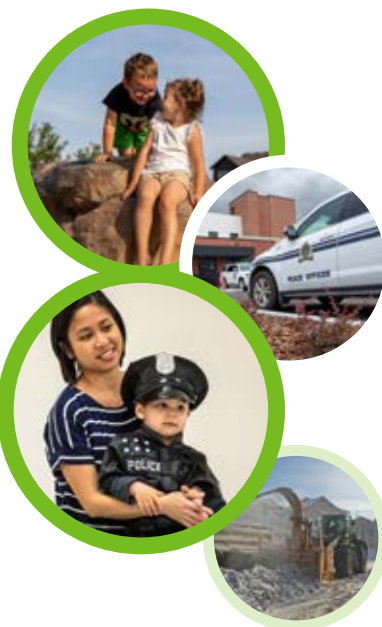
Homeowners with a house that has a median assessed value of \$364,500 can expect a \$2,357 property tax bill annually, which is equivalent to approximately \$196 a month and includes a \$7.47 increase for 2020. The distribution of these tax dollars to various service categories is illustrated below.





The City's revenue sources, including property taxes, are used to provide a variety of programs and services to Spruce Grove residents and businesses. This includes:

- **Administrative support**
- **Community programs and events**
- **Economic development**
- **Family and Community Support Services**
- **Planning and engineering services**
- **Protective Services**
(Fire Services and Enforcement Services) and RCMP
- **Recreation and parks/playgrounds**
- **Road maintenance, including street sweeping and snow removal**
- **Social development**
- **Supporting community organizations**
(ex: Spruce Grove Public Library and the Allied Arts Council)
- **Sustainability**
- **Transit services**
- **Utilities**



How is the budget spent?

The City's 2020 budget includes \$102.1 million in expenses.



\$20.7 million –
Utilities



\$20 million –
Emergency and
enforcement services



\$19.4 million –
Parks and roads



\$10.4 million –
Facilities and
equipment



\$10.3 million –
Programs, events
and recreation



\$8.5 million –
Corporate
operations



\$5.1 million –
Information
Systems



\$3.7 million –
Development
support



\$2.7 million –
Tax collection



\$1.3 million –
Economic
development