



# 2024 BUDGET REPORT

## Budget Impact

- As required by the Cities Act, the City of Martensville Council is required to approve an operating and capital budget for each financial year. It is also required that the estimated revenues and transfers must be at least sufficient to pay the estimated expenditures and transfers – in other words, a balanced budget must be approved by Council.
- The 2024 Budget presents several increases impactful to residents and businesses in our community. The increases included are predominantly to address and offset rising costs – both from contractual obligations and increasing costs of goods and services.
- To present a balanced budget, an increase in Property Tax Revenue of 4.9% is required. This will result in \$446,000 in additional revenue. We have also included an estimated increase in Property Tax Revenue from new growth in the community of \$145,000. The total new Property Tax Revenue included in the budget is \$591,000.
- The proposed use of the added Property Tax Revenue is as follows:

### ***Required For Maintaining Existing Services:***

| <b>Budget Item</b>   | <b>Increase</b>   | <b>% of Increase on Taxes</b> |
|--|-------------------|-------------------------------|
| C o M Employee Contract Increases                                  | 165,000           | 1.80%                         |
| Utilities Consumption & Rate Increases (Water, Natural Gas, Power) | 104,450           | 1.16%                         |
| Facilities Maintenance Increases                                   | 61,500            | 0.68%                         |
| RCMP Contract Increase   | 47,200            | 0.52%                         |
| IT Support Contract Increase                                       | 33,000            | 0.37%                         |
| <b>Total Increase</b>  | <b>\$ 411,150</b> | <b>4.57%</b>                  |

### ***Enhancing or Adding Services:***

| <b>Budget Item</b>    | <b>Increase</b>   | <b>% of Increase on Taxes</b> |
|-----------------------|-------------------|-------------------------------|
| New Staffing Requests | \$ 192,000        | 2.13%                         |
| <b>Total Increase</b> | <b>\$ 192,000</b> | <b>2.13%</b>                  |

- ✿ As outlined above, requests for new staffing are, in majority, able to be funded from new growth property tax dollars. \$47,000 is funded from the property tax increase. Further details on each position and the positive impact on current staffing, service maintenance and service enhancement are included later in the budget package.
- ✿ Additional rate increases in the 2024 Budget include an increase in the Garbage & Recycling Levy of \$15 per year, an increase in the monthly subscription costs for the Organics Pickup Program (green bin) of \$2.50 per month, and a 5.5% increase in Water Consumption Rates because of an increase in rates from SaskWater.
- ✿ The impact of the increases noted above on the average residential property is an estimated \$199.50 per year as follows:

| <b>Budget Item</b>                 | <b>Annual Increase</b> | <b>Monthly Increase</b> |
|------------------------------------|------------------------|-------------------------|
| Property Tax Increase *            | \$ 120.00              | \$ 10.00                |
| Garbage & Recycling Fee Increase   | 15.00                  | 1.25                    |
| Organics Subscription Fee Increase | 2.50                   | 0.21                    |
| Water Consumption Rate Increase**  | 59.00                  | 4.92                    |
| <b>Total Increase</b>              | <b>\$ 196.50</b>       | <b>\$ 16.38</b>         |

\*based on average taxable assessment value of \$300,000 (total assessment value of \$375,000)

\*\*based on average water consumption of 19 cubic metres per month



# 2024 BUDGET REPORT

## Department-wide Operating Budget Highlights:

- ✿ All Salaries & Wages include a 4% increase in line with the new Collective Agreement.
- ✿ We have increased the percentage used for Benefits to 25% from 24% due to increasing premiums.
- ✿ Based on actual values in 2023, a comprehensive increase in utilities and maintenance expenses have been applied across the City facilities.

## General Government Highlights:

- ✿ We have included a Comprehensive Wage Review for the completion of an update of out-of-scope salary ranges and benefits including a comparison to market and other municipalities. This type of update has not been completed since approximately 2013.
- ✿ Increase in investment in IT Services and Infrastructure in 2024
  - Includes an increase in our contract services rates totaling \$33,000.
  - Includes an increase in the costs for replacement desktops and laptops, reflecting more staff having access to desktops as well as increasing prices.
  - Includes an increase in the costs for upgrading firewalls/security at all facilities with a firewall installed.

## Fire Department Highlights:

- ✿ Rates have been increased for Firefighters to \$26/hour (from \$25/hour) and for Captains to \$31/hour (from \$30/hour)

## RCMP Highlights:

- ✿ The RCMP contract includes a 3.5% increase. This amounts to \$47,200.
- ✿ We have budgeted for revenues for Criminal Records Checks in 2024, which were reintroduced in 2023.

## Transportation Services Highlights:

- ✿ We have included three new projects in TS for 2024:
  - The completion of engineering and design work for Centennial Drive North from 3<sup>rd</sup> Street North to Baycroft Drive.
  - The completion of engineering and design work for the 3<sup>rd</sup> Street North traffic calming project.
  - The completion of engineering and design work for the future paving and parking lots from the Parks Shop to the RCMP building inclusive.

## **Environmental Health Services (EHS) Highlights:**

- ✿ We have included an increase in the Garbage & Recycling Levy. In order to offset an increase in our contract pricing with Loraas, an increase of \$15/year (\$1.25 per month) has been added to revenues.
- ✿ We have also added an increase in the Organics subscription program to \$12.50 per month from \$10.00. We have not increased these rates since the inception of the program and Loraas rates have increased here as well.

## **Recreation & Community Services Highlights:**

- ✿ Special Projects for 2024 include the Council approved Art Symposium presented by the Prairie Sculptors Association in July this year. It will be funded partially by funds not used in 2023 for an outdoor art installation. Additionally, grant opportunities are being explored.


## **Water & Sewer Highlights:**

- ✿ The City has received notice of an increase in water rates from SaskWater of 5.5% in 2024. As a result, we have included an increase in City water rates of the same amount.



## **Capital Budget Highlights:**

- ✿ The total capital budget for 2024 is \$27,605,400, with \$1,549,000 funded from general operating revenue. Last year's capital funded from general operating revenue was \$1,281,000.
- ✿ The Martensville Recreation Centre construction project includes the remainder of the facility build, servicing, parking lot, landscaping, and contingency. It is funded by the remainder of the ICIP grant, the 2024 Rec Levy, and long-term borrowing in the spring.
  - Note – at this time it is projected that the long-term borrowing will be approximately \$17.5 million.
  - Also, to consider is the future debt payment for the new loan – the annual payment over a 30-year term is approximately \$1.119 million. Administration proposes the debt payment comes from the Rec Levy (\$584,000) plus 'new' funds available from debt expiring in 2024 (\$585,000)
  - The first loan payment will be in 2025.
  - With regards to first year operating costs for the new facility, these are still under review. At this stage we have included the contract costs for the pre-opening services contract only.
- ✿ Other significant items of note in the capital budget include:
  - \$925,000 investment in the current rink. In 2023 there was a facility assessment completed at the Martensville Sports Centre. Through this assessment it was determined there are capital upgrades required for this facility. The upgrades included but not limited to replacement of the ice plant, upgrade the roofing system, redo the wall cladding, upgrade the

- eavestroughs, redo the curling header, replace the rink boards, replace the ice field, replace the brine lines just to name a few. It has been determined that these improvements will be phased in over the next three years.
- It is critical that the ice plant is replaced in 2024. This plant is original to the building, and it runs off an R22 system which is now discontinued. If we do not change out the plant, we will be forced to switch over to a new refrigerant which will come at a cost, and we will still be at risk of the plant breaking down. If the plant replacement is not planned, then we will be dealing with an emergency plant replacement (which could cost more) because this replacement is not a want but a need. It will be only a matter of time before it fails, we will then have no control over what programs will be affected. By planning the replacement, we can control when it is done, and we can control the impact it will have on the programs at the arena. A benefit to replacing the plant is that the new plant will be more efficient and will last for years.
- The second and third year of the upgrades are included in the 5 Year Capital Schedule.
- \$1.2 million dollars for the temporary Pedestrian Overpass. This project includes bridge work and pathway development and is based on an estimate from the Ministry of Highways. Administration is currently proposing that this is funded from CCBF (formerly Gas Tax) in 2024 and foregoing annual roadway rehabilitation. The remainder will be funded with long-term borrowing.
- \$200,000 for a new municipal sidewalk clearer. This has been an item that has been budgeted in the past at a significantly lower cost. With rising costs as well as increasing pathway networks, the addition of a pedestrian overpass and safety considerations, a larger unit for sidewalk and pathway snow removal will be more efficient. Carryover funding of \$65,500 is included in this capital investment to partially offset the cost.
- Fire Department Capital for 2024 includes the relocation of the training grounds for \$100,000, replacement of SCBA gear washer for \$55,000 and adding air conditioning in the offices at the Fire Hall for \$8,500.

 In the Water & Sewer Capital Budget, we have included a \$370,000 capital cost in a pump upgrade at SLS #3. This lift station has never functioned to its intended capacity, and an upgrade of the pumps will allow for additional outflow volume. This project was tendered back in 2021 however came over budget and was deferred.

## **2024 Budget Communication Strategy:**

-  Media release prepared for distribution after Council approval. This will be shared with media outlets and posted on the City's social media and website.
-  Proposed community engagement sessions ahead of setting tax policy to implement the property tax increase approved to gather feedback on increases.