

KANANASKIS IMPROVEMENT DISTRICT
2024 - 2026 Operating Budget
March 26, 2024

	2022	2023	31-Dec-23	2024		2025		2026	
	AFS	Budget	Unaudited	Budget	NOTE	Forecast	NOTE	Forecast	NOTE
Taxation									
Taxation									
Real Property	\$ 1,378,365	\$ 1,584,940	\$ 2,006,691	\$ 1,724,559	a1	\$ 1,908,008		\$ 1,922,543	
Power and pipeline		450,149		455,141	a4	474,610	a 2	478,459	a 3
Provincial grants		95,612	71,195	67,110	a5	72,107		72,902	
Federal grants		12,923	11,579	14,107	a6	14,101		14,142	
Penalties and costs	-	-	58,194	-	a7	-		-	
Total Taxation	\$ 1,378,365	\$ 2,143,624	\$ 2,147,659	\$ 2,260,917		\$ 2,468,826		\$ 2,488,046	
Requisitions									
Deduct, expended by transfers									
Alberta School Foundation Fund	(568,504)	(568,504)	(559,679)	(621,228)		(636,758)		(652,677)	
Seniors' Foundation Fund	(41,192)	(41,192)	(33,599)	(31,322)		(32,105)		(32,908)	
Designated Industrial Property	(5,939)	(5,939)	(5,796)	(5,662)		(6,278)		(6,435)	
Total Requisitions	(615,635)	(615,635)	(599,073)	(658,212)	b	(675,142)	b1	(692,020)	b2
Net Taxation Revenue	\$ 1,386,558	\$ 1,527,989	\$ 1,548,586	\$ 1,602,705	c	\$ 1,793,685	c1	\$ 1,796,026	c2
Utility Services									
Water	47,886	45,265	45,497	33,405	d	34,708	d1	35,576	d2
Sewer	51,009	52,799	59,121	40,419	e	41,430	e1	42,465	e2
Garbage and Recycling	414,699	361,200	385,020	437,580	f	461,350	f1	479,000	f2
Total Utility Services	\$ 513,594	\$ 459,264	\$ 489,639	\$ 511,405		\$ 537,488		\$ 557,041	
Sales of Services and Products									
Administration	140,223	176,135	201,580	214,925	g	228,293	g1	235,029	g2
Protective Services	102,000	145,600	723,098	146,000	h	149,650	h1	153,391	h2
Provincial Deployments			581,783						
Total Sales of Services and Products	\$ 242,223	\$ 321,735	\$ 924,678	\$ 360,925		\$ 377,943		\$ 388,420	
Operating Contributions									
Local Government Fiscal Framework Operating	65,000	36,628	36,628	36,628	i	36,628	i1	36,628	i2
Other		105,000	208,916	240,000	j	85,000	j1	85,000	j2
Total Operating Contributions	\$ 65,000	\$ 141,628	\$ 245,544	\$ 276,628		\$ 121,628		\$ 121,628	
Interest	10,000	40,082	140,746	130,000	k	50,870	k1	54,572	k2
TOTAL REVENUE	\$ 2,217,375	\$ 2,490,698	\$ 3,349,193	\$ 2,881,663	l	\$ 2,881,614	ll	\$ 2,917,687	ll2

EXPENSES, DIRECTLY INCURRED

	2022	2023	31-Dec-23	2024	NOTE	2025	2026
	AFS	Budget	Unaudited	Budget		forecast	forecast
Protective Services	1,133,720	1,133,533	1,404,595	1,234,100	m	1,267,453	1,296,576
Administrative Services	578,916	544,314	594,712	703,270	n	632,101	578,563
Municipal Infrastructure							
KESC	180,006	130,150	126,651	135,096	o	137,659	143,303
Transportation Services	110,029	105,009	74,525	105,169	p	113,796	118,462
Agriculture, Planning and Other Services	45,610	47,025	45,000	47,025	q	50,960	53,049
Utilities							
Water	57,188	68,962	54,899	36,085	r	36,988	37,912
Sewer		14,676		32,070	s	32,872	33,694
Garbage Collection and Disposal							
Garbage and Recycling	341,010	359,130	363,140	422,580	t	443,847	466,945
Bad Debts	15,386						
Loss on Disposal of Tangible Capital Assets							
Amortization of Tangible Capital Assets	180,495	160,826	150,848	166,268	u	165,939	189,184
TOTAL EXPENSE	\$ 2,642,360	\$ 2,563,625	\$ 2,814,370	\$ 2,881,663	v	\$ 2,881,614	\$ 2,917,687
NET OPERATING REVENUE (EXPENSE)	\$ (424,985)	\$ (72,926)	\$ 534,823	\$ -		\$ -	\$ -
Transfers from Operating Contingency	\$ 150,000	\$ 30,000	\$ 30,000	\$ -		\$ -	\$ -
NON-OPERATING CONTRIBUTIONS							
Non-Replaceable Amortization		\$ 42,927	\$ 42,927	\$ (44,524)	x	\$ (60,745)	\$ (76,935)
TRANSFER TO RESERVE (TAX STABILIZATION)							
TOTAL NET REVENUE (EXPENSE)	\$ (274,985)	\$ (42,926)	\$ 521,896	\$ (44,524)		\$ -	\$ -

KID 2024 Municipal Operating Budget – Notes

2024 Budget

Note a1

The increase in KID actual Real Property Taxation in 2024, compared to the 2023 budget, is due to a combination of increased required revenues year-over-year and an overall increase in assessment value for properties classed under Real Property (single family homes, townhouses, mobile homes, improved commercial, Machinery and Equipment).

Note a2

A 2% increase in total property assessment value is anticipated for the 2025 tax year due to renovations, new properties, and changes in property ownership which will allow for an enhanced understanding of market value assessment of properties.

Note a3

Forecasting an extra average increase of 3% in overall property assessment value. This increase is specifically linked to growth in known property sales, new property developments, and anticipated upgrades to existing commercial properties.

Note a4

Assessment values for industrial properties (i.e., well, pipeline, electric power, telecommunications, cable distribution) increased 3% compared to assessments calculated for 2023 tax year based on overall assessment values and required revenue.

Note a5

Grants in place of taxes (GIPOT) for provincially-owned properties.

Note a6

Grants in place of taxes (GIPOT) for federally-owned properties.

Note a7

It is assumed that all taxes will be paid on time; therefore, no penalties for late payments are forecasted.

Note b

2024 Total Requisitions increase approximately 10% compared to the 2023 Budget.

2023 Alberta School Foundation Fund requisition was \$2.56 per \$1000 assessment for Residential and \$3.76 per \$1000 assessment for Non-residential. These rates remain the same in 2024. The year-over-year 10% increase in Total Requisitions is attributed to increased property assessment values.

Note b1

2025 Total Requisitions include a 2.5% inflationary increase from the 2024 Budget, calculated using the ATB Economic Outlook (March 20, 2024).

Note b2

2026 Total Requisitions include a 2.3% inflationary increase from the 2025 Budget, calculated using the ATB Economic Outlook (March 20, 2024).

Note c

Equivalent to a 1% increase in Net Taxation Revenue compared to 2023 Budget.

Note c1

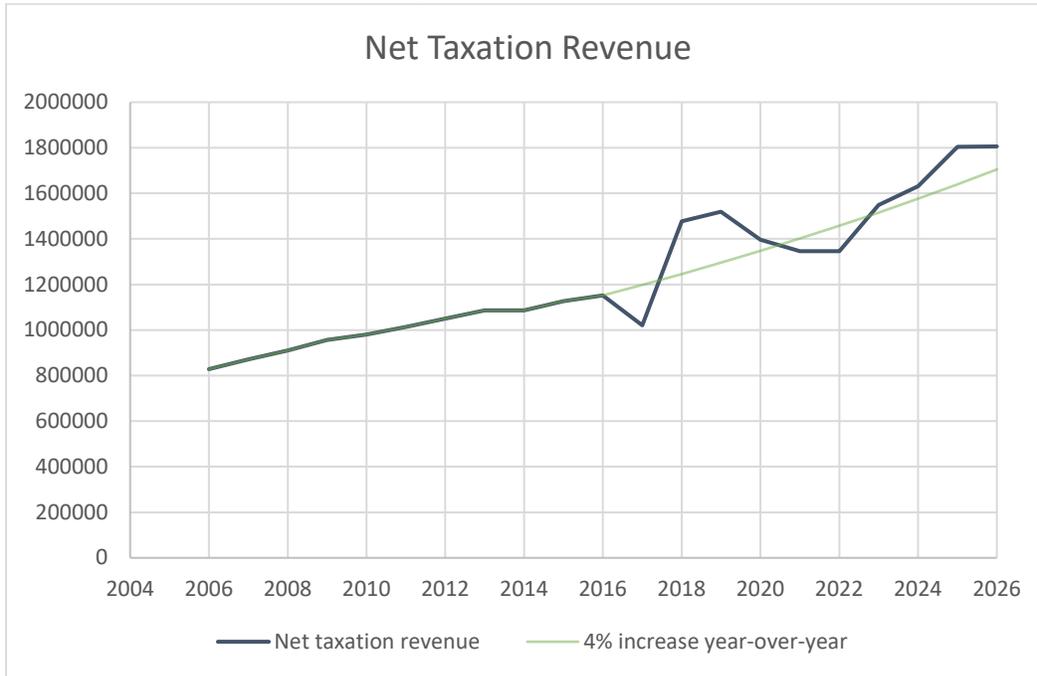
Projected 2025 Net Taxation Revenues are 2% higher than the forecasted 2024 Budget.

Note c2

Projected 2026 Net Taxation Revenues are 7% higher than the forecasted 2025 Budget. The year-over-year forecasted increase in net taxation (green line), Graph 1, aligns with an average 4% increase (blue line), observed from 2006 to 2016.

Graph 1

Year-over-Year Net Taxation Average to Actual / Forecast 2006 to 2026



Note d

Per Council-approved 2024 Water Utility rates (see Table 1.1).

Table 1.1

2024 Water and Sewer

	Water	Sewer
Approved Utility Rate for 2024	\$ 0.39 / m ³	\$ 0.49 / m ³
Projected Revenues	\$33,405.30	\$40,419.26
Projected Expenditures	\$32,070.48	\$32,070.48

Net	\$1,334.82	\$8,348.78
Total Combined Projected Net Surplus	\$9,683.60	

Note d1

Projected 2025 Water Utility revenues include an inflationary increase of 2.5% from 2024, as per ATB Economic Outlook (March 20, 2024).

Note d2

Projected 2026 Water Utility revenues include an inflationary increase of 2.3% from 2025, as per ATB Economic Outlook (March 20, 2024).

Note e

Per Council-approved Sewer Utility rates (see Table 1.1).

Sewer Utility surpluses historically have been used to offset Water Utility deficits.

Note e1

With the goal of achieving a net neutral Sewer Utility, adjustments to Sewer Utility rates are proposed to come into effect in 2025. Inflationary increase of 2.5% has been applied, as per ATB Economic Outlook (March 20, 2024).

Note e2

Includes an inflationary increase of 2.3% on estimated 2025 revenues, as per ATB Economic Outlook (March 20, 2024).

Note f

Calculated using a 5-year (2019-2023) average of 770 tonnes of garbage per year multiplied by the Garbage Utility rate.

Also includes a 5-year (2019-2023) average of 48 tonnes of recycling per year multiplied by the Recycling Utility rate.

An estimated net surplus of \$15,000 in garbage/recycling revenues provides for differences in tonnage conversions as well as for the repair and replacement of bins. Currently, the estimated surplus revenues from garbage are accumulated within the Operating Contingency as an accumulated surplus from the Operating Budget. Work is underway in 2024 for establishing a Garbage Utility Reserve for transfers of accumulated garbage surplus revenues.

The 2024 GFL contracted rate increases 3.8% from the 2023 rate.

Table 2.1

Garbage and Recycling (2022-2026)

GFL Rate (per tonne)	Tonnage Collected	Total Expenditures	Combined Garbage and Recycling Expenditure	KID Rate	Total KID Revenues
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2022 Garbage	499	736	\$367,264	\$379,354	0.525	\$386,400
2023 Garbage	511	774	\$395,514	\$407,454	0.525	\$406,350
2024 Garbage (Forecast)	526	780	\$410,280	\$422,580	0.545	\$425,100
2025 Garbage (Forecast)	545	790	\$430,550	\$443,847	0.565	\$446,350
2026 Garbage (Forecast)	567	800	\$453,648	\$466,945	0.58	\$464,000
2022 Recycling	195	62	\$12,090			
2023 Recycling	199	60	\$11,940			
2024 Recycling (Forecast)	205	60	\$12,300			
2025 Recycling (Forecast)	213	60	\$12,780			
2026 Recycling (Forecast)	222	60	\$13,297			

Note f1

Projected tonnage for 2025 is based on the 5-year annual average of actual tonnage collected from 2019-2023 (see Table 2.1).

The 2025 GFL contracted rate increases 3% from the 2024 rate.

Note f2

Projected tonnage for 2026 is based on the 5-year annual average from 2019-2023 (see Table 2.1).

The 2026 GFL contracted rate increases 3% from the 2025 rate.

Note g

Table 3.1

Business License, Development Permit and Safety Code Permit Revenue

	Business Licenses	Development Permits	Safety Code Permits
Forecasted # 2024	340	35	Estimates based on total revenues.
Actual # 2023	315	31	
Actual # 2022	290	15	
Actual Revenues 2022	\$56,931	\$40,536	\$9,800
Actual Revenues 2023	\$107,931	\$68,556	\$27,371
Forecasted Revenues 2024	\$113,327	\$71,984	\$28,740

A 5% increase in Business License revenues is projected for 2024 using 2023 actuals due to anticipated updates to KID Business Licence Order as well as better coordination with senior government departments.

An overall 9% increase in revenues related to business licences, development permits, and safety code permits is anticipated in 2024.

Note g1

A 10% year-over-year increase in business licenses revenues is projected due to planned updates to the *KID Business License Order* combined with a further increase in business activity.

A 2% year-over-year increase in development permit revenues is forecasted due to anticipated improvements to tourism and commercial properties.

A 3% year-over-year forecast in safety code permits revenues is anticipated to result from greater awareness, communication, and compliance with the *Safety Codes Council Quality Management Plan*.

An inflationary increase of 2.5% is applied to forecasted revenues earned from development permits and safety code permits, as per ATB Economic Outlook (March 20, 2024).

Note g2

Higher business license revenues are projected based on anticipated increases in inflation, in economic activity in KID, and in the number of events and projects requiring business licensing.

A 4% year-over-year increase in development permits revenues is forecasted due to anticipated improvements to tourism properties.

A 3% year-over-year increase in forecasted safety code permit revenues aligns with anticipated increased development, events, and tourism activities adhering to the *Safety Codes Council Quality Management Plan*. The increase is estimated as slightly more than forecasted 2.3% rate of inflation per the ATB Economic Outlook (March 20, 2024).

Note h

Includes projected revenues from KID’s Centre of Excellence Fire Training Program (see Table 4.1 for base year totals), safety inspections, and recoveries associated with highway motor vehicle accidents.

No revenues have been forecast in relation to potential KID deployments which would support other communities through the province’s Wildland Urban Interface Program.

Table 4.1
Centre of Excellence Fire Training Program Revenues

Fire Training	2022	2023	2024 Budget
Average Cost per Program / Participant	350	380	351
Forecast # Programs	12	18	12
Forecast # Participants	200	220	372
Total (\$) Unaudited	\$55,000	\$83,600	\$95,940

Revenues per trainee per course are estimates. Numerous courses to external partners are offered at KESC, and the price per participant changes based on the type of course being delivered. These estimates are cumulative averages based on prior years.

Also includes Alberta Health Services (AHS) sub-lease revenues of approximately \$62,000 / year.

Note h1

Revenues from the AHS lease will increase by at least 3% from 2023, per revised lease agreement. Projected revenues from the Centre of Excellence Training program are anticipated to grow by approximately 20% compared to 2023, or approximately 5% increase compared to 2024.

Note h2

Revenues from the AHS lease will increase by 3% from 2024, per revised lease agreement.

Projected revenues from the Centre of Excellence Training program are forecast to grow at 3% compared to 2025.

Note i

As per the letter received from Municipal Affairs on December 15, 2023, and the Local Government Fiscal Framework (LGFF) Operating funding allocations announced in January 2024.

Note i1

LGFF operating contribution amounts will remain unchanged from 2024.

Note i2

Anticipate that LGFF operating contributions will remain constant.

Note j

An operating contribution transfer from LGFF Capital of \$75,000 for eligible non-routine maintenance is included to account for expenditures under Protective Services related to non-routine maintenance and repair to fire apparatus and equipment (e.g., services, repairs, materials, and equipment related to fire apparatus, officer safety and protective equipment). At year end, a corresponding amount is transferred from LGFF for Non-Routine Repair and Maintenance of Protective Services (as included in the Capital Budget).

Includes matching grant funding for the delivery of an intermunicipal transit feasibility study; Federation of Canadian Municipalities – Green Municipal Fund grant (\$75,000) and the Alberta Community Partnership Grant (\$91,000). These funds will be supported with the funds allocated by KID and MD of Bighorn to augment the completion of the intermunicipal transit feasibility study.

An additional \$20,000 is included for operational servicing and repair of the current Quint fire apparatus, where the allocations may be transferred from Capital (LGFF).

Note j1

Maintains allocation amount increased by \$10,000 from 2024 (from \$75,000 to \$85,000) allocated from LGFF for non-routine maintenance and repair.

Additional anticipated salvageable revenue of approximately \$30,000 may be included in 2025 related to disposal of the current Quint fire apparatus. These revenues have not been included in the 2025 forecast.

Note j2

Maintains the allocation amount as per 2025 (\$85,000) from LGFF for non-routine maintenance and repair.

Note k

Updated per Council Resolution #2023/12/19_03.

Current interest rate is 5.4% (as per December 13, 2023 bank statement). Prior year's average interest rate was 3.4%.

Interest earnings are associated with cash holdings for capital, reserves, and operating contingency funds.

The 2024 Budget applies 5.4% interest earnings on cash holdings, which are expected to decline with planned capital expenditures. This aligns with the comment in ATB Economic Outlook (March 20, 2024) of interest rates remaining higher longer than anticipated, with interest rates potentially falling to 4% by end of 2024.

Note k1

Reflects a forecasted interest rate of 3.4% applied to residual cash holdings. As per comments in ATB Economic Outlook (March 20, 2024) relating to interest rates.

Note k2

Reflects a forecasted interest rate of 3.4% applied to residual cash holdings. As per comments in ATB Economic Outlook (March 20, 2024) relating to interest rates.

Anticipated full expenditure of cash holdings related to MSI and CCBF allocations.

Note l

Anticipates a 29% decrease in non-taxation revenues as compared to non-taxation revenues recorded as of December 31, 2023 (Unaudited). This primarily accounts for the provincial deployment revenues accumulated in 2023.

Anticipates a 54% increase in non-taxation revenues as compared to 2022 audited financial statements.

Anticipates a 33% increase in non-taxation revenues as compared to 2023 Budget.

The anticipated increases in non-taxation revenues are primarily due to increases in interest earnings, and operating contributions from other source funds, such as external grants.

Note l1

In 2025, there is a projected 16% decrease in non-taxation revenues compared to 2024. This decrease includes a reduction in external grants awarded in 2024 for completion of key Council priorities.

Additionally, there is an anticipated reduction in accumulated interest earnings on cash assets for 2025 due to final payment having been made for the Quint fire apparatus.

Note l2

Budgeted non-taxation revenues expected to see a 3% increase in 2026, compared to 2025, as an outcome of the revenues from collection of utilities.

Note m

Table 5.1

Protective Services: 2023 Actuals (unaudited) vs. 2024 Budget

Expenditure	2023	2024 Budget	% Change
Salaries and Wages; Deductions and Benefits	\$915,881	\$999,000	7%
Fleet-Vehicle, Maintenance, and Repair	\$63,229	\$71,600	13%
Equipment, Materials, Supplies, and IT	\$62,628	\$82,000	31%
Education, Training, and Professional Memberships	\$17,687	\$60,000	239%
Contracts and Professional Services	\$66,245	\$21,500	-68%
Total	\$1,404,595	\$1,233,700	-12%

In total, 2024 Protective Services expenditures represent a 12% decrease as compared to 2023 end of year financials (as of December 31, 2023 - unaudited), a 7% increase from the 2023 Budget, and a 7% increase as compared to the 2022 Audited Financial Statements.

Salaries and Wages:

An increase in Salaries and Wages reflects a reclassification for the permanent KESC Fire Captains, including EI, CP and WCB amounts. These amounts in prior years were under-budgeted by approximately 40% as compared to the 2022 Audited Financial Statements.

An increase of \$85,000 to the Non-Resident Firefighter Program (On-Call or Call-Out Firefighters) reflects a pay increase for the Non-Resident Firefighter Program. This increase helps to close the pay gap for call-out-firefighters as compared to neighbouring and similar jurisdictions.

Fleet-Vehicle, Maintenance and Repair

As per Note j, \$75,000 in Non-Routine Maintenance expenses (as outlined in the Capital Budget) are integrated into the Operating Budget to provide stronger accuracy and transparency in quarterly reporting.

Equipment, Materials, Supplies and IT

An 31% increase for Equipment, Materials, Supplies, and IT captures anticipated repairs and maintenance to response radios, the cost of uniforms, and fire safety equipment, as well as supplies required to deliver external training through the Centre of Excellence.

Education, Training, and Professional Memberships

A net surplus of approximately \$40,000 is projected for the Centre of Excellence’s external training program, factoring in associated increased salaries, equipment, and materials.

Note m1

Includes a year-over-year inflationary increase of 2.5% for materials, equipment, and service expenditures, (as per ATB Economic Outlook - March 20, 2024) and a 4% increase for Salaries and Benefits as required within collective agreements and contractual increase in salaries.

Table 5.1.1

Protective Services: Operating Expenditures Related to Capital Projects

	2024 Budget	2025 Budget	2026 Budget
Capital Projects (operating expenditures) Not Including Capital Non-Routine Maintenance and Repair	\$0	\$2,500	\$2,750

Note m2

Includes a year-over-year inflationary increase of 2.3% for materials, equipment, and service expenditures, as per ATB Economic Outlook (March 20, 2024).

Note n

Table 6.1

Administrative Services: Actuals 2023 (unaudited) Vs. 2024 Budget

Expenditure	2023	2024 Budget	% change
Salaries and Wages	\$308,891	\$318,125	3%
Fleet-Vehicle, Maintenance, and Repair	\$13,797	\$8,536	-38%
Equipment, Materials, Supplies, and IT	\$4,457	\$30,500	584%
Education, Training, and Professional Memberships	\$3,774	\$15,135	301%
Contracts and Professional Services	\$188,688	\$244,010	-24%
General Administration	\$30,877	\$30,850	0%
Council	\$44,229	\$56,114	27%
Total	\$594,712	\$703,270	27%

In total, 2024 Administrative Services expenses are forecast to increase 29% as compared to the 2023 end of year expenditures.

Salaries and Wages

Salaries and wages for Administration will recalibrate in 2024 to reflect all positions being filled.

Employer contributions and benefits for salaries align with the 2022 Audited Financial Statements.

Fleet-Vehicle, Maintenance, and Repair

A reduction in Fleet-Vehicle coincides with a reduction in winter tire purchases, and relevant vehicle safety equipment/needs. Ongoing preventative servicing and maintenance of vehicles will continue on an as-required basis.

Equipment, Materials, Supplies and IT

Increases in Equipment, Materials, Supplies, and IT relate to additional computer programming expenditures needed for updates to financial management software, technical support, and the All-Net municipal enterprise system. Increased costs in IT and computer equipment are due to contracts with All-Net, Diamond Financial Software, and website add-ons.

Education, Training, and Professional Memberships

Professional memberships include Alberta Municipalities Association, Local Government Administration Association of Alberta, Government Financial Officers Association of Alberta, Municipal World, and Society of Local Government Administrators Alberta.

An increase in Education, Training and Professional Memberships expenses will support the training of new staff, thereby ensuring Administration has adequate knowledge for municipal governance, financial services, and engagement, while also leading to greater effectiveness in policy development and operations.

Contracts and Professional Services

Includes significant cost increases related to the delivery of numerous Council priorities within 2024. The table below outlines the expenditure estimates for the most relevant projects.

Table 6.1.1
2024 Project Expenditures (external contracts and services)

Expenditure	2024 Budget	Grant Funding (\$)
Transit Feasibility Study	\$70,000	\$70,000
Economic Impact Assessment	\$15,000	\$15,000
EV Charging Station Analysis	\$15,000	\$15,000
Traffic Impact Assessment	\$70,000	\$35,000
Stakeholder Engagement and Strategic Planning	\$20,000	\$15,000
Total	\$190,000	\$150,000

Contracts and Professional Services also include costs related to ongoing and recurring expenditures such as contracted accounting, and contracted property assessment (including a planned increase in the Property Assessor fee as per contract).

General Administration

Council:

2024 Council costs are projected to be 27% higher than unaudited actuals as of December 31, 2023.

Total expense per Council meeting

- o 2024 Budget = \$2,681

Note n1

Includes a year-over-year inflationary increase of 2.5%, as per ATB Economic Outlook (March 20, 2024).

Reflects a reduced need for the use of external contractors as compared with the year previous.

Note n2

Includes a year-over-year inflationary increase of 2.3%, as per ATB Economic Outlook (March 20, 2024).

Reflects a reduction in external contractors as compared with the year previous.

Note o

Table 7.1

Municipal Infrastructure (Kananaskis Emergency Services Centre): 2023 Actuals (unaudited) vs. 2024 Budget

Municipal Infrastructure (KESC)	2023 Actuals	2024 Budget	% Change 2023-2024
Phone	\$33,790	\$32,122	-5%
Office Expenses	\$3,858	\$6,435	67%
Equipment Rental	\$3,451	\$1,698	-51%
Building Repair and Maintenance	\$1,561	\$2,076	33%
Propane	\$43,200	\$63,701	47%
Electrical	\$36,822	\$29,064	-21%
Total	\$130,150	\$135,096	4%

The actual operating costs of the rebuilt Kananaskis Emergency Services Centre (KESC) are now known after three years of post-construction operation.

Year-over-year increases to KESC operating expenses are largely attributable to the cost of energy requirements servicing the building.

Note o1

An inflationary increase of 2.5% from 2024 has been applied, as per ATB Economic Outlook (March 20, 2024). No significant additional expenditures anticipated.

Note o2

An inflationary increase of 2.3% from 2025 has been applied, as per ATB Economic Outlook (March 20, 2024). No significant additional expenditures anticipated.

Note p

Covers snow and ice removal, minor repairs and maintenance, and other road servicing performed by Alberta Transportation's contracted service provider, Volker-Stevin.

Includes non-capital street light repairs and maintenance, as well as minor repairs to barricade and emergency road signage equipment.

Note p1

A year-over-year inflationary increase of 2.5% has been applied, as per ATB Economic Outlook (March 20, 2024). No significant additional expenditures anticipated.

Note p2

A year-over-year inflationary increase of 2.3% has been applied, as per ATB Economic Outlook (March 20, 2024). No significant additional expenditures anticipated.

Note q

Covers the cost of contracted weed control and inspection, as required by Alberta's *Weed Control Act*.

Current contract ends in 2025.

Note q1

A year-over-year inflationary increase of 2.5% has been applied, as per ATB Economic Outlook (March 20, 2024). No significant additional expenditures anticipated.

Note q2

A year-over-year inflationary increase of 2.3% has been applied, as per ATB Economic Outlook (March 20, 2024). No significant additional expenditures anticipated.

Note r

KID currently receives water at no cost from EPCOR, so expenditures relate solely to operational maintenance and routine repairs.

Deficits in the Water utility historically have been offset by surpluses in the Sewer utility.

The Water and Sewer utilities are projected to produce a combined net surplus of \$9,683.60 in 2024 (see Table 1.1). Note that operating costs are subject to change, and there may be a new contractor for the Evan-Thomas water/wastewater region next year.

Note r1

A year-over-year inflationary increase of 2.5% has been applied, as per ATB Economic Outlook (March 20, 2024).

Note r2

A year-over-year inflationary increase of 2.3% has been applied, as per ATB Economic Outlook (March 20, 2024).

Note s

Through an informal agreement, costs associated with major disruptions and repairs due to the failure of large infrastructure (e.g., force mains and lift stations) will be covered by Alberta Forestry and Parks. KID is responsible for expenses related to day-to-day routine operating costs.

Expenditures for monthly Sewer Utility operating costs are invoiced to KID by EPCOR.

Note s1

A year-over-year inflationary increase of 2.5% is applied, as per ATB Economic Outlook (March 20, 2024).

Note s2

A year-over-year inflationary increase of 2.3% is applied, as per ATB Economic Outlook (March 20, 2024).

Note t

See Table 2.1 for additional details to the calculations.

Expenditures are forecast on a 5-year annual average for tonnage use (2018-2022).

Reflects an increase in tonnage rate for 2024 as per existing contract with GFL.

For simplicity, Garbage and Recycling expenses are combined into one line within the budget; however, GFL invoices Garbage and Recycling separately as detailed in the table above.

Note t1

A 3% increase from the 2024 tonnage rate is included as per contract with GFL.

A utility rate increase is required in 2025 to meet minimum KID revenues to ensure cost recovery (see Table 2.1).

Note t2

A 3% increase from 2025 tonnage rate is included as per contract with GFL.

Utility rate increase required in 2026 to meet minimum KID revenues to ensure cost recovery (see Table 2.1).

Note u

Reflects the amortization of capital value left within the useful life of KID's capital assets.

Table 8.1

Amortization (2021-2026)

Category	2021	2022	2023	2024	2025	2026
Garbage Collection and Machinery	\$ 3,951	\$ 2,552	\$ 2,424	\$ 2,375	\$ 2,328	\$ 2,281
Machinery & Equipment- Fire Protection 10 Years	\$ 22,026	\$ 33,282	\$ 29,470	\$ 26,135	\$ 23,212	\$ 20,642
Site Improvements	\$ 6,575	\$ 4,409	\$ 4,196	\$ 3,993	\$ 3,800	\$ 3,616
Vehicles - 10 years	\$ 25,913	\$ 25,913	\$ 23,322	\$ 20,989	\$ 18,890	\$ 17,001
Vehicles - 20 years	\$ 50,998	\$ 50,998	\$ 49,723	\$ 55,480	\$ 57,426	\$ 91,915
Vehicles under capital lease	\$ 34,379	\$ 34,379	\$ 33,519	\$ 32,681	\$ 31,864	\$ 31,068

Water & Sewer - Systems & Structures	\$ 19,411	\$ 26,739	\$ 25,655	\$ 24,615	\$ 23,617	\$ 22,660
TOTAL	\$ 163,253	\$ 178,271	\$ 168,308	\$ 166,268	\$ 161,137	\$ 189,184

Table 8.1.1

Amortization included as Operational Expenditure

	2021	2022	2023	2024	2025	2026
Operating Budget Amortization	\$ 163,253	\$ 178,271	\$125,948	\$121,744	\$102,058	\$132,059

The overall amortization expense increases by approximately 3% in 2024.

Note that for assets contained within “Vehicles - 20 years”, the associated annual amortization expense is calculated at 50% of the full amortized amount. This adjusted amortization calculation reflects that asset acquisitions within “Vehicles – 20 years” are typically funded in part (assuming 50%) by provincial grants, therefore only 50% of their full amortization amounts need to be collected through amortization expense. Non-replaceable site improvements and water-wastewater improvements are also included (in full) in the adjustment.

Note u1

New capital acquisitions in 2024 will impact KID’s amortization expense, and the associated revenue requirement, in 2025 and beyond.

Approved Capital Additions:

- Quint fire apparatus will add approximately \$6,666 of amortization expense in 2025 (only 2 months applicable). See Note u2 for annual amortization expense in 2026 and beyond.
- Type 6 Wildland Engine (Bushbuggy) will add approximately \$7,000 of amortization expense in 2025, an expense that will perpetuate annually until 2044 when the asset is fully depreciated.
- Water meters will add approximately \$1,200 of amortization expense in 2025, an expense that will perpetuate annually until 2039 when the asset is fully depreciated.

Note u2

New capital acquisitions in 2024 and 2025 will impact KID’s amortization expense, and the associated revenue requirement, in 2026 and beyond.

Approved Capital Additions:

- Quint fire apparatus will add an approximate annual amortization of \$39,000 in 2026. This expense will perpetuate annually until the asset is fully depreciated in 2044.

Proposed Capital Additions:

- Broadband and Telecommunications Projects (proposed for acquisition in 2025, See 2025-2029 Capital Plan), will add estimated \$27,500 of amortization expense in 2026, an expense that is projected to perpetuate annually until end of life/fully depreciated.
- Disaster and Command Trailer (proposed for acquisition in 2026. See 2025-2029 Capital Plan), will add approximately \$8500 of amortization expense in 2026, an expense that will perpetuate annually until 2036 when the asset is fully depreciated. Note, this acquisition

and amortization expenditure will occur after 2026, included for understanding for the impacts of acquisitions within Capital Budget and Operating Budget amortization expenses.

Note v

Total Expenditures represent a 2% increase (\$67,293) as compared to the unaudited expenditures as of December 31, 2023. This is mostly attributed to the increase in Protective Services salaries and wages combined with increases to deliver projects under administration.

Total Expenditures are 9% higher (\$239,303) than the 2022 audited financial statements.

Total Expenditures increase by 12% (\$318,039) as compared to the 2023 Budget.

Total combined expenditures related to Protective Services, Administration, and Municipal Infrastructure (KESC) indicate a 10% increase (\$179,824) as compared to 2022 audited financial statements, an increase of 15% (\$264,469) compared to 2023 Budget, and a decrease of 3% (\$53,492) as compared to expenditures as of December 31, 2023.

Note v1

Total expenditures are forecasted to remain similar compared to 2024.

Note v2

Total expenditures are forecasted to increase by 1% as compared to 2025.

Note x

This amount is calculated for non-replaceable amortization for capital assets, including capital assets that are either non-replaceable or reduced by 50% to account for the proportional amount expended on capital through relevant grants. See Table 9.1 for relevant amounts.

Table 9.1

Non-Replaceable Amortization

Category	2021	2022	2023	2024	2025	2026
Site Improvements	\$ 1,164	\$ 1,455	\$ 1,383	\$ 1,313	\$ 1,248	\$ 1,185
Water & Sewer- Systems & Structures	\$ 12,582	\$ 16,786	\$ 16,115	\$ 15,470	\$ 14,851	\$ 14,257
Reduction 50%						
Vehicles- 20 years	\$ 25,498	\$ 25,498	\$ 24,861	\$ 27,739	\$ 44,645	\$ 61,491
Total Unreplaceable Amortization	\$ 39,245	\$ 43,741	\$ 42,359	\$ 44,524	\$ 60,745	\$ 76,935

Note x1

The amount is greater than 2024 due to the addition of two months of amortization for the Quint fire apparatus, and the procurement of Type 6 Engine (see Vehicles – 20 years in Table 9.1).

Note x2

The amount is higher than 2025 due to addition of a full year of amortization of the new Quint fire apparatus.