



2023 BUDGET HIGHLIGHTS AND 2023-2025 CORPORATE PLAN

INTRODUCTION FROM THE CITY MANAGER



It is my pleasure to introduce highlights from the City of Spruce Grove's 2023-2025 Corporate Plan and Budget 2023. This overview captures what City Administration proposed to Council in terms of programs, services, fees and property taxes. Council approved the 2023-2025 Corporate Plan on December 5, 2022.

The 2023-2025 Corporate Plan and Budget 2023 were built on Council's priorities from their new 2022-2025 Strategic Plan: Community Connections, Environmental Sustainability, Economic Prosperity and Governance in Action. As our community grows, investments in recreation, arts, culture, environment and service delivery are needed to continue building a city where all are welcome, where growth occurs in the most fiscally responsible way and where residents have opportunities to be engaged.

There's no doubt our City has grown significantly in the past 15 years as our population has nearly doubled. As a municipality, it is imperative we continue to invest in the organization to respond to this growth and ensure

our residents receive the services they have come to rely on. In addition, as we deal with financial constraints due to inflation, supply chain issues, and economic uncertainties, it is more important than ever to ensure long-term sustainability for our City.

To create a strong foundation of long-term sustainability, Administration is continuing with a three-year tax strategy. This will provide a consistent approach to budgeting, allowing Administration to better plan for future investments in the City and create a foundation of financial policy and strategic planning that supports long-term sustainability. This Corporate Plan has been produced in a way that both recognizes and smooths out future year impacts to the taxpayer, creating certainty for our community.

During the Committee of the Whole meeting on November 7-9, 2022, Council determined how to balance funding requests within the financial constraints we are facing as a City and voted to approve the Budget on December 5, 2022. I invite you to review this highlights document as well as look to the full approved 2023-2025 Corporate Plan, available online at sprucegrove.org/corporateplan, for more details.

Dean Screpnek
City Manager

WHAT IS A CORPORATE PLAN?

As a municipal government, the City of Spruce Grove is responsible for infrastructure, programs and services that directly impact the day-to-day lives of City residents.

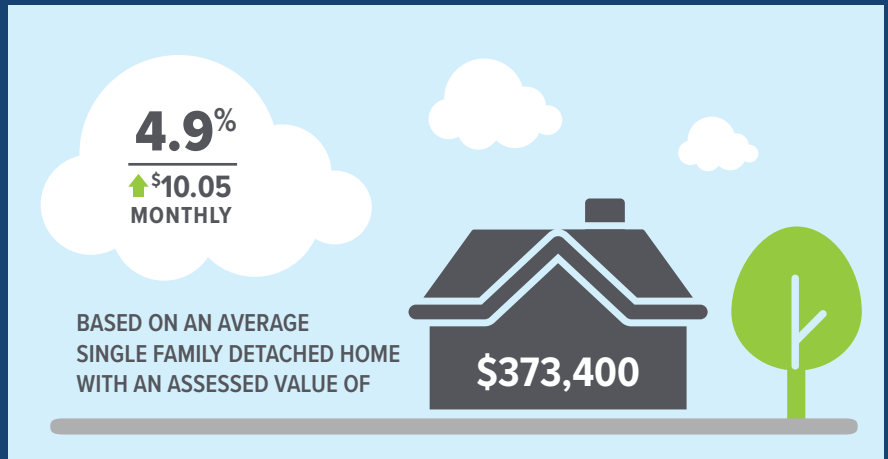
This includes transportation networks (roads and trails), utility services and structures (water, sanitary sewer, stormwater and solid waste), and parks and open spaces, as well as funding community facilities such as the TransAlta Tri-Leisure Centre and the Spruce Grove Public Library. The Corporate Plan outlines the resources required to deliver these programs and services, provide funding to the community, as well as implementing Council's vision for the City of Spruce Grove, as described in the 2022-2025 Strategic Plan.





2023 MUNICIPAL OPERATING BUDGET

Your tax dollars in Spruce Grove go a long way! They fund the program and service delivery for the City's transportation networks, the provision of public transit and public safety services, parks and open spaces, community programming and so much more! As a growing City, we are dedicated to maintaining and enhancing the amenities and offerings we provide our community in a fiscally responsible way.



The 2023 municipal operating budget of \$79.6 million includes a 4.9 per cent tax increase.

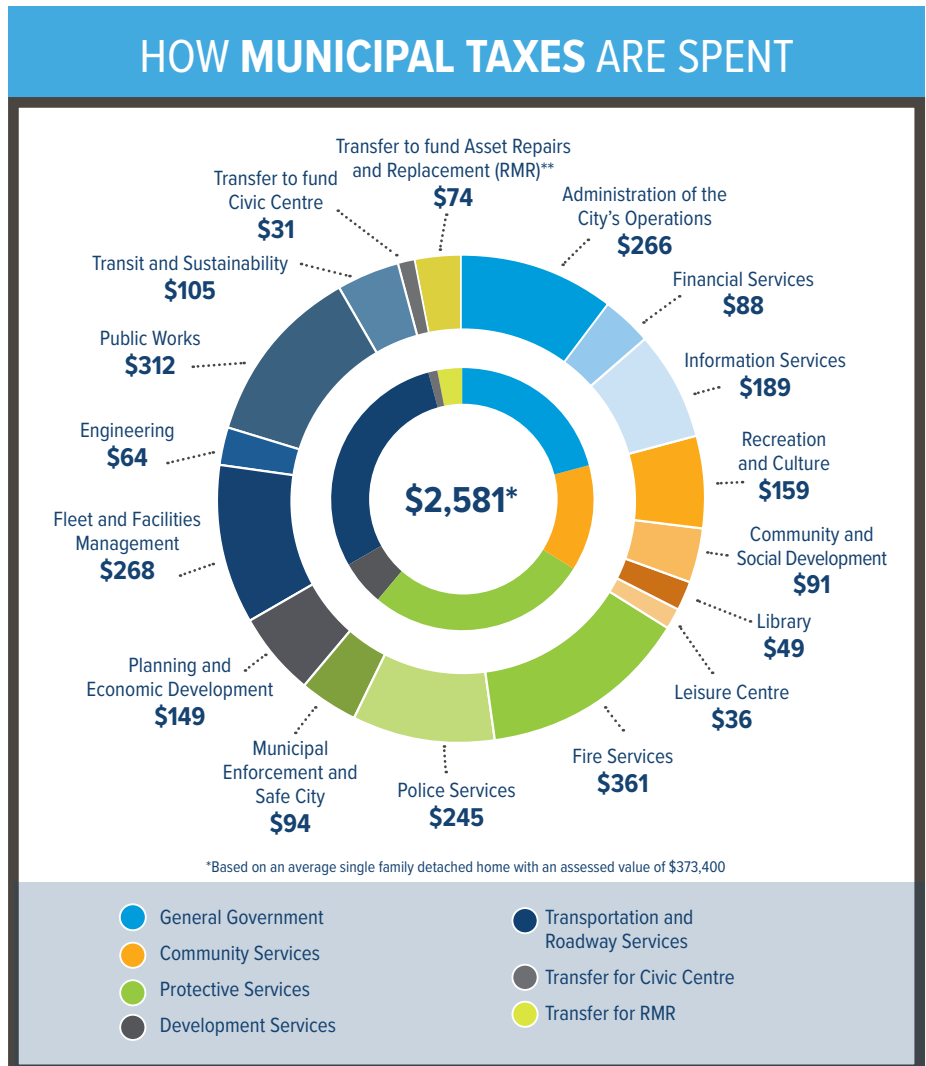
- A 2.9 per cent general tax increase supports the maintenance and enhancement of City services;
- Continuation of the 1.0 per cent tax increase to fund the repair, maintenance and replacement of existing infrastructure, vehicles and equipment, which is part of a five-year funding strategy that was approved by Council in 2021; and
- Continuation of the 1.0 per cent tax increase to fund capital and operating costs of the Civic Centre project, as part of a multi-year strategy to smooth the financial impact of this investment on the City's operations.

The three year strategy includes a 4.9 per cent tax increase for 2023, 2024 and 2025 to smooth the tax impact over the next three years. This strategy will allow the City to maintain, and in some cases enhance, services to the community along with significant investment in infrastructure, program delivery and funding reserves for future needs.

For a single family detached home with an assessed value of \$373,400, a 4.9 per cent tax increase represents a monthly increase of \$10.05 in 2023 and translates to an annual property tax bill of \$2,581 per year.

**Transfer to fund Asset Repairs and Replacement (RMR) in the chart to the right represents the use of municipal tax dollars to pay for critical infrastructure repairs, maintenance and replacement.

HOW MUNICIPAL TAXES ARE SPENT





FUNDING OUR COMMUNITY

In 2023, \$2.6 million will be directed towards supporting community initiatives, such as the Spruce Grove Public Library, small business development, the TransAlta Tri-Leisure Centre, underrepresented and equity deserving groups, and much more.



2023 MUNICIPAL CAPITAL BUDGET

The municipal capital budget reflects significant investments in community facilities, transportation networks, and parks and open spaces. The City is also creating lifecycle plans for the repair, maintenance and replacement of existing infrastructure, vehicles and equipment in the City that will be partly funded by the 1.0 per cent dedicated tax increase.

Significant capital investments for the City include (total cost of the following projects are shown, not just the 2023 cost):





- The Civic Centre recreation and culture facility, which will be the largest capital project in Spruce Grove history (\$72.8 million).
- Spruce Grove Transit Centre (\$4.2 million).
- The City Centre Area Redevelopment Plan that is focused on revitalizing the area and making the City Centre a place where people of all ages come to shop, dine, work, live, socialize, interact and participate in a variety of community, arts and cultural experiences (Total cost of \$42.1 million – Municipal portion: \$23.2 million; Utility portion: \$18.9 million).
- Spruce Grove – Stony Plain Trail (\$1.3 million).





UTILITY BUDGET AND DISTRIBUTION FOR 2023


Utility operations should be self-sustaining, which means the rates a user pays for a utility, such as water and waste removal, fully fund that utility. In 2022, the City conducted a utility rate review and rates were updated as required to ensure the utilities remain self-sustaining. The average user will experience a \$7.11 increase in their 2023 monthly utility charges as a result of an increase in the water rate and stormwater rate.

 WATER	 SANITARY SEWER
INCREASE \$4.06/MONTH	NO CHANGE
2023 UTILITY OPERATING BUDGET \$13.3M	2023 UTILITY OPERATING BUDGET \$5.8M
2023 UTILITY CAPITAL BUDGET \$8.7M	2023 UTILITY CAPITAL BUDGET \$0.1M
 SOLID WASTE	 STORMWATER
NO CHANGE	INCREASE \$3.05/MONTH
2023 UTILITY OPERATING BUDGET \$4.2M	2023 UTILITY OPERATING BUDGET \$2.2M
2023 UTILITY CAPITAL BUDGET NIL	2023 UTILITY CAPITAL BUDGET \$1.1M

TOTAL UTILITY BUDGET


2023 UTILITY OPERATING BUDGET **\$25.5M**
 2023 UTILITY CAPITAL BUDGET **\$9.9M**

TOTAL MONTHLY IMPACT ON A RESIDENTIAL RATE PAYER




TAX INCREASE
\$10.05

+



UTILITY FEE INCREASE
\$7.11

+



NATURAL GAS FRANCHISE FEE
\$2.74

= \$19.90 PER MONTH

Based on an average single family detached home with an assessed value of \$373,400, consuming 14 cubic metres of water per month with a one inch water meter.

Franchise fees for natural gas are charged by the City to ATCO Gas and Pipelines for the exclusive right to provide natural gas services within the City, as well as for access to City lands to construct, maintain and operate related assets. ATCO passes along the cost of the franchise fee to the consumer as a separate charge on the natural gas bills. As originally proposed in 2020, the rate is proposed to increase 5.0 per cent in 2023 to reach a maximum rate of 35 per cent under the agreement.





2023 Budget Highlights and
2023-2025 Corporate Plan

2022-2025 Strategic Plan

2021 Annual Report

