

November 19, 2012/ For Immediate Release

Third quarter operating budget

AIRDRIE, ALBERTA – At the City Council meeting on Monday, November 19, 2012, staff presented a report to Council with the third quarter budget update. Revenue and expense projections for 2012 demonstrated a shortfall of \$361,266, less than half a per cent of the total operating budget. The report also outlined how the shortfall can be managed in the 2012 operating budget.

“When quarterly variance reporting identifies a shortfall, we immediately look for opportunities to reduce spending to ensure we are able to maintain a balanced budget,” said director of corporate services Lucy Wiwcharuk.

Until year end, Administration will only continue forward with purchases tied to existing contracts, spending required to meet safety regulations and spending required to meet legislation and Council policy. Any funds not currently committed for spending will not be used and position vacancies will not be filled until January 2013.

A significant reason for the projected shortfall is the cumulative impact of the escalating costs associated with providing protective services. The City of Airdrie signed an agreement with the International Association of Fire Fighters (IAFF) union in February 2012. The agreement outlines salary agreements for Airdrie fire fighters dating back to 2010. While the salary costs were projected in the 2012 budget, the projections were not in line with the current settlement, resulting in higher than anticipated costs for fire services.

Significant increases have also been seen in the cost of providing RCMP services. This service contract is a cost sharing agreement between the City of Airdrie and the federal government, with the City paying 90 per cent of the actual expenditures incurred by the federal government to provide the service. Year-end projections show a shortfall of \$320,000.

“As a municipality, we are required to maintain a balanced budget. As an organization, we are committed to fiscal responsibility,” added Wiwcharuk. “Working within our 2012 operating budget to address this shortfall demonstrates our commitment to managing our budget dollars.”

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Media contact:
Kristin Huybrecht
Corporate Communications
(403) 948-8800
kristin.huybrecht@airdrie.ca
www.airdrie.ca