

December 7, 2010 / For Immediate Release

2011 City of Airdrie Budget Approved by City Council

AIRDRIE, ALBERTA – On December 6, 2010, at their regular meeting, Airdrie City Council endorsed the recommendation of the Finance Advisory Committee and approved the 2011 Operating Budget with a 4.9 percent tax increase and a five percent franchise fee with FortisAlberta Inc.

“Council believes this to be a fair budget, considering the \$4 million shortfall from ambulance services. Service levels have not been cut; Council and staff are able to maintain a fiscally responsible budget. The tax increase is a reduction from the original recommendation of a six percent tax increase and a 10 percent FortisAlberta franchise fee,” says Peter Brown, City of Airdrie Mayor. “Council and staff reviewed every item in the budget to ensure projects and service levels will continue to meet the needs of the community. We appreciate the work that City of Airdrie staff has invested in this budget.”

Several changes were made to reach the target of the 4.9 percent tax increase. Changes to the budget include:

- Closing the current splash park (construction of new splash park 2011).
- Reducing the additional RCMP officers from two to one.
- Reducing tree planning budget; only dead trees will be replaced and no increases will be made to the urban forest.
- Reducing top dressing for City parks.
- Reduction in planned alley way paving for trouble spots.
- Citizen Satisfaction Survey completed bi-annually (next one occurring in January 2012).
- Removal of snow reserve; contingency fund for large snow falls remains at a minimal level.

For the resident assessed at the average value of \$342,700 in 2010 who paid \$1,378 in municipal taxes, their property would have to be assessed at \$345,495 to experience the 4.9 percent tax increase, an additional \$69 per year or \$5.75 per month.

During the budget discussion City Council voted for a study to research the possibility of attracting a post secondary institution to the City.

The City will raise a total of \$72.4 million in operating funds to provide services in 2011 which includes both tax-supported activities and utilities. The operating budget includes few new initiatives and concentrates on maintaining current service levels. This is due to the challenges of coping with major revenue decreases because of the loss of ambulance services contract and paramedic response fees of \$2.5 million; reduced investment income; and the elimination of the municipal assistance grant. The new FortisAlberta franchise fee helps to offset the loss of ambulance services revenue.

FortisAlberta has not paid a franchise fee in the past to the City of Airdrie. A franchise fee is common in other municipalities and is applied to the customers' utility bill. The five percent franchise fee with FortisAlberta Inc. will add \$2.10 per month to the average residential power bill commencing March 1, 2011. This calculation is based on 625 kilowatt hour (kW-h) consumption in 30 days.

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“Franchise fees apply to a slightly different customer base including renters, schools, churches, senior’s facilities and Federal and Provincial governments that are exempt from taxation,” says Jana Jaeger, Director of Corporate Services. “It helps to spread the burden to more than just the property owner.”

The capital budget was also approved last night with one additional amendment. The recommended budget included the purchase of four additional transit buses, two for the local service and two for the Intercity Express (ICE) service as mechanical spares. The amendment was to have one new bus for each service. Council approved the addition of one bus for each service and asked City of Airdrie staff to determine the impact of this decision to the City’s future allocations of Provincial GreenTRIP grant funding being used to purchase the buses. This information is to be provided at the December 20, 2010 Council meeting.

The City’s capital budget provides for major maintenance expenditures and building new infrastructure and facilities. The 2011 capital budget will include approximately \$24 million in costs. The costs are funded from a combination of grants, city reserves, offsite levy reserves, debt financing and operating.

The main focus of the 2011 capital budget is engineering structures, including:

- 600 millimetre second water line - ensure the security of water supply and create redundancy to the 55,000 population mark. Expected cost \$8.8 million.
- Design and engineering for 2012 upgrade to 24 Street between Yankee Valley Boulevard to Sagewood. This section of roadway will be converted from a gravel surfaced roadway to a two lane urban arterial roadway. Expected cost \$0.6 million.
- Two lane divided roadway constructed at 40 Avenue from 8 Street to Reynolds Gate. Allow for transportation capacity to several neighborhoods. Expected cost \$3.8 million.
- Addition of an at grade CPR crossing at Railway Avenue. The additional crossing is located in the downtown district and will alleviate traffic at First Avenue. Expected cost of \$2 million.

The full budget document is currently being prepared and is expected to be published by mid-January 2011 on the City of Airdrie website at www.airdrie.ca.

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