



CITY OF ST. ALBERT ADMINISTRATIVE BACKGROUNDER

TITLE: CORPORATE FINANCIAL INDICATORS

Administration is providing the attached document entitled “2015 Provincial Financial Indicators” for information at this time. The relevance of this report is to provide an update on the City’s financial performance for 2015.

BACKGROUND:

Each year the Government of Alberta, through the Ministry of Municipal Affairs, produces “Financial Indicator Graphs” for municipalities.

The data and trends provided by these indicator graphs cover a range of areas such as tax rates, debt limits, debt servicing limits, revenue sources, expenditure types, and equalized assessments. It is important to note that the graphs are produced by Municipal Affairs using standardized data returns that all municipalities are obligated to send to the Province annually. **The graphs contain no 2016 data.**

The most recent available graphs are based on financial and statistical data received from municipalities for the 6-yr period of 2010 - 2015. St. Albert has been assigned to a “comparator group” for benchmarking. The comparator group includes twelve other mid-sized Alberta urban municipalities, which are selected by Municipal Affairs based on population, as opposed to geographic location.

The comparator group has changed slightly from 2014, by excluding Camrose and now including Lloydminster and Chestermere.

The group of graphs comprising the 2015 Provincial Financial Indicators consists of two main types; those dealing with financial indicators and those dealing with assessment or taxation indicators. Observations from the 25-page *2015 Financial Indicator Graphs* (Attachment 1) are in point form below.

Financial Indicators

- Pages 7-9: Debt Limits and Debt per Capita. At the end of 2015, the City was using 16.7% of its debt limit and 12.8% of its debt service limit. These values continue to decline and are considerably less than the group median. During 2016 Council approved up to \$30M in debt financing related to the Phase III North Interceptor Project. Actual debt to be incurred will be substantially less based on tender results. Also in 2017 Council will be considering another borrowing bylaw related to the Library for \$17M.
- Pages 11-13: Revenue Sources per Capita. St. Albert continues to use less grant funding per person than in previous years dropping from \$386 to \$343. This decline is more in line with previous years and these fluctuations are mostly attributable to timing of project completion. With no change in population from 2014 to 2015, St. Albert increased its sales and user charges per capita by \$110. This exceeded the group median by 23%. The vast majority of this increase relates to the addition of the Supplemental Capital Contribution fee, which started Jan 1, 2015. The City's revenue from property tax was 42%, which dropped by 2% from 2014, but remains higher than the group median of 28%.
- Pages 14-19: Major Expenditures per Capita. Almost all of the City's expenditure categories are below the group median, with the exception of Salaries, Wages and Benefits. This category is only slightly higher by \$56 over the group median. As an offset, St. Albert's per capital spending on contracted and general services is below the group median by \$58.
- Pages 20-23: Overall Financial Position. The City's Net Book Value, which indicates how new its assets are, is close to the group median of 70.2%. As well the Accumulated Surplus, which consists of Reserves, Equity in TCA and unrestricted funds is only slightly less than the group median by \$266. The City continues to achieve a healthy current ratio up from 2014 of 1.56% to 2.22% for 2015.

Assessment & Taxation Indicators

- Pages 1-3: Equalized Tax Rates. The graphs on pages 1-3 of the attachment continue to illustrate that within this specific comparator group used by Municipal Affairs, St. Albert has tax rates that are above the median however the gap has decreased slightly over the last 5 year period.
- Page 4: Total Equalized Assessment Per Capita. St. Albert is slightly above the median which is healthy. This graph indicates the municipality has a solidified taxable property base from which to draw property tax revenue.

- Page 5: Non-Res Assessment as % of Total. St. Albert continues to exhibit a lower percentage of non-residential assessment as compared to the median.
- Page 6: Tax Collection Rates. Our tax collection rates continue to be high at approximately 97.7% and are on par with the median within the comparator group.
- Page 10: Revenue Sources Per Capita – Net Municipal Property Taxes. Due to our higher tax rates as compared to the comparator group, we are above the median in terms of reliance on property tax, on a per capita basis.
- Page 24: Equalized Assessment Per Capita. This is related to graph on page 4. St. Albert is in a healthy position. This graph takes into account all residential and non-residential assessment within each municipality, divided out on a per capita basis.

Report Date: January 23, 2017

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Committee/Department: Financial Services / Assessment Services

General Manager: Michelle Bonnici, Acting GM of Corporate Services

City Manager: Kevin Scoble



2015 Financial Indicator Graphs



Generated for:
ST. ALBERT

Financial Indicator Graphs

Introduction

The financial indicator graphs are intended to serve as a tool that may assist council and administration with operational decisions. The comparative measures may be useful in assessing past performance and for budget planning. Each municipality is compared to a group of similar size urban municipalities, or to rural municipalities with similar tax base. The comparison group is shown on the last slide.

Custom graphs can be created comparing your municipality to other Alberta municipalities.

Financial Advisory Services is available to assist you in interpreting the information contained in the graphs. Please be aware that advisors will not have access to any of the custom graphs you create, but would still be able to assist with the underlying formulas and data used to create all graphs.

It should be noted that the financial indicator graphs are point-in-time documents. The system is updated daily as new information is added to the municipal financial database. As such graphs will reflect the current data set and the results will be subject to change as the database is updated and verified. However, most information from the previous reporting year will have been posted by the fall of the subsequent year.

Other points to note are:

- The range for most of the graphs is 2010 to 2015.
- Caution should be used when interpreting results as each municipality has unique characteristics affecting how it compares to the group. Also, circumstances may have changed since the December 31, 2015 reporting date.

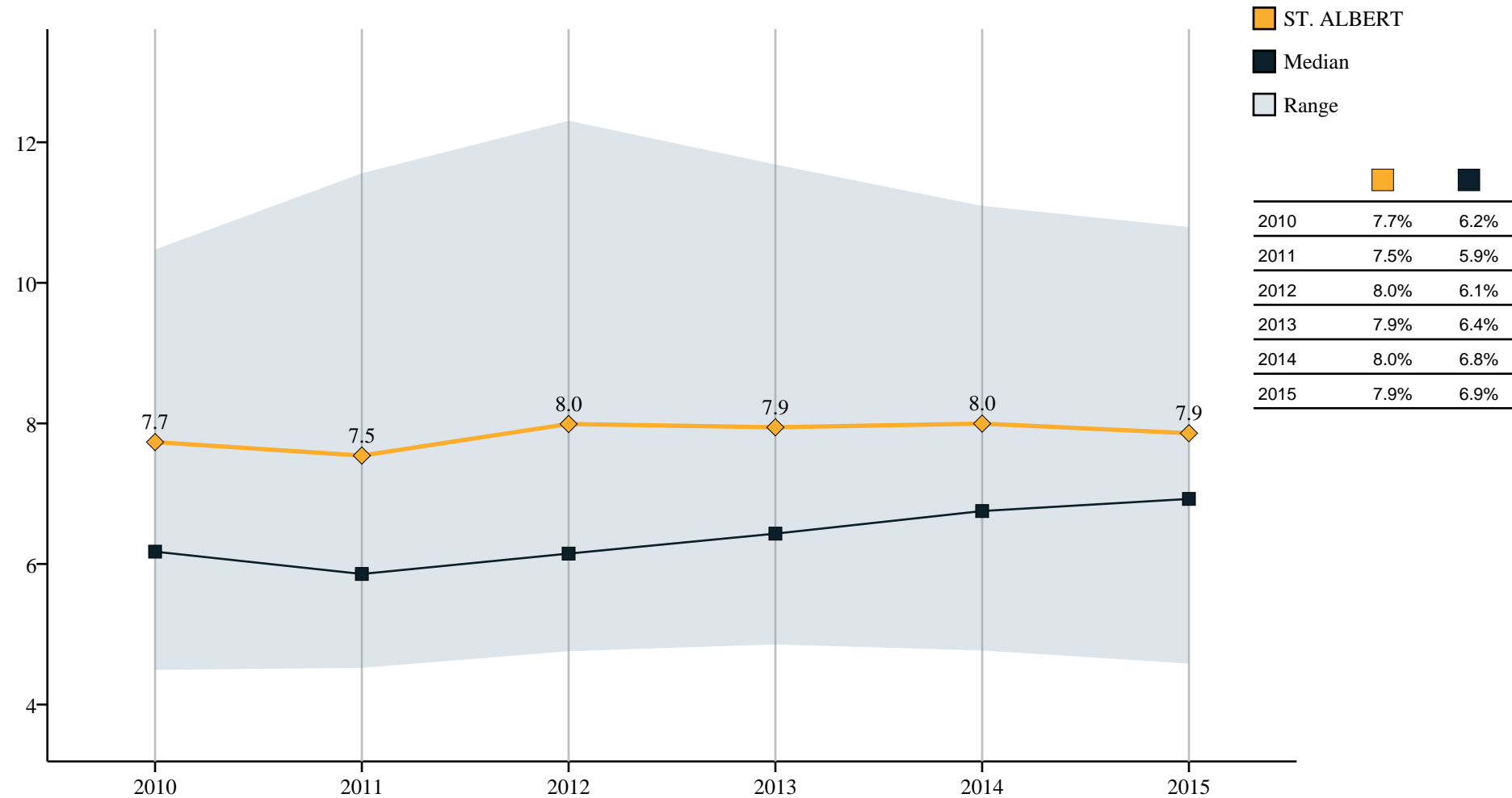
Financial Indicator Graphs

Introduction

Financial Indicator Graphs include:

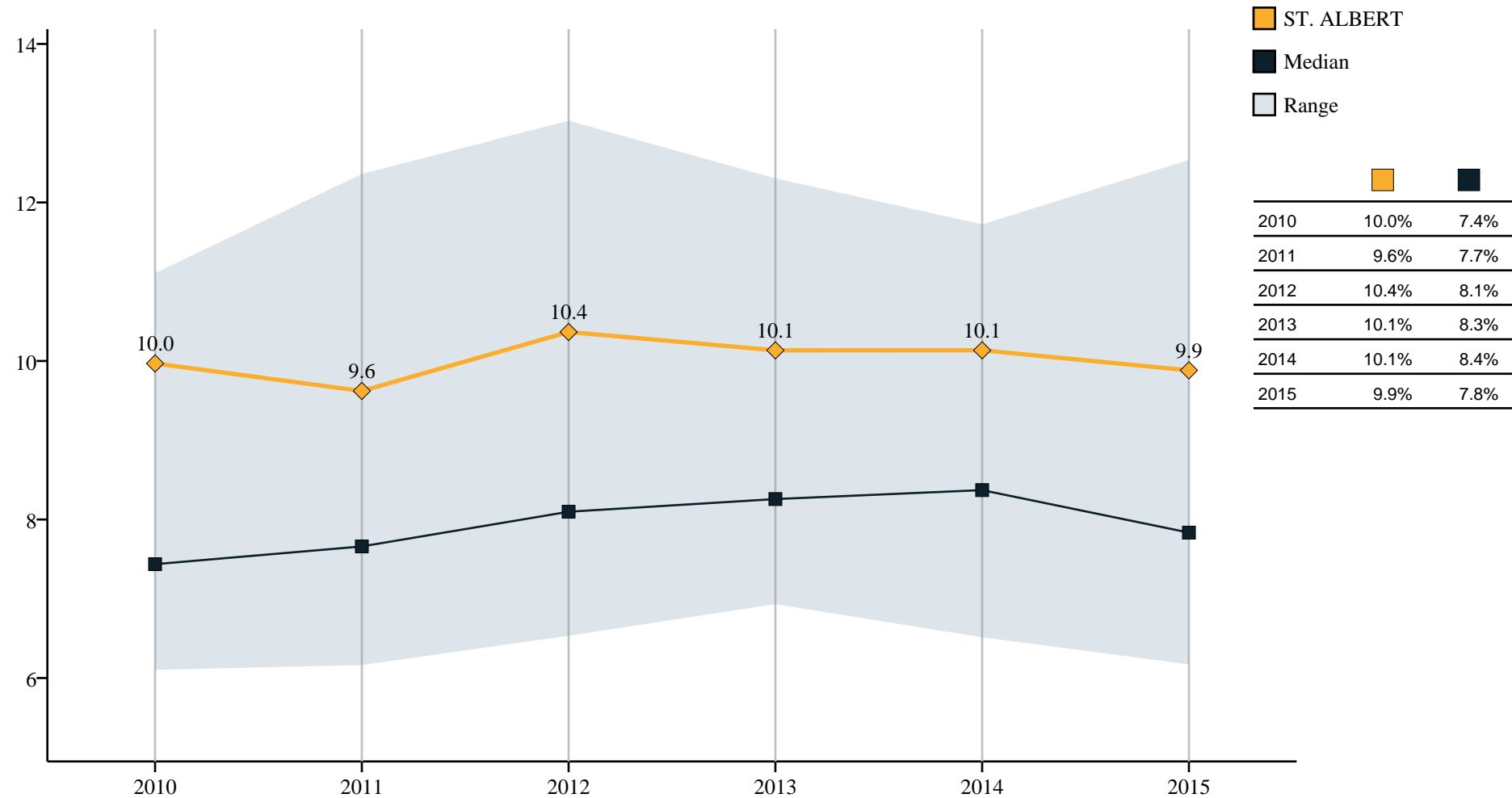
- o Equalized Tax Rates - Municipal/Residential/Non-Residential
- o Equalized Assessment Per Capita
- o Non-Residential Equalized Assessment as % of Total
- o Tax Collection Rate
- o Debt & Debt Service as % of the Limits
- o Long Term Debt Per Capita
- o Major Revenue Sources Per Capita
- o Major Revenue Sources As % of Total Revenue (only 2015)
- o Broad Function Expenses Per Capita (only 2015)
- o Per Capita Expenses by Major Type:
 - Salaries, Wages & Benefits
 - Contracted & General Services
 - Materials, Goods, Supplies & Utilities
 - Bank Charges & Interest
 - Amortization
- o Net Book Value As % of Capital Costs
- o Accumulated Surplus Categories, As % (only 2015)
- o Accumulated Surplus Categories, Per Capita (only 2015)
- o Ratio of Current Assets to Current Liabilities

Equalized Tax Rates: Net Municipal



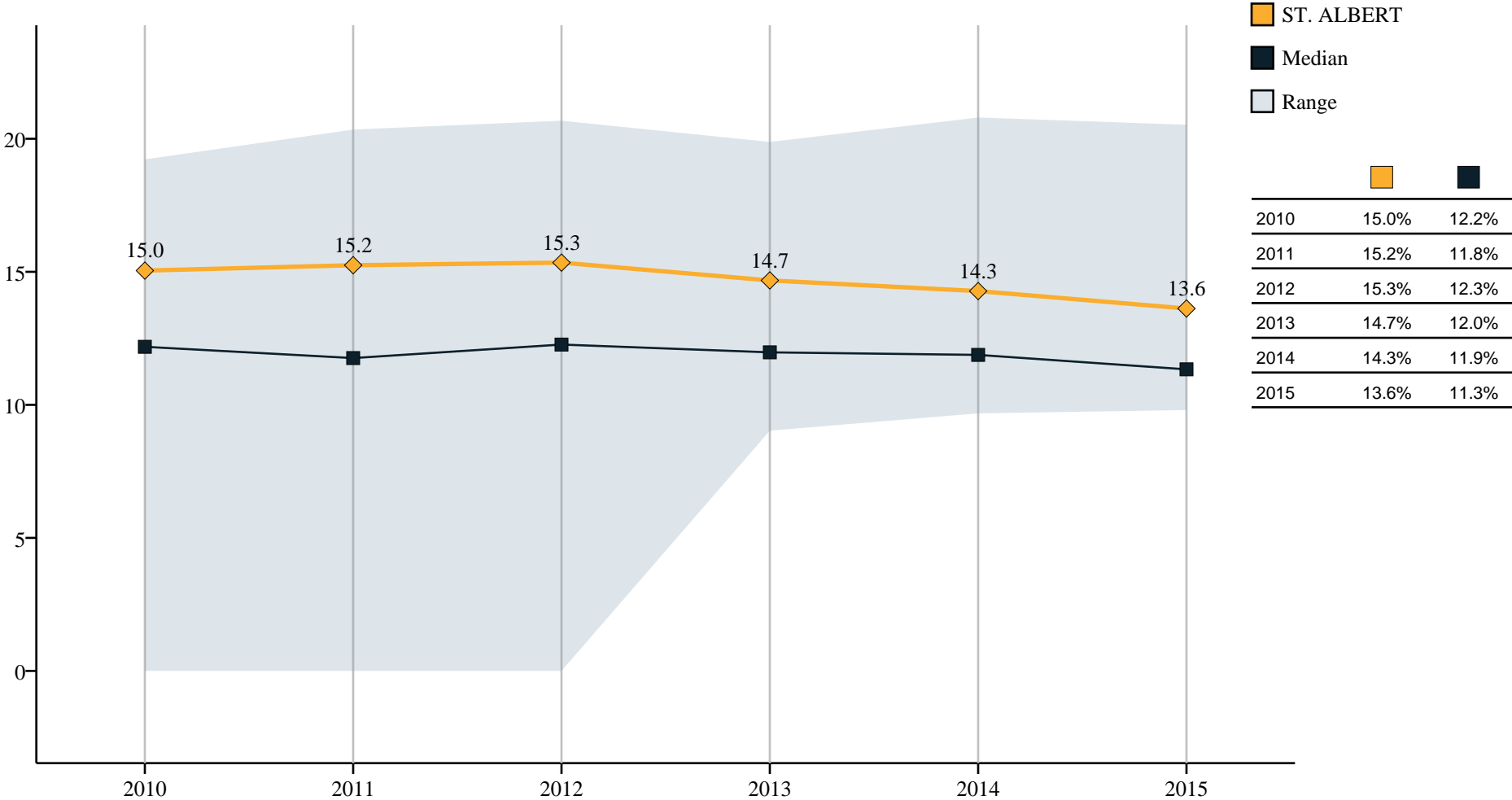
Note: Municipal Equalized Tax Rate is calculated based on total equalized assessment and net municipal property tax.

Equalized Tax Rates: Residential



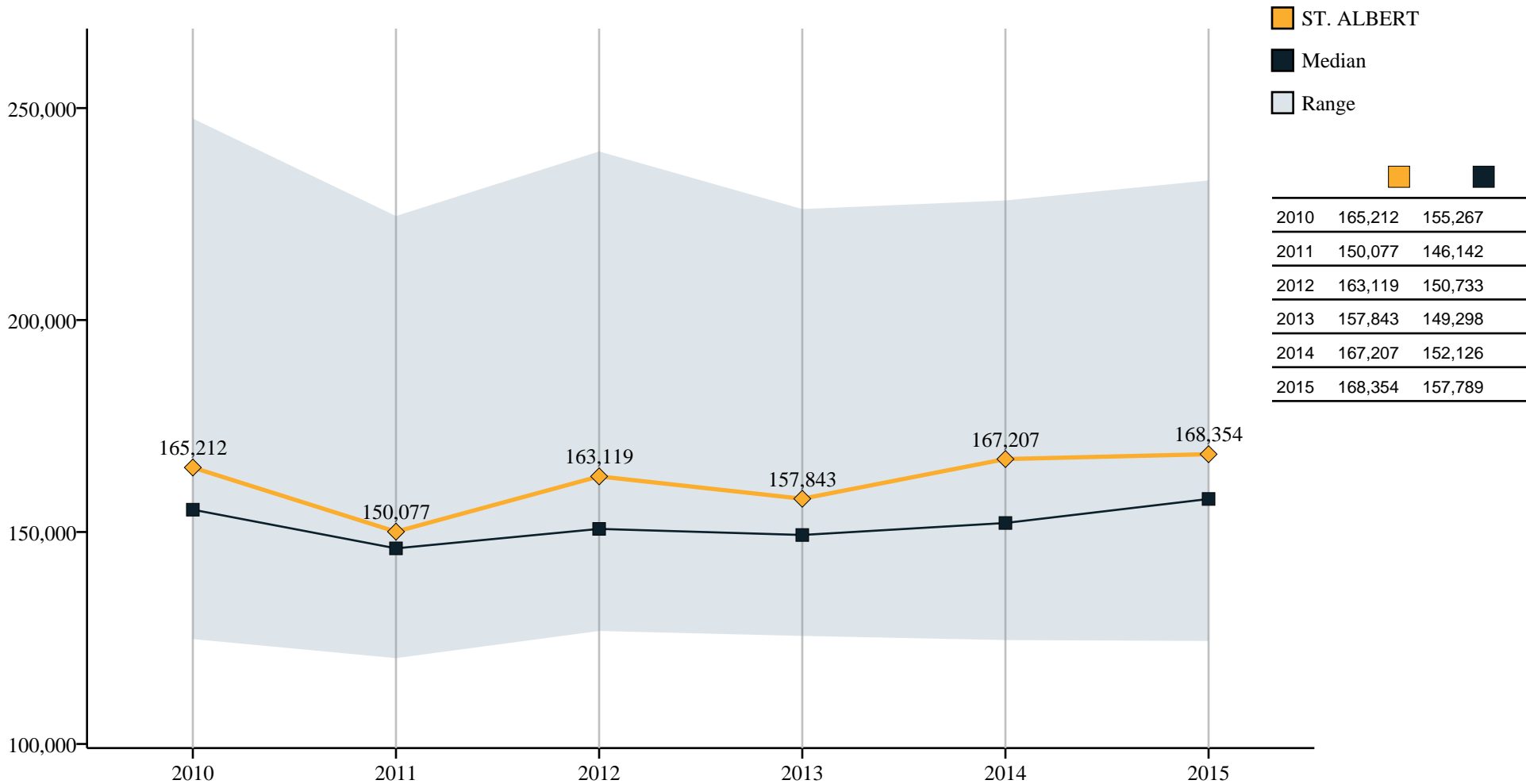
Note: Residential Equalized Tax Rate is calculated based on gross residential property taxes and residential equalized assessment.

Equalized Tax Rates: Non-Residential



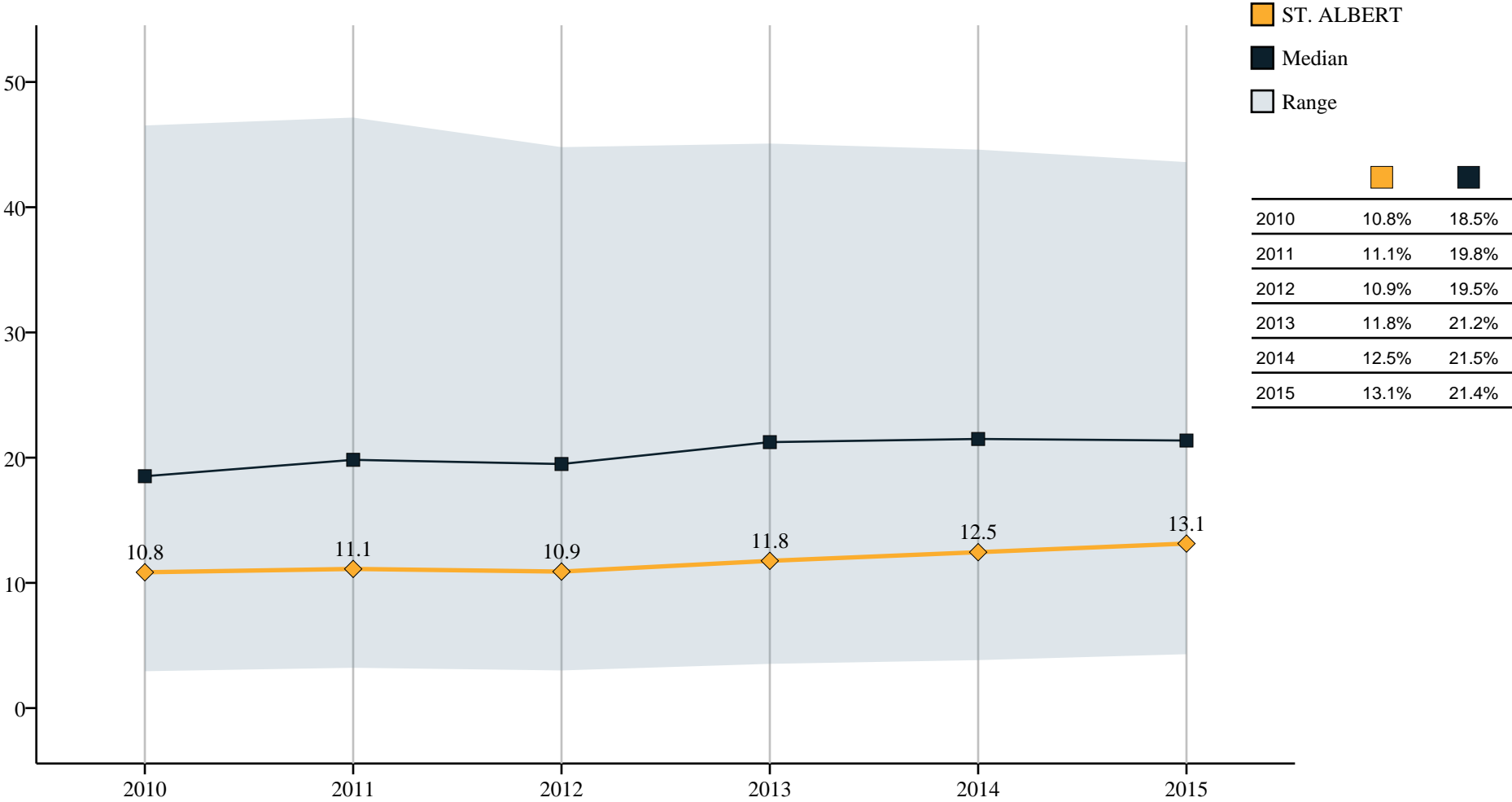
Note: Non-Residential Equalized Tax Rate is calculated based on gross non-residential property taxes and non-residential equalized assessment

Total Equalized Assessment Per Capita

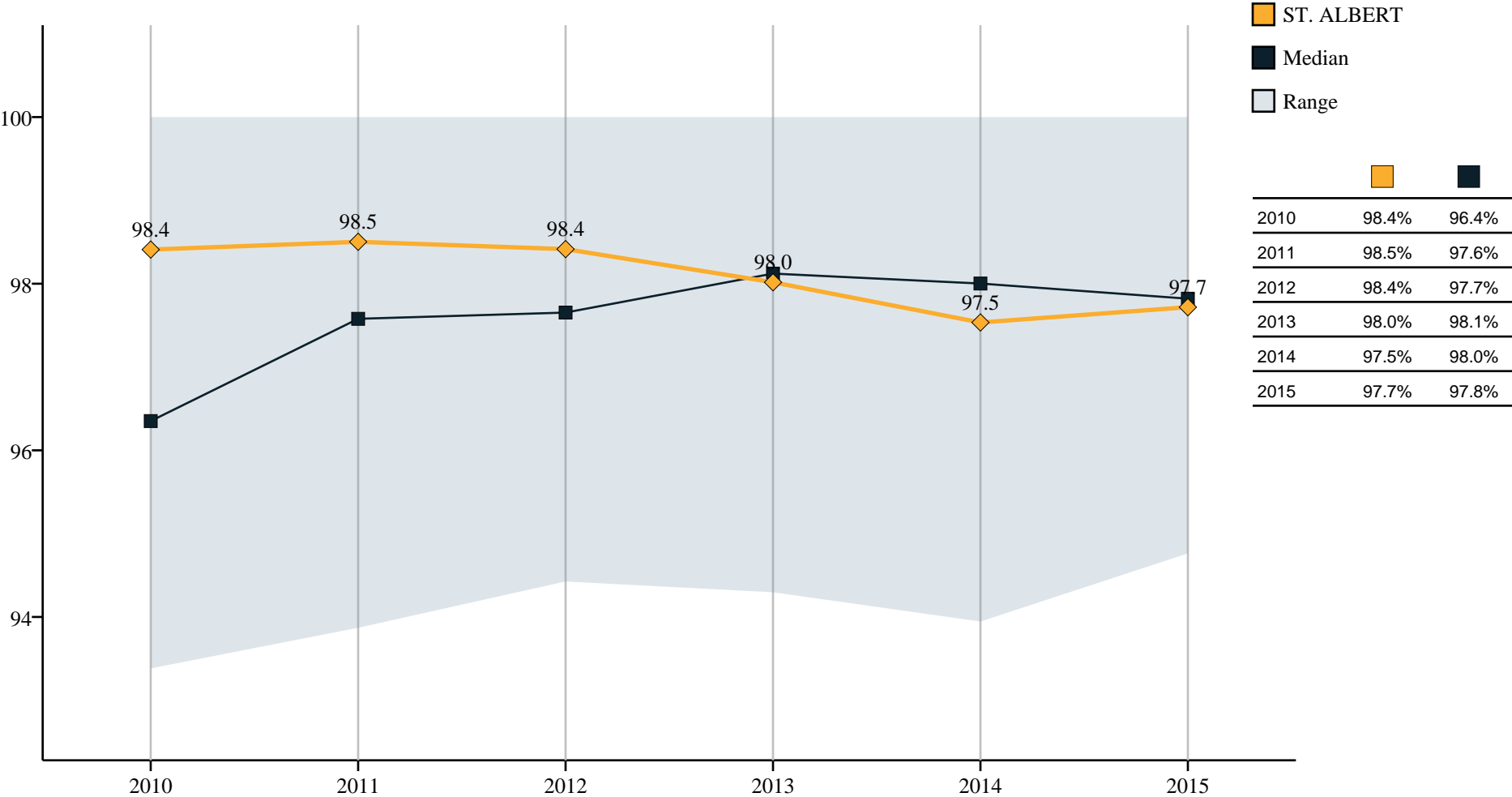


Note: Equalized Assessment Per Capita approximates a municipality's ability to generate property tax revenue in comparison to similar municipalities

Non-Residential Assessment as % of Total Equalized Assessment

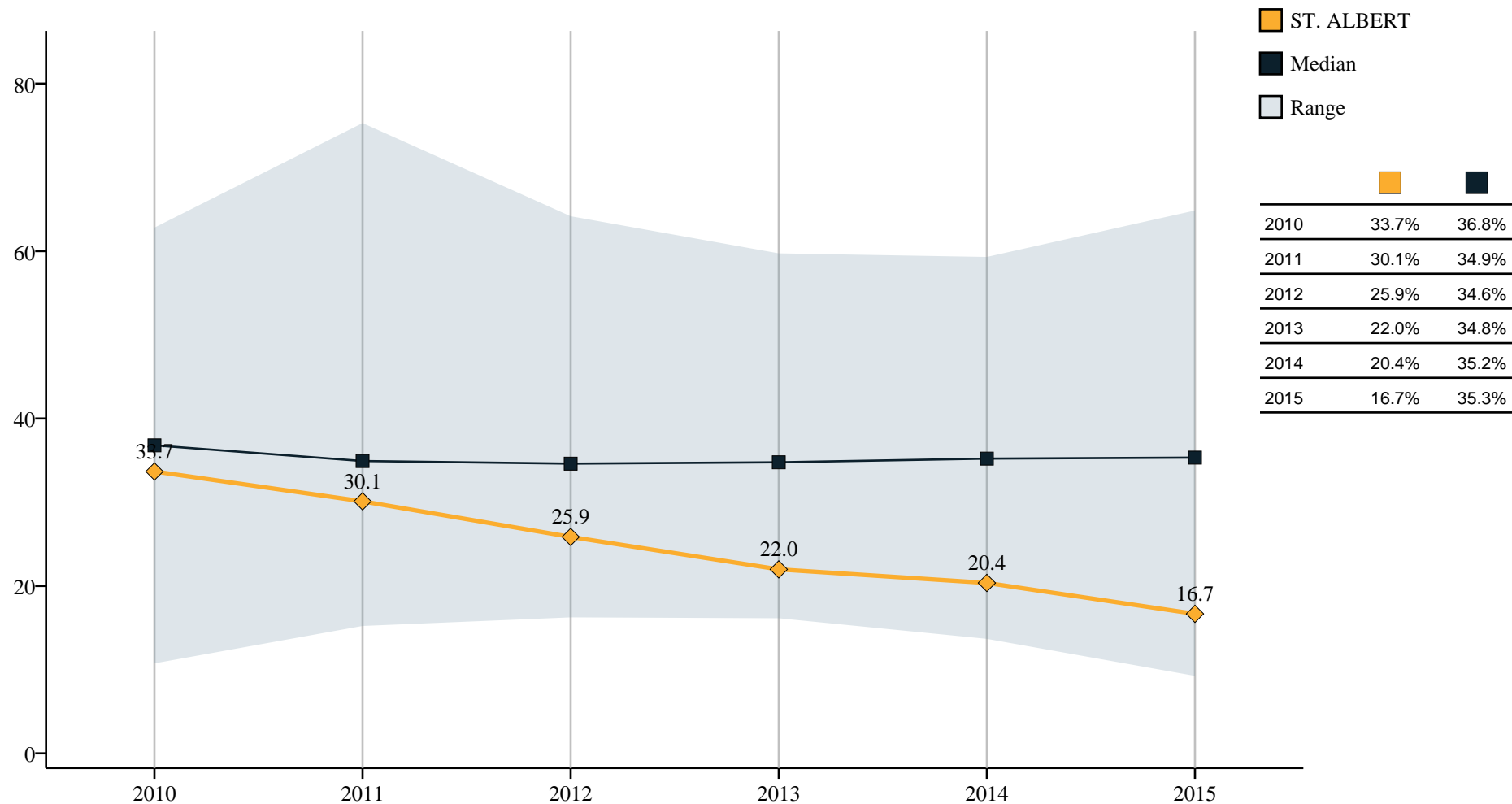


Tax Collection Rates



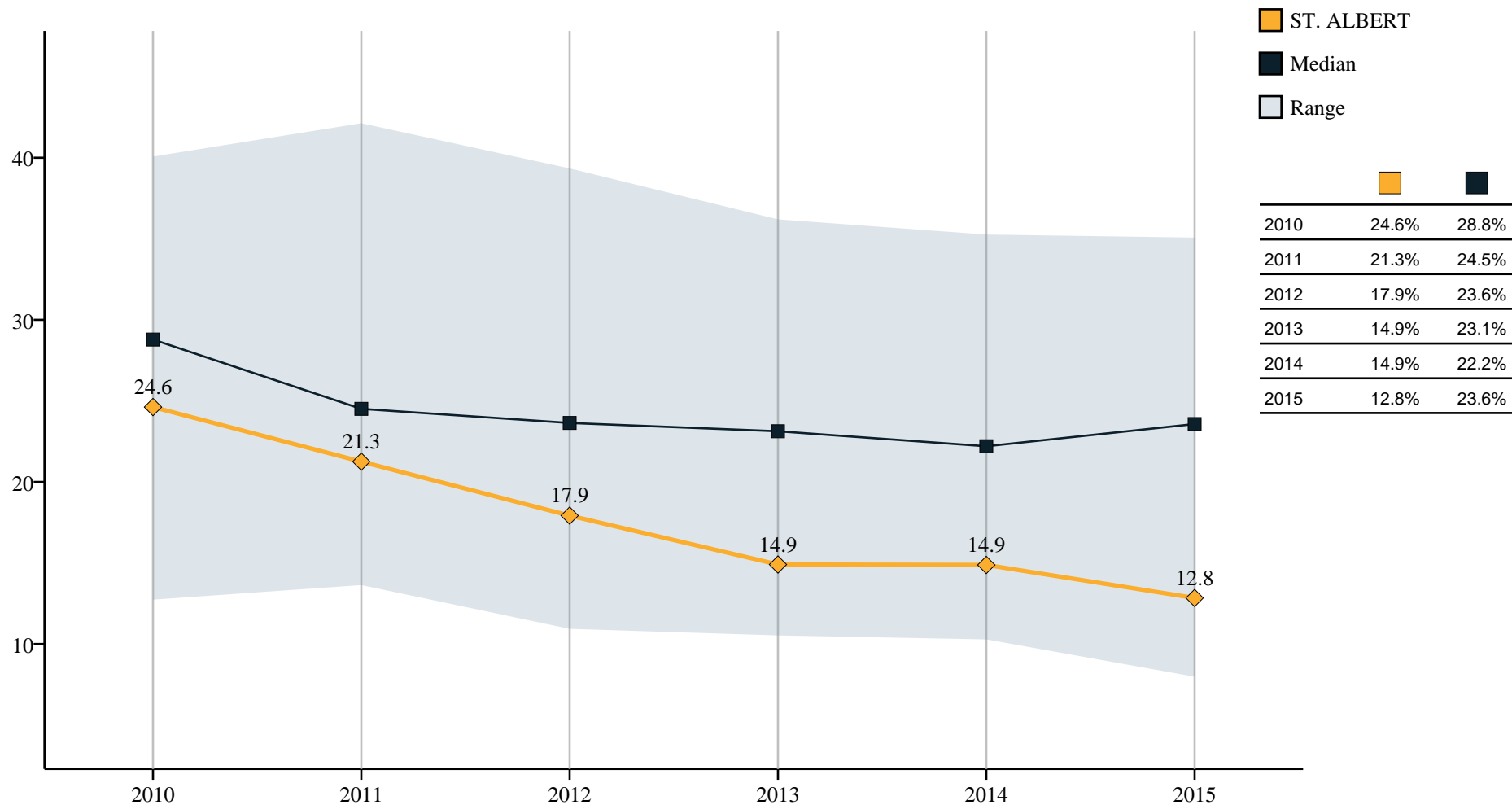
Note: This indicator reflects the percentage of taxes and grants in place of taxes which are collected by the municipality in the year in which they are levied.

Percent of Debt Limit Used



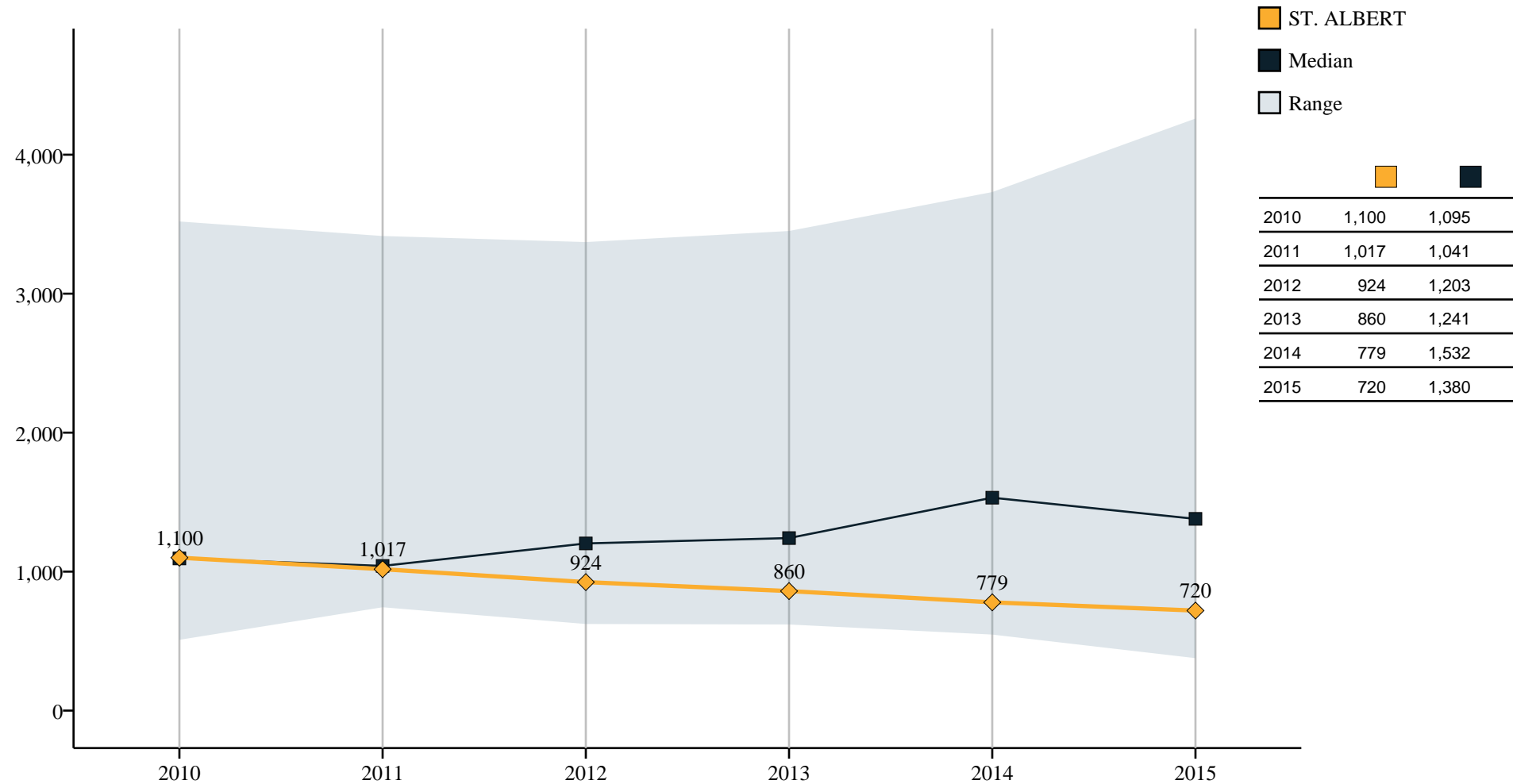
Note: This graph shows, in percentage terms, the municipality's debt as a percentage of the regulated limit. This is compared to the median for the group of similar municipalities.

Percent of Debt Service Limit Used

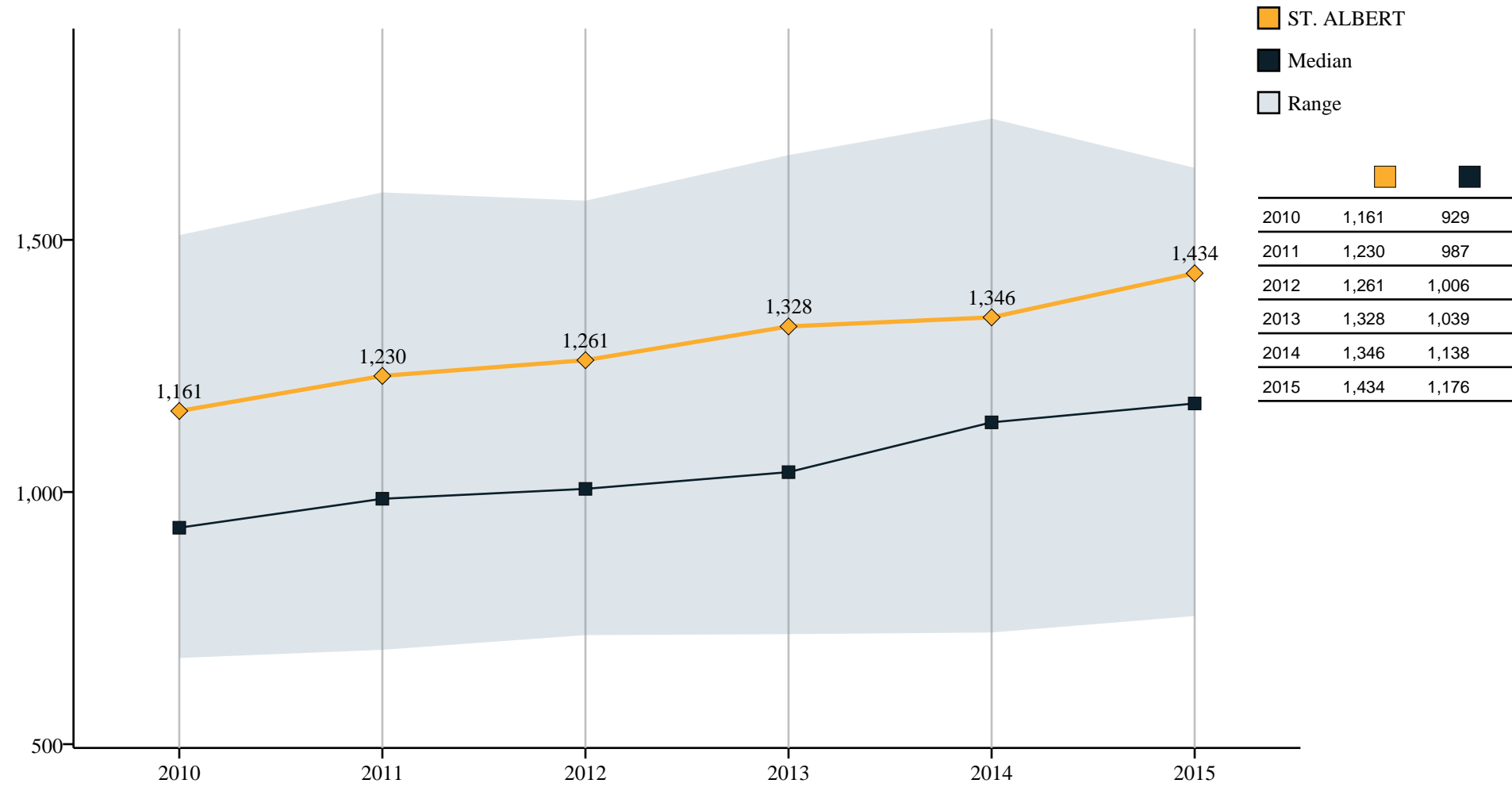


Note: This graph shows, in percentage terms, the municipality's current debt servicing requirement relative to the regulated limit. This is compared to the median for the group of similar municipalities.

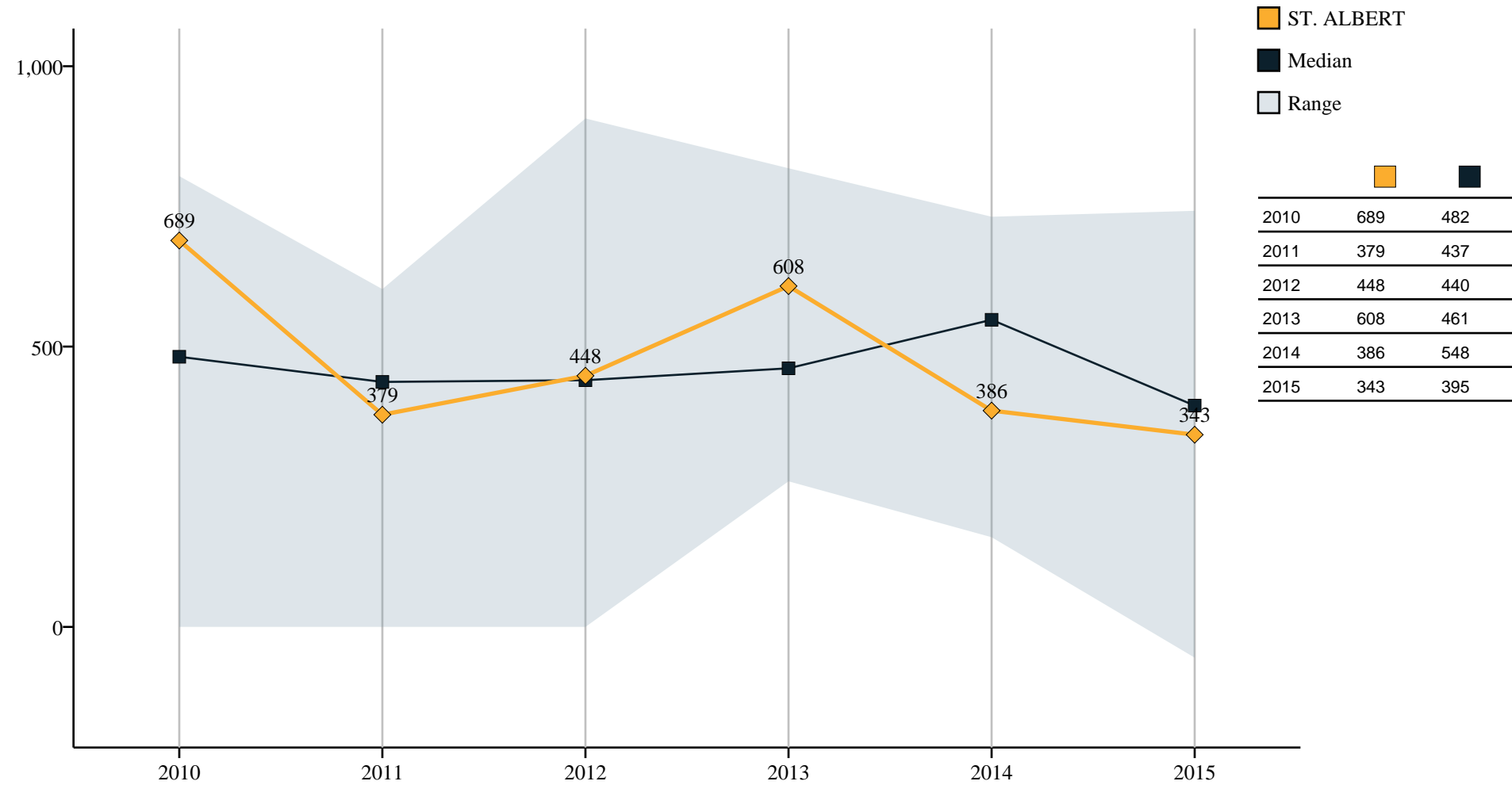
Long Term Municipal Debt Per Capita



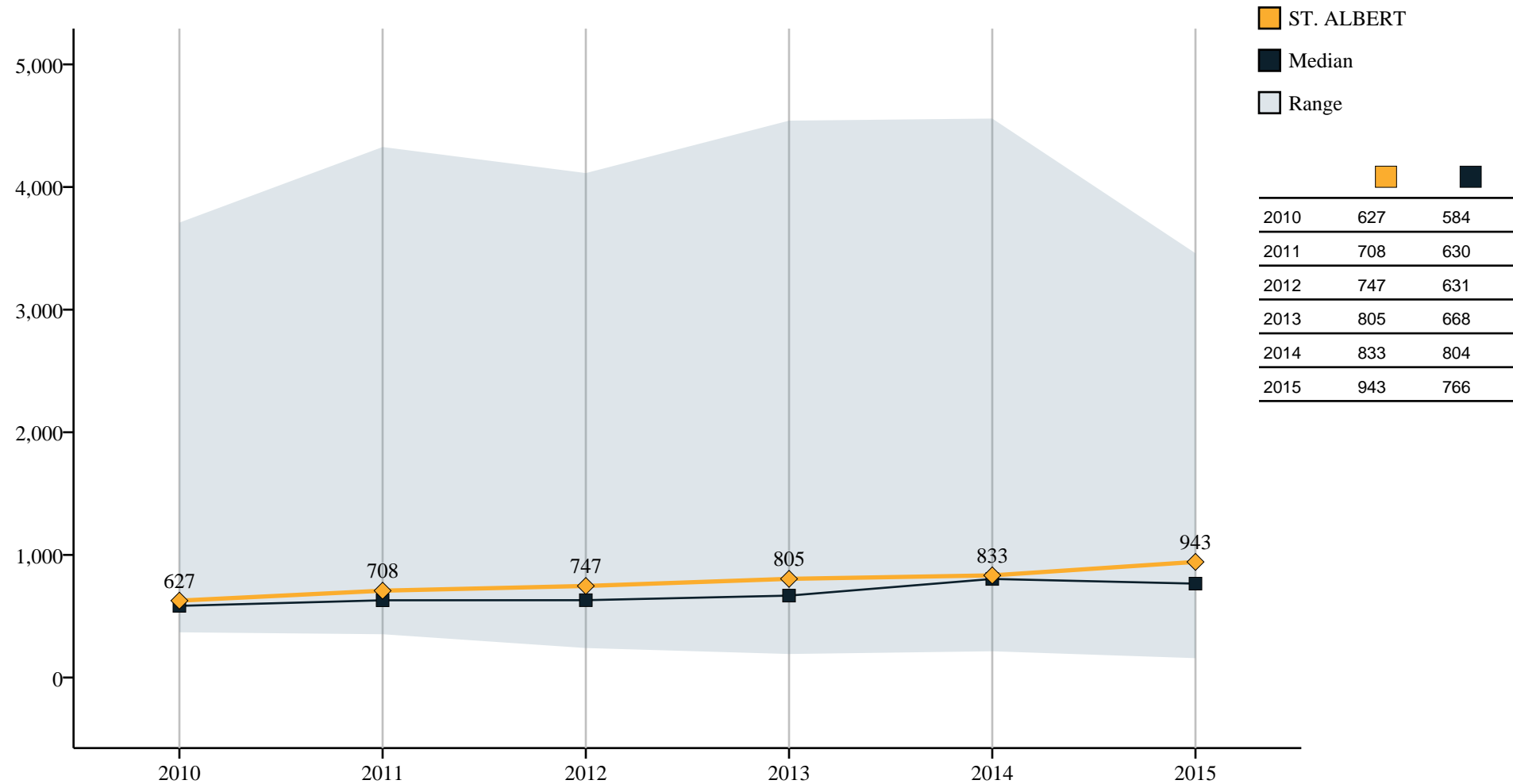
Revenue Sources Per Capita: Net Municipal Property Taxes



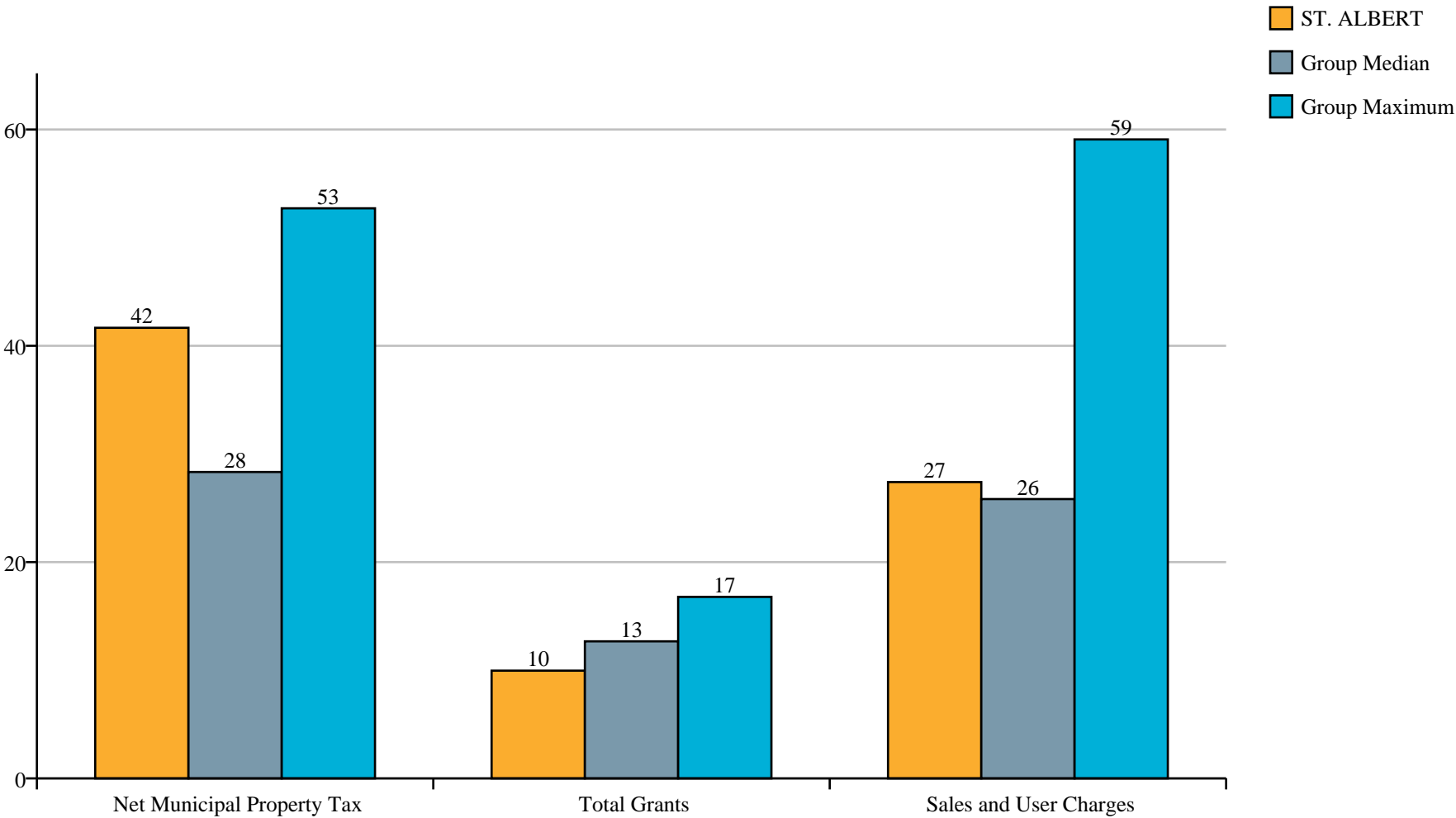
Revenue Sources Per Capita: Total Grants



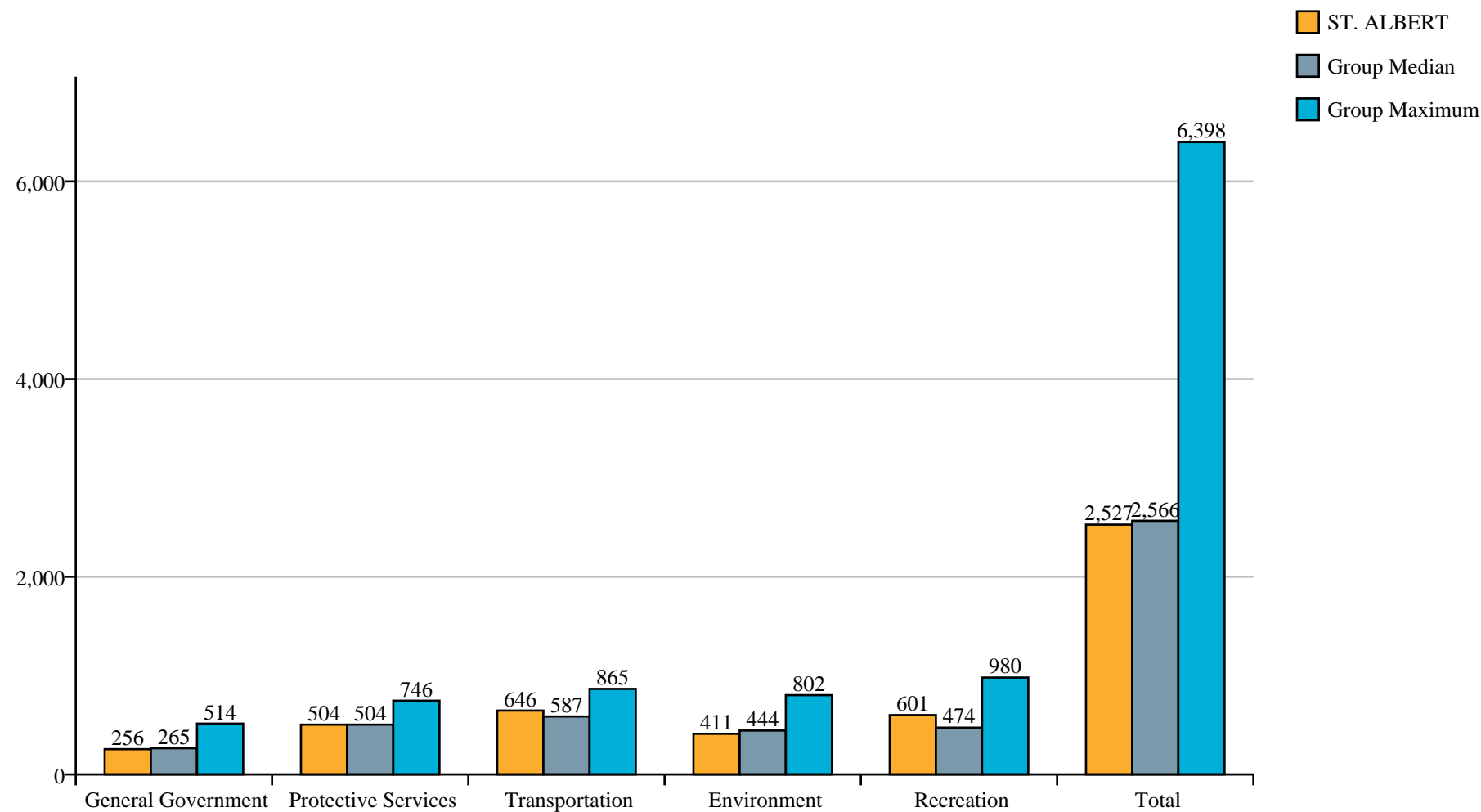
Revenue Sources Per Capita: Sales and User Charges



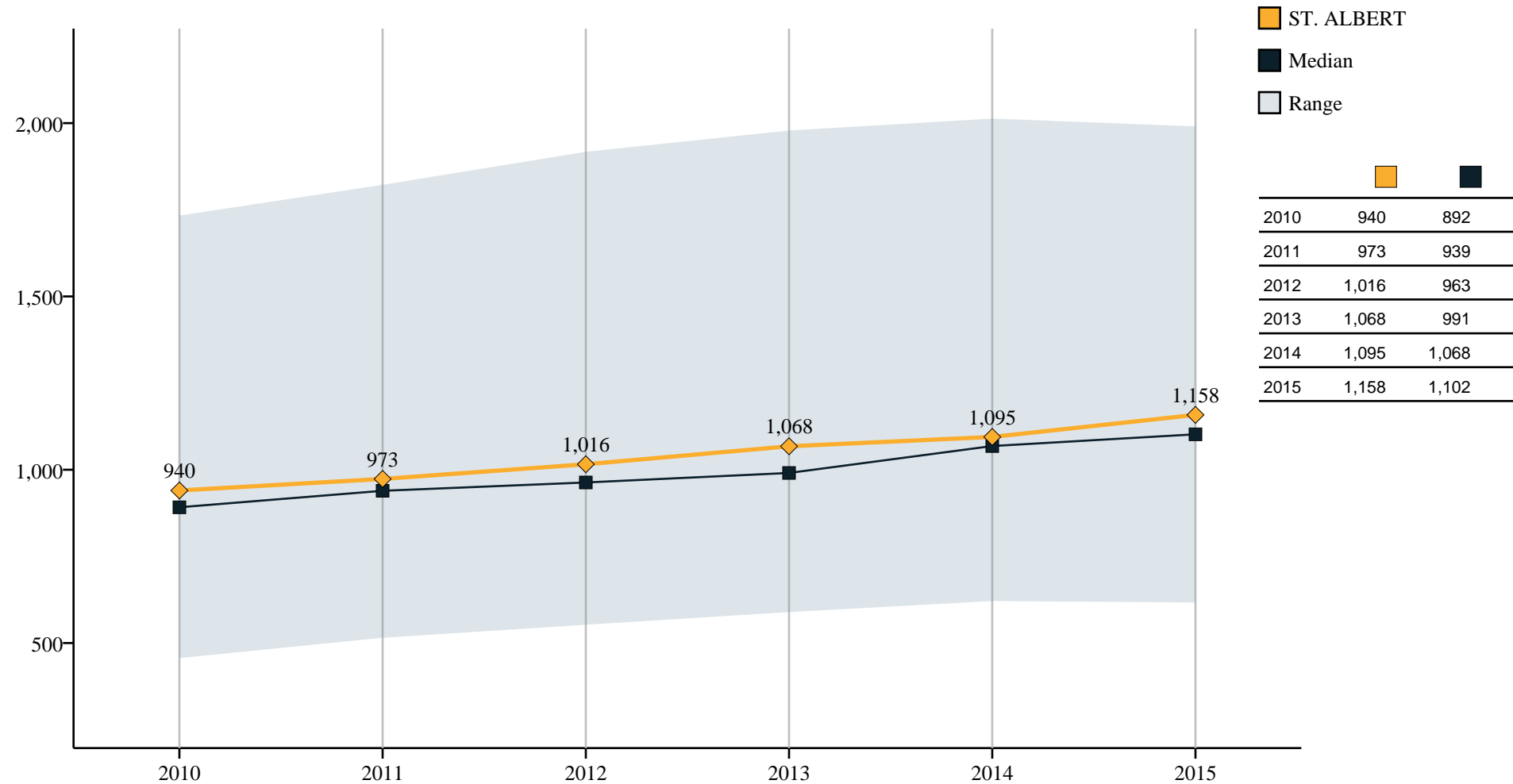
Major Revenue Sources As % of Total Revenue, 2015



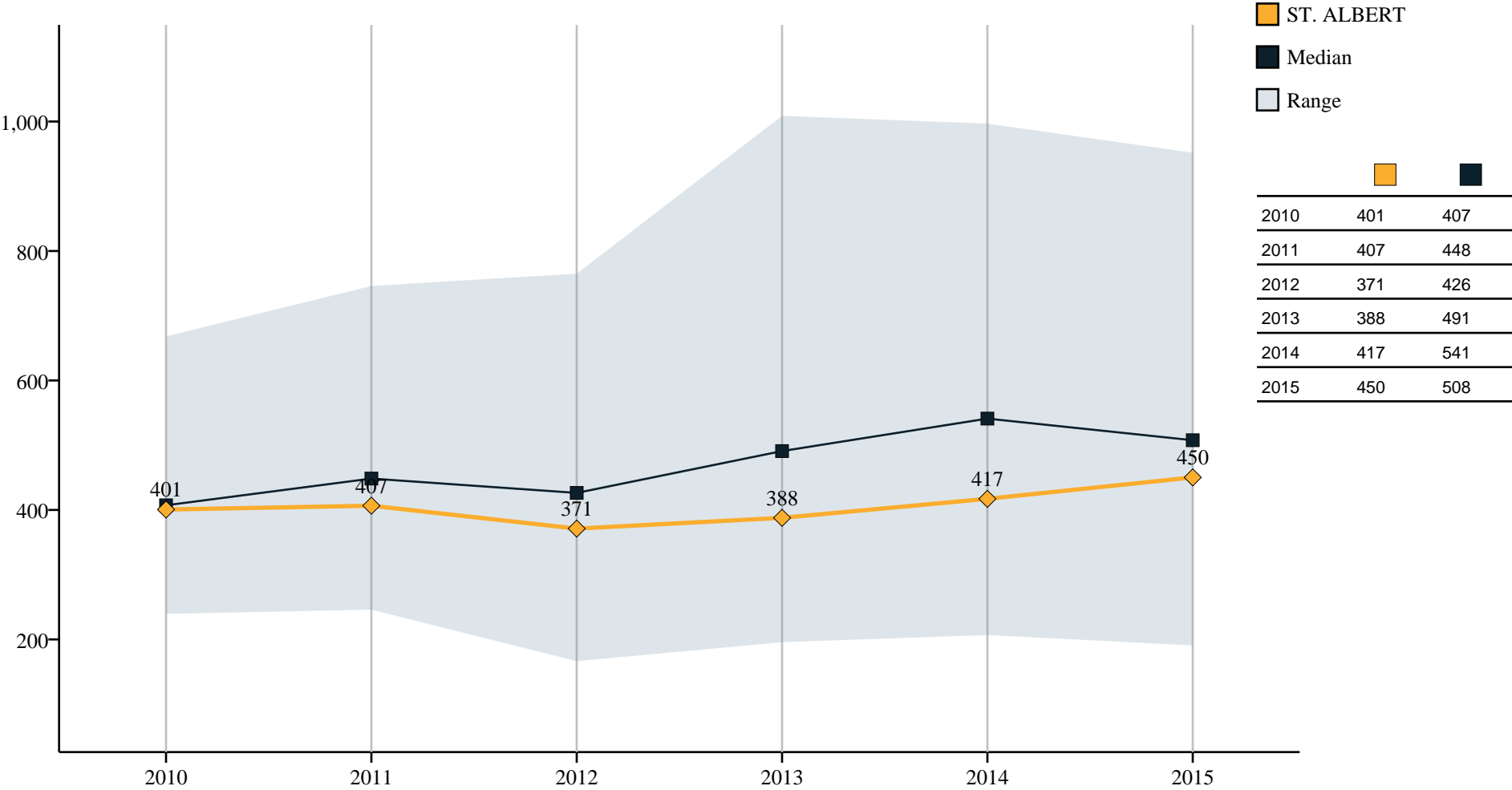
Major Expenditures Per Capita by Broad Function, 2015



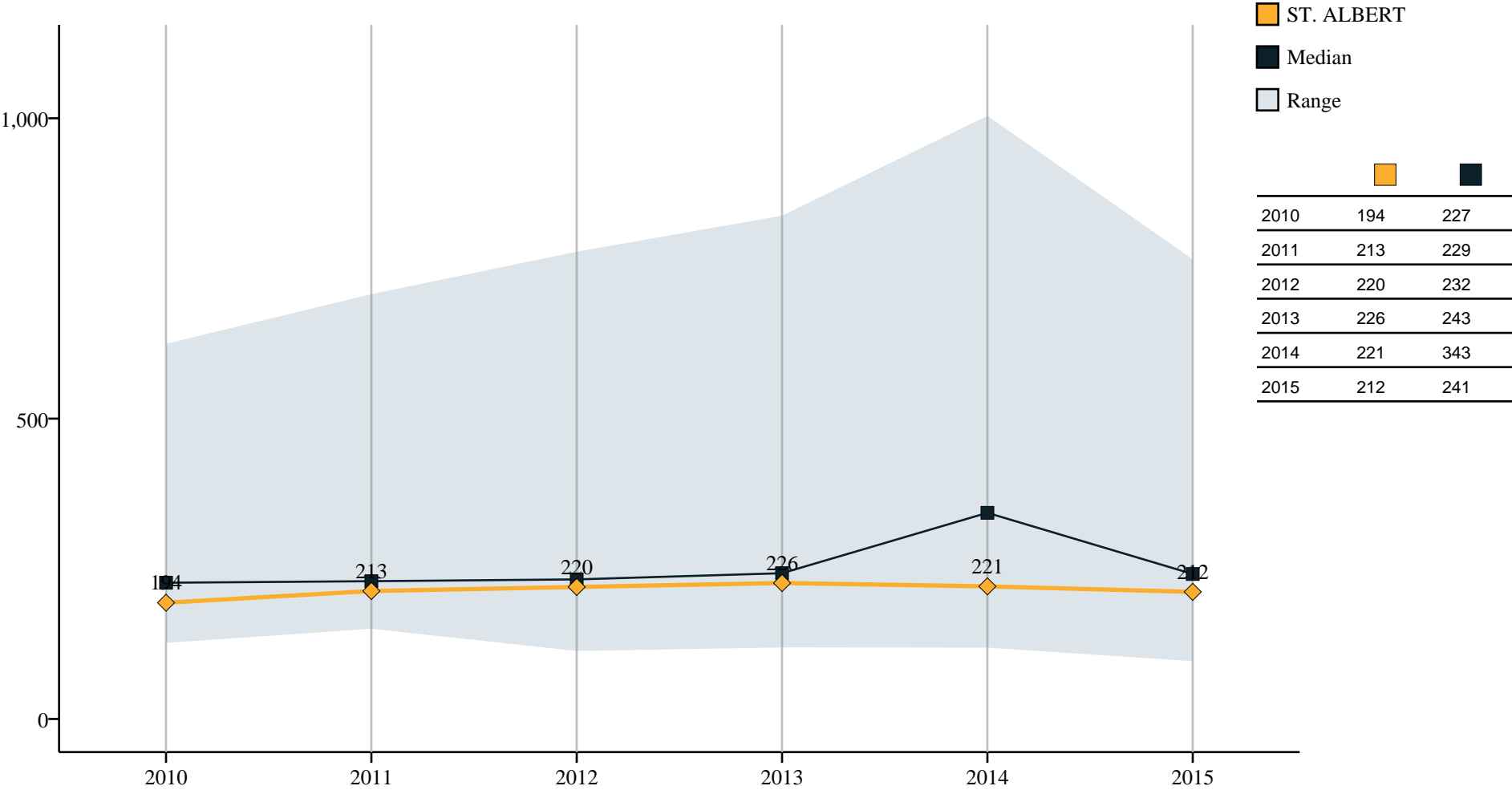
Major Expenditures Per Capita by Type: Salaries, Wages and Benefits



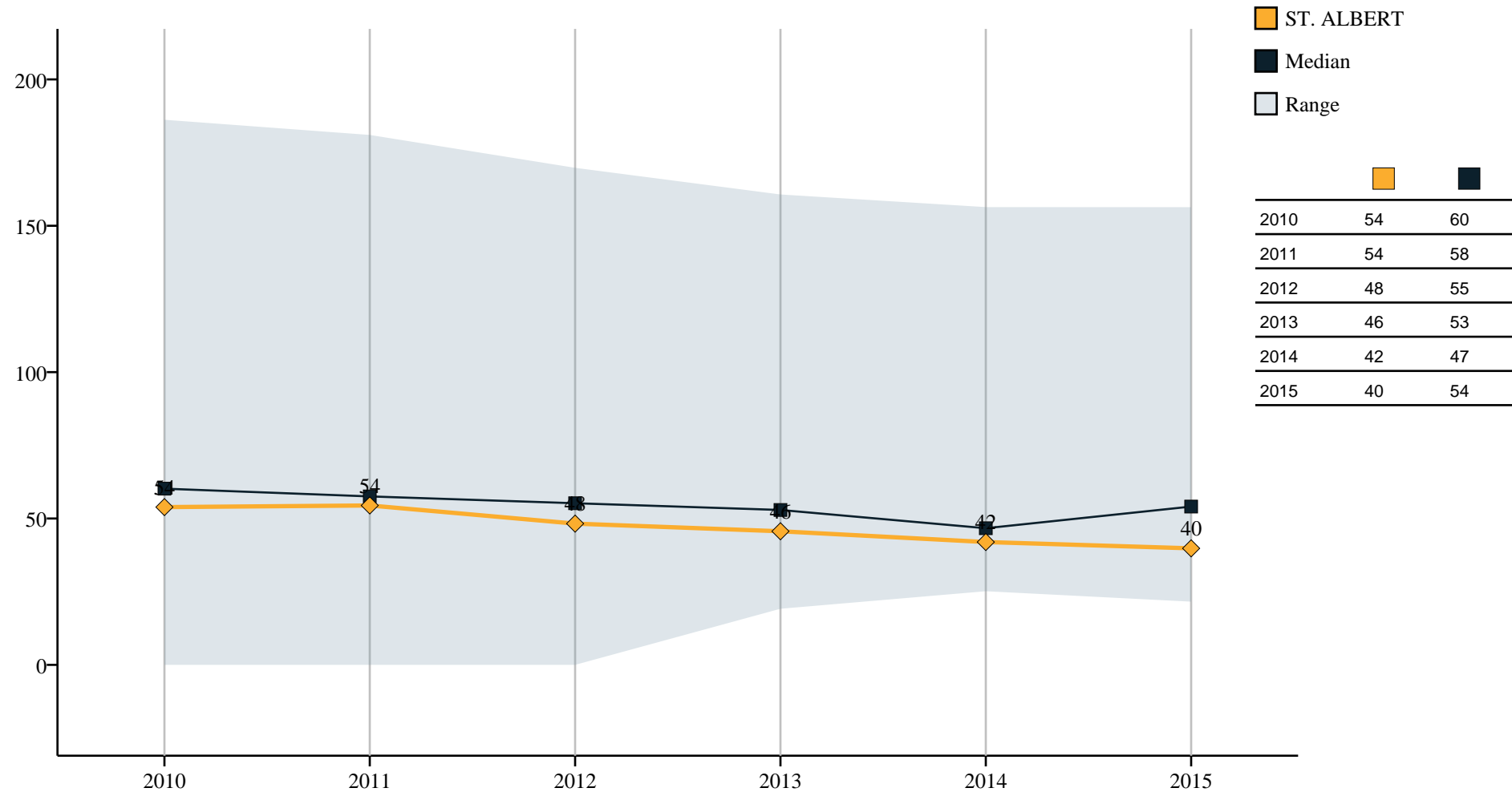
Major Expenditures Per Capita by Type: Contracted and General Services



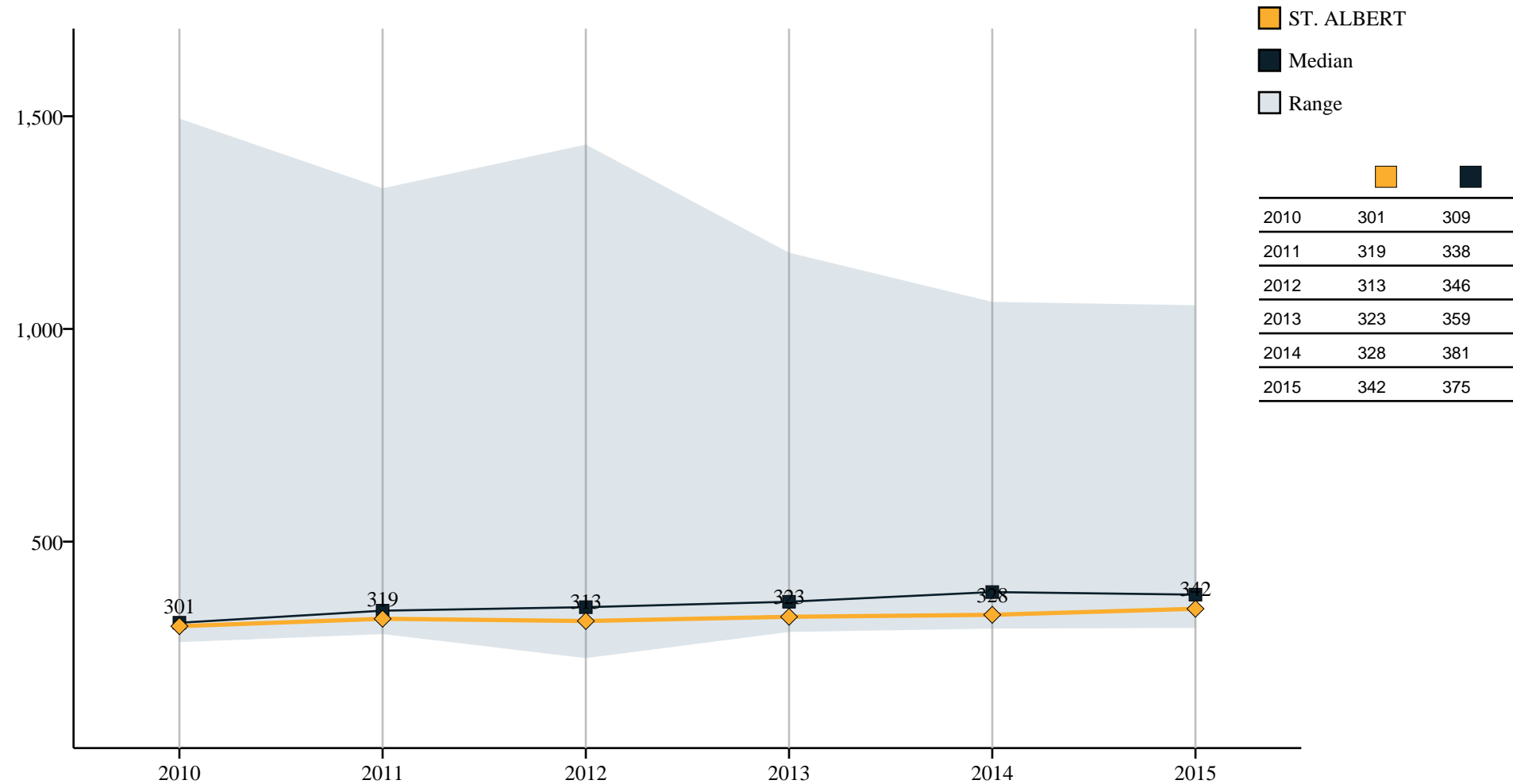
Major Expenditures Per Capita by Type: Materials, Goods, Supplies and Utilities



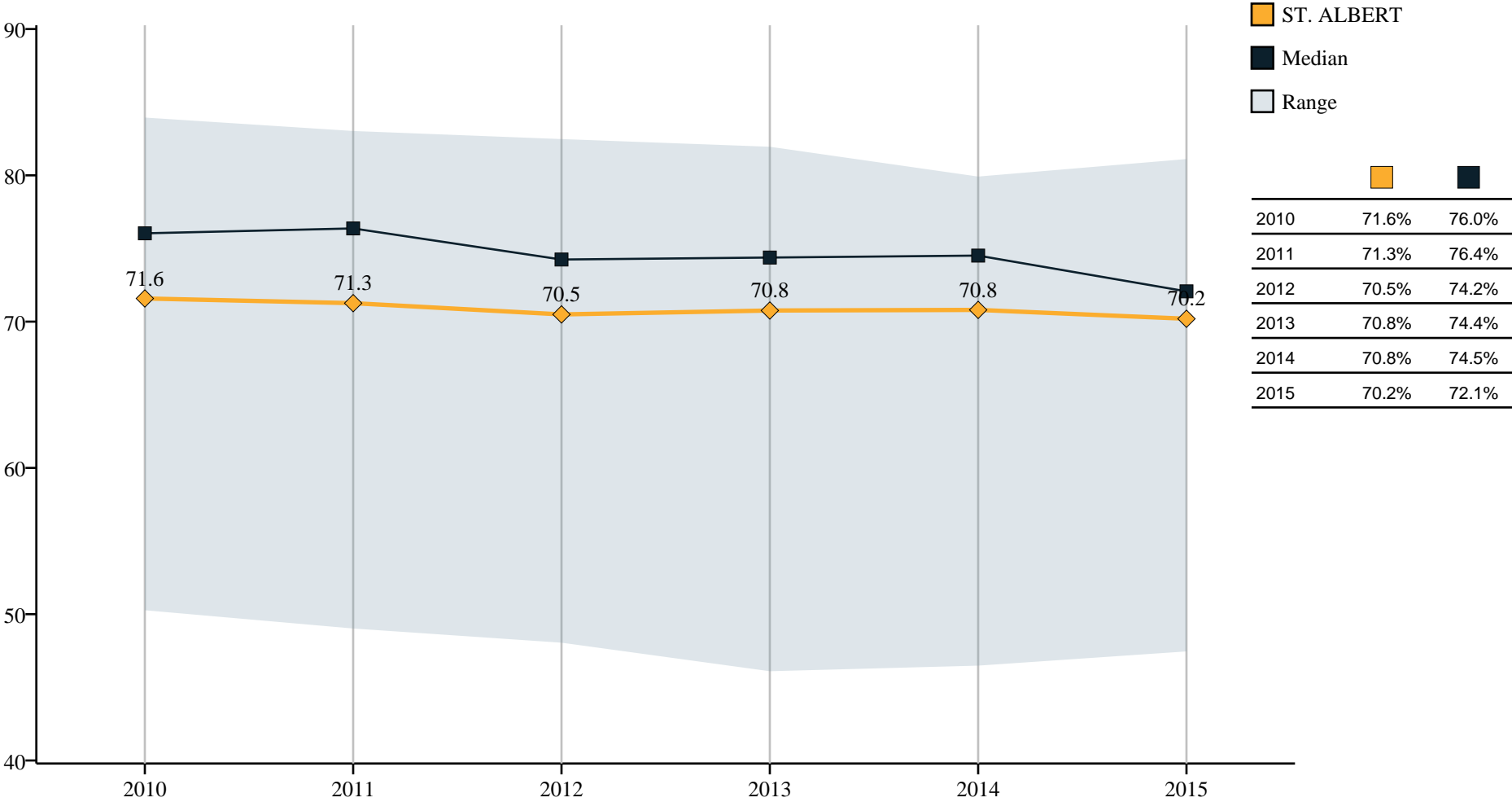
Major Expenditures Per Capita by Type: Interest and Banking



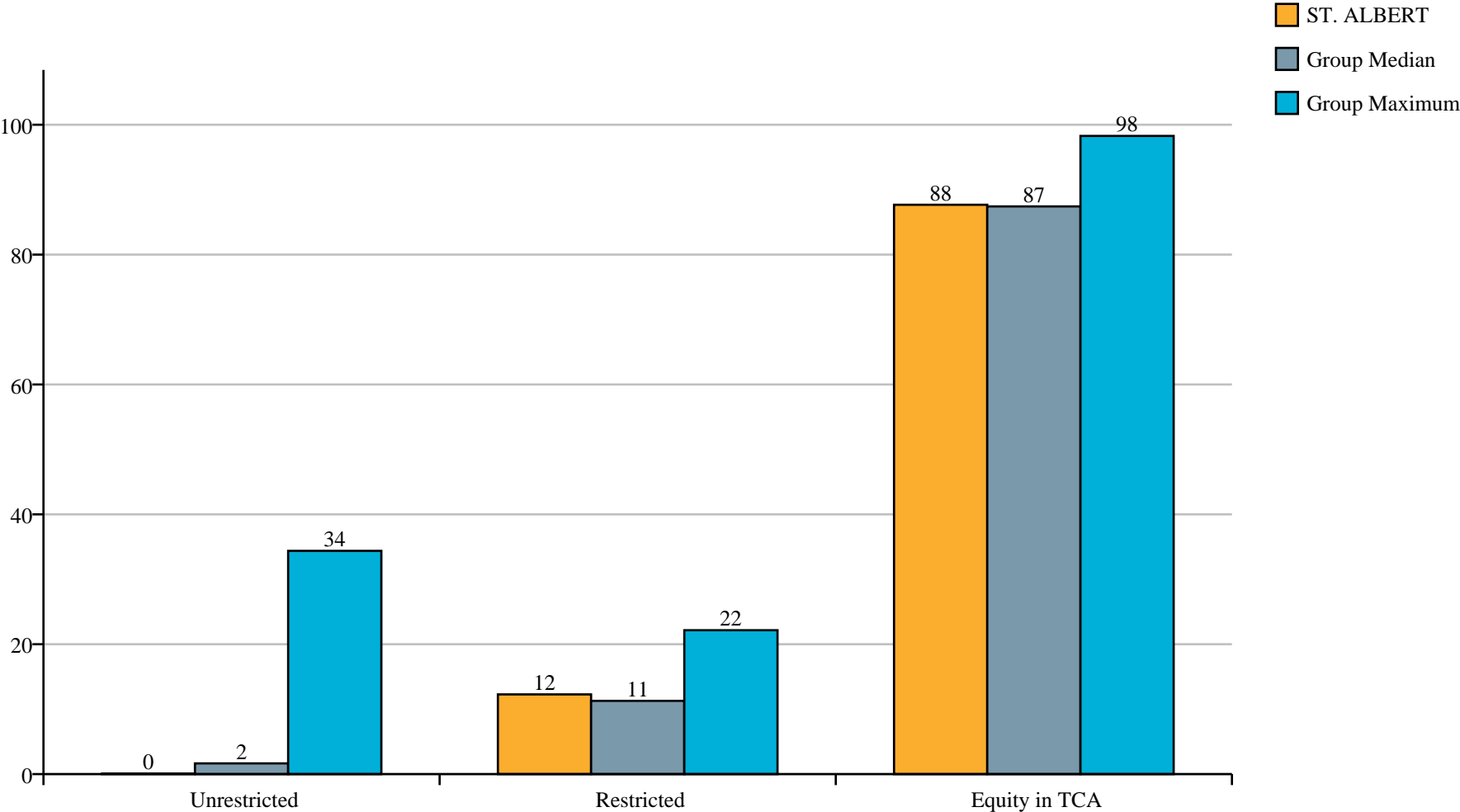
Major Expenditures Per Capita by Type: Amortization of Tangible Capital Assets



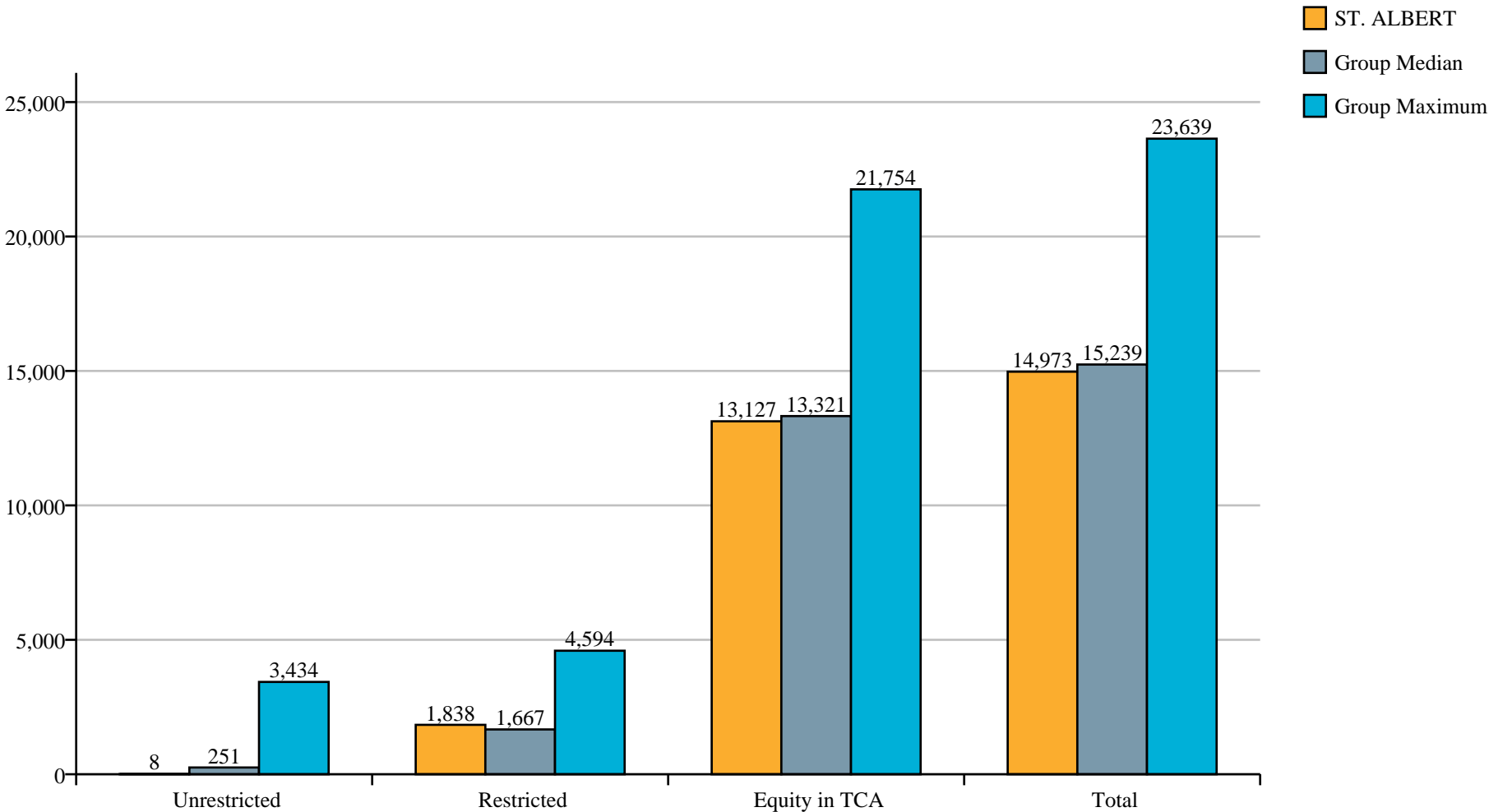
Net Book Value as % of Total Capital Property Costs



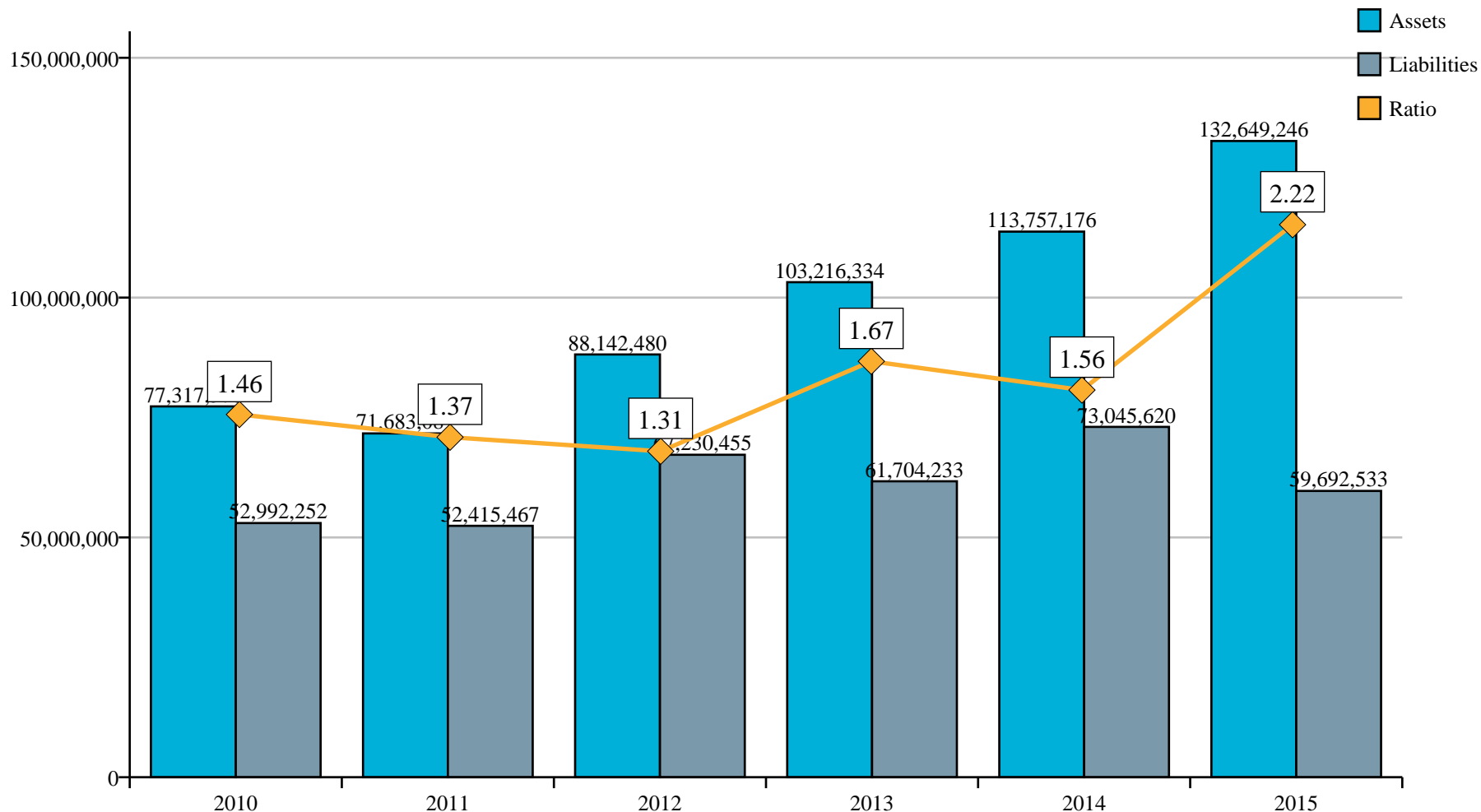
Accumulated Surplus Categories as % of Total, 2015



Accumulated Surplus Per Capita, 2015

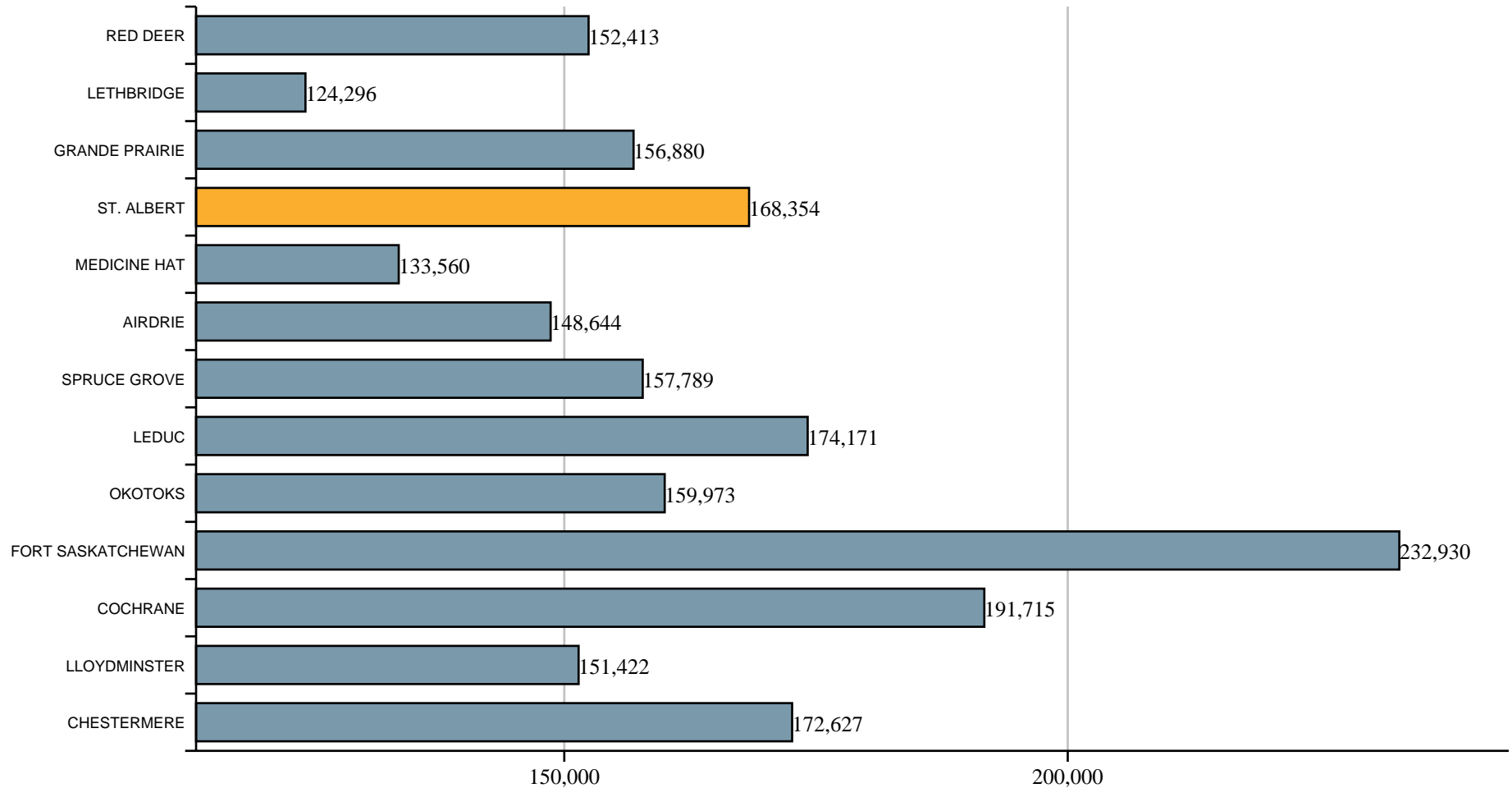


Ratio of Current Assets to Liabilities



Note: The current ratio calculation measures ability to meet short-term obligations with existing liquid assets. "Current Assets" are those which are liquid in nature (cash or an asset which can be easily converted to cash). Inventory is excluded from the calculation. "Current Liabilities" are generally obligations coming due within the next fiscal year. The ratio is shown in the centre of the column. A ratio greater than one indicates the degree to which current assets exceed current liabilities; a ratio smaller

Equalized Assessment Per Capita



Group Population

