

Board Decision

Meeting Date	June 15, 2016
Board Agenda Item	5.1.2 Municipal Annual Operating Contributions
Subject / Issue	Municipal Annual Operating Contributions
Lead	Guy Bridgeman, Larry Wall

Recommendation(s):

1. Equitable contributions to operating are made by the municipalities consistent with the pattern of the past:
 - a. Edmonton contribute 50% of annual municipal operating contributions
 - b. Devon, Parkland, Leduc, Strathcona, Sturgeon, Fort Saskatchewan combined contribute 50% of annual municipal operating contributions
2. That RVA Municipalities be requested to provide annual operating contributions in 2017 and onward as follows:

a. Edmonton -	\$120,000
b. Devon -	\$ 20,000
c. Parkland County -	\$ 20,000
d. Leduc County -	\$ 20,000
e. Strathcona County	\$ 20,000
f. Fort Saskatchewan	\$ 20,000
g. Sturgeon County	\$ 20,000
Total	\$240,000

Background:

- The RVA Vision and Mission as referenced in the 2016-2020 Business Plan are:

Vision: *To create a continuous world class metropolitan river valley park system from Devon through Parkland County, Leduc County, Edmonton, Strathcona County and Sturgeon County to Fort Saskatchewan.*

Mission: *To preserve, protect and enhance the river valley becoming recognized as one of the largest and best river valley park systems in the world for the year-round accessibility and enjoyment of its citizens and visitors.*
- The RVA has been successful in garnering \$80,000,000 from incremental provincial and federal governments to support the municipal investments in the river valley park system.
- The RVA targets to raise more than \$150,000,000 to support the NEXT PHASE Capital Program of 2017-2022.
- The RVA aspires to realize its Vision and Mission through the introduction of Marketing, Branding, Events and Communications to achieve the Outcomes identified in the Plan of action:
 - 1. Pride – To create a source of unparalleled pride in the Capital region and throughout Alberta
 - 2. Legacy – To preserve an outstanding legacy for all Albertans
 - 3. Quality of Life – To improve the quality of life for people in the Capital Region
 - 4. Attraction – To attract businesses and residents to the Capital Region
 - 5. Tourism – To enhance tourism in the Capital Region and the province
- The RVA sources operating funds from (Attachment 2 – Municipal Contributions):
 - Municipal Annual Operating contributions (\$110,000 in 2015)
 - Municipal Reserve Funds (\$126,000 in 2015)
 - Provincial Grant Operating (\$393,000 in 2015)
 - Investment interest/ private contributions (\$9,000 in 2015)
- Municipal annual operating contributions have remained static since 2002(?) at \$110,000 (\$50,000 from Edmonton plus in-kind services, \$10,000 from the other six shareholders,). There has been no accommodation for inflation over the last 14 years.
- Since the receipt of the Provincial grant in 2009, operating funds have been sourced in the following proportion:

- Provincial ~ 60%
- Municipal ~ 35%
- Investment interest/ private contributions ~ 5%
- At the Board at the 2015 Planning Retreat, the Board recognized the value of the continued operation of the RVA upon the expiration of the current provincial and federal grant funding to garner more funds and continue as a forum for inter-municipal collaboration and to steward the river valley park initiatives.
- The RVA Municipal Reserve was built up to \$798,000 from contributions incremental to annual operating contributions in the years up to the receipt of the provincial grant in 2009. Reserve contributions were discontinued after the receipt of the provincial funding. At the end of 2015 the unrestricted municipal reserve was \$496,000.
- The execution of 2016-2020 Business Plan would have the unrestricted municipal reserve depleted by mid-2018.
- The Budget forecast for 2016-2020 proposes the annual unrestricted reserve draw be replaced with an increase in annual operating contributions in 2017 and forward to sustain the unrestricted municipal reserve at ~\$300,000. This reserve would serve as an operating contingency.
- The provincial government capital and operating grant will expire as of March 31, 2018. Renewed funding in the form of an incremental grant of \$50,000,000, inclusive of the operating contribution formula, will be requested. Should this request not be successful the Board has accepted an approach of requesting the unexpended interest from the 2009 grant be designated for future operating support purposes.
- The RVA Business Plan 2016-2020 forecasts a combined municipal operating and reserve contribution of \$250,000 annually. This will be reduced in 2017 budget to reflect the proposed \$240,000 municipal contributions.
- Forecast Allocation of capital funds of 2010 – 2017.
 - Edmonton - \$50,600,000
 - Devon - \$2,200,000
 - Parkland - \$2,500,000
 - Leduc - \$5,000,000* (estimated, drawn from remaining funds noted below)
 - Strathcona - \$1,100,000
 - Fort Saskatchewan – \$2,800,000
 - Sturgeon - \$933,000
 - *Remaining funds to be allocated after operating ~ \$14,000,000

Motion:

The RVA to request annual municipal operating contributions for 2017 as:

- | | |
|----------------------|------------------|
| a. Edmonton - | \$120,000 |
| b. Devon - | \$ 20,000 |
| c. Parkland County - | \$ 20,000 |
| d. Leduc County - | \$ 20,000 |
| e. Strathcona County | \$ 20,000 |
| f. Fort Saskatchewan | \$ 20,000 |
| g. Sturgeon County | \$ 20,000 |
| Total | \$240,000 |

Motion Carried – June 15, 2016 RVA Board Meeting

Attachments(s):

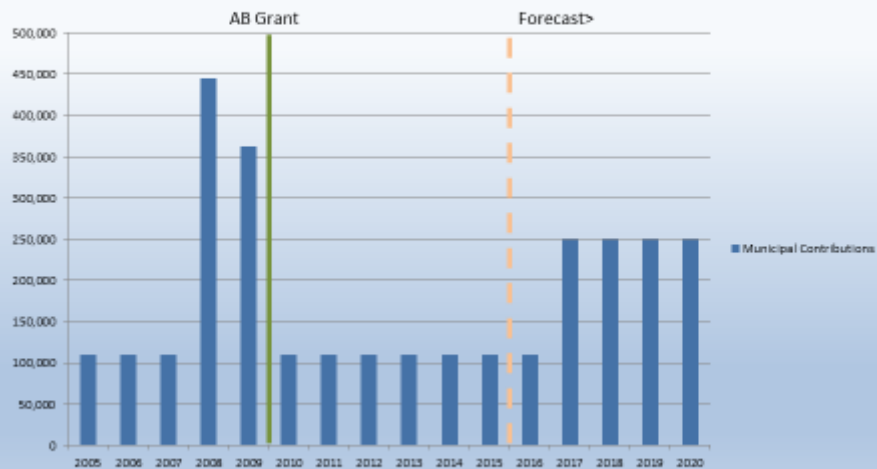
Attachment 1 – RVA Municipal Contribution History

Attachment 2 - OPERATING BUDGET 2016 – FORECAST 2017-2020

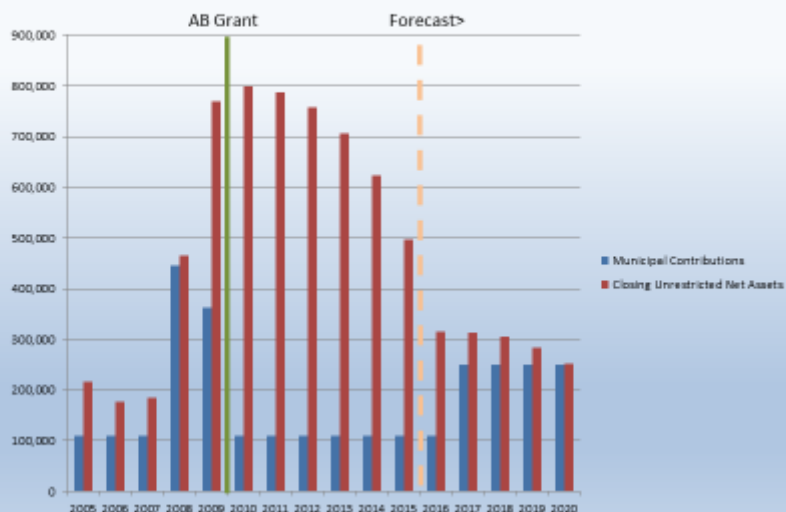
Attachment 1

RVA Municipal Contribution History

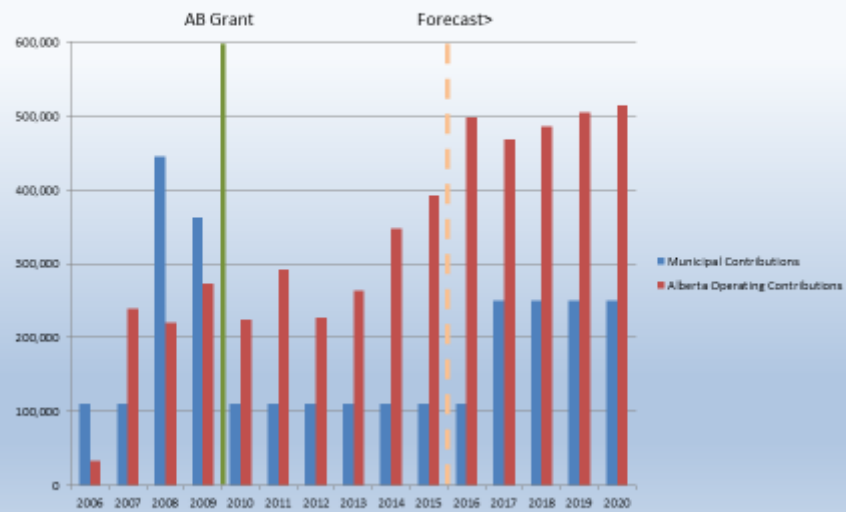
Municipal Contributions



Reserve Additions and Withdrawal



Municipal / Alberta share



ATTACHMENT 2

OPERATING BUDGET 2016 – FORECAST 2017-2020

Operating Budget

15-Jun-2016	<i>Budget 2015</i>	<i>Actual 2015</i>	<i>Budget 2016</i>	<i>Forecast 2017</i>	<i>Forecast 2018</i>	<i>Forecast 2019</i>	<i>Forecast 2020</i>
OPERATING REVENUE							
AB Parks Grant - Operating	499,576	392,811	498,535	461,495	477,741	500,382	514,215
Donations/Sponsorships	30,000	1,262	15,000	30,000	30,000	30,000	30,000
Municipal Operating Contributions	110,000	110,000	110,000	*240,000	240,000	240,000	240,000
Interest Income - RVA	10,500	5,749	5,500	3,500	3,000	3,000	3,000
GST Rebate	7,000						
Draw on Municipal Reserve	157,264	125,945	181,059	28,697	16,239	36,356	41,940
Total Operating Revenue	814,340	635,767	810,094	753,693	776,980	809,737	829,155
OPERATING EXPENSE							
Outreach and Promotion	215,800	191,324	200,300	123,806	125,782	127,798	129,854
Development/ Recognition	22,750	25,828	24,400	24,888	25,386	25,893	26,411
Professional Fees/Charges	25,144	18,421	23,750	24,080	24,668	25,270	25,888
Administrative Expenses	57,134	73,471	74,025	74,750	75,488	84,642	85,411
Human Resources	493,512	347,863	487,619	506,169	525,655	546,133	561,591
<u>Total Operating Expense</u>	814,340	656,906	810,094	753,693	776,980	809,737	829,155