



**Alberta Urban Municipalities
Association
Business Plan & Budget
2011 - 2013**

**Approved
November 22, 2010**

Index

MUNICIPALITY STRATEGIC OBJECTIVES AND OUTCOMES	3
AUMA STRATEGIC ROLES AND PERFORMANCE MEASURES	5
ORGANIZATIONAL STRUCTURE	10
VISION	11
MISSION	11
AUMA GUIDING PRINCIPLES	12
AUMA OPERATING PRINCIPLES	13
BUSINESS PLAN INITIATIVES	14
BUDGET PLANNING ASSUMPTIONS.....	18
INCOME STATEMENT	20
REVENUES	21
EXPENSES.....	22
PROFORMA BALANCE SHEET	25
CAPITAL BUDGET	26

MUNICIPALITY STRATEGIC OBJECTIVES AND OUTCOMES

AUMA approved its long term Strategic Plan in August 2006. In that plan there are six (6) long-term strategic objectives and desired outcomes identified to achieve municipal sustainability. This Business Plan is linked to the strategic plan, ensuring that its tactical initiatives are striving to achieve the following strategic objectives and long-term outcomes of our member municipalities.

Objectives

1. Alberta Communities are Viable and Vibrant

Desired Outcome:

- ◆ Communities have the sustainable financial and human resources they need to provide affordable, cost-effective municipal public services and infrastructure
- ◆ Communities are experiencing economic growth and population increases
- ◆ Governments have found ways to align their efforts individually and collectively, resulting in more effective and efficient public services
- ◆ Progressive planning practices have made communities attractive and satisfying places to live

2. Alberta's Diverse Municipalities are Respected and Empowered

Desired Outcome:

- ◆ Urban municipalities are able to articulate sound solutions and common priorities
- ◆ There is understanding and trust among municipalities, governments, and citizens on the core responsibilities of municipalities
- ◆ Governance legislation and structures facilitate good relationships and effective partnerships among municipalities
- ◆ Relationships with other orders of government reflect municipal autonomy and self-reliance
- ◆ Governments, citizens, and businesses make effective use of information technologies

3. Alberta Communities are Safe, Healthy, and Caring

Desired Outcome:

- ◆ Communities are tolerant and caring places where citizens realize their individual potential, and form strong bonds of mutual support
- ◆ Housing is safe and accessible for citizens of all income and age ranges, and is not a financial burden to municipalities
- ◆ Communities have the capacity to successfully address issues of crime and well being
- ◆ Citizens have access to safe water and transportation systems
- ◆ Municipalities individually, or in regional partnerships, have the capacity to effectively respond to all types of incidents impacting their communities
- ◆ Communities have the means through which citizens can express their creativity and develop their cultural well being

4. Alberta Communities are Environmental Stewards

Desired Outcome:

- ◆ Communities have the leadership and capacity to think and act long term in maintaining or improving the environment while addressing the needs of their citizens
- ◆ Municipalities implement smart growth strategies for sustainable transportation systems and land uses and follow best practices for waste reduction, water, air, and land uses
- ◆ Municipalities encourage private investments in the development and implementation of environmental strategies
- ◆ Municipalities continuously improve the efficient use of energy and continue to switch to renewable sources of energy

5. Communities are Well Governed

Desired Outcome:

- ◆ Municipal governments are trusted and ethical
- ◆ Municipal governments lead an active democracy that incorporates meaningful citizen participation
- ◆ Citizens are knowledgeable about municipalities and engage their leaders in the development of positive community strategies
- ◆ Municipal leaders are well educated in their role as governors
- ◆ Well qualified citizens are interested and aspire to participate in the governance of communities

6. AUMA is a solution base and effective advocate for Members

Desired outcome:

- ◆ AUMA analyzes, interprets and advises members on relevant issues
- ◆ AUMA develops solutions to issues that can be acted on by governments, members, other stakeholders or AUMA itself
- ◆ Collective positions are presented to decision makers, members and stakeholders
- ◆ AUMA is an effectively and efficiently run organization
- ◆ Through its subsidiary AMSC, the AUMA indirectly provides a broad range of cost-effective business solutions that meet municipalities' specific and evolving needs, including sustainability

AUMA Strategic Roles and Performance Measures

There are five (5) roles AUMA carries out to assist its member municipalities in accomplishing the strategic objectives and outcomes. These roles, along with performance measures developed to determine the adequacy that AUMA is performing in its strategic role, are outlined below:

Core Business 1: Advocacy

The long term strategies AUMA will follow to meet this core business requirement is:

- ◆ AUMA explores municipal issues, researches options for solutions and works with other governments and municipalities to move issues to a solution forward
- ◆ AUMA meets with Government representatives to lobby and/or advocate for solutions that support municipalities
- ◆ AUMA advocates to municipalities to work together to build common solutions to issues and working together
- ◆ AUMA partners with other organizations that align to support meeting the sustainability objectives facing municipalities
- ◆ AUMA keeps informed, develops trust, and is easily accessible in developing solutions for a broadly-based member advocacy efforts
- ◆ The AUMA leverages the special supportive relationship linking advocacy and business efforts, between AUMA and AMSC, and within AUMA itself

Performance Measure

Measure	Description	Last Actual	Targets		
			2011	2012	2013
Advocacy Satisfaction	Percentage of members who are 'satisfied' or 'very satisfied' with the impact of AUMA's advocacy efforts	(2009) <u>Target</u> 90% <u>Actual</u> 77%	90%	90%	90%

Core Business 2: Change Facilitator

The long term strategies AUMA will follow to meet this core business requirement is:

- ◆ AUMA develops, leads and supports solutions that help municipalities meet their sustainability objectives and the tools necessary to make changes to the solutions developed
- ◆ AUMA develops the internal resources and expertise to help municipalities meet the changing environment
- ◆ AUMA develops partnerships with other governments and the private sector to support the need for change within the municipal environment
- ◆ AUMA investigates and researches future municipal sustainability objectives and how municipalities can meet those municipal sustainability objectives
- ◆ AUMA brings experts to municipalities that provide change options for municipalities to meet sustainability objectives
- ◆ Through its subsidiary AMSC, the AUMA indirectly provides a broad range of cost-effective business solutions that meet municipalities’ specific and evolving needs, including sustainability
- ◆ AUMA utilizes AMSC to create added value, through synergies inherent in the AMSC – AUMA relationship

Performance Measures

Measure	Description	Last Actual	Targets		
			2011	2012	2013
Membership	Number of Regular (R), Associate (A), and Affiliate (F) AUMA members	(2009) <u>Targets</u> R: 279 A: 400 F: 75 <u>Actuals</u> R: 278 A: 549 F: 83	R: 279 A: 575 F: 85	R: 279 A: 600 F: 88	R: 279 A: 625 F: 90
Web Site Information	Average monthly number of visits to the AUMA web site (http://www.auma.ca)	(2009-10) <u>Target</u> New Measure <u>Actual</u> 12,178	(2010-11) 12,750	(2011-12) 13,500	(2012-13) 14,250

Core Business 3: Governance Supporter

The long term strategies AUMA will follow to meet this core business requirement is:

- ◆ AUMA develops the expertise to help municipalities govern effectively
- ◆ AUMA develops education and training programs that will build governance capacity of locally-elected decision-makers.
- ◆ AUMA researches and develops solutions that improve elected officials’ decision-making capabilities and build trust in locally-elected officials
- ◆ AUMA develops legislative changes that support better governance and advocates those changes to government
- ◆ AUMA aligns the governance requirements for municipalities to meet their sustainability objectives
- ◆ AUMA develops methods and frameworks that help municipalities build good governance structures internally (including their own corporations, Boards or committees) or in regional efforts

Performance Measures

Measure	Description	Last Actual	Targets		
			2011	2012	2013
Board Self-Assessment	Percentage of Board members who ‘agree’ or ‘strongly agree’ that: <ul style="list-style-type: none"> • The Board has performed satisfactorily in the past year (P) • The Budget aligns available resources in support of AUMA’s Mission/ Vision/ Goals and the Business Plan (B) 	(2009-10) <u>Targets</u> P: 90% B: 90% <u>Actuals</u> P: 100% B: 91%	P: 90% B: 90%	P: 90% B: 90%	P: 90% B: 90%
Alignment with Toronto Stock Exchange (TSX) Governance Guidelines	Number of TSX Governance Guidelines fully met by the AUMA Board	(2009-10) <u>Target</u> 14 of 14 <u>Actual</u> 14 of 14	14 of 14	14 of 14	14 of 14
Executive Committee Self-Assessment	Percentage of Executive Committee members who are ‘satisfied’ or ‘very satisfied’ with Executive Committee performance	(2009-10) <u>Target</u> 90% <u>Actual</u> 83%	90%	90%	90%

Measure	Description	Last Actual	Targets		
			2011	2012	2013
Financial Reporting Timeliness	Number of months that the Financial Reports are released by the 15 th day of the following month without material mis-statement or omissions (February to December Financial reports).	(2009) <u>Target</u> 11 <u>Actual</u> 9	11	11	11
Return on Investment	Percentage return on investments	New	Meet established benchmark	Meet established benchmark	Meet established benchmark

Core Business 4: Information Manager

The long term strategies AUMA will follow to meet this core business requirement is:

- ◆ AUMA provides useful, reliable information that is tailored to the specific needs of local government decision makers
- ◆ AUMA is the key player in the process of collecting, structuring, analyzing, and distributing the information members need to govern effectively

Performance Measures

Measure	Description	Last Actual	Targets		
			2011	2012	2013
Annual Convention Satisfaction	Percentage of attendees who are 'satisfied' or 'very satisfied' with the annual convention	(2009) <u>Target</u> 81% <u>Actual</u> 93.5%	90%	90%	90%
AUMA Communications	Percentage of members who are confident they receive all pertinent information from the AUMA	(2009) <u>Target</u> 75% <u>Actual</u> 71%	75%	75%	75%

Core Business 5: Network Participant

The long term strategies AUMA will follow to meet this core business requirement is:

- ◆ AUMA creates and manages networks relevant to municipalities’ interests
- ◆ AUMA is a network manager, and members trust AUMA to identify, create, or shape the networks of organizations and stakeholders needed to ensure members’ interests are aggressively pursued in an informed and consistent manner
- ◆ AUMA operates in a networked environment and plays a variety of roles depending on its strategic interests
- ◆ AMSC is a wholly-owned subsidiary of the AUMA, and therefore owned by members

Performance Measure

Measure	Description	Last Actual	Targets		
			2011	2012	2013
Government Relations	Number of meetings with elected and appointed government officials	(2009-10) <u>Target</u> 55 <u>Actual</u> 57	55	55	55

Organizational Structure

The Alberta Urban Municipalities Association (AUMA) was founded in 1905 and represents all Alberta's urban municipalities including cities, towns, villages, summer villages, and specialized municipalities.

Effective January 1, 2005, AUMA was split into the separate legal entities of AUMA and AMSC (Alberta Municipal Services Corporation). All financial transactions of these entities are separately recorded and reported.

For decision-making purposes, there are five boards:

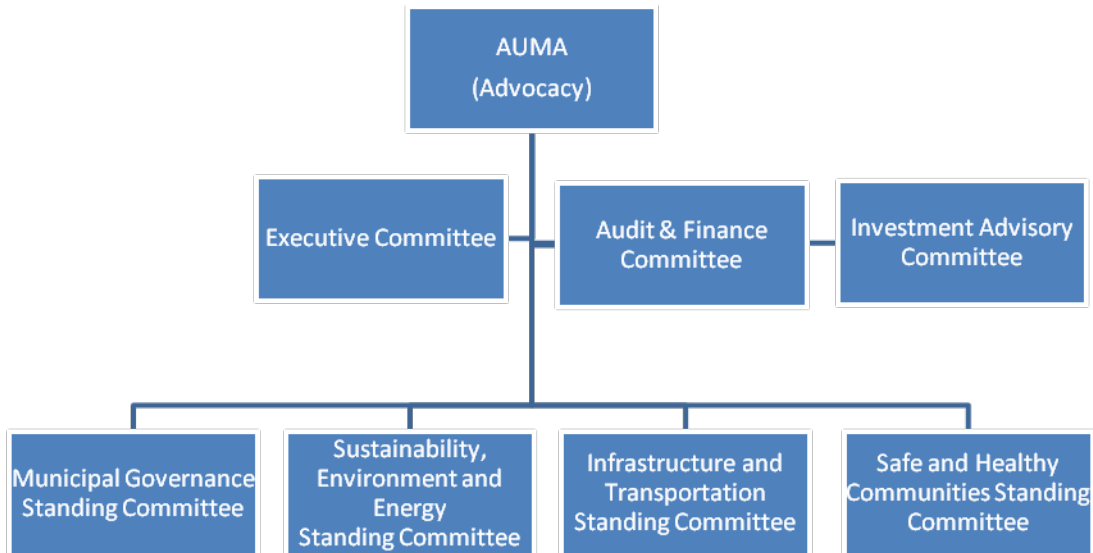
1. AUMA Board – accountable to regular members for overall direction and effectiveness of the organization's advocacy activities.
2. AMSC Board – accountable to regular members for overall direction and effectiveness of all services, new and current.
3. AMSCIS Board – accountable to regular members for overall direction and effectiveness of general insurance and benefits activities.
4. APEX Board – accountable to participating employers for the overall direction and effectiveness of this supplementary defined benefit pension plan, as well as evolution of new or refined pension services as required.
5. MUNIX Board – accountable to those signatory to the insurance reciprocal agreement for the overall direction and effectiveness of this self-insurance vehicle.

Standing committees are responsible for providing advice and recommendations to the appropriate board, followed by implementation of the final board decisions.

For coordination and integration purposes, there will be two governance committees that are accountable to the AUMA and AMSC Boards:

1. Audit Committee – accountable to members for the overall probity and integrity of financial systems and practices across both advocacy and customer service activities.
2. Investment Advisory Committee – accountable to members to ensure that the internal investment funds and those held in Trust or by Agreement, are well managed and operate in compliance with Board approved policies and various regulations.

AUMA Governance Structure



Vision

The Alberta Urban Municipalities Association is valued by our membership and trusted as a voice for urban municipalities.

Mission

The Alberta Urban Municipalities Association provides leadership in advocating local government interests to all orders of government and other organizations.

AUMA Guiding Principles

1. Municipal Governments must have the fiscal capacity to fulfill their mandate through:
 - a. Primary access to the property tax base; and
 - b. Sustainable, predictable, long-term sources of revenue.
2. The federal and provincial governments have sole responsibility for direct income redistribution programs and services.
3. The primary focus of urban government is to provide locally oriented services to property and people.
4. Each local urban council will maintain responsibility for the establishment of local standards of services to property and people.
5. Any new standards or requirements imposed by the provincial or federal orders of government must be fully funded by that order of government.
6. Amendments and changes to legislation and regulations relating to municipal governments shall only proceed when AUMA has actively participated and agreed, through meaningful input in a review process.
7. Responsible stewardship of our ecological systems is essential to the economic viability, quality of life, and sustainability of our community.
8. Quality infrastructure is critical to supporting healthy, financially sustainable communities, and strengthens the quality of life for all Albertans, and is the foundation for the Alberta Advantage.

AUMA Operating Principles

1. *Stewardship and Governance Practices*
 - a. Provide independent ongoing leadership through development, articulation and communication of a clear and informed vision and strategy.
 - b. Advocacy and service activities are forward looking and solution based. Challenges and opportunities are identified, solutions designed, and then effective member oriented responses are implemented.
 - c. Leadership is based on ongoing, comprehensive, and current understanding of the expressed needs and interests of members
 - d. Implementation is the responsibility of management, using overall principles of network management, within a clearly communicated accountability framework.
 - e. Practice transparent and efficient stewardship of its resources in a manner consistent with stated vision and strategy, within a comprehensive risk management framework.
 - f. Take an inclusive and team oriented approach to strategy development and implementation.
 - g. Practices strong Board Governance, using the Toronto Stock Exchange (TSX) governance guidelines as the model to emulate and follow.
 - h. Provides leadership on environmental issues.
2. *Empowerment of Members and Accountability of the Association*
 - a. Maximum use of effective empowerment and delegation, within a comprehensive and clear accountability framework. The direct involvement of members is encouraged and enabled.
 - b. Maximize use of elected officials in all empowerment and delegation activities.
 - c. Resource allocations are consistent with empowerment and delegation.
3. *Marketing and Transparency of Communications*
 - a. Communications are open, clear, and managed in accordance with corporate strategy.
 - b. Communications reflect the functional differences between advocacy and service delivery.
 - c. All communications activities promote and protect the AUMA brand.
 - d. New technology is used wherever possible to enhance communications.
4. *Service Delivery and Ethical Fairness*
 - a. Service design and delivery recognizes member diversity
 - b. AUMA owns the customer interface in all service activities.
 - c. AUMA strives to be preferred employer. Human Resource practices reflect an ongoing commitment to fairness, recognition and support for equality and diversity, and the development and enhancement of human resources.
5. *Objectives, Measurement, and Results*
 - a. All AUMA activities, including those of the Board itself, are regularly and systematically evaluated against stated corporate goals and objectives.
 - b. Incorporates best practices and efficiencies in its operations.
6. *Learning and Growth*
 - a. AUMA is a learning organization. Board members and staff are committed to ongoing development and skill enhancement.

Business Plan Initiatives

AUMA has established a number of business plan initiatives to meet each one of the member municipality's desired objectives, as outlined in AUMA's Strategic Plan.

OBJECTIVE 1:

Alberta Communities are Viable and Vibrant

AUMA recognizes that effective and efficient provision of municipal infrastructure and services is paramount in municipalities. AUMA strives to assist members in achieving viability and vibrancy through advocating to provincial and federal governments, and by supporting a comprehensive municipal sustainability planning process that takes into account all dimensions of sustainability – economic, social, cultural, environmental and governance.

INITIATIVES

- New Provincial-Municipal Relationship – Continue to advocate for a new relationship between the Government of Alberta and municipalities. This relationship would include clear agreement on municipalities' accountabilities. It would also look at a consolidation of municipal grants into an annual transfer to municipalities which is aligned to provincial and municipal targets and accounted for through an annual audit and sustainability reports.
- Property Assessment Review – Based on in-depth review of property assessment conducted in 2009 and 2010, AUMA will advocate for assessment reforms that were filed with the 2010 convention and to start addressing the assessment issues not addressed in the 2010 report.
- Municipal Finance Policy – Build a robust base of information of municipal revenues and expenditures which will be used to develop policies, solutions for change and ultimately help the Association to react to government or other organizations recommending changes to municipal finances (e.g. franchise fees and the grant rationalization).

OBJECTIVE 2:

Alberta's Diverse Municipalities are Respected and Empowered

AUMA works towards enhanced partnerships with provincial and federal governments, and encourages partnerships between municipalities and municipal associations. Citizen engagement is also promoted. In the process of building such partnerships, the governance dimension of sustainability is addressed, leading to the achievement of positive outcomes for Alberta communities.

INITIATIVES

- Federal Advocacy Strategy – Implementation of a strategy that establishes AUMA as credible, important representative of municipal government and aims to position AUMA to advocate effectively with the federal government as required.
- Provincial Advocacy Strategy – The provincial advocacy strategy will be reviewed and updated in order to make sure those synergies between the provincial and federal advocacy strategies are flagged and that potential conflicts are considered and accounted for and considered.
- Revenue Sharing – AUMA will investigate revenue sharing between municipalities and between municipalities and the province. This initiative will complement AUMA's work on improving the relationship between municipal and provincial governments and the work on municipal finance.

OBJECTIVE 3:

Alberta Communities are Safe, Healthy, and Caring

Social and cultural dimensions of sustainability are key to achieving overall municipal sustainability. AUMA supports municipalities in providing safe, healthy and caring communities.

INITIATIVES

- FOLG (Municipal Sustainability Strategy Working Group) – Continuing the work under FOLG and the work on the MSS Working Group. AUMA will work on the Self-Assessment Toolkit and flesh out the viability process. AUMA will also submit a performance measures proposal to Municipal Affairs. Further the AUMA has requested the Government review the current annexation, amalgamation and regional structures in the MGA for improvements.
- Welcoming and Inclusive Communities(WIC) – Communities initiate projects aimed at improving their reputation, preventing conflict and fostering community development. Funding for this project comes to an end in 2010, so a transition strategy will need to be developed for moving forward.
- Municipal Sustainability Plans – Community and Regional coordinators are assisting MSP communities in developing MSPs. The grant funding for this project comes to an end in January 2011, so a transition plan for MSP is required.

OBJECTIVE 4:

Alberta Communities are Environmental Stewards

Through advocacy, policy development and creation of tools, AUMA assists members in planning for top quality natural and built environments, while balancing this with other sustainability dimensions.

INITIATIVES

- Water Allocation, Conservation, and Operation – AUMA will work on a number of interconnected water issues: 1) Continue to implement AUMA’s Water Conservation and Efficiency and Productivity Plan and its targets. New targets for the CEP Plan will be created in 2012; 2) Facilitate member engagement in potential changes to the water allocation transfer system; 3) Develop solutions to improve the viability of municipal water and wastewater operations and ensure Albertans are provided a safe secure supply of drinking water; and 4) Update AUMA’s Water Microsite to serve as education and communications portal on each of these issues. 5) AUMA will also look at intermunicipal conflicts over water and investigate possible solutions to these conflicts.
- Climate Change Action Centre – AUMA, AAMDC, Alberta Environment and Alberta Municipal Affairs are working cooperatively on the Municipal Climate Change Action Plan with a goal to increase the capacity of municipalities to increase energy efficiency and decrease greenhouse gas emissions. The focus of the plan is to develop a Climate Change Action Centre which will serve as a one-stop-shop for members seeking information on technical, human, and financial resources.
- Brownfield Redevelopment Team – Working with Alberta Environment, Alberta Municipal Affairs, AAMDC and AUMA members (Calgary, Edmonton and Drumheller) and potentially others to address barriers to brownfield redevelopment with a particular focus on former gas station sites.
- Provincial Strategy on Transit and Transportation – Contribute to Provincial Government's development of a 40 year Transportation Strategy by engaging members in updating AUMA's positions. Engage in Alberta Transportation's working committee on a provincial partnership model for intermunicipal bus services. Keep AUMA's Sustainable Transportation Webpage up to date. Monitor implementation of GreenTRIP and provide input as necessary to ensure alignment with broader climate change and transportation strategies. Continue to work with the Sustainable Alberta Association to promote Complete Streets Workshops and share the findings. Continue to work with University of Alberta researchers to enhance the connection between sustainable transportation and public health.
- Energy/Renewable Energy Policy -- Development of AUMA Energy policy positions.

OBJECTIVE 5: Communities are Well Governed

AUMA stands for and supports strategic, visionary leaders with accountable governance systems that enable inclusive, active and effective citizen participation.

INITIATIVES

- Principle-based Legislation (MGA) – AUMA will investigate the implications for municipalities of moving to a principle-based MGA. The goal would be to move the legislation beyond spheres of jurisdiction and person powers to a constitutional framework that allows municipalities the capability to address community needs and demands with differencing structures, levels of services, financial authorities, etc.
- Review of Local Authorities Election Act -- AUMA will create a task force to review the Local Authorities Election Act and forward a report to the Government of Alberta which outlines recommended changes including a switch to four-year terms for municipal politicians.
- Franchise Fee Agreement Approval and Roll Out -- AUMA will survey membership to gather input on proposed amendments to the template. AUMA will also hold various workshops to introduce the new template.

OBJECTIVE 6: AUMA is a solution base and effective advocate for Members

In addition to developing solutions to address municipal challenges, AUMA encourages and models best practices for sustainability in its own operations, policy, and governance.

INITIATIVES

- Revamp of AUMA Policy Statements – Advocacy to revamp all existing policy statements and align these statements with the 5 dimensions of sustainability: economic, environment, culture, social, and governance.
- President's Summit – AUMA to host a President's Summit event in 2011.
- Mayors Training Session – AUMA to host Mayors training in January, 2010 that identify the challenges of their new roles or provide refresher training for more experienced mayors.
- CRM System – fully implement system
- Social Media –develop an overall strategy and set of policies regarding the internal use of these rapidly expanding technology communication tools.

Budget Planning Assumptions

External Environment

Sources of Information

1. Alberta Economic Development – Economic Outlook – 2010-13
2. Desjardins Economic Studies – Economic and Financial Outlook – Fall 2010
3. Alberta Government – Pay Plans and Salary Grids

Relevant Statistics

	2011	2012	2013
Growth Rate – Alberta	3.0 %	3.0 %	3.0 %
Inflation – Alberta CPI	2.1 %	2.1 %	2.1 %
Prime Interest Rate – Canada	3.5 %	4.5 %	5.5 %
Unemployment Rate – Alberta	6.0 %	5.3 %	4.9 %
Remuneration Increases	3.0 %	3.2 %	3.2%

Summary

The Alberta economy will be entering recovery mode, from the 2008-2009 downturn which resulted in lower or negative growth, reduced inflation, and a the low interest low interest rate environment.

In contrast to early portion of the decade, Alberta wage settlements returned to their historic median levels in 2010, and remain in line with productivity growth and inflation for the next few years.

2009-10 was the last year of the three year Government of Alberta Employee wage settlement. A new contract between the Government of Alberta and it's employees has yet to be agreed on. But early indications are that the 2010-11 wages will be frozen at the previous years' levels, and that wage increases for provincial employees will closely match the provincial averages of 3 to 3.5 percent in 2011-12 and forward..

Alberta unemployment peaked in 2010, but it is expected that all the Alberta economic indicators will return to normal growth levels in 2011.

Internal Environment

Organizational Makeup

1. AUMA will operate as an Advocacy entity and its operating revenues will include:
 - ◆ Membership fees
 - ◆ Advocacy services
 - ◆ Investment income
 - ◆ AMSC dividend
 - ◆ Building Rental Operations

2. AUMA is normally budgeted to operate on a breakeven basis. This means that expenses will not exceed the amount of revenues, including the dividend amounts as received from the Alberta Municipal Services Corporation (AMSC). This has been accomplished in the 2011 AUMA budget. On a Corporate consolidated basis, after eliminating the effect of the intercompany dividends, AUMA, AMSC and AMSCIS Ltd is budgeted to have a slight operating surplus of \$ 160,400.

3. AUMA incurs expenditures on behalf of AMSC, but will recover these through administrative and management fees.

Revenue and Expenditure trends

1. Revenues
 - Membership fees – budgeting a 5.0% rate increase for 2011, through to 2013.

 - Investment incomes – as the portfolios of AUMA are mainly comprised of fixed income instruments, investment returns are forecasted modestly at 5.50% each year.

2. Expenses
 - General Operating – while AUMA administration strives to be cost effective and uses bottom-up budgeting, certain costs are inflationary sensitive. For these identified costs, price increases will be set at the expected Alberta CPI of 2.1 % for 2011 through to 2013.

Income Statement

	2011	2012	2013
	<u>Budget</u>	<u>Forecast</u>	<u>Forecast</u>
Revenues:			
Membership fees	1,246,000	1,300,000	1,360,000
Membership services	130,000	135,000	140,000
Investment revenue	100,000	100,000	100,000
Dividend revenue	540,000	565,000	584,000
Miscellaneous Revenue			
Total Revenues	\$ 2,016,000	\$ 2,100,000	\$ 2,184,000
Expenses:			
Salaries and Benefits	5,675,000	5,850,000	6,050,000
Consultants	210,000	250,000	275,000
Staff development	35,000	45,000	50,000
Subscriptions and memberships	25,000	28,000	28,000
Office administration	110,000	115,000	120,000
Building operations	285,000	290,000	290,000
Electronic communications	29,000	30,000	30,000
Promotions and marketing	35,000	40,000	40,000
Workshops and seminars	28,000	30,000	30,000
Travel	125,000	115,000	115,000
Accounting & Audit Fees	65,000	70,000	70,000
Solicitor charges	20,000	30,000	30,000
Equipment expenses	160,000	165,000	170,000
Bank and service charges	3,000	3,000	3,000
Board and Committee Costs	530,000	550,000	590,000
Other expenses	10,000	10,000	10,000
Insurance - D & O	21,000	22,000	22,000
Depreciation and amortization	700,000	715,000	725,000
Total Expenses	\$ 8,278,000	\$ 8,563,000	\$ 8,833,000
Less Management & Administration fee recoveries	6,240,000	6,450,000	6,650,000
Advocacy Expenses	\$ 2,038,000	\$ 2,113,000	\$ 2,183,000
Operating Income(loss) Before Special Items	\$ (22,000)	\$ (13,000)	\$ 1,000
Special Items - Net			
Summits	-	-	-
Building Rental Operations	22,000	20,000	28,000
Net	\$ 22,000	\$ 20,000	\$ 28,000
Net Income (Loss)	\$ (0)	\$ 7,000	\$ 29,000

Revenues

	2011	2012	2013
	<u>Budget</u>	<u>Forecast</u>	<u>Forecast</u>
Revenues			
Membership Fees			
Cities	670,391	703,900	739,100
Towns	355,925	373,700	392,400
Villages	66,225	69,500	73,000
Summer Villages	25,536	26,600	28,100
Associate	72,750	73,000	73,600
Affiliates	55,173	55,000	55,300
subtotal	<u>1,246,000</u>	<u>1,300,000</u>	<u>1,360,000</u>
Investment Revenue			
Bank Interest	1,500	1,500	1,500
Investment Revenue	98,500	98,500	98,500
Investment subtotal	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Membership services			
Queens Printer	4,105	4,300	4,500
Web-site Advertising	125,895	132,200	135,500
	<u>130,000</u>	<u>135,000</u>	<u>140,000</u>
Dividend Revenue	540,000	565,000	584,000
Revenue Totals	<u>\$ 2,016,000</u>	<u>\$ 2,100,000</u>	<u>\$ 2,184,000</u>

Expenses

	2011 Budget	2012 Forecast	2013 Forecast
Wages			
Salary - Permanent Staff	4,664,940	4,790,000	4,937,000
Benefits (Salary staff)	981,056	1,030,000	1,081,000
Temporary Staff	29,004	30,000	32,000
	<u>5,675,000</u>	<u>5,850,000</u>	<u>6,050,000</u>
Consultants	210,000	250,000	275,000
Travel			
Travel Expenses	95,000	84,000	83,000
Hosting Expenses	30,000	31,000	32,000
	<u>125,000</u>	<u>115,000</u>	<u>115,000</u>
Staff Development	35,000	45,000	50,000
Subscription & Membership	25,000	28,000	28,000
Office Administration			
Office Supplies	66,450	70,500	74,000
Minor Equipment	2,400	2,500	2,500
Coffee/Water Supplies	8,400	8,500	9,000
Courier	10,800	11,000	11,500
Postage	21,950	22,500	23,000
	<u>110,000</u>	<u>115,000</u>	<u>120,000</u>
Board and Committee Costs			
Honoraria	268,274	280,500	312,000
Member Expenses	232,601	239,500	247,000
Meeting Expenses	14,125	14,500	15,000
Board Training Costs	15,000	15,500	16,000
	<u>530,000</u>	<u>550,000</u>	<u>590,000</u>
Telecommunications			
Telephone Expenses	27,160	30,500	28,500
Supernet Access Expense	11,160	11,500	12,000
Cellular Expenses	42,600	44,000	45,500
AirCard Expenses	4,080	4,000	4,000
	<u>85,000</u>	<u>90,000</u>	<u>90,000</u>
	-	-	-
Building Operations			
Utilities - Cable	2,500	2,500	2,500
Utilities - Alarm Services	-	-	-
Janitorial Services	6,480	7,000	7,500
General Building Services/Supplies	4,340	4,500	4,500
Common Area Maintenance (CAM)	207,840	218,000	205,000
Property Taxes	63,840	67,000	70,500
	<u>285,000</u>	<u>290,000</u>	<u>290,000</u>

AUMA Business Plan & Budget 2011-13

Interest Expense	127,000	115,000	95,000
Audit & Accounting	60,500	65,500	65,500
Payroll Processing	4,500	4,500	4,500
	<u>65,000</u>	<u>70,000</u>	<u>70,000</u>
Equipment			
Equipment & Computer Maintenance	61,340	63,500	65,500
Equipment & Computer Leases	21,000	21,500	22,000
Software Purchases & Support	57,680	59,500	61,500
Computer Consumables	19,980	20,500	21,000
	<u>160,000</u>	<u>165,000</u>	<u>170,000</u>
Amortization	700,000	715,000	725,000
Solicitor Charges	20,000	30,000	30,000
Promotion & Marketing	35,000	40,000	40,000
Electronic Communication	29,000	30,000	30,000
Other Expenses			
Miscellaneous Expenses	10,000	10,000	10,000
Bank Services Charges			
Bank Service Fees	3,000	3,000	3,000
	-	-	-
Insurance - D & O	21,000	22,000	22,000
	-	-	-
Total Expenses	<u>\$ 8,278,000</u>	<u>\$ 8,553,000</u>	<u>\$ 8,833,000</u>

AUMA Business Plan & Budget 2011-13

Management and Administration Fees	<u>2011 Budget</u>	<u>2012 Forecast</u>	<u>2013 Forecast</u>
AMSCIS - Benefits			
Administration Cost Recovery	\$ 1,164,442	\$ 1,265,900	\$ 1,312,900
Management Fees	780,558	843,100	867,400
AMSCIS - General Insurance			
Administration Cost Recovery	389,374	417,800	430,300
Management Fees	422,626	455,300	468,500
MUNIX			
Administration Cost Recovery	779,736	836,700	861,300
Management Fees	845,264	911,500	938,300
MUNIX Claims			
Administration Cost Recovery	6,130	-	-
Management Fees	218,870	-	-
AMSC			
Administration Cost Recovery	275,997	295,800	304,700
Management Fees	1,014,003	1,070,700	1,102,800
APEX			
Administration Cost Recovery	94,411	97,200	100,100
Management Fees	248,589	256,000	263,700
Management and Administration Fees	<u>\$ 6,240,000</u>	<u>\$ 6,450,000</u>	<u>\$ 6,650,000</u>

Proforma Balance Sheet

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>ASSETS</u>		
Current Assets		
Cash	\$ 100,000	\$ 100,000
Investments	2,700,000	4,200,000
Accounts Receivable	100,000	100,000
	<u>2,900,000</u>	<u>4,400,000</u>
Property and Equipment	25,000,000	25,000,000
	<u>\$ 27,900,000</u>	<u>\$ 29,400,000</u>
 <u>LIABILITIES AND EQUITY</u>		
Current Liabilities		
Accounts Payable	\$ 500,000	\$ 500,000
Deferred Contributions	2,500,000	4,000,000
Long Term Liabilities		
Bank Loan	9,500,000	11,800,000
Due to AMSC	11,700,000	9,800,000
	<u>21,200,000</u>	<u>21,600,000</u>
Net Assets		
Net Assets Invested in Property and Equipment	3,800,000	3,400,000
Net Assets Internally Restricted	700,000	700,000
Unrestricted Net Assets	(800,000)	(800,000)
	<u>3,700,000</u>	<u>3,300,000</u>
	<u>\$ 27,900,000</u>	<u>\$ 29,400,000</u>

Capital Budget

	2011	2012	2013
	<u>Budget</u>	<u>Forecast</u>	<u>Forecast</u>
Land	\$ -	\$ -	\$ -
Building			
Improvements/Upgrades	800,000	700,000	-
Office Equipment			
Miscellaneous	10,000	10,000	10,000
Office Furniture			
Furniture for New Staff	40,000	20,000	20,000
Miscellaneous	10,000	10,000	10,000
Computer Equipment			
Server Room - additional	112,000	-	-
Personal Computer Replacements	30,000	30,000	30,000
Personal Computer - New Staff	15,000	15,000	15,000
Miscellaneous	8,000	15,000	15,000
Software			
Miscellaneous software	25,000	25,000	25,000
	<u>\$ 1,050,000</u>	<u>\$ 825,000</u>	<u>\$ 125,000</u>