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TAMRMS#: B06

Long Range Financial Capital Plan - High Level Workplan
Presented by: Paul Edginton, Manager, Corporate Planning

RECOMMENDATION(S)
1. That the rules of procedure be relaxed for the March 13, 2017 Standing Committee of the Whole Meeting and the CAO facilitate the meeting.

2. That Standing Committee of the Whole recommend to Council that Council approve $330,000 from the Stabilization Reserve for the implementation of the high-level workplan to support the development of a Long Range Capital Financial Plan, as outlined in the March 13, 2017 Standing Committee of Whole Agenda Report entitled "Long Range Financial Capital Plan - High Level Workplan".

PURPOSE OF REPORT

The purpose of this SCOW meeting is to discuss the high-level workplan that Administration has developed to support the development of a Long Range Financial Capital Plan that would integrate long range financial strategies and policies that align with the 10 year Municipal and Growth Capital Plan.

COUNCIL DIRECTION

On January 16, 2017 Council passed the following motion:

AR-16-390
That Administration provide a high-level workplan to the Standing Committee of the Whole on March 13, 2017 to develop and integrate long range financial strategies, policies and funding that align with the 10 year Municipal and Utility RMR and Growth Capital Plan with additional details on expenses.

BACKGROUND AND DISCUSSION

Administration is recommending a Long Range Financial Capital Plan (LRFCP) project, "The Right Investment -- The Right Time", to provide a comprehensive approach to planning. With growth pressures demanding investment, the City's limited resources require prudent deployment. Resource requirements compete between supporting current service levels of program delivery, maintenance/replacement/upgrade of existing, aging infrastructure, and need

for new facilities and infrastructure to build out the City. What projects are the priority? When do we do the projects? How do we fund them? As any other municipality, St. Albert has a long list of needs, probably all worthy of financial support. Administration presented to Council in Committee in January the challenges with our current efforts. We have identified gaps, inconsistencies and generally a need to validate our plans. The goal of the project is to ensure the financial sustainability of our plans and ensure Council has reliable information, a complete picture of funding needs, and a financial policy framework that helps them make prudent decisions on funding priorities.

Long Range Financial Capital Plan: "The Right Investment -- The Right Time"

A Long Range Financial Capital Plan will provide a comprehensive approach and concrete steps to maximize the City's long-term financial sustainability, as priorities for limited monies will be made with more certainty and consistency, supported by the rigour of complementary capital planning and financial policy frameworks. Such a plan is needed to provide the City with an indication of the City's future operating, capital, debt, and reserve fund requirements. The strength of this plan is in its ability to identify implications of future strategies and initiatives and to confirm the financial impacts they may have on the City's financial position.

The LRFCP can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders. Long-term financial planning is an indispensable complement to the governmental planning framework because it brings a long-term perspective to resource availability that is necessary for setting realistic boundaries on what the City can accomplish, and it helps direct resources to the highest priority activities.

The plan would provide the following benefits to the City:
- Ensure current range and level of services can be maintained.
- Determine the City's capacity to grow and identify funding gaps.
- Ensure the City is maintaining a strong cash position in its reserves for unforeseen or unusual circumstances.
- Identify strategies and supporting governance policies to improve the City's fiscal sustainability.
- Provide the City with a much more comprehensive, fully integrated, well refined Capital Budget program that will be supported by appropriate planning documents, tools, policy framework and funding strategy.

High Level Workplan

The Government Finance Officers Association (GFOA) best practice on long-term financial planning, attached to this report, identifies four phases: Mobilization, Analysis, Decision and Execution. Administration is currently within the Mobilization Phase of the project and has developed a high-level workplan to support the development of a LRFCP for Council's review and approval. The high-level workplan, which is attached to this report, provides an overview

of the major initiatives, with budget requirements, over a three to five-year period to complete the Analysis phase.

The objectives of the Analysis phase are to:
- Identify economic / demographic challenges and trends and assess the municipalities capacity to manage them.
- Review long-term planning documents that may influence City's financial position (i.e. Business Plans, Master Plans, Capital Plans, Asset Management Plans, Lifecycle replacements, Facility Predictive Model, Reserves, Debt Management etc.).
- Assess municipal finances and policies against municipal peers (i.e. investments, reserves, capital resources, policies, revenue projections, expense projections and debt trends).
- Develop long range financial forecasts that identify potential fiscal challenges that the municipality will face into the future.

It is important to note that a significant number of the activities identified as part of this project are already underway or have been planned to be done as part of Administration's ongoing work. However, there are gaps; and the project also brings disparate activities into a comprehensive plan with sequenced and coordinated effort and aligned goals. There will also be significant Council involvement in setting approach and policy direction along the way. The plan also identified new funding support requirements based on the discovery work we undertook over the past few months. Please note that past 2017, these are order of magnitude estimates and will be refined once the project is approved and submitted through the budget process for consideration, and any available grants will be pursued to offset costs. At this point, these resource requirements mostly serve to indicate where Administration lacks required resources to complete specific activities.

Administration has organized the high-level workplan into three sections: 1. Capital; 2. Financial; and 3. Financial Modelling. The following is a brief overview, including estimated budget to successfully complete this work in 2017:

A. Capital Stream: Comprehensive asset management plans -- "the Right Investments" -- should guide investment decisions. The proposed project would see the completion of the lifecycle plan and increase the vigour of the growth capital plan, identify other major expenditures, and determine the full known scope of planned or required investment amounts and their timing. There are three aspects to this work:

1. Lifecycle (RMR) - This includes the work required for Administration to complete the assessment of major facilities to enhance the existing lifecycle plan. It is estimated that $120,000 would be required in 2017 to temporarily reassign an internal staff position to lead this work and backfill the resource. It is estimated that $80,000 would be required in 2017 to assist in completing building condition assessments for major civic facilities. The City delivers many services that rely on well-planned, well-built and well-maintained infrastructure. This work will endeavour to complete our lifecycle plan helping to ensure that investments are

made at the right time to minimize future repair and rehabilitation costs and maintain municipal assets.

2. Growth Capital - This includes work required to further refine the Facility Predictive Model, assess the inputs to the growth capital process and assess the timing of projects within the 10-year growth capital plan.

3. Related Expenditure Plans - This includes analysis related to the City's land strategy and acquisitions, 10-year off-site levy projects and 10-year operating plan projection.

B: Financial Stream: The objective is to determine what we can afford to do and when -- "The Right TIme" --, and ensure our fiscal policies help us make sustainable decisions. We propose to examine our projected revenues, anticipated costs associated with growth, and our fiscal policy framework.

1. Revenue and Expenditure Forecast - This include a review and validation of the Fiscal Impact Assessments (FIAs), forecast of assessment for a built-out City, and validating the cost of a 10 year capital and operating plan. It is estimated that $100,000 is required in 2017 to obtain support resources to assist in completing the analysis of the FIAs.

2. Financial Philosophy and Policy Reviews - This includes a complete review and analysis of our Financial Council Policies to ensure the policies provide appropriate short term and long term guidance and constitute a comprehensive fiscal policy framework, ensuring we have optimal use of a full range of budgeting and infrastructure financing tools balanced with operational needs and the need to be fiscally sustainable.

C. Financial Modelling Stream - This work will support the Financial Stream. We propose to study projections for demographic and economic trends that shape our planning assumptions. This includes work required to maintain a 10-year demographic forecast; 5-10-year economic forecast as well as assess other government trends that may have an impact on the City's capital in the long term. It is estimated that $30,000 is required in 2017 to obtain support resources to assist in completing the demographic forecast.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:
Administration requires a first-year budget (i.e. 2017) of $330,000 to assemble the expertise required to develop lifecycle plans for priority asset classes and to validate the FIAs. Administration estimates that $395,000 will be required in 2018; $267,000 in 2019; $215,000 in 2020 and $100,000 in 2021. Additional resourcing requirements for these future years will

be brought forward during the annual business planning and budgeting cycle.

Administration is investigating the applicability of a new grant program announced by the Federation of Canadian Municipalities (FCM) on February 2, 2017, the Municipal Asset Management Program. The objective of this funding is to "strengthen capacity building in communities for longer-term planning that supports strategic investments...This will support better information on the state and performance of core public infrastructure assets for all levels of government". In scope for the grant is funding related to asset management assessments; asset management plans, policies and strategies; infrastructure data collection and reporting; training and building capacity for asset management; and asset management knowledge development and sharing. This grant program follows the 2016 federal budget "Growing the Middle Class" which outlined the intent of the program as follows (p.94):

"DEVELOPING COMMUNITY CAPACITY FOR ASSET MANAGEMENT BEST PRACTICES

The Government is also proposing a new $50 million capacity-building fund to support the use of asset management best practices across Canada. Asset management plans guide how core infrastructure assets are to be built, renewed, operated, maintained and replaced. This type of planning helps to maximize the use of public dollars. Smaller communities, in particular, have indicated that they lack corporate capacity to undertake these important planning activities. This funding will be delivered through the Federation of Canadian Municipalities and will strengthen capacity-building in communities for longer-term planning that supports strategic investments."

Legal / Risk:

None at this time.

Program or Service:

The capital projects that have been identified as "Growth" are required to meet future demand and strengthen the community. Capital projects in the repair, maintain, replace (RMR) capital plan ensure the maximization of the life expectancy of existing assets and the value of investments the City has already made.

Organizational:

The proposed work for 2017 can only be completed with additional resources. Administration is endeavouring to complete as much of the planned work as it has capacity to complete in-house, however, there is a great deal of benefit to having staff dedicated to components of the project to expedite its completion and to bring in expertise where required.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternative could be considered:

Reschedule the Long-Range Capital Financial Plan discussions at a later date. Council could identify another preferred date to hold preliminary discussions around the Long-Range Capital Financial Plan if the proposed dates cannot be accommodated. Choosing not to have discussions around the Long-Range Capital Financial Plan is not recommended as the City would continue to face a funding deficit related to capital infrastructure for subsequent years with no financial long-term strategies in place to ensure adequate funding can be made available.

Report Date (Council Meeting Date): March 13, 2017
Author(s): Paul Edginton
Committee/Department: Corporate Planning
General Manager: Maya Pungur-Buick
City Manager: Kevin Scoble

RECOMMENDED PRACTICE

Long-Term Financial Planning (2009) (BUDGET)*

Background. Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan.

Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.

Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

Recommendation. The Government Finance Officers Association (GFOA) recommends that all governments regularly engage in long-term financial planning that encompasses the following elements and essential steps.
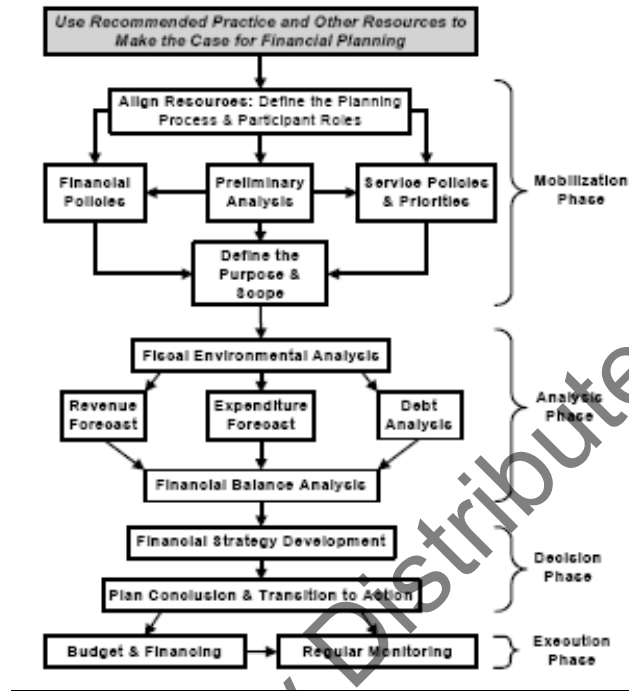
A long-term financial plan should include these elements.

(1) *Time Horizon.* A plan should look at least five to ten years into the future. Governments may elect to extend their planning horizon further if conditions warrant.

(2) *Scope.* A plan should consider all budgeted resources, but especially those funds that are used to account for the issues of top concern to elected officials and the community.

(3) *Frequency.* Governments should update long-term planning activities as needed in order to provide direction to the budget process, though not every element of the long-range plan must be repeated.

(4) *Content.* A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and plan monitoring mechanisms, such as scorecard of key indicators of financial health.

(5) *Visibility.* The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices.

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*Budgeting and Fiscal Policy

A long-term financial plan should include these steps.

(1) *Mobilization Phase.* The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be. The mobilization phase includes the following items.

   a. *Alignment of Resources.* This step includes determining the composition of the project team, identifying the project sponsor, and formulating a strategy for involving other important stakeholders. This step also involves the creation of a high-level project plan to serve as a roadmap for the process.

   b. *Preliminary Analysis.* This step helps raise awareness of special issues among planning participants, such as the board or non-financial executive staff. A scan of the financial environment is common at this point.

   c. *Identification of Service Policies and Priorities.* Service policies and priorities have important implications on how resources will be spent and how revenues will be raised. A strategic plan or a priority setting session with elected officials could be useful in identifying service policies and priorities

   d. *Validation and Promulgation of Financial Policies.* Financial policies set baseline standards for financial stewardship and perpetuate structural balance, so a planning process must corroborate policies in place (as well as the organization's compliance with those policies) and also identify new policies that may be needed.

   e. *Definition of Purpose and Scope of Planning.* The purpose and scope of the planning effort will become clear as a result of the foregoing activities, but the process should include a forum for developing and recognizing their explicit purpose and scope.

(2) *Analysis Phase.* The analysis phase is designed to produce information that supports planning and strategizing. The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis as follows:

   a. *Information Gathering.* This is where the government analyzes the environment in order to gain a better understanding of the forces that affect financial stability. Improved understanding of environmental factors should lead to better forecasting and strategizing.

   b. *Trend Projection.* After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.

   c. *Analysis.* The forecasts can then be used to identify potential challenges to fiscal stability (e.g., "imbalances"). These could be fiscal deficits (e.g., expenditures outpacing revenues), environmental challenges (e.g., unfavorable trends in the environment), or policy weaknesses (e.g., weaknesses in the financial policy structure). Scenario analysis can be used to present both optimistic, base, and pessimistic cases.

(3) *Decision Phase.* After the analysis phase is completed, the government must decide how to use the information provided. Key to the decision phase is a highly participative process that involves elected officials, staff, and the public. The decision phase also includes a culminating event where the stakeholders can assess the planning process to evaluate whether the purposes for the plan described in the mobilization phase were fulfilled and where a sense of closure and accomplishment can be generated. Finally, the decision phase should address the processes for executing the plan to ensure tangible results are realized.

(4) *Execution Phase.* After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans. Regular monitoring should be part of this phase. The following diagram highlights the various long-term financial planning phases discussed in this recommended practice.

References:

- GFOA Recommended Practice:
    - *Financial Forecasting in the Budget Preparation Process* (1999).
    - *Adoption of Financial Policies* (2001).
    - *Establishment of Strategic Plans* (2005).
    - *Budgeting for Results and Outcomes* (2007).
    - *Performance Management: Using Performance Measurement for Decision Making* (2002 and 2007).
    - *Long-Term Financial Planning (2008) (BUDGET)* - Approved by the GFOA's Executive Board, February 22, 2008.
- Shayne Kavanagh, *Financing the Future Long-Term Financial Planning for Local Government*; GFOA, 2007.
- http://www.gfoa.org/ltfp. GFOA Web site containing a wealth of supporting materials for financial planning.
- http://www.gfoa.org/services/nacslb/. Best Practices in Budgeting Web site. See Element 9 – Develop and Evaluate Financial Options.

Approved by the GFOA's Committee on Canadian Issues, June 27, 2009

HIGH LEVEL WORKPLAN - LONG RANGE FINANCIAL CAPITAL PLAN

PROJECT STREAM	PROJECT DESCRIPTION	EXPECTED OUTCOME / BENEFIT	Q+Y START	DURATION (mo/yrs)	LEAD DEPARTMENT	SUPPORT DEPARTMENT(S)	LEAD RESOURCE	OTHER RESOURCES NEEDED	ESTIMATED FUNDING REQUEST				
									2017	2018	2019	2020	2021
1. CAPITAL													
1.1 Lifecycle (Repair / Maintain / Replace)													
1.11 Complete Asset Management Framework and Plan	Continue to develop an asset management framework and plan via the asset management committee. The asset management plan should include all civic assets with the focus being building, utility, orphaned and contributed assets. The plan will assist Administration in identifying potential liabilities and supporting mitigation strategies. Consideration of both an asset management system and process for ongoing maintenance of the asset management plan will be overseen by the committee.	A comprehensive asset management framework and plan will provide a solid foundation for Administration to fully understand the scope of assets that the City is required to manage and provide a framework for future governance of civic assets.	Q3 2017	24 months	Engineering (Asset Management Committee)	All Departments	Robin Benoit						
1.12 Identify existing gaps in the corporate lifecycle plan	Assets that do not have supporting lifecycle plans will be identified to inform Administration on priority areas to focus on in building a comprehensive corporate asset management plan and the scope of work that needs to be completed.	The gap analysis will assist Administration in understanding the full scope of lifecycle plans that need to be developed.	Q3 2017	24 months	Engineering (Asset Management Committee)	All Departments	Robin Benoit						
1.13 Develop lifecycle plans for civic facilities	Lifecycle plans for civic facilities will be reviewed and updated to ensure they accurately reflect the need for RMR funding.	The lifecycle plans for civic facilities will provide a more accurate reflection of the requirements for future RMR requests and enhance the accuracy of the 10 year capital plan.	Q2 2017	24 months	Engineering (Asset Management Committee)	All Departments	Robin Benoit	A dedicated resource will be seconded internally to complete the building assessments. This is estimated to cost $120,000 for the first year. A business case will be required for future support.	$120,000	$85,000	$107,000	$115,000	
1.14 Conduct building condition assessments to accelerate development of lifecycle plans for civic facilities	Building condition assessments will be completed to accelerate the development of lifecycle plans for civic facilities. Two building assessments would take place in 2017 and will be dependent on lifecycle plans for civic facilities developed in 1.13.	Building assessments will accelerate Administration's ability to gather accurate condition information which will be used to identify future RMR requirements.	Q2 2017	12 months	Engineering (Asset Management Committee)	All Departments	Robin Benoit	External support to complete two building assessments in 2017. Future funding support will be dependent on these initial condition assessments.	$80,000	$100,000	$100,000	$100,000	$100,000
1.15 Develop lifecycle plans for orphaned assets	The orphaned asset inventory was completed in 2016. This work is to develop lifecycle plans to support the assets listed within this inventory.	The lifecycle plans for orphaned assets will provide a more accurate reflection of the requirements for future RMR requests and enhance the accuracy of the 10 year capital plan. In addition, it will identify who is responsible for these assets and identify potential liabilities.	Q3 2017	12 months	Engineering (Asset Management Committee)	All Departments	Robin Benoit						
1.16 Validate methodology of entering RMR lifecycle into the 10 year capital plan	The existing methodology for RMR capital projects will be validated against best practices to streamline the existing process.	A review of the existing RMR methodology will provide clarity and better control on how RMR funding requests are added to the 10 year capital plan.	Q2 2017	6 months	Engineering (Asset Management Committee)	Finance	Robin Benoit						
1.17 Evaluate RMR lifecycle and report back to Council	The existing RMR capital projects will be assessed against the new methodology for RMR projects to provide Council with an overview of the funding expectations of RMR within the 10 year capital plan.	Council will be provided with a more accurate estimate of both timing and future budget requests for RMR projects within the 10 year capital plan.	Q1 2018	3 months	Engineering (Asset Management Committee)	Finance	Robin Benoit						
1.18 Identify Tangible Capital Asset (TCA) implications	A review of the corporate lifecycle plan will identify the Tangible Capital Assets (TCA) implications to ensure there are ties for each asset to the Agresso financial system.	Identifying the TCA implications will ensure that the Agresso Financial system, and corresponding financial reports, accurately reflects the requests listed within the 10 year capital plan.	Q1 2018	12 months	Finance	Engineering (Asset Management Committee)	Diane McMordie	Estimate that 0.5 FTE (Classification Level 4) will be required on a temporary basis from six months to a year to assist the Finance Department to complete the work. A business case will be required for future support.		$50,000			

PROJECT STREAM	PROJECT DESCRIPTION	EXPECTED OUTCOME / BENEFIT	Q+Y START	DURATION (mo/yrs)	LEAD DEPARTMENT	SUPPORT DEPARTMENT(S)	LEAD RESOURCE	OTHER RESOURCES NEEDED	ESTIMATED FUNDING REQUEST				
									2017	2018	2019	2020	2021
1.2 Growth Capital													
1.21 Refine Facility Predictive Model (FPM)	The Facility Predictive Model (FPM) will be refined to ensure it incorporates the relevant facility capacity, service level, demographic and economic information and is better reflective of the major inputs and timing of the 10 year capital plan.	Refining the Facility Predictive Model (FPM) will enhance Administration's ability to predict future community needs based on future population, demographic and economic trending. This information will inform the validation of the 10 year capital plan.	Q3 2017	12 months	Development Services	Finance; Corporate Planning & Communications	Gilles Prefontaine						
1.22 Implement recommendations from the Capital Project Cost and Process Review (SMA Report)	Implement the recommendations from the Capital Project Cost and Process review that was completed by SMA Consulting. Recommendations impact the Charter Development, Estimating and Budgeting processes.	Implementing the recommendations from SMA Consulting will enhance Administration's ability to estimate capital projects and provide more accurate financial estimates within the 10 year capital plan.	Q2 2017	24 months	Engineering	Finance; Corporate Planning & Communications	Robin Benoit						
1.23 Assess Linkage to Council Priorities and Strategic Plan	A review of the 10 year capital plan, including existing capital, will be conducted to identify alignments to Council priorities and the City of St. Albert Strategic Plan. This will assist the City in prioritizing future capital projects that are identified in the 10 year capital plan.	Assessing the existing capital projects against the City of St. Albert Strategic Plan and Council priorities will ensure capital funding aligns with stated direction and will help inform prioritization of projects within the 10 year capital plan.	Q2 2017	6 months	Corporate Planning & Communications	Finance	Paul Edginton						
1.24 Validate methodology of entering Growth capital projects into the 10 year capital plan	The existing methodology for growth capital projects will be validated against best practices to streamline the process. This includes validating existing growth capital charters (timing).	A review of the existing Growth methodology will provide clarity and better control on how Growth funding requests are added to the 10 year capital plan.	Q3 2017	12 months	Corporate Services	Finance	Maya Pungur-Buick						
1.25 Evaluate Growth Capital Projects and report back to Council	The existing growth capital projects will be assessed against the new methodology for Growth projects to provide Council with an overview of the funding expectations over the 10 year capital plan. This includes Council's input into prioritization of growth capital projects.	Council will be provided with a more accurate estimate of both timing and future budget requests for Growth projects within the 10 year capital plan.	Q3 2017	6 months	Corporate Services	Finance	Maya Pungur-Buick						
1.3 Related Expenditure Plans													
1.31 Corporate Land Strategy and Framework	Development of a Corporate Land Strategy and Framework is already underway. This work includes development of a Council policy and plan to guide the City's procurement of land.	A Corporate Land Strategy and Framework will guide the City's procurement of land to ensure it acquires, maintains, or disposes of Land in a manner that maximizes its long term strategic and / or economic advantage.	Q1 2017	6 months	Development Services	Finance	Gilles Prefontaine						
1.32 Land Acquisitions	Administration will identify future land needs and acquire land where gaps exist.	Proactive land acquisitions will ensure the City has land available for civic needs in pace with future growth. The need for funding will compete with other funding needs the City has, and this identification will form part of the comprehensive financial plan.	Q3 2017	12 months	Development Services	Finance	Gilles Prefontaine						
1.33 Developing land for municipal purposes	Administration will identify a process for determining the placement of future infrastructure on municipal land.	Developing a process for the placement of future infrastructure will ensure that future civic assets are located in an area that provides the maximum benefit for majority of residents. This work will inform the 10 year capital projects and the plan.	Q3 2017	18 months	Development Services	Finance	Gilles Prefontaine						
1.34 Review of off-site levies based on the MGA	A review of the City's off-site levies will be conducted based on the expected revisions to the Municipal Government Act (MGA).	Reviewing the City's off-site levy bylaw, in light of the expected MGA revisions, will potentially expand the City's ability to use these funds to build other community assets, such as recreation facilities, fire halls, police stations and libraries.	Q2 2017	18 months	Engineering	Finance; Government Relations; Economic Development	Robin Benoit						
1.35 Review of off-site levies based on anticipated boundary adjustments	A review of the City's off-site levies will be conducted based on anticipated boundary adjustments between St. Albert and other adjoining municipalities.	Reviewing the City's off-site levy bylaw, based on anticipated boundary adjustments, will ensure that the City is able to fund the new infrastructure required to support future growth beyond St. Albert's existing boundaries.	Q2 2017	36 months	Engineering	Finance; Utilities	Robin Benoit						
1.36 Front End Prioritization of off-site levy projects within the 10 year capital plan	A front end prioritization of existing off-site levy projects within the 10 year capital plan will be conducted.	A review of the existing off-site levy projects to identify which are eligible for front-ending will ensure the City continues its current pace of growth prior to receiving the off-site levy reimbursement from benefiting land owners. These projects compete for funding with other funding needs the City has, and this identification will form part of the comprehensive financial plan.	Q1 2017	24 months	Engineering	Finance	Robin Benoit						

HIGH LEVEL WORKPLAN - LONG RANGE FINANCIAL CAPITAL PLAN

PROJECT STREAM	PROJECT DESCRIPTION	EXPECTED OUTCOME / BENEFIT	Q+Y START	DURATION (mo/yrs)	LEAD DEPARTMENT	SUPPORT DEPARTMENT(S)	LEAD RESOURCE	OTHER RESOURCES NEEDED	ESTIMATED FUNDING REQUEST				
									2017	2018	2019	2020	2021
2. FINANCIAL													
2.1 Revenue and Expenditure Forecast													
2.11 Review and Validate Fiscal Impact Analysis (FIA)	Review the Fiscal Impact Analysis model to ensure that it provides a full build-out (i.e. trails, parks and community centers) of all area structure plans that provides better estimates of anticipated capital costs, operational costs and revenues to the City as well as costs required to maintain infrastructure.	A comprehensive review of the existing Fiscal Impact Analysis model will assist Administration in better understanding the total cost of ownership for civic assets on future land developments and ensure it is identified within the 10 year capital plan.	Q3 2017	12 months	Planning and Development	Assessment and Taxation; Engineering; Finance; Planning and Development; Utilities	Adryan Slaught	Estimate that resources will be required to provide support for this project.	$100,000				
2.12 Assessment Forecast for Built out City	An analysis of the City's assessment base will be conducted based on a full build out using information received from the Fiscal Impact Analysis (FIA).	Analyzing the City's assessment base will assist Administration in better understanding future revenue and tax implications.	Q3 2017	12 months	Assessment and Taxation	Planning and Development	Greg Dahlen						
2.13 10 YR Comprehensive Operating Plan Projection	Identify the operating impacts and implications of future capital projects (RMR and Growth) and forecast how it will impact the Long Range Financial Planning fiscal model.	Analyzing the operating projections based on future capital projects will assist Administration in better identifying the future operating budget required to support the 10 year capital plan.	Q1 2019	6 months	Finance	All Departments	Diane McMordie						
2.2 Financial Philosophy and Policy Reviews													
2.21 Review of existing fiscal policies and guiding principles	A review of the City's existing fiscal policies and guiding principles should be conducted to identify where amendments are required to support a Long Range Financial Plan. This will include research and discussion with Council.	A review and discussion with Council of existing fiscal policies and guiding principles will ensure that the City has a comprehensive/holistic fiscal policy framework for the range of time horizon Councils make decisions in, i.e. short, mid and long term.	Q1 2018	18 months	Finance	Impacted Departments	Diane McMordie	Estimate that 1.0 FTE (Classification Level 4) will be required on a temporary basis to assist the Finance Department to complete the work.					
2.22 Review of existing policies that have an impact on the City's 10 year capital plan	A review of the City's existing policies that have an impact on the City's 10 year capital plan should be conducted to identify potential amendments to support a Long Range Financial Plan.	A review and discussion of existing policies that may impact the 10 year capital plan will ensure that the City has the appropriate direction in place to support fiscal sustainability.	Q1 2018	18 months	Finance	Engineering; Utilities	Diane McMordie			$100,000			
2.23 Develop policies to support fiscal sustainability.	New policies may be required, based on the assessment of both fiscal and capital policy in the previous steps, to ensure the City has the appropriate direction in place to support fiscal sustainability.	Creating policies to support financial sustainability, where gaps exist, is important to ensure that the City has the appropriate direction in place to support fiscal sustainability.	Q1 2019	18 months	Finance	Corporate Services	Diane McMordie						
3. FINANCIAL MODELLING													
3.1 10 YR Demographic Forecast	The 10 year demographic forecast is conducted every two years following the municipal census. A forecast of the 10 year demographic trends within the City are an important input into the facility predictive model that informs the development of the 10 year capital plan.	Understanding the forecasted demographic trends, in line with the 10 year capital plan, will assist Administration in prioritizing future growth capital projects that provide the maximum benefit to the City's future demographics.	Q2 2017	3 months	Planning and Development	Corporate Planning & Communications	Adryan Slaught	External technical support may be required to provide additional capacity in completing this work.	$30,000				
3.2 5-10 YR Economic Forecast	A State of the Economy report, with detailed analysis and impact to the City, is conducted annually. As part of this analysis, an economic forecast (5-10 year) will be conducted to provide greater insight into the City's economy. This forecast will inform the development of the 10 year capital plan.	Understanding the forecasted economic trends, in line with the 10 year capital plan, will assist Administration in better understanding the economic environment and allow the City to prioritize future capital projects accordingly to ensure maximum value.	Q1 2018	3 months	Corporate Planning & Communications	Corporate Services	Paul Edginton	External technical support may be required to provide additional capacity in completing this work.		$60,000			
3.3 Government Trends	An analysis of government trends with other orders of government (Federal and Provincial) will be conducted to identify potential revenue and cost implications that may impact the City into the future.	Understanding government trends at the Federal and Provincial levels will proactively allow the City to better understand potential legislative and program agendas that could have revenue and/or cost implications on the 10 year capital plan.	Q4 2017	3 month	Government Relations	Corporate Services; Government Relations	Lynette Tremblay						
3.4 Long Range Financial Plan Fiscal Model	A financial model will be developed to provide an indication of the City's future operating, capital, debt and reserves and reserve fund requirements, given existing economic and political conditions, to ensure fiscal sustainability of the City into the future.	Developing a scalable analytical model, that incorporates the capital, financial, and relevant forecasts / trends, will allow Administration and Council to better understand future operating, capital, debt and reserve requirements on an ongoing basis; and inform planning and decision making.	Q1 2019	6 months	Finance	Corporate Planning & Communications	Diane McMordie	External technical support may be required to provide additional capacity in completing this work.			$60,000		
								TOTAL PROJECT COST (3 - 5 YEARS)	$330,000	$395,000	$267,000	$215,000	$100,000