



Legislation Details (With Text)

File #: AR-18-421 **Version:** 1 **Name:**
Type: Agenda Reports **Status:** Agenda Ready
File created: 9/17/2018 **In control:** City Council
On agenda: 10/22/2018 **Final action:**
Title: CMO Presentation of the 2019-21 Business Plan and Budget
Presented by: Kevin Scoble, City Manager

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|----------|--------|
| 10/22/2018 | 1 | City Council | approved | Fail |
| 10/22/2018 | 1 | City Council | approved | Pass |

TAMRMS#: B06

CMO Presentation of the 2019-21 Business Plan and Budget

Presented by: Kevin Scoble, City Manager

RECOMMENDATION(S)

That the proposed City of St. Albert 2019 Municipal and Utility Operating and Capital Budget and the 2019-2021 Business Plan be received as information and referred to the Special Council meeting scheduled for 3:00 p.m., Thursday, November 8th, 2018.

PURPOSE OF REPORT

This report presents the Proposed 2019-2021 Business Plan and Proposed 2018 Budget for Council's review, deliberation and consideration of approval.

ALIGNMENT TO COUNCIL STRATEGIC PRIORITY

N/A

ALIGNMENT TO LEGISLATIVE REQUIREMENTS

Sections 242 and 245 of the *Municipal Government Act* provide that a Council must adopt both an operating budget and a capital budget for each calendar year.

Section 283.1(2) also requires a municipality to prepare a written plan respecting its anticipated financial operations over a period of at least the next 3 financial years.

ALIGNMENT TO SERVICE DELIVERY

Corporate Business Planning

- Steward of the Corporate Business Plan and work with all Departments to ensure that they have the knowledge and tools they require to align their business planning processes to the

strategic planning framework and assist and support where necessary.
-City Manager Budget Presentation

Financial Planning

-Stewardship and Development of annual operating and capital budgets for Municipal and Utility operations.

COUNCIL DIRECTION

On June 25, 2018 Council passed the following motions:

(AR-18-099)

That the 10 Year Municipal RMR Capital Plan, provided as an attachment to the June 25, 2018 agenda report titled "Approval of 10 Year Municipal RMR Plan", be approved.

That the following postponed motion be approved:

PM-02-2019

That the 2019 RMR Municipal Capital Budget of 34 capital RMR projects be funded in the amount of \$28,302,600.

(AR-18-175)

That the 10 Year Utility RMR Capital Plan, provided as an attachment to the June 25, 2018 agenda report titled "Approval of the 10 Year Utility RMR Plan", be approved.

That the following postponed motion be approved:

PM-03-2019

That the 2019 Utility Municipal Capital Budget of 11 capital RMR projects be funded in the amount of \$8,839,000.

On September 17, 2018 Council passed the following motion:

(BL-18-028)

That the following postponed motion be approved:

PM-19-003

That \$1,400 be added to the 2019 base budget, on an ongoing basis, to support the required training for SDAB members.

On October 15, 2018 Council passed the following motions:

(BL-18-053)

That the following Proposed motion be approved:

(PM-19-006)

That \$2,000 and the equivalent of a .5 FTE (Grid level 4) be included, on an ongoing basis, in the 2019 (and beyond) Municipal Operating budget(s) to support the work of the Senior's Advisory Committee.

(BL-18-043)

1. That Bylaw 43/2018, being a bylaw to amend Master Rates Bylaw 1/82, be read a first time.
2. That Bylaw 43/2018 be read a second time.
3. That unanimous consent be given for consideration of third reading of Bylaw 43/2018.
4. That Bylaw 43/2018 be read a third and final time.
5. That amendments to Council Policy C-IS-02 Wastewater Service Line Disruptions and Maintenance, provided as an attachment to the Agenda Report titled "Master Rate Bylaw", be approved.

BACKGROUND AND DISCUSSION

The Municipal Government Act (MGA) requires that a Council must adopt annual operating and capital budgets each year.

The City's Proposed 2019-2021 Business Plan and Proposed 2019 Budget satisfies this requirement while ensuring the City maintains current levels of service to the community, delivers on Council's Strategic Plan and the broader Corporate Business Plan and makes progress towards the Community Vision.

The business plan and budget are complementary, with resourcing required to support both existing service levels and new initiatives that arise from projects identified in various planning documents previously approved by Council, and new resource requests to accommodate growth.

In this context, Administration is proposing a Municipal Operating Budget of \$104.4 million, which results in no tax increase in 2019. This is a result of Administration investigating and realizing cost efficiencies resulting in a tax requirement of 1.4%, lower than typical historical tax requirements, which is offset by the implementation of electrical franchise fees in 2018.

To maintain service levels into the future, Administration is proposing 19 new investments (business cases). These business cases (both Base and Growth) are necessary to maintain the City's capacity to serve a growing number of residents over a wider geographical area. The growth business cases will be funded through new residential and non-residential construction in St. Albert, which provides the City with new assessment revenue not previously received (i.e., growth paying for growth).

On June 25, 2018, Council approved the 2019-2028 Municipal RMR Capital Plan and the 2019 Municipal RMR Capital funding for 34 RMR capital projects totaling \$28.2 million. The municipal growth capital projects were then prioritized according to the Capital Project Prioritization Matrix tool. Through this evaluation, Administration is recommending 16 capital growth projects that address community growth be funded in 2019 in the amount of \$9.1million.

On June 25, 2018, Council approved the 2019-2028 Utility Plan and the 2019 Utility RMR Capital Budget funding for 11 RMR capital projects totaling \$8.8 million. The proposed average monthly bill for 2019 is \$133.52, an increase of 0.1 per cent from 2018.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

1. Community World Cafe Discussion - October 23, 2018 (6:30 - 8:30 p.m. - St. Albert Inn, Grandin Room) - The purpose of this discussion is to gain input into proposed operational plan and budget and Council priorities for the following budget year. Input received is considered by Council during the budget deliberations. The session consists of a well-balanced, randomly selected demographic mix of participants. Banister Research was contracted to recruit residents for this session and to facilitate this discussion.
2. Community Open House - October 24, 2018 (6:30 - 8:30 p.m. - Red Willow Place) - The objective of this session is to provide an opportunity for the community to learn about the proposed budget and to provide input for Council's consideration during the budget deliberation. This is an open meeting for all community members to attend. Discussion will be moderated by a contracted facilitator to ensure all discussion stays on topic and that all attendees have equal opportunity to participate.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- Consistent with Council Policy C-FS-05 Budget and Taxation Guiding Principles, using the Services and Service Levels Inventory as basis, the operating budget is developed on the principle of sustaining current programs and level of services. RMR capital charters and operating business cases support the maintenance of service levels. Recommendations for new programs and/or service level adjustments are presented as Growth business cases. Capital projects relating to growth are also reviewed during the budget deliberations.

Legal / Risk:

- The MGA requires that Council adopt annual operating and capital budgets.
- The City follows Public Sector Accounting Standards (PSAB).

Program or Service:

- The 2018 Operating, Utility and Capital budgets form the basis of the City's financial operations. The budgets support maintaining service levels, growth and strategic initiatives directly aligned to the St. Albert Strategic Plan and integrate Council direction that may have had implications for the planning period.

Organizational:

- The budget requests a low level of additional staff to support City services due to growth for Municipal and Utility operations.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

N/A

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