



Legislation Details (With Text)

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Title: Municipal & Utility Budget
Presented by: Diance McMordie, Director, Finance and Assessment Department

Sponsors:

Indexes:

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Attachments: 1. 2019 Consolidated Budget, 2. 10 Year Municipal Growth Capital Plan, 3. 10 Year Utility Growth Capital Plan, 4. Municipal Operating Business Cases - Approved

Date	Ver.	Action By	Action	Result
12/17/2018	1	City Council	approved	

TAMRMS#: B06

Municipal & Utility Budget

Presented by: Diance McMordie, Director, Finance and Assessment Department

RECOMMENDATION(S)

1. That the 2019 Consolidated Municipal and Utility Budget in the amount of \$272,292,300 detailed in the attachment titled "2019 Consolidated Budget" be approved.

2. That the balance of Assessment Growth in the amount of \$95,400 be transferred to the Growth Stabilization reserve.

PURPOSE OF REPORT

This report presents the 2019 Operating and Capital budgets, as recommended by the Committee of the Whole, for Council's review and approval.

ALIGNMENT TO COUNCIL STRATEGIC PRIORITY

Strategic Priority #1: Growth Policy Framework: Develop a robust policy framework to guide growth.

Strategic Priority #4: Infrastructure Investment: Identify and build needed capital assets.

ALIGNMENT TO SERVICE DELIVERY

Financial Planning

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

The approved operating and capital budgets shall serve as the financial plan for the City and provide Administration with the direction and resources necessary to accomplish Council's

strategic direction and Council approved services and service levels in accordance with the Services and Service Levels Inventory

COUNCIL DIRECTION

On June 25, 2018 Council passed the following motions:

(AR-18-099)

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

On October 15, 2018 Council passed the following motions:

(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 Rates Bylaw", be approved.

On November 27, 2018 Council passed the following motion:

(AR-18-569)

That Council move out of Committee of the Whole.

That Administration prepare the 2019 proposed Municipal and Utility Operating Budgets, the proposed Municipal & Utility Capital Budgets and any appropriate bylaws in accordance with the direction provided in the November Committee of the Whole deliberations, and previous Repair, Maintenance & Replace (RMR), and Fees & Charges decisions for consideration by Council on December 17, 2018.

BACKGROUND AND DISCUSSION

Each year, Council approves an operating budget to provide required resources to deliver its programs and services to the community and a capital budget to provide required resources to maintain existing infrastructure and to support future capital initiatives.

Approval of the 2019 Consolidated Budget in the amount of \$272,292,300 provides the resources for Administration to deliver the City's Municipal and Utility operating and capital programs and services.

The 2019 Consolidated budget includes:

- 34 Municipal RMR projects in the amount of \$28,302,600 approved in June 2018
- 11 Utility RMR projects in the amount of \$8,839,000 approved in June 2018
- 22 Municipal Growth projects in the amount of \$33,952,300 as detailed in the attachment titled "10 Year Municipal Capital Plan"
- 0 Utility Growth projects as detailed in the attachment titled "10 Year Utility Capital Plan"
- Utility operating budget in the amount of \$40,328,100
- Municipal operating budget in the amount of \$160,870,300

This results in a municipal net tax requirement of \$104.8 million which equates to an average property tax increase of 0.4%. The Utility budget results in an average utility bill decrease of 0.01%.

The estimated new assessment growth revenue of \$2.6 million is incorporated into the tax levy with \$0.8 million applied to offset base increases, \$1.7 million applied towards business cases and \$95 thousand transferred to the Growth reserve. The document titled "2019 Municipal Business Case Summary" lists the approved business cases. Administration will report back to Council in Q2 2019 with any required budget adjustments due to new information or emerging issues prior to the finalization of the tax rate bylaw.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

A World Café Discussion was held on October 23rd to gather input from residents for Council's consideration as they deliberate the proposed business plan and budget. In total, 24 randomly selected and invited residents attended the World Café Discussion.

The Open House for the Proposed Business Plan and Budget took place on October 24th. The City Manager presented the proposed budget and residents had the opportunity to ask Council and Administration questions. In total, seven residents were in attendance.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- Approval of the 2019 Consolidated Operating Budget will result in an overall increase of approximately 0.4% in municipal property taxes and a 0.01% decrease in the average residential utility bill.
- Approval of the 2019 Consolidated Capital Budget will result in \$ 71.1 million of planned projects in 2019 of which \$19 million is to be secured through debt financing.

Legal / Risk:

- The *Municipal Government Act* provides that Council must adopt an operating budget for each calendar year (s. 242).
- The *Municipal Government Act* provides that Council must adopt a capital budget for each calendar year (s. 245).

Program or Service:

N/A

Organizational:

N/A

ALTERNATIVES AND IMPLICATIONS CONSIDERED

N/A

Report Date: December 17, 2018

Author(s): Anne Victoor

Committee/Department: Finance & Assessment Department

Deputy Chief Administrative Officer/Chief People Officer: Michelle Bonnici

Chief Administrative Officer: Kevin Scoble