



Legislation Details (With Text)

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Presented by: Kevin Scoble, Chief Administrative Officer

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TAMRMS#: B06

CAO Presentation of the Proposed Financial Plan and 2020 Budget

Presented by: Kevin Scoble, Chief Administrative Officer

RECOMMENDATION(S)

That the proposed City of St. Albert financial plan and 2020 Budget be received as information and referred to the Special Council meeting scheduled for 3:00 p.m., Thursday, November 7th, 2019.

PURPOSE OF REPORT

This report presents the Proposed Financial Plan and 2020 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 17, 2019 Council passed the following recommendations:

- That the 10-Year Municipal Repair, Maintain, Replace (RMR) Capital Plan, provided as an attachment to the June 17, 2019 agenda report titled "Approval of 10-Year Municipal RMR Capital Plan" be approved.
- That the following postponed motion be approved: PM-20-042 - "That the 2020 Municipal Repair, Maintain, Replace (RMR) Capital Budget of 29 capital RMR projects be funded in the amount of \$39,571,700.

On June 24, 2019, Council approved the following recommendation:

- That effective for the 2020, 2021 and 2022 budget, the equivalent of a 1.50% property tax increase be included in the municipal tax requirement and specifically targeted to capital reserves to support the repair, maintenance and replacement of existing capital assets.

(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 business planning and budget process is a comprehensive undertaking that is guided by the Community Vision, Council's Strategic Plan and resident feedback, including Budget World Café discussions, to help ensure the plan and budget reflect priorities identified by the community. It also considers the need for restraint resulting from the reality of today's provincial and federal economies and the continued decline of external funding sources.

As we move into year three of Council's four-year term, Administration continues its focus on Council's six overarching priorities: growth, economic development, building a transportation network, infrastructure investment, housing and environmental stewardship.

To support and achieve these desired outcomes, Administration developed the Proposed Financial Plan and 2020 Budget, which is built to:

- Maintain services and service levels;
- Optimize service levels where appropriate;
- Support growth to move forward Council's Strategic Plan; and,
- Maintain and plan for various infrastructure projects.

Long-term fiscal sustainability is also one of the City's top priorities. Administration is focused on developing sustainable business practices through revenue generation opportunities, cost-savings initiatives, process efficiency improvements and the creation of regional partnerships and collaborative opportunities where appropriate.

Proposed Operating Budget - For 2020, Administration is proposing an operating budget of \$109.7 million, which yields an overall average municipal property tax increase of 2.4 per cent. This consists of a 0.9 per cent increase to maintain current services, as well as a 1.5 per cent increase focusing on repairing, maintaining and/or replacing (RMR) existing municipal infrastructure. The proposed municipal operating budget recommends seven growth business cases valued at \$1.5 million to support initiatives related to new operating programs or recommended changes to service levels. These initiatives are funded from new assessment growth revenue, which means there is no tax impact to residents.

Proposed Municipal Capital Budget - The proposed municipal capital budget of \$93.5 million includes 29 capital charters (requests of funding for projects) focusing on RMR for existing municipal infrastructure, and 16 capital charters that address community growth. The City is facing a significant funding challenge in this area over the next 10 years. Council approved the 1.5 per cent property tax increase for the next three years to start addressing this challenge. Administration is working on various long-term solutions to help offset the impact of RMR on municipal taxes.

Proposed Utility Capital Budget - The proposed utility capital budget of \$11.6 million includes 14 capital projects, which focus on repairing, maintaining and/or replacing existing utility infrastructure. The proposed monthly utility bill will yield an average increase of 0.05 per cent or a change of \$0.06 compared to last year.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

1. New Tool: Have Your Say! - October 29 to November 12, 2019 - Online platform to engage with residents. The City is trying a new online platform to engage with our residents. This new tool provides an opportunity for residents to share their thoughts on the proposed budget from the convenience of their own home. Information will be available on the City website at stalbert.ca and under Public Participation.

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 proposed Financial Plan and 2020 Budget 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 additional staff to support City services due to growth for Municipal and Utility operations.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

N/A

Report Date: October 28, 2019

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Committee/Department: Strategic Services & Information Technology Dept

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble

