



## Legislation Details (With Text)

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**Title:** Long Range Financial Capital Plan  
Presented by: Kevin Scoble, City Manager

**Sponsors:**

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**Attachments:** 1. High Level Long Range Financial Capital Plan

Date	Ver.	Action By	Action	Result
9/11/2017	1	City Council	receive as information	Pass

**TAMRMS#: B06**

### Long Range Financial Capital Plan

Presented by: Kevin Scoble, City Manager

### RECOMMENDATION(S)

1. That the September 11, 2017 agenda report entitled "Long Range Financial Capital Plan", be received as information.
2. That \$100,000 associated with the fiscal impact analysis be uncommitted from the Stabilization Reserve.

### PURPOSE OF REPORT

The purpose of this report is to provide Council with an update on the status of the funded projects identified within the "Long Range Financial Capital Plan" and provide an update on the strategy moving forward.

### COUNCIL DIRECTION

On April 3, 2017 Council passed the following motion:

**CB-17-008**

That Council approve \$300,000 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", with the exception of the 10 Year Demographic Forecast.

## BACKGROUND AND DISCUSSION

On April 3, 2017, Council approved \$300,000 from the stabilization reserve to support implementation of the Long Range Financial Capital Plan project, “The Right Investment - The Right Time”. The high-level workplan, presented previously, has been provided as a reference.

### Benefits and Challenges

“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” (Government Finance Officers Association, Best Practice, Long-Term Financial Planning).

Developing a “Long Range Financial Capital Plan” is important to ensure financial sustainability of the City’s plans and ensure Council has reliable information; a complete picture of funding needs; and a financial policy framework that assists in making prudent decisions on funding priorities. Despite these benefits, the initial approach in developing the City of St. Albert’s Long Range Financial Capital Plan has identified the following challenges:

- Timing - The timing of some of the initiatives, outlined within the attached high-level workplan, did not accurately account for staff capacity to complete the work. As a result, several projects within the plan cannot proceed as intended.
- Scope - The existing plan focuses solely on capital finances. A comprehensive long range financial plan should include both operating and capital finances and integrate with the City’s short and long-term plans.

A Long Range Financial policy, plan and budgeting process should allocate resources according to strategic priorities. The City’s short and long-term plans “must be grounded in fiscal reality. Otherwise, it can create citizen, political, and staff expectations that may not be realistic or attainable” (Government Finance Officers Association, Best Practice, Performance Management).

### Progress To-Date

Administration has reviewed the individual projects listed within the high-level project plan to better understand timelines, scope, and available staff capacity to move the strategy forward. Administration remains committed to delivering the following projects which will provide the benefits identified below:

- 1.13 Develop lifecycle plans for civic facilities (\$120,000);
  - o This project will assist in providing a more accurate reflection of the requirements for the future RMR requests and enhance the accuracy of the 10-year capital plan.
- 1.14 Conduct building condition assessments to accelerate development of lifecycle plans for civic facilities (\$80,000);
  - o This project will accelerate Administration’s ability to gather accurate condition information for civic facilities which will be used to identify future RMR requirements.

Administration is unable to proceed with the fiscal impact analysis (2.11 - Review and Validate Fiscal Impact Analysis - \$100,000) related to better understanding the total cost of ownership for civic assets on future land developments. There is no value in proceeding with this work until an area structure plan (ASP) has been completed on all undeveloped lands as the use and zoning of these lands is unknown.

### Moving Forward

Community Plans and Stakeholder Involvement act as major inputs that feed into the decisions within the Capital Planning System. The relationships between these three functions need to be well understood to ensure that Administration develops a long range financial model that is sustainable and adaptable to the needs of the community. The table below provides an overview of these three functions with examples of the individual components that need to be considered:

Community Plans (Major Statutory and Development Plans)	Stakeholder Involvement (People and Physical Assets)	Capital Planning System (Systems and Processes)
<ul style="list-style-type: none"><li>- Municipal Development Plan</li><li>- Intermunicipal Development Plan</li><li>- Area Structure Plans</li></ul>	<ul style="list-style-type: none"><li>- Advocacy and future demand for civic facilities and assets</li><li>- Partnerships with community organizations</li></ul>	<ul style="list-style-type: none"><li>- Facility predictive model</li><li>- Corporate land management plan</li><li>- Capital Projects Process</li><li>- Asset Management Framework</li></ul>

It is important that the scope of the long range financial plan be reviewed to ensure that it is acting as a part of a larger system designed to demonstrate results to the community through better transparency and accountability. Administration will proceed with this project through regular and ongoing continuous improvement of the organization. Council will continue to be engaged, as required, through policy direction and potential funding support.

## **STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

N/A

## **IMPLICATIONS OF RECOMMENDATION(S)**

### **Financial:**

The \$100,000 associated with the fiscal impact analysis would be uncommitted within the stabilization reserve to be available for future requirements.

### **Legal / Risk:**

None at this time.

### **Program or Service:**

None at this time.

### **Organizational:**

None at this time.

## ALTERNATIVES AND IMPLICATIONS CONSIDERED

N/A

## STRATEGIC CONNECTIONS

### Governance Strategy

- Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

### Long Term Plans

- All Long Term Plans

### Corporate Objectives

- Exercise strong fiscal management

### Council Policies, Bylaws or Federal/Provincial statutes

- C-CG-02 City of St. Albert Strategic Plan
- C-CG-06 Strategic Framework <[http://stalbert.ca/uploads/legislative/C-CG-06\\_-\\_City\\_of\\_St\\_Albert\\_Strategic\\_Framework.pdf](http://stalbert.ca/uploads/legislative/C-CG-06_-_City_of_St_Albert_Strategic_Framework.pdf)>
- C-CG-11 Community Vision and Pillars of Sustainability <[http://stalbert.ca/uploads/legislative/Complete\\_Policy\\_C-CG-11-](http://stalbert.ca/uploads/legislative/Complete_Policy_C-CG-11-C-FS-01_Financial_Reserves_-_November_7,_2016_Final.pdf)
- C-FS-01 Financial Reserves <[http://stalbert.ca/uploads/legislative/C-FS-01\\_Financial\\_Reserves\\_-\\_November\\_7,\\_2016\\_Final.pdf](http://stalbert.ca/uploads/legislative/C-FS-01_Financial_Reserves_-_November_7,_2016_Final.pdf)>
- C-FS-02 Investment <[http://stalbert.ca/uploads/legislative/C-FS-02\\_Investment.pdf](http://stalbert.ca/uploads/legislative/C-FS-02_Investment.pdf)>
- C-FS-03 Debt Management <[https://stalbert.ca/uploads/files-excel/C-FS-03\\_DebtManagement.pdf](https://stalbert.ca/uploads/files-excel/C-FS-03_DebtManagement.pdf)>
- C-FS-04 Cash Management <[https://stalbert.ca/uploads/legislative/C-FS-04\\_CashManagement.pdf](https://stalbert.ca/uploads/legislative/C-FS-04_CashManagement.pdf)>
- C-FS-05 Budget and Taxation Guiding Principles <[http://stalbert.ca/uploads/legislative/C-FS-05\\_Budget\\_and\\_Taxation\\_Guiding\\_Principles.pdf](http://stalbert.ca/uploads/legislative/C-FS-05_Budget_and_Taxation_Guiding_Principles.pdf)>

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