



Legislation Text

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TAMRMS#: B06

Consideration of 2020 Municipal & Utility Budgets

Presented by: Diane McMordie, Director, Finance & Assessment Department

RECOMMENDATION(S)

That the 2020 Consolidated Municipal and Utility Budget in the amount of \$309,919,300 detailed in the attachment titled "2020 Consolidated Budget" be approved.

PURPOSE OF REPORT

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

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

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 LEVELS OF 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

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On June 17, 2019 Council passed the following motions:

- 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.
- PM-20-043 - That the 2020 Utility Repair, Maintain, Replace (RMR) Capital Budget of 14

capital RMR projects be funded in the amount of \$11,622,500.

On June 24, 2019, Council passed the following motion (CB-19-012):

- 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.

On November 21, 2019 Council passed the following motion (AR-19-482): That Council move out of Committee of the Whole.

- That Administration prepare the 2020 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 16, 2019.

BACKGROUND AND DISCUSSION

Each year, Council approves a 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.

The 2020 Consolidated budget of \$309,919,300 includes:

- 29 Municipal RMR Capital projects in the amount of \$39,571,700 approved in June 2019
- 14 Utility RMR Capital projects in the amount of \$11,622,500 approved in June 2019
- 13 Municipal Growth Capital projects in the amount of \$51,594,400 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 \$39,805,900
- Municipal operating budget in the amount of \$167,324,800
- \$2,024,800 in business cases as detailed in the attachment titled "2020 Business Case Summary"

This results in a municipal net tax requirement of \$109,877,400 which equates to an average property tax increase of 2.5%. The Utility budget results in an average utility bill increase of 0.1% detailed in the attachment titled "2020 Utility Rates".

Administration will report back to Council in Q2 2020 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 and an online budget tool gathered input from residents for Council's consideration as they deliberated the proposed business plan and budget.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

Approval of the 2020 Consolidated Operating Budget will result in an overall increase of approximately 2.5% in municipal property taxes and a 0.1% increase in the average residential utility bill.

Approval of the 2020 Consolidated Capital Budget will result in \$102.8 million of planned projects in 2020 of which \$47.8 million is to be secured through debt financing.

Legal / Risk:

The *Municipal Government Act* provides that Council must adopt a utility operating and capital budget for each calendar year (ss.242 and 245).

Program or Service:

N/A

Organizational:

N/A

ALTERNATIVES AND IMPLICATIONS CONSIDERED

N/A

Report Date: December 16, 2019

Author(s): Anne Victoor

Committee/Department: Finance & Assessment Department

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble