



Legislation Text

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6.1

Budget Adjustments

Presented by: Anne Victoor, Manager, Financial Services, Financial Services & Information Technology

RECOMMENDED MOTIONS

1. That \$69,000 of additional Growth Assessment Revenue be transferred to the Growth Stabilization Reserve.
2. That the 2021 final Consolidated Municipal and Utility Budget in the amount of \$288,088,200 and the Net Tax Requirement of \$112,044,200 as shown in the attachment titled "2021 Adjusted Consolidated Budget" be approved

PURPOSE OF REPORT

The purpose of this report is for Council to review Administration's recommended amendments to the approved Operating Budget, prior to the finalization of the annual tax levy.

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

N/A.

BACKGROUND AND DISCUSSION

On December 21, 2020 Council approved a Consolidated Municipal and Utility Budget of \$288,019,200 representing a net tax requirement of \$111,975,200 resulting in a 0.7% increase.

Prior to the presentation of the annual Tax Bylaw for consideration, Administration presents proposed adjustments to the budget. Amendments can arise due to circumstances that may have changed subsequent to the preparation/approval of the budgets, adjustments to estimates, Council motions, or new requirements of an emergent nature.

Administration is recommending the following adjustments:

Assessment Growth - increase of \$69,000 to Municipal Operating

- In finalizing the 2020 Assessment Roll, the total weighted assessment growth rate was 1.8%.
- Although Policy C-FS-05 Budget & Taxation Guiding Principles would direct that this additional assessment growth revenue be split 30% to the base budget and 70% to the Growth Stabilization Reserve, Administration is recommending the full amount of the assessment growth be transferred to the Growth Stabilization Reserve due to the nominal value of the additional assessment growth

Administration is not recommending any adjustments to the Municipal Capital, Utility Capital or Utility Operating budgets. It is important to note that there is a continuing trend in increased service requirements and funding reductions from other levels of government putting further financial pressure on the City. This includes charging for biology case work analysis and expectations of municipalities to set aside funds to assist in disaster recovery efforts. As the costs of these services are better understood, future budgets will be adjusted.

Administration will continue to monitor the revenue and expenditures within the approved budget and communicate any forecast variances through the quarterly reports.

While the above recommendation result in a change to the net tax requirement and Consolidated Budget, due to the fact that there is a larger assessment base upon which to distribute the taxes the amended average municipal tax remains at 0.7%.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

NA

IMPLICATIONS OF RECOMMENDED MOTIONS

Financial:

As these budget amendments are based on a point in time, the inherent risk of exceeding or not exceeding could result in a surplus/deficit position for the City. The Financial Reserves policy is in place to ensure that fluctuations in budget estimates can be managed

Legal / Risk:

The final tax requirement must be established at this time in order to meet our historical and targeted timelines of passing the Tax Rate Bylaw and the issuing of Assessment and Tax notices by May 31st.

Program or Service:

None at this time.

Organizational:

None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommended motions, the following alternatives could be considered:

Alternative 1. Council can approve alternate amendments to adjust the budget.

Alternative 2. That Council 'do nothing'. The current approved tax rate would not be reflective of Administration recommendations.

Report Date: May 3, 2021

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