

Subject: 2022 Interim Operating Budget**APPROVALS:****Jamie Doyle**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT a 2022 Interim Operating Budget in the amount of \$110,000,000 be approved to fund operations for the first quarter of 2022; and

THAT Administration present the 2022 Operating Budget, 2023 – 2026 Financial Plan within the first quarter of 2022 following a series of budget meetings to be held February 1 – 4, 2022 inclusive.

Summary:

The *Municipal Government Act* (MGA) requires that every Alberta municipality approve a budget prior to passing a property tax bylaw. It is advantageous for a municipality to approve a budget prior to the start of the budget year to avoid delays or disruptions in planned activities for the upcoming year. The approval of an interim operating budget will ensure that funding is in place for operations while a series of budget meetings allow Council and the public an opportunity to engage. The practice of adopting an interim operating budget was also followed in 2016 with the approval of an Interim 2017 Operating Budget.

Capital projects, inclusive of multi-year projects, that have funding previously approved are able to continue seamlessly since the funds are not tied to the fiscal year end. Funding for new 2022 Capital Projects will be impacted, therefore a capital budget amendment for time-sensitive projects will be presented separately to minimize any impact.

Background:

Administration began implementation of a zero-based budget methodology with the approval of the 2017 Operating Budget. Zero-based budgeting is an approach whereby all expenses must be justified for each new year, essentially starting from a “zero base”, where every program and service is analyzed. With the preparation of the 2022 Proposed Operating Budget, significant details are incorporated to further understand cost drivers for programs and services provided throughout the Municipality.

In addition, with a new Council, the adoption of an interim operating budget will allow time for Council to review and digest a significant amount of information to allow for informed decision making. A substantial amount of time in orientations, has been spent by Council since taking office, which provides the fundamental knowledge required prior to beginning budget deliberations.

The interim operating budget is intended to ensure funding for programs and services is available while budget deliberations occur. The budget development schedule proposes that a final 2022 Operating Budget and Financial Plan as well as the 2022 Capital Budget and Plan will be presented for Council approval in February 2022.

Budget/Financial Implications:

If an interim budget is not approved before the deliberation and approval of the 2022 Operating Budget and Financial Plan, the Municipality would not be able to continue providing required programs and services to the residents within the Region.

Rationale for Recommendation:

The 2022 Interim Operating Budget provides for the continuation of operations and staffing requirements for the first quarter of 2022, while providing additional time for Council to review programs and services during a series of budget meetings to be held February 1 - 4, 2022 inclusive.

Strategic Priorities:

Responsible Government