



Subject: 2017 Interim Operating Budget

APPROVALS:

Linda Ollivier, Director
Elsie Hutton, Executive Director
Kevin Scoble, Acting Chief Administrative Officer

Administrative Recommendations:

THAT a 2017 Interim Operating Budget, in the amount of \$137,000,000 be approved to fund operations for the first quarter of 2017; and

THAT Administration present the 2017 Operating Budget, 2018 – 2019 Financial Plan subsequent to the Council endorsement of outcomes of the Wood Buffalo Steering Group tasked with the development of a Joint Plan for Bill 21 Transition before the end of the first quarter.

Summary:

The Proposed 2017 Operating Budget, 2018 – 2019 Financial Plan was presented to Council on November 1, 2016. Following a series of budget workshops held to review and discuss requirements, Council considered a number of amending motions at a Special Meeting held on Friday, December 2, 2016. Included in the amendments was the requirement to reduce 2017 Community Investment Program grants over \$500K, excluding the Vista Ridge grant and the Local Helicopter Emergency Response Organization (HERO) Foundation grant by 6%.

Subsequent to the above-mentioned Special Meeting, the first meeting of the Wood Buffalo Steering Group (Steering Group) was held on December 6, 2016. The Steering Group was formed based on Council endorsement of the Joint Plan for Bill 21 Transition on November 22, 2016. In order to provide an opportunity for the Steering Group to recommend a Joint Plan for Bill 21 Transition and to re-engage with regional stakeholder groups, more time is required. The approval of an interim budget will satisfy the requirement to maintain operations while providing an opportunity for plan development.

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.

Background:

Administration is mindful of the economic climate and changes in the community due to the wildfire. In addition, proposed amendments contained within Bill 21 continue to be considered.

Subsequently, members of Council and Administration have met with key stakeholders to seek a collaborative approach to the Government of Alberta in addressing the concerns arising from the Bill. The progress of the Steering Group formed will shape the future of the 2017 Operating Budget, 2018 – 2019 Financial Plan.

Mayor and Councillors also had an opportunity to submit specific requests. Requests that were supported by Council motion have been incorporated into the operating budget.

In order to enhance opportunities for public delegations, budget workshops were rescheduled to evenings. A number of engagement opportunities were provided through a number of means:

- Public presentation of the proposed budget during the Council meeting on November 1, 2016;
- Posting of the proposed budget and financial plan on the Municipal website;
- Dedicated email and telephone options for members of the public to engage both Council and Administration; and
- A series of budget workshops between Council and Administration (November 28, 29, 30, & December 2, 2016) that were webcast live for the convenience and information of citizens.

Budget/Financial Implications:

The budget philosophy for 2017 is fundamentally different from any other year. Decreasing revenues and adapting to a community that is not experiencing growth require the Municipality to focus on maintaining existing assets and programs/services.

Rationale for Recommendations:

The 2017 Interim Operating Budget provides for the continuation of operations and staffing requirements for the first quarter of 2017 while providing additional time for Council to endorse recommendations from the Wood Buffalo Steering Group.

Strategic Plan Linkage:

Pillar 1 – Building Responsible Government