

Subject: 2018 Proposed Budget, 2019 – 2022 Financial Plan**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the 2018 Proposed Operating Budget, 2019 – 2020 Financial Plan, 2018 Proposed Capital Budget and 2019 – 2022 Capital Plan be accepted as the basis for the budget discussion and final budget recommendation.

Summary:

The *Municipal Government Act* (MGA) requires that every Alberta municipality approve a budget prior to passing a property tax bylaw. With the passing of an Interim 2018 Operating Budget and adoption of the 2018 - 2021 Strategic Plan, Administration was provided with the additional time and information to develop a proposed budget for Council review and deliberation.

Background:

Administration has continued with a zero-based budget approach in developing the proposed budget. The proposed budget is based on the allocation of funding aimed at maintaining assets, providing quality core services and capital assets to support municipal operations. In addition, an Undrawn Debt Reduction Plan has been introduced to transition the Municipality to a Pay As You Go philosophy for capital projects. The reduction plan would allow the Municipality to eliminate future debt service (interest and principal payments) on undrawn debt.

In advance of the budget workshops, a Budget Primer and video were released. The Budget Primer and video are tools to enhance public understanding of the budget process. In addition, a series of Public Information Sessions were held to discuss the budgeting process, the importance of the budget as well as how residents can be more engaged.

Residents are invited to attend the budget workshops in person, by participating in the delegation process or via the live stream video. Rural residents will also have the opportunity to watch the budget workshops at their local contact office by booking in advance.

Proposed Community Investment Program grant recipients will make presentations to Council followed by detailed capital project presentations and departmental operating budgets.

Budget/Financial Implications:

The budget philosophy for 2018 is a continuation of the efforts of staff from all levels of the organization seeking efficiencies and savings. The 2018 Proposed Operating Budget is \$29M less than the 2017 Operating Budget and includes a \$65M budgeted allocation to reduce undrawn debt. The undrawn debt reduction strategy proposed would allow for the elimination of undrawn debt by the end of 2022.

The 2018 Proposed Capital Budget is \$140M less than the 2017 Capital Budget approved on December 13, 2016 while including funding allocations for capital projects in progress and/or required to maintain existing assets and life cycle requirements.

Rationale for Recommendation:

The presentation of the 2018 Proposed Budget, 2019 - 2022 Financial Plan represents Administration's recommendation. The next steps in the budget process include incorporating changes as identified by Council during the proposed four-day budget review workshops followed by a presentation of the final budget and financial plan on February 27, 2018 for Council approval.

Strategic Plan Linkages:

Pillar 1 - Building Responsible Government

Attachments:

1. 2018 Proposed Operating Budget & 2019 - 2020 Plan
2. 2018 Proposed Capital Budget, 2019 - 2022 Capital Plan
3. 2018 Budget - Corporate Summary