

Subject: 2014 Proposed Budget and Financial Plan

APPROVALS:

Kola Oladimeji, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendations:

1. THAT subject to the passing of council Committees Bylaw No. 13/038, the 2014 Proposed Budget and Financial Plan be forwarded to the Audit and Budget Committee for review and final budget recommendation to Council; and
2. THAT a Budget Workshop be held on November 15, 16 and 18, 2013.

Summary:

Section 247 of the *Municipal Government Act* requires that every Alberta municipality approve a budget prior to passing a property tax bylaw in respect of the year. 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:

The proposed 2014 Budget and Financial Plan have been developed under the theme, “Expanding Financing and Funding Options – Delivery of Big Plans”. Building on the strategic financial investments made in 2013, this is the third installment in a series of funding allocations aimed at implementing the Municipal Development Plan, the 2012 to 2016 Strategic Plan and the City Centre Area Redevelopment Plan.

The municipal budget allocation model and process continue to evolve and adapt to our ever-changing environment. The budget document includes consolidated operating and capital budget information.

Upon review, discussion and final recommendations, the budget is slated for presentation for Council approval on December 10, 2013, following a month of engagements between Council and Administration as well as Public Information Session for the residents. Public awareness will be achieved through a number of means:

- Public presentation of the proposed budget at a Council meeting on November 12, 2013
- Print electronic media press releases
- Posting 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
- A series of public budget workshops for Council deliberation of the budget and financial plan
- Public information session to be conducted by Administration

The 2014 Proposed Budget and Financial Plan provide base information that will be used to develop the 2015 – 2016 Fiscal Management Strategy in early 2014. This fiscal strategy update will in turn form the 2014 property tax bylaw development process.

Budget/Financial Implications:

The financial parameters placed on the 2014 Proposed Budget and Financial Plan are based on the principles contained in the 2013 – 2015 Fiscal Management Strategy (“Strategy”) previously approved by Council. The Strategy established the following guidelines:

- Assume property tax ‘revenue neutral’ plus construction growth philosophy for all property classes in preparing 2014 – 2015 budgets - no tax increases.
- Establish a maximum balance of 15% of prior years’ audited net property taxes, subject to a minimum uncommitted balance of \$50M in the Emerging Issues Reserve to mitigate property tax revenue risks.
- Continue the philosophy of maintaining a minimum uncommitted balance of \$50M in the Capital Infrastructure Reserve.
- Maintain debt and debt service limits at a maximum of 85% of Municipal Government Act limits.

In order to meet projected spending over the next five years for the capital improvement programs, the Municipality will need to continue to expand and vary its capital finance sources and policy options relative to utilities, recreation, transit and parking. Detailed analysis of financial impacts and options will come forward as part of the 2014 – 2016 Fiscal Management Strategy update in early 2014.

Rationale for Recommendation:

The presentation of the 2014 Proposed Budget and Financial Plan represents Administration’s recommendation as the budget transitions to Council. The next step in the budget process includes incorporating changes as identified by Council and presenting a final budget and financial plan for Council approval on December 10, 2013.

Attachments:

1. 2014 Proposed Operating Budget and Financial Plan – November 12, 2013
2. 2014 Proposed Capital Budget – November 12, 2013
3. 2014 Proposed Capital Budget – Multi-Year in Progress Cash Flow
4. 2014 Proposed Capital Budget – First Year of Multi-Year Projects Cash Flow, November 12, 2013
5. 2014 Unfunded Capital Projects
6. 2015 – 2019 Capital Plan – November 12, 2013