

Request for Decision

Title	2023 Operating Budget, 2023-2025 Capital Budgets, and Multi-Year Financial Plans
Proposed Motion	<ol style="list-style-type: none"> 1. That Council authorize Administration to apply for the Provincial Education Requisition Credit (PERC) and the Designated Industrial Requisition Credit (DIRC) in 2023. 2. That Council approve the 2023 Operating Budget as amended by motions passed on November 23, and 24, 2022, which represents a 3.9% tax rate increase. 3. That Council approve the 2023-2025 Capital Budgets in the amounts of \$35,701,907 for 2023, \$42,114,975 for 2024, and \$38,639,232 for 2025 as referenced in Attachment 3: Capital Funding and Project Listing. 4. That Council approve in principle the 2024-2026 Operating Financial Forecast and the 2026-2028 Capital Financial Forecast as presented in the consolidated Operating and Capital Budget and amended by motions passed on November 23 and 24, 2022.
Administrative Recommendation	Administration recommends that Council authorize Administration to apply for the Provincial Education Requisition Credit (PERC) and the Designated Industrial Requisition Credit (DIRC) in 2023 as well as approve the 2023 Operating Budget, 2023-2025 Capital Budgets, 2024-2026 Operating Financial Forecast. and the 2026-2028 Capital Financial Forecast as presented.
Previous Council / Committee Direction	<p><u>November 23, 2022 Council Budget Meeting</u></p> <p>Motion 476/22: That Council approve the following service enhancements and Council budget requests, which reflect a tax rate increase of 3.9% and allocations of \$667,500 from the General Operating Reserve, \$90,000 from the Corporate Support Operating Reserve, and \$340,000 from the Vehicle & Equipment Reserve, to be confirmed by Council at the December 13, 2022 Regular Council Meeting:</p> <ul style="list-style-type: none"> • Evening Crew for Fleet Repairs (Revised – 2 FTEs) • 24-Hour Online Development Application Portal • Municipal Enforcement (Revised) • Corporate Energy and Environmental Sustainability Supervisor • Operational/Small Cap Engineering Projects Delivery Officer

- Customer Service Excellence in Internal and External Accounting Service Delivery
- Indigenous Relations Supports
- Upgrade Gravel Road Approaches at Railway Crossings (Revised)
- Seasonal Readiness Program Resourcing
- Communications Officer – Infrastructure Services
- Cyber Security Service
- Grant Funding for Not-for-Profit Organizations
- Jessica Martel Memorial Foundation Funding
- Utility Growth and Development Support
- Agricultural Master Plan and Support Strategy
- Business Process Innovation and Financial Environment Sustainability
- Department Meeting Room Upgrades
- GIS Resourcing
- Security Improvement Project
- Villeneuve Airport Development Readiness
- Coverall Structure for Fleet & Facilities Yard

September 9, 2022 Capital Committee Meeting

Motion 049/22: That the Committee recommend the 2023-2025 Multi-Year Capital Budget to Council with a 0.5% tax rate increase, as determined at the September 9, 2022 Capital Committee Meeting.

February 22, 2022 Regular Council Meeting

Motion 056/22: That Council give third reading of Bylaw 1580/22.

Motion 057/22: That Council approve the Capital Budgeting Policy as presented.

Report Background Information

- In accordance with the *Municipal Government Act* (MGA), Council must adopt an operating and capital budget for each year, along with a 3-year operating and a 5-year written capital plan.
- On February 22, 2022, Council established a Capital Committee with the purpose to make recommendations to Council on projects to be funded within the funding allocations approved by Council through the multi-year capital budgeting process.
- Capital Committee meetings took place on May 6, May 19, June 16, July 8, August 31, and September 9, 2022. At the September 9, 2022 Capital Committee meeting, the Committee recommended the 3-year Capital Budget to Council.
- On October 27, 2022, Administration presented the 2023 Corporate Overview, 2023 Proposed Operating Budget, and 2023 Recommended Operating Service Enhancements, and received information from members of Council on their Operating Budget requests.
- Between October 27 and November 23, 2022, Administration launched the Budget Information Request system which allowed Council to submit budget questions for Administration to address.

- On November 23 and 24, 2022, Council confirmed that budget questions were satisfied and proceeded to deliberate 2023 Service Enhancements and Council Budget Requests. There were 21 enhancement proposals deliberated and approved by Council.
- Amendments from Budget Deliberations on November 23 and 24, 2022 resulted in total consolidated operating and capital expenditures of \$106,875,144 for 2023, including \$79,968,647 Operating and \$26,906,497 Capital.
- Administration presented Council with options to address budgetary pressures, and the determination was to apply a tax smoothing methodology which stabilizes partial inflation for 2023 over time. The proposed tax rate increase for 2023 is 3.9% and for 2024-2026 is currently projected as 3.2%, 1.9%, and 2.2%, respectively. A tax stabilization reserve allocation in the amount of \$1,168,144 also supports funding the 2023 Budget and reducing the tax rate increase.

External Communication

- Administration launched a 2-month public engagement survey with the objective to receive public input from County stakeholders on the importance of strategic focus areas. The results of this survey were provided to Council to support budget preparation and deliberation proceedings.
- The Council budget presentation on October 27, 2022 was open to the public and streamed for real-time viewing.
- Council budget deliberations on November 23 and 24, 2022 were open to the public and streamed for real-time viewing.
- Public notification of the approved budget will be provided on the Sturgeon County website, social media updates, and news release.

Relevant Policy/Legislation/Practices

- Section 242(1) of the MGA states that each Council must adopt an operating budget for each calendar year.
- Section 245 of the MGA states that each Council must adopt a capital budget for each calendar year.
- Section 283.1(2) of the MGA states that each municipality must prepare a written plan respecting its anticipated financial operations over a period of at least the next 3 financial years.
- Section 283.1(3) of the MGA states that each municipality must prepare a written plan respecting its anticipated capital property additions over a period of at least the next 5 financial years.
- Section 283.1(6) of the MGA states that each Council must annually review and update its financial operating plan and capital plan.

Implication of Administrative Recommendation

Strategic Alignment

Operational Excellence – The proposed Operating and Capital Budgets are consistent with policies and procedures that support long-term financial planning and sustainability.

	<p><u>Organizational</u> Strategic, corporate, and department plans will align with the approved budget.</p> <p><u>Financial</u> Financial transactions will be made in accordance with the approved budget.</p>
Alternatives Considered	Council could amend the proposed 2023 Operating Budget or the 2023-2025 Capital Budget.
Implications of Alternatives	<p><u>Strategic Alignment</u> Operational Excellence – Administration would maintain consistency with policies and procedures that support long-term financial planning and sustainability.</p> <p><u>Organizational</u> Administration would amend corporate or department plans as necessary to ensure alignment to Council’s strategic direction.</p> <p><u>Financial</u> Dependent on the amendment(s) proposed.</p>
Follow up Action	<ol style="list-style-type: none"> 1. Publish the approved budget on the County website (Corporate Finance & Treasury, Corporate Communications, December 2022). 2. Apply for the Provincial Education Requisition Credit (PERC) and the Designated Industrial Requisition Credit (DIRC) (Corporate Finance & Treasury, 2023)
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Consolidated Budget and Financial Forecast 2. Attachment 2: Department Operating Budgets 3. Attachment 3: Capital Funding and Project Listing 4. Attachment 4: Service Enhancements and Council Budget Requests
Report Reviewed by:	<p>Sabrina Duquette, Manager, Corporate Finance & Treasury</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>