



# AGENDA COMMITTEE OF THE WHOLE Meeting

4:00 PM - June 14, 2022

Committee Room, Hinton Government Centre

Page

1. **ORDER**

*The Town of Hinton respectfully acknowledges that it is located on Treaty 6 Territory and Métis Nation Region No. 4. These are the traditional territories and ancestral lands of Indigenous Peoples including the Plains Cree First Nations, Aseniwuche Winewak Rocky Mountain First Nations, Stoney, Tsuu T'ina, Nakota, Denesuline, Saulteaux, Mountain Métis, Michif, and many other communities that continue to enrich the land on which the Town of Hinton was established.*

*With this sentiment,*

1.1 Call to Order

2. **ADOPTION OF AGENDA**

2.1 Committee of the Whole Agenda

3. **CITIZENS "MINUTE WITH COUNCIL"**

4. **DELEGATIONS AND PRESENTATIONS**

5. **REPORTS FROM ADMINISTRATION**

3 - 4 5.1 Alberta 55 Plus Games – MD-2474

5 - 19 5.2 2023 Budget Process

6. **REPORTING**

6.1 Council Reports

- Boards and Committees of Council

6.2 Chief Administrative Officer

- Reporting
- Status Report

7. **CLOSED SESSION**

*Section 197(2) of the Municipal Government Act specifies that a council may close all or part of a meeting to the public if a matter to be discussed is within one of the exceptions to disclosure in Division 2 of Part 1 of FOIP. The exceptions include matters where disclosures could be harmful to personal privacy, individual or public safety, law enforcement, intergovernmental relations, or economic or other interests. No bylaw or resolution can be passed at a closed meeting except a resolution to revert to the open council meeting in public or to recess.*

COMMITTEE OF THE WHOLE MEETING

Agenda

June 14, 2022

7.1 Mutual Performance Discussion - Closed per s.17 of FOIP

8. **ADJOURNMENT**

8.1 Adjournment



# TOWN OF HINTON Administrative Report

DIRECTION REQUEST     REQUEST FOR DECISION     INFORMATION ITEM

**DATE:** Committee of the Whole Meeting of June 14, 2022

**PRESENTED BY:** Paul Hanlan, Interim Chief Administrative Officer

**RE:** **ALBERTA 55 PLUS GAMES**

## Recommended Action

*That Committee accept the Alberta 55 Plus Games Report for Information.*

## Background

The Town received a letter on January 23, 2022, from Dave Finn, President of Alberta 55 Plus, soliciting our interest to host the Alberta 55 Games as early as 2025. On February 9, 2022, Council directed Administration to:

*prepare a report regarding hosting the Alberta 55 Games and return to a future meeting of Council by June 30, 2022.*

Alberta 55 Plus was incorporated under the name of ASCSRA (Alberta Senior Citizens Sport and Recreation Association) as a volunteer action group on January 31, 1980, to promote sport and recreation development for Albertans aged 55+ across the province, and to act as the provincial voice of mature adults in the Alberta 55 Plus Games. Alberta 55 Plus operated with the assistance from Alberta Sport Connection (previously Alberta Sport Council) for a number of years. Alberta Sport Connection has since lost federal funding and Alberta 55 Plus has in turn stepped back from their full working partnership and is now self-organizing their Provincial Games.

The Town of Hinton hosted the Alberta Seniors (55+) Games in the summer of 1990.

## Analysis

Upon review of the Host Committee Checklist (Attachment 1), a commitment of municipal support is required in the form of donated facilities, accommodation, local bid committee, volunteers and fundraising or financial commitment. The Town of Hinton recently explored the possibility of hosting the 2024 Alberta Winter Games or the 2024 Alberta Summer Games (this invitation was extended from Alberta Culture Minister Ron Orr. A regional scan was done to determine the interest and ability of a Hinton, Jasper, Edson, Yellowhead County joint bid; this concluded in shared position of “not now” as it was determined to be too risky and demanding on limited financial and community resources.

The Town of Hinton does not have the facility infrastructure to meet the requirements to host the Alberta 55 Plus Games event on its own. Our current climate indicates a strong decline in securing volunteers for events overall, as well as operating not-for-profit organizations. An event of this size will require a minimum of 100 volunteers and a volunteer host organizing committee of 9 members to lead the planning (including the creation of the bid package) and implementation of the event.

Written by: Alexa McEachern, Interim Parks Recreation & Culture Manager, Don Engerdahl, Events Coordinator

This type of event will need ample lead-in time to develop an economically responsible bid application and meet all requirements of the host community for it to be successful. After discussing with Dave Finn (President of Albert 55 Plus) we would require significant investment in our facilities to meet the required bid parameters. The minimum facility requirements to meet the bid parameters for hosting the winter games includes a minimum of 4 rinks. The minimum facility requirements for hosting the summer games includes a 4-lane all-weather track. While Hinton does have an “all-weather track”, it is likely to be deemed unsuitable for this event given the potential safety concerns this may have for seniors if they fall on a hard, shale track. Edmonton has been awarded the bid to host the 2022 Winter Games; prior to this, the hosting communities were Medicine Hat, Cold Lake, and Calgary. If Council would like to pursue Option 2, direction can be provided to Administration to pursue public engagement regarding interest for community members interested in building and submitting a bid for the 2025 Alberta 55 Plus Games. A full financial, service level, public engagement, and risk/liability report to Council is recommended before the bid is submitted. Option 2 may align with section 3.10.6 of the Community Sustainability Plan: Engage youth, families and seniors through special events and local activities by posting information in public spaces and outdoor areas, as well as the 2017-2021 Council Strategic Plan Objective 1.2: Work with Regional Partners to increase the population of Hinton.

### Implications of Decision

#### Financial Implications

Items	Comments
Operating Cost/Implications	None
Capital Cost	None
Budget Available	None
Source of Funds	None
Unbudgeted Costs	None

**Level of Service Implications** - None

**Public Engagement** - None

**Communications** - None

**Risk / Liability** - None

#### Legislative Implications

Conforms with:	Yes/No/ Partial/NA	Comments
<b>Council’s Strategic Plan</b>	NA	None
<b>Community Sustainability Plan</b>	NA	None
<b>Municipal Policies or Bylaws</b>	NA	None
<b>Provincial Laws or MGA</b>	NA	None
<b>Other plans or policies</b>	NA	None

### Options / Alternatives

1. That Committee accept the Alberta 55 Plus Games report for information.
2. The Committee direct Administration to call for public volunteers interested in forming a Bid Committee for the 2025 Alberta 55 Plus Games and provide an update on the outcome and next steps at a Committee of the Whole Meeting before August 31, 2022.

### Attachment(s) and Link(s)

1. Host Committee Checklist <https://alberta55plus.ca/wp-content/uploads/2019/08/2019-update-Hosting-Community-Guidelinesversion-2.pdf>



# TOWN OF HINTON Administrative Report

DIRECTION REQUEST    REQUEST FOR DECISION    INFORMATION ITEM

**DATE:** Meeting of the Committee of the Whole June 14<sup>th</sup>, 2022

**PRESENTED BY:** Paul Hanlan, Interim Chief Administrative Officer

**RE:** **2023 BUDGET PROCESSES**

## Recommendation

*That Council accept this Report outlining commencement of the Town of Hinton 2023 Budget process as information.*

## Background

During the completion of the 2022 Budget process the Interim CAO committed to initiate this discussion regarding the development of a Budget Policy that would insure a consistent (year after year) process which satisfactorily captured the wishes and direction of Council. This policy would provide desired clarity and consistency between budget years regardless of possible staff changes or vacancies. Practically, this policy could also confirm a schedule for the information of Council (and the public – including Civic Agencies), and to guide Administration in preparing each year's budget(s).

As well during completion of the 2022 Operating Budget Council, and Administration, created a parking lot for Discussion Items which would be revisited in conjunction with the 2023 (or future) budget process(es). These six (6) items were:

1. Leadership Accountability by Design training
2. Jasper/Hinton Airport
3. Hinton Mountain Bike Association
4. Hinton Historical Society
5. Adaptable and Progressive Transportation
6. Reestablishment of Freedom Express Service Levels

## Discussion

### Town of Hinton Budget Policy

At this time, and in advance of the recruitment/arrival of the Town's next Director of Corporate Services, as well as anticipated commencement of the 2023 Budget process the ICAO has decided to propose the consideration and development of a Town of Hinton Budget Policy. Done correctly this Policy will reflect the wishes and direction of Council that should endure vacancies (or departure) of key budget related administrative positions. Additionally, this Policy could confirm an annual schedule that confirms an annual December budget presentation to Council.

It has been confirmed that municipalities in Alberta tend to lean toward a budget policy as opposed to a bylaw. This allows Councils to easily make desired changes on an annual basis. Administration has investigated examples of budget policies from other comparably sized Alberta communities. The preferred examples (and as are attached) are from the Cities of Camrose (2016), and Lacombe (2018), and provide an appropriate framework for the Town to capture the wishes/direction of Council in a Budget Policy of its own to consistently guide the preparation of future budgets. Administration most liked the Camrose policy due to the clear and simple terminology and its overall completeness

Written by: Paul Hanlan, Interim CAO

(capturing the budgeting requirements in Alberta). Administration seeks the review and consideration of changes/additions specific to the desires of our Council. A draft Town of Hinton Budget Policy could be prepared by Administration and returned to a future meeting of Council.

#### EXAMPLE Annual Schedule (Budget Calendar)

An annual budget schedule could be included in this Policy and should commence in June each year concluding with the adoption of a new Operating and Capital Budget and the adoption of the budget year's Tax Rate Bylaw.

- *Strategic Planning Session review* – confirm Council's priorities/strategies for upcoming year
  - o June (November in election year)
  - o Council has adopted a 4-year strategic plan cycle that should help guide budget and service planning. At the start of each budget cycle, Council will review and update the plan, as necessary.
- *Council Service Review Inputs*
  - o July (November in election year)
  - o Service level changes come from administration based on priorities articulated in Council's strategic planning or prior years service review. This process gives Council the ability to add options outside of the process to ensure the proper analysis can be done prior to service review.
- *Department Work Plans and Budgets*
  - o July to September (November in election year)
  - o Using the priorities of Council, Service Level Review, and the budget guidelines, the Corporate Services Department provides all departments with the budget templates and guidelines to start their budgets. Departments then outline their work plan for the coming year and develop the related budget requirements, which are then submitted to the Director of Corporate Services for coordination and compilation of the departmental budgets into the corporate wide budget.
- *Draft Operating and Capital Budgets compiled*
  - o September (November in election year)
- *Management Team Budget Review*
  - o September (November in election year)
  - o Estimated expenses can exceed available resources. The Senior Leadership Team meets to review and evaluate the corporate wide budget impacts of each department. Priorities are evaluated and a draft operating and capital budget is prepared for presentation to Council.
- *Service Level Review*
  - o November/December (December/January in election year)
  - o Each year, as a part of the budget process, Governance and Finance Committee will review the programs and services that the municipality provides. This process will confirm the level of service for each program and the associated budget estimates. The Manager of Finance and Management Team members will present the service levels to Council in a series of public meetings and review the budgets and service level expectations.
- *Public Consultation*
  - o November/December (January in election year)
- *Council Budget Review*
  - o December (January in election year)
  - o Council will meet and review the first draft of the operating and capital budgets with the Management Team and the Manager of Finance. The capital budget impacts on the operating budget will be presented and discussed. All budget meetings are open to public and are advertised in advance. At least one of the scheduled budget meetings is dedicated to Civic Agencies requests and presentations as well as general comments from the public.
- *Budget Adoption*
  - o December (January in election year)

- The final drafts of the budgets are presented to Council with any changes made during the public consultation process. Council reviews the capital and operating budgets and the impact on taxpayers, with the objective of adopting both budgets by the second meeting in December.
- *Passing of Tax Rate Bylaw*
  - May Financial Plan Review
  - The annual tax rate bylaw is presented to Council after the Provincial Government has confirmed the amount of education taxes to be levied against municipalities. Based on the amount of education taxes, Council may choose to adjust the annual operating budget to reflect any changes required to maintain the overall tax strategy outlined in the adoption of the budgets.

#### 2022 Budget Discussion – Parking Lot Items

During completion of the 2022 Operating Budget Council, and Administration, created a parking lot for budget discussion items which would be revisited in conjunction with the 2023 (or future) budget process(es). These six (6) items are:

1. Leadership Accountability by Design training
2. Jasper/Hinton Airport
3. Hinton Mountain Bike Association
4. Hinton Historical Society
5. Adaptable and Progressive Transportation
6. Reestablishment of Freedom Express Service Levels

Administration will return Operating Business Cases for items #1/#2/#5 and #6 as part of the 2023 budget. Separately, items #3 and #4, will be addressed through a comprehensive review, and consultation, with the Town's Civic Agency partners – which will be included in the proposed budget.

#### Other 2022 Budget Considerations

The following ongoing or anticipated initiatives will affect the consideration and adoption of the Town of Hinton's 2023 Operating Budget:

1. 2022 Salary/Compensation Review
  - a. Ongoing – completion Summer 2022
  - b. Review of cross section of municipal salaries with comparable sized Alberta communities
2. New Union Agreement (2022)
  - a. Administration preparing for negotiations – commencing this summer
  - b. Current UNIFOR contract expires the end of 2022
3. Anticipated 2022 Service Level Review
  - a. Discussed during this year's Strategic Planning Session
  - b. Administration is seeking direction on this matter (contractor is required to complete)
4. Development of Reserve Policies
  - a. Discussed during the 2022 Budget process
  - b. Administration is seeking direction on this matter (could be completed in a later tax year)
5. Possible Tax Stabilization Fund
  - a. Discussed during the 2022 Budget process
  - b. Administration is seeking direction on this matter (could be completed in a later tax year)

#### **Options / Alternatives**

1. *That Council accept this Report outlining commencement of the Town of Hinton 2023 Budget process as information.*
2. *That Council otherwise direct Administration to proceed with commencement of 2023 Budget preparation as follows \_\_\_\_\_.*



# City of Camrose Council Policy

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## Budget

<b>APPROVAL:</b>	Motion 105-16	<b>POLICY#:</b>	FIN7.6.0
<b>APPROVAL DATE:</b>	March 7, 2016	<b>EFFECTIVE DATE:</b>	March 7, 2016
<b>AMENDED:</b>	Motion 222-16	<b>POLICY#</b>	FIN7.6.1
<b>DATE:</b>	May 16, 2016	<b>EFFECTIVE DATE:</b>	May 16, 2016

### Policy Statement

#### 1. Reason for Policy

The creation of the budget is one of the most important tasks for City Council and Administration. It is the budget which sets out the spending priorities for the City's programs, services and infrastructure.

This policy will outline the processes and responsibilities in preparing the City of Camrose's capital and operating budgets.

In preparing the budget the City uses the following:

- 1.1 An assessment of priorities, challenges, risks and opportunities using Council's Strategic Plan and Departmental Master Plans.
- 1.2 Input and information gathered from all levels of staff and public through various communication forums.
- 1.3 Principles for financial stability of the City to ensure sustainability.

#### 2. Purpose of Policy

##### 2.1 Transparency in Budget Preparation and Final Approved Budget

- 2.1.1 The budget process will take place under the direction of the Finance Director and the Council Finance Committee which will manage inputs at the appropriate stages, and solicit input from Community Groups.

- 2.1.2 The final approved budget will be posted for the public on the City of Camrose website.
- 2.2 Commercial Approach to the Budget
  - 2.2.1 Focus and refocus on existing and forecasted resources including assets, finances and staff in order to achieve the Strategic Plan.
  - 2.2.2 Business cases will be prepared and approved for any change in service levels, staffing, or assets.
  - 2.2.3 Utilize Asset Management approach over the lifecycle of assets.
  - 2.2.4 Apply Fiscal Impact Analysis and Risk Management Principles to support planning decisions, major projects and initiatives, and perceived high risk situations.
- 2.3 Stability by Planning a Budget over Multiple Years
  - 2.3.1 Allows Council and Administration to take a longer view of Camrose's needs.
  - 2.3.2 Is required in order to apply the principles outlined in 2.2.3 and 2.2.4 above.
  - 2.3.3 Build out a stable program of service delivery.
- 2.4 Provide Flexibility
  - 2.4.1 Yearly review and approval allows Council and Administration to reallocate funding priorities across the different years in a multi-year budget horizon.
  - 2.4.2 Implement or revise programs and services over a long time frame.
  - 2.4.3 Recognize operational and capital expenditures are becoming more interdependent as Life Cycle and Fiscal Impact Analysis are applied to the City's major assets.

2.5 Fiscal Responsibility

2.5.1 Adopting the City's strategy to obtain and save the funds required for major capital projects prior to expenditure.

2.5.2 Being debt averse as outlined in City Debt Policy.

2.5.3 Maintain sustainability over the long term.

2.5.4 Identifying and prioritizing needs versus wants.

2.6 Timing

2.6.1 The budget will normally be prepared in the second half of the fiscal year, with final approval by Council prior to year-end.

2.7 Reallocations and Changes to Line Budget Items

Reallocation of expenditures, not affecting the Operating or Capital Reserves No change to approved budget within department

2.71 Each Director/Supervisor is responsible for carrying out the mandate of the department within its approved Operating and Capital Budgets. These managers have the flexibility to operate within their respective department's budget with the understanding that individual line items may vary from budget. In these instances, an under expenditure of one line item will be offset by an over expenditure of another line item.

Change to approved budget

2.72 A Department Manager may initiate a budget reallocation within their Department for an anticipated over or under revenue or expenditure. The above (2.71 and 2.72) require the following approvals:

Operating and Capital Expenditures	Limit on Individual Occurrences	Approval
Within a department and function	Up to \$5,000	Department Manager and Director Finance
	Up to \$100,000	Department Manager, Director Finance and City Manager
Interdepartmental or Interfunctional	Up to \$100,000	Department Managers affected, Finance Director and City Manager

Reallocations above \$100,000 require Council Approval.

Reallocations and changes to forecasted budget items which affect Operating or Capital Reserves

2.73 This normally occurs when there are increases due to market changes on forecasted budget items, with no offsetting decrease in expenditure or no increase in revenues and requires a draw from the City's Capital or Operating Reserves.

The Council is required to approve all increases to forecasted budget items and the offsetting reduction in reserves.

Emergency Situations

2.74 In all cases of emergency in which there is danger to life, or where property must be protected, the City Manager may approve the expenditure immediately, then report to the appropriate approving authority as outlined above for either compensating or non-compensating expenditures.

### **3. Responsibilities**

#### 3.1 City Council to:

3.1.1 Approve by resolution this policy and any amendments.

3.1.2 Consider the allocation of resources, both Administration and Councillors, for successful implementation of this policy in the annual budget process.

#### 3.2 City Manager to:

3.2.1 Implement policy and establish administrative directives for carrying out the policy.

3.2.2 Ensure policy and administrative directive reviews occur and verify the implementation of policies and directives.

#### 3.3 Director Finance to:

3.3.1 Oversee and coordinate the timing and process of implementing the budget development and approval.

3.3.2 Determine relevant policies and programs which could affect the budget and synchronize these in the budget development process.

3.3.3 Ensure that communication is effectively carried out.

3.3.4 Provide administrative and training support to departments for budget development, Business Case preparation, Risk identification and analysis, and Fiscal Impact analysis.

### **4. Exclusions**

4.1 None

### **5. Definitions**

5.1 “Act” - the Municipal Government Act. R.S.A. 2000 as may be amended from time to time.

5.2 “Administration” - the City Manager, support staff to the City Manager, and Management Team of the City of Camrose.

- 5.3 “Administrative Directives” - a documented procedure that outlines a consistent approach to carrying out a specific Policy in the day to day operations of the organization.
- 5.4 “City Manager” - the individual appointed by Council to the position of Chief Administrative Officer as per the Municipal Government Act.
- 5.5 “Council Policy” - policy regarding governance, public issues, and services to the public which require Council approval.
- 5.6 “Management Team” - the City Manager and Direct Reports.
- 5.7 “Risk Management Principles” – the identification and assessment of risks, combined with the actions required to mitigate the risks to an acceptable level.
- 5.8 “Fiscal Impact Analysis” – determining the direct, ongoing and public impact of a development, or other large event, in a holistic analysis.
- 5.9 “Life Cycle” – an asset’s condition and value during its whole life, including purchase, installation, maintenance, refurbishment and disposal.

## **6. Schedule for Review of Policy**

- 6.1 This policy will be reviewed biennially (every two years) by Council.

## **7. Reporting**

- 7.1 Quarterly status of actual financial position against the budget will be submitted to Council for review.

	<b>CITY OF LACOMBE COUNCIL POLICY</b>	
	<b>ANNUAL BUDGET AND TAXATION PREPARATION</b>	
	Policy Number:	13/210.03 2018PO
	Effective By:	Upon approval
	Rescinds:	13/210.03 (2012) Annual Budget and Taxation Preparation Policy
	Review Frequency:	Annually
	Responsible Department:	Finance Department
	Reference:	Equity and reserves policy #13/201.01 (2012) Debt Management #13/201.02 (2012) Sec 241 to 248, Sec 353 to 370 – Municipal Government Act

### Purpose of the Policy

To establish principles for the preparation of annual budgets, business plans, and property taxation levies. In some cases these principles will stand alone, while in others the principles are excerpts from separate policies established by Council.

### Policy Statement

The adoption of the City's business plans, budgets, and tax rate bylaws are among the most critical functions undertaken by Council.

Budgets and business plans shall be developed in a consistent and planned manner, and budgets shall take into consideration the impacts on future years and the City's ability to fund those impacts.

Municipal and utility operating budgets shall be prepared for a three year period. Approval is required for 1st year and years 2 and 3 will be presented for council's information. The City will strive to maintain an appropriate transfer to capital reserves in the operating budget to support the 10-year capital plan.

City utility expenditures will be funded entirely from reserves and self-supporting utility rates.

The City shall maintain a fair, transparent, and competitive system of municipal property taxation, while collecting the revenue necessary to meet municipal program and service funding obligations.

### Definitions & Abbreviations

- Alberta Consumer Price Index (ACPI)
  - Is an indicator of changes in consumer prices experienced and is obtain by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers.
- CAO
  - The City of Lacombe's Chief Administrative Officer

## Responsibilities

### City Council

- To approve the annual budget and taxation policy
- Consider and approve amendments thereto

### Chief Administrative Officer

- To ensure budget preparation is developed in a consistent manner according to this policy
- Bring forward considerations and recommendations to Council for changes

### Managers/supervisors

- Develop business plans and budgets according to this policy

## General Provisions

### 1. General

- a. The approved operating budget shall serve as the financial plan for the City and as the policy document of City Council for implementing Council's goals and objectives outlined in Council's strategic plan. The approved operating budget shall provide Administration with the direction and resources necessary to accomplish Council-determined service levels. Budgets will support Department based business plans.
- b. Departmental Business Plans shall:
  - i. be comprised of operating and capital projects and programs, which are consistent with Council's approved strategic plan;
  - ii. be comprised of capital projects and operating programs which balance the expectations of citizens for service levels with their ability and willingness to pay for those services; and
  - iii. identify all costs associated with operating new equipment or facilities where capital projects are being recommended and identify the funding sources available, including but not limited staffing.
- c. The need for programs and service levels will be the major considerations in determining tax rates; however, local taxing efforts of other municipalities will also be taken into consideration.
- d. Council will seek input from the public and Administration during budget preparation and throughout the year. Public input will include public participation during budget open houses.
- e. The municipal tax rates will be set by Council annually through the Property Tax Bylaw.

### 2. Multi-Year Planning

Multi-year planning will enhance and improve the budget process by reinforcing the commitment to long-term fiscal health by looking beyond a one-year horizon. This multi-year view will provide citizens, businesses and agencies with longer-term information regarding the City's planned programs. The primary multi-year planning documents will be Council's strategic plan and departments' 3 year business plans.

### 3. Capital Funding

- a. The capital funding is a base funding amount within the operating budget that supports the 10- year capital plan. Capital contributions shall be carried out through:
  - i. annual transfers to reserves in accordance with the 10 year capital plan;

- b. A change in costs related to debt servicing shall result in a change to the other components of the capital funding for the 10 year capital plan.

#### 4. Balanced Budget

- a. The City shall adopt a balanced budget where operating revenues are equal to operating expenditures for each year.
- b. The City shall use the July 1<sup>st</sup> Alberta Consumer Price index as the targeted property tax increase.
- c. No department manager shall intentionally budget in a way that a surplus will be created when developing a budget.
- d. The following rules are proposed to govern year end operating surpluses:
  - i. Any utility funded surplus will be directed back to the corresponding Utility Reserve
  - ii. Lacombe Police Service surplus will be applied to the Police Operating Reserve
  - iii. Surplus from wages and benefits will be applied to the General Operating Reserve
  - iv. A surplus arising from any other department will be applied to:
    - a. Reserves, for use in maintaining reserve levels set by Council policy, or
    - b. A one time expenditure

#### 5. One-time Revenues

- a. Major one-time revenues will be applied to:
  - i. reserves for use in maintaining reserve levels set by Council policy; or ii. one-time expenditures
- b. Operating surpluses and one-time revenues will not be used to fund ongoing expenditures, as this result in annual expenditure obligations, which may be unfunded in future years.

#### 6. Use of Unpredictable Revenues

Unpredictable revenue sources will not be relied upon to directly fund expenditures until the revenue has been received.

#### 7. Revenue Diversification

- a. The City may charge fees for services where it is applicable and cost effective to do so.
- b. The City will strive for full cost recovery where it is applicable and cost effective to do so.
  - i. The City's utility departments will follow a full cost cash recovery rate model.
  - ii. Other departments shall follow a cost recovery model as established by Council.
- c. The City will continuously seek new and diverse revenues so as to limit the dependence on one or only a few sources and in order to maintain needed services.

8. New Programs and Changes in Service Levels

- a. The operating budget will be developed based on the principle to sustain current programs and level of services. Recommendations for new programs and/or service level adjustments (increase or decrease) will be presented in separate business cases during the annual budget process.
- b. The City will pursue federal, provincial, and private grants but will strictly limit financial support of these programs to avoid commitments which continue beyond funding availability.

9. Funding to Outside Agencies

Agencies requesting funding from the City of Lacombe shall submit annual business plan and budget no later than November 1<sup>st</sup> of each year.

10. Annual Budget Adjustments

- a. Any changes to estimates of revenues or expenditures shall be presented to Council prior to the adoption to the annual tax rate bylaw,
- b. Emergency expenditures items such as facility or infrastructure repairs shall be considered by Council on a case by case basis and as determined by the CAO.
- c. Subject to the approval of the CAO, managers have the authority to vary individual expense items within their department budget up to \$25,000. Variations in individual expense items must not result in an overall change to the department budget or affect service levels, unless approved by Council.

11. Reserves

- a. The City will maintain appropriate Reserves as determined by Council through its reserve policy and planning.
- b. The Budget will allocate an appropriate level of funds to Reserves in order to maintain services throughout economic cycles:
  - i. to ensure against unforeseen costs and revenue reductions;
  - ii. to provide bridge financing for capital; and/or
  - iii. to allow the City to take advantage of grants and/or market opportunities.
- c. In addition to its capital reserve funds, the City may establish reserves:
  - i. to fund large, long-term liabilities; and/or
  - ii. to fund multiple year special projects.
- d. Use of reserves is planned and is not considered as an alternate-funding source in place of good financial practice. Long-term liabilities will be reviewed on an annual basis. Reserves and reserve funds will be established as required and maintained.
- e. The City will maintain Capital Reserves in order to ensure a current and sufficient asset base to support City programs and services. Contributions to these reserves will be based on the 10 year rolling average for capital investment.

## 12. Infrastructure

- a. The City will endeavor to preserve and renew its infrastructure, as a priority over developing new infrastructure.
- b. Projects and maintenance will not generally be deferred unless the need for the project or maintenance changes. As a result, projects in the 10-year capital forecast advance from year to year in an orderly fashion. Maintenance is not deferred to meet funding constraints since deferred maintenance generally results in increased operating or replacement costs in the future.
- c. Departmental Business Plans will provide that an appropriate proportion of the cost of new development related to capital infrastructure, as determined by Council Policy, be financed by development charges.
- d. The City shall prepare a multi-year operating forecast to identify the impact of new facilities and infrastructure. Unless the City has the ability to afford the new facility, the project will not proceed.

## 13. Staffing

- a. In general, unless unusual circumstances warrant, additional staffing requests included in Budget development will be based on a start date of April 1. Initial budgets for new positions will be based on the midpoint step on the salary grid.
- b. Managers will develop business cases for any new staff request in accordance with the Administrative Directive.
- c. In addition to direct staffing costs, business cases for new positions will also include equipment costs (e.g. vehicle, office equipment, computers, cell phones, etc). required by the position.

## 14. Revenue Estimates

Operating revenue projections will be based on actual historic trends, approved service levels, and supplemented with additional knowledge future expectation

## 15. Original Scope of Capital Projects

- a. At times, throughout the budget period, opportunities arise to change the original scope of a project due to:
  - i. lower tender results from budget;
  - ii. additional funding from unexpected revenues such as grants or contributions from agencies.
- b. The original scope of an approved project shall only be changed with formal approval from Council.

## 16. Revenue Neutrality

The City's overall municipal tax revenues shall not increase automatically with market assessment increases in an effort to protect ratepayers from dramatic shifts in property taxation due to annual market value assessment changes. The general municipal tax rate for the municipality shall be adjusted to ensure revenue neutrality. Increases to general tax revenue shall be limited to new development and construction and tax rate increases approved by Council.

17. Tax Burden and Multiple Tax Rates

- a. If non-residential assessment growth (i.e. new construction) exceeds residential assessment growth in a year, the CAO shall adjust the percentage of the City's revenue requirement assigned to the residential and non-residential assessment classes (the tax burden) to ensure that tax rate percentage increases for each assessment class are generally equivalent.
- b. If residential assessment growth exceeds non-residential assessment growth, the CAO shall recommend a separate tax rate for residential and non-residential property classes. The targeted tax rate for non-residential properties is equivalent to 120% of the residential tax rate, though this target may fluctuate from year to year. These separate tax rates may result in a different tax increase percentage for each property class.
- c. The percentage of the City's revenue requirement assigned to the non-residential assessment class shall not decrease over time in relation to the percentage of the City's revenue requirement assigned to the residential assessment class.

18. Policy Review

This policy shall be reviewed annually by Administration. Any changes shall be recommended to Council for approval.

\_\_\_\_\_  
Original Signed

Mayor

\_\_\_\_\_  
September 24, 2018

Approval Date  
(MMMM/DD/YYYY)

\_\_\_\_\_  
Original Signed

Chief Administrative Officer

\_\_\_\_\_  
September 24, 2018

Approval Date  
(MMMM/DD/YYYY)