



CITY OF  
FORT SASKATCHEWAN

**Request for Decision  
Regular Council Meeting\_Dec13\_2022**

**2023 Operating and Capital Budget**

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**Motion:**

1. That Council adopt the 2024 – 2026 Operating Financial Plan Forecast and approve the 2023 Operating Budget dated December 13, 2022, establishing total operating revenues and expenditures at \$89,370,394, which includes \$21,426,845 for the Utilities Budget.
2. That Council approve the 2023 Capital Budget dated December 13, 2022, establishing total capital revenues and expenditures at \$21,106,800.
3. That Council approve the 2023 Fort Saskatchewan Public Library appropriation at \$1,317,000.

**Purpose:**

The purpose of this report is to present Council with information on the 2023 municipal budgets. Once the municipal Budget is approved, it will provide an Operating and Capital Budget for 2023, a 2024 – 2026 Operating Financial Plan Forecast, and an appropriation to the Fort Saskatchewan Public Library.

**Background:**

The *Municipal Government Act* (MGA) directs Council to approve an operating and capital budget for each calendar year. The 2023 municipal budget was developed in accordance with the Operating and Capital Budgets Policy FIN-024-C and identifies and allocates the resources necessary to provide for the municipal programs and services that support Council's goals and strategic initiatives identified within the Strategic Plan.

Appendix 1 outlines the overall 2023 Operating Budget, including the Utilities Budget and adjustments based on decisions made by Council and other updates made by Administration at this year's budget meetings. Appendix 2 details these adjustments, which resulted in a net reduction to budgeted operating revenues and expenditures of \$56,521 from the 2023 Operating Budget, as initially proposed. Significant Operating Budget adjustments are summarized below.

Adjustments related to:

- Increase of \$49,300 (ongoing) to allow the reopening of the Dow Centennial Centre and Harbour Pool on certain statutory holidays
- Decrease of \$174,800 (one-time) for removal of the River Valley Master Plan
- Decrease of \$75,000 (one-time) for the removal of the Urban Agriculture Plan
- Decrease of \$40,000 (one-time) for Truth & Reconciliation – Year 2

- Decrease of \$36,570 (ongoing) for the Diversity, Inclusion & Mental Health Coordinator position (1 FTE to .5 FTE)
- Decrease of \$98,522 (ongoing; \$49,251 for operations & \$49,271 for utilities) for the Manager, Sustainability position

Appendix 3 outlines the 2023 Capital Budget and reflects adjustments based on decisions made by Council during the budget deliberations.

The Capital Budget was adjusted for the following:

- Increase of \$75,000 to Veterans Way Pedestrian Crossing North capital project for the inclusion of security cameras
- Increase of \$150,000 for Henderson Park parking lot paving
- Reduction of \$47,000 for Dow Centennial Security Camera System

The MGA directs municipalities to prepare a written plan respecting their anticipated capital property additions over a period of at least the next 5 years. Council is required to review and update the Capital Plan annually. Council reviewed the 10-Year Capital Plan as part of the 2023 budget meetings. In June 2023, Council is scheduled to perform an additional review of the 2023-2032 Capital Plan prior to its adoption.

Appendix 4 outlines the 2024 - 2026 Operating Financial Plan Forecast, which is used as a planning and guiding document to guide policy and inform program decisions. A forecast is a tool that presents estimates based on past, current, and projected financial conditions to help identify future revenue and expenditure trends that may have immediate or long-term impacts on policies, strategic goals, or programs/services offered to the community.

The 2023 User Fees, Rates, and Charges Bylaw will be presented for Council's consideration under a separate cover prior to the approval of the 2023 municipal budget. The User Fees, Rates, and Charges Bylaw include updated utility rates for 2023. Based on the average monthly residential water consumption of 14 cubic meters, the average monthly residential utility bill is projected to increase by \$2.75, or 2.35%, over 2022.

Alberta Capital Region Wastewater Commission approved the \$1.50 per cubic meter rate for wastewater transmission and treatment for 2023 on November 18, 2022. The rate increased from \$1.49 to \$1.50 per cubic meter. The increase of \$0.01 per cubic meter did not affect the wastewater consumption rate proposed in the 2023 budget.

The Capital Region Northeast Water Services Commission Board of Directors approved the water rate for 2023 on November 28, 2022. The 2023 rate decreased from \$1.7375 per cubic meter (2022 rate) to \$1.6125 cubic meter, resulting in a reduction of \$0.1250. Administration recommends maintaining the water rate as proposed in the 2023 Operating Budget, and any surplus resulting from this new rate in 2023 be transferred to the Utilities Infrastructure Lifecycle Maintenance and Replacement Reserve for future capital projects.

Appendix 5 outlines the 2023 Fort Saskatchewan Public Library Operating and Capital Budget dated October 3, 2022. The *Libraries Act* directs a Library Board to prepare an annual budget and estimate the required funds to operate and manage the municipal library for Council's consideration.

**Financial Implications:**

The 2023 Operating Budget includes property tax revenue to be collected of \$54.1 million. The property tax revenue increase includes estimated property assessment growth of approximately \$1.5 million and a \$1.6 million property tax revenue increase due to projected spending in 2023—the projected increase due to spending results in a 3.05% property tax revenue increase from 2022.

Information regarding the finalized property assessments will be available in February 2023, and information regarding the proposed 2023 property tax rates will be available in May 2023 when Council is scheduled to approve the 2023 Property Tax Bylaw. Depending on how a property's assessment changes relative to the average annual change in assessment for the assessment class, a property owner may see their municipal property taxes change by more or less than 3.05% from 2022.

**Diversity Impacts:**

- Ensure that all budget communication for 2023 follows the City's standards and policy for inclusion and accessibility.
- The City has attempted to make the budget documentation straightforward and easily understood by a broad general public segment.

**Risk Analysis:**

According to the MGA, each Council must adopt an operating budget for each calendar year. Should Council not adopt the 2023 Operating Budget on December 13, 2022, Council may adopt an interim Operating Budget for part of the calendar year. An interim Operating Budget for part of a calendar year ceases to have any effect when the Operating Budget for that calendar year is adopted.

**Plans/Standards/Legislation:**

The MGA requires that:

- Sections 242(1) and 245 direct Council to approve an Operating Budget and a Capital Budget for each calendar year, respectively.
- Section 283.1 directs municipalities to prepare written plans respecting their anticipated financial operations over a period of at least the next 3 financial years, and to prepare written plans respecting their anticipated capital property additions over a period of at least the next 5 financial years. Council is required to review and update these plans annually.

**City's Strategic Plan:**

- Goal - Operational Excellence and Continuous Improvement (continuous improvement, constantly looking for ways to improve our services through innovative practices, technology, collaboration, and consultation).
- Goal - Strategically Managed Infrastructure (maximize our existing infrastructure and plan for long-term efficiency, cost and resiliency when considering new infrastructure).

**Alternatives:**

1. That Council approve the 2023 Operating and Capital Budgets and the 2022 Library appropriation and adopt the 2024 - 2026 Operating Financial Plan Forecast.
2. That Council approve an interim Operating Budget for part of the 2023 calendar year.

**Administrative Recommendation:**

That Council approve the 2023 Operating and Capital Budgets and the 2022 Library appropriation and adopt the 2024 - 2026 Operating Financial Plan Forecast.

**Attachments:**

1. Appendix 1 – 2023 Operating Budget (including Utilities)
2. Appendix 2 – 2023 Council Motions and Other Adjustments
3. Appendix 3 – 2023 Capital Budget
4. Appendix 4 – 2024 – 2026 Operating Financial Plan Forecast
5. Appendix 5 – 2023 Fort Saskatchewan Public Library Operating and Capital Budget

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Approved by:	Jeremy Emann Chief Financial Officer	Date: December 5, 2022
Approved by:	John Dance General Manager, Corporate Services	Date: December 7, 2022
Approved by:	Troy Fleming City Manager	Date: December 7, 2022