

## **CITY OF FORT SASKATCHEWAN**

### **Notice of Motion – 2017 Budget**

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#### **Motion:**

That given the current challenges facing Albertans, and residents and businesses of Fort Saskatchewan that the City Manager direct Administration to work towards a 0% operating budget increase for 2017.

#### **Purpose:**

To consider the notice of motion submitted by Councillor Sperling.

#### **Background:**

Preparation of the 2017 Budget began in the first quarter of 2016. At the time, Administration sought Council's direction for the 2017 budget including the residential and non-residential tax split. As much is involved in developing the annual budget, Council felt any specifics should be left until all the information can be reviewed during budget deliberations. This information includes the impact of:

1. the previous year's budget decisions;
2. projects set out in the 10-Year Capital Plan, which include those items arising out of major planning documents like the Recreation and Parks Master Plan;
3. implementing strategies within Council's Strategic Plan;
4. the impact of the Provincial Government's decisions;
5. community and regional growth challenges;
6. the community's service level expectations; and
7. other external factors outside of the control of the City.

All of the above focus on balancing vision with economic realities. From a governance perspective, during the year Council members receive regular up-to-date and accurate reports on the City's financial status that allows the organization to mitigate challenges and provides flexibility should opportunities arise, such as purchasing land for a new fire station.

Over the last four years, Administration has set forth a direction approved by Council in past budgets, to catch up from years of unprecedented growth, see needed projects completed or started, and prepare for the future. This was done while maintaining one of the lowest property taxation in the region. The manner in which Administration has approached past budgets gave Council confidence that the 2017 Budget would again be developed taking into account the list noted above.

As with other budgets, the 2017 Budget gives Council options including what the tax increase should be, if any. The reality is, the level of taxation is primarily dependent on the decisions Council makes. At this late stage, making a decision on taxation levels may be best done during Budget Deliberations.

#### **Discussion:**

The timetable for the development of the 2017 Budget was set in March in consultation with Council. This includes when the budget document is provided to Council and the date of the budget meetings. The budget document is in the final stages of completion for delivery to Council mid-October.

If Council were to pass the proposed motion it would be direction to itself during Budget Deliberations, as it is now too late to make substantial changes to the budget document. This being said, the budget completed by Administration already provides Council the option not to increase the amount of property taxes collected. However, as the tax split is based on property assessment, this will have an affect on the distribution of taxes coming from residential versus non-residential properties. This can have an impact on percentages even though no additional property taxes are collected, which will be explained in more detail in the 2017 Budget binder.

**Alternatives:**

1. If Council wishes to specify a certain percentage increase at this point, the motion should be amended to say:

“That given the current challenges facing Albertans, residents and businesses of Fort Saskatchewan, that Council work towards a 0% operating budget increase for 2017 during budget deliberations.”

2. The motion be withdrawn.

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File No.:

Prepared by: Kelly Kloss  
City Manager

Date: October 3, 2016

Submitted to: City Council

Date: October 11, 2016