

CITY OF FORT SASKATCHEWAN

Operating and Capital Budgets Policy FIN-024-C

Motion:

That Council adopt Operating and Capital Budgets Policy FIN-024-C.

Purpose:

To present Operating and Capital Budgets Policy FIN-024-C for adoption by Council.

Background:

The adoption of the City's operating and capital budgets are among the most critical policy decisions made by Council. The City's annual budget process allows the City to prioritize projects, programs and services based on anticipated revenues and expenses, and allocate the resources to fund them. To date, the City has operated in the absence of a formal policy which guides the preparation of operating and capital budgets.

At the June 27, 2017 regular Council meeting, a report on the Project Management Department's processes and procedures as they relate to capital project management was presented to Council as information. Council directed Administration to develop a Major Capital Project Budget Policy to be presented to Council for approval at the September 12, 2017 regular Council meeting.

At the July 10, 2017 regular Council meeting, a report on historical staff surpluses and possible mitigation strategies was presented to Council as information. Further to this, Administration advised that a Budget Policy was being developed to establish principles and guidelines for the preparation of budgets, to support the management of revenues and expenses, and to control operating budget surpluses. The Policy was expected to be presented to Council for approval at the September 12, 2017 regular Council meeting.

For ease of administration and implementation, both policies have been combined under Operating and Capital Budgets Policy FIN-024-C.

This Policy establishes principles and guidelines for the preparation of operating and capital budgets in accordance with the *Municipal Government Act*.

Highlights:

In addition to general guidance regarding the preparation and adoption of operating and capital budgets, the Policy includes:

- Mitigation strategies to reduce staff surpluses such as provisions for staff vacancies and salary grade level variances, budgeting new staff positions to start April 1, and budgeting new staff positions to start at mid-point salary grade levels;
- A two-step Council approval process for all major capital projects that require design work to be completed to determine a Class 3 or better cost estimate;
- Debt management and property tax strategy guidelines.

Plans/Standards/Legislation:

The *Municipal Government Act* requires that each municipal council adopt an operating budget and a capital budget for each calendar year.

Internal Impacts:

Adoption of Operating and Capital Budgets Policy FIN-024-C will require minimal staff training and resources, as the Policy largely reflects the City's existing practices which should mitigate any short-term impacts.

Attachments:

Operating and Capital Budgets Policy FIN-024-C

File No.:

Prepared by:	Jeremy Emann Chief Financial Officer	Date: September 5, 2017
Approved by:	John Dance General Manager, Corporate Services	Date: September 5, 2017
Reviewed by:	Troy Fleming City Manager	Date: September 6, 2017
Submitted to:	City Council	Date: September 12, 2017