

# **Strathcona County 2020 Consolidated Budget**

**Council Meeting  
November 18, 2019**

# Presentation outline

## 2020 Consolidated Budget:

- Budget overview
- Operating budget highlights
- Capital budget highlights
- Summary

# What is a budget?

## **Definition:**

- a) A statement of the financial position of an administration for a definite period of time based on estimates of expenditures during the period and proposals for financing them;
- b) a plan for the coordination of resources and expenditures; and
- c) the amount of money that is available for, required for, or assigned to a particular purpose.

(Miriam-Webster's Collegiate Dictionary, Ninth Edition. 1983)

# What is a budget?

The Consolidated Budget from the County's perspective is a Financial manifestation of Council priorities as reflected in:

- The Strategic Plan
- The Corporate Business Plan
- Department Business Plans

# Council Direction

Council passed the following motion on July 9, 2019:

*THAT Administration brings forward a budget for 2020 which ensures the financial sustainability of Strathcona County based on the following assumptions:*

- Reduction in provincial funding to be absorbed through reduced departmental spending;*
- Reductions in funding to be spread across the organization through identification of non-priority areas;*
- Priority based budgeting used to identify areas of spending reductions;*
- A budgetary contingency built in that aligns with past practice; and*
- Priority areas identified by Council factored into budget planning.*

# Overview

- “As part of our organizational excellence goal, Strathcona County continues to work on improving the information available to support decision-making; to deliver better data, stronger analysis and performance management.
- Improving the relevance, effectiveness and efficiency of our programs and services ensures our municipality is sustainable over the long term in meeting the needs of our community.”
- Priority Based Budgeting Opportunities
  - Examination of programs and services for resource reallocation opportunities relative to supporting the strategic goals and results.

# Overview

- The following initiatives support our Organizational Excellence goal
  - Business Transformation
  - Capital Asset Management (CAM)
  - Service Level Definitions (Good – to – Great)
  - I & T Strategy
  - People Plan
- The output of these initiatives is better data that supports improved
  - Analytics
  - Performance Management
  - Strategic Decision Making
  - Continuous Improvement

# 2020 Budget Process

## Key Inputs:

- Re-examine Budget Approved in Principle in 2019
- Identify Impacts of the 2019 – 2020 Provincial Budget
- Consider critical investments going forward

# 2020 Budget Process

What have we done?:

Removed all Approved in Principle items from the 2019 budget process for 2020 and beyond

Added in what are considered to be Critical items

Have identified a series of cost reduction measures/opportunities

# Impacts - Provincial Budget

## Estimated Financial Impacts

Fine revenue – *“sharing 60 percent of fines and penalties revenue with municipalities, instead of 73.3 percent.”*

Budget impact - estimate for 2020 - \$790,000

## Rural Policing

Budget impact - estimate for 2020 - \$1,500,000

## Alberta Community Partnership funding

Budget impact - estimate for 2020 - \$25,000

# Impacts - Provincial Budget

Unknown financial impacts:

Industrial and Regulated Properties

- *Work collaboratively with municipalities and industry to improve the consistency and efficiency of the property assessment system by completing the transition to the centralized model for designated industrial property assessment and*
- *Modernizing the assessment models for regulated properties.*

# Impacts - Provincial Budget

Unknown financial impacts:

Municipal Sustainability Initiative (MSI) – Funding for Capital  
Total provincial funding reduced by \$94 million in 2020 and a further \$142 million in 2021

Family Community Services - changes to Parent Link Centre, Home Visitation and Early Childhood Development programming  
Budget impact – estimate for 2020 - \$800,000

# Key considerations

## **Challenges going forward:**

- No formalized Enterprise Risk Management (ERM) system
- Provincial Budget 2020 – 2021 (anticipated release - Spring 2020)

**The key is to manage those things that are under our control and prepare for those that are not.**

**(Strathcona County 2018 Budget Presentation)**

# Key Recommendations

- Services and service delivery are **maintained** at current Council approved levels
- Municipal tax dollar **increase** of **1.42%**
  - where 1% municipal tax dollar equates to ~ **\$2.199 million**
- Utility rate **increase** of **2.78%**
  - Increase of \$3.19 per month (\$38.28 per year) for the average urban customer
  - where 1% utility rate equates to ~ **\$440 thousand**
- Library tax dollar **increase** of **.81%**
  - where 1% library tax dollar equates to ~ **\$98 thousand**

# Key recommendations

- 2020 Consolidated Operating Budget Recommendation –
  - \$377.8 million
    - Municipal operations = \$305.9 million
    - Utility operations = \$60.9 million
    - Library operations = \$11.0 million
- 2020 Capital Budget recommendation – \$111.0 million
  - Debt recommendation - \$20.5 million

# Summary

The 2020 Budget achieves the objectives of delivering balanced and fiscally responsible operating and capital budgets that...

- Reflect the programs and services required to meet current resident, business and industry needs;
- Provide agility in a time of economic uncertainty; and
- Position the County to ensure a financially sustainable future while at the same time recognizing the environment which we operate.

# Next Steps

November 25 - Divisional Presentations and Community Partners

November 28 - Fees Rates and Charges Bylaw Introduction

November 29 – If necessary

December 3 - Flagged Items Responses

December 5 - Budget Approval Report  
- Fees, Rates & Charges Bylaw  
- Borrowing Bylaw, if required  
- Subsequent Motions

# Thank you