

COUNCIL – AGENDA REPORT

Meeting Date: 20 November 2023

Subject: Final Recommended 2024 Operating and Capital Budgets

Boards Routed Through: Council Budget Committee

Date: 14 November 2023

Issue:

Council is being presented with the final recommended 2024 Operating and Capital Budgets for approval.

Background:

Council is required to adopt an annual budget pursuant to Section 242(1) of the *Municipal Government Act* (MGA). Section 243(3) of the MGA requires that the annual municipal budget be balanced; that is, budgeted revenue and transfers must be sufficient to pay for budgeted expenses and transfers.

At the October 16, 2023 meeting, Administration presented Council Budget Committee (CBC) with the 2024 proposed operating and capital budgets which were deliberated over three meetings earlier in November. The Committee made modifications and arrived at a balanced budget that includes a municipal tax revenue increase of \$5,239,437 consisting of the following:

- \$2,893,309 for municipal services; and
- \$2,346,128 for capital investments.

The 2024 budget focuses on supporting current and future community needs as well as new services and amenities that will require a revenue increase in 2024 and beyond. Information regarding the deliberation process, including videos of the deliberation meetings, can be found on the City's website and within the related 2023 CBC meeting agendas.

2024 Recommended BUDGET

The operating budget is made up of two parts: The General Operating Fund and the Utility Fund. This report provides data associated with this budget as a whole. Further highlights of incremental changes are provided specifically for each of the two funds in Attachment #1.

The annual operating budget and planning process prepares projections for years two and three, which are accepted for information by Council. The work on fiscal policy and strategy looks to improve short- and long-term planning by bringing focus not only to the upcoming budget year, but strategically looking to the effects over future years as well.

2024 Recommended CAPITAL BUDGET

The ten-year Capital Plan has identified \$1.1 billion in capital investment. The plan includes various projects which meets the need for life cycling and constructing new assets.

Administration proposed a 2024 capital budget in the amount of \$116.5MM. An increase of \$15.1MM was made during the CBC capital budget deliberations bringing the 2024 capital budget to \$131.6MM. Some major projects included in 2024 are the Highland Park Fire Station, the start of the Southwest Regional Recreation Centre, the Ed Eggerer Artificial Turf Field, the Ron Ebbesen Arena mid-lifecycle renovation, Financial Enterprise Software and various Roads and Utility projects.

Over the next three years, the City's capital spending is projected to be about \$473MM, a significant investment to the community. The capital plan for 2025 and 2026 includes major projects such as the continuation of the new Regional Recreation Centre, continuation of the Financial Enterprise Software, the South Regional Lift Station, Yankee Valley Boulevard CP Rail Grade Separation, Wastewater Forcemain Construction to Calgary and other Roads and Utility Projects. Further information regarding the Capital Budget and Plan can be found in Attachment #2.

Overall Effect on the Average Airdrie Resident

The overall effect for municipal property taxes on the average home is projected to be \$146.91 annually or approximately \$12.24 per month. As a reminder, the municipal portion is approximately 67% of the total property tax bill; 32% is collected on behalf of the province for education tax and 1% is collected on behalf of Rocky View Foundation for low rental housing units for seniors residing in Rocky View County.

	Annual Effect	Monthly Effect
Municipal Services	\$ 81.12	\$ 6.76
Capital Investment	65.79	5.48
Total Municipal Property Tax effect	\$ 146.91	\$ 12.24

Overall Effect on the Average Airdrie Business

The overall effect for municipal property taxes on the average Small, Medium and Large Business can be seen in the chart below:

	Assessed Value	2023 Municipal Tax	2024 Municipal Tax	Year-over-Year Increase
Small Business	\$ 400,000	\$ 3,765	\$ 4,028	\$ 263
Medium Business	850,000	8,000	8,559	559
Large Business	2,000,000	18,820	20,135	1,315

Alignment with South Saskatchewan Regional Plan and AirdrieONE:

Annual budget and planning cycles align with the AirdrieONE governance principle aimed to promote effective decision making and fiscal sustainability.

Boards Routed Through:

Council Budget Committee on November 7, November 9 and November 14, 2023.

Administration Recommendation:

That Council:

1. adopts the 2024 operating budget of Two Hundred Seven Million, One Hundred Eighty-Four Thousand, Nine Hundred Sixty-Three Dollars (**\$207,184,963**);
2. adopts the 2024 capital budget of One Hundred Thirty-One Million, Six Hundred Eighteen Thousand, Nine Hundred and Ten Dollars (**\$131,618,910**); and
3. accepts the 2025 - 2026 operating plans and 2025 - 2033 capital plans for information.

Alternatives/Implications:

1. Council could choose to amend the recommended 2024 Operating and Capital Budget as presented.

Council could choose to amend the budgets as presented and could provide direction to Administration regarding their areas of concern. The next regular Council meeting on December 4, 2023 could facilitate the return of any requested information.

Communications Plan:

The Corporate Communications department will issue a press release and background on the 2024 budget subsequent to its adoption. The 2024 budget document will be available on the City website once it is designed and finalized in early 2024.

Recommendation:

That Council:

1. adopts the 2024 operating budget of Two Hundred Seven Million, One Hundred Eighty-Four Thousand, Nine Hundred Sixty-Three Dollars (**\$207,184,963**);
2. adopts the 2024 capital budget of One Hundred Thirty-One Million, Six Hundred Eighteen Thousand, Nine Hundred and Ten Dollars (**\$131,618,910**); and
3. accepts the 2025 - 2026 operating plans and 2025 - 2033 capital plans for information.

Shannon Schindeler, CPA, CGA
Director of Corporate Services

Meghan Bigney, CPA, CGA
Manager of Finance

Presenter:	Shannon Schindeler
Department:	Corporate Services
Reviewed by:	N/A
Attachments:	#1. Final Recommended 2024-2026 Operating Budget and Plan #2. Final Recommended 2024-2033 Capital Budget and Plan
Appointment:	N/A