

INTRODUCTION

- **The City historically completed two-year budgets annually with forecasts for the remaining 10 year period. This is the first time the City has developed a four-year budget, requiring more detailed planning for the medium term time horizon. The main priority is to achieve the right balance between immediate needs and longer term consequences in financial planning and control for the City.**
- **Several funding challenges were encountered in developing the four-year budget including,**
 - cost increases due to inflation as well as facility and service enhancements
 - municipal revenue decreases arising from an annual \$23 million Energy subsidy reduction (gap has been reduced by \$7M over 2017-2018)
 - increases in requirement for capital expenditures
 - continued growth in demand for programs and services
 - expectation for stable and predictable property tax increases over time
 - decreases in revenue from fines
 - increases in fuel costs for City mobile equipment
 - increased debt servicing costs arising from previous borrowing for capital projects

OPERATING BUDGET

This budget incorporates 4% annual property tax increases and assumes 0.5% annual growth in the City's assessment base. The following adjustments are included as a result of the Financially Fit Initiative:

- introduction of a \$3.0M Municipal Consent and Access Fee
- increase of \$1.0M in User Fees & Charges
- \$1.6M Service Level adjustments and Cost Containment
- budgeted cost savings required to offset general inflation over four years of \$2.0M
- Cost reduction target of \$1.8M attributable to innovation that will occur in a number of service areas
- Continued commitment to Aging Infrastructure Rehabilitation Program
- Significant progress towards replacement of the \$23 million Energy subsidy. The gap will be reduced by a further \$9M to \$7M.

CAPITAL BUDGET (including Major Operating Expenses)

Total Planned Capital Outlay of \$26 million (2019), \$27 million (2020), \$25 million (2021), \$25 million (2022)

Council Strategic Priority – Infrastructure Renewal (\$91 million)

- **Infrastructure Rehabilitation Program (e.g. roads, sidewalks, bridge repair)**
- **Storm Sewer Replacement/Renewal Program**
- **Facilities Infrastructure Repair and Renewal (e.g. Strathcona Centre)**
- **Parks Infrastructure Maintenance Program**

Council Strategic Priority – Fiscal Responsibility (\$9 million)

- **Landscape redevelopment and shrub removal**
- **Value for Money Audit**
- **Community Partnership requests**
- **ICS Secondary Data Centre**

Council Strategic Priority – Community Safety & Vibrancy (\$1 million)

- **Fire Extrication tools**
- **Police Service Equipment**
- **Accessible Bus Stop Program**

Council Strategic Priority – Sunshine Hospitality (\$1 million)

- **Urban Park Redevelopment**
- **South Saskatchewan River Recreational Development**

Remaining Council Strategic Priorities – Economic Vitality and City Government (\$1 million)

- **Air Service Attraction, Retention & Development**
- **Municipal Census**
- **Municipal Election**