

BRIEFING NOTE

DECISION

2023 AND 2024 BUDGETS MUNICIPAL TAX SUPPORTED AND INVEST MEDICINE HAT

NOVEMBER 2, 2022

ISSUE:

Adoption of the 2023 and 2024 budgets (Operating, Major Operating Expense (MOE) and Tangible Capital Asset (TCA)) for City of Medicine Hat Municipal Tax Supported and Invest Medicine Hat.

RECOMMENDATION:

It is recommended through the Administrative Committee that City Council:

- a) adopt the 2023 and 2024 **Municipal Tax Supported** Operating budgets, Major Operating Expense (MOE) budgets, and Tangible Capital Asset (TCA) budgets as well as related funding sources;
- b) adopt the 2023 and 2024 **Invest Medicine Hat** Operating budgets;
- c) in accordance with Distributable Funds/Dividend Policy #0169, approve the transfer of the 2022 projected Free Cash Flow of \$83.8M as follows:
 - i. \$25.3M to the Heritage Savings Reserve
 - ii. \$58.5M to Restricted Reserves
- d) receive for information:
 - i. Municipal Tax Supported Operating Forecast and 10 Year TCA and MOE Plans
 - ii. Invest Medicine Hat Operating Forecast and 10 Year Capital Plan

COUNCIL STRATEGIC PRIORITY:

Fiscal Responsibility

The 2023 and 2024 budgets incorporate City Council Strategic Priorities and seek to strike a reasonable balance between financial sustainability and organizational health while achieving the following objectives:

- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents,
- provide competitive property taxes and utility rates, and
- balance financial sustainability while maintaining organizational health

The 2023 and 2024 Invest Medicine Hat budgets seeks to support land development, sales and leasing activity anticipated in the current economic environment.

KEY RISKS:

Health, Safety and Environmental Impact:

The 2023 and 2024 Municipal Budgets will ensure the continued effective delivery of health, safety, and environmental safety throughout the organization.

Financial Impact:

Funding Request:	Yes	If yes, amount: See below
Budgeted Item:	Yes	Funding Source: As noted below
Funding Explanation:	As noted below	
Budget Amendment Form?	No	

City of Medicine Hat

Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	\$ CHANGE	2024 BUDGET	\$ CHANGE
Revenue	123.1	13.5	136.6	7.5	144.2	17.1%
Expenses*	132.2	16.3	148.5	4.7	153.3	15.9%
Net Revenues (Expenses)	(9.1)	(2.8)	(11.9)	2.8	(9.1)	0.5%
Internal Allocations	17.4	2.6	20.0	0.4	20.4	17.3%
Net Cash Requirement before Transfers	8.3	(0.2)	8.1	3.2	11.3	35.7%
Capital Cash Requirements*	(10.6)	(2.2)	(12.8)	1.6	(11.2)	5.6%
Transfer From/(To) Reserves	(6.7)	0.4	(6.3)	0.2	(6.1)	(9.1%)
Transfer From Operating Reserve	9.0	2.0	11.0	(5.0)	6.0	(33.3%)
Total Budget Surplus/ (Shortfall)	0.0	0.0	0.0	0.0	0.0	

*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense, Debenture Principle repayments, and other transfers from operating for capital spending.

City of Medicine Hat

Municipal TCA and MOE Budget (in millions)

	2023 BUDGET (\$)	2024 BUDGET (\$)	TOTAL BUDGET (\$)
Tangible Capital Assets (TCA)	40.7	46.9	87.6
Major Operating Expense (MOE)	4.3	2.2	6.5
Total	45.0	49.1	94.1

Invest Medicine Hat is comprised of two separate business units: (1) Economic Development and Investment – funded by property taxes; and (2) Land Development and Sales – funded by sales and leasing revenue. Total revenue/expense net figures are provided in the table below:

City of Medicine Hat

Invest Medicine Hat Operating Budget (in millions)

	2022 AMENDED BUDGET (\$)	2023/2022 BUDGET CHANGES (\$)	2023 BUDGET (\$)	2024/2023 BUDGET CHANGES (\$)	2024 BUDGET (\$)	2024/2022 BUDGET CHANGES %
Revenue	10.1	(4.4)	5.7	(1.5)	4.3	(57.9%)
Expenses*	8.4	(2.8)	5.5	(0.2)	5.3	(36.8%)
Net Revenues (Expenses)	1.8	(1.6)	0.2	(1.2)	(1.0)	(156.3%)
Internal Allocations	3.3	(2.6)	0.7	0.0	0.8	(77.2%)
Net Cash Requirement before Transfers	5.1	(4.1)	1.0	(1.2)	(0.3)	(104.9%)
Capital Cash Requirements*	2.7	(2.7)	0.0	0.0	0.0	(100.0%)
Transfer To Reserves	0.0	0.0	0.0	0.0	0.0	
Transfer From Reserves	0.0	0.0	0.0	0.0	0.0	
Total Budget Surplus/(Shortfall)	2.4	(1.4)	1.0	(1.2)	(0.3)	(110.5%)

*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense and other transfers for capital.

**the proposed IMH budget is a placeholder based on current state trajectory but with full expectation of being revisited with council once the resourcing plan and related strategies are confirmed (in progress with executive and council).*

Legal / Policy Impact:

The City of Medicine Hat is legislatively required to adopt a municipal budget before it may establish a bylaw for property tax requisition; the Municipal Government Act requires Council to adopt budgets prior to January 1 of each respective calendar year. Property tax rate bylaws for 2023 and for 2024 will be presented to City Council for approval in spring 2023 and 2024, respectfully.

The Municipal Budget was developed based on City Council strategic plan and in accordance with City of Medicine Hat policies and practices.

Public Implications:

This budget proposes an annual 4% increase to property tax revenues in both 2023 and 2024, with an additional 1% of property tax revenue related to assessment growth in each year. This increase in property tax revenue comes after a two-year property tax rate freeze that assisted City residents during the pandemic. However, it also comes during record inflationary pressures that are increasing the cost of living for local property owners.

The 2023 and 2024 Invest Medicine Hat budgets are based upon City Council's strategic priorities considering the expected economic environment in the near term for land development and sales.

BACKGROUND:

Introduction

Council must adopt an annual Operating budget (MGA 242(1)) and annual Capital budget (MGA 245) for each calendar year by January 1 of that calendar year.

- An Operating budget must include the estimated amount of expenditures and transfers including the amount needed to provide for the council's policies and programs;
- A Capital budget must include the estimated amount for the following:
 - a) the amount needed to acquire, construct, remove or improve capital property and anticipated funding sources;
 - b) the amount to be transferred from the operating budget.

In addition to the annual budget preparation and approval requirements each municipality must prepare a written plan including the following:

- Financial Plan (i.e. Operating forecast) – anticipated financial operations over a period of at least the next 3 financial years.
- Capital Plan (i.e. Capital forecast) – anticipated capital property additions over a period of at least the next 5 fiscal years (MGA 283.1(3)).

Council must annually review and update its financial plan and capital plan (MGA 283.1(6)).

On July 4, 2022, Administration recommended the following key budget assumptions in development of the 2023 and 2024 budgets as well as the 2025 and 2026 forecast:

Revenue Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Property Tax Revenue (Base 4% + Assessment Growth 1%)*	5.0%	5.0%	5.0%	5.0%
User Fees & Charges Increase	4%	4%	4%	4%
Investments Return Rate	3%	3%	3%	3%
Municipal Consent & Access Fee Increase	\$2M	\$1M	-	-

Expense Assumptions	2023 Budget	2024 Budget	2025 Forecast	2026 Forecast
Managed Manpower Rate (as % of Salaries & Wages)	(4.2%)	(4.2%)	(4.2%)	(4.2%)
Benefit Rate (as % of Salaries & Wages)	20%	20%	20%	20%
General Inflation Increase	4%	4%	4%	4%
Salaries & Wages Increase*	2.5%	2.5%	2.5%	2.5%
Cost of Borrowing Increase	1%	2%	3%	3%
Capital Funding Amount	\$1.5M	\$1.5M	\$1.5M	\$1.5M
MOE Funding Amount	\$2M	\$2M	\$2M	\$2M

*July 4, 2022 recommendation for annual assessment growth was 0.5% and annual salaries & wages was 4% but were subsequently revised to 1.0% and 2.5% respectively.

Corporate Results and Treasury Forecasts

Corporate Results - Permanently Established Positions

Through the 2023-2024 budget cycle process, it was determined that the establishment of an additional 29 permanently established positions (PEP's) additions is required to maintain existing service levels and organizational health (**Attachment #1** Corporate Results and Treasury Forecasts: Table #1).

Treasury Implications

Funding the proposed 2023 and 2024 Operating, Tangible Capital Asset, and Major Operating Expense budgets for all economic business units within the corporation is expected to have the following impact to on Treasury holdings and borrowings:

	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Debt Limit	52.6%	59.1%	59.2%	61.1%
Total Reserves (\$M)	357.9	360.6	350.5	339.8

In alignment with the procedures of the Capital Debt Management Policy #0121, the City of Medicine Hat is projected not to exceed the internal debt limit of 70% from 2023-2026 (**Attachment #1** Corporate Results and Treasury Forecasts: Table #2)

End of year reserve balances from 2022-26 include free cash flow contributions to reserves in alignment with the Distributable Funds/Dividend Policy #0169 (**Attachment #1** Corporate Results and Treasury Forecasts: Table #3).

Treasury holdings and borrowings are projected to meet internal policy limits, target debt/equity ratios, and provide a strong basis for financial health and sustainability into the future.

Municipal Budget

This Municipal tax Supported budget balances financial sustainability while maintaining organizational health. This budget further advances the implementation and optimization of the 2021 organizational realignment, filling in identified resource gaps to delivery of Council's policy, services and programs, as well as implementing Council's strategic plan.

With the application of the above assumptions, additional cost pressures identified by departments, and alignment of the budget to Council's strategic priorities, a municipal budget shortfall of approximately \$11.0M in 2023 and \$6.0M in 2024 is projected.

The Municipal Services is presented in **Attachment #2**: 2023-24 Municipal Services Operating budget assuming the shortfall is funded by reserves with a commitment to review and revise the 10 year Financially Fit Initiative plan for unexpected events and changes in the economic environment (e.g., Aurora Sun closure, post-COVID19 pandemic inflation, 2021 organizational restructure, 2023-2026 Council Strategic Plan).

The transfer of \$75M to Heritage Reserve by January 1, 2023, will create an endowment that will provide an increase in investment income, thereby reducing the annual municipal budget shortfall by approximately \$5M by 2025.

The Municipal Services 10 Year Tangible Capital Asset (TCA) and Major Operating Expense (MOE) plans (**Attachment #4**: 2023-2024 and 2025-2032 Tangible Capital Asset and **Attachment #5**: Major Operating Expense Budgets and Forecasts) represent capital requirements in each year of the budget cycle as required to maintain existing service levels to the community, while balancing financial sustainability.

Invest Medicine Hat

Management has reviewed assumptions contained in the 2022 Operating Budget Update previously approved by city council and proposed revisions in the 2023 and 2024 budgets (**Attachment #6: 2023-24 IMH Operating Budget**) related to the following:

- Updated sales forecasts to reflect current economic conditions, with a strategic focus on de-risking City owned lands to market industrial, commercial, and multi-use land opportunities
- Adjustments to salaries & wages, contracted services and internal charges in order to reflect the organizational realignment.

**the proposed IMH budget is a placeholder based on current state trajectory but with full expectation of being revisited with council once the resourcing plan and related strategies are confirmed (in progress with executive and council).*

OPTIONS CONSIDERED & POTENTIAL IMPLICATIONS:

The proposed Municipal Tax Supported and Investment Medicine hat budgets represent a wide range of options, judgements, and choices that the Executive believes are optimal at this time. Beyond this, options include:

- Recognize additional sustainable distributable cash/Dividend from utility business units to balance the budget
- Revise base property tax revenue assumption to 5% = approximately \$800k annual revenue
- Reduce operating expenses with a commitment to review and adjust (reduce) service levels accordingly
- Redirect a portion of the 2022 projected Free Cash Flow of \$83M to other Reserves including Council capital contingency.

IMPLEMENTATION PLAN:

Subject to Council approval, budgets and related funding will be implemented for 2023 and 2024.

PREPARED BY & DATE:	Aaron Hoimyr Financial Planning Analyst	October 31, 2022
REVIEWED BY & DATE:	Vanessa Bonneville City Controller & Manager, Financial Control & Reporting	
APPROVED BY & DATE:	Dennis Egert Managing Director Corporate Services	
ATTACHMENTS:	Attachment #1: Corporate Results and Treasury Forecasts Attachment #2: 2023-2024 Municipal Services Operating Budget Attachment #3: 2023-2026 Municipal Operating Budget & Forecast Attachment #4: 2023-2032 Municipal TCA Plan Attachment #5: 2023-2032 Municipal MOE Plan Attachment #6: 2023-2032 IMH Operating Budget Attachment #7: 2023-2026 IMH Operating Budget & Forecast	

ATTACHMENT #1: Corporate Results and Treasury Forecasts

Table #1: Permanently Established Positions 2020 - 2024

	2020	2021	2022	2023	2024
General Government	36	24	25	26	26
Corporate Services	201	149	155	163	164
Public Services	275	257	258	270	270
Police	150	148	148	153	153
Invest Medicine Hat	9	8	8	8	8
Strategy Management & Analysis	20	79	85	87	87
Energy & Infrastructure	313	359	354	354	354
Development & Infrastructure	83	-	-	-	-
Total Permanent Positions	1,087	1,024	1,033	1,061	1,062

In 2021 the City of Medicine Hat undertook a significant organizational restructuring to develop a streamlined structure to operate more efficiently and effectively. Each area is structured as follows:

- General Government - includes City Manager; Managing Directors; Executive Assistants; City Solicitor and City Clerk
- Corporate Services - includes Human Resources; Corporate Communications; Information Technology; Finance
- Public Services - includes Community Development; Fire and Emergency Services; Park and Recreation
- Invest Medicine Hat - includes Investment and Land
- Strategy Management & Analysis (SM&A) - includes Strategy & Analysis; Environment Land & Government Relations; City Planning; Integrated Project Planning & Execution
- Energy & Infrastructure (E&I) - includes City Assets; City Operations; Engineering; Power and Water Plants
- Development & Infrastructure- departments were relocated to E&I and SM&A

Table #2: Debt Limit Forecast 2022 - 2026

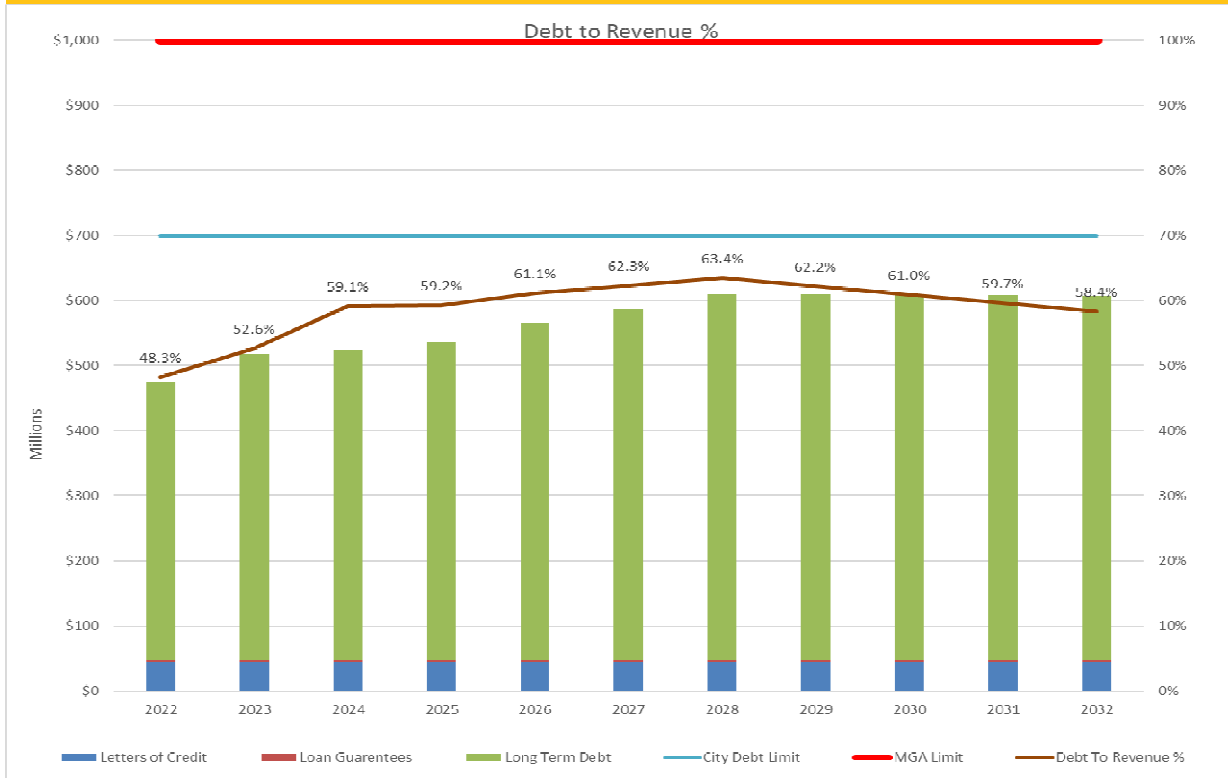


Table #3: 2022-2026 Reserves Forecast (in millions)

	2022	2023	2024	2025	2026
Operating Reserve	46.9	50.2	43.2	29.9	27.7
Capital Reserve	141.4	155.0	159.0	162.3	147.9
Heritage Savings Reserve	143.2	152.7	158.4	158.2	164.2
Total	331.5	357.9	360.6	350.5	339.8

2023-2024 MUNICIPAL SERVICES OPERATING BUDGET

City of Medicine Hat

Municipal Operating Budget (in millions)

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	% CHANGE	\$ CHANGE	2024 BUDGET	% CHANGE	REF NO.
Revenue								
Net Property Taxes	80,783	4,013	84,796	5.0%	4,237	89,033	5.0%	1
Other Revenue	30,966	2,841	33,806	9.2%	1,893	35,699	5.6%	2
Investment Income	8,280	6,602	14,882	79.7%	1,399	16,281	9.4%	3
Contribution from Utilities and Land	3,115	35	3,150	1.1%	-	3,150	0.0%	
Total Revenue	123,144	13,491	136,635	11.0%	7,529	144,164	5.5%	
Expenses								
Salaries, Wages and Benefits	96,209	4,944	101,153	5.4%	2,514	103,667	2.5%	4
Contracted and General Services	22,728	9,374	32,102	45.8%	1,236	33,337	3.8%	5
Materials, Goods & Utilities	7,569	1,950	9,519	24.8%	391	9,910	4.1%	6
Other Operating Expenses	5,701	53	5,753	1.0%	600	6,353	10.4%	7
Total Expenses	132,207	16,321	148,528	13.1%	4,740	153,268	3.2%	
Net Cash Requirements Before Internal Transfers, Capital Requirements, and Reserve Transfers	- 9,063	- 2,830	- 11,893	- 0	2,789	- 9,104	0	-
Internal Recovery	50,317	- 190	50,126	-0.4%	1,383	51,509	2.8%	
Internal Charges & Transfers	32,906	- 2,798	30,108	-8.5%	972	31,081	3.2%	
Net Internal Charges and Transfers	17,410	2,607	20,018	15.0%	411	20,428	2.1%	8
Net Cash Requirements Before Capital Requirements and Reserve Transfers	8,348	- 223	8,125	-2.7%	3,200	11,324	39.4%	
Capital Cash Requirements	- 10,612	- 2,230	- 12,842	21.0%	1,638	- 11,204	-12.8%	9
Transfer To Reserves	- 6,615	- 217	- 6,832	3.3%	195	- 6,637	-2.9%	10
Transfer From Reserves	265	239	504	89.9%	8	511	1.5%	11
Transfer From Operating Reserve	8,614	2,431	11,045	28.2%	5,040	6,005	-45.6%	12
Total Cash Requirements	0	0	0		0	0		

REF NO.	NOTE	\$
1	Annual increase due to 4% tax rate increase plus 1% assessment growth	4,013
2	Increase due to increase in Municipal Consent & Access Fee (2023-\$2.0M, 2024 - \$1.0M), additional event bookings at Esplanade and Coop place (\$1.5m) and increase in interest & penalties on arrears to reflect approved penalty rates (\$0.3M), offset by decrease in court fine revenue to reflect legislative changes (\$0.8M), and decrease in safety code revenue to reflect historical trends and current economic environment (\$0.1M).	2,841
3	Increase in investment income due to forecasted investment portfolio balance and execution of investment portfolio strategy in 2022.	6,602
4	Increase due to anticipated inflationary increase (\$2.4M) addition of 28 positions (\$2.5M).	4,944
5	Increase due to anticipated inflationary increases (\$1.0M), investment portfolio management fees resulting from executing the investment portfolio strategy (\$3.1M), increase in event bookings at Esplanade and Coop Place (\$1.7M), reclassification of annual road & sidewalk program expenses from Major Operating Expenses (\$1.2M), cybersecurity software & contractor support (\$0.6M), anticipated increase in vehicle fuel & maintenance expenses (\$0.5M), and additional inflationary increase in insurance premium expenses (\$0.4M) and software licence fees (\$0.3M).	9,374
6	Increase due to anticipated inflationary increases (\$0.3M) and expected additional inflationary increase in fuel & oil expenses (\$1.3M).	1,950
7	Increase in 2024 due to increase in debenture interest related to anticipated debenture borrowing to fund capital projects.	53
8	Internal recoveries decreased due to change in methodology (~\$2.2M) and fleet lease recoveries due to deferral of vehicle replacements (\$0.4M), offset by increases in expenses due to an increase in permanently established positions (\$0.8M) and expenses due to inflation (\$2.0M). Decrease in internal charges is due to change in methodology where charges/recoveries are no longer administered between shared corporate service departments (~\$1.7M) and costs are recovered primarily based on a department's proportionate number of permanent positions (~\$0.5M), and a decrease in fleet lease charges (\$0.4M).	2,607
9	Increase in 2023 is due to additional \$3.1M of funding for Major Operating Expenses (MOE) for a total of \$4M. MOE funding returns to \$2.2M in 2024. Partially offset by lower debenture principle payments (\$1.5M).	-2,230
10	Decrease due to lower fleet lease charges related to deferring vehicle replacements in prior years.	-217
11	Increase in transfer from Employee and Development operating reserve to fund related operating expenses.	239
12	Increase in funding required from the operating reserve is primarily due to an increase in permanently established positions and anticipated inflation on expenses.	2,431

2023-2026 MUNICIPAL OPERATING BUDGET & FORECAST

City of Medicine Hat

Municipal Operating Budget *(in millions)*

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET	2025 FORECAST	2026 FORECAST
Revenue					
Net Property Taxes	80,783	84,796	89,033	93,485	98,160
Other Revenue	30,966	33,806	35,699	36,253	37,186
Investment Income	8,280	14,882	16,281	21,826	19,735
Contribution from Utilities and Land	3,115	3,150	3,150	3,150	3,150
Total Revenue	123,144	136,635	144,164	154,714	158,230
Expenses					
Salaries, Wages and Benefits	96,209	101,153	103,667	106,241	108,883
Contracted and General Services	22,728	32,102	33,337	34,286	35,538
Materials, Goods & Utilities	7,569	9,519	9,910	10,288	10,704
Other Operating Expenses	5,701	5,753	6,353	7,393	7,407
Total Expenses	132,207	148,528	153,268	158,208	162,531
Net Cash Requirements Before Internal Transfers, Capital Requirements, and Reserve Transfers	- 9,063 -	11,893 -	9,104 -	3,494 -	4,302
Internal Recovery	50,317	50,126	51,509	53,191	54,940
Internal Charges & Transfers	32,906	30,108	31,081	32,114	33,130
Net Internal Charges and Transfers	17,410	20,018	20,428	21,077	21,810
Net Cash Requirements Before Capital Requirements and Reserve Transfers	8,348	8,125	11,324	17,583	17,509
Capital Cash Requirements	- 10,612 -	12,842 -	11,204 -	11,271 -	11,097
Transfer To Reserves	- 6,615 -	6,832 -	6,637 -	6,831 -	6,939
Transfer From Reserves	265	504	511	519	528
Transfer From Operating Reserve	8,614	11,045	6,005	-	-
Total Cash Requirements	0	0	0 -	0 -	0

32610659	PKRC - 2025 to 2032 TCA - Irrigation Central Control System Program	Growth Capital - TCA	-	-	825	450	-	-	-	-	-	-	1,275
32610660	PKRC - 2023/2024 TCA - Community Partnerships Program	Sustaining Capital - TCA	200	300	-	-	-	-	-	-	-	-	500
32610661	PKRC - 2023/2024 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	324	216	-	-	-	-	-	-	-	-	540
32610663	PKRC - 2023/2024 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	54	27	-	-	-	-	-	-	-	-	81
32610665	PKRC - 2025 to 2032 TCA - Irrigation Infrastructure Program - Construction & Design	Sustaining Capital - TCA	-	-	3,410	3,120	3,600	3,182	3,246	3,311	3,377	3,445	26,691
32610666	PKRC - 2025 to 2032 TCA - Accessibility Program	Sustaining Capital - TCA	-	-	350	357	364	371	379	425	434	442	3,122
32610667	PKRC - 2025-2032 TCA - Trail Infrastructure Program	Sustaining Capital - TCA	-	-	1,135	969	1,288	1,020	1,034	1,055	1,577	1,608	9,686
32610668	PKRC - 2025 to 2032 TCA - Columbaria & Scattering Gardens Program	Sustaining Capital - TCA	-	-	125	-	-	-	204	-	110	-	439
32610669	PKRC - 2025-2032 TCA - Drainage & Erosion Remediation Infrastructure Program	Sustaining Capital - TCA	-	-	75	250	75	-	250	255	260	265	1,430
32610670	PKRC - 2025-2032 TCA - Hillside Cemetery Infrastructure Program	Sustaining Capital - TCA	-	-	-	75	-	-	265	250	250	-	840
32610671	PKRC - 2025-2032 TCA - Playgrounds Infrastructure Program	Sustaining Capital - TCA	-	-	220	225	229	234	238	243	248	253	1,890
32610672	PKRC - 2025-2032 TCA - Bridges & Boardwalks Infrastructure Program	Sustaining Capital - TCA	-	-	428	125	150	-	160	165	300	350	1,678
32610673	PKRC - 2025-2032 TCA - Community Partnerships Program	Sustaining Capital - TCA	-	-	400	408	416	424	434	442	450	459	3,433
32610674	PKRC - 2025 to 2032 TCA - Outdoor Lighting Infrastructure Program	Sustaining Capital - TCA	-	-	204	-	208	212	216	221	225	230	1,516
32610675	PKRC - 2025-2032 TCA - South Saskatchewan River Recreation Opportunities Program	Sustaining Capital - TCA	-	-	200	825	106	108	110	113	115	117	1,694
32610676	PKRC - 2025-2032 TCA - Dog Off Leash Development Program	Sustaining Capital - TCA	-	-	-	-	27	-	110	113	-	68	318
32610677	PKRC - 2025-2032 TCA - EDRP Improvement Program	Growth Capital - TCA	-	-	500	5,000	1,500	2,000	-	1,500	500	500	11,500
32610678	PKRC - 2025-2032 TCA - Urban Forestry Tree Canopy Enhancement Program	Growth Capital - TCA	-	-	-	125	-	130	-	135	138	-	528
32610679	PKRC - 2025 to 2032 TCA - Urban Park Redevelopment & Open Space Program	Sustaining Capital - TCA	-	-	1,150	-	500	-	4,700	400	450	450	7,650
32610680	PKRC - 2025 to 2032 TCA - Lawn Bowling Facility Relocation Initiative	Sustaining Capital - TCA	-	-	125	500	-	-	-	-	-	-	625
32610681	PKRC - 2023 TCA - EDRP Improvement Program		750	-	-	-	-	-	-	-	-	-	750
33210537	PKRC - 2023/2024 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	1,431	999	-	-	-	-	-	-	-	-	2,430
33210538	PKRC - 2023/2024 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	270	432	-	-	-	-	-	-	-	-	702
33210539	PKRC - 2025 to 2032 TCA - Indoor/Outdoor Facilities Infrastructure Program	Sustaining Capital - TCA	-	-	975	725	1,152	786	810	1,038	1,370	1,910	8,766
33210540	PKRC - 2025-2032 TCA - Parking Lot Infrastructure Program	Sustaining Capital - TCA	-	-	540	507	528	451	424	433	433	442	3,758
33210541	PKRC - 2025 to 2032 TCA - Methanex Bowl Turf Replacement & Upgrades	Sustaining Capital - TCA	-	-	-	-	100	1,800	-	-	-	-	1,900
33210543	PKRC - 2025-2032 TCA - Technology Innovation Integration	Sustaining Capital - TCA	-	-	100	100	100	100	100	500	500	500	2,000
35610502	CDV - 2023 TCA - Community Housing IR	Sustaining Capital - TCA	112	100	500	500	-	-	-	-	-	-	1,212
36210512	CDV - 2024 TCA - Gallery Lighting Replacement	Sustaining Capital - TCA	-	125	-	-	-	-	-	-	-	-	125
36210513	CDV - 2025 TCA - Esplanade Digital Signage	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
36210515	CDV - 2023 TCA - Control Switches	Sustaining Capital - TCA	50	-	-	-	-	-	-	-	-	-	50
36210517	CDV - 2024 TCA - Esplanade Stage Drape	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
36210518	CDV - 2025 TCA - Towne Square Digital Sign	Growth Capital - TCA	-	-	175	-	-	-	-	-	-	-	175
36210520	CDV - 2024 TCA - Facility Indoor Digital Signage	Sustaining Capital - TCA	-	50	-	-	-	-	-	-	-	-	50
36210521	CDV - 2023 TCA - Bar Installation	Growth Capital - TCA	150	-	-	-	-	-	-	-	-	-	150
36210522	CDV - 2025-2032 TCA - Theatre seating replacement	Sustaining Capital - TCA	-	-	400	-	-	-	-	-	-	-	400
36210523	CDV - 2025-2032 TCA - Co-op Place PA system	Growth Capital - TCA	-	-	500	-	-	-	-	-	-	-	500
36210524	CDV - 2025-2032 TCA-Co-op Place Clock	Sustaining Capital - TCA	-	-	-	-	-	5,000	-	-	-	-	5,000
37210526	CDV - 2024 TCA - Transit Bus Zone Accessibility Improvements	Growth Capital - TCA	-	200	-	-	-	-	-	-	-	-	200
37210529	CDV - 2025-2032 TCA - New Bus Shelters		-	-	200	200	200	200	200	-	-	-	1,000
37210530	CDV - 2025-2032 TCA - Terminal Shelter Updates		-	-	-	50	-	200	-	-	-	-	250
38410538	POL - 2023 TCA - Server /Storage Refresh	Growth Capital - TCA	395	-	-	-	-	-	-	-	-	-	395
38410540	POL - 2025 TCA - FARO DATA CAPTURE DEVICE	Growth Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
38410541	POL - 2025 TCA - LAW ENFORCEMENT DRONE	Growth Capital - TCA	-	-	20	-	-	-	-	-	-	-	20
38410546	POL - 2025-2032 TCA - THROW PHONE REPLACEMENT	Sustaining Capital - TCA	-	-	35	-	-	-	-	-	-	-	35
38410547	POL - 2025-2032 TCA - IT SERVER/STORAGE REFRESH	Sustaining Capital - TCA	-	-	-	-	-	395	-	-	-	-	395
38410548	POL - 2025-2032 TCA - FIREWALL REFRESH	Sustaining Capital - TCA	-	-	75	-	-	-	-	-	-	-	75
40210565	FIN-Customer Care & Billing - 2026 - Cash Register System Replacement	Growth Capital - TCA	-	-	-	250	-	-	-	-	-	-	250
40210566	FIN-Customer Care & Billing-2023-Taxation Software Replacement	Growth Capital - TCA	700	-	-	-	-	-	-	-	-	-	700
40210567	FIN-Customer Care & Billing-2024-Pathway to 311	Growth Capital - TCA	-	-	-	500	-	-	-	-	-	-	500
40210568	FIN-Customer Care & Billing-2024-Utility Bill Payment Kiosks	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
43410637	COP FM 2023-2026 Confined Spaces Access Program	Sustaining Capital - TCA	1,000	-	-	-	-	-	-	-	-	-	1,000
43410638	COP FM 2023-2024 Facility Accessibility	Sustaining Capital - TCA	-	700	-	-	-	-	-	-	-	-	700
43410639	COP FM 2023 Moose Arena Accessible Washrooms	Sustaining Capital - TCA	-	-	300	-	-	-	-	-	-	-	300
43410640	COP FM 2023-2026 Big Marble Go Centre Components Lifecycle	Sustaining Capital - TCA	-	1,500	-	-	-	-	-	-	-	-	1,500
43410641	COP FM 2023 City Hall Boardroom Modernization	Sustaining Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
43410642	COP FM 2023 Fleet Heavy Duty Bay CNG Upgrade	Growth Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410643	COP FM 2023 Hill Pool Components Lifecycle	Sustaining Capital - TCA	150	1,255	-	-	-	-	-	-	-	-	1,405
43410644	COP FM 2023 Crestwood Pool Components Lifecycle	Sustaining Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410645	COP FM 2023 Transit Parkade Safety/Security Hardware	Sustaining Capital - TCA	-	700	-	-	-	-	-	-	-	-	700
43410646	COP FM 2023- 2024 Infrastructure Repair Program	Sustaining Capital - TCA	2,250	2,250	-	-	-	-	-	-	-	-	4,500
43410647	COP FM 2023-2024 Utility Infrastructure Repair Program	Sustaining Capital - TCA	1,000	1,000	-	-	-	-	-	-	-	-	2,000
43410648	COP FM 2024 City Hall Humidification Replacement	Sustaining Capital - TCA	-	-	1,250	-	-	-	-	-	-	-	1,250
43410649	COP FM 2024 Library Boiler Replacement	Sustaining Capital - TCA	-	1,000	-	-	-	-	-	-	-	-	1,000
43410650	COP FM 2024 Corporate LED Lighting Upgrade	Sustaining Capital - TCA	-	-	-	1,000	-	-	-	-	-	-	1,000
43410651	COP FM 2024 City Hall Entries Design/Refurbish	Sustaining Capital - TCA	-	-	500	-	-	-	-	-	-	-	500
43410652	COP FM 2025-2032 Infrastructure Repair Program	Sustaining Capital - TCA	-	-	4,500	-	4,500	-	4,500	-	4,500	-	18,000
43410653	COP FM 2025-2032 Utility Infrastructure Repair Program	Sustaining Capital - TCA	-	-	2,000	-	2,000	-	2,000	-	2,000	-	8,000
43410654	COP FM 2025 Police Station Components Lifecycle	Sustaining Capital - TCA	-	-	3,000	-	-	-	-	-	-	-	3,000
43410655	COP FM 2027 Big Marble Go Centre Roofing	Sustaining Capital - TCA	-	-	-	-	1,000	-	-	-	-	-	1,000
43410656	COP FM 2028 City Hall Boiler Replacement	Sustaining Capital - TCA	-	-	-	-	-	1,000	-	-	-	-	1,000
43410657	COP FM 2029 Emergency Management Storage (10th Ave) Upgrades	Growth Capital - TCA	-	-	-	-	-	-	500	-	-	-	500
43410658	COP FM 2031 MW Shop Floor Refinishing	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	1,000	-	1,000

43410659	COP FM 2031 City Hall Parkade Roofing Replacement Phase 3	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	2,500	-	2,500
43410660	COP FM 2023 - 2026 Big Marble Go Centre Improvements	Growth Capital - TCA	-	-	1,600	-	-	-	-	-	-	-	1,600
43410662	COP FM 2023 City Hall Council Chambers Renovations	Growth Capital - TCA	-	-	1,500	-	-	-	-	-	-	-	1,500
43410663	COP FM 2026 Transit Parkade Washroom Relocation	Growth Capital - TCA	-	-	-	1,000	-	-	-	-	-	-	1,000
43410664	COP FM 2025 Southridge YMCA Roof	Sustaining Capital - TCA	-	-	1,000	-	-	-	-	-	-	-	1,000
43410665	COP FM 2023 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	100	-	-	-	-	-	-	-	-	-	100
43410666	COP FM 2024 Ancillary Facility Infrastructure Repair Program	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
43810974	COP - FLT - 2023 - Mobile Capital	Sustaining Capital - TCA	10,410	-	-	-	-	-	-	-	-	-	10,410
43810975	COP - FLT - 2025 thru 2032 - Mobile Capital	Sustaining Capital - TCA	-	-	8,859	6,755	8,119	15,700	20,522	13,924	5,788	6,676	86,343
43810976	COP - FLT - 2024 - Mobile Capital	Sustaining Capital - TCA	-	9,188	-	-	-	-	-	-	-	-	9,188
43810977	COP - FLT 2024 - Second Wheel Loader for Landfill	Growth Capital - TCA	-	-	-	500	-	-	-	-	-	-	500
43810978	COP - FLT 2023 - Additional Sittler 1014 Compost Windrow Turner	Growth Capital - TCA	-	-	80	-	-	-	-	-	-	-	80
43810979	COP - FLT 2023 - Litter Vacuum Truck	Growth Capital - TCA	-	-	180	-	-	-	-	-	-	-	180
43810980	COP - FLT 2024 - Tandem Dump Truck for Landfill	Growth Capital - TCA	-	-	-	195	-	-	-	-	-	-	195
43810981	COP - FLT 2024 - Skid Steer for Landfill	Growth Capital - TCA	-	-	-	120	-	-	-	-	-	-	120
43810982	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #406	Growth Capital - TCA	-	-	148	-	-	-	-	-	-	-	148
43810983	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #452	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810984	COP - FLT 2024 - Briefing Note - Asset Upgrade Request - Parks - Unit #456	Growth Capital - TCA	-	-	-	120	-	-	-	-	-	-	120
43810985	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #472	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810986	COP - FLT 2023 - Asset Upgrade Request - Parks - Unit #475	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810987	COP - FLT 2023 - Briefing Note - Asset Upgrade Request - Parks - Unit #480	Growth Capital - TCA	-	-	140	-	-	-	-	-	-	-	140
43810988	COP - FLT 2023 - Briefing Note - New SUV - Parks	Growth Capital - TCA	-	-	60	-	-	-	-	-	-	-	60
43810989	COP - FLT 2023 - New Pickup, plow and sander for Rec	Growth Capital - TCA	-	-	100	-	-	-	-	-	-	-	100
43810990	COP - FLT 2025 - Mobile Four Post Runway Hoist	Growth Capital - TCA	-	-	200	-	-	-	-	-	-	-	200
43810991	COP - FLT 2024 - Set of (4) Mobile Column Hoists	Growth Capital - TCA	-	-	-	100	-	-	-	-	-	-	100
44410502	BTO-2023/2024 TCA OT Network Refresh and OT Cybersecurity Controls	Sustaining Capital - TCA	1,800	-	-	-	-	-	-	-	-	-	1,800
45210563	ITD 2023 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	842	-	-	-	-	-	-	-	-	-	842
45210565	ITD 2023 Collaboration Ecosystem Program (SharePoint 2 year)	Growth Capital - TCA	485	-	-	-	-	-	-	-	-	-	485
45210567	ITD 2025 Enterprise Dashboarding Strategy Development	Growth Capital - TCA	-	-	50	-	-	-	-	-	-	-	50
45210568	ITD 2023 Remote Access Modernization	Sustaining Capital - TCA	250	-	-	-	-	-	-	-	-	-	250
45210569	ITD 2024 Capital Infrastructure Program (CIP)	Sustaining Capital - TCA	-	892	-	-	-	-	-	-	-	-	892
45210570	ITD 2025 Enterprise Dashboarding Strategy Execution	Growth Capital - TCA	-	-	225	-	-	-	-	-	-	-	225
45210571	ITD 2024 IT as a Service End User Compute Device Refresh	Sustaining Capital - TCA	-	100	-	-	-	-	-	-	-	-	100
45210572	ITD 2025 Oracle Advanced Security Implementation	Growth Capital - TCA	-	-	300	-	-	-	-	-	-	-	300
45210573	ITD 2025 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	897	-	-	-	-	-	-	-	897
45210574	ITD 2026 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	793	-	-	-	-	-	-	793
45210575	ITD 2027 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	923	-	-	-	-	-	923
45210576	ITD 2028 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	901	-	-	-	-	901
45210577	ITD 2029 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	963	-	-	-	963
45210578	ITD 2030 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	1,064	-	-	1,064
45210579	ITD 2031 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	1,029	-	1,029
45210580	ITD 2032 Capital Infrastructure Program(CIP)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	938	938
45210581	ITD 2025 Cash Reg Replacement Planning and Implementation 2 yr	Sustaining Capital - TCA	-	-	165	-	-	-	-	-	-	-	165
45210582	ITD 2025 Flexsuite Replacement Planning and Implementation 2 yr	Sustaining Capital - TCA	-	-	275	-	-	-	-	-	-	-	275
45210583	ITD 2025 Collaboration Ecosystem (1 Year)	Growth Capital - TCA	-	-	275	-	-	-	-	-	-	-	275
45210584	ITD 2026 Enterprise Dashboarding Program Build Out - 1 year	Growth Capital - TCA	-	-	-	85	-	-	-	-	-	-	85
45210585	ITD 2027 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	500	-	-	-	-	-	500
45210586	ITD 2028 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	500	-	-	-	-	500
45210587	ITD 2029 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	500	-	-	-	500
45210588	ITD 2030 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	500	-	-	500
45210589	ITD 2031 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	-	500	-	500
45210590	ITD 2032 General Projects (forecast)	Growth Capital - TCA	-	-	-	-	-	-	-	-	-	500	500
45210591	ITD 2027 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	250	-	-	-	-	-	250
45210592	ITD 2028 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	250	-	-	-	-	250
45210593	ITD 2029 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	250	-	-	-	250
45210594	ITD 2030 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	250	-	-	250
45210595	ITD 2031 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	250	-	250
45210596	ITD 2032 Enterprise Systems Optimization (ESGC)	Sustaining Capital - TCA	-	-	-	-	-	-	-	-	-	250	250
DEPARTMENTAL TOTAL			\$ 40,647	\$ 46,941	\$ 78,856	\$ 58,854	\$ 75,085	\$ 84,814	\$ 69,990	\$ 55,747	\$ 57,504	\$ 58,553	\$ 626,991

	BUDGET REQUEST		BUDGET FORECAST									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL	
FUNDING SOURCES (Cash Flow)												
Debenture	11,896	22,598	23,500	23,500	23,500	23,500	23,500	23,500	23,500	23,500	222,494	
Government Grants	13,259	10,050	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	111,309	
Internal Loan	3,508	3,068	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,576	
Operating / Working Capital	1,574	2,037	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	19,611	
Reserves	10,410	9,188	39,356	19,354	35,585	45,314	30,490	16,247	18,004	19,053	243,001	
FINANCING TOTAL	\$ 40,647	\$ 46,941	\$ 78,856	\$ 58,854	\$ 75,085	\$ 84,814	\$ 69,990	\$ 55,747	\$ 57,504	\$ 58,553	\$ 626,991	



2023 - 2032 OPERATING BUDGET
Summary of Major Operating Expense Budget Requests
In thousands of dollars

ATTACHMENT #5

Municipal Services - Operating

			BUDGET REQUEST					BUDGET FORECAST					
PROJECT #	PROJECT DESCRIPTION	ASSET CATEGORY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
13310507	CLK-CITY CLERK-2025-MOE-Election	Sustaining Major Operating Expense	-	-	310	-	-	-	-	-	-	-	310
13310508	CLK-CITY CLERK-2023-MOE-Census	Sustaining Major Operating Expense	-	-	175	-	-	-	-	-	-	-	175
14310501	HRD-2023 MOE-Total Compensation Review	Sustaining Major Operating Expense	200	100	-	-	-	-	-	-	-	-	300
14310502	HRD-2023-MOE-HR Systems Optimization	Sustaining Major Operating Expense	300	300	-	-	-	-	-	-	-	-	600
23310503	CAS-MW-2023-MOE-Roadway System Master Plan Update	Growth Major Operating Expense	250	-	-	-	-	-	-	-	-	-	250
23310508	CAS-MW-2023-MOE-Storm System Regulatory Requirements	Sustaining Major Operating Expense	100	-	-	-	-	-	-	-	-	-	100
23310511	CAS-MW-2023-MOE-Transportation Safety Plan	Growth Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
23310513	CAS-MW-2025-MOE-Roadway System Master Plan Update	Sustaining Major Operating Expense	-	-	250	-	-	-	-	-	-	-	250
23310514	CAS-MW-2026-MOE-Connaught Dam Safety Review	Sustaining Major Operating Expense	-	-	-	75	-	-	-	-	-	-	75
23310515	CAS-MW-2025/32-MOE-Snow Dump Site Design	Sustaining Major Operating Expense	-	-	-	100	-	-	-	-	-	-	100
24310507	CAS-Airport-2023-MOE-Airport Regulatory Compliance	Sustaining Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
24310509	CAS-Airport-2024-MOE-Air Service Attraction	Growth Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
24310510	CAS-Airport-2025-MOE-Airport Maintenance Building Feasibility Study	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
24310511	CAS-Airport-2025-MOE-Glycol Management Assessment	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
26310508	CPL 2026 SLOPE STABILITY REVIEW	Sustaining Major Operating Expense	-	-	-	200	-	-	-	-	-	-	200
26310511	CPL-2023 MOE - Planning and Development Services Process Review	Sustaining Major Operating Expense	-	150	-	-	-	-	-	-	-	-	150
26310512	CPL - 2023 MOE - Active Transportation Plan	Growth Major Operating Expense	125	-	-	-	-	-	-	-	-	-	125
26310513	CPL - 2023 MOE Cimarron Area Structure Plan rewrite	Growth Major Operating Expense	-	150	-	-	-	-	-	-	-	-	150
30310504	FES - 2025 MOE - Residential Sprinkler Program	Growth Major Operating Expense	-	-	175	-	-	-	-	-	-	-	175
32710521	PKRC - 2023/2024 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	243	324	-	-	-	-	-	-	-	-	567
32710523	PKRC - 2023/2024 MOE - Drawings Authentication and Specification Update	Sustaining Major Operating Expense	108	108	-	-	-	-	-	-	-	-	216
32710524	PKRC - 2023/2024 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	1,080	216	-	-	-	-	-	-	-	-	1,296
32710525	PKRC - 2025 to 2032 MOE - Special Olympics Games	Sustaining Major Operating Expense	-	-	405	105	-	-	-	-	-	-	510
32710526	PKRC - 2025 to 2032 MOE - Parks & Recreation Strategic Plans Implementation	Sustaining Major Operating Expense	-	-	150	-	153	-	156	-	159	-	618
32710529	PKRC - 2025 to 2032 MOE - PKRC Planning & Development Plans	Sustaining Major Operating Expense	-	-	50	-	51	-	52	-	53	-	206
32710530	PKRC - 2025 to 2032 MOE - Saamis Teepee Upgrades	Sustaining Major Operating Expense	-	-	-	200	-	212	-	-	-	225	637
33310512	PKRC - 2025 to 2032 MOE - Games Hosting	Sustaining Major Operating Expense	-	-	-	-	-	125	125	-	52	-	302
36210511	CDV - 2023 MOE - Esplanade-Arts Heritage and Entertainment Plan	Growth Major Operating Expense	80	-	-	-	-	-	-	-	-	-	80
36210516	CDV - 2023 MOE - Table replacement	Sustaining Major Operating Expense	50	-	-	-	-	-	-	-	-	-	50
36210519	CDV - 2025 MOE - Museum Study	Sustaining Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
36310508	CDV - 2023 MOE - Public Art	Growth Major Operating Expense	130	-	-	-	-	-	-	-	-	-	130
36910511	CDV - 2023 MOE - Community Well Being Plan	Growth Major Operating Expense	100	-	-	-	-	-	-	-	-	-	100
37210527	CDV - 2024 MOE - Transit Network Electrification Assessment		-	-	-	-	-	-	-	50	-	-	50
38410539	POL - 2023 MOE - TASER CONVERSION	Growth Major Operating Expense	90	-	-	-	-	-	-	-	-	-	90
38410542	POL - 2025 MOE - GLOCK TRANSITION	Growth Major Operating Expense	-	-	111	-	-	-	-	-	-	-	111
38410545	POL - 2025-2032 MOE - TACT CARBINE REFRESH	Sustaining Major Operating Expense	-	-	70	-	-	-	-	-	-	-	70
38510510	POL - 2024 MOE - TASER CONVERSION	Sustaining Major Operating Expense	-	90	-	-	-	-	-	-	-	-	90
40310528	FIN-MOE-2023-2024 ERP Optimization and Enhancements	Growth Major Operating Expense	375	300	300	300	-	-	-	-	-	-	1,275
40310529	FIN-Treasury-2024-Strategic Asset Allocation (SAA) Study	Sustaining Major Operating Expense	-	-	60	-	-	65	-	-	70	-	195
40310530	FIN-Treasury-2023-Risk & Insurance Review	Sustaining Major Operating Expense	75	-	-	78	-	-	82	-	-	85	320
40310531	FIN-Customer Care & Billing-2023/2024-Cogsdale Customer Service Management (CSM) Upgrade	Sustaining Major Operating Expense	82	82	-	-	-	-	-	-	-	-	164
40310532	FIN-Customer Care & Billing-2023-Clean Energy Improvement Program (CEIP) Tax Software Modification	Growth Major Operating Expense	60	-	-	-	-	-	-	-	-	-	60
40310533	FIN-Customer Care & Billing-2024-Online Payment Gateway	Growth Major Operating Expense	-	-	50	-	-	-	-	-	-	-	50
40310536	FIN-Customer Care & Billing-2025-Cogsdale Cloud Business Case	Growth Major Operating Expense	-	-	124	-	-	-	-	-	-	-	124
40310538	FIN-Customer Care & Billing-2025/2026-FlexSuite Upgrade Modernization to APEX	Sustaining Major Operating Expense	-	-	500	-	-	-	-	-	-	-	500
40310539	FIN-SUPPLY CHAIN-2023-Inventory Management Process	Sustaining Major Operating Expense	-	-	150	-	-	-	-	-	-	-	150
40310540	FIN-Customer Care & Billing-2025/2032-Cogsdale Upgrade	Sustaining Major Operating Expense	-	-	85	85	87	87	89	89	182	-	704
44410501	BTO-2023 MOE-Asset and Project Management Consulting Services	Sustaining Major Operating Expense	400	350	-	-	-	-	-	-	-	-	750
44410503	BTO-2023/2024 MOE OT Shared Services and Software Upgrades	Sustaining Major Operating Expense	-	-	220	-	-	-	-	-	-	-	220
45310519	ITD 2025 ESGC Enterprise Systems Optimization	Growth Major Operating Expense	-	-	250	250	-	-	-	-	-	-	500
51210500	ELR - 2023 - MOE - Environmental Framework	Growth Major Operating Expense	200	-	-	-	-	-	-	-	-	-	200
DEPARTMENTAL TOTAL			\$ 4,298	\$ 2,170	\$ 3,635	\$ 1,393	\$ 291	\$ 277	\$ 716	\$ 139	\$ 516	\$ 310	\$ 13,745

	BUDGET REQUEST			BUDGET FORECAST							
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10 YEAR TOTAL
FUNDING SOURCES (CASH FLOW)											
Operating	4,298	2,170	3,635	1,393	291	277	716	139	516	310	13,745
FINANCING TOTAL	\$ 4,298	\$ 2,170	\$ 3,635	\$ 1,393	\$ 291	\$ 277	\$ 716	\$ 139	\$ 516	\$ 310	\$ 13,745

City of Medicine Hat

Invest Medicine Hat Operating Budget (in millions)

ACTIVITY DESCRIPTION	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	% CHANGE	\$ CHANGE	2024 BUDGET	% CHANGE	REF NO.
Revenue								
Sale of Services	9,573	-4,632	4,941	(48.4)	-1,448	3,493	(29.3)	1
Licenses, Fines and Penalties	3	0	3	4.0	0	3	4.0	
Developer Levies	0	0	0	0.0	0	0	0.0	
Other Revenue	570	223	793	39.1	-18	775	(2.3)	2
TOTAL REVENUE	10,146	-4,409	5,737	(43.5)	-1,465	4,271	(25.5)	
Expenses								
Salaries, Wages and Benefits	1,065	-42	1,023	(3.9)	25	1,048	2.5	
Contracted and General Services	994	40	1,033	4.0	41	1,075	4.0	3
Materials, Goods & Utilities	110	-30	80	(27.3)	3	83	4.0	
Cost of Land Sold	6,188	-2,815	3,373	(45.5)	-300	3,073	(8.9)	1
TOTAL EXPENSES	8,356	-2,847	5,509	(34.1)	-230	5,279	(4.2)	
NET BEFORE INTERNAL ALLOCATIONS	1,790	-1,561	228	(87.3)	-1,235	-1,007	(541.4)	
Internal Allocations								
Internal Recovery	4,523	-2,834	1,688	(62.7)	54	1,743	3.2	4
Internal Charges and Transfers	1,210	-252	958	(20.8)	29	986	3.0	5
TOTAL INTERNAL ALLOCATIONS	3,313	-2,582	731	(77.9)	25	756	3.5	
NET EXPENSES (REVENUES)	5,103	-4,144	959	(81.2)	-1,210	-251	(126.2)	

REF NO.	NOTE	\$
1	The Land Sales and Cost of Land Sold decreases are related to updated lot sales projections. There are no projected Industrial sales, and only 1 "infill" lot sale projected, and all single family Residential lots are projected to be all sold by the of 2024.	-2,964
2	The increase in other revenue relates to rental revenue on land owned by IMH, based on historical analysis that is being tracked in Salesforce.	205
3	Due to general inflationary pressures 4%.	81
4	For the Land department, the decrease in internal recovery is due to the 2022 budget including Reserve transfers for the Development incentive programs, and a one-time only recovery from Municipal to offset internal charges. Those programs do not have additional budget past 2022, and there is no offset recovery in 2023 and beyond. In addition, the Investment department recovers all of it's expenses (excluding amortization) from the Fund 11. The recovery has increased in line with the increase expenses.	-2,780
5	The decrease in internal charges is a result of the updated cost allocation methodology, with Land department overall being charged less charges from City departments and Investment	-223

City of Medicine Hat

Invest Medicine Hat Operating Budget and Forecast *(in millions)*

	2022 AMENDED BUDGET	2023 BUDGET	2024 BUDGET	2025 FORECAST	2026 FORECAST
Revenue					
Sale of Services	9,573	4,941	3,493	-0	2
Licenses, Fines and Penalties	3	3	3	3	4
Developer Levies	0	0	0	0	0
Other Revenue	570	793	775	775	775
TOTAL REVENUE	10,146	5,737	4,271	778	781
Expenses					
Salaries, Wages and Benefits	1,065	1,023	1,048	1,074	1,101
Contracted and General Services	994	1,033	1,075	1,118	1,162
Materials, Goods & Utilities	110	80	83	86	90
Cost of Land Sold	6,188	3,373	3,073	0	0
TOTAL EXPENSES	8,356	5,509	5,279	2,278	2,353
NET BEFORE INTERNAL ALLOCATIONS	1,790	228	-1,007	-1,500	-1,572
Internal Allocations					
Internal Recovery	4,523	1,688	1,743	1,797	1,854
Internal Charges and Transfers	1,210	958	986	1,013	1,039
TOTAL INTERNAL ALLOCATIONS	3,313	731	756	784	816
NET EXPENSES (REVENUES)	5,103	959	-251	-716	-757

Municipal Tax Supported and IMH

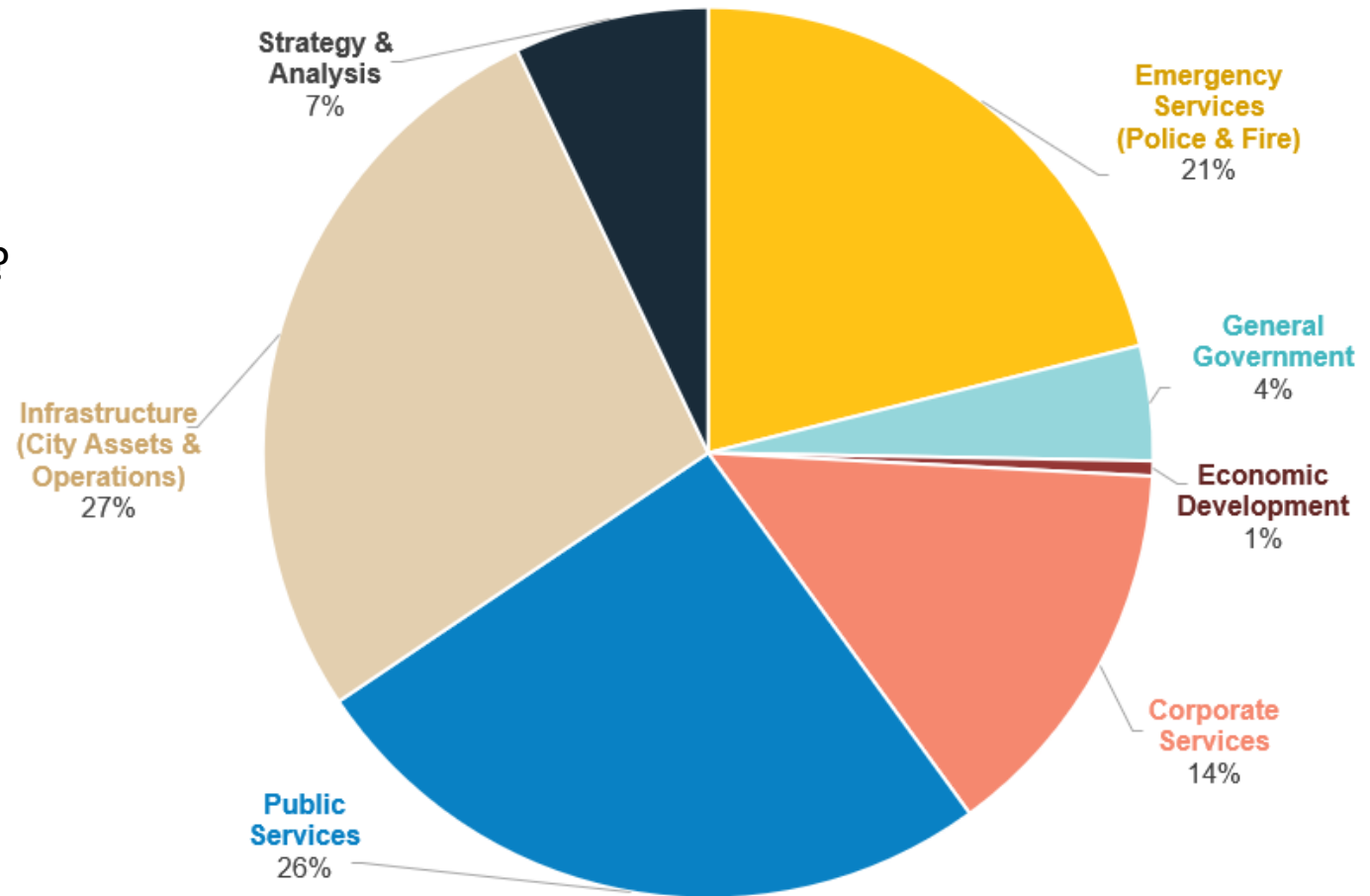
2023 and 2024
Budgets

Agenda

1. Introduction
2. Municipal Tax Supported and IMH – 2023 and 2024 Budgets
3. Conclusion and Recommendation

Municipal Operations

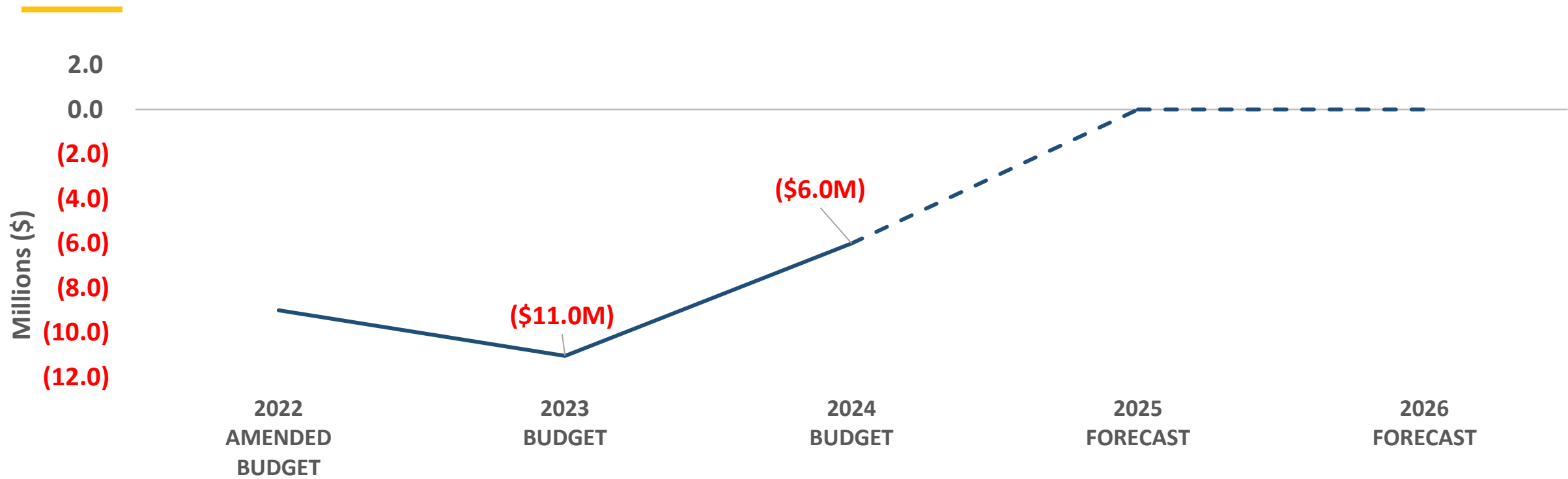
Where do my property tax dollars go?



Municipal Operations – Key Impacts to Achieve Priorities

- Property tax revenue increase reflects cost of service delivery and ~\$7.5M revenue shortfall resulting from 0% property tax increases in 2020 and 2021
- Capital plan includes budget and funding related to maintenance and upgrades deferred during COVID-19 pandemic
- Permanent positions added in key priority areas to support municipal services delivery
- Contributions to Heritage Savings Fund to achieve endowment income starting 2025 (\$50M approved and contributed in 2022 and proposed \$25M in 2023)

Municipal Operations – Cash Requirements Forecast



Municipal budget cash shortfall is anticipated to resolve after 2025

Municipal and IMH Operations – Cash Requirements

City of Medicine Hat

Municipal and Invest Medicine Hat Operating Budget *(in millions)*

	2022 AMENDED BUDGET	\$ CHANGE	2023 BUDGET	\$ CHANGE	2024 BUDGET
Revenue	123.1	13.5	136.6	7.5	144.2
Expenses*	132.2	16.3	148.5	4.7	153.3
Net Revenues (Expenses)	(9.1)	(2.8)	(11.9)	2.8	(9.1)
Internal Allocations	17.4	2.6	20.0	0.4	20.4
Net Cash Requirement before Transfers	8.3	(0.2)	8.1	3.2	11.3
Capital Cash Requirements*	(10.6)	(2.2)	(12.8)	1.6	(11.2)
Transfer From/(To) Reserves	(6.7)	0.4	(6.3)	0.2	(6.1)
Transfer From Operating Reserve	9.0	2.0	11.0	(5.0)	6.0
Total Municipal Cash Requirements	0.0	0.0	0.0	0.0	0.0
Total Land EBITDA**	2.4	(1.4)	1.0	1.2	0.2

*Expenses and Capital Cash Requirements exclude non-cash Amortization. Capital Cash Requirements includes Major Operating Expense, debenture principle repayments, and transfers from operating to capital.

**Earnings before interest, taxes depreciation and amortization.

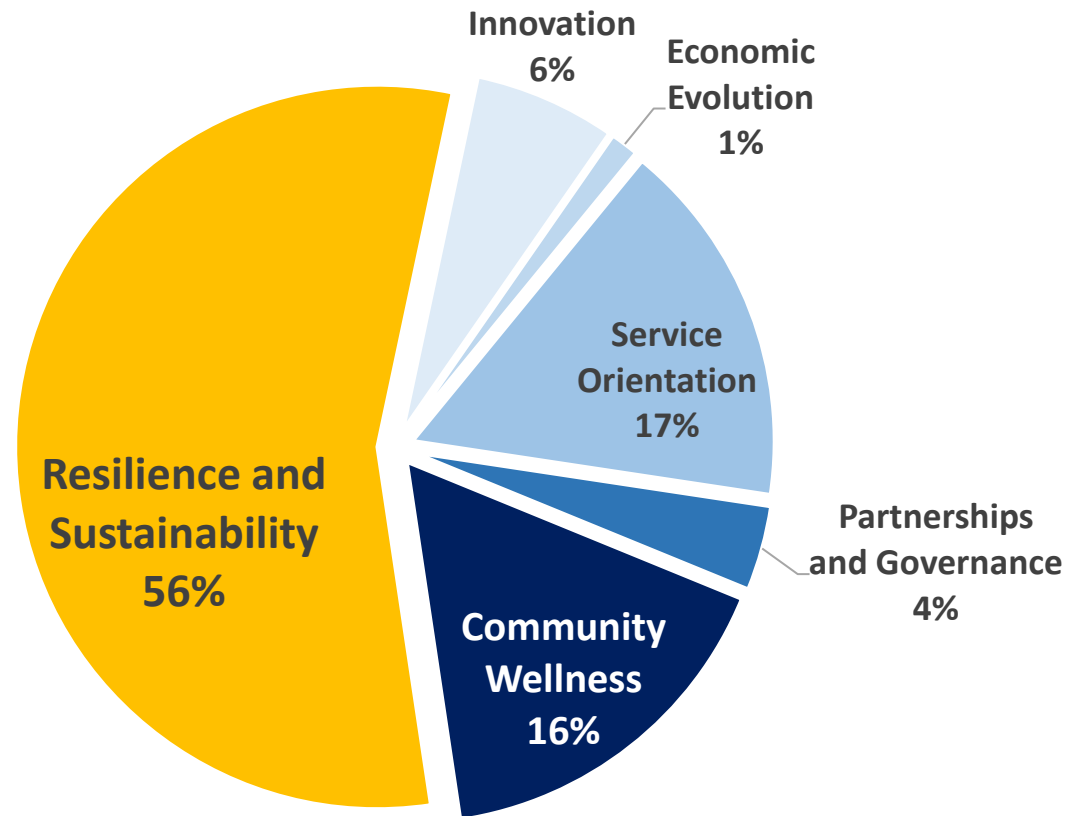
2023 and 2024 municipal cash shortfall funded by Transfer From Operating Reserve

Capital Budget (and Major Operating Expenditures)

City of Medicine Hat
Municipal TCA and MOE Budget *(in millions)*

	2023	2024	TOTAL
Tangible Capital Asset (TCA)	40.7	46.9	87.6
Major Operating Expense (MOE)	4.3	2.2	6.5
Total	45.0	49.1	94.1

Capital Budget – Reflecting Council Strategic Priorities



of projects by Council Priorities

Resilience and Sustainability

- Infrastructure renewal: parks, trails, culture & recreation facilities, roads & bridges

Community Wellness

- Community Housing infrastructure renewal
- Off Leash dog park development
- Echodale Regional Park improvement program

Partnerships and Governance

- Community Partnerships Program

Service Orientation

- Parks accessibility, culture and entertainment facility equipment renewal

Innovation

- Business process optimization
- Technology to support internal collaboration and customer facing digitization

Economic Evolution

- Town Square washrooms to increase event hosting opportunities

Recommendation to Council

It is recommended that City Council:

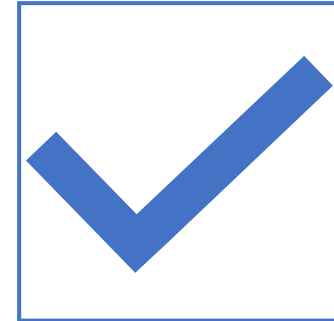
- adopt the 2023 and 2024 **Municipal Tax Supported** and **Invest Medicine Hat** Operating, Major Operating and Capital budgets as well as related funding sources
- in accordance with Distributable Funds/Dividend Policy #0169, approve the transfer of the 2022 **projected** Free Cash Flow of \$83.8M as follows:
 - \$25M to the Heritage Savings Reserve
 - Remainder amount contributed to Restricted Reserves

Thank You

CONCLUSION

Conclusion

- Reflect and advance Council's strategic priorities
- Preserve high quality municipal and utility services valued by residents
- Provide competitive property tax rates and utility rates
- Balance financial sustainability while maintaining organizational health now and into the future



Budgets Timeline

- **Nov 7** **Open Council** – Introduce budgets with 1st reading of Rate bylaw
- **Nov 16** **Open Council Committee of the Whole** – Review budgets
- **Nov 21 and Dec 5** **Open Council** – Budget deliberations with 2nd & 3rd reading of Rate bylaw

Questions