



FINANCIAL SERVICES

TO:	Council	
DATE:	April 11, 2023	DIVISION: All
FILE:	0660	APPLICATION: N/A
SUBJECT:	2023 Spring Budget Finalization	

POLICY DIRECTION:

Section 242 of the *Municipal Government Act* prescribes that Council must adopt a budget for each calendar year. Once the Spring Budget Finalization is approved by Council, all subsequent adjustments will be considered individually and approved by Council.

EXECUTIVE SUMMARY:

With the ongoing review of the 2023 Operating and Capital base budget, Administration has prepared budget adjustments to finalize Rocky View County's 2023 Operating and Capital base budget. Council approved the 2023 Operating and Capital base budget on December 14, 2022, which incorporated a 6.0% tax increase. Administration has prepared a number of budget adjustments, as well as alternatives related to tax increases, for Council's consideration.

ADMINISTRATION RECOMMENDATION:

Administration recommends approval in accordance with Option #1.

BACKGROUND:

Council approved the 2023 Operating and Capital base budget on December 14, 2022. The operating and capital budgets are reviewed on a regular basis, and since December, Administration has identified various operating adjustments, both increases and decreases, to better align service delivery with the 2023 Operating and Capital base budget.

Administration started the 2023 budget process in June of 2022. As part of the budget process, Administration uses an estimation of live growth from Assessment Services to increase tax revenue. The live growth component is essentially new property tax on new development growth within the County. When Council approved the 2023 Operating and Capital base budget in December of 2022, the estimated new tax revenue from live growth was \$2,200,000. Upon completion of the 2023 assessment roll, the final live growth component is \$6,885,700. This results in an increase of \$4,685,700 in additional new tax dollars. The incremental new assessment growth was a result of higher-than-expected new construction in the non-residential sector. This increased activity has also generated higher than predicted permit revenue.

As per Administration's commitment to clearly document any adjustments to the 2023 Operating and Capital base budget in the form of an update report, we have outlined the pertinent calculations and information in the attached *2023 Budget Update No. 2* (Attachment A). Report highlights are as follows:

Administration Resources

Issy (Isedua) Agbonkhese, Manager, Financial Services



- Section I:** **Operating Budget Adjustments** – This section provides additional operating budget adjustment calculations to revenue and expenses, considered in conjunction with the budget adjustment form in Attachment 'B'.
- Section II:** **2023 Property Tax Adjustment** – This section provides two alternatives for Council's consideration to address the estimated tax increase and the additional revenue due to incremental assessment growth, considered in conjunction with the budget adjustment form in Attachment 'C'.
- Section III:** **External Requisitions** – This section adjusts the base budget to reflect external requisition increases/decreases, considered in conjunction with the budget adjustment form in Attachment 'D'.
- Section IV:** This section outlines other potential adjustments for consideration for inclusion in the 2023 Operating and Capital Budget.

BUDGET IMPLICATIONS:

The budget implications as set out in *2023 Budget Update No. 2* (Attachment A) can be summarized as follows:

- The operating budget tax support would increase by \$25,000 which is a result of support for County business groups.
- The Blazer revenue and reserve transfers would be reduced to reflect a more realistic growth scenario in its service area.
- The Blazer system will receive funding from the Tax Stabilization Reserve. This support was identified when Council provided direction to purchase the system in 2021.
- Additional planning resources will be added and funded from excess appeal fees.
- The Langdon Special Tax Levy (Recreation Tax) in the Hamlet of Langdon will be reduced to reflect the program needs.
- As result of additional assessment growth, Administration has provided two alternatives for Council's consideration. Alternative #2 is recommended, which would result in a reduction of the tax increase from 6.0% to 4.0% and further result in a transfer to the Tax Stabilization Reserve of \$3,056,700 to be used in the future. This includes \$115,700 of unallocated tax funding from the initial budget approval in December 2022.
- Lastly, the external requisitions will be updated to reflect the new amounts that have been provided by the Province (Alberta School Foundation Fund and Designated Industrial Property) and the Rocky View Seniors Foundation.
- No other budget changes are being proposed by Administration.

OPTIONS:

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| Option #1: | Motion 1 | THAT the operating budget adjustment be approved as presented in Attachment 'B'. |
| | Motion 2 | That the net amount of \$3,056,700 be transferred to the Tax Stabilization Reserve for future projects/service level funding as presented in Attachment 'C'. |
| | Motion 3 | THAT the budget adjustment to accommodate external requisitions be approved as presented in Attachment 'D'. |



Option #2: THAT alternative direction be provided.

Respectfully submitted,

Concurrence,

"Kent Robinson"

"Dorian Wandzura"

Executive Director
Corporate Services

Chief Administrative Officer

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ATTACHMENTS:

ATTACHMENT 'A': 2023 Budget Update #2

ATTACHMENT 'B': Operating and Capital Budget Adjustment

ATTACHMENT 'C': Transfer to Reserve Budget Adjustment

ATTACHMENT 'D': External Requisitions Budget Adjustment