



COUNCIL REPORT

2024 Spring Budget Finalization

Electoral Division: All

File: N/A

Date:	April 9, 2024		
Presenter:	Kent Robinson, Executive Director, Corporate Services Division		
Department:	Financial Services		
Approved by:	<input checked="" type="checkbox"/> Executive Director / Director	and/or	<input checked="" type="checkbox"/> Chief Administrative Officer

REPORT SUMMARY

With the ongoing review of the 2024 Operating and Capital base budget, Administration has prepared budget adjustments to finalize Rocky View County’s 2024 Operating and Capital base budget. Council approved the 2024 Operating and Capital base budget on November 29, 2023, which incorporated a 3.0% tax increase. Administration has identified various operating adjustments to better align service delivery and strategic direction.

Once the Spring Budget Finalization is approved by Council, all subsequent adjustments will be considered individually and approved by Council.

ADMINISTRATION’S RECOMMENDATION

THAT the operating & capital budget adjustment be approved as presented in Attachment B and the net amount of \$8,593,700 be transferred to the Tax Stabilization Reserve for future projects/service-level funding.

THAT the budget adjustment to accommodate external requisitions be approved as presented in Attachment C.

BACKGROUND

On November 29, 2023, Council approved the 2024 Operating and Capital base budget. The operating and capital budgets are reviewed on a regular basis, and since November, Administration has identified various budget adjustments, as well as alternatives related to tax increases, for Council’s consideration in finalizing the 2024 Operating and Capital Base Budget.

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 2024 Operating and Capital base budget in November of 2023, the estimated new tax revenue from live growth was \$2,000,000. Upon completion of the 2024 assessment roll, the final live growth component is \$11,206,900. This results in an increase of \$9,206,900 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 2024 Operating and Capital base budget in the form of an update report, we have outlined the pertinent calculations and information in the attached 2024 Budget Update No. 2 (Attachment A).

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Section I: **Operating & Capital 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: **External Requisitions** – This section adjusts the base budget to reflect external requisition increases/decreases, considered in conjunction with the budget adjustment form in Attachment C.

ANALYSIS

Since the approval of the budget in November 2023, Administration has been assembling a number of adjustments for Council’s consideration. These adjustments vary in nature from minor housekeeping adjustments to significant requests for additional investment in select service areas.

As the County sees significant growth pressures, Administration has identified a number of areas where additional investment is required to maintain service levels. These investments include both operating expenses (additional positions) and capital expenses (vehicles, equipment) to support the new positions. For 2024, these costs have been adjusted to reflect the effectivity point in the year, however in 2025 the full value of the costs will be included in the budget.

These adjustments also include a recommendation to transfer incremental tax revenue from assessment growth to reserve to be used in the future as the County continues to face the pressures of growth. Future costs such as transit, for example, could be funded by the additional tax room created by higher than expected assessment growth.

COMMUNICATIONS / ENGAGEMENT

Upon Council approval of the 2024 Operating and Capital Budget, including any property tax adjustments, a news release will be prepared and published to the County website for public viewing, in addition to the 2024 Budget Update #2 (Attachment A) which will be housed under the Budget and Finance tab.

IMPLICATIONS

Financial

Full details and breakdown of the financial implications and budget adjustments can be found in 2024 Budget Update #2.

STRATEGIC ALIGNMENT

Section 242 of the *Municipal Government Act* prescribes that Council must adopt a budget for each calendar year.

The proposed operating budget adjustments and Tax Stabilization Reserve transfer supports financial prosperity in ensuring that the County remains financially sustainable for future generations.

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ALTERNATE DIRECTION

Administration does not have an alternate direction for Council's consideration.

ATTACHMENTS

- Attachment A: 2024 Budget Update #2
- Attachment B: Operating and Capital Budget Adjustment
- Attachment C: External Requisitions Budget Adjustment

