



Governance Committee

Subject:	Fiscal Management Strategy – Key Financial Policies
Date:	June 10, 2025
Presenter:	Isedua Agbonkhese, Manager, Finance Services
Department:	Finance Services

REPORT SUMMARY

As Rocky View County continues to grow, fiscal responsibility involves careful planning, stakeholder engagement, and the application of financial tools and policies to ensure sustainable growth while maintaining affordability for residents.

This report builds on the Rocky View County Fiscal Management Strategy – Key Financial Policies reports presented to the Governance Committee at the April 15 and May 13, 2025 meetings. The accompanying key financial policies support responsible fiscal management, as a key element to sustainable county growth.

Administration recommends that two existing financial policies on assessment and taxation be rescinded and replaced by a new policy. Administration also recommends the Procurement policy be amended. The table below provided a summary of policies for Governance Committee consideration:

Policy Name	Rescind	Add	Amend
Assessment Base Diversification Policy C-197	✓		
Municipal Tax Ratio Policy C-223	✓		
Assessment and Tax Policy C-710		✓	
Procurement Policy C-203			✓

The Assessment Base Diversification Policy C-197 and Municipal Tax Ratio Policy C-223 are recommended to be rescinded to facilitate the integration of relevant County goals and objectives from said policies into a comprehensive Fiscal Management Strategy.

A new Fiscal Management Strategy, developed at the start of each Council term and updated annually, will set out the County's financial goals and objectives. Progress will be monitored and reported through regular financial updates to Council.

The Budget Preparation Timelines, Key Financial Policies & Capital Committee Considerations resource document (Attachment E) is included to provide an overview of the 2026-2029 budget preparation timelines and a high-level description of financial policies and committee terms recommended for Council consideration in 2025 in support of the County's 2026 –2029 budget preparation.

Upcoming 2026-2029 budget preparation activities are:

- Capital Committee Meeting #1: **June 25, 2025**
- Governance Committee Meeting (RVC 2026-2029 Budget Briefing): **July 15, 2025**

ADMINISTRATION'S RECOMMENDATION

THAT the Committee recommend Council rescind Assessment Base Diversification Policy C-197.

THAT the Committee recommend Council rescind Municipal Tax Ratio Policy C-223.

THAT the Committee recommend Council approval of the Assessment and Tax Policy C-710, as presented.

THAT the Committee recommend Council approval of the revised Procurement Policy C-203, as presented.

BACKGROUND

Capital Budget Policy C-707, Asset Management Policy C-708, Multi-Year Budgeting Policy C-709, and a Capital Committee Terms of Reference were presented for consideration at the April 15 Governance Committee meeting and were approved at the May 6, 2025 Council meeting. Managing Reserve Funds Policy C-222 and Debt Acquisition and Management Policy C-220 were presented for consideration at the May 13 Governance Committee meeting and are recommended for Council approval on June 3.

Significant financial obligations, such as the Prairie Economic Gateway initiative, increase demand for municipal infrastructure and related community services. These growth requirements, coupled with an ever-changing economic and political landscape, regionally and internationally, mean that the County needs a well-thought-out plan to manage financial decision-making to ensure sustainable municipal services and profitable financial goals in the long term. The County has an immediate need for financial policies and a capital committee that will properly plan, sequence, and responsibly fund existing service requirements and new initiatives.

Key financial policies outlining guiding principles for sound financial decisions are required to achieve a thorough Fiscal Management Strategy. Administration has brought forward six such financial policies and a Capital Committee Terms of Reference in 2025 for consideration. A list of all proposed new and revised policies and recommended timelines is summarized in Attachment E.

It is recommended that Assessment Base Diversification Policy C-197 (Attachment A), initially adopted in 2016 and not updated since, and Municipal Tax Ratio Policy C-223 (Attachment B), initially adopted in 2023 and not updated since, be rescinded to facilitate the integration of relevant county goals and objectives into a comprehensive Fiscal Management Strategy. Goals and objectives to be considered as part of a future Fiscal Management Strategy are:

Assessment Base Diversification Policy C-

- The County is committed to continued assessment base diversification and will strive to achieve an Assessment Split Ratio of 65%/35% by 2035 through careful consideration of development applications.

Municipal Tax Ratio Policy C-223

- On an annual basis, the County will implement a tax ratio that complies with legislation and allocates a minimum of 50% of the municipal tax to the non-residential assessment classes.

Rocky View County Fiscal Management Strategy – Key Financial Policies

The proposed policies for Governance Committee consideration on June 10, 2025, include:

Procurement Policy C-203

The County's procurement policy ensures fair, transparent, and responsible spending. Key points include:

- Legislative compliance with the *Municipal Government Act* and trade agreements, with a focus on getting the best overall value by considering price and other important factors.
- Only the Chief Administrative Officer (CAO) and authorized staff can approve spending within the approved budget, with Council approval required for unplanned expenses, except during emergencies when the CAO can act quickly to maintain essential services.

Assessment and Tax Policy C-710

The County's Assessment and Tax Policy C-710 supports long-term financial sustainability by promoting a balanced tax structure and a diversified property assessment base. Key points include:

- Maintain a tax ratio between residential and non-residential assessment classes and grow each assessment class in alignment with the County's Strategic Plan and Fiscal Management Strategy.
- Ensure a stable and sustainable tax revenue stream that supports effective service delivery in alignment with long-term goals and objectives.
- Ensure the County's compliance with legislated requirements as it relates to Assessment and Taxation.

DISCUSSION

Development of a new fiscal management strategy by an incoming council would assist in providing a high-level overview of how the County plans to support services, programs, and infrastructure projects financially. The strategy would include anticipated sources of revenue and expenses for the current year and the next three years (multi-year budgeting). The fiscal management strategy would set Council's direction on capital and operating spending and a potential 'pay-as-you-go' model to ensure the appropriate use of reserves, debt financing, and other revenue sources to support the sequencing of projects and services.

The proposed Fiscal Management Strategy would be prepared at the start of a Council's term and reviewed annually for possible updates, to guide the budgeting process, including setting a desired property assessment class composition, setting property tax ratios and tax rates, appropriate user fees, rates and charges, reserve balance targets, and the County's approach to grant and debt utilization.

ALTERNATE DIRECTION

THAT the Committee recommend Council approval of Procurement Policy C-203 and Assessment and Tax Policy C-710 with amendments recommended by the Governance Committee.

ATTACHMENTS

Attachment A: Assessment Base Diversification Policy C-197 recommended for rescission
Attachment B: Municipal Tax Ratio Policy C-223 recommended for rescission
Attachment C: Draft Assessment and Tax Policy C-710
Attachment D: Draft Procurement Policy C-203 – Redline Version
Attachment E: Fiscal Management Strategy – Budget Preparation Timelines, Key Financial Policies & Capital Committee Considerations