



STAFF REPORT

Title: Financial and Capital Plan Extension

Meeting Date: December 10, 2019

Executive Summary:

As per Section 283.1 of the MGA the City must annually prepare a written plan respecting the 3 year financial operation and 5 capital addition plan in addition to the current year plan. Under Alberta Regulation 192/2017 the first year this is required is 2020. The City, at this time, is not aware of the funding allocation from the ID 349 which is instrumental in developing a long term operating and capital financial plan that renders the City sustainable. The ID 349 was also fundamental to the financial planning of the Annexation approvals. Administration has ongoing plans already established but dependent on the timing of the decision and the amount the City will be receiving the plans may not be fully executed by year end. Administration is recommending the Council consider passing a motion allowing Administration to request an extension from the Minister, if required as per section 605 of the MGA until such time a decision is rendered on the funding allocation of the ID349.

Background:

Historically the City has approved an annual detailed Operational and Capital Budget by December 31. The City provides a Capital Plan for 10 years based on the current priority needs of the Community. Along with these 3 documents the City also presents annually to Council a 10 year Financial Impact Model which includes both Operational and Capital forecasts and Plans. The City updated all 4 of these plans during the 2018 budget process including 16M funding from the ID349 Taxation revenue with the understanding that this would be the minimum funding the City would receive.

On October 30, Mayor Craig Copeland received via email a letter from the Honourable Minister of Municipal Affairs, Kaycee Madu, regarding the Minister's future plans to establish a new arrangement for the distribution of municipal tax revenue from ID 349.

The letter also states that 2019 allocations will be withheld until a new arrangement is made. There is no indication in regards to whether the previous minister's plans for 2019 allocations will be honoured, despite all parties to the arrangement having budgeted on the previous minister's correspondence in regards to the revenue allocations.

As the ID349 taxation revenue is instrumental to these plans and the sustainability of the City it is difficult to move forward with any future plans until the ID349 allocation



formula is solidified. Although the City is not required to submit these plans to Municipal Affairs it is still a requirement of the MGA and could be subject to inspection or challenge by the public.

Alternatives:

Council may consider the following options:

1. Council authorize the City to request the extension of the Financial and Capital Plans required under section 283.1 of the MGA from the Minister of Municipal Affairs as per section 605 of the MGA prior to December 31, 2019.
2. Council may choose not to request the extension

Recommended Action:

Administration recommends Council pass a motion to authorize the City to request an extension for the Financial and Capital plans required under section 283.1 of the MGA from the Minister of Municipal Affairs.

Budget Implications (Yes or No):

No

Submitted by:

Kevin Nagoya, Chief Administrative Officer