



Report for Council

To: Council

Staff Contact: Leana Ashbacher, Senior Manager of Financial Services

Date Prepared: November 19, 2024

Meeting Date: November 27, 2024

SUBJECT: 2025 Proposed Operating & Capital Budget Deliberation

RECOMMENDATION: This report is to support Council with its budget deliberations. Administration will support Council with crafting any motions that it wishes to see made to the proposed 2025 budget.

STRATEGIC PRIORITIES:



Affordable Housing



Climate Resiliency



Community Development



Community Wellness



Economic Development



Financial Sustainability

HOW THE STRATEGIC PRIORITIES ARE MET:

The 2025 budget has been built to support and enable Council's six strategic priorities.

SUSTAINABILITY

ECONOMIC SUSTAINABILITY:

N/A

SOCIAL SUSTAINABILITY:

N/A

ENVIRONMENTAL SUSTAINABILITY:

N/A

IMPLICATIONS OF RECOMMENDATION:**GENERAL:**

The 2025 Operating & Capital budget has been built to support the enablement of Council's Strategic Plan and the Town's Corporate Business Plan.

ORGANIZATIONAL:

Considerable staff time was leveraged to develop the 2025 budget and associated documents.

OPERATIONAL:

The 2025 Operating & Capital budget provides clear direction to both Administration and the Community for the current year objectives in alignment with Council's Strategic Plan.

FINANCIAL:

The 2025 Budget has an Operating impact of \$39,311,400 following the Budget Deliberations on November 19, 2024. The original Operating budget proposal from Administration was \$39,369,500, and Council decisions during the November 19, 2024 Budget Deliberations had a \$58,100 net reduction in Operating expenditures.

The 2025 Capital Budget has an impact of \$9,313,000 (no changes from the original proposed Capital Budget following the November 19, 2024 Budget Deliberations).

As it currently stands, there is a budgeted \$158,100 operating surplus that Council would have the ability to either add operating business cases, add additional funding for community groups, add to reserves, or lower the overall tax impact to our residents.

The original Operating budget proposal from Administration carried a 4.5% proposed tax increase. As a result of the reductions made by Council at the November 19, 2024 Budget Deliberations (\$58,100), Council can reduce the tax impact of the budget to 4.15%. If Council chooses no further additions or subtractions to the Budget, and directs Administration to reduce operating revenue requirements to a balanced budget, the overall tax impact of the budget would represent a 3.56% tax increase (from 4.5% originally proposed).

After the Budget Deliberation meeting #1 was completed on Tuesday, November 19, there were a number of Council adjustments. Currently we are sitting with a 4.15% tax increase with the reduction in transfers to reserves of \$50,000 and the changes within Community Group funding.

Council

Adjustments:

Reduce Replenish of Fin Stab Reserve from \$400k to	-0.30%	(50,000)
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\$350k

Community

Group Funding:

Strathmore Ag Society Celebration of Lights	-0.03%	(5,000)
Library Board	-0.02%	(3,300)
Happy Cat	-0.12%	(20,000)
Community in Bloom Society	0.03%	5,000
Strathmore Youth Theatre Company	0.03%	5,000
Mainsprings Pregnancy and Family Support Association	0.03%	5,000
Strathmore Performing Arts Festival	0.03%	5,000
Chamber of Commerce	-0.06%	(10,000)
Ag Society	0.02%	3,200

If the Education Requisition from the province is higher than estimated, our recommendation would be to lower the municipal tax increase and lower the transfer to reserves to offset this increase. The education levy increase is currently set at 4.0% in the 2025 budget. This is based on past trends and factoring in the limited growth that we have seen in Strathmore compared to the rest of the province.

With the approval of the 2025 Strathmore Fees and Charges Bylaw at the November 20, 2024 Regular Council Meeting, utilities will increased approximately 4.0% on the variable utility rates and 4.0% on the fixed rate portion. The combined Utility Infrastructure Reserve Fund Rates were increased by \$0.36 from \$8.96 to \$9.32 (4% increase).

POLICY:

Section 242 of the *Municipal Government Act* "a council must adopt and operating budget for each calendar year or may adopt interim operation budget for part of a calendar year."

IMPLEMENTATION:

Administration will bring the 2025 Final Operating and Capital Budget for Council adoption on December 4, 2024.

BACKGROUND:

Under Section 242 of the Municipal Government Act, "a council must adopt an operating budget for each calendar year or may adopt interim operating budget for part of a calendar year"

A Council Meeting was held on November 6, 2024 to release the budget documentation to Council at the public.

The following is a breakdown of how we proposed that the budget deliberations occur this year:

- August 16, 2024 – Council Requests Submitted to Administration for Consideration
- October 23, 2024 - Community Group Funding Requests presented to Council
- November 6 , 2024 – CAO, Director and Finance Presentations, including a high level overview of the capital projects by each area.
- November 12, 2024 – Citizen Budget Café's (Coffee with Council)
- November 15, 2024 – All Budget Information Requests must be submitted by Council
- November 19, 2024 - All Budget Information Requests will be responded to by Administration.
- November 19, 2024 – Department Review - Question and Answer period
- November 21, 2024 – **(cancelled)**
- November 27, 2024 – Council will decide which items should be removed from the consent agenda and debated and voted on during this session in regards to the operating and capital budget. Members of the public will be invited to this meeting to speak about any requests that should be considered as part of the capital budget. (if required)
- December 4, 2024 – Anticipated Budget Approval

Administration was to respond to the inquiries within two business days to ensure that Council has adequate information to determine whether Council would like to see an item added, removed or modified during the deliberations on November 19th, 21st **(cancelled)** or 27th.

That way, the sessions support Council by focusing on the additions, changes or removals from the budget that Council would like to see in order to best leverage Council's time in this process.

KEY ISSUE(S)/CONCEPT(S):

To provide Administration direction with any changes within the 2025 Operating & Capital Budget.

DESIRED OUTCOMES:

The goal is for Council to review the give direction to Administration on the next steps attached documentation that will support the subsequent budget meetings.

COMMUNICATIONS:

The proposed budget package will be posted on the Town's website and communicated via the Town's social media platforms. This will ensure that the community is aware that the proposed package has been released and provide them with an opportunity to provide Council with feedback at a subsequent meeting.

ALTERNATIVE ACTIONS/MOTIONS:

Continue deliberations at a future Council Meeting.

ATTACHMENTS:

[Attachment I: 2025 Proposed Budget presentation](#)

Leana Ashbacher, Senior Manager of Financial Services

Approved
- 20 Nov
2024

Kara Rusk, Director of Strategic, Administrative, and Financial Services

Approved
- 21 Nov
2024

Johnathan Strathdee, Manager of Legislative Services

Approved
- 21 Nov
2024

Kevin Scoble, Chief Administrative Officer

Approved
- 22 Nov
2024



Proposed 2025 Budget

November 27, 2024

Council's Proposed Budget discussions



Strathmore

Financial and Budget Overview



Leana Ashbacher

Senior Manager of Financial Services

- Recap of amendments to the Proposed Budget thus far
 - Operating Budget impact
 - Capital Budget impact
 - Community Group funding impact
- Council initiated requests and motions

Proposed 2025 Budget: Budget Discussions

Summary of Previous Council Amendments

• Reduction of Financial Stabilization Reserve		(\$50,000)
• Strathmore Ag Society Celebration of Lights	(0.03%)	(\$5,000)
• Library Board	(0.02%)	(\$3,300)
• Happy Cat	(0.12%)	(\$20,000)
• Community in Bloom Society	0.03%	\$5,000
• Strathmore Youth Theatre Company	0.03%	\$5,000
• Mainsprings Pregnancy & Family Support Assoc.	0.03%	\$5,000
• Strathmore Performing Arts Festival	0.03%	\$5,000
• Chamber of Commerce	(0.06%)	(\$10,000)
• Ag Society	0.02%	\$3,200

Proposed 2025 Budget: Budget Discussions

Operating Budget

- Reduction in proposed operating expenses (\$50,000)
- Administrative amendment to Transfer to Reserves \$7,000

Capital Budget

- No amendments

Community Group Funding

- Net reduction in proposed funding (\$15,100)

Net effect to the proposed 2025 Budget, thus far, reduces the tax impact from 4.50% to 4.15% of a tax increase for 2025.

- *This tax increase reflects the \$100,000 surplus previously stated*

Proposed 2025 Budget: Budget Discussions

Next Steps

- Any further Council initiated amendments to the 2025 Proposed Budget
- Proposed approval of the 2025 Budget at the December 5 Council Meeting



2025 Proposed Operating and Capital Budget