



REQUEST FOR DECISION

MEETING DATE: November 4, 2024

TITLE: 2025 - 2027 Recommended Corporate Plan

DIVISION: City Manager's Office

SUMMARY:

Administration presents the 2025 - 2027 Recommended Corporate Plan (the "Plan") and 2025 Budget for Council's review, deliberation, and consideration for approval, over the course of November 4 - 6, 2024.

The Plan reflects the proposed investments in the community to deliver on Council's Strategic Plan as well as the proposed investments in the municipality to create a strong foundation of long-term sustainability.

PROPOSED MOTION:

THAT consideration of proposed motions to amend the 2025 - 2027 Recommended Corporate Plan made during the presentation be automatically postponed without need of a motion to that effect, until the presentation has been completed and further that the ability to withdraw a motion be permitted without requiring a motion to withdraw.

THAT the 2025 - 2027 Corporate Plan be recommended to Council for approval with the amendments proposed by Committee.

BACKGROUND / ANALYSIS:

As a municipal government, the City of Spruce Grove is responsible for the infrastructure, programs and services that directly impact the day-to-day lives of City residents. Administration has developed the 2025 - 2027 Corporate Plan and 2025 Budget with service delivery and fiscal responsibility at the forefront. As a fiscally responsible municipality, the City focuses on

operational improvements, managing resources and corporate risks effectively while balancing increased cost and required investments for a sustainable future. The Plan reflects the strategic and operational priorities needed to plan for the future while considering the needs of today, creating strong linkages to City Council's strategic priorities.

The *Municipal Government Act* (MGA) requires a Council to adopt operating and capital budgets each year. Specifically, sections 242 and 245 of the MGA provide that a Council must adopt both an operating budget and a capital budget for each calendar year. Additionally, section 283.1(2) also requires a municipality to prepare a written plan respecting its anticipated financial operations over a period of at least the next three financial years. In accordance Budget 2025 outlines the resources required to deliver these services as well as Council's vision for the City of Spruce Grove, as outlined within the 2022 - 2025 Strategic Plan.

Operational requirements are presented over three years while capital planning requirements are presented over the next 10 years. Administration will also seek Council approval of the overall budget of those multi-year capital projects spanning more than one year as a whole to enable greater efficiency and management of contractual obligations related to those capital projects.

The Plan is built based on a fiscally sustainable budget with the following characteristics:

- The municipal operating budget includes transfers to reserves that adequately fund lifecycle costs.
- The capital budget is balanced, and lifecycle costs are funded from reserves.
- The Municipal budget does not subsidize the utility or developer budgets.
- The Utility Operating budget is self-funded through utility ratepayers.

The Budget 2025 section of the Plan (pages 44 - 78) reflects the financial resources to support existing services and/or changing services as well as recommended new work. The financial requirements include the presentation of a balanced operating budget and a fully funded capital plan broken down by budget entity (municipal, utility, and developer). Pending discussions by the Committee, adjustments of revenues or expenses may be required to maintain a balanced operating and fully funded capital budgets.

Reviewing Proposed Business Cases and Capital Profiles

As part of the corporate planning process, departments were asked to submit business cases and capital profiles that were required to continue with and/or evolve program and service delivery or required to deliver on the goals in the 2022 - 2025 Strategic Plan. Administration reviewed and evaluated the business cases and capital profiles to assess for priority and alignment to the Strategic Plan. As part of Budget 2025, the business cases and capital profiles recommended to move forward are summarized within the appropriate budget entity with further detail on each provided in the Appendices A and B. As well, business cases and capital profiles that were not recommended by Administration for inclusion in the budget have been included in Appendix C.1 and C.2 respectively.

The recommended and unfunded business cases and capital profiles will be reviewed with the Committee during the November 4 - 6, 2024 corporate planning deliberations. Administration will present the financial impacts of the business case decisions and capital projects and seek input from the Committee on the budget requirements to support delivering the Plan. Once the Committee deliberations are complete, Administration will update the Plan to address budget decisions and the impacts to utility ratepayers as well as residential and non-residential tax ratepayers.

OPTIONS / ALTERNATIVES:

The Committee will have the opportunity to provide Administration options to pursue outside the recommendations and approaches provided in the operating and capital budgets.

CONSULTATION / ENGAGEMENT:

Each year, residents and community groups have an opportunity to make a public budget submission to the City of Spruce Grove for consideration when developing the Corporate Plan. For the 2025 - 2027 Corporate Plan, public budget submissions were accepted digitally from May 2, 2024 through June 20, 2024, and those that submitted a public budget submission were provided the opportunity to present their request to Council at the September 9, 2024 Council Meeting. Due to a technical error with the website receiving the submission, one group was given the opportunity to present their submission at the October 15, 2024 Council Meeting.

Additionally, residents have been invited to participate in the public question and answer period to ask questions on the proposed budget on the first day of the November 4 - 6, 2024 Governance and Priorities Committee meeting.

IMPLEMENTATION / COMMUNICATION:

The Plan along with a Budget Highlights document have been shared on the City's website and a communications strategy has been initiated to ensure transparency to the community.

After Committee's review of the Recommended Corporate Plan, Council is scheduled to consider approval of the 2025 - 2027 Corporate Plan at the Council meeting on December 2, 2024. The Plan, including the operating and capital budgets, once approved by Council, results in an Interim Approved 2025 budget and is effective January 1, 2025. The final 2025 budget is approved at a Council meeting in spring 2025 after confirmation of actual assessment growth by the City Assessor and is used to set the final 2025 property tax rates.

IMPACTS:

The overall impact on municipal and utility ratepayers will be finalized following the Corporate Plan deliberations on November 4 - 6, 2024.

FINANCIAL IMPLICATIONS:

The Recommended Plan and 2025 Municipal Budget document presents a municipal operating budget of \$91.0 million, with a \$58.4 million tax requirement and an overall average municipal property tax increase of 3.9 per cent. This includes a 2.9 per cent general tax increase, along with a one per cent tax dedicated to fund asset lifecycle costs.

The recommended 2025 Operating budget includes five new operating one-time business cases with no impact on taxes, and 10 new operating ongoing business cases funded through the tax base.

The recommended 2025 Municipal Capital Budget of \$17.9 million includes 15 capital projects focusing on repairing, maintaining and/or replacing existing municipal infrastructure, and 12 capital projects that address community growth.

The recommended 2025 Utility Operating Budget is \$32.3 million. The proposed monthly utility bill will yield an average increase of 6.0 per cent or \$8.51 per month compared to last year.

The proposed 2025 Utility Capital Budget of \$7.6 million includes 10 capital projects, focusing on repairing, maintaining and / or replacing existing utility infrastructure and 9 capital projects that addresses community growth.

The recommended 2025 Developer Operating Budget is \$4.9 million. The developer budget reflects the developer contribution revenues and the cost of borrowing for Developer capital projects.

The proposed 2025 Developer Capital Budget of \$7.5 million includes two capital projects that address development growth. This includes a multi-year project that also has a 2026 budget of \$5.7 million.