



REQUEST FOR DECISION

MEETING DATE: April 14, 2025

TITLE: 2025 Spring Budget Adjustment

DIVISION: Corporate Services

SUMMARY:

Council approval is requested for necessary budget changes to the 2025 Interim Budget prior to setting the property tax rate for 2025.

PROPOSED MOTION:

THAT the 2025 Spring Budget Adjustment, as presented in Attachment 1, be approved.

THAT the 2025 Final Budget be amended to reduce operating revenues \$649,336, include additional operating expenses of \$113,744, include additional other capital grant revenue of \$1,000,000, include additional capital expenditures of \$899,235, and include an additional net transfer from reserves of \$662,315, as presented in Attachment 1.

BACKGROUND / ANALYSIS:

The Spring Budget Adjustment process provides an opportunity to finalize the budget prior to setting the property tax rate for the year. Amendments to budget are typically related to expected ongoing changes in growth projections and other revenue sources, and changes to ongoing operating expense items that are funded by the municipal tax requirement.

Proposed Spring Budget Adjustments

Additional Revenue and Expenses - On-going

Total estimated property assessment growth at the time of the 2025 budget approval was 2.93 per cent. Assessment data received now shows actual growth of 3.93 per cent. This yields \$486,400 in additional revenue from property taxes due to growth.

The increase in assessment growth revenue allows for a reduction in the tax impact of 0.24 per cent (\$135,736) from the 3.9 per cent approved at Interim Budget in December 2024 to a 3.66 per cent Final Budget tax impact and allows for the following:

- Addition of a full-time Human Resources Administrative Assistant \$54,414 and the conversion of a temporary full-time Strategy and Policy Advisor to permanent \$108,750 to address ongoing volume and capacity challenges in Human Resources and Strategy and Policy Development.
- Addition of one RCMP Officer \$187,500.

One-time Revenues, Expenditures (Capital and Operating) and Reserve Transfers

The following adjustments are required to establish the 2025 Final Budget. There is no impact to the tax rate.

Municipal Operating

- Remove \$1,000,000 in Automated Traffic Enforcement (ATE) revenue and remove \$400,000 in ATE contract expense funded by a \$600,000 transfer from Public Safety Reserve.

Utility Operating

- Increase Sanitary Sewer Closed Circuit Television (CCTV) program expenses \$50,000, funded by a \$50,000 transfer from Sanitary Sewer Reserve.
- Addition of one full-time Billing Specialist \$63,080 to support bi-weekly water meter reading and leak detection service, address increased volume in billing, collections, and accounts management, funded by \$63,080 equalized transfer from the Water, Sewer, Sanitary Sewer, and Solid Waste Reserves.

Capital

- Acquisition of a woodchipper \$60,000 funded by a \$60,000 transfer from Capital Projects Reserve.
- Increase City Hall Renovation project \$839,235 funded by a \$839,235 transfer from Capital Projects Reserve.
- Reduce transfer from Capital Projects Reserve \$1,000,000 and increase transfer from Other Capital Grants \$1,000,000 for the Re-imagined Central Park project.

Summary of Impact of Spring Budget Adjustment on Budget 2025:

	2025 Interim Budget	2024 Operating Tax Funded Carry Forwards	2025 Spring Budget Adjustments	2025 Net Tax Decrease	2025 Final Budget
<u>Municipal Operating</u>					
Revenues	125,779,000		(513,600)	(135,736)	125,129,664
Expenses	113,647,000	95,654	664		113,743,318
Transfers To/(From) Reserve	12,132,000	(95,654)	(650,000)		11,386,346
<u>Utility Operating</u>					
Revenues	31,630,000				31,630,000
Expenses	24,266,000		113,080		24,379,080
Transfers To/(From) Reserve	7,364,000		(113,080)		7,250,920
<u>Capital</u>					
Revenues	22,594,000		1,000,000		23,594,000
Capital Expenditures	33,080,000		899,235		33,979,235
Transfers To/(From) Reserve	(10,486,000)		100,765		(10,385,235)

Legislative Authority

- *Municipal Government Act*, Sections 242(3) - An interim budget operating budget for part of a calendar year ceases to have any effect when the operating budget for that calendar year is adopted.
- CP-1060-24 - Reserves and Accumulated Surplus

OPTIONS / ALTERNATIVES:

Council can choose to make changes to any of the items identified for Spring Budget Adjustment or add to the list of adjustments. This would require further analysis and budget revision.

CONSULTATION / ENGAGEMENT:

The review process for the recommended Spring Budget Adjustment included input from the City's executive and senior leadership.

IMPLEMENTATION / COMMUNICATION:

All recommended changes, once approved by Council, will become part of the Spring Budget Adjustment for determination of the City's final 2025 budget. The adjustment reduces the tax rate. The updated 2025 budget will be made public by posting to the City of Spruce Grove's website.

IMPACTS:

This decision will allow for the update and finalization of the 2025 budget.

FINANCIAL IMPLICATIONS:

If approved by Council, the proposed 2025 Municipal Operating Budget will reduce the tax increase to 3.66 per cent from the 3.9 per cent increase approved in December 2024. For a typical homeowner with a house valued at \$408,824, this tax increase would result in a \$8.28 monthly increase to their municipal property tax bill.