



Request for Decision

TO: Mayor & Council

FROM: Jason Turfrey, Chief Financial Officer

DATE: December 12, 2023

SUBJECT: 2024 Interim Operating Budget – City of Chestermere

RECOMMENDATION: Request Council to approve the Interim Operating Budget for the City of Chestermere, as presented in this document for \$56.5M.

This Budget will remain in place until a new council is elected and will approve the 2024 Operating Budget.

2024 INTERIM OPERATING BUDGET: FINANCIAL TABLES & ASSUMPTIONS

The Budget has been balanced and basis for development of the Budget was a bottom-up approach commonly referred to as “zero-based budgeting”. Each division rebuilt their budgets from scratch using comparatives from both 2023 actuals and the approved 2023 Operating Budget, having to justify those expenditures. The basis for the municipal tax revenue was consistent with how it has been modelled previously, using the prior year’s mill rate, current resident tax roll and the market assessment increase provided by the City’s appraiser. In using those principles, **we balanced the budget without including additional municipal tax revenue through increasing the mill rate.**

Key drivers for \$4.2M increase in Operating Budget 2023 vs. 2024:

- Personnel expenses are the primary driver for the overall increase in the operating budget year-over-year (YoY). Specifically, the following:
 - CGI increased full time equivalent (FTE) staff by 12 people over 2023, justified by offset in revenue generation through development permits.
 - Community Operations & Safety increase is primarily attributed to Fire Service (\$1.2M) and assumption that the City will approve the construction of a second fire hall in 2024. The 2024 Operating Budget includes 4 new fire fighters and related equipment. In

addition, there was an error in the 2023 Budget allocations (\$0.7M) which impacts the variance YoY and they have included 2 additional CPO in 2024 due to being understaffed in 2023.

- Corporate Services has added personnel in Strategic Advisory Group, Economic Development and Office of Directors (\$1.3M), in addition to increasing the level of community events and engagements.

Summary - 2024 Interim Operating Budget:

	2022 Budget	2022 Actual	2023 YTD Actual	2023 Budget	2024 Budget	2023 Actual vs Budget
CGI REVENUE	3,988,417	5,166,589	6,563,882	4,283,038	5,133,629	\$2,280,844
CORPORATE SERVICES REVENUES	1,930,578	2,420,158	2,589,236	2,332,283	2,571,212	\$256,953
COMMUNITY OPERATION REVENUES	8,664,545	9,384,434	7,533,194	10,264,407	9,748,951	-\$2,731,213
COMMUNITY SAFETY REVENUES	2,549,758	1,342,183	1,364,031	2,664,539	2,338,451	-\$1,300,508
ECONOMIC DEVELOPMENT REVENUES	100,000	115,705	122,590	115,000	120,000	\$7,590
COUNCIL REVENUES	10,500	818				\$0
GENERAL GOVERNMENT REVENUE (TAXES MUNICIPAL & EDUCATION)	35,240,103	34,817,278	33,131,624	32,690,000	36,706,706	\$441,625
TOTAL REVENUE	52,483,901	53,247,165	51,304,557	52,349,267	56,618,949	
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	2022 Budget	2022 Actual	2023 YTD Actual	2023 Budget	2024 Budget	2023 Actual vs Budget
CGI EXPENSES	4,407,121	3,395,489	3,696,401	3,445,788	4,791,796	\$250,613
CORPORATE SERVICES EXPENSES	8,280,378	8,825,026	8,081,210	8,948,552	9,961,367	-\$867,343
COMMUNITY OPERATION EXPENSES	16,583,003	18,132,029	13,362,727	17,194,922	17,302,193	-\$3,832,195
COMMUNITY SAFETY EXPENSES	10,040,368	9,243,033	8,544,401	10,076,610	11,307,297	-\$1,532,209
ECONOMIC DEVELOPMENT/STRATEGIC EXPENSES	106,500	141,591	157,429	268,840	838,038	-\$111,411
COUNCIL EXPENSES	621,043	557,485	574,611	725,480	781,113	-\$150,869
GENERAL GOVERNMENT EXPENSES (TAXES, WEBSTER LOAN PAYMENT)	12,445,489	11,653,306	8,447,269	11,689,075	11,637,144	-\$3,241,805
TOTAL EXPENSE	52,483,901	51,947,940	42,864,049	52,349,267	56,618,949	
REVENUE VS EXPENSE	-	1,299,225	8,440,509	-	-	



Detailed Budget breakdown:

	2022 Budget	2022 Actual	2023 YTD Actual	2023 Budget	2024 Budget	2024 vs 2023 Budget
Taxes	32,013,227	31,407,039	30,653,089	29,193,328	33,496,706	4,303,378
Sale of Good and User Charges	8,042,945	7,466,203	7,897,514	8,195,755	8,422,318	226,563
Penalty and Cost on Taxes	348,000	294,782	291,929	320,000	320,000	0
Licenses and Permits	2,716,000	3,319,665	4,214,635	3,134,431	3,266,150	131,719
Investment Income	736,335	1,092,913	803,978	742,000	814,000	72,000
Government Transfer - Grants	1,753,309	1,537,642	801,324	1,710,108	1,535,803	-174,305
Draw From Restricted Surplus		751,311	365,689	752,034	20,656	-731,378
Draw From Equity (Non Cash)	6,874,085	7,194,020	6,276,399	8,301,611	8,743,316	441,705
Gain/loss on TCA		183,590				
Total	52,483,901	53,247,164	51,304,557	52,349,267	56,618,949	4,269,682
	2022 Budget	2022 Actual	2023 YTD Actual	2023 Budget	2024 Budget	2024 vs 2023 Budget
Salaries, Wages, Benefit	17,300,722	15,765,987	16,179,748	16,285,102	20,531,185	4,246,083
Amortization Expenses	6,874,085	7,377,610	6,276,399	8,301,611	8,743,316	441,705
Other Contracted & General Services	1,024,727	791,923	1,015,741	1,209,083	1,261,252	52,169
Legal	272,600	523,849	609,514	500,000	350,000	-150,000
Audit	194,280	242,785	195,765	141,200	143,200	2,000
Telephone/internet	199,619	156,252	157,077	172,265	131,000	-41,265
Staff Expenses (training & development)	416,901	446,799	518,556	728,460	760,046	31,586
Insurance	369,114	334,017	376,304	373,616	407,968	34,352
Consulting Services (Personnel contracted)	2,389,344	2,234,003	1,472,461	1,871,670	2,186,597	314,927
Rental & Leases	219,340	120,398	189,856	180,684	255,242	74,558
Repairs & Maintenance	627,815	558,098	616,071	671,729	759,416	87,687
Purchase from other Gov't	15,634,119	14,478,700	10,508,606	15,159,273	16,361,148	1,201,875
Goods & Supplies	1,264,290	1,407,768	1,239,413	1,252,663	1,427,346	174,683
Utilities	1,135,775	1,204,118	893,654	1,280,489	1,392,058	111,569
Transfer to other organizations/Individuals	1,339,270	997,407	896,105	1,254,664	1,249,394	-5,270
Interest on Long term debts	252,917	235,311	244,503	209,460	172,694	-36,766
Debenture Principal	1,989,390	2,732,202	1,202,381	1,980,799	447,088	-1,533,711
Bank Charges	36,240	47,620	43,668	38,000	40,000	2,000
Added to Restricted Surplus	943,354	1,322,235	228,226	738,500		-738,500
Total Expenses	52,483,901	50,977,081	42,864,049	52,349,267	56,618,949	
REVENUE VS EXPENSE	-	2,270,083	8,440,509	-	-	



IMPLICATIONS: Approval of an interim operating budget for 2024 is required to enable the City of Chestermere to continue to operate as an ongoing concern and perform its municipal responsibilities, as set out in the Municipal Government Act.

RISK: Without an operating budget the City of Chestermere would not be able to continue to provide essential services to the residents of Chestermere and operate as an ongoing concern.

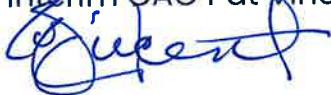
RELATED POLICIES, BYLAWS & LEGISLATION: MGA Section 283.1 Financial Plans & Capital Plans

PREVIOUS REPORTS/COUNCIL DECISIONS (IF ANY):

COUNCIL OPTIONS:

- Council can choose to support the proposed recommendation.
- Council can choose to receive new options regarding the key issue.
- Council can choose to not support the proposed recommendation (and rescind previous motion regarding key issue if any).

APPROVED BY: Interim CAO Pat Vincent

A blue ink signature of the name Pat Vincent.