



Budget Development

Financial Services – Analysis and Reporting Policy C31

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| Policy: | C31 – Budget Development |
| Policy Department(s): | Financial Services – Analysis and Reporting |
| Adoption Date: | February 24, 2020 |
| Adoption Reference: | CM20200224.043 |
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Policy Purpose

To ensure compliance with legislative requirements, set guidelines for budget development, address roles, responsibilities, and timelines of the budget process to aid the County in providing financial stewardship, accountability, and transparency in allocating its resources.

Policy Statement

Administration will prepare an operating and capital budget each year that is in alignment with Council guidelines and long-term strategic plan following the budget process, timelines and requirements as defined in this policy.

Definitions

“Administration” means the CAO and Directors of the County of Grande Prairie No. 1.

“Budget” means the Council approved financial plans and capital plans.

“Chief Administrative Officer” (CAO) means the person appointed by Council to the position of Chief Administrative Officer under the Municipal Government Act for the County or designate.

“Council” means the duly elected Council members of the County of Grande Prairie No. 1.

“County” means the municipality of the County of Grande Prairie No.1 having jurisdiction under the Municipal Government Act and other applicable legislation.

Policy Guidelines

Budget Process

1. Budget steps will be as follows:
 - 1.1. A preliminary budget meeting will be held each year in July. The Director of Financial Services will present Council with an overview of the basis of the budget preparation with consideration of items such as assessment, economic outlook, inflation, union agreements, government funding, other funding and historical comparisons.



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- 1.2. Council will approve budget guidelines that are to be followed by Administration in the preparation of the budget including:
 - 1.2.1 Municipal tax rate expectations;
 - 1.2.2 Acceptable percentage increase (or decrease) in operating expenditures;
 - 1.2.3 Expectations on service levels (maintain, enhance, new);
 - 1.2.4 Expectations on infrastructure levels (maintain or replace, enhance and new);
 - 1.2.5 Expectation on staffing levels (maintain, enhance, new); and
 - 1.2.6 Identify and recommend an annual increase of cost-of-living allowance (COLA) in consultation with the Human Resources Advisory Committee (HRAC).
2. Finance will review the Schedule of Fees, with support from departments, to identify any changes, which will then be brought to Council for approval.
3. Approval of Equipment Replacement Listing: the proposed equipment replacement listing may be presented to Council prior to budget deliberations in accordance with Policy C29 Capital Equipment Replacement to meet procurement requirements. Replacement items will be determined in accordance with Policy N44 – Asset Management.
4. Finance will meet with Department Managers to develop a three-year financial plan, a five-year capital plan, and business cases within the budget guidelines established by Council. The initial departmental review to be completed by August 31 of each year.
5. Managers will review their proposed departmental budget and business cases with Directors. At this time Directors can make additions or deletions. Director review to be completed by September 30 of each year.
6. Finance will consolidate the proposed multi-year County budget for review by Directors. Final adjustments will be made as recommended for presentation to Council. A list of business cases that will be presented to council will be finalized. Consolidated review to be completed by October 31 of each year.
7. Business cases will be presented to Council between October and November. This is for informational purposes and no decision will be required by Council at this time. Business cases will not be included in the proposed budget until approved by Council unless an exception has been given by the CAO.
8. Grant deliberations will be held in the first week of November. Budgeted grant funds will be allocated in accordance with Policy K10 - Capital Grants.



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9. Finance will prepare the interim budget package. The package will be completed two weeks prior to the scheduled budget deliberation meetings for Council review and will include items detailed in section 13 of this policy.
10. Interim budget deliberation meetings with Council will be held prior to the December 31 adoption requirement date as per the Municipal Government Act.
11. The budget will be updated to reflect council motions made subsequent to Interim Budget and other significant changes as required. Additional business cases may be presented to council with approval from Administration. Final budget will be presented to council in April of the following year with the final assessments and requisition amounts.
12. Once the County adopts the final budget for the year the tax rates can be set, and the property tax bylaw will be approved.

Budget Compilation

13. Finance will compile an interim budget package for Council review that contains the following documents:
 - 13.1 Table of Contents
 - 13.2 Strategic Goals and Directives
 - 13.3 Summary of Assumptions made by Administration
 - 13.4 Summary of changes presented between proposed and adopted budget
 - 13.5 Organizational Chart Including Summary of Position counts with change from prior year to current year
 - 13.6 Assessment projections & economic forecast
 - 13.7 Budget overview with and without business cases/position requests
 - 13.8 Summary of three-year consolidated operating and capital revenue and expenditures by object type and by function
 - 13.9 Three-year operating budget with:
 - 13.9.1 Revenue summary and breakdown by major type/fund
 - 13.9.2 Narrative and/or graphic overview of County's budgetary fund structure. Revenue sources described should represent at least 75% of the total revenues of all appropriated funds
 - 13.9.3 Expense summary and breakdown by major asset class and function.
 - 13.10 Five-Year capital budget with:
 - 13.10.1 Funding source summary and breakdown by major type including grants,



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- 13.10.2 Expense summary and breakdown by major asset class and function.
The Capital plan will include new expenditures not previously approved.
Carry overs will be accounted for separately.

- 13.10.3 Capital Expenditures defined.

- 13.11 Long term debt summary including debt limits, amount of principal and interest payments presented through maturity.

- 13.12 Projected reserve balance summary.

- 13.13 Business cases with financial impacts.

- 13.14 Organizational charts with position count summary.

- 13.15 Summary by department that includes percentage increase/decrease from one year to the next. Explanation on significant variances will be provided.

- 13.16 Proposed funding options.

14. Financial data is recommended to include the following comparisons:

| PY1 Actual | CY Approved Budget | <i>and /or</i> CY Projected Budget | FY1 Proposed Budget | \$ Change from CYA to FY1 | % Change from CYA to FY1 | FY2 Proposed Budget | FY3 Proposed Budget |
|---------------|--------------------------|--|---------------------------|---------------------------------------|--------------------------------|---------------------------|---------------------------|
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* PY1 refers to prior year 1, CY refers to current year and FY1,2,3 refers to future years 1,2,3 respectively.

Revenues

15. Revenue estimates must be realistic and conservative. They should be reviewed and developed based upon an analytical process which includes consideration of past and expected future trends. Revenues that are not expected to continue or be ongoing should not be used to fund ongoing expenditures.

Expenses

16. Unbudgeted Expenditures outside of the annual budget process will be handled in accordance with Policy C19 – Unbudgeted Expenditures.

Attachments

N/A

References

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| Legal Authorities | Municipal Government Act, RSA 2000, c M-26 |
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| Related Plans, Bylaws, Policies, Etc. | Policy B1 – Policy Development Policy C29 – Capital Equipment Replacement Policy C19 – Unbudgeted Expenditures Policy N44 – Asset Management Policy K10 - Capital Grant |
| Other | Administrative Directive FNS6: Business Plan and Business Case Guidelines |

Revision History

| Review Date | Description |
|--------------------|-------------------------------------|
| July, 2023 | Reviewed and Amended CM20230717.008 |
| August 8, 2022 | Reviewed and Amended CM20220808.004 |
| February 24, 2020 | Adoption Date CM20200224.043 |