



**TOWN OF CANMORE
AGENDA**

Finance Committee

Council Chamber at the Canmore Civic Centre, 902 – 7 Avenue

Tuesday, November 26, 2024 at 9:00 a.m.

- 9:00 – 9:05 **A. CALL TO ORDER AND APPROVAL OF AGENDA**
- 1. **Land Acknowledgement**
 - 2. **Agenda for the November 26, 2024 Finance Committee Meeting**
- B. DELEGATIONS – none**
- C. MINUTES**
- 9:05 1. **Minutes of the November 21, 2024 Finance Meeting**
- D. STAFF REPORTS**
- 9:05 – 10:05 1. **High Level Overview – Town Budget and the Pressures of Growth**
 Purpose: To provide the Finance Committee with a high-level overview of the proposed budget and business plans for 2025-2030 as well as identify some of the key pressures and impacts.
- 10:05 – 10:35 2. **New Proposed Approach – Corporate Administrative Transfer (Verbal Report)**
 Purpose: For information.
- 10:35 – 10:50 **Meeting Break**
- 10:50 – 11:35 3. **Water Utility Model (Verbal Report)**
 Purpose: For information.
- 11:35 – 12:05 4. **SWS Utility Model (Verbal Report)**
 Purpose: For information.
- 12:05 – 1:05 **Lunch Break**
- 1:05 – 1:45 5. **Proposed Livability Tax Program Budget (Verbal Report)**
 Purpose: For information
- E. CLOSED SESSION – none**
- 1:45 **F. ADJOURNMENT**

TOWN OF CANMORE
MINUTES
Finance Committee
Council Chamber at the Civic Centre, 902 – 7 Avenue
Thursday, November 21, 2024 at 11:00 a.m.

FINANCE COMMITTEE MEMBERS PRESENT

Sean Krausert	Mayor
Karen Marra	Deputy Mayor
Tanya Foubert	Councillor
Wade Graham	Councillor
Jeff Hilstad	Councillor
Joanna McCallum	Councillor

FINANCE COMMITTEE MEMBERS ABSENT

Jeff Mah Councillor (absent for motions 9-2024FIN and 10-2024FIN)

ADMINISTRATION PRESENT

Sally Caudill	Chief Administrative Officer
Therese Rogers	General Manager of Corporate Services
Whitney Smithers	General Manager of Municipal Infrastructure
Scott McKay	General Manager of Municipal Services
Chelsey Gibbons	Manager of Finance
Adam Robertson	Manager of Communications
Ben Stiver	Municipal Clerk

Mayor Krausert called the November 21, 2024 Finance Committee meeting to order at 11:05 a.m.

A. CALL TO ORDER AND APPROVAL OF AGENDA

- 1. Land Acknowledgement**
- 2. Agenda for the November 21, 2024 Finance Committee**

9-2024FIN Moved by Mayor Krausert that Council approve the agenda for November 21, 2024 Finance Committee meeting as presented.

CARRIED UNANIMOUSLY

B. DELEGATIONS – none

C. APPROVAL OF MINUTES

- 1. Minutes of the April 23, 2024 Finance Committee**

10-2024FIN Moved by Mayor Krausert that Council approve the minutes of the April 23, 2024 Finance Committee meeting as presented.

CARRIED UNANIMOUSLY

Councillor Mah arrived at the meeting at 11:10 a.m.

D. STAFF REPORTS

1. Auditor Appointment for 2024

11-2024FIN

Moved by Mayor Krausert that the Finance Committee appoint Avail CPA as the external financial author for the Town of Canmore for the fiscal year ending December 31, 2024.

CARRIED UNANIMOUSLY

2. Pre-Audit Report

Michelle Lutz and Calvin Scott from Avail CPA presented the pre-audit report.

12-2024FIN

Moved by Mayor Krausert that the Finance Committee close the meeting to the public at 11:23 a.m. to prevent disclosure of personnel evaluations in accordance with section 17(4)(f) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED UNANIMOUSLY

Administration present at the closed session: None.

13-2024FIN

Moved by Mayor Krausert that the Finance Committee return to the public meeting at 11:27 a.m.

CARRIED UNANIMOUSLY

3. Plan for 2025 Budget Approval and Timing

Administration spoke to a written report to inform the Finance Committee about Administration's plan with regards to the revised timing of the 2025 budget approval.

4. High Level Stage Setting for 2025 – External Impacts

Administration provided a verbal overview of the External Impact of High Level Stage Setting for 2025.

Lunch Break 12:10 p.m. – 1:10 p.m.

5. Provincial Downloading

Administration provided an overview of the Provincial Downloading documentation.

6. Strategic Plan Review, Policy Review, and Economic Update

Administration provided an overview of the Strategic Plan Review, Policy Reviews, and Economic Update.

E. CLOSED SESSION

1. Confidential – Pre-Audit Report

Addressed during agenda item D2.

F. ADJOURNMENT

14-2024FIN

Moved by Mayor Krausert that Council adjourn the November 21, 2024 Finance Committee meeting at 2:14 p.m.

CARRIED UNANIMOUSLY

Minutes approved by: _____

Sean Krausert
Mayor

Ben Stiver
Municipal Clerk

Minutes approved by: _____



Briefing

DATE OF MEETING: November 26, 2024 **Agenda #: D 1**

TO: Finance Committee

SUBJECT: High Level Overview – Town Budget and the Pressures of Growth

SUBMITTED BY: Chelsey Gibbons, Manager of Finance

PURPOSE: To provide the Finance Committee with a high-level overview of the proposed budget and business plans for 2025-2030 as well as identify some of the key pressures and impacts.

EXECUTIVE SUMMARY

High levels of inflation, rising costs, higher borrowing costs due to increased rates, and decreased funding from all levels of government have led to an increase in the Town’s budget required to provide the same services to the same levels as in previous years. Additionally, the Town has very limited revenue sources. In recent years, to the extent that new sources of revenue have been introduced, such as paid parking, those revenues have been tied to specific usages by policy, and so are not flexible and available to address other budgetary pressures or concerns.

The Town is also changing. In recent years, the pace of change and growth in the community has accelerated and is anticipated to further accelerate into the future. When examining the average of approved construction value, the average for 2023 and 2024 is approximately 70% higher than the previous five-year average. As this growth is outside of the Town’s control and completion dates would vary, the timing is difficult to predict, but emphasis has been placed this cycle on working to start to anticipate the changes and ensure the services and infrastructure provided the Town are set up for the future. This is especially challenging given in the environment of the financial constraints previously identified.

The 2025 and 2026 Operating Budgets ensure funds are in place for the delivery of operating programs and services. Total expenditures and transfers are budgeted at \$95.4 million in 2025 and \$101.8 million in 2026. Each of the years includes \$9 million related to the new Livability Tax Program, the budget for which will be discussed separately later this meeting. This is up from \$77 million in 2024, which was prior to the Livability Tax Program.

Revenues and transfers from all other sources other than taxation are \$49.0 million in 2025 and \$52.6 million in 2026, with the balances funded through municipal taxes, \$37.4 million in general municipal taxes and \$9 million from the Livability Tax Program in 2025 and \$40.2 million in general municipal taxes and \$9 million from the Livability Tax Program in 2026.

The resulting proposed tax increase, excluding the new livability tax program, is 5.6% in 2025 and 5.6% in 2026, net of growth.

BACKGROUND/HISTORY

On June 18, 2024, at the Committee of the Whole meeting, Administration provided an update on the planning and process for developing the Budgets and Business Plans for 2025-2030.

DISCUSSION

In preparing the 2025-2026 budget, the approach taken was to bring forward a plan representing the continued services and programs at 2024 service levels, while accommodating for growth of the community where required, particularly considering the pace of growth is expected to increase.

Proposed operating expenses have been increased with expected levels of inflation and any new contract pricing for existing work.

Salaries, wages, and benefits include the cost-of-living adjustment (COLA) and equity and market adjustments in accordance with employee pay policies as well as acknowledging Canmore's cost of living is significantly higher than in other Alberta communities.

The status quo scenario includes additional staff and resources required to maintain existing programs and services at existing service levels and as previously identified and accepted by Council as part of a budget plan. It also includes the continued phase-in plan for increases to fire staffing.

Reserve contributions are included in the status quo budget at the recommended levels in the long-term financial strategy and existing practices and policies. These contribution levels will be revisited in the future following planned completion of an update to the long-term financial strategy.

The only new program or increase to the level of service is with regards to the implementation of the Livability Tax Program in 2025. The budget for this program will be discussed later in the meeting.

No new initiatives to implement Council's 2023-2026 Strategic Plan are included in this status-quo budget; instead, they will be included on the options list for Finance Committee's consideration.

This budget reflects the cost of delivering existing services to the community. As the community grows, we need to determine sustainable service levels that can be reasonably achieved within the tax base. A service level review process has been underway to identify the highest priority areas and resources required to deliver those services and manage expectations. In the preparation of this budget, this information was considered in a preliminary way and this data is likely to further inform future budget decision making.

As caretakers of the community, the Town of Canmore budgets to fund a variety of programs and services that are either legislated, essential, or approved by Council such as:

- services and practices to keep the community safe
- initiatives that improve sustainability
- outdoor spaces and indoor facilities for residents and visitors to enjoy
- a comprehensive transportation network of streets, roads, bridges, sidewalks, pathways, parking lots, and transit that move us through town
- services that provide recreation opportunities, business supports, special events, social supports, neighbourhood connections, and affordability support services

- waste, recycling, and organics collection, water treatment and distribution, wastewater treatment and collection, storm water management, which are all part of the utility rates
- all the physical and virtual infrastructure as well as the human resources required to deliver these benefits.

REVENUES

The Town of Canmore has six major sources of revenue (excluding utilities):

1. Municipal Property Taxes
2. Sales and Rentals
3. Permits and Fines
4. Grants
5. Transfer/Draws from reserves
6. Internal Transfers

Revenues (excluding utilities) and transfers from all sources other than taxation are \$26.5 million in 2025 and \$27.2 million in 2026, with the balances sourced through taxation of \$37.4 million (2025) in general municipal taxes and \$40.2 million (2026) in general municipal taxation, and \$9 million in each year from the taxes collected through the Livability Tax Program. Each source of revenue is budgeted to increase from the 2024 budget, except for grants, again highlighting the challenges facing the budget from decreases in support from one of the major revenue sources.

EXPENSES

An additional \$5.8 million or 10.0% is required in 2025 to fund all existing Town of Canmore tax-supported services based on the status quo (as compared to 2024). An additional \$3.5 million is required in total tax supported expenditures for existing programs and services in 2026. A further \$9 million in each year, collected through the Livability Tax Program will be used to fund the program expenses, provide incentives for purpose build rentals, repay the Town reserves for Housing Action capital project, and start to build a reserve to fund livability initiatives in one or more of the following areas: increasing purpose built rental development, increasing non-market housing including the purchase of related land or property, supporting infrastructure for non-market housing, incentivizing accessory buildings or dwelling units, providing grants to non-profit housing providers who operate or deliver affordable housing to low income households, funding the cost of administering the Livability Tax Program and implementing the initiatives, and/or preserving existing affordable rental housing.

Except for the addition of the Livability Tax Program expenditures, most of the increases to the budget are uncontrollable expenses due to inflation, pre-existing contracts and priorities, and growth-related expenses. There are increases in repairs and maintenance, and growth-related new staffing additions, particularly in corporate services to keep pace with growth in other areas of the organization in recent year in response to corresponding community growth. Town of Canmore policies recommend increases for cost of living related to human resource costs, as well as capital and reserve fund contributions.

Canmore has a Tax Stabilization Reserve to mitigate tax rate increases in cases of an emergent, non-recurring nature. It has been built over time from unbudgeted sources of revenue. No draws are currently proposed from the Tax Stabilization Reserve in either year but could be considered by the Finance Committee.

FINANCIAL IMPACTS

	BUDGET SUMMARY		
	2024	2025	2026
NET BUDGET (EXCL. LIVABILITY TAX PROGRAM)	42,118,953	48,979,171	52,597,308
MUNICIPAL TAXES (EXCL. LIVABILITY TAX PROGRAM)	34,881,584	37,448,516	40,207,190
MUNICIPAL TAX CHANGE (EXCL. LIVABILITY TAX PROGRAM)		2,566,932	2,758,674
TAXES FROM GROWTH		600,000	650,000
CHANGE BY % (EXCL. LIVABILITY TAX PROGRAM)		5.6%	5.6%
CHANGE BY % (FOLLOWING IMPLEMENTATION OF LIVABILITY TAX PROGRAM)			4.5%
LIVABILITY TAX PROGRAM TAXES AND EXPENSES		9,000,000	9,000,000

INTEREST HOLDER ENGAGEMENT

Funding requests received from affiliates and partners have been included, along with the significant work completed by the internal Strategic Leadership Team.

ATTACHMENTS

N/A – Detailed reports on the operating budget will be included for upcoming meetings

AUTHORIZATION

Submitted by:	Chelsey Gibbons Manager of Financial Services	Date:	<u>November 20, 2024</u>
Approved by:	Therese Rodgers GM of Corporate Services	Date:	<u>November 21, 2024</u>
Approved by:	Sally Caudill Chief Administrative Officer	Date:	<u>November 21, 2024</u>