

Policy

Title:	BUDGET DEVELOPMENT
Policy Number:	ADM-12-28
Effective Date:	2024-12-18
Resolution:	649-24
Department Responsible:	Finance/Administration
Supersedes Policy No:	N/A
Next Review Date:	2027-12-18

POLICY STATEMENT:

To ensure compliance with legislative requirements, set guidelines for budget development, address roles, responsibilities, and timelines of the budget process to aid the Municipal District of Lesser Slave River No. 124 in providing financial stewardship, accountability, and transparency in allocating its resources.

DEFINITIONS:

Administration means the CAO and Directors of the Municipal District of Lesser Slave River No. 124.

Budget means the Council approved financial plans and capital plans.

Chief Administrative Officer (CAO) means the person appointed by Council to the position of the Chief Administrative Officer under the *Municipal Government Act* for the Municipal District of Lesser Slave River No. 124 or designate.

Council means the duly elected Council member of the Municipal District of Lesser Slave River No. 124.

MDLSR means the Municipal District of Lesser Slave River No. 124

Operational Director, Finance and Central Services means the person appointed by the CAO who is responsible for overseeing the municipality's financial planning, budgeting, and management for the Municipal District of Lesser Slave River No. 124 ensuring compliance with provincial legislation, municipal bylaws, and best practices in financial governance.



PRINCIPLE:

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.

Budget Process

1. Budget steps will be as follows:
 - a. A preliminary budget meeting will be held each year in September. The Operational Director, Finance and Central Services will present Council with an overview of the basis of the budget preparation with consideration of items such as assessment, economic outlook, inflations, inter-municipal, government funding and historical comparisons.
 - b. Council will approve budget guidelines that are to be followed by Administration in the preparation of the budget including:
 - i. Municipal tax rate expectations;
 - ii. Acceptable percentage increase (or decrease) in operating expenditures;
 - iii. Expectations on service levels (maintain, enhance, new);
 - iv. Expectations on infrastructure levels (maintain or replace, enhance and new);
 - v. Expectation on staffing levels (maintain, enhance, new); and
 - vi. Identify and recommend an annual increase of cost-of-living allowance (COLA) in consultation with Human Resources. (As per existing policy).
2. Finance will review the Fees for the Provision of Services Bylaw, 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 ADM-12-15, Asset Disposal. Capital Equipment Replacement to follow procurement requirements. Replacement items will be determined in accordance with the Policy ADM-12-11, Tangible Capital Assets.
4. Finance will meet with Department Directors/Managers to develop a three-year financial plan, a ten-year capital plan, and business cases within the budget guidelines established by Council. The initial departmental review to be completed by September 30 of each year.
5. Directors/Managers will review their proposed departmental budget and business cases with Finance and CAO. At this time Directors/Managers can make additions or deletions. Finance/CAO review to be completed by October 30 of each year.



6. Finance will consolidate the proposed multi-year MDLSR budget for review by Directors/Managers. 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 November 30 of each year.
7. Business cases will be presented to Council as part of the budget process. 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 as per Council direction.
9. Finance will prepare the interim budget package. The package will be completed one week 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 the 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 by April of the following year with the final assessments and requisition amounts.
12. Once the MDLSR 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:
 - a. Table of Contents
 - b. Strategic Goals and Directives
 - c. Summary of Assumptions made by Administration



- d. Summary of changes presented between proposed and adopted budget
- e. Organizational Chart including Summary of Position counts with change from prior year to current year
- f. Assessment projections & economic forecast
- g. Budget overview with and without business cases/position requests
- h. Summary of three-year consolidated operating and capital revenue and expenditures by object type and by function
- i. Three-year operating budget with:
 - i. Revenue summary and breakdown by major type
 - ii. Narrative and/or graphics overview of the MDLSR budgetary fund structure. Revenue sources described should represent at least 75% of the total revenue of all appropriated funds
 - iii. Expense summary and breakdown by major asset class and function
- j. Ten-year capital budget with:
 - i. Funding source summary and breakdown by major type including grants,
 - ii. Expense summary and breakdown by major asset class and function. The Capital plan will include new expenditures not previously approved. Carryovers will be accounted for separately.
- k. Long-term debt summary including debt limits, amount of principal and interest payments presented through maturity.
- l. Projected reserve balance summary, and possible recommendation of transfer
- m. Business cases with financial impacts.
- n. Organizational charts with position count summary.
- o. Summary by department that includes percentage increase/decrease from one year to the next. An explanation of significant variances will be provided.
- p. Proposed funding options



14. Financial data is recommended to include the following comparisons:
- i. Prior Year Actual
 - ii. Current Year Approved Budget
 - iii. And/or Current Year Projected Budget
 - iv. Future Year 1 – Projected Budget
 - v. \$ Change from Current Year Approved Budget to Future Year 1 – Projected Budget
 - vi. % Change from Current Year Approved Budget to Future Year 1 - Projected Budget
 - vii. Future Year 2 - Projected Budget
 - viii. Future Year 3 - Projected Budget

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 ADM-12-03 Non-Budgeted Expenditures.

“Original Signed”

January 14, 2025

Barry Kolenosky
Chief Administrative Officer

Date

“Original Signed”

January 14, 2025

Murray Kerik
Reeve

Date

RELATED DOCUMENTS:

- Fees for the Provision of Services Bylaw**
- ADM-12-09 – Procurement of Goods and Services Policy**
- ADM-12-10 – Reserve Policy**
- ADM-12-11 – Tangible Capital Assets**
- ADM-12-15 – Asset Disposal Policy**
- ADM-12-26 – Asset Management Policy**

