



# Staff Report to Council

Financial Services

FILE: 01-0450-01/25

**REPORT DATE:** October 27, 2025

**MEETING DATE:** November 24, 2025

**TO:** Mayor and Council

**FROM:** Laura Barroetavena, Director of Financial Services

**SUBJECT:** 2026 Draft Business Plan - Financial Services

**CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:**

A blue ink signature of a person's name, likely the Chief Administrative Officer, written in a cursive, handwritten style.

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**RECOMMENDATION(S):**

THAT Council:

- A. Receive for information the Financial Services 2026 Draft Business Plan and Staff Report as presented at the November 24, 2025 meeting of Council; OR
- B. Other.

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**PURPOSE**

To present the 2026 Draft Business Plan for Financial Services.

Information Report       Decision Report       Direction Report

**DISCUSSION**

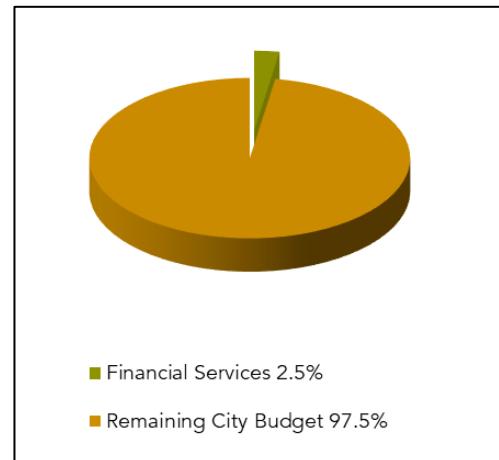
**DEPARTMENT OVERVIEW**

Financial Services provides interdepartmental support and public interfaces that promote the effective, efficient and transparent operation of the city to ensure fiscal responsibility and good stewardship of the City's assets. This is accomplished by providing long-term financial planning, annual budget development, property tax and utility calculation and collection, treasury and cash management, purchasing expertise and administration, as well as statutory financial reporting.

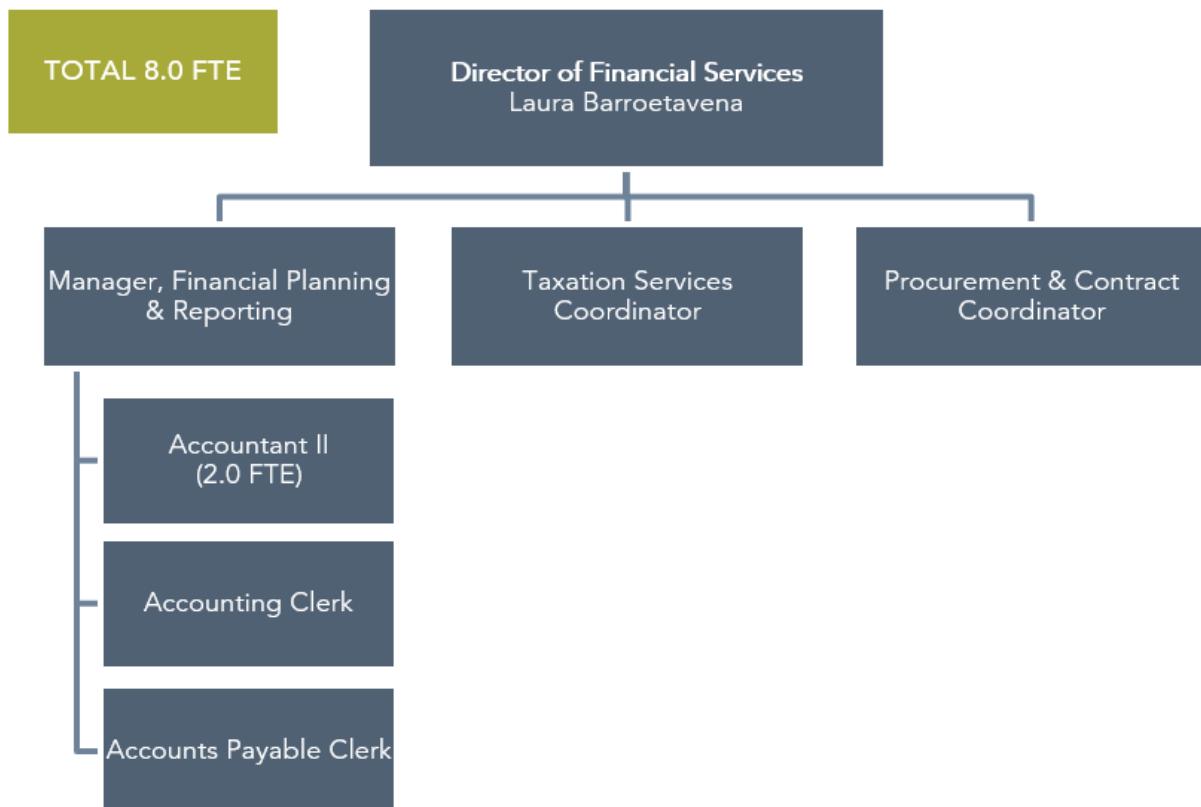
**Operating Budget:** \$944,000

**Capital Budget:** \$20,000

**% Share of overall City Budget:**



## Staff Complement



## Forecasted Position Adjustments

None.

## Key Performance Measures

Financial Services	2020	2021	2022	2023	2024
<b>Number of Tax Folios</b>	7,350	7,452	7,526	7,594	7,610
<b>Tax Deferment Applications</b>	272	291	309	323	369
<b>Current Year Taxes Outstanding</b>	2.25%	1.8%	1.4%	1.3%	1.28%
<b>Procurement Tenders, RFPs, other</b>	14	26	21	25	12
<b>Accounts Payable Invoices</b>	\$38M	\$43M	\$55M	\$47M	\$56M
<b>Accounts Payable Invoices – Quantity*</b>	4,999	5,771	5,967	5,958	6,351
<b>Accounts Payable Payments via EFT</b>	79%	78%	76%	79%	77%
<b>Purchasing Card Transactions *</b>	\$362K	\$383K	\$614K	\$626K	\$604K
<b>Banking Deposits - Quantity</b>	3,243	4,387	4,546	4,691	4,847
<b>Canadian Award for Financial Reporting</b>	Y	Y	Y	Y	In progress

## Deferred Projects

As a result of priorities that emerged throughout the year, the following 2025 business plan initiatives were deferred:

- **FINANCIAL SERVICES REPORTING AND RECORDKEEPING TOOLS.** This initiative has been delayed to be considered within the scope of phase 1 of the ERP Replacement Capital project co-led by IT and Finance.
- **PROPERTY INSURANCE.** Due to staff vacancies this initiative has been deferred to 2026. Staff will work with MIABC in 2026 to complete a review of the City's property value(s) and update the insurance policy accordingly and look for additional funding opportunities to cover costs related to completing the appraisal.
- **REQUEST FOR PROPOSAL TEMPLATES.** Due to staff vacancy this initiative will be completed in 2026. Updates to the RFP template will be made to accommodate various procurement needs, simplify format, where applicable, and attract the right level of proponents for the services being procured.

## 2025 Achievements (Top 3)

- **INVESTMENTS.** Consistent with good practice, the City issued an RFP for Investment services in the second quarter of 2025 and has selected two new service providers: RBC Investment and Canaccord. *Corporate Pride - Responsible Financial Management*
- **WATER SERVICES REVIEW.** The City continues to implement actions items stemming from the review, monitor water consumption, and refine the water budget based on actual consumption values and maintenance costs to achieve a balanced fund. *Corporate Pride - Responsible Financial Management*
- **POLICY AND BYLAW UPDATES.** The following policies were completed in 2025:

Governance	Policy/Bylaw Name
Council	Tax Prepayment Plan Bylaw No. 3026, 2025
Council	Disposal of Surplus Assets Policy C013
Administrative	Grant Management Policy A044
Administrative	Budget Position Control Policy A057
Administrative	Cash Handling Policy A058
Administrative	Cash Disbursement Policy A059

*Corporate Pride - Responsible Financial Management*

## Key Challenges for 2026

- **ASSET MANAGEMENT PLAN.** The City will continue to be challenged in achieving the funding gap target and addressing its backlog as a result of cost escalations that arise from expected inflation. This will have a direct impact in the maintenance and replacement of existing assets. Additional funding requirements will arise if assets are expanded or new assets are added, resulting in cost pressures that will need to be covered for future replacement of those assets.
- **TAXATION FROM GROWTH.** To service population growth projections, taxation from growth is allocated to fund increasing operational costs, growth related projects, long-term strategies, and increased service levels. Since the completion of the industrial park, taxation from growth has decreased significantly. The City is anticipating minimal growth until other developments materialize such as: revitalization of the Civic Centre and the North Lougheed area. Therefore, replacement development growth needs to be prioritized to mitigate unfunded costs and associated higher tax increases.
- **WATER SERVICES REVIEW.** There have been a number of improvement recommendations identified during the water services review that, as they are addressed,

will create financial volatility until their financial impacts have stabilized and the water fund balance becomes more predictable. Having said that, the demand on the water system is highly sensitive to climate and therefore, it is expected that a certain level of unpredictability will remain.

- **COST CONTAINMENT.** The City will continue to review and enhance financial analysis of goods and services to identify opportunities for efficiency gains, and cost savings. Developing shared service agreements with other municipalities or shared RFP's for procurement of goods and services will be further explored. Cost benefit analysis of the short term and long term financial impacts will be considered as part of the decision making process.

## Key Initiatives 2026

Strategic Priority	Initiative
Corporate Pride – Responsible Financial Management	<p><b>WATER SERVICES REVIEW.</b> Continue to monitor the water fund balance and incorporate outcomes resulting from the review, these may include, and are not limited to:</p> <ol style="list-style-type: none"> <li>1. Continue to update and refine the budget model</li> <li>2. Continue to investigate discrepancies: water purchased versus water billed</li> <li>3. Explore implementation of seasonal rates</li> <li>4. Explore implementation of Extreme Weather Reserve Fund</li> </ol>
Corporate Pride – Responsible Financial Management	<p><b>ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE ASSESSMENT</b> Assess the City's current ERP systems to identify shortcomings, define clear goals and scope for new system(s), and evaluate organizational readiness, including skills, resources, support, and budget needs. This work represents the first phase of a multi-year initiative to replace and implement a modern ERP solution that will require dedicated staff resources and long-term planning.</p>
Corporate Pride – Responsible Financial Management	<p><b>ASSET MANAGEMENT PLAN – CAPITAL RESERVES.</b> Continue to monitor the City's capital reserves as part of the asset management plan strategy to meet future funding requirements for future asset replacement and renewal.</p>
Corporate Pride – Responsible Financial Management	<p><b>FINANCIAL ANALYSIS AND PROCESS REVIEWS.</b> For 2026, staff will perform a review of Solid Waste services to help inform the 2026 RFP as well as identify opportunity for process improvements to maximize revenues and contain costs.</p>

Strategic Priority	Initiative
Corporate Pride – Responsible Financial Management	<b>PROCUREMENT AND CONTRACTS PROCESS UPDATE.</b> Develop master agreements for multiple goods and services and perform a cost recovery analysis of existing contracts.

### PROPOSED OPERATING BUDGET

	2025 Adopted Budget	2026 Proposed Budget	Proposed Changes for 2026	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget	2030 Proposed Budget
Revenue							
Finance Fees and Charges	\$ (43,800)	\$ (47,500)	\$ (3,700) -8.4%	\$ (48,000)	\$ (48,500)	\$ (49,000)	\$ (49,500)
	(43,800)	(47,500)	(3,700) -8.4%	(48,000)	(48,500)	(49,000)	(49,500)
Expenses							
Financial Services	952,800	991,500	38,700 4.1%	1,025,200	1,059,900	1,096,000	1,133,200
	952,800	991,500	38,700 4.1%	1,025,200	1,059,900	1,096,000	1,133,200
<b>Net Operating Expenses</b>	<b>\$ 909,000</b>	<b>\$ 944,000</b>	<b>\$ 35,000 3.9%</b>	<b>\$ 977,200</b>	<b>\$ 1,011,400</b>	<b>\$ 1,047,000</b>	<b>\$ 1,083,700</b>
<b>Key Budget Changes for 2026:</b>							
Revenue and Recoveries			(3,700)				
Salary and benefits			34,600				
Audit Services			5,400				
Other			(1,300)				
<b>Change in Net Operating Expenses</b>	<b>\$ 35,000</b>						

### PROPOSED CAPITAL BUDGET

Division	Project	2026	2027	2028	2029	2030	Total
<b>DV122 - FINANCIAL SERVICES</b>							
	250016 - Asset Management Plan Update	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ 70,000
	260018 - Accounts Payable Digitization	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
	<b>DV122 - FINANCIAL SERVICES Total</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>

### DECISION PACKAGE(S)

None.

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### PUBLIC PARTICIPATION

Inform       Consult       Involve       Collaborate       Empower

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## **KATZIE FIRST NATION CONSIDERATIONS**

Referral       Yes     No

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### **SIGN-OFFS**

#### **Written by:**

Laura Barroetavena,  
Director of Financial Services

#### **Reviewed by:**

Mark Roberts,  
Chief Administrative Officer

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### **ATTACHMENT(S)**

None.