Staff Report to Council

Financial Services

FILE: 01-0450-01/26

REPORT DATE:	October 26, 2026	**MEETING DATE:**	November 23, 2026
TO:	Mayor and Council		
FROM:	Cheryl Harding, Acting Director of Financial Services		
SUBJECT:	**2027 Draft Business Plan - Financial Services**		

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL: M. Roberts / October 30, 2026

RECOMMENDATION(S):

THAT Council:

A. Receive for information the Financial Services 2027 Draft Business Plan and Staff Report as presented at the November 23, 2026 Council Meeting; OR

B. Other.

PURPOSE

To present the 2027 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.

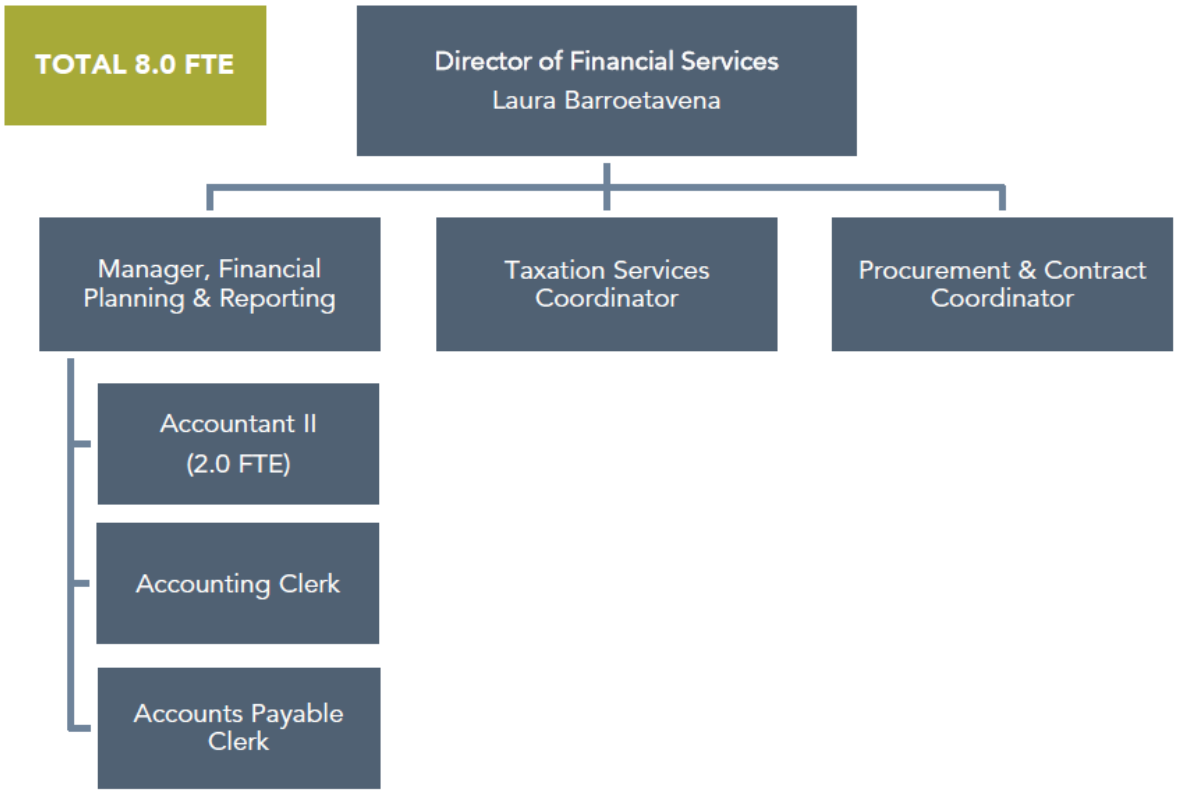
Operating Budget: $990,400

Capital Budget: $28,100

% Share of overall City Budget: 2.5%



Staff Complement:



Forecasted Position Adjustments

Upon Council approval of the 2027 Decision Package for the Enterprise Resource Planning (ERP) System Replacement, one temporary full-time position to backfill the Manager, Financial Planning & Reporting is needed for the implementation period, planned to be two years

(2028/2029). The funding for this position is included in the capital project from applicable reserves and will not increase property taxation.

Key Performance Measures

The following table highlights key divisional statistics:

Performance Measure *Corporate Pride - Responsible Financial Management*	**2025 Actual**	**2026 Forecast**	**2027 Forecast**
Number of Tax Folios	7,616	7,650	7,665
Current Year Taxes Outstanding	1.21%	1.22%	1.23%
Procurement Tenders, RFPs, other	17	25	25
Accounts Payable Invoices	$66.5M	$71.7M	$71.8M
Accounts Payable Invoices – Quantity *	6,919	6,694	6,900
Accounts Payable Payments via EFT	75%	74%	75%
Purchasing Card Transactions *	$598K	$655K	$719K
Banking Deposits - Quantity	5,124	5,595	5,700
Distinguished Budget Presentation Award	Y	Y	In progress
Canadian Award for Financial Reporting	Y	In progress	In progress

**estimates*

Deferred Projects

As a result of priorities that emerged throughout the year, the following 2026 business plan initiatives were deferred:

- **FINANCIAL SERVICES REPORTING AND RECORDKEEPING TOOLS.** This initiative has been delayed for consideration within the scope of the ERP Replacement Capital project co-led by IT and Finance.
- **PROCUREMENT AND CONTRACTS PROCESS UPDATE.** This project has been deferred to 2027 due to other priorities that emerged during the year, as well as increased demand for procurement services.

2026 Achievements (Top 3)

- **ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE ASSESSMENT.** The City is undertaking a multi-year ERP Modernization Project as a core driver of continuous improvement. Phase 1 of the project runs through 2026. This initial phase assessed the City's current systems against modern best practices to identify operational efficiencies,

evaluated potential ERP software options (including costs and benefits), and defined a long-term vision for digital service delivery and ongoing process optimization.
[Corporate Pride – Responsible Financial Management]

- **WATER SERVICES REVIEW.** The City continues to implement action items stemming from the review, monitor water consumption, and refine the water budget based on consumption values and maintenance costs to achieve a balanced fund. [*Corporate Pride – Responsible Financial Management]*

- **POLICY AND BYLAW UPDATES.** The following policies were updated or completed in 2026:

Governance	Policy/Bylaw Name
Council	Council Expense Policy C068
Council	Investment Policy C055
Council	Debt Policy C095
Administration	Purchase Card Policy A026
Administration	Cash Handling Policy A058

[Corporate Pride – Responsible Financial Management]

Key Challenges for 2027

- **ASSET MANAGEMENT PLAN.** Achieving the City's funding gap target and reducing the infrastructure backlog remains a challenge due to expected inflation and an unpredictable geopolitical environment. This combination has introduced volatile cost pressures, material price fluctuations, and supply chain disruptions that directly impact the maintenance and replacement of existing assets. Introducing new or expanded assets will heighten these financial strains by creating additional future replacement liabilities. The path to long-term sustainability involves actively managing costs and service demands alongside a commitment to increase annual reserve contributions beyond the rate of inflation.
- **TAXATION FROM GROWTH.** Tax revenue from population growth funds rising operating costs, growth-related projects, long-term strategies, and enhanced 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 the North Lougheed area. Therefore, replacement development growth needs to be prioritized to mitigate unfunded costs and associated higher tax increases.

- **WATER SERVICES REVIEW.** Progress has been made in addressing the improvement recommendations identified during the water services review. As these actions continue to be implemented, ongoing monitoring and reconciliation will remain in place to manage temporary financial volatility until overall impacts stabilize and the water fund balance becomes more predictable. However, because water system demand is highly sensitive to the climate, a certain baseline level of unpredictability is naturally expected to persist.
- **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.

Key Initiatives 2027

Strategic Priority	Initiative
Corporate Pride – Responsible Financial Management	**ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE MODERNIZATION – PHASE 2.** In conjunction with IT, conduct a detailed requirements analysis, prepare an RFP, evaluate market responses and the costs, risk, benefits and limitations of a full ERP replacement. This work represents the second phase of a multi-year initiative co-led by IT and Finance, subject to Council approval, to replace and implement a modern ERP solution that will require dedicated staff resources and long-term planning. The ERP project will naturally identify opportunities to automate, streamline, and improve our processes.
Corporate Pride – Responsible Financial Management	**ASSET MANAGEMENT PLAN – CAPITAL RESERVES.** 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.
Corporate Pride – Responsible Financial Management	**FINANCIAL STATEMENT RESTRUCTURE.** – The Public Sector Accounting Board (PSAB) has issued Section PS 1202, Financial Statement Presentation along with a revised Conceptual Framework for Financial Reporting in the Public Sector. This change is primarily to the financial reporting model and statement presentation; however, implementation will require substantial Finance effort to redesign the City's financial statement package and the underlying processes that support it. The new PSAB requirement will apply to the City's financial statements for the year ending December 31, 2027.

Strategic Priority	Initiative
Corporate Pride – Responsible Financial Management	**ACCOUNTS PAYABLE DIGITAL INVOICE WORKFLOW.** Implement a centralized digital Accounts Payable (AP) invoice workflow that replaces the current email-and-paper process with a single, trackable electronic record for each invoice. The outcome is a more controlled, auditable, and resilient AP process that supports digital records management, timely invoice processing, and future automation. This continues the focus on AP efficiency improvements.
Corporate Pride – Responsible Financial Management	**PERMISSIVE TAX EXEMPTIONS POLICY C061 REVIEW.** Conduct a review of the Permissive Tax Exemptions Policy to ensure alignment with strategic goals, legislative compliance, and modern municipal practices.

PROPOSED OPERATING BUDGET

	2026 Adopted Budget	2027 Proposed Budget	Proposed Changes for 2027		2028 Proposed Budget	2029 Proposed Budget	2030 Proposed Budget	2031 Proposed Budget
Revenue								
Finance Fees and Charges	$ (47,500)	$ (48,300)	$ (800)	-1.7%	$ (48,300)	$ (48,300)	$ (48,300)	$ (48,300)
	(47,500)	(48,300)	(800)	-1.7%	(48,300)	(48,300)	(48,300)	(48,300)
Expenses								
Financial Services	1,003,400	1,038,700	35,300	3.5%	1,104,500	1,147,700	1,189,000	1,228,300
	1,003,400	1,038,700	35,300	3.5%	1,104,500	1,147,700	1,189,000	1,228,300
Net Operating Expenses	**$ 955,900**	**$ 990,400**	**$ 34,500**	**3.6%**	**$ 1,056,200**	**$ 1,099,400**	**$ 1,140,700**	**$ 1,180,000**
Key Budget Changes for 2027:								
Revenue and Recoveries			(800)					
Salary and benefits			35,300					
Change in Net Operating Expenses			**$ 34,500**					

PROPOSED CAPITAL BUDGET

Division	Project	2027	2028	2029	2030	2031	Total
DV122 - FINANCIAL SERVICES							
	250016 - Asset Management Plan Update	$ -	$ 70,000	$ -	$ -	$ -	$ 70,000
	260018 - Accounts Payable Digitization	$ 26,100	$ -	$ -	$ -	$ -	$ 26,100
	260030 - PROPERTY INSURANCE APPRAISALS	$ -	$ -	$ 15,000	$ -	$ -	$ 15,000
	270022 - Update Asset Useful Lives	$ -	$ -	$ -	$ 10,000	$ -	$ 10,000
	270023 - Annual Questica Version Update	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 10,000
DV122 - FINANCIAL SERVICES Total		**$ 28,100**	**$ 72,000**	**$ 17,000**	**$ 12,000**	**$ 2,000**	**$ 131,100**

DECISION PACKAGE(S)

None.

PUBLIC PARTICIPATION

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

KATZIE FIRST NATION CONSIDERATIONS

Referral ☐ Yes ☒ No

SIGN-OFFS

Written by:	**Reviewed by:**
Cheryl Harding, Acting Director of Financial Services	Mark Roberts, Chief Administrative Officer

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ATTACHMENT(S):

None.