



POLICY

POLICY NO:	314	APPROVAL DATE:	September 3, 2013
TITLE:	Budget Creation	REVISION DATE:	
SECTION:	Finance	PAGE 1 OF 2	
DEPARTMENT:	Corporate Services		

POLICY STATEMENT

The City of Grande Prairie recognizes that the budget process is one of the most significant activities undertaken by City Council. Council is committed to accountable and transparent budgeting practices to ensure the production of a balanced budget that matches program expenditures with available resources.

REASON FOR POLICY

The policy is intended to ensure the City's multi-year budget process is aligned with Council's strategic direction, is fiscally responsible, and is transparent to City staff, Council, and the Citizens of Grande Prairie.

RELATED INFORMATION

Multi-year Budget

The City of Grande Prairie prepares a multi-year operating and capital budget. The number of years approved coincides with the Council term. Budget preparation for the new multi-year period is done in the year following an election, ensuring the new Council is afforded the opportunity to prepare the City's strategic direction for the length of their term in office.

In addition to the approved budget, a 10-year, long term capital plan is created to aid Council in long range financial planning.

Balanced Budget

Section 243(3) of the Municipal Government Act requires that the annual municipal budget be balanced. Intensified by the complexity of a multi-year budget process, it is felt that the definition of "balanced budget" should be strengthened.

The City of Grande Prairie will strive to create a structurally balanced budget, where expenditures will not exceed revenues in any given year. This will enhance the financial stability of the municipality and ensure sustainability. Also, the budget will include adequate funding to ensure maintenance of appropriate reserve balances as set out in the reserve policies.

The budget will ensure that revenue sources applied to specific services and programs follow the guidelines set out in Policy 352 - Revenues.

Maintenance of Current Assets

The City of Grande Prairie recognizes the importance of maintaining capital assets and understands there are associated life cycle costs, including replacement costs. Maintenance costs associated with current and proposed assets will be considered a high priority during budget deliberations.

Interim Budget Reviews

Each fall during the multi-year budget cycle, the approved budget for the following year will be reviewed. The purpose of this mini review is to incorporate budget changes that accommodate any issues emerging since the budget was first approved.

Contingency Amount

Due to the unpredictable nature of future events, Council will budget for a contingency amount for each year beyond the 1st year of a multi-year budget.

RESPONSIBILITIES

City Council will review and approve any revisions to this policy.

City Manager will review and approve any procedures related to this policy.

City Administration will carry out the policy based on established procedures.