

Glossary of key terms and concepts

Asset Management: is focused on establishing a governance framework and developing a comprehensive inventory of municipal assets. This includes the coordinated process of planning, operating, maintaining, and replacing municipal assets to maximize value, minimizing costs, and ensure they meet the organizational goal throughout their lifecycle.

Balanced Budget: A budget in which the Municipality's total revenues equal its total expenditures. This ensures the Municipality does not spend more than it takes in, which is vital for financial stability. By maintaining a balanced budget, the Municipality can deliver both immediate services and long term priorities while keeping its finances stable and sustainable.

Capital Amendment Form: A formal document used to propose changes to a previously approved capital project. It outlines the reasons for the amendment, details the proposed changes to the project's scope, budget, or timeline, and explains the expected impact of these changes. This process ensures transparency, accountability, and proper oversight when adjustments are needed for capital projects.

Capital Budget: A capital budget is the Municipality's financial plan for spending on long-term projects such as new assets, infrastructure development, major repairs, facilities, and the purchase of vehicles and equipment. It outlines project details, costs, funding sources, and timelines. Unlike the operating budget, which covers day-to-day expenses, the capital budget results in the creation or improvement of tangible assets.

Capital Projects: Capital projects are major investments the Municipality makes to build, improve, or purchase long term assets that benefit the community. These projects include things like constructing new roads, water treatment plants, underground services, bridges, and flood mitigation systems, as well as purchasing vehicles and equipment needed to deliver municipal services.

Capital Reserve Transfers:

Capital reserve transfers occur when the Municipality sets aside part of the operating budget into the Capital Infrastructure Reserve. These funds are then used to pay for approved capital projects—such as new facilities, infrastructure upgrades, or equipment purchases—and help maintain long-term financial stability

Community Investment Program: Governed by Council's Policy FIN-220, this program provides strategic grants to support local not-for-profit organizations, individual and team athletes, and operators of municipally owned facilities. These grants help advance Municipal goals by funding initiatives that give residents opportunities to participate in recreation, leisure, events, arts, culture, and heritage.

Delivery Department: The municipal department responsible for managing the acquisition, construction or implementation of an approved capital project.

Financial Plan: A comprehensive roadmap that outlines the Municipality's financial goals, strategies, and projected performance over multiple years. It incorporates both the operating and capital budgets, providing a framework for sound decision making and long term sustainability.

The plan is forward looking and does not reference the year in which it was prepared

Fiscal Management: The process of planning, directing, organizing, and controlling the Municipality's financial resources to achieve its objectives, in alignment with the Municipal Government Act. It involves making responsible decisions about how revenue is generated, how funds are spent, and how debt is managed to ensure long term financial stability and sustainability.

Fiscal Responsibility: A commitment to managing public funds in a transparent, accountable, and efficient way. It means making sound financial decisions that safeguard the long term wellbeing of the community and ensure the sustainability of public services.

Grant: A grant is a form of financial assistance provided by a government or organization to support a specific project or initiative. Grants do not need to be repaid and are often awarded through a competitive application process. For the Municipality, the primary annual grant comes from the Government of Alberta's Local Government Fiscal Framework (LGFF). Other examples include provincial funding such as Family and Community Support Services (FCSS). In addition, the Municipality provides grant funding through its Community Investment Program, including the Subsidiary Corporation Grant and the Municipal Facility Operating Grant, which support local organizations and facilities that deliver services and opportunities to residents.

Inflation: The sustained rise in the overall price of goods and services in an economy over time. As prices increase, each dollar buys fewer goods and services, reducing purchasing power. Central banks and governments typically aim to keep inflation at a modest level—around 2% to 3% annually—to balance economic growth and stability. For budgeting purposes, the Municipality applies a 3% inflation factor to account for rising costs.

Investment Income: Revenue the Municipality earns by investing its financial assets. This includes interest from bank balances, returns from Corporate and Government Bonds, and earnings from Guaranteed Investment Certificates (GICs). These investments help strengthen the Municipality's financial position and support long term sustainability.

Operating Budget: The Municipality's detailed financial plan for the upcoming fiscal year. It outlines projected revenues and expenses related to day-to-day operations, including salaries, contracted services, materials, supplies, and program delivery. Revenues to support the operating budget come from sources such as taxes, utilities, grants, and user fees. Unlike the capital budget, which funds long term projects and assets, the operating budget focuses on the ongoing costs of delivering services to residents.

Operating Expenses: Costs the Municipality incurs to deliver its day-to-day services. These include employee salaries and benefits, consulting and contracted services, materials, goods and supplies, utilities, and program delivery. Operating expenses ensure that municipal services run smoothly and consistently for residents.

Other Revenue: Income generated from sources other than taxation. This can include

reimbursement from insurance claims, donations, and cost reimbursements. An example of a cost reimbursement is the funds received by CUPE 1505 for wages of employees who serve the union full-time in an elected role.

Revenue: The income the Municipality generates from a variety of sources, including taxes, fees, grants, investments, and other contributions. This funding supports both day-to-day operations and long term capital projects. By prioritizing a balance of operational and capital revenue, the Municipality ensures financial stability and the continued delivery of services to the community.

Sponsor Department: The municipal department responsible for proposing a particular capital project, which includes defining the project scope, estimating costs, and assessing risks and benefits.

Ongoing Multi-Year Projects: Capital projects that began in previous years and continue forward without major changes to their scope, budget, or timeline. These projects are carried into the proposed capital budget as ongoing initiatives to ensure their completion and continued progress.

Strategic Capital Planning: The process of creating a long term vision for the Municipality's capital investments. It ensures that projects are aligned with overall goals and priorities, focusing on those that deliver the greatest benefits to the community and support sustainable growth. This approach helps the Municipality identify, evaluate, and prioritize projects so that resources are used effectively and future needs are met.

Tax Revenue: Income generated from municipal taxes levied by both the Province and the Municipality. It is one of the most important sources of funding for municipal services and operations, helping to pay for essential programs, infrastructure, and community initiatives.

Treasury Strategies: Methods and practices the Municipality uses to manage its financial assets, including cash, investments, and debt. These strategies are designed to optimize returns on investments, minimize borrowing costs, and ensure funds are available to meet financial obligations. By applying effective treasury strategies, the Municipality strengthens its financial stability and supports long term sustainability.