

Purpose:

This policy is to set out the requirements and to ensure compliance with the Municipal Government Act as related to the Capital Budget requirements.

Policy Statements:1. Adoption of capital budget

Each council must adopt a capital budget for each calendar year.

2. Contents of capital budget

In accordance with the Municipal Government Act: a capital budget must include the estimated amount for the following:

- a. the amount needed to acquire, construct, remove or improve capital property;
- b. the anticipated sources and amounts of money to pay the costs referred to in clause (a);
- c. the amount to be transferred from the operating budget.

The contents must also align with the corporate policy: 5324 – CA Tangible Capital Assets.

3. Capital budget contingency

The capital budget will include a contingency amount equal to \$200,000. The contingency amount will remain at a maximum amount of \$200,000 per year. The capital budget contingency does not replace any individual project contingency.

4. Multi-Year Projects

A capital project with a completion timeframe of more than one calendar year and with cash flows spanning more than one fiscal year will be highlighted as a multi-year project in the capital plan. The total cost of a multi-year capital project will be considered as part of the current year capital budget.

5. Operating impacts of capital project

Significant operating implications of capital projects will be detailed as part of the capital budget and will also be included in the applicable operating budgets. If completion of the capital project is deferred the operating impacts must also be deferred.

6. Term of capital plan

The City will prepare a 'capital plan' covering a minimum period of five years.

Policy Monitoring and Evaluation:

The Capital Budget Policy will be evaluated five years from date of approval, a review may also occur anytime prior to the five year review date.

Scope/Application:

This policy applies to all departments, boards and committees, agencies and other organizations that fall within the reporting entity of The City of Red Deer.

Contact / Inquires:

Direct inquiries to the Divisional Controller or Financial Analyst in the Budgets and Investments area within the Financial Services Department.

Authority/Responsibility to Implement:

The authority to establish and monitor compliance to this policy is the responsibility of the City Manager, Director of Corporate Services or designate.

References/Links:

1. MGA Section 245, 246, 248(2)
2. 5324-CA Tangible Capital Assets Policy
3. 5320.02 – C Capital Budget Contingency Policy
4. 5320.03 – C Capital Budget Funding Policy

Document History:
Council Resolution Date: May 6, 2002
Council Resolution Revision Date: July 23, 2003
Council Resolution Revision Date: November 29, 2010

Administrative Revisions:

Date:	Description:
February 3, 2012	Changed the name of corporate policy 5324-CA from “Capitalization of Tangible Capital Assets” to “Tangible Capital Assets” in #2 and the References’ section. This now accurately reflects the name of the corporate policy since it was changed on December 22, 2011.