

2022/2023 Multi-Year Business Plan and Budget – Revised Timeline and Process

ISSUE

The Governance and Priorities Committee (GPC) is actively working to reduce the indicative rate through a process involving the Standing Policy Committee on Finance (SPC Finance). In order to meet the timelines for Council's full consideration of the budget package in late November, the Administration has proceeded with the production of the Multi-Year Business Plan and Budget (MYBB) document using already presented information. Decisions or direction from GPC between now and November 29 will be included as appended information at the Business Plan and Budget Review meeting from November 29 to December 1, 2021.

BACKGROUND

At its meeting on April 19, 2021, GPC received the 2022/2023 MYBB Process report, which included an estimated timeline of the key steps for the 2023/2023 MYBB process.

At its meeting on June 21, 2021, when considering a report regarding the 2022/2023 Indicative Budget, GPC resolved, in part:

- “1. That special Budget Review meetings be arranged for SPC Finance to undertake a deeper review of the proposed 2022/23 budget. The purpose of the review would be to explore options to address the property tax pressure residents and businesses are facing in this unprecedented year, while also recognizing the need to maintain quality services and address strategic priorities of City Council. That there also be opportunities for stakeholder engagement as part of this process.”

At its meeting on August 23, 2021, GPC received the 2022/2023 MYBB Process – Revised Timeline report to account for the additional Standing Policy Committee on Finance meetings. These timelines assumed that an indicative rate decision would be made at the September 20, 2021 GPC meeting.

At its Special Meeting on August 31, 2021, when considering the 2022 and 2023 Indicative Budget – Additional Information report, the Standing Policy Committee on Finance resolved:

1. That the Administration provide a report breaking down capital and operation budget expenditures that were approved by City Council through 2021 for the 2022/2023 budget that are not related to core services and service levels;
2. That the Administration provide a report back on user fees policies and cost recovery for optimal revenue budget;

3. That the Administration report on comparative data for 2020, 2021, 2022 for tax increases and/or forecast tax increases in Edmonton, Calgary, Regina and Winnipeg. The report should also comment on significant initiatives in each municipality to reduce or hold tax increases; and
4. That the Administration bring a report with strategic options to reduce expenditures for 2022 & 2023 to bring expenditures more in line with the current revenue increase.

CURRENT STATUS

The additional items from the August 31, 2021 Standing Policy Committee on Finance meeting meant that an indicative rate was not determined at the September GPC meeting. This requires adjustments to be made to both the process and the timelines to continue with the Business Plan and Budget Review meeting from November 29 to December 1, 2021.

DISCUSSION/ANALYSIS

In the April 19, 2021 report, the process for the 2022/2023 MYBB was outlined and comprised of the same key steps that were undertaken for the previous two-year MYBB process. These key steps are as follows:

1. The Administration will develop the cost to maintain existing services such as expenditure growth, inflation, and revenue estimates. This step is also used for administrative priorities such as correction of base budgets and phase-in of funding plans.
2. The Administration will provide a summary of the information from Step 1 to the Governance and Priorities Committee so that an indicative rate (property tax target) can be set by City Council.
3. The Administration will use cross-divisional teams to discuss City Council's strategic priorities and develop options to achieve these priorities.
4. The Administration will present a list of Business Plan Options to City Council for prioritization.

In order to meet timelines, the Administration has begun preparation of the preliminary MYBB document based on known information. The MYBB document will be created reflecting the same information as presented at the June 21, 2021 GPC meeting, except for updated information on the Bus Rapid Transit (BRT) funding plan to remove both the 2022 and 2023 phase-ins for this plan due to the revised timeline of the BRT project.

Any decisions made by GPC at this meeting or the November GPC meeting that impact the property tax rate will be forwarded to the Business Plan and Budget Review meeting in November to be debated but will not be reflected in the preliminary MYBB document itself.

The Administration still plans to meet the dates as presented prior and as shown in Table 1. New activities are shown in bold.

Table 1 – Revised Timeline

2021 Date	Activity/Step
Oct. 15	Special Budget Review Meeting – Standing Policy Committee on Finance
Oct. 18	Business Plan Options prioritized list presented to GPC
Nov. 10 (est.)	Release of MYBB document
Nov. 29 – Dec. 1	City Council Business Plan and Budget Review

OTHER IMPLICATIONS

There are no financial, privacy, legal, social or environmental implications identified.

NEXT STEPS

All decisions that impact the MYBB will be forwarded to the Business Plan and Budget Review meeting in November to be debated and a final property tax increase approved.

REPORT APPROVAL

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