

APPROVAL REPORT

Corporate Governance and Finance 2024-2025 Business Plan and Budget

ISSUE

City Council approval is required in order to set the Operating and Capital Business Plan and Budget for 2024 and 2025. The figures in this report are stated as 2024 and 2025 respectively, unless otherwise noted.

RECOMMENDATION

1. That the Corporate Governance and Finance Business Line Operating Budget for 2024 totalling \$90,040,500 in expenditures and \$9,050,600 in revenues be approved, which includes adjustments made through the 2023 special budget meetings as outlined in Appendix 1; subject to any adjustments under the Business Plan Options section of the agenda;
2. That the Corporate Governance and Finance Business Line Operating Plan for 2025 totalling \$94,618,500 in expenditures and \$8,759,500 in revenues be approved, which includes adjustments made through the 2023 special budget meetings as outlined in Appendix 1; subject to any adjustments under the Business Plan Options section of the agenda;
3. That the 2024 Capital Budget totalling \$1,486,100 be approved, subject to adjustments under the Business Plan Options section of the agenda; and
4. That the 2025 Capital Plan totalling \$1,686,000 be approved, subject to adjustments under the Business Plan Options section of the agenda.

BACKGROUND

At the [July 25, 2023](#), [August 15, 2023](#) and [August 31, 2023](#) Governance and Priorities Committee (GPC) special budget meetings, GPC made numerous decisions that are now included in the 2024-2025 Preliminary Business Plan and Budget Document. The details of these decisions and previous adjustments that impact this business line are included in Appendix 1. Through approval of the recommendations in this report, the adjustments directed by City Council for this Business Line as part of the Special budget meetings will be confirmed and implemented as part of the 2024/2025 Business Plan and Budget. If City Council wishes to adjust any of the previously directed changes, direction through a resolution would be required.

The 2024-2025 Preliminary Business Plan and Budget was released on November 9, 2023.

DISCUSSION/ANALYSIS

Corporate Governance and Finance Operating Budget

After the production of the Preliminary Budget document, 2024 Assessment Growth revenue within the Taxation and General Revenue Business Line has been finalized and is \$1,015,400 less than originally budgeted for. In order to maintain the property tax

projection included in the preliminary budget, Administration has offset this decrease in revenues through a corresponding decrease in expenditures within the Corporate Governance and Finance Business Line. Within the Corporate Governance and Finance Business Line there is funding (approximately \$1.4 million) that was being held to account for potential variances in assessment growth, collective agreements settlements or payroll cost amounts for the entire corporation.

Following this adjustment, the Preliminary Budget includes a total of \$90,040,500 and \$94,618,500 in expenditures for the Corporate Governance and Finance Business Line. An increase of \$7,661,900 (9.3%) in 2024, and an increase of \$4,578,100 (5.0%) in 2025, are projected, mainly due to:

- \$1,663,500 and \$575,900 for Microsoft and GIS licensing costs which have historically been underbudgeted, and continued IT security enhancements.
- Removal of \$1,000,000 in COVID-19 expenditures and phase in of the previous global expenditure reduction of \$1,939,600 for a net increase of \$939,600. This will leave \$1,939,600 remaining within this service line as a global reduction that will be phased out in 2026 to 2028.
- Increased growth amounts of \$791,400 and \$798,800 for the emergency snow removal loan repayment and \$550,000 and \$510,000 for the Bus Rapid Transit Funding Plan.
- Sustainment of the Enterprise Resource Planning system (Capital Project P.01829) is transitioning from a capital project to operating. Transfers in 2024 include: \$2,040,400 from the Debt Servicing Service Line, \$598,300 from licensing fees on legacy systems, and \$820,400 from expired loans. The transfers are funding all operations of the Enterprise Resource System, such as the licensing and support costs for SAP. Furthermore, increases of \$667,800 and \$306,900 are required to reduce the reliance on operating reserve transfers. These increases will allow departments to transfer the funds from operating back to their capital reserves.

This business line also includes decreases in non-tax revenues of \$297,400 and \$291,100, largely related to reductions as part of a phased approach to bring administrative recoveries from Water and Wastewater Utilities in line with current recovery rates.

The projected property tax support provided to this business line is \$82,005,300 and \$86,874,400, which is an increase of \$8,974,600 (12.3%) and \$4,869,200 (5.9%). The increases in property tax support are due to net impact of the increases in expenditures and revenues as previously outlined in this report.

Corporate Governance and Finance Business Line Capital Budget

The Corporate Governance and Finance Business Line includes \$1,486,100 and \$1,686,000 in funded capital projects, most notably:

- \$50,000 and \$50,000 for each of the Cyber Security program and the Talent Management Framework.

- \$176,400 and \$242,100 for Enterprise Management Strategies.
- \$621,400 and \$634,400 regarding the Corporate Network Equipment Replacement.
- \$250,000 in 2024 relating to the lease of Automatic Vote Counting Equipment.

Additional Options

At the August 31, 2023 GPC special meeting the [Corporate Governance and Finance Business Line](#) information was presented and is included as in Appendix 2. Within that report there were options for budget reductions that were not recommended by Administration but City Council could still choose to include these options within the 2024-2025 Budget. City Council prioritized these remaining options and the results of that prioritization were presented within Appendix 1 of [the 2024 and 2025 Prioritized Budget Options](#) report at the September 13, 2023 GPC meeting.

These available options for the Corporate Governance and Finance Business Line totaling \$2,508,700 in 2024 and \$521,600 in 2025 that could still be considered are listed in Table 1 below and that table includes the number of votes for consideration from the September 13, 2023 meeting. Further information regarding each option can be found in Appendix 2.

Table 1 – Remaining Options

Option	2024 Reduction	2025 Reduction	Votes
5C – Defer Staff Accountant Position – Corporate Support	(91,700)	-	6
5I – Defer the IT GIS Programmer Analyst		(97,500)	5
5D – Defer Staff Accountant Position – Fire	-	(91,700)	3
5F - Defer Staff Accountant Position – Corporate Revenue	-	(93,900)	3
5J – Defer the IT Project Manager Position	(137,000)	-	3
5L – Defer the Customer Care Agents	(154,000)	-	3
6 – Increase the contribution to the Paved Roadways Infra. Reserve from Water and Wastewater	(1,500,000)	-	3
5B – Defer City’s Mental Wellness Consultant	(140,700)	-	2
5E – Defer the Customer Service Representative in Corporate Revenue (Total cost of \$77,200 of which most is funded through Utilities)	(32,300)	-	2
5G – Defer the Access and Privacy Office Position	(102,700)	-	2
5H – Defer the IT Applications Coordinator	(137,000)	-	2
5M – Defer Administrative Coordinator	-	(29,500)	2
5A – Defer Assessment Appraiser Position	(100,300)	-	1
5K – Defer the Cybersecurity Positions	(113,000)	(209,000)	1

FINANCIAL IMPLICATIONS

The financial implications are included in this report.

OTHER IMPLICATIONS

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

NEXT STEPS

Upon approval of the Preliminary Budget, the Administration will finalize the Approved Business Plan and Budget to be released in 2024.

APPENDICES

1. Previous GPC Decisions
2. Corporate Governance and Finance Business Line Report -August 31, 2023

REPORT APPROVAL

Written by: Gillian Wrubleski, Financial Analyst

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Clae Hack, Chief Financial Officer

Approved by: Jeff Jorgenson, City Manager

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