

Budget Timeline & Process

Audit Committee 2019-08-06



Niagara-on-the-Lake
EST.1781

Agenda

- 1. Revised Budget Process
- 2. Business Case Preview (Major and Minor)
- 3. First Draft Operating Budget
- 4. Budget Drivers to Date
- 5. Council Motions
- 6. Next Steps

1. Revised Budget Process

Draft #1 (Current): “Uncontrollable”/Non-Discretionary changes

- Reflects changes in non-discretionary expenses or commitments to maintain existing levels of service (i.e. user fees, government transfers, salaries, utilities, insurance, legislation, and inflation)
- Further council direction requested

Draft #2 (Oct. COTW): “Controllable”/Discretionary changes

- All other changes in the form of major and minor business cases
- Major: Value > \$20K (Potential format to follow in presentation)
- Minor: Value < \$20k (Potential format to follow in presentation)
- Gap Analysis: Gaps in funding identified in studies

2. Business Case Preview

- **Major:** Value of items > \$20,000 – Potential Format:
 - **Overview:** explain background and purpose/nature of proposal
 - **Justification:**
 - Strategic Alignment: (link to draft Strategic Plan)
 - Benefits of Implementation: (tie to service levels)
 - Consequences/Risks of non-implementation: (i.e. service levels and risk management)
 - Legislative Requirement: (Yes or No with identification if applicable)
 - **Financial Impact:**
 - Cost: (budget requirement in \$'s)
 - Funding: (source i.e. general levy or user fee, etc.)
 - Tax Rate: (increase/decrease impact)
 - FTE: (# of additional FTE requirements)
 - Potential Cost Savings: (\$/% savings impact)

2. Business Case Preview (cont'd)

- **Minor:** Value of items < \$20,000 – Potential Format:
 - **Justification** : (Purpose and benefits of implementation)
 - **Cost:** (budget requirement in \$'s)
 - **Funding:** (source i.e. general levy or user fee, etc.)

3. First Draft Operating Budget

2020 Proposed Levy	2019 Approved Levy	Levy \$ Change	Levy % Change	Annual \$ Impact on Avg Residential Tax Bill (based on 2019 typical assessment= \$507,500)
\$12,218,057	\$11,518,550	\$699,507	6.07%	\$63.91

Key Drivers

- 46.66% - Salaries & Benefits
- 20.06% - Reduction in use of Building Permit Reserves to fund salaries per motion
- 33.28% - Balance related to various other changes in revenues and expenses throughout

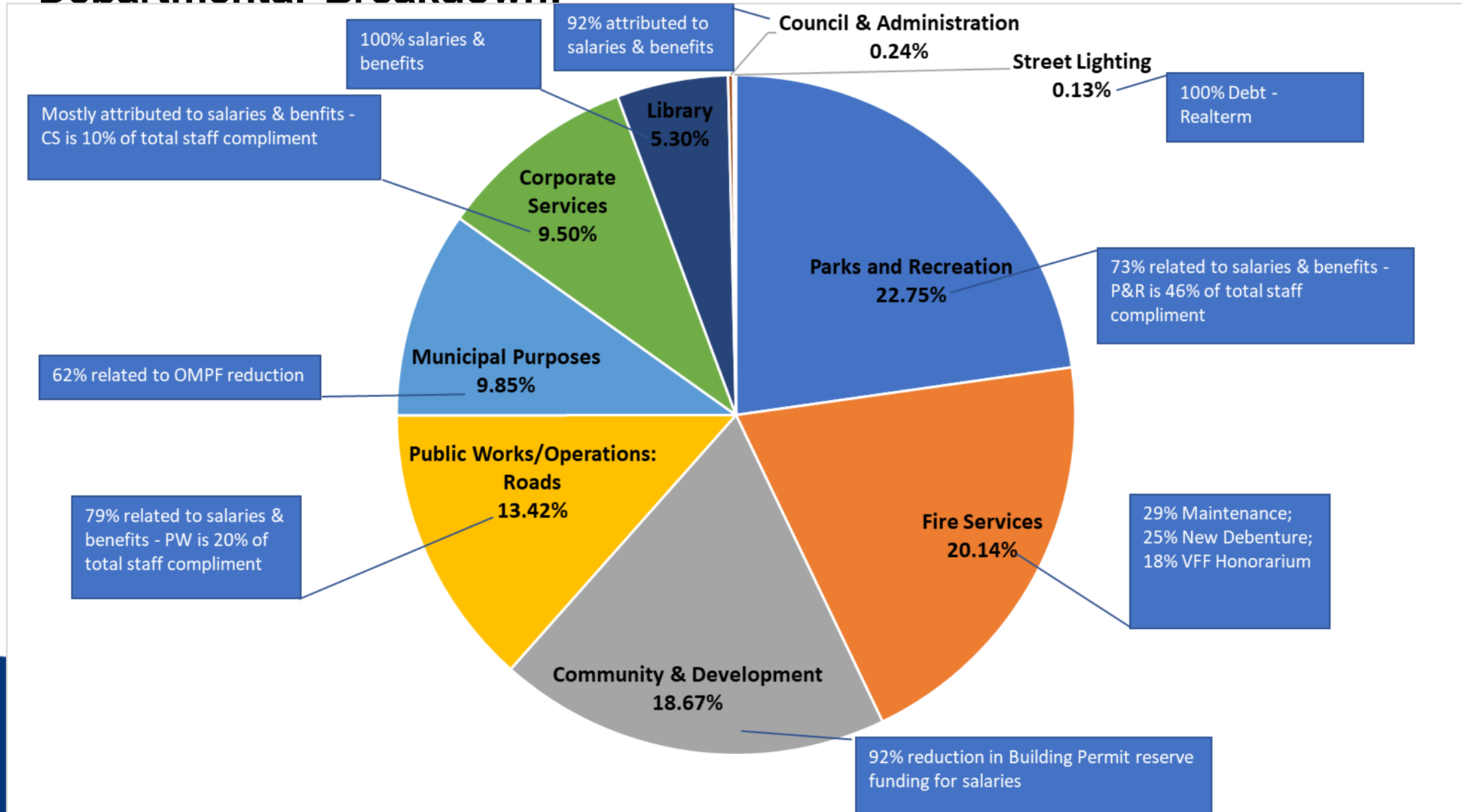
4. Budget Drivers

Departmental Breakdown:

Department	Levy Increase in \$'s	Levy Increase in %
Parks and Recreation	159,168	22.75%
Fire Services	140,862	20.14%
Community & Development	130,575	18.67%
Public Works/Operations: Roads	93,892	13.42%
Municipal Purposes	68,893	9.85%
Corporate Services	66,442	9.50%
Library	37,091	5.30%
Council & Administration	1,683	0.24%
Street Lighting	899	0.13%
Grand Total	699,506	100.00%
<i>*Levy increase = \$699,507 - within \$1 rounding</i>		

4. Budget Drivers

Departmental Breakdown:



4. Budget Drivers (cont'd)

Category Breakdown - Revenues:

Revenues					
Category	Levy Supported (Increase)	Rate Supported (Increase)	Total (Increase)/D ecrease		% of Levy (Increase)/Decrease
Transfer from Reserves	140,327	89,668	229,995		20.06%
Grants & Donations	38,108		38,108		5.45%
Rental Revenue	14,281		14,281		2.04%
Investment Income	2,000		2,000		0.29%
Loans (Hydro)	852		852		0.12%
Miscellaneous Revenue	(10,200)	(10,000)	(20,200)		(1.46%)
User Fees & Penalties	(27,325)	(116,000)	(143,325)		(3.91%)
Total Revenues	158,043	(36,332)	121,711		22.59%

Note : Revenues- Brackets represent an increase; No brackets represent a decrease

4. Budget Drivers (cont'd)

Category Breakdown - Expenses:

Expenses				
Category	Levy Supported Increase	Rate Supported Increase/ (Decrease)	Total Increase/ (Decrease)	% of Levy Increase
Salaries, Wages, & Benefits	326,357	113,331	439,688	46.66%
Maintenance & Operations	48,665	(8,890)	39,775	6.96%
Debt	35,911	(1,385)	34,526	5.13%
Contracts	24,989	(25,490)	(501)	3.57%
Grants & Honorariums	24,350		24,350	3.48%
Insurance	20,913	1,529	22,442	2.99%
Materials & Supplies	19,375	4,070	23,445	2.77%
Transfer to Reserves	18,755	(54,883)	(36,128)	2.68%
Utilities	7,939	1,230	9,169	1.13%
Licences & Memberships	7,310	1,820	9,130	1.05%
Other Staff Expenses	6,900		6,900	0.99%
Consultants		5,000	5,000	0.00%
Total Expenses	541,463	36,332	577,795	77.41%
Total Revenues & Expenses	699,506	(0)	699,506	100.00%

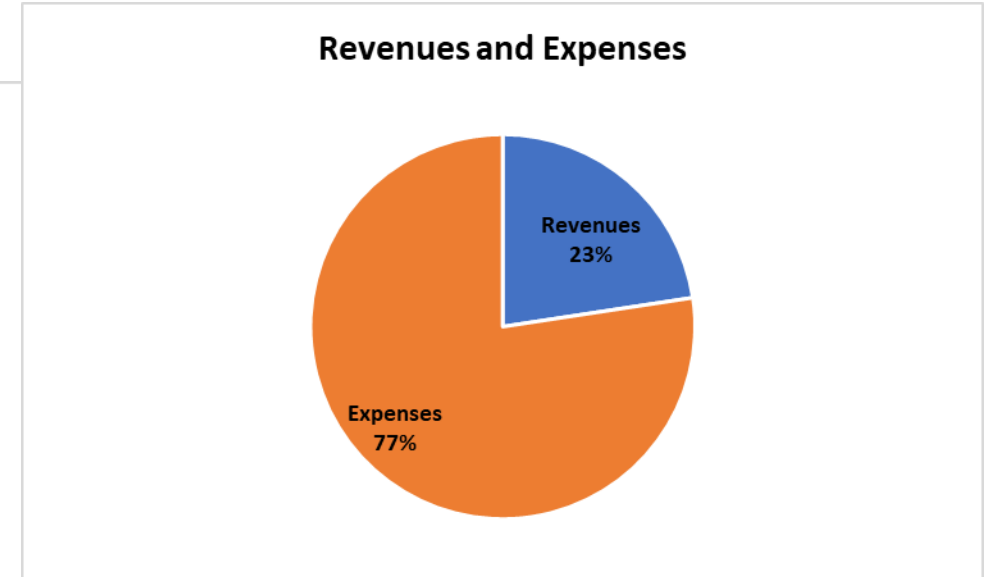
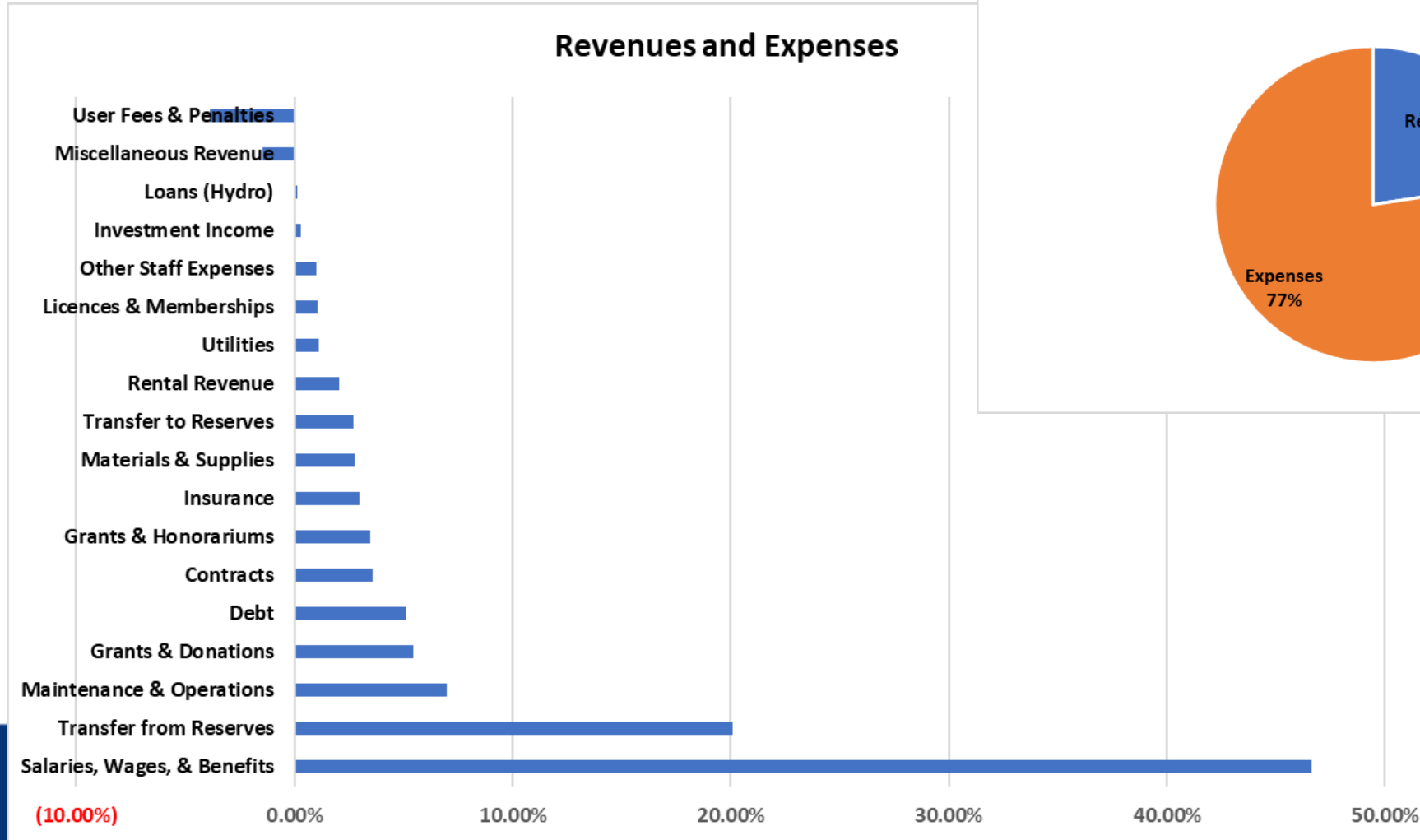
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4. Next Steps

- Seeking Council Direction
 - Operating Budget (% or other budget priorities)
 - Capital Transfer – No increase in Base Budget – Approving an increase would change Capital Program/Levy
- Building – 1/3 motion - Further motion from Audit Committee – Opportunity to address in 2020 by bridging with another funding source – Review of funding in certain areas
- Review use of Parking Funds

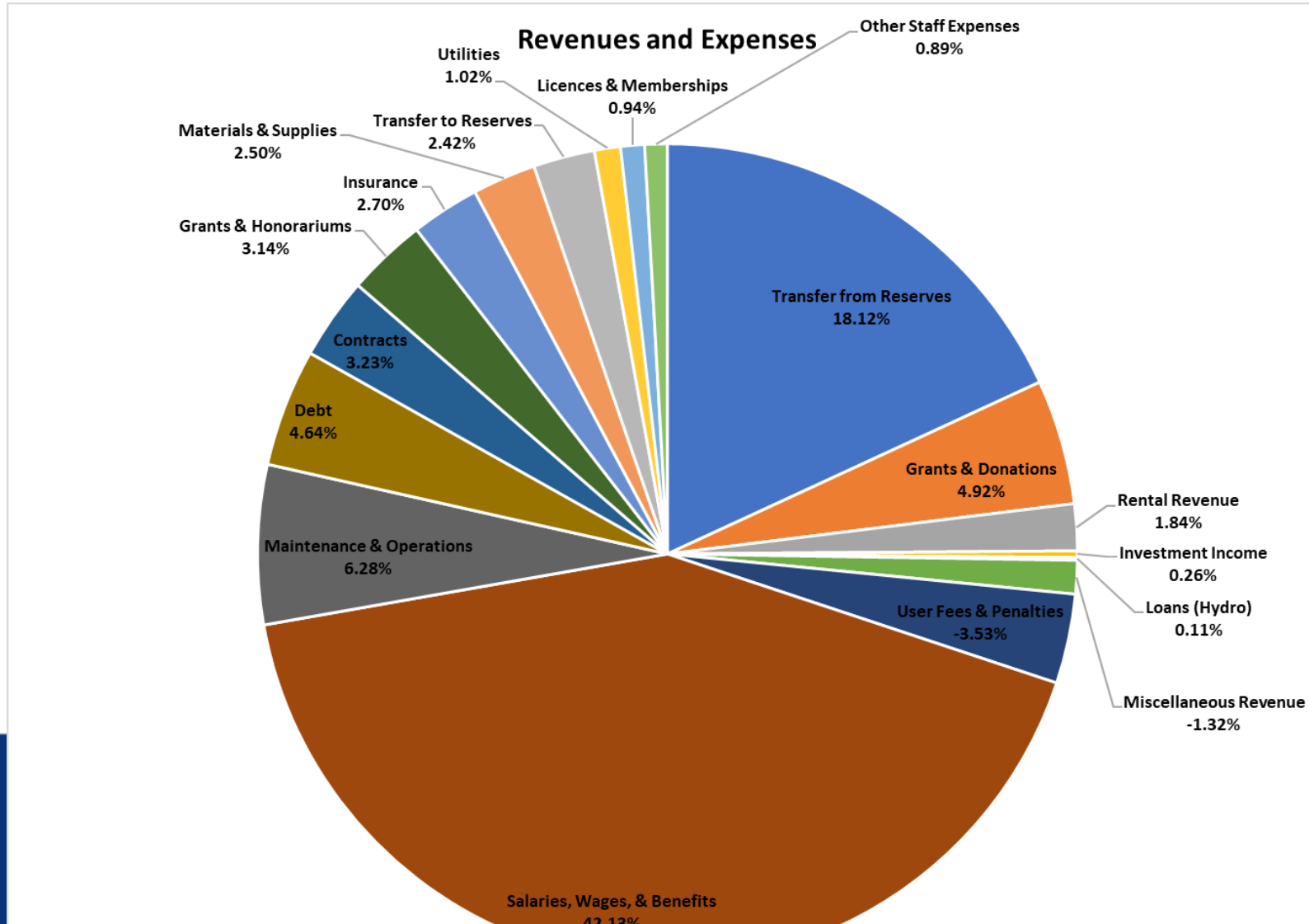
4. Budget Drivers (cont'd)

Category Breakdown (Levy Supported):



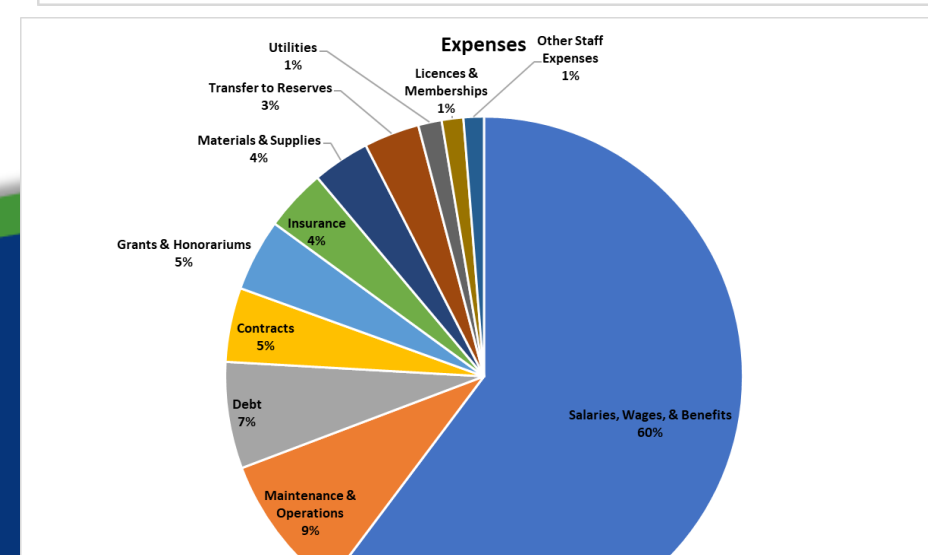
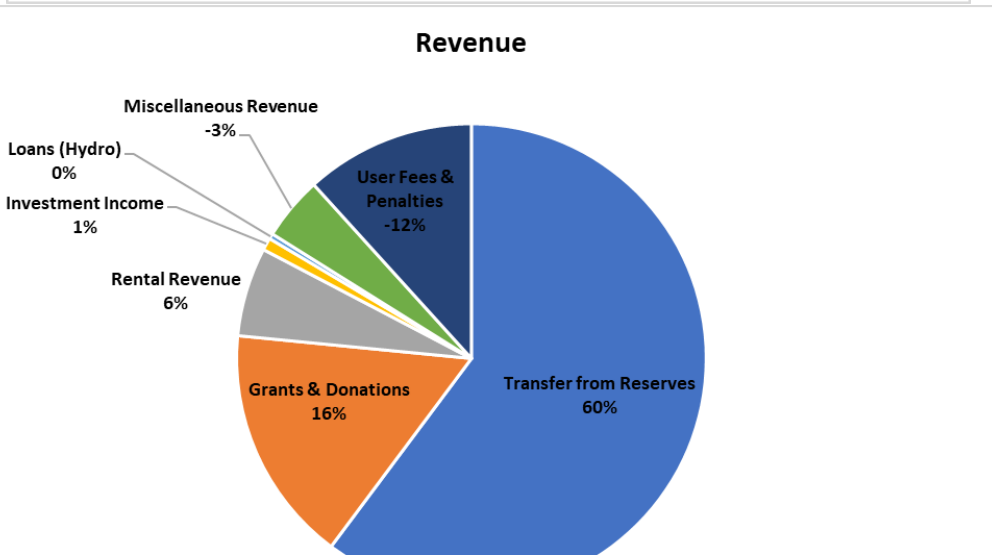
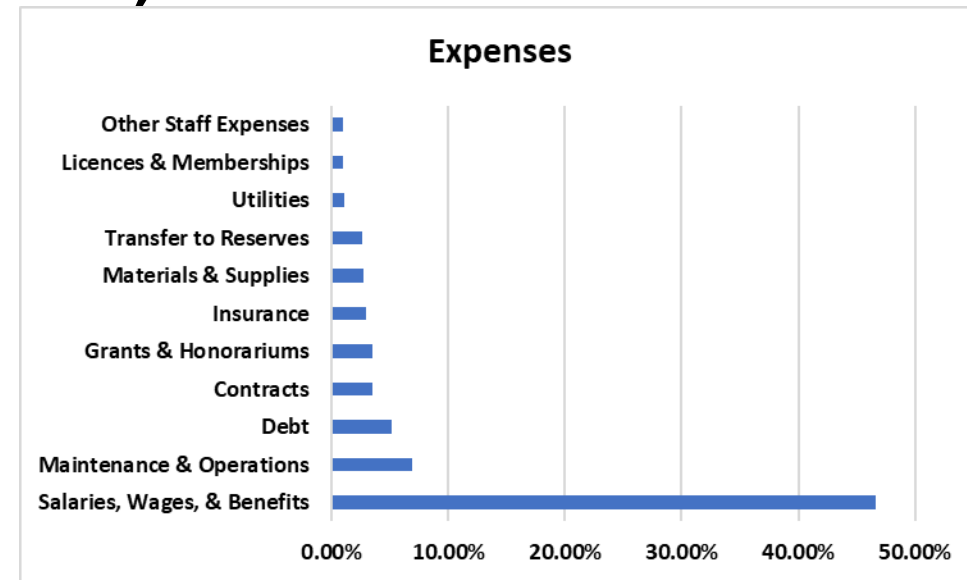
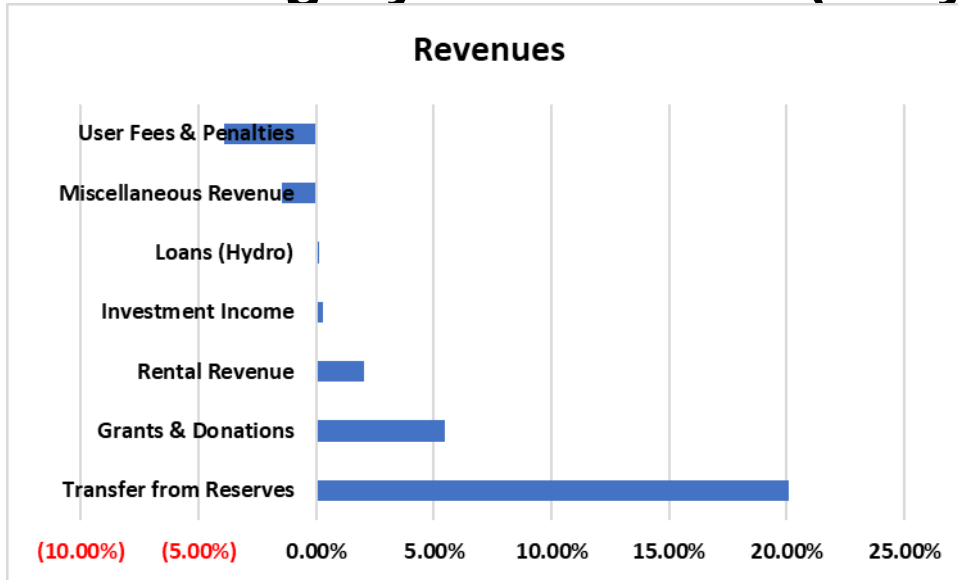
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