

# Special City Council AGENDA



**Committee Room C, Guelph City Hall, 1 Carden Street**

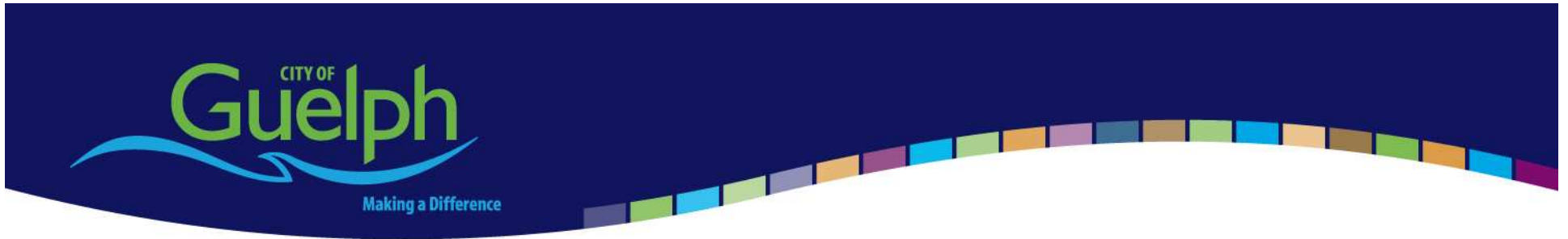
**DATE Tuesday February 12, 2013 – 7:00 p.m.**

Please turn off or place on non-audible all cell phones, PDAs, Blackberrys and pagers during the meeting.

## **2014 Budget Workshop**

1. Budget Process
2. Capital Budget Prioritization Framework
3. Public Awareness & Engagement
4. Housekeeping Items / Next Steps

## **ADJOURNMENT**



# **2014 Budget Workshop**

**February 12, 2013**

# Agenda

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## 1) Introduction

## 2) Budget Process

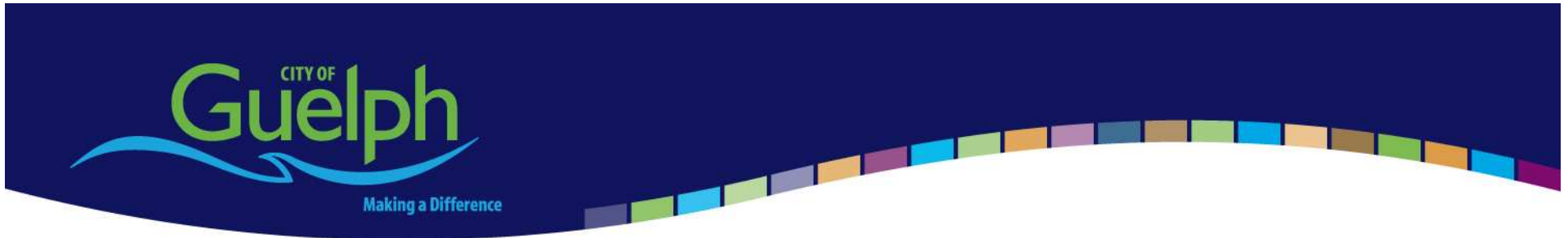
- Budget Model
  - Current & Proposed
- Budget Guideline
  - Current & Proposed
- Multi-year Budgeting

## 3) Capital Budget Prioritization Framework

## 4) Public Awareness & Engagement

- Information Flow / Communication/ Consultation

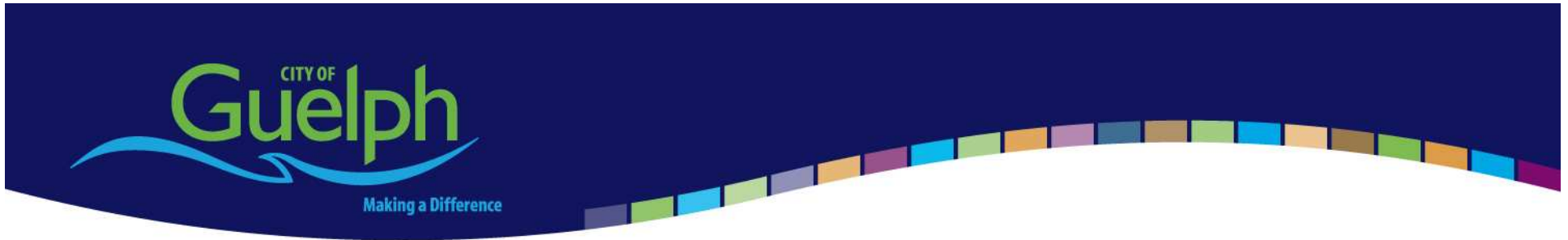
## 5) Housekeeping Items/ Next Steps



## Introduction

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- Received significant feedback and input throughout 2013 Budget Process
- A significant observation addressed definitions: not everyone held same understanding of what was meant by budget process, guideline, model, etc
  - Attempt here is to better define
- Intend to propose new approaches for 2014 Budget processes that build on feedback received to date and modify based on further input received



## Introduction Cont'd

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- Slide #4 describes how what is being proposed addresses observations made to date
- As FTE's and compensation are subject of a later workshop, they are not considered in full here- i.e. As expenditure inputs only

## Council and Stakeholder Observations

### Predictability

Budget Model

Consumer Price Index

Construction Price Index

### Forecasting

Multi-year operating budget

Impacts from prior budgets

Impacts from capital

### Resource Allocation

Scoping of Service Based Budgeting

Distinction between legislated, essential and discretionary services

Base Budget + Service Increase & Enhancement

### Capital Framework

Council input into prioritization model

Funding "forward facing" projects

Enhanced discussion on funding sources

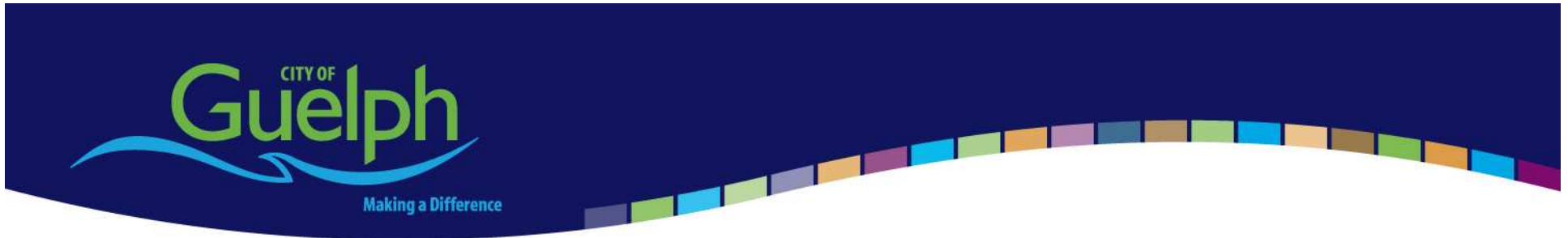
### Information Flow

Public Meetings & Workshops

Focus on internal and external communication

Mechanisms to engage local boards, committees & advisory groups

Responses & Actions to Address Observations



## **Current Budget Model**

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- 2013 Tax Supported Budget Model defined as total net expenditure and tax levy increase by program function for 3 distinct categories:
  - a) Base – full years annualization and capital impacts
  - b) Growth – included volume and quality increases
  - c) New services – expansion
- Functions included service areas, local boards and shared services, capital financings and corporate expenditures and revenues

## Current Budget Model

### Observations:

- Limited to single year reviews
- Did not delve deeply enough into service based constraints
- Difficult to consider how elements such as assessment growth were attributable to growth related pressures



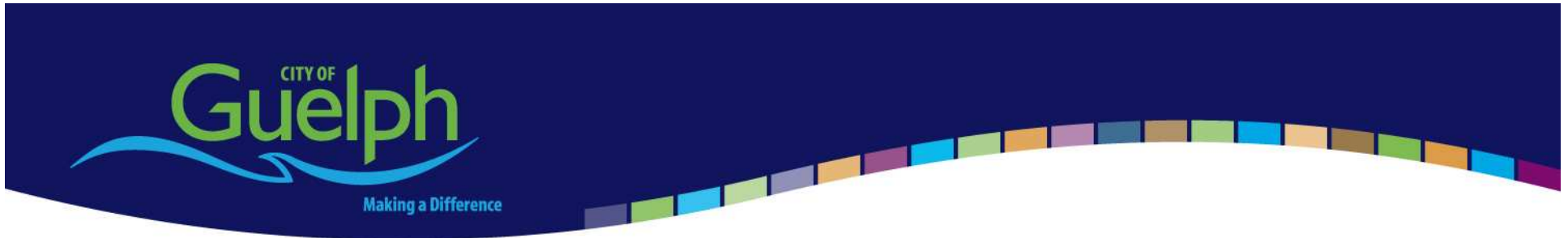
# Proposed Budget Model

## Recommendation:

- New model proposes for 2014 Tax Supported Budget that growth – defined as volume – be included in base

# Proposed Budget Model

- Thoughts? Discussion.



## Current Budget Guideline

As presented, the current Budget Guideline:

- Provided a snapshot of costs and revenues to provide same level of service in new year as current year
- Provided a projected tax levy increase based on all known pressures

## Current Budget Guideline

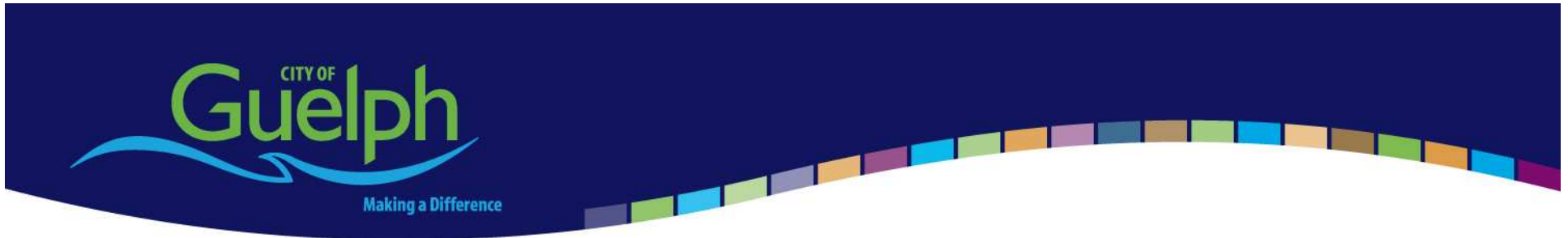
### Observations:

- Inappropriately implied a recommended increase as opposed to budget pressure for programs
- Did not offer any mitigating measures or strategies that may be applied to manage the potential tax levy increase
- Highlighted need to introduce concept of “predictability as a measure of control” into the Budget Guideline

# Proposed Budget Guideline

## Objectives:

- Provide a predictable targeted % increase to net tax levy over a set number of years
- Establish greater alignment of activities and more rigid guideline to focus staff efforts
- Include measures that address both inflationary pressures and growth

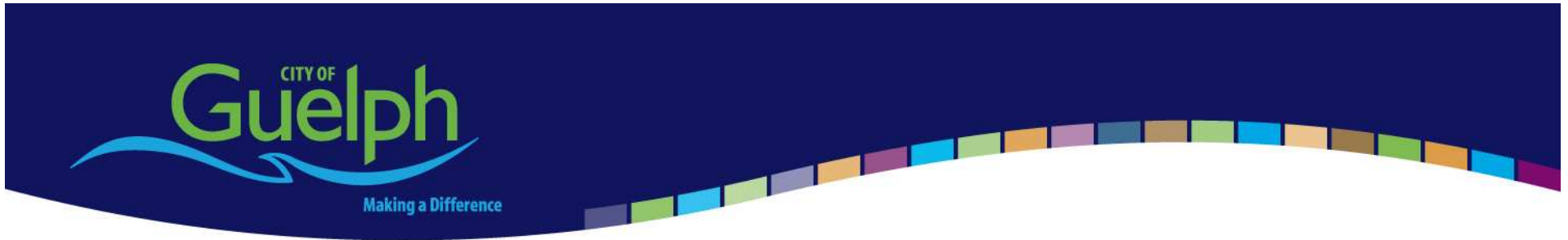


## Predictability Measures

- CPI limited on it's own:
  - Measures past not future price changes
  - Considers a basket of goods for average consumer so does not consider other goods and services needs (e.g.high capital financing costs)
  - Does not consider quantity or quality changes

# Predictability Measures

- Thoughts? Discussion



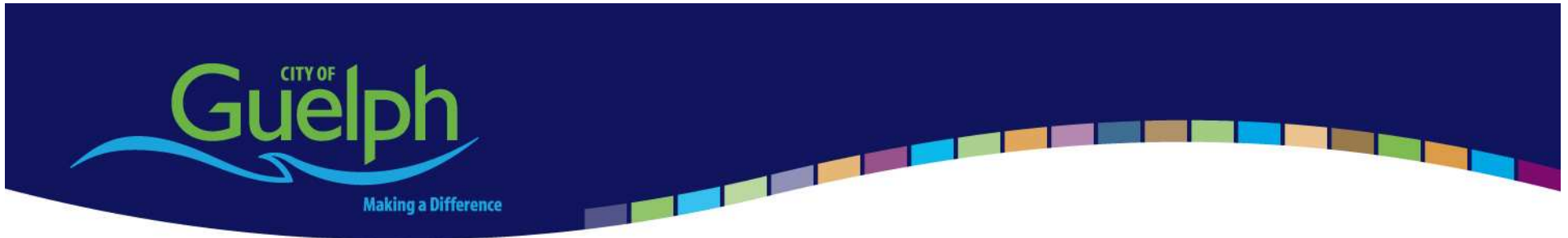
## Predictability Measures

- Growth is volume based
  - Ties to population, employment and household increases
  - Council approved **Local Growth Management Study's** recommendations can be used as estimate for this



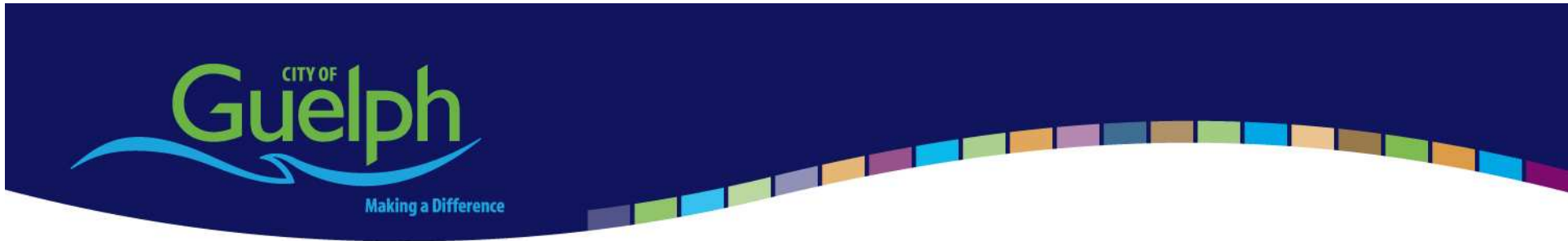
# Predictability Measures

- Thoughts? Discussion



## Proposed Budget Guideline

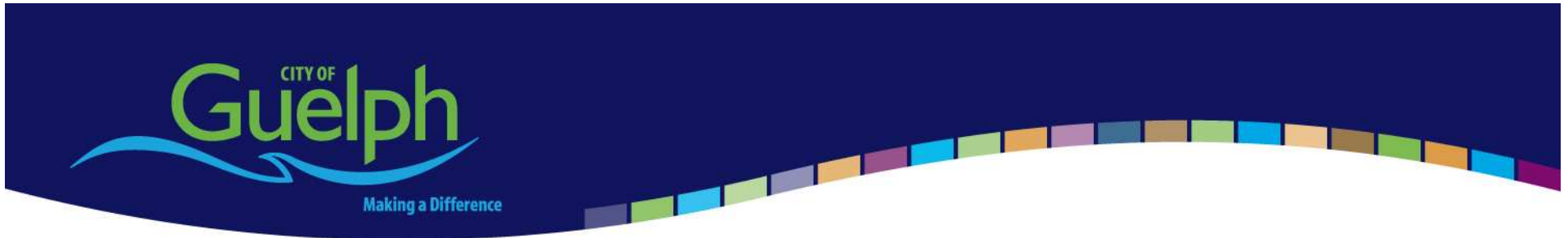
- (5-year average CPI) + 2014 Population Growth Forecast
- Considers consumer price index (CPI) average over the past 5-years and 2014 forecasted growth as per Council approved Local Growth Management Study
- Recognizes cyclical nature of economy and need to address growth within the community
- Utilizes indices that are broadly understood by the general public, key stakeholders and staff



## Data for Predictability Formula

	2008	2009	2010	2011	2012
CPI Ontario (All items)	2.3%	0.4%	2.5%	3.1%	1.4%
<b>A. 5-Year Average CPI</b>	<b>1.9%</b>				
<b>B. 2014 Population Growth Forecast</b>	<b>1.5%</b>				
<b>Budget Guideline (A + B)</b>	<b>3.4%</b>				

**Note:** the 2014 population growth forecast is taken from the Council approved Local Growth Management Study. This is the average growth required per year to meet the Places to Grow target by 2031.



## Multi-Year Budgeting

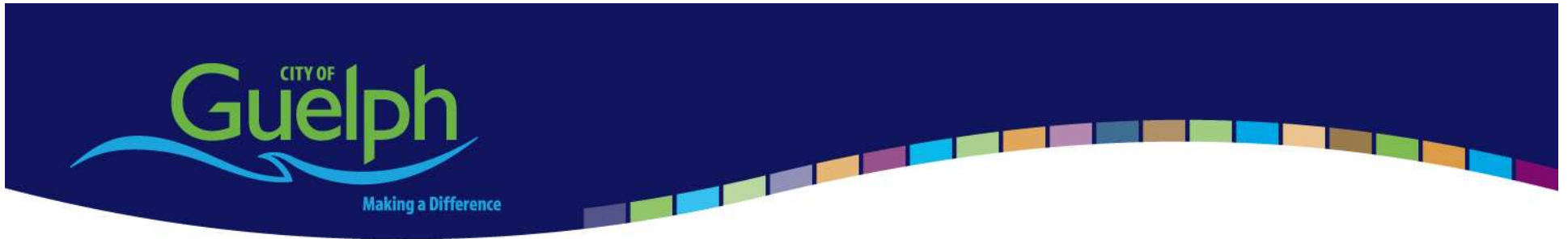
- Target to derive a multi-year tax supported operating budget to:
  - Forecast known pressures and identify mitigation strategies to “smooth” out budget pressures
  - Communicate impact of prior year budget decisions beyond one year
  - Quantify long-term operating impacts of capital investment
- Revised Municipal Act (2006) allows for 3-year budgets to be developed; however still restricts Council approvals to one year to not bind future Councils

# Multi-Year Budgeting

- Thoughts? Discussion

## New Budget Process Summary

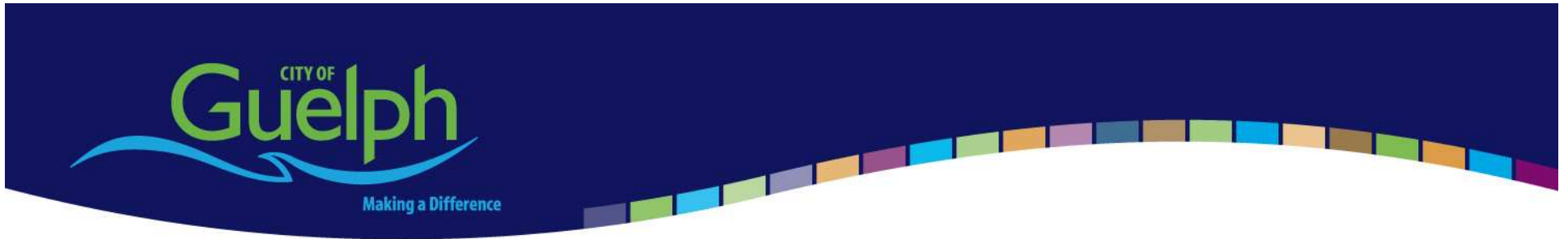
Item	Description/Definition	2014 Budget Process Action
Budget Model	Overall summary of City Tax Supported Operating Expenditures and Revenues by program function for Base (existing), Growth and New items	Align growth (defined as volume) to base reducing categories from 3 in 2013 to 2 in 2014: Base/ New
Budget Guideline	Target set for staff to develop options that address budget pressures to achieve a predictable tax levy increase	Introduce a formula based guideline using 5-year historical trend for CPI and 2014 population growth forecast
Budget Approach	TBD	TBD



# Capital Budget Prioritization Framework

- Current
- Proposed

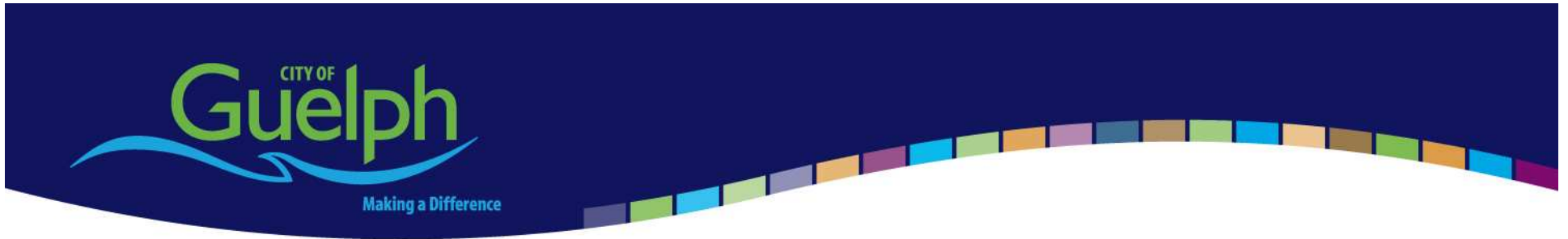
Reasons for considering change



## Current Capital Prioritization Methodology

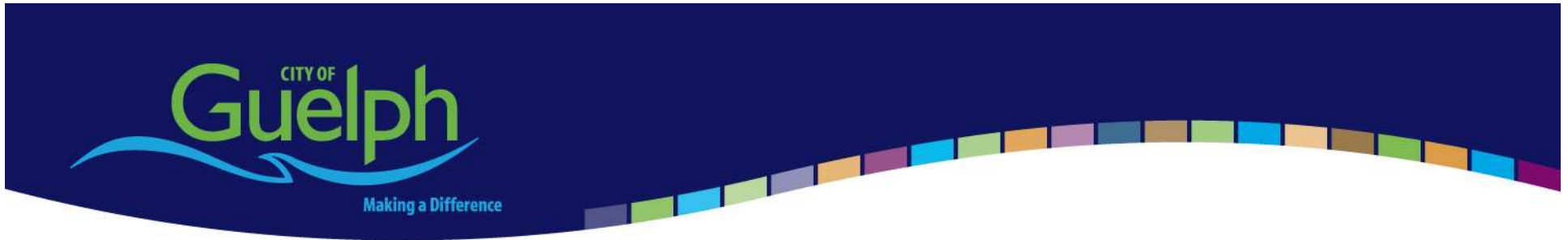
- 27 (now 14) criteria
- Considers state of good repair
- Does not readily assess soft infrastructure





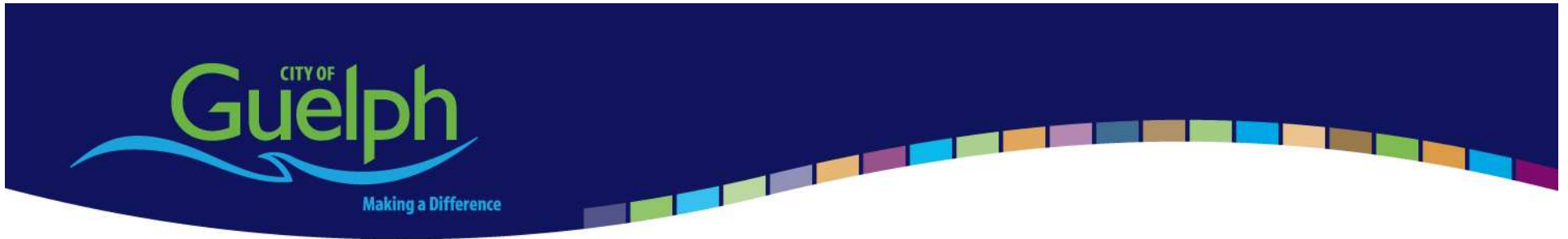
# **Proposed 2014 Capital Prioritization Framework**

- For discussion



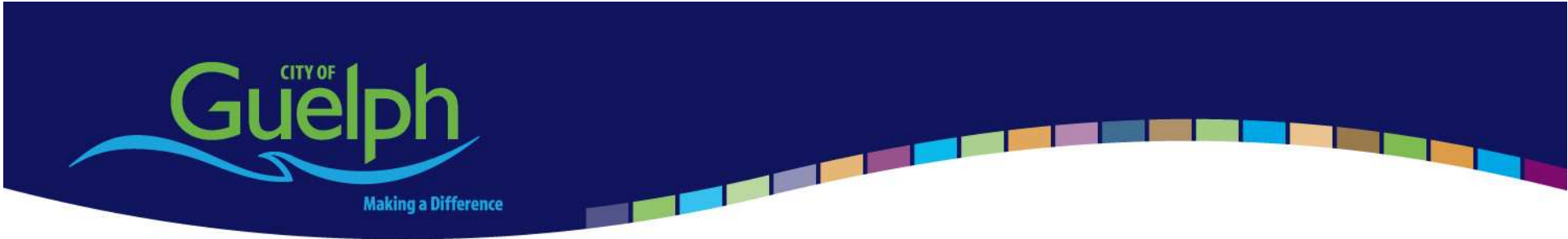
# Public Awareness and Engagement

- Access, transparency and accountability
- Effective and timely budget information
- Budget Development Process versus Public Impacts on Model
  - Guideline
  - Information Flow



# Public Awareness and Engagement

- Thoughts? Discussion



# General Housekeeping

## Next Steps

- Staff Report to CAFE in March/ April 2013
  - To include resolutions reflecting feedback in Feb 12 workshop
- Staff report to Council in March/ April 2013
  - Reflects workshop and CAFE input
- DRLT Team and Front Line Managers incorporate changes and begin 2014 Budget process once Council direction confirmed

# STAFF REPORT



TO City Council

SERVICE AREA Finance & Enterprise Services

DATE February 12, 2013

**SUBJECT 2014 Budget Workshop**

REPORT NUMBER FIN-13-06

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To provide an overview of the City of Guelph budget process and introduce some new approaches based on feedback received throughout the 2013 budget deliberations to be used as a framework for the 2014 and future year budget reviews.

### KEY FINDINGS

Following any budget process, it is necessary to go through an overview process that facilitates the review of past practices and offers forward looking actions that will be carried out to address known issues and interests. This process allows for open dialogue and ensures continuous improvement. The current report provides an outline for building on the 2013 Budget process and seeks input and guidance from Council on the changes that are being considered and recommended for 2014 and future year budgets.

### FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

### ACTION REQUIRED

Council receive the report for information.

## RECOMMENDATION

1. That the February 12, 2013 report entitled FIN-13-06 2014 Budget Workshop be received for information.

## BACKGROUND

As part of the City's annual budget process, staff have traditionally facilitated a debrief session with Council to receive feedback on the past year's budget and discuss how to incorporate these into next year's and future budget deliberations. Staff used this opportunity to address key positive and negative elements identified during the various workshops and public meetings and offer proposals and

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suggestions of how the process could incorporate the observations and build on them for an even better process. For the current year, staff are proposing a slight shift to previous budget debrief sessions to exact a more positive and streamlined focus. In short, a 2014 Budget Workshop is scheduled for February, 2013 to propose some changes to the budget process based on observations and feedback received throughout the 2013 Budget deliberations and seek further guidance from Council on best practises. Although this workshop will primarily concentrate on establishing new approaches and practises there will still be opportunities provided to seek further input on the budget process as well as confirm with Council whether staff interpretations of observations received throughout the 2013 Budget cycle are shared. This report is therefore intended as an information package to provide more detailed background support to the concepts and principles that will be presented at the February 12, 2013 workshop

## REPORT

The order of the information packages described in this report and provided in support of the 2014 Budget Workshop presentation are deliberately designed to cascade down from a general background budget overview to key items where Council consideration and guidance is sought respecting newly proposed approaches and changes. Throughout the presentation and supporting report information provided here, staff have attempted to incorporate the considerable feedback it received from Council, community partners, City management staff, local boards and shared services and the public at large throughout the 2013 budget workshops, meetings and delegations. However, it is expected and intended that through the February 12, 2013 Council 2014 Budget Workshop, that Council and other stakeholders provide additional feedback where items might have been missed or misinterpreted. **Attachment 1** provides an overview of observations made by Council and Key Stakeholders during the 2013 Budget Process and the actions undertaken by staff to address those observations. This will be updated based on the inputs received at the 2014 Budget Workshop and subsequent CAFE and Council meetings scheduled for March 2013.

The 2013 budget process aimed to provide Council with the information necessary to make sound decisions regarding the provision of services and use of capital assets. To assist in the provision of this information and ensure good dialogue between staff and Council, there were three Council workshops organized as part of the 2013 budget in addition to the normally scheduled special meetings of Council. As well, staff undertook dialogue with external stakeholders (e.g. Guelph Chamber of Commerce, Province of Ontario) and partners (e.g. County of Wellington, Local Boards, CMSMs) to seek their input. Through these workshops and meetings, staff recognized four key areas requiring additional discussion. These areas are:

- (A) Budget Process (including Model and Guideline)
- (B) Capital Budget Prioritization Framework
- (C) Public Awareness and Engagement (information flow/consultation)
- (D) General Housekeeping and Discussion

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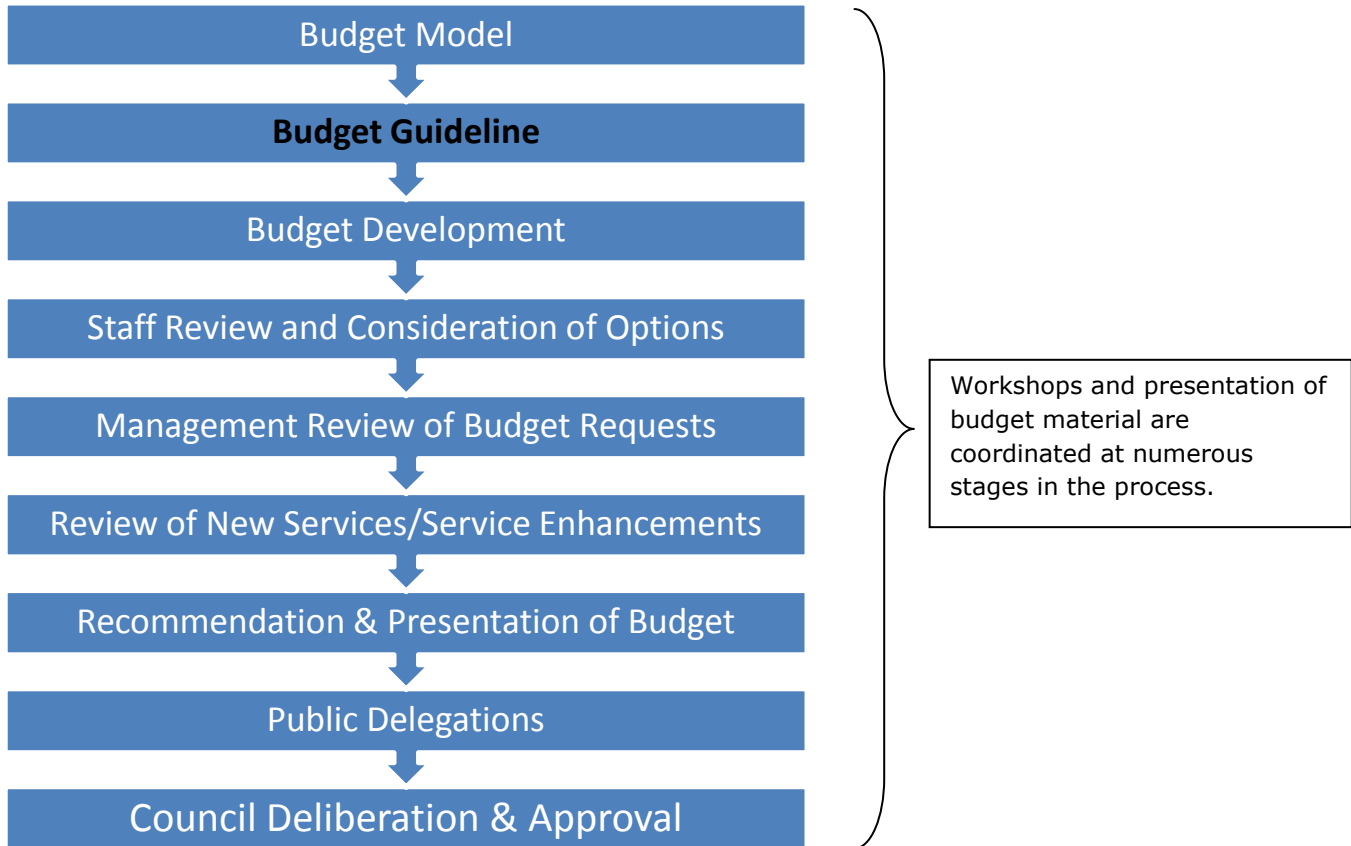
This report provides background information for each of these themes. At the workshop, staff will use a slide presentation to focus the discussion along the lines detailed in this information report.

## **(A) Budget Process**

Under this heading, the information provided describes the current budget model and guideline practices to then delve into the proposed 2014 Budget Process and approach. Cascading down from there, the report then outlines how the proposed model and guideline could be applied to even further enhance their usefulness as a budgeting tool within the budget process. In addition to responding to feedback during the 2013 budget process, the actions identified here are prompted by and tailored to the successes achieved in the development of multi-year and service based budgeting practices now incorporated into the 2013 Enterprise Budget. As experienced with the introduction and refinement of the Enterprise budgets, it is expected that full implementation would not occur in 2013, for full use when creating the 2014 Budget, but is targeted for application for the 2015 Budget cycle.

The following diagram shows the City’s current operating budget process:

**Diagram 1: 2013 Tax Supported Operating Budget Process**





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A brief explanation of each of the above steps is outlined in the chart below:

<b>Step</b>	<b>Explanation</b>
Budget Model	Provides the presentation framework for the Tax Supported Operating Budget (Currently 3 categories: Base Budget, Growth; New Services).
Budget Guideline	Provides an overview of the potential tax levy pressures to deliver the previous year's service level in the current year without implementing any mitigation factors.
Budget Development	Staff update their budget requests for the current year taking into account historical spending, known cost and quantity pressures and revenue impacts.
Staff Review & Consideration of Options	First review of the year over year tax levy increase based on corporate needs and requests made through the budget development stage. At this stage, options for mitigating the pressures are presented and a detailed review is undertaken by Finance staff. Recommendations are made with the intention of minimizing the impact on service levels or programs.
Management Review of Budget Requests	Management Staff (DRLT & ET) review the options available for mitigating the tax levy increase and prioritize the options from a Corporate perspective.
Review of New Services/Service Enhancements	All new services and service enhancement requests are reviewed and those recommended to move forward are prioritized based on Corporate needs.
Recommendation & Presentation of Budget	City's management team brings forward the Staff recommended budget for Council's consideration. This stage sees several presentations made to Council representing the various components of the City's budget, including tax supported capital, operating, enterprise, and local boards & shared services.
Public Delegations	Members of the public have the opportunity to address Council regarding the City's budget.

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Council Approval & Deliberation	Council deliberates, amends and ultimately approves the City's operating and capital budgets for both the tax-supported and enterprise funds.
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In the sections that follow, staff provide a proposed change to the budget model used and process for budget deliberations. This approach is consistent with the principle of doing business differently and is expected to improve even further on what has been implemented to date, similar to the successes achieved with the Enterprise budgets.

## Background

For the 2013 Tax Supported Operating Budget process described in Diagram 1 staff provided Council with background information on estimated budget pressures and sought Council approval for a budget guideline to target staff work to achieve the guideline. The process provided for refinement of the budget model as found in Tab 1 of the final budget binder and attached as **Attachment 2**, that aligned revenue and expenditures by function to three key categories of Base Budget, Growth and New Services (expansion). The following sections describe and define each of the elements of the 2013 Budget process and identify proposed changes for incorporation into the 2014 Budget process.

### *a) Budget Model*

As found in **Attachment 2**, the Tax Supported Operating Budget Model has for the past couple of years consisted of three categories of revenues and expenditures aligned by function. These included:

- a) Base Budget (including annualization and impact from capital);
- b) Growth; and
- c) New Services (expansion).

The program functions incorporated in the model included service area budget requirements as well as corporate accounts, Local Boards and Shared Services. The end objective for utilizing this budget model was to derive the recommended tax levy requirement in terms of total net levy (\$) and year over year tax levy increase (%) by program. The functionality of the model easily lent itself to third party verification which was undertaken for both the final 2012 and 2013 Tax Supported Operating Budget presented to Council for approval.

While use of the model was helpful to understanding many of the key service delivery pressures and improved on past practises, it remained limited to only single year reviews and did not delve deeply enough into service based constraints. Another shortcoming of this model was that there was confusion around what constituted a "Growth" request. Specifically, the model provided that "Growth" reflected changes required to provide the same level of service to a larger population. This created some confusion with respect to the treatment of the prior

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year assessment growth being applied against the City base operating budget. As such, staff are recommending that growth of existing services belong under the “Base” budget category. The following section provides greater detail regarding the proposed model changes.

- *Presentation (Base Budget + Service Increases/Enhancements)*

The new model would require a change to the way in which staff presents the City’s tax-supported operating model. This would include:

- a) Presenting the budget in two parts only. The first part of the budget would be the base budget which is the cost of doing the same level of service for the whole City. Using terminology from past budgets, this would mean base plus growth requests. The second part of the budget would be new or enhanced levels of service.
- b) Agree that assessment growth be applied to fund the base budget.
- c) Address the concept of using full-time equivalents (FTEs) as a measure of control.

*b) Budget Guideline*

Early in each budget process, staff provide Council with information through what historically has been referred to as the Budget Guideline report. This report would provide Council with a projected tax levy increase based on information reflecting all known pressures that will impact the development of the City’s budget. Traditionally, due to the timing of this report, there is very little offered in terms of solutions or mitigating measures that could be implemented to reduce the potential levy increase and as a result, the information typically reflects a percentage increase that is significantly higher than what will ultimately be recommended and presented by staff. During the presentation of the 2013 Budget Guideline report to Council and in subsequent workshops, staff received significant feedback on the need to avoid this unnecessary presentation method and instead introduce a predictable and transparent measure to guide budget work. This desire to offer a level of predictability was to assist the tax payer in calculating their own needs.

The 2014 Guideline will look to improve the budget guideline or first step in the City’s existing budget process outlined in diagram 1. This model will introduce the concept of **predictability as a measure of control** as a way to provide a predictable percentage increase to the City’s net tax levy requirement over a set number of years. This need specifically addresses the appearance of “wild swings” between 8-12% increases presented as guidelines over the last few years versus what comes forward as the staff recommended budget. In establishing the guideline, it is important to recognize that staff will work towards the determined target, however, the staff recommended budget will reflect the pressures at the time of budget preparation and an explanation as to why the recommended budget deviates from the guideline would be provided.

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Staff suggest that the following could help form the basis for establishing a predictable guideline:


- *Formulation of a predictable budget guideline*

Staff and Council agree on a tax increase projection over a set number of years. This would replace the annual budget guideline and would be comprised of a combination of predetermined variables and standards. The proposed predictability guideline would be the five-year average of the Ontario Consumer Price Index (CPI) plus growth as defined by the "Places to Grow" legislation. This measure would provide a formula that is transparent and easy to understand by the general public, stakeholders and staff while recognizing that a factor for growth needs to be incorporated into any guideline in order to meet the needs of a growing City. The proposed guideline would be calculated as follows:

**Guideline = (5-year average CPI) + 2014 Population Growth Forecast**

The chart that follows shows the five year average for CPI and the 2014 population growth forecast as identified in the Council approved Local Growth Management Study. The population growth forecast demonstrates the steady annual population growth required to meet the City's "Places to Growth" target by 2031.

	2008	2009	2010	2011	2012
CPI Ontario (All items)	2.3%	0.4%	2.5%	3.1%	1.4%
<b>A. 5-Year Average CPI</b>	<b>1.9%</b>				
<b>B. 2014 Population Growth Forecast</b>	<b>1.5%</b>				
<b>Budget Guideline (A + B)</b>	<b>3.4%</b>				



Additional information regarding the various indices considered and/or recommended is provided below:

### **Consumer Price Index**

One of the main pressures potentially impacting the City's annual budget is inflation in the price of goods and services the City purchases. The Consumer Price Index (CPI) calculated by Statistics Canada is the commonly used and best understood benchmark to estimate inflationary pressures. CPI can be defined as a measure that examines the weighted average price of a basket of consumer goods and services, such as transportation, food and medical care. The CPI is calculated by taking the price change for each item in the predetermined basket of goods and averaging them; the goods are weighted according to their importance. CPI does not consider increases in the quality or quantity of goods and services, just the price change over a historical time period. Due to the broad understanding of this index and relative stability of the index, staff recommend that this information be incorporated into the development of a predictable guideline.

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## ***Construction Price Index***

The Non-residential Building Construction Price Index (CI) is produced by Statistics Canada on a quarterly basis and measures the changes in the selling prices of non-residential building construction materials. This index aids in the interpretation of current economic conditions and is of particular interest to government bodies concerned about the impact of price changes on capital expenditures. Essentially, this index would provide a measure of the change to the capital financing component of the City's budget. However, due to the volatility of the CI and geographical influences associated with this index, staff do not recommend that it be used in order to develop a predictable guideline.

## ***Energy Index***

Similar to the Construction Price index, the energy index introduces too much volatility to be considered as part of the guideline calculation. While energy costs have historically represented a significant pressure on the City's budget, staff recognizes that increases to energy costs within the City's budget need to be addressed through mitigation and efficiency measures applied through the development of the City's budget.

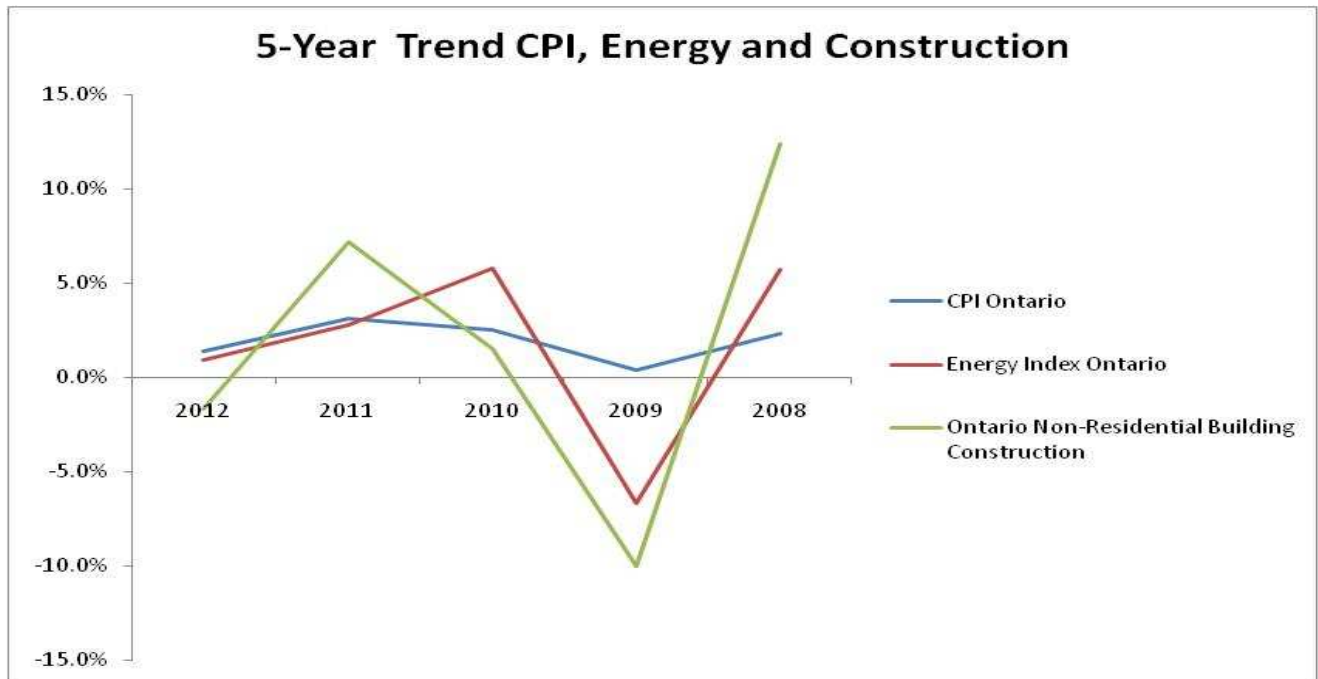
## ***Municipal Price Index (MPI)***

The municipal price index was originally designed to assist in determining the rate of inflation of the cost of goods a municipality purchases. This index is helpful to managers and Council in the following ways:

- It provides an indication of the direction of prices relative to municipal expenditures
- It measures the increase in overall municipal expenditures attributable to inflation
- It allows staff to monitor the increase in expenditures by category. This is helpful in the sense that such things as labour, construction costs and consulting may all increase at different rates and the MPI offers the flexibility to take this into consideration.

The downside of the municipal price index is that it is not calculated by a central agency such as Statistics Canada and rather is responsible for utilizing any number of indices to determine their own calculations. Due to the complexity of this calculation and inconsistent approach used in establishing the calculation, this index is not recommended by staff in the determination of a predictable and consistent guideline.

The chart below shows the 5-year change to the consumer price index, energy index and non-residential building construction indices.



### *c) Multi-Year Budgeting*

Delivery of a multi-year operating budget for Council information would align with the concept of presenting a predictable tax levy increase over several years and would allow staff to forecast known pressures that impact the development of City's operating and capital budgets. A multi-year operating budget allows staff to:

- forecast known pressures and identify mitigation strategies to "smooth" out budget impacts
- communicate the impact of prior year budget decisions beyond one year
- quantify the long-term operating impact resulting from the construction or acquisition of capital assets

Similar to the City's Enterprise budgets, staff would suggest a three year operating forecast be provided for information.

### *d) Service Based Budgeting*

Resource allocation is a key discussion point that comes up in a regular budget process. As part of the Corporate Strategic Plan, the need to assess and scope the value of transitioning to a service based budget was identified. In future years, staff will scope out this work and make a recommendation as to whether or not to proceed. Service based budgeting would assist in distinguishing between essential

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and discretionary services offered by the City and the cost of these services which can aid in decision making.

## **(B) Capital Budget Prioritization Framework**

### Background

As part of the 2012 budget process, staff introduced the idea of a capital priority model that would be used as an internal tool to prioritize capital requests across the organization. This was done in recognition that requests for funding would exceed the funding that was available in any given year as determined by the financing guideline currently approved at 20% by Council. The model developed as part of the 2012 budget process included 27 individual criteria that were reduced to 14 for the 2013 capital budget (**Attachment 3**). Once the criteria are established staff assign a weight to each individual criteria. Each project within the 10-year forecast is required to be evaluated against this criteria and an overall score is assigned. After all projects have been scored, they are ranked by year from the highest to the lowest score and a "line" is drawn to demonstrate where funding runs out based on the predetermined funding guideline (e.g. 20% guideline).

When the priority model is developed using the approach described above and all project requests are submitted, staff begin the corporate development of a 10-year fully funded sustainable capital budget. This involves the evaluation of projects that are "above" the funding line versus those that are "below" and reviewing the distribution of funding between departments and services. Staff look at each year and review projects for scope, risk, need, and relationship to other projects and make adjustments until each year in the 10-year forecast is fully funded within the financing constraints established by finance. In addition to the 20% guideline, financing constraints also include project eligibility for grant funding such as federal gas tax, development charges revenues and the amount required to be allocated to the development charge exemption reserve fund based on the 3-year average of exemptions that have been granted by Council.

The challenge described through this process includes concern over the criteria used, funding available and limited opportunity for consideration of projects that do not address hard infrastructure, state of good repair needs. Further review and consideration is important to determine how to even better address these interests.

### Capital Prioritization Framework- 2014 Model

The 2014 development of the capital framework will focus on council engagement and input. Staff approach will need to be developed, however, it is recognized that there needs to be a broader dialogue between Council and staff to ensure that all stakeholder priorities are being taken into account. Key areas to be addressed include:

#### **1. Development of the prioritization model**

As discussed above, the prioritization model has historically been used as an internal tool to aid in the development of the City's capital prioritization

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model. However, as this becomes more of a decision making tool and is applied to all capital project submissions, there is a recognized need to engage Council in the development of criteria and ensure that there is a mechanism in place to capture external stakeholder interests in the development of our capital budget.

**2. Funding “community” projects**

There is no dispute that the City has an infrastructure gap and historically the priority model has been weighted to assign higher scores to those projects that rehabilitate or reconstruct existing City assets. The result is that many “community” projects (eg. recreation centers, arenas) fall below the funding line and staff struggle to delay infrastructure projects in order to accommodate these projects. However, many of these projects offer the largest community impact in terms of achieving the City’s mission and vision. Through the 2014 capital process, staff are going to reviews ways in which dedicated resources can be allocated towards these projects to ensure that there is a mechanism to include them in the capital budget and forecast.

**3. Enhanced discussion on funding sources**

The funding of capital projects is complex due to the various types of funding that is available. Through the development of the budget, staff utilize various funding sources including City funds, development charges, federal gas tax, partner contributions, sale of assets plus many other sources to pay for projects. Many of these sources have rules and restrictions which can limit the ability to transfer funds between projects. These rules and restrictions, along with the need to maintain a sustainable ten year forecast, make the addition or deletion of projects difficult once the forecast has been established. As such, in addition to further engagement with Council on the development of the capital forecast, staff will facilitate enhanced discussion on the various funding sources used to fund capital projects.

**(C) Public Awareness & Engagement**

Background

The 2013 budget process offered the below dates as opportunities for public meetings:

Date	Activity
July 17, 2012	Inaugural 2013 Operating Budget Workshop
July 23, 2012	Preliminary Budget Guideline
September 17, 2012	Secondary 2013 Budget Workshop
October 3, 2012	2013-2022 Tax Supported Capital Budget Presentation
October 24, 2012	2013 Enterprise Operating & Capital Budget Deliberation & Approval
November 6, 2012	Tax Supported Operating Budget Workshop



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November 22, 2012	2013 Tax Supported Operating Budget Presentation
November 27, 2012	2013 Local Boards & Shared Services Presentation
November 29, 2012	Public Delegation Night
December 5, 2012	Council Deliberation & Approval of Tax Supported Budgets
<b>February 12, 2013</b>	<b>Budget Overview Discussions</b>

In addition to the above meetings, staff also posts all budget materials on the City's website and in library branches around the City. However, there is always the opportunity to improve or enhance points of discussion and staff appreciate any input Council may have regarding additional points of contact that are necessary or improvements that could be made to existing meetings, presentations and communications.

## Public Engagement Framework- 2014 Model

In addition to the workshops and presentations that are already established, 2014 will see an increased focus on:

- **Improving internal and external communications** to ensure that information is flowing in a timely and productive manner.
- **Mechanisms to engage local boards, committees and advisory groups** to acknowledge their vested interest in the City's budget process. The City already does various levels of engagement with these stakeholders, but feels that there is an opportunity to consider a more focussed and streamlined approach.

## (D) General Housekeeping & Discussion

The City's budget process is highly collaborative and requires input from numerous stakeholders. The above sections may not capture all points of discussion and as such other concerns or points of discussion can be discussed at the February 12, 2013 workshop.

## **CORPORATE STRATEGIC PLAN**

- 1.2 Develop collaborative work teams and apply whole systems thinking to deliver creative solutions
- 2.2 Deliver public services better
- 2.3 Ensure accountability, transparency and engagement
- 3.3 Strengthen citizen and stakeholder engagement and communications

## **DEPARTMENTAL CONSULTATION**

Executive Team

Direct Report Leadership Team Budget Sub-committee

## **COMMUNICATIONS**

[Approach to Communications]

# STAFF REPORT



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## ATTACHMENTS

- Attachment 1: Overview of Observations and Actions
- Attachment 2: 2013 Tax Supported Budget Model
- Attachment 3: 2012 and 2013 Capital Budget Priority Framework

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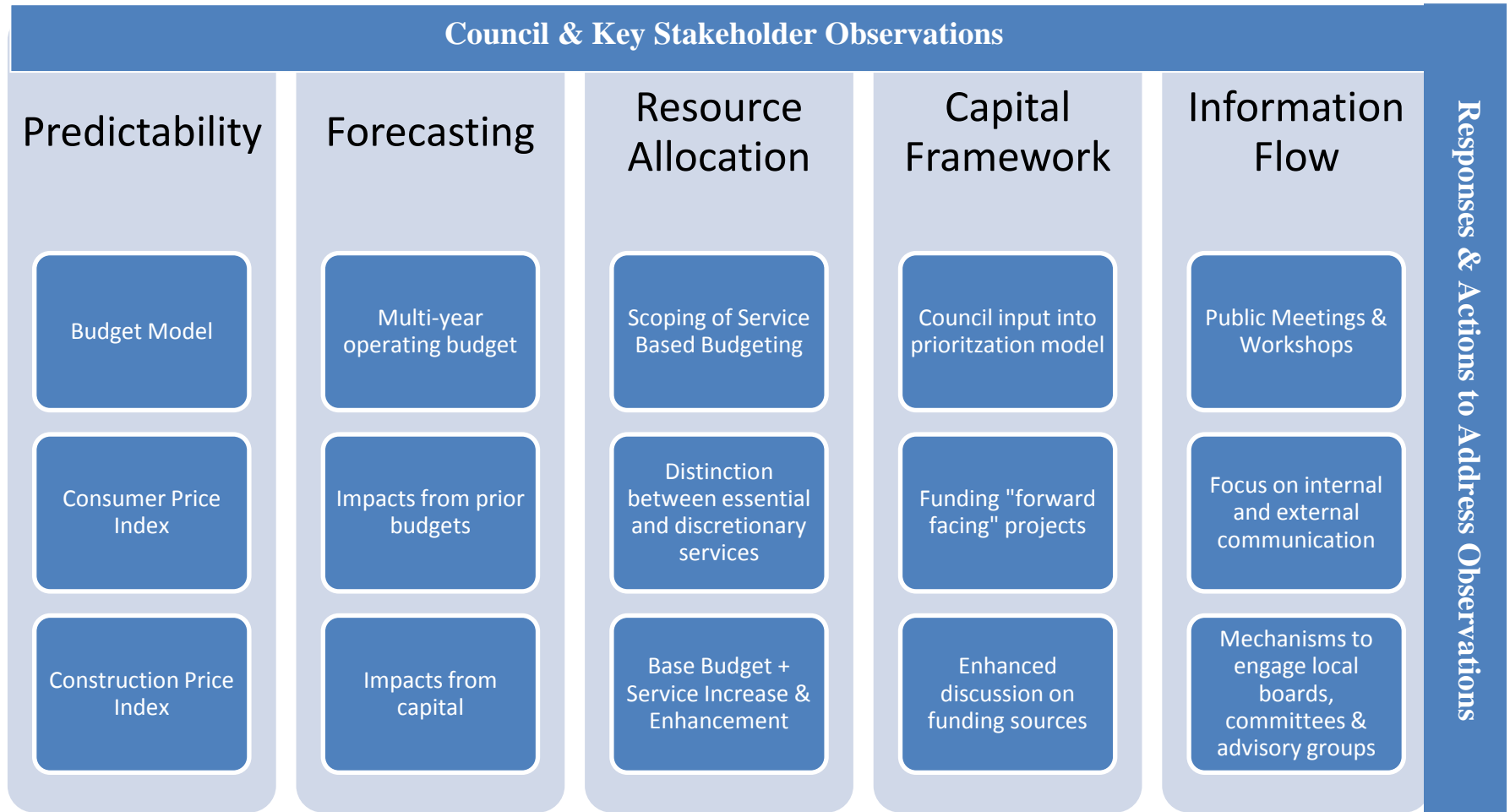
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## Attachment 1: Overview of Observations and Actions





**Attachment 3: 2012 & 2013 Capital Priority Framework**

2013 Capital Priority Model Tool		
Criteria #	Criteria	Weighting
1	Health & Safety/Public Safety	97
2	Legislated	97
3	Mitigate Corporate Risk - corporate policy	97
4	Positive economic contribution to benefit external stakeholders (if <b>yes</b> )	44
5	Maximizes use of non-municipal tax funding, leverages economic investment or contributions from third parties	70
6	Sets the foundation for future projects, promotes integrated infrastructure, recognizes existing commitments, project continuity, and contractual obligations	72
7	Support or augment existing work activities and/or improves operational efficiency (e.g energy efficiency, leverages technology to improve service delivery)	72
8	Maintains existing infrastructure in good state of repair , meets equipment replacement criteria and life cycle	91
9	Growth related	81
10	Provides benefits to multiple internal and external stakeholders/projects	58
11	Supports community wide preparedness and ability to respond	74
12	Improves customer service, service levels and delivery or addresses a service deficiency	78
13	Exceeds legislative requirements to protect & enhance the natural environment.	55
14	Meets the needs of social and cultural goals	60

2012 Capital Priority Model Tool		
Criteria #	Criteria	Weighting
1	Health and Safety	182
2	Legislated and/or regulatory	194
3	Positive economic contribution	76
4	Maximizes use of external or non-tax funding public investment	72
5	Set foundation for future project	68
6	Support or augment existing work activities	76
7	Improves operational efficiency, energy efficiency or generates new revenue etc.	69
8	Integrated infrastructure	72
9	Supports goals of the strategic plan	67
10	Maintains existing infrastructure in good state of repair	84
11	Contributes to goals of CEI	59
12	Leverages private sector economic investment or contributions from third parties	73
13	Mitigates Corporate Liability	168
14	Strategic Risk	68
15	Growth related	70
16	Alignment with Council Approved/Directed strategic initiatives	80
17	Leverages Technology to improve service delivery	66
18	Provides benefits to multiple internal and external stakeholders/projects Involves multiple departments	63
19	Supporting community wide preparedness and ability to respond	68
20	Meets equipment replacement criteria, life cycle	81
21	Improves customer service	65
22	Improves service levels and delivery or addresses a service deficiency	69
23	Existing commitments, project continuity, contractual obligations	87
24	Protects and improves the natural environment.	76
25	Meets the cultural needs of the community	62
26	Meets Social goals	59
27	Enhances communications and transparency	55

Note: in 2012, the weightings for criteria 1, 2 and 13 were doubled