



Council Orientation Budget

December 13, 2018

Council Orientation Budget

Agenda

- Overview
- Capital Budget
 - Asset Management
- Operating Budget
- Budget Process
- Preliminary 2019 Budget Preview

OVERVIEW

What is a Budget?

An itemized summary of planned spending and revenues over a period of time.

Why do we Prepare a Budget?

Provincial Government legislates under the Municipal Act, a Council shall prepare and adopt a balanced budget.

Effective Financial Management

- Long-term planning and budgeting
- Financial policies that meet the needs of today and tomorrow
- Regular reporting to Council

Corporate Alignment

**Long-term
policy**

City of Burlington's 2015-2040 Strategic Plan

**Medium term
policy**

**Long Term Financial
Plan**

**Asset Management
Plan**

Corporate Plans

Implementation

Capital Budget

Operating Budget

Introduction To The Long Term Financial Plan

[VIDEO](#)

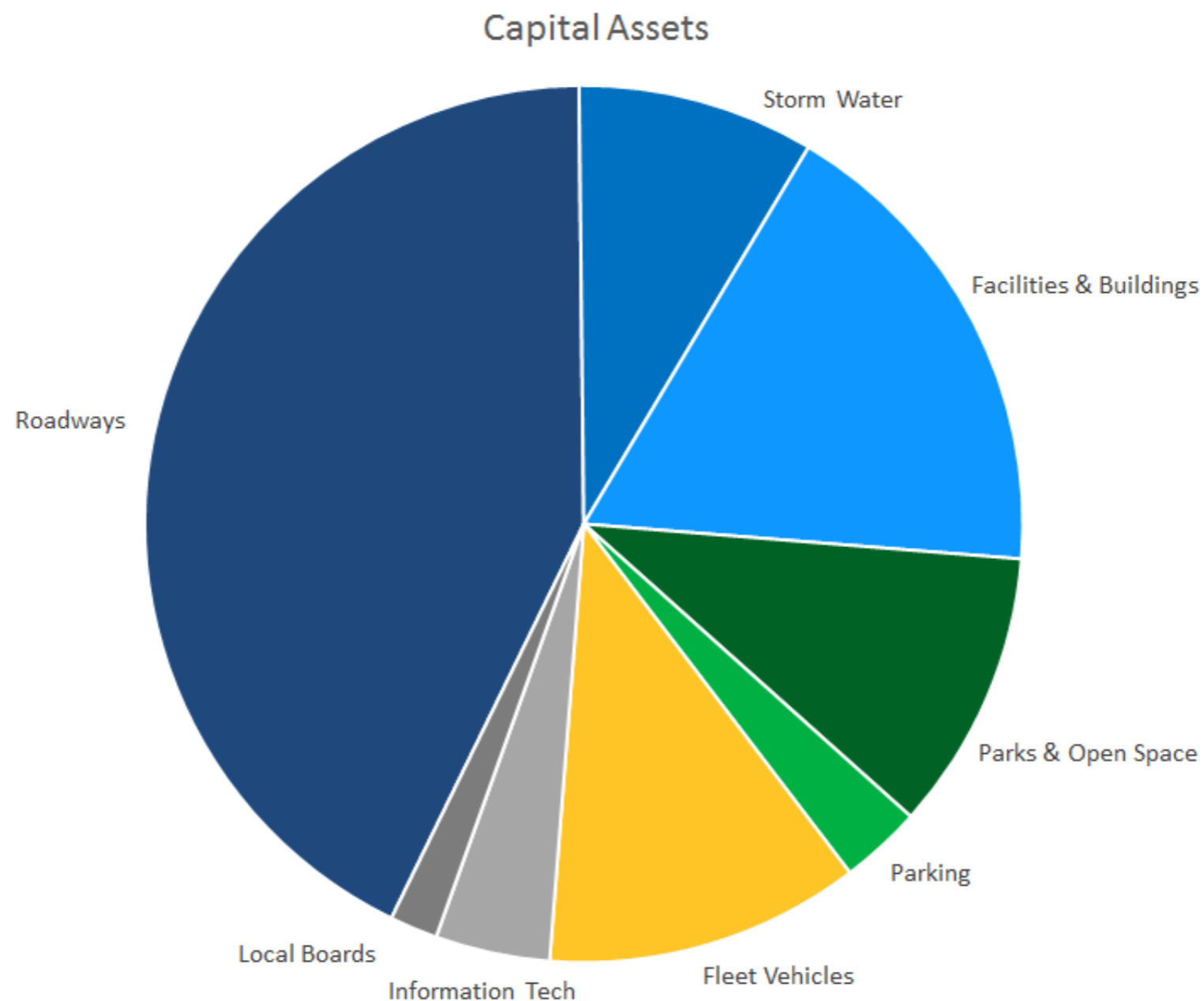
CAPITAL BUDGET

Capital Budget

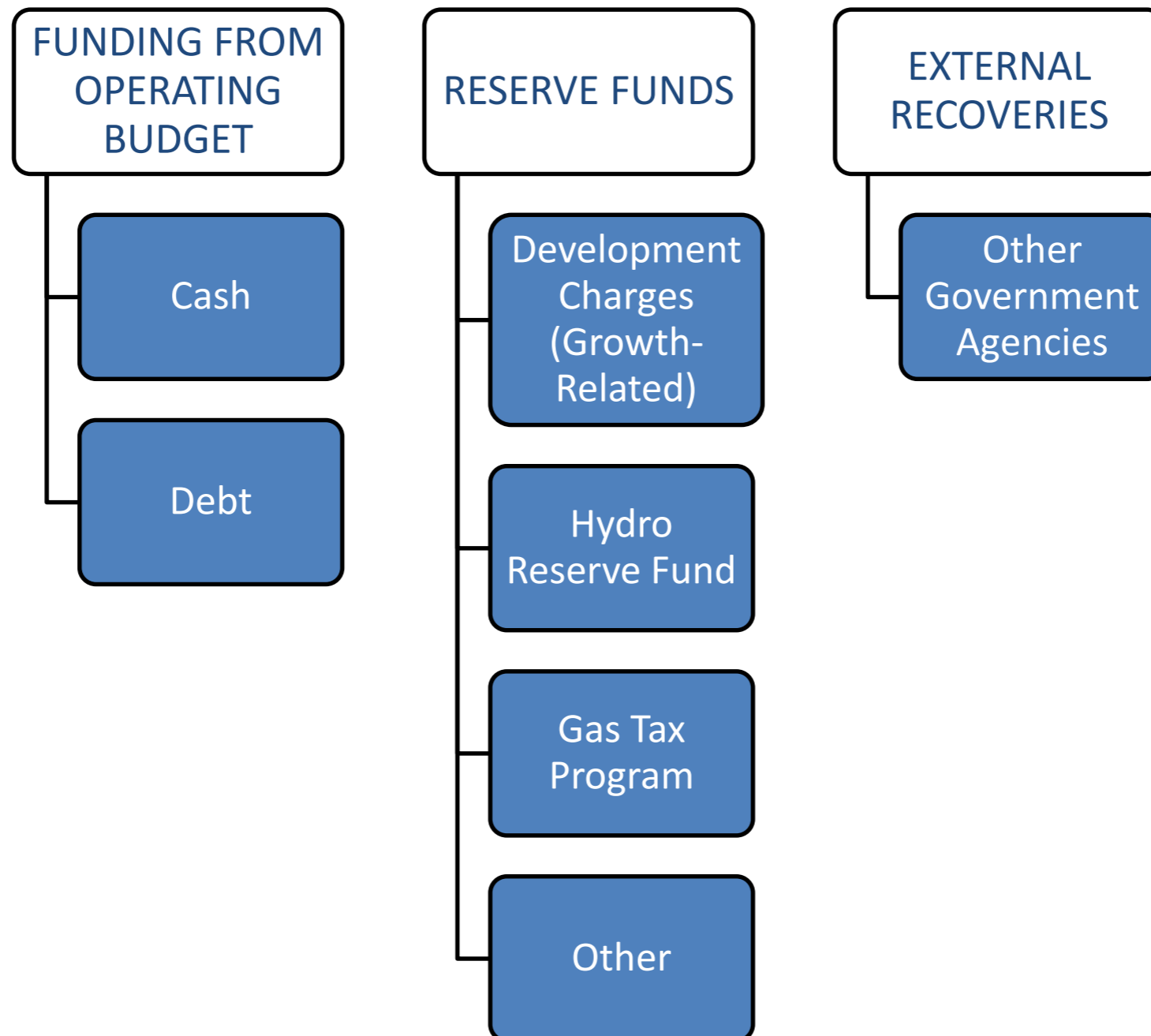


10-Year Capital Budget

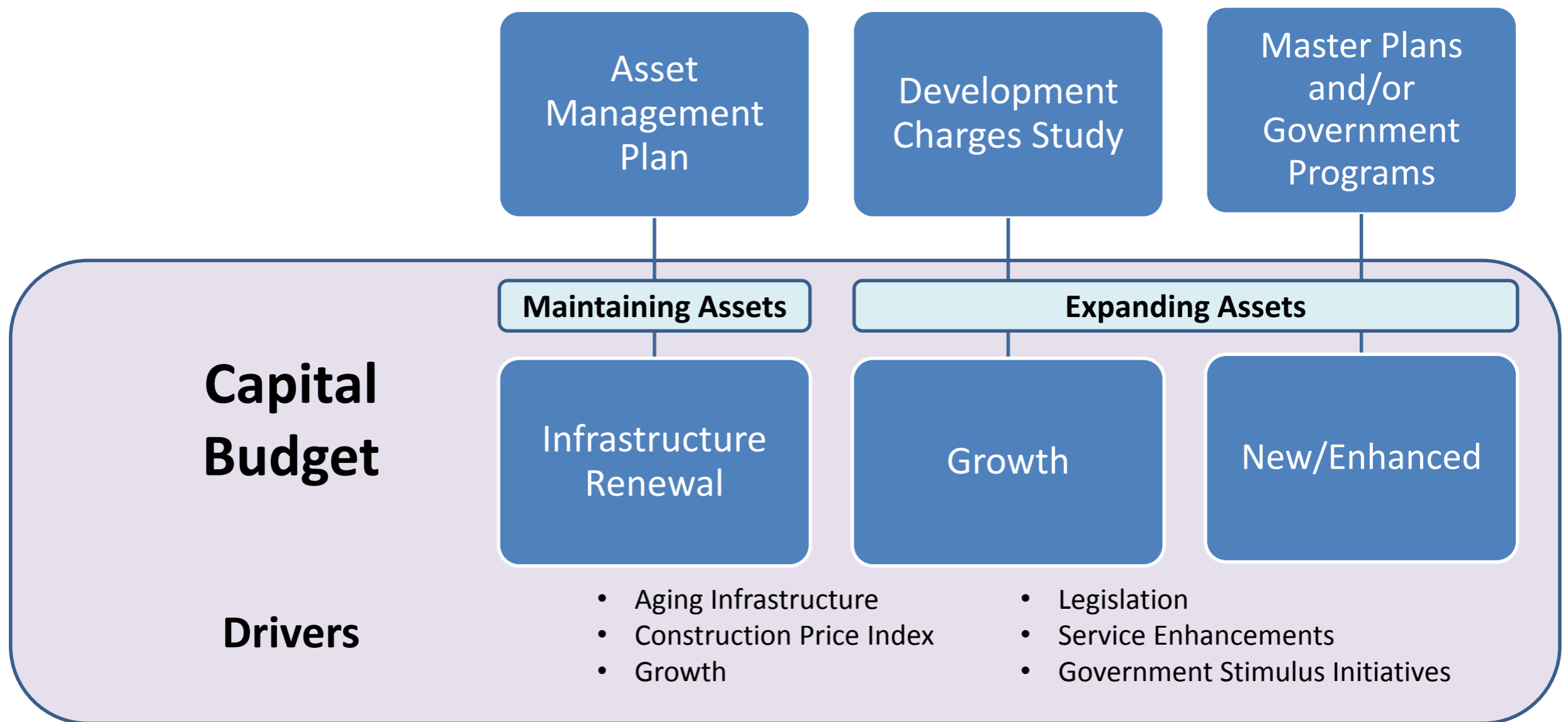
What Does a Typical Capital Budget Look Like?



How we pay for the Capital Budget



How We Manage Our Assets



Asset Management

Asset:

The physical structures or facilities needed for the operation of a community. Assets exist to support service delivery.

Asset Management Plan (2016):

Long-term plan that coordinates asset management activities and practices to realize value from assets in the most cost-effective manner.

Asset Management Financing Plan (2016):

Provides a sustainable funding strategy to address the city's long term infrastructure needs

Why do we do it?

- Financial sustainability
- Predictable infrastructure investment
- Satisfy regulatory requirements

2016 State of Local Infrastructure

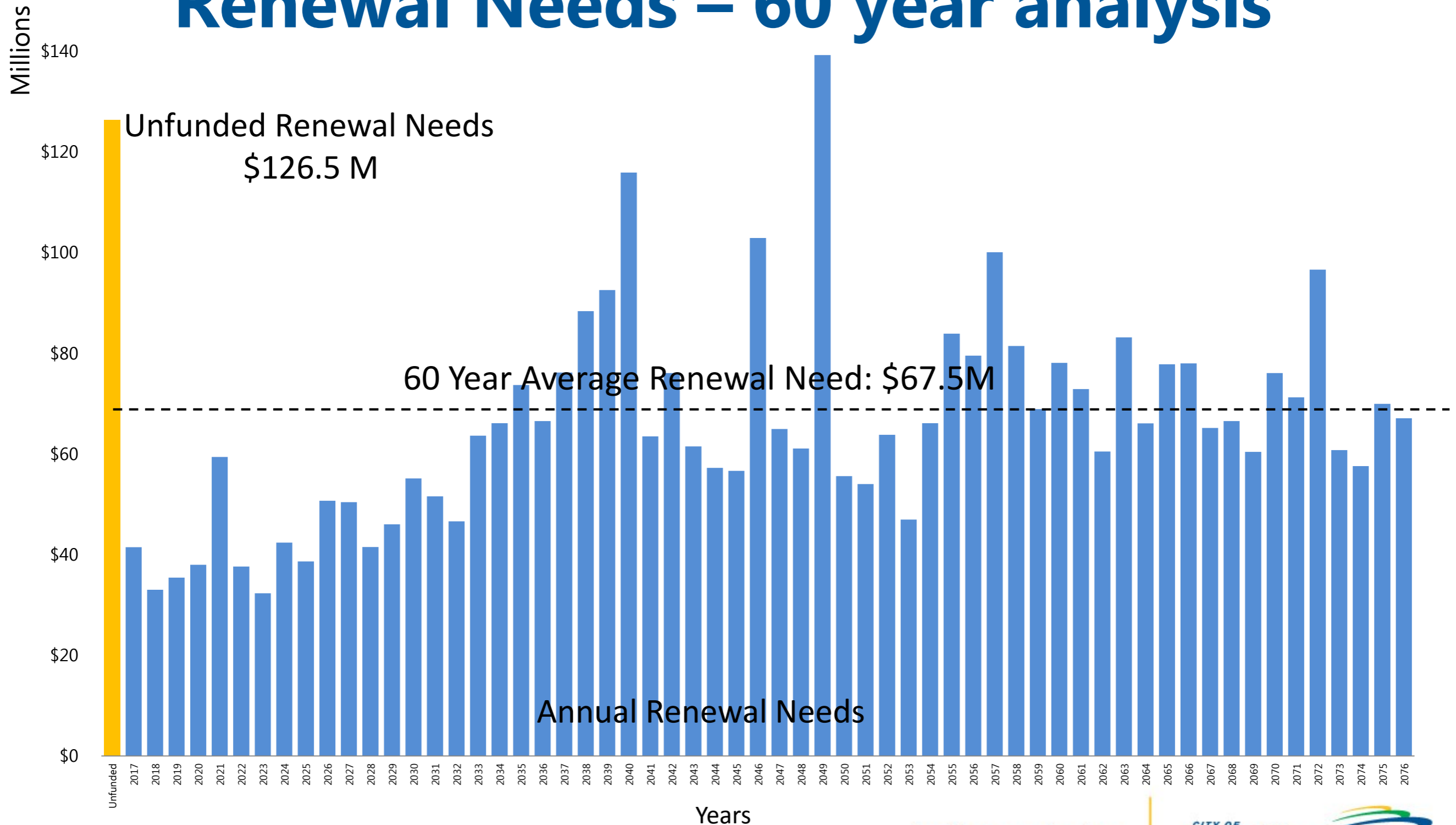
Replacement Value

Replacement Value: Current worth of our asset inventory

Unfunded Renewal Need: Value of infrastructure renewal that requires immediate attention

Asset Category	2016 Replacement Value (\$Millions)	2016 Unfunded Needs
Roadways	\$2,013.3	\$107.9
Storm Water Management	\$66.6	-
Facilities & Buildings	\$547.7	\$11.8
Parks & Land Improvements	\$200.3	\$6.3
Fleet – Vehicles & Equipment	\$70.6	-
IT services – Hardware & Software	\$44.7	\$0.4
Total	\$2.943 Billion	\$126.5 Million

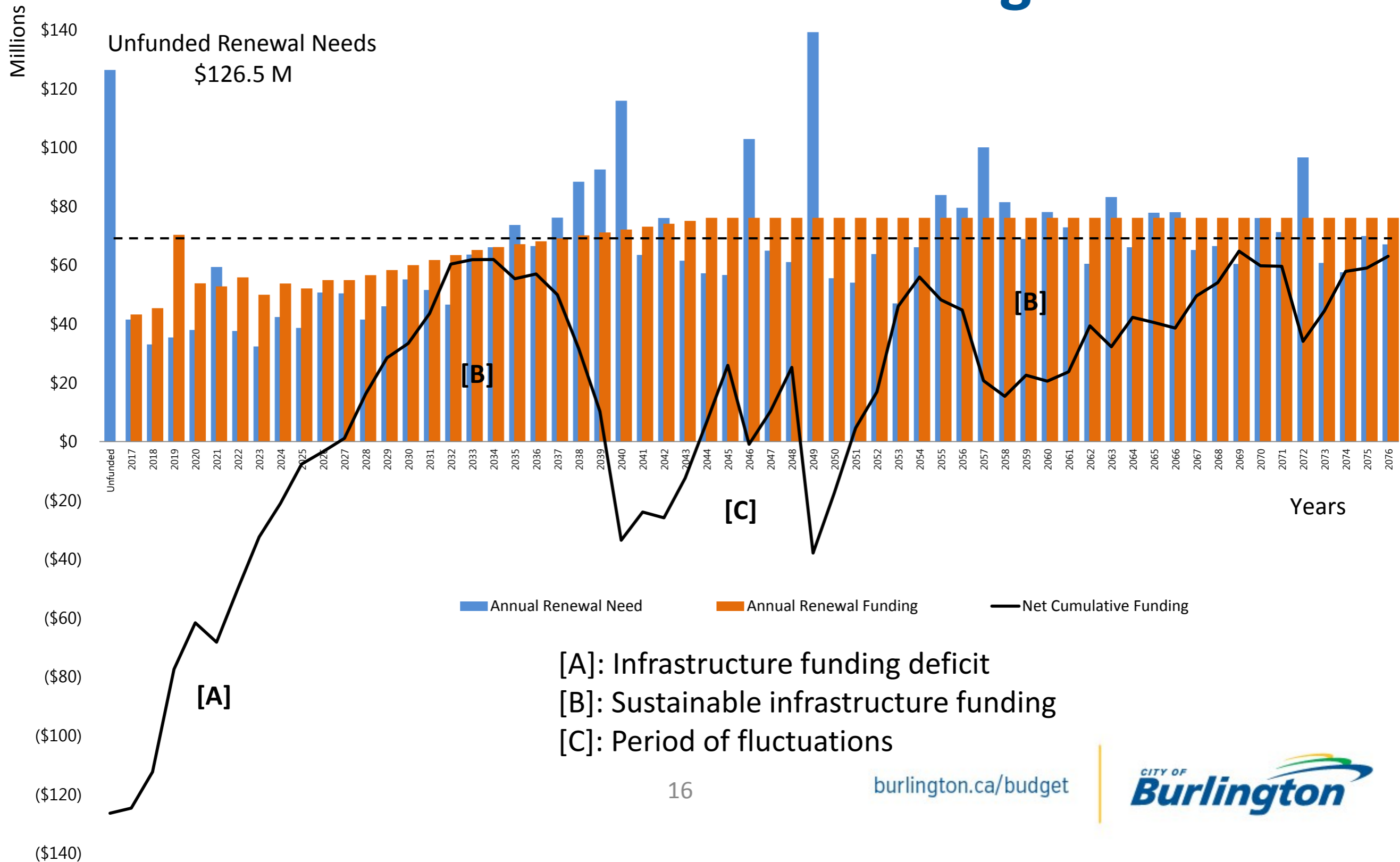
Renewal Needs – 60 year analysis



2016 Financing Plan

- Financing plan moves towards long-term sustainability
- Dedicated Infrastructure Renewal Levy
 - Continue levy of 1.25% (to 2022), reducing to 1.0% (2023-2033) and further reducing to 0.5% (2034 and beyond)
 - Additional 0.2% levy beginning in 2020 to address the renewal needs of a growing asset inventory
- Repurposing of Hospital Levy, phasing in beginning in 2019 for \$1.7million, \$0.5million in 2026 and \$2.6million in 2027

Net Cumulative Funding



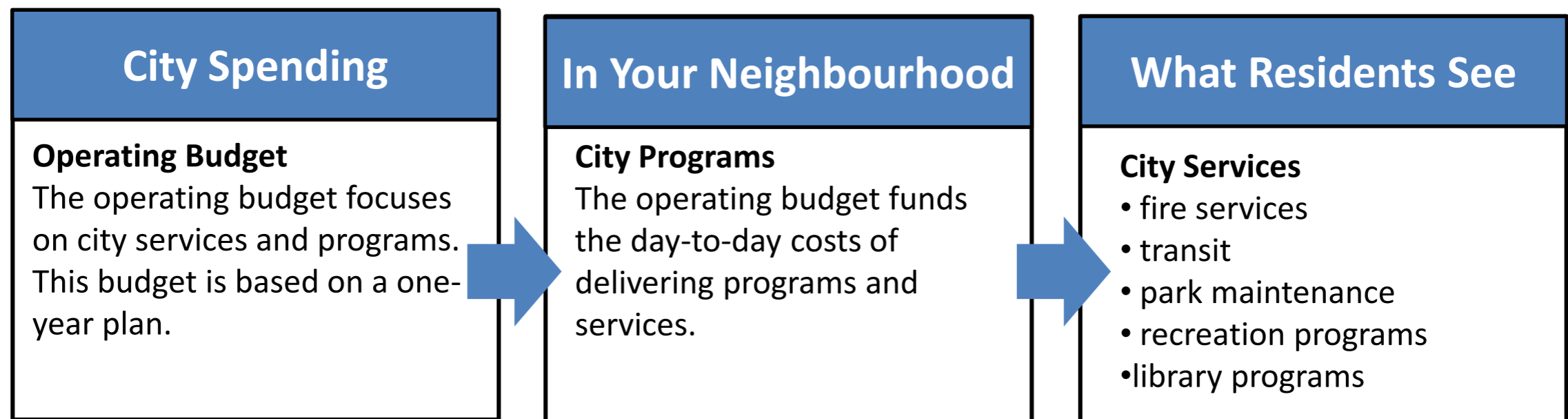
How New Assets Impact the Operating Budget

- It is important to recognize that by acquiring new assets, the City is making an ongoing financial commitment in future years.
- New assets result in ongoing operational costs to maintain the new infrastructure.
 - Expenses such as ongoing maintenance, labour costs and commodities
 - Future capital replacement costs

Example: additional Transit buses result in ongoing operating costs for transit operators, fuel, maintenance, insurance and lifecycle renewal costs.

OPERATING BUDGET

Operating Budget



Services Structure

List of Services

The service-based budgets included in this document represent services provided by the City and are categorized as follows:



Public Safety

- Animal Control
- Emergency Management
- Fire Emergency Response
- Fire 911 Communication
- Fire Prevention and Public Education
- Municipal Law Enforcement and Licensing



Maintenance

- Cemetery
- Environment and Energy
- Parks and Open Space Maintenance
- Road and Sidewalk Maintenance
- Surface Water Drainage
- Tree Management



Roads and Transportation

- Parking Management
- Roads and Structures - Design and Construction
- Specialized Transit
- Traffic Operations Management
- Transit
- Transportation Planning



Leisure

- Arts and Culture
- Organized Sport Support
- Recreation



Design and Build

- Building Code Permits and Inspection
- Community Design and Development Review
- Facilities and Buildings-Design and Construction
- Parks and Open Space-Design and Development



Customer Relations and Citizen Representation

- Council and Citizen Committee
- Service Burlington



Internal Support and Administration

- Asset Management
- Corporate Legal
- Corporate Management
- Financial Management
- Fleet Management
- Geographic Information and Mapping
- Human Resources
- Information Technology
- Internal Audit
- Sign Production
- Strategic Communications and Government Relations

Service Business Plans

What is a Service Business Plan?

- Business Plan is a service blueprint to deliver information
- Summarizing operational and financial objectives for a period of time
- Showing how objectives will be achieved
- Details past, present and forecasted performance

What does a Service Business Plan do?

- Answers the following key questions:
 - How much did we do?
 - How well did we do it?
 - Is anyone better off?
 - What innovations have we undertaken?
 - What could we be doing differently?
 - What lies ahead?
- All in one document

Service Business Plan



Service Name	By-Law Enforcement	Service Type	Public
Service Owner Name	Grant Zilliotto	Budget Year	2018
Service Owner Title	Manager of By-law Enforcement and Licensing		

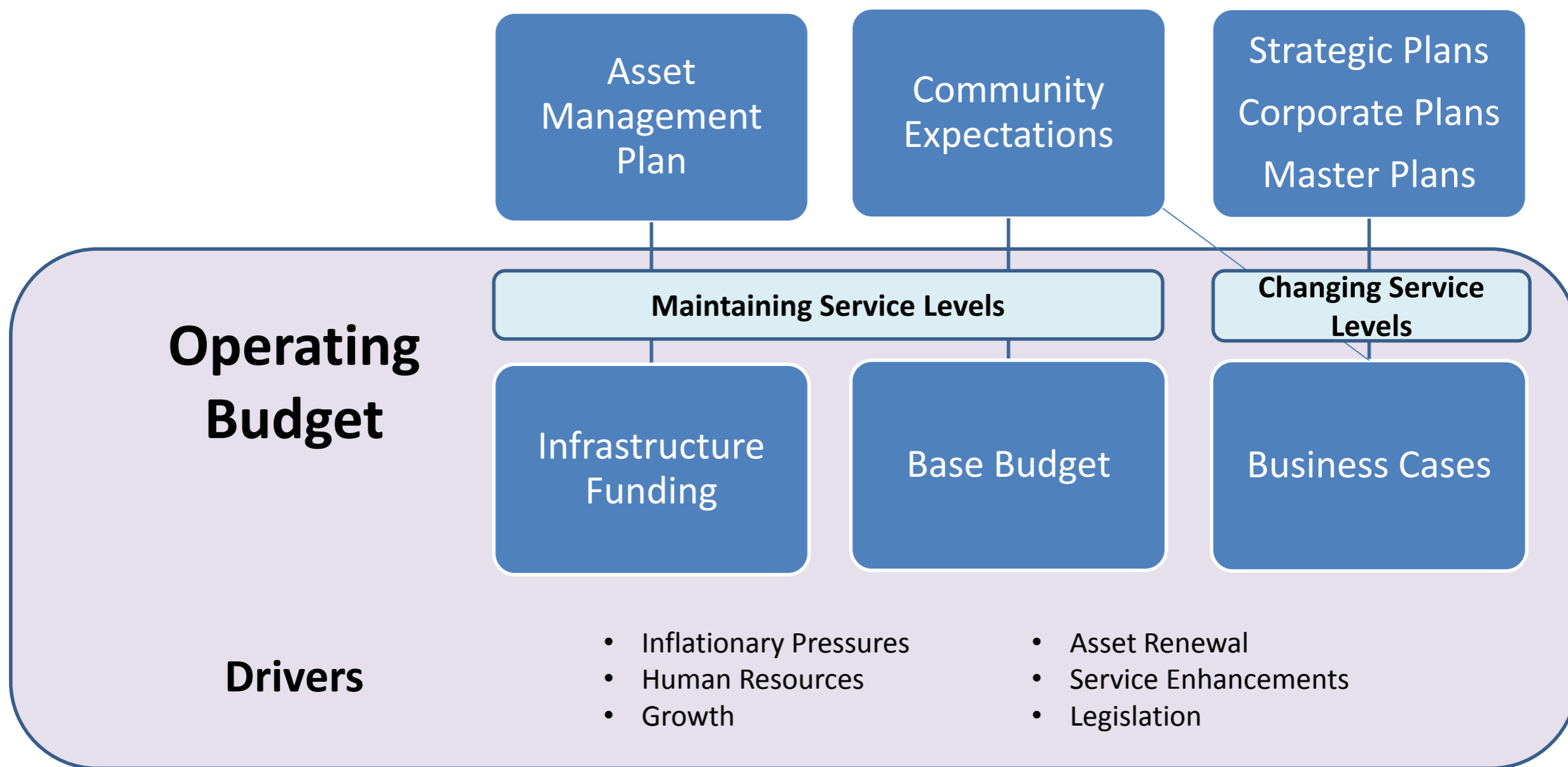
Service Description

A public service to enforce City By-laws (other than Parking By-law Enforcement).

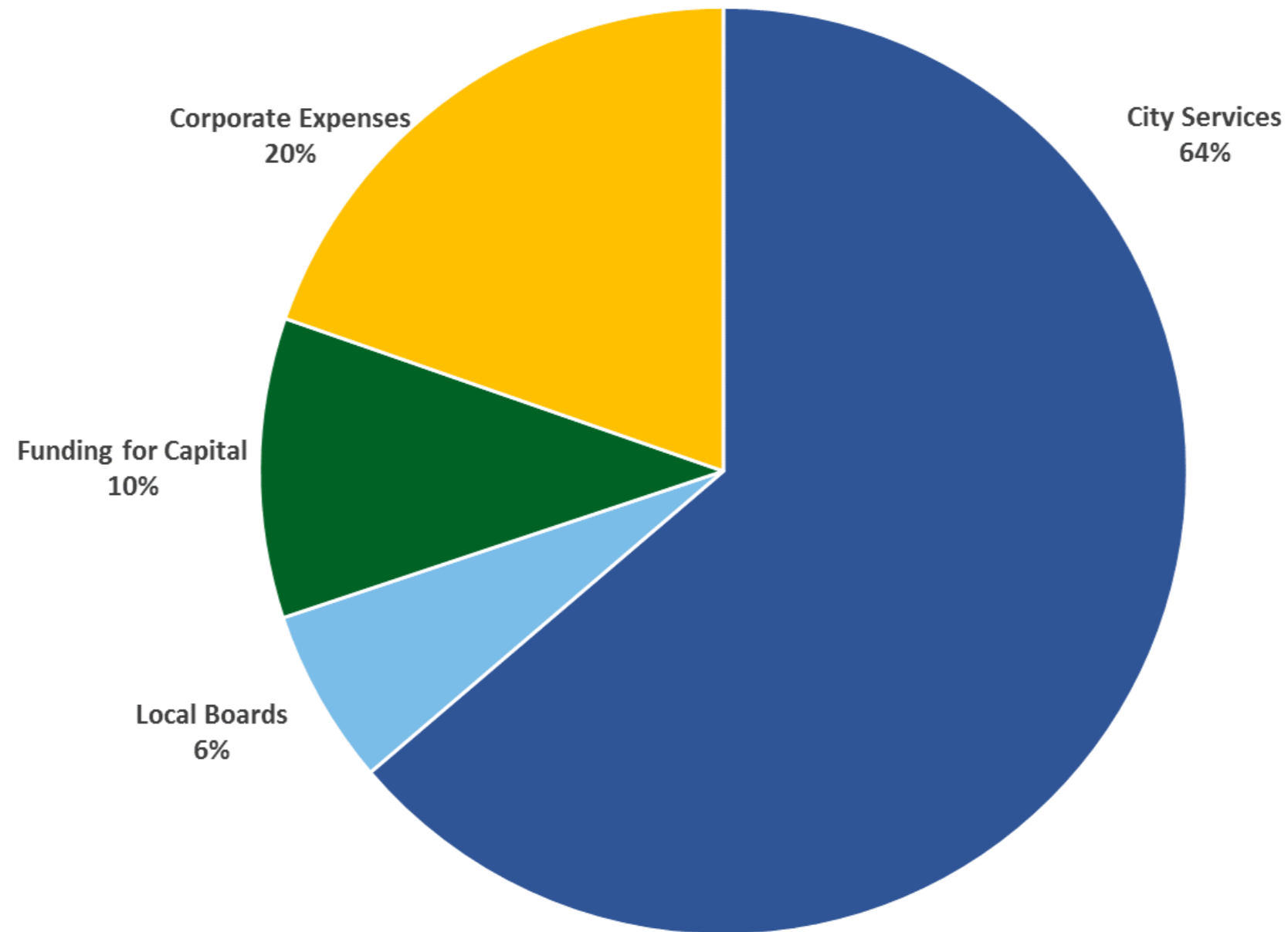
Current State

Customers & Their Expectations	<p>This service is delivered to:</p> <p>Citizens and visitors to the City of Burlington, who expect:</p> <ul style="list-style-type: none"> • By-laws applied fairly and consistently • Reasonable response and action to By law complaints • Online services for licenses and permits • Fully trained By-law Enforcement Officers and Property Standards Officers • By-law education and awareness using plain language • Protection of private information • Easily accessible information on by-laws • A safe community. <p>Businesses, that expect:</p> <ul style="list-style-type: none"> • Online services for licenses • Protection of private information • By-law enforcement applied fairly and consistently. <p>Charities, that expect:</p> <ul style="list-style-type: none"> • Easily accessible information on by-laws and lottery information • Education about and awareness of applicable laws, including provincial government regulations related to charity gaming.
Existing Service Delivery	The By-law Enforcement section enforces the City's municipal by-laws, which include education on and enforcement of more than 20 municipal by-laws, Permit Issuance and License Issuance.
Existing Customer Engagement Tools / Methods	The City of Burlington website (www.burlington.ca), online apps such as "See Click Fix," Let's Talk Burlington and Insight Burlington Community Panel, Town Hall meetings, Public open houses, On-site visits, Focus groups, In person at City Hall, Telephone enquiries, By-law Enforcement Officers, who are both proactive and reactive when they patrol assigned wards, Social media tools: Facebook, Twitter, LinkedIn, Council Approved Property Standards Committee, Licensing Tribunal, Committee of Adjustment, Media: Burlington Post, Hamilton Spectator, television and radio
Is this Service Provincially Legislated?	Yes N/A

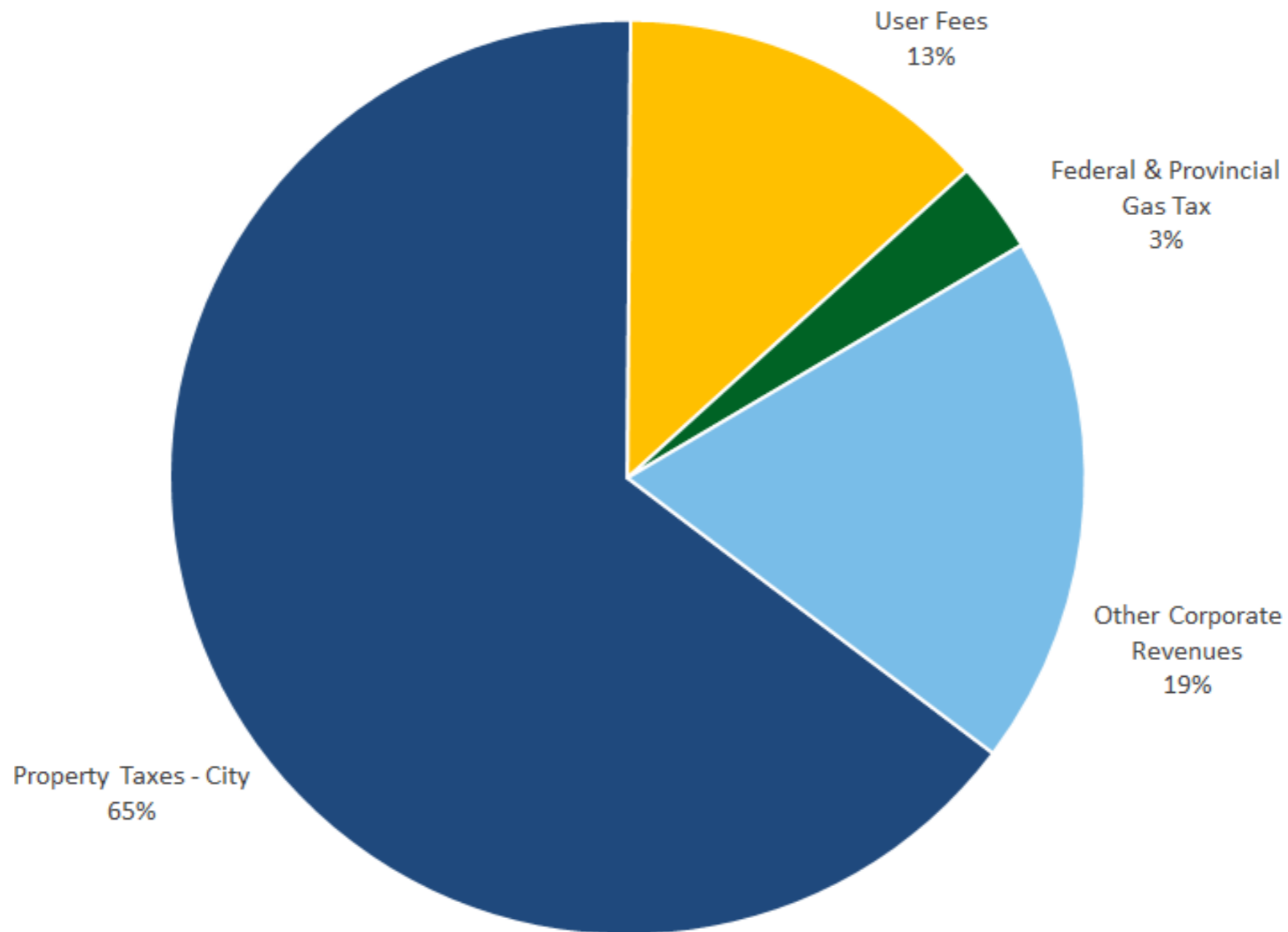
How We Deliver Service



2018 Approved Budget: Expenditures

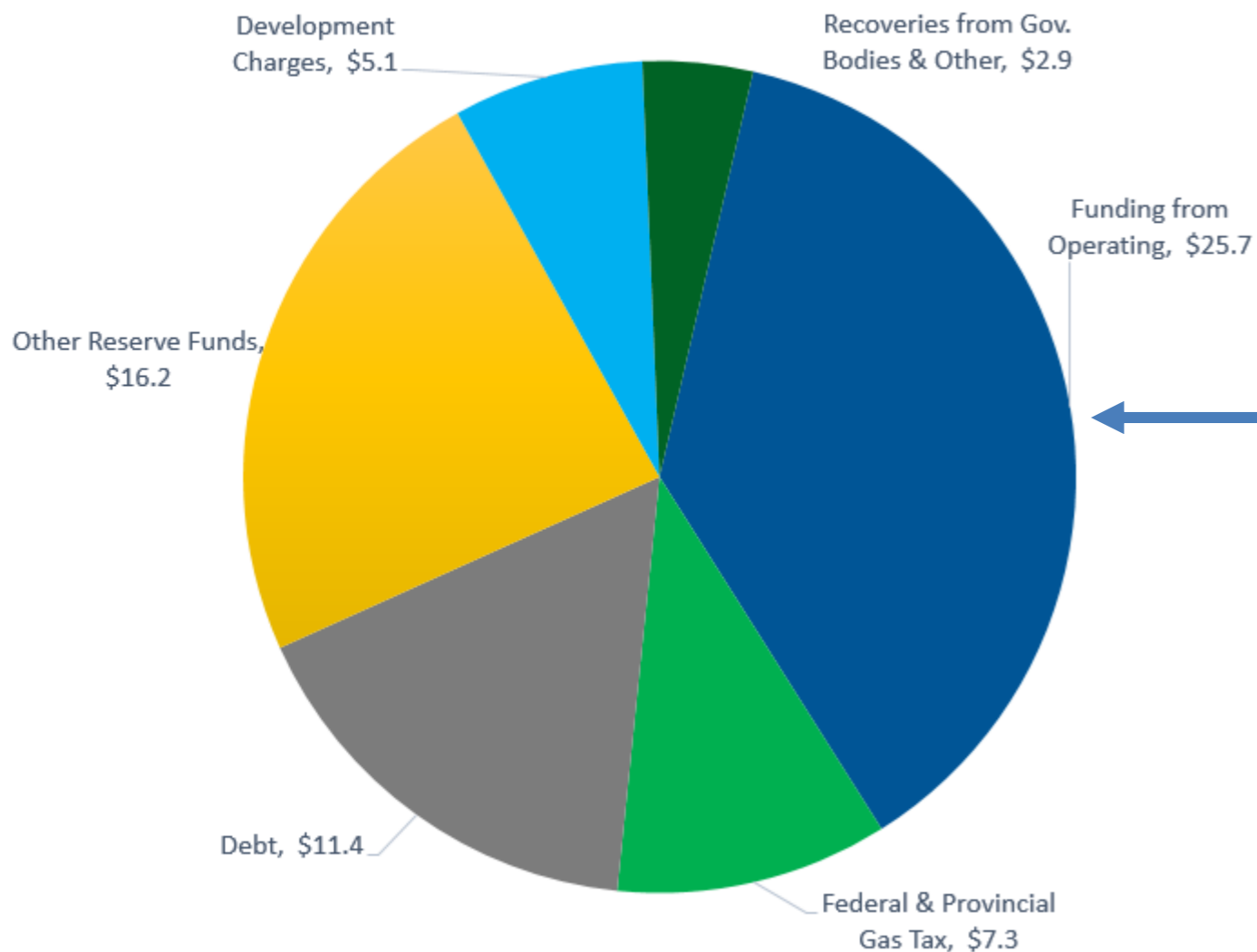


2018 Approved Budget: Revenue

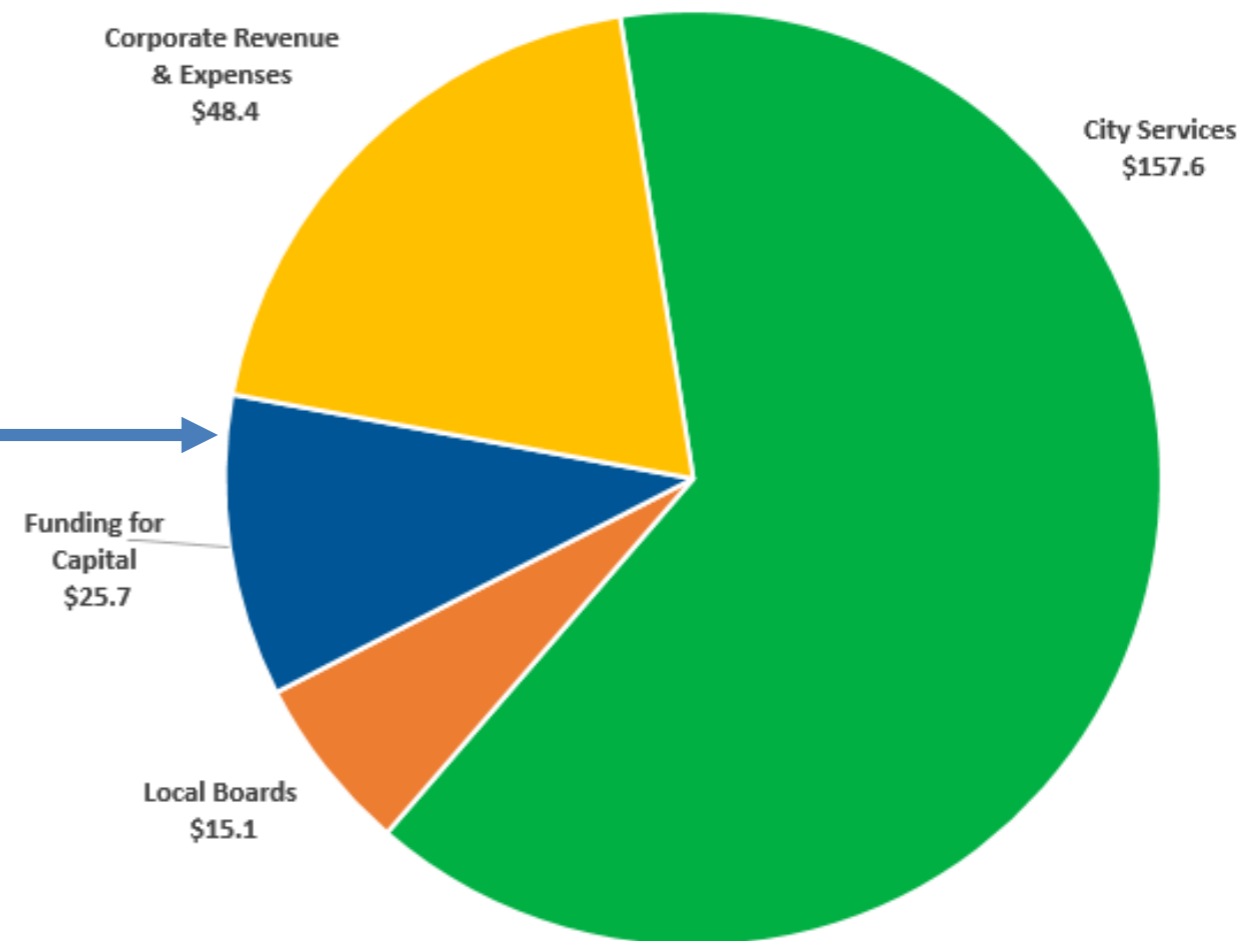


How Are The Budgets Related?

**2018 Capital Budget
by Funding Source
\$68.6 M**



**2018 Operating Budget
By Expenditures
\$246.9 M**



Funding from
Operating, \$25.7

Funding for
Capital
\$25.7

Public Engagement Tools

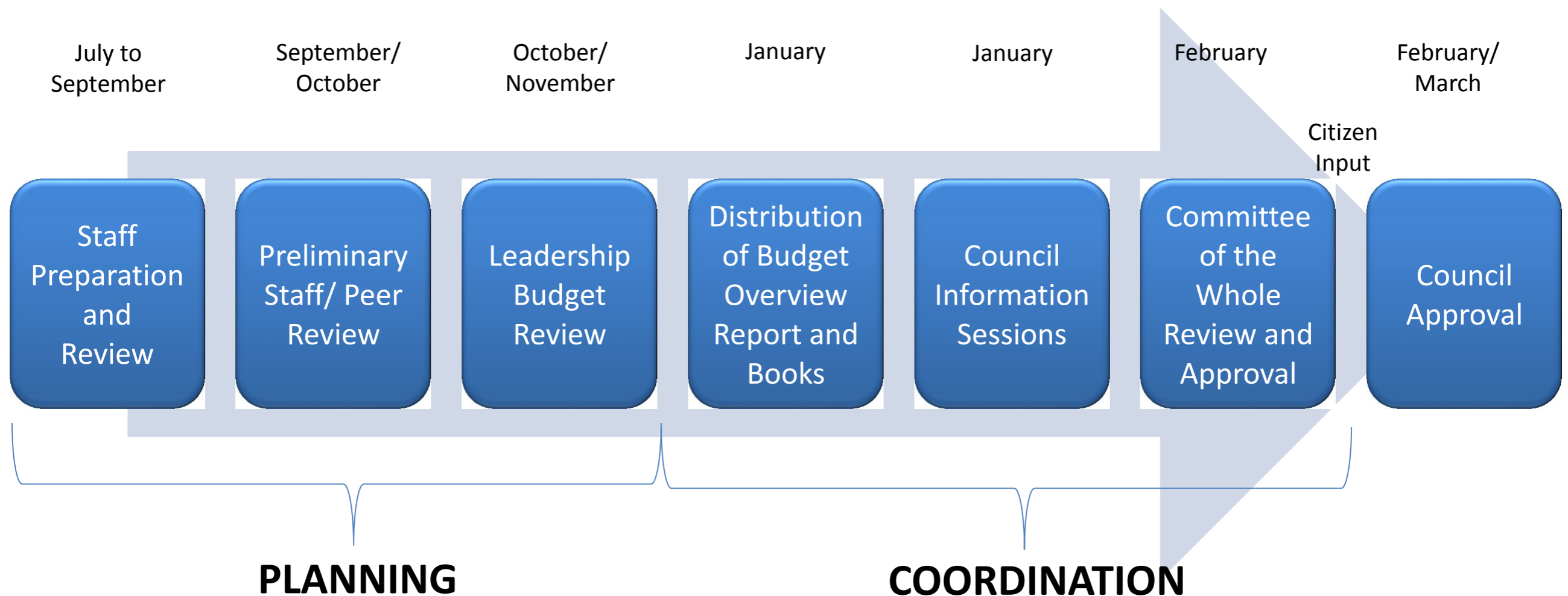
- Telephone Town Hall
- Public Open House



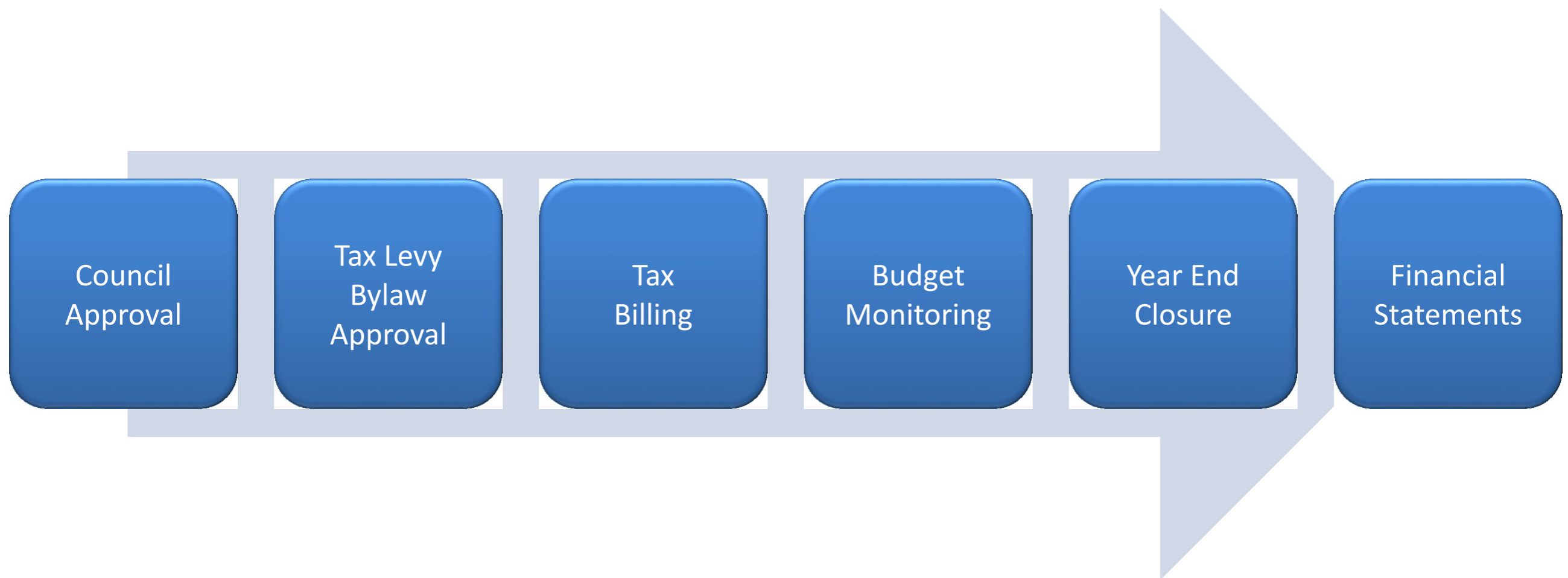
- Social Media
- Surveys
- Burlington Open Budget (via City website)

Introduction To Budget Basics

Budget Process

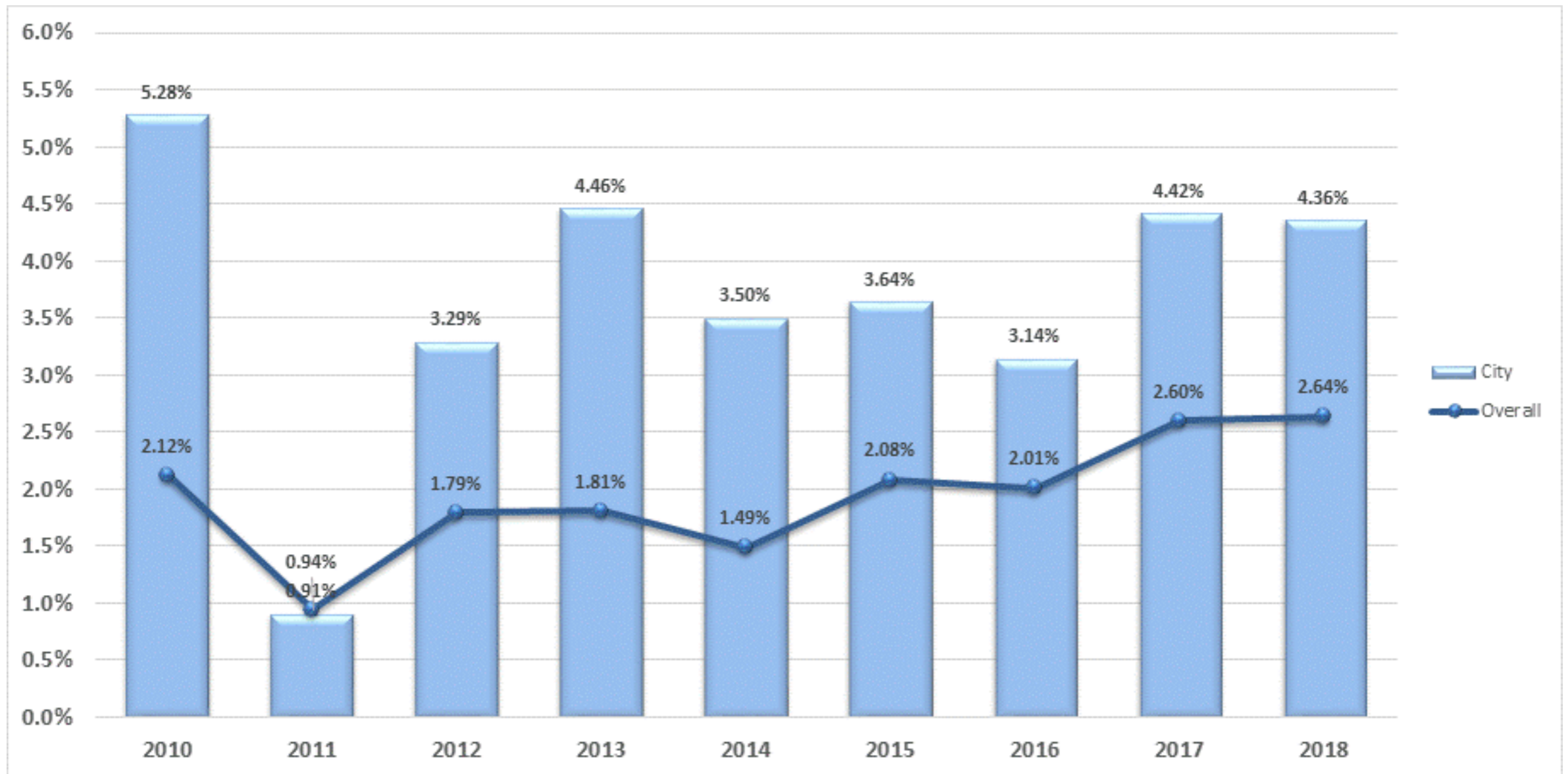


Post Budget Process



PRELIMINARY 2019 BUDGET PREVIEW

Historical Tax Rate Increases 2010-2018

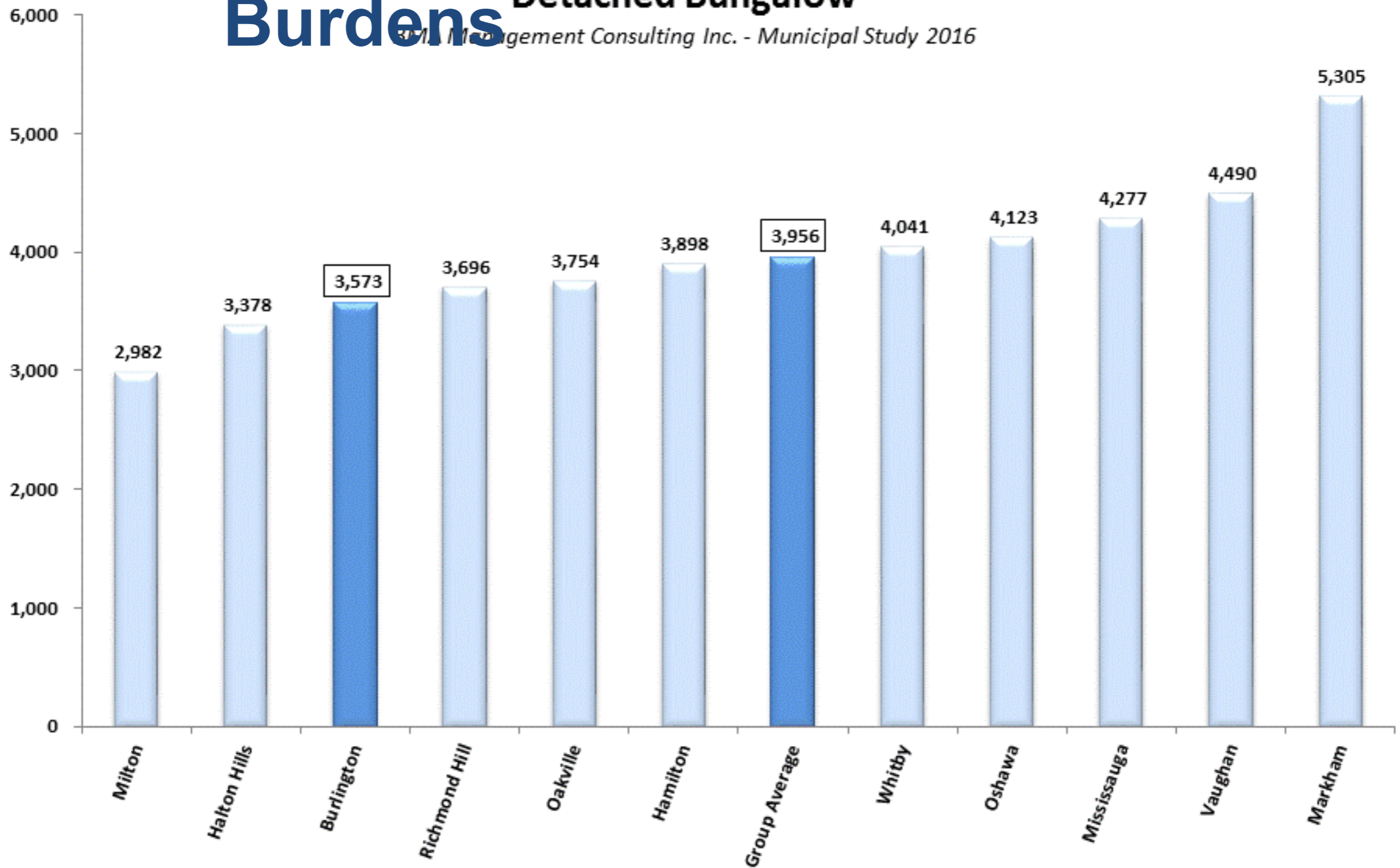


Average City - 3.67%
Average Overall - 1.94%

Residential Property Tax Burdens

Detached Bungalow

STL Management Consulting Inc. - Municipal Study 2016

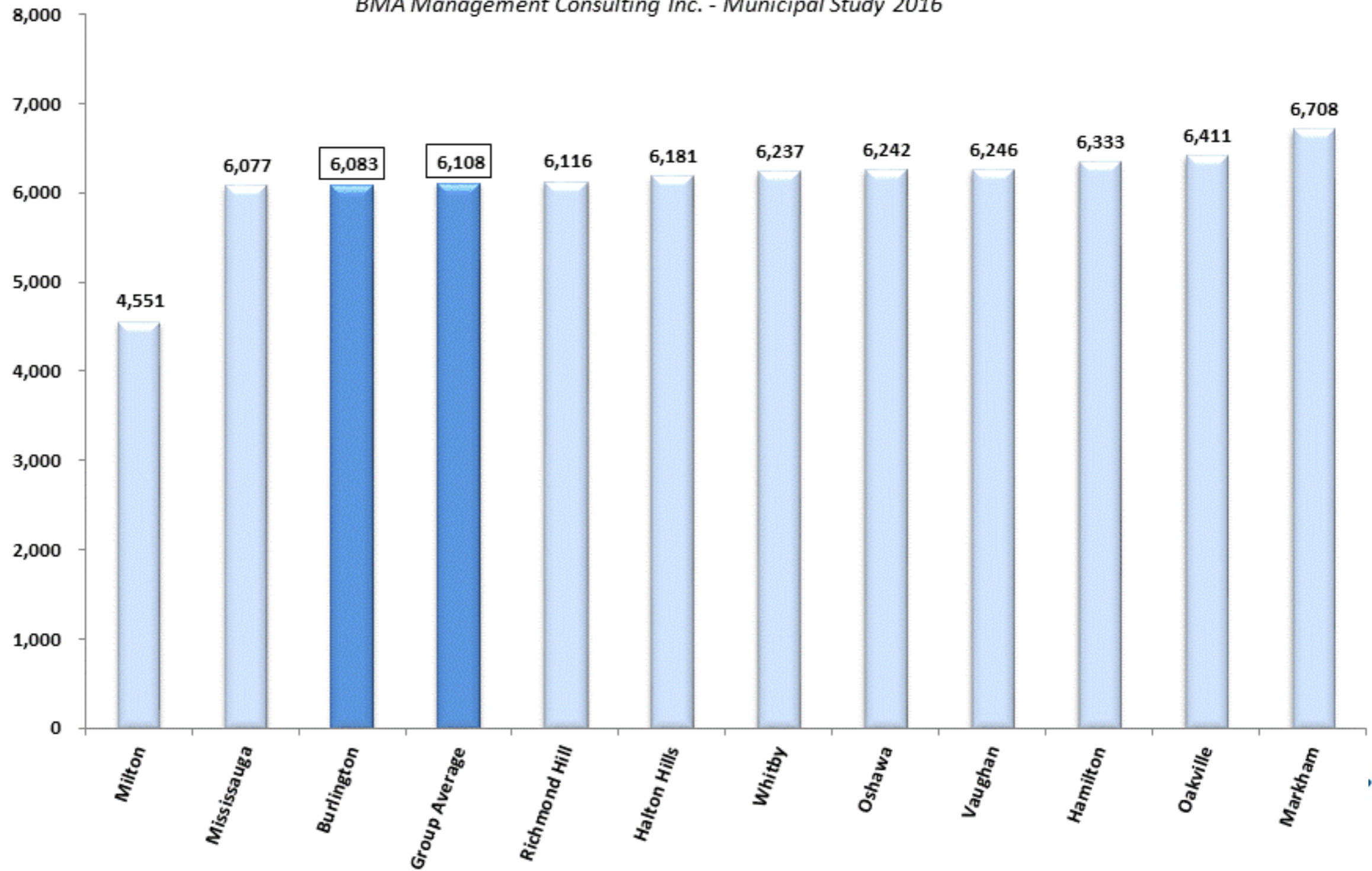


Residential Property Tax

Burdens

Senior Executive Office

BMA Management Consulting Inc. - Municipal Study 2016



2019 Preliminary Tax Summary

	2019 Proposed Budget	2019 Budget Change	2019 Tax Impact
City Services	\$ 109,824,707	\$ 2,407,432	1.49%
Local Boards and Other Agencies	\$ 14,659,963	\$ 183,563	0.11%
Corporate Revenues and Expenditures	\$ 14,927,854	\$ (37,712)	-0.02%
Base Budget	\$ 139,412,523	\$ 2,553,283	1.58%

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Joseph Brant Hospital Levy	\$ 3,100,000	\$ (1,700,000)	-1.05%
Infrastructure Renewal funding	\$ 22,145,700	\$ 3,701,000	2.30%
Infrastructure Renewal	\$ 25,245,700	\$ 2,001,000	1.25%

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Sub-Total	\$ 166,313,208	\$ 6,209,268	3.22%

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Public Transit Enhancements	\$ 1,028,778	\$ 1,028,778	0.64%

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Other Recommended Service Enhancements	\$ 214,600	\$ 214,600	0.13%

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Public Transit Enhancements	\$ 1,028,778	\$ 1,028,778	0.64%
Other Recommended Service Enhancements	\$ 214,600	\$ 214,600	0.13%
Total	\$ 167,556,586	\$ 7,452,646	3.99%
Overall Tax Impact (City, Region, Education)	2.45%		

Next Steps

Date	Meeting	Item
January 17 th	COW - Budget	Budget Overview
January 24 th	COW - Budget	Council Information Session - Capital Budut
January 29 th	COW - Budget	Council Information Session - Operating Budget
February 7 th	COW - Budget	Delegations for the Capital and Operating Budgets
February 21 st	COW - Budget	Capital Budget Review & Approval Operating Budget Review
February 25 th	Council	Capital Budget Approval
February 26 th	COW - Budget	Operating Budget Review & Approval
February 28 th	COW - Budget	Operating Budget Review & Approval (if required)
March 25 th	Council	Operating Budget Approval