

2022 Budget

2022 Budget Overview F-36-21
CSSRA November 3, 2021



Agenda



1. Integrated Business Planning and Budgeting



2. Budget Summary



3. Risks



4. Risk Mitigation Measures



5. Property Tax Impacts



6. Next Steps



Integrated Business Planning and Budgeting

**Service
Information
Workshops**



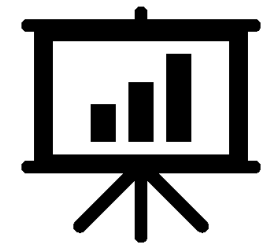
**DEOO
Process**



**Consolidated
Budget Book**



**Enhanced
Multi-Year
Simulation**





Proposed Future Budget Process Changes

2023 Budget and beyond

Regular Service Operations Updates

Strategic Direction Business Plans

5 year Corporate Business Plan

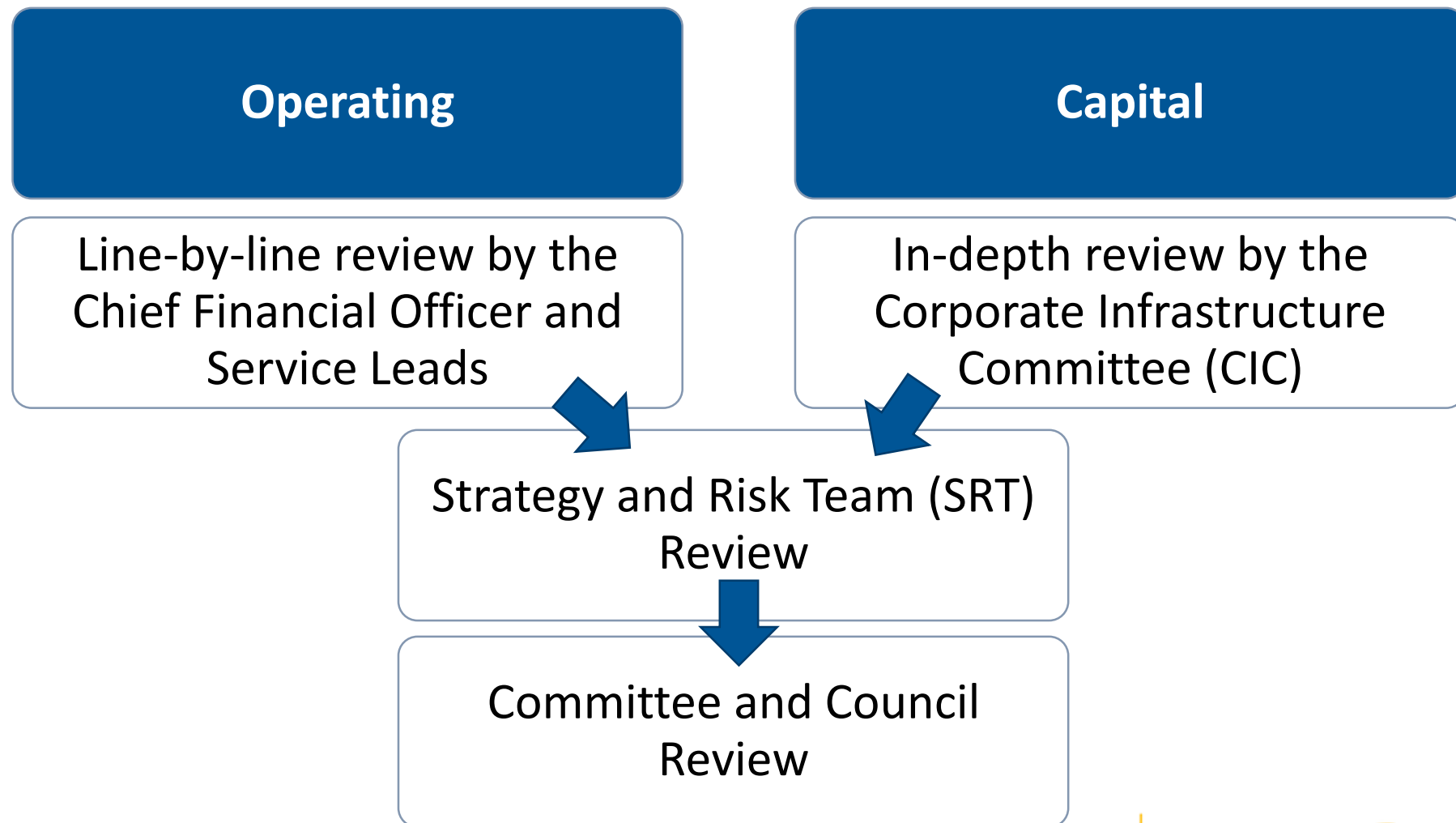


Budget Summary

Budget Summary

Budget Review

Budget Review Process



Budget Summary

COVID Budget

2022 Operating Budget - Two Budgets in One

Ongoing Budget

- Base budget plus priority risk mitigation measures
- ⑩ Results in a tax increase

2022 COVID Budget

- Temporary revenue losses & increased expenses
- ⑩ Offset by temporary cost savings and funding plan

2022 Budget

Budget Summary

City Services



A City that Grows

- Building Code Permits and Inspection
- Burlington Economic Development
- Community Design and Development Review



A City that Moves

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



A Healthy and Greener City

- Cemetery
- Environment and Energy
- Organized Sport Support
- Parks and Open Space - Design and Development
- Parks and Open Space - Maintenance
- Recreation
- Surface Water Drainage
- Urban Forestry



An Engaging City

- Art Gallery of Burlington
- Arts and Culture
- Burlington Museums
- Burlington Performing Arts Centre
- Burlington Public Library
- Corporate Communications and Engagement
- Tourism Burlington



A Safe City

- Animal Services
- By-Law Enforcement and Licensing
- Emergency and Continuity Management
- Fire Protection and Prevention
- Halton Court Services



Good Governance

- Corporate Legal
- Corporate Strategy
- Internal Audit
- Legislative Services
- Mayor and Council







Enabling Services

- Asset Management
- Corporate Customer Experiences - Service Burlington
- Facilities and Buildings - Design and Construction
- Financial Management
- Fleet Management
- Geographic Information and Mapping
- Human Resources
- Information Technology
- Sign Production

2022 Budget

Budget Summary

Service Investment

	 A City that Grows	 A City that Moves	 A Healthy and Greener City	 An Engaging City	 A Safe City	 Good Governance	 Enabling Services
Total Operating Investment	\$13.2	\$54.6	\$43.0	\$19.0	\$37.7	\$8.2	\$26.3
Portion Funded by Property Taxes	\$3.2	\$39.2	\$28.3	\$18.5	\$34.3	\$7.3	\$19.5
Total Capital Investment	\$0.9	\$37.7	\$28.5	\$1.8	\$3.4	\$0.0	\$5.1

**values in millions*

Budget Summary

Operating and Capital

Operating

Total investment:	\$284.8 M
Net tax levy :	\$193.1 M

- Program focus on:
 - Maintaining existing services
 - Addressing risk and corporate priorities
 - Addressing COVID-19 impacts

Capital

2022:	\$77.3 M
2022-2031:	\$829.5 M

- Program focus on:
 - Renewal of existing infrastructure
 - New funding from ICIP program

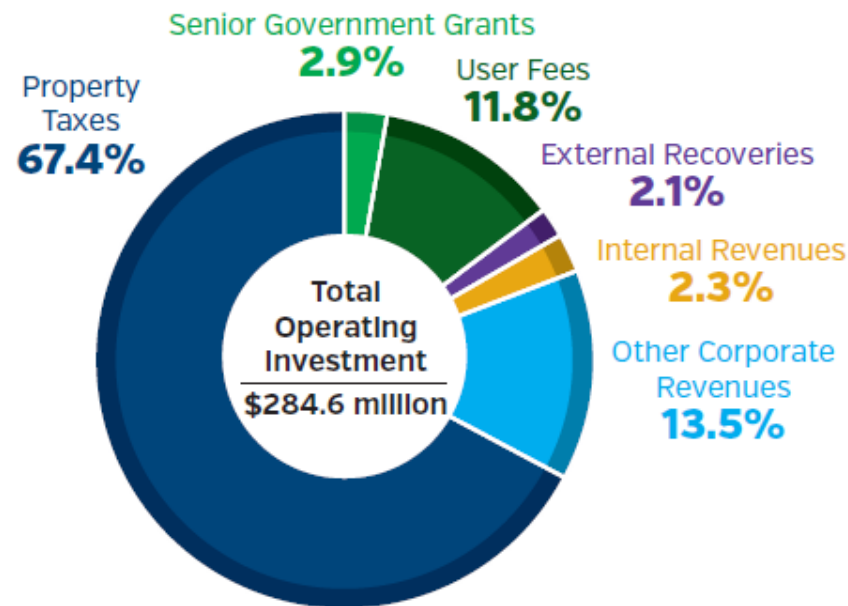
2022 Budget

Budget Summary

Operating and Capital

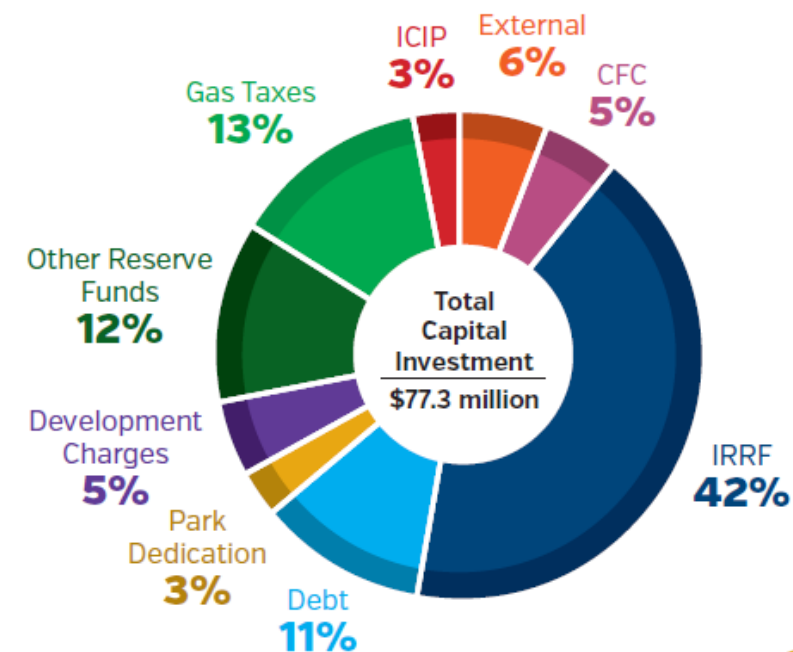
Operating

Revenues



Capital

Funding





City Infrastructure

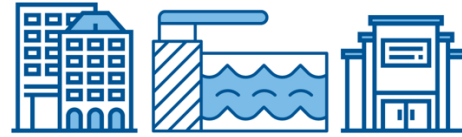


\$99.1m

fleet and equipment

\$5.2 billion

total replacement value



\$1.1b

facilities and buildings



\$146m

stormwater



\$253m

parks and natural assets



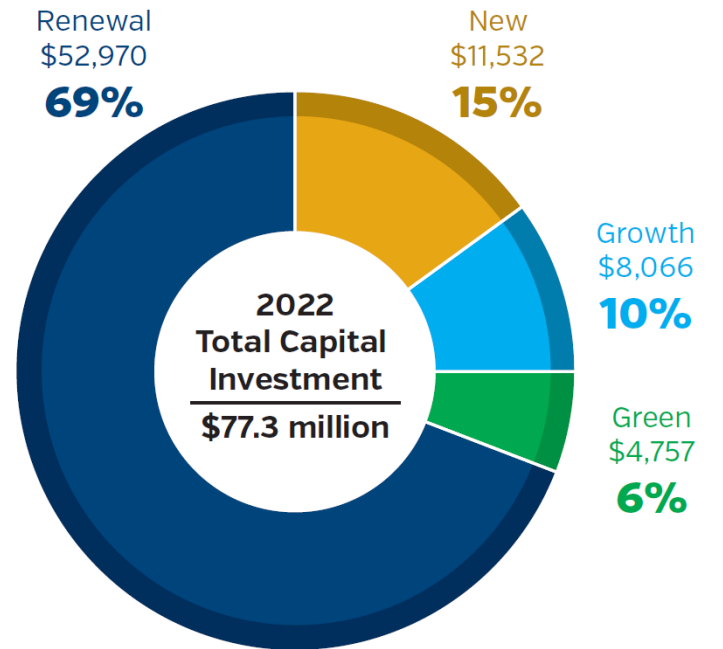
\$3.5b

roadways



\$65.8m

information technology



Risks

Human Resources

Infrastructure Deficit

Fiscal Sustainability

Assessment Growth

Controllable Revenues

COVID-19

Risks

Human Resources

Retention Risks	Attraction Risks	Mitigation Examples
<ul style="list-style-type: none">• Voluntary Turnover Retirements Quits• Compensation Levels	<ul style="list-style-type: none">• Labour Shortage• Competitive Region• Compensation Levels/Internal Equity	<ul style="list-style-type: none">• Remote work• Succession Management• Leadership development• Job evaluation update• Recruitment Branding



Risks

Infrastructure Deficit

- Levels of Service Changes
- Climate Impacts
- New Assets

2021 Asset Management Plan and Funding Plan update

- EISC November 15, 2021



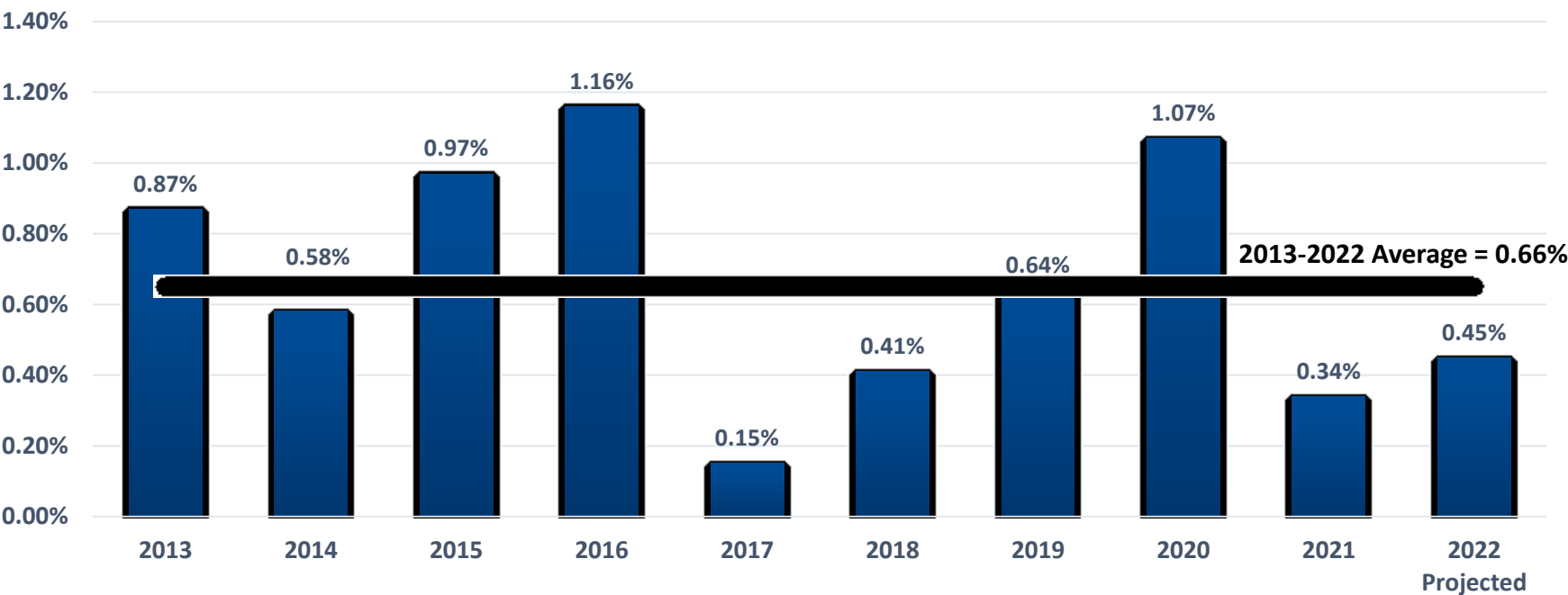
Risks

Fiscal Sustainability

	Target	Actual
Stabilization Reserve Funds	10-15% of net revenues	10.4% of net revenues
Capital Reserve Funds	\$104 million	\$38.2 million
Corporate Reserves and Reserve Funds	\$23.4 million	\$10.1 million

Risks

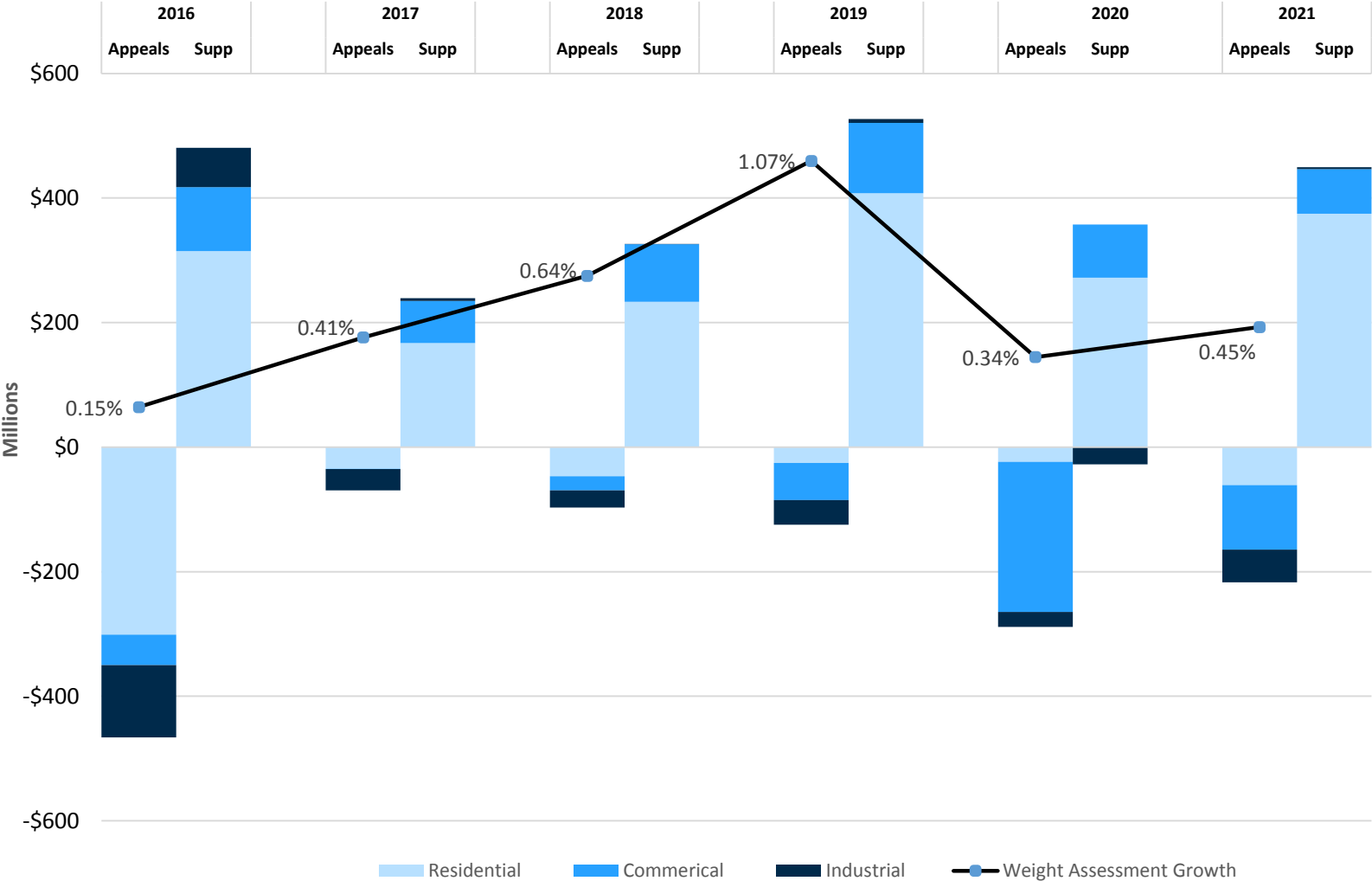
Weighted Assessment Growth



Year	Net Assessment Growth
2018	0.41%
2019	0.64%
2020	1.07%
2021	0.34%
2022 Proposed	0.45%
2018-2022 Average	0.58%

Risks

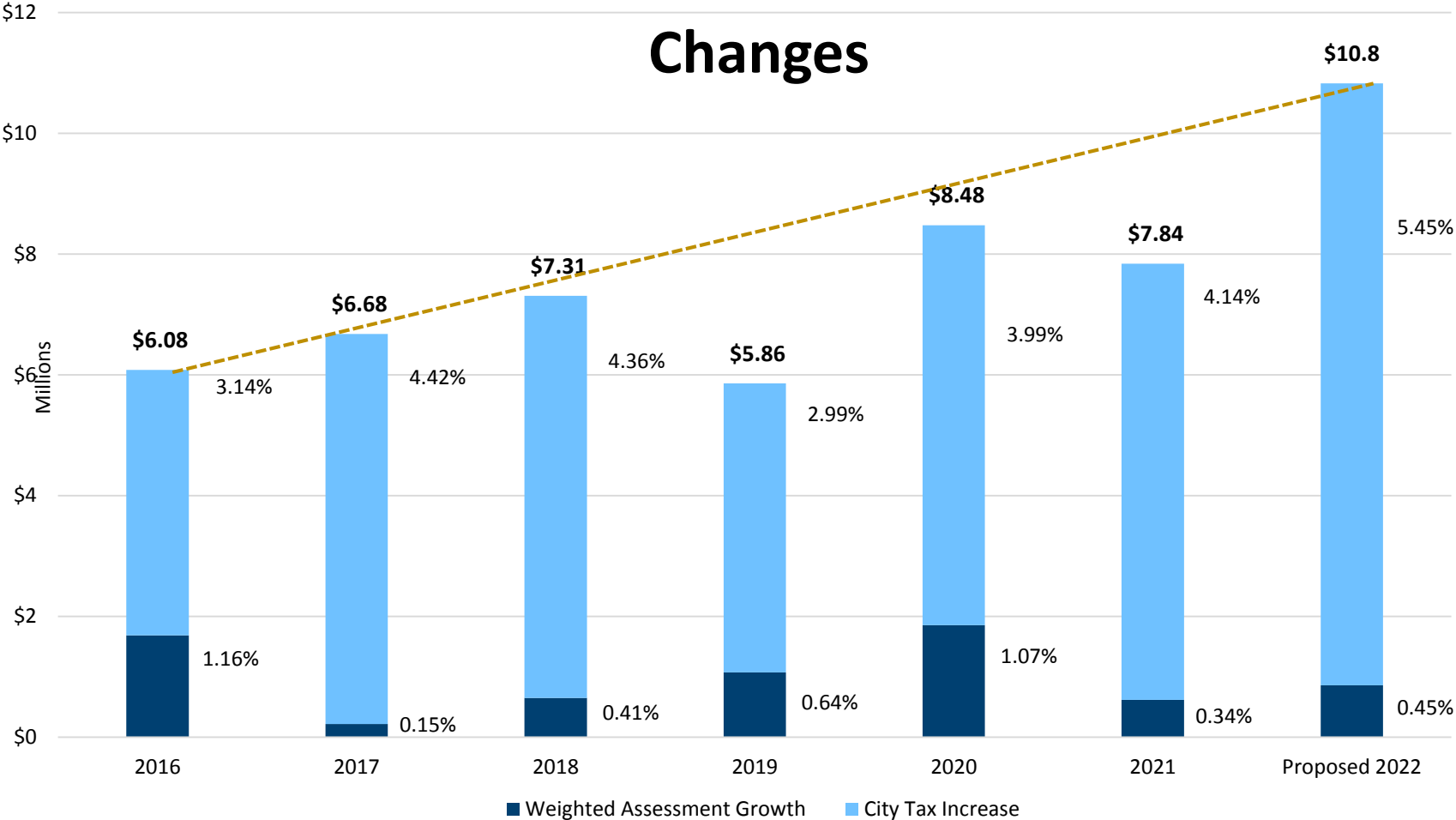
In-Year Weighted Assessment Change



- NOTES:
- Weighted assessment growth realized in a taxation year is accounted for in the budget for the following year. (e.g. 2020 growth of 0.34% is realized in the 2021 budget, 2021 growth estimate of 0.45% is realized in the 2022 budget etc.)
 - Numbers to be updated at year end

Risks

2016 - 2022 Tax and Assessment Growth Changes



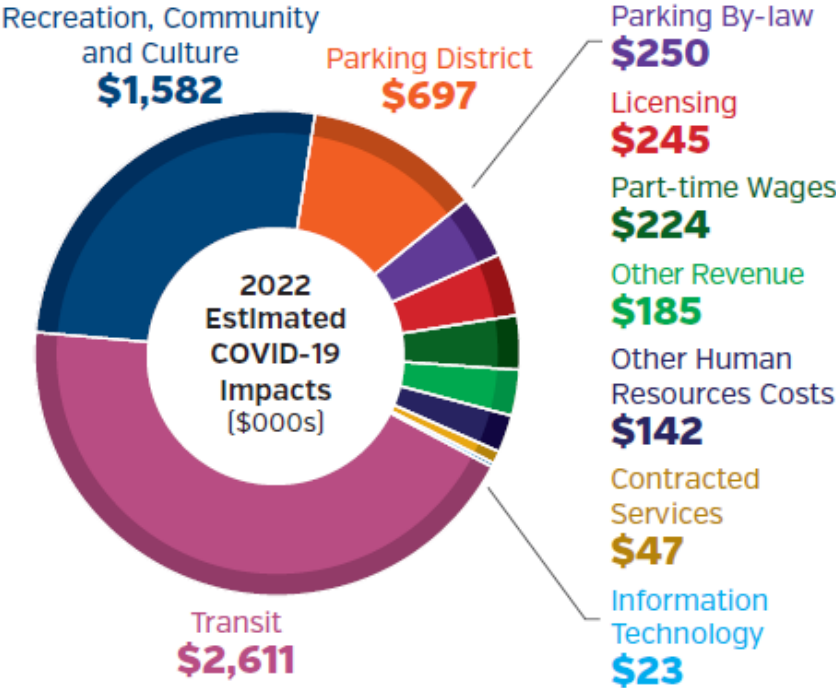
NOTES:

- Year-end weighted assessment growth for 2021 to be used in the 2022 budget is 0.45%
- Proposed 2022 as discussed in 2022 Proposed Budget Report (F-36-21)

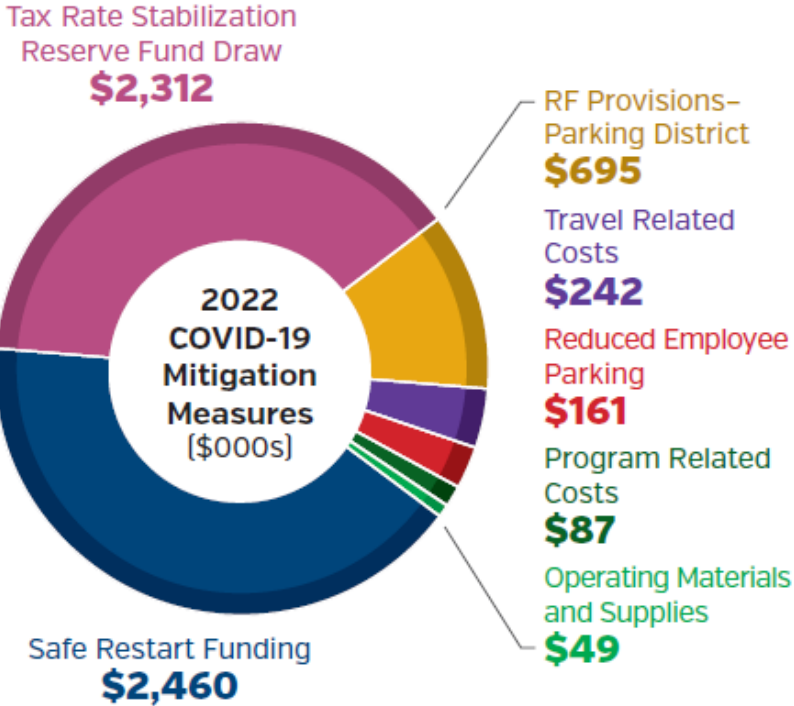
Risks

COVID-19 & Controllable Revenues

Impacts

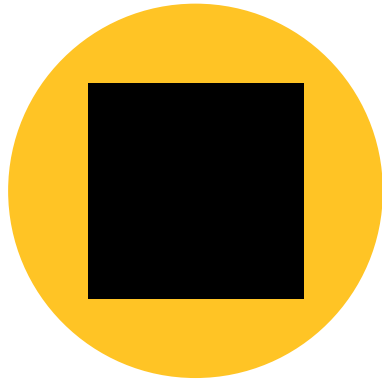


Mitigation

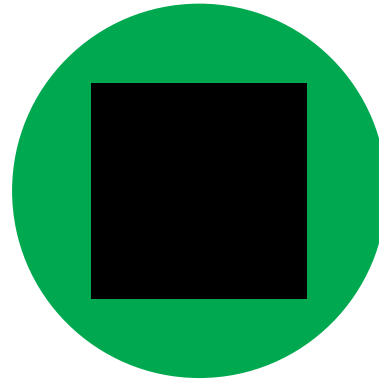




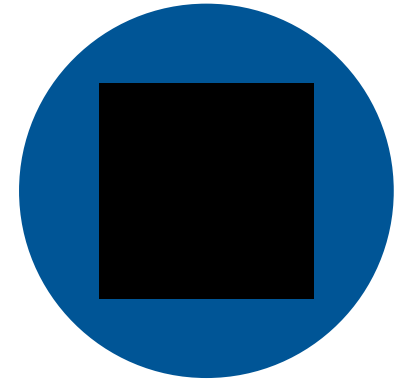
Risk Mitigation Measures



SUSTAINING CITY
SERVICES



ENHANCING SERVICES



MODIFICATIONS TO
SERVICES TO
ADDRESS COVID-19

2022 Budget



Human Capital Forecast

Assessing Current
State Resources based
on Risks and City
Service Needs

★ Updating the Plan
Including Resource
Rationalization and
Process Improvement

Presenting Plan
for Review and
Approval in
Principle

Year	2019- 2021	2022		2023		2024		2025		2026	
Category	# FTE	# FTE	\$ 000's*	# FTE	\$ 000's*	# FTE	\$ 000's*	# FTE	\$ 000's*	# FTE	\$ 000's*
Stabilizing Operations	70	16	\$1,209	★	\$2,105	★	\$2,226	★	\$3,809	★	\$1,284
Sustaining Operations											
Service Enhancements											
Fee funded		15									
Total	70	31	\$1,209		\$2,105		\$2,226		\$3,809		\$1,284

* Estimated future funding for human capital needs per the multi-year budget



★ To be confirmed as part of the annual update process



Stabilizing Management Structures and Managing Risk

- HR
 - Manager Total Rewards & Analytics - key role with responsibility for compensation, job evaluation (high data focus) and data analysis
 - Manager Health, Safety & Wellness - key role in refining and enhancing our strategy, processes and practices to ensure our city continues to be protected and compliant with health and safety legislation
- Office of the City Clerk
 - Manager Committee Services/Deputy Clerk - key role in seeing to the effective and efficient operations of Council
- ITS
 - Business Intelligence Specialist - a skilled position with the ability to get full use of the functionality and capability of our business intelligence application

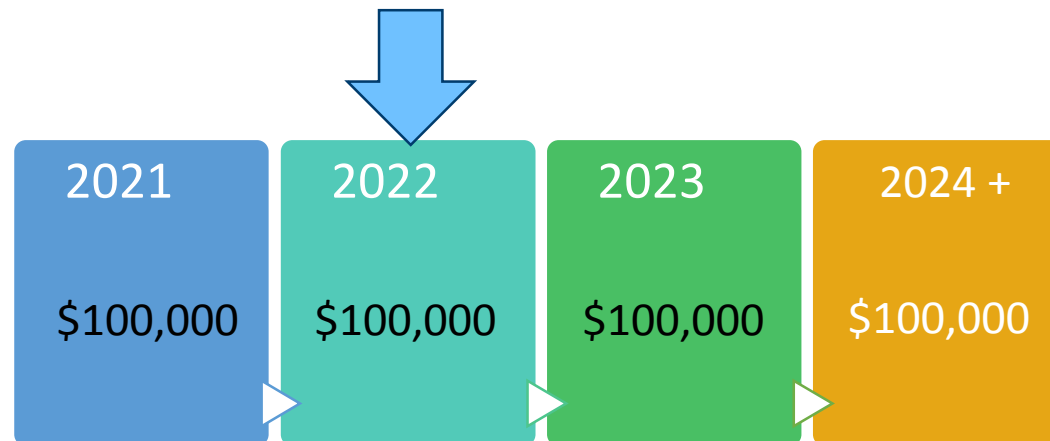




Maintaining Assets in Recreation, Community and Culture

Stabilizing Operations

- In 2020, a phased approach was endorsed allocating \$300,000 over 3 years
- Ensuring assets are properly funded prevents costly repairs, maintains their lifespan, reduces risk and limits disruptions to services
- The funding will be used to enhance preventative maintenance planning and absorb the costs of deferred maintenance due to the current infrastructure gap



Gypsy Moth spraying program



- Resources are required to control populations for Gypsy Moth, a non-native, invasive moth that feeds on trees in its caterpillar stage.
- Pest populations are cyclical, peaking every 8-10 years. This program was completed in 2008, 2019 & 2021 .
- Repeated defoliation leads to decline in tree health and in some cases whole tree mortality

Pest Management

- A biopesticide is applied once an action threshold has been exceeded which is determined by egg mass surveys, in the fall prior (2,500 egg masses per hectare is considered severe defoliation)
- Preliminary estimates suggest the need to spray approximately 100 hectares with the bio-pesticide by helicopter which is completed by two applications between late May and early June.

Outcome:

- The program will reduce pest populations to below threshold levels in accordance with Integrated Pest Management principles
- Management and monitoring is becoming an annual need within Forest Planning & Health that is not currently funded in the base budget. This increased need is due to many factors including climate change.



2 By-law Enforcement Officers

- 2 additional by-law officers have been in place since May 2021 via COVID-19 funding. Requesting one-time funding to extend contracts in 2022 to maintain complement at 9.5 FTE.
- Additional By-law Officers will be required to meet the growth needs in the City. As intensification increases, the complexity of issues increase which take additional time to complete.
- Burlington has approximately 50% less staff on a per capita basis (comparison is 'apples to apples' related to type of by-law).
 - Burlington – 1 by-law officer per 27,461 population
 - Milton – 1 by-law officer per 12,232 population
 - Oakville – 1 by-law officer per 10,065 pop
 - Halton Hills – 1 per 7,333





Free Transit for Seniors (weekdays 9am to 2:30pm)

- Make this a permanent program based on the pilot success
- Pilot started on June 3, 2019 and was extended to the end of 2021 due to the pandemic
- Prior to the pandemic (June 2019 to December 2019)
 - Almost 70,000 rides were provided to seniors for free
 - Mid-day boardings increased by 2.5 times
 - Senior ridership increased by 41% between June 2019 and 2020
- From September 2020 to August 2021:
 - Over 97,000 rides were provided to Seniors for free during 9am to 2:30pm





Free Transit for Seniors (weekdays 9am to 2:30pm)

- Benefits of implementing:
 - Free transit eliminates barriers and empowers seniors to use transit
 - Free transit encourages transit usage
 - Since the onset of the free transit, Seniors now make up over 20% of Burlington Transit's total ridership during the day
- Risks of Not Implementing
 - Discourage participation within society, as fare payments may cause a barrier to use transit



Orchard Community Hub

Enhancing Services



- Working with Orchard Community since 2017 to find a community space
- Through a collaborative approach with the School Board, the City will create space in an existing facility that the community can access.
- Secured capital funding to fit up the space between 2020-2021 \$350,000
- Business case includes the operating cost for staffing, materials and supplies and the lease payment to the Catholic Board



Dedicated operations space for Building and By-law staff

- Building and By-Law staff have moved into various facilities that were available at the time and never into a space that was designed to suit their service delivery levels and functional design requirements
- Current temporary location for Building and By-Law staff is the Aldershot arena community room
 - New leased space will allow programming to continue for the Aldershot community
- Providing Building and By-law field staff a permanent and functional work space will deliver:
 - A space designed to suit their unique service delivery levels and functional design requirements so they may spend time out of their mobile offices (city vehicles)
 - An improved Cultural perspective for these teams to know they are recognized as a critical component to City Services





Operationalize Bus Cleaning Pilot

- In December 2020, Burlington Transit started the 1-year pilot to in-source the cleaning of Burlington Transit vehicles
- 6 full time and 4 part time general service persons were hired (contract)
- Tasks include:
 - All transit vehicle cleaning (daily, monthly and bi-annual deep cleans)
 - Vehicles fueled and fluids topped up
 - Other duties include driver change offs and additional cleaning within the garage and wash bay
- The quality of the cleaning is consistent, and work is audited





Operationalize Bus Cleaning Pilot

- Benefits include:
 - Quality of cleaning exceeds work completed by external contractors
 - Equipment and vehicle damage caused by contractors has been eliminated
 - Fluid levels are checked daily which has resulted in fewer on street break downs
 - Buses are safer and cleaner
 - Consistency in execution of work include checklists and tracking of all vehicles.
- Risks of not implementing
 - Significant increased costs to the City to contract this work out as was demonstrated in an RFI released in June 2021
 - Consequences of not doing major detailed cleaning and fluid top ups can lead to safety issues including corrosion of metal fastener, issues with accessibility ramps and added dirt in the vehicles HVAC systems





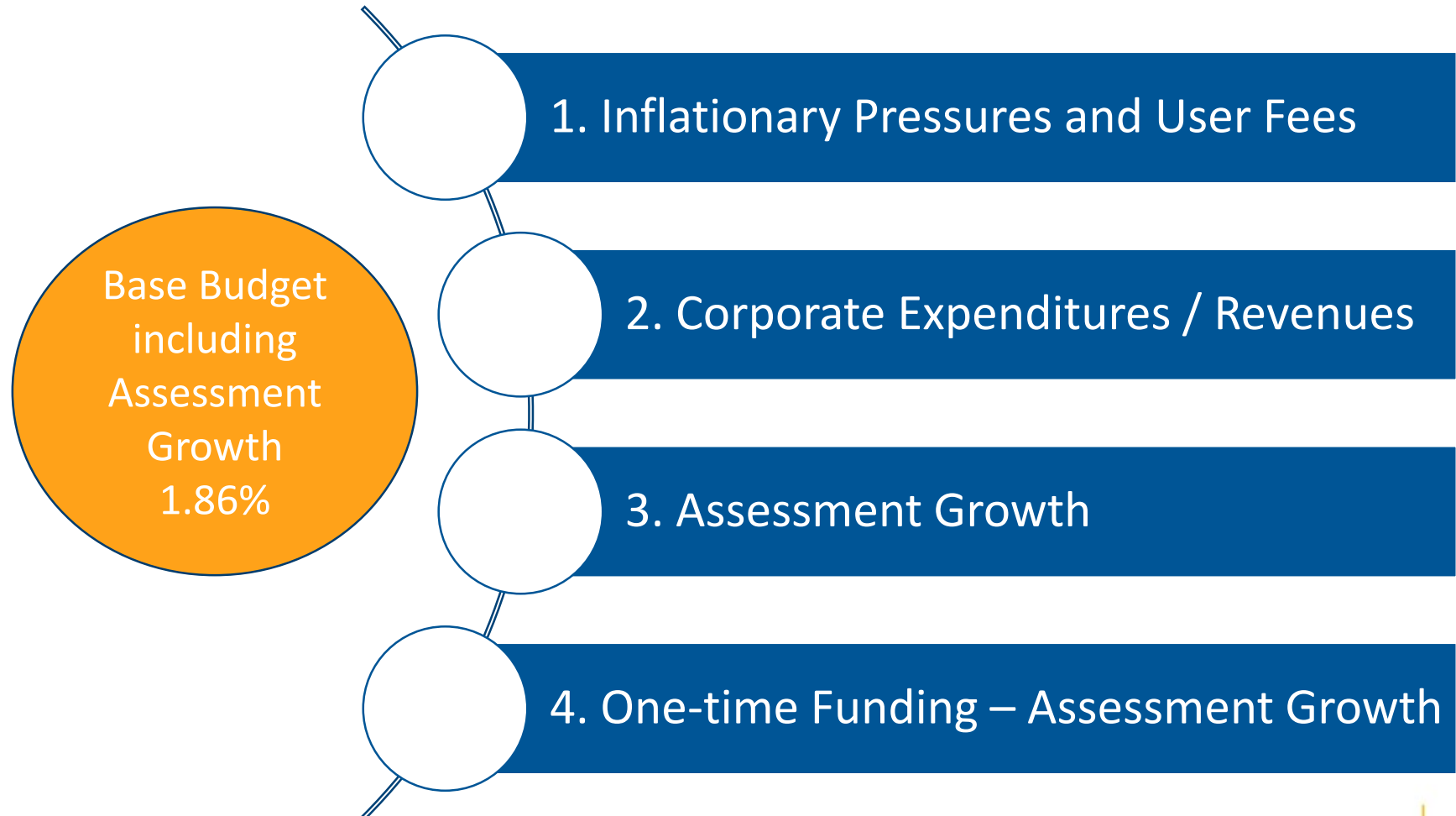
Items Unable to Accommodate

- 8 Transit Operators and other operating costs to support the 4 new conventional buses purchased in the 2022 budget.
- 1 Specialized Transit Operator and other operating costs to support the new specialized vehicle purchased in the 2022 budget.
- Additional 9 prioritized DEOO positions (\$1,176,000) which have been deferred to 2023.
- An annual provision (\$100,000) to the Forestry Reserve Fund to support future recurring pest-management activities.
- A one-time request from the Art Gallery of Burlington (\$230,000) for organizational and human resources redesign.

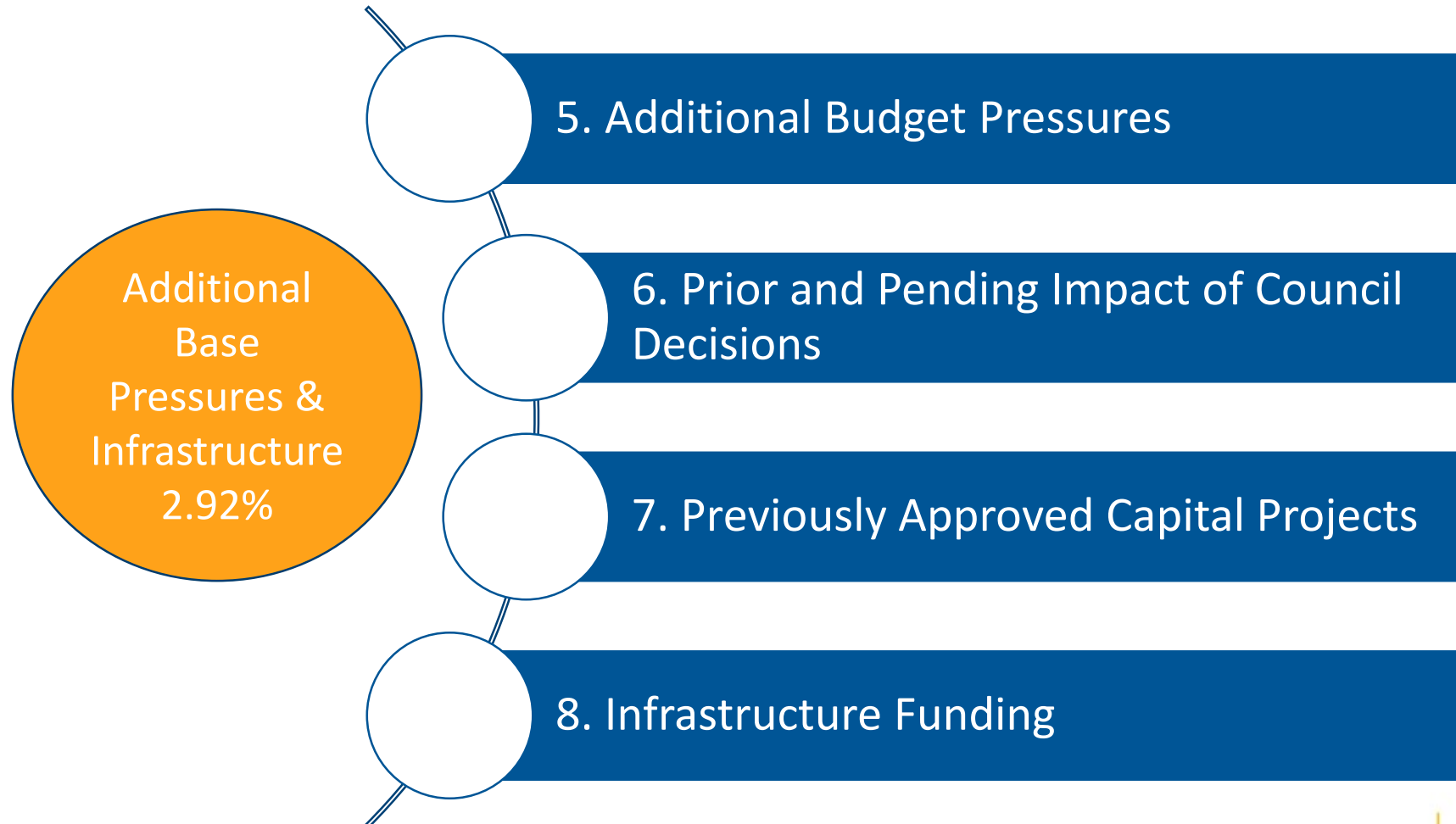


Property Tax Impacts

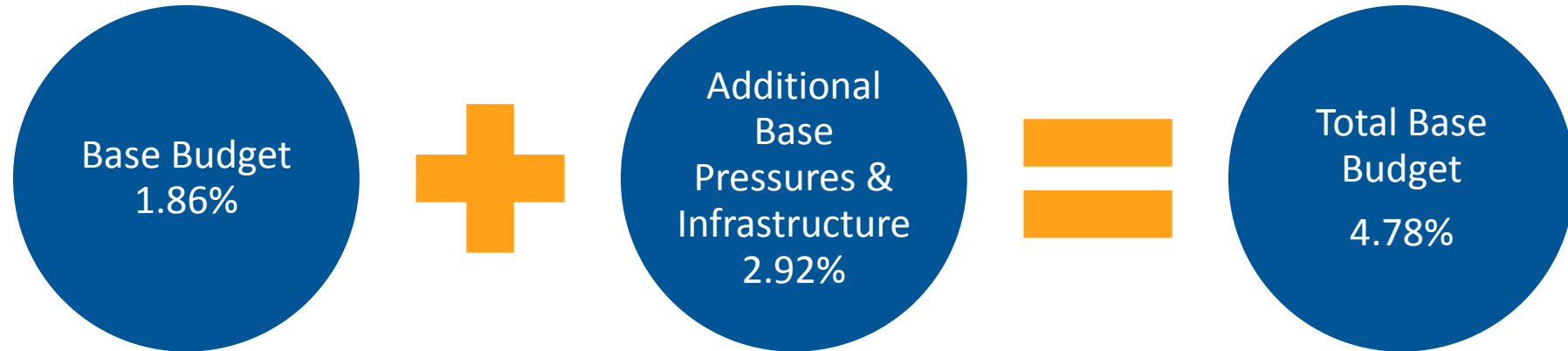
2022 Budget

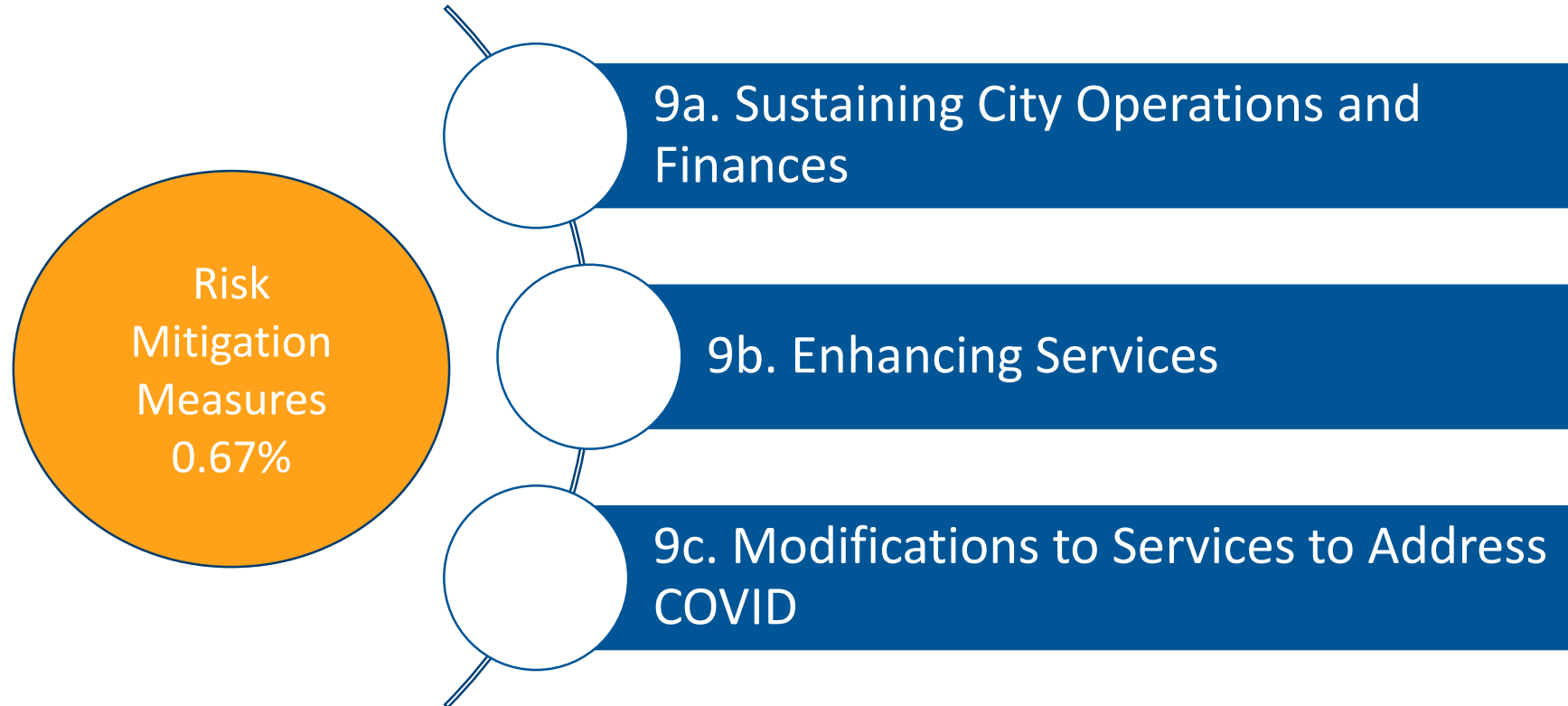


2022 Budget



2022 Budget





2022 Budget



2022 Budget

Proposed Tax Increase

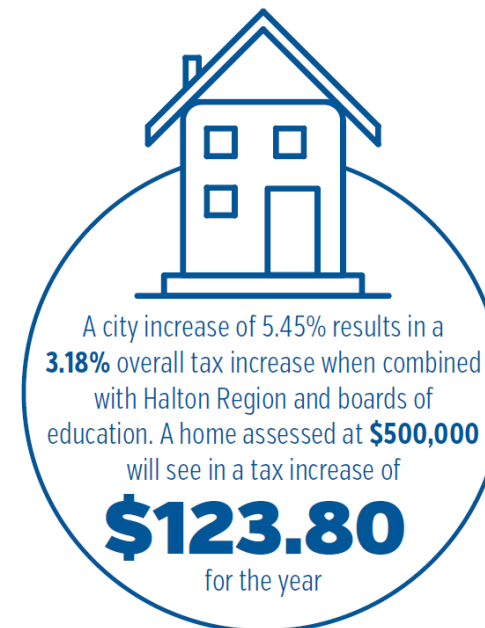
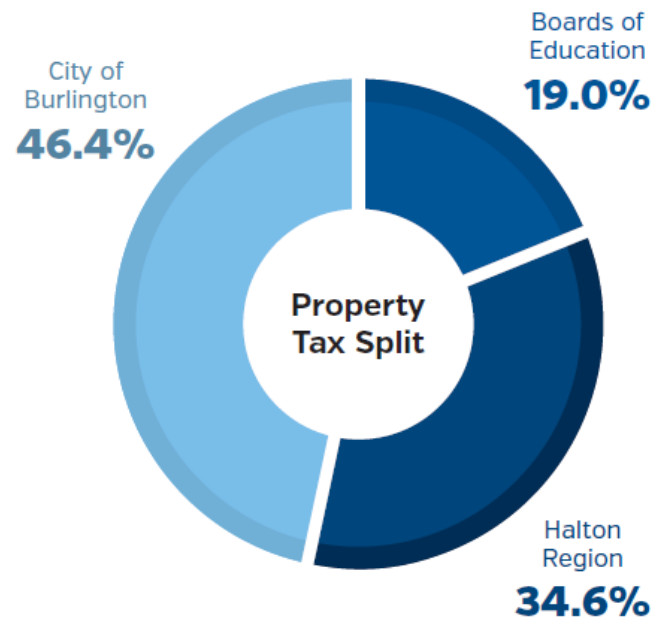
	Budget Change	Tax Impact	One-time COVID Impact	Tax Impact
City Services	\$ 2,826,458	1.54%		
Corporate Revenues and Expenditures	\$ 1,685,887	0.92%		
Base Impact	\$ 4,512,345	2.46%		
Assessment Growth		[0.45%]		
One-time funding to address Assessment Growth Lower than projected for 2022	\$ [280,000]	[0.15%]		
Revised Base Impact	\$ 4,232,345	1.86%		
Additional budget pressures	\$ 1,300,000	0.71%		
Prior and pending impacts of Council decisions	\$ 885,666	0.48%		
Previously approved Capital Projects	\$ 883,540	0.48%		
Infrastructure Levy	\$ 2,278,000	1.25%		
One-time COVID impact			\$ 4,771,962	2.61%
One-time COVID funding			\$ [4,771,962]	[2.61%]
Cumulative Impact	\$ 9,579,551	4.78%	\$ 0	[0.00%]
Sustaining City services	\$ 685,333	0.37%		
Enhancing City services	\$ 199,130	0.11%		
Modifications to services to address COVID	\$ 332,733	0.18%		
Total Impact	\$ 10,796,747	5.45%	\$ 0	0.00%
Estimated Overall Tax Impact* (City, Region, Education)**		3.18%		

* After Risk Mitigation Measures ** Halton Region 2.00% and Board of Education 0.00%

2022 Budget



Total Tax Bill Breakdown



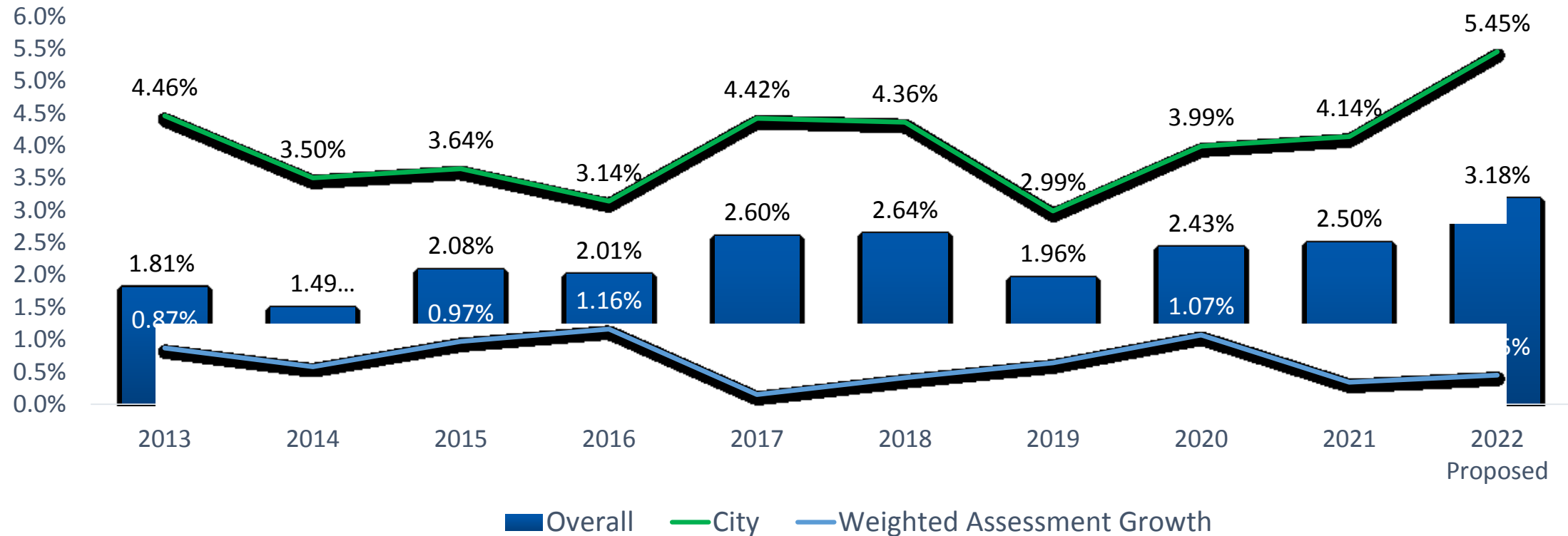
Overall Tax Impact

	2021 Share of Tax Bill	2022 Share of Tax Bill	2021 Taxes	2022 Tax Increase	2022 Taxes	\$ Impact on Tax Bill	% Impact on Tax Bill
Burlington	45.4%	46.4%	\$ 354.02	5.45%	\$ 373.33	\$ 19.31	2.48%
Halton	35.0%	34.6%	\$ 272.57	2.00%	\$ 278.02	\$ 5.45	0.70%
Education	19.6%	19.0%	\$ 153.00	0.00%	\$ 153.00	\$ -	0.00%
TOTAL *	100%	100%	\$ 779.59	3.18%	\$ 804.35	\$ 24.76	3.18%

* Per \$100,000 urban residential assessment. Numbers may not add due to rounding.



Historical Tax Increases

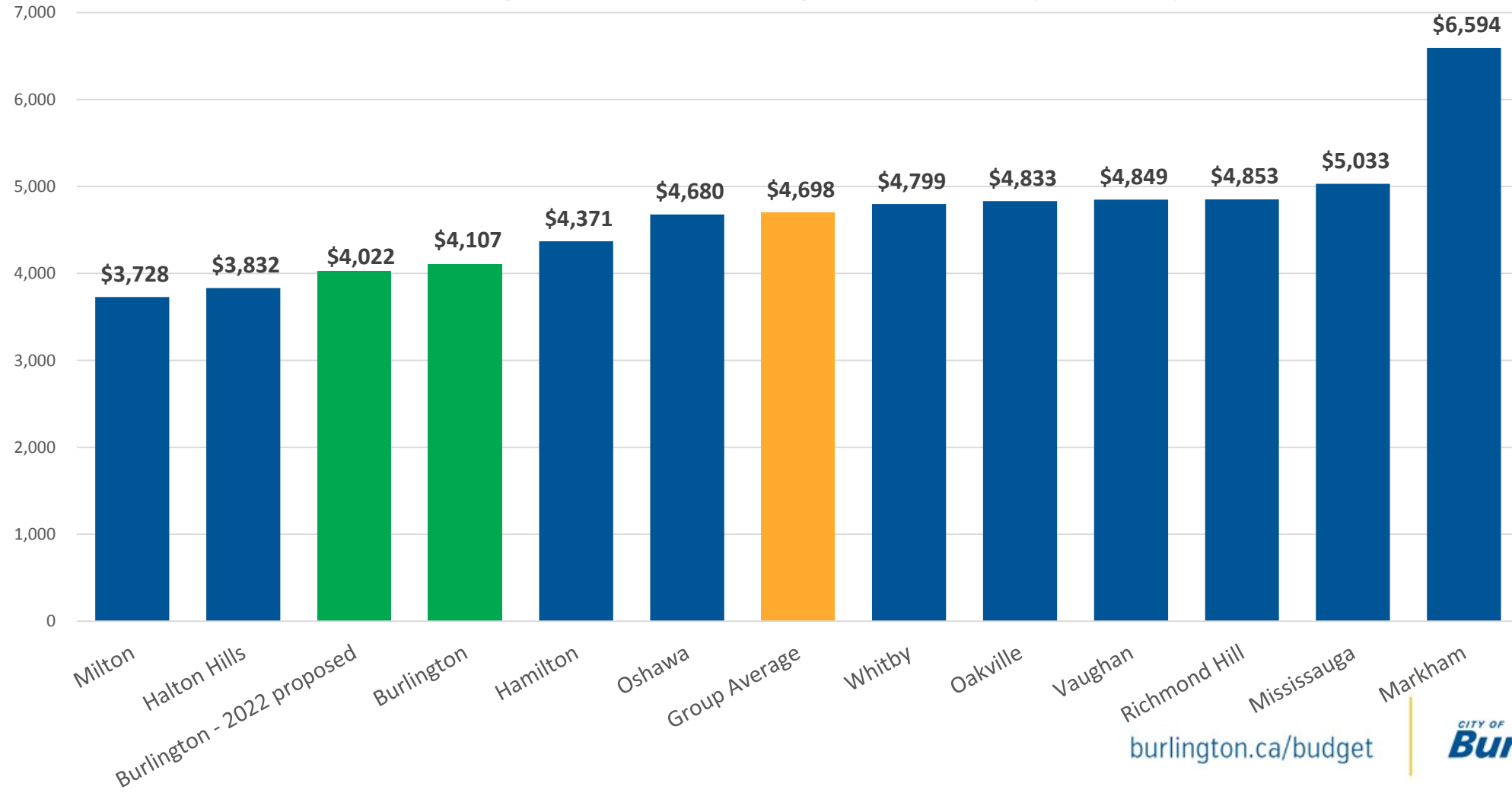


Average City – 4.01%
Average Overall – 2.27%

2022 Budget

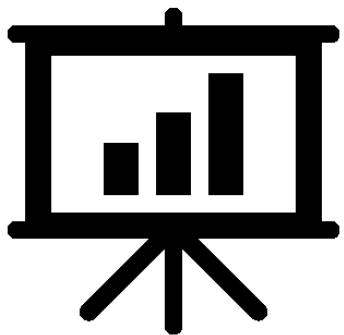


Detached Bungalow BMA Management Consulting Inc. - Municipal Study 2020





Enhanced Multi-Year Budget Simulation



Budget Simulation 2023-2027

- 5-year Simulation
 - Estimated budget drivers
 - Known budget pressures
 - Forecasted risk mitigation measures

	2023	2024	2025	2026	2027	Average 2023 - 2027
City Tax Increase	5.72%	5.64%	5.49%	4.06%	4.01%	4.98%
Overall Tax Bill Impact	3.48%	3.50%	3.47%	2.81%	2.80%	3.21%
City Share of Overall Impact	2.65%	2.68%	2.66%	2.00%	2.00%	2.40%

*Regional tax increase estimated at 2.4%



Public Engagement & Budget Approval Process



Budget – Engagement

Virtual Town Hall



Get Involved Burlington Survey



Budget Simulation Tool

BalancingAct.

Visit www.getinvolvedburlington.ca to provide your input

2022 Budget

Budget – Visualizations

www.burlington.ca/en/your-city/Budget



Open Budget



Select a Visualization to Explore

2022 Proposed Operating Budget - Budget Explorer

\$193.1 Million

A breakdown of the 2022 Proposed Operating Budget by Service. Use this visualization to explore the net cost associated with each of the City's services.

2022-2031 Capital Budget Projects - Project Explorer

323 Projects

The 2022 - 2031 Approved Capital Budget sums to \$829 million over the ten-year capital program and includes 323 projects.

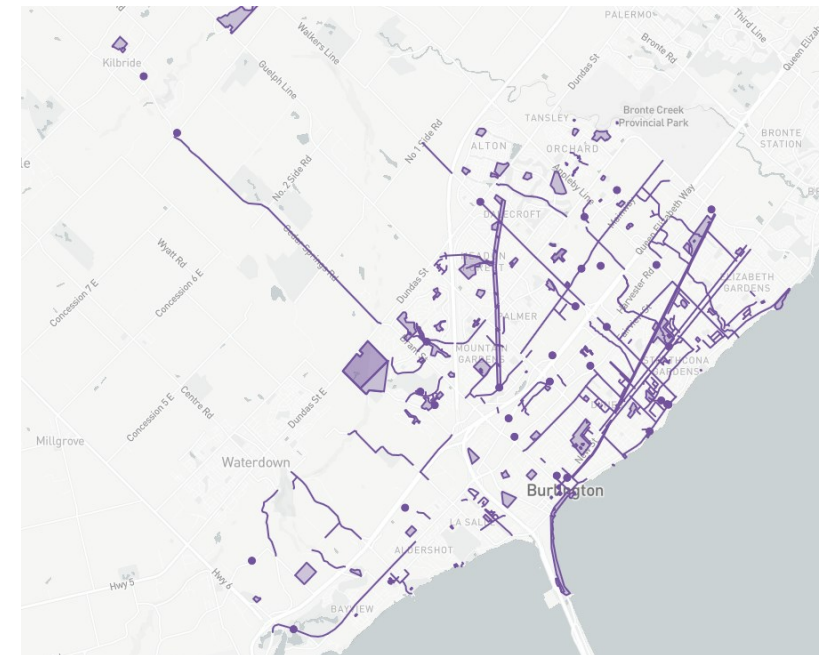
Use this visualization to explore the list of projects which encompass the City's 10 Year Capital Budget. The visualization will show the location of projects (where available) as well as the expenses and funding sources for each project.

2022 Proposed Capital Budget by Asset Category - Budget Explorer

\$77.3 Million

A breakdown of the 2022 Proposed Capital Budget by Asset Category, Asset Type and Project.

Use this visualization to explore the costs associated with each of the City's Service Categories, Asset Categories and Projects.



burlington.ca/budget





Budget Motion Memorandums and BAR Forms



- Covering memo
 - Rationale for proposed budget amendment(s)
 - Increased transparency for public
- Summary form totaling all proposed amendments
- Due to Finance by 4pm on November 23
- Staff directions that do not result in a budget amendment go to regular CSSRA meeting

2022 Budget

Timelines

Council
Workshops

Service Presentations

September 22, 23, 28 & 30, 2021

CSSRA

2022 Budget Overview

November 3, 2021

Virtual Budget
Townhall

November, 22 2021

CSSRA

2022 Budget Review & Approval

November 30 & December 2, 2021

Council

2022 Budget Approval

December 14, 2021

