

CSSRA January 9 2023
F-01-23
Staff Presentation

2023 Budget

F-01-23 Budget Overview Report
CSSRA Committee January 9, 2023



Agenda



1. Budget Summary



2. Risks & Pressures



3. Key Investments



4. Property Tax Impacts



5. Budget Review and Approval Process



Integrated Business Planning and Budgeting

**Service
Information
Workshops**



**DEOO
Process**



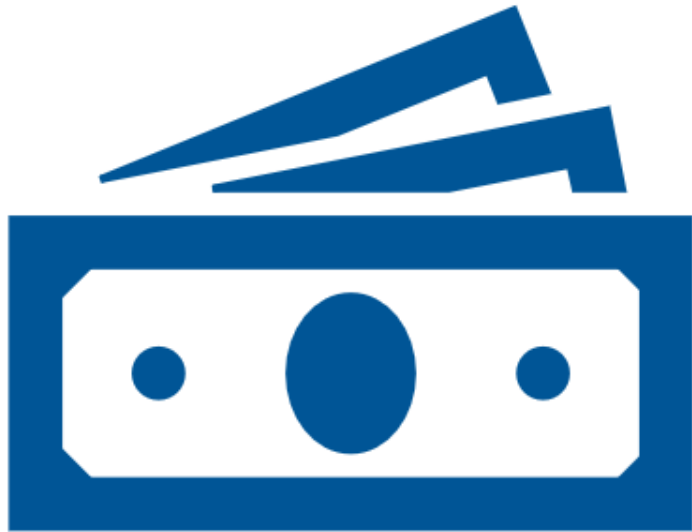
**Consolidated
Budget Book**



**Enhanced
Multi-Year
Simulation**



2023 Budget



Budget Summary

Budget Summary

Operating and Capital

Budget
Framework
Report

Budget
Development

Internal
Staff
Review

Strategy and
Risk Team
Review

Public
Engagement

CSSRA
Committee

Council
Review and
Approval

Operating

Total investment:	\$305.4 M
Net tax levy :	\$217.4 M

- Program focus on:
 - Stabilizing Service Delivery
 - Addressing community priorities
 - Addressing COVID-19 and inflationary impacts

Capital

2023:	\$72.6 M
2023-2032:	\$878.0 M

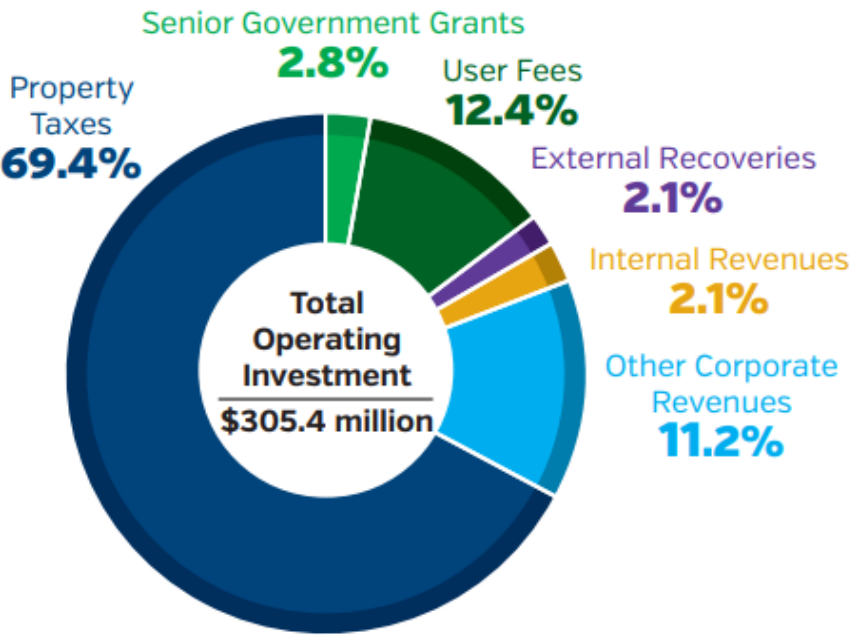
- Program focus on:
 - Renewal of existing infrastructure
 - Funding from ICIP program

Budget Summary

Operating and Capital

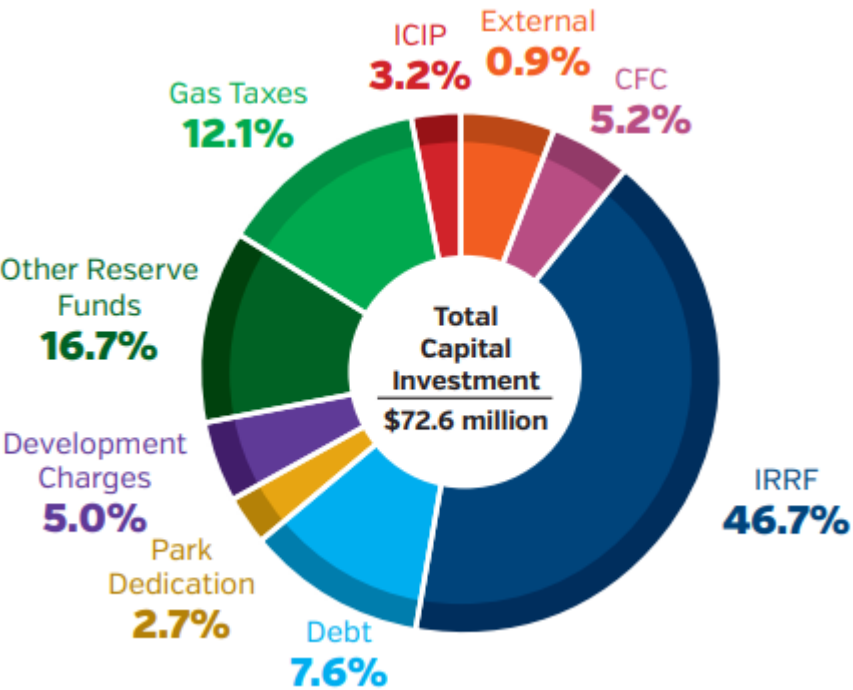
Operating

Revenues



Capital

Funding





Budget Risks & Pressures



Assessment Growth

	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Actual					Forecast			
Net Assessment Growth	0.64%	1.07%	0.34%	0.47%	0.60%	0.75%	1.00%	1.00%	1.00%
Average	0.62%					0.93%			

5 - Year range	Average Net Assessment Growth
2004-2008	2.10%
2009-2013	1.34%
2014-2018	0.65%
2019-2023	0.62%



COVID-19 Pandemic Revenue Impacts

Temporary Revenue Losses

Temporary revenue losses
– anticipated to rebound in
the future - \$519,000

- Offset by temporary
funding plan

Ongoing Revenue Losses

Changing consumer buying
behaviours & economic
pressures - \$527,000

- Results in a tax impact



Economic Impacts





Infrastructure Funding Gap

2021 Asset Management Financing Plan

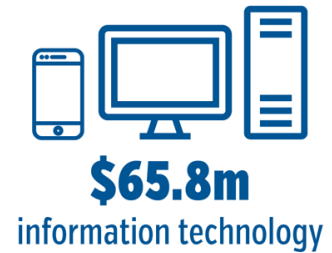
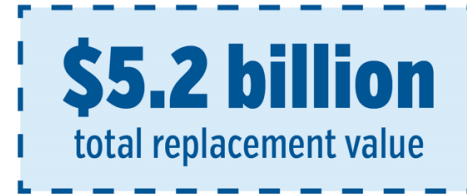
Status Quo		Recommendation		Optimal	
1.25%		1.60%		3.00%	
<ul style="list-style-type: none">• Widening infrastructure gap• Increasing assets falling to poor condition• Reduced standard of service• Increased operating costs• NOT sustainable		<ul style="list-style-type: none">• Managing infrastructure gap, with a level of short-term risk• Maintaining state of good repair• BALANCED approach (2021)		<ul style="list-style-type: none">• Managing infrastructure gap proactively• Maintaining state of good repair• Building reserves• AGGRESSIVE approach	

2023-2027		2028-2032		2033-2037		2038-2042	
1.60%		1.85%		2.00%		2.00%	

1.6% levy aligned with Asset Management Funding Plan



Infrastructure Funding Gap



Emerging Pressures

Inflation

- Labour & Supply Chain Issues

Service Enhancements

- New Assets
- Green Infrastructure
- Lifecycle costs

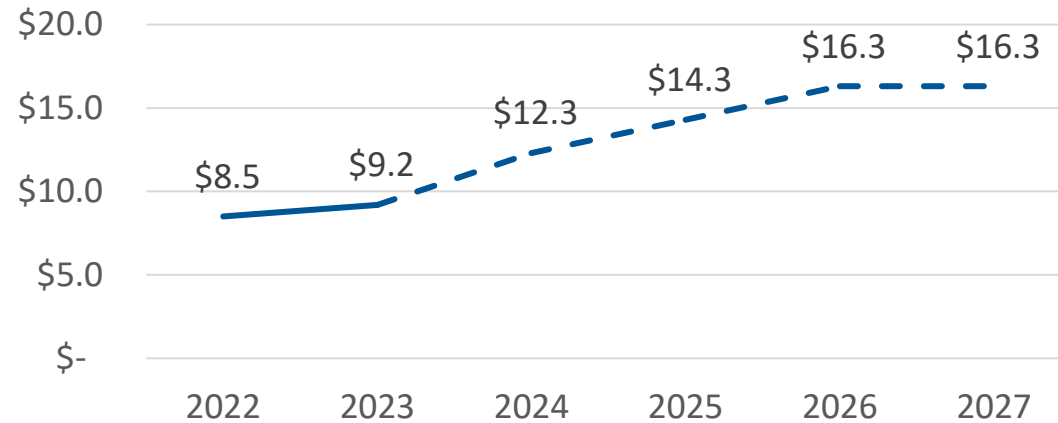
Climate Change

- Impacts Asset Condition

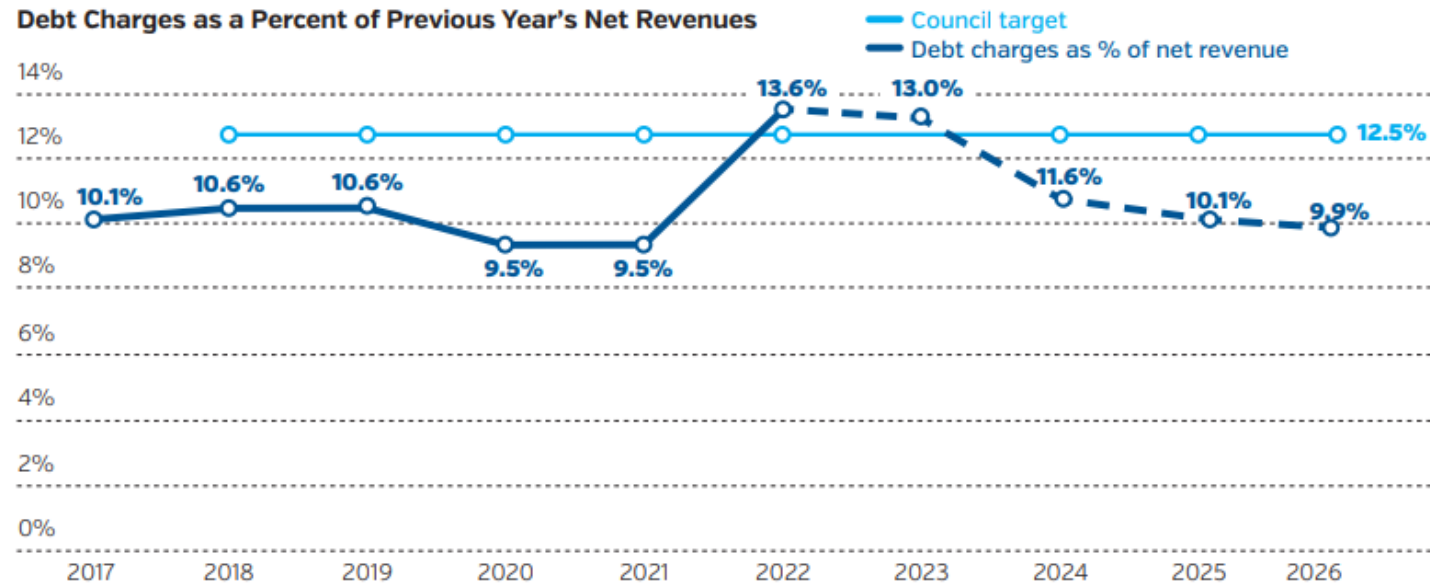


Debt

Tax-Supported Debt Charges (millions)



Debt Charges as a Percent of Previous Year's Net Revenues





Reserve & Reserve Funds

Fiscal Sustainability

	Target	Actual*
Stabilization Reserve Funds	10-15% of net revenues	9.5% of net revenues
Capital Reserve Funds	\$104 million	\$28.8 million
Corporate Reserves and Reserve Funds	\$28.3 million	\$10.9 million

*as of September 30, 2022



Legislative Changes



Bill 109, More Homes for Everyone Act, 2022

- Requirement to refund fees if decision is not made within legislated timelines
- Approximately \$2 million of annual application fees are at risk of being refunded

Bill 23, More Homes Built Faster Act, 2022

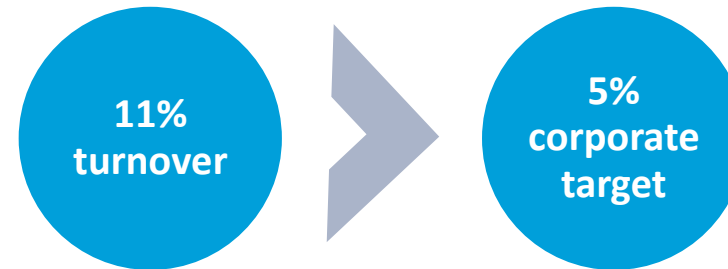
- Restrict the ability of the municipality to:
 - obtain or deliver future parkland and open space through land conveyance or cash-in-lieu;
 - deliver growth-related capital infrastructure

\$1M impact included in multi-year simulation (2024 estimate)



Human Resource Management & Labour Market

Retention and Attraction Risks



Mitigation strategies

- Job evaluation update – Report HR-01-23
- Updated non-union compensation program (\$4.7M)
- Refocused Performance Based Compensation
- Succession management, performance management and a diversity and inclusivity strategy



Human Capital Forecast

Designing and Evolving Our Organization

Department		2019-2022		Proposed		Forecasted							
		Total		2023*		2024**		2025		2026		Total	
		FT	PT	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Direct Customer Facing	Engineering	2.9		2.0				1.0				5.9	
	Fire	2.0	0.5	4.0		12.0		11.0		13.0		42.0	0.5
	Recreation, Community & Culture	8.1	(5.1)			13.7	(5.45)	1.0				22.8	(10.6)
	Roads, Parks & Forestry	20.0	(1.1)	4.0	1.2	15.0		8.0		2.0	4.85	49.0	5.0
	Community Planning	19.0				1.0						20.0	
	Transportation		(1.0)	1.0				1.0				2.0	(1.0)
	Transit	23.0	1.6	9.0		15.0	0.4	12.0	1.0			59.0	3.0
	Building & By-Law	7.0										7.0	
	By-law Compliance (established 2023)			5.0		3.0		6.0		2.0		16.0	
	Customer Experience	1		3.0		2.0		1.0				7.0	
	Mayor's Office			1.0								1.0	
Direct Customer Facing - Total		83.0	(5.1)	29.0	1.2	61.7	(5.1)	41.0	1.0	17.0	4.85	231.7	(3.1)
Strategic Support Services	Office of the City Clerk	1.0				1.0		2.0		1.0		5.0	
	Corporate Legal	1.0		2.0		4.0						7.0	
	Finance			2.0		2.0		1.0				5.0	
	Human Resources	3.0		5.0		5.0		1.0				14.0	
	Digital Service (formerly Information Technology Services)	6.0	(0.1)	10.0	(0.5)	11.0		4.0		3.0		34.0	(0.6)
	Corporate Strategy			1.0		1.0						2.0	
	Corporate Communications & Engagement	2.0		1.0		2.0						5.0	
	EICS - Facilities and Environment & Energy	1.0		1.0		1.0		3.0				6.0	
Strategic Support Services - Total		14.0	(0.1)	22.0	(0.5)	27.0	0.0	11.0	0.0	4.0	0.0	78.0	(0.6)
Total		97.0	(5.2)	51.0	0.7	88.7	(5.1)	52.0	1.0	21.0	4.85	309.7	(3.7)

* 2023 proposed does not include one-time funded positions

** 2024 includes positions not accommodated in 2023 proposed budget.



4% overall increase in FTE over 2022



Key Investments



Human Capital Investments in Stabilizing Operations

- **Human Resources**
 - 1 Recruitment Coordinator
 - 2 HR Representatives
 - 1 Disability Management Coordinator
- **Roads and Parks Maintenance**
 - 2 Lead Hand / Operations Coordinators
- **Fleet Management**
 - 1 Fleet Business Improvement Specialist
- **Corporate Legal**
 - 1 Solicitor
- **EICS Facilities**
 - 1 Project Manager Accommodations and Master Planning
- **Customer Experience**
 - 1 Customer Experience System Administrator
- **Digital Services**
 - 1 Application Portfolio Coordinator
 - 1 AV Specialist
- **Financial Management**
 - 1 Investment Coordinator





Facility Expansion / Enhancements

Skyway Community Centre

- NHL sized ice surface, indoor walking track and additional community program space
- Additional debt charges 2023
- Additional operational, programming and debt costs 2024

City Operations Campus Expansion

- Additional operations and maintenance space for front line service delivery
- Interim Lease and Maintenance costs 2023

Robert Bateman Highschool adaptive re-use

- Multi-purpose community asset
 - Partnered with Brock university
 - Enhanced library space
 - Tech Place
 - HDSB
- Utility and maintenance costs (2023)
- Additional operational, programming and debt costs 2024-2027



Firefighters for Station #8

Benefits of Implementation

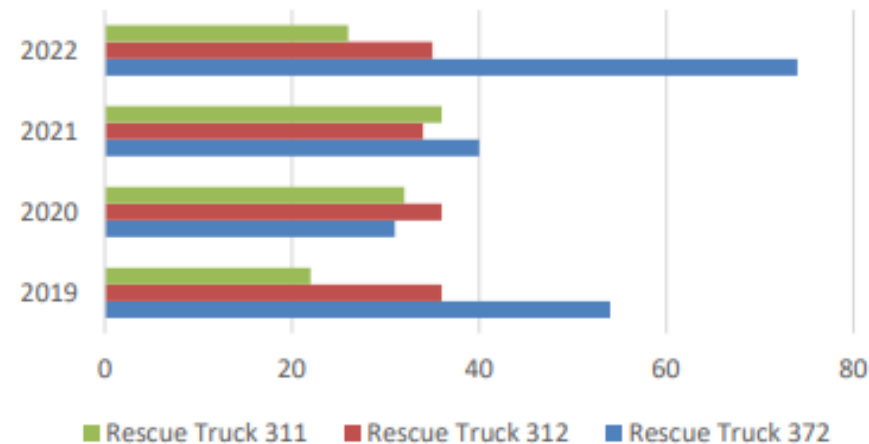
- Recommendation of Fire Master Plan (BFD-04-22)
- Added depth to response capabilities
- Increases ability to achieve minimum staffing levels thereby reducing the need to remove apparatus from service

Resources

- 4 firefighters in 2023
- Additional 4 firefighters included in 2024 multi-year simulation



Response Apparatus Removed from Service due to Staff Absences





Burlington Digital Services

Benefits of Implementation

- Aligned with Report IT-02-23
- Expanding beyond traditional IT functions to support:
 - Digital enterprise architecture
 - Product delivery and decision support
 - Human-centered delivery

Resources

- Director of Information Technology
- Director of Human Centered Design
- Business Improvement Specialist
- Digital Service Owner
- User Researcher
- Interaction Designer
- Product Manager





Enterprise Business Services Support

Benefits of Implementation

- Standardized business processes
- Centralized master and transactional data, with the goal of eliminating redundancies
- Consistent integration of ancillary technology solutions to reduce effort associated with duplicate entering of information
- Organization-wide use of transactional workflow and approvals
- Flexible business rules, decision-making, and embedded system-driven controls, enabled by advanced system workflow
- Reconciliations, analyses, and reporting out of the solution, rather than relying on Microsoft Excel with the ability to drill down on transactions
- Readily available HCM and financial statistical measures for analysis and decision-making
- Flexible, decentralized self-serve capabilities for staff, vendors and the general public
- Better decisions with instant, real-time insight and prediction

Resources

- Workday HCM Business Lead
- Workday FIN Business Lead
- EAMS Transportation Business Lead
- Integration Specialist
- Technical Service Analyst
- EAMS Analyst





New By-law Compliance Department

Benefits of Implementation

- Phase 1 of 4-year plan as outlined in Report BB-15-22
- Stabilizes operations, updates outdated by-laws, policies and procedures
- Improves cost recovery via Administrative Penalty System (APS)
- Integration of CRM

Resources



- Director of By-law Compliance
- Supervisor of Enforcement Policy and Administration
- Policy Coordinator
- Enhancement to 4 existing Clerk positions
- 2 Additional By-law Enforcement Officers
- Solicitor
- Communications Advisor



Coyote Response Strategy (one-time)

Benefits of Implementation

- Aligned to Report BB-15-22
- Development of education programs
- Proactive tracking of coyote movement
- Proactive property standards enforcement

Resources (2 years)

- 2 Animal Control Officers & vehicles
- Communication & Literature Costs
- Wildlife Expert & Veterinarian Expenses





Automated Speed Enforcement (one-time)

Benefits of Implementation

- Phased approach - allows for the planning, coordination and operation of an ASE program including:
 - Establishing Community Safety Zones
 - Preparing by-law amendments
 - Initiating sign installations
 - Collecting vehicle speed data
 - Assisting Halton Court Services with introducing Administrative Penalties System for offences
 - Public engagement and project updates

Resources (2 years)

- Traffic Technologist





Transit Expansion

Benefits of Implementation

- Operational funding for 4 conventional busses and one handi-van purchased in the 2022 Capital Budget
- Supports the Transit 5-year business plan

Resources

- 8 conventional operators
- 1 specialized operator





Additional Investments

On-going funding

- Support for Parks Capital Program (funded from capital)
- Increased grant to Sound of Music Festival
- Additional Resource – Mayor’s Office

One-time Funding

- Home Energy Retrofit Program (1 year)
- Agencies, Boards and Commissions (ABC) and Joint Venture (JV)
- Burlington Lands Partnership (Housing Strategy Implementation)
- Sound of Music Festival loan forgiveness
- Burlington 150 celebration
- Additional Funding for MTSA



One-time funding needs

REF #	Service	Description	2023 Proposed Cost	One time Funding
	One time Key Investments		\$ 1,514	\$ (1,514)
2023-019	Environment and Energy	Home Energy Retrofit Program	\$ 121	\$ (121)
2023-076	Traffic Operations Management	Automated Speed Enforcement	\$ 228	\$ (228)
2023-020	Corporate Strategy	ABC/JV accountability framework review	\$ 200	\$ (200)
2023-060	Animal Services	Coyote Response Strategy	\$ 580	\$ (580)
2023-064	Corporate Strategy	Burlington Lands Partnership - Housing Strategy	\$ 200	\$ (200)
2023-071	Community Design and Development Review	Additional Funding for MTSA	\$ 85	\$ (85)
2023-070	Arts and Culture	Burlington 150 Celebration	\$ 100	\$ (100)
2023-058	Arts and Culture	Support for the Sound of Music Festival	\$ 200	\$ (200)
	Covid Related Revenue Impacts		\$ 516	\$ (516)
Total Proposed One Time Funding Requirement			\$ 2,230	\$ (2,230)

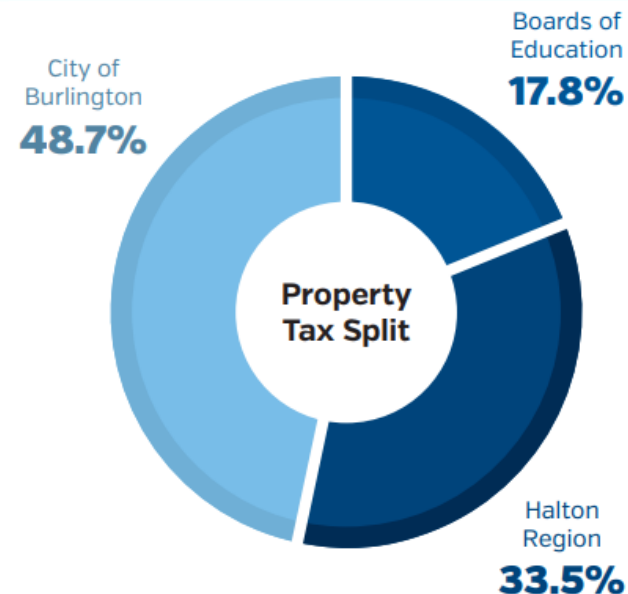
- Provision to Contingency Reserve repurposed in 2023 to Tax Rate Stabilization Reserve Fund to cover 2023 one-time needs.
- 2023 provision is \$2,238,445



Property Tax Impacts



Total Tax Bill Breakdown



	2022 Share of Tax Bill	2023 Share of Tax Bill	2022 Taxes	2023 Tax Increase	2023 Taxes	\$ Impact on Tax Bill	% Impact on Tax Bill
Burlington	46.20%	48.65%	\$ 370.39	12.77%	\$ 417.67	\$ 47.28	5.90%
Halton	34.70%	33.53%	\$ 278.37	3.40%	\$ 287.83	\$ 9.46	1.18%
Education	19.10%	17.82%	\$ 153.00	0.00%	\$ 153.00	\$ -	0.00%
TOTAL *	100.00%	100.00%	\$ 801.76	7.08%	\$ 858.50	\$ 56.74	7.08%

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



Proposed Tax Increase

	2023 Budget Change	2023 Overall Tax Impact
Base Budget Impact including Assessment Growth*	\$ 9,172,145	1.92%
Additional Budget Pressures	\$ 6,689,564	1.60%
Impacts of Prior Council Decisions	\$ 1,584,100	0.38%
Impacts of Previously Approved Capital Projects	\$ 2,965,165	0.71%
Cumulative Impact	\$ 20,410,974	4.62%
Key investments		
Sustaining City Services and Finances	\$ 5,163,111	1.24%
Enhancing Services	\$ 185,893	0.04%
Grand Total City	\$ 25,759,979	5.90%
Overall Tax Impact (City, Region, Education)		7.08%

*includes 0.6% assessment growth



Enhanced Multi-Year Budget Simulation

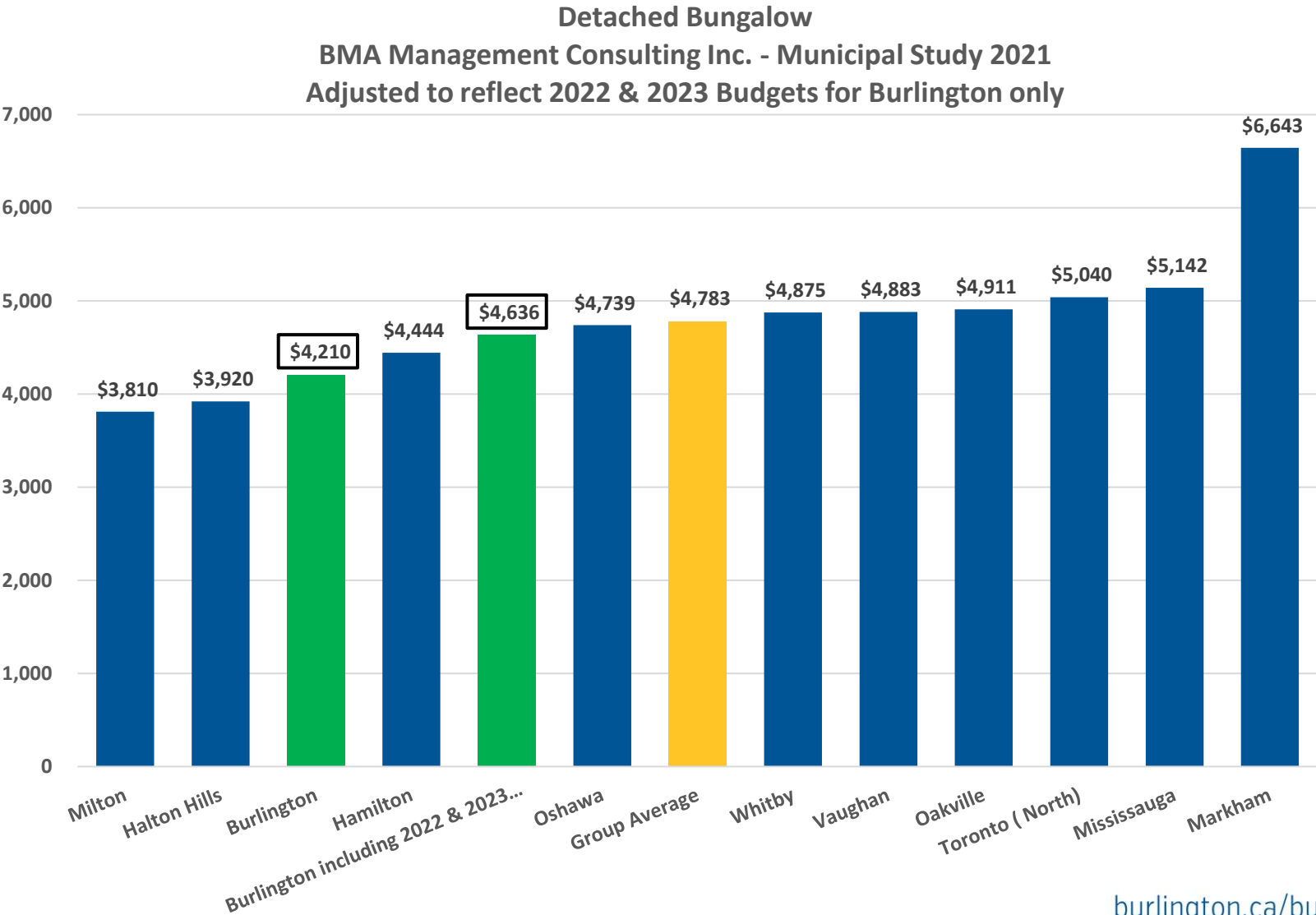


Budget Simulation 2023-2027

- 5-year Simulation
 - Estimated budget drivers
 - Known budget pressures and continued catch-up on investments
 - Forecasted key investments

	2019	2020	2021	2022	2023 Proposed	2024	2025	2026	2027
	Actual					Forecast			
City Increase as % of Total	1.29%	1.76%	1.85%	2.10%	5.90%	5.96%	4.13%	3.98%	3.67%
Overall Tax Bill Impact	1.96%	2.43%	2.50%	2.84%	7.08%	6.96%	5.09%	4.83%	4.50%

2023 Budget





Public Engagement &
Budget Approval Process



Budget – Engagement

Virtual Town Hall



Get Involved Burlington Survey



Food for Feedback



Visit www.getinvolvedburlington.ca to provide your input

2023 Budget

Budget – Visualizations

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



Open Budget



\$217.4
Million

Operating

2023 Proposed Operating Budget

A breakdown of the 2023 Proposed Operating Budget by Service. Use this visualization to explore the net cost associated with each of the City's services.

Dec 2022

340
Projects

Capital

2023-2032 Capital Budget Projects

The 2023 - 2032 Capital Budget sums to \$878 million over the ten-year capital program and includes 340 projects....

Nov 2022

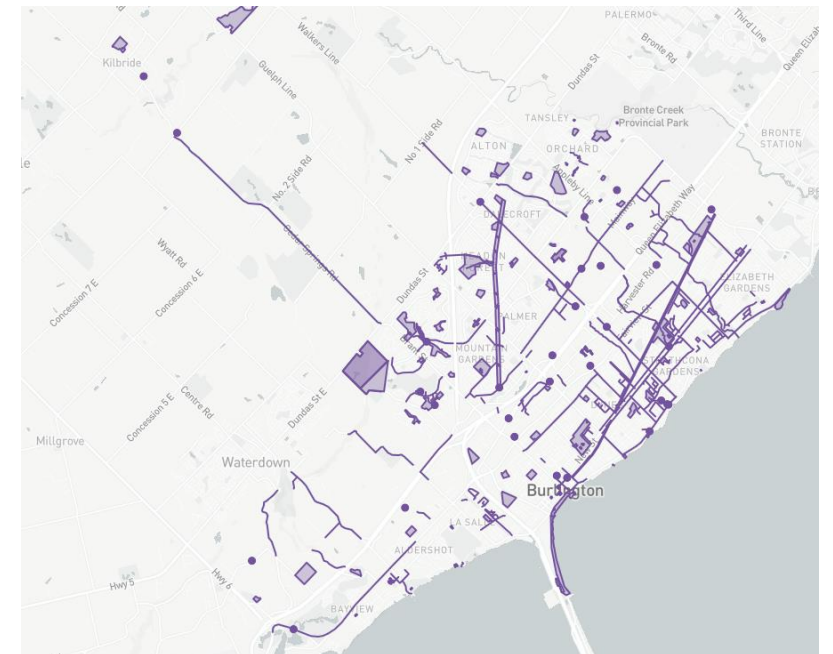
\$72.6
Million

Capital

Capital Budget by Asset Category

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

Dec 2020



burlington.ca/budget

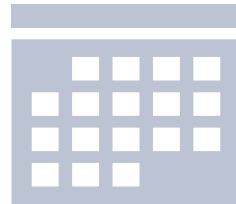


Budget Motion Memorandums

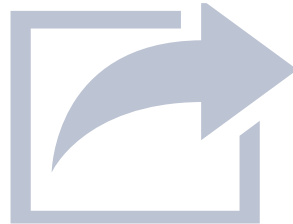


Covering memo

- Rationale for proposed budget amendment(s)
- Increased transparency for public



Due to Finance by 4pm on January 23



Staff directions that do not result in a budget amendment go to regular CSSRA meeting



Timelines

Council Workshops	Service Information Sessions
	November 29 & 30, December 12 & 15, 2022
CSSRA	2023 Budget Overview
	January 9, 2023
Virtual Budget Townhall	January 19, 2023
	7:00 - 8:30 pm
CSSRA - Budget	2023 Budget Review & Approval
	February 6, 7 & 9, 2023
Council	2023 Budget Approval
	February 14, 2023

2023 Budget

