

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**

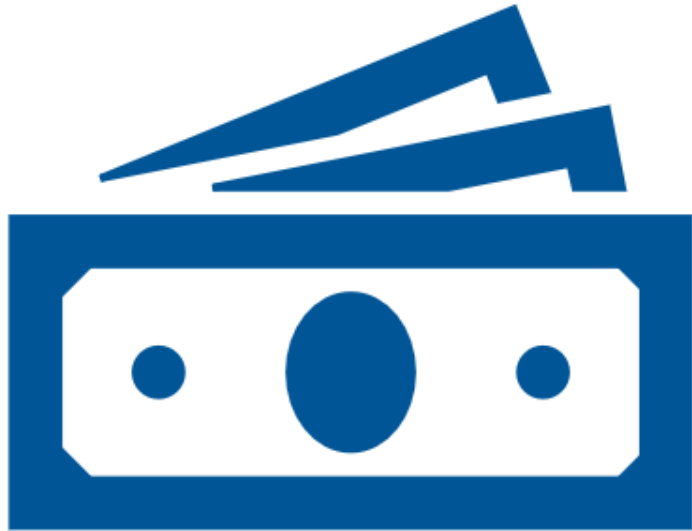


**Consolidated
Budget Book**



**Enhanced
Multi-Year
Simulation**





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 |

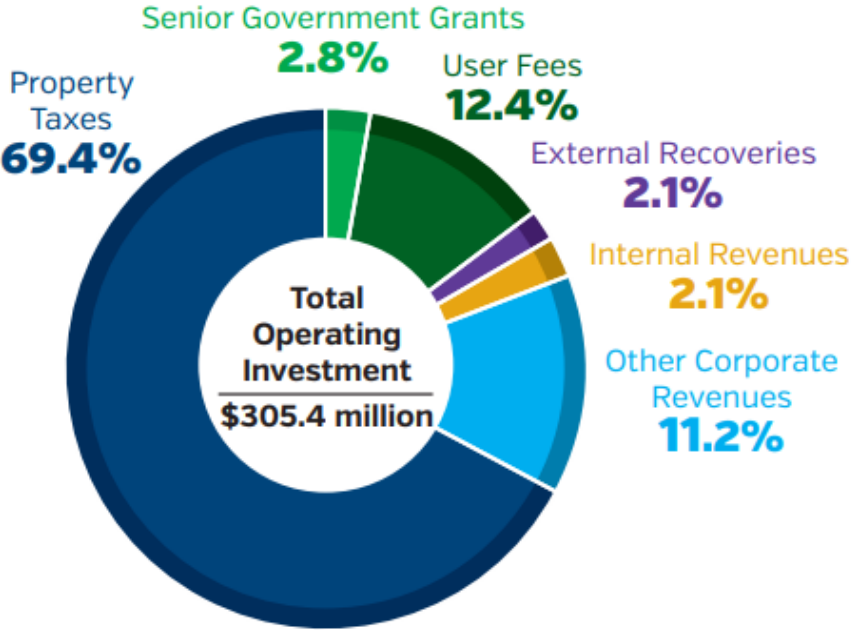
- Program focus on:
 - Renewal of existing infrastructure
 - Funding from ICIP program

Budget Summary

Operating and Capital

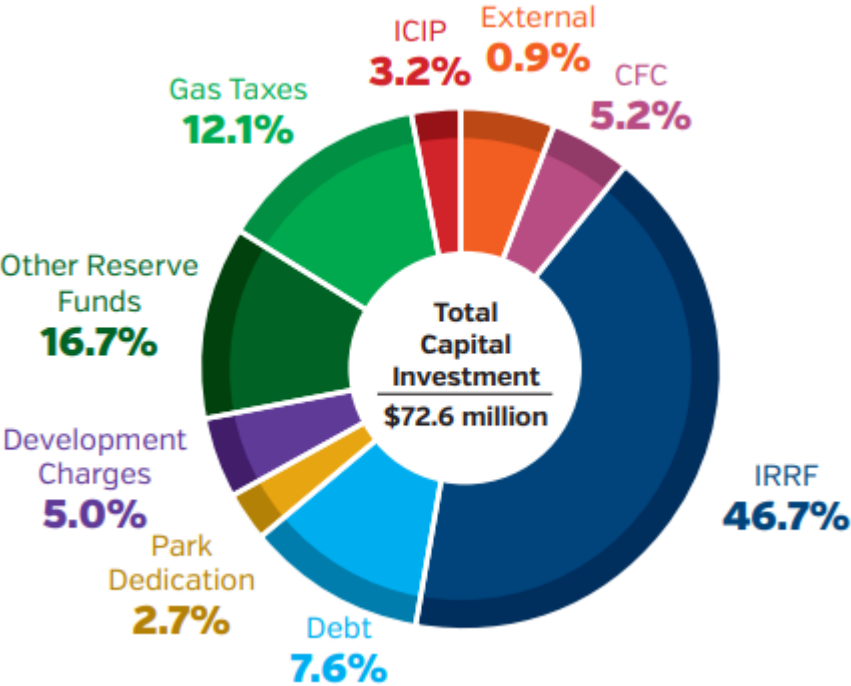
Operating

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% | |

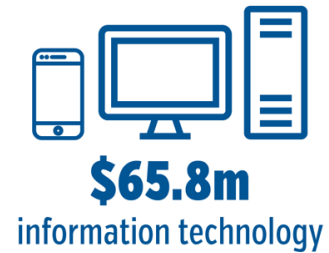
1.6% levy aligned with Asset Management Funding Plan



Infrastructure Funding Gap



\$5.2 billion
total replacement value



Emerging Pressures

Inflation

- Labour & Supply Chain Issues

Service Enhancements

- New Assets
- Green Infrastructure
- Lifecycle costs

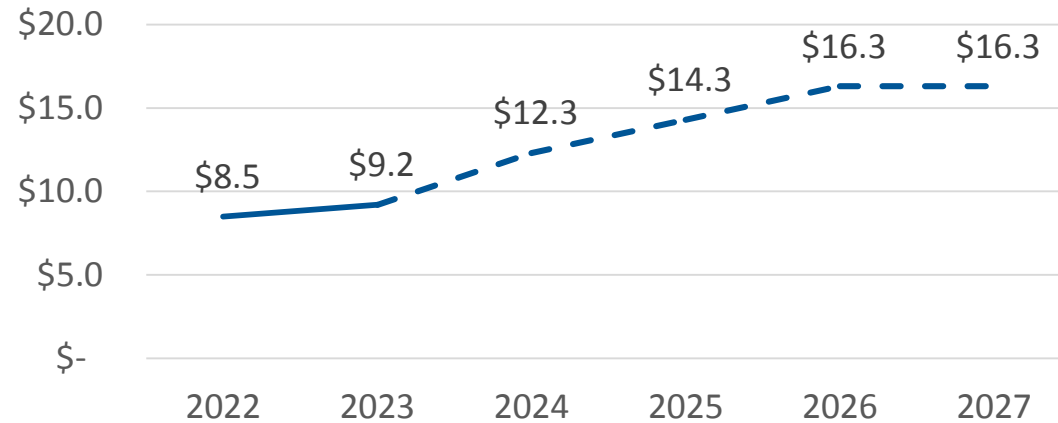
Climate Change

- Impacts Asset Condition

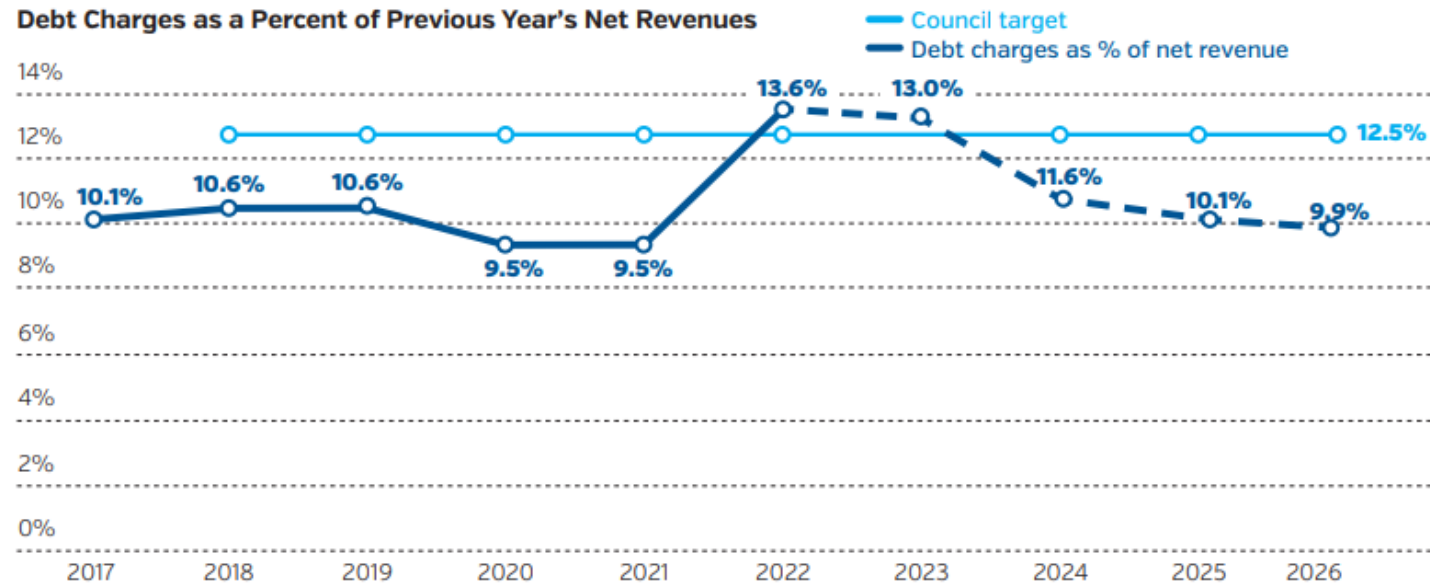


Debt

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

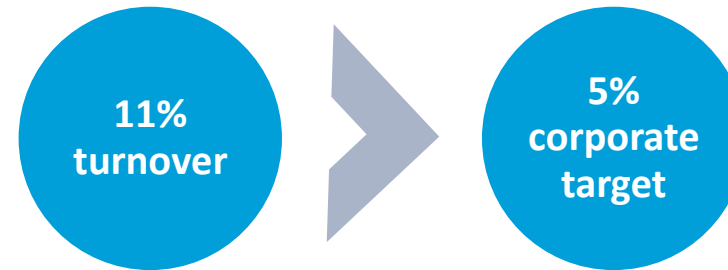
- Restrict the ability of the municipality to:
 - obtain or deliver future parkland and open space through land conveyance or cash-in-lieu;
 - deliver growth-related capital infrastructure

\$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

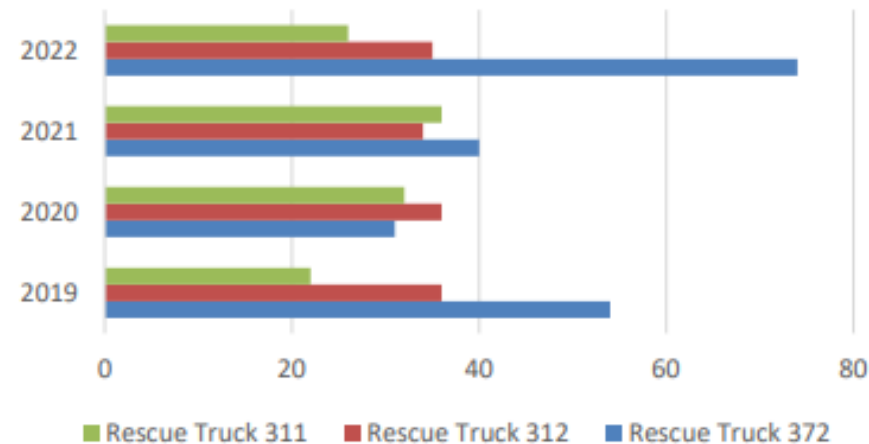
- Recommendation of Fire Master Plan (BFD-04-22)
- Added depth to response capabilities
- Increases ability to achieve minimum staffing levels thereby reducing the need to remove apparatus from service

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:
 - Human-centered delivery
 - Improved accessibility, engagement and inclusion
 - Leveraging data and analytics
 - Improved efficiency and productivity
 - Enhanced customer and citizen experience
 - Increased transparency and accountability
 - Greater data security and privacy
 - Increased innovation and agility

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) |

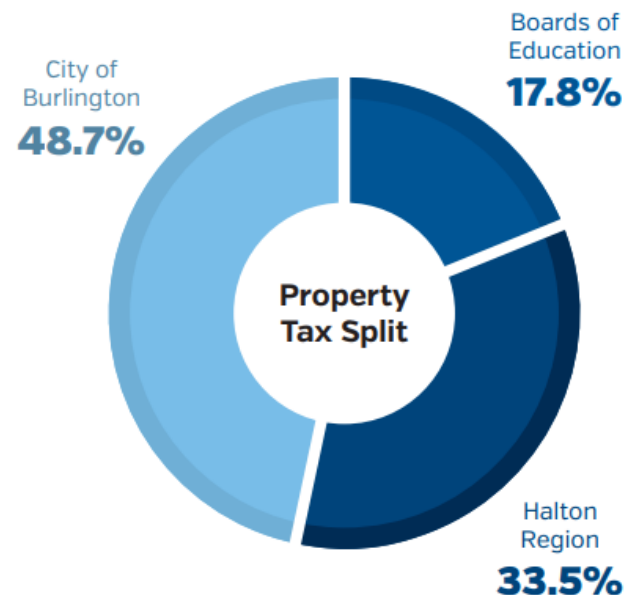
- Provision to Contingency Reserve repurposed in 2023 to Tax Rate Stabilization Reserve Fund to cover 2023 one-time needs.
- 2023 provision is \$2,238,445



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

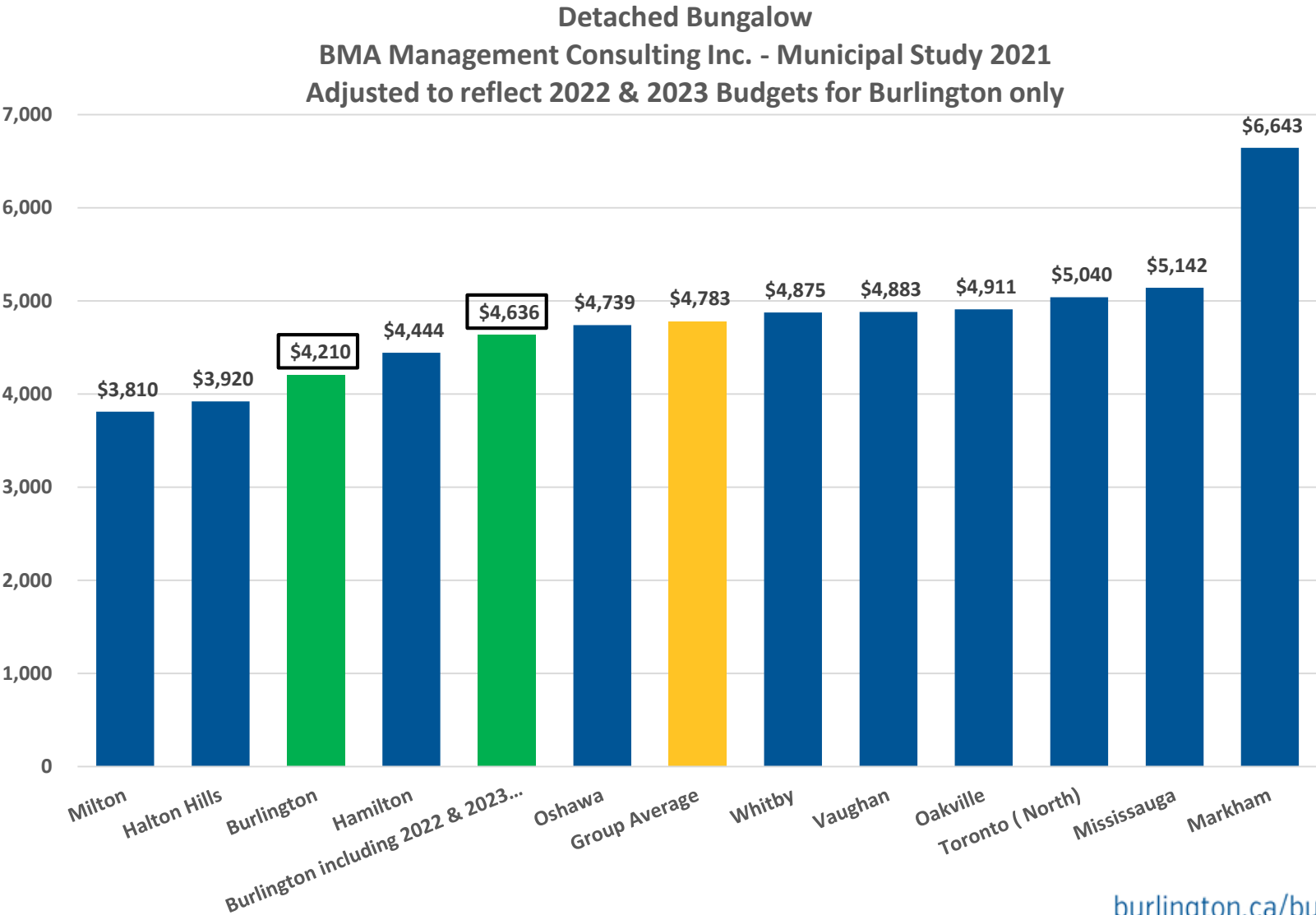


Budget Simulation 2023-2027

- 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

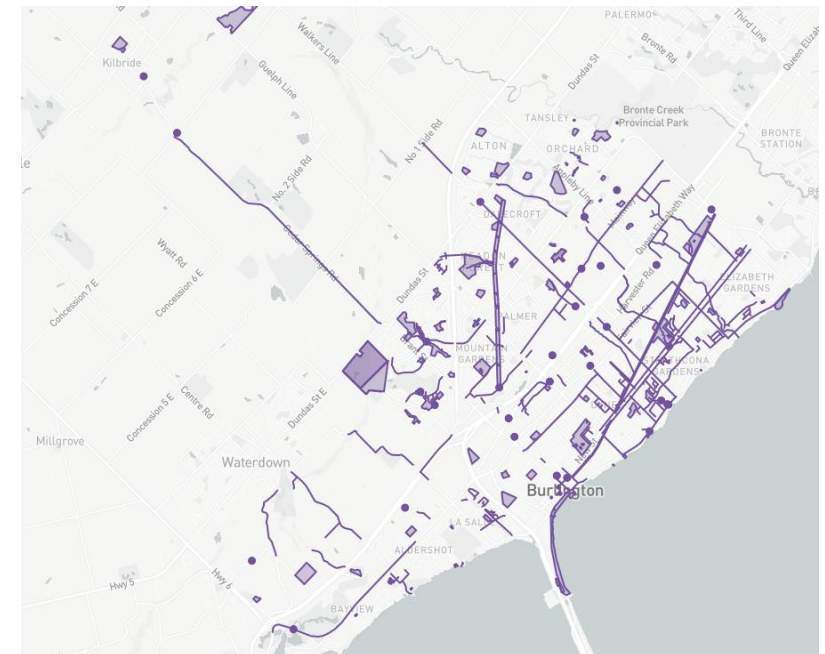
\$72.6
Million

Capital

Capital Budget by Asset Category

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

Dec 2020



burlington.ca/budget



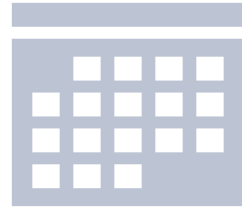


Budget Motion Memorandums

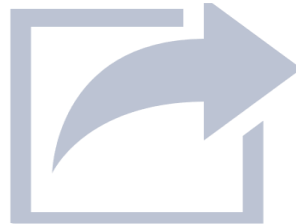


Covering memo

- 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

