SUBJECT: 2024 financial needs and multi-year forecast overview

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Finance Department

Report Number: F-35-23

Wards Affected: All

Date to Committee: October 30, 2023

Date to Council: November 14, 2023

Recommendation:

Receive the 2024 financial needs and multi-year forecast overview as a budget reference document; and

Request the Mayor and Members of Council to consider the contents of the 2024 financial needs and multi-year forecast including related appendices when preparing and reviewing the 2024 proposed budget.

PURPOSE:

This report provides an overview of the 2024 Financial Needs and Multi-year Forecast.

Executive Summary:

In June 2023, Council received the 2024 Budget Framework Report. The report provided Council with the parameters on which staff would prepare the 2024 budget and outlined key budget pressures the city was anticipating.

Subsequent to that report, the Province of Ontario extended the Special Powers and Duties of the Head of Council, as outlined in the Municipal Act, to 26 additional municipalities, including the City of Burlington, effective July 1, 2023. Under the provisions of the Act, the authority to propose a budget to Council for their consideration and approval rests solely with the Mayor.

To incorporate this change, staff have prepared this 2024 Financial Needs and Multi-Year Forecast Overview and related document (formerly referred to as a Proposed Budget Book) as budget reference materials for the Mayor and Council.

The Mayor will be presenting the City's 2024 Proposed Budget at the Council meeting of November 2nd. This information will be available to Council and the public on October 30th with release of the November 2nd Council meeting agenda.

The budget process continues to be an avenue to allocate available resources needed to address the prioritized opportunities and business objectives. This will ensure residents continue to receive the programs and services that provide for the high quality of life in Burlington.

Similar to the challenges of 2023, 2024 is forecasted to be another year of significant financial pressures. The 2024 Financial Needs and Multi-year recognizes higher than average inflation; dedicates funding to ensure our assets are maintained in a state of good repair; includes strategic community investments for the next 50 years; stabilizes and enhances city services and confirms a non-union compensation program that reflects the council approved market position.

City investments, finances and reserve funds remain in a period of "catch up" as city services and amenities have not kept pace with the population growth.

This report outlines the process undertaken to finalize the Financial Needs and Multi-Year Forecast, discuss key fiscal pressures/challenges and summarize the resulting financial impacts for 2024 and future years.

Background and Discussion:

Strong Mayor Powers - Budget Process Changes

Section 290 (1) of the Municipal Act requires municipalities to prepare and adopt an annual budget.

In June 2023, Council received the 2024 Budget Framework Report. This report provided Council with the parameters and assumptions on which the 2024 budget would be prepared and outlined key budget pressures the City was anticipating.

Subsequent to that report, the Government of Ontario extended the Mayoral Special Powers and Duties, as outlined in the Municipal Act, to 26 additional municipalities, including the City of Burlington, effective July 1, 2023. This legislation and associated regulations (O. Reg. 530/22 and O. Reg. 580/22) provide the Mayor with additional powers beyond those previously set out in the Municipal Act, 2001 S.O. 2001, c. 25. Under the provisions of the Act, the authority to propose a budget rests solely with the Mayor. However, the Mayor can issue a staff direction for staff to undertake the work detailed required to prepare a draft proposed budget.

On September 14, 2023 the Mayor issued the following Mayoral Decision to the City's Chief Financial Officer (CFO):

"Prepare a draft City of Burlington 2024 Operating and Capital Budget and Forecast in accordance with the requirements of the Act; That the CFO provide the Mayor with periodic updates on the 2024 Draft Budget in order that those discussions may inform the budget; and; That the draft budget be provided to each Member of Council and the public no later than October 19, 2023."

To support the 2024 budget process, and consistent with prior years, staff have prepared budget reference materials including this overview report and detailed supplementary documentation, now known as the Financial Needs and Multi-year Forecast (previously known as the Proposed Budget Book). This document provides background, context and financial considerations related to the 2024 budget and multi-year forecast. It includes draft budgets for all City Services, a 10-year capital program and key service investments required to stabilize current service operations or expand service delivery.

Financial Needs and Multi-Year Forecast Development Process

The internal development process included:

- A line-by-line review of the base operating budget by the Chief Financial Officer and Service Owners to ensure the draft base budget is as stringent as it can be.
- The Corporate Infrastructure Committee conducted an in-depth review of the 10-year capital program ensuring adherence to financial policies, coordination of projects and alignment with the Strategic Plan and corporate initiatives.
- A corporate/strategic review by the Strategy and Risk Team (SRT) which included alignment to strategic objectives and review, development, prioritization and recommendation of specific key investments supported by business cases.

The 2024 Financial Needs and Multi-Year Forecast submission adheres to the guiding principles and directions of the following reports:

F-23-23: 2024 Budget Framework Report

F-19-23: 2023 Financial Condition Assessment

CM-12-23: Vision to Focus (V2F) The City of Burlington's 4-Year Workplan

F-34-23: Update to the budget process resulting from the Strong Mayors, Building Homes Act, 2022

F-20-23: 2023 Asset Management Financing Plan update

CS-11-23 Enterprise Business Planning and Portfolio Management

CM-24-22: Designing and evolving our organization – updated department functional design and management structures

CM-3-22: Multi-year Community Investment Plan (MCIP)

F-22-12: The City of Burlington Long Term Financial Plan

2024 FINANCIAL NEEDS

Strategy/process

The budget process provides a venue in which decisions are made to ensure an appropriate balance between affordability, maintaining/enhancing service levels and financial sustainability is achieved over the long term.

Burlington is a growing, changing and ever-improving city. Similar to 2023, the 2024 Budget will require significant investment to ensure residents continue to receive the programs and services that provide for the high quality of life in Burlington.

The 2024 Financial Needs and Multi-Year Forecast has been developed as a **reference document** for the Mayor’s Proposed Budget. This forecast recognizes ongoing inflationary pressures, adjusts for permanent COVID pandemic financial impacts, and recommends funding of strategic investments to address the needs of our growing community all within a climate of limited increases from assessment growth to offset these pressures. While progress has been made in recent years, the city remains in a state of “catch up” as city services and amenities have not kept pace with population growth.

Like 2023, the 2024 budget is about playing catch up and phasing in the investments required in our community which will prepare us for the future.

Financial priorities and urgent needs include:

- ensuring our infrastructure and assets are maintained in a state of good repair,
- maintaining service levels while realizing higher than average inflationary pressures,
- addressing the long-term financial impacts of COVID-19,
- continuing to provide strategic investments aligned to Vision to Focus,
- addressing legislative changes,
- stabilizing and enhancing City services for improved customer experience, and
- confirms a non-union staff compensation program that reflects the council approved market position.

2024 budget decisions must focus on community priorities, deliver on them with new investments and plan for and protect our city’s future. These decisions will help enhance the quality of life for residents.

In the 2021 community survey, 95% of residents rated their overall levels of satisfaction with City Services as very satisfied/somewhat satisfied and 89% of residents rated Burlington as an excellent/very good place to live. The City's investment in this upcoming budget ensures we maintain that quality of life and satisfaction with City services that residents care about.

Enterprise Business Planning and Portfolio Management (CS-11-23)

The 2024 Financial Needs and Multi -Year Forecast was developed under the City's integrated approach to Enterprise Portfolio Planning (EPP). This approach aligns strategic plans and objectives to the organization's work while taking stock, strategizing, and making decisions collectively from a corporate lens. This process delivers a corporate work plan which defines projects for completion, including timing and alignment and coordination across multiple departments, while recognizing resource capacity. Going forward Enterprise Portfolio Planning will inform future multi-year simulations.

2024 Financial Needs Format

Similar to previous budget documents, the Financial Needs and Multi-Year Forecast is presented in a service-based format combining both operating and capital needs allowing Council and residents to see how our services meet the growing demands of our community. The identification of revenues and expenditures by service ensure staff and Council is considering service adjustments when making financial decisions, as well as providing increased transparency and awareness to the public.

The capital component continues to be presented as a 10-year program.

Mayor's Proposed Budget

Mayor Marianne Meed Ward will be presenting the Mayor's 2024 Proposed Budget at the Council meeting of November 2nd. Related proposed budget materials will be available to Council and the public on October 30th with release of the November 2nd Council meeting agenda.

Service Performance Workshops – November 2023

On November 6 and 7 Council Workshop sessions will be held to allow City staff to present an in-depth overview of the Key Financial Investments that have been integrated within the 2024 Financial Needs and Multi-Year Forecast.

Budget Motion Memorandums Forms

Similar to the process used for the past 2 budgets, should a Member of Council wish to propose an amendment to the Mayor’s Proposed 2024 Budget they are requested to prepare a Motion Memorandum. This memo will include the rationale for any proposed budget amendment. These Motion Memorandums will provide other Members of Council and most importantly the public, greater clarity as to why an amendment is being proposed and the rationale for the budget change request.

Motion Memorandums are due to Finance by 4:30 pm on November 13, 2023, to allow sufficient time for inclusion into the CSSRA-budget agenda of November 21, 2023. These Motion Memorandums will form the basis for the agenda to review the Mayor’s Proposed Budget.

Budget Review and Approval Timelines

Below is a brief timeline of the 2024 budget review and approval process:

Item	Meeting	Date
2024 Financial Needs and Multi-Year Forecast (agenda available October 19)	CSSRA - Budget	October 30, 2023
Release of Mayor's Proposed Budget (agenda available October 30) [1]	Council	November 2, 2023
Service Performance Sessions	Council Workshop	November 6 & 7
Budget Telephone Townhall		November 7, 2023
Motion Memorandums (to propose amendments to Mayor's Proposed Budget) due to Finance by 4:30 pm		November 13, 2023
Committee review of Mayor's Proposed Budget, amendments proposed via Motion Memorandum process	CSSRA - Budget	November 21 & 23
Council review of Mayor's Proposed Budget	Special Council Meeting	November 23 following CSSRA [2]
Mayor's 10-day veto period (if exercised) [3]	Special Council Meeting	November 28, 2023
Council's 15-day override period (if veto power exercised) [4]	Council	December 12, 2023
Budget deemed approved		

Notes:

1 - 30-day period for Council to review and amend Mayor's Proposed Budget begins with release of the Council Meeting Agenda and can be shortened via a Council vote

2 - Budget deemed approved if veto power is not exercised

3 - 10-day period can be shortened via a Mayoral Decision; date may also be used to finalize any Council amendments not completed on November 23

4 - 15-day period can be shortened via a Council vote

FINANCIAL PRESSURES AND RISKS

The city continues to closely monitor revenue sources and strategies to maintain financial sustainability as outlined in the objectives of the city's long-term financial plan. There are a number of issues that the City will need to be mindful of in 2024 and future years. In preparing the 2024 Financial Needs and Multi-Year Forecast, staff have identified pressures that need to be considered within the context of the budget discussions. These pressures, outlined in subsequent sections of this report, primarily relate to staff's ability to continue to deliver existing services. Left unaddressed, these pressures will significantly challenge the organization's ability to deliver services in future years at their current levels.

These pressures include:

Economic Considerations

Inflation, supply chain impacts and labour shortages in Ontario continue to pose an issue for municipalities.

- **Inflation** – In September, the Consumer Price Index (CPI) rose 3.8% on a year-over-year basis, down from a 4.0% gain in August. While inflation numbers are lower than those experienced in 2022, this reduction (disinflation) does not mean that prices will fall, it simply means that prices are rising at a slower pace than the previous year.

  The City is experiencing significant increasing costs for contracted services, utilities, software license fees and materials that place additional pressures on the budget. For 2024 these higher-than-average inflationary pressures are estimated to be $1,882,924.

- **Supply Chain** – Many materials and supplies the city uses in construction activities are driven by market conditions and more recently significant price volatility and increased lead times during the COVID-19 pandemic. This results in the construction price index increasing higher than the rate of inflation. From 2017 to the second quarter of 2023, the construction price of erecting non-residential buildings was over 41% higher than in 2017, the year when the index base was set. This has had a significant impact on the City's capital program.

- **Foreign Exchange** – The City has a number of large purchases that are paid using United States (US) dollars such as fire trucks and software maintenance. The foreign exchange risk can cause large fluctuations in the market value of these goods at any time during the year given changing economic conditions. Legislation limits the City in its ability to protect itself against this risk as it is restricted in the amount of US dollars it can purchase in advance and prohibited from entering into foreign exchange contracts.

Human Resource Management, Labour Market and Workforce

Municipalities like other service organizations rely heavily on human resources to deliver the range and quality of services that residents have come to expect. Human resource costs (including benefits, training, etc.) as a percentage of the city's 2023 gross operating budget is 49.2%.

A significant risk to the corporation is the attraction and retention of staff. Mitigating this risk has been a primary area of focus in recent years. As part of the 2023 Budget a significant investment was made to update the non-union staff compensation system to make it more market competitive and provide a foundation improving on our ability to:

- Attract and hire qualified candidates to fill vacancies.
- Retain employees in a highly competitive labour market.

This update modernizes the current job evaluation system and compensation policies while realigning to the Council approved market position being the 65% percentile vs our municipal market comparators.

The non-union staff compensation update replaced an outdated 30+ year old system and was the first step to building a foundation for attraction and retention strategies. Supporting and developing our current staff is just as important as attracting new and qualified candidates for vacancies. Over the next several years, workforce programs such as succession management, performance management and a diversity, equity and inclusivity strategy also need to be enhanced/developed to address retention risks. With the introduction of our new Workday platform, we also want to seize the opportunity to integrate new functionality and transform our HR business processes.

While approximately 160 additional staff positions were added in recent budgets, financial constraints prevented many other pent-up needs from being incorporated. This results in deficiencies in human capital, difficulties servicing a growing population, leading to risk in operations and compliance with legislation.

The city wants the best people working here to support our community and maintain quality of life. However, we are having a difficult time not only attracting candidates but also retaining our excellent staff particularly in high demand job categories (technical and professional positions).

Designing and Evolving our Organization

Since 2019, the City has taken a corporate-wide strategic approach to refine its functional design and organizational structure through Designing and Evolving our Organization (DEOO). As Council is aware, the City of Burlington has reached its tipping point where the ability to provide effective and quality services at current staffing levels is not sustainable.

Designing and Evolving our Organization has allowed the City of Burlington to continue to evolve to meet the changing environment, to address the strengths and weaknesses of the organization in a strategic and comprehensive manner and most importantly prepare for the future.

Management is working across and throughout the organization to stabilize and enhance our competency, capability and capacity through resource needs – from people, process and technology – to be a performance-based customer-centered organization and to effectively deliver on our commitments.

DEOO will be incorporated annually as part of the Enterprise Portfolio Planning process, and will include:

- An assessment of current state resources based on risks and service needs
- An update of the plan including resource rationalization and process improvement
- Inclusion of staffing resource requests as part of key investments identified in the annual Financial Needs and Multi-Year Forecast

By following these steps, DEOO / EPP has become a part of our natural process of aligning our resources to the achievement of strategic objectives and effective and efficient service delivery while managing risk. Through this process, resource needs are identified and prioritized, giving consideration to rationalization where it makes sense and process improvements.

Included within the 2024 Financial Needs and Multi-year Forecast, additional staffing requests are reflected in the recommended Key Investments under the category of Sustaining City Services and are supported by business cases.

Assessment Growth

An important consideration in the preparation of the budget is estimating the rate of growth expected in the community which affects both revenues and expenses in the capital and operating budgets. Growth in the community will result in incremental tax revenues from assessment growth. It also drives the requirement to expand services and infrastructure such as roadways, parkland and facilities to a growing community.

The 2024 budget includes assessment growth at 0.75%. This provides approximately $1,644,050 of additional revenue to offset inflation and growth-related costs in the base budget. The assessment growth of 0.75% reflects increased assessment from new construction offset by reductions to assessment resulting from appeals based on Assessment Review Board (ARB) decisions and Requests for Reconsideration.

Assessment growth has declined sharply from historical values. Average assessment growth from 2005-2009 was 2.7 times higher than that realized today. While growth has remained low in recent years it is forecasted to increase as new residential units are added to accommodate population growth.

Historical Net Assessment Growth Averages

5 –Year Range	Average Net Assessment Growth
2005-2009	2.03%
2010-2014	1.08%
2015-2019	0.67%

Over the past 5 years, net assessment growth has ranged from a high of 1.07% to a low of 0.34% for an average of 0.65%. Assessment growth is forecasted at 0.75% for 2025 increasing to 1.00% from 2026 – 2029.

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Actual					Forecast				
Net Assessment Growth	1.07%	0.34%	0.45%	0.60%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%
Average	0.65%					0.95%				

2023 BMA Management Consulting Inc. financial condition assessment (F-19-23)

In May 2023, Council received the Financial Condition Assessment report which provided an analysis of the city’s current financial health and position, observations, and review of the city’s existing financial policies.

This report outlined some of the key fiscal challenges the city is facing including:

- A heavy reliance on property taxes to manage the city's day-to-day operations. Limited assessment growth and increasing service demands resulting from changing demographics and community intensification continue to stretch these revenues.
- Continued city growth while growth-related funding tools are being limited by provincial legislation (development charges, community benefits charges, and park dedication revenues). This affects the city's ability to provide new growth-related capital infrastructure thereby placing an increasing reliance on the city's existing assets to deliver services. As a result, further pressure is placed on the city's tax revenues to support additional debt financing costs for new capital investments and infrastructure renewal funding to support aging assets.
- BMA has placed several of the city's reserve funds in a *caution* status, as a result of declining balances from the period 2018-2022.
- Capital reserve funds have decreased by 31% ($12.8 million) since 2018. Low reserve fund balances result in insufficient funding to manage annual renewal needs or address the infrastructure funding gap or backlog. This can result in increased reliance on the tax levy and possible additional debt financing to address now-needs.
- The city's asset consumption ratio is 39% which is higher than the peer municipal comparator average and median. A high ratio reflects older assets by comparison. Many of the assets in the city are reaching the mid-point of their estimated useful life, signifying increased annual renewal needs as assets begin to reach the end of their useful life.
- Continued elevated inflation and balancing desired levels of service will require the city to increase the pace of the increases to the dedicated infrastructure levy to avoid further increases to the backlog.

Infrastructure Funding Deficit and Asset Management Plan (AMP)

The Asset Management Financing Plan update approved by Council in May of this year (F-20-23), provides a long-term planning horizon, with long term goals and objectives of sustainability, predictability, and stability; that the assets are managed for present and future residents in a fair and sustainable manner.

This report provided a high-level interim update to the city's asset replacement values by taking into consideration recent economic pressures that have impacted the plan since it was last presented in 2021. The updated financial strategy recommended an increase to the dedicated infrastructure renewal levy from 1.6% to 2.0% of the city portion of the overall levy, in 2024 with subsequent increases following the completion of the 2025 Asset Management Plan. This recommendation is in line with the challenges impacting asset management and flagged in the BMA financial condition assessment. It is important to emphasize that any downward adjustment to the approved dedicated infrastructure levy below the 2% will significantly impact the management of city assets and service delivery of our $6.3 billion worth of existing assets.

There are multiple long-term factors (e.g., climate change) that impact the asset management financial plan in the following areas:

- **Net new additions to the City's asset base** – The City's inventory of physical assets is continuously growing through the construction and acquisition of new infrastructure. This infrastructure supports key services, but also represents a long-term financial obligation.
- **Escalating levels of service (LOS)** – The city's existing inventory of assets is based on renewing or replacing assets at similar function or equivalent utility. Much of the City's infrastructure is following an "incurred standard," meaning that in the absence of a defined level of service, there is an expected level of service that the city has been delivering on. This expectation supports projects that are aligned to the city's Vision to Focus initiatives and overall Strategic Plan. As service levels increase, the infrastructure needed to support service delivery will be costlier and will need to be reflected in future analysis.
- **Inflation, commodity prices and supply constraints** – The economic impacts of inflation and rising industry costs has limited the City's ability to address new and state of good repair needs. Prices for key materials used in infrastructure construction have risen between 15-25% in recent years. Multiple factors are driving these increases, including global supply chain backlogs. These factors result in a reduced capital renewal program and making less progress against the infrastructure renewal backlog.

Asset Planning and Finance staff continue to review the aforementioned impacts to the AMP and Financial strategy.

Multi-year Community Investment Plan (CM-03-22)

In April 2022, the Multi-Year Community Investment Plan (MCIP) provided a foundation and strategic focus for proposed multi-year community investment opportunities.

In December 2024, staff will report to Council on Phase 2 of the Multi-year Community Investment Plan (MCIP). The MCIP will outline capital infrastructure requirements related to master plans completed to date such as the Parks Provisioning Master Plan, Integrated Mobility Plan, Fire Master Plan as well as land requirements and future facility needs that will support some of these infrastructure developments and the development of complete communities. The MCIP will scope known needs over the next 25 years.

Further to the above, staff will be working towards bringing a revised comprehensive long-term financial planning document forward as per BMA's recommendation in Q1, 2025. This plan will incorporate the multi-year community investment plan (MCIP), 2025 Asset Management Financial Plan and the multi-year operating budget simulation to provide a holistic view of the multiple financing strategies, the fundamental needs, and overall management of risk considered into one platform. This will be aligned with the Council approved Long-Term Financial Plan (F-12-22) which outlined strategic objectives and policies to ensure financial sustainability and responsible financial management.

Legislative Changes

Recent provincial legislation and regulations are forecasted to have significant impacts on the City's finances and future budgets.

- **Bill 109**, ***More Homes for Everyone Act*****, 2022** – Bill 109 received Royal Assent on April 14, 2022. While parts of this legislation came into force at the time of Royal Assent, significant portions of Bill 109 came into effect on July 1, 2023. Bill 109 was introduced by the province with the stated intention of accelerating development application review timelines and streamlining the approvals process to allow new housing to be constructed quicker.

  One of the key legislative changes resulting from Bill 109 includes a requirement to refund Zoning By-law Amendment and Site Plan Application fees if a decision is not issued within legislated timelines.

  Staff's intent is to avoid application fee refunds; however, we should consider the potential for refunds, the extent of which is difficult to predict due to unanticipated issues. Further, an emerging issue appears to be a slowdown in the development market, potentially affecting development applications coming forward, thereby impacting the predictability of these revenues going forward.

  Based on historic and anticipated development application trends, approximately $2 million of annual application fees are at risk of being refunded if applications are not processed within legislated timelines. Historically, the fees charged for development applications reflect the staff effort involved in processing the applications. Bill 109 introduces changes to that funding model by requiring application fees to be refunded if a decision is not made within the legislated timelines, regardless of the amount of staff time and effort dedicated to that file.

The operating budget of Development Services is based on a cost recovery model through development application fees. A $500,000 reduction in Planning Fee Revenues is included as a Key Investment to reflect the current slowdown in the development market and the potential for some refunds. Year to date revenues are approximately $2.2 million less than the 2023 budgeted revenues which will require a draw from the Planning Fee Stabilization Reserve Fund at year end (balance in the reserve fund is approximately $3.5 million).

Bill 23, *More Homes Built Faster Act*, 2022 – The goal of the legislation is to facilitate the construction of 1.5 million new homes in Ontario by 2031. The Bill received Royal Assent on November 28, 2022. The omnibus bill amends a number of existing statutes including: *the Planning Act, Ontario Heritage Act, Development Charges Act, Conservation Authorities Act, and Ontario Land Tribunals Act*, amongst others.

The legislative amendments amount to the most drastic changes to the land use planning process that Ontario has seen in many years.

Amongst other things, Bill 23 will:

- Restrict the ability of the municipality to obtain or deliver future parkland and open space through land conveyance or cash-in-lieu payments;
- Restrict the ability of the municipality to deliver much needed growth-related capital infrastructure given the introduction of caps, exemptions, phase-in of charges and ineligible costs related to Development Charges

The City is committed to the long-standing principle that new growth is financially sustainable and that development related charges pay for growth-related infrastructure, facilities and parks to support the development of complete communities. The principle of growth paying for growth is a critical consideration to avoid or minimize the burden of growth costs falling on existing taxpayers.

The changes in Bill 23, namely those impacting development charges and parkland dedication fees (including land conveyance), will have significant detrimental consequences to municipal finances limiting the City’s revenue potential to support growth-related infrastructure.

Under Bill 23, revenues from development charges and parkland dedication fees (including land conveyance) are artificially lowered which will increase the burden on municipalities to fund growth-related infrastructure from other revenue sources, which are limited. Therefore, the revenue to provide the required infrastructure will put greater pressure on the property tax base and will impact the City’s debt capacity through the increased use of long-term debt and associated financing costs.

This affects all facets of the City’s capital program as the limited funding envelope impacts our ability to deliver infrastructure needs related to renewal, growth, and new strategic projects, resulting in tough choices between maintaining existing assets and building new infrastructure.

Development Charges (DC) reserve fund balances are not abundant or excessive given our multi-year capital forecast needs. The funds are used efficiently and are only spent to provide timely infrastructure associated with growth. Based on rising costs, and already reduced revenues in these areas, planning for growth related projects are already seeing delays and insufficient funding.

Debt/ Debt Charges

The proposed budget reflects *Responsible Debt Management* as the budget adheres to the city’s debt policy limits while using debt in the most effective manner as per the city’s long-term financial plan. The city’s debt policy limits the total debt charges and liabilities as a percentage of revenues to 12.5% (provincial legislated limit is 25%). The city’s debt policy contains an allowance to temporarily exceed the 12.5% to a maximum of 15% for no more than three (3) consecutive years. The corresponding recovery from the overage should also be sustained for a minimum of three years. As of June 30, 2023, the City’s total debt charges as a percentage of own source revenue is estimated to be 11.52% (F-29-23), within the parameters as defined by the policy.

Over the last several years, Finance staff have been using debt more efficiently to be consistent with the city’s long-term financial plan, by ensuring that less debt is being applied to lifecycle projects and more debt is being used towards projects that are considered new / enhanced. This has the benefit of building a more sustainable source of funding towards the city’s asset management plan.

The city’s debt is monitored on a regular basis, and debt capacity is projected based on debt that is retiring, debt approved (issued and to be issued), as well forecasted debt requirements. Any in-year debt approvals beyond what is included in the city’s capital program will be reflected in the quarterly financial status report. It is important to note that debt capacity changes from one year to the next, and capacity in one year is not necessarily indicative of the forecasted trend.

In an effort to rein in high inflation, the Bank of Canada has had successive increases to its policy interest rate, currently at 5%, with the possibility of further increases in the future. Staff continue to monitor the interest rate environment, and regularly review debt modelling to adjust for current and forecasted impacts of interest rate changes. Any significant changes will impact the city’s tax supported debt charges budget and will be reflected in the multi-year simulation. Increased interest rates reduce available debt capacity and result in higher debt financing costs to the City. As the interest rate market is changing, estimated impacts are based on projected rates at time of issuance and are subject to change.

The city's 2024 budget for tax supported debt charges is $12.3 million, an increase of $3.1 million over 2023. This reflects the final phase of debt requirements for the Skyway Community Centre project and the first phase of requirements for the adaptive re-use of the former Bateman High School. The multi-year simulation includes increased debt charges in 2025 for the remainder of the Bateman project.

Planning for the Future – Reserves and Reserve Funds

Reserves and reserve funds, when used in conjunction with debt policies, are a critical component of a municipality's long-term financial plan and financial health.

Reserves and reserve funds provide tax rate and cash flow stability when the City is faced with unforeseen or uncontrollable events such as the COVID-19 Pandemic. It ensures cash flows are sustained and allows for internal financing for temporary or one-time expenditures. Furthermore, these funds provide the City flexibility to manage debt levels and plan for future liabilities.

- **Stabilization Reserve Funds** – These reserve and reserve funds are used to mitigate raising taxes or reducing service levels due to unforeseen or temporary events. In order to maintain a prudent level, the city is targeting an uncommitted balance in stabilization reserve funds of between 10-15% of net revenues ($26.2 million to $39.3 million).

  As of June 2023, the consolidated balance of these reserve funds is below the target at 8.8%.

- **Capital Reserve Funds** – Annual contributions to capital funds that are consistent and predictable is vital for the future rehabilitation and replacement of assets.

  The city is targeting a balance equal to 2% of the total asset replacement value. Based on the City's total asset replacement value of $6.3 billion, this equates to an estimated $126 million.

  As of June 2023, the City's uncommitted consolidated balance in capital renewal reserve funds is approximately $20.6 million, well below the intended target.

- **Corporate Reserves and Reserve Funds** - These reserves and reserve funds are used to manage costs that will be transferred to future generations, as the City incurs liabilities that do not have to be paid immediately. Reserves and reserve funds in this category include Employee Accident (self-insured WSIB), Benefits and Insurance costs.

> Contributions to Corporate Reserves and Reserve Funds should take into consideration the liability associated with these funds. A sufficient budget allocation is required to fund in-year WSIB costs and post-employment benefits so that the Employee Accident Reserve Fund and Benefits Reserve Fund can eventually be replenished to cover the future liabilities.

To begin to address the city's financial health, the 2024 Financial Needs includes $337,000 for increased financial sustainability targeted towards increased provisions to key corporate and discretionary reserves and reserve funds in 2024 with additional phased funding included in the Multi-Year Forecast.

COVID-19 Pandemic

The COVID-19 pandemic continues to impact city programs and services. It is now recognized that a portion of the revenue losses experienced during the pandemic are now permanent in nature. A total of $653,000 in permanent revenues reductions have been included. These reductions include declines in parking fine revenues and transit fares as a result of shifting consumer behaviour.

Local Boards and Partnered Corporations

Local Boards and Partnered Corporations include the Burlington Public Library, Burlington Museums, Art Gallery of Burlington, The Burlington Performing Arts Centre (BPAC), Tourism Burlington and Burlington Economic Development. For 2024, a base budget increase of 1.75% was provided for local boards, equating to $288,739.

Infrastructure Renewal Funding

The city's infrastructure renewal levy is in place to provide increased funding annually to the capital renewal program and is the largest funding source for these projects. Any long-term reduction in this funding will significantly impact the city's Asset Management Program and accompanying 60-year Financing Plan and will result in decreased levels of service across many asset categories.

The updated Asset Management Financing Plan was presented to Council in May 2023 (Report F-20-23) and recommended an increase to the dedicated infrastructure renewal levy.

This Financial Needs and Multi-year Forecast is aligned to the plan and currently includes:

- An annual increase of 2.0% in 2024 to the Dedicated Infrastructure Renewal Funding as recommended and supported by Council. The 2.0% levy translates to 0.97% on the overall tax increase.
- The repurposing of the hospital levy to infrastructure renewal in 2024 ($500,000), and 2027 ($2.6 Million) as the debt payments retire.
- An annual increase of 4% to the Vehicle Depreciation Reserve Funds (VDRF). In additional to this base increase to the VDRF, an additional increase to the provision has been included within the Financial Sustainability item to reflect significant increases in vehicle prices.

Impacts of Prior Council Decisions

Approved and previously discussed changes will have an impact on the 2024 and future budgets. These items include:

- The final year of phased tax support funding to Tyandaga Golf Course (Report RCC-01-21)
- Continued investment in recreational facility maintenance (2024-2027)
- Ongoing maintenance costs for the Canal Pier (Report ES-43-22)
- Free Transit for Seniors (Report TR-04-23)
- Increased provisions to reserve funds to achieve Financial Sustainability (Report BMA F-19-23) (2024-2026)

For 2024 these items total $801,189.

Impacts of Previously Approved Capital Projects

Additional investments in community assets have been approved which will result in additional operating expenses in 2024 and future budgets as follows:

- Increased software maintenance costs resulting from IT capital projects which support Building a 21st Century Workforce (2024-2029)
- Expansion of conventional transit, operating expenses for 4 buses purchased in the 2023 Budget
- Expansion of specialized transit, operating expenses for a Handi-van purchased in the 2023 Budget
- Operating costs associated with the new recreational assets funded by the donation from the McNally Foundation (Report RCC-05-22) (2024)
- Additional tax supported debt charges as outlined earlier in the debt section of this report (2024-2027)

- Phased operating impacts of the revitalized Skyway Community Centre and Robert Bateman Adaptive Reuse Project, and Mountainside Pool (2024 and 2025)
- Various operating impacts result from a variety of capital projects including the new cycling facilities on Plains Road, and park maintenance at Sherwood, Lansdown and City View Parks.

For 2024 these items total $6,791,031.

Key Investments

Key Investments are proposed variations in the budgeted expenditures or revenues for which separate budget disclosure is warranted.

Items are classified into 2 categories and have been prioritized by SRT using the City's integrated approach to Enterprise Portfolio Planning. They are presented as Key Investments (business cases) in the budget reference documents.

1. Sustaining City Services and Finances

As Council is aware, the City of Burlington continues to experience significant on-going challenges related to risk management particularly with respect to city operations and internal capacity to effectively implement and execute strategy.

Management is working across and throughout the organization to stabilize and enhance our competency, capability and capacity through resource needs – from people, process, and technology – to be a customer-centric organization and to effectively deliver on our commitments.

For 2024, the Financial Needs and Multi-Year Forecast includes a number of initiatives and obligations that serve to maintain City operations at a certain standard such as:

- Continued phased implementation of the Designing and Evolving Our Organization initiative (DEOO) including additional staffing resources in Transportation, Transit, Customer Experience, Forestry and corporate support areas to meet community expectations and manage workload challenges. (2024-2029)
- Resources to support the Community Planning Housing Initiative and the Targeted Realignment of Burlington's Official Plan.
- Continued implementation of the By-law Compliance department which will modernize service delivery with additional staff to keep the community safe.

- A continued transformation of City services onto new digital technology platforms with new and improved customer experiences, business processes, vendor management and fiscal efficiencies.
- The continued evolution of Burlington Digital Services to deliver human-centred, scalable, agile technology solutions to meet customer needs through engagement, achieve business outcomes and develop innovative responses to policy challenges.
- Four (4) additional firefighters to fully staff Fire Station #8 as recommended in the Fire Master Plan (Report BFD-03-22)
- A leadership staff resource to support the creation of a new Facilities and Environment Department
- Additional development related resources that are fully funded from development related revenues in the areas of Transportation, Building and Engineering
- Reduction in Planning Revenues to reflect the impacts of Bill 109 (Report PL-69-22)
- Additional Winter Maintenance at School Crosswalks
- Improved investments in Forestry Service in the areas of grid pruning and pest management (2024)
- Additional resourcing to support Community Gardens
- One-time funding in 2024 to support:
    - Streamlining of the Permit and Application Process ($2.28M)
    - Support related to the development of a revised organizational design for Planning Development Services ($100,000)
    - Support for the design and implementation of Phase 1 of a new Performance Management system ($100,000)
    - A final City contribution towards the Randle Reef project ($173,000)

For 2024 these items total $5,341,084.

2. Enhancing Services

In October 2023, Council approved in principle the draft 2023-2026 Burlington's Plan from Vision to Focus (V2F) (Report CS-11-23). Some of the key actions of this document include improving integrated mobility, delivering on Burlington's 2031 Housing Pledge, decreasing the city's infrastructure funding gap, reducing greenhouse gas emissions from city operations and increasing the city's tree canopy.

There are a number of operational and infrastructure investments that can support the city's goal of reducing greenhouse gas emissions by reducing the reliance on the use of fossil fuels, including:

- the greening of the corporate fleet and city facilities;
- the expansion and greening of the transit system;
- the construction of active transportation facilities related to cycling and trails; and
- an expanded tree planting and parkland acquisition program.

These initiatives have numerous environmental and social benefits, but they will require significant additional operating and capital investment on an ongoing basis if meaningful progress is to be made.

For 2024, the Financial Needs and Multi-Year Forecast includes:

- Incremental annual funding for the Multi-year Community Investment Plan (2024-2029) including a proposed dedicated provision for future strategic land acquisition.
- Ongoing funding to support the Burlington Lands Partnership (2024)
- Additional Winter Maintenance of various parking lots (2024)
- One-time funding in 2024 to support the One Brand Project ($150,000) and Vision 2050 ($150,000)

For 2024 these items total $2,725,000.

Future actions are forecasted for 2025 and beyond to include:

- Investment in further Conventional and Specialized Transit service expansion (2025-2027)
- Continued investment in recommendations of the Fire Master Plan (2025-2029)
- Ongoing funding for delivery of support services for people with disabilities participating in recreational programs (Report RCC-05-23) (2025)
- Ongoing funding to support the operation of Freeman Station (Report RCC-11-23) (2025)
- Additional investment in RPF operations including ditch and culvert maintenance and additional tree planting (2025-2026)

2024-2033 CAPITAL PROGRAM

As presented in previous years, the capital program categorizes projects into the following four areas:

- **New / Enhanced projects** – increases to current service levels beyond what the city currently provides, not as a result of growth
- **Infrastructure Renewal projects** – repair, refurbishment or replacement of an existing asset to extend its useful life in accordance with the asset management plan
- **Growth projects** – capital required to service growth within the city
- **Green projects** – projects which support the city's climate goals

The 10-year capital program (2024-2033) is $947.7 million.

The table below provides a summary for each service category. Infrastructure renewal represents the largest type at 76.5% followed by new/ enhanced projects at 9.7%, growth-related projects at 9.3%, and green projects at 4.5%.

10-year capital program by service category

Project Type/ Service Category	New/ Enhanced	Infrastructure Renewal	Growth	Green	Total
A City That Grows	$ 52	$ 446	$ 1,200	$ 187	$ 1,885
A City That Moves	$ 45,469	$ 387,616	$ 61,227	$ 31,216	$ 525,527
A Healthy and Greener City	$ 39,950	$ 211,084	$ 25,170	$ 8,988	$ 285,191
An Engaging City	$ 715	$ 18,028	$ 406	$ 220	$ 19,370
A Safe City	$ 160	$ 33,422	$ -	$ 1,035	$ 34,617
Good Governance	$ -	$ 1,000	$ -	$ -	$ 1,000
Enabling Services	$ 5,605	$ 72,935	$ 250	$ 1,300	$ 80,090
Total	**$ 91,951**	**$ 724,530**	**$ 88,253**	**$ 42,947**	**$ 947,680**

All values in thousands ('000)
Numbers may not add due to rounding

Funding the Capital Program

The capital program is funded from a variety of sources. Tax supported funding (cash and debt funding provided by the operating budget) continues to be the largest component accounting for almost two thirds (67.8%) of the overall funding envelope. The program continues to rely on the cash flow from development charge revenue to fund growth projects (6.7%), the Canada Community Building Fund and provincial gas taxes (9.6%), vehicle depreciation reserve funds (6.8%), park dedication reserve fund (1.6%) and other recreation facility renewal reserve funds for recreation assets. As well, anticipated funding from the Investing in Canada Infrastructure Program (ICIP) has been included into the 10-year capital program.

Non-tax Supported Capital Funding:

Growth-Related Funding Tools

The city is working towards a new Development Charges (DC) Background Study and Community Benefits (CBC) Strategy for completion by June 2024. The city also recently enacted a new parkland dedication by-law in July 2023 (under appeal). Strategic initiative 4.1.f states: “New infrastructure needed to support growth is paid for by new development”.

The ten-year capital program includes development charge funding of approximately 6.7%. As the DC study is currently in process the capital needs assessment and associated DC funding will inform the growth-related capital program in the 2025 capital budget and forecast. As such, funding from the DC reserve funds is approved for the 2024 budget year only and forecast years are subject to the outcome of the studies.

As mentioned earlier, Bill 23 reduces the city’s ability to collect fees from developers for eligible growth-related services such as transportation, parks & recreation, and transit to name a few. Staff continue to closely monitor the city’s growth funding tools as impacts to revenue significantly impact the funding available to deliver the city’s growth-related capital program in a timely manner. As per city policy, spending of development charges in any year does not exceed the uncommitted balance in the reserve fund at the end of the preceding year.

Canada Community Building Fund and Provincial Gas Tax

The Canada Community Building Fund (formerly known as the Federal Gas Tax program) was introduced in 2005 and provides approximately $6.1 million of funding annually for infrastructure renewal.

Of the total money received, 75% is used to fund road projects while the remaining 25% supports Transit renewal needs such as the conventional bus replacement program.

The Provincial Gas Tax program was introduced in 2004 and provides funding for transit capital and operating expenditures.

Of the approximately $2.38 million of funding received annually, the city uses $880,000 to support transit operating expenditures with the balance used to support the transit capital program.

Investing in Canada Infrastructure Program

The Investing in Canada Infrastructure Program (ICIP) is a national cost-shared infrastructure funding program between the federal government, provinces and territories, and municipalities and other recipients.

This program will see up to $30 billion in combined federal, provincial, municipal and other partner funding directed into four funding streams:

- Public Transit
- Community, Culture and Recreation
- Green
- Rural and Northern

Funding has been reflected in the 10-year capital program based on current and anticipated applications to the Public Transit stream.

2024 OPERATING NEEDS

Investment by Service Category

The following table summarizes the gross investment in City Services by each of the Service Categories as well as Corporate Revenues and Expenditures. These figures represent Service's base financial needs. Excluded are any financial impacts of recommended key investments listed below.

Service Category	2024 Operating Investment
A City That Grows	$ 15,641
A City That Moves	$ 63,622
A Healthy and Greener City	$ 51,809
An Engaging City	$ 20,643
A Safe City	$ 42,879
Good Governance	$ 10,794
Enabling Services	$ 35,569
Corporate Expenditures	$ 97,397
Total	**$ 338,354**

Gross budget values are in thousands ('000)
Numbers may not add due to rounding

Financial Matters:

2024 Financial Needs Summary

Municipalities are required by provincial law to balance their annual budget such that revenues match the expenditures for the current year.

The net tax levy is the amount of property taxes required to support city services after consideration of user fees and other corporate revenues.

To support the items included within the 2024 Financial Needs and Multi-Year Forecast the City would require a net tax levy that consists of a base amount of $241,126,512 plus recommended key investments of $8,066,084 for a total proposed net tax levy of $249,192,596. This net tax levy represents 71.2% of total operating revenues in 2024.

The 2024 Financial Needs and Multi-Year Forecast recognizes higher than average inflation; addresses the long-term financial impacts of COVID-19; dedicates funding to ensure our assets are maintained in a state of good repair; includes strategic community investments for the next 50 years; stabilizes and enhances city services and confirms a compensation program that reflects the council approved market position.

All of this will ensure residents continue to receive the programs and services that provide for the high quality of life in Burlington.

2024 Overall Tax Impact

Based on 2024 Financial Needs, the overall tax increase for 2024 would be 7.61%. This is the impact to the overall property tax bill (City of Burlington, Halton Region, and Boards of Education) and is equivalent to $65.54 per $100,000 of residential current value assessment (CVA). Burlington's portion of the overall increase would be 6.28%.

	2023 Share of Tax Bill	2024 Share of Tax Bill	2023 Taxes	2024 Taxes	$ Impact on Tax Bill	% Impact on Tax Bill
Burlington	48.90%	51.27%	$ 421.25	$ 475.31	$ 54.06	6.28%
Halton	33.34%	32.22%	$ 287.20	$ 298.68	$ 11.48	1.33%
Education	17.76%	16.51%	$ 153.00	$ 153.00	$ -	0.00%
Total	100.00%	100.0%	$ 861.45	$ 926.99	$ 65.54	7.61%

The following table provides a breakdown of Burlington's portion of overall tax increase based on the 2024 Financial Needs:

	2023 Approved Budget	2024 Financial Needs	2024 $ Change	2024 Overall Tax Impact
Base Budget Impact including Assessment Growth @ 0.75%	$ 187,462,846	$ 197,406,592	$ 9,943,746	1.84%
Infrastructure Renewal Levy	31,743,700	$ 36,127,700	$ 4,384,000	0.97%
Cumulative Impact including Infrastructure	$ 219,206,546	$ 233,534,292	$ 14,327,746	2.81%
Impacts of Prior Council Decisions	-	$ 801,189	$ 801,189	0.18%
Impacts of Previously Approved Capital	-	$ 6,791,031	$ 6,791,031	1.50%
Cumulative Impact	$ 219,206,546	$ 241,126,512	$ 21,919,966	4.49%
Key investments				
Sustaining City Services and Finances	-	$ 5,341,084	$ 5,341,084	1.18%
Enhancing Services	-	$ 2,725,000	$ 2,725,000	0.60%
Grand Total City	$ 219,206,546	$ 249,192,596	$ 29,986,050	6.28%
Overall Tax Impact (City, Region, Education)				7.61%

It is important to note that Burlington remains below the group average of surrounding GTHA municipalities when comparing the tax burdens of similar properties per the 2022 BMA annual study.

Multi-year Simulation

The Multi-year Simulation (attached as Appendix B) provides a 5-year forecast of future tax increases. This simulation uses the 2024 Financial Needs as a starting point and adjusts the 2025–2029 forecast based on estimated budget drivers, information gathered as part of Enterprise Portfolio Planning and forecasted Operating budget impacts resulting from Capital projects.

As with any modeling tool, the simulation forecast has the greatest precision in the first year. The simulation provides an analysis of what the future financial picture for the City of Burlington may look like, helps assess financial risks and the affordability of existing services and capital investments, and provides an opportunity to analyze sensitivities to assumptions.

The chart below highlights the historical results of Council's comprehensive budget deliberations at both the City and the Region as well as the forecasted tax increases based on the Multi-year Simulation. The percentage increases in the table reflect the City's share of the total tax bill impact for each year.

2024 – 2029 Financial Needs

	2021	2022	2023	2024 Draft	2025	2026	2027	2028	2029
	Actual				Forecast				
City Increase as % of Total	1.85%	2.10%	6.34%	6.28%	5.57%	4.98%	4.13%	3.79%	3.56%
Overall Tax Bill Impact	2.50%	2.84%	7.44%	7.61%	6.54%	5.92%	4.95%	4.59%	4.34%

The multi-year simulation forecasts an overall tax increase of 6.54% in 2025, reflecting the continued catch up required regarding the investments in our community to prepare us for the future. The simulation anticipates an increase in assessment growth to 1% for the years 2026-2029. For 2026 to 2029 the overall tax bill impact reduces to approximately 5.9%; 5%, 4.6%, and 4.3% respectively.

It is important to note that any decisions considered as part of Council's 2024 budget deliberations need to be made in the context of the multi-year simulation to avoid deferring a known financial impact to a future year. This includes consideration of the operational and financial implications related to deferrals, use of one-time revenues, and service level revisions that may be associated with achieving the desired 2024 tax levy.

Climate Implications

The impacts of a changing climate can have a significant impact on the City's budget. For example, increasing extreme weather events such as wind, freezing rain, extreme heat and cold can result in operational expenditures due to clean-up costs, more frequent emergency response and recovery efforts, and unbudgeted impacts to infrastructure requiring repairs and/or replacement. Climate Resilient Burlington provides a strategic pathway for all City departments to apply a climate lens in decision making to prepare for the changing climate.

Similarly, efforts to mitigate climate change can have a budgetary impact. Investments in renewable energy, electric vehicle charging infrastructure and public transit help to reduce greenhouse gas emissions.

In 2019, City Council declared a climate emergency, prioritizing the fight against climate change by applying a climate lens to the City's plans, actions and the budget. The City now has four related plans to take action on climate change:

- The Corporate Energy and Emissions Management Plan (2019) with a target for City operations to be net carbon neutral by 2040
- The Climate Action Plan (2020) with a target to become a net carbon neutral community by 2050, and
- Climate Resilient Burlington – A Plan for Adapting to Our Warmer, Wetter and Wilder Weather (2022)
- City of Burlington's Green Fleet Strategy (2023) (RPF-24-23)

There are many foundational initiatives in the city's Vision to Focus (V2F) document that will require significant funding to achieve the city's aspirational climate goals.

Engagement Matters:

The City is continuously looking for ways to improve and increase transparency with the public. Staff will continue to use the city's website and engagement platform as a communication medium through videos, webcast and online surveys.

The budget development process considers the ongoing feedback that is received from the public throughout the year as part of the public engagement that is undertaken for City initiatives such as master plan updates and planning processes, as well as the 2021 Citizen Engagement Survey.

A budget survey was available on the city's Get Involved Burlington website from August 1 to September 24. In addition, on September 16, the city hosted its second Food for Feedback event. The budget was one of the key topics for which staff were seeking public feedback. The event was very successful with approximately 1,500 to 2,000 people attending. A total of 808 surveys were completed between the Get Involved website and at the Food for Feedback event. A detailed summary of the survey responses can be found in Appendix C.

The "Budget Basics" video continues to be available on the website which explains how the city develops its budgets.

In addition, a revised version of Burlington Open Budget, on the city's website, is available to the public to allow residents to view the city's 2024 financial data in an intuitive and illustrative form.

A virtual telephone budget town hall will be held on November 7th from 7:00 – 8:30 pm.

Conclusion:

The 2024 Financial Needs and Multi-Year Forecast has been thoroughly reviewed by staff and represents a comprehensive reference document by which the Mayor and Members of Council can prepare, consider and adopt the final budget. Decisions considered as part of Council’s 2024 budget deliberations need to be made in the context of the multi-year budget forcast to avoid deferring a known financial impact to a future year. This includes consideration of the operational and financial implications related to deferrals, use of one-time revenues, and service level revisions that may be associated with achieving the desired 2024 tax levy.

Similar to 2023, 2024 remains a “catch-up” year focused on planning ahead and protecting our city’s future by making key community investments that improve service to residents. While our community has continued to grow, our investments in enhancing City services and amenities have not kept pace.

Burlington is growing and changing, and strategic community investments are required now to meet the future needs of this growing community.

Respectfully submitted,

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Coordinator of Budgets and Policy

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Appendices:

A. 2024 Budget Recommendations
B. Multi-year Simulation
C. 2024 Budget Survey Results

The City's Proposed Budget can be accessed at: burlington.ca/proposedbudget

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.

Appendix A: 2024 Budget Recommendations

Adopt the 2024 Operating Budget including any budget amendments approved by the Corporate Services, Strategy, Risk and Accountability Committee to be applied against the proposed net tax levy amount of $X; and

Endorse that any surplus or deficit resulting from a difference between the actual results and the estimated 0.75% City portion of the net assessment growth be transferred to / from the Tax Rate Stabilization Reserve Fund; and

Adopt the 2024 Capital Budget for the City of Burlington, with a gross amount of $X with a debenture requirement of $X, and the 2025-2033 capital forecast with a gross amount of $X with a debenture requirement of $X as outlined in the 2024 Financial Needs and Multi-Year Forecast (F-35-23) and as amended by Council; and

Administer the debenture in the amount of $X in 2024 as tax supported debt; and

Declare that, in accordance with sis. 5(1)5 of the *Development Charges Act, 1997* and s. 5 of Ontario Regulation 82/98, it is Council’s clear intention that the excess capacity provided by the above-referenced works will be paid for by future development charges.