



SUBJECT: 2025 financial needs and multi-year forecast

TO: Committee of the Whole

FROM: Finance Department

Report Number: F-25-24

Wards Affected: All

Date to Committee: June 10, 2024

Date to Council: June 18, 2024

Recommendation:

Receive the 2025 Financial Forecast as a budget reference document; and

Request the Mayor and Members of Council to consider the contents of the 2025 Financial Forecast including related appendix when preparing and reviewing the 2025 Proposed Budget.

PURPOSE:

Vision to Focus Alignment:

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

Executive Summary:

This report provides Council with an overview of the known and estimated financial pressures impacting the City. It outlines the costs to maintain current service levels and recommends investments in key service areas to achieve Council's strategic goals.

The Multi-Year Simulation (5 years) provides a detailed overview of major budget drivers and expected future tax rate impacts. This is attached as Appendix A and discussed in detail throughout this report.

When developing the 5-year budget simulation model, staff considered many factors including:

- Known inflationary and contractual obligations impacting the base budget.
- Alignment to the goals and objectives of the City’s Long-Term Financial Plan and Financial Condition Assessment.
- The general outlook for the city including growth projections.
- Infrastructure funding (renewal and new) consistent with the Asset Management Funding Plan and the Multi-Year Community Investment Plan.
- Financial commitments resulting from recent Council decisions and previously approved capital projects.
- Forecasted investments required to sustain city operations, manage community growth and enhance city services.

The Multi-Year Simulation forecasts increases as follows:

	2025	2026	2027	2028	2029	Average 2025-2029
City Budget Increase	8.90%	8.13%	6.49%	5.94%	5.75%	7.04%
City Share of Overall Impact	4.50%	4.24%	3.49%	3.26%	3.22%	3.74%
Overall Tax Bill Impact	5.49%	5.04%	4.27%	3.87%	3.82%	4.50%

The Financial Forecast is a comprehensive reference document by which the Mayor and Members of Council can prepare, consider and approve the final budget. Decisions considered as part of Council’s 2025 budget deliberations need to be made in the context of the multi-year budget framework 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 2025 tax levy.

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.

The investments included in the 2025 Financial Forecast enables the City to continue to provide important services to our growing community, provides for enhancements to

service delivery and ensures funding is available to support existing and future infrastructure needs.

Background and Discussion:

This report provides Council with an overview of the known and estimated financial pressures impacting the City. It outlines the costs to maintain current service levels and recommends investments in key service areas to achieve Council's strategic goals.

The framework presented in this report adheres to the principles that have been recognized by Council as important policy decisions including those outlined in the following reports:

- F-19-24: Preparing for the 2025 Budget
- F-24-24: Multi-year Community Investment Plan – Financing Plan Update Report
- F-20-23: 2023 Asset Management Financing Plan update
- CM-12-23: Vision to Focus (V2F) The City of Burlington's 4-Year Workplan
- F-19-23: 2023 Financial Condition Assessment
- F-22-12: The City of Burlington Long Term Financial Plan

This report provides an overview of the Multi-Year Simulation (5 years) including the major budget drivers and expected future tax rate impacts, attached as Appendix A and detailed throughout this report.

Inherent in the annual operating budget process are the pressures of inflation, growth, fluctuating revenues, as well as infrastructure costs.

Multi-year Simulation

The Multi-year Simulation (attached as Appendix A) provides a 5-year forecast of future tax increases. 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.

When developing the 5-year budget simulation model, staff considered many factors including:

- Known inflationary and contractual obligations impacting the base budget.
- Alignment to the goals and objectives of the City's Long-Term Financial Plan and Financial Condition Assessment.
- The general outlook for the city including growth projections.

- Infrastructure funding consistent with the Asset Management Funding Plan and Multi-Year Community Investment Plan.
- Financial commitments resulting from recent Council decisions and previously approved capital projects.
- Forecasted investments required to sustain city operations, manage community growth, and enhance city services.

Information regarding each of these areas are outlined in greater detail below. In order to assist with referencing the attached simulation (Appendix A), these items have been numbered.

As with any modeling tool, the simulation forecast has the greatest precision in the first year. When forecasting into the future, it is difficult to predict with 100% accuracy given the uncertainties around:

- Changes in economic conditions and market demands (including inflation)
- Senior Government Grant Programs
- Fluctuations in customer expectations
- Legislative changes
- Assessment growth
- Operating impacts from approved capital initiatives
- Business process improvements
- Climate change impacts

2025-2029 Budget Pressures

Maintaining Current Service Levels – Base Budget

1. Inflationary Pressures and User Fees

The Consumer Price Index (CPI) rose 2.7% on a year-over-year basis in April, down from a 2.9% gain in March. Broad-based deceleration in the headline CPI was led by food prices, services and durable goods.

The deceleration in the CPI was moderated by gasoline prices, which rose at a faster pace in April (+6.1%) than in March (+4.5%).

Labour Market & Workforce

Municipalities are service organizations that 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 2024 gross operating budget is 49%.

A significant risk to the corporation is the attraction and retention of talent and this reality has been a focus in 2024 where to date we have already hired 111 staff and currently have 57 unfilled vacancies. As part of the 2023 and 2024 budgets, significant investments were made to update the non-union compensation system to make it more market competitive and to 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 comprehensive job evaluation (JE) review resulted in a significant update to the non-union compensation system. This update modernized the current job evaluation system and compensation policies while realigning to the Council approved market position being the 65% percentile versus our municipal market comparators.

The non-union compensation update is 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 Human Resource business processes.

The simulation has included known and estimated contractual increases for unionized staff and standard increases for non-union staff, matching that included in the 2024 Budget.

Commodity Costs

There continues to be significant price volatility in commodities, particularly fuels. Gasoline prices rose by 6.1% in April 2024.

The city maintains a commodity stabilization reserve fund to mitigate the impacts of volatile commodity costs on the city's finances. The current uncommitted balance in this reserve fund is \$959,607.

The simulation currently includes an average increase of 4% annually across all commodity categories (hydro, natural gas and fuels).

Other Operating Expenses and Revenues

With the exception of human resources and commodities, 3.0% inflation per year has been applied to other expense categories (materials and supplies, purchased services)

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 2025, a base increase of 1.75% has been included for local boards.

Most user rates and fees are assumed to be increased by 3.0% per annum. This assumption is dependent on the nature of the revenues and market conditions.

Efficiency Savings

As part of the annual budget development process, the Chief Financial Officer (CFO) conducts an extensive review of the budget submitted by each service using a cost containment lens. Each year, these reviews look for areas of budget reductions and typically generate savings which exceed \$1 million.

2. Corporate Expenditures/Revenues

Provisions to 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, as highlighted in the BMA Management Consulting Inc. (BMA) financial condition assessment (Report F-19-23, May 2023).

Reserves and reserve funds provide tax rate and cash flow stability when the City is faced with unforeseen or uncontrollable events. 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 allows for planning future liabilities.

BMA recently placed the following indicators in a Caution status:

- Stabilization Reserve Funds are below target policy levels.
The target balance for the consolidated stabilization reserve funds (excluding Building Permit Stabilization Reserve Fund) is set at 10%-15% of the city's own source revenues. As of December 2023, the consolidated balance of these reserve funds is below target at 7.6%.
- Capital Reserve Funds are also below target policy levels.
A consolidated target for capital reserve funds should be a minimum balance of 2% of the total asset replacement value. Based on the city's updated 2023 total asset replacement value of \$6.3 billion, this equates to \$126 million. As of December 2023, the City's uncommitted consolidated year-end balance in capital reserve funds is approximately \$31 million, well below the intended target.
- Corporate Reserves and Reserve Funds require a sufficient budget allocation.

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 these 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:

- \$400,000 for increased financial sustainability targeted towards increased provisions (or reductions in budgeted draws) to key corporate and discretionary reserves and reserve funds in 2025, with additional \$450,000 in 2025 and 2026 included in the Multi-Year Forecast.

Debt/ Debt Charges

The Multi-Year Forecast 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 as a percentage of net revenues to 12.5% (provincial legislated limit is 25%). As of December 2023, the City's total debt charges as a percentage of own source revenue is estimated to be 10.85%.

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. The city's current debt limit is within the parameters as defined by the policy.

Staff continue to monitor the interest rate environment, and regularly review debt modelling to adjust for current and forecasted impacts of interest rate changes. Increased interest rates reduce available debt capacity and result in higher debt financing costs to the City. The budget for tax supported debt charges will need to be increased to reflect the increase in financing costs associated with forecasted debenture issuances related to the city's capital program. As the interest rate market is changing, estimated impacts are based on projected rates at time of issuance and are subject to change. As part of F-24-24, Multi-Year Community Investment plan (MYCIP), staff continue to recommend that 1% of debt capacity be committed as part of the MYCIP funding strategy.

The "Impacts of Previously Approved Capital Projects" section of the simulation includes increases in tax supported debt charges of \$4 million phased over 2025 and 2026 to

accommodate known and estimated debt charges for 2 phases of the Robert Bateman Community Centre project.

Corporate Revenues

Economic recovery and record high inflation led to a sharp increase in interest rates through 2022. Minor increases continued in 2023 to address core inflation and excess demand in the economy.

The Bank of Canada is beginning to see signs of the economy stabilizing in 2024. This stabilization will allow the Bank of Canada to begin to decrease its interest rate in hopes that it can be lowered to reach a neutral rate. These rate adjustments will allow the city to rebalance its portfolio and take advantage of higher yielding investments which will ultimately decrease the reliance on capital gains to meet budget.

Staff will continue to monitor current market and economic conditions and reassess investment strategies to ensure prudent decisions making.

The simulation includes:

- An increase in Investment Income of \$50,000 per year starting in 2026 based on an increasing interest rate environment.

3. 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 2025 forecast includes assessment growth at 0.75%. This provides approximately \$1,830,000 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 over 2 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 0.69%. 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%	1.02%	0.75%	1.00%	1.00%	1.00%	1.00%
Average	0.69%					0.95%				

These estimates are based on an analysis of future development projections including an allowance for assessment appeals. This growth can be difficult to forecast as it is dependent upon new properties being added to the assessment roll by the Municipal Property Assessment Corporation (MPAC).

Finance staff will work closely with MPAC and should assessment growth assumptions change they will be incorporated in the 2025 Proposed Budget and adjusted in future updates to the simulation.

4. Impacts of Prior Council Decisions

Adjustments made to the 2024 Budget to mitigate the tax increase as well as other previously approved Council decisions will have an impact on the 2025 and future budgets. These items include:

- Annualization of facility expenses and operational staffing for Skyway Arena and Robert Bateman Community Centre which were partially funded in the 2024 Budget

- Continued incremental investment in recreational facility maintenance.

In total, these items add \$808,000 to the 2025 Forecast.

5. Impacts of Previously Approved Capital Projects

Additional investments in new and enhanced community assets have been approved which will result in additional operating expenses. These items will impact the 2025 and future budgets and include:

- Increased software maintenance costs as well as ongoing resourcing to operationalize IT capital projects which support Building a 21st Century Workforce (2025-2029)
- Expansion of Transit Service – operating expenses for 4 conventional and one specialized bus purchased in the 2024 Budget. This aligns to the objectives of the Transit 5-year business plan.
- Additional tax supported debt charges as outlined earlier in the Debt section of this report (2025-2026) as well as programming staffing related to Bateman Community Centre.
- Various other operating impacts from a variety of smaller capital projects

In total, these items are estimated to add \$4.22M to the 2025 forecast.

6. Infrastructure Renewal Funding

Asset Management Financing Plan (F-20-23)

The Asset Management Financing Plan update approved by Council in May of 2023, provided a high-level interim update to the city's asset replacement values due to economic pressures that have impacted the plan since it was last presented in 2021. The updated financial strategy recommended a dedicated infrastructure renewal levy of 2.0% of the city portion of the overall levy. This increase was incorporated into the 2024 Budget and continues for 2025. 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 and are beginning work on the 2025 AMP update as required by legislation.

Multi-year Community Investment Plan (F-24-24)

On this same agenda (Report F-24-24) is an update to the Multi-Year Community Investment Plan (MCIP) which provides a financing plan for proposed multi-year community investment opportunities. The MCIP outlines 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 defines needs over the next 25 years. The 2024 Budget included \$975,000 of preliminary funding towards this plan.

Based on the 10-year financing plan presented within the report, staff recommend an annual incremental increase to the base funding of \$1 million to address the current gap in funding required and to support upcoming land requirements.

Multi-year Infrastructure Investments

The simulation is aligned to the Asset Management and Multi-Year Community Investment plans and currently includes:

- An annual increase of 2.0% in 2025 to the Dedicated Infrastructure Renewal Funding as recommended and supported by Council. The 2.0% levy translates to approximately 1.0% on the overall tax increase.
- An annual increase of \$1M (2025-2029) to the Multi-Year Community Investment plan funding aligned to the recommendations of the report. (reflected under enhancing services section of Appendix A)
- The repurposing of the remaining hospital levy to infrastructure renewal in 2027 (\$2.6 Million) as the debt payments retire.
- An annual increase of 4% to the Vehicle Depreciation Reserve Funds (VDRF).

7. Key Investments

Key Investments are proposed variations in the budgeted expenditures or revenues for which separate budget disclosure is warranted. These priorities identified in the simulation are classified within 2 categories.

a. Sustaining City Operations, Financial Oversight and Risk Mitigation

The simulation includes several initiatives that serve to bring City operations and asset maintenance to recommended service levels, improve operational and financial oversight and reduce risk. For 2025 these include:

- Improved investments in Forestry Service in the areas of tree planting and pest management and other RPF operations including ditch and culvert maintenance and grid pruning operations.
- A placeholder for ongoing utility and maintenance costs of Freeman Station.
- Enhanced financial oversight and support for senior government grant claims as well as accounting services provided to ABC partners to streamline processes, strengthen financial analysis and increase accountability.
- Enhanced coordination and oversight of IT related vendor contracts, software licensing and inventory management
- Enhanced coordination and oversight of facility maintenance activities and external maintenance providers to ensure facilities remain safe, compliant, and well-maintained for our community.
- Enhanced support to mitigate the risk of the on-going threat of cyber security attacks.

- Enhanced oversight, coordination and support for the city's HR recruitment function. This will ensure vacancies are filled in a timely manner to avoid negative impacts on service delivery.
- Enhanced support to expand current digital marketing, and well as improve accuracy, governance, visualization and user interface experience on our websites (internal and external).

b. Enhancing Services

The simulation includes several items to enhance current service levels. Many of these investments deliver on the actions identified in the 2022-2026 Vision to Focus or on recently approved master plans. References to Vision to Focus have been indicated next to each item. For 2025 these items include:

- The continued phased implementation of the By-law Compliance Department as outlined in Report BB-15-22 with the inclusion of additional support in front-line by-law enforcement resources. (Focus Area 2 Action G)
- Additional phased resourcing to support the implementation of the Urban Forestry Master Plan including front line resources to enhance community outreach programs. (Focus Area 3 Action F)
- Ongoing funding to support portable washroom facilities within a number of our parks. This creates a positive customer experience and promotes the use of our outdoor recreational amenities. (Focus Area 2 Action A)
- Additional phased resourcing to support the implementation and recommendations of the Fire Master Plan. (Focus Area 1 Action E)
- Resourcing to implement and maintain an Automated Speed Enforcement system. This is a key part of the Vision Zero framework. (Focus Area 1 Action A)
- Continued incremental phased funding for the Multi-Year Community Investment Plan in alignment with the recommendations of the financing plan. (Focus Area 1 Action I)
- Placeholder values for items which Council has indicated they wish for the Mayor to consider as part of the 2025 Proposed Budget including:
 - Expansion and Customer Experience in Community Gardens (deferred 2024 Budget item)
 - Solar Incentive Program (EICS-01-24)
 - Burlington Green Fee for Service model (EICS-02-24)
 - Better Homes Burlington Loan Program (EICS-10-24)

The city continues to make investments in our capital program which will enhance our ability to provide needed services within our community. Some examples in 2025 include:

- An expansion of the Transit Operations Centre as well as additions to the Transit fleet to facilitate the growth of the Transit program that has occurred over the past number of years and is forecasted to continue in the future.
- Continued investment in new sport facilities at City View Park
- Investment in new Active Transportation facilities aligned with our Integrated Mobility Plan.
- Continued investment in the revitalization of our aging recreation facilities to enhance customer experience, improve accessibility and address new infrastructure requirements.

8. Allowance for Unknown Factors

As with all forecasts, it is imperative to recognize that there are unknown factors that will likely occur in the future that could impact the model. To address these unpredictable factors, an amount of \$100,000 has been included in the 2025 forecast, increasing by \$100,000 per year. This allowance has been included to recognize that factors in the simulation such as future efficiency savings and assessment growth can be increasingly difficult to predict the further out into the future they are.

Financial Matters:

2025 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 2025 Financial Forecast the City would require a net tax levy of \$267,765,284.

2025 Overall Tax Impact

Based on the investments in current and expanded service delivery included within this report, the City would require a budget increase of 8.9%. When combined with the estimated increase for the Region of Halton and the Boards of Education, the overall tax increase is forecasted to be 5.49% equivalent to \$50.36 per \$100,000 of residential current value assessment (CVA). Burlington's portion of the overall increase would be 4.5%.

This table outlines the resulting figures:

	2024 Share of Tax Bill	2025 Share of Tax Bill	2024 Taxes	2025 Budget Change	2025 Taxes	\$ Tax Increase	% Tax Increase
Burlington	50.57%	52.21%	\$ 464.27	8.90%	\$ 505.61	\$ 41.34	4.50%
Halton	32.77%	32.00%	\$ 300.88	3.00%	\$ 309.90	\$ 9.02	0.98%
Education	16.66%	15.80%	\$ 153.00	0.00%	\$ 153.00	\$ -	0.00%
Total	100.0%	100.0%	\$ 918.15	5.49%	\$ 968.51	\$ 50.36	5.49%

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 forecasts increases as follows (detailed in Appendix A):

	2025	2026	2027	2028	2029	Average 2025-2029
City Budget Increase	8.90%	8.13%	6.49%	5.94%	5.75%	7.04%
City Share of Overall Impact	4.50%	4.24%	3.49%	3.26%	3.22%	3.74%
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Budget Approval Process

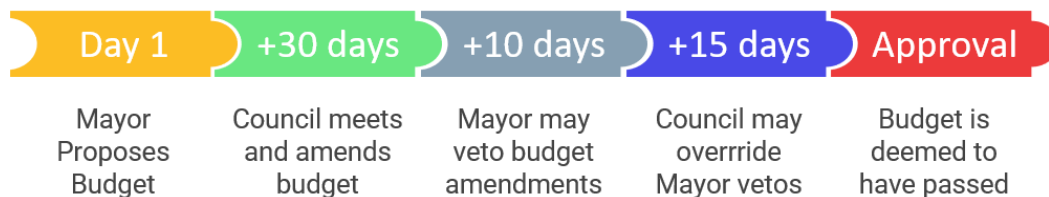
Section 284.16 of the [Municipal Act, 2001 S.O. 2001, c. 25](#) outlines a statutory process for the approval of municipal budgets beginning with the presentation of the Mayor’s proposed budget, amendment of the proposed budget by City Council, veto of amendments by the Mayor and override of vetoes by City Council.

The general provisions of the Act regarding budgets are summarized below:

- By **February 1** of each year the Mayor must prepare and propose a budget to Council for consideration
 - Authority to prepare and propose the budget rests solely with Mayor
 - This authority cannot be delegated to Council or staff
 - Mayor **can** issue a staff direction for staff to prepare budget

- Once the Mayor proposes a budget, Council has **30** (calendar) days to meet and pass budget amendments.
 - 30-day period can be shortened by Council resolution
 - May require special council meeting to meet 30-day timeline
- Following the amendment period, the Mayor has **10** (calendar) days to veto budget amendments passed by Council.
 - Mayor vetos must be set out through a Mayoral Decision and include reasons for veto.
 - Mayor can shorten veto period via a Mayoral Decision.
 - Budget amendments vetoed by Mayor are considered not to have been passed by Council
 - If veto power is not exercised, budget is deemed to have passed
- Within **15** days of the veto period ending Council may meet to attempt to override Mayoral vetos.
 - Council override of Mayoral veto requires 2/3 super majority to pass.
 - After process of amendments, vetos and overrides has passed the budget is deemed to have been adopted.
- Council no longer needs to vote on budget in its entirety.
- Budget is considered to have been passively adopted once the approval process above has finished.

The following graphic outlines the key budget process steps as stipulated in the Act:



Budget Review and Approval Timelines

Below is a brief timeline of the 2025 budget review and approval process:

Item	Meeting	Date
2024 Financial Needs and Multi-Year Forecast	Committee of the Whole	June 10, 2024
Budget Public Engagement Opportunities		Aug - Oct
Mayor's Release of Proposed Budget (agenda available October 25) ¹	Committee of the Whole	November 4, 2024
Budget Townhall		November 6, 2024
Motion Memorandums (to propose amendments to Proposed Budget) due to Finance by 4:30 pm		November 11, 2024
Committee review of Proposed Budget, amendments proposed via Motion Memorandum process	Budget Committee	November 18 & 21
Council review of Proposed Budget	Special Council Meeting	November 25 ²
Mayor's 10-day veto period (if exercised) ³		December 5, 2024
Council's 15-day override period (if veto power exercised) ⁴		December 20, 2024
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

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.

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 will continue to inform the public and seek its feedback through a dedicated Budget 2025 page on [GetInvolvedBurlington.ca](https://getinvolvedburlington.ca). Our engagement portal allows staff to engage with residents and interested parties using tools such as surveys, polls, FAQs, timelines and the document library.

In addition, a Community Panel will launch in the coming months, giving community members the opportunity to be engaged on topics and projects aligned with their skills and experiences. The 2025 Budget would be a key topic for this panel.

Staff are creating a survey to be launched this summer, and a Budget Townhall is in development for Nov. 6, 2024. Other engagement opportunities will be shared as they are confirmed. The results of all public engagement will be reported back to Council as part of the Mayor's Proposed Budget and in advance of the budget review process.

The Open Book platform will be used to present the budget and allow the public to view the budget data in an interactive and intuitive format.

A communications plan will also be developed in conjunction with the presentation of the Proposed Budget. This plan will inform the public about key aspects of the budget, how to learn more about it and opportunities to engage with staff and Council.

Conclusion:

The 2025 Financial 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 approve the final budget. Decisions considered as part of Council's 2025 budget deliberations need to be made in the context of the multi-year budget framework 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 2025 tax levy.

2025 is focused on planning ahead and protecting our city's future by making key community investments that improve service to residents. Burlington is growing and

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

The 2025 Financial Forecast dedicates funding to ensure our assets are maintained in a state of good repair; includes strategic community investments for the next 50 years; as well as stabilizes and enhances city services.

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

Respectfully submitted,

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Appendices:

A. Multi-year Simulation

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.