

2016 RESILIENCE BUDGET

EXECUTIVE SUMMARY

To align with the Council-approved Economic Resilience Program, Administration is proposing to bring forward a 2016 Resilience Budget on 2015 September 28, in place of the Business Plan and Budget Adjustments meeting scheduled to begin on 2015 November 23. This will provide certainty and stability to citizens and businesses, and free up Administration to focus on delivering services and projects that will help to fuel the economy.

ADMINISTRATION RECOMMENDATIONS

That Council:

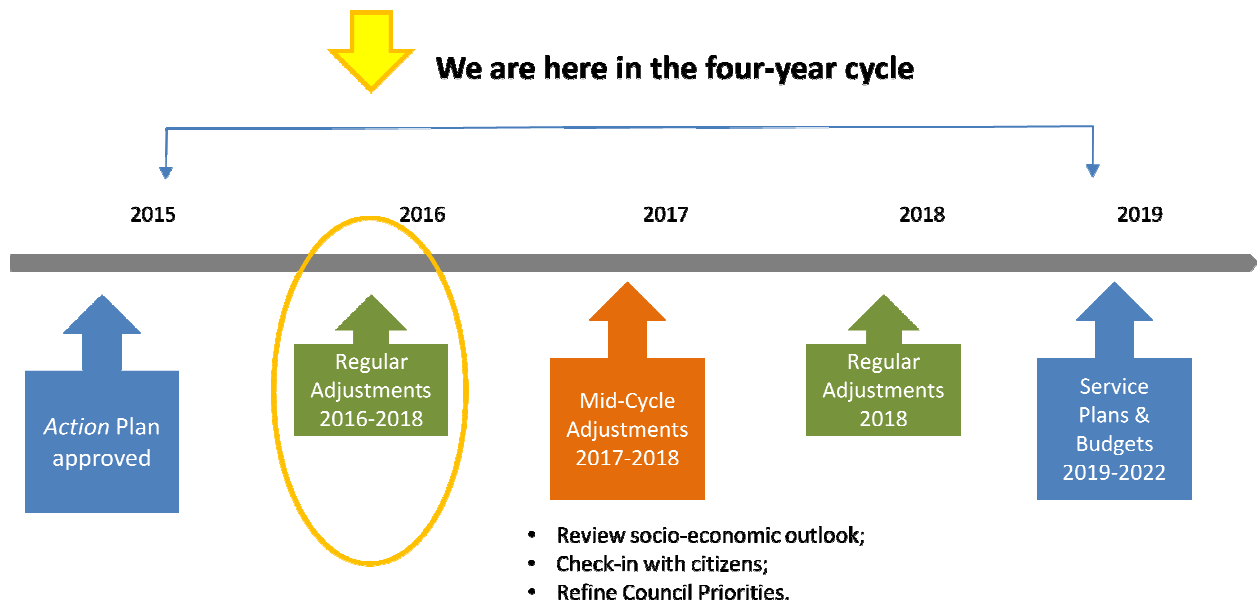
1. Direct Administration to bring a 2016 Resilience Budget to the 2015 September 28 Regular Meeting of Council.
2. Reconsider the dates of the November 2015 Council Meetings in the Council Calendar approved by Council on 2014 October 20 (M2014-0750).
3. Approve the following revisions to dates for the 2015 November Council meetings:
 - a) Deleting the Adjustments to Business Plans and Budgets meetings that were scheduled from 2015 November 23 to 2015 November 27;
 - b) Deleting the 2015 November 2 Combined Meeting of Council and adding a 2015 November 9 Combined Meeting of Council;
 - c) Deleting the 2015 November 9 Regular Meeting of Council and adding a 2015 November 23 Regular Meeting of Council;
 - d) Deleting the 2015 November 13 Strategic Meeting of Council and adding a 2015 November 16 Strategic Meeting of Council; and
 - e) Adding a 2015 November 25 Strategic Meeting of Council (if required) in the event that there are items held over or referred from the 2015 September 28 meeting.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2004 March 16, Council approved a policy on three-year integrated business planning and budgeting (CFO004), including provision for annual adjustments to respond to changes in The City's environment and circumstances.

The business planning and budgeting cycle was revised to four years on 2013 April 16 (PFC2013-0338) to align with new election terms of Council. As part of this change, a larger mid-cycle review was also approved, which will bring mid-cycle adjustments to Council in the fall of 2016. Adjustments in 2015 and 2017 will be the smaller or "regular" adjustments.

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On 2014 October 20 Council approved the 2015 Council and Committee calendar (M2014-0750), which scheduled Adjustments to the 2016-2018 business plans and budgets starting on 2015 November 23.

BACKGROUND

On 2015 February 10, Administration presented to Council the six strategies of the Economic Resilience program.

On 2015 June 22, Council was given an update on the economy and Administration's recommended approach for the 2016 budget, which is guided by the Economic Resilience program. The City's financial situation for 2016 is expected to be tight but manageable. However, no new funding will be available to departments for adjustments to approved budgets.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Given these circumstances, Administration will be putting forward a 2016 "hold-the-line" Resilience Budget for Council's consideration this fall. In previous years, Administration has spent considerable time to prepare and bring forward proposed new service and funding packages for Council to consider in November. Since no additional funding is available next year, there will be no adjustments to bring forward from Administration.

This creates an opportunity to bring the 2016 budget forward for adoption earlier in the fall. It will still be necessary for Council to approve some changes to corporate accounts and for Council to formally adopt the 2016 operating and capital budgets, as required under the Municipal Government Act (MGA).

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Provincial and federal budgets and grant programs are expected to be announced through the fall. Administration will review its capital program and identify ways to take advantage of any new or changed funding programs. The results of this analysis are not expected to be available by November; therefore, additional capital adjustments may be brought for approval early in 2016.

Earlier adoption of the 2016 budgets has several advantages:

- (1) It provides increased certainty by visibly communicating to citizens that City services will be maintained as outlined in Action Plan;
- (2) It signals to The City's suppliers that the demand for their products and services will be maintained;
- (3) It enables Administration to focus on service delivery and improvement, and projects that will help to fuel the economy; and
- (4) It clarifies Council's expectations about the 2016 tax rate early enough so that, if Council requests changes to the 2016 budget, there is sufficient time for Administration to identify service and budget impacts and bring these to Council before the end of the year.

If Council agrees to move the 2016 budget discussion to 2015 September 28, this will free up a week of Council meeting time in November, and provides an opportunity to modify the existing Council calendar for November to make a more manageable schedule. The proposed changes in the Council calendar for November are included in Recommendation 3 above.

Stakeholder Engagement, Research and Communication

Extensive public engagement was completed for Action Plan. Given that no changes are proposed to the approved Action Plan, further engagement at this time is not required. Public engagement is planned for next year as part of the mid-cycle adjustments process.

Strategic Alignment

The change in dates for approving the budget and adjusting the capital budget is aligned with the Economic Resilience Program.

Social, Environmental, Economic (External)

Early approval and adoption of Administration's Resilience Budget will signal to businesses and citizens that The City intends to continue to deliver services, promote stability and support local employment with no changes to previously-approved tax rates.

Financial Capacity

Current and Future Operating Budget:

No impact as a result of the date change.

Current and Future Capital Budget:

No impact as a result of the date change.

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Risk Assessment

Bringing forward the budget earlier helps to signal stability and, in turn, increases public confidence and assurance in the provision of City services.

REASON FOR RECOMMENDATION(S):

Administration is recommending that Council reconsider the 2015 Council and Committee calendar for November and direct Administration to bring forward the 2016 Resilience Budget on 2015 September 28 to best support the Council-approved Economic Resilience Program. An early adoption of the budget has the following benefits:

- (1) It visibly communicates to citizens and the broader community earlier that City services will be maintained;
- (2) It visibly communicates to The City's suppliers that the demand for their products and services will be maintained;
- (3) It reduces administrative time to prepare budget packages and enables Administration to focus on service delivery and improvement, and to deliver on projects that will help to fuel the economy; and
- (4) It clarifies Council's expectations about the 2016 tax rate early enough so that, if Council requests changes to the 2016 budget, there is sufficient time for Administration to identify service and budget impacts and bring these to Council before the end of the year.

Attachments

None