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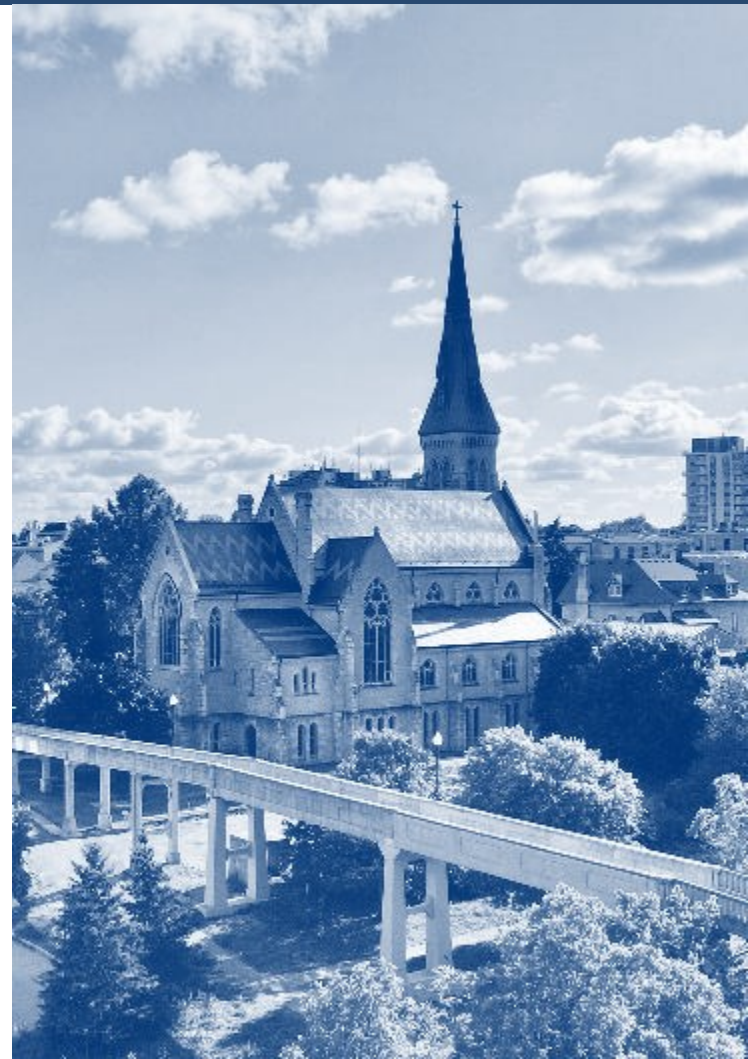
Crafting a Budget for 2022-2025

Guelph Council Session

October 2021

Agenda

- **Introduction to Workshop**
- **Anticipated Challenges for Budget Setting**
- **Setting the Budget**
- **Looking Forward – More, Less, or the Same**
- **Affordability**
- **Budget Strategy**
- **Key Takeaways**



Introduction to Workshop

Goal of Workshop

- Discuss Strategic Plan implementation in a fiscally constrained budget environment
- Perspective on Council priorities and affordability
- Informing 2022-23 budget and background information requirements
- Linking priorities to residents' expectations across all of Guelph's government.



Reminder: Why Create Strategic Plans?

- For exactly *moments like these*.
- Strategic plans help us **identify challenges and opportunities** in all contexts – *even COVID*.
- Revisiting the strategic plan now will help Council and Staff successfully find their way through to the end of this crisis.
- The questions you as Council need to answer are “**where to**”, while providing staff with the parameters for “**how**”.
- **The Strategic Plan** is where we got input from the community about **priorities**; the **budget** is about **implementing them**.



Anticipated Challenges for Budget Setting

Anticipated Challenges for Budget Setting in Current Environment

Q1 - What do you think the biggest challenges will be for Council to maintain its strategic focus while discussing the 2022/23 budget?



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Anticipated Challenges for Budget Setting in Current Environment

Q2 - What are you hearing from the public about their priorities for Guelph post-pandemic in relation to the strategic plan priorities?



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Anticipated Challenges for Budget Setting in Current Environment

Q3 - From a COMMUNITY perspective, if Council had to choose just TWO things to focus on in 2022/23 - what would they be?

Most Popular Responses:



Example Answer (icon to be matched)



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Example Answer (icon to be matched)



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Anticipated Challenges for Budget Setting in Current Environment

Q4 - From the CORPORATION perspective, if Council had to choose just TWO things to focus on in 2022/23 – what would they be?

Most Popular Responses:



Example Answer (icon to be matched)



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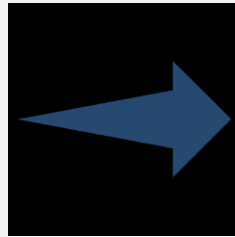
Setting the Budget

The Goal: Setting the 2022-23 Budget

Municipal governments across Ontario are going to face very similar pressures this year. *These are:*



**Projected Budget
Gap**



**Tax Increase
Required to Fill It**

More than Numbers

- **The gap represents services, assets, and infrastructure priorities that Guelph intended to deliver on and may not be able to.**
 - Some spending is locked in through transfer payments and rates.
 - Some services are even more necessary than they were before, while also driving up the costs.
 - Some of the gap is due to new facilities or services made by Council or via legislation.
- **The tax increase is the contribution we are asking of residents and businesses after nearly two years of extraordinary financial uncertainty and precarity.**
 - Some things we thought were important in 2019 might not be as important in 2022.
 - Things we thought were “nice to have” in 2019 might now be essential to address in 2022.
 - What is fair given the financial impacts from the pandemic on people’s jobs, responsibilities for education and caregiving, cost of living and user of services?

Guelph's Vision and Mission



- **Guelph's vision**
 - An inclusive, connected, prosperous city where we look after each other and our environment
- **Guelph's mission**
 - Working together to deliver responsible and responsive public service to Guelph's growing and diverse community.



Guelph, Future Ready Strategic Plan and the 2022-2025 budget

The Strategic Plan's five priorities lead this budget, setting us on a sustainable path for our economy, environment and transportation while supporting an efficient workforce and united community.

Powering our future



Sustaining our future



Navigating our future



Working together for our future



Building our future

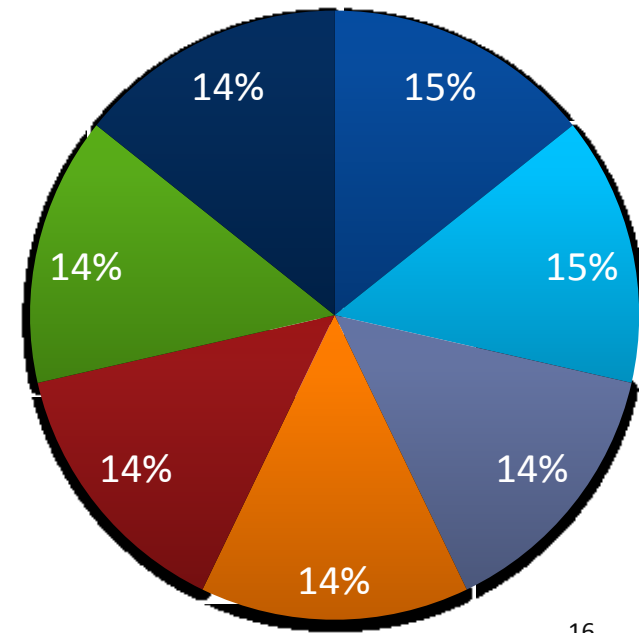


Anticipated Challenges for Budget Setting in Current Environment

Q5 (a) - What TWO things are you most looking forward to during the City's very first multi-year budget process?

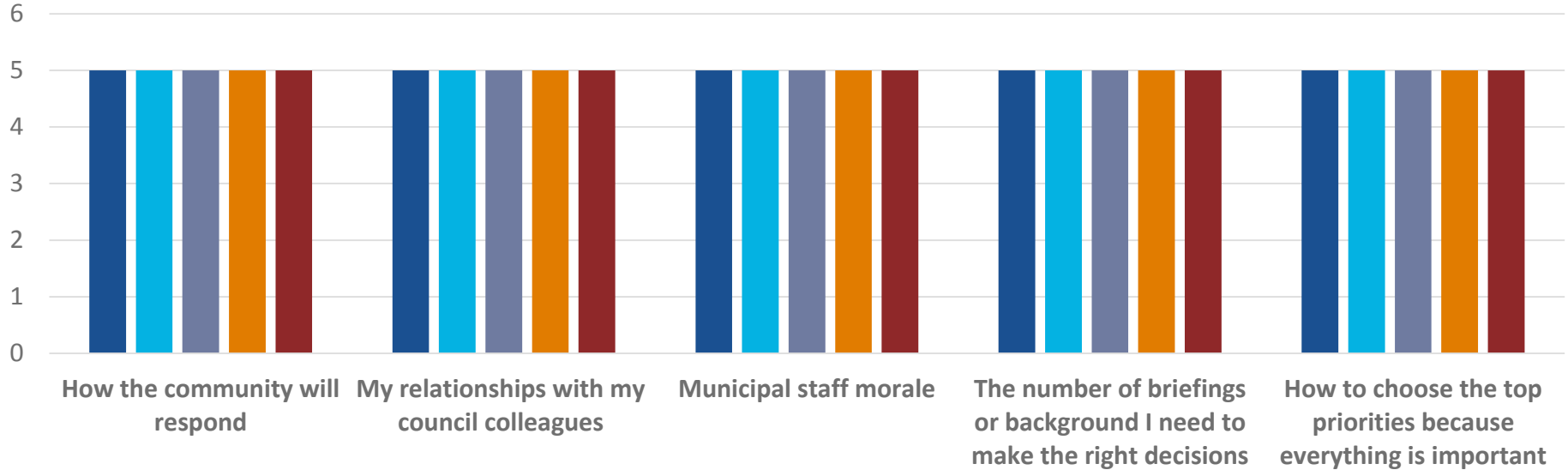
- Being able to communicate to the community what year the budget investment for their priorities falls within.
- Being able to communicate to the community about balancing priorities to ensure affordability is maintained.
- Being a leader in local government financial management by approving a multiple year budget that resources the Strategic Plan.
- Being able to refer to the approved and forecasted budget through the year as decisions are made that will increase costs.
- Providing transparency to the community on future tax and rate levy impacts so they can plan their business or household finances with confidence.
- Being able to focus on governance, and achieving our service goals rather than annual budget planning.

■ Other



Anticipated Challenges for Budget Setting in Current Environment

Q5 (b) - Making decisions in a fiscally constrained environment will bring a lot of unusual challenges for Councillors... what part of this budget cycle concerns you most? *(Please rank as many of the following as you like, starting with 1 for your biggest concern.)*



Anticipated Challenges for Budget Setting in Current Environment

Have a different answer for what part of this budget cycle concerns you most or want to explain your thinking?



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Anticipated Challenges for Budget Setting in Current Environment

Q6 - What is a single request you would make of your council colleagues when working together to set the budget for 2022-23?



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Looking Forward – More, Less, or the Same

Looking Forward

- The following questions are about the priorities identified in the ***Guelph. Future Ready. City Strategic Plan: 2019-2023.***
- You were asked whether you think the City should do a little more, about the same, or a little less to make progress on those strategic priorities and directions.

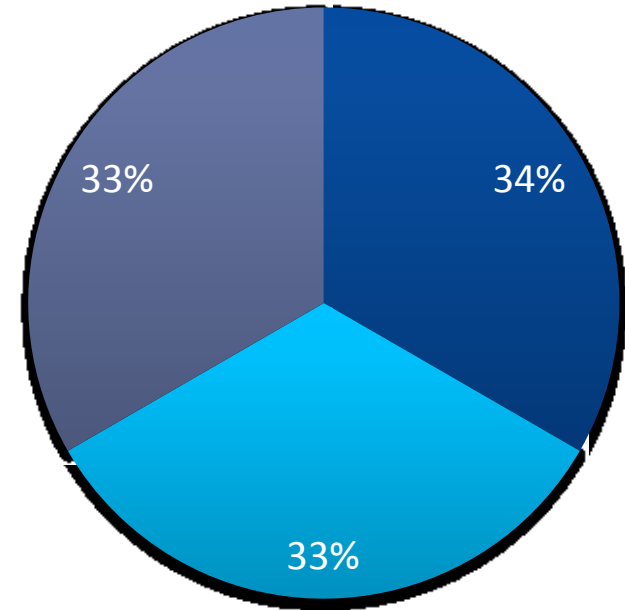


Strategic Plan - More, Less, or Same

Powering our future:
an economy that empowers us

Contribute to a sustainable, creative and smart local economy that is connected to regional and global markets and supports shared prosperity for everyone.

- Accelerate Guelph's innovation economy through partnerships
- Help businesses to succeed and add value to the community
- Support businesses as they adapt to changing workforce needs



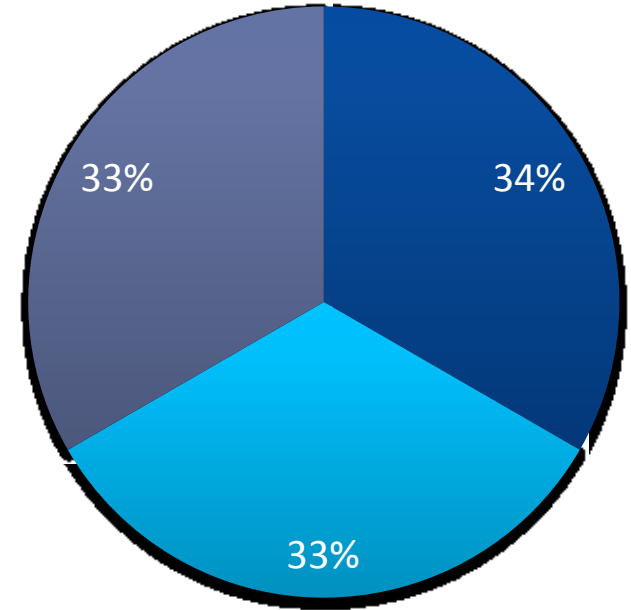
- Do More
- Do About the Same
- Do Less

Strategic Plan - More, Less, or Same

**Sustaining our future:
an environment that sustains us**

Care for the local environment, respond to climate change and prepare Guelph for a net-zero-carbon future.

- Create and execute an ambitious and achievable climate adaptation plan
- Mitigate climate change by reducing Guelph's carbon footprint
- Plan and design an increasingly sustainable city as Guelph grows



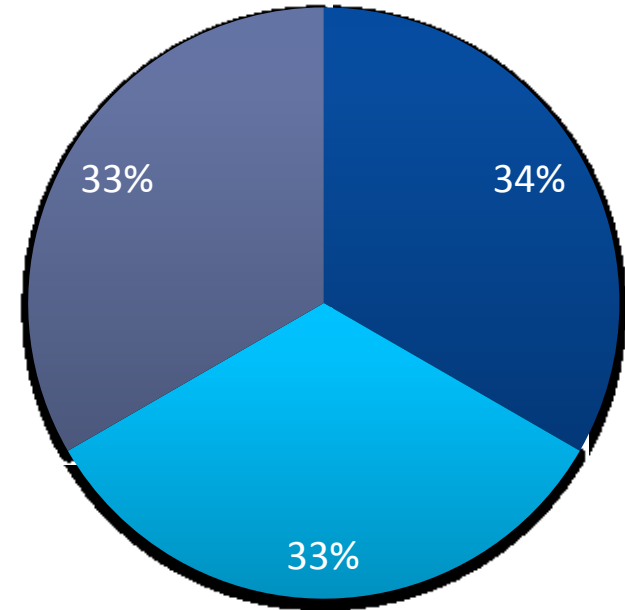
- Do More
- Do About the Same
- Do Less

Strategic Plan - More, Less, or Same

Navigating our future: a transportation network that connects us

Foster easy, accessible movement through trails, paths, roads and corridors to tie the community together and connect Guelph's economy with other regions.

- Build Guelph's capacity to adopt clean and efficient technology
- Provide attractive, affordable and reasonable transportation options for everyone
- Improve local transportation and regional transit connectivity



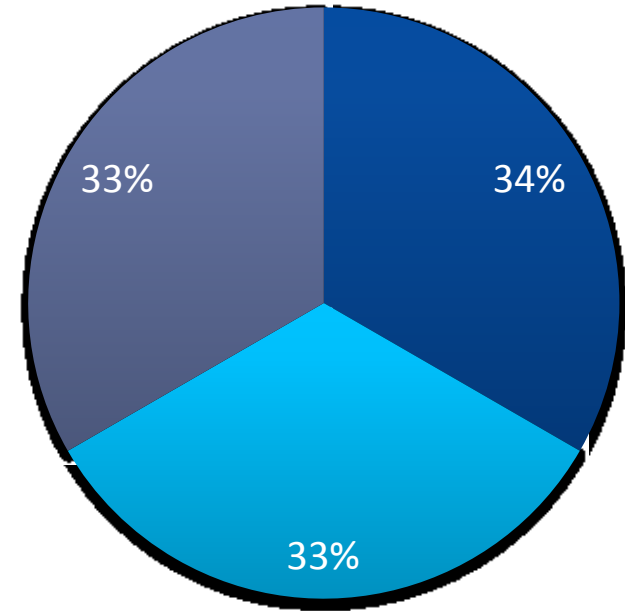
- Do More
- Do About the Same
- Do Less

Strategic Plan - More, Less, or Same

**Working together for our future
a modern government that works with us**

Run an effective, fiscally responsible and trusted local government with engaged, skilled and collaborative employees.

- Attract and develop accountable employees who work collaboratively and creatively to deliver services
- Improve how the City communicates with residents and delivers services
- Develop a long-term financial and resource strategy that is achievable and affordable



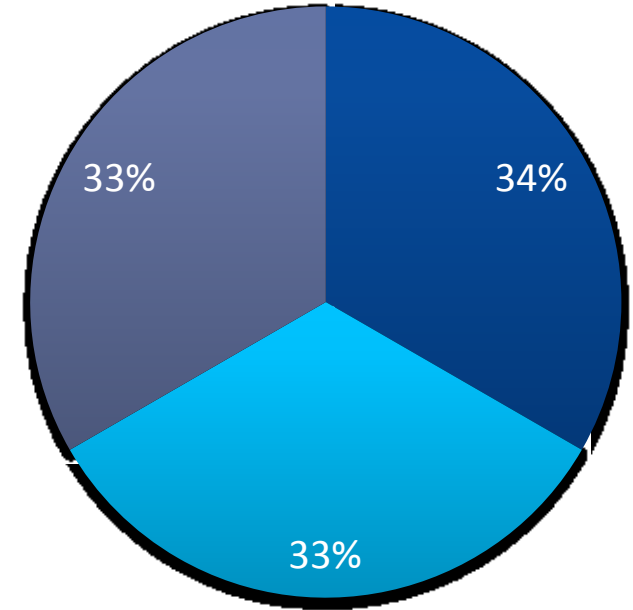
- Do More
- Do About the Same
- Do Less

Strategic Plan - More, Less, or Same

**Building our future
a community that supports us**

Make strategic investments that nurture social well-being, provide landmark beauty and offer a safe place where everyone belongs.

- Maintain existing community assets and secure new ones
- Help increase the availability of housing that meets community needs
- Continue to build equitable, strong, vibrant, safe and healthy communities that foster resilience in the people who live here



- Do More
- Do About the Same
- Do Less

Discussion

1. What did the Council ranking identify?
(Why is this the “right” answer)
2. What did the Council ranking miss? (Why is this the “wrong” answer)



Affordability

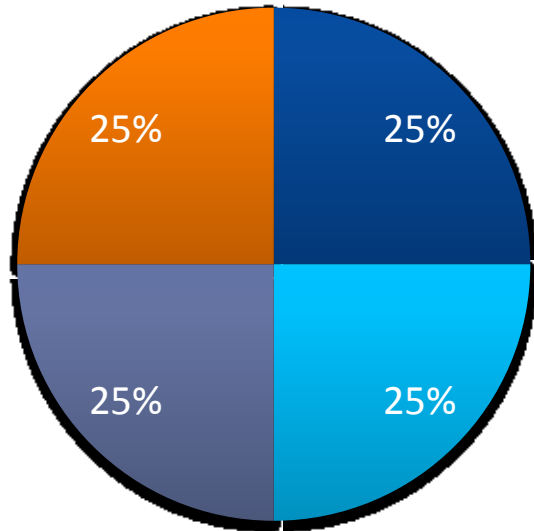
Affordability and Municipal Taxes in Guelph

- In the following questions, you were asked about perceived affordability in Guelph and your views on taxes and rates in the City.
- Some questions that were explored included:
 - Does maintaining the target of 5.05% of income the right goal?
 - Do Councillors currently perceive Guelph as “affordable”?
 - What level of tax and rate increases are acceptable?



Affordability in Guelph

Q7 (a) - On average, Guelph residents currently pay about 5.05% of their income towards municipal rates and taxes. This is slightly higher than the total municipal survey average of 4.8%, and slightly lower than our identified municipal comparator average of 5.2%. With this in mind, do you think Guelph is currently affordable?



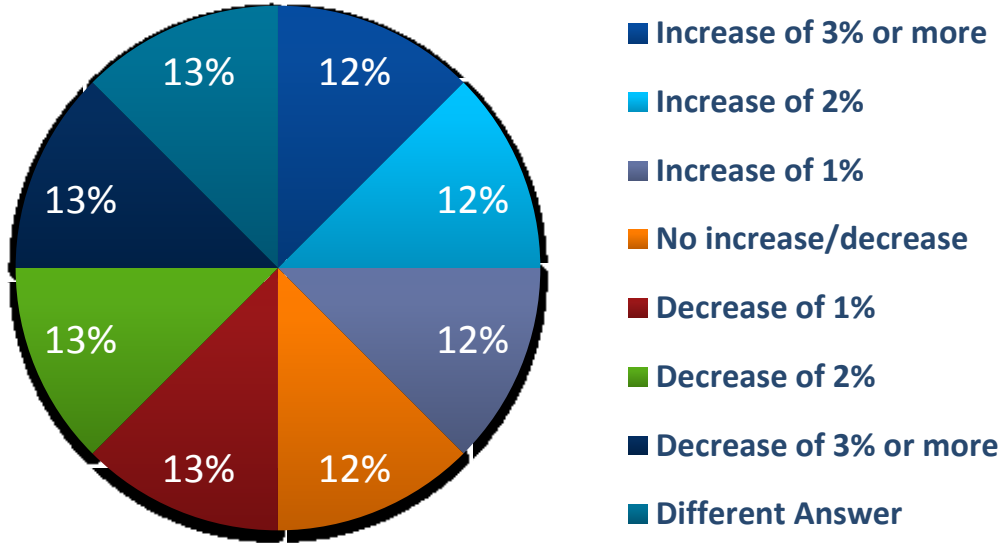
- Yes, I think 5.1% IS affordable and we should MAINTAIN existing service levels
- Yes, I think 5.1% IS affordable and we should INCREASE service levels (and increase costs)
- No, I think 5.1% IS NOT affordable and we should MAINTAIN existing service levels
- No, I think 5.1% IS NOT affordable and we should REDUCE service levels (and reduce costs)

Other Responses:

- Placeholder

Affordability in Guelph

Q7 (b) – Understanding that community building takes fiscal investment and therefore beyond inflationary tax and rate increases, building on your answer from 7a about the affordability of Guelph today, what change in tax levy do you think is appropriate in each of 2022 and 2023?

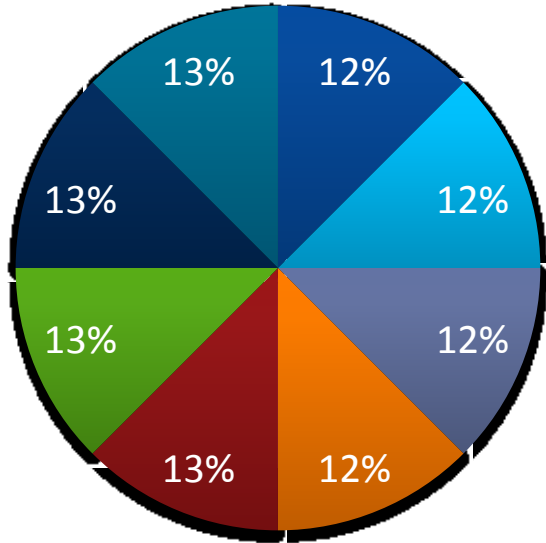


Other Responses:

- Placeholder

Affordability in Guelph

Q7 (c) - Building on your answer from 7a and b about the affordability of Guelph today and the fiscal investment needed for community building, what change in combined rates (water, wastewater and stormwater) do you think is appropriate in each of 2022 and 2023?



- Increase of 3% or more
- Increase of 2%
- Increase of 1%
- No increase/decrease
- Decrease of 1%
- Decrease of 2%
- Decrease of 3% or more
- Different Answer

Other Responses:

- Placeholder

Budget Strategy

Budget Strategy – Balancing Affordability with Achieving Goals

- The budget is the affordability tool that dictates the PACE of implementing the Future Ready Action Plan initiatives



Budget Strategy – Service Decision Hierarchy



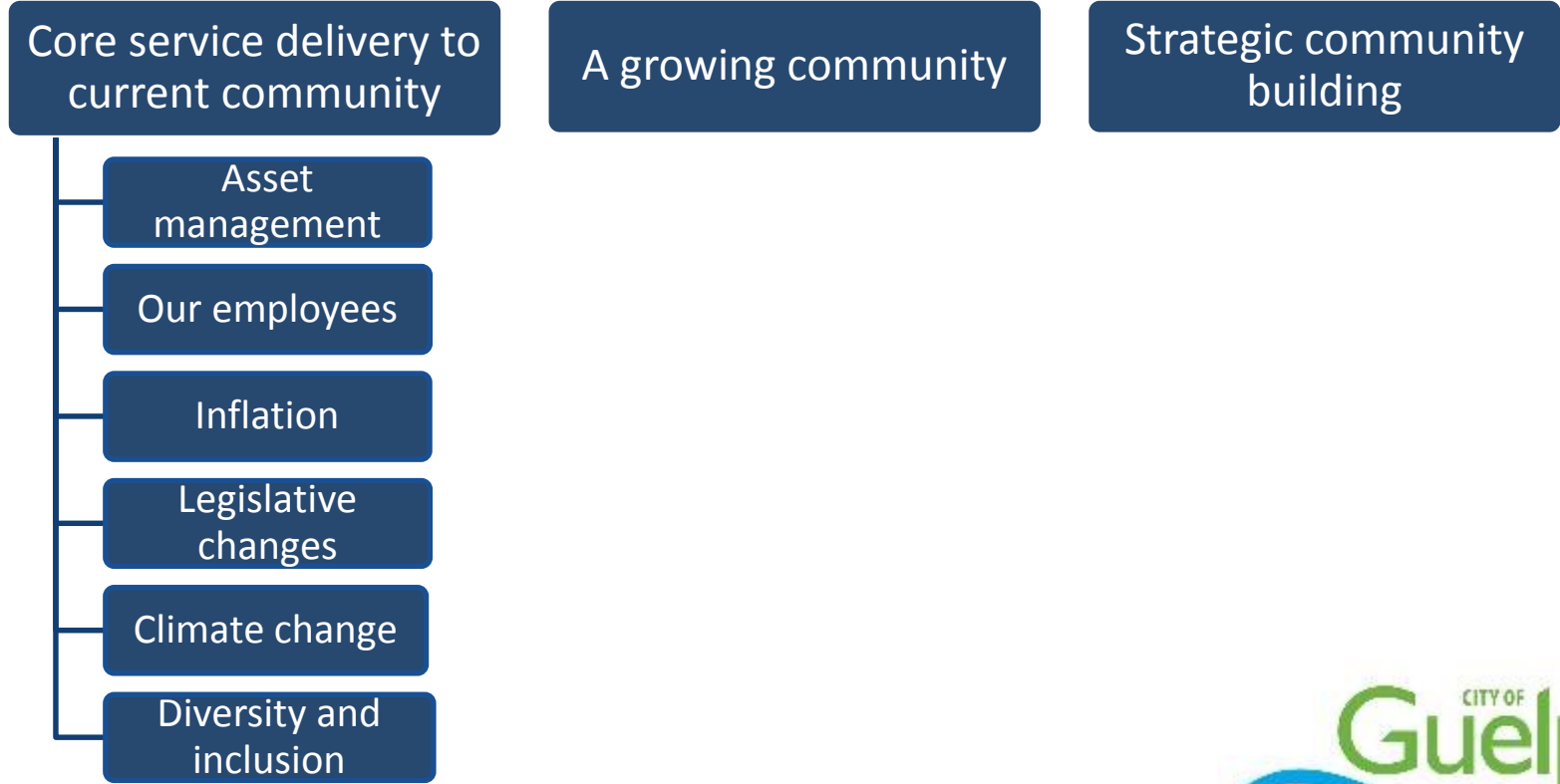
Budget Strategy – Service priorities

Core service delivery to
current community

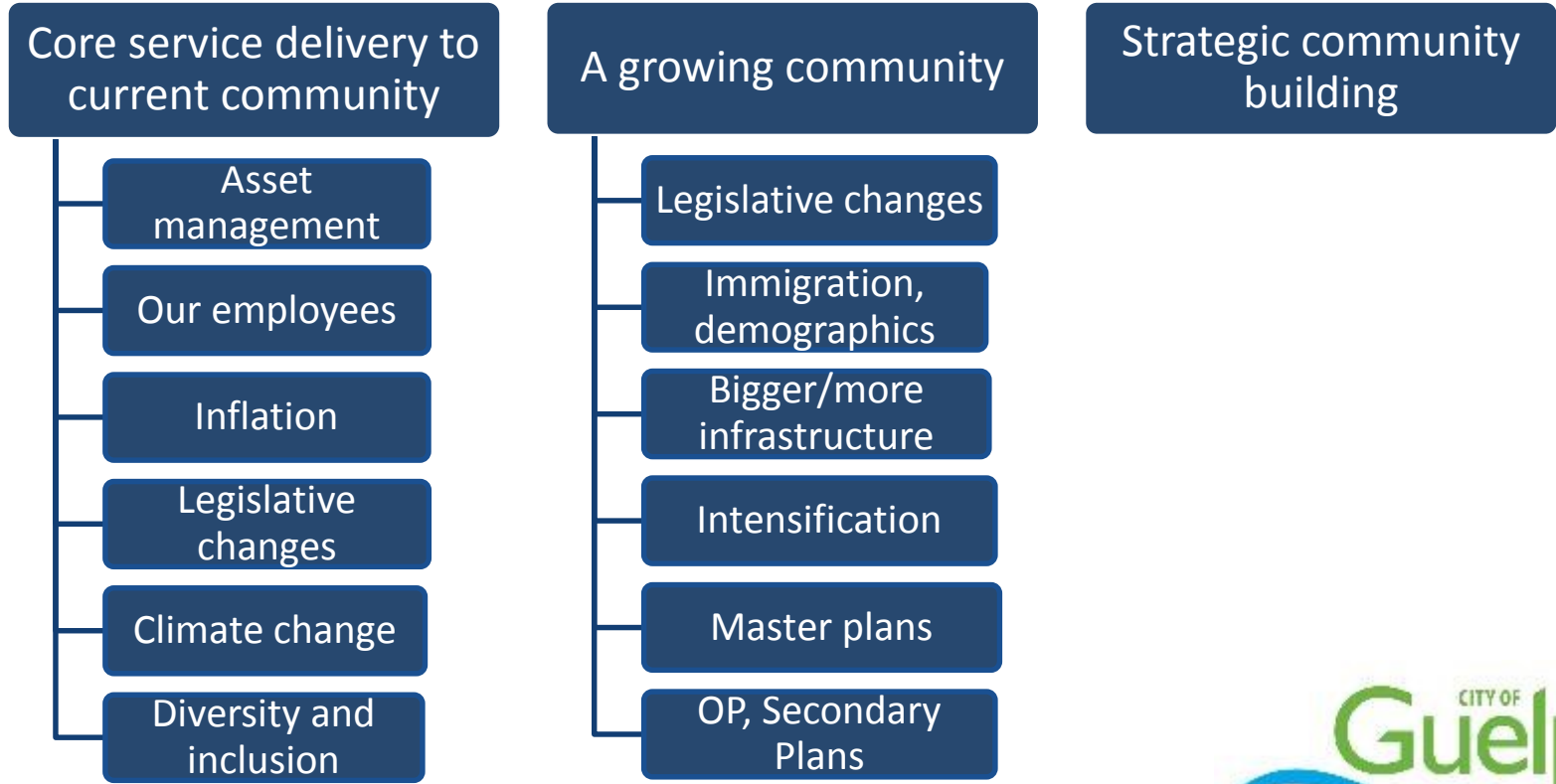
A growing community

Strategic community
building

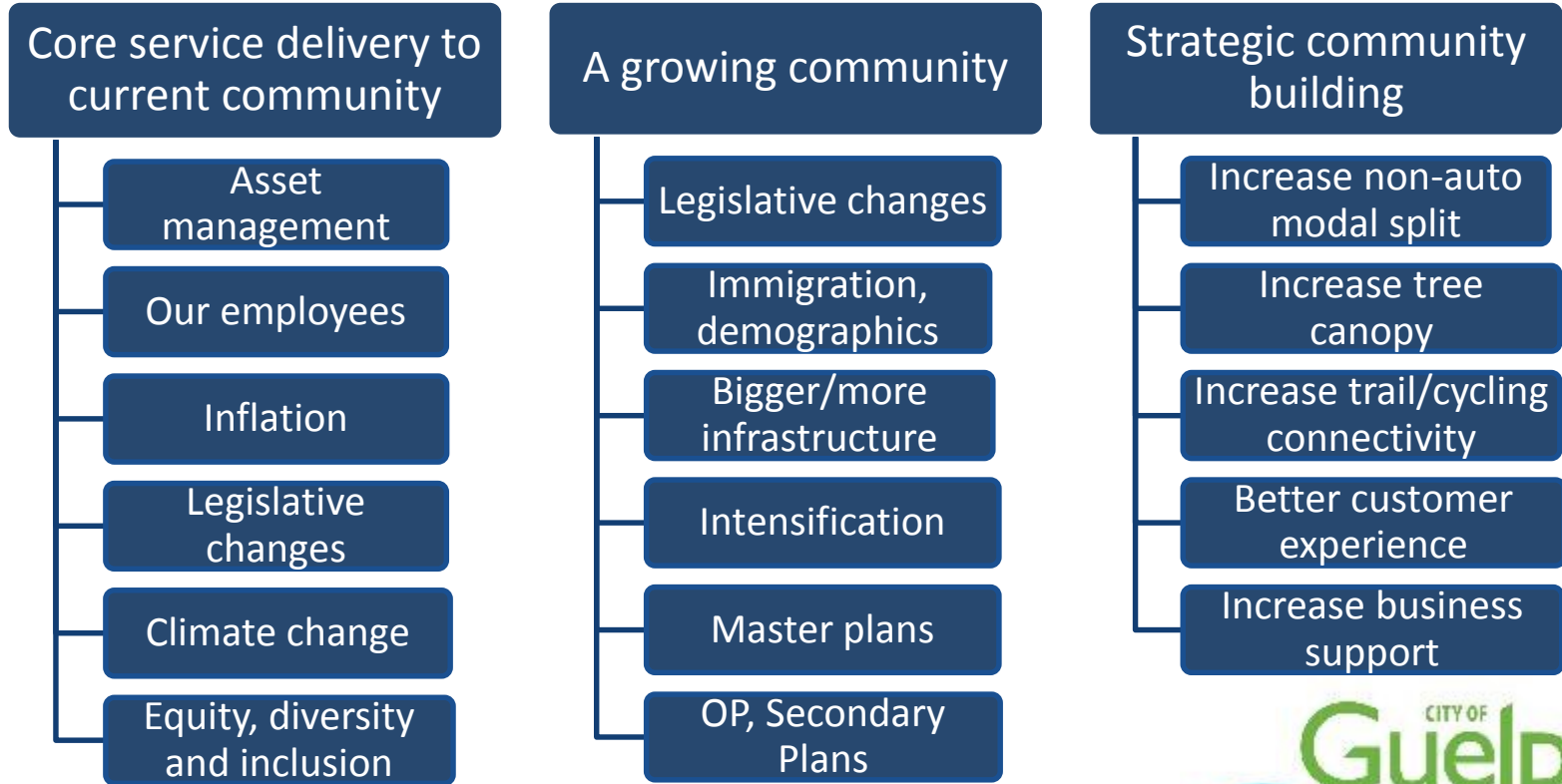
Budget Strategy – Service Priority Impacts



Budget Strategy – Service Priority Impacts



Budget Strategy – Service Priority Impacts



Budget Strategy - What is being done already?

- Multi-year budgeting and fiscal impacts of decisions
- Performance measurement culture
- Innovation and digital modernization
- Service rationalization review
- Service level decisions and master planning
- Continuous improvement and lean
- A focus on the customer

Budget Strategy – Affordability levers available to Council

- Slow down
- Stop
- Taking on more financial risk through use of reserves
- Match cost increases to associated revenue increases
- Create new revenue sources, increase user fees and charges
- Clearly defined performance objectives/outcome from the investment

Key Takeaways

Key Takeaways for Budget 2022-2023

What are key takeaways from today?



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Thank You For Participating Today



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