

# Council Education: 2022 – 2023 Approved Budget Review

December 7, 2022



# Agenda overview

- Municipal budget 101: How your City budget works
- How we build the budget
- What is a multi-year budget
- 2023 Approved budget
- Annual budget confirmation: What to expect
- Next steps
- Questions

# **Municipal budget 101: How your City budget works**

YOUR CITY FINANCES

How your  
***City Budget***  
works



[Click here to play video](#)

# How we build the budget

# The Strategic Plan and the 2023 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**

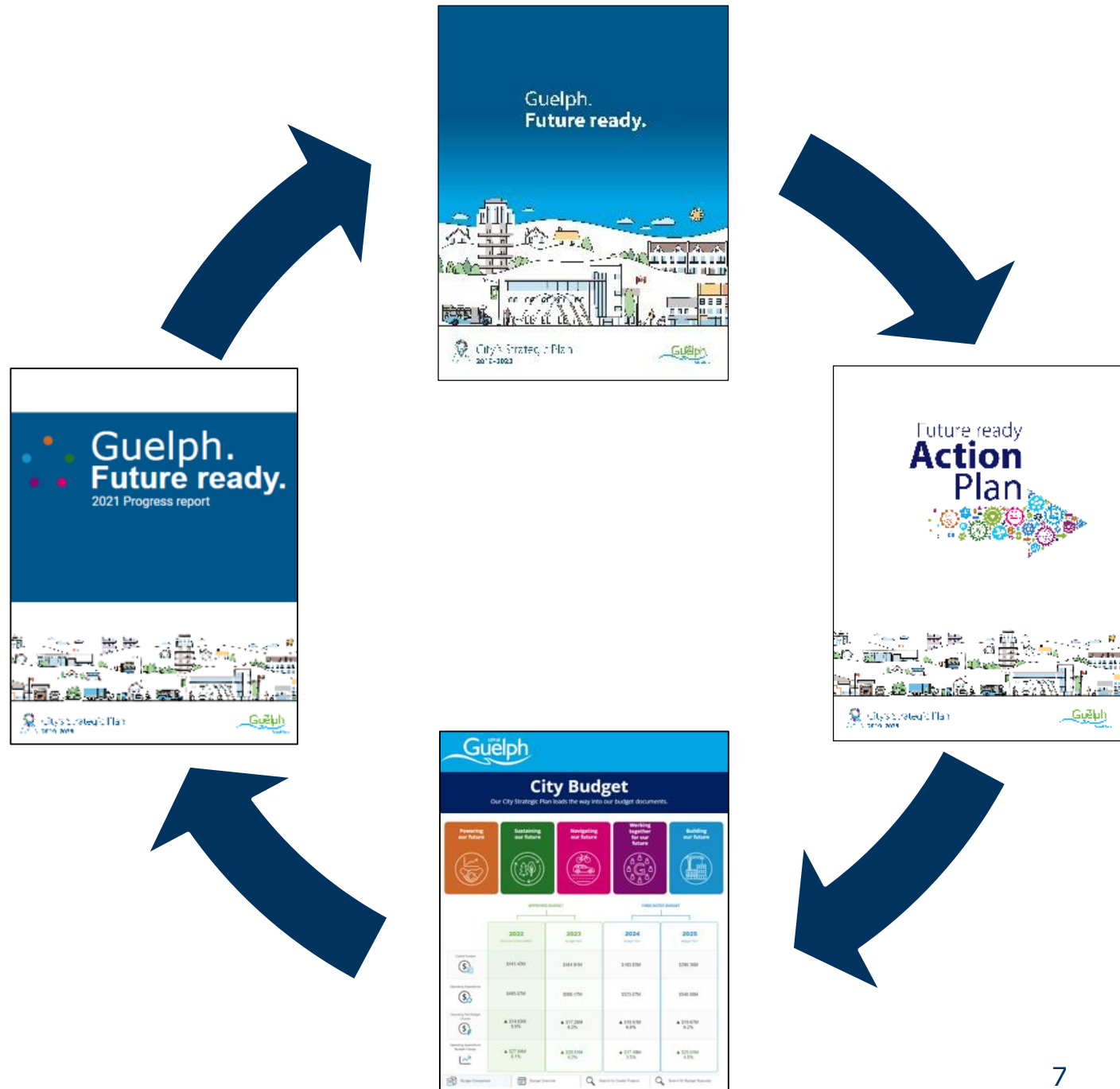


**Building our future**



# Budget—the tool that dictates pace of being Future Ready

The budget is the affordability tool that dictates the pace of implementing the Future Ready Action Plan initiatives.



# Foundational financial principles

## Sustainability

- The ability to maintain services over an extended period of time, providing continuous service at the expected level to all intended customers.

## Vulnerability

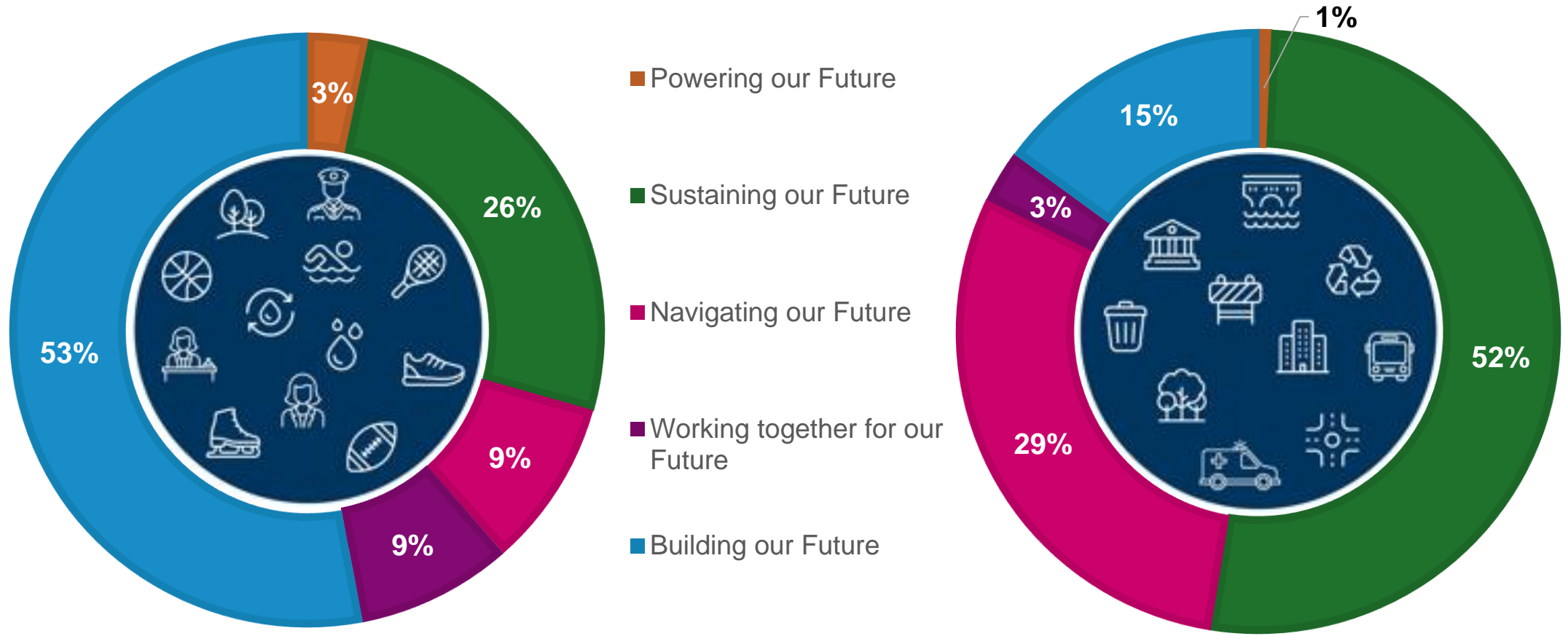
- The level of resiliency within the organization to mitigate unexpected negative factors while maintaining financial and service commitments.

## Flexibility

- The ability of the organization to adapt to changing environment to both capitalize on opportunities and avoid threats.



# What are operating and capital budgets?



Operating ← → Capital

# How we build the budget

## Expenses

Gross City expenses

Local Boards and Shared  
Services (net expenses)



## Revenues

Taxation

Grants

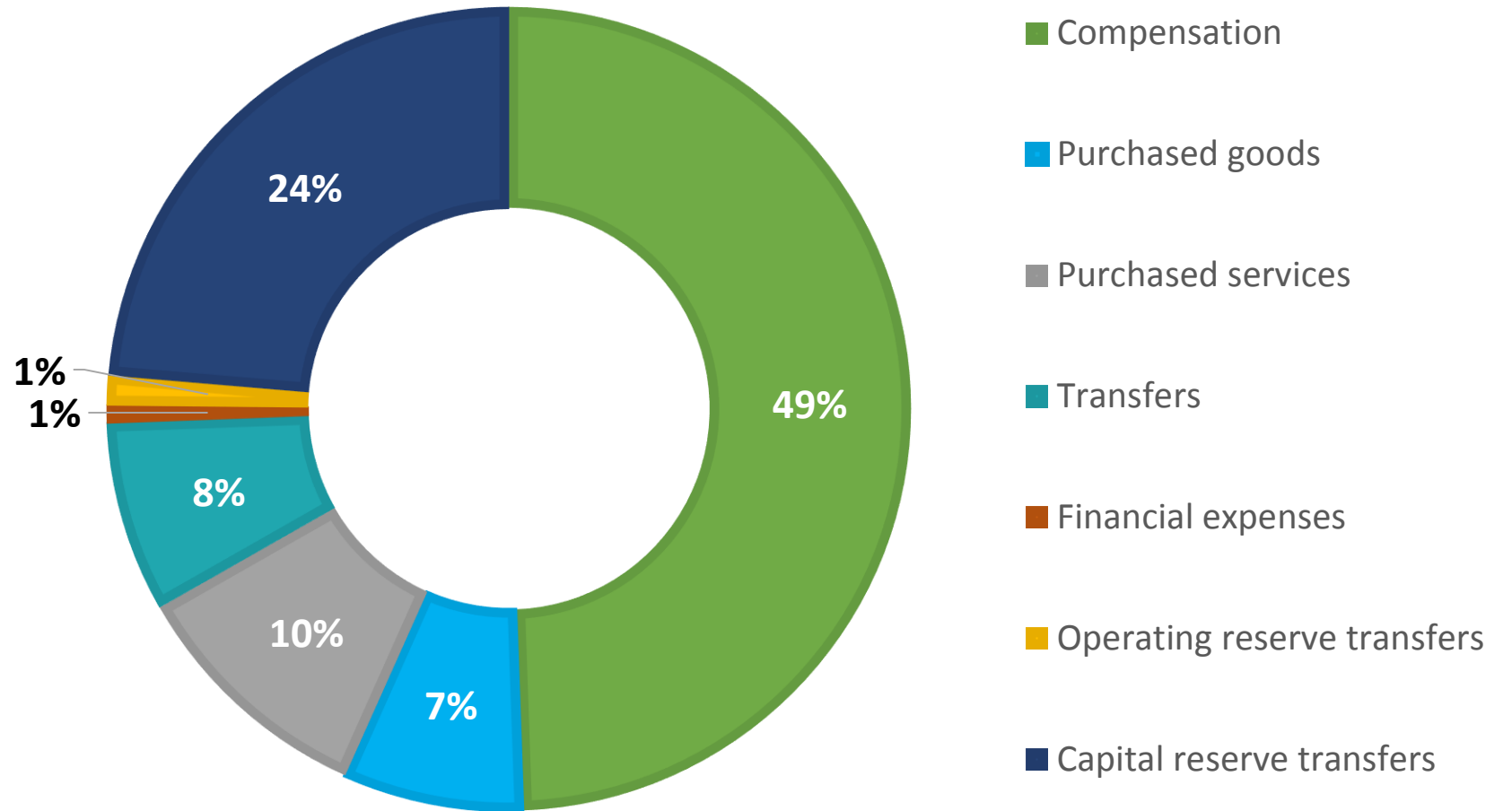
User fees, rates and charges

Licenses, permits investment  
income and recoveries

Other revenues

# How we build the budget

## Expense budget components

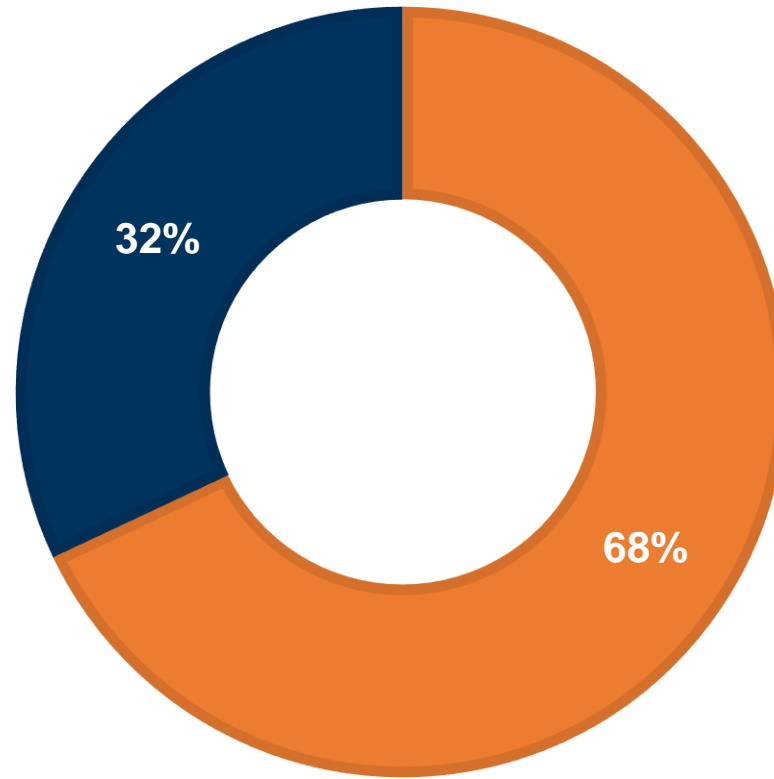


# Compensation

A closer look...



# Budgeted FTEs as a percentage of total City headcount

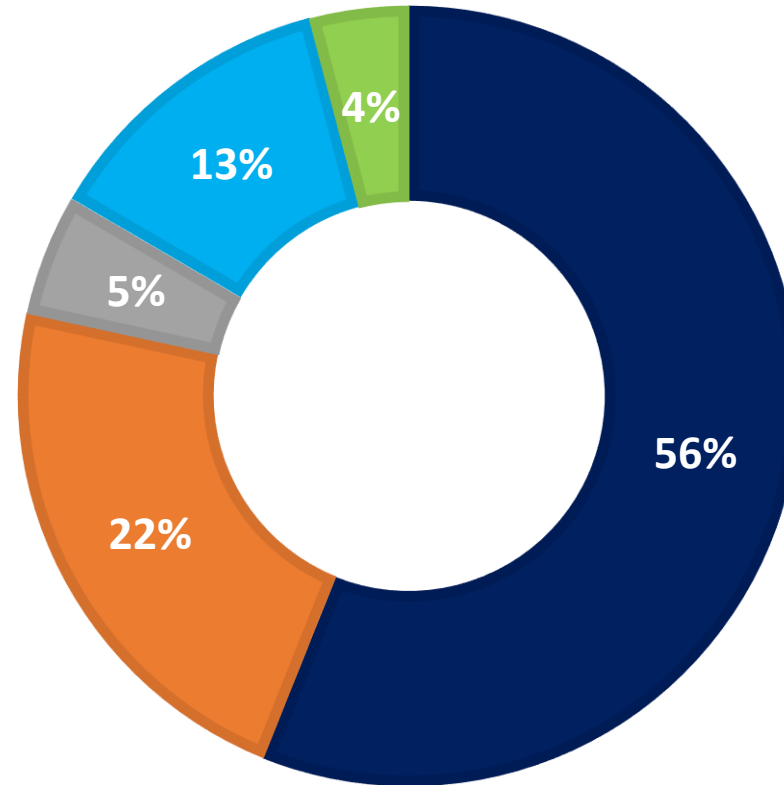


■ Approved 2022 budgeted FTE

■ 2022 headcount

# How we build the budget

## Revenue budget components



- Taxation
- User fees, rates and charges
- Licenses, permits, investment income & recoveries
- Capital grants & subsidies, Development Charges and other
- Operating grants

# Capital investment categories



Infrastructure renewal



Repair and replace existing assets  
Same standard / level of service



Growth



Provide assets for a growing population  
Same standard / level of service for more people



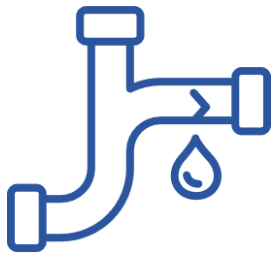
City building



New services or service enhancement  
Higher standard/ level of service

# How we build the budget

## Capital funding strategies



Infrastructure  
renewal



Growth



City building



100% Renewable  
Energy (100RE)



Contaminated  
sites

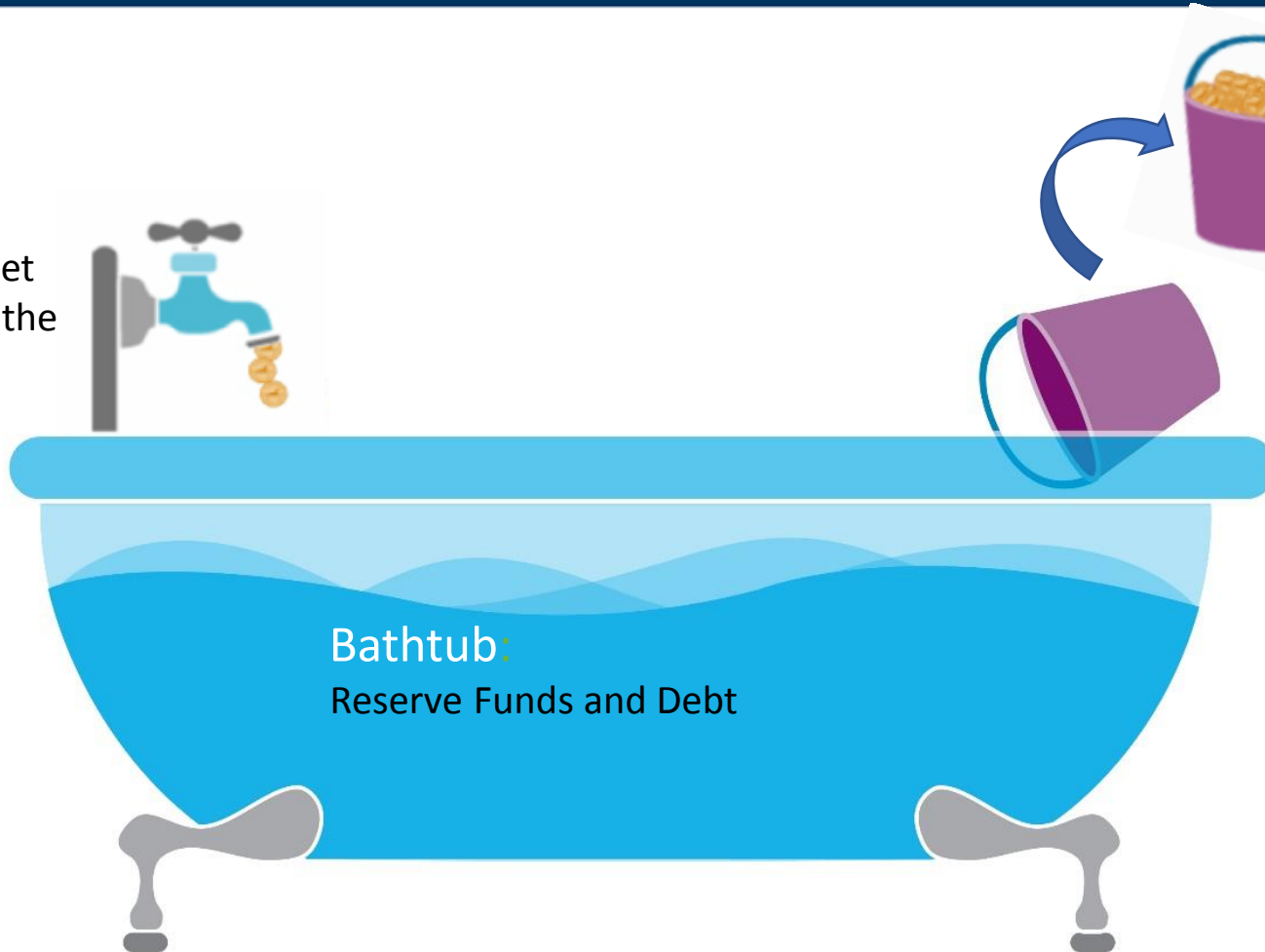


# How we build the budget

## Capital funding strategies

### Faucet:

Annual capital transfers from operating budget determined by the capital funding strategies



### Annual Bucket:

Annual capital budget used to fund tax and rate funded portion of projects

### Smaller Buckets:



Infrastructure renewal (64%)



Growth (25%)



City building (11%)

# *Guelph's Asset Management Planning*



[Click here to play video](#)

# How we build the budget

## Reserve and reserve funds

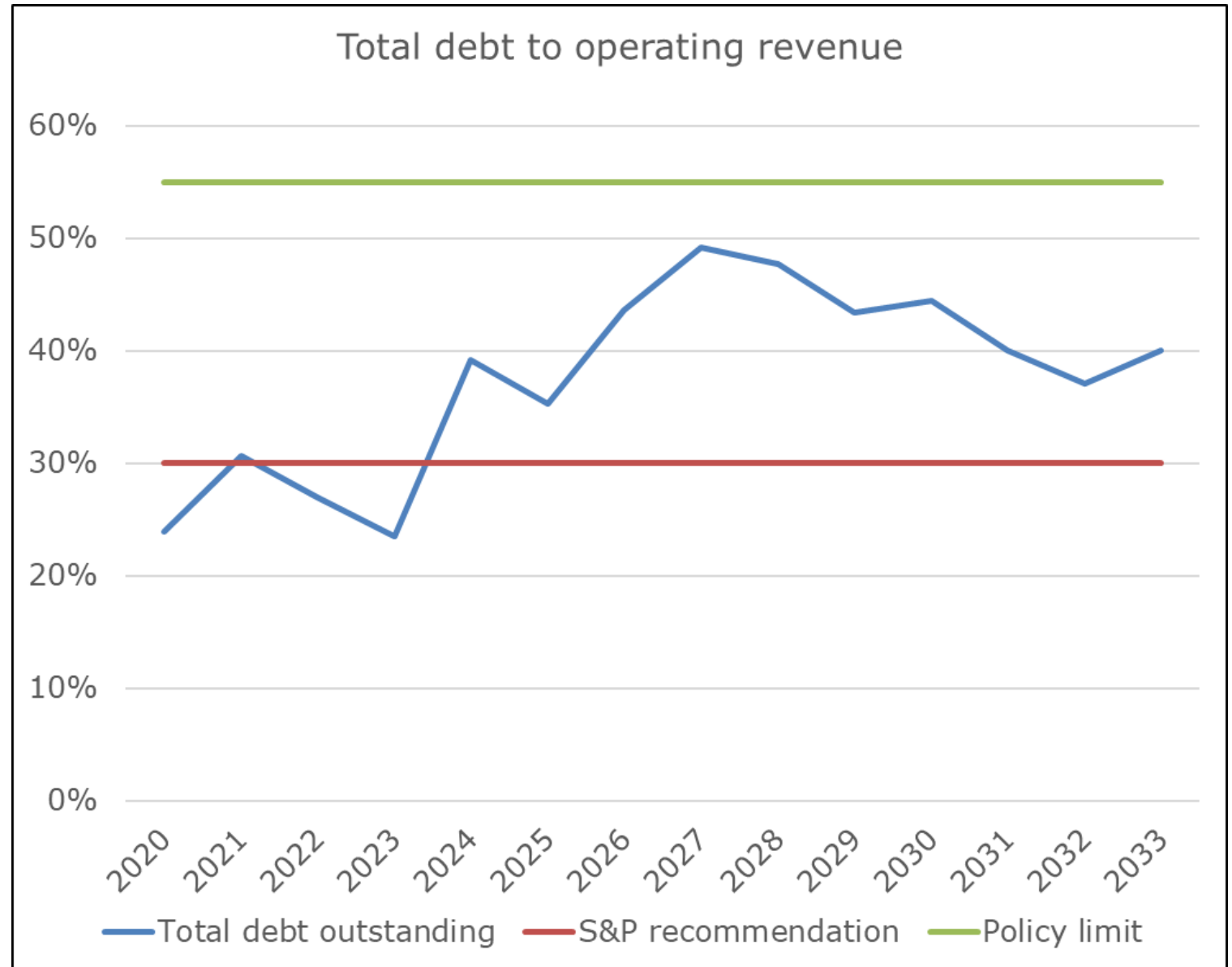


Tools to increase the City's sustainability and flexibility while reducing vulnerability

- Policy guides the use of reserve funds
- Key to long-term financial strategy
- Options to respond to unexpected issues, phasing in funding impacts over time and reduce reliance on debt
- City currently has 68 reserve and reserve funds

# Use of debt

- Debt is a useful financial tool
- Issued per our debt policy
- Used for capital – not for operating.
- AAA rating helps keep debt costs low
- No new debt planned for 2023
- Debt limits based on provincial regulations
- Growth will put pressure on debt capacity in future



# What is a multi-year budget?

# What is a multi-year budget



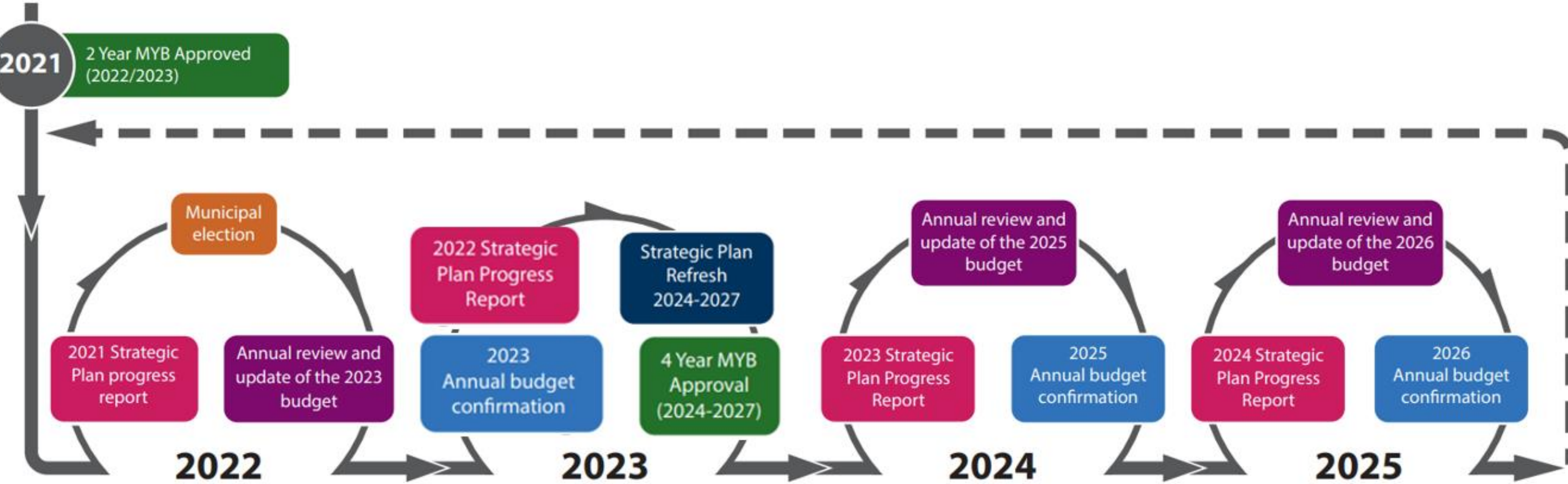
YOUR CITY FINANCES

How your  
***Multi-Year  
Budget  
works***



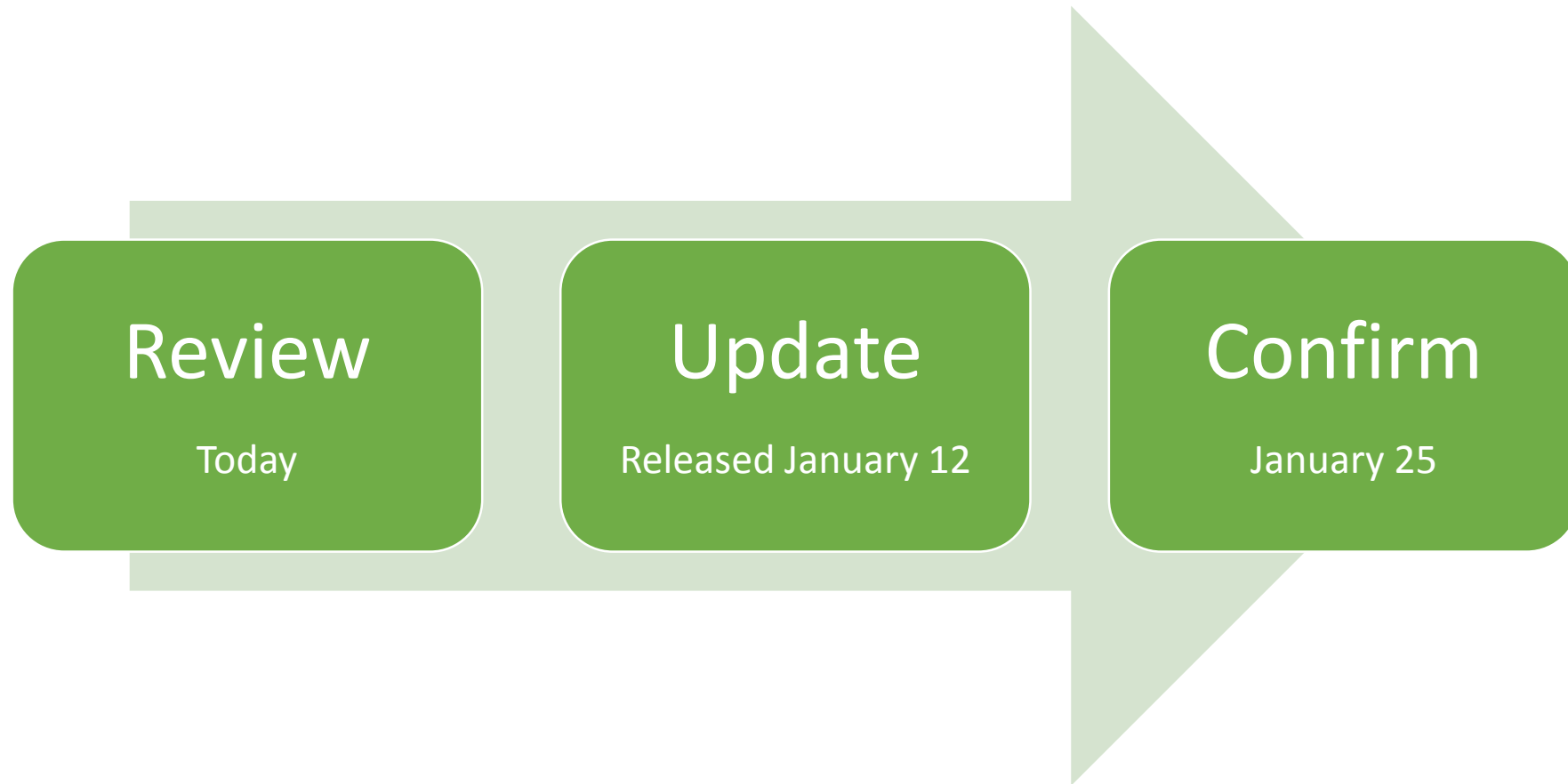
[Click here to play video](#)

# Multi-Year Budget: Guelph's MYB cycle





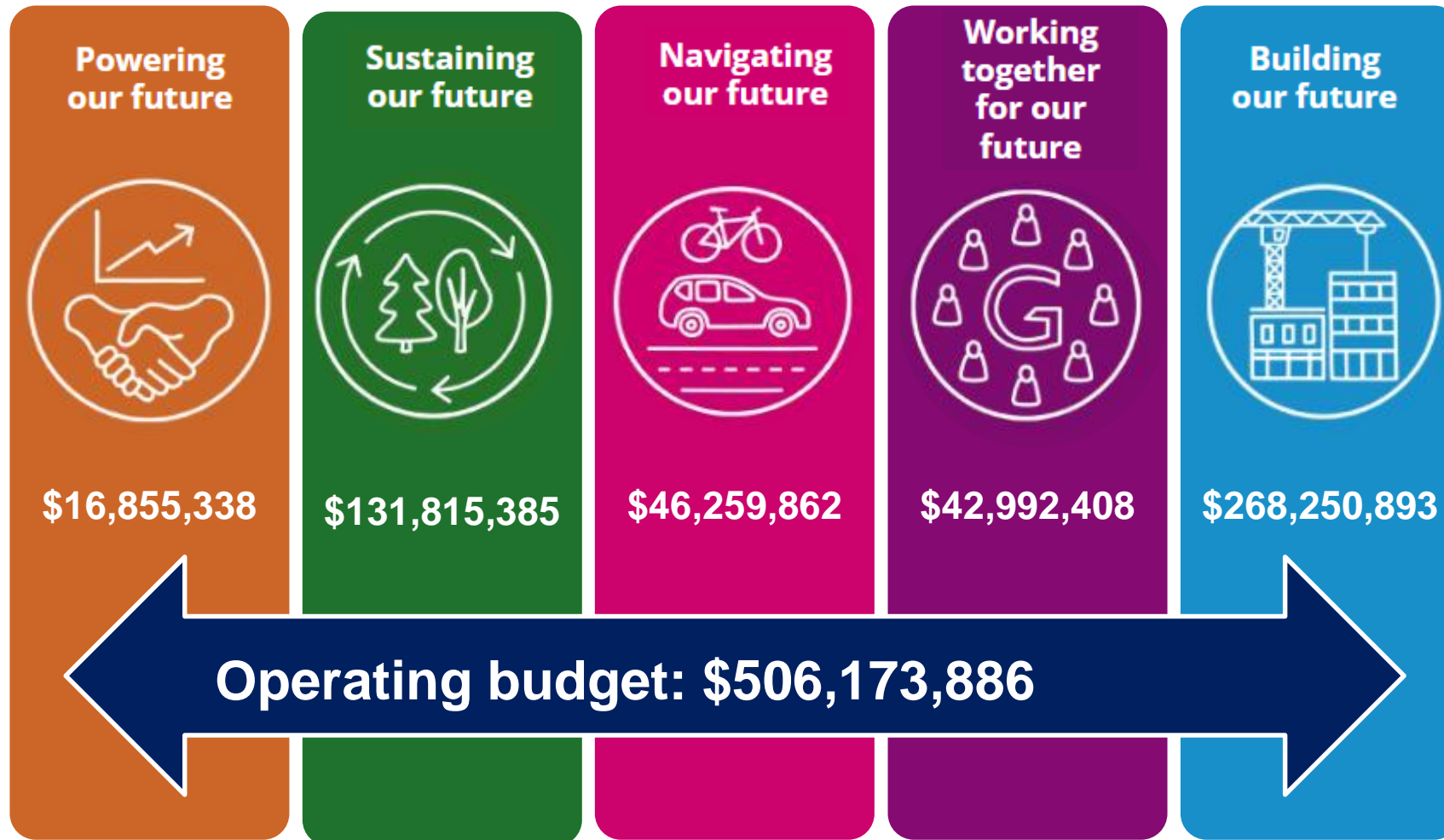
# Annual budget confirmation process



# **2023 approved budget**

# 2023 approved operating budget

## Gross operating budget



# 2023 approved operating budget

## Tax levy by City and Local Boards Shared Services (LBSS)

Expense category	2023 City	2023 LBSS	TOTAL
Net operating investment	\$9,820,786	\$4,047,538	\$13,868,324
Assessment growth	(\$1,874,119)	(\$923,073)	(\$2,797,192)
<b>Net impact before capital</b>	<b>2.84%</b>	<b>1.12%</b>	<b>3.96%</b>
Capital investment	\$1,426,900	\$1,961,000	\$3,387,900
Capital impact	0.51%	0.70%	1.21%
<b>Total net tax impact</b>	<b>3.35%</b>	<b>1.82%</b>	<b>5.17%</b>
<b>User rate increase</b>			<b>2.86%</b>

# Our budget story



Pace and capacity



Changing legislation



Energy and climate reduction impacts

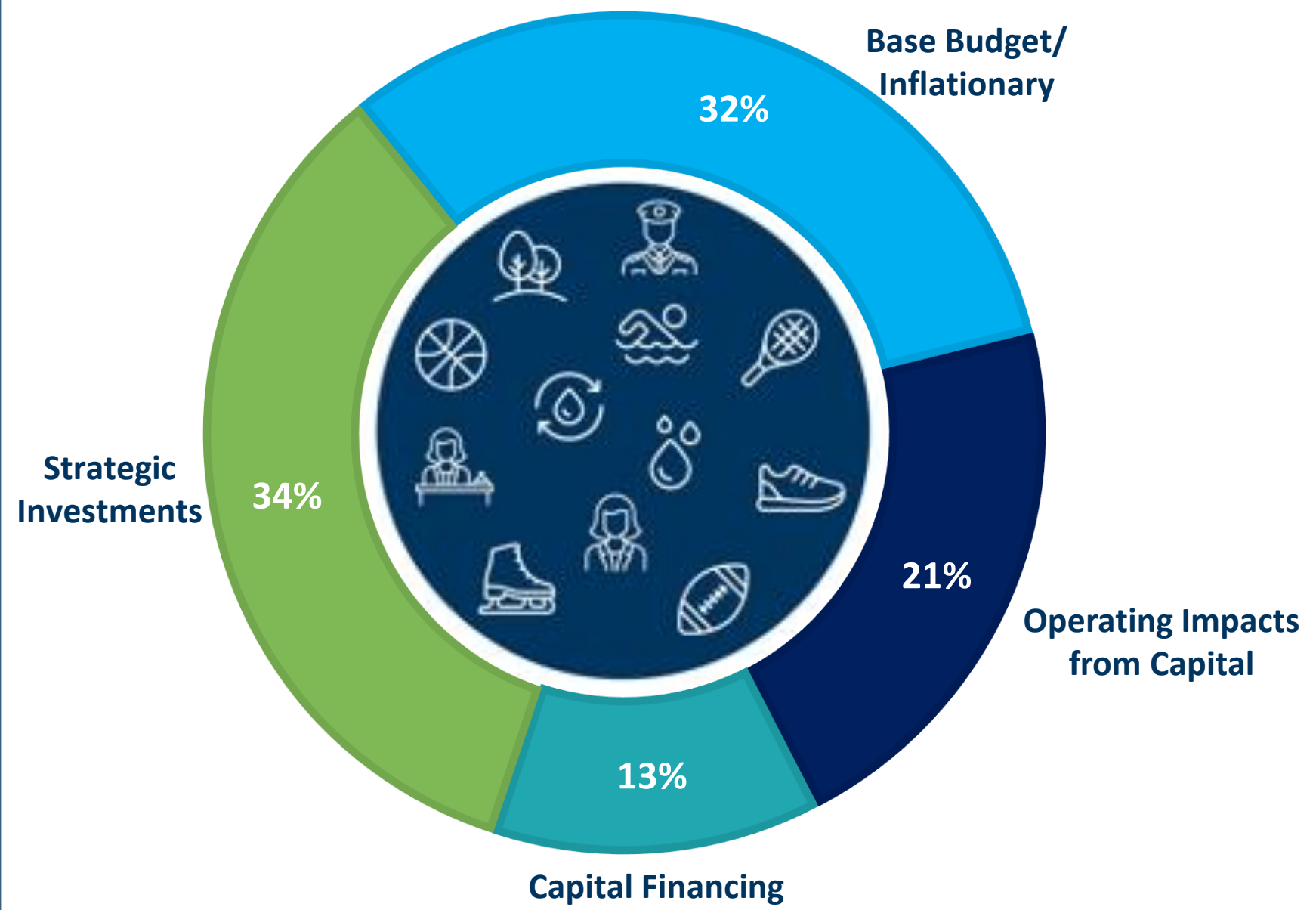


COVID-19 pandemic



Modernizing and transforming service delivery

# 2023 City operating budget drivers



# What is approved in the 2023 operating budget



**Investment in digital & customer service**



**Paramedics master plan**



**Community Benefit Agreement expansion**



**Transit route review**



**Emerging transportation technology**



**Maintain service level to our growing community**



**Capital program resourcing**

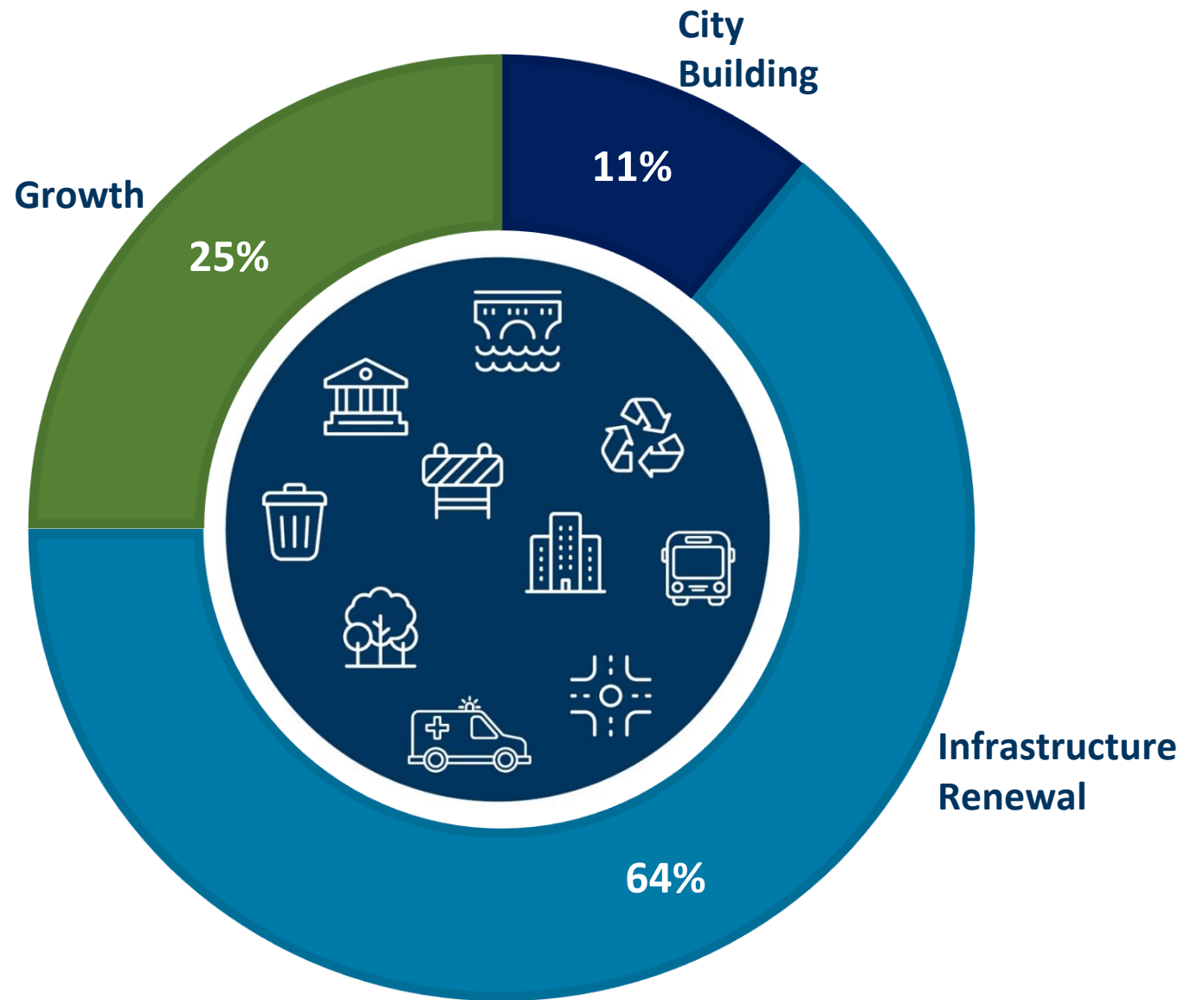


**Baker district phase-in**



**South end community centre phase-in**

# 2023 capital budget



**\$161,907,150**



# Key themes in 2023 capital budget



**Keeping our assets in a state of good repair**

**Investment in transit and active transportation**

**Water and wastewater treatment**

**Improving customer service through technology**

**Lessening our environmental impact**

# Annual budget confirmation

# Annual budget confirmation: what to expect

## Operating budget

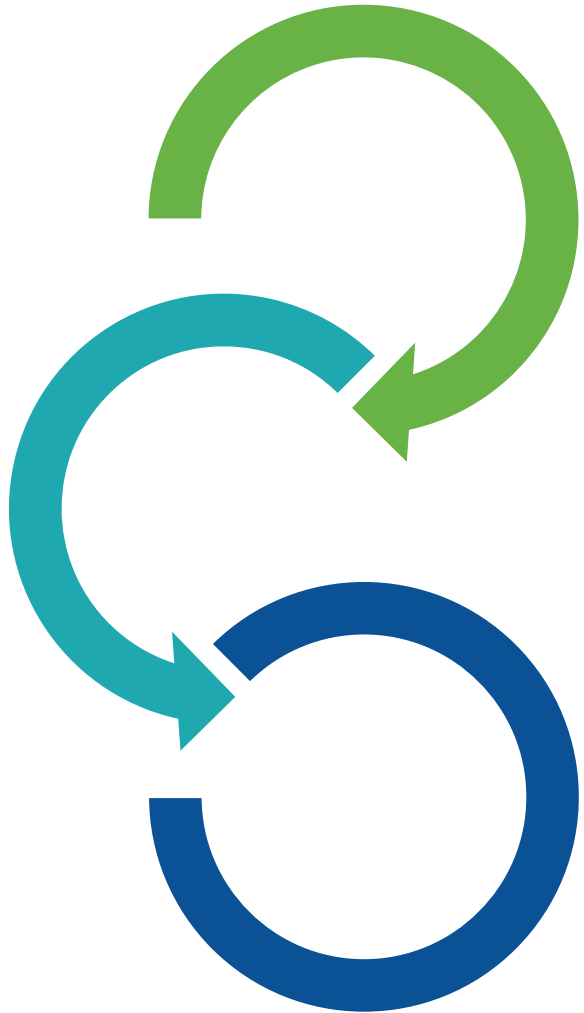
Updates will be presented in alignment with the approved Budget Policy which outlines three categories: Administrative, Reportable, and Material

## Capital budget

Updates will be presented on the capital re-prioritization process that has recently been completed

Budget Policy

# Next Steps



- **Budget information sessions**

Thursday December 8, 2022: 6:00 p.m. – 8:00 p.m.

Monday, December 12, 2022 : 6:00 p.m. – 8:00 p.m.

Wednesday, December 14, 2022 : 2:30 p.m. – 4:30 p.m.

Wednesday, December 14, 2022 : 6:00 p.m. – 8:00 p.m.

- **Budget website and Budget Board go-live**

Thursday January 12, 2023 at 8:00 a.m.

- **Budget information sessions**

Monday January 16, 2023: 2:30 p.m. – 4:30 p.m.

Monday January 16, 2023: 6:00 p.m. – 8:00 p.m.

Wednesday January 18, 2023: 6:00 p.m. – 8:00 p.m.

Thursday January 19, 2023: 2:30 p.m. – 4:30 p.m.

- **2023 Annual budget confirmation**

Wednesday January 25, 2023 at 9:30 a.m. (Closed for NUME)

Wednesday January 25, 2023 at 10:00 a.m. (Public)

# Questions

