

Strategic Plan and Multi-year Budget

Council Workshop
July 27, 2020



Agenda

- A new way of operating 15 minutes
- Financial framework and multi-year budget 15 minutes
- Agile performance framework and measures of success 45 minutes
- Financial implications of the Action Plan 45 minutes
- Wrap up and next steps 5 minutes

A new way of operating



Planning for our future



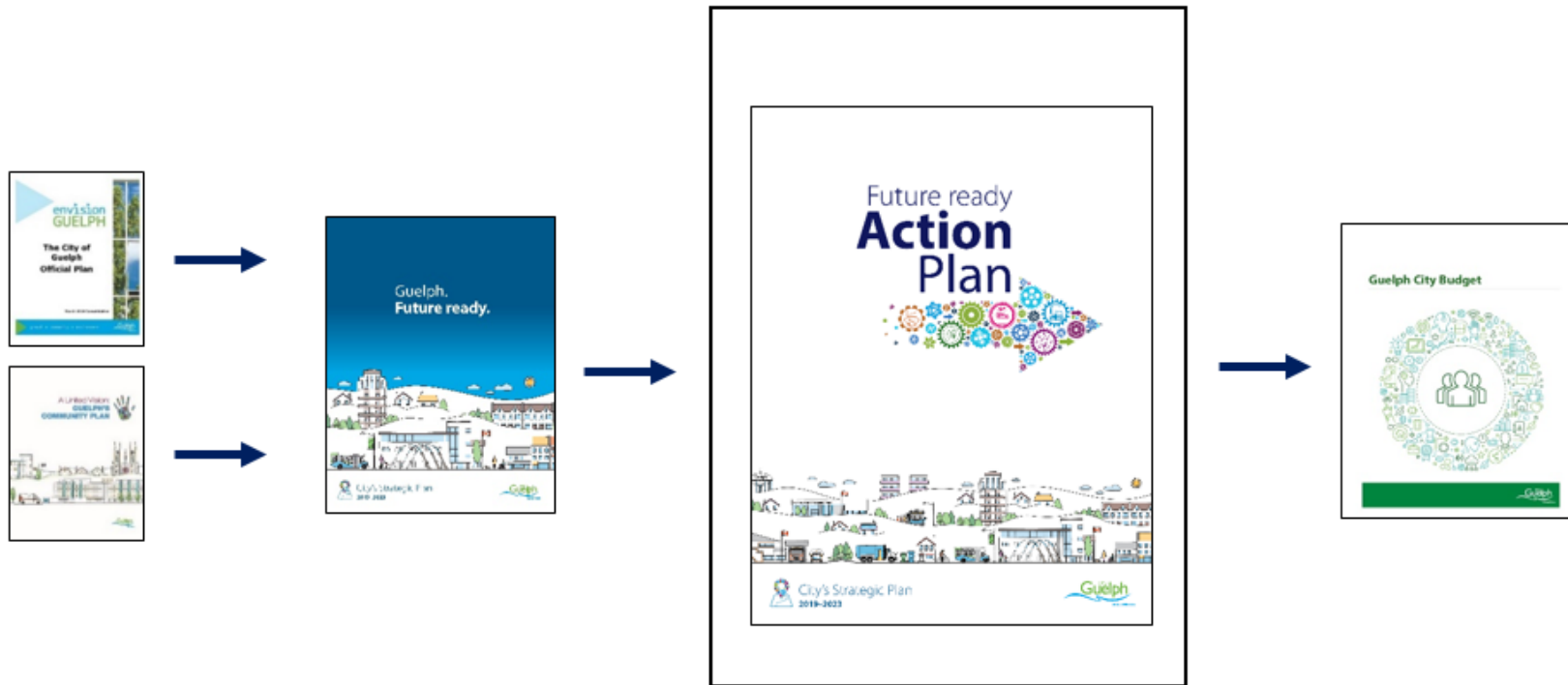
Guelph is changing

- Current challenges: COVID-19, racial injustice and systemic racism, climate change
- Population projected to increase from 132,000 today to 175,000
- Employment targets increase from 81,000 jobs to 92,000
 - More than 100,000 jobs in Guelph by 2041
- Increase in technology-related jobs, artificial intelligence, and robotics
- Need to grow up, not out
 - Consider a range and mix of housing options Increase ability to service the water and wastewater needs for a growing community
- Increased demand on City's day-to-day operations and service delivery across all lines of business

Solid strategic foundation

- Strategic Plan has been our guidepost during the COVID-19 pandemic
- Now moving forward with actions to help us realize our vision and strategic direction
- Important takeaways:
 - need for us to put in place operating mechanisms so we can adapt to frequent, dynamic and unexpected changes, and
 - need to foster and maintain a culture of agility and innovation

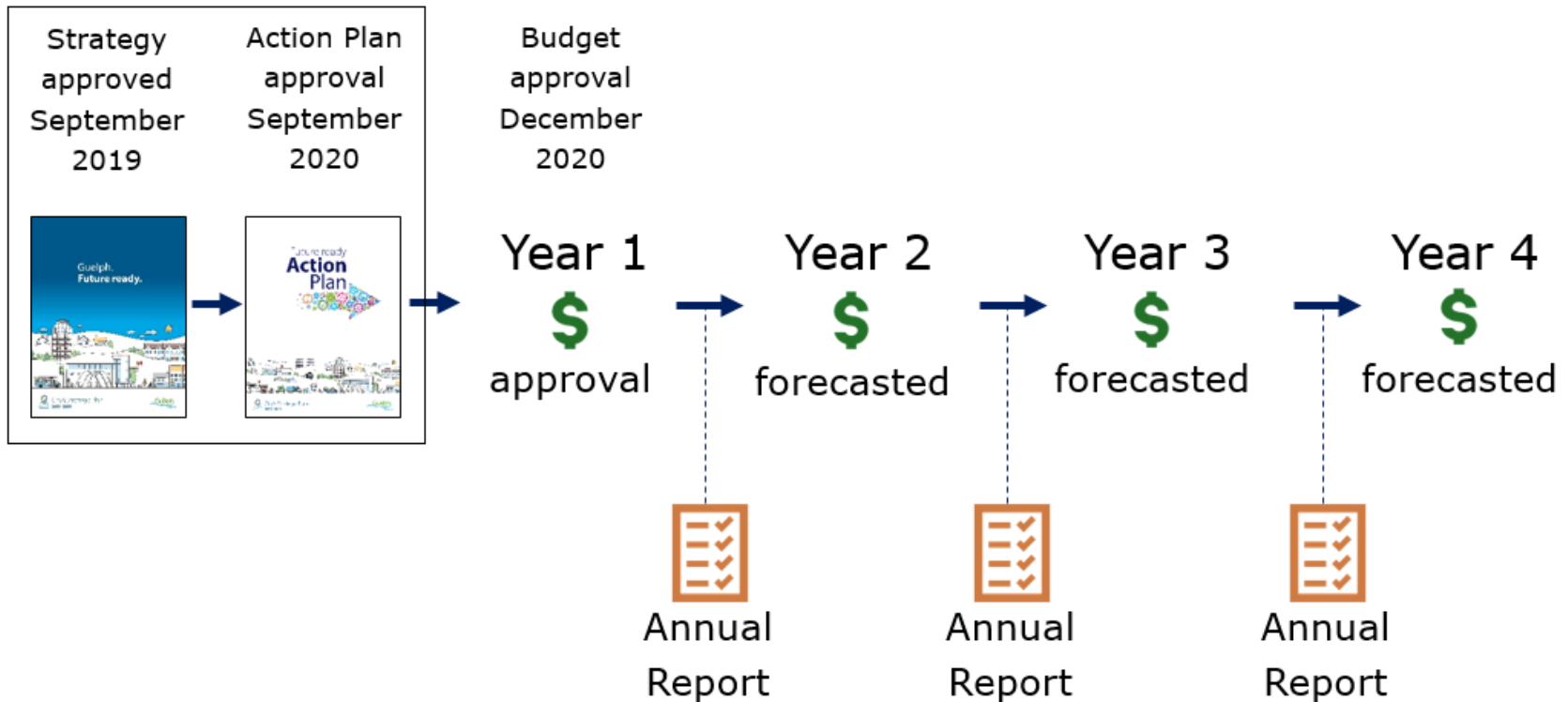
Future Ready Action Plan



Financial framework and multi-year budget



Integrated, long-term approach



What's the difference?

	Annual	Multi-year budget
Council oversight	✓	✓
Allows for public response and stakeholder input	✓	✓
Optimizes administrative burden to create room for implementation	X	✓
Funding priorities based on multiple years	X	✓
Measures performance and forecasts for the next couple of years to follow	X	✓
Departments only need to revise forecasts to current day issues and pressures	X	✓
Opportunity to fund items over long-term and integrate budget with long-term financial framework	X	✓
Allows for smoothing of predictable tax rate increases over multiple years	X	✓
Efficient use of Council time and resources	X	✓

Budget presentation

Old presentation

four separate budgets

Non-tax-supported Budget

Operating Budget

Local Boards and Shared Services Budget

Capital Budget

New presentation

One unified budget

City Budget

based on Strategic Plan: Guelph. Future ready.

Powering our future



Sustaining our future



Navigating our future



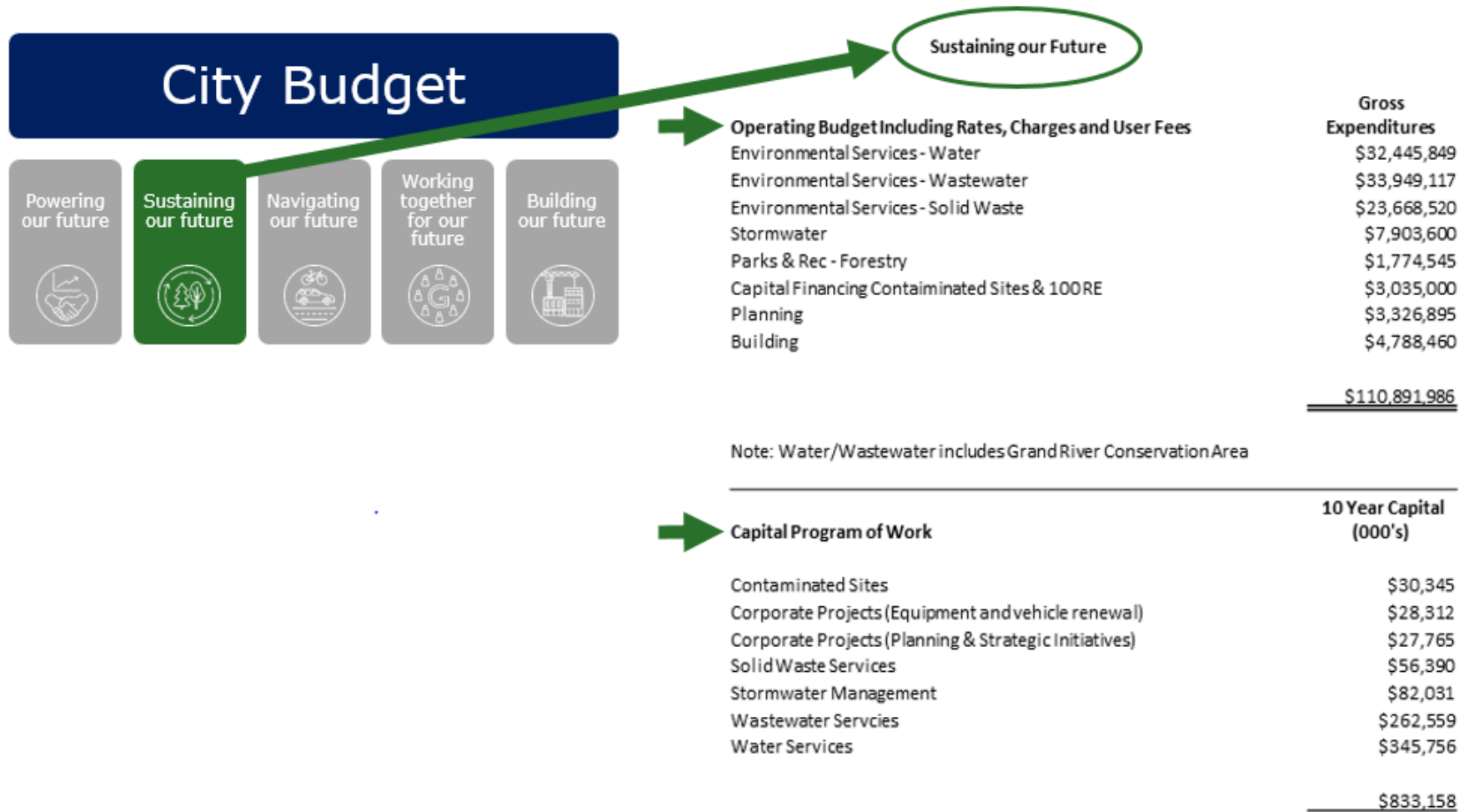
Working together for our future



Building our future



Budget presentation



Budget meetings

Old approach

October 2020

- Presentation and Public Delegations: Capital Budget
- Presentation and Public Delegations: Non-tax Supported Operating Budget

November 2020

- Council Deliberations and Approval: Capital Budget and Non-tax Supported Operating Budget
- Presentation: Tax Supported Operating Budget
- Presentation: Local Boards and Shared Services Budgets
- Public Delegations: Tax Supported Operating Budget and Local Boards and Shared Services Budgets

December 2020

- Council Deliberations and Approval: Tax Supported Operating Budget (up to 2 nights)

Total number of meetings: 7-8

New Multi-year budget approach

November 2020

- Presentation: City Budget
- Public Delegations: City Budget

December 2020

- Council Deliberations and Approval – City Budget (up to two nights)

Total number of meetings: 3-4

Agile performance framework and measures of success



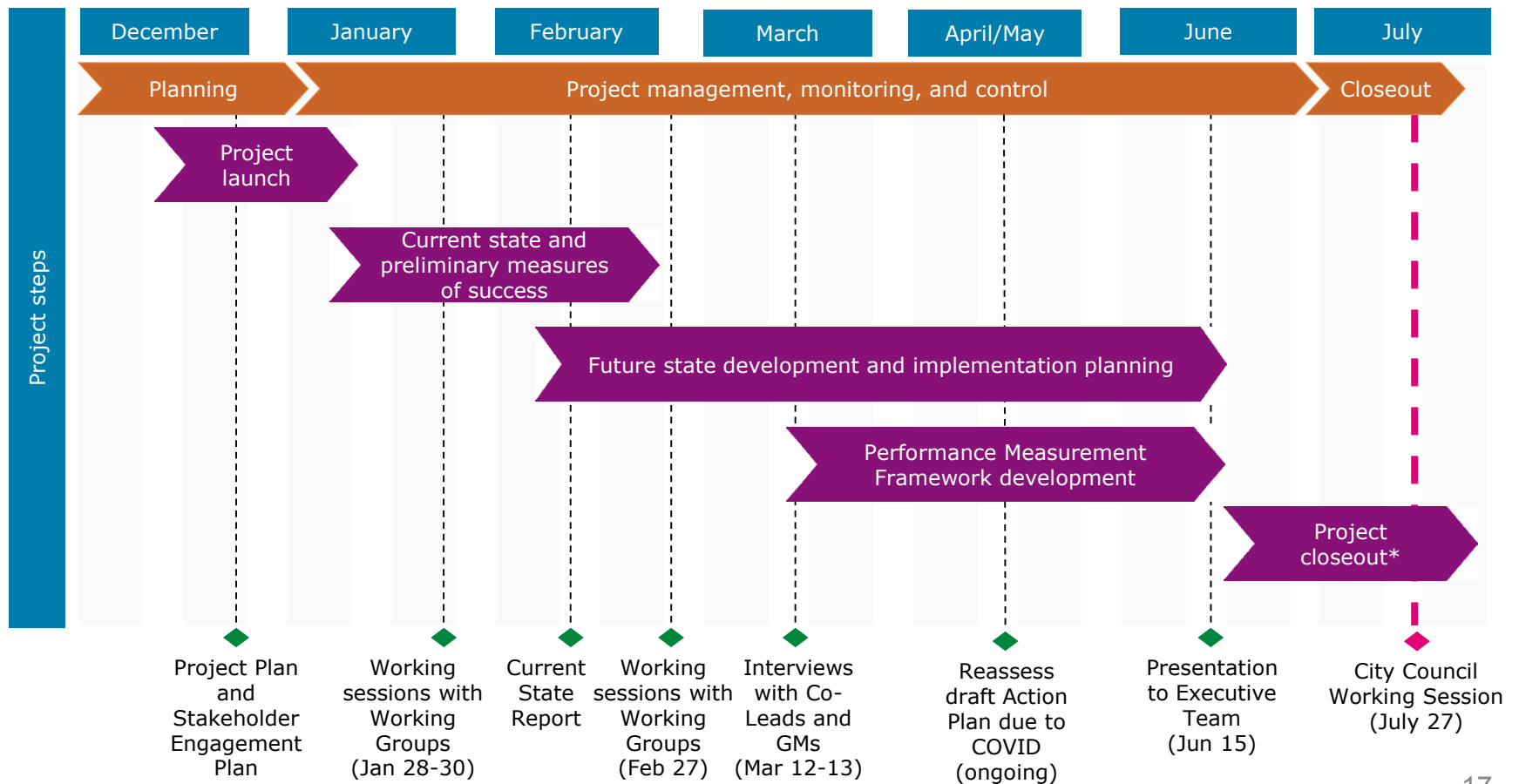
Desired outcomes

1. Create action plans and dashboards that include timelines for completion, accountabilities, and metrics for each initiative.
2. Facilitate staff willingness to embrace a change management mindset to align work effort to the strategic priorities and focus on evaluation.

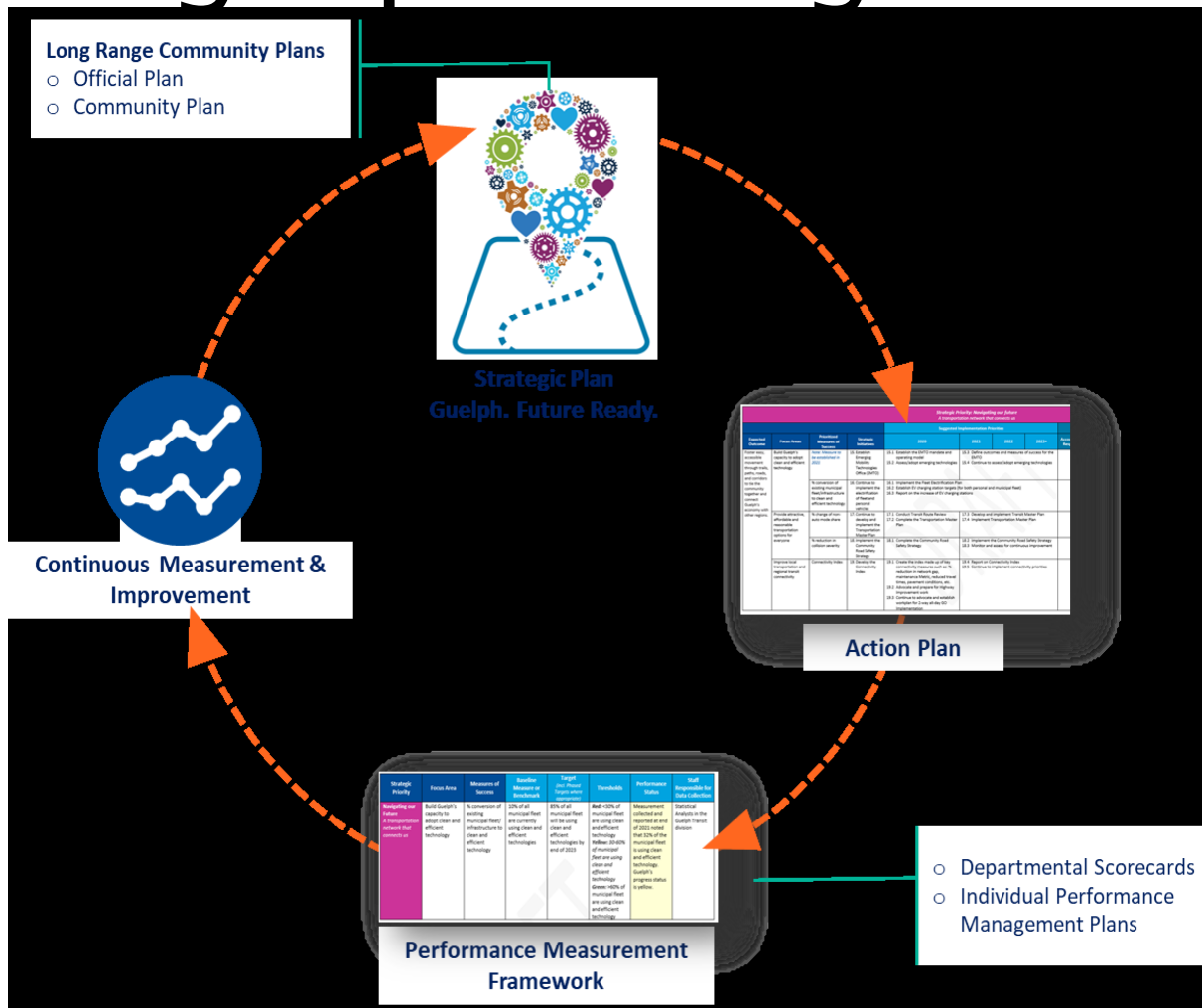
Desired outcomes

3. Develop a performance measurement framework to track and regularly report our progress.
4. Secure confidence and buy-in from City staff, Council and community stakeholders surrounding the operational plan's ability to drive the City forward.

Project approach



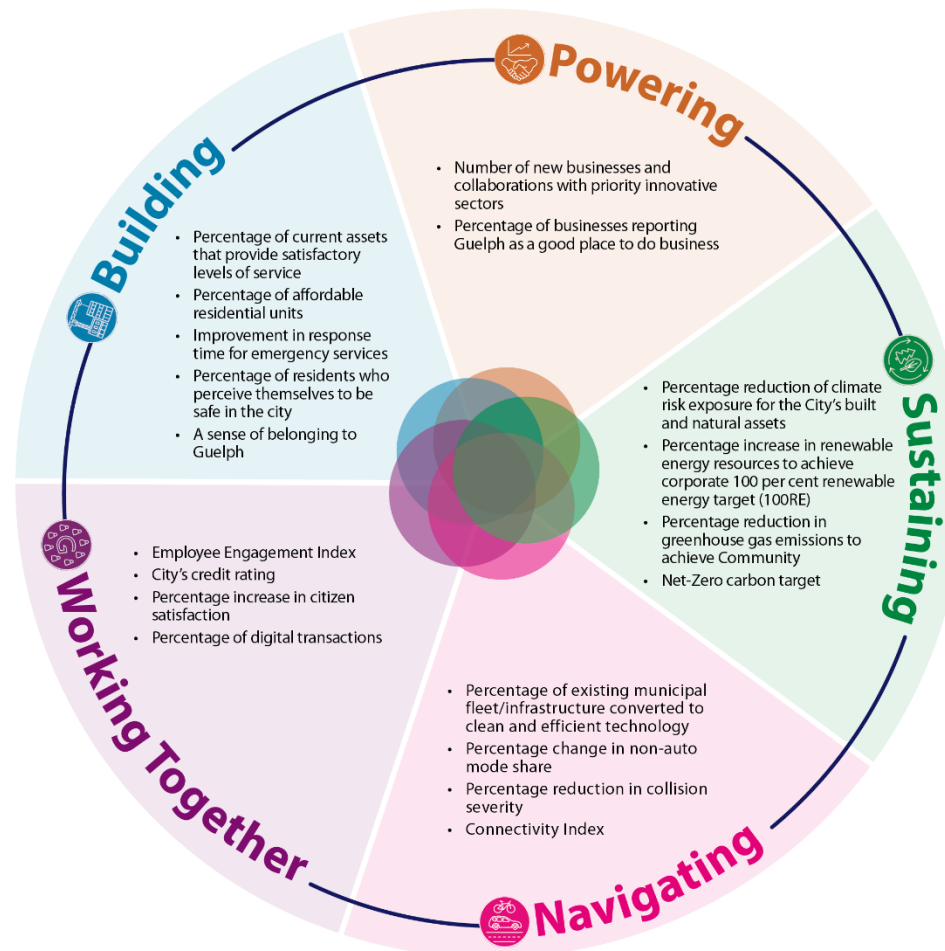
Strategic planning



Keep in mind...

- Is there any overall feedback or comments on the Action Plan?
- Do the initiatives identified reflect the most important priorities?
- Are these the best measures to reflect those priorities?

Future Ready Action Plan



Discussion

- Is there any overall feedback or comments on the Action Plan?
- Do the initiatives identified reflect the most important priorities?
- Are these the best measures to reflect those priorities?

Financial implications of the Action Plan



Setting the stage

Tax levy increase as estimated from 2020 budget:

2021	2022	2023	2024
4.31%	7.20%	3.99%	--%*

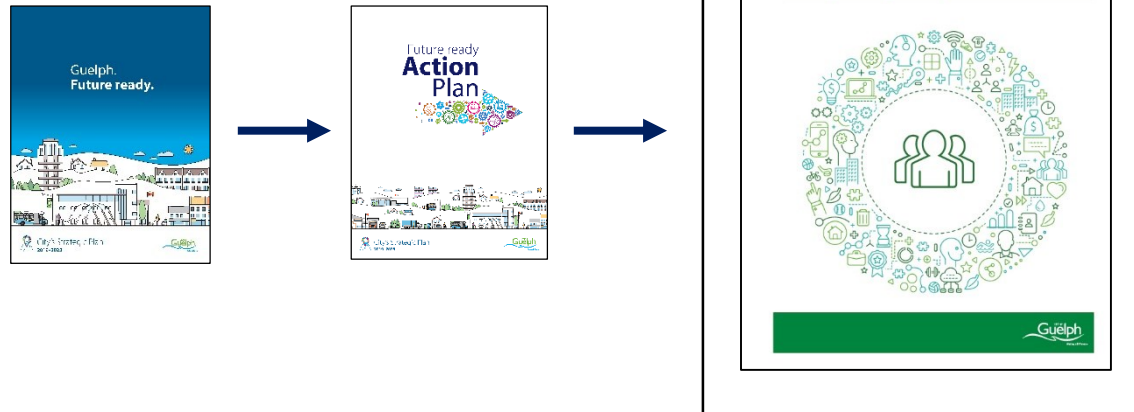
*Tax levy had not been forecasted to 2024

Modified tax levy increase projection:

2021	2022	2023	2024
2.23%	3.25%	3.52%	3.95%

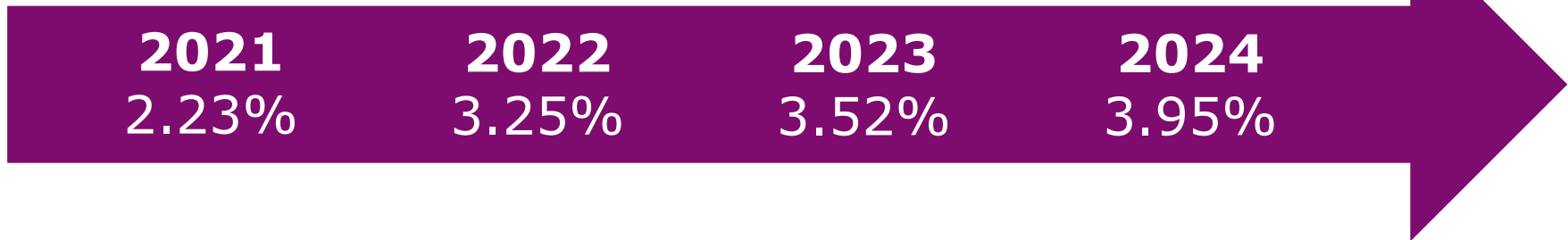
Setting the stage

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



Impact of strategic initiatives on the tax levy

Modified tax levy increase projection:



Service Simplified Strategy (SI #18)



Impact of strategic initiatives on the tax levy

Modified tax levy increase projection:



SI #18 + Develop and implement Climate Adaptation Plan (SI #8)



Impact of strategic initiatives on the tax levy

Modified tax levy increase projection:



SI #18 + SI #8 + Continue to develop and implement Transportation Master Plan – Transit Strategy (SI #14)

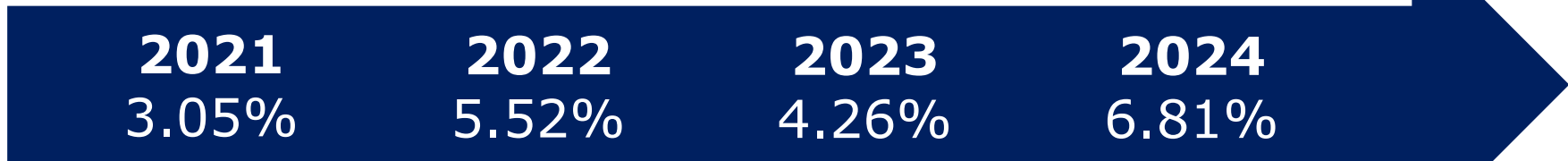


Impact of strategic initiatives on the tax levy

Modified tax levy increase projection:



SI #18 + SI #8 + SI #14 +
Build Key Assets - South End Community Centre and
Main Library (SI #22)



COVID-19 impacts on budget

- New capital priorities and on-going costs for PPE and cleaning
- Uncertain revenues
 - Long-term reduced user demand and growth revenues
- Changes in market conditions
- Workplace changes
 - Work-from-home culture
 - master plans
 - property taxation

COVID-19 impacts on budget

- Long-term reliance on contingency reserves

Tax contingency reserves	\$19.5 M
Less: 2020 deficit	<u>+ \$(4.3 M)</u>
	\$15.2 M

- Legal claims/challenges
- Legislative changes
- Other unplanned/emergency events

Opportunities to create budget savings and efficiencies

1. Council service level definition

- Local Boards and Shared Services proportionate share of assessment growth
- Subsidization (revenue/cost) targets
 - Increase user fees; modify service offerings to stay within mandated targets

Opportunities to create budget savings and efficiencies

2. Customer Service Strategy - Service Simplified

- Self-service model
- Centralized
- Corporate web payment solution

2020 successes

- PerfectMinds recreation software implementation
- Transit Electronic Fare Management (tap card) and RideCo pilot implementation
- Parking payment software implementation
- Creation of Digital and Customer Service Steering Committee to guide future project priorities

Opportunities to create budget savings and efficiencies

3. Continuous Improvement – LEAN

- Organizational culture change
- Streamline processes, remove inefficiency, maximize value
- Begins at the front-line, employee engagement, supported by CIO and DTMP

2020 successes

- LEAN training of 25 staff across the City
- Tax Certificates On-line
- Digitization of RFP evaluation process
- Webex staff and council meetings
- Digitizing paper-based forms

Opportunities to create budget savings, efficiencies and effectiveness

4. Enhancing our culture of innovation

- Look for more opportunities to embrace innovation and disruption in our work
 - Civic accelerator projects
 - Local partnerships to pilot new technologies
 - Guelph Lab initiatives in partnership with U of G

2020 projects

- MIX Road Conditions/Assets Management
- Paramedics Assist –
- Household Waste Reduction
- Carbon Credits

Opportunities to create budget savings and efficiencies

5. Doing Business Differently

- Large-scale projects, may be led by CIO
- Service delivery changes
- Can lead to politically divisive conversations – resistance to change

2020 projects

- Time and Attendance modernization
- Multi-year Budget aligned with Strategic Plan metrics
- Escribe – Digital Agenda Management

Future project ideas

- Privatization/restructuring
- Alternative service delivery models
- Sale of underutilized assets
- New business investment (fibre, data)
- Review of efficiency opportunities in corporate services functions

Discussion

- What questions do you have about the current financial context surrounding our Action Plan and proposed budget process?
- Given that affordability will have an impact on how quickly the Strategic Plan is implemented, which initiatives or service changes would you want us to look at to address affordability?

Wrap up and next steps



Next steps

Strategic Plan Action Plan

- September 28 Council meeting:
 - Recommended approval of Future Ready Action Plan

Multi-year Budget

- November 17 Council meeting: budget presentation
- November 25 Council meeting: budget public delegations
- December 1 Council meeting:
 - recommended approval of 2021 budget
 - receipt of three-year operating forecast and nine-year capital forecast

Thank you

