



## Town of Niagara-on-the-Lake

1593 Four Mile Creek Road  
P.O. Box 100, Virgil, ON L0S 1T0  
905-468-3266 www.notl.com

**REPORT #:** CS-23-024

**COMMITTEE DATE:** 2023-07-18

**DUE IN COUNCIL:** 2023-07-25

**REPORT TO:** COTW-General

**SUBJECT:** 2024 Budget Timeline

### 1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council approve the 2024 budget timeline presented in **Appendix I** to this report;
- 1.2 An incremental transfer of \$150,000 to the Capital Reserve be considered for 2024 Budget Planning; and
- 1.3 Council give Staff guidance for 2024 for an operating levy increase not to exceed 6.5%.

### 2. EXECUTIVE SUMMARY

- Municipalities must prepare and adopt a balanced budget annually, per the *Municipal Act, 2001*.
- In preparation for the 2024 Budget process, Staff prepared a budget schedule for Council's consideration. Staff recommend this timeline, attached as **Appendix I**, be approved by Council and followed for the 2024 budget deliberations.
- The timeline recommends that a budget and departmental overview be provided at the first budget meeting and there be two (2) meetings for Capital, three (3) meetings for Operating, two (2) meetings for rate supported budgets (water and wastewater rates), one (1) meeting dedicated to Community Partners and Local Boards, and one (1) meeting for Budget Finalization and approval.
- Additionally, Staff recommend that Council provide guidance on the 2024 operating levy and incremental transfer to the Capital Reserve.
- A 1% increase in the Town's 2024 Operating budget is equivalent to \$149,666.

### 3. PURPOSE

The purpose of this report is to seek Council's approval on the 2024 budget timeline and to seek preliminary guidance on the overall budget formulation.

### 4. BACKGROUND

In accordance with Section 290 of the *Municipal Act*, a local municipality must prepare and adopt a balanced budget every year. Budget documents are prepared annually through staff submissions, discussions with senior staff and the CAO and final compilation by the Finance department. The overall goal is to produce a budget that is responsible, transparent and accountable.

## 5. DISCUSSION / ANALYSIS

Finance staff has drafted a schedule for senior staff as it relates to timing of submissions of department budgets and meetings with Senior Management. This timeline is imperative as it allows for the Finance department to plan for the necessary reviews, additional analysis and preparation of the final draft budget and corresponding reports and presentations.

The Town has historically prepared Capital budgets in the summer months, with presentations in September and October. Operating budgets, along with community partners and local boards are deliberated in October through to the end of budget approval process. Budgets have typically been approved between January and March of the budget year that is being approved (with the exception of election years). For the 2024 Budget year, Staff is seeking approval of the budget in December 2023. Obtaining budget approval earlier offers several benefits, including thorough planning and preparation, timely implementation of initiatives, and enhanced service delivery, and the ability to secure better pricing on tenders by leveraging longer lead times and competitive bidding. These advantages contribute to improved outcomes and financial efficiency.

For the 2024 budget process, Staff are introducing a structured timetable and separating budget meetings into different sections, including General Operating Budgets, Rate Supported Budgets (Water and Wastewater Rates), Capital Budgets, and special meetings for Community Stakeholders and Local Boards.

Community engagement on the 2024 budget will be completed in the third quarter of 2023, so that Council may look at results before providing budget guidance. Additional information on community engagement is included in the Communications Section of this report.

The new budget meeting structure will result in nine (9) budget deliberation meetings: two (2) Capital meetings, three (3) Operating meetings, two (2) Rate meetings, and one (1) meeting for Community Partners and Local Boards, and one (1) Budget Finalization and Approval meeting. A budget and departmental overview will also be provided during the first budget meeting. As in previous years, if Council wishes to meet more often than proposed, additional meetings will be added to the timetable with final approval pushed into the new year.

## 6. STRATEGIC PLAN

The Budget is a guiding document that supports Council's Strategic Plan or other initiatives that come forward through the year.

## 7. OPTIONS

- 7.1 **Option 1:** Council approves the recommendations of this report (**Recommended**).
- 7.2 **Option 2:** Council amends the recommendations of this report (*Not Recommended*).
- 7.3 **Option 3:** Council denies the recommendations in this report and asks Staff to return with a new report.

## 8. FINANCIAL IMPLICATIONS

The budget is a guiding financial document for the year and determines the Town's goals and priorities. Several items will impact the overall outcome of the 2024 budget; Staff will be determining the impact of these items on the 2024 budget in the coming months.

Some drivers for the budget include:

- Employee Bargaining Group Negotiations.
- Strategic Plan Priorities – Council’s Strategic Plan will provide more guidance on how certain issues will be addressed or strategic priorities. These items will need careful consideration to align financial resources to support them.
- Minimum Wage increase effective October 1, 2023.
- 2023 Business Case Phase-in – A number of business cases were only partially phased in for 2023, recognizing the timing of approval of the 2023 budget and when the business cases could be implemented. This may be further compounded by Employee Bargaining Group Negotiations. Based on 2023 budget, this was approximately \$250,000 excluding positions that were deferred from 2023 for consideration (Climate Change Coordinator and Mechanic positions).
- Fleet Review – Staff recently brought forward the fleet review with wide ranging recommendations and implications for the 2024 budget.
- Increases in normal operating requirements, such as utilities and insurance.
- Inflationary pressures.

For the 2024 Operating budget, 1% is equivalent to a \$149,666 increase in expenditures.

## **9. ENVIRONMENTAL IMPLICATIONS**

There are no direct environmental implications associated with this report.

## **10. COMMUNICATIONS**

Upon Council’s approval, the attached timeline will be circulated to Community Partners and Stakeholders. The community will have the opportunity to participate in the budget process by providing their input and feedback through a budget survey accessible on the Town's Join the Conversation engagement platform. The survey will be located on a dedicated project page that provides supplementary information about budgeting and the Town's budget process. Both the page and the survey will be made public in Q3 to ensure ample time for collecting feedback, which will then be compiled and presented to Council for their review and consideration.

## **11. CONCLUSION**

Staff are looking forward to the 2024 budget deliberations. Following the attached timeline will ensure milestones and discussions occur to deliver a timely 2024 budget.

## **12. PREVIOUS REPORTS**

N/A

## **13. APPENDICES**

- **Appendix I** – Proposed 2024 Budget Timeline

Respectfully submitted:

**Prepared by:**

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**Nick Alaimo, CPA, CMA  
Manager of Finance/Deputy Treasurer**

**Recommended by:**

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**Kyle Freeborn, CPA, CMA  
Director of Corporate Services/Treasurer**

**Submitted by:**

A handwritten signature in black ink, appearing to be 'M. Cluckie' with a long horizontal stroke extending to the right.

**Marnie Cluckie, MS.LOD, B.ARCH, B.ES  
Chief Administrative Officer**