



Staff Report

Report To: Dan Best, Chief Administrative Officer
From: **Sandy Becker, Financial Services
Manager/Treasurer**
Date: August 21 2017
Report: FIN.17.18
Subject: 2018 Budget Process and Schedule

Recommendations:

That South Huron Council receives the report from S. Becker, Financial Services Manager/Treasurer re: 2018 Budget Process and Schedule;

And that South Huron Council endorse, in principle the 2018 Budget guiding principles as outlined in this report;

And that South Huron Council approves the 2018 Budget Schedule as presented.

Purpose:

The purpose of this report is to provide information regarding the 2018 Budget process and seek Council's endorsement of the proposed guiding principles, as well as to confirm dates for budget deliberations.

Background and Analysis:

The Municipality of South Huron continually strives to improve its budget process and implement communication strategies to engage residents and garner feedback on the budget.

Budget Process:

Staff from all departments work collaboratively in assessing the resource allocation, service levels and strategic goals for the upcoming year. Department Heads complete a line-by-line review prioritizing operational needs and infrastructure projects, identifying and incorporating efficiencies and strategic initiatives. Finance review and consolidation of department submissions is then completed. The CAO and Treasurer complete a detailed departmental review with each respective Department Head. This process typically begins several months prior to its presentation to Council.

It is proposed that the draft 2018 Budget be developed on the assumption that the base budget will continue to provide a comparable level of service to that which was provided in 2017.

The 2017 audited financial statements confirmed a tightly managed budget in 2017 with a small year-end surplus position. As such, staff are recommending that the 2018 budget primarily focus on the maintenance of existing programs and services. It is important that the budget reflect the best use of existing resources to maintain the high quality programs and services and at the same time ensuring value for money for the residents. In preparing the draft budget all areas will be reviewed to ensure the budgets are reasonably aligned with actual revenue and cost projections.

Along with the 2018 capital budget projections, an outlook for the years 2019 – 2022 will also be presented which will facilitate with the development of a long term financial strategy, including cash requirements and reserve forecasts which may allow for longer term and higher yielding investments.

Guiding principles:

The endorsement of guiding principles will ensure that staff are focused in preparing a draft budget that is consistent with Council's objectives. The guiding principles for 2018 are proposed to be generally the same as those used in 2017 and are as follows;

- maintain core programs and services to residents comparable to that provided in 2017
- priority focus on strategic plan objectives
- provision for COLA as defined in the pay administration policy
- increased funding for asset management renewal and replacement
- continued focus on community engagement, including Public Open House and Presentation meeting
- adjustments to meet required statutory or legislated changes
- increases in both revenues and expenditures to accommodate any growth in the community

Proposed timeline:

The proposed timeline for the development and approval of the 2018 Budget will enable timely implementation of programs and services as well as cost saving opportunities for capital projects.

2018 Proposed Budget Schedule			
Action/Event	Date	Time	Location
Department preparation of preliminary budget Finance review and consolidation of department submissions	August-September		
CAO and Treasurer review with Department Heads Preparation of draft budget for Council/public review	October		
Budget Committee #1 - Budget Process Overview and Direction	Sept 5, 2017	1:00 - 4:00	Carling Room
Budget Committee #2 - Preliminary Overview of proposed 2018 budget	Oct 31, 2017	1:00 - 4:00	Carling Room
Public Open House & Presentation	Nov 7, 2017	6:00 - 8:00	South Huron Recreation Centre
Budget Committee Meeting #3 - Budget Deliberations	Nov 14, 2017	4:00 - 7:00	Carling Room
Budget Committee Meeting #4 - Budget Deliberations	Nov 28, 2017	9:00 - 4:00	Carling Room
Approval and Adoption of 2018 Budget at Council Meeting	Dec 18, 2017		Council Chambers

Adoption of the above meeting schedule would provide the most open and transparent process by providing advanced notification to stakeholders. However, with proper notification, meeting dates can be changed.

The above noted schedule will ensure adequate time for deliberations as well as provides a combination of day and evening hours and half and full day meetings, similar to 2017. The schedule is proposing to have the 2018 budget adopted by the end of 2017.

Operational Considerations:

No alternatives are presented related to the proposed recommendation.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Administrative Efficiency and Fiscal Responsibility
- ✓ Transparent, Accountable, and Collaborative Governance

Financial Impact:

There are no financial implications for the Corporation resulting from the proposed recommendation.

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

Municipal Act, Part VII
O. Reg 284//09 Budget Measures-Expenses
By-Law 20-2003 Notice provision

Consultation:

Dan Best, Chief Administrative Officer

Respectfully submitted,

Sandy Becker, Financial Services Manager/Treasurer