



2018 BUDGET PROCESS CHANGES

BUDGET PROCESS

- Start with the 2017 budget as a base
- No increases unless there is a solid business case presented through one of the following mechanisms:
 - Operating Initiative (new one time items)
 - Service Level Change
 - Base Budget Adjustment (correction based on 5 year trend analysis)
 - Capital Initiative
 - Staff Initiative
 - Revenue Generating Initiative
- Any initiative prepared must have a direct link to the Strategic Plan
- Initiatives will be prepared for a 5 year period to help facilitate the County's Long-Term Strategic Plan
- No carry-forward projects will be included in the interim budget. They will be added to the final (spring) budget when numbers are finalized through the year end process.
- Move towards focusing more on programs and services

DEVELOPMENT OF PRIORITIZATION & RANKING CRITERIA

All initiatives will be run through vigorous rating criteria:

Imperative (Must Do) – Initiatives that cannot be reasonably be postponed in order to avoid harmful or otherwise undesirable consequences

Essential (Should Do) – Initiatives that address clearly demonstrated needs or objectives

Important (Could Do) – Initiatives that benefit the community but may be delayed without detrimental effect to basic services

Desirable (Other Year) – Desirable initiatives that are not included within the current year budget because of funding limitations

OPERATING VERSUS CAPITAL

- Create a separation between the operating and capital budget
- Allows for:
 - Transparency between day to day operations and capital projects
 - Clearer link to the financial reporting requirements
 - Easier monitoring and reporting of operations versus capital projects

CAPITAL BUDGET CHANGES

- Projects that are similar in nature will be consolidated and presented as one budget item
- Projects will be clearly identified as either “Growth” or “Renewal/Replacement”
 - Growth applies to new infrastructure
 - Renewal/Replacement have an impact on existing infrastructure
- “Growth” projects will have more heavily scrutinized and only considered after renewal projects are funded
- Council approval will be at a higher level protecting the County’s competitive bidding process while at the same time adding more internal flexibility
- Council will still have an itemized capital list & the capital initiatives as supplemental information
- Council approval will still be required for scope changes and for amounts in excess of the approved budget

BUDGET PRESENTATION CHANGES TO COUNCIL

- Budget will be presented at a divisional level rather than a departmental level
 - Departmental business plans will still be prepared but will be used from a corporate planning perspective rather than for budget purposes
- All financial information will be removed from the corporate planning documents and be presented separately
- Presentations will focus on the changes from the base budget
- Initiatives will still be provided but will be simplified and tailored to reason for request as noted on previous slide

REASONS FOR CHANGE

- Economic pressures
- Prudent planning
- Address capacity issues within the organization
- Relieve burden on staff resources
- Move toward GFOA best practices
- Research done on other municipalities
- Feedback from all staff involved in the process
- Corporate planning function allows the budget to be a financial document rather than a planning document

WHERE TO NEXT

- Prepare for Municipal Government Act/Regulation changes coming within the next few years
 - 3 year operating plan
 - 5 year capital plan
- Move to Priority Driven Business Planning & Budgeting
 - The municipality identifies its most important strategic priorities
 - Services are ranked according to how well they align with the priorities
 - ↳ Prioritization helps a municipality better articulate why the program exists, what value it offers the citizens, how they benefit the community, the cost of offering the program, and what objectives and citizen demands they are achieving
 - Resources are allocated in accordance with the ranking