



Staff Report to Council

Financial Services

FILE: 05-1700-01/24

REPORT DATE: April 29, 2024

MEETING DATE:

May 07, 2024

TO: Mayor and Council

FROM: Laura Barroetavena, Director of Financial Services

SUBJECT: 2025 Business Plan Guidelines and Timeline

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:

RECOMMENDATION(S):

THAT Council:

- A. Approve the 2025 Business Plan Guidelines and Timeline as presented at the May 7, 2024 Regular Council meeting; AND
 - B. Approve the amendment to the 2024 Council Meeting Schedule to reflect Business Plan presentation dates of November 25 and 26, 2024; OR
 - C. Other.
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PURPOSE

The purpose of this report is to obtain Council’s approval of the 2025 Business Plan Guidelines and Timeline which staff will use to prepare the 2025 – 2029 Five Year Financial Plan.

Information Report

Decision Report

Direction Report

DISCUSSION

Background:

Past practice of City Council has been to provide staff with overall direction for development of the five year financial plan, as well as approval of the annual timeline for the development, presentation, and consideration of department business plans and proposed budgets. Each year City staff and key service delivery partners prepare business plans for the upcoming year. The business plans outline the achievements, key challenges, and major initiatives to be undertaken in order to meet the goals and objectives in Council’s 2023 to 2026 Corporate Strategic Plan.

Recognizing the reality that new strategic priorities emerge throughout the year the process of reporting on the deferral of planned initiatives will continue for 2025.

Staff proposes the 2025 budget be developed with the objective to maintain current 2024 service levels.

According to the suggested timeline (pages 7 and 8 of Attachment A) staff will present the department business plans and preliminary operating and capital plans to Council on Monday and Tuesday, November 25th and 26th, 2024. At that time Council will have a complete understanding of management's interpretation of the budget needed to deliver the same services as 2024, with budget deliberations then occurring December 9th and 10th, 2024. Staff is recommending Council not set any tax targets until Council has received and considered all of the budget information needed to make an informed decision.

Staff is of the opinion that any target set before complete and accurate information is available would be premature.

Decision packages, accompanying the Business Plans, for operating activities such as: new or increased service levels, new positions that could not be accommodated within existing approved budgets, or capital projects involving expansion of holdings will be prioritized by the Corporate Leadership Team for Council consideration.

Relevant Policy, Bylaw or Legislation:

Community Charter Section 165 requires municipalities to annually adopt a financial plan by bylaw before the annual property tax bylaw is adopted. Community Charter Section 167 requires the property tax bylaw be adopted before May 15.

Analysis:

Insights to ongoing various budget pressures are as follows:

- All municipalities face similar pressures including:
 - o Additional services to meet growth demands;
 - o Increasingly higher expectations from residents;
 - o Increasing legislative requirements;
 - o Cost of asset infrastructure repair and replacement;
 - o Emergency service cost escalations;
 - o Limited revenue sources;
 - o Decreasing Federal and Provincial operational funding opportunities;
 - o Climate change;

- o Provincial Homes for People legislation; and
 - o Existing service level maintenance.
- The extent of pressures faced by each municipality varies due to:
 - o Municipality size;
 - o Quantity and quality of services provided;
 - o Geography;
 - o Local economic conditions;
 - o Property class mix;
 - o Growth; and
 - o Previous Council decisions.
- Municipal governments are under pressure to relate their spending and taxation levels to the cost of inflation (consumer price index or CPI). The CPI measures the price changes for common household purchases such as food, shelter, clothing, household operations and furnishing. These are items typically not purchased by a municipality in providing programs and services to its citizens. The largest expenditures for governments are labour, construction materials, and contractual services which are not found in CPI. Therefore, municipalities have their own spending patterns that differ from other economic sectors.
- Several unavoidable increases that are non-discretionary or non-controllable that impact budgets are:
 - o Salaries and wages are affected by negotiated contract settlements;
 - o Fire contract settlements will cause continued upward pressure;
 - o Rising employee pension, medical and dental benefits;
 - o Regional RCMP cost changes;
 - o Metro Vancouver operating and infrastructure charges;
 - o Gas, hydro, water and sewer charges; and
 - o General inflationary pressures.
- An additional cost pressure, specific to the City of Pitt Meadows, is:

o Increased budget requirements to reflect the increase in Metro Vancouver (MV) water procurement budget as well as consider the impact of the MV rates charged to the City and how those are transferred to consumers.

- Taxation growth:

o With the anticipated completion of the industrial park in 2025, the taxation from growth is expected to be near zero for the years 2026 to 2029. In order to avoid reliance on annual tax increases in the coming years, new growth opportunities need to be strategized to mitigate this budget pressure.

COUNCIL STRATEGIC PLAN ALIGNMENT

- Principled Governance Balanced Economic Prosperity Infrastructure
 Community Spirit & Wellbeing Corporate Pride Public Safety
 Not Applicable

WORKPLAN IMPLICATIONS

- Already accounted for in department workplan / no adjustments required
 Emergent issue / will require deferral of other priority(ies)
 Other

FINANCIAL IMPLICATIONS

- None Budget Previously Approved Referral to Business Planning
 Other

Staff will work through the preparation of the 2025 Five Year Financial Plan to determine the financial impact which will be presented to Council in November 2024 for their December 2024 deliberations.

PUBLIC PARTICIPATION

- Inform Consult Involve Collaborate Empower

Comment(s):

The 2025 Business Plan Guidelines and Timeline for staff are presented for Council approval in order to formally commence the business planning process.

KATZIE FIRST NATION CONSIDERATIONS

Referral Yes No Other

SIGN-OFFS

Written by:

Laura Barroetavena,
Director of Financial Services

Reviewed by:

Mark Roberts,
Chief Administrative Officer

ATTACHMENT(S):

- A. 2025 Business Plan Guidelines and Timeline for Staff