

Town of Whitby Staff Report

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Report Title: 2025 Budget Schedule and Engagement

Report to: Committee of the Whole

Date of meeting: June 10, 2024

Report Number: FS 21-24

Department(s) Responsible:

Financial Services Department

Submitted by:

Fuwing Wong, Commissioner Financial Services and Treasurer

Acknowledged by M. Gaskell, Chief Administrative Officer

For additional information, contact:

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1. Recommendation:

1. That the 2025 to 2027 Multi-year Budget Process, (including incorporation of a budget process under Strong Mayor Powers), Communication and Public Engagement Plan and Budget Calendar outlined in Staff Report FS 21-24 be approved; and,
2. That the reduced timelines, as outlined in Staff Report FS 21-24, for budget amendments and vetoes to the 2025 to 2027 Multi-year budget be approved.

2. Highlights:

- The purpose of this report is to provide information on:
 - The budget planning process;
 - The town's initial multi-year budget;
 - Strong Mayor powers relating to the budget;
 - The budget proposed timeline, and;
 - The communication and public engagement plan.

3. Background:

The purpose of this report is to provide an update on the budget schedule/process, that includes multi-year budget and strong Mayor's budget presentation.

There are no budget decisions recommended in this report. As noted in the process below, the public and Council will see more details of specific 2025 budget pressures, new programs, and staffing in November.

Budget Process

There are six phases to the Town's inaugural multi-year budget process:

Phase 1: Prepare

This phase includes the preparation of background information, creation of communication and public engagement plans and tools, research of fiscal issues and the development of forecasts, guidelines, and budget tools.

Phase 2: Engage

Community engagement on the Town's 2025 Budget will launch in late May and June of this year to provide residents and businesses multiple opportunities to help build and inform the 2025 Budget.

The community was invited to learn more about the Town's budget planning process and share their budget priorities at connectwhitby.ca/budget between May 23rd and July 5th. Through the site, the community will be able to access the Town's Budget Engagement tool – a virtual and interactive budget simulator that shows the financial impacts of participants' choices.

Phase 3: Develop

The feedback from this engagement will be shared with staff to inform development of the preliminary 2025 Budget.

Phase 4: Consolidate

This is where staff work together from across the Corporation to consolidate all the budget input, develop education and communication material as well as summarize further public feedback received.

Phase 5: Inform

This phase begins with the release of the Budget Book that outlines budget pressures, workforce plan decisions, and priority projects identified by staff.

Phase 6: Strong Mayor's Budget

The mayor will prepare a proposed budget to Council via a memo which will also be shared with the public.

The calendar also incorporates a Council Education and Training meeting to review the budget material/pressures, the Mayor's proposed budget, and any further public feedback.

A public meeting will be held after the release of the Mayor's proposed budget to provide an overview and an opportunity to engage and receive public input prior to any Council budget amendments.

This phase concludes with the Mayor's/Council's vetoes (if any) on the amendments/ vetoes to the amendments to the budget and the final budget will be deemed approved.

2025 Multi-Year Budget Calendar

The following budget timeline is proposed for the 2025 multi-year budget:

Phase	Milestone	Date
Phase 1 Prepare	2025-2027 Budget Process and Calendar	Staff began work on the budget in May 2024.
Phase 2 Engage	Community Engagement re Budget Priorities – launch of connectwhitby.ca/budget and Citizen Budget Tool	Budget Balancing Simulator May 23rd to June 14th, 2024 Participatory Budget Tool June 17 th to July 19 th , 2024
	"What We Heard" summarizing results on public engagement related to the budget and a budget report	September 16 th , 2024
Phase 3 Develop	Senior Leadership Team prioritize and develop pressures, workforce plan decisions, and capital project priorities for consideration in the 2025 to 2027 budget	June – July 2024
Phase 4 Consolidate	Consolidate budget information and develop communication material	August 2024 - October 2024

Phase 5 Inform	Budget Books published including Budget pressures and priorities identified by staff	November 4th, 2024
Phase	Milestone	Date
Phase 6 Strong Mayor Budget	Mayor prepares proposed 2025-2027 budget (MEMO to Council)	November 18 th , 2024
	Council budget education session	November 18 th , 2024 Special Council Meeting
	Public budget overview and input session	November 19 th , 2024 Public Meeting
	Council reviews the budget and draft budget amendments (11 days proposed)	November 18 th to 28 th , 2024
	Council budget amendments	November 28 th , 2024 Special Council Meeting
	The Mayor can veto Council budget amendments (8 days proposed)	November 29 th to December 6 th , 2024
	Council can veto Mayor's veto of Council amendments if two-thirds of all Council members vote to override the Mayor's veto (10 days proposed)	December 16 th , 2024
	The 2025-2027 budget is deemed approved.	December 16 th , 2024

Strong Mayor Powers

On June 16, 2023, the Minister of Municipal Affairs and Housing announced that the Town of Whitby would be one of 26 other municipalities granted "Strong Mayor Powers" ("SMP") under the Municipal Act. These municipalities are in addition to the City of Toronto and The City of Ottawa, which have had SMP since the beginning of the 2022 to 2026 term of Council. The effective date for SMP for Whitby and the other 25 other municipalities was July 1, 2023.

As it relates to budgets, SMP provides for the Mayor to prepare a proposed budget for Council consideration no later than February 1st of each year. The Municipal Act (and Ontario Regulation 530/22) outlines process after the Mayor's proposed budget is introduced, under SMP, which is as follows:

- Council may pass resolutions to amend the budget proposed by the Mayor within 30 days of receipt
 - Note, the budget is deemed adopted if no budget amendments are passed by Council within this period;
- The Mayor may veto amendments within 10 days after the Council amendment period of 30 days
 - Note, the budget is deemed adopted if the Mayor does not veto any Council-approved budget amendments;
- Council may override the Mayor's vetoes on resolutions to amend the Mayor's proposed budget no later than 15 days following the period in which the Mayor may make a veto. An override requires a two-thirds vote of Council (e.g. six (6) of the nine (9) members of Whitby Council).
- Following the process outlined above, the budget is considered adopted.

Note: the dates listed above (i.e. 30 and 15 days) may be shortened based on Council resolution for that year. The Mayor's veto period (i.e. 10 days) may be shortened by the Mayor under SMP. The budget timeline for the 2025 budget does recommend shortening the dates/periods noted above (see more information under the "Proposed Shortened Timelines for Budget Amendments and Vetoes" section).

Under SMP, if a mayor does not provide a proposed budget before February 1st of each year, the process outlined above would not apply and the budget would be developed and approved by Council similar to past years (before SMP). The Town intends to have the multi-year (2025 to 2027) budget approved before the end of the 2024 year. This allows for staff to focus on the delivery of services and get an early start on capital projects/going out to the market in early 2025. Accordingly, the Strong Mayor Budget process would apply for the 2025 to 2027 multi-year budget.

Proposed Shortened Timelines for Budget Amendments and Vetoes

In order to meet a year-end budget approval timeline, it is recommended that the timelines outlined in the Municipal Act be shortened as follows:

	Municipal Act timeline	Proposed timeline
Council may pass amendments to proposed Strong Mayor's Budget ("Council Budget Amendment Period")	Within 30 days following receipt of proposed budget from the Mayor	Within 11 days following receipt of proposed budget from the Mayor

Mayor's Veto of Budget Amendments passed by Council* ("Mayor's Veto Period")	Within 10 days following expiry of the Council Budget Amendment Period	Within 8 days following the expiry of the Council Budget Amendment Period
Council's Veto of the Mayor's Veto (required 2/3 of Council for a Council Veto to pass)	Within 15 days following the expiry Mayor's Veto Period	Within 10 days following the expiry of the Mayor's Veto Period

*-The Municipal Act allows the Mayor to shorten the Mayor's Veto period using SMP. It is included in this table for completeness and help with a full understanding of the process/timelines.

Multi-Year Budgeting

Legislative Authority for Multi-year Budgets

Section 291 of the Municipal Act, 2001, states that "a municipality may prepare and adopt a budget covering a period of two to five years in the first year to which the budget applies or in the year immediately preceding the first year to which the budget applies." In the situation where the first year of a multi-year budget follows an election, the budget may only be adopted in the year to which it applies.

Section 291(4) requires Council to review, make changes as needed, and readopt the budget each year. This may occur in the year before the year in which the budget is effective; this would allow the annual updates to occur in the fall prior to the start of the fiscal year. If a year for which the budget is being reviewed or changed is a year immediately following a year in which there is a regular election, Section 29(5) requires that the budget can only be readopted in the year for which it applies.

Scope of 2025-2027 Multi-Year Budget

The scope of the Town of Whitby's 2025-2027 multi-year budget includes both operating and capital, extends to all departments and boards and applies to both tax supported as well as user fee supported budgets. The annual update for the second year will be brought forth through the SMP's during the remaining Council term. The first year of a new Council term will reconfirm the third year of this multi-year budget.

4. Discussion:

Planning Framework

Preparing the budget is a collaborative effort involving members of the community, external boards, internal committees, elected officials and Town of Whitby staff from across the corporation. The budget is the outcome of many planning processes that ultimately drive resource allocations.

The Town's budget is guided by external economic factors and studies / master plans already approved by Council, such as the recreation master plan, fire master plan, development charges background study, and Zero Carbon Whitby (sustainability) plan, and the Town of Whitby's [2023 to 2026 Community Strategic Plan](#) ("CSP").

The CSP provides a roadmap for how Town Council and staff will work together to deliver on community priorities over 2023 to 2026. The CSP contains 62 Action grouped under four (4) CSP Pillars:

Pillar 1: Whitby's Neighbourhoods – Safe, Healthy, & Inclusive

Pillar 2: Whitby's Natural & Built Environment – Connected & Resilient

Pillar 3: Whitby's Economy – Innovative & Competitive

Pillar 4: Whitby's Government – Accountable & Responsive

When the CSP was approved in 2023, it was identified that 39 of the 62 Actions would require additional funding (e.g. for capital investments, staff resources, and/or other operating expenditures) in future budgets to implement. Through the budget exercise, many of the new programs/staffing required to implement CSP will appear as Decision Items or items requiring an increase in tax-based funding.

If the funding is not secured, implementation of certain components of the CSP may be deferred. Deferral of actions, if any, will be communicated in the annual reporting for the Community Strategic Plan.

5. Financial Considerations:

There are no budget decisions on programs, investments or service levels being sought through this report.

6. Communication and Public Engagement:

The Town's multi-channel budget engagement and education campaign kicked off on May 23. Goals for the campaign are to create a more open and transparent budget process through information sharing and education, grow resident/taxpayer awareness of the value for money they receive for their tax dollars, and continue to build trust amongst residents that fiscal responsibility is in the forefront for the Town.

The communication and community engagement plan outlined below builds on the multi-channel budget engagement and education campaign including the launch of the:

- Budget Engagement Tool (May 23rd to June 14th) – an interactive simulator that shows the financial impacts (i.e. property tax changes) of participants choices in real time as they increase, decrease, or keep funding the same for key service areas, helping gain understanding of resident priorities; and
- Participatory Budget Tool (June 14th to July 5th) – a highly visual and interactive tool that supports participatory budgeting by allowing participants to select and rank/prioritize possible capital projects for inclusion in the budget; and

- Connect Whitby budget page – educating the public on how the budget works, key budget dates and opportunities for engagement.

2025 Community Engagement Timeline:

Phase One (May to July): How Budget Works and Why it Matters; What to Expect; How to Get Involved; Value for Service

- May 23rd – update Connect Whitby budget page and **open** the Town's Budget Engagement Tool.
- June 14th – update Connect Whitby budget page and **open** the Town's Participatory budget tool.
- July 5th – **close** Budget engagement tools and gather Interim report on What We Heard from Community Engagement Tool.

Phase Two (September to October): What We Heard; How to Get Involved in Next Phase of Engagement on Proposed Budget

- September– What We Heard Report finalized.
- October - Public notice of key budget dates and What We Heard highlights on Connect Whitby and leave a comment.

Phase Three (November to December 2024): Budget 2025-2027

- Connect Whitby updates (ongoing)
- Budget Book
- Mayor's Proposed Budget (memo)
- Budget Public Meeting
- Council meetings on any amendments to the budget proposed by the Mayor

7. Input from Departments/Sources:

It is recognized that the preparation of the budget requires significant resources from each department. Establishing the process, information requirements and due dates early on allows all departments to incorporate them into their work plans and resource schedules.

8. Strategic Priorities:

The establishment of the 2025-2027 Budget Process, Calendar, Community Budget engagement to-date, and preliminary budget work aligns with Pillar 4: "Whitby's Government – Accountable and Responsive" of the Community Strategic Plan, in particular:

- Action Item 4.3.4 Implement opportunities for Council to engage the community.

- Action Item 4.4.1 Deliver services that respond to community needs while balancing the impact to taxpayers; and
- Action Item 4.4.4 Update long-range financial plans to ensure essential Town services are provided in a sustainable and affordable way.

9. Attachments:

n/a