

**FINANCE AND ECONOMIC
DEVELOPMENT COMMITTEE
REPORT 8
14 OCTOBER 2015**

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**COMITÉ DES FINANCES ET DU
DÉVELOPPEMENT ÉCONOMIQUE
RAPPORT 8
LE 14 OCTOBRE 2015**

**EXTRACT OF DRAFT
MINUTES 8
FINANCE AND ECONOMIC
DEVELOPMENT COMMITTEE
6 OCTOBER 2015**

**EXTRAIT DE L'ÉBAUCHE DU
PROCÈS-VERBAL 8
COMITÉ DES FINANCES ET DU
DÉVELOPPEMENT ÉCONOMIQUE
LE 6 OCTOBRE 2015**

CITY MANAGER'S OFFICE

CITY TREASURER AND FINANCE

**PROPOSED 2016 BUDGET TIMELINE AND 2016-2018 BUDGET
DIRECTIONS**

ACS2015-CMR-FIN-0038

CITY WIDE

REPORT RECOMMENDATIONS:

That the Finance and Economic Development Committee recommend that Council approve the timetable for developing and approving the 2016 budget, and the 2016 to 2018 operating and capital budget strategies as outlined in the report and which includes the following:

- 1. The City Wide levy, which includes Police, Library and Public Health, be increased by 1.75% per year; and**
- 2. Each year, all new operating budget needs will be as established in Council's strategic initiatives setting process with the funding as identified in report ACS2015-CMR-OCM-0016 – Proposed 2015-2018 Term of Council Priorities; and**
- 3. Each year, all strategic initiative capital projects will be as identified in Council's strategic initiatives setting process with the funding as**

identified in report ACS2015-CMR-OCM-0016 – Proposed 2015-2018 Term of Council Priorities; and

4. That the budget allocation for Transit services be based on a 2.5% increase to the Transit levy, as identified in the Transit Affordability Plan and a pro-rated share of the estimated 1.3% increase in taxes resulting from growth in assessment and that Council request the Commission develops its draft budget within this allocation; and
5. That, as part of the annual budget process, the budget allocation for Police, Library and Public Health Boards be based on their individual pro-rated share of a 1.75% tax increase and an estimated 1.3% increase in taxes resulting from growth in assessment, and that Council request that these Boards develop their draft budgets within their annual allocation; and
6. That the Rate supported (water and sewer services) draft budget be developed utilizing a 6% increase in the water rate as projected in the 2012 Long Range Financial Plan.

Prior to receiving the staff presentation from the City Treasurer, Councillor El-Chantiry moved the following technical amendment motion:

Motion No. 08\1

Moved by Councillor E. El-Chantiry

WHEREAS the report on the Proposed 2016 Budget Timeline and 2016-2018 Budget Directions included a Proposed 2016 Budget Timetable in Document 1; and

WHEREAS there were errors in the dates listed for the Tabling of Draft Budget with Council, and for the consideration of the budget for the Ottawa Public Library Board and the Public Health Board;

THEREFORE BE IT RESOLVED that the following dates in Document 1 be amended as follows:

- In part 2, Tabling of Draft Budget with Council – November 12 Thursday
- In part 4, Ottawa Public Library Board - December 1 Tuesday
- In part 4, Public Health Board – December 7 Monday
- In part 4, Audit Committee – November 26 Thursday

CARRIED

Committee then heard from Ms. Marian Simulik, City Treasurer who provided a PowerPoint presentation, a copy of which is held on file with the City Clerk. Kent Kirkpatrick, City Manager, Rick O'Connor, City Clerk and Solicitor and Isabelle Jasmin, Deputy City Treasurer were available to respond to questions.

After the presentation, Councillor Egli provided the following Direction to staff:

DIRECTION TO STAFF

That the City Manager work with the Office of the City Treasurer to develop a proposal to establish a corporate budget or 'challenge' function, to be funded within existing resources, that will:

- **Provide an effective and formal 'early-warning' system to identify any significant variances developing between departmental spending and/or revenue budgets and their monthly actuals to allow for early course corrections if necessary;**
- **Regular reviews of administrative spending and identify cross-departmental synergies and/or options for administrative efficiencies;**
- **Review the departmental plans to achieve their corporate expenditure reduction and efficiency targets, and provide a challenge function for those submissions as well as annual budget submissions; and**
- **Develop a reporting mechanism for the Council that indicates where**

and when a course correction or efficiency opportunity was suggested and the actions taken or required.

And bring this report to the December Finance and Economic Development Committee meeting, for consideration along with FEDCO's budget.

Staff responded to questions from Committee members on the budget pressures such as, but not limited to, the Workers Safety and Insurance Board costs, unachieved revenue targets and vacancy provisions. Other questions and suggestions related to efficiency savings strategies.

After discussion, the Committee CARRIED the report recommendation as amended by Motion No. 08/1 and set out in full below:

That the Finance and Economic Development Committee recommend that Council approve the timetable for developing and approving the 2016 budget, and the 2016 to 2018 operating and capital budget strategies as outlined in the report and which includes the following:

- 1. The City Wide levy, which includes Police, Library and Public Health, be increased by 1.75% per year; and**
- 2. Each year, all new operating budget needs will be as established in Council's strategic initiatives setting process with the funding as identified in report ACS2015-CMR-OCM-0016 – Proposed 2015-2018 Term of Council Priorities; and**
- 3. Each year, all strategic initiative capital projects will be as identified in Council's strategic initiatives setting process with the funding as identified in report ACS2015-CMR-OCM-0016 – Proposed 2015-2018 Term of Council Priorities; and**
- 4. That the budget allocation for Transit services be based on a 2.5% increase to the Transit levy, as identified in the Transit Affordability Plan and a pro-rated share of the estimated 1.3% increase in taxes resulting from growth in assessment and that Council request the**

Commission develops its draft budget within this allocation; and

5. That, as part of the annual budget process, the budget allocation for Police, Library and Public Health Boards be based on their individual pro-rated share of a 1.75% tax increase and an estimated 1.3% increase in taxes resulting from growth in assessment, and that Council request that these Boards develop their draft budgets within their annual allocation; and
6. That the Rate supported (water and sewer services) draft budget be developed utilizing a 6% increase in the water rate as projected in the 2012 Long Range Financial Plan; and
7. That the following dates in Document 1 be amended as follows:
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 - In part 4, Public Health Board – December 7 Monday
 - In part 4, Audit Committee – November 26 Thursday

CARRIED, as amended