

2004 OPERATING BUDGET TIMETABLE

Recommendation

The Commissioner of Finance & Corporate Services and the Director of Budgeting and Financial Planning in consultation with the City Manager and Senior Management Team recommends:

That the attached 2004 Operating Budget Timetable be received for information purposes.

Purpose

To inform the Budget Committee of the 2004 Operating Budget Timetable.

Background - Analysis and Options

In its first year of implementation, 2003, the new envelope funding budget process proved successful. The validation of the envelope funding budget process is its ability to eliminate the multiple iterations of budget drafts with significant tax rate increases being presented to the Budget Committee. The budget process was redefined and formalized wherein departments are assigned funding envelopes that focus on non-controllable increases prior to the preparation of departmental budgets. This provides departments with a target when preparing their budgets. In addition, the budget process is a full collaborative effort between the Budget Committee and staff while conforming to the Budget Committee's direction of an accelerated timeframe.

The consistent growth experienced by the municipality places significant pressures on the operating budget. The magnitude of the non-controllable costs relating to the staffing and operating costs of new facilities alone presents major funding challenges in the 2004 operating Budget. This may require assigning funding envelopes and awaiting submission of the departmental operating budgets before funding can be determined. Senior Management will be assigning departmental funding envelopes to departments in the following priority order:

1. Prior year department base budget;
2. Non-controllable increases;
3. Controllable costs deemed essential.

The Budgeting staff will be meeting with individual Directors throughout June with the objective of an early identification of all known major non-controllable increases relating to the 2004 Operating Budget. These initial Director meetings lay the foundation for the creation of departmental funding envelopes by the Budgeting staff. Senior Management then allocates the departmental funding envelopes at the end of August 2003, immediately followed by the issuance of the Budget Guidelines and Instructions package. While being cognizant of their pre-assigned funding envelopes, departments have until the end of September to submit their operating budgets. Finance and Senior Management then have to input the budget, hold departmental review meetings, address non-compliance to the funding envelopes, and have a final Senior Management Corporate review. The envelope funding budget process requires additional steps to ensure compliance to the funding envelopes through a greater scrutiny of submissions by staff and Senior Management.

Staff will be bringing forward to the Budget Committee in mid-September a presentation identifying the non-controllable issues relating to the 2004 Operating Budget. This will provide the Budget Committee with insight into the major non-controllable issues surrounding the 2004 Operating Budget prior to the November election. Attachment 1 provides the Operating Budget timetable and highlights key dates for the budget process.

In recognition of the fact that 2003 is an election year, and in discussion with the Clerks staff, there are no scheduled meetings with the Budget Committee between the final Council meeting of September 22, 2003 and the commencement of the new Council term effective December 1, 2003.

The Draft Operating Budget will be presented to the Budget Committee in early December. Any additional meetings with the Budget Committee and its recommendation to Council are scheduled for completion by Christmas 2003.

Due to the December holiday season, staff recommends the Public Meeting be held in January 2004, with final Council Budget approval by the end of January 2004.

Staff look forward to discussing the 2004 Operating Budget Timetable with the Budget Committee.

Conclusion

The 2004 Operating Budget Timetable reflects that the Budget Committee provides recommendations to Council by the end of December 2003 and a public meeting to be held in January 2004, followed by Council approval.

Attachments

Attachment 1 - 2004 Operating Budget Timetable

Report prepared by:

John Hrajnik, ext. 8401
Director of Budgeting and Financial Planning

Respectfully submitted,

Clayton D. Harris, CA
Commissioner of Finance and Corporate Services

John Hrajnik
Director of Budgeting and
Financial Planning

**City of Vaughan
2004 Operating Budget Timetable**

Date	Activity
End of June 2003	Budgeting meets with Directors relating to department non-controllable issues.
End of August 2003	Senior Management allocates Corporate Funding Envelope across departments.
End of August 2003	Budgeting issues budget instructions, guidelines and schedules to departments.
End of September 2003	Departments submit budgets based on estimated Funding Envelopes.
Mid October 2003	Budgeting reviews and meets with departments.
Mid October 2003	Commissioner sign-off of departmental budgets.
End of October 2003	Senior Management corporate review.
Early December 2003	Draft Operating Budget presentation to Budget Committee. *
December 2003	Budget Committee recommendations to Council.
End of January 2004	Public Budget Session.
End of January 2004	Council Approval.

* Departmental presentations as required.