



Finance
Advisory Committee
Meeting Agenda

Wednesday, September 27, 2017

5:30 p.m.

Holland Room
Aurora Town Hall

Public Release
September 21, 2017



**Town of Aurora
Finance Advisory Committee
Meeting Agenda**

Date: Wednesday, September 27, 2017

Time and Location: 5:30 p.m., Holland Room, Aurora Town Hall

1. Approval of the Agenda

Recommended:

That the agenda as circulated by Legislative Services be approved.

2. Declarations of Pecuniary Interest and General Nature Thereof

3. Receipt of the Minutes

Finance Advisory Committee Meeting Minutes of June 13, 2017

Recommended:

That the Finance Advisory Committee meeting minutes of June 13, 2017, be received for information.

4. Delegations

5. Consideration of Items

- 1. Review of Draft General Committee Report No. FS17-030 – Summary of Budget Consultation Meeting May 31, 2017
(Deferred from Finance Advisory Committee of June 13, 2017)**

Recommended:

1. That draft General Committee Report No. FS17-030 be received; and
2. That the comments and suggestions of the discussion regarding draft General Committee Report No. FS17-030 be referred to staff and that the report be brought forward to General Committee for approval.

- 2. FS17-042 – Summary of the Key Findings / Outcomes to Date Arising from the Finance Advisory Committee’s Rotating Annual Departmental Detailed Budget Reviews.**

Recommended:

1. That Report No. FS17-042 be received for information.

- 3. FS17-040 – Budget Allocation 2018 – Cultural Partners**

Recommended:

1. That Report No. FS17-040 be received for information.

- 4. Walkthrough of the On-line 2018 Citizen Budget Survey
(Information to be provided at the meeting)**

Recommended:

1. That the Walkthrough of the On-line 2018 Citizen Budget Survey be received for information.

5. Round Table Discussion: 2018 Operating Budget Pressures

(Information to be provided at the meeting)

Recommended:

1. That the comments and suggestions of the discussion regarding 2018 Operating Budget Pressures be received and referred to staff for consideration and action as appropriate.

6. Round Table Discussion: Next Meeting Dates

Recommended:

1. That staff recommend next meeting of Finance Advisory Committee to be scheduled for February 2018.

7. Extract from Council Meeting of September 12, 2017

Re: Finance Advisory Committee Meeting Minutes of June 13, 2017

Recommended:

1. That the Extract from Council Meeting of September 12, 2017, regarding Finance Advisory Committee meeting minutes of June 13, 2017, be received for information.

6. New Business

7. Adjournment



**Town of Aurora
Finance Advisory Committee
Meeting Minutes**

Date: Tuesday, June 13, 2017

Time and Location: 5:30 p.m., Holland Room, Aurora Town Hall

Committee Members: Councillor Michael Thompson (Chair), Councillor Harold Kim, and Mayor Geoffrey Dawe

Member(s) Absent: None

Other Attendees: Dan Elliott, Director of Financial Services/Treasurer, Jason Gaertner, Manager, Financial Planning, Sandra McNamee, Administrative Assistant, and Sarah Murray, Council/Committee Secretary

The Chair called the meeting to order at 5:45 p.m.

1. Approval of the Agenda

**Moved by Mayor Dawe
Seconded by Councillor Kim**

That the agenda as circulated by Legislative Services be approved.

Carried

2. Declarations of Pecuniary Interest and General Nature Thereof

There were no declarations of pecuniary interest under the *Municipal Conflict of Interest Act*.

Finance Advisory Committee Meeting Minutes
Tuesday, June 13, 2017

Page 2 of 4

3. Receipt of the Minutes

Finance Advisory Committee Meeting Minutes of April 26, 2017

Moved by Councillor Dawe

Seconded by Councillor Kim

That the Finance Advisory Committee meeting minutes of April 26, 2017, be received for information.

Carried

4. Delegations

None

5. Consideration of Items

1. Review of Draft General Committee Report: FS17-023 – 2018 Budget Preparation Directions

Staff provided background to the draft report and noted that the proposed property tax increase is in line with the estimated population growth and the anticipated service deliverables that typically accompany an increase.

Moved by Councillor Kim

Seconded by Mayor Dawe

1. That draft General Committee Report No. FS17-023 be received; and
2. That the comments and suggestions of the discussion regarding draft General Committee Report No. FS17-023 be referred to staff and that the report be brought forward to General Committee for approval.

Carried

2. **Memorandum from Corporate Communications Manager
Re: Citizen Budget and Online Public Participation in the 2018 Budget Process**

Finance Advisory Committee Meeting Minutes
Tuesday, June 13, 2017

Page 3 of 4

The Committee discussed the best management processes for budget preparation in comparison to the data collected from the public through this online budget tool. The Committee agreed that the online tool is beneficial in making informed decisions on behalf of constituents despite the limited data collected.

**Moved by Mayor Dawe
Seconded by Councillor Kim**

1. That the memorandum regarding Citizen Budget and Online Public Participation in the 2018 Budget Process be received for information.

Carried

3. Review of Draft General Committee Report No. FS17-030 – Summary of Budget Consultation Meeting May 31, 2017

Staff reported on the vision and intent of the Report. The Committee discussed deferring any action on this item until the CAO is in attendance to speak to it.

**Motion to defer
Moved by Mayor Dawe
Seconded by Councillor Kim**

1. That draft General Committee Report No. FS17-030 be deferred to the next Finance Advisory Committee meeting.

**Motion to defer
Carried**

4. Review of 2018 Budget Committee Calendar with Narratives

The Committee requested that staff ensure the proposed calendar dates do not conflict with any other Town events.

**Moved by Mayor Dawe
Seconded by Councillor Kim**

1. That the Review of 2018 Budget Committee Calendar with Narratives be received for information.

Carried

6. New Business

The Committee requested an update on the public art contributions initiative discussed at a previous meeting. Staff advised that it will require more dialogue on policy following which the Finance Advisory Committee will be positioned to discuss the funding component.

The Committee requested an update on the impacts of Bill 68 in terms of public sector investment options. Staff advised that Bill 68 is more focused on the implementation of municipal asset management plans.

The Committee inquired about the potential impact of the Province's proposed minimum wage on the Town. Staff advised that material impacts are expected, and staff is presently in the process of estimating the extent and devising a strategy for managing these impacts.

7. Adjournment

Moved by Councillor Kim

Seconded by Mayor Dawe

That the meeting be adjourned at 6:29 p.m.

Carried

Committee recommendations are not binding on the Town unless adopted by Council at a later meeting.



**Town of Aurora
General Committee Report**

**DRAFT
No. FS17-030**

Subject: Summary of Budget Consultation Meeting May 31, 2017

Prepared by: Dan Elliott, Director of Financial Services - Treasurer

Department: Financial Services

Date: July 4, 2017

Recommendation

- 1. That Report No. FS17-030 be received; and**
- 2. That all funding requests and budget suggestions received at the May 31, 2017 Budget Consultation meeting be considered in the preparation of the 2018 Operating and Capital budgets of the Town as outlined in Report No. FS17-030.**

Executive Summary

As directed by Council, the Budget Committee held a special 2018 Budget Consultation meeting on May 31, 2017. Seven delegations spoke; six speaking on behalf of groups seeking financial funding, with the seventh delegate providing insight into an opportunity to increase the Town's non-tax revenues.

- This report summarizes each delegate's comments/requests and provides an indication as to how these items may be addressed in the preparation of the 2018 draft operating and capital budgets by staff.
- If all comments were to be approved in the budget, the net operating budget would increase by \$34,650, and the capital budget would expand by \$172,500.

Background

On May 31, 2018, Budget Committee held a new budget consultation meeting in order to hear budget input from the community, and in particular, to receive any financial requests for funding from groups or individuals. Six delegations registered by the agenda deadline, each with a funding request. A seventh delegation providing budget input only registered prior to the meeting and was added to the agenda.

DRAFT

July 4, 2017

Page 2 of 6

Report No. FS17-030

Analysis

Six groups presented funding requests, while a seventh delegate provided a suggestion for increasing non-tax revenues.

Aurora Cultural Centre

The Aurora Cultural Centre presented a very short update on their recent work on their Strategic Plan update, their participation in the Town's Cultural Partners review, and the recruitment of a new Executive Director for the Centre. The Centre was not in a position to provide any specific financial request of Council at this time, and will likely make a specific request during the similar Special Budget Consultation meeting next year. The Cultural Centre did raise a past issue regarding their request for a new exterior identifier ground sign. Previous federal funding commitments for such did not materialize. They asked that the Town consider including a new identifier sign for the Centre as part of the Town's 2018 Capital Budget considerations at an estimated cost of \$50,000. This matter has been referred to the IES Facilities Division for consideration during the 2018 Capital Budget preparations.

Sport Aurora

Sport Aurora presented a two-fold financial request. They seek base operational subsidy funding from the Town to allow them to continue their work, excluding additional services provided under the Sport Plan project. An annual subsidy amount is requested in the amount of \$94,765 for 2018, and \$96,375 for 2019. This funding would likely continue into the future in support of the work of this organization. In addition to the requested base operating subsidy funding, Sport Aurora also requested an extension of the Sport Plan Implementation project services contract for 2018 and 2019 in the amounts of \$68,505 and \$74,475 respectively.

A separate report from staff is pending with respect to the Sport Plan funding for 2017. Subject to any different direction from Council, staff will include both the Sport Aurora base operating subsidy funding, and the Sport Plan Implementation funding as operating budget options for Council consideration during the 2018 budget deliberations.

Aurora Historical Society

The Aurora Historical Society brought forward awareness of a materials storage situation that may require additional funding to address. The Godfrey Collection is a unique collection of early Canadian books, letters and papers of medical interest and

DRAFT

July 4, 2017

Page 3 of 6

Report No. FS17-030

historical value. This collection has most recently been stored at the Armory, but at the request of the Town, must now be relocated to free up the Armoury for other uses. If other efforts fail to work, the Historical Society seeks an additional \$5,000 to their 2018 annual operating grant from the Town to assist with the costs of storage fees and systems to store this relocating collection of books, letters and papers referred to as the Godfrey Collection. This request will be included as a budget option for consideration during the 2018 budget deliberations. An update from the Historical Society will be included at that time regarding the success of their other efforts to secure funding or storage alternatives.

Aurora Chamber of Commerce

The Aurora Chamber of Commerce presented a four event sponsorship opportunity for the Town to participate with them as follows:

1. 2018 Aurora Chamber Home Show sponsorship in the amount of the facility rental fee waiver (2017 fee was \$7,290 plus HST) to assist in eliminating the patron entry fee.
2. 2018 Aurora Chamber Tech Expo, in the amount of \$2,500, up from \$2,000 for 2017.
3. 2018 Aurora Chamber Business Women's Summit sponsorship in the amount of \$2,500
4. 2018 Aurora Chamber Youth Entrepreneur Summit inaugural sponsorship in the amount of \$2,500.

A detailed outline of the exposures and features of each proposed sponsorship was included with the request. Staff will include these four separate items to Council during the operating budget as options for consideration.

Aurora Community Arboretum

The Arboretum is just concluding a ten year partnership with the Town in support of the development of the Arboretum. The last arrangement was a commitment of \$100,000 per year to develop the arboretum, however, procedurally, the Arboretum would be the planner and coordinator for much of the work, however, all purchases of materials, labour, services or equipment would be undertaken by the Town Parks Division, and tracked separately through a separate Capital Project account, with new funding approved in the Capital Budget each year. As the old arrangement expires at the end of

DRAFT

July 4, 2017

Page 4 of 6

Report No. FS17-030

2017, the Arboretum is requesting a further 10 year commitment from the Town, seeking approximately \$96,000 per year from the Town's annual capital budget during this time.

As has been the practice, Town staff will include the first/next annual request of \$96,000 as part of the staff recommended 2018 capital budget. The Budget Committee will have the opportunity to approve or decline the request at that time.

The Aurora Sports Hall of Fame

The Aurora Sports Hall of Fame (ASHoF) has a twofold funding request. They are seeking the first of a long term base operating funding subsidy from the Town in the amount of \$51,500 in order to allow the organization to grow and fulfil its strategic plan. Additionally, the ASHoF seeks one time capital project funding in the amount of \$26,500 to expand the ASHoF at the SARC during 2018. Both funding requests of the ASHoF will be brought forward during the 2018 budget as budget options for consideration.

Mr. Bob Lepp, Non-tax Revenue Opportunity

Mr. Lepp presented to the Budget Committee his suggestions for increasing compliance with animal licensing and the associated revenues, which would help support park maintenance and capital improvements for Canine Commons. The comments presented by the delegate will be considered by staff in the Corporate Services Department as they prepare their 2018 Operating Budget submission. Any changes in revenue collection and compliance efforts will be reflected in the 2018 Operating Budget presented.

Advisory Committee Review

Finance Advisory Committee reviewed this report at its meeting of June 13, 2017.

Financial Implications

There are no immediate financial implications of this report. All budget funding requests and suggestions raised at the recent Budget Consultation meeting will be presented for consideration during the 2018 budget process as outlined in this report as follows:

DRAFT

July 4, 2017

Page 5 of 6

Report No. FS17-030

Group	Purpose	Operating Budget Request	Capital Budget Request
Aurora Cultural Centre	Outdoor sign		\$50,000
Sport Aurora	Operating Subsidy	\$94,765	
	Sport Plan Implementation	68,505	
Aurora Historical Society	Storage solution for Collection	\$5,000	
Chamber of Commerce	Sponsorship of four events	\$14,790	
Aurora Community Arboretum	Community Partnership funding (first of new ten year)		\$96,000
Aurora Sports Hall of Fame	Operating Subsidy	\$51,500	
	Capital Expansion		\$26,500
Mr. Bob Lepp	Increased animal control revenues	(\$200,000)	
Totals		\$34,560	\$172,500

Communications Considerations

None required at this time.

Link to Strategic Plan

Summarizing and advising of the dispensation of each budget request or suggestion raised at the Budget Consultation meeting supports the Strategic Plan principle of excellence in municipal management.

DRAFT

July 4, 2017

Page 6 of 6

Report No. FS17-030

Alternative(s) to the Recommendation

N/A

Conclusions

Staff have summarized the financial funding requests and other budget suggestions presented by members of the public at our recent 2018 Budget Consultation meeting.

Staff have received positive comments from members of the public who attended the meeting and from staff present. It is believed that the meeting achieved its goal of identifying early in the budget process the financial requests and other suggestions which would otherwise arise later in the process and perhaps too late for serious consideration.

Attachments

None

Previous Reports

None

Pre-submission Review

CAO and Treasurer only.

Departmental Approval

Approved for Agenda



**Dan Elliott, CPA, CA
Director of Financial Services
- Treasurer**

**Doug Nadorozny
Chief Administrative Officer**



Town of Aurora

Finance Advisory Committee

No. FS17-042

Subject: Summary of the key findings / outcomes to date arising from the Finance Advisory Committee's rotating annual departmental detailed budget reviews

Prepared by: Jason Gaertner, Manager, Financial Planning

Department: Financial Services

Date: September 27, 2017

Recommendation

1. That Report No. FS17-042 be received for information.

Executive Summary

The purpose of this report is in response to the Finance Advisory Committee's (FAC) request that staff provide it with a summary of the key findings / outcomes to date arising from the FAC's rotating annual departmental detailed budget reviews.

Background

As per Council's approved budget review and approval process, the Finance Advisory Committee commenced its rotating annual departmental detailed budget reviews with the Parks, Recreation & Cultural Services (PRCS) department at its February 16, 2016 scheduled meeting. The agenda materials for this review and all subsequently completed reviews included the following core information:

- a. Line by line details, including grouping summaries of identified areas of Committee interest;
- b. 2016 Business Plan; and
- c. A presentation by each Director on the approaches used to prepare their budget.

To date, the FAC has completed departmental detailed budget reviews for the following list of departments:

- Parks, Recreation and Cultural Services commencing on February 16, 2016;
- Corporate Accounts commencing on May 24, 2016;
- Planning and Building Services (PBS) commencing on March 22, 2017;

Analysis

The FAC's departmental detailed budget reviews are bearing results

Over the course of its detailed departmental budget reviews, the FAC has made several key findings which have resulted in multiple tangible actions being undertaken by staff. These key findings / outcomes from each of these said completed departmental detailed budget reviews to date are as follows:

Parks, Recreation & Cultural Services

- It was determined that the Town's community program delivery contracts budgets was insufficient. It was also noted that select recreational program revenue targets had become out of alignment with reality. The FAC concluded that right-sizing of these items was in order.

This finding has resulted in the formal right-sizing of both the community programs delivery contract budgets and select recreational program revenue targets as part of the 2017 Operating Budget.

- Identified a few categories of community programs that were being excessively subsidized by the Town and agreed to explore options for addressing through strategies such as further user fee rate increases, select program discontinuation, boosting of alternative revenue sources and consideration of a more selective program subsidization framework.

This finding has resulted in staff increasing select community program 2017 user fee rates and significantly expanding planned sponsorship revenues as part of the 2017 Operating Budget. In addition, staff developed and brought to the FAC for its review and comment a draft comprehensive community program subsidization policy / framework entitled Aurora Assist.

- It was noted that the flat rate billing of PRCS' Park Operations division for Town Park water consumption was placing a material pressure on this division's operating budget.

This finding has resulted in the discontinuation of the flat rate billing of Park Operations for Town Park water consumption as part of the 2017 Operating Budget.

- Recognition that uncontrollable staffing activity such as staff turnover, maternity leave, long term sick leave, etc. has a material impact on the Town's operating budget financial performance and that mitigating measure(s) need to be explored.

September 27, 2017

Page 3 of 5

Report No. FS17-042

This finding has resulted in Council's approval of a reserve fund strategy for the management of uncontrollable External Legal and Occasional Human Resources Expenses in June, 2017.

- It was acknowledged that uncontrollable development driven revenues can materially impact the financial results of the Town and consequently, staff should examine ways to address this.

This finding has resulted in staff modifying the way in which both budget information and financial results are presented to Council.

- Identified a need for the Town to re-visit its Key Performance Indicators (KPIs) and more effectively link them to financial results.

This finding has resulted in staff commencing a review of all existing Town KPIs which continues to be in progress at this time.

- It was noted that there will be a material increase in resident demand for the Town's recreational and community program services in the near future driven by the recent high rate of growth that the Town has been experiencing. It was suggested that the Town should explore a strategy for preparing for this expected growth similar to one being utilized Fire Services being a phasing in of the anticipated resultant increased service delivery costs ahead of the actual requirements arising.

This finding has resulted in staff planning to explore a strategy of this nature to be commenced as part of the 2019 Operating Budget, which will begin to phase-in any incremental anticipated costs for the ongoing operation of the planned new community centre being planned.

Corporate Accounts

- The FAC obtained a greater understanding of the accounts that are captured under the Corporate Accounts and why.

Planning & Building Services

- It was recognized that the Planning & Building Services department's funding model is presently heavily reliant upon uncontrollable development driven revenues. Consequently, staff need to ensure that they are effectively projecting these revenues into the short to medium term future and that they devise a strategy for reducing the Town's reliance upon these revenues.

This finding has resulted in staff further enhancing their longer term development driven revenue projections; which included a report to Council

September 27, 2017

Page 4 of 5

Report No. FS17-042

on the Town's long term development activity projections in May, 2017. In addition, staff plan to devise and implement a formal strategy that will progressively wean the Development Planning division off of its operating budget reliance upon development driven revenues.

Financial Implications

There are no immediate financial implications arising from this report.

Communications Considerations

This report will be posted to the Town's Budget and Financial Information web page for transparency and accountability.

Link to Strategic Plan

Having the FAC undertake its rotating annual departmental detailed budget reviews contributes to achieving the Strategic Plan guiding principle of "Leadership in Corporate Management" and improves transparency and accountability to the community.

Alternative(s) to the Recommendation

1. The FAC may request additional information from staff.

Conclusions

The Finance Advisory Committee has now completed a detailed budget review for three of the town's departments. These reviews have proven to be quite fruitful, generating multiple key findings which have contributed directly to the betterment of the town's financial planning and reporting framework.

Staff recommend that this report be received.

Attachments

None

September 27, 2017

Page 5 of 5

Report No. FS17-042

Previous Reports

None

Pre-submission Review

Agenda Management Team review on August 31, 2017

Departmental Approval



**Dan Elliott, CPA, CA
Director of Financial Services
- Treasurer**

Approved for Agenda



**Doug Nadorozny
Chief Administrative Officer**



Town of Aurora

Finance Advisory Committee

No. FS17-040

Subject: Budget Allocation 2018 – Cultural Partners

Prepared by: Jason Gaertner, Manager, Financial Planning

Department: Financial Services

Date: September 27, 2017

Recommendation

- 1. That Report No. FS17-040 be received for information.**

Executive Summary

The purpose of this report is to provide background and additional information to the Finance Advisory Committee (FAC) in regards to the town's designated 2018 budget funding amounts to be provided to its cultural partners as per Council's recently approved 2018 Budget Preparation Directions.

Background

At its meeting of July 11, 2017, Council approved Report No. FS17-023 – 2018 Budget Preparation Directions. This approved direction included the following recommendation in regards to the funding of the Town's cultural partners:

THAT once the CPI factor is known and the growth estimated, the Finance Advisory Committee provide each of the Library Board, the Cultural Centre Board, and the Historical Society a designated 2018 budget funding amount for their respective budget development work.

The budget directions report is an important procedural document in the budget development process. It allows Council to set clear budget targets and parameters for administrative staff to follow in preparing a budget which will ultimately be found to be acceptable for approval by Council. It is important that all Town Department Heads, and cultural partners who rely on funding from the tax levy or other Town sources to understand the clear budget directions of Council.

Council has full authority to establish annual funding amounts for the Aurora Historical Society, the Aurora Cultural Centre Board (as per the Cultural Services Agreement),

The following table provides the recent history of the funding provided to each of the town's cultural partners:

Partner	2012	2013	2014	2015	2016	2017
Historical Society	\$50,000	\$60,000	\$70,000	\$67,500	\$70,500	\$72,600
	No special	Added second of two special \$10K amounts	Added \$10K to base	Indexed by Council	Indexed by Council	Indexed by Council
Cultural Centre Board	\$356,900	\$370,000	\$377,000	\$387,000	\$393,900	\$405,600
	Indexed per contract	Indexed per contract	Indexed per contract	Added \$10K at end of year	Indexed by Council	Indexed by Council
Library Board	\$3,199,700	\$3,313,500	\$3,439,200	\$3,538,700	\$3,659,000	\$3,767,700
	Indexed by Council	Indexed by Council	Indexed by Council	Indexed by Council	Indexed by Council	Indexed by Council

Analysis

The town's cultural partners have been designated a fair share of the town's anticipated CPI plus growth incremental tax levy revenue

In approving the recommendations of Report No. FS17-023, Council has set the targets for the final budget summarized as an overall tax rate increase of "Inflation plus 1% for fiscal strategies". The town has many cost pressures that must be addressed in its 2018 operating budget which has the effect that not all departments or partners will receive a funding increase equal to inflation plus growth. Consequently, any new funding arising from the budget directions of Council must be allocated by department and partner based upon a set of reasonable assumptions which strive to ensure that all receive a fair share of the Town's available incremental tax revenue each year. An approach of

this nature also ensures that the allocations of new funding to each department and cultural partner for the provision of Town services remain consistent.

The following pressures on the Town's overall budget have broad impact, including upon the three subject cultural partners:

- Continuing phase-in of fire services costs
- Broad budget pressures on street lighting costs
- Broad pressures on facilities electricity costs
- Cost pressures from Council compensation gross up for 2018
- Cost pressures related to annual election costs due to the implementation of the hybrid voting model

Consistent with past years, the Town's new budget revenue for 2018 should be allocated first to the above pressures, and then allocated to the cultural partners and town departments. Based upon this approach, the town's cultural partner's share of anticipated incremental 2018 tax revenue is derived as follows:

Cultural Partner Allocation of Growth plus CPI for 2018			
2018 Town CPI Levy Increase (2.1%):	\$	905,482	
2018 Town Growth Levy Increase (3.1% est.):	\$	<u>1,296,500</u>	
Sub-total	\$	2,201,982	
Less: Corporately Shared Pressures:			
Fire Services CPI & Growth		(560,500)	
Streetlight Electricity Budget Increase		(245,500)	
Share of Town Facility Electricity Budget Increase		(28,522)	
Council Salary Adjustment		(65,000)	
Election 2018 Funding Adjustment		<u>(85,000)</u>	
Total Amount to be Available	\$	<u>1,217,460</u>	

Cultural Partner	% of 2017 Gross Operating Budget	2018 Budget Increase	% Increase to 2017 Budget
Aurora Cultural Centre	0.7%	\$ 8,100	2.0%
Aurora Historical Society	0.1%	\$ 1,500	2.1%
Aurora Public Library	6.2%	\$ 75,400	2.0%
Total	7.0%	\$ 85,000	

September 27, 2017

Page 4 of 6

Report No. FS17-040

Based upon this noted allocation methodology, and previous communications with the partners, the 2018 funding allocations were increased slightly by staff from the calculated amounts. These updated 2018 cultural partner budget funding allocations are follows:

	2017 Allocation	2018 Increase	2018 Allocation	% Increase
Library Board	\$ 3,767,700	\$ 94,100	\$ 3,861,800	2.5%
Cultural Centre Board	405,600	10,100	415,700	2.5%
Historical Society	72,600	1,800	74,400	2.5%

Financial Implications

Providing funding to the cultural partners in any amount greater than what staff have presented will result in the town's partners receiving a higher proportion of funding increase than will be available for the remaining town departments and for other commitments for the 2018 operation budget. Any expected Increases in service levels beyond accommodating growth, such as new initiatives or programs, should have separate funding sources identified, which may include an additional tax rate increase beyond the "Inflation plus 1% for fiscal strategies" target established by Council.

In addition to the five shared cost pressures previously mentioned, the Town's budget will also be affected by the impacts of proposed labour legislation changes, and cost of living adjustments approved for the union staff and proposed for non-union staff, annualization of positions added last year. The budgets of the cultural partners may also be affected by these pressures, which will need to be accommodated within their detailed developed budgets. While Financial Services staff are unaware of the actual impacts of these other pressures on these partner groups, we do know that despite the additional revenues to the Town's budget from inflationary and growth tax revenues, Town operating departments will experience an overall constraint on non-personnel expenses, and will face pressure to identify new non-tax revenues in order to balance the draft budget within Council's direction.

Due to the timing of budget development process and review timelines of the Budget Committee, staff have already communicated the above funding allocations to the three town's three cultural partners, allowing them to begin their budget development and internal approval processes.

Communications Considerations

This report will be posted to the Town's Budget and Financial Information web page for transparency and accountability.

Link to Strategic Plan

Developing an annual budget which includes the town's cultural partner's needs supports all aspects of the Strategic Plan. Specifically, this report supports the plan's principles of Leadership in Corporate Management, Leveraging Partnerships, and Progressive Corporate Excellence and Continuous Improvement.

Alternative(s) to the Recommendation

1. None – receive only report

Conclusions

As per Council's approved 2018 budget preparation directions, staff have derived and provided to the town's cultural partners their designated 2018 budget funding amounts. These funding amounts are calculated based upon assumptions that strive to ensure that all of the town's departments and cultural partners are receiving a fair share of the town's anticipated incremental tax revenues.

Staff recommend that this report be received.

Attachments

None

Previous Reports

FS17-023 – 2018 Budget Preparation Directions.

Pre-submission Review

Agenda Management Team review on August 31, 2017

September 27, 2017

Page 6 of 6

Report No. FS17-040

Departmental Approval



**Dan Elliott, CPA, CA
Director of Financial Services
- Treasurer**

Approved for Agenda



**Doug Nadorozny
Chief Administrative Officer**



**Extract from
Council Meeting of
Tuesday, September 12, 2017**

5. Consent Agenda

**Moved by Councillor Mrakas
Seconded by Councillor Gaertner**

C1. General Committee Meeting Report of September 5, 2017

1. That the General Committee meeting report of September 5, 2017, be received and the following recommendations carried by the Committee be approved:

(C6) Finance Advisory Committee Meeting Minutes of June 13, 2017

1. That the Finance Advisory Committee meeting minutes of June 13, 2017, be received for information.

Carried