

2022/2023 Multi-Year Business Plan and Budget Process

ISSUE

The Administration is recommending that the term for the Multi-Year Business Plan and Budget (MYBB) continue in a two-year cycle instead of the four-year term as stated in Council Policy No. C03-036, Multi-Year Business Plan and Budget Policy.

RECOMMENDATION

That the Governance and Priorities Committee recommend to City Council that a two-year Business Plan and Budget process for 2022/2023, as outlined in the report of the Chief Financial Officer dated April 19, 2021, be approved.

BACKGROUND

At its meeting on March 25, 2019, when considering a report on the 2020/2021 MYBB, City Council resolved, in part:

- “1. That a two-year Business Plan and Budget process be approved; and
2. That the new Multi-Year Business Plan and Budget Policy with an effective date of April 1, 2019, be approved.”

DISCUSSION/ANALYSIS

The 2020/2021 two-year MYBB allowed for a longer-term focus and resulted in significant time savings for both the Administration and City Council. It allowed the Administration to focus on unexpected circumstances like the pandemic and the vast challenges that it presented, yet still allowed longer-term planning. In addition, City Council was able to approve adjustments in the second year as required to ensure priorities were met.

Council Policy No. C03-036, Multi-Year Business Plan and Budget Policy, states that the term of an MYBB shall be for four years unless a shorter term is approved by City Council. The Administration is recommending that a two-year Business Plan and Budget process be approved for the 2022/2023 MYBB as was done in the previous budget cycle.

While the original intent of the policy was to move to a four-year cycle, the Administration believes the initial implementation of this new process using a two-year cycle was a success even through a pandemic. However, with the uncertain financial situation facing the City and the risks associated with a longer cycle at this time, the Administration is not comfortable extending the budget cycle beyond two years.

The process for the 2022/2023 MYBB will be comprised of the same key steps that were undertaken for the previous two-year MYBB process. These key steps are as follows:

1. The Administration will develop the cost to maintain existing services such as expenditure growth, inflation, and revenue estimates. This step is also used for administrative priorities such as correction of base budgets and phase-in of funding plans.
2. The Administration will provide a summary of the information from Step 1 to the Governance and Priorities Committee so that an indicative rate (property tax target) can be set by City Council.
3. The Administration will use cross-divisional teams to discuss City Council's strategic priorities and develop options to achieve these priorities.
4. The Administration will present a list of Business Plan Options to City Council for prioritization.

The prioritized options presented in Step 4 will form part of the reporting to City Council's Business Plan and Budget Review.

The estimated timeline for these steps is included in Appendix 1.

COMMUNICATION PLAN

The MYBB will be communicated to residents and stakeholders through a variety of tools and channels, including the City's website, social and earned media, to create broad awareness and understanding of the City's budget process.

OTHER IMPLICATIONS

There are no financial, privacy, legal, social, or environmental implications identified.

NEXT STEPS

The Administration will present various reports related to the MYBB to City Council throughout the year as outlined in Appendix 1.

APPENDICES

1. 2022/2023 Business Plan and Budget Process Timeline

REPORT APPROVAL

Written by: Kari Smith, Director of Finance
Reviewed by: Kerry Tarasoff, Chief Financial Officer
Approved by: Jeff Jorgenson, City Manager

Admin Report - 2022/2023 Multi-Year Business Plan and Budget Process.docx

2022/2023 Business Plan and Budget Process Timeline

2021 Dates	Preparation	Steps 1 & 2 - Cost to Maintain Service & Indicative Property Tax Target	Steps 3 & 4 - Business Plan Option Development	Budget Document & Agenda Development
Mid-Mar.	Kick-off with stakeholders			
Mar. 16 – Apr. 16		Administrative estimates on expenditure requirements including inflation, growth, and revenues to maintain current service levels as well as the Administration's priorities		
Mar. 1 – May 31			Corporate Business Plan meetings are held to discuss City Council's strategic priorities and develop Business Plan Options	
Apr. 19 GPC	MYBB process approval at GPC			
Apr. 16 – Apr. 30		ELT* review and adjust administrative estimates to maintain current service levels		
May 1 – Jul. 16			Business Plan leads to present Business Plan Options to the ELT	Entry for expenditure inflation, growth, and revenues into system
Jun. 21 GPC		GPC report on cost to maintain current service levels and approval of an indicative rate for 2022 and 2023		
Jul. 1 – Aug. 31				Business Plan and Budget Book narratives are written
Aug. 23 GPC			Business Plan and RCE Options are presented to GPC to achieve strategic priorities within the indicative rate	

2021 Dates	Preparation	Steps 1 & 2 - Cost to Maintain Service & Indicative Property Tax Target	Steps 3 & 4 - Business Plan Option Development	Budget Document & Agenda Development
Aug. 24 – Sep. 30			Business Plan Options are prioritized by City Council	
Sep. 1 – Sep. 30				ELT review of Business Plan and Budget document and adjustments
Oct. 18 GPC			Business Plan Options prioritized list is presented to GPC	
Mid-Oct.				Business Plan and Budget document sent to print
Oct. 22				Departmental Business Plan and Budget reports for agenda are due to Finance (rate reports and other decision items)
Oct. 31				Finance Business Line reports for Business Plan and Budget Review due to admin team
End of Oct.				Release of the 2022/2023 City of Saskatoon Multi-Year Business Plan and Budget document
Nov. 24				Release of the 2022/2023 Business Plan and Budget Review Agenda
Nov. 29 – Dec. 1				City Council Business Plan and Budget Review

*ELT (Executive Leadership Team) is comprised of the City Manager, Division Chiefs and Division General Managers