



## REPORT

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**TO:** Mayor Lawlor and Members of Council

**FROM:** Moya Leighton, Treasurer

**DATE:** April 15, 2024

**REPORT NO.:** CS-2024-008

**SUBJECT:** 2025 Budget Process

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### RECOMMENDATION:

THAT Report No. CS-2024-008, dated April 15, 2024, regarding the 2025 Budget Process be received;

AND FURTHER THAT the Mayor shorten the period to veto a Council resolution to amend the budget from ten (10) days down to three (3) days;

AND FURTHER THAT Council shorten the period to override the Mayor's veto of a Council resolution to amend the budget from fifteen (15) days down to ten (10) days.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- Part VI.1 of the Municipal Act assigns special powers and duties (Strong Mayor Powers) to the head of council to designated municipalities in Ontario.
- On November 1, 2023, the Province extended these powers to Halton Hills through the amendment of O.Reg 53/22.
- These pieces of legislation set out the process for preparing and proposing a municipal budget including timelines that must be adhered to.
- This report outlines the proposed 2025 budget process.

## **BACKGROUND AND DISCUSSION:**

On August 21, 2023, the Province announced the Building Faster Fund, a new three-year, \$1.2 billion program that will provide up to \$400 million per year to municipalities that meet or exceed their annual housing targets. In order to further support municipalities in delivering housing targets, the government offered to extend the Strong Mayor Powers to 21 municipalities with newly assigned targets provided the head of council committed in writing to meet the provincially assigned target.

The Town of Halton Hills was designated Strong Mayor Powers on October 31, 2023, and must now follow the powers and duties as set out in Section 284.16 of the Act in regards to the municipal budget.

On or before February 1<sup>st</sup> of each year, the Mayor shall table a proposed budget for the municipality and provide it to Council for consideration.

Once the Mayor has tabled the proposed budget, Council has thirty (30) days to pass a resolution to make any amendments to the budget. If no amendments have been made, the budget is deemed passed thirty (30) days after it has been provided.

If within thirty (30) days Council passes a resolution to amend the budget, the Mayor has 10 days to veto the amendment, and as such the resolution to amend shall be deemed not to have passed by council. The Mayor may shorten the 10-day period by providing a written Mayoral decision to the Clerk and Council. Staff are suggesting this 10-day period be shortened down to three (3) days. If the Mayor does not veto any of the amendments within this period, the budget as amended is deemed adopted by the municipality.

Should the Mayor exercise her right to veto any of the amendments, Council has a 15-day period to override the Mayor's veto if two-thirds of the members of Council vote to override the veto. Council may shorten the 15-day day period by passing a resolution. Staff are suggesting this 15-day period be shortened down to ten (10) days. With the composition of Town Council being 11 members, a two-thirds vote would need eight (8) members to vote in favour of overriding the Mayor's veto. The Mayor may vote as a member of council in a vote to override a veto. If a vote to override a veto does not attain two thirds of the members vote, the veto stands and the budget is deemed adopted by the municipality. The decision process, as defined in the Strong Mayor Power legislation, is outlined in Appendix A.

Staff are proposing the timeline for approving the 2025 budget occur in December as it historically has done in the past. This permits the Town to issue construction RFPs in January, reaching a wider range of contractors and optimizing competitive pricing opportunities. The budget approval process, as amended through this report is outlined in Appendix B.

Under section 284.16 of the Act, the Town's 2025 operating and capital budgets will follow the process as outlined below:

APRIL  
18

- Budget training session for staff

### **Budget Training Session for Staff**

The annual budget training session for staff signals the official start to the budget process and serves to provide direction and procedural updates. For the 2025 budget, staff will receive an update on Strong Mayor Powers and the implications for the budget. In addition, there will be an overview of Council's Strategic Priorities and a reminder of the four guiding budget principles.

1. Restore appropriate funding for reserves to support long-term financial stability
2. Maintain current service levels for programs and staffing, leverage technology solutions to support efficiencies and productivity
3. Align capital programs with available resources while ensuring compliance with legislation and health and safety standards
4. Defer the growth-related capital program until development charges are received.

Following the training session, staff will commence work on the 2025 budget.

### **Operating Budget Preparation and Review Process**

When preparing the proposed budget for the upcoming year, the prior year's approved budget is used as a starting point. Staff meet regularly during budget preparation each year to review and discuss all line items to identify savings, efficiencies and any known changes. Adjustments are made to the existing base budget for the following: one-time items and reversals, expenditures previously endorsed or approved by Council, inflationary changes, service level impacts such as increases in contract costs and any additional operating costs resulting from capital projects or the acquisition of new capital assets.

Consideration is also given to additional budget pressures and staffing impacts to the base budget from services downloaded from other levels of government, legislation, or regulatory changes, preparing for growth, and Council's Strategic Plan.

The Senior Management Team meets regularly to discuss all aspects of the operating budget and conduct a priority review of all year-over-year changes.

### **Capital Budget Review Process**

The preparation of the capital budget and nine-year forecast follows a different process to the operating budget. Staff review the status of any current open jobs, consult departmental workplans, human resource capacity, asset management plans and available financing. Once a proposed list of capital projects is compiled, further analysis is undertaken by the cross functional budget review committee to ensure corporate alignment. During this review, each project is ranked using the criteria contained within the Town's prioritization matrix. The ranked list of projects is then reviewed by the Senior Management Team, and decisions are made on which projects will be included in the staff recommended capital budget.

### **Mayor's Role in the Budget Preparation Process**

With the introduction of Strong Mayor Powers, the Mayor will be an integral part of the budget preparation process, alongside staff. As staff work to compile the budget, they will meet with the Mayor to share progress and updates.

MAY 24

- Mayor directs staff to create a "staff recommended" 2025 capital and operating budget

### **Mayor's Direction to Staff**

Should the Mayor have any specific directions for staff to follow during budget preparations, they can be included with the May 24 Mayoral direction. If there are no specific directions, staff will continue to prepare the 2025 budget based on the projected cost increases and resources required to meet current service levels and growth projections.

SEP 3

- Staff recommended budget enters print production stage

### **Print Production Stage (Staff Recommended Budget)**

Work continues to prepare the staff recommended budget up to September 3. Following this date, the print production stage commences, and no further changes will be made to the draft staff's recommended budget numbers. Staff will commence work on the detailed budget supporting documentation and create the "budget binder".

- Staff recommended budget needs for 2025 are released on-line

OCT 15

- Public Consultation Opens - Mayor & Council's Let's Talk 2025 Budget Platform

### **Staff Recommended Budget Needs (2025)**

The staff recommended budget needs for 2025 will be posted online for consideration by the Mayor, Council and members of the public. The intent is that these staff recommended budget needs will serve as the starting point for any discussion and changes proposed by the Mayor and Council throughout the remainder of the formal budget process.

In addition, a public consultation period will commence with a focus on the contents of the staff recommended budget needs and will remain open for 46 days.

OCT 21

- Budget workshop (public)

### **Public Workshop**

This workshop will be the first public meeting for the 2025 budget. Staff will present details of the Town's budgetary needs supported by departmental business plan presentations.

### **Consultation Period**

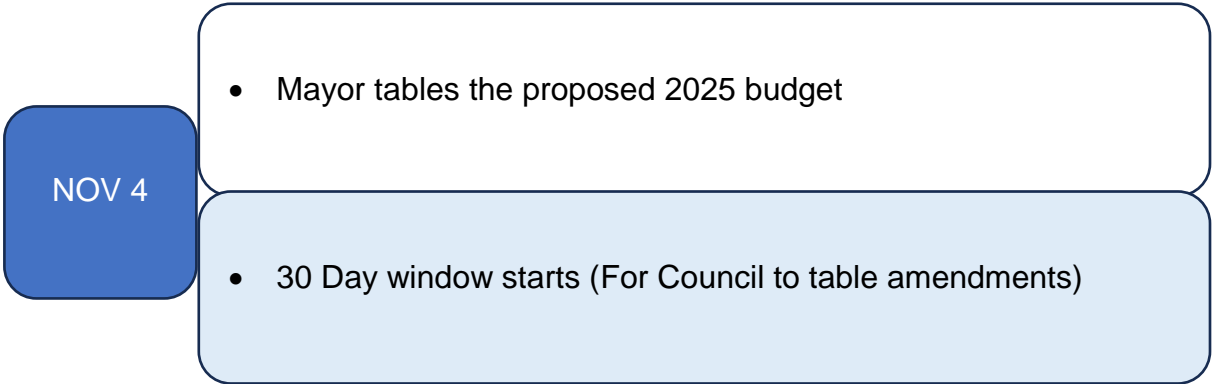
The intervening period between the release of the staff recommended budget needs on October 15 and the tabling of the Mayor's budget on November 4 allows the Mayor and Council to review and consider the Town's budgetary needs and engage in consultation.

OCT 28

- Long Range Financial Plan update

## Long Range Financial Plan Update

Staff will provide an update on the Town’s financial health to Council on October 28. The Town’s long range financial plan includes projections to manage the fiscal challenges of the next ten years, balancing current service levels, expected growth, a sustainable capital program and operating budget needs while ensuring sufficient reserve balances are on hand.



A vertical timeline for November 4. On the left, a blue rounded square contains the text 'NOV 4'. To its right, two rounded rectangular boxes are stacked vertically. The top box is white and contains a bullet point: 'Mayor tables the proposed 2025 budget'. The bottom box is light blue and contains a bullet point: '30 Day window starts (For Council to table amendments)'.

- Mayor tables the proposed 2025 budget
- 30 Day window starts (For Council to table amendments)

## Mayor Tables Budget

To comply with the timelines outlined in legislation, the proposed budget will be officially tabled on November 4. It will consist of a list of changes to the staff recommended budgetary needs posted on-line on October 15.

This starts the 30-day period, during which members of Council may submit an amendment to the budget through the Clerk using the Budget Amendment Form, to be voted on at the December 3<sup>rd</sup> Council meeting.

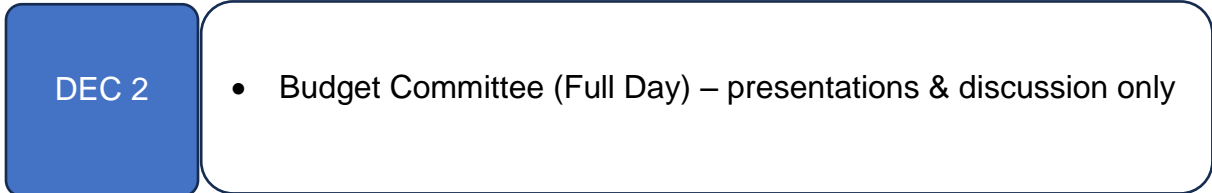


A vertical timeline for November 29. On the left, a blue rounded square contains the text 'NOV 29'. To its right, a white rounded rectangular box contains a bullet point: 'On-line Public Consultation Ends– Mayor & Council’s Let’s Talk Platform closes 5pm'.

- On-line Public Consultation Ends– Mayor & Council’s Let’s Talk Platform closes 5pm

## Public Consultation

The Mayor and Council’s Let’s Talk page for the 2025 budget will be closed to on-line public comments at the end of the business day on November 29.



A vertical timeline for December 2. On the left, a blue rounded square contains the text 'DEC 2'. To its right, a white rounded rectangular box contains a bullet point: 'Budget Committee (Full Day) – presentations & discussion only'.

- Budget Committee (Full Day) – presentations & discussion only

## **Budget Committee**

The Mayor & Treasurer will present both the capital and operating budgets to Budget Committee. There will be a formal presentation on the budget and time allocated for questions.

There will also be the opportunity for public delegations and requests for inclusion, in addition to presentations from the two local Business Improvement Areas.

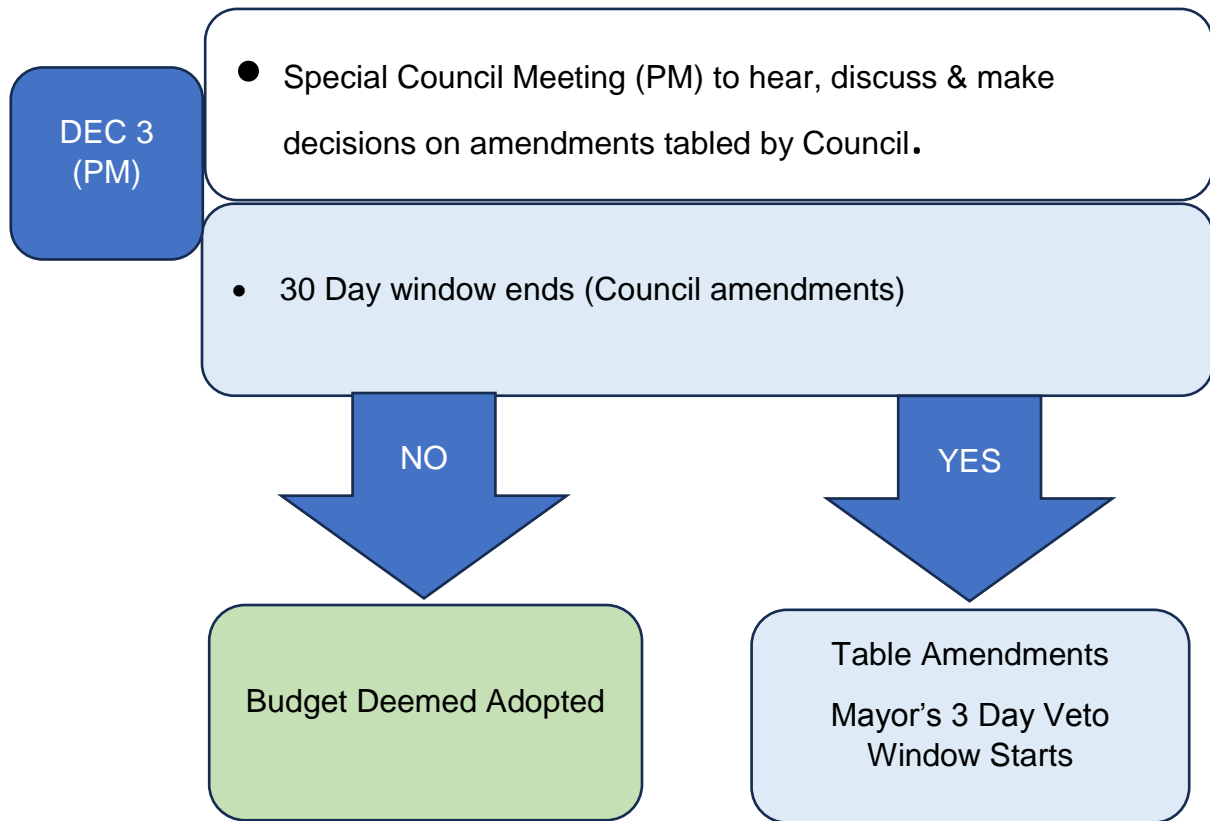
In addition, budget amendments received prior to the December 2 budget committee date can be discussed, and staff will be available to answer any questions that may arise.

DEC 3  
(AM)

- Budget Committee (Continues) – presentations & discussion only

## **Budget Committee (Day 2)**

Additional time has been allocated for the morning of December 3 for the continuation of the Budget Committee meeting if required.



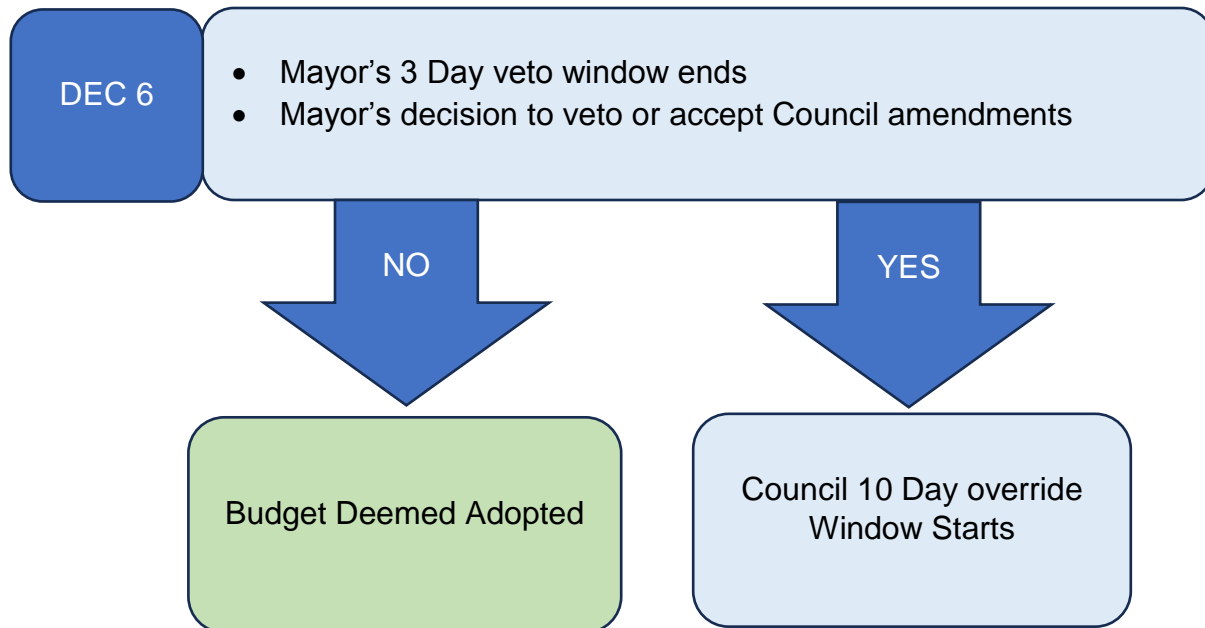
### Special Council Meeting

A special Council meeting will be held on the afternoon of December 3<sup>rd</sup> to hear, discuss and make decisions on any budget amendments that Councillors may have tabled.

If there are no amendments tabled, the budget will be deemed adopted.

If there are amendments tabled by Councillors, the Mayor's 3-day veto period will commence, effectively providing 3 days for the Mayor to make a decision on whether to veto any amendments.

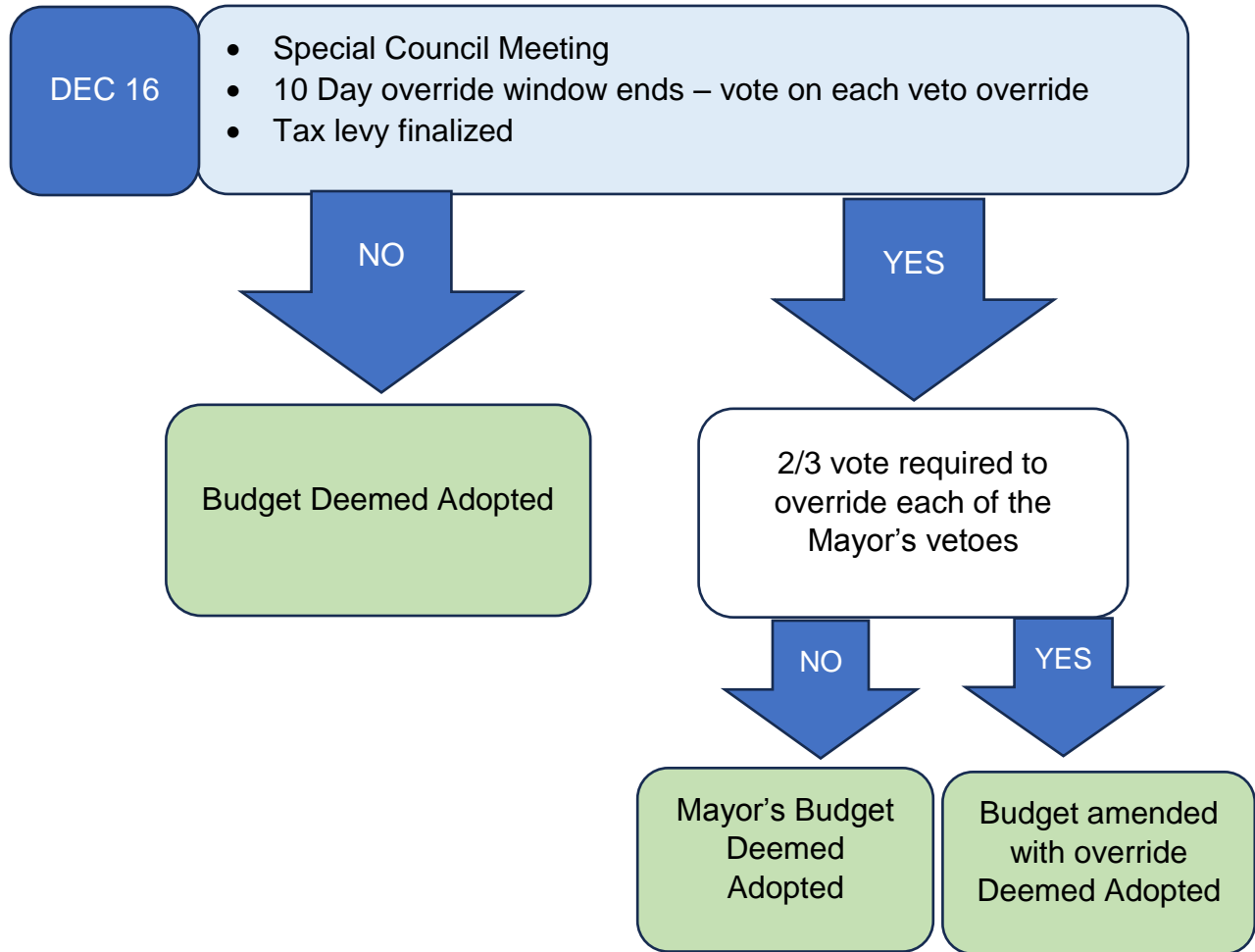




### **Mayoral Veto**

If the Mayor does not exercise the veto power by December 6, the budget as amended through the special council meeting on December 3, will be deemed adopted.

If the Mayor exercises the veto power, the 10-day override period commences. Councillors will have 10 days to decide if they want to override the Mayor's veto of an amendment.



**Council 10 Day Override Period**

A special council meeting will be held on December 16.

If members of Council do not wish to override the Mayor’s veto power then the budget as tabled by the Mayor plus any amendments that the Mayor agreed to on December 6, is deemed adopted

If Council wishes to exercise their override power, a vote will be held during this meeting on each budget item that Council wish to override.

Should a 2/3 majority vote not be reached, the Mayor’s budget will be deemed adopted.

If a 2/3 majority vote is reached for any particular amendment, the budget will be deemed adopted as amended.

**STRATEGIC PLAN ALIGNMENT:**

This report is administrative in nature and does not have an impact on the Town's Strategic Plan.

**RELATIONSHIP TO CLIMATE CHANGE:**

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

**PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

**INTERNAL CONSULTATION:**

The Town Clerk, Chief Administrative Officer, Commissioner of Corporate Services and the Mayor were consulted on the preparation of this report.

**FINANCIAL IMPLICATIONS:**

This report is administrative in nature and does not have any financial implications.

Reviewed and approved by,

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer