



STAFF REPORT

DATE: September 1, 2023 **FILE:** 0550-04

TO: Chair and Directors
Regional Board

FROM: David Leitch
Chief Administrative Officer

RE: PROPOSED FINANCIAL PLANNING TIMELINE FOR THE 2024 BUDGET

PURPOSE/PROBLEM

To present the proposed budget timeline that identifies key dates for the 2024-2028 budget cycle process as defined in the Board approved Policy CP-011 (Financial Planning Process).

EXECUTIVE SUMMARY

The Board's financial planning process Policy CP-011 (Appendix A) indicates that one of the first activities in a new budget cycle is the presentation of a detailed budget calendar that outlines the key tasks, events, public input opportunities and decision points for the upcoming budget process. The *Local Government Act* does not prescribe a public engagement process, however it does state that a regional board must undertake a process of public consultation before adopting its financial plan.

The attached Table 1 identifies key dates proposed for the 2024-2028 financial planning meetings based on this policy. The Board will note that 2 opportunities for public input are anticipated to be scheduled for Board meetings in 2024. If the Board would like additional public input opportunities to be included in the budget process, such as town hall meetings or other similar events, specific direction to staff would be appropriate. In the absence of such direction, it is assumed that directors are fully capable of understanding the wishes of their constituents with respect to budgetary priorities for the coming year.

As presented, the process outlined below will culminate in the approval of a five-year financial plan bylaw prior to the statutory deadline of March 31, 2024.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT the 2024 Financial Planning timeline attached to the report from the Chief Administrative Officer be approved.

Respectfully:

A large, stylized handwritten signature in black ink, appearing to be "David Leitch", written over a horizontal line.

David Leitch
Chief Administrative Officer

<u>PROPOSED FINANCIAL PLANNING TIMELINE*</u>	
November 22, 2023	Surplus Projections & Staff Business Cases <ul style="list-style-type: none"> • EASC: Surplus presentation & staff business cases • Board: Surplus presentation & staff business cases • SGC: Surplus presentation & staff business cases
December 13, 2023	Single Participant Meetings – Board & Gardens: <ul style="list-style-type: none"> • Board: Service review [Functions 100 - Board & 150-Regional Feasibility] & Director business cases • SGC: Service review [Functions 640 – 644] & Director business cases
December 14, 2023 [Thursday – Special Meeting]	Single Participant Meetings - EASC: <ul style="list-style-type: none"> • Service review [Single participant functions only] • Director business cases (Single participant functions only)
January 24, 2024	Draft 2024 Financial Plan Review <ul style="list-style-type: none"> • EASC presentation & discussion • Board presentation & discussion • SGC presentation & discussion
February 7, 2024	Board budget deliberations: <ul style="list-style-type: none"> • Review Draft 2024 Financial Plan. • Presentation of any additional/amended strategic business cases. • Amendments by the Board
February 21, 2024	Board budget deliberations: <ul style="list-style-type: none"> • Advertised for public input • Presentation of any additional/amended strategic business cases • Amendments by the Board
March 6, 2024	Present 2024-2028 proposed Financial Plan Bylaw for approval: <ul style="list-style-type: none"> • Advertised for public input. • Amendments by the Board.
March 20, 2024	Approval and adoption of 2024-2028 Financial Plan Bylaw.

**NOTE: 2024 DATES SUBJECT TO CHANGE BASED ON APPROVED MEETING CALENDAR.*

Prepared by: Mike Harmston, CPA, CGA, CFO



CORPORATE POLICY

No.: CP-011 **Date Approved:** October 7, 2015
Date Revised: n/a

Name: Financial Planning Process

Purpose:	To establish guidelines for developing, evaluating, finalizing and implementing the Regional Board's financial plan.
Authority:	Sections 815 and 816 <i>Local Government Act</i>
Scope:	This policy applies to all organizational units involved in the development, evaluation and implementation of the financial plan.

Definitions:	financial plan	means	the Regional District's five-year financial forecast that is adopted annually by bylaw
	budget	means	a version of the five-year financial plan that is considered by the Board prior to adoption of the financial plan bylaw
	budget cycle	means	the annual process to review, revise and confirm the financial plan

Policy: The Board will annually develop, evaluate, finalize and implement its five-year financial plan based on the following principles:

1. The financial plan will support the Board's vision and strategic plans.
2. The financial planning process will include analysis and discussion of short- and long-term key factors that affect the organization and services it provides such as cost trends, service levels, capital investment requirements, reserve and debt levels, and other assumptions.
3. The financial plan will be prepared in accordance with all Regional District policies and long-term plans such as those for reserves, debt, cost allocations, and tangible capital assets, and with all applicable legislation.
4. The Board's financial planning process will utilize a variety of methods to gather input from ratepayers, partners and the general public such as town hall meetings, social media, public open houses, and print and web publications.
5. Board decisions regarding the financial plan will be made in public (open) meetings.

Review Date:

Annual budget calendar: Each year at the start of a new budget cycle, a detailed budget calendar will be developed and presented to the Board that outlines the key budget tasks, events, public input opportunities and decision points for the upcoming budget process.

Public consultation: Input from taxpayer and constituent groups will be sought as early in the process as is feasible, to allow sufficient time for investigation and consideration of ideas and concerns. The budget calendar will identify opportunities throughout the budget process for the Board to receive stakeholder input, including public meetings and presentations, outreach efforts and other means. A communication plan should be developed each year that identifies key events and opportunities for public participation, specifying target dates, media, messages and audience. Directors will be provided specific opportunities to review and discuss the financial plan throughout the development process. An opportunity for receipt and consideration of public input should be provided between first reading and adoption of the financial plan bylaw.

Benchmarks and standards: The financial plan is one component contributing to the sustainability of the Regional District, and as such will incorporate to the extent possible the implications of policies, plans and best practices for local government regarding the Board's vision and strategic plans, levels of debt, reserves, asset management, cost allocations, procurement and human resourcing. The financial plan will be prepared in accordance with recommendations of the Public Sector Accounting Board (PSAB) and according to generally accepted Canadian public sector standards. The financial plan and its process will comply in all respects with applicable legislation.

Comparisons: Historical financial information and current year estimates will be provided to the Board with budget documentation for comparison purposes. The current and one prior years' budget and actual or predicted amounts will be provided, at a minimum.

Budget versions: The financial plan is a living document that indicates resource commitments to specified goals and objectives. While the financial plan may be amended at any time, the plan as a whole will be reviewed annually through several discrete iterations which may include:

1. **Baseline budget** – The baseline budget focuses on supporting ongoing services, programs and previously Board approved work plans and projects. This version may include plans and related funding estimates for achieving established service and financial goals, and is usually presented in October or November of each year. This budget version will present revenue projections and expense estimates based on all available information, but may exclude requisition analysis and financial position estimates (surpluses and reserves).
2. **Recommended budget** – The recommended budget is developed using the baseline budget as a starting point and is usually published in January. It includes refined projections and estimates for revenue, expense, requisitions, surpluses and reserves as well as program and work plan information based on gathered inputs to date, including those confirmed at budget workshops or Board, committee or commission meetings. This version may include estimates relating to new initiatives, feasibility studies, and capital or other major projects. Sufficient time should be allowed during the development of the recommended budget to provide for research of new initiatives, communication and discussion of alternatives, and Board direction, where required. Any significant changes arising out of discussions with individual service participants, staff or other service providers will be identified to the Board or its committees. If the significant change is the result of a change in service level it will be approved by the Board before the financial implications of the change are incorporated into the financial plan. Requisition and tax rate projections

will be based on the Completed Assessment Roll received in January.

3. **Final budget** – The final budget incorporates approved changes to the recommended budget and presents updated budget estimates and resulting cost implications. Once the final budget has received the Board's approval in principle, it serves as the basis for the financial plan bylaw.
4. **Financial Plan Bylaw** – The five-year financial plan bylaw is based on the final budget, as approved in principle or amended by the Board. If possible, sufficient time should be allowed between first reading and final adoption of the bylaw to allow for meaningful public input and consideration. The five-year financial plan bylaw will be adopted by the Board no later than March 31 each year.

Amendments: Changes to the financial plan after adoption of the five-year financial plan bylaw will be presented to the Board with each item identified separately with supporting rationale before adoption of the amending bylaw.

Policy review: This policy may be periodically reviewed and amended at any time by Board resolution.

Responsibility: The Financial Officer will be responsible for the development, implementation and monitoring of the financial plan process, including coordinating the budget process, developing the budget calendar, identifying roles and responsibilities for completing the various tasks, and advising on and facilitating financial plan amendments and amendments to this policy, as approved by the Board.