

2023 Budget Kick-Off

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Special Budget Meeting – September 26, 2022



Fredericton

Agenda

- 2023 Budget Goals
- Revenue Opportunities and Challenges
- Expense Opportunities and Challenges
- Forecasted Pressures
- Additional Areas of Focus/What We Know from Council
- Budget Meeting Schedule
- Resolutions
- Questions/Comments



2023 Budget Goals:

Facilitate the implementation of the Municipal Plan and aligned Service Delivery

- Building Community
 - Enhancement to public realm and public amenities
 - Supporting growth in the urban core and other strategic areas of the City
 - Review strategies to address vandalism, vagrancy, mental health calls for our Public Safety group
 - Focus on implementation of the Affordable Housing Plan
- People Focused
 - Movement on the Performing Arts Centre
 - Design work completion for a new indoor aquatic facility
 - Meaningful progress on park plans
 - Fredericton's 175th birthday

2023 Budget Goals

- Regional Leadership
 - Adjust service delivery as per the requirements of Local Governance Reform
 - Policing, Tourism, Economic Development, etc.
- Environmental Responsibility
 - Executing on selective pathways for both the Corporate and Community Energy Plans
 - Pursuing vehicle replacements with hybrid/electric technologies
 - Implementation of AVL to majority of City fleet
 - Supporting adaptation and mitigation efforts through infrastructure investments
- Fiscal Stewardship
 - Major revision to the City's Long Term Financial Plan



2023 Budget Goals

- Sustaining Our People
 - Strategically investing in staffing where service levels require
 - Review/reset of student wage scale
- Sustaining Our Business
 - Focus on leveraging digital tools to implement smart information and document management
 - Continue to identify opportunities to improve the customer experience with the launch of new websites (City & Tourism), and the evolution of better Customer Request Management (CRM) and Work Order Management systems



Revenue Opportunities and Challenges

- Warrant Revenue:
 - Impacts of LGR are not clear at this time
 - Still expecting favorable assessment increase due to strong development and real estate market growth
- Community Funding Grant – under review by GNB
- Non-Tax Revenue
 - Strong development resulting in increased building permit revenue
 - Transit ridership and Recreation users rebounding from COVID-19 impacts
- Positive Second Previous Years Surplus for 1-time issues
- New government (Fed & GNB) funding streams relating to capital construction



Expense Opportunities and Challenges

- Known/Unknown labour contracts
 - 2 union contracts expired (IAFF 1053, UBC 911)
 - 2 union contracts expire December 31, 2022 (CUPE 1709, CUPE 1783)
- Many years of “holding the line” has resulted in inflationary gaps
 - Unusually high inflationary costs need to be addressed
 - Competitive tendering has not mitigated inflation impacts
- Increased costs to “insurance” premiums
 - Property/vehicles & equipment/general liability
 - WorkSafe NB rates
 - Long-term disability (not directly a City cost but part of employee benefits)



Forecasted Pressures

- Balancing out of market assessment increases in 2024 with inflationary pressure
- Inflation & procurement issues
- Municipal Reform
 - Uncertain of impacts, awaiting information pertaining to new areas
 - Multiple rates for similar/shared service provision
- Increased investment to RSC
- Affordable housing, living rough, doctor recruitment
- Major capital projects
 - Implications on debt room and new operating costs
- Pension and employee benefits



Additional Areas of Focus/What We Know from Council

- Active transportation/trails/safety on trails
- Parks (destination and neighbourhood)
- Traffic calming/speeding
- Environmental issues
- Linear infrastructure (renewal and extensions)



Summary

- Plan to maintain all areas/levels of services with investments as outlined in goals
- Plan to fully fund capital guidelines for renewal, growth and debt allocation
- Assumption that market assessment increases will be needed to cover inflation
- Growth/Development increases will help cover expanded/new service areas
- 2023 will be a transition year for welcoming new residents and areas through LGR and preparing for new major initiatives



Budget Meeting Schedule

September 26th – Budget Kickoff

October 11th – Water & Sewer

October 24th – Capital

November 14th – General Fund including Revenue

November 21st – tentative in the event additional time is required

November 28th – Adoption



2023 Budget Motions “in principle”

It is recommended that Council while acting in Committee direct the Chief Administrative Officer to follow the 2023 budget guidelines “in principle”:

1) BUDGET SCHEDULE

THAT the 2023 *Budget Meeting Schedule* is approved as presented

2) INFLATION FACTOR

THAT *NON-PERSONNEL expenditures be adjusted as a result of inflationary increases to certain budget line items at the discretion of the CAO*



2023 Budget Motions “in principle”

3) PERSONNEL COSTS

THAT PERSONNEL budgets remain at existing FTE complement unless otherwise determined necessary by the CAO and contract increases be budgeted for in line with the adopted HR Tactical Plan

4) INFRASTRUCTURE REINVESTMENT FUNDING STRATEGY

THAT the 2023 capital budget remain in accordance with Council Policy SUS-POL-060 Capital Prioritization and Investment



2023 Budget Motions “in principle”

5) DEBT AFFORDABILITY

THAT the 2023 debt servicing budget follow Council Policy COR-POL-061 *Debt Affordability and Management*

6) GENERAL FUND REVENUE

THAT General Fund Revenue be developed for the ‘regular’ 2023 Budget based on no tax rate increase or decrease; and

THAT revenue changes related to LGR be brought through the budget process

2023 Budget Motions “in principle”

7) SERVICE or SERVICE LEVEL CHANGES

THAT any SERVICE or SERVICE LEVEL CHANGES are presented during the 2023 budget process



QUESTIONS



Fredericton