



# 2022 – 2026 Financial Plan Guidelines for Staff

# 2022-2026 Financial Plan Guidelines

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## Message from the Chief Financial Officer

June 2021

The *Community Charter* mandates that City Council provide services, laws, and other matters for the community's benefit, and also provide financial stewardship over its finances, assets, and resources. Strategically planning the delivery of City services and other matters of community benefit is essential to proper and sustainable allocation of scarce resources. To this end, the City develops a number of strategic service plans that not only set service levels and allocate resources, but are integrated and aligned.

City Council starts the strategic planning process by drafting their *Strategic Plan*, which sets the high level goals and objectives for the community. City management develops departmental work plans, as business planning tools for staff to accomplish the goals and objectives of Council. The last part in the strategic planning process is the *Financial Plan* which allocates the funds and resources to complete the work plans and business plan tasks.

While the Strategic Plan sets out the goals and objectives of Council, Council acknowledges they cannot be achieved at all costs. Financial sustainability is an important goal of City Council, and it is recognized that the goals and objectives must be balanced with the ability to pay. As such, Council adopted a Long-Term Strategic Financial Framework (LTSFF). The LTSFF identifies financial principles that will help guide the City towards a financially sustainable future. The LTSFF will help guide the preparation of the City's budget.

The City also develops a number of Master Plans to help define the City's vision and shape strategic direction in particular areas. The Five-Year Financial Plan should incorporate these master plans and ensure we are appropriately providing financial resources where they are required. Recent master plans include the Art in Public Spaces Master Plan, *TransPortMoody* Master Transportation Plan (MTP), the Parks and Recreation Master Plan, and the Arts and Culture Master Plan.

The COVID-19 pandemic is an ongoing global pandemic that was first identified in December 2019 in Wuhan, China. The World Health Organization declared a Public Health Emergency of International Concern regarding COVID-19 on January 30, 2020, and later declared a pandemic on March 11, 2020. In addition to the health crisis, as countries implemented lockdowns and other measures, a worldwide financial crisis developed with the economies of many countries falling into recessions or depressions. The COVID 19 recession was deemed the worst global economic crisis since the great Depression that took place mostly during the 1930s.

Similar to other countries, the Federal and Provincial governments have been issuing Public Health Orders in order to prevent and control the spread of the pandemic. Many of these measures required closing or restricting access to facilities and programs causing significant revenue losses, while incurring extraordinary expenses for special supplies, materials and infrastructure. The City was provided a \$4.6 million COVID-19 Safe Restart Grant by the Province in 2020 to offset the revenue losses and additional expenses related to the pandemic. The City used approximately \$1.2 million of the Grant in 2020 to offset the revenue losses and additional expenses and budgeted to use \$1.9 million in 2021. The utilization of the Grant provided funding that allowed the City to continue to deliver uninterrupted services to the community.

The City recognized the financial pressure the pandemic placed on residents and businesses and responded by adopting an austerity budget in 2020 that reduced costs and services that resulted in the lowest tax rate increase in many years. In 2021, with continued financial pressure the pandemic placed on residents and businesses, the City approved a Financial Plan with a modest tax increase of 3.55% including and increase to the Asset Renewal Levy

As allowed under the Community Charter, the City provided further relief in the form of an Alternate Tax Collection Scheme that reduced the late payment penalty on unpaid taxes down from 10% to 5%, and moved the penalty date to September 16<sup>th</sup> giving taxpayers additional time to pay, or arrange financing for their property taxes. This was the second consecutive year of penalty reductions and a delayed penalty date.

The 2022 Financial Plan represents a “return to normal” as the community looks to towards the end of the COVID-19 pandemic and the resumption of normal services in 2022.

### **Budget Approach**

To ensure that the City is providing stewardship over the City’s finances, assets, and resources, departments should adopt a zero-based budget approach (budget what you need to reasonably and efficiently deliver the service). Please review what was spent versus what was budgeted for the last three years. Operating budget templates will include the prior three years of budgets and three years of actual revenues and expenditures for you to quickly and easily reference. Involve City staff throughout the budget planning process. Staff at all levels have good suggestions that can be incorporated into the Financial Plan.

While you are completing your Financial Plan, ask the hard questions:

- Is this the best way of doing business? Is this process still required?
- What is the best value for the City, hiring someone or paying a contract fee?
- Would a multi-year contract be more economical than buying when needed?
- Could this service be shared with another municipality or agency?
- Are fees competitive and/or reasonable?

I look forward to working with all departments in developing the 2022-2026 Five-Year Financial Plan.

Sincerely,

Paul Rockwood, CPA, CGA, CRM

## Budget Targets

In order to accurately calculate tax rate increases, staff will propose a **total dollar increase** to the Financial Plan. This can then be **estimated** as a percentage tax increase.

Due to the nature of the property tax system in British Columbia, using assessed values and Mill Rates, approval of a total dollar increase is the only accurate way to ensure the City collects the funds required to balance the budget. Additionally, changes to assessed values and movement between tax classes can impact the overall tax increase (or decrease) without having an impact on the overall Financial Plan (Budget).

Council provided direction to staff to submit a maximum operating budget increase of \$1,605,000 for the 2022 Financial Plan, excluding the asset levy increase of \$462,000 to fund major capital asset renewal and replacement.

Approved Target Tax Increase (\$)	2022	2023	2024	2025	2026
Operating	1,155,000	1,230,000	1,268,000	1,313,000	1,360,000
Growth Stabilization Reserve (2021)*	450,000	450,000	-	-	-
Capital – Asset Renewal	462,000	492,000	507,000	525,000	544,000
<b>Total</b>	<b>2,067,000</b>	<b>2,172,000</b>	<b>1,775,000</b>	<b>1,838,000</b>	<b>1,904,000</b>

*\*Reduction to the growth stabilization reserve transfer introduced in the 2021 Budget to smooth the impacts of the significant tax revenue loss as a result of the class shift (class 4 to class 6) of the Mill and Timber property.*

These total dollar increases are estimated to represent the following percentage increases.

Approved Target Tax Increase (%)	2021	2022	2023	2024	2025
Operating	2.50%	2.50%	2.50%	2.50%	2.50%
Growth Stabilization Reserve (2021)*	0.97%	0.91%	-	-	-
Capital – Asset Renewal	1.00%	1.00%	1.00%	1.00%	1.00%
<b>Total</b>	<b>4.47%</b>	<b>4.41%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>

Rather than distributing the targeted budget increase amongst departments, departments are asked to submit their zero based budget required to deliver the same level of service as 2021 (adjusted for COVID-19 restrictions). Financial Planning staff will aggregate final budget submissions and work with the Executive Leadership Team (ELT) and individual departments to ensure reasonability and overall compliance with Council's target.

New Services will be identified in the Financial Plan for Council's consideration and deliberation. See [New Services Section](#) for additional information.

## Budget Timeline

The budget planning process timeline nearly spans the entire year. Guidelines and templates will be distributed in July and will be due back to the Financial Planning team in September (capital and operating).

In line with past practice, the Utility budgets will be reviewed and deliberated prior to the general fund budgets to ensure they are approved, and their corresponding rates are included in the 2021 Fees Bylaw.

Financial Planning staff will be holding a variety of budget training and learning opportunities and will conduct one-on-one meetings to discuss divisional budgets and ensure budget managers are able to use the budget software.

There are no longer any pre-approvals for project budgets (Capital Budgets). Finance Committee will approve the capital plan (or a portion thereof) in December or early January. It is imperative that project budget submissions are complete on time to achieve this accelerated time line for project budgets.

As is statutorily required, the Library board and Port Moody Police board will be required to submit their budgets in the fall (October and November).

Budget deliberations will occur with the Finance Committee through the winter and spring of 2022, with first three readings of the Five-Year Financial Plan Bylaw and the corresponding 2022 Tax Rates Bylaw at Regular Council on April 26, 2022. Adoption of the Bylaws will be scheduled for May 10, 2022 unless staff are directed to prepare the Bylaws earlier.

A detailed budget timeline can be found in [Appendix 1](#).

## Budget Consultation

The budget consultation will take place in early 2022. Details of the budget consultation will be determined closer to the date and may be impacted by the current public health guidelines at that time. A general broader budget consultation will take place and remain open for a number of weeks to allow members of the community to provide feedback on the 2022 Financial Plan.

The City will use Engage Port Moody, the City's public engagement hub, to inform and collect community feedback on the 2022 Financial Plan. As in 2021, this will include the annual budget survey, budget resource information, and FAQs posted on the project page. Staff will answer questions from community members as they are posted. Staff have found the Engage Port Moody platform to be a modern and interactive platform allowing the community to learn, become informed, and provide feedback on their own terms.



# General Guidelines

## Financial Planning Process

**Council Strategic Plan:** The 2022-2026 Five-Year Financial Plan should be aligned with the 2019-2022 Council Strategic Plan. The strategic plan provides a framework for the decisions Council will make, and guides our approach for delivering services to our community. The plan identifies five strategic priorities with specific outcomes and actions that we will pursue to make our vision for Port Moody a reality.

**Council's vision:** Port Moody, City of the Arts, renowned for our amazing quality of life. We are an inclusive, resilient, and economically vibrant seaside city that leads in environmental protection, fosters creativity and innovation, and is rooted in nature and loved for our community spirit.

**Council's mission:** To lead change and embrace growth that enhances our quality of life, and to provide Port Moody with excellent services and a sound financial future.

### The Five Strategic Priorities are:



**Exceptional Service** Provide exceptional service to our residents, businesses, and stakeholders, by encouraging open communication, partnerships, and a 'can do attitude'.



**Environmental Leadership** Be a leader in the protection, adaptation, and enjoyment of our natural environment through stewardship, advocacy, and proactive policy.



**Healthy City** Create a safe, friendly, and inclusive community that encourages healthy, active living for people of all ages and abilities.



**Economic Prosperity** Foster an environment where businesses can thrive and good local jobs abound, and ensure Port Moody's economy and the City's financial position are sustainable.



**Community Evolution** Plan and develop, for future generations, a vibrant, connected, and livable city, with distinctive places and spaces, where growth is managed in strategic balance with quality of life.



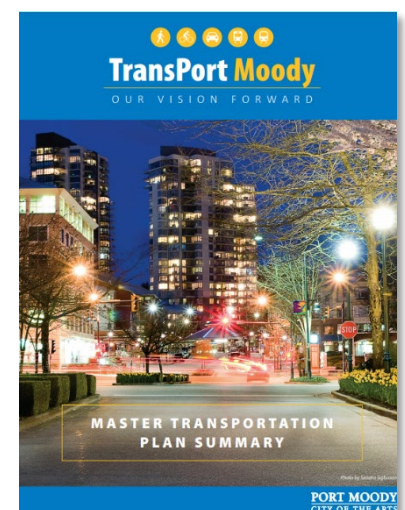
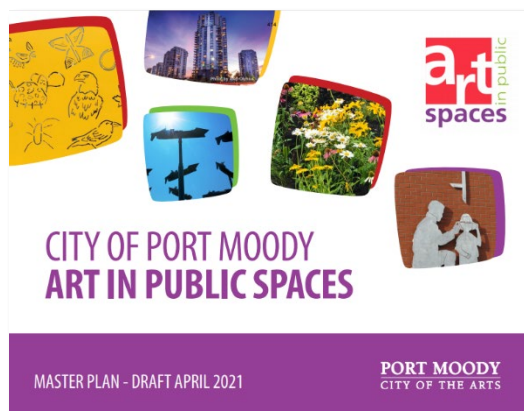
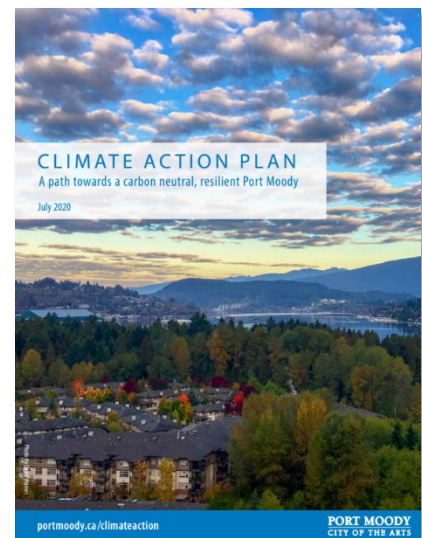
**Climate Action Plan:** Port Moody's Climate Action Plan is a community-wide plan that outlines actions to help the City and its residents adapt to climate change and reduce greenhouse gas emissions (GHGs) that contribute to the warming of the Earth.

The Plan focuses on mitigation and adaptation. Mitigation – working to reduce or prevent the emission of GHGs – is an important part of responding to climate change. However, even if we significantly reduced GHG emissions overnight, the effects of climate change would continue to be felt by future generations for a long time to come. That is why our Climate Action Plan also focuses on adaptation measures, which will help us adjust to our new normal in Port Moody and reduce our vulnerability to the harmful effects of climate change.

**Departmental Work Plan and Master Plans:** Please review your Departmental Work Plan and the City's various Master Plans to ensure your submitted budget aligns with these priorities. The Five-Year Financial Plan should include the necessary financial resources to achieve the items in these plans. It is not a mechanism to bring forward new initiatives for Council's approval.

**Direction Received at Council:** If you have received direction at Council to include or incorporate an item into the 2022 Financial Plan, it is your responsibility to ensure you that these items are included. Please include council resolution numbers in your description or comments to assist in budget deliberations.

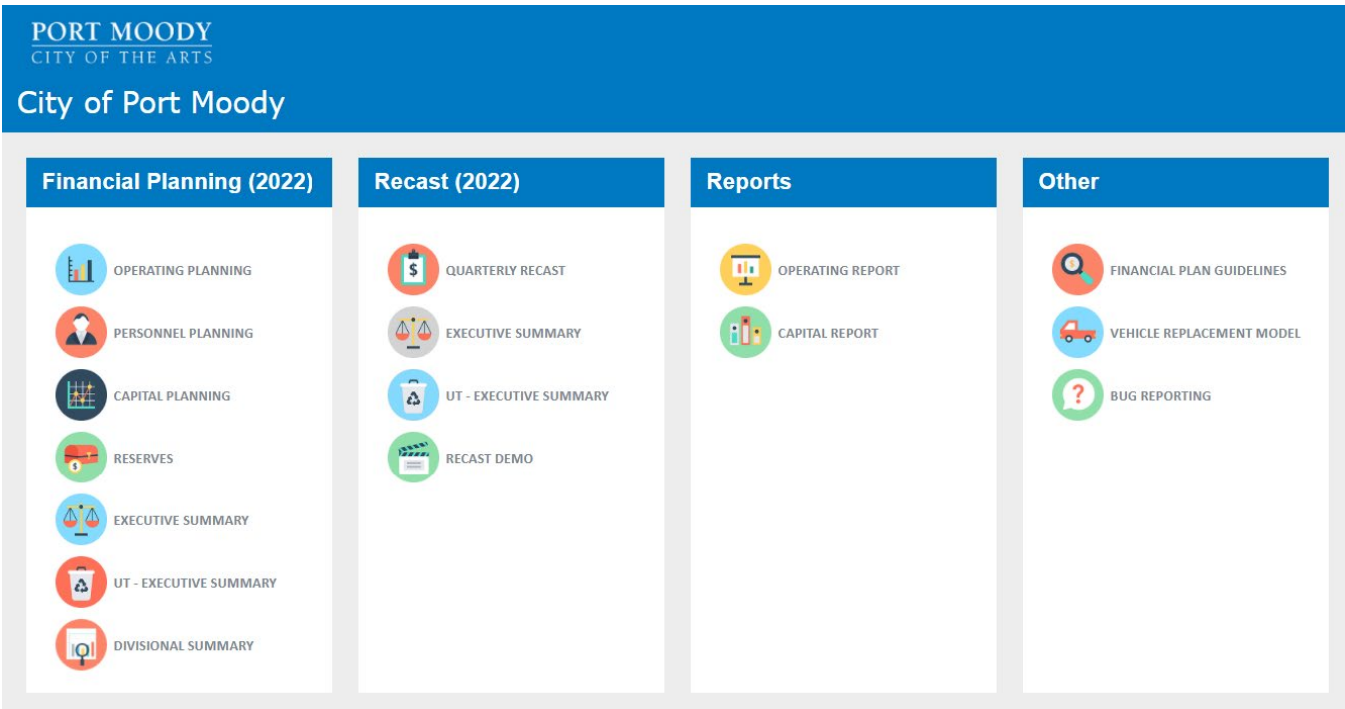
**Divisional Summaries:** In preparation for the 2022-2026 Financial Plan, Financial Planning is requesting that General Managers (Chiefs or Directors) prepare a written divisional Summary that highlights the purpose or function of their division(s). This will provide additional information and context and assist Council and the public in understanding how tax dollars are being spent. Department summaries must be completed prior to department presentations in December. Additional details and an example can be found in [Appendix 2](#).



# General Guidelines

## Budget Planning Software – Unit4 FP&A (Prevero)

All budgeting for the 2022-2026 Financial Plan is to be undertaken in the Budget Planning Software – Unit4 FP&A (formerly Prevero). This includes personnel planning, operating revenue and expenses, and all projects (capital and operating). All budget resources such as working papers, quotes, emails, etc. must be attached to the relevant line item within your budget. Additional information and training on the new system will be forthcoming.

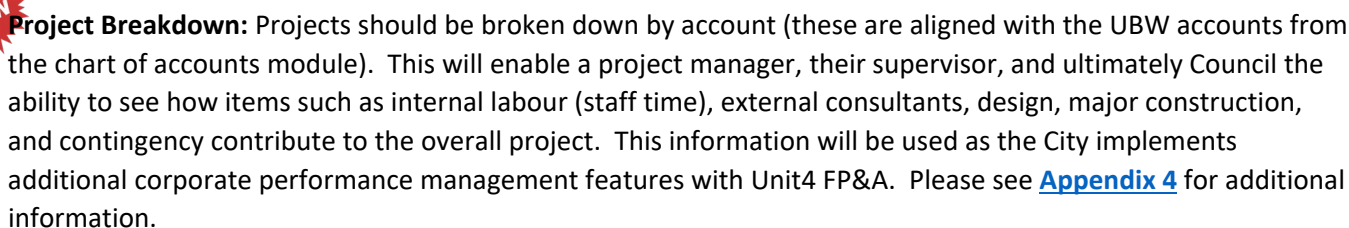


**Monthly Allocation:** Annual budgets should be distributed into the estimated month. The distribution can be even, by pay period, quarterly, or follow a custom distribution. The budget software will allow for custom distributions based on prior year budgets or prior year actual expenses, or a three-year average of prior year expenses. Additionally, you may create a custom distribution to reflect the revenues or expenses throughout the year.

**Budget Drivers:** Departments are asked to identify the main cost drivers and revenue changes by completing the comments section of the Operating Template worksheet.

**Account Details:** Budget items will be entered at a sub-account detail level. Multiple items can be entered that roll up to the total budget for a selected account and cost centre. Please use this functionality to help break down your budget into known items. This will assist you later in the year with variance reporting and help identify any discrepancies between actual and budgeted expenses.

**Funding Sources:** All projects require the identification of a funding source. The permitted usages for some funding sources are restricted by the *Community Charter*, Council Bylaw, or fund. Please see [Appendix 3](#) as a general guideline. If you have additional questions on appropriate funding sources for your projects, please speak to a member of the Financial Planning team.



For the 2022-2026 Five Year Financial Plan, Internal Admin should be captured in two places: Personnel Planning and Operating Expense Planning. Please use the percentages (highlighted in red below) for each position to identify the amount/value of work that is attributable to the Utilities.

Allocation Name												
	Home CC							PLN 2021	PLN 2022	PLN 2023	PLN 2024	PLN 2025
	CUPE-IS-FT-7	Sewer %					%	15.0	15.0	15.0	15.0	15.0
	CUPE-IS-FT-7	Water %					%	15.0	15.0	15.0	15.0	15.0
	CUPE-IS-FT-7	Solid Waste %					%	15.0	15.0	15.0	15.0	15.0
	CUPE-IS-FT-7	Utility Shift %					%	45.0	45.0	45.0	45.0	45.0

Finance - Detail Entry																	
Base Scenario																	
521 8101 - RECOVERIES-UTILITIES													2022	2023	2024	2025	2026
Description													Jan	Feb	Mar	Apr	May
													Jun	Jul	Aug	Sep	Oct
													Nov	Dec			
1	Personnel Planning																
	Total																

**Budget Reductions:** Budget Reductions is a feature used to identify when need or demand is greater than a budget capacity. The full need should be included in the budget, with the reduction (negative amount) noted to reduce the overall budget. When this is used, Financial Planning staff can run reports to identify where cuts are being made to meet budget targets, and the aggregate impact to the City.

CC522 6101 - HR-CNVNTIONS,DUES&ACT.					
Description				Jan	Feb
		Base Training	NEW	1,750	
		Addition Training	NEW	2,000	
		Reduced to meet target	NEW	(2,500)	
				Additional Comments	
Total				1,250	

**New Services:** New services included in the budget (including new positions) must be noted with the new services icon/flag included in the sub-account detail. Please see the [New Services](#) section for additional information. A New Service Request Form ([Appendix 8](#)) must be attached in Unit4 FP&A (Prevero) to all new services items.

CC521 7105 - PRF SVC-CONSULTANT					
Description				Jan	
		New Item in the Budget	NEW	1,200	
Total				1,200	

## General Guidelines

### Labour and Personnel Planning



**Manager Responsibility:** Managers are responsible for ensuring that the hours count in their labour templates remain unchanged from previous years. Additional/increases to labour are generally contemplated as a *new service*. Please see **New Services** sections below or contact Financial Planning for additional information.

**Flex Time:** No allowance should be made to cover flex time. The flex time benefit was approved based on the premise that it would have zero impact on the budget.

**Step Increases:** Step increases are at the discretion of the City Manager and General Manager. Once a position reaches the top salary, it must remain at that level.

**New Positions:** See New Service Requests section.

**Cost of Living (COL):** Only include COL increases covered by Collective Agreements. Financial Services will budget for COL increases for years outside of collective agreements. At the time of writing the guidelines, all Collective Agreements have expired.

**Payroll Reserve Funding:** Certain unplanned payroll costs can be funded by the Payroll Reserve, including maternity leave top-ups (SEIB), salary continuance, severances, and medical absences. Please advise the Financial Reporting team as soon as possible if you incur payroll expenses that are eligible to be funded from the reserve.

**Reclassifications:** Unplanned reclassifications that occur subsequent to department budget submissions have been provided for within the Fiscal Services budget. Prior year reclassifications must be accommodated within your current budget allocation.

**Training:** Council approved a training budget of 1% of payroll costs. After consideration of special training (below), the remaining departments are to budget 0.42% of payroll costs.

Department	Amount	GL Account
Corporate Training	\$144,400	6111, 6114
Information Services	\$10,200	6112
Police	\$93,500	6112
Fire	\$74,900	6112
All Other Depts.	\$105,800	6112

**Hours of Work:** Standard hours of work to be reflected in the Labour Budget Template are:

Employee Group	Hours
CUPE Outside (40-hour work week)	2,087
CUPE Inside (35-hour work week)	1,826
CUPE Police Support Services (35-hour or 40-hour work week)	1,826/2,087
Management/Exempt	1,826
Fire	2,192
Police	2,087

**Overhead Rates:** Overhead is an estimate of the fixed percentage applied to a base salary/wage to cover the employer's expenses for items such as Employment Insurance, Canada Pension Plan, WorkSafe BC premiums, superannuation, and extended health benefits. For CUPE Outside, overhead also covers the expense of statutory holidays, vacation, training, etc. The overhead rates to be applied to the 2022 budget year are as follows:

Employee Group	2022 Rate*
CUPE Outside	59.50%
CUPE Inside	23.4%
CUPE Police Support Services	23.50%
Management/Exempt	22.20%
Fire	27.50%
Police	25.00%
Council	7.00%
CUPE Inside (Part Time – 10% in Lieu)	28.40%
CUPE Inside (Part Time – 12% in Lieu)	20.70%
CUPE Inside (Part Time – 16% in Lieu)	20.50%
CUPE Outside (Part Time – 10% in Lieu)	49.90%
CUPE Outside (Temporary Full Time)	30.80%
Casual	12.00%
Auxiliary	12.00%

\* Based on early estimates – may be subject to minor changes based on new/updated information.

**Internal Admin:** Please see **Internal Admin** in [Budget Planning Software – Unit4 FP&A](#) section.

## General Guidelines

### Operating Revenues and Expenses



**ELT Review:** The City Manager, in consultation with ELT and Financial Services, will review Operating and Project budgets and may need to realign the department budget submissions to find the appropriate balance between available funds resulting from Council's strategic plan, corporate goals, and expected service levels.

**Inflation:** The Consumer Price Index (CPI) for British Columbia increased by 0.80% for 2020. The 12-month average percentage change, for the first five months of 2021, has been around 0.80%. Nationally as of May 2021, CPI rose 3.6% (2.5% excluding gasoline).

For budgeting purposes, a range of 1.5% to 3.0% can be used for general consumer related budgets. The inflationary pressures resulting from the construction market is often higher for construction materials than consumer goods and should be reflected in capital project submissions.

**Vehicle Insurance Premiums:** The estimated Vehicle Insurance Premium rate for BC is 5-10% reduction.





**Liability Insurance Premiums:** The estimated Liability Insurance Premium rate for BC is 10% increase.

**Property Insurance Premiums:** The estimated Property Insurance Premium rate for BC is 10% increase.

**BC Hydro:** The projected increase for BC Hydro is 1.25%.

**Natural Gas (Fortis):** The projected increase for natural gas (Fortis) is 1.50%.

Inflationary modelling can be used in Unit4 FP&A (Prevero) to include inflationary increases to base budgets. Please see the financial planning team for additional instructions on how to use this feature.

Inflation Rate Setup										
Base Scenario										
<div>Description</div>			Account Group		2022	2023	2024	2025	2026	
		General CPI - Low	⌕ ALL		1.50%	1.50%	1.50%	1.50%	1.50%	Per Budget Guidelines
		General CPI - High	⌕ ALL		2.50%	2.50%	2.50%	2.50%	2.50%	Per Budget Guidelines
		Vehicle Insurance Premiums	⌕ Op Exp-Vehicle Expenses		8.00%	8.00%	8.00%	8.00%	8.00%	Per Budget Guidelines
		Liability Insurance Premiums	⌕ Op Exp-Insurance & Claims		3.00%	3.00%	3.00%	3.00%	3.00%	Per Budget Guidelines
		Per Budget Guidelines	⌕ Op Exp-Insurance & Claims		3.00%	3.00%	3.00%	3.00%	3.00%	Per Budget Guidelines
		Per Budget Guidelines	⌕ Op Exp-Utilities		2.70%	2.70%	2.70%	2.70%	2.70%	Per Budget Guidelines

**One Time Initiatives:** It is important that you submit any one-time costs as an operating project. These costs should not be included in your base operating budget as they are not recurring annual expenses.

**Grants and Partnerships:** Departments are encouraged to explore available grants and partnerships to supplement tax increases. However, the Long-Term Strategic Financial Framework asserts that, in cases where the availability of grant funding is uncertain, staff must ensure City funding is sufficient to finance projects without relying on grants, and where available grant funding is uncertain, staff must pursue grant funding only for projects that are already identified in the Capital Plan and are an identified priority for the community.

**Prior Year Information:** The three-year average actual cost, three previous years' actual, and the three previous years' budget are provided in the 'Operating Worksheet'.

**Mileage Reimbursement Rate:** Without a vehicle allowance – the 2021 mileage reimbursement rate is \$0.59 per km for the first 5,000km, and \$0.53 per km thereafter as determined by the Canadian Revenue Agency. This will be updated when 2022 guidance is available.

**Works Yard Garage Rate:** The 2022 garage repair rate for budgeting purposes will be determined upon completion of the Fleet budget, however early estimates would suggest a 2022 rate of \$108/hr. The 2021 rate was \$106.00/hr. The rate is inclusive of mechanics' labour, incidental materials, and all overhead relating to running of the garage and providing mechanical support to the City's fleet. As in prior years, the rate is set annually and will not be further adjusted. Further details of the calculation are available from Financial Services.

**Fleet Renewal Fee:** A 2.50% project management fee will be included in the budgets for all City-owned vehicle replacements. This fee is intended to cover the Fleet Supervisor's time related to the evaluation, procurement, and planning around the City's fleet replacement and renewal.

**Corporate and Administrative Policies:** If you are responsible for overseeing corporate or administrative policies that have financial implications, please ensure they are accounted for in the Five-Year Financial Plan.



**Interdepartmental Consultation:** Managers of the People, Communications, & Engagement Department, Finance and Technology Department, Facilities Division, and Environmental Services Division may be arranging meetings throughout the budget process to ensure departments have considered the impact of new and/or changing initiatives. Some examples for departments to consider include:

**Information Services (IS):** Are new hardware, software, or network services components being considered and what are the related training requirements?

**HR/OH&S:** Is there new equipment being purchased or procedures changing that will require extraordinary OH&S training? Are you requesting new positions? Are there a number of pre-employment medical requirements for recruitments (i.e. Firefighter eligibility lists)?

**Communications/Civic Engagement:** Are there projects/initiatives/procedures that will have an extraordinary public engagement requirement? Does a project, initiative, or procedure require public consultation regarding changes in how we do business? Do you require additional materials and graphic design support?

**Purchasing:** Do you have contracts expiring in the first year of the financial plan? Will you be required to issue RFPs, RFQs, or tenders for required work?

**Facilities:** Does your interdepartmental facilities charge reflect the total costs budgeted under Facilities?

**Environmental Services:** Is there an environmental impact that needs to be assessed or reviewed?

**Balancing to the Cost Centre:** In order to achieve the flexibility that is required for efficient operations, the City has a practice of managing annual operating budgets to the bottom line, not at the individual account level. Managers are responsible for ensuring that actual expenditures in the year are coded correctly and charged to accounts that reflect the type of expense. Variances will likely occur between the accounts within a cost centre based on the actual expenditures and the estimates required in establishing an annual budget. Managers are responsible for ensuring that they can adequately explain such variances between accounts in any given cost centre, but that overall, the Divisions are within budget.

## General Guidelines

### Project Budgets



**Strategic Plan:** Only projects in support of the strategic plan should be submitted for consideration ([please see Strategic Plan section](#)).

**Climate Action Plan:** All projects must indicate which focus area of the Climate Action Plan they are associated with (or indicate not applicable). This assists in embedding a low carbon resilience (LCR) climate lens into various City processes.

#### Climate Action Plan



Organization Wide	Natural Environment	Buildings	Emergency Response & Human Health	Infrastructure
Land Use & Growth Management	Transportation & Mobility	Waste Reduction & Management	Not Applicable	

Please see the City's [Climate Action Plan – A path towards a carbon neutral, resilient Port Moody](#) for additional information or contact the Policy Planning Division.



**Interdepartmental Consultation:** Consider the City-wide impact of new and/or changing initiatives. Does your project require the support of other divisions? Have these divisions been consulted? Do these divisions have the capacity to perform the work within your timelines? See **Interdepartmental Consultation** from the [Operating Revenues and Expenses](#) section for additional details.

**Project Charter:** If a project charter is required for your project, please ensure that you have begun to engage all relevant stakeholders to ensure a successful outcome. Additional details on the project charters can be found under the projects folder of the shared templates in Microsoft Word.

**Account Details:** Project budgets should be broken down by account (these are aligned with the UBW accounts from the chart of accounts module). This will enable a project manager, their supervisor, and Council the ability to see how items such as internal labour (staff time), external consultants, design, major construction, and contingency contribute to the overall project. This information will be used as the City implements additional corporate performance management features with Unit4 FP&A (Prevero). Please see [Appendix 6](#) for additional information.

527 7004 - CONTR SVC-CONTRACTORS/BUILDERS												2022	2023	2024	2025	2026
Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1 Example 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Example 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Example 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Example 4																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**Two-Year Limit:** If a project is not started within two years of approval, the conclusion will be that it is not a priority to staff and it will be highlighted in a report to Council for reapplication for funding.

**Pre-Approval Requests:** There will be no pre-approval requests in 2022. Projects will be submitted and reviewed on an accelerated timeline with the Finance Committee in order to approve project budgets prior to

January 1, 2022. If the requirement of additional projects is identified, Finance staff will bring forward a report prior to the final approval of the 2022 Five-Year Financial Plan.

**Project Carry-Forward Requests:** If a project is not completed in a given year, the remaining project budget may be carried forward to the following year upon approval from Financial Services.

**Grants:** Per the City's Long-Term Strategic Financial Framework, potential grant funding should only be explored for projects in the capital plan. Whenever possible, grant applications/approvals and external funding agreements should be provided to support capital requests.

**Project Management:** Project management costs should be considered for all capital projects and incorporated into the budget submission.

**Budget Uncertainty:** Projects should include a reasonable contingency that is proportionate to the risk of cost overruns and in line with project management best practices. This may vary depending on the project's estimate classification.

**PST/GST:** Ensure that budget submissions include a 7% expense, where applicable, for PST and do not include a GST component (5% GST is fully recoverable).

**Funding:** Project approvals will be dependent upon the availability of funding sources and will be contingent upon the success of the request for funds relative to other competing capital needs. See [Appendix 3](#) for a list of funding sources and their purpose or use criteria.

Departments are asked to rank their projects based on the following criteria:

**High**

- Public health and life safety issues;
- Legislation or regulation requirements;
- Management of existing assets (extends useful life; deterioration; avoids expensive repairs; lessens emergency disruptions); or
- Strategic priority of Council.

**Medium**

- Improves an existing asset;
- Increases cost savings/revenues generated;
- Equipment replacement at the end of its life cycle; or
- Reduces future maintenance/repairs on recurring issues or long-standing deficiencies.

**Low**

- New service/infrastructure;
- Addresses deficiencies reported in commissioned studies and reports; or
- Addresses future concerns.

**City Art:** Project budgets should exclude the public art component. Financial Services staff will allocate 0.3% of project budgets to the Public Art Reserve upon approval of the capital plan.

**Capital Programs:** Projects funded from the Asset Reserve (maintenance/replacement of existing City assets) will fall under one of the six capital programs outlined in the table below. Council approved a funding allocation

(steady funding) for each of the capital programs based on the City's Asset Management Investment Plan (AMIP).

Departments are responsible for managing and prioritizing project submissions based on the AMIP, the above-mentioned ranking criteria, a risk assessment, and other relevant factors within this funding allocation.

Since there will not be sufficient funding for all projects, departments will need to track projects that were not included in the capital plan due to funding restrictions.

Capital Program (Asset Reserve)	2022 Allocation*	2023 Allocation*	2024 Allocation*	2025 Allocation*	2026 Allocation*
Equipment - City	310,713	346,313	382,996	420,979	465,376
Equipment - Police	182,882	192,378	202,163	212,295	224,137
Facilities	1,328,020	1,480,179	1,636,967	1,799,308	1,989,067
Parks	582,212	648,919	717,656	788,827	872,019
Transportation	1,571,943	1,752,050	1,937,635	2,129,794	2,354,407
Unallocated	330,641	379,982	430,824	483,467	545,001
<b>Total</b>	<b>4,308,431</b>	<b>4,801,844</b>	<b>5,310,265</b>	<b>5,836,695</b>	<b>6,452,033</b>

\* Preliminary estimate – may be subject to change.

# General Guidelines

## New Service Requests

**New Positions:** Requests for new positions will be brought to the City Manager accompanied by a business case and will be highlighted to the Finance Committee as a New Service. To capture the total cost to the organization, new positions will be submitted as the annual wages/salary, overhead cost, and an additional charge for Human Resources, Payroll, and Information Services support.

Additional considerations should be made for annual training and professional dues and vehicles expenses should they be required.

Please complete the New Position Request form ([Appendix 5](#)) when submitting your final budget and attach in Unit4 FP&A (Prevero).

**New Services:** Services that have not been previously built into the base operating budget with a permanent funding source will be highlighted as a new service request. New service requests will be brought forward to ELT for initial discussion to review the City's overall need and capacity to accommodate the requests for a given year.

New services will be highlighted for Finance Committee deliberation and are not included in the budget targets described above.

Please complete the New Service Request form ([Appendix 6](#)) when submitting your final budget and attach in Unit4 FP&A (Prevero).

The image shows two overlapping forms, 'New Service Request Form' and 'New Position Request Form'. Both forms are designed to capture detailed information for new services or positions, including budgeting, costing, and approval processes.

**New Service Request Form:**

- Section One: Basic Information** (includes fields for Budget Year, Division, Position, Service, and a link to submit the completed form).
- Section Two: Funding** (includes checkboxes for Transition, Reversion, Other, Reserve Transfer, and Grants).
- Section Three: Total Costing** (includes a table for Operating Category, Total Cost, Account, and Cost Center, with a TOTAL row).
- Section Four: Comments Supporting Request** (includes a large text area for comments).

**New Position Request Form:**

- Section One: Basic Information** (includes fields for Budget Year, Division, Position, Salary, and Pay Band, and a link to submit the completed form).
- Section Two: Position Status** (includes checkboxes for Full Time Permanent, Part Time Permanent, Full Time Temporary, Part Time Temporary, and Auxiliary).
- Section Three: Funding** (includes checkboxes for Transition, Reversion, Other, Reserve Transfer, and Grants).
- Section Four: Total Costing and Additional Funding Requirements** (includes a table for Operating Category, Total Cost, Account, and Cost Center, with a TOTAL row).
- Section Five: Comments Supporting Request** (includes a large text area for comments).
- Section Six: Human Resource Approval** (includes checkboxes for 'Is the Pay Band and Salary Reasonable?' and 'Additional Comments', and a signature line for HR Approval).

## Appendix 1 – Detailed Budget Timeline

Due Dates	Responsibility	Description
<b>July</b>	Financial Services	Budget Guidelines and Templates Distributed
<b>July / August</b>	Financial Services	Budget workshops and training for Staff
<b>August 20</b>	Utilities & Fleet	Utilities and Fleet Budgets (Expenses) due to Financial Services
<b>August 20</b>	Utilities & Fleet	Utilities and Fleet Project (Capital & Operating) budgets due to Finance
<b>September 07</b>	Departments	All 2022–2026 Project Budgets due to Finance
<b>September</b>	FN and EN	GM Budget review - Operating Budgets and Utility Fees
<b>September 13</b>	Departments	2022–2026 Operating Budgets due to Financial Services
<b>September 23</b>	ELT	Preliminary Project Review (All projects)
<b>October 05</b>	Finance Committee	Utility Budget Introduction (Pending MV changes)
<b>October 14</b>	ELT	Final Project Review (All projects)
<b>October 19</b>	Finance Committee	Utility Budgets Approval - Referral of Utility Rate (Pending MV changes)
<b>October 28</b>	ELT	Preliminary Operating Budget Review
<b>October</b>	Library Board	Library Board Budget Presentation to Council
<b>November 09</b>	Regular Council	First 3 readings - Fees Bylaw
<b>November 16</b>	Finance Committee	Capital Budget Introduction
<b>November 23</b>	Regular Council	Adoption - Fees Bylaw
<b>November 30</b>	Finance Committee	Capital Budget Deliberations
<b>November</b>	Police Board	Police Board Budget Presentation to Council (due November 30)
<b>December 07</b>	Finance Committee	Capital Budget Approval
<b>December 07</b>	Finance Committee	Operating budget introduction – High level overview
<b>January 04</b>	Finance Committee	Public Consultation Approval
<b>January 18</b>	Finance Committee	Budget Deliberations – Department Presentations
<b>February 01</b>	Budget Consultation	Budget Deliberations – Department Presentations
<b>February</b>	Engage Port Moody	Public Budget Consultation
<b>February 15</b>	Finance Committee	Budget Deliberations
<b>March 01</b>	Finance Committee	Budget Deliberations
<b>March 15</b>	Finance Committee	Public Consultation Result, Final Changes to Financial Plan or Tax Rates
<b>March 29</b>	Finance Committee	No meeting Scheduled (5 <sup>th</sup> Tuesday)
<b>April 05</b>	Finance Committee	Financial Plan and Tax Rates Bylaws Approval - Referral to Council
<b>April 26</b>	Regular Council	First three readings - Financial Plan Bylaw, Tax Rates Bylaw
<b>May 10</b>	Regular Council	Adoption – Financial Plan Bylaw, Tax Rates Bylaw

## Appendix 2 – Divisional Summaries

### Outline for the Divisional Budget Summaries

**Purpose:** To provide readers with narrative and context around the budget submissions and to highlight the link between the financial plan and the strategic and operations plans.

**Author:** To be written by the GMs with support from divisional managers.

**Length:** No more than 2-4 pages including diagrams and pictures.

**Style:** The summaries should include more detail than the divisional summary presentations but less than the annual report.

**Structure:** The summaries should be structured as shown below:

#### Department Information (Suggested Length – 1/2 to 1 page)

- Provide a short summary of what the department does. Information should be similar to what is in the Annual Report but more condensed. Include any major pressures facing the department this year.
- Discuss at a high level what the department's budget is covering. Roll up the cost centers into 8 to 10 broader cost areas (Financial Planning to provide).
- Provide a list and brief description (1 or 2 lines) of notable changes from previous years.
- Provide a list and brief description (1 or 2 lines) of key projects/initiatives for the coming year.

#### Detailed Service Vision (Suggested Length – 1/2 page)

- Write a small paragraph (5 or 6 lines) that outlines how your division will be impacted and responding to current conditions as a result of COVID-19.

#### Notable Changes (Suggested Length – 1/2 page)

- Write a small paragraph (5 or 6 lines) that outlines the reasons for major budget changes from previous years.
- Use a separate paragraph for each notable change you want to highlight.
- Paragraphs should include the following:
  - What was the reason for the change?
  - How was the decision taken to make this change?
  - What will be the outcome of this change? Will it carry forward to future years?
  - Include any relevant diagrams or pictures.

#### Key Initiatives (Suggested Length – 1/2 page)

- Write a small paragraph (5 or 6 lines) that outlines the key initiatives that the department will be undertaking this year.
- Use a separate paragraph for each Initiative you want to highlight.
- Paragraphs should include the following:
  - Highlight any relation to the Council's Strategic Plan. (There should be one)
  - Highlight any relation to other Master Plan documents or other background reasons for the initiative.
  - Describe how this initiative will impact the city going forward (What is the expected outcome of the initiative?)
  - Note if this is a one-off initiative or tied to a larger series of programs.
  - Include any relevant diagrams or pictures.

## 2022-2026 Five Year Financial Plan

### Division

### Division Priorities and Key Initiatives

### Budget Highlights

Division - Budget Summary	PLN 2022	PLN 2023	PLN 2024	PLN 2025	PLN 2026
<b>Revenues</b>					
Miscellaneous					
Sale of Services					
From reserves					
Government Transfers (Grants)					
<b>Expenses</b>					
Salary and Benefits					
Insurance & Claims					
Contracted and Consulting Services					
Training & Development					
Communications					
Supplies & Miscellaneous					
Utilities					
Vehicle Expenses					
Equipment Expenses					
Reserve Transfers					
Recoveries					
<b>Total</b>					

### Notable Changes

Division - Budget Drivers	PLN 2022
Revenue Changes	
Salary and Benefit Changes	
Operating Expense Changes	
Reserve Changes	
New Services	
COVID-19 Related Reductions	
<b>Total</b>	

## Appendix 3 – Funding Sources

Funding Source	Purpose
<b>Asset Reserve</b>	For replacement or repair of <b>EXISTING</b> City assets.
Equipment – City	Sub Category for City Equipment
Equipment – Police	Sub Category for Police Equipment
Facilities Maintenance	Sub Category for Facilities Maintenance (buildings)
Parks Maintenance	Sub Category for Parks Maintenance (playgrounds, fields, trails, tennis courts, etc.)
Transportation	Sub Category for Transportation Network (road, traffic signals, crosswalks, lighting)
Unallocated	Sub Category for items that do not fit into another category
<b>New Initiatives Reserve</b>	For items that support the Council Strategic Plan including new assets.
<b>Equipment Replacement Reserve Fund</b>	For all vehicle replacements, also used for solid waste cart replacements.
<b>MTP Reserve</b>	For items identified in the Master Transportation Plan.
<b>MRN Reserves</b>	Only for work on the Major Road Network (MRN) as per Translink guidelines.
<b>City Artworks Reserve</b>	To provide funds for the future acquisition of artwork for the city.
<b>Community Amenity Contribution Reserve</b>	Funding of public amenities, such as civic facilities, plazas, pedestrian and cycling improvements, recreation facilities, arts and cultural facilities, heritage conservation, land acquisition, environmental enhancements, and parkland improvements etc. as outline in the CAC corporate policy.
<b>Density Bonus Reserve</b>	Funding community amenities and facilities, environmental enhancements, arts & cultural facilities, etc. as outlined in Bylaw No. 3142.
<b>Carbon Offset Community Reserve</b>	To provide funds for projects that assist the city with its commitments made under the Climate Action Charter.
<b>Recycling and Waste Management Reserve</b>	To provide funds for service level failures levied by MMBC against the City and expansion of the City's recycling program.
<b>Drainage Capital Reserve</b>	For replacement or improvement of Drainage Assets (Capital or Operating).
<b>Sewer Capital Reserve</b>	For replacement or improvement of Sewer Assets (Capital or Operating).
<b>Water Capital Reserve</b>	For replacement or improvement of Water Assets (Capital or Operating).
<b>Sanitation Utility Reserve</b>	Project (Capital or Operating) for Solid Waste Utility initiatives.

# Appendix 4 – Project Breakdown

In the example below, an \$80,000 overall capital project budget is broken down into the following accounts:  
Contracted Services (Contractor/Builder): \$20,000  
Salaries: \$10,000  
Miscellaneous Expenses (Contingency): \$15,000  
Consulting Services: \$35,000

Project Detail				LP 2022	LP 2023	LP 2024	LP 2025	LP 2026
1	7004 : CONTR SVC-CONTRACTORS/BUILDERS			20,000				
2	6000 : SAL&BEN-SALARIES			10,000				
3	7927 : SDRY-MISC. EXPENSES			15,000				
4	7105 : PRF SVC-CONSULTANT			35,000				
NEW	(Please Select Account)							
Total Cost with Inflation				80,000				

## Appendix 5 – New Position Request Form



## New Position Request Form


Requests for new positions will be brought to the City Manager accompanied by a business case and will be highlighted to the Finance Committee as a New Service. In order to capture the total cost to the organization, new positions will be submitted as the annual wages/salary, overhead cost, and an additional charge for Human Resources, Payroll, and Information Services support.



[Click to submit the completed form](#)

Section One: Basic Information	Section Two: Position Status	Section Three: Funding
Budget Year:	Full Time Permanent <input type="checkbox"/>	Taxation <input type="checkbox"/>
Division:	Part Time Permanent <input type="checkbox"/>	Revenues <input type="checkbox"/>
Position:	Full Time Temporary <input type="checkbox"/>	Other <input type="checkbox"/>
Salary:	Part Time Temporary <input type="checkbox"/>	Reserve Transfer <input type="checkbox"/>
Pay Band:	Auxiliary <input type="checkbox"/>	Grants <input type="checkbox"/>

Section Four: Total Costing and Additional Funding Requirements				
Operating Category	Total Cost	Account	Cost Centre	Comment
Salary & Wages				
Overhead				
Other – Salary & Wages				
Training				
Equipment				
Vehicle				
Other				
TOTAL				

Section Five: Comments Supporting Request		Section Six: Human Resources Approval	
		1. Is the Pay Band and Salary Reasonable?    Yes <input type="checkbox"/> No <input type="checkbox"/>	
		2. Additional Comments	
		<div style="text-align: right;">  </div>	
		<div style="text-align: right;"> <hr/>           HR Approval Signature         </div>	

## Section Seven: Council Strategic Plan

**Council's vision:** Port Moody, City of the Arts, renowned for our amazing quality of life. We are an inclusive, resilient, and economically vibrant seaside city that leads in environmental protection, fosters creativity and innovation, and is rooted in nature and loved for our community spirit.

**Our Mission:** To lead change and embrace growth that enhances our quality of life, and to provide Port Moody with excellent services and a sound financial future.

Please identify a strategic priority and objective that aligns with your request

### Exceptional Service ▶ ☐



Provide exceptional service to our residents, businesses, and stakeholders, by encouraging open communication, partnerships, and a 'can do attitude'.

#### Aligned Objective and Actions

### Environmental Leadership ▶ ☐



Be a leader in the protection, adaptation, and enjoyment of our natural environment through stewardship, advocacy, and proactive policy.

#### Aligned Objective and Actions

### Healthy City ▶ ☐



Create a safe, friendly, and inclusive community that encourages healthy, active living for people of all ages and abilities.

#### Aligned Objective and Actions

### Economic Prosperity ▶ ☐



Foster an environment where businesses can thrive and good local jobs abound, and ensure Port Moody's economy and the City's financial position are sustainable.

#### Aligned Objective and Actions

### Community Evolution ▶ ☐



Plan and develop, for future generations, a vibrant, connected, and livable city, with distinctive places and spaces, where growth is managed in strategic balance with quality of life.

#### Aligned Objective and Actions

### Legislated/ Mandated/ Other ▶ ☐



Signature

Submitted By


Date

Signature

General Manager


Date

## Appendix 6 – New Service Request Form



# New Service Request Form

Requests for new services will be brought to the City Manager accompanied by a business case and will be highlighted to the Finance Committee as a New Service.

 [Click to submit the completed form](#)

Section One: Basic Information		Section Two: Funding	
Budget Year:		Taxation	<input type="checkbox"/>
Division:		Revenues	<input type="checkbox"/>
Position:		Other	<input type="checkbox"/>
Service:		Reserve Transfer	<input type="checkbox"/>
		Grants	<input type="checkbox"/>

Section Three: Total Costing				
Operating Category	Total Cost	Account	Cost Centre	Comment
TOTAL				






**Section Four: Comments Supporting Request**

### Section Seven: Council Strategic Plan

**Council's vision:** Port Moody, City of the Arts, renowned for our amazing quality of life. We are an inclusive, resilient, and economically vibrant seaside city that leads in environmental protection, fosters creativity and innovation, and is rooted in nature and loved for our community spirit.

**Our Mission:** To lead change and embrace growth that enhances our quality of life, and to provide Port Moody with excellent services and a sound financial future.

Please identify a strategic priority and objective that aligns with your request

<p><i>Exceptional Service</i> ▶ <input type="checkbox"/></p> <p> Provide exceptional service to our residents, businesses, and stakeholders, by encouraging open communication, partnerships, and a 'can do attitude'.</p> <p>Aligned Objective and Actions</p>	<p><i>Environmental Leadership</i> ▶ <input type="checkbox"/></p> <p> Be a leader in the protection, adaptation, and enjoyment of our natural environment through stewardship, advocacy, and proactive policy.</p> <p>Aligned Objective and Actions</p>
<p><i>Healthy City</i> ▶ <input type="checkbox"/></p> <p> Create a safe, friendly, and inclusive community that encourages healthy, active living for people of all ages and abilities.</p> <p>Aligned Objective and Actions</p>	<p><i>Economic Prosperity</i> ▶ <input type="checkbox"/></p> <p> Foster an environment where businesses can thrive and good local jobs abound, and ensure Port Moody's economy and the City's financial position are sustainable.</p> <p>Aligned Objective and Actions</p>
<p><i>Community Evolution</i> ▶ <input type="checkbox"/></p> <p> Plan and develop, for future generations, a vibrant, connected, and livable city, with distinctive places and spaces, where growth is managed in strategic balance with quality of life.</p> <p>Aligned Objective and Actions</p>	<p><i>Legislated/ Mandated/ Other</i> ▶ <input type="checkbox"/></p> <p></p>

\_\_\_\_\_  
Submitted By

\_\_\_\_\_  
Date

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Date