



# City of Port Moody

## Report to Finance Committee

Date: June 12, 2020  
Submitted by: Finance and Technology Department – Financial Services Division  
Subject: 2021-2025 Financial Plan Guidelines for Staff

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### Purpose

To present the 2021-2025 Financial Plan Guidelines for staff in preparation of the 2021-2025 Five-Year Financial Planning process (**Attachment 1**).

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### Recommended Resolution(s)

**THAT the 2021-2025 Financial Plan Guidelines be approved as recommended in the report dated June 12, 2020 from the Finance and Technology Department – Financial Services Division regarding 2021-2025 Financial Plan Guidelines for Staff;**

**AND THAT the Port Moody Police Board be informed of the 2021 Financial Plan Guidelines.**

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### Background

Each year, the Financial Services Division prepares guidelines for staff as they begin work on the next Five-Year Financial Plan. The Guidelines form the basis for the 2021-2025 Five-Year Financial Plan, set the preliminary working tax increase, allocate operating budget increases to each division, establish a preliminary timeline for the budget process, and provide general guidance to staff drafting their budgets.

### Discussion

#### Budget Targets

City staff will be instructed to submit an Operating Budget for 2021 not exceeding an increase of \$829,000; the Port Moody Police Board will be informed of a \$281,000 budget increase target set by Council. This increase includes an additional \$222,000 (0.50%) to fund the final portion of the Employer Health Tax, downloaded onto municipalities in 2019. The initial draft financial plan will include items removed from the 2020 Financial Plan, totalling \$873,000, based on previous committee direction (FC(C)20/033). The total operating budget target is \$1,983,000 (4.47%).

As in previous years, the preliminary 2021 budget will also include a \$444,000 increase for the Asset Renewal Levy (estimated to represent a 1% tax increase). The combined increase totals \$2,427,000, currently estimated to represent a 5.47% tax increase.

Approved Target Tax Increase (\$)	2021	2022	2023	2024	2025
Operating – General Government	829,081	703,574	728,546	751,604	777,518
Operating – Police	280,919	236,426	245,454	254,396	264,482
Reinstated 2020 Reductions	873,000	-	-	-	-
Capital – Asset Renewal	444,000	470,000	487,000	503,000	521,000
Total	2,427,000	1,410,000	1,461,000	1,509,000	1,563,000

It is estimated that the proposed \$2,427,000 increase to the 2020 budget will equate to the following tax increases as a percentage over 2020:

Approved Target Tax Increase (%)	2021	2022	2023	2024	2025
Operating – General Government	1.87%	1.50%	1.50%	1.49%	1.49%
Operating – Police	0.63%	0.50%	0.50%	0.51%	0.51%
Reinstated 2020 Reductions	1.97%	-	-	-	-
Capital – Asset Renewal	1.00%	1.00%	1.00%	1.00%	1.00%
Total	5.47%	3.00%	3.00%	3.00%	3.00%

The budget targets above do not include growth, new revenues, or the provision of additional services (expenses), which are unknown or cannot be reasonably estimated at this time.

#### Budget Timeline

The proposed timeline for the 2021-2025 Five-Year Financial Plan includes accelerated approval of the City's capital plan. The capital plan will be reviewed with the committee prior to the winter break, ensuring all capital projects can begin in January 2021 and eliminating the need for pre-approvals. If there is a need for additional capital approval later in the budget process, staff will bring forward an additional report.

The budget Town Hall meeting is scheduled for February 2, 2021. The style and location of the Town Hall will be determined closer to the date. The public health conditions and guidance at that time will determine how the Town Hall will take place. The broader budget consultation will remain open for an additional two weeks to allow time for members of the community to provide feedback in the 2021 plan.

Budget deliberations will occur with the Finance Committee through the winter and spring of 2021, with first three readings of the Five-Year Financial Plan Bylaw and the corresponding 2021 Tax Rates Bylaw at Regular Council on April 27, 2021. Adoption of the Bylaws is scheduled for May 11, 2021. A detailed budget timeline can be found in Appendix 3 of the Guidelines.

#### Other Option(s)

That staff report back with additional information as requested by the committee.

## Financial Implications

There are no direct financial implications associated with approving the Financial Plan Guidelines. Financial implications pertaining to the 2021-2025 Financial Plan are discussed in the discussion section of this report.

## Communications and Civic Engagement Initiatives

The budget guidelines are included in the Five-Year Financial Plan document that is available on the City's website.

## Council Strategic Plan Objectives

The Financial Plan Guidelines align with Council's strategic priority of Exceptional Service and Council's objective to provide the public with transparent and open government, and opportunities to provide input on City issues.

## Attachment(s)

1. 2021-2025 Financial Plan Guidelines for Staff.

## Report Author

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## Report Approval Details

Document Title:	2021-2025 Financial Plan Guidelines for Staff.docx
Attachments:	- Attachment 1 - 2021-2025 Financial Plan Guidelines for Staff.pdf
Final Approval Date:	Jul 13, 2020

This report and all of its attachments were approved and signed as outlined below:

Paul Rockwood, General Manager of Finance and Technology - Jul 10, 2020 - 8:41 AM

Dorothy Shermer, Corporate Officer - Jul 10, 2020 - 10:33 AM

Rosemary Lodge, Manager of Communications and Engagement - Jul 12, 2020 - 4:40 PM

Tim Savoie, City Manager - Jul 13, 2020 - 11:11 AM