

## **Mayor's Minute - November 19, 2019**

It's that time again. Budget season.

I'm very pleased to be able to say that Council started our lengthy budget deliberations in early November this year. (In the five years I've been on Council with the District of Summerland, this is the first time we've begun deliberations before the New Year.)

Of course, when Council begins talking about the 2020 budget, it is only following months of work undertaken by the Director of Finance and the entire senior management team.

Using Council's strategic priorities as guidance, management identifies projects that are important for delivery of their department services.

For example, Works and Utilities will consider a number of factors as they determine which projects to bring forward to Council during budget discussions. In order to determine priority projects, the management team will first refer to the District's Asset Management Plan and their Master Plans—Water, Sidewalk, Road, etc.

These guiding documents, particularly the Asset Management Plan, provide reliable information on which components of the District's \$536 million of infrastructure is nearing end of life or requires maintenance or replacement. (As a reminder, infrastructure includes electrical, water and sewer systems; municipal-owned buildings including recreational facilities; roads; parks, sports fields and beaches, etc.)

In determining priorities, departments also have to assess the project's level of risk; the availability of Human Resources; where the project is in the Five-Year Financial Plan, and so on.

The Parks and Recreation department provides a second example. The Parks and Recreation Master Plan, completed in June 2018, identified the need for a condition assessment of the aquatic centre. The assessment confirmed the 40+-year-old building was at the end of its lifecycle. Seeing this as a community priority, during our strategic planning sessions in January 2019, Council highlighted the replacement of the aquatic centre as a priority.

Since the completion of the condition assessment, there has been discussion on expanding the facility to fulfill what Council perceives as a number of community needs. Before the project can move beyond the concept phase, however, an undertaking of this magnitude requires significant and comprehensive community engagement. So, while community conversations about the aquatic centre was already part of the Parks and Recreation work plan, the project has the potential to be much larger, depending on what the District and potential partners hear from Summerland residents.

Once departments have determined their priorities—both capital and operational—and before they come before Council, they discuss their draft budgets with the Director of Finance. These sessions are very important to the budget process, as the finance director knows the District's overall financial picture. Department heads present their business cases for their proposed priorities and then, if necessary, will work with the Director of Finance to rework their priorities.

All this preparatory work is done before Council begins our role in the budget process (which began November 5).

Before Council adopts the 2020 Tax Rates Bylaw at the end of April, fourteen more discussions are scheduled in the Financial Plan Timeline. Many of these sessions run three or more hours and are in addition to Regular Council Meetings. All meetings are open to the public.

Two public open houses are being held in addition to the noted discussions: one to introduce the utility budgets and proposed utility rate increases (Tuesday, November 26); and one to present the general fund budgets (i.e., parks, roads, bylaw, etc.) as well introducing the 2020-2024 Financial Plan Bylaw (Wednesday, February 12).

When Council is making decisions on which projects will be included in the Financial Plan—and where in the 2020-2024 timeframe they will be scheduled—in addition to the operational aspects of the decision (business case and risk assessment), we must consider two more political aspects: the level of service expected of our citizens, and their willingness to pay.

Unfortunately, the two do not always align. Sometimes citizens are not willing (or not able) to pay for an expected level of service. It is a careful balancing act and Council is required to make the decisions that will benefit the most people in our community.

In the last few weeks I have heard from people in Summerland who are willing to pay more taxes. While I thank you for offering, the District must collect taxes equally (not necessarily, equitably): Tax rates must be consistent for each citizen. (Should you feel very passionate about a particular project, our Director of Finance would welcome a discussion about making a community contribution!)

Budget season. And so it begins...