Council Report: C 48/2024

Subject: 2024 Budget Amendment - City Wide

Reference:

Date to Council:
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Financial Planning
Report Date: 2024-04-16
Clerk's File #:

To: Mayor and Members of City Council

Recommendation:

WHEREAS on February 2, 2024, the 2024 Operating and Capital Budget was deemed approved via Mayoral Decision MD05-2024 and

WHEREAS subsequent to the 2024 budget approval City Council has received Report C49/2024 Strengthen the Core – Downtown Windsor Revitalization Plan which was not previously funded; and

WHEREAS City Council has SUPPORTED the Recommendations contained in Report C49/2024 Strengthen the core – Downtown Windsor Revitalization Plan and which further refers the required Operating budgetary increases identified and estimated to be $3,239,878 for the Immediate Action Strategy for the Downtown Windsor Revitalization Plan to a Budget Amendment process; be it therefore further resolved:
THAT City Council **ENDORSE** a proposed In-Year Budget Amendment to the 2024 Approved Operating Budget related to the Downtown Windsor Revitalization Plan, subject to any further amendments that are proposed by City Council and are considered approved reflective of an estiamted additional 0.70% increase to the overall tax levy; and further,

THAT the 21-day in-year budget amendment period prescribed in Ontario Regulation 530/22 Section 9 (2) for the In-Year Budget Amendment Process **BE SHORTENED** and the final day for amendments be May 13, 2024; and further,

THAT 2024 placeholder funding of $200,000 and 2025 placeholder funding of $800,000 for a total of $1 million which was approved as part of the 2024 10-year capital plan (May 001-24) be **PRE-COMMITTED** and made available for immediate use; and further

THAT the Commissioner of Finance & City Treasurer **BE AUTHORIZED** to process any related budget adjustments that may be required;

Executive Summary:

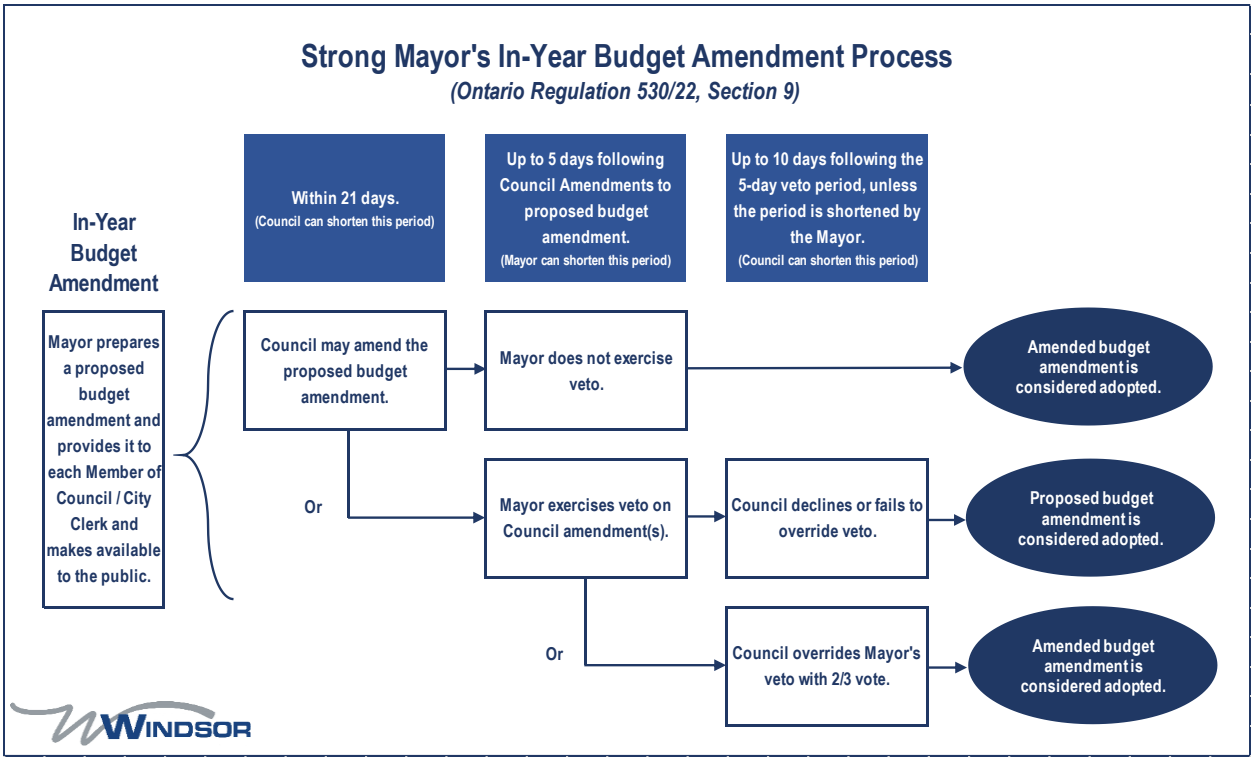
N/A

Background:

At its meeting of September 5, 2023, City Council received a report from the Commissioner of Finance & City Treasurer entitled 2024 Budget Process Update. In that report, City Council was advised of amendments, enacted through legislation, to the development of the 2024 budget. These changes were announced by the Provincial Government as it relates to changes to the Ontario Municipal Act in particular Part VI.1 Special Powers and Duties of Head of Council. The 2024 Operating Budget was developed in compliance with the new legislative framework and adopted on February 2, 2024 as per budget resolution B27/2024 and MD05-2024.

In-Year Budget Amendment Process

In addition to providing guidance on the annual budget development process, the legislation also prescribes for in-year budget adjustments that will require an additional levy to be established. The flowchart below illustrates the process for which a new budget amendment can be proposed and approved:



Discussion:

On April 23, 2024, the Strengthen the Core – Downtown Windsor Revitalization Plan as detailed in a companion report, was presented. As outlined in that report and in order to proactively address safety and security of our Downtown additional expenditures would be required to be funded in 2024 and if approved, would be considered an in-year budget amendment to the existing adopted budget.

As outlined in the chart above, City council has 21 days in order to propose amendments to the in-year budget amendment. This is followed by a 5-day period in which any proposed amendments can be overridden by the Mayor and an additional 10-day period in which a Mayoral override can be vetoed. At the conclusion of this process Administration would need to immediately proceed with the finalization of the 2024 property tax rates and commence the internal processes and procedures necessary to meet the billing timelines consistent with prior year Final billing which typically occurs in June. Property owners have become accustomed to the bi-annual property tax billing cycle. A delay in this process would result in deferred cash flows which are used to fund municipal operations potentially requiring the use of working capital and reserves. This delay could also result in short-term reduction of investment income. There is risk that some taxpayers may become confused thinking that they have missed a property tax billing or instalment.

Risk Analysis:

There is little risk to approving the proposed in-year budget amendment as the timelines will be maintained for the 2024 Final Tax billing cycle.

Climate Change Risks

N/A

Climate Change Mitigation

N/A

Climate Change Adaptation

N/A

Financial Matters:

An amended 2024 budget, inclusive of the changes related to the Downtown Windsor Revitalization Plan would require additional operating funding, raising the overall 2024 levy impact by $3,239,878 or 0.70% increase to the overall tax levy for existing tax payers.

The amendment to the existing budget includes the components as illustrated in the table below:

Components	2024 $ Impact	2024 % Impact
1. Windsor Police Services	$1,384,000	0.30%
2. Homelessness & Housing Hub (H4)	$1,470,340	0.32%
3. Auxiliary Police Officers	$217,000	0.05%
4. Dedicated By-Law Officer	$81,383	0.02%
5. Economic Development Project Lead	$87,155	0.02%
Total	**$3,239,878**	**0.70%**

If approved, the annualized operating impacts would be brought forward as part of the 2025 Operating budget development.

Further, as outlined in the report, capital funding in the amount of $1 million was approved in principal with $200,000 available in 2024 and $800,000 available in 2025 through project MAY-001-24. Administration is recommending that these amounts be pre-committed and available for immediate use.

Consultations:

Windsor Police Services
Housing & Children Services
Parks & Facilities
Building Services
Economic Development

Conclusion:

The 2024 in-year operating budget would provide additional funding to support the Downtown Windsor Revitalization Plan for Windsor Police Services, Housing & Children Services, Parks & Facilities, Building Services & Economic Development departments and would result in an additional 0.70% increase in the tax levy.

Planning Act Matters:

N/A

Approvals:

Name	Title
David Soave	Manager, Operating Budget Development & Control
Janice Guthrie	Commissioner of Finance & City Treasurer
Joe Mancina	Chief Administrative Officer

Notifications:

Name	Address	Email

Appendices: