

Attached you will find the motions passed by the Long Range Financial Planning sub-committee during the summer. The financial policies created through these motions as well as budget directions will be going to Corporate Services Committee on September 4<sup>th</sup> for approval and then to Council.

Included in the motions is:

Approval of a Fiscal Framework for the city which will put permanent restrictions on how Council can operate its finances

Approval of average increases to user fees (fares, photos for passes, park'n'ride, etc.) of 5% per year for the next three years – Transit ctte to decide distribution of the increases

Decision to continue to increase user fees in non-transit areas using the existing policies i.e. pass any increased cost on to the consumer with a corresponding increase in subsidy rates

The most “interesting” things are the changes to the budget consultation process and the confirmation of the 2% capital renewal levy.

For those of you who were assured in July that your new programs (e.g. museums) were safe, don't wait by the mailbox for the cheque. Staff will be bringing several scenarios forward in the draft budget, all with a 1.6% increase for the police and a 2% capital renewal levy. The three options will be on the operating side - one at 0%, one at 1.4% (inflation) and one at 4.4%. For 2008, only the one which includes the 4.4% increase allows the Operating Enhancements envelope to survive. Operating Enhancements includes the Museum Sustainability Plan, the Graffiti program and any other program approved in 2007 to be added to the 08 budget for a total of \$10M.

For those of you who think your existing programs are safe, each level of increase will also include Management Efficiencies, use of one-time revenues, “other solutions” which means cuts somewhere, the ODSP uploading of \$12M from the province, \$5M from transit fare increases, \$2M increased user fees and, for the 1.6% and 4.4% options, revenue from taxes.

% incr	Management Efficiencies	“Other Solutions”	\$ from taxes	Operating Enhancements	New Capital Projects	With 2% Capital Levy +1.6% Police	\$ increase to “average” house
0%	\$20M	\$31M	\$0M	\$0M	\$0M	3.6%	\$90
1.4%	\$20M	\$27M	\$4M	\$0M	\$10M	5%	\$125
4.4%	\$20M	\$17M	\$24M	\$10M	\$20M	8%	\$200

**NOTE THE CHANGES TO THE BUDGET CONSULTATION PROCESS**

(Yes, I'm emphasizing this!!)

Sept 4 <sup>th</sup> Corporate Services ctte	Financial policies from LRFP ctte approved	All the motions & the included policies passed by LRFP will come to Corp Serv ctte for approval.
	Budget Directions tabled at ctte	<ul style="list-style-type: none"> <li>- Briefing session for councillors and media prior to tabling document</li> <li>- adverts to go out seeking public delegations for Sept 18th</li> <li>- consultation tools released: website, budget e-mail box, 311</li> <li>- encourage written/electronic submissions</li> </ul>
Sept 18 <sup>th</sup> Corporate Services ctte	Committee debate on budget directions	Receive public delegations on budget directions before debate
Sept 26 <sup>th</sup> Council	Council consideration & adoption of budget directions	<ul style="list-style-type: none"> <li>- submissions received through website, email and 311 will be circulated to councillors</li> <li>- following adoption, approved budget directions/budget consultation plan and timetable advertised</li> </ul> <p><b>**Note that AFTER approval is the first time attention will be drawn to the consultation process and timetable**</b></p>
Nov 14 <sup>th</sup> Council	Tabling of the City Corporate Plan (CCP) and Draft Budget Estimates	<ul style="list-style-type: none"> <li>- CCP elements will be incorporated into the Draft Budget consultation docs</li> <li>- Councillors toolkit prepared for draft budget/CCP feedback</li> <li>- budget website, email box, emails/packages sent to Master Contact List</li> </ul>
Nov 19 <sup>th</sup> to Dec 7 <sup>th</sup>	Budget consultation phase	<p>(In city documents, this is included under the Nov Council meeting)</p> <ul style="list-style-type: none"> <li>- 7 to 8 joint (multi-ward) sessions where staff will be in attendance over a 3-week period</li> <li>- 1 staff-organized session for advisory committees and/or community groups</li> <li>- additional week for councillor consultations with no staff support</li> </ul>
Dec 10 <sup>th</sup> to 14 <sup>th</sup>	Discussion and approval of draft budget as Committee of the Whole / Council	<ul style="list-style-type: none"> <li>- circulation of results of public consultations prior to deliberations</li> <li>- Committee of the Whole for final budget deliberations and approval, <b><u>NO DELEGATIONS</u></b> (my bold &amp; underlining)</li> </ul>

There is nowhere in this process that someone addressing a city-wide concern can present to all or even most of Council unless you go to every joint session. I spoke to the LRFP ctte about re-

instating the process of each standing committee hearing delegations on their part of the budget and they weren't interested at all. I also questioned not having staff available for individual ward consultations and that will be allowed.

The positive that came out of the LRFP process is that the mayor has finally backed down on his opposition, or should I say Vehement Opposition, to the 2% capital renewal levy proposal which all other councillors supported. This would be a levy added to the tax bill for a fixed period of time to raise money specifically for repairs, etc that were not done to city infrastructure over the last six or seven years as a result of tax freezes. There will be a list of projects put out as part of the budget process each year that residents could hold council accountable for. O'Brien said at committee and in the media that it would be contingent on the feds and the province coming to the table with matching funds. However the motion put forward by Eli El-Chantiry and passed by Ctte says the other governments should be approached to participate but the city will go ahead if they don't.

I haven't done an analysis of all the motions and policies because I expect them to change somewhat at Corporate Services and I don't want to do it twice. You can have a look through the motions they passed and get a general idea of the direction they are going. If you want to look at some of the documents they were using, go to the city website; on the right-hand side of the home page go to 'Council and City Committees'; go to the months of July and August and scroll through to July 18th, Aug 15th, 23rd and 27<sup>th</sup>; go to the agenda and you will see the various reports listed in the agenda items. I will warn you that not everything is there – even when we were at the meetings, we sometimes had to beg or “borrow” reports that were the basis of their discussions. This was after I had to make numerous calls to find out when and where the meetings were being held. Originally they weren't being posted up on the city's website.