

IMPROVED BUDGET DOCUMENTATION

DECEMBER 9, 2024

BACKGROUND

Council has expressed concern that the current budget process is difficult to understand for the public and for new Council members, presenting a significant learning curve. Other municipalities prepare financial plan documents which suggests that Esquimalt could increase its transparency for Council and the public. Council is seeking a document, tailored for Esquimalt, that is less verbose but with enough information to evaluate and understand the budget more effectively.

PROJECT SCOPE

To revise and improve the budget documentation presented to Council starting with the 2025 process. The desired objective is to consolidate existing materials into a single, easy to understand package that includes information on departmental budgets and staffing levels; reserve fund balances; strategic initiatives; historical budget details; major capital projects; and other financial information. A proposed draft outline is included with this assessment.

PROJECT SCHEDULE

The documentation will be compiled and consolidated by the Director of Finance. This will be completed in conjunction with the 2025 budget documentation with an anticipated completion date of May 2025.

It is recommended by staff that this documentation be updated in phases with a preliminary document being prepared as part of the 2025 budget process. It is anticipated that an amended, more fulsome document with all relevant information could be prepared during the 2026 budget process. This document would then be reviewed and updated annually with new financial details and after considering Council feedback.

In future years, drafts of the current year document would be available at the beginning of the annual budget process. The 2025 version will be developed during the upcoming budget process.

STAFF IMPACT

While most of the material is made available by staff during the various stages of the budget process, there is a significant amount of data gathering that will be required. Additionally, once all details are provided, staff will be required to present, consolidate and format all details into a single document for easy and useful reference.

While Financial Services will be taking the lead, it will rely on all departments to provide the necessary operational information to supplement the financial details. As well, the Communications Manager will be responsible for formatting the document and utilizing existing information that may exist in other Township documentation (e.g. annual report) to avoid unnecessary duplication.

STAKEHOLDERS/POTENTIAL PARTICIPANTS OR DEPENDENCIES

While a review of similar documents prepared by neighbouring municipalities may guide the amount and type of content, the work will be dependent on staff resources for preparation, consolidation and review.

PROJECT RISK MANAGEMENT

With the phasing in of any report generation and implementation, staff will have the ability to gather all available data while considering other potential details that would be relevant or that would enhance the existing document. This approach would also allow staff sufficient time to adapt to the new requirements and make continuous improvements in future years.

FINANCIAL IMPACT

The work involved is primarily restricted to staff time. Staff do not foresee any additional costs that need to be budgeted or allocated to support this initiative.

Draft Financial Plan Book Outline

Budget Overview

Esquimalt/Community Overview

Organizational Profile – FTE & Org Chart

Financial Legislation & Policies

Financial Planning & Reporting

Council Priorities & Budget Link

Budget Principles & Guidelines

Budget Drivers

Consolidated Financial Plan

 Summary

 Year Over Year

 Detail

Revenue Discussion

Service Plans – Budgets & Supplementals

Capital Plans – Budget & Supplementals

Reserve Projections

Debt Management