

Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Administration

Information Report

To: Mayor and Members of Council

From: Gord Quinton, Chief Financial Officer / Treasurer
GM, Finance, Budget, Information Technology & Transformation

Date: November 13, 2024

Subject: 2025 Budget Direction Suggestions from Council

This report is for the information of Council.

Background

As part of the 2024–2027 Multi-Year Budget, Council approved a 5.53% tax impact for 2024, a 8.17% increase in 2025, a 7.70% increase in 2026, and 7.30% increase in 2027, for a four-year average increase of 7.17%. Since then, through Monday night Council meetings, several reports with budget implications were approved that affected the 2025 budget increase and the four-year projection.

Each year, as part of the multi-year budget process, Council readopts the budget for the current year and update it in circumstances that require funding or resource adjustments. Any changes required should meet certain budget amendment criteria:

- New Council Direction
- Cost Driver
- New/Changed Regulation

With Strong Mayor Powers in place, in June 2024, Mayor Canniff asked that Council consider an appropriate target for the year and provide where the required reductions to get to that target should be examined. Suggestions were shared by the Mayor with Administration, and the Executive Management Team met to review the draft budget and determine viable options that would not affect Council directed services. The suggestions are included in Appendix A.

The process used to provide advice to the Mayor included informing Council that the budget was heading to over 9.4% as a result of the reports approved by Council from December 2023 to June 2024 with budget implications. This number became publicized and was reported prematurely. This information was meant to detail the impact of the Council night decisions and was not a draft budget proposal. Budget process under Strong Mayor Powers is continuously being improved.

Comments

Administration gave consideration to the suggestions of Council and direction of the Mayor to find efficiencies, adjust user fees, pause reserve transfers and recommend service level reduction that would least affect services to deliver a draft 2025 Budget Update under the 8.17% multi-year 2025 approved budget and below 7%.

Staff look for clearer direction from Council on how they would like advice to the Mayor to be provided for the 2026 Budget Update. Some councillors were not comfortable with emailing staff and have suggested that direction be provided in the spring of 2025 during a regular open council meeting. As this is a new process with Strong Mayor Powers, Administration will be reviewing the processes of the other strong mayor municipalities and will come to Council with an information report asking for direction in April 2025.

Council Term Priorities

This report supports the following Council Term Priorities:

			
Deliver Excellent Service	Promote Safety & Well-Being	Grow Our Community	Ensure Environmental Sustainability
5a.			

Consultation

The Executive Management Team met several times throughout the summer to review the draft budget.

Communication

Communication is proposed to be through the inclusion of this report on the Council agenda and minutes.

Diversity, Equity, Inclusion and Justice (DEIJ)

This report does not have implications related to diversity, equity, inclusion or justice.

Financial Implications

There are no financial implications with this report.

Prepared by: Gord Quinton, Chief Financial Officer / Treasurer
GM, Finance, Budget, Information Technology & Transformation

Reviewed by: Michael Duben, Chief Administrative Officer

Attachment: Appendix A: Councillor Suggestions