



2025 BUDGET INITIATION MEMO

This memorandum is intended to formally commence the 2025 budget process, and to review and amend the forecast portion of the 5 year operating plan to include 2026 to 2029.

BACKGROUND

The 2024 Operating and Capital Budget was adopted in principal during Budget Deliberations on December 13th, 2023 and was formally adopted on February 5th, 2024. The 2025 budget process will follow the same format as the previous. Whereby, departments will be provided their prior year budget as their “base budget” and then will be asked to increase or decrease their budget as needed for 2025. Any adjustments made by managers and directors will be in the form of a “budget change request”. Departments will also be directed to update their internal 4-year forecast for 2026 to 2029.

DELIVERABLES

December 2024 --> Adoption in principal of the 2025 Budget and 2026 to 2029 Forecast.

In order to achieve this deliverable, Departments and Council will need to complete the following:

DATE	TASK
<i>Start</i> June 3, 2024	Budget Initiation Memo to Council
June 11, 2024	Budget Initiation - Internal Training at Fire Station 2
June 2024 - August 2024	Public Consultation
September 9, 2024	Departments submission for both Operating and Capital budgets for 2025 including Forecast of 2026 to 2029
September 23, 2024	Draft #1 - Distributed to Senior Management for Review
October 2, 2024	Draft #1 - Review with Senior Management
October 14, 2024	Draft #1 – Change Requests Returned to Finance
October 25, 2024	Draft #2 – Distribute to Senior Management for Review
October, 30 2024	Draft #2 – Review with Senior Management
November 7, 2024	Draft #2 – Returned to Finance with Final Comments/Corrections

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End

DATE	TASK
November 22, 2024	2025 Budget and 2026 to 2029 Forecast - Distributed to Department Heads and Council
November 25, 2024	2025 Budget Introduction and Walkthrough with Council
Budget Deliberations	
December 9th, 2024	Budget Meeting – Council

2025 BUDGET, AND 2026 TO 2029 FORECAST

PUBLIC CONSULTATION

Public engagement is an extremely important aspect to the budget process. Residents will be given the opportunity to provide their input throughout the public consultation period, ultimately aiding in the formulation of the 2025 municipal budget. In previous budget years, administration put forth a two-part budget engagement plan. In the 2023 and 2024 budget years parts one and two of the engagement plan were implemented. Part one, which included a dedicated budget webpage, a social media campaign, opportunity for residents to submit questions and informational budget videos was completed and in part two, participatory budget tools, were partially implemented. Both below forms of consultation will continue for the 2025 Budget year and will undergo an advertising campaign as well.

Budget Frequently Asked Questions

As offered in prior year, residents can visit the Town’s dedicated Budget Webpage and submit any type of question relating to the municipal budget which will be answered by Finance staff and potentially be posted publicly if deemed constructive.

Interactive Budget Tool for Residents:

2025 Budget - What are your Priorities?

For the 2024 budget process administration implemented an interactive tool that was released to the public, this tool will be utilized once again for the 2025 budget process. This interactive tool shows a list of projects, compiled by Administration, along with their estimated costs. Residents will be given a maximum budget amount and be asked to select the projects they would most like to see completed by the Town. After selecting their projects, residents will be able to rank their choices from highest to lowest priority. In addition to selecting and ranking projects, residents can also leave comments and provide suggestions. This participatory budgeting tool will provide data that Administration and Council can take into consideration within the 2025 budget process. The data collected from this tool will be summarized and communicated within the 2025 budget document. The budget engagement tool will be available on the budget webpage from end of June through to the end of August. Council feedback on the tool from the 2024 budget year, was to potentially include less options for selection and that will be incorporated into the 2025 tool.



OPERATING BUDGET

Finance and Business Services has begun the process to:

- Create the 2025 Budget in Questica.
- Capture any fixed costs (insurance, utilities, etc.)
- Populate all salary information for existing employees, except for casual and student positions.

Departments will need to:

- Adjust budgets, ensuring all descriptions and back-up documentation is updated and attached prior to promoting cost centers to Finance Review.
- Review all modifications completed by Finance and Business Services.
- Ensure that all assumptions and budget amounts are reflective of historical and future estimated usage.
- Populate the forecast for years 2026-2029; taking into consideration 2.5% inflationary factors, impacts due to changes in regulation, and all other known adjustments or changes.
- Verify that expenses that do not occur on an annual basis are properly captured.
- Ensure increases or decreases in staffing levels, both full and part-time are captured correctly and the business case supporting this request as approved by the CAO are attached.
- Determine if any amounts should be recognized within their operating budget to be moved to reserves to fund future capital projects.

CAPITAL BUDGET

Finance and Business Services has begun the process to:

- Provide an updated listing of assets that are identified as being fully amortized in 2025 to 2029.

Departments will need to review their 2025 Capital Budget & 2026 to 2029 Forecast to:

- Add, remove, or adjust the timing of any projects due to changes in their condition or need.
- Review the asset listing and identify assets/projects that should be included in the 2026-2029 Capital Forecast.



To facilitate the review of budgets by Finance and Business Services, departments are asked to submit, review and promote cost centers regularly, rather than waiting until all are complete. This will allow Finance and Business Services to complete their review and compilation of the budget document in a timely fashion.

If you require any support during the budget process please do not hesitate to reach out to budget@essex.ca and a member of the budget team will be happy to assist you.

