Multi-year budgeting

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Agenda

- What is Multi-year budgeting
- How does it work
- Advantages and disadvantages
- Strategic planning
- Steps in getting there
- Final thoughts

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What is multi-year budgeting

- Authorizes planned expenditures and revenues for 2 or more consecutive years
- Recommend rolling type budget over four years
- Operating and capital budgets must be approved annually by Council as required in the City of Winnipeg Charter but all four years are balanced

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How does it work

- Assuming multi-year budgeting was already approved prior to 2018:
  - The 2019 budget would have been approved in principle and balanced
  - In 2018 after the election, the Public Service would report on any budget amendments to the 2019 budget for Council approval
  - A four year balanced budget for 2020 to 2023 would be presented in 2019

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Advantages

- Provides the Citizens of Winnipeg with information concerning City taxes, fees and levels of service for next 4 years
- Reduce staff and elected official time relating to budget development
- Resolves the structural deficit and then presents balanced budgets
- Improves financial management and long-range strategic planning

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Disadvantages

- Perceived loss of budgetary control and oversight. Council will still approve budgets annually and direct revisions as required
- An unstable economy or government funding sources may present difficulties in forecasting revenues and expenses. As a strategy the City would document economic assumptions in its budgets

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Strategic planning

- Key to a multi-year budget process is short and long-term strategic corporate and departmental plans
- These plans should align with Our Winnipeg, Councils planning document.
- Planning documents should drive preparation of future City budgets
- Continuation of the annual public consultation process relating to the budgets

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Steps in getting there

- Preparation of the 2019 budget using the City's traditional budget methodology by March, 2019
- During 2019, work with Council to resolve the structural deficit
- Set budgets in the fall of 2019 for 2020 to 2023
- Review budgets with Council annually in 2020 onwards to revise as needed on a balanced basis to include Council directives and initiatives. Council approval is required annually

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Final Thoughts

- Considerable effort will be required to balance operating budgets in 2019 and onwards
- Multi-year budgets will benefit the Citizens of Winnipeg and Council in providing a longer-term balanced view of taxes, fees and services
- Alignment with future strategic planning initiatives will provide direction in setting multi-year budgets

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