



COBURG BUDGET COMMITTEE

Budget Meeting #1 – Follow Up Q & A

Meeting Date: May 28, 2024

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At the end of the first Budget Committee Meeting on May 7, 2024, committee members were invited to submit individual questions to staff in advance of the May 28 Budget Committee meeting to allow staff to prepare responses back to the entire committee. Below are the questions and responses:

Q: I like having the outline of the annual Budget Process and I can see the priorities in the Framework. I am wondering about the Goals Council set at the Retreat so we can see where we are headed.

A: The Framework document is the goals/workplan document that came out of the Council retreat and were subsequently formally adopted by Council at its March 12, 2024 Council meeting. The intention is to create a system that many individual projects, actions and tasks fit within to accomplish high level, priority objectives. Council and staff will be building out sets of tasks/actions, timelines and costs so the objectives can be prioritized and integrated into staff, committee and Council workplans.

Q: Could the biggest dollar amount changes in the Budget be highlighted for us - both increases and decreases.

The significant dollar amount changes that impact the budget are staffing and capital projects, as well as other operational areas indicated in the budget assumptions section of the Budget Message (Insurance, utilities, healthcare, etc). Individual line-item changes (up and down) between fiscal years exist throughout the budget and staff will add a % change column to the line-item detail budget sheets that were provided in meeting #1 and will have that available at the meeting for the committee's reference.

Q: I reviewed the Value Comparisons and I'm not clear what they mean and how this applies to our work.

A: The valuation comparison table was provided only as background reference relating to long term challenges in the General Fund due to property tax limitation measures 5 and 50. Assessed valuation growth as compared with real market valuation growth provides context as to the reasons for the much slower growth of general fund property tax revenues in a real estate market environment of high valuation growth.

Q: Regarding additional revenue needed, the Budget Committee approved a motion for Council to explore additional revenue options last year. Is there anything more we need to do?

No, there is nothing specifically the Budget Committee needs to do as part of this current budget process, other than to recognize the revenue limitations as the primary reason for the relatively low fund balances forecast for the upcoming and future years if additional revenues (or significant expenditure reductions) do not occur. The Budget Committee has no legal means to directly address the revenue issue, but should be aware of the limitations that presents to the proposed budget.

The Framework contains an objective that is targeted specifically at this issue (Long-term (10 yr) Revenue Needs Forecast) and is likely be Council's highest priority task to begin the upcoming fiscal year.

Q: I am wondering about the Newsletter. I bring this up because citizens have asked about this since it stopped. I don't recall the costs associated and I know it takes staff work, but it was one way of keeping rumors down and addressing those folks that blame city government for things. Maybe there is an alternative that will be place?

The newsletter has been temporarily suspended as the City and Coburg Main Street develop a working contract that intends to bring back the newsletter with a different format, focus and delivery channel. The contract has been initially reviewed by both the Council and the Main St Board of Directors and will be formally decided on at the June 11, 2024 Council meeting. Funds proposed to be allocated to Main Street come from the City's economic development program which is funded primarily with lodging tax revenues that are specifically targeted and required to be spent on tourism related activities. The draft contract presented to Council at the May 14th meeting is attached for reference.

Q: There has been talk of a change to a biennial budget (two year). Will there be an agenda item on this at the next meeting?

A: Yes, we will be sure to have a discussion about this concept with the Budget Committee for its input and potential recommendation to Council. The idea is at the concept stage only and has not yet been discussed by Council, who is responsible for authorizing a change from an annual to biennial budget.

Q: Please provide the revenues and expenses relating to the \$2 tree fee that is charged on City utility bills for the past three fiscal years

A: Staff will provide a recap of the revenues and expenses for the street tree program within the Street Fund where the monthly \$2 fee is located as a handout at the meeting. Revenues are approximately \$15,000 per year, which provides for 1-2 complete tree removals or 6-10 significant tree canopy trimmings per year.