

Report

City of Merritt
Committee of the Whole
April 1, 2023

File Number: 1700

To: Sean Smith, Chief Administrative Officer
From: Sheila Thiessen, Finance Consultant
Date: March 31, 2023
Subject: 2023-2027 Financial Plan Workshop

RECOMMENDATION:

That this report be received for information.

Background:

This report provides some information in advance of the April 1st Committee of the Whole meeting for Council's review and consideration.

Staff will be prepared to address any questions at the meeting on April 1st with a follow up meeting on April 6th.

Discussion:

2022 Draft Financial Position Report

The Finance department is working on year end reporting as well as the Financial Plan. The two projects are interconnected. Although we don't have audited financial reports for 2022 at this time, they are in process. This report is to provide Council with a general idea of the activity in 2022. It will be reviewed in detail at the meeting.

For this purpose, the numbers related to amortization have been omitted as they have zero effect on the budget numbers. In addition, the expenses and revenues related to emergency recovery have been removed, as it is anticipated that these will also be a net zero cost to the City.

There are four columns in the report

1. Budget Amounts
2. Actual Amounts
3. Variance \$
4. Variance %

Policy 4020 Reserve and Surplus Policy

This policy was mentioned at the first budget meeting and is being provided for Council to review. It will be addressed during the budget process.

Department Supplementals

Staff is preparing a draft budget that incorporates all contracted increases, cpi and other related increases. In addition, the departments have developed a list of requests for Council's consideration. The list is divided between capital and operating items and is provided for Council to review before the meeting. There will be a discussion on the items that Council requests and the departments heads are prepared to provide greater detail at the meeting scheduled for April 6th.

Final decisions are not required at this time, but if Council can eliminate some and highlight their priorities, it will assist greatly with the process.

The forms have a column that shows tax impact if it applies, grant or reserve funding could reduce the impact on taxes required. There is a column where Council can indicate that they would like more information as they review the listings.

In addition, there are sheets attached for each item on the list that provides more information.

Summary

Council will have a chance to make suggestions, requests and provide direction to staff. The budget will be finalized when Council adopts the budget in May. It is important to keep in mind that nothing is officially approved until the bylaw is adopted, unless Council resolves to make a commitment before that date.

Once the budget is developed, it can be amended as circumstances change, but the amount of taxation collected for the year is fixed as of May 15, 2023.

Respectfully submitted,

Sheila Thiessen, CPA, CMA
Finance Consultant

Attachments:

2022 Draft Financial Position Report
(Unaudited)
Policy 4-20 Reserve and Surplus Policy
Budget Supplementals Documentation