

2022 Business Cases

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| Presented To: | Finance and Administration Committee |
| Meeting Date: | October 5, 2021 |
| Type: | Managers' Reports |
| Prepared by: | Liisa Lenz Financial Support & Budgeting |
| Recommended by: | General Manager of Corporate Services |

Report Summary

Consistent with direction provided by the Finance and Administration Committee, this report provides draft business cases for the 2022 Budget to obtain further direction that will support the production of the 2022 Budget in time for the Committee's final review in December.

Resolution

THAT the business cases presented on pages 2 to 78, of 'Appendix 1' of the report entitled '2022 Business Cases' from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on October 5, 2021, be presented for consideration as part of the draft 2022 Budget.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There are no direct financial implications associated with this report. If any of the business cases presented in Appendix 1 are approved for consideration as part of the 2022 Budget, a financial implication will only arise if Council decides to include them in the final, approved budget.

Background

On June 22, 2021, the Finance and Administration Committee ("the Committee") provided 2022 budget directions following deliberations regarding a variety of service demands and affordability considerations. Staff have been preparing work plans and budgets that reflect Council's directions. The work remains on schedule to submit a budget for Council's review in November, with approval anticipated in December.

Among other directions regarding the preparation of the 2022 Budget, the Committee directed staff as follows:

Resolution Five: *THAT the City of Greater Sudbury directs staff to present any service enhancements, changes in service, or new service proposals as Business Cases for consideration by the Finance and Administration Committee on a case-by-case basis, subject to the following conditions:*

- a. All business cases must be approved by resolution of the Finance and Administration Committee to be incorporated into the 2022 Budget Document;*
- b. Any business case with a value of \$100,000 or less be incorporated into the base budget where the Executive Leadership Team supports the change, with a summary of such changes disclosed to the Finance and Administration Committee in the budget document;*
- c. Council directed business cases, resolved by August 18, 2021 be presented to the Finance and Administration Committee on October 5, 2021.*

This report responds to the above-noted budget direction. This meeting is intended to inform the Committee's deliberations about the value of anticipated outcomes and financial implications of draft business cases. It should facilitate understanding of the potential trade offs required to incorporate any of these business cases into a final, approved 2022 budget.

Analysis

A Business Case describes a change in service or service level that, typically, addresses one or more of the following desired results:

- Resolve an unmet service need that current resources are not able to fulfill
- Prepare for future investments by producing strategies, master plans or other similar planning activities that will guide capital and/or operating budget investments in future periods
- Change existing resources to sustain existing service levels and/or operating efficiencies (for example, to convert contract/temporary staff to full-time staff)
- Invest in physical assets and/or staff to realize service innovations and/or net cost reductions

A "change in service or service level", in this context, goes beyond the adjustments managers might make throughout the year to support current, approved service levels. As Resolution Five, above, noted, where a business case has a value of \$100,000 or less, the Committee delegated responsibility for evaluating it to the Executive Leadership Team. These will be described as part of the recommended budget.

Initiating a Business Case

Business cases are either directed by Council or Committee through resolution or they are directed by ELT based on its understanding of operational requirements and Council's strategic priorities. As per the Committee's direction at the June 22nd Finance and Administration committee meeting, Appendix 1 includes:

- All business cases requested through a Committee or Council resolution up to and including August 18, 2021;
- All staff initiated business cases reviewed and approved by ELT for further consideration.

The following business cases requested through resolution after August 18th are not included here, but staff anticipate including them in the draft 2022 budget document:

- Minnow Lake Boardwalk Upgrades
- Private Lead Services Program
- Funding for Red Cross

Impact of Approving a Business Case for Consideration as Part of the 2022 Budget

The intent of the October 5 meeting is to identify those business cases that, following its review of the details and planned outcomes, the Committee believes it would be willing to include as part the final 2022 Budget. A decision to approve a Business Case for consideration as part of the draft budget does not mean it is automatically going to be part of the final budget; this only occurs after the Committee considers the entire budget at its meetings in December. Of course, the Committee is also free to direct a business case be automatically included in the final budget.

This approach ensures there are “no surprises”, particularly with respect to financial implications. As described in Appendix 1, each business case produces either a net cost or a net cost reduction. If all other elements of the draft budget remain unchanged, approving a business case would have an implication on the final tax levy.

To offset a tax levy increase resulting from approving a business case, the Committee may want to make other adjustments to service plans, user fees or capital investments. Anticipating such adjustments now, or over the next two months, provides committee members and staff some time to identify the adjustment, evaluate the implications and prepare appropriate amendments for consideration in December.

Because of the timing of the decisions, directions to produce business cases provided after August 18 could not be included in this report. These will be presented as part of the draft budget for further review at the Committee’s budget meetings in December.