

## 2025 Business Case Report

Presented To:	Finance and Administration Committee
Meeting Date:	September 10, 2024
Type:	Managers' Reports
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Recommended by:	General Manager of Corporate Services

## Report Summary

This report provides draft business cases to obtain further direction that will support the production of the 2025 Annual Budget Update Report in time for the Committee's final review by December.

## Resolution

THAT the business cases presented in 'Appendix 1' of the report entitled '2025 Business Case Report' from the General Manager of Corporate Services, presented at Finance and Administration Committee meeting on September 10, 2024, be presented for consideration during the 2025 Annual Budget Update;

AND THAT the business case entitled "Hire Full-Time Position for Road Safety Program" be deferred to 2026 budget deliberations.

## Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

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 2025 Annual Budget Update, a financial implication will only arise if Council decides to include them in the final, approved budget.

## Background

The purpose of this report is to satisfy the condition that all business cases be approved by the Committee prior to their inclusion in the 2025 Annual Budget Update. Business cases allow Committee to consider details about a potential budget change. As described in Appendix 1, each business case produces either a

net cost or a net cost reduction. If all other elements of the budget remain unchanged, approving a business case would have an implication on the final tax levy.

On May 22, 2024, the Finance and Administration Committee (“the Committee”) provided direction as follows:

**Direction - Resolution Two:** THAT Staff present any service enhancements, changes in services, or new service proposals as business cases for consideration by the Finance and Administration Committee, 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 2025 Annual Budget Update Report; and
- 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 2025 Annual Budget Update Report.

This report responds to the above-noted budget direction. This report 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 tradeoffs required to incorporate any of these business cases into the 2025 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 future capital and/or operating budget investments.
- 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.
- Change existing service levels based on service reviews that examine options for improving service levels and/or reducing the City’s net costs.

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. Where a business case has a value of \$100,000 or less, as noted above, the Committee delegated responsibility for evaluating it to the Executive Leadership Team (ELT).

## 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 May 24 Finance and Administration Committee meeting, Appendix 1 includes:

- Council Directed
  - Business cases requested through a Committee or Council resolution.
- Staff Initiated
  - Staff initiated business cases reviewed and approved by ELT for further consideration.

## Impact of Approving a Business Case for Consideration in the 2025 Budget

The intent of the September 10 meeting is to identify those business cases that, following its review of the details and planned outcomes, Council is willing to consider for inclusion in the 2025 Annual Budget Update

Report. A decision to approve a business case for consideration as part of the budget does not mean it is automatically included in the 2025 budget; this only occurs after the Committee considers the entire budget at its meetings in December. Nevertheless, the Committee could also direct a business case be automatically included in the final budget.

Where a business case has a tax levy impact, reviewing it now provides an opportunity for identifying other budget adjustments that could help offset such an impact. For example, adding a new service or increasing a service level may create a tax levy increase, but it may be able to be offset by reducing a different service level or adjusting a user fee. Anticipating such adjustments now, or over the coming months, provides committee members and staff with some time to analyze the adjustment and prepare appropriate budget amendment motions for consideration in December.