



## Presentation By Treasurer

November 4<sup>th</sup>, 2023

Today, our task is to adopt a framework for our 2024 budget and ensure that we have Regional Council approval for the implementation of this framework. We use the term framework because we are in a time of transition and restraint which requires:

1. Flexibility as we manage transition so that we do not take precipitous decisions but rather make prudent decisions that uphold the long-term objectives of the Regional Council.
2. A commitment to operate within our means.

### Where Are We At

In November of 2022, we passed the 2023 budget where we adopted a \$78,000 deficit with a commitment that Finance Committee would develop a process to help the court move to balanced budget at the May 2023 meeting. In early 2023, Finance Committee stepped aside in favour of the Setting Our Sights process as the means to guide the Regional Council decisions. The Finance committee maintains that vision and strategy needs to direct the budget and not the other way around.

In preparing a 2024 budget framework, we outline the following two challenges:

1. Commitment to operate within our means: We anticipate the 2023 deficit will be somewhere in the range of 38,000 to 48,000, the good news being this is half the deficit we anticipated. The not so good news is that this deficit is compounded by a 25% (\$60,000) decrease in our Mission and Service Fund grant for 2024. ***We are presented with the challenge to reducing expenditures by about \$100,000***
2. Flexibility: Setting Our Sights has provided direction; however, the details of implementation through naming exact mechanisms and costs is not delineated. This is not uncommon in processes like Setting Our Sights. Processes such as these take time to formulate and implement, thus necessitating flexibility and further data gathering.

### What We Propose

The finance committee is proposing the following framework, which includes some specifics, to address both the deficit challenge and the need for flexibility.

1. Take Two Years to Get to Balanced Budget: Given that we have reserves of around 200,000, the Finance Committee believes that we can adopt a deficit of 50,000 for 2024 with a view to move towards a balanced budget by 2025 or no later than 2026.
2. Income: We are increasing income from our investments to slightly offset reduction in grants. We are going from 4% to 4.5% as the income taken from investment funds and will continue to review this per centage. We also propose a 2024 review of each investment fund and how these

funds are being utilized in the life of the Regional Council. Many of the funds are self-restricted which provides some scope for flexibility.

3. Expenses reduced by \$45,000 through actions of the Executive and Executive Minister: Rather than “nickel and dime” and “guess” exactly where savings will be realized, we propose that the Regional Council direct the Executive and Executive Minister to implement \$45,000 in savings as outlined in the 2024 proposed budget framework. These savings will be realized through further examination of the following and may or may not entail some or all of them.

These options will be explained in more detail during the treasurer’s verbal presentation as he quickly describes the attached spreadsheet.

- a. Clusters, Regional Meetings and Youth costs. We have maintained a budget to implement the “gatherings” outlined in Setting Our Sights while at the same time hope that these gatherings will occur in cost efficient ways. The budget implications will become clearer through implementation. This also impacts other programming initiatives, especially youth programming.
- b. Administrative and Office costs. There may be ways to realize savings in administrative costs and office costs, but this will be minimal since they are not excessive.
- c. Staffing costs. Staffing costs accounts for almost 55% of the budget.
- d. Partnership costs: We may not be able to continue all our ministry partnerships and so a review of these partnerships is also required. This also impacts Mission Support, and while decisions are included in this framework, this will require further consideration as we prepare the 2025 budget.

The motion for discussion requests that Regional Council adopt the proposed Budget framework.

In adopting this budget framework, the Executive commits to update the framework at the January meeting of the Executive after 2023 numbers have been finalized. The Executive further commits to report to the May/June meeting of the Regional Council outlining actions taken or seeking approval on recommendations they are proposing to meet the targets included in the budget framework.