



2 King St. E., P. O. Box 70 St.-Charles, ON P0M 2W0

Budget Policy

Policy #: P-40

Effective Date: August 17th, 2017

Approval: 2017-219

Purpose:

To establish an annual budget process encompassing all municipal departments and Agencies, Boards and Commissions (ABC's) for which Council is required to approve annual budget estimates or levies. The budget process will also include amounts to be transferred into and out of reserves.

- 1) To establish the processes of the annual budget;
- 2) To encourage long-range planning in operating expenditures;
- 3) To determine annual service levels;
- 4) To achieve approval of the annual budget prior to December 31 of the prior budget year in question (unless an election year in which years the budget shall be approved by February of the budget year in question);
- 5) To encourage effective planning, analysis and allocation of the Corporation's limited financial resources;
- 6) To encourage Agencies, Boards and Commissions to adopt the municipality's budget timelines.

Definitions:

Municipal Tax rate/Levy: a rate in which is applied to a properties assessment, as determined by MPAC, in order to determine the amount of property tax.

Policy:

Budget Categories will be as follows:

- General government
- Protection services
- Transportation services
- Environmental services
- Health services
- Social and family services
- Social Housing
- Recreation and cultural services
- Planning and development

Budget Targets will be established by:

- 1) Diligent review by staff, Management and Council;
- 2) Actual amounts from outside organisations or boards;
- 3) Calculating internal operating costs at the rate of either:
 - a) Zero-based that required justification annually in terms of meeting the municipality's priorities
 - b) 2 year average plus inflation cost on a one year average ending in July of the current year; or
- 4) Prudent revenue forecasts;
- 5) Evaluating alternative means of service delivery throughout the year to ensure that quality services are provided to our citizens at the most competitive and economical cost;
- 6) Discussions of items or changes greater than \$500.

Long term budget goals: to develop high level multi-year year operating budget forecast in order to allow for longer-term financial planning Target Date of December 31, 2019

Operating variances: to be monitored on a monthly basis by managers with reports to Council for January to May at the June Regular Council Meeting (RCM), from June to August at the September RCM and from September to November at the December RCM of each year.

Capital projects: to be monitored on a monthly basis by managers with reports to Council for January to June at the July RCM, from July to November at the December RCM of each year.

Any unbudgeted transaction that exceeds the budget category in both the operational and capital budget shall be approved by council resolution. The CAO and Treasurer have the obligation to report as soon as possible any significant shifts in the intention of budgeted funds.

Responsibilities and timeline (non-election year):

| Who? | When? | What? |
|---------------------------------|---|--|
| Treasurer & Council | August Committee of the Whole (CoW) | Annual Review of Timeline |
| Treasurer & Staff | August 2-3 week | Meeting with department heads to build draft budget |
| Treasurer to Council | September CoW | Prepare a report to outline an overview of the projected budget challenges |
| Council to CAO | September RCM | Provide direction regarding any changes in levels of service required for the following year and that this information be taken into account in the determination of the budget targets. |
| Treasurer & Council | 1 st Wednesday of October Special Council Meeting (SCM) | Treasurer to present to Council with 1 st Draft and receive modification instructions Review tax rate increases with proposed plan |
| Treasurer to Council and Public | 4 th Wednesday of October – Town Hall | Treasurer to present to Council and Public 2 nd Draft |
| Treasurer to Council | 1 st Wednesday of November SCM | Treasurer to present to Council with Final Draft and review tax scenarios |
| Council | November RCM | Approval of Budget By-law, Tax rates and Tax ratios |

Responsibilities and timeline (election year):

| Who? | When? | What? |
|----------------------|--|--|
| Treasurer & Council | November CoW | Annual Review of Timeline |
| Treasurer & Staff | November 2-3 week | Meeting with department heads to build draft budget |
| Treasurer to Council | December CoW | Prepare a report to outline an overview of the projected budget challenges |
| Council to CAO | December RCM | Provide direction regarding any changes in levels of service required for the following year and that this information be taken into account in the determination of the budget targets. |
| Treasurer & Council | 1 st Wednesday of January SCM | Treasurer to present to Council with 1 st Draft and receive modification instructions Review tax rate increases with proposed plan |
| Treasurer to Council | 2 th Wednesday of January SCM | Treasurer to present to Council 2 nd Draft |
| Treasurer & Council | January RCM | Treasurer to present to Council with Final Draft and review tax scenarios Approval of Budget By-law, Tax rates and Tax ratios |

Council can, by resolution, amend or extend the timeline described above for the year in question.

Joanne MacNeill
Acting Clerk

Paul Schoppmann
Mayor

Date

Date