



To: Council
From: Debi LucasSwitzer
Date of Meeting: January 13, 2021
Subject: By-law No. 2021-005 Interim Expenditure Policy

Recommendation:

That By-law No. 2021-005, being a by-law to adopt an Interim Expenditure Policy, be read and passed in open Council, signed and sealed this 13th day of January, 2021.

Executive Summary:

Authority to commit and expend funds for operations and capital projects rests solely with Council. Municipal Council authorizes all expenditures in the municipality by approving the annual budget pursuant to the Municipal Act, 2001. For the first time in several years the Township budget process is delayed.

Until the 2021 budget is approved operations and capital projects expenditures cannot be processed without Council authorization. The Interim Expenditure Policy permits the work of the municipality to proceed, within the limitation requirements set out in the Policy.

Background:

Due to the delay in proceeding with the annual budget, authority to carry on with municipal operations and ongoing capital projects is required. The attached policy sets out the guidelines and requirements for work to continue.

The limitation of 50% of the previous year's approved department operating budget coincides with the legislated authority to issue interim property tax bills equal to not more than 50% of the previous year's levy.

The policy provides for work to continue in the event future budgets are delayed beyond the beginning a new budget year.

Options:

1. To adopt the Interim Expenditure Policy, as presented.
2. To not approve the Interim Expenditure Policy.
3. Other Council direction.

Financial Impact:

Department operating expenditures are limited to 50% of the cumulative department budget as approved in the previous year's budget. The limitation ensures expenditures for standard operations can be paid in advance of formal budget adoption.

Capital expenditures are limited to ongoing projects that have previous approval, or require a formal report be prepared and approved prior to budget approval.

Risk and Asset Management Considerations:

Standard operation expenditures and ongoing funded capital projects cannot be paid without a policy or by-law approval.

Others Consulted:

Township Auditors, MNP
Director of Finance/Treasurer Ni
Director of Corporate Services/Clerk Harbers