



CITY OF CORNER BROOK

Policy Statement

Index	Finance and Administration		Section	Budget		
Title	Budget Process & Review		Policy Number	11-01-04	Authority	Council
Approval Date	22 Sep 99	Effective Date	22 Sep 99	Revision Date		

Purpose:

- To ensure that staff and Council have adequate input into the budgetary process.
- To establish time frames for the budgetary process and review.
- To ensure that Council has the opportunity to review the current year's budget, and adequate time to consider the upcoming budget.

Policy Statement:

The budget of the City of Corner Brook reflects the priorities and direction of Council and changes to the budget must be approved by Council. Responsibility for the budget is delegated from the Chief Administrative Officer to the Director of Corporate Services who is responsible to ensure the budget is adhered to by the City of Corner Brook.

Reference:

Approved: 99-115 (Sept. 22, 1999)
 CPS99-36C
 CPS99-43
 CC99-181
 CC00-146
 CPS00-06

Detailed Action Required:

(A) SETTING THE BUDGET FOR THE FOLLOWING YEAR:

- Council will meet by mid September to establish its priorities for the coming year, and advise staff of these priorities in order to have these items included in the budget preparations.
- The Director of Corporate Services will meet with the Chief Administrative Officer and Directors to discuss departmental requirements and projects, as often as necessary, not later than the middle of October of each year.
- The Director of Corporate Services will present a draft budget to the Corporate Services Policy Advisory Committee no later than the first week of November, using current year's revenue if actual revenue figures are unavailable at the time.

- Council will review the draft budget as often as required during the second two weeks of November. Council's priority will be in establishing the major principles involved in the budget preparation such as:
 - contributions to the capital fund
 - maintaining the commitment to the long term plan
 - establishing mill rates
 - policies governing discounts and exemptions
 - providing direction on core services
 - determining changes in staffing levels.
- Council will be expected to take a macro approach to the budget to ensure it accurately reflects the views and directions established by Council, and would be required to give approval for those expenditures resulting in increases or decreases in services or staffing.
- The budget will be presented at a public meeting of Council, and the budget speech read by the Chairperson of the Corporate Services Policy Advisory Committee on behalf of Council.

As per Section 101 of the City of Corner Brook Act:

- (1) *The council shall, not later than December 1 in each year, prepare and adopt a budget containing estimates of the revenue and expenditure of the council for the next financial year and a statement showing the rate of tax that will be imposed during that year.*
- (2) *The budget shall be in the form that the minister may prescribe and a copy shall be sent to the minister on or before December 31 in each year and a copy of the budget shall be published in a daily newspaper having general circulation in the city.*

As per Section 102 of the City of Corner Brook Act, the anticipated revenues and proposed expenditures of the council must balance.

A budget circular will be distributed to all households with the tax bills mailed out in January.

(B) BUDGET REVIEW

The budget will be reviewed annually in September to determine if departments are within budget. Any transfers required will be done by the Director of the Department to ensure all division heads are aware of funds remaining and to ensure shortfalls in individual accounts are covered. All budget transfers will be in accordance with the guidelines in this policy.

Adjustments to the budget will be for cost control purposes only and will be reflected in the monthly expenditure reports. The annual budget will not be revised as these changes are not significant to the overall budget, but are required to provide accurate information to department heads. The budget as approved by Council will be reflected in the audited financial statements.

A concise report on the status of the current year's budget will be presented to the Corporate Services Policy Advisory Committee in September, and then to Council. This report will include a summary of any significant account transfers which were made in the review. All transfers will be reflected in the expenditure report for the remainder of the year which is circulated to Council.

(C) BUDGET TRANSFERS

- Budget figures may be adjusted internally, without Council approval, where no formal change to the budget is required. However, any significant changes should receive prior approval of Council to ensure that the administration is adhering to Council policy.
- Any transfers between departments will have to be determined jointly by the Directors involved and the Chief Administrative Officer.
- Directors may transfer funds within their own departmental accounts, up to \$25,000 per item, without approval of Council.
- Any transfer of funds in excess of \$25,000 per item must be approved by Council.

- All transfers into an account must be offset by an equal decrease in another account to ensure the total budget is not exceeded.
- All requests for transfers will be made to the Director of Corporate Services who will obtain approval from the Chief Administrative Officer.

(D) REVISED BUDGET

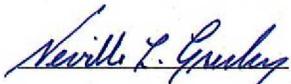
Budget review and budget transfers discussed in the previous sections would not result in a formal revision to the annual budget.

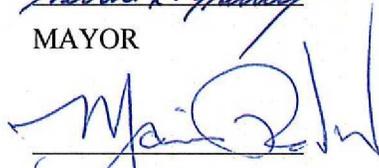
In the case of events that would necessitate a revised budget, Section 104 of the City of Corner Brook Act would be adhered to as follows:

- (1) Where during a financial year it appears that the actual revenue and expenditure is likely to be substantially greater or less than estimated, the council shall prepare and adopt a revised budget in the prescribed form.
- (2) A copy of the revised budget shall be sent to the minister within 2 weeks of its adoption.
- (3) A revised budget shall not take effect until 1 month from the date of its adoption by the Council.

In the event of a revised budget, the audited financial statements of the City of Corner Brook would reflect the revised budget.

IN WITNESS WHEREOF, this policy is sealed under the Common Seal of the City of Corner Brook.


MAYOR


CITY CLERK