

## THE REGIONAL MUNICIPALITY OF NIAGARA

## BY-LAW NO. 2017-63

A BY-LAW TO DEFINE BUDGET CONTROL FOR THE REGIONAL  
MUNICIPALITY OF NIAGARA

WHEREAS Section 224(d) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, states that it is the role of council to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;

WHEREAS Section 289(1) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, requires that for each year, The Regional Municipality of Niagara, in the year or the immediately preceding year, prepare and adopt a Budget including estimates of all sums required during the year; and,

WHEREAS the Council of The Regional Municipality of Niagara has deemed it desirable to set out its policies with respect to the financial control of the Budget in this By-law;

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

**1. PURPOSES, GOALS AND OBJECTIVES**

- 1.1. Establish financial controls while allowing flexibility to alter plans as economic and political circumstances or service demands change, and maintaining stability for the taxpayers of Niagara;
- 1.2. Establish the appropriate authority required by Regional staff to manage Council-approved budgeted resources for Operating Programs, Operating Projects and Capital Projects ;
- 1.3. Ensure that the Region's resources are utilized for the purposes intended through the approval of the annual Operating and Capital Budgets;
- 1.4. Maintain public accountability and transparency;
- 1.5. Ensure alignment with Regional Council's strategic priorities.
- 1.6. In order to achieve the preceding purposes, goals and objectives of this By-law it is important that all persons involved in Niagara Region Budget process abide by the requirements of this By-law.

## 2. DEFINITIONS

2.1. For the purposes of this By-law:

- a) “ABCs” means all agencies, boards, commissions and other legal entities that report to and/or are funded directly or indirectly by Niagara Region and as a result impact Niagara Region’s Budget process;
- b) “Act” means Municipal Act, 2001, S.O. 2001, c. 25;
- c) “Base Budget” means the final approved annual Budget which resides in the Hyperion budgeting system.
- d) “Budget” means an estimate/plan to allocate resources in advance for the maximum benefit of stakeholders and, as the context requires, refers to the Budget of Niagara Region, a Capital Project, an Operating Project, or a division or other administrative segment of Niagara Region, to which a section or rule within this By-law applies;
- e) “Budget Adjustment” means a Budget (Operating Programs and Operating Projects) Adjustment or Budget (Capital) Adjustment or both as applicable to the context of the section in which the term is used;
- f) “Budget Amendment” means a change to the Operating or Capital Budget that results in an increase to expenses funded by Reserves or an increase in the Net Tax Levy for the Operating Budget and an increase to expenses funded by Reserves or debt financing for the Capital Budget;
- g) “Budget (Operating) Adjustment” means a change in the allocation of Budget resources for Operating Programs and Operating Projects from one Dept ID or account combination to another. A Budget Adjustment must be net zero; it cannot increase or decrease the Net Tax Levy or Net Rate Requisition and can be applied to the Working, Base or Commitment Budget;
- h) “Budget (Capital) Adjustment” means a change to the Budget for a Capital Project, excluding a Budget Amendment as defined in this By-law, which occurs outside the annual Capital Budget approval process. A Budget Adjustment cannot increase the use of Reserves or debt;
- i) “Budget (Operating) Amendment” means a change to the Operating

Budget that results in an increase to expenses funded by Reserves or an increase in the Net Tax Levy;

- j) “Budget (Capital) Amendment” means a change to the Capital Budget which results in an increase to expenses funded by Reserves or debt financing.
- k) “Budget Owners” means any Niagara Region staff responsible for an Operating or Capital Budget (Dept ID/or project).
- l) “Capital Budget” means a multi-year plan based on the estimated expenditures and offsetting sources of financing for a Capital Project;
- m) “Capital Project” means a project during which expenditures are incurred that result in the creation of a tangible capital asset. The minimum dollar value of a project to be considered capital is defined in the Budget guidelines;
- n) “CV Project” means a Capital Variance Project which is the accumulation of unused monies originally budgeted to specific Capital Projects and subsequently transferred to a CV Project in accordance with subsection 6.6 as an alternative means of managing unforeseen capital costs.
- o) “CAO” means the Chief Administrative Officer of Niagara Region, his/her Designate or any successor position thereto;
- p) “Commissioner” means the head of a department of Niagara Region;
- q) “Commitment Budget” means the encumbrance Budget loaded into the financial system which includes the Objects of Expenditure (OE) subject to Commitment Control. These OEs include 41000AB-Administrative, 44000AB-Operational and Supply, 50000AB-Occupancy and Infrastructure, 52000AB- Equipment, Vehicles and Technology, 54000AB-Community Assistance, 56000AB-Partnership, Rebate, Exemption and the Work in Process account 18000;
- r) “Corporate Leadership Team” means a team comprised of Niagara Region’s Commissioners and CAO whose function is to provide oversight of and leadership to all departments and services at Niagara Region and bring forward recommendations and advice to Council and associated committees, or such other leadership as Niagara Region deems to oversee budgetary control;

- s) “Council” means the Council of The Regional Municipality of Niagara;
- t) “Court Services Program” means the services, including administration, that Niagara Region, as agent, is responsible to provide on its own behalf and on behalf of the Local Area Municipalities in order to facilitate the operation of the Provincial Offences Court. All such services are to be in accordance with the joint operating agreement made between the member municipalities dated April 26, 2000 (as amended from time to time);
- u) “Dept ID” means the form of identification in the financial accounting system which enables the tracking of information according to the cost breakdown of Niagara Region and the ABCs;
- v) “Encumbrance” means an expenditure amount for which there is a legal obligation to spend in the future (e.g. purchase order);
- w) “Fiscal Year” means the reporting period for a particular legal entity or program. Niagara Region’s Fiscal Year is January 1 to December 31. The Budget for Niagara Region’s Fiscal Year may incorporate other programs, grants or other obligations that may be required to report a Fiscal Year defined within different parameters;
- x) “FTE” means the equivalent of a full-time employee providing service throughout a Fiscal Year. Depending on the category of employee and nature of that employee’s service, the fixed number of hours of work tied to an FTE may vary. As per existing union and employee contracts with Niagara Region, the following annual hours are currently considered to comprise an FTE for different categories of employees:
  - i) 35-hour work week X 52 weeks = 1820 hours = 1 FTE
  - ii) 40-hour work week X 52 weeks = 2080 hours = 1 FTE
  - iii) 37.5-hour work week X 52 weeks = 1951 hours = 1 FTE
- y) “Local Area Municipalities” means the municipalities of the Town of Fort Erie, Town of Grimsby, Town of Lincoln, City of Niagara Falls, Town of Niagara-on-the-Lake, Town of Pelham, City of Port Colborne, City of St. Catharines, City of Thorold, Township of Wainfleet, City of Welland, and the Township of West Lincoln;
- z) “Niagara Region” means The Regional Municipality of Niagara;
- aa) “NPCA” means the Niagara Peninsula Conservation Authority;

- bb) “NRH” means Niagara Regional Housing;
- cc) “NRPS” means the Niagara Regional Police Service;
- dd) “Operating Budget” means a financial plan of current operations that encompasses both estimated revenues and expenditures for a specific period, normally a Fiscal Year;
- ee) “Operating Program” means the sum of activities involved in the achievement of a specific objective which is represented by a portion of one or more Dept IDs of a division/department/operating unit;
- ff) “Operating Project” means a project that is funded from operating revenue, is not Capital in nature, and is incorporated into an Operating Program;
- gg) “Program” means the sum of activities involved in the attainment of a specific objective which is represented by a portion of one or more DEPTIDs of a division/department/operating unit.
- hh) “PSB” means the Regional Municipality of Niagara Police Services Board;
- ii) “Rate Requisition” means the Council-approved invoicing to Local Area Municipalities to be flowed through to residents and businesses for the cost of water, wastewater and waste management services;
- jj) “Reserve” means an allocation of accumulated net revenue that does not require the physical segregation of money or assets;
- kk) “Reserve Fund” means an obligatory fund that is segregated and restricted to meet a specific purpose. Reserve Funds are required by legislation which stipulates that certain contributions received for special purposes’ be segregated from the general Reserves of the Region.
- ll) “Special Circumstance” means:
  - i) an event that is exceptional or could not be foreseen and is likely to pose a threat to the health, safety or welfare of the public;
  - ii) an event that, unless immediately addressed, is likely to cause significant loss or damage to property;
  - iii) an event that has disrupted any essential service that needs to be re-established without delay; or

- iv) an emergency as defined in the Emergency Management Act, R.S.O. 1990, c. E.8, as amended, or any successor legislation thereto;
  - mm) “Tax Levy” means the portion of Niagara Region costs that are unfunded by other levels of government or other sources and requires funding from the residents of the municipality through property taxation;
  - nn) “Temporary Staff Position” means a staff position which has a defined period and is not considered permanent;
  - oo) “Total Available Project Budget” means, in the situation where an Operating Project will span more than one Fiscal Year for Niagara Region, the total cost of the Operating Project as set forth in a business case for that Operating Project which is required to be approved by Council, as required, pursuant to subsection 6.2(a)(ii);
  - pp) “Treasurer” means the Treasurer for The Regional Municipality of Niagara as appointed by by-law;
  - qq) “Variance” means a situation where the actual recorded financial results differ from planned financial results as reflected in the Budget;
  - rr) “Working Budget” means the Budget that is maintained throughout the year as a basis of comparison when reporting current year actuals. The Working Budget is comprised of the Council approved Budget, Operating Program changes and any Budget Adjustments. The change must net to zero as the Net Tax Levy and Net Rate Requisition cannot be changed without a Budget Amendment
- 2.2. Any defined term herein may be referenced in the plural as the context requires;

### **3. SCOPE**

- 3.1. This By-law applies to all of Niagara Region’s departments and to Niagara Region’s directions to the ABCs that report to, or form part of the Budget approval process at Niagara Region.
- 3.2. For further clarity when requesting information that impacts Niagara Region budgets:
  - a) NRH, pursuant to section 2 of the operating agreement between NRH and Niagara Region dated January 23, 2009 (as amended

from time to time), shall be requested to provide the NRH Budget in compliance with the requirements of this By-law. This By-law does not preclude NRH from having additional reporting requirements to their respective board.

- b) When acting as an agent to carry out the Court Services Program, Niagara Region shall utilize the guiding principles of this By-law. All decisions of Niagara Region regarding the Court Services Program will be made in accordance with the requirements of any agreements with the Local Area Municipalities governing the Court Services Program.
- c) Council has no approval authority over the NPCA Budget, but Niagara Region shall request that the NPCA comply with subsection 6.1 related to timing of Budget submission in order that tax rates may be calculated by Niagara Region in alignment with tax policy and the timing of the billing of taxes by the Local Area Municipalities.
- d) Council approves the total Budget allocated for the PSB and section 39 of the Police Services Act, R.S.O. 1990, c. P.15 permits Niagara Region to require the PSB submit operating and capital estimates to Council in a format and timeframe approved by Council. Accordingly, Niagara Region staff shall convey to the PSB that the format and timing approved by Council are as found within subsections 6.1 and 6.2 (a)(i to vi) of this By-law.

#### **4. ENFORCEMENT**

- 4.1. The Budget process, administration and any associated reporting shall be completed in compliance with this By-law and the willful disregard by an employee of Niagara Region or a failure to attempt to comply to the best of that employee's knowledge and ability will be considered a failure to meet the requirements of that person's employment with attendant consequences.
- 4.2. To ensure the prudent fiscal management of Niagara Region's financial resources, this By-law shall be enforced in a manner that supports Niagara Region's policies and By-laws, and applicable regulations, legislation, and accounting standards referenced below or in any successor legislation, policies or by-laws thereto, which include, but are not limited to:
  - a) Municipal Act, 2001, S.O. 2001, c. 25
  - b) Police Services Act, R.S.O. 1990, c. P.15
  - c) Conservation Authorities Act, R.S.O.1990, c. C.27

- d) Development Charges Act, 1997, S.O. 1997, c.27
- e) Public Notice C3.P09
- f) Procurement Policies and Procedures By-law 02-2016
- g) User Fee By-law (as may be amended from time to time)
- h) Reserve and Reserve Funds Policy C4-002
- i) Surplus/Deficit Policy C3.005
- j) Capital Asset Management Policy C3.C16
- k) Corporate Delegation of Authority C3.C21
- l) Canadian Public Sector Accounting Standards
- m) Other provincial legislation that mandates the responsibility of the Treasurer for the discharge of financial duties

## **5. GENERAL PRINCIPLES**

5.1 When determining specific rules and requirements in this By-law the following principles provide guidance:

- a) Operating and Capital Budgets are approved annually by Council.
- b) Regional staff are authorized to carry out the day to day business of Niagara Region within the limits of, as approved in the Operating and Capital Budgets, subject to all Niagara Region By-laws and pursuant to the day to day administrative direction and guidance of the CAO;
- c) Budgets should be prepared to provide sufficient resources to administer any related By-laws or responsibilities in the most efficient way.
- d) Budget planning, administration and financial management are a primary responsibility of the Corporate Leadership Team.

## **6. BUDGETARY RULES**

6.1 The following rules shall be followed to prepare and submit a Budget calendar:

- a) The Treasurer shall prepare and submit an annual Budget calendar to the Budget Review Committee of the Whole (BRCOTW) or any other committee as directed by Council, for recommendation to Council for approval. The Budget calendar shall at a minimum include the dates for the review of the Operating, Capital (both rate and levy), and ABCs' Budgets.



- 6.2 The following rules shall be followed to prepare and submit an annual Budget:
- a) The Operating and Capital Budget shall be submitted annually to Council by the Region's Treasurer to establish the Region's funding or levy pursuant to Niagara finance policies and in alignment with the Region's Enhanced Financial Management Service and shall include:
    - i) Required information related to all Niagara Region departments and ABCs for which Niagara Region provides funding and/or levies taxes on their behalf.
    - ii) Both an Operating and Operating Projects Budget which details and/or includes:
      - A. Financing sources, which may include transfers from Reserves, deferred revenues, user fees, subsidies from other levels of government, grants, donations and cost sharing;
      - B. Expenditures required in-year for Operating Program delivery which may include compensation, administrative, operational and supply, occupancy and infrastructure, equipment, vehicles and technology expenses, community assistance, partnership, rebate, exemption, and financial expenditures;
      - C. Operating business case(s) for the initiation of Niagara Region Operating Project(s) that is/are to be financed from the Operating Budget.
    - iii) A Capital Budget including:
      - A. Expenditures and financing sources for tangible capital asset acquisition, rehabilitation and replacement.
      - B. Replacement of existing assets based on asset management plans.
      - C. Financing sources which may include transfers from Reserves, deferred revenues, debentures, grants, donations and cost sharing.
      - D. Capital business case(s) for the initiation of the Capital Project(s) that rely on Niagara Region Reserves or debt.
    - iv) A multi-year operating forecast.
    - v) A multi-year capital forecast.

- vi) A summary of the permanent and temporary staff complement for information.
  - vii) Business cases for Operating Program changes for the current year including business cases for any recommended positions in the Budget that will increase Niagara Region's FTE staff complement.
  - viii) The reporting of debt and Reserves as determined by Management.
  - ix) A report on any expenses excluded, allowable as per Ontario Regulation 284/09 "Financial Disclosure Requirements".
- 6.3 The following rules shall be followed to prepare and submit expenditures prior to Budget approval:
- a) Prior to Council's approval of the Operating Budget by-law, a current year's expenditures may be incurred if a Budget for a similar item existed in the previous year's Operating Budget and the expenditure is at the same service level as the prior year and does not exceed 50 per cent (50%) of the amount appropriated in the previous year's Operating Budget.
  - b) Expenditures prior to Council's approval of the consolidated Capital Budget by-law may be permitted if an individual Capital Project is deemed a priority by Council and specifically approved by Council in advance of the general Capital Budget by-law.
  - c) Expenditures prior to Council's approval of the consolidated Operating Budget by-law for an Operating Project may be permitted if an individual Operating Project is deemed a priority by Council and specifically approved by Council in advance of the general Operating Budget by-law.
- 6.4 The following rule shall be followed to establish Budget flexibility within an approved Budget:
- a) A corporate allocation for strategic initiatives may be established annually, subject to Council's approval, to provide flexibility to fund new in-year operating or capital initiatives. Allocations of the funds will be approved by Council as a Budget Adjustment and expended in accordance with the Purchasing By-law.

- 6.5 The following rules shall be followed when preparing and submitting Budget Adjustments:
- a) General guiding principles applicable to Budget Adjustments:
    - i) The annual planned allocation of resources to Operating Programs, services and projects is based on a set of assumptions that may not always match actual results. Thus, Variances between the Budget and the actual expenditures will exist. Commitment Budgets are managed at the divisional level in Operating Budgets and at the project level in Capital Budgets. Budget Owners have the authority to manage their approved Budgets within these levels; however, from time to time the Budgets for some line accounts may be restated to reflect the current state of operations.
    - ii) Budget Adjustments cannot have an effect on the Council-approved Tax Levy or Rate Requisitions;
    - iii) Budget Adjustments cannot have an effect on transfers from Reserves and debt financing except in the following circumstance:
      - A. Where the balance in a Reserve is identified for debt substitution for a Capital Project, a Budget Adjustment can be done to transfer from the Reserve to the Capital Project. This will lower the debt financing and increase the Reserve financing for an equal amount and can be done at any time during the Fiscal Year subject to Council's approval.
    - iv) Budgets should include estimated grants and other revenue sources. Where practical, shortfalls in revenue should be mitigated by restraint in spending for the related Operating Program area. Revenue shortfalls shall not be recorded as Budget Adjustments, but will be reported in the quarterly financial updates with the strategy to mitigate at a corporate level.
  - b) Budget (Operating) Adjustments are permitted in the following circumstances:
    - i) To adjust the Budgets between departments with the approvals as per Appendix B, the "Corporate Delegation of Authority for Budget Adjustments and Amendments" up to \$1

- million. Budget Adjustments greater than \$1 million require Council's approval.
- ii) To adjust the Budget between divisions within a Niagara Region department or within NRH with the approval of the Commissioner up to \$1 million. Amounts in excess of \$1 million require the approval of Council or the respective Board.
  - iii) To adjust the Budget for the effect of FTE changes as per the Corporate Delegation of Authority Policy.
  - iv) To adjust the Budget if a spending obligation in the form of a purchase order, contract or other legally binding commitment has been made against the current year's Operating Budget but the product or services will not be received until the following year. In this case Budget funds are transferred to the Encumbrance Reserve and Encumbrances approved as part of the year-end transfer report will be deemed Budget Adjustments for the year goods or services are received.
  - v) Where an in-year Special Circumstance occurs that was not previously identified, and is recommended not to be delayed until a subsequent Budget it will be accommodated through a budget adjustment with the approval of Commissioner (ERMS) and Treasurer. Appendix B, the "Corporate Delegation of Authority for Budget Adjustments and Amendments" is to be followed for approval of the Special Circumstance Budget Adjustments.
  - vi) To adjust the Budget for the use of year-end surpluses as approved by Council in the year-end transfer report.
  - vii) If the funding source for a Capital Project is identified in the Operating Budget in-year (i.e. after Budget approval), a Budget Adjustment is required in both the Capital Budget (to reflect the transfer from the operating fund) and the Operating Budget (to reflect the transfer to the capital fund). Budget Adjustments less than \$250,000 for a new in-year Capital Project funded from the Operating Budget are to be approved by the Commissioner and Treasurer. Budget Adjustments greater than \$250,000 for a new in-year Capital Project funded from the Operating Budget are to be approved by Council.
  - viii) To adjust the Budget for an approved multi-year Operating Project when the annual costs are forecast to exceed the annual Budget, but the cumulative expenditures will not exceed the total project Budget.
  - ix) Refer to subsection 6.6(a) for Operating Program and Operating Project Budget Adjustments for in-year receipt of funding.

- c) Budget (Capital) Adjustments are permitted in the following circumstances:
- i) To reduce a Capital Project Budget and transfer the Budget reduction amount to the applicable CV Project, specifically:
    - A. When a Capital Project is in the warranty period, any remaining Budget will be reduced through a Budget (Capital) Adjustment to the applicable CV Project. During the warranty period, the Capital Project is permitted to draw on CV Project funds up to the amount of the original Budget reduction for any warranty expenditure without further approvals. Where warranty expenditures exceed the Budget reduction by an amount less than \$250,000, the Budget may be adjusted through the applicable CV Project. Where warranty expenditures exceed the \$250,000 CV Project limitation, the rules on Budget (Capital) Amendments shall apply.
    - B. When a Capital Project is complete, any remaining Capital Budget that is no longer required will be reduced through a Budget (Capital) Adjustment to the applicable CV Project;
    - C. When a portion of a Capital Project Budget for a Capital Budget that is neither complete nor in the warranty period is no longer required because of changed circumstances, any remaining Budget will be reduced through a Budget (Capital) Adjustment to the applicable CV Project;
  - ii) Separate CV Projects may be created in accordance with subsection 6.5(c) or for Capital Projects arising from each of the following sources:
    - A. Capital Projects associated with wastewater management which shall be referred to as CV Sewer;
    - B. Capital Projects associated with water management which shall be referred to as CV Water;
    - C. Capital Projects associated with waste management which shall be referred to as CV Waste;
    - D. Capital Projects funded through the Levy shall be referred to as CV Levy;
  - iii) To adjust the Budget for a Capital Project with a funding shortfall of less than \$250,000 with the approval of the Commissioner and Treasurer where funding is available

- from the applicable CV Project or for funding shortfalls greater than \$250,000 with the approval of Council.
- iv) To adjust the Capital Budgets for NRPS, NRH and Court Services Programs using a draw on the CV Project. Any amount drawn on the CV Project by an ABC is to be repaid by way of the next close-out of the ABC Capital Projects. The approval thresholds in subsection 6.5(c)(i)(A) will apply.
  - v) Where an in-year Special Circumstance occurs that was not previously identified, and is recommended not to be delayed until a subsequent Budget, it will be accommodated through a budget adjustment with approval of the Commissioner (ERMS) and Treasurer. The Procurement By-law purchasing and execution authority for Special Circumstances is to be followed for approval of the Special Circumstance Budget Adjustments.
  - vi) Where a funding source for an Operating Project is identified in the Capital Budget in-year (i.e. after Budget approval), a Budget Adjustment is required in both the Operating Budget to reflect the transfer from the capital fund and in the Capital Budget to reflect the transfer to the operating fund. Budget Adjustments less than \$250,000 for a new in-year Operating Project funded from the Capital Budget are to be approved by the Commissioner and Treasurer. Budget Adjustments greater than \$250,000 for a new in-year Operating Project that are funded from the Operating Budget require Council's approval.
  - vii) Refer to subsection 6.6(b) for Capital Budget Adjustments for in-year receipt of funding.
- 6.6 The following rules shall be followed to prepare and submit Budget Adjustments (Capital and Operating) for in-year receipt of funding:
- a) In-year receipt of grant funding for Operating Programs and Operating Projects may result in the creation or broadening in scope of an Operating Program or Operating Project in accordance with and when required by, with the terms of the funding received. If the funding is not included in the Council-approved annual Budget, with the approval of the Commissioner and Treasurer (for amounts not exceeding \$1 million), the Budget will be adjusted to reflect the additional revenue and expenses. Amounts exceeding \$1 million will be adjusted with Council's approval. The Operating Program or Operating Project end date must coincide with the end date of the funding to ensure alignment with the grant requirements and adjustments will be made as required to defer revenue and adjust future year Budgets. Any surplus funds at the end of the

project must be managed in accordance with the terms of the grant funding.

- b) In-year receipt of funding for Capital Projects may result in the creation or broadening in scope of a Capital Project in accordance with and when required by the terms of the funding received. If the funding is not included in the Council-approved annual Budget, with the approval of the Commissioner and Treasurer (for amounts not exceeding \$1 million) a Budget Adjustment will be made to reflect the additional revenue and expenses. Amounts exceeding \$1 million will be adjusted with Council's approval.

6.7 The following rules shall be followed to prepare and submit Budget Amendments:

- a) Budget (Operating) and Budget (Capital) Amendments exclude adjustments as defined above, require Council's approval and should result from extraordinary situations, including but not limited to Special Circumstances.
- b) A Budget Amendment results in an increase to operating or capital expenses funded by Reserve (excluding deferred revenue), debt or an increase to the Tax Levy or Rate Requisition.
- c) A report is required to be submitted to either the respective standing committee or Council for consideration of the approval of the amendment.
- d) All Budget Amendments require notice to be provided in accordance with Niagara Region's Public Notice Policy.
- e) When a Budget Amendment occurs, no modifications will be required to the Budget by-law unless the Tax Levy, debt, or Rate Requisition amount is affected.
- f) Any Budget Amendments for FTEs are to be approved in accordance with the Corporate Delegation of Authority Policy.

6.8 The following rule shall be followed to prepare and submit Special Circumstance Expenditures:

- a) In the event of a Special Circumstance operating or capital purchase, the Budget Owner must ensure compliance with Niagara Region's Procurement Policies and Procedures By-law.

6.9 The following rule shall be followed to prepare and submit in-year Budget reporting:

- a) All in-year Budget Adjustments are reported to Council via a quarterly financial report **to the Corporate Services Committee**.
- b) Operating, capital, debt and Reserve actual results in comparison to Budget and forecasts for the balance of the year will be reported to Council via a quarterly financial report. Forecast will be used to facilitate Budget Adjustments or Budget Amendments and opportunities to mitigate revenue shortfalls.

## 7. RESPONSIBILITIES

7.1 Responsibilities associated with the Budget process shall be carried out in accordance with Appendix A attached hereto and forming part of this By-law.

## 8. REGIONAL COUNCIL DISCRETION

8.1 Nothing in this By-law, including all delegations of authority included herein, shall fetter the absolute discretion of Regional Council to direct staff to do a Budget Adjustment or Budget Amendment on such terms and conditions as may be determined by Council.

## 9. SEVERABILITY

9.1 If any Section or Sections of this By-law or parts thereof are found by an adjudicator of competent jurisdiction to be invalid or beyond the power of Council to enact, such Section or Sections or parts thereof shall be deemed to be severable and all other Sections or parts of the By-law shall be deemed to be separate and independent there from and shall continue in full force and effect unless and until similarly found invalid or beyond the power of Council to enact.

## 10. SHORT TITLE

10.1 The short title of this By-law is "Budget Control By-law".

## 11. BY-LAW REVIEW

11.1 The Treasurer shall review the effectiveness of this By-law at least every five (5) years and report to Council as necessary.



**12. EFFECTIVE DATE**

12.1 This By-law shall come into force and effect on the day upon which it is signed.

THE REGIONAL MUNICIPALITY OF NIAGARA

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Alan Caslin, Regional Chair

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Laura Bubanko, Regional Clerk

Passed: July 20, 2017

**Appendix A – Responsibilities**

Item No.	Description	Responsibilities
1.	<b>Council</b>	<ul style="list-style-type: none"> <li>i. Approve the annual Niagara Region Budget calendar.</li> <li>ii. Approve Niagara Region’s Operating and Capital Budgets.</li> <li>iii. Approve Budget Amendments and FTE Budget Amendments.</li> <li>iv. Approve the initiation of Capital Projects.</li> <li>v. Approve the Tax Levy and Rate Requisitions required for taxation and user fees via by-law.</li> <li>vi. Approve any amendments to the Tax Levy or Rate Requisitions, or use of Reserves or debt and respective by-laws.</li> <li>vii. Maintain the financial integrity of Niagara Region.</li> <li>viii. Support multi-year business and financial Budget strategies in support of Council’s objectives.</li> </ul>
2.	<b>CAO</b>	<ul style="list-style-type: none"> <li>i. Ensure that annual and multi-year Budgets are developed to support Council’s objectives and to protect and maintain Niagara Region’s physical assets.</li> <li>ii. Exercise financial control over all of Niagara Region’s operations within the Budget approved by Council.</li> <li>iii. Approve all quarterly financial reports for submission to Council.</li> <li>iv. Approve all Budget Amendments prior to submission to Council.</li> <li>v. Approve Budget Adjustments and FTE adjustments as per this By-law.</li> </ul>
3.	<b>Treasurer</b>	<ul style="list-style-type: none"> <li>i. Prepare and submit for Council’s consideration Niagara Region’s Budget Calendar.</li> <li>ii. Prepare and submit for Council’s consideration multi-year business and financial Budget strategies in consultation with the Corporate Leadership Team in support of Council’s objectives.</li> <li>iii. In collaboration with the Corporate Leadership Team, ensure that annual and multi-year Budgets are developed to support Council’s objectives and to protect and maintain Niagara Region’s physical assets.</li> <li>iv. Provide the long-term financial effects of current decisions/Budgets.</li> <li>v. Review all Budget Adjustments and submits them for Council’s consideration as per this By-law.</li> <li>vi. Review all Budget Adjustments prior to being submitted for review by CAO.</li> <li>vii. Review and approve all business cases submitted for Budget approval.</li> <li>viii. Prepare all quarterly financial reports for submission to Council.</li> </ul>
4.	<b>Commissioners &amp; NRH Chief Executive Officer</b>	<ul style="list-style-type: none"> <li>i. Ensure that annual and multi-year forecasts are developed to support Council’s objectives and legislative requirements, and to protect and maintain Niagara Region’s physical assets.</li> <li>ii. Ensure Budget Adjustments between divisions and across departments are in accordance with Niagara Region’s policies and strategic objectives.</li> <li>iii. Approve department Budget Amendments as per this By-law.</li> <li>iv. Review and approve all department business cases submitted.</li> </ul>
5.	<b>Financial Management &amp;</b>	<ul style="list-style-type: none"> <li>i. Prepare Budget guidelines, assumptions and methodology in accordance with Council guidance.</li> </ul>

Item No.	Description	Responsibilities
	<b>Planning Team (FMP)</b>	<ul style="list-style-type: none"> <li>ii. Review Budget submission, consolidate and present Budget for Council's approval in accordance with the approved timetable.</li> <li>iii. Monitor the annual Capital and Operating Budgets and prepare quarterly financial reports.</li> <li>iv. Review and action Budget Adjustments and Budget Amendments.</li> </ul>
6.	<b>ABCs</b>	<ul style="list-style-type: none"> <li>i. Ensure that all Budget submissions comply with the Budget timetable and forms and instructions.</li> <li>ii. Ensure compliance of Budget Adjustments and Budget Amendments as per this By-law.</li> </ul>
7.	<b>Budget Owners</b>	<ul style="list-style-type: none"> <li>i. Develop, manage and administer annual and multi-year Capital and Operating Budgets for the Operating Program or Operating Project, ensuring support of Council's objectives, financial transparency and accountability.</li> <li>ii. Manage operations in accordance with the approved Budgets, and identify and explain Variances.</li> <li>iii. Prepare business cases for Operating and Capital Projects.</li> <li>iv. Ensure Budgets are approved and available in advance of initiating procurement activities.</li> <li>v. Identifying and prepare Budget Adjustments and Budget Amendments as per this By-law.</li> </ul>
8.	<b>Regional Clerk</b>	<ul style="list-style-type: none"> <li>i. Prepare and distribute agendas with supporting documentation for Budget Review Committee of the Whole meetings to Council.</li> <li>ii. Prepare minutes of the Budget Review Committee of the Whole meetings.</li> <li>iii. Ensure that the ABCs are on the distribution list for the Budget Review Committee of the Whole meetings and agendas.</li> </ul>

**Appendix B – Corporate Delegation of Authority for Budget Adjustments and Amendments**

Description	Dollar Value	Financial Approvals
<b>Budget Adjustments:</b>		
<b>Operating and Capital Budget Adjustment (except as noted in the following exceptions)</b>	>\$1 to \$25,000	Department Director
	>\$25,000 to \$100,000	Department Commissioner or Designate
	>\$100,000 to \$250,000	Department Commissioner or Designate and Treasurer
	>\$250,000 to \$1,000,000	Department Commissioner or Designate, the Treasurer and CAO
	>\$1,000,000	Regional Council
<b>Operating Budget Adjustment:</b> <ul style="list-style-type: none"> <li>• between Divisions (Niagara Region Departments, NRH)</li> <li>• for in-year receipt of grant funding</li> </ul>	Up to \$1,000,000	Department Commissioner
	>\$1,000,000	Regional Council or the Respective Governing Board
<b>Operating and Capital Budget Adjustment for a Project identified in-year. Budget Adjustments for a Capital Project in the Warranty period or a Capital Project with a funding shortfall</b>	>\$1 to \$250,000	Department Commissioner and Treasurer
	>\$250,000	Regional Council
<b>Budget Amendments:</b>		
Operating and Capital Budget Amendments	>\$1 to unlimited	Regional Council