**THE CORPORATION OF THE TOWN OF DEEP RIVER**

**By-law No. 02-2012**

**A by-law to amend By-law number 6-88 to adopt a**

**revised statement of policy with respect to the Annual Budget Procedure**

**WHEREAS** under the Municipal Act, RSO 2001, Chapter 25, Section 248, the Council of a municipality may pass a comprehensive general by-law that consolidates and includes the provisions of any by-law previously passed by the council;

**AND WHEREAS** on the 4th day of May, 1988, Council passed By-law number 6-88 to provide for a policy manual;

**AND WHEREAS** Council now deems it appropriate to amend By-law 6-88 to adopt a revised statement of policy;

**NOW THEREFORE BE IT RESOLVED THAT** the Council of the Corporation of the Town of Deep River enacts as follows:

1. By-law number 6-88 is hereby amended by deleting from Schedule “A” thereto the statement of policy numbered F05-1 and entitled “Annual Budget Procedure”, and replacing it with the statement of policy numbered and entitled the same which is attached to this By-law as Schedule “A”.

2. That By-law 33-2006 is hereby repealed.

3. This by-law comes into force upon passing of the Council of the Corporation of the Town of Deep River.

READ AND PASSED THIS 12th DAY OF JANUARY, 2012.

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| --- | --- | --- |
|  |  |  |
| Mayor |  | Chief Administrative Officer/Clerk |

**Schedule “A” to By-law 02-2012**

The Corporation of the Town of Deep River

STATEMENT OF POLICY

(Schedule “A” to By-law No. 6-88)

Title: Annual Budget Procedure Page 1 of 3

Number: F05-1

Effective Date: January 1, 2012 By-law Number 02-2012

Application: This policy applies to all operations of the municipality.

**1.** **Policy**

The annual budget document is one of Council’s major policy documents. It establishes an annual budget encompassing all municipal departments, and outside boards.

Through the budget process, Council sets the priorities, services and levels of service. The annual budget is an estimate of revenues and expenses for the coming year and will take into account long-term planning for both the operating budget and the capital budget. Budgeting will be completed on a program basis.

**2.** **General**

**2.1** Salary & Wage Increases

To avoid compromising negotiations, employee compensation increases anticipated during the year will not be included in component budgets, but will be budgeted in a bulk contingency allowance provided in the Corporate Administration budget.

**2.2** Format

In order to provide accurate year-to-year and interdepartmental comparisons, the annual budget, and all component budgets, will be prepared in a consistent format.

The Treasurer will distribute “Budget Working Papers” to all Department Managers who will insert their budget numbers for the coming year. Upon completion, the “Budget Working Papers” will be returned to the Treasurer. The Treasurer will then insert the budget estimates into the Town’s consolidated “draft” budget for the coming year.

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**2.3** Process

The budget process will be overseen by the Finance and Administration Committee, with direction from Council.

**2.4** Presentation

The presentation of the budget and the ultimate impact of the budget on taxation will be presented to include the following information:

1. Impact of the budget on the average assessed residential property;
2. Impact of the budget on $100,000 of assessed residential value.

**3. Procedure**

**3.1** In September of each year the Finance and Administration Committee will meet to discuss the budget guidelines and make recommendations to Council for the annual budget.

**3.2** Based on the budget guidelines set out by Council, the Treasurer, in collaboration with the Division Heads and Department Managers, will prepare a Draft Capital Budget to be presented to the Finance and Administration Committee in October.

**3.3** Based on the multi-year capital forecast and proposed work plan, the Treasurer, in collaboration with the Division Heads and Department Managers, will prepare a Draft Operating Budget to be presented to the Finance and Administration Committee in November.

**3.4** Council will review the Draft Budgets as recommended by the Finance and Administration Committee at a Council meeting in December.

**3.5** Prior to a Council meeting in January of the current budget year, Council will hold a public meeting to present the draft budgets and receive input from the public regarding such.

**3.6** The Finance and Administration Committee will consider all information received and further define the budget with a goal of presenting the final budget for approval by Council in February of each budget year.

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**4. Local Boards**

The Deep River Police Services Board and Public Library Board shall be treated as divisions of the municipality for the purpose of budget submissions under this policy. These boards, to which the Town provides major funding, will be required to follow this policy and Council’s guidelines when establishing their annual estimates.