Agenda - Executive Policy Committee - December 4, 2002

2. By-Law to Authorize the Expenditure of Monies Prior to the Adoption of the Annual Operating and Capital Budgets Under Section 288(2) of The City Of Winnipeg Charter
File FC (2003) (Vol. 1) and FE (2003) (Vol. 1)

ADMINISTRATIVE RECOMMENDATION

That Council authorize the annual expenditure of monies as set out below prior to the adoption of the annual operating and capital budgets pursuant to Section 288(2) of the City of Winnipeg Charter:

1. For operating purposes, 30% of the expenditures estimated in the operating budget for the previous year.

2. For capital purposes (related to preliminary engineering, design or tender preparation services), 10% of the annual estimate of capital expenditures adopted by Council for the previous year

Re: BY-LAW TO AUTHORIZE THE EXPENDITURE OF MONIES PRIOR TO THE ADOPTION OF THE ANNUAL OPERATING AND CAPITAL BUDGETS UNDER SECTION 288(2) OF THE CITY OF WINNIPEG CHARTER

For submission to: **Executive Policy Committee**

Submitted by: **Chief Financial Officer**

Report date: **November 26, 2002**

In camera item: ☐ Yes ☒ NO

Recommendation:

That Council authorize the annual expenditure of monies as set out below prior to the adoption of the annual operating and capital budgets pursuant to Section 288(2) of the City of Winnipeg Charter:

1) **For operating purposes, 30% of the expenditures estimated in the operating budget for the previous year;**

2) **For capital purposes (related to preliminary engineering, design or tender preparation services), 10% of the annual estimate of capital expenditures adopted by Council for the previous year.**

Report Summary

Key Issue(s):

Provides authorization for expenditures each year should the annual operating or capital budgets not be adopted by Council prior to the start of a new fiscal year.

Implications of the Recommendation(s):

General Implications

- [X] None
- [ ] For the organization overall and/or for other departments
- [ ] For the community and/or organizations external to the City of Winnipeg
- [ ] Involves a multi-year contract

Policy implications

[X] No
[ ] Yes

Financial implications

[ ] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment required

Comments: There are no financial implications as subsequent budget approvals should provide sufficient authorization.

Report

Recommendation:

That Council authorize the annual expenditure of monies as set out below prior to the adoption of the annual operating and capital budgets pursuant to Section 288(2) of the City of Winnipeg Charter:

1) For operating purposes, 30% of the expenditures estimated in the operating budget for the previous year;
2) For capital purposes (related to preliminary engineering, design or tender preparation services), 10% of the annual estimate of capital expenditures adopted by Council for the previous year.

Reason for the Report:

Section 288(2) of the City of Winnipeg Charter states: “Before the City’s operating or capital budget for a fiscal year is adopted, Council may authorize expenditures to be made of amounts for operating or capital expenses, not exceeding in total 30% of the expenditures estimated in the City’s operating and capital budgets for the previous fiscal year.” (The City of Winnipeg Charter comes into effect on January 1, 2003.) Comparable authority is contained in the existing City of Winnipeg Act.

History:

The existing City of Winnipeg Act provides for a by-law to be passed authorizing expenditures prior to a budget being adopted. The City has passed by-laws in the past in years when it was determined a budget may not be adopted prior to the beginning of a new fiscal year. In addition, on December 12, 2001 Council adopted by-law no. 7944/2001 which authorizes the CAO to approve expenditures relating to preliminary engineering, design or tender preparation services for capital projects, before the

adoption of the annual capital estimates for any year, of amounts not exceeding in aggregate 10% of the annual estimate of capital expenditures adopted by Council for the previous year. The CAO has delegated this authority to the Chief Financial Officer who in turn has delegated this authority to the Directors of Public Works and Water and Waste for their respective departments.

Discussion:

Historically, the City approved a by-law on an annual basis to provide for the expenditure of money in any year when it was determined the annual budget may not be adopted prior to the start of a new fiscal year. The new Charter allows for a by-law to be approved once, which will establish a limit on expenditures for operating or capital purposes each year prior to the adoption of the annual operating or capital budgets. The limit pursuant to Section 288(2) of the City of Winnipeg Charter has been established at 30% of the expenditures estimated in the City's operating and capital budgets for the previous fiscal year. The City has adopted by-law no. 7944/2001 to deal with capital expenditures prior to the annual capital budget being adopted. The limit for these purposes was set at 10% for expenditures relating to preliminary engineering, design or tender preparation services for capital projects. It is anticipated that for operating purposes the limit should be set at 30% of the previous year's operating budget as permitted under Section 288(2) of the Charter. The recommendations in this report are consistent with past practice.

Financial Impact Statement

No financial impact

"Original signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

In preparing this report, there was consultation with and concurrence by:

Ursula Goeres, City Solicitor

This Report Submitted By:

Department:	Corporate Finance Department
Division:	Financial Services
Prepared by:	Garry Steski, Manager of Financial Services
File No.	