

CITY OF MOOSE JAW BUDGETING POLICY

POLICY TITLE <i>Budgeting Policy</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE
ORIGIN <i>Financial Services Department</i>	RESOLUTION #	PAGE NUMBER 1 of 6

1. **PURPOSE & OBJECTIVE**

- 1.1 The purpose of this policy is to establish the parameters for the annual preparation of the City of Moose Jaw's Operating, Capital and Equipment Budgets.
- 1.2 The objective of the City's Budgeting Policy is to ensure that a framework is in place that allows for the efficient creation of annual budgets while meeting a timetable that provides for City Council to have the opportunity to approve the budgets prior to the start of a fiscal year.

2. **DEFINITIONS**

- 2.1 Approved Budget – This means a budget that has been approved by the City Council of the City of Moose Jaw.
- 2.2 Capital Budget – A budget that includes the estimated amounts required to acquire, construct, remove or improve capital property and the anticipated sources of funding.
- 2.3 Equipment Budget – A budget that includes the estimated amounts required to acquire new or replacement equipment.
- 2.4 Fiscal Year – The City's fiscal year is January 1 to December 31.
- 2.5 Planning Session – This refers to the City Council's ability to meet in a closed session for the purpose of long-range or strategic planning.
- 2.6 Operating Budget – A budget that contains a detailed projection of revenues and expenditures for the fiscal year related to the delivery of the City's programs and services on an annual basis.
- 2.7 Strategic Plan – This is an organizational plan that is used to set priorities, focus energy and resources, strengthen operations and ensure that all stakeholders are working toward those common goals.

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ORIGIN <i>Financial Services Department</i>	RESOLUTION #	PAGE NUMBER 2 of 6

3. Guiding Principles of Budgeting

- 3.1 The annual budget process is guided by a number of principles as outlined below:
- 3.1.1 The City should live within its means.
 - 3.1.2 The City should only budget what work can reasonably be expected to be completed within each year.
 - 3.1.3 The City should seek to invest in infrastructure when productivity, efficiency and effectiveness increases are possible.
 - 3.1.4 The City may borrow from reserves on a short term basis (7 to 10 years), however the borrowing must be paid back with interest at the expected rate of return that the Institutional Investing program provides.
 - 3.1.5 The City should generally focus on completing one major study at a time before starting another and ensure that the existing systems are operating as intended before completing a study to determine system enhancements.
 - 3.1.6 The City should be innovative and make the most effective use of its existing funds.
 - 3.1.7 The City should reduce reliance on external consultants and where possible and economically feasible develop the required expertise internally.
 - 3.1.8 The City should seek to centralize functions and refine core services.
 - 3.1.9 City Administration is expected to carefully scrutinize every budget item and only present to City Council what is considered necessary.

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POLICY TITLE <i>Budgeting Policy</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE
ORIGIN <i>Financial Services Department</i>	RESOLUTION #	PAGE NUMBER 3 of 6

4. **BUDGETING FRAMEWORK**

- 4.1 The City will annually embark on a budgeting process that will result in the development of Operating, Capital and Equipment Budgets which represent the City's financial plans for the upcoming fiscal periods.
- 4.2 The Operating Budget will be for the upcoming fiscal period, while the Capital and Equipment budgets will be for a period of five years.
- 4.3 Each fall an update of the Strategic Plan looking ahead to the next budget cycle will occur.
- 4.4 In May/June of each year, a Planning Session with Council to discuss budget challenges, economic factors, specific operating and capital issues and to get Council's input on priorities they would like to see in the budget. Budget development by Administration starts around this time as well.
- 4.5 Over the summer, a pre-budget online budget survey to provide citizens with the opportunity for public input prior to the budget being fully developed.
- 4.6 A public Preliminary Budget Review and Economic Update communication to Executive Committee. This is a public document which will usually be transmitted to Executive Committee in August and provides the citizens with an update on economic factors and pressures facing the City in the upcoming budget.
- 4.7 In early October, a Planning Session with Council where a preview of the budget and feedback is received from Council so any final adjustments can be made.
- 4.8 Administration releases the budget publicly and it is placed on the City website and advertising directs members of public to review and provide feedback.
- 4.9 Approximately three weeks after budget release, the budget is transmitted to City Council who will spend approximately two sessions deliberating on the transmittal communication and the suggested motions.
- 4.10 The budget is approved before the start of the budget year.

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ORIGIN <i>Financial Services Department</i>	RESOLUTION #	PAGE NUMBER 4 of 6

5. **BUDGET ROLES AND RESPONSIBILITIES**

5.1 City Council will:

- 5.1.1 Establish priorities through the Strategic Plan and input provided at planning sessions.
- 5.1.2 Approve the proposed level of public communication and engagement.
- 5.1.3 Review the budget submission at City Council meetings.
- 5.1.4 Amend the budget submission as City Council deems appropriate.
- 5.1.5 Approve the budget as amended.
- 5.1.6 Approve the annual Property Tax Bylaw.

5.2 The City Manager will:

- 5.2.1 Direct in cooperation with the Director of Financial Services and City Directors, the preparation and presentation of the Operating, Capital and Equipment budgets.
- 5.2.2 Review and revise all departmental budget submissions ensuring they are aligned with the City's strategic and operational goals.
- 5.2.3 Exercise financial control over all corporate operations in conjunction with the Director of Financial Services to ensure compliance with the City Council approved budgets.

5.3 The Senior Management Team will:

- 5.3.1 Lead the development of realistic and responsible departmental budgets in accordance with the established guidelines, timelines and process.

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POLICY TITLE <i>Budgeting Policy</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE
ORIGIN <i>Financial Services Department</i>	RESOLUTION #	PAGE NUMBER 5 of 6

5.3.2 Ensure that the resources and assets under their authority are effectively managed on an ongoing basis.

5.4 The Director of Financial Services will:

5.4.1 Lead and coordinate the overall preparation and administration of the City's budget processes.

5.4.2 Ensure adherence to budget policies and financial policies approved by City Council.

6. **BUDGET MONITORING**

6.1 The Operating, Capital and Equipment budgets once approved by City Council will be monitored on a regular basis.

6.1.1 Monthly reporting on actual revenues and expenditures to budget will be prepared by the Department of Financial Services and distributed to the City Manager, Directors and other Managers involved in the management of the City's operations.

6.1.2 The City Comptroller will provide a monthly narrative on significant variances in comparison to budget and distribute those to the City Manager, Directors and Managers.

6.1.3 City Council will be provided with a quarterly Financial Report which will contain actual to budgeted results and their variances along with analysis.

6.1.4 Significant Budget overages will require approval of the City Manager or City Council per the limitations set forth in the City Administration Bylaw.

7. **STATUTES**

Budget development shall comply with all relevant provisions of the Cities Act, 2003 as amended from time to time by the Provincial Government.