

COUNCIL MEMBER'S MOTION

4. Amending the City's Municipal Election Year Operating Budget Policies and Principles

Submitted by: Councillor Dominato

WHEREAS

1. The City of Vancouver is required by the *Vancouver Charter*, *Library Act*, and *Police Act* to produce a consolidated operating budget incorporating the separate internal budgets of the Board of Parks and Recreation, the Vancouver Public Library Board, and the Vancouver Police Board, and is required by Public Sector Accounting Standards to include the Vancouver Downtown Parking Corporation (aka EasyPark) in its consolidated financial statements;
2. The City of Vancouver has a policy (*Policy Number ADMIN-004: "Budgets – Operating"*) which outlines the requirements for Operating Revenues and Expenditures, including authorization requirements. The policy applies to all Operating Revenues and Operating Expenditures undertaken by the City of Vancouver and is intended to supplement and provide operational clarity and promote best practices within the statutory requirements relating to budgeting as set out in the *Vancouver Charter*, *Police Act*, and *Library Act*;
3. Section 219 (1) of the *Vancouver Charter* ("*Director of Finance to report on revenue and expenditure*") states: "As soon as practicable in each year and in any event by April 30, the Director of Finance must prepare and submit to the Council a report setting out the Director of Finance's estimates in detail of the anticipated revenues and expenditures of the city for that year.";
4. With respect to the requirement for the City to set an Operating Budget, *Policy Number ADMIN-004 ("Budgets – Operating")* states, under section 2 (1.1), that "The Director of Finance is to present an Annual Operating Budget for the upcoming year as a report to Council in December of each year." The policy further states that "On an exception basis, as determined by the Director of Finance, such as may occur in the year of a municipal election, an internal working budget will be developed by December of that year, and a budget will be adopted by Council no later than April 30th of the following year as required by section 219 of the *Vancouver Charter*.";
5. Additionally, *Policy Number ADMIN-004 ("Budgets – Operating")* states, under section 2 (1.2), that "In any year in which the budget is not approved by Council before December 31st, Council may authorize expenditures as are necessary to carry on the business of the City until the budget is adopted, if the following conditions are met:
 - (a) the amounts for that Budget Line Item does not exceed the amount for the Budget Line Item in the prior Annual Operating Budget, and
 - (b) the expenditure is approved by at least two-thirds of City Council.";

6. There are clearly no statutory requirements relating to budgets, as set out in the *Vancouver Charter*, *Police Act*, or *Library Act*, that would necessitate the approval of a City of Vancouver Operating Budget in December of any year, including a municipal election year. An “internal working budget” can be developed by December of a municipal election year – or “In any year in which the budget is not approved by Council before December 31st” – and a final budget adopted by Council no later than April 30th of the following year, with Council empowered to authorize expenditures necessary to carry on the business of the City until the budget is adopted if the amounts for that Budget Line Item does not exceed the amount for the Budget Line Item in the prior year’s Operating Budget and the expenditure is approved by at least two-thirds of City Council;
7. As a point of relevant comparison to the City of Vancouver’s budget policy, the section of the *City of Toronto Act (CoTA) 2006* that pertains to Toronto’s “Yearly Budget” (i.e., section 228) includes an exception clause, namely subsection 228 (2), which states that “Despite subsection (1), a budget for a year immediately following a year in which a regular election is held may only be adopted in the year to which the budget applies.”¹

THEREFORE BE IT RESOLVED THAT *Policy Number ADMIN-004 (“Budgets – Operating”)* Section 2 (POLICY STATEMENTS) be amended to better reflect the budget circumstances of a municipal election year and an incoming Council by striking subsection 1.1. under the heading “Requirement to set a budget” and replacing it with the following amended wording:

- Section 1.1. “The Director of Finance is to present an Annual Operating Budget for the upcoming year as a report to Council in December of each year. In the year of a municipal election, an internal working budget will be developed by December of that year, and a budget will be adopted by Council in the year that it applies and no later than April 30th of that year as required by section 219 of the *Vancouver Charter*.”;

FURTHER THAT Council direct staff to prepare a By-law for the consideration of Council to legally enshrine the intent of this motion, namely, that in the year of a municipal election an internal working budget is to be developed by December of that year and a final budget is to be adopted by Council in the year that it applies and no later than April 30th of that year, consistent with the requirements of section 219 of the *Vancouver Charter*;

AND FURTHER THAT Council direct the Mayor to write to the Province to seek an amendment to the *Vancouver Charter* to enshrine a requirement on the part of the City to develop an internal working budget in the year of a municipal election (by December of that year) and a requirement for a final budget to be adopted by Council in the year to which the budget applies and no later than April 30th of that year.

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¹ Subsection 228 (1) of the *City of Toronto Act (CoTA) 2006* states that “For each year, the City shall in the year or the immediately preceding year prepare and adopt a budget including estimates of all sums required during the year for the purposes of the City, including...”