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REPORT RE: COUNCIL, JANUARY 15, 2013

REPORT NO: FS03-2013

SUBJECT: BUDGET SUBMISSION FOR 2013

RECOMMENDATION:

THAT Council note and file report FS 03-2013 Budget Submission for 2013 as presented on January 15th, 2013.

BACKGROUND:

In accordance with Policy TR.5.1 the 2013 Budget submission is to be presented to Council on January 15th. Coincidentally, January 15th is a regularly scheduled Council meeting. This report has been prepared to advise Council that staff is still diligently working towards the completion of the budget documents. It is respectfully asked that Council acknowledges that 2012 has had unusual departmental pressures with the staff shortage and that it is not unreasonable to require an extension in the timeline for submitting the budget documents. As staff, we want to ensure that the information that is presented to Council is accurate and complete, and additional time has been required to accomplish this. Given that the budget meetings are scheduled to begin on January 30th, it is intended that the budget documents would be available for uploading with the agenda on January 25th, which is in accordance with the procedural by-law.

The budget package is intended to include the following documents:

- Departmental Financial Report – same format as the monthly financial report
- Work Plan – Commentary for each department to highlight changes
- Capital Report – detailed projects by department and in summary, with financial resources
- Summary of Reserves
- Summary of Reserve Funds

It is suggested, to assist Council during the budget meetings, that some of the documents are provided in hardcopy, the financial and capital report, and that the remaining documents will be electronic. All documents will also be in electronic form as part of the Agenda. If this is not considered necessary, please advise.

INTER-DEPARTMENTAL IMPACT:

All departments are actively involved in the budget process and work diligently to ensure accurate and complete information is presented to Council.

BUDGET IMPLICATIONS:

JW Approval of Manager of Financial Services

There are no budget implications as a result of this report.

EXPECTED DATE OF COMPLETION:

There is no further action required by Council as a result of this report.

Respectfully submitted,


Tracey Nelfer, CPA, CA

Manager of Financial Services/Interim Administrator

Date: January 9, 2013

Section: Treasury	Policy Number: TR.5.1
Sub-section: Budget	Effective Date: September 22, 2009
Subject: Budget Process	Revision Date: January 11, 2011
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BUDGET PROCESS

PURPOSE:

The purpose of this policy is to outline a formal and consistent approach to the preparation and approval of the annual Municipal Work Plan and Budget.

POLICY:

1. DEFINITION AND PURPOSE OF A MUNICIPAL BUDGET

Every Council shall in each year prepare and adopt an operating budget for the year which shall show the anticipated operating expenditures and revenues of the Town for the year and the operating deficit or available operating surplus as of the 31st day of December of the preceding year.

The anticipated operating expenditures shown in the operating budget shall consist of all the expenditures of an operating nature that are required for the purposes of the Town in the year.

2. GUIDELINES

As part of the original timetable, the Treasurer and Council will formulate specific guidelines to departments to develop their budget estimates. The guidelines can be in the form of service levels related to previously established goals and objectives, general service levels, tax rate increases, expenditure increases or tax increases.

Once the individual departmental budgets are prepared, the Treasurer will assemble the municipal budget. A suitable package of information will be presented for review, evaluation and decision.

During the budget review, adjustments may be made to the estimates, and approval may be given of specific parts of the total estimates. A formal written record shall be made of these decisions.

Once final decisions are made on revenues and expenditures, tax rate calculations need to be completed using current assessment data, and a formal by-law will be considered for adoption by Council.

In order to ensure understanding of the final budget allocations, a summary from the Treasurer to Council, departments and outside agencies with detailed departmental budget allocations will be provided.

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BUDGET PROCESS

The Treasurer will establish a monitoring system which shall provide budgetary control and variance reporting. Regular reports will be presented to Council and individual departments.

Council requires all Department Heads to prepare a five year capital forecast for major capital purchases. These forecasts will be reviewed on an annual basis during budget deliberations; it is the responsibility of each Department Head to update the forecasts and to provide these updates to the Treasurer.

3. TIMETABLE

The development, implementation, and follow-up of specific timetables for preparing and reviewing the budget estimates is critical to an effective budget process. The table below provides a timetable which shall be used as a guide in the preparation of the annual budget. It should be noted that the Treasurer has the authority to alter or change the timetable to suit the business needs and requirements of the Town in any given year.

August 1 st	Delivery of Capital Budget Call to all Department Heads from Treasurer
October 1 st	Deadline for Capital Budget submission to Treasurer
October 15 th	Treasurer presents submissions by Department to Council
October 15 th – Nov. 15 th	Council to meet with Department heads to review submissions and determine possible projects for the following year (one day meeting)
November 15 th	Delivery of Operating Budget Call to all departments from the Treasurer
December 15 th	Deadline for submission of Operating Budgets to Treasurer
January 15 th	Treasurer presents Operating Budget submissions to Council
January 15 th – March 15 th	Council reviews Operating Budget submissions with Department Heads plus implications of Capital requests from Department Heads and consider implications of Capital Fund to date approvals (meetings to take place in January until process is completed).
March 1 st	Treasurer to submit preliminary final document for approval
March 1 st	Council formally approves Operating and Capital Budget by by-law