

Mackenzie County

Title	Budget Development	Policy No:	FIN022
Legislative Reference	Municipal Government Act, Part 8		

Purpose

To provide an efficient and effective process for the development of the yearly operating and capital budgets.

Policy Statement and Guidelines

Step 1 – Budget Guidelines

A council workshop will be held by September 15 to review the historical financial and statistical data with the CAO. The CAO will lead preparation of operating and capital budget drafts for Council's consideration which will reflect the needs of the County as expressed by Council, public or department heads.

It is important to note, that the municipality has no control over the school and senior's lodge requisitions and has always "passed through" these expenditures to the ratepayers.

Approval of budget guidelines by September 15.

Step 2 - Management Review with each functional area

Based on the guidelines established by Council, each functional group will prepare a draft budget which contains the following expenditures: operating, tangible capital assets replacements/improvements and new capital project summaries.

The CAO will meet with each of the functional area to discuss their requests and needs and make appropriate changes where necessary.

Management review to be completed by October 15.

Step 3 – Budget Compilation

Budget materials for Council's review will contain the following:

1. Summary of budget guidelines adopted by Council for the proposed year.
2. Summary of assumptions made by Administration in the preparation of the proposed budget. Items such as:

- a. Wages and benefits % and \$ increase
- b. Estimated assessment % and \$ growth
- c. General % factor used for utilities or typical expenditures
- d. Major dollar increases for “special” or known issues (e.g. insurance/debentures)
- e. Proposed staff additions and the corresponding wage and benefits etc costs
- f. New reserves or recommended changes to existing reserves
- g. The amount of engineering costs budgeted for projects that are pre-designed and will be completed in subsequent year(s)
- h. Summary of major increases or decreases for each function
- i. Any other items that would provide Council with information to make their decision making more effective and efficient

3. Worksheets:

- a. Cash requirement decision summary
- b. Summary of total operating revenue and total expenditures
- c. Summary of total revenue and expenditures by function
- d. Water/sewer rates recalculation in order to achieve 75% recovery through the rate including long term debt interest and principle payments and excluding amortization to capital assets for these functions
- e. Summary of grant requests from community non-profit organizations
- f. Multi-year capital plan
- g. Proposed TCA (tangible capital assets) ~~capital~~ project budget for upcoming year
- h. Summary of increases and decreases to reserve balances
- i. Summary of existing long term debt and proposed (if applicable)
- j. Any capital projects carry forwards (if known at this time)
- k. Supporting charts or graphs for information that will prove beneficial for budget review (e.g. assessment information)

Where appropriate, information will be provided that shows previous year information, available current year information and percentage increases or decreases from one year to next.

Budget compilation to be completed by November 1.

Step 4 - Budget Meetings

The following timing and order will be set aside for the budget review:

- a. Operating revenues and expenditures – 1 day
- b. Tangible Capital Assets projects & multi-year capital plan – 2 days

- c. Grants to non-profit groups requests and cash requirement decision worksheet final review – 1 day

Additional meetings may be scheduled as required. Budget meetings to be completed by December 21.

Step 5 – Formal Budget Ratification by Council first meeting in January

Administration will incorporate all changes/modifications that came about through the budget deliberations in step 4 and request formal budget ratification.

Budget ratification by January 15.

	Date	Resolution Number
Approved	24-Sep-02	02-681
Amended	11-Apr-07	07-349
Amended	13-Sep-11	11-09-739