
Subject: Approval of Interim Levy Dates and Amounts

Report to: Corporate Services Committee

Report date: Wednesday, January 9, 2019

Recommendations

1. That the interim amounts for the Regional levy **BE APPROVED** by Regional Council in the amounts shown in **Appendix I** to Report CSD 6-2019;
2. That the Regional Clerk ensures that the appropriate by-law **BE PREPARED** for presentation to Regional Council for consideration and approval; and
3. That report CSD 6-2019 **BE CIRCULATED** to the Councils of the local area municipalities for information.

Key Facts

- The purpose of this report is to provide an interim levy equivalent to 50% of the prior year's approved estimates pursuant to Section 316 of the Municipal Act in order to continue core services prior to the adoption of budget estimates for the year.
- The authority to incur expenditures by Regional departments, boards and agencies is granted by Regional Council through the annual approved budget as prescribed by the Municipal Act.
- The Region's Budget Control Bylaw (2017-63, section 6.3 paragraph a.) provides that prior to Council's approval of the Operating Budget bylaw, a current year's expenditures may be incurred if a budget for a similar item existed in the previous year's operating budget and the expenditures is at the same service level as the prior year and does not exceed 50% if the amount appropriated in the previous year's operating budget.
- The Region's Budget Control Bylaw (2017-63, section 6.3 paragraph b.) provides that prior to Council's approval of the Capital Budget Bylaw, expenditures for new capital projects may be permitted if an individual capital project is deemed a priority by Council and specifically approved by Council in advance of the general capital budget bylaw (section 6.3. paragraph b).

Financial Considerations

The interim levy amounts to be requisitioned from the local area municipalities totals \$173,374,138 (General Levy) and \$17,301,170 (Waste Management) for a total of \$190,675,308 or 50% of the 2018 levied amounts. The interim levy will provide sufficient

cash flows for current year Region operations until approval of the 2019 operating budget and levy amounts.

Analysis

The authority to incur expenditures by Regional departments, boards and agencies is granted by Regional Council through the annual approved operating budget as prescribed by the Municipal Act. Prior to the an annual budget being adopted by Regional Council, bylaw 2017-63 as approved by Regional Council provides that regional departments, boards and agencies may incur expenses up to 50% of their prior year's operating budget in order to maintain business as usual for Regional services.

Further to this, Section 316 of the Municipal Act authorizes Council through a bylaw to provide an interim levy equivalent to 50% of the prior year's approved estimates (subject to certain adjustments) before the adoption of budget estimates for the year. It has been the Region's past practice to levy an interim levy in order to fund Regional services prior to the approval of the annual budget and final levy amounts.

Expenditures for new capital projects prior to Council's approval of the 2019 consolidated capital budget bylaw may be permitted if an individual capital project is deemed a priority by Council and specifically approved by Council in advance of the general capital budget bylaw (section 6.3. paragraph b).

Alternatives Reviewed

Alternative thresholds were not considered as the interim levy of 50% permitted by the Municipal Act will generally ensure cash inflows in the shorter term are able to accommodate the level of expenditures. The Municipal Act does not have a requirement to approve a spending limit in advance of the budget approval however the practice has been adopted by the Region through bylaw 2017-63.

Interim levy dates are consistent with the prior years. The local area municipalities were consulted and no alternative dates are considered.

Relationship to Council Strategic Priorities

Approval of the interim levy for 2019 will permit expenditures to be incurred in order to maintain business as usual for Regional services.

Other Pertinent Reports

N/A.

Prepared by:

Helen Chamberlain, CPA, CA
Director, Financial Management &
Planning/Deputy Treasurer

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management
Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Rob Fleming, Senior Tax & Revenue Analyst and reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy.

Appendices

Appendix I Interim Levy Payments and Dates

Page 4