



The Corporation of the Town of Orangeville

By-law Number 2025-

A by-law to Provide for Financial Management of the Town of Orangeville

WHEREAS Section 286 of the *Municipal Act*, 2001, S.O. 2001, c.25 provides that the Treasurer is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality;

And WHEREAS the Council of The Corporation of the Town of Orangeville has deemed it desirable to set out its policies with respect to financial management in this by-law;

NOW THEREFORE the Council of the Corporation of the Town of Orangeville hereby enacts as follows:

1. DEFINITIONS

1.1 In this By-law:

“Capital Budget” means the annual Council approved plan for expenditure and financing sources to complete Capital Projects or one-time capital expenditure;

“Capital Forecast” means the projection of expenditure and financing sources for the nine years beyond the Capital Budget approval year in which the forecast is made;

“Capital Program” means the combined Capital Budget and Capital Forecast;

“Capital Project” means an undertaking for which expenditure is incurred to acquire, install, construct, expand, significantly renew, improve, and/or rehabilitate fixed assets such as land, buildings, engineering structures, facilities, machinery, vehicles, equipment, or information technology hardware or software; as well as studies relating to the foregoing; or to provide for a capital grant to an external party;

“Chief Administrative Officer” means the Chief Administrative Officer for the Town, designate, or any successor position thereto;

“General Manager” means the head of a Department, designate, or any successor position thereto;

“Council” means the Council of the Town;

“Department” means any department of the Town;

“Expenditure” means any cost or financial liability of the Town as evidenced by an invoice, payroll transaction, receipt or other document indicating payment is due for the goods or services provided;

“Financial Report” means the reporting of the summary of all financial activities related to the Operating Budget and Capital Budget provided to Council by the Chief Financial Officer;

“Goods” includes all supplies, materials, equipment, vehicles and other personal property required for the operations or activities of the Town;

“Operating Budget” means the annual Council approved plan for expenditure, revenue, staffing levels and service levels for operations of the Town taking place from January 1st to December 31st in a given year;

“Procurement Policy” means the Town’s Procurement Policy, as amended;

“Services” includes any of the following for the Town:

- a) professional, consulting or training services;
- b) services associated with the acquisition of goods;
- c) services associated with the construction, demolition, maintenance, repair or upkeep of any building, premises or goods; or
- d) the rental of any real property for a short duration of time;

“Town” means The Town of Orangeville;

“Treasurer” means the Treasurer for the Town, designate, or any successor position thereto.

2. OBJECTIVE

2.1 It is the objective of the Town that its financial affairs be undertaken in a manner that:

- is efficient and accountable;
- prescribes appropriate reporting requirements and internal control measures for effective financial management of the organization; and
- promotes long term financial sustainability.

3. BUDGET

3.1 Authority for adopting the annual Operating Budget, Capital Budget and Capital Forecast lies with the Mayor and Council in accordance with Part VI.1 of the *Municipal Act* through powers delegated under O.Reg. 530/22 (Strong Mayor Powers).

3.2 In any year, before the adoption of the Operating and Capital Budgets for the year, the Treasurer is authorized to make any and all payments as required to ensure the

continued delivery of Town programs and the continuation of previously approved capital projects.

3.3 Operating Budget:

- a. In accordance with Part VI.1 of the *Municipal Act* through powers delegated under O.Reg. 530/22, the preliminary Operating Budget shall be submitted annually to Council by the Mayor. The Mayor may exercise this authority by issuing a mayoral direction to Town staff to prepare an Operating Budget based on specific criteria.
- b. Subject to the Mayor issuing direction to staff under 3.3 a), all departments, boards and agencies for which the Town provides funding shall annually prepare an operating budget and submit same to the Treasurer and Mayor.
- c. Council shall, in accordance with the *Municipal Act*, consider the operating budget estimates and determine the sums required for the operating purposes of the Town for final adoption of the Town's Operating Budget.

3.4 Capital Budget and Capital Forecast:

- a. In accordance with Part VI.1 of the *Municipal Act* through powers delegated under O.Reg. 530/22, the preliminary Capital Budget and Capital Forecast shall be submitted annually to Council by the Mayor. The Mayor may exercise this authority by issuing a mayoral direction to Town staff to prepare a Capital Budget and Forecast based on specific criteria.
- b. Subject to the Mayor issuing direction to staff under 3.4 a), all departments, boards and agencies for which the Town provides funding shall annually prepare a capital budget and a capital forecast and submit same to the Treasurer and Mayor.
- c. Council shall, in accordance with the *Municipal Act*, consider the annual capital budget estimates and determine the sums required for Capital Projects of the Town for adoption of the Town's Capital Budget.
- d. The Treasurer shall ensure that long-term financing requirements for the Capital Projects in the Capital Budget are within the Town's updated Annual Debt Repayment Limit.

4. Operating Budget Financial Controls

- 4.1 The Operating Budget adopted in accordance with Section 3.3 of this by-law shall establish the funding and spending authority for Town Services and Programs.
- 4.2 A General Manager has the responsibility to provide the budgeted level of service approved by Council using the corresponding spending authority within the Council approved Operating Budget, subject to the following:

- a. Goods and services shall be recorded as expenses in the fiscal year in which they are actually received and/or provided, in accordance with Public Sector Accounting Board standards; and
- b. A General Manager or the Treasurer shall inform Council of unanticipated revenue and the intent for which such unanticipated revenue was provided and shall seek the approval of Council for an associated expenditure or investment plan if and when required by the provider of the unanticipated revenue.

4.3 A General Manager shall report any anticipated over-expenditure to the Treasurer as soon as such potential over-expenditure is known.

4.4 As a municipal corporation, the Town manages its Operating Budget on a corporate-wide basis.

4.5 Reporting:

- a. A General Manager is responsible for delivering programs and achieving outcomes as set out in the Town's Operating Budget and shall make best efforts to ensure that program expenditure remains within the approved Operating Budget for a program.
- b. The Treasurer shall inform Council periodically of significant expenditure and revenue variances in the Operating Budget, including the projections of such variances to the end of the current fiscal year. The CAO, in consultation with the Senior Leadership Team and the Treasurer, shall make recommendations to Council with respect to any proposed changes in service levels or funding relating to such variances.

4.6 Uncollectible amounts:

The Town's Accounts Receivable for Non-tax Revenue Policy prescribes the manner in which the Treasurer may write off accounts that are deemed uncollectible. On an annual basis the Treasurer shall inform Council of the amounts written off in accordance with the policy and recommend to Council the write-off of any accounts that have been deemed uncollectible that exceeding the Treasurer's authorization threshold.

5. Capital Budget Financial Controls

5.1 The Capital Budget approved in accordance with Section 3.4 of this by-law shall establish the funding and spending authority for a Capital Project.

5.2 A General Manager is responsible for the completion of Capital Projects approved in the annual Capital Budget and Capital Forecast and shall make best efforts to ensure that gross expenditure for a project remains within the approved Capital Budget for the project.

5.3 A General Manager shall report any anticipated over-expenditure to the Treasurer as soon as such potential over-expenditure is known.

- 5.4 A commitment to incur expenditures may be made under the Procurement Policy for a Capital Project which exceeds the amount included in the Capital Budget if:
- a. The Capital Project is a multi-year project, and
 - b. The amount is included in subsequent years in the current Capital Forecast approved by Council.

5.5 Capital Project expenditure variances:

5.5.1 A General Manager may authorize additional gross expenditure in excess of original funding approval for a Capital Project within the following threshold limits:

- a. For capital projects with total project budget of \$1,000,000 or less, by an amount not exceeding the greater of 10% or \$50,000 (inclusive of all applicable taxes and net of applicable rebates),
- b. For capital projects with total project budget greater than \$1,000,000, by an amount not exceeding the lesser of 10% or \$250,000 (inclusive of all applicable taxes and net of applicable rebates),

provided that:

- c. This By-law is otherwise complied with;
- d. Funding is available for the over-expenditure, either from the under-expenditure or the deferral of other Capital Projects with the same or similar funding and financing sources; and
- e. The Treasurer certifies that there is sufficient appropriate funding and financing available for the Capital Project.

5.5.2 Where funding is not available either from the under-expenditure or the deferral of other Capital Projects with the same or similar funding sources, or in the event that additional long term financing is required to finance such expenditure, Council approval is required prior to a commitment being made to incur such expenditure.

5.5.3 Any expenditure (inclusive of all applicable taxes and net of applicable rebates) for a Capital Project that would result in a variance to the total project budget that exceeds the thresholds noted in 5.5.1 (a) and (b) requires Council approval.

- 5.6 The Treasurer is authorized to reduce the amount of long-term financing to be issued for a given capital project by using available funds within an applicable capital reserve or reserve fund duly established by Council, taking into account future uses and sources of funding for the applicable capital reserve or reserve fund.
- 5.7 The Treasurer is authorized to transfer funding received from senior levels of government including but not limited to the Canada Community Building Fund and the

Provincial Gas Tax Transfer as required to finance eligible capital costs incurred by the Town to ensure the prompt and appropriate use of such funding.

6. Payments

- 6.1 The Treasurer is authorized to make all payments on behalf of the Town, including:
- a. To any vendor from which goods and services have been received and supported by the necessary documents and approval of a signing authority and for which a commitment was made under the Procurement Policy, and
 - b. To any vendor from which goods and services have been received or an expenditure has been incurred and supported by the necessary documents and approval of a signing authority for such expenditure set out in Schedule A to this by-law.

7. Long-Term Borrowing

- 7.1. To secure long-term borrowing for Capital Projects, including Town debenture issues, with the terms of such long-term borrowing being those which, in the opinion of the Treasurer, best meet the requirements of the Town, the Treasurer is authorized to take the following action:
- a. If required, engage one or more fiscal agents either individually or as part of a fiscal syndicate and external legal counsel to facilitate any such long-term borrowing;
 - b. Execute documentation and agreements with and make payments to fiscal as required, upon such terms and conditions as the Treasurer deems expedient;
 - c. Secure financing either through bank loans, Canadian debt capital markets, or through agencies including, but not limited to, Ontario Infrastructure and Lands Corporation (Infrastructure Ontario), the Federation of Canadian Municipalities, Canada Infrastructure Bank and Canada Mortgage and Housing Corporation;
 - d. Report the key terms of all long-term borrowing arrangements to Council at its next scheduled meeting after such borrowing arrangements have been made; and
 - e. Make all payments of interest and principal, as set out in the applicable Town by-law.

8. Financial Reporting and Policies

- 8.1. The Treasurer shall prepare and submit periodic financial reports to Council with respect to operating budget vs. actual results, operating budget expenditure and revenue projections to year-end, and the expenditure, funding and financing status of capital projects, in a form and at a frequency satisfactory to Council.

- 8.2. The Treasurer is responsible for the review and approval of the financial implications associated with any and all staff reports or briefing notes submitted to a Council or a Committee of Council, whether in open or closed session.
- 8.3. The Treasurer shall have authority to issue such procedures and processes to Departments as are necessary to ensure compliance with the provisions of this By-law.

9. Financial Signing Authorities

- 9.1. The Town's Procurement Policy outlines, by position, the delegation of financial signing authority. This list shall be maintained by the Treasurer in consultation with General Managers and the Chief Administrative Officer. .

10. Administration

- 10.1. This By-law may be cited as the "Financial Management By-law".
- 10.2. This By-law shall come into force and effect on the date of passage of this By-law.

By-law read a first, second and third time and finally passed in the Council Chamber in the Town of Orangeville this XX day of XXXX, A.D., 2025.

Schedule A

1. Utilities, including electricity, water and wastewater, natural gas, telephone and telecommunications.
2. Payments to past and current employees, including all salaries, wages, pensions and benefits
3. Payroll source deductions and benefits to governments, the Canada Revenue Agency, OMERS, the Workplace Safety and Insurance Board and employee benefit providers.
4. Government payments, including all accounts to or from the federal, provincial or other municipal governments, their agencies, boards, commissions and railways.
5. Debt payments, including principal and interest on debentures, loans or other long term debt.
6. General expenses, including property taxes, postage, licenses (e.g. vehicles), grants to organizations, and other transfer payments, land registry fees, refunds.
7. Payments for which the expenditure has specifically been approved by Council through the adoption of a report (e.g. land purchases/expropriations).