

THE CORPORATION OF THE CITY OF IQALUIT, NU

BY-LW No. 804

ANNUAL BUDGET BY-LAW

A By-law of the Municipal Corporation of the City of Iqaluit in Nunavut to provide for the annual budgeting by the Iqaluit City Council.

PURSUANT to section 136 of the *Cities, Towns and Villages Act*, S.Nu.2003, c. 2, (“*Act*”) the members of the Iqaluit City Council shall, by resolution, before each fiscal year, adopt a budget for the fiscal year;

NOW, THEREFORE, the Council of the Municipal Corporation of the City of Iqaluit, in regular session, duly assembled, enacts as follows:

SEVERABILITY

If any provision of this by-law is declared invalid because of any word, phrase, clause, sentence, paragraph or section of this by-law or any documents which may form part of this by-law or an application thereof to any person or circumstance is declared invalid, the remaining provisions shall not be affected thereby but shall remain in force.

SECTION 1 – TITLE

This By-law may be cited as the “Annual Budget By-law.”

SECTION 2 – INTERPRETATION

In this By-Law the following terms (unless the context specifically requires otherwise) shall have the following meanings:

1. “*Act*” means the *Cities, Towns and Villages Act*, S.Nu.2003, c. 2
2. “City” means the Municipal Corporation of the City of Iqaluit.
3. “Council” means Council of the City of Iqaluit.

SECTION 3 - PURPOSE

1. That Council establish guidelines for budgetary and fiscal responsibilities for the City.

SECTION 4 – POLICY

1. Council shall, by resolution, before each fiscal year, adopt a budget for the fiscal year.

Balanced Budget

2. The City's annual budget must have revenues sufficient to maintain the accumulated surplus net of equity in tangible capital assets at a level greater than zero.

Multi-Year Budget

3. The City prepares a multi-year Council approved budget/revenue requirement. To accommodate the multi-year budget cycle, Departments are expected to operate within their approved multi-year budget. If there is a shortfall in the first year, Departments are expected to overcome the deficit in the second year; if the first year experience results in a net surplus, excluding salary, wages and benefits, the Departments will have the ability to carry over the surplus to assist its operations in the next 12 months, to a maximum of ten percent (10%) of their net departmental budget. Excess funds in salary, wages and benefits section cannot be reallocated to other budget line items.

Deficiency

4. The annual budget must include a surplus to maintain an accumulated surplus at a level that is not less than zero.

Conservative Revenue Estimates

5. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental and statistical analysis as appropriate. Since revenues are sensitive to both local and regional economic conditions, revenue estimates adopted by Council must be conservative.

Cause & Effect

6. The City will practice cause and effect budgeting. When a particular condition or event requires increased charges, those charges will be implemented immediately rather than phasing them in over a period of time.

One-time Revenues

7. Revenues that are not expected to be of an ongoing nature will not be used to fund ongoing expenditures. These revenues will be used to offset current or future one-time expenditures. The Town will avoid budgetary and accounting procedures, which balance the current budget at the expense of future budgets.

Capital Maintenance Items in Annual Budget

8. Capital maintenance items will be funded as an expense rather than capitalized.

Maintenance high priority

9. Maintenance of current assets and infrastructure takes a higher priority than building new assets or infrastructure. In addition, life cycle maintenance is considered when setting priorities. Annual budgets will provide for adequate maintenance and replacement of the City's capital plant and equipment.

Contingency Amount

10. A contingency amount will continue to be established to provide for nonrecurring unanticipated expenditures or to set aside funds to cover known contingencies with unknown costs. The funding amount will be established and approved through the annual budget. Council approval is required before expending the contingency amount.

This By-law is subject to any specific provisions of the *Act*, other relevant legislation and City By-laws.

This By-law shall come into effect on its Third and Final Reading.

THIS BY-LAW READ a First Time this **24** day of **November**, 2015.

Mayor

Chief Administrative Officer

THIS BY-LAW READ a Second Time this **24** day of **November**, 2015.

Mayor

Chief Administrative Officer

THIS BY-LAW READ a Third and Final Time this **8** day of **December**, 2015.

Mayor

Chief Administrative Officer