



## **REPORT FIN-2022-001**

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TO: Mayor and Members of Council

FROM: Mary Hasan, Director of Finance/Treasurer  
Glenn Schwendinger, Chief Administrative Officer

MEETING DATE: January 13, 2022

SUBJECT: Budget Development and Control Policy - Final  
File No. A09 BUD

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### **RECOMMENDATIONS**

**THAT Report FIN-2022-001 regarding Budget Development and Control Policy – Final be received; and**

**THAT Council adopt the amendments to the Budget Development and Control Policy attached as Schedule A to Report FIN-2022-001; and**

**That Council direct staff to amend the Budget Development and Control Policy attached as Schedule A to Report FIN-2022-001 based on Option \_\_\_ outlined in Report FIN-2022-001 for the Cost of Living Adjustment.**

### **DISCUSSION**

#### **Purpose**

The purpose of this report is to provide Council with the final Budget Development and Control Policy attached as Schedule A to this Report based on direction from Council at their October 27, 2021 Capital Budget Meeting and November 17, 2021 Operating Budget Meeting.

The purpose of this report is to also report back on the recommendation for Cost of Living Adjustment for the 2022 budget and future year budgets. A memo has been prepared by the Chief Administrative Officer with recommendations attached as Schedule B to this Report.

## **Background**

### **October 27, 2021 Capital Budget Meeting**

Council at its Capital Budget Meeting held on October 27, 2021 through Council Resolution No. 2021-332 directed staff to make certain amendments to the budget development and control policy which have been reflected in Schedule A to Report FIN-2022-001.

### **November 17, 2021 Operating Budget Meeting**

Council at its Operating Budget Meeting held on November 17, 2021 through Council Resolution No. 2021-367 and 2021-368 directed staff as follows:

- That staff be requested to report back prior to the end of the budget process on a more equitable method of calculating the Cost of Living Adjustment such as rolling averages; and
- That Council authorize a cost of living adjustment of 2.00% as a placeholder increase until such time that staff report back on a more equitable method of calculating the Cost of Living Adjustment.

### **Cost of Living Adjustment**

The previous version of the Budget Development and Control Policy presented to Council at its October 27, 2021 Capital Budget Meeting outlined the following:

- a) The Director of Finance/Treasurer or designate will determine and incorporate in the base operating budget a cost of living adjustment (COLA) based on:
  - i. The CPI for Ontario From August to August and
  - ii. The COLA determined by comparator municipalities surveyed in the Township's Compensation Review.

In response to Council's direction from the November 17, 2021 Operating Budget Meeting, a detailed memo has been prepared regarding COLA, its calculation, application, etc. and is attached as Schedule B to this report. The following two options are provided for Council's consideration:

#### **Option 1:**

- a) The Director of Finance/Treasurer or designate will determine and incorporate in the base operating budget a cost of living adjustment (COLA) based on:

- i. A 5 year rolling average of the CPI for Ontario from August to August for the current proposed budget year; and
- ii. The COLA's approved or proposed by comparator municipalities surveyed in the Township's Compensation Review will also be provided for Council's information.

**Option 2:**

- a) The Director of Finance/Treasurer or designate will determine and incorporate in the base operating budget a cost of living adjustments (COLA) based on:
  - i. The CPI for Ontario from May to May for the current proposed budget year and present to Council for approval prior to the preparation of the proposed operating budget.
  - ii. The available COLA's approved or proposed by comparator municipalities surveyed in the Township's Compensation Review will also be provided for Council's information.

A blacklined version of the updated Budget Development and Control Policy based on Council's direction from the October 27, 2021 Capital Budget Meeting and November 17, 2021 Operating Budget Meeting is attached as Schedule A to Report FIN-2022-001.

**Financial Implications**

None

**Applicable Legislation and Requirements**

Municipal Act, 2001

**Attachments**

Schedule A – Budget Development and Control Policy

Schedule B – COLA Memo