

**PROVINCE OF QUEBEC
BROME-MISSISQUOI REGIONAL COUNTY MUNICIPALITY
MUNICIPALITY OF WEST BOLTON**

**BY-LAW NUMBER 380-2021 STIPULATING THE RULES FOR BUDGET CONTROL
AND MONITORING AND DELEGATING THE POWER TO AUTHORIZE EXPENDITURES**

WHEREAS under the second paragraph of section 960.1 of the *Municipal Code of Québec*, Council must adopt a budget control and monitoring by-law;

WHEREAS this by-law must provide in particular the means used to guarantee the availability of funds prior to making any decision authorizing an expenditure, which means may vary according to the authority authorizing the expenditure or the type of projected expenditure;

WHEREAS under the second paragraph of section 165.1 of the *Municipal Code of Québec*, an employee engagement has effect only if, in accordance with the by-law passed under the second paragraph of section 960.1, funds are available for this purpose;

WHEREAS under section 961 of the *Municipal Code of Québec*, a by-law or resolution of Council authorizing an expenditure has effect only if, in accordance with the by-law adopted under the second paragraph of section 960.1, funds are available for the type of expenditure proposed;

WHEREAS under section 961.1 of the *Municipal Code of Québec*, Council may adopt a by-law to delegate to any officer or employee of the Municipality the power to authorize expenditures and to enter into contracts on behalf of the municipality;

WHEREAS under the fourth paragraph of section 961.1 of the *Municipal Code of Québec*, an authorization of expenditure granted under a delegation has effect only if, in accordance with the by-law adopted under the second paragraph of section 960.1, appropriations are available for this purpose;

WHEREAS section 176.4 of the *Municipal Code of Québec*, and the fifth paragraph of section 961.1 provide the means of accountability to Council for budgetary control and monitoring purposes;

WHEREAS a notice of motion of Bylaw number 380-2021 establishing rules of budget control and monitoring and delegating the power to authorize expenditures was given on July 5, 2021;

WHEREAS the proposed By-laws were tabled at the meeting of July 5, 2021;

COUNCIL DECREES AS FOLLOWS:

The above preamble is an integral part of the by-law.

DEFINITIONS

"Municipality":	Municipality of West Bolton.
"Council":	Municipal Council of the Municipality of West Bolton.
"Director general and secretary-treasurer":	Senior officer that the municipality is required to have under sections 210 and 179 of the <i>Municipal Code of Québec</i> , subject to section 212.2 which provides for the possibility that the two functions may be performed by different persons.
"Fiscal year":	Period between January 1 and December 31 of a year.
"Delegation to authorize expenditures":	Regulatory provisions adopted under the first and second paragraphs of section 961.1 of the <i>Municipal Code of Québec</i> , by which Council delegates to municipal officials or employees the power to authorize expenditures and enter into contracts on behalf of the municipality.
"Budget activity manager":	Official or employee of the municipality responsible for a budget item entrusted to him, which includes any budget item that is under the responsibility of a direct subordinate.

SECTION 1 - OBJECTIVES OF THE BY-LAW

Article 1.1

This By-law establishes the budgetary control and monitoring rules that all the officers and employees concerned must follow.

More specifically, it establishes the rules of responsibility and operation required so that any expense to be initiated or incurred by an officer or an employee of the municipality, including the commitment of an employee, is duly authorized after verification of the availability of necessary funds.

This By-law applies to any appropriation attributable to financial or investment activities in the current year that Council may adopt by resolution or by-law.

Article 1.2

This By-law also establishes the rules for budget monitoring and reporting that the director general and secretary-treasurer and the budget activity managers of the municipality must follow.

Article 1.3

In addition, this By-law establishes the rules for delegating spending authorizations that Council enacts under the first and second paragraphs of section 961.1 of the *Municipal Code of Québec*.

In particular, this By-law delegates to certain employees of the municipality the power to authorize any expenditure and to enter into contracts on behalf of the municipality in the areas of jurisdiction determined therein and within the monetary limits specified therein.

SECTION 2 - PRINCIPLES OF BUDGET CONTROL AND MONITORING

Article 2.1

Appropriations necessary for the financial and investment activities of the municipality must be approved by Council prior to their allocation to the expenses related thereto. This approval of appropriations takes the form of a vote of appropriations expressed by one of the following means:

- adoption by Council of the annual budget or supplementary budget,
- adoption by Council of a loan by-law,
- adoption by Council of a resolution or by-law granting funds from surplus income, accumulated surplus, financial reserves or restricted funds.

Article 2.2

To be carried out or incurred, any expense must be duly authorized by Council, an authorized municipal officer or a budget activity manager in accordance with the delegation rules prescribed in section 3, after verifying the availability of the necessary funds.

Article 2.3

Any officer or employee of the municipality is responsible for applying and complying with this By-law as far as it is concerned.

Every budget activity manager must comply with this By-law when authorizing an expenditure under his responsibility before it is committed or carried out. He may only authorize the expenditure within his purview and commit the appropriations provided for in his budget only for the purpose for which they are allocated.

SECTION 3 - DELEGATION OF AUTHORITY TO AUTHORIZE EXPENDITURES

Article 3.1

Any budget activity manager may authorize expenditures and contracts on behalf of the municipality, provided that he only binds the municipality's funds for the current fiscal year and complies with the maximum monetary limit that has been granted to him.

The budget activity manager to whom Council delegates the power to authorize expenditure must comply with the following conditions:

- a) the contract must be awarded in accordance with the legal requirements applicable to the awarding of municipal contracts and the Contract Management By-laws adopted by the municipality;
- b) if the contract is not subject to such legal requirements, it must ensure that the authorized expenditure is made for an amount advantageous to the municipality (price, quality, service);
- c) the contract cannot commit the funds beyond the current fiscal year.

Specifically, Council delegates to the director general and secretary-treasurer the power to authorize any expenditures or representation expenses previously provided for in the budget for the current fiscal year, and to enter into any contract accordingly, for and on behalf of the municipality, in respect of any matter provided for in the budget, provided that the authorization of such an expenditure does not exceed the monetary limit of \$15,000.00 plus taxes, per transaction.

Council delegates to the deputy director general and deputy secretary-treasurer the power to authorize any expenditure or representation expenses previously provided for in the budget for the current fiscal year, and to enter into any contract accordingly, for and on behalf of the municipality, concerning any matter provided for in the budget, as long as the authorization of such expenditure does not exceed the monetary limit set at \$ 5,000.00 plus taxes per transaction.

Council delegates to the road works supervisor the power to authorize all expenditures related to municipal roads, environmental health, municipal infrastructure maintenance and municipal vehicle maintenance functions, as long as the authorization of such

expenditure does not exceed the monetary limit of \$5,000.00 plus taxes, per transaction.

Finally, Council delegates to the planning officer the power to authorize any expenditure related to the functions of the Town planning and municipal inspection department, as long as the authorization of such expenditure does not exceed the monetary limit set at \$ 1,000.00 plus taxes per transaction.

The delegation of a power to authorize certain expenditures to an officer or employee does not mean an abdication of the power of Council to exercise such a power itself.

The delegation does not apply to a commitment of expenditure extending beyond the current fiscal year. Any such commitment or contract must be authorized by Council. The amount subject to authorization must cover commitments extending beyond the current year.

When Council delegates to the director general and secretary-treasurer of the municipality the power to hire an officer or salaried worker under section 165.1 of the *Municipal Code of Québec*, the authorization of the expenditure to be incurred is subject to the rules of delegation of this article.

Article 3.2

In the event of unforeseen circumstances and if it becomes necessary to amend a contract in progress, the following rules must be respected:

- the amendment must be ancillary to the contract and not change its nature, modification of the contract being the exception;
- an employee may authorize a change to a contract resulting in a cost overrun only to the extent that he complies with the thresholds authorized by this By-law and the provisions of the Contract Management By-laws of the municipality;
- any cost overrun equal to or less than \$15,000 plus taxes must be authorized in writing by the director general;
- any cost overrun of more than \$15,000 plus taxes must be authorized by a Municipal Council resolution.

Article 3.3

Budgetary variations are permitted from one budget item to another, within the same budget function, during a fiscal year. The director general and secretary-treasurer may make the appropriate budget transfers.

Budget variations from one budget function to another must be authorized by a Municipal Council resolution.

SECTION 4 - GENERAL PROVISIONS FOR BUDGET CONTROL AND MONITORING

Article 4.1

To check the availability of funds prior to authorizing an expenditure, the budget activity manager concerned relies on the accounting system in force in the Municipality. The same applies to the director general and secretary-treasurer when he must authorize an expenditure or submit an expenditure for authorization to Council in accordance with this By-law.

Article 4.2

If the verification of the available appropriations shows a shortfall in appropriations within his budget, the budget activity manager or the director general and secretary-treasurer, as the case may be, must follow the instructions provided in article 7.1 of this By-law.

Article 4.3

An officer or employee who is not a budget activity manager cannot authorize any expenditure whatsoever. He may, however, initiate or incur an expenditure which has been duly authorized in advance, if he receives the mandate or if his job description so provides.

If, for urgent purposes, an officer or employee is required to incur an expense without authorization, he must notify the relevant budget activity manager after the fact as soon as possible and provide him the relevant statements, invoices or receipts.

Article 4.4

The director general and secretary-treasurer is responsible for ensuring that adequate internal controls are put in place and maintained to ensure the application of and compliance with this bylaw by all officers and employees of the Municipality.

SECTION 5 - COMMITMENTS EXTENDING BEYOND THE CURRENT FISCAL YEAR

Article 5.1

Any authorization of an expenditure commitment that extends beyond the current fiscal year must first be subject to verification of the availability of funds for the part attributable to the current year.

Article 5.2

When preparing the budget for each fiscal year, each budget activity manager must ensure that his budget covers the expenses previously incurred which must be charged to the financial activities of the fiscal year for which he is responsible. The director general and secretary-treasurer must ensure that the necessary funds for these expenses are properly budgeted.

SECTION 6 - SPECIAL EXPENSES

Article 6.1

Certain expenses are of a special nature, such as the following:

- Salary and expense accounts of elected officials;
- Salary of municipal employees;
- Deductions at source and benefits as well as contributions to the CSST;
- Real estate transfer costs;
- Postage and publication costs;
- Telephone, internet or other communication devices and 911 service;
- Professional fees for IT;
- Professional fees for elections;
- Professional fees for auditors, evaluators;
- Professional fees for scientific and engineering services;
- Legal services (Municipal Court and others);
- Office supplies and subscriptions;
- Contributions and training;
- Radio licenses;
- Electricity for buildings, equipment and public lighting;
- Heating fuel for municipal buildings;
- Signs and signage;
- Snow removal contracts;
- General insurance;
- *Sûreté du Québec*;

- Vehicle registration;
- Vehicles repair and maintenance;
- Building repair and maintenance;
- Repair and maintenance of land and public roads;
- Repair and maintenance of various equipment;
- Rental and contract work for maintenance of buildings, equipment, municipal networks;
- Calcium and abrasives;
- Gasoline, diesel, propane;
- Chemicals (aqueduct and sewers);
- Clothes and accessories;
- Leisure and culture - expenses related to activities and social events;
- Parts, materials and accessories (aqueduct, sewers, roads, fire department, recreation and culture);
- Share of contributions to the Brome-Missisquoi RCM or other supramunicipal organizations;
- Water courses in the Brome-Missisquoi RCM;
- Water purchase;
- Garbage, selective collection and organic materials contracts;
- Purchase of rolling bins (selective collection and organic materials);
- Debt repayment (principal and interest);
- Tax refund following a certificate of alteration of the assessment roll.

When preparing the budget for each fiscal year, the director general and secretary-treasurer must ensure that the necessary funds for these particular expenses are properly budgeted. In this case, the director general and secretary-treasurer is authorized to pay these special expenses.

Article 6.2

Although the special expenses referred to in Article 6.1 are not subject to prior control, they are, like any other expense, subject to the monitoring and reporting rules set out in Section 7 of this By-law.

Article 6.3

When an unforeseen situation arises, such as an out-of-court settlement, the director general and secretary-treasurer must ensure that the additional funds required are made available. He may carry out the requisite budget transfers where appropriate.

SECTION 7 - BUDGET MONITORING AND REPORTING

Article 7.1

Any budget activity manager must regularly monitor his budget and report immediately to the director general and secretary-treasurer as soon as he anticipates a budget variation. He must justify or explain in writing any unfavourable budgetary discrepancy noted or anticipated and, if necessary, submit a request for a transfer.

If the budget variation cannot be absorbed by transfer, the director general and secretary-treasurer of the municipality must inform Council and, if necessary, submit for adoption a proposal for a supplementary budget for the additional appropriations required.

Article 7.2

As prescribed under section 176.4 of the *Municipal Code of Québec*, the director general and secretary-treasurer must table, at the last regular meeting of Council held at least four weeks before the meeting where the budget for the following fiscal year must to be adopted, two comparative statements on the revenues and expenses of the

Municipality. In a general election year in the municipality, the two comparative statements shall be tabled no later than the last regular session held before Council ceases to sit in accordance with section 314.2 of the *Act respecting elections and referendums in municipalities*.

The first comparative statement to be filed compares the income and expenses of the current fiscal year as at the last day of the month that ended at least 15 days before the date on which the statement is tabled, and those of the previous fiscal year that were carried out during the corresponding period.

The second comparative statement to be tabled compares the revenues and expenses expected to be realized for the current fiscal year at the time the statement was prepared based on information then available to the director general and secretary-treasurer, and which have been provided for in the budget for this fiscal year.

Article 7.3

In order for the Municipality to comply with section 176.5 and the fifth paragraph of section 961.1 of the *Municipal Code of Quebec*, the director general and secretary-treasurer must also prepare and periodically submit to Council at an ordinary session, a report of authorized expenditures authorized by any budget activity manager within the framework of the delegation permitted by section 3.1. This report may consist of a list of disbursements made for expenditures of less than \$1000.00 plus taxes. It must at least include all transactions made earlier than 25 days prior to tabling, which had not already been reported.

SECTION 8 - BANKING TRANSFERS AND INVESTMENTS

Article 8

The director general and secretary-treasurer is authorized to carry out all bank transfers between accounts belonging to the municipality, including investments as described in section 203 of the *Municipal Code*, in order to top up or regularize the balance.

SECTION 9 - ORGANIZATIONS CONTROLLED BY THE MUNICIPALITY

Article 9

In the case of a particular organization included in the municipality's reporting purview by virtue of recognized control criteria, Council may decide that the rules of this By-law apply to that body where the circumstances so warrant and making the necessary adjustments.

In such a case, the director general and secretary-treasurer is responsible for ensuring that the agreement governing the relationship between the controlled body in question and the Municipality covers compliance with the principles of the present By-law that are deemed relevant as well as applicable adapted provisions.

SECTION 10 - REPEAL

Article 10

This By-law repeals for all legal purposes any previous by-law relating to the same subject, including By-law number 321.

SECTION 11 - ENTRY INTO FORCE

Article 11

This by-law enters into force in accordance with the law.

ADOPTED IN WEST BOLTON ON AUGUST 16, 2021.

DENIS VAILLANCOURT

Deputy Mayor

JEAN-FRANÇOIS GRANDMONT, OMA

Director general and Secretary-treasurer