

POLICY TITLE	Budgets - Capital
CATEGORY	Administrative
POLICY NUMBER	ADMIN-005
LEGISLATION	
POLICY OWNER	Finance, Risk, and Supply Chain
ACCESS	Public

1. Purpose

- 1.1 The purpose of this policy is to outline the requirements for presenting Capital budgets to City Council and to delegate limited authority to the Director of Finance and other City staff in relation to the spending of Capital.
- 1.2 This policy is *not* intended to outline the requirements or process for levying, raising, or otherwise receiving Capital.

[NOTE: A separate Employee Guide to Capital Project Budget Procedures provides information to assist City staff in the process of developing, authorizing, monitoring, and closing of Capital Project Budgets. It provides guidance to all employees on the process and responsibilities associated with the Capital Project Budgeting function. The Employee Guide document is to be updated over time to align with changes in process and practices.]

(NOTE: This policy replaces previous policies AF-003-01, AF-003-02, and AF-003-03.)

2. SCOPE

- 2.1 This policy applies to all Capital Expenditures undertaken by the City of Vancouver.
- 2.2 This policy will apply to the Boards and City Affiliates where and to the extent that each such entity adopts capital budget policies aligned with this policy.
- 2.3 The City of Vancouver is required by the Vancouver Charter, Library Act and Police Act to produce a consolidated capital budget incorporating the separate internal capital budgets of the Boards, and is required by Public Sector Accounting Standards to include the City Affiliates in its consolidated financial statements. To the extent of these requirements, this policy applies to these requirements but subject always to the independent internal policies and budget decisions of these external boards and affiliates.
- 2.4 This policy is intended to supplement and provide operational clarity and promote best practices within the statutory requirements relating to budgeting set out in the Vancouver Charter, Police Act, and Library Act, excerpts of which are attached in Appendix “A”.

DEFINITIONS/INTERPRETATION

(a) **Interpretation**

- (i) All references in this policy to an employee, official, officer or other representative of the City is deemed to include any designate, deputy, or anyone else properly authorized in writing or by Council resolution to act in that person's position.
- (ii) Where a position title or name is changed following the adoption of this policy, due to a re-organization of the City's functions, or for any other reason, the City Manager will have the authority to amend this policy to reflect such change or re-organization.
- (iii) The City Manager will have the authority (in consultation with the Director of Finance and City Solicitor) to approve (in writing) any request from any Department Head for authority to sub-delegate any authority granted in this policy to a Department Head.

(b) **Definitions** - In this policy, the following terms have the following meanings:

“Annual Budget Report” is the report to Council that contains the Annual Operating Budget and Capital Budget.

“Annual Capital Expenditure Budget” means the aggregate Budget for all of the City's approved Capital Expenditures (including the current year portion for those relating to all approved Multi-Year Capital Project Budgets) for a given year including those Capital Projects being undertaken for the Boards and those being undertaken in the name of the City for the City Affiliates.

“Boards” means the Vancouver Board of Parks and Recreation, the Vancouver Public Library Board, and the Vancouver Police Board.

“Budget” means the amount approved by Council as “the approved budget” which is referred to in the Vancouver Charter as the “adoption of estimates” in each year (Sections 200, 202, and 219).

“Budget Increase” means any increase to any Capital Project Budget which is not a Budget Reallocation. This is typically only applicable where a Budget Reallocation is not being sought and instead additional or a new (previously unidentified) Capital is being sought to fund the Budget Increase.

“Budget Outlook” refers to a report to Council in advance of the Annual Budget Report that provides the economic and financial outlook for the upcoming budget.

“Capital” means any and all amounts received by the City as Utility Capital, Voter-Approved Capital, Community Amenity Contributions, Development Cost Levies, Grant Capital, or General Levy Capital.

“Capital Budget” means the overall Budget relating to Capital, namely the Annual Capital Expenditure Budget and the Multi-Year Capital Budget.

“Capital Project Budget” means the Capital estimates for a single Capital Project (including the Multi-Year Capital Project Budget and the applicable portion of the Annual Capital Expenditure Budget for the related Capital Project for the related Capital Project), as determined by and approved by the Director of Finance from time to time (and then designated with a segregated project code in the City’s financial/accounting system).

“Capital Expenditures” are expenditures incurred directly and necessarily in relation to a Capital Project, as determined by the Director of Finance.

“Capital Plan” means the City’s four-year financial plan for investments in the City’s facilities and infrastructure. Capital Plans are developed in four-year terms coinciding with municipal elections held every four years (at which new Voter-Approved Borrowing Authority is usually also obtained). The Capital Plan states the implementation and funding strategies for Capital Projects and is developed through a consultative process involving City Council, the public, the Boards and City Affiliates.

“Capital Project” means a project or program (including for certainty a Multi-Year Capital Project) that may span over more than one fiscal year for the planning, acquisition, construction, expansion, renovation, or replacement of City facilities, infrastructure, or other capital assets (as determined by the Director of Finance). A Capital Project may be a one-time event, as in the construction of a new community centre or library, or a recurring capital program, as in street paving or facility roof replacements.

“City” means City of Vancouver.

“City Affiliates” means any separate entity that is considered controlled by the City of Vancouver for purposes of PSAB (Public Sector Accounting Board) and are part of the City’s Annual Capital Expenditure Budget. These entities are identified in the Budget Outlook and Annual Budget Report and include but are not limited to the Vancouver Economic Commission, Vancouver Affordable Housing Agency Ltd., Vancouver Public Housing Corporation, Vancouver Civic Development Corporation, Harbour Park Development Corporation, The Hastings Institute Inc., Vancouver Downtown Parking Corporation (aka “EasyPark”), and the Pacific National Exhibition.

“City Engineer” means the person appointed by Council pursuant to section 288 of the Vancouver Charter as the City Engineer.

“City Manager” means the person appointed by Council pursuant to section 162A of the Vancouver Charter as the City Manager.

“Community Amenity Contribution” or “CAC” means a community amenity contribution voluntarily offered to the City by a developer of a site so as to address the impacts of a rezoning that can be anticipated from rezoning the site. Such a CAC is typically made through the provision of either on-site amenities or a cash contribution towards other public benefits taking into consideration community needs, area deficiencies and the impact of the proposed development on City services.

“Contingency” means the proportion of a Capital Project Budget that ‘allows for items, conditions or events for which the state, occurrence and/or effect is uncertain and that experience shows will likely result, in the aggregate, in additional cost.’ [Source for quoted material: AACE International, Association for the Advancement of Cost Engineering]. There are two categories of contingency:

- (i) *General Cost Contingency: the category of contingency for expected but unclassified expenditures;*
- (ii) *Contingency for Unknown Risks: the category of contingency for unexpected risks.*

“Department” means each department to which a Departmental Budget relates, namely those departments of the City, as determined by and approved by the Director of Finance from time to time (and then typically recorded as such within the general ledger of accounts in the accounting system utilized by the Director of Finance), but excluding Boards and City Affiliates.

“Departmental Budget” means a group of Capital Project Budgets which are segregately defined and grouped together to show those Capital Projects applicable to and to be administered by, each Department, as determined by and approved by the Director of Finance from time to time (and then typically recorded as such within the general ledger of accounts in the accounting system utilized by the Director of Finance).

“Department Head” refers to any General Manager or Chief of a City Department or Board.

“Development Cost Levy” or “DCL” means funds received pursuant to Section 523D of the Vancouver Charter, representing a growth-related charge on all new development. Related by-laws: <http://bylaws.vancouver.ca/9418c.PDF>; <http://bylaws.vancouver.ca/9755c.PDF>

“Director of Finance” means the person appointed by Council pursuant to section 210 of the Vancouver Charter as the Director of Finance.

“Finance Committee” has the meaning set out in the Operating Budget Policy ([ADMIN-004](#)).

“Finance Director” means any City employee designated as a “Finance Director”, by the Director of Finance and the FP&A Director from time to time.

“FP&A Director” means any City employee designated as a “Financial Planning and Analysis Director”, by the Director of Finance from time to time.

“Fire Chief” means the person appointed by Council pursuant to section 309 of the Vancouver Charter as the City’s fire chief.

“Five-Year Financial Plan” is based on a set of financial sustainability guiding principles and financial health targets and is used to guide the allocation of resources needed to fund operating costs and capital investments. The Five-Year Financial Plan is not an approved budget; Council approves the budget for the upcoming year as part of the annual budget process.

“General Levy Capital” means amounts allocated by City Council for Capital Expenditures from general revenue raised pursuant to the City’s general assessment-based levy on property.

“Grant Capital” means funds received from another governmental authority or any agency which are in the nature of a grant and which, pursuant to the terms of the associated grant agreement, are required to be spent on Capital, as opposed to operating expenses (as that term is defined in the Operating Budget Policy ([ADMIN-004](#))).

“Multi-Year Capital Budget” means the portion of the Capital Budget referencing and covering the aggregate of the Multi-Year Capital Project Budgets.

“Multi-Year Capital Project” means a Capital Project requiring the expenditure of Capital over more than one year.

“Multi-Year Capital Project Budget” means the Capital Project Budget for a Multi-Year Capital Project.

“Project Manager” means the City employee who is expressly designated by a Department Head as the project manager for a Capital Project and it therefore responsible for managing a particular Capital Project from its initiation to completion. In the absence of any express designation, the Project Manager will be deemed to be the Department Head.

“PSAB” means the requirements and standards published from time to time by Public Sector Accounting Board, which publishes the Public Sector Accounting Standards Handbook (as updated and amended from time to time and which is a set of generally accepted accounting principles applied by public sector entities for financial reporting).

“Reallocation” means a transfer of an amount from an approved Capital Project Budget to another approved Capital Project Budget.

“Utility” means the separate water, sewer, solid waste, and energy utilities authorized by Sections 300, 300.1, 302 and 303 of the Vancouver Charter and implemented via the following By-laws: 4848, 8093, 8417, and 9552.

“Utility Capital” means Capital received for waterworks, sewer, solid waste, and energy utility systems and funded from debenture borrowing pursuant to the Vancouver Charter, Section 242 which gives City Council the authority to borrow funds without the assent of

the electorate for the construction, installation, maintenance, replacement, repair and regulation of waterworks, sewer, solid waste, and energy utility systems.

“**Voter-Approved Capital**” means Capital raised pursuant to the borrowing authority set out in Vancouver Charter Section 245 which requires that the borrowing authority be established by plebiscite question which if approved by the voters gives Council the authority to issue a borrowing by-law for the purposes set out in the plebiscite question.

3. POLICY STATEMENTS

1. Requirement to set a budget:

- 1.1. The Capital Budget process is the primary tool by which the City seeks and then obtains Council approval of Multi-Year Capital Budgets and Annual Capital Expenditure Budgets. Upon Council’s approval each year of the Capital Budget, this policy provides the delegated authority and framework for City staff to proceed with the applicable Capital Project expenditures (subject to other applicable policies such as the Procurement Policy and Expenditure Authority and Financial Control Policy).
- 1.2. The Capital Budget is important in fostering and maintaining public accountability and transparency, and provides detailed information about each Capital Project, including cost categories, funding sources, and outcomes that are clearly identifiable and measurable.
- 1.3. The City’s Capital Budget process has been developed to ensure assets and investments are managed comprehensively, with rigor and transparency, in a manner that ensures the City achieves value for money, and that staff resources are used efficiently.
- 1.4. Capital Projects can only be initiated once Council has approved both the Capital Project and the Capital Project Budget. An approved Capital Project Budget is required prior to any expenditure or commitment being made on any Capital Project.
- 1.5. In addition to the requirements and guidance contained in this policy, all staff must comply with the City’s Procurement Policy (ADMIN-008) and the expenditure limits and controls outlined in the Expenditure Authority and Financial Control Policy.

2. Goals

- 2.1. An annual Capital Budget process that:
 - Ensures Capital Projects only proceed in accordance with Capital Project Budget approvals ;
 - Ensures best value in capital investments for the City and its citizens;
 - Fosters and maintains public accountability and transparency;

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- Applies best practices and strong financial controls.
- 2.2. Ensure compliance with the Vancouver Charter, By-laws, and this and the City's other budget and expenditure policies.
 - 2.3. A Five-Year Financial Plan is included in the Annual Budget Report to Council. The Five-Year Financial Plan is included in the Annual Budget Report for information only and is not an approved budget; Council approves the Capital Budget for the upcoming year as part of the annual budget process

3. References

- 3.1. This policy incorporates relevant elements from the City's Procurement Policy (ADMIN-008) and the Expenditure Authority and Financial Control Policy.

4. Authority to Commence Capital Expenditures

4.1 Budget Authority is required but not sufficient expenditure authority. All Capital Expenditures authorized under this policy require compliance with this and other applicable policies as set out in Section 4.2.

4.2 City staff have the legal authority to commence Capital Expenditures only when:

- a) The Capital Project has been approved by Council,
- b) The Capital Project Budget is approved by Council, as evidenced by its approved Multi-Year Capital Project Budget (if a Multi-Year Capital Project) and its inclusion in the Annual Capital Expenditure Budget,
- c) City staff have complied with
 - i. the City's Procurement Policy (ADMIN-008) (where the Capital Project involves the procurement of goods, services (including consulting services) and construction), and
 - ii. The Expenditure Authority and Financial Controls Policy, and
 - iii. All other applicable City policy.

4.3 Special rules for Multi-Year Capital Projects:

In addition to the requirements in section 4.2, it is required that

- a) Prior to bringing a proposed Multi-Year Capital Project and the related Multi-Year Capital Project Budget to Council for approval, the requesting Department must review the associated Operating Expense implications for current and future Operating Budgets to ensure that:
 - i. Operating Budget capacity has been examined; and

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- ii. the associated Operating Budget impacts have been or will be considered in the Five-Year Financial Plan.
- b) The Multi-Year Capital Project Budget for the Multi-Year Capital Project has sufficient funds and sufficient General Cost Contingency and/or Contingency for Unknown Risks to provide for the payment of any and all Capital Expenditures anticipated for the Multi-Year Capital Project.
- c) A Multi-Year Capital Project Budget is to be recommended to Council for approval only when Capital funding for the total Multi-Year Capital Project Budget,
- i. can be obtained from available unallocated Capital funding within the current Capital Plan; or
 - ii. legally eligible Capital funding has been secured and can be added to the current Capital Plan; or
 - iii. legally eligible Capital can be reallocated from an another Capital Project Budget to the proposed Multi-Year Capital Project Budget; or
 - iv. legally eligible Capital from Capital Project Budget closeout surpluses can be transferred to the proposed Multi-Year Capital Project Budget; and
 - v. the Director of Finance has confirmed and approved (in consultation with the City Solicitor where necessary) each proposed source of the Capital (whether it is Voter-Approved Capital, General Levy Capital, Utility Capital, Grant Capital, CAC's, or DCL's) can be legally utilized in the proposed manner and has directed the responsible Department Head on how each source of Capital must be spent so as to be in strict accordance with the legal requirements and rules applicable to each applicable proposed source of Capital.

5. Contingency

- 5.1 All Capital Projects for which the project scope or cost estimates includes some level of uncertainty must include, as applicable, a General Cost Contingency for identified risks (e.g., expected but unclassified expenditures) and/or a Contingency for Unknown Risks for unexpected risks.
- 5.2 The Contingency for Unknown Risks reflects the level of uncertainty; the greater the uncertainty, the greater the Contingency for Unknown Risks relative to the total project budget. For example, a Capital Project in an early planning and design phase would be expected to have a larger Contingency for Unknown Risks than a Capital Project in the construction phase with a fixed-price contract.
- 5.3 Use of a General Cost Contingency requires the approval of the Project Manager.

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- 5.4 The appropriate amount for a General Cost Contingency is to be decided by the Project Manager requesting the Capital Project Budget.
 - 5.5 Use of a Contingency for Unknown Risks requires the approval of the Department Head and the Director of Finance/CFO (or their assigned delegates).

6. Adjustments to Capital Project Budgets

- 6.1 Adjustments to Capital Project Budgets are subject to 2 different review process under this policy, depending on the type of proposed change to an existing approved Capital Project Budget:
 - a) Change which affects the Multi-Year Capital Project Budget, and
 - b) Change which does not impact Multi-Year Capital Budget and impacts only the Annual Capital Expenditure Budget.

7. Changes Which Impact a Multi-Year Capital Project Budget

- 7.1 This section applies to a Budget Increase or Budget Reallocation involving one or more Multi-Year Capital Project Budgets.
- 7.2 A Budget Increase as well as a Budget Reallocation require approval from the Director of Finance that the proposed source of Capital is available and is legally allowed to be used for the proposed purpose in accordance with Section 7.3:
- 7.3 In reviewing any request for a Budget Increase or Reallocation, the Director of Finance will ascertain whether or not the proposed source of Capital for the proposed Budget Increase or Budget Reallocation can be obtained from:
 - i. Available and unallocated Capital from the current Capital Plan; or
 - ii. legally eligible new Capital that has been secured and can be added to the current Capital Plan; or
 - iii. legally eligible Capital that can be reallocated from another Capital Project Budget to the proposed Capital Project Budget; or
 - iv. legally eligible Capital from Capital Project Budget closeout surpluses that can be legally transferred to the proposed Capital Project Budget; and
 - v. the Director of Finance has confirmed and approved (in consultation with the City Solicitor where necessary) each proposed source of the Capital (for Voter-Approved Capital, General Levy Capital, Utility Capital, Grant Capital, CAC's, and DCL's) can be legally utilized in the proposed manner and has directed the responsible Department

Head on how each source of Capital must be spent so as to be in strict accordance with the legal requirements and rules applicable to each source of Capital.

- 7.4 Subject always to compliance with Section 7.3, where a Budget Increase (of any amount) or a Budget Reallocation (over \$500,000) is being sought, such Budget Increase or Budget Reallocation requires approval from Department Head, Department Finance Director, FP&A Director, Director of Finance/CFO, and City Manager in the sequence noted in rows 3, 4 and 5 of Table 1 (1st, 2nd, 3rd, 4th and 5th) with the final approval from City Council through:
- a) The annual Capital Budget process;
 - b) The quarterly Capital Budget adjustment process; or
 - c) A Capital Project-specific Council authorization occurring outside of the annual and quarterly processes referred to in (a) and (b) above.
- 7.5 Subject always to compliance with Section 7.3, where a Budget Reallocation (of more than \$200,000 but no greater than \$500,000) is being sought, the Budget Reallocation requires approval from Department Head, Department Finance Director, FP&A Director, and Director of Finance/CFO in the sequence noted in row 2 of Table 1 (1st, 2nd, 3rd and 4th) with the final approval from City Manager, and can only be approved if such Budget Reallocation does not increase the Multi-Year Capital Budget.
- 7.6 Subject always to compliance with Section 7.3, where a Budget Reallocation (of no more than \$200,000) is being sought, the Budget Reallocation requires approval from Department Head and Department Finance Director as noted in row 1 of Table 1 and can only be approved if such Budget Reallocation does not increase the Departmental Budget portion of the Multi-Year Capital Budget.
- 7.7 Subject always to compliance with Section 7.3, where a change to one or more of the sources of Capital funding associated with any Capital Project Budget is being sought, such change requires approval from Department Head, Department Finance Director, FP&A Director, Director of Finance/CFO, and City Manager in the sequence noted in row 6 of Table 1 (1st, 2nd, 3rd, 4th and 5th) with the final approval from City Council through:
- d) The annual Capital Budget process;
 - e) The quarterly Capital Budget adjustment process; or
 - f) A Capital Project-specific Council authorization occurring outside of the annual and quarterly processes referred to in (d) and (e) above.

Table 1 - Multi-Year Capital Project Budget Adjustments Approval Thresholds

Multi-Year Capital Project Budget - Adjustments	Department Head	Dept Finance Director	FP&A Director	Director of Finance/CFO	City Manager	City Council
Reallocation up to \$200,000	FINAL (joint)					
Reallocation between \$200,001 and \$500,000 *	1st	2nd	3rd	4th	FINAL	
Reallocation greater than \$500,000	1st	2nd	3rd	4th	5th	FINAL
Increase funded from Capital Plan	1st	2nd	3rd	4th	5th	FINAL
Increase from new funding to be added to Capital Plan	1st	2nd	3rd	4th	5th	FINAL
Change in project funding source (not a reallocation)	1st	2nd	3rd	4th	5th	FINAL

* no net change to Citywide total of open Multi-Year Capital Budget

8. Changes Which Impact an Annual Capital Expenditure Budgets

- 8.1 This section applies to a Budget Increase or Budget Reallocation which does not involve a change to any Multi-Year Capital Project Budgets.
- 8.2 Any Budget Increase (of any amount) to the Annual Capital Expenditure Budget requires approval from Department Head, Department Finance Director, FP&A Director, Director of Finance/CFO, and City Manager in the sequence noted in row 3 of Table 2 (1st, 2nd, 3rd, 4th and 5th) with the final approval from City Council through:
- The annual Capital Budget process;
 - The quarterly Capital Project Budget adjustment process; or
 - A Capital Project-specific Council authorization occurring outside of the annual and quarterly processes referred to in (a) and (b) above.
- 8.3 A Budget Reallocation (of more than \$200,000 per reallocation) between existing Annual Capital Expenditure Budgets requires approval from Department Head, Department Finance Director, FP&A Director, and Director of Finance/CFO in the sequence noted in row 2 of Table 2 (1st, 2nd, 3rd and 4th) with the final approval from City Manager, and can only be approved if such Budget Reallocation does not result in a net increase to the Annual Capital Expenditure Budget.
- 8.4 A Reallocation of Capital Expenditure (of no more than \$200,000) requires approval from Department Head and Department Finance Director as noted in row 1 of Table 2 and can only be approved if such Budget Reallocation does not result in a net increase to the Departmental Budget portion of the Annual Capital Expenditure Budget.

Table 2 - Annual Capital Expenditure Budget Adjustments Approval Thresholds

Annual Capital Expenditure Budget	Department Head	Dept Finance Director	FP&A Director	Director of Finance/ CFO	City Manager	City Council
Reallocation up to \$200,000 *	FINAL (joint)					
Reallocation over \$200,000 **	1st	2nd	3rd	4th	FINAL	
Increase to Citywide Annual Capital Expenditure Budget	1st	2nd	3rd	4th	5th	FINAL

* no net change to total department Annual Capital Expenditure Budget

** no net change to total Citywide Annual Capital Expenditure Budget

9. Special rule for Multi-Year Capital Project Budgets for Capital Grants by the City

- 9.1 Multi-Year Capital Project Budgets for capital grants by the City are managed at an overall grant program level. In the event that a grant recipient is unable to satisfy conditions or subjects attached to the grant disbursement, or for any other reason the grant is cancelled prior to disbursement or refunded due to non-compliance, the grant funding can only be allocated to another eligible organization within the grant program if the requisite approval by 2/3’s vote of Council as required by Section 206 of the Vancouver Charter is first obtained.

10. Completed Capital Projects

- 10.1 All budget surpluses or deficits (of any amount) for completed Capital Projects funded by Voter-Approved Capital are to be reported to Council as part of the quarterly Capital Budget reporting process.
- 10.2 A completed Capital Project of all funding sources except Voter-Approved Borrowing Authority (General Levy Capital, Utility Capital, Grant Capital, CAC’s, and DCL’s), with a budget surplus or deficit up to \$200,000 requires Department Head and Department Finance Director approval to close out.
- 10.3 A completed Capital Project with a budget surplus or deficit greater than \$200,000 requires City Council approval to close out, including an explanation for the surplus or deficit.
- 10.4 Once the required closeout approval under section 13.2 or 13.3 is issued, the Director of Finance will then proceed to administer such funds in accordance with Section 10.5 below.
- 10.5 All closeout surpluses are to be transferred to a Citywide capital account (“Citywide Unallocated from Closeouts”) with identification of the corresponding funding sources, to be used for contingency and/or emerging priorities as applicable at the discretion of the Director of Finance in consultation with the City Solicitor (where necessary) and the City Manager. All closeout surpluses must only be spent in accordance with the following conditions:
 - a) The Director of Finance has confirmed and approved each proposed source of the Capital (for General Levy Capital, Voter-Approved Capital, Utility Capital, Grant Capital, CAC’s, and DCL’s) can be legally utilized in the proposed manner and has directed the responsible Department Head on how each source of Capital must be spent so as

to be in strict accordance with the legal requirements and rules applicable to each source of Capital; and

- b) The use of funding from Citywide Unallocated from Closeouts for a new or ongoing Capital Project requires
 - i. The approval of the Director of Finance, and
 - ii. Upon approval of the Director of Finance, the approval of Council, through the provisions in this policy.

RELATED POLICIES:

Operating Budget Policy ([ADMIN-004](#))

Procurement Purchasing Policy ([ADMIN-008](#))

Expenditure Authority and Financial Control Policy

APPROVAL HISTORY

ISSUED BY: Director of Financial Planning & analysis	APPROVED BY: Council	DATE: April 17, 2018
REVISED BY:	APPROVED BY:	DATE:

Appendix A -Applicable Vancouver Charter, Library Act, and Police Act provisions relating to the budget:

VANCOUVER CHARTER

[SBC 1953] CHAPTER 55

Part III – The Council and Its General Powers

Expenditures to be kept within estimates

200. (1) Except with the consent of the Lieutenant-Governor in Council, the Council shall not wilfully permit the total expenditures made in any year to exceed the amount allocated therefor in the estimates as adopted, but the Council may, except with respect to money allocated for

- (a) interest on debentures;
- (b) payments to sinking fund;
- (c) instalments of principal in respect of debentures;
- (d) amounts required for school purposes,

authorize the expenditure for some other lawful purpose of money allocated in such estimates for a specific purpose; provided that if during any year it becomes apparent that revenue will exceed the estimated amount, the Council may authorize the expenditure of such excess for any lawful purpose.

(2) The Council may authorize the expenditure for any lawful purpose of any balance carried forward from a previous year.

Expenditures prior to adoption of estimates

202. In any year, before the estimates are adopted, the Council may nevertheless authorize such expenditures as are necessary to carry on the business of the city, but such expenditures shall in no case exceed the amounts expended in the previous year for the like purposes, save where not less than two-thirds of all the members of the Council concur in such excess expenditure.

Director of Finance responsibilities

212. The Director of Finance shall exercise a general control and supervision

(a) over the collection and application of the revenues of the city of every description, and over the lawful expenditure thereof;

(b) over the sale, realization, and redemption of debentures of the city, and over the sinking funds of the city;

(c) [Repealed 1985-89-2.]

(d) over all other financial affairs of the city.

Fund to be adequate

218. No warrant for payment shall be drawn unless there is sufficient money in the fund out of which the payment is to be made to meet the warrant.

Part XXIII – Parks***Board's estimates to be submitted each year***

492. The Board shall, at the beginning of each year, cause to be prepared and submitted to the Council a detailed estimate of the receipts from every source, and of the expenditures of the Board of every kind, during that year, showing the amount estimated to be necessary for the purposes of the Board up to the thirty-first day of December next thereafter. The said estimate shall be considered by the Council and adopted in whole or in part.

1953-55-492.

Adopted estimates not to be exceeded

493. (1) Save by resolution of the Council, the Board shall not authorize or make any expenditures except those provided for in the estimate as adopted by the Council.

(2) The Board may, for periods of not more than twelve months at a time, give authorization in advance to the General Manager to draw warrants for payment prior to approval of the Board, but every warrant for a payment so authorized in advance shall be reported in writing by the General Manager to the Board within fifteen days after the end of the month in which the warrant is drawn.

LIBRARY ACT

[RSBC 1996] CHAPTER 264

Budget and financing

10 (1) On or before March 1 in each year, the library board must prepare and submit to the municipal council its annual budget for providing library service in the municipality.

(2) The municipal council must approve, with or without amendment, the budget submitted to it under subsection (1).

(3) At the request of the library board, the municipal council may approve an amendment to the approved budget.

(4) The municipal council must include in the municipality's annual budget a sum sufficient to finance the library board's approved budget.

(5) The municipality must pay to the library board the sum included in the annual budget and the payments must be made on the dates scheduled by the library board and the municipality.

Expenditures and financial statements

- 11** (1) The library board has, subject to the approved budget, exclusive control over the expenditure of
- (a) all money provided by the municipal council for library purposes,
 - (b) all money given to the library board,
 - (c) the revenue derived from any source, including
 - (i) fees,
 - (ii) fines, and
 - (iii) money recovered by the library board for detention, damage or loss of library materials, and
 - (d) all money received by the library board under an agreement to provide library service.
- (2) The library board must provide to the municipality annual financial statements that have been audited in the same manner and at the same time as the financial statements of the municipality.

POLICE ACT**[RSBC 1996] CHAPTER 367****[Part 5 – Municipal Police Boards](#)**

[23 Municipal police board](#)

[24 Membership of municipal police board](#)

[25 Chair of municipal police board](#)

[26 Board to establish municipal police department](#)

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Estimates and expenditures

27 (1) On or before November 30 in each year, a municipal police board must prepare and submit to the council for its approval a provisional budget for the following year to provide policing and law enforcement in the municipality.

(1.1) If a municipality has entered into an agreement referred to in section 66.2 (1.1) (b) with a treaty first nation, or an agreement referred to in section 66.2 (1.11) (b) with the Nisga'a Nation, for the duration of the agreement, the reference in subsection (1) of this section to "municipality" must be read as including the treaty lands of the treaty first nation or Nisga'a Lands, as applicable.

- (1.2) If a municipality is a specialized service provider, the reference in subsection (1) to "municipality" must be read as including areas within the specialized service area that are outside the municipality.
- (2) Any changes to the provisional budget under subsection (1) must be submitted to council on or before March 1 of the year to which the provisional budget relates.
- (3) If a council does not approve an item in the budget, the director, on application by the council or the municipal police board, must
- (a) determine whether the item or amount should be included in the budget, and
 - (b) report the director's findings to the municipal police board, the council and the minister.
- (4) Subject to subsection (3), a council must include in its budget the costs in the provisional budget prepared by the municipal police board.
- (5) On certification by the municipal police board members that an expenditure is within the budget prepared by the municipal police board, the council must pay the amount of the expenditure.
- (6) Unless the council otherwise approves, a municipal police board must not make an expenditure, or enter an agreement to make an expenditure, that is not specified in the board's budget and approved by the council.