

SPECIAL COUNCIL MEETING
OFFICE OF THE CITY CLERK

REPORT CLK-2024-13
November 11, 2024

SUBJECT: Legislative Responsibilities in the Budget Process

AUTHOR: Tara Stephens, Director of Legislative Services/City Clerk

APPROVING: Rob Axiak, Chief Administrative Officer

RECOMMENDATION:

THAT THE COUNCIL OF THE CITY OF WELLAND receives for information CLK-2024-13: Legislative Responsibilities in the Budget Process.

RELATIONSHIP TO STRATEGIC PLAN

This recommendation is aligned to council's strategic priority of ensuring "**Economic Growth**" for creating a diverse economy through partnerships and emerging markets to ensure sustainable growth and quality employment.

EXECUTIVE SUMMARY:

This report outlines the legislative responsibilities in the municipal budget process under the Strong Mayors, Building Better Homes Act, which redefines the roles of the mayor and council. The mayor is responsible for preparing and proposing the budget, while council can propose amendments within 30 days. The mayor can veto amendments made and Council can override vetoes with a two-thirds majority. Key deadlines and processes for submitting and approving budget amendments are highlighted, ensuring compliance with legislative timelines for the City of Welland's 2025 budget cycle.

BACKGROUND:

In 2023, the City of Welland followed a new process introduced by the *Strong Mayors, Building Better Homes Act*, which redefined the mayor's and council's roles in municipal budget preparation and approval. The mayor was granted authority to propose the budget, while council maintained the ability to suggest amendments, which the mayor could veto. This process also allows for council to override a veto with a two-thirds majority vote.

In accordance with Mayoral Direction 2024-03A, issued on October 4, 2024, the preparation of the 2025 Draft Mayor's Budget has been guided by strategic priorities, including alignment with the 'Welland Strategic Plan 2023-2026' and consideration of ratepayers' ability to pay while maintaining services. Key directives within the Mayoral Direction, such as the introduction of new full-time employee positions (FTEs) contract conversions to permanent positions, and engagement inputs from Council and the public, have been incorporated into the proposed budget.

DISCUSSION:

Legislative Responsibilities in the Budget Process

By February 1 of each year the mayor must prepare and propose a budget to council for consideration.

- The authority to prepare and propose the budget rests with the mayor.
- This authority cannot be delegated to council or staff.
- Mayor can issue a staff direction for staff to prepare budget.

Once the mayor proposes a budget, council has **30** (calendar) days to meet and pass budget amendments.

- The 30-day window can be shortened by council resolution.
- May require special council meeting to meet 30-day timeline.
- Any amendments are required to be completed on the Budget Amendment Resolution Form (see Appendix I) and submitted to staff. The submission details for budget amendments will be communicated to all Council members via email on November 4th.

Following the amendment period, the mayor has **10** (calendar) days to veto budget amendments passed by council:

- Mayor vetos must be set out through a Mayoral Decision and include reasons for veto.
- Mayor can shorten veto period through a Mayoral Decision.
- Budget amendments vetoed by mayor are considered not to have been passed by council.
- If veto power is not exercised, budget is deemed to have passed.

Within **15** days of the veto period ending council may meet to attempt to override Mayoral vetos.

- Council override of mayoral veto requires 2/3 super majority to pass.
- 2/3 super majority is all member of council, not only the members present, as per current process.
- After process of amendments, vetos and overrides has passed the budget is deemed to have been adopted.
- Council no longer needs to vote on budget in its entirety.

- Budget is considered to have been passively adopted once the approval process above has finished.

The following graphic outlines the key budget process steps as stipulated in the Act:

Day 1	+30 days	+10 days	+15 days	Approval
Mayor Proposes Budget	Council meets and amends budget	Mayor may veto budget amendments	Council may override Mayor vetos	Budget is deemed to have passed

Key Dates and Timeline:

To ensure compliance with legislative requirements, the following dates are highlighted for this year's budget process:

November 4 th	<ul style="list-style-type: none"> • Distribution of Budgets to Council (Mayor Proposed Draft Budget) • Webpage updated on Proposed Draft Budget. • Engage Welland Updated on Public Engagement currently live
30 Days Begin	
November 11 th	<ul style="list-style-type: none"> • Budget Kick-Off Meeting – 2025 Budget Presentation
November 18 th	<ul style="list-style-type: none"> • Presentations by: <ul style="list-style-type: none"> ○ Community Organizations with Contracts ○ Business Case Presentations not included in the Mayors Proposed 2025 Budget.
November 20 th	<ul style="list-style-type: none"> • Budget Amendment Meeting #1 <p>Deadline to submit amendments - November 14th at 3 p.m.</p>
November 27 th	<ul style="list-style-type: none"> • Budget Amendment Meeting #2 <p>Deadline to submit amendments - November 21st at 3 p.m.</p>
December 4 th	<ul style="list-style-type: none"> • Budget Amendment Meeting #3 <p>Final Approval of “strictly conditional” budget amendments.</p>

Budget Amendment Resolution Form Process

Upon receiving the Mayor's proposed 2025 budgets on November 4, 2024, Council may begin submitting amendments.

Each amendment must be directly related to the mayor's proposed 2025 budgets and include a specific, quantifiable financial impact. Council members will have the opportunity to present their proposed amendments to council for consideration.

Budget Amendment Meetings #1 and #2

These meetings have been scheduled to allow council members to submit their budget amendments for initial review and conditional approval. All amendments approved during these meetings will be considered "strictly conditional."

Budget Amendment Meeting #3

This meeting has been reserved for the final approval of amendments that were conditionally approved in previous meetings. This meeting will solidify all decisions regarding these amendments.

Please note that any amendments received after the conclusion of the November 27th meeting will not be considered for inclusion in the 2025 budget.

Budget Amendment Resolution Form deadlines:

- Amendments submitted by **November 14th at 3 p.m.** will be considered at the **November 20th** Amendment #1 meeting.
- Amendments submitted by **November 21st at 3 p.m.** will be considered at the **November 27th** Amendment #2 meeting.

All amendments to the tax-supported operating and capital budgets will be considered first, followed by those for the rate-supported (water/wastewater) operating and capital budgets. Staff will provide council with an estimate of the tax or rate impact for each amendment, assisting council in determining whether the amendment should proceed through the two-step approval process.

Two-Step Approval Process for Amendments.

There are three (3) scheduled Special Council meetings dedicated to the budget process to review and consider amendments to the mayor's proposed 2025 budget. The first two (2) meetings are designated for reviewing and conditionally approving submitted amendments, with any approved amendments impacting the final tax and water rates for 2025. A third meeting will be held for the final approval of these strictly conditional amendments.

Before the first two (2) meetings, council members will have the opportunity to ask questions related to the budget, though they are encouraged to reach out to staff in advance with any inquiries about budget processes, specific items, or other related matters.

To ensure a thorough review of all conditionally approved amendments and their effect on the final tax and water rates, this process will follow a two-step approach. Staff will provide council with an estimate of the tax or rate impact for each amendment to assist in determining whether the amendment should advance through the approval process.

First Step

Any amendments approved will be as “Strictly Conditional”. The condition being that final approval will be required at the December 4th Special Council Meeting.

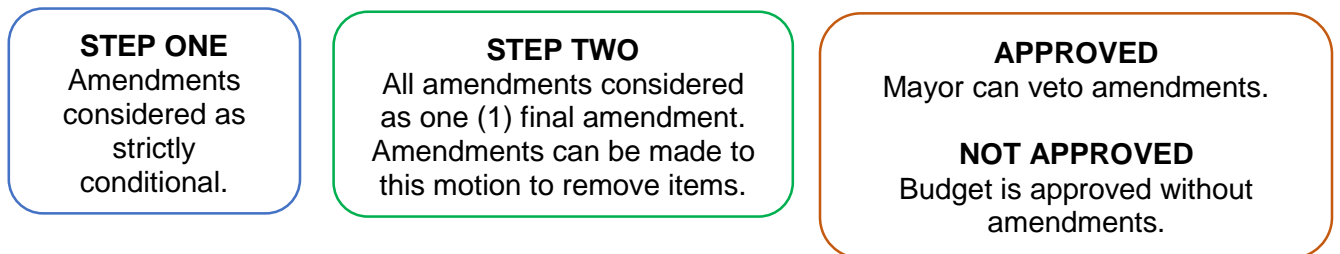
The amendments being approved strictly on condition will allow for council to establish conditional tax and water/wastewater rates before considering for final approval at the December 4th Special Council meeting. Council will be provided the final rates before approving the final amendments. This is outlined in the second step below.

Second Step

Following the conclusion of reviewing all amendments submitted for the mayor’s proposed 2025 budget, council will proceed with the final decision on “strictly conditional” approved amendments. At this stage, debate on individual amendments will not take place, as opportunities for discussion were provided during Budget Amendment Meetings 1 and 2.

If a conditional amendment does not receive majority support, it will be excluded from the final budget rates.

Upon council’s approval of the final amendments, the mayor may exercise the veto option following the meeting. If council does not approve the final amendments at the December 4th Special Council meeting, the budget will proceed without any modifications from council.



FINANCIAL:

No anticipated financial impacts resulting from this legislation change to the budget process.

CONCLUSION:

The legislative changes ensure a streamlined and clear budget process, delineating the authority of the mayor and council. By adhering to set timelines and processes, both the mayor and council can effectively collaborate in shaping

the city's budget while ensuring financial accountability and compliance with statutory requirements.

ATTACHMENT:

Appendix I – Budget Amendment Request Form

Appendix II – Amendment Form Guide



2025 BUDGET AMENDMENT RESOLUTION FORM
(One amendment per resolution form)

Councillor: Choose a name Date: Click to enter a date.

Amendment Type: Choose an item

Page #: Click or tap here to enter text.

Operating Budget G.L. Account: XXXXX-XX-XXX-XXXXX

Business Case Title and No.: Click or tap here to enter text.

Capital Project Title & Project Number: Click or tap here to enter text.

Amount \$: Click or tap here to enter text.

Alignment to the Council-approved Strategic Plan: (Select One Option)

- Economic Growth Environmental Stewardship Health and Well-Being Livability

Resolution

Click or tap here to enter text.

Councillor Signature:

Overview

For the 2025 budget process, Finance staff are implementing a revised Budget Amendment Resolution Form to replace Amendment Resolution Form template used in the previous budget year.

The new Amendment Resolution Form template captures new headings and sections to layout and organize the information clearly.

The purpose of this guide is to give an outline of each field/section and the requirements of each section.

Please note that the examples below may look different than the final template circulated.

Councillor:

Please select your name from the dropdown list:

Date:

From the dropdown select the date this form was completed

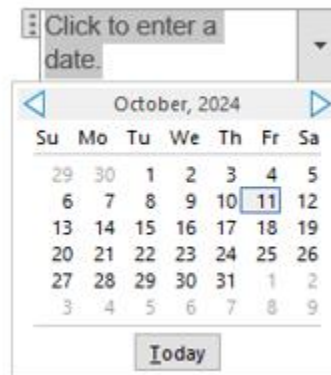
Councillor:



Choose a name

- John Chiochio
- Tony DiMarco
- Bonnie Fokkens
- Bryan Green
- Mary Ann Grimaldi
- Jamie Lee
- David McLeod
- Adam Moote
- Claudette Richard
- Sharmila Setaram
- Graham Speck
- Leo Van Vliet

Date:



Click to enter a date.

October, 2024

Su	Mo	Tu	We	Th	Fr	Sa
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

Today

Amendment Type:

From the dropdown list choose the appropriate type: Tax Supported or Rate Supported

Amendment Type:

- Tax Supported
- Rate Supported

Page #: This will be the page number referenced from the November 4, 2024 Budget package.

Operating Budget GL Account: If your request is for the Operating budget enter the GL account number that is referenced in the Budget package that you wish to address. *Example: 540000-20-320-00000 (Outside Contracts in Roads Dept)*

Business Case Title and No: If your request is for a Business Case enter the Title of the Business Case here. Example: IT Project Manager

	<p>2025 BASE BUDGET REQUESTS New/Enhanced Service/Capital Business Case Business Case No.:A1</p>
IT Project Manager	

Capital Project Title & Project Number: If your request is for a Capital Project enter the Name of the project and the project number. Example: CCTV Program (Wastewater), 10-330-25730

2025 CAPITAL BUDGET PROJECT SUBMISSIONS
PROJECT NAME: CCTV Program (Wastewater)
ACCOUNT NUMBER: 10-330-25730

Amount \$: Enter the Dollar amount you are requesting a change for either in the Operating/Capital or Business Case. Example: \$10,000.00

Alignment to the Council-approved Strategic Plan: (Select One Option)

- Economic Growth Environmental Stewardship Health and Well-Being Livability

Definitions for each:

Economic Growth:	Creating a diverse economy through partnerships and emerging markets to ensure sustainable growth and quality employment.
Environmental Stewardship:	Protecting the ecosystem through a responsible approach to minimize the impact on the environment through supportive decision-making, professional processes, incentives, policies, and operational practices.
Health & Wellbeing:	Promoting personal health and wellbeing by offering an abundance of activities that meet the diverse needs and interests all while, advocating for improved health care throughout the city, and supporting the need for safety and security.
Livability:	Creating a sense of belonging while enhancing mobility by improving access to recreation and community events, ensuring adequate housing options, encouraging job growth, and improving ways to efficiently move people throughout the city.

Resolution

Enter your reason for the Amendment change. Please be as specific as possible.

Councillor Signature: Your signature (Manual/Electronic).