

The Town of Hay River

Northwest Territories



NORTHWEST TERRITORIES

Bylaw No. 2252/FIN/11

Financial Administration

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Town of Hay River
Financial Administration Bylaw No. 2252/FIN/11

A **BYLAW** of the Municipal Corporation of the Town of Hay River in the Northwest Territories to provide for the financial administration of the Town of Hay River pursuant to the *Cities, Towns and Villages Act*, S.N.W.T. 2003, c.22, sec. 94 -109.

WHEREAS the Council of the Municipal Corporation of the Town of Hay River deems it desirable to regulate the financial administration of the Municipal Corporation of the Town of Hay River;

NOW THEREFORE, the Council of the Municipal Corporation of the Town of Hay River hereby enacts as follows:

1. **SHORT TITLE**

1.1 This Bylaw may be cited as "The Financial Administration Bylaw."

2. **DEFINITIONS**

2.1 "**Council**" means the Council of the Municipal Corporation of the Town of Hay River.

2.2 "**Fund**" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances and changes therein which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

2.3 "**Mayor**" means the Mayor of the Municipal Corporation of the Town of Hay River.

2.4 "**Reserve**" means funds which are segregated and committed for a specific purpose in a future period.

2.5 "**Senior Administrative Officer**" means the Senior Administrative Officer of the Town appointed pursuant to the *Cities, Towns and Villages Act* of the Northwest Territories and includes any person appointed or designated by the Senior Administrative Officer to act on his or her behalf.

2.6 "**Town**" means the Municipal Corporation of the Town of Hay River in the Northwest Territories established under the *Cities, Towns and Villages Act*.

2.7 "**Replacement Cost**" is the purchase value of the asset, inflated by the annual consumer price index figure over the life of the asset.

2.8 "Depreciated Value" is the replacement cost of the asset less the annual depreciation.

3. **ESTABLISHMENT OF FUNDS**

3.1 The Town shall establish such Funds as outlined in Appendix "A" of this Bylaw.

3.2 Each fund so established by Council shall be administered in accordance with the purposes, rules and guidelines as provided for in Appendix "A" of this Bylaw.

4. **ESTABLISHMENT OF RESERVES**

4.1 The Town shall establish Reserves as outlined in Appendix "B" of this Bylaw.

4.2 Each Reserve so established by Council shall be administered in accordance with the purposes, rules and guidelines as provided for in Appendix "B" of this Bylaw.

5. **BLOCK FUNDING AGREEMENTS**

5.1 Upon a resolution duly passed by Council, the Town may enter into Block Funding Agreements with a senior level of government or an agency of a senior level of government, where such agreement provides qualitative or quantitative benefits to the Town.

5.2 The Mayor and Senior Administrative Officer are hereby authorized to execute such agreements as approved by resolution of Council.

6. **INVESTMENT OF FUNDS**

6.1 All funds of the Town shall be invested in accordance with the terms, conditions, rules and guidelines as provided for in Appendix "C" of this Bylaw.

7. **COLLECTION OF REVENUES**

7.1 The collection of revenues of the Town shall be administered in accordance with the terms, conditions, rules and guidelines as provided for in Appendix "D" of this Bylaw.

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8. REPEALED

8.1 Bylaw No. 2099/GEN/08 as amended is hereby repealed.

READ A FIRST TIME this 19th day of December, 2011.



Mayor

READ A SECOND TIME this 19th day of December, 2011.



Mayor

READ A THIRD AND FINAL TIME this 30th day of January , 2012. *mf vs*



Mayor

CERTIFIED that this bylaw has been made in accordance with the requirements of the Cities, Towns and Villages Act, S.N.W.T., 2003 c.22 and the bylaws of the Municipal Corporation of the Town of Hay River this 2nd day of February , 2012. *mf vs*



Senior Administrative Officer

ESTABLISHMENT OF FUNDS

1. GENERAL FUND

- 1.1 The General Fund is hereby established.
- 1.2 The purpose of this Fund shall be to account for all financial activities of the Town which are not accounted for in another fund.
- 1.3 The monies belonging to the Town shall be credited to this Fund, and where any such monies relate to a fund other than the General Fund, these shall be accounted for using Inter-fund accounts.
- 1.4 The Revenues and Expenditures in the General Fund shall be made in accordance with the budget adopted for each fiscal year, pursuant to the *Cities, Towns, and Villages Act*.
- 1.5 All Expenditures and Disbursements in the General Fund shall be made in accordance with the *Cities, Towns, and Villages Act*.
- 1.6 All Revenues collected in the General Fund shall be deposited into the General Fund Bank Account, at a Bank approved by resolution of Council from time to time.
- 1.7 Financial Statements shall be prepared annually for the General Fund and audited by an auditor appointed by Council.

2. UTILITY FUND

- 2.1 The Utility Fund is hereby established.
- 2.2 The purpose of this Fund shall be to account for all financial activities of the Town which pertain to the operations of the Town's Water and Sewer system. Water and sewer operations include all aspects of establishing, operating and maintaining buildings, equipment and works related to the supply and processing of potable water; distribution of potable water and the collection, treatment and disposal of sewage and storm water.

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Appendix "A"

- 2.3 The Revenues and Expenditures in the Utility Fund shall be made in accordance with the budget adopted for each fiscal year.
- 2.4 All Expenditures and Disbursements in the Utility Fund shall be made in accordance with the *Cities, Towns and Villages Act*.
- 2.5 All Revenues collected for the Utility Fund shall be deposited into the General Fund Bank Account, and accounted for in the Utility Fund using an Inter-fund account.
- 2.6 Financial Statements shall be prepared annually for the Utility Fund and audited by an auditor appointed by Council.
- 2.7 The Utility Fund is intended to be a self-liquidating fund, with the revenues being equal to or exceeding the expenditures in a fiscal year.

3. LAND DEVELOPMENT FUND

- 3.1 The Land Development Fund is hereby established.
- 3.2 The purpose of this Fund shall be to account for all financial activities of the Town which pertain to the acquisition, development, disposal and rental of municipal land within the Town.
- 3.3 The Revenues and Expenditures in the Land Development Fund shall be made in accordance with the budget adopted for each fiscal year.
- 3.4 All Expenditures and Disbursements in the Land Development Fund shall be made in accordance with the *Cities, Towns, and Villages Act*.
- 3.5 All Revenues collected for the Land Development Fund shall be deposited into the General Fund Bank Account, and accounted for in the Land Development Fund using an Inter-fund account.
- 3.6 Financial Statements shall be prepared annually for the Land Development Fund, and audited by an auditor appointed by Council.
- 3.7 The Land Development Fund shall operate independently of the General Fund, with all expenditures being covered by revenues from land sales, leases and related charges.

ESTABLISHMENT OF RESERVES

1. COMPUTER SYSTEMS RESERVE

- 1.1 The Computer Systems Reserve is hereby established under the General Fund.
- 1.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to expand, upgrade and/ or replace the computer systems, servers, workstations, software and software licensing required to efficiently and effectively serve the needs of the Town.
- 1.3 This Reserve shall be funded annually from transfers from the General Fund in accordance with the approved operating budget.
- 1.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund reserves, and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 1.5 Any interest earned in the bank account for General Fund reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 1.6 Funds from this Reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council that shall specifically identify all computer hardware, software and software licensing expenditures being funded from this Reserve.

2. LANDFILL RESERVE

- 2.1 The Landfill Reserve is hereby established under the General Fund.
- 2.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to provide for the expansion, upgrading and closure of Landfill sites.
- 2.3 This Reserve shall be funded annually from transfers from the General Fund in accordance with the approved operating budget.

- 2.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund Reserves and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 2.5 Any interest earned in the bank account for General fund Reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 2.6 Funds from this Reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council that shall specifically identify all landfill expenditures being funded from this Reserve.

3. MANGEMENT TRAINING RESERVE

- 3.1 The Management Training Reserve is hereby established under the General Fund.
- 3.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to provide staff training.
- 3.3 This Reserve shall be funded annually from transfers from the General Fund in accordance with the approved operating budget.
- 3.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund reserves and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 3.5 Any interest earned in the bank account for General fund Reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 3.6 Funds from this reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council which shall specifically identify all training expenditures being funded from this reserve.

4. MOBILE EQUIPMENT RESERVE

- 4.1 The Mobile Equipment Reserve is hereby established under the General Fund.
- 4.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to expand, upgrade and /or replace the mobile equipment fleet required to efficiently and effectively service the needs of the Town.
- 4.3 This Reserve shall be funded annually with an amount equivalent to the depreciation of existing equipment, revenues from the rental of mobile equipment, revenues from the sale of mobile equipment assets if such take place and transfers from the General Fund in accordance with the approved operating budget.
- 4.4 Any mobile equipment being paid for by way of Debenture Financing shall not be depreciated to this reserve until the debenture has been repaid in full. Once the debenture has been repaid in full, the mobile equipment shall be depreciated further and such depreciation shall be credited to this reserve.
- 4.5 The Director of Finance shall prepare a list of the Town's equipment showing a schedule of the Replacement Cost, Depreciated Values, and the annual depreciation charges. The annual depreciation charges shall be charged as an expense to the operations of the Town.
- 4.6 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund reserves, and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 4.7 Any interest earned in the bank account for General Fund reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 4.9 Funds from this Reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council that shall specifically identify all mobile equipment expenditures being funded from this Reserve.

5. MUNICIPAL INFRASTRUCTURE RESERVE

- 5.1 The Municipal Infrastructure Reserve is hereby established under the General Fund.
- 5.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to expand, upgrade or replace the municipal infrastructure, excluding recreation and utility infrastructure, required to efficiently and effectively serve the needs of the Town.
- 5.3 This Reserve shall be funded annually from transfers from the General Fund in accordance with the approved operating budget.
- 5.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund reserves, and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 5.5 Any interest earned in the bank account for General Fund reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 5.6 Funds from this Reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council that shall specifically identify all municipal infrastructure expenditures being funded from this Reserve.

6. RECREATION CENTRE REPLACEMENT RESERVE

- 6.1 The Recreation Centre Replacement Reserve is hereby established under the General Fund.
- 6.2 The purpose of this Reserve shall be to ensure that Town will have sufficient funds available to provide for the expansion, upgrading and/or replacement of the Recreation Centre.
- 6.3 This Reserve shall be funded annually from Recreation fees and charges, special events, donations and other revenues as identified in the approved operating budget of the General Fund.

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- 6.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund Reserves and shall be accounted for as separate and apart from other reserve funds.
- 6.5 Any interest earned in the bank account for General fund Reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 6.6 Funds from this reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council which shall specifically identify all recreation centre expenditures being funded from this reserve.

7. RECREATION INFRASTRUCTURE RESERVE

- 7.1 The Recreation Infrastructure Reserve is hereby established under the General Fund.
- 7.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to expand, upgrade or replace the recreation infrastructure required to efficiently and effectively serve the needs of the Town.
- 7.3 This Reserve shall be funded annually from transfers from the General Fund in accordance with the approved operating budget.
- 7.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for General Fund reserves, and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 7.5 Any interest earned in the bank account for General Fund reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 7.6 Funds from this Reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council that shall specifically identify all recreation infrastructure expenditures being funded from this Reserve.

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8. UTILITY INFRASTRUCTURE RESERVE

- 8.1 The Utility Infrastructure Reserve is hereby established under the Utility Fund.
- 8.2 The purpose of this Reserve shall be to ensure that the Town will have sufficient funds available to expand, upgrade or replace the utility infrastructure required to efficiently and effectively serve the needs of the Town.
- 8.3 This Reserve shall be funded annually from transfers from the Utility Fund in accordance with the approved operating budget.
- 8.4 The funds accumulated in this Reserve shall be deposited to a bank account designated for Utility Fund reserves, and shall be accounted for as separate and apart from other reserve funds being deposited into this bank account.
- 8.5 Any interest earned in the bank account for Utility Fund reserves shall accrue to this Reserve in direct proportion to the funds accumulated in this Reserve in comparison to the total funds in the bank account.
- 8.6 Funds from this Reserve shall only be disbursed in accordance with a budget and/or resolution duly approved by Council that shall specifically identify all utility infrastructure expenditures being funded from this Reserve.

INVESTMENT OF FUNDS

1. INVESTMENT OF SURPLUS AND RESERVE FUNDS

- 1.1 Any surplus or reserve funds may be invested when all of the following conditions are met:
- 1.1.1 the rate of return on the investment exceeds the current interest rate being paid on current account funds;
 - 1.1.2 the monies are invested at a local financial institution, being a financial institution with an office within the Town, or an affiliated brokerage firm;
 - 1.1.3 the funds to be invested are not required to meet the financial obligations of the Town prior to the maturity of the investment.
 - 1.1.4 the investment is made pursuant to the Cities, Towns, and Villages Act S.N.W.T., 2003, c.22, sec.126-127.

2. ALLOCATION OF INVESTMENT INCOME

- 2.1 All income earned from funds in an interest-bearing account or investment shall accrue to each fund or reserve account in the general ledger, in direct proportion to the total funds deposited under such deposit or investment.
- 2.2 The Utility Fund shall accrue investment income on the Meter Deposit Account at a rate equal to that being paid on the General Fund current account.

COLLECTION OF REVENUES

1. CUSTOMER PAYMENT

- 1.1 Invoices for all taxes, charges, fees and interest are payable on the due date appearing on the invoice. Due dates shall be set by the Town and clearly marked on the invoice.
- 1.2 The liability to pay an invoice shall not be affected by any defect in the form of the invoice or non-receipt of an invoice.
- 1.3 The Town may prescribe terms and conditions for billing customers.
- 1.4 The Town may reject customer payments if:
 - 1.4.1 the payment is made by cheque and the Senior Administrative Officer or designate believes that there is a higher than normal risk that the cheque will be returned by the bank;
 - 1.4.2 the payment is made by a large number of coins or bills that do not constitute legal tender under the *Currency Act*.

2. INTEREST ON ARREARS

- 2.1 Unless otherwise provided for in another bylaw or superseding legislation, the Town shall levy interest at a rate of 1.25% per month on all accounts over 30 days past due.

3. DISCONTINUATION OF MUNICIPAL SERVICES FOR NON-PAYMENT

- 3.1 Where the Town has made every reasonable attempt to collect monies owed to it by a taxpayer, resident, or other debtor, and are unable to satisfy collection of those monies, the Town may discontinue the delivery of municipal services until such claim is satisfied in full or arrangements for payment have been made which are satisfactory to the Senior Administrative Officer.
- 3.2 The Senior Administrative Officer, upon review of any account under Clause 2.1 above, shall provide notice in writing of the Town's intention to discontinue certain municipal services to the debtor. This notice shall provide the debtor with a 21 day period in which to satisfy the claim or make an appeal.

- 3.3 During the 21 day notice period, the debtor has the right to file an appeal with Council to maintain municipal services. Municipal services shall be maintained until the debtor's appeal is heard in a regular meeting of Council and a decision is rendered by Council.
- 3.4 Upon the expiry of the 21 day notice period where the monies owed remain outstanding and no appeal has been filed, or upon a decision by Council to discontinue municipal services following an appeal, the Senior Administrative Officer or his designate is hereby authorized to discontinue further municipal services until the monies owed are paid in full.

4. **RIGHT TO SET OFF**

- 4.1 Where the Town has received an invoice from a taxpayer, resident or other debtor, the Town may satisfy the invoice by setting off such amount against any monies owed to the Town by the same taxpayer, resident or debtor.

5. **PRE-AUTHORIZED TAX PAYMENT PLAN**

- 5.1 Taxpayers of the Town shall have the right to enter into a Pre-Authorized Tax Payment Plan to provide for the payment of property taxes and local improvement taxes in equal monthly installments from January to December in any year.
- 5.2 The Plan shall commence on January 1st of each year provided that all taxes, local improvement taxes, tax arrears and penalties are fully paid on or before December 31st of the preceding year.
- 5.3 The monthly installments shall be due on the last day of each month and shall be made by pre-authorized charge to the Taxpayer's bank account.
- 5.4 The monthly installment amount for the months of January through to June shall be calculated at 1/12th of the previous year's total levy. The monthly installment amount for the months of July through to December shall be calculated at 1/6th of the remaining balance after the June installment.

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- 5.5 Any taxpayer who enters into the Pre-Authorized Tax Payment Plan will not be charged interest on any balance outstanding after the due date for property taxes in a year as defined in the Bylaw establishing mill rates for the taxation year, provided the taxpayer continues to make all installments on time under the Plan. The Senior Administrative Officer, or his designate, may cancel the privilege of continuing in the Plan if an installment fails to be honored. The unpaid balance of taxes, if any, shall be subject to penalties as defined in the Bylaw establishing mill rates for the taxation year.
- 5.6 Notwithstanding that a taxpayer enters into the Plan, if all property taxes and local improvement taxes are paid in full by the discount date as defined in the Bylaw establishing mill rates for the taxation year, the taxpayer will be entitled to the discount.