



**City of Kingston
Report to Council
Report Number 24-041**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: None
Date of Meeting: January 15, 2024
Subject: Strong Mayor Powers and the 2024 Budget Process

Council Strategic Plan Alignment:

Theme: Regulatory & compliance

Goal: See above

Executive Summary:

The purpose of this report is to provide information pertaining to changes in the budget process as a result of the [Strong Mayors, Building Homes Act, 2022, S.O. 2022, c. 18 - Bill 3](#), which amended the [Municipal Act, 2001](#) (the Act) by adding Part VI.1, Special Powers and Duties of the Head of Council.

Under Part VI.1, section 284.16, of the Act the powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the head of council of the municipality and the head of council must prepare a proposed budget for the municipality and provide the proposed budget to the council for the council's consideration. This report provides further information on the "Strong Mayor Powers" legislation and the impacts to the City's upcoming budget process.

Recommendation:

This report is for information only.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

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Options/Discussion:**Background**

Bill 3, Strong Mayors, Building Homes Act, 2022, which received Royal Assent on September 8, 2022, and came into force on November 23, 2022, provided special powers and duties to the mayors of the City of Toronto and the City of Ottawa. On June 16, 2023, the Ontario Government announced that the Mayoral Special Powers and Duties, as outlined in the *Municipal Act, 2001* (the Act) would be expanded to mayors in 26 municipalities, including the City of Kingston, effective July 1, 2023. This legislation and associated regulations (O. Reg. 530/22 and O. Reg. 580/22) provide the mayors with additional powers beyond those previously set out in the Act.

This report will focus specifically on those parts of the legislation which impact the City's upcoming annual budget process.

Analysis**Powers and Duties Regarding Budget**

Section 284.16 of the Act outlines a statutory process for the approval of municipal budgets that starts with the presentation of the Mayor's proposed budget, followed by the option for City Council to make amendments to the proposed budget, the Mayor's option to veto amendments, and City Council's option to override the Mayor's veto(es).

There are mechanisms in the Act to enable Council and the Mayor to shorten their respective amendment, veto and override periods. For example, Council could pass a resolution to shorten their amendment and override period, and the Mayor could provide written notice (via Mayoral Decision) to Council and the municipal Clerk to shorten the veto period. At the end of this process, the resulting budget is deemed to have been adopted.

The general provisions of the Act regarding the budget process are summarized below:

By February 1 of each year the Mayor must prepare and propose a budget to Council for consideration:

- Authority to prepare and propose the budget rests solely with Mayor
- This authority cannot be delegated to Council or staff
- Mayor can issue a staff direction for staff to prepare budget
- The Mayor must share the proposed budget with each member of Council and the municipal Clerk, and make it available to the public

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Once the Mayor proposes a budget, Council has 30 (calendar) days to meet and pass budget amendments:

- If there are no amendments within the 30-day time period, budget is deemed to have been adopted
- 30-day period can be shortened by Council resolution
- May require special Council meeting to meet 30-day timeline

Following the amendment period, the Mayor has 10 (calendar) days to veto budget amendments passed by Council:

- Mayor vetoes must be set out in a written veto document and include reasons for veto
- Mayor can shorten veto period via 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 been adopted

Within 15 days following the end of the veto period, Council may meet to attempt to override mayoral vetoes:

- Council override of mayoral veto requires 2/3 majority of the members of Council to pass
- Mayor can vote as a member of Council in a vote to override a veto
- 15-day veto period can be shortened by Council resolution
- After process of amendments, vetoes 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

Mayoral Direction

As outlined above, under the provisions of the Act, the authority to propose a budget resides solely with the Mayor. However, the Mayor can issue a direction for staff to undertake the work required to prepare a draft budget. In order to formalize this requirement for the 2024 budget, Mayoral Decision 2023-14 was issued, providing direction to staff to prepare a proposed balanced 2024 annual budget based on the following:

- a. prepare an operating and capital budget based on a property tax increase that is among the lowest of other large cities in Ontario, and that is no higher than 3.5%;

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- b. incorporate additional investments in initiatives to expand housing options, provide new transit and recreation opportunities, facilitate the transition to electrification and enable creative health care solutions for residents;
- c. incorporate sufficient investments for the initiatives outlined in the Council approved 2023-2026 Strategic Priorities and Implementation Plan;
- d. pause the annual levy for the Green Community Improvement Plan program of 0.16% for the 2024 fiscal year;
- e. continue public consultation for the 2024 annual budget and present a summary of feedback to Council for consideration with the draft 2024 annual budget; and
- f. prepare a staff report and a draft 2024 annual budget to be presented by the Mayor to Council for consideration on or before January 15, 2024.

Budget Adoption Process

The Mayor is scheduled to distribute the proposed 2024 operating and capital budgets to Council for consideration on January 5, 2024. The table below provides a chronology of the proposed next steps with respect to the budget adoption process under possible scenarios.

January 5, 2024	Mayor distributes proposed budgets to Council and the City Clerk
January 10, 2024	Proposed budgets are published on the City’s website as part of the January 15, 2024 Council agenda
January 15-16, 2024	Council budget presentations
January 16-17, 2024	Consideration of budget amendments, if any
If there are no budget amendments, a Council motion will be required on January 17, 2024 to shorten the 30-day amendment period to 12 days and the budget, as proposed, is deemed to have been adopted.	
If amendments are approved, the Mayor has 10 calendar days to veto budget amendments passed by Council.	
If veto power is not exercised, the budget, as amended, is deemed to have been adopted (the Mayor can shorten the veto period by Mayoral Decision).	

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If the Mayor exercises veto powers, the veto(s) must be set out in a written veto document and include reasons for the veto.

Within 15 days of the veto period ending, Council may meet to attempt to override Mayoral vetoes; Council override of Mayoral veto requires 2/3 majority of the members of Council to pass.

After the process of amendments, vetoes and overrides has passed, the amended budget is deemed to have been passed. Budget bylaws are no longer required.

Next steps

Under the new “Strong Mayor Powers”, Council has 30 days from January 5th to propose any amendments, if required, to the proposed budgets.

Council presentations are scheduled to be held for up to three nights starting January 15, 2024. The agenda will allow for time for consideration of amendments, if required. This would allow for the budget process to be finalized and the budgets adopted by the end of the final night, similar to previous years. A motion of Council would be required to shorten the 30-day amendment period to 12 days.

To provide staff time to review and provide information on the impacts of any amendments, staff request that amendments be submitted to the City Clerk by 12:00 pm on January 14, 2024.

The budget meeting agenda, including the proposed budgets, will be posted on the City’s website on January 10, 2024.

Existing Policy/By-Law

Bill 3, Strong Mayors, Building Homes Act, 2022

Municipal Act, 2001

Financial Considerations

None

Contacts

Janet Jaynes, City Clerk 613-546-4291 extension 1262

Jenna Morley, Director, Legal Services & City Solicitor 613-546-4291 extension 1365

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Other City of Kingston Staff Consulted

None

Exhibits Attached

None