

Authority: Notice of Motion, moved by Mayor Lastman,  
seconded by Councillor Ootes, and  
Report dated December 24, 1997,  
from the Chief Administrative Officer,  
adopted by Council on January 6, 1998

Intended for first presentation to Council: January 6, 1998

Adopted by Council: January 6, 1998

## **CITY OF TORONTO**

### **BY-LAW No. 7-1998**

#### **To confer certain authorities and responsibilities with respect to the appropriation and commitment of funds and the payment of accounts of the City of Toronto and other related matters on an interim basis.**

WHEREAS the City of Toronto Act, 1997, provides that by-laws and resolutions of the former municipalities of Toronto, York, East York, North York, Scarborough, Etobicoke and Metropolitan Toronto (the "old municipalities") are deemed to be by-laws and resolutions of the Council of the City of Toronto and remain in force in respect of the part of the urban area to which they applied immediately before January 1, 1998 until Council repeals or amends these by-laws and resolutions; and

WHEREAS the by-laws and resolutions of the old municipalities designate officials with authority to commit and expend corporate funds within prescribed monetary and other limits (the "designations"); and

WHEREAS the officials may, pursuant to the by-laws and resolutions, further designate employees within their responsibility and control to commit and expend corporate funds within further prescribed monetary and other limits (the "sub-designations") ; and

WHEREAS pending the determination by Council of the organizational structure of the City of Toronto and the selection and hiring of employees of executive rank for the City of Toronto, it is deemed appropriate and necessary to continue all designations and sub-designations in order to achieve an orderly transition; and

WHEREAS it is also necessary that, at the same time, Council should control all spending during the transition period through an official or officials hired pursuant to the provisions of the City of Toronto Act, 1997 or appointed by the Council; and

WHEREAS the transition period will involve the integration of various components of the seven old municipalities into one organization and the unification of a variety of existing administrative practices; and

WHEREAS the existing designations and sub-designations are, in some cases, included as part of a system of procurement controls and practices which vary among the old municipalities and which should continue until a comprehensive financial control by-law may be enacted which is consistent with the organizational structure determined by Council; and

WHEREAS it is deemed appropriate that Council establish financial controls during the transition period by authorizing the Chief Administrative Officer to modify existing designations and sub-designations where necessary for the effective, orderly and efficient administration of the City of Toronto;

The Council of the City of Toronto HEREBY ENACTS as follows:

**1. Definitions**

In this by-law:

"account" means a financial liability of the City arising from a commitment and evidenced by any invoice, pay sheet, receipt or other document indicating payment is due for the goods or services specified in the account;

"appropriation" means the allocation of funds by Council for a specified purpose and shown as such in the estimates;

"approval of Council" means the approval of Council and includes the approval of a project by the council of one of the old municipalities;

"Chief Administrative Officer" means the Chief Administrative Officer of the City ;

"City" means the City of Toronto;

"Council" means the council of the City;

"estimates" means the estimates adopted by the Council in accordance with section 4 and includes the interim appropriations referred to in section 5;

"old municipalities" has the same meaning as in the City of Toronto Act, 1997;

"project" means an undertaking, work or scheme included in the capital works program and funded by long term borrowing; and

"Treasurer" means the Chief Financial Officer & Treasurer of the City.

Part I  
General

**2. Sole Authority:**

Council has the sole authority to allocate funds to corporate appropriations and projects and for approving corporate programs and objectives.

**3. Purpose:**

The commitment of funds and payment of accounts of the City shall be carried out in accordance with the provisions of this by-law.

Part II  
Appropriations

**4.** Estimates:

Council, in adopting the estimates of all sums required during the year for the purposes of the City in accordance with the Municipal Act, shall determine the sums required for every purpose and the sums required for the various categories of purposes, as determined by Council, shall be an appropriation.

**5.** Interim Appropriations:

Council shall, before the adoption of the estimates for a year, adopt interim appropriations for the sums required in that year for the period from the 1st day of January to the date the estimates for that year are adopted.

**6.** Transfers:

(1) The Chief Administrative Officer may reallocate sums from one appropriation to another of not more than \$250,000.00 per reallocation provided that any such reallocation shall be reported to Council not later than the second regular Council meeting following the reallocation.

(2) The Chief Administrative Officer may reallocate sums from one capital account to another of not more than \$250,000.00 per reallocation provided that any such reallocation shall be reported to Council not later than the second regular Council meeting following the reallocation.

Part III  
Capital Works Program

**7.** Projects:

(1) Council in adopting the capital works program shall determine the sums required for every purpose and each category of purpose shall be a project and each sum provided therefor shall be a capital account.

(2) Notwithstanding the inclusion of a project within the capital works program adopted by Council, each individual project therein, including the funding therefor, must have the approval of Council.

Part IV  
Council Approval

**8. Approval:**

No commitment shall be made, no debt shall be incurred, no expenditure shall be made and no account shall be paid by or on behalf of the City except with the approval of Council or in accordance with the authority granted in accordance with the provisions of this by-law.

**9. Authority of Chief Administrative Officer**

The Chief Administrative Officer may make a commitment in respect of any corporate expense not exceeding \$500,000.00 in any one instance provided that the approval of Council has been given by way of an appropriation in the estimates for that purpose or by way of an approval of Council of the project.

**10. Treasurer's Authority:**

Notwithstanding any other provision in this by-law, the Treasurer is authorized to pay the following accounts provided that funds are available in the appropriation or capital account for the purpose:

- (a) all salaries, wages, and benefits due to any person in the employ of the City;
- (b) all retiring allowances and mandatory sick pay grants due to any person previously in the employ of the City;
- (c) all accounts for telephones, postage and utilities supplied to the City;
- (d) all accounts for fees and levies payable to the federal, provincial or other municipal government, or to any agency, board or commission thereof;
- (e) all accounts for payment of principal or interest on debentures, loans or overdrafts, including foreign exchange;
- (f) all accounts for payment to the School Board of amounts raised for it by tax levy;
- (g) all accounts for advances to agencies, boards and commissions on account of the appropriations therefor authorized by Council;
- (h) all accounts for advance to the Toronto Transit Commission or the School Board on account of capital works, pending the issuance of debentures where all necessary authorizations of such capital works have been received, such advances to be made after receipt of a written request; and

- (i) all accounts relating to employee pension deductions and employer pension contributions in respect of the salaries and wages to those persons who are paid by or employed by the City, and which are payable in respect of any duly authorized registered pension plan on behalf of the respective employees.

Part V  
Administration

**11. Designation:**

(1) Subject to subsection 14(2), the Chief Administrative Officer shall maintain a current schedule specifying the names and positions, or both, of officials and employees having financial signing authority on behalf of the City and the monetary limits of each. The Chief Administrative Officer may limit the authority to particular classes of commitment and may attach conditions to its exercise all of which shall be set out in the schedule. The Chief Administrative Officer may from time to time amend and update any schedule prepared and filed under this section or deemed to be filed under subsection 14(2).

(2) Any schedule prepared by the Chief Administrative Officer pursuant to subsection 1 shall be signed by the Chief Administrative Officer and a copy, with specimen signatures of the designated officials and employees referred to in subsection 1, shall be filed with the Treasurer for the purposes of proper financial control.

(3) Subsection 2 applies with any necessary modifications to any amendment to the schedule made by the Chief Administrative Officer.

**12. Execution:**

Where a commitment is made in accordance with the provisions of this by-law, the appropriate officials are authorized to take the necessary action to give effect thereto including the execution of any necessary agreement or other document.

**13. Controls:**

The Treasurer shall carry out whatever tests and inquiries are appropriate to ensure that satisfactory internal control practices are followed and that the terms of this by-law are duly carried out and the Treasurer is authorized to issue administrative directives for this purpose to be followed by officials and employees.

**14. Transition and Repeal of Existing By-laws and Resolutions**

- (1) Except to the extent preserved by subsection 2,
  - (a) any provision in a by-law or resolution of the old municipalities which was in effect on December 31st, 1997 which designates officials or employees having financial authority to make commitments or establishes monetary limits therefor or that is otherwise inconsistent with the authority of the Chief Administrative Officer granted

pursuant to sections 6, 9 or 11 of this by-law or granted to the Treasurer pursuant to section 10 is repealed and of no force and effect, and

- (b) any sub-designation by an official or employee of the old municipalities pursuant to a by-law or resolution which is repealed by clause 1(a) of this section is revoked and of no force and effect.

(2) On the date this by-law comes into force, the Chief Administrative Officer shall be deemed to have filed a schedule in accordance with section 11 designating officials and employees having financial authority to make commitments on behalf of the City up to the monetary limits established in the by-laws and resolutions repealed by clause 1(a) of this section and in the sub-designations revoked by clause 1(b) of this section. Any monetary limit in the schedule deemed to have been filed under this section shall not exceed the limits of the Chief Administrative Officer and the Treasurer otherwise provided under this by-law.

(3) Where this by-law conflicts with any provision of any other by-law or resolution designating officials and employees having financial authority to make commitments on behalf of the City and establishing monetary limits thereof, this by-law prevails to the extent of the conflict.

ENACTED AND PASSED this 6th day of January, A.D. 1998.

MEL LASTMAN,  
Mayor

NOVINA WONG,  
City Clerk

(Corporate Seal)