

The following Financial Council Policies are being updated:

C-FS-01 Financial Reserves

C-FS-02 Investments

C-FS-04 Cash Management

C-FS-11 Operating and Capital Carry Forwards and Closed Projects

C-FS-16 Municipal Fees and Charges

C-FS-19 Taxation of Vacant Residential Lands

The full list of changes made are listed below:

C-FS-01 Financial Reserves

Definitions

Update definitions section to provide definitions for commonly used terms.

Service Standards/Expectations

1. Update number 6 to align with current reporting and provide consistent wording on policy review.
2. Update verbiage to add more clarity.

Cross References

3. Update to reflect current policies and remove Administrative Directives.

Attachments

Update Schedule numbers and names to reflect actual.

Schedule O1 Stabilization

1. Add in a minimum balance of 2%. This has been added to ensure the City has funds available to cover costs that may arise due to a disaster or other emergent needs. If the reserve is below the minimum balance, Administration will recommend any year end surpluses to be transferred to the Stabilization reserve first to meet the minimum balance.
2. Update the ceiling to be 10% of current municipal operating budget. This has been updated due to the addition of a minimum balance and to ensure the reserve has a healthy balance and is in line with other municipalities.

Schedule O2 Operating Program

3. Remove reference to "Athlete and Artist Development Grant" as this is no longer being offered.
4. Remove reference to Policy C-ED-06 which was rescinded when C-CC-23 Civic Granting Policy was approved.

Schedule O3 Risk Management

1. Fix the ceiling limit to align with other reserves.
2. Update reserve to non-interest bearing as the nature of the reserve is not bound by external requirements to require an interest allocation.

Schedule O5 Children's Festival Fund

1. Update reserve to non-interest bearing as the nature of the reserve is not bound by external requirements to require an interest allocation.

Schedule O6 RCMP Contract Expense Reserve

1. Update reserve ceiling to eight full time RCMP as approved by Council.

Schedule O7 Safety Enhancement Reserve

1. Include Council approved budget transfer in source of funding to align with Council approved transfer into the reserve.
2. Remove additional application of 10% of current year's second quarter uncommitted balance. The Operating budget now has an annual transfer from the reserve to fund safety initiatives. As a result, this calculation is no longer required.

Schedule O8 Election and Census Reserve

1. Include budget transfer for census in Source of Funding as this was not originally identified.
2. Remove set years in application for Census to ensure application only used when census is completed.

Schedule C1 Internal Financing

5. Update reserve to non-interest bearing as the nature of the reserve is not bound by external requirements to require an interest allocation.

Consolidate Schedules C2 Major Recreational Lands & Facilities Reserve and C5 Municipal Land & Facilities Reserve into C2 Land & Facilities

1. Consolidate schedules and rename Land & Facilities. The current C2 is only to be used for the purchase or development of recreational land and facilities and the current C5 is only to be used for commercial/ non recreational land and facilities. Amalgamating the two reserves will to maximize the funds available for Council prioritized projects.
2. Remove reference to City Wide and Neighborhood funds. These funds related to Capital Contribution Agreements are no longer collected and funds have been expended.
3. Update Source of Funding for Parkland Fund to clarify compliance with the Municipal Government Act.
4. Update reserve to non-interest bearing as the nature of the reserve is not bound by external requirements to require an interest allocation.

Schedule C3 Offsite Levy Recovery Fund (OLRF)

1. Remove Fund section as there is only one fund within the reserve.
2. Update source of funding to remove one time contributions from developers as these are no longer being collected.

Schedule C4 Lifecycle Reserve

1. Update City Playground fund to Park and Outdoor Recreation Amenities to reflect new name and understanding that the reserve encompasses more than just the playground structures.
2. Added a new fund for Heritage Buildings. This fund will be used to manage the planned and responsive maintenance of existing Heritage Facilities. Currently no other lifecycle funds incorporate Heritage Facilities, and this fund will address this gap and will be funded out of current operating transfer to lifecycle funds.
3. Remove donations, corporate investment and grants from source of funding as these are not applied to the reserve but would be allocated directly to projects.
4. Remove reference to administrative policy as Administrative Policies should not be referenced in Council policies.
5. Update Interest bearing for all funds to ensure consistency.

Schedule C6 Growth Stabilization

1. Update source of funding to align with C-FS-05 Budget and Taxation Guiding Principles.

Schedule C7 Energy Efficiency

1. Remove year end transfer of energy savings into the reserve. The impacts of energy savings can take several years to come into effect and are often difficult to quantify. As the City looks to invest in energy efficient projects the goal is to mitigate future budget increases, and such any potential savings should net against the operating budget.
2. A new fund, the Clean Energy Improvement Program (CEIP), has been established to track loan loss provisions (a component of the Federation of Canadian Municipalities (FCM) grant) and interest earned on resident loans. This fund will be used to manage any loan defaults and future interest payments on the City's line of credit. After FCM grant reporting is complete, any remaining funds from the loan loss provision component may be redirected toward other energy efficiency initiatives. Similarly, once the line of credit is fully repaid, any remaining earned interest may also be allocated to support additional energy efficiency initiatives.

Schedule UC1 Utility Capital Reserve

1. Minor updates to wording for clarity.

Schedule OA1 Outside Agency Operating

1. Remove reference to Food Bank/Community Village Building Fund as this fund was discontinued in 2018, and all funds were expended.

C-FS-02 Investments

Definitions

1. Removed definitions no longer referenced in the policy or not applicable
2. Added definitions that reflects updates in the policy

Responsibilities

1. Moved some points under responsibilities to service standards section/expectations section

Service Standards/Expectations

1. Points were moved from responsibilities as they fit better in this category.
2. Updated wording for "Maintenance of Liquidity" to be more concise and removed repetition as it already refers to the same in another section.
3. Added ethical standards that portfolio managers need to adhere to for custodian managed funds
4. Removed redundancies in this section.
5. Removed reference to investments in commercial papers, as this is covered under MGA regulations.
6. Updated City Managed Funds from terms of up to 3 years to up to 5 years to allow for more flexibility with cashflow needs and the ability to lock in at potentially higher interest rates. Also changed approval to "Director most responsible for Finance". Removed references to terms.

Policy Review

1. Added section on policy review and statement on timing of policy review.

Schedule I - City Managed Funds

1. Added second column for total portfolio limits to provide more clarity on maximums on the overall cash and short term investment portfolio. Total portfolio limit maximum percentages are listed to reflect risk tolerance levels in each of the categories.
2. To increase maximum investment percentages from 75% to 100% on securities issued by the Federal Government as very low risk. Reduced maximum investment percentages to 50% and 20% from 75% and 50% respectively in provincial and municipal government to ensure diversification.
3. Reduced maximum investment percentage per institution in the other categories to 50% from 75% to allow for more diversification.
4. Added footnote to clarify A and AA categories include low to high ratings.

Schedule II – Custodian Managed Funds

1. Updated second column to include total portfolio limits to provide more clarity on maximums on the overall financial investment portfolio (longer term investments). Total portfolio limit maximum percentages are listed to reflect risk tolerance levels in each of the categories. The same limits are used in City managed funds to be consistent.
2. Removed footnote on minimum requirement of 30% investment in government securities to allow for more flexibility in investing in other safe instruments.
3. Added footnote to further restrict investments in a specific security to a maximum of 15%
4. Added footnote to clarify A and AA categories include low to high ratings.
5. Added a table for credit quality to include minimum and maximum percentages the city can invest in each of the Debt Ratings to further reduce risk of investing in low rating instruments. No investments are allowed under A-, Maximum of 75% in A- and minimum of 25% to be invested in AA- or higher rated instruments.

C-FS-04 Cash Management

1. Update to include responsibilities section
2. Update statement on timing of policy review.

C-FS-11 Operating and Capital Carry Forwards and Closed Projects

1. Update Policy Statement. The current statement is very descriptive and explained in the Service Standard/Expectations. The updated statement provides a more holistic understanding of the policy.
2. Update wording to remove reference to Governance, Priorities and Finance Committee as operating and capital projects are provided directly to Council.
3. Remove reference to number of years a project is able to be carried forward. As Council approves all operating and capital carry forwards annually this statement is not required.
4. Include a statement on policy review.

C-FS-16 Municipal Fees and Charges

Definitions

Remove definitions not referenced in policy.

Service Standards/Expectations

Include statement on policy review.

Schedule 1 – Assessment and Tax Enquiry Fees

1. Update market review to end of year to align with current practice
2. Remove references to fees which are not included in the schedule

Schedule 2 – Transit Fares

1. Include definitions relating to Arc.
2. Remove repetition of age ranges in Standards j. as they are referenced in section 4 (Rider Categories) and include fare product pricing for “All Aboard” program.
3. Include reference to Arc pricing principles
4. Remove reference of Council approval for U-Pass to align with practice.

Schedule 9 – St. Albert Place Visual Arts Studio Fees

1. Remove reference to Profiles Gallery Studio Tour Program as it no longer exists.
2. Update SAP Visual Arts Studio Fees to exclude Arts and Heritage Foundation.
3. Include the Arts and Heritage Foundation in the St. Albert Place Visual Arts Council (“SAPVAC”)
4. Update the SAP Studios standards to include Arts Gallery of St Albert and Arts and Heritage Foundation programs
5. Update the SAPVAC standards to remove the encouragement to host up to two workshops each year.

C-FS-19 Taxation of Vacant Residential Lands

Applicable Properties

1. Included new residential land use classifications.
2. Removed outdated examples that cite a specific year.

Excluded Properties

1. Added non-residential land use classification(s) that are not subject to the policy.

Reversion to Regular Residential Tax Rate

1. Once a property is improved, the tax rate reversion will be enacted in the following tax year. Prior, it was pro-rated within the tax year.

Policy Review

1. Include statement on policy review.