



## Legislation Details (With Text)

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**Title:** Annual Review of Financial Policies  
Presented by: Diane McMordie, Director, Finance & Assessment Department/CFO

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. C-FS-01 - Financial Reserves RED LINE, 2. C-FS-01 - Financial Reserves CLEAN (changes incorporated), 3. C-FS-02 - Investment RED LINE, 4. C-FS-02 - Investment CLEAN (changes incorporated), 5. C-FS-03 - Debt Management RED LINE, 6. C-FS-03 - Debt Management CLEAN (changes incorporated), 7. C-FS-05 - Budget and Taxation Guiding Principles RED LINE, 8. C-FS-05 - Budget and Taxation Guiding Principles CLEAN (changes incorporated), 9. C-FS-16 - Municipal Fees and Charges RED LINE, 10. C-FS-16 - Municipal Fees and Charges CLEAN (changes incorporated)

Date	Ver.	Action By	Action	Result
10/15/2019	1	Governance, Priorities and Finance Committee	approved	

TAMRMS#: B09

### Annual Review of Financial Policies

Presented by: Diane McMordie, Director, Finance & Assessment Department/CFO

### RECOMMENDATION:

That the Governance, Priorities and Finance Committee recommend to Council that amendments to the following Council Policies, provided as attachments to the October 15, 2019 Agenda Report titled "Annual Review of Financial Policies", be approved:

C-FS-01 Financial Reserves

C-FS-02 Investments

C-FS-03 Debt Management

C-FS-05 Budget and Taxation Guiding Principles

C-FS-16 Municipal Fees and Charges

### PURPOSE OF REPORT

Each year, Administration is required by policy to review specific Council financial policies. All such policies have been reviewed by Administration and proposed amendments are provided to Council for consideration. Some of the recommendations are based on specific Council motions and others are recommendations from administration for purposes of completeness and clarity.

## **ALIGNMENT TO COUNCIL STRATEGIC PRIORITY**

N/A

## **ALIGNMENT TO SERVICE DELIVERY**

Financial Control

Development of financial policies and procedures to ensure appropriate financial internal controls are in place. Fiscal responsibility is ensured through monitoring and compliance of policies and procedures.

## **ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION**

On June 24, 2019 Council passed the following motion

(CB-19-012)

That Council Policy C-FS-05 - Budget and Guiding Principles be amended to incorporate the following:

That effective for the 2020, 2021 and 2022 budget, the equivalent of a 1.50% property tax increase be included in the municipal tax requirement and specifically targeted to capital reserves to support the repair, maintenance and replacement of existing capital assets.

On February 19, 2019 Council passed the following motion

(CM-19-006)

That administration bring forward amendments to C-FS-05 Budget Guiding Principles that clarifies a council motion is required to add or remove a capital project charter from the 10 year plan.

## **BACKGROUND AND DISCUSSION**

Both redlined and incorporated versions of each policy are provided as attachments to the October 15, 2019 agenda report titled "Annual Review of Financial Policies". The following section seeks to provide an overview of the proposed changes with specific attention to any changes deemed significant.

### **C-FS-01 Financial Reserves**

1. Update cross references
2. Updated schedule O3 Operating program to revise program name from Games Legacy to Athlete and Artist Development Grant

## **C-FS-02 Investments**

1. Amend the definition of short-term investment under section 8.b. to include investments as short as one year.

Typical investments of this short duration are managed directly by the City, however new authorized products are becoming available that allow the purchase of what were originally longer term bonds that are in the later stages of their maturity. These products are made available to us through our contracted long term investment custodians. Many of these products are generating good returns.

## **C-FS-03 Debt Management**

1. Update definitions for Internal Borrowing and Tax Levy Revenues
2. Updated under CAO responsibilities the requirement for borrowing bylaws to comply not only with MGA requirements but also to Council Policy C-CAO-22 Borrowing Bylaw Advertising

## **C-FS-05 Budget and Taxation Guiding Principles**

1. Update Cross References
2. Incorporate direction provided through Council motions
3. Remove reference to the phase out of MSI from Utilities

## **C-FS-16 Municipal Fees and Charges**

Schedule 2 - Transit Fares - Updated reference from City Manager to Chief Administrative Officer

Schedule 5 - Arden Theatre Rental Fees - updated reference to City of Edmonton - The Orange Hub which was previously Grant MacEwan's John L Haar Theater

Schedule 8 - Recreation Facility Rental Fees & Schedule 9 - Recreation Facility User Fees

Significant changes were proposed for 2019 to Schedules 8 and 9 of Council Policy C-FS-16: Municipal Fees and Charges. A high-level summary of these changes has been included below:

1. The policy statements had remained unchanged from before the amalgamation of the Servus Place and Recreation Services departments, both of which contained statements around recreation facility rental fees and recreation facility user fees. A realignment was done of the existing policy statements to reflect one schedule for recreation facility rental fees and one for recreation facility user fees. These changes were all logistical.
2. Following the logistical realignment of the fee statements, existing statements were evaluated from the department perspective, providing a cohesive structure for order and language in the statements in the schedules while continuing to provide Administration with the flexibility they need to set the fees. The main sections of the statements loosely follow this structure:
  - a. Who/what the fees apply to.
  - b. Market comparators.
  - c. Consistency in fees.
  - d. Timing of fee changes.

## STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

## IMPLICATIONS OF RECOMMENDATION(S)

### Financial:

None at this time

### Legal / Risk:

Recommended changes will ensure that Council policies are up to date, relevant, legislatively compliant, support best practice and reflect specific direction provided by Council.

### Program or Service:

None at this time

### Organizational:

None at this time

## ALTERNATIVES AND IMPLICATIONS CONSIDERED

Council may choose to approve only some or none of the recommendations provided or may provide specific alternate direction for administration to incorporate and bring back to the Governance Priorities and Finance committee or Council for further review or approval.

Implications: Some of the recommendations are related to previous Council direction and are required to be incorporated/excluded into/from the relevant policies.

Report Date: October 15, 2019

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