

Subject: Fiscal Responsibility Policy - FIN-160

APPROVALS:

Kola Oladimeji, Director
Elsie Hutton, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendation:

THAT Fiscal Responsibility Policy – FIN-160 dated July 14, 2015 be recommended to Council for approval.

Summary:

A Fiscal Responsibility Policy provides a framework for fiscal governance to ensure financial sustainability.

Through the use of the Council approved annual budget the spending authority is granted. The Policy includes the Emerging Issues Reserve (EIR) and Capital Infrastructure Reserve (CIR) guidelines which is an effective framework that allows the Municipality to respond to unanticipated expenditure requirements.

The existing Policy was approved by Council on April 26, 2011 and is now due for revision after four years. The updated Policy includes a review cycle of three years to maintain consistency with other policies. There is no significant change from the previous policy other than meeting the four year revision requirement and changing the revision period to three years.

Background:

A Fiscal Responsibility Policy provides a framework for fiscal decisions to ensure fiscal stability and reaffirm fiscal stability reserve parameters. The reserves provide financial flexibility for the Municipality to respond to emerging issues as well as fund unanticipated capital acquisition requirements.

The Fiscal Responsibility Policy is now due for revision as outlined in the policy.

Through this policy, both reserves will continue to maintain a minimum uncommitted balance of \$50,000,000 each. The minimum uncommitted balance levels have been established after consideration of potential financial risks that the Municipality may face.

Budget/Financial Implications:

The 2015-2017 Fiscal Management Strategy document is based on the Fiscal Responsibility Policy FIN-160 on the Emerging Issues Reserve and Capital Infrastructure Reserve limits of \$50M minimum uncommitted balance.

Rationale for Recommendation:

The policy will continue to provide a mechanism to respond to Operating and Capital budget changes within the approved framework and limits as indicated in the policy. Approval of this policy will support the fiscal strategy embodied in the 2015 - 2017 Fiscal Management Strategy.

Attachment:

1. Fiscal Responsibility Policy – FIN-160