

CITY OF FORT SASKATCHEWAN

Allocation of Operating Budget Surplus Policy FIN-022-C and Historical Staff Surpluses and Mitigation Strategies

Motion:

That Council adopt Allocation of Operating Budget Surplus Policy FIN-022-C.

Purpose:

To present Allocation of Operating Budget Surplus Policy FIN-022-C for adoption by Council, and to report information on historical staff surpluses and possible mitigation strategies.

Background:

At the April 25, 2017 regular Council meeting, Council was provided an update on the 2016 operating budget surplus. Pursuant to Council Resolution R89-15, and in the absence of a formal surplus policy, the 2016 operating budget surplus was allocated equally between the Self-Financing Infrastructure Reserve, the Land Purchases Reserve, and the Financial Stabilization Reserve.

At the June 13, 2017 regular Council meeting, Council directed Administration to provide Council with a surplus policy and a comprehensive report on the historical staff surplus and possible mitigation strategies to be presented at the July 10, 2017 regular Council meeting.

A major objective of the City is to sustain a financially viable municipality that can provide an adequate level of municipal services and support the City's long term capital plan. The City recognizes that an important component for reaching and maintaining this objective is the management of operating budget surpluses.

Policy FIN-022-C provides guidelines for the allocation of an operating budget surplus.

Further to this, Administration is preparing a Budget Policy to establish principles and guidelines for the preparation of budgets, to support the management of revenues and expenditures, and to control operating budget surpluses. The Budget Policy is expected to be presented to Council at the regular Council meeting scheduled on September 12, 2017.

Financial Implications:

Following adoption by Council, Policy FIN-022-C will provide guidance for the allocation of operating budget surpluses starting with the 2017 year end.

Attachments:

1. Appendix A – Allocation of Operating Budget Surplus Policy – FIN-022-C
2. Appendix B – Historical Staff Surpluses and Mitigation Strategies

File No.:

Prepared by:	Jeremy Emann Chief Financial Officer	Date: June 22, 2017
Approved by:	John Dance General Manager, Corporate Services	Date: June 30, 2017
Reviewed by:	Troy Fleming Interim City Manager	Date: July 4, 2017
Submitted to:	City Council	Date: July 10, 2017