

REPORT

REPORT TO: Chair and Members of Budget Committee

REPORT FROM: Wendy O'Donnell, CPA, CGA, Deputy Treasurer/Manager of Revenue and Taxation

DATE: December 5, 2018

REPORT NO.: CORPSERV-2019-0008

RE: Financial Management Policies

RECOMMENDATION:

THAT Report No. CORPSERV-2019-0008 dated December 5, 2018 regarding Financial Management Policies be received;

AND THAT the following Financial Management Policies be approved:

Appendix A – Capital Budget Governance
Appendix B – Debt Management

BACKGROUND:

Financial policies are central to a strategic, long-term approach to financial management and to safeguarding the Town's assets.

Where possible throughout the process, Town staff have consulted with area municipalities and sought guidance from professional and industry association publications (examples: Municipal Finance Officers Association, Chartered Professional Accountants of Canada, etc.).

COMMENTS:

Each policy is attached as an appendix. A brief description of each policy is outlined below.

Capital Budget Governance

This policy establishes financial controls that maintain public accountability and transparency while allowing flexibility to alter projects as circumstances change.

The Policy includes guidelines for staff in the management of the Town's Capital program in the areas of budget development, control and reporting.

An area of note is the approval process for budget adjustments:

- Treasurer can authorize additional gross expenditures of the lessor of 10% or \$25,000
- In addition to the Treasurer's authority, the CAO can approve up to \$75,000 in additional gross expenditures
- All other adjustments will be via Council report

Capital variance reporting will be provided semi-annually at minimum (June 30 and December 31).

Staff will update the Town's current Capital Surcharge program in early 2019 for implementation in the 2020 Capital Budget and Forecast.

Debt Management

This policy was developed as part of the Long Range Financial Plan.

Areas of note:

- Maintain a 10 year debt issuance but with flexibility to issue longer term loans subject to special Council approval
- Governance for third party debt and reciprocal agreements

RELATIONSHIP TO STRATEGIC PLAN:

This report supports the priority around Municipal Service Delivery with respect to the effective, efficient and economical delivery of the Town's existing services.

FINANCIAL IMPACT:

The establishment of a strong financial policy framework is critical to sound decision-making in support of Council's strategic priorities.

The proposed policies promote the effective use of the Town's assets and provide guidance to staff in the delivery of services.

CONSULTATION:

This policy was developed by benchmarking with area local municipalities and various financial institutions. Review by the Senior Management Team was also conducted.

PUBLIC ENGAGEMENT:

This report is an administrative matter and is not applicable.

SUSTAINABILITY IMPLICATIONS:

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report is not applicable to the Strategy's implementation.

COMMUNICATIONS:

This report is an administrative matter and is not applicable.

CONCLUSION:

The development of formal policies provides for a responsible, responsive and transparent management of the Town's financial stewardship. Staff will continue to develop financial policies for Council's consideration.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "M. J. Leighton".

Moya Jane Leighton, Manager of Accounting and Town Treasurer

A handwritten signature in black ink, appearing to read "Jane Diamanti".

Jane Diamanti, Acting CAO