

**SUBJECT: FINANCIAL SUSTAINABILITY PLAN**

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**1. BACKGROUND**

This document outlines the goals and objectives of the Financial Sustainability Plan (the "Plan"), and summarizes the policies, financial planning tools and reporting that comprise the Plan.

**2. GOALS & PRINCIPLES OF THE PLAN**

- Align with the objectives and strategies contained within the Community Action Plan
- Enhance the Town's short and long term financial strength and sustainability
- Provide a comprehensive framework to guide and assist priority setting and decision making by Council
- Protect and maintain the Town's infrastructure and other capital assets
- Maintain programs and services at their desired levels
- Provide the financial flexibility necessary to leverage future opportunities
- Minimize financial vulnerability during economic downturns
- Maintain a reasonable sharing of the tax burden between current and future taxpayers

**3. POLICIES**

The following financial policies support the stated goals and objectives of the Plan.

- #121 Discretionary Reserve Administration
- #122 Discretionary Stabilization Reserves
- #123 Discretionary Capital Reserves
- #124 Long Term Debt Management
- #127 Capital Expenditure Control
- #128 Operating Budget Management
- #129 Annual Review of User Fees & Charges
- #130 Investments
- #131 Commodity Price Hedging
- #132 Leasing

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#### 4. FINANCIAL PLANNING TOOLS

The Town utilizes the following short and long term financial planning tools:

##### Annual Operating and Capital Budgets

- Subject to the requirements of the *Municipal Act, 2001*

##### General Levy Forecast (GLF)

- A four year, high level summary of items impacting the general (tax) levy requirement
- Includes, but is not limited to:
  - Base Operating Budget, adjusted for growth and annualizations
  - New Items: Full and Part Time staff plus new and expanded programs/initiatives
  - Other Financial Inputs: Reserve Allocations, Debt Payments, Specific Council Identified Items
- GLF information/data is used by Council to set or confirm the target tax rate increase for the upcoming budget year

##### Long Range Capital Forecast (LRCF)

- A four year, fully funded forecast of the Town's future capital requirements, that complements the annual capital budget
- Is reviewed and revised each year as part of the annual budget process

##### Operating Budget Forecast

- A detailed in-year reforecast of all operating budget revenues and expenditures
- Results in a calculation of the forecast surplus or deficit for the current budget year
- Identifies issues that may need to be addressed in the following year's budget
- The forecast surplus/deficit and details on major variances are reported to Council through a General Government Committee (GGC) report

#### 5. FINANCIAL REPORTING

The reporting to Council on the Town's financial activities, including the Plan, is accomplished through General Government Committee reports on:

- Financial Planning Tools identified in Section 4 of this policy
- Actual Operating Budget Surplus, including explanations of major variances from budget
- Capital Account Closing Reports
- Various activities in the areas of financial planning and management, budgets, forecasts

APPROVED: General Government Committee  
(AUTHORITY)

15 / 06 / 25  
(DATE)

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