

<b>Policy</b>	Financial Sustainability	<b>Policy No.</b>	60
<b>Effective Date</b>	June 6, 2018	<b>Approved by</b>	Council
<b>Date Amended</b>	n/a	<b>Resolution No.</b>	R119/2018
<b>Date Established</b>	June 5, 2018		

## PURPOSE

The Financial Sustainability Policy is to provide financial management principles for staff and Council to consider when undertaking financial recommendations and decisions. The Policy is intended to guide the Village towards a financially sustainable future.

## DEFINITIONS

**Financial Sustainability** means being able to manage likely development and expected financial shocks in future periods without having to introduce substantial and economically significant revenue, expenditure or service level adjustments.

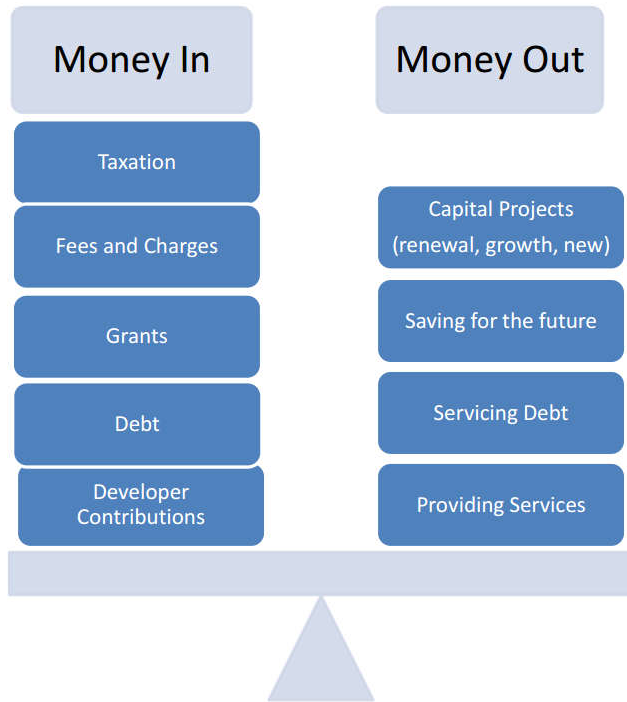
**Village** means the Village of Anmore.

## POLICY

### Guiding Principles

1. Resilience – The Village shall operate in a manner that will allow it to successfully adapt to future challenges or events.
2. Flexible – Financial decisions ensure future flexibility to adapt to opportunities and changing circumstances.
3. Fairness – As far as is reasonably possible, the Village shall operate in a manner that takes into account the financial effects on future generations as well as on the distributional impact on the current population.
4. Value – The Village shall ensure that it provides value for money, that public resources are put to the best possible use and that surplus assets are disposed of.
5. Transparent – Financial strategies, plans and processes are accessible and visible.

Fiscal Balance



Property Taxes

1. Tax revenues, in combination with other reliable sources of revenue, recognize the full cost of delivering services and are sufficient to support the long term goals of the community.
2. Property tax increases will be kept as consistent as possible over time.
3. Everyone pays a fair amount for the services that are available to them.

Utility User Fees

1. Utility revenues recognize the full cost of delivering the service and are sufficient to support the long term goals of the community.
2. Increases to utility user fees will be kept as consistent as possible over time.
3. Everyone pays a fair amount for the services they are able to receive.

Reserve and Surplus Funds

1. Accumulated surplus shall only be used for emergencies or emergent opportunities.
2. Annual contributions to reserves will be budgeted for and the targeted amounts will be informed by the asset management investment plan and capital plan.
3. On-going operating expenses will not be funded through reserves.

Debt

1. Preserve the Village’s debt capacity for emergent opportunities and emergency situations.

### Grants

1. Minimize reliance on uncertain grant funding (i.e. unconditional grants).
2. Focus the pursuit of conditional grants on community priority projects.

### Development Financing

1. Ensure developers pay their fair share for growth related infrastructure through DCC's and other tools.

### Asset Renewal and Replacement

1. In general the renewal of linear assets will be financed on a pay-as-you-go basis (i.e. reserves or current revenues rather than debt).
2. Balance asset renewal funding and reserve levels with tolerance for risk and service levels.
3. Replacement and renewal projects will be prioritized over new infrastructure.

### New Capital Investments

1. Capital projects will be prioritized based on Council's strategic plans and other guiding documents.
2. The impact of each proposed capital project on the Village's operating expenses will be fully accounted for.