

Request for Decision

Title	Preliminary Year-End Position for the Year Ended December 31, 2017
Proposed Motion	<ol style="list-style-type: none"> 1. That Council approve a surplus transfer to the 8.2 Contingency Reserve of \$157,535 from the 2017 surplus. 2. That Council approve the remaining unaudited, estimated surplus balance of \$1,193,647 be transferred to the 8.1 General Operating Reserve, for eventual use consistent with achieving Council’s Strategic Plan direction and objectives.
Administrative Recommendation	That Council allocate the 2017 surplus in a manner consistent with achieving Council’s Strategic Plan direction and objectives as stated in the Summary of Fiscal Principles, Practices and Policies.
Previous Council Direction	<p>July 10, 2017 – Motion 358/17: That Council replenish the \$800,000 used from the 8.18 Road Network Reserve (Capital) by December 31, 2017 with revenue anticipated from Supplementary Assessment Tax Revenue.</p> <p>December 13, 2016 – Motion 455/16: That Council approve the 2017 Operating and Capital Budgets.</p> <p>August 27, 2013 – Motion 360/13: That Sturgeon County Council approves the Summary of Fiscal Principles, Practices and Policies</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • The preliminary Fiscal Year End as of December 31, 2017, resulted in an unaudited surplus value of \$1,351,182. • The surplus is within 2.9% of budget; the corporate target is to be less than 3%. This is an estimated value as accounts are still being reconciled and prepared for audit. • The supplementary taxes for 2017 were \$821,902, in which \$800,000 was committed to Road Network Reserves (Council Motion 358/17). • Assessment changes (mostly) to Linear Industrial Assessment for 2017 resulted in \$338,343 municipal tax revenue over budget. • Investment income for 2017 resulted in a \$555,154 revenue over budget. Sturgeon County budgets conservatively for investment income; the 2018 budget was increased to reflect consistent growth in our investment income. • Savings in the gravel budget for 2017 resulted in an estimated surplus of \$244,769 due to price per tonne being lower than budgeted.

	<ul style="list-style-type: none"> • Savings in the fuel budget for the 2017 resulted in an estimated surplus of \$236,553 due to conservative budgeting. Administration has taken further steps by conducting a fuel tender for 2018 and has adjusted the 2018 fuel budget as well. • Metrix Group, Chartered Professional Accountants (Metrix Group) will be on site to complete the field work audit March 26 to March 29, 2018. • The transfer to the Contingency Reserve 8.2 will replenish withdrawals authorized by Council in 2018. • At this stage the final amount of the surplus is an estimate and subject to internal review and external audit. Final audited numbers will be presented on April 24, 2018. <p><u>External Communication</u></p> <ul style="list-style-type: none"> • The audited Financial Statements for the year ended December 2017 will be presented to Council on Tuesday, April 24, 2018 by Metrix Group. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> • Section 276 of the <i>Municipal Government Act</i>, RSA 2000, c.M-26 requires municipalities to submit an annual report to the Minister by May 1 of each year. • Section 244 of the <i>Municipal Government Act</i>, RSA 2000, c.M-26 allows municipalities to carry an accumulated deficit for a maximum of three (3) years. • Reserve Policy (PLY_Reserve_Policy_2016) – approved February 23, 2016.
<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment:</u></p> <p>Goal 1.2 Sturgeon County is financially stable and fiscally sustainable.</p> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Annual Audited Financial Statements will be presented to Council on April 24, 2018. • The approval of reserve transfers will be reflected in the financial statements for approval. <p><u>Financial:</u></p> <p>Sturgeon County’s combined preliminary operating and capital equates to an approximate, unaudited, estimated value of \$1,351,182.</p>
<p>Alternatives Considered</p>	<p>That Council direct administration to seek alternate allocation(s) of the 2017 surplus.</p>
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u></p> <p>Goal 1.2 Sturgeon County is financially stable and fiscally sustainable.</p> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Annual Audited Financial Statements will be presented to Council on April 24, 2018.

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- The approval of reserve transfers will be reflected in the financial statements.

Financial:

Sturgeon County's combined preliminary operating and capital equates to an approximate, unaudited, estimated value of \$1,351,182.

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- Follow up Action** 1. The 2017 Audited Financial Statements will be presented to Council on April 24, 2018.

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- Attachment(s)** 1. Summary of Fiscal Principles, Practices and Policies
2. Reserve Policy

**Report Reviewed
by:**



Ed Kaemingh, Manager Financial Services



Rick Wojtkiw, General Manager Corporate Support



Bill Minnes, County Commissioner-CAO

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>