
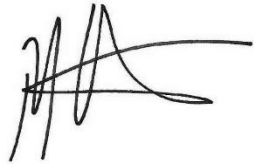



Request for Decision

Title	Transfer Gain on US Exchange to the Vehicle and Equipment Reserve
Proposed Motion	That Council approve the transfer of \$44,982.26 to the Vehicle and Equipment Reserve (8.15) relating to the gain on foreign exchange.
Administrative Recommendation	Administration recommends this transfer as it supports Goal 1.2: Sturgeon County is financially stable and fiscally responsible.
Previous Council Direction	04/26/2016 – Motion 151/16 That Council approves the transfer of \$150,143 to the equipment reserve relating to the gain on foreign exchange.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> In 2015, Administration set aside funds in the US dollar account with the intent of offsetting future equipment costs tied to the fluctuations in the US dollar. A monthly transfer was made to Sturgeon County's US dollar bank account until January 2016. Research and discussions held with Sturgeon County's investment banker CIBC Wood Gundy indicated that the Canadian dollar would start to recover after January 2016 and this would be a good time to transfer funds back to the Canadian dollar account. On January 21, 2016, the total Canadian Dollar value of funds transferred was of \$1,726,844.37. The balance of the US Account was \$1,350,172.13, the exchange rate received at the date of the transfer was 1.4235, resulting in a foreign exchange gain of \$195,125.66. \$150,143.40 of this gain was recognized during the 2015 year-end as an accounting entry and transferred to the Vehicle and Equipment Reserve. Administration discontinued the transfer to the US Dollar bank account through the period February 2016 to May 2016 while the Canadian Dollar recovered, and resumed monthly contributions in May based on further advice received from CIBC Wood Gundy. <p><u>External Communication</u></p> <ul style="list-style-type: none"> N/A <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> N/A

Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Administration's recommendation is consistent with the County's focus area of Operational Excellence in the strategic plan.</p> <p><u>Organizational:</u></p> <p>Having consistent capital reinvestment in our Heavy Equipment is a key component of delivering the desired service levels within an Operational Excellence framework. Our ability to effectively execute is directly related to the quality of tools provided to Sturgeon County staff. Regular rotation enables greater machine up-time while maximizing the resale value of the equipment being replaced and minimizing repair costs.</p> <p><u>Financial:</u></p> <table border="1" data-bbox="505 604 1533 806"> <tr> <td>US/CDN Exchange rate on Trsf Date (From US to CDN Jan 21)</td><td>1.4235</td></tr> <tr> <td>CDN Balance as at Jan 21, 2016 (Total Trsfs)</td><td>1,726,844.37</td></tr> <tr> <td>USD Balance as at Jan 21, 2016</td><td>1,350,172.13</td></tr> <tr> <td>USD Converted to CDN at rate on Trsf Date (From US to CDN Jan 21)</td><td>1,921,970.03</td></tr> <tr> <td>Realized Gain on USD Investment @ Jan 21, 2016</td><td>195,125.66</td></tr> </table> <p>Finance recorded an unrealized gain at Year-End 2015 of \$150,143.40.</p> <p>On January 21, 2016, an additional gain of \$44,982.26 was realized, generating total gains of \$195,125.66</p>	US/CDN Exchange rate on Trsf Date (From US to CDN Jan 21)	1.4235	CDN Balance as at Jan 21, 2016 (Total Trsfs)	1,726,844.37	USD Balance as at Jan 21, 2016	1,350,172.13	USD Converted to CDN at rate on Trsf Date (From US to CDN Jan 21)	1,921,970.03	Realized Gain on USD Investment @ Jan 21, 2016	195,125.66
US/CDN Exchange rate on Trsf Date (From US to CDN Jan 21)	1.4235										
CDN Balance as at Jan 21, 2016 (Total Trsfs)	1,726,844.37										
USD Balance as at Jan 21, 2016	1,350,172.13										
USD Converted to CDN at rate on Trsf Date (From US to CDN Jan 21)	1,921,970.03										
Realized Gain on USD Investment @ Jan 21, 2016	195,125.66										
Alternatives Considered	<ol style="list-style-type: none"> 1. Transfer gains to the Vehicle and Equipment Reserve at Year-End of 2016. 2. Transfer gains to a different reserve 										
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> • Alternative 1 - The timing of the recording of the gain may not be consistent with the focus area of operational excellence as the financial packages presented to the Senior Leadership Team (SLT) will exclude this detail. • Alternative 2 - May not align with goals and may be inconsistent with the focus areas in the strategic plan. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • None <p><u>Financial:</u></p> <ul style="list-style-type: none"> • Alternative 1 - The reserve schedule is updated and included in the monthly financial reporting package to the Senior Leadership Team (SLT). Completing the transfer at Year-End will mean omitting this vital detail from the County's financial reporting. • Alternative 2 - Ideally the associated transfer to reserve to recorded to the Vehicle and Equipment Reserve in keeping with the intent of using the US Dollar account to mitigate fluctuations in exchange rates. 										

Follow up Action	1. The Vehicle and Equipment Reserve balance will be updated to show the realized USD gains.
Attachment(s)	None.
Report Reviewed by:	 Manager, Financial Services  Rick Wojtkiw, GM Corporate Support  Peter Tarnawsky, 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 checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Consistent with neighborhood role (see MDP), master plans, policies 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers fiscal stability and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Has a positive impact on regional and sub-regional cooperation 	<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"> Compliance with Provincial and Federal regulations and/or legislation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Ensure effective environmental risk management 	<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"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Enhances service provision through community partnerships 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports Sturgeon County's cultural history 	<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"> Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers cumulative costs and long-term funding implications 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Targets growth around current or planned infrastructure 	<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"> Positive impact on residents' quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports and promotes volunteer efforts 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides programs and services that are accessible to all residents 	<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"> Staff have the knowledge, skills and capability to perform their jobs 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Streamlines operational processes and policies 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Promotes engagement and professional interaction with stakeholders 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>