

# Finance Advisory Committee

Update to Priorities Committee  
January 28, 2020

# Committee Composition

## April 2018 to December 2019

- Three non-voting members of Council
- A maximum of eight voting public members
- Committee supported by the Chief Financial Officer
- Profile of members
- Observations of the Committee Chair

# Reflections and Presentations

DATE	PRESENTATION TOPIC
April 19, 2018	Orientation
April 19, 2018	Annual review of Terms of Reference
July 5, 2018	Investments
July 5, 2018	Long-Term Financial Sustainability Framework
July 5, 2018	Budget Cycle
July 5, 2018	Strategic Plan
September 14, 2018	Business Planning and Budget Implementation Project (BPBI)
September 14, 2018	Priority Based Budgeting (PBB)
September 14, 2018	Business Transformation
February 20, 2019	Annual review of Terms of Reference
February 20, 2019	Review of Mandate Letter
February 20, 2019	2019 Work Plan – Brainstorming session
July 5, 2019	Budget – Engaging the Public
July 5, 2019	Financial Policies - Donations Policy
July 5, 2019	Risk – Review the Debt Box

# Amended Mandate for 2019

- Advise Strathcona County Council on county use of debt for capital and its associated risk with respect to long term financial sustainability;
- Advise Strathcona County Council on new policies and revisions from the outside perspective prior to approval. The 'donations to the County' policy was reviewed; and
- Advise Strathcona County Council on how to engage the public in the budget process and how to prioritize the input received.

# Debt for Capital

Respecting debt financing, the Committee recommends:

- Council continue a fiscally conservative approach to debt financing;
- The current debt level of \$164M against a potential Municipal Government Act authorized limit of \$550M is generally considered appropriate (recognizing some committee members prefer a lower amount or no debt and that the County has passed a bylaw reducing the internally authorized limit); and
- Debt servicing costs of five percent of operating revenue is appropriate, recognizing that as debt is retired new debt can be taken on if it results in debt servicing costs remaining at approximately five percent.

# Budget Consultation

With respect to Councillor Smith's unanimously approved motion regarding budget consultation, the Committee recommends that the following items be considered in developing the consultation process:

- Identify key desired outcomes:
  - opportunity to be engaged
  - general budget feedback
  - feedback on specific issues
  - input on Council's budget deliberations
- Define stakeholder audiences:
  - residents – property owners
  - residents - renters
  - commercial business
  - industry
  - community groups

# Budget Consultation (continued)

- Confirm the audience for consultation feedback:
  - Administration and Council?
- Determine the appropriate timing:
  - planning process for Administration begins with an environmental scan in the fall of the previous year
  - too late to get input during Council deliberations in November, but how early in the year can consultations be meaningful?
- Identify engagement mechanisms appropriate for each audience and recognize the trade-offs:
  - facilitated table discussions to support understanding in discussions and develop specific recommendations
  - focus groups – to ensure that input reflects the diversity of the community
  - surveys – SCOOP or other mechanisms for broad-based input or specific questions.

# Going Forward - Ad Hoc Committees

- The Committee agrees there is value in convening ad hoc committees or focus groups on specific issues;
- These could be comprised of residents with specific expertise on the issue; and
- Some issues that could be examined include:
  - enterprise risk management
  - tax balance across residential, commercial and industrial ratepayers
  - the budget process e.g. could operating and capital be on separate timelines?
  - service level indicators and metrics.