



SAINT JOHN

Title: Long-Term Financial Plan Policy


Subject: Long-Term Financial Plan Policy	Category: Finance and Administrative Services
Policy No.: FAS-020	M&C Report No.: 2019-356
Effective Date: 2019-12-16	Next Review Date:
Area(s) this policy applies to: Cross Corporate	Office Responsible for review of this Policy: Finance and Administrative Services
Related Instruments: FAS-001 Asset Management Policy FAS-002 Investment Management Policy FAS-003 Reserves Policy FAS-004 Operating Budget Policy FAS-005 Capital Budget Policy FAS-006 Debt Management Policy FAS-007 Wage Escalation Policy FAS-021 Budget Monitoring Policy	Policy Sponsors: Commissioner of Finance and Administrative Services
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Common Clerk's Annotation for Official Record

Date of Passage of Current Framework:2019-12-16

I certify that this Policy was adopted by Common Council as indicated above.



Common Clerk

2020-01-06
Date

Date Created:	Common Council Approval Date: 2019-12-16	Contact: Finance and Administrative Services
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1. PURPOSE AND CONTEXT

This policy establishes key objectives with respect to financial governance and demonstrates the following:

- a) Common Council's commitment to the Long-Term Financial Plan;
- b) Common Council's commitment to adherence to best practice financial policies;
- c) Common Council's commitment to accountability to the taxpayer;
- d) Common Council's commitment to the efficient use of resources and strategic use of taxpayer funds; and
- e) Common Council's commitment to meeting long-term financial goals to put the City on a sustainable path.

2. POLICY STATEMENT

- 2.1 The City of Saint John shall have a long-term financial plan;
- 2.2 Common Council shall have fiscal responsibility as a strategic priority;
- 2.3 Common Council shall be committed to ensuring there is strong financial management rooted in financial best practices;
- 2.4 The Finance Committee will maintain long-term financial planning as their primary goal;
- 2.5 The City's long-term financial plan will put the City on a sustainable path going forward;
- 2.6 The long-term financial plan shall be anchored by strong corporate governance and the development of financial policies;
- 2.7 The City's commitment to fiscal responsibility shall be monitored through a Financial Health Scorecard with targets that will be regularly measured and reported to demonstrate accountability to the public.

3. PRINCIPLES AND POLICIES

3.1 Principles:

- 3.1.1 **Maintain Financial Sustainability:** The City of Saint John's ability to provide and maintain planned service levels and infrastructure assets without unplanned increases in rates or disruptive cuts to services;
- 3.1.2 **Minimize Financial Vulnerability:** The degree to which the City of Saint John is dependent on external funding sources that it cannot control; it is the level of risk that could impact the ability to meet existing financial obligations and commitments, including the delivery of services;
- 3.1.3 **Maximize financial Flexibility:** The City of Saint John's ability to change either debt levels or taxes to meet financial obligations and ensure intergenerational equity.

3.2 Policy:

- 3.2.1 The Long-Term Financial plan shall adhere to the various targets set out in the Council approved financial policies;
- 3.2.2 The Finance Committee will review the Long-Term Financial Plan on an annual basis to:
 - a) Update forecasted numbers to actual results
 - b) Update assumptions in the plan that require change based on the current fiscal environment;
 - c) Review the Financial Health scorecard to track the City's progress compared to the plan for accountability;
- 3.2.3 Other than changes recommended by the Commissioner of Finance to update a best practice, any change to any of the following financial policies require a 2/3 vote of the total membership of Common Council (8 votes):
 - a) **FAS-001** Asset Management Policy;
 - b) **FAS-002** Investment Management Policy;
 - c) **FAS-003** Reserves Policy;
 - d) **FAS-004** Operating Budget Policy;
 - e) **FAS-005** Capital Budget Policy;
 - f) **FAS-006** Debt Management Policy;
 - g) **FAS-007** Wage Escalation Policy;
 - h) **FAS-020** Long-Term Financial Plan Policy;
 - i) **FAS-021** Budget Monitoring Policy

4. ROLES AND RESPONSIBILITIES

4.1 Council shall:

City of Saint John
LONG-TERM FINANCIAL PLAN POLICY



- 4.1.1 Approve the Long-Term Financial Plan Policy;
 - 4.1.2 Any changes to the Policy shall require a 2/3 vote of the total membership of Common Council (8 votes).
- 4.2 Finance Committee shall:**
- 4.2.1 Recommend the Long-Term Financial Plan Policy to Common Council for approval;
 - 4.2.2 Review any changes to the Long-Term Financial Plan Policy in the future.
- 4.3 The Finance Commissioner shall:**
- 4.3.1 Update the plan to reflect annual actual results and recommend appropriate changes to assumptions and forecasts;
 - 4.3.2 Recommend any changes to the Long-Term Financial Plan policy in the future.