Agenda – Executive Policy Committee – March 16, 2011

Report – Standing Policy Committee on Finance – March 10, 2011

Item No. 1 Financial Management Plan

STANDING COMMITTEE RECOMMENDATION:

On March 10, 2011, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the Financial Management Plan be approved.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Finance – March 10, 2011

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 10, 2011, the Standing Policy Committee on Finance concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Issue: **Financial Management Plan**

Critical Path: **Standing Policy Committee on Finance – Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
Ramona Hodges, Fiscal Planning Officer	Jo-Anne Ferrier, City Treasurer	M. Ruta Acting CAO	M. Ruta Acting CAO

RECOMMENDATIONS

1. That the attached Financial Management Plan be adopted.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

The City's second Financial Management Plan was adopted on April 25, 2001. The Financial Management Plan is the City of Winnipeg's strategy for guiding financial decision-making, meeting long-term obligations, and improving its economic position and financial stability. The Plan sets forth the guidelines against which current and future financial performance can be measured, and assists the City in planning fiscal strategy with a sustainable, long-term approach.

The *OurWinnipeg* Plan indicates that the City should "periodically review and report on the financial management plan". A new Financial Management Plan should be adopted to outline the financial strategy over the next five to ten years.

IMPLICATIONS OF THE RECOMMENDATIONS

An updated Financial Management Plan is required as a blueprint for financial decision-making during the next term of Council. Property taxes are now below the average of other Canadian cities. Expenditures have been managed within inflationary targets – significant spending increases have occurred in public safety services by ensuring other public services are operated

efficiently and by reducing costs for internal services. The City's large unfunded infrastructure deficit needs to be addressed requiring a strengthened revenue structure. Capital investment will need to be prioritized and environmental sustainability should be considered as a factor in this decision-making.

This Financial Management Plan establishes the framework for the City's overall financial planning and management, and the renewed goals are:

1) Promote economic growth
2) Support environmental sustainability
3) Maintain infrastructure assets
4) Manage debt
5) Manage expenditures
6) Ensure a sustainable revenue structure
7) Support a competitive tax environment
8) Ensure adequate reserves

Each goal is accompanied by a target and a measure in the attached updated Financial Management Plan. The City commits to reporting regularly to Winnipeg's citizens on its progress in meeting these goals.

HISTORY

Council approved the City's first Financial Management Plan on July 12, 1995. On April 25, 2001, Council approved its second Financial Management Plan.

FINANCIAL IMPACT

Financial Impact Statement **Date: February 25, 2011**

No financial impact - As this is a policy document, there are no financial implications. The Financial Management Plan provides a framework for the City of Winnipeg's overall financial planning and management.

"Original signed by Radhika Abeysekera"
R. Abeysekera
Campus Controller
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

SUBMITTED BY

Department:	Corporate Finance
Division	Financial Planning and Review Division
Prepared by:	Ramona Hodges, Fiscal Planning Officer
Date:	February 25, 2011
File No.	



Financial
ɜnagement Plan (Fir