



# POLICY

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**POLICY NO:** 352

**APPROVAL DATE:** July 9, 2012

**TITLE:** Municipal Revenues

**REVISION DATE:**

**SECTION:** Finance

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**DEPARTMENT:** Finance

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## POLICY STATEMENT

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Revenues received by the municipality from various sources will be evaluated for risk, and used to fund appropriate expenditures to ensure the City will remain viable into the future.

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## REASON FOR POLICY

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The policy is intended to fund core services with stable sources of municipal revenue to ensure those core services will remain sustainable.

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## RELATED INFORMATION

### Revenue Diversification

The City will continuously seek to diversify its revenues to limit the risk of dependence on a single source of funding.

### One-time Revenues

Large one-time revenues will be applied to:

1. Reserves, to maintain reserve levels set by Council policy;
2. Fund one-time expenditures; or
3. Repay outstanding debt.

One-time revenues will not be used to fund ongoing expenditures.

Operating surpluses are included in this category as a one-time expenditure. They are subject to the same restrictions set out above.

### Use of Reserves

The City follows a policy of using current revenues to pay for current services. Funding held in reserves cannot be used to fund the ongoing operational costs, with the exception of a temporary balancing measure within a budget cycle.

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### **Unpredictable Revenues**

Many of the revenue sources budgeted by the City are based on estimates. If an estimate of specific revenues can be forecasted reliably, they will be included in the budget. Unpredictable sources with a high risk of non-payment will only be relied upon to fund expenditures after the funds have been received.

Determination of risk will be made with the same good judgment and care - under circumstances then prevailing - that persons of prudence, discretion and intelligence would exercise in the management of their own affairs.

Council will advocate for appropriate revenue from other levels of government to fund new services delegated to local governments.

### **Service Fees**

The City recognizes that there is a responsibility of the local government to ensure services are available to all Grande Prairie residents regardless of age, sex, race, religion, or economic status. The City is also committed to ensuring its operations are fiscally responsible and that it maximizes its revenue from sources other than the property tax.

The City may charge fees for services where it is applicable and cost effective to do so. In determining which services the City will charge services fees for the following conditions will apply:

1. Those paying the fee will be in receipt of the majority of the benefit;
2. The fee should be straightforward to administer and collect;
3. The fee should consider level of demand for the service;
4. The fee should consider the full costs of providing a service, including an estimate of administration services.

Where it is deemed appropriate the City may choose to set a fee at less than full cost recovery or provide rebate programs to reduce the amount of a particular service fee in order to make it affordable to all citizens.

Additional information on service fees charged for recreation services can be found in the Fees and Charges Policy 201.

Additional information on Fire services charges can be found in the Fees and Charges Fire Protection Services Policy 109.

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### **RESPONSIBILITIES**

City Council will review and approve any revisions to this policy.

City Manager will review and approve any procedures related to this policy.

City Administration will carry out the policy based on established procedures.