



# City of Port Moody

## Council Committee Terms of Reference

|                 |                               |                     |
|-----------------|-------------------------------|---------------------|
| Date:           | December 12, 2014             | File No. 0360-20-05 |
| Type:           | Standing Committee of Council |                     |
| Committee Name: | Finance Committee             |                     |

### Approvals/Reviews/Amendments

Approval date: January 13, 2015 (RC15/014)

#### 1. Committee Purpose

Section 141 of the *Community Charter* provides that the Mayor must establish standing committees of Council for matters considered to be better dealt with by committee and must appoint persons to those committees. Standing committees in the City of Port Moody (the City) are advisory committees to Council comprised of all members of Council, and can have citizen volunteers, all having an equal vote. At least half the members of a standing committee must be Council members.

- A. The primary responsibility for the City's financial reporting, accounting systems and internal controls is vested in Management and is overseen by the Finance Committee. The Finance Committee establishes the annual operating and capital budget.
- B. The purpose of the Finance Committee is to assist Council in fulfilling its financial fiduciary responsibilities for the City by reviewing and making recommendations to Council, regarding:
  - operational and capital budgets and amendments;
  - interim and annual financial information;
  - funding requests;
  - external and internal audit reports; and
  - systems of corporate control which Management and Council have established.

#### 2. Duties

The Finance Committee reviews all financial matters referred to the Committee including, but not limited to, the City's operating and capital budgets, the annual audit and management letter, the annual report and funding alternatives, as well as items referred by other agencies.

## **Council Committee Terms of Reference**

Finance Committee

December 12, 2014

Specifically, the ongoing responsibilities of the Committee include, but are not limited to the following:

1. To provide advice to Mayor and Council and the City Manager to achieve efficiencies, economies and effectiveness in the overall financial administration of the municipality.
2. To review, periodically, the salaries and benefits of exempt municipal employees and to recommend appropriate principles and overall remuneration structure for such employees. The Committee is also responsible for reviewing and making recommendations to Council regarding negotiated collective agreement wage and benefit settlement packages.
3. To be responsible for all aspects of the budget process, subject to Council approval in bylaw form, including but not limited to the:
  - adequacy of statutory and non-statutory reserves and funds,
  - timeline to develop the budget,
  - setting of taxation (including utilities) rates and targets,
  - granting of tax exemptions
  - setting of fees and charges,
  - distribution of taxation amongst classes,
  - borrowing of funds
  - allocation of annual surpluses and reallocation of any accumulated surplus, and
  - scheduling of public input opportunities regarding the budget.
4. To develop and maintain long term financial plans including projections for ongoing capital/infrastructure maintenance and replacement and new facility requirements.
5. To review the annual report, including the financial statements, prior to distribution. This may include periodic reviews at the end of the second, third and fourth quarters of the City's operating accounts (Revenue and Expenditure Statements), at the discretion of the Committee.
6. To recommend the appointment of external auditors for the City. Audits are primarily to determine: reliability of accounting records, to ensure that financial information is properly communicated in financial statements; that proper authority exists under the Community Charter, bylaw or resolution to support transactions; and to identify conditions which could significantly impact future operations (e.g. if a lawsuit were in progress which would result in significant cost to the City); and to express an opinion on those results.
7. To, from time to time, review departmental expenditures to ascertain that best value for money was achieved. The findings of such reviews shall be reported in the minutes of the Committee meetings.

## **Council Committee Terms of Reference**

Finance Committee

December 12, 2014

8. To oversee the purchasing process, including development of the purchasing policy, setting of purchasing authority thresholds and ensuring that the integrity of recognized purchasing practices is secure. The Committee has specific responsibility to review and make recommendations to Council on tenders and Requests for Proposals/information/quotes for projects in excess of amounts established within the corporate purchasing policy.
9. To review financial policies and finance related corporate policies, and provide recommendations to Council.
10. To fulfill fiduciary responsibility by reviewing the performance of the City's investment portfolio, ensuring maximum yields are achieved while meeting cash flow projections. The Committee ensures that the Investment Policy (#05-1860-01) is current and adheres to sound investment strategies as determined by applicable governing bodies.
11. To establish sub-committees to review and analyze in-depth pertinent financial matters of the Committee.

### **3. Membership**

The composition of the Finance Committee shall be:

#### **1. Voting Members**

Voting members shall consist of all members of Council. The Mayor will appoint a Councillor as chair of the Committee, and another Councillor as vice-chair. If, for any reason, the chair and vice-chair is absent, the Mayor or Acting Mayor has the authority to call and chair a meeting of the Finance Committee subject to quorum requirements.

The terms of appointments of the chairs shall be at the discretion of the Mayor.

A quorum of 50% (minimum four) of the Committee is required to conduct Committee business.

#### **2. Non-Voting Members**

- General Manager of Financial Services – Staff liaison and financial advisor to the Finance Committee
- Manager of Financial Planning – Alternate staff liaison and advisor to the Finance Committee
- General Managers - Advisors to the Committee
- Managers – Advisors to the Committee
- Other Committees/Commissions/Task Forces – Advisors to the Committee
- Recording Secretary assigned by Legislative Services Department

## **Council Committee Terms of Reference**

Finance Committee

December 12, 2014

### **4. Operations of the Finance Committee**

#### **Procedures**

The Finance Committee shall meet at the call of the chair, taking into consideration the significance, urgency, volume and timing of agenda items. It is recognized that during budget deliberations, the chair may increase meeting frequencies, durations, and/or alter meeting times to facilitate anticipated debate and meet deadlines.

Agendas and minutes for each Committee meeting shall be prepared and distributed in a timely manner to all Council members and applicable senior staff. The original agenda and approved minutes are to be forwarded to the Corporate Officer. The chair approves the agenda and reviews minutes for submission to the Committee. The staff liaison ensures that the foregoing is carried out.

A list of action items arising from each meeting will be prepared by the committee coordinator, reviewed by the staff liaison and distributed to staff members accordingly. Action item lists are updated by Legislative Services staff in conjunction with the staff liaison.

#### **Referral to Council**

All decisions of the Finance Committee will be referred to Council for ratification at the earliest possible meeting of Council.