

Policy on the Use of Budget Surplus Funds

Mover: Matthew Shoemaker

Seconded: Paul Christian

WHEREAS the City of Sault Ste. Marie does not have a policy on the use of surplus funds; and

WHEREAS in the past, surpluses from the previous years' budgets have been used to reduce the tax increase in any given year; and

WHEREAS the use of surplus from prior years' budgets to reduce the levy in any given year only offsets the increase to future budget years; and

WHEREAS such a system of putting off increases is unsustainable for any significant period of time;

NOW THEREFORE BE IT RESOLVED that the Council of the City of Sault Ste. Marie direct staff to draft a policy governing the use of surplus specifying that 1/3 of the surplus in any given year be put towards capital expenses, 1/3 of the surplus be put toward debt reductions, and 1/3 of the surplus be put in the tax stabilization reserve.