Financial plan orientation

Rick Danyluk, Manager Business Planning
Council workshop October 22, 2019
Agenda

• Fiscal environment
• Long term plan and priorities
• Guiding principles and affordability
• Capital, lands and funding
• Next steps
Financial Planning Timeline

2019
- JAN: Council Directions
- SEPT: Financial Orientation
- OCT: Reserves and Utility Fees Workshop
- NOV: Financial Plan Amendment
- DEC: Financial Plan Workshop
- JAN: Introduction of Financial Plan

2020
- SPRING & FALL: Long-term Plan

2021
- JAN: Council Directions
- SEPT: Financial Orientation
- OCT: Reserves and Utility Fees Workshop
- NOV: Financial Plan Amendment
- DEC: Financial Plan Workshop
- JAN: Introduction of Financial Plan

WE ARE HERE
Fiscal environment

- Economy cooling, development activity declining
- Service demands increasing
- Costs rising

Municipalities across Canada are facing costs rising higher than inflation
Long term plan
Priorities

• Transportation
• Housing
• Economy
• Climate

• Services and finances

These are the most important issues we will pursue...
Guiding financial principles

- Sustainable service delivery
- Fairness in taxation and user fees
- Stable and competitive rates
- Growth management
- Rolling long term plan

Stewardship role, living within our means, paying our fair share, carefully managing growth, realizing long term goals
Affordability

- Rate impacts on average home
- Comparability within region
- Target rates for 2020

Many factors influence affordability
Capital and land

- Preserve or renew capital assets
- Invest in new capital assets
- Divest capital assets where appropriate
- Show land separately and consider valuing natural assets

Prioritize capital and land investments that drive long term results
Capital and land funding

Sources
• Property taxes, user fees and land income
• Developer contributions
• Partner contributions

Financing DNV share
• Reserves *(pay as you go or in advance)*
• Debt *(pay over time)*
Reserves

- Support resiliency
- Reflect priorities
- Measure funding gaps

Target reserve levels are based on risks and long term capital needs
Debt

• Used strategically
• Set limits and maturity guidelines
• Rates at historical lows
• Align benefits with residents and businesses paying

For large asset replacements or new assets
Next Steps

• Finance and audit Oct 29
• Reserves and utility fees Nov 18
• Financial plan amendment Nov 25
• Financial plan workshop Dec 2
• Introduce 2020 – 2024 financial plan Jan
• Long term plan spring and fall 2021
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