

Priorities Committee Meeting_Jun18_2019

STRATEGIC INITIATIVE AND UPDATE**Utilities Financial Sustainability Strategy - Update****Report Purpose**

To provide additional information regarding the recommended strategies and implementation options relative to Utilities capital funding, debt and reserve policy requirements.

Our Prioritized Strategic Goals

Goal 2 - Manage, invest and plan for sustainable municipal infrastructure
Continuously improving the way we work, as one organization, in an agile and sustainable manner

Report

This report provides an overview of the financial and infrastructure challenges facing underground utility infrastructure over a long term horizon (60 years +). There are multiple ways to address these challenges:

1. Status quo
2. Full implementation of replacements through reserves
3. Hybrid model – some reserves and some other funding source
4. Incremental implementation of replacements through reserves

Each option has implications on annual reserve contributions, reserve balances, debt requirements, annual revenue requirements, utility fees and service delivery.

Implementation can be achieved through submissions to Council in the form of policy update (reserves) and annual budget submissions.

Council and Committee History

June 12, 2018	Utilities provided the Priorities Committee an overview of the recommended strategies and implementation options relative to Utilities capital funding, debt and reserve policy requirements.
March 27, 2018	Council approved the Long-Term Financial Sustainability Framework.
July 4, 2017	Council approved the Financial Reserves Policy.
January 17, 2017	Council approved the Debt Management Policy.

Other Impacts

Policy: FIN-001-024: Financial Reserves, FIN-001-025: Debt Management

Legislative/Legal: n/a

Interdepartmental: Communications, Corporate Finance, Corporate Planning

Master Plan/Framework: Long Term Financial Sustainability Framework

Enclosure

1 Utility Financial Policy Presentation