Golden, Tools of Asset Management

Presenter: Lisa Vass, Chief Financial Officer
Agenda

• Sustainable Service Delivery
• Resources
• Asset Management Plans
• Long Term Financial Planning
• Sources of Funding
Sustainable Service Delivery
• Longest & Cheapest Lifecycle

- Planning
- Design
- Construction
- Acquisition
- Operation
- Maintenance
- Renewal
- Disposal
Resources

Assess (Past)  Planning (Future)  Implement (Present)

Finance
Asset Management Plans

Tells a story and provides direction on:

- What to do
- When to do it
- How much it costs
- What the levels of services are
- What the risks are of not doing it
- Expenditure projections as input for the long term financial plan
Long Term Financial Planning

Long Term Financial Plan

Financial Strategy
Key Features:
• Identification of Service Level Change
• Capacity
• Costs & Fund
• Risk Assessment
Funding Sources

Taxes
- Property Tax
- Parcel Taxes

Fees & Charges
- Water & Sewer Fees
- Garbage Collection
- Recreation Facilities & Programs
- Rental of Local Gov’t Property
- Development Financing

Grants
- Operating
- Capital

Other Operating Income
- Investment Income
- Contributions
User Fee Policy

Key points of a policy include:

• Those **who benefit** from use of a good or service **should pay** for the service in proportion to benefits received;
• When use of a good or service **benefits society** as a whole, all citizens should pay for the benefit (through property taxes as a “general tax-supported subsidy”);
• The **full cost** of providing a service (including support services, overhead and capital costs) should be the starting point when calculating the appropriate user fee; and
• The municipality could provide a subsidy to individuals who otherwise could not afford a good or service provided by the local government (as an individual subsidy). If subsidies are a tool supported by Council, they must be made by bylaw.
Financing

- Capital Incomes & Borrowing
  - Surplus/Reserves
  - Borrowing
Services and Financial Sustainability

Financial sustainability: balancing service levels, risk, and cost of providing service.
Questions