Infrastructure Renewal and Financial Sustainability
Current State

Demand for Services – growing & costing more

Constrained Funding

Aging Infrastructure
What if we do Nothing?

- Unplanned swings in taxation and user fees
- Life cycle cost inflation
- Un-anticipated infrastructure failures
- Poor resource allocation decision making
- Community and Political loss of confidence
- Legislated change?
- ........
Balancing Operational and Political Interests

- Short term vs long term focus
- Three keys:
  - Council Stewardship
  - Asset Management Plans
  - Long Term Financial Plans
Asset Management

- Not new
- One **tool** in the tool kit
- Enable financial and operation **integration**
- Provides for more **sophisticated** decision making
- Increases public and Council **confidence** in resource allocation
Asset Management in Context

Inside the Box
- Parks and Engineering
- Finance
- Planning, Land, Permits
- Fire
- Corporate Services

Partnerships
- Recreation
- Police
- Library
- Emergency Planning
- Arts and Culture
- Recycling
- First Nations
- Metro Vancouver
- Translink
Financial Planning Framework

- Vision (OCP)
- Goals and Priorities (Community and Corporate)
- Plans and Policies
- Divisional workplans, programs and services
- Budgets (annual and long term)

Alignment
Plans and Competing Interests

- **Development/Land Use**
  - Town Centres
  - Housing Strategy
  - Economic Development

- **Utilities**
  - Water
  - Liquid Waste
  - Solid Waste
  - Watershed/Drainage
  - Climate Change
  - Energy Management

- **Transportation**
  - Transit
  - Roads and Bridges
  - Pedestrians and Bicycles

- **Protection**
  - Fire
  - Police
  - Emergency Planning
  - Bylaw Enforcement

- **Community**
  - Parks and Open Spaces
  - Recreation
  - Library
  - Arts and Cultural Services
  - Social Services

- **Governance**
  - Corporate Business Plan
  - Information and Technology
  - Finance and Taxation
Service Integration

• The “Public Good” Framework
  • Full cost accounting/cost containment
  • Private benefits paid by user fees
  • Use user fees to manage demand
  • Address access through financial assistance
  • Regular revue for equity and cost recovery

• Service Inventory
  • Tax subsidy and User fees ($, per capita, share)
  • Service and Program description
  • Output and Outcome measures
  • Base funding with business case for changes
  • Annual reporting
## Capital Decision Making Tool

<table>
<thead>
<tr>
<th>Data Field</th>
<th>Feature</th>
<th>Points Given</th>
<th>Max Points</th>
<th>Project Points</th>
<th>Comments</th>
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<td><strong>Risk and Responsibility</strong></td>
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<td>Regulations</td>
<td>Non-compliance with laws, standards and policies</td>
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<td>Health &amp; Safety</td>
<td>Health and safety impact on workers or public, or both</td>
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<td>Property</td>
<td>Damage or loss of private or public property, or both</td>
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<td>Disruption</td>
<td>Disruption to services and increased resident dissatisfaction</td>
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<td>Financial Risk</td>
<td>Degradation and depletion of the natural environment</td>
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<td>Environment</td>
<td>Significantly higher costs in future years if not addressed</td>
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<td>Level of Interest</td>
<td>Projects that have a broad support base score higher</td>
<td>Council</td>
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<td>Scope</td>
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<td>Integration/Synergy</td>
<td>Projects with dependencies or links to Council-approved plans and corporate goals score higher</td>
<td>Council Approved Plan</td>
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<td>Other Plan</td>
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<td>Leverage</td>
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<td>Capacity</td>
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<td>Non-Financial</td>
<td>Projects with measurable environmental and social improvements score higher</td>
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<td>Innovation</td>
<td>Non-routine request that considers unexplored options for service delivery or process improvement</td>
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10 Year Financial Strategy

- Revenue increases at cost of inflation
- Adjust fees and charges to account for cost recovery and private benefits
- Practice demand management and cost containment
- Continue 1% levy for capital sustainment
- Restructure debt financing/reserve funding to manage operating risk
- Continue to introduce tools to manage risk, service delivery and capital inventory
- Commitment to transparency in reporting
- Annual review of taxation fairness and equity

= ??? hours of Council/Community time on the annual budget
What Does It Take?

• Change management competence
• Developing buy in at all levels
• Belief that we can continuously learn and improve
• Acknowledging the forces that limit success
• Group trust & interdisciplinary team work