



NORTH VANCOUVER  
DISTRICT

# Infrastructure Renewal and Financial Sustainability

# Current State

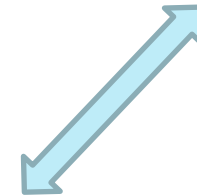
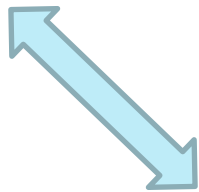
Demand for Services – growing  
& costing more



Aging Infrastructure



Constrained Funding



# 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**

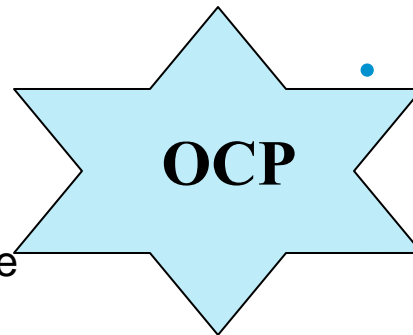
- Town Centres
- Housing Strategy
- Economic Development

- **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 revenue 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

	Data Field	Feature	Points Given	Max Points	Project Points	Comments
<b>Risk and Responsibility</b>	Regulations	Non-compliance with laws, standards and policies		15	0	-
	Health & Safety	Health and safety impact on workers or public, or both		15	0	-
	Property	Damage or loss of private or public property, or both		15	0	-
	Service Disruption	Disruption to services and increased resident dissatisfaction		15	0	-
	Environment	Degradation and depletion of the natural environment		15	0	-
	Financial Risk	Significantly higher costs in future years if not addressed		15	0	-
	<b>Total</b>				<b>90</b>	<b>0</b>
<b>Strategic Value</b>	Level of Interest	Projects that have a broad support base score higher	Council Administration Community	15 10 5	15	Provide reference information (e.g. Council resolution, report, community letter, etc)
	Scope	Projects that have District-wide benefits score higher	District & Regional District Local	15 10 5	15	Provide supporting details
	Integration/ Synergy	Projects with dependencies or links to Council-approved plans and corporate goals score higher	Council Approved Plan Other Plan Corporate Goal	15 10 5	15	Provide primary plan and primary corporate goal (refer to 5 goal areas in Corporate Plan / See-It website: <a href="http://dnv-visiblestrategies.com">http://dnv-visiblestrategies.com</a> )
	<b>Total</b>				<b>45</b>	<b>0</b>
<b>Business Considerations</b>	Leverage	Projects with significant external funding score higher	75 - 100% 50 - 75% 25-50% 0 - 25%	15 10 5 0	15	Refer to budget template
	Capacity	Projects that do not consume internal resources score higher	Yes No	5 0	5	Refer to budget template
	Payback	Projects with short term financial payback score higher	Less than 10 years Less than 20 years No payback	15 10 0	15	Refer to budget template
	Non-Financial	Projects with measurable environmental and social improvements score higher	Environment and Social Environment or Social Not measurable	15 10 5	15	Provide details of measurable improvements or supporting comments for non-measurable improvements
	Innovation	Non-routine request that considers unexplored options for service delivery or process improvement	Yes No	5 0	5	Provide details
	<b>Total</b>				<b>55</b>	<b>0</b>

# 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