Growth Management Implementation Strategy - 2013 Update

SWM Reserve Fund

Debt Management Issue
The GMIS:

- Aligns major servicing infrastructure with growth needs across multiple capital budgets:
  - Wastewater and Treatment Capital,
  - Water Capital, and
  - General Growth Supported Capital.

- Allows Council to react to significant fluctuations in development charge revenues, and

- Provides an opportunity for the development community to comment on the timing of specific infrastructure projects.
• 2013 GMIS Report
  – Includes a new comprehensive financial and debt analysis.
The current debt position of the ten (10) reserve funds was reviewed.

Due to debt levels for approved projects, the Stormwater Management Reserve Fund is not on a sustainable path, over the long term.
Stormwater Management Debt
What caused this problem?

• Total DC Revenues (from residential and non-residential construction) are approximately 16% below expectations between 2010 and 2012.
• Investments in new infrastructure are slightly higher than the pace that was forecasted in the 2009 DC study.
• The need to construct Stormwater Servicing projects prior to development proceeding.
• Recognize cash flow pattern for some DC funded infrastructure
Growth Management Implementation Strategy 2013

- Example: Pond construction and years of recovery
In the future carefully consider accelerating future SWM ponds;

To manage the existing SWM debt problem, staff recommends:

– Deferral of SWM projects in the near term; and/or

– Change the Stormwater Management Funding approach, and/or

– Increase the 2014 DC SWM rate.

These recommendations to be discussed with the DC stakeholder Committee.