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.
Growth Management Implementation Strategy 2013

• 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

DC SWM Reserve Fund 10 Year Revenue and Debt Payment Projection
October 31, 2012

Debt Payment > Revenue

PROJECTED LEVIES (REVENUE)  ANNUAL DEBT PAYMENT  TOTAL RF DRAWDOWN (EXPENDITURES)
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
Administrative Recommendations

• 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.