



Staff Report for Committee of the Whole Meeting

Date of Meeting: February 19, 2019

Report Number: SRCFS.19.007

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.19.007 Approval of a Capital Sustainability Steering Committee**

Purpose:

To attain Council approval to establish a Capital Sustainability Steering Committee.

Recommendation(s):

- a) That a Capital Sustainability Steering Committee be established; and
- b) That the Capital Sustainability Steering Committee Terms of Reference attached as Appendix "A" be approved.

Contact Person:

David Dexter, Director of Financial Services/Treasurer, Extension 2484.

Report Approval:

Submitted by: Mary-Anne Dempster, Commissioner of Corporate and Financial Services

Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

Background:

As part of the 2019 Capital Budget process it was identified significant funding pressures on the Town's Tax-supported Capital and Stormwater Management Reserve Funds. The life expiration for these reserve funds have been identified to 2023 and 2021, respectively, unless the Town establishes a Financial Sustainability Strategy that would include a debt component.

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Over the previous four years, the funding gap of the Tax-Supported and Stormwater Management rate supported assets and reserve funds have been a concern that Council and staff were believing could be managed through a “Pay as You Go” strategy involving lower annual expenditures and annual increases to the Capital Levy. Unfortunately, this strategy has become unattainable as the Town learns more about its assets and future placement needs, leading to growing annual capital expenditure requirements. From this Council and Management has identified the need for a Capital Sustainability Steering Committee.

The overarching mandate of the committee is to appreciate the link between the need for short term fiscal sustainability (within 10 year) to the need to achieve the long term (post 20 year) asset management strategy and to make the best decisions to recommend smart investments that contribute to both time horizons as effectively as possible.

It is expected that the term of this committee will be two years with the end result a Financial Sustainability Strategy to guide funding of future annual Tax-Supported and Stormwater Management capital programs.

Staff are recommending that the “Terms of Reference for the Capital Sustainability Steering Committee” attached as Appendix “A” be approved.

Financial/Staffing/Other Implications:

This report has no financial or staffing implications.

Relationship to the Strategic Plan:

Establishment of a Capital Sustainability Steering Committee demonstrates wise management of resources in Richmond Hill.

Conclusion:

The establishment of a Capital Sustainability Steering Committee is being recommended with approval of Appendix “A” – Terms of Reference for the Capital Sustainability Steering Committee.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Appendix “A” – Terms of Reference for the Capital Sustainability Steering Committee

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Report Approval Details

Document Title:	SRCFS.19.007 Approval of a Capital Sustainability Steering Committee.docx
Attachments:	- SRCFS.19.007 Appendix A - DRAFT Terms of Reference - Sustainability Committee.pdf
Final Approval Date:	Feb 8, 2019

This report and all of its attachments were approved and signed as outlined below:

David Dexter - Feb 8, 2019 - 2:22 PM

Task assigned to MaryAnne Dempster was completed by delegate David Dexter

David Dexter on behalf of MaryAnne Dempster - Feb 8, 2019 - 2:24 PM

Neil Garbe - Feb 8, 2019 - 2:47 PM