RICHMOND HILL
INCORPORATED 1873

Staff Report for Budget Committee of the Whole Meeting

Date of Meeting: October 6, 2020
Report Number: SRCFS.20.026

Department: **Corporate and Financial Services**
Division: **Financial Services**

Subject: SRCFS.20.026 – Financial Sustainability Strategy

Purpose:

To provide Council with a draft Ten Year Capital Forecast, highlighting the key capital-related financial pressures the City continues to face and to update Council on the City's long term Financial Sustainability Strategy.

Recommendation(s):

a) That report SRCFS.20.026 be received; and

b) That the Financial Sustainability Strategy for the Tax Supported Capital Program, based on the third scenario presented in this report, be implemented commencing in the 2022 Capital Budget process.

Contact Person:

Gigi Li, Manager of Fiscal Planning & Strategy, Extension 6435

Report Approval:

Submitted by: Sherry Adams, Commissioner of Corporate and Financial Services

Approved by: Mary-Anne Dempster, City Manager

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

Background:

The City of Richmond Hill's capital budget and forecast process is a continuous, annual exercise. Over the previous five years, Council approved the "Pay as You Go" strategy involving lower annual expenditures and annual increases to the Capital Asset Sustainability Levy to manage the funding gap of the Tax-supported and Stormwater Management rate supported assets and reserve funds. This strategy has become unattainable as the City learns more about its assets and future replacement needs, leading to growing annual capital expenditure requirements and widening of the funding gap. Council and Senior Management identified the need for a Capital Sustainability Steering Committee (CSSC).

Capital Sustainability Steering Committee

The CSSC was established to inform and educate Committee and Council on fiscal sustainability in asset management and develop a sustainable long term capital investment strategy that includes all areas of tax-supported and storm-water capital investments. This investment strategy will also inform the Asset Management Plan, the Financial Sustainability Strategy, future Development Charges By-law Updates, future Capital Budgets and Forecasts, and future Operating Budgets.

The mandate of the CSSC includes:

- Evaluating opportunities to deliver long term capital investments that are in line with community expectations and fiscal sustainability
- Reviewing and providing recommendations to Council on the financial impacts of the City's various Master Plans
- Updating the Ten Year Capital Forecast
- Drafting a Financial Sustainability Strategy

There have been six (6) meetings of the Capital Sustainability Steering Committee (CSSC) throughout 2019 and early 2020. At these meetings the City's various Capital-related Master Plans/Strategies and financial impacts were presented by staff. These included the I.T Strategy, Fire Master Plan, Operations Centre Master Plan, Parks Plan, Recreation Plan, DDO Master Plan, Transportation Master Plan, Urban Master Environmental Servicing Plan, and Rural to Urban Roads Program.

From these Committee meetings and reviews, several recommendations were approved by the Committee and forwarded to Council and subsequently approved. These recommendations focused on limiting annual capital spending on specific assets, direction to update many plans & strategies, and timeframe of facility projects.

A memo was provided in February 2020 to describe the status of the remaining three capital areas: Library Facilities & Assets, Civic Precinct, Civic Administration Centre Space.

At the June 2020 meeting, staff provided the Committee with an overview of the process to date and the recommendations that informed a draft Ten Year Capital Forecast. Significant changes since the last iteration of the Ten Year Capital Forecast were also explained.

Based on an assessment of the capital program, staff put forward the following financial considerations for Committee members to discuss:

- Average tax supported capital program requirement $30.9 million per year over next 10 years, current contribution around $14 million with annual increase of 1% tax rate equivalent
- Tax Supported Capital Reserve Funds (R&R and Cash to Capital) will be depleted in 2025
- Utilize debt as part of a long term financial sustainability strategy
- Significant amount ($310 million) of growth capital projects may require debt financing to bridge timing of DC collections
- Water Quality Protection Reserve Fund (Stormwater related capital) will be depleted in 2025 (without grant assumption)

A draft Financial Sustainability Strategy for the Tax Supported Capital Program was presented with these proposed principles:

- Maintains a base balance of $40 million in Tax-Supported Reserve Funds
- Continues the annual contribution to Tax-Supported Reserve Funds in the operating budget and the increase in CAS Levy each year
- Considers use of debt as part of the financial tool kit
- Uses the interest earned from the base balance in these reserve funds to pay a portion of the debt servicing costs

Three different funding scenarios for the Tax Supported Capital Program were presented for discussion purposes. Comments from members of the Committee were received. Staff were directed to report back in September 2020 on a Financial Sustainability Strategy.

Analysis:

Ten Year Capital Forecast

Staff presented a draft Ten Year Capital Forecast to the Committee. This exercise was undertaken with the following objectives:

a) Providing a Capital Forecast that considers corporate priorities that aligns with the City's Strategic Plan and various capital and service plans.

c) A "living document" and fluid practice that allows for updating and reprioritizing as opportunities arise.

d) Identifying pressures by asset categories based on the Ten-Year Capital Forecast.

e) Managing capital related financial pressures and to extend the life of the reserve funds.

The Ten Year Capital Forecast is used to develop long term place-holders for various capital works and asset investments. It involves updating assumptions used in prior year's forecast, with a stronger focus on the first three to four years of the forecast. The Capital Forecast is dynamic in that it will adapt and change as priorities change, as projects are developed and implemented and new ones are added. The Capital Forecast is a reflection of the Strategic Plan and the Official Plan, but is also informed by other Council adopted plans including the Recreation Plan, Cultural Plan, Parks Plan, Transportation Master Plan, Library Facilities Master Plan, Environmental Strategy, Asset Management Plan and approved Council motions.

The Ten Year Capital Forecast is comprised of the investments contemplated for existing assets and growth assets. The existing asset forecasts are for major repairs or rehabilitation to extend the life or replacement of an asset at the end of its useful life. It does not include land, significant upgrade of capacity, nor routine maintenance for state of good repair. The Growth asset forecasts are to accommodate future growth and include the construction of recreational facilities, road widening and expansion of existing facilities. The existing assets and growth assets have corresponding sources of funding.

A summary of the draft Ten Year Capital Forecast (Appendix "A") was presented to provide an opportunity for the Committee to review, seek clarification, and provide feedback to staff.

Major Changes to the Ten Year Capital Forecast include the following:

1. The Ten Year Capital Forecast (2021 to 2030) shows an overall decrease of $90.6 million compared to the Ten Year Capital Forecast ($966.4 million) presented in 2019 for the same period. Primarily as a result of the remaining costs related to the Civic Precinct Project ($199.4 million) being removed from the capital forecast per Council direction.

2. In order to achieve Council's direction to continue the "Pay As You Go" Capital approach, staff have adjusted the Ten Year Capital Forecast by reviewing priorities and managing the Tax Supported Capital Program in this time frame.

3. A significant increase in the Roads and Water/Wastewater Capital Program as a result of both growth related and repair and replacement projects. Key roads and Active Transportation projects from the ongoing Transportation Master Plan (TMP) update have been included in the Ten Year Capital Forecast. Impacts from Regional projects along with project scope changes (increases in the limits of the projects) and cost escalations due to construction cost increases all contribute to the increase in the Roads and Water/Wastewater repair and replacement program.

4. The Facilities Ten Year Capital Forecast increased due to the facility portfolio reaching its peak of life-cycle renewal requirements within the next ten years. Recent growth of the City's facility portfolio (acquired & newly constructed) coupled with forecasted increase in construction costs are also factors impacting the forecast.

5. Capital projects being approved will have cumulative and additional pressures on the upcoming Operating Budgets. Costs will include personnel expenditures and operating and maintenance of new infrastructure. A three year Operating Impact will be provided as part of the 2021 Draft Capital Budget and Forecast.

Funding Sources

Reserves and Reserve Funds play a very important role in the City's finances and provide a strong indicator of the City's overall financial health. They are established and approved by by-laws or through Provincial legislation to provide funding flexibility, mitigate risk, operations uncertainty, and to ensure long term financial stability of the City.

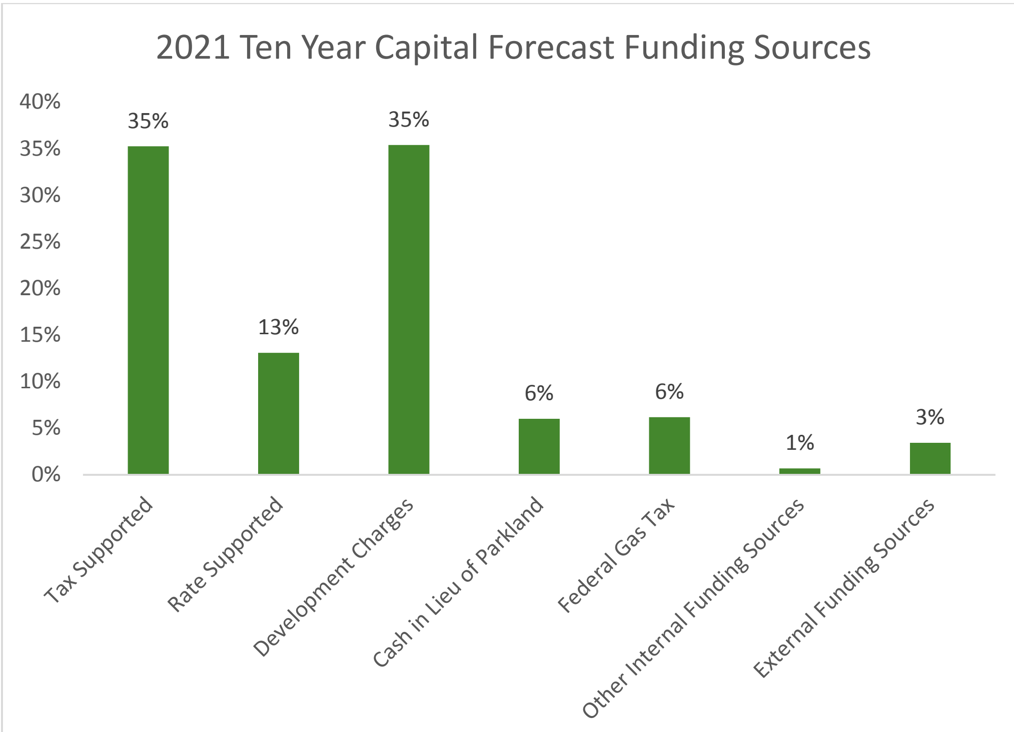
The general funding sources for the City's Capital Budget and Forecast are: taxation, utility rates, development related revenues, grants, and proceeds from the sale of the former Richmond Hill Hydro. Through taxation, the funding sources are Tax Supported Repair & Replacement Reserve Funds and the Cash to Capital Reserve Fund. The utility rates provide for the Rate Supported Repair and Replacement Reserve Funds. From the development process, both City-wide and Area Specific Development Charges are collected during the agreement and building permit issuance stages. Cash-in-Lieu of Parkland funds are also collected specifically for parkland and outdoor recreation related capital. Grants available include the annual Federal Gas Tax allocation to municipalities and other infrastructure specific grants.

Ten-Year (2021-2030) Capital Forecast Impact on Reserve Funds

The proposed Ten-Year Capital Forecast is a robust financial projection of the City's upcoming capital expenditures, incorporating the various Council approved Plans resulting in competing priorities and continued financial pressures on the City's capital related reserve funds.

The summarized Ten-Year Capital Forecast by Asset Category and Funding is presented in Appendix “A”. A detailed Corporate Summary by Categories and Projects is outlined in Appendix “B”.

The primary financing sources for the Ten Year Capital Forecast are illustrated in the below graph.



The following table summarizes the projected year-end balances of the capital related reserve funds.

Funding ($ million)	2020 Projected Year End Balance	2021 Projected Year End Balance	2022 Projected Year End Balance	2025 Projected Year End Balance	2030 Projected Year End Balance
Tax Supported	52.5	47.8	35.0	(7.9)	(68.5)
RateSupported	50.2	46.1	50.7	42.3	70.8
Development Charges	69.6	97.3	91.8	40.2	77.6
Cash-In Lieu of Parkland	41.1	45.0	43.9	35.9	35.1
Federal Gas Tax	7.1	7.5	8.4	10.3	15.2
Other Internal Funding Sources	7.3	7.3	5.6	5.1	4.9

The various capital initiatives significantly impact the life of the City’s capital related reserve funds, specifically in the following areas:

Tax Supported Reserve Funds

Council adopted the Capital Asset Sustainability Strategy (SRCFS.15.051), gradually moving the City towards a “Pay As You Go” capital approach. This approach allows for the accumulation of revenues to support the repair and replacement of capital assets as outlined in the City's Asset Management Plan. The optimal contribution target would be equal to the anticipated cost of the repair and replacement program.

As part of the Strategy, Council directed staff to implement the Capital Asset Sustainability (CAS) Fee, approved in 2016. This fee would increase by 1% tax equivalent until 2025 factoring growth and inflation to increase the annual contribution to the Tax Supported Reserve Funds. In 2019, the change to the alternative tax levy approach resulted in a dedicated tax levy for Capital Asset Sustainability based on Current Value Assessment of the property, compared to the flat rate structure. It also provided consistency with industry practice.

The 2021 Ten Year Capital Forecast strives to achieve a balance between maintaining assets in a state of good repair to support cost-effective service delivery, protect the health and safety of citizens, meets legislated requirements while facing the challenges of an aging infrastructure and growing population. The strategy for effectively managing the funding of tax supported assets includes an increase in contribution coupled with an ongoing review of the annual capital plan by prioritizing projects.

While increasing the capital asset contributions by 1% in the operating budget until 2025 will gradually move the City towards a "Pay As You Go" Capital philosophy, the average combined annual expenditures are still in excess of the available annual funding at the end of the Ten-Year forecast period.

The summarized Tax Supported Ten-Year Capital Forecast by Asset Category is presented in Appendix "D". The total forecast is $308.7 million, average Tax Supported Capital Program requirement of $30.9 million per year over the next 10 years. Given the current contribution level of $14 million with annual increase of 1% tax rate equivalent, maintaining the status quo approach will result in the reserve funds being depleted by 2025.

Water and Wastewater Reserve Funds

Water and Wastewater Reserve Funds are intended to provide for funding of water and wastewater projects that are supported by the water and wastewater rate.

As outlined in the 2021 Capital Budget and Ten-Year Capital Forecast, an aggregate amount of $77.7 million is needed mainly for the reconstruction of watermains and sanitary sewers ($73.1 million) including the benefit to existing development of the Urban Master Environmental Servicing Plan (UMESP) Wastewater System Improvements, and the repair and replacement of water meters ($4.6 million).

The City's Water and Wastewater Financial Plan was last updated in 2018. Staff monitor and revise assumptions as necessary on an annual basis to ensure continued financial stability and community safety, reviewing funding levels for adequate infrastructure construction or replacement, and that user rates remain reasonable while maintaining full cost recovery solely from the Water and Wastewater rate.

Water Quality Protection Reserve Fund

The Water Quality Protection Reserve Fund is primarily used for the funding of stormwater management initiatives (i.e. sediment removal, stormwater management facilities rehabilitations as well as the repair and replacement of storm sewers) to protect City infrastructure. This reserve fund also provides for partial funding (35%) of the Flood Remediation requirements around the Yonge Street & Elgin Mills Road area.

As identified in the 2021 Ten Year Capital Forecast, contribution from the Stormwater Management Fee to the reserve fund is not sufficient to provide funding for the forecasted capital projects ($36.9 million) and the reserve fund is expected to be fully depleted by 2025 (without grant assumption) until the new rate structure is in place.

A new Stormwater Management Rate structure will address the funding gap recognized by Council and provides the most equitable opportunity to move towards long term financial sustainability for stormwater infrastructure. The new rate structure is anticipated to be implemented in 2022.

Development Charges Reserve Funds

Development Charges are one of the major funding source of the City's capital projects, provided for through the development process and used to fund the growth-related capital cost of infrastructure to accommodate new development within the City. The Ten Year Capital Forecast identifies $310 million or 35% of Development Charges will fund capital projects over the next ten year timeframe. These projects include the proposed new indoor recreation facilities, growth related parks, library expansions, fire station, public works fleet/equipment and city-wide engineering capital works.

In 2019, the Province of Ontario introduced Bill 108 and 138 which changed how municipalities recover growth-related infrastructure costs. Beginning on January 1, 2020, development charge rates are frozen at application, and some types of developments can phase their payments. As a result, developers could lock in development charge rates and pay development charges in installments over a longer period of time which could constrain the City's ability to fund vital growth-related projects due to timing of collections. Conversely, the Bills removed the 10% statutory deduction on eligible services, which would allow the City to fund more projects through development charges.

Most growth-related infrastructure is paid for and built many years before all the benefiting development arrives. Due to the timing of projects in advance of build out and collection of development charges, the full amount of these growth related projects cannot be recovered in the ten year development charges funding envelope, leading to these reserve funds being in a temporary deficit until growth revenues are realized. Because much infrastructure has to be built before growth can occur, there is financial risk to the City when growth does not happen at the predicted pace.

Municipalities are required to have official plans that conform to the growth targets set out by the Provincial Growth Plan. Richmond Hill's infrastructure master plans must include infrastructure needed to meet the population growth in its official plan. However, if the growth contemplated in the Growth Plan does not materialize as expected, Richmond Hill may be in a situation where infrastructure capacity is built and financed in advance of growth and the development revenues that would be collected to offset these costs. Also, once in service, these assets begin to incur operating, maintenance and rehabilitation costs, which are then appropriately funded by tax levy and user rates. The municipality faces two financial challenges if growth does not occur as expected.

As reported by the York Region, according to Statistics Canada data, population growth in York Region has been below the Growth Plan projections, between mid-2011 and mid-2019, York Region grew by over 15,000 people annually, or about 60 percent of the annual growth projected.

Lower than expected growth has translated into lower-than-expected development charge revenues for Richmond Hill. Should growth fall below what is assumed in the 2019 Development Charges Background Study, this may limit the City's ability to finance new growth related projects and requires a re-evaluation of the timing of planned growth related projects in the Ten Year Capital Forecast.

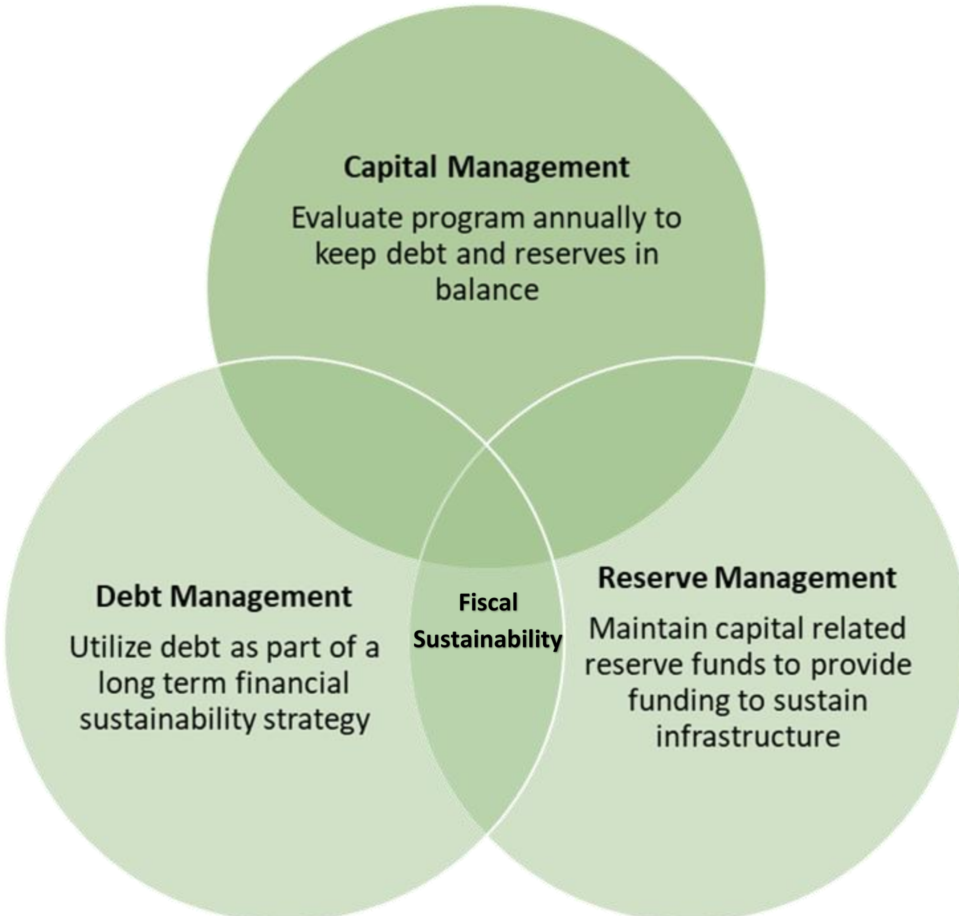
Federal Gas Tax Reserve Fund

Federal Gas Tax provides funding for revitalization of infrastructure that achieves positive environmental results. Eligible projects are infrastructure projects that contribute to clean water, cleaner air, reduce gas emission. Recent changes have expanded eligible projects to all municipal infrastructure, an opportunity for greater funding of the City's strategic capital projects. The Ten Year Capital Forecast anticipates that these funds will be used mainly to finance the Tax Supported Capital Program so as to alleviate the financial pressures on the City's Tax Supported Reserve Funds. The forecasted expenditures of $54.2 million focus on facility repairs/replacements and upgrades, trails and sidewalks as part of the Pedestrian Cycling Master Plan, as well as Asset Management and energy related initiatives.

Financial Sustainability Strategy

Achieving fiscal sustainability is a three-prong approach. It requires managing the City's capital program and service levels, as well as maintaining sufficient balances in the capital related reserve funds to provide funding to sustain the infrastructure while utilizing debt as part of a long term financial sustainability strategy.

Financial sustainability requires long term planning in a responsible manner that realizes the City's Strategic Plan priorities, while mitigating both short and long term financial risks. Richmond Hill will be in a fiscally sustainable position when it can offer a level of service that can accommodate the long term needs of growth while maintaining infrastructure in a state of good repair. The cost of providing this service must also be balanced with taxation.



Council has already taken positive steps towards achieving fiscal sustainability by approving the "Pay As You Go" approach however the City continues to face capital related funding pressures especially for the rehabilitation and replacement of the City's assets.

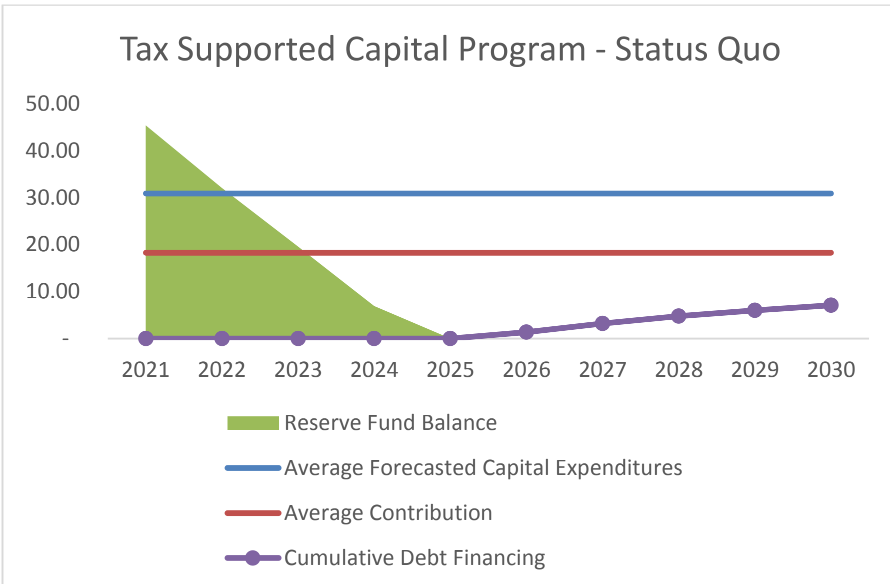
Financial Sustainability Strategy for the Tax Supported Capital Program

Ongoing contributions to the Tax Supported Capital Program are required to accommodate the City's full asset management needs. Council has made significant progress in building and maintaining the Tax Supported Reserve Funds by increasing the contribution target to support the City's growing asset management needs. Risks relating to asset failure are mitigated through condition and risk assessments, proactive maintenance programs and capital renewal programs. This approach achieves the defined levels of service through the asset's lifecycle and extends the investment to the full life expectancy of the asset.

The City's Operating Budget includes contributions to the Tax Supported Reserve Funds that has increased to $14 million in 2020. These contributions should ensure that the City can meet its short-term repair and replacement needs, but ongoing increases in contributions per the Capital Asset Sustainability Strategy would be required to meet future needs or the City will have to issue tax levy supported debt in the future.

As shown in the graph below, over the next ten years the draws and contributions to the Tax Supported Reserve Funds are unsustainable. The average draws are informed by the projects identified in the Ten Year Capital Forecast, resulting from departmental repair and replacement plans and asset condition assessments. The average contributions are calculated based on the CAS Strategy and the annual incremental increase approved by Council.

Maintaining status quo would result in the Tax Supported Reserve Funds being depleted by 2025, and the future Tax Supported Capital Program be financed by debt entirely funded by the tax levy.



Capital Management

The Tax Supported Capital Program is evaluated annually to manage project priorities and to keep the reserve funds in balance. The Ten Year Capital Forecast for the program was developed to align with the documents that support the City's vision. It prioritizes lifecycle repair and replacement of existing assets to ensure reliability, performance and system safety.

The total forecast for the Tax Supported Capital Program is $308.7 million, an average requirement of $30.9 million per year over the next ten years. The anticipated spending is well in excess of the contributions for the same period, resulting in a deficit in the reserve funds.

Richmond Hill's Corporate Asset Management Plan is in its infancy stage and the Plan will materialize over the first half of 2021, which will in turn provide future direction of asset management at the City. It is critical that the Tax Supported Capital Program be managed in a similar approach as 2020 to mitigate further impact to the reserve funds.

In the 2020 Capital Budget process, a new capital decision-making process was developed by the Corporate Asset Management section in EIS, and is based on the future approach from the Asset Management Strategy. Each project was assessed on several criteria including: health and safety, environmental, regulatory, reputational, and operational. This process included a scoring system, to help prioritize projects across departments on the basis of benefit and risk. Further review and prioritization by Directors and Commissioners was completed, which resulted in a recommendation for the 2020 draft capital budget.

As the Asset Management Plan is slated to be completed by mid-2021, a similar approach will be applied for the 2021 Tax Supported Capital Program. The Tax Supported Capital Program will be capped at $15 million, to match the anticipated contributions.

Reserve Management

Reserve management is a very important factor when ensuring the long term financial sustainability of the City. Reserves fund capital asset spending and help to smooth tax levy and user rate requirements as well as provide financial flexibility in the event of unanticipated expenditures or drop in revenue.

Maintaining sufficient balances in reserves and reserve funds is a critical component of a municipality's long term financial plan as it strengthens its long term financial sustainability, helps to minimize fluctuations in the tax rate and provides funding to sustain infrastructure. The current long term financial strategy is designed to keep the City financially stable and sustainable, while allowing the flexibility to borrow money in the future for major infrastructure capital projects.

Continued increasing contributions to Tax Supported Reserve Funds are also necessary because repair and replacement costs, by their nature, have their ebbs and flows and inevitably increase as the assets age. Therefore, continuing to contribute to the reserve funds at a consistent rate would help avoid unaffordable repair and replacement expenditures or steeper contribution increases in the future.

Debt Management

The City of Richmond Hill has maintained a strong financial position for many years and has been successful at efficiently managing its finances without the issuance of debt. Significant reserve and reserve fund balances have been accumulated through the wise and effective management in all of the City's financial resources. However, aging infrastructure and changes in the timing of development-related growth from increasing urbanization, requires an alternative source of funding to maintain and support future growth. It is important the right financial tools are in place to allow the City to continue to achieve its objectives in a fiscally sustainable manner. The effective use of debt is a tool that Richmond Hill can leverage to achieve its financial goals.

The core benefits of utilizing debt would allow the timing of capital projects to be accelerated, while enabling its costs to be distributed over the asset's long useful life.

This supports intergenerational equity, which will balance the costs and benefits among the residents of both current and future generations. Based on regulations that municipalities may only issue debt for capital purposes, the debt management strategy will incorporate capital forecasts, financial market conditions and the timing of cash flows to effectively fund growth-related capital projects. This will also incorporate major asset repair and rehabilitation as part of infrastructure renewal, while the City's Asset Management Plan is in the process of being completed. The debt management framework is guided by the requirements outlined in the applicable Ontario regulations of the Municipal Act and the City's own Corporate Debt Policy that was approved by Council in 2015. (See Appendix "D")

Financial/Staffing/Other Implications:

In light of achieving fiscal sustainability under the three-prong approach, three different funding scenarios for the Tax Supported Capital Program were presented for discussion at the June Capital Sustainability Steering Committee with the following principles of a Financial Sustainability Strategy:

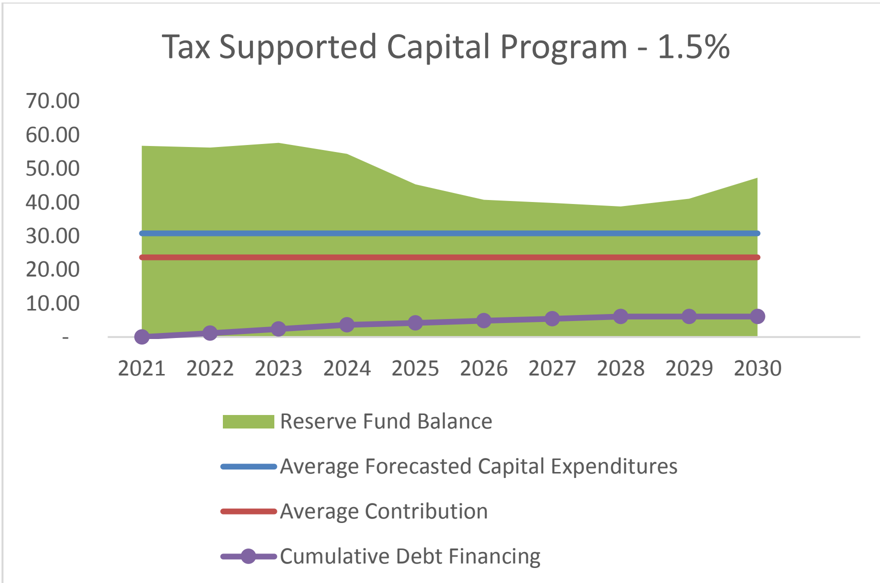
- Maintains a base balance of $40 million in Tax Supported Reserve Funds
- Continues the annual contribution to Tax Supported Reserve Funds in the operating budget and the increase in CAS Levy each year
- Considers use of debt as part of the financial tool kit
- Uses the interest earned from the base balance in these reserve funds to pay a portion of the debt servicing costs

The first scenario indicated maintaining 'status quo' in the Council approved "Pay As You Go" Strategy of matching annual capital expenditures to contributions has become unattainable as the City learns more about its assets and future replacement needs through the continued development of the Comprehensive Corporate Asset Management Plan. The Tax Supported Reserve Funds will be used to provide for the annual shortfall, resulting in the Tax Supported Reserve Funds being depleted by 2025. From then on, debt financing will be necessary to fund all future asset repair and replacements. The principles of the Financial Sustainability Strategy would not be satisfied.

A second scenario was provided utilizing debt as a tool to smooth out the impact to residents. The annual debt repayment would be partially offset by interest earned in the Tax Supported Reserve Funds, along with an annual increase to the Capital Asset Sustainability Levy of 1% until 2030. However based on the current level of the Ten Year Capital Forecast, the base balance of the Tax Supported Reserve Funds would not be maintained while the debt levy would increase to 1.5% by 2030 and annual debt requirements would continue to grow past 2030.

The third scenario presented provided a more realistic approach and alignment to the proposed principles. Debt financing for eligible capital projects would have commenced from 2021 into the future years, smoothing out the financial impact to residents. At a higher annual CAS Levy increase of 1.5%, the corresponding debt levy increases at 1%

from 2022 to 2024, decreases to 0.5% from 2025 to 2028, and flattens out with no new debt issuance in 2029 and 2030 based on the current level of the Ten Year Capital Forecast. The Tax Supported Reserve Funds would be maintained at $40 million and interest from the reserve funds would be used to partially offset debt charges.



Given the direction that the 2021 Capital Budget be capped at $15 million until the Comprehensive Asset Management Plan is in place, the Financial Sustainability Strategy for the Tax Supported Capital Program as described in scenario 3 would be implemented for the 2022 Capital Budget process.

As the Ten Year Capital Forecast is a fluid undertaking that will continue to be updated as the various capital plans are updated, as is the Financial Sustainability Strategy. The Strategy will be re-evaluated as required to correspond to the changing priorities of the Capital and Forecast process.

Relationship to the Strategic Plan:

Presentation of the draft Ten Year Capital Forecast and Financial Sustainability Strategy for the Tax Supported Capital Program demonstrate the importance of good capital infrastructure planning and wise management of resources in Richmond Hill.

Conclusion:

Although Richmond Hill is experiencing key capital related financial pressures, especially in the Tax Supported Capital Program area, Council initiatives have kept the City progressing towards its goal of fiscal sustainability.

In order to continue upon this path, and address capital related financial pressures, both current and in the future, the City will continue to manage its capital budget and forecast in a fiscally prudent manner.

Attachments:

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

- Appendix A – Ten-Year Capital Forecast by Asset Category and Funding
- Appendix B – Corporate Summary by Categories and Projects
- Appendix C – Tax Supported Ten-Year Capital Forecast by Asset Category
- Appendix D - Debt Policy

Report Approval Details

Document Title:	SRCFS. 20.026 Financial Sustainability Strategy.docx
Attachments:	- SrCFS.20.026 Appendix A.pdf - SrCFS.20.026 Appendix B.pdf - SrCFS.20.026 Appendix C.pdf - SrCFS.20.026 Appendix D.pdf
Final Approval Date:	Sep 28, 2020

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

David Dexter - Sep 25, 2020 - 9:31 AM

Sherry Adams - Sep 25, 2020 - 10:30 AM

MaryAnne Dempster - Sep 28, 2020 - 8:24 AM