2021-2025 Financial Plan Overview

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COMMISSIONER/CHIEF ADMINISTRATIVE OFFICER

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GENERAL MANAGER, FINANCIAL SERVICES/CHIEF FINANCIAL OFFICER
Reflecting Feedback

- Observing 2020 Budget Process
  - Strengths
  - Opportunities for Improvement
Strengths

• Strong financial position
• Process includes multiple layers of scrutiny
• Board Strategic Plan and 5 Year Financial Plan
  • Provides foundation
Opportunities for Improvement

- Overall picture of the budget at the Committee level
- Earlier direction from the Board
- Greater input and transparency around decision making
- Increased understanding of evolving municipal challenges
Board Direction from June Workshop

Short-term Relief for Households
  Leverage supported tools to create a short-term action plan
  (1-3 years)

Maintain current goals and objectives
  Continue work on strategic and long-range plans

Realize New Opportunities
  Partner on projects to increase affordable housing
  Reduce GHGs
  Help drive economic recovery
Realizing New Opportunities

- Expanding affordable rental housing through strategic redevelopment and partnerships
  - 7-8 projects over 5 years (750-900 units)
- Waste-to-Energy District Energy
  - Up to 70,000 tonnes of GHG reductions per year
- Project delivery – maximizing local benefits
Toolbox

- Continuous Improvement
- Capital Plan Deferrals
- Demand Side Management
- Reduce Pay-as-you-go
- Increase Debt Amortization Term

Asset Management Plans
- Minimize asset failure risks and impact to customers
- Optimize lifecycle value
- Meet asset performance targets

Financial Management Policy
- 15 Year Amortization Period
- Pay-as-you-go to ensure <40% debt servicing cost
Continuous Improvement

• Opportunities for continuous improvement
  o Find efficiencies
  o Improve service

• Annacis Cogen Expansion: $1.5M savings in 2020

• Identified 2021 opportunities:
  o Fraser Valley Gravel Pit Reclamation - $1.7M savings
  o Lulu Island Green Biomethane Sales Revenue - $860k in revenue
  o In-house Engineering and Design - $500k savings
  o COVID Claims Management on over 50 projects
Project Review

• Review of over 300 capital projects
  o Numerous adjustments to workplans and schedules
• Leveraging conservation efforts to defer growth-related infrastructure projects (demand side management)
Capital Plan Deferrals

- Capital plan includes deferring key phases of the Coquitlam Water Supply project
- Unique opportunity to significantly increase water conservation efforts to achieve long-term per capita reductions
Capital Plan Requirements

Infrastructure Resilience

- Aging Infrastructure
- Climate Change Adaptation

Clayton Langley Main Valve Chamber Refurbishment

Coquitlam Interceptor: corroded section of pipe

Iona Wastewater Treatment Plant: Flood Protection
Financial Tools

- Financial tools used to provide short-term relief:
  - Changing amortization period to 30 years for the next 2 years
  - Eased pay-as-you-go funding for next 3 years
## Budget Adjustments

<table>
<thead>
<tr>
<th>$967.5 M</th>
<th>Prior Projection for 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$42</td>
<td>Increase for the average household in 2021 (Water: $7, Liquid Waste: $26, Solid Waste: $3, MVRD: $6)</td>
</tr>
<tr>
<td>$602</td>
<td>Average annual costs for all Metro Vancouver services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$939.5 M</th>
<th>Proposed 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17</td>
<td>Increase for the average household in 2021 (Water: $2, Liquid Waste: $8, Solid Waste: $0, MVRD: $7)</td>
</tr>
<tr>
<td>$577</td>
<td>Average annual costs for all Metro Vancouver services</td>
</tr>
</tbody>
</table>
## Overall Household Impact 2021-2025

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water District</strong></td>
<td>$172</td>
<td>$174</td>
<td>$178</td>
<td>$182</td>
<td>$197</td>
<td>$217</td>
</tr>
<tr>
<td><strong>Liquid Waste</strong></td>
<td>$264</td>
<td>$272</td>
<td>$289</td>
<td>$310</td>
<td>$344</td>
<td>$385</td>
</tr>
<tr>
<td><strong>Solid Waste</strong></td>
<td>$61</td>
<td>$61</td>
<td>$63</td>
<td>$65</td>
<td>$67</td>
<td>$70</td>
</tr>
<tr>
<td><strong>Regional District</strong></td>
<td>$63</td>
<td>$70</td>
<td>$73</td>
<td>$77</td>
<td>$81</td>
<td>$82</td>
</tr>
<tr>
<td><strong>Total Household Impact</strong></td>
<td>$560</td>
<td>$577</td>
<td>$603</td>
<td>$634</td>
<td>$689</td>
<td>$754</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>3.2%</td>
<td>4.2%</td>
<td>5.2%</td>
<td>8.8%</td>
<td>9.4%</td>
<td></td>
</tr>
<tr>
<td>Prior Year Forecast</td>
<td>$602</td>
<td>$655</td>
<td>$708</td>
<td>$755</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior Year % Change</td>
<td>7.4%</td>
<td>9.0%</td>
<td>8.0%</td>
<td>6.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Long-term Impact

Long-term Household Impacts of Financial Levers

- **No Financial Levers**
- **With Financial Levers**
• 2022 Budget Cycle will continue to prioritize:
  o Continuous improvement to realize cost savings and efficiency gains, including delivery mechanisms for capital projects
  o Exploring alternatives to building new infrastructure i.e. demand side management strategies
  o Sound fiscal management
  o Understanding of municipal challenges
  o Early direction from Boards and Committees
Financial Plan Overview
Overview:
• 2020 Operating Budget: $894.3M
• 2021 Operating Budget: $939.5M (5.1%)
• $28M less than previously projected for 2021

Drivers:
• Increase in Operations averages 2.2% over 5 years
• Debt servicing reflective of the capital program, but favorable rates and 30 year amortization in 2021/22
• Easing Contribution to Capital in 2021/22/23 - Refocusing in 2024/25
Overview:
• Primary funding sources - water sales, sewer levy, tipping fees, rents, MVRD requisition
• Expecting relative stability for primary sources
• Continued focus on alternate sources

Drivers:
• Assumed Water DCC revenue received and applied starting in 2023
• Assumed partner funding for upcoming major capital projects, reduces pressure on levies/rates
• Assume return to the Financial Management Policy in 2024/25
Overview:
- 2020 Capital Budget: $1.41B
- 2021 Capital Budget: $1.52B
- Increase: $110.0M (7.8%)

Drivers:
- Capital project in progress carried forward
- Reviewed for deferrals and savings
- Project risks and scope provisions
Questions
INDIGENOUS RELATIONS OVERVIEW

Indigenous Relations over the next 5 years

The Board Strategic Plan includes the objective of advancing strong working relationships between Metro Vancouver and First Nations.
<table>
<thead>
<tr>
<th>Key Performance</th>
<th>Past Performance (Average)</th>
<th>Expected Performance 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of special Indigenous Relations events hosted by Metro Vancouver</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Number of Metro Vancouver-First Nations bilateral meetings</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Total annual requests for information or advice related to First Nations/Indigenous Relations</td>
<td>1,100</td>
<td>1,800</td>
</tr>
</tbody>
</table>
# CONTINUOUS IMPROVEMENT

## 2021 Initiatives and Outcomes

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination of region-wide or sub-regional Multi-Assessment Permits (i.e. formerly, “blanket” archaeological permits).</td>
<td>Reduces the number of permits applications; reduces wait times; can include up to 100 projects over a 2-year period.</td>
</tr>
<tr>
<td>Creation of web-based and video-based modules for staff training purposes (e.g. archaeological Chance Find Protocols).</td>
<td>More opportunities for self-paced learning; greater flexibility in the delivery of the training; consistent messaging; and reduced training costs.</td>
</tr>
<tr>
<td>Identification and implementation of software to assist with tracking requests.</td>
<td>More efficient responses to requests.</td>
</tr>
</tbody>
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BUDGET OVERVIEW
Indigenous Relations

2021 Operating Budget Breakdown - Indigenous Relations

2021 MV Budget, $939.5M

Indigenous Relations, $0.6M
Overview:
2020 Operating Budget: $0.6M
2021 Operating Budget: $0.6M
0.0% increase

Drivers for Change:
• Salaries and benefits
## OPERATING HIGHLIGHTS
Indigenous Relations, 2021 - 2025

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Initiative</th>
<th>Description</th>
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<tr>
<td></td>
<td>Regional Gathering</td>
<td>A forum for members of the Board and Committee with elected First Nation leaders</td>
</tr>
<tr>
<td>2021</td>
<td>Coordination of archaeological Multi-Assessment Permits</td>
<td>Allow for multiple, individual assessments within a specific geographic area</td>
</tr>
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<td>2021</td>
<td>Creation of web-based and video-based modules for staff training purposes</td>
<td>Move to a digital format to increase training opportunities for staff (e.g. archaeological Chance Find Protocols)</td>
</tr>
<tr>
<td>2021</td>
<td>Implementation of software to assist with the tracking of requests</td>
<td>Move to an online searchable database system to better track performance measures</td>
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<tr>
<td>2022 to 2025</td>
<td>Community to Community Forum or Regional Gathering</td>
<td>A forum for members of the Board and Committee with elected First Nation leaders</td>
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## FINANCIAL PLAN SUMMARY

### Indigenous Relations, 2020 - 2025

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<tr>
<td><strong>Total Expenditures ($)</strong></td>
<td>$583,698</td>
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<td>$594,529</td>
<td>$605,578</td>
<td>$620,108</td>
<td>$634,974</td>
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<tr>
<td><strong>% Change</strong></td>
<td>0.0%</td>
<td>1.9%</td>
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<td>2.4%</td>
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<tr>
<td><strong>Allocated to Functional Departments ($)</strong></td>
<td>$583,698</td>
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Questions?

First Nations Hand Drum