2021-2025 Financial Plan Overview

Jerry W. Dobrovolny
COMMISSIONER/CHIEF ADMINISTRATIVE OFFICER

Dean Rear
GENERAL MANAGER, FINANCIAL SERVICES/ CHIEF FINANCIAL OFFICER

Electoral Area Committee Meeting October 7, 2020
Reflecting Feedback

• Observing 2020 Budget Process
  o Strengths
  o 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
  o 7-8 projects over 5 years (750-900 units)
• Waste-to-Energy District Energy
  o 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)
Project Review

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
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>Prior Projection for 2021 Budget</th>
<th>Proposed 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$967.5 M</strong></td>
<td>Increase for the average household in 2021 (Water: $7, Liquid Waste: $26, Solid Waste: $3, MVRD: $6)</td>
</tr>
<tr>
<td>$42</td>
<td></td>
</tr>
<tr>
<td>$602</td>
<td>Average annual costs for all Metro Vancouver services</td>
</tr>
<tr>
<td><strong>$939.5 M</strong></td>
<td>Increase for the average household in 2021 (Water: $2, Liquid Waste: $8, Solid Waste: $0, MVRD: $7)</td>
</tr>
<tr>
<td>$17</td>
<td></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><strong>Prior Year Forecast</strong></td>
<td>$602</td>
<td>$655</td>
<td>$708</td>
<td>$755</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Prior Year % Change</strong></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

Electoral Area Committee
• 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% increase)
- $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
2021 – 2025 FINANCIAL PLAN

METRO VANCOUVER REGIONAL DISTRICT – ELECTORAL AREA A

Heather McNell
GENERAL MANAGER, REGIONAL PLANNING AND HOUSING SERVICES
Electoral Area Committee – October 7, 2020
ELECTORAL AREA A OVERVIEW

The Electoral Area A Service provides local government administration, planning, building inspection and emergency services to residents of the Electoral Area.
- Howe Sound - Ocean Point, Strachan Point and Montizambert Wynd; Bowyer and Passage Islands
- Northern portion of Indian Arm; Boulder Island and Carraholly Point
- West side of Pitt Lake
- Barnston Island
- University Endowment Lands
- University of British Columbia
# PERFORMANCE METRICS
Electoral Area Financial Plan

<table>
<thead>
<tr>
<th>Key Performance</th>
<th>Past Performance (Average)</th>
<th>Expected Performance 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of public meetings and engagement events</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Number of visits to the Electoral Area A Website</td>
<td>12,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>
## CONTINUOUS IMPROVEMENT

Electoral Area Financial Plan

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020: Pitt Lake Barge Cleanup Event</td>
<td>Assisted residents in recycling large items</td>
</tr>
<tr>
<td></td>
<td>Reduced the risk of environmental contamination</td>
</tr>
<tr>
<td></td>
<td>Future events included in the five-year work plan</td>
</tr>
<tr>
<td>2021: Geotechnical study for portion of Electoral Area A where Metro</td>
<td>Increased understanding of geo-hazards in EA A</td>
</tr>
<tr>
<td>Vancouver provides building inspection services</td>
<td>Potential cost-savings for residents applying for building permits</td>
</tr>
<tr>
<td>2020-2021: Fire Protection Services Feasibility Study for Howe Sound</td>
<td>Potential fire protection for EA A communities</td>
</tr>
<tr>
<td></td>
<td>Potential lower fire insurance rates for residents</td>
</tr>
</tbody>
</table>
BUDGET OVERVIEW
Electoral Area Financial Plan

2021 Operating Budget Breakdown - Electoral Area Service

2021 MV Budget, $939.5M
Electoral Area Service, $0.7M

- Community Planning
- Local Government Election
- Contribution to Election Reserve
- Electoral Area Projects and Studies
- Fraser Valley Library Services
- Contribution to Reserve
- Building Inspections
- Emergency Planning
- Allocation of Centralized Support

Electoral Area Committee
Overview:
2020 Operating Budget: $0.8M
2021 Operating Budget: $0.7M
(15.4% decrease)

Drivers for Change:
Decrease in number & value of one-time projects;
Reduced travel/training budgets

Electoral Area Financial Plan

2021 – 2025 Electoral Area Financial Plan

- Operations
- Household Impact

Millions

Electoral Area Committee
Overview:
2020 Operating Budget: $0.8M
2021 Operating Budget: $0.7M
(15.4% decrease)

Drivers for Change:
Decrease in spending on one-time projects from Reserves
### OPERATING HIGHLIGHTS

**Electoral Area Financial Plan**

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Initiative</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>Community Works Fund Consultation</td>
<td>Identify priority projects in UBC/UNA/UEL for funding through the Community Works Fund</td>
</tr>
<tr>
<td>2022</td>
<td>Cleanup event</td>
<td>Barge cleanup event in Howe Sound</td>
</tr>
<tr>
<td>2023</td>
<td>Emergency preparedness</td>
<td>Support resident-preparedness for fires &amp; earthquakes (hands-on training, equipment)</td>
</tr>
<tr>
<td>2024</td>
<td>Cleanup event</td>
<td>Barge cleanup event in Indian Arm</td>
</tr>
<tr>
<td>2025</td>
<td>Cleanup event</td>
<td>Barge cleanup event in Pitt lake</td>
</tr>
</tbody>
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## ELECTORAL AREA FINANCIAL PLAN SUMMARY

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<thead>
<tr>
<th></th>
<th>2020</th>
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<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures</td>
<td>$808,417</td>
<td>$683,901</td>
<td>$768,551</td>
<td>$682,881</td>
<td>$698,948</td>
<td>$705,930</td>
</tr>
<tr>
<td>% Change</td>
<td>(15.4%)</td>
<td>12.4%</td>
<td>(11.1%)</td>
<td>2.4%</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Electoral Area Requisition</td>
<td>$376,943</td>
<td>$394,411</td>
<td>$406,883</td>
<td>$411,213</td>
<td>$431,865</td>
<td>$450,847</td>
</tr>
<tr>
<td>% Change</td>
<td>4.6%</td>
<td>3.2%</td>
<td>1.1%</td>
<td>5.0%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Household Impact</td>
<td>$58</td>
<td>$61</td>
<td>$63</td>
<td>$63</td>
<td>$67</td>
<td>$69</td>
</tr>
<tr>
<td>% Change</td>
<td>4.6%</td>
<td>3.1%</td>
<td>1.0%</td>
<td>5.0%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Prior Cycle Household Impact Change (%)</td>
<td>5.8%</td>
<td>6.6%</td>
<td>4.2%</td>
<td>3.5%</td>
<td>N/A</td>
<td></td>
</tr>
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Electoral Area Committee
Electoral Area A Cleanup Event
WEST SIDE OF PITT LAKE

Tom Pearce
ELECTORAL AREA PLANNER, REGIONAL PLANNING AND HOUSING SERVICES

Electoral Area Committee, October 7, 2020
Background

• Previous cleanup events in 2016 for Passage and Bowyer residents, 2019 for Indian Arm residents
• Strong interest from Pitt Lake residents
• Feedback from Indian Arm and Pitt Lake residents through the OCP process
• $50,000 from Reserve Approved through 2020 Budget Process
• Coordination with local residents and Solid Waste Department
Completed 2020
Pitt Lake
75 residences

Completed 2019
Indian Arm
80 residences

Completed 2016
Bowyer Island
65 residences
Passage Island
30 residences
Communications

- Summer Electoral Area Bulletin
- Electoral Area Mailing List (digital)
- Pre-registration (photos of items and pre-sorting)
Loading
Metals

Electoral Area Committee
Batteries and Propane Tanks

Electoral Area Committee
Styrofoam

Electoral Area Committee
Materials Collected

8 large bins

• 3 mattresses
• 50 tires
• 940 liters of paint related material
• 27 propane tanks
• 43 large batteries
• Scrap metal, wood waste, styrofoam, tires, marine waste
“...Having the ability to dispose of items in this fashion was exceptionally helpful for us. We purchased the cabin from a previous owner 4 years ago and we were able to finally clean up and de-clutter the property. As you can imagine, disposing of items on a boat access only property is never straightforward and things accumulate easily...”

Christian Cove resident
“I just wanted to say thank you for your help with communications and organization for the Pitt Lake clean up. Your efforts are genuinely appreciated and I can honestly say that it has made a huge difference in decreasing the garbage materials that people can talk themselves into believing it would not hurt anything if it ended up at the bottom of the lake. Since access to garbage disposal ended years ago, that has become a real temptation for people with large and heavy items. It felt wonderful to get rid of stuff left around from previous ownership. We were even able to get some stuff that we could see on the bottom of the lake.”

-- Hodgins Harbour

Electoral Area Committee
Next Steps

• Electoral Area Committee to consider future clean-up events through the budget process
Thank you