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COMMUNICATION
FAA - JAN 23/15
ITEM - 1

**Commission Based
Presentations – Corporate
2015-2018 Financial Plan**



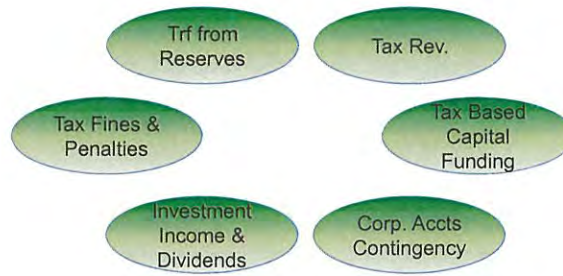
Agenda

- Budget & Plan Summary
- Options



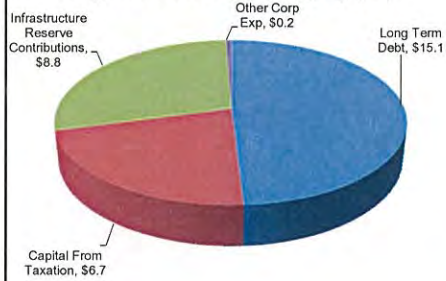
Service Statement

Funding and activities managed at a corporate level or that are non-dept. specific.



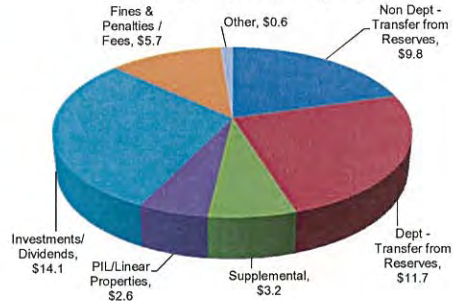
Commission 2015 Operating Budget -

Expenditures by Category (\$M)



Total expenditures equal \$30.8M
Total revenues equal \$47.7M

Corporate Revenue (\$M)



12% of the total City's Operating Expenditures



3 Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Corporate Summary



	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Status Quo Pressures	0.4	0.27	4.7	2.61	2.3	1.20	4.8	2.31
Growth Pressures	2.2	1.32	2.0	1.11	1.7	0.86	5.2	2.52
Assessment Growth	-3.2	-1.96	-3.4	-1.91	-3.6	-1.85	-3.7	-1.80
Incremental Levy Requirement	-0.6	-0.37	3.2	1.82	0.4	0.21	6.3	3.03
Total Incremental for the City	11.7	7.14	13.4	7.58	9.6	4.93	11.1	5.35



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Status Quo Pressures



	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Tax Rate Stab Reserve/Prior Yr Surplus phase down	0.8	0.50	0.9	0.51	1.5	0.76	2.1	1.03
Contingency	0.2	0.12	2.9	1.65	3.3	1.69	3.4	1.62
PowerStream Investment/Dividends	-0.9	-0.56	1.1	0.61	-1.8	-0.93	-0.2	-0.08
Investment Income	0.2	0.15	0.0	0.00	-0.3	-0.13	-0.5	-0.24
Trf from Reserves – Dept related	0.2	0.10	-0.2	-0.10	-0.1	-0.07	0.0	0.02
Wastewater recovery (net)	-0.3	-0.21	-0.1	-0.06	-0.1	-0.06	-0.1	-0.04
Supplemental Tax/PIL	0.2	0.13	0.0	0.00	0.0	0.00	0.0	0.00
Other Misc Adjustments	0.1	0.04	0.0	0.01	-0.1	-0.03	0.0	0.00
Total Status Quo Pressures	0.4	0.27	4.7	2.61	2.3	1.20	4.8	2.31



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Surplus Carry Forward and Sustainability Pressure

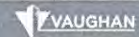
	2014	2015	2016	2017	2018
	\$M	\$ M	\$ M	\$ M	\$ M
Prior Year Surplus Carry forward	2.5	-2.5	0.0	0.0	0.0
Tax Rate Stabilization Reserve	3.1	-1.7	-1.4	0.0	0.0
Working Capital Reserve	0.0	3.4	0.5	-1.5	-2.1
Total	5.6	-0.8	-0.9	-1.5	-2.1
Tax Impact %		0.50	0.51	0.76	1.03

Initial 2015 impact greatly minimized by strategy



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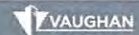


Options to Reduce the Status Quo

1. Revisit VHI dividend policy
2. Leverage VHI funds to smooth dividend fluctuation
3. More aggressive investment program



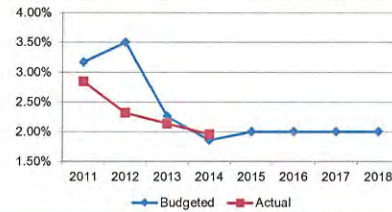
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Growth Related Pressures



Operating Impacts	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Assessment growth	3.2	1.96	3.4	1.91	3.6	1.85	3.7	1.80
Supplemental taxation	-0.3	-0.18	0.0	0.00	0.0	0.00	0.0	0.00
Payments in Lieu	0.1	0.05	0.0	0.00	0.0	0.00	0.0	0.00
Total Growth related Revenue	3.0	1.83	3.4	1.91	3.6	1.85	3.7	1.80
Total Growth related Inc. Costs	-6.1	-3.75	-6.8	-3.83	-5.8	-3.01	-7.4	-3.56
Net Growth related Change	-3.1	1.92	3.4	1.92	2.2	1.16	3.7	1.76



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Growth Related Pressures



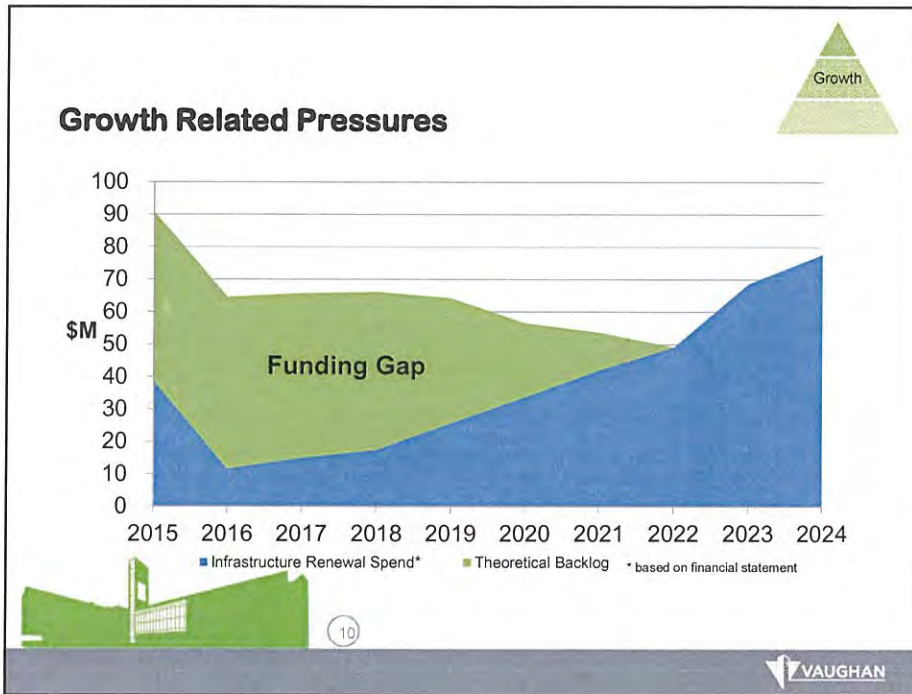
	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Implementation of Previous Decisions:								
Long Term Debt - Roads Program	1.1	0.66	-0.8	-0.43	-3.5	-1.80	2.2	1.07
Debtenture Payment Reserve.	-0.6	-0.37	1.2	0.66	1.6	0.81	0.4	0.21
Net	0.5	0.29	0.4	0.23	-1.9	-0.99	2.6	1.28
Infrastructure reserve contributions	1.7	1.02	1.5	0.87	3.6	1.85	2.6	1.24
Subtotal	2.2	1.31	1.9	1.10	1.7	0.86	5.2	2.52



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- ### Options to Reduce Growth Related Pressures
1. Assessment growth figures are based on demand and provided by MPAC – no options
 2. Decisions on growth-related investments can reduce renewal requirements
 3. Reduce infrastructure renewal contributions
 4. Reconsider our practice regarding debt financing
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- VAUGHAN