

# **Asset Management Financing Strategy**

**Committee of the Whole - Workshop**  
**January 31, 2019**

# Financing Plan

Provides sustainable funding strategy to address the city's long term infrastructure needs

## Why do we do it?

- Financial sustainability
- Predictable infrastructure investment

## **Background:**

- Dedicated Infrastructure Levy 1.25%, reducing in later years
- Re-purposing hospital levy
- \$20M infusion for Roadways
- 0.2% levy in 2020

# State of Local Infrastructure

## Replacement Value

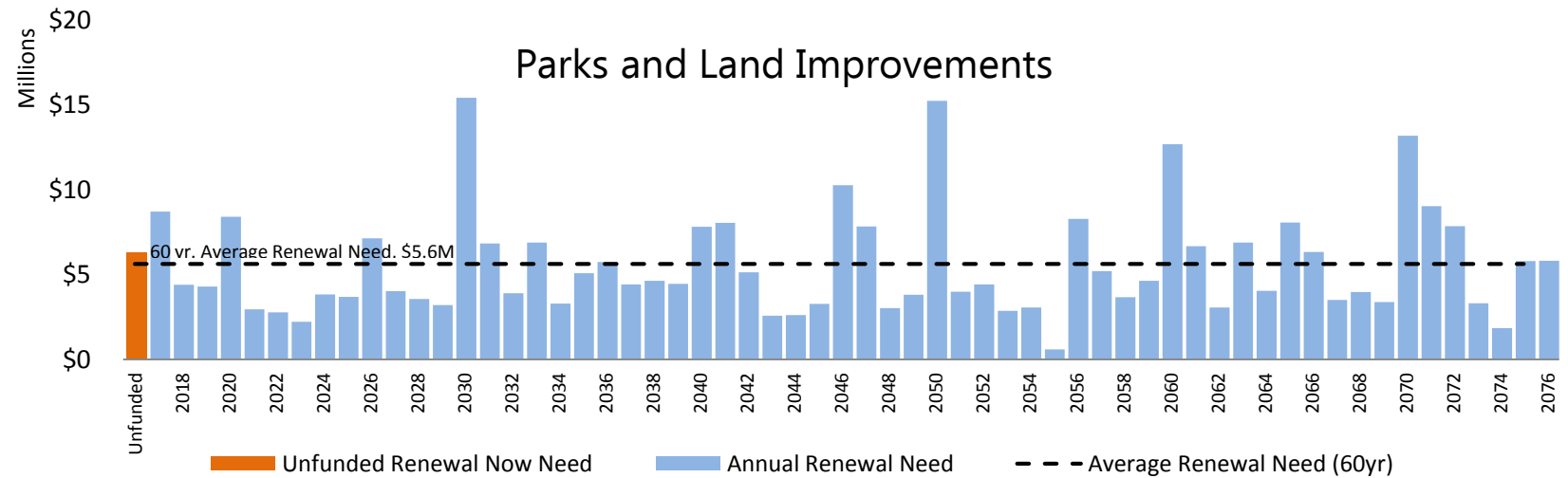
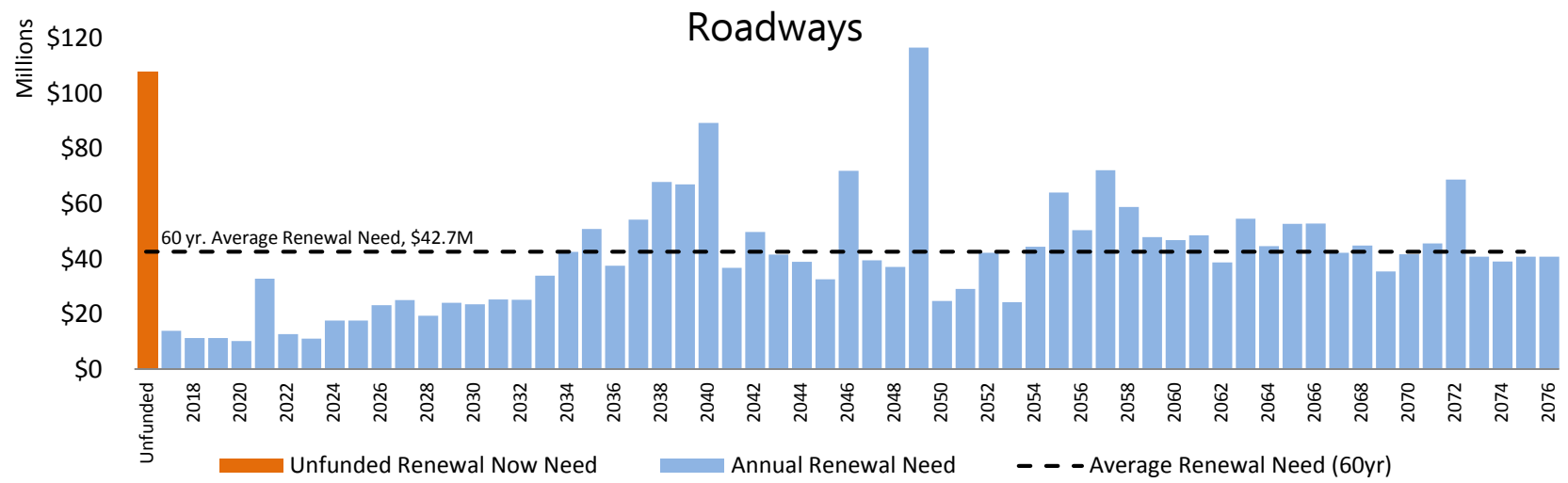
**Replacement Value**: Current worth of our asset inventory

Asset Category	2016 Replacement Value (\$Millions)	2016 Average Annual Need*
Roadways	\$2,013.3	\$42.7
Storm Water Management	\$66.6	\$1.2
Facilities & Buildings	\$547.7	\$8.9
Parks & Land Improvements	\$200.3	\$5.6
Fleet – Vehicles & Equipment	\$70.6	\$6.6
IT services – Hardware & Software	\$44.7	\$2.4
Total	\$2.943 Billion	\$67.4 Million

\*Average annual need excludes costs incurred from new assets

# State of Local Infrastructure

## 60 Year average Renewal Needs



# State of Local Infrastructure

## Unfunded Renewal Need

**Unfunded Renewal Need:** Unfunded value of infrastructure renewal that requires immediate attention; now needs

Asset Category	2016 Unfunded Needs
Roadways	\$107.9
Storm Water Management	-
Facilities & Buildings	\$11.8
Parks & Land Improvements	\$6.3
Fleet – Vehicles & Equipment	-
IT services – Hardware & Software	\$0.4
Total	\$126.5 Million

# Financing Plan

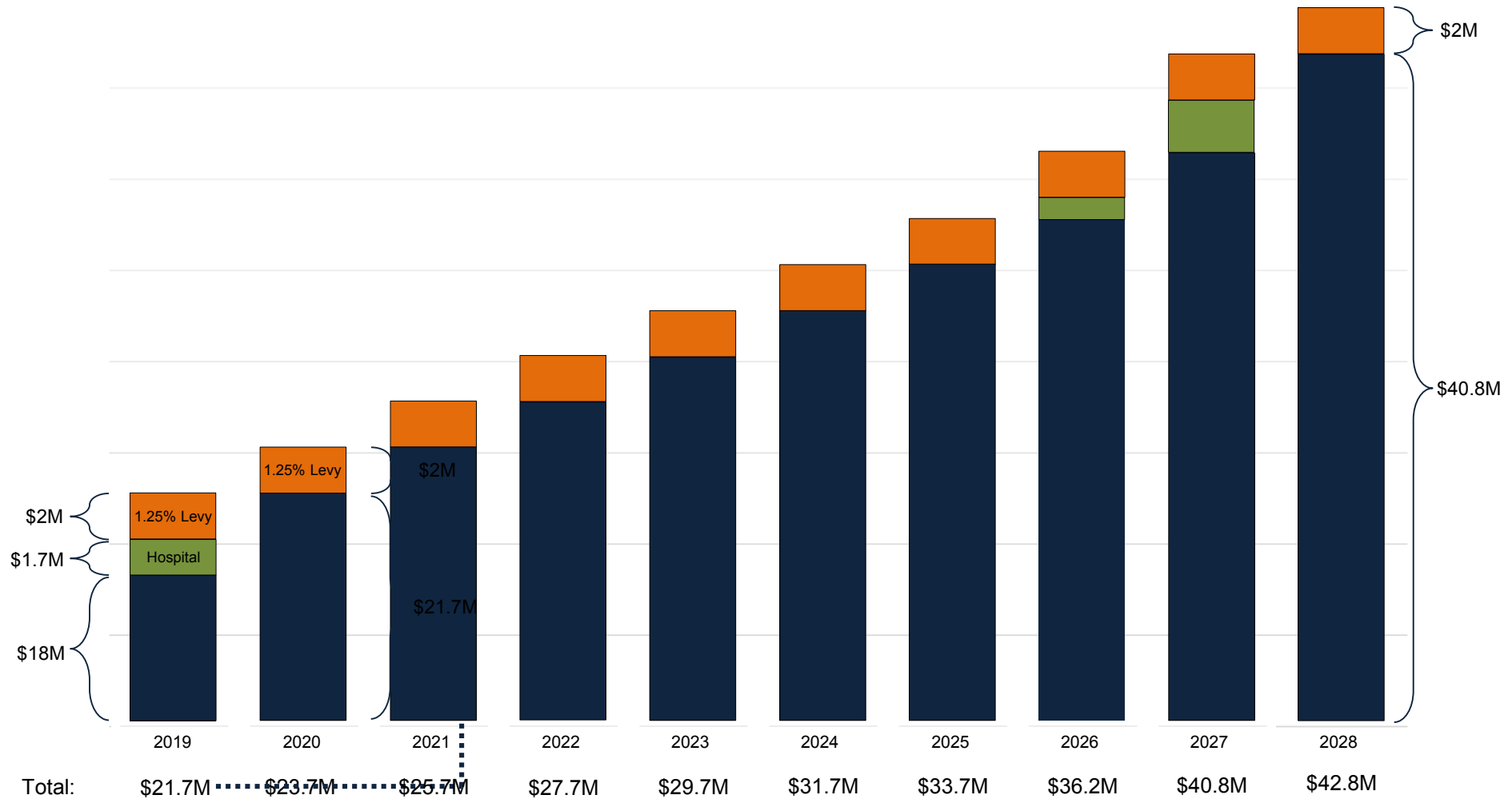
## Long-term sustainability

- Dedicated Infrastructure Levy
- Repurpose Hospital Levy
- Reserve and Reserve Funds
  - Burlington Hydro Reserve Fund
  - Federal & Provincial Gas Tax Program (*on-going*)
  - Program Specific Reserve Funds ( Parks & Recreation various)

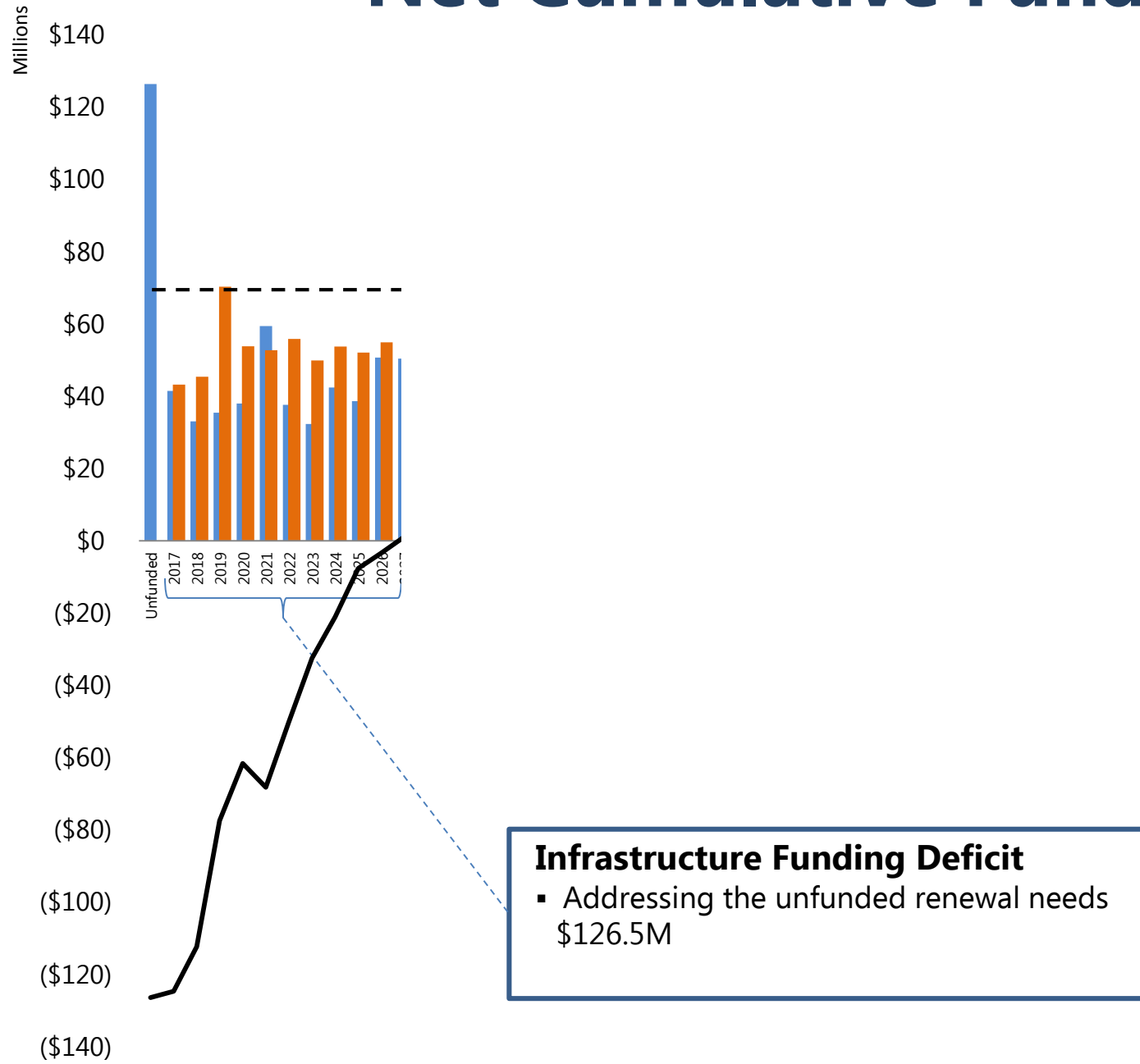
# Financing Plan

## Long-term sustainability

- Tax Supported Infrastructure Funding

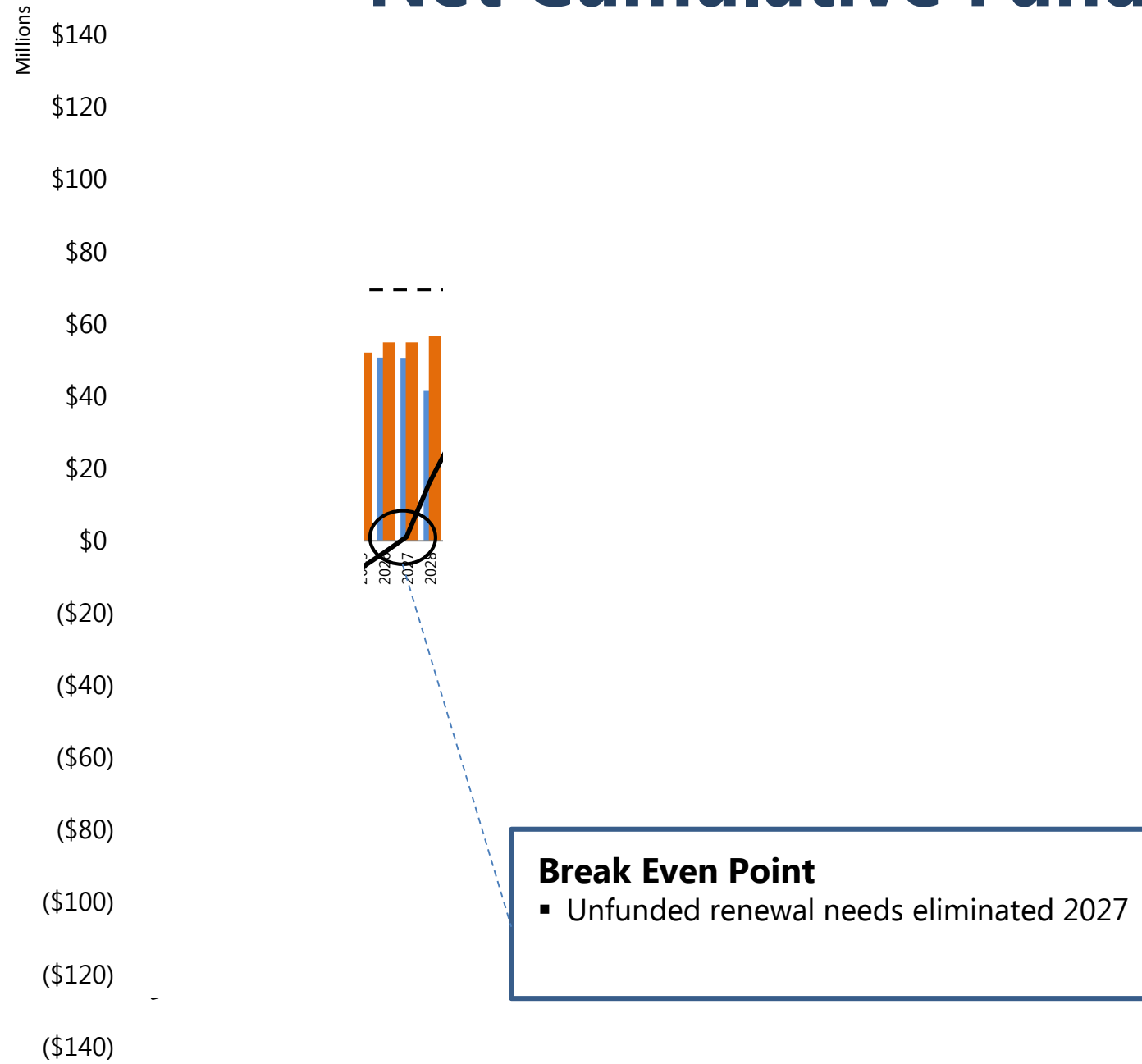


# Net Cumulative Funding

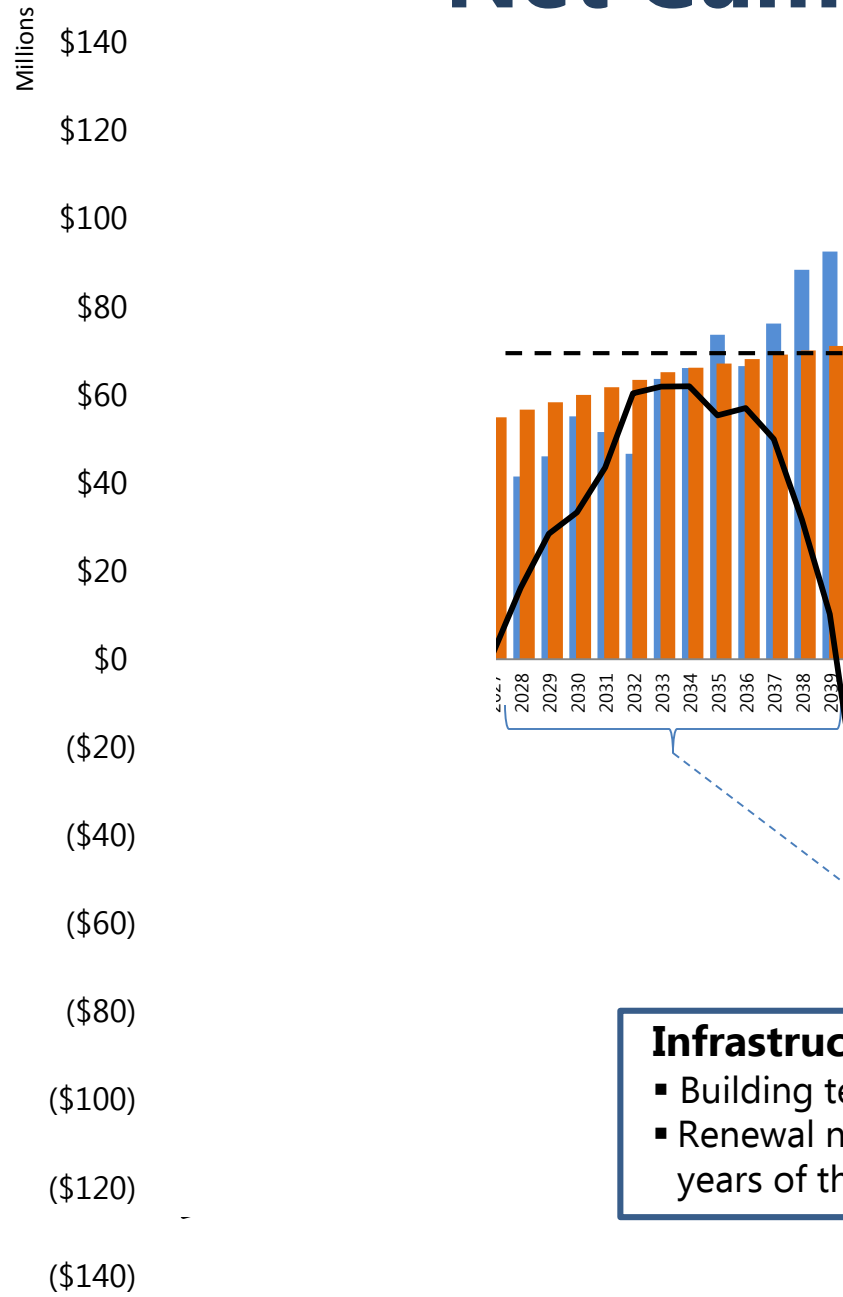




# Net Cumulative Funding



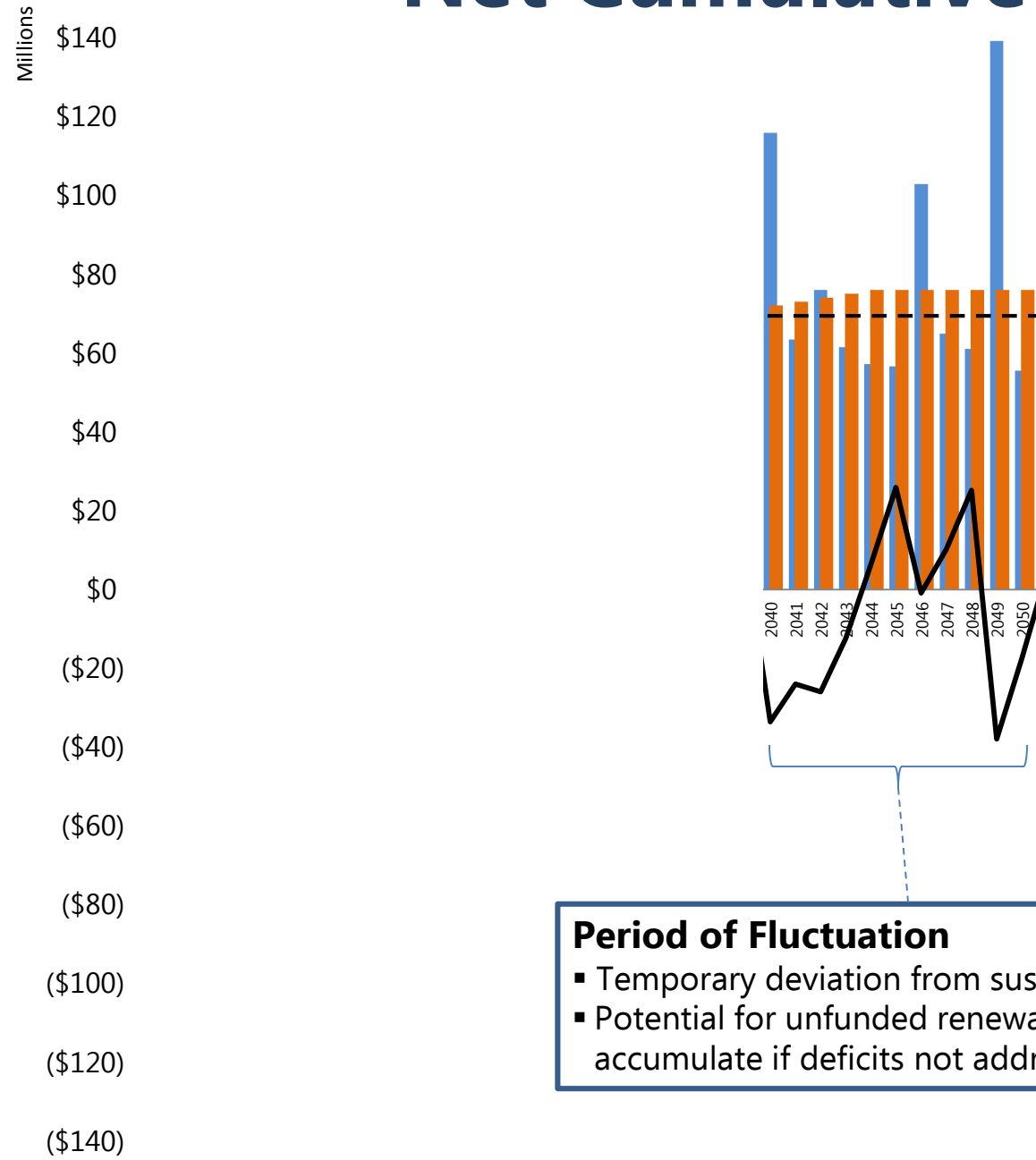
# Net Cumulative Funding



## Infrastructure Funding Sustainability

- Building temporary capital reserves
- Renewal needs exceed funding in the later years of the period

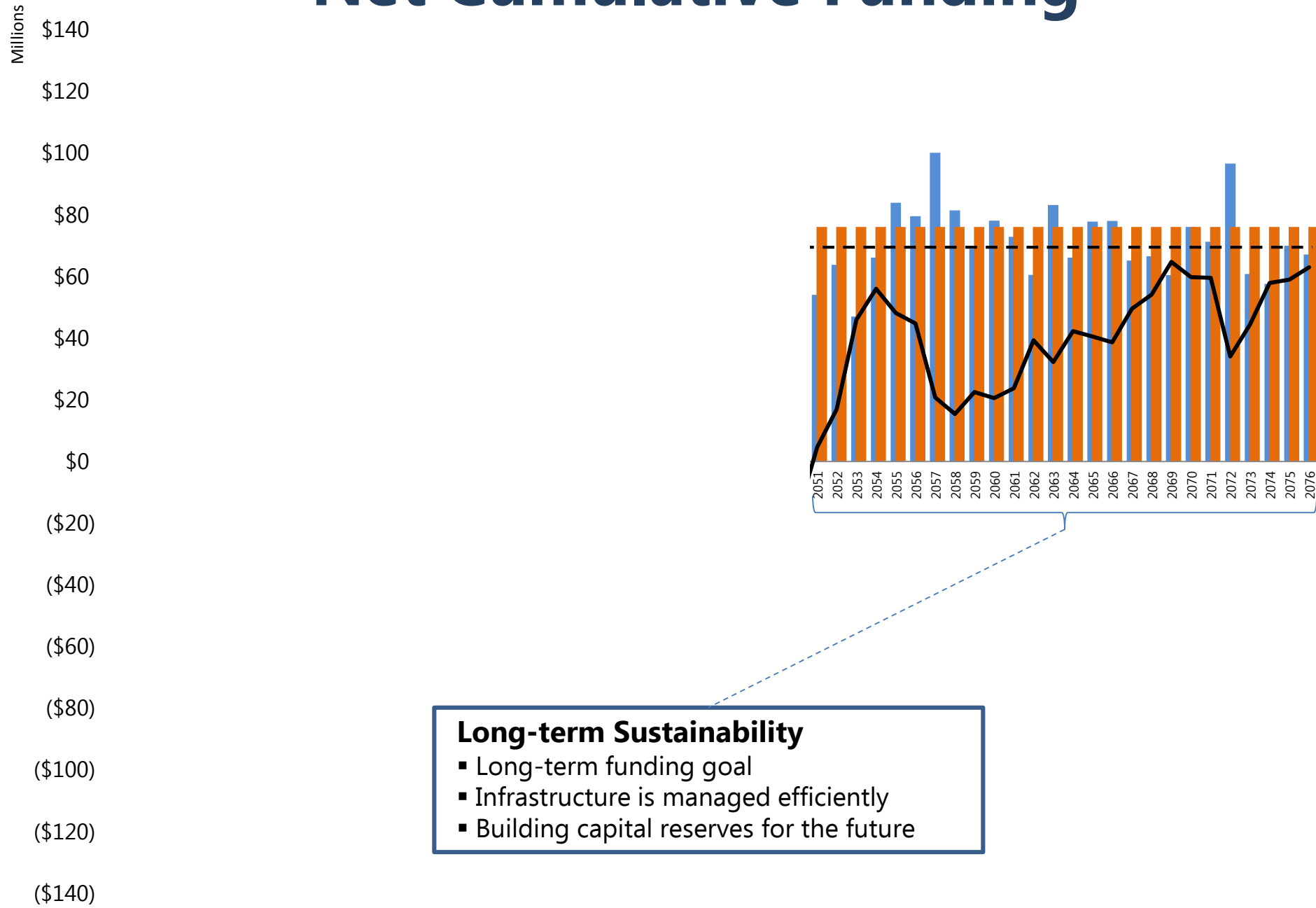
# Net Cumulative Funding



## Period of Fluctuation

- Temporary deviation from sustainability
- Potential for unfunded renewal needs to accumulate if deficits not addressed

# Net Cumulative Funding



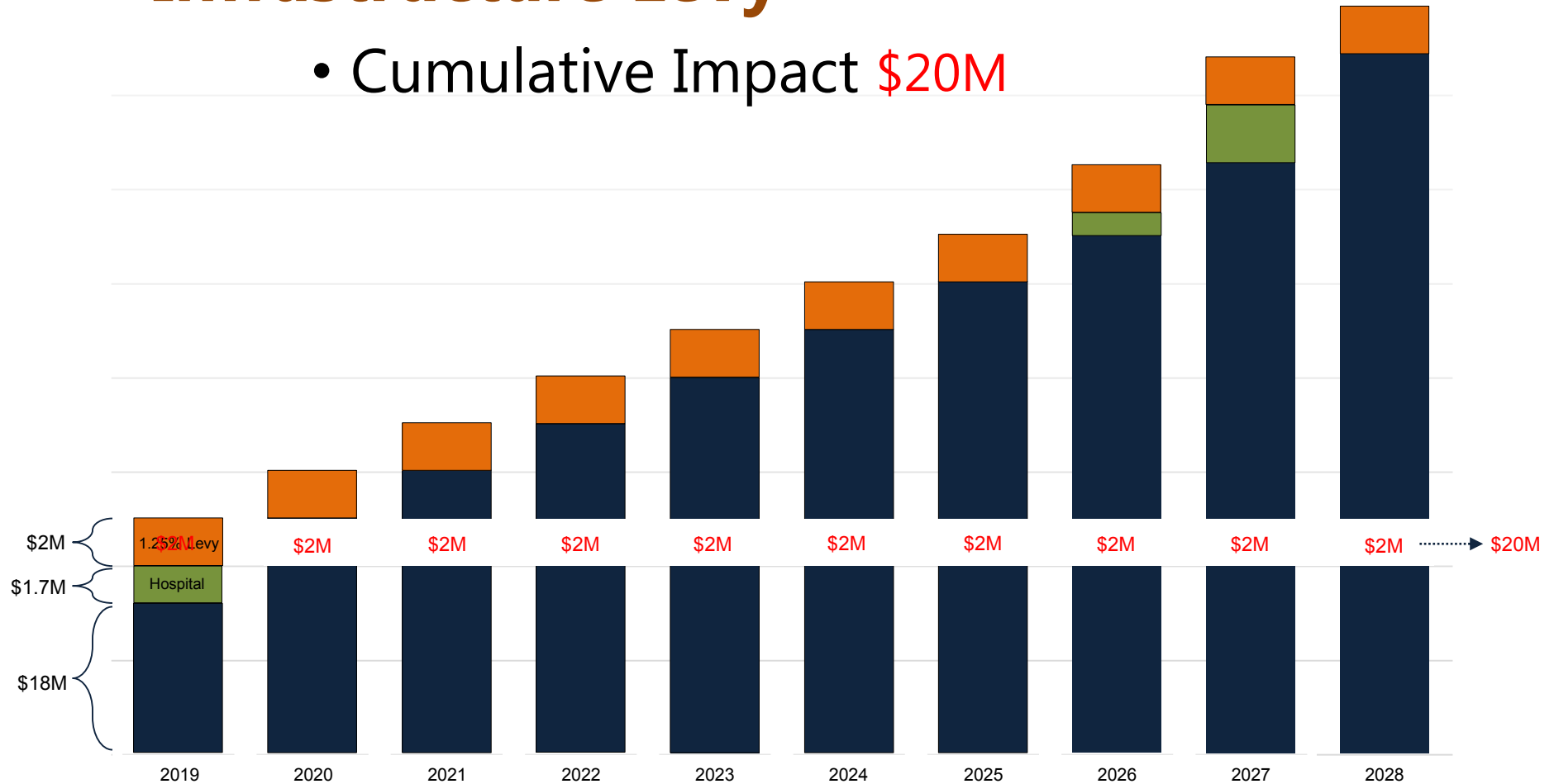
# Factors Impacting the Financing Plan

- New Assets
- Cost Escalations
- Grant Programs
- Deferred Renewal
- Climate change

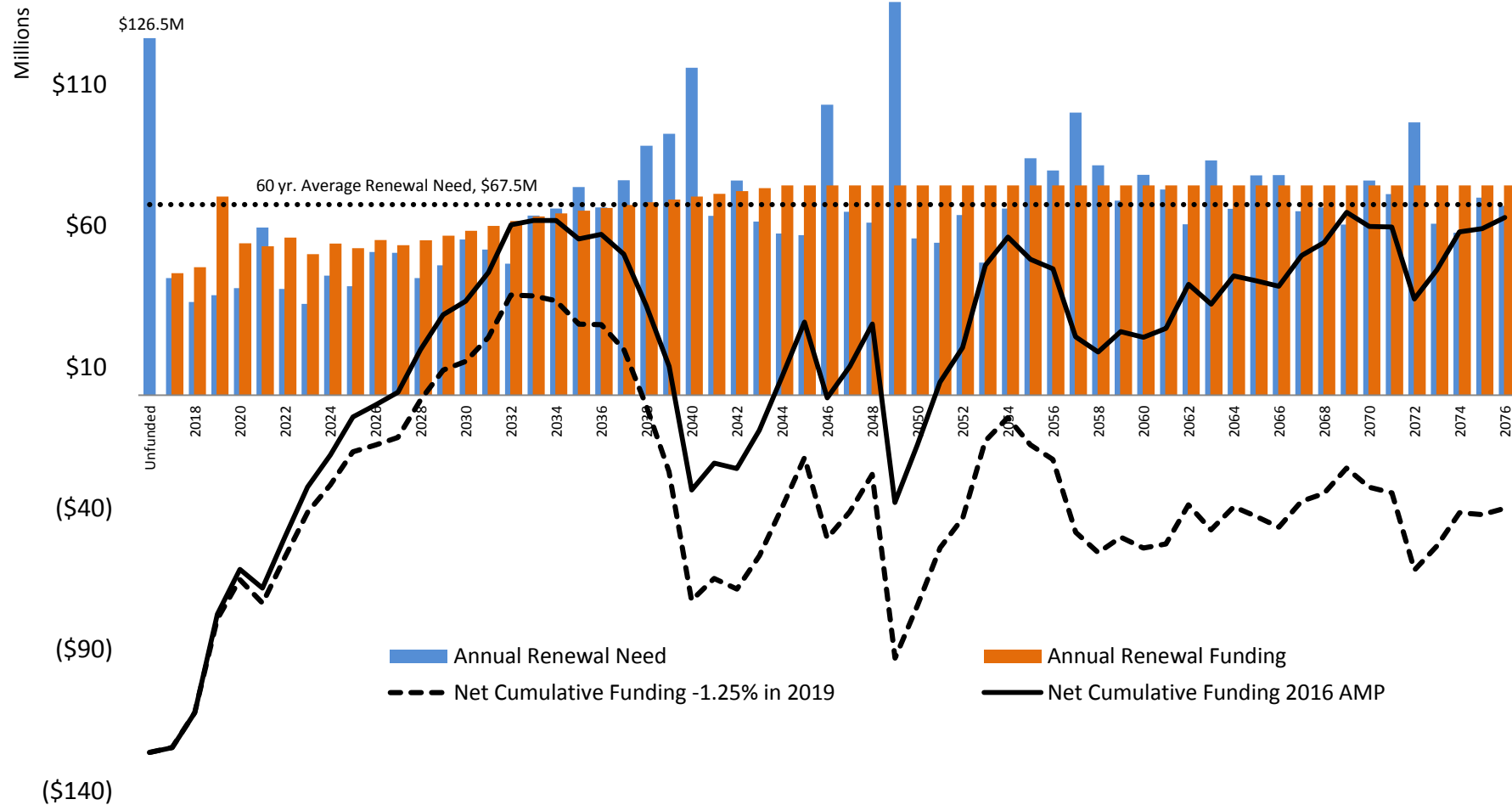
# Reduction to the Levy

## Infrastructure Levy

- Cumulative Impact **\$20M**



# Impact to the AM Financing Plan



# **Thank you**

**Committee of the Whole - Workshop  
January 31, 2019**