

Revisions to Stormwater Management line of service financial plan for 2019-2022

Policy Area	Policy Statement	Financial Measurement	Financial Target
<i>Self-Sustaining Utility</i>	Stormwater Management line of service <i>is provided under a self-sustaining, cost recovery model and all costs shall be recovered through user rates, levies, fees and sources other than the municipal tax base.</i>	N/A	<i>Meet all financial policies and not require tax support</i>
<i>Debt and Cash Financing</i>	Stormwater Management line of service <i>shall debt finance capital projects that are substantial in cost and size and where the benefits will extend over a relatively long period. Subject to funding availability, Drainage shall cash finance capital projects that are part of an on-going improvement program, or will reduce the operation and maintenance costs.</i>	Debt Service Coverage Ratio	Maintain a Debt Service Coverage Ratio to a minimum of 1.75 times
		<i>Cash financing of Maintenance Capital</i>	100%
<i>Debt to equity ratio</i>	Stormwater Management line of service <i>monitor annually and report periodically on debt to equity ratio.</i>	<i>Debt to equity ratio</i>	60/40
<i>Debt Term</i>	Stormwater Management line of service <i>will employ up to a 25 year debt term on major projects. Shorter terms may be employed on projects where the benefits will extend over shorter periods.</i>	Length of debt term	N/A
<i>Sustainment reserve</i>	Stormwater Management line of service <i>will maintain sufficient reserves to mitigate risks.</i>	Number of days of Annual operating expenditures	Equal to 120 days of annual operating expenditures
<i>Depreciation</i>	Stormwater Management line of service <i>will maintain depreciation rates that are aligned with generally accepted accounting practices. Depreciation on donated assets is not charged as an operating expense for the purpose of rates setting.</i>	N/A	N/A

Note: Revisions to financial plan formatted in **Bold**, items not revised are formatted in *Italics*