

# Financial Plan: Debt Financing

Recap of KPMG's recommendations:

- Construction financing provided by private sector consortium
- PPP Canada Grant paid at substantial completion
- Debt financing:
  - Private Sector
  - Bank/OSIFA/Other

## City of Greater Sudbury: Low Debt Levels

City enjoys low level of debt as a percentage of expenditures

- City of Greater Sudbury – 0.5% of expenditures
- BMA average – 4.2% of expenditures

The use of debt financing for the biosolids project is aligned with the Long Term Financial Plan Principles

- New, non-recurring infrastructure
- Programs and facilities that are self-supporting

# Financial Plan

Based on \$40 M Budget	With PPP Canada Funding	Without PPP Canada Funding
Estimated Annual Debt Repayments	\$2.4 million	\$3.4 million
Estimated Net Operating and Maintenance Costs of Biosolids Plant	\$1.0 million	\$1.0 million
Annual Wastewater Budget Impact	\$3.4 million	\$4.4 million

## Estimated impact: Water and Wastewater Rates (including 25% PPP Canada Funding)

	2013 Budget	
Annual Debt Repayments	\$2.4 Million	<ul style="list-style-type: none"><li>• Paid for through existing Wastewater Capital Budgets (envelopes)</li></ul>
Net operating costs	\$1.0 Million	<ul style="list-style-type: none"><li>• Represents approx. 2% overall water and wastewater increase</li></ul>

Ten year Water and Wastewater Financial Plan to be presented to Council during 2011 budget deliberations

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# Questions