Long-Term Financial Plan 2018-2037

The City of Dieppe has a long history of balanced annual budgets and a solid foundation built on its master and strategic plans. The City has an annual budget system with monitoring and analysis of monthly gaps in addition to various equipment replacement programs.

The City of Dieppe's long-term financial plan is the next step to establishing balance among the growth, development, and improvement of services. It prevents financial pitfalls such as insufficient asset life cycle planning, unexpected expenses, and excessive borrowing requests. In short, the long-term financial plan demonstrates the future impact of decisions made today.

To achieve sound financial health, an organization must:

1. Spend within its means and as part of its activities.
2. Establish reserves.
3. Have a good understanding of current budgets and gaps.
4. Be transparent regarding the true costs of service delivery and have a good understanding of the basic services provided and the objectives of its mandate.
5. Incorporate economic analyses and long-term planning into decision-making.

The City of Dieppe's Long-Term Financial Plan includes:

1. Sufficient funding to maintain existing services.
2. The infrastructure deficit with a financing plan to significantly reduce this deficit over a 20-year period.
3. Funding to meet future growth needs.
4. Maintenance of an affordable debt level by implementing an annual borrowing ceiling.
5. The need to prioritize master plan recommendations and fund these priorities sufficiently at the right times.
6. Allocation of external funds such as funding from other levels of government for priority capital assets and master plan recommendations.
7. The need to carefully assess external funding and other special interest requests and their impact on the City's existing needs and plans.

The following three policies are associated with the long-term financial plan and are available at dieppe.ca in the News section.

- Policy FIN-2 – Prioritization of Capital Projects and Investments
- Policy FIN-3 – Debt and Management of Affordability
- Policy FIN-4 – Financial Management

Definitions

Affordability: Ability to pay for the debt servicing and life cycle costs of capital assets. The overall measure of affordability is the burden of debt servicing and life cycle costs compared to the City's revenues.

Life cycle cost: The total cost of an asset over its life cycle, including the initial purchase or construction cost, maintenance and operating costs, financing costs, and refurbishment costs.

Infrastructure deficit: Gap between the funding that is required and the funding that is available for maintaining, updating, or replacing existing and aging infrastructure before serious problems occur.

Debt: Includes debentures and capital leases.

Reserve funds: Money set aside in a separate fund from unspent budget money or surpluses from previous fiscal years.

Asset management: The management of capital assets in order to provide sustainable services. Management of the means to determine the optimal time to purchase, maintain, operate, refurbish, replace, and decommission capital assets.

Long-term financial plan: A strategic approach to identify and handle financial challenges by analyzing the financial situation and making forecasts, hypotheses, and financial policies.