

Long-Range Outlook

The [Long-Range Financial Plan](#) (LRFP) is an essential tool for long-term planning for the City. The LRFP model provides an indication of the City's future operating, capital, debt, and reserve and reserve fund (R&RF) requirements, given current conditions. The City uses its long-range financial model to ensure that assumptions made in the current year's Business Plan & Budget are sustainable for the future. The strength of the model lies in its ability to identify implications of future strategies and initiatives as they are proposed, to confirm the financial impacts of these strategies, and determine affordability and impacts on the City's financial position. The LRFP is an important tool to assess affordability into the future and address funding requirements for city-building initiatives.

Each year, the model is updated to reflect the current Business Plan & Budget with informed projections for operating expenditures beyond the four-year period. City staff use this model to ensure projected funding levels for R&RFs are sufficient to finance the capital program as presented.

Assumptions

- Service levels are maintained as identified in the current Business Plan & Budget
- Labour cost increases are co-ordinated with Human Resources and are in line with settlements and agreements
- New initiatives beyond the first four years of the operating program are assumed to be at average historical levels
- A three per cent Capital Infrastructure & Debt Repayment Levy is assumed for the next four years and two per cent thereafter

The Forecast

The 2025–2034 capital plan provides the forecasted capital expenditures for the City. Specific forecasts for the R&RFs have been identified in Volume III of this document.

All decisions related to revenue generation, capital expenditures, debt-issuance and R&RF management are interrelated and ultimately impact the City's operating budget.