



## Attachment #7

### *Draft Five-Year Financial Plan (2023 – 2027)*

**CORPORATION OF THE CITY OF NEW WESTMINSTER  
CONSOLIDATED FINANCIAL PLAN (DRAFT)**

	2023	Budget Projections			
	Budget	2024	2025	2026	2027
<b>REVENUE</b>					
Municipal Taxation (see below)	\$ 105,142,044	\$ 110,842,044	\$ 116,942,044	\$ 123,442,044	\$ 129,942,044
Utility Rates	110,552,518	116,995,288	123,046,842	129,497,486	136,383,569
Sale of Services	14,800,342	14,800,342	14,800,342	14,800,342	14,800,342
Grants from Other Governments (1)	24,886,822	4,340,980	3,145,590	2,819,940	2,733,100
Contributions (2)	22,680,034	30,711,359	19,565,982	10,899,552	13,900,813
Other Revenue	23,442,639	23,705,464	23,602,397	23,882,151	24,179,900
<b>Total Revenues</b>	<b>301,504,399</b>	<b>301,395,477</b>	<b>301,103,197</b>	<b>305,341,515</b>	<b>321,939,768</b>
<b>EXPENSES</b>					
Salaries, Benefits and Training	110,632,744	116,685,459	118,948,104	121,021,886	122,921,036
Contracted Services	15,558,244	14,896,020	14,764,624	14,443,234	14,360,654
Supplies and Materials	11,861,844	11,757,839	11,757,839	11,757,839	11,757,839
Interest and Bank Charges	6,763,495	6,995,310	7,186,512	7,309,327	7,296,832
Cost of Sales	1,669,662	1,669,662	1,669,662	1,669,662	1,669,662
Grants	1,222,550	1,222,550	1,222,550	1,222,550	1,222,550
Insurance and Claims	4,235,583	4,235,583	4,235,583	4,235,583	4,235,583
Utility Purchases and Levies	55,709,974	61,259,653	65,861,489	71,399,367	78,597,981
Amortization	27,730,000	31,015,000	32,600,000	32,638,000	33,502,000
<b>Total Expenses</b>	<b>235,384,096</b>	<b>249,737,076</b>	<b>258,246,363</b>	<b>265,697,448</b>	<b>275,564,137</b>
<b>EXPENSES</b>					
<b>General Services</b>					
Police Services	37,265,948	38,361,948	38,350,948	38,162,948	38,196,948
Parks and Recreation	19,874,730	26,182,248	26,450,359	26,647,378	26,945,426
Fire and Rescue	18,796,522	19,271,108	19,809,369	20,359,723	20,905,339
Development Services	7,853,813	7,424,897	7,635,900	7,823,329	7,963,545
Engineering	32,091,172	32,787,463	33,281,142	33,751,427	34,519,500
General Government	33,109,721	32,589,276	32,712,344	32,801,991	33,260,971
Library	5,143,555	5,207,643	5,268,845	5,338,943	5,397,261
	<b>154,135,461</b>	<b>161,824,583</b>	<b>163,508,907</b>	<b>164,885,739</b>	<b>167,188,990</b>
<b>Utilities Services</b>					
Electrical Utility	43,803,720	45,680,121	48,239,996	49,109,168	49,992,158
Water Utility	9,744,997	10,612,064	11,822,128	13,146,674	14,696,789
Sewer Utility	16,598,582	20,120,107	22,827,400	26,387,110	31,358,944
Solid Waste Utility	4,337,841	4,504,891	4,661,420	4,859,430	5,030,424
	<b>74,485,140</b>	<b>80,917,183</b>	<b>87,550,944</b>	<b>93,502,382</b>	<b>101,078,315</b>
<b>Fiscal Expenses</b>					
Interest and Bank Charges	6,763,495	6,995,310	7,186,512	7,309,327	7,296,832
<b>Total Expenses</b>	<b>235,384,096</b>	<b>249,737,076</b>	<b>258,246,363</b>	<b>265,697,448</b>	<b>275,564,137</b>
<b>INCREASE IN TOTAL EQUITY</b>	<b>66,120,303</b>	<b>51,658,401</b>	<b>42,856,834</b>	<b>39,644,067</b>	<b>46,375,631</b>
<b>Reconciliation to Financial Equity</b>					
Amortization of Tangible Capital Assets	27,730,000	31,015,000	32,600,000	32,638,000	33,502,000
Capital Expenses (Schedule B)	(173,237,487)	(86,267,250)	(59,457,390)	(34,522,540)	(57,126,178)
Debt Retirement	(8,288,745)	(8,581,203)	(8,782,597)	(9,360,255)	(9,143,153)
Proceeds on Debt Issuance	48,880,858	17,153,200	7,500,000	500,000	-
Transfers to/from other funds	-	-	-	-	-
Internal Charges	(16,559,975)	(16,894,146)	(17,148,834)	(17,402,159)	(17,660,767)
Internal Recoveries	16,559,975	16,894,146	17,148,834	17,402,159	17,660,767
<b>CHANGE IN FINANCIAL EQUITY (Reserves)</b>	<b>(38,795,071)</b>	<b>4,978,148</b>	<b>14,716,847</b>	<b>28,899,272</b>	<b>13,608,300</b>
<b>Financial Equity, beginning of year</b>	<b>192,566,884</b>	<b>153,771,813</b>	<b>158,749,961</b>	<b>173,466,809</b>	<b>202,366,082</b>
<b>FINANCIAL EQUITY (Reserves), end of year</b>	<b>\$ 153,771,813</b>	<b>\$ 158,749,961</b>	<b>\$ 173,466,808</b>	<b>\$ 202,366,081</b>	<b>\$ 215,974,382</b>

Notes:

(1) Includes capital grants noted on Schedule B.

(2) Includes capital contributions and DCCs noted on Schedule B.

<b>Municipal Taxation</b>					
Property Taxes	\$ 102,838,794	\$ 108,454,519	\$ 114,466,030	\$ 120,873,117	\$ 127,275,558
Parcel Taxes	17,750	17,750	17,750	17,750	17,750
Grant-in-Lieu of Taxes	1,685,500	1,769,775	1,858,264	1,951,177	2,048,736
Utilities 1%-in-Lieu of Taxes	600,000	600,000	600,000	600,000	600,000
	<b>\$ 105,142,044</b>	<b>\$ 110,842,044</b>	<b>\$ 116,942,044</b>	<b>\$ 123,442,044</b>	<b>\$ 129,942,044</b>

**CORPORATION OF THE CITY OF NEW WESTMINSTER  
CONSOLIDATED FINANCIAL PLAN (DRAFT)**  
(continued)

**Proportion of Revenues By Funding Source:**

The following table shows the proportion of total revenue proposed to be raised from each funding source. Property taxes form the second largest portion of revenues. They provide a stable and consistent source of revenues to pay for many services, such as police and fire protection, that are difficult or undesirable to fund on a user-pay basis.

Utilities' rates are the City's largest component of planned revenues. These revenues pay for services including electricity, water, sewer and solid waste and are charged on a user-pay basis. This basis attempts to fairly apportion utility service costs to those that make use of these services.

Other revenue sources, including sale of services, government grants and contributions make up the remainder of total revenues. These revenues fluctuate due to economic conditions and City initiatives.

Revenue Source	% Total Revenue
Taxation	35%
Utility Rates	37%
Sale of Services	5%
Gov't Grants	8%
Contributions	8%
Other Revenue	8%
	100%

**Distribution of Property Taxes Between Property Classes:**

The following table provides the distribution of property tax revenue between property classes. The City's primary goal is to set tax rates that are sufficient, after maximizing non-tax revenues, to provide for service delivery; City assets; and maintain tax stability. This is accomplished by maintaining the historical relationship between the property classes and applying the same annual tax rate increase across all Classes. A secondary goal is to set tax rates that are competitive within the region; consequently, the City may, from time to time, adjust the property tax distribution between the Classes as deemed necessary.

Class No	Property Class	% Tax Burden
1	Residential	64%
2	Utilities	<1%
4	Major Industry	2%
5	Light Industry	3%
6	Business	31%
8	Recreation/Non-Profit	<1%
9	Farm	<1%
		100%

**Use of Permissive Exemptions:**

The City's Annual Municipal Report contains a list of permissive exemptions granted for the year and the amount of tax revenue foregone. Permissive tax exemption is granted to not-for-profit institutions including religious institutions, some recreational facilities, service organizations and cultural institutions that form a valuable part of our community.

Since the mid-90's the City has generally ceased granting new permissive exemptions from property taxes in order to preserve the tax revenue base. Organizations granted exemption prior to implementation of this practice continue to be considered for exemption provided they make an annual submission showing the use of the property subject to exemption has not been altered. All other applications for permissive exemption from property taxes are reviewed on a case-by-case basis.

**CORPORATION OF THE CITY OF NEW WESTMINSTER  
CONSOLIDATED CAPITAL PROGRAM (DRAFT)**

Note: This Schedule has been provided as an addendum to Schedule A. The figures in this Schedule are included in the consolidated figures in Schedule A.

	2023	Budget Projections			
	Budget	2024	2025	2026	2027
<b>CAPITAL EXPENSES</b>					
Land	\$ 733,800	\$ -	\$ -	\$ -	\$ 6,500,000
Buildings	54,619,705	7,613,200	6,888,000	3,295,351	724,649
Vehicles/Equipment	13,084,042	5,795,650	4,963,500	3,192,083	7,634,417
Other Projects	8,374,584	4,926,500	4,719,300	3,395,000	3,311,500
Park Improvements	7,402,154	3,453,000	740,690	1,489,000	7,223,918
Engineering Structures	22,306,986	17,400,000	9,229,000	9,302,206	17,442,794
Water Infrastructure	11,308,250	4,616,900	5,838,900	5,838,900	5,838,900
Sewer Infrastructure	22,896,792	8,482,000	10,250,000	5,230,000	5,700,000
Electrical Distribution System	32,511,174	33,980,000	16,828,000	2,780,000	2,750,000
<b>TOTAL</b>	<b>\$ 173,237,487</b>	<b>\$ 86,267,250</b>	<b>\$ 59,457,390</b>	<b>\$ 34,522,540</b>	<b>\$ 57,126,178</b>
<b>FUNDING SOURCES</b>					
Reserve Funds	\$ 103,685,101	\$ 44,379,254	\$ 39,386,171	\$ 30,106,451	\$ 49,645,428
Development Cost Charges	3,890,888	390,000	333,000	-	1,231,750
Long Term Debt	48,880,858	17,153,200	7,500,000	500,000	-
Grants from Other Governments	4,981,557	1,000,000	-	-	-
Contributions	11,799,083	23,344,796	12,238,219	3,916,089	6,249,000
<b>TOTAL</b>	<b>\$ 173,237,487</b>	<b>\$ 86,267,250</b>	<b>\$ 59,457,390</b>	<b>\$ 34,522,540</b>	<b>\$ 57,126,178</b>

**City of New Westminster - Development Cost Charge Funding Envelope Plan for the 2009 DCC Bylaw 7311**

**NOTES:**

1. This DCC Funding Envelope Plan is based on the capital projects set out in the 2009 Development Cost Charge Review which forms the basis for the City's DCC Bylaw. The City's DCC Bylaw was amended in 2015 and 2022 to reflect new rates based on an updated capital project plan.
2. City contributions will be from reserves while other contributions are from provincial / federal government grants.
3. The mainland waterfront parkland acquisition / development (\$16M) was initially funded with debt with the intention that the principal on the debt would be repaid over time using Parks DCCs.

	2023	2024	2025	2026	2027
Total DCCs	3,890,888	390,000	333,000	-	1,231,750
Total City & Other Contributions	\$ 16,252,638	\$ 10,078,000	\$ 12,242,000	\$ 8,215,000	\$ 10,223,250
	<b>\$ 20,143,526</b>	<b>\$ 10,468,000</b>	<b>\$ 12,575,000</b>	<b>\$ 8,215,000</b>	<b>\$ 11,455,000</b>

**CORPORATION OF THE CITY OF NEW WESTMINSTER**  
**CONSOLIDATED STATEMENT OF RESERVES AND DEVELOPMENT COST CHARGES (DRAFT)**

Note: This Schedule has been provided as an addendum to Schedule A. The reserve figures in this Schedule are included in the consolidated figures in Schedule A. Development Cost Charges are provided for information, but are deferred charges rather than reserves.

FINANCIAL EQUITY (RESERVES)	2023	Budget Projections			
	Budget	2024	2025	2026	2027
<b>Revenues:</b>					
Contributions	\$ 7,272,109	\$ 7,302,128	\$ 7,332,988	\$ 7,364,710	\$ 7,397,322
	<b>7,272,109</b>	<b>7,302,128</b>	<b>7,332,988</b>	<b>7,364,710</b>	<b>7,397,322</b>
<b>Transfers (to) from:</b>					
Operating Budget	127,170,308	83,943,270	66,841,249	56,057,103	63,337,157
Capital Budget	(173,237,487)	(86,267,250)	(59,457,390)	(34,522,540)	(57,126,178)
	<b>(46,067,179)</b>	<b>(2,323,980)</b>	<b>7,383,859</b>	<b>21,534,563</b>	<b>6,210,979</b>
<b>Change in Financial Equity (Reserves)</b>	<b>(38,795,070)</b>	<b>4,978,148</b>	<b>14,716,847</b>	<b>28,899,273</b>	<b>13,608,301</b>
<b>Financial Equity, Beginning of Year</b>	<b>192,566,883</b>	<b>153,771,813</b>	<b>158,749,961</b>	<b>173,466,808</b>	<b>202,366,081</b>
<b>Financial Equity, End of Year</b>	<b>153,771,813</b>	<b>158,749,961</b>	<b>173,466,808</b>	<b>202,366,081</b>	<b>215,974,382</b>
<b>CHANGE IN RESERVES</b>					
<b>Non-Statutory Reserves</b>	\$ (33,791,483)	\$ 6,548,554	\$ 15,143,660	\$ 28,814,624	\$ 13,541,958
<b>Statutory Reserves</b>					
Cemetery	53,234	54,299	55,385	56,492	57,622
Construction of Municipal Works	(4,710,040)	(1,621,163)	(478,586)	11,842	12,079
Parking Cash In Lieu	(384,629)	(42,146)	(42,989)	(23,849)	(44,326)
Park Land Acquisition	1,306	1,332	1,359	1,386	1,414
Tax Sale Land	36,542	37,272	38,018	38,778	39,554
<b>Change in Reserves</b>	<b>\$ (38,795,070)</b>	<b>\$ 4,978,148</b>	<b>\$ 14,716,847</b>	<b>\$ 28,899,273</b>	<b>\$ 13,608,301</b>
<b>Statutory DCC Reserves</b>					
Drainage DCC	\$ (287,444)	\$ 99,518	\$ 114,591	\$ 122,133	\$ 124,576
Parkland DCC	681,885	1,411,823	1,363,359	1,430,426	760,685
Sewer DCC	(861,713)	345,431	378,506	396,576	404,507
Transportation DCC	380,602	988,214	1,007,978	1,028,138	1,048,700
Water DCC	(700,097)	(164,100)	(91,131)	165,796	169,112
<b>Change in DCCs</b>	<b>\$ (786,767)</b>	<b>\$ 2,680,886</b>	<b>\$ 2,773,303</b>	<b>\$ 3,143,069</b>	<b>\$ 2,507,580</b>
<b>RESERVE BALANCES</b>					
<b>Non-Statutory Reserves</b>	\$ 147,309,616	\$ 153,858,170	\$ 169,001,830	\$ 197,816,454	\$ 211,358,412
<b>Statutory Reserves</b>					
Cemetery	947,427	1,001,726	1,057,111	1,113,603	1,171,225
Construction of Municipal Works	2,691,854	1,070,691	592,105	603,947	616,026
Parking Cash In Lieu	892,677	850,531	807,542	783,693	739,367
Park Land Acquisition	66,621	67,953	69,312	70,698	72,112
Tax Sale Land	1,863,618	1,900,890	1,938,908	1,977,686	2,017,240
<b>Total Reserves</b>	<b>\$ 153,771,813</b>	<b>\$ 158,749,961</b>	<b>\$ 173,466,808</b>	<b>\$ 202,366,081</b>	<b>\$ 215,974,382</b>
<b>Statutory DCC Reserves</b>					
Drainage DCC	\$ 142,568	\$ 242,086	\$ 356,677	\$ 478,810	\$ 603,386
Parkland DCC	15,416,146	16,827,969	18,191,328	19,621,754	20,382,439
Sewer DCC	1,604,866	1,950,297	2,328,803	2,725,379	3,129,886
Transportation DCC	1,910,703	2,898,917	3,906,895	4,935,033	5,983,733
Water DCC	1,545,037	1,380,937	1,289,806	1,455,602	1,624,714
<b>Total DCC Reserves</b>	<b>\$ 20,619,320</b>	<b>\$ 23,300,206</b>	<b>\$ 26,073,509</b>	<b>\$ 29,216,578</b>	<b>\$ 31,724,158</b>