



Attachment #1

Five-Year Financial Plan (2023 – 2027)

Bylaw No. 8392, 2023

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED FINANCIAL PLAN
Schedule 'A' to Bylaw No. 8392, 2023

| | 2023 | Budget Projections | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Budget | 2024 | 2025 | 2026 | 2027 |
| REVENUE | | | | | |
| 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 |
| Contributed Tangible Capital Assets | - | - | - | - | - |
| 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 |
| Total Revenues | 301,504,399 | 301,395,477 | 301,103,197 | 305,341,515 | 321,939,768 |
| EXPENSES | | | | | |
| General Services | | | | | |
| 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 |
| | 154,135,461 | 161,824,583 | 163,508,907 | 164,885,739 | 167,188,990 |
| Utilities Services | | | | | |
| 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 |
| | 74,485,140 | 80,917,183 | 87,550,944 | 93,502,382 | 101,078,315 |
| Fiscal Expenses | | | | | |
| Interest and Bank Charges | 6,763,495 | 6,995,310 | 7,186,512 | 7,309,327 | 7,296,832 |
| Total Expenses | 235,384,096 | 249,737,076 | 258,246,363 | 265,697,448 | 275,564,137 |
| INCREASE IN TOTAL EQUITY | 66,120,303 | 51,658,401 | 42,856,834 | 39,644,067 | 46,375,631 |
| Reconciliation to Financial Equity | | | | | |
| 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 | - |
| CHANGE IN FINANCIAL EQUITY (Reserves) | (38,795,071) | 4,978,148 | 14,716,847 | 28,899,272 | 13,608,300 |
| Financial Equity, beginning of year | 192,566,884 | 153,771,813 | 158,749,961 | 173,466,809 | 202,366,082 |
| FINANCIAL EQUITY (Reserves), end of year | \$ 153,771,813 | \$ 158,749,961 | \$ 173,466,808 | \$ 202,366,081 | \$ 215,974,382 |

Notes:

(1) Includes capital grants noted on Schedule B.

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

| Municipal Taxation | | | | | |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 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 |
| | \$ 105,142,044 | \$ 110,842,044 | \$ 116,942,044 | \$ 123,442,044 | \$ 129,942,044 |

**CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED FINANCIAL PLAN
Schedule 'A' to Bylaw No. 8392, 2023**

(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
Schedule 'B' to Bylaw No. 8392, 2023

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 | Budget Projections | | | |
|--------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | | 2024 | 2025 | 2026 | 2027 |
| CAPITAL EXPENSES | | | | | |
| 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 |
| TOTAL | \$ 173,237,487 | \$ 86,267,250 | \$ 59,457,390 | \$ 34,522,540 | \$ 57,126,178 |
| FUNDING SOURCES | | | | | |
| 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 |
| TOTAL | \$ 173,237,487 | \$ 86,267,250 | \$ 59,457,390 | \$ 34,522,540 | \$ 57,126,178 |

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 |
| | \$ 20,143,526 | \$ 10,468,000 | \$ 12,575,000 | \$ 8,215,000 | \$ 11,455,000 |

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED STATEMENT OF RESERVES AND DEVELOPMENT COST CHARGES
Schedule 'C' to Bylaw No. 8392, 2023

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 |
| Revenues: | | | | | |
| Contributions | \$ 7,272,109 | \$ 7,302,128 | \$ 7,332,988 | \$ 7,364,710 | \$ 7,397,322 |
| | 7,272,109 | 7,302,128 | 7,332,988 | 7,364,710 | 7,397,322 |
| Transfers (to) from: | | | | | |
| 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) |
| | (46,067,179) | (2,323,980) | 7,383,859 | 21,534,563 | 6,210,979 |
| Change in Financial Equity (Reserves) | (38,795,070) | 4,978,148 | 14,716,847 | 28,899,273 | 13,608,301 |
| Financial Equity, Beginning of Year | 192,566,883 | 153,771,813 | 158,749,961 | 173,466,808 | 202,366,081 |
| Financial Equity, End of Year | 153,771,813 | 158,749,961 | 173,466,808 | 202,366,081 | 215,974,382 |

CHANGE IN RESERVES

| | | | | | |
|---------------------------------|------------------------|---------------------|----------------------|----------------------|----------------------|
| Non-Statutory Reserves | \$ (33,791,483) | \$ 6,548,554 | \$ 15,143,660 | \$ 28,814,624 | \$ 13,541,958 |
| Statutory Reserves | | | | | |
| 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 |
| Change in Reserves | \$ (38,795,070) | \$ 4,978,148 | \$ 14,716,847 | \$ 28,899,273 | \$ 13,608,301 |
| Statutory DCC Reserves | | | | | |
| 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 |
| Change in DCCs | \$ (786,767) | \$ 2,680,886 | \$ 2,773,303 | \$ 3,143,069 | \$ 2,507,580 |

RESERVE BALANCES

| | | | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Non-Statutory Reserves | \$ 147,309,616 | \$ 153,858,170 | \$ 169,001,830 | \$ 197,816,454 | \$ 211,358,412 |
| Statutory Reserves | | | | | |
| 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 |
| Total Reserves | \$ 153,771,813 | \$ 158,749,961 | \$ 173,466,808 | \$ 202,366,081 | \$ 215,974,382 |
| Statutory DCC Reserves | | | | | |
| 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 |
| Total DCC Reserves | \$ 20,619,320 | \$ 23,300,206 | \$ 26,073,509 | \$ 29,216,578 | \$ 31,724,158 |