



2024 PROPOSED SERVICE ENHANCEMENTS AND FUNDING STRATEGIES GENERAL FUND



NEW WESTMINSTER

ON TABLE
Council Workshop
December 11, 2023
re: Item 3.1.a

Agenda

- 1. Purpose & Recommendation**
- 2. Budget Process & Timelines Update**
- 3. Background and Overview**
- 4. 2024 Operating Budget – General Fund**
 - **Budget Enhancement Scenarios and Funding Strategies**
- 5. Feedback and discussion from Council**

Purpose

To provide Council with the proposed 2024 service enhancements with a proposed funding strategy and resulting estimated property tax revenue impact;

Providing Council with three different scenarios known as Budget Scenarios and their resulting estimated property tax revenue impacts: 5.50%, 6.80%, and 8.50%.

Recommendation

THAT Council provide direction on which of the three proposed 2024 Service Enhancements for the General Fund Budget scenarios they support;

THAT Council provide direction on the proposed estimated property tax revenue increase for 2024;

THAT Staff be directed to report back on the Draft Consolidated Financial Plan Bylaw, 2024 - 2028.

2024 Budget Timelines



Budget Framework



- ☐ **Adhere to financial principles and practices**
- ☐ **Maintain core services and asset management**
- ☐ **Incorporate Council's 2023-2026 Strategic Priorities**
- ☐ **Continue work on City's 7 Bold Steps**
- ☐ **Seek Council input via budget workshops**
- ☐ **Build on what we heard from 2023 budget engagement and align budget with 2024 engagement feedback**

Budget Outlook and Financial Sustainability Principles

Goal: Maintain Financial Health: Affordable levels of debt & maintain stabilization reserve models to support long-term smoothing of rates.

Proposed 2024 Summary of Rates & Capital Budget:

- Recommended Property Tax Increase 6.8%
- Pending Water Rates Increase 6.0%
- Pending Sewer Rate Increase 8.0%
- Pending Solid Waste Rate Increase 12.0%
- Pending Electrical Rate Increase 3.3%
- Recommended Capital Expenditures \$188.1M

Approved 2023 Summary of Rates & Capital Budget:

- Property Tax Increase 6.4%
- Sewer & Water Rates Increase 7.0%
- Solid Waste Rate Increase 14.0%
- Electrical Rate Increase 2.8%
- Capital Expenditures \$173.5M

SUSTAINABLE

Maintain assets in a state of good repair through **reasonable tax / rate increases, and without disruptions to services**; living within our means

ADAPTABLE

The ability to change debt levels or **leverage reserves**; ability to ramp up or down on spending

STABLE

Predictability of City's sustainable revenue sources and less reliance on external funding or third party funding

ACCOUNTABLE

Fiscally prudent & responsible; the ability to ensure that the City's financial decisions are in the best interest of all

Budget Engagement

2024 Budget: Over 1,500 people visited the Be Heard New West webpage, and approximately 600 community members participated in the engagement activities

What was heard in 2023:

- ☐ 67% want a balance of spending and saving
- ☐ 78% support or somewhat support Council's strategic priorities
- ☐ 74% support a 4% or more tax increase in 2024

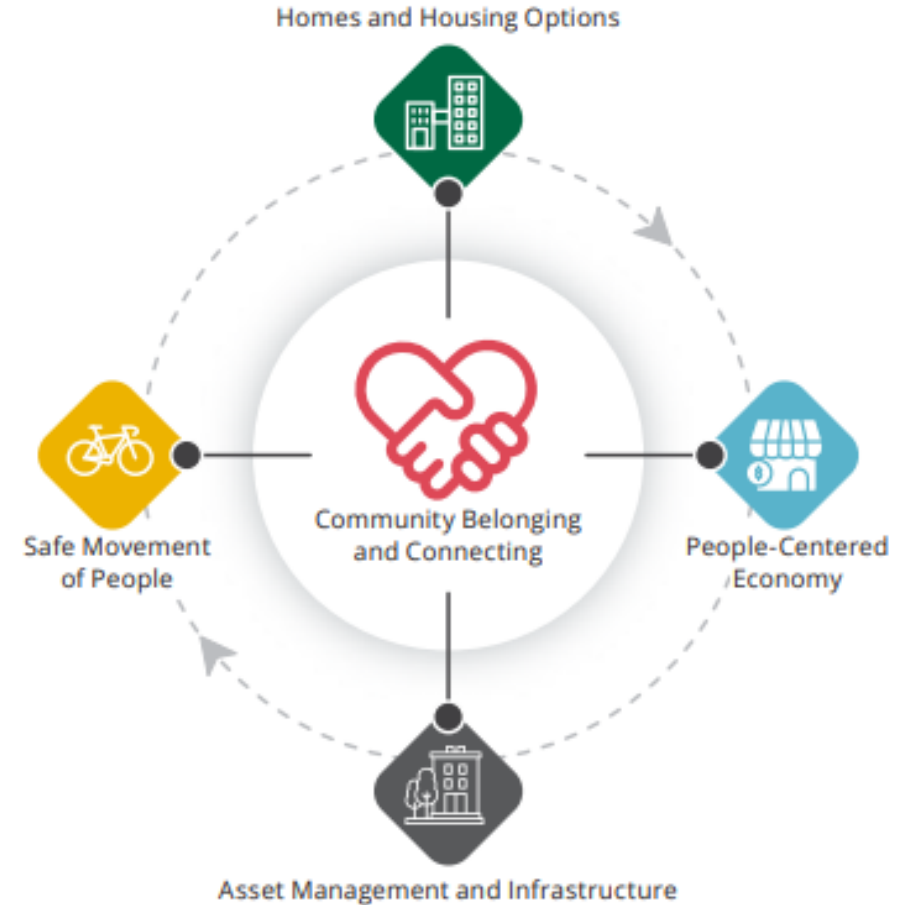
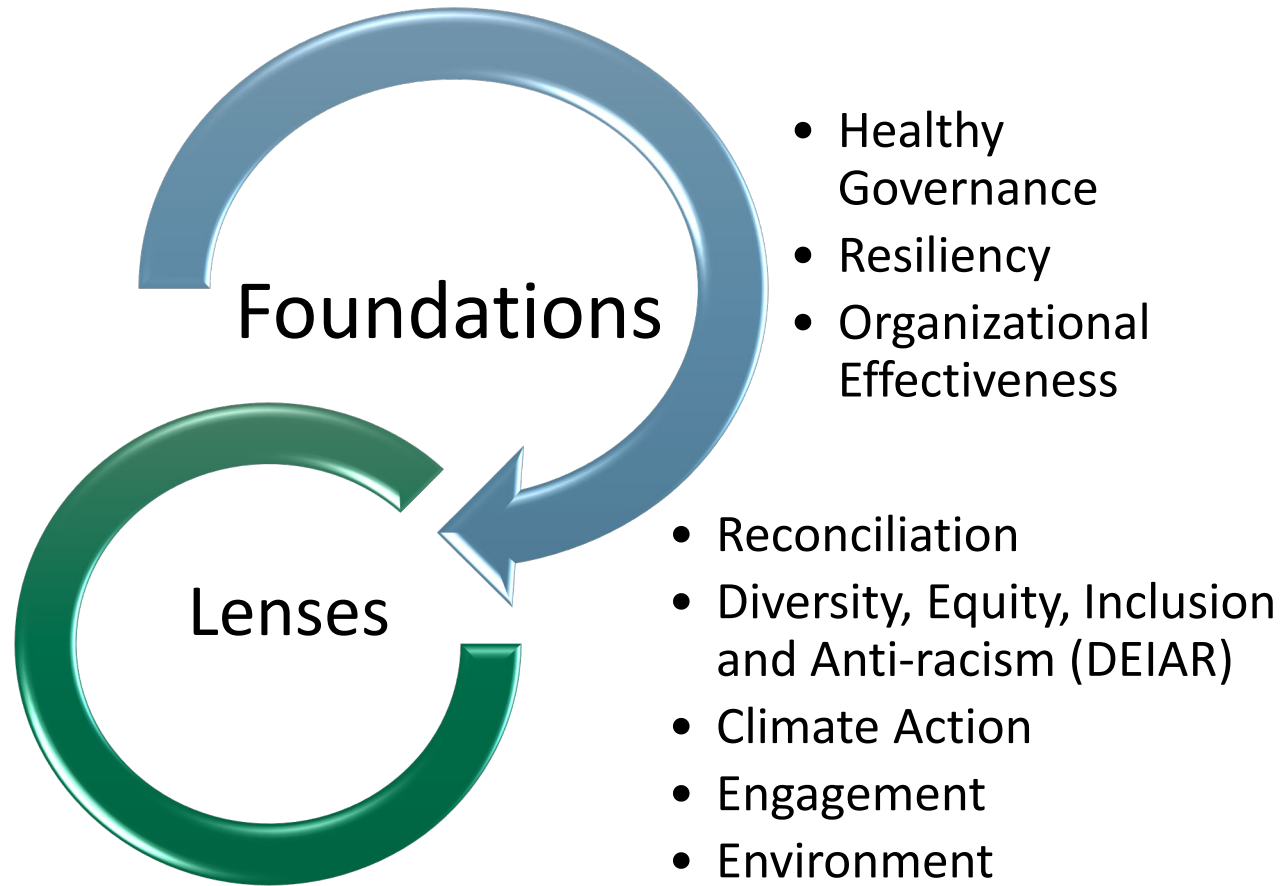
Engagement Highlights

- ☐ Desire for spending to support vulnerable community members
- ☐ Increase revenue through bylaw fines, user fees and increased programs
- ☐ Highest ranking projects were transportation, park improvements, upgrades to civic buildings, sewer separation work and climate work



Strategic Priorities 2023-2026

In May 2023, Council adopted Five strategic priorities. The strategic priorities should be viewed using the context of foundations and lenses.



Budget Risks and Assumptions

General Risks:

- Economic downturn, supply chain disruption, climate change, emergencies, supply chain delays, inflation, labour shortage

Revenue Assumption:

- Increasing Investment Revenue: \$1.0M
- Aggressive Incremental Revenue: All Departments \$5.9M
- Risk in funding permanent enhancements with temporary increases

Grant Funding:

- Housing and Crises work is proposed to be funded via grants
- Grants are currently not secured and up to \$2.2M would be funded by reserves if not received

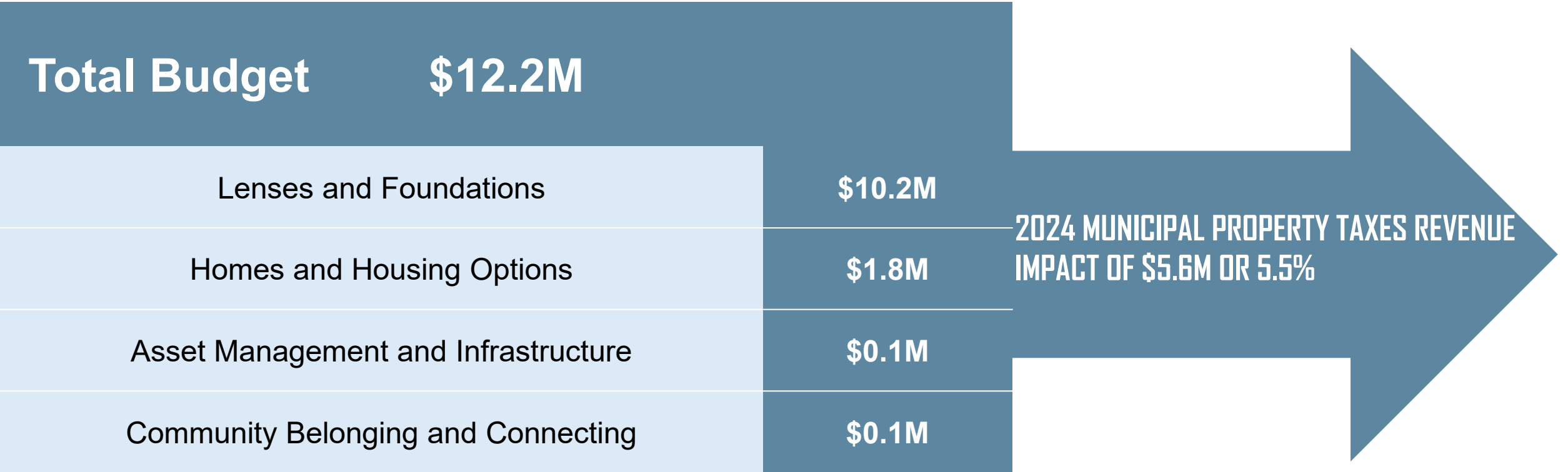
Hiring Strategy

- Prioritize hiring based on reasonable hire and require dates
- Match funding request to hiring expectations
- Results in recommended deferral of \$1.2M impact into 2025

2024 OPERATING BUDGET – GENERAL FUND

Budget Enhancements and Funding Scenarios

Scenario 1: Fixed Costs and Regulatory Work



Scenario 1: 2024 Key Proposed Service Enhancements

Organizational Effectiveness \$8.7M	Collective Agreements: Current & Prior year	\$8.0M
	3rd Party Contractual Agreements	\$0.4M
	Building and Plumbing Inspections	\$0.3M
Homes and Housing Options \$1.8M	Planning → 6 RFT, 1 TFT and Other	\$1.2M
	Engineering Admin →2 RFT	\$0.3M
	Human Resources → 2 RFT	\$0.2M
	Building → 1 RFT, 0.4 RPT	\$0.1M



**Justice
Institute**
BRITISH COLUMBIA



Scenario 1: 2024 Key Proposed Service Enhancements

Resiliency \$1.5M	Insurance including TACC	\$0.7M
	E-COMM Levy → Police and Fire	\$0.5M
	Fire Prevention → 1 RFT	\$0.1M
	Emergency Management Staff → 1 RFT	\$0.1M
	Parks Irrigation Technician → 1 RFT	\$0.1M
Asset Management and Infrastructure \$0.1M	Massey Theatre Maintenance	\$0.1M
Community Belonging and Connecting \$0.1M	Welcome Centre Community Navigator	\$0.1M



FIRE BAN IN EFFECT

E-Comm 9-1-1
Helping to Save Lives and Protect Property

Scenario 1: 2024 Proposed Funding Strategy



Tax Revenue
Impact

46%

- Total of \$5.6M Property Tax Revenue
- 5.5% Property Tax Revenue Impact



Fees and
Charges

31%

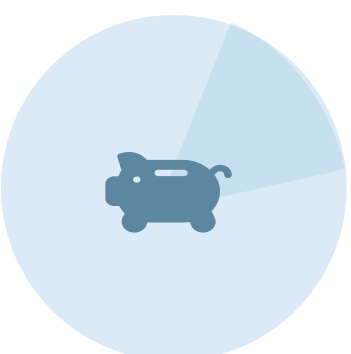
- Total of \$3.8M
- \$2.8M in New Fees
- \$1.0M in Interest Revenue



Grant Funding

11%

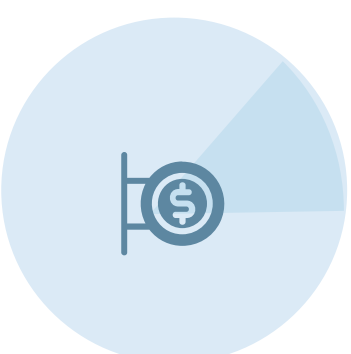
- Total of \$1.25M Housing work
- ****Senior Levels of government not secured**



Reserves

7%

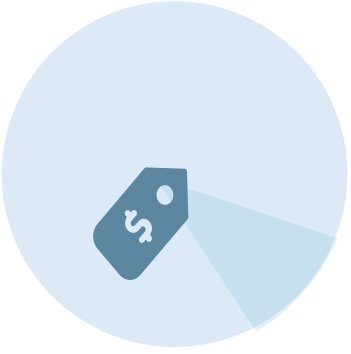
- Total \$0.9M One-Time Enhancement from General Reserves



Budget
Transfers

4%

- Total \$0.5M Transfer Climate Team Funding

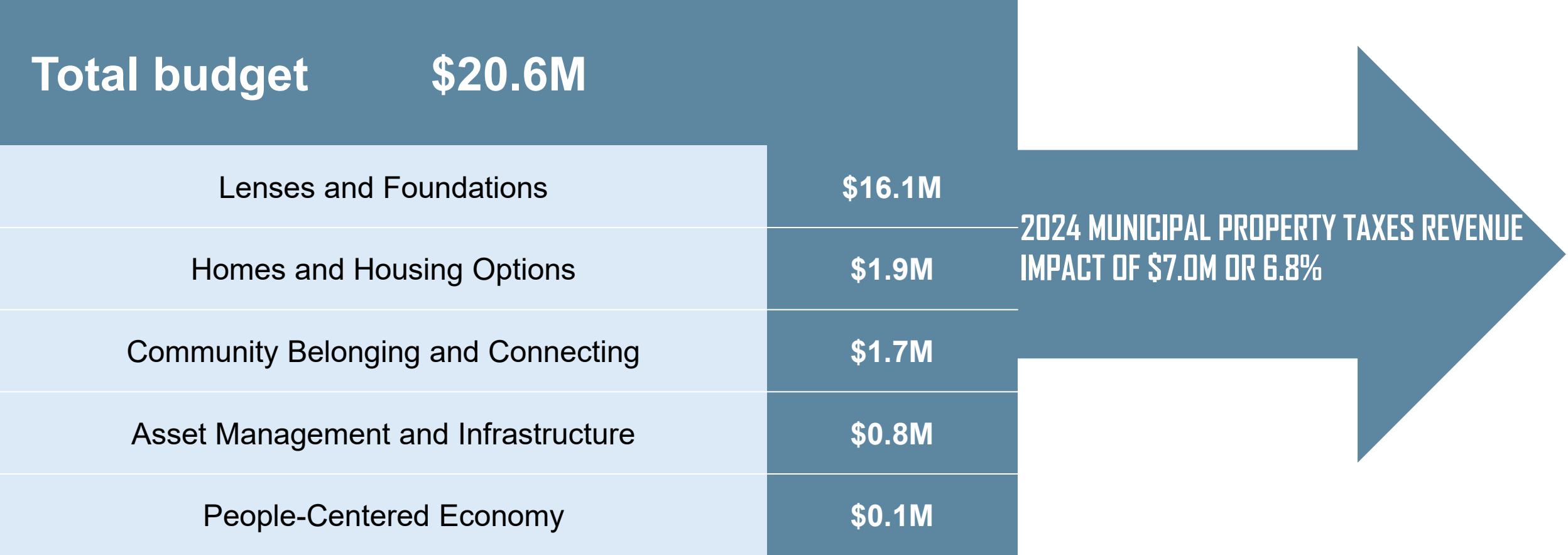


2025 Deferral

<1%

- **Total \$0.15M Salary Prorated to 2025**

Scenario 2: Scenario 1 and Strategic Priorities



Scenario 2: 2024 Key Proposed Service Enhancements

Asset Management and Infrastructure Total \$0.8M	TACC → 4 RFT including Building Service and Pool Service Workers, Scheduled maintenance	\$0.4M
	Parks Urban Forestry → 2 RFT Arborist and Laborer for Natural	\$0.2M
	Massey Theatre – Gas	\$0.1M
Community Belonging and Connecting Total \$1.7M	TACC → 3 RFT Cashier, Assistant Program Coordinator, Park Attendant, Auxiliary	\$1.0M
	Parks and Recreation - Gymnastics, Park Activator, supplies	\$0.2M
	Community Services Department → 1 RFT Coordinator, Director(partial reclassification)	\$0.3M
	Museums and Heritage Services - Heritage Supervisor	\$0.1M
Homes and Housing Options Total \$1.9M	Planning Salary Reclassifications	\$0.05M

Scenario 2: 2024 Key Proposed Service Enhancements

Organizational Effectiveness Total \$11.5M	TACC Activation → Electrical, Water, Supplies	\$1.0M
	Human Resources → 3 RFT Benefits Coordinator, Learning and Development Specialist, Workplace wellness(reduce WCB)	\$0.5M
	Contracted Services, Supplies and Material	\$0.5M
	Information Technology → 2 RFT Business and Network Analyst	\$0.3M
	Engineering Reclassification and Public Works	\$0.2M
	Financial Services Manager – 1 RFT	\$0.1M
	Communication Coordinator - 1 FTE Temp to Perm	\$0.1M
	Horticulture Attendant – 1 FTE	\$0.1M
Healthy Governance Total \$0.2M	Intergovernmental Relations Assistant, Ethics Commissioner, Corporate Rebranding	\$0.2M
People-Centered Economy Total \$0.1M	Business License and Economic Development Temporary Full Time	\$0.1M

Scenario 2: 2024 Key Proposed Service Enhancements

Resiliency Total \$3.9M	Crises Response Team → Temporary pilot program	\$1.0M
	Police - Year 2 of 3 year plan for Backfill strategy	\$0.7M
	Fire – 2 RFT Suppression Firefighters	\$0.3M
	Fire – Emergency Management support	\$0.2M
	Information Technology – Foundational support	\$0.1M
	Facilities Space Planning position	\$0.1M
Reconciliation Total \$0.1M	All Nation Councils and Reconciliation work	\$0.1M
DEIAR Total \$0.2M	Human Resources – DEIAR Advisor	\$0.2M
Engagement \$0.2M	Public Engagement Coordinator	\$0.1M
	Community Advisory Assembly Facilitator	\$0.1M

Scenario 2: 2024 Proposed Funding Strategy



**Tax Revenue
Impact**

34%

- Total of \$7.0M Property Tax Revenue
- 6.8% Property Tax Revenue Impact



**Fees and
Charges**

33%

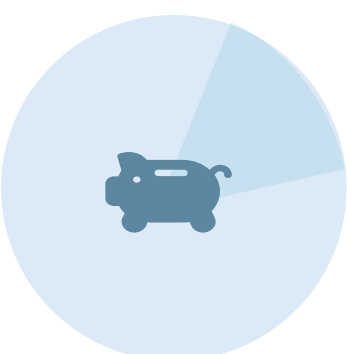
- Total of \$6.9 M
- \$5.9M in New Fees
- \$1.0M in Interest Revenue



Grant Funding

11%

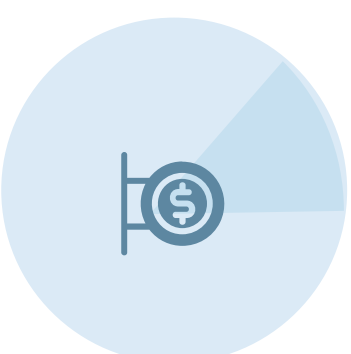
- Total of \$2.2M
- Housing \$1.3
- Crises Team \$0.9M
- ****Senior Levels of government not secured**



Reserves

10%

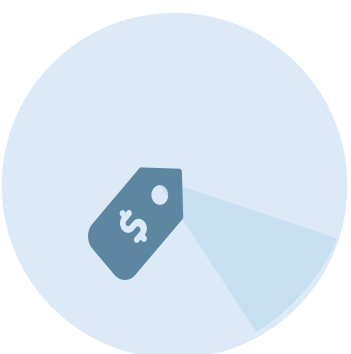
- Total \$2.0M One-Time Enhancement from General Reserves



**Budget
Transfers**

6%

- Total \$1.2M
- Climate Team Funding
- Budget Reallocations



2025 Deferral

6%

- **Total \$1.2M Salary Prorated to 2025**

Scenario 3: Scenario 2 +

Total budget		\$23.0M	2024 MUNICIPAL PROPERTY TAXES REVENUE IMPACT OF \$8.8M OR 8.5%
Lenses and Foundations		\$17.3M	
Homes and Housing Options		\$2.0M	
Community Belonging and Connecting		\$2.3M	
Asset Management and Infrastructure		\$1.2M	
Safe Movement of People		\$0.1M	
People-Centered Economy		\$0.1M	

Scenario 3: 2024 Key Proposed Service Enhancements

Asset Management and Infrastructure Total \$1.2M	TACC → Additional Building Service and Maintenance Workers	\$0.3M
	Other Supplies, licenses and cellphones	\$0.1M
Community Belonging and Connecting Total \$2.3	Parks and Recreation - Recreation Supervisor, Youth Services, Arena Services and Clerks	\$0.5M
	Engineering Operations- Parklet Cleaning	\$0.1M
Homes and Housing Total \$2.0M	Housing Analyst	\$0.1M
Organizational Effectiveness Total \$11.7M	Information Technology Network Analyst	\$0.15M
	Communications, Summer Environmental Ambassador	\$0.05M
Resiliency Total 4.9M	Fire Operations – 7 Suppression Firefighters	\$1.0M
	Human Resources – Healthy and Safety	\$0.1M
Safe Movement of People \$0.1M	Engineering Reclassification	\$0.1M

Scenario 3: 2024 Proposed Funding Strategy



Tax Revenue Impact

38%

Total of \$8.8M
Property Tax Revenue
8.5% Property Tax Revenue Impact



Fees and Charges

30%

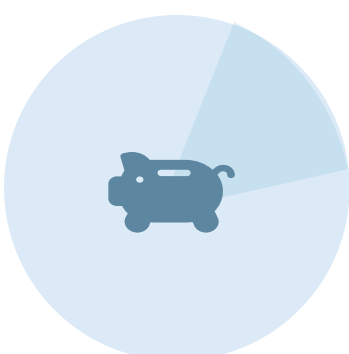
- Total of \$7.0M
- \$6.0M in New Fees
- \$1.0M in Interest Revenue



Grant Funding

10%

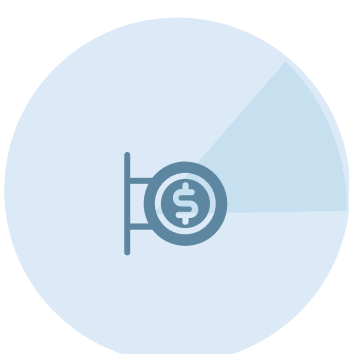
- Total of \$2.4M
- Housing \$1.4M
- Crises Team \$1.0M
- ****Senior Levels of government not secured**



Reserves

10%

- Total \$2.2M One-Time Enhancement from General Reserves



Budget Transfers

7%

- Total \$1.5M
- Climate Team Funding
- Budget Reallocations



2025 Deferral

5%

- **Total \$1.2M Salary Prorated to 2025**

Feedback and Discussion from Council



NEW WESTMINSTER

Options for Council's consideration:

Option 1 - Council provide direction on which of the three proposed 2024 Service Enhancement for the General Fund Budget scenarios they support.

Option 2 - Council provide direction on the estimated proposed property tax revenue increase for 2024;

Option 3 - Staff be directed to report back on the Draft Consolidated Financial Plan Bylaw, 2024 - 2028; or

Option 4 - Council provide alternate direction to staff.