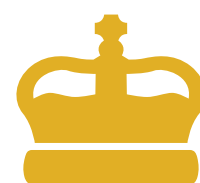


BUDGET 2024



2024 GENERAL FUND CAPITAL BUDGET & 2024 – 2028 CAPITAL PLAN

January 8, 2024



NEW WESTMINSTER

ON TABLE
Council Workshop
January 8, 2024
re: Item 3.1.a

Agenda

1. Purpose
2. Recap of October 16, 2023 Presentation
3. Updated Capital Budget
4. Funding Strategy
5. Risks
6. Next Steps
7. Recommendation
8. Discussion

Purpose

Present the updated 2024 – 2028 General Fund Capital Plan and Funding Strategy after feedback from the October 16, 2023 Workshop

Recap of October 16, 2023

Strategic Priorities (\$ in Millions)	Scenario 1	Scenario 2	Scenario 3
Asset Management and Infrastructure	99.2	114.0	142.5
Safe Movement of People	35.8	45.9	54.5
Community Belonging and Connecting	15.2	15.8	15.9
Homes and Housing Options	12.1	12.2	12.3
People-Centered Economy	0.2	0.2	0.3
Grand Total	162.5	188.1	225.4
Estimated Reserve Balance as of Dec 31, 2028	129.0	106.3	71.5
Reserve to Current Replacement Value (CRV)	7.2%	5.9%	4.0%

What staff heard

Council was in favour of Scenario 2 with the addition of the following projects:

- Implementation of the Active Network Transportation Plan - \$1.7M
- Installation and improvement of bus stops/shelters and Bus Speed and Reliability Strategy - \$1.5M

Project Updates

- Fleet replacement - \$1.6M
 - \$1.3M inflationary adjustments
 - \$0.3M for vehicle replacement
- Misc. adjustments - \$0.4M

Updates to the Capital Budget

Council Request	
Active Network Transportation Plan (ANTP)	\$1.7M
Transit – bus stops/shelters, Bus Speed and Reliability Strategy	\$1.5M
Total	\$3.2M

Project Updates	
Fleet Replacement	\$1.6M
Adjustments of other capital projects	\$0.4M
Total	\$2.0M

Carry-Forward Projects

Some of the \$15.4M carry-forward projects are:

Westminster Pier Park Expansion	\$2.0M
EV Charging Infrastructure at Civic Buildings	\$1.1M
Traffic Signal Installation and Improvements	\$1.0M
Replacement of Rescue Truck Unit #450	\$1.0M
Property Purchase for Waterfront Greenway	\$0.7M
McInnis Overpass Improvements	\$0.5M

Updated Capital Budget

Updated 2024 - 2028 General Fund Capital Plan	Scenario 2 \$M	Carryover from 2023 \$M	Refinement \$M	Updated Capital Plan \$M
Asset Management and Infrastructure	114.0	7.4	1.8	123.2
Safe Movement of People	45.9	3.6	3.4	52.9
Community Belonging and Connecting	15.8	3.1	(0.1)	18.8
Homes and Housing Options	12.2	1.2	0.1	13.5
People-Centered Economy	0.2	0.1	-	0.3
Grand Total	188.1	15.4	5.2	208.7
Estimated Reserve Balance as of Dec 31, 2028				108.6
Reserve to Current Replacement Value (CRV)				6.0%

Funding Strategy Assumptions

- Operating Budget remains constant and won't drain reserve balances
- Grant Funding is built into model when grants are secured or high probability of securing
- All general reserve balances are built into model even if they are internally restricted

Climate Action Reserve Fund

Climate Action Reserve Fund (\$ Million)	2024	2025	2026	2027	2028
Civic Buildings Energy Projects	0.22	0.22	0.23	0.24	0.24
EV Charging Infrastructure at Civic Buildings	0.95	-	-	-	-
Natural Environment Enhancement	0.05	0.03	0.03	0.03	0.04
Corporate Energy and Emissions Plan Update 2.0	0.77	0.25	0.25	0.25	0.25
Community and & Corporate EV Charging Strategy	0.55	0.25	0.25	0.25	0.25
Climate Changing Resilience & Adaptation	0.10	-	-	-	-
KPI Dashboard Software	0.02	-	-	-	-
Climate Action Decision Making Framework	0.10	-	-	-	-
Green Infrastructure Network	-	-	-	0.35	0.15
Corporate Electric Vehicles	1.30	0.70	0.87	1.33	3.11
Sub-Total	4.06	1.45	1.63	2.45	4.04
3rd party Grants/Contributions	(0.29)	(0.29)	(0.29)	(0.29)	(0.29)
Net CARF Contributions	3.77	1.16	1.34	2.16	3.75
Cumulative Total	3.77	4.93	6.27	8.43	12.18

- Preliminary estimate at December 2023 ~ \$42.0M
- \$12.2M projected to be spent which is in alignment with the climate action plans and strategies
- Climate Action Decision Making Framework to be finalized early 2024

Growing Communities Fund

Growing Communities Fund (\$ Million)	2023	2024	2025	2026	2027
Bus Shelters Improvements	0.01	0.05	0.05	0.05	0.05
Bus Stop Improvements	0.05	0.08	0.08	0.08	0.08
Pedestrian Crossing Improvements	0.05	0.33	0.27	0.27	0.28
Road Safety Improvements	0.18	0.17	0.16	0.17	0.17
Street Lighting Improvements	0.01	2.44	1.00	0.15	0.15
Traffic Signal Installation & Improvements	0.06	1.55	0.53	0.55	0.56
Transit Priority	0.13	0.24	0.24	0.24	0.24
Walking Infrastructure Improvements	0.73	0.40	0.40	0.75	0.75
Sub-Total	1.22	5.26	2.73	2.26	2.28
3rd party Grants/Contributions	(0.32)	(0.66)	(0.25)	(0.11)	-
Net GCF Contributions	0.90	4.60	2.48	2.15	2.28
Cumulative Total	0.90	5.50	7.98	10.13	12.41

- \$15.85M received March 2023
- \$12.4M projected to be spent on eligible infrastructure projects
- Future projects to be identified for balance of funding
- Funds should be **fully spent by December 2027** to meet the spending criteria

Parks Reserve Fund

- No spending anticipated in 2024
- Collaboration with Rights and Title Holders to establish principles/criteria for a riverfront project
- Community engagement to take place once principles/criteria are developed

Funding Strategy Summary

Funding Strategy (millions)		
Grants/Contributions		\$ 22.4
Development Cost Charges		8.8
Reserves		
Climate Action Reserve	\$ 12.2	
Growing Communities Fund	12.4	
General Reserves	152.9	177.5
Total Capital Plan		\$ 208.7

Budget Risks

General Risks:

- Global economic conditions
- Climate change impact
- Fluctuations in energy prices
- Supply chain disruptions

Inflation:

- Capital budget exposed to rising inflation
- CPI and IPPI increase rates
- Specific project cost escalations

Grant Funding:

- Uncertainty in grant approvals

City Reserves:

- Reserve balances being finalized

Master Plans:

- Risks of misalignment with master plans that are not yet developed
- Risks associated with estimated asset value

Budget Timeline and Next Steps

Date	Description
May 8 2023	2024 Budget Engagement Framework & Timelines
Jun 12 2023	Quarter 1 Operating & Capital Performance Report
Sep 11 2023	Quarter 2 Capital & Operating Performance Report
Aug 28 2023	2024 Engagement Results: What We Heard Report
Oct 16 2023	**2024 General Fund Capital Budget **Open Council Workshop
Oct 30 2023	2024 User Fees (Three Readings)
Nov 6 2023	2024 User Fees (Adoption)
Nov 20, 2023	2024 Budget Council Workshop: Strategic Priorities Plan Implementation
Nov 27 2023	2024 Utility Budget: Capital and Operating
Dec 4 2023	2024 Utility Rates (Three Readings)
Dec 11 2023	2024 General Fund Budget: Proposed Service Enhancements
Dec 11 2023	2024 Utility Rates (Adoption)
Dec 11 2023	Quarter 3 Capital & Operating Performance Report
Jan 8 2024	2024 Budget Workshop: Capital Update
Jan 22 2024	2024 Budget Workshop: Operating Update
Feb 2024	2024 DRAFT Budget & 5 Year Financial Plan Bylaw (Presentation)
Feb 2024	2024 DRAFT Budget & 5 Year Bylaw post on City Website
Feb 2024	2024 DRAFT Budget & 5 Year Financial Plan Bylaw (Three Readings)
Feb 2024	2024 DRAFT Budget & 5 Year Financial Plan Bylaw (Adoption)

Recommendation

1. THAT Council approve the \$15.4M capital expenditure budget carry over from 2023 into the 2024 – 2028 General Fund Capital Plan.
2. THAT Council approve the \$5.2M proposed refinements in the updated Capital Plan.
3. THAT Council instruct staff to incorporate the updated \$208.7M 2024 – 2028 General Fund Capital Plan into the City's 2024 – 2028 Consolidated Five Year Financial Plan Bylaw and bring forward for three readings; and
4. THAT Council receive the information about the Second Street and Sixth Avenue intersection contained in this report and provide direction to staff.

Discussion