

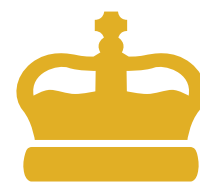
BUDGET 2024



2024 UPDATED GENERAL FUND SERVICE ENHANCEMENTS AND FUNDING SOURCES

January 22, 2024

ON TABLE
Council Workshop
January 22, 2024
re: Item 4.1.a



NEW WESTMINSTER

Agenda

1. Purpose
2. Recap of December 11, 2023 Workshop
3. Updates to Operating Enhancements
4. Estimated Property Tax Increase
5. Funding Sources
6. Assumptions and Risks
7. Next Steps
8. Recommendation
9. Discussion

Purpose

Present the updated 2024 General Fund Operating Enhancements and Funding Strategy after feedback from the December 11, 2023 Workshop

Recap of December 11, 2023

Strategic Priorities (<i>\$ in Millions</i>)	Scenario 1	Scenario 2	Scenario 3
Asset Management and Infrastructure	\$ 0.1	\$ 0.8	\$ 1.2
Safe Movement of People	-	-	0.1
Community Belonging and Connecting	0.1	1.7	2.3
Homes and Housing Options	1.8	1.9	2.0
People-Centered Economy	-	0.1	0.1
Lens and Foundations	10.2	16.1	17.3
Grand Total	\$ 12.2	\$ 20.6	\$ 23.0
Estimated 2024 Property Tax Revenue Impact	5.5%	6.8%	8.5%

Council Direction

Council was in support of Scenario 2 with the addition of the following enhancements:

- Fire Operations – addition of 7 suppression firefighters - **\$0.92M**
- Increase auxiliary hours to support Youth Services - **\$0.08M**
- Increase auxiliary wages to support accessibility and inclusion - **\$0.03M**
- Recreation Supervisor - **\$0.11M**

Staff Requests

- Building Maintenance Worker for tāmāsew̄tx^w Aquatic and Community Centre - **\$0.10M**
- Building Service Worker extra support at Century House - **\$0.04M**
- Arboriculture operations and maintenance - **\$0.03M**
- Senior Engineering Technologist for Pattullo Bridge project, funding received from Ministry to offset cost - **\$0.11M**
- Assistant Program Coordinator at Moody Park Arena, increase from 0.7 FTE to 1.0 FTE - **\$0.03M**
- Transportation and Planning Analyst, increase from 0.6 FTE to 1.0 FTE - **\$0.05M**

Service Enhancement Updates Summary

Strategic Priorities (<i>\$ in Millions</i>)	Council Direction	Staff Request	Total
Asset Management and Infrastructure	-	\$ 0.28	\$ 0.28
Safe Movement of People	-	0.05	0.05
Community Belonging and Connecting	\$ 0.22	0.03	0.25
Homes and Housing Options	-	-	-
People-Centered Economy	-	-	-
Lens and Foundations	0.92	-	0.92
Grand Total	\$ 1.14	\$ 0.36	\$ 1.50

Estimated Property Tax Rate Increase

Strategic Priorities (\$ in Millions)	Preliminary Budget	Additions	Total Enhancements
Asset Management and Infrastructure	\$ 0.80	\$ 0.28	\$ 1.08
Safe Movement of People	-	0.05	0.05
Community Belonging and Connecting	1.70	0.25	1.95
Homes and Housing Options	1.90	-	1.90
People-Centered Economy	0.10	-	0.10
Lens and Foundations	16.10	0.92	17.02
Grand Total	\$ 20.60	\$ 1.50	\$ 22.10
Estimated 2024 Property Tax Revenue Impact			
	6.80%	0.90%	7.70%

Funding Sources

Funding Source	% Increase	\$ in millions
Property Tax Revenue	7.7%	\$ 7.9
Other Fees and Charges	6.8%	7.0
Grants and Contributions *	2.2%	2.3
Reserve Funding	1.9%	2.0
Budget Transfer and Reallocation	1.2%	1.2
Deferred to 2025	1.7%	1.7
Total		\$ 22.1

- Senior level government funding not secured*
- \$1.7M costs deferred to 2025 ----> starting 2025 with an estimated 1.7% property tax rate increase

Allocation across Property Classes

PROPERTY CLASS	Contribution	\$
1 - Residential - Note 1	64%	5,067,183
2 - Utilities	0%	26,059
3 - Supportive Housing	-	-
4 - Major Industry	2%	125,262
5 - Light Industry	3%	260,691
6 - Business/Other (\$3.74M) - Note 1	31%	2,414,470
7- Managed Forest Land	-	-
8 - Recreational/Non-Profit	0%	6,337
8 - Farm	-	-
	100%	7,900,000

NOTES

NOTE 1

Estimated **7.7% property tax revenue increase** would increase the General Municipal Tax Levy:

For a **\$1.58M Residential Single Family** by **\$306** or **\$25/month**

For a **\$0.64M Residential Strata** by **\$125** or **\$10/month**

For a **\$3.74M Business/Other** by **\$2,344** or **\$195/month**

2023 Assessment values and mill rates used as basis for all calculations

Assumptions and Risks

Revenue Assumption:

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

Hiring Strategy (Assumption)

- Prioritize hiring based on reasonable hire and require dates
- Match funding request to hiring expectations
- Results in recommended deferral of \$1.7M impact into 2025

General Risks:

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

Grant Funding:

- Housing and Crises work is proposed to be funded via grants
- Grants are currently not secured and up to \$2.3M may need to be funded by reserves if not received

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 5, 2024	2024 DRAFT Budget & 5 Year Financial Plan Bylaw (Presentation)
Feb 2024	2024 DRAFT Budget & 5 Year Bylaw post on City Website
Feb 26, 2024	2024 DRAFT Budget & 5 Year Financial Plan Bylaw (Three Readings)
March 11, 2024	2024 DRAFT Budget & 5 Year Financial Plan Bylaw (Adoption)

Recommendation

1. THAT Council approve the \$1.5M operating budget refinements in the updated General Fund Operating Enhancements.
2. THAT Council instruct staff to incorporate the updated General Fund Operating Enhancements into the Consolidated 2024-2028 Financial Plan.
3. THAT Council instruct staff to convert the Consolidated 2024-2028 Financial Plan into a Bylaw reflecting an estimated property tax revenue increase of 7.7% and bring forward for public consultation.

Discussion