

Attachment #1

Draft 2024 – 2028 Five Year Financial Plan

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

Schedule 'A' to Bylaw No. (DRAFT)

	2024	Budget Projections			
	Budget	2025	2026	2027	2028
REVENUE					
Municipal Taxation (see below)	\$ 114,237,981	\$ 121,237,981	\$ 126,437,981	\$ 131,837,981	\$ 137,437,981
Utility Rates	115,579,642	122,153,026	128,995,918	135,997,962	143,422,892
Sale of Services	19,147,741	19,165,476	19,183,744	19,202,559	19,221,939
Grants from Other Governments ¹	7,369,639	5,960,706	5,818,445	5,497,984	6,549,861
Contributions ²	24,228,997	33,857,872	24,237,942	16,446,426	13,260,063
Other Revenue	30,166,330	30,077,399	30,310,532	30,498,412	30,733,199
Total Revenues	310,730,330	332,452,460	334,984,562	339,481,324	350,625,935
EXPENSES					
Salaries, Benefits and Training	126,764,943	134,169,978	138,206,872	142,534,310	147,118,652
Contracted Services	27,952,029	22,932,780	21,755,712	21,847,258	21,192,951
Supplies and Materials	13,668,139	13,135,863	13,127,931	13,037,341	13,037,341
Interest Charges	6,944,009	7,339,687	7,712,503	7,691,033	10,641,034
Cost of Sales	1,720,862	1,700,862	1,700,862	1,700,862	1,700,862
Grants	1,137,550	1,137,550	1,137,550	1,027,550	1,027,550
Insurance and Claims	4,935,583	4,935,583	4,935,583	4,935,583	4,935,583
Utility Purchases and Levies	59,095,956	62,563,991	65,388,209	67,818,034	70,557,272
Amortization	30,571,000	31,563,000	32,512,000	33,876,000	35,558,000
Total Expenses	272,790,071	279,479,294	286,477,222	294,467,971	305,769,245
EXPENSES					
General Services					
Police Services	40,763,993	41,805,773	42,787,096	44,022,283	45,306,752
Parks and Recreation	29,238,137	30,105,597	31,313,493	32,504,025	31,693,790
Fire and Rescue	20,293,907	21,388,728	22,203,028	23,030,991	23,885,896
Planning and Development	13,998,394	12,674,197	11,369,992	11,063,875	11,337,589
Engineering	37,021,652	36,962,575	37,613,763	38,702,739	39,129,663
Corporate Services	25,563,517	26,513,084	27,460,848	28,001,500	28,621,535
Library	5,254,507	5,266,450	5,374,012	5,470,048	5,573,442
Community Services	11,580,201	11,120,730	11,198,257	11,455,245	11,559,488
	183,714,308	185,837,134	189,320,489	194,250,706	197,108,155
Utilities Services					
Electrical Utility	47,279,641	48,732,391	49,878,839	51,050,570	54,110,433
Water Utility	10,874,896	11,545,443	12,201,380	12,695,575	13,159,267
Sewer Utility	19,168,340	21,044,569	22,549,068	23,757,693	25,479,409
Solid Waste Utility	4,808,877	4,980,070	4,814,943	5,022,394	5,270,947
	82,131,754	86,302,473	89,444,230	92,526,232	98,020,056
Fiscal Expenses					
Interest Charges	6,944,009	7,339,687	7,712,503	7,691,033	10,641,034
Total Expenses	272,790,071	279,479,294	286,477,222	294,467,971	305,769,245
INCREASE IN TOTAL EQUITY	37,940,259	52,973,166	48,507,340	45,013,353	44,856,690
Reconciliation to Financial Equity					
Amortization and Accretion Expense	30,771,000	31,763,000	32,712,000	34,076,000	35,758,000
Capital Expenses (Schedule B)	(140,727,491)	(75,391,400)	(58,060,983)	(62,349,317)	(110,888,900)
Debt Retirement	(8,581,203)	(8,693,577)	(9,289,686)	(9,055,609)	(11,525,404)
Proceeds on Debt Issuance	1,690,700	12,000,000	8,000,000	-	60,000,000
Internal Charges	(16,904,139)	(17,158,829)	(17,412,157)	(17,670,761)	(17,670,765)
Internal Recoveries	16,904,139	17,158,829	17,412,157	17,670,761	17,670,765
CHANGE IN FINANCIAL EQUITY (Reserves)	(78,906,735)	12,651,189	21,868,671	7,684,427	18,200,386
Financial Equity, beginning of year	256,831,525	177,924,790	190,575,980	212,444,651	220,129,078
FINANCIAL EQUITY (Reserves), end of year	\$ 177,924,790	\$ 190,575,979	\$ 212,444,651	\$ 220,129,078	\$ 238,329,464

¹ Includes capital grants noted on Schedule B.

² Includes capital contributions and DCCs noted on Schedule B.

Municipal Taxation					
Property Taxes	\$ 111,774,947	\$ 118,632,219	\$ 123,716,517	\$ 128,995,983	\$ 134,470,535
Parcel Taxes	17,750	17,750	17,750	17,750	17,750
Grant-in-Lieu of Taxes	1,815,284	1,926,512	2,009,139	2,094,944	2,183,927
Utilities 1%-in-Lieu of Taxes	630,000	661,500	694,575	729,304	765,769
	\$ 114,237,981	\$ 121,237,981	\$ 126,437,981	\$ 131,837,981	\$ 137,437,981

**CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED FINANCIAL PLAN (DRAFT)
Schedule 'A' to Bylaw No. (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	37%
Utility Rates	37%
Sale of Services	6%
Gov't Grants	2%
Contributions	8%
Other Revenue	10%
	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	65%
2	Utilities	<1%
4	Major Industry	1%
5	Light Industry	3%
6	Business	30%
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)**

Schedule 'B' to Bylaw No. (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.

	2024 Budget	Budget Projections			
		2025	2026	2027	2028
CAPITAL EXPENSES					
Land	\$ 4,733,800	\$ -	\$ -	\$ 6,500,000	\$ -
Buildings	22,729,626	7,050,000	3,292,000	3,125,000	3,273,000
Vehicles/Equipment	13,298,050	7,134,500	4,040,083	8,618,417	7,013,000
Other Projects	3,332,653	1,397,000	708,000	1,029,000	1,355,000
Park Improvements	8,520,065	555,000	472,000	5,913,000	329,000
Engineering Structures	29,519,458	13,931,000	11,940,000	12,270,000	14,600,000
Water Infrastructure	11,574,162	5,838,900	6,138,900	5,838,900	6,888,900
Sewer Infrastructure	19,419,317	10,150,000	8,930,000	9,900,000	8,610,000
Electrical Distribution System	27,600,360	29,335,000	22,540,000	9,155,000	68,820,000
	\$ 140,727,491	\$ 75,391,400	\$ 58,060,983	\$ 62,349,317	\$ 110,888,900
Capital Transfer ¹	\$ 11,193,341	\$ 6,657,882	\$ 5,667,531	\$ 5,758,567	\$ 5,100,000
TOTAL CAPITAL PLAN	\$ 151,920,832	\$ 82,049,282	\$ 63,728,514	\$ 68,107,884	\$ 115,988,900
FUNDING BY SOURCES					
City Reserve Funds	\$ 119,805,023	\$ 36,523,291	\$ 32,801,504	\$ 52,317,954	\$ 44,043,900
Development Cost Charges	3,789,174	2,665,505	988,100	2,621,550	795,000
Long Term Debt	1,690,700	12,000,000	8,000,000	-	60,000,000
Grants from Other Governments	2,024,334	-	-	-	-
Contributions	13,418,260	24,202,604	16,271,379	7,409,813	6,050,000
	\$ 140,727,491	\$ 75,391,400	\$ 58,060,983	\$ 62,349,317	\$ 110,888,900
Capital Transfer	\$ 11,193,341	6,657,882	5,667,531	5,758,567	5,100,000
	\$ 151,920,832	\$ 82,049,282	\$ 63,728,514	\$ 68,107,884	\$ 115,988,900
FUNDING BY FUNDS					
General Fund	\$ 73,253,340	\$ 27,592,500	\$ 18,977,083	\$ 35,000,417	\$ 23,860,000
Electrical Fund	34,650,360	30,615,000	22,965,000	9,580,000	69,270,000
Water Fund	12,039,474	5,998,900	6,243,900	6,558,900	7,918,900
Sewer Fund	19,559,317	10,170,000	9,095,000	10,580,000	8,780,000
Solid Waste Fund	1,225,000	1,015,000	780,000	630,000	1,060,000
	\$ 140,727,491	\$ 75,391,400	\$ 58,060,983	\$ 62,349,317	\$ 110,888,900
Capital Transfer	\$ 11,193,341	6,657,882	5,667,531	5,758,567	5,100,000
	\$ 151,920,832	\$ 82,049,282	\$ 63,728,514	\$ 68,107,884	\$ 115,988,900

¹ Expenditures do not meet the definition of Tangible Capital Assets in accordance with Canadian Public Sector Accounting Standards will be transferred to Operations. These expenditures are funded by City's Reserve Fund

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. 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.

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

Schedule 'C' to Bylaw No. (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)	2024	Budget Projections			
	Budget	2025	2026	2027	2028
Revenues:					
Contributions	\$ 25,893,856	\$ 35,564,935	\$ 27,037,937	\$ 19,884,131	\$ 17,774,242
Land Sale Proceeds	-	-	-	-	-
	25,893,856	35,564,935	27,037,937	19,884,131	17,774,242
Transfers (to) from:					
Operating Budget	47,120,241	59,085,536	58,559,249	55,908,180	116,415,044
Capital Budget	(151,920,833)	(81,999,282)	(63,728,514)	(68,107,884)	(115,988,900)
Debt Retirement					
	(104,800,592)	(22,913,746)	(5,169,265)	(12,199,704)	426,144
Change in Financial Equity (Reserves)	(78,906,736)	12,651,189	21,868,672	7,684,427	18,200,386
Financial Equity, Beginning of Year	256,831,526	177,924,790	190,575,979	212,444,651	220,129,078
Financial Equity, End of Year	177,924,790	190,575,979	212,444,651	220,129,078	238,329,464
CHANGE IN RESERVES					
Non-Statutory Reserves	\$ (74,960,249)	\$ 13,378,297	\$ 21,657,901	\$ 7,469,441	\$ 19,314,100
Statutory Reserves					
Cemetery	63,582	60,408	56,534	57,665	58,818
Construction of Municipal Works	(3,760,103)	(866,054)	89,835	91,632	(1,239,535)
Parking Cash In Lieu	(308,952)	21,794	17,871	18,228	18,593
Park Land Acquisition	9,867	8,469	6,945	7,084	7,225
Tax Sale Land	49,119	48,275	39,586	40,377	41,185
Change in Reserves	\$ (78,906,736)	\$ 12,651,189	\$ 21,868,672	\$ 7,684,427	\$ 18,200,386
Statutory DCC Reserves					
Drainage DCC	\$ (317,369)	\$ 109,298	\$ 137,669	\$ 143,176	\$ 148,904
Parkland DCC	\$ 1,536,096	\$ 2,394,902	\$ 2,382,898	\$ 1,224,663	\$ 3,149,700
Sewer DCC	\$ 364,039	\$ 378,601	\$ 140,496	\$ 146,115	\$ 151,960
Transportation DCC	\$ (998,392)	\$ (1,245,832)	\$ 441,340	\$ 612,492	\$ 587,492
Water DCC	\$ (166,122)	\$ (96,517)	\$ 158,372	\$ 164,707	\$ 171,295
Change in DCCs	\$ 418,252	\$ 1,540,452	\$ 3,260,775	\$ 2,291,153	\$ 4,209,351
RESERVE BALANCES					
Non-Statutory Reserves	\$ 168,409,137	\$ 181,787,434	\$ 203,445,335	\$ 210,914,776	\$ 230,228,876
Statutory Reserves					
Cemetery	1,016,309	1,076,717	1,133,251	1,190,916	1,249,734
Construction of Municipal Works	5,357,823	4,491,769	4,581,604	4,673,236	3,433,701
Parking Cash In Lieu	871,753	893,547	911,418	929,646	948,239
Park Land Acquisition	338,761	347,230	354,175	361,259	368,484
Tax Sale Land	1,931,007	1,979,282	2,018,868	2,059,245	2,100,430
Total Reserves	\$ 177,924,790	\$ 190,575,979	\$ 212,444,651	\$ 220,129,078	\$ 238,329,464
Statutory DCC Reserves					
Drainage DCC	\$ 232,440	\$ 341,738	\$ 479,407	\$ 622,583	\$ 771,487
Parkland DCC	18,265,041	20,659,943	23,042,841	24,267,504	27,417,204
Sewer DCC	3,183,778	3,562,379	3,702,875	3,848,990	4,000,950
Transportation DCC	1,204,311	(41,521)	399,819	1,012,311	1,599,803
Water DCC	1,205,814	1,109,297	1,267,669	1,432,376	1,603,671
Total DCC Reserves	\$ 24,091,384	\$ 25,631,836	\$ 28,892,611	\$ 31,183,764	\$ 35,393,115