



City of New Westminster

Report to Council

To: New Westminster City Council
in Regular Council

Meeting Date: November 17, 2025

From: Shehzad Somji, Director, Finance
Lisa Spitale, Chief Administrative
Officer

Report No.: 2025-334

Re: Senior Government Costs Download Review Work Plan – Response to the Council Motion

Staff Recommendation

THAT the proposed approach as provided in the report titled “Senior Government Costs Download Review Work Plan – Response to the Council Motion” dated November 17, 2025 from the Director, Finance and the Chief Administrative Officer be endorsed.

Purpose

To respond to a Council motion by providing a proposed approach, scope, methodology, and timeline for response.

Background

At the January 9, 2023 Council meeting, the following [motion](#) was passed:

THAT staff report back to Council with an itemized list of expenditures and senior government revenues the City of New Westminster has incorporated into the Operating and Capital Budgets, which are typically considered outside of municipal jurisdiction and are not part of our “core services.”

Discussion

In response to Council’s January 9, 2023 motion regarding senior government costs download, staff have been researching this issue. Staff are proposing an approach and methodology to systematically identify, categorize, and quantify the financial impacts of senior government cost downloads that have occurred over the past eight years (2017–2024), excluding the COVID-19 years (2020 – 2022) due to the atypical financial impacts and emergency funding measures during that period.

The review will include both capital and operating cost impacts, opportunity costs (such as revenue forgone), and net effects after accounting for any senior government funding support.

The outcome of this work will provide Council with a comprehensive understanding of the financial implications associated with senior government policy changes and funding decisions, supporting future advocacy efforts and informing long-term financial planning.

Approach

An inter-departmental working group will be established to coordinate the review and guide the preparation of the report. The working group will undertake an evidence-based analysis and will use the [City of Vancouver](#) and [City of Kamloops](#) reports as reference models, supplemented by the City's functional staff knowledge, operational data, and external research to ensure a comprehensive analysis.

Scope and Methodology

The review will focus solely on identifying and quantifying the direct and indirect financial impacts of these downloaded responsibilities and funding impacts. It will not assess potential policy responses, mitigation strategies, or advocacy positions that the City may consider at a later stage.

The analysis will cover the eight-year period 2017–2024 (excluding COVID-19 years 2020-2022) and will identify and quantify:

- Incremental capital and operating costs associated with senior government downloading;
- Potential City's revenue foregone;
- Net impacts after accounting for any offsetting senior government's grants or transfers; and
- Where possible, distinguish between one-time and on-going budget impact.

The review will assess and classify examples of cost downloading under the following categories:

1. Reduced or Insufficient Senior Government Funding
 - Instances where existing senior government funding has been reduced, failed to keep pace with cost increases, or does not cover the full cost of service delivery.
2. Services Falling Under Senior Government Responsibility
 - Services that traditionally fall within federal or provincial mandates but are now being directly delivered or supported by the City.
3. Gaps in Senior Government Services Requiring Municipal Response
 - Services that remain under senior government jurisdiction but where service gaps require municipal intervention.
4. Legislative and Regulatory Changes Impacting Municipal Budgets
 - Recent policy or legislative changes that impose new requirements or responsibilities on municipalities.

5. Tax Policy Changes Limiting Local Revenue Generation
 - Changes to the property tax system that reduce the City's ability to generate revenue.
6. Emerging Municipal Service Needs
 - New or expanding areas of municipal service delivery driven by community expectations or emerging global and national priorities.

Timelines

Milestone	Target Date
Formation of Working Group	November 2025
Data Collection and Department Input	December 2025 – April 2026
Analysis and Draft Report Preparation	May 2026
Presentation to Council	June 2026

Given the timing of the annual budget cycle and the significant staff resources required to support the development of the 2026 Financial Plan, the report is anticipated to be brought forward to Council in June 2026. This timeline allows departments to complete budget-related commitments and ensures adequate time for thorough data collection, analysis, and inter-departmental coordination. Also, this will enable staff to provide Council with a comprehensive and well-informed assessment supported by accurate and up-to-date financial information.

Financial Implications

The work will be undertaken using existing staff resources across multiple departments. Any further analysis or external research support required will be managed within approved departmental budgets.

Report Approval

Submitted By
Gary So, Senior Manager, Financial Services

Agreed By
Senior Management Team

Approved By
Shehzad Somji, Director, Finance/CFO
Lisa Spitale, Chief Administrative Officer