



# City of New Westminster

## Report to Council

**To:** New Westminster City Council  
in Regular Council

**Meeting Date:** December 15, 2025

**From:** Shehzad Somji, Director,  
Finance

**Report No.:** 2025-376

**Re:** **Budget 2026: General Fund Five Year Capital Plan (2026 – 2030) and Funding Strategy**

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### Staff Recommendation

1. *THAT the 2026 – 2030 Five-Year Capital Plan, included as Attachment 1 to the report titled “Budget 2026: General Fund Five-Year Capital Plan (2026 – 2030) and Funding Strategy” dated December 15, 2025, from the Director, Finance, be endorsed.*
  2. *THAT the \$161.4 million 2026 Multi-year Capital Budget and Funding Strategy presented in the report titled “Budget 2026: General Fund Five Year Capital Plan (2026 – 2030) and Funding Strategy” dated December 15, 2025, from the Director, Finance, be endorsed.*
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### Purpose

To seek Council’s endorsement of the proposed 2026 – 2030 Five-Year Capital Plan and Funding Strategy and the \$161.4 million 2026 Multi-year Capital Budget.

### Summary

The 5-Year Capital Plan provides a balanced and fiscally responsible framework for addressing the City’s most pressing infrastructure needs while advancing Council’s strategic priorities. The plan focuses on maintaining essential services, supporting population growth, and strengthening resilience, with total planned investments of \$362.2 million (M) over the five-year period. Funding is allocated across key categories - asset renewal and replacement, upgrades and expansions, new infrastructure or growth-related projects, and legislated requirements - ensuring that the City maintains service reliability today while preparing for future demands.

General Fund 2026 - 2030 Capital Plan	Investments	Multi-Year Capital Budget 2026	Funding Source			
			Grants & Contributio	DCC/ACC	Debt	Reserves
<b>Grand Total</b>	<b>362.2</b>	<b>161.4</b>	<b>46.6</b>	<b>79.0</b>	<b>50.0</b>	<b>186.6</b>

To support the delivery of these investments, the plan relies on a diversified funding strategy that includes government grants and third-party contributions, development and amenity cost charges (DCCs/ACCs), long-term debt, and reserves. Council has approved an annual 1.0% Capital Levy dedicated to infrastructure projects, which will steadily build the City’s capital reserves. The General Fund capital reserves balance is projected at approximately \$43.9M by 2030, with a current asset replacement value (CRV) ratio of 3.2%. In the interim, the plan includes borrowing up to \$50.0M in 2030, with the potential introduction of a Debt Levy of approximately 3.0% property tax in 2031 to cover associated debt servicing costs. This approach allows the City to advance critical projects without delaying necessary work until reserves have fully accumulated.

While DCCs, ACCs, and grant funding remain key contributors to the capital program, their availability is influenced by economic conditions, development activity, and government funding cycles. To manage this uncertainty, the plan applies conservative revenue assumptions and prioritizes projects with confirmed or high-probability funding. Staff will continue to refine funding strategies through the annual budget process to ensure alignment between project timing, cash flow requirements, and available resources.

Overall, the capital plan provides a prudent and sustainable approach to managing the City’s infrastructure portfolio. Through careful prioritization, diversified funding sources, and disciplined financial planning, the City is positioned to maintain essential services, support growth, and invest strategically in the community’s long-term well-being.

**Background**

The City has entered a period of significant infrastructure renewal and reinvestment. Much of the City’s core infrastructure - roads, civic facilities, parks, and equipment - was built decades ago and is now nearing or exceeding its useful life. Without a coordinated capital strategy, the City faces increased risk of infrastructure failures, higher maintenance costs, and service interruptions. To guide the City’s long-term asset replacement needs, staff developed a 10-Year Capital Vision (2026 – 2035) that outlines the scale of reinvestment required to maintain essential services, support growth, and meet evolving regulatory and environmental standards.

At the November 10, 2025, Council workshop, staff presented the [General Fund Budget 2026: 10-Year Capital Vision \(2026 – 2035\) and Funding Strategy](#) report to Council.

Council acknowledged that the City's aging asset inventory and projected population growth require a longer-term capital planning horizon. A multi-year outlook allows the City to anticipate major renewal needs, coordinate infrastructure expansion with growth, and proactively address emerging regulatory, climate, and service demands. Longer-term planning improves financial predictability by aligning project timing with available funding sources, smoothing tax impacts, and strengthening reserve management. It also enables the City to sequence complex, multi-year projects more efficiently, optimize procurement, and ensure that infrastructure investments are strategically prioritized to support sustainable service delivery over time.

At the workshop, Council endorsed the 10-Year Capital Vision investing a total of \$600M in capital infrastructure renewals, replacements, expansions or upgrades. To support the Vision, staff proposed to fund the projects using a variety of funding sources which include government grants and third-party contributions, Development or Amenity Cost Charges (DCCs/ACCs), and the General Fund reserves.

Staff also recommended Council introduce a Capital Levy dedicated for infrastructure renewals and upgrades beginning in 2026, over a 10-year period. Council approved Option 1, a 1.0% Capital Levy effective 2026.

Capital Levy	2026	2027	2028	2029	2030	2031 - 2035 (Five Years)
<b>Option 1</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<b>Option 2</b>	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<b>Option 3</b>	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Option 4</b>	1.00%	1.25%	1.50%	1.75%	2.00%	2.00%

Based on Council's direction at the workshop, staff prepared the General Fund 2026 Multi-year Capital Budget, the Five-Year Capital Plan (2026 – 2030) and Funding Strategy for Council approval.

## Analysis

### Objectives of the 5-Year Capital Plan

The General Fund 2026 – 2030 Capital Plan aims to provide a balanced, financially responsible approach to managing the City's growing infrastructure needs. Over the next five years, the City must address aging assets, respond to population growth, and ensure that civic facilities, transportation systems, parks, and technology infrastructure remain safe, reliable, and able to support evolving community expectations, while responding to

the effects of climate change, improving resilience, and mitigating risks. The plan sets out a framework to deliver critical renewal projects while also accommodating selective growth-related and strategic investments that advance Council priorities. A key objective is to ensure the City keeps pace with service demands without creating unsustainable financial pressures for future budgets or taxpayers.

A primary objective of the plan is the renewal and reinvestment in aging infrastructure. Many of the City's core assets, as indicated in the [Transportation Asset Management Plan \(2020\)](#) and [Facilities Asset Management Plan \(2024\)](#), are approaching or have exceeded their useful life, creating risks related to service interruption, safety, and increased maintenance costs. By prioritizing lifecycle renewal, the plan focuses resources where they can most effectively reduce the infrastructure deficit, minimize operational disruptions, and extend the value of the City's existing asset base. This disciplined approach aligns with asset management best practices and reduces the likelihood of costly emergency repairs or premature asset failures.

Another objective of the 5-year plan is to support community growth and service capacity. As population and development activity continue to increase, the City must ensure that transportation networks, civic facilities, and public amenities can meet higher demand. The plan includes growth-related projects funded through Development or Amenity Cost Charges (DCCs/ACCs), ensuring that growth pays for growth wherever possible. These investments help maintain service levels, mitigate congestion, and ensure that City infrastructure keeps pace with residential and employment expansion.

The plan advances Council's five strategic priorities by improving community spaces, supporting housing-related infrastructure, enhancing mobility, and reinvesting in core assets. It also aligns with the City's climate action budgeting framework and seven bold steps, with investments that promote low-carbon operations, cleaner transportation, efficient buildings, and a more resilient natural and built environment.

A further objective is to ensure long-term financial sustainability by introducing a dedicated stable funding source to finance capital investments and reinvestments, minimizing impacts on City reserves. The 2026 Budget incorporates a 1.0% Capital Levy each year over the next five years, dedicated for infrastructure renewals and upgrades endorsed by Council, increasing reserve contributions and providing a predictable revenue source. By balancing reserves, government and third-party grants and contributions, and limited use of debt, the plan avoids excessive reliance on any single funding source and supports the stability of the City's financial position over time.

Lastly, the 5-year plan aims to strengthen project delivery, accountability, and transparency. The plan includes multi-year commitments and outlines funding strategies that will enable staff to deliver capital projects efficiently and ensures alignment between

long-term planning and near-term execution while providing the community with confidence that investments are well-planned, prioritized, and managed.

### **Overview of the 5-Year Capital Plan**

Using the Council endorsed 10-Year Capital Vision as the base, the proposed 2026 – 2030 Capital Plan is structured to align closely with Council’s five strategic priorities. The plan outlines the total capital envelope, major investment categories, and allocation of funding across renewal, growth, and regulatory projects in a way that supports these priorities. It responds to key drivers such as population growth, aging infrastructure, legislative requirements, rising service expectations, and climate vulnerabilities. It also highlights the major multi-year projects that form the backbone of the City’s long-term capital commitments. Together, these components provide a clear and transparent roadmap for how the City will maintain, renew, and expand its infrastructure to support community needs and Council’s strategic priorities.

The following sections summarize the key components of the plan, including major multi-year projects/programs that advance the City’s five strategic priorities.

<b>Strategy Priorities (\$M)</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>5-Year Total</b>
Asset Management and Infrastructure	54.6	39.0	24.5	29.4	85.3	232.9
Safe Movement of People	26.2	12.8	10.8	9.2	11.5	70.5
Community Belonging and Connecting	10.6	9.7	3.1	5.6	3.9	33.0
Homes and Housing Options	12.8	3.6	3.0	2.8	2.7	24.9
People-Centered Economy	0.2	0.8	-	-	-	1.0
<b>Total</b>	<b>104.4</b>	<b>66.0</b>	<b>41.5</b>	<b>47.1</b>	<b>103.3</b>	<b>362.2</b>

### **Asset Management and Infrastructure (\$232.9M)**

Resilient Infrastructure that meets the community’s needs today and into the future. Key projects in the 2026 - 2030 Capital Plan include:

1. \$40.0M Downtown Fire Hall
2. \$23.0M Pavement Management
3. \$22.9M Massey Theatre Renovation
4. \$15.4M Civic Buildings and Facilities maintenance
5. \$12.5M Operations Yard Renewal planning and initial design
6. \$6.1M Structures Rehabilitation, including retaining walls
7. \$6.0M Urban Reforestation and Biodiversity Enhancement Initiative Phase 2
8. \$5.0M Simcoe Park Master Plan implementation

9. \$4.9M Rail Crossing upgrades, including advancing whistle cessation
10. \$4.1M Front Street Parkade remediation
11. \$3.8M City Hall roof replacement and HVAC upgrade
12. \$3.0M City Wide workspace planning
13. \$2.3M Queen's Park Stadium Grandstand renewal and/or replacement

The City's Fire Rescue Service is currently responding from 3 fire halls in the following locations: Glenbrook Fire Hall # 1, West End Fire Hall # 2, and Queensborough Fire Hall # 3. With increasing population and resulting call volume in the downtown area, the Fire Service has been challenged to meet industry response standards from the West End Fire Hall # 2. The current West End Fire Hall # 2 located at 820 13<sup>th</sup> Street, was built in 1947 and is not built to modern, post disaster construction. The hall is located on a small lot limiting its use for training and requiring special order apparatus to fit in the hall. Expansion of the Fire Hall in its current location is not a feasible option. The proposed construction of a new Fire Hall in the Downtown vicinity, will offer an opportunity to improve response times meeting industry standards, and community expectations. The planned facility will also include a centralized location for an EOC (Emergency Operations Centre).

The City maintains a 235-kilometre roadway network, and the pavement management program continues to rehabilitate and preserve this infrastructure, excluding local non-bus routes, to meet condition and ride quality targets. The 2024 pavement assessment, updated using the Percentage of Remaining Service Life metric, found that overall network condition generally consistent with the 2019 pavement assessment, with approximately 28 percent of pavements still rated in poor or very poor condition. Major roads have continued to deteriorate while local roads show modest Pavement Condition Index (PCI) improvement, though ride quality has not improved at the same rate. Updated modelling indicates that rehabilitation needs will continue to grow and that current funding levels will maintain conditions only in the short term, with gradual long-term decline anticipated, particularly on local roads and MRN routes.

The Massey Theatre Renovation Project (total capital project budget of \$34.1M) is currently in Phase 3 of the overall capital project. Phase 1 (to complete a water entry room) and Phase 2 (to demolish the Gymnasium) are now complete. Phase 3 work is underway with an estimated completion in fall 2027. The total project scope includes building upgrades necessary to keep the building safe, operational, and to provide a more inclusive space for employees and others who would access the building but also includes upgrades to the envelope, the existing HVAC system and the Public Realm.

The Engineering Department completed its first Facilities Asset Management Plan (FAMP) in 2024. The FAMP, endorsed by Council in February 2024, indicates a portfolio-wide Facility Condition Index (FCI) of 17.5%, and a rating of "Fair". Facility Condition Index (FCI) is the total cost of needed building repairs and renewal divided by the current cost of replacing the building. Each building's FCI score reflects the current condition of

the building: good, fair, poor, or critical. It is normal to see buildings in all stages of condition.

Based on recommendations in the FAMP, a new capital project - Maintain Fac Cond Index-renew - has been established as a funding source to support renewal ('like for like' replacement work) to fund prioritised renewal projects in order to maintain the FCI. SLAM, a capital planning software system, is utilized to itemize and manage the renewal projects identified through the latest Facility Condition Assessment and used as the basis for determining the FCI.

Planning around railway crossings, including whistle cessation and safety upgrades, is ongoing at a staff level, with thorough engagement at the Railway Technical Committee. The funding requirements for railway crossing upgrades and whistle cessation are anticipated to be further understood as plans are developed. Included are the current upgrades that have been advanced, based on our best information, but not included are the future planned infrastructure upgrades, nor the required resources, i.e. technical and legal consultants, project managers etc. This applies to both the mainland and Queensborough. The details of these programs are currently being developed, and adjustments to future Financial Plans are anticipated.

The structures rehabilitation program manages the rehabilitation and renewal needs of 12 bridges, 27 retaining walls and 1 pedestrian tunnel within the City. The bridges around the City are in fair to good condition. The structure's rehabilitation needs over the past few years and the upcoming years will be focused on the older retaining walls around the City, which are in a poor or very poor state.

### **Safe Movement of People (\$70.5M)**

Prioritize the movement of people on foot, cycle and transit on streets that are safe for all. Key projects in the 2026 – 2030 Capital Plan include:

1. \$23.6M Active Transportation Network Plan and Greenway upgrades
2. \$7.4M Fenton Street Streetscape improvements
3. \$7.2M Street Lighting Improvements
4. \$3.8M Walking Infrastructure improvements
5. \$3.5M Traffic Signal Installations & Improvements
6. \$2.4M Sidewalk Installation and Improvements
7. \$2.4M Q to Q Ferry Dock and Passenger Facilities improvements
8. \$2.3M Downtown Transportation Plan implementation
9. \$2.2M tēmәsewtx<sup>w</sup> Aquatic and Community Centre offsite work, including Sixth Avenue

10. \$2.0M Community and Corporate EV Charging Strategy
11. \$1.5M Pedestrian Crossing improvements

The City is focusing on the implementation of the Active Transportation Network Plan, with construction now underway for three routes, and construction expected to begin for five more in 2026. Planning and design will also get underway for several more routes in 2026. Work will continue in 2026 on street lighting improvements in Massey-Victory Heights, on E. Sixth Avenue adjacent to tēmәsewtx<sup>w</sup> Aquatic and Community Centre, and on replacement of the end-of-life traffic signals at Stewardson Way and Third Avenue and at Sixth Street and Fifth Avenue. The capital works in the 2026 budget will continue to improve walking, cycling and safety conditions in the transportation network. The Transportation Asset Management Plan update will be completed in 2026, providing more guidance on long-term investment needs to maintain the City's transportation infrastructure.

### **Community Belonging and Connecting (\$33.0M)**

A Community where everyone belongs and has the opportunity to connect and contribute. Key projects in the 2026 – 2030 Capital Plan include:

1. \$6.6M Artificial Turf Field
2. \$6.1M Westminster Pier Park expansion
3. \$3.6M Future Park Land Acquisitions
4. \$3.3M Hume Park Masterplan implementation
5. \$1.9M Public Art projects

In direct support of the City's strategic priority, Community Belonging and Connecting, parks and open spaces are fundamental in fostering social connections, outdoor recreation and community participation. The five- year capital program prioritizes strategic investments in both new and existing community amenities to support continued population growth, expand capacity and extend service life. Key capital projects include planning, design and construction of the City's third artificial turf field, with construction anticipated to commence in 2027; the westward expansion of Westminster Pier Park (completion in 2026); and improvements to Hume Park based on the Hume Park Master Plan (adopted in 2022). Additionally, dedicated funding has been allocated for the strategic purchase of lands to expand the City's parks and greenway network.

Ongoing investment in public art supports the commissioning of new permanent and temporary works on public sites, alongside the essential maintenance and conservation of the existing public art collection. Investment priorities will align with the strategic direction outlined in the new Public Art Plan (anticipated completion in 2026). Major public art initiatives currently underway include a new Indigenous public art installation

integrated within the westward expansion of Westminster Pier Park and a commemorative public art installation at the new 824 Agnes Street Park, specifically reflecting and honoring the history of the City's early Chinese Canadian community.

### **Homes and Housing Options (\$24.9M)**

Clear the way for all types of homes needed by people today and tomorrow, prioritizing homes for those with the greatest need. Key projects in the 2026 – 2030 Capital Plan include:

1. \$15.0M Affordable Housing Development
2. \$1.9M Corporate Energy and Emission Plan (CEEP) Phase 2
3. \$1.7M Affordable Housing Development Project Management and Due Diligence
4. \$1.6M Land Use Planning policy update
5. \$1.1M Housing Policy development and update

The Homes and Housing Options priority responds to the community's need for more housing supply and housing choice, particularly for those with the greatest need, e.g. unhoused individuals living with mental health and substance use issues, many of whom are Indigenous or seniors; low-income individuals and families who cannot afford market rents. The capital budget includes funds to support shelter beds, and affordable and supportive housing development by non-profit housing providers and/or senior governmental agencies. This work will be guided by the needs identified in the City's Housing Needs Report, and by the direction set in the 10-Year Supportive Housing and Wrap-Around Services Plan.

It also includes funding to advance work to improve energy use and cooling for existing purpose-built rental buildings, which supports life safety in, and the longevity of, older buildings that provide more affordable rental units. In doing so, this work helps to address important local issues identified in the 2025 budget survey, related to the three crises of homelessness, mental health and substance use; housing affordability and availability; and support for vulnerable residents.

Provincial housing legislation required the City refocus resources and work on maximizing overall housing approvals, regardless of need. The capital budget includes funds to support further streamlining of applications review and approval (e.g. e-permit, e-plan), and implementation of key land use and housing policy development and implementation, consistent with requirements recently legislated by the Province.

Given the extensive scope of work required to address the provincially legislated changes, which have mandated timelines that are either tight or ongoing, the City has had to focus resources on this work. With many of the initiatives to meet the initial

deadlines nearing completion, staff have re-examined the overall work plan to determine what other work can be launched toward achieving the housing outcomes of the strategic plan with a focus on housing for those most in need (e.g. through the Affordable Housing Development Approval Policy). Work will also continue towards refining the City's approach to implementing the provincial legislation, and towards meeting the future provincial deadlines.

This work is funded both through the City's capital budget and through the Housing Accelerator Fund grant. The work funded through the capital plan focuses on:

- Providing capital assistance to affordable housing projects through grants to help offset development costs. Through this process, City contributions are used to leverage investment by senior levels of government into affordable housing construction in New Westminster. This includes 1923 Marine Way, which would see affordable housing built by Aunt Leah's Properties, and funded by BC Housing.
- Ongoing work enabling housing development in the city, related to implementation of the provincial housing legislation, meeting the provincial Housing Target Order, and meeting the community needs identified in the City's Housing Needs Report. This multi-year project work includes legislatively required regular updates to the Official Community Plan, Queensborough Community Plan, Downtown Community Plan, and housing needs report; and updates to other City housing policy and regulations to facilitate new housing development consistent with legislation and community needs. In the case of the Downtown Community Plan, a comprehensive update will be required once the initial legislation deadlines have been met.
- Implementing the 22<sup>nd</sup> Station Area Vision to enable growth in alignment with the Transit Oriented Development Area requirements while also establishing the amenities and infrastructure funding framework needed to support this growth.
- Implementing climate action objectives by reducing emissions from new buildings, increasing support for the retrofit of existing buildings, and continuing to design our city to allow community members to live and move in alignment with climate goals.
- Continuing implementation of the findings of the development application review process, including completing the digitization of all permits for maintenance of the City's records, and improving documentation and communication materials.

### **People-Centered Economy (\$1.0M)**

A local, nimble, resilient economy that serves our local community. Key projects in the 2026 -2030 Capital Plan include:

1. \$0.60M Human Resources Information System

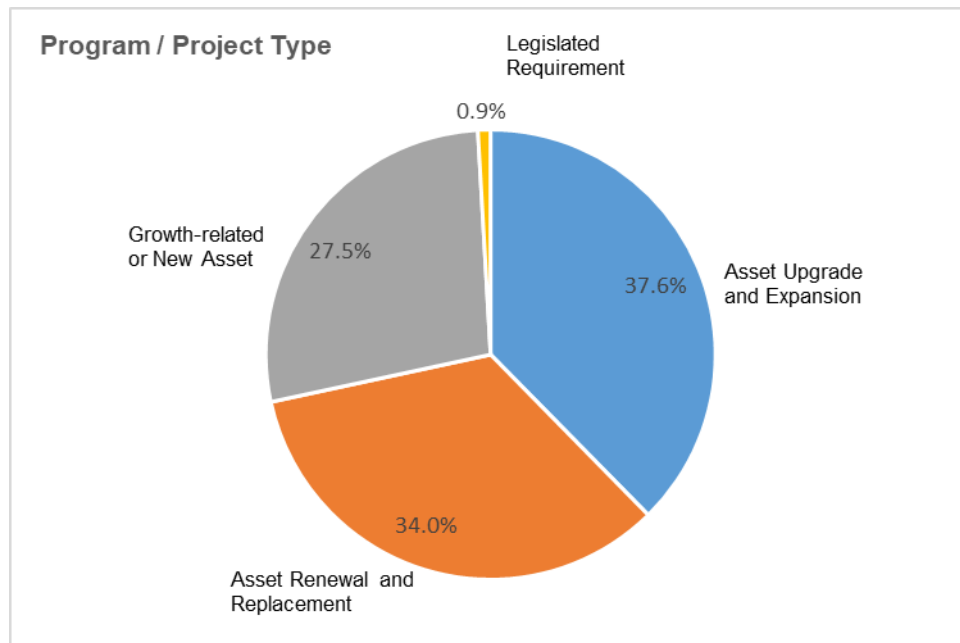
2. \$0.15M Public Realm on Great Streets
3. \$0.10M Economic Development Plan

Human Resources currently relies on manual and time-intensive processes, and an HRIS system will enhance efficiency, meet growing demands, and provide effective people-centered programs and services. System improvements will also provide increased opportunities in delivering automated, comprehensive, integrated and streamlined support across all HR functions including Core HR (employee and position data), Time and Attendance, Benefits Administration, Recruitment, Onboarding, Performance and Development, Learning and Training, Health and Safety, Analytics, and Compensation and Succession Planning.

The focus of this strategic priority is creating an environment for businesses to innovate and grow, while creating sustainable employment opportunities in our community. While the majority of economic development work involves necessary enhancements to operating budgets, some components of the work are capital in nature. This includes additional investments to commercial area streetscapes, along with work to update the City's Economic Development Plan to respond to the current context and guide new opportunities in the region's evolving economy.

### **Allocation of Program / Project Type**

The 5-Year Capital Plan proposes a total of \$362.2M in capital investments across several key categories to ensure the City can maintain reliable services today while preparing for future needs. Funding is distributed among asset renewal and replacement, which focuses on keeping existing infrastructure in good condition; expanded or upgraded assets, which enhance capacity or functionality; new assets, which introduce entirely new infrastructure to address emerging service needs; growth-related assets, which support population and development pressures; and legislated or regulatory requirements, which ensure compliance with evolving standards and mandates.



### **Assets Upgrade and Expansion (\$136.3M):**

Capital investments improving the capacity or functionality of the assets beyond the original design. This category includes projects such as upgrading existing HVAC systems to reduce GHG emissions, and projects designed to meet higher service standards. These investments respond to evolving community expectations and climate change impacts, and ensure infrastructure continues to support current and future needs.

### **Assets Renewal and Replacement (\$123.1M):**

Capital investments focusing on extending the life of existing infrastructure and minimizing service interruptions. Examples include road resurfacing, facility roof replacements, and fleet replacements. These investments address aging assets, reduce the risk of failure, and lower long-term maintenance costs.

### **Growth-related or New Assets (\$99.5M):**

Growth-related investments are tied to population and development pressures. They include transportation improvements in developing areas, and new public amenities in growing neighborhoods. These investments ensure that growth pays for growth while maintaining service levels across the City. New assets are infrastructure created where none previously existed, providing new services or amenities to the community. Examples include new works yard or community facilities, new park spaces or amenities that address service gaps. These projects support livability and enhance the quality of life for residents.

**Legislated Requirement (\$3.3M):**

These are projects ensuring that the City meets legislative or regulatory requirement. Examples include initiatives to introduce new or update existing policies to comply with new/changes to legislation or upgrading infrastructure to meet new safety or environmental standards. These projects reduce risk and maintain compliance with evolving laws and regulations.

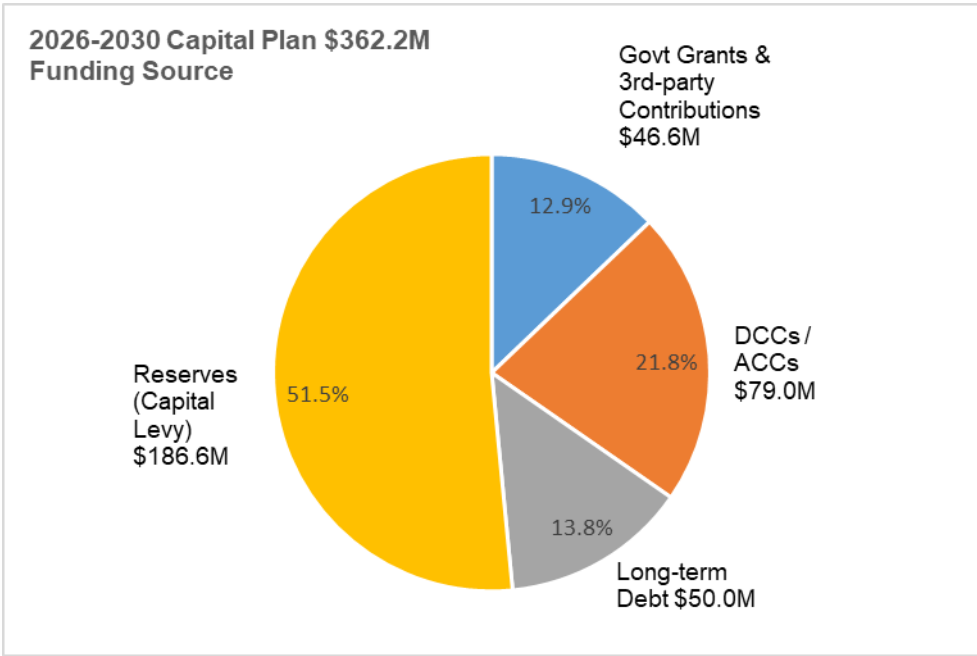
Together, these categories provide a balanced approach that supports sustainable service delivery, manages risk, and aligns capital investments with community expectations. By strategically allocating resources across these categories, the plan addresses aging infrastructure, supports population and economic growth, enhances service capacity, and ensures compliance with regulatory and safety requirements, all while advancing Council's long-term strategic priorities.

**Future Land Needs and Long-term Land Management Strategy**

As noted in the [10-Year Capital Vision and Funding Strategy report](#), the 5-Year Capital Plan does not include funding for potential future land acquisitions that may be required to support growing demand for community infrastructure, civic facilities, parks, and other public amenities. As the population increases, securing strategically located land will be critical to ensuring the City can continue to provide accessible and high-quality services, as efficiently as possible. Land acquisition, however, carries significant financial implications due to market volatility, rising land values, and limited availability of suitable parcels. To address this, staff are developing a long-term land management strategy that will assess future land requirements, identify funding approaches, and evaluate potential financial tools such as reserve contributions, partnerships, phased acquisition, and leveraging City-owned assets.

**2026 – 2030 Capital Plan Funding Strategy**

The 2026 – 2030 Capital Plan is underpinned by a diversified funding strategy designed to balance affordability, financial stability, and long-term sustainability. The Plan incorporates a range of funding sources, including capital reserves, senior government grants, development contributions, and, where appropriate, debt financing. This balanced approach helps ensure that no single funding source is overly relied upon and that risks associated with revenue volatility are minimized.



**Government Grants and Third-party Contributions (\$46.6M)**

The plan assumes the receipt of senior government grants and third-party contributions, which remain essential for major projects such as active transportation improvements, climate adaptation, and facility modernization. While the City actively pursues all eligible grant programs, uncertainty remains regarding timing and allocation of grant funding. To mitigate this risk, the capital plan sets conservative assumptions and prioritizes projects with confirmed or highly probable grant funding.

**Development or Amenity Cost Charges (\$79.0M)**

DCCs/ACCs are used to fund growth-related projects. This ensures that growth pays for growth and that the financial burden of servicing new development is not placed on existing taxpayers. However, their use must be carefully managed due to uncertainties in development activity, market conditions, and the timing of revenue collection. Because these revenues are directly tied to new construction, fluctuations in the pace, scale, or location of development can affect both the availability and predictability of funds. As a result, the City must balance project commitments with conservative revenue forecasts to avoid creating funding gaps or delaying critical infrastructure required to support growth. Staff will continue to monitor development trends closely and will refine DCC/ACC funding assumptions through the annual budget and capital planning cycles to ensure that commitments remain financially sustainable and aligned with actual revenue generation.

**Long-term Debt (\$50.0M) and Debt Levy**

To support the delivery of the 5-Year Capital Plan and to maintain the City’s General Fund capital reserve at a reasonable level, staff recommend an interim financing strategy that includes borrowing up to \$50.0M in debt. This approach provides the necessary upfront

capital to advance priority projects while the Capital Levy reserve builds over time. The interim use of debt allows the City to maintain project momentum, avoid deferring essential renewal and growth-related investments, and smooth cash flow requirements during the early years of the Plan. However, a Debt Levy may need to be imposed in 2031 to fund the associated annual debt servicing costs. This levy would ensure that debt repayment obligations are met without placing additional pressure on existing operating budgets or diverting resources from core services. Implementing a debt levy also provides transparency by clearly linking the cost of borrowing to the capital investments it supports.

### **City's Reserves – Capital Levy (\$186.6M)**

A key component of the strategy is the 1% annual dedicated Capital Levy, approved by Council at the November 10<sup>th</sup>, 2025, workshop. This dedicated levy builds ongoing funding capacity, strengthens reserves, and allows the City to address the infrastructure deficit gradually without imposing sudden or disruptive property tax impacts. The levy is specifically directed toward renewal and reinvestment in critical infrastructure, ensuring these funds are used in ways that reduce long-term risk and avoid costly emergency repairs.

Staff will continue to review the funding strategy through the annual budget process and will adjust borrowing, reserve contributions, and other funding sources as needed to ensure long-term financial sustainability and alignment with Council's strategic priorities. Overall, the funding strategy provides a stable foundation that enables the City to deliver required investments while safeguarding long-term fiscal health.

### **Seven Bold Steps for Climate Action and Climate Action Reserve Fund (CARF)**

The Seven (7) Bold Steps for Climate Action, and their use as a budgeting framework was endorsed by Council in November 2019. The intention is to identify projects in the City's capital plan, that will in part, or in full, support advancing any one of the 7 Bold Steps. At a high level, this provides an indication of where the City's Strategic Priorities and core services have a co-benefit of advancing the 7 Bold Steps.

This section presents a sub-set of projects in the proposed capital plan that have been identified through the Bold Step budgeting framework. This is not an exhaustive list, but this sampling exemplifies how applying a climate lens on Council's strategic priorities will support delivering on climate action commitments. The proposed 2026 – 2030 General Fund Capital Plan identifies \$147.7M of project funding to support initiatives that either fully, or in part, advance the City's 7 Bold Steps, with \$50.7M in 2026. The identified projects are led by departments across the organization as well as by the Climate Action Team. This work is funded through various project related funding streams, including the Climate Action Reserve Fund, where an allocation is determined using the Climate Action Decision Making Framework (CADMF).

The Climate Action Reserve Fund (CARF) was established to receive climate action related funding and provide one-time capital and operating funding for projects, actions, and initiatives that accelerate climate mitigation and adaptation. These investments focus on reducing energy use and greenhouse gas emissions related to City-owned lands, facilities, infrastructure, and community services. The objective of the CARF is to advance the City towards meeting the goals and targets in the City's Climate Emergency Declaration. Funding received in the CARF include proceeds from the sale of low carbon fuel credits through the Provincial Low Carbon Fuel Standard, the Climate Action Levy, government grants and third-party contributions for funding carbon mitigation and climate change adaptation, and any interest earned and accrued.

On March 4, 2024, Council adopted the CADMF as a tool to enable transparent and consistent identification and prioritization of projects which can be supported with monies from the CARF. The CADMF has been designed to ensure identified initiatives align with the CARF objective. The Climate Action Team continues to support staff across the organization in applying the CADMF throughout the budget process. Staff are identifying initiatives and compiling the necessary information to complete their framework submissions. Several initiatives have already been identified as strongly aligned with the CARF and CADMF requirements. Staff will continue to confirm funding alignment for proposed capital plan initiatives as part of the on-going funding process, following completion of the framework assessments.

The following initiatives have either received funding recommendations through the CADMF or have been identified as likely aligning with its guiding principles. These initiatives are included in the 5-Year Capital Plan for Council's consideration. Final approval for the use of CARF resources for emerging initiatives will depend on the final CADMF recommendation outcomes.

<b>CARF Initiatives (\$ Millions)</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Cycling & Greenway Network Improvements	0.07	0.07	0.07	0.06	0.07
Natural Environment Enhancement	0.03	0.03	0.04	0.03	0.03
Massey Theatre Renovation	-	3.30	-	-	-
Queensborough Tree Planting	0.01	0.01	0.01	0.02	0.02
Biodiversity & Natural Area Strategy	0.02	0.02	0.03	0.03	0.03
Corporate Energy & Emission Plan Update 2.0	0.67	0.40	0.35	0.20	0.25
Community & Corporate EV Charging Strategy	0.30	0.45	0.45	0.49	0.25
Climate Changing Resilience & Adaptation	0.13	0.05	0.10	0.10	0.10
KPI Dashboard Software & Support	0.07	0.03	0.03	0.03	0.03
Civic Buildings Energy Projects	0.23	0.24	0.24	0.28	-
EV Charging Infrastructure at Civic Buildings	0.20	0.20	0.20	-	-
Crosstown Greenway Construction	0.73	-	-	-	-
Climate Action Decision Making Framework	0.05	-	-	-	0.05
Active Transportation Network Plan	6.63	4.68	4.58	3.69	4.00
Implementation of the Green Infrastructure Network	-	0.35	0.15	-	-
Urban Forest Canopy Monitoring & Compliance	0.08	0.08	-	-	-
Corporate Electric Vehicles	1.27	1.08	3.26	1.36	0.72
<b>Sub-Total</b>	<b>10.49</b>	<b>10.98</b>	<b>9.50</b>	<b>6.29</b>	<b>5.54</b>
Estimated 3rd Party Grants/Contributions	(5.40)	(4.05)	(7.87)	(1.85)	(2.00)
<b>Net CARF Contributions</b>	<b>5.09</b>	<b>6.94</b>	<b>1.63</b>	<b>4.44</b>	<b>3.54</b>
<b>Cumulative Total</b>	<b>5.09</b>	<b>12.02</b>	<b>13.65</b>	<b>18.09</b>	<b>21.63</b>

### **Growing Communities Fund (GCF) Reserve Fund**

The Growing Communities Fund Reserve Fund is established to place the Provincial Growing Communities Fund in a separate dedicated reserve fund account. The GCF is a one-time grant to all B.C. municipalities and regional districts to address their community's infrastructure and amenity needs. The City of New Westminster received \$15.9M in March 2023 as part of the GCF. The provincial government requests that the funds be expended within approximately five years of receipt.

As of December 31, 2024, \$1.1M interest was earned on the fund balance and \$1.7M was spent on City projects including local roads, walking infrastructure, and transit improvements and upgrades. The following table identifies projects that meet the eligibility criteria of the Funds and are part of the proposed 5-Year Capital Plan for Council consideration. To meet the five-year spending criteria, the City should plan to fully expend the GCF by March 2028. The GCF is expected to contribute a total of \$18.1M towards City's infrastructure investments which include \$15.9M grant from the government and \$2.2M projected interest revenue earned on the fund balance. The GCF is anticipated to be fully expended by the end of 2027.

Growing Communities Fund (\$ Millions)	Prior Years (Actual)	2025 (Forecast)	2026 (Budget)	2027 (Budget)	Total
Bus Stop Improvements	0.05	0.15	0.08	0.08	0.35
Pedestrian Crossing Improvements	0.24	0.38	0.29	0.29	1.19
Road Safety Improvements	0.22	0.40	0.22	0.22	1.05
Street Lighting Improvements	0.11	0.30	2.21	1.15	3.77
Traffic Signal Installation & Improvements	0.57	0.26	0.74	0.75	2.31
Transit Priority	0.09	0.33	0.31	0.30	1.03
Walking Infrastructure Improvements	0.89	0.75	0.72	0.75	3.11
Pavement Improvements program	-	4.51	4.64	-	9.16
<b>Sub-Total</b>	<b>2.16</b>	<b>7.08</b>	<b>9.19</b>	<b>3.54</b>	<b>21.97</b>
Estimated 3rd Party Grants/Contributions	(0.43)	(1.54)	(1.65)	(0.25)	(3.87)
<b>Net GCF Eligible Spending</b>	<b>1.73</b>	<b>5.53</b>	<b>7.55</b>	<b>3.29</b>	<b>18.10</b>

## Risks

The implementation of the 2026 – 2030 Capital Plan is subject to several risks, most notably construction cost escalation, supply chain constraints, labour shortages, funding uncertainties, and increased frequency of extreme weather events. These factors have the potential to affect project costs, timelines, and prioritization.

Cost escalation remains one of the most significant risks. Global and regional market volatility, rising material costs, and limited contractor availability can drive project costs above budget. To mitigate this, the plan includes inflation contingencies, phased project delivery, value engineering, and multi-year procurement strategies, where possible. Additionally, staff continue to monitor market conditions closely and adjust project scopes or timelines as needed.

Grant or external funding dependency also presents risk. To manage this risk, the City uses conservative DCC/ACC revenue assumptions and prioritizes projects with confirmed or highly likely funding. Staff also maintain active participation in federal and provincial funding programs to maximize eligibility and competitiveness.

Climate-related risks, such as extreme rainfall, flooding, heat events, and windstorms, create urgent and sometimes unplanned capital needs. The plan includes investments in infrastructure upgrades, climate adaptation, and emergency preparedness to improve community resilience. Maintaining sufficient reserve balances allows the City to respond to unforeseen events without jeopardizing long-term capital commitments.

Finally, staff capacity and contractor availability may impact project delivery timelines. The City continues to improve project management processes, coordinate timing across departments, and leverage multi-year procurement strategies to ensure efficient and achievable delivery.

Overall, the plan incorporates a comprehensive risk management approach that balances ambition with fiscal and operational practicality.

### **Financial Implications**

The proposed 5-Year Capital Plan has several financial impacts on the City's operating and reserve balances. While capital projects themselves are funded through a combination of capital grants and reserves, completed capital assets may create ongoing operating and maintenance costs. These include electricity, heating, staffing, supplies, and long-term asset management expenses.

The introduction of the dedicated 1.0% Capital Levy strengthens the City's capital funding capacity. Over five years, this incremental contribution significantly improves the sustainability of the City's capital reserves, ensuring that required renewal projects can be funded without major tax shocks in future capital cycles. Reserve projections included in this report show that, with the levy in place, the City's capital reserves can remain stable and sufficient to support both planned and emergent needs.

Debt servicing impacts have also been reviewed carefully. While borrowing remains an available tool, the 5-Year Plan limits new debt borrowing up to \$50.0M which is financially prudent. This approach helps minimize annual debt servicing costs and ensures that the City remains well within legislated debt limits.

Finally, cost escalation continues to exert upward pressure on project budgets. Inflation contingency has been built into the plan; however, ongoing monitoring will be required to ensure project budgets remain aligned with market conditions. Staff will report to Council annually regarding any significant variances.

### **November 10, 2025, Council Worksop**

At the Council workshop, staff presented the [General Fund Budget 2026: 10-Year Capital Vision \(2026 – 2035\) and Funding Strategy](#) report to Council and received several questions and comments from Council members. In response, staff have prepared responses to each question to support Council's understanding of the 10-Year Vision and

funding strategy. These responses are included in Attachment 2 of this report for Council's reference.

### **Next Steps**

Subject to Council's endorsement, staff will incorporate the General Fund 2026 Multi-year Capital Budget, the 5-Year Capital Plan and Funding Strategy into the 2026 – 2030 Five Year Financial Plan Bylaw.

### **Interdepartmental Liaison**

All departments participated in the annual capital budget process. The Senior Management Team (SMT) provides overall direction, and the Finance Department provides overall financial oversight.

### **Attachments**

- Attachment 1 – Budget 2026: General Fund Five-Year Capital Plan (2026 – 2030) and Funding Strategy
- Attachment 2 – Response to Council Questions from November 10, 2025 Workshop

### **Report Approval**

Submitted By

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Agreed By

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Senior Management Team

Approved By

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