



Attachment #7

Draft Five-Year Financial Plan (2022 – 2026)

CORPORATION OF THE CITY OF NEW WESTMINSTER

CONSOLIDATED FINANCIAL PLAN

		Schedule A				
		2022	Budget Projections			
		Budget	2023	2024	2025	2026
REVENUE						
	Municipal Taxation (see below)	\$ 97,877,861	\$ 103,095,703	\$ 109,463,995	\$ 115,272,273	\$ 120,451,743
	Utility Rates	100,119,172	105,126,857	110,290,843	115,769,312	121,585,481
	Sale of Services	14,373,935	15,771,060	15,871,060	15,571,060	15,571,060
	Grants from Other Governments (1)	8,920,339	5,893,400	2,871,600	2,871,600	2,871,600
	Contributions (2)	24,086,630	24,174,930	18,839,530	17,170,930	10,983,930
	Other Revenue (3)	16,915,915	18,081,073	18,221,457	18,082,689	17,797,265
	Total Revenues	262,293,852	272,143,023	275,558,485	284,737,864	289,261,079
EXPENSES						
	General Services					
	Police Services	34,408,503	34,729,375	35,717,010	36,385,994	36,975,831
	Parks and Recreation	19,416,533	22,296,796	26,355,706	26,703,057	26,982,221
	Fire and Rescue	17,868,972	18,554,183	19,290,982	19,670,640	20,219,813
	Development Services	7,358,604	7,014,666	7,155,875	7,313,040	7,449,313
	Engineering	29,776,519	30,592,468	31,214,919	31,519,297	32,086,538
	General Government	29,850,878	30,366,173	30,452,417	30,563,408	31,384,291
	Library	4,905,686	4,996,028	5,068,783	5,119,432	5,180,001
		143,585,695	148,549,689	155,255,692	157,274,868	160,278,008
	Utilities Services					
	Electrical Utility	40,883,766	41,706,514	42,581,978	45,037,184	45,867,089
	Water Utility	9,358,198	9,967,152	10,999,891	12,093,204	13,346,871
	Sewer Utility	15,330,615	17,646,962	20,145,656	23,121,261	28,848,140
	Solid Waste Utility	3,994,991	4,112,023	4,210,458	4,295,997	4,424,510
		69,567,570	73,432,651	77,937,983	84,547,646	92,486,610
	Fiscal Expenses					
	Interest and Bank Charges	2,849,958	5,177,088	6,157,719	6,222,996	6,445,961
	Total Expenses	216,003,223	227,159,428	239,351,394	248,045,510	259,210,579
	INCREASE IN TOTAL EQUITY	46,290,629	44,983,595	36,207,091	36,692,354	30,050,500
	Reconciliation to Financial Equity					
	Amortization of Tangible Capital Assets	26,286,000	27,438,000	29,959,000	31,329,000	31,803,000
	Capital Expenses (Schedule B)	(170,699,310)	(109,731,100)	(66,230,250)	(58,198,700)	(48,236,400)
	Debt Retirement	(5,151,403)	(8,214,754)	(9,686,716)	(9,657,090)	(10,214,494)
	Proceeds on Debt Issuance	72,184,585	30,772,800	8,000,000	7,500,000	500,000
	Proceeds from Disposal of Assets	-	-	-	-	-
	Transfers to/from other funds	-	-	-	-	-
	Internal Charges	(15,711,106)	(16,312,944)	(16,886,472)	(17,218,596)	(17,564,833)
	Internal Recoveries	15,711,106	16,312,944	16,886,472	17,218,596	17,564,833
	CHANGE IN FINANCIAL EQUITY (Reserves)	(31,089,499)	(14,751,459)	(1,750,875)	7,665,564	3,902,606
	Financial Equity, beginning of year	154,633,733	123,544,235	108,792,775	107,041,897	114,707,459
	FINANCIAL EQUITY (Reserves), end of year	\$ 123,544,234	\$ 108,792,776	\$ 107,041,900	\$ 114,707,461	\$ 118,610,065

Notes:

- (1) Includes capital grants noted on Schedule B.
- (2) Includes capital contributions and DCCs noted on Schedule B.
- (3) Includes proceeds from property sales noted on Schedule C.

Municipal Taxation					
Property Taxes	\$ 96,224,661	\$ 101,408,003	\$ 107,742,295	\$ 113,513,973	\$ 118,655,743
Parcel Taxes	28,900	28,900	27,400	27,400	27,400
Grant-in-Lieu of Taxes	1,149,700	1,184,200	1,219,700	1,256,300	1,294,000
Utilities 1%-in-Lieu of Taxes	474,600	474,600	474,600	474,600	474,600
	\$ 97,877,861	\$ 103,095,703	\$ 109,463,995	\$ 115,272,273	\$ 120,451,743

**CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED FINANCIAL PLAN**

Schedule A

(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	38%
Sale of Services	5%
Gov't Grants	3%
Contributions	9%
Other Revenue	6%
	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	63%
2	Utilities	<1%
4	Major Industry	2%
5	Light Industry	3%
6	Business	31%
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**

Schedule B

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.

	2022 Budget	Budget Projections			
		2023	2024	2025	2026
CAPITAL EXPENSES					
Land	\$ 500,000	\$ 4,733,800	\$ -	\$ -	\$ 2,000,000
Buildings	62,291,200	30,451,100	8,908,200	8,388,000	5,070,000
Vehicles/Equipment	7,503,500	5,530,800	6,250,650	4,883,500	4,753,500
Other Projects	8,519,295	5,164,800	3,601,500	3,709,300	3,135,000
Park Improvements	4,374,100	5,061,200	4,744,000	1,651,000	2,084,000
Engineering Structures	23,561,600	14,140,000	10,400,000	9,250,000	15,225,000
Water Infrastructure	6,011,500	6,838,900	5,338,900	5,838,900	5,838,900
Sewer Infrastructure	15,028,730	10,752,500	7,987,000	7,780,000	7,480,000
Electrical Distribution System	42,909,385	27,058,000	19,000,000	16,698,000	2,650,000
TOTAL	\$ 170,699,310	\$ 109,731,100	\$ 66,230,250	\$ 58,198,700	\$ 48,236,400
FUNDING SOURCES					
Reserve Funds	\$ 76,163,925	\$ 59,102,500	\$ 46,331,650	\$ 40,468,700	\$ 43,693,400
Development Cost Charges	3,734,150	2,660,000	1,321,600	375,000	263,000
Long Term Debt	72,184,585	30,772,800	8,000,000	7,500,000	500,000
Grants from Other Governments	5,660,800	3,021,800	-	-	-
Contributions	12,955,850	14,174,000	10,577,000	9,855,000	3,780,000
TOTAL	\$ 170,699,310	\$ 109,731,100	\$ 66,230,250	\$ 58,198,700	\$ 48,236,400

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 to reflect new rates based on an updated capital project plan.
2. City contributions will be from reserves while other contributions are from provincial / federal government grants.
3. 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.

	<u>Values</u>	<u>TTL</u>	<u>2009 - 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027 +</u>
Total DCCs	87,284,408	\$ 87,284,408	\$ 38,993,527	\$ 3,734,150	\$ 2,660,000	\$ 1,321,600	\$ 375,000	\$ 263,000	\$ 39,937,131
Total City & Other Contributions	34,985,065	34,985,065	11,932,581	2,349,257	3,406,586	2,395,886	1,339,286	939,286	12,622,183
	122,269,473	\$ 122,269,473	\$ 50,926,108	\$ 6,083,407	\$ 6,066,586	\$ 3,717,486	\$ 1,714,286	\$ 1,202,286	\$ 52,559,314

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

Schedule C

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)	2022	Budget Projections			
	Budget	2023	2024	2025	2026
Revenues:					
Contributions	\$ 6,817,903	\$ 7,135,376	\$ 6,750,365	\$ 6,765,777	\$ 6,318,907
Land Sale Proceeds	-	-	-	-	-
	6,817,903	7,135,376	6,750,365	6,765,777	6,318,907
Transfers (to) from:					
Operating Budget	38,256,522	37,215,666	37,830,409	41,368,484	41,277,097
Capital Budget	(76,163,925)	(59,102,500)	(46,331,650)	(40,468,700)	(43,693,400)
	(37,907,403)	(21,886,834)	(8,501,241)	899,784	(2,416,303)
Change in Financial Equity (Reserves)	(31,089,500)	(14,751,458)	(1,750,876)	7,665,561	3,902,604
Financial Equity, Beginning of Year	154,633,734	123,544,234	108,792,776	107,041,900	114,707,461
Financial Equity, End of Year	123,544,234	108,792,776	107,041,900	114,707,461	118,610,065
CHANGE IN RESERVES					
Non-Statutory Reserves	\$ (29,574,975)	\$ (10,346,143)	\$ (1,912,755)	\$ 7,500,444	\$ 5,734,186
Statutory Reserves					
Cemetery	52,025	53,066	54,127	55,210	56,314
Construction of Municipal Works	(1,628,826)	(4,521,902)	42,960	43,819	(1,955,305)
Parking Cash In Lieu	24,803	25,299	25,805	26,321	26,847
Park Land Acquisition	1,293	1,319	1,346	1,373	1,400
Tax Sale Land	36,180	36,903	37,641	38,394	39,162
Change in Reserves	\$ (31,089,500)	\$ (14,751,458)	\$ (1,750,876)	\$ 7,665,561	\$ 3,902,604
Statutory DCC Reserves					
Drainage DCC	\$ 61,370	\$ 123,998	\$ 126,478	\$ 129,007	\$ 131,588
Parkland DCC	1,143,242	(247,292)	788,161	1,383,325	1,392,291
Sewer DCC	(540,329)	378,414	386,483	449,212	458,196
Transportation DCC	(1,233,594)	(8,365)	271,468	570,897	694,315
Water DCC	(48,425)	180,406	184,015	187,695	191,448
Change in DCCs	\$ (617,736)	\$ 427,161	\$ 1,756,605	\$ 2,720,136	\$ 2,867,838
RESERVE BALANCES					
Non-Statutory Reserves	\$ 112,812,498	\$ 102,466,355	\$ 100,553,600	\$ 108,054,044	\$ 113,788,230
Statutory Reserves					
Cemetery	885,796	938,862	992,989	1,048,199	1,104,513
Construction of Municipal Works	6,669,881	2,147,979	2,190,939	2,234,758	279,453
Parking Cash In Lieu	1,264,932	1,290,231	1,316,036	1,342,357	1,369,204
Park Land Acquisition	65,961	67,280	68,626	69,999	71,399
Tax Sale Land	1,845,166	1,882,069	1,919,710	1,958,104	1,997,266
Total Reserves	\$ 123,544,234	\$ 108,792,776	\$ 107,041,900	\$ 114,707,461	\$ 118,610,065
Statutory DCC Reserves					
Drainage DCC	\$ 449,878	\$ 573,876	\$ 700,354	\$ 829,361	\$ 960,949
Parkland DCC	14,360,371	14,113,079	14,901,240	16,284,565	17,676,856
Sewer DCC	1,695,705	2,074,119	2,460,602	2,909,814	3,368,010
Transportation DCC	(468,272)	(476,637)	(205,169)	365,728	1,060,043
Water DCC	2,020,303	2,200,709	2,384,724	2,572,419	2,763,867
Total DCC Reserves	\$ 18,057,985	\$ 18,485,146	\$ 20,241,751	\$ 22,961,887	\$ 25,829,725