



Sapperton Landing Park

THE CITY OF
NEW WESTMINSTER
Draft 2009 - 2013
Financial Plan



The Anvil Salute

**PUBLIC
CONSULTATION
PROCESS
AT
CITY HALL**

APRIL 27, 2009

5:00 PM - 7:00 PM

**BUDGET DISPLAY
CITY HALL
FOYER**

7:00 PM

**PRESENTATION IN
CITY HALL COUNCIL
CHAMBERS**

**AFTER
PRESENTATION**

**OPEN DELEGATION
CITY HALL COUNCIL
CHAMBERS**

Draft 2009 – 2013 Financial Plan

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Feedback Wanted!!

Send your comments to the Director of Finance & Information Technology by using the comment sheet included (Attachment 5) on the last page of this package



REPORT

Finance & Information Technology

To: Mayor and Council

Date: April 22, 2009

From: Gary Holowatiuk,
Director of Finance &
Information Technology

File: 101315v1

Subject: DRAFT 2009 – 2013 FINANCIAL PLAN

PURPOSE

The purpose of this report is to provide the citizens of the City of New Westminster with information on the City's draft 2009 - 2013 Financial Plan (the "Financial Plan") in accordance with Section 166 of the Community Charter. Citizens are invited to review and comment on the Financial Plan.

SUMMARY

A summary of the City's Financial Plan, including the operating and capital budgets for the General Fund and each of the Utility Funds, is presented in Attachments 1 and 2.

The draft Financial Plan is a baseline budget that attempts to maintain service levels while addressing some very significant budgetary challenges for 2009 and beyond. The rapid down turn in the economy due to the world wide financial crisis has negatively impacted City revenues (i.e. property taxes, permit fees and investment earnings). At the same time, the City is facing rising costs relating to wage and salary agreements, utility rate increases passed on from Metro Vancouver and BC Hydro and debt financing for major capital projects.

The 2009 draft General Fund operating budget totals approximately \$75.0 million (2008 - \$71.1 million) to provide on-going municipal services including Police and Fire Services; Parks, Recreation and Cultural Services; Engineering Services relating to traffic and transportation; Development Services; Library and Administrative Services; Debt Servicing; Community Grants and General Government Services.

Revenues to pay for these services are budgeted at approximately \$72.4 million (2008 - \$69.0 million). Of this, taxation revenue contributes \$52.3 million (2008 - \$49.3 million) or 73% of total general revenues. The increase in 2009 incorporates a proposed 4.7% tax rate increase. The balance of the funds required to pay for general services comes from sale of services, contributions, and other revenues, as well as, transfers from reserves and the utility funds.

The proposed General Fund capital budget has been prepared within the framework of the City's long range capital plan. For 2009 the proposed capital budget totals \$41.9 million (2008 - \$29.9 million) and includes funding for annual maintenance and replacement of transportation infrastructure, civic facilities, vehicles and equipment, as well as funding for major projects including the Moody Park Outdoor Pool, multi-use civic facility, strategic property acquisition, and the 12th Street Rehabilitation Project. Funding for the capital budget is provided from reserves, development cost charges, grants, borrowing and contributions.

In 2009, the Electrical Utility operating budget includes an effective annual rate increase of 6.9% similar to the annual rate adjustment set by BC Hydro. The 2009 Water, Sewer and Solid Waste Utility rate increases, previously approved by Council, are 12.5%, 5.8% and 12.0%, respectively and are primarily to offset increasing costs from Metro Vancouver. The Solid Waste rate increases also provides for a new clean-green pick-up service initiated as a pilot project in 2008.

The 2009 capital budgets for the Utility Funds totals approximately \$10.5 million (2008 - \$8.6 million) primarily for the replacement of utility infrastructure and vehicles.

The overall "dollar impact" of the City's proposed Financial Plan on residential property owners for 2009 is summarized in the following table:

<u>Property Type</u>	<u>Assm't</u>	<u>Dollar Change to Average Residential Property</u>	
		<u>Municipal Tax (2)</u>	<u>Utility Fees (3)</u>
Residential Strata (avg)	\$ 279,000	\$ 46	\$ 31
Residential S/F/D ⁽¹⁾ (avg)	\$ 567,000	\$ 92	\$ 76
Residential S/F/D (high)	\$ 1,498,000	\$ 246	\$ 76

1 Single family dwelling (S/F/D)
 2 Proposed 2009 tax rate increase of 4.70%
 3 Water, Sewer & Solid Waste 2009 rate increases of 12.5%, 5.8% & 12.0%, respectively

The impact of the proposed tax rate increase on business property owners will be an additional \$768 for business class properties (based on average assessed value), \$1,349 for light industry class properties and \$18,242 for major industry class properties (see Attachments 3 & 4).

Budgeted figures for 2010 to 2013 of the draft Financial Plan are projections based on best estimates of future events that may materially affect the City's budget.

BUDGET PROCESS

In accordance with the Community Charter the City must adopt, by bylaw, a five-year financial plan before May 15th, 2009. The financial plan contains the operating and capital budgets for each year included in the financial plan.

The City's budgeting process follows a set of guiding principles that promote financially sustainable practices.

Preparation of the City's 2009-2013 Financial Plan commenced in the fall of 2008 and has included the following process over the ensuing months:

- Departments prepared their budget submissions based on the City's budgeting principles;
- Budget submissions were consolidated and subject to administrative review;
- The annual revenue and rates were reviewed and Council established new user fees and rates for 2009;
- Utility budgets and user rates were considered by Council and new utility rates were established for 2009;
- The General Fund operating and capital budgets were reviewed by Council during three separate budget working session;
- A Public Consultation process to obtain the public's feedback on the Financial Plan; and
- Financial Plan adoption before May 15, 2009.

BUDGET CHALLENGES

Each year Council and staff work toward bringing in a Financial Plan that balances annual rate increases with maintaining the standard of services expected by the community. This year has been an exceptionally difficult one given the recent down turn in the economy.

In times such as these it is expected that public sector organizations will be fiscally prudent. At the City, departments were directed to prepare base budgets. Requests for funding for new initiatives were considered separately.

The following table identifies some of the more significant budget challenges for 2009 and beyond.

No.	Challenge	Comments
1	Economic Recession	<ul style="list-style-type: none"> • Decline in development means a reduction in taxation revenue and building / development permit fees from new construction. • Interest rates on City investments are projected to decline resulting in a reduction in investment earnings.
2	Wage Agreements	<ul style="list-style-type: none"> • As part of the GVRD bargaining group, the City has committed to wage increases in the range of 3.5% to 4.5% for its 5 bargaining units. • The new Collective Agreements establish increases for a five year period 2007 to 2011.
3	Utility Services	<ul style="list-style-type: none"> • The City purchases water and sewer services from the GVWD and GVS&DD, respectively. The annual rate increases from these utility service providers has been well in excess of inflation in the past and will continue into the future as regional infrastructure projects come to bear. • Electricity rate increases charged by BC Hydro continue to exceed inflation as BC Hydro and BCTC continue to ramp up investment into infrastructure maintenance and replacement.
4	New City Initiatives	<ul style="list-style-type: none"> • New clean green pick-up services in the Solid Waste Utility. • Downtown nuisance abatement program – ongoing maintenance for new dog-park; enhanced street cleaning program; bylaw enforcement; enhanced policing in the area. • Arts Strategy, 2008 – requirement for new Arts Manager position. • Purchasing, upgrading & maintaining potential water front parkland. • Special celebration initiative for 2009 – City's 150th Birthday.
5	Cost for Building Materials	<ul style="list-style-type: none"> • In spite of the current economic recession, the cost of building materials and supplies remain relatively high.

ANALYSIS AND DISCUSSION

The Financial Plan includes the operating and capital budgets for the five years from 2009 to 2013, as required by the Community Charter. The following analysis provides an overview of operating and capital budgets for the General Fund and each of the Utility Funds.

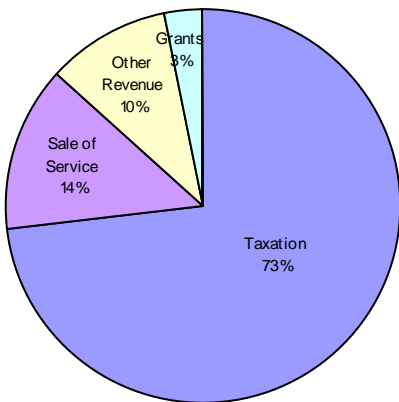
GENERAL FUND (Attachment 1)

General Operating Budget

Attachment 1 provides the details of the General Fund operating budget for 2009 - 2013. The following table summarizes the **major changes** in revenues and expenditures for 2009.

ANNUAL BUDGET CHANGES, 2009					
GENERAL FUND OPERATIONS	Actual 08 \$ (000)	Budget 08 \$ (000)	Budget 09 \$ (000)	Bdgt Chg \$ (000)	Bdgt Chg %
REVENUES	70,049	68,986	72,405	3,419	5.0%
Changes in Revenues:				<i>Reconciliation</i>	
Property taxes -	new construction			650	
	4.7% tax rate increase			2,299	
				2,949	
Sale of services-	police secondments			569	
	parking meter revenue			125	
	other, net			(76)	
				618	
Other revenue-	permit revenue			(290)	
	interest revenue			(370)	
	other			249	
				(411)	
Contributions -	provincial grants			263	
				3,419	
EXPENDITURES	69,746	71,140	75,122	3,982	5.6%
Changes in Expenditures:				<i>Reconciliation</i>	
	Salaries and benefits annual adjustment			2,797	
	Materials and supplies			320	
	Contract services and other			444	
	Interest & Debt (M/P Pool & W/Pier)			421	
				3,982	
TRANSFERS	303	(2,154)	(2,717)	(563)	26.1%
Changes in Transfers:				<i>Reconciliation</i>	
	Increase in transfer from reserves			(463)	
	Decrease in transfers from utilities			(100)	
				(563)	

Revenues



Sources of revenue in the General Fund include property taxes, sale of services, grants from senior governments, third party contributions and other revenues such as permit and licence fees.

In 2008, actual revenues exceeded budget by approximately \$1.0 million. Although taxation revenues were down due to property assessment appeals, increases in recreational revenues, provincial traffic fines grant revenue, and investment earnings more than offset the loss in taxation revenues.

For 2009, revenues are anticipated to increase by \$3.4 million (5.0%) from prior year for a total of \$72.4 million.

Property taxes are the City's most stable source of revenue for funding general municipal services. Each year, the City increases its tax base with revenue from new construction. Tax rates are then adjusted to address the remaining budget requirements.

In 2009, property taxes are projected to bring in approximately \$52.3 million, an increase of \$2.9 million to pay for the increased cost of providing services as described below. Of this increase, new construction is projected to add approximately \$0.7 million (2008 - \$1.6 million) in new tax revenues. The remaining \$2.2 million requires a proposed 4.7% increase in property tax rates.

By 2013, property tax revenues are projected to total approximately \$64.6 million with annual increases ranging between \$2.8 million to \$3.4 million. New construction is estimated to contribute approximately \$0.8 million annually in new tax revenue based on a review of development and building permit applications to-date. The residual balance will require funding from tax rate increases in the range of 3.5% to 5.3%.

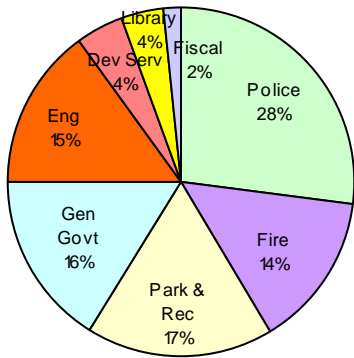
Sale of services fluctuates seasonally and depends upon usage. This revenue source has remained stable over the years and is considered a dependable source of funding for the City. In 2009, sale of services is budgeted at \$9.9 million, an increase of \$0.6 million (6.7%) primarily due to recoveries for police secondments. Sale of services revenue is expected to remain relatively consistent for the immediate future.

Other revenue includes permit fees, licenses, fines, rentals, penalties and interest. These revenues are less stable and fluctuate based on economic conditions (permits, fines, and penalties), timing of cash flows and interest rates.

In 2009, other revenues are budgeted at approximately \$7.9 million, a decrease of \$0.4 million (-4.9%) compared to 2008 due to an anticipated drop in permit fees and interest earnings. It is anticipated that other revenues will continue declining slightly in 2010 and remain relatively stable out to 2013.

Revenue from government grants and third party contributions totals \$3.0 million for 2009. Grants relate primarily to the City's share of Traffic Fines Revenue which is expected to remain relatively constant in the future.

Expenditures



The City provides a high level of services to its residents. Residents appreciate the service levels and in a 2008 citizen survey residents indicated that they would rather have incremental increases in property tax rates than have reduced service levels. This emphasis on service levels is reflected in past and current budgets.

In 2008, actual expenditures were under budget by approximately \$1.4 million primarily due to vacancies in the year. As a result of these vacancies, contract services were up due to use of contract services in place of staff for specific projects in the year.

General Fund expenditures for 2009 are budgeted to be \$75.1 million, an increase of \$4.0 million (5.6%) over last year.

As a service based organization, the City’s major cost is salaries and benefits. Compensation to the City’s 1,000 employees represents approximately 77% of the total general operating costs. These costs increase with the demand for services, level of service and Collective Agreements. For 2009, salaries and benefits total approximately \$58.1 million, an increase of \$2.8 million (5.1%) over 2008 to accommodate annual wage / salary adjustments per negotiated agreements.

The increase in budget line items for materials, supplies and contract services is primarily due to inflation. The following table summarizes the major increases.

Police Services	\$105,000	Increase for legal fees, 3 rd party costs & body armor
Engineering	\$150,000	Increase in gas / diesel and direct purchase of materials
Parks & Recreation	\$93,000	Increase subcontractor costs, program supplies, natural gas, building maintenance costs
Finance & IT	\$31,000	Increase in IT maintenance costs for network infrastructure & business systems applications
Library	\$21,000	Increase in costs related to building maintenance, natural gas & online database subscriptions

Debt and interest costs are budgeted to increase by approximately \$0.4 million to service the debt on the new Moody Park Outdoor Pool and the debt for parkland acquisition. These costs are to be funded from gaming revenues.

In future years, salary and benefit budgets are projected to increase incrementally, consistent with the increases adopted in the City's five Collective Agreements. Other operating expenditures are less significant in comparison to salaries and benefits and the annual budget adjustments are generally increases to maintain current services.

Debt and interest costs fluctuate over the next four years as additional debt is incurred to fund a couple of large capital projects and as the City repays the short term borrowing used to purchase waterfront property for use as parkland. The short term borrowing has to be repaid within five years and the City plans to use proceeds from future land sales, Voluntary Amenity Contributions, Density Bonusing and DCCs to repay this debt.

Transfers

Each year the General Fund budgets to transfer funds into capital reserves for the replacement and maintenance of equipment, facilities and infrastructure. A transfer from reserves is also required to fund specific operating costs¹ and moderate annual tax rate increases.

For 2008, it is projected that there will be a net transfer into reserves of approximately \$2.3 million instead of the budgeted net transfer from reserves of \$0.06 million. These one-time surplus funds will help replenish reserves that were used in the past to pay for unanticipated costs and help fund future capital costs.

For 2009, the net transfer from reserves into the general operating budget is approximately \$0.5 million, an increase of \$0.4 million from 2008. This small increase is the net result of reducing the amount of gaming used to fund general operating costs and redirecting these funds, plus some additional gaming revenue that will be put towards funding the debt servicing costs for the Moody Park Pool and parkland acquisition and the 150th Celebration Project. In 2010 and 2013 the City plans to draw from reserves to pay off the short term borrowing used to purchase parkland.

The General Fund recovers a portion of its direct operating expenditures for administrative, billing/collections and fleet services from the Utility Funds. For 2009 through 2013, the net transfer from utilities is budgeted at approximately \$2.2 million annually.

¹ Community Development Reserve transfers funds into the General Operating Budget to pay for debt servicing costs and consulting costs relating to specific strategic/departmental projects.

General Fund Capital Budget

The proposed General Fund capital budget contained in the City’s draft Financial Plan has been prepared within the context of the long range capital planning framework. The following table summarizes the City’s capital budget for 2009 to 2013, including a summary of the funding sources. Attachment 1 provides additional information pertaining to the significant capital projects (>\$100,000) being proposed for 2009.

**CITY OF NEW WESTMINSTER
General Fund Capital Program**

<u>Capital Budget</u>	2007	2008	2008	2009	Budget Projections			
	Actual	Actual	Budget	Budget	2010	2011	2012	2013
Equipment	1,680,000	916,000	1,777,000	1,718,000	1,107,000	1,457,000	1,565,000	783,000
Vehicles	702,000	1,665,000	2,571,000	3,634,000	2,270,000	1,687,000	710,000	936,000
Public Works	2,876,000	5,036,000	7,869,000	6,366,000	5,748,000	5,198,000	5,598,000	4,098,000
Facilities	2,975,000	4,119,000	7,645,000	8,684,000	12,300,000	12,650,000	13,000,000	12,944,000
Parks	1,427,000	2,240,000	7,776,000	8,491,000	7,050,000	4,900,000	6,644,000	4,900,000
Other	600,000	2,443,000	2,260,000	13,058,000	2,440,000	40,000	40,000	40,000
TOTAL	10,260,000	16,419,000	29,898,000	41,951,000	30,915,000	25,932,000	27,557,000	23,701,000
Funding Sources								
Reserves Funds	7,231,000	12,322,000	19,804,000	23,126,000	13,793,000	10,907,000	10,657,000	10,701,000
Development Cost Charge	1,159,000	412,000	1,024,000	523,000	1,122,000	825,000	1,168,000	2,706,000
Debt	-	635,000	3,000,000	12,380,000	2,400,000	2,000,000	5,682,000	-
Contributions / Grants	1,870,000	3,050,000	6,070,000	5,922,000	13,600,000	12,200,000	10,050,000	10,294,000
TOTAL	10,260,000	16,419,000	29,898,000	41,951,000	30,915,000	25,932,000	27,557,000	23,701,000

The actual capital expenditures in 2008 were under spent by approximately \$13.5 million resulting in a number of projects being carried forward to 2009.

Attachment 1 provides details of the major capital (>\$100,000). For 2009 the significant equipment purchases include replacement of the City’s telephony system, Quint Fire Truck, and Moody Park Arena electric Zamboni; and purchase of a new Mobile Command Trailer.

The major public works capital includes completion of the Central Valley Greenway and 12th Street Rehabilitation Project and Pavement Management Program.

Under parks infrastructure, the City will be working on completing the reconstruction of the Moody Park Outdoor Pool and the Hyack Plaza and starting the first phase of the Queensborough Parkland Development Project.

Civic facilities capital includes ongoing work on the new Multi-Use Civic Facility Project, City Hall renovations (scaled back version), space for youth services, replacement of Moody Park Arena rink slab and boards, and completion of upgrades to the West End Fire Hall which will significantly increase the useful life cycle for this fire hall.

Other projects include funding for strategic property acquisition in 2009.

For the years 2010 to 2013, the major capital projects include the rehabilitation of the esplanade, completion of the NWSS Joint Redevelopment Project, Mercer Stadium track replacement and ongoing efforts relating to the City's Development Assistance Compensation projects (DAC – special gaming funds for prescribed city projects).

As noted in the table above, funding for the City's capital program comes from a variety of sources, including reserve funds, Development Cost Charges, senior government grants, DAC and debt. When possible the city leverages grants and contributions to fund a significant portion of the annual capital program. Over the next five years it is estimated that capital grants and contributions will total about \$54 million, with most of this coming from special gaming proceeds to fund the City's DAC projects.

UTILITY FUNDS (Attachment 2)

ELECTRICAL UTILITY FUND

Electrical Operating Budget

Revenues

The Electrical Utility's most significant and stable revenue source is electrical user fees. The Electrical Utility's user rates are equivalent to BC Hydro's rates. This has been the City's past practice for two reasons, the first being that past Power Sales Agreements with BC Hydro for the purchase of electricity specified that the City's electricity rates could not be lower than BC Hydro's rates; the second reason being the City needs to be competitive with BC Hydro rates given that the surrounding municipalities are serviced by BC Hydro.

For 2009, staff has budgeted for a rate increase of 8.74% plus a 0.5% increase in the rate rider as at April 1, 2009 for an effective rate increase of 6.9% for the year. This increase will be partially offset by a rebate for a portion of the 2008 utility charges. This is similar to the adjustments made by BC Hydro for 2009.

Electrical user fee increases for 2010 to 2013 have been estimated to increase at 5% annually.

Expenditures

At approximately \$17.5 million, the purchase of electricity from BC Hydro represents about 83% of the total operating costs² of the Utility. The Utility purchases electricity from BC Hydro at a wholesale rate and sells electricity to our customers at commercial and residential rates. This provides the Utility with a gross margin of about 36%, which is used to pay for operating and maintenance costs. For 2010 through to 2013, electricity costs have been budgeted to increase in-line with the anticipated growth in sales.

Total operating and maintenance costs are budgeted at \$3.5 million for 2009, increasing to approximately \$4.9 million by 2013 to accommodate growth, inflation and new substation investment charges for upgrades to the New West Substation that will commence in 2010.

Net internal charges paid to the General Fund for administrative, billing/collection and fleet services remain fairly constant at approximately \$0.2 million over the five year period.

Transfer to (from) Reserves³

Net transfer to reserves is estimated at \$6.1 million, with \$2.5 million of this transfer flowing through to the General Fund. This transfer is consistent with the City's past practice of using part of net electrical revenues to help fund general operations. The balance of the transfer to reserves helps fund the capital maintenance programs in both the Electrical Utility and General Fund. With the anticipated rate increases and growth projections, the net transfer to reserve increases over the next five years. This will help fund the upgrades to the New West Substation.

Electrical Capital Budget

The Utility's capital budget primarily provides for the replacement of service vehicles and major replacements and additions to the Electrical Utility's distribution infrastructure including the overhead system (poles, wires and transformers), underground system (ducts, service hubs, wires and transformers) and two substations.

² Total utility operating costs include direct operating costs and net internal charges paid for other city services (i.e. fleet services and billing/collection services).

³ Transfer to (from) reserves represents a net amount either transferred to reserves for the purposes of funding the utility's capital program or transferred from reserves to assist in funding the utility's operating budget.

For 2009, the Utility is scheduled to replace 4 vehicles. Estimated costs are approximately \$1.1 million and funded from the Equipment Replacement Reserve.

The annual funding envelope for the replacement and upgrades to electrical infrastructure is typically \$1.0 million. For 2010 through 2012 an additional \$8.9 million will be spent on upgrading the New West Substation to address new load due to growth.

WATER UTILITY FUND

Water Operating Budget

Revenues

The Water Utility collects user fees for the purpose of providing a water distribution system for the citizens and businesses of New Westminster. Single family residents are charged a flat rate, while multi-family residential and commercial customers are charged based on usage by applying metered rates. Utility user rates are reviewed and adjusted each year so that they cover the costs of operating and maintaining the water distribution system.

For the 2009 budget, user rates are proposed to increase by 12.5% to fund the increased cost of bulk water purchases from the Greater Vancouver Water District (GVWD) and to address the ongoing replacement of the City's aging water system infrastructure.

Water user rates for 2010 to 2013 are projected to increase by 6.2% in 2010, and then taper down to between 4.5% and 4.0% from 2011 to 2013. These increases are driven by projected rate increases from the GVWD for the purchase of water.

Expenditures

The purchase of bulk water from the GVWD represents about 76% of the total operating costs² of the Utility. For 2009, the GVWD's rates have increased by 15.8% and are projected to taper off to 4.0% to 5.5% for 2010 through 2013. To meet new federal drinking water standards, the GVWD has implemented the Capilano/Seymour Filtration Plant project at an estimated cost of \$600 million which will be paid for through increased bulk water rates. Due to construction issues associated with the GVWD project, there is a potential for the rates noted above to increase over the next couple of years to address the potential shortfall.

Operating and maintenance costs are budgeted at \$0.6 million for 2009 and increasing to approximately \$0.7 million by 2013 to accommodate growth.

Net internal charges paid to the General Fund for administrative, billing/ collection and fleet services remains fairly constant at approximately \$0.7 million over the five year period.

Transfer to (from) Reserves³

Net transfer to reserves is estimated to range from \$2.2 million in 2009 up to \$3.9 million in 2013 to fund the annual water capital renewal program and maintain adequate reserves⁴ to address future unanticipated capital costs.

The proposed transfers will result in the Water Reserve fluctuating between approximately \$6.0 million and \$7.0 million over the next five years, which is within the targeted range.

Water Capital Budget

The Utility's capital budget primarily provides for infrastructure upgrades and replacement, as well as the replacement of equipment such as service vehicles.

Two primary sources of information provide the supporting basis to determine both the magnitude of the budget required, and the selection of specific projects. The first source is the City's Asset Management Program that has been underway for the last few years to address the replacement of aging infrastructure. The second source is the recently completed Master Water Servicing Study. This study has identified a list of upgrades required to address capacity limitations with associated costs.

In previous budgets the City's water capital program was to be increased over time to address the expected rise in replacements required as the system continues to age. With the additional requirements of the servicing study now known, the water main replacement program has been expanded and slightly accelerated.

The annual capital budget for 2009 is \$4.1 million, including work that had to be carry forwarded from 2008. For 2010 through 2013, the capital program increases from \$2.8 million to \$3.4 million. The proposed rate increases over the next few years and strategic use of the Water Reserve is expected to provide sufficient resources to fund this capital plan.

SEWER UTILITY FUND

Sewer Operating Budget

⁴ Target reserve balances for the Water and Sewer/Drainage Utilities are 5% to 10% of asset replacement values – reserve balance of approximately \$5M to \$10M for the Water Utility and \$10M to \$20M for the Sewer Utility.

Revenues

The Sewer Utility collects user fees in order to provide a liquid waste collection system for the citizens and businesses of New Westminster. Single family residents and multi-family residential units are charged a flat rate, while commercial customers are charged using metered rates. These rates are charged on volumes equal to 80% of the metered water consumption. Utility user rates are reviewed and adjusted each year so that they cover the costs of operating and maintaining the sewer collection system.

For the 2009 budget, overall user rates are proposed to be increased by 5.8% to fund the increased cost of services from the Greater Vancouver Sewerage and Drainage District (GVS&DD), to help replenish the sewer reserve, to fund the increased cost for replacement of the City's sewer and drainage system infrastructure, and to implement the Storm Sewer Separation Program as mandated by the Liquid Waste Management Plan (LWMP). Overall sewer user rates for 2010 to 2013 are projected to increase by about 4.8% to 5.3%.

Expenditures

The GVS&DD charges the City a portion of the costs related to the operation and maintenance of the sewerage and drainage infrastructure servicing the Fraser Valley Sewerage Area. The cost represents about 74% of the total operating costs² of the Sewer Utility. For 2009, the GVS&DD rates have increased by 6.5%. For future years, the GVS&DD rates are projected to increase by approximately 5.5% through to 2013.

The Liquid Waste Management Plan (LWMP) for the Lower Mainland is currently under review and due to a couple of specific projects, there is a potential for the rates noted above to increase over and above the 5.5% projected value.

Annual operating and maintenance costs range between \$1.1 and \$1.2 million for the five year period ending 2013.

Net internal charges paid to the General Fund for administrative, billing/collection and fleet services remains fairly constant at approximately \$0.7 million over the five year period.

Transfer to (from) Reserves²

Net transfer to reserves is estimated to range from \$3.3 million in 2009 up to \$5.0 million in 2013 to fund the annual sewer capital renewal program and maintain

adequate reserves⁵ (targeted at 5% to 10% of asset replacement value) to address future unanticipated capital costs.

The proposed transfers will result in the Sewer Reserve building from a low of approximately \$2.0 million in 2009 to \$6.9 million by 2013, which is below the lower limit of the targeted range.

Sewer Capital Budget

The Utility's capital budget primarily provides for infrastructure upgrades and replacement, as well as the replacement of equipment such as service vehicles.

Two primary sources of information provide the supporting basis to determine both the magnitude of the budget required, and the selection of specific projects. The first source is the City's Asset Management Program that has been underway for the last few years to address the replacement of aging infrastructure. The second source is the recently completed Master Sewer Servicing Study. This study has identified a list of upgrades required to address capacity limitations with associated costs. It also has developed a long range storm sewer separation program as required by the LWMP.

In previous budgets the City's Sewer capital program was to be increased over time to address the expected rise in replacements required as the system continues to age. With the additional requirements of the servicing study now known, the sewer and drainage system replacement program has been expanded and slightly accelerated.

The annual capital budget ranges from approximately \$3.2 million to \$ 3.5 million during the next five years. While the system would benefit from additional increases to the capital program, rebuilding of the reserve has been deemed to be equally important. The proposed rate increases over the next few years is expected to provide sufficient resources to fund this capital plan and rebuild the Sewer Reserve which has been drawn down over the last few years to pay for the City's proportionate cost of the CSO Retention Facility, and to fund the annual sewer capital maintenance program.

⁵ Target reserve balances for the Water and Sewer/Drainage Utilities is 5% to 10% of asset replacement values – reserve balance of approximately \$5M to \$10M for the Water Utility and \$10M to \$20M for the Sewer Utility.

SOLID WASTE UTILITY FUND

Solid Waste Operating Budget

Revenues

The Solid Waste Utility collects user fees in order to provide garbage collection and recycling services within New Westminster. Utility user rates are reviewed and adjusted each year so that they cover the costs of providing these services.

For the 2009 budget, residential and commercial user rates are proposed to be increased by 12.0% to cover the addition of curbside Clean Green pickup as a new service function, increased tipping fees from Metro Vancouver and other receivers, increased costs due to the collective agreement negotiated last year, and to continue the City's objective of eliminating the annual subsidy from the General Fund.

Solid Waste user rates for 2010 to 2013 are projected to increase between 4-5% annually to complete the phase out of the annual subsidy from the General Fund by the end of 2010 and to address annual inflationary costs.

Expenditures

The City pays for a variety of tipping fees and charges to external organizations depending on the waste stream (i.e., garbage or solid waste, clean green, multi family recycling, and various materials from the recycling depot). Currently the total cost of these fees is approximately 39% of the total operating expenditures. However, GVRD is projecting that their annual tipping fee increase will accelerate from 4.3% in 2009 to 17% in 2013, resulting in tipping fees representing a large portion of overall operating cost in the future.

Annual operating and maintenance costs are in the range of \$1.0 million annually over the next five years.

Net internal charges paid to the General Fund for administrative, billing/ collection and fleet services remains fairly constant at approximately \$0.5 million over the five year period.

Transfer to (from) Reserves²

Though the Solid Waste Utility was created a number of years ago, the Utility has historically been subsidized by the General Fund. As such the Solid Waste Reserve does not currently have a balance. Due to the increased costs associated with the new service function as well as other contributing factors described above, the rate increases associated with the proposed budget will

result in the extension of the subsidization by the General Fund to the end of 2010.

Annual net transfers to the Solid Waste Reserve for 2010 through 2013 are expected to build a small balance in the reserve to cover unexpected costs and to help stabilize future rate increases.

Solid Waste Capital Budget

The Utility's capital budget has historically been relatively limited as it is mostly a service based utility with few assets to maintain except the fleet vehicles. For the period 2009 to 2013, the Solid Waste Utility is schedule to replace a number of its garbage packers.

The City has completed a review of the option of converting to an automated solid waste collection system. The results of the review will be taken into consideration as the City moves forward with replacing various packers and recycling trucks.

INTERDEPARTMENTAL LIAISON

All departments were involved in preparing the draft Financial Plan.

CONCLUSION

After considerable effort by Council and City departments, the Draft 2009 – 2013 Financial Plan is now ready for public review and input. This Plan incorporates the operating and capital budgets for the General Fund and each of the Utility Funds for the years 2009 to 2013.

The remaining steps in the 2009 budget process are to complete a public consultation process, finalize the Financial Plan and bring the Plan forward for adoption prior to May 15, 2009.

Respectfully submitted by:

Approved for Council presentation:

Gary Holowatiuk

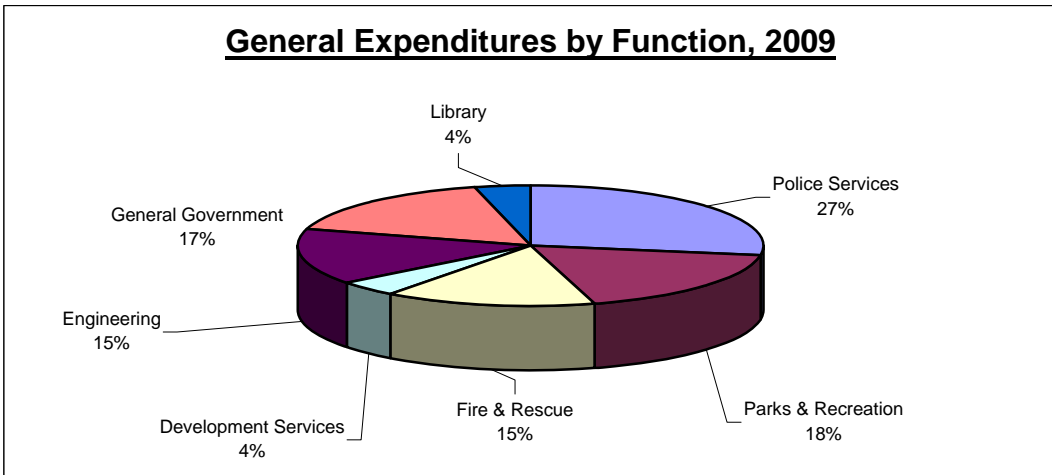
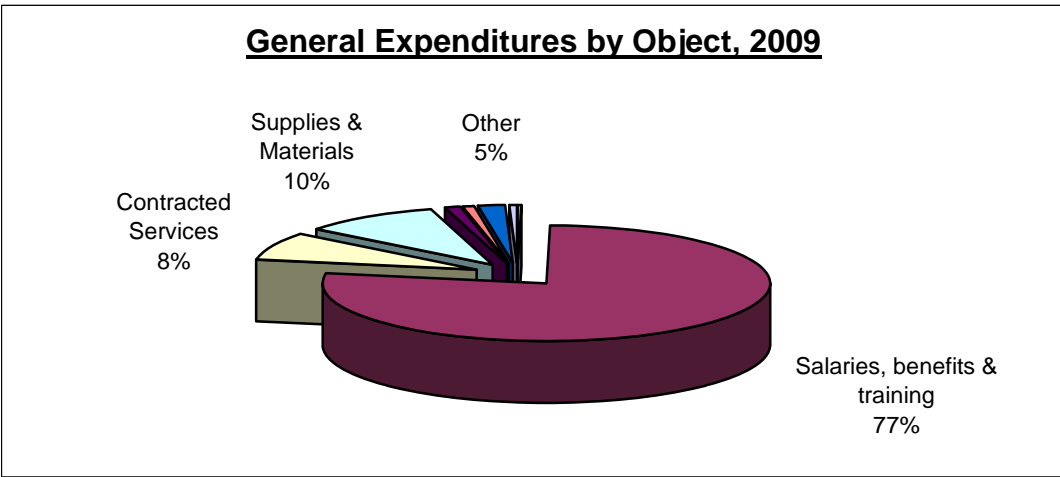
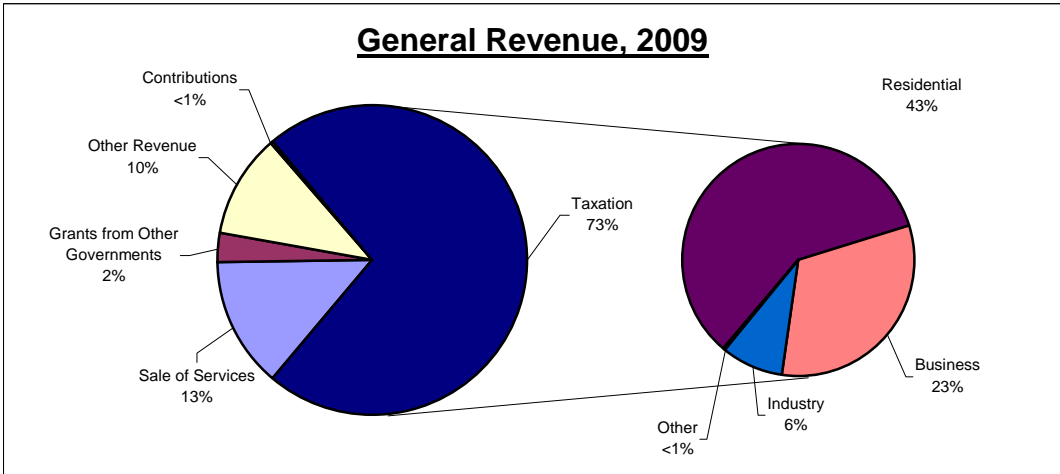
Paul Daminato

G. Holowatiuk, C.A.
Director of Finance
& Information Technology

Paul Daminato,
City Administrator

ATTACHMENT 1

General Fund Operating and Capital Budgets



**CITY OF NEW WESTMINSTER
General Fund Operating Budget**

Budget Summary

Revenues:

	2007 Actual	2008 Actual	2008 Budget	2009 Budget	% Chg
Taxation	45,621,953	48,741,000	49,333,000	52,282,000	
Sale of Services	10,177,464	9,994,000	9,279,000	9,897,000	
Grants from Other Gov'ts	2,229,752	2,105,000	2,013,000	2,278,000	
Other Revenue	8,608,137	9,134,000	8,333,000	7,922,000	
Contributions	520,430	75,000	28,000	26,000	
Total	67,157,736	70,049,000	68,986,000	72,405,000	5.0%

Expenditures (by Cost Object):

Cost of Sales - Purchased Services	214,491	216,000	188,000	190,000	
Salaries, benefits & training	50,401,804	53,290,000	55,350,000	58,147,000	
Contracted Services	6,121,001	6,080,000	5,587,000	6,019,000	
Supplies & Materials	7,392,517	7,782,000	7,045,000	7,365,000	
Interest & Bank Charges	808,327	707,000	620,000	907,000	
Grants	651,064	639,000	580,000	577,000	
Insurance & Claims	1,268,276	760,000	1,511,000	1,524,000	
Debt Retirement	258,737	272,000	259,000	393,000	
Total	67,116,217	69,746,000	71,140,000	75,122,000	5.6%
To (From) Reserves	1,794,588	2,306,000	(55,000)	(518,000)	
Internal Charges (Recoveries)	(1,753,069)	(2,003,000)	(2,099,000)	(2,199,000)	
Total	67,157,736	70,049,000	68,986,000	72,405,000	5.0%

Net Operating Cost

	-	-	-	-	na
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Expenditures (by Department):

	08 Act	08 Bdgdt	09 Bdgdt	% Chg	
Police Services	18,131,075	19,137,000	19,097,000	20,290,000	
Parks & Recreation	12,317,367	12,734,000	12,523,000	13,396,000	
Fire & Rescue	10,096,840	10,378,000	10,558,000	10,750,000	
Development Services	2,890,297	3,061,000	3,085,000	3,189,000	
Engineering	10,120,329	10,343,000	10,527,000	11,048,000	
General Government	9,723,619	9,820,000	11,637,000	12,277,000	
Library	2,769,626	2,876,000	2,834,000	2,872,000	
Total	66,049,153	68,349,000	70,261,000	73,822,000	5.1%

Fiscal Expenditures

Interest & Bank Charges	808,327	1,125,000	620,000	907,000	
Debt Retirement	258,737	272,000	259,000	393,000	
Total	1,067,064	1,397,000	879,000	1,300,000	47.9%
Total	67,116,217	69,746,000	71,140,000	75,122,000	5.6%

Budget Projections			
2010	2011	2012	2013
55,864,000	58,622,000	61,417,000	64,588,000
10,125,000	10,268,000	10,416,000	10,567,000
2,056,000	2,076,000	2,095,000	2,116,000
7,700,000	7,750,000	7,750,000	7,800,000
26,000	26,000	26,000	26,000
75,771,000	78,742,000	81,704,000	85,097,000
192,000	193,000	195,000	197,000
61,153,000	63,674,000	66,103,000	68,658,000
5,782,000	5,835,000	5,850,000	5,901,000
7,434,000	7,575,000	7,699,000	7,833,000
976,000	963,000	1,086,000	1,388,000
582,000	588,000	593,000	600,000
1,554,000	1,569,000	1,585,000	1,600,000
5,432,000	427,000	487,000	6,037,000
83,105,000	80,824,000	83,598,000	92,214,000
(5,092,000)	204,000	449,000	(4,709,000)
(2,242,000)	(2,286,000)	(2,343,000)	(2,408,000)
75,771,000	78,742,000	81,704,000	85,097,000
-	-	-	-
2010	2011	2012	2013
21,149,000	21,972,000	22,709,000	23,442,000
13,499,000	13,959,000	14,449,000	14,952,000
11,244,000	11,667,000	12,103,000	12,564,000
3,412,000	3,533,000	3,640,000	3,775,000
11,599,000	11,989,000	12,395,000	12,820,000
12,798,000	13,221,000	13,534,000	13,936,000
2,996,000	3,093,000	3,195,000	3,300,000
76,697,000	79,434,000	82,025,000	84,789,000
976,000	963,000	1,086,000	1,388,000
5,432,000	427,000	487,000	6,037,000
6,408,000	1,390,000	1,573,000	7,425,000
83,105,000	80,824,000	83,598,000	92,214,000

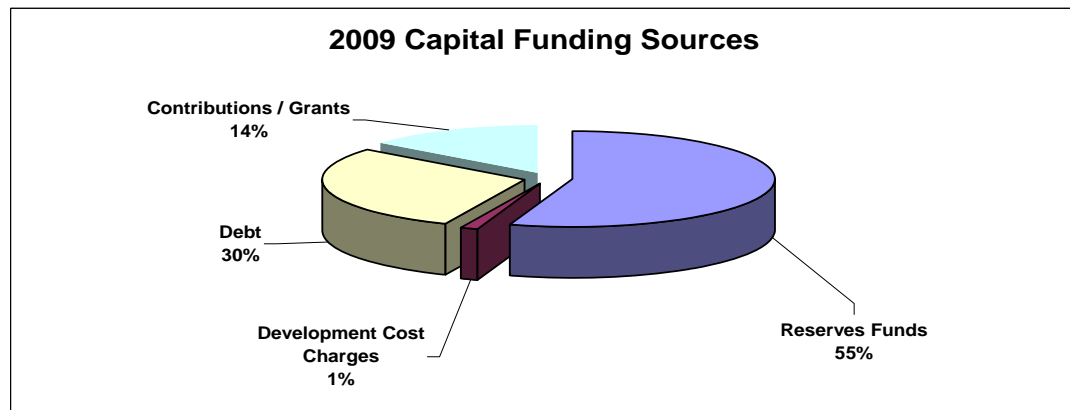
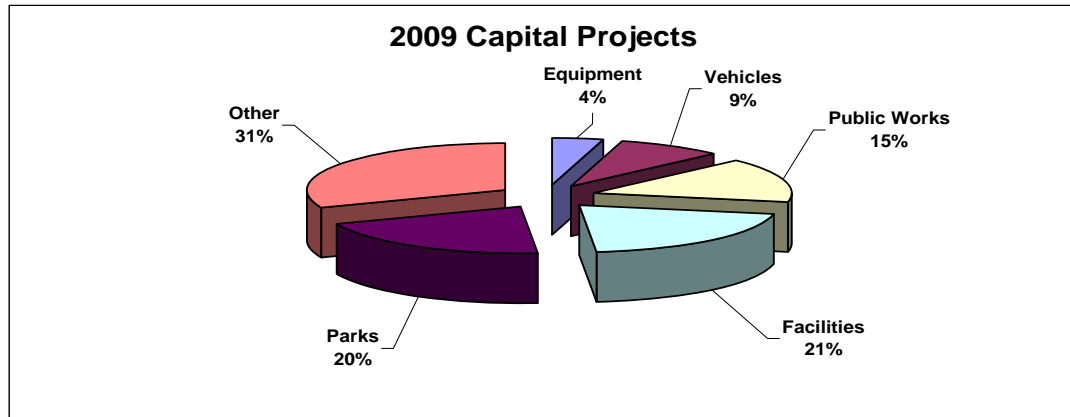
CITY OF NEW WESTMINSTER General Fund Capital Program

Capital Budget

	2007	2008	2008	2009	Budget Projections			
	Actual	Actual	Budget	Budget	2010	2011	2012	2013
Equipment	1,680,000	916,000	1,777,000	1,718,000	1,107,000	1,457,000	1,565,000	783,000
Vehicles	702,000	1,665,000	2,571,000	3,634,000	2,270,000	1,687,000	710,000	936,000
Public Works	2,876,000	5,036,000	7,869,000	6,366,000	5,748,000	5,198,000	5,598,000	4,098,000
Facilities	2,975,000	4,119,000	7,645,000	8,684,000	12,300,000	12,650,000	13,000,000	12,944,000
Parks	1,427,000	2,240,000	7,776,000	8,491,000	7,050,000	4,900,000	6,644,000	4,900,000
Other	600,000	2,443,000	2,260,000	13,058,000	2,440,000	40,000	40,000	40,000
TOTAL	10,260,000	16,419,000	29,898,000	41,951,000	30,915,000	25,932,000	27,557,000	23,701,000

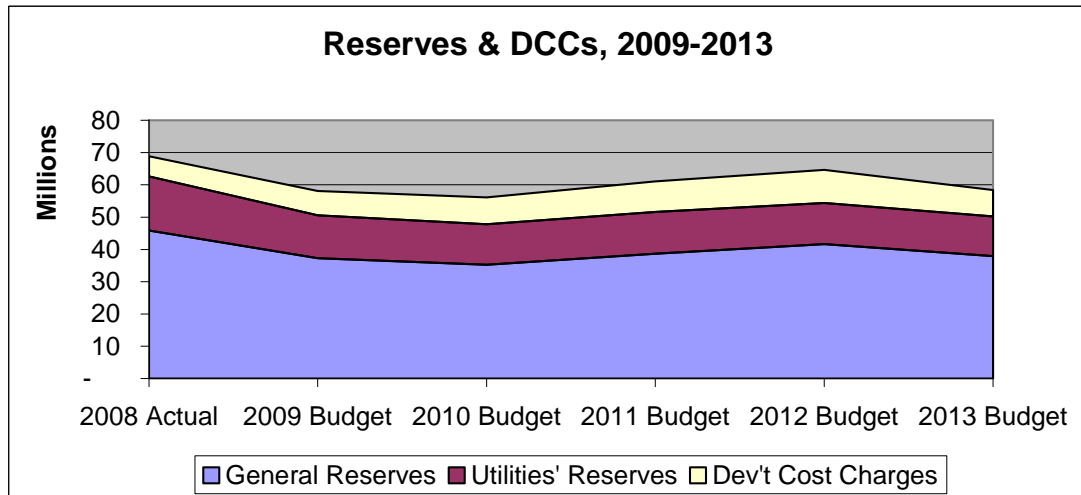
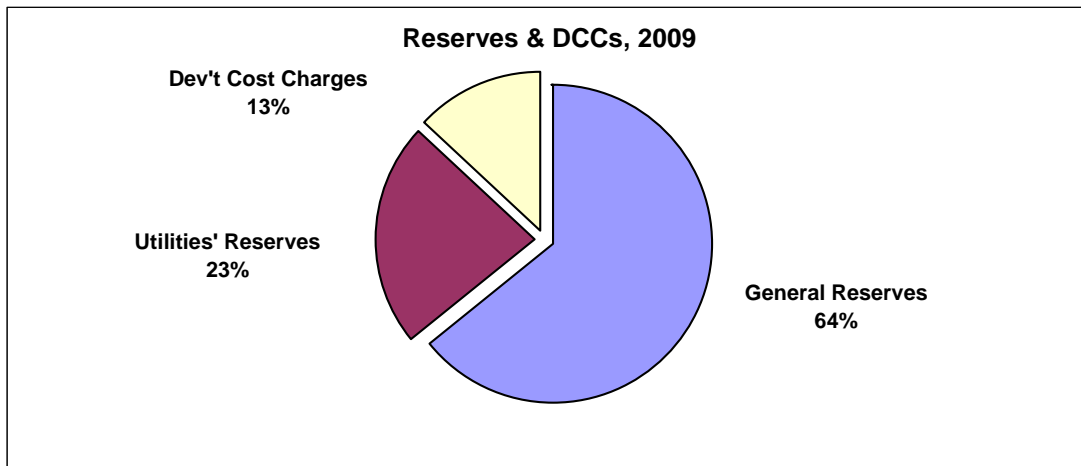
Funding Sources

Reserves Funds	7,231,000	12,322,000	19,804,000	23,126,000	13,793,000	10,907,000	10,657,000	10,701,000
Development Cost Charge	1,159,000	412,000	1,024,000	523,000	1,122,000	825,000	1,168,000	2,706,000
Debt	-	635,000	3,000,000	12,380,000	2,400,000	2,000,000	5,682,000	-
Contributions / Grants	1,870,000	3,050,000	6,070,000	5,922,000	13,600,000	12,200,000	10,050,000	10,294,000
TOTAL	10,260,000	16,419,000	29,898,000	41,951,000	30,915,000	25,932,000	27,557,000	23,701,000



CITY OF NEW WESTMINSTER Reserves and DCCs Balances

Reserve Category		2008 Actual	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget	2013 Budget
General Reserves	Accum. Surplus	1,113,000	1,113,000	1,113,000	1,113,000	1,113,000	1,113,000	1,113,000
	General Capital	21,795,200	11,165,000	11,571,400	12,939,562	15,539,617	15,955,892	15,422,947
	Equipment Replacement	7,188,480	6,305,000	4,586,350	3,404,721	2,309,487	2,832,407	3,146,059
	Facility Maintenance	3,159,000	1,919,000	2,759,300	2,545,400	2,324,000	2,094,800	1,857,600
	Special Purpose Funds	11,818,400	11,441,000	11,638,000	12,102,200	14,186,900	16,344,600	12,988,800
Total G/F		45,074,080	31,943,000	31,668,050	32,104,883	35,473,004	38,340,699	34,528,407
Utilities' Reserves	Utilities Infrastructure	9,562,000	9,103,000	7,719,000	7,577,000	7,574,000	8,021,000	8,221,816
	Equipment Replacement	5,500,280	3,615,000	3,807,575	3,322,995	3,668,895	3,034,935	3,185,368
Total U/F		15,062,280	12,718,000	11,526,575	10,899,995	11,242,895	11,055,935	11,407,184
Development Cost Charges		6,106,541	6,182,000	7,463,521	8,247,443	9,366,264	10,166,186	9,284,107
Grand Total		66,242,901	50,843,000	50,658,146	51,252,320	56,082,163	59,562,820	55,219,697



**General Fund
Capital Budget Summary
(Projects > \$100,000)**

Equipment		
09 Budget = \$1.72 M		
<p>The equipment budget funds the replacement of a wide range of office and operational equipment (excluding vehicles) for all City departments. The specific components change from year to year, but the category as a whole reflects a commitment to staying current with emerging technology. The following is a summary of the major equipment being replaced in 2009.</p>		
<u>Capital</u>	<u>Dollars (\$)</u>	<u>Comments</u>
Replace Telephony System (Dept.: Fin & IT & Police)	09 - \$295 K	<ul style="list-style-type: none"> Upgrade current PBX phone system to Voice Over IP (VOIP). This upgrade will reduce the City's monthly telephone charges for its numerous OPX and Centrex lines to the remote facilities.
Printer / Copier Replacement (Dept.: Fin & IT and Library)	09 - \$180 K	<ul style="list-style-type: none"> Replace existing Minolta printers / copiers City wide. Current printers / copiers are reaching the end of their life cycle (5 years) and will experience a high frequency of breakdown. Equipment condition & rate of failure will be reviewed to determine the appropriate replacement strategy.
Network Systems Technology (Dept.: Fin & IT)	09 - \$155 K	<ul style="list-style-type: none"> Continue to enhance network performance, improve network reliability, increase system availability; such as to keep up with the server software release upgrade, adding new disk storage and memory just to maintain adequate network performance and network demands, adding terminal emulation services, system performance management tools.
Emergency Command Trailer and Equipment	09 - \$90 K	<ul style="list-style-type: none"> Outfit Emergency Command Trailer with dispatch radio system, furniture, office supplies, audio/visual equipment, and emergency management items.
PRIME System Server (Dept.: Police)	09 - \$100 K	<ul style="list-style-type: none"> Scheduled replacements for existing PRIME servers which will become obsolete

<u>Vehicles</u>		
09 Budget = \$3.63 M		
<p>The City maintains a fleet of vehicles and other automotive equipment currently comprising of approximately 180 items. Departments that use this equipment are charged an annual provision, which is placed into the Equipment Replacement Reserve (ERR) and used to fund the replacement of the vehicle at the end of its useful life.</p> <p>The condition and maintenance history of each unit scheduled for replacement is reviewed by the Fleet Manager to determine whether to replace or extend the service life of the unit. The following is a summary of the major units scheduled to be replaced in 2009.</p>		
<u>Capital</u>	<u>Dollars (\$)</u>	<u>Comments</u>
Towing Wrecker (Dept.: Eng Ops)	09 - \$110 K	<ul style="list-style-type: none"> 2003 Wrecker. These units typically has a three year life cycle due to the mileage they are driven.
Back Hoe (Dept.: Eng Ops)	09 - \$160 K	<ul style="list-style-type: none"> 1998 Back Hoe unit. This unit typically has a seven year life cycle. The service life of this unit has been extended to the extent possible. It has now reached the end of its service life.
Quint Fire Truck (Dept.: Fire)	09 - \$1.25 M	<ul style="list-style-type: none"> 1997 Spartan Ladder Truck unit. This unit typically has a twelve year life cycle. The overall condition & maintenance records of the truck will be reviewed in determining whether to replace the truck or extend its service life.
MPA Electric Zamboni (Dept.: Parks & Rec)	09 - \$155 K	<ul style="list-style-type: none"> The MPA electric zamboni is scheduled for replacement, subject to condition assessment by Fleet Manager.
Police Cube Van (Dept.: Police)	09 - \$110 K	<ul style="list-style-type: none"> Scheduled replacement of Police Cube Van
Mobile Command Centre (new trailer unit replaces ERT Unit) (Dept.: Police)	09 - \$230 K	<ul style="list-style-type: none"> Mobile Command Centre (new trailer unit replaces ERT Unit)

Public Works		
09 Budget = \$6.37 M		
<p>The City maintains an extensive network of public works infrastructure including hundreds of kilometers of storm sewers, roads and sidewalks. Included in the maintenance of these networks are programs for traffic signalization, street lighting, traffic calming, Major Road Network and multi-modal initiatives.</p> <p>Maintenance of this infrastructure is based on various engineering maintenance plans that have been developed over the years. Proper annual maintenance programs require a stable source of funding, which to-date has come from the City's reserve funds.</p>		
Capital	Dollars (\$)	Comments
General Transportation:		
Central Valley Greenway – Phases I to III	09 - \$753 K	<ul style="list-style-type: none"> Multi-year project consisting of 3 phases. Priority Mode Support/Walkable City/Cycling/Greenways/Columbia Street Revitalization. 3rd party funding from Translink (Showcase, TRRIP and BICCS grants)
Esplanade Rehabilitation Strategy and Repairs	09 - \$555 K	<ul style="list-style-type: none"> Multi-year project projected to cost around \$4.0M to complete. Based on a review of existing condition to develop a rehabilitation or repair option, Phase I of the rehabilitation begins in 09.
General Transportation Maintenance Program	09 - \$180 K	<ul style="list-style-type: none"> Annual road maintenance activities including line marking, crack sealing, x-walk and s/w inspections and maintenance.
Structures Rehabilitation	09 - \$250 K	<ul style="list-style-type: none"> Rehab of City Engineering structures (bridges, retaining walls etc.) in various locations over the next 2 years.
Major Transportation Plans	09 - \$190 K	<ul style="list-style-type: none"> Road Corridor; City-wide Master Transportation; and Downtown Encapsulation Plans
Road Safety Improvements	09 - \$100 K	<ul style="list-style-type: none"> General Safety Improvements
Roads:		
12 th Street Rehabilitation	09 - \$1.40 M	<ul style="list-style-type: none"> Replacement of sidewalks, street lighting and street trees-Phase I of III. Started In 2007 and will be completed in 2009 - 30% DCC funded.
Pavement Management Program	09 - \$1.50 M	<ul style="list-style-type: none"> Annual pavement rehabilitation program.
Sidewalks and Accessibility Upgrades	09 - \$130 K	<ul style="list-style-type: none"> General Sidewalk improvements
Gateway Feature Lights	09 - \$180 K	<ul style="list-style-type: none"> Installation of six gateway features over key intersections to promotes commercial revitalization, add visual interest. Consistent with the celebrations for the 150 year.
Traffic Controls:		
Traffic Calming	09 - \$103 K	<ul style="list-style-type: none"> Traffic Calming
Traffic Signal Upgrade/Repl.	09 - \$634 K	<ul style="list-style-type: none"> Replacement of traffic signals - 30% DCC funded.
Rail Crossing Upgrades	09 - \$100 K	<ul style="list-style-type: none"> High priority rail crossing upgrades

Parks Infrastructure		
09 Budget = \$8.49 M		
<p>The City maintains an extensive inventory of parks infrastructure including many kilometers of pathways, irrigation systems and fences, park furnishings, playgrounds, playing surfaces and athletic fields.</p> <p>Maintenance of this infrastructure is in accordance with the Parks and Recreation Master Plan and the Trails and Greenways Plans. The source of funding for these capital maintenance programs comes from the City's reserve funds.</p>		
<u>Capital</u>	<u>Dollars (\$)</u>	<u>Comments</u>
Athletic Fields:		
Youth Soccer Project	09 - \$300 K	<ul style="list-style-type: none"> Project jointly funded with Royal City Youth Soccer Assoc. – 2/3rds funded by Assoc.
Queen's Park Stadium – power supply upgrade	09 - \$250 K	<ul style="list-style-type: none"> Upgrades to main power supply line to stadium for 2009 replacement of field lighting system. New power line will also replace overhead lines to Arenex, Air Cadet Building and Bernie Legge Theatre.
Queen's Park Stadium Lights	09 - \$350 K	<ul style="list-style-type: none"> Replacement of the lighting system to meet current standards for sport field lighting. Part of original project that converted the field from slo-pitch to baseball.
NWSS Joint Redevelopment Project	09 - \$200 K	<ul style="list-style-type: none"> Joint project with New Westminster School District. Involves the conversion of sports fields to artificial turf, moving the Skateboard Park, additional parking spaces, and a multi-field sports complex and offsite improvements.
Outdoor Pools:		
Moody Park Outdoor Pool Reconstruction	09 - \$4.38 M	<ul style="list-style-type: none"> Construction of a new outdoor pool in Moody Park. The project is expected to be complete for the 2009 summer season.
Park Development:		
Queensborough Parks Amenity Project	09 - \$1.00 M	<ul style="list-style-type: none"> Park / trail amenity enhancement funded by DAC.
Parks Infrastructure:		
Spirit Square Plaza Construction	09 - \$896 K	<ul style="list-style-type: none"> Spirit Square Plaza Construction. 50% funded from Provincial Grant
Playgrounds:		
Grimston Park Playground Reconstruction	09 - \$260 K	<ul style="list-style-type: none"> Redevelopment of the Grimston Park Playground as it is beyond reasonable useful life and does not meet current safety standards.

Civic Facilities		
09 Budget = \$8.68 M		
<p>The City owns, maintains and operates 32 major facilities ranging from City Hall to the new Police Building, from the City's three Fire Halls to the Canada Games Pool and nine other parks and recreation facilities.</p> <p>Each facility has a Facility Maintenance Plan which inventories the components of the facility and estimates time of replacement based on the useful life of each component. In order to fund the Facility Maintenance Plans, an annual provision is charged to each department responsible for operating a facility and this annual provision is placed into the Facility Maintenance Reserve.</p>		
<u>Capital</u>	<u>Dollars (\$)</u>	<u>Comments</u>
Moody Park Arena:		
MPA Arena Floor and Boards Replacement	09 - \$1.20 M	• MPA Arena Floor and Boards Replacement
MPA Replace Gutters on East & West Sides of Facility	09 - \$139 K	• Based on recommendations from the annual roof inspection program.
Youth Center:		
Create Space for Youth	09 - \$1.50 M	• City to move ahead with designing and implementing space for youth.
Queensborough Facilities:		
Queensborough Facilities DAC Project	09 - \$100 K	• Queensborough Facilities DAC Project (\$6.2M 2011-2013)
Queen's Park:		
QPF North Washrooms Renovations	09 - \$100 K	• These washrooms were installed in 1949 with an estimated 30 year life span. At present these washrooms are generally kept locked due to their poor condition.
QPF Arena Roof Replacement	09 - \$117 K	• The main roof was last replaced in 1983 with a life expectancy of 20 yrs. Some repairs have been made to lengthen the life of the roof.
Queensborough CC:		
QCC Building Envelope Repairs	09 - \$108 K	• Remove, replace and repaint exterior wall cladding. This will be a multi-year project.

Civic Facilities		
09 Budget = \$8.68 M		
City Hall:		
Renovation of Second Floor	09 - \$850 K	<ul style="list-style-type: none"> There is a need to renovate the second floor and part of the basement of City Hall to address staff working space issues that have existed for a number of years, and to facilitate some of the objectives set out in the 2004 Organizational Review and to house the Emergency Command Centre
Fire Halls:		
WE Firehall Fire Wall Separation and Facility Upgrades	09 - \$493 K	<ul style="list-style-type: none"> The wall needs to be upgraded to a fire separation wall as a safety requirement
Other Facilities:		
Facilities Energy Upgrades	09 - \$168 K	<ul style="list-style-type: none"> To implement energy savings initiatives from the recent facilities energy audit. Target projects with a 5 year pay back period.
Multi-Use Civic Facility (DAC 08-13)	09 - \$2.40 M	<ul style="list-style-type: none"> To begin conceptual & detailed design work on the D/T Multi-Use Civic Facility – a \$35M DAC project phased over the next few years.
Bernie Legg Theatre Roof	09 - \$202 K	<ul style="list-style-type: none"> Bernie Legg Theatre Roof Replacement
Police Services Facilities:		
Police Office Renovations	09 - \$100 K	<ul style="list-style-type: none"> Police Office Renovations

Other Projects		
09 Budget = \$13.06 M		
Other Projects include corporate projects that do not fit into other capital project categories. The following is a list of the most significant projects.		
<u>Capital</u>	<u>Dollars (\$)</u>	<u>Comments</u>
Samson V Restoration	09 - \$100 K	• Samson V Restoration
Property Acquisition	09 - \$12.60 M	• Potential property acquisition

General Fund Capital Program (2010 – 2013)

Following are the Major Capital Projects identified in the subsequent four years of the General Capital Program:

Project
Multi-Use Civic Center (DAC Project)
NWSS Joint Redevelopment Project
Esplanade Rehabilitation Project
Irving House Restoration Project
Queensborough Parkland Development (DAC Project)
Queensborough Facilities Enhancements (DAC Project)
Mercer Track Replacement

ATTACHMENT 2

Utility Funds Operating and Capital Budgets

CORPORATION OF THE CITY OF NEW WESTMINSTER
Utility Funds Operating Budgets

Electrical Fund

	2007	2008	2008	2009	% Chg	Budget Projections			
	Actual	Actual	Budget	Budget		2010	2011	2012	2013
Revenues:									
Utility Rates	25,400,000	26,352,000	26,775,000	27,263,000		29,208,000	30,956,000	32,816,000	34,784,000
Sale of Services	223,000	66,000	74,000	74,000		76,000	76,000	77,000	77,000
	25,623,000	26,418,000	26,849,000	27,337,000	1.8%	29,284,000	31,032,000	32,893,000	34,861,000
Expenditures:									
Utility Purchases & Levies	16,443,000	16,932,000	17,404,000	17,533,000		18,585,000	19,700,000	20,882,000	22,135,000
Utility Operations	2,722,000	2,489,000	3,086,000	3,451,000		3,550,000	3,709,000	4,541,000	4,866,000
	19,165,000	19,421,000	20,490,000	20,984,000	2.4%	22,135,000	23,409,000	25,423,000	27,001,000
Internal Charges (Recoveries)	(143,000)	58,000	222,000	214,000		213,000	212,000	207,000	202,000
Transfers To (From) Reserves	6,601,000	6,939,000	6,137,000	6,139,000		6,936,000	7,411,000	7,263,000	7,658,000
	25,623,000	26,418,000	26,849,000	27,337,000	1.8%	29,284,000	31,032,000	32,893,000	34,861,000
Net Operating Cost	-	-	-	-	na	-	-	-	-

Water Fund

	2007	2008	2008	2009	% Chg	Budget Projections			
	Actual	Actual	Budget	Budget		2010	2011	2012	2013
Revenues:									
Utility Rates	5,999,000	6,379,000	6,686,000	7,632,000		8,230,000	8,731,000	9,262,000	9,776,000
Sale of Services	150,000	97,000	152,000	98,000		99,000	100,000	101,000	102,000
	6,149,000	6,476,000	6,838,000	7,730,000	13.0%	8,329,000	8,831,000	9,363,000	9,878,000
Expenditures:									
Utility Purchases & Levies	2,834,000	3,004,000	4,108,000	4,207,000		3,924,000	4,143,000	4,373,000	4,616,000
Utility Operations	599,000	553,000	733,000	624,000		640,000	660,000	679,000	699,000
	3,433,000	3,557,000	4,841,000	4,831,000	-0.2%	4,564,000	4,803,000	5,052,000	5,315,000
Internal Charges (Recoveries)	648,000	651,000	693,000	680,000		677,000	672,000	674,000	674,000
Transfers To (From) Reserves	2,068,000	2,268,000	1,304,000	2,219,000		3,088,000	3,356,000	3,637,000	3,889,000
	6,149,000	6,476,000	6,838,000	7,730,000	13.0%	8,329,000	8,831,000	9,363,000	9,878,000
Net Operating Cost	-	-	-	-	na	-	-	-	-

Sewer Fund

	2007	2008	2008	2009	% Chg	Budget Projections			
	Actual	Actual	Budget	Budget		2010	2011	2012	2013
Revenues:									
Utility Rates	8,804,000	9,458,000	9,874,000	10,222,000		10,918,000	11,662,000	12,457,000	13,252,000
Sale of Services & Other	337,000	284,000	287,000	213,000		214,000	216,000	218,000	220,000
	9,141,000	9,742,000	10,161,000	10,435,000	2.7%	11,132,000	11,878,000	12,675,000	13,472,000
Expenditures:									
Utility Purchases & Levies	5,281,000	4,966,000	5,324,000	5,297,000		5,589,000	5,897,000	6,221,000	6,563,000
Utility Operations	1,028,000	989,000	1,134,000	1,108,000		1,139,000	1,174,000	1,200,000	1,234,000
	6,309,000	5,955,000	6,458,000	6,405,000	-0.8%	6,728,000	7,071,000	7,421,000	7,797,000
Internal Charges (Recoveries)	709,000	703,000	737,000	719,000		715,000	710,000	717,000	725,000
Transfers To (From) Reserves	2,123,000	3,084,000	2,966,000	3,311,000		3,689,000	4,097,000	4,537,000	4,950,000
	9,141,000	9,742,000	10,161,000	10,435,000	2.7%	11,132,000	11,878,000	12,675,000	13,472,000
Net Operating Cost	-	-	-	-	na	-	-	-	-

Solid Waste Fund

	2007	2008	2008	2009	% Chg	Budget Projections			
	Actual	Actual	Budget	Budget		2010	2011	2012	2013
Revenues:									
Utility Rates	1,865,000	1,953,000	2,009,000	2,258,000		2,402,000	2,555,000	2,697,000	2,847,000
Sale of Services	2,000	8,000	-	-		-	-	-	-
	1,867,000	1,961,000	2,009,000	2,258,000	12.4%	2,402,000	2,555,000	2,697,000	2,847,000
Expenditures:									
Utility Purchases & Levies	743,000	732,000	785,000	942,000		958,000	974,000	982,000	990,000
Utility Operations	828,000	942,000	820,000	971,000		956,000	993,000	1,000,000	1,039,000
	1,571,000	1,674,000	1,605,000	1,913,000	19.2%	1,914,000	1,967,000	1,982,000	2,029,000
Internal Charges (Recoveries)	410,000	452,000	445,000	476,000		497,000	501,000	507,000	514,000
Transfers To (From) Reserves	(114,000)	(165,000)	(41,000)	(131,000)		(9,000)	87,000	208,000	304,000
	1,867,000	1,961,000	2,009,000	2,258,000	12.4%	2,402,000	2,555,000	2,697,000	2,847,000
Net Operating Cost	-	-	-	-	na	-	-	-	-

CORPORATION OF THE CITY OF NEW WESTMINSTER
Utility Funds Capital Budgets

	2007	2008	2008	2009	Budget Projections			
	Actual	Actual	Budget	Budget	2010	2011	2012	2013
Electrical Fund								
Equipment	-	-	2,000	2,000	2,000	2,000	2,000	2,000
Vehicles	439,000	238,000	1,444,000	1,053,000	201,000	-	240,000	40,000
Electrical Infrastructure	1,923,000	1,403,000	1,745,000	1,090,000	1,360,000	8,760,000	1,041,000	760,000
	2,362,000	1,641,000	3,191,000	2,145,000	1,563,000	8,762,000	1,283,000	802,000
Funding Sources								
Reserves Funds	603,000	405,000	1,806,000	1,795,000	563,000	362,000	602,000	402,000
Long Term Debt	-	-	-	-	600,000	8,000,000	281,000	-
Contributions & Grants	1,759,000	1,236,000	1,385,000	350,000	400,000	400,000	400,000	400,000
	2,362,000	1,641,000	3,191,000	2,145,000	1,563,000	8,762,000	1,283,000	802,000
Water Fund								
Equipment	280,000	92,000	215,000	234,000	45,000	45,000	45,000	45,000
Vehicles	-	68,000	156,000	107,000	-	11,000	404,000	155,000
Other Projects	106,000	40,000	102,000	97,000	87,000	67,000	67,000	67,000
Water Infrastructure	1,820,000	329,000	1,595,000	3,635,000	2,599,000	2,904,000	2,984,000	3,173,000
	2,206,000	529,000	2,068,000	4,073,000	2,731,000	3,027,000	3,500,000	3,440,000
Funding Sources								
Reserves Funds	2,206,000	529,000	2,068,000	4,073,000	2,731,000	3,027,000	3,500,000	3,440,000
	2,206,000	529,000	2,068,000	4,073,000	2,731,000	3,027,000	3,500,000	3,440,000
Sewer Fund								
Equipment	27,000	25,000	60,000	60,000	60,000	60,000	60,000	60,000
Vehicles	98,000	6,000	-	17,000	24,000	49,000	404,000	51,000
Other Projects	114,000	39,000	122,000	232,000	172,000	202,000	77,000	77,000
Sewer/ Drainage Infrastructure	7,166,000	2,014,000	2,580,000	2,870,000	2,950,000	2,910,000	2,975,000	3,065,000
	7,405,000	2,084,000	2,762,000	3,179,000	3,206,000	3,221,000	3,516,000	3,253,000
Funding Sources								
Reserves Funds	3,191,000	1,863,000	2,762,000	3,179,000	3,206,000	3,221,000	3,516,000	3,253,000
	7,405,000	2,084,000	2,762,000	3,179,000	3,206,000	3,221,000	3,516,000	3,253,000
Solid Waste Fund								
Equipment	17,000	41,000	27,000	72,000	101,000	104,000	104,000	104,000
Vehicles	357,000	-	590,000	990,000	679,000	-	-	-
Other Projects	-	-	30,000	-	-	-	-	-
	374,000	41,000	647,000	1,062,000	780,000	104,000	104,000	104,000
Funding Sources								
Reserves Funds	374,000	41,000	647,000	1,062,000	780,000	104,000	104,000	104,000
	374,000	41,000	647,000	1,062,000	780,000	104,000	104,000	104,000

ATTACHMENT 3

Dollar Impact of Proposed Tax & Utility Rate Increases

**CORPORATION OF THE CITY OF NEW WESTMINSTER
2009 TAXATION RATES**

Impact Comparison With 2008

IMPACT OF 4.7% ON RESIDENTIAL TAXPAYERS (non-seniors)

Avg assessment increase (decrease)	(0.17) %								
Assessed Value	Avg. Residential Strata			Avg. Single Family Home			Single Family Home (high range)		
	<u>279,500</u>	<u>280,000</u>		<u>566,500</u>	<u>567,500</u>		<u>1,497,500</u>	<u>1,500,000</u>	
	<u>2009</u>	<u>2008</u>	<u>% Inc</u>	<u>2009</u>	<u>2008</u>	<u>% Inc</u>	<u>2009</u>	<u>2008</u>	<u>% Inc</u>
Property Taxation									
Municipal	1,022.94	977.14	4.70	2,073.34	1,980.46	4.70	5,480.71	5,234.70	4.70
Utilities									
Sewer	226.19	213.80	5.80	402.22	380.17	5.80	402.22	380.17	5.80
Water	161.22	143.30	12.50	308.34	274.08	12.50	308.34	274.08	12.50
Solid Waste	15.60	15.00	4.00	183.71	164.03	12.00	183.71	164.03	12.00
	403.01	372.10	8.31	894.27	818.28	9.29	894.27	818.28	9.29
	1,425.95	1,349.24	5.69	2,967.61	2,798.74	6.03	6,374.98	6,052.98	5.32
Municipal Tax Increase	45.80			92.87			246.01		
Utility Dollar Increase	30.91			75.99			75.99		
Total Increase	76.71			168.86			322.00		

(1) Home Owner Grant reduces by \$5 per \$1000 of assessed value for properties with assessed values in excess of \$1,050,000 (2008 - \$1,050,000)

(2) Strata units only pay for recycling. Garbage pick-up is done by an independent company.

IMPACT OF 4.7 % ON BUSINESS & INDUSTRY

Avg assessment increase (decrease)	Business	Light Industry	Heavy Industry
	(1.15)	(3.92)	-

Average Assessed Value	BUSINESS			LIGHT INDUSTRY			HEAVY INDUSTRY		
	<u>1,223,800</u>	<u>1,238,000</u>		<u>1,123,200</u>	<u>1,169,000</u>		<u>15,971,000</u>	<u>15,971,000</u>	
	<u>2008</u>	<u>2007</u>	<u>% Inc</u>	<u>2008</u>	<u>2007</u>	<u>% Inc</u>	<u>2008</u>	<u>2007</u>	<u>% Inc</u>
Municipal	17,085.55	16,317.58	4.71	30,041.64	28,692.99	4.70	406,360.86	388,119.26	4.70
Municipal Tax Dollar Increase	767.96			1,348.65			18,241.61		

ATTACHMENT 4

Where Your Tax Dollars Go

**CORPORATION OF THE CITY OF NEW WESTMINSTER
WHERE YOUR 2009 TAX DOLLARS GO**

For an average residential property with assessed value of \$566,500		Municipal Taxation \$	Monthly Basis \$
POLICE SERVICE		617.47	51.46
The New Westminster Police Services reduces crime, violence and fear; builds morale and teamwork; and fosters positive employee work environments.			
PARKS AND RECREATION		324.74	27.06
Parks & Recreation creates parks, recreation and cultural opportunities that nurture healthy individuals and families; strong and unique neighbourhoods; a vibrant city and a vital environment.			
GENERAL GOVERNMENT		334.28	27.86
General government services are the administrative functions of the City. These services include Mayor & Council, Legislative, Human Resources, Legal, Insurance, Finance, Information Technology, and the City Administrator's office.			
FIRE & RESCUE		400.18	33.35
The Fire Department provides a safe, secure and healthy environment for all members of the community through prevention, education, training and effective emergency response in a period of crisis.			
ENGINEERING SERVICES		224.66	18.72
The Engineering Department plans, builds operates and maintains the City's infrastructure to ensure and enhance the health, vitality and livability of the City now and in the future.			
LIBRARY		98.06	8.17
The New Westminster Library endeavours to meet the informational, educational, cultural, and recreational needs of New Westminster residents.			
DEVELOPMENT SERVICES		25.32	2.11
The Development Services Department proactively develops and facilitates planning, investment and marketing strategies that are designed to make New Westminster a 'complete' community in terms of employment, day-to-day living and leisure by 2015.			
FISCAL SERVICES		48.62	4.05
Bank charges and debt servicing payments.			
TOTAL MUNICIPAL TAXATION		2,073.33	172.78
SEWER CHARGES		402.22	33.52
Maintenance of sanitary & storm sewers:			
Storm sewers	161 km.	Residents are charged for sewer and water services at a flat rate for unlimited water usage except for seasonal restrictions on outdoor watering and sprinkling. These charges include GVRD rates for supply of water and treatment of sewage.	
Sanitary Sewers	190 km.		
WATER CHARGES		308.34	25.70
Water mains	175km.		
WASTE MANAGEMENT		183.71	15.31
Single family rate for curbside garbage pickup and recycling.			
TOTAL MUNICIPAL CHARGES		2,967.60	247.30

School taxes, regional levies and the Home Owner Grant are not included above.

ATTACHMENT 5

Comment Sheet

