



**PUBLIC  
PRESENTATION**

**AT  
CITY HALL IN  
COUNCIL CHAMBERS**

**ON  
FEBRUARY 20, 2012  
AT**

**6:00 PM**

**AFTER  
PRESENTATION**

**PUBLIC COMMENTS &  
QUESTIONS ON THE  
DRAFT FINANCIAL PLAN  
DURING THE  
OPEN DELEGATION  
SESSION**

**THE CITY OF  
NEW WESTMINSTER**  
***Draft 2012 - 2016  
Financial Plan***



**Draft 2012 – 2016 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:** February 13, 2012

**From:** Gary Holowatiuk,  
Director of Finance &  
Information Technology

**File:** 226772v1

**Subject:** DRAFT 2012-2016 FINANCIAL PLAN

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### **RECOMMENDATION**

**THAT** Council receives this report for information.

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### **PURPOSE**

The purpose of this report is to provide the residents of the City of New Westminster with information on the City's draft 2012 - 2016 Financial Plan (the "Financial Plan") in accordance with Section 166 of the Community Charter. Residents are invited to review and comment on the Financial Plan.

### **SUMMARY**

The City's draft Financial Plan includes the operating and capital budgets for the General Fund and each of the Utility Funds (see Attachments 1 and 2). The Financial Plan is a baseline budget that recognizes the state of the global economy while attempting to maintain service levels in a growing community.

The City of New Westminster is one of the fastest growing communities in Metro Vancouver and as such, is attracting new residents and businesses. This growth has and will continue to place pressures on City services and infrastructure. In consideration of these pressures, over the last few years the City has invested in new initiatives such as communications, economic development, environmental

stewardship, social planning, arts and culture, and amenities such as a new Youth Center, Queensborough Park and Trail improvements, Queensborough Community Centre Expansion, Westminster Pier Park, and the Multi-Use Civic Facility.

In addition to servicing the needs of a growing community, the City faces other significant budget drivers including annual wage adjustments, aging infrastructure and rising costs from external service providers. To mitigate the impact of these cost drivers on the City's tax and utility rate increases, the City has taken the following measures:

- Continue to fund salaries and benefits at 97% of actual budget, relying on staff vacancies and hiring restrictions to ensure this budget target is achieved;
- All other budget items remain at 2011 levels unless increases can be justified;
- Aggressively budget revenue projections based on best-case assumptions, using 2010 and 2011 actual revenues as guidelines to ensure revenue budgets are realistic;
- Department requests for additional funding for workload issues and priority initiatives are reviewed on a case-by-case basis to determine if they can be accommodated within existing baseline budgets.

The 2012 draft General Fund operating budget totals approximately \$98 million (2011 - \$94 million) to provide on-going municipal services including Police and Fire Services; Parks, Cultural and Recreation Services; Engineering Services relating to traffic and transportation; Development Services; Library and Administrative Services. Of the \$4 million increase in expenses, salary increments account for \$2 million, other operating costs have increased by <\$1 million and the balance is due to the increase in amortization of Tangible Capital Assets, which is a non-cash expense.

Revenues to pay for these services are budgeted at approximately \$82 million (2011 - \$78 million). Of this, taxation revenue contributes \$60 million (2011 - \$57 million) or 73% of total general revenues. The increase in 2012 incorporates a proposed 2.25% 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 internal transfers.

The draft General Fund capital budget has been prepared within the framework of the City's long range capital plan. For 2012 the proposed capital budget is \$55 million (2011 - \$55 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 Multi-Use Civic Facility (DAC project), completion of the Westminster Pier Park and expansion of the Queensborough Community Center (DAC project). Funding for the capital budget is provided from reserves, development cost charges, grants, borrowing and contributions.

The City owns, operates and maintains four utilities including an Electrical Distribution Utility, Water Distribution Utility, Sewerage and Drainage Utility and Solid Waste / Recycling Utility. In 2012, the Electrical Utility operating budget includes a rate increase of 3.9% which will be adjusted once BC Hydro announces its 2012 rates. The 2012 Water, Sewer and Solid Waste Utility rate increases, previously approved by Council, are 5.9%, 7.7% and 4.0%, respectively and are primarily to offset increasing costs from Metro Vancouver.

The 2012 capital budgets for the Utility Funds totals approximately \$16 million (2011 - \$16 million) primarily for the replacement of utility infrastructure and vehicles.

The overall dollar impact of the City's draft Financial Plan on residential property owners for 2012 is summarized in the following table:

<u>Property Type</u>	<u>12Assm't</u>	<u>Dollar Increase to Average Residential Property</u>	
		<u>Municipal Tax (2)</u>	<u>Utility Fees (3)</u>
Residential Strata (avg)	\$ 304,000	\$ 24	\$ 31
Residential S/F/D(1) (avg)	\$ 661,000	\$ 52	\$ 64
Residential S/F/D (high)	\$ 1,000,000	\$ 78	\$ 64
<b>1 Single family dwelling (S/F/D)</b> <b>2 Proposed 2012 tax rate increase of 2.25%</b> <b>3 Water, Sewer &amp; Solid Waste 2012 rate increases of 5.9%, 7.7% &amp; 4.0%, respectively</b>			

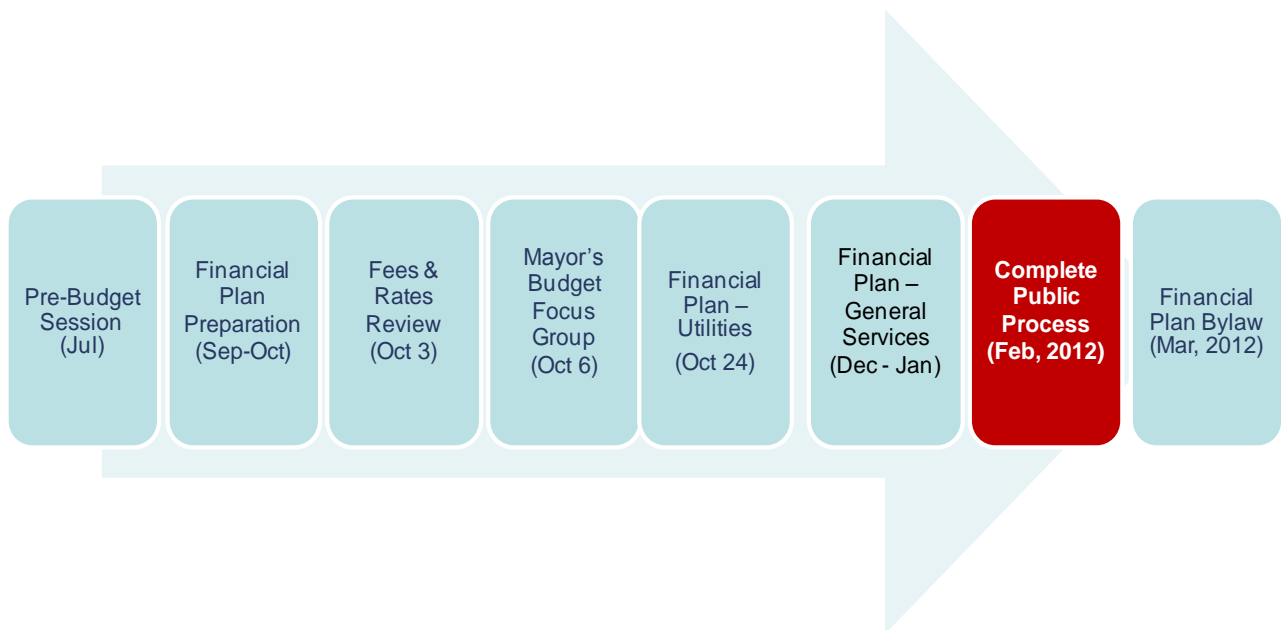
See Attachments 3 and 4 for additional information on the “Dollar Impact of the Proposed 2012 Tax and Utility Rate Increases” and an overview of “Where Your Tax Dollar Goes” when it comes to paying for general City services.

Budgeted figures for 2013 to 2016 of the draft Financial Plan are projections based on best estimates of future events that may materially affect the City’s budget, including annual wage increments and increases in operating costs when catalyst projects such as the Westminster Pier Park, Queensborough Community Centre expansion and the Multi-Use Civic Facility become operational. Accommodating these costs dictate future tax rate increases which are projected to range from 1.5% to 4.0%.

### **BUDGET PROCESS**

In accordance with the Community Charter the City must adopt, by bylaw, a five-year financial plan before May 15<sup>th</sup>, 2012. The financial plan contains the operating and capital budgets for each year .

Preparation of the City’s 2012-2016 Financial Plan included the following processes:



## **BUDGET DRIVERS**

When building the City's Five-Year Financial Plan the following budget drivers are the most critical challenges that need to be considered and factored into long range financial projections. Staff and Council follow a set of budgeting principles and financial policies with the goal of achieving a sustainable and affordable Financial Plan.

### **Growing Community Driving New Initiatives and Capital Investment**

The City of New Westminster is one of the fastest growing communities in Metro Vancouver. Located in the center of the region, serviced by five Sky Train stations and free of bridge crossings to Burnaby, Richmond, Vancouver and the Tri Cities, the City of New Westminster is attracting new residents and businesses. Growth over the last 10 years has been around 2% annually with future projections showing the City's population growing to 88,000 by 2031. Growth places pressure on City services and infrastructure with increased demand and use.

In consideration of these pressures, over the last few years the City has invested and continues to invest in new initiatives and amenities such as:

- Economic Development - Economic Development Manager and Economic Development Strategy to stimulate / retain economic investment in the City;
- Environmental Initiatives - Environmental Coordinator and development of various initiatives such as the Corporate Greenhouse Gas Reduction Program and Corporate Trip Reduction Program to help meet the City's commitment to becoming a "greener, more energy efficient City";
- Addition of a Social Planner who has made significant progress in developing strategies and initiatives dealing with social issues including homelessness and affordable housing; childcare and early childhood development, multiculturalism, poverty reduction, helping seniors and persons with disabilities etc.
- Arts & Culture Initiatives – Arts and Culture Manager recruited in 2010 to implement the City's Arts Strategy.

- New infrastructure / facilities – **Projects completed or in-progress include**, a new Youth Center, Queensborough Park and Trail Improvements, Westminster Pier Park, Multi-use Civic Facility; **Projects in the planning stage include**, City’s contribution to three new schools including Massey Performing Arts Center, expansion of the Queensborough Community Centre , expansion of the New Westminster electrical substation to add capacity. Under consideration is the upgrade/expansion of Canada Games Pool/Centennial Community Centre.

This investment comes at a one-time capital cost and ongoing operating, maintenance and financing costs which in turn drives property taxes used to pay these costs.

### **Aging Infrastructure and Annual Funding Gap**

Over the years, municipal infrastructure has grown to represent over 50% of the capital stock in Canada, but funding levels have not kept pace. Like most other Canadian municipalities, the City of New Westminster faces the challenge of replacing aging infrastructure, buildings and equipment while at the same time adding new capital stock to address the needs of a growing community.

### **Annual Wage / Benefits Increment**

As a service based organization, the City’s major cost is salaries and benefits, representing approximately 68% of the total general operating expense budget. These costs increase with the demand for services, level of service and negotiated wage settlements. The City is committed to Collective Agreements that are influenced by surrounding jurisdictions in the region.. Police and Fire salary increases are typically settled through arbitration following contracts negotiated by the larger cities in the region and across Canada.

### **External Factors**

**BC Hydro and Metro Vancouver Utility Rate Increases** – The City purchases electricity from BC Hydro and water, sewer and solid waste utility services from Metro Vancouver. These organizations have to invest in new capital infrastructure to service the rapid growth in the region, as well as, meet higher service standards and senior government regulations (water quality, sewerage



treatment, solid waste disposal). At the same time there is significant reinvestment needed to replace aging infrastructure. Consequently, annual utility rate increases have tended to be well above the annual rate of inflation.

## **ANALYSIS AND DISCUSSION**

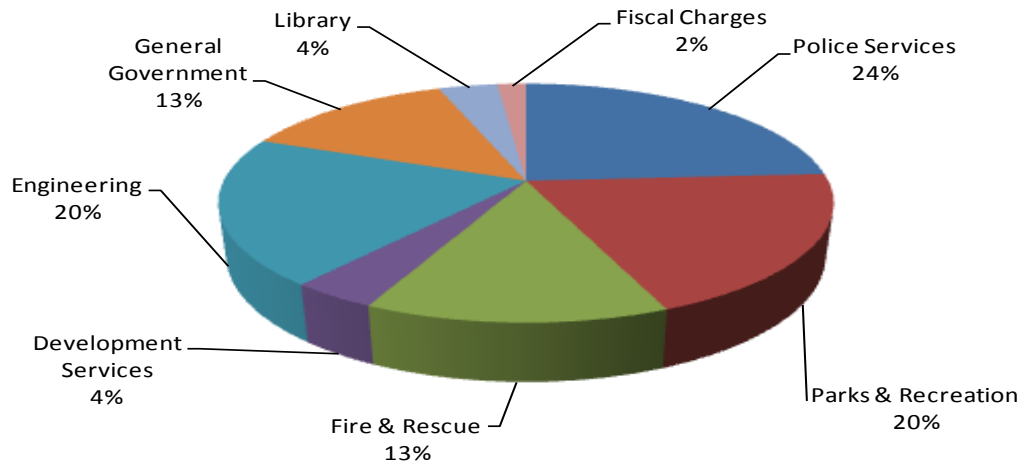
The Financial Plan includes the operating and capital budgets for years 2012 to 2016, as required by the Community Charter. The following analysis provides an overview of operating and capital budgets for the General Fund and each of the Utility Funds.

### **General Fund Operating Budget**

The General Fund operating budget is presented in Attachment 1. The following table and discussion summarizes and explains the **major changes** in expenses and revenues for 2012.

<b>ANNUAL BUDGET OVERVIEW</b>					
<b>GENERAL FUND OPERATIONS</b>	<b>2012</b>			<b>2011</b>	
	<b>Budget (\$000)</b>	<b>Bdgt Chg (\$000)</b>	<b>Bdgt Chg (rationale)</b>	<b>Budget (\$000)</b>	<b>Actuals (\$000)</b>
<b>EXPENSES</b>				<i>(Projected)</i>	
<i>Salaries / Benefits</i>	65,937	2,351	<i>Annual wage increments and additional FTEs to address workload and progress with strategic initiatives.</i>	63,586	62,801
<i>Other Budget Line Items, net</i>	18,234	639	<i>Increases driven by vendors re: contract services and supplies &amp; materials</i>	17,595	16,913
<i>Amortization of Capital</i>	13,655	689	<i>Increase in amortization of Tangible Capital Assets</i>	12,966	12,966
	<b>97,826</b>	<b>3,679</b>	<b>3.9%</b>	<b>94,147</b>	<b>92,680</b>
<b>REVENUES</b>					
<i>Property Taxes</i>	60,199	3,178	<i>Includes tax rate increase of 2.25% New construction, net \$1.8M</i>	57,021	57,173
<i>Sale of Services</i>	11,002	166	<i>Increase in Police 3rd Party funding</i>	10,836	10,441
<i>Other Revenue</i>	8,235	(168)	<i>Reduction in interest revenues</i>	8,403	8,890
<i>Contributions &amp; Grants</i>	2,538	391	<i>Increase in government grants</i>	2,147	2,621
	<b>81,974</b>	<b>3,567</b>	<b>4.5%</b>	<b>78,407</b>	<b>79,125</b>
<b>INTERNAL TRANSFERS TO BALANCE</b>					
<i>Adjust Non-Cash Items</i>	13,655	689	<i>Add back amortization of TCA which is a non-cash item</i>	12,966	12,966
<i>Recoveries from Utilities</i>	2,766	498	<i>Recovery from Utility Funds for services provided by the General Fund</i>	2,268	2,181
<i>Transfer from (to) Reserves</i>	(569)	(1,075)	<i>Small net transfer to reserves as increases to capital reserves exceed draws from operating reserves</i>	506	(1,592)
	<b>97,826</b>	<b>3,679</b>	<b>3.9%</b>	<b>94,147</b>	<b>92,680</b>

### **Expenses**



As noted in the above graph, the City provides a wide range of general services to the residents of New Westminster. In 2011, actual expenses are projected to be under budget primarily due to savings related to staff vacancies.

General Fund expenses for 2012 are budgeted to be \$98 million, an increase of \$4 million (4%) over last year.

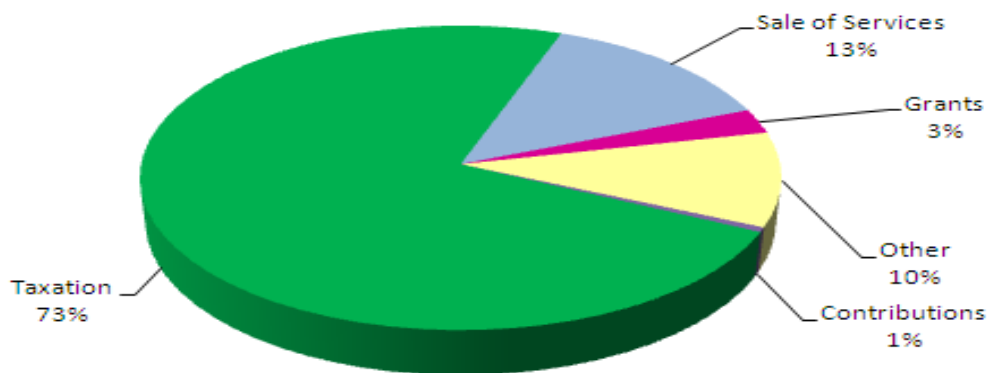
As a service based organization, the City's major cost is salaries and benefits. Compensation to the City's 730 Full-Time Equivalent (FTEs) represents approximately 67% of the total general operating costs. These costs increase with the demand for services, level of service and Collective Agreements. For 2012, salaries, benefits and training total approximately \$66 million, an increase of \$2 million over 2011. The majority of this increase is to accommodate annual wage / salary adjustments; however, approximately 10 auxiliary and temporary FTEs have been added to address workload pressures and provide resources to carry out strategic priority initiatives.

The increase in other budget line items is < \$1 million (3%) over 2011 primarily to cover increases in costs for supplies / materials. Amortization of Tangible Capital Assets is a non-cash line item that has been added to the City's budget to align the City's budget with its financial statement presentation. It represents the annual consumption of capital assets associated with providing city services. As amortization is a non-cash amount, it is reversed out under "internal transfers" so that it has no impact on the annual tax rates.

In future years, salary and benefit budgets are projected to increase incrementally with inflation. Other operating expenses are significantly less in comparison, and the annual budget adjustments are generally increases to maintain current services and provide for new operating commitments related to the Westminster Pier Park, Queensborough Community Center expansion and Multi-Use Civic Facility (MUCF). The bulk of the new operating expenses (approximately \$3 million) are anticipated to come on-stream in 2014 when the MUCF is operational; off-setting this will be approximately \$2 million in new program revenues. The operational budgets for these new amenities are very preliminary and will be refined over time.

Debt and interest costs increase over the next four years as the City takes on additional debt to finance major capital projects such as the Massey Theatre Performing Arts Center. In 2014, there is balloon payment of \$8 million to repay the short-term borrowing used to purchase the Westminster Pier property. The City plans to use proceeds from future land sales, Voluntary Amenity Contributions, Density Bonusing and DCCs to repay this debt.

### Revenues and Transfers



City revenues and internal transfers are the means by which the City pays for general government services.

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 license fees.

For 2011, actual revenues are expected to be slightly over budget as higher than projected permit and business licence revenues more than offset shortfalls in parking revenues and investment earnings.

For 2012, revenues are budgeted at \$82 million, an increase of \$4 million (5%) over 2011.

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. For 2012, property taxes are projected to bring in approximately \$60 million, an increase of \$3 million to pay for the increased cost of providing services as described above. Of this increase, new construction is projected to add \$2 million in new taxation revenue. The remaining \$1 million requires a proposed 2.25% increase in property tax rates.

The City has budgeted other general revenues, including sale of services, contributions/grants and other revenue to contribute approximately \$22 million, a slight increase over 2011.

Projecting out to 2016, property tax revenues will be in the range of \$71 million with annual increases between \$1 million to \$4 million. New construction is estimated to contribute approximately \$1.0 million annually in new tax revenue, based on a review of development projects in-progress. The residual balance will require funding from tax rate increases in the range of 1.5% to 4.0%.

Other general fund revenues are expected to remain relatively constant over the next four years with the exception for sale-of-services revenue which is projected to increase by approximately \$2.0 million in 2014 due to new program revenues associated with the MUCF coming on-stream.

### Internal Transfers

As noted above, the City relies on internal transfers to make up the balance of funds needed to pay for general government services. Internal transfers include net recoveries from Utilities and net transfers from (to) reserves. The adjustment

for non-cash items included under this section is simply a reversal of amortization (included under expenses) so that it does not impact tax rates.

The General Fund recovers a portion of its direct operating expenses for administration, billing/collections and fleet services from the Utility Funds. For 2012 through 2016, the net transfer from utilities is budgeted at approximately \$3 million annually.

Each year the General Fund budgets to transfer funds into capital reserves for the replacement and maintenance of equipment, facilities and infrastructure. The General Fund also budgets to transfer monies from reserves to fund specific operating costs<sup>1</sup> and moderate annual tax rate increases. Over the next five years the net transfer to reserves will increase to accommodate new provisions to capital reserves for upgrade and maintenance of new parks infrastructure and city facilities. The exception is in 2014, when the City plans to draw from reserves to repay short term borrowing used to purchase the Westminster Pier property in 2009.

### **General Fund Capital Budget**

The proposed General Fund capital program 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 program for 2012 to 2016, including a summary of the funding sources. Attachment 1A provides additional information pertaining to the significant capital projects (>\$100,000) being proposed for 2012.

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<sup>1</sup> 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.

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

**Capital Budget**

	2011	2011	2012	Budget Projections			
	Actuals	Budget	Budget	2013	2014	2015	2016
	<i>Projected</i>						
Equipment	1,012,000	1,994,000	<b>3,034,000</b>	1,998,000	1,649,000	1,991,000	2,017,000
Vehicles	1,549,000	1,778,000	<b>528,000</b>	1,684,000	1,092,000	2,060,000	1,098,000
Public Works	4,978,000	6,564,000	<b>9,912,000</b>	7,700,000	6,660,000	13,930,000	3,680,000
Facilities	8,066,000	18,475,000	<b>32,309,000</b>	22,131,000	4,416,000	8,560,000	10,387,000
Parks	16,067,000	23,532,000	<b>8,010,000</b>	1,879,000	4,952,000	2,416,000	882,000
Other	752,000	2,318,000	<b>1,116,000</b>	70,000	70,000	20,000	20,000
<b>TOTAL</b>	<b>32,424,000</b>	<b>54,661,000</b>	<b>54,909,000</b>	<b>35,462,000</b>	<b>18,839,000</b>	<b>28,977,000</b>	<b>18,084,000</b>

**Funding Sources**

Reserves Funds	10,947,000	17,825,000	<b>19,355,000</b>	12,748,000	15,471,000	13,378,000	11,085,000
Development Cost Charges	119,000	1,339,000	<b>2,361,000</b>	2,447,000	2,218,000	149,000	149,000
Debt	4,500,000	6,751,000	<b>5,042,000</b>	8,700,000	1,000,000	5,000,000	5,000,000
Contributions / Grants	16,858,000	28,746,000	<b>28,151,000</b>	11,567,000	150,000	10,450,000	1,850,000
<b>TOTAL</b>	<b>32,424,000</b>	<b>54,661,000</b>	<b>54,909,000</b>	<b>35,462,000</b>	<b>18,839,000</b>	<b>28,977,000</b>	<b>18,084,000</b>

The actual capital expenses for 2011 will be under spent due to a few larger projects such as the Multi-Use Civic Facility and the Queensborough Community Centre where much of the work will be completed in 2012.

The 2012 capital budget totals approximately \$55 million, including \$20 million for 2011 capital projects carried forward for completion in 2012. The 2012 capital budget includes annual programs for the maintenance and replacement of transportation and parks infrastructure, building systems, vehicles and equipment. It also provides for a number of major catalyst projects including the Multi-Use Civic Facility (DAC project), the Queensborough Community Center Expansion Project (DAC project), completion of the Westminster Pier Park and Queens Park Artificial Turf Field, Fraser Cemetery Enhancement Project, the Fourth Street Pedestrian Railway Overpass and Ewen Avenue Reconstruction Project. The catalyst projects make up about 74% of the 2012 capital budget.

The 2012 capital budget is funded primarily from contributions / grants (51%) and reserves (35%) with development cost charges, and debt contributing the balance of the funding.

For the years 2013 to 2016, in addition to the City's ongoing investment to replace transportation and parks infrastructure, building systems and equipment that have reached the end of their life cycle, the City will be continuing in its efforts to complete the Development Assistance Compensation projects (DAC –

special gaming funds for prescribed city projects). Also, the Massey Theater Performing Arts Center has been budgeted for in the 2014/15 timeframe.

## **UTILITY FUNDS**

The City owns and operates four utilities including an electrical distribution system, a water distribution system, a sewerage and drainage system and a solid waste collection service. The operating and capital budgets for 2012-2016 are presented in Attachment 2.

### **Electrical Utility Fund**

The Electrical Utility provides electrical distribution services to residential and commercial customers in New Westminster. The Utility purchases electricity from BC Hydro and resells it to its customers. Revenues generated through the sale of electricity are used to operate and maintain the electrical distribution system.

The Electrical Utility operating budget ranges from approximately \$35 million in 2012 to \$41 million in 2016 based on rate increases in the range of 4% annually over the next five years<sup>2</sup>. Of the total budget about 63% is used to purchase electricity from BC Hydro, 10% is for operating, maintenance and substation investment costs<sup>3</sup>, and about 26% is transferred to reserves to fund City capital projects. In 2013, annual operating costs increase significantly due to the start of annual debt repayments related to capital upgrades to the New Westminster Substation to replace transformers that have reached the end of their service life and to increase the capacity of the substation for future growth.

The Electrical Utility capital program typically ranges from \$2 million to \$5 million annually primarily to replace and upgrade components of the Utility's overhead and underground distribution network. Significant upgrades to the New Westminster Substation, at a cost of \$24 million, create a spike in the 2013 capital budget.

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<sup>2</sup> The City's practice is to set its electricity rates to match BC Hydro's rates. This ensures the City meets its obligations in accordance with its Power Sale Agreement with BC Hydro and ensures the City's rates are competitive with surrounding communities serviced by BC Hydro. Over the next five years, BC Hydro has indicated annual increases in the range of 3.9%.

<sup>3</sup> Utility operating and maintenance costs include internal charges for General Fund services, but exclude amortization of Tangible Capital Assets which is a non-cash expense.

## Water Utility Fund

The Water Utility provides a water distribution system for the citizens and businesses of New Westminister. Revenues generated through water user rates are used to operate and maintain the water distribution system.

The Water Utility operating budget ranges from approximately \$9 million in 2012 to \$13 million in 2016 based on the following annual rate increases which are driven by the increasing cost of bulk water purchases from the Greater Vancouver Water District (GVWD) and the ongoing replacement of the City's aging water system infrastructure.

<b>Rate Increases</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
City	5.9%	13.1%	6.1%	5.8%	5.5%
GVWD	5.9%	18.6%	6.5%	6.0%	5.5%

Of the total budget, about 54% is for bulk water purchases from GVWD, 18% is for operating and maintenance and 27% is transferred to reserves to fund the Utility's capital program.

The Utility's capital budget is in the range of \$3 million annually primarily for infrastructure upgrade and replacement, as well as, the replacement of equipment and service vehicles.

Two primary sources of information provide the supporting basis to determine both the magnitude of the capital 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 and failing infrastructure. The second source is the Master Water Servicing Study. This study has identified a list of upgrades required to address capacity limitations with associated costs.

## Sewer and Drainage Utility Fund

The Sewer and Drainage Utility provides a sanitary and storm water collection system for the citizens and businesses of New Westminister. Revenues generated through sewer user rates are used to operate and maintain the sanitary and storm water collection system.



The Sewer and Drainage Utility operating budget ranges from approximately \$12 million in 2012 to \$16 million in 2016 based on the following annual rate increases which are driven by the increasing sewer treatment costs from the Greater Vancouver Sewerage and Drainage District (GVS&DD) and the ongoing replacement of the City's aging sewer /drainage system infrastructure.

<b>Rate Increases</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
City	7.7%	7.0%	6.5%	6.5%	6.5%
GVS&DD	7.7%	7.0%	6.5%	6.0%	6.0%

Of the total budget about 43% is for sewer treatment costs from the GVS&DD, 18% is for operating and maintenance and about 38% is transferred to reserves to fund the Utility's capital program.

The Utility's capital budget ranges from \$5 million to \$7 million over the next five years, primarily for infrastructure upgrade and replacement, as well as the replacement of equipment and service vehicles. The Utility's capital budget also includes funding to meet its commitments to the Queensborough Drainage Program and the Region's Integrated Liquid Waste and Resource Management Plan (ILWRMP) to separate the City's combined sanitary / storm sewer system.

Two primary sources of information provide the supporting basis to determine both the magnitude of the capital 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 provides a long range storm sewer separation program as required by the GVRD's ILWRMP.

### **Solid Waste Utility Fund**

The Solid Waste Utility provides garbage and recycling collection services for the citizens of New Westminster. Revenues generated through solid waste user rates are used to operate and maintain these services.

The Solid Waste Utility operating budget ranges from approximately \$2 million in 2012 to \$3 million in 2016 based on the following annual rate increases which

are driven by the increasing cost of tipping fees from the Greater Vancouver Regional District (GVRD) and the ongoing operating and fleet maintenance costs associated with providing solid waste pick-up services.

<b>Rate Increases</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
City	4.0%	4.0%	4.0%	4.0%	4.0%
GVRD	10.0%	13.0%	26.0%	19.0%	13.0%

*Note: GVRD tipping fee increases result from less garbage (tonnage) going to the landfills due to the success of recycling and composting programs, but landfill operating costs remaining relatively constant.*

Of the total operating budget, about 42% 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).

Annual operating and maintenance costs make up the remaining 69% of the annual budget. Operating costs are anticipated to remain relatively constant over the next five years. Initially in 2012, there will be a small transfer from reserves to balance the Utility operating budget. In 2013, the Utility starts making transfers into reserves to fund future capital expenses.

The Utility’s capital budget fluctuates from year to year, with costs being the highest in 2012 as the Utility replaces one of its garbage packers with a new unit equipped for automated garbage / recycling pick-up.

**INTERDEPARTMENTAL LIAISON**

All departments were involved in preparing the draft Financial Plan.

**CONCLUSION**

After considerable effort by Council and City departments, the draft Financial Plan is 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 2012 to 2016.

The remaining steps in the 2012 budget process are to complete a public consultation process, finalize the Financial Plan and bring the Plan forward for adoption in March, 2012.

Respectfully submitted by:

Approved for Council presentation:

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

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Paul Daminato,  
City Administrator

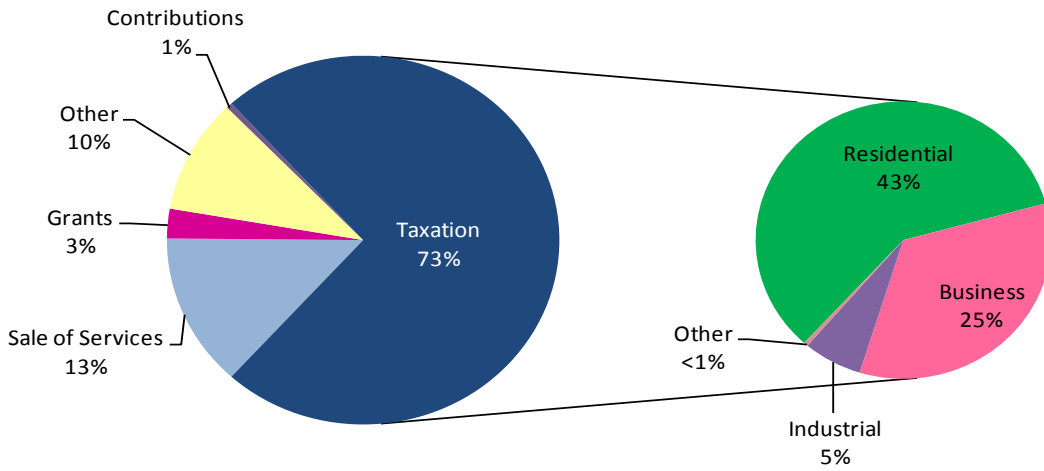


# **ATTACHMENT 1 & 1A**

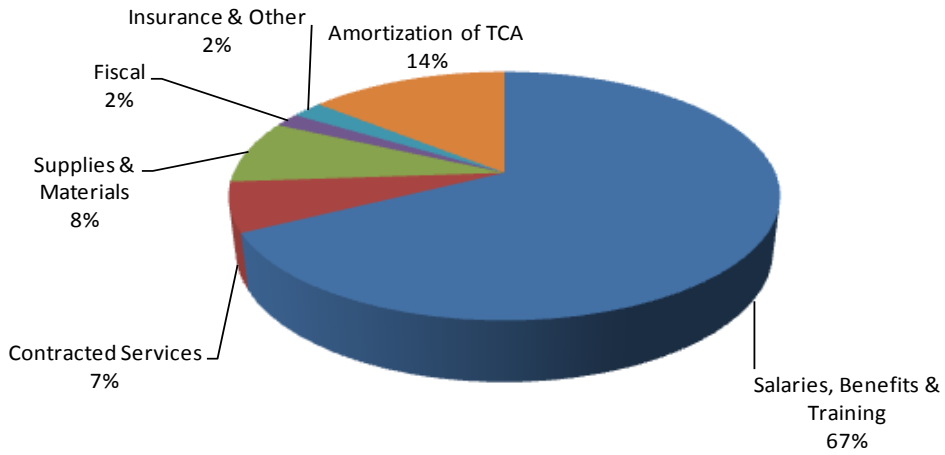
## **General Fund Operating & Capital Budgets**

### **Attachment 1A - Capital Projects > \$100,000**

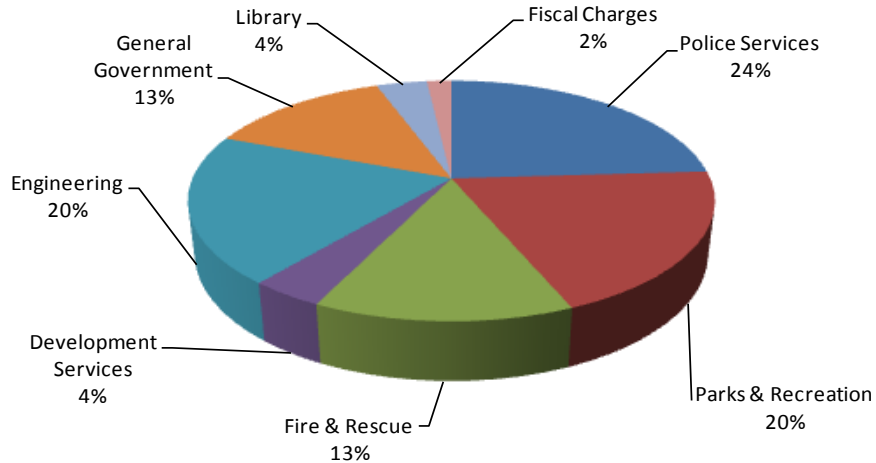
**General Revenue, 2012**



**General Expenses by Object, 2012**



**General Expenses by Function, 2012**



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

**Budget Summary**

	2011 Actuals	2011 Budget	2012 Budget	% Chg	Budget Projections			
					2013	2014	2015	2016
<b>Revenues:</b>								
Taxation	57,173,411	57,021,000	60,199,000		63,376,000	66,803,000	68,974,000	70,862,000
Sale of Services	10,441,563	10,836,000	11,002,000		11,180,000	12,918,000	12,920,000	12,920,000
Grants from Other Gov'ts	2,560,516	2,113,000	2,131,000		2,131,000	2,131,000	2,131,000	2,131,000
Other Revenue	8,890,042	8,403,000	8,235,000		8,349,000	8,420,000	8,420,000	8,420,000
Contributions	59,952	34,000	407,000		486,000	448,000	729,000	743,000
	<b>79,125,484</b>	<b>78,407,000</b>	<b>81,974,000</b>	<b>4.5%</b>	<b>85,522,000</b>	<b>90,720,000</b>	<b>93,174,000</b>	<b>95,076,000</b>
<b>Expenses (by Cost Object):</b>								
Salaries, Benefits & Training	62,801,364	63,586,000	65,937,000		68,295,000	70,085,000	71,706,000	73,463,000
Contracted Services	5,970,604	6,344,000	6,305,000		6,511,000	9,131,000	8,911,000	8,911,000
Supplies & Materials	7,592,479	7,699,000	8,027,000		8,084,000	8,174,000	8,208,000	8,209,000
Interest & Bank Charges	942,109	1,028,000	1,056,000		1,332,000	1,505,000	1,773,000	1,862,000
Grants	747,439	702,000	702,000		702,000	702,000	702,000	702,000
Insurance & Claims	1,186,018	1,438,000	1,438,000		1,438,000	1,438,000	1,438,000	1,438,000
Debt Retirement	474,225	384,000	706,000		906,000	9,193,000	1,508,000	1,689,000
Amortization of TCA	12,966,299	12,966,000	13,655,000		14,630,000	14,630,000	15,150,000	15,150,000
	<b>92,680,537</b>	<b>94,147,000</b>	<b>97,826,000</b>	<b>3.9%</b>	<b>101,898,000</b>	<b>114,858,000</b>	<b>109,396,000</b>	<b>111,424,000</b>
<b>Internal Adjustments:</b>								
Adjust for Non-Cash Items	(12,966,299)	(12,966,000)	(13,655,000)		(14,630,000)	(14,630,000)	(15,150,000)	(15,150,000)
Internal Charges (Recoveries)	(2,180,976)	(2,268,000)	(2,766,000)		(2,725,000)	(2,652,000)	(2,704,000)	(2,780,000)
To (From) Reserves	1,592,222	(506,000)	569,000		979,000	(6,856,000)	1,632,000	1,582,000
	<b>79,125,484</b>	<b>78,407,000</b>	<b>81,974,000</b>	<b>4.5%</b>	<b>85,522,000</b>	<b>90,720,000</b>	<b>93,174,000</b>	<b>95,076,000</b>
<b>Expenses (by Department):</b>								
	<b>11 Projected</b>	<b>11 Budget</b>	<b>12 Budget</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Police Services	21,696,343	22,933,000	23,520,000		24,000,000	24,492,000	24,996,000	25,513,000
Parks & Recreation	18,181,668	17,798,000	19,231,000		20,224,000	22,910,000	23,405,000	23,656,000
Fire & Rescue	12,508,272	12,914,000	13,137,000		13,424,000	13,773,000	14,133,000	14,503,000
Development Services	3,287,269	3,422,000	3,758,000		3,921,000	3,942,000	3,935,000	4,023,000
Engineering	18,382,625	19,278,000	19,573,000		19,837,000	20,275,000	20,799,000	21,025,000
General Government *	13,877,489	12,807,000	13,207,000		14,415,000	14,859,000	14,868,000	15,103,000
Library	3,330,537	3,452,000	3,638,000		3,839,000	3,909,000	3,979,000	4,051,000
	<b>91,264,203</b>	<b>92,604,000</b>	<b>96,064,000</b>	<b>3.7%</b>	<b>99,660,000</b>	<b>104,160,000</b>	<b>106,115,000</b>	<b>107,874,000</b>
<b>Fiscal Expenses</b>								
Interest & Bank Charges	942,109	1,159,000	1,056,000		1,332,000	1,505,000	1,773,000	1,861,000
Debt Retirement	474,225	384,000	706,000		906,000	9,193,000	1,508,000	1,689,000
	<b>1,416,334</b>	<b>1,543,000</b>	<b>1,762,000</b>	<b>14.2%</b>	<b>2,238,000</b>	<b>10,698,000</b>	<b>3,281,000</b>	<b>3,550,000</b>
	<b>92,680,537</b>	<b>94,147,000</b>	<b>97,826,000</b>	<b>3.9%</b>	<b>101,898,000</b>	<b>114,858,000</b>	<b>109,396,000</b>	<b>111,424,000</b>

\* Note: General Government includes \$1.4M as a salary / benefit off-set to account for anticipated savings from staff vacancies during the year. It is uncertain where these vacancies will occur, so they cannot readily be allocated to other departments.

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

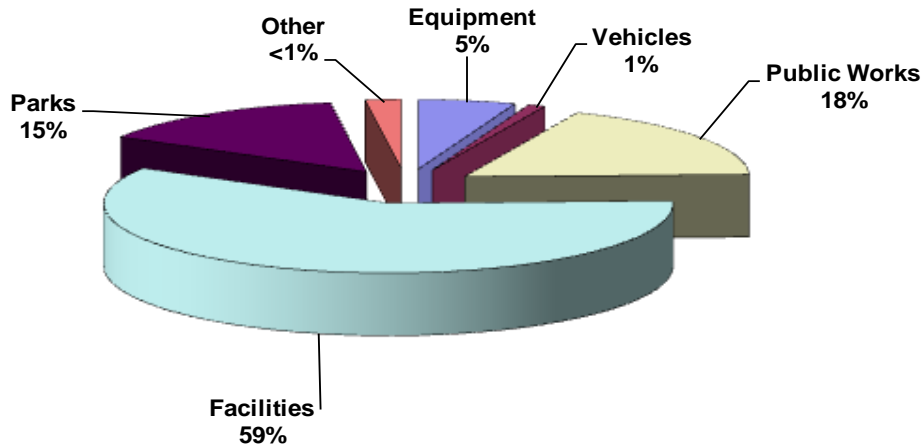
**Capital Budget**

	2011	2011	2012	Budget Projections			
	Actuals	Budget	Budget	2013	2014	2015	2016
<i>Projected</i>							
Equipment	1,012,000	1,994,000	<b>3,034,000</b>	1,998,000	1,649,000	1,991,000	2,017,000
Vehicles	1,549,000	1,778,000	<b>528,000</b>	1,684,000	1,092,000	2,060,000	1,098,000
Public Works	4,978,000	6,564,000	<b>9,912,000</b>	7,700,000	6,660,000	13,930,000	3,680,000
Facilities	8,066,000	18,475,000	<b>32,309,000</b>	22,131,000	4,416,000	8,560,000	10,387,000
Parks	16,067,000	23,532,000	<b>8,010,000</b>	1,879,000	4,952,000	2,416,000	882,000
Other	752,000	2,318,000	<b>1,116,000</b>	70,000	70,000	20,000	20,000
<b>TOTAL</b>	<b>32,424,000</b>	<b>54,661,000</b>	<b>54,909,000</b>	<b>35,462,000</b>	<b>18,839,000</b>	<b>28,977,000</b>	<b>18,084,000</b>

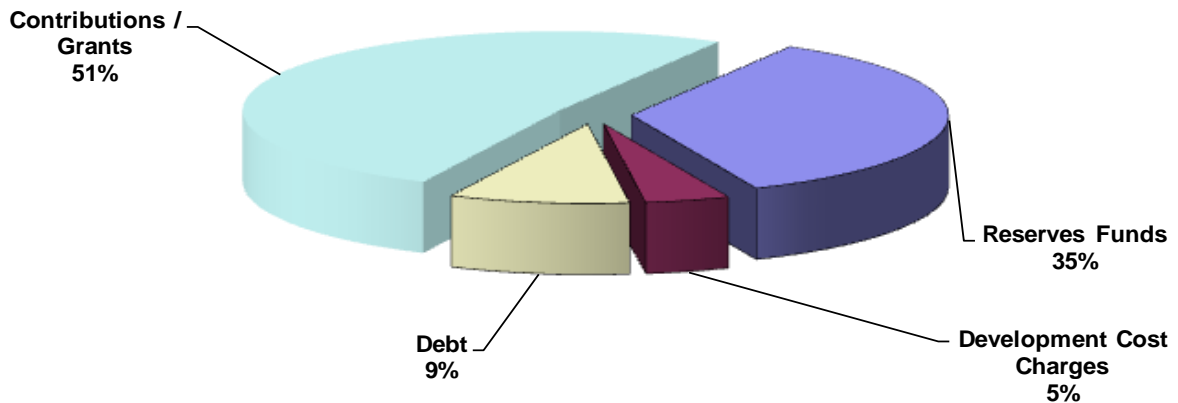
**Funding Sources**

Reserves Funds	10,947,000	17,825,000	<b>19,355,000</b>	12,748,000	15,471,000	13,378,000	11,085,000
Development Cost Charges	119,000	1,339,000	<b>2,361,000</b>	2,447,000	2,218,000	149,000	149,000
Debt	4,500,000	6,751,000	<b>5,042,000</b>	8,700,000	1,000,000	5,000,000	5,000,000
Contributions / Grants	16,858,000	28,746,000	<b>28,151,000</b>	11,567,000	150,000	10,450,000	1,850,000
<b>TOTAL</b>	<b>32,424,000</b>	<b>54,661,000</b>	<b>54,909,000</b>	<b>35,462,000</b>	<b>18,839,000</b>	<b>28,977,000</b>	<b>18,084,000</b>

**2012 CAPITAL PROGRAM**



**2012 CAPITAL FUNDING SOURCES**





# **ATTACHMENT 1A**

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

<b>Equipment</b>		
<b>2012 Budget = \$3.03 M</b>		
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 2012.		
<b>Capital</b>	<b>Dollars (\$)</b>	<b>Comments</b>
<b>Engineering Services:</b>		
Pay Station Parking Systems	\$230 K	• Expand the City's Centralized Pay Station Parking System
Fire Equipment Replacement Program	\$113 K	• Continuous replacement program for Scott Bottles and Turnout Gear
<b>Information Technology:</b>		
Network Systems Technology	\$198 K	• Continue to enhance network performance, improve network reliability, increase system availability
PC, Monitor and Laptop Replacements	\$425 K	• Replacement of PCs and Laptops in their 5th year of service
EDMS - New Licenses	\$200 K	• EDMS - new licenses
<b>Parks, Culture &amp; Recreation:</b>		
QPF Pier Park Concession Equipment	\$100 K	• Equipment needed to outfit the new Pier Park concession building.
QCC - Developer Amenity Projects	\$100 K	• QCC - developer community amenity projects
<b>Police:</b>		
Portable Radios	\$150 K	• Phased replacement of the portable radios reaching the end of their service life
<b>Vehicles</b>		
<b>2012 Budget = \$0.53 M</b>		
The City maintains a fleet of vehicles and other automotive equipment currently comprised 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. 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.		

<b>Public Works</b>		
<b>2012 Budget = \$9.91 M</b>		
<p>The City maintains an extensive network of public works infrastructure including hundreds of kilometers of 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. 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>		
<b>Capital</b>	<b>Dollars (\$)</b>	<b>Comments</b>
<b>Environment:</b>		
Landscape Railway Corridors	\$100 K	• Par of the City's Front Street Coridor Plan currently in progress
<b>General Transportation:</b>		
Esplanade Repairs	\$350 K	• Esplanade repairs
Road Safety Improvements	\$594 K	• General road safety projects including intersection improvements, safety & operational assessments, (part 3rd party funding).
General Transportation Inspection & Maintenance	\$180 K	• Annual road maintenance activities including line marking, crack sealing, crosswalk and sidewalk inspections and maintenance.
Structures Rehabilitation	\$200 K	• Rehabilitation of City engineering structures (bridges, retaining walls etc.) in various locations.
Railway Corridor Fencing Downtown	\$100 K	•
Major Transportation Plans	\$295 K	• Development of plans/strategies including road corridor functional designs and Pattullo mitigation.
4th St Rail Crossing Safety Improvements	\$200 K	• Safety improvements to 4th Street Railway Crossing in support of whistle cessation requirements.
Sustainable Transportation	\$365 K	• Cycling and transit facilities, TDM program, CEEP initiatives, etc.
Front Street Parkade Remediation	\$800 K	• Front Street Parkade Remediation
Begbie Street Rail Crossing Improvements	\$200 K	• To undertake necessary safety improvements to Begbie Street Rail Crossing in support of whistle cessation requirements.
4th St Pedestrian Railway Overpass	\$1.32 M	• Construct pedestrian overpass on 4th Street to waterfront. To provide a grade separated pedestrian connection on 4th Street to connect to the waterfront.

<b>Public Works</b>		
<b>2012 Budget = \$9.91 M</b>		
<p>The City maintains an extensive network of public works infrastructure including hundreds of kilometers of 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. 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>		
<b>Capital</b>	<b>Dollars (\$)</b>	<b>Comments</b>
<b>Roads:</b>		
Pavement Management Program	\$2.00 M	<ul style="list-style-type: none"> <li>• Annual pavement rehabilitation program based on the City's Pavement Management Plan.</li> </ul>
Ewen Ave Reconstruction	\$1.54 M	<ul style="list-style-type: none"> <li>• Ewen Ave reconstruction P1 (QB DCC program)</li> </ul>
<b>Sidewalks:</b>		
Sidewalks and Accessibility Upgrades	\$250 K	<ul style="list-style-type: none"> <li>• General sidewalk repairs and improvements based on the City's Sidewalk Inspection Program.</li> </ul>
<b>Street Lighting:</b>		
Christmas Lighting and Street Lighting Improvements	\$125 K	<ul style="list-style-type: none"> <li>• Christmas Lighting and Street Lighting Improvements.</li> </ul>
<b>Traffic Controls:</b>		
Traffic Controller Replacement	\$188 K	<ul style="list-style-type: none"> <li>• Annual Traffic Controller Replacement Program.</li> </ul>
Traffic Calming	\$266 K	<ul style="list-style-type: none"> <li>• Annual upgrades and additions to traffic calming structures.</li> </ul>
<b>Traffic Signals:</b>		
New/Upg/Rpl Traffic Signal Systems	\$432 K	<ul style="list-style-type: none"> <li>• Replacement, upgrade and new installation of traffic signal systems (some are DCC projects)</li> </ul>
McInnis Signal T35	\$150 K	<ul style="list-style-type: none"> <li>• McInnis Signal T35</li> </ul>
McNeely Signal T13	\$125 K	<ul style="list-style-type: none"> <li>• McNeely Signal T13</li> </ul>

<b>Civic Facilities</b>		
<b>2012 Budget = \$32.31 M</b>		
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. 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.		
<b>Capital</b>	<b>Dollars (\$)</b>	<b>Comments</b>
<b>Parks Facilities</b>		
<b>2012 Budget = \$7.42 M</b>		
<b>Irving House:</b>		
IH Repl/Add Heat/Humidity Unit	\$158 K	
IH Upgr Irving Hse Fire Protec	\$110 K	
<b>Other:</b>		
QB Facilities	\$4.96 M	• Additions for Library, Police and Childcare Space; Expansion of Admin, Weight Room & Multi Use Spaces. Complete by 2013.
<b>Queensborough Community Centre:</b>		
QCC Rpr/Rpl Ext Wall Struct	\$1.25 M	
QCC North Roof Membrane Repl	\$104 K	
<b>Other Facilities</b>		
<b>2012 Budget = \$24.89 M</b>		
<b>Cemetery:</b>		
Fraser Cemetery Fence Replacement	\$100 K	• Fraser Cemetery Fence Replacement
Fraser Cemetery Enhancement	\$1.13 M	• Fraser Cemetery enhancement
<b>City Hall:</b>		
City Hall Boiler Replacement	\$240 K	
City Hall Eng/Building Inspection Space	\$485 K	• To reconfigure the Engineering/Building Inspection working area to accommodate additional staff approved during the 2011 budget process
<b>Library:</b>		
Lib Replace West Side Roof	\$195 K	• In accordance with the City's annual roof inspection program
<b>Multi-Use Civic Facility:</b>		
Multi-Use Civic Facility	\$20.64 M	• Multi-Use Civic Facility. Project to be completed by 2013
Multi-Use Civic Facility Restaurant	\$1.60 M	• Multi-Use Civic Facility restaurant
<b>Other Facilities:</b>		
Facility Energy Upgrades	\$160 K	• Facility energy upgrades in accordance with the City's environmental policies

<b>Parks Infrastructure</b>		
<b>2012 Budget = \$8.01 M</b>		
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. Maintenance of this infrastructure is in accordance with the Parks, Culture & Recreation Comprehensive Plan and the Trails and Greenways Plans. The source of funding for these capital maintenance programs comes from the City's reserve funds.		
<b>Capital</b>	<b>Dollars (\$)</b>	<b>Comments</b>
<b>Athletic Fields:</b>		
QP Artificial Field	\$772 K	• Completion of QP Artificial Field started in 2011
<b>Park Development:</b>		
Westminster Pier Park Development	\$4.33 M	• Westminster Pier Park Development
Westminster Pier Park Access	\$254 K	• Westminster Pier Park Access
St Mary's Park Site Development	\$575 K	• Park Development for the new St. Mary's School/Park site.
Pier Park East End Develop	\$150 K	• Pier Park East End Develop
<b>Playgrounds:</b>		
Moody Park Playground Replacement	\$366 K	• Moody Park Playground Replacement (part DCC)
Hume Park Playground Equipment	\$119 K	• Hume Park Playground Equipment
Refurbish RP Meg Playground Equipment	\$135 K	• Refurbish RP Meg Playground Equipment
<b>Playing Surfaces:</b>		
Rebuild Upper Hume Tennis Courts	\$130 K	• Rebuild Upper Hume tennis courts after numerous repairs and trench lines through courts.
<b>Other Projects</b>		
<b>2012 Budget = \$1.12 M</b>		
Other Projects include corporate projects that do not fit into other capital project categories.		
<b>Capital</b>	<b>Dollars (\$)</b>	<b>Comments</b>
<b>Engineering Services:</b>		
240 Sherbrooke St Copperstone	\$544 K	• Complete the 240 Sherbrooke St Copperstone work started in 2011
<b>Parks, Culture &amp; Recreation:</b>		
Arts "Wait For Me Daddy" Project	\$300 K	• Create art piece based on the iconic 1940 photograph of "Wait For Me Daddy"

**General Fund Capital Program (2013 – 2016)**

The Capital Program for 2013 – 2016 provides for the ongoing annual maintenance and replacement programs for transportation and parks infrastructure, building systems, vehicles and equipment, as well as, the following major capital projects

<b>Project</b>
Multi-Use Civic Center (DAC Project for completion in 2013)
Queensborough / Downtown Ped. Crossing (DAC Project, completion 2015)
FRDC Dock Improvements (DAC Project – completion 2017)
Massey Theater Performing Arts Center (2014/15)
Canada Games Pool Rehabilitation (2013-16)
Skate Board Park Replacement (2014)





## **ATTACHMENT 2**

### **Utility Funds Operating and Capital Budgets**

**CORPORATION OF THE CITY OF NEW WESTMINSTER**  
**Utility Funds Operating Budgets**

**Electrical Fund**

	2011	2011	2012	% Chg	Budget Projections				
	Actuals	Budget	Budget		2013	2014	2015	2016	
	<i>(Projected)</i>								
<b>Revenues:</b>									
Utility Rates	33,397,618	32,980,000	34,937,000		36,298,000	37,713,000	39,183,000	40,710,000	
Sale of Services	575,068	76,000	76,000		76,000	76,000	76,000	76,000	
	<b>33,972,686</b>	<b>33,056,000</b>	<b>35,013,000</b>	<b>5.9%</b>	<b>36,374,000</b>	<b>37,789,000</b>	<b>39,259,000</b>	<b>40,786,000</b>	
<b>Expenses:</b>									
Utility Purchases & Levies	21,306,597	21,058,000	22,246,000		23,113,000	24,015,000	24,951,000	25,924,000	
Utility Operations	3,403,542	3,522,000	3,586,000		3,933,000	5,949,000	6,251,000	6,432,000	
Amortization of TCA	1,088,348	1,088,000	994,000		994,000	994,000	994,000	994,000	
	<b>25,798,487</b>	<b>25,668,000</b>	<b>26,826,000</b>	<b>4.5%</b>	<b>28,040,000</b>	<b>30,958,000</b>	<b>32,196,000</b>	<b>33,350,000</b>	
<b>Internal Adjustments:</b>									
Adjust for Non-Cash Items	(1,088,348)	(1,088,000)	(994,000)		(994,000)	(994,000)	(994,000)	(994,000)	
Internal Charges (Recoveries)	(63,910)	9,000	118,000		24,000	30,000	36,000	64,000	
Transfers To (From) Reserves	9,326,457	8,467,000	9,063,000		9,304,000	7,795,000	8,021,000	8,366,000	
	<b>33,972,686</b>	<b>33,056,000</b>	<b>35,013,000</b>	<b>5.9%</b>	<b>36,374,000</b>	<b>37,789,000</b>	<b>39,259,000</b>	<b>40,786,000</b>	
<b>Amount to Balance</b>	-	-	-	<b>na</b>	-	-	-	-	

**Water Fund**

	2011	2011	2012	% Chg	Budget Projections			
	Actuals	Budget	Budget		2013	2014	2015	2016
	<i>(Preliminary)</i>							
<b>Revenues:</b>								
Utility Rates	8,449,275	8,584,000	8,895,000		10,212,000	10,998,000	11,810,000	12,649,000
Sale of Services	166,548	99,000	99,000		99,000	99,000	99,000	99,000
	<b>8,615,823</b>	<b>8,683,000</b>	<b>8,994,000</b>	<b>3.6%</b>	<b>10,311,000</b>	<b>11,097,000</b>	<b>11,909,000</b>	<b>12,748,000</b>
<b>Expenses:</b>								
Utility Purchases & Levies	4,622,025	4,816,000	4,935,000		5,852,000	6,234,000	6,607,000	6,974,000
Utility Operations	667,369	658,000	666,000		677,000	689,000	701,000	713,000
Amortization of TCA	552,025	552,000	476,000		476,000	476,000	476,000	476,000
	<b>5,841,419</b>	<b>6,026,000</b>	<b>6,077,000</b>	<b>0.8%</b>	<b>7,005,000</b>	<b>7,399,000</b>	<b>7,784,000</b>	<b>8,163,000</b>
<b>Internal Adjustments:</b>								
Adjust for Non-Cash Items	(552,025)	(552,000)	(476,000)		(476,000)	(476,000)	(476,000)	(476,000)
Internal Charges (Recoveries)	764,885	857,000	955,000		978,000	939,000	959,000	981,000
Transfers To (From) Reserves	2,561,544	2,352,000	2,438,000		2,804,000	3,235,000	3,642,000	4,080,000
	<b>8,615,823</b>	<b>8,683,000</b>	<b>8,994,000</b>	<b>3.6%</b>	<b>10,311,000</b>	<b>11,097,000</b>	<b>11,909,000</b>	<b>12,748,000</b>
<b>Amount to Balance</b>	-	-	-	<b>na</b>	-	-	-	-

**Sewer Fund**

	2011	2011	2012	% Chg	Budget Projections			
	Actuals	Budget	Budget		2013	2014	2015	2016
	<i>(Preliminary)</i>							
<b>Revenues:</b>								
Utility Rates	10,911,575	11,009,000	11,834,000		12,852,000	13,892,000	15,018,000	16,235,000
Sale of Services & Other	604,100	206,000	206,000		206,000	206,000	206,000	206,000
	<b>11,515,675</b>	<b>11,215,000</b>	<b>12,040,000</b>	<b>7.4%</b>	<b>13,058,000</b>	<b>14,098,000</b>	<b>15,224,000</b>	<b>16,441,000</b>
<b>Expenses:</b>								
Utility Purchases & Levies	4,802,485	4,802,000	5,171,000		5,533,000	5,892,000	6,275,000	6,683,000
Utility Operations	1,245,840	1,198,000	1,214,000		1,236,000	1,258,000	1,281,000	1,304,000
Amortization of TCA	969,669	970,000	934,000		934,000	934,000	934,000	934,000
	<b>7,017,994</b>	<b>6,970,000</b>	<b>7,319,000</b>	<b>5.0%</b>	<b>7,703,000</b>	<b>8,084,000</b>	<b>8,490,000</b>	<b>8,921,000</b>
<b>Internal Adjustments:</b>								
Adjust for Non-Cash Items	(969,669)	(970,000)	(934,000)		(934,000)	(934,000)	(934,000)	(934,000)
Internal Charges (Recoveries)	882,762	906,000	1,046,000		1,072,000	1,034,000	1,056,000	1,077,000
Transfers To (From) Reserves	4,584,588	4,309,000	4,609,000		5,217,000	5,914,000	6,612,000	7,377,000
	<b>11,515,675</b>	<b>11,215,000</b>	<b>12,040,000</b>	<b>7.4%</b>	<b>13,058,000</b>	<b>14,098,000</b>	<b>15,224,000</b>	<b>16,441,000</b>
<b>Amount to Balance</b>	-	-	-	<b>na</b>	-	-	-	-

**Solid Waste Fund**

	2011	2011	2012	% Chg	Budget Projections			
	Actuals	Budget	Budget		2013	2014	2015	2016
	<i>(Preliminary)</i>							
<b>Revenues:</b>								
Utility Rates	2,413,873	2,330,000	2,468,000		2,605,000	2,748,000	2,901,000	3,063,000
Sale of Services	2,690	-	-		-	-	-	-
	<b>2,416,563</b>	<b>2,330,000</b>	<b>2,468,000</b>	<b>5.9%</b>	<b>2,605,000</b>	<b>2,748,000</b>	<b>2,901,000</b>	<b>3,063,000</b>
<b>Expenses:</b>								
Utility Purchases & Levies	1,033,844	1,034,000	1,034,000		1,034,000	1,034,000	1,034,000	1,034,000
Utility Operations	921,105	897,000	894,000		914,000	933,000	954,000	974,000
Amortization of TCA	300,000	300,000	321,000		321,000	321,000	321,000	321,000
	<b>2,254,949</b>	<b>2,231,000</b>	<b>2,249,000</b>	<b>0.8%</b>	<b>2,269,000</b>	<b>2,288,000</b>	<b>2,309,000</b>	<b>2,329,000</b>
<b>Internal Adjustments:</b>								
Adjust for Non-Cash Items	(300,000)	(300,000)	(321,000)		(321,000)	(321,000)	(321,000)	(321,000)
Internal Charges (Recoveries)	597,239	496,000	647,000		651,000	649,000	653,000	658,000
Transfers To (From) Reserves	(135,625)	(97,000)	(107,000)		6,000	132,000	260,000	397,000
	<b>2,416,563</b>	<b>2,330,000</b>	<b>2,468,000</b>	<b>5.9%</b>	<b>2,605,000</b>	<b>2,748,000</b>	<b>2,901,000</b>	<b>3,063,000</b>
<b>Amount to Balance</b>	-	-	-	<b>na</b>	-	-	-	-

**CORPORATION OF THE CITY OF NEW WESTMINSTER**  
**Utility Funds Capital Budgets**

	2011	2011	2012	Budget Projections			
	Actuals	Budget	Budget	2013	2014	2015	2016
			<i>(Projected)</i>				
<b>Electrical Fund</b>							
Equipment	102,000	1,769,000	1,769,000	3,502,000	3,002,000	202,000	202,000
Vehicles	84,000	120,000	75,000	260,000	-	-	-
Electrical Infrastructure	1,855,000	779,000	3,648,000	25,995,000	2,266,000	2,071,000	1,346,000
	<b>2,041,000</b>	<b>2,668,000</b>	<b>5,492,000</b>	<b>29,757,000</b>	<b>5,268,000</b>	<b>2,273,000</b>	<b>1,548,000</b>
<b>Funding Sources</b>							
Reserves Funds	245,000	2,168,000	4,023,000	4,762,000	3,102,000	302,000	302,000
Long Term Debt	-	-	469,000	23,995,000	1,166,000	971,000	246,000
Contributions & Grants	1,796,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	<b>2,041,000</b>	<b>2,668,000</b>	<b>5,492,000</b>	<b>29,757,000</b>	<b>5,268,000</b>	<b>2,273,000</b>	<b>1,548,000</b>
<b>Water Fund</b>							
Equipment	142,000	749,000	468,000	618,000	114,000	114,000	9,000
Vehicles	-	-	-	-	450,000	-	-
Other Projects	41,000	54,000	49,000	49,000	34,000	34,000	34,000
Water Infrastructure	2,257,000	4,420,000	3,469,000	2,360,000	2,480,000	2,610,000	2,730,000
	<b>2,440,000</b>	<b>5,223,000</b>	<b>3,986,000</b>	<b>3,027,000</b>	<b>3,078,000</b>	<b>2,758,000</b>	<b>2,773,000</b>
<b>Funding Sources</b>							
Reserves Funds	2,440,000	5,223,000	3,986,000	3,027,000	3,078,000	2,758,000	2,773,000
	<b>2,440,000</b>	<b>5,223,000</b>	<b>3,986,000</b>	<b>3,027,000</b>	<b>3,078,000</b>	<b>2,758,000</b>	<b>2,773,000</b>
<b>Sewer Fund</b>							
Equipment	6,000	40,000	40,000	40,000	40,000	40,000	-
Vehicles	-	-	-	-	450,000	-	-
Other Projects	33,000	409,000	369,000	259,000	214,000	184,000	184,000
Sewer/ Drainage Infrastructure	2,381,000	6,065,000	5,996,000	6,535,000	4,140,000	5,245,000	5,350,000
	<b>2,420,000</b>	<b>6,514,000</b>	<b>6,405,000</b>	<b>6,834,000</b>	<b>4,844,000</b>	<b>5,469,000</b>	<b>5,534,000</b>
<b>Funding Sources</b>							
Reserves Funds	1,966,000	5,706,000	5,491,000	6,489,000	4,487,000	5,100,000	5,154,000
Development Cost Charges	317,000	447,000	802,000	294,000	306,000	318,000	329,000
Contributions & Grants	137,000	361,000	112,000	51,000	51,000	51,000	51,000
	<b>2,420,000</b>	<b>6,514,000</b>	<b>6,405,000</b>	<b>6,834,000</b>	<b>4,844,000</b>	<b>5,469,000</b>	<b>5,534,000</b>
<b>Solid Waste Fund</b>							
Equipment	31,000	641,000	83,000	24,000	24,000	24,000	-
Vehicles	-	710,000	293,000	-	-	125,000	-
Other Projects	-	50,000	50,000	50,000	-	-	-
	<b>31,000</b>	<b>1,401,000</b>	<b>426,000</b>	<b>74,000</b>	<b>24,000</b>	<b>149,000</b>	<b>-</b>
<b>Funding Sources</b>							
Reserves Funds	31,000	1,401,000	426,000	74,000	24,000	149,000	-
	<b>31,000</b>	<b>1,401,000</b>	<b>426,000</b>	<b>74,000</b>	<b>24,000</b>	<b>149,000</b>	<b>-</b>



## **ATTACHMENT 3**

### **Dollar Impact of Proposed Tax & Utility Rate Increases**

**CORPORATION OF THE CITY OF NEW WESTMINSTER  
2012 TAXATION RATES**

Impact Comparison With 2011

**2.25 % IMPACT ON RESIDENTIAL TAXPAYERS (non-seniors)**

Avg assessment increase (decrease)		3.91	%									
Assessed Value	<b>Avg. Residential Strata</b>			<b>Avg. Single Family Home</b>			<b>Single Family Home (high range)</b>					
	<u>304,000</u>	<u>292,600</u>		<u>660,500</u>	<u>635,600</u>		<u>1,000,000</u>	<u>962,400</u>				
	<u>2012</u>	<u>2011</u>	<u>% Inc</u>	<u>2012</u>	<u>2011</u>	<u>% Inc</u>	<u>2012</u>	<u>2011</u>	<u>% Inc</u>			
Property Taxation												
Municipal	1,080.78	1,057.19	2.25	2,348.22	2,296.49	2.25	3,555.21	3,477.25	2.25			
Utilities												
Sewer	266.53	247.47	7.70	473.94	440.06	7.70	473.94	440.06	7.70			
Water	203.40	192.00	5.90	390.01	368.28	5.90	390.01	368.28	5.90			
Solid Waste	(2) 18.15	17.45	4.01	213.67	205.45	4.00	213.67	205.45	4.00			
	488.08	456.92	6.82	1,077.62	1,013.79	6.30	1,077.62	1,013.79	6.30			
	1,568.86	1,514.11	3.62	3,425.84	3,310.28	3.49	4,632.83	4,491.04	3.16			
<b>Municipal Tax Increase</b>	23.60			51.72			77.96					
<b>Utility Dollar Increase</b>	31.16			63.83			63.83					
<b>Total Increase</b>	<b>54.76</b>			<b>115.55</b>			<b>141.79</b>					

(1) Home Owner Grant reduces by \$5 per \$1000 of assessed value for properties with assessed values in excess of \$1,285,000 (2011 - \$1,150,000). A property over \$1,399,000 will be ineligible for the basic home owner grant (\$1,264,000 in 2011).

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

**2.25 % IMPACT ON INDUSTRY & BUSINESS**

Avg assessment increase (decrease)	<u>Utilities</u>	<u>Business</u>	<u>Light Industry</u>	<u>Heavy Industry</u>
	2.76	6.51	2.27	(1.03)

Average Assessed Value	<b>BUSINESS</b>			<b>LIGHT INDUSTRY</b>			<b>HEAVY INDUSTRY</b>		
	<u>1,402,500</u>	<u>1,316,800</u>		<u>1,258,900</u>	<u>1,231,000</u>		<u>47,114,900</u>	<u>47,605,200</u>	
	<u>2012</u>	<u>2011</u>	<u>% Inc</u>	<u>2012</u>	<u>2011</u>	<u>% Inc</u>	<u>2012</u>	<u>2011</u>	<u>% Inc</u>
Municipal	19,010.32	18,596.64	2.25	32,433.56	31,742.20	2.25	1,433,985.05	1,402,392.07	2.25
	413.69			691.35			31,592.98		

## **ATTACHMENT 4**

### **Where Your Tax Dollars Go**

**CORPORATION OF THE CITY OF NEW WESTMINSTER  
WHERE YOUR 2012 TAX DOLLARS GO**

<b>For an average residential property with assessed value of \$661,000</b>		<b>Municipal Taxation \$</b>	<b>Monthly Basis \$</b>
<b>POLICE SERVICE</b>		<b>698.23</b>	<b>58.19</b>
The New Westminster Police Services strives to provide a safe and secure community through efforts to reduce crime, violence and fear; by fostering community involvement; and by supporting Emergency Social Services during crisis events.			
<b>PARKS, CULTURE AND RECREATION</b>		<b>454.15</b>	<b>37.85</b>
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.			
<b>GENERAL GOVERNMENT</b>		<b>408.93</b>	<b>34.08</b>
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.			
<b>FIRE &amp; RESCUE</b>		<b>468.39</b>	<b>39.03</b>
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.			
<b>ENGINEERING SERVICES</b>		<b>150.41</b>	<b>12.53</b>
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.			
<b>LIBRARY</b>		<b>120.73</b>	<b>10.06</b>
The New Westminster Library endeavours to meet the informational, educational, cultural, and recreational needs of New Westminster residents.			
<b>DEVELOPMENT SERVICES</b>		<b>34.10</b>	<b>2.84</b>
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.			
<b>FISCAL SERVICES (funded by gaming revenues)</b>		<b>15.05</b>	<b>1.25</b>
Bank charges and debt servicing payments.			
<b>TOTAL MUNICIPAL TAXATION</b>		<b>2,349.99</b>	<b>195.83</b>
<b>SEWER CHARGES</b>		<b>473.94</b>	<b>39.50</b>
Maintenance of sanitary & storm sewers:			
Storm sewers	200 km.		
Sanitary Sewers	251 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.			
<b>WATER CHARGES</b>		<b>390.01</b>	<b>32.50</b>
Water mains	205km.		
<b>WASTE MANAGEMENT</b>		<b>213.67</b>	<b>17.81</b>
Single family rate for curbside garbage pickup and recycling.			
<b>TOTAL MUNICIPAL CHARGES</b>		<b>3,427.61</b>	<b>285.63</b>

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



# **ATTACHMENT 5**

## **Comment Sheet**



