

CORPORATION OF THE CITY OF NEW WESTMINSTER

BYLAW NO. 8104, 2019

A Bylaw of the City of New Westminster representing the
Five-Year Financial Plan for the years 2019 – 2023, inclusive

WHEREAS pursuant to Section 165 of the Community Charter, Council must establish a Five-Year Financial Plan for the period 2019 – 2023 inclusive;

NOW THEREFORE, the City Council of the Corporation of the City of New Westminster ENACTS AS FOLLOWS:

(1) This bylaw may be cited for all purposes as the “Five-Year Financial Plan (2019 – 2023), Bylaw No. 8104, 2019”.

(2) Council does hereby adopt the Five-Year Financial Plan, for the years 2019 - 2023 inclusive, for each year of the plan, as set out in Schedule A.

(3) Schedules B and C provide supplementary information to the bylaw.

GIVEN THREE READINGS this 8th day of April , 2019.

ADOPTED and the Seal of the Corporation of the City of New Westminster affixed this day 29th of April , 2019.


MAYOR JONATHAN X. COTÉ MAYOR


Jacque Killawee, City Clerk

CORPORATION OF THE CITY OF NEW WESTMINSTER

CONSOLIDATED FINANCIAL PLAN

Schedule 'A' to Bylaw No. 8104, 2019

	2019	Budget Projections			
	Budget	2020	2021	2022	2023
REVENUE					
Municipal Taxation (see below)	\$ 85,366,891	\$ 89,623,012	\$ 92,939,061	\$ 97,959,664	\$ 104,049,513
Utility Rates	86,961,764	90,801,552	94,737,922	98,873,330	103,248,236
Sale of Services	14,538,524	14,633,702	14,637,180	14,640,757	14,644,438
Grants from Other Governments (1)	5,702,652	5,511,940	2,974,440	2,949,440	2,736,940
Contributions (2)	17,375,474	14,971,502	12,328,905	11,325,181	8,987,051
Other Revenue (3)	16,380,150	16,265,867	16,135,985	16,349,881	16,623,757
Total Revenues	226,325,455	231,807,575	233,753,493	242,098,253	250,289,935
EXPENSES					
General Services					
Police Services	30,373,845	30,946,836	31,447,868	31,958,256	32,710,412
Parks and Recreation	21,592,971	21,804,190	22,309,579	25,606,945	25,996,344
Fire and Rescue	17,223,940	17,510,758	17,577,875	17,922,008	18,375,902
Development Services	5,534,260	5,842,820	5,989,329	6,088,057	6,231,351
Engineering	27,193,396	27,679,146	28,169,469	28,689,845	29,176,205
General Government	24,121,889	24,699,347	24,872,948	25,406,198	26,104,285
Library	4,446,861	4,526,353	4,600,831	4,678,829	4,752,952
	130,487,162	133,009,450	134,967,899	140,350,138	143,347,451
Utilities Services					
Electrical Utility	39,075,467	40,550,084	41,626,169	41,798,257	42,648,658
Water Utility	8,366,825	9,239,624	10,149,668	11,225,160	12,446,468
Sewer Utility	12,438,373	13,237,003	14,572,845	16,044,143	17,214,372
Solid Waste Utility	3,264,771	3,364,293	3,419,428	3,443,697	3,569,774
	63,145,436	66,391,004	69,768,110	72,511,257	75,879,272
Fiscal Expenses					
Interest and Bank Charges	1,723,247	2,722,488	3,977,611	5,866,307	6,812,294
Total Expenses	195,355,845	202,122,942	208,713,620	218,727,702	226,039,017
INCREASE IN TOTAL EQUITY	30,969,610	29,684,633	25,039,873	23,370,551	24,250,918
Reconciliation to Financial Equity					
Amortization of Tangible Capital Assets	24,428,000	26,052,000	26,562,000	29,430,000	30,304,000
Capital Expenses (Schedule B)	(123,770,400)	(93,602,100)	(95,979,800)	(62,238,500)	(33,835,100)
Debt Retirement	(2,582,898)	(3,916,670)	(5,552,205)	(6,845,835)	(8,470,399)
Proceeds on Debt Issuance	26,630,600	35,287,800	55,922,900	28,294,900	2,038,500
Proceeds from Disposal of Assets	1,967,000	-	-	-	-
CHANGE IN FINANCIAL EQUITY (Reserves)	(42,358,088)	(6,494,337)	5,992,768	12,011,116	14,287,919
Financial Equity, beginning of year	111,115,519	68,757,431	62,263,094	68,255,862	80,266,978
FINANCIAL EQUITY (Reserves), end of year	\$ 68,757,431	\$ 62,263,094	\$ 68,255,862	\$ 80,266,978	\$ 94,554,897

Notes:

(1) Includes capital grants noted on Schedule B.

(2) Includes capital contributions and DCCs noted on Schedule B and Gaming Revenue noted on Schedule C.

(3) Includes proceeds from property sales noted on Schedule C.

Municipal Taxation					
Property Taxes	\$ 83,879,791	\$ 87,963,112	\$ 91,273,661	\$ 96,228,064	\$ 102,319,413
Parcel Taxes	59,600	28,900	28,900	28,900	27,400
Grant-in-Lieu of Taxes	955,000	958,500	964,000	1,030,200	1,030,200
Utilities 1%-in-Lieu of Taxes	472,500	672,500	672,500	672,500	672,500
	\$ 85,366,891	\$ 89,623,012	\$ 92,939,061	\$ 97,959,664	\$ 104,049,513

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

Schedule 'A' to Bylaw No. 8104, 2019

(continued)

Proportion of Revenues By Funding Source:

The following Table shows the proportion of total revenue purposed to be raised from each funding source. Property taxes form the largest portion of revenues. They provide a stable and consistent source of revenues to pay for many services, such as police and fire protection, that are difficult or undesirable to fund on a user-pay basis.

Utilities' rates are the City's second largest component of planned revenues. These revenues pay for services including electricity, water, sewer and solid waste and are charged on a user-pay basis. This basis attempts to fairly apportion utility service costs to those that make use of these services.

Other revenue sources, including sale of services, government grants and contributions make up the remainder of total revenues. These revenues fluctuate due to economic conditions and City initiatives.

Revenue Source	% Total Revenue
Taxation	38%
Utility Rates	38%
Sale of Services	6%
Gov't Grants	3%
Contributions	8%
Other Revenue	7%
	100%

Distribution of Property Taxes Between Property Classes:

The following Table provides the distribution of property tax revenue between property classes. The City's primary goal is to set tax rates that are sufficient, after maximizing non-tax revenues, to provide for service delivery; city assets; and maintain tax stability. This is accomplished by maintaining the historical relationship between the property classes and applying the same annual tax rate increase across all Classes. A secondary goal is to set tax rates that are competitive within the region; consequently, the City may, from time to time, adjust the property tax distribution between the Classes as deemed necessary.

Class No	Property Class	% Tax Burden
1	Residential	60%
2	Utilities	<1%
4	Major Industry	2%
5	Light Industry	5%
6	Business	32%
8	Recreation/Non-Profit	<1%
9	Farm	<1%
		100%

Use of Permissive Exemptions:

The City's Annual Municipal Report contains a list of permissive exemptions granted for the year and the amount of tax revenue foregone. Permissive tax exemption is granted to not-for-profit institutions including religious institutions, some recreational facilities, service organizations and cultural institutions that form a valuable part of our community.

Since the mid-90's the City has generally ceased granting new permissive exemptions from property taxes in order to preserve the tax revenue base. Organizations granted exemption prior to implementation of this practice continue to be considered for exemption provided they make an annual submission showing the use of the property subject to exemption has not been altered. All other applications for permissive exemption from property taxes are reviewed on a case-by-case basis.

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED CAPITAL PROGRAM
Schedule 'B' to Bylaw No. 8104, 2019

Note: This Schedule has been provided as an addendum to Schedule A. The figures in this Schedule are included in the consolidated figures in Schedule A.

	2019 Budget	Budget Projections			
		2020	2021	2022	2023
CAPITAL EXPENSES					
Land	\$ 3,507,100	\$ -	\$ -	\$ -	\$ -
Buildings	33,213,000	35,544,700	63,679,700	24,310,400	5,386,000
Vehicles/Equipment	9,894,900	6,457,600	3,134,600	2,508,600	4,508,600
Other Projects	5,901,700	3,365,000	870,000	920,000	905,000
Park Improvements	5,124,500	842,000	1,180,000	2,362,000	950,000
Engineering Structures	18,026,100	11,590,000	12,740,000	16,332,000	7,290,000
Water Infrastructure	4,587,200	2,685,000	3,185,000	3,700,000	4,380,000
Sewer Infrastructure	13,693,000	8,917,800	6,750,500	6,225,500	8,015,500
Electrical Distribution System	29,822,900	24,200,000	4,440,000	5,880,000	2,400,000
TOTAL	\$ 123,770,400	\$ 93,602,100	\$ 95,979,800	\$ 62,238,500	\$ 33,835,100
FUNDING SOURCES					
Reserve Funds	\$ 83,552,066	\$ 46,961,400	\$ 33,949,800	\$ 28,931,500	\$ 29,352,000
Development Cost Charges	2,136,222	604,900	1,554,100	304,100	304,100
Long Term Debt	26,630,600	35,287,800	55,922,900	28,294,900	2,038,500
Grants from Other Governments	3,868,712	5,293,000	1,090,500	1,065,500	853,000
Contributions	7,582,800	5,455,000	3,462,500	3,642,500	1,287,500
TOTAL	\$ 123,770,400	\$ 93,602,100	\$ 95,979,800	\$ 62,238,500	\$ 33,835,100

City of New Westminster - Development Cost Charge Funding Envelope Plan for the 2009 DCC Bylaw 7311

NOTES:

1. This DCC Funding Envelope Plan is based on the capital projects set out in the 2009 Development Cost Charge Review which forms the basis for the City's DCC Bylaw. The City's DCC Bylaw was amended in 2015 to reflect new rates based on an updated capital project plan.
2. City contributions will be from reserves while other contributions are from provincial / federal government grants.
3. The mainland waterfront parkland acquisition / development (\$16M) was initially funded with debt with the intention that the principal on the debt would be repaid over time using Parks DCCs.

	TTL	2009 - 2018	2019	2020	2021	2022	2023	2024 +
Total DCCs	\$ 87,284,408	\$ 36,428,755	\$ 2,136,222	\$ 604,900	\$ 1,554,100	\$ 304,100	\$ 304,100	\$ 45,952,231
Total City & Other Contributions	34,985,065	8,446,264	1,350,000	569,800	563,200	550,600	550,600	22,954,601
	\$ 122,269,473	\$ 44,875,019	\$ 3,486,222	\$ 1,174,700	\$ 2,117,300	\$ 854,700	\$ 854,700	\$ 68,906,832

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

Schedule 'C' to Bylaw No. 8104, 2019

Note: This Schedule has been provided as an addendum to Schedule A. The reserve figures in this Schedule are included in the consolidated figures in Schedule A. Development Cost Charges are provided for information, but are deferred charges rather than reserves.

FINANCIAL EQUITY (RESERVES)	2019	Budget Projections			
	Budget	2020	2021	2022	2023
Revenues:					
Contributions	\$ 7,320,607	\$ 7,413,284	\$ 7,534,170	\$ 7,111,480	\$ 7,125,510
Land Sale Proceeds	1,967,000	-	-	-	-
	9,287,607	7,413,284	7,534,170	7,111,480	7,125,510
Transfers (to) from:					
Operating Budget	31,906,371	33,053,779	32,408,398	33,831,136	36,514,409
Capital Budget	(83,552,066)	(46,961,400)	(33,949,800)	(28,931,500)	(29,352,000)
	(51,645,695)	(13,907,621)	(1,541,402)	4,899,636	7,162,409
Change in Financial Equity (Reserves)	(42,358,088)	(6,494,337)	5,992,768	12,011,116	14,287,919
Financial Equity, Beginning of Year	111,115,519	68,757,431	62,263,094	68,255,862	80,266,978
Financial Equity, End of Year	68,757,431	62,263,094	68,255,862	80,266,978	94,554,897
CHANGE IN RESERVES					
Non-Statutory Reserves	\$ (31,041,144)	\$ (4,141,012)	\$ 6,069,250	\$ 11,894,611	\$ 14,169,953
Statutory Reserves					
Cemetery	35,350	35,350	35,350	35,350	35,350
Construction of Municipal Works	(11,420,635)	(693,407)	(150,888)	41,396	42,141
Parking Cash In Lieu	21,014	21,392	21,778	22,170	22,569
Park Land Acquisition	16,673	16,973	17,278	17,589	17,906
Tax Sale Land	30,654	(1,733,633)	-	-	-
Change in Reserves	\$ (42,358,088)	\$ (6,494,337)	\$ 5,992,768	\$ 12,011,116	\$ 14,287,919
Statutory DCC Reserves					
Drainage DCC	\$ 116,399	\$ 118,495	\$ 120,628	\$ 122,799	\$ 125,010
Parkland DCC	909,082	1,310,246	1,318,132	1,325,659	1,332,621
Sewer DCC	497,003	183,150	453,746	461,914	470,228
Transportation DCC	(987,016)	631,539	(573,593)	666,082	678,072
Water DCC	(25,937)	191,396	194,842	198,348	201,919
Change in DCCs	\$ 509,531	\$ 2,434,826	\$ 1,513,755	\$ 2,774,802	\$ 2,807,850
RESERVE BALANCES					
Non-Statutory Reserves	\$ 60,926,884	\$ 56,785,872	\$ 62,855,122	\$ 74,749,733	\$ 88,919,686
Statutory Reserves					
Cemetery	742,266	777,616	812,966	848,316	883,666
Construction of Municipal Works	3,223,243	2,529,836	2,378,948	2,420,344	2,462,485
Parking Cash In Lieu	1,188,471	1,209,863	1,231,641	1,253,811	1,276,380
Park Land Acquisition	942,934	959,907	977,185	994,774	1,012,680
Tax Sale Land	1,733,633	-	-	-	-
Total Reserves	\$ 68,757,431	\$ 62,263,094	\$ 68,255,862	\$ 80,266,978	\$ 94,554,897
Statutory DCC Reserves					
Drainage DCC	\$ 749,721	\$ 868,216	\$ 988,844	\$ 1,111,643	\$ 1,236,653
Parkland DCC	7,802,540	9,112,786	10,430,918	11,756,577	13,089,198
Sewer DCC	1,441,639	1,624,789	2,078,535	2,540,449	3,010,677
Transportation DCC	(2,020,032)	(1,388,493)	(1,962,086)	(1,296,004)	(617,932)
Water DCC	1,744,236	1,935,632	2,130,474	2,328,822	2,530,741
Total DCC Reserves	\$ 9,718,104	\$ 12,152,930	\$ 13,666,685	\$ 16,441,487	\$ 19,249,337