



REPORT

Finance and Information Technology

To: Mayor Côté and Members of Council **Date:** 11/4/2019

From: Colleen Ponzini, CPA, CGA **File:**

Director of Finance

Item #: 402/2019

Subject: 2020 Utility Rates

RECOMMENDATION

***THAT** Council approve in principle the 2020 Utility Rates with respect to the Electric, Water, Sewer and Solid Waste Utilities, and;*

***THAT** Council approve the implementation of a new Climate Action Levy in the Electric Utility though reallocation of half of the current 5% Rate Rider, and;*

***THAT** Council direct staff to prepare the necessary bylaws to amend the City's utility rates for 2020 as outlined in this report.*

PURPOSE

This report provides the draft Five-Year Financial Plan (2020 – 2024) for the Utility Funds that have been used to determine the proposed 2020 utility rates for the Electric, Water, Sewer, and Solid Waste Utilities. Included in the report is reference to the implementation of a Climate Action Levy through the Electric Utility that would be used to fund initiatives that help address Climate Emergency.

SUMMARY

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.

The draft budgets that were used to determine the rates required for the Utilities are presented in Attachment 1. The following table summarizes the proposed Electric, Water, Sewer and Solid Waste Utility user rate adjustments effective for January 1, 2020.

	Electric	Water	Sewer	Solid Waste	Total
Average Single Family Household	Based on 1,000 KWH	net of 5% discount	net of 5% discount	net of 5% discount	
Current 2019	\$ 1,454	\$ 564	\$ 796	\$ 222	\$ 3,036
Proposed 2020 \$ Increase	\$ 41	\$ 39	\$ 56	\$ 27	\$ 163
Proposed 2020	\$ 1,495	\$ 603	\$ 852	\$ 249	\$ 3,199
2020 % Rate Increase	<u>2.8%</u>	<u>7.0%</u>	<u>7.0%</u>	<u>12.0%</u>	<u>5.4%</u>

The budgets in the draft Five-Year Financial Plan for the Utilities are projections based on best estimates of future events that may materially affect the City such as annual wage increments, and increasing fees charged by Metro Vancouver and BC Hydro. The budgets also include funding to support some of the City's major initiatives including a District Energy System, the BridgeNet Dark Fibre Utility, and a Queensborough Substation. The proposed rates are also required to fund utility infrastructure replacement and to build utility reserves. In addition, there is a proposed Climate Action Levy in the Electric Utility that would be established through reallocation of half of the Electric Utility's Rate Rider.

DISCUSSION

Electric Utility Fund

The Electric 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. The following is a summary of the key budget elements as well as the proposed rate increases for the Electric Utility:

Electric Utility	Budget Projections (\$000)				
	2020	2021	2022	2023	2024
Revenues	54,169	54,881	57,183	57,570	59,275
Operating Expenses	41,319	43,788	47,496	48,976	49,995
Capital	36,645	50,061	31,751	3,481	2,670
Reserves	20,853	20,789	17,825	19,063	21,263
Rate Increase	2.8%	2.8%	2.8%	2.8%	2.8%

Of note, the Utility rate increases differ from BC Hydro's proposed rate increases in order to provide a more balanced and consistent approach. The Utility is proposing a 2.8% increase annually through to 2024.

Revenues generated through the sale of electricity are used to operate and maintain the electrical distribution system. Given the large capital projects that the Electric Utility will undertake over the next 5 years, a rate increase of 2.8% from 2020 to 2024 is being proposed; BC Hydro's rate increases fluctuate annually during that span. The proposed rate increases are primarily required to off-set the increase in operating expenses and to fund the Utility's capital program while maintaining the reserve funds at reasonable levels.

Most of the Utility's operating expenses (77% for 2020) relate to the purchase of electricity from BC Hydro which is expected to grow over the five-year period. Other operating costs such as salaries / benefits, contracted services etc. increase in accordance with negotiated agreements. Under operating expenses, interest expense is anticipated to rise as the Utility's debt load increases to fund substations, BridgeNet and District Energy Systems.

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

The capital budget also includes major investment for detailed design and implementation of a substation located in Queensborough; installation on the remaining Phase 2 and Phase 3 for the BridgeNet Dark Fibre network; a new Advanced Meter Infrastructure (AMI) replacement project; and a District Energy System in Sapperton.

Finally the Utility is recommending implementing the rate changes as of January rather than April 1st as was the case in previous years.

Climate Action Levy

In addition to the proposed rate increases, the Electric Utility is also proposing to amend the existing 5% Rate Rider. The proposal is to implement a new Climate Action Levy through the re-allocation of half of the 5% Rate Rider. This Climate Action Levy would be used to fund projects and initiatives that are in-line with the City's Environmental strategies and goals. Customers would see no net financial impact due to this change; however, the Electric Utility would see a net decrease of approximately \$1.2M annually to its reserves.

The following table shows the projected Electrical Reserves allocated between the Electric Utility and the proposed Climate Action Reserve.

	2020	2021	2022	2023	2024
Climate Action Levy	1,224	2,483	3,777	5,107	6,475
Electric Utility	19,629	18,306	14,048	13,955	14,788
Reserves	20,853	20,789	17,825	19,063	21,263

If Council were to choose to increase the Climate Action Levy further, approximately \$500K annually could be raised for every 1% increase to the Climate Action Levy. This increase would cost electrical customers approximately \$15 per 1,000 KWH. The proposed funding that would include an additional 1% Climate Action Levy is shown below which ranges from \$1.7M in 2020 to \$9.1M in 2024.

	2020	2021	2022	2023	2024
Additional 1%	490	993	1,511	2,043	2,590
Climate Action Levy	1,224	2,483	3,777	5,107	6,475
Total Climate Action Levy	1,714	3,476	5,288	7,150	9,064

Water Utility Fund

The Water Utility provides a water distribution system for the citizens and businesses of New Westminster. The Utility purchases potable water from Metro Vancouver's Greater Vancouver Water District and distributes it to residents and businesses. Following is a summary of the key budget elements for the Water Utility, details are provided in Attachment 1.

	Budget Projections (\$000)				
Water Utility	2020	2021	2022	2023	2024
Revenues	13,803	14,529	15,537	16,618	17,774
Operating Expenses	8,891	9,390	10,169	11,122	12,186
Capital	4,376	4,325	4,845	5,700	5,595
Reserves	4,151	5,168	5,932	6,039	6,481
Rate Increase	7.0%	7.0%	7.0%	7.0%	7.0%

Revenues generated through water user rates are used to operate and maintain the water distribution system. Water user rates are projected to increase by 7.0% annually over the next five years primarily to address increasing operating costs driven by bulk water purchases from Metro Vancouver, the funding of the Utility's capital program, and with the aim towards building capital reserves to address future needs.

Metro Vancouver proposed annual water rate increases from 2020 to 2024 are 6.0%, 6.1%, 8.8%, 9.9% and 10.1% respectively. A significant portion of the Metro Vancouver rate increase is related to the regional capital program (reservoir upgrades, transmission mains, marine crossings, etc.).

The Water Utility's capital budget primarily provides for replacements of end of life city water mains, associated trench restoration, new additions to meet future population growth and the replacement of equipment and service vehicles. It also includes provision for the assessment of the network for system optimization and prioritization of improvements. The development of the capital program is guided by the City's Asset Management process and the Master Water Servicing Plan which was updated in 2016.

Over the next five years the Water Utility's capital budget is in the range of \$4.3M to \$5.7M annually. The capital program includes moving forward with replacing aging watermains that have reached or exceeded their remaining service life and/or experiencing leak failures, responding to emergent system needs, replacing watermains opportunistically in conjunction with the annual sewer separation program and enhancing the water conservation program. The cost of watermain replacement has increased due to market conditions and new environmental requirements for handling excavated materials.

Reserves for the Water Utility are an accumulation of surpluses from current operations to finance future capital and operational requirements with an objective of maintaining a reserve equivalent to 5% to 10% of the Utility's asset replacement value. The proposed Financial Plan will increase the reserve balance from approximately 2% to 3% of the asset replacement value by 2024.

Sewerage and Drainage Utility Fund

The Sewerage and Drainage Utility provides a sanitary and storm water collection system and floodplain management for the citizens and businesses of New Westminster. The Utility purchases trunk sewerage and wastewater treatment services from Metro Vancouver's Greater Vancouver Sewerage and Drainage District. Following is a summary of the key budget elements for the Sewer Utility, details are provided in Attachment 1.

	Budget Projections (\$000)				
Sewer Utility	2020	2021	2022	2023	2024
Revenues	24,589	24,201	25,870	27,658	29,569
Operating Expenses	13,258	14,695	16,445	18,221	19,431
Capital	16,704	8,273	8,008	9,238	7,862
Reserves	5,823	8,301	10,999	12,564	16,359
Rate Increase	7.0%	7.0%	7.0%	7.0%	7.0%

Revenues generated through sewer user rates are used to operate and maintain the sanitary and storm water collection system, as well as for floodplain protection. Sewer and Drainage Utility user rates are projected to increase by 7.0% annually over the next five years primarily to address increasing operating costs driven by increases in regional sewage conveyance and treatment costs from Metro Vancouver, the funding of the Utility's capital program, and building capital reserves to address future needs.

Metro Vancouver proposed annual sewer rate increases for the Fraser Sewage Area from 2020 to 2024 are 8.0%, 13.9%, 15.6%, 13.4% and 8.1% respectively. Metro Vancouver has embarked on a multi-year major capital program to upgrade a number of regional sewage treatment facilities which is a key driver for the increasing regional sewerage levies.

The Sewer and Drainage Utility's capital budget primarily provides for the rehabilitation and replacement of existing sewers, the sewer separation program (a legislative commitment under the Metro Vancouver's Integrated Liquid Waste and Resource Management Plan (ILWRMP)) with installation of new storm sewers, associated trench restoration, drainage and floodplain protection works, replacement of pump stations, equipment and service vehicles. It also includes provisions for the assessment of the network for system optimization and prioritization of improvements. The development of the capital program is guided by the City's asset management plans and the Master Sewer/Drainage Servicing Plan which was updated in 2016. Over the next five years the Sewerage and Drainage Utility's capital budget is in the range of \$16.7M (2020) to \$7.9M (2024) annually.

The City Sewer Utility provides for both storm and sanitary services along with flood protection and a mandated combined sewer separation program. The volume and complexity of work involved and rate increases from Metro Vancouver are placing significant financial pressure on the Utility. The 2020 program includes some provisions for annual rehabilitation of end of life sewers, sewer separation in the Kelvin area, implementing the Integrated Storm Water Management Program and replacement of the Boundary Street drainage pump station. A key factor for the capital budget increase is the construction cost for combined sewer separation due to market conditions and new environmental requirements for handling excavated materials. The annual combined sewer separation budget has increased from \$2.3M (2017) and \$2.7M (2019) to \$3.8M (2020) which in large part is related to contaminated materials disposal. Another significant factor in the 2020 capital program is the Boundary Pump Station replacement which is estimated to cost \$6.0M.

Reserves for the Sewerage and Drainage Utility are an accumulation of surpluses from current operations to finance future capital and operational requirements with an objective of maintaining a reserve equivalent to 5% to 10% of the Utility's asset replacement value. This proposed financial plan will increase the reserve balance from approximately 2% to 5% of the asset replacement value by 2024.

Solid Waste Utility Fund

The Solid Waste Utility provides garbage, recycling and organics collection services for the citizens and a number of businesses in New Westminster. The following is a summary of the key budget elements for the Solid Waste Utility, details are provided in Attachment 1.

Solid Waste Utility	Budget Projections (\$000)				
	2020	2021	2022	2023	2024
Revenues	4,040	4,420	4,783	5,184	5,626
Operating Expenses	3,343	3,414	3,453	3,574	3,583
Capital	85	85	85	485	885
Reserves	(1,753)	(1,359)	(670)	(50)	613
Rate Increase	12.0%	12.0%	10.0%	10.0%	10.0%

Revenues generated through solid waste user rates are used to operate and maintain these services. The standard Solid Waste user rates in 2020 are projected to increase by approximately \$27 for an average single family household and \$3 for an average residential strata unit to pay for increasing operating and capital costs primarily related to tipping fees paid to Metro Vancouver's Greater Vancouver Sewerage and Drainage District (and other organizations depending on the waste stream) for the disposal of garbage, recyclables and organic waste; as well as to maintain the Utility's fleet of collection vehicles; and to build capital reserves that can meet future vehicle replacements.

Solid Waste Utility revenues include a financial contribution from Recycle BC for the collection of residential printed paper and recyclable packaging materials through the City's curbside, depot and multifamily recycling programs. The incentive rates from the Recycle BC contract were set in 2019 and will remain static until 2023.

The Solid Waste Utility capital budget provides for replacement of the Utility's automated garbage/recycling packers and replacement of garbage/recycling/yard & food scraps carts and disposal bins. In 2020, the Solid Waste capital budget includes \$85k for replacement collection carts and disposal bins. Equipment replacement funds are built up over a period of 7 years for the replacement of each garbage/recycling packer. In 2019, the last garbage/recycling packer from the initial purchase of vehicles required to launch the automated program was replaced. The City does not anticipate purchasing another replacement garbage/recycling packer until 2023 and will stagger equipment purchases out at no more than 1-2 vehicles per year from 2023 onward.

The Solid Waste Reserves are projected to be in a net negative position until 2024. Investment in garbage and recycling vehicles increased in the last 5 years and it is taking time to replenish the reserves. Tipping fee increases, primarily for organic waste processing, also contributed to the negative reserve balance.

OPTIONS

The following options are presented for Council’s consideration:

Option 1: Approve in principle the 2020 Utility Rates with respect to the Electric, Water, Sewer and Solid Waste Utilities and direct staff to prepare the necessary bylaws to amend the City’s Utility Rates for 2020 as outlined in this report.

Option 2: Approve the implementation of a new Climate Action Levy in the Electric Utility through reallocation of half of the current 5% Rate Rider.

Option 3: Provide staff further direction regarding the utilities’ budgets and / or user rates within the City’s draft 2020-2024 Financial Plan.

Staff recommends options 1 and 2.

INTERDEPARTMENTAL LIAISON

The Electrical, Engineering and Finance Departments have collaboratively prepared the draft Five-Year Financial Plan (2020-2024) for the Utility Funds including the proposed 2020 Utility Rates.

CONCLUSION

Staff has completed the City’s draft 2020-2024 Financial Plan for the Utility Funds. This Plan incorporates both the operating and capital budgets for each of the Utilities. The Plan reflects adjustments in utility user rates necessary to maintain and operate the utilities over the next five years.

Provided that Council agrees in principle with the proposed 2020 Utility Rates with respect to the Electric, Water, Sewer and Solid Waste Utilities and a new Climate Action Levy, staff will bring forward, for Council’s consideration at the next regular meeting of Council, the necessary bylaws to amend the City’s Utility Rates for 2020.

ATTACHMENTS

Attachment #1 - Utility Funds Draft Budgets

Approved for Presentation to Council



Colleen Ponzini, CPA, CGA
Director of Finance



Lisa Spitale
Chief Administrative Officer

Attachment #1

Utility Funds Draft Budgets

**CORPORATION OF THE CITY OF NEW WESTMINSTER
ELECTRICAL FUND BUDGET**

	2019 Projections	2019 Budget	2020 Budget	\$ Chg	Budget Projections			
					2021	2022	2023	2024
REVENUE								
Utility Rates	\$ 50,298,945	\$ 49,381,764	\$ 51,703,715	\$ 2,321,951	\$ 53,143,604	\$ 54,623,810	\$ 56,145,462	\$ 57,709,720
Sale of Services	50,000	49,825	49,825	-	49,825	49,825	49,825	49,825
Capital Contributions and DCC's	2,983,800	2,157,500	2,276,400	118,900	1,500,000	2,250,000	1,000,000	1,000,000
Other Revenue	140,796	105,341	139,371	34,030	187,684	259,086	374,592	515,496
Total Revenues	53,473,541	51,694,430	54,169,311	2,474,881	54,881,113	57,182,721	57,569,879	59,275,041
EXPENSES								
Salaries, Benefits and Training	3,000,000	3,117,764	3,265,337	147,573	3,357,792	3,466,581	3,360,904	3,444,633
Contracted Services	1,700,000	1,806,337	1,817,106	10,769	2,128,090	2,139,294	2,150,105	2,193,000
Supplies and Materials	700,000	330,982	600,000	269,018	600,000	600,000	600,000	600,000
Interest and Bank Charges	818,496	818,496	902,858	84,362	1,521,010	2,912,010	3,644,664	3,660,914
Utility Purchases and Levies	31,807,633	31,082,384	31,974,623	892,239	32,502,204	32,502,204	33,282,257	34,081,031
Amortization	2,432,000	2,738,000	2,759,000	21,000	3,679,000	5,876,000	5,938,000	6,015,000
Total Expenses	40,458,129	39,893,963	41,318,924	1,424,961	43,788,096	47,496,089	48,975,930	49,994,578
INCREASE IN TOTAL EQUITY	13,015,412	11,800,467	12,850,387	1,049,920	11,093,017	9,686,632	8,593,949	9,280,463
Reconciliation to Financial Equity								
Amortization of Tangible Capital Assets	2,432,000	2,738,000	2,759,000	21,000	3,679,000	5,876,000	5,938,000	6,015,000
Capital Expenses	(10,099,000)	(36,489,400)	(36,645,000)	(155,600)	(50,061,000)	(31,751,300)	(3,481,000)	(2,670,000)
Debt Retirement	(996,931)	(972,296)	(1,442,730)	(470,434)	(2,349,559)	(4,096,457)	(5,094,465)	(5,254,941)
Proceeds on Debt Issuance	4,762,800	20,320,900	18,457,000	(1,863,900)	42,800,000	22,543,200	500,000	-
Transfer from/(to) Other Funds	(6,000,000)	(6,000,000)	(6,000,000)	-	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Internal Charges	(1,820,000)	(1,713,959)	(1,843,206)	(129,247)	(1,869,172)	(1,903,705)	(1,934,230)	(1,967,212)
Internal Recoveries	2,770,000	2,627,793	2,575,654	(52,139)	2,644,010	2,680,906	2,715,694	2,796,841
CHANGE IN FINANCIAL EQUITY (Reserves)	4,064,281	(7,688,495)	(9,288,895)	(1,600,400)	(63,704)	(2,964,724)	1,237,948	2,200,151
Financial Equity , beginning of year	26,077,690	26,037,191	30,141,971	4,104,780	20,853,076	20,789,372	17,824,648	19,062,596
FINANCIAL EQUITY (Reserves), end of year	\$ 30,141,971	\$ 18,348,696	\$ 20,853,076	\$ 2,504,380	\$ 20,789,372	\$ 17,824,648	\$ 19,062,596	\$ 21,262,747

ELECTRICAL FUND CAPITAL BUDGET

CAPITAL EXPENSES								
Land	\$ 415,300	\$ 2,863,100	\$ 2,359,700	\$ (503,400)	\$ -	\$ -	\$ -	\$ -
Vehicles/Equipment	2,779,600	3,296,900	2,029,300	(1,267,600)	880,000	3,485,000	530,000	670,000
Other Projects	65,000	506,500	941,500	435,000	250,000	250,000	250,000	250,000
Electrical Distribution System	6,839,100	29,822,900	31,314,500	1,491,600	48,931,000	28,016,300	2,701,000	1,750,000
Total Capital Expenses	\$ 10,099,000	\$ 36,489,400	\$ 36,645,000	\$ 155,600	\$ 50,061,000	\$ 31,751,300	\$ 3,481,000	\$ 2,670,000
FUNDING SOURCES								
Reserve Funds	\$ 2,352,400	\$ 14,011,000	\$ 15,911,600	\$ 1,900,600	\$ 5,761,000	\$ 6,958,100	\$ 1,981,000	\$ 1,670,000
Long Term Debt	4,762,800	20,320,900	18,457,000	(1,863,900)	42,800,000	22,543,200	500,000	-
Grants from Other Governments	-	50,000	50,000	-	-	1,250,000	-	-
Contributions	2,983,800	2,107,500	2,226,400	118,900	1,500,000	1,000,000	1,000,000	1,000,000
Total Capital Funding	\$ 10,099,000	\$ 36,489,400	\$ 36,645,000	\$ 155,600	\$ 50,061,000	\$ 31,751,300	\$ 3,481,000	\$ 2,670,000

**CORPORATION OF THE CITY OF NEW WESTMINSTER
WATER FUND BUDGET**

	2019 Projections	2019 Budget	2020 Budget	\$ Chg	Budget Projections			
					2021	2022	2023	2024
REVENUE								
Utility Rates	\$ 12,602,742	\$ 13,525,000	\$ 13,486,000	\$ (39,000)	\$ 14,430,000	\$ 15,438,000	\$ 16,519,000	\$ 17,675,000
Sale of Services	30,000	99,183	99,183	-	99,183	99,183	99,183	99,183
Grants from Other Governments	10,000	10,000	-	(10,000)	-	-	-	-
Capital Contributions and DCC's	36,000	217,800	217,800	-	-	-	-	-
Total Revenues	12,678,742	13,851,983	13,802,983	(49,000)	14,529,183	15,537,183	16,618,183	17,774,183
EXPENSES								
Salaries, Benefits and Training	689,317	600,124	702,289	102,165	720,159	737,845	756,039	774,689
Contracted Services	445,567	176,045	146,045	(30,000)	116,045	116,045	116,045	116,045
Supplies and Materials	201,250	139,137	139,137	-	139,137	139,137	139,137	139,137
Utility Purchases and Levies	6,436,726	6,532,519	6,928,280	395,761	7,393,761	8,110,724	8,973,576	9,959,155
Amortization	933,000	919,000	975,000	56,000	1,021,000	1,065,000	1,137,000	1,197,000
Total Expenses	8,705,860	8,366,825	8,890,751	523,926	9,390,102	10,168,751	11,121,797	12,186,026
INCREASE IN TOTAL EQUITY	3,972,882	5,485,158	4,912,232	(572,926)	5,139,081	5,368,432	5,496,386	5,588,157
Reconciliation to Financial Equity								
Amortization of Tangible Capital Assets	933,000	919,000	975,000	56,000	1,021,000	1,065,000	1,137,000	1,197,000
Capital Expenses	(5,080,600)	(5,463,400)	(4,376,000)	1,087,400	(4,325,000)	(4,845,000)	(5,700,000)	(5,595,000)
Transfer from/(to) Other Funds	220,000	220,000	220,000	-	220,000	220,000	220,000	220,000
Internal Charges	(1,320,901)	(1,320,901)	(1,356,405)	(35,504)	(1,380,611)	(1,414,223)	(1,446,435)	(1,391,996)
Internal Recoveries	305,722	305,722	315,045	9,323	342,278	369,911	400,333	424,333
CHANGE IN FINANCIAL EQUITY (Reserves)	(969,897)	145,579	689,872	544,293	1,016,748	764,120	107,284	442,494
Financial Equity , beginning of year	4,430,841	4,696,574	3,460,944	(1,235,630)	4,150,816	5,167,564	5,931,683	6,038,967
FINANCIAL EQUITY (Reserves), end of year	\$ 3,460,944	\$ 4,842,153	\$ 4,150,816	\$ (691,337)	\$ 5,167,564	\$ 5,931,683	\$ 6,038,967	\$ 6,481,461

WATER FUND CAPITAL BUDGET

CAPITAL EXPENSES								
Vehicles/Equipment	\$ 568,300	\$ 560,700	\$ 145,000	\$ (415,700)	\$ 45,000	\$ 45,000	\$ 220,000	\$ 115,000
Other Projects	196,300	315,500	267,400	(48,100)	90,000	90,000	150,000	150,000
Water Infrastructure	4,316,000	4,587,200	3,963,600	(623,600)	4,190,000	4,710,000	5,330,000	5,330,000
Total Capital Expenses	\$ 5,080,600	\$ 5,463,400	\$ 4,376,000	\$ (1,087,400)	\$ 4,325,000	\$ 4,845,000	\$ 5,700,000	\$ 5,595,000
FUNDING SOURCES								
Reserve Funds	\$ 5,034,600	\$ 5,235,600	\$ 4,158,200	\$ (1,077,400)	\$ 4,325,000	\$ 4,845,000	\$ 5,700,000	\$ 5,595,000
Development Cost Charges	-	217,800	217,800	-	-	-	-	-
Grants from Other Governments	10,000	10,000	-	(10,000)	-	-	-	-
Contributions	36,000	-	-	-	-	-	-	-
Total Capital Funding	\$ 5,080,600	\$ 5,463,400	\$ 4,376,000	\$ (1,087,400)	\$ 4,325,000	\$ 4,845,000	\$ 5,700,000	\$ 5,595,000

**CORPORATION OF THE CITY OF NEW WESTMINSTER
SEWER FUND BUDGET**

	2019 Projections	2019 Budget	2020 Budget	\$ Chg	Budget Projections			
					2021	2022	2023	2024
REVENUE								
Utility Rates	\$ 20,836,800	\$ 20,923,000	\$ 22,294,000	\$ 1,371,000	\$ 23,854,000	\$ 25,523,000	\$ 27,311,000	\$ 29,223,000
Sale of Services	674,134	160,307	271,042	110,735	271,042	271,042	271,042	271,042
Grants from Other Governments	121,400	202,600	-	(202,600)	-	-	-	-
Capital Contributions and DCC's	-	862,000	2,003,700	939,100	55,500	55,500	55,500	55,000
Other Revenue	-	46,000	20,000	(26,000)	20,000	20,000	20,000	20,000
Total Revenues	21,632,334	22,193,907	24,588,742	2,192,235	24,200,542	25,869,542	27,657,542	29,569,042
EXPENSES								
Salaries, Benefits and Training	941,559	941,559	963,919	22,360	989,331	1,015,474	1,042,375	1,039,294
Contracted Services	895,573	895,573	765,573	(130,000)	765,573	765,573	765,573	765,573
Supplies and Materials	156,904	156,904	156,550	(354)	156,550	156,550	156,550	156,550
Utility Purchases and Levies	8,723,337	8,723,337	9,420,934	697,597	10,730,444	12,404,393	14,066,582	15,205,975
Amortization	1,765,000	1,721,000	1,951,000	230,000	2,053,000	2,103,000	2,190,000	2,264,000
Total Expenses	12,482,373	12,438,373	13,257,976	819,603	14,694,898	16,444,990	18,221,080	19,431,392
INCREASE IN TOTAL EQUITY	9,149,961	9,755,534	11,330,766	1,575,232	9,505,644	9,424,552	9,436,462	10,137,650
Reconciliation to Financial Equity								
Amortization of Tangible Capital Assets	1,765,000	1,721,000	1,951,000	230,000	2,053,000	2,103,000	2,190,000	2,264,000
Capital Expenses	(9,569,900)	(14,381,100)	(16,704,300)	(2,323,200)	(8,272,500)	(8,007,500)	(9,237,500)	(7,862,000)
Transfer from/(to) Other Funds	340,000	340,000	340,000	-	340,000	340,000	340,000	340,000
Internal Charges	(1,353,155)	(1,353,155)	(1,455,013)	(101,858)	(1,476,905)	(1,511,681)	(1,543,127)	(1,488,349)
Internal Recoveries	290,871	290,871	305,164	14,293	328,203	349,922	378,686	404,130
CHANGE IN FINANCIAL EQUITY (Reserves)	622,777	(3,626,850)	(4,232,383)	(605,533)	2,477,442	2,698,293	1,564,521	3,795,431
Financial Equity , beginning of year	9,432,991	9,534,557	10,055,768	521,211	5,823,385	8,300,827	10,999,120	12,563,641
FINANCIAL EQUITY (Reserves), end of year	\$ 10,055,768	\$ 5,907,707	\$ 5,823,385	\$ (84,322)	\$ 8,300,827	\$ 10,999,120	\$ 12,563,641	\$ 16,359,072

SEWER FUND CAPITAL BUDGET

CAPITAL EXPENSES								
Vehicles/Equipment	\$ 10,000	\$ 35,000	\$ 93,000	\$ 58,000	\$ 155,000	\$ 10,000	\$ 40,000	\$ 265,000
Other Projects	590,900	653,100	622,200	(30,900)	475,000	505,000	490,000	490,000
Sewer Infrastructure	8,969,000	13,693,000	15,989,100	2,296,100	7,642,500	7,492,500	8,707,500	7,107,000
Total Capital Expenses	\$ 9,569,900	\$ 14,381,100	\$ 16,704,300	\$ 2,323,200	\$ 8,272,500	\$ 8,007,500	\$ 9,237,500	\$ 7,862,000
FUNDING SOURCES								
Reserve Funds	\$ 9,448,500	\$ 13,316,500	\$ 14,700,600	\$ 1,384,100	\$ 8,217,000	\$ 7,952,000	\$ 9,182,000	\$ 7,807,000
Development Cost Charges	-	-	384,200	384,200	55,500	55,500	55,500	55,000
Grants from Other Governments	121,400	202,600	-	(202,600)	-	-	-	-
Contributions	-	862,000	1,619,500	757,500	-	-	-	-
Total Capital Funding	\$ 9,569,900	\$ 14,381,100	\$ 16,704,300	\$ 2,323,200	\$ 8,272,500	\$ 8,007,500	\$ 9,237,500	\$ 7,862,000

**CORPORATION OF THE CITY OF NEW WESTMINSTER
SOLID WASTE FUND BUDGET**

	2019 Projections	2019 Budget	2020 Budget	\$ Chg	Budget Projections			
					2021	2022	2023	2024
REVENUE								
Utility Rates	\$ 2,918,400	\$ 3,132,000	\$ 3,261,000	\$ 129,000	\$ 3,641,000	\$ 4,004,000	\$ 4,405,000	\$ 4,847,000
Other Revenue	869,000	814,000	779,000	(35,000)	779,000	779,000	779,000	779,000
Total Revenues	3,787,400	3,946,000	4,040,000	94,000	4,420,000	4,783,000	5,184,000	5,626,000
EXPENSES								
Salaries, Benefits and Training	985,749	834,699	938,637	103,938	961,514	984,378	1,007,900	967,348
Contracted Services	52,550	47,120	47,120	-	47,120	47,120	47,120	47,120
Supplies and Materials	43,694	40,000	40,000	-	40,000	40,000	40,000	40,000
Utility Purchases and Levies	1,900,787	1,883,952	1,930,706	46,754	1,986,882	2,043,175	2,099,923	2,131,945
Amortization	421,000	459,000	387,000	(72,000)	378,000	338,000	379,000	397,000
Total Expenses	3,403,780	3,264,771	3,343,463	78,692	3,413,516	3,452,673	3,573,943	3,583,413
INCREASE IN TOTAL EQUITY	383,620	681,229	696,537	15,308	1,006,484	1,330,327	1,610,057	2,042,587
Reconciliation to Financial Equity								
Amortization of Tangible Capital Assets	421,000	459,000	387,000	(72,000)	378,000	338,000	379,000	397,000
Capital Expenses	(431,100)	(650,000)	(85,000)	565,000	(85,000)	(85,000)	(485,000)	(885,000)
Internal Charges	(1,012,703)	(976,662)	(1,057,886)	(81,224)	(1,068,369)	(1,077,413)	(1,088,746)	(1,115,074)
Internal Recoveries	136,924	128,386	142,476	14,090	163,118	182,954	204,394	223,138
CHANGE IN FINANCIAL EQUITY (Reserves)	(502,259)	(358,047)	83,127	441,174	394,233	688,868	619,705	662,651
Financial Equity , beginning of year	(1,333,805)	(1,304,754)	(1,836,064)	(531,310)	(1,752,937)	(1,358,704)	(669,836)	(50,131)
FINANCIAL EQUITY (Reserves), end of year	\$ (1,836,064)	\$ (1,662,801)	\$ (1,752,937)	\$ (90,136)	\$ (1,358,704)	\$ (669,836)	\$ (50,131)	\$ 612,520
SOLID WASTE FUND CAPITAL BUDGET								
CAPITAL EXPENSES								
Vehicles/Equipment	\$ 431,100	\$ 650,000	\$ 85,000	\$ (565,000)	\$ 85,000	\$ 85,000	\$ 485,000	\$ 885,000
Total Capital Expenses	\$ 431,100	\$ 650,000	\$ 85,000	\$ (565,000)	\$ 85,000	\$ 85,000	\$ 485,000	\$ 885,000
FUNDING SOURCES								
Reserve Funds	\$ 431,100	\$ 650,000	\$ 85,000	\$ (565,000)	\$ 85,000	\$ 85,000	\$ 485,000	\$ 885,000
Total Capital Funding	\$ 431,100	\$ 650,000	\$ 85,000	\$ (565,000)	\$ 85,000	\$ 85,000	\$ 485,000	\$ 885,000