

The City of New Westminster wants your input

To the residents and business owners of New Westminster:

In accordance with the Community Charter, each year the City must update its Five-Year Financial Plan. The Financial Plan includes the operating and capital budgets for each year contained in the Financial Plan. As the City embarks on the 2013 budget process, we are asking residents and the business owners to provide input into this process by taking time to read the following information and complete a brief online survey by clicking on the “Budgeting for the Future” link below.

Municipal property taxes and utility user fees pay for a variety of services that residents and businesses depend on and use regularly. Each year the City is faced with the challenge of balancing the budget, which is mandated for municipal governments. This means understanding and establishing the types and standards of services required to meet the expectations of the community and then setting realistic taxation and utilities rates to sustain these services. This is particularly challenging given continued downloading from senior levels of government without the required funding support.

This document provides an overview of the kinds of services the City provides; the costs associated with these services; where the money comes from to provide these services; and the challenges and the choices needed to balance the budget for 2013 and beyond. By participating in the survey, your feedback will help Council better understand the services that matter most to you; how to maintain and/or possibly adjust services and programs; and what you believe is an acceptable annual increase in property tax and utility rates. Your comments will help set the financial direction for the City’s 2013-2017 Financial Plan.

Thank you for your participation.



Photo credit: Dennis Sylvester Hurd

Take the “Budgeting for the Future” Survey

Budget drivers for 2013 and beyond

When developing 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. Council and staff follow a set of budgeting principles and financial policies with the goal of achieving a sustainable and affordable Financial Plan. The more significant budget drivers for 2013 and beyond include:

- **Growing Community** – the City of New Westminster has experienced growth in excess of the regional average, putting additional demands on services and infrastructure. In consideration of these pressures, over the last few years the City has invested and continues to invest in new initiatives and amenities. This investment incurs a one-time capital cost and ongoing operating, maintenance and financing costs;
- **Wage Agreements** – as a service-based organization, the City's major cost is salaries and benefits, representing more than half of the total operating budget. These costs increase with the demand for services, level of service and negotiated wage settlements;
- **Utility Services** – the City's costs for purchasing electricity from BC Hydro and water, sewer and solid waste services from Metro Vancouver are projected to increase well in excess of inflation as these organizations ramp-up investment infrastructure maintenance and replacement;
- **Funding for Capital Replacement** - recent studies indicate that, like other municipalities across the country, the City has a backlog of public works infrastructure, parks infrastructure and building systems in need of replacement; the existing annual funding envelopes are not sufficient to address this need.



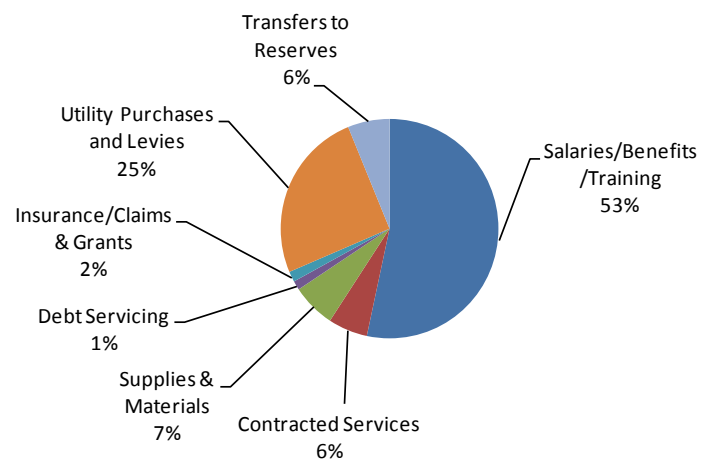
These are just some of the challenges that Council and staff will be addressing during the budget management process, while preparing the City's Five-Year Financial Plan for 2013 – 2017. As in the past, the goal is to rationalize service levels and fund these services through modest tax and user fee increases.

Your City is a service industry

The City operates as a service industry. Capital costs are incurred to build or purchase assets (equipment, infrastructure, facilities), and operating costs (labour, material, supplies) are incurred to operate or maintain the assets and deliver the services. The increases to the operating costs are what typically drive tax increases; capital funds tend to come from other sources.

With respect to tax increases, we often hear that the bulk of a city's costs are related to staff. That is as true for cities as it is for all service industries. When you deliver services, the bulk of your costs are people costs. In a city there are police officers, firefighters, bylaw officers, librarians, parks workers, fitness instructors, lifeguards, skating instructors, road crews, sewer and water crews. As you can see in the accompanying chart, staff costs, including training and contracted services, make up 59% of the City's total operating costs.

2012 Operating Expenses

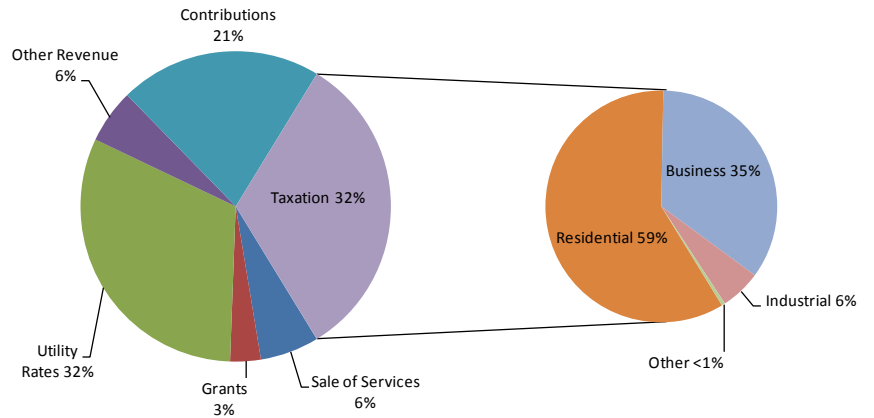


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How we pay for city services

The City of New Westminster has two main sources to pay for services: 1) user fees for services such as utilities (electricity, water, sewer and solid waste) and some recreation programs; and 2) property taxes (based on property values) for services such as police, fire, parks, recreation, library etc.

In 2012, residential properties will pay on average \$1,702 for access to electricity (New Westminster is unique in that we operate our own electrical distribution utility), water and sewer services, and weekly garbage and recycling services for the year. With respect to property taxes, the average single-family residential property owner would have paid \$2,342 in property taxes based on an average property assessment value of \$661,000 (an average residential strata owner with an assessed value of \$304,000 would have paid \$1,077).



What Does it Cost to Run the City?

The City provides a wide range of services to its citizens. The following table shows the City's 2012 Operating Expense Budget by Service Area and Utility.

General Government includes Legislative Services, Administration, Communications, Finance, Information Technology, Human Resources, Legal Services, Economic Development, Emergency Planning, Grants in Aid, City Functions, and Strategic Priorities.



	2012 Budget
General Services	
Police Services	\$ 23,520,000
Parks, Culture & Recreation	19,231,000
Fire & Rescue	13,137,000
Development Services	3,758,000
Engineering	19,479,000
General Government	13,165,000
Library	3,638,000
Utilities Services	
Electrical Utility	26,821,000
Water Utility	6,077,000
Sewer Utility	7,319,000
Solid Waste Utility	2,249,000
Fiscal Expenses	
Interest & Bank Charges	1,061,000
Total Expenses	\$ 139,455,000

Take the "Budgeting for the Future" Survey

Where your 2012 tax dollars go

The City of New Westminster would like to know if you think you are getting good value from the services we are currently providing. A good measuring stick is the private sector. For example, we have compared the City's 2012 budget to some basic private services that citizens use. You can see how each City service compares in cost to other services homeowners purchase.

We have compared the allocation of municipal taxes and utility charges for an average residential property with an assessed value of \$661,000 to some basic private services. School taxes, Regional Levies & the Home Owner Grant are not included.



Taxes

Police Services	\$	698
Parks, Culture & Recreation		454
Fire & Rescue		468
Development Services		34
Engineering		145
General Government		407
Library		121
Fiscal Services		15
Sub-total Municipal Taxation	\$	2,342

Utility Charges*

Electrical Charges		624
Sewer Charges		474
Water Charges		390
Waste Management		214
Total Municipal Taxation & Utility Charges	\$	4,044

Other Services*

Basic Cable & Internet	\$	800
Basic Telephone	\$	450
Home Insurance	\$	360
Gas	\$	700

*estimated charges for an average household

Capital budget

The City's capital budget funds larger projects that are typically of a long-term nature. Each year, the City is challenged with allocating capital dollars to replacing/maintaining existing infrastructure, building systems and equipment, and investing in new infrastructure, facilities and equipment.

The capital program is funded from a variety of sources including City Reserves, Development Cost Charges, Long-Term Debt, Government Grants, and Contributions (e.g., Casino DAC funding).

2012 Capital Expenses

Equipment	\$	5,394,000
Vehicles		896,000
Public Works		9,912,000
Facilities		34,098,000
Parks		8,010,000
Other		1,565,000
Electrical		3,648,000
Water		3,469,000
Sewer		5,996,000
Total Capital Expenses	\$	72,988,000

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Service value



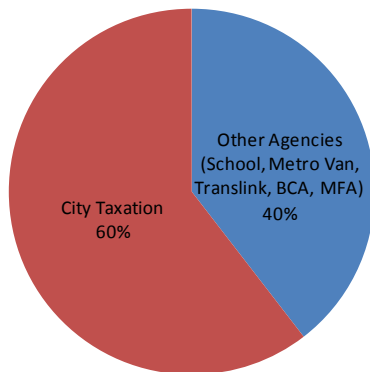
When considering if you feel you are getting good value for the services provided, consider also that unlike most service providers, many city services are available 24/7, standing ready to respond in all kinds of weather conditions and to all kinds of emergencies.

Some sample costs of running your city are:

- The capital cost of one fire engine - \$1,100,000
- The cost of one First Class Police Constable - \$120,000
- The cost for insurance (vehicle, property, liability) - \$1,150,000
- The cost to install one traffic signal - \$175,000
- The cost of one block of sidewalk (one side) - \$25,000
- The cost to resurface one km of residential road - \$200,000

Your tax bill

The City collects taxes and fees on behalf of the federal and provincial governments and other agencies. When assessing the charges on your City of New Westminster Property Tax Notice, keep in mind that not all the charges are within the City's control. The City is only responsible for the charges in the highlighted box shown on the sample tax notice.



Corporation of the City of
NEW WESTMINSTER
511 ROYAL AVENUE, NEW WESTMINSTER, B.C. V3L 1H9
Phone: 604-527-4550 FAX 604-521-3895
www.newwestcity.ca

2012 PROPERTY TAX NOTICE
DUE DATE: Tuesday, July 3, 2012

1

5% PENALTY IF NOT PAID OR GRANT NOT CLAIMED BY JULY 3, 2012
ADDITIONAL 5% PENALTY ADDED TO ANY CURRENT TAXES OUTSTANDING AFTER SEPTEMBER 4, 2012

OCCUPANT, MR
OCCUPANT, MS
1 AVERAGE HOUSEHOLD ST
NEW WESTMINSTER BC V3L 1H9

		LEGAL DESCRIPTION		
		TOTAL NET ASSESSED VALUES FOR TAXATION PURPOSES		
CLASS	GENERAL	SCHOOL	HOSPITAL	
1 - Res	661,000	661,000	661,000	

FOLIO / ACCOUNT	99999999	ACCESS	051990			
PROPERTY ADDRESS	1 AVERAGE HOUSEHOLD ST					
PID	000-111-222	RATES				
				A.	B. UNDER 65	C. 65+ AND OTHER
				NO GRANT	BASIC GRANT	ADDITIONAL GRANT
School - Non Residential				0.00	0.00	0.00
School - Residential		1.87430		1,238.91	1,238.91	1,238.91
Less: Home Owner Grant					-570.00	-845.00
NET BASIC SCHOOL TAXES				1,238.91	668.91	393.91
B.C. Assessment		0.05990		39.59	39.59	39.59
Greater Vancouver Regional District		0.05760		38.07	38.07	38.07
South Coast B.C. Transportation Authority (TransLink)		0.32440		214.43	214.43	214.43
Municipal Finance Authority		0.00020		0.13	0.13	0.13
NET OTHER GOVERNMENT TAXES				292.22	292.22	292.22
General Municipal		3.54410		2,342.65	2,342.65	2,342.65
NET MUNICIPAL TAXES				2,342.65	2,342.65	2,342.65
TOTAL NEW TAX LEVIES				3,873.78	3,303.78	3,028.78
Tax Prepayments/Adjustments				0.00	0.00	0.00
This notice based on payments & adjustments posted to May 18, 2012						
TOTAL OUTSTANDING TAXES				3,873.78	3,303.78	3,028.78

Any outstanding taxes must be paid and the Home Owner Grant claimed (if eligible) by the due date to avoid penalty, even if taxes are paid by installments on the Tax Prepayment Plan. If the amount of Total Outstanding Taxes, net of any applicable Home Owner Grant, is a credit balance (-) you need not pay and the credit amount will automatically earn interest and be applied to your next billing.

Home Owner Grant application may be made on-line at: www.newwestcity.ca/ehog

You are not currently enrolled in the Tax Pre-authorized Payments Plan. If you were to enroll your estimated monthly payment amount for next year's taxes (and flat rate Water, Sewer and Solid Waste charges - where applicable) would be \$388.00.

Payable at most financial institutions - see reverse side for additional payment instructions.

Customer Copy	A.	B. UNDER 65	C. 65+ AND OTHER
AMOUNT DUE JULY 3, 2012	\$3,873.78	\$3,303.78	\$3,028.78