

Financial Plan Overview



Overview

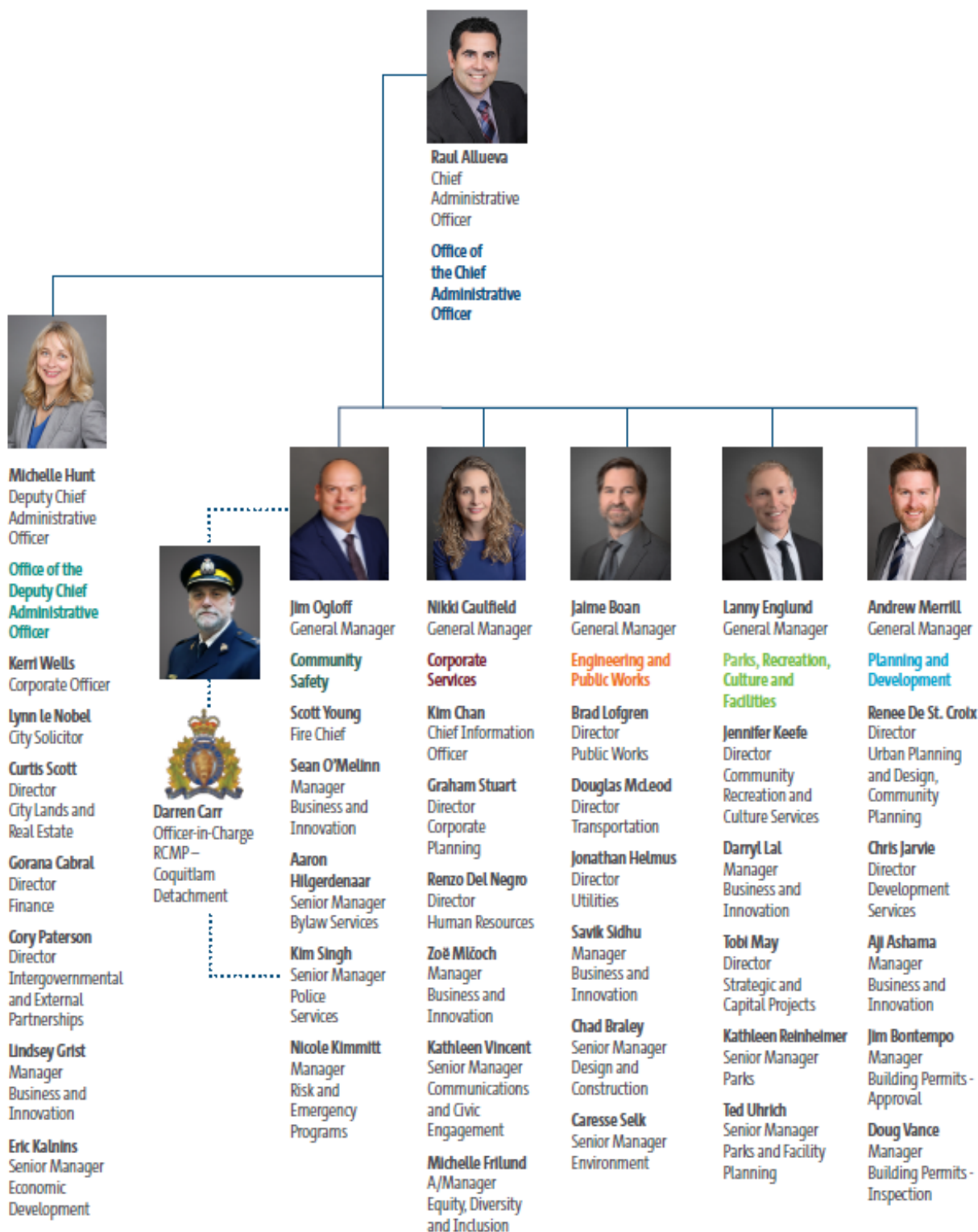
The City's draft Five-Year Financial Plan includes three parts: the Capital Plan which funds the cost of new and replacement infrastructure and assets; the Utility Fund Operating Plan which is a self-balancing fund required to support the City's water, sewer and drainage utilities; and the General Fund Operating Plan which includes funding for ongoing municipal services and activities such as police, fire and parks and recreation services. Development of the draft Five-Year Financial Plan begins with assessments of the internal and external operating environments which provide the context for the resulting budgets. The internal review starts with the City's Strategic and Business Plans while the external review assesses the economic climate and public input through a variety of community engagement opportunities.

The City is currently operating amid a challenging and uncertain environment, particularly with the recent changes to provincial legislation regarding housing and land use, together with a number of other far ranging provincial legislative changes. A full overhaul of the City's land use and development planning framework and development finance system is under way to support these provincial housing and land use changes which will take several months and will not be completed in time for the 2025 budget process. There are also a number of provincial legislative changes which have both direct and indirect costs to the City.

The objective is to establish a final plan that will support the principles of long-term financial sustainability, stability in property taxation, and flexibility to respond to emerging pressures. Despite the increasing volume and complexity of the legislative environment, the City remains committed to sustaining existing services amid significant cost increases and escalations, while planning for ongoing community growth and the capital investments required to support both new and existing residents. These efforts are carefully balanced against significant affordability challenges experienced by residents and businesses.

City of Coquitlam Organization Chart

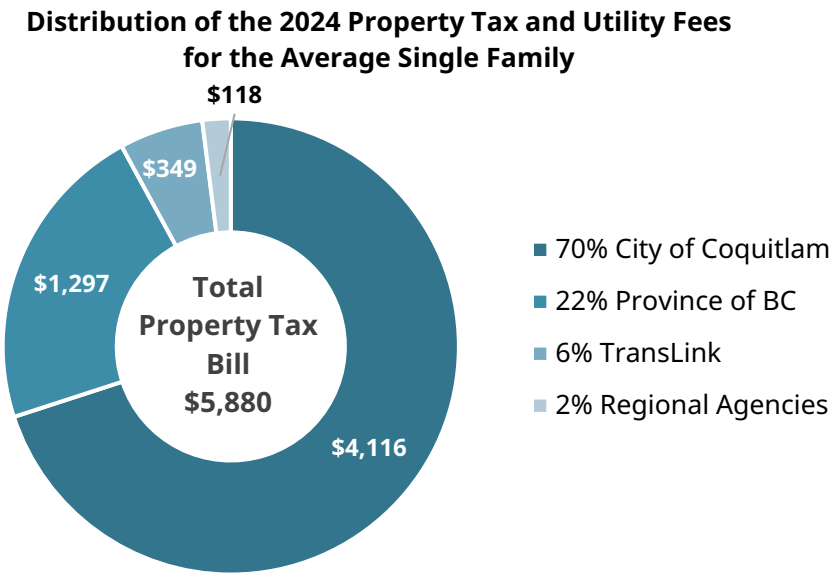
Effective October 10, 2024



Base Tax and Utility Rate Increases

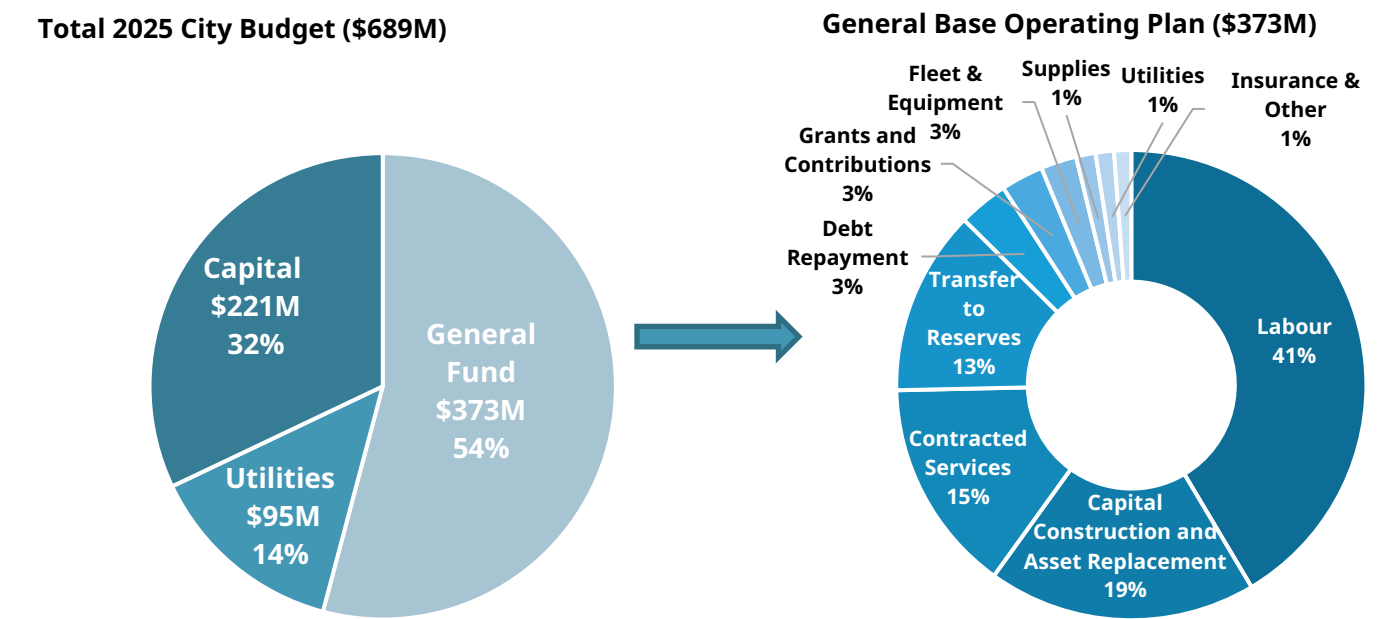
| Base Tax and Utility Rate Increases: | Change | |
|---|--------------------|--------|
| Property Taxes | \$136 | 5.28% |
| Water Rate (Single Family/Multi-Family) | \$13/\$8 | 2.00% |
| Sewer and Storm Drainage | \$38 | 6.00% |
| Solid Waste Rate | \$4 | 1.00% |
| Base Property Tax and Utility Rate Increase (Single Family/Multi-Family) | \$191/\$186 | |
| Sewer and Storm Drainage - Metro Vancouver's North Shore Waste Water Treatment Plant (NSWWTP) | \$76 | 12.00% |
| Total Base Property Tax and Utility Rate Increase (including NSWWTP) | \$267/\$262 | |

The above does not reflect taxes collected on behalf of other governments such as Provincial School Tax and TransLink.



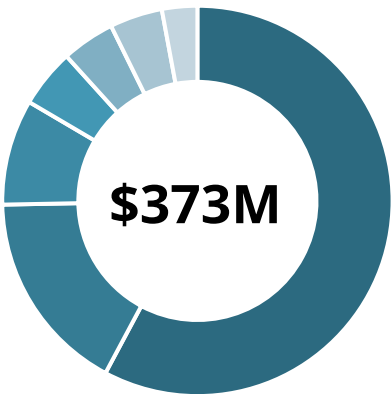
DRAFT Financial Plan

General Base Financial Plan (\$373M)



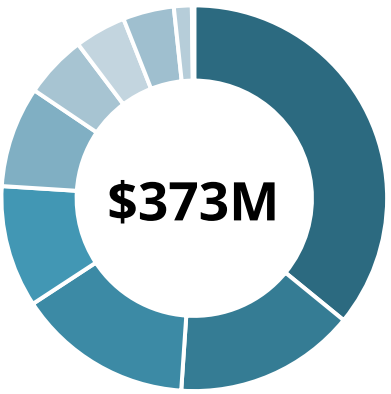
Breakdown of General Operating Plan (\$373M)

Draft 2025 General Operating Revenues



- 58% Property Taxes
- 17% Municipal Land Sales & Other Development Fees
- 9% Fees Charged
- 5% Other Fees
- 4% Transfer from Reserves
- 4% Investment Income
- 3% Other Revenue

Draft 2025 General Operating Expenditures



- 36% Fiscal Services
- 15% Parks, Recreation and Culture
- 15% Police Protection
- 10% Fire/Rescue Services
- 9% Engineering & Public Works
- 5% Corporate Services
- 4% Planning & Development
- 4% Deputy Chief Administrative Officer
- 2% Community Safety
- <1% Chief Administrative Officer

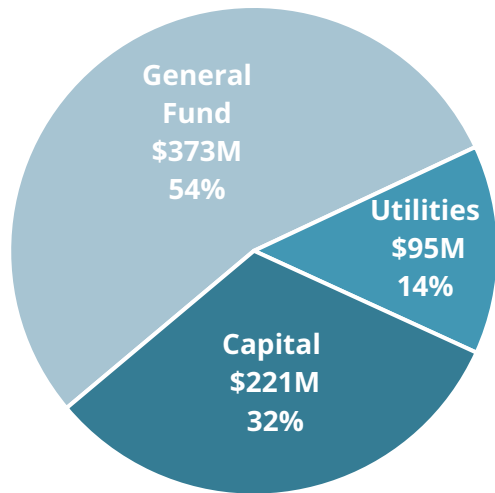
New Funding Requests – General Fund

The New Requests section summarizes the new funding requests and related impacts that are outside of the City's base budget. The following requests are organization wide and not covered under any specific department.

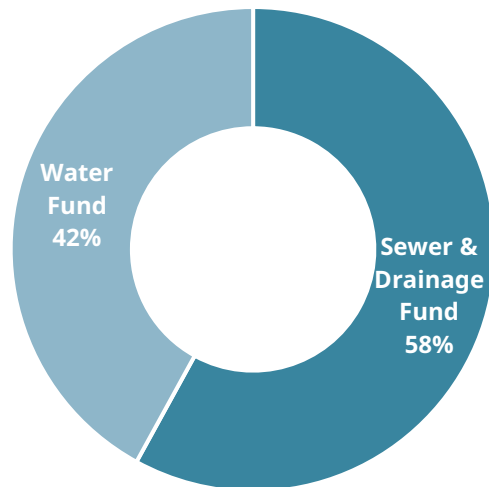
| Description | Value (\$) | Net Cost (\$) | Tax Impact (%) | FTE Impact |
|--|------------------|------------------|----------------|------------|
| New Funding Requests – General Fund | | | | |
| Tourism Division Expenditure Budget | 249,300 | 249,300 | 0.13 | - |
| Rationale: <ul style="list-style-type: none"> The Casino Community Fund (CCF) is the primary funding source for the Tourism Program and community grants, including Service Grants, Signature Event Grants and the Spirit Grant Program Given the growing pressure on the CCF from these grant programs, request is to fund the Tourism Program through the general operating base budget | | | | |
| Transit Oriented Development Application Team (TODAT) Phase-in (Year 1 of 3) | 182,000 | 182,000 | 0.09 | - |
| Rationale: <ul style="list-style-type: none"> Given the impacts to the density bonus framework and the uncertainty surrounding the related revenues from recent provincial legislation changes, request is to phase TODAT costs into the operating budget over 3 years | | | | |
| Extreme Weather Operating Budget Increase (Year 2) | 142,000 | 142,000 | 0.07 | - |
| Rationale: <ul style="list-style-type: none"> 2nd year of the 3-Year phase-in of extreme weather operating budget increase for Engineering & Public Works and Parks, Recreation, Culture & Facilities | | | | |
| Election Reserve Contribution Increase | 75,000 | 75,000 | 0.04 | - |
| Rationale: <ul style="list-style-type: none"> The operating budget includes an annual contribution to the election reserve of \$150,000 per year and is used to deliver a general local election every 4 years, and intermittent by-elections or assent voting as required. Request is to increase the annual transfer to the election reserve to fund the related increased costs associated with labour and equipment rentals | | | | |
| Infrastructure Sustainability Funding Increase (1%) | 1,980,000 | 1,980,000 | 1.00 | - |
| Rationale: <ul style="list-style-type: none"> Third year of phased tax increases per Infrastructure Sustainability Funding Strategy as identified in 2022 Corporate Asset Management Update | | | | |
| Total | 2,628,300 | 2,628,300 | 1.33% | - |
| Community Grant Increases – General Fund | | | | |
| BC Christian Academy | 40,000 | 40,000 | 0.00% | - |
| Share Holiday Hamper | 25,000 | 25,000 | 0.00% | - |
| Meals on Wheels | 3,000 | 3,000 | 0.00% | - |
| Coquitlam Search and Rescue | 1,900 | 1,900 | 0.00% | - |
| Sports Hall of Fame | 2,500 | 2,500 | 0.00% | - |
| Total | 72,400 | 72,400 | 0.00% | - |

Utilities Base Operating Plan (\$95M)

Total 2025 City Budget (\$689M)



DRAFT 2025 Utilities Operating Budget (\$95M)



Highlights of the Base Utility Budget increases resulting in a 2% rate increase to the City's Water rate and a 18% increase to the City's Sewer & Drainage rates:

- A projected \$6.5M levy for Metro Vancouver's North Shore Wastewater Treatment Plant (NSWWTP – see below)
- A projected \$2.3M increase in the base Metro Vancouver Sewerage & Drainage District Levy
- A projected \$2.2 million increase in Metro Vancouver Water Purchase costs
- A projected combined \$2.3M decrease in the City's Metro Vancouver Contingency, including \$1.5M in Sewer & Drainage, \$0.7M in Water and \$0.1M in Solid Waste to offset the significant impact to residents from rising Metro Vancouver rates
- \$702,000 combined water and sewer and drainage increase to the contribution for infrastructure renewal and operating costs associated with new capital

North Shore Wastewater Treatment Plant (NSWWTP)

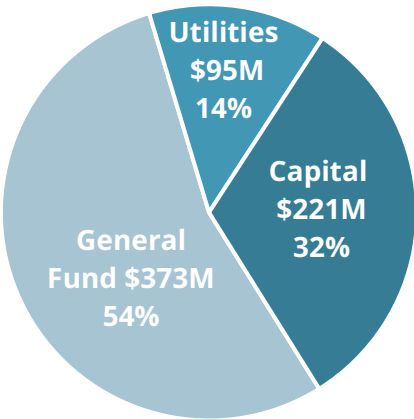
Metro Vancouver Regional District's (MVRD) NSWWTP, a new regional liquid waste treatment facility is faced with a significant project cost increase which will be included in MVRD's 2025-2029 Financial Plan. The current cost of the NSWWTP is \$3.86 billion, which includes the additional \$2.8 billion that is to be cost shared amongst the four regional sewerage areas. The City's budget currently reflects Coquitlam's share of the cost based on Coquitlam's estimated cost apportionment of the Fraser Sewer Area levy, equating to an estimated \$6.5 million annual increase.

Coquitlam's actual share will not be known until the MVRD Board approves the budget. This increase is the single largest impact the City has seen in recent history, and on its own, would require a 16% increase in the City's sewer and drainage rate. However, the City has been anticipating high MVRD rate increases by setting aside a contingency, which helps reduce the impact of the NSWWTP to 12% and reducing the impact to Coquitlam residents to **\$76**, with a revised total estimated impact of **\$114**.

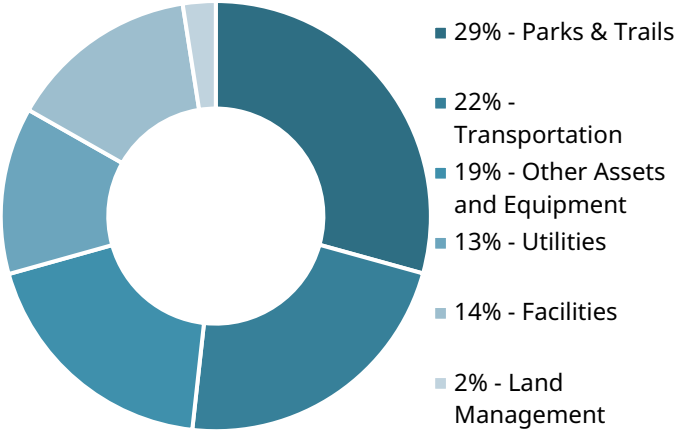
More information on the NSWWTP project can be found on the [MVRD website](#).

Capital Plan (\$221M)

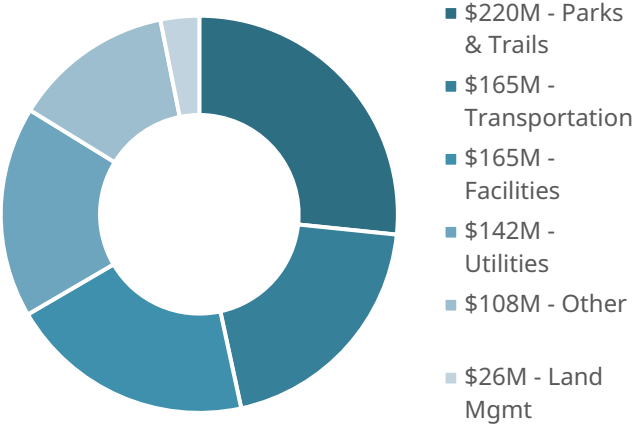
Total 2025 City Budget (\$689M)



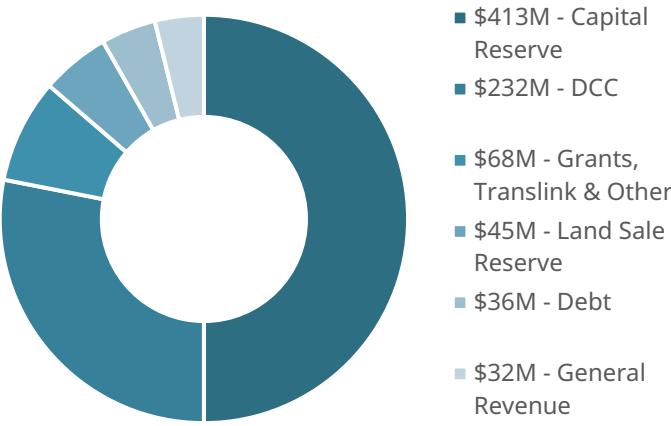
2025 Capital Plan (\$221M)



2025-2029 Capital Plan (\$826M)



2025-2029 Capital Funding (\$826M)



| Project Category (\$000s) | 2025 | 2026 | 2027 | 2028 | 2029 | Total |
|-----------------------------|---------|---------|---------|--------|---------|---------|
| Parks, Recreation & Culture | 64,618 | 52,098 | 44,000 | 29,730 | 29,400 | 219,846 |
| Transportation | 49,539 | 36,583 | 24,339 | 19,412 | 35,022 | 164,894 |
| Facilities | 31,582 | 113,998 | 6,280 | 6,487 | 5,945 | 164,293 |
| Other, Assets & Equipment | 42,162 | 37,388 | 11,302 | 8,555 | 8,887 | 108,293 |
| Drainage | 10,541 | 9,675 | 13,175 | 15,957 | 16,278 | 65,626 |
| Water | 8,691 | 12,576 | 7,181 | 7,387 | 6,875 | 42,711 |
| Sewer | 8,354 | 4,985 | 6,233 | 6,560 | 7,124 | 33,256 |
| Land Management | 5,450 | 5,200 | 5,200 | 5,200 | 5,200 | 26,250 |
| Waste | 100 | 100 | 100 | 100 | 100 | 500 |
| Total | 221,037 | 272,602 | 117,810 | 99,389 | 114,831 | 825,669 |

| New Capital Requests (\$000s) | Total (\$) | 2025 (\$) | 2026-2029 (\$) |
|---|---------------|---------------|----------------|
| Capital Project Contingencies | 25,900 | 3,410 | 22,490 |
| Strategic Transportation Plan | 12,500 | 2,500 | 10,000 |
| Electric Vehicle Conversion and Electric Vehicle Chargers | 3,034 | 414 | 2,620 |
| Local Government Climate Action Program (LGCAP) | 1,269 | 421 | 848 |
| Poirier Administrative Building Upgrades | 1,000 | 1000 | 0 |
| Sportsfield Strategy Program – Supplementary Funding | 414 | 414 | 0 |
| Brunette Avenue City Lands Interim Park | 400 | 400 | 0 |
| Place des Arts Landscape Improvements | 350 | 350 | 0 |
| Austin Works Yard Staff Parking Lot | 350 | 350 | 0 |
| Streetscape Enhancement Program | 335 | 335 | 0 |
| E-Agenda Management System | 300 | 300 | 0 |
| RCMP Operations & Communications Centre Desks | 135 | 135 | 0 |
| New Fleet Vehicle | 64 | 64 | 0 |
| Heating Curtains for Public Safety Building | 55 | 55 | 0 |
| Total | 46,106 | 10,148 | 35,958 |

Infrastructure Sustainability Update

Although the City has a robust policy and funding framework to provide sustainable funding for its public infrastructure, based on the 2022 corporate infrastructure and asset management assessment, the calculated annual infrastructure funding gap was \$23.2 million.

| Category (\$000) | Replacement Value | Updated Average Annual Target Investment (AATI) | Existing Funding | Annual Funding Gap |
|--------------------------------|-------------------|---|------------------|--------------------|
| General Fund | | | | |
| Transportation | 1,359,100 | 14,201 | 9,236 | (4,965) |
| Facility Components | 147,800 | 6,057 | 4,585 | (1,472) |
| Parks Infrastructure | 147,300 | 5,102 | 3,022 | (2,080) |
| Fleet & Other | 94,500 | 7,175 | 5,552 | (1,623) |
| Buildings | 600,000 | 8,803 | 3,505 | (5,298) |
| Total General Fund | 2,348,700 | 41,338 | 25,900 | (15,438) |
| Utility Funds (40 year) | | | | |
| Sewer & Drainage | 1,603,000 | 12,236 | 6,529 | (5,707) |
| Water | 661,000 | 5,861 | 3,892 | (1,969) |
| Solid Waste | 4,700 | 471 | 333 | (138) |
| Total Utility Funds | 2,268,700 | 18,568 | 10,754 | (7,814) |
| Grand Total | 4,617,400 | 59,906 | 36,654 | (23,252) |

A review of the City's Transportation and Utilities infrastructure replacement requirements and required funding is currently in the final stages. The preliminary results indicate an increase in the Average Annual Target Investment (AATI) required to maintain the City's transportation and utility infrastructure at serviceable levels. The increase in AATI from the last review has outpaced the increase in annual infrastructure sustainability funding, resulting in a growing funding gap. A separate report is forthcoming that will provide the results of this review.