



Corporation of the City of
NEW WESTMINSTER

REPORT

Office of the Chief Administrative Officer

To: Mayor Côté and Members of Council **Date:** 2/3/2020
From: Lisa Spitale **File:** 05.1035.10
Chief Administrative Officer **Item #:** 55/2020
Subject: **Budget 2020 Process – Engagement Results**

RECOMMENDATION

THAT Council endorse the budget recommendations as a component of the Budget 2020 deliberations.

THAT a special budget Council meeting be called for Tuesday, February 25, 2020 at 6 pm to continue the budget deliberation process.

THAT Council endorse the Next Steps as outlined in this report.

PURPOSE

The purpose of this report is to provide City Council with the results from the Budget 2020 engagement process and provide budget recommendations as derived from the engagement input.

EXECUTIVE SUMMARY

In the fall of 2019, City Council directed staff to implement a community engagement process on the 2020 budget and the 2020 – 2024 Financial Plan. This report provides the engagement results to City Council and the community. The engagement results form an integral component in the budget process by allowing City staff to develop budget options based on community feedback for City Council’s budget deliberations.

Approximately 370 participants engaged in the Budget 2020 process. Overall, participants were broadly in support of the City's Seven Bold Steps for Climate Action. From this engagement process, 12 budget recommendations are proposed for Council's endorsement.

BACKGROUND

This report is organized in four sections; they are:

- I. Overview - engagement activities and participant information
- II. Key Themes - budget themes and budget priorities
- III. Budget Recommendations
- IV. Next Steps

The summary of what City staff have heard is intended to capture key themes, priorities and feedback that were provided from a significant proportion of participants. All of the raw input collected through the engagement is also available for those who would like to review the input in more detail.

I. Overview

So far, the Budget 2020 process has included an open house, a workshop, an online survey and two open delegation opportunities at Council meetings. These activities took place between early December 2019 and January 19, 2020. Across all engagement opportunities, approximately 370 community members provided their input.

- December 9, 2019 – Council Meeting Open Delegation - 2 participants
- December 11, 2019 – Open House (drop-in) – 28 participants
- December 18, 2019 - January 19, 2020 – Budget Survey: Climate Emergency Bold Steps – 289 participants
- January 9, 2020 – Capital Program Workshop – 40 participants
- January 13, 2020 – Council Meeting Open Delegation – 11 participants

Opportunities to participate were communicated through the following channels:

- City Page (distributed by email blast to approximately 1,000 subscribers and printed in The Record newspaper)
- City website (events calendar, homepage, etc.)
- Social media posts (Facebook, Twitter, Instagram)
- Social media paid advertising (Facebook, Instagram)
- Paid ads in The Record
- Information boards and posters in City facilities

Participants

Optional demographic information about participants was collected through the online survey and the December 9, 2019 open house. See Attachment 1 for information on the participants.

II. What We Heard: Budget Themes

1. Desire for more information

Many participants identified a need for more information to understand the budget, how projects are prioritized, the decision-making process/criteria, and more. In terms of capital projects identified as supporting the Seven Bold Steps to address the climate emergency, participants want to understand how projects will impact greenhouse gas (GHG) emissions and what is included in the cost-benefit analysis (for example, does it include environmental impacts of disposal of old facilities/equipment that is being replaced?). Participants also want to understand how the capital budget affects taxes.

2. Feedback regarding the reserves and debt levels were varied and mixed

Staff heard a mix of feedback about spending levels overall, and the planned increase in debt and reduction in reserves that are outlined in the draft 2020-2024 capital budget. Some participants expressed discomfort with increased spending, increased debt and decreased reserves. There were requests to reduce spending, not increase taxes and not burden future generations with high debt. However, others expressed general support for the capital plan projects and spending levels, and were satisfied with the projected debt and reserves levels.

3. Engagement shows support for climate action steps

Overall, participants were broadly in support of the Seven Bold Steps for Climate Action. In the online survey, 70% or more of respondents said that each the bold steps support the City's climate emergency response – with the exception of Bold Step #6, Carbon Free Homes and Buildings, for which 60% agree that it supports the City's response. The majority of participants (63%-76%) also rated each of the bold steps as important or very important.

When asked to identify any additional climate action measures, a key theme was waste reduction and recycling efforts – with a particular focus on the City's recycling depot.

4. Areas to not prioritize

While there was a high level of overall support for most of the capital projects outlined in the draft budget, some items were identified as lower priority, such as less spending on infrastructure and other projects aimed at single occupant vehicle driving, changing the City's practice with fleet vehicles, and City photocopier replacement.

5. Lack of consensus

It is important to note that while trends and themes were identified in the engagement feedback, it is evident that there is a lack of consensus on many priorities. For example, while there is broad support for the climate action steps, some participants expressed that the plan is not bold enough and more needs to be done. In contrast, a few participants questioned taking a climate lens to the budget at all or expressed a lack of belief in the City's ability to affect climate change. Similarly, while the vast majority of participants expressed support for investing in sustainable and active transportation, while actively discouraging vehicle infrastructure, a few participants wanted more investment in road infrastructure to allow vehicles to move through the city.

All of the engagement input from the on-line survey, the community open house, the budget workshop and the Delegations at City Council meetings is provided on the City's website.

What We Heard: Budget Priorities

1. Sustainable / Active Transportation

Engagement input showed enthusiastic support for investments in sustainable and active transportation, with a wide range of ideas and suggestions – including everything from cycling connectivity and pedestrian safety to more and improved transit and wayfinding. Participants expressed support for implementing the City's Master Transportation Plan, and prioritizing safe travel to schools. Another theme here was to spread the funding to more transportation projects that can impact more people, rather than spending large amounts on small strips of greenways.

2. Robust Urban Forest & Quality People-Centered Public Realm

Investing in more tree canopy, green spaces and people-centered public spaces were also identified as top priorities. Participants want the City to maximize carbon sequestration efforts, protect biodiversity and invest in more parks. Meaningful reallocation of road space away from vehicles, and car-free streets, was another theme under this priority. A general

theme here was support for projects that contribute to a healthy community and public safety.

3. Affordability & Livability: Housing, Childcare, Incentives, Economic Development

Affordability was one of the top priorities identified by participants as additional climate response measures. Projects related to reducing the cost of housing were generally supported, with a particular focus on multi-family projects. Participants also expressed support for any City measures to improving affordability of living in New Westminster. There was also general support for the Retail Strategy, which connects to economic development.

4. Renewable and Efficient Energy Systems & Opportunity Capitalization

Many participants expressed support for investments in electrical infrastructure, as well as diversifying energy systems by continuing to invest in solar and pursuing a district energy system in Sapperton.

5. Community Building: Engagement, Participation, Reconciliation, and Inclusion

Another priority area identified by participants was reconciliation, inclusion and engagement, which is one of the City's established strategic priorities. Some participants wanted to see increased funding for reconciliation and engagement, and more robust efforts to reach community members who do not often participate. Participants also identified a need for education and engagement around what actions individuals can take to respond to the climate crisis as well as understand their accountabilities in City reconciliation initiatives.

6. Accountability: e-Gov, Metrics, and Evaluation

Connected to the overall theme of wanting more information, participants also want the City to continually report on how the climate emergency response is working – how much is being invested and what impact it is having. Many participants asked about established metrics for evaluating projects, and a common tool for this used across City departments. Participants also generally supported e-Gov initiatives outlined in the draft capital budget. Also related to this priority area was a suggestion the City should be actively leading the way in terms of climate response, and demonstrating how it is making changes – for example, with reducing employee car trips.

III. Twelve Budget Recommendations

Based on the engagement process, 12 budget recommendations have been identified.

1. Prioritize climate action in the capital budget.
2. Reduce spending on infrastructure for single occupancy vehicles and projects that do not support public transit, walking and cycling.
3. Prioritize and accelerate active transportation capital projects

- a. Within transportation funding, prioritize projects with the greatest reach (e.g.: less AAA spending, more straightforward and complete network connections).
 - b. Within transportation funding, prioritize funding for walking and cycling infrastructure, especially to schools.
4. Prioritize and accelerate robust urban forest capital projects.
 5. Prioritize and accelerate people-centred public realm capital projects.
 6. Prioritize and accelerate affordability and livability capital projects (e.g.: housing, childcare, incentives for improved housing, retail strategy, economic development, etc.). Continue to capitalize on opportunities to fund projects through cost sharing with other levels of government.
 7. Prioritize initiatives with a GHG reducing positive impact and/or potential to reduce City costs for community benefit. Projects such as the district energy system must show significant reduction or cost savings to be implemented.
 8. Prioritize initiatives that: a) maintain and upgrade utilities and critical infrastructure; and/or b) add capacity (e.g. new substations, combined sewer separation); and/or c) support public safety and emergency preparedness and employee health & safety. Continue to capitalize on opportunities (such as securing senior government grants) to accelerate plans.
 9. Prioritize and accelerate projects that support inclusion, reconciliation, and engagement.
 10. Prioritize and accelerate projects that support the implementation of the Art and Theatre Strategies.
 11. Prioritize e-gov initiatives and continue to develop paperless practices within the corporation.
 12. Ensure the lifecycle of the City's fleet of vehicles and equipment is maximized to the full extent possible, and the transition to alternative fuel and electric vehicles is accelerated to coincident with manufacturers availability.

Lessons Learned

This engagement process has provided some important lessons learned. They are summarized below.

- The complexity of the budget process is a barrier to effective community engagement. The City needs to provide Budget 101 workshops in the community as a way to promote community engagement in the annual budget process. A key message is that the City needs to explain the difference between the capital budget and the operating budget and how decisions affect a household's annual tax bill.

- The City needs to develop robust evaluation criteria to make the budget prioritization process transparent. During the engagement process, staff heard questions such as “where is the biggest bang for the buck” on climate action spending?; and “City spending on climate action and other priorities must be balanced with affordability”. The evaluation criteria will need to address these community comments: the City needs to develop the return on investment (ROI) for each project; the City needs to list the GHG emission savings/reductions for each project; and the City needs to show more data on tradeoffs, co-benefits and a qualitative analysis on options.
- The City needs to start engagement on the budget earlier, and offer more engagement opportunities over a longer time period.
- Participants like the ease of an online survey to participate in the budget process, but the more in-depth, face-to-face workshops are also appreciated.

IV. Next Steps

If Council is supportive of the budget themes and budget recommendations as outlined in this report, the following next steps are provided for Council’s consideration.

1. The Finance Department will apply the budget recommendations to the proposed Capital Program.
2. The proposed Capital Program will be presented to City Council at the February 24 Council meeting.
3. A second Council meeting is required enabling both City Council and the community to discuss the proposed Capital Program and the draft Operating Budget. The second Council meeting will be set for Tuesday February 25, 2020 at 6 pm.
4. During 2020, staff will develop and begin to host “Budget 101” workshops in the community – staff will provide Council and the community with details at a subsequent Council meeting.
5. Also during 2020, and as a component of the Climate Action Bold Steps, staff will develop project evaluation criteria that will be applied in the 2021 budget process.

OPTIONS

There are four options for Council’s consideration; they are:

Option one - Council to endorse the budget recommendations as a component of the Budget 2020 deliberations;

Option two – A special budget Council meeting be called for Tuesday, February 25, 2020 at 6 pm to continue the budget deliberation process.

Option three – Council endorse the Next Steps as outlined in this report.

Option four - Provide staff with further direction.

Staff recommend Options 1, 2 and 3

INTERDEPARTMENTAL LIAISON

All departments are participating in the Budget 2020 financial and engagement process. An interdepartmental staff team has been working on the engagement summaries and budget recommendations.

ATTACHMENTS

Attachment 1: Graphs Showing Participants in the Engagement Process

Approved for Presentation to Council



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