



REPORT

Office of the Chief Administrative Officer

To: Mayor Côté and Members of Council **Date:** November 25, 2019

From: Lisa Spitale **File:** 05.1035.10
Chief Administrative Officer

Item #: 479/2019

Subject: **Community Engagement in the 2020 – 2024 Budget Process and the City’s Seven Bold Steps in the Climate Emergency**

RECOMMENDATION

THAT Council endorse the process as outlined in this report

PURPOSE

The Director of Finance has provided a report titled “*Budget Process: Proposed 2020 – 2024 Capital Program*” which outlines the proposed Capital Program as prepared by each City Department and includes Departmental memos articulating alignments with the City’s Seven Bold Steps in the Climate Emergency.

The purpose of this report is to propose a community engagement process for both the 2020 – 2024 Capital Program and the City’s Climate Emergency response.

CONTEXT

Many factors go into the City’s Financial Plan – core services (such as constructing and maintaining infrastructure, providing emergency response, development application review, offering recreation programs) and Council priorities (such as affordable housing, building greenways and acquiring park land).

The proposed 2020 – 2024 Capital Program that is discussed in the Director of Finance’s report was developed using a series of steps; namely:

- i. Each department submitted capital projects based on approved plans (such as the Asset Management Program, the Master Transportation Plan, the Official Community Plan).
- ii. All projects were evaluated against City Council's approved 2019 – 2022 Strategic Plan (broken down into 8 categories):
 1. Affordable Housing and Childcare
 2. Sustainable Transportation
 3. Environment and Climate Change
 4. Culture and Economic Development
 5. Reconciliation, Inclusion and Public Realm
 6. Facilities, Infrastructure and Public Realm
 7. Organizational Effectiveness
 8. Ongoing Core Business
- iii. All projects were then evaluated against the approved Seven Bold Steps to address the Climate Emergency:
 1. Carbon Free Corporation
 2. Car Light Community
 3. Carbon Free Homes and Buildings
 4. Pollution Free Vehicles
 5. Carbon Free Energy
 6. Robust Urban Forest
 7. Quality People-Centered Public Realm
- iv. Each City department outlined how they would respond – via the Capital Program - to the Seven Bold Steps in the Climate Emergency. Each Department Head has provided the Director of Finance with a memo outlining this response (which is attached to the Director's report).

The City's Financial Plan must comply with the Community Charter which directs that the City must adopt, by bylaw, a 5-year Financial Plan before May 15, 2020. Within this statutory framework, City staff have identified which projects and operations comply with the climate emergency declaration.

In this staff report, a community information and engagement process has been designed in order to make the budget review process as transparent and streamlined as possible.

HOW DOES THE ENGAGEMENT PROCESS WORK WHEN REVIEWING THE PROPOSED CAPITAL PROGRAM?

The City's Financial Plan – both the Capital and the Operating Budgets – articulates where the City is prioritizing its efforts via its spending authority. The Capital budget primarily identifies civic projects and the Operating budget primarily outlines civic functions and operations (such as employee salaries).

Embedded in departmental budgets are an array of spending decisions – some fixed, such as in-progress and almost completed construction projects and some variable or discretionary, such as planned, but not yet started initiatives.

While initial capital project submissions contemplated for the proposed 2020 – 2024 Capital Program are important and have merit, the City does not have infinite resources – financial or staff – to complete all of them within this time period. Therefore, deliberate choices have been made to defer some projects beyond the five year planning cycle.

At the November 4, 2019 Council meeting, City Council approved *both* the Seven Bold Steps to address the Climate Emergency *and* the Climate Action Budgeting Framework. The Climate Action Budgeting Framework calls on the City to:

1. Prioritize climate emergency actions in work plans
2. Prioritize climate emergency initiatives in Five-Year Financial Plan
3. Embed carbon pricing into decision-making
4. Strive for affordability, equity and livability
5. Implement Climate Action Levy on Electrical Utility bills

With respect to answering how the engagement process for the proposed capital program aligns with the Climate Action Budgeting Framework, principles #1. and #2. (above) advocate that climate emergency projects will be prioritized over non-climate emergency projects.

During the budget engagement process, City staff will be asking the community questions such as:

- Do you agree with City staff's proposed climate emergency initiatives as prioritized in the proposed Capital Program?
- Are there climate emergency related projects that you believe are missing in the Capital Program?

- Given that the City is prioritizing climate emergency initiatives in the 5-year Financial Plan, are there potential unintended consequences or implications that City Council should be considering during this budget process?

Where Do We Go From Here?

City Council has instructed City staff to prepare a consultation process for the 2020 Budget process. The first step is to inform the community of the many components within the proposed Capital Program.

As noted previously, the Climate Action Budgeting Framework calls on the City to review the Capital Program and prioritize climate emergency projects. The information attached to the Director of Finance's report provides Council and the community with these budget details.

In addition to the Climate Emergency, the priorities as articulated by City Council in the 2019 – 2022 Strategic Plan have also been addressed within this proposed version of the Capital Program. City staff will provide Council and the community with a more detailed report outlining the Strategic Plan priorities in this proposed Capital Program at the December 9, 2019 Council meeting.

From an information sharing and community consultation perspective, City staff are proposing an iterative public engagement process that would allow the community to familiarize themselves with the Capital Budget process and seek their input on the initiatives being brought forward. The following dates and actions are proposed to complete the 2020 Budget process:

November 25, 2019 Council meeting	<ul style="list-style-type: none"> • Introduce the proposed capital program and the engagement process and timelines. • Address questions for clarification from the staff reports.
November 26 to December 4, 2019	<ul style="list-style-type: none"> • Press release informing the community to link into the City's website for staff reports on the proposed capital budget and the climate emergency response.

	<ul style="list-style-type: none"> • Send notification with links to the staff reports to each City Committee, the Police and Library Boards, the Utility Commission, the Resident Associations, Community and Business Groups. • Inform the public, committee members, Board members of an upcoming Open House, a Capital Program Workshop and an on-line survey.
December 9, 2019 Council meeting	<ul style="list-style-type: none"> • First opportunity for the community to discuss the proposed capital budget at a Council meeting. • City staff to provide memo to Council outlining the Strategic Plan priorities in this proposed Capital Program.
December 11, 2019 Open House	<ul style="list-style-type: none"> • Century House 4:00 pm to 8:00 pm • Purpose: learn about the budget, provide background information and walk community through our Capital Program process to date. Identify questions being asked by the community for further consultation with the online survey and the January workshop.
Week of December 16, 2019	<ul style="list-style-type: none"> • Post the online survey • Purpose: provide the community with an on-line opportunity to submit feedback on the Capital Budget and the prioritization of the proposed Capital Program. There is an opportunity to further explore themes and questions raised at the December Open House through the online survey.
Thursday January 9, 2020 Capital Program Workshop	<ul style="list-style-type: none"> • Host a Capital Program Workshop at the Anvil Centre Theatre, 6 pm - 9 pm • Purpose: discussions lead by City staff as departmental/subject matter experts, this workshop will provide the opportunity for the community to review and discuss the initial alignment of projects/capital budget requests to the Climate Emergency framework. In addition, the community will be encouraged to identify any climate emergency related projects they believe are missing and if any potential unintended consequences or implications need to be further considered.

January 13, 2020 Council meeting	<ul style="list-style-type: none">• Second opportunity for comment on the proposed capital program at a Council meeting.• Council to provide staff with preliminary direction on the proposed Capital Program.
January 14 to February 21, 2020	<ul style="list-style-type: none">• City staff to consolidate comments from the open houses, workshop and survey and provide to the Finance Department.• Finance Department to consolidate all information and prepare a draft 2020 – 2024 Capital Budget.
February 24, 2020 Council meeting	<ul style="list-style-type: none">• Council is presented with the draft 2020 – 2024 Capital Budget AND the proposed 2020 – 2024 Operating Budget.• Council and the community will also be provided with a community engagement process for the proposed 2020 – 2024 Operating Budget at this Council meeting.
February 25, 2020 to March 27, 2020	<ul style="list-style-type: none">• Community information and engagement process for the proposed 2020 – 2024 Operating Budget.
April 2020	<ul style="list-style-type: none">• Consolidation of the 2020 – 2024 Financial Plan and Financial Plan Bylaw (both Capital Budget and Operating Budget).

HOW DOES THE ENGAGEMENT PROCESS WORK WHEN REVIEWING THE CITY'S SEVEN BOLD STEPS TO ADDRESS THE CLIMATE EMERGENCY?

To support the Climate Emergency declaration, the City is developing a communications and engagement strategy to be introduced in 2020 and has issued an RFP (Request for Proposals) for a qualified consultant to assist in this work. Key components will include innovative community engagement opportunities to facilitate meaningful community dialogue on each of the seven bold steps, communication materials and campaigns across all forms of media (e.g. print, social, digital), community workshops, targeted strategies for communicating and engaging with key stakeholders and partners, and development of materials and methods to ensure all members of our diverse community are made aware of the City's Climate Emergency along with related initiatives to address it.

It is recognized that the communications and engagement process for the Climate Emergency response will be broader, more fulsome and will continue well beyond the City's current 2020 budget process.

Moreover, it is recognized that this is the first year that the City's operation and budget cycle will be informed by the Climate Emergency. Since the communications and engagement strategy for the Climate Emergency is being designed as an iterative process, it will continually inform the City's budget resource allocation discussions and broader climate emergency initiatives.

OPTIONS

There are two options for Council's consideration; they are:

- Option 1 - Council endorse the process as outlined in this report; or
- Option 2 – Provide staff with further direction.

Option 1 is recommended

INTERDEPARTMENTAL LIAISON

All City departments participated in the development of the proposed 2020 Budget process and have collaborated in this report.

Approved for Presentation to Council

This report has been prepared by
Lisa Spitale, Chief Administrative Officer

Approved for Presentation to Council

A handwritten signature in black ink, appearing to be 'LS', written over a horizontal line.

Lisa Spitale
Chief Administrative Officer