



SPECIAL CITY COUNCIL WORKSHOP

MINUTES

Monday, January 30, 2023, 9:00 a.m.

**Meeting held electronically and open to public attendance
Council Chamber, City Hall**

PRESENT:

Mayor Patrick Johnstone
Councillor Ruby Campbell
Councillor Daniel Fontaine
Councillor Tasha Henderson
Councillor Jaimie McEvoy
Councillor Paul Minhas
Councillor Nadine Nakagawa

STAFF PRESENT:

Ms. Lisa Spitale	Chief Administrative Officer
Ms. Jacque Killawee	City Clerk
Mr. Bryan Canuel	Acting Chief Information Officer
Mr. Jorge Cardenas	Chief Librarian
Mr. Blair Fryer	Senior Manager, Economic Development and Communications
Mr. Dave Jansen	Chief Constable, New Westminster Police Department
Ms. Lisa Leblanc	Director of Engineering Services
Ms. Lorraine Lyle	Senior Manager, Financial Services
Ms. Vali Marling	General Manager, Anvil Center
Ms. Jennifer Miller	Manager of Public Engagement
Mr. Gary So	Senior Financial Services Analyst
Ms. Jackie Teed	Acting Director, Climate Action, Planning and Development
Ms. Harji Varn	Chief Financial Officer and Director of Finance
Mr. Erin Williams	Acting Chief, New Westminster Fire and Rescue Services
Ms. Eva Yip	Acting Director of Human Resources and Information Technology
Ms. Lisa Zwarn	Auxiliary City Clerk
Ms. Debbie Reimer	Minute Taker, Mosaic Writing Group

1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT

Mayor Johnstone opened the meeting at 9:00 a.m. and recognized with respect that New Westminster is on the unceded and unsurrendered land of the Halkomelem speaking peoples. He acknowledged that colonialism has made invisible their histories and connections to the land. He recognized that, as a City, we are learning and building relationships with the people whose lands we are on.

2. SPECIAL BUDGET WORKSHOP

2.1 Budget 2023: Proposed Service Enhancement Requests and Funding Strategies (Circulated Separately)

This report provides Council with the proposed service enhancements for the 2023 DRAFT general fund budget. The purpose of this report is threefold: one, to provide a detailed list of proposed 2023 Service Enhancements for the General Fund Budget; two, to provide a proposed funding strategy; and three, to outline two different scenarios – known as Budget Outlooks - and their resulting estimated Property Tax Revenue Impacts: 5.4% and 6.4%. The expectation is that Council will provide staff with feedback at the January 30th Operating Budget Workshop that will set the direction for staff to prepare the necessary bylaws to amend the City's 2023 Property Tax Revenues & Rates.

Harji Varn, Chief Financial Officer and Director of Finance, led the review of the presentation titled “2023 Service Enhancements and Funding Strategies – General Fund” and noted:

- The COVID-19 pandemic had negative impacts on New Westminster's budget;
- Proposed 2023 service enhancements and property tax impact;
- Council budget workshops occurred in November 2022;
- 2022 Council approved property tax revenue rate increase of 4.4%;
- Staffing makes up 70% of estimated operating budget;
- Fixed cost increases:
 - WorkSafe BC premiums;
 - Ecomm-911 services; and
 - Justice Institute of British Columbia (JIBC) recruitment fees.
- Debt service costs increased by 1.0%;
- Proposed “permanent” service enhancements increased by 1.5%;
- Proposed other “permanent” service enhancements increased by 1.0%;

- Estimated property tax rate increase of 5.4% for budget outlook #1;
- Estimated property tax rate increase of 6.4% for budget outlook #2; and
- Proposed “one-time” service enhancement increases of \$900,000.

In discussion, Council members, noted:

- Permanent positions offer stability;
- Concern regarding the financial viability of the Q to Q service; and
- Concern regarding the transparency of the Police Department budget process.

In response to questions from Council, Ms. Varn advised that permanent staffing positions are approved by Council.

In response to a question from Council, Eva Yip, Acting Director of Human Resources and Information Technology, advised that the CUPE collective agreement requires temporary positions be converted to regular positions after three years.

In response to a question from Council, David Jansen, Chief Constable, New Westminster Police Department, advised that the budget has increased due to:

- New JIBC recruitment costs;
- Service contracts for jail services;
- Integrated Homicide Investigation Team (IHIT); and
- Ecomm-911 and dog services.

In response to a question from Council, Ms. Varn advised donations in the form of equipment can affect the operational budget due to maintenance costs.

In response to a question from Council, Jorge Cardenas, Chief Librarian, advised:

- The new strategic plan accounts for differences in public library use;
- Reliance on auxiliary staff does not create stability or a structure to serve the community;
- New positions are proposed; and
- Use of the digital library has increased.

In response to questions from Council, Lisa Leblanc, Director of Engineering Services, advised:

- A budget adjustment for business units responsible for climate events is intended to mitigate overspending due to changing needs; and
- Quarterly reporting can alert Council to expenditures nearing budget caps.

In response to questions from Council, Jackie Teed, Acting Director, Climate Action, Planning and Development, advised:

- A permanent staffing position would replace some auxiliary staff time and
- An unfilled position would result in a reduction in the ability to process building permits.

In discussion Council members noted:

- Concern regarding the budget for staff salaries;
- Whether conducting a study on software expenditures is necessary; and
- Suggestion to maximize the use of public washrooms prior to the construction of more public washrooms.

In response to questions from Council, Vali Marling, General Manager, Anvil Center, advised:

- The staff position requested is for a permanent full-time sales position which generates 50% of the sales at Anvil Centre and
- The requirement is to upgrade the conference booking software.

In response to question from Council, Ms. Varn advised that increases to the aquatic center operating budget are due to debt servicing costs.

In response to a question from Council, Erin Williams, Acting Chief, New Westminster Fire and Rescue Services, advised:

- Recruits are trained internally and
- The budget includes funding for a Chief Equity Officer position.

In response to questions from Council, Chief Constable Jansen advised:

- Increasing demands for services from the integrated teams and
- Traffic fine revenues have decreased due to fewer fines and more communities drawing a percentage of the revenues.

In response to a question from Council, Ms. Varn advised that contingency management includes weather management services, and unexpended funds will be allocated to General Reserves.

In discussion, Council members noted:

- Concern regarding the ability to fill employment vacancies and
- Suggestion that discussions be held regarding additional Fire Department responsibilities in the health care system.

In response to questions from Council, Gary So, Senior Financial Services Analyst, advised:

- The Bank of Canada inflation target is 2% and
- Any interest received over \$2 million will be allocated to the General Reserve.

In discussion Council members noted:

- Appreciation for remunerating individuals living in poverty for participating in committees;
- Concern regarding lack of service efficiencies; and
- Concern regarding the 5.4% property tax increase.

In response to questions from Council, Ms. Varn advised:

- A 1% increase in property taxes equates to \$1 million dollars in funding;
- 2021 budget was a recovery-based budget; and
- Efficiencies are expected in future budgets.

In response to questions from Council, Blair Fryer, Senior Manager, Economic Development and Communications, advised:

- The business licence ambassador has direct contact with business owners and
- The number of business licenses issued continues to increase.

Ms. Varn advised:

- Staff will solicit Council's feedback regarding the approach to public engagement on tax increases;
- The 5-year financial plan includes larger capital projects;
- The need to increase downtown livability;
- WorkSafe BC funding for mental health initiatives;
- Approximately 70% of budget expenditures are allocated to staffing; and
- Most municipalities are considering tax increases of between 5% and 7%.

In response to a question from Council, Jacque Killawee, City Clerk, advised that the budget reflects increased costs for storing records with an external contractor.

In discussion, Council members noted:

- The need for budget efficiencies;
- Suggestion that Council feedback to staff be more specific;
- Concern regarding staffing challenges and increased workload;
- A 3.95% property tax increase is similar to other communities;
- The General Reserve fund could be utilized to offset a larger property tax increase:
 - Use of the General Reserve fund to offset budget deficiencies is not a sustainable budget strategy;
 - The need to protect reserves; and
 - The motion is consistent with the historic practice to use reserves to stabilize property tax rates.

MOVED AND SECONDED

BE IT RESOLVED THAT staff present an alternate operating budget to Council for consideration that represents a 3.95% property tax increase;

BE IT FURTHER RESOLVED THAT the draft 3.95% operating budget identify program and operational efficiencies as well as opportunities to defer non-urgent spending to future years;

BE IT FURTHER RESOLVED THAT staff prioritize non-core functions when identifying areas for savings, efficiencies and deferred spending; and

BE IT FURTHER RESOLVED THAT staff utilize our General Reserve and budget surplus from 2022 to assist with reaching our 3.95% rate increase target.

Defeated.

Mayor Johnstone and Councillors Campbell, Henderson, McEvoy and Nakagawa opposed.

The following items were referred to staff for additional information:

- Washroom strategy;
- Recruitment costs;
- Anvil Centre business model;
- Fire Department report on Emergency Medical Responders (EMR);
- Workshop regarding efficiencies;

- Programs halted during the past year;
- Ecomm-911 budget increase and potential increase to services; and
- Payroll levels in other municipalities.

3. END OF THE MEETING

The meeting ended at 12:11 p.m.

Patrick Johnstone

MAYOR

Lisa Spitale

ACTING CORPORATE OFFICER