

REPORT

Office of the Chief Administrative Officer

To: Mayor Johnstone and Members of Council in Budget Workshop

Date: November 20, 2023

From: Lisa Spitale
Chief Administrative Officer

File: 2392672

On Behalf of the Senior Management Team (SMT)

Item #: 2023-766

Subject: 2024 Budget – Council Workshop (Part Two): Strategic Priorities Plan Implementation Strategy, General Fund Funding and Revenue Projections

RECOMMENDATIONS

THAT Council receives the information and analyses from the accompanying nine memos as part of the 2024 Budget deliberation process.

THAT the funding requests made in the Financial Implications sections of the memos form components of the 2024 Utilities Rates Council Workshop on November 27th (Part Three) and the 2024 Operating Budget Council Workshop on December 11th (Part Four).

THAT Council direct SMT and the Finance Department to evaluate the funding requests and provide property tax rate options and alternate funding stream options for Council's consideration at the December 11th Operating Budget Workshop.

PURPOSE

The purpose of this report is twofold: one, to provide Council with memos from Departments that inform the November 20th Budget Workshop; and two, to provide the Agenda for the November 20th Budget Workshop. Staff have prepared a presentation which will walk Council and the community through the memos which are provided as an attachment to this covering report.

Budget 2024 Timelines

The table below provides Council and the community with the dates of upcoming Budget Workshops and the anticipated timelines for Bylaw Readings. The 2024 Budget process has six parts, and began on October 16th with the Council Workshop on the 5 Year Capital Budget.

Attachment A provides the Agenda for the November 20th Council Workshop.

COUNCIL MEETING	BUDGET TOPIC
October 16	Budget 2024 Council Workshop (Part One): <ul style="list-style-type: none"> ▪ 5 Year General Fund Capital Budget Workshop
November 20	Budget 2024 Council Workshop (Part Two): <ul style="list-style-type: none"> ▪ 2023-2026 Council Strategic Priorities Plan Implementation Strategy ▪ General Fund Funding and Revenue Projections
November 27	Budget 2024 Council Workshop (Part Three): 2024 Utility Rate Projections <ul style="list-style-type: none"> ▪ Electrical ▪ Water ▪ Sewer ▪ Solid Waste
December 4	2024 Utility Rate Bylaw Readings
December 11	Budget 2024 Council Workshop (Part Four): <ul style="list-style-type: none"> ▪ General Fund Operating Budget – Options and Proposed Tax Rates Approve 2024 Utility Rate Bylaw
January 8	Budget 2024 Council Workshop (Part Five): <ul style="list-style-type: none"> ▪ Capital Budget Workshop - refinements
January 22	Budget 2024 Council Workshop (Part Six): <ul style="list-style-type: none"> ▪ Operating Budget Workshop - refinements
February 5	Commence Bylaw Readings

Information for the Budget 2024 Council Workshop on November 20th (Part Two)

City Council approved the 2023-2026 Council Strategic Priorities Plan on May 8, 2023. This Plan guides the work of City Departments during this four year term of Mayor and Council.

The 2023-2026 Council Strategic Priorities Plan is guided by the Vision that New Westminster is: *A vibrant, compassionate, resilient city where everyone can thrive.*

City Council has adopted **Five Strategic Priorities** that guide the workplans of all City Departments; they are:

Strategic Priority 1 - Community Belonging and Connecting:

Goal: A community where everyone belongs and has the opportunity to connect and contribute.

Strategic Priority 2 - Homes and Housing Options:

Goal: Clear the way for all types of homes needed by people today and tomorrow, prioritizing homes for those with the greatest need.

Strategic Priority 3 - People-Centered Economy:

Goal: A local, nimble, resilient economy that serves our local community.

Strategic Priority 4 - Safe Movement of People:

Goal: Prioritize the movement of people on foot, cycle and transit on streets that are safer for all.

Strategic Priority 5 - Asset Management and Infrastructure:

Goal: Resilient infrastructure that meets the community's needs today and into the future.

The Five Strategic Priorities are also informed and guided by **Lenses** and **Foundations**:

Lenses were included in Council's Strategic Priorities Plan to provide principles, guidance and actions to ensure that Council and staff are thoughtfully considering and integrating:

- Reconciliation,
- Climate Action and Environment,
- DEIAR (Diversity, Equity, Inclusion, and Anti-Racism) and
- Doing so in alignment with the City's commitment to thoughtful and meaningful Public Engagement.

Foundations provide the strategies, plans, policies, procedures and actions to ensure the five Strategic Priorities are appropriately supported by improving:

- Organizational Effectiveness, Resilience and Governance

Alignment between Council's Strategic Priorities Plan and the 2024 Budget

Since the Strategic Priorities Plan was approved by City Council, the Senior Management Team (SMT) has prepared an Implementation Strategy in the form of workplans for each Priority, and analysis of requirements to ensure that the staffing and resourcing requirements needed to advance this work are in place.

The new Council Strategic Priorities Plan is an opportunity to evaluate the City's organizational structure to ensure appropriate alignment between departments, divisions, and functions in order to effectively and efficiently advance the strategic priorities and enhance service delivery.

Areas for organizational restructuring form part of the Implementation Strategy so that the work of City staff can be better aligned, coordinated, effective and efficient.

The City has experienced significant growth over the past decade as many work functions and priorities have been established or expanded. As such, the organizational and reporting structures need to be updated and modernized in order to reflect, and effectively respond to, the evolving and emerging needs, interests, and expectations of our growing City.

Below are examples of how the workplans in the Strategic Priorities Plan Implementation Strategy inform the funding recommendations in the 2024 Budget.

The 5 Year Capital Plan:

- The City's aggressive capital program is outlined in the 5 Year Capital Plan which prioritizes the City's commitment to the Climate Emergency by allocating funding for the City's Seven Bold Steps to Climate Action, the Active Transportation Network Plan and the eMobility Strategy.
- Many of the capital projects are eligible for Senior Government funding and the City actively – and aggressively - pursues all funding opportunities.
- Key projects in the Plan include the completion of several greenways, public realm improvements, achieving compliance with rail crossing regulations and working toward whistle cessation, and expanding the City's tree canopy and Urban Forest.
- Building new community facilities for a growing municipality, fostering community connection and belonging, and meeting our climate targets, are all evident in the construction of the new təməsewtx^w Aquatic and Community Centre; it will be the first net zero facility in the City, serving to advance our commitment to achieving goals of the Corporate Energy and Emissions Reduction Strategy.

- A commitment to maintaining in good repair our important infrastructure, such as sidewalks and paths for pedestrians and cyclists, which for example, support children and youth travelling to schools and to community amenities, and maintaining a road network that prioritizes transit and the safe movement of people and goods.
- Advancing the necessary funding to maintain, renew and rehabilitate civic facilities and improve their safety and accessibility for all, such as the renovation plan for the Massey Theatre.
- These projects align with Strategic Priority 1 - Community Belonging and Connecting, Strategic Priority 3 - People-Centered Economy, Strategic Priority 4 - Safe Movement of People and Strategic Priority 5 - Asset Management and Infrastructure, and also support a growing population.
- Lenses and Foundations, including Reconciliation, DEIAR, Climate Action and Environment, Organizational Effectiveness and Resilience, are considered in all capital projects, and many major projects are informed by public input.

The 2024 Operating Budget:

- Largest component in the Operating Budget is staff salaries and as a government, we are a service provider.
- The City provides essential services in emergency first response and protective services.
- We provide core services such as maintaining our public works, civic buildings and properties, multi-modal transportation network, and parks and open spaces.
- We uphold our duty to engage with Indigenous peoples and maintain our commitment to A Year of Truth.
- We provide important community and recreational services with our libraries, community centres, recreational facilities, and cultural facilities.
- We utilize our land use regulations and policies to promote and accelerate the construction of below market and market rental and homeownership housing to meet our 2030 Housing Needs Assessment, and the provision of child care which supports the City's Family Friendly Housing Policy.
- As regulators we have a duty to life safety requirements in development and building permits.
- We promote a robust local economy through services, policies and regulations.

- We advocate for the community's most vulnerable people through policies, regulations and partnerships and we are committed to informing our work through knowledge gained from individuals with living and lived experiences.
- These services, actions and projects align with Strategic Priority 1 - Community Belonging and Connecting, Strategic Priority 2 - Homes and Housing Options, Strategic Priority 3 - People-Centered Economy.
- Lenses and Foundations are strengthened and aligned, including Reconciliation, Public Engagement, Climate Action and Environment, DEIAR, and Organizational Effectiveness, Resilience and Healthy Governance.

The Utilities:

- Provide the necessary funding for all essential infrastructure capital projects that form the backbone of running our growing City.
- Increasing the Utility's electrical capacity to meet the growing demands by maintaining and upgrading substations and expanding the distribution network, which are funded by the Electrical Utility.
- Reducing GHG emissions by providing electricity for de-carbonizing our civic facilities, the City's fleet and operating EV charging stations in the community, which are funded by the Electrical Utility.
- Maintaining, replacing and adding new water mains, which are funded by the Water Utility.
- Maintaining, replacing and adding new sanitary and storm sewers, and continuing our work to separate combined sewers, which are funded by the Sewer Utility.
- Collecting waste, including recyclables and yard and food waste, which is funded by the Solid Waste Utility.
- These projects align with Strategic Priority 5 - Asset Management and Infrastructure.
- Lenses and Foundations - Climate Action and Environment, and Organizational Effectiveness and Resilience.

2023-2026 Council Strategic Priorities Plan Implementation Strategy

Attached with this covering report are nine memos from Departments. These memos are part of the 2023-2026 Council Strategic Priorities Plan Implementation Strategy. They outline workplans, demonstrate alignments with the Strategic Plan and itemize respective resource needs.

The information from these memos is currently being consolidated and will inform part of the proposed tax rate options that the Finance Department will present to Council at the December 11th Budget Council Workshop (Part Four).

The nine memos are:

1. Preparing for the Opening of the new təməsew̓txw Aquatic and Community Centre.
2. A Housing Division to Expedite Housing Permits and Units.
3. Addressing the Three Crises with a Crises Response Team Pilot Project.
4. Integrating Climate Action and the Electrical Utility to Accelerate Implementation.
5. Creating Synergies and Community Partnerships with a new Community Services Department.
6. Being Prepared for Extreme Weather Events by Strengthening the Emergency Management Office.
7. Advancing the City's Commitment to Reconciliation, DEIAR, Public Engagement and Organizational Effectiveness.
8. Aggressively Pursuing Senior Government Grant Funding Opportunities to Resource the Implementation of the Strategic Plan.
9. Maximize Revenue Opportunities to Alleviate Financial Pressures in the Budget.

INTERDEPARTMENTAL LIAISON

All City Departments participate and contribute to the 2024 Budget process.

OPTIONS

There are four options for the report:

Option 1 – THAT Council receives the information and analyses from the accompanying nine memos as part of the 2024 Budget deliberation process.

Option 2 - THAT the funding requests made in the Financial Implications sections of the memos form components of the 2024 Utilities Rates Council Workshop on November 27th (Part Three) and the 2024 Operating Budget Council Workshop on December 11th (Part Four)

Option 3 - THAT Council direct SMT and the Finance Department to evaluate the funding requests and provide property tax rate options and alternate funding stream options for Council's consideration at the December 11th Operating Budget Workshop.

Option 4 – THAT Council provide staff with alternate direction.

Options 1, 2 and 3 are recommended.

This covering report was written by:

Lisa Spitale, Chief Administrative Officer

ATTACHMENT

Attachment A – Agenda for the November 20th Budget Workshop

Attachment B - Nine Departmental Memos