

## Memorandum

**To:** Lisa Spitale,  
Chief Administrative Officer

**Date:** February 26, 2024

**From:** Shehzad Somji  
Chief Financial Officer

**File:** 2454822

**Subject:** Budget 2024 and Five-Year Financial Plan Public Comments

### **PURPOSE**

To provide Council the public comments received on the 2024 – 2028 Five-Year Financial Plan.

### **BACKGROUND**

The Draft 2024 – 2028 Five Year Financial Plan was presented to Council at the February 5, 2024 public meeting with a recommendation to instruct staff to convert the five-year financial plan in a Bylaw and bring forward for three readings and adoption. Prior to presenting the Bylaw for three readings, the five-year financial plan is made available for the community to provide comment. The comment period was open from February 6 – 16, 2024 on the Be Heard New West page.

### **DISCUSSION**

The City received seven comments/questions from four community members, which are included below along with staff responses.

**ATTACHMENT 1: PUBLIC COMMENTS RECEIVED FROM FEBRUARY 6 – 16, 2024**

**1. Received from Michael Hall via email on February 7, 2024**

Hello,

Thank you for providing opportunity to comment on the 2024 City of New Westminster budget. Overall, I am satisfied with the budget, however, there is one small line item that I was happy to see but would like to see increased.

**Bus Priority Infrastructure** in the City of NW is an extremely cost-effective way to enhance (make the most of) bus service in our city when transit service is at a premium. TransLink has no more buses and limited funding to increase transit service.

**While the Mayors' Council campaigns for billions of dollars for a bus-first approach to transit expansion, cities spend pennies on making their existing buses work better.**

New Westminster has commute mode share heavily skewed to public transit compared to other cities. With many residents using the bus, prioritizing buses would make people's trips faster and more reliable, saving them time and worry. Making buses reliable is also the best way to get people to switch from private motor vehicles to public transit.

I experience overcrowding and passups on the 106 and 123 Frequent Transit Network bus routes daily. Buses routinely leave people behind at the bus exchange at New Westminster Station during peak times, only to (106 bus) inch through downtown, get stuck crossing Royal Ave, crawl through Uptown, then once in Burnaby fly to Edmonds station because of **Burnaby's bus priority lanes!**

**Increasing the annual budget for bus prioritization projects from \$200,000 to \$500,000 would increase the overall annual capital budget by 0.20%.** This small change would make thousands of people's lives better every single day.

Additionally, **PLEASE take full advantage of TransLink's pool of money for bus priority infrastructure.** It's not a 1:1 matching scenario, it is free money for cities to use! Please be greedy and use that money!!!

Thank you,

Michael Hall  
[REDACTED]  
New Westminster, BC  
[REDACTED]

**Staff Response**

The proposed 2024 capital budget includes a sizeable increase in funding for bus speed and reliability measures relative to recent years. The recommended investment for 2024 is commensurate with staff



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capacity to undertake these projects and will prepare us to implement measures recommended in a city-wide bus speed and reliability strategy that is nearing completion. In 2024, this will include design work to prepare for implementation of measures over the coming years. If staff deem that a further increase in capital funding is necessary to complete recommended measures in future years, then requests will be put forward to Council at that time. Staff will make every effort to take advantage of funding that is available from TransLink to enable implementation of bus speed and reliability infrastructure.

### 2. Received from Diane Strandberg on February 9, 2024

Hello:

Thank you for providing opportunity for feedback to the 2024 budget.

Along with many residents, I think a 7.7 per cent increase in property taxes, along with hikes in utility fees, is unreasonable given that inflation is less than 4%. I understand the drivers of the utility fee increases, but not the large tax hike needed for general operating costs. When the community centre was shut down was any funding set aside for start-up costs? I don't see any additions to core services in the budget so I'm guessing most of the increase goes to contracted wage hikes. What is that percentage, I didn't find that in your budget documents.

Next year taxes will be even higher, when compounded with this near 8% increase.

I also think your budget engagement materials are not reader friendly. For example, when I tried to read the most recent (Jan. 22) budget refinements, costs were described as - \$0.04M for a staff position. I wasn't able to figure out the annual cost from that figure.

Another document about department requests was a massive spreadsheet with tiny print. <https://pub-newwestcity.escibemeetings.com/filestream.ashx?DocumentId=17572>

To be honest, in my reading of council packages, I couldn't really understand the justification of the massive property tax hike except for vague generalities of council priorities, a few new staff additions and a general comment about wage increases.

To get up to date on the budget discussion in your budget feedback page (<https://pub-newwestcity.escibemeetings.com/Meeting.aspx?Id=c10abb82-e742-4b2e-b0f7-e65c77b2f09b&Agenda=Agenda&lang=English&Item=10&Tab=>) requires weeding through a lot of material and patience to watch council meetings. A more reader-friendly budget discussion package with specific details would be helpful if you really want public feedback. Timing must be an issue here, but it would be worth spending a week to collate and reframe the material, adding the missing pieces, before seeking input. Of course, it's only worth it if feedback is warranted or wanted.

I noticed that the city is expecting fewer grants because the city won't be getting the one-time Community Growth Fund. When I looked for information (admittedly outside the scope of the 2024 operating budget) I couldn't find an explanation of what that provincial grant was used for. My understanding is the fund can't be used for operating costs, but it could go towards some capital priorities.



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I also failed to find specifics on how the city plans to use a 3.5% climate action levy that is being tacked on to utility bills. It seems wrong to assess a levy without a specific program attached to it, and was a perhaps a bit premature when it was introduced. Much has been said in support of the levy, in that the city needs seed money for projects, but what projects? On the other hand, removing the fee, even temporarily as a gesture, would make it look like the city is backing down on general climate action — a very broad goal which this levy is not likely to do much to accomplish.

In sum, the city's tax increase is not out of line with many cities, except Port Coquitlam, but the city's general taxation is on the high side (<https://www.portcoquitlam.ca/city-government/budgets-financial-plans/2024-2028-financial-plan/>) compared to other cities. A cool-headed explanation as to why this is in the budget package might go along way to assuaging public concerns.

All the best

Diane Strandberg

### Staff Response

Thank you for your comments. Staff are committed to make future budget documents user friendly for the community to review and provide comments.

### **3. Received from Christopher Bell on February 16, 2024 via email**

Would you please tell me the lump sum "back pay" from the City's settlement of its union agreements with its' employees.

Was there also "back pay" for all of the City's excluded employees and management...and what was this amount?

What was the total "back pay" owed City employees across all of its classes of employment?

I will have more questions once I know the total sum of "back pay" paid to City employees.

### Staff Response

The retroactive payment for all staff was approximately \$4.7 million and was accrued in fiscal 2023.

### **4. Received from Christopher Bell on February 16, 2024 via email**

I am wondering if your financial team has made a \$1.7 million dollar error in their January 22nd, 2024 report to council on how much money will be needed to fund all of the 2024 increased costs? If the error has occurred i would ask that our proposed tax rate be reduced by 1.7%.



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In your January 22nd report to council **Budget 2024: Updated 2024 General Fund Operating Enhancements and Funding Strategy** you show a chart (on page seven) explaining ... "The enhancements will be funded by the following sources of revenue". In the 5th row of the top chart (on sources of revenue) you show **Deferred to 2025 ...1.7% ...1.7 million dollars** but the deferred money is added to the 2024 costs and not taken away from them.

The \$22.1 million dollar 2024 costs should actually be \$20.4 million dollars. Would you agree? If so, I see and request a lowering of the proposed tax rate by 1.7% to offset the \$1.7 million dollar error? Yes?

I would appreciate your understanding and explanation please. Perhaps I have it all wrong.

### Staff Response

Thank you for your email and for taking a close read of the report. You are correct that the 2024 cost for the enhancements is \$20.4 million, however for 2025 and beyond it will be \$22.1 million. This savings is due to the timing of when the new positions may be filled in 2024 and we have estimated that the savings is \$1.7 million.

If you look at the table at the bottom of page 6 of the January 22<sup>nd</sup> Council report showing the enhancements by Strategic Priority, the middle column shows the total additions of \$1.5 million having a 0.90% property tax rate impact, which reflects that approximately \$0.5 million of costs are deferred to 2025 (a 1.00% property tax increase approximately equals \$1.0 million in costs).

The table on page 7 states that the \$1.7 million is deferred to 2025 and that the City will be starting with a 1.7% property tax increase to pay for the enhancements in the 2024 budget. So the 7.7% proposed property tax rate, along with the other revenue increases in the table, is how the City will pay for \$20.4 million expected costs in 2024.

Hope this helps and I'm happy to have a further conversation if clarification is needed.

### **5. Received from Christopher Bell on February 16, 2024 via email**

In past financial years previous Directors Of Finance have clearly shown/indicated that they will use "new construction" (usually about a million dollars) to lower the anticipated tax hit by 1%.

I cannot find any clear reference that you will use taxes from "new construction" to lower the anticipated tax hit by 1% (one million dollars) If you have not considered the same action (to use "new construction" taxes to lower the anticipated tax hit by 1% I ask you to do so (as an amendment to the Financial plan bylaw)

I look forward to your response.

Please consider any of my draft financial plan questions (and your responses) as part of the City's public engagement process and include them in your package to council ... and on the public record for the 26th of February.



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## Staff Response

Although this was not explicitly presented in the budget presentations, the additional revenue from new construction has been included in the budget and taken into account when determining the property tax rate increase of 7.70%. See table below.

2023Municipal Taxation Budget	\$	105,142,044
2024 Property Tax Increase 7.70%		8,095,937
Subtotal		113,237,981
New Construction		1,004,063
2024 Municipal Taxation Budget	\$	114,242,044

### **6. Received from Christopher Bell on February 16, 2024 via email**

There was no opportunity, at the February 5th council meeting, for delegations to speak about the draft financial plan bylaw as the council meeting was canceled before any further delegations could speak.

The next public council meeting, when the draft financial plan bylaw gets 1st, 2nd, and 3rd reading, is also a Public Hearing night thus there will not be an open delegation time (where a person could comment about the draft financial plan bylaw.)

Thus, I ask for there to be an opportunity for the public to speak to the draft financial plan bylaw on February 26th, after your presentation to the public and council, but before council's vote occurs on the bylaw.

This opportunity to speak publicly (on February 26th) on the draft financial plan bylaw is particularly important as a result of the canceled February 5th council meeting.

Will there be an opportunity for the public to speak publicly, about the draft financial plan bylaw, at the February 26th open meeting of council?

### Staff Response provided by the Corporate Officer directly to Mr. Bell

It was unfortunate that you and the other 8 delegates did not get an opportunity to address Council on February 5<sup>th</sup>. I believe you and the other eight were advised by Legislative Services staff to please put your intended delegations in writing to submit to Council care of this department and they would be distributed to Council in advance of the next meeting. I invite you to take advantage of that opportunity as the Agenda for February 26<sup>th</sup> will not have an opportunity for the public to address Council. Thank you.



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### **7. Received from unknown – email to External Finance on February 16, 2024**

Triguy just submitted the survey Comments for Council with the responses below.

#### **Leave your feedback**

Is it possible to consider showing a slide that displays what I would call carryover revenue, new business revenue, disappearing revenues. Where carryover revenue is from sources that existed in the prior year. New business revenue is from new tax sources such as business growth, residential property growth, other sources. And then then disappearing revenues, revenues we had in the previous year that the city can no longer expect in the current year, examples business taxes is showing decline, less carbon credits, etc.... Showing this additional transparency may help take the steam off the consistent high tax hikes that are normal part of a growing city.

#### Staff Response

Thank you for your feedback. This information will take some time to produce and staff are committed to providing this information in future budget discussions.

### **8. Received from Christopher Bell on February 26, 2024 via email**

Thank you for your thoughtful and comprehensive responses to my questions on the budget.

My last questions relate to how the collective agreement settlements fit into the 2024 financial plan.

In reading the New Westminister Record's story on the settlement of collective agreements I read there is a 11.5% increase over three years plus a couple of extra benefits.

There was a 3% increase for 2022. What is the total owing (for the wage increase portion) to city employees for the 2022 year? How is this money being paid? This year's boost in wages and benefits is 14 million dollars and I ask if the 2022 retroactive "back pay" is part of the 14 million dollars?

The payment for the 2022 wage increase was expensed in 2023, there is no impact in the 2024 budget for this payment.

There was a 4.5% increase for 2023. What is the total owing (for the wage increase portion) to city employees for the 2023 year? How is this money being paid? This year's boost in wages and benefits is 14 million dollars and I ask if the 2023 retroactive "back pay" is part of the 14 million dollars?

The payment for the 2023 wage increase was expensed in 2023, there is no impact in the 2024 budget for this payment.



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There is a 4% increase for 2024. What is the total owing (for the wage increase portion) to city employees for the 2024 year? How is this money being paid? This year's boost in wages and benefits is 14 million dollars and I ask if the 2024 wage increase is part of the 14 million dollars?

The CUPE collective agreement related wage lift for 2024 is approximately \$3.8 million and is included in the \$14.4 million increase in Salaries, Benefits, and Training from the 2023 budget to the 2024 budget.

I do remember the previous Director Of Finance saying she was lifting taxes each year (2022 & 2022) "as if" the new collective wages and benefit agreement was in place (to avoid a huge future tax hike once the agreement occurred) so I wonder if that happened and, if so, I hope the city is not asking the 2024 tax payers to pay (for 2022 & 2023 wage hikes) for what has already been claimed, il you get my drift?

The budgeted wage lift included in the 2022 and 2023 budget was 2.0% and 3.0% respectively. The negotiated wage lifts in the ratified collective agreement is 3.0% and 4.5% respectively for 2022 and 2023. The difference of these rates was expensed in 2023.

The collective agreement settlement also included a one-time inflationary support payment of 2.5%. What is the total owing (for the inflationary support payment) to city employees for the 2024 year? How is this money being paid? This year's boost in wages and benefits is 14 million dollars and I ask if the inflationary support payment is part of the 14 million dollars?

The inflationary support payment was paid in November 2023, there is nothing owing for this payment in the 2024 budget.

The collective agreement settlement also included a one-time iretention support payment of 2.5%. What is the total owing (for the retention support payment) to city employees for the 2024 year? How is this money being paid? This year's boost in wages and benefits is 14 million dollars and I ask if the inflationary support payment is part of the 14 million dollars?

The 2% (not 2.5%) retention payment spans between 2023 and 2024 and is prorated over the two fiscal years. Half of the payment was expensed in 2023. Budget 2024 incudes the other half of the retention payment which is approximately \$0.5 million and is included in the \$14.4 million increase in Salaries, Benefits, and Training from the 2023 budget to the 2024 budget.

Do the excluded staff ... management ... receive similar salary increases in their salaries for the last two years and 2024?

Excluded staff received similar salary increases to the collective agreement wage lifts.

So, there you have my final comments and questions, Shehzad, my main concern being that 2024 tax payers not pay for 2022 & 2023 wage increases if those increases were incorporated into previous financial plan bylaws and tax rates.

I can confirm that the retroactive wage lifts for 2022 and 2023 were expensed in fiscal year 2023.