



Corporation of the City of
NEW WESTMINSTER

A vibrant, compassionate, resilient city where everyone can thrive.

CITY COUNCIL WORKSHOP

MINUTES

Monday, December 2, 2024, 3:00 p.m.
Meeting held electronically and in Council Chamber
City Hall

PRESENT: Mayor Patrick Johnstone
Councillor Ruby Campbell
Councillor Daniel Fontaine
Councillor Tasha Henderson (*joined at 4:11 p.m.*)
Councillor Jaimie McEvoy
Councillor Paul Minhas

Hanieh Berg, Corporate Officer

ABSENT: Councillor Nadine Nakagawa

1. CALL TO ORDER & LAND ACKNOWLEDGEMENT

Mayor Johnstone called the meeting to order at 3:00 p.m. and recognized with respect that New Westminister 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. APPROVAL OF THE AGENDA

MOVED and SECONDED

THAT the December 2, 2024 Council Workshop Agenda be adopted, as circulated.

CARRIED UNANIMOUSLY

3. PRESENTATIONS

3.1 Massey Theatre Renovation – HVAC Upgrades and Public Realm Improvements

The Chair referenced a letter from the Massey Theatre Society dated November 22, 2024 (attached to and forming part of these Minutes as Schedule 1).

With the aid of a PowerPoint presentation, Lisa Leblanc, Acting Chief Administrative Officer and Director, Engineering, provided background information and presented on the implications of adding HVAC and various public realm improvements to the Massey Theatre renovation project.

L. Leblanc reviewed the three phases of the current project, as approved by Council in June 2023, noting that approximately \$20.1 million was approved to deliver the identified Minimum Viable Option (MVO), which is to ensure the building is safe and operational. L. Leblanc then spoke to the rationale to replace the building's HVAC system and advised that, following the evaluation of several HVAC options, staff recommend an all-electric, air source heat pump system (ASHP). The proposed ASHP is estimated to cost \$8.8 million, which is an additional \$3.3 million above a like-for-like replacement. L. Leblanc then highlighted that should the proposed ASHP be approved, the City would benefit by an estimated 92% reduction in greenhouse gas emissions, improved comfort for occupants, and estimated annual savings of \$37,000 on utility bills. She further advised that the proposed HVAC replacement requires a 12-month full facility closure. Also, it was noted that the incremental cost of approximately \$3.3 million is eligible for funding from the City's Climate Action Reserve Fund.

L. Leblanc then spoke to the minimum and recommended site improvements, noting that if approved, the recommended public realm improvements are estimated to cost \$5.2 million.

Discussion took place and it was noted that given that the proposed additional scope of renovations at the Massey Theatre address the City's heritage, climate action, and arts efforts, it would be beneficial to examine various federal and provincial grant opportunities.

In reply to queries from Council, staff provided the following information:

- the balance of the proposed cost of the ASHP would be covered through use of the City's reserves;
- approximately \$34 million has been invested for capital works at the Massey Theatre;
- staff will explore third-party funding opportunities;
- additional information regarding the estimated 92% reduction in greenhouse gas emissions will be provided to Council, including information on the energy grid and source of the energy; and

- staff will work with the Massey Theatre Society to maximize grant funding opportunities as the Society, a non-profit organization, is eligible for grants not available to the City; and
- the proposed costs include contingencies for unforeseen issues.

Discussion took place and staff was requested to consider the Massey Theatre Society's organizational wellbeing throughout the execution of the proposed renovations.

MOVED and SECONDED

1. **THAT** the upgraded HVAC system, minimum site needs, and recommended site improvements, as described in the report titled "Massey Theatre Renovation – HVAC Upgrades and Public Realm Improvements" be added to the Massey Theatre Renovation project scope;
2. **THAT** in consultation with the Massey Theatre Society and others who deliver programs in the Massey Complex, staff conduct further analysis of the capital project sequencing to update the project schedule and cost estimate based on at least two schedule and facility closure scenarios, and report back to Council prior to February 28, 2025; and
3. **THAT** an objective third party with experience in performing arts operations and major capital projects be engaged to inform and facilitate the consultation and analysis of schedule and cost estimate scenarios.

CARRIED UNANIMOUSLY

3.2 Budget 2025: Draft 2024 General Fund Service Enhancements, Funding Strategy and Property Tax Rates Setting

With the aid of a PowerPoint presentation, Shehzad Somji, Director, Finance, presented on the 2025 General Fund Service Enhancement Requests, noting that four budget options have been presented for Council's consideration:

- a baseline budget of non-discretionary cost increases, such as contractual obligations, regulatory and legislative requirements, which would result in a property tax rate of 5.5%;
- Scenario 1 responds to Council's resolution to present a property tax rate of no more than 4.5%, which would result in service-level reductions across all departments;
- Scenario 2 includes all service enhancement requests, which would result in a property tax rate of 7.6%; and
- Scenario 3 includes non-discretionary cost increases and four options for enhancement requests, namely (i) Senior Management Team recommended enhancements, (ii) New Westminster Police Board approved enhancements, (iii) Council supported enhancements, and (iv) prorated and deferred enhancement requests.

Discussion took place and Council commented that (i) in future, it would be helpful to identify and propose budget reductions in less critical areas of the City's operations as opposed to across all departments, (ii) information on individual departmental budgets would be valuable in demonstrating the scale of proposed reductions, (iii) there is a need for long-term funding strategy to sustain permanent full-time staff once grant funding through the Housing Accelerator Fund is no longer available, and (iv) detailed information regarding the number of full-time equivalents would be helpful as well as how the City's staff complement per 1,000 population compares to those of other lower mainland municipalities.

Cllr. Henderson joined the meeting (4:11 p.m.).

L. Leblanc advised that staff will circulate information regarding full-time equivalents by email to Council and noted that information on staff complements of other municipalities is not readily available and therefore an analysis of these figures cannot be achieved prior to Council-consideration of the 2025 budget.

In response to queries, staff spoke to various service enhancement requests and the following was noted:

- the proposed Manager, Records and Information would lead the implementation of a Council resolutions database, a forward-facing tool for staff and the public to conveniently search public records, including the potential to incorporate a voting record feature;
- the proposed Manager, Economic Development is needed to address a number of gaps identified in the Community Services Department; the position would lead the development of an updated economic development plan and act as the Licence Inspector; and
- the Manager, Community Partnerships would manage a new division in the Community Services Department, that would oversee the City's grants process and the Film Office as well as manage various partnerships such as the Fraser River Discovery Centre.

MOVED and SECONDED

1. **THAT** a 7.6% property tax rate, as outlined in Scenario 2, be approved for the 2025 Operating Budget; and
2. **THAT** staff report back with a Consolidated Five-Year Financial Plan (2025 – 2029) bylaw.

The question on the motion was not called as discussion took place regarding the proposed property tax rate and the need to further consider its implications prior to Council's consideration. As a result, the following referral motion was introduced:

MOVED and SECONDED

THAT Council-consideration of the proposed property tax rate for the 2025 Operating Budget and Five-Year Financial Plan bylaw be deferred until the December 16, 2024 Council Workshop.

DEFEATED ON A TIED VOTE

Opposed: Mayor Johnstone
Cllrs. Campbell
McEvoy

Discussion took place and Council commented that (i) the proposed property tax rate of 7.6% is more than double the current inflation rate, (ii) Council and the public should be afforded more time to consider the implications of the proposed property tax rate, (iii) if finalized, the proposed property tax would result in tax increases of nearly 15% over the past two years, and (iv) it would be valuable to present the various budget scenarios in a manner that is clear and easily understandable by members of the public.

The question on the motion was then called and it was **CARRIED** with Cllrs. Fontaine and Minhas opposed.

The meeting recessed at 5:19 p.m.

The meeting reconvened at 8:34 p.m. with all members of Council present except Cllr. Nakagawa.

3.3 Budget 2025: Draft 2025 – 2029 General Fund Five-Year Capital Plan and Funding Strategy

MOVED and SECONDED

THAT Item 3.3 – Budget 2025: Draft 2025 – 2029 General Fund Five-Year Capital Plan and Funding Strategy be referred to the December 9, 2024 Council Workshop.

CARRIED UNANIMOUSLY

4. ADJOURNMENT

MOVED and SECONDED

THAT the December 2, 2024, Council Workshop meeting be adjourned (8:36 p.m.).

CARRIED UNANIMOUSLY

Certified a true and correct copy of the Minutes of the Council Workshop meeting of the Council of the City of New Westminster held on December 2, 2024.

Patrick Johnstone
MAYOR

Hanieh Berg
CORPORATE OFFICER