

## **ADMINISTRATIVE REPORT**

<b>TO:</b> Corporate Services Committee
<b>FROM:</b> Administration
<b>DATE:</b> January 19, 2015
<b>RE:</b> Public Input Report – 2015 to 2017 Annual Operating Budget

### **ISSUE**

Consideration of the public feedback on the Operating Budget and the Fees and Charges and Tax Levy bylaws that were presented as part of the budget process

### **HISTORY**

Prior to and following presentation of the Operating Budget on December 8, 2014:

- Finance department staff were available at an information booth throughout October encouraging citizens to participate in the input process
- The City hosted a budget Open House on October 1 and used an online budget tool to build awareness of the City's budget process and collect input from citizens
- The proposed budget was placed on the City's website, and an email address for public input was set up for the public's use
- Budget packages were made available at City facilities, and
- Advertisements requesting public input also provided a date for a public input night at a Regular Meeting of Council, January 12, 2015

### **ALTERNATIVES**

Option 1: Bring forward the bylaws for 2<sup>nd</sup> and 3<sup>rd</sup> reading under the bylaw process

Option 2: Amend the bylaws at 2<sup>nd</sup> reading

Option 2: Refer the bylaws back to administration

### **ANALYSIS**

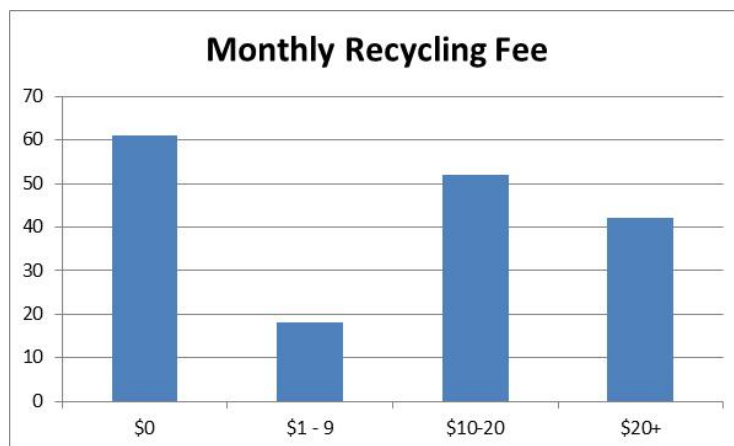
Three delegates appeared at the opportunity for public feedback at the January 12, 2015 council meeting, and an additional 44 comments were received in writing. Further, as part of the 2015 budget process Council committed to expand opportunities for public input to the City's budgets. As part of this strategy responses from 173 residents to the online budget tool (Citizen Budget) were collected.

**Input received has been summarized as follows:**

#### **1. Recycling**

38 submissions were received in writing, via telephone and email in regards to waste reduction and recycling efforts. Of these, 92% urged the City to continue supporting Raven Recycling directly.

The Citizen Budget tool asked respondents how much they would be willing to pay monthly to support a recycling service. The results are as shown below with over 54% indicating they would be willing to pay between \$10 and \$25 per month. However, 35% or 61 respondents are not willing to pay any additional fees for this service.



The survey also asked respondents who were business owners how much were they were willing to pay for enhanced recycling collection. Of the 31 respondents, 17 indicated they would be willing to pay up to \$50/month, 5 indicated they would pay more, and the remaining 9 did not provide a response.

Raven Recycling appeared in delegation to request that the City continue their support of the recycling industry by amending the diversion credit system. The delegation said they were also appearing on behalf of P&M Recycling, and explained that these credits are meant to address materials that do not have an associated system. Suggestions were made to double the \$150,000 cap on the credit, change the timing of payments, and increase the amount paid per tonne.

### **Response:**

The City is committed to and has supported waste diversion efforts for many years. The 2013 Solid Waste Action Plan outlined a plan for getting to 50% diversion by 2015. Recognizing that the existing system for funding recycling in the territory is not sustainable, administration researched other options for funding and supporting recycling. The most viable option is a residential recycling collection service that would fund both the collection and processing of recyclable materials.

With the results of the recent study demonstrating the viability of a recycling collection service in Whitehorse, and the strong public support of recycling, administration proposed initiating program design for a recycling collection service immediately.

Accordingly, on November 3<sup>rd</sup>, 2014 the 2014 to 2018 Capital Budget was amended in the amount of \$100,000.00 to provide for the commencement of a Recycling Program Design; the contract is being undertaken by Morrison Hershfield Ltd. As part of the development of a new program a survey on residential curbside recycling collection was undertaken; this resulted in over 1,900 responses. Survey results are posted at [www.whitehorse.ca/recycle](http://www.whitehorse.ca/recycle)

Diversion credits are recognized by the City as forming part of the City’s strategy to meet the 50% diversion goal. As such, staff will continue to explore options as part of the City’s integrated approach to waste management. No increase to diversion credits is included as part of the proposed 2015 operating budget.

**2. Citizen Budget Input**

A number of questions were asked in the survey tool regarding items classified as forced growth in the City’s budget process. These items are ones that require additional resources to establish or maintain services that the municipality must or may provide to meet strategic needs, obligations or taxpayer expectations. Administration used these budget submissions to develop questions for the Citizen Budget tool. The input which included 173 responses received is summarized below.

Item	Citizen Budget Input	Response/budget status
Increased bylaw enforcement on waterfront and trails	<ul style="list-style-type: none"> <li>• 97 out of 173 respondents said zero officers should be added to the budget</li> <li>• The average choice was to add .5 officers</li> </ul>	No service level increase was built in due to lack of strong support
Increased resources for Bylaw investigations	<ul style="list-style-type: none"> <li>• 125 respondents were not in favor, 48 were</li> </ul>	No service level increase was built in
Increase lifeguarding for the pool	<ul style="list-style-type: none"> <li>• 99 respondents chose to add 0 lifeguards</li> <li>• The average choice was to add .2 lifeguards</li> </ul>	No service level increase was built into the proposed budget
Increased Winze Park maintenance	<ul style="list-style-type: none"> <li>• 134 respondents said no while 39 were in favor</li> </ul>	Comments from the Neighborhood Association resulted in a clarification of costs; a reduced amount is built into the 2016 and 2017 provisional operating budgets
Winter trail clearing	<ul style="list-style-type: none"> <li>• 88 respondents said no</li> <li>• 85 were in favor</li> </ul>	For accessibility reasons this amount was built into the proposed budget. However, the program was reduced on a trial basis for 2015
Emergency measures operations training	<ul style="list-style-type: none"> <li>• 88 respondents said no</li> <li>• 85 were in favor</li> </ul>	Included for community safety reasons
Pumphouse safety inspections	<ul style="list-style-type: none"> <li>• 59 said no</li> <li>• 114 were in favor</li> </ul>	Included for water license and resident safety reasons
Water & Waste additional training costs	<ul style="list-style-type: none"> <li>• 77 said no</li> <li>• 96 were in favor</li> </ul>	Included for water license and resident safety reasons

Item	Citizen Budget Input	Response/budget status
Additional snow clearing	<ul style="list-style-type: none"> <li>• 119 said no additional funds should be spent on this activity</li> <li>• 54 chose to allocate additional resources</li> </ul>	No service level increase was built into the proposed budget
Sponsorship	<ul style="list-style-type: none"> <li>• 50% were not in favor of any sort of sponsorship with the balance of respondents split among the various options</li> </ul>	No new sponsorship revenue was built into the proposed budget
Grants	<ul style="list-style-type: none"> <li>• 74 people chose to leave grants as previously budgeted</li> <li>• the remaining responses were nearly evenly split between reducing and increasing the amounts</li> </ul>	The proposed budget maintains grants at the previous levels

A number of comments were also submitted as part of the consultation. These comments are attached as Appendix A.

### **3. Whitehorse Chamber of Commerce**

A delegate speaking on behalf of the Whitehorse Chamber of Commerce noted that the City has made a noticeable improvement in their efforts to enhance opportunities for public input on the budget and suggested that the results of the survey part of the consultation should be released to the public. The Chamber encouraged the City to review City services considering outsourcing as an option to possibly lower costs and suggested that any discussion on sustainability and long-term planning should consider the effect to taxpayers.

#### **Response:**

In the planning stages of the 2015 budget process, the City identified a desire to increase budget communications and opportunities for public input into the budget. Significant changes were initiated. It is acknowledged that this work is ongoing, and City departments remain committed to working with the Finance Committee, Council, other organizations and citizens to continue to improve communications.

The practice of the City is to bring forward the results of public input to a bylaw in the form of a report to Council. This report attempts to do so. This report and the online survey results will be made available on the City’s website.

City services will be reviewed as part of a new approach to strategic planning that is commencing shortly at the City. As the City strives to efficiently deliver services to its citizens the option of outsourcing will be examined.

The 2015 operating budget is presented by the City as another belt-tightening budget that still manages to advance the City’s strategic priorities. Council is very aware of the impact increasing taxes has on the citizens of Whitehorse; the result is a proposed operating budget which reflects Council’s continued effort to keep cost increases as low

as possible and again achieve the lowest tax increase in the past 10 years by holding the increase to 1.7%.

#### **4. Trails**

A delegate appeared to speak to trail maintenance issues and spoke of the health benefits of an effective trail network as well as the safety and accessibility concerns resulting from less than optimal trail maintenance. Written submissions were received to encourage the City to allocate funds to increase its walking focus, and a second to install snow fencing and pack the non-motorized airport trail shortly after a snowfall to enhance commuting opportunities

#### **Response:**

The Community and Recreation Services Division continues to work closely with the Whitehorse Trails and Greenways Committee which was established to oversee the planning and respectful use of Whitehorse trails. The suggestions made will be referred to this Committee for future implementation.

In addition, the City of Whitehorse 2015 – 2018 Capital Budget allocates \$425,000 to trail plan implementation and paved trail resurfacing. Recognizing the accessibility issues which hinder year-round trail usage, the proposed 2015 – 2017 Operating Budget allocates new funds to clear a portion of the Millennium Trail on a trial basis in 2015. Further funds are also provisionally proposed to expand this program in 2016 and 2017 if the trial results are favorable. As well, the Environmental Sustainability Department is undertaking a 2 year project to determine rates of active transportation methods (walking & cycling) in to and out of the downtown core.

#### **5. Other**

Written input was received on the following items:

- The Utilities Consumers' Group wrote in expressing concern with current and future utility rate increases for the purpose of maintaining a reserve which they feel is unnecessary.
- The Copper Ridge Neighbourhood Association requested that the City cover the additional operation and maintenance costs of the Winze Lane Park should they be successful in their application to the Community Development Fund to expand the current park.
- A submission suggested that in order to raise additional tax revenue mobile home parks should be taxed at a commercial instead of a residential rate.

#### **Response:**

The City's Reserve Bylaw requires 20% of annual water sales and any surplus from prior years be allocated to a reserve to fund future replacement of water and sewer infrastructure. The balance of this reserve is estimated to be approximately \$5 million once the 2014 year-end entries have been made. With an estimated replacement value of nearly \$56 million on the pump stations and reservoirs alone (replacement cost on over \$80 million worth of water distribution system infrastructure is not yet known) the balance in the Water & Sewer reserve is consistent with prudent management.

Clarification on the project from the Copper Ridge Neighbourhood Association resulted in the City's original cost estimate decreasing significantly. If the Association is successful in their funding request, it is anticipated that construction would occur in 2015 and City maintenance would be required starting in 2016. Therefore, the smaller budget estimate has been built into the provisional 2016 and 2017 operating budgets.

The annual tax levy bylaw establishes classes of property with a tax rate for each as per section 55(3) of the *Assessment and Taxation Act*. Properties with residential units within a mobile home park are being taxed appropriately according to the bylaw.

### **ADMINISTRATIVE RECOMMENDATION**

THAT Council direct that Bylaw 2014-35, the 2015 annual Operating Budget and the 2016 and 2017 provisional budgets, be brought forward for second and third reading under the bylaw process, and

THAT Bylaw 2014-36, the Fees and Charges Bylaw reflecting annual budget changes, be brought forward for second and third reading under the bylaw process, and

THAT Bylaw 2014-37, a bylaw to levy taxes for 2015, be brought forward for second and third reading under the bylaw process.