



**Speaking Notes**  
Mayor Richard Stewart

**Event:** 2021 Budget – Opening Remarks  
**Date:** Monday, December 7, 2020 – 7 p.m.  
**Location:** Council Chambers, Coquitlam City Hall

***Check against delivery.***

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***Introduction***

Good evening.

I want to begin by acknowledging that our community is on the traditional territory of the Coast Salish people, and in particular the Kwikwetlem First Nation, from which the name Coquitlam has its origin.

Tonight we will consider the 2021 to 2025 Financial Plan and the budget to fund our City's operations, capital improvements and utilities for next year.

You may wonder if the pandemic has drastically changed the budgeting process. In many ways, it has not. As in other years, we've provided funding for our core services, assessed what's happening both within the City and in the world around us, and sought to identify both what the community desires, and what it requires to thrive and prosper. And like other years, we've made sure to balance those needs and wants with the community's ability to pay.

In addition to the impact the pandemic has had on our service levels, it has also changed the priorities of our residents. By and large, what's important to most people today is very different than it was a year ago.

City Council and staff have worked very hard to create a budget that reflects the challenges and changes COVID has brought to our community and to our lives. COVID response and recovery is our number one priority for 2021. We've had to make some tough decisions in order to direct our resources where they will do the most good to help our community recover, build resilience and come out stronger on the other side.

And although this could be described as a somewhat frugal budget that considers the economic hardship everyone is facing, it is not a short-sighted, stripped-down budget that will leave our community worse off in the long run.

We continue to focus on the critical financial planning tasks that are the hallmark of sound municipal governance. We're planning for the coming years, and we're setting ourselves up for the future.

In essence, Coquitlam continues to adhere to the three principles that have put us on solid financial ground today. And those are:

1. **Ensuring our finances are sustainable over the long term**
2. **Maintaining stable property tax levels,** and
3. **Being flexible to respond** to emerging priorities and opportunities

I'm proud of the thoughtful, judicious approach we take with budgeting and our 2021 budget is no different in that regard. I believe it strikes the right balance between responding to the urgent needs of today while continuing to do the right thing for tomorrow.

There are a lot of people to thank for getting us here. It's always important to recognize that staff at all levels, and across the organization, do some heavy lifting to prepare for each year's budget. Their diligence is truly appreciated.

I'd also like to acknowledge my colleagues on Council for their vision and responsible approach in guiding the budget process.

Last but definitely not least, I thank those in the community who provide their input, particularly those who engaged with our online budget tools and survey. We had an amazing 38% increase in participation this year. Understandably, the input reflected a bit more of a cautious outlook and we've embraced that approach.

All in all, we have a stronger, more responsive budget because of all of that collective work and input.

### ***Looking back at 2020***

Now, to set the stage for the 2021 budget planning process, let's begin with a look back at the past year.

Not surprisingly, COVID continues to be the main story as we close out 2020. It's been a year that brought unforeseen costs and impacts to our City services and operations, capital planning and typical revenue streams.

To help keep people safe, and to follow Provincial orders, earlier this year we closed facilities and cancelled programs and events. But we continued to deliver essential services, moved many City services online, and made a variety of changes to protect the health and safety of staff and the public. We coordinated our response through our Emergency Operations Centre with the involvement and cooperation of staff from all departments. The City also worked closely with our municipal neighbours, regional partners and Provincial staff to manage the ever-changing conditions of the pandemic.

As soon as we were able to do so, we gradually began to safely reopen facilities and programs, while remaining ready to respond to new provincial health orders. Early on, we kicked off our COVID-19 Community Support and Response Plan – or CSRP. This plan is financed by various reserve accounts, including a \$5 million allocation by Council, and was designed to assist all sectors of the community and to target funds where they are needed most.

Some of the CSRP initiatives you may be aware of include: extensions for tax and utility payments, a variety of economic development activities, reduced fees for recreation drop-in, a meal delivery program for isolated seniors, and grants to support community groups. More programs will continue to roll out into 2021.

Overall, our fiscally-prudent approach this year has not only protected our services, but has supported community-wide recovery by providing real help to people, businesses and groups that are struggling.

While the pandemic was a big focus in 2020, it wasn't the only focus. We made progress on many other priorities, including adopting our new City Centre Area Plan after two years of planning and public consultation.

We broke ground on the new YMCA building and made a number of improvements to infrastructure and parks, consistent with the public's increased use of outdoor spaces.

We reviewed and improved our development application processes, and we continued to prepare for the future by planning for new recreation facilities – including the Northeast Community Centre and Place Maillardville – along with initiatives in housing, heritage, the environment, climate change, sports fields and other important matters.

We also received some recognition along the way, including receiving awards for our budget and financial plan, an Organizational Safety Excellence Award from the BC Municipal Safety Association, and being named one of B.C.'s top employers for the third year in a row. We even earned special achievement awards in the national Communities in Bloom competition.

One of the big highlights for 2020, however, was seeing how our Council, City staff and the community pulled together during this challenging year.

I take my hat off to those in the community who have supported their neighbours and those in need.

I also give kudos to our City staff for adapting and pivoting, both in their personal work situations and in coming up with creative ways to continue to do their jobs and serve the community.

### ***Maintaining a Strong Financial Position***

Now back to the topic at hand.

When it comes to our finances, Coquitlam is in an enviable position today because of those three financial management principles and best practices that I mentioned earlier. However, it's important to note that there are still challenges ahead due to COVID-19.

As mentioned, many of our typical revenue streams have diminished, including development, recreation fees, rentals, and the loss of host-community revenue sharing from the casino. Many of our capital projects also rely on collaboration and funding from other governments or agencies, some of which have deferred payments.

Operational costs have risen as well, including changes we've made to meet new health protocols along with labour and regional utility costs. All told, we will see cost inflation of 2.3% for 2021.

Throughout 2020, we took a number of steps to offset the changes in costs and revenue, such as reduced discretionary spending across the organization.

We've kept pushing our capital program forward, and not just because it brings much-needed improvements to our neighbourhoods and city. Construction is a major employer with a multitude of spin-off benefits to other businesses, while generating fees and taxes that help pay for improved community amenities and growth.

We're also actively seeking provincial and federal grants to support our infrastructure and other work.

### ***Budget Approach for These Uncertain Times***

As we plan for the uncertain times ahead, our approach is one of both caution and flexibility. In general, we've assumed that the financial pressures and social restrictions will continue to some degree throughout 2021, and that full in-person City services may not resume until 2022.

With that in mind, our focus next year will be on COVID response and recovery and on maintaining existing services and capital programs, while shielding taxpayers as much as possible. For example, we're using one-time funding from provincial grants along with our own reserves to address some of the temporary impacts, including those related to the pandemic.

There is always a delicate balance between minimizing tax increases and ensuring the long-term stability of our services. While we always need to maintain our fiscal resiliency, our primary job now is to protect our community from COVID and from the economic realities associated with it.

That means that for 2021, we asked staff to focus on the essentials, look hard for efficiencies, and minimize requests for enhanced services. The resulting list is short and focused.

There are some things we won't take shortcuts on, such as emergency planning, health and safety and infrastructure maintenance. We've also maintained the important planning processes that will affect many generations to come. These plans must be conducted diligently and with lots of deliberation.

That forward-looking lens was applied to the \$8.3 million in provincial COVID-19 Safe Restart funding our city received.

We'll apply \$1 million of the grant to cover unforeseen costs from 2020 – things like personal protective equipment, technology, and portable washrooms in parks for homeless people.

Another \$1 million will fund CSRP supports for community groups, and \$3.6 million will be used to help balance the 2021 budget and help to keep the tax rate down.

The remainder will be set aside to help protect taxpayers against the impacts of future costs or lost revenues.

### ***Budget Alignment with 2021 Business Plan***

One of the main ways we keep our budget on track is to align it with our Business Plan and Corporate Strategic Plan. As mentioned earlier, managing the impacts of COVID-19 on both the City and community will be our top priority for 2021.

With that in mind, here is a look at some of the work we will do next year.

#### *Core Services*

We'll continue our existing core services, with a few increases such as:

- An additional health and safety staff member to implement new protocols and guidelines;
- More resources to address the growing number of tax appeals;
- Inflationary increases for materials to maintain our parks, such as fertilizer and surfacing for trails and playgrounds; and
- Increased funding to improve our response to extreme weather events.

#### *Planning for a Prosperous and Sustainable Future*

As mentioned, we're continuing to plan for tomorrow by allocating resources to:

- The Southwest Housing Review;
- The Four Corners Master Plan and other initiatives related to the new City Centre Area Plan;
- Planning for the future Burke Mountain Village;
- Completing the Environmental Sustainability Plan;
- Developing a Water Conservation Strategy; and
- Increased outreach and communications required in response to the pandemic.

We'll also maintain resources to support growth and the Housing Affordability Strategy, and to consider new strategies for City revenue and financial sustainability. This work will be funded by developer fees or existing budgets.

#### *Diversity, Equity and Inclusion*

Over the past six months in particular, we've seen the public spotlight shining on tragic incidents that underscore longstanding issues associated with equity, with diversity and inclusion. Coquitlam has long sought to be an inclusive community, one that reflects our remarkably diverse community. But we know we're not immune to the types of hatred and prejudice that challenge our very society.

With that in mind, we as Council, as a city, and as a community must acknowledge where we are, and must strive for continuous improvement. To that end, in this budget we've assigned \$100,000 from reserves to fund a new Business Plan priority of Diversity, Equity and Inclusion. We want Coquitlam to continue to challenge itself to be better, to be more inclusive, and to strive to recognize and eliminate historic barriers to a truly inclusive society.

We've also approved ongoing operating funding to provide free menstrual products at 25 civic facilities, following a successful pilot project intended to assist in promoting gender equity.

### *Capital Investment*

On the capital side, we need to continue investing in amenities that support the community and local economy. As I said earlier, we're pursuing federal and provincial grants to offset some of those costs.

We tend to get excited about new buildings and roads but we also do a lot of work maintaining what we have, and these projects are not optional. We need to keep retrofitting, repaving and renewing our assets.

The outdoor spaces of our community have also become more cherished this year – they've become living rooms, safe gathering places and mental health retreats. We know COVID will be with us for some time, and that will be reflected in various parks improvements in 2021.

Overall, the 2021 to 2025 Capital Plan includes funding of \$356 million over five years for a variety of important capital infrastructure. Some of the projects on the list for next year include:

- Renovating the Innovation Centre to meet some of our current demands for recreation space;
- Completing the planning and design of the Northeast Community Centre;
- Trail improvements, including expanding the Coquitlam Crunch, and connections to the Smiling Creek hydro corridor;
- A variety of playground, tennis court and other park infrastructure and equipment upgrades,
- Various roadway and streetscape enhancement projects;
- Transportation upgrades including replacement of the Scott Creek Bridge and Dewdney Pedestrian Bridge;
- New sidewalks at several high-profile locations, and a new program to install flashing beacons at crosswalks;
- New technologies to enhance the Coquitlam Connect app; and
- Strategic land purchases.

In addition, we've allocated \$8 million for phase one of the Spani Pool renewal project, which includes adding a leisure pool and enhanced spray deck. This project was advanced to take advantage of federal infrastructure funding.

Given the changes to our typical revenue sources, we'll be launching a comprehensive process next year to revisit how we will fund some of the bigger capital projects that are coming up.

Alongside that review, we'll be working on a long-term tax strategy with the plan to address future community growth and service needs while limiting fluctuations to tax increases where possible.

### **2021 Tax Rates**

Now, let's turn to the information many have been waiting for.

This year's budget includes an average tax increase of 2.69%. This is primarily driven by contractual obligations and costs associated with sustaining the City's core services, but partially offset by the forecasted growth in property taxes from new development.

To support businesses, we've continued the tax shift between residential and commercial properties, but reduced it somewhat to recognize the economic hardship being felt by everyone. Based on a .75% shift rather than the usual 1%, the rate for businesses will be 2.19%.

The average homeowner will see an increase of 2.94%, amounting to an increase of \$62 from 2020.

We've also adjusted our 2021 utility rates to provide some relief. Homeowners will see their water bill rise by 4%, an increase of \$23 rather than the \$35 that was originally envisioned. We also cut the sewer and drainage increase in half from 2% to 1%, an increase of \$6 instead of \$10. The solid waste levy is going up by 2%, or \$7.

We know that even a small increase will be a challenge for many people. We've worked hard this year to limit the burden on taxpayers while ensuring the long-term sustainability of our services and finances.

### **Conclusion**

It's been a difficult year for everyone, and we know that more challenges lie ahead. We can take comfort that our city's low debt and sound financial practices have put us in good stead to manage the great financial uncertainty brought on by the pandemic.

In the months ahead, we'll continue to be nimble and diligent as we respond to the crisis and support our community. I have no doubt that we'll come out of this a stronger and more resilient city.

On a personal note, I'd like to say again how proud I am of how our community and City staff have responded to these unprecedented times.

Everyone has been challenged in some way this year, and there's no doubt that some people are suffering more than others, whether from financial loss or impacts on their physical and mental health. My heart goes out to those who are suffering and especially those who have lost cherished loved ones.

I am heartened, though, when I think about the many ways our community has come together in 2020, whether it's to lend a hand to a neighbour, to support a business down the street, or to simply try to spread some cheer and joy. It's been a ray of light amid what has been a dark time for so many.

Coquitlam, you've shown your true spirit.

Thank you.