



Speaking Notes
Mayor Richard Stewart

Event: 2019 Budget – Opening Remarks
Date: Monday, February 25, 2019 – 7 p.m.
Location: Council Chambers, Coquitlam City Hall

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Introduction

Good evening.

Like each of my colleagues around the table, I recognize that our City's budget and finances as a key responsibility of our elected positions.

While tonight is about looking to the year ahead, I also want to take a few moments to look back at all we accomplished in 2018.

Overall, it was a great year in Coquitlam.

Our latest Citizen Satisfaction Survey, conducted by Ipsos Reid, shows that 98% of residents rate our quality-of-life positively – good or very good. We live in an amazing, diverse community.

We were busy at the City in 2018.

We established new or revitalized parks and playgrounds such as Panorama Spray Park, Burke Mountain Pioneer Park, and Mackin Park.

We undertook the revitalization of Poirier Community Centre; when I was young, I worked for more than a decade as an evening/weekend supervisor at Poirier, a facility that has served generations. Fully renovated, it's now ready to continue that service to the next generation.

We opened the Business LinQ to provide a one-stop resource for people looking to set up a business in our community.

We held our first Housing Forum and saw tangible results on housing affordability and the partnerships that we can achieve in partnership.

We heard from the community on key projects including the City Centre Area Plan, the Cemetery Plan, the Youth Strategy and the Housing Choices Review.

We also made significant capital investments in transportation and infrastructure, including:

- repaving roadways,
- a number of sidewalk, multi-use pathway and greenway projects,
- finalizing the Crouch Reservoir to better supply water to the growing northeast area of the city, and
- completion of the new Westwood Plateau Water Pump Station.

Most of the investments we make in water and sewer are hidden.

Our residents can take pride in the provincial and national recognition we've earned, including being named one of BC's Top Employers, awards in the national Communities in Bloom competition, and the UBCM award for excellence in Asset Management.

Our community has demonstrated its support for the work we are doing – as all seven incumbents in last fall's municipal election are back at the Council table.

In an election that saw a lot of change throughout Metro Vancouver, Coquitlam is not only in a strong position of stability, but also a position of leadership within the region.

To that end, I'd like to take a moment and acknowledge my colleagues around the Council table, in order of seniority:

- Councillor Brent Asmundson
- Councillor Craig Hodge
- Councillor Chris Wilson
- Councillor Bonita Zarrillo
- Councillor Dennis Marsden
- Councillor Teri Towner

And our two newest Councillors in their very first budget cycle who both contributed strongly to the process:

- Councillor Steve Kim
- Councillor Trish Mandewo

There is a depth of knowledge and experience around this table that should provide confidence to our taxpayers on the decisions being made tonight, and throughout the year.

Current Financial State

As we shift to looking at what's ahead, overall, Coquitlam is in a good financial position with a strong economic outlook.

We have taken on no new municipal-supported debt in the last 10 years and have built reserves from non-tax revenues, helping us provide amenities to residents now and provide a legacy for future generations.

They will allow us to invest back in the community to provide the amenities and infrastructure needed to sustain us through the future, without looking to the taxpayer.

With a million more people coming to our region, this puts us in a position to support our share of that growth.

But, we know that there are still concerns and challenges around the rapid change happening – we clearly heard this as we knocked on your doors leading up to the election last fall.

While we are making gains through our Housing Affordability Strategy, this issue remains a large, complex challenge. And while we are working to address it, our work on this file cannot be in isolation.

Overall growth and development is a concern for some residents, and we agree that growth must pay for itself. We must leverage changing density and related challenges into benefits for residents.

Technology is also rapidly changing how we do business, and how our residents want to do business with us. We must work to keep pace with these changes to meet these evolving needs.

And, increasingly, we're hearing about the need to balance resource development and environmental health.

Budget

And now, for the task at hand tonight, the 2019 budget.

Our budget process is a thorough one.

I'd like to take a moment to recognize the work of the many staff involved in the process – both from the Finance Department, and also from all of the other city departments.

And I'd also like to thank all of the residents who provide their feedback to us through all the various channels.

We value your opinions and we are hearing from you in more ways than ever before. In the end, we are accountable to you, and your input plays an important part in setting the City's spending priorities.

While I say this all the time, it remains true: our budget is about **balance**.

The demand for more – and more sophisticated – municipal services continues to grow, amid growing inflationary pressures. And cities are being asked to provide service in areas not traditionally part of the municipal mandate such as affordable housing, child care and mental health.

This is further compounded by the continued downloading of services from other levels of government, such as the new Employer Health Tax, or impacts from projects from other levels of government. Including, for example, the dispute we have with FortisBC. But the same can be said for the TransMountain Pipeline or projects by Metro Vancouver.

These realities mean Council has supported many new items in this year's budget, as we work to supporting the more complex needs of our growing community.

But, we recognize that with the affordability challenges facing our region, any tax increase is keenly felt by many.

We talk about balance because the City of Coquitlam is in a strong financial position to manage the breadth of our responsibilities.

We don't have to pick one key priority project or one key neighbourhood but rather, we're able to support what our entire community needs from transportation to parks and green spaces to community planning.

And we manage these responsibilities through sound planning practices such as our annual Business Plan, Business Improvement Committee, Asset Management and Facilities Management.

Finally, we talk about balance as we look at funding opportunities outside of the tax base through Development Cost Charges, Community Amenity Contributions, grants, matching funding from other levels of government, corporate partnerships or using our reserves.

In fact, only about 40% of our total spending in this budget is funded by property taxes and utility charges.

Which brings us to this year's tax increase.

We have had 10 years of declining increases. Last year's increase of 2.06% was the lowest tax increase in over 20 years.

This year's increase to the base budget is 2.05%, continuing that trend – with a couple of caveats.

The 2.05% was by design, we worked very hard to get below last year's tax increase.

Like all municipalities, we are facing the new cost of the Employer Health Tax, where the Province has put some of the costs of Health Care onto municipalities and other employers. This adds an unavoidable 0.51% to the above noted increase – an additional \$700,000 that we must now collect and send directly to the Province of BC.

For our business sector, we recognize that there have been significant increases in property assessments for many of them, primarily related to commercial properties and affecting small businesses.

Council has lobbied the Province for changes to their legislation to deal with this systemic issue.

Partly to assist, and to help remove barriers to bringing new jobs to our community, Council has opted to continue the 1% tax shift between residential and commercial properties.

In total, this works out to a 2.90% increase for residential property taxes, and a commercial increase of 1.90%. This looks once again to be among the lowest increases in the region.

For the average homeowner, this works out to an estimated increase of \$57 in 2019.

Probably not sustainable. The rates for the services that municipalities provide is increasing more than the rate of inflation.

Value for Taxes – What are you Getting

Our residents have consistently told us that they get good value for their tax dollars, and that will continue in 2019.

I'd like to highlight a few upcoming projects, though it's not a comprehensive list of everything coming in 2019. Also, these projects aren't all funded by property taxes.

As always, our work is guided by our Strategic Plan, which identifies the five over-arching goals we hope to achieve for the community.

The first goal is *Strengthening Neighbourhoods*.

This includes addressing the needs of our changing community through new community plans and strategies, including implementing the Housing Affordability Strategy, initiating a child care strategy, the City Centre Area Plan, a Community Engagement Strategy, and reviewing the Housing Choices Program and Large Homes in Southwest Coquitlam.

It also includes Public Safety improvements -- four new officers for the RCMP to support traffic, as well as areas such as youth detail, sex crimes, and domestic violence.

Under the second goal of *Expanding Local Jobs, Local Prosperity*, we'll continue to support our Tourism, Economic Development, business retention, and Business LinQ programs. We'll also advance a number of transportation improvements and initiatives.

Goal three *Increasing Active Participation and Creativity* includes new infrastructure to support a growing community including new parks such as Riley Park, and revitalizing existing parks such as Town Centre, Cottonwood, Brookmere, and Phase 3 of our Park Blitz program.

The popular Adventure Playground will make a return in summer 2019 giving kids a chance for free-range play, and we'll also be bringing back the Cultural Summit recognizing the value of bringing cultural groups together in shared learning.

Under goal four, *Enhancing Sustainability of City Services and Infrastructure*, approximately \$457 million has been earmarked for capital infrastructure needs over the next five years.

Some of the key projects coming from existing reserves include the new YMCA facility, a new Park n' Ride in Burquitlam, improvements to Buchanan Square, improved streetscapes through our Frontage Works program, and aesthetic and safety improvements through our Neighbourhood Enhancement Blitz.

We will continue to focus on asset management and infrastructure sustainability. While these assets are generally well-funded, we know there's a gap and we must continue to properly manage the almost \$3 billion value of the City assets. We don't want to leave the next generation with sole responsibility for this bill.

And finally, goal five, *Achieving Excellence in City Governance*, this year's budget provides support for better community engagement tools because we know that residents want to be involved in the decisions that will impact them.

We'll also be improving our technology through the new Parks, Recreation and Culture online registration system, City services mobile app, increased and improved Wi-Fi services, enhanced e-services and a new website making the City more available, interactive and efficient than ever before.

Conclusion

With all of this, I know we are setting a financial course to ensure that 2019 will be another great year in Coquitlam – full of fun events, new amenities and, of course, changes.

Whether you're a newcomer or a life-long resident like myself, Coquitlam remains a great place to raise a family, start a business or get out in nature.

I recognize transition is not always viewed as positive for the entire community and there are people in our neighbourhoods facing significant challenges.

But the nine of us around the table as well as the City staff– with different perspectives, experiences and opinions – are ultimately working with the community's best interests in 2019.

Thank you.