

Staff Report to Council

Office of the CAO

FILE: 01-0620-03/21

REPORT DATE: November 14, 2021 **MEETING DATE:** November 22, 2021
TO: Mayor and Council
FROM: Mark Roberts, Chief Administrative Officer
SUBJECT: 2022 Business Plan - Offices of the City Council and Chief Administrative Officer

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:



RECOMMENDATION(S):

THAT Council:

- A. Receive for information the Council and CAO 2022 Draft Business Plan and Staff Report as presented at the November 22, 2021 meeting of Council; OR
- B. Other.

PURPOSE

To present the 2022 Draft Business Plan for Council and CAO.

☒ Information Report ☐ Decision Report ☐ Direction Report

EXECUTIVE SUMMARY

Each fall, the City of Pitt Meadows carefully deliberates on community programming, service goals, and allocation of resources for the coming year. This process prudently weighs the needs and requests of the community, and ensures the financial plan supports the desired service levels, resulting in the City's Proposed Corporate Business Plan. This Plan is presented to Council for their review and deliberation, and represents Staff's best recommendations for key initiatives, respective budgets by department, and the five-year financial plan for the City.

The annual planning process allows the City to ensure that its work is continually aligned with Council's strategic priorities, achievable within the annual budget, and responsive to the needs of its citizens. The Plan also operates as a guide to ensure the City stays on track and within budget, and as a reporting and communication tool between the City and its citizens, fostering transparency and fiscal accountability.

When deliberating business plans and budgets, Council must constantly weigh different community needs, recognizing that increase in service levels must be matched by corresponding revenues. The City strives to strike an appropriate balance between responding to requests for service, minimizing tax increases, and providing for sustainable long-term investment in our infrastructure. The ultimate goal of this process is always to be cognizant of the long-term viability of the community, to spend tax dollars wisely, and to maintain the quality of life for all of our citizens.

MESSAGE FROM THE CAO – Priorities & Challenges

The proposed 2022 budget maintains all current levels of service, as well as providing for a responsible number of initiatives designed to improve the quality of Pitt Meadows residents' lives and the sustainability of the City's infrastructure. It also accounts for the continuing impact of COVID-19 on municipal operations.

The proposed 2022 budget is very much in line with what Council approved in 2021 as part of the five-year budget, with some key changes that reflect the changed environment we continue to encounter. This has been another challenging year but one where we have continued to work together as an organization to identify solutions to service our community. The 2022 budget reflects that work.

Development of the draft financial plan began with assessments of the internal and external operating environments which provided context for the resulting budgets. The internal review began with Council's Strategic Plan with a focus of developing Business, Work and Financial Plans to support Council's Strategic initiatives. The external review assessed the economic climate and the continued impact to businesses from the COVID-19 pandemic.

COVID-19 Implications

Like many residents, businesses and other cities, the City continues to see financial impacts due to the ongoing pandemic. Our fee related revenues such as registration fees and rentals remained reduced due to ongoing limited capacity in our community recreation facilities and programs in order to comply with Public Health recommendations on physical distancing and mass gatherings. Also, in order to maintain public health and safety in civic facilities, there continues to be increased expenses incurred in response to the pandemic, such as more frequent cleaning. Staff resources continue to be assigned to manage the pandemic and to incorporate policies and practices that ensure the health and wellness of staff, Council and the public as we interact with each other.

There is still uncertainty around how long-term measures such as physical distancing and mass gatherings will be in effect, and the extent of the adverse revenue impact. The draft financial plan is based on the City's current re-opening framework and the related phase-in of programs and services, which assumes the City will not resume full recreation and cultural services until later in 2022. Added to this uncertainty is continued budget pressures of contractual increases related to the delivery of operational City services as well as capital improvements, primarily due to increased supply costs stemming from unreliable supply chains/prolonged delivery.

The City has taken a variety of actions to mitigate the financial impacts while continuing to deliver services under alternate operating models. The City's long-range financial policies have built a foundation for financial resiliency during these uncertain times. There is always a delicate balance between mitigating tax increases while ensuring the long-term sustainability of City services. Therefore, to relieve the pressure on increasing property taxes, the draft 2022 financial plan proposes to fund temporary financial impacts related to the pandemic from the BC COVID-19 restart grant.

Additionally, budgets were developed through a process of reviewing historical spending patterns and making reductions where possible and, when feasible, applying a zero percent inflation factor to non-salary accounts.

The proposed 2022- 2026 Financial Plan demonstrates our commitment to fiscal responsibility while still providing the policies, programs and services to support the changing needs of our community during these challenging pandemic times.

DIVISION OVERVIEW

CITY COUNCIL

Pitt Meadows City Council is the local elected body responsible for governing our city and stewarding Pitt Meadows' economic, social and environmental well-being. Ultimately accountable to its citizenry, Council's main responsibilities include establishing policies, bylaws, strategic priorities, service levels for the benefit of the community and provides direction to the CAO. Council is also responsible for ensuring that the policies they have established are implemented and administered effectively, efficiently, and fairly.

Operating Budget: \$446,700

Capital Budget: \$0

OFFICE OF THE CAO

The Chief Administrative Officer (CAO) is appointed by, and is directly accountable to, City Council. As the Council's only direct employee, the CAO is responsible for the day-to-day operations of the City and oversight of its corporate departments and divisions in accordance with the objectives, policies, and plans approved by Council. The CAO is also responsible for

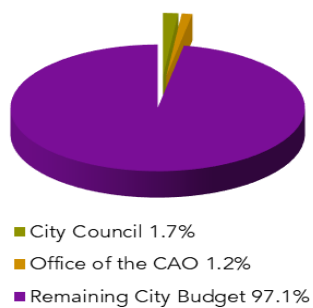
keeping Council up to date on corporate matters, providing guidance and advice to Council, and ensuring policies and bylaws are enforced.

Operating Budget: \$310,600

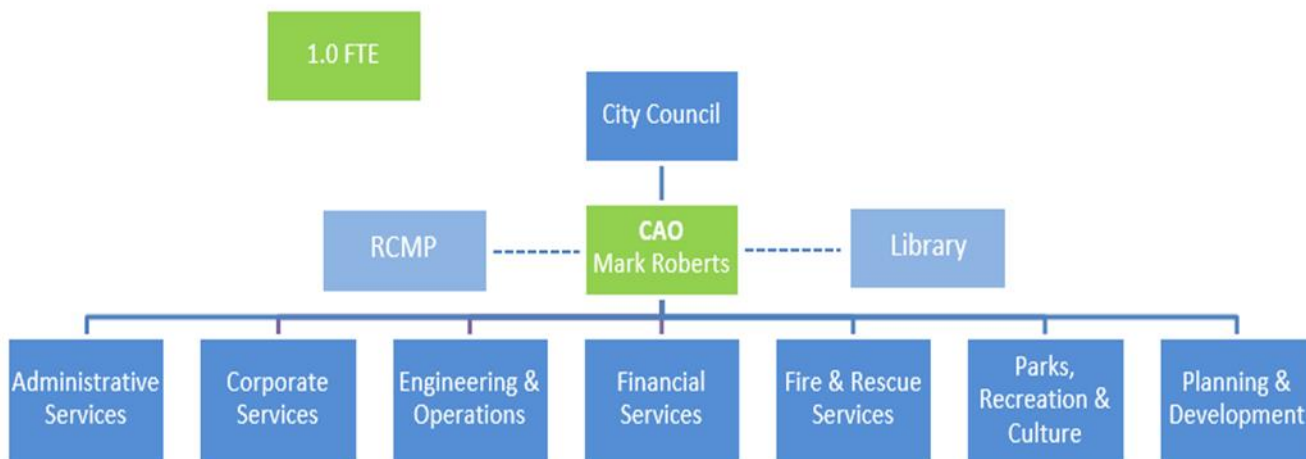
Capital Budget: \$0

% Share of overall City Budget:

Department's Share of City Budget



Staff Complement



Forecasted position adjustments

Reflected in the Organizational Chart, in 2022, the Emergency Management reporting structure will be changed from the CAO to the Fire Chief. This aligns with the operational response nature of emergency management and with the strengths of the Fire Chief in this field. As well, this reporting change will support an appropriate and efficient span of my influence and awareness and coordinates with the incorporation of the City's EOC facility within the new fire hall.

Deferred Projects

Identified by individual Division Business Plans.

2021 Achievements

- **COVID-19 OPERATIONAL ADAPTATIONS.** Continued adaptation to the evolving realities of the COVID-19 pandemic and related public health orders, which included modified protocols and strategies while maintaining services and ensuring the health and safety of employees and the public are prioritized. (Principled Governance, Balanced Economic Prosperity, Corporate Excellence and Community Spirit & Wellbeing – Wellness, Health and Safety).
- **FIRE SERVICES REVIEW IMPLEMENTATION.** In conjunction with the Fire Chief:
 - Identified existing gaps to reliably deliver fire services to the community;
 - Advocated for and implemented increased resources to manage risks associated with:
 - low paid-on-call response during daytime working hours; and
 - low paid-on-call experience due to turnover to full-time career opportunities elsewhere.
 - Implemented the new E-Comm radio system to replace the VHF system, permitting full interoperability with other emergency agencies and enhance firefighter safety.

(Community Spirit and Wellbeing – Health and Safety)

- **ROAD AND RAIL IMPROVEMENTS.** As a key City representative, negotiated and advocated with VFPA and CP to achieve the best interests for the City and its citizens for crucial components, including the Harris Road underpass. (Transportation and Infrastructure – Infrastructure).

- **TRUTH AND RECONCILIATION.** Prioritized Indigenous Relations and Truth and Reconciliation by:
 - Conducting an inclusive engagement process with Katzie First Nation by developing an OCP that contemplates important Katzie principles not previously incorporated into this visionary planning document;
 - Providing staff and Council with learning opportunities about traditional and First Nation history;
 - Supporting the completion of public art Hydro boxes and achieving successful collaboration with Katzie artists;
 - Installing park signage that includes Katzie language translations at Spirit Square and Waterfront Commons Park; and
 - Acknowledging National Indigenous Peoples Day in June, as well as providing a variety of events in September to encompass National Day for Truth and Reconciliation.
- **FIRE HALL REPLACEMENT.** Oversight of the ongoing construction of the new fire hall, with expected completion in 2022.
- **METRO VANCOUVER AFFORDABLE HOUSING PROJECT.** Executed and signed the Pitt Meadows Civic Site Collaboration Agreement that identifies Pitt Meadows as one of three priority projects for the ‘first’ Pitt Meadows’ affordable housing development, in conjunction with an integrated childcare facility within the new building.

Key Challenges for 2022

- **COVID-19 EFFECTS ON OPERATIONS.** Guidelines and protocols continue to remain challenging, as we look to align with provincial counterparts while still providing the necessary programs and services. Throughout the pandemic, the Corporate Leadership Team has worked hard to support the Provincial COVID-19 response with employee and community health and safety guiding our actions. More recently, one measure employed by senior governments, many corporations and municipalities across Canada, including some in Metro Vancouver, has been the introduction of an employee mandatory vaccination policy. We are working towards implementing a similar policy that builds on existing health and safety measures implemented by the Provincial Health Officer.

As well, financial sustainability and adverse financial impacts from the pandemic are expected to continue through 2022. Ongoing financial analysis modelling and forecasting to mitigate these potential impacts is necessary, and will aid in the City’s financial recovery.

- **TRAFFIC CONGESTION.** Continue to advocate for improvements and external funding to mitigate traffic issues on key corridors in Pitt Meadows including: upgrades to Harris Road at the railway crossing as well as the Lougheed Highway intersection, upgrades to the roundabouts and overpass connecting Airport Way and 113B Avenue over Golden Ears Way, and secondary access to the Katzie First Nation.
- **SERVICE CONTINUITY.** Due to recruitment by career departments within Metro Vancouver, the Fire Department continues to experience a significant turnover of paid-on-call firefighters. As a result of this, a substantial drop in the average seniority of POC membership has occurred, along with a significant loss of valuable experience. It is anticipated that the recent years' addition of 6 full-time firefighters, for a total of 8, will provide experience stability in the coming years.

Additionally, municipalities throughout the Province are experiencing a serious shortage of Building Officials. Due to new provincial training and qualification requirements based on competency criteria, building officials with these skill levels are in high demand. The department has found it challenging to recruit a position that has been vacant for the better part of 2021 and, in turn, has placed significant burden and workload on staff in this area. The vacant position was recently filled, however, a long learning curve will ensue before depth of knowledge and experience is regained.

- **AUTONOMOUS RCMP DETACHMENT.** With impending Ministerial approval, significant work will need to be undertaken to execute the transition plan and provide uninterrupted services while working towards implementing a superior service delivery model tailored to the Pitt Meadows community and realizing our full return on investment.
- **AGING INFRASTRUCTURE.** Continued long-range infrastructure planning and full-life cycle accounting is required to provide for the replacement of aging and deteriorating infrastructure, capacity for growth, and changing regulatory requirements. Continued financial diligence is needed to achieve consultant recommended annual funding targets to properly manage the faster rate of deterioration than our current rate of replacement/maintenance.

Key Initiatives 2022

Strategic Priority	Initiative
Community Spirit and Wellbeing – Wellness Principled Governance – Community Voice	PARKS, RECREATION AND CULTURE FOCUS. With the utilization of a newly formed technical advisory committee, provide organizational focus by developing a Master Plan implementation strategy that prioritizes initiatives within resource constraints.

<p>Community Spirit and Wellbeing – Wellness</p> <p>Corporate Excellence – Employee Excellence</p>	<p>CULTURAL AWARENESS. Increase corporate cultural awareness by:</p> <ul style="list-style-type: none"> • Acknowledgement of National Truth and Reconciliation Day and Culture Days each September at the Art Gallery with an exhibit showcasing Indigenous Artists; • Implementation of various Equity, Diversity and Inclusion fundamentals, concepts and practices, which will include reconciliation, anti-racism, unconscious bias and/or gender diversity; • Developing a pride month initiative in partnership with local LGBTQ2 community groups.
<p>Corporate Excellence – Responsible Fiscal Management</p> <p>Community Spirit and Wellbeing – Health & Safety</p> <p>Transportation and Infrastructure - Infrastructure</p>	<p>PUBLIC SAFETY. Transition to an autonomous RCMP Detachment realizing the following benefits:</p> <ul style="list-style-type: none"> • enhanced public health and safety for our citizens; • better response times; • superior service levels tailored to the Pitt Meadows community; • reduced lost travel time; • better communication; • localized leadership; and • an improved return on investment <p>Completion of the new Firehall construction and progression towards the new RCMP detachment building including: detailed design, site preparation, relocation of the Art Gallery and completion of the loan authorization bylaw/borrowing process.</p>
<p>Transportation and Infrastructure – Improved Transportation</p>	<p>ROAD AND RAIL IMPROVEMENTS. Continued design agreement negotiations with VFPA and CP for Gateway initiative, completion of noise/vibration mitigation and environmental studies and finalization of heritage building relocations.</p>
<p>Principled Governance - Advocacy</p>	<p>CP INDUSTRIAL LOGISTICS PARK OPPOSITION. Continued efforts by Council and staff to oppose the proposed CP Industrial Logistics Park, with the goal of receiving federal support in our opposition.</p>

1. PROPOSED OPERATING BUDGET

COUNCIL BUDGET

	2021 Adopted Budget	2022 Proposed Budget	Proposed Changes for 2022		2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget
Expenses								
Indemnity & Benefits	\$ 367,500	\$ 378,300	\$ 10,800	2.9%	\$ 387,100	\$ 394,100	\$ 402,300	\$ 410,000
Municipal Business	32,800	32,700	(100)	-0.3%	32,700	32,700	32,700	32,700
Memberships	15,700	16,500	800	5.1%	16,800	17,200	17,500	17,800
Phones & Devices	5,500	5,500	-	0.0%	5,500	5,500	5,500	5,500
Community Relations	12,900	12,900	-	0.0%	12,900	12,900	12,900	12,900
Other	700	800	100	14.3%	800	800	800	800
	435,100	446,700	11,600	2.7%	455,800	463,200	471,700	479,700
Net Operating Expenses	\$ 435,100	\$ 446,700	\$ 11,600	2.7%	\$ 455,800	\$ 463,200	\$ 471,700	\$ 479,700
Key Budget Changes for 2022:								
Salaries and Benefits			10,800					
Other			800					
Change in Net Operating Expenses			\$ 11,600					

CAO BUDGET

	2021 Adopted Budget	2022 Proposed Budget	Proposed Changes for 2022		2023 Proposed Budget	2024 Proposed Budget	2025 Proposed Budget	2026 Proposed Budget
Expenses								
Office of the CAO	\$ 304,400	\$ 310,600	\$ 6,200	2.0%	\$ 316,300	\$ 322,100	\$ 328,000	\$ 334,000
	304,400	310,600	6,200	2.0%	316,300	322,100	328,000	334,000
Net Operating Expenses	\$ 304,400	\$ 310,600	\$ 6,200	2.0%	\$ 316,300	\$ 322,100	\$ 328,000	\$ 334,000
Key Budget Changes for 2022:								
Salary and Benefits			5,700					
Other			500					
Change in Net Operating Expenses			\$ 6,200					

2. PROPOSED CAPITAL BUDGET

Division	Project	2022	2023	2024	2025	2026	Total
DV111 - CAO							
	No Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DV111 - CAO Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

3. DECISION PACKAGE(S)

None.

PUBLIC PARTICIPATION

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

KATZIE FIRST NATION CONSIDERATIONS

Referral ☐ Yes ☒ No

SIGN-OFFS

Written by:

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Reviewed by:

Mark Roberts,
Chief Administrative Officer

ATTACHMENT(S):

None.