



The Corporation of the City of Courtenay

Briefing Note

To: Council
From: Director of Finance
Subject: Budget Engagement 2025

File No.: 1700-20
Date: January 29, 2025

PURPOSE:

To provide Council with information from the online budget engagement that ran December 16, 2024 to January 15 2025.

BACKGROUND:

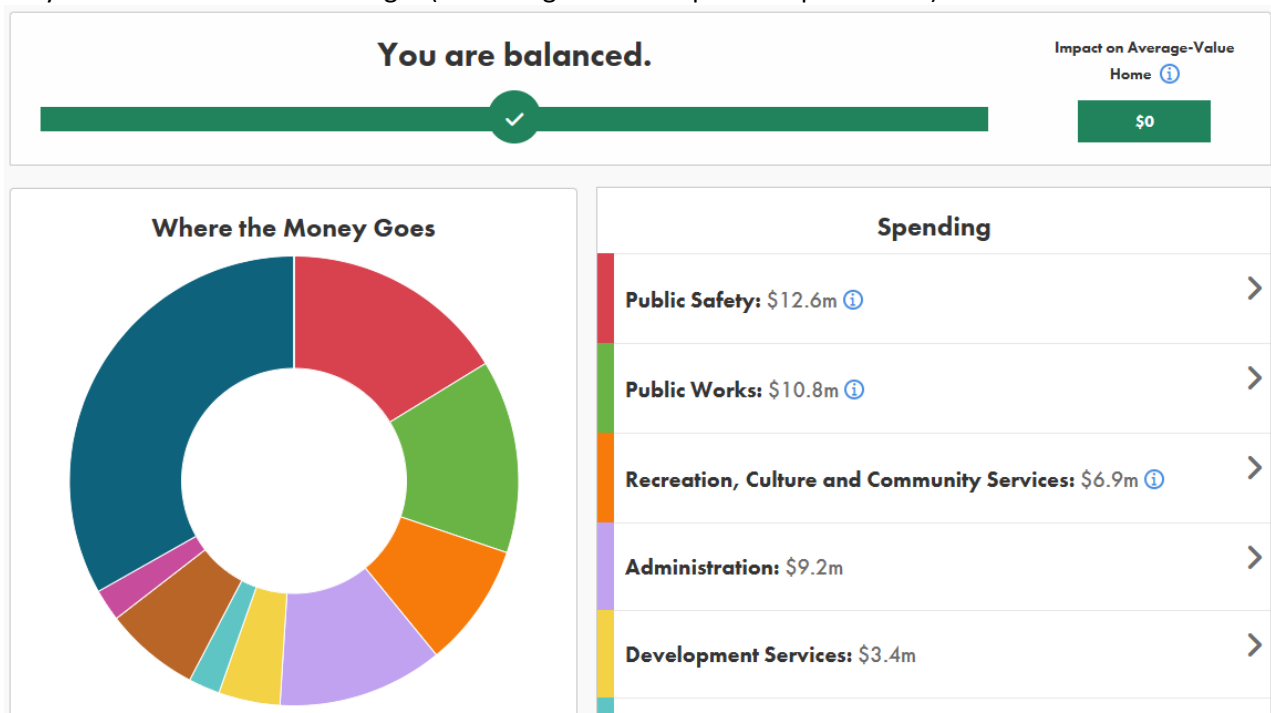
For the 2024 Financial Plan the City moved the engagement process online through a budget engagement tool called Balancing Act. Residents are presented with many options on revenue and services of the City that they can choose to increase or decrease. Respondents must provide a balanced budget they simply cannot reduce all taxes and increase all services. For the 2025 Financial Plan the City continued with online engagement.

DISCUSSION:

Simulation Design

The budget simulation was designed around the 2024 Financial Plan. This includes both revenue and expenditures for the General and Utility Funds.

Budgets were grouped by functional area (i.e. Public Safety, Recreation) and respondents could increase or decrease revenue and expenditure allocations at the department level. Prior to submitting their budget, they needed to balance the budget (revenue greater or equal to expenditures).



Results

The engagement efforts for the 2025 Financial Plan were successful and different participation over prior years. As noted in the engagement analytics below, the budget simulation garnered a total of 1,088 (842-2024) unique viewings, averaging 4:49 minutes (6:05 – 2024) per engagement. This equates to a total of 87 hours (85 – 2024) of budget engagement and exploration of revenue and expenditures scenarios.

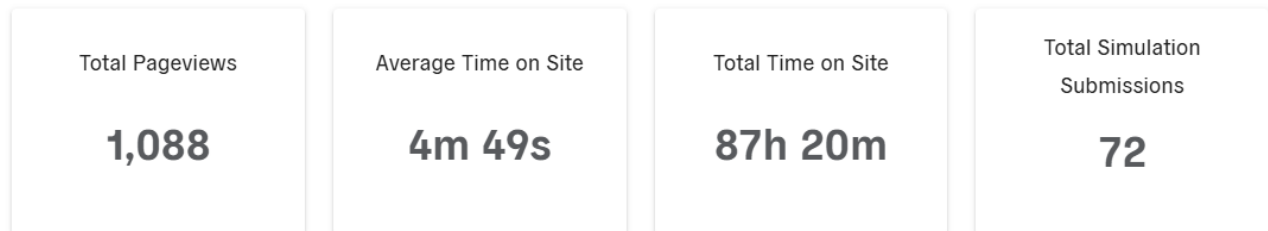


Figure 1: Simulation viewing statistics

A total of 72 (125 - 2024) individuals submitted their budget for the City to learn about their preferences and comments on the 2025 Financial Plan. Although 72 submissions seem like a low figure, we must consider how much interest was generated by the prior methods of in person budget engagement. An additional benefit that to this approach was the active engagement through the balance budget tool as opposed to previous passive engagement. Attending and listening to a budget presentation in person is not active engagement as there is limited ability to provide feedback. Historically budget presentations have not been well attended, with only a handful of people attending. If there were 10 attendees this would have resulted in 20 hours of engagement assuming a 2-hour presentation. Online budget engagement provided 87 hours of active engagement where residents had the opportunity to provide direct feedback moving the engagement from an informative approach to a more engaging approach.

Below is a link to the results of these submission in a budget visualization report:

<https://app.powerbi.com/view?r=eyJrIjoim2YxMWJmM2QtNDBiNC00YzZm3LWI0NDYtYjdkOWMwYmJjMjI5IiwidCI6IjI5ZmFiZDkxLTkyYzYtNDRhOS1hOGMzLTUxZTM2ZTFhNWUwMyIsImMiOjZ9>

This information link will be made available on the City's website in the 2025 to 2029 Financial Plan area.

Budget Engagement 2025

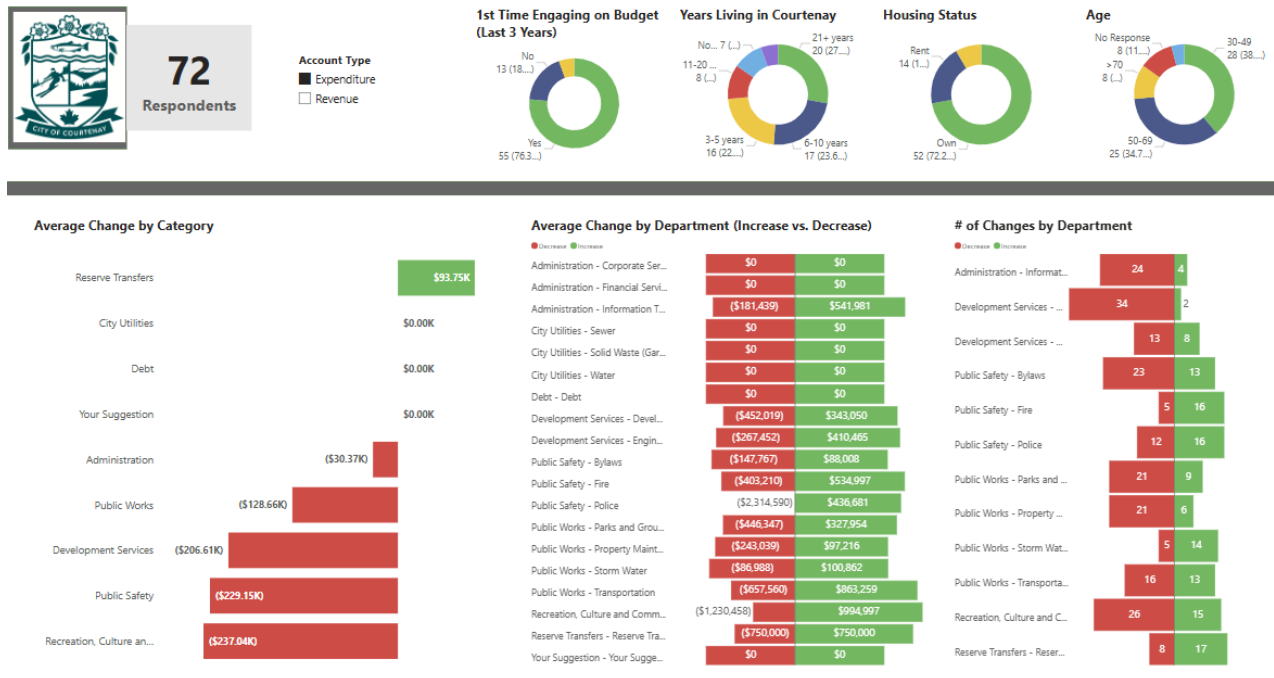
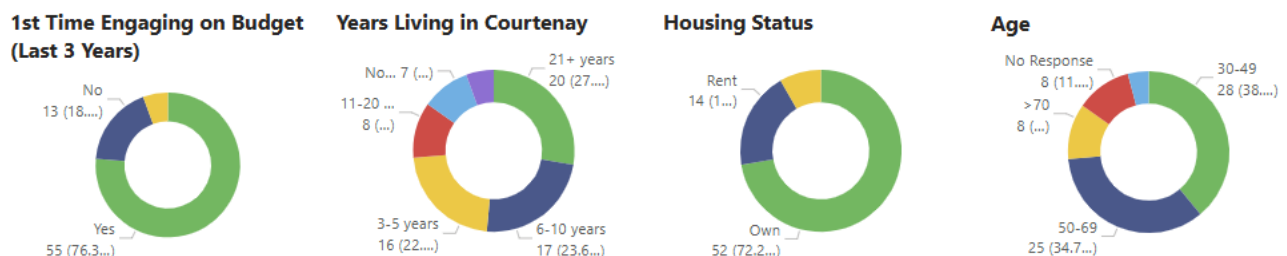


Figure 2: Screenshot of 2025 Financial Plan Simulation Results.

The top row the visualisation provides details on the four questions asked (voluntarily) regarding:

- Is this the 1st time engaged with the City of Courtenay on the Budget in the last 3 years
 - 76% of respondents answered yes (83% - 2024)
- How many years you have lived in Courtenay
 - 27% - 21 years or more (34% - 2024)
 - 17% - 6-10 years (24% - 2024)
 - 16% - 3-5 years (11% - 2024)
- Housing status (own, rent or other)
 - 72% own their homes (79% - 2024)
- Age
 - 38% - 30-49 years (28% - 2024)
 - 35% - 50-69 years (42% - 2024)

By clicking any one of these questions you are able to see these different groups responses to the budget simulation.



Average Change by Category – This summarizes the total average change in a given category, this includes those who increase and decrease the category.

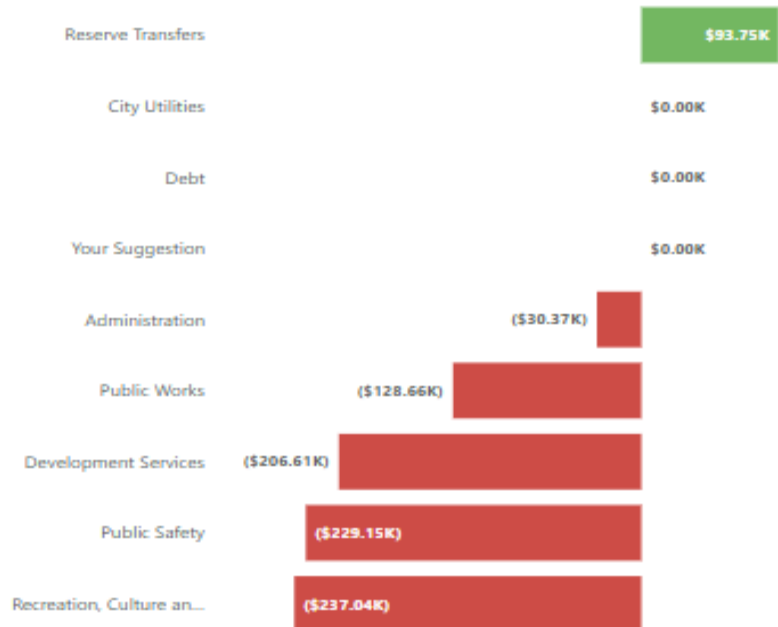
Average Change by Department (Increase vs. Decrease) – This summarises the average change for those who selected an increase or decrease it is not the average of both increase and decrease.

of Changes by Department – This summarizes the number of times a person selected a decrease or increase, it does not calculate the amount it simply quantifies the number of increase/decrease survey results.

Average Change by Category

The average change by category summarizes the total average change in a given category. Overall, the expenditure category with the highest average increase in funding was the Your Suggestion comment field. This was followed by increases in Public Safety funding and Reserve Transfers. The expenditure categories with highest average decrease in funding was City Administration followed by Recreation, Culture and Community Services and Public Works.

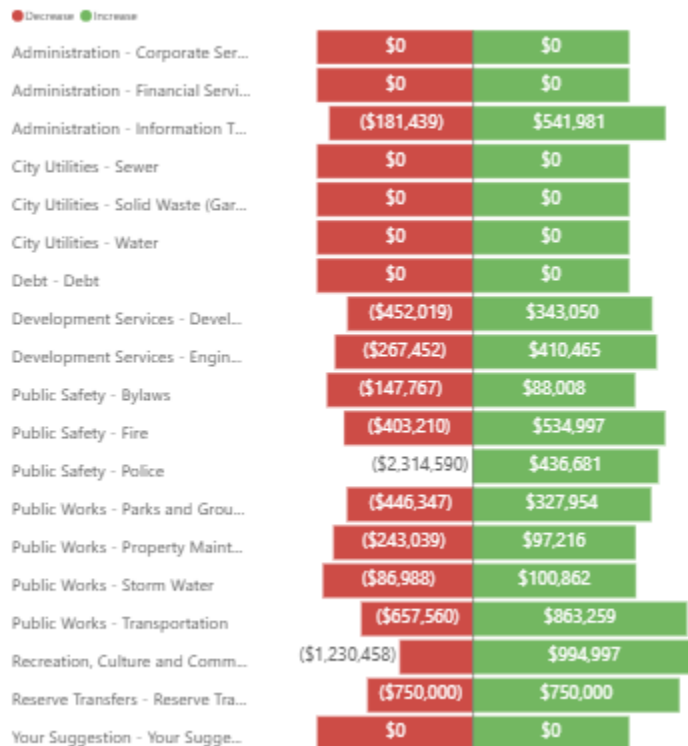
Average Change by Category



Average Change by Department

The average change by department summarizes the average increase and decrease (separately) by department. This is not an average of increase and decrease, it better shows the desires of respondents. At the department level, the highest average increase in funding was Recreation Culture and Community Services, Parks and Grounds at \$994K. This was followed by Transportation at \$863K. The expenditure categories with highest average decrease in funding was Police at \$2.3M, Recreation Culture and Community Services, Parks and Grounds at \$1.2M

Average Change by Department (Increase vs. Decrease)



Property Taxes

Property taxes are the highest revenue source for the City of Courtenay and the most visible tax for most residents. Respondents were provided the option of increasing or decreasing property taxes to balance the budget and shown the implications on the average-valued home for making each one percent change in tax revenue collected.

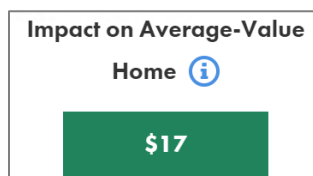


Figure 5: Impact on Average-Value Home example of a 1% increase in property taxes (\$311,450 in additional revenue). Screenshot from the simulation.

Overall, most respondents decided to keep the property tax collection amount flat (46 respondents), followed by 16 respondents electing to increase property taxes and 10 respondents decreasing property taxes.

The budget simulation requires that you submit a balanced budget, therefore, reductions in property taxes will likely lead to reductions in expenditures in department budgets. For respondents decreasing property taxes, the highest average decrease was in Recreation Culture and Community Services (\$663K) followed by Transportation (\$404K). In the prior year it was the Police Department budget (\$1.17M) followed by Recreation, Culture and Community Services (\$865K).

This divided yet similar result highlights that within the responses the solution around Recreation funding is polarized. People are willing to increase taxation to fund more recreation while others are willing to decrease taxation and will achieve this through reduced recreation funding. In the prior year the issue was funding for Police Services.

Below is a table showing the differences of average changes based upon property tax response (increase, decrease or no change).

AVERAGE CHANGE BY DEPARTMENT BASED UPON PROPERTY TAX DECISION

Property Taxes is Courtenay's primary method of revenue collection (47.1%). This table looks at the changes made in relation to the property tax rate determined by the simulation respondent.

	Decrease Property Taxes	Increase Property Taxes	No Change to Property Taxes	All Respondents
RESPONDENTS	10	16	46	72
REVENUE	(171,248) ▼	187,996 ▲	(255) ▼	17,440
Development Services (Rev)	-	-	-	-
Increase/Decrease Property Taxes	(1,751,015)	1,711,822	-	137,208
Operating Reserves	25,000 ▼	93,750 ▲	10,870 ▼	31,250
Other Revenue	-	-	-	-
Property Taxation	-	-	-	-
Recreation	47,786 ▲	15,644 ▲	(13,356) ▼	1,580
Sewer (Rev)	-	-	-	-
Solid Waste (Garbage) (Rev)	-	-	-	-
Water (Rev)	-	-	-	-
EXPENDITURES	(118,509) ▼	56,187 ▲	(54,583) ▼	(38,846)
Bylaws	(36,342) ▼	32,809 ▲	(52,523) ▼	(31,313)
Corporate Services	-	-	-	-
Debt	-	-	-	-
Development Services	(243,566) ▼	(57,890) ▲	(246,101) ▼	(203,924)
Engineering	(57,948) ▼	76,825 ▲	(18,323) ▼	(2,683)
Financial Services	-	-	-	-
Fire	19,830 ▼	126,003 ▲	94,121 ▲	90,888
Information Technology	(147,643) ▼	113,302 ▲	(54,848) ▼	(30,370)
Parks and Grounds	(247,295) ▼	37,393 ▲	(98,849) ▼	(89,190)
Police	(146,639) ▲	59,302 ▲	(440,666) ▼	(288,725)
Property Maintenance	(91,660) ▼	- ▲	(78,346) ▼	(62,785)
Recreation, Culture and Community Services	(663,331) ▼	276,388 ▲	(322,953) ▼	(237,041)
Reserve Transfers	(225,000) ▼	234,375 ▲	114,130 ▲	93,750
Sewer	-	-	-	-
Solid Waste (Garbage)	-	-	-	-
Storm Water	(7,746) ▼	29,791 ▲	12,564 ▼	13,571
Transportation	(404,335) ▼	139,248 ▲	54,713 ▲	9,742
Water	-	-	-	-

Reduced by more than 2 times the average

Reduced by more than 5 times the average

Increased by more than 2 times the average

Increased by more than 5 times the average

New for 2025 is the number of respondents who selected no change to property tax and instead they adjusted within other revenue and expense categories to balance their budget.

These variations in average department changes demonstrate the trade-offs necessary when revenue is increased or decreased. Additionally, it shows that some residents support property tax increases and the areas where they support additional funding being invested.

A reminder that this data can be sliced and diced in a multitude of ways and the best method to see this data is through the online visualize tool found in the link below:

<https://app.powerbi.com/view?r=eyJrIjoim2YxMWJmM2QtNDBiNC00YzM3LWl0NDYtYjdkOWMwYmJiMjI5IiwidCI6IjI5ZmFiZDkxLTUyYzYtNDRhOS1hOGMzLTUxZTM2ZTFhNWUwMyIsImMiOiZ9>

Comments

Although quantitative data is valuable as it can be cut, split, divided, categorised, qualitative data can be very helpful in providing context to the numbers. **Appendix A – Summary of Budget Engagement**

Comments – Contains summarized comments from the budget survey.

The first section captures the following:

- What do you like best about Courtenay?
- What can Courtenay do better?

The final section captures “Your Suggestions” component captured in the survey. This section provided an opportunity to provide a comment on what was being suggested and then adding an estimated cost for the suggestion.

Themes from comments focused on the following:

- **Positives:** Courtenay is valued for its location, outdoor activities, community atmosphere, and growth, with access to nature, recreational facilities, and a temperate climate.
- **Negatives:** Challenges include inadequate infrastructure, high taxes, homelessness, public safety issues, and concerns about inefficient government spending and lack of affordable housing.
- **Suggestions:** Recommendations focus on improving mental health services, infrastructure (bike lanes, public transit), reducing wasteful spending, increasing citizen engagement, prioritizing essential services, and addressing homelessness with long-term housing solutions.

POLICY ANALYSIS:

No direct policy impact from information provided however feedback from budget engagement will help influence and inform future Financial Plans.

FINANCIAL IMPLICATIONS:

No direct financial impact from information provided, however feedback from budget engagement will help influence and inform future Financial Plans.

ADMINISTRATIVE IMPLICATIONS:

Limited Administrative impacts as financial Planning is part of the Finance departments core duties.

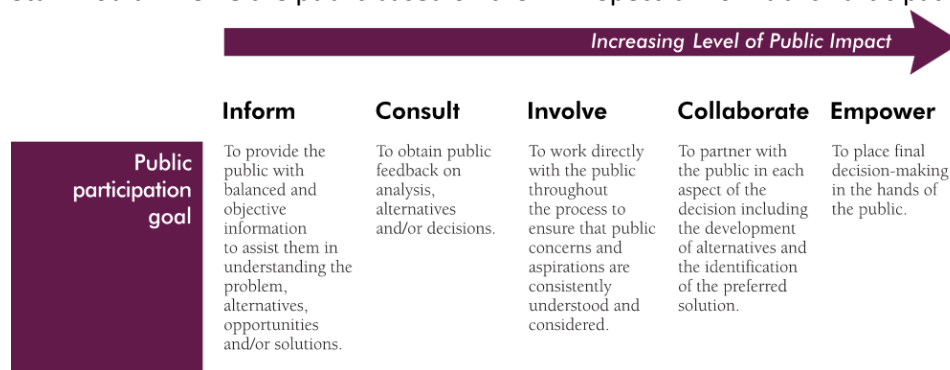
STRATEGIC PRIORITIES REFERENCE:

This initiative addresses the following cardinal directions:

COURTENAY WILL BE RESPONSIBLE FOR THE FUTURE by being more thoughtful, strategic, and efficient in all resources that we use whether it be land, energy, or public infrastructure, to ensure that actions deliver on multiple goals of fiscal responsibility, economic resilience, social equity, and ecological health.

PUBLIC ENGAGEMENT:

Staff would **involve** the public based on the IAP2 Spectrum of Public Participation:



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RECOMMENDATION: THAT Council receive the Budget Engagement 2025 briefing note.

ATTACHMENTS:

Appendix A - Summary Budget Engagement Comments

Prepared by: Adam Langenmaier, BBA, CPA, CA, Director of Finance

Concurrence: Geoff Garbutt, M.Pl., MCIP, RPP, City Manager (CAO)

Appendix A - Summary of Budget Engagement Comments

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The following is a summary of comments from sections of the budget engagement. The comments have been broken down into the following areas:

- What do you like best about Courtenay, and what can Courtenay do better?
- Your suggestions, in the survey there was an opportunity to provide “your suggestions” this section required a comment on what was being suggested.

Summary of What do you like best about Courtenay and What can Courtenay do better

Overall, the comments express a mix of positive and negative sentiments about Courtenay.

Positives:

- **Location & Outdoor Activities:** Courtenay is appreciated for its great location on Vancouver Island with access to outdoor activities like hiking, the Puntledge River, and nearby lakes and mountains.
- **Community Feel:** The town maintains a small-town atmosphere, with a growing and friendly community. The downtown area offers cultural institutions, diverse businesses, and parks.
- **Development & Growth:** Many people value the ongoing growth, including new condo buildings and infrastructure improvements, as well as recreational facilities like the aquatic center.
- **Climate & Natural Beauty:** The area's temperate climate, natural beauty, and access to outdoor activities are highly valued.

Negatives & Areas for Improvement:

- **Infrastructure & Traffic:** The city's infrastructure is seen as lacking, with complaints about traffic flow, potholes, and poorly planned bike lanes. There is a desire to move bike lanes to less busy roads and improve road conditions.
- **Taxes & Affordability:** Municipal taxes are considered high, and some residents are struggling with affordability, especially retirees. Concerns about high taxes and a lack of efficient government spending are prominent.
- **Homelessness & Safety:** The growing homelessness issue, public drug use, and safety concerns are major complaints. Many feel the city is not doing enough to address these problems and that public safety should be a higher priority.
- **Governance & Waste:** There's criticism of local government, with claims of wasteful spending on projects like bike lanes and social justice initiatives. Some feel the council is not responsive to community input, and that spending priorities need to be better aligned with citizens' needs.
- **Housing & Development:** There are calls for more affordable housing, faster permitting processes for construction, and better policies for low-income housing. The high cost of housing is seen as a major issue for young people and lower-income residents.
- **Public Services & Budget:** There's a need for more efficiency in municipal services, with requests for reduced spending, especially on non-essential projects. Citizens want better financial transparency and a more balanced focus on essential services like roads, sewer, and water.

In summary, while Courtenay is appreciated for its location, outdoor opportunities, and community feel, there are significant concerns about infrastructure, taxes, homelessness, safety, and the management of city resources. Many believe the local government needs to prioritize basic services, reduce wasteful spending, and address growing social issues.

Appendix A - Summary of Budget Engagement Comments

A Summary of Your Suggestions

The comment suggests several budget and policy adjustments for Courtenay. Key recommendations include:

1. **Mental Health & Addiction Solutions:** Allocate funds to address mental health and drug addiction issues, emphasizing evidence-based solutions that offer significant returns on investment.
2. **Promote Well-being:** Encourage mental health maintenance through nature, exercise, healthy food, and community involvement.
3. **Cultural Infrastructure:** Invest in more performance venues, like turning the Ilo-Ilo in Cumberland into a 350-seat theater, and increase collaboration between local municipalities.
4. **Public Engagement:** Increase citizen involvement in decision-making to leverage community knowledge and skills.
5. **Infrastructure Improvements:** Develop more bike lanes connecting towns, improve public transit accessibility, and explore alternative energy sources like solar and tidal power.
6. **Fiscal Responsibility:** Prioritize essential services, reduce unnecessary expenses (e.g., consultants, inefficiencies in public works), and work to reduce property taxes. Pay down debt to free up resources for the community.
7. **Economic Development:** Promote revenue-generating festivals, develop filming resources, and utilize telecommunication infrastructure for land-use lease revenue.
8. **Homelessness:** Shift funds away from enabling services and focus on providing long-term housing solutions, emphasizing individual homes or apartments over shelters.
9. **Public Safety:** Redirect funds towards prevention programs and social services rather than increased policing.
10. **Transparency & Accountability:** Improve financial transparency, address inefficiencies in the budget process, and reduce bureaucratic layers to streamline city operations.
11. **Environmental & Transportation Initiatives:** Focus on improving the transportation system, such as better bike lanes and a new airport, as well as increasing recycling services.

Overall, the comment advocates for a more efficient, transparent, and community-focused approach to the city's budget.