



31 January 2023

Ottawa City Mayor Mark Sutcliffe
Ottawa City Councillors
Ottawa Interim City Manager

The Peoples Official Plan coalition and the Ottawa City Budget

The Peoples Official Plan (POP) coalition is composed of over 20 not-for-profit organizations, representing tens of thousands of Ottawans. We advocate at Ottawa City Hall for better transit, greater walkability and active transportation, greenspace for all, housing equity, climate change mitigation and adaptation, equity and inclusion, sustainable waste management, and food security, all sought through ethical city planning practices.

1. Our Key Funding Priorities

This year, our key priorities are to ensure that current City policies are fully funded. In particular, we ask that Council fully fund the Climate Change Master Plan; accelerate the City's 10 year Housing and Homelessness Plan; invest in increasing public transit's modal share; prioritize investment into developing a comprehensive, municipal Food Strategy; provide offsets to mitigate the negative financial impacts of recent financial legislation such as Bills 109 and Bill 23 as well as increase transparency and accountability in the budget-making process as a means to achieving truly meaningful public consultation/collaboration and better informed decision-making.

Climate Action

We are calling on Ottawa City Council to commit to funding climate action in budget 2023, establishing stable and predictable on-budget line items to implement our municipal climate plans and get on track to meet our targets. For the 2022-26 Term of Council, it is not sound financial planning to rely on the off-budget, unpredictable surplus Hydro dividend payments arriving mid-year to fund a City strategic priority and declared emergency. Items to be funded include:

- implementation of all projects of Ottawa's Community Energy Transition Strategy, Energy Evolution;
- incentives for meeting the High Performance Development Standard, including for low and mid-rise residential builds (building better to forego future expensive energy-retrofitting programs);
- hardening Ottawa's most vulnerable and most critical public infrastructures against extreme weather risks, e.g. water treatment plant flooding risks; and
- undertaking immediate measures to protect Ottawa's most vulnerable populations against potentially catastrophic climate risks that have already been identified in the background work supporting the Climate Vulnerability Risk Assessment (CVRA), especially concerning heat risks to elderly low income residents.



The cross-cutting nature of climate action across the domains of many departments and the scale of investments requires a Long Range Climate Financial Plan. Budget 2023 should contain a commitment for developing such a Long Range Climate Financial Plan and provide for the necessary Full-Time Equivalents (FTEs). The plan should mandate, plan and forecast the resources required to meet Ottawa's climate target of net zero by 2050 or sooner and implement Ottawa's Climate Change Master Plan. In particular, the Long Range Climate Financial Plan should include:

- segregated green bond financing for capital assets that are either net zero or low carbon;
- segregated accounts for climate action projects that generate income or energy savings, with procedures on capturing revenues and/or monetizing savings building on the methodology developed for the Zero Emissions Bus Program Reserve account, and significantly funding the revolving fund for on-going climate investments approved in 2022; and
- utilization of these funds to further leverage other levels of government climate funding (grants, loans, risk guarantees, etc) including for nature based solutions.

Urban Forest Management

Residents of Ottawa have left not a shadow of doubt that we are alarmed at the progressive loss of our urban canopy and dismayed at the lack of equity in urban forest and greenspace outcomes. Operational resources are required to bolster the City's urban forestry effort. In particular, budget 2023 should contain:

- resources to enforce Ottawa's Tree Protection Bylaw;
- resources to enable community stewardship efforts;
- resources to both leverage and fill gaps in provincial and federal funds available for tree planting and nature protection, including more urban planners, conservation and land use specialists;
- operational resources to nurture and protect urban trees in order that they reach their full potential of canopy and ecological services; and
- additional resources in support of improved urban design aimed at fostering a greener, more environmentally sustainable city.

Affordable Housing and Homelessness

We are calling on the City to increase funding to support the City's 10 year Housing and Homelessness Plan. We want to see transformational change in response to our housing and homelessness crisis here in Ottawa. The annual capital funding (\$15m) does not meet the moment. Rising inflation has made an already bad situation worse.

Social Service Organizations

Last year's budget spread \$25m across 95 social service agencies. Mayor Sutcliffe campaigned on a commitment of increasing service funding by \$4m. We ask that Council honour that



commitment in the 2023 Budget. We are calling for a commitment from Council to increase funding to shelters, and commit to progressively increase funding in the future.

Public Transit

Council must invest in public transit to grow ridership and provide reliable, accessible, affordable and green public transit. We need to ensure stable transit funding that supports high quality service and allows for a transition to greener vehicles for OC Transpo and ParaTranspo.

Safety & Wellbeing

We are calling on Council to fully fund the strategies presented in Ottawa's Community Safety and Wellbeing Plan (CSWP), including developing priorities and actions to address local poverty, increasing awareness of, and support for, programs and services for survivors of gender-based violence, and working with partners to explore safer alternatives for mental health crisis response.

Food Strategy

We are calling on Council to invest in a comprehensive municipal Food Strategy, to augment the CSWP's outcomes on food insecurity, and to align with municipal planning worldwide. The strategy should align the Food and Agriculture Organization's (FAO) requested focus on urban food systems, as well as the 32+ other municipalities in Canada with municipal food strategies, existing staff would work on key portions of an integrated strategy, and the stated priority by broad residents and organizations for a Food Strategy. Given a combination of rising food prices, the link between physical/mental health and food, unequitable access to land, food production and an edible landscape, economic development opportunities within the food and farming sectors, and the need to address the circular economy of food waste in Ottawa, this strategy is essential.

Impacts of Bill 23 and Bill 109

Parkland

As part of Ontario's More Homes, Built Faster Act (Bill 23), the province is cutting in half the amount of parkland that developers must give the City in new developments, as well as imposing strict limits (at 40%) on how much the City can save year-over-year for larger projects through the Parkland Dedication Charge. This means that it will become difficult for the City to save money for larger amenities like recreation centres, and difficult to buy inner city parkland essential for ensuring that we have sufficient greenspace in our urban core. We encourage the City to seek Provincial relief from the negative effects of its recent legislation.

Wetlands

Changes made by Bill 23 to the wetlands evaluation system and to the scope of activities of Conservation Authorities have left wetlands significantly more vulnerable to development, putting them on the path to eventual disappearance. Ottawa's wetlands are irreplaceable natural assets providing ecological services to all residents in terms of carbon sequestration,



stormwater management, as biodiversity hubs and for groundwater recharge. It is imperative that budgetary provisions be made for filling in the gaps in wetlands protection brought about by this new legislation.

2. Efficiencies and Funding Re-allocation

Funding critical plans and policies to improve wellbeing and protect the health of our supporting eco-systems is important. Just as important is identifying what should *not* be funded or funded less.

Safeguarding municipal financial sustainability and Ottawa's balanced growth plan

Ottawa needs to ensure that any future decisions relating to the location of new housing construction is based on accurate data that shows the true cost of providing municipal infrastructure based on where development occurs (ie. greenfields, built-up area). Budget 2023 should seek to minimize unnecessary costs to residents arising from premature or unnecessary expansion. In particular, budget 2023 must:

- not allocate funds for infrastructure on lands not slated for urban development in 2023 and lands where zoning and relevant approvals are not complete;
- not reallocate funds otherwise required to support other municipally funded programs to make up for any development charge revenue shortfalls resulting from the implementation of Bill 23; and
- study the merits of establishing area specific development charges separately for built-up areas, greenfield areas, expansion areas, and special expansion areas with particular ecological and geophysical characteristics, so as to better reflect the actual costs associated with each type of development.

Controlling structural inflationary drivers

The financial strategies under Ottawa's Long Range Financial Plan (LRFP) V - Tax Supported Capital provide that the contribution from taxation for the renewal of existing assets be increased by inflation (defined as the Construction Price Index) and an additional \$7.8M per year. The current economic climate has dramatically changed from that of the preceding two decades of price stability.

It is the view of the POP coalition that a structural budgetary imbalance would result if the LRFP V investment rule in support of capital asset renewal were to be applied in the current context. Building construction costs for residential construction in the federal 11-city composite rose 18.7% year over year in the third quarter of 2022. It is our recommendation that the increase in contribution from taxation for the renewal of existing assets be capped at 2.5%, in balance with other accounts.

Applying brakes to carbon intensive capital assets

The Comprehensive Asset Management (CAM) program guides the management of the City's assets. As per the Climate Change Master Plan, the 2022-26 Governance Review has



mandated applying a climate lens to the 2023 capital budget process. It is our recommendation that this climate lens screening information be made public for all proposed capital asset management projects, and that all capital projects who emerge from this screening as high carbon, high-GHG emitting, or high climate risk projects, should be frozen subject to development of further mitigation options. In particular, holds should be put on expenditures and approvals in the following typologies:

- investments in new fossil fuel infrastructures where we are locked into carbon fuel use over the service-life of the asset, including refurbishments of diesel buses and building gas furnaces;
- investments in road widening and expansions where medium-term induced demand will reproduce congestion and aggravate GHG pollution;
- projects characterized by the creation of large surface parking, loss of significant wetlands, loss of habitat for species at risk and generally paving over greenspace and nature; and
- construction projects with high climate risk such as building in 100 year, or even 350 year, flood plains (City exposure/liability for emergency costs).

Police Services and Capital Budgets

In a period of fiscal constraint, constraint should apply to all parts of the budget, excepting the areas that Ottawa has declared to be urgent priorities (housing, climate and addiction).

Therefore the police budgets should be constrained to 2.5% growth. In particular:

- Budget 2023 is not the time for an expansive new police campus requiring in excess of \$150M; and
- efficiencies and better outcomes can be achieved by shifting funds from police services to community-based services better positioned to provide mental health support in relevant situations.

Ongoing Review

Recognizing that there are provincially mandated constraints on the City's capital and operating budgets and that unduly raising property taxes and user fees would be undesirable, we encourage the City to undertake a line by line departmental review of its expenditures, spread out over several years, with an eye to maintaining the City's credit rating and with an eye to maintaining/improving its level of service standards.

3. Fundamental Changes Needed to the Budget Process

The process of shaping the City of Ottawa's yearly budget is critical for the environment, social and ethical justice and making sure that the needs of our communities are met.

Gender, equity and poverty impact analysis

The Budget process should include a review of budget impacts through the City's equity and inclusion lens. Many of the City's budgetary decisions implicitly favor those earning higher



incomes, men and those who do not face discrimination based on age, race, sexual orientation or ability. Having an annual review of these impacts, and setting goals to improve equality across all areas of the budget would result in a more equitable city for all. Using structures already implemented within the City, such the Women and Gender Equity Strategy, to review the budget process should help the budgetary decisions to be made with equity in mind.

Make the budget more transparent

The Budget is the single most important policy document produced by the City of Ottawa every year. Yet in its current form, it is impenetrable and, consequently, not widely read. When a City budget is a daunting and overwhelming read for most, many are disenfranchised, particularly those whose voices are least often heard. Transparency, accountability and good governance call for an easy to understand document, fully searchable and accessible to all online with sufficient time to review and engage at a community level. This includes organizing the budget material into decision-oriented categories. To be clear, we are not asking for “communications products” such as the City has produced in the past. Instead, we call on the City to adopt an environmental, social and corporate governance (ESG) approach to governance and budget-making.

Enhancing public engagement & collaboration

In future, the budget consultation process needs to start in April instead of in November. That would allow time for more meaningful public input as well as more time for staff and Council consideration.

Allow Meaningful Public Consultation

Public consultation on our current budget could be described as performative, or “just for show”. The consultation process will continue to be meaningless until process improvements are made. An early start to consultation should be paired with information sessions on the budget and its importance, as well as several rounds of consultation to enable the city to feed Ottawa residents’ priorities into the draft budget.

Participatory Budgets

Expanding the current practice where councillors have some limited funds to allocate to investments and public realm improvements in their wards. Additional funds should be made available for ward-level participatory budgets where residents can come together and decide on local spending priorities. These exercises can also serve as civic engagement into the municipal budget overall.

Display trends

Trend data across previous budgets needs to be compiled and publicly available. Analysis of sources of revenues and categories of spending over at least the previous five years is essential information in assessing budgets. As suggested before, these financial streams should be



decision-oriented to the greatest extent possible. Trend analysis is long overdue and should be at the forefront of any modern city budgeting process.

Provide Department Briefing Notes

Some departments provide briefing notes summarizing their accomplishments and planned expenditures but the practice is uneven. Each department should, along with its budget proposals, provide briefing notes for each line of business in a two-page document, using a standardized format covering the previous year's accomplishments and the future year's plans. This briefing note is essential for the public and Council to meaningfully participate in assessing the alternatives faced in weighing the competing priorities in the City budget.

Remove budget caps and re-allocation restrictions between departments

Imposing a budget cap at the beginning of the process, means that top priority items may in some cases be overlooked. Starting with a fuller funding wishlist and then removing items as necessary, means that there is a better chance that key needs are met. Even if a cap is set out at the start, if there is consensus it has to be possible to fund something beyond the cap. More flexibility also needs to be built into the process by allowing, upon consensus, reallocations between department budgets.

Establish a culture-change budget for city planning practices and analyses

A culture-change budget treats the organizational culture like any other operating system. Such a line item focuses on taking action, assessing behaviors and accountability so that City staff are acting in ways that will move the City forward with ethical planning practices. We urge that you give culture visibility so that the City can create accountability around it.

Alternative costed budget options

With a view to democratizing the budget process, we call on Council to direct staff to assess and report back on the pros and cons of developing several alternative costed budget options as a basis for more effective, more meaningful public consultations and as a basis for better informed decision-making at Council.

Admittedly, what we propose is novel, untried in Ottawa, and perhaps may even be considered to be a bit disruptive by some. However, given the key role the budget plays in the attainment of the City's Term of Council Priorities, the current process clearly is much in need of improvement.

More effective public engagement; more transparency on why certain choices are made vs others; more comparison across departments and priorities; more relevant data for Councillors and the general public as a basis for well-informed decision-making would all be good steps in the right direction.

To that end, we seek additional budget funding to improve transparency and accountability. More specifically, we recommend enhancing public consultation/collaboration processes and



developing an annual department-by-department publication plan with relevant and readily understandable data, metrics and benchmarks. We also recommend that senior staff annual compensation be closely linked to progress in achieving Official Plan and Master Plan targets.

The City needs to improve public awareness of and public access to how it tracks progress in achieving its primary Official Plan and Master Plan goals including, but not limited to, climate change, environmental sustainability, gender and social equity, poverty and homelessness, affordable and deeply affordable housing, food security and waste management.

Only when these changes are made, will Ottawa's City budget finally be a budget for all Ottawans.

Yours faithfully,

The Peoples Official Plan coalition