

SPEAKING NOTES

Mayor Jim Watson

Budget 2019 Tabling

Building a City with Better Roads, Housing, Transit and Safe Communities

Wednesday, February 6, 2019

Good morning everyone.

Bonjour tout le monde.

Today we are pleased to table the draft 2019 Budget for consideration and public input.

The tabling of the Budget is the single most important discussion we have as a City each year.

C'est la discussion la plus importante que nous avons à chaque année.

I had the pleasure of attending various ward consultations and I found that residents often have competing expectations regarding the City's budget.

However, they are also realistic about the City's fiscal capacity – they know we have to set a limited number of priorities while living within our means.

This year is particularly challenging given the compressed timeline resulting from the municipal election.

I am pleased to report that we are bringing forward a budget for 2019 that delivers on key commitments, namely:

- reducing our infrastructure gap by boosting our spending on roads and sidewalks;
- providing more affordable housing; and
- making our communities safer and more resilient.

Avec le budget 2019, nous investissons davantage dans nos routes et trottoirs et dans le logement abordable, et nous rendrons notre communauté plus sécuritaire.

I want to start by sharing highlights of how Budget 2019 can help improve the lives of Ottawa residents.

Under Council's direction, I believe we have assembled a spending plan for 2019 that balances key needs and priorities across our growing city.

(Building a city with more housing)

Last week, I spoke about the state of our city.

Many agree that our city is firing on all cylinders.

Notre ville connaît une croissance économique impressionnante en ce moment.

Earlier this week, Shopify was named Canada's Top Tech Firm.

Jobs are being created in record numbers in our rural communities, high tech and many other sectors.

Our unemployment rate is at a 30 year low.

But not everyone benefits equally, and a booming economy is contributing to a housing crunch and a very low vacancy rate.

As a city, I believe that we can and should continue to strive to reconcile prosperity and generosity.

In fact, a strong economy emboldens us to be both a prosperous and caring community.

It also reminds us of our duty to care for our most vulnerable residents.

In this spirit, I am proposing that we as a City make a major investment in housing and homelessness in 2019.

This investment will include a \$15 million dollar contribution to kick start new affordable housing units.

This includes \$10 million in new capital to the Housing Reserve Fund and \$5 million currently available to invest.

In addition, I am proposing a significant contribution of City of Ottawa lands to further boost the value of the City's affordable housing investment.

Nous ferons une contribution importante au logement abordable pour aider nos résidents et nos familles dans le besoin.

I will also be asking staff to use an affordable housing lense when considering any development of Transit Oriented Developments on City property.

Just last week, Councillor McKenney – our Council Liaison for Housing and Homelessness – and I met with Minister Bill Blair.

We outlined our need for financial support as the City has absorbed costs to welcome refugee claimants from the United States since 2017.

I am very confident that the Government of Canada will be reimbursing the City for these costs in the coming weeks.

Once this funding is confirmed, it will go into the Housing Reserve Fund to further advance the immediate construction of new affordable units in Ottawa.

I will be recommending to Council that **every single dollar** reimbursed by the Government of Canada to the City be added to our housing new build effort in 2019 – on top of our investment of cash and City land.

This will result in millions more on top of the \$15 million being invested this year alone.

Obviously, the City of Ottawa cannot go at it alone in the fight against homelessness.

Over the course of the coming weeks, we will be pushing the Province of Ontario, the Government of Canada and our local housing partners to agree on an even

more ambitious target that will make an even bigger difference in our local fight against housing and homelessness.

Nous devons travailler avec les autres niveaux de gouvernements et nos partenaires pour faire du progrès en matière de logement.

Based on past practice, we can anticipate that the City's \$15 million contribution to housing will leverage at least the equivalent amount of new federal and provincial dollars.

These efforts will lead to a significant increase in the number of affordable units built in Ottawa in 2019.

It is our hope to approve construction on over 250 new units in 2019 versus 120 in 2018.

Our \$15 million dollar investment in 2019 would be the largest municipal contribution to housing capital in the City's history.

I look forward to working closely with all Members of Council and our Council Liaison on Housing and Homelessness, Catherine McKenney, Mathieu Fleury, Chair of OCH, Jenna Sudds, Chair of CPSC, Jan Harder, Chair of Planning, and all members of Council on this key initiative.

Ottawa Community Housing Corporation – a key City housing partner – will soon launch their ten-year plan.

I understand that OCH has ambitious goals to leverage available funding to significantly expand the number of affordable units across Ottawa.

I commit to work closely and to support OCH and our other housing partners to leave no stone unturned in our fight to reduce homelessness.

Je veux travailler avec tous nos partenaires et considérer toutes les options pour faire du progrès dans ce dossier.

This year, we have reached the halfway mark of the 10-Year Housing and Homelessness Plan.

Since the introduction of the Plan in 2014, we have built 446 units of new affordable and supportive housing, with another 442 units in various stages of development.

We created 761 new housing subsidies – both rent supplements and housing allowances.

And new funding in 2018 – through the Home for Good Program – will fund an additional 300 units.

In addition, we invested \$62 million in social housing repairs, retrofits and programs to reduce greenhouse gas emissions.

There is also the City's Housing First program.

Il y a aussi le programme Logement d'abord de la Ville.

This program focuses on moving people experiencing homelessness from the streets or shelters directly into permanent housing of their choice, with the supports they need.

Since April 2015, this program has housed 882 Housing First participants, with a 92 per cent housing retention success rate.

We will also be funding over \$26 million going to housing and homelessness agencies in 2019 for case management, housing loss prevention and operating funding for supportive housing.

Some of this funding directly supports over 168 people who have exited emergency shelters in four different supportive housing projects.

Examples include Cornerstone's new 42 unit building for women that opened this past fall – and other projects with Ottawa Salus, Montfort Renaissance and the John Howard Society.

Important progress has also been made in child care in the last year.

New provincial and federal investments of \$34 million have provided new fee subsidies for approximately 2,000 more children.

This is significantly reducing the waitlist and providing additional funding to child care service providers for increased access and affordability for families across the city.

With a cost of living increase in the Draft 2019 Budget, Community Funding would benefit from a total investment of \$24.2 million for social service providers who deliver valuable services to residents across the city – an increase of \$465,000.

One example of these social service providers is the 14 Community Houses that deliver services to almost 14,000 children, youth and their families living in challenged socio-economic communities.

The City is currently completing a review of Community Funding in consultation with our community partners, so that agencies are better positioned to respond to the growing and emerging needs of residents.

We look forward to recommendations coming forward in 2019.

Cette revue du financement communautaire mènera à des recommandations plus tard en 2019, et j'ai hâte d'en voir les résultats.

In December 2018, Ottawa City Council endorsed the creation of a Women and Gender Equity Strategy.

The Draft 2019 budget includes an investment of \$210,000, including one staff position to advance equity and inclusion for all.

In April 2018, the City also developed an 84-item work plan to improve our Long-Term Care facilities and better support our most vulnerable residents.

Approximately 80 per cent of residents living in City long-term care homes suffer from some form of dementia.

In May 2018, City Council approved hiring 35 new full-time Personal Support Workers with an investment of \$800,000.

I am pleased to say that all of these positions were filled in late 2018.

Je suis heureux que nous ayons pu embaucher ces 35 employés aussi rapidement.

This increase in staffing resulted in over 1,300 additional hours of direct care per week for the 717 residents living in City Long-Term Care homes – bringing the number of hours residents receive to the provincial norm.

The 2019 Draft Budget for the City's Long-Term Care facilities includes major investments to ensure levels of care are consistent with other homes in Ontario.

Budget 2019 includes:

- \$2.8 million in base funding for the 35 personal support workers hired in 2018;
- \$1.2 million to fund 11 full-time positions to support direct resident care, staff supervision and quality improvement in the homes;
- \$1.2 million in compensation for sick leave, modified duty and outbreak cover-off to increase staffing; and
- \$650,000 in capital to advance the lifecycle replacement of furniture and equipment.

These investments will allow us to improve the quality of services and safety of the residents – providing greater confidence and peace of mind for residents and their families.

(Safer Communities)

Decent, affordable housing is an important part of our ability to feel safe and fully participate in our city's social, economic and cultural life.

There are other ways that your City is investing to keep residents safe.

Nous faisons d'autres investissements importants pour garder notre communauté en sécurité.

I have laid out a commitment to hire 54 paramedics over the next four years.

Budget 2019 makes a down-payment on that commitment by adding 14 front-line paramedics.

This will bolster our efforts to reduce wait times in our fast-growing suburbs and rural communities.

Draft Budget 2019 dedicates \$640,000 towards replacing fire equipment and technology systems.

Also, I will maintain my support for the addition of 85 new police officers over the course of the coming term – which includes the additional 10 officers Council was asked to fast-track by OPS in the summer of 2018.

We are also providing support to Crime Prevention Ottawa to strengthen ongoing crime prevention initiatives.

Let me remind members of Council that any major changes to our funding by the Province of Ontario or Government of Canada could impact our ability to maintain our long-range hiring plans.

That is why I am urging Council to exercise a high level of caution in reviewing this year's spending plans.

Earlier today, the Ottawa Police Service tabled their draft budget which comes in at 3% on the tax side, plus 1.5% in new tax growth dollars.

But to meet the tax goal set by Council, the OPS requires an additional \$4.8 million in one-time funding from the City's tax stabilization fund, an additional \$450,000 in revenue from three additional red light cameras, and \$1.7 million in provincial funding for guns and gangs.

Council is also aware that the City has had to cover OPS annual deficits for the last three years – for a total one-time contribution of \$12.3 million.

In the last term of Council, over 60 per cent of new FTEs in the City went to the Police Services Board.

Plus de 60 pourcent des nouveaux employés de la Ville sont allés à la Police d'Ottawa lors du dernier mandat du Conseil.

I do not believe that this is sustainable.

Moreover, building safer and resilient communities requires a balanced approach to spending.

More boots on the ground will **not** address the root causes of crime in our low-income communities.

And so we must, as a Council, strive to balance needs across our key priorities.

This includes investing in better housing and investing to support our front-line men and women in uniform.

When FEDCO meets to consider its budget on March 5, I will be recommending that FEDCO reduce the one-time contribution to the OPS from \$4.8 million to \$2.4 million.

Here is how I propose that Council allocate the remaining \$2.4 million:

The first \$2 million gets added to our city-wide commitment to fast-track our affordable housing investment.

The remaining \$400,000 is to be set aside to support community-based initiatives – led by our city’s non-profit organizations – to deliver programs for at risk-youth in communities throughout the city.

This one-year community funding stream will allocate funds to those organizations that have a realistic plan and on the ground, proven capacity to engage our youth so that we can offer them a lifetime of opportunity – not a lifetime of jail.

Nous devons en faire plus pour aider nos jeunes résidents dans le besoin.

I will also bringing forward a motion to expedite the introduction of Red Light Cameras from three units to six units as soon as operationally feasible.

By speeding up the introduction of these Red Light cameras, an additional \$450,000 in revenue will be generated.

My motion will seek Council's concurrence to allocate this additional revenue to the Police Service to help offset ongoing operational pressures.

These motions are brought forward with an offer of collaboration to the Ottawa Police Services Board to work with the City to find more efficiencies in their budget.

I propose that the City Manager and Treasurer meet with the OPS in the coming weeks to explore opportunities to save money in the back-office.

And to work together on budget solutions to protect our ongoing investment in the hiring of front-line officers.

I sincerely believe that our teams can and will work collaboratively to bridge this gap – which represents less than 1% of the OPS budget.

We need to explore efficiencies and possible partnerships with the City of Ottawa to eliminate duplication and streamline back-office functions.

We must take advantage of economies of scale and leverage city expertise in Human Resources, facilities management, Information Technology, Legal Services, Payroll and other supporting functions.

I also commit to Council to work closely with the OPS Board to secure more funding from upper levels of government – as has been promised by both the Province of Ontario and the Government of Canada.

Today, I urge Council to support this balanced approach to invest in safer and more resilient communities.

Je demande à tous mes collègues d'appuyer cette approche saine pour rendre notre communauté plus sécuritaire.

We have the ability – as a Council – to keep as sharp a focus on our fight against crime while making the key investments in housing and support for youth at risk in our communities.

(Building a City with Better Roads)

I, like you, knocked on over ten thousand doors during the last election, and I heard loud and clear that people want us to invest more in our city's roads and infrastructure.

La condition de nos routes et de notre infrastructure est une priorité dans plusieurs communautés.

Our total investments in roads, bike lanes, sidewalks and facilities will increase by \$9.8 million this year – bringing us to \$128.5 million invested in 2019.

That's an increase of 8% over 2018.

In 2019, the road resurfacing budget will be \$49 million – up from the yearly average of \$35.5 million over the last Term of Council.

This investment in road resurfacing includes:

- \$6.6 million for Chantenay Drive, Saint-Joseph Boulevard and Apollo Way in Orléans;
- \$8.5 million for Anderson Road, Saint-Joseph Boulevard and Pagé Road in Innes;
- \$2 million for Merivale Road, Clyde Avenue and Larkspur Drive in College Ward;
- \$3.5 million for Greenbank Road, Meadowlands, Merivale Road, Clyde Avenue and Fallowfield Road in Knoxdale-Merivale;
- \$5.6 million in the Airport Parkway, Heatherington Road and Anderson Road in Gloucester-Southgate;
- \$1.4 million for Hunt Club Road and a Bronson Avenue off-ramp in River Ward;
- \$2.3 million for Bantree Street, Heron Road, Othello Avenue and Tremblay Road in Alta Vista;
- \$4.8 million for Dunning Road, French Hill Road, Anderson Road and Farmers Way in Cumberland Ward;
- \$6.5 million for Mitch Owens Road, Gough Road, River Road, Farmers Way and Shylo Crescent in Osgoode; and
- \$1 million to resurface roads, including Eagleson Road and Hope Side Road, in Kanata South.

Secondly, our rural infrastructure investments will reach \$42.7 million in 2019, up from the four-year average of \$39.7 million.

For example, our rural investments include:

- \$3.8 million to design or construct 42 culverts in Rideau-Goulbourn; and,
- \$4 million to design and build 47 culverts and \$1.6 million to renew the Fitzroy Harbour Bridge in West Carleton-March.

Because of this investment, the existing infrastructure-funding gap could be fully addressed within five years – instead of the projected 10 years – while adding no new debt.

À ce rythme d'investissement, nous pourrions éliminer le déficit d'infrastructure de la Ville en cinq ans.

I strongly urge Members of Council to stay the course on this priority and get the job done to finally eliminate the infrastructure deficit facing our city.

Once approved, the City will also invest \$22.9 million in 2019 to start widening Strandherd Drive to four lanes, from Maravista Drive to Jockvale Road in Barrhaven.

Budget 2019 will allow the City to repair or resurface approximately 150 kilometres of roads across the city.

We know that Ottawa has one of the largest municipal transportation networks in Canada.

City teams regularly have to clear 6,000 kilometres of roads and 2,300 kilometres of sidewalks throughout the city.

Maintaining our network is expensive – and that's why Budget 2019 includes a base budget for winter maintenance of \$70.8 million, an increase of \$2.4 million from 2018.

We are also investing in Safer Roads Ottawa, which will purchase and implement an additional Automated License Plate Recognition device on a police vehicle in 2019.

To date, the three active units have resulted in:

- 450 suspended / prohibited drivers;
- The return of 8 stolen vehicles;
- 695 unlicensed drivers charged; and
- 3,150 expired license plate tags.

Ces technologies nous permettent de faire du progrès sans ajouter d'employés au budget permanent de la Ville.

This is an important element in making our roads safer – not to mention the \$1.6 million it has generated in revenues for the City.

By making permanent the funding for Safer Roads Ottawa, we will be able to introduce new programs, such as the School Bus Stop Arm project, which will start in 2019.

This technology – aimed at reducing the number of drivers who dangerously pass stopped school buses – will be a first in Ontario.

Budget 2019 also includes \$1.6 million for the Traffic Calming Measures Program, with each Councillor receiving \$50,000 for road safety initiatives in their community – an increase of 25% over 2018.

We will also review this program to provide better flexibility for local decision-making.

There is also \$500,000 set aside for Pedestrian Crossovers, in order to improve the safety of pedestrians at key crossings across the city.

We will also act to give flexibility to Councillors to fund other locations for pedestrian crossovers using their temporary Traffic Calming Funds.

Budget 2019 also includes 10 more crossing guards where warranted, so we can adequately ensure the safety of our children on their way to school.

Budget 2019 also includes funding for active transportation – with an investment in both the Ottawa Pedestrian and Cycling Plan of \$7.1 million.

Examples of active transportation projects to be funded in 2019 include:

- \$4.4 million to implement projects from the Ottawa Cycling Plan, including the O'Connor Street Bikeway and cycling facilities along Booth Street in Somerset Ward; and
- \$2.5 million to enhance Scott Street for pedestrians, cyclists and transit users in Kitchissippi.

(Building Better Transit)

We also heard from residents across the city about the need to improve transit – especially in neighbourhoods with growing demand.

Budget 2019 recommends investing \$7.8 million to purchase 12 new 40-foot buses to increase capacity in our transit system.

It also includes \$5.1 million annually to deliver these service improvements to many communities across the city.

Mr. Manconi and his team have been consulting with Councillors on route changes required for the opening of LRT and continue to assess how to best use this new funding to improve service for transit users.

The expanded service will provide riders with new connections, faster connections, shorter waiting times, and more capacity throughout the system.

OC Transpo customers may not witness all of these improvements simultaneously in their neighbourhood – but they will certainly benefit from some of these enhancements throughout the year.

Les usagers du transport en commun verront ces améliorations à compter du printemps et de l'été.

These improvements that are planned – and will be finalized in the coming weeks – will enhance service in many neighbourhoods across the city starting this spring and summer.

Transportation Staff are currently continuing these discussions with Councillors.

Draft Budget 2019 also includes \$55.2 million to replace 79 buses that have reached the end of their 15-year life cycle.

With the upcoming launch of LRT in our city, we also need to ensure that these historic transit investments benefit all residents – including those who need it the most – either to go to work or to get to medical appointments.

That is why we introduced the EquiPass and EquiFare in 2017 – to offer our low-income residents access to transit services at a deep 50 per cent discount.

The EquiPass also costs \$59.75 monthly –about half the price of Toronto’s low-income transit pass, priced at \$116 per month.

The EquiPass saves eligible users approximately \$700 every year.

Cette mesure nous permet de bâtir le type de ville que nous voulons tous – une ville qui aide ses résidents dans le besoin à profiter du transport en commun de façon plus abordable.

By the end of 2018, more than 11,000 residents had registered as eligible EquiPass users.

Wanting to do more to help our seniors – who often find themselves on fixed incomes – there is funding in this budget to extend the popular no-charge transit service to Sundays in addition to Wednesdays.

Avec cette mesure, nous venons en aide à nos aînés, qui font face à des problèmes d’isolement.

As I’ve said before, I truly believe this measure will encourage our seniors to get out and be more active, helping them combat the loneliness and isolation that many struggle with on a daily basis.

The City will also invest in several key parks and community facilities including, but not limited to:

- \$1.7 million for parks and facilities, including the John G. Mlacak Community Centre, Morgan's Grant Woods, Whalen Park, Devonian Park and Richardson Ridge Phase 4 park in Kanata North;
- \$2.5 million for Howard A. Maguire Park, Joe Lewis Park, the Goulbourn Recreation Complex, Ray McCaffrey Park, West Ridge Park and Fringewood Park in Stittsville;
- \$1.9 million for Barwell Park, the Carling Family Shelter, George C. Brown Park, Ron Kolbus Lakeside Centre and Woodroffe Park in Bay Ward;
- \$1.2 million for the Earl Armstrong Arena, the Pineview Community Hub and the Splash Wave Pool in Beacon Hill-Cyrville;
- \$1.5 million for Riverain Park in Rideau-Vanier;
- \$1.2 million to design and build Oblates Urban Park in Capital Ward; and
- \$1.7 million to design and build Leitrim Park 2, and \$17.4 million for a community centre in Gloucester-South Nepean.

(Concluding Remarks)

Keeping your taxes low and the city affordable has been my number one priority over the past two mandates.

I'm proud to have worked with Council to deliver on our commitment to taxpayers over the last two terms – delivering eight (8) budgets with tax increases limited to 2.5 per cent or less.

Je suis fier d'avoir respecté mes engagements envers les contribuables au cours des derniers huit ans.

The new provincial government will introduce its first budget in the spring of 2019.

This provincial budget will most certainly bring change, as we have already heard messages of fiscal restraint from the Province.

It is clear that we need to be prepared for that change – given the significant impact of provincial funding in many areas of municipal life.

I have always believed in being up front with residents – and that is why I put forward a tax target of between 2 and 3 per cent during the recent election.

We are addressing city-wide priorities by changing our tax goal to no more than 3 per cent for 2019.

For the average Ottawa homeowner, increasing the tax goal from 2 to 3 per cent represents an additional \$29 on their property tax bill.

I've heard from residents – and I believe they are prepared to contribute that additional amount in order to improve our basic infrastructure.

But let me be clear – I am not on for putting an unsustainable burden on the local property taxpayer to step into the shoes of other levels of government.

I have never once met a resident asking me to use their property tax dollars to subsidize the Province or the federal government – both of whom have much greater fiscal capacity than the municipal level.

Aucun résident ne veut payer pour les obligations des autres niveaux de gouvernement.

Just to put this in context for you: we are currently benefitting from multi-year allocations or apply under approximately 50 federal and provincial government

funding programs, and we have approximately 28 active funding requests pending confirmation.

This represents over \$670 million in federal and provincial funding and grants in 2019.

I will continue to work tirelessly to ensure that Ottawa gets its fair share of available funding moving forward.

And rest assured that I will continue challenging City staff and our partner agencies to work hard to find efficiencies whenever possible.

Just like families across Ottawa tighten their belt to live within their means – I will ensure that the City continues to do the same.

I recently saw a report that says the average Canadian household will spend an additional \$400 this year on groceries.

This is due to everything from tariffs to the wild fires in California.

Une famille moyenne peut s'attendre à payer 400 dollars de plus cette année.

MPAC market assessments are also impacting affordability throughout the city.

This is a reminder that we – at the City – need to be part of the solution to help individuals and families who are struggling with rising costs.

This includes seniors on fixed incomes and young families saving for a down-payment on their first home.

I want to thank all residents and Members of Council who contributed ideas to the Budget 2019 process.

Merci à tous nos résidents qui ont contribué au processus budgétaire 2019.

I also want to thank all the Chairs, Vice-Chairs and Committee members for their input to date – and for the work ahead to facilitate their respective budgets through their committees.

Merci à tous les conseillers pour leurs idées et leur participation importante à ce processus budgétaire.

I would like to close by thanking my own team in the Mayor's Office for working closely with the City Manager and City Treasurer on Budget 2019, as mandated by Council.

I believe that Budget 2019 strikes the right balance between keeping our city affordable and investing in the core services and programs that position Ottawa for continued growth, prosperity and social inclusion.

Thank you / Merci