“What We Heard”

Budget 2025



Public Participation Findings

October 31, 2024

EXECUTIVE SUMMARY:

Communications and Public Participation Overview for Budget 2025

In 2024, The City of Red Deer embarked on a renewed approach to budget communications and public participation, shifting from a traditional once-per-year engagement toward a continuous, year-round strategy. This proactive approach sought to improve transparency, encourage earlier and broader community input, and ultimately build trust in the budget process through sustained communication and engagement efforts. The campaign kicked off in April 2024.

A Shift Toward Ongoing Communications and Engagement

Historically, The City of Red Deer's budget communications primarily centered around explaining the budget process and inviting public input just before the November deliberation period, with minimal participation from citizens. We recognized that this timeline limited meaningful community involvement.

This year, we introduced a cross-organizational communications plan designed to provide continuous updates, fostering public understanding of the budget well before budget deliberations. By enhancing clarity and accessibility, our communications strategy aimed to bring "Budget 2025 into View" – making it relevant, relatable, and real for all citizens.

Communications Strategy

To effectively reach and educate residents on the budget process, we implemented several initiatives:

1. **Budget Education**: One of our primary goals was to demystify the budget through accessible materials such as "Budget 101." This educational content laid the groundwork for informed public participation by providing insights into the budgeting process, illustrating how funds are allocated, and detailing the essential services provided to the community.
2. **Broad Outreach:** Our communications approach used a variety of tactics to reach citizens and staff across the city and to encourage participation across various engagement events. This multichannel approach aimed to maximize reach and ensure that every resident, regardless of their preferred information source, could stay informed and engaged.

These efforts were in support of our overall communications goals:

- Residents understand the budget process including the when, where, why, and how budget decisions are made by administration and City Council.
- Citizens are aware of and participate in the budget engagement opportunities.
- Citizens believe the services provided by The City provide value and enhance their quality of life.
- Staff feel informed on the budget process.
- Council has the information they need, including community feedback, to make confident decisions related to Budget 2025.

Enhanced Public Participation

Following the principles of the International Association of Public Participation (IAP2), our public participation this year was carefully mapped to the IAP2 Spectrum. While our communications efforts focused on informing, we actively engaged citizens at the "Consult" and "Involve" levels, with the central decision being: "*What does the community value the most from The City of Red Deer, and how can we align our budget to that value."* This deliberate alignment ensured that the community was not only informed but also had genuine opportunities to shape outcomes.

Input mechanisms included:

- Online engagement through Engage Red Deer
- Participatory budgeting
- Idea Walls
- Community surveys
- Focus group with business community
- In-person information and engagement booths
- Pop-up engagement / listening posts

In the Spring 2024 "What We Heard" report, we captured and synthesized early feedback from residents, presenting this information to Council for preliminary consideration. This report allowed Council to reflect on citizen priorities, particularly around service levels, and informed their preliminary budget decisions, including the change concept exercise. Citizens' views directly influenced the areas that Council prioritized in subsequent budget discussions, demonstrating our commitment to closing the loop between public input and decision-making.

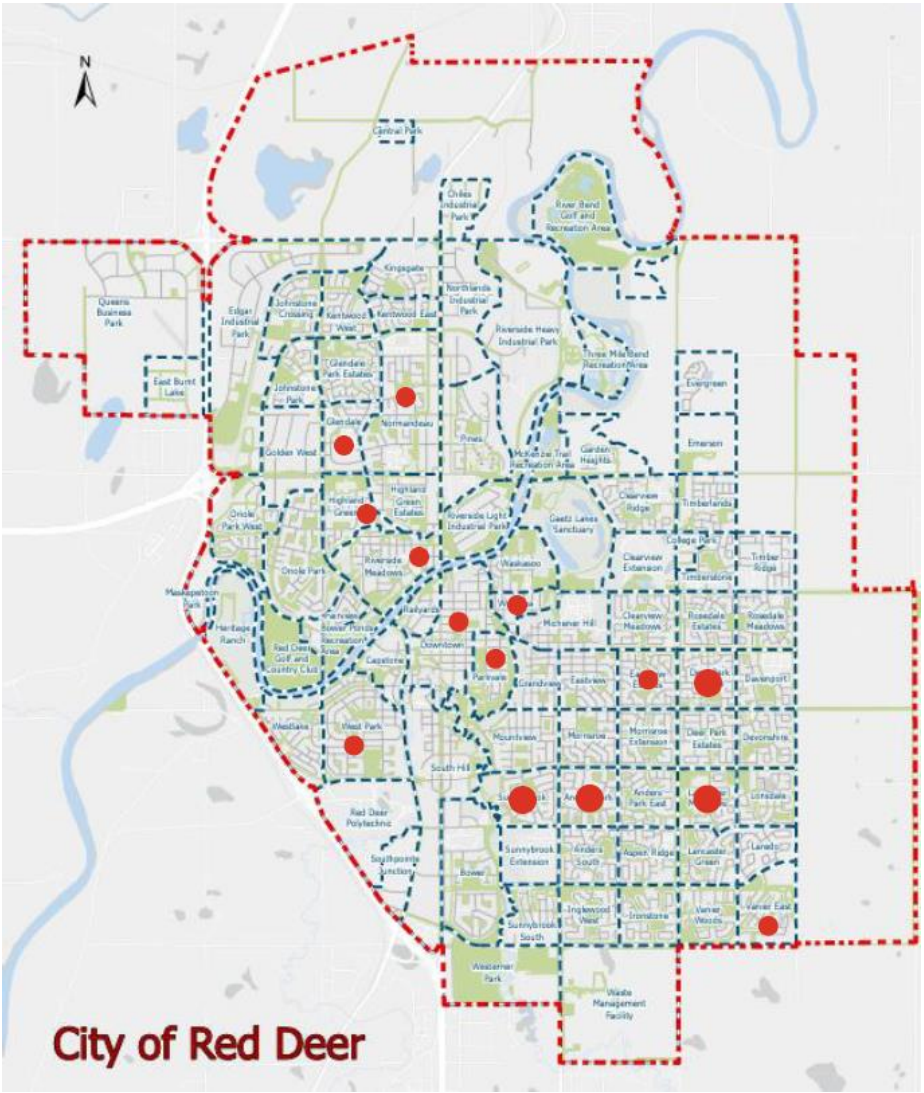
Public participation kicked off again this fall, with input collected through the month of October to inform budget deliberations. Through polls, participatory budgeting, surveys, and focus group discussions, more than 800 participants provided valuable feedback on prioritizing essential services, optimizing operations, and adjusting revenue strategies. This report summarizes the highlights and the key themes that emerged from the engagement.

FALL 2024 – WHAT WE HEARD REPORT

Throughout October, we engaged with our community on Budget 2025, inviting citizens to share their perspectives on which services matter most and how we can effectively balance our budget. Residents provided thoughtful insights, offering ideas for both increasing revenue and finding areas where services might be scaled back.

Who We Heard From:

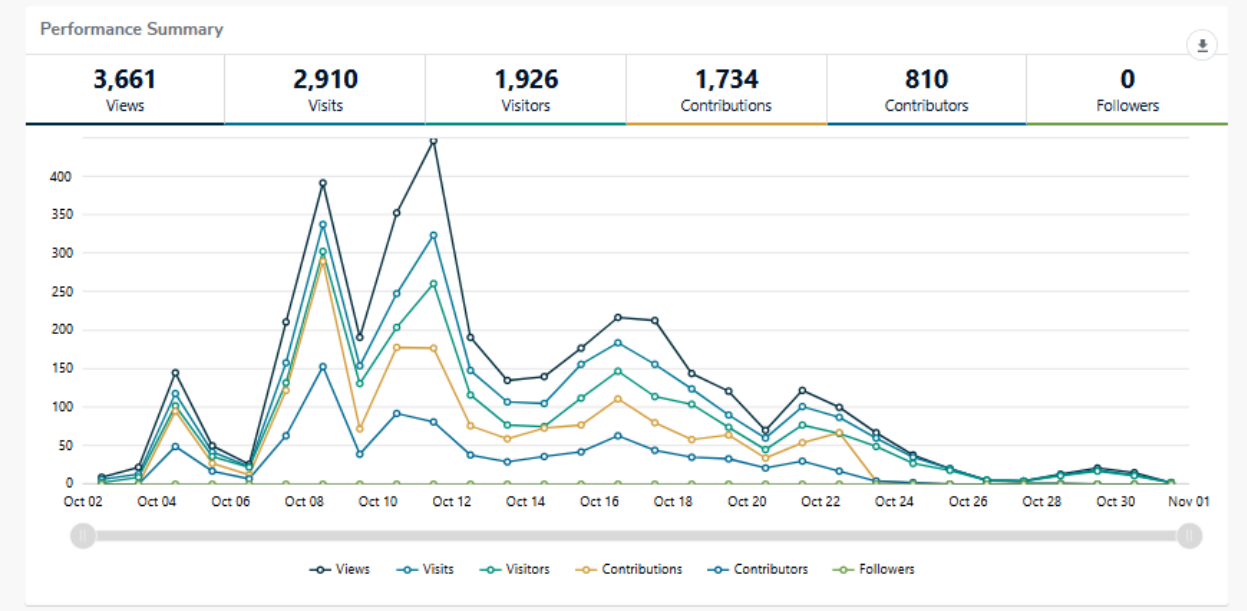
We received valuable feedback from our community, with **804 participants** contributing a total of 1,726 ideas through online channels. By collecting postal codes, we were able to geographically map responses, offering insights into participation levels across different neighbourhoods. Areas with higher response rates are represented by larger dots on our map, highlighting the communities most actively engaged in the conversation.

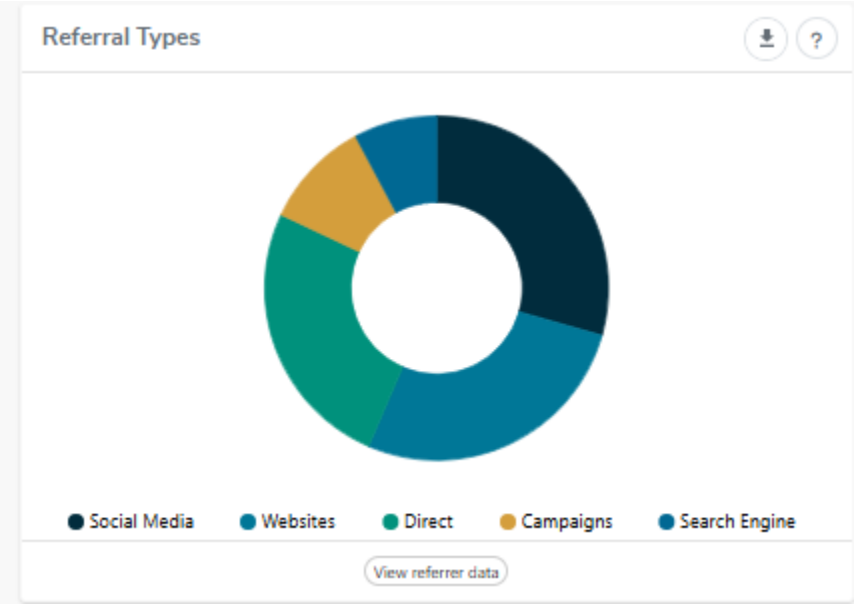


Advertising Strategy:

To reach a diverse cross-section of citizens and maximize community involvement in Budget engagement, we implemented a comprehensive advertising strategy that included multiple channels to reach a broad demographic.

- Local media advertising, including a full-page advertorial, were placed in the Red Deer Advocate on October 12, 16, and 19. Digital ads ran on RDNewsNow.
- A mix of traditional radio and Spotify ads aired from October 10–20.
- Throughout October, we posted on social media to encourage participation.
- Additional tactics included We Are Red Deer stories, and direct communication with community associations.





This chart shows the ways people accessed the Budget 2025 page on Engage Red Deer.

29% through social media

27% through The City's website

26% by doing directly to Engage Red Deer,

10% through digital advertising

8% through a search engine

Public Participation Techniques:

Techniques were carefully chosen in alignment with the IAP2 spectrum.

1. **Online Engagement:** Through our Engage Red Deer platform, we offered a variety of interactive tools to encourage input from residents. These included:
    - **Quick Poll:** A question for rapid feedback, for those short on time.
    - **Participatory Budgeting**: An opportunity for citizens to show us how they'd prioritize spending their tax dollar or specific services.
    - **Budget 2025 Survey:** A traditional survey style allowing for more detailed responses on budget priorities, including an open comment field with no character limits.
    - **Ideas Wall:** A space for participants to post quick ideas and see other citizens' ideas openly.
2. **Business Focus Group:** In collaboration with the Red Deer and District Chamber of Commerce, we formed a focus group with seven representatives from the local business community. Participants included members from Red Deer Chamber, Red Deer Polytechnic, Melcor, MNP, and Pivitol. This group provides ongoing insights on budget priorities from a business perspective, representing the voice of Red Deer's business sector is heard in Budget 2025.

WHAT WE HEARD – KEY THEMES:

Across all of the feedback mechanisms, the following top three themes emerged from citizen input collected:

- **Reduce Services and Focus on Core Functions**: There is a strong preference among respondents for reducing services as a solution to address budget shortfalls, with a focus on limiting expenditures to essential, core municipal functions such as roads, utilities, and protective services. Respondents and the business focus group expressed a desire to trim or re-evaluate non-core services (e.g., arts, recreational programs, and transit) and suggested outsourcing or privatizing specific functions where possible to streamline operations and costs.

- **Staffing, Efficiency, and Cost Optimization**: Across multiple feedback channels, there was an emphasis on internal efficiency and cost reduction in staffing and organizational practices. Suggestions included reducing administrative staff, cutting salaries for high-level roles, and exploring lean management approaches. The business group specifically recommended contracting out high-cost, non-core tasks and increasing cost-effectiveness through benchmarking and performance metrics, indicating a general preference for operational streamlining.

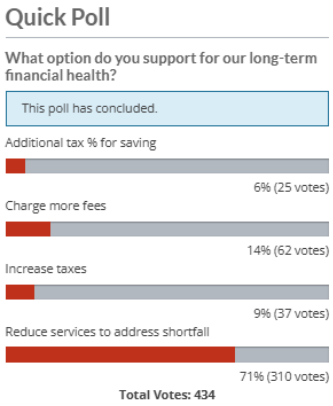
- **Adjust User Fees and Revenue Generation**: Many respondents supported the idea of increasing user fees as an alternative to tax hikes or service cuts. Suggested fee adjustments included higher costs for recreation, permit, and transit fees. Additionally, there were suggestions to implement "fair share" fees for non-residents using city services and to consider more progressive taxation or specific revenue generation strategies focused on high-demand municipal services.

DETAILED FEEDBACK:

This section goes through the detailed feedback we received through each input mechanism. Section A highlights our online feedback, and Section B is from the business focus group.

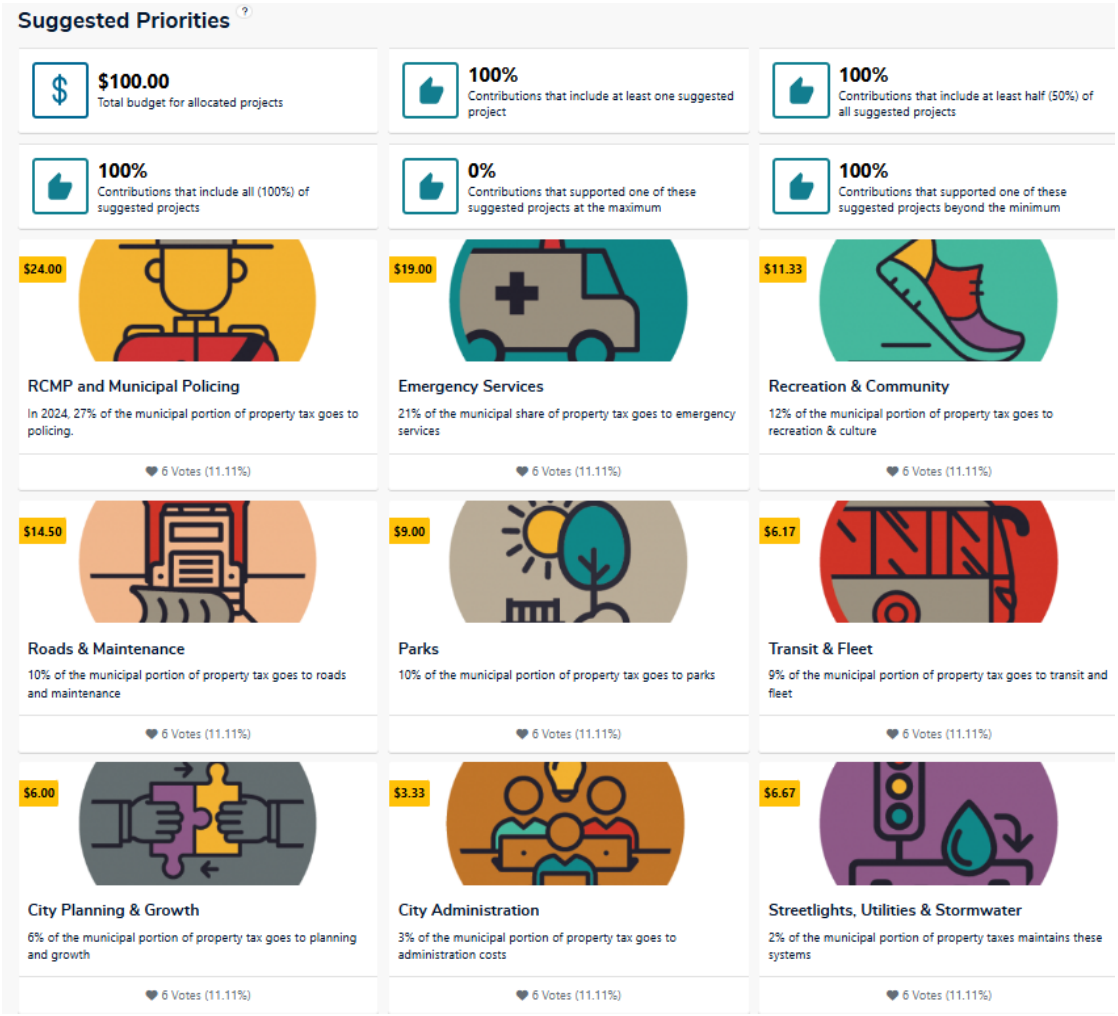
A. WHAT WE HEARD – ONLINE ENGAGEMENT:

1. **QUICK POLL: What option do you support for our long-term financial health?**
   - 71% reduce services to address shortfall
   - 14% charge more fees
   - 9% increase taxes
   - 6% additional tax percentage for savings



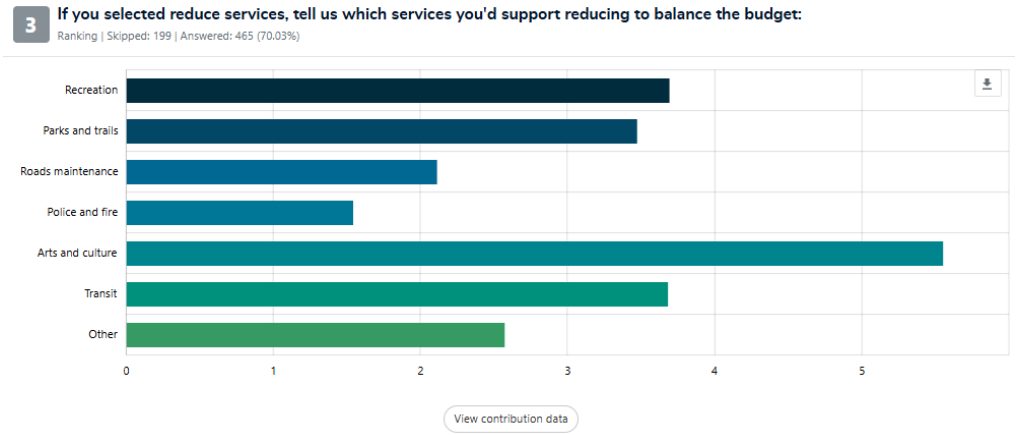
2. **PARTICIPATORY BUDGETING:**
   Using the participatory budgeting tool, citizens were given $100 to distribute across various municipal services, including: Roads & Maintenance, Streetlights/Utilities/Stormwater, Parks, Recreation & Community, RCMP & Municipal Policing, Administration, Emergency Services, City Planning & Growth, and Transit & Fleet. **Results:**

Category	Current	Respondent Avg Amount
RCMP and Municipal Policing	$27	$23.51
Emergency Services	$21	$20.47
Recreation & Community	$12	$10.30
Roads & Maintenance	$10	$13.69
Parks	$10	$9.39
Transit & Fleet	$9	$8.13
City Planning & Growth	$6	$5.52
Administration	$3	$3.15
Streetlights, Utilities & Stormwater	$2	$5.35



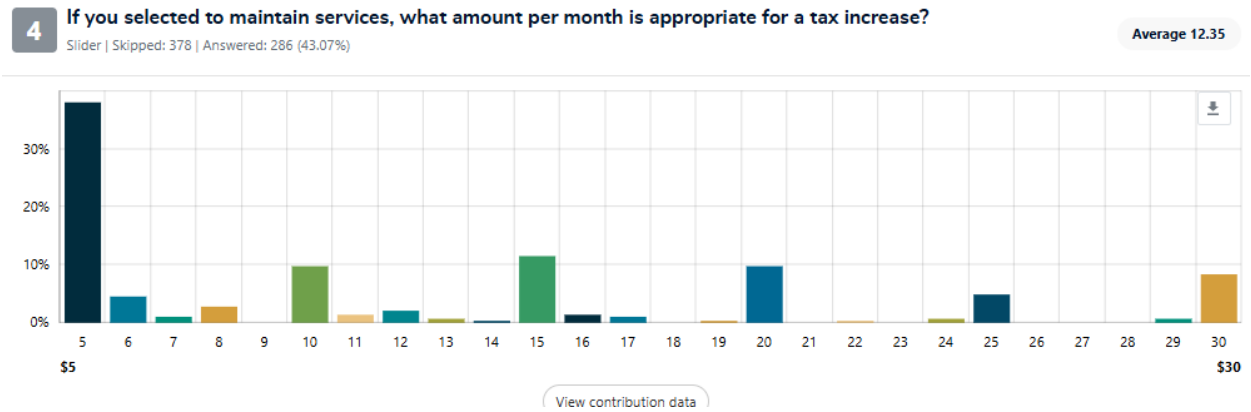
3. **SURVEY: BUDGET 2025**
    i. **According to our latest Citizen Satisfaction Survey, residents are split on whether to increase municipal property taxes or reduce services, with almost half endorsing either approach. Which option do you support?**
        1. 67% reduce services to address shortfall
        2. 26% maintain services by increasing user fees
        3. 18% maintain services by increasing taxes

    ii. **If you selected reduce services, tell us which services you'd support reducing to balance the budget:**
        1. Arts and Culture
        2. Recreation
        3. Transit



iii. **If you selected to maintain services, what amount per month is appropriate for a tax increase?**

- Average: $12.53



iv. **If you selected to increase fees, which fees would you support increasing? (select all you suppor**t)

- 60% ticket fees and infractions
- 46% permit fees
- 42% recreation fees
- 36% licensing fees
- 36% transit fees

v. **Anything else you want to tell us about service levels?** (*open ended*)
We received 357 comments about service levels and cost saving suggestions. Below are the themes:

SURVEY: Anything else you want to tell us about service levels? (*open ended*)	
Reduce Staff and/or Cut Pay 20% of comments	• Respondents recommended staff reductions or pay cuts, focusing on reducing administrative overhead to achieve cost savings.
Focus on Core Services and Find Organizational Efficiencies 20% of comments	• Emphasis on concentrating resources on core municipal services, with suggestions to scale back on art projects, Capstone, and social programs. • Some specifically questioned the necessity of funding the Westerner, and the CPR bridge project.
Road Maintenance, Snow Removal, and Street Sweeping 14% of comments	• Feedback included concerns about excessive maintenance spending on roads, sidewalks, curbs, and specific projects like the 19th Street roundabout. Many suggested reducing certain aspects of snow removal and street sweeping to cut costs.
Increase Specific User Fees and "Fair Share" Contributions 9% of comments	• Commenters suggested modest increases to user fees, such as recreation. Many suggested permits, and licenses should increase to achieve cost recovery. • Some expressed concerns about non-city residents using services without paying their share.
Parks Maintenance and Green Spaces 8% of comments	• Respondents identified parks maintenance as a cost savings, with many questioning resources devoted to City Hall Park, gardens, tree planting, and green-space mowing frequency.

Downtown Safety and Parking 8% of comments	• Comments focused on improving safety, addressing homelessness and social disorder. • Some suggested removal of paid parking to revitalize downtown.
Transit Service Efficiency 7% of comments	• Respondents value transit for those in need but expressed concerns about empty buses and suggested optimizing bus sizes for efficiency.
Riverbend 5% of comments	• Respondents suggested selling the Riverbend golf course to exit the golf business or, at the least, halt planned upgrades.
Ice Rinks 3% of comments	• Some felt there were too many ice rinks, particularly outdoor rinks, suggesting a reduction to save costs.
Contracting Out 2% of comments	• Suggestions included contracting out services like parks, road maintenance, and recreation (e.g., partnering with the YMCA). • Respondents also expressed a preference for staff to handle tasks instead of hiring external consultants.

4. IDEAS WALL:

We asked, *"If you were City Council, how would you balance the budget?"*

We received 545 comments and below are the top themes.

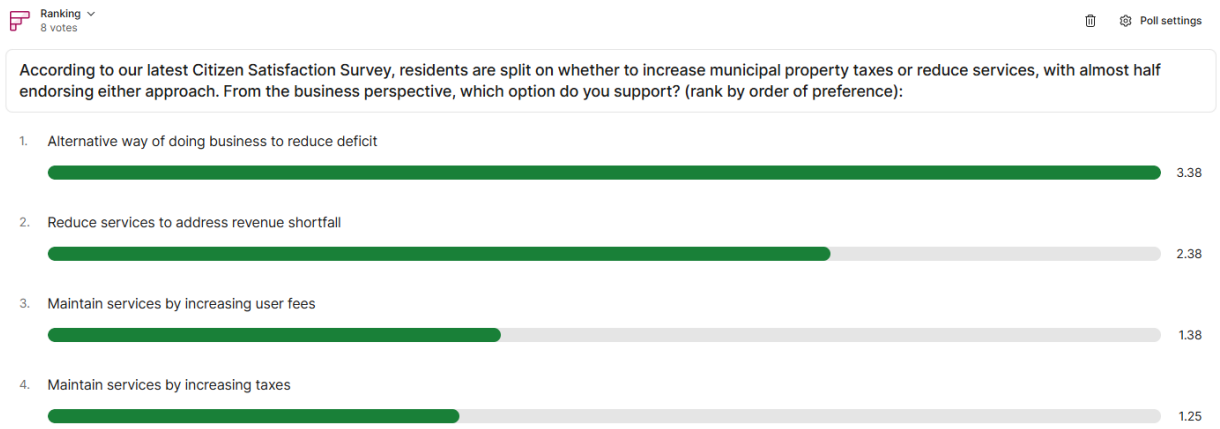
Staffing, Compensation, and Organizational Efficiency 33% of comments	• Concerns about too much staff, management layers, along with suggestions to improve internal efficiency by centralizing functions and streamlining. • Recommendations to reduce salaries for Council, management, and senior staff as a cost-saving measure.
Core Service Focus 26% of comments	• Emphasis on adhering to core municipal services and reducing expenditures on non-essential services. Participants identified this as roads, utilities, protective services, garbage collection. • Suggestions to scale back outdoor amenities and maintenance, specifically in parks, outdoor skating rinks, and City Hall Park features like Christmas lights. • Suggestions include reducing services like transit and outsourcing or privatizing certain services.

Project Re-evaluation 10% of comments	• Concerns were raised about specific projects and facilities, such as the Riverbend golf course, roundabout projects, CPR bridge, and Capstone development efforts.
Road, Infrastructure, and Winter Maintenance 9% of comments	• Suggestions to scale back road work, sidewalk, and curb maintenance. • Requests to minimize snow removal efforts, with a focus instead on surface plowing key areas, and reduce trail clearing. • Suggestions to hold construction contractors to stricter accountability standards.
Revenue Generation Ideas 9% of comments	• **Fees and Charges:** Some support increasing fees on pay-to-use services, recreation facilities, and infractions, with additional comments suggesting higher charges for neighboring municipalities using services (water, wastewater, and recreation). • **Tax Adjustments:** Suggestions to increase taxes, particularly progressive measures targeting higher-value properties, multiple-property owners, and secondary suite properties, along with considerations to tax religious properties.
Economic Development and Downtown Revitalization 7% of comments	• Suggestions for enhancing economic development include strategies to attract young professionals, revitalize downtown spaces, address parking issues, and update the economic development strategy.
Social Services and Community Safety 5% of comments	• Concerns related to homelessness, the delayed shelter construction, and the RCMP's share of the budget.

B. Feedback from Business Focus Group:

In July and October, we hosted conversations with a focus group of business representatives, identified by the Red Deer and District Chamber of Commerce.

The individuals were asked to represent all businesses in Red Deer, not just their respective organizations, as they provided input and feedback on Budget 2025. We had participants rank their preference on how to address the deficit, and focused our conversation around their preferred options: 1) "alternative ways" of doing business, 2) reduce services to address the revenue shortfall, and 3) maintain services by increasing user fees.



1. Alternative Ways of Doing Business

The business focus group presented multiple ideas around shifting operational responsibilities and employing alternative methods to reduce municipal costs. Key suggestions focused on targeting high-cost departments and exploring cost-recovery mechanisms, particularly in services like RCMP and RDES (Red Deer Emergency Services). Discussions included contracting out functions traditionally managed by the municipality, such as private security handling lower-level community safety needs, leaving RCMP to focus on critical safety and crime-related responsibilities.

Opportunities were also identified in parks and city maintenance, proposing potential privatization or contracting of specific services such as tree planting and parks management. This approach would require rigorous contract management, with a focus on best practices from peer municipalities to ensure effective oversight and mitigate risks. Additionally, benchmarking metrics were encouraged to evaluate cost-effectiveness, using comparative analysis in areas such as equipment maintenance and labor efficiency. An interest in utilizing Lean Six Sigma and AI technology for process optimization emerged as well, suggesting an innovative approach to streamline and adapt municipal services.

The focus group highlighted that incremental change, guided by true cost accounting and analysis of contracted services, could provide a roadmap for reducing the municipal expense load. This vision aligns with exploring non-core services that could be offloaded or partnered with the private sector, allowing the municipality to prioritize its resources more strategically.

2. Reducing Services

Exploring reductions in services brought forth a focus on core responsibilities as outlined in the Municipal Government Act (MGA) and discussions on what the focus group views as essential. The group emphasized a need for clarity on core versus non-core services, with a view that non-essential services might be better suited for private or community management. This led to discussions on engaging the private sector to take on roles traditionally held by the municipality, potentially enhancing service delivery while alleviating government expenditure.

As Alberta is seen as a proactive province with low governmental costs, the focus group urged a continued emphasis on productivity and governmental size, maintaining an efficient service structure within core areas while adapting the city's role in "nice-to-have" services. Challenges like population shifts and aging demographics were highlighted as factors influencing the prioritization of services, suggesting the city must assess future needs carefully to balance cost-effectiveness with service provision. Ultimately, the discussions pointed toward leveraging the "80/20 rule," concentrating resources on high-impact areas to maximize municipal efficacy and community value.

3. Fees

Conversations around user and service fees considered both revenue enhancement and cost reduction strategies. Public transportation, for example, was identified as a heavily subsidized service (60% subsidy) with potential for recalibration. Suggestions included exploring smaller buses or transitioning to taxis for low-demand routes, reducing the cost burden while maintaining accessibility. Additionally, there was a push for boldness in rethinking emergency and transit services in light of changing population densities and transportation needs.

The focus group recommended evaluating subsidy levels across services and benchmarking transit costs against peer cities to assess where Red Deer stands comparatively. There was also a call to define a clear cost-recovery goal for user fees to ensure that essential services are sustainable while maintaining reasonable citizen costs. The group advocated for future-focused planning, with scenario framing to help shape municipal services over the next three years and achieve a more efficient, financially sustainable system.