



## **Governance and Priorities Committee Report**

### **For the meeting of October 23, 2014**

---

**To:** Governance and Priorities Committee      **Date:** October 15, 2014  
**From:** Susanne Thompson, Director, Finance  
**Subject:** Update on the Financial Planning Process and Public Engagement

---

#### **Executive Summary**

The purpose of this report is to provide Council with an update on the financial planning process and seek feedback on proposed public engagement for 2015 and 2016.

The financial planning process for 2015 is introducing a new approach with emphasis on budgeting by priorities, outlining services and capital projects including the costs, revenues and benefits of each and moving away from expense-based budgeting which focused primarily on the dollars allocated to each department. The new format enables staff and the community to rethink the budget as not just inputs in terms of dollar figures but also outputs in terms of the value residents and businesses receive for their tax dollars.

Greater emphasis is also being placed on staff and community involvement in the planning process. Several internal "Great Ideas" sessions have occurred and continue to take place throughout City locations engaging both office and front-line staff to discuss where "Better is Possible" and increase staff understanding of the budget process.

A two-phased engagement strategy is planned for 2015 and 2016. The first phase in 2015 will focus on providing the community clear, accessible information and new, innovative tools including e-town halls and property tax calculators. Building upon improved information, public feedback will be sought earlier in the process than in years past and will be used to inform the 2015 Financial Plan. It is also proposed that in 2015 the City involve the community in developing a participatory approach to the financial planning process. Involving the community members in the design of participatory budgeting models will build community understanding and capacity, and assist staff in exploring options.

#### **Recommendation**

- 1) That Council provide feedback on the proposed public engagement process for the financial plan.


Respectfully submitted,

  
Susanne Thompson  
Director, Finance

  
Katie Hamilton  
Director, Citizen Engagement and  
Strategic Planning

Report accepted and recommended by the City Manager: \_\_\_\_\_

Date: \_\_\_\_\_

  
October 17, 2014

## **Purpose**

The purpose of this report is to update Council on the status of the financial planning process as well as outline and seek feedback on the proposed public consultation process.

## **Background**

On March 27, Council directed staff to bring forward a work plan on a revised financial plan process, including public participation that incorporates the City's Core Values for Public Participation by June 30, 2014.

On June 12, Council directed staff to develop a work plan, budget and a set of principles for a multi-year process for participatory budgeting.

On June 26, a report outlining the proposed financial plan process was brought to Council for discussion and feedback. That report noted that the City has traditionally developed an expense-based budget that focused primarily on the dollars allocated to each department. Limited context regarding services and service levels and details on capital projects was provided in the financial plan. The new process, which is currently being implemented, will move from expense-based budgeting towards budgeting by priorities, outlining services and capital projects including the costs, revenues and benefits of each. The new format will enable the City to better demonstrate the value tax and rate payers receive for their dollars. It will also provide a foundation of improved information to assist the City in increasing public involvement in future budget development. That report also committed to providing a status update in October, including a proposed public consultation process and discussion on participatory budgeting.

The budget process is one of continuous improvement and will be enhanced each year. Through the financial planning process, Council will set service levels and allocate funding based on input from staff across the organization, as well as input from the community.

## **Issues & Analysis**

### **Process Update**

The budget process was initiated in June and since then much work has been completed. Approximately 70 staff from across the organization have been involved in compiling data. Each department has developed financial summaries for all service areas including descriptions, deliverables and metrics that explain the output of each service, the benefits, any proposed changes to service levels, and the revenues and expenditures for each service. Detailed reviews of all departmental budget submissions have been completed by the City Manager and Directors.

A number of internal "Great Ideas" sessions with staff have been held and more sessions are scheduled at various City locations to ensure convenience for staff throughout the City. These sessions are a way to generate discussions for improvements and are also an opportunity to increase the understanding of services and the budgeting process. The sessions are a new way of helping staff rethink the budget process as not just inputs in terms of dollar figures but also as outputs and delivering community value. The sessions increase staff engagement, builds capacity and idea generation from all staff and service areas. This is the beginning of an on-going dialogue and staff will be encouraged to provide continuous feedback on where "Better is



Possible” and how we can provide better value and service to the community.

In January 2015, Council will be presented a draft Financial Plan, followed by public consultation on the draft.

Two policy reviews have also been initiated: Reserve Fund Policy to determine appropriate target balances for each reserve fund and Revenue and Tax Policy to determine the policy for distribution of taxes among tax classes. The results of those reviews will be presented to Council early in 2015.

### **Proposed Public Consultation and Participatory Budgeting**

The community engagement planned for the 2015 and 2016 budget places significant focus on public awareness, education and involvement around the City’s budget more so than in previous years.

Beginning in 2015, a two-phased engagement approach is proposed. The first phase will focus on providing the community clear, accessible information to generate greater awareness and education on the budget. 2015 also proposes community involvement in designing and exploring participatory budgeting options for the following year. A substantially improved Financial Plan document and new online tools will better equip community members with the information required to participate in a more collaborative budgeting process during the second phase in 2016.

### **Our Budget. Shaping the Future Together – Proposed Phase One: 2015**

Throughout January and February 2015, clear, accessible information on the budget will be shared to provide improved information about the budget, services and the budget process. The new Financial Plan will outline service levels, actuals and value received for financial investment. Quality information is the foundation for meaningful engagement and has been the greatest weakness in previous consultation activities. To foster meaningful participation in the budget process in future, it is important that greater focus on the information is placed and improved access, through better tools, is provided for greater reach and understanding.

As budget decisions have a profound impact on the daily lives of tax and ratepayers, ranging from garbage collection to parks, to emergency services, engagement will be extensive to ensure all those affected by the conversations are aware of the various opportunities to provide input into the process. Staff will seek out opportunities to go to where the people are to ensure the greatest amount of individuals are engaged and informed.

Several new tools will be introduced in February 2015 including an online budget toolkit explaining operating and capital budgets, where funds come from, how they are allocated and what the community receives for their communal investment. An E-town hall opportunity is proposed for the first time enabling the public to submit questions and feedback through a variety of channels including in person, through the website and using social media. An online tax calculator (example below) will enable taxpayers to input their assessed value and see what their taxes will be is another useful new tool proposed for the coming year. The calculator will be tailored to both residential and business properties to assist individuals purchasing property to determine the difference in taxes.

The screenshot shows the City of Courtenay's website. At the top, there's a 'Departments' header and a photo of two construction workers. Below the header, there's a navigation bar with social media links and accessibility options. The left sidebar lists various services, with 'Property Tax Estimator' highlighted. The main content area is titled 'Property Tax Estimator' and includes instructions on how to use the tool, a 'Property Assessment Value' input field, and a 'Calculate Tax Estimate' button. To the right, there are 'Related Links' and 'Contact Info' for the Finance Department.

These new tools will deliver information in a clear and accessible manner as well as encourage interaction through new, innovative channels with diverse audiences. The input solicited from the public about the draft financial plan will be used to inform the 2015 Financial Plan.

In 2015, it is also proposed that the City commence dialogue with the residents and business representatives to explore potential participatory models together and identify what additional information community members feel they require to provide greater input and involvement into the budget process. Based on best practice research being completed now, there are several options that can be explored in 2015 for 2016, including public participation in specific grant fund allocation, investment by neighbourhood or investment by topic areas, such as beautification or active transportation.

Improved budget information and greater exploration of options for participatory budgeting will build a strong foundation on which to introduce participatory elements and process for 2016.

### Shape Your City Budget – Proposed Phase Two: 2016

In 2016, the City will be in a position move towards a more collaborative budget process through the introduction of participatory budgeting for a portion of the City's budget.



As a principle of the City's civic engagement strategy, the City's budget is a foundational topic for greater levels of public participation due to its breadth and impact. Involving the public in 2015, to explore and design a participatory process is consistent with the City's Core Values for Public Participation. This in combination with significantly improved budget information and tools has potential for building greater community capacity and understanding of participatory processes, together.

Opportunities for face-to-face workshops and online engagement will be facilitated in order to reach the wide-ranging stakeholders impacted by the decisions being made. The tools introduced in 2015 will be further developed and new tools will continue to be introduced in order to engage the largest amount of the diverse stakeholders impacted by the decisions being made. Best practices from other municipalities will be applied to Victoria such as the introduction of an online budget simulator (example below) which has been used in Coquitlam, Regina, Edmonton, Toronto and Montreal. This innovative tool will offer citizens a way to participate in the budget process from the convenience of their homes.

#### CORE CITY SERVICES

Your choice

##### Increase the Fire Department Budget expenses budget [Learn more](#)

Should the 2013 budget include an increase to the Fire Department' expense budget? Increases can start at \$1000 and expand to \$15,000. The Fire Department's Budget cannot be decreased.



##### Should the Town release their council meeting minutes and vote records as open data? [Learn more](#)

The Town currently posts council records in PDF format to our website, [www.townopennorth.ca](http://www.townopennorth.ca). Releasing this information in a machine-readable format would allow citizens, developers and researchers increased access to the democratic processes of our local government. To set up this release the Town would have to spend \$9000 one time on preparing documents.



##### Would you accept a local tax of \$50 per unit to invest in a new project? If yes, which project?

- ☐ Planting of 5000 trees at \$10,000
- ☐ Development Project with greening a public place or redevelopment of a commercial artery at \$20,000
- ☐ Recycling Project of a church into a cultural center and leisure (rather than leaving an empty church sale for condos) at \$100,000
- ☐ Upgrade major streets and sidewalks of the Borough at \$50,000
- ☐ An innovative project home culture including a modernized library at \$25,000
- ☐ Set up a soccer field synthetic turf at \$50,000
- ☒ No, I do not want any new taxes for a project

#### REVENUE GENERATING PROJECTS

Your choice

##### Should a new parking lot be implemented with a daily rate of \$10 a day?

Our town could accommodate a new parking lot space an abandoned lot which would create \$40,000 in new revenue. The lot would charge a daily rate of \$10 day. Would you like to see a new parking lot in our town?



The two-phased engagement strategy will set a new precedent for involving the community in the budget process through clear, accessible information, innovative tools and greater collaboration in the budgeting process.

## **Timeline**

Council updates and feedback will be sought during the development of the Financial Plan. The proposed timeline for major milestones is outlined in the table below.

Date	Task
October 2014	Status update to Governance and Priorities Committee, including proposed public consultation process and discussion on participatory budgeting to provide Council the opportunity to shape this process.
December 2014/January 2015	Report to Corporate and Strategic Services Standing Committee outlining a work plan, budget and set of principles for a multi-year process for participatory budgeting. Garner feedback from public advisory committee before finalizing process.
January 2015	Draft Financial Plan to Council for consideration; 1 <sup>st</sup> reading of Financial Plan bylaw
January/February 2015	Public education on the budget and consultation on the draft Financial Plan
March 2015	Further consideration of the Financial Plan; 2 <sup>nd</sup> and 3 <sup>rd</sup> readings and adoption of the Financial Plan bylaw
March 2015	Consideration of Revenue and Tax Policy
April 2015	Adoption of tax bylaw
May 2015	Mail out tax notices
June 2015	"Lessons learned" report to Governance and Priorities Committee seeking Council feedback on process for 2016
2016	Participatory budgeting

## **Recommendation**

That Council provide feedback on the proposed public engagement process for the financial plan.