



## **Governance and Priorities Committee Report**

### **For the Meeting of December 3, 2015**

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**To:** Governance and Priorities Committee      **Date:** November 25, 2015

**From:** Katie Hamilton, Director of Citizen Engagement and Strategic Planning  
Susanne Thompson, Director of Finance

**Subject:** Proposed Participatory Budgeting and "My Great Neighbourhood Fund"

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#### **RECOMMENDATION**

Council direct staff to:

1. Prepare for a participatory budgeting process to commence upon approval of the 2016 Financial Plan.
2. Develop a policy for a "My Great Neighbourhood Fund" and application guidelines for introduction upon approval of the 2016 Financial Plan.

#### **EXECUTIVE SUMMARY**

The purpose of this report is to outline a proposed model for a participatory budgeting pilot in 2016, as well as a new "My Great Neighbourhood Fund", for community-initiated public space placemaking projects.

In 2014, City Council directed staff to develop a participatory budgeting pilot as part of a two-year phased transformation of the financial planning process. The 2015-2108 Strategic Plan, under "Engage and Empower the Community", outlines actions to design a participatory budgeting process, build the capacity of neighbourhood/community associations and empower neighbourhood residents, place makers and others to lead and implement projects".

Participatory budgeting is a, democratic process in which the municipality allocates an amount of money for residents to propose and vote upon community projects for implementation. It was originally introduced in 1989 in Porto Alegre, Brazil, and is now common across the globe in varying forms and deliberative processes.

A participatory budgeting pilot, builds on the improved communications and public engagement approach that has been introduced in Victoria, over the past two years. When developing a new financial planning process last year, it was recognized that to support increased public involvement in the budgeting process, a strong foundation of quality information was needed. This has now been established, positioning the municipality well to pilot a participatory process as part of the 2016 financial plan.

It is proposed that \$60,000 of the Neighbourhoods Capital Budget within the draft 2016 Financial Plan be allocated towards participatory budgeting. The participatory budgeting process is intended to engage citizens in decision-making, and to empower consensus-building and deliver community benefit through investment.

The design of a participatory budgeting process is completed by the citizen body, hence the broad nature of the proposed process at this stage. City staff would support the process, but would not play a role in the deliberation or decision, nor would elected officials. Citizens are empowered to decide how the funds are invested. The role of City Council is limited in this process and does not include a role in approving how the funding is spent.

In addition, a "My Great Neighbourhood Fund" of \$120,000 is proposed to facilitate community projects in public space or on public lands, across all neighbourhoods. This fund would be open to not-for-profit organizations, and would include -but is not limited to- neighbourhood associations, schools, and community centres. Neighbourhood based groups that are not registered not-for-profits could partner with a not-for-profit to apply. Applications should demonstrate how the community was engaged in the process and the community's in-kind and financial contributions. The "My Great Neighbourhood Fund" would facilitate funding up to \$5,000 for citizen-initiated projects that leave a positive physical legacy in a public space. Projects might include crosswalk art, murals, information kiosks, banners, interpretative signage or markers, and parklets.

## **PURPOSE**

The purpose of this report is to outline a proposed model for a participatory budgeting pilot in 2016, as well as a new "My Great Neighborhood Fund", for community-driven place making and public space projects.

## **BACKGROUND**

Participatory budgeting is a democratic process in which the municipality allocates an amount of money for residents to propose and vote upon community projects for implementation. It was originally introduced in 1989 in Porto Alegre, Brazil, and is now common across the globe in varying forms and deliberative processes. Most common to Latin American cities, many participatory processes focus on investment in essential public infrastructure. In the United Kingdom, participatory budgeting was introduced in the early 2000's, and added a more social context to consider participatory processes in deliberations around housing and poverty. In North America, cities including San Francisco, Chicago, Boston, New York, Toronto, Guelph, and closer to home, Tofino, have introduced participatory budgeting components to their annual municipal budgets. In terms of financial allocations for piloting participatory budgets in other cities:

San Francisco	\$100,000
St. Louis	\$100,000
Chicago	\$ 1.3 million
Boston	\$ 1 million
New York	\$ 1 million/ 13 neighbourhoods
Toronto	\$450,000
Guelph	\$125,000
Tofino	\$ 20,000

A Great Neighbourhoods Initiative, with dedicated staff support, is also currently being introduced at the City to facilitate greater operational support for neighbourhood engagement, projects and customer service.

The draft 2016 Financial Plan includes a capital budget of \$185,000 for participatory budgeting pilot and public space projects.

## **ISSUES & ANALYSIS**

A participatory budgeting pilot in Victoria, would build on the improved information and public engagement approach that has been introduced over the past two years. When developing a new financial planning process last year, it was recognized that to support increased public involvement in the budgeting process, a strong foundation of quality information was needed. This has now been established, positioning the municipality well to pilot a participatory process as part of the 2016 financial plan. A pilot is recommended for the first year to increase understanding of both the concept and the potential a more participatory process can offer.

Aligned with the City's objectives to build capacity and engagement within neighbourhoods, it is felt that a consensus-based participatory model of neighborhoods representatives, would aid in determining shared community priorities and opportunities, build relationships across neighbourhood borders, and perhaps identify opportunities for other partnerships.

Based on a review of participatory experience in other communities, it is proposed that \$60,000 within the Neighbourhoods Capital Budget within the 2016 Financial Plan be allocated to a participatory budgeting pilot. Process and deliverables will include:

1. Education on participatory budgeting
2. Establish citizen body, governance, and metrics
3. Identification of community priorities
4. Deliberation
5. Consensus-based decision-making
6. Implementation
7. Evaluation and monitoring

The design of a participatory budgeting process is completed by the citizen body, hence the broad nature of the proposed process at this stage. City staff would support the process, but would not play a role in the deliberation or decision, nor would elected officials. Projects or investments identified within the participatory process, cannot cancel or delay projects already planned or underway, and the City would require that construction or commencement of the participatory project(s) occur within 12 months of the funding decision.

A facilitator, with experience in participatory budgeting, might be considered for added support to the citizen body. It is proposed that the participatory budgeting pilot commence upon approval of the 2016 financial plan. An invitation would then immediately be issued to each Neighbourhood Association to invite a representative to participate in the entire process, through to evaluation.

The process will be evaluated throughout to report back to Council throughout, and prior to consideration of future participatory activities as part of the 2017 financial plan.

### **"My Great Neighbourhood" Fund**

A "My Great Neighbourhood Fund" is proposed to encourage and simplify the process for citizen-initiated enhancements to public space. Best practices research indicates that citizen-led projects in public spaces can engage citizens in working together, create greater ownership and pride within their neighbourhoods, and beautify and animate under-utilized community spaces. During meetings with each neighbourhood association over the summer of 2015, there was extensive

discussion about opportunities for placemaking and public space enhancements. There was also a strong desire for simpler processes and staff support for determining City considerations such as utilities, safety, sight lines and liability.

"My Great Neighbourhood Fund" of \$120,000 is proposed for community projects in public space or on public lands. The program would be open to submissions from Victoria neighbourhood associations, schools, community centres, and not-for-profits. Neighbourhood-based groups that are not registered non-profits could partner with a not-for-profit, to apply. Applications should demonstrate how the community was engaged in the process and the community's in-kind and financial contributions. The "My Great Neighbourhood Fund" would facilitate citizen-initiated projects up to \$5,000 that leave a positive physical legacy in the public space. Projects might include crosswalk art, murals, information kiosks, banners, interpretative signage, and parklets. It would not apply to operating funds, performances, or events.

In 2015, the grants requested for public space grants was \$42,000, and those awarded for public spaces was \$22,000. In addition, \$60,000 was contributed to the Douglas Street Charrette partnership, and \$3,500 was contributed to the Fort Street crosswalk. Both downtown projects had strong community support and matching funds from community or neighbouring properties, and would be candidates for funding within this proposed program.

## **OPTIONS & IMPACTS**

### **Financial Plan**

The draft 2016 financial plan includes a Neighbourhoods Capital budget of \$185,000.

The proposed funds for participatory budgeting (\$60,000) and the "My Great Neighbourhood Fund" (\$120,000) would be funded from this capital budget.

\$5,000 would be reserved for the promotion or facilitation requirements needed to support both programs.

The proposed funding for these initiatives equates to an investment of approximately \$2.20 per resident.

### **Official Community Plan**

#### **Section 15**

Overview - "provide opportunities for civic engagement..."

Broad Objectives 15 (e) That all citizens have the opportunity to participate in civic affairs.

#### **Civic Engagement**

15.19 Encourage effective public participation in City processes and service delivery by maintaining and implementing a Civic Engagement Strategy that:

15.19.1 Seeks out and facilitates the involvement of those potentially affected by or interested in a decision;

15.19.2 Seeks input from participants in designing how they participate;

15.19.3 Provides opportunities for those who are affected by a decision to be involved in the decision-making process;

15.19.4 Provides participants with the information they need to participate in a meaningful way;

15.19.5 Promotes sustainable decisions by recognizing and communicating the needs and interests of all participants, including decision-makers;

15.19.6 Provides opportunities for the public's contribution to influence the decision; and,  
15.19.7 Communicates the outcome of public engagement processes [See also Section 19 – Plan Administration].

#### Section 20 - Local Area Planning

20 (f) That public engagement is central to local area planning [see also section 15 – Community Well-Being, civic engagement].

### CONCLUSION

Participatory processes and increased opportunities for citizen driven projects increases government transparency and accountability, and community empowerment. There are few occasions where a municipality does, or can, transfer financial decision making to the community. These programs have proven to increase citizen involvement in budget deliberations and decisions, and shift from the traditional government approach to budgeting to a more transparent, and community guided model.

### RECOMMENDATIONS

Council direct staff to:

1. Prepare a participatory budgeting process for introduction upon approval of the 2016 Financial Plan.
2. Develop a Neighbourhoods Fund policy and application guidelines for introduction upon approval of the 2016 Financial Plan

Respectfully submitted,



Katie Hamilton  
Director of Citizen Engagement and Strategic Planning



Susanne Thompson  
Director of Finance

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

Date: \_\_\_\_\_ November 27, 2015

#### List of Attachments

Examples and background on participatory budgeting