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Item No. 7
Halifax Regional Council
September 23, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by Director

SUBMITTED BY:

Greg Keefe, Director of Finance & ICT/CFO

DATE: September 15, 2014

SUBJECT: **2015-16 Budget Process and Consultation Plan**

INFORMATION REPORT

ORIGIN

A recommendation report from the Executive Standing Committee dated May 1, 2014 - Summary Report and Recommendations – Governance Review (Internal Committees) was approved at Regional Council on May 20, 2014. Recommendation 2 relating to the budget process was approved as follows:

2. Adopt and formalize a Committee of the Whole on Budgets with Terms of Reference that include a quorum of nine (9) members as per Administrative Order #1 and the Chair of the Audit and Finance Standing Committee as Chair, and direct staff to make the necessary changes to Administrative Order #1.

The 2015-16 Budget and Business Planning process, targets and consultation approach needs to be established.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

BACKGROUND

In 2014-15, Regional Council directed staff to present the 2014-15 draft Budget and Business Plans to the Committee of the Whole (COW) for review and discussion prior to consideration by Regional Council. This process is also planned for the 2015-16 Budget process.

DISCUSSION

Process to develop the Budget:

COW's oversight of the Operating and Capital Budgets and Business Plans has proven to be an effective and transparent approach to developing those budgets and plans. It is recommended that this approach continue for the 2015-16 budget. As part of that approach each Business Unit will appear before COW with an overview of their budget and business plans. The proposed timeline for each Business Unit is included in Appendix A with an expected date for completion of the draft budget to be tabled at Council on March 24th, 2015.

The process allows for detailed discussion on the status of operations within the various Business Units, the service levels they are currently maintaining and the budget pressures that exist. The process also allows for additional information to be provided back to Councillors, if requested, without delaying the Budget presentation to Regional Council.

Public Consultations:

For the upcoming year, budget consultation is recommended to improve Citizen Engagement in the Budget process. As with 2014-15, this will consist of three key items: public participation during the Community Councils; an on-line Budget tool; and, a public participation and opportunity for comment cards at the end of each COW meeting.

Budget discussions and a presentation to the public will occur starting with the October Community Council meetings. In addition, meetings will be scheduled with representatives of the business community. These meetings will allow the Mayor and Councillors to present and discuss information directly with the public and receive feedback.

Using an online budget tool (the Budget Allocator) provides the public with an opportunity to better understand the municipal budget and provide input for Council consideration in the budget process. This tool was used for the 2014-15 consultations and proved to be a valuable addition to the Budget. Based on on-line comments received some improvements have been made to the tool. This type of tool is becoming increasingly common amongst all levels of government, and offers citizens the opportunity to adjust taxation levels to support the level of services they desire. There will be options to increase, decrease or maintain individual budgets on various services. Background information will be available to help citizens understand various municipal services and how they might be affected by budget increases or decreases. The on-line tool will be available for public input beginning in October 2014. The results from the Budget Allocator will be provided to Council for their consideration.

Lastly, at the end of each COW meeting public participation and opportunity for comment cards is proposed to allow interested members of the public to comment on the topic under discussion that day. This allows one additional manner in which the public can provide ongoing feedback.

Overall, the consultation process is designed to gather ongoing feedback from the public during different stages of budget development. The Budget Allocator will appeal to those with computer access who want to provide input early in the process. The public meetings at the Community Council and with the business community will allow for a more direct dialogue. Lastly, the public participation and opportunity for comment cards at COW will allow the public another chance to provide comments, as the budget details become more specific.

The information from both the Community Council public participation and the On-line tool will be reviewed and presented to COW for their consideration during the Budget process.

FINANCIAL IMPLICATIONS

The Budget Allocator is an additional tool of "EngagementHQ" software and was licensed for use in 2014-15. The current license for the Allocator is valid until November of 2014 but may be extended until early in 2015. Advertising and promotion costs for consultations are expected to cost approximately \$10,000. The funds are available within the current 14-15 Budget.

COMMUNITY ENGAGEMENT

The Budget Consultation will consist of an on-line balance-the-budget tool as well as an opportunity for the Public to discuss the Budget and the process with Councillors and the Mayor during the Community Council meetings scheduled in October 2014.

The Community will also be provided the opportunity to attend the Business Unit draft budget presentations to the COW, and afforded the opportunity to ask questions afterwards.

ATTACHMENTS

A – 2015-16 Budget and Business Plan - Business Unit Presentation Schedule

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Bruce Fisher/Manager of Financial Policy and Planning 902.490.4493

Original Signed by Director

Report Approved by: _____
Greg Keefe, Director of Finance & ICT/CFO 902.490.6308

Appendix A

2015-16 Budget and Business Plan - Business Unit Presentation Schedule

Subject	Target Dates
Revenue and Rate Direction	Tuesday, October 21, 2014
Priority Discussion and Direction	Tuesday, November 18, 2014
Business Unit	COW Meeting (weekly) Wednesdays 10 am – 12 pm
Capital Budget	December 3, 2014
CAO & Legal Services	January 14, 2015
HR & FICT	January 21, 2015
Police & Fire	January 28, 2015
Operational Business Unit	February 4, 2015
Operational Business Unit	February 11, 2015
Operational Business Unit	February 18, 2015
Operational Business Unit	February 25, 2015
Operational Business Unit	March 4, 2015
Fiscal and Consolidated Accounts	March 11, 2015
March Break	March 16 - 20
Full Review of Final Budget	Tuesday, March 24, 2015
Full Review of Final Budget	Tuesday, March 31, 2015 (if required)
Easter Weekend	April 3-6 2015