



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 04

Halifax Regional Council
September 22, 2015

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by Director

Amanda Whitewood, Director of Finance & ICT/CFO

DATE: August 20, 2015

SUBJECT: 2016-17 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 2016-17 Budget and Business Planning process, targets and consultation approach need 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 continued in 2015-16 and is also planned for the 2016-17 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 planned that this approach continues for the 2016-17 Budget. As part of that approach each Business Unit and the Auditor General, will appear before COW with an overview of their budget and business plans. The proposed timeline for Business Unit presentations is included in Attachment A with an expected date for completion of the draft budget to be tabled at Council on March 08, 2016.

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.

The schedule outlined in Attachment A will serve to reserve the COW Budget dates; however the order of Business Unit Presentations may change as the dates draw nearer. Councillors will be kept fully apprised of any adjustments to the schedule as they occur.

Risks to the Schedule

There are several known risks associated with the proposed time lines, including the potential for meetings to be affected by weather events throughout the winter. There are two follow up dates included late in the schedule to help mitigate that risk. In addition, Council may choose to leverage some Tuesday COW time slots for Budget if the schedule becomes too compressed. These dates are not reflected in the schedule, but could be considered should the need arise.

Aside from the potential for weather to impact the schedule, there are several policy related issues that may impact the 16/17 Budget discussions and/ or Business Unit Plans. These include, but may not be limited to:

- Small Business Tax Report
- Assessment Cap COW Discussion
- Halifax Transit Service Plan
- Snow and Ice Service
- Fire and Emergency Services Operations Plan
- Multi-District Facility Governance

These policy discussions will be brought to COW throughout the fall and early winter in order to ensure that Council is able to provide policy direction in advance of Business Units preparing their Budget and Business Plan Presentations. The Budget COWs are intended to review proposed Annual Budgets and Plans rather than clarify policy issues. Dealing with significant policy issues at the Budget COWs may put the schedule at risk.

Public Consultations:

For the upcoming year, budget consultation is recommended to improve Citizen Engagement in the Budget process. This year's Consultation will include questions on the Capital Budget. The process will remain the same as the previous two years, consisting of three key items: public participation during Community Councils; an on-line Budget tool; public participation and an opportunity to complete 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 budget and provide input for Council consideration in the budget process. This tool was used for the 2014-15 and 2015-16 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 among 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. 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 2015. The results from the Budget Allocator will be provided to Council for their consideration.

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 an additional method 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. Finally, the public participation and opportunity to complete 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 tool is now included in the license of "EngagementHQ"; with no additional cost. Advertising and promotion costs for consultations are expected to cost approximately \$8,000. The funds are available within the current 15-16 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 2015.

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 – 2016-17 Budget and Business Plan - COW 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: Barb Wilson, Budget Coordinator, FICT 490-4280

Report Approved by: Bruce Fisher, Manager, Financial Policy & Planning, FICT 490 4493

Appendix A

2016-17 Budget and Business Plan – COW Schedule

Subject	COW Target Dates
Revenue and Rate Direction	Tuesday, October 20, 2015
Priority Discussion and Direction	Tuesday, November 10, 2015
Business Unit These are placeholders as the order may change	COW Meeting (weekly) Wednesdays 9:30 am – 4 pm
Capital Budget	Wednesday, Dec 02, 2015
<i>Transit</i>	Wednesday, Dec 09, 2015
<i>Parks & Rec and Library, and (if necessary) Capital return</i>	Wednesday, Jan 06, 2016
<i>Admin Services Bundle and Auditor General (CAO, Legal, HR & FICT)</i>	Wednesday, Jan 13, 2016
<i>Police, Fire and P&D</i>	Wednesday, Jan 20, 2016
<i>TPW and Operations Support</i>	Wednesday, Jan 27, 2016
<i>Fiscal and Consolidated Accounts</i>	Wednesday, Feb 03, 2016
<i>Follow-up date if necessary</i>	Wednesday, Feb 10, 2016
Production and Quality Control Period	Feb 8 – Feb 26
Full Review of Final Budget	Tuesday, March 8, 2016
<i>Follow-up date if necessary</i>	Tuesday March 22, 2016