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**Item No. 05**  
**Halifax Regional Council**  
**November 22, 2016**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by Director

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Amanda Whitewood, Director of Finance & ICT/CFO

**DATE:** November 14, 2016

**SUBJECT:** 2017-18 Multi-year Budget Process and Consultation Plan

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### **INFORMATION REPORT**

#### **ORIGIN**

In September of 2016 Regional Council adopted amendments to Administrative Order 1, including the establishment of a Standing Committee of the Whole on Budget. The 2017-18 Budget and Business Planning process, fiscal 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 continued in 2015-16, 2016-17 and is also planned for the 2017-18 Budget process as per Administrative Order 1.

## **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 to continue this approach for the 2017-18 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 21, 2017.

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.

A significant enhancement this year is the introduction of multi-year budgets. Under the Halifax charter, Council is required to approve the budget each year so staff will not be seeking multi-year approval of the budget. Staff will be presenting year 1 for formal approval. The year 2 budget is meant to form the basis of Council direction for planning purposes. There are many benefits in moving to a multi-year view:

- Predictability
- Greater opportunity to plan strategically
- Enhanced flexibility
- Reduced annual effort
- Better alignment with outcomes

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. It is proposed that the consultation process consist of three consecutive Wednesdays for business unit presentations and a fourth Wednesday two weeks later to consider the consolidated budget. This schedule should provide Council with ample time to review each business unit's proposed budgets and enable Council to approve the budget before the end of March.

The main risk to the schedule is the potential for meetings to be affected by weather events throughout the winter. There are two hold 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.

### Public Consultations:

Council has expressed a desire for a more robust consultation that starts earlier the process. For the current budget cycle this was difficult to implement as it conflicted with the municipal elections. For the upcoming year it will include an on-line Budget tool and an opportunity to complete "Comment Cards" at the end of each COW meeting. Unlike previous years there will be no consultation at Community Council.

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 past three years and proved to be a valuable addition to the Budget process. 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 by December 2016. 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.

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

For the 2018-19 fiscal year, public consultations will be able to take advantage of the initial year 2 budget as a basis for discussions.

### **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 \$7,000. The funds are available within the current 16-17 Budget.

### **RISK CONSIDERATION**

The only risks associated with this report are potential delays to the schedule. Two contingency dates have been identified to mitigate the impact of delays.

### **COMMUNITY ENGAGEMENT**

The Budget Consultation will consist of an on-line balance-the-budget tool as well as the opportunity to attend the Business Unit draft budget presentations to the COW, and ask questions afterwards.

### **ATTACHMENTS**

Attachment A – 2017-18 Budget and Business Plan - COW Schedule

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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.

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## Attachment A 2017-18 Budget and Business Plan – COW Consultation Schedule

Subject	COW Target Dates
Strategic Planning & Priority Direction	Thursday, November 24, 2016
Fiscal Direction and Capital	Wednesday, December 14, 2016
Business Unit	COW Dates 9:30 am – 4 pm
Transit, P&D, and Operations Support	Wednesday, Jan 25, 2017
Parks & Rec, Library, Admin Services Bundle (CAO, Legal, HR & FICT) and Auditor General	Wednesday, Feb 01, 2017
TPW, Police and Fire	Wednesday, Feb 08, 2017
Hold 1 for contingency	Friday, Feb 10, 2017
Fiscal & Consolidated Accounts	Wednesday, Feb 15, 2017
Hold 2 for contingency	Friday, Feb 17, 2017
<b>Production and Quality Control Period</b>	February 20 - March 10
<b>March Break March 13-17</b>	
<b>Full Review of Final Budget</b>	<b>Tuesday, March 21, 2017</b>
<i>Follow-up date if necessary</i>	Tuesday, March 28, 2017