
The 2017 Business Plan and Budget Process

Recommendation

That the Governance and Priorities Committee endorse the proposed process for the 2017 Business Plan and Budget, described in Attachment 1.

Topic and Purpose

The purpose of this report is to provide an overview of the 2017 Business Plan and Budget Process. This process is a continuation, with some minor adjustments, of the process that was implemented for the 2016 Business Plan and Budget Process.

Report Highlights

1. In addition to the City of Saskatoon's Strategic Plan, City Council's priorities will provide direction and focus to the Administration in the preparation of the 2017 Business Plan and Budget.
2. The 2017 Business Plan and Budget process will attempt to integrate a "policy-oriented" approach so that City Council can provide key direction to the Administration on various existing, and emerging, policy issues.
3. The 2017 Business Plan and Budget process will include a public engagement component, so that the people of Saskatoon have an opportunity to provide input into the development of the 2017 Business Plan and Budget.

Strategic Goal

The information contained in this report aligns with all of the City's Strategic Goals, because the Business Plan and Budget process attempts to address all seven goals.

Background

- In 2012, Saskatoon City Council adopted a 10-Year Strategic Plan.
- In 2013, the 10-Year Strategic Plan was updated to reflect the 4-year priorities of the current City Council, elected in October 2012.
- Every January, the Governance and Priorities Committee (formerly Executive Committee) holds a Special Strategic Planning meeting, to discuss the 4-year priorities as set out in the Strategic Plan. On January 18, 2016, the Governance and Priorities Committee held a strategic planning session to discuss the priorities for the 2017 Business Plan and Budget.
- At its February 22, 2016, meeting, the Governance and Priorities Committee adopted a report recommending that the updated 4-year priorities be utilized in preparing the 2017 Business Plan and Budget.
- At its April 20, 2015, meeting, the Executive Committee endorsed a new process in preparing the 2016 Business Plan and Budget.
- At its December 1, 2015, Business Plan and Budget deliberation meetings, City Council approved the 2016 Business Plan and Budget.

Report

This report addresses the main components that will contribute to the preparation of the City of Saskatoon's 2017 Business Plan and Budget.

1. Strategic Direction/Council Priorities

The strategic direction for the 2017 Business Plan and Budget will be provided through the City's 10-year Strategic Plan and more directly, City Council's priorities. City Council's priorities are based on achieving the City's seven strategic goals, and will provide direction and focus to the Administration in preparing the Business Plan and Budget.

Many of City Council's priorities originally identified in 2013 are either complete or substantially underway. Administration's report to the February 22, 2016, meeting of the Governance and Priorities Committee indicated that 98% of Council's priorities were either complete, or in the process of being completed. The report stated that the Administration is placing emphasis on "identifying initiatives and allocating resources to complete the remaining priorities". Thus, the 2017 Business Plan and Budget will make a concerted effort to ensure that the remaining priorities are completed following the approval of the 2017 Business Plan and Budget.

Following the October 26, 2016, municipal election, a strategic planning session(s) will be held with City Council to update the 2013-2023 Strategic Plan. This will reflect the 4-Year Priorities and 10-Year Strategies of the newly elected City Council. A report outlining this process will be brought forward to the Governance and Priorities Committee later this year.

2. A Policy-Oriented Approach

As the City of Saskatoon's Business Plan and Budget process continues to evolve, City Council will be required to debate some emerging and important public policy issues. During the 2016 Business Plan and Budget process, the Administration tabled several reports and presentations that attempted to address some fiscal policy issues facing the City.

For example, at its April 20, 2015, meeting, the Executive Committee considered the "Financing Growth Study" conducted by Hemson Consulting Ltd. The study raised some important policy issues for the City of Saskatoon to consider. Most importantly, the study concluded that: (a) growth pays for most of all new capital costs within a neighborhood; and (b) property taxes have been increasing at a more rapid pace in recent years due to several interrelated factors, such as inflation, capital-related costs, and service level increases; slow growth of non-tax revenues; and decreasing per capita property assessment.

This study generated some additional analysis by the Administration. At its August 19, 2015, meeting, the Executive Committee received a discussion paper

titled, “Paying for City Services”. Essentially, that paper suggested that the City should use appropriate revenue sources to pay for the different types of City programs and services. Although there is some concern over the City’s reliance on the property tax to pay for various programs and services, this outcome may be entirely appropriate given the service delivery objectives and requirements of the City.

While the policy issues raised above continue to exist, there are also some emerging issues that the 2017 Business Plan and Budget process will attempt to address. Namely:

- i. **Capital Project Prioritization Strategy:** The recently tabled federal budget provides some infrastructure funding programs that the City will be able to take advantage of. The City will need to develop a prioritization strategy so that it has readily identifiable projects to take full advantage of federal infrastructure funding opportunities. A report outlining this strategy will be tabled at the April 18, 2016, Governance and Priorities Committee meeting.
- ii. **Multi-Year Business Plan and Budget:** Several municipalities in Canada have moved, or are moving, to the implementation of multi-year business plans and budgets. Cities that have adopted (or are adopting) this approach, recognize that many policy documents and budgetary decisions that cities make have longer-term implications that cannot simply be addressed in an annual budget. The Administration will provide a report and discussion paper to an upcoming meeting of the Governance and Priorities Committee that will outline the advantages and disadvantages of this multi-year approach to business planning and budgeting.

Additional policy issues may be presented during the 2017 process.

3. **Community Input into Business Plan and Budget**

In preparation of the 2016 Business Plan and Budget, the Administration, with the approval of City Council, implemented a new process that:

- a) was open and transparent so that City Council and the public had the necessary information to provide input;
- b) included extensive public education, engagement, and consultation; and
- c) used digital tools and web-based applications to make the process more interactive.

The preparation of the 2017 Business Plan and Budget will utilize a very similar approach. Attachment 1 provides an overview of the 2017 Business Plan and Budget Process.

Public and Stakeholder Engagement

In order to continue to produce a business plan and budget that meets the expectations of the citizens of Saskatoon, a greater emphasis on public education and engagement will continue in 2016. The “Shaping our Financial Future” major engagement

opportunities will be made available during Phase II of the 2017 Business Plan and Budgeting Process.

1. 2016 Civic Services Survey – the Annual Civic Services Survey will continue to be an important way in which the citizens of Saskatoon are able to participate in the budget building process. The City will conduct 500 telephone surveys, and 800 online surveys between late May and early June. As in 2015, 25% of telephone respondents were from a cell phone list to reach younger and cell-phone-only households. The survey questions will be enhanced in 2016 to better explore citizen input on five categories:
 - a. Quality of Life in Saskatoon – past, current and future perceptions.
 - b. Important Issues – the single-most important issue facing the City of Saskatoon that should receive the greatest attention.
 - c. Satisfaction – overall satisfaction on 35 specific City services.
 - d. Paying for Services – this includes best methods for balancing the budget, preferences for amount of service desired, and exploring naming rights and sponsorship opportunities.
 - e. Communications, Customer Service, and Engagement – preferences on how to receive information, how to conduct business, and evaluating our delivery of customer service and engagement.
2. Online Citizen Budget – in 2016, Administration will use the Online Citizen Budget to educate residents on the budget process, inform residents of costs and trade-offs, and demonstrate our ongoing commitment to community engagement. The Online Citizen Budget will provide citizens with an opportunity to provide input on where the City should spend more, spend less, or about the same on a variety of civic services.
3. Citizen Advisory Panel – as part of the broader Shaping Saskatoon community engagement initiative, a new Citizen Advisory Panel has been created. As of April 2016, over 1,100 citizens have already signed up for the panel. Participants on the panel will be invited to participate in the Online Citizen Budget to further enhance the number of participants, and enhance the overall results to ensure they reflect the broader community.
4. Taking it on the Road – to ensure the broadest reach and to provide opportunities for everyone to provide input, Administration will take the Online Citizen Budget to various locations throughout the city to conduct intercept surveys. Locations may include the City Hall Civic Pancake Breakfast, Saskatoon Farmers' Market, and potentially high-traffic shopping malls.
5. Educational Resources and Tools – the educational resources and tools created in 2016 will continue to be made available to the public. These include content on www.saskatoon.ca/financialfuture, and a video series to help inform citizens on a variety of budget topics including how the City budget works, how municipal tax

differs from Federal and Provincial tax, and what contributes to property tax increases. Additional videos may be produced.

Communications Plan

The Shaping our Financial Future Online Citizen Budget and various engagement opportunities would be promoted through news media, website advertising on saskatoon.ca and Shaping Saskatoon, social media posting on Twitter and Facebook, City Page advertisement, advertisements to various organizations and community groups (Community Associations, business leaders, etc.), posters at the leisure facilities, and libraries, etc. Electronic artwork and social media messages would be provided to the Mayor and City Councillors to share with their constituents.

Policy Implications

There are no policy implications at this time. However, during the preparation of the 2017 Business Plan and Budget, the Administration may propose various policy changes for consideration of the Governance and Priorities Committee and/or City Council.

Due Date for Follow-up and/or Project Completion

The Administration will provide regular updates to the Governance and Priorities Committee and/or City Council. The preliminary 2017 Business Plan and Budget is scheduled to be tabled at the November 21, 2016, Governance and Priorities Committee meeting.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

The 2017 Business Plan and Budget Process (April 18, 2016).

Report Approval

Written by: Mike Jordan, Director of Government Relations

Approved by: Murray Totland, City Manager

The 2017 Business Plan and Budget Process

[1] Introduction

In February 2015, the City of Saskatoon created an administrative committee to manage the 2016 Business Plan and Budget process, called the Business Plan and Budget Coordination Committee. In January 2016, the Committee was directed to continue and coordinate the implementation of the 2017 Business Plan and Budget Process. The primary objective of this internal committee is to lead and coordinate the entire process. The Committee reports directly to the City’s Leadership Team, and through the City Manager, to the Governance and Priorities Committee. The process includes various phases that will focus on different elements of the business planning and budgeting process.

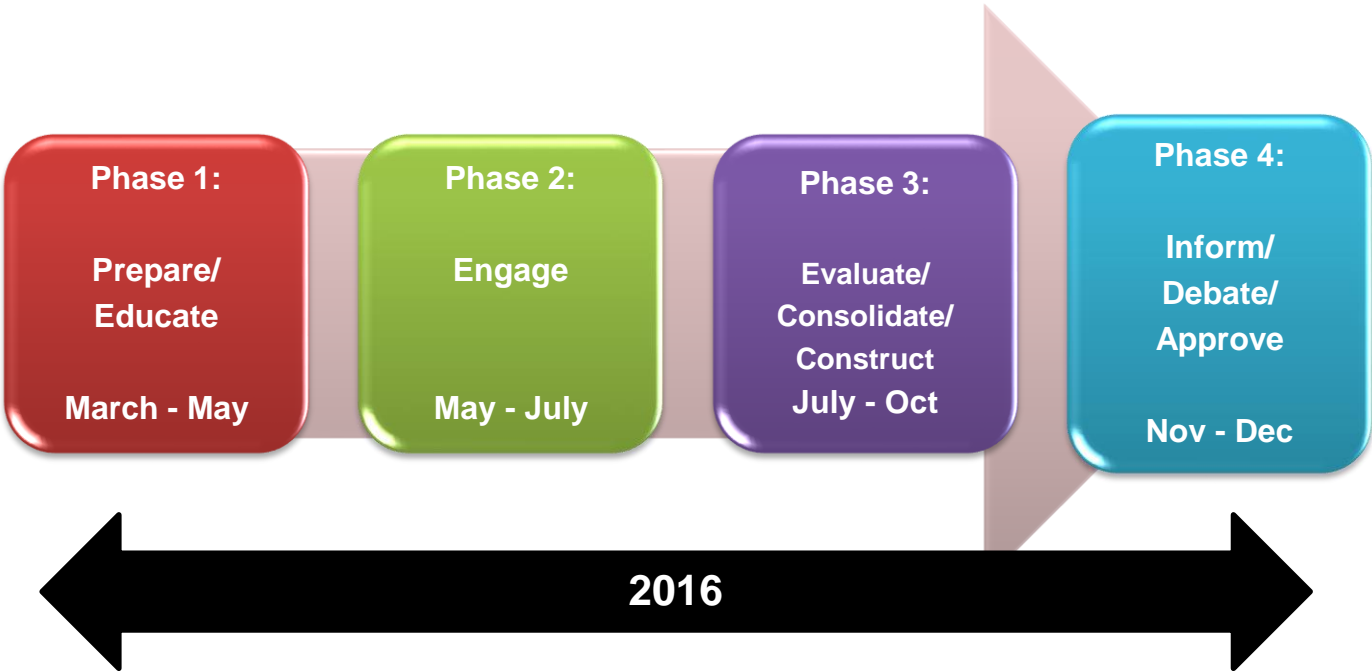
[2] Components/ Phases

Figure 1 illustrates the four phases or components of the 2017 Business Plan and Budget process. The 2017 process is being adjusted to reflect the timing of the 2016 Municipal Election.

Although the phases are distinct, and each one will have a primary focus during different months of the year, there will be some overlap. For example, engagement will be included during each phase, but it will receive greater emphasis in Phase 2. Education will also figure prominently in all phases, but will receive special emphasis in Phase 1.

FIGURE 1:

Phases of the Business Plan and Budget Process



Phase 1: Prepare/Educate

- This phase is currently underway and includes the preparation of background information, research of fiscal and public policy issues, and the development of public education and engagement tools.
- This phase also includes an economic review of 2015, and outlook for 2016 and 2017 to get a sense of the economic climate.
- This phase also includes the launch of the new budget process.

Phase 2: Engage

- This phase is where the engagement process begins. It will include the use of broad engagement tools (e.g., Civic Services Survey, and an online budget tool) to get the community's input on general issues related to the 2017 Business Plan and Budget.
- This phase would also include the opportunity for City Council to have direct input from citizens.

Phase 3: Evaluate/Consolidate/Construct

- During this phase, Administration would evaluate and utilize public feedback to help construct the 2017 Business Plan and Budget.
- During this phase, the Administration will work to consolidate all budget inputs and finalize the 2017 Business Plan and Budget.
- This phase will also include the development of interactive public engagement tools.

Phase 4: Inform/Debate/Approve

- During this phase, the Administration will table the proposed 2017 Business Plan and Budget at the November 21, 2016, Governance and Priorities Committee meeting.
- This phase also includes City Council's deliberations on the 2017 Business Plan and Budget and will include any adjustments that City Council makes to the Business Plan and Budget.