



## STAFF REPORT ACTION REQUIRED

### 2015 Participatory Budgeting Pilot

<b>Date:</b>	December 30, 2015
<b>To:</b>	Budget Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All

#### **SUMMARY**

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City staff undertook a Participatory Budgeting (PB) in 2015 in three areas of the City: Rustic in Ward 12 and Oakridge in Ward 35, both Neighbourhood Improvement Areas (NIAs), and Ward 33. Participatory Budgeting (PB) is a process where residents propose, develop and vote on projects funded by the government, to improve their City.

The City of Toronto piloted a PB process in 2015 that resulted in the communities selecting seven (7) community improvement projects at a total cost of \$435,000. This report authorizes the Deputy City Manager and Chief Financial Officer to fund the cost of these community improvements in the amount of \$370,000 gross, \$0 debt from the Parkland Acquisition Reserve Fund; and \$65,000 gross, \$0 debt from the Public Realm Reserve Fund.

The findings of the City's pilot, and research from other PB initiatives around the world, suggest that the benefits of PB are often incremental when a PB process is implemented over several budget cycles, is a priority of the government, meets the needs of the community, adequately resourced and subject to ongoing evaluation.

This report recommends that the 2015 pilot be extended for 2016 and 2017 in the same wards and that the capital funding allocation for each area is increased from \$150,000 to \$250,000. The pilot extension requires a temporary position at a cost of \$138,000 in the City Manager's Office 2016 Operating Budget to coordinate the PB process and project evaluation. The pilot extension will conclude with a comprehensive evaluation and report to City Council in 2018.

## RECOMMENDATIONS

### The City Manager recommends that:

1. City Council authorize the Deputy City Manager and Chief Financial Officer to adjust the following Capital Budgets to fund the seven (7) 2015 PB pilot projects detailed below and in Attachment 2 of this report:
  - a. The Parks, Forestry and Recreation 2016 preliminary Capital Budget be increased by \$370,000 gross, \$0 debt for the following projects:
    - *Oakridge Park Lighting* at a cost of \$90,000 gross, \$0 debt to be funded from Account XR2205, Parkland Acquisition - East District Local Development;
    - *Prairie Drive Park Package* at a cost of \$60,000 gross, \$0 debt to be funded from Account XR2205, Parkland Acquisition - East District Local Development;
    - *Lighting in Rustic Park* at a cost of \$75,000 gross, \$0 debt to be funded from Account XR2203, Parkland Acquisition – West District Local Development;
    - *Shade for Maple Leaf Playground* at a cost of \$75,000 gross, \$0 debt to be funded from Account XR2203, Parkland Acquisition – West District Local Development; and,
    - *Don Valley Fitness Park, Bellbury Park* at a cost of \$70,000 gross, \$0 debt to be funded from Account XR2207, Parkland Acquisition – West District Local Development.
  - b. The Transportation Services 2016 preliminary Capital Budget be increased by \$65,000 gross, \$0 debt for the following projects:
    - *Brian Village Gateway* at a cost of \$50,000 gross, \$0 debt to be funded from Account XR1410 Public Realm Reserve Fund; and,
    - *Bike Lockers near Don Mills Station* at a cost of \$15,000 gross, \$0 debt to be funded from Account XR1410 Public Realm Reserve Fund.
2. City Council authorize the City Manager to extend the 2015 Participatory Budgeting pilot for two (2) additional years in the three (3) areas of the 2015 pilot: Ward 33, Ward 12 and Ward 35.
3. City Council authorize the Deputy City Manager and Chief Financial Officer to fund up to \$250,000 annually for each pilot area, for a total annual cost of \$750,000, from the following capital funding sources and to report annually on the appropriate capital budget adjustments:
  - a. Capital Financing Reserve Fund;
  - b. Section 37 funds that are ready to be spent within the pilot timeline;
  - c. Other applicable capital funding sources that meet the intent of PB including the City's Parkland Reserve Fund, Public Realm funding, and Neighbourhood

Improvement Area capital funding in the City's Facilities 2016-2025 Capital Budget and Plan.

4. City Council consider as part of the 2016 Budget process the addition of 1 temporary position in the City Manager's Office 2016 Operating Budget to implement the pilot extension, at an annual cost of \$138,000, as described in Appendix 2 – Items referred to the Budget Process – New and Enhanced Detailed List to the Presentation (December 15, 2015) from the City Manager and the Deputy City Manager and Chief Financial Officer.
5. City Council request the City Manager to report back in 2018 on the results of the Participatory Budgeting pilot including an evaluation and options in future years.

## **Financial Impact**

### **Capital Funding**

Adjustments to the 2016 preliminary Capital Budgets to fund the 2015 PB projects, for \$435,000, is required from the following Reserve Funds: XR2205-Parkland Acquisition-East District Local Development; XR2203 - Parkland Acquisition-West District Local Development; XR2207 - Parkland Acquisition-North District Local Development; and XR1410 Public Realm Reserve Fund.

Community improvement projects selected by residents in year 2016 and 2017 of the PB pilot will be funded up to \$250,000 annually in each of the three pilot areas for a total of up to \$750,000 per year, and up to \$1.5M over the two-year pilot extension period. The selected community improvement projects will be aligned with the appropriate Reserve Fund including: the City's Parkland Reserve Fund, Public Realm Reserve Fund, the Capital Financing Reserve Fund, or Section 37 funds, or from the Neighbourhood Improvement Areas (NIAs) capital funding included in the Facilities Management 2016 to 2025 Capital Budget and Plan, where appropriate.

### **Operating Funding**

The 2015 PB Pilot required one (1) FTE in Strategic and Corporate Policy to coordinate the overall project as well as significant staff time from a range of City divisions to participate in the PB process; and evaluate and cost proposals. Approximately \$25,000 in program costs was required for printing, advertising, promotion and mail drops. An additional \$10,000 was required to cover the cost of the PB pilot evaluation. Staff time to support the pilot was provided through existing resources with program and evaluation costs funded by the City Manager's Office 2015 approved Operating Budget.

A temporary position is required in the Strategic and Corporate Policy Division for \$138,000 to coordinate the project and evaluation; and this request will be considered through the 2016 budget process.

Program and evaluation costs of approximately \$35,000 annually will continue to be funded from the City Manager's Office Operating Budget to the end of 2017.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its meeting of March 10, 2015 [City Council](#) adopted the 2015 Capital and Operating Budgets (EX3.4), which included consideration of the City Manager's report [2015 Participatory Budgeting \(PB\) pilot](#). City Council authorized the City Manager to undertake a Participatory Budget pilot in three areas: Ward 33, Rustic (in Ward 12) and Oakridge (in Ward 35), with each receiving up to \$150,000 in capital funding.

The City Manager was requested to report on the community improvement projects selected by each pilot area, the results of an evaluation and recommendations for Participatory Budgeting processes in future year's budget cycles.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX3.4>.

## **ISSUE BACKGROUND**

Participatory Budgeting (PB) is a process implemented around the world where residents propose, develop and vote on projects, funded by the government, to improve their community, city or state. PB initiatives differ across jurisdictions in terms of the amount of funds, scale (city, ward, or neighbourhood), outreach strategies, number of public meetings, and rules about who can vote.

However, PB typically follows a series of steps including:

- Community outreach and engagement;
- Brainstorming ideas and creating a shortlist of proposals;
- Staff review of cost, location, viability of proposals; and
- Community vote.

Potential benefits of PB can include community improvements, greater transparency about government and decision-making, increased civic engagement, and budget decisions that reflect local priorities. In some parts of the world (e.g. Brazil) PB has been used to support democratic reforms and fund critical infrastructure (sewage systems and roads), or programs and services for identified user groups (e.g. youth initiatives in Boston), or to achieve other strategic objectives (e.g. Scotland's' anti-social behaviour framework).

Canadian PB projects (e.g. Guelph, Hamilton, Halifax, Toronto Community Housing), have funded playground improvements, neighbourhood beautification (flowerbeds, irrigation, planters), pedestrian safety, traffic calming, lighting, way finding, art, murals and recreation improvements (bleachers, sports field upgrades) or improvements to common areas in publicly owned buildings.

## **COMMENTS**

### **1. Overview of the 2015 PB Pilot Process**

City staff undertook a PB pilot in three areas the city including two Neighbourhood Improvement Areas - Oakridge in Ward 35 and Rustic in Ward 12, and Ward 33, with \$150,000 in capital funding allocated to each area. The intent of the pilot was to learn more about the potential opportunities, benefits and challenges of implementing PB in Toronto.

The Toronto PB pilot used a process similar to PB projects in other major North American cities including public information sessions, extensive communications and outreach, community project development and assessment, shortlisting community ideas for a ballot and a public vote. The key components and timeline for the 2105 Toronto PB pilot are summarized below.

#### **A. Community Outreach, Engagement and Information (April to May 2015)**

City staff and PB area Councillors promoted the pilot and encouraged participation through community discussions with City program participants, through flyers and posters in local libraries, schools, community centres and organizations, through social and traditional media, email blasts and newsletters, and mailings to every household in each area. City staff also promoted the pilot through childcare centres, community meetings and celebrations, and to youth in local schools.

Customization of the PB process in Toronto included a unique logo/brand, website and social media sites, translation and interpretation matched with the demographics of each pilot area, and the creation of a participant guide and materials that explained the City's capital budget guidelines and what the PB funds could be spent on.

#### **B. Community Brainstorming and Proposal Development (May to August 2015)**

A series of community meeting were held to brainstorm projects and to workshop ideas with City staff in terms of cost and viability. Three (3) meetings were held in each of the Neighbourhood Improvement Areas (NIAs) while eight (8) meetings were held in Ward 33 given it was ward-wide pilot rather than contained to a smaller geographic area. Public participation at community meetings ranged from five (5) to forty (40) residents with an average of approximately twenty (20).

### C. Community Vote (September 2015)

Each pilot area shortlisted four (4) to seven (7) projects to be included on the ballot for the community vote that was held in September 2015. Anyone 14 years or older, living in the PB area, was eligible to vote. Participants filled in a circle on the ballot next to the project they were voting for and could select up to three projects. They did not rank their choices. A "how to vote" flyer, translated in four languages was posted at voting sites and inside voting booths.

When voting ended, staff counted the number of votes cast for each project. The project with the most votes was declared the winner, and the cost of that project was deducted from the overall \$150,000 allocation. The next most popular projects were selected for any remaining funds.

Participation at public meetings and voting locations is summarized in Page 5 of Attachment 2.

### D. Final Community Improvement Projects

Table 1 below and Attachment 2 of this report outline the final projects from the 2015 PB pilot.

<b>Table 1 - Final Projects by Area, Total Ballots and Total Votes <sup>1</sup></b>
<p><b>Oakridge:</b> Total Ballots:72 / Total Votes:186</p> <ul style="list-style-type: none"><li>• <b>Oakridge Park Lighting Improvements (\$90K):</b> Community members voted to have additional lighting installed so people feel safer in the evening. Six additional light posts will be installed in the north part of the park.</li><li>• <b>Prairie Drive Park Improvement Package (\$60K) -</b> To improve Prairie Drive Park, and make it more welcoming, community members voted to replace the drinking fountain with a water bottle filling station, install three new light posts and add fitness benches.</li></ul>
<p><b>Rustic:</b> Total Ballots:74 / Total Votes:155</p> <ul style="list-style-type: none"><li>• <b>Lighting Improvements in Rustic Park (\$75K) -</b> Community members voted to add more lighting so that people will feel safer at night walking through or enjoying the park. Four new light posts will be installed along with a hookup for one more light to be added in the future.</li><li>• <b>New Shaded Area for the Maple Leaf Park Playground (\$75K) -</b> Community members voted to add shade in the playground area that would give people a place to sit and enjoy the park on a hot day. A shade structure approximately 20 feet by 20 feet in size with benches inside will be installed by the playground area.</li></ul>

<sup>1</sup> Participants were able to choose up to three (3) projects resulting in more votes than ballots cast.

**Table 1 - Final Projects by Area, Total Ballots and Total Votes <sup>1</sup>**

**Ward 33:** Total Ballots:384 / Total Votes:837

- **Brian Village Gateway Project** (\$50K) – Community members voted to improve the gateway on the northwest side of Brian Drive at Sheppard Avenue East by adding seating and curved planters for landscaping.
- **Don Valley Fitness Park** (\$70K) – Community members voted to improve Belbury Park by installing new outdoor fitness equipment.
- **Bicycle Lockers near Don Mills Subway** (\$15K) – Community members voted to install six bike lockers that can store up to 12 bicycles near Don Mill Subway station.

This report recommends that City Council authorize the Deputy City Manager and Chief Financial Officer to fund the final projects from the appropriate capital funding source.

## **2. Evaluation**

EnviroNics Research Group was retained to undertake an evaluation of the 2015 PB pilot. The evaluation included three (3) key phases of measurement:

- one-on-one interviews with residents during community meetings;
- an online survey for PB participants and residents of the pilot areas; and
- one-on-one interviews with City staff involved in PB activities as well as participating City Councillors.

The evaluation results from participants were generally positive and identified that most chose to participate to gain a better perspective of the needs of their neighbours, learn about the City's budgeting process, and to have a say in shaping and selecting projects to improve their community. Overall, satisfaction with the process was high, participants saw the benefit of PB and many participants expressed intent to participate in future PB activities, as well as recommend it to others. EnviroNics found that the pilot generally netted benefits in terms of learning, community engagement and local investment.

The evaluation identified some areas for improvement in future PB activities including improved promotion of the PB website, providing additional information about the PB process, expanding communications and outreach, and increasing partnerships with local organizations. The full evaluation report by EnviroNics is included in Attachment 2.

City staff involved in the PB pilot identified other observations that will be important to monitor over the longer-term evaluation of the pilot. These observations include balancing in-person participation with requests for electronic or on-line participation methods as well as monitoring the ideas generated through community meetings to determine which ideas are best met through PB or addressed through another mechanism. For example, some ideas generated

at community meetings during the 2015 PB pilot were service requests that were addressed immediately by City staff while other ideas were already planned for that year by the applicable City division. Lastly, by its very nature, PB can be both a collaborative and a competitive process, as it brings communities together to build new relationships while requiring participants to choose some community priorities over others.

### **3. Recommended Next Steps for Participatory Budgeting**

Extensive research on PB in other jurisdictions, considered alongside the findings from the evaluation of Toronto's pilot, suggests that one year is too short a period to determine the outcomes and benefits of PB in Toronto. Cambridge, Massachusetts recently evaluated its PB project and found, similar to New York and Chicago, that the "learning cycle for cities is steepest during the first year of PB. In some cases, it may take a number of PB cycles for the process to become "owned" by the local community."

Although the participation in Toronto's pilot was relatively low, as research suggests, participation and outcomes of PB may build over time. As selected community improvement projects are implemented, benefits to the community may become more tangible, supporting local engagement, social networks and a strengthened sense of community.

This report recommends that the 2015 PB Pilot be extended for an additional two years in the same pilot areas (Rustic – ward 12, Oakridge – ward 35 and ward 33) in order to undertake a more comprehensive evaluation of the benefits and outcomes of PB. Rustic in ward 12 and Oakridge in ward 33 were restricted to the City Neighbourhood Improvement Areas that did not always match how participants defined their neighbourhoods. For the pilot extension, the ward Councillor, in consultation with City staff, will determine the best geographic scale of the 2016 and 2017 PB process, (ward versus neighbourhood). Improvements identified through the evaluation undertaken by Environics will be implemented in the pilot extension including expanded outreach and promotion in order to increase participation rates.

City staff are also recommending that the capital funding allocation for the PB pilot extension in 2016 and 2017 be increased from \$150,000 to \$250,000 per pilot area. The \$150,000 capital allocation for the 2015 pilot seemed low given a number of improvement projects generated by the community were costed out in the early stages.

Similar to other jurisdictions, the Toronto 2015 PB process was fairly resource intense requiring one FTE for overall project coordination as well as considerable staff time from a range of other City divisions to participate in the PB process as well as evaluate and cost proposals. The PB pilot also required approximately \$25,000 in program costs for printing, advertising, outreach, and community meetings, funded by the City Manager's Office 2015 approved Operating Budget. A temporary FTE in Strategic and Corporate Policy Division is required to coordinate the pilot extension and evaluation and will be considered through the 2016 budget process.

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## SIGNATURE



Peter Wallace  
City Manager

## ATTACHMENTS

Attachment 1: Final Community Improvement Projects and Funding Source  
Attachment 2: Final Report – Evaluation of Toronto's 2015 PB Pilot

### Final Projects and Recommended Funding Sources

Final Projects by Capital Budget	Reserve Account for Draw
<ul style="list-style-type: none"> <li>Oakridge Park Lighting Improvements - To help people feel safer when enjoying the park in the evening, community members asked for more lights. Six more light posts will be installed in the North part of the park.</li> </ul>	\$90,000 gross, \$0 debt to be funded from Account XR2205, Parkland Acquisition - East District Local Development.
<ul style="list-style-type: none"> <li>Prairie Drive Park Improvement Package - To improve Prairie Drive Park, and make it more welcoming, the existing broken drinking fountain will be replaced by a water bottle filling station. Three new light posts will be added as well as fitness benches.</li> </ul>	\$60,000 gross, \$0 debt to be funded from Account XR2205, Parkland Acquisition - East District Local Development.
<ul style="list-style-type: none"> <li>Lighting Improvements in Rustic Park - Community members asked for more lighting so that people will feel safer at night walking through or enjoying Rustic Park. Four new light posts to be installed immediately with a hookup for one more light to be added in the future.</li> </ul>	\$75,000 gross, \$0 debt to be funded from Account XR2203, Parkland Acquisition – West District Local Development.
<ul style="list-style-type: none"> <li>New Shaded Area for the Maple Leaf Park Playground - Community members felt that there was not enough shade in the park by the playground area that would give people a place to sit and enjoy the park on a hot day. A shade structure approximately 20 feet by 20 feet in size with benches inside will be installed by the playground area.</li> </ul>	\$75,000 gross, \$0 debt to be funded from Account XR2203, Parkland Acquisition – West District Local Development.
<ul style="list-style-type: none"> <li>Don Valley Fitness Park - Outdoor fitness equipment will be added in Bellbury Park.</li> </ul>	\$70,000 gross, \$0 debt to be funded from Account XR2207, Parkland Acquisition – West District Local Development.
<ul style="list-style-type: none"> <li>Brian Village Gateway Project - On the northwest side of Brian Drive at Sheppard Avenue East, to include seating, and new curved planters for landscaping.</li> </ul>	\$50,000 gross, \$0 debt to be funded from Account XR1410 Public Realm Reserve Fund
<ul style="list-style-type: none"> <li>Bicycle Lockers near Don Mills Subway - Six lockers that can store up to 12 bicycles will be added near Don Mill Subway station.</li> </ul>	\$15,000 gross, \$0 debt to be funded from Account XR1410 Public Realm Reserve Fund.