



STAFF REPORT ACTION REQUIRED

The City of Toronto's long-term financial direction – consultation plan

Date:	June 27, 2016
To:	Executive Committee
From:	City Manager Deputy City Manager & Chief Financial Officer
Wards:	All
Reference Number:	

SUMMARY

City Council at its June 6, 2016 meeting requested that the City Manager report to the June 28, 2016 Executive Committee with a proposed consultation plan on the long-term financial direction. This report responds to that request.

The public engagement strategy will seek input to support Council's decision-making and objectives for service excellence, value for residents and businesses, and accountable financial oversight. It will employ a range of methodologies in keeping with the complexity, urgency and critical nature of the topic and the diversity of participants and perspectives.

The City Manager and the Deputy City Manager & Chief Financial Officer propose engaging with the public and stakeholders from Fall 2016 through Spring of 2017, to gather input and advice on how to ensure Toronto is a modern, mature government with the appropriate fiscal resources in place to support a City of its size, complexity and aspirations. Participants will be provided with information about the City's long-term financial direction, budget and budget process and Council's strategies and plans in order to support an informed dialogue.

The engagement strategy will support public learning, and multiple opportunities to participate and provide input, and processes that encourage public discussion among participants and stakeholders with diverse opinions and perspectives. The strategy is built on best practices for public engagement including clarity of scope and methodologies that

are purposeful, appropriate, accessible, transparent and accountable.

The consultation will be coordinated by the City Manager's Office and the Deputy City Manager & Chief Financial Officer in two phases, building towards a plan which incorporates the many components of the long-term financial direction.

Phase 1 (Fall 2016)

- Opportunities to learn about the City's financial framework, encourage exploration of the issues through dialogue and debate.
- Seek advice to guide decision-making on City revenues, expenditures and assets to support a multi-year revenue strategy, Expenditures Management Plan and maximize the use of assets in supporting service delivery;
- Identification of issues where there is significant public support, common interests, and where differences of opinion exists.

Phase 2 (Spring 2017)

- Build on the findings of Phase 1 seeking in-depth advice on key issues or areas requiring additional study, or where critical differences or divides exist.
- Consultations focused on the City's long-term financial direction, as well as strengthening the City's financial management and oversight of City programs and agencies and supporting Council in setting priorities and outcomes in order to deliver its strategic agenda.
- Engagement report with public input themed to the elements outlined in the long-term financial direction report and findings which support the implementation of a sustainable, coordinated, long-term financial strategy.

Details about the engagement process and findings, the City Manager's reports, and raw data will be posted to the City's website and Open Data page.

RECOMMENDATIONS

The City Manager and Deputy City Manager & Chief Financial Officer recommend that:

1. City Council direct the City Manager and the Deputy City Manager & Chief Financial Officer to engage the public on the City of Toronto's long-term financial direction, such engagement to include information, consultation and dialogue to seek input and advice on establishing a robust fiscal framework that includes expenditure management strategies, meaningful governance and oversight of City programs and agencies, prudent management of financial and physical City assets, and adequate revenue generation from existing and new sources to achieve desired public services on a sustainable basis;
2. City Council approve up to \$500,000 for a consultation plan to take place over the balance of 2016 and spring 2017 to support the establishment of a long-term financial plan;

3. City Council approve an increase of \$250,000 gross at \$0 net to the 2016 Non-Program Expenditure Budget to be funded from the Innovation Reserve for the delivery of Phase 1 of the long-term financial direction consultation process; and
4. City Council authorize the City Manager and Deputy City Manager & Chief Financial Officer to include up to \$250,000 gross at \$0 net in the 2017 Non-Program Operating Budget submission, to be funded from the Innovation Reserve, for the delivery of Phase 2 of the consultation plan, as required.

Financial Impact

In each of 2016 and 2017 budgets, up to \$250,000 will be required for costs associated with production of participant resources, online consultation tools, public opinion polling, advertisements, translation, interpretation, and data analysis for a total budget of up to \$500,000. No capital costs are anticipated.

The total cost of the consultation plan will be budgeted in the 2016 and 2017 Non-Program Expenditure Budget, to be funded from the Innovation Reserve at no net cost. Authority is required to adjust the Non-Program Expenditure Budget by \$250,000 gross, \$0 net in 2016 and to include up to an equivalent amount for 2017, as required.

Consultation Key Components:

- Web-based engagement tools and applications
- Polling
- 3rd party consultants, facilitation and moderation, data analysis, reporting
- Online and print advertisements, notices, promotion
- Public and webcast meeting logistics
- Multilingual resources and accessible technologies and methodologies

DECISION HISTORY

At its meeting of June 7, 2016, City Council adopted the City Manager's Report "The City of Toronto's long-term financial direction" with amendments and directed the City Manager to "*report to the June 28, 2016 meeting of the Executive Committee with a proposed comprehensive consultation plan for the reports recommended in the Report (May 16, 2016) from the City Manager on the City's Long-Term Financial Direction.*" <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX15.1>

ISSUE BACKGROUND

The City's budget and budget process, services and program offerings, relationships to City agencies and other orders of government, and its decision-making processes are all complex systems. These systems must work in concert to achieve Council's objectives of

service excellence, value for residents and businesses, accountable financial oversight, and being a modernized municipality.

The public has demonstrated their interest in a dialogue on the City's budget and the long-term sustainability of Toronto's finances. Public advice on City programs and service levels, budgets, and priorities has been received through previous consultations such as Feeling Congested, the Core Service Review, New Taxation Measures, Governing Toronto, and Listening to Toronto. The City also anticipates input which contributes to this discussion from current and planned consultations including on parks and recreation facilities, Toronto's downtown (TOCore), tolling, the Poverty Reduction Strategy, and TransformTO.

The City can no longer wait or put off difficult decisions until a later date. The City's annual budget process has long included warnings with respect to financial sustainability. City Managers and the Deputy City Manager & Chief Financial Officers have expressed persistent concerns, suggesting a need for stronger expense discipline and additional sustainable revenue.

COMMENTS

Whenever City finances are discussed there is a tendency to merge short-term needs (e.g. paying fines, requests for new recreation programs, or service complaints), the annual budget (e.g. possible tax increases, value for money), long-term priorities (e.g. achieving Council's social, environmental and economic plans), and the way budget decisions are made (e.g. financial rules, role of Council, Committees and the public).

The City recognizes that this topic is complex and requires time for the public to understand and provide informed input. It is also important for the public to be able to provide input through multiple channels. The engagement strategy will provide information about:

- City services and programs
- Operating and capital budgets
- The budget process
- City governance and legislative process
- Key City and Council decisions and approved strategies and plans
- The relationship between all of these components and the City's financial framework

Objectives of the Engagement Strategy

The engagement strategy will provide information to participants and seek advice and input in two phases. The engagement will build on the advice the City has received through its public consultations, research and reports, City Council's directions including decisions on multi-year budgeting and financial principles, and the City's jurisdictional, economic and legislative context.

Consultations will seek the public's advice to City Council as it makes decisions on:

- Achieving the City's multi-year Expenditure Management Plan
- Achieving excellence in service delivery and maximizing value for residents
- Strengthening the City's financial management and oversight of City programs and agencies
- Managing assets to maximize their use in supporting service delivery
- Optimizing revenue generation from existing and new sources

Proposed Engagement Methods

The city-wide engagement strategy will involve a range of methods to learn, discuss, debate and provide input. These methods will include presentations and information kits, online tools, in person meetings, surveys and polls. Both qualitative and quantitative data will be collected through:

1. **A dedicated website** – Information about the long-term financial direction, City strategies, finances and jurisdiction, findings from other City consultations and information about opportunities to participate in person and online.
2. **Information and Education** – Clear, balanced, introductory and detailed information about how the City works, services, finances, budget, budget process, plans, strategies and decision-making processes. Online and in person opportunities to ask questions and discuss issues with staff will support learning and the consultation process.
3. **Engagement Kits** – Produced and distributed online for use by organizations, individuals and City Councillors to support discussions and input.
4. **Public meetings** – Traditional face-to-face formats supplemented with online webcasts to support learning, discussion and input. Meetings will be located across the city to encourage participation.
5. **Consultation tools** – Feedback forms, surveys, polls, mapping, photos and public remarks will capture public input in person, on paper and online.
6. **Leveraged Public Engagement** – Seeking input through other consultations and public events, social media, pop-ups, intercepts and partnerships with organizations, schools and institutions.

To increase diversity and accessibility, the strategy will include multilingual resources and accessible technologies and methodologies. Third party consultants will be retained where appropriate to enhance neutrality, or to meet technical requirements.

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SIGNATURE

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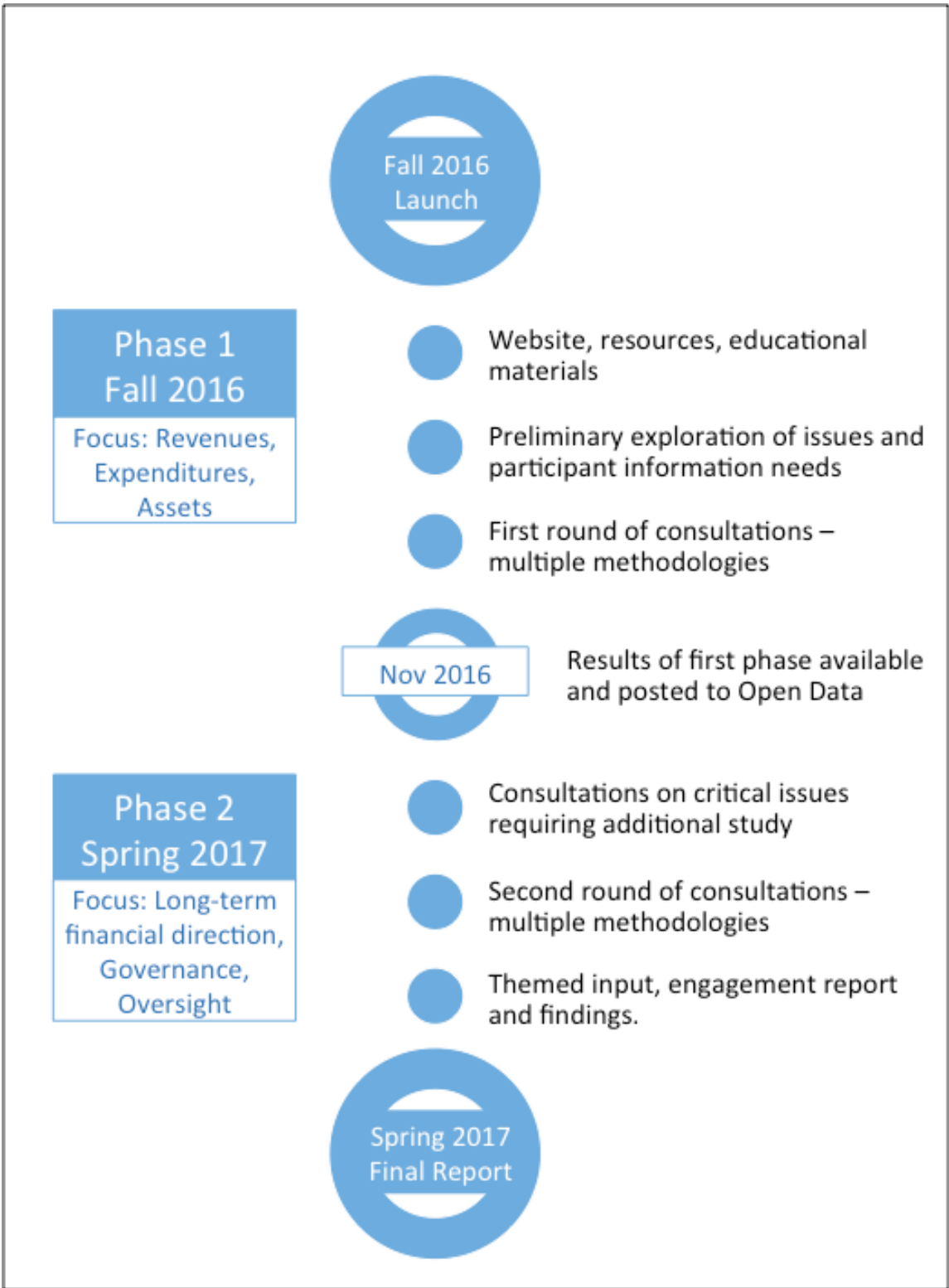
Roberto Rossini
Deputy City Manager & Chief Financial Officer

ATTACHMENTS

Attachment 1 – Proposed Timeline for Public Engagement

Attachment 2 – Consultation Best Practices

Proposed Timeline for Public Engagement on Long-Term Financial Direction



Consultation Best Practices

The engagement strategy will be developed in keeping with best practices including:

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| Clear objectives | Outlining the goals of the City Manager in undertaking the engagement, the scope of the engagement including the City's jurisdiction in these matters, relationship to other city initiatives and commitments, and issues outside the scope of the engagement. |
| Informed participation | Accessible resources and opportunities for the public to learn about the City, understand perspective of other members of the public, sectors, and interested parties, and leveraging data from previous consultations. |
| Appropriate methodologies | Methods which align with the objectives of the engagement ensure useful, appropriate, applicable input and data is collected. Methods which account for varying levels of comfort with engaging with the City, using technology, and familiarity with the topic. |
| Purposeful | Ensuring questions, discussions and demands on participants are relevant and in keeping with the scope of the engagement. |
| Accessible | Engagement activities that reflect the diversity of Toronto's residents, support input at multiple junctures, address barriers to participation for participants with different levels of interest, commitment, skills and expertise. |
| Knowable | Diverse methods of communication to encourage participation including print and online ads, flyers, social media, outreach through City staff and partners. Information made available on toronto.ca, in City facilities, and through electronic notifications. |
| Transparent and accountable | Information on how input will be collected and considered alongside advice and input of Members of Council, affiliated stakeholders, business, organizations and community groups. All background information, materials, resources, surveys and data will be posted to the project website, to the City's Open Data page and in accessible, print ready and machine readable formats. |