



www.lakeshoreplanningcouncil.com
lpcc.lakeshoreplanningcouncil@gmail.com

January 27, 2020

TO: The Members of the Budget Committee

CC: Chief Financial Officer & Treasurer

RE: Budget Planning Process 2021 and future years

It was reported this week that the advocacy group, Social Planning Toronto, publicly condemned the Toronto Budget Process as a “sham” – and they are correct.

Unlike Toronto, New York City residents, through their Community Boards, “are given a broad range of responsibilities for advising the City about local budget needs and priorities. The New York City Charter (equivalent to the City of Toronto Act) mandates that the Community Boards consult with agencies on the capital and expense budget needs of the district (equivalent of Ward), hold public hearings, prepare capital and expense budget priorities for the next fiscal year and comment on the funding choices presented in the preliminary budget. To meet these mandates, a dynamic formal structure was created which allows the City’s communities to make their needs known to agency decision makers and the Mayor. This ensures that local neighborhood opinion is considered when the City allocates its resources and services.”¹

In short, the process by which the Community Boards participate in formulating New York City’s budgets has six major elements (for further details, please refer to attached Appendix A¹):

1. Consultations between Community Boards and City agencies that deliver local services.
2. Public hearings held by the Community Board.
3. Formal budget submissions.
4. Agency review of Board budget requests.
5. Office of Management and Budget (equivalent to the Chief Financial Officer & Treasurer) review of Board budget requests.
6. Public hearings at which the Boards testify.

¹ The New York City 2010 Handbook for Community Board Members.

Creation of the NYC annual budget commences in the 1st month, with communications between the Community Boards and city agencies, and finalizes in the 11th month with public hearings held by the Office of Budget & Management. Residents' input is, therefore, sought and included throughout the 11-month annual budgetary process.

Unless the current Councillors and Mayor commit to the public to immediately implement 25 Resident-based Community Boards with responsibilities similar to those of NYC, and a City Planning Commission [to make independent/professional city planning decisions that comply with the law and are in the public interest], both of which are critical to re-organize city governance processes away from the current "anything goes" into "good governance"² practices, these changes will need to come about either by replacing all current City Councillors and the Mayor at the next municipal election in 2022, or by mandate from the Province.

Residents can bring about these important changes if they so choose, by beginning now to identify individuals who wish to go to work as public servants for residents of Toronto in the capacity of City Councillors in 2022, who are committed to implementing these two new bodies – 25 Resident-based Community Boards, and a City Planning Commission to remove Toronto from the jurisdiction of LPAT.

Public consultation on the City of Toronto annual budget, or any other matter, does not have to continue to be a "sham".

Anyone who would like to obtain further information about the New York City budgetary process, and public participation by residents in that process, or 25 Toronto Community Boards and a City of Toronto Planning Commission, is welcome to contact me by email.

Yours truly,

(signed)

P. Moulder
Director
Lakeshore Planning Council Corp. (a non-profit residents' association)

Enc. Appendix A¹ – The Role of the (NYC) Community Boards – The Budget Process

² Characteristics of Good Governance: accountability, transparency, responsiveness, consensus-orientation, participation, equity and inclusivity, rule of law, effectiveness and efficiency, strategic vision [Source: UNDP (1997) *Governance for Sustainable Human Development*. United Nations Development Programme]



THE ROLE OF THE COMMUNITY BOARDS THE BUDGET PROCESS

INTRODUCTION

Under the City Charter, Community Boards are given a broad range of responsibilities for advising the City about local budget needs and priorities. The Charter mandates that the Community Boards consult with agencies on the capital and expense budget needs of the district, hold public hearings, prepare capital and expense budget priorities for the next fiscal year and comment on the funding choices presented in the preliminary budget. To meet these mandates, a dynamic formal structure was created which allows the City's communities to make their needs known to agency decision makers and the Mayor. This ensures that local neighborhood opinion is considered when the City allocates its resources and services.

The Office of Community Board Relations within the Office of Management and Budget (OMB), oversees procedures that assure the Community Boards' active and effective participation in forming the City's budgets. The following outlines the essential features of this process. For more information, consult the Manual for Public Participation in the Budget Process available from the Office of Community Board Relations, (212) 788-5930.

THE CITY'S BUDGETS

New York City's budget year begins on July 1st and ends on June 30th. The total budget consists of three components. First comes the Revenue Budget, which is the City's best estimate of how much money will be available during the fiscal year to support operating expenditures and capital improvement projects. These include all tax and non-tax funds expected to be received during the fiscal year.

- ◆ **The Expense Budget** covers all the City's day-to-day operations such as salaries and supplies as well as debt service. It is supported by City taxes, fees and other local revenue as well as state and federal aid.
- ◆ **The Capital Budget** covers the cost of the City's long-term construction program, purchases of land and large equipment. Reconstruction of streets, sewers, parks and buildings are examples of capital projects. Capital budget items are financed by the sale of municipal bonds as well as by state and federal grants.

In addition, the **Community Development Program** allocates federal money for long-term physical improvements and related activities that chiefly benefit low and moderate income persons.

AN OVERVIEW OF THE COMMUNITY BOARD BUDGET PROCESS

As representatives of local communities, Boards are naturally concerned with City spending that affects the quality of life for residents and workers in their districts. The process by which the Community Boards participate in formulating the City's budgets has six major elements.

1. Consultations between Community Boards and City agencies that deliver local services.

From May through September, Community Boards have two formal opportunities to consult with agency officials about budget needs and the funding of programs and projects. The agencies that formally consult with the Boards are the Departments for the Aging; Buildings, Children's Services, Small Business Services, Economic Development, Environmental Protection, Fire, Homeless Services, Housing Preservation and Development, Parks and Recreation, Police, Sanitation, Transportation, and the Human Resources Administration. Consultations take place at two levels:

- ◆ District level - In late spring, District Managers and Community Board committee members meet with the agencies' local representatives to discuss the needs of the district, the current level of service delivery and the resources needed to meet those needs.
- ◆ Borough level - During the month of September and October, Boards in each borough meet with agency commissioners to discuss long range needs, important budget requests, operational issues, agency policy choices and fiscal constraints. Borough Consultations let Community Boards present their needs and budget suggestions while at the same time letting top agency decision makers explain the difficult spending choices they must make in times of fiscal constraints.

These formal meetings give both the agencies and the Boards an opportunity to openly discuss the criteria used in making difficult spending choices.

2. Public hearings held by the Community Board. Community Boards hold at least two public budget hearings each year.

- ◆ September/October - At the time the Board is developing specific budget priorities to submit to City agencies, the public has the chance to identify community district needs and the Board gets community input.
- ◆ January/February - An opportunity for the public to react to the policies in the just released Preliminary Budget. This hearing forms the basis for the Community Board's Statement on the Preliminary Budget, which tells City officials how the community feels about the City's budget choices.

3. Formal budget submissions. By the date announced by OMB, usually late October, Boards formally submit their budget requests to City agencies and the Office of Management and Budget as the agencies begin to prepare their next year's budget. Budget submissions consist of three components:

- ◆ Requests for funding in the Capital Budget for physical improvements to the City's infrastructure and public facilities, for land acquisition and major equipment.

- ◆ Requests for funding in the Expense Budget for programs and personnel.
- ◆ Community Board Service Program Rankings where Boards indicate the importance of services to their community by ranking 85 programs provided by 24 agencies.

Both the capital and expense budgets impact on community districts, so Community Boards develop and vote separate priorities for up to 40 capital requests and up to 25 expense budget requests.

4. **Agency review of Board budget requests.** After Community Boards submit their requests, City agencies review them thoroughly. Agency funding recommendations are reflected in the City’s Preliminary Budget and Departmental Estimates which are published by January 16th. Agency responses to each Community Board budget request are published by OMB in the Register of Community Board Budget Requests for the Preliminary Budget. Boards then have the opportunity to respond to agency decisions in their Statement on the Preliminary Budget, which is due one month later.
5. **OMB review of Board budget requests.** For the Mayor’s Executive Budget published on April 26th, these same budget requests are evaluated by the Office of Management and Budget. OMB funding recommendations are published in the Register of Community Board Budget Requests for the Executive Budget.

6. Public hearings at which the Boards testify.

- ◆ February - Hearings held by Borough Boards prior to submitting Borough Board Budget Priorities and Borough President submissions to the Executive Budget.
- ◆ OMB hearings on the City’s Community Development Program Application.
- ◆ March and May - City Council hearings on the Preliminary and Executive Budgets.

Testifying lets the Boards try to advance projects which have not been recommended by the agencies or the Mayor’s Office of Management and Budget.

The budget process described above represents a real opportunity for Boards to affect the decisions that are made about projects and programs for their community.

The Community Boards find out the final disposition of the budget requests they submitted in October in the Register of Community Board Budget Requests for the Adopted Budget, which is published after the City Council finalizes the budget.

ASSESSING COMMUNITY DISTRICT NEEDS

As you see, the Community Boards’ participation in the budget process is a year-round activity. Even before the budget is adopted, the simultaneous process of considering budget requests for the next cycle begins.

Assessing community needs is one of the most important and useful activities performed by Community Boards in determining the district’s service and budget requests. This should be an on-going activity which requires the involvement of each Board member and committee. Personal observations, published surveys, public hearings, discussions with local service chiefs and the use of

such community records as minutes from the District Service Cabinet and the district office complaint log can all help in identifying patterns or areas of problems within the community.

The Board can then determine whether the identified problem can be addressed by reallocating existing resources or through a request for capital or expense budget funds. Throughout this process, an understanding of overall City and agency funding priorities and constraints will help your Board as you match Board budget proposals to available funds. The Board's long range needs are presented to City decision makers in the Statement of Community District Needs which is published by the Department of City Planning within a framework of information detailing demographics and community facilities.

GEOGRAPHIC INFORMATION FOR COMMUNITY BOARDS

The more the Boards know, the more effectively they can participate in developing the City's budgets. To this end, OMB publishes expense budget and service information sorted two ways - by agency and by local service district. The first gives the Citywide picture for the agency and the second shows community and borough allocations of money, personnel and equipment. Boards can find out how many people are assigned to their district, what they do, how much they are paid, the equipment assigned to the district and contract services for agencies which provide local level services. Indicators of agency performance are also included. This information is found in the District Resource Statement and the Geographic Reports for the Expense Budget.

OMB also publishes several forms of geographic capital information so that Community Boards know which projects are being funded in their districts, how much they will cost and when implementation is planned for each phase of a project. The Geographic Reports for the Capital Budget are published with the release of each budget phase. The Capital Commitment Plan and the Capital Budget Detail Data Report delineates the projects planned for the next four years. The planned timing and the cost of each phase of a project is available to the Community Boards. Combining formal budget participation mechanisms with increased availability of geographic information gives the Community Boards the opportunity to influence agency and OMB budget decisions about the allocation of scarce resources.

BUDGET PROCESS TIMETABLE FOR COMMUNITY BOARDS

New York City's fiscal year (FY) - i.e., budget year - runs from July 1 of one calendar year through June 30 of the next. These two pages describe all the steps in the budget adoption process.

- **June/July** - The budget process begins with district consultations between agency local service chiefs (Police Precinct Commanders, Sanitation Superintendents, etc.) and Community Boards (CBs) to discuss local service needs.
- **August** - CBs assess district needs and prepare District Needs Statements (a narrative description of their communities and their needs). CBs' District Needs Statements are submitted to the Department of City Planning.
- **By Aug. 15** - Fourteen major agencies submit a policy statement describing major goals and priority programs for the coming year to the Community Board Unit.
- **September/October** - CBs hold public hearings on budget priorities and district needs. In each borough, consultations are held between CBs and top managers of fourteen agencies that deliver local services.
- **By late October** - CBs submit their budget requests to OMB.
- **By early November** - OMB sends CBs' budget requests to agencies for evaluation while they prepare their departmental estimates (the agencies' budget requests for the coming year).
- **By Jan. 16** - In odd-numbered years, the City Planning Commission holds a public hearing on a draft of the Ten-Year Capital Strategy (a plan for how the capital budget should be used), to be submitted by the Mayor every two years.
- **By Jan. 16** - Release of the Mayor's Financial Plan and Preliminary Budget, which includes the departmental estimates. OMB sends the CBs the Register of Community Board Budget Requests (the submitted Board requests accompanied by agency funding recommendations). They are also available at <http://www.nyc.gov/omb>.
- **By Feb. 15** - CBs hold public hearings on the Preliminary Budget and send a Statement on the Preliminary Budget reflecting CB reaction and public testimony to the Mayor, City Council, Borough President and Borough Board.
- **By Feb. 25** - Borough Boards hold public hearings as a basis for their comments on the Preliminary Budget and for the Borough Presidents' recommended modifications to the Preliminary Budget.
- **By March 10** - Borough Presidents submit capital and expense budget allocations and modifications to Mayor for inclusion in Executive Budget.
- **By March 25** - City Council holds public hearings on Preliminary Budget.

- **By April 26** - Release of the Mayor's Executive Budget. OMB sends the CBs the Register of Community Board Budget Requests with OMB funding recommendations, and the proposed Community Development Statements of Objectives and Budget. They are also available at <http://www.nyc.gov/omb>.
- **By May 6** - Borough Presidents modify Executive Budget submissions when necessary.
- **By May 25** - City Council holds public hearings on Executive Budget.
- **By May 30** - OMB holds public hearing on the Community Development Grantee Performance Report (federal funds that are given to the City).
- **By June 5** - City Council adopts budget.
- **By June 21** - Mayor, Comptroller and City Clerk certify budget.
- **JULY 1 - FISCAL YEAR BEGINS.**
- **After July 1** - OMB sends the CBs the **Register of CB Budget Requests** with the final disposition of requests. They are also available at <http://www.nyc.gov/omb>.
- **By one month after budget adoption** - Agency heads for six programs submit plans for allocation of personnel and resources to Borough Presidents. Within 30 days of receiving such plans, Borough Presidents may propose a reallocation of staff and resources, providing the modification does not increase or decrease personnel or resources for any Community District by more than 5 percent.