

**CITY OF KITCHENER
2020 BUDGET ISSUE PAPER**

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| ISSUE: | Cap 05 – Continue Participatory Budgeting Community Engagement Process |
| FUND: | Capital |
| DEPARTMENT: | Community Services – Neighbourhood Programs & Services |
| PREPARER: | Josh Joseph, Supervisor, Neighbourhood Development Office |
| BUDGET IMPACT: | For Council’s Direction |
| STRAT PLAN: | Core Service |

BACKGROUND:

Participatory budgeting is a process of engaging the community where residents are given control over a portion of the City’s budget. It differs from traditional public engagement/consultation in that residents identify multiple priority projects and then decide which of the projects are funded. The ultimate decision by residents as to where and how funding will be spent is determined through some form of a vote.

In 2017, the City partnered with the University of Waterloo to pilot participatory budgeting on two park redevelopment projects (Elmsdale and Sandhills). In June 2019 City staff and the University of Waterloo presented Council with the results of those pilots (FIN-19-050) which highlighted the successes of the pilot projects, as well as a number of lessons learned and changes that should be made to the program if it is going to continue. At that time Council directed staff to report back through the 2020 budget process on the “staffing and funding requirements for a permanent participatory budgeting solution.”

RATIONALE / ANALYSIS:

Findings from City’s 2017 Participatory Budgeting Pilot:

1. The number of residents engaged through participatory budgeting was higher, and the quality of the engagement (in terms of idea generation, community dialogue and outcomes) was better than utilizing traditional engagement methods. Staff estimate approximately 25-100 individuals get involved in a park redevelopment project through traditional engagement methods (e.g. town hall meeting, paper and online survey). By comparison, through the three rounds of engagement there were over 200 residents involved in the Elmsdale participatory budgeting process and over 200 residents in Sandhills.
2. The amenities residents chose through participatory budgeting for Elmsdale and Sandhills were not those that are commonly selected through the City’s traditional community engagement approach when redeveloping a park. Given that the amenities chosen for the parks were ideas generated by residents themselves (and not City staff), we can be confident that the redeveloped park better reflects the desires of residents that live close to, and use the parks – meaning the City’s financial investment into redevelopment of the parks will provide greater value to the community.
3. Future participatory budgeting processes should not be limited to park redevelopment projects because that limits the number and diversity of residents who may be interested/willing to engage in the process (e.g. people who use parks regularly are more likely to get involved while those who do not use them are less likely). Opening up the process

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to allow for resident-generated project ideas beyond parks would allow for ideas related to other community priorities (e.g. social, environmental).

4. Formal internal City processes and procedures are required to ensure the full coordination and cooperation of staff from many different areas of the City in order to effectively support residents engaging in participatory budgeting. This is especially important in order to ensure the outcome chosen by residents is achievable and doable. Processes and procedures developed to support resident-led neighbourhood projects through Love My Hood could be utilized to better support participatory budgeting and ensure a smooth and positive experience for residents.
5. The participatory budgeting process, which goes beyond the City's traditional engagement techniques, takes longer to complete and requires dedicated staffing to ensure the engagement process is truly effective. This is especially important given the binding nature of the community vote on how municipal funding is spent. The process of supporting residents engaging in participatory budgeting is very similar to the staff supports provided to resident-led neighbourhood projects through Love My Hood and the Neighbourhood Development Office.
6. Clear and dedicated staff leadership and support of the participatory budgeting process is required to manage the overall process, ensure residents receive necessary supports and public expectations are managed within the approved budget (to avoid going over budget). The City's existing Neighbourhood Development Office are well positioned to play that corporate leadership role.

Proposal for Future Participatory Budgeting Process

Understanding the lessons learned from the two 2017 participatory budgeting pilot projects and the City's three years of experience supporting similar types of resident-led projects through Love My Hood, the following is an overview of staff's recommended approach to participatory budgeting going forward:

- Staff within the Neighbourhood Development Office should take the lead in administering the participatory budgeting process and be accountable for the program's success. They would also be accountable for ensuring projects are on budget.
- Members of the City's Neighbourhood Liaison team should serve as primary supports to residents participating in the process and ensure effective engagement of all eligible residents.
- The internal circulation process, created to support resident-led neighbourhood projects as part of Love My Hood, should be utilized to ensure full coordination between many different parts of the organization – which includes supporting residents in idea generation and testing to ensure they are achievable and doable.
- The scope of participating budgeting should be expanded beyond park redevelopment to include other types of projects identified by residents, and it should be targeted to different areas of the City each year to ensure the financial investment makes a meaningful improvement versus diluting the funds across too large an area or population.

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- This revised participatory budgeting program should be run for the next three years (2020 – 2022) to allow the City to continue to work with the University of Waterloo, and continue to gain experience with this form of community engagement. Following that three year period, staff should report back to Council with a comprehensive review the program (including recommendations on next steps). This approach is similar to how Love My Hood was run from 2017 – 2019.

If Council agrees to continue participatory budgeting beyond the two pilot projects already completed, a full staff report would be brought forward to Council in the first half of 2020 to provide further details on the proposed changes to the program to seek their detailed direction and approval to proceed.

FINANCIAL IMPLICATIONS:

The budgeted amount for each of the two participatory budget pilot projects was \$150,000. The actual amount spent was approximately \$175,000 for Sandhills and \$200,000 for Elmsdale / Chandler Mowat.

The following are three options City Council could consider as part of the capital budget if it wishes to continue the participatory budgeting program. Staff believe taking a measured approach related to participatory budgeting would be appropriate and have suggested two options that secure funding for an additional three years. This would allow the City to test the modified approach outlined above before making any permanent funding commitments. If Council wishes to make participatory budgeting a permanent program, the final option funding for all 10 years of the capital forecast.

1. Option #1 – \$900,000 / \$300,000 per year for three years (2020 – 2022)
2. Option #2 – \$1.2 million / \$400,000 per year for three years (2020 – 2022)
3. Option #3 – \$3.0 million / \$300,000 per year for 10 years (2020 – 2029)

Staff believe all three options identified above can likely be supported by the additional staffing that has been built into the proposed operating budget for the #lovemyhood program. If Council should choose to make a larger annual capital investment in participatory budgeting than outlined above, additional staffing would be required to support the program.

RECOMMENDATION:

For Council's direction.