

FINANCE COMMITTEE REPORT

Report Date	July 15, 2019
Meeting Date	July 18, 2019

Chairman Councillor Merrithew and Members of Finance Committee

SUBJECT: Public Consultation Budget Simulator Results

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Finance Committee.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
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RECOMMENDATION

It is recommended that this report be received and filed.

EXECUTIVE SUMMARY

The purpose of this report is to provide the Finance Committee a summary of the results from the Public Consultation that was performed using a Budget Simulator.

PREVIOUS RESOLUTION

N/A

STRATEGIC ALIGNMENT

This report aligns with being fiscally responsible and providing valued service delivery by identifying themes for potential service level adjustments that will be used as one method to inform the ten year long term financial plan.

REPORT

Background

On March 25, 2019, the City of Saint John launched the Budget Simulator, which was open to the public for 3 weeks. The goals of the Budget Simulator were to provide the City with themes for the ten year Long Term Financial Plan. The budget simulator offered the public information about the City's structural deficit and the future difficult budget decisions that have to be made, along with the potential impacts. The public could participate in providing themes to the City to inform the Long Term Financial Plan by using the budget simulator to provide feedback or comments on service delivery, property taxes, revenue generation, and community facilities.

Summary of Results

The results from this process are not recognized to be statistically valid; however, a sufficient number of responses allow for themes to be analyzed and understood. The goal of this public engagement was to receive over 400 responses. In total, 553 responses were received. Therefore it can be assumed that the data provides sufficient information for this purpose. Upon discussions with the service provider of the Budget Simulator, the amount of responses received was acceptable and was considered to be a positive uptake in level of participation.

Of the submitted budgets, 195 participants (35%) balanced their budgets, meaning they found sufficient increase in revenue through property taxes and changes in service levels to eliminate the deficit. 358 participants were not able to balance the budget.

Based on average results from participants, the total amount of cost reductions and revenue increases was \$3.9 million, almost 57% less than the gap of \$9 million (\$5 million gap).

Although the City is required by legislation from the Province of New Brunswick to balance the budget and cannot operate in deficit, due to the difficulty of the exercise, it was not a requirement for participants to balance their budgets.

Qualitative Comments

The Budget Simulator provided an opportunity for respondents to give comments and many participants provided feedback. Specifically participants were requested to provide feedback around potential revenue generation opportunities and the community facilities.

Revenue Generation

There were 189 comments received in relation to revenue generation. Many people indicated that implementing tolls to enter the City, sharing services with other municipalities, higher tax rates for heavy industry and non-resident user fees may be areas to consider for revenue generation.

Community Facilities

There were 106 comments received in relation to community facilities. Generally respondents acknowledged the importance of these facilities to life in the City. Many respondents indicated there should be alternative funding models and some indicated the closure of facilities.

Summary of Themes

- Participants recognized that there is not one single solution to address the City's financial challenges.
- There were varied opinions on tax rate changes. The information on tax changes is summarized as follows:
 - 50% of participants either chose to maintain the tax rate or decrease the tax rate
 - 32% of participants did not change the tax rate
 - 18% of participants chose to reduce the tax rate
 - 50% of participants chose to increase the tax rate
- Participants would tolerate a reduction in service levels, budget reductions varied from 1.5% to 19% depending on the service:
 - Budget cuts were across all service areas;
 - Average percentage budget reductions were higher for Economic Development, Transit Services, Recreation Programming and Sports Facilities and One Stop Development Shop /Property Compliance Programs;
 - Average percentage budget reductions were lower for Road Maintenance and Snow Control Streets and Sidewalks.
 - In terms of dollar allocations, the highest average budget reductions were in Police Services, Fire Rescue and Suppression Services and EMO, Economic Development, and Transit Services.
- Many comments referenced revenue generation from fees, tolls and taxes generated by non-residents, neighbouring municipalities and/or heavy industry.

- Building awareness about the City's positive attributes was a theme found in the General Comments section.

Demographic Information

Participants were invited to respond to demographic questions when they submitted their budget to enable the project team to understand who participated, what their relationship was with the City. It is important to note that there was almost equal participation across all wards.

Verification of Results

In order to review data for any duplication of responses or trending that may have occurred due to inappropriate activity, a review of raw data was performed to identify if there were any instances of unusual activity. It was crucial to maintain and respect the privacy of individuals while performing procedures to perform quality review of information. Through this process all results appeared to be valid.

Conclusion

The staff considers the Public Consultation Budget Simulator to have achieved its outlined goals as stated. Given the level of response rate there is the ability to gather themes required. The amount of public engagement received along with informative sessions provided assisted in receiving many comments along with an understanding on the financial challenges the City faces in balancing the budget.

SERVICE AND FINANCIAL OUTCOMES

N/A

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

This work was performed in collaboration with all service areas and significant support from Information Technology and Communications. The core project team comprised Continuous Improvement and the Finance Department.

ATTACHMENTS

Appendix 1 – Powerpoint presentation for Finance Committee
Appendix 2- Results report of the Public Consultation Budget Simulator