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# Citizen Engagement in Budget Planning in Ontario Municipalities

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**Citizen Engagement in Budget Planning in Ontario Municipalities**

**MPA Research Report**

**Submitted to:**

**The Local Government Program  
Department of Political Science  
The University of Western Ontario**

**Melihate Limani**

August, 2014

## **Abstract**

In the last decade there has been an increased interest in citizen engagement practices both by theorists and practitioners of public administration. The theoretical deliberations on citizen engagement have been primarily raised by the prominence of deliberative democracy and New Public Service theories which argue that the foundation of governments are built upon citizen satisfaction and the common good. Participatory budgeting has often been used as a successful practice to illustrate this point. However, despite the wide spread use of participatory budgeting in many municipalities across the world, there are only a few municipalities in Ontario that are implementing this practice. Many authors have written about their assumptions about challenges and opportunities of participatory budgeting within the Canadian context. This paper provides an understanding of the existing barriers and opportunities for citizen engagement in the budgeting process in Ontario municipalities. The paper aims to provide an additional source for citizen engagement in local government in Ontario and seeks to supply a view to practitioners who aspire to enrich their role in improving the lives of communities they serve.

## **Acknowledgments**

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I thank all chief administrative officers, clerks, treasurers and other municipal officials from Ontario municipalities that provided their responses in my survey. Without their input this research paper would have been incomplete.

All errors and omissions are mine.

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## **I. Introduction**

Local governments in Canada are creatures of individual provinces in which they are located and as such they are often perceived as agents of service provision and not necessarily as agents of democratization. Being exposed under the influences of New Public Service, local governments have been largely focused on doing more work with diminished resources. As a result, this has impacted them to be proactive by employing practices and hiring staff capable of providing enhanced levels of service. However, the New Public Service paradigm dictates that local governments are to pursue goals that enhance the public interest. Bearing in mind that local governments are the closest level of government in both proximity and value to citizens it is obvious that in addition to efficiency and effectiveness in service provision, their bottom line is also grounded on the foundations of transparency, accountability and openness that enhance the public interest.

Both the New Public Management and the New Public Service theories have influenced local governments in being vigilant on the ways they spend taxpayer's money. As a direct result of this, in recent years, there has been a significant increase in the number of local governments around the world looking for ways to share the burden of budget decision making with citizens. Many local governments have been moving beyond legal compliancy and providing opportunities for themselves and citizens to deliberate, debate and make decisions about difficult tradeoffs in the allocation of public resources.

This research paper aims to study the barriers and opportunities of citizen engagement in the budget planning process within Ontario municipalities. The first part of the paper will focus on a literature review of citizen engagement in decision making and budget planning processes. The second part will include a data analysis that will provide a snapshot of the present situation of citizen engagement in Ontario municipalities. And, the third part of the paper will discuss the major findings of the survey and desk research. The paper will conclude by providing specific recommendations that will enable more opportunities for involving citizens in the budget planning process in Ontario municipalities.

## **II. Literature Review**

This literature review focuses on two main streams of citizen engagement in public administration: (1) citizen engagement in decision making and (2) citizen engagement in the budgeting process. The first stream addresses why governments involve citizens in decision making processes in the first place. And, the second one refers to why and how governments involve citizens in budget planning processes.

### **2.1 Citizen Engagement in Decision-making Processes**

The relationship between cities and citizen engagement in political activities is traced back to ancient philosophy- the questions of who should be involved has constantly predominated the deliberations of political philosophy throughout the ages. However, citizen engagement in the work of public administration has relied on the traditional form of public administration. The traditional public administration was emphasized with large bureaucracies that were highly focused on implementing policies approved by political leadership - their top down hierarchical control and the focus on processes rather than the outcomes. This form of public administration was criticized for high discretion of public administration in making decisions, large bureaucracies, and low efficiency (Frederickson, Smith, Lamerimer, & Licari, 2012).

During the late 1990s, a new era of public administration emerged. The New Public Management (NPM) model introduced new management practices aimed to reduce the size of public administration and make it more effective by achieving greater results with fewer expenses. This approach noted a shift in the role of government from “controlling” into “steering” (Ibid). As a result, public administration was highly emphasized with decentralization and contracting out government roles. New control mechanisms similar to ones used in the business world were introduced to control the efficiency of staff and governments, examples included benchmarking initiatives, performance evaluation and incentives



(Denhardt & Denhardt, 2000). While, the NPM model increased the efficiency of governments and largely reduced bureaucracies, it was highly criticized, especially by proponents of the New Public Service (NPS). The NPS model is based on the assumptions that democratic governance requires more than just maximization of outcomes and providing services to citizens. The NPS model emphasizes that the core role of governments is pursuing the public interest and, as such, community engagement and responses based on needs inside and outside the government's structures are crucial. Further, NPS proponents argue that decisions of public administration are the result of shared values and are based upon fairness and equity (Ibid).

Further, in general, two notions have emphasized the NPS deliberations. The first notion deliberates on the importance of creating public value. Public value is described as “a multi-dimensional construct – a reflection of collectively expressed, politically mediated preferences consumed by the citizenry– created not just through ‘outcomes’ but also through processes which may generate trust or fairness” (O’Flynn, 2009, p. 358). Further, authors Ralph Haizman and Brian Marson argue that unlike the private sector, the bottom line of public institutions is the citizen’s trust and confidence in public institutions. This bottom line is difficult to measure and is largely contestable because it involves conflicts, contradictions, paradoxes and trade-offs between competing public goods (Heintzman & Marson, 2013, p. 4). Further, they stress that beyond the conflicts and competing forces, the success of governments must somehow be connected to its role in building citizenship, and in earning the confidence and trust of its citizens. Therefore, if citizen confidence and trust in public institutions is high then this is an indicator that public institutions are achieving their democratic mission (Ibid). Therefore, the government’s ultimate objective is building citizenship and strengthening the confidence and trust of citizens in the value of public institutions (Denhardt & Denhardt, 2000). Another definition of public value is “the value created by government through services, laws regulation and other actions” (Ibid). This widens the factors upon which government performances are measured against to include resource allocation decisions and service delivery approaches (O’Flynn, 2009, p. 358). At this point, public value

is seen to be the central activity of public managers (Moore, 1995). In order to create public value, public administrators have to negotiate and engage with different stakeholders to include negotiations inside the organization with the political realm and outside the organization with citizens.

Hence, the second notion of NPS focuses on the interaction between public administrators and the community- public engagement. Public engagement theory basically discusses the level of citizen participation in government decisions. The words community engagement and citizen participation are used interchangeably and the literature provides many definitions. Some authors see community engagement as an extension of the boundary between an organization and its community (Sheehan & Robina, 2008). Others perceive it as a relationship that acknowledges community interest in key organizational issues, decisions, and actions (Johnston, 2010). Community engagement is a two way communication of knowledge and feedback before decision making occurs (ibid, p. 218). The process requires having a communication strategy to inform and raise awareness, seek involvement, opinions and provide feedback and create partnership through shared community problem solving.

Sherry Arnstein (1969) provides an understanding in which citizen participation is genuine, open and effective; and if the concerns of citizens have a chance of influencing the outcome of the decision. At the bottom of the ladder of participation she puts (1) manipulation and (2) therapy-which according to her involves absolute dishonesty- meaning that the objective is not to enable people to participate but to enable power holders to “educate” and “cure” the participants (p.217). The next range of the ladder contains (3) information and (4) consultation and (5) placation. At this point, citizens are given a chance to speak and be heard but they have no power to ensure that their opinions will be taken into account by power holders. This is described as the tokenism range because it provides power holders with opportunity to retain their power and the right to decide. The last range of the ladder consists of degrees of empowerment: (6) partnership; (7) delegation of power; and, (8) citizen control. Partnership enables citizens to engage in negotiations and trade-offs with power holders and the last two ladders, the

delegation of power and the citizen control provides full managerial power to citizens. She argues that the last range of the ladder (citizen control) is just a simplification (Arnstein, 1969, p. 217).

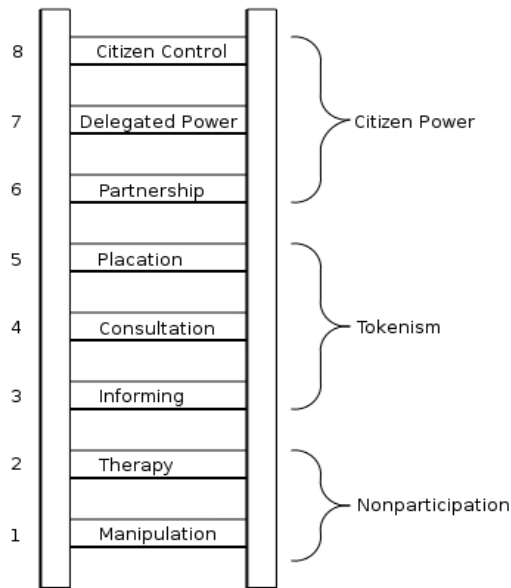


Figure 1: Sharry Arnstein: “A ladder of citizen participation”

Further, Don Lenihan (2009) provides another point of view on community engagement. His framework of public engagement process provides three basic types: consultative, deliberative and engagement process. Consultation is the first type of the engagement process which basically aims to gather public views and incorporate them in the recommendations upon which the power holders will make decisions. According to Lenihan, one of the challenges government officials face during the consultation process is that there are lots of disagreements between participants and, often, it is so difficult to come up with recommendations. On the other side, citizens often feel that government officials have ignored them and have not listened and considered their recommendations (ibid, p.10). Therefore, the deliberative process is seen as a process that is more transparent, accountable and responsive to public views. At this stage citizens are asked to do more than just provide their views- they are actively engaged in the dialogue, involved in making compromises and trade-offs that often deal with

competing values and priorities and, throughout this process, they have to come up with solutions. At the end it is the government that makes the final decision, but the deliberation process is believed to make the process more transparent and accountable and, as a result, citizens are more willing to accept the outcome (ibid, p. 10). The last type provided by Lenihan is the engagement process. The engagement process enables governments, stakeholders and communities to work together in partnership and provides an opportunity for citizens to engage in decision making. Lenihan notes that it is not about government giving up their powers but it is about the way governments exercise their authority (ibid, p. 11).

In the North American context, John Nalbandian (1999) describes community engagement as one of the main factors that has influenced the transformation of city management in local governments. In recent years, community building has become part of local governments, especially in developing the sense of responsibility among citizens to participate in making collective decisions. While at the same time he raises the dilemma that perhaps “in the future the legitimacy of professional administrators in local government will be grounded in the tasks of community building and enabling democracy- in getting things done collectively while building a sense of inclusion” (Nalbandian, 1999, p. 187). Lenihan argues that another important change occurring with the growth of community engagement is the need for “sharing the power” and enabling citizens to fully engage in the processes of local government (Lenihan, 2009). Other authors argue that this is important especially when dealing with community engagement, because managers should constantly consider the power differences between stakeholders in order to achieve meaningful participation, exchange and influence in decision outcomes (Bryson, Quick, & Slotterback, 2012, p. 7). The effective management of power differences can help less powerful stakeholders trust the process, while some more powerful stakeholders might become more wary of the process if they feel their power is being diminished. Therefore, one way to overcome this issue is to learn how to not privilege expert knowledge over “local” knowledge and acknowledge that ordinary citizens are capable of balancing competing values, making trade-offs and setting priorities (Lenihan, 2009, p. 35).

## **2.2 Citizen Engagement in Municipal Budgeting Process**

The budgeting process is one of the areas in which local governments can look at leveraging the concept of community engagement. Community engagement in the budgeting process raised considerable attention of theorists and practitioners of public administration. Prior research has examined the importance of the involvement of citizens in the budgeting process: “Key public policy decisions are made during the public budgeting process, so this would appear to be an important opportunity for meaningful citizen participation” (Ebdon C. , 2000). Other scholars underscore that citizen participation in participatory budgeting is offering citizens an opportunity to learn about government and to deliberate, debate, and influence the allocation of public resources (Shah, 2007). It is believed that well-designed participatory budgeting can help engender a more equitable reallocation of public funds, as well as higher constituent approval of public expenditures (Su, 2012). Also, it enables citizens to provide assistance to municipal officials in making difficult decisions, especially when dealing with limited public resources (Ebdon & Franklin, 2006).

Further, Ebdon and Franklin (2006) provided factors that should be considered when involving citizens in budget planning and provided a model of citizen participation in municipal budgeting. They have identified three elements such as: “1) the governmental environment, 2) the design of the process and, 3) the mechanisms used to elicit participation” (ibid, pp.438-441). The governmental environment looks at the structures and the form of government, the political dynamics, the culture, legal requirements and the population size and heterogeneity. Ebdon and Franklin (2006) argue the political culture of the city might influence the perceptions of officials on the need for public participation in budget planning. Further, the process design considers timing, the type of budget allocation, the participant’s willingness to pay (taxes) for the budget allocations they want to make. And, the mechanisms look at the methods that are used to engage citizens in budgeting process (ibid, p.439).

Participatory budgeting emerged in Porto Alegre, Brazil in the late 1980s with the aim of increasing community engagement in the budgeting process at the local level. This approach describes

participatory budgeting as a decision-making process through which citizens deliberate and negotiate over the distribution of public resources (Shah, 2007). Further, four factors are crucial in adopting participatory budgeting: (1) strong mayoral support, (2) a civil society that is willing and able to contribute to policy debates, (3) a supportive political environment- meaning that it enables the process to occur away from political attacks and, (4) the financial resources are made available to fund the priorities selected by citizens during the participatory budgeting process (Sintomer, Herzberg, Allegretti, & Röcke, 2010, p. 24)

When defining participatory budgeting, most authors emphasize the horizontal span which explains the communication between citizens, elected officials and civil servants (Sintomer, Herzberg, Allegretti, & Röcke, 2010). Further, the definition of the participatory budgeting emphasizes five additional elements of participatory budgeting:

- (1) the financial and budgetary dimension must be discussed;
- (2) the city has to be involved- basically authorities who hold the decision making power;
- (3) it has to be a repeated process- the participatory budgeting cannot be achieved with one meeting;
- (4) the process must include some form of deliberation and most importantly
- (5) some accountability on the output is required (Shah, 2007, p. 9)

Although participatory budgeting initially was adopted in developing countries, it spread throughout the world to more than 300 municipalities, enabling citizens to provide direct feedback to decision makers (ibid, p.22). Some authors argue that in developing countries, participatory budgeting is adopted to improve the performance and accountability of the bureaucracy that is outdated, unresponsive and underperforming (ibid, p. 55). While, in developed countries participatory budgeting is being used to raise accountability and learn from citizen's expertise. For example, in Germany participatory budgeting is being used to contribute to local government modernization. The implementation process includes three steps- the first step is to provide information on the municipal budget, where the municipality provides brochures and facilitates public meetings to inform citizens about municipal financial sources and

services. The second step includes a consultation process, where the municipality involves the community through citizen assemblies, surveys and questionnaires and then gathers their suggestions on how to use the municipal budget to further improve services. This process basically enables the municipality to gain from “citizen expertise” developed through day to day use of services. The final step is the accountability process, where the municipality provides feedback to citizens about the suggestions taken into account and reasons why those suggestions were chosen over the others (ibid, pp.35-37).

As a practice, participatory budgeting has spread quickly in South America, Europe, Asia and Africa. However, its implementation in North America began relatively late. Theorists attribute many reasons for this delayed implementation. For example, Lerner et al., argue that beginning participatory budgeting is seen as something that would not be suitable or simply would not work as “it will never engage the poor or win control over real money” (2002, p.1). Other authors have looked at the institutional set up and link to participatory budgeting. Ebdon and Franklin assert that the council-manager form of government is more likely to involve citizens in decision making process (Ebdon C. , 2000). Although there is a ambiguity related to the institutional structure and the effects it has on citizen engagement, the study conducted later by Young Zhang et al., suggests that “citizen engagement has become professional norms for local government managers, as professional education and networking are positively associated with the consideration of formal citizen recommendations in budget process” (Zhang & Yang, 2009, p. 331).

Furthermore, a definition of participatory budgeting within the North America context is provided by Hollie Gilman, who defines participatory budgeting as: “*Participatory Budgeting is a replicable decision-making process whereby citizens deliberate publically over the distribution of limited public resources that are instituted*” (Gilman, 2012, p. 2) This definition captures three aspects of participatory budgeting: (1) the process involves a series of meetings with citizens, (2) the deliberations are done in public and finally (3) the citizens should be aware of the precise amount of funds that will be spent by local government.

In the Canadian context, theorists note the challenges and opportunities of implementing participatory budgeting. Authors Learner and Wagner emphasize that when implementing participatory budgeting in the Canadian context one should consider that there are crucial differences from Latin American cities (Lerner & Wagner, 2006, p. 461). They argue that Canadian cities are more affluent and have developed infrastructure therefore incentives other than infrastructure projects should be offered in order to boost participation. Furthermore, city residents are more diverse therefore there is higher need to accommodate cultural and language differences. In addition, city governments have limited autonomy, restricted resources and limited powers especially related to generating revenue.

Lastly, neoliberal restructuring has shifted the attention of cities in embracing New Public Management views. Learner and Wagner argue that cities are finding new ways to deal with these challenges through implementation of participatory budgeting (Lerner & Wagner, 2006). This has provided new roles to the cities in adopting private sectors practices and seeing themselves in market as “*competitive cities*” by focusing more into programs supporting private sector growth and less on programs dealing with social inclusion, equity or participation (ibid, p.461). They emphasize that with the increase of inequality and the “*spatial segregation*” of rich and poor areas, Canadian cities have become home of many social movements and progressive politicians who are fighting inequalities. While, another opportunity for cities in implementing participatory budgeting is to increase the public support for greater municipal powers and funding.

However, there are other issues that municipalities can address through participatory budgeting as well. First, authors Dachis and Robinson argue that the municipal budgets are considered the most “*opaque*” of any level of governments because they “*routinely*” miss budget targets and use incompatible accounting for budgeting and reporting (2011, p.1). As such, holding municipal government accountable becomes difficult for councillors as well as citizens. Secondly, participatory budgeting can help to increase voter turnout. Nieuwland (2006) argues that among the most influential factors of low voter turnout in Canada is the “*low levels of political knowledge*” and “*lack of social connectedness*”



(Nieuwland, 2003, p. 2). Therefore, the author suggests that participatory budgeting will help address some of these concerns.

Despite the challenges, this literature review reveals that three local governments in Ontario have begun the implementation of participatory budgeting: Toronto Community Housing (TCH), the City of Guelph and the City of Hamilton. Authors Pinnington, Lerner & Schugurensky (2009), who conducted a study on the participatory model implemented in Guelph argue that the implementation of participatory budgeting argue that participatory budgeting “*is not only relevant about South but also for countries in North and that experiences in Guelph reveal new ways to broaden and deepen democratic participation in budgets*” (Pinnington, Lerner, & Schugurensky, 2009, p.479)

### **III. Conceptual Framework**

A review of existing citizen engagement literature suggests that citizen engagement in the budgeting process is a challenging process; however, successful implementation of this concept provides many opportunities for local governments and their communities. The conceptual framework developed based on the literature review notes three major stages to consider which link citizen engagement and participatory budgeting: (1) information sharing; (2) deliberation opportunity and (3) empowerment. Both citizen engagement and participatory budgeting underline the importance of information sharing as a process which educates citizens toward understanding the budget process. The second stage is the deliberation opportunity which allows governments and citizens to engage in making tradeoffs and decide what they are willing to spend for the level of service they get. At the same time, it enables governments to gain from citizen expertise and in depth knowledge of the needs and wants of communities they live in. Third, the empowerment process requires governments to share the decision making power with its citizens and/or to provide feedback on how the citizen engagement process influenced their decisions.

Other important elements raised by the literature review include the timing and the methods for seeking public input (Guol & Neshkova, 2012; Ebdon & Franklin, 2006). Prior research indicates that citizens should be engaged at the earliest stages of the budget preparation process. “Timing is important because input that is received late in the process is less likely to have an effect on outcomes” (Ebdon & Franklin, 2006, p. 439). Also they suggests that a combination of methods to involve citizens in budgeting processes enables two way communication between governments and citizens are more effective while they also suggests that a combination of various methods may enable more comprehensive input to budget (ibid, p. 444).

Furthermore, the literature review reveals many challenges associated with citizen engagement in the budget planning process. It indicates that the process is costly and time consuming (ibid). Also, the political culture and the willingness of public administrators to share their decision making power with citizens has a great influence on the success of citizen engagement in budgeting process. The structure of local governments and their limited fiscal capacity are also major challenges in providing local governments more flexibility in providing incentives and broadening the span of citizen engagement in budgeting process.

#### **IV. Research Methodology**

The purpose of this research is to examine the opportunities and barriers for the further development of citizen engagement in the budgeting process within Ontario municipalities. The study is carried out in two domains. Primary data was collected through a comprehensive survey with closed ended questions provided to 444 Ontario municipalities in order to identify the current practices and barriers faced by municipalities in engaging the public in the municipal budgeting process. By looking at the characteristics of the municipalities examined, out of 444 municipalities, 173 were Single Tier, 242 were Lower Tier, and 30 were Upper Tier. Also, looking at the size of the municipalities, there were 30 large urban

municipalities. In order to classify municipalities as large urban, the Large Urban Mayors Caucus criteria are taken into consideration which is composed of municipalities with a population of 100,000 or more.

The survey questionnaire included 17 close-ended questions. Two questions were related to respondent demographics and fifteen questions were related to citizen engagement in the budget planning process. Most of the questions were multiple choices and also provided respondents with the opportunity to add additional comments. The survey targeted Chief Administrative Officers as key respondents; however, it also provided an opportunity for Clerks and Treasurers to respond to the survey in the absence of the Chief Administrative Officer's willingness and availability to participate. The Association of Municipal Managers, Clerks, and Treasurer of Ontario (AMCTO) Municipal Directory was used as a primary source of information for contacting municipalities. It is important to mention that the results will not reveal a situation in a particular municipality therefore the responses of individual respondents were kept confidential. Emails were sent to the respondents along with an information sheet of the research in compliance with the University of Western Ontario ethical research requirements.

The secondary data was collected through desk research examining the two Ontario municipalities that are currently implementing participatory budgeting in order to identify existing barriers and implementation challenges. Additionally, an interview was conducted with the facilitator of the Hamilton participatory budgeting initiative in order to obtain more information on methods and scope of participatory budgeting implemented in Ward 3. Additional information on participatory budgeting in the Guelph Neighborhood Association Support Coalition was received through email interaction with the organization's community engagement division. The second interview was conducted with the Municipal Finance Officers Association in order to obtain more information on the legal framework of municipal budgeting in Ontario. The third interview was conducted with the Participatory Budgeting Project in Chicagoto to obtain more information on the challenges and opportunities of participatory budgeting within the American municipal context. In all, the interviews participants were asked to provide clarification and additional information on existing practices and were explained that they are not being

asked to provide their opinion. Also, additional information on community engagement practices was provided from few municipalities.

The desk research and the empirical survey have enabled an examination of the online tools and other relevant information useful to further enrich the discussion of the key findings through the lenses of the conceptual framework. Limitations of the study include the lack of perspectives from elected officials (i.e. Mayors and other Council members). The involvement of elected officials was avoided based on the fact that 2014 was an election year and it was assumed that it would require significant extra effort to have the attention and time of elected officials to holistically participate in the study. It should also be noted that having a citizen perspective in the study would have opened a totally new spectrum into the barriers and challenges of citizen engagement in budgeting process. These limitations were difficult to overcome due to limited project resources and time.

## V. Data Analyses

### 5.1 Survey response rate and demographic profile of participants

The research survey was sent to four hundred forty-four (444) Ontario municipalities (N=444) and a total of ninety-nine (99) respondents participated in the survey, resulting in a return rate of twenty two percent (22%). In total, the return rate for single tier municipalities is twenty two percent (22%), twenty-three percent (23%) for lower tier municipalities and forty seven percent (47%) for upper tier municipalities. In addition, according to the Large Urban Mayors Caucus of Ontario (LUMCO) there are 26 big municipalities in Ontario which represents sixty-seven percent (67%) of Ontario's overall population (Large Urban Mayor's Caucus of Ontario, 2014). In total, eighteen (18) large urban municipalities responded to the survey for a sixty percent (60% percent) response rate.

Out of ninety-nine (99) participants who responded to the survey, twenty-five percent (25%) held the Chief Administrative Officer position; twenty-seven percent (27%) were City Clerks, twenty-six percent (26%) were City Treasurers and twenty-two percent (22%) held other positions (see the figure below).

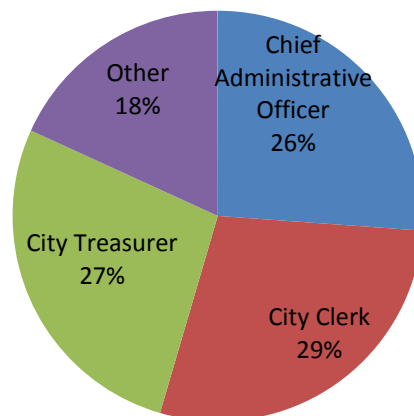


Figure 2: Respondents position within municipality

Out of twenty-two percent that selected other position, twenty- three percent (23%) held the deputy treasurer position, fourteen percent (14%) held the deputy clerk position, and twenty-seven percent (27%) held one of the following positions: General Manager, Director of Finance, Director of Corporate Services, and Director of Policy Planning. Furthermore, approximately twenty-seven percent (27%) held the position of Manager of Budget and Finance and nine percent (9%) held a position related to community engagement.

### 5.2 Citizen engagement in budget planning process

In total, seventy percent (70%) of respondents reported that they included citizens in their municipal budget planning process. Twenty-one percent (21%) of respondents reported that they did not involve citizens in the budget planning process. Nine percent (9%) of respondents specified that they held some form of citizen engagement activities such as: council meetings (deliberations) open to public, budget notices to public and published the budget for public access on their municipal web page.

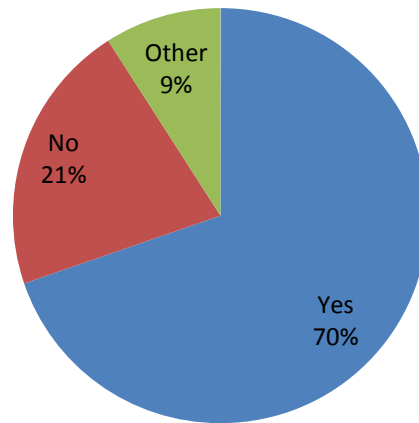


Figure 3: Citizens involvement in municipal budget planning

In general, municipalities rate themselves as very low on citizen engagement in the budget planning process. In total, sixty-three percent (63%) rated citizen engagement in the budget planning process as very low. Approximately twenty-four percent (24%) rated citizen engagement as low and nine percent

(9%) rated citizen engagement as medium. Four percent (4 %) of respondents have specified that citizen participation in budget planning was nonexistent.

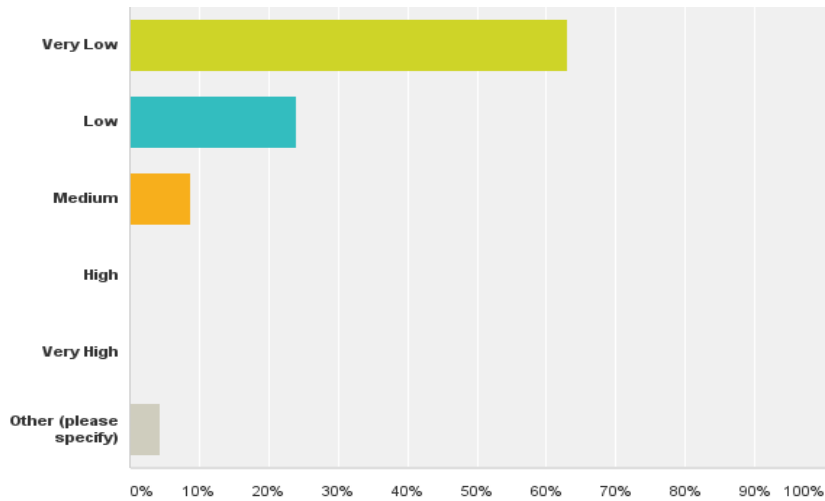


Figure 4: Citizen turnout in municipal budget planning

Seventy-nine percent (79%) of respondents indicated that the reason for involving citizens in the budget planning process is to provide them with access to information. About seventy-two percent (72%) indicated that they involve citizens in the budget planning process to discuss financial constraints and opportunities. Fifty-seven percent (57.32%) involve citizens in the budget planning process to identify community needs. And, twenty-eight percent (28.5%) indicated that they involved citizens in the budget planning process to let them decide on budget priorities.

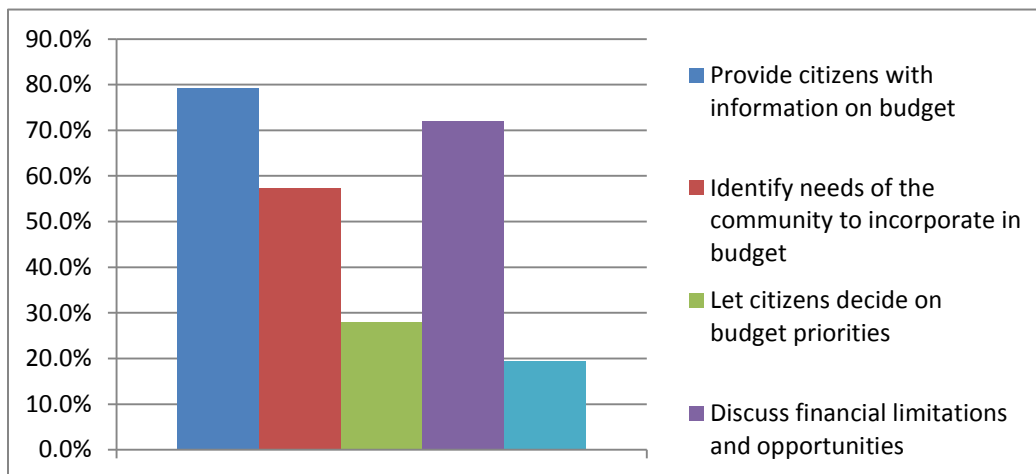


Figure 5: Reasons for involving citizens in budget planning

Twenty percent (20%) of respondents provided further rationales about the reasons for involving citizens in the budget planning process. These rationales indicated that some municipalities engage citizens for the following reasons:

- 1) It is a legal requirement to hold at least one public hearing prior to budget approval;
- 2) It has democratic and transparency value and thus is the right thing to do;
- 3) 3) It is important to city council,
- 4) To educate citizens on how their taxes are divided through different levels of government and lastly,
- 5) To get the citizen buy-in at the early stages of budget planning.

### **5.3 Methods of citizen engagement in budget planning process**

The survey explored the current methods that are used by municipalities to engage citizens in the budget planning process. Respondents identified community meetings (32.3%), community grants (28.3%), Open Houses (23.2%) and council/committee meetings (17%) as the primary methods of engagement. In addition, other approaches to involve citizens in the budget decision-making process specified by respondents included: advisory committees (14.1%), online surveys (12%), online forums (8.1%) and phone surveys (4%). In addition, fifty percent (50.8%) of respondents think that meetings in community are the most effective method in involving citizens in the budget planning process. Thirty-five percent (35.6%) identified open houses as the second most effective method and about twenty-nine (28.8) of respondents identified online surveys as the third most effective method.



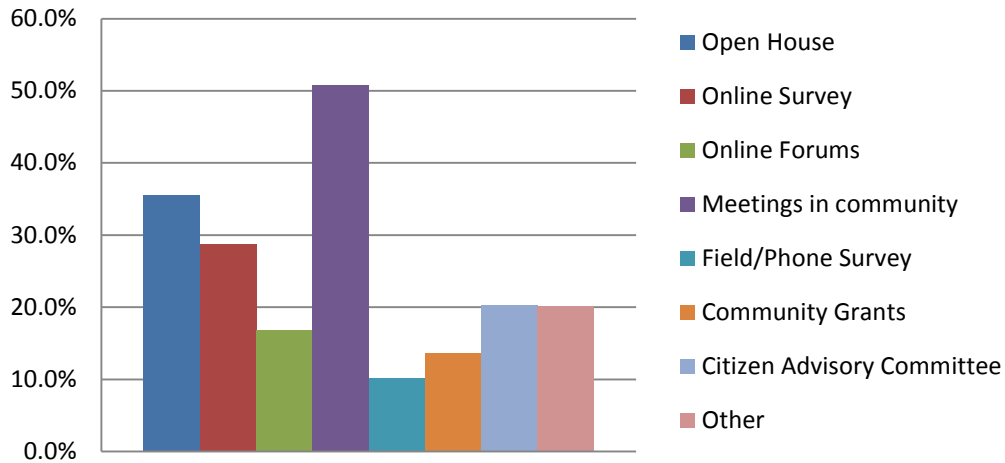


Figure 6: Methods of involving citizens in municipal budget planning

Furthermore, survey respondents were asked to provide their opinion as to who is responsible for engaging citizens in budget planning. Eighty-seven percent (87%) of respondents indicated that municipal council is responsible; sixty three percent (63%) indicated that municipal administration (staff) is responsible. Seventeen point four percent (17.4%) of respondents indicated that it a shared responsibility of citizens, council, administration and other community stakeholders to engage citizens.

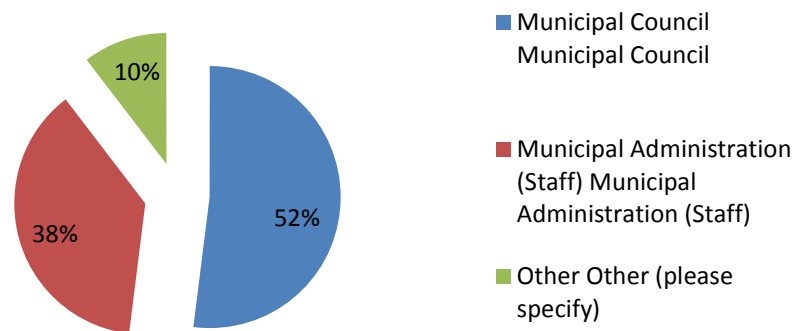


Figure 7: Respondents opinion on who is responsible to involve citizens in budget planning

Approximately sixty percent (60%) of respondents indicated that citizens are engaged in budget planning after the budget is submitted to council. Fifty-five percent (55%) of respondents indicated that they involve citizens in budget planning after the first draft of the budget is prepared by municipal staff.

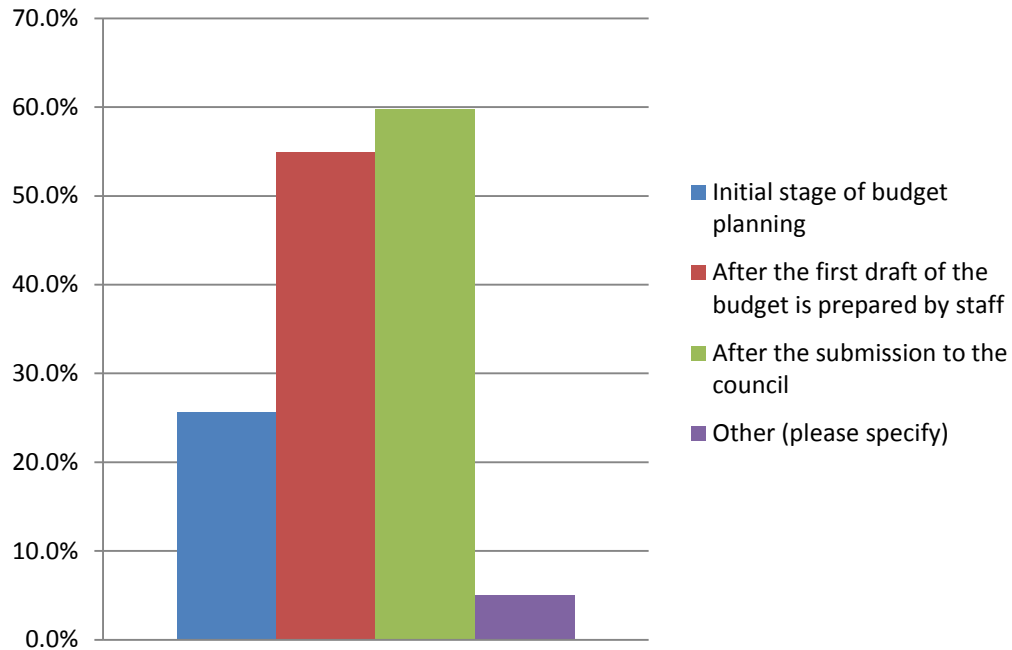


Figure 8: Timeframe of citizen engagement in budget planning

Approximately five percent of respondents (5.1%) indicated that citizens are engaged in other stages of the budget planning process such as: 1) at committee level after the budget is prepared by staff; 2) the opportunity to submit requests occurs throughout the year; and 3) one municipality indicated that officially they don't engage citizens at any stage of budget planning.

Lastly, sixty-three (63%) of respondents indicated that municipal councils decide on budget priorities; more than six point six percent (6.6%) indicated that staff decides on budget priorities and zero percent (0%) of respondents indicate that citizens decide on priorities. However, twenty-two percent (22%) indicate that budget priorities are decided in collaboration between council, administration and citizens.

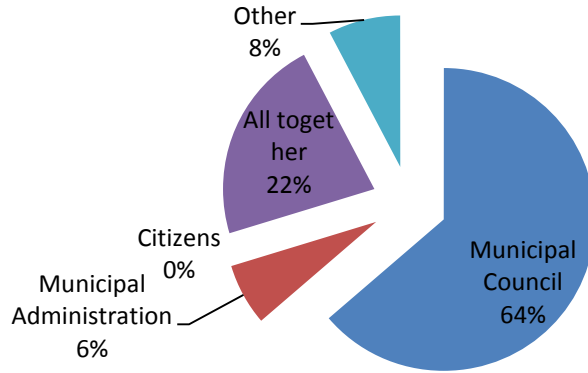


Figure 9: Who makes final decision on budget priorities

#### 5.4 Challenges and opportunities of citizen engagement in budget planning process

In total fifty-two percent (52%) of respondents think that citizens have little or no interest in participating in budget planning. Twenty two percent (22%) indicated that citizens are interested in participating, while twenty-five percent (25%) indicated that they did not know.

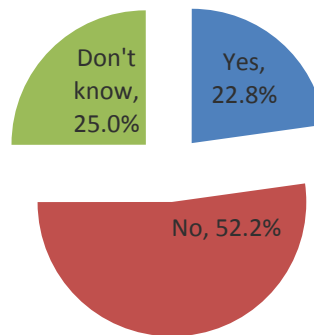


Figure 10: Are citizens interested to participate in budget planning

Respondents were asked to provide their opinion on what they thought were the main factors that influence citizen engagement in the budget planning process. Three main factors were identified as significantly influencing citizen engagement in the budgeting process. First, just over sixty seven percent (67.4%) indicated that it is difficult to raise citizen interest in budget planning. Second, sixty-six point

three percent (66.3%) indicated that municipal budgets are too complicated to understand by citizens. And third, about forty-four percent (43.8%) indicated that citizens don't have time to participate in budget planning. Factors that have less impact included: inconvenient venues for citizens to participate (7.9%); diversity and language barriers (4.5%).

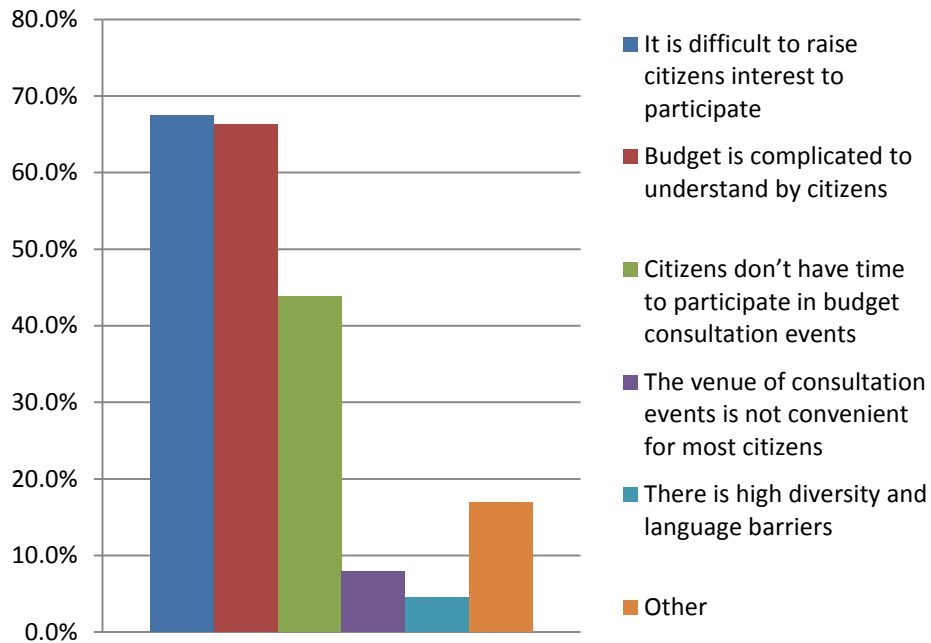


Figure 11: What influences citizen engagement in budget planning

In addition respondents specified that other factors that influence citizen participation included: lack of knowledge by citizens on the responsibilities of various levels of government and the services that they provide; citizens belief that they can't influence council decisions; and tax increases and other actions that impact the particular interests of citizen groups will increases citizen participation in budget planning. Two respondents indicated that citizens sometimes prefer to complain after a budget is approved rather than participate during the consultation process.

Furthermore, respondents indicated various barriers to citizen engagement in the budget planning process. The main barriers were related to the willingness of citizens to participate (65.9%), the difficulties of understanding the complexity of a municipal budget (68.1%) and the complexity of multilevel government (68.3%). In addition, lack of resources (33%) and the diversity of needs and competing priorities (42.9%) were also identified as significant barriers. Only a few respondents indicated fiscal autonomy (3.3%) and the cost of the consultation process (5.5%) as major barriers to citizen engagement.

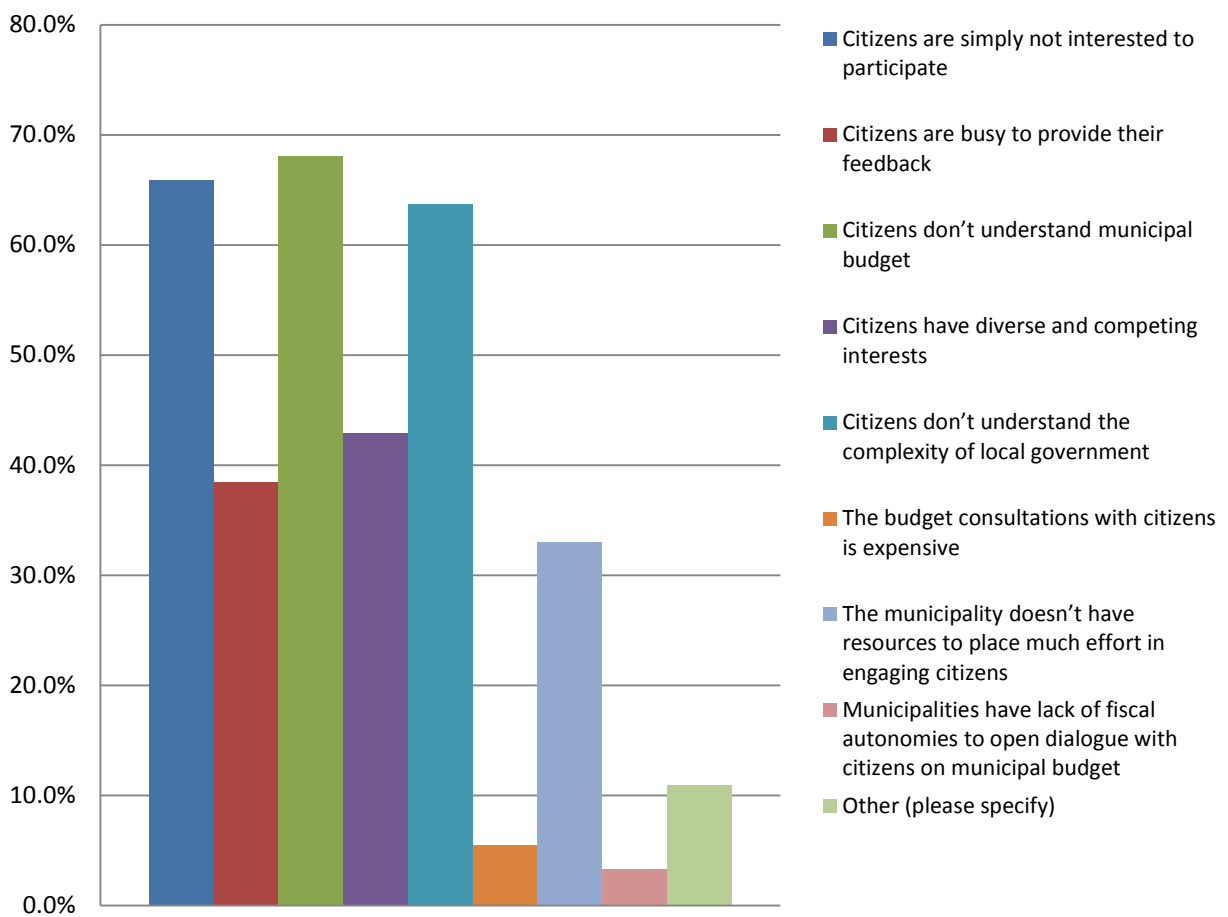


Figure 12: Challenges of involving citizens in budget planning

Ninety percent (90%) of respondents indicated that citizen engagement in budget planning is an opportunity for municipalities to educate citizens about the municipal budget. Seventy-nine percent (79%)

thought that citizen engagement was an opportunity to discuss financial limitations and seventy one percent (71%) thought that it was s an opportunity to increase citizen interest in local government.

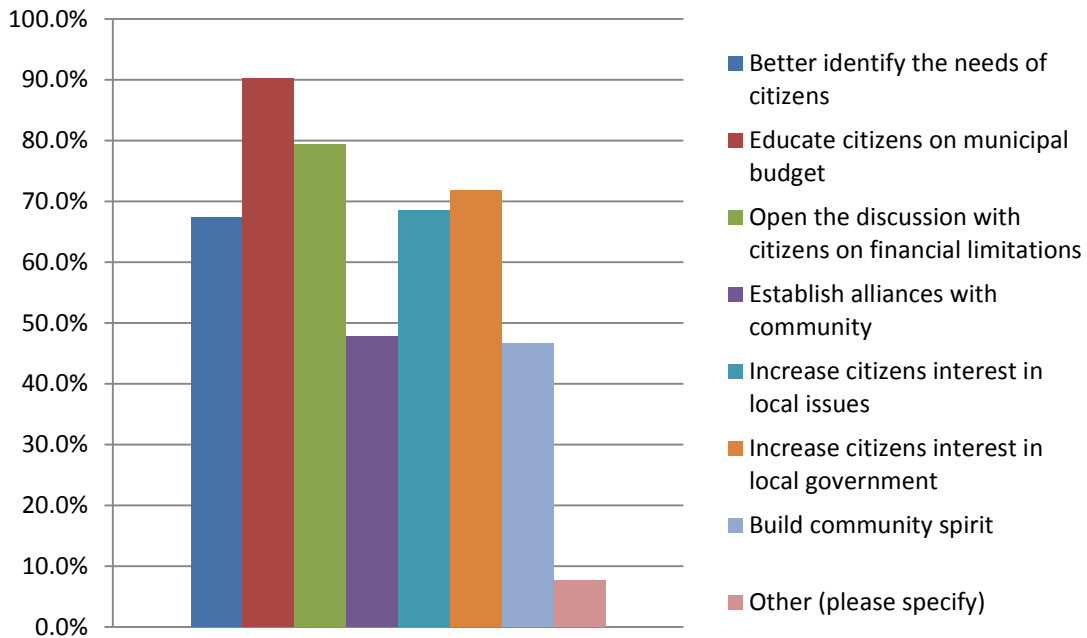


Figure 13: Opportunities of involving citizens in budget planning

Sixty-seven percent (67%) reported that citizen engagement in the budget planning process is an opportunity to better identify the needs of the community. Forty-eight percent (48%) responded that citizen participation in the budget planning process was an opportunity to establish alliances with community stakeholders and to build community spirit. Respondents also specified other opportunities such as promoting civic pride and increasing community awareness and enabling council to make needed tradeoffs. Some respondents also identified the need of incorporating local government into the elementary school of educational system where children could be educated on civic responsibilities at the municipal level.

## 5.5 Participatory Budgeting in Ontario municipalities

The last part of the survey was focused on participatory budgeting. The respondents were given the following definition of participatory budgeting and were asked if their municipality was implementing a citizen engagement process similar to the definition: “*Participatory Budgeting is a replicable decision-making process whereby citizens deliberate publically over the distribution of limited public resources that are instituted*” (Gilman, 2012, p. 2).

Sixty-seven percent (67%) of respondents indicated that the participatory budgeting approach is not implemented in their municipality and twenty-six percent indicated (26%) that such an approach is partially being implemented. Three percent (3%) of respondents indicated that they are currently implementing such practices while another four percent (4%) specified that they use other approaches to engage citizens. From 3% of municipalities that indicated to implement such an approach, one municipality (City of Guelph) indicated that participatory budgeting has been implemented in municipality but once the community groups were strengthened they are implementing such an approach through charity and fundraising money. While, other respondents has explained that the participatory budgeting implemented in their municipalities is not similar to the definition provided in the survey. They explained that to their understanding providing citizens with an opportunity to give input in budget planning is considered participatory budgeting.

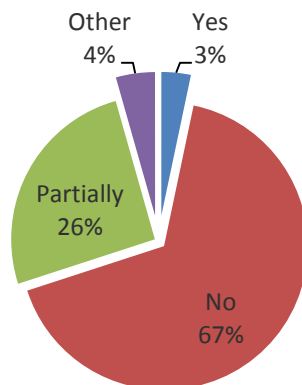


Figure 14: Percentage of municipalities that are implementing participatory budgeting

Further, respondents who indicated that they had or were implementing participatory budgeting were asked to provide benefits of implementing such an approach. Twenty percent (20%) indicated that citizens would be more satisfied with budget decisions. Thirteen percent (13%) indicated that it would be much easier for council to find consensus for approving the budget. And, six percent (6%) indicate that the budget planning process will become much easier for public administration staff.

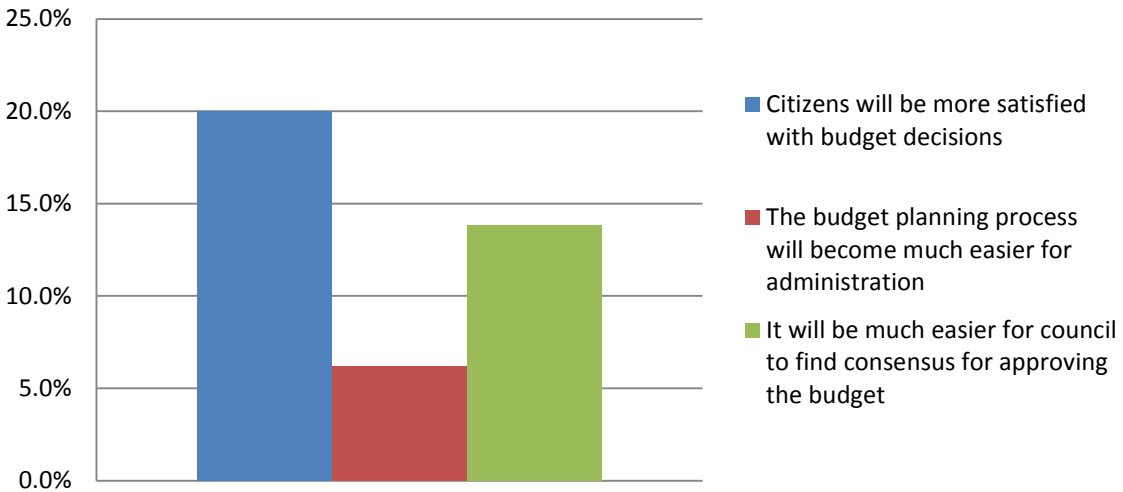


Figure 15: Benefits of implementing participatory budgeting

Respondents were also asked to identify major barriers in implementing participatory budgeting within their municipality. Seventy two (72%) percent of respondents indicated that a major barrier to implementing participatory budgeting was that citizens have many competing priorities which made it difficult to reach a consensus. Fifty two percent (52%) of respondents indicated that they lacked resources to implement such an approach. While, fifty-one percent (51%) of respondents indicated that councillors may not be willing to give up their power to decide on budget priorities.



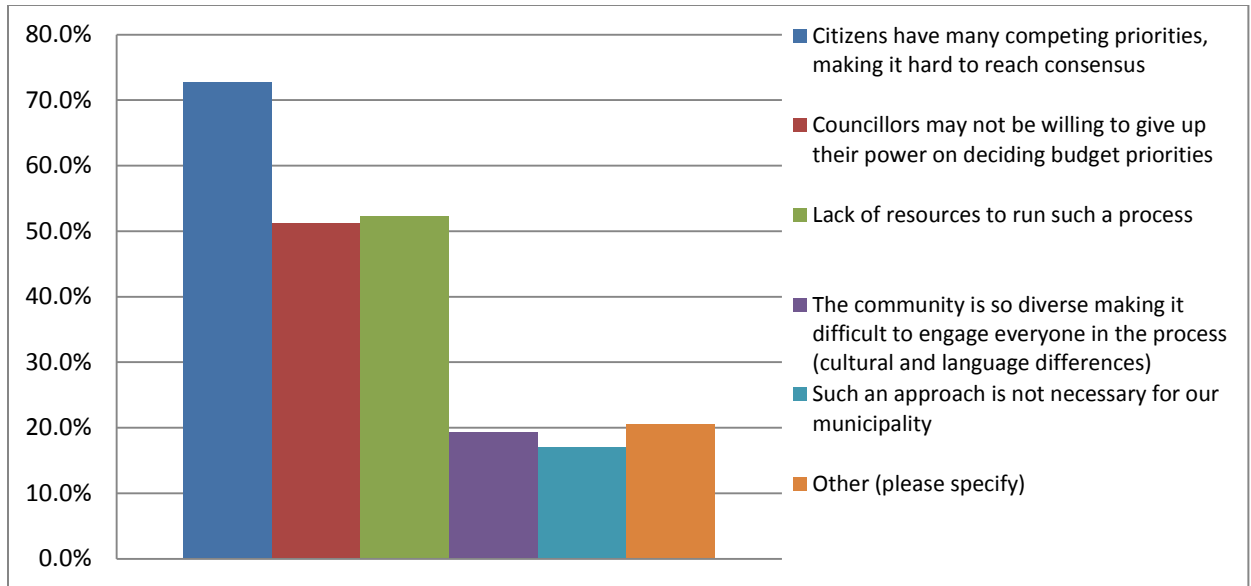


Figure 16: Challenges of implementing participatory budgeting

Lastly, nineteen percent (19%) indicated that the diversity within the community makes it difficult to implement participatory budgeting and seventeen percent (17%) indicated that participatory budgeting is not necessary in their municipality. Other reasons specified by respondents were related to the willingness of citizens to participate, their capacity to understand the complexity of a municipal budget and the time and effort it would take for staff to facilitate such an approach.

## **VI. Discussion of survey analyses**

The conceptual framework indicates that citizen engagement in the municipal budget planning process enables deliberation and information sharing between local governments and their citizens. The citizen engagement process educates citizens about understanding the municipal budget process and opens up discussion about the level of service that municipal governments are expected to provide in return for the taxes they receive.

The results of the survey indicate that municipalities in Ontario are aware about the importance of citizen engagement in budget planning and the majority of them are involving citizens in the process. Municipalities are using the engagement process to achieve many purposes such as educating citizens about municipal budgets and also opening up discussion about fiscal limitations. To a considerable extent, municipalities in Ontario are trying to identify citizen needs and direct the required municipal resources towards meeting those needs. Citizen engagement seems to have an equal distribution between larger and smaller municipalities as well as between lower, upper and single tier municipalities. Therefore, survey data reveals that there is no significant correlation between municipal government size/type and citizen engagement.

Furthermore, the literature review indicated that timing for seeking citizen input is very important because involving citizens at the earliest stages of budget preparation increases the impact in budget planning outcomes. The survey analysis reveals that 25% of municipalities are involving citizens at the early stages of the budget planning process- before the preparation of a first draft by staff and submission to council. When considering the type/size of municipalities, about thirty nine percent (39%) of large urban municipalities and twenty seven percent (27%) of single tier municipalities are involving citizens at the early stage of the budget planning process.

Another important factor raised in the literature review emphasizes the importance of methods used to engage citizens in the budget process. Ebdon & Franklin suggest that a combination of various methods may enable more comprehensive input into budget preparation (Ebdon & Franklin, 2006, p. 439). Indeed,

the survey results show that Ontario municipalities are using a combination of methods to engage citizens in the budget planning process. Among the most used methods are community meetings, open houses and community grants. All of these methods enable direct communication between municipal staff and citizens.

Although not listed amongst the most used tools, the survey analysis has shown that online tools are perceived by respondents as an effective way to engage citizens in budget planning. In this context, the data collected through the desk research revealed that there are some good practices of online platforms which are providing an alternative space for municipalities to educate citizens and deliberate about municipal budget planning. For example, the City of Burlington is utilizing online tools to educate citizens about municipal budgets: “Your 2014 Municipal Tax Dollars at Work” provides citizens with information on percentage of taxes that the city collects and shares with other levels of governments. In addition, it provides citizens with information on the percentage of taxes that goes toward funding various municipal services (City of Burlington, 2014). A series of budget presentations called “Money Talks” is provided online by the City of Richmond Hill (Municipality of Richmond Hill, 2014). Another interesting online tool to inform citizens in budget variances is being used by the Town of Oakville. The Town provides information on the Net Approved Budget and funds remaining which is updated on a quarterly basis (City of Oakville, 2014). And, a more specific online budget tool is called the “citizen budget” and is being used by many cities across Canada to provide citizens with an opportunity to provide their input into municipal budget planning. In addition, it provides them with an opportunity to see municipal budget limitations and understand how budget allocations affect their taxes (Open North, 2011). The “Speak Up” online platform is another innovative tool being used by many municipalities and is providing a new space for deliberation and citizen engagement at local level (Granucus, 2014).

Furthermore, the literature review has illustrated that the challenges of citizen engagement in budget planning are two-sided: local governments face difficulties because the process is resource and time consuming and there are many competing interests within local communities. Citizens also often feel that local officials have ignored their input and recommendations.

Significant challenges provided in the literature review have shown to be relevant for Ontario municipalities. The survey analyses shows that the most common challenges for citizen engagement is a lack of understanding of municipal budgets and local government in general by citizens. As a case in point, the City of Toronto introduced an interesting initiative in 2009 that educated citizens about municipal government and budgets. The initiative contained a training session called “Toronto Civics 101” which included a specific session about Toronto’s unique Fiscal Framework (City of Toronto, 2009). These initiatives provide an opportunity for citizens to understand municipal governments and budgeting.

Taken in aggregate, all of these challenges together provide new opportunities for local governments in Ontario. Some of these opportunities were recognized by survey respondents such as: educating citizens about budgeting and municipal government, opening up discussions about fiscal limitations, increasing citizen interest in local issues, more accurately identifying citizen needs and, establishing new alliances within local communities. Some Ontario municipalities have begun addressing these challenges and have turned them into priorities. For example, some have begun to incorporate community engagement into their corporate cultures. A study conducted by the University of Guelph (2012) showed that seven (7) municipalities have already approved formal community engagement policies (Institute for Community Engaged Scholarship, 2012). This trend has been on an upward trend since then. For example, in April 2013 the City Burlington adopted a Community Engagement Charter (City of Burlington, 2013). The Charter provides common terms and definitions of citizen engagement. In addition, the City has trained 35 staff members in Community Engagement (through IAP2) and has launched numerous engagement initiatives. The City of Brantford has also adopted a Community Involvement Policy which is committed to supporting an engaged community by ensuring that there is a range of opportunities for residents to be knowledgeable about local government and actively involved in civic life within their community (City of Brantford, 2013). The policy has been supported by a community engagement framework which provides principles of community involvement (City of Brantford, 2014). On a similar note the City of Guelph also adopted a Council Policy on Community

Engagement (City of Guelph, 2014). Guelph also adopted the guiding principles of community engagement which provide major principles of community engagement as well as setting out responsibilities for fostering community engagement. Similar initiatives have been implemented in the City of Brampton and Ottawa.

The trend of adopting policies and frameworks addressing community engagement is growing in municipalities throughout Canada as well including, the City of Calgary, Edmonton, Victoria and Montreal. The City of Calgary adopted a policy for community engagement called "Engage!" and, is supported by a community engagement framework (City of Calgary, 2014). Calgary implemented these initiatives through the establishment of, the Mayors Community Engagement Committee spearheaded by the Mayor of Calgary (City of Calgary, 2014). The Calgary Engagement Resource Unit (CERU) was also established to help facilitate public engagement opportunities. The CERU supports Council, staff, partners and the public to help build engagement capacity within the corporation by advocating, coordinating and linking engagement activities, standards and practices across the corporation. The CERU also provides advices, consultation and facilitation of engagement process design and provides internal training and orientation about Calgary's Engage Policy, Framework and Tool Kit. The City also set up and continues to maintain an online platform which provides "One Place" for community engagement for all Calgarians (City of Calgary, 2014).

Furthermore, the literature review emphasized other challenges of citizen engagement in decision making processes such as the willingness of public administrators to share their decision making powers with citizens and the limited resources to provide incentives for citizens to engage in the budget planning process. The majority of respondents (city staff) indicated that their local councils should be responsible for engaging citizens in budget planning. Analysis of the survey also strongly indicated that although not widely implemented, that participatory budgeting is perceived as a tool that provides many opportunities for municipalities. Survey respondents indicated that the major barriers of implementing participatory budgeting are related to difficulties of reaching consensus on priorities among citizens, lack of resources

within municipalities to implement such an approach and the willingness of councillors to give up or share their decision making powers over budget priorities.

Despite some reluctance on the part of local councils to give up decision making powers, there are two municipalities in Ontario that have embraced the involvement of citizens in the budget planning process. In Wards 1 and 2 in the City of Hamilton participatory budgeting began as an initiative of local city Councillors. In Ward 2 such an approach began its implementation in 2012 and entered its second year of implementation in 2013 (City of Hamilton Ward 2, 2013). The Hamilton initiative works by providing citizens with one million dollars (\$1,000,000) to decide on capital (infrastructure) projects in their community. The million dollars is then allocated by council for Area Rating Special Capital Re-Investment (City of Hamilton, 2012). The participatory budgeting is a four phase process. The first phase involves generating spending ideas, which is a process that is run by four assemblies where citizens are involved in brainstorming sessions. The second phase involves project development where usually the participatory budget delegates review ideas and prepare project proposals. At this stage the projects are submitted to City staff for a feasibility review. After the proposals are deemed feasible they are made public for the citizens. Following this, phase three involves voting where every resident of Ward 2 who is 14 years old and older is eligible to vote on budget priorities. The final phase involves final approval of these projects at City council. In order to overcome language barriers within the community, the participatory project provides information/translation in different languages such as Chinese, Somali and Portuguese (City of Hamilton Ward 2, 2013). Community leaders are continuously involved in public outreach and the process is actively supported by the Hamilton Centre for Social Inclusion (Burson, 2014). Similar approaches to overcoming community diversity challenges and barriers is used by Participatory Budgeting in Chicago where Spanish speaking assemblies are established to engage the second largest ethnic community in the city (Hadden, 2014).

Participatory budgeting was also implemented in the City of Guelph in 1999. The initiative was initially implemented by the Guelph Neighbourhood Support Coalition (GNSC) and was supported by a municipal grant (Pinnington, Lerner, & Schugurensky, 2009). The process aimed to enable residents, city

staff and partner organizations to collectively allocate community funding for the improvement of community life. The model involved all citizens in 15 neighborhoods (the neighborhood groups and delegates) and the financial resources reached \$1 million providing funding for community services and capital projects. The participatory budgeting process begins with neighborhood meetings which discussed citywide priorities. Following from this, each neighborhood developed a list of “needs” and “wishes”. Once the list was completed, City staff and GNSC staff assigned a dollar value to each project. At this point, neighborhood delegates would meet and re-evaluate their needs and wants and then make decision on budget allocations based on consensus. Once consensus was reached and the budget was approved, neighborhood groups were also involved in project implementation and the monitoring process (Ibid). In 2013 the GNSC become a registered charity and it continues to receive City support however it is the GNSC which decides on monetary allocations to all neighborhood groups and has adopted a peer panel review process for allocation of resources (Guthrie, 2014).

## **VII. Conclusions and Recommendations**

### **7.1 Conclusions**

Citizen engagement in the budget planning process can help Ontario municipalities become more efficient and effective in municipal service provision. Citizen engagement in budget planning may also assist municipalities in becoming more transparent, accountable and open to the public about the ways they manage and spend tax dollars. The survey results and analyses show that challenges of citizen engagement in Ontario municipalities are not unique and that they relate to the major challenges outlined in the literature review. These challenges are linked to finding new ways to increase citizen interest and knowledge about budgeting and local issues and also finding necessary resources to fund and run the engagement process. Nevertheless, there are significant measures that are currently being employed in several municipalities that are opening new spaces for engagement, building community engagement culture within and outside municipalities and to a certain degree are enabling municipal governments to share their budget decision-making powers with citizens through community organizations.

### **7.2 Recommendations: Overcoming challenges and using opportunities**

Municipalities in Ontario have significant opportunities to involve citizens in decision making processes and leverage their expertise and feedback. At the same time, municipalities can use this process to address challenges related to financial limitations and multilevel governance. Indeed, the survey and the desk research have highlighted some effective practices that further enhance citizen engagement in the budget planning process. The following key recommendations could have the potential to enhance citizen engagement in municipal budget planning:

- **Recommendation 1: Engage Citizens in Budget Planning Process**

The literature review has shown the benefits of engaging citizens in the budget planning process. The survey indicates that most municipalities in Ontario do involve citizens in the budget planning process. In addition, they are aware of the benefits of citizen participation in the budget planning process.



Indeed, both municipalities and citizens can benefit from a participatory budget planning process. Municipalities can use the engagement process to address some of the challenges they face with budget limitations and improve their service delivery by gaining from citizen input. In return, citizens will be more satisfied with budget decisions and most likely will report higher satisfaction levels with the services they receive for the taxes they pay. It is obvious that citizen engagement is a complicated and challenging process. However, the first step towards achieving success is for municipalities to open themselves up for citizens input and put a real effort into outreach activities to engage their local communities.

- **Recommendation 2: Build the culture of citizen engagement within the organization**

The survey results and analyses have indicated that many municipalities struggle to raise citizen interest in participating in the budget planning process. They also face financial limitations in terms of establishing resources to effectively engage their citizens. And, a significant number of respondents indicated that councillors may not be willing to give up their decision making powers. These are all legitimate concerns that affect citizen engagement. Indeed, it shows that citizen engagement is a struggle that municipalities have to put at the core of their organizational decision making. Although shifting the culture is not an easy thing to do, municipalities may begin initially by training their staff about community engagement practices and sharing with council the best practices of community engagement in other municipalities. The next step may follow with more formal actions such as establishing citizen advisory committees for council and cross-departmental citizen engagement task forces within administration. Establishing policies and frameworks that set overarching goals of citizen engagement and guide the overall organization on principles of citizen engagement in municipal decision making processes is also an effective tool.

Further, it is important to find champions within the organization both in the executive and on legislative branch. It is also prudent to seek partnerships with other organizations/agencies and establish alliances within the community.

- **Recommendation 3: Use a combination of methods to engage citizens**

The literature review indicates that a successful citizen engagement process requires a combination of methods. Municipalities in Ontario are using various methods and tools to engage citizens. However, the survey indicates that the two main reasons for involving citizens in budget planning process are to provide them with information and communicate fiscal limitations. This provides an opportunity to deliberate and share views but it does not provide citizens with much space and means to have a saying in final budgetary outcomes.

In order for a meaningful citizen engagement process, municipalities have to consider moving towards a more responsive mode of citizen engagement and ask citizens for more than just their views. This can be achieved by giving citizens a say on trade-offs and with an opportunity to have an impact on final decisions. Consequently, the survey results have shown that the most effective way to engage citizens in budget planning is through community grants. Community grants provide citizens with an opportunity to identify specific needs and concerns in their community and to have direct access to resources. It also shows that citizens are willing to participate if they are seen as partners and empowered to make change in their communities. Thus, municipalities have to consider similar methods and programs that will empower citizens and enable them to see themselves as agents of change within the community.

- **Recommendation 4: Engage citizens early in the process**

The literature review indicates that timing is important because it increases the chances of having a positive effect in final budget decisions. The survey results indicate that citizens are involved at the initial stage of budget planning and/or after the first draft of a budget are prepared by a municipality. However, a significant number of municipalities are conducting the engagement process after the budget is submitted to council for approval. Unfortunately, this results in very small window of time to properly engage citizens in budget planning.

Therefore, it is incumbent on municipalities to involve citizens in budget planning very early in the process. They can begin by reaching out to citizens initially to educate them about municipal budgeting, especially on how taxes are divided through local government agencies and how much of their tax dollars actually go to the municipality. Following this, municipalities may begin opening the discussion of what the city budget priorities should be and how to better meet community needs.

- **Recommendations 5: Adopt Participatory Budgeting to meet the needs of your community**

The literature review shows that participatory budgeting is being implemented throughout the world which includes few municipalities in Ontario. The advantages of this is that participatory budgeting is being implemented in so many various forms that it can easily be adapted to the needs of different communities and municipalities.

The desk research and interviews conducted with facilitators of participatory budgeting in Hamilton and Chicago and the additional information received from Guelph has indicated that participatory budgeting needs a sponsor (champion) in order to be successful. In Hamilton, the participatory budgeting in Ward 2 was primarily driven with the initiative of a local Councillor. While, in Guelph the initiative began with a neighborhood council initiative and was later supported by the city. Therefore, participatory budgeting may begin and be adopted in many ways and tackle specific problems within a municipality. It can be used to address the specific needs of a community such as improving infrastructure and transportation, deciding about recreational programs, addressing housing needs or generating innovative ideas and initiatives from citizens to better address their needs and effectively spend their tax dollars.

### **7.3 Future research**

This study has its limitations which are acknowledged under the research methodology. The major instrument of data collection of this research has targeted the executive branch of municipalities. However, the survey results have indicated that municipal councils retain the main

decision making powers over budget priorities. Also, the survey results indicated that a councillor's willingness to engage citizens and share decision-making powers plays a significant role in citizen engagement. Indeed, some of the latest initiatives to implement participatory budgeting have been undertaken by local ward councillors. Due to time and resource constraints, this study was not able to include the perspectives of elected officials (mayors and councillors). However, having a councillor's perspective about citizen engagement would enable further understanding of the challenges and opportunities of community engagement. This is a great perspective that deserves future study.

Furthermore, the survey results indicated that citizens are not always keen to participate and have a lack of knowledge about budgeting and municipal governance. It will be very important for future studies to consider exploring the perspective of citizens and other community stakeholders by focusing on challenges and opportunities for their engagement in municipal budget planning.

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# IX. Appendices

## Section 1: Respondent Information

For all questions, please select the appropriate response or type your answer in the provided space.

### 1. What is your position in municipal government?

\_\_\_\_\_

### 2. In what municipality do you work?

\_\_\_\_\_

## Section 1: Municipal Budget Process

1. Does your municipality involve citizens in budget planning process?
  - a. Yes (if yes please go to question number 2)
  - b. No (if not go to question number 4 and 6)
  - c. Other (please specify)
  
2. How do you involve citizens in budget planning process? (please select all responses that apply)
  - a. Open House
  - b. Online Surveys
  - c. Online Forums
  - d. Meetings in community
  - e. Field Survey
  - f. Other (please specify)
  
3. In your opinion which method is the most effective? (please select one response)
  - a. Open House
  - b. Online Survey
  - c. Online Forums
  - d. Meetings in community
  - e. Field Survey
  - f. Other (please specify)
  
4. At what stage do you involve citizens in the budget planning process? (please select all that apply)
  - a. Initial stage of budget planning
  - b. After the first draft is prepared by staff
  - c. After the submission to the council
  - d. Other (please specify)
  
5. How would you rate the citizen’s participation in budget planning process in your municipality?
  - a. Very Low (go to question 6)
  - b. Low (go to question 6)
  - c. Medium

- d. High
  - e. Very High
  - f. Other (please specify)
6. What do you think impacts citizen involvement in the budget planning process? (please select all that apply)
- a. It is difficult to raise citizens interest to participate
  - b. Budget is complicated to understand by citizens
  - c. Citizens don't have time to participate in budget consultation events
  - d. The venue of consultation events is not convenient for most citizens
  - e. There is high diversity and language barriers
  - f. Other (specify)
7. Why do you involve citizens in the budget planning process? (Please select all that apply? Or only one?)
- a. Provide citizens with information on budget
  - b. Identify needs to incorporate in budget
  - c. Let citizens decide on budget priorities
  - d. Discuss financial limitations and opportunities
  - e. Other (please specify)
8. Do you think citizens are interested in participating in the municipal budget planning process?
- a. Yes
  - b. No
  - c. Don't Know
9. In your opinion, who is responsible for engaging citizens in the budget planning process?
- a. Municipal Council
  - b. Municipal Administration (Staff)
  - c. Other (please specify)
10. In your opinion, what are the barriers to citizen engagement in the budget planning process? (please select all that apply)
- a. Citizens are simply not interested to participate
  - b. Citizens are busy to provide their feedback
  - c. Citizens don't understand municipal budget
  - d. Citizens have diverse and competing interests
  - e. Citizens don't understand the complexity of local government
  - f. The budget consultations with citizens is expensive
  - g. The municipality doesn't have resources to place much effort in engaging citizens
  - h. Municipalities have lack of fiscal autonomies to open dialogue with citizens on municipal budget
  - i. Other (please specify)
11. In your opinion, what are the opportunities for citizen engagement in the budgeting process? (please select all that apply)
- a. Better identify the needs of citizens
  - b. Educate citizens on municipal budget

- c. Open the discussion with citizens on financial limitations
- d. Establish alliances with community
- e. Increase citizens interest in local issues
- f. Increase citizens interest in local government
- g. Build community spirit
- h. Other (please specify)

12. Who decides on final input of the budget priorities?

- a. Municipal Council
- b. Municipal Administration
- c. Citizens
- d. All together
- e. Other (please specify)

## Section 2: Participatory Budgeting

Many municipalities throughout the world implement participatory budgeting. The *“Participatory Budgeting is a replicable decision-making process whereby citizens deliberate publically over the distribution of limited public resources that are instituted”* (Gilman, 2012, p. 2). This means that citizens meet more than once to discuss and decide how to allocate the municipal budget.

1. Considering the above explanation, do you think your municipality implements such an approach?
  - a. Yes (go to question 3)
  - b. No (Go to next question)
  - c. Partially (please explain which part is missing in your municipality)
  - d. Don't Know
  
2. What are the barriers to implementing such an approach at the municipal level? (please select all that apply)
  - a. Citizens have many competing priorities, making it hard to reach consensus
  - b. Councillors may not be willing to give up their power on deciding budget priorities
  - c. Lack of resources to run such a process
  - d. The community is so diverse making it difficult to engage everyone in the process (cultural and language differences)
  - e. Such an approach is not necessary for our municipality
  - f. Other (please specify)
  
3. What are the benefits of implementing such an approach in your municipality? (please select all that apply)
  - a. Citizens will be more satisfied with budget decisions
  - b. The budget planning process will become much easier for administration
  - c. Municipal Council will find consensus on approving the budget easier
  - d. Other (please specify)

Thank you for participating in this survey.

Appendices 2: List of All Municipalities that responded to survey (based on type of municipality)

Municipality	Type
Town of East Gwillimbury	Lower Tier
City of Burlington	Lower Tier
Brampton	Lower Tier
Toronto	Single Tier
City of Mississauga	Lower Tier
Town of Englehart	Single Tier
City of Cambridge	Lower Tier
City of Barrie	Single Tier
Region of Durham	Upper Tier
City of Windsor	Single Tier
Red Lake	Single Tier
Town of Mattawa	Single Tier
Guelph	Single Tier
Oakville	Lower Tier
City of Waterloo	Lower Tier
The Municipality of Neebing	Single Tier
County of Wellington	Upper Tier
Prince Township	Single Tier
Terrace Bay	Single Tier
Chatham-Kent	Single Tier
Wawa	Single Tier
Town of Bruce Mines	Single Tier
Township of Stirling-Rawdon	Lower Tier
Township of Wilmot	Lower Tier
Township of West Lincoln	Lower Tier
County of Oxford	Upper Tier
City of Markham	Lower Tier
The County of Lambton	Upper Tier
Dutton/Dunwich	Lower Tier
One within the United County of Prescott-Russell	Lower Tier
Town of Kearney	Single Tier
Calvin	Single Tier
Township of O'Connor	Single Tier
Huron East	Lower Tier
Grey County	Upper Tier
District Municipality of Muskoka	Upper Tier
County of Brant	Single Tier
Dysart et al	Lower Tier
Bradford West Gwillimbury	Lower Tier
Brantford	Single Tier
Marmora and Lake	Lower Tier
Huron	Lower Tier
Township of Enniskillen	Lower Tier
County of Middlesex	Upper Tier
Town of New Tecumseth	Lower Tier
Town of Espanola	Single Tier
Huron County	Upper Tier
Mattawan	Single Tier

City of Kitchener	Lower Tier
Township of Centre Wellington	Lower Tier
Mono	Lower Tier
Morley	Single Tier
Village of Point Edward	Lower Tier
City of St. Catharines	Lower Tier
City of Thunder Bay	Single Tier
Regional Municipality of York	Upper Tier
Welland	Lower Tier
Township of Otonabee-South Monaghan	Lower Tier
Township of King	Lower Tier
Corporation of The Township of Tay	Lower Tier
Village of Casselman	Lower Tier
Township of Perry	Single Tier
Municipality of Middlesex Centre	Lower Tier
Town of Georgina	Lower Tier
Town of Bracebridge	Lower Tier
Town of Fort Erie	Lower Tier
Haldimand County	Single Tier
Lanark County	Upper Tier
Township of Madawaska Valley	Lower Tier
Perth Ontario	Upper Tier
County of Haliburton	Upper Tier
Township of Scugog	Lower Tier
Township of Malahide	Lower Tier
City of Greater Sudbury	Single Tier
London, Ontario	Single Tier
The United Townships of Head, Clara & Maria	Lower Tier
Brooke-Alvinston	Lower Tier
City of Sarnia	Lower Tier
Town of Gravenhurst	Lower Tier
Township of Zorra	Lower Tier
The Corporation of the City of Thorold	Lower Tier
City of Woodstock	Lower Tier
Municipality of Sioux Lookout, Ontario	Single Tier
County of Renfrew	Upper Tier
Town of Renfrew	Lower Tier
Addington Highlands	Lower Tier
City of Orillia	Single Tier
Township of Limerick	Lower Tier
Municipality of Trent Lakes	Lower Tier
Township of Wellesley	Lower Tier
Brighton	Lower Tier
Peel	Upper Tier
Township of Blandford-Blenheim	Lower Tier
Tay Valley Township	Lower Tier
Town of Aylmer	Lower Tier
Otonabee-South Monaghan	Lower Tier
Village of Burk's Falls	Single Tier
Marathon	Single Tier

Goderich

Lower Tier

Appendices 3: List of Large Urban Municipalities of Ontario that responded to the survey

Large Urban Municipalities

City of Burlington

Brampton

Toronto

City of Mississauga

City of Cambridge

City of Barrie

City of Windsor

Guelph

Oakville

City of Waterloo

Chatham-Kent

City of Markham

Brantford

City of Kitchener

City of St. Catharines

City of Thunder Bay

City of Greater Sudbury

London, Ontario