

Process for 2015-2018 Business Plan and Budget Coordination (BPBC)

FRAMEWORK

The BPBC4 process begins with harnessing the energy and enthusiasm of a new Council and the determination of its new mandate. The development of Council's strategic vision and collective priorities for the upcoming term is the first step in charting The City's course for the next four years.

Council's priorities will provide direction and focus to the Administration in the preparation of departmental business plans and budgets. Both within and among departments, plans and budgets will be aligned and coordinated with Council priorities.

To assist in the development of its priorities, Council may wish to guide its discussion around elements or themes that are common to all cities and of concern to municipal governments. Such elements generally speak to: safety and people, mobility, places and neighbourhoods, natural environment, economic prosperity, financial responsibility, and citizen-focused government.

It is anticipated that Council will determine these elements when it begins its discussion of priorities in January, as indicated in the proposed timeline:

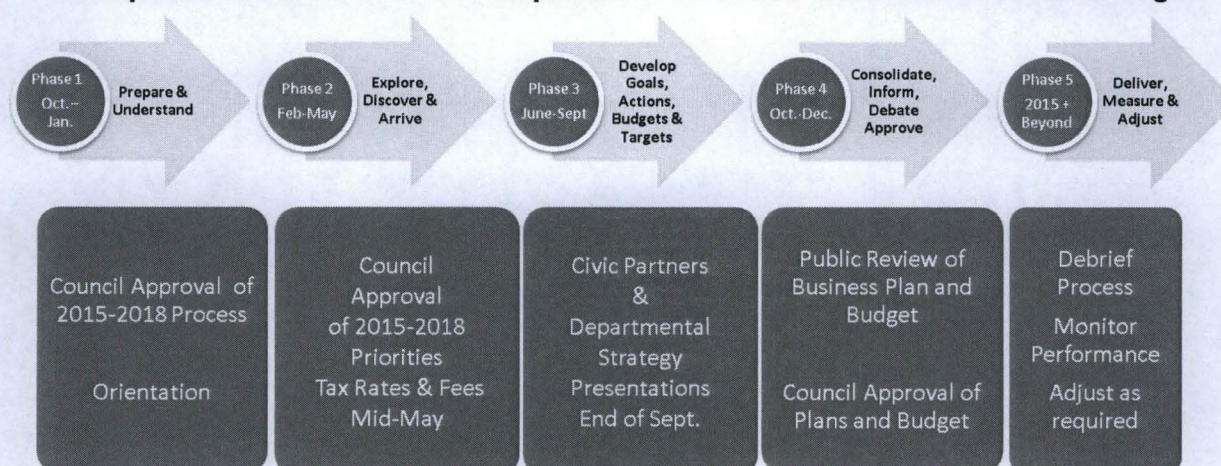
Proposed timeline for Development of Council's Priorities for 2015-2018:

2014 Council Strategic Planning Meetings				
January 17 th and 31 st	March 17 th	April 7 th	May 5 th	
Purpose: facilitate Council feedback on draft framework; commence discussion and receive direction on financial options; determine engagement question. <ul style="list-style-type: none"> • Discussion of finances and options for financial scenarios • Discussion of engagement • Discussion of potential strategic objectives 	Purpose: facilitate Council's discussion of strategic objectives. <ul style="list-style-type: none"> • Refinement or brainstorming of potential directional statements 	Purpose: discussion of utilities' rates <ul style="list-style-type: none"> • Discussion of utilities' infrastructure and financial plans • Continued discussion of directional statements 	Purpose: presentation of draft directional statements and discussion of engagement <ul style="list-style-type: none"> • Present findings from engagement • Discussion of draft directional statements 	Purpose: finalization of Council's priorities, indicative tax rates, utility, and user fees. <ul style="list-style-type: none"> • Confirming Council's priorities to inform the development of 2015-18 business plans and budgets

The BPBC4 (2015-2018) process will be guided based upon the key characteristics. These characteristics build upon those utilized in previous business plan and budget cycles, and also incorporate findings from stakeholder engagement feedback received from the debrief findings.

- 1) **Citizen focused Approach** - Communication and engagement processes will provide information and services utilizing a citizen friendly approach. The program will:
 - a) Focus communication on outcomes, strategy and service descriptions in plain language with a reduced focus on organizational structure.
 - b) Create opportunities for informed and extensive citizen and employee consultation and engagement throughout the Council priority setting, planning and budgeting process.
 - c) Incorporate opportunities to create citizen preferences for measurement of progress that could be utilized through the 2015-2018 cycle.
 - d) The citizen engagement program will build upon existing engagement feedback and planned activities and encourage participation at locations where citizens are found including the improved use of social media tools.
- 2) **Council Directed** - Following each civic election, Council identifies priorities for its term, which establishes the direction for the development of the departmental plans and budgets. Council direction is developed through a review of election campaign findings, consideration of long-range plans, the results of citizen engagement, analysis of the future service needs, and a review of economic and social forecasts. While providing direction at the outset with its priorities, Council will review the alignment of these priorities as reflected in the business plans and budgets. It is proposed that Council consider presentations from departments, including the Calgary Police Service, and Civic Partners, in September/October, with final approval of business plans and budgets in November/December.
- 3) **Financial Responsibility** - The budgets will be balanced (revenues and expenditures match) and developed based on realistic cost and revenue projections for the whole period. Revenue projections include approved tax rate changes for the period as well as other revenues such as utility rates and user fees. Citizens have expressed preferences for finding a balance between service levels and affordable municipal taxes. It is proposed that an indicative tax rate be established early in the process for Administration to work towards. Information will be provided on the effectiveness and efficiency of City services, including comparative benchmark information, where appropriate, in order that Council can have confidence in the quality and efficiency of service decisions, or can identify those areas where further investigation and review is needed.
- 4) **Efficient** - The process is respectful of the balance needed between the time and effort devoted to the business plan and budget preparation and approval, and the time needed to implement the approved plans. The process will where possible, optimize existing processes and procedures to create efficiencies in cost and time.
- 5) **Integrated** - This process will create opportunities for iterative budgeting processes that foster collaboration across Administration. This process also recommends that business plans be reviewed by each department to identify cross-departmental actions for efficiency gains and outcome achievement as well as to better align projects, resources and timing. The four year cycle will continue to incorporate a program of ongoing, regular and robust examinations of all major City services using a 'zero based' approach, throughout 2015-2018 where base services and spending are reviewed in detail to examine costs, benefits and value.
- 6) **Flexible** - An annual review process for departmental business plans and budgets as well as a more extensive two-year review will allow Council opportunities to review, reconsider and adjust plans and budgets in response to changes in the external environment.

Proposed Timelines for the Preparation of 2015-2018 Business Plan and Budget



Phase One: Prepare & Understand *October 2013-January 2014*

- Develop and confirm the process for the 2015-2018 business planning process
- Build the teams to develop the business plans and budgets
- Orient stakeholders to the process and launch awareness and background engagement phase including release of website and social media information
- Identify and review how we are doing in achieving strategic directions (i.e. Council's Fiscal Plan, Municipal Development Plan, Calgary Transportation Plan)
- Review available feedback from citizens for consideration in priority and goal setting
- Compare with benchmarks of other areas
- Identify and explore external and internal trends and emerging issues, to prepare The City for the future

Phase Two: Explore, Discover & Arrive *February- May 2014*

- Begin citizen engagement process underway to support Council in identifying priorities and service delivery
- Identify citizen measures for success in achieving outcomes and services
- Review revenue sources & economic forecasts
- Review draft capital budget plans (Infrastructure Investment Plan lists)
- Prepare draft long-range financial plan
- Review the format of the business plan and budget document including the level of detail of information provided
- Explore alternative innovative new approaches such as participatory budgeting
- Consider the cost implications between desired outcomes and funding
- Arrive at Council strategic priorities for 2015-2018
- Identify revenue limits, budget targets and establish efficiency targets
- Provide feedback to stakeholders regarding "What We Heard"

Target May –Council Consideration and Approval of Priorities, Indicative Tax, Fee & Rates

Phase Three: Develop Goals, Actions, Budgets & Targets *June-September 2014*

- Identify goals and actions in alignment with organizational accountabilities
- Define success for each outcome and service area
- Draft performance targets for outcomes, departments, and business units
- Develop a budget process for Tangible Capital Asset (TCA) depreciation
- Prepare capital and operating budgets and evaluate the operating cost of capital
- Identify cross-departmental actions for efficiency and effectiveness gains and outcome achievement
- Sharing of business plans across the corporation to align projects, resources and timing
- Finalize long range financial plan
- Receive feedback on the engagement process, validate that results are incorporated
- Civic Partner business plan presentations to Standing Policy Committee
- Departmental strategy presentations to Standing Policy Committees of Council

Target Mid-September– ALT approval of Draft Departmental Business Plans and Budget

Target: Mid-September/Early October Departmental presentations of proposed Strategies to Standing Policy Committees

Phase Four Consolidate, Inform, Debate & Approve *October- December 2014*

- Preparation of business plan and budget package final draft
- Inform citizens of draft departmental business plans and budgets
- Public forum, Council debate and consideration

Target Nov. 5 -21 for Public review of draft business plans and budgets

Target Nov. 24 - December 5 for Council deliberations

Phase Five: Deliver, Measure, & Adjust *2015-2018*

- Implement the 2015 departmental business plan and budgets
- Debrief on 2015-2018 business plan and budget coordination process
- Measure and report on success in achieving business plan commitments and performance targets
- Adjust plans and budgets as required
- Continue service reviews for efficiency and effectiveness
- Prepare for 2016 two year review and update