Executive Summary

Budget decisions have a profound impact on our daily lives. From garbage collection, to public transit, to the safety of our neighbourhoods budgets sit at the heart of community development. A budget process has the capacity to identify and address health and social inequalities.

The City of Toronto’s 2012 budget process left much to be desired. From the marathon all night meetings following the core service review to the shortsighted recreational fee increases and tax cuts, it was a budget process that fell short of what is needed for good city building. However, Toronto’s recent civic struggle has triggered a renewed interest in city politics, telling us that Toronto is ripe for a restructuring of our local governance systems, including our budget processes, to better reflect our collective urban identity.

This report looks to other cities for ideas on improving budget processes. It focuses on four jurisdictions — Calgary, Chicago, New York City and Philadelphia — to apply their strategies for better budget building to Toronto.

Four main areas emerge when examining these cities: resident engagement, accountability through oversight, fiscal prudence, and transparency through third-party intermediation.

From Calgary, we learn that resident engagement is a process that involves engaging community partners to understand what services are valued and how the budget can better reflect local needs. Residents are consulted about the actual consultation process, they are given reasonable time lines to give input, and they are engaged in multiple ways.

Chicago produces a non-partisan report informing residents about the budget options and what the trade-offs involved in municipal decision-making. This ensures that residents have access to information that looks at both sides of the ledger, outlining options on both increasing revenue and controlling expenditures, and mapping out the implications of proposed budget options.
New York City teaches us how the implementation of a more formal arm’s-length oversight mechanism might be implemented that might be appropriate for the increasing size and complexity of the Toronto city budget. Institutionalizing accountability in the local budget process enhances public trust in governance systems.

And last, in Philadelphia non-governmental bodies, with expertise in civic issues, are engaged in increasing budget literacy for residents and offering further insight into policy issues. These experts work as a bridge between communities and governments.

Although there is no specific recipe for budget reform, there are common ingredients. This paper recommends that Toronto look to the examples of Calgary, Chicago, New York and Philadelphia in order to create a better budget process for a better city.