



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: October 9, 2007
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TO: Standing Committee on City Services and Budgets
FROM: General Manager of Corporate Services/Director of Finance
SUBJECT: 2008 Operating Budget Schedule and Public Consultation Options

RECOMMENDATION

- A. THAT Council adopt the proposed 2008 Operating Budget timeline, along with the timing of the budget consultation process, as outlined in Table #3 on pg. 10 of the report.

CONSIDERATION

- B. THAT Council instruct the Director of Finance to proceed with the 2008 budget consultation process by selecting one or more of the following options:
- i) A public opinion poll / telephone survey soliciting the input of residents and businesses on the 2008 Operating Budget at an estimated cost of \$45,000;
 - ii) A City Choices Flyer:
 - a. Distributed by Direct Mail to all residents and businesses at an estimated cost of \$95,000; or
 - b. Distributed through the Courier and Ming Pao (status quo) at an estimated cost of \$57,000;
 - iii) General Public / Mixed Stakeholder Meetings on the 2008 Operating Budget:

- a. Council to decide on the number of general public meetings (not to exceed 4) at an estimated cost of \$3,000 per meeting; or
 - b. Council to decide on the number of general public meetings and mixed stakeholder meetings (not to exceed 4 in total) at an estimated cost of \$3,000 per meeting;
- iv) Advertise the 2008 budget consultation program in local newspapers (status quo) at an estimated cost of \$8,000

And THAT funding in excess of the \$101,300 already provided for budget consultation in the Operating Budget be added to the 2008 Operating Budget without offset.

And THAT Staff report back on the results of the budget consultation prior to final budget deliberations as outlined in the proposed budget timeline in Table #3 on pg. 10 of the report.

CITY MANAGER'S COMMENTS

This report is intended to set the general parameters associated with the 2008 Operating Budget process. The report requests Council direction on the 2008 budget consultation process and approval of the budget timeline.

The City has expanded the budget consultation process over the last six years. The process has evolved from the distribution of a newsletter and residential telephone survey to processes that have included: telephone surveys of residents and businesses, Mayor's forums, public meetings, stakeholder meetings, the use of the City's website and publications.

At Council's direction, staff conducted a review of the budget consultation process that included academic research as well as a review of other municipalities' processes. Through this review, it is evident that the City has a very extensive consultation process compared to most municipalities and utilizes many best practices. That is not to say that there are not ways to improve the existing process. However, the process does not require a wholesale change.

Utilizing a set of guiding principles, staff will implement a number of improvements to the existing processes and have detailed these improvements in Tables #1 and #2 on pg. 7 to 9 of this report. Those same guiding principles were used to bring forth, along with current methods, a number of potential new consultation options for Council consideration. In light of the tight budget timeline this year, some of these options would not be implemented this year and staff will bring forth those options for Council consideration for the 2009 Operating Budget.

As well, to make the content for the consultation more complete, the proposed 2008 budget consultation process will take place after the administrative budget review is complete and proposed initiatives and adjustments have been developed. This will allow Citizens the opportunity to provide their input on a more detailed and informative budget. As such, before the end of 2007, staff will seek Council direction on a target property tax increase

which will guide the preparation of adjustments to be incorporated into the budget consultation process.

Staff is in the process of evaluating the feasibility of redesigning the City Choices Website to include simulation tools and enhanced navigation features in time for the 2009 budget consultation process, and will report back on the cost estimates some time in 2008.

In making its final decision on the budget consultation process, Council should attempt to balance the need to educate and solicit input to the budgets with a process that is efficient, effective, and not cost prohibitive. Further, regardless of the methods chosen or investment in advertising, overall interest and participation levels may be hard to improve given the general lack of public interest in most government budget processes.

The remainder of this report outlines the proposed Operating Budget timeline that incorporates improvements to the budget consultation process. Council will be asked after the budget consultation to provide final direction on the property tax increase at which point an evening public meeting is to be held.

COUNCIL POLICY

The Vancouver Charter requires the Director of Finance to present the estimates of revenues and expenditures to Council no later than April 30 each year and for Council to adopt a resolution approving the budget and a rating bylaw establishing general purpose tax rates as soon thereafter as possible.

There are generally five reports in the budget building process:

- The Operating Budget Proposed Process Report provides Council with a proposed budget timeline and options for the budget consultation process, and asks Council to provide direction on a target property tax increase.
- The Preliminary Estimates Report provides Council with the first indication of the budget position and requests from Departments and Boards.
- The Public Consultation Report summarizes the results of the budget consultation process.
- The Interim Estimates Report summarizes the budget strategies developed for Council and seeks Council approval to finalize the estimates, bringing the budget into balance.
- The Final Report on the Operating Budget presents the finalized revenue and expenditure estimates, including any final adjustments approved by Council at the Interim Estimates Report stage. The Final Report is accompanied by a resolution in which Council adopts the estimates for the year.

PURPOSE

The purpose of this report is to outline an Operating Budget process for Council approval which involves options for a budget consultation program and a proposed budget timeline that incorporates process improvements to the budget consultation process.

BACKGROUND

In 2006, Council requested that staff report back on a plan to move forward the budget process to assure approval in the first quarter of the year. In reviewing the options, in July 2006, Council adopted two general budget timelines depending on whether the budget falls in an election year.

On March 1, 2007, Council passed a motion requesting that the budget consultation process be reviewed as follows:

"BE IT RESOLVED THAT staff provide a report by July of 2007 recommending the ways in which the City can improve the budget consultation process."

DISCUSSION

1. BUDGET CONSULTATION PROCESS REVIEW: SUMMARY

Approach

As a result of the Council motion, City Staff conducted a review of the budget consultation process which included the following:

- Current State Assessment:
 - Documentation of the current budget consultation process.
 - Identification and assessment of issues and feedback received.
- External Research:
 - Best practices research.
 - Interviews with other Cities / Municipalities.
- Comparison of External Research to the current budget consultation process.

The following sections provide a high level summary of the results of the review including recommendations and options for the 2008 budget consultation process. A more detailed summary of the review can be found in **Appendix 1 & 2**.

Results

A. Current Budget Consultation Process:

Consultation methods used for the City's annual Operating Budget are approved by Council and are managed by Corporate Budget Services in consultation with the Communications Department.

The City of Vancouver has used the following consultation processes in the past:

- Committee Meetings / Council Reports.
- Public Opinion Poll / Telephone Survey.
- City Choices Newspaper Flyer and Website.
- Public Meetings / Forums.
- Consultation with the Unions.
- Consultation involving City Boards.

The City's budget consultation process is typically advertised in local/community newspapers including multiple language papers and business magazines.

B. Best Practices:

External research reveals the following best practices in Public Consultation:

- Public consultations must be properly planned, objectives / guiding principles must be set, and consultation activities must be coordinated so they fit into a coherent and consistent consultation program or strategy.
- It is important to select the consultation method(s) that most effectively achieve the consultation objectives / guiding principles.
- The following can encourage participation: taking the consultation to the people, offering tokens of appreciation, making events more participative, and providing refreshments.
- Research suggests that in order to assess the successes and failures of a consultation program, evaluation is necessary and that evaluating whether a consultation program has been a success depends largely on the consultation objectives / guiding principles.

C. Interviews with Other Cities / Municipalities:

Part of the research included interviewing other Cities on what they do to consult with the public on the annual operating budget. Of the Cities contacted, the following responded: City of Edmonton, Halifax Regional Municipality, City of Ottawa, City of Calgary, City of London, Ekurhuleni Metropolitan Municipality (South Africa), City of Wellington (New Zealand), and various Cities within Metro Vancouver (Burnaby, Coquitlam, Richmond and Surrey).

D. General Comments / Feedback Received:

Feedback on the 2007 budget consultation process was received from a variety of internal and external stakeholders.

Of the comments received, those that are applicable have been incorporated into the options / process enhancements provided for the 2008 budget consultation process.

General Conclusions

Overall, the current state assessment indicates the City of Vancouver's budget consultation process uses multiple methods for soliciting input and educating the public, and that Citizens have a variety of different ways they can provide input on the operating budget.

In addition, comparing the City of Vancouver to other Cities interviewed indicates the City's current budget consultation process uses a more extensive array of consultation methods than most of the Cities interviewed.

A. Key Observations:

External and internal research suggests some areas that should be looked at further:

1. Continue with a budget consultation process that focuses on key consultation objectives / guiding principles as follows:
 - To ensure the budget process is accountable and transparent.
 - To educate Citizens on operating budget issues.
 - To ensure input is demographically representative.
 - To balance input from special interest / stakeholder groups with general public input.
 - To obtain buy in and budget input on key budget decisions.
 - To ensure a timely and effective budget process.
 - To ensure the budget consultation program is cost effective.
2. Provide more information on budget adjustments and cuts.
3. Improve budget consultation notification.
4. Focus on having a balance between general public and stakeholder group input.
5. Continue to have a consistent budget consultation program year over year.
6. Improve the external website (e.g. navigation, information posted, budget simulation tool, and budget consultation contact database etc).
7. Assess the trade off between advertising and the investment required.

2008 Budget Consultation Process Options

In light of the research conducted and the results of the budget consultation process review, the following section provides a list of options / process enhancements for the City's budget consultation process. Some of the options / process enhancements can be implemented for 2008 but others could only be implemented for the 2009 process due to limited staff resources in light of the labor disruption.

A. Public Consultation Content and Timing:

In the past, budget consultations have not included information on the budget strategies to balance the budget (i.e. information on the budget adjustments that are needed to achieve a target property tax increase) and have been based on preliminary budgets before the detailed administrative review of the budget.

To make the content for the consultation more complete, this information will be included as part of the consultation process. To achieve this, the proposed public consultation process will take place after the administrative budget review is complete and proposed adjustments have been developed. This gives Citizens the opportunity to provide budget input on a more detailed and informative budget. The timing is discussed in Section 2 on pg. 9.

B. Improvements and Options on the Current Methods Utilized by the City

The following table provides a summary of the consultation methods the City has used in the past along with recommended improvements, options (if applicable), costs, and suggested implementation timeline.

Table #1

Method	Improvements (Staff Lead Improvements)	Options (Council Approval Required)	Estimated Costs	Timing
Public Opinion Poll/Telephone Survey	<ul style="list-style-type: none"> Over-sample certain demographic groups with low response rate. Improve the advance letter to enhance participants' understanding of the importance of their participation, and to include budget information (City Choices Flyer). Ask how individuals want to be consulted with in the future. 	N/A	\$45,000 residents & businesses	2008
The annual telephone survey provides statistically reliable information with significant historical trends.				
City Choices Flyer	<ul style="list-style-type: none"> More concise. More space for comments. Response segmentation (residents / businesses / demographics). Encourage participation (employees, Council). Improve distribution and install drop boxes at City Hall, Libraries, Community Centres, and BIA's. Ask how individuals want to be consulted with in the future. 	Option 1: Direct Mail to all residents and businesses (Canada Posts Unaddressed Admail) Option 2: Status Quo (Courier and Ming Pao)	\$95,000 \$57,000	2008
Option 1 would result in all residents and businesses (regardless of property ownership) receiving a City Choices flyer compared to Option 2 which represents the status quo distribution through the Courier and the Chinese language newspaper the Ming Pao. Option 1 is more expensive and has the risk of the flyer being treated as junk mail while Option 2 has a smaller general distribution to residents and businesses but has a greater Chinese language distribution.				
City Choices Website	<ul style="list-style-type: none"> Improve linkages of webpages. More timely update and consistency in budget information. 	N/A		2008
	<ul style="list-style-type: none"> Improve navigation and features. Budget simulation tool. Budget consultation contact database. 		\$17,000	2009

Method	Improvements (Staff Lead Improvements)	Options (Council Approval Required)	Estimated Costs	Timing
<p>Improvements to the City's website involve its look, content, and tools that could be available externally and internally. Given the lead time for development, if approved by Council, improvement on linkage of webpages and timely update of budget information will be implemented in 2008 while the more complex enhancements could be implemented for the 2009 Operating Budget process.</p>				
<p>General Public / Mixed Stakeholder Group Meetings</p>	<ul style="list-style-type: none"> • An experienced and effective meeting facilitator. • Open to discussion /round table groups. • Food/refreshments. • Complete survey at end of meeting. • Complete comment form. • Posters at venue displayed early. • Mail drop of invitations (i.e. within a 3 block radius). 	<p>Option 1: Maximum of 4 General Public Meetings</p> <p>Option 2: Maximum of 4 meetings - combination of General Public Meetings and Mixed Stakeholder Group Meetings</p>	<p>\$3,000 per meeting</p>	<p>2008</p>
<p>Option 1 would be easy to administer but meetings may be dominated by stakeholder groups; Option 2 provides a better balance between stakeholder group input versus general public input. Stakeholders will have an opportunity to hear views of other interest groups and will be able to challenge each other. However, there may be some difficulty in identifying all stakeholders (complaints may arise if certain groups are missed) and ensuring that stakeholder groups do not attend the general public meetings.</p>				
<p>Committee Meetings/Council Reports</p>	<ul style="list-style-type: none"> • Status Quo. • Provide information on how to register as speaker. 	<p>N/A</p>	<p>No incremental cost.</p>	<p>2008</p>
<p>Union Consultations</p>	<ul style="list-style-type: none"> • Status Quo • Provide information on adjustment proposals would be available for the union to provide comments. 	<p>N/A</p>	<p>No incremental cost</p>	<p>2008</p>

B. Possible Additions:

The following table provides a summary of additional consultation methods available to the City including a description of the method, costs, and suggested implementation timeline:

Table #2

Method	Description	Estimated Cost	Timing
GVTV Segment	<ul style="list-style-type: none"> GVTV segment on the operating budget and budget consultation program. 	\$5,000	2009
Focus Groups	<ul style="list-style-type: none"> Demographically representative individuals meet to discuss the operating budget. 	\$3,100 - 4,000 per group	2009
Alternate or Additional Advertising Options	<ul style="list-style-type: none"> Before adopting any additional advertising methods, Council should weigh the costs against the anticipated benefits as research indicates that overall interest and participation levels may be hard to improve given the general lack of public interest in most government budget processes. The options include: <ul style="list-style-type: none"> Local Papers (status quo). 	\$8,000	2008
	<ul style="list-style-type: none"> TV Advertising. GVTV Public Service Announcements. Radio Advertising. Newspaper ads in the Vancouver Sun and or Province. 	\$30,000 \$150 - 800 \$4,750 - 8,500 \$2,700	2009
City News Article	<ul style="list-style-type: none"> Article about the 2008 Budget Consultation Program in the December City News edition to be distributed with the property tax bill. 	No incremental cost.	2008
Get Under-Represented Groups Involved	<ul style="list-style-type: none"> Work with key departments to develop strategies to improve participation of under-represented groups. 	No incremental cost.	2009

2. PROPOSED OPERATING BUDGET TIMELINE

For the 2008 Operating Budget process, there are two major considerations when determining the proposed budget timeline:

- Budget Consultation Process* - As was presented earlier, one way to improve the budget consultation process is to provide the public with more up-to-date and complete information. In order to do this, the budget consultation process will begin after the completion of the administrative review of the budget and to include the proposed adjustments necessary to balance the budget. This will allow the public to provide input on the base budget, initiatives, and adjustments. This proposed approach to the budget process and public consultation eliminates the need for the Preliminary Budget Estimates Report given that the information within this report would be incomplete for decision making and budget consultation purposes.
- Labor Disruption* - Many of the key personnel involved in the budget process have been redeployed to critical City operations during the labor disruption. Much of the budget development has historically occurred during the summer and fall period, however, some of these functions have been deferred to late fall and December due to staff shortages.

The following table outlines the 2008 Operating Budget process:

Table #3

2008 Operating Budget		Comments
Council Direction - Budget Timeline, Budget Consultation Approach	Oct 16 07	Delayed due to labor disruption; includes report back on budget consultation study
Council Direction - Target Property Tax Increase	End of 2007	To enable CMT to begin formulating budget proposals within the target property tax increase
New/Expanded Program Requests (incl. VPD Operational Review)	Dec 07	
Report to Council - Base Budget, Initiatives, Adjustments	Feb 12 08	Combination of Preliminary and Interim Estimates incorporating all proposed initiatives and reductions to meet the target property tax increase
Public Consultation	Feb 13 - Mar 14 08	Budget Consultation Enhancement - occur after the administrative budget review and development of CMT budget strategy to meet target property tax increase to provide the public with more complete and up-to-date information on the base budget, initiatives, and adjustments
Budget Consultation Results	Apr 1 08	
Council Deliberation - Council provides direction on budget adjustments, initiatives, and overall tax increase	Apr 1 08	
Evening Public Meeting - obtain input on Council Decisions (as of April 1 st)	Apr 7 - 11 08	Budget Consultation Enhancement - to provide the public an opportunity to comment on Council's decisions on balancing the 2008 budget
Final Estimates	Apr 15 08 <i>(Apr 28 08 if Council modifies decisions based on the evening public meeting)</i>	
Tax Rate Reports	Apr - May 08	

For 2008, the first presentation of the Operating Budget will occur in February 12, 2008. This timeframe will allow for the completion of the administrative budget review and the development of the budget strategy by the Corporate Management Team. Once the report is published, budget consultation will be held. On April 1, 2007, a report will be presented to Council with the results of the budget consultation. It is at this point that Council will make decisions on initiatives and adjustments and set the overall property tax increase. An evening public meeting will be subsequently held to provide the public the opportunity to comment on Council's decisions on balancing the 2008 budget. The final budget will then be approved on April 15, 2008, unless a further change is requested by Council based on the evening public meeting.

Staff are in the process of determining the overall net savings from the labor disruption and will report to Council as soon as possible in early 2008.

3. COUNCIL'S ROLE IN THE OPERATING BUDGET AND BUDGET CONSULTATION PROCESS

Throughout the Operating Budget process, Council has been involved in the following key areas:

- Approving the Operating Budget timeline;
- Providing direction on the budget consultation process;
- Setting a target property tax increase to enable the Director of Finance, in consultation with the Corporate Management Team, to formulate budget strategies to meet Council's target;
- Providing direction on Council priorities;
- Attending public meetings; and
- Balancing the Operating Budget by approving new program initiatives and adjustments and confirming the level of property tax increase based on budget consultation results and Council priorities.

FINANCIAL IMPLICATIONS

The following summarizes the financial implications of each budget consultation process option:

2008 Budget Consultation Program	
Consultation Options	Estimated Costs \$
Public Opinion Poll / Telephone Survey:	
Residents & Businesses	45,000
City Choices Flyer & Website:	
Option 1 - Direct Mail	95,000
Option 2 - Status Quo	57,000
Web Site Redevelopment (2009 Consultation)	17,000
General Public / Mixed Stakeholder Meetings (\$3,000 per meeting):	
4 meetings	12,000
GVTV Segment	5,000
Focus Groups:	
Mini Group (4-5)	3,100
Full Group (8)	4,000
Advertising:	
Local Papers	8,000
TV Advertising	30,000
GVTV Public Service Announcements	150 - 800
Radio Advertisements	4,750 - 8,500
Vancouver Sun / Province Ad (1)	2,700

\$101,300 has already been included in the 2008 Operating Budget for budget consultation. Funding in excess of the \$101,300 will be added to the 2008 Operating Budget without offset to reflect Council direction on the type and frequency of the methods chosen.

CONCLUSION

This report provides options for improving the budget consultation process and a proposed budget timeline for the 2008 Operating Budget.

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Appendix 1 - Budget Consultation Process Review Summary

A. Current Budget Consultation Process

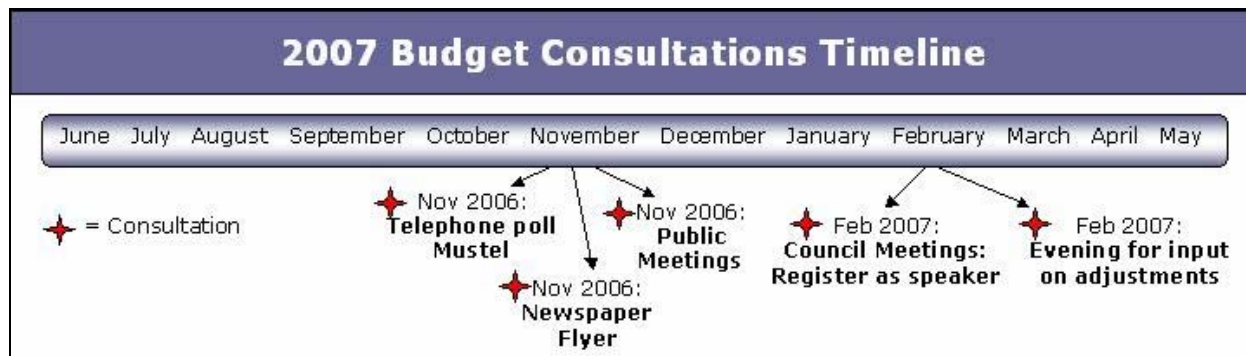
The major consultation methods are approved by Council and are managed by Corporate Budget Services in consultation with the Communications Department. The following provides an overview of the consultation methods the City of Vancouver has used in the past:

- *Committee Meetings / Council Reports:* The City's Committee meeting process is a minimum form of public consultation in that the public has access to reports 5 days prior to the meetings and can attend and provide input to Committees by registering as a speaker. Each speaker is given 5 minutes to speak and this opportunity is typically provided when Council is deliberating over the Interim Estimates Report.
- *Public Opinion Poll:* The City has used surveys of public opinion in 1997, 1999, 2001, 2002, 2003, 2004, 2005, 2006, and 2007. These involve the use of a professional polling firm to undertake telephone surveys with residents and businesses. Areas covered are as follows: issues facing the City of Vancouver; perceptions of City services and property taxation; feedback on budget options; acceptance of various levels of property tax increase; and priorities for City services.
- *City Choices Newspaper Flyer and Website:* The flyer and website provides educational information on the budget process, describes where the City spends its money and where it comes from, and the issues facing Council in bringing the budget into balance. The flyer is published on the basis of the City's advertising policy in the community and in a Chinese language paper, is distributed through Community Centres and Branch Library's, is posted on the City's website, and is distributed to the City's Business Improvement Areas. In 2007, the Web Site included all information relating to the budget including the budget schedule, a calendar indicating when each consultation activity takes place, and all council reports relating to the budget.
- *Public Meetings / Forums:* Public meetings provide individuals and groups with an opportunity to provide input on budget decisions the City must make. These are typically held in Community Centres in various locations. A forum approach was used in 2003, 2004, and 2005 each year taking a slightly different approach. In 2003 two meetings were convened by the Mayor at which a short presentation on the budget issue was presented and the public was invited to respond. In 2004, forums revolved around 2 themes. In 2005, 11 meetings with community organizations and 6 public meetings at community centres were held.
- *Consultation with the Unions:* In 2004, 2005 and 2007 meetings were held with Union representatives. These meetings have typically taken place just after the Preliminary Estimates Report is released and provides the Unions with an opportunity to provide comments on the budget.
- *Consultation involving City Boards -* The Public Library and Police Board participate in the City's budget consultation process. Board members may address Council in public meetings, and staff are available to answer questions. The Vancouver Park Board holds separate consultations for residents to provide feedback on increases to Fees and Charges,

to review the breadth of current parks and recreation services, and to share ideas on the upcoming operating budget.

Due to the Park Board Global Budget, specific initiatives and adjustments are not presented to Council for budget deliberation. Rather, Council approves a specific dollar amount as the Park Board budget, leaving the Park Board to determine the specific adjustments that would be implemented.

- *Advertising:* The meetings and online survey were advertised in 11 community newspapers in 2007, including multiple language papers. The 2007 budget consultation process provided more advertising than in previous years which limited advertising to the Courier and the Ming Pao (a Chinese language newspaper).
- *Budget Consultation Timing:* The graphic below entitled '2007 Budget Consultations Timeline' depicts when the budget consultation process took place. The City has typically consulted with the public on budget in the time period between the Preliminary and Interim Estimates Report.



B. External Research

i) Best Practices:

External research reveals the following best practices in public consultation:

- Public consultations must be properly planned, objectives / guiding principles must be set, and consultation activities must be coordinated so they fit into a coherent consultation program or strategy.
- There are a variety of consultation methods available (table below) and although there are no specific rules for selecting consultation methods or techniques, it is important to select the consultation method that most effectively achieves the consultation objectives / guiding principles.

The following table provides a summary of the various public consultation methods available:

Grouping	Advantages	Disadvantages
1. Methods that Educate the Public:		
Examples: Advertising, internet, news releases, leaflets / brochures, newsletters, bill stuffers, exhibits / displays, video, television.	<ul style="list-style-type: none"> ✓ Potential to reach a broad audience or be targeted to particular groups. ✓ Helps keep the project in the public eye. ✓ Effective presentation of information can help people understand. 	<ul style="list-style-type: none"> ☒ Information only has an impact on those who pay attention to the material. ☒ Can be costly and expensive. ☒ Information may not be readily understood and may be misinterpreted.
2. Methods that Distribute and Solicit Public Comment:		
Examples: Local newspaper inserts, bill stuffers, internet surveys and polls, mailed surveys and questionnaires, direct mail, telephone surveys, staffed information hotline, open house, briefings.	<ul style="list-style-type: none"> ✓ Can provide input from individuals unlikely to attend public meetings. ✓ Provides input from a cross section of the public. ✓ Can promote a feeling of accessibility in that individuals can provide input using a method convenient to them. 	<ul style="list-style-type: none"> ☒ Subject may be of limited interest to the audience and may attract a small number of responses. ☒ Limited information can be conveyed and the message may get misinterpreted. ☒ Results may not be statistically reliable and the level of detail can be limited.
3. Methods that involve Direct Participation of Citizens:		
Examples: Public meetings, polls, workshops, focus groups, interviews.	<ul style="list-style-type: none"> ✓ Useful in dealing with complex issues. ✓ One on one interaction between the public, Staff, and elected Council. ✓ Can be targeted to particular demographic or stakeholder group. 	<ul style="list-style-type: none"> ☒ Typically more expensive and labor intensive to organize. ☒ Can be intimidating and taken over by interest groups or vocal individuals. ☒ Requires personal time commitment of the participating individuals.

Electronic Methods: Along with more traditional methods, electronic consultation methods are increasingly being used as a method for consulting with the public. Further, there are high expectations for the use of technology in strengthening government citizen connections.

- Budget simulation tools are an example of a unique and innovative electronic consultation method. A simulator allows the public to find out about each area of the City and Council's work and how much it costs each year. Users can decide how they would like to allocate money across departments. If spending is too high in too many areas, a warning states that tax rates must be raised. Once completed, these responses can be consolidated and sent electronically to City Staff / Council and the information used to help prioritize budget spending for the year.
- Securing involvement in public consultations particularly related to budgets can be difficult. Research suggests that taking the consultation to the people, offering

incentives, making events more participative, and providing refreshments can encourage participation. It also stresses the importance of inclusive consultations (for example young people, ethnic minorities, and people with no permanent home).

- Research suggests that in order to assess the successes and failures of a consultation program, evaluation is necessary. It also suggests that deciding how effectiveness will be assessed should be a fundamental part of consultation design and that evaluating whether a consultation program has been a success depends largely on the consultation objectives / guiding principles.

ii) Interviews with other Cities / Municipalities:

Part of the research included interviewing other Cities on what they do to consult with the public on the annual operating budget. Of the Cities contacted, the following responded: City of Edmonton, Halifax Regional Municipality, City of Ottawa, City of Calgary, City of London, Ekurhuleni Metropolitan Municipality (South Africa), City of Wellington (New Zealand), and various Cities within Metro Vancouver (Burnaby, Coquitlam, Richmond and Surrey).

Overall, it appears the City of Vancouver's current budget consultation process is more extensive than each of the Cities mentioned with the exception being the City of Wellington. The City of Wellington has an extensive consultation program and creates a detailed consultation and communications plan which provides a detailed overview of all specific consultation activities including a description of the communication tools used to raise awareness, tools used to communicate the budget, and the various ways the public can provide input. This plan has proven successful in achieving high levels of community feedback.

In terms of Union consultation, most of the Cities interviewed had no formal consultations with the Union, however Union representatives were typically welcome to join the consultation process such as attend public meetings.

The following section provides a high level summary / highlights of the interview with each City:

City of Edmonton, Alberta

Highlights from the City of Edmonton's budget consultations are as follows:

- Citizen's satisfaction survey: This survey is performed every 2 years in the spring. On the off year, results from the previous year are used to help guide budget decisions. The City has found that survey responses do not vary significantly from year to year and therefore there is no need for an annual survey.
- Library / Mall Visits: This form of consultation was used in the past and consisted of booths set up in Public Library Branches and Malls to communicate the budget to the public. The City found these sessions were not effective given the lack of interest generated and amount of staff time necessary.

Halifax Regional Municipality (HRM), Nova Scotia

Budget consultation activities have varied year to year and no consultations took place in 2006/2007. The following provides some highlights from HRM budget consultations:

- **Community Council Sessions:** In 2003 - 2004 HRM held regional and district Community Council Sessions when budget estimates were available. Individuals could go to these sessions and discuss the budget and other issues. These were relatively ineffective due to lack of attendance (despite the advertising).
- **Round Table Discussions:** In 2004 - 2005 HRM held round table discussions, which were considered effective given that citizens had the opportunity to discuss and interact with each other and city staff in a relatively un-intimidating and informal way. Discussions were related to services and service priorities and sessions were held early enough in the budgeting cycle to incorporate feedback it into the budget.

City of Ottawa, Ontario

The following provides some highlights from the City of Ottawa's budget consultation process:

- **Project Team:** A project team dedicated to the budget consultation process is set up for the duration of the budget consultation period. This team consists of a project lead, project coordinator, and representatives from the public information branch. This team is responsible for the coordination of all budget consultation activities and has worked well for the City of Ottawa.
- **Ward Meetings:** Councillors hold meetings within their wards to provide budget information and answer questions on the budget. These meetings take place after the draft budget is tabled and are advertised in community newspapers and the Ottawa daily. Overall it is felt the ward meetings are the most effective method of consultation.
- **Advisory Committee Consultations:** The City consults with the chairs and vice chairs from various committees' that are formed by the City (range from Taxi Advisory Committee to Equity and Diversity Advisory Committee). These meetings take place after the draft budget is tabled. A separate meeting is held with the business advisory committee.

City of Calgary, Alberta

Overall, the City does not spend a lot of time and resources on public consultations relating to the budget. Most of the effort is geared toward gaining comment and feedback on the proposed budget once it is prepared, not in creating the budget. The following provides some highlights from the City of Calgary interview:

- **Customer Satisfaction Survey:** The City has a Customer Satisfaction Survey telephone poll, which has budget related questions but is not used to specifically consult on the budget. This is done annually, in September/October and ~1,000 residents are surveyed.

City of London, Ontario

The following provides some highlights from the City of London's budget consultation process:

- Shopping Mall Drop In: Budget information booths staffed by Councillors and Finance representatives are set up in malls. The public can drop in and ask questions or fill out a comment form. These are held after the budget has been delivered and tabled by Council (budget estimates).
- Focus Groups: In the past, a focus group was set up to provide input on strategic planning (not specifically related to the budget). City Staff sat behind a glass wall for observation. A facilitator asked the group questions and issues were discussed. City Staff observed and found the openness of the interaction interesting and educational.

Ekhurleni Metropolitan Municipality, South Africa

The following provides some highlights from Ekhurleni's budget consultation process:

- Regional Meetings: There are 3 public consultation meetings (1 for each of 3 regions) in October / November (to deal with the draft budget) and in March / April (to deal with a more final version of the budget). Venue, location, day and time of day is important and if selected appropriately can encourage participation. These meetings are advertised through local newspapers and on the web.
- Direct Communication (Mail or Web): The public can communicate directly by writing a letter to Staff / Council or by using the 'Budget Tip' program. The budget tip program is a mechanism where individuals can submit budget tips through the web.

City of Wellington, New Zealand

Overall, the City of Wellington appears to have a well thought out, effective and efficient budget consultation program.

The City of Wellington creates a consultation and communications plan for its annual budget consultations. This plan provides a detailed overview of all specific consultation activities including a description of the communication tools used to raise awareness, tools used to communicate the budget, and describes the various ways the public can provide input. This plan has proven to be successful in achieving high levels of community feedback. The goal of this plan is to provide a range of communication tools and mix of opportunities for people to express their views.

Raising awareness of the budget consultation exercise is targeted at a broad audience (i.e. Wellington community, local and national organizations, Council reference and advisory groups, individuals and organizations in Council's Annual Plan database of ~400 people, etc). This is a database where interested individuals can sign up and express their interest in being contacted about the upcoming budget consultations. A letter outlining the timing and scope of the consultation program is sent to the individuals registered in the Annual Plan database.

Select Metro Vancouver Cities

Burnaby, Coquitlam, Richmond and Surrey were contacted and provided information relating to their budget consultation process via email. Overall, the City of Vancouver's consultation process is more involved.

City to City Comparison (2007)

The table below provides a summary of each City interviewed and a snapshot of some of the consultation methods used:

		Vancouver	Calgary	Edmonton	Ekhurleni	Halifax ⁽¹⁾	London	Ottawa	Wellington	Burnaby	Coquitlam	Richmond	Surrey	Plateau ⁽²⁾
1	Methods that Educate the Public													
	Brochure			<input checked="" type="checkbox"/>										
	Information Repository (i.e. Libraries)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									
	Consultation Reminder Letter of pending public process								<input checked="" type="checkbox"/>					
	Information Fair / Session		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>							
	News release(s) / Public Notice(s)	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>					
	Newspaper Advertising	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
	Newspaper Insert	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>							
	Radio Advertising								<input checked="" type="checkbox"/>					
	Newsletter								<input checked="" type="checkbox"/>					
	Video								<input checked="" type="checkbox"/>					
	Website (i.e. contacts, reports, consultation info)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Methods that Distribute and Solicit Public Comment													
	Feedback Form							<input checked="" type="checkbox"/>						
	Council Networks								<input checked="" type="checkbox"/>					
	Newspaper Survey	<input checked="" type="checkbox"/>												
	Ask Public to make a free form Submission Online								<input checked="" type="checkbox"/>					
	Ask Public to make an Oral Submission								<input checked="" type="checkbox"/>					
	Staff Led Telephone Survey					<input checked="" type="checkbox"/>								
	Telephone Survey (professional polling firm)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			
	Web Survey	<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>			
	Ask Public to make a Written Submission				<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>					
3	Methods that Involve Direct Participation of Citizens													
	Advisory Committee consultations							<input checked="" type="checkbox"/>						
	Business Advisory consultations							<input checked="" type="checkbox"/>						
	Community Council Sessions					<input checked="" type="checkbox"/>								
	Public Forum(s) with Specific Themes			<input checked="" type="checkbox"/>										
	Public Meeting(s)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Round Table Discussions					<input checked="" type="checkbox"/>								
	Shopping Mall Drop Ins						<input checked="" type="checkbox"/>							
	Ward Meetings							<input checked="" type="checkbox"/>						
4	Methods where Citizens make Decisions													
	Participatory Budgeting													<input checked="" type="checkbox"/>
Notes:														
	(1) Halifax only produced budget booklet this past year but has used the other consultation methods in previous years.													
	(2) Only researched the participatory capital budgeting process at the Plateau (which was out of scope for this review).													

iii) General Comments and Feedback Received:

Feedback on the 2007 budget consultation process was provided by a number of internal and external stakeholders. Some of the feedback is relevant while some was due to an issue of perception. The following section highlights some of the feedback received.

Public Opinion Poll / Telephone Survey:

- Cell phones and the Younger Demographic: Unfortunately, cell phone numbers are not published and those without a land line / phone service are unable to participate in the survey.
- Understanding Importance of the Survey: People selected for telephone interviews need to understand why it is important for them to participate and this should be outlined a part of the advance letter. Staff may also wish to send selected individuals a copy of the City Choices flyer in advance of the interview for a more informed response.

City Choices Flyer and Website:

- Individuals can submit multiple responses thus reducing the statistical reliability of the survey.
- Low participation in 2007: 1711 responses were received of which 1469 were through the web (86%). Of the newspaper flyers distributed, 242 of 237,725 were returned (0.1%). Note: Still highest participation compared to other years.
- There was an insertion error made by the Courier in the eastside edition which was corrected by the Courier at no cost to the City.
- Some believed the flyer should be distributed more extensively throughout the City.
- There was some feedback that inserts were not available at libraries, community centres, and BIA's even though inserts were distributed widely to all three.
- The survey did not distinguish between business and property owners nor did it address the issue of tax distribution.
- No area on survey form (web and paper) to provide general comments (i.e. free form field).

Public Meetings:

- Low participation in 2007: Approximately 50 attendees, which is similar to participation in previous years.
- Subject to unexpected events (weather and demonstrations).
- In 2007, there were no real "hot button" issues that tend to draw more attendees.
- Some suggested the advertising of public meetings was lacking. Note: In reality, meetings were heavily advertised.
- Lack of consistency: The public is not accustomed to the timeframe of public meetings and the public consultation process in general.
- Majority of participants tend to represent associations and stakeholder groups.

C. General Conclusions

Overall, the current state assessment indicates the City of Vancouver's Budget Consultation process uses multiple methods for soliciting input and educating the public, and that Citizens have a variety of different ways they can provide input.

In addition, comparing the City of Vancouver to other Cities interviewed indicates the City uses more consultation methods than most Cities. That said, external and internal research suggests some areas that should be looked at further:

- Establish a budget consultation process that focuses on key consultation objectives / guiding principles as follows:
 - To ensure the budget process is accountable and transparent.
 - To educate citizens on operating budget issues.
 - To ensure input is demographically representative.
 - To balance input from special interest / stakeholder groups with general public input.
 - To obtain buy in and budget input on key budget decisions.
 - To ensure a timely and effective budget process.
 - To ensure the budget consultation program is cost effective.
- Provide more information on budget adjustments and cuts.
- Improve budget consultation notification.
- Focus on having a balance between general public and stakeholder group input.
- Focus on having a consistent budget consultation program year over year.
- Improve the external website (e.g. navigation, information posted, add a budget simulation tool or game, and budget consultation contact database etc).
- Assess the trade off between advertising and the investment required.

Appendix 2 - 2008 Budget Consultation Program Options / Process Enhancements

In light of the budget consultation process review, the following section provides a series of options for Council consideration based on research performed and feedback received.

i) Options / Process Enhancements to improve Existing Budget Consultation Methods:

A) Public Opinion Poll/Telephone Survey

Advantages	Disadvantages
✓ Results are representative of the views of a statistically significant sample of the population.	× Survey does not engage the public in dialogue on issues.
✓ Survey firm provides translation services.	× Difficult to survey the younger demographic who typically use cell phones.
✓ Provides statistically reliable input on issues of interest to Council at a relatively low cost per response.	× Survey takes approximately 15 - 18 minutes to complete.

Recommendation: The annual telephone survey should be retained as it is statistically reliable and results are often used by the communications department for other projects or inquiries.

The following is a list of process improvements for the telephone survey:

- Over-sample certain demographic groups with low response rate (for example the younger demographic).
- Adjust the advance letter so it explains why it is important for the individual to participate.
- Send budget information (City Choices Flyer) with the advance letter to those selected for the interview.
- Add a question to the survey that asks how the individual wants to be consulted with in the future.

Cost: Approximately \$45,000 (residents and businesses).

B) City Choices Flyer and Website:

Advantages	Disadvantages
✓ A good tool to educate the public on the budget process and decisions to be made.	× Survey is self selecting, and therefore, not statistically reliable. The results do not necessarily reflect the opinions of the community as a whole.
✓ Citizens can either complete the newspaper survey or complete the survey on-line.	× Response rates are low: in 2007 237,725 inserts were distributed and 242 were mailed in whereas 1,469 were received through the City's website. Total responses 1,711.
✓ Provides an avenue for Citizens not wishing to attend public meetings to provide their feedback.	× There is no way to tell if Citizens are submitting multiple responses.

City Choices Flyer - Options:

Option 1: Send City Choices Flyer by Direct Mail using Canada Posts Unaddressed Admail

- The City Choices Flyer and survey would be produced and sent by direct mail to all residents and businesses.
- Flyers sent by direct mail would have a unique identifier which would help track response rates for the surveys received by citizens through direct mail.
- Flyers would still be distributed at Community Centres, Library's and BIA's (no unique identifier).
- The Flyer would include information on how the survey can be accessed in the Chinese language (copies would be produced for distribution upon request, and would be available on-line).

Pros: All residents and businesses would receive a City Choices Flyer and there would be unique identifiers reducing the number of duplicate submissions by individuals.

Cons: Higher cost and may be considered "junk mail" and therefore ignored; Chinese language version would not be as readily available.

Cost: Total estimated cost would be \$95,000.

Option 2: Status Quo - Distribute through the Courier and Ming Pao

- Keep the current process for distributing the City Choices insert with some minor improvements (see process improvements listed below).
- Place the survey insert in an issue of the Courier where there are not a lot of other inserts (if possible).

- Make the flyer stand out from the larger newspaper by making the flyer a unique shape or form, or having the flyer slightly larger and sticking out of the side of the larger newspaper.
- Place an ad on page 3 of the Courier (upper right corner) directing readers to check the middle of the paper for the budget survey and information.

Pros: Less costly and distribution through the Chinese language newspaper.

Cons: Limited distribution to businesses, flyers can be missed or ignored, and not all households receive / read the Courier.

Cost: Total estimated cost would be \$57,000.

The following is a list of process improvements for the City Choices Flyer (options 1 & 2)

- Make the flyer less wordy and more concise.
- Allow more space for comments.
- Add open ended questions to the survey so the user can provide their comments in free form.
- Add a question that asks the individual how they want to be consulted with in the future. Take note of the responses and adjust the consultation program if necessary.
- The survey should differentiate between businesses and residents and any other pertinent demographics.
- Encourage employees of the City of Vancouver who are residents of Vancouver to complete the survey and spread the word to family and friends. In addition, Council should encourage Citizens and groups within their networks to participate.
- Improve distribution at Libraries, Community Centres, and BIA's. Meet early with representatives to discuss distribution and numbers. Work with the Library on ways to encourage people to use library computers to fill in the questionnaire.
- Make it easier to send in the questionnaire including placing a drop off box in City Hall rotunda, Libraries, and Community Centres.

<i>City Choices Web Site:</i>

It is recommended that the City Choices Web Site be redesigned in time for the 2009 Budget Consultation Program. Specific recommendations are as follows:

- Improve linkages of webpages (2008).
- More timely update and consistency of budget information (2008).
- Improve navigation and features (e.g. posting of budget FAQ's, a section that displays new information, pop up that asks users if they want to complete the survey when they visit the site).

- Create a custom budget simulation tool. This tool would allow the user to make various budget choices and would provide the implications of each. Responses could be either submitted directly through the web to Staff for analysis or the tool could be used to help the citizen understand the choices that need to be made, and how the budget is set.
- Create a budget consultation contact database where individuals or groups interested in participating in the consultation program or being alerted of new budget information can provide their email addresses and or contact information and be alerted to the various budget activities taking place.

Cost: Approximately \$17,000 to have an external company to create a new and improved website.

C) General Public / Mixed Stakeholder Meetings

Advantages	Disadvantages
✓ Face to face discussions on budget issues can take place.	× Dominance of stakeholder/ special interest groups in the overall attendance.
✓ Council can hear input from individuals and groups on the decisions that need to be made.	× Meeting attendees are not necessarily representative of the general public.
✓ Demonstrates a willingness to meet with interested parties.	× Low attendance (i.e. 50 participants in 2007).

Option 1: Continue to Hold General Public Meetings (Status Quo)

In this option, the City would hold general public meetings which would be open to anyone who wishes to attend i.e. both the general public and stakeholder groups.

Pros: Consistent with other years and easy to administer.

Cons: Meetings may continue to be dominated by stakeholder group and have low attendance.

Cost: Total estimated cost including a meeting facilitator and facility is approximately \$3,000 per meeting. It is recommended that no more than 4 general public meetings be held.

Option 2: Hold General Public Meetings and Separate Meetings just for Mixed Stakeholder Groups

Along with general public meetings, the City could establish separate public meeting(s) for mixed stakeholder and advocacy groups (e.g. ThinkCity, Women’s Groups, Fair Tax Coalition, Board of Trade, Seniors Groups etc).

The City would send an invitation to the various stakeholder or advocacy groups to provide them with meeting details (e.g. time, day, location, input sought, where to find background information). This will be an avenue where the various groups could provide their perspective, values, and concerns, ask questions, and hear the views of other stakeholder groups.

Pros: Balance between stakeholder group input versus general public input. Stakeholders have an opportunity to hear views of other interest groups and be able to challenge each other.

Cons: Difficult to identify all stakeholders (complaints may arise if certain groups are missed), and difficult to ensure that stakeholder groups do not attend the general public meetings.

Cost: Total estimated cost including a meeting facilitator and facility is approximately \$3,000 per meeting. It is recommended that no more than 4 meetings in total be held.

The following is a list of process improvements for public / mixed stakeholder meetings (options 1 & 2)

- Ensure that the meeting facilitator is experienced and effective.
- After the introductory presentation, the meetings should be open to discussion (open dialogue). Alternatively, meeting participants could be broken into round table discussion groups. The mechanism would ultimately depend on the number of participants - large groups would benefit from break out sessions for example.
- Meeting location and venue is important. The City should attempt to bring the meeting to the people, not the people to the meeting. In addition, attempts should be made to provide food/refreshments.
- Individuals should be asked to complete the City Choices Survey at the end of the meeting.
- Individuals should be encouraged to complete a comment form at the end of the meeting. This form will ask what the individuals liked, or disliked about the meeting as well as what the City could do better in the future.
- Posters must be displayed early at meeting locations, and signage must direct people to the meetings effectively.
- Mail drop of invitations to neighbourhoods near meeting locations should be considered (i.e. within a 3 block radius).

D) Committee Meetings/Council Reports

Advantages	Disadvantages
✓ Helps expedite the budget process.	× Lacks broad public reach and does not engage public in dialogue on budget issues.
✓ No additional cost.	× Does not allow for significant input (5 minutes per person allocated).

Recommendation: The option for Citizens to register as speakers should be retained as the status quo. Staff will ensure information on how Citizens can register to speak at one of these meetings is clearly available on the City Choices Web Site.

Cost: No incremental cost to the City.

iii) Potential Additions

A) GVTV Segment on the Budget Consultations & Operating Budget

In the past, GVTV has been used to explain and provide information on the capital budget.

It is recommended that a GVTV segment on the operating budget and budget consultation program be produced. This video could be linked from the City Choices website and could be played before each Public Meeting. It takes on average one month to co-ordinate and produce the segment.

Cost: It costs on average \$5,000 for a 5 minute segment.

Timing: 2009

B) Focus Groups

Council may wish to establish focus groups in which a group of demographically representative individuals meets to respond to proposed actions and provide their perspectives and concerns. Questions are asked in an interactive group setting where participants are free to speak with other group members.

Pros: A way to gauge what the general public reaction is likely to be, and results are available quickly.

Cons: A skilled moderator is required, focus groups can be costly, and the quality of discussion and usefulness depend on the skill of the moderator.

Cost:

- Mini groups (recruit 6 for 4-5 to show): \$3,100 per group.
- Full groups (recruit 10 for 8 to show): \$4,000 per group.

Timing: 2009

C) Alternate or Additional Advertising Options

In 2007 the City advertised the budget consultation process through a number of local papers at a total cost of \$8,000 (Vancouver Courier (east/west/downtown), WestEnder, Georgia Straight, Xtra West, Ming Pao, Sing Tao, World Journal, Voice, Link, Thoi Bao, and Business in Vancouver).

Council has the option to choose alternate or additional methods to advertise the operating budget and budget consultation program. That said before adopting any additional advertising methods, the costs must be weighed against the benefits.

The following is an overview of additional or alternate advertising methods available and the associated costs:

- TV Advertising - 30 second ads and 15 second spots running for one week, non primetime on Global, CityTV, Channel M, and Fairchild produced in-house with GVTV for a total cost of approximately \$30,000.
- GVTV Public Service Announcements (PSA) - costs vary according to the duration and format of PSAs; 5 second - 30 second footages range from \$150 to \$800.
- Radio Advertising - costs vary according to the duration and format ranging from \$4,750 to \$8,500.
- Newspaper ads in the Vancouver Sun and or Province - One mid week ad in the Vancouver Sun would cost \$1,500 and \$1,200 in the Province.

D) Utilize City News to get the word out to Citizens

City News is mailed in December and June to more than 140,000 tax paying citizens along with tax notices, and is distributed through City of Vancouver facilities such as library branches, community centres and fire halls.

An article about the 2008 Budget Consultation Program would be included in December City News edition.

Cost: No incremental cost.

Timing: 2008

E) Get Under-Represented Groups Involved

Securing the involvement of young people, multicultural groups, the under-privileged, businesses in consultations can be difficult to achieve. That said City Staff should work with the appropriate departments to develop strategies to help get these groups involved in the budget consultation process.

Cost: No incremental cost.

Timing: 2009