Participatory Breakthroughs and Reversals:
A case study of participatory budgeting in Hamilton, Canada

by

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Abstract

Participatory budgeting tends to manifest as a civic engagement tool governed by the state, but in Hamilton, Canada, a unique albeit short-lived public budgeting system jointly governed by state and civil society institutions was established. State and civil society actors struggled over who had power over the governance and administration of the system, and eventually the state actors dissolved the budgeting system and instituted a new one that excluded the civil society institutions. Public participation in the exclusively state-managed budgeting system dropped by 43%, and by the third year state actors were proposing to discontinue participatory budgeting. Civil society leaders rejected this proposal and demanded the continuation of participatory budgeting and the re-recognition of civil society institutions, which the state actors accepted. This thesis builds on the Hamilton case, democratic theory, and theory of the state and civil society to show a potential pathway from liberal to participatory democracy.

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This study is dedicated to the people of Hamilton's Ward 2, and to our kindred spirits everywhere.

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1. Chapter: Introduction

This thesis describes and explains a struggle over control of a participatory budgeting system in Hamilton, Canada. Taking inspiration from this case, and building on Dahl's theory of democracy, Lefebvre's concept of *The Right to the City*, and Gramsci's concept of the *New Prince*, the thesis develops a state space model of governance in order to reveal and explain the shifts in power and show a potential pathway from liberal to participatory democracy. Since the activist behind the case and the author of this thesis are one and the same, this thesis describes an exercise in praxis.

Participatory budgeting, according to Uribatam de Souza, one of its originators, "is a mechanism (or a process) by which the population define the destination of part or the totality of public resources" (Cabannes 2015, p. 257). The process is credited to the *Partido dos Trabalhadores* (Workers' Party) government of Porto Alegre, Brazil. It was first instituted in 1989. Since then, it has spread to more than 1,700 cities in over 40 countries (Cabannes 2015, p. 257).

de Souza's definition, or a variant thereof, is frequently used in the literature. This thesis, while not critiquing the definition, will take an alternate approach, since the focus herein is neither the mechanism of allocation nor the destination of resources. This thesis concentrates on the potential of participatory budgeting to 'bridge' liberal to participatory democracy and the power struggle. The potential of participatory budgeting to transform state power structures has received relatively little attention (Hilmer 2010), since participatory budgeting has often been framed in terms of deliberative democracy, which only extends the state (Baiocchi and

Ernesto 2014, p. 35). Since the movement for participatory budgeting in Hamilton aimed at transforming state power structures, it has been necessary for the author to develop a dynamic analytical framework rooted in participatory democratic theory in order to describe and explain the re-distribution of state power from a sub-set of the population to the full population. The notion of the state deployed here is not the Weberian one, in which the state is a “human community that successfully claims the monopoly of the legitimate use of physical force within a given territory” (Weber 2015). Instead, the state is conceived of as a system of systems that organize action, bearing resemblance to Deleuze and Guattari’s concept of an “assemblage” (Deleuze and Guattari 1980). This perspective disaggregates the state as a monolith and reveals multiple sites of potential transformation. It is not necessary to conquer or destroy the state in order to comprehensively redistribute power from a sub-set of the population to the full population; the state can be reorganized system by system, in some cases through the creation of new systems that structure an equal distribution of power, and in others through the opening up of the governance of existing state systems.

Deliberative approaches to participatory budgeting focus on involving the public in administrative decisions but envision only a limited role for the public in governance decisions. For example, while Avritzer (2006), Wampler (2012), Baiocchi and Ernesto (2014), and Ganuza et al. (2014) emphasize the importance of exclusive public participation in governance of the deliberative side of participatory budgeting, they stop short of calling for public participation in the governance of the other sides of participatory budgeting. Baiocchi and Ernesto (2014) point out “self-

rule in Participatory Budgeting is conceived of as a deliberative process, closer to Habermas' theory than accounts of direct democracy or theories of radical democracy (p. 35)". The prerogatives of the state to govern the decisions systems that are upstream and downstream of deliberation are left unquestioned. This thesis questions those prerogatives and examines the distribution of power throughout the budgeting process system by system. In order to do so, it will need to move beyond existing analytical frameworks, such as that of Baiocchi and Ernesto (2014), which builds on Robert Dahl's concepts of contestation and inclusiveness. Baiocchi and Ernesto argue that participatory budgeting has a "communicative" and an "empowerment" dimension (p. 31). This thesis will develop a framework that involves three dimensions: governance, administration, and decision procedure. These concepts are elaborated and justified below. For now, we motivate what follows with the observation that power, as understood by Dahl, is ubiquitous. For Dahl, "A has power over B to the extent that he can get B to do something that B would not otherwise do" (Dahl 1957, p. 202). This definition of power has been the subject of critique by, among others, Bachrach and Baratz (1962) and Steven Lukes (1974). While recognizing the significance of this debate, we bracket it for now and provide a justification for the use of Dahl's concept here. Building on Hannah Arendt's (1958) observation that every action takes place in a preexisting "web of human relationships" (p. 178), and hence our actions are always conditional on actions in which we had no role in determining, it is evident that actors, whether human or otherwise, are constantly acting on and being acted on by one another, whether they are conscious of it or not, and consequently every living thing is

constantly being subjected to and subjecting others to power. The state is a system of systems that attempts to organize the inevitable production of power. The ways in which the state attempts this organization are forms of government; the form that is the focus of this thesis is democracy, which we turn our attention to briefly before elucidating our analytical framework.

Democracy, in its original Greek, *demos* meaning “the people” and *kratos* meaning “power”, refers to a regime in which citizens exercise power over themselves. A democracy, in literal terms, is a regime in which citizens *potentially if not actually, whenever they wish if not always*, exercise power over themselves. Understood in this way, democracy has never been practiced, or there is no historical record of such. This fact has not stopped regime leaders and various of their subject populations from describing theirs and others’ regimes as democracies. Were this misnomer aspirational it would be forgivable, but it is too often expressed with conviction. Consequently, democracy in the vernacular has come to mean nothing more than a regime in which citizens periodically elect representatives to exercise power over them, typically by majority votes, subject only to the limits of an entrenched constitution, a supreme court, and a subsequent election. This intuition about democracy is captured in Joseph Schumpeter’s definition:

...the democratic method is that institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote (Schumpeter 2003, p. 269).

It is the “competitive struggle for the people’s vote” that legitimates the acquisition of “the power to decide” by “individuals”. As such, democracy for Schumpeter is a

competitive, individualistic, and hierarchical method: the people who “acquire” the power to decide are put in a position over and above the people who vote for them.

Robert Dahl describes democracy as “a system of decision-making in which leaders are more or less responsive to the preferences of nonleaders” (Dahl 1955, p. 87). Dahl adds the requirements of “contestation” – freedom to formulate and express preferences that are counted equally within the system (Dahl 1971, p. 2) – and “inclusiveness” – “the proportion of the population entitled to participate on a more or less equal plane in controlling the conduct of the government” (Dahl 1971, p. 4). Democracy for Dahl involves nonleaders who are affected by leaders’ decisions and leaders who make decisions in response to nonleaders’ preferences.

Both Schumpeter’s and Dahl’s conceptions of democracy involve neoclassical market assumptions: candidates and voters share information perfectly, and voters have equal power to affect the candidates. Dahl also assumes elected officials take nonleaders’ preferences as given. In reality, these conditions are rarely fulfilled. Elections are often marred by intentional misinformation as candidates jockey for position and voters attempt to sway one another, and socioeconomic factors such as wealth, education, and connections affect the ability of these actors to jockey and sway. In short, there is not the level playing field on which Schumpeter and Dahl’s models rest. Furthermore, the “competitive struggle” makes it virtually impossible for candidates to be “responsive” to the preferences of voters. Instead, candidates attempt to shape those preferences to their advantage.

Dahl was aware of these practical limitations and for this reason described modern regimes that have a high degree of contestation and inclusiveness, but

which fall short of the democratic ideal, as “polyarchies”, meaning literally “many rule”. His conception of democracy is the more flexible of the two outlined above, since it can accommodate everything from Athenian direct democracy to modern liberal democracy, whereas Schumpeter can only accommodate the latter.

The influence of Dahl’s concept of polyarchy is evident in contemporary literature on democratization, wherein democracy and polyarchy have become synonymous. Cheibub et al. (2009) code a regime as a ‘democracy’ if it fulfills four conditions: it has a directly or indirectly elected chief executive, it has an elected legislature, its elections feature multi-party competition, and power changes hands under stable election rules (p. 69). Boix et al. (2012) specify three conditions: a directly or indirectly elected executive that is responsive to voters or to a legislature, a legislature that is elected under “free and fair” elections, and a majority of adult men can vote (p. 1530). Normative issues aside – a regime without the participation of women does not a democracy make – these minimalist conceptions of democracy lack Dahl’s sensitivity to issues of freedom and equality. Since the literature on democratization is concerned with trends in the degrees of contestation and inclusiveness, it may be that these minimalist conceptions of democracy reflect not teleological positions but ranges of contestation and inclusiveness that are perceived to be probable under contemporary circumstances.

Not all scholars of democracy operate within these narrow parameters of possibility. Deliberative democracy theory, exemplified in the works of Jürgen Habermas, proposes to “structure the informal space” where nonleaders form and express preferences (i.e. civil society) so as to improve the responsiveness of

leaders, thereby maximizing the contestation dimension (Leubolt et al. 2005, p. 2024). Participatory democracy theory proposes “the shifting of power away from the macro-level of the state to sundry micro-levels” in order to maximize both the contestation and the inclusiveness dimensions (Hilmer 2010, p. 61). Thus, whereas deliberative democracy accepts a limited role for public participation in governance, participatory democracy problematizes the limited participation of the public in governance and calls for its increase.

The socialism of Henri Lefebvre ties in with both participatory democracy theory and action theory. Lefebvre understood socialism as “a democratic project, as a struggle by people to shake off the control of capital and the state in order to manage their affairs for themselves” (Purcell 2013, p. 145). In the city, which Lefebvre considered an impoverished form of “the urban” – a “place of encounter” (Lefebvre (1967) 1996, p. 158), people act on and are acted on by one another. Thus the city is a place where power operates. Since municipal state systems tend to prioritize the exchange value of the city over its use value, the inhabitants of the city have relatively little power over themselves. Lefebvre’s concept of “the right to the city”, which he formulates as a “cry and a demand...[for] a renewed right to urban life” (Lefebvre (1967) 1996, p. 158), calls for people to become “radically active” and “take over governing functions” in order to “wither away” the state so that the users of the city can collectively self-organize themselves (Purcell 2013, p. 146). This can be accomplished by democratizing the governance of municipal state systems, or by setting up new municipal state systems that are structured democratically, or in combination. We note that empowerment of the population to participate in

governance does not necessarily entail the eradication of state systems. As noted above, these systems can be transformed so that their governance structure is open to the participation of the public. The governance structure of a state system is a separate question from *who administers* the system.

None of this is meant to suggest that the transformation of state systems will proceed linearly or without confrontation between those in power and those seeking empowerment. Gramsci warns that “those in power will not voluntarily relinquish it” and echoing Machiavelli he suggests a “new prince” that will “[build] up institutions within civil society in order to counter the hegemony of the existing ruling powers” (Gramsci 1971, p. 129). The tension between state institutions and civil society institutions creates a situation of dual power, out of which there are four possibilities: the state institutions prevail, the civil society institutions prevail, they both merge, or they both collapse. In this thesis, autonomous civil society institutions function to enhance the bargaining power of the public to increase its participation in governance and administration of state systems. They serve as a foundation for a sustained struggle for empowerment aimed at ‘withering away’ governance arrangements of state systems that exclude the public, not those state systems themselves. We turn our attention now to governance and administrative arrangements in order to illustrate the possible configurations of state systems.

According to Dahl, democratic regimes vary from liberal to participatory according to their degrees of contestation and inclusiveness. In a participatory democracy leaders and nonleaders fully overlap. Socialists such as Lefebvre and Gramsci are skeptical about the possibility of a linear transition from liberal to

participatory democracy and posit a “dual power” strategy whereby people build up counter-hegemonic institutions to wrestle power away from the state. At stake here are two questions: who can participate in decision-making over the rules of a state system, and who can participate in decision-making over day-to-day administration of the system? We can refer to the former question as the *governance arrangement* of the system, and the latter as the *administrative arrangement* of the state. For both, there are three possible modes: hierarchical, in which a sub-set of the population (what Dahl calls “leaders”) may participate in decision-making; dual power, in which the leaders and the collectively self-organized nonleaders separately participate in decision-making but the approval of both is necessary to carry out a decision; and democratic, in which the distinction between leader and nonleader dissolves and all people participate in decision-making. We can add a third question about the *decision procedure* – how are decisions made – and likewise specify three modes: hierarchical, in which a sub-set of the population is sufficient to make a decision; dual power, in which a sub-set and its complementary set are necessary to make a decision; and democratic, in which the full set is necessary to make a decision. These three dimensions constitute a state space that defines three hundred and seventy-eight possible power structures ranging from pure hierarchy (0,0,0) to pure democracy (2,2,2).

Fig. 1 - Three Dimensional State System Power Structure Model

If we conceive of governments as nested systems of systems, then the state space model can be applied to any nested level of the government, revealing the distribution of power at all scales.

Interestingly, power is inescapable even when the governance arrangement, administrative arrangement, and decision procedure of a system are democratic, i.e. fully inclusive and requiring unanimous consent of all those choosing to participate. In coming to a consensus, people must act on one another through the force of reason. If person A can persuade person B to change their opinion, then A will have exerted power over B. Only when there is unanimous consent does power disappear, only momentarily, and only through the exercise of power. It reappears instantly for the next deliberation.

The thesis argues the following claims: it is possible to ‘break through’ liberal democracy and institutionalize participatory democracy, even in the absence of enthusiastic and genuine political support, although doing so is costly. Reversals to liberal democracy are a normal part of transitioning to participatory democracy. And finally, breaches of trust by state actors and perceptions of public competence to manage public services help to delegitimize hierarchical structuring of state systems and justify wider inclusion of the public in governance of the system.

The thesis proceeds as follows. Chapter two develops a definition of public budgeting and investigates the dimensions of power in the budgeting system. It then traces the history of participatory budgeting in Latin America and North America, setting up the context for the Hamilton case study. Chapter three presents key events in the history of the Hamilton case and offers explanations for the observed phenomena, while chapter four discusses the implications of the findings laid out in chapter three. Chapter five sums up and concludes.

Since the author of this study was involved in the Hamilton case study as its principal organizer, there are some preliminary methodological and ethical issues that merit consideration before proceeding with the analysis. Whenever possible, the author refers to documents in the public domain in order to substantiate his claims. These documents include newspaper articles and columns, radio interviews, letters from civil society organizations, government press releases, activist blog posts, committee minutes, and official documents of the participatory budgeting system, including bylaws and records of votes. These materials are all readily

accessible to the public, except some of the participatory budgeting documents, which are included as appendices.

Since there were dense interactions among the various actors and the author was a major node in this network, it would be virtually impossible to anonymize some actors. Tolich (2010) argues that the power imbalance inherent in seeking retroactive consent to reference others makes ethical consent of such kind impossible, and the author is inclined to agree. For this reason, the author excludes any private conversations and participant observations, however relevant or interesting they might be. Observations of participants in public settings are included. The author also raises an interesting methodological dilemma related to the method of autoethnography, which is the method of analyzing events from lived experience that have social significance (Ellis 2011, p. 3). As a researcher bound by scholarly ethics, the author cannot disclose information about others without their consent. However, as an activist not bound by professional ethics, the author previously disclosed information about others to Petite (2014). It would be possible for the author of this study to have a dialogue with his former activist self via Petite and thereby circumvent scholarly ethical obligations. This is an ethical loophole accessible to activists who become scholars, or scholars who are activists. The author recommends *against* exploiting this loophole, since doing so would defeat the spirit of relational ethics.

There is also the matter of a real or apparent conflict of interest. The author is implicated throughout the account of the Hamilton case study, and it would be reasonable for readers to wonder whether the author has attempted to cast himself

in a favourable light while treating other actors in the narrative less fairly. In particular, the author's treatment of Farr might be questioned. Obviously, the author provides a one-sided account, and Farr might tell a different story. The author is not interested in attributing motives to or criticizing the actions of Farr, and when Farr is referenced it is because he played a key causal role.

The author took several lessons away from his activism. First, he learned patience: changes to the power structure of a state system are not immediately followed by changes to the belief systems of participants, although those changes do occur with time. The author was discouraged when the power structure of the participatory budgeting system was transformed from democratic to hierarchical at the end of its first year and there was little-to-no public outcry. At the time, he was convinced that the reversal was permanent and the interest in public participation in governance was shallow and temporary. Two years later, the author sees that behaviour does not reveal preferences, as is well known among social science researchers. The author was aware of this fact, as well, but the defeat of the heart can temporarily overwhelm the optimism of the will and blind the mind's eye. Thus, in addition to patience, the author learned mindfulness: the struggle for public empowerment is long-term and will advance, retreat, and advance again in fits and starts. One must not allow one's emotional reactions to carry one away. A theory of change must be grounded in an awareness of trends and timescales. Third, the author learned balance: Kearney invested considerable time, money, and debt in advancing participatory budgeting. He was convinced that forward momentum had to be maintained, and whether he was right or wrong, he endured substantial

personal costs, including reputational costs following the public conflicts with Farr. While it might be exceptional for a person to put their own well being at risk for the benefit of others, the author nonetheless cautions those interested in advancing participatory democracy to take care of themselves. Finally, the author learned forgiveness: while this thesis recounts power struggles between Kearney and Farr, and between the City of Hamilton and the public, the author has come to find peace with what happened. Presently, the author is working with civil society leaders in Hamilton's Ward 2 to reestablish public empowerment in participatory budgeting. This effort involves Farr, who has allowed the process to move forward. The author acknowledges that not only have he and the public grown and changed over the past several years, but so too has Farr.

2. Chapter: The Budgeting System and Participatory Budgeting

2.1 Introduction

We begin by locating participatory budgeting in the wider context of public participation in the municipal budgeting system, which consists of several sub-systems. Effective empowerment over the budgeting system entails some degree of empowerment over its various sub-systems. Let us consider what these sub-systems might be.

2.2 The Budgeting System

Drawing on de Souza, budgeting is the process of “defin[ing] the destination of part or the totality of public resources” (Cabannes 2015, p. 257). This definition leaves open the possibility of irrational as well as rational decision-making. For now, we assume rationality. The idea of a “destination” entails the question of “why there?” Prior to setting a budget, therefore, there is a process of setting goals. Following goal setting, candidate destinations – consistent with these goals – are proposed. In order to be considered, candidate destinations must be understood: a process of studying candidate destinations follows their proposal and preludes their consideration. Once considered, studied candidate destinations may be selected to be resourced. In summary, there are five sub-systems upstream to resourcing:

1. Setting goals for public resources;
2. Proposing destinations for public resources;
3. Studying candidate destinations for public resources;
4. Considering studied destinations for public resources; and,
5. Selecting considered destinations for resourcing.

Once resourced, selected destinations become projects that are planned and then taken to completion through project management. Once completed, projects are assessed in quantitative terms – how were the assigned resources used – and qualitative terms – what is the quality of the work done – and then these assessments are reported. Thus downstream from resourcing there are four sub-systems:

1. Planning resourced projects;
2. Managing planned projects;
3. Assessing completed projects; and,
4. Reporting assessed projects.

The five upstream sub-systems, the resourcing sub-system, and the four downstream sub-systems constitute the budgeting system. Each sub-system may be located in the three dimensional state system power structure model (governance arrangement, administrative arrangement, decision procedure). Since there are ten sub-systems and three dimensions per sub-system, there are $(3^3 \times 10 = 270) + (27!/2!(27-2)! \times 10 = 3,510) = 3,780$ possible kinds of budgeting systems.

Public participation in the budgeting system takes place when the governance or administrative arrangement of at least one of the ten sub-systems is not hierarchical. There are 90 kinds of budgeting system that are hierarchical in terms of their structures and arrangements $((1 \times 3) \times (1 \times 3) \times 10 = 90)$, and thus public participation takes place in $3,780 - 90 = 3,690$ kinds of budgeting systems. These budgeting systems may be plotted on a ten-sided “budgeting wheel”, which facilitates visual comparison between budgeting systems. Each side of the wheel

represents one sub-system, under which there are four sectors. The sectors may be coloured white, blue, or red. There may be a maximum of four white sectors, two blue sectors, and two red sectors per side. When the four sectors of a side are white, the government fully controls the governance and administration of the sub-system. When there is one blue sector, the government and the public share control over the administration of the sub-system, whereas two blue sectors indicates full public control. Similarly, when there is one red sector, the government and the public share control over the governance of the sub-system, whereas two red sectors indicates full public control. Decision procedures are not shown, although they could be represented by two additional sectors per side and a third colour.

Fig. 2 Panel A shows a purely hierarchically structured budgeting system, Panel B shows a purely dual power structured budgeting system, and Panel C shows a purely democratically structured budgeting system. Of the three pure kinds, only purely hierarchically structured budgeting systems seem to exist; all other budgeting systems are mixed.

Fig. 2 – Pure Kinds of Budgeting Systems

When municipal governments involve the public in the governance or administration of the budgeting system, as in the case of Porto Alegre, the crucial

resourcing sub-system tends to remain strictly under the control of government. In practice, participatory budgeting seems neither to require nor to achieve public control over the governance and administration of the resourcing sub-system. In North America, where participatory budgeting tends to be used to allocate capital budgets, governance of the goal setting, planning, managing, and assessing sub-systems are without exception fully under the control of government. Full public control tends to be limited to the governance and administration of the proposing, considering, selecting, and reporting sub-systems, although even the governance of these sub-systems are sometimes partially or fully under government control. When these sub-systems are fully controlled by the public, they constitute not so much a transfer of power from the government to the public as the creation of a new state system. This is not a trivial point, since full public control over a state system is not a low standard to meet. There must be a set of rules that empower all members of the public to control the governance of the sub-systems and a set of actors who reproduce these rules. When these conditions are met, participatory budgeting constitutes an interaction of existing hierarchically structured state systems and new democratically structured state systems. Deepening of public control over the budgeting system entails progressive opening up of the governance of municipal budgeting sub-systems to public participation. It is important to emphasize that participatory budgeting is possible in the absence of public participation in the governance of the budgeting sub-systems, provided that there is partial or full public control over their administration. This low standard for qualifying as participatory budgeting helps to explain the considerable ambiguity that has come

to characterize the practice and its ongoing devaluation to a buzzword. Public participation in the budgeting system can go much farther than participatory budgeting, as the Hamilton case will show. We first turn our attention to the history of participatory budgeting in order to understand the foundation that it has provided for more radical democratic transformations.

2.3 Participatory Budgeting

Following two decades of military dictatorship, Brazil emerged in 1985 in a frenzy of democratization, leading to the election of the *Partido dos Trabalhadores (PT)*, the Workers' Party, in many of the country's largest cities, including the historic Porto Alegre, a city of 1 million inhabitants. In 1989, participatory budgeting was introduced by the mayor of Porto Alegre, Olívio Dutra, as part of a comprehensive set of political and economic reforms (Baiocchi and Ganuza 2014, p. 31). The impetus for these reforms was the 1988 Constitution, which empowered cities to govern urban policy (Avritzer 2006, p. 625). Aragonès (2009) comprehensively describes Porto Alegre's *Orçamento Participativo* (OP, Portuguese for participatory budget):

The OP is a pyramidal system whose main elements are: The regional and thematic assemblies, the Fora of Delegates, and the Council of the OP (COP). Regional assemblies, called *rodadas*, take place in each of the 16 regions of the city. The assemblies are the principal forums for popular participation; they are totally open and any citizen may attend them. In these meetings, each region evaluates the executive's performance, defines its priorities and demands, and elects delegates for the Forum of Delegates and councillors for the COP. Prior to the *rodada*, preparatory meetings organized by the community take place.

Public scrutiny and control of the municipal government is one of the main issues at the meetings. The municipality accounts for the implementation of the previous year Investment Plan. After that, discussions focus on setting a consensual rank of priorities for each region and a list of hierarchical demands inside each priority. Each region selects as priorities five out of the 13 areas available. All decisions are taken by majority rule.

The Fora of Delegates is formed by about 1000 delegates. Their role is to serve as intermediaries between the COP and the citizens. They supervise the implementation of the budget and inform the population. Delegates are typically leaders of community organizations, so citizens not integrated in these structures are hardly elected.

Finally, the COP is a body composed by councilors elected by the assemblies, the Residents Association Union of Porto Alegre, and the City Hall's Attendants Union. Its role is to design and submit to the city government a detailed budget proposal based on the priorities determined in the regional assemblies, and to monitor the execution of the approved public works.

The COP submits the budget proposal to the Chamber of Deputies who has total autonomy to amend or defeat it. However, since the proposal has been approved by citizens, assemblies, and community organizations, the political cost of turning it down is very high (p. 2).

The design of the OP was a compromise between the PT, which sought a centralized body of locally elected delegates, and the UAMPA (Union of Neighborhood

Associations of Porto Alegre), which sought to host the OP in its existing neighbourhood associations (Avritzer 2006, p. 626). The compromise – rodadas funneling into the COP – resulted in the unique design of the OP.

In the first year of the OP, 976 residents took part, and ten years on almost 14,000 residents were participating in some stage of the OP (Avritzer 2006, p. 630). Residents had several powerful incentives to take part: not only were they empowered to budget 10-15% of the city's revenue (Marquetti et al. 2012, p. 78) and to determine the rules and procedures of the deliberative side of the process (Avritzer 2006, p. 623), they also had the power to compel justification of planning and spending decisions (Hilmer 2010, p. 57) and to review the entire city budget prior to its approval to verify whether it complied with the OP (Melgar 2014, p. 128).

Melgar (2014) credits the explosive growth of the OP to the highly centralized power of the mayor, which made it possible for the mayor to allocate public service support to the OP and to devolve decision-making authority to the public (p. 128). The completion rate for OP projects averaged 97% in the early years of the OP between 1992 and 1999 (p. 97), but by 2005 it had fallen to 35.6% (p. 4) shortly after the election of a new government that ascribed to neoliberal ideology (p. 131). Consequently, it was the same highly centralized power of the mayor that made it possible for the new mayor to “water down” the OP:

Yet these administrations could also not just ‘shut down’ the PB given its broad legitimacy. The alternative was to reduce institutional, political, financial and administrative support for the PB, a strategy that has proven conducive to these administrations’ neoliberal stance

of cutting public investments to address the city's fiscal problems (Melgar 2014, p. 141).

Watering down of Porto Alegre's OP has been accomplished by the mayor in two ways: first, by cutting infrastructure spending and stalling – and at times outright refusing to complete – OP projects (Melgar 2014, p. 130-1); and second, by creating a parallel process for accessing infrastructure funds, called Local Solidarity Governance (GSL), which brings together government, the private sector, and the public “to pool resources and leverage social capital” (Melgar 2014, p. 136-7). The introduction of GSL has undermined what Baiocchi and Ganuza (2014) call the “exclusive conveyor”:

All *other* channels for citizen demand-making other than Participatory Budgeting were essentially closed. Contact with the administration on the part of the population was made almost exclusively through the Participatory Budgeting process (p. 37).

The GSL diminishes the power of the public by forcing it to collaborate with government and private sector stakeholders in order to access the part of the municipal budget available through the GSL. Simultaneously, cuts to infrastructure spending have meant that the total revenue available to the public through the OP has declined.

In North America, participatory budgets have been “only peripherally connected to centers of power...linked to small discretionary budgets...[and] bound by external technical criteria” (Baiocchi and Ernesto 2014, p. 32). As of 2015, this can be seen in the participatory budgets in the City of Guelph, the Toronto Community Housing Corporation, the Plateau borough in Montreal (defunct), two districts in Halifax, two wards in Hamilton, three wards in Chicago, twenty-four

districts in New York City, San Francisco's 3rd District, and the City of Vallejo. Emerging participatory budgets in Sudbury and Peterborough appear to be replicating the North American pattern, emphasizing deliberation over empowerment. Even participatory budgets that started out with a radical vision of democratic transformation, such as in Hamilton, have been stripped of democratic structural control. Indeed, the rise and fall of participatory budgeting in Hamilton mirrors in many ways that of Porto Alegre.

Several scholars have taken note of the watering down of the OP in Porto Alegre (Melgar 2014; Marquetti et al. 2012; Chavez 2008). By far the most critical voice has been Sérgio Baierle (2008), who contends that the transformative project that was the OP:

...stopped halfway, limited to the integration of state and society, being able to neither effectively change the bureaucratic structure of the State nor supercede the limitations of liberal democracy, for example failing to change the economic model under which the policies took place (p. 11).

Baierle (2008) warns of "a dependency on institutional mediators", such as government officials, through which "rights are transformed into favors" (p.14). Thus the risk of participatory budgeting is that it functions to extend hierarchical control over the public rather than empower the public to govern state systems. Democratic control over the governance and administration of some of the budgeting sub-systems establishes a buffer between the state and the public, without which public empowerment over governance of state systems is especially unlikely. Thus it is imperative to establish autonomous civil society institutions as a

counter-power to hierarchically structured state systems. In short, nothing is so vital to the long-term struggle for public empowerment as the establishment of civil society institutions that can sustain the struggle.

3. Chapter: Participatory Budgeting in Hamilton's Ward 2

3.1 Introduction

This chapter provides an overview of the history of participatory budgeting in Hamilton's downtown Ward 2 (PBW2), applies the ten-stage model of public budgeting and the three dimensional state system power structure model, and offers explanations for the observed phenomena.

The PBW2 movement began in December 2011 and was ongoing at the time of publication. On September 6, 2012, a participatory budgeting system controlling \$1 million of the City of Hamilton's capital budget came into existence. Government and civil society actors created an institution with a democratic governance arrangement and empowered it to govern several of the budgeting sub-systems. A set of bylaws under the control of assemblies comprised this institution, which was referred to as the PBO (Participatory Budgeting Office). The first participatory budgeting process began in May 2013 and culminated in a vote on August 24 & 25, 2013. 1,024 residents (3.04% of eligible residents)¹ voted and twenty-one projects were approved for funding. Conflicts between the Ward 2 city councillor and the PBO over control of the participatory budgeting system began in July 2013 and intensified until December 20, 2013 when the Ward 2 city councillor dissolved the first participatory budgeting system. The city councillor created a second participatory budgeting system that excluded the PBO and placed all of the budgeting sub-systems under his control. Although it never dissolved, the PBO

¹ This number might seem small, but it is consistent with the upper range in number of participants

collapsed by January 2014. The second participatory budgeting process began in April 2014 and culminated in a vote in June 2014 in which 577 residents (1.71% of eligible residents) voted and thirteen to fourteen projects were approved for funding. In April 2015, the councillor proposed discontinuing participatory budgeting, but civil society actors demanded the continuation of participatory budgeting, and the councillor has allowed them to proceed with designing the third participatory budgeting system. At the time of publication, civil society actors were in the process of establishing a new institution with a democratic governance arrangement that would have more control over the third participatory budgeting system than the PBO had over the first one.

This chapter will answer the following questions: why did government and civil society actors come together to create Ward 2's first participatory budgeting system; what was the design of the first system, why was it designed that way, and how did it affect the first participatory budgeting process; what were the conflicts between the councillor and the PBO, and what caused them; why did the councillor create the second participatory budgeting system; what was the design of the second system, why was it designed that way, and how did it affect the second participatory budgeting process; why did the councillor propose discontinuing participatory budgeting, why did civil society actors demand a third participatory budgeting system, and why was their demand successful; and, what was the design of the third system, and why was it designed that way?

3.2 Why did state and civil society actors come together to create Ward 2's first participatory budgeting system?

The author, Kearney, initiated the movement for participatory budgeting in Hamilton's downtown Ward 2. Kearney, who had studied participatory budgeting as a student of political science at McMaster University, saw a window of opportunity in the City of Hamilton's newly created Area Rating Special Capital Re-Investment. \$1.68 million per year was made available to Hamilton's inner city "to help address its infrastructure deficit" (Rossini 2012, p.2). Hamilton's infrastructure deficit had been growing since the Province of Ontario under Premier Mike Harris amalgamated Hamilton with its surrounding municipalities and 'downloaded' provincial expenses to the cities without increasing their revenues proportionately. On top of these challenges, Hamilton, once a major industrial city, is still adjusting to deindustrialization, striving to reinvent itself as a knowledge-based economy. Although the significance of organized labour has declined in proportion to deindustrialization, it is important to keep the history of organized labour in mind as a potential enabling condition for the extent of civil society organizing that took place through participatory budgeting. Other enabling factors include the long history of active neighbourhood associations and the concentration of nonprofits serving a variety of needs in downtown Hamilton.

In 2011, the City of Hamilton convened a Citizen's Assembly to study the city's infrastructure challenges, which led to the creation of the Area Rating policy. The policy would

provide some financial capacity to affected Ward Councillors in funding in-year infrastructure and/or one-time funding requirements,

with no associated operating impacts, that are not of the financial scale that would otherwise be considered through the capital budgeting process (Rossini 2012, p. 3).

These councillors would be “provided adequate flexibility to identify infrastructure priorities within their wards for consideration and approval of Council to ensure efficient and effective delivery of programs/services” (Rossini 2012, p. 8-9).

Kearney developed a plan to campaign for participatory budgeting and requested sponsorship from Reeves Financial Services (RFS), where he was employed at the time. RFS allowed Kearney to allocate half his time to participatory budgeting. Kearney began by setting up an information table at the Hamilton Farmers’ Market and the Hamilton Public Library. As awareness slowly started to build, Kearney turned his attention to lobbying elected officials. In May 2012, he won support from City of Hamilton Ward 13 Councillor Russ Powers, a well-respected and seasoned politician who was not seeking reelection. Powers and Kearney co-authored an op-ed that outlined a vision for participatory budgeting in Hamilton:

...it must be an open, inclusive, and bottom-up process, in which the rules and roles are decided by residents, and the decisions of residents must be binding (Kearney and Powers 2012).

Shortly thereafter, Kearney, who had a previous workplace relationship with City of Hamilton Ward 2 Councillor Jason Farr, approached Farr about participatory budgeting in the spring of 2012. Farr advised Kearney to seek the endorsement of the six neighbourhood associations in the ward (Stoneman 2013a).

Kearney knew activists who were members of the Beasley Neighbourhood Association (BNA), which had a reputation for grassroots organizing. He approached

the association and presented on participatory budgeting at one of its meetings, and in June 2012, the BNA became the first organization to call for participatory budgeting in a letter to Farr:

We respectfully ask that you consider dedicating some portion of...the special area rating fund...to piloting a Participatory Budgeting process in Ward 2 over the next year. This process should adhere to two cornerstones of PB: a binding public vote, and; the process should be driven by community members directly chosen by their neighbours (BNA 2012, p. 2).

The BNA described participatory budgeting as “an investment in people power that efficiently directs funds to community needs and connects citizens to the political process” (BNA 2012, p.1).

With the assistance of the BNA and Farr’s staff, Kearney approached the remaining five neighbourhood associations. In August 2012, the six associations – collectively the Ward 2 Community Council (W2CC) – called on Farr to introduce participatory budgeting:

...we representatives of the neighbourhood associations of Ward 2 wish to express our support for the introduction of participatory budgeting in Ward 2...through your Area Rating Special Capital Re-investment...funds” (W2CC 2012).

The W2CC offered its support but made it conditional on four things: PBW2 would be “resident-led and City-supported”, it would be governed directly by residents, it would take place through public assemblies, and projects would be decided through a secret ballot vote open to anyone aged 16² and up (W2CC 2012).

² The committee further lowered the voting age to 14.

With political and community support, Kearney turned his attention to the media. Then executive director of the Hamilton Centre for Civic Inclusion (HCCI) and prominent social justice advocate, Evelyn Myrie, dedicated one of her columns in the major daily newspaper, The Hamilton Spectator, to participatory budgeting, asking “Wouldn’t it be a great idea to give local ward residents a say in how [the Area Rating] funds are spent in their wards?” One week later, the Hamilton Spectator argued in an editorial that

It’s time to remove political control of what projects get funded, where priority lists are usually conducted on a whim and a prayer, and put it in the hands of the people (“Listening to...” 2012).

On September 6, 2012, Farr circulated a press release announcing Ward 2’s first participatory budgeting system: Councillor Jason Farr is committing \$1 million from his Area Rating Special Capital Re-investment...fund to participatory budgeting for Ward 2” (Farr 2012, p. 1).

Farr invited residents help design the “annual process” and issued terms of reference for a participatory planning committee, which he had negotiated with Kearney (Farr 2012, p.1). Farr’s terms empowered the committee to design and launch the process. Thereafter, the terms specified that the committee would dissolve and assemblies would be empowered to govern the process (Farr 2012, p.2).

Thus, a variety of factors brought together the government and civil society actors that created Ward 2’s first participatory budgeting system. Municipal amalgamation and provincial downloading created an infrastructure deficit in the City of Hamilton, which led to the creation of the Area Rating policy. The

discretionary nature of the Area Rating policy created a window of opportunity for Kearney to campaign for participatory budgeting. Kearney was able to devote his time to campaigning thanks to sponsorship from RFS. Early political support from Powers helped to bolster Kearney's credibility and influence, and Kearney's prior workplace relationship with Farr and connections to activists in Ward 2 put him in a position to network and negotiate. The stated motivations of the actors varied. Kearney was passionate about democracy and believed that participatory budgeting could help to empower his demoralized neighbours (Petite 2014). Farr wanted to close the "disconnect between the taxpayer and the politician" (Stoneman 2013a). The BNA (2012) wanted to "direct...funds to community needs" (BNA 2012), and the W2CC (2012) wanted to "empower residents to transform their ideas into reality". Myrie (2012) wanted to position participatory budgeting as "fit[ting] nicely into the city's new direction to foster resident involvement in community decision-making", while the Hamilton Spectator wanted to "remove some control from the politicians and give...people a chance to make local decisions" ("Listening to..." 2012).

3.3 What was the design of the first system, why was it designed that way, and how did it affect the first participatory budgeting process?

Ward 2's first participatory budgeting system was designed by a participatory planning committee that consisted of Farr, Kearney, two appointees each, and one representative per neighbourhood association, appointed by the associations. Farr and Kearney agreed to their appointments and chose a representative of the NGen Youth Centre, a professor of political science at McMaster University, Myrie, and a resident-at-large.

The committee adopted a mission statement:

Participatory Budgeting Ward 2 (PBW2) aims to broaden, deepen, and sustain public deliberation and decision-making over municipal fiscal policy. By providing opportunities for residents to learn and practice skills that empower them to effect change, PBW2 will contribute to enhancing the health and resilience of Hamilton's economy and society (P2C 2013, p. 15).

And seven principles:

1. We will start from a commitment to improving our neighbourhoods and our city.
2. We will maintain spaces where all the diverse residents of our ward feel they have access, are respected, and can affect outcomes.
3. We will keep our process open and transparent to the public.
4. We will sometimes disagree, but we will always take time to work with and understand each other.
5. We will acknowledge inequalities of power, knowledge, time, and ability, and we will strive for equity.
6. We will respect the trust placed in us by the City of Hamilton and by our fellow residents.
7. We will adapt our means to achieve these ends (P2C 2013, p. 15).

Together, the mission statement and principles guided the development of the PBO, which was defined by the bylaws (PBW2 2013a).

The PBO consisted of assemblies and five inter-assembly bodies: the Participatory Budgeting Office (PBO), the delegate council, the liaison committee, the planning committees, and the governance committee. The assemblies were by far the most important and powerful bodies in the PBO: they elected their own officers and those of the PBO, whom they could recall; proposed, considered, and pre-selected proposals for further consideration by delegates, whom they elected;

determined the content of the ballot; and, amend the bylaws. The bylaws authorized the PBO to “facilitate participatory budgeting in Ward 2” (PBW2 2013a, 1(1)).

Fig. 3 – Design of Ward 2’s First Participatory Budgeting Process

The delegate council was responsible for considering the proposals that were pre-selected by the assemblies and negotiate a compromise, which it would recommend to the assemblies. The assemblies could approve or reject the compromise, and if two-thirds of the assemblies approved the compromise then it would appear on the ballot as an option. The liaison committee was responsible for liaising between the assemblies and the City of Hamilton to monitor the implementation of proposals selected in the vote. Finally, the governance committee was responsible for receiving, studying, and advising the assemblies on proposed changes to the bylaws.

With the PBO in place, the first participatory budgeting system was a mixed budgeting system. The City of Hamilton fully controlled the goal setting, studying,

planning, managing, and assessing sub-systems, while the PBO fully controlled the proposing, considering, selecting, and reporting sub-systems. The City controlled the governance of the resourcing sub-system, and the City and the PBO shared control over the governance and administration of the assessing sub-system.

Fig. 4 – Design of Ward 2’s First Participatory Budgeting System

This design of the first participatory budgeting process rested on the mission statement, principles, and bylaws. The PBO convened eight assemblies, one of which became the *de facto* Chinese assembly and another the *de facto* Somali assembly.³ A third was officially an assembly for youth. On average, 100 residents per week participated in the assemblies. The assemblies were dynamic spaces where any resident aged 14 or up could participate:

The room hums with the chatter of a couple dozen residents who have never done something like this before. The building custodian peeks in with curiosity and is invited to join the discussion. She offers a few

³ Two of the largest ethnic minorities in Hamilton’s Ward 2.

ideas and returns to her work. Next week she comes back with a proposal for a community garden (Kearney 2013a).

The assemblies proposed, considered, and sent 56 projects to City staff for study. After considering the staff studies, the assemblies pre-selected 31 proposals and elected their delegates. The delegate council, which met five times over one month and went on a bus tour to see proposed project sites, came to a consensus on 21 proposals, which the council recommended to the assemblies, and which two-thirds of the assemblies approved.

An interview with a Hamilton news outlet, MonkeyBiz, reveals the sense of responsibility some delegates felt:

Rebecca Costie, a lifelong Corktown resident and active member of the Corktown PB assembly, was elected on Wednesday night to be the assembly's delegate...

Costie, Corktown's delegate, says she's excited but nervous about holding the position.

"I want to make sure that I accurately reflect the ideas and the vision that our assembly has," said Costie (Stoneman 2013b).

The vote took place over two days at four polling stations and at six "voting vans", which Kearney referred to as "ice cream trucks for democracy". The delegates' compromise was selected by the largest plurality of voters: 482 residents voted for the delegates' compromise, while 542 residents spread their votes across all 31 proposals (PBW2 2013b). Had these latter votes been the only ones, 17 projects

would have been funded, of which 13 were in the delegates' compromise, meaning that overall there was an 87.6% level of satisfaction with the vote.⁴

Over the course of the vote, a 94-year-old woman and a 14-year-old boy voted, and the Chinese and Somali communities were so active that extra ballots had to be printed in their languages (Kearney 2013b). A Somali participant told CBC Hamilton that – after years of strife in her home country – participatory budgeting had given her community “a bit of light” (Ruf 2013a). Another resident, who proposed an outdoor community oven, told the Hamilton Spectator “[we] have 53 languages in Beasley and I want recipes from all of them” (Van Dongen 2013).

Overall, the mission statement, principles, bylaws, and organizers of the PBO made Ward 2's first participatory budgeting system inclusive and empowering of the public.

3.4 What were the conflicts between the councillor and the DG1, and what caused them?

In July 2013, Kearney told the Hamilton Spectator that he had been instructed by Farr's office to provide the contact details of participants so that they could be added to Farr's “campaign database” (Paddon 2013). Kearney refused to cooperate and argued that doing so would turn the participatory budgeting system into “a network for (Farr's) next election campaign” (Paddon 2013). Farr claimed the information would be only used to mobilize participants in subsequent years.

In August 2013, Kearney told the Bay Observer he felt he was being “strong-armed” out of participatory budgeting by Farr. The Bay Observer suggested “the

⁴ $(482/1024) \times 1.0 + [(542/1024) \times (13/17)]$. This calculation assumed equal weighting of proposals and preferences.

councillor may have become threatened by the amount of citizen mobilization that had taken place in his ward” (“Salary Dispute...” 2013).

In November 2013, more than a dozen residents, many of whom had been called to meet with Farr and city staff, reported concerns about the status of their projects. One resident claimed she was told one of the projects that she had proposed, which had been studied by City staff, and which had been selected in the vote, would not be implemented (“Ward 2...” 2014). She also learned that another one of her projects, which had also been studied and selected, had been changed without her or anyone’s consent (PBW2 2013c). It is possible that these feasibility issues were due to the rushed timeline for project review during the first year, which the PBO intended to address in the second year (PBW2 2013c). Another resident claimed Farr informed her that the liaison committee, which was responsible for oversight of the City’s implementation of the budget, would be “phased out”, while another resident claimed Farr threatened to disband the participatory budgeting system (PBW2 2013c, pp. 1-2). On November 30, 2013, the PBO reacted to these concerns and called on Farr to “respect the process that he participated in designing”(PBW2 2013c, p. 2).

Farr reacted on December 20, 2013, announcing the end of the first participatory budgeting system:

...we will be taking an approach to the 2014 PBW2 initiative in a manner that differs from your method of delivery...Of course the general premise of “letting the residents decide” on how to spend one million dollars on capital infrastructure projects will remain in tact [sic] (Mleczko 2013).

On December 31, 2013, CBC Hamilton reported that the participatory budgeting process had “hit major snags, amid rising tensions between the local councillor and the citizen-run committee tasked with overseeing the project” (Ruf 2013b). Kearney warned of “the end of genuine participatory budgeting in Ward 2” if the councillor chose to “unilaterally dictate the terms of how residents participate” (Ruf 2013b).

By January 2014, the PBO was effectively gone. Lee McIlmoyle, a former member of the PBO, claimed Farr and his supporters had made the conflicts over control of the participatory budgeting system “sound like one brow-beaten father figure trying to do his best for the whole family, while a few unruly kids act up and act out their aggression in public, and make the whole family outing unpleasant” (McIlmoyle 2014a). Another former member of the PBO, Joey Mleczko, criticized Farr for “effectively dissolve[ing] the citizen elected committee of liaisons and facilitators that were to carry out the process”, calling the decision a “mis-step”, while at the same time insisting that “Participatory Budgeting is not going anywhere” and that “[t]he Councilor and everyone involved stand behind the process and its outcome” (Mleczko 2014).

In summary, there were two key conflicts between Farr and the PBO. On the one hand, Farr wanted access to personal information that the PBO refused to provide. On the other hand, the PBO wanted recognition of its right to oversee the City’s implementation of the budget, which Farr refused to recognize. Whether Farr wanted to use the participatory budgeting system to help his reelection and whether he felt threatened by the high level of citizen mobilization and the relative autonomy of the PBO, we do not know. What we do know is that shortly after these

two conflicts with the PBO, Farr decided to redesign the participatory budgeting system without the PBO, and this decision violated his own agreement to empower assemblies to self-govern the deliberative side of participatory budgeting.

3.5 Why did the councillor create the second participatory budgeting system?

We can only speculate why Farr continued with participatory budgeting and created Ward 2's second system, although triangulating from available data we can make an inference. The open conflict between Farr and the the PBO, which had been reported widely in the press, had damaged Farr's reputation and his relationships with the neighbourhood associations, who continued to put pressure on him to continue with participatory budgeting (McIlmoyle and Mleczko were active members of two different associations). It is reasonable to assume that Farr's reelection would have depended to some extent on him rehabilitating his public reputation and his relationships with the associations, and since participatory budgeting remained popular despite the political conflicts, Farr's hands were tied.

In any case, it is clear that Farr attempted to shape the design of the second participatory budgeting system so as to minimize the risk of future conflicts with its organizers. McIlmoyle, who was privy to some internal dynamics of Farr's office, claimed that Farr's staff, which were tasked with designing the second system,

...had terms dictated to them that...essentially hobbled their ability to actually run a successful PB Campaign... the people in charge [were] told in no uncertain terms that they couldn't borrow any part of the [previous] process, even for something as simple and essential as labeling the assemblies" (McIlmoyle 2014b).

If Farr's goal was to reduce risk, it appears he was focused on only one kind of risk: from the public. In June 2014, McIlmoyle sounded the alarm about "a consortium of developers who have managed to bulldoze our Budget Delegate committee into accepting and even championing a proposal for three quarters of the PB budget of 2014" (McIlmoyle 2014c). Farr's staff eventually disqualified this proposal on the grounds that it had failed to meet certain technical requirements, but the event demonstrated that Farr's system was not bulletproof (McIlmoyle 2014d).

In July and August 2014, the Bay Observer ran a series of articles questioning whether Farr was using participatory budgeting for "self-promotion":

...a postcard was distributed in the ward...[and] carried a picture of Farr and the words "funding provided through councillor Jason Farr's Ward 2 Area Rating Capital reserves ("Political "slush fund"... 2014).

One resident who brought a card to the Bay Observer said the card made it look like the [participatory budgeting] money was the gift of the councillor, and not part of a transparent process ("Area Rating..." 2014).

In short, while the need to rehabilitate his reputation and relationships might have motivated Farr to continue with participatory budgeting, it is interesting to note that the constraints that he placed on his staff ensured that governance of participatory budgeting remained entirely under his control, and while he faced no public opposition the public nearly lost \$750,000 meant for its benefit to wealthy developers. The postcard raises questions about whether Farr was, indeed, interested in using participatory budgeting to promote himself for reelection.

3.6 What was the design of the second system, why was it designed that way, and how did it affect the second participatory budgeting process?

The second participatory budgeting system consisted of three bodies: the City of Hamilton, Idea Generation (IG) ‘assemblies’, and budget delegates. Farr’s staff controlled the IG assemblies and selected the budget delegates. Under the first system, the assemblies were permanent bodies that proposed, considered, and pre-selected ideas for the ballot. Under the second system, the IG assemblies were one-time meetings that only proposed ideas. It was the budget delegates who considered ideas and Farr’s staff who pre-selected ideas for the ballot.

Fig. 5 – Design of Ward 2’s Second Participatory Budgeting Process

Ward 2’s second participatory budgeting process ran from April to June 2014. The Chinese, Somali, and youth communities, who had been so active in 2013, were nowhere to be found in the 2014 process. The budget delegates and Farr’s staff

pre-selected 35 proposals for the ballot, and 13-14 proposals were resourced (CCS 2014). Besides a press release published by Farr’s office, which described him as “a true believer in the manifold benefits of the PB process” (Farr 2014), there was no media coverage of Ward 2’s second participatory budgeting process. The press release also explained that the budget delegates, City staff, and Farr’s staff had to make changes to various proposals in order to “ensure that the community’s vision would be realistic” (Farr 2014).

Fig. 6 - Design of Ward 2’s Second Participatory Budgeting System

Farr forbade public participation in the governance of any budgeting sub-system (note the absence of any red sectors in Fig. 6). Thus, the design of the second system was merely an extension of Farr’s office, involving only a few public meetings at which Farr’s staff polled participants for ideas and selected some participants to become budget delegates. The budget delegates met with City staff under the supervision of Farr’s staff, and Farr’s staff determined the content of the ballot. The design of the second system was associated with – although was not

necessarily the most significant cause of – a weaker process that was less inclusive and involved fewer participants than the process under the first system.

3.7 Why did the councillor propose to discontinue participatory budgeting, why did civil society actors demand a third participatory budgeting system, and why was their demand successful?

Farr's motivations for proposing to discontinue participatory budgeting are unclear, although two things are suggestive: first, the alternative to participatory budgeting that Farr proposed to the neighbourhood associations; and second, comments that Farr made in an interview with CBC Sudbury.

In April 2015, Farr proposed to provide the neighbourhood associations with \$110,000 each in lieu of a ward-wide \$1 million participatory budget (PBVC 2015b, p. 8). Faced with a lower level of participation in the year that participatory budgeting was under his management, it is possible that Farr felt that he needed to save face, and the best way to do so would be to frame the winding down of participatory budgeting as the wish of the public. Done this way, Farr could claim that the second-year performance merely reflected the public's declining interest in participatory budgeting. One month earlier, Farr told CBC Sudbury

I appreciate the empowerment and the engagement of the PB process, but only 500 of you showed up to vote... ("Sudbury 'slush fund'..." 2015).

Had the associations accepted Farr's proposal, it would have been the end of participatory budgeting in Ward 2, and the associations would have put themselves in a weaker lobbying position, since they would have become dependent on Farr for continued access to grants. It is unlikely that the associations would have accepted

Farr's offer in any case. In exchange for losing something that they valued – participatory budgeting – Farr offered the associations only \$660,000, or 66% of what was under public control through participatory budgeting. It was a bad deal.

Farr was in a weak position, one that he probably had not anticipated. Had the associations wanted to make an allegation of impropriety, they could have alleged that Farr attempted to bribe them. It seems that the associations used Farr's position to their advantage, wrestling back control over the design of the participatory budgeting system. Farr was not in a position to maintain control, since the number of participants in the year his office managed participatory budgeting fell by 43% relative to the first year when the public was in control. The public once again had a window of opportunity to become empowered.

3.8 What was the design of the third system, and why was it designed that way?

The associations recruited Kearney, McIlmoyle, and others who had been involved in the first year to design the third participatory budgeting system (PBVC 2015b, p. 8).

In July 2015, the PB Volunteer Committee (PBVC) convened with a mandate to complete four tasks: one, to collect information about past projects, since little was known about the status of projects that were selected in 2013 and 2014; two, to design and organize the third participatory budgeting system; three, to organize a convention to present information on past projects and the new design to the public; and four, to recruit and train volunteers to lead the new public-side institutions, i.e. DG2 (PBVC 2015a, p. 1).

In August and September 2015, Kearney worked through the Budgeting Wheel with the committee. The committee unanimously agreed to the distribution of power shown in Fig. 7. Based on this distribution, and drawing on two years of experience with participatory budgeting, the committee developed a design for the third system that would restore and enhance much of the process of the first system (see Appendix L).

At the time of publication, the committee was working with the associations to plan a town hall in November 2015 to present on past projects and the new design. The committee was also working with a coalition of social justice groups to plan an ambitious Right to the City Conference in January 2016, at which among other things a PB General Assembly would be held to inaugurate the third system. The design of the third system reflects the growing awareness and sophistication of the associations, residents, and activists. If we count the coloured sectors in the three Budgeting Wheels, we can plot a chart that shows the trajectory of Ward 2's participatory budgeting movement from 2013 to 2015. Fig. 8 shows that the main difference between the first and second systems was the elimination of democratic governance arrangements. Interestingly, the proposed arrangements for the third system exceed those of the first system by 11 points. It would seem that the associations, residents, and activists were radicalized by their experiences over 2013 and 2014.

Fig. 7 – Design of Ward 2's Third Participatory Budgeting System

	Administration	Governance
Pre-PB <i>- June 28, 2013</i>	0	0
First System <i>June 28, 2013 to December 20, 2013</i>	9	9
Second System <i>December 20, 2013 to April 27, 2015</i>	6	0
Third System <i>April 27, 2015 –</i>	15	14

Table 1 – Comparing Governance and Administration 'Points'

Fig. 8 – Governance and Administration Over Time

3.9 Summary

In the four years since its inception, the movement for participatory budgeting in Hamilton has experienced breakthroughs and setbacks. These experiences are interesting in their own right, but they also shed light on the potentials and limitations of participatory budgeting to extend public empowerment. In the next chapter, we consider lessons from Hamilton's movement for participatory budgeting in this wider context.

4. Chapter: Discussion

4.1 Introduction

This chapter analyzes the implications of the empirical findings described in chapter three, drawing on the conceptual framework developed in chapter one, and referencing relevant events in the history of participatory budgeting outlined in chapter two.

4.2 What can civil society organizations, activists, and residents aspiring to introduce participatory budgeting learn from the case of participatory budgeting in Hamilton's Ward 2?

Even in the context of a well-organized civil society, the introduction of participatory budgeting requires a substantial amount of money, time, people, strategizing, patience, and persistence.

Participatory budgeting cuts against the grain of Schumpeterian democracy – the prevailing conception of democracy in modern times. On the one hand, elected officials tend to think of themselves as the rightful leaders of society. On the other hand, citizens tend to defer to these officials. Participatory budgeting involves teaching both parties to imagine themselves in different roles, and this struggle alone may endure through several years of participatory budgeting.

This issues aside, introducing participatory budgeting is still an arduous task. Kearney spent eight months campaigning in 2012 and six months chairing the participatory planning committee in 2013. Things might have moved at a slower pace, considering that Kearney was only able to dedicate himself to campaigning for participatory budgeting because he had private sponsorship. In 2013, Kearney, who

had left his job in order to focus entirely on participatory budgeting, had to support himself on personal savings and eventually run up \$10,000 in debt in order to keep the planning process moving forward (“Salary Dispute...” 2013).

The 2013 process involved more than two-dozen volunteers whose responsibilities required no fewer than five hours per week for eleven weeks spread out over four months. Kearney, who facilitated the 2013 process, worked full-time for those four months, putting in as many as sixty or seventy hours some weeks.

Since the initial breakthrough of participatory budgeting, it has been possible to organize primarily through volunteers, as recent efforts have shown. The PB Volunteer Committee, entrusted with designing the third participatory budgeting system, met over the summer of 2015 every Saturday for two hours and has managed not only to design a new process but also to organize several outreach events, including a Town Hall and a Right to the City conference. All this has been accomplished with no budget and limited volunteer time.

In short, while the ‘start-up cost’ of participatory budgeting can be quite substantial, over time the experiences, skills, and networks that civil society actors forge makes it possible for them to organize and maintain public participation in the governance of participatory budgeting with relatively few resources. Proponents of participatory budgeting, therefore, should plan to make an initial investment in institution building and training, and then transition to a volunteer-driven model.

Discretionary authority is a double-edged sword

The similarities between the fates of the *Orçamento Participativo* in Porto Alegre, Brazil, and the participatory budget in Hamilton’s Ward 2 are illuminating

and tell a cautionary tale. In both cases, it was discretionary authority that made participatory budgeting possible. In Porto Alegre, the mayor devolved his power, and in Hamilton, it was Farr who did the same. However, whereas the reversal in Porto Alegre followed several decades and the election of a right wing executive, the reversal in Hamilton occurred just one year after participatory budgeting was introduced and under the same official who introduced it. Since discretionary power is a double-edged sword, it is important to move quickly after the introduction of participatory budgeting to cement the shift in power. A two-pronged approach is probably necessary: one, enacting a law that removes the process from the arbitrary discretion of an official; and two, deepening the deliberative side of the process in civil society through effective organizing and institution building. In order to be credible and legitimate to both the state and civil society, the deliberative state systems must be – paraphrasing Baiocchi and Ernesto (2014) – the “exclusive conveyor” of residents’ proposals. Ultimately, the extension of public control over the budgeting system will depend on pressuring or electing officials to extend control over the governance of the various sub-systems to the public. Robust civil society institutions that effectively organize deliberation will be best positioned to demand and justify ongoing public empowerment over the budgeting system.

Like the democratization of states, cycles of breakthroughs and setbacks are typical of the transition from hierarchical to democratic systems.

The literature on democratization is replete with studies on transitions to and from democracy. These studies investigate the correlates and causes of such transitions, suggesting a variety of factors including GDP, education, inequality, the

effects of neighbouring regimes, foreign aid, etc. Despite deep divides on the correlates and causes of democratization, what the literature seems to agree on is the tendency of democratic breakthroughs to be followed by reversals, a tendency that appears to slow over time and stabilize in democracy (Przeworski 2009).

The case of participatory budgeting in Hamilton's Ward 2 suggests that the trend in *participatory* democratization is no different than that in democratization from autocracy. As such, proponents of participatory budgeting should plan and prepare for setbacks, patiently strategize redemocratization of the budgeting system, and understand that while there might be a the long-term tendency to participatory democratization, it is by no means certain.

4.3 What are the implications for participatory democracy theory and practice of the case of participatory budgeting in Hamilton's Ward 2?

Under certain conditions, struggles between the state and civil society over control of participatory budgeting can inspire critical consciousness.

An observer of participatory budgeting in Hamilton's Ward 2 in 2014 might conclude that civil society actors were unaware or unconcerned with the way power was being taken away from them. Not only had Farr ignored and excluded the civil society institution that he had empowered to organize some of the budgeting system, but residents were being infantilized, as well. Recall Farr's press release in 2014. It refers to "changes [that were] needed in some cases [in order] to ensure that the community's vision would be realistic" (Farr 2014, p. 2). These changes were dictated by City staff, Farr's staff, and the budget delegates whom the consultants selected.

One is likely to come to a completely different conclusion about the consciousness of civil society actors in 2015. Recall Fig. 7, the Budgeting Wheel proposed for Ward 2's third participatory budgeting system. The proposed extent of public empowerment over the budgeting system far exceeds that achieved under the first system. Why? The explanation likely lies in the following sequence of events:

- In early 2013, civil society actors demonstrated to themselves their ability to institutionalize public empowerment over the governance and administration of parts of a state system;
- In mid 2013, they realized their ability to effectively manage a complex public process, as well;
- In late 2013, they experienced frustrations, setbacks, and a breach of trust by the state;
- In early 2014, their trust in the state was restored when participatory budgeting was reinstated, albeit with no public participation in governance;
- In mid 2014, they experienced disappointment at the lower level of participation in the second year of participatory budgeting, which they had no role in governing;
- In early 2015, they faced the possibility of losing what little empowerment they had preserved since the setback in late 2013, which shattered their trust in the hierarchical governance arrangement; and,
- In mid 2015, they reaffirmed to themselves their ability to self-organize and to manage participatory budgeting.

This interpretation of events suggests that civil society actors went through a relatively rapid process of learning. It shows that power struggles do not always terminate in demoralization and can, under certain conditions, be quite

empowering. We can infer that public mistrust in the state and perceptions of public competence to manage public services are key factors in determining whether a power struggle results in empowerment of the public. These findings are highly suggestive: if the case of participatory budgeting in Hamilton's Ward 2 is any indication, these efforts will create conditions that are ideal for the empowerment of the public.

Under certain conditions, participatory budgeting can inspire trust and reciprocity.

The delegate council and the compromise budget, which were unique to Hamilton Ward 2's first participatory budgeting process, were consciously designed to encourage deliberation, trust building, and reciprocity. They succeeded in producing these effects, and an anecdote will illustrate how. At the first meeting of the delegate council, Kearney asked the delegates to describe one proposal from their own assembly and one proposal from another assembly. With the exception of one delegate, no one was able to describe a proposal from an assembly other than their own. Over the course of one month, the delegates went from competing to get the largest possible share of the budget for their own assemblies to agreeing unanimously to a twenty-one-project compromise that – in their opinion – fairly distributed the \$1 million throughout the ward.

Two-thirds of the assemblies endorsed the delegates' recommendation and the largest plurality of voters confirmed it in the vote. The declining level of approval from delegate council, to assemblies⁵, to voters suggests that trust and willingness to compromise decreases as distance from information and experience

⁵ Most assemblies used a consensus decision procedure.

increases. The delegates seem to be associated with a positive effect on trust and willingness to compromise. Nevertheless, the fact that the largest plurality of voters, many of whom might have had no interaction with the delegates, approved the delegates' recommendation suggests that these voters viewed the delegate council/compromise budget process as legitimate. Perhaps it is that these voters interacted with residents who participated in the assemblies, thereby extending the delegate effect, or perhaps it is that they read the sample ballots that were mailed in advance of the vote. We do not know.

4.4 How can the 3DG model of public budgeting be used to study participatory budgeting?

The three dimensional state system power structure model model is highly versatile and can be used to analyze and compare instances of any kind of political system, e.g. electoral systems, policy-making systems, etc. Applied to participatory budgeting, the model provides a much-needed method of standardizing comparison of participatory budgeting systems within cities over time and comparatively across the world. It also opens the door to statistical analysis of the correlates and causes of the democratization of budgeting systems and their reversals. Altogether, subsequent studies that use the model will be able to make important contributions to our understanding of when and why budgeting systems democratize.

4.5 Summary

'Breaking through' liberal democracy to bring about participatory budgeting involves considerable expense when it is initiated by civil society. Importantly, however, the case of Hamilton's Ward 2 shows that it is possible to successfully

pressure the state to introduce participatory budgeting, although organizers will have to contend with reversals and setbacks. While discretionary budgets provide an entry point for participatory budgeting, civil society actors should simultaneously pressure for legal recognition of participatory budgeting while entrenching the deliberative sub-systems within civil society so that they cannot be easily co-opted or subverted. No matter how well organized, civil society remains vulnerable to the coercive power of the state, and so it will be necessary to elect or pressure officials to transform governance arrangements from hierarchical to dual power/democratic. Breaches of trust by the state and perceptions of public competence to manage public services should be highlighted in order justify and accelerate the empowerment of the public.

5. Chapter: Conclusions

This thesis has made several contributions to participatory democracy theory and to the empirical literature on participatory budgeting. It began by developing a spatial theory of governance (the three dimensional state system power structure model): any political system, which is a system that organizes human action, can be described in a three-dimensional state space. These three dimensions are: governance arrangement – who controls the rules of the system; administrative arrangement – who controls the day-to-day administration of the system; and, decision procedure – what proportion of those who control the rules/day-to-day administration of the system is sufficient to make a decision? For each dimension, there are three possible states: hierarchical – a sub-set of the population; dual power – a sub-set of the population *and* the population; and democratic – the population. Accordingly, any political system can occupy any one of three hundred and seventy-eight states.

The budgeting system was unpacked to reveal ten sub-systems, each of which can be described by the state space model. A system counts as a *participatory* budgeting system if at least one of its ten sub-systems occupies a non-hierarchical state. It was shown that there are 3,690 possible kinds of participatory budgeting system, which it was argued helps to explain the ambiguity of the term both in the literature and in practice and its increasing use as a buzzword.

The thesis then recounted the history of participatory budgeting in Ward 2 of Hamilton, Canada and explained key events. At the time of publication, Ward 2 had gone through three participatory budgeting systems: the first, a joint initiative of the

state and civil society; the second, an initiative of the state with participation by civil society; and the third, an initiative of civil society with participation by the state. The history of participatory budgeting in Ward 2 can be distilled to a struggle for public empowerment.

It was shown that, absent enthusiastic and genuine political support, participatory breakthroughs are possible but costly; that discretionary power is a double-edged sword that can make participatory budgeting possible as well as be its undoing; that reversals are a normal part of the transition to participatory democracy; and that breaches of trust by the state and perceptions of public competence to manage public services can tip the scale in favour of public empowerment. Insights from Dahl, Lefebvre, and Gramsci were mobilized to show how the participatory democratization of liberal democracies can be aided, and may depend, on the establishment of autonomous civil society institutions that can function as a platform to sustain public demands for empowerment over governance and administration of state systems. As well, these institutions can, in the deliberative vein, structure informal spaces in order to concentrate and focus public influence, which in turn also develops public competence and thereby enhances the justification for and legitimacy of public empowerment.

The state space model is a versatile methodology of describing and analyzing political systems that will facilitate statistical analysis of the correlates and causes of shifts in power in not only public budgeting systems but also in any political system, such as the electoral, taxation, and policy-making systems. It is a much-needed tool

for standardizing the description and analysis of participatory budgeting systems within cities and comparatively across the world.

This study is the first to describe, explain, and analyze a power struggle over a municipal budgeting system in North America. It documents and examines the discourse of government and civil society actors to reveal their ideologies, interests, and how these changed over time. It describes in detail a uniquely structured participatory budgeting system that provides evidence of the human capacity for cooperativeness and resilience. It provides reasons for residents of Hamilton and people around North America to hope and to believe in their ability to transform political systems in their cities and beyond.

There are, of course, limitations to the study. First, it examines a short and chaotic period of time out of which it is difficult to draw predictions. Much could change in the next few months and years. Nevertheless, uncertainty about the future does not negate the findings of this study. Second, it examines only publicly available data, and although the voices of various actors are captured in these data they are filtered through local news media, government, and civil society actors. Interview data, unavailable due to time constraints, would add depth and robustness to the study. Third, while the author has attempted to approach the available data judiciously, his personal involvement in the case study raises questions of objectivity. Whether perceptions of bias are real or apparent, the problem exists. On the theoretical side, much could be gained by situating the analysis more deeply in the Gramscian and critical geography literatures, and by

bringing in the anarchist and critical pedagogy literatures, which are only implicit in this study.

The story of participatory budgeting in Hamilton's Ward 2 is a story of struggle but also one of personal and community empowerment. For most if not all youth and non-citizen residents who participated, it was their first time having an equal say with citizens in Canadian public policy. It is a movement that has brought together a diversity of people who have demonstrated the human capacities for imagination, creativity, trust, reciprocity, resilience, and perseverance. It is yet one more example that another world is possible.

Appendices

Appendix A: Letter from the Beasley Neighbourhood Association to Councillor Farr

Monday, June 11, 2012

Dear Councilor Farr:

At the May 23, 2012 meeting of the Beasley Neighbourhood Association, we heard a presentation by Norman Kearney, a concerned Hamiltonian working to promote participatory budgeting (PB) in this city. After his compelling presentation and a discussion, enthusiastic BNA members unanimously voted to support its trial in Hamilton.

We write you today in order to express Beasley residents' interest in further discussing the concept, and to ask you to consider implementing a robust Participatory Budgeting process in Ward 2.

The BNA believes that Ward 2 is the ideal incubator for a PB process: ours is the most densely populated and culturally diverse ward in the City of Hamilton, and it is home to some of our most vulnerable residents. The diversity of needs here is amplified compared to more homogeneous parts of the city, making decisions regarding the net benefits of public investment far more complex. Through your work as our councilor, Beasley has made significant advances in recent months, and PB could provide residents with even more opportunities to help you identify projects that would make the greatest difference to our quality of life.

At its core, PB lets residents choose delegates every year to deliberate over and promote a list of projects proposed by residents. One of the greatest benefits of PB is its ability to sustain participation by a broad cross-section of community members towards the allocation of scarce resources, in turn leading to greater understanding, compromise, and respect for the outcomes.

The BNA recognizes that, far from rendering neighbourhood associations obsolete, PB is complimentary to our goals and enhances the power of local networks. Today, many citizens are alienated from politics because they feel it only serves a small yet vocal minority of the population. However, participatory budgeting fights that cynicism by enabling an inclusive means to determine which community-based projects are most valuable to residents. Nothing encourages citizen involvement more than an opportunity to influence funding priorities, so PB enables neighbourhood associations and our elected representatives to connect with people who may have been previously disengaged from the political process.

We respectfully ask that you consider dedicating some portion of your discretionary funds, or those available to you through the special area rating fund, to piloting a Participatory Budgeting process in Ward 2 over the next year. This process should adhere to two cornerstones of PB: a binding public vote, and; the process should be driven by community members directly chosen by their neighbours.

We realize that there is some risk associated with ceding control over City funds to laypeople, but this pilot need not be an expensive gamble. Rather, a carefully designed and implemented participatory budgeting process is an investment in people power that efficiently directs funds to community needs and connects citizens to the political process by bringing them tangible benefits that they had a hand in selecting.

Wherever PB has been attempted it has been embraced by residents as an exciting and meaningful way to engage in the political system and transform their communities for the better. It has also been recognized by politicians to be an excellent method for engaging constituents, not least of all because happy residents are happy voters.

We sincerely hope you will seriously consider a PB process for Ward 2, and look forward to opening a discussion with you at the next Ward 2 Neighbourhood Association meeting on June 12, 2012. We believe that participatory budgeting will help empower citizens and their families, and contribute to the City of Hamilton's vision to be the best place to raise a child.

Sincerely,

The Beasley Neighbourhood Association
www.ourbeasley.com

Appendix B: Letter from the Ward 2 Community Council to Councillor Farr

13 August 2012

Dear Councillor Farr,

Having received presentations from Norman Kearney of Participatory Budgeting Hamilton (PBH), and having consulted our respective memberships, we representatives of the neighbourhood associations of Ward 2 wish to express our support for the introduction of participatory budgeting in Ward 2 (PBW2) through your Area Rating Special Capital Re-investment (ARSCR) funds. While we support participatory budgeting in principle, our support of PBW2 is conditional on the following:

- 1) PBW2 should be a resident-led and City-supported initiative; while we acknowledge that the bylaws of the City of Hamilton and other statutory obligations will frame the possibilities of PBW2, all substantive decisions with respect to the outcomes of PBW2 should be made by residents; further, we expect that the City will reasonably provide sufficient resources to support PBW2, including payment of room and equipment rentals, staff support, printing and photocopying fees, *etc.*, and that these fees will be paid for separately from the ARSCR funds earmarked for the substantive outcomes of PBW2;
- 2) In its first year, there should be a provisional committee for determining the structure and rules of PBW2 and, in addition to members appointed by your office and by PBH, we expect that each neighbourhood association of Ward 2 will be able to appoint one seat to the committee; in subsequent years, we expect that the structure and rules of PBW2 will be determined directly by the residents of Ward 2 from time to time;
- 3) The general structure of PBW2 should rest on budget assemblies; these assemblies should develop spending proposals, elect delegates and organizers, and govern the assembly boundaries and the PBW2 structure and rules; and,
- 4) Residents should make their decisions by secret ballot; the vote should be open to any resident of Ward 2 aged 16 and up.

We encourage you to pursue a deliberative, inclusive, and grassroots process of participatory budgeting that empowers residents by giving them the financial and technical resources they need to transform their ideas into reality. Provided that our above concerns are satisfied, we look forward to partnering with you and PBH to help mobilize residents and promote PBW2.

Yours sincerely,

Ward 2 Community Council on behalf of:

Beasley Neighbourhood Association

Central Neighbourhood Association
Corktown Neighbourhood Association
Durand Neighbourhood Association
North End Neighbours
Stinson Community Association

cc: Norman Kearney, Participatory Budgeting Hamilton

Appendix C: Press Release and Terms of Reference of the Participatory Budgeting Ward 2 Planning Committee

YOUR IDEAS. CITY MONEY. YOUR DECISION.

(Hamilton) September 6, 2012 – Councillor Jason Farr is committing \$1 million from his Area Rating Special Capital Re-investment (ARSCR) fund to participatory budgeting for Ward 2 (PBW2). Through budget assemblies convened in their neighbourhoods, residents will be able to propose capital spending ideas, deliberate, and vote, and the City will implement their decisions.

PBW2 is a partnership between Councillor Farr and Participatory Budgeting Hamilton, a non-profit sponsored by Reeves Financial Services Inc. Hamilton is the second Canadian city and the fifth city in North America actively practicing participatory budgeting.

Participatory budgeting is credited to Porto Alegre, Brazil, where every year as many as 50,000 residents allocate up to 20% of the city's budget. Since 1989, participatory budgeting has spread to thousands of cities around the world, including Guelph (1999), Chicago (2008), New York City (2012), and Vallejo, California (2012).

Residents of Ward 2 and community stakeholders are invited to apply to participate in the design of the annual process. The membership, meeting schedule, agendas, and minutes of the committee will be posted on the Councillor's website as they become available.

PARTICIPATORY BUDGETING WARD 2 PLANNING COMMITTEE (P2C)

TERMS OF REFERENCE

1. Mandate

The P2C will consider the structure and rules for participatory budgeting in Ward 2 (PBW2), grounding its decisions in the principle of maximizing resident participation and empowerment.

2. Responsibilities

The committee will establish budget assemblies prior to its scheduled dissolution by which time it will have provided for an effective launch and the sustainable execution of PBW2.

3. Term

The committee will sit at least once per month but will dissolve before or on July 31st, 2013. At the time of dissolution, all authority over the structure and rules of PBW2 will transfer to the budget assemblies.

4. Composition

The following will comprise the membership of the committee:

- 1.Appointees from the Beasley, Central, Corktown, and Durand neighbourhood associations, the North End Neighbours, and the Stinson Community Association (one each, up to six in total);
- 2.Appointees by the Councillor for Ward 2 (up to three);
- 3.Appointees by Participatory Budgeting Hamilton (up to three);
- 4.The Councillor for Ward 2 (co-chair); and,
- 5.The Director of Participatory Budgeting Hamilton (co-chair).

5.Privileges

Members, or their designates, will have speaking and voting privileges and may move motions. A member may speak for a maximum of ten minutes two times per motion, provided that a member may speak for a third or subsequent time or for more than ten minutes if no member objects; the support of more than one-third of the members present will sustain an objection. Unless otherwise specified in these Terms, the support of a majority of the members present will be sufficient to carry business.

6. Attendance

In the event that a member is unable to attend a meeting of the P2C, the member may appoint a designate, provided that an appointee will automatically vacate his or her seat on missing three consecutive meetings regardless whether a designate had attended on his or her behalf.

7. Resignation

In the event that a member resigns his or her seat, the party which appointed the member may appoint a replacement; in the case of the Councillor resigning, the committee will dissolve.

8. Agenda

The co-chairs will set the agenda on the advice of the committee and will circulate it along with any supporting documentation no less than one week prior to the meeting at which the business is to be considered.

9. Minutes

The decisions made at all meetings along with summaries of supporting and dissenting views will be recorded and circulated no less than one week prior to the subsequent meeting. The minutes will be amended and adopted at the pleasure of the committee.

10. Access

All meetings will be held in continuous open session, and members of the public may address the committee if sponsored by a member of the P2C; the committee may limit the number of speakers that are sponsored per agenda item.

All agendas will be made available to the public at the same time they are circulated to the committee, and all minutes will be made available to the public within five business days of their being adopted by the committee.

11. Amendment

These Terms may not be amended.

Appendix D: Agenda Package for the February 20, 2013 meeting of the Participatory Budgeting Ward 2 Planning Committee

PBW2

Notice of Meeting

Participatory Budgeting Ward 2 Planning Committee

Wednesday, February 20, 2013

7:00 p.m.

City Hall, Room 264

71 Main Street West, Hamilton ON

Expected: Mike Borrelli (Beasley), Mike Cameron (Cllr. Farr's Office), Rachael Edge (NGen Youth Centre), Councillor Jason Farr (Co-Chair), Brian Goodman (Stinson), Matt Jelly (Central), Norman Kearney (Co-Chair), Anastasia Linardatos (Corktown), Peggyanne Mansfield (North End), Joanna Millions (resident), Evelyn Myrie (HCCI)

Regrets: Peter Graefe (McMaster University), Nicholas Kevlahan (Durand)

Meetings of the planning committee are open to the public.

1. Welcome and Announcements
2. Declarations of Conflicts of Interest
3. Adoption of the Agenda
4. Adoption of the Minutes
5. Draft Mission Statement and Principles *For discussion and approval*
6. Draft Basic Structure and Process *For discussion and approval*
7. Expanding on the basic structure and process *For discussion*
8. New Business
9. Notice of Next Meeting
10. Adjournment

Any member who has a private financial interest in any item being discussed or voted on by the committee must declare a conflict of interest and abstain from discussing and voting on said item(s).

PBW2

TO: The Participatory Budgeting Ward 2 Planning Committee	
COMMITTEE DATE: February 20, 2013	
SUBJECT: Draft PBW2 Minutes from January 24	
SUBMITTED BY: Norman Kearney (Co-Chair)	PREPARED BY: Mike Cameron, Councillor Farr's Office 289-921-5711 Norman Kearney, Participatory Budgeting Hamilton 289-689-8664

Location: Council Chambers, City Hall, City of Hamilton

Present: Mike Borrelli (Beasley), Mike Cameron (Cllr. Farr's Office), Rachael Edge (NGen Youth Centre), Councillor Jason Farr (Co-Chair), Brian Goodman (Stinson), Peter Graefe (McMaster University), Matt Jelly (Central), Norman Kearney (Co-Chair), Nicholas Kevlahan (Durand), Peggyanne Mansfield (North End), Nancy Mars (Corktown), Joanna Millions (resident), Evelyn Myrie (HCCI)

Regrets: Anastasia Linardatos (Corktown)

Guests: Amr Abdel-latif, Scott Leon, Charlie Mattina, Norm Pase, Dave Stephens

Attached: Appendix A: Survey responses, Appendix B: "World Café" exercise results

Cameron welcomed the committee. Farr acknowledged the gallery, thanked Joey Coleman for live-streaming the meeting, and reiterated the importance of engagement and transparency. Farr thanked Cameron and Kearney for their work on PBW2 thus far and noted that Council has endorsed \$1 million for PBW2. Farr invited the public to contact the committee and attend its meetings.

The committee members introduced themselves. Stephens resigned his seat, which was filled by Mansfield.

No conflicts of interest were declared.

Moved by Graefe, seconded by Borrelli to adopt the agenda. **Carried.**

Kearney presented a conceptual and historical overview of participatory budgeting, explained the committee's terms of reference, and directed the committee to www.pbhamont.ca for regular updates.

Kearney led a discussion on direct democracy and asked the committee about their frustrations with representative democracy. Committee members described the first-past-the-post system as outdated and were enthusiastic about having more direct involvement in decision making. A question was raised about the budget consultation process in Ward 1. Kearney explained that the Ward 1 project is similar to PBW2 and is likely heading in the direction of participatory budgeting.

It was noted that, as seen through social media, people complain a lot but do not take direct action to resolve their frustrations. Marginalized people were described as feeling “left out” and it was suggested that the process needs to make them feel included.

It was noted that there is a tendency in Canada for consultation to be a mere “veneer” for the sake of fulfilling an obligation to consult, even though decisions are often made despite public input. Referring to complaints on social media, it was added that lawmakers need to make it easier for people with grievances to engage in decision making.

There was a worry that participatory budgeting could lead to excessive talking and idleness. Making measurable progress was stressed as important to the success of the process. It was suggested that careful deliberation should be balanced with timely decision making.

There was a question of whether the process should be open to only adult citizens, or to all residents of the ward. The committee was almost unanimously in favour of opening the process to all residents of the ward. It was also suggested that youth be allowed to vote because they have a unique perspective and are capable of more than they are given credit.

The committee reviewed their anonymous responses to a survey that they had completed in advance of the meeting. Farr praised the committee for their commitment to inclusivity. It was reported that the committee felt mobilizing 1-5% of the ward would count as a success for the first year. A concern was raised about neighbourhoods competing for funding. Farr explained that the process is annual and there are opportunities to obtain funding every year. It was suggested that the process be designed to encourage cooperation so that everyone gets a “piece of the pie”. Interpretation services were described as essential for including newcomers in Hamilton.

Kearney invited the committee to participate in a “World Café” in order to generate values for PBW2. He explained that they would produce a “living document” that would be open to change throughout the planning process. The gallery was invited to participate, as well, and did.

The committee reconvened and reflected on the exercise. A member of the gallery praised the planning process for being inclusive and “bottom up”.

Kearney suggested that a sub-committee composed of interested committee members be

convened to formulate a draft mission statement and set of principles for presentation at the next meeting. *Carried.*

The committee adjourned until the next meeting TBA.

PBW2

TO: The Participatory Budgeting Ward 2 Planning Committee	
COMMITTEE DATE: February 20, 2013	
SUBJECT: Draft PBW2 Mission Statement and Principles	
SUBMITTED BY: Norman Kearney Participatory Budgeting Hamilton 289-689-8664 info@pbhamont.ca	PREPARED BY: Michael Borrelli (Beasley) Mike Cameron (W2 Office) Brian Goodman (Stinson) Norman Kearney (Co-Chair) Joanna Millions (resident)

Mission Statement

Participatory Budgeting Ward 2 (PBW2) aims to broaden, deepen, and sustain public deliberation and decision making over municipal fiscal policy. By providing opportunities for residents to learn and practice skills that empower them to effect change, PBW2 will contribute to enhancing the health and resilience of Hamilton's economy and society.

Principles

1. We will start from a commitment to improving our neighbourhoods and our city.
2. We will maintain spaces where all the diverse residents of our ward feel they have access, are respected, and can affect outcomes.
3. We will keep our process open and transparent to the public.
4. We will sometimes disagree, but we will always take time to work with and understand each other.
5. We will acknowledge inequalities of power, knowledge, time, and ability, and we will strive for equity.
6. We will respect the trust placed in us by the City of Hamilton and by our fellow residents.
7. We will adapt our means to achieve these ends.

PBW2

TO: The Participatory Budgeting Ward 2 Planning Committee	
COMMITTEE DATE: February 20, 2013	
SUBJECT: Draft PBW2 Basic Structure and Process	
SUBMITTED BY: Rachael Edge (NGen Youth Centre) Peter Graefe (McMaster University) Norman Kearney (Co-Chair)	PREPARED BY: Norman Kearney Participatory Budgeting Hamilton 289-689-8664 info@pbhamont.ca

This draft structure for PBW2 envisions a sustainable process. Each assembly elects an Assembly Organizer (AO) at the end of each budgeting session so that continuity is preserved between budgeting sessions. After being elected the AOs elect a Secretary, who reports to the committee of AOs and supports the process throughout the year.

The budgeting session begins with AOs convening an assembly in their budget areas. AOs facilitate meetings of their assemblies and help residents develop their spending ideas. Each assembly chooses some of its ideas to become Assembly Spending Proposals (ASPs), which are passed on to the Secretary by the assembly's AO. The Secretary adds the ASPs from each assembly to the ballot.

Because the total value of ASPs from all assemblies is likely to exceed the value of the available funds, the assemblies elect a delegate to negotiate a compromise budget (CB) that is less than or equal to the value of the available funds. Residents maintain control of the process because the CB must consist of only ASPs. The CB is non-binding but is presented as a recommendation by the delegates to their assemblies. Once an assembly receives the CB its delegate retires. The Secretary revises the ballot in order to indicate the CB. When residents go to the polls they can vote for the CB or independently rank ASPs from across the ward.

The last task of the delegates before they present the CB to their assemblies is to strike ad-hoc committees on themes that they believe are relevant to the entire ward. The assemblies later elect the membership of these committees. Members of the committees develop spending ideas for the next budgeting session, which they present to their assemblies. The committees dissolve and their members retire when the delegates of the next budgeting session strike ad-hoc committees.

After receiving the CB and before going to the polls the assemblies elect an AO, committee members, and a liaison. Between budgeting sessions the liaisons meet with the City to ensure that the budget is implemented, and with the residents of their budget areas

to keep them informed of the City's progress. At the beginning of the next budgeting session the liaisons debrief their assemblies and then retire.

Appendix E: Bylaws of Participatory Budgeting Ward 2

Abbreviations

AGM – Annual General Meeting; each Assembly holds an AGM.

AO – Assembly Organizer; each assembly elects an AO at its AGM.

DO – Deputy Assembly Organizer; each assembly elects a DO at its AGM.

OT – Organizing Team; the AO and the DO of an assembly comprise its OT.

PB – Participatory Budgeting.

PBO – Participatory Budgeting Office; the Facilitator, the AOs, and the DOs comprise the PBO.

1. Participatory Budgeting Office (PBO)

- (1) The Facilitator, the AOs, and the DOs will comprise the PBO, which will implement participatory budgeting in Ward 2.
- (2) The AOs and the DOs will elect the Facilitator, who will serve at the pleasure of two-thirds of the PBO, provided that no person may hold the office of Facilitator for complete or partial terms over more than six consecutive PB cycles.
- (3) The PBO will establish operational and administrative policy, which it may revise from time to time.
- (4) Meetings of the PBO will be called by the Facilitator, or by petition of two-thirds of the members of the PBO.
- (5) Meetings of the PBO will be chaired by the Facilitator, or by his or her designate, provided that the will of two-thirds of the members of the PBO will be sufficient to elect a chair *pro tempore*.
- (6) Notice of a meeting of the PBO must be given to all the members of the PBO no fewer than thirty calendar days prior to the meeting of the PBO, provided that notice may be waived by unanimous consent of the PBO.
- (7) Quorum for meetings of the PBO will be two-thirds of its members.
- (8) The will of two-thirds of the members of the PBO present at one of its meeting will decide any question before it.

2. Number and Location of the Assemblies

- (1) The Facilitator will establish the number and location of assemblies for a budgeting session as he or she considers most convenient for the residents of Ward 2, provided that there will be at least one assembly for every 5000 residents, and provided further that an assembly may be closed only by vote of two-thirds of the members of the Assembly present at its AGM.

3. PB Cycle

- (1) The PB Cycle will consist of a Budgeting Session, which will occur at least once every year, and a Planning Session, which will comprise the time between budgeting sessions.

4. Schedule of the Planning Session

- (1) There will be a Liaison Committee that will consist of the liaisons elected to it by the assemblies; it will be convened by the PBO within the first sixty days of the Planning Session, it will elect a chair and vice-chair from its membership, it will monitor progress on implementation of the participatory budget, and it will report to the assemblies within the first thirty days of the next budgeting session.

- (2) There will be planning committees that will consist of the members elected to them by the assemblies; they will be convened by the PBO within the first sixty days of the Planning Session, they will elect chairs and vice-chairs from their respective memberships, they will conduct such studies and outreach as are necessary to prepare proposals for the next budgeting session, and they will report to the assemblies within the first thirty days of the next budgeting session.
- (3) There will be a Governance Committee that will consist of the members elected to it by the assemblies; it will be convened by the PBO within the first sixty days of the Planning Session, it will elect a chair and a vice-chair from its membership, it will consider amendments to the Bylaws, and it will report to the assemblies within the first thirty days of the next budgeting session.
- (4) The PBO will establish a schedule for the Planning Session in consultation with chairs of the Liaison Committee, the planning committees, and the Governance Committee.
- (5) The PBO will publicize a schedule for the next budgeting session no fewer than ninety days prior to the Budgeting Session, provided that notice of revisions to the schedule must be given to the residents of Ward 2 by the PBO no fewer than seven days prior to the affected date(s).

5. Schedule of the Budgeting Session

- (1) The OTs will convene their assemblies within the first thirty days of the Budgeting Session.
- (2) The OTs will support members of their assemblies in developing proposals for the participatory budget.
- (3) The OTs will receive proposals from members of their assemblies.
- (4) The OTs will verify that the proposals are complete.
- (5) The OTs will present completed proposals to their assemblies and return incomplete proposals to the members who submitted them.
- (6) The assemblies will select and refer completed proposals to City staff for review.
- (7) The assemblies will select proposals and reserve them for the ballot.
- (8) Each assembly will elect a delegate from its membership, who will hold office until the end of the budgeting session.
- (9) The Facilitator will convene and chair the Delegate Council; quorum will be two-thirds of the delegates elected by the assemblies, and the will of two-thirds of the delegates present at a meeting of the Delegate Council will decide any question before it.
- (10) The delegates will review the proposals that are reserved by the assemblies.
- (11) The delegates will select a set of proposals constituting the Compromise Budget.
- (12) The delegates will establish committees with terms of reference for the next Planning Session.

- (13) The delegates will present the Compromise Budget to their assemblies.
- (14) The assemblies will endorse or reject the Compromise Budget and may add proposals to or remove proposals from their lists of reserved proposals.
- (15) Each assembly will hold an AGM and will elect:
 - i. An Organizing Team (OT) consisting of:
 - a) An Assembly Organizer (AO), who will hold office until adjournment of the Assembly's next AGM; and,
 - b) A Deputy Assembly Organizer (DO), who will hold office until adjournment of the Assembly's next AGM;
 - ii. A Liaison, who will hold office until adjournment of the Assembly's next AGM;
 - iii. Members to the planning committees, who will hold office until adjournment of the Assembly's next AGM; and,
 - iv. A member to the Governance Committee, who will hold office until adjournment of the Assembly's next AGM.
- (16) The PBO will create and publicize the ballot; the ballot will contain all the proposals reserved by the assemblies and will indicate the Compromise Budget if it was endorsed by at least two-thirds of the assemblies.
- (17) The Facilitator will establish the number and location of polls for a vote on the participatory budget as he or she considers most convenient for the residents of Ward 2.
- (18) The Facilitator will conduct a vote on the participatory budget.
 - i. A person is entitled to vote on the participatory budget if on the voting days he or she resides in Ward 2 in the City of Hamilton and is at least 14 years old.

6. Assembly Procedure

- (1) Meetings of an assembly will be chaired by the AO of the Assembly, or by his or her designate, provided that the will of two-thirds of the members present at a meeting of the Assembly will be sufficient to elect a chair *pro tempore*.
- (2) A petition of ten members of an assembly that is delivered to the Facilitator will call a special meeting of the Assembly pursuant to the date, time, and location specified in the petition, provided that any action taken at a special meeting of the Assembly will be subject to ratification at the next regularly scheduled meeting of the Assembly.
- (3) Notice of a special meeting of an assembly must be given by the PBO to the residents of Ward 2 no fewer than seven days prior to the meeting of the Assembly.
- (4) Quorum for any meeting of an assembly will be ten members of the Assembly.

- (5) Notice of a motion must be given to the members of an assembly no fewer than seven calendar days prior to presentation of the motion at a meeting of the Assembly.
- (6) An assembly may establish and revise from time to time a local Voting Policy, specifying the voting system for its motions, and a local Elections Policy, specifying the campaign rules and voting system for its elections, provided that local policy may be vetoed by the PBO.

7. Registering at an Assembly

- (1) A resident of Ward 2 who is at least 14 years of age is eligible to register for membership at any assembly, provided that a resident may be registered at only one assembly at any time and registering at an assembly deregisters a resident at all other assemblies.
- (2) A resident's registration for membership at an assembly is complete when the AO of the Assembly accepts a sworn declaration of the resident's given name, surname, date of birth, and the address of his or her permanent lodging place, provided that a person of no fixed address may declare the place where he or she most frequently returns to sleep or eat.
- (3) A person who, in the opinion of the Facilitator, is found to have fraudulently misrepresented his or her registration details will be deregistered and may, at the discretion of the Facilitator, be subject to a prohibition on registering at any and all assemblies for up to three years, provided that such deregistration and/or prohibition may be appealed to the assembly from which the person was deregistered within seven days by written notice to the DO of that Assembly.

8. Rights of Membership in an Assembly

- (1) A resident who is registered at an assembly is a member of the Assembly and may speak, move motions, and vote at meetings of the Assembly, and may seek and hold an office of the Assembly, provided that no member may hold more than one office at any time nor may any member hold the same office for complete or partial terms over more than three consecutive PB cycles.

9. Rights of Non-Members

- (1) A non-member may speak at a meeting of an assembly if the AO of the Assembly consents, provided that the will of a majority of the members present at the meeting may overrule the AO's decision on speech by a non-member.
- (2) A non-member may seek to hold an office of an assembly if two-thirds of the members present at an AGM of the Assembly consent.

10. Vacancy of an Assembly Office

- (1) During the Budgeting Session, a vacant office of an assembly may be filled by the Assembly; otherwise, a vacant office may be filled by the Facilitator, provided that any vacancy filled by the Facilitator will be subject to ratification by the Assembly.

11. Recall of an Assembly Office

- (1) A person who holds an office of an assembly may be removed from office by the will of two-thirds of the members present at a special meeting of the Assembly called for that purpose.

12. Committees

- (1) Members of a committee may speak, move motions, and vote at meetings of the committee.
- (2) The chair of a committee will preside at its meetings, or the vice-chair will preside at the chair's request, provided that the will of two-thirds of the members of a committee will be sufficient to elect a chair *pro tempore*.
- (3) Quorum for a committee will be two-thirds of its membership.
- (4) Meetings of a committee will be called by its chair, or by petition of two-thirds of the members of the committee.
- (5) Notice of a motion must be given to the members of a committee no fewer than seven calendar days prior to presentation of the motion at a meeting of the Committee, provided that notice may be waived by unanimous consent of the Committee.
- (6) The will of two-thirds of the members of a committee will decide any question before it.
- (7) A person who holds the office of chair or vice-chair of a committee may be removed from office by the will of two-thirds of the members present at a special meeting of the Committee called for that purpose.

13. Amendment of the Bylaws

- (1) Any resident of Ward 2 may propose to amend the Bylaws by writing to the Chair of the Governance Committee.
- (2) A proposed amendment that is approved by the Governance Committee will be referred to the assemblies.
- (3) A proposed amendment that is approved by two-thirds of the assemblies will initiate a referendum on the Bylaws that will be held concurrent with the vote on the Participatory Budget.
- (4) The wording of the referendum question will be determined by the PBO.

- (5) A majority of the residents who vote will decide the referendum question, provided that an amendment will take effect no sooner than the commencement of the next Planning Session.

14. Parliamentary Authority

- (1) The PBO will use the most recent published edition of Roberts Rules of Order for interpreting these Bylaws and conducting meetings.

Appendix F: Record of the Vote on the 2013 Ward 2 Participatory Budget

The Participatory Budgeting Office is pleased to announce the results of the past weekend's vote on the 2013 Ward 2 Participatory Budget.

The Compromise has won. 1024 ballots were cast.

Following are the vote tallies:

Project	Votes	Budget
Funded		
Three Community Gardens	799	\$18,000
Thirty-Five Public Benches	752	\$50,000
Grant for Hamilton Victory Gardens	748	\$3,500
Grant for Food4Kids	748	\$40,000
Safe Rail Trail Access at Victoria Ave S	715	\$100,000
Beautification of James St S	695	\$10,000
Upgrades to the Beasley Skateboard Park	691	\$80,000
Beasley Community Centre Kitchen Renovation	690	\$22,600
Grants for 3 Neighbourhood Outreach Workers	683	\$39,000
Pilot Project for a Network of "Urban Trail" Alleys	678	\$230,000
Crosswalk at Hunter St W & MacNab St S	677	\$125,000
Outdoor Community Oven	663	\$15,000
Grant for a Multicultural Festival	663	\$20,000
Ten Solar-Powered Trash Compactors	652	\$44,000
Pilot Project for a Chinese Garden	651	\$10,000
Grant for a Herbal Labyrinth in Shamrock Park North	642	\$2,000
Grant for Adopt-a-Park (Fund for Flowers)	639	\$9,000
No Smoking Signs in Parks	637	\$2,000
Ten Poster Kiosks (Message Boards)	632	\$20,000
Reserve to Support the NGen Youth Centre	613	\$50,000
Reserve for a Multicultural Community Centre	589	\$112,000
Not funded		
Six Bike Parking Stations	270	\$20,000
Complete Cannon St W	226	\$130,000
Playground Equipment in Bishop Park	222	\$40,000
Crosswalk at Cannon St E & Mary St	179	\$125,000
Grant for Beasley Alleyway Murals	172	\$26,000

Crosswalk at Hunter St W & Park St S	149	\$125,000
Crosswalk at Charlton Ave E & Wentworth St S	149	\$125,000
Expansion of Central Memorial Rec. Centre	103	\$191,000
Grant for Mobile App Training Program for Youth	97	\$3,500

Following are the petition tallies:

Petition	Votes
1. There are tens of thousands of residents in the downtown but few pedestrian-only areas. The City of Hamilton should create new pedestrian-only areas.	467
2. Participatory Budgeting Ward 2 (PBW2) requires ongoing support. The City of Hamilton should pay the next facilitator of PBW2 a living wage at part-time for seven months and at full-time for five months over the term of October 2013 to October 2014. The next facilitator will be elected in September 2013.	361
3. Contamination of drinking water due to improper disposal of pharmaceuticals is hazardous to human health. The City of Hamilton should promote proper disposal of pharmaceuticals.	491
4. Communication between residents and staff is complicated by limited communication among staff in different divisions and departments. The City of Hamilton should develop a citizen-centred communication strategy.	399
5. There are many small-businesses in the downtown but awareness of them is limited. The City of Hamilton, through its Economic Development Department, should develop an interactive business directory.	421
6. The garden on the corner of the Park St S and Hunter St W sides of the Central Elementary School are exposed to fast-moving traffic. The City of Hamilton should lobby the Hamilton-Wentworth District School Board to install a fence around the garden.	325

Detailed information on specific polls will be released as soon as possible.

Appendix G: Minutes of the November 30, 2013 meeting of the Participatory Budgeting Office

Minutes
of the
Participatory Budgeting Office

Date: November 30, 2013

Organizers: Tom Allen, Rebecca Costie, Jon Davey, Shamso Elmi, Norman Kearney, Dawn McIlmoyle, Lee McIlmoyle

Liaisons: Peggyanne Mansfield, Joey Mleczko, Joanna Millions

Guests: Mary Lombardo, Charlie Mattina, Norm Pase, Bill Simone

The meeting was **called to order** at 2:20 p.m. **Kearney** chaired.

Project Implementation Process

Reports indicate that the Ward 2 Office is not following the established process for implementing projects that were chosen in the vote on the 2013 Ward 2 Participatory Budget.

Under the Bylaws, residents are entitled to representation to the City by a liaison. The liaisons advocate for residents and problem solve with the City so that their projects are implemented as best as possible as envisioned by participants.

The Ward 2 Councillor and City staff have invited residents who are connected to successful projects to meet and discuss their projects. Each project is being given a fifteen minute slot, and some residents have reported that during their time slot they have been told that their projects cannot be implemented, or that they have been pressured to modify their projects.

In one case, an organizer of the PBO was summoned by the Ward 2 Councillor and asked for a detailed plan and budget for a project. Organizers are not responsible for such details. Concerns over implementation, modifications, and detailed plans and budgets should be directed to the Liaison Committee, not to individual residents or organizers.

Reports indicate that the Participatory Budgeting Office (PBO) is being accused by the Ward 2 Councillor of misleading residents about what kinds of projects are eligible for funding, and for failing to disseminate the budget estimates and feasibility analyses that were conducted by City staff.

In May 2013, the PBO consulted the Financial Planning & Policy Division about the Area Rating Special Capital Reinvestment Policy and was advised that City Council has authority to approve projects outside the scope of the Policy, which it has done in the past for social infrastructure type projects.

The Ward 2 Councillor has used his Area Rating budget to fund projects that are outside the scope of the Policy:

- Ward 2 School Nutrition Program (\$80,000);
- Renew Hamilton Grant (\$20,000);
- HWDSB Task Force (\$15,000);
- Downtown Pop-Up Concert (\$,6000);
- YMCA – Women’s Transitional Housing Program (\$90,000);
- 2-Way Streets Study InfoPortal (\$7,500); and,
- Art Gallery of Hamilton Capital Works Feasibility Study (\$5,000).

Participants were advised by the PBO of the historical use of the Area Rating policy prior to submitting their proposals.

The project review process was designed by the PBO in consultation with the Public Works Department in March 2013. A cover sheet was proposed for staff to complete with each project in order to streamline the project review process. The PBO provided the projects to and met with Public Works in June 2013. The cover sheet was revised and the projects were organized into sections for review. Thirty-four projects were distributed to staff, and seventeen cover sheets were returned. Other projects received some feedback in email format. All information for each project that was received from staff was consolidated by the PBO and provided to the residents who were connected to the project.

In May 2013, the Financial Planning & Policy Division and the Public Works Department presented to the PBO on the Area Rating policy and the state of Hamilton’s infrastructure.

The Ward 2 Councillor has reportedly told some participants that the liaison position will be phased out, and that other structural changes will be made to the process of the Ward 2 Participatory Budget.

One report indicates that during a 15-minute time slot, the Ward 2 Councillor threatened to disband the Ward 2 Participatory Budget, citing a clause in the Terms of Reference for the PBW2 Planning Committee. The Planning Committee dissolved on June 28, 2013, at which time, pursuant to its Terms of Reference, all authority over the structure and rules of the process transferred to the assemblies. The Terms of Reference are no longer in effect and have been superseded by the Bylaws that were passed by the Planning Committee. The Ward 2 Councillor, therefore, reserves no unilateral authority to disband or alter the process of the Ward 2 Participatory Budget.

The PBO calls on the Ward 2 Councillor to respect the process that he participated in designing as co-chair of the PBW2 Planning Committee. The Ward 2 Office should respect the right of residents to representation and coordinate the project implementation process with the Liaison Committee.

2014 Ward 2 Participatory Budget

The PBO is pleased to announce a schedule for the 2014 Ward 2 Participatory Budget. The schedule takes into account concerns raised by participants in 2013. The PBO believes that the 2014 schedule will produce a smoother and more effective process.

The schedule is tentative and the PBO welcomes input from residents. More information will be available in December and early January. The vote on the 2014 Ward 2 Participatory Budget has tentatively been set for the week of June 15-21.

The 2014 schedule is 26 weeks long, in contrast to the 18 weeks of 2013. The project review period has been separated into two sections and increased from three to six weeks. The delegate council period has also been separated into two sections and increased from four to six weeks. The number of weeks for assembly meetings is unchanged at nine, but there will be six rather than four sections. This reordering will increase the efficiency of assembly meetings. In brief:

- The first assembly section will provide residents with an opportunity to learn about the process and submit their ideas. (B)
- Projects will be given preliminary budget estimates and feasibility analyses during the first project review section. (C)
- The second assembly section will allow participants to revise their proposals and re-submit them. (D)
- Following the second project review section (E), the assemblies will select proposals and elect a delegate. (F)
- The first delegate council section will focus on information sharing, learning, deliberation, and negotiation. (G) The delegates will produce a preliminary compromise and present it during the fourth assembly section. (H)
- The assemblies will now be able to instruct their delegates to negotiate changes to the compromise. (H)
- The second delegate council section will allow the delegates to negotiate a revised compromise based on instructions from their assemblies. (I)
- The fifth assembly section will allow the assemblies to endorse or reject the revised compromise. (J)
- Two weeks will be allocated to disseminate the ballot and provide notice of the annual general meetings and the vote. (K)
- The AGMs (L) will be held before the vote (M).

PBO Recruitment

The PBO is seeking volunteers to fill vacant positions. More information will be available at www.pbhamont.ca.

Notice of Next Meeting

The next meeting of the PBO is tentatively scheduled for Saturday, December 14, 2013 at 2pm.

The meeting was **adjourned** at 4:00 p.m.

Appendix H: Help Wanted Poster: Facilitator, Participatory Budgeting Ward 2

To design, implement, and manage a project which allocates \$1million in funding for a citizen led participatory budgeting exercise in Ward 2 Hamilton. (This is a paid position, from Mar 1 to Aug 1; hours vary, approx. 20 to 30 hours per wk)

Facilitator Qualifications

Education

Successful completion of two years of an acceptable post-secondary education program or

An acceptable combination of education, training and relevant experience

Experience

- 1.Administration of electoral processes
- 2.Participation in community-based organizations
- 3.As leader of an organization
- 4.Special events, human resources, Financial & Office Management
- 5.Marketing

Knowledge and competencies to be assessed during the recruitment process

- 1.Participatory Budgeting Processes
- 2.Statutory & administrative requirements
- 3.Internet, e-mail and word processing software
- 4.Manage & resolve divisive issues
- 5.Effective verbal and written communication skills
- 6.Recruitment, hiring and training of personnel
- 7.Sensitivity to persons or communities with special needs
- 8.Leadership, Diplomacy, judgment, reliability, adaptability and discretion
- 9.Interpersonal skills in working with a wide-range of diverse communities

Please submit resume to Ward 2 Councillor Jason Farr at
jason.farr@hamilton.ca Submission deadline Feb 21st 2014 5pm.

Appendix I: PBW2 2014 Media Release

For Release on Friday July 18:

Hamilton, Ontario – Friday July 18, 2014

Downtown Hamilton's Budget Vote Supports St Mark's Roof

For the second year in a row Downtown Hamilton residents responded to the call: "\$1Million Dollars – Your Ideas – You Decide" by turning ideas for neighbourhood projects into action. The online voting and paper ballots for this year's Participatory Budgeting – Ward 2 that took place between June 23 and 29 have been tabulated.

The facilitator of this year's Ward 2 Participatory Budgeting (PBW2) today released the list of winning projects. Residents' support for one project in particular was resounding, and you can see the detailed results on the PBW2 website (www.pbward2.ca).

- 1) Restoration of the Roof of St Mark's Church – \$100,000 (Durand)
- 2) Rail Trail Reconstruction – \$86,000 (Corktown/Stinson)
- 3) Water Fountain for Drinking – \$25,000 (Central/Beasley)
- 4) Wheelchair Swings – \$2,200 (Ward-wide)
- 5) Durand Traffic Calming Reserve – \$60,000 (Durand)
- 6) Bike Rack Sculptures – \$55,000 (Downtown)
- 7) Pedestrian Safety Initiative: Wentworth and Charlton – \$150,000 (Stinson)
- 8) Install FOUR Additional Public Garbage Bins – \$4,000 (Ward-wide)
- 9) Duke & Bold Street 2-way Conversions – \$300,000 (Durand)
- 10) Semi-Circular Park Bench Sets (6) – \$18,000 (Ward-wide parks)
- 11) Neighbourhood Signage – \$180,000 (Ward-wide)
- 12) Outdoor Games Tables – \$17,000 (Waterfront/North End)

Councillor Farr is a true believer in the manifold benefits of the PB process.

"As a direct result of community engagement and democratic decision-making, some exciting new capital projects will be coming soon to Ward 2. While we continue to learn how to better deliver Participatory Budgeting, the short timeline from start to finish proved to be most challenging, I commend those who took the time to participate over the last three months and will continue to encourage greater public engagement in the future".

This year's project Facilitator agrees heartily. "Participatory Budgeting is an amazing way for our community to come together, set priorities, have our voices heard, and to make real changes in our neighbourhoods with real money," according to this year's

Participatory Budgeting process facilitator, Karen Burson. “It is a democratic process in which community members decide how to spend part of a public budget. It enables residents to work with government to make the budget decisions that affect their lives.”

Typically Participatory Budgeting is a four-stage process:

- 1) Ideas are generated within defined communities
- 2) The best of those ideas are turned into detailed, well-researched proposals which are then assessed for feasibility and cost
- 3) The remaining projects are voted on by the community
- 4) The projects are implemented by a municipality or ward (or another sponsoring entity — usually depending on its source of funding — such as community housing authorities, schools, universities, charities, etc.)

In Ward 2 this year over 60 participants at five community gatherings called “Idea Generation Assemblies” came up with 100 ideas for improvements to neighbourhood infrastructure. The most feasible and impactful ideas were taken up by a group of 17 Budget Delegates. Budget Delegates are volunteers from the community who shape ideas into the proposals that were submitted to City of Hamilton Staff for vetting: staff provided high-level assessments and cost estimates. Their feedback helped PBW2 staff create the list of proposals and the descriptions that appeared on this year’s ballot.

“There were changes needed in some cases, to ensure that the community’s vision would be realistic in terms of how the projects proposals could be implemented in 2015... everyone worked hard to reflect those desires in the final form of each item on the ballot” said Facilitator Karen Burson.

As a result of the ward-wide vote an impressive list of community projects will be funded and the implementation process will commence in 2015, pending approval of each project by City Council. The funding for PBW2 comes from the Ward 2 Area Rating Capital Reserve, a fund made available by the City of Hamilton to address the infrastructure deficits experienced by Wards 1 through 8.

For more details on the original project proposals, voting results, the PB process in Ward 2 and an assessment of the process provided by the Centre for Community Study, please visit the website: www.pbward2.ca as well as Councillor Farr’s website: www.jasonfarr.com.

You can sign up to receive PBW2 updates on the PBW2 website and you can get PBW2 updates on Facebook and Twitter.

Appendix J: Minutes of the July 4, 2015 meeting of the Participatory Budgeting Volunteer Committee

PARTICIPATORY BUDGETING VOLUNTEER COMMITTEE

**MINUTES
APPROVED**

Saturday, July 4, 2015
10am to 12pm

182 Rebecca St
Hamilton ON L8R 1C1

Present: Dan Irvine, Norman Kearney, Trudi Lorenz, Lee McIlmoyle, Frances Murray, Norm Pase, Laura Pin, Bill Simone, Nicole Smith, Nick Vlahos, Eileen White

Invited: Tom Allen, Shannon Betsargis, Brandon Braithwaite, Dave Cherkewski, Chris Erl, Kathleen Hagan, Varda Khan, Charlie Mattina, Joey Mleczko, Evelyn Myrie, Sheri Selway, Judy Snyder, Lisa Wang, Bill Willcox, Rosalie Zahed

Regrets: Mike Borrelli, Karen Burson, Jon Candeloro, Rebecca Costie, Rachael Edge, Shamso Elmi, Peter Graefe, Mary Lombardo, Dawn Manning, Alex Medley, Joanna Millions, Methura Rathakanthan, David Schonborn

The meeting came to order at 10:15 a.m. The guests introduced themselves.

1. Historical Overview of PBW2

Kearney provided an overview of key events in the history of PBW2 from his perspective, and guests added their perspectives, as well.

The meeting took a brief recess at 11:30 a.m.

The meeting reconvened at 11:40 a.m.

2. Duties and Authority of the Committee

The committee agreed that its work should be limited to the following:

- Collecting information about the status of proposals that were approved in 2013 and 2014 and preparing a report for residents;
- Drafting a process for PBW2 2016;

- Organizing outreach in July and August and a neighbourhood convention in August or September; and,
- Recruiting and training volunteers to organize PBW2 2016.

The purpose of the neighbourhood convention is to provide residents with:

- An update on the status of 2013 and 2014 proposals;
- An opportunity to make decisions on any outstanding issues related to 2013 and 2014 proposals, such as whether to top-up the budget for an underfunded proposal, to approve recommendations by City staff to change the specifications of a proposal, or to cancel a proposal; and,
- An opportunity to debate, amend, and ratify the draft process for PBW2 2016.

The committee agreed that getting complete information about the status of projects that were approved in 2013 and 2014 should be its highest priority. For each proposal this information should include: the original specifications, a description of work done or planned, an itemized budget, and the actual or estimated date of completion.

3. Committee Work Plan

The committee agreed to hold regular meetings on Saturday mornings. Kearney will prepare a work plan for consideration at the next meeting.

The meeting adjourned at 1:10 p.m.

Appendix K: Minutes of the July 11, 2015 meeting of the Participatory Budgeting Volunteer Committee

PARTICIPATORY BUDGETING VOLUNTEER COMMITTEE

**MINUTES
APPROVED**

Saturday, July 11, 2015
10 a.m. to 12 p.m.

182 Rebecca St
Hamilton ON L8R 1C1

Present: Chris Erl, Shamso Elmi, Norman Kearney, Trudi Lorenz, Lee McIlmoyle, Alex Medley, Frances Murray, Laura Pin, Bill Simone, Nicole Smith, Nick Vlahos, Lisa Wang, Eileen White

Invited: Allison Chewter, Dan Irvine, Jon Candeloro, Dave Cherkewski, Peggy Costie, Rob Fielder, Matt Graham, Kathleen Hagan, Mary Lombardo, Charlie Mattina, Joanna Millions, Evelyn Myrie, Norm Pase, Sheri Selway, Elizabeth Ward

Regrets: Tom Allen, Brandon Braithwaite, Mike Borrelli, Rebecca Costie, Rachael Edge, Peter Graefe, Dawn Manning, Joey Mleczko, Erika Morton, Yonatan Rozenszajn, Judy Snyder

The meeting came to order at 10:15 a.m.

4. CHANGES TO THE AGENDA

Motion to adopt the Agenda for June 11, 2015 as presented. Moved by McIlmoyle, seconded by Vlahos. Carried.

5. APPROVAL OF MINUTES OF PREVIOUS MEETING

Motion to adopt the Minutes of June 4, 2015 as presented. Moved by Simone, seconded by White. Carried.

6. CONSENT ITEMS

Motion to receive the document "Overview of key events in the history of PBW2" and enter it into the minutes. Moved by Lorenz, seconded by McIlmoyle. Carried.

7. DISCUSSION ITEMS

Kearney presented the Committee Work Plan and answered questions.

The committee discussed issues of relevance to the Committee Work Plan. A member noted that PBW2, which was created in 2012 and had its first run in 2013, was recreated in 2014, and is now being recreated again in 2015. The member expressed concern that mistakes may be repeated if the process is not kept intact and allowed to grow. The member called for an “honest assessment of how it [PBW2] broke down and how to fix it”.

A member noted that uncertainty surrounding the status of PBW2 projects has deteriorated trust in the process.

A member noted confusion about the meaning of PBW2 votes, citing the Multicultural Festival, which some members of the community thought would be an annual event. The member expressed concern about the uncertain status of the Multicultural Centre, which was allocated \$112,000 in 2013. The member also cited the uncertain status of the Beasley Oven. Finally, the member raised concern about the McLaren Park renovations, which have not been completed on time. The member suggested that the park renovation delays have decreased trust in the City.

A member noted that there is a disconnect between what residents voted for and what they have seen from the City since voting. The member suggested that thorough record keeping and public pressure will be necessary to ensure follow-through by the City. The member encouraged the committee to consider how institutional knowledge can be preserved for the benefit of future organizers.

A member noted that the disconnect between what residents say they want and what happens is not unique to PBW2. The member cited the experience of a neighbourhood that was shut out of planning a bike lane after it had been consulted, even though the preferences of the neighbourhood had changed.

Members of the committee discussed the political role of the committee and agreed that the committee should defer to the neighbourhood associations in lobbying Councillor Farr and the City of Hamilton. A member noted that the committee should not underestimate the potential for community organizing to be political. The committee agreed that while its work cannot be apolitical, it must be strategic about its political role.

The committee agreed to dedicate time at its next meeting to hear a presentation about the Sunset Cultural Garden, which was funded by PBW2 in 2013.

A member of the committee provided an update on the status of the Beasley Oven. The Hamilton Fire Department prohibits an open flame in a public space. Consequently, the oven cannot be installed in Beasley Park. The Beasley Neighbourhood Association, working through its Charter partners, has negotiated an agreement between Councillor Farr and Good Shepherd, which operates a space near the Beasley Park. The oven will be installed on Good Shepherd property and the Good Shepherd will provide a baker.

The committee recessed at 11:20 a.m.

The committee reconvened at 11:30 a.m.

8. MOTIONS

Motion to adopt the Committee Work Plan as presented. Moved by Simone, seconded by Smith.

Motion to amend the Committee Work Plan to add “Presentation of committee budget (draft)” under “August 8” and “Approval of committee budget” under “August 15”. Moved by Kearney, seconded by McIlmoyle. Carried.

Motion to adopt the Committee Work Plan as presented and amended. Moved by Simone, seconded by Smith. Carried.

Simone nominated Norman Kearney for Chair of the Committee. Kearney accepted. There were no other nominations. Kearney was acclaimed.

Elmi nominated Lee McIlmoyle for Secretary of the Committee. McIlmoyle accepted. Trudi Lorenz was nominated but withdrew her nomination. McIlmoyle was acclaimed.

Kearney nominated Frances Murray for Treasurer of the Committee. Murray accepted. There were no other nominations. Murray was acclaimed.

Motion to appoint Dan Irvine to the position of Coordinator, Research conditional on his acceptance of the appointment. Moved by Kearney, seconded by White. Carried.

Kearney nominated Nicole Smith for Coordinator, Process. Smith accepted. There were no other nominations. Smith was acclaimed.

Motion to amend the Committee Work Plan and replace “Coordinator, Outreach” with “Coordinator, Outreach & Recruitment (1/2)” and “Coordinator, Recruitment” with “Coordinator, Outreach & Recruitment (2/2)” and to add “Recruiting volunteers to organize PBW2 2016” under “Coordinator, Outreach & Recruitment (1/2)” and add “Organizing outreach in July and August” under “Coordinator, Outreach & Recruitment (2/2)”. Carried by consent.

Kearney nominated Shams Elmi for Coordinator, Outreach & Recruitment (1/2). Elmi accepted. Kearney nominated White for Coordinator Outreach & Recruitment (2/2). White accepted. There were no other nominations. Elmi and White were acclaimed.

Kearney nominated Chris Erl for Coordinator, Neighbourhood Convention. Erl accepted. There were no other nominations. Erl was acclaimed.

Motion to defer appointment for the position of Coordinator, Training to the meeting of July 18, 2015. Moved by Erl, seconded by McIlmoyle. Carried.

9. NOTICES OF MOTION

Kearney gave notice of a motion to amend the Committee Work Plan to replace “Coordinator, Outreach” and “Coordinator, Recruitment” with “Coordinator, Outreach & Recruitment”.

10. OTHER BUSINESS

Motion to place “Volunteers and PBW2” as a discussion item on the agenda for the meeting of July 18, 2015. Moved by White, seconded by Kearney. Carried.

Motion to amend the Committee Work Plan and change the time of meetings from 10 a.m. to 12 p.m., to 1 p.m. to 3 p.m. Carried by consent.

The meeting adjourned at 12:05 p.m.

OVERVIEW
of key events in the
HISTORY OF PBW2

- 2012** *January:* Norman Kearney begins promoting the concept of participatory budgeting in Ward 2
- June 11:* The Beasley Neighbourhood Association writes a letter to Councillor Jason Farr in support of participatory budgeting
- August 13:* The six neighbourhood associations of Ward 2 write a joint letter to Councillor Jason Farr in support of participatory budgeting
- September 6:* Councillor Jason Farr announces \$1 million for participatory budgeting and a committee to plan PBW2
- 2013** *January 24:* The planning committee holds its first meeting; it consists of representatives from the six neighbourhood associations of Ward 2, the NGen Youth Centre, the Hamilton Centre for Civic Inclusion, two residents-at-large, Councillor Jason Farr (co-chair), and Norman Kearney (co-chair)
- April 28:* The planning committee holds its fourth meeting, adopts a budget and schedule for PBW2, and appoints Norman Kearney facilitator of PBW2
- May 1:* PBW2 launches
- May 3-5:* The planning committee sends a delegation to the 2nd International Conference on Participatory Budgeting in the US & Canada in Chicago, IL
- May 8:* The assemblies hold their first meetings at eight locations across the ward; one assembly becomes *de facto* the Somali assembly, another the Chinese assembly, a third the youth assembly
- June 26:* The assemblies hold their seventh meetings, submit fifty-two proposals for review by City staff, and elect their delegates
- June 28:* The planning committee holds its fifth and final meeting, adopts bylaws, creating the Participatory Budgeting Office (PBO),

and dissolves, transferring its authority over PBW2 to the PBO

July 10: The delegate council holds its first meeting

July 27: The delegate council tours proposed project sites

August 4: The delegate council holds its fifth and final meeting, and comes to a consensus on twenty-one proposals totaling \$1 million to recommend to the assemblies

August 7: The assemblies hold their eighth meetings and approve the delegates' recommendation; the assemblies place thirty-one proposals on the ballot

August 24 & 25: Residents vote in PBW2 at four voting stations and six voting vans, and have the choice to rank the thirty-one proposals or select the delegates' recommendation

August 25: 1024 ballots are counted and the delegates' recommendation wins a plurality; seventeen of the twenty-one proposals in the delegates' recommendation win a majority

August 28: The assemblies hold their ninth and final meetings and elect their leadership teams for 2014 (two organizers and a liaison), which comprise the PBO

September 5: Norman Kearney introduces the new assembly leadership teams to Councillor Jason Farr; Councillor Jason Farr puts PBW2 under review

October 28: The PBO meets with Councillor Jason Farr and City staff to discuss oversight and implementation of the approved proposals

November 30: The PBO meets with residents who are concerned about the lack of oversight over the City's implementation of the approved projects; the PBO approves a schedule for 2014

December 12: The PBO writes to Councillor Jason Farr about the lack of oversight over the City's implementation of the approved proposals

December 20: Councillor Jason Farr disbands the PBO and announces plans for a new process in 2014

2014 *March 6:* A committee composed of Councillor Jason Farr and representatives of the six neighbourhood associations hires Karen Burson as facilitator of PBW2 and Nathalie Zur Nedden as project animator

April 3: PBW2 process re-launches with a new process

April 19: The first idea generation assembly is held

April 23: The second idea generation assembly is held

April 26: The third idea generation assembly is held

April 30: The fourth idea generation assembly is held

May 1: The fifth and final idea generation assembly is held

May 3: The first budget delegate assembly is held

May 17: The second and final budget delegate assembly is held

June 21-28: A project expo is held

June 23- 29: Voting on twenty-two proposals takes place at six locations and online

July 18: The results of the vote are announced: 577 ballots were counted, and twelve proposals were funded

2015 *April 17:* Councillor Jason Farr notifies the six neighbourhood associations of Ward 2 of his plan to provide \$110,000 to each association in 2015 instead of \$1 million for PBW2

April 27: The six neighbourhood associations of Ward 2 object to Councillor Jason Farr's plan to replace PBW2 with grants to the associations

May 21: Councillor Jason Farr accepts a proposal from the six neighbourhood associations of Ward 2 to allocate \$1 million for PBW2 in 2016 and to focus on completing proposals from previous years in 2015

July 4: A volunteer committee is convened to carry out the proposal of the six neighbourhood associations of Ward 2

PARTICIPATORY BUDGETING VOLUNTEER COMMITTEE

WORK PLAN

Committee meeting schedule

- Saturdays 1 p.m. to 3 p.m.
- July 4, 11, 18, 25
- August 8, 15, 22, 29
- September 12, 19
- No meetings August 1 (Civic Holiday long weekend) and September 5 (Labour Day long weekend)

July 11

1. Presentation of committee work plan (draft)
2. Approval of committee work plan
3. Election of committee chair
4. Election of committee secretary
5. Election of committee treasurer
6. Appointment of Coordinator, Research
 - Collecting information about and preparing a report on the status of proposals that were approved in 2013 and 2014
7. Appointment of Coordinator, Process
 - Drafting a process for PBW2 2016
8. Appointment of Coordinator, Outreach
 - Organizing outreach in July and August
9. Appointment of Coordinator, Neighbourhood Convention
 - Organizing a neighbourhood convention in August or September
10. Appointment of Coordinator, Recruitment
 - Recruiting volunteers to organize PBW2 2016

11. Appointment of Coordinator, Training

- Training volunteers to organize PBW2 2016

July 18

1. Presentation of coordinator work plans (drafts)

July 25

1. Approval of coordinator work plans

August 8

1. Coordinator updates
2. Presentation of committee budget (draft)

August 15

1. Coordinator updates
2. Presentation of neighbourhood convention plan (draft)
3. Approval of committee budget

August 22

1. Coordinator updates
2. Presentation of report on the status of proposals that were approved in 2013 and 2014 (draft)
3. Approval of neighbourhood convention plan

August 29

1. Coordinator updates
2. Presentation of draft process for PBW2 2016 (draft)
4. Approval of report on the status of proposals that were approved in 2013 and 2014

September 12

1. Coordinator updates
2. Approval of draft process for PBW2 2016

September 19

1. Coordinator updates
2. Presentation of report on work of the committee (draft)
3. Approval of report on work of the committee
4. Referral of report on work of the committee to Neighbourhood Convention

Appendix L: Minutes of the September 19, 2015 meeting of the Participatory Budgeting Volunteer Committee

PARTICIPATORY BUDGETING VOLUNTEER COMMITTEE

MINUTES

Saturday, September 19, 2015
10:30 a.m. to 12:30 p.m.

182 Rebecca St
Hamilton ON L8R 1C1

Present: Chris Erl, Norman Kearney (Chair), Lee McIlmoyle, Laura Pin, Nicole Smith, Nick Vlahos, Lisa Wang

Invited: Allison Chewter, Dave Cherkewski, Rob Fiedler, Matt Graham, Kathleen Hagan, Joanna Millions, Erika Morton, Evelyn Myrie, Elizabeth Ward

Regrets: Mike Borelli, Brandon Braithwaite, Peggy Costie, Rebecca Costie, Rachael Edge, Shamso Elmi, Brett Klassen, Mary Lombardo, Charlie Mattina, Frances Murray, Bill Simone

1. CHANGES TO THE AGENDA (Added items, if applicable, will be noted with **)

Motion to remove items 7.6 and 9.3, renumber item 8.2 to 8.3 and 8.1 to 8.2, and add "Proposed Plan" as item 7.7 and as item 8.1. Moved by Kearney, seconded by McIlmoyle. Carried.

Motion to adopt the agenda as amended. Moved by Vlahos, seconded by McIlmoyle. Carried.

2. DECLARATIONS OF INTEREST

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

3.1. Motion to adopt the Minutes of September 12, 2015 as presented. Moved by Vlahos, seconded by McIlmoyle. Carried.

4. DELEGATION REQUESTS

5. CONSENT ITEMS

6. DELEGATIONS

7. PRESENTATIONS

7.1. Research Coordinator Update 2 minutes

Dan Irvine resigned. Norman, Lee, and Mike are assuming his responsibilities.

7.2. Design Coordinator Update 2 minutes

Held remarks for item 8.3.

7.3. Convention Coordinator Update 2 minutes

Held remarks for item 8.1.

7.4. Education Coordinator Update 2 minutes

Meeting with Lee after today's meeting to discuss outreach materials.

7.5. Committee Budget 5 minutes

Frances was absent. She is working with Mike to revise the budget. It will be circulated to the committee by email for approval.

8. DISCUSSION ITEMS

8.1. Proposed Plan** 45 minutes

Norman proposed reorganizing the committee into task groups and scheduling fewer committee meetings. The meetings of September 26 and October 3 would be cancelled, and new meetings would be added. Where the Committee Work Plan and the Proposed Plan conflict, the Proposed Plan would take precedence.

Norman will ask Frances to help plan outreach. Lisa offered to help organize outreach. Nicole offered to help with social media. Norman will focus on the press, partners, and volunteers.

Chris and Norman described the Town Hall and Conference. Pending confirmation by the six NAs, the Town Hall will be on November 11 from 8 to 9pm at the Beasley Child & Family Centre. The tentative meeting schedule is:

- 5min to promote the General Assembly at the Conference, invite residents to run to be Facilitator, and invite residents to volunteer.

- 15 minutes to present on Past Projects.
- 15 minutes to present on the New Design.
- 20 minutes for Q&A.
- 5 minutes to reiterate the General Assembly, facilitator election, and volunteering.

Chris will schedule a rehearsal for the Town Hall. Lisa recommended using visual aids and minimizing the amount of text in presentations, finding volunteer language interpreters, and involving members of the community in the rehearsal. Norman suggested an exit survey.

The Conference will be on January 22/23 or 29/30 at the Dr. J Edgar Davey School or the Sir John A MacDonald School. Details will be confirmed soon. The Conference will feature five main elements: a keynote speaker, an opening and closing plenary, workshops, an academic colloquium, and the General Assembly. Ideas for the keynote included Desmond Cole and David Harvey. The plenaries would be for brainstorming a Hamilton Right to the City Charter. The closing plenary could include elections for a Conference 2017 planning team, at which a Charter could be adopted.

Norman will send an updated contact list and the City's Ward 2 Profile to the committee.

Motion to approve the Proposed Plan. Moved by Kearney, seconded by McIlmoyle. Carried.

8.2. Committee Budget 1 minutes

Deferred to email.

8.3. Draft Design of PBW2-point-oh 60 minutes

There are four questions about the assemblies that need answering: how are assemblies formed, how are their organizers elected, do the assemblies exist in perpetuity, and how are assemblies closed?

9. MOTIONS

9.1. Motion to adopt the Committee Budget as presented.

Deferred to email.

9.2. Motion to adopt the Draft Design of PBW2-point-oh as presented. Moved by Smith, seconded by Kearney. Carried.

10. NOTICES OF MOTION

11. GENERAL INFORMATION/OTHER BUSINESS

Lisa invited the committee to table at the Moon Festival Celebration at the Sunset Cultural Garden on Saturday, September 26 from 6 to 8pm. She asked Norman to send her pictures of the Chinese community participating in PB and to provide her a letter inviting high school students to help at the event in exchange for volunteer hours. Lee will prepare a logo and pamphlet to be used at the event, pending approval by the committee (by email). Lee will also bring a table and the PB banner stand, if he can track it down.

12. PRIVATE AND CONFIDENTIAL

13. ADJOURNMENT

Proposed Plan

What needs to be done?

- Projects
 - Gather information about past projects (Norman, Lee)
 - Write report on past projects (Mike)
- Design
 - Draft bylaws (Nicole, Nick, Lee)
 - Draft policies (Nicole, Nick, Lee)
- W2CC
 - Overview (Lee, Frances, Mike, Norman)
- Town Hall
 - Confirm town hall date and location with neighbourhood associations (Chris, Mike)
 - Plan town hall (Chris, Lee)
 - Prepare promotional materials (Chris, Lee)
 - Promote Town Hall (Team Frances)
- Conference
 - Plan PBW2 introductory workshop (Laura, Nick)
 - Plan PBW2 general assembly (Chris, Norman)
 - Promote Conference (Team Frances)

Where do we need help?

- Outreach & Promotion
 - Town Hall
 - Conference
- Frances, can you prepare an outreach & promotion plan?
 - Events we can attend before the Town Hall
 - Events we can attend after the Town Hall and before the Conference
 - Canvassing Plan
 - Norman will assist with a Traditional Media Strategy, a Partner Outreach Plan, and a Volunteer Recruitment Plan
 - Nicole and Lee will assist with a Social Media Strategy

Schedule

***September 19**

PBVC Meeting: Preparations for W2CC Meeting

- Approve Draft Design (Norman, Nicole)
- Approve Committee Budget (Frances, Mike)

September 28

W2CC Meeting

***October 17**

PBVC Meeting: Preparations for Town Hall

- Approve Outreach Plan (Frances)
- Approve Outreach Materials (Lee)

October 20-November 14 (?)

Outreach

- Door knocking (while it is still warm)

***October 31**

PBVC Meeting: Final Preparations for Town Hall

- Approve Past Project Report (Mike)
- Approve Bylaws, Policies (Nicole)

November 11

Town Hall

- Present Project Report (Mike)
- Present Bylaws, Policies (Nicole)

***November 21**

PBVC Meeting: Preparations for Conference

- Debrief Town Hall (Chris)
- Approve PBW2 Introductory Workshop (Nick, Laura)
- Approve PBW2 General Assembly (Chris, Norman)

November 15 – December 19 (?)

Outreach

- Some door knocking (if it is not too cold)
- Events, conventional and social media, and partners outreach

January 9 – January 23 (?)

Outreach

- Events, conventional and social media, and partners outreach

January 22/23 or 29/30

RTTC Conference

- PBW2 Introductory Workshop (Nick, Laura)
- PBW2 General Assembly (All)

Key Conference Dates

***September 21-25 (?)**

RTTCC Planning Meeting

September 28

Launch RTTCC Website

***October 5-9 (?)**

RTTCC Planning Meeting

November 20

RTTCC Public Proposal Deadline

December 11

RTTCC Presenter Application Deadline

***December 15**

RTTCC Planning Meeting

January 11

RTTCC Agenda Release

January 22/23 or 29/30

RTTC Conference/PBW2 Introductory Workshop/PBW2 General Assembly

Draft Design

Governance Principles

Goal setting

- Residents should set the goals of the budget.
- Residents and the City should collaborate to set the rules for how the goals of the budget are set.

Proposing

- Residents should propose ideas for the budget.
- Residents should set the rules for how ideas for the budget are proposed.

Studying

- The City should study residents' ideas for the budget.
- Residents and the City should collaborate to set the rules for how the City studies residents' ideas for the budget.

Considering

- Residents should consider ideas for the budget.
- Residents should set the rules for how residents consider ideas for the budget.

Selecting

- Residents should select ideas for the budget.
- Residents should set the rules for how residents select ideas for the budget.

Resourcing

- The City should resource residents' budgets.
- Residents and the City should collaborate to set the rules for how the City resources residents' budgets.

Planning

- The City should plan and residents should oversee implementation of resourced projects.
- Residents and the City should collaborate to set the rules for how the City implements and how residents oversee implementation of resourced projects.

Managing

- The City should manage and residents should oversee management of implementation of resourced projects.
- Residents and the City should collaborate to set the rules for how the City manages and how residents oversee management of implementation of resourced projects.

Accounting

- The City should produce and residents should oversee the production of accounts of completed projects.
- Residents and the City should collaborate to set the rules for how the City produces and residents oversee the production of accounts of completed projects.

Reporting

- Residents should report the accounts of completed projects.
- Residents should set the rules for how the accounts of completed projects are reported.

Charter of Rights and Responsibilities

- Residents have the right to participate as equals.
- Residents have the right to participate free from all forms of discrimination, and in particular, those based on poverty, ethnic or national origin, race, age, social status, marital status, language, religion, gender, sexual orientation or disability.
- Residents have the right to respectful and equitable treatment.
- Residents have the right to an environment that nurtures their personal development and takes into account their diverse needs.
- Residents have a responsibility to act in a manner that does not infringe on the rights of others.

Structure

General Assembly

- Membership: Open to any and all residents
- Chair: Elected by the membership
- Sets the goals of the budget
- Elects the Facilitator and their deputies
- Approves the annual budget and timeline for the process
- Elects the members of the planning committee

Assemblies

- Membership: Open to any and all residents
- Chairs: Organizers
- Elect organizers
- Recall organizers
- Receive bylaw amendment proposals from residents
- Send bylaw amendment proposals to the governance committee
- Advise the governance committee on bylaw amendment proposals
- Receive bylaw referenda questions from the governance committee
- Receive project proposals from residents
- Send project proposals to the planning committee
- Advise the planning committee on project proposals
- Receive project proposal plans from the planning committee
- Elect delegates to the delegate committee
- Recall delegates from the delegate committee
- Advise the delegate committee on the compromise budget
- Receive the compromise budget proposal from the delegate committee
- Approve the compromise budget proposal OR add project proposals to the ballot (quorum dependent)
- Approve bylaw referenda questions OR add bylaw referenda questions to the ballot (quorum dependent)
- Elect observers to the oversight committee
- Recall observers from the oversight committee
- Advise the oversight committee on oversight issues
- Receive reports from the IAO and inter-assembly committees

Planning Committee

- Membership: Planners elected by the general assembly and/or appointed by the IAO
- Chair: A member of the IAO
- Negotiates planning rules with the City

- Negotiates plans for project proposals with the City
- Proposes project proposal plans to the assemblies

Delegate Committee

- Membership: Delegates elected by the assemblies
- Chair: A member of the IAO
- Negotiates a compromise budget proposal
- Proposes a compromise budget proposal to the assemblies

Oversight Committee

- Membership: Observers elected by the assemblies
- Chair: A member of the IAO
- Oversees procuring, funding, implementing, and accounting by the City
- Reports on oversight issues to the IAO and the assemblies

Governance Committee

- Membership: Advisors elected by the assemblies
- Chair: Elected from committee membership
- Receives bylaw amendment proposals from the assemblies
- Studies bylaw amendment proposals
- Proposes bylaw referenda questions to the assemblies

Inter-Assembly Office (IAO)

- Membership: Facilitator and organizers
- Chair: Facilitator
- Recalls and replaces the Facilitator
- Recalls and replaces members of the planning committee
- Appoints the chairs of the Inter-Assembly Committees (Planning, Delegate, Oversight)
- Negotiates procuring, funding, implementing, and accounting rules with the City
- Sets the rules for reporting
- Reports to the assemblies

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