

## **BUDGET COMMITTEE**

**NOVEMBER 23, 2004**

### **CITY OF VAUGHAN GROWTH AND SERVICE MANAGEMENT PLAN**

(Referred from the Budget Committee Meeting of November 16, 2004)

The Budget Committee, at its meeting of November 16, 2004, recommended the following:

That this matter be referred to the Budget Committee meeting of November 23, 2004.

Report of Councillor Di Vona, dated November 16, 2004

#### **Recommendation**

Councillor Bernie DiVona recommends:

1. That the City of Vaughan Senior Management Team (SMT) be directed to develop standards with respect to service delivery, capital and operating expenditures taking into consideration the volume of work relative to the growth rate, level of service delivery, and other policies of the municipality.
2. That the City of Vaughan SMT incorporates within the operating and capital budget the necessary changes to match human, financial, and physical resources to municipal services.
3. That the service delivery standards be brought to the Budget Committee on an annual basis for review and consideration.

#### **Purpose**

The City of Vaughan has experienced significant growth, to accommodate this expansion, the City of Vaughan has provided more facilities; service levels have increased as Vaughan Council approved this process.

The City of Vaughan in the past few years, with anticipation for the near future feels it will experience a slowdown in economy and growth rate: The City of Vaughan has experienced 7.9% growth rate in 2003, and we are forecasting a growth rate of 4.57% for 2005 or a slowdown of over 40% for the past few years.

The City of Vaughan has expanded financial, capital, and human resources to meet the service levels- and provide the facilities and resources to meet the needs of the municipality.

The growth and service management plan is to ensure that standards are developed to finance, and control the expenditures relative to our service delivery and growth rate.

The growth and service management plan recognizes the need and importance to review our operating and capital costs with respect to volume of workload and service level activity. The existing structure includes resource consumption that has been in place with high growth and a critical review is needed to ensure that there is a better matching of resources to affordability, service delivery and the volume of work.

#### **Background-Analysis and Options**

For several years the City of Vaughan has experienced significant growth, increased financial pressures with increased costs and inflation, and the construction of more facilities to build and operate. During the growth period, the City of Vaughan increased property taxes below the rate

of inflation, but adjusted for the volume of activity has been significant. The existing structure of the municipality is such that 90% of the operating budget has been regarded or classified as "fixed". The "fixed" expenditures will result as provided by the Commissioner of Finance, per the 2004 budget process, an estimated financial burden of nearly 50% over the next three years. The "fixed" expenditures must be looked upon to determine if they are truly "fixed" based on the slowdown in the economy and reduction in workload.

A growth and service management plan will better match resources with service delivery. A growth and service management plan is consistent with similar practices used both inside government and in the private sector. We have all seen notices of layoffs and "right sizing" in the private sector. In York Region itself, York Region District Catholic School Board has developed standards in which the administration costs are tied into the number of students. A reduction in students in schools will also result in a reduction in workload and in the number of administration staff.

A review of the operating budgets for the past few years has shown a significant and steady increase in human resources including: part time, overtime and outside resources.

A growth and service management plan will provide the framework to develop standards to ensure and protect existing resources.

#### **Relationship to Vaughan Vision 2007**

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

#### **Conclusion**

Without a review of our "fixed" costs the burden on the taxpayer's will result in increases that will be overwhelming. A growth and service delivery management plan is needed to take a leadership role with better matching resource consumption to become more effective, and efficient.

#### **Report prepared by:**

Councillor Bernie DiVona