

BUDGET COMMITTEE

APRIL 16, 2004

2004 OPERATING BUDGET - BUDGET INITIATIVES

(Referred from the Budget Committee Meeting of March 31, 2004)

The Budget Committee at its meeting of March 31, 2004 recommended:

That this matter be referred to the Budget Committee meeting of April 8, 2004.

The Budget Committee at its meeting of March 12, 2004 recommended:

- 1) That this matter be referred to the next Budget Committee meeting;
- * 2) That staff provide two separate lists of the 2004 Budget Initiatives; a list of initiatives to be discussed in open session and a list of initiatives that require to be discussed in closed session; and
- 3) That the deputation of Mr. Paul De Buono, Vaughan Watch, P.O. Box 5126, Vaughan, L6A 1R6, be received.

* *Please see Attachments 1 & 2 on Page 6.2*

Report of the City Manager dated March 12, 2004.

Recommendation

The City Manager, in consultation with the Senior Management Team recommends:

That the budget initiatives contained within the attached document "2004 Budget Initiatives vers.12" be received and included in the multi-year operating budget plan.

Purpose

To provide the Committee with a list of Budget initiatives for the 2004 operating budget.

Background

The dramatic growth of the city over the past ten years and challenges confronting the corporation regarding the funding of major non-controllable expenses in the 2004 operating budget (Fire Halls, OMERS, library etc.) has put enormous pressure on the achievement of a balanced 2004 operations budget. To relieve some of this pressure, a budget initiative study was undertaken.

The objective was to identify:

- Service delivery options that will have the greatest impact on the operating budget;
- Service delivery options that will have an immediate impact on the 2004 operating budget;
- Service delivery options that do not simply ask city staff to do 'more with less';
- Service delivery options that will be viewed as 'sound fiscal choices' by constituents.

Services Assessment

Services were reviewed under the following criteria:

- What is it?
- Why are we doing it? (legislated, essential, value added, redundant etc.)
- How does it add value?
- How does it compare to other municipalities?
- How does it fit the strategic direction of the city?
- Can it be delivered within the cost projections provided for the 2004 budget?
- Is it being delivered efficiently?
- Are there alternative delivery options? (quality, quantity, frequency, etc.)

Resources Evaluation

Recognizing the funding challenges of the 2004 operating budget, identified services were also reviewed and evaluated as follows:

Sacred Cows:	Any activity that occurs “just because” and adds no value to core program delivery or city operations;
Barnacles:	Any activity or process that has been created or creates bureaucracy;
Tough Choices:	These are the “nice to have” but we can do with out” activities.
Breakthrough Ideas:	Creative, innovative solutions that will save money and create or add value, particularly to core services.

Extensive interviews with the members of SMT, Directors and selected Managers has resulted in the final compilation of the 2004 Budget Initiative List.

Relationship to Vaughan Vision 2007

To realistically ‘action’ VV2007 initiatives, (appropriately prioritized and time-lined) and implement a performance management process to guide its development, the City Strategic Plan and the budgeting process must to be linked together. More specifically, the City’s Strategic Plan must be implemented *within available resources*. When funding is not available, there are only two choices; increase revenues or re-allocate existing resources.

The re-allocation of resources should be managed through a strategic performance management program. Since this will be implemented in 2004, a series of interim initiatives must be undertaken to match the City’s strategic direction to *available resources* – moving the strategy ahead with a balanced budget (VV 2007 Objective 2.1: “Ensure long term financial stability”).

Conclusion

Receive and include in the 2004 operating budget, the 2004 budget initiatives as submitted March 12, 2004.

Attachments

- Attachment #1 - 2004 Budget Initiatives vers. 12E-2
- Attachment #2 - 2004 Budget Initiatives vers. 12E-1 (Confidential – Under Separate Cover)

Attachment #1

2004 Budget Initiatives ver. 12E-2

		Revenue Increase 2004	Revenue Increase 2005	Revenue Increase 2006	Expense Decrease Annual	Expense Decrease 2004	Expense Decrease 2005	Expense Decrease 2006	One Time Investment	Recurring Expense	Comment
1	188.68V 188.69V Review the "glossing" plan for the opening of the New Fire Hall. Review and make recommendations for the vehicular accident response policy.										TBD
2	181.64V Apply the pool permit inspection fee of \$100 after the second inspection instead of the third. Currently By-law Enforcement receives \$100 after the third inspection.	14,520	7,480								Currently, Fire Services bills \$750 flat fee for accident response to the insurance companies.
3	181.65V Establish a Private Parking Company Registration Fee. At present, By-law Enforcement has approached a private company owners and therefore must be prepared by the City as they issue City parking tickets.	10,000	6,600	3,400							
4	181.67V Establish Fees for Private Property Parking Enforcement - The current practice is for private property owners to simply send a letter of authorization. Revenue can be realized by having the property owner enter into an agreement for service delivery. This agreement would establish an hourly rate to be paid to the City for enforcement services to the number of hours the owner wishes to have the service. Examples of property owners are shopping malls, industrial complexes, school boards, and condominiums.	50,000	33,000	17,000							

2004 Budget Initiatives ver. 12E-2

		Revenue Increase Annual	Revenue Increase 2004	Revenue Increase 2005	Revenue Increase 2006	Expense Decrease Annual	Expense Decrease 2004	Expense Decrease 2005	Expense Decrease 2006	One Time Investment	Recurring Expense	Comment
3	BL Ed											
	Budget Initiative											
	Increase the minimum parking fines for all parking offenses by \$1,000. Presently, 32,000 tickets are written annually and the fines range from \$20 to \$300. Fine rates interfering with snow removal are \$75, and disabled fines are \$300. The proposed legislation and would not be reviewed.											
6	BL Ed	200,000	132,000	66,000						5,000		(Saving TBD 2005)
	Review the Animal Control Contract for 2005. This represents \$250,000 per year. By having By-law staff perform the animal control function and have a shunting contract there could be a savings of \$50,000 to \$100,000.											
7	MJ											
	Increase sponsorship funding. The Communities in Bloom program should be community driven and move toward "full cost recovery" (currently approx. \$150K). The first step will be to identify the TRUE costs of this event and then reinforce the model to a community development approach rather than a city council driven event.											
9	MJMS	30,000	30,000			-5,000	-3,300	-1,700				30K is the Communication Dept. sponsorship target
	Most municipalities have gone through this exercise already and have developed different operating standards with restricted pesticide use.											
10	PAJMS					-100,000	-66,000	-34,000				
	Selectively eliminate portable washrooms or recover the costs from the users (preferred option).											
11						-5,000	-3,300	-1,700				

2004 Budget Initiatives ver. 12E-2

	Revenue Increase Annual	Revenue Increase 2004	Revenue Increase 2005	Revenue Increase 2006	Expense Decrease Annual	Expense Decrease 2004	Expense Decrease 2005	Expense Decrease 2006	One Time Investment	Recurring Expense	Comment
REC											
<p>Budget Initiative</p> <p>Initiate and complete a User Fee Study - The User Fee Policy must establish an equitable balance across all constituent groups to pay for community and neighborhood services. The User Fee Study will evaluate User Fees revenues for Best Value Services within available resources. Update the Recreation and Culture Strategic Master Plan (to be completed 12/31/04)</p>											
12									50,000		
13									75,000		(200,000) for new staff and production of bag tags.
14		179,158	92,294								
15		271,452	179,158	92,294							
					67,500	44,550	22,950				

2004 Budget Initiatives ver. 12E-2

	Revenue Increase Annual	Revenue Increase 2004	Revenue Increase 2005	Revenue Increase 2006	Expense Decrease Annual	Expense Decrease 2004	Expense Decrease 2005	Expense Decrease 2006	One Time Investment	Recurring Expense	Comment
7*	Budget Initiative Eliminate contracted fall street sweeping in 2004. This is a promise for 2004. However, this may not be sustainable to 2005 or beyond due to the City's rapid growth. The City only has 2 sweepers, and with the growth in road kilometers to be swept, this is most likely a one time deal. Eliminate twice a week garbage collection. (Centralization may impact 2004 total savings)				-191,000	-126,060	-64,040				Eliminating twice a week collection may require the city to pay a contractor for altering the conditions of the collection contract.
10**											
11**	Eliminate driveway window clearing in 2005. After the second year of the contract we could eliminate the clearing altogether. After the contract expires, the City's Operating Budget will be the full \$1,024M). The contract could be cancelled in 2004 - contract cancellation would increase Engineering fees to include 10% consulting fees in the cost of service.				-461,000	-304,260	-156,740				
18**					-1,004,000						
19											\$270K Addition to the Engineering Reserve

2004 Budget Initiatives ver. 1ZE-2

	Revenue Increase Annual	Revenue Increase 2004	Revenue Increase 2005	Revenue Increase 2006	Revenue Increase Annual	Expense Decrease Annual	Expense Decrease 2004	Expense Decrease 2005	Expense Decrease 2006	One Time Investment	Recurring Expense	Comment
19												
Budget Initiative												
20												
21												
22												
23												
24												
25												
26												
27												
28												

Cathy Berge is preparing a more detailed analysis. See Bud. Comm report 2/27/04 # 2

2004 Budget Initiatives ver. 12E-2

Item	Description	Revenue Increase				Expense Decrease				One Time Investment	Recurring Expense	Comment
		2004 Annual	2005 Increase	2006 Increase	2004 Annual	2005 Decrease	2006 Decrease	2007 Decrease				
Budget Initiative												
30	FIN-III											
31	FIN-III											
32	FIN-Civ											
33	Usage											
34	Usage											
35	Usage											
36	PLAN											
37	PLAN											
38	POST105											
39												
		198,452	558,988	202,444	0	-2,495,000	873,500	-1,013,500	-512,000	810,000	352,000	

2004 Budget Initiatives ver. 1ZE-2

Budget Initiative	Revenue Increase/Expense Reduction/Productivity Initiatives										
	Revenue Increase Annual	Revenue Increase 2004	Revenue Increase 2005	Revenue Increase 2006	Expense Decrease Annual	Expense Decrease 2004	Expense Decrease 2005	Expense Decrease 2006	One Time Investment	Recurring Expense	Comment
Total Summaries											
Total revenue increase (2004 - 2005 + 2006)	758,432										
Total expense reduction (2004 - 2005 - 2006)	-2,489,000										
One time productivity investment	332,000										
TOTAL BENEFIT: (Revenue Increases + Expense Savings - one time expenses)	2,025,462										