# BUDGET COMMITTEE APRIL 30, 2004

### 2004 OPERATING BUDGET - BUDGET INITIATIVES

(Referred from the Budget Committee Meeting of April 16 and April 21, 2004)

The Budget Committee, at its meeting of April 16 and April 21, 2004 recommended:

That this matter be referred to the Budget Committee meeting of April 30, 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.

### <u>Purpose</u>

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 Item 3 Budget Committee April 30.04

| Budget Initiative  | nevenue<br>Increase<br>Annual | Revenue<br>Increase<br>2004 | Revenue<br>Increase<br>2005 | Revenue<br>Increase<br>2006 | Expense<br>Decrease<br>Annual | Expense<br>Decrease<br>2004 | Expense<br>Decrease<br>2005 | Expense<br>Decrease<br>2006 | One Time<br>Investment | Recurring<br>Expense | Comment  |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------|----------------------|--|
| Review the "phasing" plan for the openir   |                               |                             |                             |                             |                               |                             |                             |                             |                        |                      | TBD  |
| to the rew re to the response for the vehicular accident response policy.  |                               |                             |                             |                             |                               |                             |                             |                             |                        |                      | Currently, Fire<br>Services bills \$750<br>flat fee for<br>accident response<br>to the insurance<br>companies. |
| Apply the pool Permit Inspection fee of \$100 after the second inspection instead of the third. Currently By-law for the third. Currently By-law third inspection.   | 22,000                        | 14,520                      | 7,480                       |                             |                               |                             |                             |                             |                        |                      |  |
| Establish a Private Parking Company Registration Fee. At present. By-law Enforcement has approximately 12 companies that are contracted by private property owners and therefore must be property owners and therefore must be approved by the City as they issue City number of the City as they issue City maken in Ickers.  | 10,000                        | 009'9                       | 3,400                       |                             |                               |                             |                             |                             |                        |                      |  |
| Establish Fees for Private Property praving favorement. 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 to service delivery. This agreement to the City for enforcement along with the number of hours the owner wishes to have enforcement per week or month. The samples of property owners are, stronging mails, industrial complexes, school boards, and condominiums. | 000'09                        | 33,000                      | 000/11                      |                             |                               |                             |                             |                             |                        |                      |  |

|       | District Initiative  | kewenue<br>Increase<br>Annual | Revenue | Revenue                        | Revenue | Expense     | Expense<br>Decrease | Expense<br>Decrease | Decrease | One Time<br>investment | Recurring<br>Expense | Comment                                      |
|-------|--|-------------------------------|---------|--------------------------------|---------|-------------|---------------------|---------------------|----------|------------------------|----------------------|--|
|       | punger illinguve   |                               | 2004    | 5002                           | 6003    | Parameter 2 | 2000                | Section 1           |          | -                      |                      |  |
| M 54  | hocrose the minimum parking fires for all parking offenses by \$5.000. Presently, \$32.000 tickets are written annually and the fines range, for the common offenses, from \$20 \$30. Fire route, interfering with snow removal are \$75. and disabled fines are \$300. The handicapped fines are established by provincial legislation and would not be | 200 000                       | 132 000 | 000                            |         |             |                     |                     |          | 0000'8                 |                      |  |
| MCESC | Increased<br>Bordow the Animal Control Contract for  |                               |         | and and a second second second |         |             |                     |                     |          |                        |                      | (Saving TBD 2005)                            |
|       | nerview use, commission condition of 2005. This represents \$250,000 per year. By having By-law staff perform the animal control function and have a selettering contract there could be a savines of \$50,000 - \$150,000.  |                               |         |                                |         |             |                     |                     |          |                        |                      |  |
| 346   | Review the Promenade Transit Terminal  |                               |         |                                |         | -5,000      | -3,300              | -1,700              |          |                        |                      |  |
| PARKS | maintenance program.<br>Increase sponsorship funding: The  |                               |         |                                |         |             |                     |                     |          |                        |                      | 30K is the                                   |
|       | Communities in Bloom program should be community driven and move toward "full cost necover", currently approx. \$150K. The first step will be to derutly the TRUE costs of this event and then reinforce the model to a community development approach rather then a stall & Council driven event.   | 30,000                        | 30,000  |                                |         |             |                     |                     |          |                        |                      | Communication<br>Dept. sponsorship<br>target |
| PARKS | Eliminate particide free initiatives (VEAC) in wards 4 & Most mulcipalities have gone through this exercise already and have developed different operating standards with restricted posticide use.  |                               |         |                                |         | -100,000    | 000'99-             | -34,000             |          |                        |                      |  |
| PARKS | Selectively eliminate portable washrooms<br>or recover the costs from the users<br>(preferred option).   |                               |         |                                |         | -5,000      | -3,300              | -1,700              |          |                        |                      |  |

| Meverative   Revenue   Revenue   Revenue   Expense   Processe   Increase      | ã | 2004 Burloot Initiatives ver 12E-2   |                               |                             |  |                             |                               |                             |                             | di annocemento constituire de la constituire de |                        |         | A STATE OF THE PERSON NAMED IN                       |
|--|---|--|-------------------------------|-----------------------------|--|-----------------------------|-------------------------------|-----------------------------|-----------------------------|---|------------------------|---------|--|
| The User Fee Policy must extablish an equitable balance across all constituent and couplide a User Fee Study The User Fee Policy must extablish and equitable balance across all constituent and massinize User Fee revenues for Bast massinize Study within a Smallable resources. Update the Recreation and Cultura Update the Recreation and Cultura Cartacipii Master Plan (to be completed 12/31/04).  12/31/04) A study be supposed to Edutarian and Cultura Cartacipii Master Plan (to be completed 12/31/04).  12/31/04) A study of Edutary 10, and a bag limit over a two year period.  12/31/04 A study of Edutary 10, and a page into over a two year period.  12/31/04 A study of Edutary 10, and a bag limit over a two year period.  2003.)  2003.)  2003.) A study of Edutary 10, and a page limit of Committee of the Whole Special - and households - troe bag limit]  21/452 I troe page limit of Study of Study be based on 67/803 beautifulation/study did to the Color of Valuation Whole Work's Department would of the balance books. If the balance books: If the developer desire and page of the balance of the bal | 1 | Budget Initiative  | kevende<br>Increase<br>Annual | Revenue<br>Increase<br>2004 | Revenue<br>Increase<br>2005  | Revenue<br>Increase<br>2006 | Expense<br>Decrease<br>Annual | Expense<br>Decrease<br>2004 | Expense<br>Decrease<br>2005 | Expense<br>Decrease<br>2006   | One Time<br>Investment | Expense | Comment  |
| 271.452 179.158 92.294   |   | Initiate and complete a User Fee Study - The User Fee Policy must establish an equitable balance across all constituent groups, be easy to communicate and maximize User Fee revenues for Best   |                               |                             |  |                             |                               |                             |                             |   | 000'05                 |         |  |
| 271.452 179.158 92.204   |   | Value Service within available resources.<br>Update the Recreation and Culture<br>Strategic Master Plan (to be completed   |                               |                             |  |                             |                               |                             |                             |   | 75,000                 |         |  |
| 10.00 per lot" blue box  1. to pay for blue boxes  (currently 2 free per  1 fee requirement would  in the subdivision/site  of Vaughan Public Works  sate Management  of Vaughan Public Works  sate Management  in the public Works  sate Management  of Vaughan Public Works  and Caray or the blue  weloper does not pay  ture frame (sa stipulated  ture frame (sa stipulated  ture of practic for the  tar of greate for the  the public Works  and draw on the  tar of greate for the  tar of greate for the  the public propriet scowers  blue box (approx. \$5.00)   |   | In2/31/04) Inplement a garbage bag/container limit Consideration should be given to phasing in a bag limit over a two year period, in a bag limit over a two year period. (Refer to item 4. Report No. 82 of the Committee of the Whole (Special - Operating Budget) of February 10, 2003.)  2 bag household* = \$271,452 f* Base on 67,863 households - three bag limit]  | 271,452                       |                             |  |                             |                               |                             |                             |   |                        |         | (200,000) for new<br>staff and<br>staff and<br>tags. |
| -67,500  |   | implement a "\$10.00 per lot" blue box<br>fee to developers, to pay for blue boxes<br>for new homes (currently 2 free per<br>household). This fee requirement would<br>be incorporated in the subdivision/ site<br>paid to the City of Vaughan Public Works<br>Department (Waste Management<br>Section) to cover the cost of the blue<br>boxes. If the developer does not pay<br>within a certain time frame (as stipulate)<br>in the agreement), the Public Works<br>Department would draw on the<br>developer's Lotter of Credit for the<br>requisite amount. Effect addlars covers<br>the cast of the blue box (approx. \$5.00<br>each x 2 blue boxes, plus an additional<br>each x 2 blue boxes, pus an additional |                               |                             | and the second s |                             | -67.500                       | 0 -44,550                   | 22,950                      |   |                        |         |  |

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| DING 1                                    | 2004 Budget Initiatives ver.   Z.CZ.  | - separately and a | wordstanders and a contract of the contract of |                             | territoria de la constitución de |                               |                              |                             |                  |                        | Paragraph of |   |
|---|---|--------------------|--|-----------------------------|--|-------------------------------|------------------------------|-----------------------------|------------------|------------------------|--------------|---|
|   | Budget Initiative   | Increase<br>Annual | Revenue<br>Incresse<br>2004  | Revenue<br>Increase<br>2005 | Revenue<br>Increase<br>2006  | Expense<br>Decrease<br>Annual | Experise<br>Decrease<br>2004 | Expense<br>Decrease<br>2005 | Decresse<br>2006 | One Time<br>Investment | Expense      | Comment   |
|   | Eliminate contracted fall street sweeping in 2004. This is a provisional item that vican potentially eliminate for 2004. Reduced operating expenses for 2004. However, this may not be sustainable for 2005 or beyond due to the City's rapid growth. The City only has 2 sweepers, and with the growth in road kilometers the sweept, this is most likely a one time |                    |  |                             |  | 000'161-                      | 191,000 126,060              | -64,940                     |                  |                        |              |   |
|   | fleriniate twice a week garbago<br>celection. (Calendarization may impact<br>2004 total savings)  |                    |  |                             |  | -461,000                      | -304,260                     | 042.9                       |                  |                        |              | Eimineting twice a week collection may require the City to pay a minimal penalty to the contractor for altering the contractor of the conditions of the collection contract |
|   | Eliminate driveway windrow clearing in 2005. After the accord year of the contract we could eliminate the contracted residential driveway windrow clearing altogether. After the contract expires, the nemual savings form the Operating Budget will so the full \$1.0244h. The contract could be cancelled in 2004 - contract cancelled in 2004.                     | F                  |  |                             |  | 1,024,000                     |                              | -512,000                    | -612,000         |                        |              |   |
| D. S. | nerestry TRD<br>increase Engineering Fees to include 10%<br>consulting fees in the cost of service.   | 75                 |  |                             |  |                               |                              |                             |                  |                        |              | \$270K Addition to<br>the Engineering<br>Reserve  |

| 004 But   | 2004 Budget Initiatives ver. 1ZE-Z  | немение  | Doctory          | Dovidentials     | Beiventia        | Expense  | Expense          | Expense          | Expense          | One Time   | Recurring |  |
|-----------|---|----------|------------------|------------------|------------------|----------|------------------|------------------|------------------|------------|-----------|--|
|           | Budget Initiative   | Increase | Increase<br>2004 | Increase<br>2005 | Increase<br>2006 | Decrease | Decrease<br>2004 | Decrease<br>2005 | Decrease<br>2006 | Investment | Expense   | Comment  |
|           | 3rc<br>soft<br>or p<br>cate<br>for<br>for<br>and  |          |                  |                  |                  | 000'1-   | 090-             | .340             |                  | 10,000     |           |  |
| TDS-Ave   | repocting.  Move to a digital cheque signer from mechanical process for improved and increased staff efficiency as a result of digital process as opposed to a                            |          |                  |                  |                  | -1,000   | 099-             | -340             |                  | 7,000      |           |  |
| TIN TIN   | mechanical process<br>increase the Tax Certificate Fee \$50 to  | 30.000   | 19.800           | 10,200           |                  |          |                  |                  |                  |            |           |  |
| 25 ES     | Lower the threshold for bid to \$35,000 from \$100,000 (fee depending on provided model foundaries).  | 7,000    |                  | 2,380            |                  |          |                  |                  |                  |            |           |  |
| MN - Par  | Budget Reduction (Photocopying,<br>Training Office Supplies)  |          |                  |                  |                  | -7,000   | -4,620           | -2,380           |                  |            |           |  |
| E 25      | E-Procurement (BID DOCUMENTS ON DEMAND)   |          |                  |                  |                  | -5,000   | -3,300           | -1,700           |                  |            |           |  |
| FIN. No.  | Increase existing Bid Fees (Increments of<br>2004) - see input sheet for breekdown.   | 5,000    | 3,300            | 1,700            |                  |          |                  |                  |                  |            |           | Control Bosons in  |
| ğ<br>Ö    | Undertake a Crossing Guard Program review focusing on comparisons with other municipalities, safety and deployment of human resources. The common annual expense of this program courses. |          |                  |                  |                  |          |                  |                  |                  |            |           | caun beige is preparing a more detailed analysis. See Bud. Comm report 2/21/04 # |
| FO. HE    |   |          |                  |                  |                  | 000'01-  | *                | 3,400            |                  |            |           |  |
| 23 PTS BR | Printing cost reduction - NCR Forms   |          |                  |                  |                  | -1,500   | 066- 1           | .510             |                  |            |           |  |

|            | 0  | Kevenue | Revenue         | Revenue      | Revenue      | Expense      | Expense  | Expense    | Expense  | One Time      | Recurring |         |
|------------|--|---------|-----------------|--------------|--------------|--------------|----------|------------|----------|---------------|-----------|---------|
|            | Budget Initiative  | Annual  | ncrease<br>2004 | 2005<br>2005 | 2006<br>2006 | Annual       | 2004     | 2005       | 2006     | IIIWESUTIERIK | Expense   | Comment |
| STEEN HE   | Hawleh & Cafety Budget Bodittion   |         |                 |              |              | -5,000       | -3,300   |            |          |               |           |         |
| as FDS-IIR | Mono to Schoolide 2 WSB (Self Funding)   |         |                 |              |              | -400,000     | -264,000 | -136,000   |          |               |           |         |
| FDN - Bud  | \$20,000 or 18% Discretionary Expense  |         |                 |              |              | 000000       | 10 200   | 000        |          |               |           |         |
|            | Reduction  |         |                 |              |              | 000,02       | ŀ        | 2000       |          |               |           |         |
| MN-Cap     | Net Expense Reduction & Additional<br>Admin Revenue  |         |                 |              |              | -15,000      | -9,900   | -5,100     |          |               |           |         |
| UDesign    | Kieinburg Hertrage Study - Public<br>Consultation for Detailed Streetscape<br>Plan for the Kleinburg Core and Nashville<br>Board   |         |                 |              |              |              |          |            |          | 2,000         |           |         |
| USwigh     | Vellore District Study - Urban Design<br>Guidelines for the Vellore District Centre  |         |                 |              |              |              |          |            |          | 40,000        |           |         |
| UDolga     | GO Station and Bridge in Maple - Design<br>development in conjunction with Civic<br>Centre design (item to be included in<br>order central budget)   |         |                 |              |              |              |          |            |          | 900'09        |           |         |
| NOW        |  | 000     | 000             |              |              |              |          |            |          |               |           |         |
|            | (Approved by Council 12/03)  | 133,000 | 133,000         |              |              |              |          |            |          |               |           |         |
| 55<br>5    | Reduce professional feets for planning studies extended throughout the year. (Note 1: Special interest or comprehensive planning studies would not go forward to address constituent concerns, would be deferred until staff resources could be identified, would be incomplete in necessary expertise not incomplete in necessary expertise not |         |                 |              |              | 000'081-     | -118,800 | -61,200    |          |               |           |         |
| BDSTDS     | Undertake a full process review in   |         |                 |              |              |              |          |            |          |               |           |         |
|            | C124.  |         |                 |              |              |              |          |            |          | 80,000        |           |         |
|            |  | 258.459 | 555 946         | 202.454      | 0            | 0 -2.499,000 | -973,500 | -1,013,500 | -512,000 | 332,000       |           |         |

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| C-101   |                               |                             | MOVED TO COLOR              | DALY EXCHANGE MANUAL        | ASVENDE PERENCY EXPERSE REMANDED PLOMACUMY, INCHESES |                             |                             |                             |                        |           |         |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------------|--|-----------------------------|-----------------------------|-----------------------------|------------------------|-----------|---------|
| Budget Initiative   | Nevenue<br>Increase<br>Annual | Revenue<br>Increase<br>2004 | Revenue<br>Increase<br>2005 | Revenue<br>Increase<br>2006 | Expense<br>Decrease<br>Annual                        | Expense<br>Decrease<br>2004 | Expense<br>Decrease<br>2005 | Experse<br>Decresse<br>2006 | One Time<br>Investment | Recurring | Comment |
| Total Summaries   |                               |                             |                             |                             |  |                             |                             |                             |                        |           |         |
| Total revenue Increases (2004 + 2005 = 2006)                                      | 758,452                       |                             |                             |                             |  |                             |                             |                             |                        |           |         |
| Total expense relitorions (2004 + 2005 + 2006)<br>One time productivity Eventment | 2,499,000                     |                             |                             |                             |  |                             |                             |                             |                        |           |         |
| TOTAL BENGIT: (Revenue Increases +<br>Expense Savings - one time expenses)        | 2,925,452                     |                             |                             |                             |  |                             |                             |                             |                        |           |         |