

PLANNING RESERVE

Recommendation

The Commissioner of Finance & Corporate Services and the Director of Reserves & Investments in consultation with the Director of Budgeting & Financial Planning recommends:

- 1) That Council enact a Planning Reserve by-law;
- 2) That the funding for this reserve be at the discretion of the Treasurer and from annual actual planning revenue surplus subject to year-end operating results;
- 3) That the Planning reserve be drawn upon at the discretion of the Treasurer, initially for anticipated revenue gap in 2005 and in future years;
- 4) That the Planning Reserve earn interest at the City's average deposit rate; and,
- 5) That the Mayor and Clerk be authorized to execute the by-law.

Economic Impact

The Planning Reserve is being set-up to assist with the transition period required to implement the approved increase in planning application fees, by funding the anticipated revenue gap in 2005 and future years until the appropriate planning fees are determined and set. Given the Planning department's sensitivity to volatile and declining economic trends it is prudent to maintain a reasonable planning reserve balance to effectively mitigate any future financial risk.

Purpose

To obtain Council's approval on the specifics regarding the operation and the use of the Planning Reserve.

Background - Analysis and Options

Council at its weekly meeting of February 14, 2005 adopted the following Budget Committee recommendation of December 14, 2004.

"That a new reserve entitled "Planning Reserve" be created and that the necessary by-law be enacted and that staff provide at a future meeting a report on the utilization of the new reserve."

Direction was provided by Council that the planning application fee address full cost recovery as allowed by legislation. The Planning Reserve is proposed to assist in the transition period required to implement the approved increase in application fees by funding the anticipated revenue shortfall in 2005 and future years until the appropriate planning fees are determined and approved.

The initial source of funding for this Reserve in the amount of \$1,300,000 has been approved by Council. Future planning reserve contributions will be at the discretion of the Treasurer from annual actual planning revenue surplus subject to year-end operating results. The Planning Reserve be drawn upon at the discretion of the Treasurer, when required, for anticipated revenue gap in early 2005 and future years, if required, until the appropriate planning fees are determined and set. Interest will be credited to the Planning Reserve at the City's average deposit rate.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities set out in Vaughan Vision 2007 particularly with B-1, Ensure Short & Long Term Financial Stability and B-2, Expand Revenues and Tax Base.

Conclusion

Council enact a Planning Reserve by-Law based on the requirements set out in the recommendation.

Attachments

None

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Respectfully submitted,

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