

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 14, 2005**

Item 1, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.



**1                    PLANNING APPLICATION FEES – FINANCIAL IMPACT OF BILL 124**

**This matter was dealt with and adopted at the Council Meeting of January 24, 2005 under Minute No. 11.**

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Item 2, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.



**2                      OPERATING BUDGET 2005 – RECREATION FEE INCREASES**

**This matter was dealt with and adopted at the Special Council Meeting of January 24, 2005 under Minute No. 18.**

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Item 3, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**3**

**COUNCIL BUDGET**

The Budget Committee recommends that this matter be deferred for discussion with Members of Council.

**Recommendation**

The City Clerk requests direction respecting the 2005 Corporate Council, Mayor and Councillors budgets.

**Purpose**

To present the 2005 Corporate Council, Mayor and Councillors budgets for consideration.

**Background - Analysis and Options**

The attached draft budgets for the Corporate Council (Attachment #1), Mayor and Councillors (Attachment #2) are submitted for consideration. The base budgets have been brought forward from 2004. The Mayor has requested an increase to accommodate newsletters, conference attendance and an allowance for increased part-time staff assistance which has been included in the attached 2005 Draft Operating Budgets.

Council approved an equalization factor in 2003 to equalize funding to provide a more consistent level of service for constituents deemed necessary because of the substantial difference in population across the various wards. The equalization calculation is included in Attachment #3 and the individual budgets have been adjusted accordingly in the attached 2005 Draft Operating Budget.

**Relationship to Vaughan Vision 2007**

This report is consistent with the priorities previously set by Council.

**Conclusion**

It would be appropriate that direction be provided respecting the Corporate Council budget, Mayor and Councillors budgets and application of the equalization formula.

**Attachments**

Attachment #1 Draft Budget – Corporate Council  
Attachment #2 Draft Budget – Mayor and Councillors  
Attachment #3 Equalization Calculation

**Report prepared by:**

John D. Leach, City Clerk

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

*(Please also refer to Item 3, Special Committee of the Whole (Budget), Report No. 4)*

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Item 4, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**4** 2005 DRAFT OPERATING BUDGET

The Budget Committee recommends:

- 1) That the 2005 Draft Operating and Capital Budgets, incorporating the following Budget Committee directives from today's meeting, be brought forward to the Special Committee of the Whole (Budget) meeting of January 18, 2005:
  - (1) That Windrow Snow Clearing be deleted from the list of Additional Senior Management Recommendations for Revenue Increases and Cost Reductions;
  - (2) That staff provide a report with respect to implementing a reporting system for all major contracts and that the said report include a spreadsheet listing all contracts, renewal dates and related tendering process timelines; and further  
That 60 days be added to the timelines to provide sufficient time for contract renewals;
  - (3) That following the January 20, 2005 Library Board meeting, Vaughan Public Libraries provide comments on the overall expenditure reduction recommended by Senior Management;
  - (4) That with respect to Waste Management, staff provide a report to the Special Committee of the Whole (Budget) meeting of January 18, 2005, on options for implementing a bag limit, including a fee to be charged for bags in excess of the proposed bag limit and an implementation plan;
  - (5) That staff provide a status report to the Special Committee of the Whole (Budget) meeting of January 18, 2005 on disabled parking infractions; and further  
That staff provide a report by the end of February 2005 on the matter of how disabled parking violations are dealt with in the courts;
  - (6) That staff report on options for repayment of the Hydro Vaughan Holdings Transfer/Loan;
- 2) That the confidential recommendation of the Budget Committee (Closed Session) of January 11, 2005, be approved; and
- 3) That the following report of the City Manager, the Commissioner of Finance & Corporate Services, the Senior Management Team and the Director of Budgeting and Financial Planning, dated January 11, 2005, be received.

Recommendation

The City Manager, the Commissioner of Finance & Corporate Services, the Senior Management Team and the Director of Budgeting and Financial Planning recommends:

- 1) That the following report updating the status of the 2005 Draft Operating Budget be received; and
- 2) That staff be provided with direction relating to the continued utilization of one-time subsidies to assist in the balancing of the 2005 Draft Operating Budget; and

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- 3) That the impact of the Budget Committee's direction on the use of one-time subsidies be incorporated into the Draft Operating Budget; and
- 4) That the 2005 Draft Operating Budget, including recommended revenue increases and cost reductions contained in this report to reduce the average tax rate percentage increase be approved; and
- 5) That the 2005 Draft Operating and Capital Budgets, including any Budget Committee recommendations from today's meeting, be brought forward to the Special Committee of the Whole meeting of Tuesday, January 18, 2005.

**Purpose**

The purpose of this report is to provide the Budget Committee with an update of the 2005 Draft Operating Budget complying with the Budget Committee direction of identifying opportunities to reduce the tax rate percentage increase in the 2005 Draft Operating Budget.

**Background - Analysis and Options**

**Background**

At the December 14, 2004 Budget Committee meeting, staff were directed to identify revenue increases and cost reduction opportunities in an effort to reduce the average tax rate percentage increase as presented in the 2005 Draft Operating Budget. In late December, Senior Management met to identify such opportunities under the framework of a responsible approach to increasing revenues and cost reductions with minimal impacts on any existing service levels. Provided below for the Budget Committee's consideration is Senior Management's list of the opportunities for revenue increases and cost reductions to lower the 2005 Draft Operating Budget average tax rate percentage increase.

**Senior Management Identification of Revenue Increases and Cost Reduction Opportunities**

The Senior Management team explored all areas of revenue increases and cost reductions. The list provided below for the Budget Committee's consideration is the result of that exercise. Prior to the December 14, 2004 Budget Committee direction to lower the tax rate, Senior Management had already incorporated reductions in the average tax rate percentage increase as part of the 2005 Draft Operating Budget. Accordingly, the list below includes all Senior Management identified opportunities to lower the average tax rate increase reconciled from the November 23, 2004 Budget Committee agenda to today's Budget Committee agenda. Senior Management recommends the inclusion of all of the new revenue increases and cost reductions listed below in the 2005 Draft Operating Budget. Each Commissioner is prepared to speak to the recommended opportunities and their associated implications.

	Increase Avg. \$(000's)	Tax rate %incr.	\$ Impact Per Household
Nov.23, 2004 Budget Committee 2005 Draft Operating Budget increase	\$12,700	18.0%	\$126

Initial Senior Management Recommendations:

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Investment Income Increase	(400)		
Assessment Growth revenue increase	(501)		
Vehicle Reserve Contribution Reduction	(1,200)		
Pesticide Free Parks for all wards – cost increase	140		
Engineering reserve contribution revenue increase	(78)		
Contingency adjustment for collective agreements/by-laws	177		
Other misc. adjustments	<u>(18)</u>		
 Dec. 14, 2004 Budget Committee 2005 Draft Operating Budget	 \$10,820	 15.3% (*)	 \$107

December 2004 Budget Committee Recommendations:

Planning Applications Fee Increase move to 100% cost recovery	(3,369)
Capital Projects funded from taxation increase	93
Communities in Bloom international competition expenditure increase	<u>25</u>

December 31, 2004 2005 Draft Operating Budget	\$7,569	10.7%(*)	\$75
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**Additional Senior Management Recommendations for Revenue Increases  
And Cost Reductions for the Budget Committee's consideration:  
(Recommendation 2)**

Transfer of dedicated Water & Sewer staff to W&S Budget	(139)	0.17%
Extension of Winter Control Contract at existing prices	(180)	0.23%
Not Renew Windrow Snow Clearing contract in the spring of 2005, (2006 savings of \$1.2m)	(300)	0.38%
Vaughan Public Libraries overall expenditure reduction	(350)	0.44%
Assessment Growth revenue increase	(68)	0.08%
Increased Recreation User Fees to move closer to direct Recreation department full cost recovery – (does not include mtce, utilities, etc)	(450)	0.56%
Waste Management Fee of \$1per bag in excess of 3 bags (2 bag limit would generate \$266K)	(136)	0.17%
Increased By-Law enforcement revenue as planned	(351)	0.44%
Engineering reserve contribution recalculation	(169)	0.21%
Council Budget adjustment for equalization, etc – separate report	77	0.10%
Engineering – Fee increase for sub-division/site plan inspections in excess of 2	(30)	0.04%
Other misc. adjustments	<u>7</u>	<u>0.01%</u>

January 11, 2005 Draft Operating Budget	\$5,480	6.9%(*)
\$48		

(\*) These average tax rate percentage increases assume the continued utilization of \$11.8 million in one-time subsidies. Without the one-time subsidies, the average tax rate percentage increases would be approximately 15% higher than the number presented.

Utilization of One-Time Subsidies

The 6.9% average tax rate percentage increase, which includes the revenue increases and cost reductions provided previously, represents the net taxation requirement to address the current 2005 operating budget issues. It does not eliminate the need for the subsidy.

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The 6.9% average tax rate percentage increase assumes the continued utilization of \$11.8 million in one-time subsidies; the same level as the 2004 Operating Budget. This \$11.8 million in one-time subsidies is presented separately because this requirement stems from operating budget issues that have yet to be permanently funded.

It is important to note that the utilization of one-time subsidies is not sustainable and not a permanent source of funding.

A list of the one-time subsidies utilized in the Operating Budget is provided below for the Budget Committee's information. As mentioned above, one-time subsidies of \$11.8 million would still be required in order to achieve the 6.9% average tax rate increase as presented in this report.

	<u>2004</u>	<u>2005</u>
Prior Year Surplus Carryforward	\$2.5m	\$2.5m
Tax Rate Stabilization Reserve Transfer	\$2.7m	\$8.8m
Building Permit Reserve Transfer	\$0.9m	-
Hydro Vaughan Holdings Transfer/Loan	\$5.7m	-
Planning Fee Reserve	<u>-</u>	<u>\$0.5m</u>
Total One-time Subsidies	\$11.8m	\$11.8m

Assuming that the City continues to have an annual surplus of approximately \$2.5M a further \$8.8M is required annually to balance the operating budget. This level of subsidy is not sustainable. As at December 31, 2004 the Tax Rate Stabilization Reserve had a balance of approximately \$12.0M. This balance would be reduced by \$8.8M in 2005 leaving a balance of \$3.2M for future years. The reliance on subsidies in 2005 could be reduced by increasing taxes in 2005 beyond 6.9% referred to previously.

Staff are requesting direction as to the continued utilization of one-time subsidies in the 2005 Draft Operating Budget.

**Relationship to Vaughan Vision**

This report is consistent with the priorities set out in Vaughan Vision 2007.

**Conclusion**

This report complies with the Budget Committee's direction to identify revenue increases and cost reductions to reduce the average tax rate percentage increase. The list of opportunities, if accepted as presented, reduces the average tax rate percentage increase required to balance the 2005 operating budget, excluding the utilization of one-time subsidies.

**Report prepared by:**

John Hrajnik, CMA, ext. 8401  
Director of Budgeting and Financial Planning

*(Please also refer to Item 7, Special Committee of the Whole (Budget), Report No. 4)*

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Item 5, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**5                      SINGLE VS MULTIPLE TAX RATES – OPERATING BUDGET**

**The Budget Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance and Corporate Services, dated January 11, 2005:**

**Recommendation**

The Commissioner of Finance in consultation with the City Manager recommends:

That the following report be received for information purposes.

**Purpose**

The purpose of this report is to advise the Budget Committee that staff will be reporting to the Special Committee of the Whole on January 18, 2005 with respect to the merits of establishing A separate tax rate(s) for some specific services funded by the City.

**Background – Analysis and Options**

The City's annual operating budget is significant in size, approximately \$150M and complex in terms of the number and the nature of the services funded from taxation. The City continually looks for methods to present the budget to the public in ways that allows the public to better understand the budgetary challenges and issues that the City faces each year and more importantly where their tax dollars are being spent. The challenges and issues vary from service to service and there is also a significant difference, by service in the amount of taxation funding required to deliver the services.

To-date the City has set one tax rate to fund the net operations of all services funded by the City. Staff have been reviewing the merits of establishing more than one tax rate. The objective would be to better educate the public regarding the use of their local property tax dollars. Staff are researching other aspects such as authority under the Municipal Act, the computer systems ability to accommodate additional tax rates, the ability to implement in time for the 2005 final tax billing and impacts there may be on the Property Tax department.

**Relationship to Vaughan Vision**

One of the key objectives under "Run Our City" is to communicate effectively. The purpose of this initiative is to enhance the City's communication with the public.

**Conclusion**

Staff will be reporting to the special Committee of the Whole on January 18, 2005 outlining the merits of separate tax rates with an example of how it could be implemented.

**Report prepared by:**

Clayton D. Harris, ext 8475  
Commissioner of Finance & Corporate Services



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Item 6, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**6 OPERATING BUDGET 2005 – DEPUTATION FROM THE SENIORS ASSOCIATION  
OF VAUGHAN INC. (S.A.V.I)**

The Budget Committee recommends that this matter be referred to the Special Committee of the Whole (Budget) meeting of January 18, 2005, for a comprehensive report addressing all the deputation requests made by S.A.V.I. at the November 23, 2004 Committee of the Whole (Working Session) meeting.

**Recommendation**

The Commissioner of Community Services, in consultation with the Director of Recreation and Culture recommends:

1. That this report be received for information; and,
2. That \$2,500.00 be added to the Recreation and Culture 2005 Operating Budget to support initiatives of the S.A.V.I. committee.

**Purpose**

The purpose of this report is to provide the Budget Committee with information requesting financial assistance to support the initiatives of the S.A.V.I. association in 2005.

**Background - Analysis and Options**

At the Working Session Meeting of November 23, 2004, representatives of the S.A.V.I. committee made deputations to Council with respect to various senior's issues and services. S.A.V.I. is a newly formed city-wide seniors' association with the goal of organizing seniors' activities and communicate with Vaughan City Council opportunities to enhance the quality of life of seniors in Vaughan. The association represents 15 seniors' clubs city-wide.

Recreation and Culture Staff have reviewed the Recreation issues/requests by S.A.V.I. to determine if any particular items may have a budget impact on the 2005 operating budget. The following comments are provided:

1. That more money be made available and attributed towards furnishings, on an "as needed" basis.

*Response:* Depending on the extent of the furnishings that are required, new items may be requested through the capital budget process. Money has been requested in the 2005 capital budget to assist. No additional funds have been allocated in the 2005 operating budget. Staff check furnishings at each location annually and will continue to submit capital requests as needed. Seniors' Clubs are encouraged to fundraise to assist the City in reducing costs whenever possible.

2. That there be more city staff support to assist in the operation of the clubs and in the organization of additional programs and services.

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*Response:* Staff resources are allocated to assist the 15 clubs in the City along with implementing various senior programs. The Recreation and Culture department is in the process of implementing a reorganization which will provide a greater presence in the community in order support seniors' clubs. The necessary staff resources have been identified as part of the Recreation and Culture Reorganization for 2005.

3. That the City Revise Senior User Fees for the Fitness Centre, Aquatic Programs and Other Programs with a view to make these rates more affordable.

*Response:* At the present time we already discount memberships and programs for seniors. Many of seniors' programs and services do not recover the direct operating costs. A user fee study will take place in 2005 which will identify gaps and opportunities to make changes to future user fees. Community groups such as S.A.V.I. will be invited to participate in the public feedback meetings. At this time we do not recommend reductions in fees until we review the findings of the User Fee Study and present recommendations to Council for their consider.

4. S.A.V.I. Seniors' Initiatives – in 2004 S.A.V.I. undertook three very successful initiatives as part of the seniors' strategy. The initiatives included:

- The Seniors Information Day, June 2, 2004 as part of Seniors Month;
- Seniorsfest held on September 12, 2004 and;
- Seniors' Summit held on November 23, 2004.

*Response:* Over 1,200 seniors attended the various events. Many expressed an interest in seeing these events and/or similar activities that encourage social, recreational and educational opportunities for seniors. In order to continue to support the volunteer efforts of the S.A.V.I. staff request \$2,500 for administrative and event planning costs. All events in 2004 had event sponsors but some costs cannot be absorbed through sponsorship.

**Relationship to Vaughan Visions 2007**

This report is consistent with the priorities previously set by Council. The necessary resources have not been allocated and approved.

**Conclusion**

The newly formed S.A.V.I. (Seniors Association of Vaughan Incorporated) has identified a number of opportunities to enhance the well-being of seniors in Vaughan. To assist S.A.V.I. staff request \$2,500.00 be added to the Recreation and Culture 2005 operating budget for administration and program costs.

**Attachments**

None

**Report Prepared By**

Diane LaPointe-Kay, Director of Recreation and Culture, Ext. 8117.

*(Please also refer to Item 5, Special Committee of the Whole (Budget), Report No. 4 and Item 5, Budget Committee, Report No. 2)*

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Item 7, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

7

**2004 POSITION VACANCIES**

The Budget Committee recommends:

- 1) That staff provide an updated vacancy list that details the nature of the vacancies and that for approved new positions a current job description be provided along with an explanation as to why the position should be filled; and
- 2) That the following report of the Commissioner of Legal & Administrative Services, dated January 11, 2005, be received.

**Recommendation**

The Commissioner of Legal & Administrative Services, in consultation with the Director of Human Resources, recommends that:

The following report on the nature of the 2004 vacancies be received.

**Purpose**

To provide additional information as requested by the Budget Committee on December 14, 2004.

**Background - Analysis and Options**

At the Budget Committee meeting of December 14, 2004, the Budget Committee recommended:

“That a report be provided on the nature of the 2004 vacancies.”

As previously identified, on October 31, 2004, there were 54 vacant positions on file with the Human Resources Department. These position vacancies resulted for a number of specific reasons. The following chart provides a breakdown of the various reasons for the vacancies as well as the relevant number of vacancies by category.

<i>Promotion/ Transfer</i>	<i>Approved Employee Leave</i>	<i>Retirement</i>	<i>Resignation</i>	<i>Termination</i>	<i>Approved New Position</i>
16	6	3	11	3	15

**Conclusion**

The position vacancies, as at October 31, 2004, are explained under the six categories as listed in the above chart.

**Report prepared by:**

Cathrine Berge, Director of Human Resources

*(Please also refer to Item 4, Special Committee of the Whole (Budget) Report No. 4)*

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Item 8, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.



**8**

**NEW BUSINESS - GIS**

**The Budget Committee recommends:**

- 1) That the GIS strategy be completed and moved above the funding line; and**
- 2) That staff provide a report with respect to the future direction of GIS in the City of Vaughan.**

The foregoing matter was brought to the attention of the Committee by Councillor Meffe.

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Item 9, Report No. 1, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**9**

**NEW BUSINESS – APPLIANCE COLLECTION FEE**

**The Budget Committee recommends that staff provide a detailed status report to the Special Committee of the Whole (Budget) meeting of January 18, 2005 with respect to the appliance collection service and fee charged for said service.**

The foregoing matter was brought to the attention of the Committee by Councillor Di Vona.

*(Please also refer to Item 6, Special Committee of the Whole (Budget), Report No. 4)*