

**CITY OF VAUGHAN**

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

Item 1, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**1 DEVELOPMENT APPLICATION APPROVAL PROCESS, (DAAP), ACTIVITY COSTING AND USER FEE JUSTIFICATION FOR BUILDING PERMITS AND PLANNING APPLICATION FEES - FINANCIAL IMPACT OF BILL 124**

**The Budget Committee recommends:**

- 1) That Clauses 1, 2, 5, and 6 of the recommendation contained in the following report of the City Manager, Commissioner of Finance and Corporate Services, Commissioner of Planning, Commissioner of Legal and Administrative Services and the Bill 124 Activity Costing Steering Committee, dated December 14, 2004, be approved;**
- 2) That the fees be adjusted to achieve full cost recovery and a report be provided to the Committee of the Whole meeting of January 17, 2005;**
- 3) That the Planning Fee By-Law be brought forward to the Council meeting of January 24, 2005; and**
- 4) That the submission from the Commissioner of Planning be received.**

**Recommendation**

The City Manager and Commissioner of Finance & Corporate Services, the Commissioner of Planning and the Commissioner of Legal & Administrative Services and the Bill 124 Activity Costing Steering Committee recommends:

- 1) That the following report and presentation on the activity costing of the Development Application Approval Process (DAAP) be received; and
- 2) That a reserve entitled "Building Standards Service Continuity Reserve" be approved and that staff provide at a future meeting the associated by-law and report on the utilization of the new reserve; and
- 3) That the Budget Committee provide direction to staff on the appropriate balance between funding the new Building Standards Service Continuity Reserve and reducing building permit fees through the selection of Option 1 or 2 contained in the relevant section of this report; and
- 4) That the Budget Committee provide direction to staff on the overall average percentage of cost recovery in the planning application process by selecting Option 1, 2 or 3 contained in this report; and
- 5) That as soon as possible the Planning Department determine an appropriate fee structure based on the cost of service and taking into consideration the overall average percentage of cost recovery determined in recommendation 4 above; and
- 6) That staff in their respective departments be directed to give effect to the above approved recommendations as soon as possible.

**Purpose**

The purpose of this report is to provide the Budget Committee with the financial impact of Bill 124 based on 2004 budgeted data, the outcome of the activity costing exercise for the development application approval process, (DAAP), and determine an appropriate strategy to address the implications.

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

##### **Background**

The development application approval process, (DAAP), is an integrated service delivery channel including both early stage planning applications and later stage building permit issuance. Similar to many municipalities, Vaughan currently uses the building permit revenues collected at the end of the development application approvals process to fund the earlier stages of the planning application review and processing activities. The building permit revenues exceed the cost of issuing the building permits, and conversely, the revenue generated from the early stage planning applications does not in total recover the cost of the review and processing of planning related applications. In total, the combined planning and building permit revenues do not recover the full cost of the DAAP process.

In the provincial government's passing of Bill 124, it effectively imposed restrictions on building permit fees to not exceed the cost of issuing a building permit. The result was Bill 124, the Building Code Statute Law Amendment Act, 2002, comes into effect July 1, 2005.

Therefore, effective July 1, 2005, the early stage development application approval process planning activities cannot be funded from the later stage building permit revenues. However, the Planning Act, similar to Bill 124, allows municipalities to charge their cost for the early stage planning application process. This now provides an opportunity for municipalities to increase the early stage planning fees to recover the cost of the review and approval of those planning applications and still comply with the legislation.

Recognizing that the impact of Bill 124 would be significant to the City of Vaughan, finance staff initiated a study to address the issue. The decision to initiate this study in early 2004 put Vaughan well ahead of most other major municipalities in dealing with this important legislative user fee justification requirement. The decision to complete this study in order to accommodate the 2005 Operating Budget timeframe was an aggressive and significant task due to the complexity and comprehensiveness in ensuring that both the direct and indirect cost methodology and allocation were conducted in a logical and defensible manner.

Led by Finance staff, a Bill 124 steering committee was formed with representation from the appropriate departments to:

- Interpret and address Bill 124 legislative requirements
- Develop an appropriate activity based costing model and methodology
- Identify the aggregate financial impact
- Design a financial risk mitigation strategy

In addition, the consultants for the Bill 124 activity costing study and DAAP user fee rationalization, C.N. Watson and Associated Limited, concluded in their report that "... Vaughan's modeling provides strong empirical justification for its licensing fees, Planning Act DAAP fees, and the Building Code Act fees." Thus, it is reasonable to state that the DAAP activity costing model is both sound and defensible on an aggregate DAAP basis. C.N. Watson and Associated Limited will also be available to defend the DAAP fees if required.

This report addresses the financial impact of Bill 124, the comprehensive approach to the activity costing of building permits and planning applications, the potential to increase planning application fees, and a prudent financial risk mitigation strategy.

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**Building Permit Fees – Bill 124 Background**

Bill 124 imposes requirements on municipalities in establishing fees under the Act, in that the “fee... must not exceed the anticipated reasonable cost...” of providing the service, i.e. building permit issuance and inspection services.

Once the interpretation of the legislation was completed and the parameters were defined and understood, the steering committee’s priority and key mandate was to identify the overall aggregate financial impact of Bill 124 in order to meet the 2005 Operating Budget process timeframe and develop a strategy. This included documenting processes and the development of an activity costing model to capture all of the costs related to the issuance of a building permit. Since the Act does not specify direct costs, it is reasonable to include all indirect costs including costs related to future compliance requirements and reserve fund contributions.

Quantifying the aggregate financial impact, through an activity costing model, was a major and comprehensive undertaking. It involved incorporating all direct and indirect costs on a city wide basis as they relate to the issuance of building permits. Cost objects for building permits were set up and cost drivers needed to be established to appropriately allocate both direct and indirect costs from other departments to the appropriate building permit cost objects. It was then necessary to meet with all staff in departments that directly or indirectly impact the building permit process. The model has successfully calculated the overall aggregate cost of issuing building permits and the methodology is both sound and defensible. Anticipating the results, staff expanded the costing study to include costing the early stage planning application process. The results of the model are presented later in this report.

**Planning Application Fees – Section 69 of the Planning Act**

As mentioned earlier in this report, the development application approval process, DAAP, is an integrated service delivery channel including both the early stage planning applications, which include the Committee of Adjustment, and the later stage building permits.

This challenging addition of costing and modeling the planning application process was in addition to the legislated requirement to address Bill 124. However, it was deemed prudent in order to ensure the entire DAAP process is based on cost recovery.

Similar to Bill 124, the Planning Act requires regard for the anticipated costs of providing the service. This then suggests that all indirect costs can be included as in Bill 124. Accordingly, the activity costing model followed the same methodology for costing out planning applications as it did for building permits including the set up of cost objects and drivers to allocate all costs. The result again was an overall aggregate costing of the early stage planning application fees that is both sound and defensible. A presentation of the results of the activity costing model for the entire development application process are presented below followed by options for the Budget Committee’s consideration on the percentage recovery of the planning application approval process and the treatment of the balance in the existing building permit reserve.

**The DAAP Activity Costing Model Financial Results**

The DAAP activity costing model below presents a snapshot of the total cost of the development application approval process separated between early stage planning applications and later stage building permits. It was a comprehensive exercise including the identification of all associated direct and indirect costs across the city. In the creation of the model staff has reviewed and included all city wide departmental and corporate costs and allocated those costs based on determined cost drivers. Included in the indirect cost allocations were the related occupancy, human resources, legal and enforcement, finance, corporate accounts, various infrastructure

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allocations, council, commissioners, clerks, etc. The costs and associated revenues are based on 2004 operating budget data and represent the annual impact.

DAAP Section	2004 Direct Costs	2004 Indirect Costs	2004 Total Costs	2004 Total Revenue	2004 % Cost Recovery	2004 Financial Impact
Planning Applications(1)	\$3.8m	\$1.4m	\$5.2m	\$1.4m	26.9%	\$3.8m
Building Permits	<u>\$4.6m</u>	<u>\$2.2m</u>	<u>\$6.8m</u>	<u>\$9.9</u>	<u>145.6%</u>	<u>\$(3.1m)<sup>(3)</sup></u>
Total DAAP(2)	\$8.4m	\$3.6m	\$12.0m	\$11.3m	94.2%	

(1) - includes Committee of Adjustment

(2) – Full Year Impact

(3) – Building permit fees not reduced until the Stabilization Reserve is adequately funded.

The activity costing study reveals, that based on 2004 budget data, there are revenues of \$3.1m in building permit fees in excess of costs. On the surface without considering any other options, this would mean a reduction in building permit fees of \$3.1m to comply with Bill 124 where revenues cannot exceed the cost. However given the cyclical nature of the building industry and the length of time to complete building inspections the legislation allows for contributions to a stabilization reserve that takes this into consideration. Contributions to this new reserve are discussed later in this report.

Conversely, in planning applications, based on the 2004 budget data, there is a shortfall of \$3.8m in revenue compared to the cost of providing that service. Recommendations with respect to recovering this shortfall are presented later in this report.

Based on the above Chart, Vaughan is budgeted in 2004 to recover approximately 94% of the entire DAAP total costs primarily through building permit revenue recovery. This recovery would reduce to approximately 68% if building permit fees were reduced to reflect cost recovery with no reserve contribution increase and no increase in the planning fees.

**Financial Risk Mitigation Strategy - Create a Building Standards Service Continuity Reserve**

The \$3.1m building permit revenue surplus does not include any additional costs that may be required to ensure compliance with “turn-around” time. It also does not include any contribution to a reserve fund to effectively mitigate the future financial risk of retaining appropriate staff during an economic downturn.

The consultants have advised that the legitimacy of a reserve fund contribution as part of an overall municipal management framework is appropriate.

Accordingly, staff recommends the establishment of a new ‘Building Standards Service Continuity Reserve’. The service reserve could fund operational costs for the continuity of services to protect intellectual capital during an economic downturn. The funding of this reserve forms the basis for a prudent financial risk mitigation strategy. This reserve fund would be restricted for this specific purpose and would not be available for any other general municipal allocation. The rationale for the service continuity reserve would be to provide the funding to continue operations in an economic downturn.

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Based on the consultant's recommendation, there should be a target balance in the service continuity reserve equivalent to 1.5 years of permit processing costs. This would translate into a target reserve balance of \$10m based on the 2004 budget data in the model. The target balance of the reserve would then fluctuate based on the annually revised processing costs.

It is also prudent that the Building Standards Service Continuity Reserve accumulate to the \$10m target balance within a 3 to 5 year period. This will ensure that any future economic downturn is covered as soon as possible. Once that target level is achieved, the building permit fee schedule would have to be reduced to just reflect the cost of building permit issuance, excluding any reserve contribution.

**Balance Funding the Building Standards Service Continuity Reserve versus Reducing Building Permit Fees**

The following options are provided for the Budget Committee's consideration in relation to the accumulation of the reserve fund and the decision to adjust building permit fees, if at all, during the term of the reserve fund accumulation. Both options do not reduce the 2005 budget impact of Bill 124, but do provide for the creation of a reserve for service continuity.

**Option 1 – 90% Cost Recovery of Building Permit Fees and Fund the Reserve Slower**

Implications of Option 1:

- 10% reduction in building permit fees (approx \$1m impact)
- Increase building permit cost by amount needed for compliance with Bill 124
- Remainder contributed to the Reserve
- Potentially favourable response from the development community especially in light of the potential significant increase in planning application fees
- Takes 5 years to achieve Reserve balance

**Option 2 – 100% Cost Recovery of Building Permit Fees and Fund the Reserve Quicker**

Implications of Option 2:

- Building permit fees remain the same
- Increase building permit cost by amount needed for compliance with Bill 124
- Potentially unfavourable response from the development community especially in light of the potential significant increase in planning application fees
- Takes 3 years to achieve reserve balance

Both options provide a financially prudent risk mitigation strategy through contributions to the service continuity reserve and its ability to address fluctuations in the economy and retain specialized staff.

It is important to note that under both options building permit fees will reduce once the target reserve level is achieved.

**Percentage Cost Recovery Options for the Planning Application Process**

An opportunity exists for a permanent solution to offset the negative financial impact of Bill 124 through increasing the planning application fees to recover their costs as allowed by legislation. The planning applications activity costing chart below indicates an opportunity for significant fee increases totaling \$3.8m in planning applications which would result in the fee revenue equaling the cost.

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In all of the options presented below, the dollars and percentage increase resulting from any of the percentage recovery of costs are based on the 2004 budgeted volume. They also assume that the increases would be fully enacted in 2005 with no migration period. The dollars are rounded to millions for presentation purposes but the percentages are more precise based on the rounding to thousands from the 2004 budgeted data in the activity costing model.

The following options are presented for the Budget Committee's consideration.

Option 1 – 100% Cost Recovery in the Planning Application Process

The chart below highlights the impact on the current aggregate revenue from a 100% recovery of the costs in the planning application approval process. As noted earlier, the Committee of Adjustment is included in the planning application service delivery channel.

A 100% recovery of the planning application fees translates to an increase of \$3.7m or 321% in planning fees, and an increase of \$0.1m or 41% in the Committee of Adjustment fees, for a total of \$3.8m or 262% increase over the 2004 budgeted volume.

	2004 Total Costs	2004 Total Revenue	2004 % Cost Recovery	2004 Cost Excess	Fee Increase if 100% Planning Recovery	
					Dollars	Percent
Committee of Adj.	\$0.4m	\$0.3m	75.0%	\$0.1m	\$0.1m	40.6%
Planning	\$4.8m	\$1.1m	22.9%	\$3.7m	\$3.7m	320.8%
<b>Total Planning Applications</b>	<b>\$5.2m</b>	<b>\$1.4m</b>	<b>26.9%</b>	<b>\$3.8m</b>	<b>\$3.8m</b>	<b>262.3%</b>

An implication of the 100% cost recovery option for Planning has the potential for an unfavourable response from the development community in light of the fact that the later stage building permit fees would only be reduced by a small amount, if at all, over the next few years depending on the approved pace of the contribution to the recommended new Building Standards Service Continuity Reserve.

Option 2 – 95% Cost Recovery in the Planning Application Process

The chart below highlights the impact on the current aggregate revenue from a 95% recovery of the costs in the planning application approval process. As noted earlier, the Committee of Adjustment is included in the planning application service delivery channel.

A 95% recovery of the planning application fees translates to an increase of \$3.4m or 300% in planning fees, and an increase of \$0.1m or 34% in the Committee of Adjustment fees, for a total of \$3.5m or 244% over the 2004 budgeted volume.

	2004 Total Costs	2004 Total Revenue	2004 % Cost Recovery	2004 Cost Excess	Fee Increase if 95% Planning Recovery	
					Dollars	Percent
Committee of Adj.	\$0.4m	\$0.3m	75.0%	\$0.1m	\$0.1m	33.6%
Planning	\$4.8m	\$1.1m	22.9%	\$3.7m	\$3.4m	299.8%
<b>Total Planning Applications</b>	<b>\$5.2m</b>	<b>\$1.4m</b>	<b>26.9%</b>	<b>\$3.8m</b>	<b>\$3.5m</b>	<b>244.2%</b>

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An implication of this 95% average cost recovery option for the planning is basically the same as the 100% option in that there is potential for an unfavourable response from the development community in light of the fact that the later stage building permit fees would only be reduced by a small amount, if at all, over the next few years depending on the approved pace of the contribution to the recommended new Building Standards Service Continuity Reserve.

Option 3 – 85% Cost Recovery in the Planning Application Process

The chart below highlights the impact on the current aggregate revenue from an 85% recovery of the costs in the planning application approval process. As noted earlier, the Committee of Adjustment is included in the planning application service delivery channel.

A 85% recovery of the planning application fees translates to an increase of \$3.0m or 258% in planning fees, and an increase of \$0.1m or 20% in the Committee of Adjustment fees, for a total of \$3.1m or 208% over the 2004 budgeted volume.

	2004 Total Costs	2004 Total Revenue	2004 % Cost Recovery	2004 Cost Excess	Fee Increase if 85% Planning Recovery	
					Dollars	Percent
Committee of Adj. Planning	\$0.4m \$4.8m	\$0.3m \$1.1m	75.0% 22.9%	\$0.1m \$3.7m	\$0.1m \$3.0m	19.5% 257.7%
Total Planning Applications	\$5.2m	\$1.4m	26.9%	\$3.8m	\$3.1m	208.0%

An implication of the 85% average cost recovery option for planning has the potential for a more favourable response from the development community. Burlington’s Council has already approved an 85% recovery rate from the combination of planning & building permit fees. Unfortunately, very few municipalities are at this advanced stage in addressing the impact of Bill 124, thus many other comparators are not yet available.

All municipalities, especially high growth municipalities, will be faced with a similar burden of deciding what portion of the development application approval process, DAAP, is paid by the development community and what portion is paid by the broader tax rate based funded community as a result of Bill 124.

**No Migration Period for the Planning Fee Increases**

The ability to permanently address the financial impact of Bill 124 resides with increasing planning application fees to match costs as allowed by legislation. The quicker the planning application fees are increased to recover costs, the quicker the financial impact of Bill 124 is addressed. Staff do not recommend a migration (phase-in) period for increases in planning fees. Accordingly staff recommend, that as soon as possible, the Planning department determine an appropriate fee structure based on the cost of service and taking into consideration the overall average percentage of costs recovery.

**Bill 124 Permit Processing and Cycle Time Standards Study**

The DAAP activity costing model reveals a building permit surplus of \$3.1m based on the 2004 budgeted data. However, this \$3.1m surplus does not include the additional costs that will be required to significantly shorten the current timeframes in permit processing as required per Bill 124. Therefore, the cost of issuing building permits may have to increase to address these

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compliance issues and this will correspondingly reduce the surplus in building permit revenue. The study to address the cycle time requirements and the yet to be determined additional costs for Bill 124 compliance in relation to permit processing and site inspections is currently underway and will be the subject of a future report from the Commissioner of Planning and the Director of Building Standards. That report should also address the building permit fee structure.

#### **Next Steps**

- Include impact amount of the recommended options in the 2005 Operating Budget
- Planning department completes their study of specific fees and recommends a fee schedule
- Building Standards department reports on their process study and recommendations

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

The recommendations forthcoming as a result of this result report have a significant impact to the 2005 Operating Budget and beyond. This report is consistent with the priorities set out in VV 2007 particularly with B-1, Ensure Short & Long Term Financial Stability for the municipality.

#### **Conclusion**

Bill 124 will cause a significant financial impact for municipalities, particularly high growth municipalities like Vaughan. To address this impact, staff have reviewed the entire DAAP, provided options to mitigate the financial impact, and recommend the creation of a "Building Standards Service Continuity Reserve" to maintain service during economic downturns.

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

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

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

*(Please also refer to Item 3, Budget Committee, Report No. 13 and Minute No. 11, Council meeting of January 24, 2005)*



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Item 2, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.



**2**

**REALLOCATION OF RESERVE FUNDS**

The Budget Committee meeting recommendation was dealt with and adopted at the Special Council Meeting (1) of December 14, 2004 under Minute No. 335.

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Item 3, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

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**3                   REPORT ON THE POTENTIAL IMPLEMENTATION OF A POLICY TO  
                  “FREEZE” COMPENSATION ABOVE EXISTING APPROVAL LEVELS  
                  FOR ANY/ALL HIRING AND EXISTING EMPLOYEES, WITHOUT  
                  COUNCIL’S PRIOR CONSENT**

**The Budget Committee recommends that the confidential report of the Commissioner of Legal & Administrative Services, dated December 14, 2004, be received.**

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Item 4, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**4                      ZERO BASED BUDGET-STAFFING COMPLEMENT REVIEW**

The Budget Committee recommends:

- 1)      **That the recommendation contained in the following report of the Commissioner of Legal and Administrative Services, dated December 14, 2004, be approved; and**
- 2)      **That a report be provided on the nature of the 2004 vacancies.**

**Recommendation**

The Commissioner of Legal & Administrative Services, in consultation with the Senior Management Team, recommends:

That the following report be received for information purposes.

**Purpose**

To report to the Budget Committee on the results of the Senior Management Team review of staff complement.

**Background – Analysis and Options**

At the Budget Committee meeting of November 23, 2004, Councillor Di Vona requested that the Senior Management Team (SMT) conduct a review of the staff complement and report back to the Budget Committee with the results of their review.

SMT have reviewed the detailed position vacancy list by department to determine if there is a possibility that some positions may be declared redundant and removed from the current staff complement. Based on the operational needs of the departments, SMT have concluded that there are no positions which can be declared redundant at this time.

On October 31, 2004, the City of Vaughan had an approved full time complement of 895 positions of which 844 were staffed. The difference, 54 full time positions, were at various different points in the recruitment process. Statistically, the vacancies can be aged as follows:

2001	3 vacancies
2002	2 vacancies
2003	15 vacancies
2004	34 vacancies

- *A vacancy results when an employee is not actively working in an approved position.*
- *Reason for vacancy may include, but not be limited to, resignation, retirement, termination, short or long term leave.*
- *Recruitment processes are underway for majority of vacancies however, some vacancies are on hold.*

The October 31, 2004 snapshot of the full time complement represents a 6% vacancy rate. Statistically, most healthy organizations of comparable size and complexity have an average vacancy rate of 3 to 5% at any time. The actual vacancy rate varies from month to month however, the average vacancy rate hovers around 5%.

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It is important to note that, while the vacancy rate does see some minor variation month to month, the actual positions which make up the total sees a more significant variation. This results from the dynamic processes associated with recruitment in a unionized environment where the employer strongly supports the practice of internal promotion for qualified employees.

The employment practices at the City strongly support providing our current employees with the opportunity for promotion when they are qualified to be promoted to vacant positions. While this practice strongly supports the Vaughan Vision 2007, the real impact is that one real position vacancy may result in several residual vacancies before the staff complement is fully realized. As a result, over the course of time, it statistically appears that there are more vacancies that is actually the case.

**Conclusion**

The Senior Management Team have reviewed the current staff complement and cannot support a reduction to the complement.

**Report prepared by:**

Cathrine Berge, Director of Human Resources

*(Please also refer to Item 14, Budget Committee, Report No. 13 and Item 5, Budget Committee, Report No. 14)*

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Item 5, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**5**

**COMMUNITIES IN BLOOM**

**The Budget Committee recommends:**

- 1) That an additional \$25,000 be included in the Operating Budget to facilitate the 2005 International Communities in Bloom program; and**
- 2) That the program initiatives be distributed uniformly citywide.**

Council, at its meeting of December 6, 2004, approved in part:

That an additional \$25,000.00 be included in the Operating Budget in order to facilitate the 2005 International Communities in Bloom program and that this be referred to the Budget Committee for consideration.

Attachment: Item 29, Committee of the Whole Report No. 87

(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.)

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Item 6, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**6 WASTE DIVERSION IMPROVEMENTS**

**The Budget Committee recommends:**

- 1) That a comprehensive report be provided prior to the end of February 2005, with respect to the various components of this initiative; and**
- 2) That the following report of Councillor Shefman, dated December 14, 2004, be received.**

**Recommendation**

Councillor Alan Shefman recommends:

That a project to improve the level of recycling in the City of Vaughan be implemented;

And that this project will take place over a one-year term;

And that the project will include both educational and receptacle distribution components;

And that the project will culminate in moving from once every two weeks to weekly pickup of recyclables.

**Purpose**

To improve Vaughan's waste diversion and implement a "Garbage to Recycling" project.

**Background - Analysis and Options**

Vaughan's level of diversion of waste to recycling stream is the lowest compared to all other York Region Municipalities. The City of Vaughan is paying extraordinary amounts of money to ship garbage to Michigan. There are increasing restrictions on what materials may be shipped to the Michigan site. There is currently a move in York Region to expand the blue box system to include wet or organic waste. There is little sense in expanding the recycling program until the current system is working efficiently and effectively. More ads in the media or written information sent to homeowners will not work by themselves. The project has its genesis from talking to thousands of Vaughan homeowners over the past two months. It reflects both an interest emanating from homeowners as well as their responses to suggestions initiated by myself.

**Relationship to Vaughan Vision 2007**

The proposed implementation of this program is consistent with the priorities set by Council in Section 4.4.2. of the Vaughan Vision, to "promote waste diversion and reduction through municipal programs, incentives and initiatives.

**Conclusion**

From Garbage to Recycling is a project envisaged to address both financial and environmental issues confronting the City of Vaughan. It is intended to cut costs and the environmental impact of shipping garbage to Michigan as well as meet the environmental imperative to ensure that waste materials that can be recycled are directed to that stream.

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**Attachments**

None.

**Report prepared by:**

Debi Traub, Council Administrative Assistant

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Item 7, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

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**CITY OF VAUGHAN  
CITIZENS' CHARTER OF RIGHTS & RESPONSIBILITIES**

**The Budget Committee recommends that the "City of Vaughan Citizens' Charter of Rights & Responsibilities", dated December 7, 2004, prepared by Councillor Carella, be received and referred to the next Operational and Strategic Planning Committee Retreat.**

The Budget Committee, at its meeting of December 7, 2004, recommended, in part, the following:

That the following item be included on the December 14, 2004 Budget Committee Agenda:

- Citizens' Charter of Rights and Responsibilities (Budgetary Implications)

Attachment 1: City of Vaughan Citizens' Charter of Rights & Responsibilities  
Prepared by Councillor Tony Carella, December 7, 2004

(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, Committee of the Whole, Report No. 7)*



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Item 8, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

8

**SUMMARY REPORT  
RE: INCENTIVE PAYMENTS**

The Budget Committee recommends:

- 1) That the recommendation contained in the following report of the City Manager, dated December 14, 2004, be approved; and
- 2) That a review of the process for administering incentive payments be undertaken in 2005.

**Recommendation**

The City Manager recommends that the following report be received.

**Purpose**

The purpose of this report is to provide members of Council with information regarding the number of employees who received incentive payments in the years 2001 to 2004 inclusive, and its related impact on that year's respective operating budget.

**Background**

At the December 7, 2004 Budget Committee meeting, it was recommended "that staff be directed to provide a report with respect to incentive payments made and further, that staff provide the Budget Committee with a copy of the Management By-law."

Section 13 "Incentive" of By-law 100-2002 (Management By-law) states as follows:

"An incentive payment will be available to those management/non-union staff that qualify under the following criteria:

- A special circumstance arose during the year that required the employee to provide service/duty over and above the normal course of his/her responsibilities.
- The special circumstance required extraordinary performance on the part of the employee.
- The achievement on the part of the employee was deemed valuable and necessary to the corporation.
- Examples of these circumstances would include: a labour strike, a weather disaster, an environmental catastrophe, a major loss of staff resources, etc.

The incentive payment would be to a maximum of five percent (5%) of the employee's annual salary. The payment would be made upon the authorization of the City Manager. The incentive would be a lump sum payment to recognize the performance of the employee during the special circumstance and would not affect the employee's placement on the salary schedule."

CITY OF VAUGHAN

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

Item 8, BC Report No. 16 – Page 2

The following lists the number of incentive payments made in 2001, 2002, 2003 and 2004):

<u>DATE</u>	<u>NUMBER OF STAFF</u>	<u>BUDGET IMPACT</u>
<b>2001</b>	<b>2</b>	<b>\$ 9,369.00</b>
<b>2002</b>	<b>11</b>	<b>\$35,330.00</b>
<b>2003</b>	<b>9</b>	<b>\$35,997.55</b>
<b>2004</b>	<b>2</b> <b>(as at Dec. 14)</b>	<b>\$ 8,516.00</b>

**Relationship to Vaughan Vision**

This report is consistent with the priorities previously set by Council as it relates to Section 5.4 *Attract, Retain and Promote Effective Staff*.

**Conclusion**

This report provides a summary of the number of employees who received incentive payments along with the budget impact associated with these payments for the years 2001 to 2004 inclusive. This information is provided for Council's information.

**Attachment**

1. By-law 100-2002 (Management By-law) – **Council Only**  
**(Note: By-law available in Clerk's Department for public viewing)**

**Report prepared by:**

Karen Campbell, EA to the City Manager

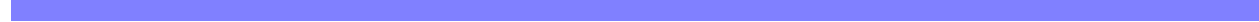
(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

*(Please also refer to Item 8, Budget Committee, Report No. 15)*

**CITY OF VAUGHAN**

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

Item 9, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.



**9**

**INCREASE IN 2005 BUDGET FOR ECONOMIC/TECHNOLOGY  
DEVELOPMENT AND COMMUNICATIONS**

The Budget Committee recommends that the memorandum from the Commissioner of Economic/Technology Development and Communications, dated December 10, 2004, be received.

**CITY OF VAUGHAN**

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

Item 10, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

**10**

**UPDATED 2005 DRAFT OPERATING BUDGET**

**The Budget Committee recommends:**

- 1) That the Updated 2005 Draft Operating Budget submitted by the Commissioner of Finance and Corporate Services, dated December 14, 2004, be received;**
- 2) That staff provide a report to a Special Committee of the Whole meeting on Tuesday, January 18, 2005, at 2:00 p.m., identifying opportunities for cost reductions and revenue increases to the Operating Budget that would result in a lower tax rate;**
- 3) That a Budget Committee meeting be scheduled for Tuesday, January 11, 2005, at 2:00 p.m.; and**
- 4) That a Special Committee of the Whole (Budget) public meeting be scheduled for Monday, January 24, 2005, at 7:00 p.m.**

**CITY OF VAUGHAN**

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

Item 11, Report No. 16, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on February 14, 2005.

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**11**

**REQUEST FOR PROVINCIAL ASSISTANCE**

**The Budget Committee meeting recommendation was dealt with and adopted at the Council Meeting of January 24, 2005 under Minute No. 10.**