

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 1, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

1 2006 DRAFT OPERATING BUDGET

The Budget Committee recommends:

- 1) That Clauses 1, 2, and 3 of the recommendation contained in the following report of the City Manager, the Commissioner of Finance & Corporate Services, and the Director of Budgeting and Financial Planning, dated December 19, 2005, be approved;**
- 2) That staff be directed to utilize the tax stabilization fund to achieve a tax rate increase of 3.5%;**
- 3) That the Special Council meeting for public input be on Tuesday, January 24, 2006 at 7:00 p.m.; and**
- 4) That staff be directed to establish a policy on the contribution of investment funds to the tax stabilization fund.**

Recommendation

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

- 1) That the Budget Committee recommend approval of the 2006 Draft Operating Budget;
- 2) That the 2006 Draft Operating Budget be forwarded to a Special Council meeting for receipt and referral to a Special Council meeting in January 2006 to receive public input;
- 3) That appropriate notice be given, as per City By-law 394-2002, for a Special Council meeting in January 2006 to receive public input; and
- 4) That the Special Council meeting for public be January 23, 2006.

Economic Impact

The attached 2006 Draft Operating Budget, Attachment 1, reflects a requirement for a taxation funding increase of \$5.3m which equates to a 5.6% tax rate increase or approximately a \$55 property tax increase on an average home assessed at \$412,070.

Purpose

To recommend that the Budget Committee approve the 2006 Operating Budget and to forward the Budget to a Special Council meeting to receive public input in January 2006.

Background - Analysis and Options

The City of Vaughan continues to be subject to the many factors that put significant pressure on the property tax rate. The normal pressures of inflation, staffing resources, external contract costs in excess of inflation, collective agreements, etc., are further compounded by the cost impacts experienced by high growth municipalities. These pressures present significant challenges to achieving a balanced budget, and 2006 is no exception.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 1, BC, Report No. 8 – Page 2

The 2006 Operating Budget Process

Recognizing the budget challenge, the 2006 budget process was initiated early in 2005. The approach to the 2006 Budget challenge was addressed through a combination of the following actions:

1. Stricter Budget Guidelines to limit the size of the budgetary issue;
2. Performance Measurement Initiative to assess efficiencies;
3. User Fee Review with rate increases related to cost increases;
4. Tax Rate Analysis; and
5. Services Review to provide Council with options.

The results of each of these actions are provided in the following paragraphs.

1. Stricter 2006 Operating Budget Guidelines

Stricter Operating Budget guidelines were designed to minimize the budgetary impact on the tax rate for 2006. The re-designed guidelines included freezing most account lines with the exception of salaries and benefits resulting from approved collective agreements, by-laws, etc, impacts of new facilities, external contracts, insurance and utilities, and long term debt repayment. To ensure that the stricter budget guidelines were adhered to, specifically in the area of departmental expenditures and freezing of most account lines, staff analysed expenditure increases in 3 different ways as noted below:

- Major Departmental Increases: 85% of the departmental expenditure increase resides within 6 departments; these departments' increases were analysed and were within the budget guidelines.
- Specific Expenditure Types: 8 expenditure types were previously specifically identified by the Budget Committee to be compared to the prior year base budget. These were advertising, computer hdwr/soft, cellular, office equipment and supplies, overtime, part time, and professional fees. These expenditure types were analysed and were within the budget guidelines.
- Overall Reasonability Test: A reasonability test of the overall percentage increase in departmental expenditures net of approved increases as per the budget guidelines was performed. The result was no net increase outside of the approved increases as per the budget guidelines.

The budget guidelines were designed to limit expenditure increases. As is evident in the analysis above, this exercise has been successful.

2. Performance Measures Initiatives

A performance measurement initiative was undertaken. The objective of the initiative was to gather data and develop performance measures to facilitate a fact based discussion with respect to the efficient delivery of certain city services. This would provide Council with evidence based information around productivity, service quality and resource allocation. This was one step in the budget process to assist the Budget Committee in their budget deliberations.

The initiative was focused on the main tax supported services, such as Public Works, Recreation, Building and Facilities and Parks, etc. As presented to the Budget Committee on October 28, 2005 the key finding of this initiative were:

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 1, BC, Report No. 8 – Page 3

- Apparent staff productivity in absorbing increasing volumes
- Demonstrable improvement in efficiency/productivity for a number of tax supported services
- Need to improve data collection processes in certain areas

The performance measurement initiative demonstrated a trend of improved efficiency in the past few years.

3. User Fee Review

There is an ongoing balance between funding through a user fee for those residents who receive City services versus funding the service through the general tax rate. To the extent there is a user fee, that fee should be adjusted annually to reflect changes in the cost of delivering the service. If the cost of delivery increases and the user fee does not increase, by default there is a need to raise the property tax rate. With this concept in mind, staff undertook a review of the existing user fees, and the potential for new user fees, with the resulting recommended increases presented at the November 30, 2005 Budget Committee meeting. The recommended changes to user fees will be coming forward in January 2006 for public input.

4. Tax Rate Analysis

As stated previously the Draft 2006 Operating Budget before the Committee reflects a tax rate increase of 5.6%. As indicated below in the current status section of this report, the primary reason for the tax rate increase is reduced planning revenues and the full year impact of Bill 124 on the building permit revenue.

Historically, since 1993 the City's tax rate has compared favourably to the rate of inflation. Vaughan's cumulative tax rate increase over this entire period approximates the cumulative rate of inflation for the same period. The City of Vaughan provides a high level of service. At the end of 2005, the City had one of the lowest property tax rates in the GTA, excluding Toronto.

5. Services Review

Council initiated a process whereby staff were to review the services that are provided by the City. Services were categorized as either mandated through legislation or regulations, essential to the operation of the municipality or value added. The purpose of the review was to provide information and facilitate budget deliberations around the allocation and re-allocation of limited resources. The City Manager presented the outcome of this exercise to the November 30, 2005 Budget Committee, with the result that the bare pavement policy for secondary roads being recommended for change to be similar to other municipalities in the area. The draft 2006 Operating Budget includes the impact of this change.

This significant amount of analysis and work has been completed over the last several months and the resulting 2006 Draft Operating Budget on today's agenda reflects the minimum funding requirements to address the current service levels.

Current Status

The 2006 Draft Operating Budget reflects a \$5.3m taxation funding increase which equates to a 5.6% tax rate increase or approximately a \$55 property tax increase on an average home assessed at \$412,070. The 5.6% tax rate increase can be broken down as follows:

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 1, BC, Report No. 8 – Page 4

	Tax Rate Impact
Entire City of Vaughan operations before the following:	(0.6%)
Fire	1.4%
Library	0.2%
Impact of Bill 124 - Building Permit Revenue	3.3%
Planning revenue reduction from reduced volume	<u>1.3% (1)</u>
 Total	 5.6%

(1) The Planning revenue reduction resulting from reduced volume is the subject of a separate report on today's agenda.

The current 5.6% tax rate increase is a result of recommendations coming out of the November 30, 2005 Budget Committee meeting and subsequent updated assessment growth data as well as other minor adjustments. The following reconciles the current budget draft to the previous budget draft of November 30, 2005:

	Taxation Funding Increase	Tax Rate % Increase
November 30, 2005 Budget Committee Draft Budget	\$3.974m	4.2%

Adjustments from November 30, 2005 Budget Committee Meeting:

Planning Revenue reduction	\$1,219k	1.3%
Revised bare pavement policy for secondary roads	(\$440K)	(0.5%)
Reduced Assessment Growth –now 3.05% (1)	\$644k	0.7%
New User Fees and Existing Fee Increases	(\$189k)	(0.2%)
Recreation revenue increase as per new user fee policy	(\$50k)	(0.05%)
Communities in Bloom Sponsorship reduction	\$15k	0.02%
Other misc adjustments	<u>\$112k</u>	<u>0.13%</u>
Sub-total - Adjustments	<u>\$1.311m</u>	<u>1.4%</u>

December 19, 2005 Budget Committee Draft Budget	\$5.285m	5.6%
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(1) The final assessment roll reveals a lower growth rate percentage increase than previously estimated.

This draft of the 2006 Operating Budget includes continuing to take \$2.2m from the Tax Rate Stabilization Reserve and anticipates a \$2.5m surplus carried forward from 2005. The use of reserves to subsidize the operating budget must be reduced over time.

Full-Time Equivalent Reporting (FTE's)

An updated summary of the change in FTE's for 2006 over 2005 is provided as part of Attachment 1. The net impact of the adjustments results in only a minor change in the total FTE's. The majority of the increase still relates to the impact of new facilities and the full year impacts of prior year approvals.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 1, BC, Report No. 8 – Page 5

GTA Pooling

GTA pooling continues to cost the residents and businesses of Vaughan, York Region and throughout the GTA significant property tax dollars annually. Vaughan residents and businesses alone contribute approximately \$25 million per year. The services that they fund are provincial social policy matters and are more appropriately funded by the Province and not through property taxation. The City continues to pursue this matter through the Region of York, various municipal associations and directly with the Province.

Future Outlook – 3 Year Forecast

For the Budget Committee's information the 3 year forecast is provided to assist the Budget Committee in their deliberations.

The City of Vaughan continues to experience all of the issues that put pressure on the tax rate. These issues will continue in the future. Many are permanent in nature and therefore their budget impacts must be permanently addressed.

		\$millions	
	2007	2008	2009
Total Incremental Revenue (inclgd est. assessm't growth)	4.5	4.9	4.9
Total Incremental Expenditures	11.5	10.2	10.3
Net Tax Levy Increase	7.0	5.3	5.4
Tax Rate Percentage Increase	7.0%	5.1%	4.9%

Note: The forecast does not include any impact for the following:

- Any impacts of new facilities not yet approved, e.g. community centres, fire halls, parks;
- Increases in operating costs for the new civic centre;
- Infrastructure Reserve Adequacy – Long Range Financial Planning Study;
- OMERS – Bill 206 impacts; and
- An Economic downturn.

The potential impact of the items not included in the forecast could be significant and would impact the forecasted tax rate increases. At future budget deliberations these issues will have to be considered when assessing service levels, funding strategies and sustainability.

Next Steps

1. Council referral to a Public Meeting for input;
2. Final Council Approval of the Budget; and
3. Council Sets the Tax Rates.

Relationship to Vaughan Vision 2007

The 2006 Draft Operating Budget is the process to allocate and approve the resources necessary to continue operations and implement Council's approved plans.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 1, BC, Report No. 8 – Page 6

Conclusion

The attached 2006 Draft Operating Budget report provides the Budget Committee with an operating budget that is recommended for approval. The attached 2006 Draft Operating Budget reflects a requirement for a taxation funding increase of \$5.3m which equates to a 5.6% tax rate increase or approximately a \$55 property tax increase on an average home assessed at \$412,070.

Attachments

Attachment 1- 2006 Draft Operating Budget, December 19, 2005

Report prepared by:

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

John Hrajnik, B.COM, CMA, ext. 8401
Director of Budgeting & Financial Planning

(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.)

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 2, Report No. 8, of the Budget Committee, which was adopted, as amended, by the Council of the City of Vaughan on January 16, 2006, as follows:

By approving the following:

That the proposed 2006 Noise Attenuation Wall Repair budgeted for \$100,000 remain the responsibility of the affected property owner(s) as per Council's policy; and

By receiving the following:

- a) ***Memorandum from the Commissioner of Community Services, dated January 3, 2006, regarding Thoreau MacDonald House Renovations and Landscape;***
- b) ***Memorandum from the Commissioner of Community Services, dated January 4, 2006, regarding 2006 Additional Funding Request – Vellore Village Community Centre;***
- c) ***Memorandum from the Commissioner of Community Services, dated January 5, 2006, regarding Uplands Golf and Ski Centre – Infrastructure;***
- d) ***Memorandum from the Commissioner of Community Services, dated January 5, 2006, regarding 2006 Playground Replacement and Retrofit Project;***
- e) ***Memorandum from the Commissioner of Engineering and Public Works, dated January 9, 2006, regarding Traffic Calming Committees-Staging/Status;***
- f) ***Additional report of the Commissioner of Economic/Technology Development and Communications, and the Chief Information Officer, dated January 16, 2006, regarding Personal Computer (PC) Replacement Program; and***
- g) ***Confidential memorandum from the Commissioner of Engineering and Public Works, dated January 10, 2006.***

2

2006 PROPOSED CAPITAL BUDGET

The Budget Committee recommends:

- 1) That the recommendation contained in the following report of the City Manager, the Commissioner of Finance & Corporate Services, and the Director of Reserves & Investments, dated December 19, 2005, be approved;
- 2) That staff review the proposed 2006 Capital projects with the objective of bringing Thoreau MacDonald House to a state of utilization and to meet health and safety requirements, at minimal cost;
- 3) That staff provide a project itemization with respect to the proposed 2006 Capital funding of \$1,800,000 for the Vellore Village Community Centre;
- 4) That staff provide a report with respect to the proposed 2006 Noise Attenuation Wall Repair, budgeted for \$100,000;
- 5) That staff provide a report on the particulars of the proposed 2006 PC Replacement, budgeted for \$300,000;
- 6) That the proposed 2006 Traffic Calming projects be reviewed to determine the staging and implementation for 2006;
- 7) That staff provide a report identifying the proposed 2006 Playground Replacement & Retrofit projects that are to be undertaken due to health and safety reasons;

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 2, BC, Report No. 8 – Page 2

- 8) That staff provide a report outlining the current state of the Uplands property, the cost and timeline obsolescence, and future use of the facility;
- 9) That staff review the corporate activities of industrial/commercial areas in terms of risk management;
- 10) That staff provide an up to date master plan on the building of new recreation facilities;
- 11) That staff develop a policy with respect to staging and prioritizing Capital projects; and
- 12) That staff provide a report on opportunities for the transfer of funds to York Region for installation of sidewalk and lighting projects at the time of arterial road construction.

Recommendation

The City Manager, the Commissioner of Finance & Corporate Services, the Director of Reserves & Investments in consultation with the Senior Management Team recommends:

- 1) That the proposed capital projects identified above the funding line and funded from other than taxation and long-term debt totaling \$31,576,000 be approved (Attachment 2);
- 2) That the proposed capital projects identified above the funding line and funded from long-term debt totaling \$10,396,000 be approved (Attachment 3);
- 3) That the proposed capital projects identified above the funding line and funded from taxation be approved totaling \$6,587,000 be approved (Attachment 4);
- 4) That the Proposed 2006 Capital Budget be forwarded to a Special Council meeting for receipt and referral to a Special Council meeting in January 2006 to receive public input; and
- 5) That the appropriate notice be given, as per City By-law 394-2002, for a Special Council meeting in January 2006 to receive public input.

Economic Impact

The proposed Capital budget is \$48,559,000 and funded from a variety of sources. The proposed budget is in keeping with Council approved policy and recognizes the limited amount of tax dollars available for capital work.

This budget does not require any tax funds above what has already been incorporated into the 2006 Operating budget. The future operating budget impact of this capital budget is \$1.4m or a 1.5% tax increase when the projects are finalized.

Purpose

The purpose of this report is to provide the members of the Budget Committee an opportunity to comment on the 2006 Proposed Capital Budget.

Background - Analysis and Options

The process of preparing the Capital Budget reflects a balancing of a number of issues. The

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 2, BC, Report No. 8 – Page 3

pressures of growth and maintaining existing infrastructure are balanced against available funding, the impact on the Operating Budget and the staff resources to undertake and properly manage the projects.

Council has approved a significant amount of capital work through the annual capital budget process (2005 \$132.3M, 2004 \$77.6M, 2003 \$57.7M). As of October 31, 2005, there remains approximately \$98.3M (excluding the City Hall), in approved capital works outstanding from previous years).

Total capital funding requests equal \$122,286,000. The proposed 2006 Capital Budget submission totals \$48,559,000. Capital projects are funded from four main sources: Development Charges, Reserves, Taxation and Long-Term Debt. Departments have prioritized the projects within each funding source. Finance staff have assessed the availability of funding and established a funding limit within each funding source.

Financial policies previously approved by Council have been considered in establishing the funding limit. The following summarizes the key financial fiscal policies:

- 1) Level of Discretionary Reserves;
- 2) Level of Working Capital;
- 3) Level of Debt;
- 4) Level of Funding from Taxation; and
- 5) The requirement of funds to be on hand prior to project approval.

Over the years, these policies have had a positive impact on the financial stability of the municipality. Overall key financial information/ratios approved by Council are being met. The following summarizes the key financial information ratios compared to targets approved by Council.

	<u>Projected Dec. 31, 2005</u>	<u>Approved Target</u>
Net Development Charge Balance	\$41.1M	N/A
Discretionary Reserves	55.7%	50% of own source revenues
Working Capital	10.8%	10% of own source revenues
Debt Level *	1.9%	10% of own source revenues

*Includes Commitments for OSA & Vaughan Sports Complex

Development Charge Reserves

For the projects submitted to be funded from Development Charges, the following guidelines previously endorsed by Council were taken into consideration:

- 1) No service category with a positive balance should be placed into a pre-financing position (requirement of funds to be on hand);
- 2) No service category pre-financing should not be increased; and
- 3) Commit no more than 50% of anticipated revenue for any service category that is already pre-financed.

Each department has prioritized the capital projects within each development charges funding source. Finance staff have assessed the funding availability and established a specific funding line for each service.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 2, BC, Report No. 8 – Page 4

Taxation

Projects identified for taxation funding are smaller non-growth related projects that have no other source of financing such as infrastructure maintenance and repairs, and technology. In addition, included in the funding request from taxation is the 10% co-funding requirement of the Development Charges Act for certain growth related services (Libraries, Recreational Complexes, Parks, and Vehicles).

The amount of funding available for taxation funded projects is \$6,587,000 from the 2006 Operating Budget. The 2006 requests total \$41,004,000. Senior staff reviewed the \$41m in requests and prioritized projects totaling \$6.6m. This was not an easy task as a number of important projects will not receive funding without increasing the allocation of tax funding from the operating budget.

Given that there are insufficient funds provided from the 2006 Operating Budget to fund all the taxation funded capital projects, staff have reviewed the list of previously approved taxation funded projects to determine potential surplus funds. There are no additional funds available from previously approved taxation funded capital projects.

Long Term Debt

Capital projects identified for long-term debt financing are large projects (road resurfacing, road reconstruction and rural road upgrading) that have no other source of funding other than taxation.

A municipality may borrow or undertake financial obligations provided that the annual repayment related to the debt and financial obligations do not exceed 25% of our source revenues. It is recommended that the capital projects identified above the funding line from long term debt totaling \$10,396,000 be approved. With this approval, the City of Vaughan debt charges will be within the 10% debt policy approved by Council. The issuance of debt will have an estimated annual operating budget impact of \$1,346,000.

Municipal Gas Tax Funds

Eligible infrastructure under the Municipal Gas Tax Funding is projects that are environmentally sustainable municipal infrastructure projects such as public transit, water, wastewater, solid waste, local roads and bridges. More specific information is provided in Attachment 6. The Municipality must also clearly demonstrate that the funding used for a project is incremental. That is the funding either enabled a project in implementation, enhanced its scope or accelerated its timing. To calculate incrementally, the municipality will be required to calculate the base amount i.e., the total municipally funded capital spending on municipal funded capital (in the eligible project categories) for the previous five years (January 1, 2000 to December 31, 2004) and must ensure that from April 1, 2005 through to March 31, 2010 that base amount is maintained and that capital projects funded from the rebate are in addition to the base.

An application was submitted to The Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF), approved by Council, requesting 2/3 funding for the Green Bin Organics Program. The City of Vaughan should be notified in the first quarter of 2006 whether the application or part thereof was successful. In the event the COMRIF application is not approved the Municipal Gas Tax Funding in the amount of \$1,774,656.70 will be used to partial fund the Green Bin Organics Program as solid waste is an eligible project category for these funds. However, in the event, the COMRIF application is successful, staff will report at a later date on an expenditure plan for the Municipal Gas Tax Funds. This further expenditure plan will be contingent on the status of the COMRIF application.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 2, BC, Report No. 8 – Page 5

Operating Budget Implication

The proposed draft 2006 Capital Budget funding lines have been recommended. Should Council approve the capital projects identified above the proposed funding line, the City will experience future net operating costs that are associated with the projects. The estimated future operating cost implication is estimated at \$1,438,000 or approximately 1.5% increase in the property tax rate when the projects are complete.

Relationship to Vaughan Vision 2007

The budget process links the Vaughan Vision 2007 through the setting of priorities and allocation of resources.

Conclusion

The City Manager with the Senior Management Team and Finance staff have reviewed the capital budget submission and have established priorities and appropriate funding lines. The proposed 2006 Capital Budget is \$48,559,000. The operating budget implications for the proposed 2006 Capital Budget included in this report is \$1,438,000 or approximately a 1.5% property tax increase when the projects are complete.

Attachments

- Attachment 1 - Proposed 2006 Capital Budget Funding Summary
- Attachment 2 - Proposed 2006 Capital Budget Funded other than Taxation and Long-Term Debt
- Attachment 3 - Proposed 2006 Capital Budget Funded from Long-Term Debt
- Attachment 4 - Proposed 2006 Capital Budget Funded from Taxation
- Attachment 5 - Preliminary Continuity Schedule of Capital Reserves and Development Charges
- Attachment 6 – Project Types Eligible for the Federal Gas Tax Rebate

Report prepared by:

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

Ferruccio Castellarin, CGA
Director of Reserves & Investments, ext. 8271

(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.)

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 3, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

3 CITY OF VAUGHAN CAPITAL WORK PLANS PROGRESS REPORT – THIRD QUARTER

The Budget Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Reserves and Investments, dated December 19, 2005, be approved; and**
- 2) That staff provide a report on the actual budgets of the active capital projects.**

Recommendation

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

That this report be received for information purposes.

Economic Impact

There is no economic impact as all capital projects have been previously approved by Council.

Purpose

The purpose of this report is to provide Council with an updated capital work plan for all currently approved and active capital projects.

Background - Analysis and Options

Report No. 11, Item 3 of the Budget Committee of November 2, 2004 recommended:

- 2) That staff be directed to provide the Capital Project Work Plan once a year during the budget process, and further that staff explore opportunities to provide the information on the intranet; and
- 3) That staff provide a condensed summary of projects that extend beyond the projected timeframes and include any applicable budget implications.

Attachment 1 provides Capital Work Plans Progress Reports as of the Third Quarter Ending - September 30, 2005. These reports are updated by the respective departments and compiled by Reserves & Investments at that point in time. As capital work plan information is continuously changing this information may currently vary from the report.

One of the Reserves & Investments objectives for 2006 is to create a departmental website on The VIBE to improve the ability to cross-share information which will include the Quarterly Capital Work Plans Progress Reports. In 2005, the Reserves & Investments department created the 2006 Capital Budget Intranet site which facilitated the electronic cross-sharing of capital budget information with departments.

Attachment 2 provides a condensed summary of projects which are delayed or extend beyond the original projected timeframes. No budget implications were identified by the departments as being associated with these delays.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 3, BC, Report No. 8 – Page 2

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

The Capital Work Plans Progress and Delayed Capital Work Plans reports provide point in time information on the progress and status of all currently approved and active capital projects. These reports are representative of the information available as at September 30, 2005.

Attachments

Attachment 1 – Capital Work Plans Progress Reports by Department
Attachment 2 – Delayed Capital Work Plans Report (All Departments)

Report prepared by:

Marjorie Johnson, CGA
Manager of Capital Ext. 8984

(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.)

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 4, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

4 RESPONSE TO REVISIONS TO PLANNING APPLICATION REVENUE

The Budget Committee recommends approval of the recommendation contained in the following report of the Commissioner of Planning, dated December 19, 2005:

Recommendation

The Commissioner of Planning recommends that this report concerning the revision to planning application revenue be received for information purposes.

Economic Impact

The economic impact of the recent reduction in planning application revenue is anticipated to be a short-term occurrence which is beyond the control of this department.

Purpose

The purpose of this report is to provide the Budget Committee with additional information regarding the reasons for the reduction in planning application revenue experienced by the Planning Department.

Background - Analysis and Options

The Revised Planning Application Revenue figure for the 2006 Budget is \$3.6 million.

The Planning Application Revenues as of December 8, 2005 are \$3,291,032.50. It is anticipated that for 2006 planning application/revenue activity will continue at approximately the 2005 level.

The reasons for the reduction in activity are as follows:

- Servicing Constraints.
- Provincial Legislation, which limited potential development land supply and development applications.
- Various Department Policy Planning Studies underway which have impacted potential development applications.
- Highway 427 EA delay has also impacted development.

It is anticipated that the reduction in development activity to be a relative short-term issue (1 to 2 years).

The servicing constraints currently being experienced by the area municipalities within York Region are expected to be reduced by mid 2006 and are anticipated to be resolved within 2 to 3 years. In addition various planning studies will have been completed during this period.

Due to the anticipated short-term nature of the reduction in application fee revenue, there is no need for any offsetting cost reductions for the department at this time. It should also be noted that there is a large inventory of development applications within the processing system which will take considerable time to complete.

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 4, BC, Report No. 8 – Page 2

Relationship to Vaughan Vision 2007

Not applicable.

Conclusion

The revised revenue amount for the Planning Department's Development Application fees has been reduced to \$3.6 million as a result of what is expected to be a short term impact of servicing constraints.

Attachments

None

Report prepared by:

Marco Ramunno, Director of Development Planning

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 5, Report No. 8, of the Budget Committee, which was adopted, as amended, by the Council of the City of Vaughan on January 16, 2006, as follows:

By receiving the following:

- a) ***Memorandum from the Commissioner of Community Services, dated January 3, 2006, regarding Woodbridge Core Ratepayers' Association Request – Surveillance Cameras; and***
- b) ***Memorandum from the Commissioner of Community Services, dated January 3, 2006, regarding Maple Reservoir Soccer Field Lighting.***

5 WOODBRIIDGE CORE RATEPAYERS' ASSOCIATION PETITION

(Referred from the Council meeting of December 12, 2005)

The Budget Committee recommends:

- 1) **That staff explore the feasibility of installing surveillance cameras at Veterans' Park and lighting at the Maple reservoir soccer field without affecting the current budget;**
- 2) **That the memorandum from the Commissioner of Community Services, dated December 14, 2005, be received;**
- 3) **That the additional report from the Director of Public Works and the Director of Engineering Services, dated December 19, 2005, be received; and**
- 4) **That the written submissions from Ms. Joanne Mauti, Woodbridge Core Ratepayers' Association, c/o 128 Wallace Street, Woodbridge, L4L 2P4, dated November 12, 2005, and November 28, 2005, be received.**

Council, at its meeting of December 12, 2005, adopted the following:

That the correspondence from the Woodbridge Ratepayers' Association, dated November 12, 2005 (Attachment # 1), submitted by Councillor Carella, be received and referred to the next Budget Committee meeting for 2006 Capital Budget consideration.

Attachment

Attachment # 1 - Correspondence from the Woodbridge Ratepayers' Association, dated November 12, 2005.

(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.)

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 6, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

6

HAWMAN AVENUE PUBLIC MEETING

(Referred from the Council meeting of December 12, 2005)

The Budget Committee recommends that the following recommendation contained in the additional report of the Commissioner of Engineering and Public Works, dated December 19, 2005, be approved:

- “1) That the proposed watermain replacement on Hawman Avenue be deferred from the DRAFT 2006 Capital Budget to the 2007 Capital Budget deliberations;
- 2) That the road reconstruction of Hawman Avenue currently scheduled in 2008 based on the Five Year Road Reconstruction Program be considered during the 2007 Capital Budget deliberations; and
- 3) That the area residents be so advised of Council’s decision and that Engineering Services staff be authorized to undertake the project design in 2006.”

Council, at its meeting of December 12, 2005, adopted the following:

That the matter with respect to the Hawman Avenue Public Meeting (Attachment # 1), submitted by Councillor Carella, be received and referred to the next Budget Committee meeting for 2006 Capital Budget consideration.

Attachments

Attachment # 1 – E-mail from Tom Ungar to Councillor Tony Carella

Attachment #2 – Extract – Item 23, Report No. 50, of the Committee of the Whole

(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.)

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 7, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

**7 PETITION TO ERECT AN OPEN-AIR SHELTER ON THE GROUNDS OF
 FATHER ERMANNO BULFON COMMUNITY CENTRE**

(Referred from the Council meeting of December 12, 2005)

The Budget Committee recommends that the memorandum from the Commissioner of Community Services, dated December 14, 2005, be received.

Council, at its meeting of December 12, 2005, adopted the following:

That the matter with respect to the Petition to erect an Open-Air Shelter on the Grounds of Father Ermanno Bulfon Community Centre (Attachment # 1), submitted by Councillor Carella, be received and referred to the next Budget Committee meeting for 2006 Capital Budget consideration.

Attachments

Attachment # 1 – Report of Councillor Carella, dated October 24, 2005

Attachment # 2 – Extract Item 19, Report No. 57, of the Committee of the Whole

(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.)

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 8, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

8

POST BUDGET APPROVALS

(Referred from the Council meeting of December 12, 2005)

The Budget Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance and Corporate Services, dated November 30, 2005:

Council, at its meeting of December 12, 2005, adopted the following:

That this matter be referred to the next Budget Committee meeting for 2006 Capital Budget consideration.

Report of the Commissioner of Finance & Corporate Services, dated November 30, 2005

Recommendation

The Commissioner of Finance & Corporate Services recommends:

That this report be received for information purposes.

Economic Impact

There is no financial impact as a result of this report.

Purpose

To address Council request for staff to report on the resolution for post budget approvals.

Background - Analysis and Options

Council at its meeting directed staff to report on the following resolution:

"Whereas each year a number of worthwhile capital projects are not approved by Council due to finite capital resources;

Whereas the projected costs of approved capital projects in any given year may exceed the actual costs of those projects, particularly in respect of projects tendered on a competitive bid basis; and

Whereas such surpluses from the aforementioned approved capital projects may be realized well before the end of the fiscal year:

THEREFORE BE IT RESOLVED

That as part of the annual capital budget approval process, Council will identify five unapproved capital projects as potential "post-budget approval" projects;

That no more than one project will be identified from each of the five wards;

That the priority ranking of these five projects will be established randomly, as by lots drawn by the Clerk or his/her deputy in the presence of Council; and

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 8, BC, Report No. 8 – Page 2

That the “post-budget” approval(s) of one (or more) of these projects will depend upon the identification of confirmed surpluses by the Commissioner of Finance in respect of one or more approved capital projects, subject to confirmation by Council.”

Staff Comments

The practical implementation of this resolution presents a number of difficulties. These issues are summarized as follows:

1. Project surpluses are often required throughout the year for approved projects which require additional funds;
2. Many projects have multiple funding sources and therefore the process of identifying projects and surpluses is complex;
3. Using surpluses in this manner restricts funding that may be required for emergency works that require funding during the year;
4. The resolution ignores the importance of corporate projects and those projects that are not Ward related;
5. At any point in time there is a significant amount of prior year’s capital work approved but outstanding. This is in addition to new capital projects which may be approved as part of the annual budget process. Therefore it is unlikely that any additional projects that are approved throughout the year would actually get started prior to the next budget cycle.

Considering the above issues, staff do not recommend adopting the resolution.

Relationship to Vaughan Vision 2007

Not applicable.

Conclusion

Staff do not recommend proceeding with the resolution.

Attachments

None

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 9, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

9 NEW BUSINESS - RECRUITMENT OF BUSINESS REPRESENTATIVES TO THE VILLAGE OF WOODBRIDGE QUASQUICENTENNIAL COMMITTEE

The Budget Committee recommends that Councillor Carella recruit six business representatives from Woodbridge to serve on the Village of Woodbridge Quasquicentennial Committee in addition to the current appointed individuals.

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

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 10, Report No. 8, of the Budget Committee, which was adopted, as amended, by the Council of the City of Vaughan on January 16, 2006, as follows:

By receiving the memorandum from the Commissioner of Community Services, dated January 10, 2006, regarding Installation of Lights at Soccer Fields.

10

**NEW BUSINESS – INSTALLATION OF LIGHTS
AT SOCCER FIELDS**

The Budget Committee recommends that staff provide a report regarding the budgetary implications of installing lighting at current soccer fields to accommodate more playtimes, versus building more fields for the purpose.

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

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 11, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

**11 NEW BUSINESS – STATUS OF JOINT USER AGREEMENT
BETWEEN POWERSTREAM AND THE CITY OF VAUGHAN**

The Budget Committee recommends that staff provide the status of the joint user agreement between Powerstream and the City of Vaughan.

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

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF JANUARY 16, 2006

Item 12, Report No. 8, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on January 16, 2006.

12

NEW BUSINESS – REGIONAL UPDATE

The Budget Committee recommends that the York Region 2006 Business Plans and Budgets, and the report of the Regional Council meeting of December 15, 2005, submitted by Mayor Di Biase, be received.

The foregoing matter was brought to the attention of the Committee by Mayor Di Biase.