

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

Item 1, Report No. 10, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.

**1 MEMORANDUM OF THE DIRECTOR OF RESERVES AND INVESTMENTS
RE: ADDITIONAL INFORMATION ON THE PROPOSED
2010 CAPITAL BUDGET**

The Budget Committee recommends:

- 1) That Council approve three additional projects, to be paid in part by taxation (as well as other sources), namely:

1.	Kleinburg Artificial Turf	-	\$ 47,575
2.	Kipling South Feasibility Study	-	\$ 63,000
3.	Concord West Streetscape	-	\$ 74,200

for a total cost of \$184,775 to be paid for (1) out of the projected available capital funds saved from other projects averaging \$50,000 for each of the first three quarters of 2009, and (2) an estimated \$35,000 to be realized in the fourth quarter from capital savings projects, or (3) by taxation;

- 2) That artificial turf be considered for Glen Shields during the 2011 budget deliberations;
- 3) That staff report on potential opportunities to add funds to the Parks Infrastructure Reserve to fund the Bindertwine tennis courts;
- 4) That Engineering staff review the Thornhill Woods Traffic Calming project and provide a report identifying those measures that need to be implemented in 2010;
- 5) That a Budget Committee meeting be scheduled for 11:00 a.m. on December 14, 2009 to address outstanding issues;
- 6) That the following memorandums be received:
- a) Memorandum from the Director of Reserves and Investments, entitled "Additional Information – Proposed 2010 Capital Budget", dated December 7, 2009;
 - b) Memorandum from the Commissioner of Community Services, entitled "Additional Information – Budget Committee Meeting – December 1, 2009 re 2010 Capital Budget", dated December 7, 2009; and
 - c) Memorandum from the Director of Enforcement Services, entitled "Additional Information – Capital Budget Item 1, Budget Committee", dated December 7, 2009;
- 7) That the following deputations and written submissions be received:
- a) Ms. Jane Hunter, Kleinburg Nashville Tennis Club, Box 920, Kleinburg, L0J 1C0;
 - b) Mr. Michael Pozzolo, Glen Shields Soccer Club, 7894 Dufferin Street, Concord, L4K 1R6;
 - c) Mr. Michael Menecola, Kleinburg Nobleton Soccer Club, and written submissions of Mr. Claudio Tersigni, President, Kleinburg Nobleton Soccer Club, Box 358, Kleinburg, L0J 1C0, dated December 4, 2009 and December 7, 2009; and
 - d) Ms. Anna Bortolus, Director, KARA, P.O. Box 214, Kleinburg, L0J 1C0; and
- 8) That the written submissions of Mr. Frank Greco, 10504 Islington Avenue, Box 772, Kleinburg, L0J 1C0, both dated December 7, 2009, be received.

Refer to Item 1, Report No. 10, Budget Committee, for further disposition regarding this matter.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

Item 2, Report No. 10, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.

2 HARMONIZED SALES TAX AND PROVINCIAL OFFENCES ACT UPDATE

The Budget Committee recommends approval of the recommendation contained in the following report of the Director of Financial Services, dated December 7, 2009:

Recommendation

The Director of Financial Services in consultation with the City Manager recommends:

That the following report be received.

Economic Impact

The impact of HST has been identified as a potential risk, however as the impact is uncertain at this point in time the 2010 Operating Budget does not contain a provision for the proposed HST legislation. Coincidentally there are proposed changes to the intermunicipal POA agreement with the Region of York. Both are not finalized and the potential impacts appear to be offsetting.

Communications Plan

Not applicable

Purpose

To update Mayor and Members of Council on the 2010 impact of the new proposed Harmonized Sales Tax and the proposed amendments to the Intermunicipal Provincial Offences Act Agreement with the Region of York.

Background - Analysis and Options

Following is a brief outline on the new proposed Harmonized Sales Tax from the Province and the proposed amendment to the Intermunicipal Provincial Offences Act Agreement with the Region of York. The following update is provided in context of the 2010 Operating Budget.

Harmonized Sales Tax

Harmonized Sales Tax (HST) legislation has recently been tabled in the Province and Federal legislature. The current Provincial Sales Tax at 8% will now be aligned with the Federal Goods and Services Tax at 5% that will now have a combined rate of 13% and is referred to as HST. HST will now be applied to all goods and services in the same manner as GST. The new HST will begin in July 2010. Discussions at both levels of government on this new legislation are continuing.

From a municipal perspective it is proposed that municipalities will receive a rebate of 78% of the 8% portion of the HST. Therefore the net impact on any goods or services acquired will be 1.76%. Currently there are many transition rules for 2010 that need to be considered which will impact current and new agreements, leases, etc.

At this point the determination of the impact of HST on the operating budget is uncertain however staff are continuing to review HST information as it is provided. Staff will be planning the implementation of the new HST from an accounting, systems, purchasing and revenue stream perspective.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

Item 2, Budget Report No. 10 – Page 2

New Intermunicipal Provincial Offences Act Agreement

An amended Intermunicipal Provincial Offences Act Agreement has been proposed at the Region of York, Finance and Administration Committee on December 3rd, 2010. The proposed revenue sharing amendments among the municipalities will favourably impact the City's 2010 operating budget. In 2010 the City will see an increase in POA revenue of \$452,000 if approved at Regional Council. Subsequent to Regional approval each area municipality must approve the amended agreement.

2010 Operating Budget Impact

The proposed HST legislation and the amendments to the POA agreement are not final however the potential impacts appear to be offsetting therefore a provision has not been included in the 2010 operating budget.

Relationship to Vaughan Vision 2020

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

Regional Implications

There are no impacts to the Region from this item.

Conclusion

Due to the early stages of both the HST legislation and the intermunicipal POA agreement and the fact the potential impacts appear to be offsetting that the potential impacts not be addressed in 2010 operating budget.

Attachments

None

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

Item 3, Budget Report No. 10 – Page 2

A Draft Operating Budget was presented to Budget Committee on November 3rd. As a result, staff estimated the assessment growth figure based on the best information at hand. The estimated growth figure included in the Draft 2010 operating budget was 3.0% or \$3,635,149.

Subsequently, City staff received the final assessment growth figure from Municipal Property Assessment Corporation (MPAC) reflecting a 3.73% or \$4,519,581 as a result of a larger assessment base. This is an increase of \$884,432 above staffs initial estimate. This effectively changes the Draft 2010 Operating Budget taxation funding requirement to \$3.3m, an approximate property tax increase of \$29.23 a year (\$2.44 per month) on the average home re-assessed at \$459,367 or a 2.60% tax increase. This has a positive impact on the budget and could reduce the draft tax increase from 3.41% to 2.60%.

Relationship to Vaughan Vision 2020 / Strategic Plan

The 2010 Operating Budget is the process to allocate and approve the resources necessary to continue operations and implement Council's approved plans.

Regional Implications

None

Conclusion

As a result of the revised assessment growth figures provided by Municipal Property Assessment Corporation (MPAC), the Draft 2010 Operating Budget taxation funding requirement could be reduced to \$3.3m, an approximate property tax increase of \$29.23 a year (\$2.44 per month) on the average home re-assessed at \$459,367 or a 2.60% tax increase. Down from 3.41%.

Attachments

None

Report prepared by:

John Henry, CMA
Director of Budgeting & Financial Planning
Ext. 8348

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

Item 4, Report No. 10, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.

4

**DATE FOR PUBLIC MEETING
PROPOSED 2010 OPERATING AND CAPITAL BUDGETS
PROPOSED AMENDMENTS TO FEES AND CHARGES
BY-LAW NUMBER 396-2002, AS AMENDED, AND
PROPOSED ANIMAL CONTROL BY-LAW FEE AMENDMENTS**

The Budget Committee recommends:

- 1) That the proposed 2010 Operating and Capital Budgets be referred to a Special Council meeting on January 18, 2010 at 7:00 p.m. to receive public input;
- 2) That the proposed increases to the Fees and Charges By-law Number 396-2002, as amended, and the proposed fee amendments to Animal Control By-law Number 53-2002, be referred to a Special Council meeting on January 18, 2010 at 7:00 p.m.; and
- 3) That appropriate notice be given in accordance with the City's Notice By-law Number 394-2002.