

CITY OF VAUGHAN

**EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 15, 2011**

Item 1, Report No. 2, of the Finance and Administration Committee, which was adopted, as amended, by the Council of the City of Vaughan on February 15, 2011, as follows:

***By approving the Terms of Reference contained in the memorandum from the City Clerk, C8, dated February 15, 2011.***

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**1 COUNCIL EXPENDITURE BUDGETS**

The Finance and Administration Committee recommends:

- 1) That a Sub-committee be established to address the issues raised by Members of Council with respect to the Council Expenditure Budgets;
- 2) That the Sub-committee be composed of Councillors Carella, DeFrancesca, Iafrate, and Racco;
- 3) That the Sub-committee report back to the Finance and Administration Committee meeting of February 22, 2011; and
- 4) That the following communications be received:
  - a) Councillor Yeung Racco, "Employment and Business by Ward", C2, dated February 4, 2011; and
  - b) Your Support Staff, "Part Time Council Assistants Salary Increase", C3, dated February 1, 2011, submitted by Councillor Carella.

**Recommendation**

The Commissioner of Finance/City Treasurer and the Director of Budgeting and Financial Planning in consultation with the City Clerk recommend:

That the updated Council Expense Budget be incorporated into the 2011/2012 Draft Operating Budget.

**Contribution to Sustainability**

Sustainability by definition focuses on the ability to maintain a function over a period of time. Responsible budgeting allocates resources in a responsible way to sustain the City's operations and aspirations, balancing both current and future requirements.

**Economic Impact**

The updated consolidated Council Expenditure Budget for 2011 and 2012 is \$1,334,675 and \$1,359,641, respectively. Individual Council budgets are provided in Attachment # 1 & 2.

**Communications Plan**

N/A

**Purpose**

The purpose of this report is to provide the Finance & Administration Committee with additional information and details regarding the basis for developing the Council Expenditure Budget and associated outcome, and incorporate the updated outcome into the Draft 2011/2012 Operating Budget.

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**Background - Analysis and Options**

***Council Budget Methodology***

The Council expenditure budget is developed using a twofold process:

***Council Remuneration and Benefits***

Council remuneration is based on the City’s Council remuneration by-law, 316-2007. On Dec. 14<sup>th</sup> 2010, Council decided to forgo any increase to their remuneration maintaining remuneration levels to \$115,763 for the City’s Mayor and \$72,216 for all other Members of Council.

Benefits applied to the remuneration illustrated above are based on anticipated rates (i.e. CPP, EHT, OMERS, etc.) and past performance.

***Discretionary Expenditures***

In addition to the above, it is anticipated that Members of Council will require funds to administer their duties and operate their office. These types of expenses are governed by the current Council Member Expense Policy, approved on March 9<sup>th</sup>, 2010, and resourced through a discretionary budget allocation, which is based on a per resident formula for each Member of Council.

Since 2007, a \$0.50 per resident rate was applied to assigned population figures for the purpose of calculating the discretionary expense budgets. The assigned population figures are based on the following principles:

- Ward Councillors - Estimated ward population figures
- Regional Councillors - 50% of the City’s total estimated population figures
- Mayor - 75% of the City’s total estimated population figures

The population figures used to calculate the 2011 budget were provided by the Clerk’s Department. These figures are based on the latest York Region overall City of Vaughan population projections. Ward population estimates were derived using the principals of the last ward boundary review and adjusted for trends in approved development, voter’s lists, etc. It should be noted, the Clerk’s Department anticipates there will be an adjustment in these figures once the 2011 census data is released. For 2012 budget purposes, the average total growth rate, taken from the Region of York’s population numbers, was applied equally to each ward, approximately 4.5%. Summarized below are the population figures used for the 2010, 2011, & 2012 budget periods.

Area	2010	2011	2012
Ward 1	70,100	62,500	65,300
Ward 2	61,150	62,500	65,300
Ward 3	52,000	58,000	60,600
Ward 4	54,750	42,000	43,890
Ward 5	43,100	70,000	73,140
Total	281,100	295,000	308,230

***Draft Council Budget***

The following, summarizes the method used for calculating the Council expense budgets.

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Remuneration and benefits  
+ Discretionary budget  
= Council Budget

Enclosed are attachment 1 & 2, which provide detailed calculations using the above methodology for each Member of Council 2011 & 2012 budget. Below is a brief summary of the outcomes of this process.

<i>Member of Council</i>	<i>Budget</i>	
	<i>2011</i>	<i>2012</i>
Mayor Bevilacqua	249,541	255,080
Regional Councillor Rosati	163,298	166,967
Regional Councillor Di Biase	163,298	166,967
Regional Councillor Schulte	163,298	166,967
Ward 1 Councillor Iafrate	120,798	122,559
Ward 2 Councillor Carella	120,798	122,559
Ward 3 Councillor DeFrancesca	118,548	120,209
Ward 4 Councillor Yeung Racco	110,548	111,854
Ward 5 Councillor Shefman	124,548	126,479
Total	1,334,675	1,359,641

*Discretionary Council Budget Account Allocation & Calendarization*

Once the Council discretionary budgets are confirmed, there will be a requirement for each Member of Council to allocate their approved discretionary budget to specific account lines, within the parameters of the Council Member Expense Policy. Until that time, the discretionary amount will be placed in sundry expense. Once the discretionary budgets are allocated to specific accounts, the next step in the process is to calendarize the account budgets over the 12 months of the year. The Budgeting and Financial Planning department will coordinate and assist Members of Council with this process.

**Relationship to Vaughan Vision 2020/Strategic Plan**

The Draft 2011/2012 Operating Budget is the process to allocate and approve the resources necessary to continue operations and implement Council's approved plans. This report is consistent with the guidelines and protocol previously set by Council.

**Regional Implications**

There are no Regional implications associated with this report.

**Conclusion**

The 2011/2012 Council expenditure budgets and methodology are presented for Council's consideration.

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**Attachments**

Attachment #1 – 2011 Draft Council Budget  
Attachment #2 – 2012 Draft Council Budget  
Attachment #3 – 2011/2012 Draft Operating Budget Summary

**Report prepared by:**

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

(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 2, Report No. 2, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on February 15, 2011.

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**2            FINANCE AND ADMINISTRATION COMMITTEE – 2011 BUDGET PROCESS**

**The Finance and Administration Committee recommends:**

- 1)        That the recommendation contained in the following report of the Commissioner of Finance/City Treasurer, dated February 7, 2011, be approved; and**
- 2)        That a second evening Finance and Administration Committee meeting be scheduled.**

**Recommendation**

The Commissioner of Finance/City Treasurer, in consultation with the Commissioner of Legal and Administrative Services & City Solicitor recommend:

That this report be received for information

**Contribution to Sustainability**

Budgeting is the process of allocating limited resources to achieve the City's objectives and established priorities. Responsible budgeting allocates resources in a way that balances current needs without compromising the ability to meet those of the future, or in other words, is financially sustainable.

**Economic Impact**

There are no economic impacts of this report as written, however the economic impact of the 2011 budget process will be fully determined as a result of Council's debate and decisions regarding the 2011 Operating Budget, 2011 Capital Budget and the 2011 Water/Wastewater Budget.

**Communications Plan**

Communications is finalizing a communication strategy to ensure that the public is aware of their opportunity to participate in the Finance and Administration Committee's budget deliberations, as well as to participate in the on-line survey. The communication methods will include publication on the City's website, advertising through e-bulletins to 6,600 subscribers, paid adds in local papers, media advisories and meetings posted to the Council agenda page.

**Purpose**

The purpose of this report is to set out the timetable for the Finance and Administration Committee 2011 budget deliberations and highlight other responsibilities of the Committee.

**Background - Analysis and Options**

**2011 Budget Process**

The 2011 Budget process is comprised of several elements. Additional Finance and Administration meetings have been booked over the next eight weeks to provide the Committee with ample opportunity for debate and discussion. As the Committee moves through the budget discussions, any meetings that are not required will be cancelled.

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The 2011 Budget deliberations will cover the Operating, Capital and Water/Wastewater budgets and several related items that are linked to the budget discussion. The timing of the discussions will be dependant on the Committee's progress through the various elements.

The budget discussion and deliberations are based upon the following building blocks:

1. 2011 Operating Budget
  - a. Confirmation of 2011 Base Budget
  - b. Review and consideration of individual Additional Resource Requests
2. General User Fees – Discussion and confirmation
3. Planning User Fees – Discussion and confirmation
4. Review of current infrastructure replacement funding and amortization - Discussion
5. 2011 Capital Budget – Discussion and Confirmation

To facilitate these discussions over the series of meetings, staff will endeavor to respond to questions from the public and Committee as quickly as possible to keep the process efficient and moving along.

In addition, staff are undertaking a brief on-line survey to solicit feedback on Vaughan's draft 2011 budget, similar to the on-line conducted for the 2010 budget.

#### Finance and Administration Committee Scope

On a go-forward basis with the 2011 budget finalized, the Finance and Administration Committee will be considering matters relating to the City's finances, budget, audit function, and corporate administrative matters such as corporate administrative policies. These include:

- Operating and Capital Budgets – Multi Year
- Water/Wastewater Budget and Six Year Statutory Plan
- Internal Audits
- Operational and Process Reviews
- Approval of Annual Audited Financial Statements
- Quarterly Operating and Capital Status Reports
- Financial Master Plan and Long Range Financial Planning
- Human Resource Strategy
- Administrative policies such as Finance, Human Resources, Technology, Purchasing etc.

The above topics that form the scope of the Finance and Administration Committee are those matters which together provide oversight of the City's resources, both financial and human.

#### Relationship to Vaughan Vision 2020/Strategic Plan

N/A

#### Regional Implications

There are no Regional implications associated with this report.

#### Conclusion

The initial priority of the Finance and Administration Committee is to finalize the 2011 budget. Following the approval of the budget, there are other priorities for the Committee to address. These are summarized above.

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**Attachments**

Attachment 1: Finance & Administration Committee Meeting Dates

**Report prepared by:**

Barb Cribbett, CMA  
Commissioner of Finance/City Treasurer  
Ext. 8475

(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 3, Report No. 2, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on February 15, 2011.

**3**

**PRESENTATION  
2011-2012 DRAFT OPERATING BUDGET  
PLANNING FOR THE FUTURE  
BUDGET OVERVIEW**

**The Finance and Administration Committee recommends:**

- 1) That the presentation by the Commissioner of Finance/City Treasurer and presentation material C1, dated February 7, 2011, be received; and**
- 2) That staff bring forward to the next Finance and Administration Committee meeting the information requested by the Committee.**

(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.)