

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 1, Report No. 5, of the Finance and Administration Committee, which was adopted and amended by the Council of the City of Vaughan on March 8, 2011, as follows:

By receiving the communication from the Commissioner of Finance/City Treasurer, C4, dated March 8, 2011; and

By receiving the communication from Ms. Sarah Hartt-Snowbell, C5, dated March 6, 2011.

1 PROPOSED 2011 CAPITAL BUDGET
(Deferred Item)

The Finance and Administration Committee recommends:

- 1) That staff report back on the feasibility of a Public Private Partnership option with respect to the request from the Glen Shields Soccer Club;
- 2) That staff provide additional options on how a kiosk could be funded in the Thornhill Woods Community Centre in addition to taxation, for the next Finance and Administration Committee meeting;
- 3) That the following deputations be received:
 - 1) Ms. Jane Hunter, Kleinburg National Tennis Club;
 - 2) Mr. Chris Williams, Glen Shields Soccer Club, 7894 Dufferin Street, Concord, L4K 1R6;
 - 3) Mr. Michael Pozzulo, Glen Shields Soccer Club, 7894 Dufferin Street, Concord, L4K 1R6;
 - 4) Mr. Richard Lorello, 235 Treelawn Boulevard, P.O. Box 927, Kleinburg, L0J 1C0;
 - 5) Mr. Niall Bracken, 105 Vaughan Boulevard, Thornhill, L4J 3N8;
 - 6) Mr. Eran Nevat, 11 Balsamwood Road, Thornhill, L4J 9L6;
 - 7) Mr. Jordan Haberman, 533 Pleasant Ridge Avenue, Thornhill, L4J 8X3;
 - 8) Ms. Maxine Povering, 48 Ohr Menachem Way, Thornhill, L4J 8X7;
 - 9) Ms. Maya Goldenberg, President, Thornhill Woods Community Association, 101 Thornhill Woods Drive, Thornhill, L4J 8R5;
 - 10) Mr. Frank Greco, 10472 Islington Avenue, Kleinburg, L0J 1C0; and
 - 11) Mr. Savino Quatela, 134 Grand Valley Boulevard, Vaughan, L6A 3K6; and
- 4) That the following communications be received:
 - C1. Commissioner of Community Services, Draft 2011 Capital Budget – Committee Information Request, Bindertwine Park Tennis Court Replacement – Change of Scope, dated March 1, 2011;
 - C2. Commissioner of Community Services, Draft 2011 Capital Budget, Committee Information Request, Installation of Sports Field Lighting at Vaughan Grove Sports Park, dated March 1, 2011;
 - C3. Commissioner of Community Services, Draft 2011 Capital Budget – Committee Information Request, Vaughan Crest Park Tennis Court Reconstruction, dated March 1, 2011; and
 - C4. Commissioner of Community Services, Draft 2011 Capital Budget – Committee Information Request, (Electrical Box-Maple Park), dated March 1, 2011.

The Finance and Administration Committee, at its meeting of February 22, 2011 (Item 1, Report No. 4), recommended the following:

The Finance and Administration Committee recommends:

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 1, Finance Report No. 5– Page 2

- 1) That this matter be deferred for consideration to the Finance and Administration Committee meeting of March 1, 2011;
- 2) That the presentation by the Commissioner of Finance/City Treasurer and presentation material titled, “City of Vaughan, Proposed 2011 Capital Budget”, C1, dated February 22, 2011, be received; and
- 3) That the following deputations be received:
 1. Ms. Maya Goldenberg, Thornhill Woods Community Association, 101 Thornhill Woods Drive, Thornhill, L4S 8R5;
 2. Mr. Dale Pershad, Thornhill Woods Community Association, 32 Cortese Terrace, Thornhill, L4J 8S4;
 3. Ms. Sigal Almog, Thornhill Woods Community Association, 55 Vivaldi Drive, Thornhill, L4J 8Z5;
 4. Mr. Erez Kofman, Thornhill Woods Community Association, 8 Hendel Drive, Thornhill, L4J 9H6;
 5. Mr. Anat Goldschmidt, Thornhill Woods Community Association, 22 Foxwood Road, Vaughan, L4J 9C4;
 6. Mr. Michael Fenuta, Glen Shields Soccer Club, 7894 Dufferin Street, Thornhill, L4K 1R6; and
 7. Mr. Richard Lorello, 235 Treelawn Blvd., Kleinburg, L0J 1C0.

Report of the City Manager, the Commissioner of Finance/City Treasurer, the Senior Management Team and the Director of Reserves & Investments, dated February 22, 2011

Recommendation

The City Manager, the Commissioner of Finance/City Treasurer, the Senior Management Team and the Director of Reserves & Investments recommend:

That the following report on the Proposed 2011 Capital Budget be received for information and discussion purposes.

Contribution to Sustainability

The preparation of the 2011 Capital Budget and the policies on which the capital budget is based are enhanced in the principles of sustainability.

Economic Impact

The proposed 2011 Capital Budget totals \$62,236,712 and is funded from a variety of sources (Attachment 1). The proposed 2011 Capital Budget is within Council approved policies with the recognition of limited tax dollars and the staff resources available to undertake the work.

The future estimated annual operating budget impact of the proposed 2011 Capital Budget is \$526,960 or a 0.39% property tax increase when the projects are complete, excluding future replacement costs.

Communications Plan

The Finance and Administration Committee meetings are advertised and open to the public. In addition, the final public meeting to consider the Capital Budget will be advertised and a press release will be issued following Council approval.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 1, Finance Report No. 5– Page 3

Purpose

The purpose of this report is to provide the Members of the Finance and Administration Committee with the Proposed 2011 Capital Budget.

Background - Analysis and Options

In the preparation of the Capital Budget a number of issues were taken into consideration. The pressures of maintaining existing infrastructure and growth requirements are balanced against available funding, the impact on future operating budgets and the staff resources to undertake and manage the capital projects.

To assist staff in the development of the annual Capital Budget, Council approved a series of key financial policies and they are listed as follows:

- 1) Level of Discretionary Reserves
- 2) Level of Working Capital
- 3) Level of Debt
- 4) Requirement of Funds to be on hand prior to Project Approval

The key financial policies have had a positive impact on the financial stability of the City of Vaughan. The following summarizes the key financial information compared to targets approved by Council:

	Estimated <u>Dec. 31,</u> <u>2010</u>	Approved <u>Target</u>
Net Development Charge Balance	\$78.4M	N/A
Discretionary Reserve Ratio	67.4%	> 50% of own source revenue
Working Capital	11.8%	> 10% of own source revenue
Debt Level *	5.5%	< 10% of own source revenue

*Includes Commitments for OSA and Vaughan Sports Complex.

Based on the above noted financial policies, Finance staff have assessed the availability of funding and established a funding line within each funding source.

The total 2011 capital requests submitted by departments equal \$90,571,157. Following the initial submissions, Finance staff met with the individual departments to review the submissions and clarify available funding. Departments then prioritized the capital projects within each funding source and the Capital Budget was submitted to SMT for review.

Following the staff review process, the proposed 2011 Capital Budget submission totals \$62,236,712 and is funded from development charges, reserves, taxation, grants and miscellaneous funding.

Development Charges Reserves

For the projects funded from Development Charges, the following guidelines previously approved by Council were taken into consideration:

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 1, Finance Report No. 5– Page 4

- 1) No service category with a positive balance should be placed into a pre-financing position (requirement of funds to be on hand);
- 2) With the exception of Management Studies, no service category pre-financing should 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 charge funding source. Based on the above endorsed guidelines, Finance staff have assessed the funding availability and established a specific funding line for each service.

Capital Reserves & Reserve Funds

Each department has prioritized the capital projects within each capital reserve and reserve funds funding source. Based on the endorsed financial policy/guidelines that the Discretionary Reserve Ratio is greater than 50% of own source revenue and that the requirement of funds to be on hand prior to project approval, Finance staff assessed the funding available and established a specific funding line for each of the capital reserves and reserve funds. Based on these funding lines, the projected 2011 Discretionary Reserve Ratio is 63.1% of own source revenues.

Taxation

Projects identified from taxation funding are non-growth related projects that have no other source of financing such as repairs, technology replacement, etc. In addition, included in the funding request is the 10% co-funding requirement of the Development Charges Act for certain growth related services (Libraries, Recreational Complexes, Parks, Vehicles and Growth Related Studies). The 2011 proposed Operating Budget allocated \$6,629,522 to taxation funded capital projects. This amount is consistent with prior years. The 2011 taxation funded capital projects requests total \$23,392,950. Senior staff reviewed the \$23,392,950 in requests and prioritized projects totaling \$6,157,525 (Attachment 5) leaving an unallocated balance of \$471,997 which will be subject to further staff review.

Taxation Funding Available	\$6,629,522
Funding for recommended projects	<u>\$6,157,525</u>
Unallocated Balance available	<u>\$471,997</u>

Of the \$6,157,525, \$1,117,152 related to development charges co-funding required under the Development Charges Act. Any approval of taxation funded capital requests in excess of \$6,629,522 would have an additional impact on the 2011 Operating Budget and the property tax rate.

Municipal Gas Tax Funds (AMO)

Eligible infrastructure under the Municipal Gas Tax Funding Agreement are projects that are environmentally sustainable municipal infrastructure projects.

The municipality must clearly demonstrate that the funding used for a project is incremental and the funding either enabled a project implementation, enhanced its scope or accelerated its timing. The objective of the Gas Tax Program is to provide municipalities with funding for infrastructure investments that promote cleaner water and air and reduced greenhouse emissions.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 1, Finance Report No. 5– Page 5

Reconciliation of funds received and committed is as follows:

AMO Gas Tax Funds received to-date	\$22,629,993
Less: Commitments	<u>\$12,932,843</u>
Balance available for Eligible Projects	<u>\$9,697,150</u>

Staff have reviewed the list of capital projects submitted and with concurrence of AMO staff have identified a number of capital projects eligible under the Municipal Gas Tax Funding Agreement totaling \$9,627,825 as identified above the Gas Tax Reserve funding line. Further expenditure plans will be provided as future gas tax revenues are received.

Operating Budget Implications

The Proposed 2011 Capital Budget funding lines have been recommended. Should Council approve the capital projects identified above the funding lines, the estimated future operating cost implication is estimated at \$526,960 or 0.39% in property tax increase when the projects are complete. This excludes any lifecycle costs associated with the projects.

Reserve Continuity Schedule

The Preliminary Continuity Schedule of Capital Reserves and Development Charges (Attachment 6) identifies all the City reserves and deferred revenue accounts (Development Charges) and illustrates the estimated balance at the end of 2010. The Continuity Schedule of Capital Reserves and Development Charges is useful for tracking reserve balances and ensuring funds are on hand prior to project approval.

Relationship to Vaughan Vision 2020/Strategic Plan

The budget process links to the Vaughan Vision 2020 through the setting of priorities and allocation of resources.

Regional Implications

Not applicable

Conclusion

The City Manager with the Senior Management Team and Finance staff have reviewed the 2011 capital submissions and established priorities and appropriate funding lines. The proposed 2011 Capital Budget is \$62,236,712 funded from various funding sources.

The operating budget implication for the proposed 2011 Capital Budget included in this report is \$526,960 or approximately 0.39% property tax increase when the projects are complete.

Attachments

- Attachment 1 – Proposed 2011 Capital Budget Expenditure Summary
- Attachment 2 – Proposed 2011 Capital Budget Funding Summary
- Attachment 3 – Proposed 2011 Capital Budget Projects Recommended
- Attachment 4 – Proposed 2011 Capital Budget Funding other than Taxation
- Attachment 5 – Proposed 2011 Capital Budget Funded from Taxation
- Attachment 6 – Preliminary Continuity Schedule of Capital Reserves and Development Charges
- Attachment 7 – Communication C1, “City of Vaughan, Proposed 2011 Capital Budget”

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 1, Finance Report No. 5– Page 6

Report prepared by:

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 COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 2, Report No. 5, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on March 8, 2011.

2 **COUNCIL EXPENDITURE BUDGETS**
(Deferred Item)

Consideration of this matter was deferred due to the meeting being adjourned.

The Finance and Administration Committee recommends that this matter be deferred for consideration to the Finance and Administration Committee meeting of March 8, 2011.

The Finance and Administration Committee, at its meeting of February 22, 2011 (Item 2 Report No. 4), recommended the following:

That this matter be deferred for consideration to the Finance and Administration Committee meeting of March 1, 2011.

Report of the Council Budgets Task Force, dated February 22, 2011

Recommendation

The Council Budgets Task Force recommends:

1. That Option #6 as described in the attached report be approved; and
2. That the Council Member 2011 budgets be adjusted accordingly.

Contribution to Sustainability

N/A

Economic Impact

There are no economic impacts of this report, as the option proposed by the Council Budgets Task Force does not result in an increase in overall Council budgets.

Communications Plan

N/A

Purpose

The purpose of this report is to convey to the Finance and Administration Committee the Council Budgets Task Force's preferred option for allocating funds to discretionary Council Member budgets.

Background - Analysis and Options

On February 7, 2011, the Finance and Administration Committee recommended that a sub-committee composed of Councillors Carella, DeFrancesca, Iafrate and Racco be established to address the issues raised by Members of Council with respect to Council Expenditure Budgets. The sub-committee was directed to report back to the Finance and Administration Committee meeting of February 22, 2011.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 2, Finance Report No. 5– Page 2

The sub-committee (the Council Budgets Task Force) met on February 11th and February 16th to consider options that would address the issue of allocation of budget funds to Council discretionary budgets.

Following the discussion at the February 11th meeting, Finance staff provided 7 options for the Task Force's consideration on February 16th. The options illustrated various methodologies for allocating additional funds to the Ward Councillors.

The Council Budgets Task Force has recommended Option #6, as set out in the attached report. Pursuant to the Procedural By-law, a matter considered by a sub-committee that requires a decision of Council shall be separately reported to the appropriate committee, which is the purpose of this report.

Relationship to Vaughan Vision 2020/Strategic Plan

N/A

Regional Implications

There are no Regional implications associated with this report.

Conclusion

The Council Budgets Task Force's has recommended Option #6, as set out in the attached report.

Attachments

Report to the Council Budgets Tax Force Meeting – February 16, 2011

Report prepared by:

Barb Cribbett, CMA
Commissioner of Finance/City Treasurer

(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 COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 3, Report No. 5, of the Finance and Administration Committee, which was adopted and amended by the Council of the City of Vaughan on March 8, 2011, as follows:

By approving the Special Council meeting on April 5, 2011; and

By receiving the memorandum from the Commissioner of Finance/City Treasurer, C6, dated March 8, 2011.

3 DATE FOR PUBLIC MEETING – PROPOSED OPERATING AND CAPITAL BUDGETS
(Addendum Item)

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance/City Treasurer, dated March 1, 2011:

Recommendation

The Commissioner of Finance/City Treasurer recommends that the Finance and Administration Committee adopt the following:

1. That, following the Finance and Administration Committee Meetings as set out in the 2011 Budget Schedule, the proposed Operating and Capital Budgets be referred to a Special Council Evening Meeting for approval, subject to final public input; and
2. That the Special Council Meeting be scheduled during the week of March 28th or April 4th, subject to availability; and
3. That, to accommodate the notice requirements, the March 8, 2011 Finance and Administration Committee's recommendations with respect to proposed increases to the Fees and Charges By-law Number 396-2002, as amended and the proposed fee amendments to the Planning Application Fee By-law 170-2009, be referred to the Special Council Meeting to be scheduled; and
4. That appropriate notification be provided in accordance with the City's Notice By-law 394-2002.

Contribution to Sustainability

Not Applicable

Economic Impact

There is no impact associated with this report

Communications Plan

The Special Council Meeting will be communicated in accordance with the City's Notice by-law.

Purpose

To set a date for the Special Council meeting to approve the 2011 Operating and Capital Budget and amendments to the Fees and Charges by-law and the Planning Application Fee By-law, subject to final public input.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 3, Finance Report No. 5– Page 2

Background - Analysis and Options

The Finance and Administration Committee has dealt with items related to the 2011 Operating and Capital over the course of 4 meetings during January and February 2011. The schedule for the remaining meetings is detailed below, with the goal of completing the 2011 budget process by the last week of March or the first week of April. In addition, on March 8, 2011, the Finance and Administration Committee will be provided with reports and recommendations from staff to amend User Fees, Service Charges and Planning application fees.

By-law 394-2002 (the City's Notice By-law) requires that the public be provided with a 14 day notice period for both adoption of budgets and amendments to fees and charges, therefore to achieve the target budget completion date, a Special Council/Public meeting must be scheduled and appropriate notice to the public must be provided.

The following schedule identifies the 2011 budget-related agenda items that will be considered by the Finance and Administration Committee over the next several weeks, and the Special Council Meeting to adopt the 2011 budget, subject to final public input:

2011 Budget Schedule

<p>March 1st – Evening Meeting Finance and Administration Committee</p>	<ul style="list-style-type: none"> • Finalize Proposed Capital Budget deliberations • Report - Council Expenditure Budgets • Report – Date for Public Meeting - Proposed Operating and Capital Budgets • Additional Correspondence – Capital Budget questions from February 22, 2011 • Public Input
<p>March 8th – Evening Meeting Finance and Administration Committee</p>	<ul style="list-style-type: none"> • Presentation – 2011 Operating and Capital Budget Update • Report - User Fee/Service Charge Review • Report - Planning Application Fees • Additional Correspondence – Questions from March 1st meeting • Public Input
<p>March 14th - 9:30 a.m. Finance and Administration Committee</p>	<ul style="list-style-type: none"> • Report - The Impact of Budgeting for Amortization • Additional Correspondence – Questions from March 8th meeting • Finance and Administration Committee Recommendation to Council • Public Input
<p>March 21st – 1:00 p.m. Finance and Administration Committee</p>	<ul style="list-style-type: none"> • Available as required
<p>Week of March 28 or April 4 – Evening Meeting Special Council Meeting</p>	<ul style="list-style-type: none"> • Public Meeting for final public input related to amendments to the User Fees/Service Charges by-law and the proposed Operating and Capital Budget • Approval of amendments to the User Fee/Service Charges by-law • Adoption and approval of 2011 Operating and Capital Budget

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 8, 2011

Item 3, Finance Report No. 5– Page 3

Relationship to Vaughan Vision 2020/Strategic Plan

The annual Operating and Capital Budget is the process to allocate and approve the resources necessary to continue to provide services to the public.

Regional Implications

Not applicable.

Conclusion

This report requests that a date for the Special Council Meeting be set for an evening during the week of March 28th or April 4th, to adopt the amended Fees and Charges, the amended Planning Application Fees and to approve the 2011 Operating and Capital Budget, subject to final public input.

Attachments

None