

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 5, 2011

Item 1, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on April 5, 2011.

1 COUNCIL EXPENDITURE BUDGETS

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the Council Budgets Task Force, dated April 1, 2011, be approved; and**
- 2) That the recommendation be included in the Draft Operating Budget for consideration at the April 5, 2011 Special Council Meeting.**

Recommendation

The Council Budgets Task Force recommends:

- 1) That \$50,000 be allocated equally to each Ward Councillor from the budgets of Council Corporate (\$15,000), Disaster Relief (\$5,000), Participation in Provincial and Federal Bodies (\$10,000), and the remaining \$35,000 from Communities in Bloom; and
- 2) That a review be conducted prior to the submission of the Council Expense Budget for 2012.

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 provide the Finance and Administration Committee with the Council Budgets Task Force's recommendation for allocating funds to the discretionary Ward Councillor budgets.

Background - Analysis and Options

On February 7, 2011, the Finance and Administration Committee recommended that a Task Force be established to address issues raised by Members of Council regarding the Council Expenditure Budgets and report to the Finance and Administration Committee meeting of February 22, 2011. The Council Budgets Task Force consisting of Councillors Carella, DeFrancesca, Iafrate, and Racco, met on February 11th and 16th to address issues raised. Following deliberations, the Task Force submitted a report to the Finance and Administration Committee meeting of February 22, 2011, recommending an option to address the issue of the allocation of budget funds to the Councillor budgets.

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The Task Force's report of February 22, 2011, was subsequently deferred to the Finance and Administration Committee meeting on March 28, 2011. The Committee reviewed the Task Force's recommendation and directed that the Council Budgets Task Force reconvene once again for the purpose of reviewing the Councillor office expenditure budgets recognizing the needs of Local Ward Councillors. The Task Force was directed to submit a proposal increasing the Local Ward Councillors budget no later than April 1, 2011.

The Task Force met on March 29, 2011 and following the discussion, the City Clerk was requested to submit the Task Force's recommendation to the Finance and Administration Committee meeting on April 1, 2011. The Task Force's recommendation is before the Committee for consideration.

Pursuant to the Procedural By-law, a matter considered by an ad-hoc 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 recommendation is before the Committee for consideration.

Attachments

- Attachment 1: C1, Report of the Council Budgets Task Force, Finance and Administration Committee meeting of March 28, 2011 (Item 2, Report No. 8)
- Attachment 2: C1, Extract from the Council meeting of February 15, 2011

Report prepared by:

R. Magnifico
Assistant City Clerk

(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, Report No. 6, Item 2, Report No. 8 and Item 1, Report No. 9, Finance and Administration Committee for further disposition regarding this matter.

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Item 2, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on April 5, 2011.

2 PROPOSED 2011 CAPITAL BUDGET
(Deferred)

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the Commissioner of Finance/City Treasurer and the Director of Reserves & Investments, dated April 1, 2011, be approved;
- 2) That the Bindertwine Park tennis court replacement at a proposed capital cost of \$318,270 be approved and that the funding source be \$100,000 from Parks Infrastructure Reserve and the balance from taxation;
- 3) That the following be approved:
 1. That the contingency allowance budgeted for the Animal Control Services – Bradford West Gwillimbury Agreement, be reconsidered; and
 2. That \$21,630 be allocated from the Animal Control Services contingency allowance to fund the installation of a permanent electrical box in Maple Park;
- 4) That \$52,400 for the Natural Heritage Network Study, Phase I, be approved and that the funding source be taxation;
- 5) That a one time funding commitment of \$41,000 to facilitate the hosting, and Tudor Park improvements, for the 2011 Pee Wee Girls Fastpitch Canadian Championship Jamboree, be approved, and that the funding source be taxation;
- 6) That the deputation of Mr. David Benning, Glen Shields Soccer Club, 75 Lady Fenrose Avenue, Thornhill, L6A 0E1, be received; and
- 7) That the following communications be received:
 - C1 Mr. Mark Ambrosini, dated March 31, 2011;
 - C2 Commissioner of Planning, Natural Heritage Network (NHN), dated March 31, 2011;
 - C3 Commissioner of Finance/City Treasurer, Draft 2011 Capital Budget – Committee Information Request, dated April 1, 2011;
 - C4 Commissioner of Community Services, Concord Thornhill Regional Park Artificial Turf – Additional Funding Option, dated April 1, 2011; and
 - C5 Report from the Finance and Administration Committee meeting of March 21, 2011, from the Commissioner of Community Services, titled “2011 PEE WEE Girls Fastpitch Canadian Championship Jamboree, Request for Funding Assistance, Wards 4 and 5”.

Recommendation of the Finance and Administration Committee Meeting of March 28, 2011

The Finance and Administration Committee, at its meeting of March 28, 2011 (Item 2, Report No. 9), recommended the following:

- 1) That this matter be deferred for consideration to the Finance and Administration Committee meeting scheduled for April 1, 2011, at 9:30 a.m.;

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- 2) That the information requested by the Committee be provided to Members of Council for review and consideration on the Thursday prior to the meeting;
- 3) That the following deputations be received:
 1. Mr. David Benning, Glen Shields Soccer Club, 75 Lady Fenytrose Avenue, Thornhill, L6A 0E1; and
 2. Mr. Mark Ambrosini, 14 Oakdale Road, Maple, L6A 1J1; and
- 4) That the following communications and schedules be received:
 - C1 Commissioner of Engineering and Public Works, "Draft 2011 Capital Budget – Committee Information Request, Toronto-York Spadina Subway Extension Request, Committed Capital Projects/Funding", dated March 21, 2011;
 - C3 Commissioner of Finance/City Treasurer, "Draft 2011 Capital Budget – Committee Information Request, Proposed 2011 Capital Budget", dated March 28, 2011;
 - C5 Commissioner of Community Services, "Draft 2011 Capital Budget – Committee Information Request, Temporary Soccer Fields on City of Vaughan Hospital Lands", dated March 28, 2011; and
 - C7 Commissioner of Planning, Schedule 1 – Urban Structure and Schedule 2 – Natural Heritage Network.

Recommendation of the Finance and Administration Committee Meeting of March 21, 2011

The Finance and Administration Committee, at its meeting of March 21, 2011 (Item 3, Report No. 8), recommended the following:

The Finance and Administration Committee recommends:

- 1) That this matter be deferred for consideration to the Finance and Administration Committee meeting of March 28, 2011; and
- 2) That communication C4 from the Commissioner of Community Services, Draft 2011 Capital Budget – Committee Information Request, Concord Thornhill Regional Park Artificial Turf – Public Private Partnership, dated March 21, 2011, be received.

Report of the Commissioner of Finance/City Treasurer and the Director of Reserves & Investments, dated March 21, 2011

Recommendation

The Commissioner of Finance/City Treasurer and the Director of Reserves & Investments recommend:

1. That the attached Summary of Changes or Requests for Additional Information to the Proposed 2011 Capital Budget be reviewed; and
2. That subject to amendments to the 2011 Proposed Capital Budget by the Finance & Administration Committee, that the Proposed 2011 Capital Budget be recommended to Council for adoption at the April 5th, 2011 Special Council Meeting.

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Contribution to Sustainability

Not applicable

Economic Impact

The attached Summary of Changes or Requests for Additional Information to the Proposed 2011 Capita illustrates the additional funding requirements for capital projects included in Committee Information Requests that have been provided to Committee during the 2011 Capital Budget Discussions. The attachment indicates that funding all of the additional projects would result in an adjustment to the 2011 Operating Budget to raise additional tax funding of \$1,391,933, and a deficit of \$424,970 in the Parks Infrastructure Reserve.

Communications Plan

Not applicable

Purpose

The purpose of this report is to provide Committee with a summary of the financial impact of the additional capital projects that have been the subject of requests for information from the Finance & Administration Committee.

Background - Analysis and Options

A number of Committee Information Requests relating to capital projects have been provided by staff as directed by the Finance & Administration Committee. To assist the Finance & Administration Committee with its capital budget deliberations, staff has summarized the financial impact of capital projects by the required funding source (Attachment 1).

In an effort to determine if there was additional funding available, staff have reviewed previously approved projects funded from the Parks Infrastructure Reserve and Taxation that are scheduled to be closed. Staff have identified \$100,000 unspent from previously approved taxation funded projects scheduled to be closed. There are no additional funds available from Parks Infrastructure Reserve funded projects. The proposed 2011 Capital Budget presented by staff had \$471,997 in unallocated taxation funding. As a result of the review of projects scheduled to be closed, the unallocated amount available from taxation has increased to \$571,997. Approval of taxation funded capital requests in excess of \$571,997 would have an additional impact on the 2011 Operating Budget.

On March 8, 2011, the Finance and Administration Committee recommended that:

“That the Finance and Administration Committee support and endorse the Vaughan Public Library Board’s recommendation to construct a 6,000 to 10,000 square foot library in the Thornhill Woods Community in 2011 and recommends that the library be constructed at the North Thornhill Community Centre site.”

The approval of the Thornhill Woods Library and the requirement to fund 10% of the project from non-development charge sources reduces the available taxation funding from \$571,991 to \$211,697.

The balance of the projects described in the attached Committee Information Requests are listed on Attachment #1 as “Other Requests”.

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Subject to the Finance & Administration Committee amendments to the 2011 Capital Budget, the Proposed 2011 Capital Budget will be recommended for adoption at the April 5th Special Council meeting.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council.

Regional Implications

Not applicable

Conclusion

The purpose the report was to assist the Finance & Administration Committee with its capital budget deliberations by summarizing the potential financial impact of capital projects, if approved.

Subject to amendments to the proposed 2011 Capital Budget by the Finance & Administration Committee, staff recommend that the Proposed 2011 Capital Budget be recommended by the Finance & Administration Committee to Council for adoption at the April 5th, 2011 Special Council Meeting.

Attachments

- Attachment 1 – Summary of Capital Financial Impact of Committee Information Requests
- Attachment 2 – Finance and Administration Committee Information Requests
- Attachment 3 - Communication C4, March 21, 2011, Concord Thornhill Regional Park Artificial Turf – Public Private Partnership
- Attachment 4 - Communication C1, March 21, 2011, Toronto-York Spadina Subway Extension Project Committed Capital Projects/Funding
- Attachment 5 – Communication C3, March 28, 2011, Committee Information Request – Proposed 2011 Capital Budget
- Attachment 6 – Communication C5, March 28, 2011, Temporary Soccer Fields on City of Vaughan Hospital Lands
- Attachment 7 – Communication C7, Schedule 1, Urban Structure, Schedule 2, Natural Heritage Network

(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 1, Report No. 6, Item 1, Report No. 7, Item 3, Report No. 8 and Item 2, Report No. 9, Finance and Administration Committee for further disposition regarding this matter.

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Item 3, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on April 5, 2011.

3 POTENTIAL BUDGET REDUCTIONS

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the City Manager, Commissioner of Finance/City Treasurer, and the Director of Budgeting and Financial Planning, dated April 1, 2011, be approved; and
- 2) That the following be approved:
 1. That the City Manager conduct a further internal review of the Budget resulting in a tax rate increase not exceeding 2%; and
 2. That the Hospital Levy be phased in at .91% each year over the next three years.

Recommendation

The City Manager, Commissioner of Finance/City Treasurer, and the Director of Budgeting and Financial Planning recommend:

- 1) That the Finance & Administration Committee consider the alternatives provided;
- 2) That any further adjustments by the Finance & Administration Committee be forwarded for consideration to the April 5, 2011 Special Council Meeting.

Economic Impact

The Draft 2011 Operating Budget currently reflects a 2.75% tax rate increase, approximately \$32 a year for the average home. As per the Finance and Administration Committee's request staff have provided alternatives for consideration, which are illustrated in the body of the report. The economic impact associated with this report is dependent on the direction provided by the Finance and Administration Committee.

Communications Plan

A statutory public meeting with appropriate notice is required before adopting the Budget. This meeting is scheduled for April 5th at 7:00pm and has been advertised according to City policy.

In addition to the statutory notice, a media release will be developed that articulates the policies, strong management practices the City has in place and ultimately provides the residents of Vaughan with value for their property tax dollar through high levels of service and a low property tax in comparison to other municipalities.

Purpose

To respond to the Finance and Administration Committee's request for additional information.

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Background – Analysis and Options

Finance and Administration Committee Direction

On March 28th, the Finance and Administration Committee deliberated on the Draft Operating Budget and as a result of the discussion, the Finance and Administration Committee provided the following recommendation:

“That staff review the additional resource requests and consider further adjustments including other options to reduce the overall Draft 2011 Operating Budget without impacting current service levels”

Alternatives to Further Reduce the Operating Budget

Following the March 28th Finance and Administration Committee meeting, staff undertook a review of the City’s Draft Operating Budget and associated additional resource requests with the objective of responding to the direction to reduce the 2011 tax rate impact. To assist the Finance & Administration Committee in their continued budget discussions, staff are providing three alternatives for consideration. Each alternative will be briefly discussed following the chart below.

Alternative	2011 Budget Change	Tax Rate Impact	Cum Tax Rate Change
Current Tax Rate Increase			2.75%
1. Increase Anticipated Labour Savings	\$300,000	0.22%	2.53%
2. Further Review of Additional Resource Requests	Target TBD by Committee		2.53%
Current Hospital Land Levy Increase			1.36%
3. Hospital Land Levy 3 year phase in strategy	\$605,000	0.45%	0.91%

Please note, financial implications associated with option 2 will not be available until further direction is provided by the Finance and Administration Committee. It should also be noted that multi-year budgeting links the 2011 and 2012 budgets and 2011 adjustments can create slight variances to the 2012 Operating Budget as it relates to assessment growth and other estimates. These adjustments will be incorporated in the April 5th Special Council consolidated item.

Alternative 1 - Increase Anticipated Labour Savings

This information was presented at the March 28th Finance and Administration Committee. Incorporated in the 2011-2012 Operating Budget is a plan to phase up the corporate anticipated labour savings budget (gapping & turnover) over two years to reflect a churn rate of approximately 3%. Based on preliminary per Ontario Sarracini Travelformance and the timing of the budget approval process, there is the potential to increase 2011 anticipated labour savings by \$300k; however, this could have an adverse impact on the 2011 year-end position.

Alternative 2 - Further Review Additional Resource Requests

On March 28st, the Finance and Administration Committee directed that staff review the Additional Resource Requests and consider further adjustments without impacting current service levels.

The City’s primary responsibility is the delivery of services to the residents and businesses of Vaughan. With this mandate in mind, the resource requests presented to the Finance and Administration Committee either support existing service levels or service related initiatives endorsed by Council. Determining which resource requests move forward is a constant and very

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challenging task, as all requests directly or indirectly support the service needs and wants of the community. Demonstrating respect for the tax payer's dollar and recognizing the challenge of balancing requests for additional resources with limited funding, early in the budget process SMT initiated a process, which included developing a Director's working group, to objectively prioritize and review additional resource requests. All additional resource requests were evaluated based on their merits and balancing them based on a blend of the following criteria:

- Mitigating municipal risk;
- Maintaining service levels;
- Achieving the Vaughan Vision initiatives, values, etc.

To accommodate the direction provided by the Finance & Administration Committee the logic behind the resource request prioritization has been adjusted to provide a more significant service level weighting. The results of this action are provided in attachment #1. If further budget reductions are required, the Finance & Administration Committee has the opportunity available to reconsider the additional resource requests and/or reestablish the funding line illustrated. The Committee should use the priority ranking provided and consider items starting at the bottom of the list. Although this action will result in budget reductions, it will also have an impact on the City's ability to deliver existing levels of service or key strategic initiatives.

Alternative 3 – Hospital Land Levy Phase in Strategy Reconsideration

There is an opportunity to reconsider the timing of the hospital land levy phase-in strategy and extend the phase-in approach by one year. This would effectively change the current strategy of a 1.36% tax rate increase over 2 years to a 0.91% tax rate increase over three years, 2011, 2012, and 2013.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is part of the process of Council setting its priorities for the year.

Regional Implications

None

Conclusion

This report is provided in response to the Finance and Administration Committee direction on March 28th, 2011.

Attachments

Attachment 1: 2011 Additional Resource Request List (Revised Prioritization).

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 4, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on April 5, 2011.

4 NEW BUSINESS – REQUEST FOR REVIEW OF CASH-IN-LIEU POLICY

The Finance and Administration Committee recommends that the following be approved:

Whereas the new Official Plan calls for 45% intensification within the present urban areas;

That the cash-in-lieu reserve policy be reviewed and staff take the necessary steps to this effect; and

That an updated report be brought forward with reference to park land acquisition in Block 40.

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

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Item 5, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on April 5, 2011.

5

OTHER ITEMS CONSIDERED BY THE COMMITTEE

5.1 RECESS

The Finance and Administration Committee recessed at 1:10 p.m. and reconvened at 1:45 p.m. with all Members present.

5.2 CONSIDERATION OF AD HOC COMMITTEE REPORTS

The following Ad Hoc Committee report was received:

1. Council Budgets Task Force meeting of March 29, 2011 (Report No. 3)