CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 27, 2011

Item 1, Report No. 16, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 27, 2011.

1 **2010 DRAFT CONSOLIDATED FINANCIAL STATEMENTS, TRUST FUND STATEMENT, AND EXTERNAL AUDITOR'S FINDINGS REPORT**

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance/City Treasurer and the Director of Financial Services, dated September 19, 2011:

Recommendation

The Commissioner of Finance/City Treasurer, and the Director of Financial Services, recommends:

1. That the following 2010 Draft Consolidated Financial Statement Overview report be received; and

2. That the 2010 Draft Consolidated Financial Statements and Trust Fund Statements, (Attachment #1) be approved; and

3. That the Audit Findings Report for the year ended December 31, 2010 from KPMG (Attachment #2) be received.

Contribution to Sustainability

This is not applicable to this report.

Economic Impact

There is no economic impact as this is an information item.

Communications Plan

As required by the Municipal Act, an advertisement will be placed in the local paper indicating that the 2010 Consolidated Financial Statements and Trust Fund Statement are available for pick up at the City. In addition, the financial statements will be published on the City's web page.

Purpose

To receive approval for the City's 2010 Draft Consolidated Financial Statements, Attachment #1 which includes the Vaughan Public Library Board, Kleinburg Business Improvement Area and the unconsolidated financial statements for the Vaughan Trust Funds. Also attached is the external auditors (KPMG) Audit Findings Report, Attachment #2.

Background - Analysis and Options

The City's Draft Consolidated Financial Statement package has been prepared under the Public Sector Accounting Board Standards 3150 and 1200. The financial overview of the City of Vaughan's Draft Consolidated Statement of Financial Position as of December 31st, 2010 is provided below.

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Changes in Accounting Standards

The City implemented in 2009 the new Public Sector Accounting Board (PSAB) standard 3150 tangible capital assets and standard 1200 financial statement presentation. These new accounting standards are described below:

Accounting for Tangible Capital Assets – PSAB Standard 3150

The City of Vaughan implemented in 2009 the accounting and reporting recommendations of the Public Sector Accounting Board section 3150 regarding the accounting for municipal tangible capital assets. Tangible capital assets consist of land, parks, buildings, bridges, sidewalks, vehicles, equipment, streetlights, roads and underground water/wastewater infrastructure.

The asset historical cost, asset service life, annual amortization and disposals were determined for all City's assets. These assets are classified on the financial statements under "Non Financial Assets".

The above was the 1st step in the tangible capital asset implementation however much work is still required to develop a process to properly record, update, value, and amortize the significant volume of City assets.

Financial Statement Presentation - PSAB Standard 1200

This standard moves municipal financial statements away from fund accounting. The statement of financial position and financial activities are no longer reported by fund, i.e. Operating Fund, Capital Fund and Reserve Funds. The statement of operations is on a consolidated basis only with consolidated budget comparisons. The municipal position which previously presented the various funds and amounts to be recovered is now replaced with a single line titled "Accumulated Surplus/Deficit".

2010 Draft Consolidated Statement of Financial Position Overview

The City of Vaughan's 2010 Consolidated Statement of Financial Position demonstrates a continued strong position in many key financial areas which supports the Vaughan Vision 2020 strategic initiative for a financially sustainable future. These key financial areas include the City's cash and cash investment levels as seen in Exhibit #1, deferred revenues Exhibit #2, Hydro Vaughan Corporations investment and reserve balances in Exhibit #3.

This strong financial position is a result of Council's commitment to sound fiscal policies, including the adoption of fiscally responsible operating and capital budgets, the long range financial planning targets, and establishment of new reserves and financial policies as required. Only through Council's ongoing support for these financial policies has the City been able to achieve this increased financial flexibility. This approach provides Council more control over increases in the municipal portion of the property tax rate, the timing and funding of capital projects now and into the future.

Financial Assets

Cash and Cash Investments

The cash balance totals $259.4m (2009 $266.3m) at the end of 2010. Investments over 90 days totals $126.5m (2009 $126.2m). These investments have an effective interest rate range of 1.00% to 5.35%. The following graph (Exhibit 1) illustrates the continued strength in the City's cash and investments position.

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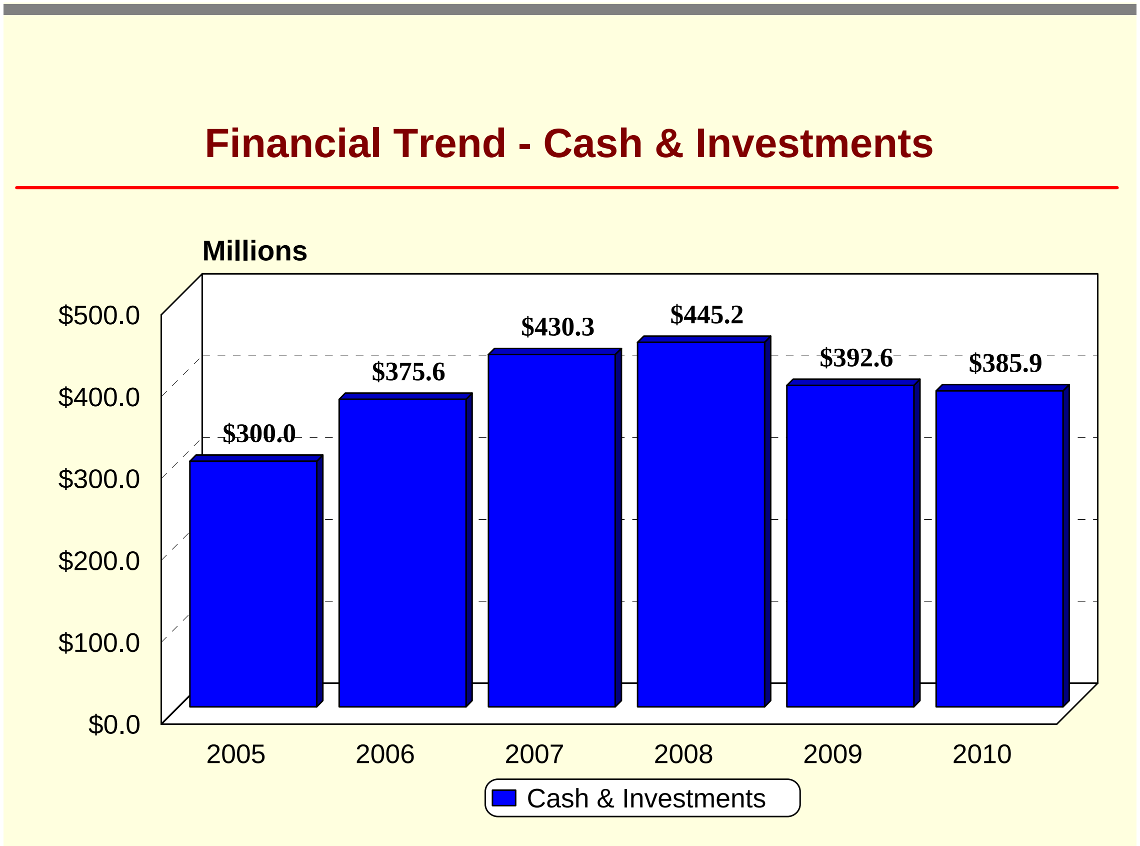
EXHIBIT 1



Taxes Receivable

In 2010, taxes receivable totalled $48.8m (2009 $51.2m) a decrease of $2.4 million. This decrease in receivables is attributable to greater collections during 2010. Property tax collection efforts continue to be strong. The collection process includes various approaches: regular arrears notice mailings at strategic points during the year; Business accounts not only receive collection letters but are also contacted directly by phone. Also, collection emphasis is placed on properties that enter the tax sale time frame of three years.

Water and Wastewater Receivable

In 2010, the water and wastewater receivables totalled $14.1m (2009 $12.8m) an increase of $1.3m over 2009. The increase is due to a larger than normal year end billing accrual and growth.

Accounts Receivable /Local Improvement Receivable/Other Current Assets

The City's accounts receivable totalling $16.3m (2009 $11.4m) comprise a wide range of monies owing from various levels of government, outside agencies, businesses, etc. This receivable includes monies owing to the City from the Canadian Revenue Agency re: HST rebates, other governments, local improvements, fire call outs and other charges. Local improvement receivables at $1.1m (2009 $1.4m) is reducing each year as residents make annual payments over time for capital improvement works on their street.

Investment in Hydro Vaughan Corporations and PowerStream

The Hydro Vaughan Corporations consist of, Vaughan Holdings Inc. (which owns 45.3% share of PowerStream), Hydro Vaughan Holdings Inc., Hydro Vaughan Energy Corporation and 1446631 Ontario Inc. The consolidation is based on the modified equity basis and is consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of the Hydro Vaughan Corporations in its Consolidated Statement of Operations and Accumulated Surplus with a corresponding increase or decrease in its investment asset account.

The City's investment in the Hydro Vaughan Corporations totals $244.0m and is comprised of share capital of $89.6m, notes receivable of $84.1m, accrued interest receivable of $9.9m, accumulated earnings as at December 31, 2010 of $42.5m and dividends/interest received from PowerStream and retained by Vaughan Holdings Inc. of $17.9m.

The City has established corporations under the provisions of the Ontario Business Corporation Act and the City's ownership is as follows:

- Hydro Vaughan Energy Corporation; 100%
- Hydro Vaughan Holdings Inc; 100%
- 1446631 Ontario Inc; 100%
- Vaughan Holdings Inc. 100% (PowerStream Inc. 45.3%)

Following is the investment in the above established corporations:

	2010 (Million)	2009 (Million)
ASSETS		
Current Assets	$ 203.1	$ 239.1
Capital Assets	642.1	601.8
Regulatory and Other Assets	97.1	98.2
Goodwill	42.5	42.5
Total Assets	984.8	981.6
LIABILITIES		
Current Liabilities	179.1	179.5
Consumer Deposits	12.1	16.7
Debenture Payable	123.8	123.1
Bank Loan	50.0	50.0
Promissory Note – Town of Markham	74.2	74.3
Promissory Note – City of Barrie	20.0	20.0
Employee future benefits	14.0	12.1
Regulatory liabilities	68.3	91.1
Other Liabilities	42.5	33.5
Total Liabilities	584.0	600.3
Net Assets	400.8	381.3
Town of Markham's Proportionate Share	(98.0)	(91.7)
City of Barrie's Proportionate Share	(58.8)	(55.0)
City's Equity Interest in Net Assets	**$ 244.0**	**$ 234.6**

The net increase of $9.4m in the City's equity share is comprised of the following transactions: earnings from the Hydro Vaughan Corporations of $11.8m, equity investment common shares class "a" $1.1m, interest earned on the PowerStream note receivable $4.9m and reductions of equity due to dividends received ($3.6m) and accrued interest on the note receivable of ($4.8m).

LIABILITIES

Accounts Payable and Accrued Liabilities

In 2010 the total current liability balance was $113.4m (2009 $102.4m) an increase of $11.0m. This increase is generally due to a greater number of accruals as a result operational activity. These City liabilities represent accrued and general liabilities to suppliers and contractors, outside agencies, other governments, as a result of operating fund activity, capital fund activity and legislative financial obligations to the region and school boards.

Employee Future Benefit Liability

These liabilities total $52.7m and consist of post employment retirement benefits of $48.4m (2009 $43.2m), vacation pay entitlements $3.9m (2009 $3.3m), and Workers Safety Insurance Board $0.4m (2009 $0.2m).

Post retirement employee benefits are based on a 2008 actuarial study and the valuation represents the retirement benefits that have accrued over the service life of the city employees to-date but not yet paid. The cost of these benefits are recognized in the financial statements each year as the employees render their service. The portion of these liabilities that are not funded are netted against the accumulated surplus. As a financial strategy for the future a reserve was approved for post employees retirement benefits and this reserve now totals $10.5m.

Vacation entitlement is earned during the course of employment and the liability represents the unused portion. The WSIB liability is based on a 2010 actuarial study and represents the liabilities of future expected claims and other costs. Both of these liabilities are fully funded.

Deposits and Deferred Revenue

Deposits and deferred revenue total $18.4m (2009 $16.1m). This amount represents pre-paid funds held by the City for capital projects or various City services to be rendered in the future.

Deferred Revenue – Obligatory Reserve Fund

Development charges and obligatory reserves in 2010, Exhibit #2, totals $249.1m (2009 $224.7m) an increase of $24.4m over 2009. Deferred revenues are mainly derived from the receipt of development charges, recreational land cash in-lieu receipts and contributions due to the Building Standards Act related to building permits, federal gas tax grants and other government grants. The grants applied for and received consist of the federal gas tax, provincial roads and bridge grant and the investing in Ontario Act. The year-end funds on hand have not been adjusted for outstanding capital budgetary commitments.

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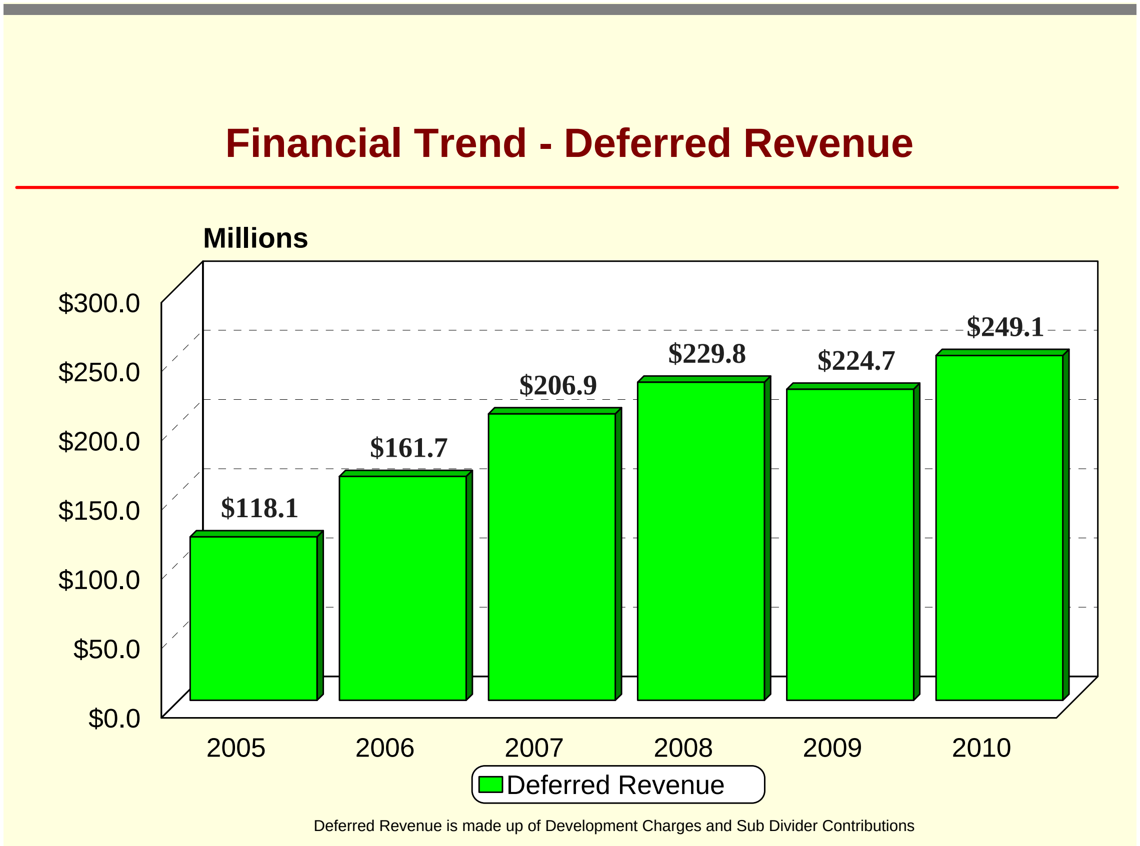
CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 27, 2011

EXHIBIT 2



Debenture and Other Debt

Long-term liabilities consisting of sinking fund, serial debentures and other debt totals $55.1m (2009 $60.4m). The 2010 decrease is attributable to the retirement of serial and sinking fund debt. The annual principal and interest payments required to service these liabilities are well within the annual debt repayment limit as prescribed by the Ministry of Municipal Affairs and Housing.

Non–Financial Assets

Non-financial assets comprise the land and capital assets that are available and used to provide the necessary services to the citizens of Vaughan. Tangible capital assets, comprised of capital assets and capital work in progress were developed using actual or estimated historical costs. When historical cost records were not available, other methods were used to estimate the costs and the accumulated amortization of the assets.

The City's net tangible capital assets as at December 31, 2010 total $6,793,633,069 (2009, $6,685,066,688). The net book value is comprised of the gross capital asset cost plus additions, less disposals, less the accumulated amortization and adjustments. Amortization is recorded on a straight line basis over the estimated useful life of the asset commencing the year the asset is put into service. The 2010 amortization expense was $56.7m (2009 $54.4m). Assets under construction totalling $177.7m (2009 $185.8m) are not amortized until the assets are brought into service.

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The City's 2010 net tangible capital assets with 2009 comparables are as follows:

Asset		2010		2009
Land	$	4,652,523,984	$	4,583,748,089
Land Improvements		95,329,483		89,537,536
Buildings and Building Improvements		115,289,105		90,790,599
Machinery and Equipment		12,849,311		13,702,587
Vehicles		12,124,402		10,795,351
Furniture and Fixtures		1,833,329		1,639,666
Information Technology		1,301,804		1,430,288
Leasehold Improvements		837,786		1,096,195
Roads Infrastructure		514,086,364		500,539,595
Water and Sewer Infrastructure		1,209,720,969		1,205,891,646
Assets under Construction		177,736,532		185,895,136
Total	$	6,793,633,069	$	6,685,066,688

Accumulated Surplus

The accumulated surplus represents the net financial position of the City. This figure consists of the net of investment in tangible capital assets, investment in Hydro Vaughan Corporations, accumulated fund balances and reserves, less amounts to be recovered in the future. This figure represents a municipality's ability to meet the current and future financial needs of the community.

	2010	2009
Investment in Tangible Capital Assets	$6,793,633,069	$6,685,066,688
*Other (Fund Balances)	(146,102,211)	(85,568,318)
*Amounts to be Recovered in Future Years		
From future revenues	(81,333,623)	(84,469,374)
From reserves & reserve funds	(10,526,956)	(8,189,358)
Total	(91,860,579)	(92,658,732)
Investment in Hydro Vaughan Corporations	244,052,993	234,658,826
Reserves set aside by Council (Exhibit #3)	211,816,485	193,303,265
Accumulated Surplus	$7,011,539,757	$6,934,801,729

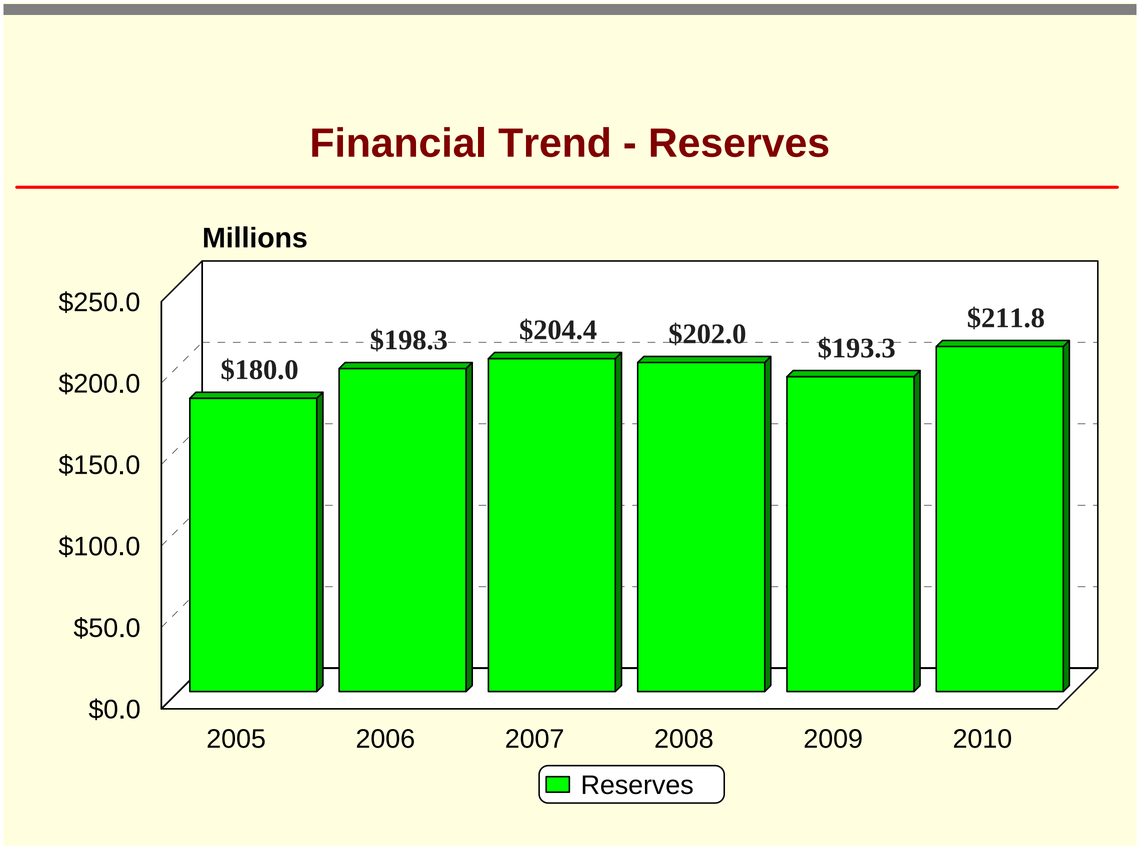
*

The fund balance component of the accumulated surplus consist of the 2009 current net fund deficit of ($7.0m) which includes the $2.5m carry forward to next year and the capital fund unfinanced balance of ($139.1m).

1) Amounts to be recovered in future years are liabilities for post retirement employee future benefits and debenture funding for capital projects.

Reserves continue to be steady as shown in Exhibit 3 below.

EXHIBIT 3



Without an adequate level of reserves, the municipality has limited alternatives but to raise the tax rate to fund unforeseen or extraordinary expenses, or when revenues decline. Reserves assist in moderating changes in the tax rate and are also established to provide adequate funding for the financial obligations and infrastructure requirements in the future.

The year-end funds on hand have not been adjusted for outstanding budgetary commitments. Reserve balances are expected to decline as these commitments are fulfilled.

Target - Discretionary Reserve Funds

The overall increase in reserves was possible as a result of Council's adoption of financial policies, including those that were approved in the Long Range Financial Planning Working Sessions. These policies and others will continue to contribute to the financial well being of the City as shown in 2010 results. However the policies must be reviewed continually to ensure they address all relevant issues each year.

Draft Consolidated Statement of Operations and Accumulated Surplus

The "Consolidated Statement of Operations and Accumulated Surplus" now required under PSAB is a significant change from the pre-2009 budget-based "Consolidated Statement of Financial Activities". The Consolidated Statement of Operations and Accumulated Surplus statement (page 2 of the Consolidated Financial Statements) begins with a revised budget which is reconciled to Council's approved budget on page 32. The Council approved 2010 Operating and Capital budgets are traditional balanced budgets with no budgeted surplus. In the revised budget for financial statement purposes, internal transfers, capital expenses, debt proceeds and payments and the hospital levy are eliminated, resulting in a revised budgeted annual surplus of $54,235,600.

The most significant differences in reviewing the 2010 revenues and expenses to the revised budget are:

- Revenues – Contributed assets for $80,607,875. This number reflects the estimated cost of tangible capital assets assumed through development, e.g. roads and underground pipes built by developers in subdivisions. Although the $80M is reflected as a revenue in the financial statements, the assumed assets also represent an financial immediate impact through increased cost-based amortization expense, as well as future replacement cost to be considered in the City's Long Range Financial Plan

- Expenses – Variance between budgeted expense of $253M and reported expense of $332M. The most significant difference here relates to amortization expense for 2010 of $56M, which the City does not budget for, but must be reported under the new municipal reporting regime.

- Annual Surplus – The annual surplus of $76.7M reported in 2010 is primarily influenced by the unbudgeted Contributed Assets of $80M.

Financial Information Return

The 2010 Financial Information Return (FIR) will be submitted after the May 30th 2010 Provincial due date. It is anticipated that the FIR will be submitted in September/October. The Ministry has been notified of the delay.

Relationship to Vaughan Vision 2020

This report is consistent with and supports the Vaughan Vision 2020 strategic initiatives under Management Excellence that ensures financial sustainability.

Regional Implications

There are no Regional implications.

Conclusion

As a direct result of Council policies and Management's efforts, the financial resources of the municipality continue to be strong.

Financial stability and strong reserve balances assists in creating the following:

- Financial flexibility for the municipality;
- Increased control over the municipal portion of the property tax rate;
- Effective timing of capital projects;
- Generally sound municipal fiscal environment; and
- Positive awareness amongst the private sector, government and the community.

Notwithstanding the ongoing financial improvements that have been made, continued investment in the areas of buildings & facilities, roads, parks and water/wastewater infrastructure must continue, to secure the City of Vaughan's financial future as outlined in Vaughan Vision 2020.

Attachments

No. 1 - 2010 Draft Consolidated Financial Statements package which includes the Vaughan Public Library Financial Statements and Trust Fund Statements (Available in Clerks Department)

No. 2 - KPMG Audit Findings Report

Report Prepared by:

Barry Jackson, CGA
Director of Financial Services, ext. 8272

(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 SEPTEMBER 27, 2011

Item 2, Report No. 16, of the Finance and Administration Committee, which was adopted, as amended, by the Council of the City of Vaughan on September 27, 2011, as follows:

By approving the following in accordance with Communication C17 from the Commissioner of Finance and City Treasurer, dated September 27, 2011:

1) That Council authorize the Regional Municipality of York to issue debt through Infrastructure Ontario in the amount of $14,017,000 on behalf of the City of Vaughan repayable over a term not exceeding ten (10) years to fund capital work completed and previously authorized by Council to be financed from long term debt and listed on Attachment 1; and

2) That the attached revised By-law 159-2011 be adopted; and

By receiving Communication C19 of the Commissioner of Finance & City Treasurer, dated September 26, 2011.

2 REGION OF YORK – AUTHORIZATION TO ISSUE LONG TERM DEBT THROUGH INFRASTRUCTURE ONTARIO

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Director of Budgeting and Financial Planning, dated September 19, 2011:

Recommendation

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

1) That Council authorize the Regional Municipality of York to issue debt through Infrastructure Ontario in the amount of $15,172,100 on behalf of the City of Vaughan repayable over a term not exceeding ten (10) years to fund capital work completed and previously authorized by Council to be financed from long term debt and listed on Attachment 1; and

2) That a by-law be enacted authorized the Regional Municipality of York to issue debt through Infrastructure Ontario on behalf of the City of Vaughan.

Economic Impact

The financial impact to the City as a result of Council originally approving these projects and the issue of long term debt is estimated to be $1,758,000 per year for the next ten years.

Communications Plan

N/A

Purpose

To obtain Council approval to authorize the Regional Municipality of York to issue debt through Infrastructure Ontario on behalf of the City of Vaughan.

Background - Analysis and Options

During the Capital Budget deliberations, Council reviews capital projects for the appropriate funding sources for approval. Included in these funding sources is the issuance of long-term debt. By virtue of approving the Capital Budget each year, Council, through the confirming By-law also authorizes staff to issue long term debt as required to finance these projects.

The City of Vaughan is now prepared to issue debt to finance completed capital projects where the funding source was long term debt. In previous years, the Region issued debentures on the City's behalf, but they have advised us to issue debt through Infrastructure Ontario because of the competitive interest rates and cheaper borrowing costs.

Infrastructure Ontario is a government agency dedicated to the renewal of the province's vital public assets. Infrastructure Ontario's Loan program offers competitive rates, longer terms and financing without fees or commissions. Most municipal capital projects are eligible for Infrastructure Ontario financing.

Infrastructure Ontario requires the following information to proceed with the long term debt issue:

1) Borrowing By-law from the Regional Municipality of York and the City of Vaughan
2) Signature Page of the Application signed by the Regional Municipality of York and the City of Vaughan
3) Financing Schedule signed by the Regional Municipality of York and the City of Vaughan. This schedule will be sent once the application has been approved by the Credit Committee
4) Financing Agreement executed by both the Regional Municipality of York and the City of Vaughan
5) Annual Repayment Limit from the Regional Municipality of York and the City of Vaughan

Relationship to Vaughan Vision 2020

This report is consistent with Vaughan Vision 2020 priorities "to maintain assets and infrastructure" and to "ensure financial sustainability".

Conclusion

Council is requested to authorize the Regional Municipality of York to issue long term debt through Infrastructure Ontario on behalf of the City of Vaughan for the completed capital projects listed on Attachment 1 in an amount not exceeding $15,172,100 over a term not exceeding ten (10) years.

Attachments

Attachment 1 – LTD Request for York Council Approval

Report prepared by

Nancy Yates BComm CA
Manager of Capital and Asset Management
Ext. 8894

(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 SEPTEMBER 27, 2011

Item 3, Report No. 16, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 27, 2011.

3 NEW INFRASTRUCTURE - RENEWAL CONTRIBUTION POLICY

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance and City Treasurer, and the Director of Budgeting and Financial Planning, dated September 19, 2011:

Recommendation

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

1. That the funding philosophy and its associated infrastructure contribution policies outlined in the body of this report be approved and implemented as part of the 2012 and future budget processes.

2. That the necessary by-laws be created and/or updated to reflect policies presented in this report.

Sustainability

The future condition and state of municipal infrastructure is an important factor in assessing a community's overall quality of life and economic health. The City of Vaughan continues to grow at an unparalleled pace, adding new facilities, parks, and transportation networks on an annual basis. Initially, these items are funded primarily by the development industry, with future renewal costs becoming the responsibility of the City. As Vaughan ages, infrastructure renewal requirements will accumulate at a pace similar to which they were constructed. Consequently, it is vital to enhance Vaughan's current plan for this eventuality and further develop funding policies to protect and sustain the foundation of our community.

Economic Impact

The City of Vaughan has over a billion dollars in infrastructure, excluding land and water/wastewater infrastructure, which will require eventual replacement to sustain the community's overall quality of life and the economic health for future generations. To date, Vaughan has implemented a number of prudent policies to assist in this regard, but further effort in this area is required. Contained within this report is a funding philosophy for the ultimate renewal of new infrastructure coming on board and focuses on the following principles:

1) Annual contributions based on lifecycle replacement principals;
2) Annual inflationary adjustments to contributions to keep pace with future values.

Estimates associated with specific asset categories are provided within this report, but the overall additional economic impact associated with the above philosophy is estimated in the range of an additional $706k each year over the foreseeable future. These figures are subject to change and largely dependent on development charge background study and capital budget review. It should be noted, this economic impact does not address the existing infrastructure funding gap and is a funding requirement beyond currently established existing infrastructure policies (i.e. existing infrastructure policy contributions, roads program debentures, etc). However, implementing the recommended policies will safeguard against a widening funding gap, resulting from new growth based infrastructure coming on board.

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Estimated 5 Year Incremental Financial Impact of the Recommendation

	2012	2013	2014	2015	2016
Estimated Contribtuions:					
Parks Equipment	$ 76,185	$ 205,897	$ 350,578	$ 680,400	$ 887,867
Fleet Vehicle and Equipment	$ 65,964	$ 85,589	$ 105,605	$ 126,022	$ 146,848
Building and Facilities	$ 13,616	$ 28,074	$ 30,169	$ 44,959	$ 47,538
Fire Vehicle and Equipment	$ 56,653	$ 56,653	$ 56,653	$ 160,861	$ 160,861
Streetscapes	$ 323,328	$ 612,578	$ 757,498	$ 932,292	$1,170,841
Heritage	TBD	TBD	TBD	TBD	TBD
New Policy Contributions	**$ 535,746**	**$ 988,791**	**$1,300,503**	**$1,944,535**	**$2,413,955**
Existing: Inflationary Adj. for Future Costs	$ 215,183	$ 434,670	$ 658,546	$ 886,900	$1,119,821
Total Contributions	**$ 750,929**	**$ 1,423,461**	**$1,959,049**	**$2,831,435**	**$3,533,776**
Total Incremental Difference	**$ 750,929**	**$ 672,531**	**$ 535,588**	**$ 872,386**	**$ 702,342**
Average	**$ 706,755**				

The above is in addition to existing infrastructure policies. Below is a chart illustrating the incremental impacts associated with existing policies:

Estimated 5 Year Incremental Impact of Existing Policies

	2012	2013	2014	2015	2016
Building & Facilities - 2% contribution	680,785	709,320	76,667	709,320	83,976
LTD - Roads Program	1,110,039	1,110,039	1,110,039	1,110,039	1,110,039
Total Incremental Contributions	**1,790,825**	**1,819,359**	**1,186,706**	**1,819,359**	**1,194,016**
Average	**1,562,053**				

*Subject to capital timing changes

Communications Plan

Once approved, departments will be informed of the adjustments through the operating budget instructions. In addition, the appropriate by-laws will be created and/or updated to reflect the policies presented within this report.

Purpose

The purpose of this report is to recommend additional infrastructure funding policies on a go forward basis for *new municipal infrastructure* to ensure the funding for their eventual replacement is secure, safeguarding the foundation of our community and municipal services. In addition, the report is to recommend that an inflationary component on existing reserve contributions be adopted to allow these reserves to keep pace with future market values.

Please note: the policies contained within this report do not address any existing infrastructure replacement funding shortfalls, which will be the subject of a separate future report.

Background

Vaughan History

The City of Vaughan has a long standing history as it relates to financial planning and developing fiscally prudent policies. Over the past decade, the Finance Department has advised Council of future challenges and issues facing the City through various reports and studies. A prevailing theme throughout the years has repeatedly been the need to address the funding component for infrastructure renewal. The challenge of funding the significantly growing costs of infrastructure renewal is a paramount concern for most municipalities across Canada and stems from new construction being primarily funded by the development industry, leaving the municipalities across Canada to fund future replacement costs from the municipality's limited tax base. In addition to Vaughan implementing its own policies, this challenge has generated a lot of public sector interest and activity, including Provincial and Federal infrastructure stimulus funding, Federal gas tax funding, and most recently mandatory financial statement reporting changes intended to highlight municipal infrastructure useful value and funding shortfalls. As a result of the above, Vaughan is in a very strong financial position and ahead of most municipalities as it relates to reserve balances and cash position, but more effort and assistance is required to address this challenge.

Current Situation

On April 5, 2011, staff brought forward to Council a report to provide information on the annual amortization expense, approximately $37 million excluding water/waste water figures which are budgeted and reported separately. This figure represents the annual utilized portion of the City's assets based on their life cycles. Currently, the annual contribution to fund the replacement of City Infrastructure is approximately $20 million, including debenture payments. Ideally, contributions should equal or exceed amortization figures, spreading the cost over time and building reserves balances for the eventual replacement of assets; otherwise the City will be faced with significant funding challenges at the time of replacement. The above $17 million difference is substantial and reflects the magnitude of the challenge facing most municipalities. It should be noted, the above funding gap is understated, as it is based on historical cost values and does not incorporate the compounding affects of inflation on future replacement costs. Staff continues to work on this challenge and plan to bring forward more discussion on this topic later this year as part of the Financial Master Plan.

However, the City continues to grow at an unparalleled pace, adding new facilities, parks, and transportation networks on an annual basis. Preliminary estimates based on the development charge background study and various master plans indicate that over $425 million in new infrastructure will be added over the next 20 yrs in addition to what is assumed by the City through the subdivision development process. *Recognizing the above illustrated challenge, it is necessary to continue to build on existing replacement funding policies for new infrastructure to prevent the current funding shortfall from growing as a result of infrastructure additions.* The danger of not doing so could create a situation where the funding shortfall will continue to slowly build until a point in the future where a wave of facility, park, fire and other replacement projects come on board without available funding. This picture threatens the community's overall quality of life and the economic health for future generations.

Funding Philosophy for New Infrastructure

1) When new infrastructure is approved, an annual contribution based on lifecycle replacement principals is added to the operating budget for replacement purposes.

2) That an inflationary adjustment be added annually to existing contributions based on historical costs to ensure contributions keep pace with future values.

Infrastructure Categories

Detailed below is a brief overview of the current infrastructure categories, existing funding policies, recommendations, and implications as a result of the above funding philosophy.

Parks Infrastructure

For the most part, the funding for park infrastructure renewal, excluding land, has remained flat at $275,000 for many years despite the annual additions of millions of dollars of new infrastructure. This figure is used to fund the replacement of play structures, play fields, courts, water parks, paths, etc. and is substantially lower than the $3 million annual amortization reported for this category.

Based on the 2008 Development Charge Background Study and the Active Together Master Plan, it is anticipated that the City will be adding over $13.5 million in new park infrastructure between 2012 – 2017, $40 million by 2031.To avoid increasing the current funding gap it is essential that this funding contribution be increased as new park infrastructure is approved. *It is recommended that the existing Parks Infrastructure Reserve by-law be amended to reflect an annual contribution for new infrastructure based on estimated future values and determined by appropriate life cycles in the year of project approval.* The following chart summarizes the projected annual budget adjustments for the period 2012 -2016 associated with adopting the recommended funding philosophy.

Annual 5 Year Impact of new Parks Reserve Contribution

Aquisition Year	Estimated New Infrastructure (Replacement Value)	Estimated Annual Contribution	2012	2013	2014	2015	2016
2012	2,047,122	76,185	76,185	76,185	76,185	76,185	76,185
2013	3,485,418	129,712	-	129,712	129,712	129,712	129,712
2014	3,887,618	144,680	-	-	144,680	144,680	144,680
2015	8,862,453	329,822	-	-	-	329,822	329,822
2016	5,574,716	207,467	-	-	-	-	207,467
		Total Budget Adjustment	76,185	205,897	350,578	680,400	887,867
		Annual Incremental Contribution	**76,185**	**129,712**	**144,680**	**329,822**	**207,467**

*Based on future replacement costs with a 2% inflation factor.

Current Reserve Position for Existing Parks Infrastructure

	Reserve Balance Dec 31, 2010	Reserve Target Lifecycle Based	Deficit	Reserve % of Target
Parks Infrastructure	490,826	13,227,312	12,736,486	3.7%

Fleet Infrastructure

Funding for renewal of the City's fleet and equipment was initially established through a flat corporate contribution and any annual machine time surplus after fleet operating and maintenance costs. In 2005, the $975k corporate contribution was discontinued in favour of other funding initiatives and machine time contributions have provided variable contributions to fund replacement after maintenance and operational requirements. As a result, the Fleet Management Reserve will be substantially depleted in the near future and requires a stable funding source to fund the replacement of new City vehicles and equipment.

The 2008 Development Charge Background Study estimates that from 2012 - 2017, approximately $3.3 million in new fleet and related equipment will be added. To avoid increasing the current funding gap it is essential that this corporate fleet replacement funding be increased in tandem with the approval of new fleet and equipment.

It is recommended that the existing Fleet Infrastructure Reserve by-law be amended to reflect an annual contribution for new infrastructure based on estimated future values and determined by appropriate life cycles in the year of project approval.

The following chart summarizes the annual budget adjustments for the period 2012 -2016 associated with adopting the recommended funding philosophy:

Annual 5 Year Impact of Corporate Fleet Reserve Contributions

Aquisition Year	Estimated New Infrastructure (Replacement Value)	Estimated Annual Contribution	2012	2013	2014	2015	2016
2012	756,208	65,964	65,964	65,964	65,964	65,964	65,964
2013	224,969	19,624	-	19,624	19,624	19,624	19,624
2014	229,468	20,017	-	-	20,017	20,017	20,017
2015	234,058	20,417	-	-	-	20,417	20,417
2016	238,739	20,825	-	-	-	-	20,825
		=	65,964	85,589	105,605	126,022	146,848
Annual Incremental Contribution			**65,964**	**19,624**	**20,017**	**20,417**	**20,825**

*Based on future replacement costs with a 2% inflation factor.

Current Reserve Balance on Existing Fleet Infrastructure

	Reserve Balance Dec 31, 2010	Reserve Target Lifecycle Based	Deficit	Reserve % of Target
Vehicle Replacement	1,678,476	5,123,303	3,444,827	32.8%

Fire Vehicles and Equipment

Funding for Fire vehicles and equipment has remained flat at $1.1m for many years despite the annual additions of millions of dollars of new infrastructure. This figure is used to fund the replacement of fire engines and vehicles, and other equipment. Reserve funding is consistent with the $1.1 annual amortization reported for this group.

Based on the 2008 Development Charge Background Study and the Master Fire Plan, it is anticipated that the City will be adding over $3.5 million for vehicles and equipment from 2012 - 2017 to its current $16 million inventory. To avoid increasing the current funding gap it is essential that this funding contribution be increased as new Fire infrastructure is approved.

It is recommended that the existing Fire Reserve by-law be amended to reflect an annual contribution for new fire vehicles and equipment be based on estimated future values and determined by appropriate life cycles in the year of project approval.
The following chart summarizes the annual budget adjustments for the period 2012 -2016 associated with adopting the recommended funding philosophy:

Annual 5 Year Impact of new Fire Reserve Contributions

Aquisition Year	Estimated New Infrastructure (Replacement Value)	Estimated Annual Contribution	2012	2013	2014	2015	2016
2012	649,459	56,653	56,653	56,653	56,653	56,653	56,653
2015	1,194,633	104,208	-	-	-	104,208	104,208
			56,653	56,653	56,653	160,861	160,861
Annual Incremental Contribution			**56,653**	**-**	**-**	**104,208**	**-**

*Based on future replacement costs with a 2% inflation factor.

Current Reserve Position on Existing Fire Infrastructure

	Reserve Balance Dec 31, 2010	Reserve Target Lifecycle Based	Deficit	Reserve % of Target
Fire Equipment Replacement	2,567,339	2,651,046	83,707	96.8%

Entrance & Streetscape Features

An emerging trend in community development over the past decade has been to add hard surface streetscapes and entrance way features. Based on the 2008 Development Charge Background Study, it is anticipated that the City will be adding over $33.5 million in streetscapes from 2012 – 2017, a significant portion which is funded from other than development charges, most likely taxation. In addition, developers are incorporating entrance way features into subdivisions which will eventually require replacement. The above items are costly and accumulating at a rapid pace. Currently, policies relating to the replacement timing and associated funding for streetscapes and entrance way features have not been developed. In addition to seriously evaluating where streetscape and entrance features are appropriate, a replacement policy is required.

It is recommended that the following policies be adopted:

- *That an Infrastructure Reserve be created for the purpose of funding streetscape and entrance way feature replacement*

- *An annual contribution for new additions be based on estimated future values and determined by appropriate life cycles in the year of project approval*.

The following chart summarizes the annual budget adjustments for the period 2012 -2016 associated with adopting the recommended funding philosophy:

Annual 5 Year Impact of new Streetscapes Reserve Contributions

Aquisition Year	Estimated New Infrastructure (Replacement Value)	Estimated Amortization	2012	2013	2014	2015	2016
2012	11,788,315	323,328	323,328	323,328	323,328	323,328	323,328
2013	10,545,820	289,249		289,249	289,249	289,249	289,249
2014	5,283,675	144,920			144,920	144,920	144,920
2015	6,372,868	174,794				174,794	174,794
2016	8,697,340	238,550					238,550
			323,328	**612,578**	**757,498**	**932,292**	**1,170,841**
Annual Incremental Contribution			**323,328**	**289,249**	**144,920**	**174,794**	**238,550**

*Based on future replacement costs with a 2% inflation factor.

Current Reserve Position on Existing Streetscape Infrastructure

	Reserve Balance Dec 31, 2010	Reserve Target Lifecycle☆ Based	Deficit	Reserve % of Target
Streetscapes Reserve	None	4,426,190	4,426,190	n/a

☆2010 Accumulated Amortization

Heritage facilities

Funding for heritage infrastructure renewal has remained constant over the years at $200,000. This figure is used to fund the replacement of heritage facility components, retrofitting and safety requirements. Historically, heritage facilities are added on an as needed basis and are typically a result of public interest. It is therefore difficult to provide an estimate of future additions. However, it would be prudent to increase this contribution as new heritage facilities are added.

It is recommended that the existing Heritage Infrastructure Reserve by-law be amended to reflect the following:

- *an annual contribution for new additions based on building & facility department estimates on replacement requirements over the assets life be added to the operating budget.*

- *That the corporate heritage contribution be increased annually by an appropriate inflationary adjustment to account for future costs escalations.*

Current Reserve Position on Existing Heritage Infrastructure

	Reserve Balance Dec 31, 2010	Reserve Target Lifecycle Based	Deficit	Reserve % of Target
Heritage Fund	396,695	1,018,400	621,705	39.0%

Existing Infrastructure Contribution Adjustments for Future Costs

As recognized in the beginning of this report, the funding gap is understated, as it's based on historical values and does not incorporate the compounding affects of inflation on future replacement costs. There is minor assistance generated from interest earned on reserve balances, but not substantial enough to cover future values. *To help minimize the implications associated with this variable, it is recommended that currently established contributions be increased annually based on Statistics Canada information to ensure contributions keep pace with anticipated future replacement costs.*

This additional funding will not take care of the infrastructure replacement backlog, but it will work to assist in minimizing the increase in this backlog due to rising material costs. The issue of the outstanding infrastructure backlog is to be addressed separately.

The following chart summarizes the annual budget adjustments for the period 2012 -2016 associated with the above recommendation.

Reserve	Contribution	2012	2013	2014	2015	2016
Building and Facilities Infrastructure	2,084,000	41,680	42,514	43,364	44,231	45,116
Roads Infrastructure	475,000	9,500	9,690	9,884	10,081	10,283
Parks Infrastructure	275,000	5,500	5,610	5,722	5,837	5,953
Fire Reserve Contribution	1,096,150	21,923	22,361	22,809	23,265	23,730
Heritage	200,000	4,000	4,080	4,162	4,245	4,330
Capital from Taxation	6,629,000	132,580	135,232	137,936	140,695	143,509
Annual Incremental Contribution		**215,183**	**219,487**	**223,876**	**228,354**	**232,921**

*Based on a 2% inflation factor.

Existing Policies

Building and Facilities

Funding for the renewal of the City's new buildings and facilities is based on the established policy of applying a 2% value on the approved building and facility project budget, excluding land costs. This represents a lifecycle of approximately 50 years, which is relatively standard in the industry.

Based on the 2008 Development Charge Background Study and other Master Plans, it is anticipated that the City will be adding over $157 million in new buildings and facilities over the next 10 years. Due to evolving building practices and associated lengthy life cycles, forecasting replacement values is very challenging and for this reason, *it is recommended that the existing Building & Facility Infrastructure Reserve by-law be amended to reflect an appropriate annual inflationary adjustment on the corporate building and facility contribution for new infrastructure to account for future costs escalations.* The following chart summarizes the annual budget adjustments for the period 2012 -2016 associated with new buildings and facilities and adopting the above by-law amendment, which equates to approximately $10K per year:

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Annual 5 Year Impact of new Building & Facility Reserve Contributions

Aquisition Year	Asset Addition (Historical Value)	Existing2% Contribution Policy	2012	2013	2014	2015	2016
Existing Policy							
2012	34,039,270	680,785	680,785	680,785	680,785	680,785	680,785
2013	35,466,000	709,320	-	709,320	709,320	709,320	709,320
2014	3,833,360	76,667	-	-	76,667	76,667	76,667
2015	35,466,000	709,320	-	-	-	709,320	709,320
2016	4,198,820	83,976	-				83,976
Existing Policy Contributions			680,785	1,390,105	1,466,773	2,176,093	2,260,069
New Inflationary Component			13,616	28,074	30,169	44,959	47,538
Annual Incremental Contribution			**13,616**	**14,459**	**2,095**	**14,790**	**2,579**

* Based on a 2% inflation factor.

Current Reserve Position on Existing Building & Facility Infrastructure

	Reserve Balance Dec 31, 2010	Reserve Target Lifecycle Based	Deficit	Reserve % of Target
Buildings & Facilities (Post&Pre 98)	12,910,005	14,158,197	1,248,192	91.2%

Roads Program

Funding for the City's roads replacement program is primarily funded through long-term debentures with minor assistance from reserves. Although more costly due to the addition of interest costs, the overall substantial value of this asset and its lengthy life cycle supports the use of long term debt as it smoothes the costs over the asset's life cycle. The continuation of the current policy is recommended for roads only.

Based on the 2008 Development Charge Background Study it is anticipated that the City will be adding over $123m for the period 2012 -2017. In addition to this figure, the City will assume road systems incorporated within future developer subdivisions. It is important to note that underground water and sewer assets are excluded from the above figure as funding is provided through a separate budget and user fee rates. The cost of future replacement of the above mentioned future road items are not anticipated for decades. However, Vaughan is currently faced with the funding requirements to maintain existing road systems in good repair, some dating back a number of decades. As illustrated in the June 21, 2011 report "Pavement Management Program Update", approximately $9 million in long-term debt is required annually for the repair and maintenance of Vaughan's roads network. Approximate debenture payments associated with annual road repair requirements are in the range of $1m per year, based on a 10 year 5% debentures. This incremental annual requirement is anticipated to continue into the foreseeable future.

The following chart summarizes the estimated annual requirements for the period 2012-2016 associated with the current policies and practices.

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Aquisition Year	Estimated Debt Issuance	Estimated Annual Repayment	2012	2013	2014	2015	2016
2012	9,000,000	1,110,039	1,110,039	1,110,039	1,110,039	1,110,039	1,110,039
2013	9,000,000	1,110,039	-	1,110,039	1,110,039	1,110,039	1,110,039
2014	9,000,000	1,110,039	-	-	1,110,039	1,110,039	1,110,039
2015	9,000,000	1,110,039	-	-	-	1,110,039	1,110,039
2016	9,000,000	1,110,039	-	-	-	-	1,110,039
Existing Policy Requirements			1,110,039	2,220,078	3,330,118	4,440,157	5,550,196
Annual Incremental Contribution			**1,110,039**	**1,110,039**	**1,110,039**	**1,110,039**	**1,110,039**

Conclusion

Vaughan will continue to experience growth over the next number of years and as a result of that growth, there will be significant new investments in infrastructure funded primarily by development charges. As Vaughan's infrastructure ages, continued investment is required to ensure the City's assets are maintained in a state of good repair. Preliminary estimates based on the development charge background study and various master plans indicate that over $425 million in new infrastructure will be added over the next 20 yrs. Consequently, it is vital to plan for this eventuality and revisit funding policies to ensure the City can protect and sustain the foundation of our community.

As reported in an earlier report, the existing infrastructure replacement funding gap is in excess of $17 million and significantly higher with the compounding affects of inflation on future replacement costs. Given this current situation, it is increasingly important that new infrastructure coming on board does not compound the current infrastructure challenge.

Enclosed within this report is a review of existing policies and recommendations building on the policy work completed to date. Overall the philosophy presented is twofold:

1) When new infrastructure is approved, an annual contribution based on lifecycle replacement principals is added to the operating budget for replacement purposes.

2) That an inflationary adjustment be added annually to contributions based on historical costs to ensure contributions keep pace with future values.

The future condition and state of municipal infrastructure is an important factor in assessing a community's overall quality of life and economic health. The recommendations contained within this report help to protect and sustain the foundation of our community.

Relationship to Vaughan Vision 2020

This study addresses two main goals identified in the Vaughan Vision 2020 under management excellence:

1. Maintain Assets and Infrastructure
2. Ensure Financial Stability

Regional Implications

NA

Attachments

None

Report prepared by:

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CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 27, 2011

Item 4, Report No. 16, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 27, 2011.

4 AMENDMENT TO THE CITY'S 2011 CAPITAL BUDGET ENTRANCEWAY FEATURE IMPROVEMENT AT THE INTERSECTION OF ISLINGTON AVENUE AND KILORAN AVENUE WARD 2

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Engineering and Public Works, dated September 19, 2011:

Recommendation

The Commissioner of Engineering and Public Works in consultation with the Commissioner of Finance recommends:

1. That the City's 2011 Capital Budget be increased through the addition of a new capital project for entranceway feature improvements at the intersection of Islington Avenue and Kiloran Avenue, at an estimated amount of $25,000;

2. That the funding source for this project be specified as the $25,000 contributed by Chidley Glen Building Corporation Ltd. for such purposes, in fulfillment of the City's condition #67 of draft plan of subdivision 19T-08V07;

3. That notice of this matter be given by the inclusion of this report on the posted agenda for the Finance and Administration Committee meeting of September 19, 2011.

Contribution to Sustainability

The improvement of the intersection of Islington Avenue and Kiloran Avenue will ensure that the wellbeing of the citizens of this community is enhanced by providing an attractive, functional, cost-efficient, environmentally friendly and maintainable entranceway.

Economic Impact

It is anticipated that there will not be an economic impact to the City.

In conformance with the Council approval conditions of the Draft Plan of Subdivision, the developer of Regency Estates Subdivision contributed $25,000 to the improvement of the City owned entranceway feature at the intersection of Islington Avenue and Kiloran Avenue. (See Attachment No. 1 for Council Extract). The construction estimate for the project is $25,000.00. All costs will be confirmed once the bids for the construction have been evaluated.

Communications Plan

In accordance with the City's notice by-law and due to the minor nature of this project and the net zero cost to the City, notice of this technical amendment to the City's budget is being given by the posting of the Finance and Administration Committee agenda rather than through newspaper publication. Once the contract for project construction is awarded, Engineering Services staff will advise the Mayor and Members of Council and will distribute a notice of construction to the affected residents and businesses.

Purpose

To inform Council of the technical requirement to amend the City's 2011 Capital Budget.

Background - Analysis and Options

At the June 30, 2009 Council Meeting, the Draft Plan of Subdivision 19T-08V07, was approved subject to conditions set out in the Committee of the Whole report of the Commissioner of Planning, dated June 23, 2009. Condition No. 67 indicated that "That owner shall agree to a reasonable contribution to the improvement of the City-owned portion of the entranceway to the subdivision at Islington and Kiloran Avenues, the design of which shall be approved by the City". The developer of Regency Estates Subdivision recently contributed $25,000, the cost required to construct the City approved design for the entranceway improvements.

The proposed work includes the installation of approximately 135 square metres of impressed pigmented concrete pavement and 15 linear metres of ledge rock at the northwest and southwest corners of the intersection of Islington Avenue and Kiloran Avenue (See Attachment No. 2 for project location map).

Staff are currently pursuing required approval from The Regional Municipality of York. It is anticipated that construction will commence in November be completed in late fall 2011, weather permitting.

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will assist in enhancing and ensuring community safety, health and wellness; priorities previously set by Council by providing a pedestrian route enhancement that is in balance with the local neighborhood and visually pleasing.

Regional Implications

The Regional Municipality of York will be notified of project commencement.

Conclusion

Staff recommends that a project for the construction of the entranceway feature improvements at the intersection of Islington Avenue and Kiloran Avenue be added to the City's 2011 Capital Budget, in order to procure external contracted resources, and to complete the construction of this project in the fall of 2011, weather permitting.

Attachments

1. Council Extract – June 30, 2009
2. Location Map

Report prepared by:

Paolo Masaro, P. Eng, Design Engineer, ext. 8446
Vince Musacchio, P. Eng., PMP, Manager of Capital Planning and Infrastructure, ext. 8311

PM:mc

(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 SEPTEMBER 27, 2011

Item 5, Report No. 16, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 27, 2011.

5 SALARIES OF PART-TIME COUNCIL ASSISTANTS

The Finance and Administration Committee recommends that the salary of Council's part-time occasional assistants be reviewed by Human Resources in light of the fact that there has been no increase in their pay rate in approximately sixteen years, and that a new benchmarked pay rate be recommended in a report to Council, for consideration and action no later than December 31, 2011.

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

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 27, 2011

Item 6, Report No. 16, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 27, 2011.

6 NEW BUSINESS – VAUGHAN CITIZEN AD TITLED "PLANNING TOMORROW TOGETHER"

Regional Councillor Schulte requested information regarding a City ad placed in the Vaughan Citizen titled "Planning Tomorrow Together".

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 27, 2011

Item 7, Report No. 16, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 27, 2011.

7 NEW BUSINESS – STATUS OF THE COUNCIL BUDGETS TASK FORCE AND THE TASK FORCE ON ADVISORY COMMITTEES

Councillor Racco inquired about the Council Budgets Task Force and the Task Force on Advisory Committees.