

2005 OPERATING BUDGET

Recommendation

The Commissioner of Finance & Corporate Services and the Director of Budgeting and Financial Planning recommends:

That the following report be received for information purposes.

Purpose

To address the question raised by the Budget Committee relating to the corporate contribution of \$1.2m to the vehicle reserve in the 2005 Draft Operating Budget.

Background - Analysis and Options

At the November 2, 2004 Budget Committee meeting, staff was directed to report back on the contribution to the vehicle reserve in the amount of \$1.2m currently budgeted in the corporate section of the 2005 Draft Operating Budget.

The intent of the annual vehicle reserve contribution is to cover the average annual cost of fleet maintenance, repair and replacement. There are 3 types of charges that will be funded from the vehicle reserve in the draft 2005 budget, and these are estimated as follows:

2005 Draft Budget	
Vehicle Rep & Maint/Fuel	\$1.5m Estimated Charges based on prior year actuals
Fleet Dept Costs	\$0.7m Draft 2005 Operating Budget requirement
Capital Replacement Vehicles	<u>\$1.0m</u> Draft 2005 Capital Budget
Total 2005 Estimated Charges	\$3.2m

Accordingly, the total 2005 Draft Operating Budget contribution is \$3.2m to the vehicle reserve to cover the charges to the reserve. Included in the Draft 2005 Operating Budget before the Budget Committee is \$2.0m contributed to the vehicle reserve from the departmental budgets and \$1.2m from the corporate account which is currently being question by the Budget Committee. The \$1.2m additional contribution from the corporate account is required to top up the operating budget contribution to address the required \$3.2m in charges to the reserve.

Notwithstanding the above, staff will review the existing vehicle reserve balance to see if adequate funding is available for future requirements and this could potentially adjust the 2005 operating budget contribution requirement.

Relationship to Vaughan Vision 2007

The Operating Budget process is consistent with the priorities set by Council in VV2007.

Conclusion

The purpose of this report is to address the query by the Budget Committee on the \$1.2m contribution to the vehicle reserve in the Draft 2005 Operating Budget.

Attachments

None

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Respectfully submitted,

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Commissioner of Finance & Corporate Services

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