

REALLOCATION OF RESERVE FUNDS

Recommendation

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

- 1) That a new reserve entitled "Planning Reserve" be created and that the necessary by-law be enacted and that staff provide at a future meeting a report on the utilization of the new reserve; and
- 2) That the existing building permit reserve stabilization reserve be discontinued and the funds in the reserve be reallocated to the tax rate stabilization reserve and the new planning reserve as recommended in this report.

Purpose

The purpose of this report is to set up a new planning reserve to deal with the transition period required in increasing planning application fees and to reallocate the funds from the existing building permit stabilization reserve to the tax rate stabilization reserve and the new planning reserve.

Background - Analysis and Options

Included in the development application approval process item before the Budget Committee on this agenda are options for increasing planning application fees to permanently offset the negative financial impact of Bill 124. The Planning Department has commenced a time study to determine an appropriate fee structure based on the approved increase in fees. In order to deal with the transition period to complete this study before the planning application fees can be increased, staff recommends the creation of new "Planning Reserve".

As a result of Bill 124, it is prudent to contribute to a new building standards continuity reserve fund to effectively mitigate the future financial risk of retaining appropriate staff during an economic downturn. Once Bill 124 comes into effect, the existing building permit reserve funds will not be available for general municipal purposes. Accordingly, staff recommends that the existing building permit reserve be discontinued and the existing funds in the reserve be reallocated with \$1.3m reallocated to the new planning reserve and the remainder, approximately \$8.4m, be reallocated to the tax rate stabilization reserve.

Relationship to Vaughan Vision

This report is consistent with the priorities set out in Vaughan Vision 2007.

Conclusion

The creation of a planning reserve deals with the transition period required to implement any approved increased planning application fees. The reallocation of funds in the existing building permit reserve to the planning reserve and the tax rate stabilization provides the ability for these funds to be utilized for other municipal purposes.

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Respectfully submitted,

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