

2005 DRAFT OPERATING BUDGET

Recommendation

The City Manager, in consultation with the Senior Management Team, recommends

That the following report updating the 2005 Operating Budget be approved and the updated 2005 Operating and Capital Budgets, be forwarded to the February 21, 2005 Council meeting for approval.

Purpose

The purpose of this report is to provide the Budget Committee with an update of the 2005 *Operating Budget after complying with the Special Committee of the Whole (Budget)* direction to further reduce the tax rate increase to 6.9%.

Background - Analysis and Options

At the January 18, 2005 Special Committee of the Whole (Budget), staff was directed to reduce the tax rate increase to 6.9%. The implication is approximately \$700,000 of further budget changes are required. Although the public meeting of January 24, 2005 presented a tax rate increase of 6.9%, time constraints in meeting that agenda deadline did not allow for the specific areas of budget changes to be identified by senior management.

In its deliberations over the last few months, the Budget Committee has approved numerous recommendations to reduce the tax rate increase from the original operating budget presented to the Committee. The list of recommendations to reduce the tax rate increase, included significantly reducing the new complement requests and reducing other controllable requests, increasing recreation user fees and planning application fees, increased by-law revenue and investment income, reduced vehicle reserve contributions, a reduction in the funds requested by the Vaughan Public Library Board, as well as many other changes throughout City departments.

The ability to identify a further \$700,000 in budget changes has proven to be difficult. However, senior management has now completed the task of identifying the \$700k of further budget changes required to reduce the tax rate percentage increase to 6.9%. The \$700,000 of further budget changes are incorporated in Attachment 1 of this report which is an update of the Draft 2005 Operating Budget.

A complete listing of the further \$700,000 in budgetary changes necessary to reduce the tax rate increase to 6.9% are included as Attachment 2 of this report. These budgetary changes do not directly impact service levels.

Conclusion

This report and the attachment provide the Budget Committee with an update of the Draft 2005 Operating Budget. The 2005 Operating Budget will be forwarded to the February 21, 2005 Council meeting for final approval.

Attachments

- Attachment 1 – Draft 2005 Operating Budget – Revenue and Expenditure Summary
- Attachment 2 – Details of Further \$700,000 in Budgetary Changes

Report prepared by:

Clayton D. Harris, CA, ext. 8475
Commissioner of Finance & Corporate Services

John Hrajnik, CMA, ext. 8401
Director of Budgeting and Financial Planning

Respectfully submitted,

Michael DeAngelis
City Manager



CITY OF VAUGHAN

2005 DRAFT

OPERATING BUDGET

***Revenue and Expenditure
Summary***

Budget Committee

February 16, 2005

CITY OF VAUGHAN 2005 DRAFT OPERATING BUDGET

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CITY OF VAUGHAN 2005 DRAFT OPERATING BUDGET

TAX LEVY SUMMARY

	2005 BUDGET	2004 BUDGET	\$ CHG.
REVENUES	70,673,385	62,704,105	7,969,280
EXPENDITURES	158,615,585	141,093,990	17,521,595
NET EXPENDITURES	87,942,200	78,389,885	9,552,315
PRIOR YEAR SURPLUS CARRY FORWARD TO REDUCE TAX LEVY	2,500,000	2,500,000	0
LEVY	85,442,200	75,889,885	9,552,315
LESS: ASSESSMENT GROWTH	5.32%	4.56%	4,037,342
2005 PROPOSED OPERATING BUDGET TAXATION INCREASE FUNDING REQUIRED			5,514,973
AVERAGE TAX RATE INCREASE IN PERCENTAGE TERMS			6.9%
AVERAGE INCREASE PER AVERAGE HOUSEHOLD IN DOLLAR TERMS (APPROXIMATE)			\$51

CITY OF VAUGHAN

2005 DRAFT OPERATING BUDGET

REVENUE AND EXPENDITURE SUMMARY

	2005 BUDGET	2004 BUDGET	\$ INC./ (DEC.) 2005 / 2004 BUDGET
REVENUES:			
TAXATION	75,889,885	75,889,885	0
SUPPLEMENTAL TAXATION	2,750,000	2,875,000	(125,000)
GRANT / PAYMENT IN LIEU / OTHER	2,943,235	3,143,235	(200,000)
RESERVES	16,023,625	9,691,280	6,332,345
CORPORATE	13,139,800	13,471,280	(331,480)
FEES AND SERVICE CHARGES	35,816,725	27,823,310	7,993,415
HVH EXCESS WORKING CAPITAL TRANSFER / LOAN	0	5,700,000	(5,700,000)
PRIOR YEAR'S SURPLUS CARRYFORWARD	2,500,000	2,500,000	0
TOTAL REVENUES	149,063,270	141,093,990	7,969,280
EXPENDITURES:			
DEPARTMENTAL	137,584,310	124,420,220	13,164,090
CORPORATE AND ELECTION	5,372,780	4,858,170	514,610
LONG TERM DEBT	4,400,000	2,390,000	2,010,000
CONTINGENCY (1)	4,338,495	2,140,850	2,197,645
CAPITAL FROM TAXATION	6,920,000	7,284,750	(364,750)
TOTAL EXPENDITURES	158,615,585	141,093,990	17,521,595
LESS: ASSESSMENT GROWTH @ 5.32%	4,037,342	—————	4,037,342
OPERATING BUDGET TAXATION INCREASE FUNDING REQUIRED	5,514,973	0	5,514,973

Notes:

(1) 2004 Contingency amount has been adjusted for comparative purposes.

**CITY OF VAUGHAN
2005 DRAFT OPERATING BUDGET**

REVENUE BY MAJOR SOURCE

	2005 BUDGET	2004 BUDGET	\$ INC./ (DEC.) 2005 / 2004 BUDGET
TAXATION			
SUPPLEMENTALS	2,750,000	2,875,000	(125,000)
VAUGHAN HYDRO HOLDINGS			
EXCESS WORKING CAPITAL TRANSFER / LOAN	0	5,700,000	(5,700,000)
GRANT			
LIBRARY GRANT	143,235	143,235	0
PAYMENT IN LIEU / OTHER			
PAYMENT IN LIEU / OTHER	2,800,000	3,000,000	(200,000)
RESERVES			
HERITAGE	309,530	233,800	75,730
ENGINEERING	2,475,065	2,349,290	125,775
LIBRARY	68,000	68,000	0
PARKS DEVELOP. / URBAN DESIGN / REAL ESTATE	300,000	300,000	0
FINANCE - FROM CAPITAL	1,005,000	1,005,000	0
FLEET MANAGEMENT	722,130	661,290	60,840
BUILDING PERMITS	0	925,000	(925,000)
PLANNING	500,000	0	500,000
TAX RATE STABILIZATION	8,843,900	2,718,900	6,125,000
DEBENTURE CONTRIBUTION	500,000	200,000	300,000
WATER & WASTE WATER RECOVERY	1,300,000	1,230,000	70,000
TOTAL	16,023,625	9,691,280	6,332,345
FEES/SERVICE CHARGES			
NON-PROFIT HOUSING	9,400	9,400	0
CLERKS	29,500	40,500	(11,000)
LICENSING - CLERKS	739,900	746,800	(6,900)
COMMITTEE OF ADJUSTMENT	415,925	303,050	112,875
LEGAL SERVICES	70,000	20,000	50,000
BY LAW ENFORCEMENT	2,358,500	2,114,720	243,780
FIRE AND RESCUE SERVICES	695,000	545,000	150,000
BUILDING STANDARDS - LICENSES/PERMITS	12,000,000	9,025,000	2,975,000
- PLUMBING PERMITS	725,000	725,000	0
- SERVICE CHARGES	127,000	157,000	(30,000)
ECONOMIC & BUSINESS DEVELOPMENT	105,000	176,000	(71,000)
CORPORATE COMMUNICATIONS	32,500	55,000	(22,500)
ENGINEERING SERVICES	429,750	949,300	(519,550)
PUBLIC WORKS - OPERATIONS	217,525	157,525	60,000
BUILDINGS AND FACILITIES	139,825	139,825	0
COMMUNITIES IN BLOOM SPONSORSHIP	30,000	30,000	0
RECREATION	12,481,770	11,117,520	1,364,250
PARKS OPERATIONS	498,200	80,250	417,950
CEMETERIES	59,000	41,650	17,350
COMMUNITY PLANNING AND POLICY	4,406,160	1,143,000	3,263,160
VAUGHAN PUBLIC LIBRARIES	246,770	246,770	0
TOTAL FEES / SERVICE CHARGES	35,816,725	27,823,310	7,993,415
TOTAL CORPORATE REVENUES	13,139,800	13,471,280	(331,480)
TOTAL REVENUE	70,673,386	62,704,105	7,969,281

CITY OF VAUGHAN 2005 DRAFT OPERATING BUDGET

REVENUE BY MAJOR SOURCE CORPORATE REVENUE DETAIL

CORPORATE REVENUE DETAIL :

	2005 BUDGET	2004 BUDGET	\$ INC./ (DEC.) 2005 / 2004 BUDGET
FINES AND PENALTIES	3,675,000	3,600,000	75,000
TAX CERTIFICATES AND DOCUMENTS	269,800	239,800	30,000
INVESTMENT INCOME	2,900,000	3,132,000	(232,000)
HYDRO INVESTMENT INCOME	5,500,000	5,500,000	0
PROVINCIAL OFFENSES ACT	699,000	699,000	0
MISCELLANEOUS REVENUE	41,000	210,660	(169,660)
PURCHASING	40,000	63,920	(23,920)
CAPITAL ADMIN. REVENUE	15,000	25,900	(10,900)
<i>TOTAL CORPORATE REVENUE</i>	13,139,800	13,471,280	(331,480)

**CITY OF VAUGHAN
2005 DRAFT OPERATING BUDGET**

EXPENDITURE BY MAJOR CATEGORY (1)

	2005 BUDGET	2004 BUDGET	\$ INC./ (DEC.) 2005 / 2004 BUDGET
COUNCIL	1,171,855	1,088,165	83,690
CITY MANAGER	515,585	493,480	22,105
OPERATIONAL AUDIT	211,230	115,645	95,585
STRATEGIC PLANNING	168,645	176,555	(7,910)
CORPORATE POLICY	106,575	113,325	(6,750)
FIRE AND RESCUE SERVICES	23,091,980	21,647,380	1,444,600
EMERGENCY MANAGEMENT	140,020	96,550	43,470
COMMISSIONER OF FINANCE AND CORPORATE SERVICES	413,865	312,725	101,140
CITY FINANCIAL SERVICES	2,099,195	2,056,825	42,370
BUDGETING AND FINANCIAL PLANNING	897,730	901,900	(4,170)
RESERVES AND INVESTMENTS	586,680	564,260	22,420
PURCHASING SERVICES	704,535	638,680	65,855
COMMISSIONER OF LEGAL AND ADMINISTRATIVE SERVICES	304,990	304,045	945
CITY CLERK	3,683,530	3,587,860	95,670
LEGAL SERVICES	1,102,870	1,080,635	22,235
BY LAW ENFORCEMENT	2,920,760	2,679,845	240,915
HUMAN RESOURCES	2,250,105	2,558,420	(308,315)
COMMISSIONER OF COMMUNITY SERVICES	573,345	542,015	31,330
COMMUNITY GRANTS AND ADVISORY COMMITTEES	56,585	57,400	(815)
RECREATION	14,250,790	12,771,935	1,478,855
CULTURAL SERVICES	646,170	561,300	84,870
BUILDINGS AND FACILITIES	14,444,480	12,591,055	1,853,425
FLEET MANAGEMENT	722,130	665,135	56,995
PARKS	9,510,130	8,451,815	1,058,315
COMMISSIONER OF PLANNING	279,455	265,225	14,230
COMMUNITY PLANNING / POLICY / URBAN DESIGN	3,276,165	3,293,525	(17,360)
BUILDING STANDARDS	8,041,145	5,032,375	3,008,770
COMMISSIONER OF ECONOMIC AND TECHNOLOGY DEVELOPMENT AND CORPORATE COMMUNICATIONS	286,200	285,545	655
ECONOMIC AND BUSINESS DEVELOPMENT	1,177,140	1,221,975	(44,835)
ACCESS VAUGHAN	141,775	96,860	44,915
INFORMATION TECHNOLOGY SERVICES	4,479,935	4,317,685	162,250
CORPORATE COMMUNICATIONS	1,051,670	1,044,325	7,345
COMMISSIONER OF ENGINEERING AND PUBLIC WORKS	279,040	278,980	60
DEVELOP. / TRAFFIC AND TRANSPORT. ENGINEERING	2,106,835	2,346,750	(239,915)
ENGINEERING AND CONSTRUCTION SERVICES	2,886,330	2,795,955	90,375
PUBLIC WORKS - OPERATIONS	23,500,430	20,700,200	2,800,230
VAUGHAN PUBLIC LIBRARIES	9,504,410	8,683,870	820,540
TOTAL DEPARTMENTAL EXPENDITURES	137,584,310	124,420,220	13,164,090
CORPORATE AND ELECTION	5,372,780	4,858,170	514,610
LONG TERM DEBT	4,400,000	2,390,000	2,010,000
CONTINGENCY (2)	4,338,495	2,140,850	2,197,645
CAPITAL FROM TAXATION	6,920,000	7,284,750	(364,750)
TOTAL EXPENDITURES	158,615,585	141,093,990	17,521,595

(1) - EXPENSES ARE NET OF HYDRO JOINT SERVICES REVENUE AND LIBRARY JOINT SERVICE CHARGES. THE NEW HYDRO JOINT SERVICES AGREEMENT IS NOT YET FINALIZED AND THE ABOVE NUMBERS REFLECT THE EXISTING AGREEMENT.

(2) - 2004 CONTINGENCY AMOUNT HAS BEEN ADJUSTED FOR COMPARATIVE PURPOSES.

**CITY OF VAUGHAN
2005 DRAFT OPERATING BUDGET**

CORPORATE AND ELECTION EXPENDITURE - DETAILS

CORPORATE AND ELECTION DETAIL :

RESERVE CONTRIBUTIONS:

1998 & PRIOR BLDG & FACIL. INFRASTR. RES. CONTRIB.
 POST 1998 BLDG & FACIL. INFRASTR. RES. CONTRIB.
 ROADS INFRASTRUCTURE RESERVE CONTRIBUTION
 PARKS INFRASTRUCTURE RESERVE CONTRIBUTION
 VEHICLE RESERVE CONTRIBUTION
 ELECTION RESERVE CONTRIBUTION

TOTAL RESERVE CONTRIBUTIONS

CORPORATE EXPENSES:

BANK CHARGES
 PROFESSIONAL FEES
 MAJOR OMB HEARINGS - PROFESSIONAL FEES
 JOINT SERVICES
 SUNDRY, DUES & MUNICIPAL GRANTS
 CITY HALL FUNDING
 TAX ADJUSTMENTS
 CORPORATE INSURANCE
 AMO MEMBERSHIP
 CONFERENCES
 SALARY SAVINGS FROM TURNOVER (GAPPING)
 UNALLOCATED BENEFITS SAVINGS
 GST REBATE
 ELECTION COSTS

TOTAL CORPORATE EXPENSES

TOTAL RESERVE CONTRIBUTIONS AND CORP. EXPENSES

	2005 BUDGET	2004 BUDGET	\$ INC./ (DEC.) 2005 / 2004 BUDGET
RESERVE CONTRIBUTIONS:			
1998 & PRIOR BLDG & FACIL. INFRASTR. RES. CONTRIB.	825,000	735,000	90,000
POST 1998 BLDG & FACIL. INFRASTR. RES. CONTRIB.	675,000	675,000	0
ROADS INFRASTRUCTURE RESERVE CONTRIBUTION	475,000	475,000	0
PARKS INFRASTRUCTURE RESERVE CONTRIBUTION	275,000	275,000	0
VEHICLE RESERVE CONTRIBUTION	0	975,000	(975,000)
ELECTION RESERVE CONTRIBUTION	350,000	225,000	125,000
TOTAL RESERVE CONTRIBUTIONS	2,600,000	3,360,000	(760,000)
CORPORATE EXPENSES:			
BANK CHARGES	20,000	20,000	0
PROFESSIONAL FEES	146,820	140,000	6,820
MAJOR OMB HEARINGS - PROFESSIONAL FEES	200,000	300,000	(100,000)
JOINT SERVICES	240,000	150,000	90,000
SUNDRY, DUES & MUNICIPAL GRANTS	49,640	35,505	14,135
CITY HALL FUNDING	1,000,000	1,000,000	0
TAX ADJUSTMENTS	1,275,000	1,426,200	(151,200)
CORPORATE INSURANCE	550,200	458,465	91,735
AMO MEMBERSHIP	11,750	12,000	(250)
CONFERENCES	29,370	30,000	(630)
SALARY SAVINGS FROM TURNOVER (GAPPING)	(750,000)	(850,000)	100,000
UNALLOCATED BENEFITS SAVINGS	0	(264,000)	264,000
GST REBATE	0	(960,000)	960,000
ELECTION COSTS	0	0	0
TOTAL CORPORATE EXPENSES	2,772,780	1,498,170	1,274,610
TOTAL RESERVE CONTRIBUTIONS AND CORP. EXPENSES	5,372,780	4,858,170	514,610

Budget Committee
February 16, 2005
2005 Draft Operating Budget
Details of Further \$700,000 in Budgetary Changes

City Manager

Fire and Rescue Services - Implement False Alarm Call-Out Fee - net revenue 2005		\$150,000
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Comm. of Finance and Corporate Services

Tax Adjustments expenditure reduction	\$25,000	
Fines and Penalties revenue increase	<u>\$75,000</u>	\$100,000

Comm. of Legal and Administrative Services

Legal Services - external legal expenditure reduction	\$5,000	
By Law Enforcement computer h/w s/w, office equip, paternal leave w/o pay expenditure reduction	\$7,500	
Clerks - Committee of Adjustment overtime expenditure reduction	\$1,500	
Clerks Printshop materials expenditure reduction	\$1,750	
Clerks Records Mgmt. materials expenditure reduction	\$2,750	
Human Resources - Employee Relations expenditure reduction	\$3,000	
Human Resources - Employee Services expenditure reduction	<u>\$3,000</u>	\$24,500

Comm. of Community Services

Buildings and Facilities - city wide maintenance expenditure reduction	\$50,000	
Parks Operations - Part Time staffing expenditure reduction	<u>\$100,000</u>	\$150,000

Comm. of ETD and Corporate Communications

Corp. Commun. - advertising expenditure reduction - City Page every 2 weeks instead of every week	\$24,000	
ETD - Smart Vaughan Portal expenditure reduction	\$21,000	
ETD - Business Directory expenditure reduction	\$5,000	
ETD - Corporate Promotional Items expenditure reduction	\$5,000	
ITS Administrations - Professional & Consulting Services expenditure reduction	\$20,000	
ITS - Enterprise Systems - Service Contracts expenditure reduction	\$20,000	
ITS - GIS - Professional & Consulting Services expenditure reduction	\$20,000	
ITS - Client Support - Service Contracts expenditure reduction	<u>\$10,000</u>	\$125,000

Comm. of Engineering Services and Public Works

Public Works - Roads - blvd. Interlock repair - contractor expenditure reduction	\$40,000	
Public Works - Roads - gravel road resurfacing - materials expenditure reduction	\$40,000	
Public Works - Roads - street sign installation - materials expenditure reduction	\$20,000	
Public Works - Roads - spray patching - contractor expenditure reduction	\$20,000	
Public Works - Roads - crack route and sealing - contractor expenditure reduction	<u>\$30,000</u>	\$150,000

Total Budgetary Changes

		<u><u>\$699,500</u></u>
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