

## **FINANCE AND ADMINISTRATION COMMITTEE - JANUARY 17, 2011**

### **NON TAXATION REVENUE**

#### **RECOMMENDATION**

The City Manager, in consultation with the Commissioner of Finance & City Treasurer, Commissioner of Community Services, Commissioner of Legal & Administrative Services, Director of Economic Development, recommend:

1. That the report updating Members of Council regarding non taxation revenue be received and a presentation on the subject be scheduled for a future committee meeting.

#### **Contribution to Sustainability**

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations.

To be sustainable as a City we must look for and be open to alternative revenue sources.

#### **Economic Impact**

The cost of the presentation would be nominal and the potential increase in non-taxation revenue may prove to be significant.

#### **Communications Plan**

N/A

#### **Purpose**

The purpose of this report is to update Council that staff will coordinate and host a presentation on Non Taxation Revenue.

#### **Background - Analysis and Options**

The Vaughan Vision 20|20 Strategic Plan sets out a vision and direction for the City over the next decade and beyond. A major initiative identified in the Strategic Plan is Management Excellence with the specific goal to Ensure Financial Sustainability.

Planning for the future will put the City in a better position to deal with the many challenges confronting the municipality, its citizens and business community. Availability and quality of municipal services and programs, the environment, traffic congestion, access to health care facilities and community safety are matters that will need to be addressed as the City grows. Meeting public needs and expectations will require prudent financial planning to control expenditures and the optimizing of potential revenue sources.

Traditionally, municipalities in Canada have relied on taxation to fund the majority of their programs and services. As the City moves forward and particularly in these current economic times, municipalities must increasingly seek out other sources of revenue.

Some private, institutional and public sectors have employed a diverse set of revenue-generating opportunities with significant results. These opportunities include naming rights, signage, product placement, advertising on vehicular assets, website, co-branding, exclusivity agreements, supplier agreements, loyalty programs, and event sponsorship. These opportunities need to be fully explored as potential revenue opportunities for the City.

### The Presentation

The objective of the presentation will be to better inform the Mayor and Members of Council and in turn assist staff in developing a strategic plan for non-taxation revenue that includes meeting overall corporate objectives. The presentation will address;

1. The importance of analysis to determine how corporate assets are delivering a return on investment and assess to determine the opportunity in real market terms of the program or programs;
2. How to identify, list and prioritize potential programs and assets that could generate revenue;
3. How to develop specific criteria;
4. How to create specific measurement systems;
5. Identify "best practices" that municipalities across Canada and North America are using;

### Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 20|20, the report will provide:

#### STRATEGIC GOALS:

Service Excellence – Providing service excellence to citizens.

Management Excellence

#### STRATEGIC OBJECTIVES:

Plan and Manage Growth & Economic Vitality.

### Regional Implications

None

### Conclusion

Non taxation revenue has the potential to represent a significant source of additional revenue for the City of Vaughan. The City has a large amount of building infrastructure, parkland, and other assets that could be of interest to the private sector and in turn generate revenue for the City. Revenue generating opportunities would be a prudent and a proactive approach to ensure that the City's tax base is enhanced beyond the traditional balance between residential and business property tax. This will aid in the preparation of the City's annual budgeting and forecasting systems and better improve the financial health of the corporation.

### Report prepared by:

Tim Simmonds, Director, Economic Development

Respectfully submitted,

Clayton D. Harris  
City Manager