

COUNCIL EXPENDITURE BUDGETS

Recommendation

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

That the updated Council Expense Budget be incorporated into the 2011/2012 Draft Operating Budget.

Contribution to Sustainability

Sustainability by definition focuses on the ability to maintain a function over a period of time. Responsible budgeting allocates resources in a responsible way to sustain the City's operations and aspirations, balancing both current and future requirements.

Economic Impact

The updated consolidated Council Expenditure Budget for 2011 and 2012 is \$1,334,675 and \$1,359,641, respectively. Individual Council budgets are provided in Attachment # 1 & 2.

Communications Plan

N/A

Purpose

The purpose of this report is to provide the Finance & Administration Committee with additional information and details regarding the basis for developing the Council Expenditure Budget and associated outcome, and incorporate the updated outcome into the Draft 2011/2012 Operating Budget.

Background - Analysis and Options

Council Budget Methodology

The Council expenditure budget is developed using a twofold process:

Council Remuneration and Benefits

Council remuneration is based on the City's Council remuneration by-law, 316-2007. On Dec. 14th 2010, Council decided to forgo any increase to their remuneration maintaining remuneration levels to \$115,763 for the City's Mayor and \$72,216 for all other Members of Council.

Benefits applied to the remuneration illustrated above are based on anticipated rates (i.e. CPP, EHT, OMERS, etc.) and past performance.

Discretionary Expenditures

In addition to the above, it is anticipated that Members of Council will require funds to administer their duties and operate their office. These types of expenses are governed by the current Council Member Expense Policy, approved on March 9th, 2010, and resourced through a discretionary budget allocation, which is based on a per resident formula for each Member of Council.

Since 2007, a \$0.50 per resident rate was applied to assigned population figures for the purpose of calculating the discretionary expense budgets. The assigned population figures are based on the following principles:

- Ward Councillors - Estimated ward population figures
- Regional Councillors - 50% of the City's total estimated population figures
- Mayor - 75% of the City's total estimated population figures

The population figures used to calculate the 2011 budget were provided by the Clerk's Department. These figures are based on the latest York Region overall City of Vaughan population projections. Ward population estimates were derived using the principals of the last ward boundary review and adjusted for trends in approved development, voter's lists, etc. It should be noted, the Clerk's Department anticipates there will be an adjustment in these figures once the 2011 census data is released. For 2012 budget purposes, the average total growth rate, taken from the Region of York's population numbers, was applied equally to each ward, approximately 4.5%. Summarized below are the population figures used for the 2010, 2011, & 2012 budget periods.

Area	2010	2011	2012
Ward 1	70,100	62,500	65,300
Ward 2	61,150	62,500	65,300
Ward 3	52,000	58,000	60,600
Ward 4	54,750	42,000	43,890
Ward 5	43,100	70,000	73,140
Total	281,100	295,000	308,230

Draft Council Budget

The following, summarizes the method used for calculating the Council expense budgets.

	Remuneration and benefits
+	<u>Discretionary budget</u>
=	Council Budget

Enclosed are attachment 1 & 2, which provide detailed calculations using the above methodology for each Member of Council 2011 & 2012 budget. Below is a brief summary of the outcomes of this process.

<i>Member of Council</i>	<i>Budget</i>	
	<i>2011</i>	<i>2012</i>
Mayor Bevilacqua	250,101	255,305
Regional Councillor Rosati	163,298	166,967
Regional Councillor Di Biase	163,298	166,967
Regional Councillor Schulte	163,298	166,967
Ward 1 Councillor Iafrate	120,798	122,559
Ward 2 Councillor Carella	120,798	122,559
Ward 3 Councillor DeFrancesca	118,548	120,209
Ward 4 Councillor Yeung Racco	110,548	111,854
Ward 5 Councillor Shefman	124,548	126,479
Total	1,335,235	1,359,866

Discretionary Council Budget Account Allocation & Calendarization

Once the Council discretionary budgets are confirmed, there will be a requirement for each Member of Council to allocate their approved discretionary budget to specific account lines, within the parameters of the Council Member Expense Policy. Until that time, the discretionary amount will be placed in sundry expense. Once the discretionary budgets are allocated to specific accounts, the next step in the process is to calendarize the account budgets over the 12 months of the year. The Budgeting and Financial Planning department will coordinate and assist Members of Council with this process.

Relationship to Vaughan Vision 2020/Strategic Plan

The Draft 2011/2012 Operating Budget is the process to allocate and approve the resources necessary to continue operations and implement Council's approved plans. This report is consistent with the guidelines and protocol previously set by Council.

Regional Implications

There are no Regional implications associated with this report.

Conclusion

The 2011/2012 Council expenditure budgets and methodology are presented for Council's consideration.

Attachments

- Attachment #1 – 2011 Draft Council Budget
- Attachment #2 – 2012 Draft Council Budget
- Attachment #3 – 2011/2012 Draft Operating Budget Summary

Report prepared by:
John Henry, CMA
Director of Budgeting & Financial Planning
Ext. 8348

Respectfully submitted,

Barbara Cribbett, CMA
Commissioner of Finance/City Treasurer

John Henry, CMA
Director of Budgeting & Financial Planning

**City of Vaughan
2011 Draft Council Budget**

ATTACHMENT 1

Non Discretionary Expenditures	<i>Estimated total population as at December 21, 2010 295,000</i>	Discretionary Expenditures
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Position	2011 Council Remuneration <i>Note: 1</i>	2011 Council Benefits <i>Note: 2</i>	Total Non Discretionary Expenditures	Applied population figure	<i>Notes</i>	Applied rate	2011 Calculate Discretionary Expenditures	Total Discretionary Expenditures	Draft 2011 Council Budget	2010 Budget	Budget Change
Mayor Bevilacqua	\$115,763	\$23,153	\$138,916	221,250	3	\$0.50	\$110,625	\$110,625	\$250,101	\$252,111	(\$2,010)
Regional Councillor Rosati	\$72,216	\$17,332	\$89,548	147,500	3	\$0.50	\$73,750	\$73,750	\$163,298	\$163,591	(\$293)
Regional Councillor Michael Di Biase	\$72,216	\$17,332	\$89,548	147,500	3	\$0.50	\$73,750	\$73,750	\$163,298	\$163,401	(\$103)
Regional Councillor Deb Schulte	\$72,216	\$17,332	\$89,548	147,500	3	\$0.50	\$73,750	\$73,750	\$163,298	\$163,954	(\$656)
Ward 1 Councillor Iafrate	\$72,216	\$17,332	\$89,548	62,500	3	\$0.50	\$31,250	\$31,250	\$120,798	\$129,161	(\$8,363)
Ward 2 Councillor Carella	\$72,216	\$17,332	\$89,548	62,500	3	\$0.50	\$31,250	\$31,250	\$120,798	\$124,346	(\$3,548)
Ward 3 Councillor DeFrancesca	\$72,216	\$17,332	\$89,548	58,000	3	\$0.50	\$29,000	\$29,000	\$118,548	\$119,704	(\$1,156)
Ward 4 Councillor Yeung-Racco	\$72,216	\$17,332	\$89,548	42,000	3	\$0.50	\$21,000	\$21,000	\$110,548	\$120,862	(\$10,314)
Ward 5 Councillor Shefman	\$72,216	\$17,332	\$89,548	70,000	3	\$0.50	\$35,000	\$35,000	\$124,548	\$115,176	\$9,372
Totals	\$693,491	\$161,807	\$855,298 <i>Note 4</i>				\$479,375	\$479,375	\$1,335,235	\$1,352,306	-\$17,071

A

+

B =

C

NOTES:

1: Council Remuneration is based on By-Law Number 316-2007. Council voted not to take a pay adjustment on December 14, 2010.

2: 2011 Council Benefits were calculated based on actual ratios (20% for Mayor and 24% for Council Members)

3. Discretionary Expenses:(based on est. population figures as at December 21, 2010)

*The Mayor's discretionary expenses are calculated using 75% of est.total population, 295,000 =221,250 (x\$0.50, as per past practice) plus \$560 allowable increase in transfer to insurance reserve

*The Regional Councillor's discretionary expenses are calculated using 50% of est. total population, 295,000 =147,500 (x\$0.50 as per past practice)

*The Ward Councillor's discretionary expenses are based on estimated population for each Ward -(x \$0.50 as per past practice)

4: Changes between 2010 and 2011 Council Non Discretionary Expenses:

Total 2010 Non Discretionary Expenditures:	902,731
Reduction of Shared Lease Cost (Absorbed in Council Corp Budget)	(10,800)
Adjustment in benefit rates to better reflect actuals	(15,033)
Removal of Council Incidental Expense as per policy	(21,600)
Total 2011 Non Discretionary Expenditures:	<u>855,298</u>

**City of Vaughan
2012 Draft Council Budget**

ATTACHMENT 2

Non Discretionary Expenditures	<i>Estimated total population as at December 21, 2010</i> 308,230	Discretionary Expenditures
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Position	2012 Council Remuneration <i>Note: 1</i>	2012 Council Benefits <i>Note: 2</i>	Total Non Discretionary Expenditures	Applied population figure	<i>Notes</i>	Applied rate	2012 Calculate Discretionary Expenditures	Total Discretionary Expenditures	Draft 2012 Council Budget	Draft 2011 Budget	Budget Increase
Mayor Bevilacqua	\$115,763	\$23,731	\$139,494	231,173	3	\$0.50	\$115,586	\$115,586	\$255,305	\$250,101	\$5,204
Regional Councillor Rosati	\$72,216	\$17,693	\$89,909	154,115	3	\$0.50	\$77,058	\$77,058	\$166,967	\$163,298	\$3,669
Regional Councillor Michael Di Biase	\$72,216	\$17,693	\$89,909	154,115	3	\$0.50	\$77,058	\$77,058	\$166,967	\$163,298	\$3,669
Regional Councillor Deb Schulte	\$72,216	\$17,693	\$89,909	154,115	3	\$0.50	\$77,058	\$77,058	\$166,967	\$163,298	\$3,669
Ward 1 Councillor Iafrate	\$72,216	\$17,693	\$89,909	65,300	3	\$0.50	\$32,650	\$32,650	\$122,559	\$120,798	\$1,761
Ward 2 Councillor Carella	\$72,216	\$17,693	\$89,909	65,300	3	\$0.50	\$32,650	\$32,650	\$122,559	\$120,798	\$1,761
Ward 3 Councillor DeFrancesca	\$72,216	\$17,693	\$89,909	60,600	3	\$0.50	\$30,300	\$30,300	\$120,209	\$118,548	\$1,661
Ward 4 Councillor Yeung-Racco	\$72,216	\$17,693	\$89,909	43,890	3	\$0.50	\$21,945	\$21,945	\$111,854	\$110,548	\$1,306
Ward 5 Councillor Shefman	\$72,216	\$17,693	\$89,909	73,140	3	\$0.50	\$36,570	\$36,570	\$126,479	\$124,548	\$1,931
Totals	\$693,491	\$165,275	\$858,766				\$500,875	\$500,875	\$1,359,866	\$1,335,235	\$24,631

A + B = C

NOTES:

- 1: Council Remuneration is based on By-Law Number 316-2007. Council voted not to take a pay adjustment on December 14, 2010..
- 2: 2012 Council Benefits were increased over the 2011 Council Benefit rates primarily related to threshold and OMER's increase (20.5% for Mayor and 24.5% for Council Members)
3. Discretionary Expenses:(based on est. 2011 population figure grossed up by avg total growth rate)
 - *The Mayor's discretionary expenses are calculated using 75% of est.total population, 308,230 =231,173 (x\$0.50, as per past practice) plus \$225 allowable increase in transfer to insurance reserve
 - *The Regional Councillor's discretionary expenses are calculated using 50% of est. total population, 308,230 =154,115 (x\$0.50 as per past practice)
 - *The Ward Councillor's discretionary expenses are based on estimated population for each Ward -(x \$0.50 as per past practice)

City of Vaughan
2011 - 2012 Draft Operating Budget
Revenues and Expenditures - Department Summary

		Actual 2009	2010 Actual Forecast ¹	Budget 2010	Budget 2011	2011 Inc/(Dec)	2011 Account Reallocation	2011 Total Budget Variance	Budget 2012	2012 Inc/(Dec)	2012 Account Reallocation	2012 Total Budget Variance
						\$	\$	\$ %		\$	\$	\$ %
010 - City Council												
Revenue												
3805	Sponsorships	(4,658)	(3,468)	0	0	0	0	0.00%	0	0	0	0.00%
Revenue		(4,658)	(3,468)	0	0	0	0	0.00%	0	0	0	0.00%
Labour Accounts												
7030	Council Remuneration	693,491	705,049	693,491	693,485	(6)	0	(6) 0.00%	693,485	0	0	0.00%
7017	Benefits	156,838	154,291	176,840	176,840	0	0	0 0.00%	176,840	0	0	0.00%
7015	Part Time	81,267	96,902	95,965	0	0	(95,965)	(95,965) -100.00%	0	0	0	0.00%
7018	Benefits - Part time	7,558	8,350	8,926	0	0	(8,926)	(8,926) -100.00%	0	0	0	0.00%
7031	Incidental Exp. & Allow.	21,600	5,760	21,600	0	(21,600)	0	(21,600) -100.00%	0	0	0	0.00%
Labour Account Subtotal		960,754	970,352	996,822	870,325	(21,600)	(104,891)	(126,497) -12.69%	870,325	0	0	0 0.00%
Non Labour Accounts												
7100	Mileage	33,185	57,920	62,786	0	0	(62,786)	(62,786) -100.00%	0	0	0	0.00%
7101	C.E.A. Mileage	40	15	1,150	0	0	(1,150)	(1,150) -100.00%	0	0	0	0.00%
7103	407-ETR Toll Charges	5,178	2,292	2,980	0	0	(2,980)	(2,980) -100.00%	0	0	0	0.00%
7105	Memberships/Dues/Fees	25	(133)	0	0	0	0	0 0.00%	0	0	0	0.00%
7110	Meals & Meal Allowances	2,579	2,692	6,150	0	0	(6,150)	(6,150) -100.00%	0	0	0	0.00%
7112	Council Travel & Confer.	4,516	5,200	28,200	0	0	(28,200)	(28,200) -100.00%	0	0	0	0.00%
7115	Training & Development	3,671	567	3,800	0	0	(3,800)	(3,800) -100.00%	0	0	0	0.00%
7120	Telephone Charges	0	0	500	0	0	(500)	(500) -100.00%	0	0	0	0.00%
7122	Cellular Telephones	15,604	11,461	23,800	0	0	(23,800)	(23,800) -100.00%	0	0	0	0.00%
7125	Subscriptions/Publications	957	597	2,530	0	0	(2,530)	(2,530) -100.00%	0	0	0	0.00%
7126	Mailings	17,315	21,569	34,090	0	0	(34,090)	(34,090) -100.00%	0	0	0	0.00%
7130	Seminars & Workshops	3,248	(423)	2,850	0	3,248	(2,850)	(2,850) -100.00%	0	0	0	0.00%
7135	Advertising	15,997	7,396	11,300	0	0	(11,300)	(11,300) -100.00%	0	0	0	0.00%
7150	Community Gifts & Promotions	0	1,244	5,520	0	0	(5,520)	(5,520) -100.00%	0	0	0	0.00%
7151	Community Hosting Events	0	776	5,380	0	0	(5,380)	(5,380) -100.00%	0	0	0	0.00%
7200	Office Supplies	9,493	6,954	10,150	0	0	(10,150)	(10,150) -100.00%	0	0	0	0.00%
7201	Conferences	2,317	2,042	2,400	0	0	(2,400)	(2,400) -100.00%	0	0	0	0.00%
7205	Computer Supplies	127	(821)	850	0	0	(850)	(850) -100.00%	0	0	0	0.00%
7210	Office Equip. & Furniture	1,107	757	3,500	0	0	(3,500)	(3,500) -100.00%	0	0	0	0.00%
7211	Computer Hardware/Software	3,761	650	7,550	0	0	(7,550)	(7,550) -100.00%	0	0	0	0.00%
7215	Mtce. & Repairs - Equip.	0	0	0	0	0	0	0 0.00%	0	0	0	0.00%
7220	Copier/Fax Lease Charges	8,455	5,044	14,923	0	0	(14,923)	(14,923) -100.00%	0	0	0	0.00%
7221	Corporate Promotions	534	303	2,250	0	0	(2,250)	(2,250) -100.00%	0	0	0	0.00%
7222	Printing	17,501	15,576	21,800	0	0	(21,800)	(21,800) -100.00%	0	0	0	0.00%
7225	Postal Services	21,213	19,963	21,970	0	0	(21,970)	(21,970) -100.00%	0	0	0	0.00%
7227	Community Event Tickets	0	3,380	12,783	0	0	(12,783)	(12,783) -100.00%	0	0	0	0.00%
7315	Preventative Mtce. A	2,583	1,780	3,064	0	0	(3,064)	(3,064) -100.00%	0	0	0	0.00%
7415	Rental, Leases - Vehicles	10,006	10,632	10,006	0	0	(10,006)	(10,006) -100.00%	0	0	0	0.00%
7447	Sponsorships	4,580	3,114	0	0	0	0	0 0.00%	0	0	0	0.00%
7520	Professional Fees	12,759	615	12,000	0	0	(12,000)	(12,000) -100.00%	0	0	0	0.00%

	Actual 2009	2010 Actual Forecast ¹	Budget 2010	Budget 2011	2011 Inc/(Dec)	2011 Account Reallocation	2011 Total Budget Variance		Budget 2012	2012 Inc/(Dec)	2012 Account Reallocation	2012 Total Budget Variance	
					\$	\$	\$	%		\$	\$	\$	%
7560 Gas/Diesel - Vehicles	2,800	2,648	5,660	0	0	(5,660)	(5,660)	-100.00%	0	0	0	0	0.00%
7630 Wireless/Internet Commun.	10,440	8,115	13,233	0	0	(13,233)	(13,233)	-100.00%	0	0	0	0	0.00%
7640 Cable TV/Satellite Service	0	0	0	0	0	0	0	0.00%	0	0	0	0	0.00%
7698 Grouped Expenses	0	0	0	0	0	0	0	0.00%	0	0	0	0	0.00%
7699 Sundry Expenses ²	19,269	5,303	19,339	461,405	3,975	438,091	442,066	2285.88%	485,811	24,406	0	24,406	5.29%
7700 Chgs. from Other Depts.	0	(58)	25	0	0	(25)	(25)	-100.00%	0	0	0	0	0.00%
7780 Trsf. to Reserves-Insurance	2,445	2,945	2,945	3,505	560	560	560	19.02%	3,730	225	0	225	6.42%
Non Labour Account Subtotal	231,705	200,115	355,484	464,910	4,535	104,891	109,426	30.78%	489,541	24,631	0	24,631	5.30%
Total Expense	1,192,459	1,170,467	1,352,306	1,335,235	(17,065)	0	(17,071)	-1.26%	1,359,866	24,631	0	24,631	1.84%

NOTE 1: The 2010 Actual Forecast is based on year to date amounts as of October 31 plus 2009 November and December data.

NOTE 2: The discretionary budget was reallocated to Sundry Expenses. Members of Council will reallocate to other accounts once the 2011-12 Operating Budget is approved.