

Proposed 2015 Budgets and 2016 - 2018 Financial Plans

Special Council

April 1, 2015

Council Chamber



**Financial Sustainability:
Always a Key Priority**

Purpose

- Present the Proposed Budgets and Plans
- GFOA Award
- Receive any further input
- Adopt the Proposed 2015 Budgets



2

Budget Philosophy



Planning for the Future

- More certainty about the direction of services and taxes
- Develop realistic and responsible financial plans

Objective

- To balance the pressures with available funding & capacity

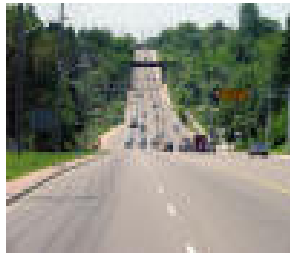
Council Directive

- A maximum tax rate increase of 3% per year for Council term



3

Our Business – Providing City Services Through People and Assets



Engineering/Public Works

Roads - Lane Kms	2,046
Sidewalks - Kms	1,112
Bridges & Structures	181
Streetlights	25,899
Traffic Signals	84
Public Works Yards	3

Fire & Rescue Services

Fire Stations	10
Fire Engines/Aerials	16
Fire Tankers/Rescues/etc.	13

Library Services

Libraries	8
Library Collection	522,754

Parks & Recreation

Community Centres	10
Fitness Centres	7
Theatres	1
Parkland - Hectares	951
Trails - Km	58
Parks	200
Playgrounds	293
Tennis Courts	126
Ball Diamonds	57
Basketball/Playcourts	85
Bocce Courts	64
Water Play Facilities	19
Indoor pool tanks	9
Indoor Skating Rinks/Arenas	10
Outdoor Soccer Fields	170
Skateboard Parks	8



City Services



Budget Challenges

- Council target of no more than 3% tax increase per year



Budget Process and Outcomes

- It has been a challenging budget process
- Six public meetings, including three evening meetings
- 2015 Budget reduction plan generated \$7.3M in adjustments
- 2015 tax rate increase of 2.70%; less than Council target
- Budget Task Force to study future budget reduction options



7



2015 Budget 2016-18 Plan

\$M	2015 Budget	2016	2017	2018
		Recognized Plan		
Levy Requirement	167.9	184.8	192.7	201.4
Budget Reduction Target		-14.6	-13.9	-16.9
Net Levy Requirement	167.9	173.3	178.7	184.4
Incremental Levy	4.4	5.1	5.4	5.7
<i>Tax Rate Increase</i>	2.70%	9.87%	4.12%	4.24%
<i>Budget Reduction Target Required</i>		-6.87%	-1.12%	-1.24%
Tax Rate Increase	2.70%	3.00%	3.00%	3.00%
Total Capital Program	\$92.7	\$106.8	\$104.5	\$64.1



Note: Some numbers may not add due to rounding

Minimal Cost to the Community

Taxation per \$100,000 of Property Value

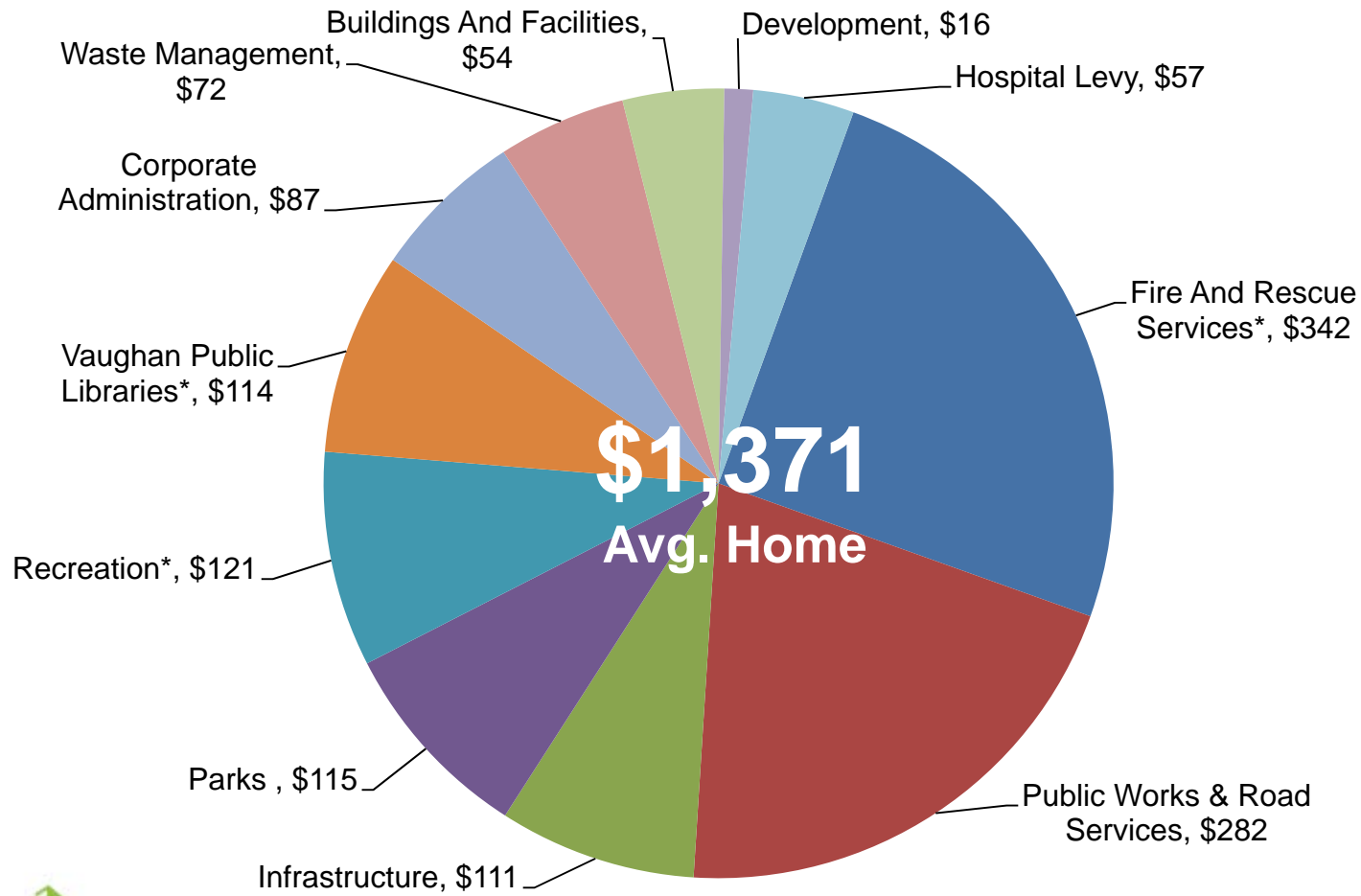
\$	2015 <i>Budget</i>	2016	2017 <i>Plan</i>	2018
<i>Tax rate change</i>	2.70%	3.00%	3.00%	3.00%
Residential	5.87	6.30	6.09	5.88
Commercial	7.00	7.99	8.23	8.43
Industrial	8.23	9.39	9.67	9.96

2015 Average home value assessed at \$587,000

\$1,371 in 2015, a \$34 or 2.70% increase



2015 Cost of Municipal Services



Note: Some numbers may not add due to rounding

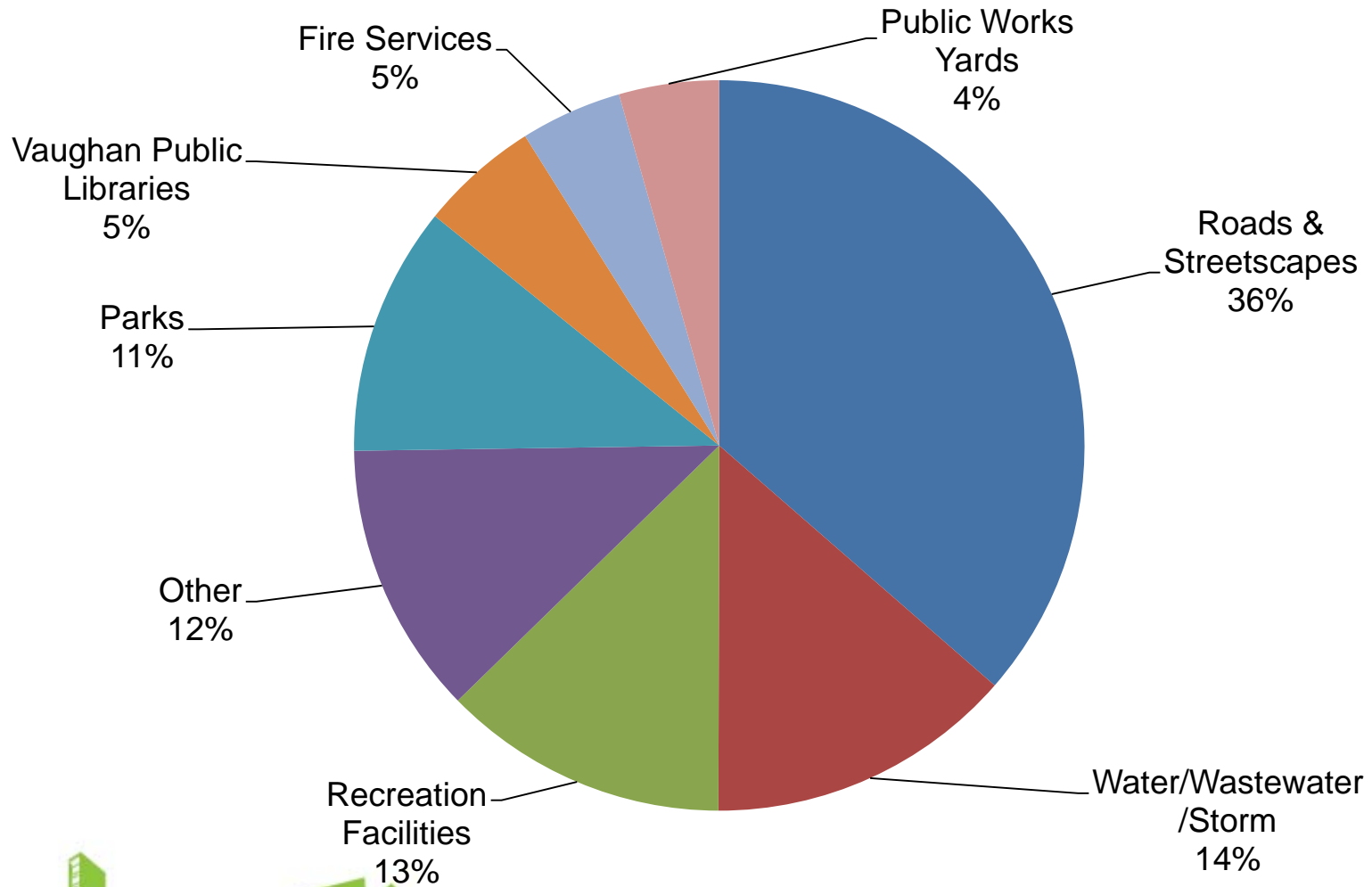
2015 Operating Budget Highlights

- Fire Station 7-5 full year implementation
- New Civic Centre Resource Library
- Resources to support community parks
- Support for community infrastructure renewal projects
- City initiatives supporting efficiency and effectiveness goals



11

2015-18 Capital Plan (\$M)



Total Capital Plan: \$368M



Key 2015 Capital Highlights

- North Maple Regional Park – Phase 1 (\$5.4M)
- Kleinburg Church Renovation for community access (\$1M)
- Relocation of Fire Station 7-4 (Kleinburg) (\$6M)
- Fire training tower (\$1.2M)
- Additional tree replacement funding
- Vellore Village South Library (\$4M)
- Various Park development projects
- Various road and public works projects (\$101.5M)

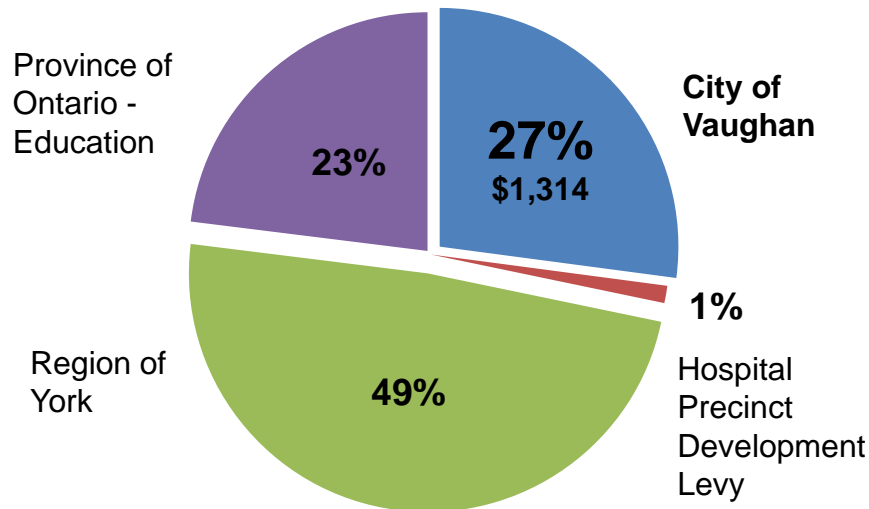


13

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Vaughan's Portion of the 2015 Tax Bill

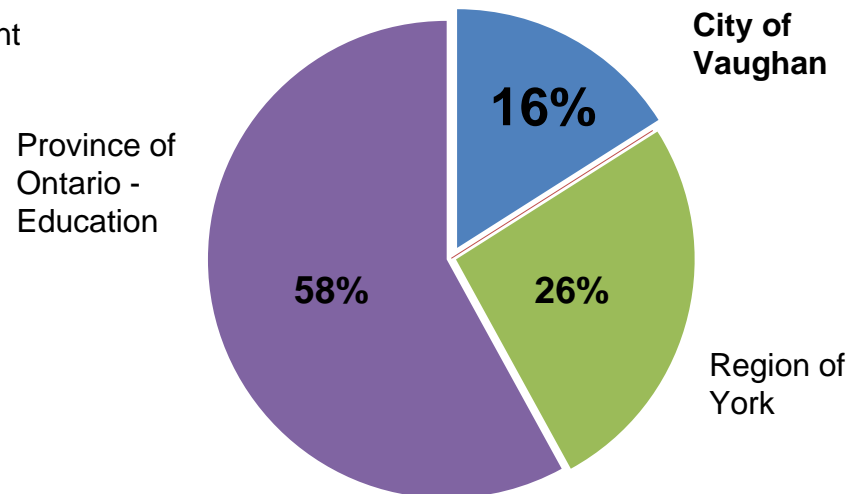
Portion of estimated average residential property tax bill (\$4,853*)



Provincial and Regional components based on 2015 information.

* Based on an estimated average assessed value of \$587,000

Portion of commercial tax bill



2015 Estimated Residential Property Tax Bill

Property Tax Bill	2014 Property Tax	Est. Tax Rate Increase	Est. Avg. Increase Per Household	Est. 2015 Property Tax	Portion of Est. Avg. Property Tax Bill
		%	\$		
City of Vaughan	1,279	2.70%	34	1,314	27%
VHCCP Development Levy	57	-	-	57	1%
Region of York	2,296	2.97%	68	2,364	49%
Provincial (Education)	1,119	-	-	1,119	23%
New Total Tax Bill	4,750	2.16%	103	4,853	100%



Household Spending Comparison

Household expenses



60L of gas/week*

Phone/Cable TV/Internet Bundle*

Hydro (based on 1,000 Kwh consumption/month)*

Car Insurance (Average GTA premium)*

Natural Gas (based on 1,500-2,000 sqft home)*

Annually **Monthly**

\$ 3,975 \$ 331

\$ 2,292 \$ 191

\$ 1,914 \$ 160

\$ 1,545 \$ 129

\$ 1,171 \$ 98

City Services**

\$ 1,371 \$ 114

- 30 Dept.'s offering over 200 programs and services
- For less than many household expenses

* Figures based on local service provider information

** Based on an estimated average assessed value of \$587,000



Municipal Tax Rate Comparison

Municipality	2015	Municipality	2014	2013	2012	2011	5Yr Average
Brampton (P)	7.86%	Caledon	4.98%	5.70%	5.24%	10.40%	6.23%
Milton (P)	5.50%	Mississauga	6.10%	7.00%	7.40%	5.80%	6.06%
Aurora (P)	4.96%	Brampton	2.90%	4.90%	4.90%	4.10%	4.93%
Caledon (A)	4.82%	King	2.59%	3.42%	8.90%	5.66%	4.71%
Richmond Hill (A)	4.20%	Milton	3.63%	3.00%	3.60%	4.86%	4.12%
Mississauga (A)	4.00%	Oakville	2.11%	3.01%	6.55%	5.93%	3.99%
Barrie (A)	3.19%	Newmarket	2.72%	3.74%	3.95%	5.89%	3.96%
Burlington (A)	3.65%	Aurora	3.75%	3.42%	4.77%	1.94%	3.77%
Newmarket (P)	3.50%	Barrie	2.03%	3.30%	3.60%	6.50%	3.72%
Markham (P)	2.98%	Burlington	3.50%	4.46%	3.29%	0.90%	3.16%
King (A)	2.97%	Richmond Hill	2.04%	2.50%	2.45%	2.95%	2.83%
Vaughan (P)	2.70%	Vaughan	2.50%	2.69%	2.95%	1.95%	2.56%
Oakville (P)	2.35%	Markham	2.49%	1.50%	1.50%	0.00%	1.69%
Average	4.05%	Average	3.18%	3.74%	4.55%	4.38%	3.98%



Water and Wastewater/Stormwater Rates and Operating Budgets



18

Budgeting Objectives

- To resource the provision of
 - Safe drinking water
 - Effective wastewater collection
 - Stormwater management
- Ensure a financially viable and sustainable network in both the short term and long term.



Quick Facts

- The City owns and operates the community's local distribution system
- Region of York supplies water, regional distribution and treatment
- Vaughan services approximately 79,000 Residential and 3,100 Business customers
- In 2014 the City distributed 34,700,000 m³ of billed potable water



Budget Results

The City's combined Water and Wastewater/Stormwater proposed rate represents a 9.9% increase

- Region's portion of the increase is 6.4% (64%)
- City's portion is 3.5% (36%)
- Average household impact is \$91.59/year or 7.63/month



Major Budget Drivers

- Regional Costs increased by 10% (9% water 12% wastewater)
- Reserve contributions to ensure system sustainability
- Inflationary Pressures
- Consumption/Accounts dropped by 10% over the last 5 years
- Prior year decisions
- 2 new ARRAs



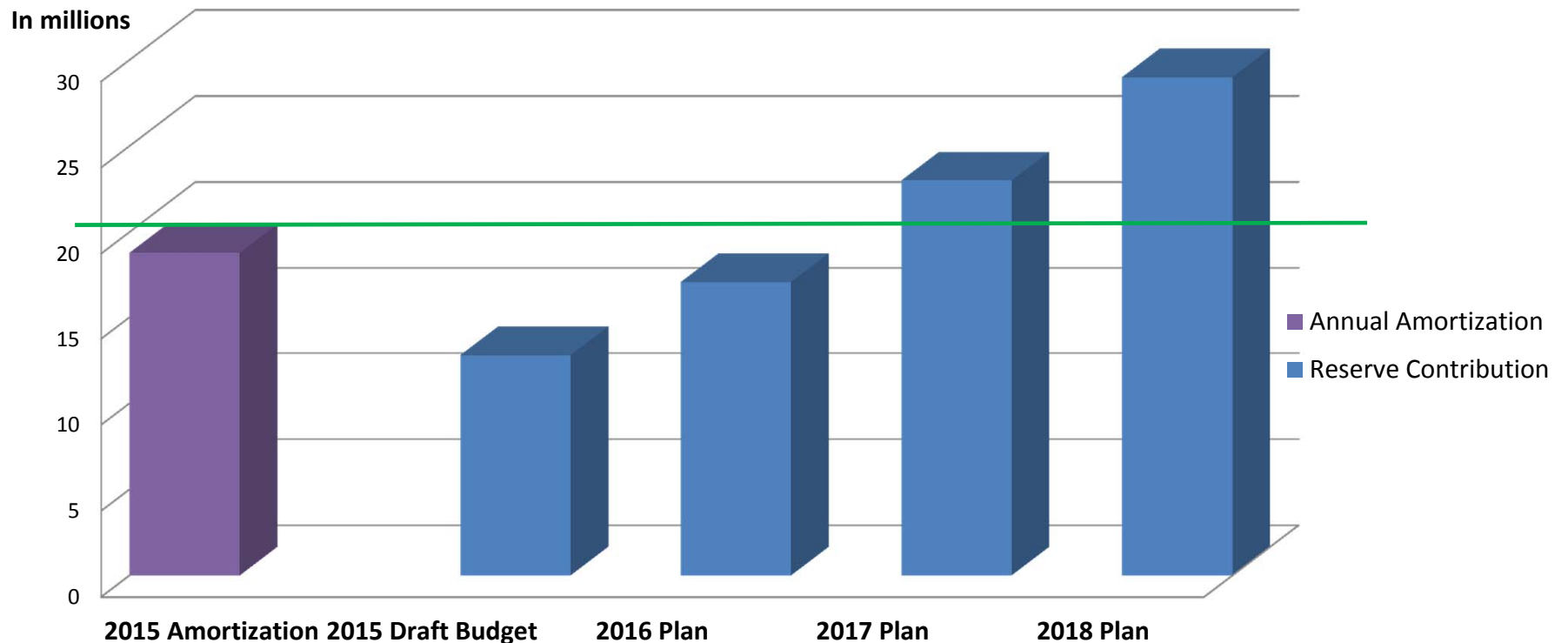
2015 Budget - Combined Expenses



Contribution to Reserves

2015 Water and Wastewater/Stormwater Reserves Contribution Plan

Water and Wastewater/Stormwater Annual Amortization vs. Reserve Contribution



2015 Municipal Comparison

Total Water/Wastewater bill based on household consumption of 300 M³ per year.



Distinguished Budget Presentation Award

Government Finance Officers Association (GFOA) 2014



26

Distinguished Budget Presentation Award

- Award recognizes high quality budget documents
- Reflecting best practices and serving as
 - A policy document
 - A financial plan
 - An operational guide
 - A communications device
- Rated by 3 independent municipal peer reviewers
- Based on 27 nationally recognized guidelines and criteria



**THANK
YOU**

Discussion Q & A



28