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COMMUNICATION	
FAA -	JAN 23/15
ITEM -	1

DRAFT 2015 Budget and 2016-18 Financial Plan

**Opening Presentation to
Finance, Administration and Audit Committee**
January 23, 2015
Committee Room 242/243



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**Financial Sustainability:
Always a Key Priority**

Agenda for today

- Purpose of today's session
- Council's budget mandate
- Where we are
- Reduction amount to achieve the target
- Assumptions & Options
- Presentation Schedule



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Meeting Purpose

- Provide context to the budget numbers
- Focus budget discussions
- Present options for achieving committee targets
- Receive Committee direction on how to proceed



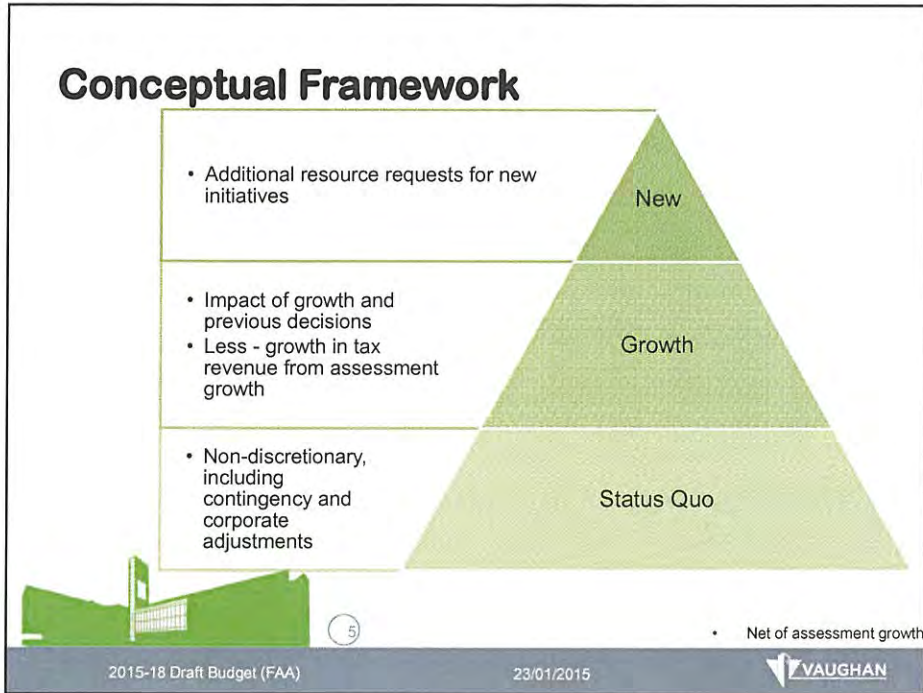
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Council's Budget Mandate

- Work toward a set target of no more than 3% for each year of the term of Council
- During Commission Presentations, all options be considered including revenue generation, service level adjustments, new funding request prioritization, etc.



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Where We Are

	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Status Quo Pressures	5.7	3.46	8.2	4.63	6.3	3.25	6.8	3.29
Net Growth Pressures*	3.0	1.84	3.4	1.92	2.3	1.16	3.7	1.76
New Initiative Pressures	2.2	1.35	1.0	0.58	1.0	0.51	0.6	0.29
Ice Storm Trees Top up Phase-in	0.8	0.49	0.7	0.45	0.0	0.00	0.0	0.00
Jan. 12th Draft 2015 Plan	11.7	7.14	13.4	7.58	9.6	4.93	11.1	5.35

- Status Quo pressures exceed the mandate

• Net of assessment growth

2015-18 Draft Budget (FAA) 23/01/2015 VAUGHAN

Reduction Amount to Achieve the Target

	2015		2016		2017		2018	
	\$M	%	\$M	%	\$M	%	\$M	%
Total Draft 2015 Plan	11.7	7.14%	13.4	7.58%	9.6	4.93%	11.1	5.35%
Council Mandate	4.9	3.00%	5.1	3.00%	5.4	3.00%	5.7	3.00%
Reductions Required	6.8	4.14%	8.3	4.58%	4.2	1.93%	5.4	2.35%

- Over four years, **\$68M** in cumulative permanent reductions is needed
- Tough Choices will be required to meet this target
- May not be able to solve outer years this cycle



2015-18 Draft Budget (FAA)

23/01/2015



Tough Choices

	2015	2016	2017	2018
	\$M	\$M	\$M	\$M
Total Draft 2015 Financial Plan*	11.7	13.4	9.6	11.1
Reduce Ice Storm Tree Replacement Top Up	0.8	0.7	0.0	0.0
No new ARR funding for initiatives	2.2	1.0	1.0	0.6
Defer growth-related projects/renewal funding	1.0	3.4	2.0	2.3
Defer ARR's that support maintaining service	1.4	1.7	1.2	0.4
Sub-total	6.3	6.6	5.4	7.8
Base Funding Cuts Required	1.4	1.5	0.0	2.1
Council's Target	4.9	5.1	5.4	5.7

New Reality?



2015-18 Draft Budget (FAA)

23/01/2015

**As presented on January 12, 2015
Note: Some numbers may not add due to rounding*



Options Considered by Commissioners

- Program or service adjustments
- Adjust the timing and/or scale of initiatives
- User fee recovery
- Deferring growth-related investments
- Reduce infrastructure renewal contributions
- Other corporate measures

➡ Some options may require time to finalize



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Decisions & Trade Offs



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Today's Presentation Schedule

1	9:30 - 10:10 am	Forum - Citizen Survey
2	10:10 - 10:20 am	Opening Presentation
3	10:20 - 10:40 am	Library
4	10:40 - 11:10 am	Legal
5	11:10 - 11:35 am	Finance
6	11:35 - 11:55 am	Corporate Accts
7	11:55 - 12:30 pm	Strategy & Corporate
Lunch - 12:30 - 1:00 PM		
8	1:00 - 1:25 pm	Planning
9	1:25 - 2:10 pm	Public Works
10	2:10 - 2:40 pm	CM Fire Services
11	2:40 - 3:05 pm	CM (Audit, Integrity)
12	3:05 - 3:40 pm	CM (Rec, Eco Dev, Corp Comm.)
13	3:40 - 3:55 pm	Wrap-Up



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Lets Begin



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