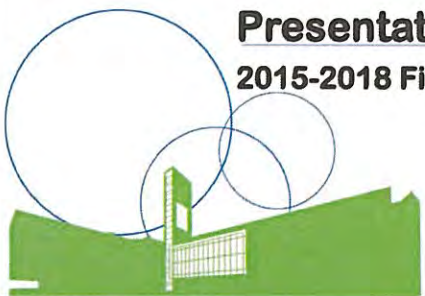




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COMMUNICATION
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ITEM - 1

**Commission Based
Presentation – Public Works
2015-2018 Financial Plan**



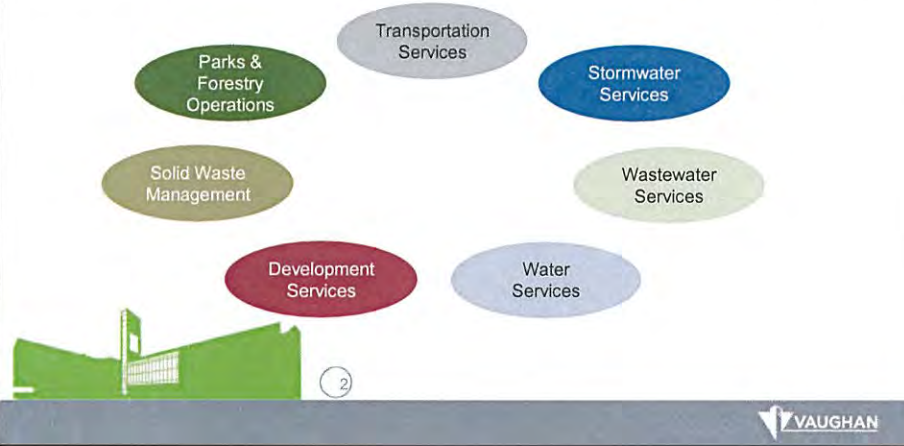
Agenda

- Commission Service Statement
- Draft 2015 Budget 2016-18 Plan
 - Operating Budget & Funding
 - Capital Budget & Funding
- Operating Budget Pressures and Options
 - Cost Pressures on Delivery of Existing Service
 - Growth Pressures
 - New Initiatives
- Summary



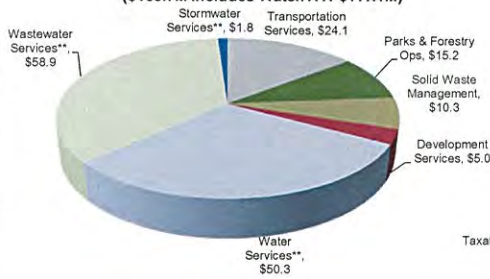
Commission Service Statement

Public Works Commission oversees the delivery of local roads services, parks & forestry operations, waste, development, water, wastewater and stormwater services to the citizens and businesses of the City of Vaughan



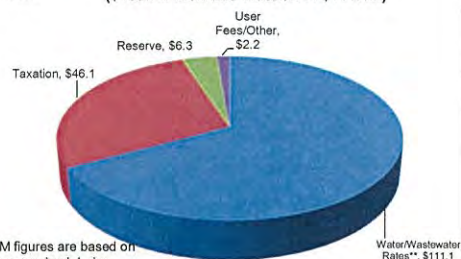
Public Works 2015 Operating Budget

Expenditures by Service
(\$165.7M includes Water/WW \$111.1M)

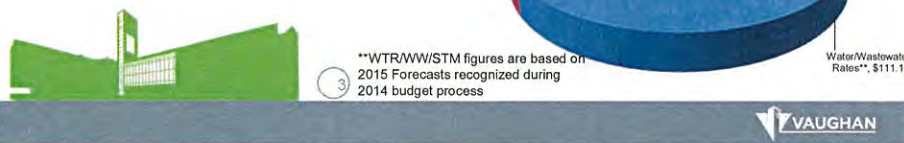


30% of the total City's Operating Expenditures
Excluding Water/Wastewater

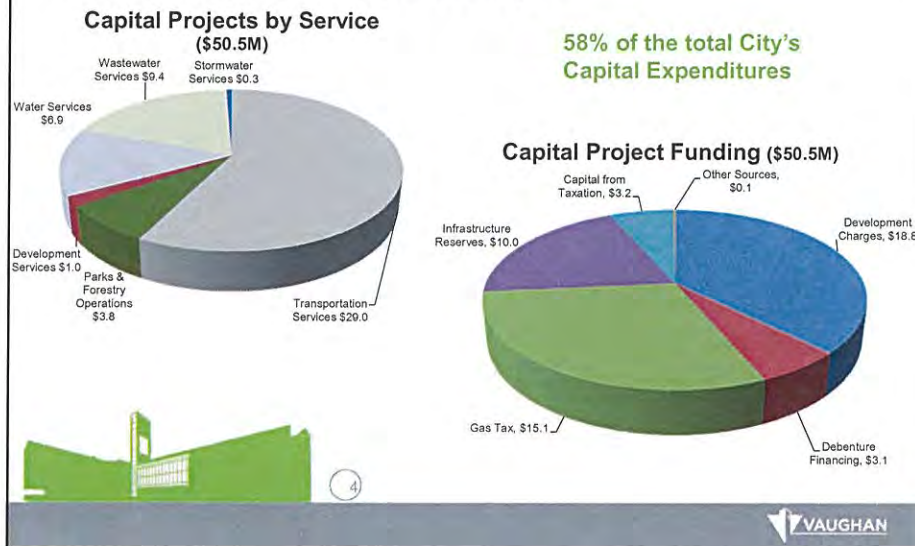
Expenditures by Funding
(\$165.7M includes Water/WW \$111.1M)



**WTR/WW/STM figures are based on 2015 Forecasts recognized during 2014 budget process

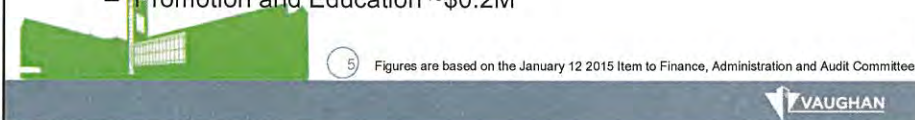


Public Works 2015 Capital Budget



Services Provided (Tax-funded)

- Transportation
 - Non-winter road maintenance ~\$11.1M
 - Winter maintenance ~\$9.3M
 - Sidewalk snow clearing ~\$1.1M
- Parks & Forestry
 - Parks maintenance ~\$9.2M
 - Forestry ~\$1.8M
 - Horticulture ~\$1.4M
 - Parking Lot Maintenance ~ \$1.2M
- Waste
 - Waste Collection Contract ~\$8.6M
 - Promotion and Education ~\$0.2M



Services Provided (Fee-Funded)

Fee-Funded:

- Subdivision, development and servicing agreements ~\$1.8M
- Development inspection and lot grading ~\$1.3M

2015-2018 Draft Financial Plan anticipates an Engineering Fee increase



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Cost Pressures on Existing Tax Levy Funded Services (LOS)



	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Salary progressions and economic adjustments	0.6	0.34	0.4	0.20	0.2	0.11	0.2	0.08
Contract price increases, utilities, other	0.2	0.14	0.7	0.39	0.6	0.30	0.4	0.20
Total Cost Pressures	0.8	0.48	1.0	0.59	0.8	0.41	0.6	0.28



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Options to Reduce Cost Pressures on Existing LOS

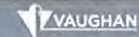


- Transportation
 - Eliminating windrow snow clearing would reduce costs by \$120K starting in 2016 and \$1.2M yearly thereafter
 - Reducing/Eliminating winter sidewalk maintenance would reduce costs by up to \$108K starting in 2015 and up to \$1.1M yearly thereafter
- Parks & Forestry
 - Reducing horticultural displays by 15% would reduce costs by \$15K yearly starting in 2015
 - Reducing boulevard grass cutting from approx. 13/yr. to 10/yr. would reduce costs by \$35K yearly starting in 2015
 - Increasing park grass cutting interval from approx. 14 days to 21 days would reduce costs by \$900K yearly starting in 2015
 - Reducing shrub bed contract by 50% would reduce costs by \$250K yearly starting in 2015



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Options to Reduce Cost Pressures on Existing LOS



- Waste Services
 - Eliminating Collection at Residential Condos would reduce costs by \$75K starting in 2016 and \$150K yearly thereafter
 - Eliminating Public Works Newsletter would reduce costs by \$40K yearly starting in 2015



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee





Sources of Growth Pressures

Non-discretionary

- 2014 Assumptions of development-built infrastructure leading to contract and in-house volume increases ~\$375K
- Operational budgetary impacts due to newly built capital assets coming on-line

Discretionary

- Review planning decisions leading to future assumption of new City infrastructure
- Review new/upcoming 2015+ capital investment decisions to defer/eliminate the future impact of operating new City-built infrastructure.



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Non-Discretionary Growth

Operating Impacts	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Contract, utility, user fee and service charge volume	0.4	0.24	0.2	0.10	0.2	0.11	0.3	0.14
Capital (ARRS)	0.2	0.12	0.1	0.04	0.0	0.00	0.0	0.00
Total Non-Discretionary Pressures	0.6	0.36	0.3	0.15	0.2	0.11	0.3	0.14
Total Growth Related Pressures	0.6	0.36	0.7	0.38	0.5	0.24	0.6	0.31

ARRS (Sample)

3 Temporary Summer Students (2015)
 Bocce Court Maintenance (2015)
 Milani 9v9 Soccer field mtce (2015)
 New Park Operating Expenses (2015)
 Oakbank Pond Maintenance Program (2016)



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Discretionary Growth



Operating Impacts	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Program/Service Volume (ARRs)	0.0	0.01	-	-	0.0	0.01	-	-
Capital (ARRS)	-	-	0.4	0.23	0.2	0.12	0.4	0.17
Total Discretionary Pressures	0.0	0.01	0.4	0.23	0.3	0.13	0.4	0.17
Total Growth Related Pressures	0.6	0.36	0.7	0.38	0.5	0.24	0.6	0.31

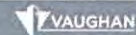
ARRs (Sample)

Avondale Park (North Maple) (2016-18)
 New Park Operating Expenses (2016-18)
 City Assisted Tournament Funding (2017)



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Options to Reduce Growth Related Pressures

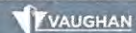


- ARRs are for operating and maintaining additional new assets at current City service levels.
- Options to reduce growth:
 - Deferring new capital projects will defer increases in operating costs required to maintain these discretionary infrastructure assets
 - Reductions in City-wide service levels as presented earlier would further reduce these growth related pressures



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Growth Related Pressures



	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Implementation of Previous Decisions:								
Pre-2015 Decisions (ARRs)	0.2	0.12	0.1	0.04	0.0	0.00	0.0	0.00
New Infrastructure (ARRs)	-	-	0.4	0.23	0.2	0.12	0.4	0.17
Subtotal	0.2	0.12	0.5	0.27	0.2	0.13	0.4	0.17
Maintain/Growth:								
Contract, utility, user fee and service charge volume	0.4	0.24	0.2	0.10	0.2	0.11	0.3	0.14
Subtotal	0.4	0.24	0.2	0.10	0.2	0.11	0.3	0.14
Growth-Related Incremental Costs:	0.6	0.36	0.7	0.38	0.5	0.24	0.6	0.31



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



New Initiatives



	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
New Initiatives: Supporting Transformation (ARRs)	0.2	0.10	0.2	0.11	0.3	0.14	0.0	0.01

ARRs (Sample)

Heavy Equipment Operator 1 (2015)
 PW Equipment Operator 1 (2017)
 Dispatch Clerk (2016)
 Operations Review Analyst (2018)
 Admin Clerk E

Impacts of Not Proceeding with New Initiatives

These ARR's are intended to provide increased quality control over contractors, find business efficiencies and manage increasing work.



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee



Commission Summary



	2015		2016		2017		2018	
	\$ M	%	\$ M	%	\$ M	%	\$ M	%
Cost Pressures on Existing Level of Service	0.8	0.48	1.0	0.59	0.8	0.41	0.6	0.28
Growth Pressures	0.6	0.36	0.7	0.38	0.5	0.24	0.6	0.31
New Initiative Pressures	0.2	0.10	0.2	0.11	0.3	0.14	0.0	0.01
Sub-Total Incremental Levy Requirement	1.5	0.94	1.9	1.07	1.5	0.79	1.3	0.60
Ice Storm Tree Replacement Levy	0.8	0.49	0.8	0.44	-	-	-	-
Total Incremental Levy Requirement	2.3	1.43	2.7	1.52	1.5	0.79	1.3	0.60
Total Incremental for the City	11.7	7.14	13.4	7.58	9.6	4.93	11.1	5.35



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Figures are based on the January 12 2015 Item to Finance, Administration and Audit Committee

