

Draft 2014 Budget and 2015-2017 Plan UPDATE

Finance, Administration & Audit
Committee
January 15, 2014



Financial Sustainability
Always a Key Priority



Presentation Agenda

- Meeting purpose
- The budget objective & key principles
- Budget adjustments
- Budget highlights
- Ice Storm
- Implications of reductions
- Taxes in Perspective
- Next steps



Meeting Purpose

- Provide an update on the budget and plan
- Receive public input
- Obtain Committee direction on the budget
- Schedule a date for Special Council (14 days public notice)

(Further committee adjustments and/or direction will be incorporated in a consolidated report for this meeting)

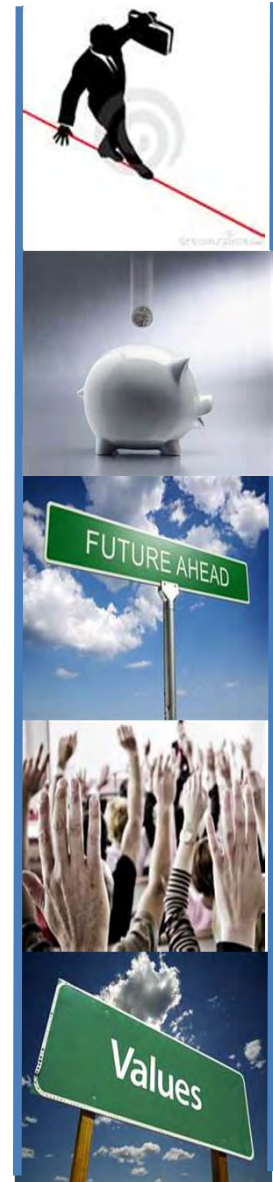


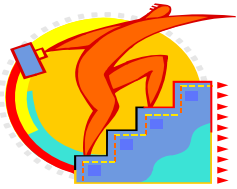
Budget Objective

“To balance the pressures of maintaining existing services and growth requirements against available future City funding and resources necessary to undertake and manage operations and initiatives”

Key Principles

- Guided by the City’s Strategic Plan
- Financial sustainability
- Planning for the future
- Provide value for tax dollars





The Draft Budget Outcome

Plan

Operating Budget

	2014			2015			2016			2017		
	Rate Incr.	\$ (m)	Bill Incr.	Rate Incr.	\$ (m)	Bill Incr.	Rate Incr.	\$ (m)	Bill Incr.	Rate Incr.	\$ (m)	Bill Incr.
Base Budget	0.45%	0.70	\$6	2.94%	4.90	\$38	2.12%	3.83	\$29	1.68%	3.28	\$24
ARR	3.02%	4.73	\$37	2.75%	4.57	\$35	2.52%	4.56	\$34	2.71%	5.29	\$38
Total	3.47%	5.43	\$43	5.69%	9.47	\$73	4.64%	8.40	\$63	4.39%	8.57	\$62

Capital Budget

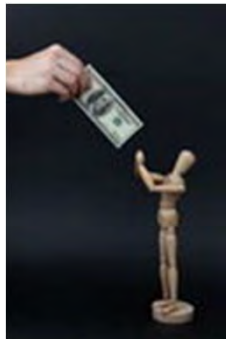
	# of Proj	\$ (m)	# of Proj	\$ (m)	# of Proj	\$ (m)	# of Proj	\$ (m)
New/Growth	97	19.42	58	42.34	28	92.74	70	122.31
Renewal	127	32.01	90	32.71	78	36.97	59	31.55
Total	224	51.43	148	75.05	106	129.71	129	153.86



Draft Budget Adjustments

Summary of Adjustments	2014	2015	2016	2017
Favourable/(Unfavourable)				
<u>Budget Adjustments</u>				
PowerStream Dividend	1,000,000	(175,000)	(600,000)	1,050,000
VHI Staff Support Recovery	100,000	-	-	-
Debenture Payment Reserve	580,000	-	-	355,000
Long Term Debt	-	155,993	(140,213)	(344,997)
Employee Benefits	547,423	(17,166)	(138,849)	(31,864)
Contingency	378,204	(71,880)	17,519	91,364
ARR Adjustments	(135,228)	(42,043)	(201,023)	(245,719)
Anticipated Labour Savings	300,000	-	-	-
Fleet Department Adjustment	55,723	196	196	197
Council Budget Adjustments	(293)	(15,527)	4,707	25,303
Additional Regional Councillor	24,003	268,539	4,611	4,684
Election Reserve Contribution	(50,000)	-	-	-
Electricity Rate Increase	(85,465)	(204,947)	(222,121)	(247,200)
Assessment Growth	(601,478)	(78,364)	(72,442)	(50,007)
Total Budget Adjustments	\$ 2,112,889	\$ (180,199)	\$(1,347,615)	\$ 606,761

Budget Highlights



ARR Highlights

Major Additional Resource Requests					
	2014	2015	2016	2017	Total
Fire, Rescue & Emergency Services	769,609 7-5 (Woodbridge) 2nd cohort District Chiefs	158,180 Training Officer	1,113,577 7-6 (Concord) 1st cohort District Chiefs Prevention Inspector etc.	726,535 7-6 (Concord) 2nd cohort	2,767,901
Community Services	1,047,174 New Park Mtce	53,675 New Park Mtce	1,714,443 Avondale Park Block 11 Operations City-wide maintenance etc.	2,633,197 Block 40/41/42 CC Block 11 CC	5,448,489
Library Services		2,719,972 Civic Centre Resource Library	559,850 Vellore Village South Library		3,279,822
Communications & Technology Support	629,538 Communications Strategy IT Support Staff	456,644 EDMS Resources Property Tax System	331,645 Citizen Engagement Communications Specialist Property Tax System Mtce		1,417,827
Compliance and Animal Control	578,323 Property Standard Officer Client Services Support Veterinary Support		73,472 Animal Services Shelter Attendant Animal Services Shelter Clerk	124,052 Enforcement Clerk Licensing Officer	775,847
Other Requests & Support Activities <i>Multiple requests to support community service provision</i>	1,701,772 Asset Management Resources Business Development Staff/Program Other: HR, Finance, Planning, Clerks Building Standards, etc.	228,337 Strategic Vision Update Strategic Planning Analysts	596,199 HR Requirements Finance Staffing PW Equipment Operator	689,311 Business Change Consultant HR Requirements Finance Staffing <i>Operational Review Analyst</i>	3,215,619
Sub-Total	4,726,416	3,616,808	4,389,186	4,173,095	16,905,506



- A more detailed listing is provided in Attachment #2

Significant Capital Projects



2014 Budget - \$51.4m Program	2015 Plan - \$75.0m Program	2016 Plan - \$129.7m Program	2017 Plan - \$153.8m Program
Vellore Village South Library Design	Vellore Village South Library Design	Vellore Village South Library Construction	
Civic Centre Resource Library Construction	Carville CC & Library Design	Carville CC & Library Construction	Carville CC & Library Construction
Asset Management	Fire Station 7-4 Expansion	Fire Station 7-4 Expansion	
Kirby Road EA	Black Creek Renewal	Black Creek Renewal	Black Creek Renewal
Merino Road Culvert Rehabilitation	North Maple Regional Park	North Maple Regional Park	North Maple Regional Park
Road/Watermain Rehab	Road/Watermain Rehab	Road/Watermain Rehab	Road/Watermain Rehab
Al Palladini Roof Replacement	CP Railway Pedestrian Crossing	CP Railway Pedestrian Crossing	CP Railway Pedestrian Crossing
Yorkhill District Park Playground	Concord West Streetscape	Concord West Streetscape	Concord West Streetscape
Torii Park Tennis Court Replacement	EDMS	EDMS	EDMS
Maple Reservoir Park Soccer Lighting	Replace 7966 Rescue Truck	Replace Aerial 7968 (Smeal 32m)	Replace 7955 Aerial (55FT)
Calvary Church Soccer Field Redevelopment	York Hill Park - Tennis Court Replacement	Replace 7972 Pumper	Vellore Village CC - Soccer Field Replacement
Sonoma Heights Diamond Lighting	Al Palladini CC Refrigeration Plant Equipment Replacement	Replace 7971 Pumper	LeParc Park - Tennis Court Reconstruction
	Uplands - Irrigation/Snow Making Water System	Replace HAZ MAT 7942	Rosedale Park North-Tennis Court Reconstruction
Annual Program:			
Tree Replacement	Tree Replacement	Tree Replacement	Tree Replacement
Emerald Ash Borer Program	Emerald Ash Borer Program	Emerald Ash Borer Program	Emerald Ash Borer Program
Street Light Pole Program	Street Light Pole Program	Street Light Pole Program	Street Light Pole Program



- Almost 38% relates to Eng. & Dev. Transportation
- Over 30% relates to buildings, parks & fire items
- A full listing provided in Attachment #3

Supporting Vaughan's Vision

- Asset Management (2014)
- Business Development Resources (2014)
- Communications Strategy (2014)
- Build a dynamic Vaughan Metropolitan Centre
- Strategic Vision update (2015)
- Electronic Document Management Systems (2015)
- Electric Vehicle Municipal Feasibility Program (2015)
- On-Line Citizen Engagement (2016)
- Many requests supporting service excellence



10



Ice Storm – December 2013



- Significant Damage experienced
- Estimating \$2m in initial response costs (2013)
- Over \$18m forecasted for continued debris removal and future tree replacement (2014 +)
- Ontario Disaster Relief Assistance Application (Jan.14th)
- Insurance coverage to be fully assessed
- Time is required to assess full costs
- Discussions will continue beyond budget approval



Tough Budget Choices

Process is designed to focus on ARR's



12

The Draft Budget Options – 1.89%

		2014	
	Rate Incr.	\$ (m)	Bill Incr.
<i>Draft Budget</i>	3.47%	7.54	\$43
Adjustment	-1.58%	(2.37)	(\$17)
<i>Grand Total</i>	1.89%	5.17	\$25

Includes Base Budget Items

- Fire Station 7-5 phase-in
- Infrastructure costs support road and community infrastructure renewal
- Contractual obligations
- Fully funded ARR's

Plus: 23 Tax funded ARR's

STN 75 - 6 Firefighters & 4 Captains GAPPED	Facility Operator I - Fr. Ermanno CC	Senior Technical Clerk (PT Conversion)
Communications Coordinator conversion	Citizen Service Representative	By-Law and Compliance - Client Services Representatives x 2
B&F Asset Management Coordinator	Learning & Development Specialist	Senior Policy Planner
New Park Operating Expenses	Forestry Arborist II	Manager of Corporate Asset Management
Development Finance & Investment Analyst	Temporary Seasonal Employees	Playground Safety Surface Testing
Business Development Officer-Advanced Goods Production & Movement	Business Analyst Policy and Research Coordinator	Building and Facilities City-wide Maintenance and Repairs
Plans Examiner (Zoning)	Internal Audit Coordinator	Hard Surface Repairs
Professional Fees (HR)	Client Support Analyst (ITM)	

The Draft Budget Options – 2.49%

		2014	
	Rate Incr.	\$ (m)	Bill Incr.
<i>Draft Budget</i>	3.47%	7.54	\$43
Adjustment	-0.98%	(1.47)	(\$11)
<i>Grand Total</i>	2.49%	6.07	\$32

*\$7 or ½% more per year
would add these ARR's*

Plus: 9 Tax funded ARR's

Technology Specialists	Courts-Tennis and Basketball	4 District Chiefs GAPPED (6 Months)
Animal Services - Registered Veterinary Technician	Community Services Asset Management Coordinator	Preventative Maintenance Mechanic (PT Conversion)
Clerk Typist A (PT Conversion)	Economic Development Coordinator	Sod and Seed for Sports Fields



The Draft Budget Options – 2.94%

	2014		
	Rate Incr.	\$ (m)	Bill Incr.
<i>Draft Budget</i>	3.47%	7.54	\$43
Adjustment	-0.53%	(0.80)	(\$6)
<i>Grand Total</i>	2.94%	6.75	\$37

*\$5 or ½% more per year
would add these ARR's*

Plus: 11 Tax funded ARR's

Administrative Clerk (Partial Conv)	Client Support Analyst - Audio/Video	Bocce Court Maintenance
Irrigation System Maintenance	Climate change adaptation research	Property Standards Officer
Part-Time Information Processor - Level F	Emergency Planner (Partial Conv)	By-Law and Compliance Supervisor
Strategic Risk Consultant	Fertilizing Parks	



The Draft Budget Options – 3.47%

	2014		
	Rate Incr.	\$ (m)	Bill Incr.
<i>Draft Budget</i>	3.47%	7.54	\$43
Adjustment	0.00%	-	\$0
<i>Grand Total</i>	3.47%	7.54	\$43

*\$6 or ½% more per year
would add these ARR's*

Plus: 10 Tax funded ARR's

Business Development and Attraction Programs	Aerating Parks	Customer Service Administration Clerk
Legal Counsel - Procurement	Legal Counsel - Development	Overtime for Stat Holidays
Real Estate - Acquisitions	Part-Time Clerk Typist - Level 3	
Law Clerk I	Communications Specialist, Website Content Management	



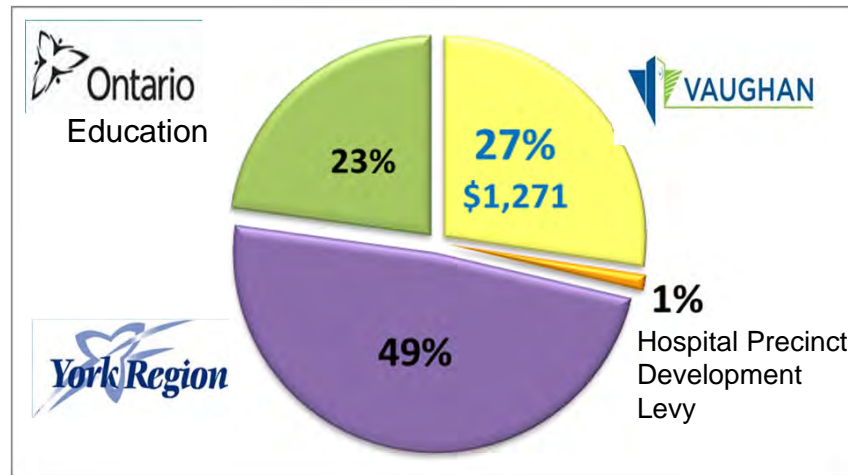
Taxation in Perspective



17

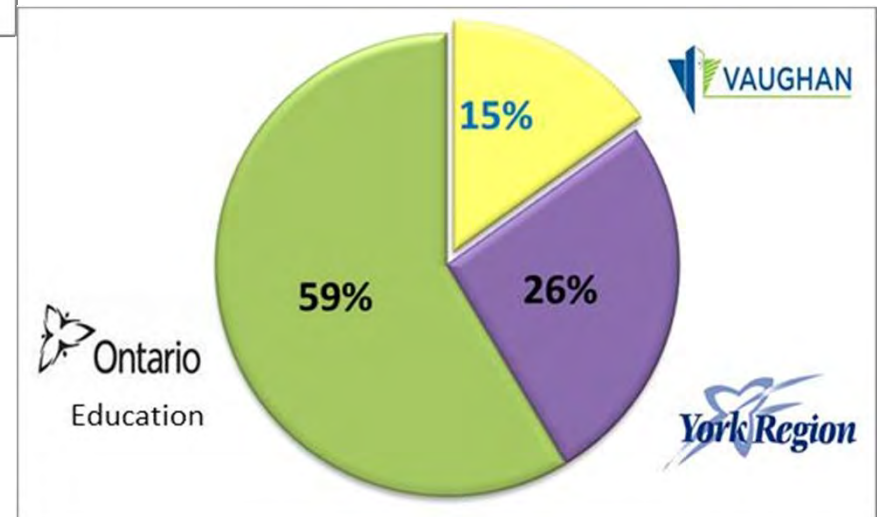
Vaughan's Portion of the 2014 Tax Bill

Est. Avg. Residential Property Tax Bill = \$4,640 (est.)



Note: Provincial component based on 2013 and York Region component based on 2014 draft information.

Est. Commercial Property Tax Bill



Household Spending Comparison

Taxes In Perspective

Typical Household Costs

	<u>Annual</u>	<u>Monthly</u>
Hydro (Avg 1,000Kwh consumption/month)	\$1,826	\$152
Natural Gas (Based on 1,500-2,000sqft home)	\$1,093	\$91
60L of gas/week	\$4,010	\$334
Car Insurance (Avg GTA premium)	\$1,500	\$125
Home Phone/Cable TV/Internet Bundle	\$1,866	\$155



Figures based on local service provider information

TOTAL CITY SERVICES

\$1,271

\$106

Assessment value based on September TREB Results. Annual Tax based on the Draft 2014 Operating Budget (Base + ARRs)

- Over 30 Dept's offering 100s of services & programs
- For less than many household expenses



Minimal Cost to the Community

Taxation per \$100,000 of Property Value

	2014 Budget	Plan		
		2015	2016	2017
<i>Tax Rate Change</i>	3.47%	5.69%	4.64%	4.39%
<i>Residential</i>	7.79	12.41	10.02	9.30
<i>Commercial</i>	9.27	15.73	13.56	13.42
<i>Industrial</i>	10.89	18.48	15.93	15.77

Average home value assessed at \$551,000

\$1,271 in 2014, a \$43 increase



GTA Tax Increase Comparison

2011 - 2014 Preliminary Tax Rate Increase Comparison

Municipality	2014	Approved/ Proposed	2013	2012	2011	Average
Caledon	4.98%	A	5.70%	5.24%	10.40%	6.6%
Mississauga	6.10%	A	7.00%	7.40%	5.80%	6.6%
King	2.59%	P	3.42%	8.90%	5.66%	5.1%
Oakville	2.11%	P	3.01%	6.55%	5.93%	4.4%
Brampton	2.90%	A	4.90%	4.90%	4.10%	4.2%
Newmarket	2.72%	P	3.74%	3.95%	5.89%	4.1%
Barrie	2.88%	P	3.30%	3.60%	6.50%	4.1%
Milton	3.63%	A	3.00%	3.60%	4.86%	3.8%
Aurora	3.77%	P	3.42%	4.77%	1.94%	3.5%
Burlington	3.66%	P	4.46%	3.29%	0.90%	3.1%
Vaughan	3.47%	P	2.69%	2.95%	1.95%	2.8%
Richmond Hill	2.96%	P	2.50%	2.45%	2.95%	2.7%
Markham	2.40%	P	1.50%	1.50%	0.00%	1.4%
Average	3.40%		3.74%	4.55%	4.38%	4.0%

- 2014 preliminary figures are subject to change
- Vaughan has 3rd lowest 4 year average



Next Steps

- Obtain committee budget direction
- Set a Special Council budget date
- Address future items
- Approve the Budget

Meeting Dates

FAA - Jan. 20th 9:30 a.m. - 12:00 p.m.

FAA - Jan. 29th 9:30 a.m. - 12:00 p.m. (if required)

Special Council – TBD





Discussion Q & A

