

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 17, 2015

Item 4, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on February 17, 2015, as follows:

By approving the recommendation set out in Communication C11 from the City Clerk, dated February 12, 2015, as follows:

1. ***That the attached Terms of Reference for the Council Budgets Task Force, be approved.***

4 COUNCIL OFFICE EXPENDITURE 2015 BUDGET AND 2016-2018 PLAN

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the City Clerk, dated February 2, 2015, be approved; and
- 2) That a task force be created to review the Council Office Expenditure Policy and report back by the end of 2015 for consideration in the 2016 budget, and that this task force be comprised of Regional Councillor Rosati, Councillor Iafrate, Councillor Yeung Racco and Councillor De Francesca.

Recommendation

The City Clerk, in consultation with the Economic Development Department and the Financial Planning and Analytics Department, recommends:

1. That the Council Office Budgets set out in this report be included in the Draft 2015 Budget and 2016-2018 Plan; and
2. That at such time as modifications are made to the remuneration of Members of Council, the Council Office Budgets be amended accordingly.

Contribution to Sustainability

Council is responsible for overall governance and policy making, which directly influences the financial and operational sustainability of the municipality. The allocation of expenditure budgets to individual Council offices supports Council in carrying out their responsibilities.

Economic Impact

In accordance with adopted Council Discretionary Expense Formula, the economic impact and associated tax rate increase are provided in the table below:

Table 1

Overall Adjustments by Budget Year

	2015	2016	2017	2018
Budget Change	\$23,158	\$33,601	\$34,196	\$44,864
Avg. Councillor Budget Change	\$2,600	\$3,700	\$3,800	\$5,000
Associated Tax Rate Increase	0.01%	0.02%	0.02%	0.02%

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Communications Plan

This report is one of a number of reports which will be integrated into the City's 2015 Budget and 2016-2018 Plan and will benefit from the communications plans in effect for that purpose.

Purpose

The purpose of this report is to provide the Finance, Administration and Audit Committee with budget adjustments to the offices of the Mayor and Members of Council in accordance with the adopted discretionary budget formula.

Background

Council Budget Formula

In January of 2012, Council adopted a methodology and formula to calculate Council's Discretionary Budgets. The methodology is outlined below:

The discretionary component of each budget is based on a rate of \$0.70 per resident in each Ward, plus a rate of \$1.25 per business in each Ward in 2012;

For the purposes of developing future budgets, the residential and business rates are increased in accordance with the Toronto CPI index rounded up to the nearest cent. For 2015-2018 the rate for each year is as follows:

Year	Residential	Business
2015	\$0.73	\$1.30
2016	\$0.74	\$1.33
2017	\$0.75	\$1.36
2018	\$0.77	\$1.39

The population and business counts are based on data provided by the City Clerk's Office and the Economic Development Department;

The Mayor's and the Regional Councillors' budgets are based on the same rates per resident and business as above, but calculated using a reduction to 50% and 34% of the city-wide estimates for population and businesses, respectively.

Salaries and Benefits

The non-discretionary component of Council Office budgets is derived from Council Remuneration By-law 316-2007 under which the Mayor and the Deputy Mayor receive \$122,849 and \$84,301, respectively, and other Members of Council receive \$76,636.

The summary of the 2015-2018 Council Budgets, based on the adopted formula, is as follows:

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2015-2018 Council Budgets Summary

	2015		2016		2017		2018	
	Draft Budget	Budget Increase	Draft Budget	Budget Increase	Draft Budget	Budget Increase	Draft Budget	Budget Increase
Members of Council								
Mayor Bevilacqua	\$276,725	\$6,402	\$283,329	\$6,604	\$290,044	\$6,715	\$298,902	\$8,858
Regional Councillor Michael Di Biase	\$188,691	\$6,322	\$193,105	\$4,414	\$197,590	\$4,485	\$203,526	\$5,936
Regional Councillor Mario Ferri *	\$181,196	\$5,076	\$185,590	\$4,394	\$190,075	\$4,485	\$195,991	\$5,916
Regional Councillor Rosati	\$177,256	-\$5,113	\$181,560	\$4,304	\$185,925	\$4,365	\$191,741	\$5,816
Ward 1 Councillor Iafrate	\$148,478	\$2,741	\$152,167	\$3,689	\$155,983	\$3,816	\$159,912	\$3,929
Ward 2 Councillor Carella	\$139,249	\$1,613	\$141,480	\$2,231	\$143,731	\$2,251	\$146,994	\$3,263
Ward 3 Councillor DeFrancesca	\$150,073	\$2,189	\$153,152	\$3,079	\$156,305	\$3,153	\$160,243	\$3,938
Ward 4 Councillor Yeung Racco	\$144,106	\$1,869	\$146,862	\$2,756	\$149,681	\$2,819	\$153,219	\$3,538
Ward 5 Councillor Shefman	\$146,668	\$2,059	\$148,798	\$2,130	\$150,905	\$2,107	\$154,575	\$3,670
Total	\$1,552,442	\$23,158	\$1,586,043	\$33,601	\$1,620,239	\$34,196	\$1,665,103	\$44,864
Tax Rate Adjustment		0.01%		0.02%		0.02%		0.02%

* Regional Councillor Ferri's 2015 budget was offset by the removal of the previous Regional Councillor budget in 2014.

Tables 2 and 3 below show the detailed calculations used to update population and business counts.

Table 2

Population Estimates**

	2014 Distribution %*	2018 Distribution %*	2015	2016	2017	2018
Ward 1	21.5%	22.5%	70,447	73,751	77,123	79,529
Ward 2	18.2%	17.8%	58,349	59,810	61,250	63,161
Ward 3	21.4%	21.6%	69,385	71,700	74,026	76,336
Ward 4	17.5%	17.5%	56,396	58,175	59,957	61,828
Ward 5	21.4%	20.6%	68,216	69,409	70,545	72,746
Total	100.0%	100.0%	322,791	332,846	342,900	353,600

Note:

*Population % distribution from *OMB Hearing Application to Redivide the Municipality into Six Wards, City of Vaughan (Appendix B Witness Statement of Russell B. Matthew)* provided by City Clerk's Office

**Forecasted 2015-18 Ward populations calculated assuming straight line change from 2014 to 2017 in population and distribution%

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Table 3

Business Count Estimates

	Current % Distribuion*	2015	2016	2017	2018
Ward 1	6%	651	673	695	718
Ward 2	13%	1,452	1,500	1,549	1,600
Ward 3	23%	2,474	2,555	2,639	2,727
Ward 4	47%	5,178	5,350	5,527	5,708
Ward 5	11%	1,172	1,210	1,250	1,292
Total*	100%	10,927	11,288	11,660	12,045

Note:

*Current % business count distribution by Ward and forecasted 2015-18 total number of businesses are provided by the Economic Development Department.

Based on the adjusted population and business count data shown in Tables 2 and 3 and the approved formula for allocating budgets to the various Council offices, the 2015 Council Budgets and 2016-2018 Plan for each of the applicable budget years appear in Attachment 1.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the strategic goals as set forth in Vaughan Vision 2020/Strategic Plan, particularly 'Ensure Financial Sustainability'.

Regional Implications

This report speaks to the costs of the local component for the budgets of the Mayor and Local and Regional Councillors. The Regional component of costs incurred by those offices is the responsibility of the Regional Municipality of York.

Conclusion

Council Budgets were developed based on the approved formula. The resulting increase to the overall Council Office Expenditure Budgets is on average \$34,000 per year, or 0.018% tax impact.

Attachments

1. 2015-2018 Budget Forecasts

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)