

***For consideration by the Council
of the City of Vaughan
on February 17, 2015***

**REPORT NO. 5 OF THE FINANCE, ADMINISTRATION AND AUDIT COMMITTEE
FOR CONSIDERATION BY COUNCIL, FEBRUARY 17, 2015**

6. That the City Clerk be directed to schedule a Special Council evening meeting, advertised in advance and consistent with the City's public notification by-law to consider approval of the proposed 2015 Budget and 2016-18 Plan and related matters; and
7. That a consolidated item on the proposed 2015 Budget and 2016-18 Plan be submitted to a Special Council meeting, incorporating any further adjustments and/or direction provided by the Finance, Administration and Audit Committee.

Further consideration of the Draft 2015 Budget and 2016-2018 Plan was deferred to the March 2, 2015, Finance, Administration and Audit Committee meeting to continue deliberations (see 7. OTHER MATTERS CONSIDERED BY THE COMMITTEE, Item 7.1: DRAFT 2015 BUDGET AND 2016-2018 PLAN).

2 INTERNAL AUDIT ADVISORY REPORT – INTERNAL INFRASTRUCTURE FUNDING

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Internal Audit, dated February 9, 2015, be approved; and
- 2) That the presentation by the Director of Internal Audit and Communication C13, presentation material entitled "*Internal Infrastructure Funding*" dated February 9, 2015, be received.

Recommendation

The Director of Internal Audit recommends:

1. THAT the Internal Audit Advisory Report – Internal Infrastructure Funding Budget be received.

3 PROCURE TO PAY (P2P) IMPLEMENTATION STRATEGY

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Commissioner of Finance and City Treasurer, Director of Purchasing and the Director of Financial Services, dated February 9, 2015, be approved; and
- 2) That the presentation by the Director of Purchasing and the Director of Financial Services and C14, presentation material entitled "*Procurement to Payment (P2P) Implementation Strategy*", dated February 9, 2015, be received.

Recommendation

The Commissioner of Finance and City Treasurer, Director of Purchasing and the Director of Financial Services in consultation with the Director of Internal Audit and the Director of Innovation and Continuous Improvement (ICI), recommend:

1. That Council endorse the P2P Implementation Strategy;
2. That Council approve repurposing of funds from existing open capital projects, (CF-0053-09, \$205,000 and RI-0047-07, \$125,000) to create a new capital project to fund the P2P Implementation Strategy; and

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3. That Council continue to consider two (2) additional resources requested as part of the 2015-2018 Budget deliberations to support implementation of the P2P project.

4 MUNICIPAL PARTNERSHIP STRATEGY IMPLEMENTATION UPDATE

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Executive Director, dated February 9, 2015, be approved; and
- 2) That the presentation by the Executive Director, and C15, presentation material entitled "*Municipal Partnership Strategy Implementation Update*" dated February 9, 2015, be received.

Recommendation

The Executive Director, in consultation with the Interim City Manager, recommends;

1. THAT the Office of Municipal Partnerships be established within the Office of the City Manager reporting to the Executive Director in the Corporate organizational structure;
2. THAT subject to the approval of the related Innovation Reserve Request through the 2015 Budget process, the Office of Municipal Partnerships be initially staffed with two positions; a Manager and a Sponsorship Coordinator;
3. THAT the Commission of Finance & City Treasurer incorporate the creation of a new financial reserve for the purpose of the administration of Municipal Partnership revenues as part of the planned review of the Consolidated Reserve Policy (05.4.01) in 2015 and prepare a report to Council regarding this new reserve as dictated in the Consolidated Reserve Policy; and
4. THAT a status report be prepared for a Committee of the Whole Working Session no later than one year after implementation which provides an update on the Marketing Partnership Strategy and Implementation Plan including a Consolidated Draft Sponsorship Policy.

**5 CIVIC CENTRE TENNIS COURT RESTORATION
WARD 1**

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Commissioner of Planning and the Director of Parks Development, dated February 9, 2015, be approved; and
- 2) That the deputation by Mr. Bruno Riga, be received:

Recommendation

The Commissioner of Planning and the Director of Parks Development, in consultation with the Commissioner of Finance & City Treasurer and the Director of Financial Planning & Analytics, recommend:

1. That restoration of the existing Civic Centre tennis courts be referred to the 2015 Budget Process for consideration as a 2015 Capital Project.

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2013 ICE STORM STATUS UPDATE

(Referred)

The Finance, Administration and Audit Committee recommends:

1) That this matter be received.

Recommendation of the the Finance, Administration and Audit Committee meeting of February 2, 2015 (Item 7, Report No. 4):

- 1) That consideration of this matter be deferred to the Finance, Administration and Audit Committee meeting of February 9, 2015.

Recommendation of the Council meeting of January 20, 2015 (Item 4, Report No. 2, of the Finance, Administration and Audit Committee):

- 1) That consideration of this matter be deferred to the Finance, Administration and Audit Committee meeting of February 2, 2015; and
- 2) That Communication C4, from the Commissioner of Public Works, dated January 20, 2015, be received.

Recommendation of the Finance, Administration and Audit Committee meeting of January 12, 2015 (Item 4, Report No. 2)

- 1) That the following be approved:

Whereas, the City of Vaughan has submitted an application as part of the Ontario Ice Storm Assistance Program to cover \$10.2M of an estimated \$17.8M in total costs; and

Whereas, the Provincial guidelines indicated a 6 to 24 month review period for the said Application; and

Whereas, the Provincial guidelines deemed tree canopy replacement costs as a non-eligible part of the Ontario Ice Storm Assistant Program:

It is therefore recommended that:

- a) staff draft a communication to the Province requesting an expedited review of the Application in order to minimize the financial pressure associated with the disaster; and
- b) the issue of limitation of the availability of disaster relief not providing for financial assistance to support the enormous costs involved in the replacement of the tree canopies in the municipalities impacted by the 2013 Ice Storm be identified in the communication; and
- c) the communication request the Province to commission a study into their response to the Ice Storm disaster with the goal of making changes in the manner in which future disasters are dealt with; and
- d) particular emphasis in the study include the speed with which financial assistance is made available to municipalities and the extreme magnitude and complexity of the required process resulting in substantial costs imposed on the subject municipalities; and
- e) staff draft a communication to the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM) requesting their assistance in advocating to

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the Provincial and Federal Governments on the problems related to the municipal disaster relief process.

- 2) That the report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning & Analytics, dated January 12, 2015, be received;
- 3) That staff bring forward a report to the January 20, 2015, Council meeting, providing a detailed breakdown of the work performed, the length of contract, the cost per hour, labour and equipment for each of the companies where the cleanup cost was in excess of \$400,000;
- 4) That Communication C1, memorandum from the Director of Financial Planning & Analytics and the Commissioner of Finance & City Treasurer, dated January 9, 2015, from the Finance, Administration and Audit Committee meeting of January 12, 2015 (AM), be received; and
- 5) That the deputation by Mr. Kevin Hanit, Queensbridge Drive, Concord, be received.

Recommendation of the Finance, Administration and Audit Committee meeting of January 12, 2015

The Finance, Administration and Audit Committee, at its meeting of January 12, 2015 (Item 7, Finance, Administration and Audit Committee Report No. 1) recommended the following:

That this matter together with Communication C1, memorandum from the Director of Financial Planning & Analytics and the Commissioner of Finance & City Treasurer, dated January 9, 2015, and the following motion, be referred to the Finance, Administration and Audit Committee meeting of January 12, 2015 at 7:00 p.m. for consideration:

That staff bring forward a report to the January 20, 2015, Council meeting, providing a detailed breakdown of the work performed, the length of contract, the cost per hour, labour and equipment for each of the companies where the cleanup cost was in excess of \$400,000.

Report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning & Analytics, dated January 12, 2015

Recommendation

The Commissioner of Finance & City Treasurer and the Director of Financial Planning & Analytics recommend:

1. That the 2013 Ice Storm Status Update report be received.

7

OTHER MATTERS CONSIDERED BY THE COMMITTEE

7.1 DRAFT 2015 BUDGET AND 2016-2018 PLAN
(Referred)

The following actions were taken by the Finance, Administration and Audit Committee:

- 1) **The report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning and Analytics, dated January 12, 2015, was deferred to the March 2, 2015, Finance, Administration and Audit Committee meeting to continue deliberations;**
- 2) **In the course of its review of this matter, the following motions were approved:**
 - (a) **That the Summary of Changes to the Draft 2015 Budget and 2016-18 Plan be**

received, in accordance with Communication C1, memorandum from the Commissioner of Finance & City Treasurer and the Director of Financial Planning & Analytics, dated February 5, 2015;

- (b) That the Additional Resource Request for a Plans Examiner/Inspector Mechanical and Plumbing, be added to the Draft 2015 Budget as presented to the Finance, Administration and Audit Committee evening meeting of January 12, 2015, in accordance with Communication C2, memorandum from the Commissioner of Planning and the Director of Building Standards, dated January 30, 2015;
- (c) That Capital Project DE-7161-15, Street “A” – Highway 427 Crossing (Block 59) be added to the Draft 2015 Capital Budget, in accordance with Communication C3, memorandum from the Commissioner of Public Works, dated January 28, 2015;
- (d) That Capital Project EV-2081-15, Overhaul of Vaughan Landfill Methane Station be added to the Draft 2015 Capital Budget, in accordance with Communication C4, memorandum from the Commissioner of Public Works, dated January 21, 2015;
- (e) That the following be approved, in accordance with recommendations 2. and 3. contained in Communication C5, memorandum from the City Clerk, dated January 29, 2015:
 - 2. That the 2015 Draft Budget and 2016 Draft Financial Plan be amended to increase insurance premiums to \$4,169,919 for 2015 and \$4,795,407 for 2016; and
 - 3. That \$546,545 be transferred from the City’s insurance reserve to the City Clerk’s – Insurance business unit;
- (f) That the following be approved, in accordance with Communication C6, memorandum from the Commissioner of Planning dated February 5, 2015:
 - 1. That the scope of work for Phase 1 implementation of North Maple Regional Park be amended to include the development of two artificial turf fields with funding for the second field provided by a transfer from the Keele Valley Reserve as previously approved by Council;
 - 2. That the proposed contribution of \$150,000 from the Vaughan Soccer Club towards the development of soccer facilities to support the Long Term Player Development program requirements be recognized on the project detail sheet and the Vaughan Soccer Club be thanked for their generous contribution to this project; and
 - 3. That the revised detail sheet for PK-6305-15 North Maple Regional Park Phase 1 be received to replace the one previously submitted for consideration in the 2015 Budget;
- (g) That the following be approved, in accordance with Communication C7, memorandum from the Commissioner of Strategic & Corporate Services, dated February 5, 2015:

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1. That the Draft 2015 Budget be amended to include a capital project for the Update of the Vaughan Vision Strategic Plan;
2. That the capital project be funded from the closing of open capital projects which will result in no net tax impact in 2015;
- (h) That the revised detail sheet for PK-6501-16 Vaughan Crest Park Tennis Court Reconstruction be received to replace the one previously submitted for consideration in the 2015 Budget, in accordance with Communication C8, memorandum from the Commissioner of Planning, dated February 4, 2015;
- (i) That the impact of the revised group benefit premium be added to the Draft 2015 Budget and 2016-18 Plan, in accordance with Communication C9, memorandum from the Commissioner of Strategic & Corporate Services, dated February 6, 2015;
- (j) That the proposed 2015 budget reduction plan to achieve Council's 2015 tax rate increase mandate be incorporated in the Draft Budget and Plan, in accordance with Communication C10, memorandum from the Interim City Manager and the Commissioner of Finance & City Treasurer;
- (k) That the City continue to provide its residents with the winter windrow snow clearing service; and
- (l) That staff provide additional information and justification for the positions of Project Manager, Property Manager and Systems Analyst/Project Leader (JDE-Purchasing CI), and further, if these positions are needed, that staff identify the risks of including them in the full review of all positions conducted later this year by the Task Force for inclusion in the 2016 Budget;
- 3) The presentation by the Director of Financial Planning & Analytics and C12, presentation material entitled "*Status Update: 2015-2018 Financial Plan*", was received;
- 4) The following deputations were received:
 1. Mr. Guido Masutti, Riverview Avenue, Woodbridge;
 2. Ms. Lucille Abate, Keele Street, Vaughan, representing the Vaughan Soccer Club;
 3. Mr. Jeffrey Stone, Bathurst Street, Vaughan;
 4. Mr. Kevin Hanit, Queensbridge Drive, Concord;
 5. Ms. Donna Teggart, Merino Road, Maple, Vice President of Vaughan CARES; and
 6. Mr. Tony Bartolomeo, Keele Street, Maple, President of Vaughan Soccer Club; and
- 5) Communication C11 from Mr. Scott Somerville, Donhill Crescent, Kleinburg, dated February 9, 2015, was received.

Recommendation of the Finance, Administration and Audit Committee meeting of February 2, 2015 (Item 1, Report No. 4):

- 1) That the report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning and Analytics, dated February 2, 2015, and Communication C1, dated

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January 30, 2015, be deferred to the February 9, 2015, Finance, Administration and Audit Committee meeting to continue deliberations;

- 2) That the following be approved:
 - (a) That a meeting of Vaughan Holdings Inc. be scheduled as soon as possible to discuss PowerStream dividends in the context of the 2015 City budget;
 - (b) That the Interim City Manager and appropriate staff bring back a range of budgetary options including but not limited to:
 1. Hiring freeze;
 2. Best practice implementation;
 3. Operational efficiencies, particularly those proven in other jurisdictions; and
 4. User fees and program changes; and
 - (c) That staff from the York Region Transportation Services Department be requested to present at a City of Vaughan Committee of the Whole (Working Session), as soon as possible, to identify what specific initiatives and/or projects are included in the 2015 York Region budget to relieve traffic congestion;
- 3) That the following presentations and communications be received:
 - (a) Interim City Manager;
 - (b) Commissioner of Finance and City Treasurer;
 - (c) Director of Financial Planning and Analytics and Communication C4, presentation material entitled, "*Status Update: 2015-2018 Financial Plan*", dated February 2, 2015; and
- 4) That the deputation by Mr. Kevin Hanit, Quensbridge Drive, Concord, be received.

Recommendation of the Finance, Administration and Audit Committee meeting of January 23, 2015
(Item 1, Report No. 3):

- 1) That the report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning and Analytics, dated January 23, 2015, be deferred to the February 2, 2015, Finance, Administration and Audit Committee meeting to continue deliberations;
- 2) That the following be approved:
 - (a) That staff bring forward a report to a Finance, Administration and Audit Committee meeting, in Quarter 2 of 2015, outlining the differential, if any, between the amount the City charges for space rented/leased as against the full recovery value of such space, and that this report include space rented/leased or provided free to Community Services Organizations and Seniors Clubs, and also that this report provide the information for each individual group;
 - (b) That the Chief Executive Officer of Vaughan Public Libraries be requested to review with the Vaughan Public Library Board its 2015 Budget and 2016-2018 Plan, in order to identify possible cost savings to align with the City's 2015 budget cap of 3% or less;
 - (c) That staff provide a report of all City owned facilities that are currently being leased to private companies as part of the 3P Initiatives, and that each 3P Initiative include

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revenue/loss for each of the last 4 years, along with the date when each agreement comes up for renewal; and

- 3) That the following communications and presentations be received:
- (a) Commissioner of Finance & City Treasurer and C2, presentation material entitled "*Draft 2015 Budget and 2016-2018 Financial Plan*" dated January 23, 2015;
 - (b) Chief Executive Officer, Vaughan Public Libraries, and C3, presentation material entitled "*Vaughan Public Libraries 2015-2018 Financial Plan*", dated January 23, 2015;
 - (c) Commissioner of Legal & Administrative Services/City Solicitor and C4, presentation material entitled "*Commission Based Presentations – Legal & Administrative Services 2015-208 Financial Plan*", dated January 23, 2015;
 - (d) Commissioner of Finance & City Treasurer and C5, presentation material entitled "*Commission Based Presentations – Finance 2015-2018 Financial Plan*", dated January 23, 2015;
 - (e) Commissioner of Finance & City Treasurer and C6, presentation material entitled "*Commission Based Presentations – Corporate 2015-2018 Financial Plan*", dated January 23, 2015;
 - (f) Commissioner of Strategic & Corporate Services and C7, presentation material entitled "*Commission Based Presentations – Strategic & Corporate Services 2015-2018 Business and Financial Plan*", dated January 23, 2015;
 - (g) Commissioner of Planning and C8, presentation material entitled "*Commission Based Presentations – Planning 2015-2018 Financial Plan*", dated January 23, 2015;
 - (h) Commissioner of Public Works and C9, presentation material entitled "*Commission Based Presentation – Public Works 2015-2018 Financial Plan*", dated January 23, 2015;
 - (i) Fire Chief and C10, presentation material entitled "*SMT Commission Based Presentations – Fire & Rescue 2015-2018 Financial Plan*", dated January 23, 2015; and
 - (j) Interim City Manager and the Executive Director, Office of the City Manager and C11, presentation material entitled "*SMT Commission Based Presentations – City Manager & Recreation & Culture 2015-2018 Financial Plan*", dated January 23, 2015.

Recommendation of the Finance, Administration and Audit Committee meeting of January 12, 2015
(Item 2, Report No. 2)

- 1) That the report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning and Analytics, dated January 12, 2015, be deferred to the January 23, 2015, Finance, Administration and Audit Committee meeting to continue deliberations;
- 2) That the following be approved:

That recognizing the community's need for fiscal restraint, over the next few months the Finance, Administration and Audit Committee and City staff shall be directed to work toward a set target not to exceed 3% per annum for the period of 4 years;

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That for the Commission based presentations scheduled for later this month, senior staff work with the Interim City Manager to provide specific recommendations to achieve the set target for consideration by the Finance, Administration and Audit Committee;

That recommendations consider all options including revenue generation, service level adjustments, new funding request prioritization, etc. In addition, to assist the Committee in making informal decisions, any recommendations incorporate community, service levels and risk implications;

That the annual savings achieved through the Continuous Improvement Program be reflected in the budget;

- 3) That the presentation by the Commissioner of Finance & City Treasurer and the Director of Financial Planning and Analytics and Communication C2, presentation material entitled, "Draft 2015 Budget and 2016-2018 Financial Plan", dated January 12, 2015, were received; and
- 4) That the following deputations be received:
 1. Mr. Kevin Hanit, Queensbridge Drive, Concord;
 2. Mr. Savino Quatela, Grand Valley Boulevard; and
 3. Ms. Tianna De Lorenzo, Woburn Drive, Woodbridge.

Report of the Commissioner of Finance/City Treasurer and the Director of Financial Planning and Analytics, dated January 12, 2015

Recommendation

The Commissioner of Finance/City Treasurer and the Director of Financial Planning and Analytics, in consultation with the Interim City Manager and the Senior Management Team recommend:

1. That the presentation on the DRAFT 2015 Budget and 2016-18 Plan be received; and
2. That this matter and any comments received be referred to the next Finance, Administration, and Audit Committee to continue deliberations.

Regional Councillor Di Biase declared an interest with respect to Capital Project DE-7161-15, Street "A" – Highway 427 Crossing (Block 59) as it relates to Communication C3, as he is a named defendant in a matter related to a parcel of land contained within Block 59 and is therefore directly affected, and did not take part in the discussion or vote on the matter.

Regional Councillor Rosati declared an interest with respect to Capital Project DE-7161-15, Street "A" – Highway 427 Crossing (Block 59) as it relates to Communication C3, as he is a named defendant in a matter related to a parcel of land contained within Block 59 and is therefore directly affected, and did not take part in the discussion or vote on the matter.

7.2 RECESS AND RECONVENE

The Finance, Administration and Audit Committee recessed at 8:10 p.m. and reconvened at 8:16 p.m. with the following members present:

Present: Regional Councillor Gino Rosati, Chair
 Hon. Maurizio Bevilacqua, Mayor
 Regional Councillor Michael Di Biase
 Regional Councillor Mario Ferri

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Councillor Marilyn Iafrate
Councillor Tony Carella
Councillor Rosanna DeFrancesca
Councillor Alan Shefman

The meeting adjourned at 11:00 p.m.

Respectfully submitted,

Regional Councillor Gino Rosati, Chair