

CITY OF VAUGHAN

Revised

REPORT NO. 6 OF THE FINANCE, ADMINISTRATION AND AUDIT COMMITTEE

*For consideration by the Council
of the City of Vaughan
on March 24, 2015*

The Finance, Administration and Audit Committee met at 7:03 p.m., on March 2, 2015.

Present: Regional Councillor Gino Rosati, Chair
Hon. Maurizio Bevilacqua, Mayor
Regional Councillor Michael Di Biase
Regional Councillor Mario Ferri
Councillor Marilyn Iafrate
Councillor Rosanna DeFrancesca
Councillor Sandra Yeung Racco
Councillor Alan Shefman

The following items were dealt with:

1 **DRAFT 2015 BUDGET AND 2016-2018 PLAN**
(Referred)

Further consideration of the Draft 2015 Budget and 2016-2018 Plan was deferred to the March 9, 2015, Finance, Administration and Audit Committee meeting to continue deliberations (see 3. OTHER MATTERS CONSIDERED BY THE COMMITTEE, Item 3.1: DRAFT 2015 BUDGET AND 2016-2018 PLAN).

2 **2015 DRAFT WATER AND WASTEWATER/STORMWATER OPERATING BUDGETS
AND THE 2016-2018 PLAN**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance & City Treasurer, the Commissioner of Public Works, the Director of Environmental Services and the Director of Financial Services and Deputy Treasurer, dated March 2, 2015:

Recommendation

The Commissioner of Finance & City Treasurer, the Commissioner of Public Works, the Director of Environmental Services and the Director of Financial Services and Deputy Treasurer recommend:

1. That the draft 2015 budget including rate increases for Water and Wastewater reflecting the Regional Rate increase, City operating and City capital requirements be considered as follows:

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- (a) That the City's water rate be increased from \$1.4075 to \$1.4780 per cubic meter effective after Council approval;
- (b) That the City's wastewater rate be increased from \$1.6781 to \$1.9130 per cubic meter effective after Council approval;
- 2. That the Additional Resource Request (ARR) Staffing Requests to support the water and wastewater field staff as outlined in Attachment 2 be considered;
- 3. That the service charges for water and wastewater as outlined in Attachment 7 be considered;
- 4. That any necessary By-laws to give effect to the water and wastewater rates and service charges be implemented in the billing cycle after budget approval;
- 5. That should Committee endorse recommendations 1, 2, 3 and 4, 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 Water and Wastewater Budget and 2016-2018 Plan and related matters; and
- 6. That a consolidated item on the proposed 2015 Water and Wastewater Budget and 2016-2018 Plan be submitted to a Special Council meeting, incorporating any further adjustments and/or direction provided by the Finance, Administration and Audit Committee.

3

OTHER MATTERS CONSIDERED BY THE COMMITTEE

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

The following action was 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 March 2, 2015, was deferred to the March 9, 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 recommendation contained in C1, memorandum from the Commissioner of Finance and City Treasurer and the Director of Financial Planning & Analytics, dated February 26, 2015, be approved as follows:**
 - 1. **That the update on the DRAFT 2015 Budget and 2016-18 Plan be received; and**
 - 2. **That a consolidated item on the 2015 PROPOSED 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;**
 - (b) **That recommendation 2 (a) and (c) contained in Item 1, Report No. 3 of the Finance, Administration and Audit Committee meeting of January 23, 2015, be amended by directing that the requested reports be submitted to the Budget Task Force, so as to read as follows:**

- (a) That staff bring forward a report to the Budget Task Force 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 Service Organizations and Seniors Clubs, and also that this report provide the information for each individual group; and
 - (c) That staff provide a report to the Budget Task Force of all City owned facilities that are currently being leased to provide companies as part of the 3P Initiatives, and that each 3P Initiative include revenue/loss for each of the last 4 years, along with the date when each agreement comes up for renewal;
 - (c) That the following motion be referred to the March 9, 2015, Finance, Administration and Audit Committee meeting, for consideration, pending further information to be provided by staff:

Whereas, approximately 21,000 trees were destroyed by the 2013 Ice Storm and the Emerald Ash Borer (EAB) infestation; and

Whereas, Vaughan residents place great value in the sustainable environment; and

Whereas, many streets in the City were stripped of virtually all of its trees; and

Whereas, the current recommended funding will not provide for tree replacement to be completed until 2024-2025:

It is therefore recommended that:

The proposed 0.49% tax levy for 2015 and 2016 be included in the 2015 Budget with all funds received being dedicated to tree replacement;
 - (d) That all six (6) commissioners positions be considered at the next corporate structure review, recognizing that we have presently three (3) vacant commissioner positions, and that further adjustments to the corporate structure be deferred to allow a fulsome consultation process with Members of Council and Senior Staff, under the leadership of the new City Manager, taking into consideration the facilitation by the Western Management Consulting Group – Corporate Structure Review, if required;
 - 3) The presentation by the Director of Financial Planning and Analytics and Communication C4, presentation material entitled, “*Status Update: Draft 2015 Budget and 2016-18 Financial Plan*”, dated March 2, 2015, were received; and
 - 4) The deputation by Mr. Kevin Hanit, Queensbridge Drive, Concord, was received.
- Recommendation of the Finance, Administration and Audit Committee, at its meeting of February 9, 2015, recommended (Item 1, Report No. 5):
- 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 March 2, 2015, Finance, Administration and Audit Committee meeting to continue deliberations;

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- 2) (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:
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;

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- (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) That the presentation by the Director of Financial Planning & Analytics and C12, presentation material entitled "*Status Update: 2015-2018 Financial Plan*", be received;
- 4) That the following deputations be 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) That Communication C11 from Mr. Scott Somerville, Donhill Crescent, Kleinburg, dated February 9, 2015, be received.

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

- 3) That the report of the Commissioner of Finance & City Treasurer and the Director of Financial Planning and Analytics, dated January 23, 2015, and Communication C1, dated January 30, 2015, be deferred to the February 9, 2015, Finance, Administration and Audit Committee meeting to continue deliberations;
- 4) 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:

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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;
- 5) 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
- 6) 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 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;

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- (c) Commissioner of Legal & Administrative Services/City Solicitor and C4, presentation material entitled "*Commission Based Presentations – Legal & Administrative Services 2015-2018 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;

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;

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- 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.

The meeting adjourned at 9:41 p.m.

Respectfully submitted,

Regional Councillor Gino Rosati, Chair