

CITY OF VAUGHAN
REPORT NO. 10 OF THE
FINANCE, ADMINISTRATION AND AUDIT COMMITTEE

*For consideration by the Council
of the City of Vaughan
on October 19, 2016*

The Finance, Administration and Audit Committee met at 9:40 a.m., on October 11, 2016.

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

The following items were dealt with:

1 REVIEW AND UPDATE OF RECREATION SERVICES USER FEE POLICY

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager, Community Services and the Director of Recreation Services, dated October 11, 2016, be approved; and**
- 2) That Communication C2 presentation material entitled, “Recreation Services User Fee Study”, dated October 11, 2016, be received.**

Recommendation

The Deputy City Manager, Community Services and the Director of Recreation Services, in consultation with the Chief Financial Officer & City Treasurer, Director of Transportation Services Parks and Forestry Operations and the Manager of Facility Maintenance Services recommend:

1. That the report entitled “Recreation Services User Fees Study” dated September 6, 2016 and the presentation from Hemson Consulting Ltd. regarding the update of the Recreation Services User Fee Policy be received; and,
2. That the existing Recreation Services User Fee and Pricing Policy be amended to include the following in the “Guiding Principles” section:
 - The Department shall monitor public and private sector benchmark fees for key programs and services;

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- The Department shall strive to change, introduce and terminate fees to respond to changes in market conditions and participation on a regular basis;
 - The Department shall strive to encourage participation in key areas through promotions, loyalty, and rewards offerings and other marketing programs;
 - The Department shall avoid increasing a fee when participation in the program or service to which the fee relates has declined for two or more consecutive years;
 - It is the intention of the Department to undertake a comprehensive fee review every five years to ensure that its fees are achieving the principles of this policy; and,
3. That implementation of Model 1 (maintain cost recovery rate of 95% for direct Recreation Services operating expenses with a +/- 10% fee change flexibility phased over a 3-year period) be approved for implementation in 2017; and,
 4. That the Fees and Charges By-Law, 015-2015, be amended to reflect the amendments to the Recreation User Fee and Pricing Policy; and,
 5. That the inclusion of this matter on the Finance Administration and Audit Committee and Council agendas with respect to amending Recreation fees as identified in the User Fee Study is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended.

2 RFP – 16-265 GENERAL INSURANCE AND RISK MANAGEMENT SERVICES PROGRAM

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the City Clerk, dated October 11, 2016, be approved; and**
- 2) That Communication C1 from Ms. Carrie Liddy, dated October 9, 2016, be received and that appropriate staff respond to issues raised by the correspondent.**

Recommendation

The City Clerk, in consultation with the Chief Financial Officer and City Treasurer, and the Director of Procurement Services recommend:

1. That the RFP 16-265 for General Insurance and Risk Management Services be awarded to AON Risk Solutions for an annual premium of \$2,543,012.00 plus applicable taxes commencing January 1st 2017;
2. That the City Clerk in consultation with the Chief Financial Officer and City Treasurer be authorized to renew the said contract on a year to year basis for a maximum period of four (4) years based on quality of service, mutual agreement and annual premium negotiation;
3. That the purpose of the insurance reserve as referenced in the Consolidated Reserve Policy be expanded to include the use of the reserve to offset premium cost increases;
4. That the premium cost differential resulting from this RFP be placed in the insurance reserve; and;
5. That the Mayor and City Clerk be authorized to sign the necessary documents.

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**3 SERVICE EXCELLENCE STRATEGIC INITIATIVE: PROCUREMENT MODERNIZATION -
UPDATE**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, Director of Environmental Services and Director of Procurement Services, dated October 11, 2016:

Recommendation

The Chief Financial Officer and City Treasurer, Director of Environmental Services and Director of Procurement Services, in consultation with the Director of Transformation and Strategy, recommend:

1. That Council endorse the overall Procurement Modernization strategy based on the following principles:
 - Transparency: Improve the integrity of the procurement process through open, fair and transparent practices.
 - Accountability: Define clear roles and responsibilities, timelines and milestones for each procurement project.
 - Efficiency: Increase productivity through streamlined processes and staff empowerment.
 - Teamwork: Collaborate with client departments in strategic procurement project planning.
 - Innovation: Leverage technology to improve business processes to support clients' procurement needs and the supplier community.

**4 VELLORE VILLAGE SOUTH LIBRARY – BUDGET AMENDMENT AND AWARD OF TENDER
T16-290
WARD 3**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager of Public Works and the Director of Infrastructure Delivery, dated October 11, 2016:

Recommendation

The Deputy City Manager of Public Works and the Director of Infrastructure Delivery, in consultation with the CEO of Vaughan Public Libraries (VPL), the Director of Financial Planning and Development Finance & Deputy City Treasurer and the Director of Procurement Services, recommend:

1. That Council approve the award of construction tender T16-290 for Vellore Village South Library to Jasper Construction Corp. at a cost of \$4,015,000, plus applicable taxes;
2. That a contingency allowance for construction in the amount of \$401,500, plus applicable taxes and administrative recovery be approved within which the Deputy City Manager of Public Works, or his designate, is authorized to approve amendments to the contract;
3. That Council approve the Vaughan Public Library Board's recommendation to increase the Vellore Village South Library design and construction budget (Capital Project LI-4539-14) by \$1,250,000 to be funded 90% from City-Wide Library Development Charges Reserve and 10% from the Capital from Taxation Reserve;
4. That Capital Project LI-4540-15 Vellore Village South Resources budget be reduced by \$450,000 and that those funds be returned to their original funding sources (90% from City-Wide Library Development Charges Reserve and 10% from the Capital from Taxation Reserve);

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5. That Capital Project LI-4508-09 Civic Centre Resource Library Resources be closed by December 31, 2016, and the remaining project funds returned to their original funding sources (90% from City-Wide Library Development Charges Reserve and 10% from the Capital from Taxation Reserve) to offset these additional project costs ; and
6. That the Mayor and City Clerk be authorized to sign the appropriate documents.

5 OTHER MATTERS CONSIDERED BY THE COMMITTEE

5.1 CONSIDERATION OF AD HOC COMMITTEE REPORTS

The Finance, Administration and Audit Committee recommends:

That the following Ad Hoc Committee report be received:

1. **Council Expenditure and Code of Conduct Review Task Force meeting of September 14, 2016 (Report No. 6).**

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The meeting adjourned at 11:20 a.m.

Respectfully submitted,

Hon. Maurizio Bevilacqua, Mayor, Chair