

VAUGHAN

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memorandum

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COMMUNICATION
FAA - <u>MAR 2/15</u>
ITEM - <u>1</u>

DATE: February 26, 2015

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: BARBARA CRIBBETT, INTERIM CITY MANGER
JOHN HENRY, COMMISSIONER OF FINANCE AND CITY TREASURER

RE: FINANCE, ADMINISTRATION AND AUDIT COMMITTEE – March 2, 2015
Budget Task Force

Recommendation

The Interim City Manager and the Commissioner of Finance & City Treasurer recommend;

1. That the attached Terms of Reference for the Budget Task Force be approved; and
2. That the Committee provide direction on the attached Proposed Budget Task Force Work Plan; and
3. That up to four members of Council be appointed to the Budget Task Force.

Background

At the Finance, Administration and Audit Committee meeting of February 9, 2015, the Committee recommended that a task force be created to study options for the development of a budget reduction plan for 2016-18 to help achieve Council's direction for a tax rate increase of not more than 3% per annum for the remaining term of Council. The Committee recommended that up to four members of Council sit on the Task Force but has not yet recommended the appointment of any particular Councillors.

The budget reduction plan outlined in Communication C10, dated February 6, 2015 has been incorporated into the DRAFT 2015 Budget and 2016-18 Plan. That plan focuses on achieving Council's direction for the 2015 budget year with immediate short-term savings. As this budget reduction plan focusses on 2015, further work will be required to achieve tax rate increases of 3% per annum for the remaining term of Council. The Task Force would study the options that might be available to transform the City's financial structure to achieve permanent, sustainable budget reductions over the remaining term of Council. The Task Force would then report on its findings by September 30, 2015 so that any recommendations can be included in the 2016 Budget process.

The work of the Task Force would be supported by the Senior Management Team who would provide advisory or technical support in their areas of expertise. Through the 2015 Budget Process, the Senior Management Team identified many options to reduce budget pressures including potential adjustments to service levels, the introduction of new fees, innovative service delivery models, etc. Many of the options identified would benefit from further study and discussion by the Budget Task Force to determine whether they should be recommended to the Finance, Administration and Audit Committee.

The budget pressures faced by the City are complex and some have built up over time. These include municipal price pressures, slowing assessment growth coupled with increasing costs to service growth, new service level requests, infrastructure renewal requirements, a growing need to transform City administration to achieve long term efficiencies in support of better service delivery, etc. The Budget

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Task Force will provide an opportunity or further study and discussion that will feed in to the next budget cycle. A draft work plan framework has been set out in Attachment 2 for committee consideration.

The Budget Task Force will further detail and refine the work plan at its first meeting.

Adoption of the attached Terms of Reference and associated recommendations will implement Council's direction

Attachments

1. Terms of Reference – Budget Task Force
2. Potential Work Plan – Budget Task Force

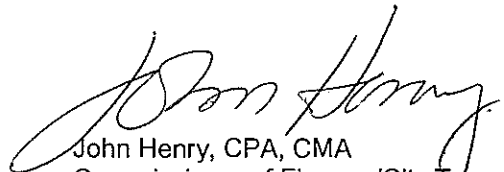
Prepared by:

Laura Mirabella-Siddall, CPA, CA
Director of Financial Planning & Analytics

Respectfully submitted,



Barbara Cribbett, CPA, CMA
Interim City Manager



John Henry, CPA, CMA
Commissioner of Finance/City Treasurer

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BUDGET TASK FORCE TERMS OF REFERENCE

Mandate / Objectives

- 1) The Budget Task Force is a sub-committee of the Finance and Administration Committee.
- 2) The Budget Task Force will give consideration to options for the development of a budget reduction plan for the next budget cycle to help achieve Council's direction for a tax rate increase of not more than 3% per annum for the remaining term of Council.

Term

The 2016-18 Budget Task Force shall submit a report of its findings and recommendations by September 30, 2015.

Membership

The Budget Task Force is composed of up to four members of Council.

Meeting Procedures

The proceedings of the Budget Task Force are to be governed by the City's Procedural By-law.

Agendas and Reporting

Agendas shall be prepared by the City Clerk's Office in consultation with the Task Force Chair. Agendas shall be posted on the City's web site one week prior to the scheduled date of the meeting or as soon as practicable.

After each meeting of the Task Force, the City Clerk shall submit a report in the City's committee report format to the Finance, Administration and Audit Committee.

Meetings

Meeting dates will be determined at the first meeting of the Task Force. The Task Force may meet on the schedule determined, or at the call of the Chair.

All meetings are to be open to the public in accordance with the *Municipal Act, 2001*.

Notice of Meetings

Meetings will be noted on the Schedule of Meetings calendar posted on the City's website.

Quorum

The majority of members, including the Chair, shall constitute quorum.

Staff Resources

The role of staff is to act as a resource to the Task Force, but not to be members of the committee, or to deliberate or draft the findings of the committee. The following staff will provide advisory and technical support specific to the mandate and objectives of the committee:

- City Manager
- Commissioner of Finance and City Treasurer
- Director of Financial Planning and Analytics and required team members

As required,

- Commissioner of Planning or delegate
- Commissioner of Legal and Administrative Services or delegate
- Commissioner of Public Works or delegate
- Commissioner of Strategic and Corporate Services or delegate
- Executive Director or delegate

The City Clerk's Office will be responsible for agenda production and distribution, the giving of procedural advice, and the recording of the proceedings of the committee.

Authority

The Task Force may not exercise decision-making powers, or commit expenditures save for those specifically delegated by Council. The Task Force may not direct staff to undertake activities without authority from Council.

Amendment / Expansion of Terms of Reference

Only Council can initiate any amendment and/or expansion of the Terms of Reference.



BUDGET TASK FORCE DRAFT WORK PLAN FRAMEWORK

At the Finance, Administration and Audit Committee meeting of February 9, 2015, the Committee recommended that a task force be created to study and discuss options for the development of a budget reduction plan to help achieve Council's direction for a tax rate increase of not more than 3% per annum for the remaining term of Council. This was subsequently approved by Council on February 17th, 2015.

The Task Force will provide an opportunity for an in-depth discussion of the budget pressures facing the City and study the options that might be available to transform the City's financial structure to achieve permanent and sustainable budget reductions over the remaining term of Council. The Task Force would then report on its findings by September 30, 2015, so any recommendations can be included in the 2016 budget process.

Suggested Task Force Topics

1. Status Quo Cost Pressures and Potential Reduction Options
 - 1.1. Overview of Status Quo Pressures
 - 1.1.1. Municipal Price Index
 - 1.1.2. Financial & Organizational Structure
 - 1.1.3. Budget Pressures
2. User fees
 - 2.1. Use Fee Cost recovery performance
 - 2.2. Jurisdictional analysis (e.g. type or levels of fees)
 - 2.3. Alternative revenue models & streams
 - 2.4. Specific Fee Reviews
 - 2.4.1. Recreation and Culture
 - 2.4.2. By-Law and Compliance
 - 2.4.3. Planning & Engineering
3. Growth and Capital Projects
 - 3.1. Net cost of growth and timing alignment
 - 3.2. The Infrastructure Challenge
 - 3.3. Capacity planning and inactive capital projects

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4. Service Delivery Models

4.1. Program Review Framework

4.2. Citizen Survey Results - Forum

4.3. Determining appropriate service levels

4.4. Public Private Partnerships

4.5. Internal Infrastructure and Labour Productivity: the Case for investment in transformation

4.6. Specific Topics of Interest

4.6.1.1. Expansion/Integration of Access Vaughan and other Departments

4.6.1.2. Economic Development Services delivery

4.6.1.3. Animal Shelter Review

4.6.1.4. Crossing Guards Levels

4.6.1.5. Uplands Best Use Study

5. Assessing Budget Priorities