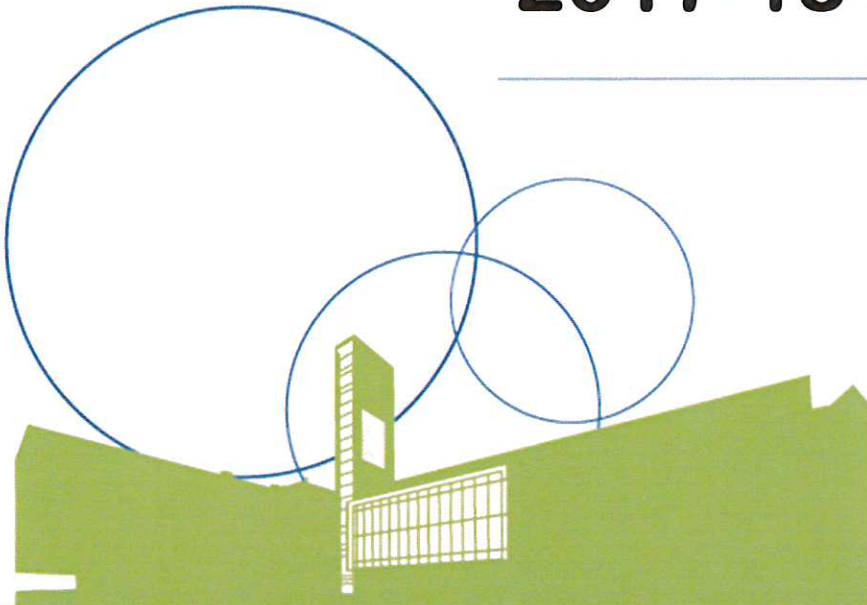


| |
|---------------------|
| C 3 |
| COMMUNICATION |
| FAA - Nov 2/15 (PM) |
| ITEM - 1 |

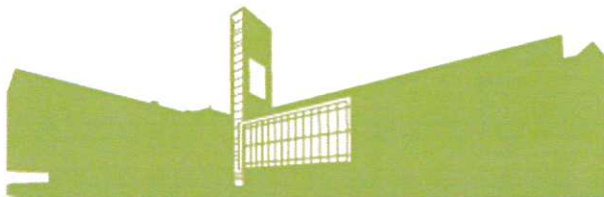
DRAFT 2016 Budget and 2017-18 Financial Plan

**Presentation to
Finance, Administration and
Audit Committee
November 2, 2015
Council Chamber**



What Have We Achieved?

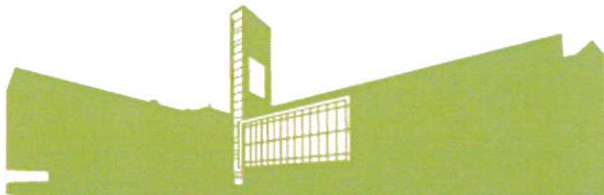
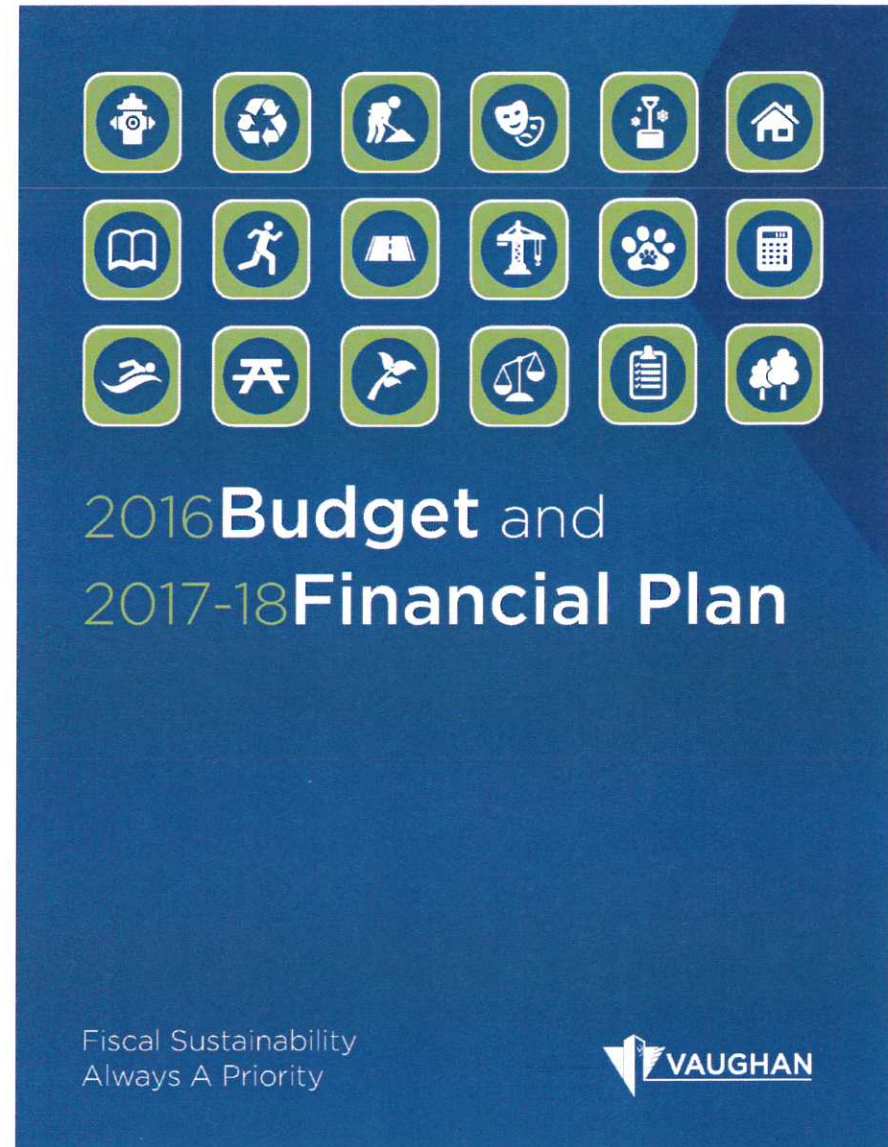
- Tax rate increases kept to **3% per year**
- **\$14 million in savings** for 2016 while maintaining service levels
- Positions the City to **deliver on Council's Priorities**
- Targets completion of **390 open capital projects** and commits **\$293 million for 297 new projects**
- Focuses on **improving service delivery**, managing growth, and delivering services more effectively and efficiently



2

NEW Budget Book

- Refreshed
- Better organized
- Easy to read
- Plain language
- Available now



How Did We Develop This Plan?



4

Strategy Map

- Outlines Vaughan's vision, mission, values
- Brings focus and alignment to position City for success
- **16 priorities** for this term of Council supported by 6 Service Excellence Initiatives

Term of Council Service Excellence Strategy Map (2014-2018)



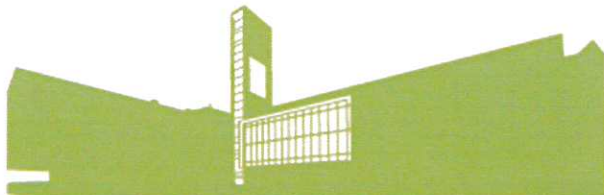
TERM OF COUNCIL PRIORITIES

- ☐ Improve municipal road network
- ☐ Continue to develop transit, cycling and pedestrian options to get around the City
- ☐ Facilitate the development of the VMC
- ☐ Support the development of the hospital
- ☐ Re-establish the urban tree canopy
- ☐ Invest, renew and manage infrastructure and assets
- ☐ Continue to ensure the safety and well-being of citizens
- ☐ Meet Council tax rate targets (no greater than 3%)
- ☐ Update the Official Plan and supporting studies
- ☐ Attract investment and create jobs
- ☐ Create and manage affordable housing options (secondary suites)
- ☐ Continue to cultivate an environmentally sustainable city
- ☐ Support and promote arts, culture, heritage and sports in the community
- ☐ Continue to advance a culture of excellence in governance
- ☐ Establish a lobbyist registry
- ☐ Enhance civic pride through a consistent city-wide approach to citizen engagement

SERVICE EXCELLENCE STRATEGIC INITIATIVES

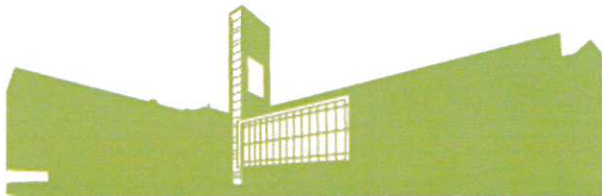
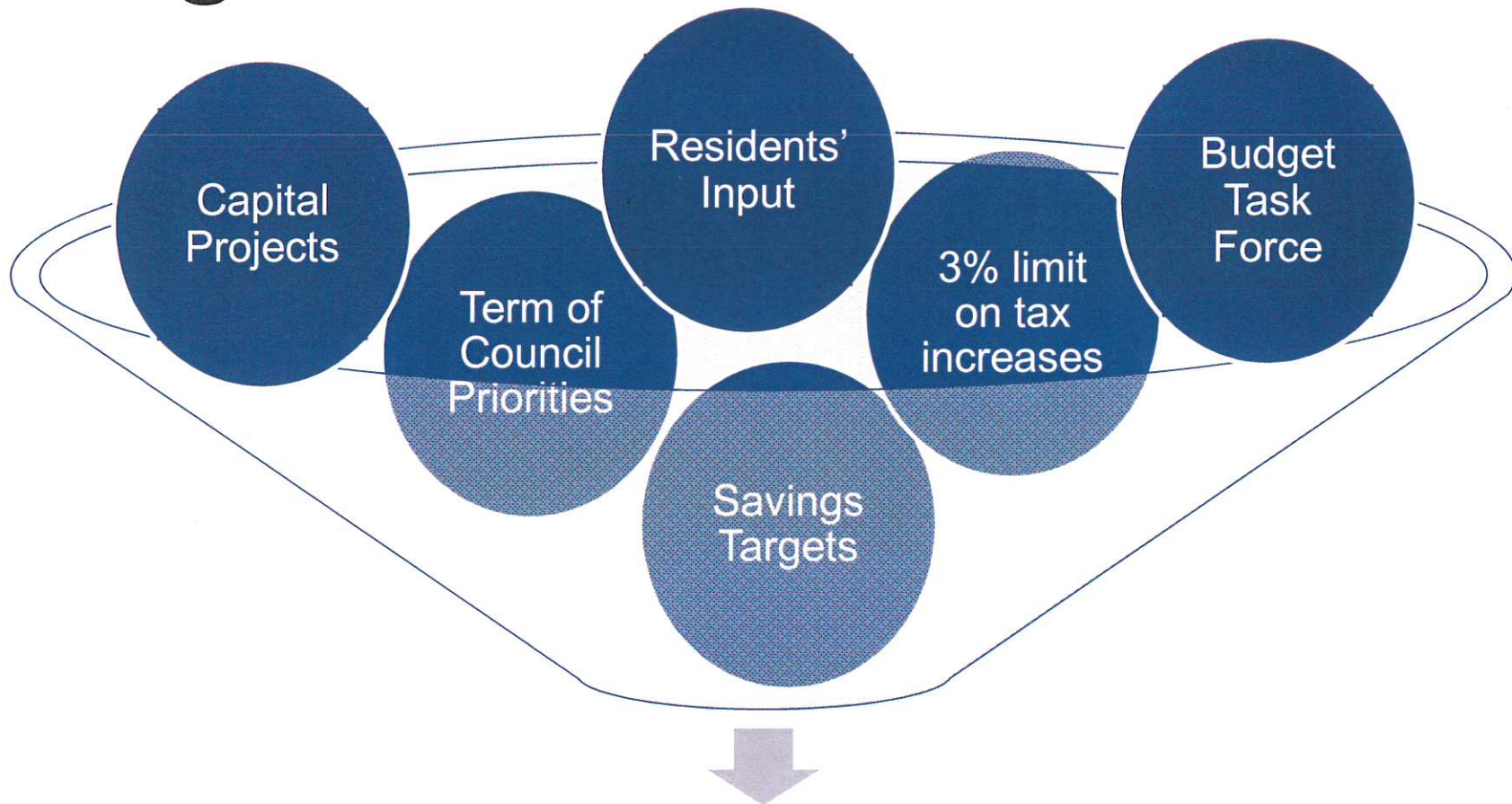
| CITIZEN EXPERIENCE | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Citizen Experience and Service Delivery Citizens Engaged in Decision Making <ul style="list-style-type: none"> Develop a meaningful and inclusive citizen engagement framework | Consistent Service Delivery <ul style="list-style-type: none"> Improve the use of tools and resources Develop service level standards to enhance satisfaction through consistent service experience | End-to-End Citizen-Centred Services Improvement Through Technology <ul style="list-style-type: none"> Develop and implement a digital service strategy that defines how the City will deliver services through multiple channels (phone, web, mobile) | |
| OPERATIONAL PERFORMANCE | | | |
| Service Delivery Options Effective Service Delivery <ul style="list-style-type: none"> Review service delivery options and shared services to match resources to the desired level of service | Continuous Improvement <ul style="list-style-type: none"> Implement continuous improvement initiatives to improve our service and business processes | Financial Sustainability Sustainable Fiscal Framework <ul style="list-style-type: none"> Create a Financial Master Plan to ensure sustainable fiscal policies and management of assets | Demonstrate Value for Money <ul style="list-style-type: none"> Continue to refine our performance measures and benchmark for service delivery |
| STAFF ENGAGEMENT | | | |
| Employee Engagement Invest in Our People <ul style="list-style-type: none"> Establish a People Plan to support employees through change Succession plan Learning and development Workforce planning and talent management | Communication Strategy <ul style="list-style-type: none"> Develop communications to frame the journey of service excellence and transformation | Corporate Governance and Accountability Framework Leadership Alignment <ul style="list-style-type: none"> Develop and implement a leadership alignment process that aligns people, process and technology to foster a culture of service excellence | Governance and Accountability <ul style="list-style-type: none"> Review the organizational structure with defined roles and responsibilities to ensure it is positioned to deliver on Council priorities Develop an Enterprise Risk Management Framework to better support governance and accountability |

DEPARTMENTAL BUSINESS PLANS



5

Budget Considerations



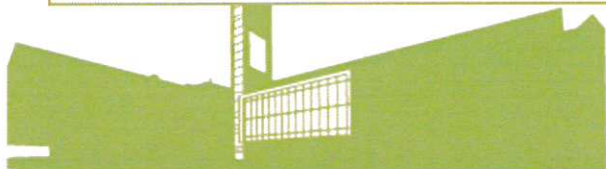
What Are The Numbers?



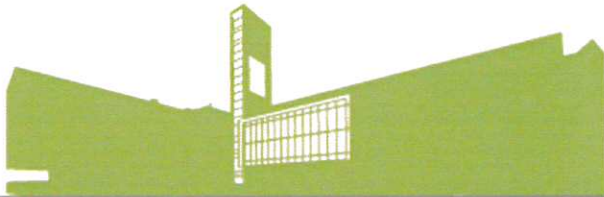
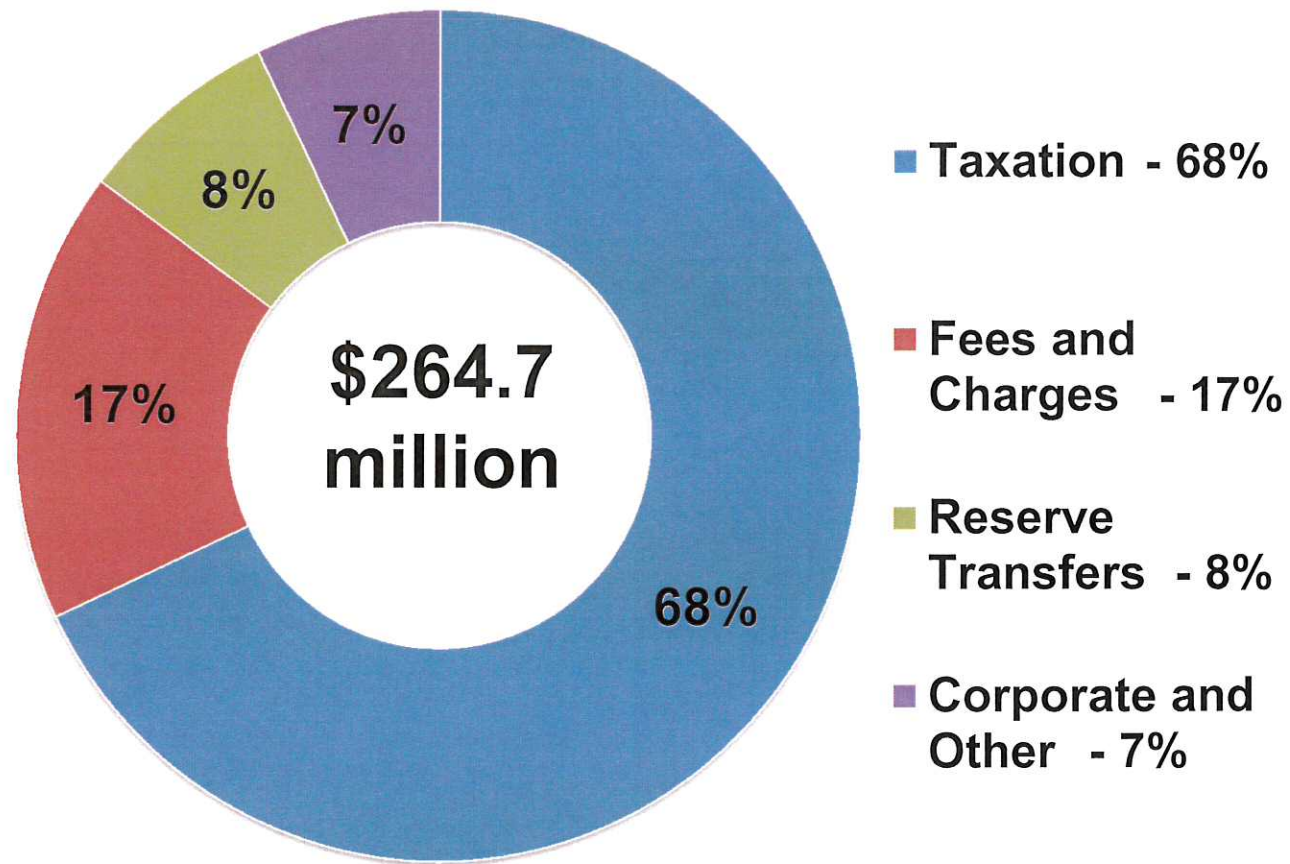
7

2016 Budget 2017-18 Plan

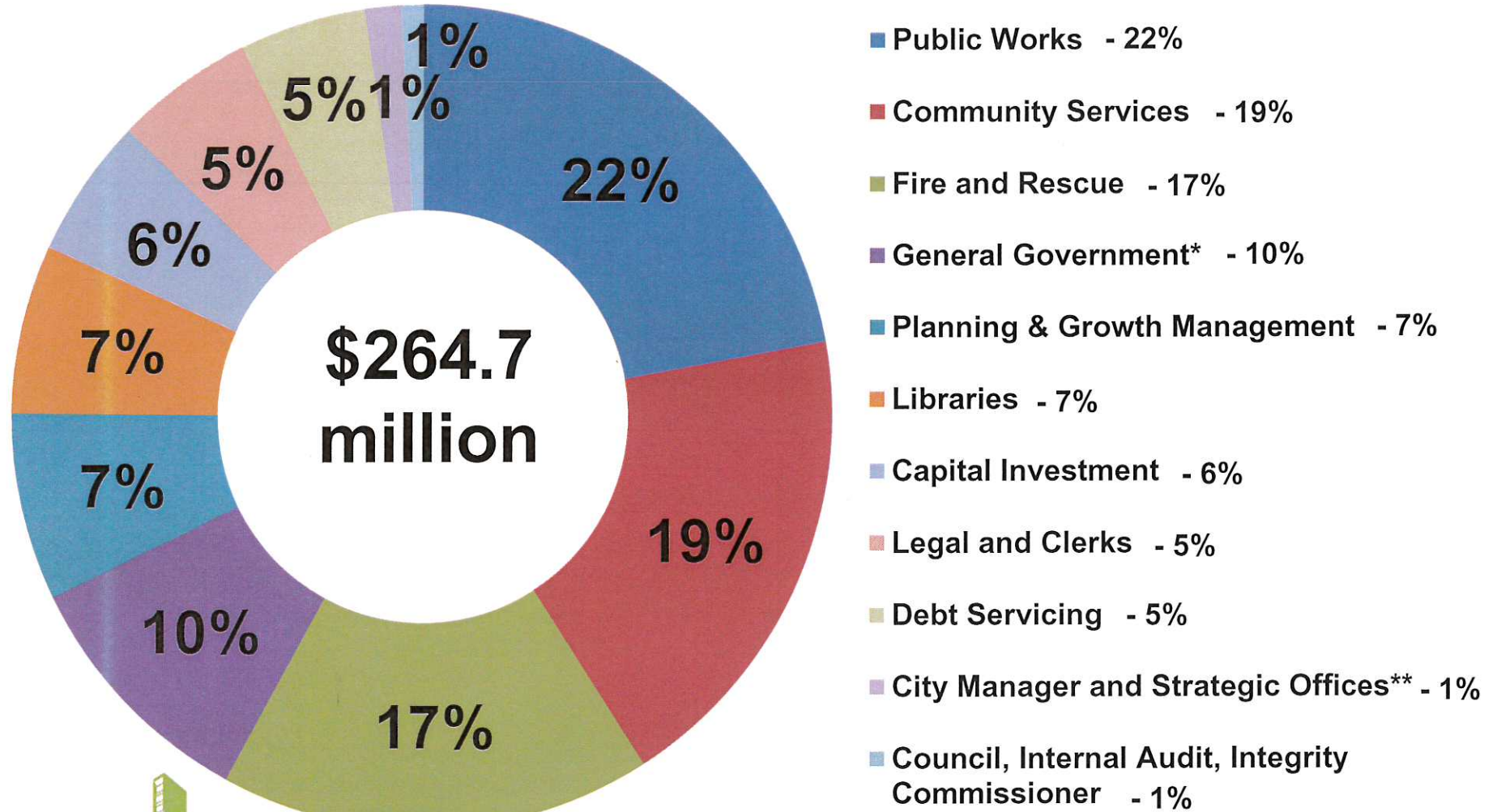
| \$M | 2016 | 2017 | 2018 |
|-----------------------------|--------------|--------------|--------------|
| | Budget | Forecast | |
| Gross Operating | 264.7 | 272.7 | 282.5 |
| Non-Tax Revenue | 84.7 | 83.1 | 83.6 |
| Net Operating | 180.1 | 189.6 | 198.9 |
| Assessment Growth | -1.3 | -4.7 | -8.4 |
| Supplemental Taxation & PIL | -5.8 | -5.8 | -5.8 |
| Efficiency Target | | -0.8 | -1.5 |
| Net Levy Requirement | 173.0 | 178.3 | 183.2 |
| Incremental Tax Rate | 3.00% | 3.00% | 3.00% |
| Capital - Open | 176.5 | | |
| - New | 80.5 | 144.8 | 67.7 |



2016 Draft Operating Revenues



Draft 2016 Operating Expenditures



* Includes Finance, Human Resources, Information Technology

** Includes Corporate Initiatives & Intergovernmental Relations, Transformation & Strategy, Corporate Communications

Attachment 1 Reference: Page 41



10

Operating Expenditures by Type

| \$M | 2015 Budget | 2016 Budget | 2017 Forecast | 2018 | Avg % Increase |
|---------------------------|----------------|----------------|------------------|--------------|-------------------|
| Labour | 154.7 | 159.5 | 166.8 | 172.5 | 3.7% |
| Contracts & Materials | 37.6 | 37.3 | 38.2 | 39.0 | 1.2% |
| Capital Related Expend. | 30.5 | 29.5 | 26.9 | 28.5 | -2.1% |
| Other | 14.2 | 11.9 | 11.3 | 10.0 | -10.8% |
| Utilities & Fuel | 10.2 | 10.9 | 11.7 | 12.4 | 6.8% |
| Insurance | 5.4 | 6.1 | 6.1 | 6.5 | 6.0% |
| Contingency | 0.4 | 4.2 | 7.1 | 10.5 | 340.1% |
| Professional Fees | 3.5 | 3.0 | 2.9 | 2.3 | -12.3% |
| Tax Adjustments | 2.3 | 2.3 | 2.3 | 2.3 | 0.4% |
| Total Expenditures | 258.7 | 264.7 | 273.4 | 284.0 | 3.2% |

\$14.1 million in Savings

\$1.3 million

- More closely align revenues and fees to the costs of providing service

\$3.3 million

- Identified efficiencies in the delivery of services

\$0.6 million

- Better planning of maintenance activities through start of Corporate Asset Management

\$0.2 million

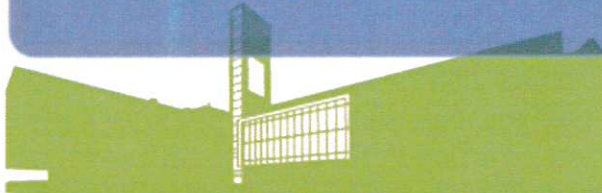
- Alignment of department budgets with historical actual spend

\$2.1 million

- Efficiencies from the corporate realignment

\$6.6 million

- Cancelling recognized Additional Resource Requests



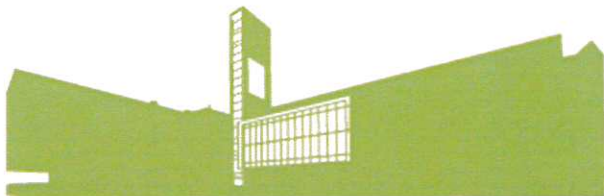
Proposed 2016 ARR

- **10 firefighters** for Station 7-4 (1st contingent)
- **3 fee-funded project managers** for zoning by-law, Concord-GO Mobility Hub and Municipal Comprehensive Review
- **Converting temporary OMB-related staff** to permanent and “true-up” of legal budget
- **City’s share** of proposed joint York Region Municipal Ombudsman

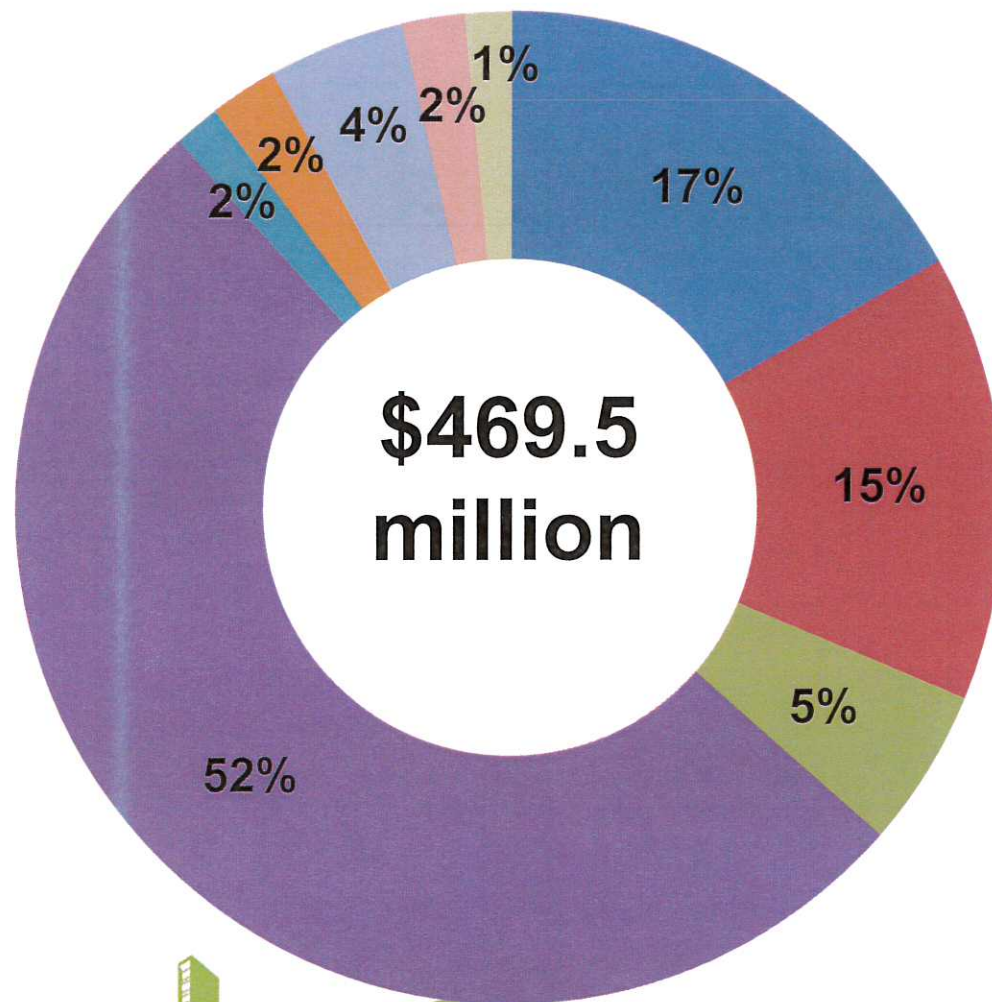


Proposed 2016 ARR

- By-law administrative and Council liaison assistant
- 4 capital project managers and 2 purchasing analysts to increase capacity to deliver over 700 capital projects
- One-time funding to support Service Excellence initiatives



Capital Plan



- Buildings - 17%
- Parks - 15%
- Fire - 5%
- Roads Network - 52%
- Mackenzie Vaughan Hospital - 2%
- Technology - 2%
- Studies - 4%
- Tree Canopy - 2%
- Vehicles & Equipment - 1%

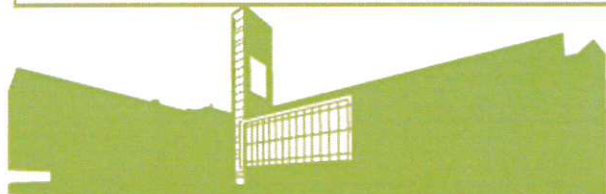


15

Attachment 1 Reference: Page 5

Capital Plan linked to Strategy Map

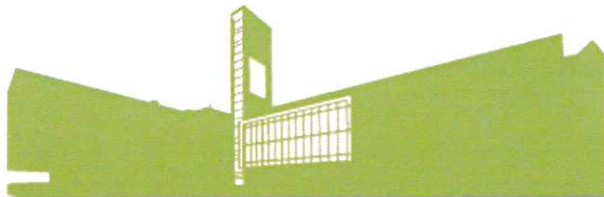
| TERM OF COUNCIL PRIORITIES \$M | # Projects | Open | 2016 Budget | 2017 Forecast | 2018 | Total |
|------------------------------------------------------------------------------------|------------|--------------|----------------|------------------|-------------|--------------|
| Improve municipal road network | 39 | 15.8 | 8.1 | 3.1 | 0.7 | 27.6 |
| Continue to develop transit, cycling and pedestrian options to get around the City | 24 | 7.9 | 1.4 | 0.4 | 0.4 | 10.1 |
| Facilitate the development of the VMC | 18 | 3.7 | 1.0 | 6.7 | 1.3 | 12.7 |
| Support the development of the hospital | 2 | 8.8 | 0.0 | 0.0 | 0.0 | 8.8 |
| Re-establish the urban tree canopy | 6 | 0.5 | 3.0 | 3.0 | 3.0 | 9.6 |
| Invest, renew and manage infrastructure and assets | 463 | 93.5 | 53.6 | 56.5 | 57.1 | 260.7 |
| Continue to ensure the safety and well-being of citizens | 10 | 0.2 | 0.3 | 0.3 | 0.2 | 1.1 |
| Meet Council tax rate targets (no greater than 3%) | 3 | 0.0 | 0.4 | 0.0 | 0.0 | 0.4 |
| Update the Official Plan and supporting studies | 18 | 1.8 | 3.1 | 2.0 | 0.5 | 7.4 |
| Attract investment and create jobs | 11 | 9.8 | 0.0 | 0.2 | 0.0 | 10.0 |
| Create and manage affordable housing options (secondary suites) | 1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Continue to cultivate an environmentally sustainable city | 19 | 3.3 | 4.6 | 2.1 | 1.7 | 11.6 |
| Support and promote arts, culture, heritage and sports in the community | 95 | 29.7 | 3.8 | 69.2 | 2.5 | 105.2 |
| Continue to advance a culture of excellence in governance | 11 | 0.6 | 1.1 | 1.0 | 0.0 | 2.7 |
| Enhance civic pride through a consistent city-wide approach to citizen engagement | 10 | 0.8 | 0.2 | 0.3 | 0.3 | 1.6 |
| Total New Capital Projects | 730 | 176.5 | 80.5 | 144.8 | 67.7 | 469.5 |



Improve Municipal Road Networks

- One of the top priorities of the 2014 Citizen Satisfaction Survey
- Includes investing in traffic signal installation, regular road maintenance, and developing traffic-calming initiatives
- Work closely with other levels of government in planning and delivering the roads network

Total Capital Plan - \$27.6 million



17

Attachment 1 Reference: Page 25

Continue to develop options to get around the City

- Includes creating multi-use paths and pedestrian/bicycle networks and developing the transit and rapid transit options
- Work closely with the Region of York to develop transit strategies
- Examples: Concord GO Mobility Hub



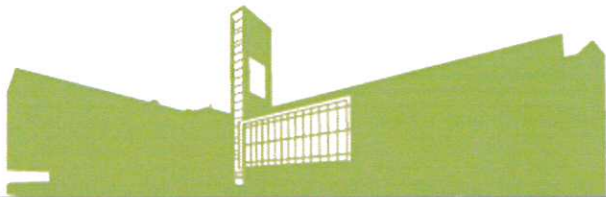
18

Total Capital Plan - \$10.1 million

Attachment 1 Reference: Page 25

Facilitate the development of the VMC

- New downtown with a vision for a vibrant, modern urban centre for residents and businesses
- Includes open green space and urban squares, walking and cycling paths
- Investments include community improvement plan studies, streetscaping and pathway studies, 3D modelling and renewal construction



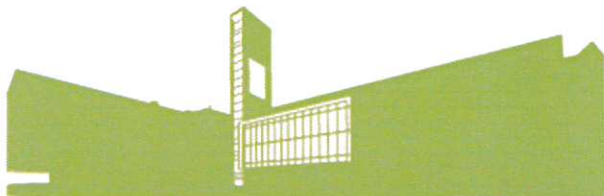
19

Total Capital Plan - \$12.7 million

Attachment 1 Reference: Page 26

Support the development of the hospital

- Framework for the development of the Mackenzie Vaughan Hospital site and the balance of City-owned lands
- \$86.6-million investment (70% land)
- Infrastructure Ontario and Mackenzie Health announced shortlisted teams have been invited to bid on the new hospital project

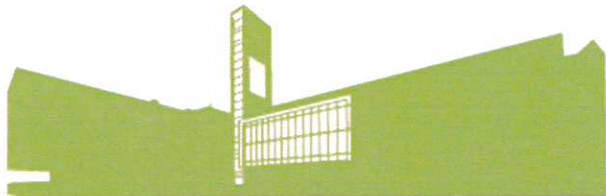


20

Attachment 1 Reference: Page 26

Re-establish the urban tree canopy

- Multi-year strategy to re-establish the urban tree canopy
- In addition to the established annual program to replace trees lost due to regular mortality, Emerald Ash Borer (EAB) infestation and the 2013 ice storm



Total Capital Plan - \$9.6 million

Attachment 1 Reference: Page 26

Invest, renew and manage infrastructure assets

- Monitoring levels of service and life cycle trends to maintain, protect and manage assets and infrastructure
- Includes the rehabilitation of roads, bridges and buildings and equipment/vehicle replacement



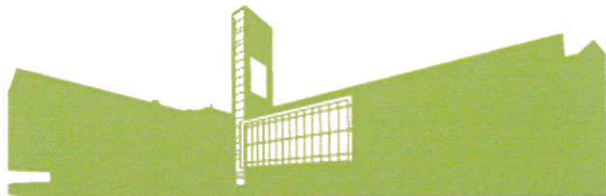
22

Total Capital Plan - \$260.7 million

Attachment 1 Reference: Page 27

Continue to ensure the safety and well-being of citizens

- Provide a variety of municipal services including fire and emergency services, by-law and compliance services and building inspections
- Invest in public awareness and education programs (\$70,000)

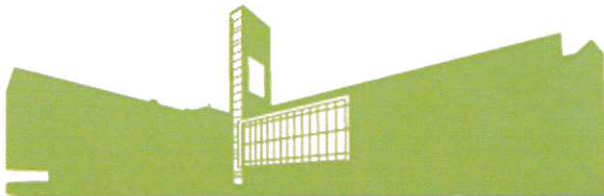


Total Capital Plan - \$1.1 million

Attachment 1 Reference: Page 27

Meet Council tax rate targets - no greater than 3%

- Department savings of \$5.4 million identified
- User fee recovery targets in place to cover costs of providing services
- Efficiency targets for 2017 and 2018
- Development of a Financial Master Plan to be underway in 2016



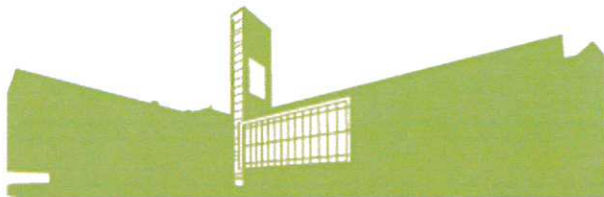
24

Total Capital Plan - \$1.1 million

Attachment 1 Reference: Page 27

Update the Official Plan and supporting studies

- Reflects a community vision for future change and development
- Address elements of effective, sustainable and successful city-building, while managing projected growth to 2041



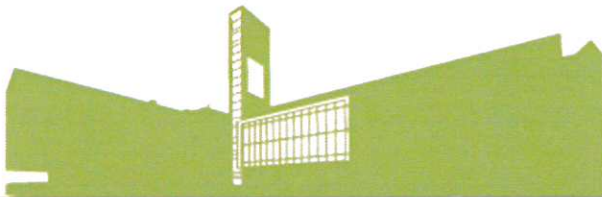
25

Total Capital Plan - \$7.1 million

Attachment 1 Reference: Page 28

Attract investment & create jobs

- Programs: Employment Zone Development, International Business Development and Small Business Development (VBEC)
- Corporate initiatives: Highway 427 extension, new downtown (VMC) and developing a robust transit network



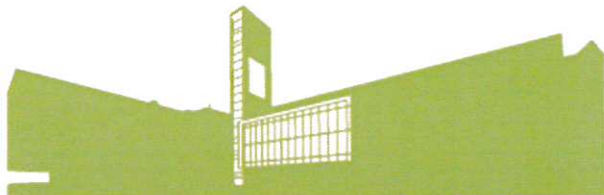
26

Total Capital Plan - \$10.0 million

Attachment 1 Reference: Page 28

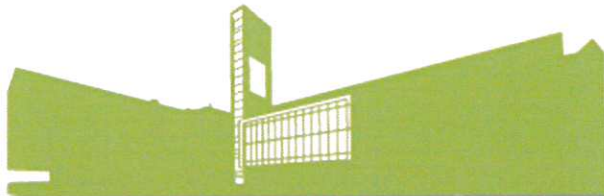
Create and manage affordable housing options (secondary suites)

- “Made-in-Vaughan” approach: provide secondary suites while managing demands on City services, in keeping with the look and feel of our neighbourhoods, and ensuring the safety of all residents
- Work closely with other levels of government to develop their strategies on affordable housing



Continue to cultivate an environmentally sustainable city

- Implementation of energy conservation improvements, community-based gardens and smart commute programs
- Update of the Community and Sustainability and Environmental Master Plan



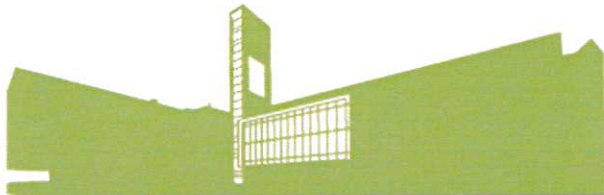
28

Total Capital Plan - \$11.6 million

Attachment 1 Reference: Page 29

Support and promote arts, culture, heritage and sports

- Vaughan City Playhouse Theatre, heritage conservation districts of Kleinburg-Nashville, Maple, Woodbridge and Thornhill and the new Toronto FC II soccer team
- New: parks design and construction, sports field improvements and multi-use field development



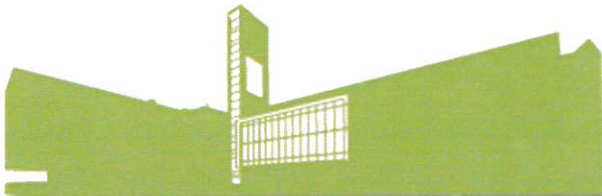
29

Total Capital Plan - \$105.2 million

Attachment 1 Reference: Page 29

Continue to advance a culture of excellence in governance

- Ward Boundary Review in advance of the 2018 municipal election
- Request for a Municipal Joint Ombudsman to be shared across York Region municipalities



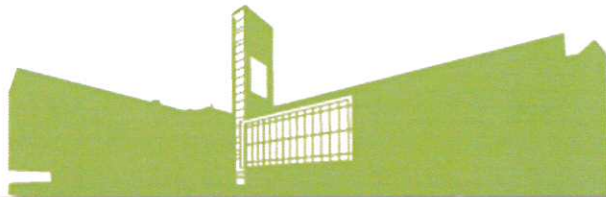
30

Total Capital Plan - \$2.7 million

Attachment 1 Reference: Page 30

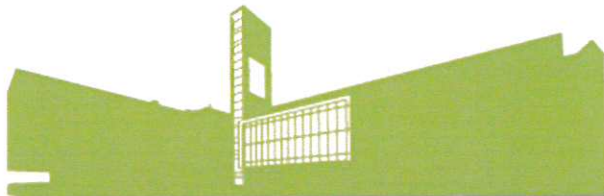
Enhance civic pride with consistent approach to citizen engagement

- Citizen engagement framework to ensure a consistent approach across the City
- Framework to be adopted and customized to meet each department's engagement goals and objectives



Service Excellence Initiatives

- Identifying opportunities for technology and process improvements to increase satisfaction with programs and services while seeking efficiencies in how services are delivered
- Investments will help achieve savings of \$0.75 million in 2017 and \$1.5 million in 2018

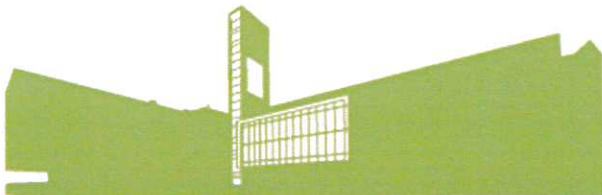


32

Total Capital Plan - \$1.8 million

Attachment 1 Reference: Page 31

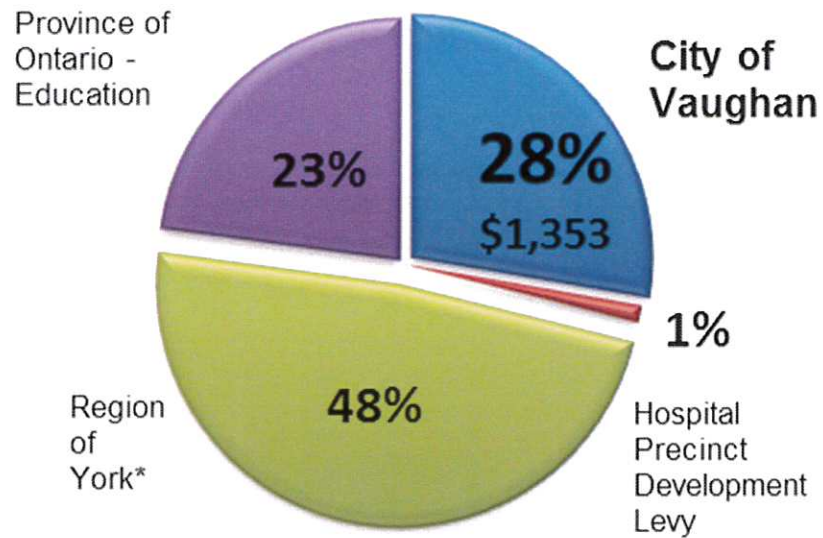
How Does It Affect The Taxpayer?



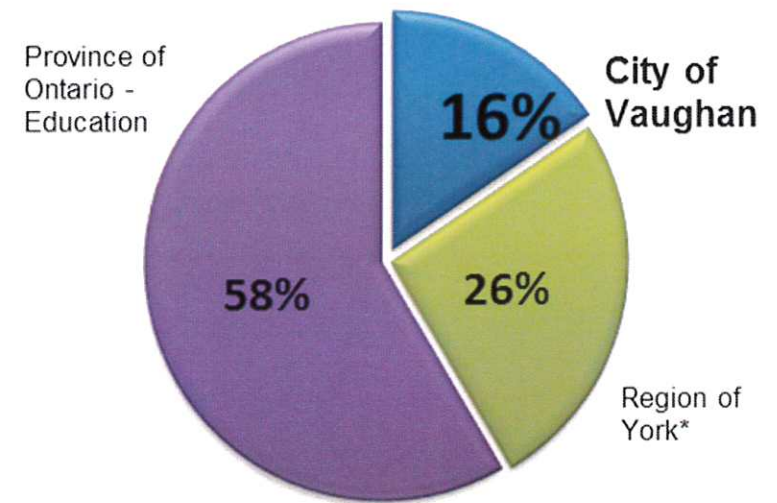
33

Vaughan's Portion of the 2016 Tax Bill

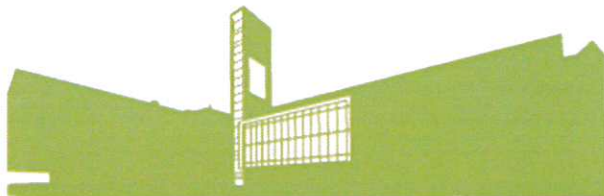
Average Residential Tax Bill



Average Commercial Tax Bill



*Based on York Region's 2015 Budget



Value for Your Tax Dollars

This is how your tax dollars are divided among City departments:



22 cents go to Public Works to maintain street and traffic lights, and clear roads during the winter



19 cents go to Community Services for recreation programs, parks maintenance and by-law enforcement



17 cents go to Fire to help keep residents safe



16 cents go to General Government, Legal and Clerks to provide internal resources to support service delivery



10 cents go to Capital Investment and Debt Servicing to building and repairing City infrastructure (roads, pipes, buildings)



7 cents go to Libraries for books, resources and programs



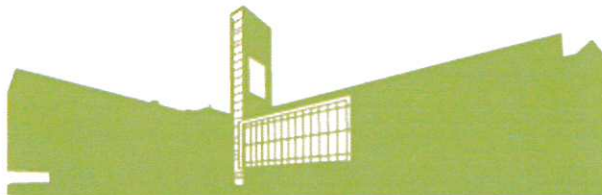
7 cents go to Planning and Growth to manage the growth of the city



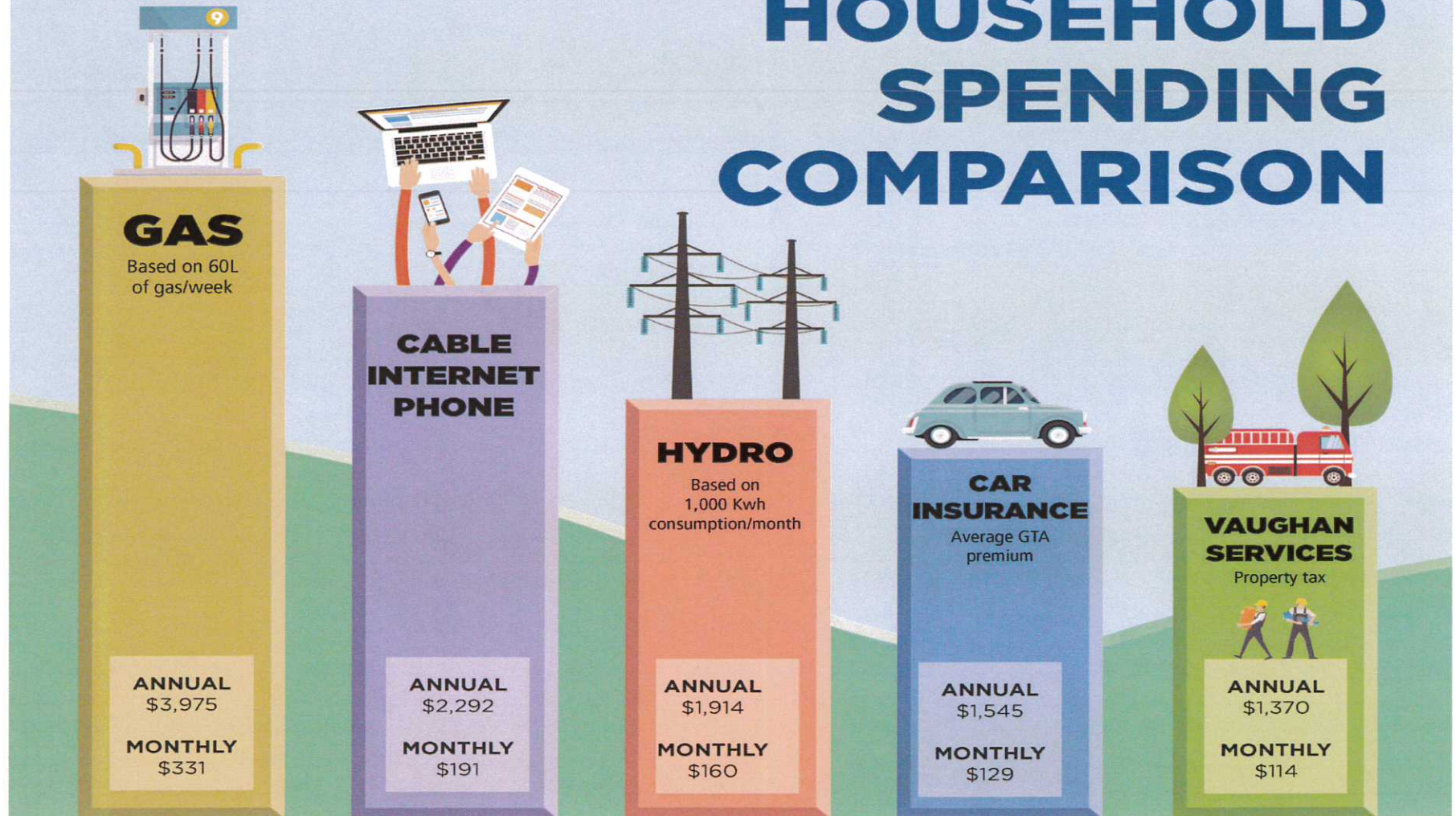
1 cent goes to the City Manager to support the City's vision



1 cent goes to Council, Internal Audit and the Integrity Commissioner to maintain governance of the City



HOUSEHOLD SPENDING COMPARISON



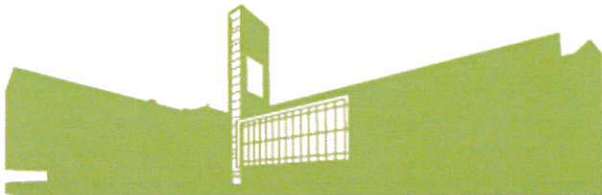
* Figures based on local service provider information

** Based on an estimated average assessed value of \$626,000

Upcoming Budget Meetings

- **Nov. 2** – Overview Presentation
- **Nov. 16** – Focus on Deputations and public input collected
- **Nov. 23** – Departmental reviews
- **Nov. 30** – Expected recommendations to Council
- **Dec. 15** – Special Council Meeting to approve the budget

Public deputations are encouraged at all budget meetings



Draft 2016 Budget and 2017-18 Plan

- Aligned to deliver on **Council's priorities**
- Keeps tax rate increases to **3% per year**
- Invests in **service excellence** initiatives to:
 - improve service delivery, achieve efficiencies and build and renew our infrastructure
- **\$14 million in savings** for 2016 while maintaining service levels

