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memorandum

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COMMUNICATION
FAA - <u>Nov 23/15</u>
ITEM - <u>1</u>

DATE: NOVEMBER 19, 2015

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: LAURA MIRABELLA-SIDDALL, CHIEF FINANCIAL OFFICER/CITY TREASURER
LLOYD NORONHA, DIRECTOR, FINANCIAL PLANNING & DEVELOPMENT
FINANCE/DEPUTY CITY TREASURER

RE: FINANCE ADMINISTRATION AND AUDIT COMMITTEE – NOVEMBER 23, 2015

DRAFT 2016 BUDGET AND 2017-2018 PLAN (Referred), Item 1

Recommendation

The Chief Financial Officer/City Treasurer and the Director of Financial Planning and Development Finance/Deputy City Treasurer, in consultation with the Senior Management Team, recommend:

1. That the draft 2016 operating budget for **City Council** be approved and 2017-18 operating plan be recognized (Draft Budget Book page 58, as amended by the related communication received this evening)
2. That the draft 2016 operating budget for the **Integrity Commissioner** be approved and 2017-18 operating plan be recognized (Draft Budget Book page 60)
3. That the draft 2016 operating budget for **Internal Audit** be approved and 2017-18 operating plan be recognized (Draft Budget Book page 62)
4. That the draft 2016 operating budget for the **Office of the City Manager** be approved and 2017-18 operating plan be recognized (Draft Budget Book page 64)
5. That the draft 2016 operating and capital budgets for the **Community Services Portfolio** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 68), which includes the following departments:
 - a. Access Vaughan (Draft Budget Book page 70)
 - b. Recreation Services (Draft Budget Book page 74)
 - c. Facility and Maintenance Services (Draft Budget Book page 78)
 - d. Vaughan Fire and Rescue Services (Draft Budget Book page 83)
 - e. By-Law & Compliance, Licensing and Permit Services (Draft Budget Book page 88)
6. That the draft 2016 operating and capital budgets for the **Planning & Growth Management Portfolio** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 92), which includes the following departments:
 - a. Development Planning (Draft Budget Book page 95)
 - b. Development Engineering and Infrastructure Planning (Draft Budget Book page 100)
 - c. Economic Development and Culture Services (Draft Budget Book page 106)
 - d. Policy Planning and Environmental Sustainability (Draft Budget Book page 108)
 - e. Building Standards (Draft Budget Book page 113)

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- f. Parks Development (Draft Budget Book page 118)
7. That the draft 2016 operating and capital budgets for the **Public Works Portfolio** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 124), which includes the following departments:
 - a. Infrastructure Delivery (Draft Budget Book page 127)
 - b. Environmental Services (Draft Budget Book page 133)
 - c. Transportation Services, Parks and Forestry Operations (Draft Budget Book page 137)
 - d. Fleet Management Services (Draft Budget Book page 142)
 - e. Corporate Asset Management (Draft Budget Book page 146)
8. That the draft 2016 operating and capital budgets for the **Office of the City Clerk** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 150)
9. That the draft 2016 operating budget for the **Office of Corporate Communications** be approved and 2017-18 operating plans be recognized (Draft Budget Book page 154)
10. That the draft 2016 operating budget for the **Office of Corporate Initiatives and Intergovernmental Relations** be approved and 2017-18 operating plan be recognized (Draft Budget Book page 156)
11. That the draft 2016 operating and capital budgets for the **Office of the Chief Financial Officer and City Treasurer** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 158)
12. That the draft 2016 operating budget for **Corporate** be approved and 2017-18 operating plan be recognized (Draft Budget Book page 163, as amended by the related communication received this evening)
13. That the draft 2016 operating and capital budgets for the **Office of the Chief Human Resources Officer** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 166)
14. That the draft 2016 operating and capital budgets for the **Office of the Chief Information Officer** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 170)
15. That the draft 2016 operating and capital budgets for the **Office of the City Solicitor** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 174)
16. That the draft 2016 operating and capital budgets for the **Office of Transformation and Strategy** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 178)
17. That the draft 2016 operating and capital budgets for **Vaughan Public Libraries** be approved and 2017-18 operating and capital plans be recognized (Draft Budget Book page 181)
18. That the Chief Financial Officer/City Treasurer be authorized to approve any operating or capital realignments between departments, provided they are fiscally neutral and a summary of these changes be incorporated into the quarterly reporting process
19. That the Chief Financial Officer/City Treasurer be authorized to approve any fiscally neutral transfers between corporate contingency and departments and a summary of these changes be incorporated into the quarterly reporting process
20. That the Chief Financial Officer/City Treasurer be authorized to approve, in accordance with the reserve policy, any required additional draws from discretionary reserves, for operating purposes, that are in accordance with the Consolidated Reserve Policy (05.4.01)

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21. That a non-discretionary reserve named Capital from Taxation be created and that the annual allocation to and draw down from this reserve be made during the annual budget process
22. That the Capital Project Financial Administration and Reporting Policy (05.4.02) be amended to remove section 10.2 High Profile Capital Project Reporting as department updates on project status will be a part of the Service Excellence Strategy Map reporting process

Purpose

The purpose of this report is to set out the operating and capital budget approvals and council recognition required on a department by department basis.

Background – Analysis

The Draft 2016 Budget Book was Attachment 1 of Item 1: Draft 2016 Budget and 2017-2018 Plan presented at the November 2nd evening meeting of the Finance, Administration and Audit Committee. Section 9 of this book contains the operating and capital budget information for each department.

The introduction of the systematic approval of department operating and capital budgets should provide clarity for departments and clarity to the budget approval process. The authority of the Administration to manage fiscally neutral transfers in the operating and capital budgets as outlined above supports the governance and accountability goals set out in the Service Excellence Strategy Map and is consistent with existing practices.

The establishment of a Capital from Taxation Reserve would provide a formalized and transparent mechanism for tracking the annual capital allocation from taxation.

Conclusion

By approving operating and capital budgets on a department by department basis, and by providing the delegated authorities in recommendations 18 to 20, council will be enhancing the clarity of departmental authority and supporting the governance and accountability goals set out in the Service Excellence Strategy Map.

Prepared by:

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Respectfully submitted,



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