

**DATE: SEPTEMBER 16, 2015**

Item- 1

**TO: MAYOR AND MEMBERS OF COUNCIL**

**FROM: LAURA MIRABELLA-SIDDALL, DIRECTOR OF FINANCIAL PLANNING & ANALYTICS**

**RE: COUNCIL EXPENDITURE AND CODE OF CONDUCT REVIEW TASK FORCE –  
SEPTEMBER 21, 2015  
COUNCIL EXPENDITURE BUDGETS, ITEM 1**

### **Recommendation**

The Director of Financial Planning and Analytics recommends:

1. That the following communication be received for information purposes.

### **Economic Impact**

There is no economic impact with the receipt of this communication. Any recommendations of the Task Force will be brought to a future Finance, Administration and Audit Committee meeting for consideration for inclusion in the 2016-2019 budget.

### **Background - Analysis**

This communication is to provide the members of the Task Force with an update as to calculation for the 2016-2019 Council Budgets.

### **Tax rate increases set to a maximum of 3 per cent annually for the next three years.**

At the January 12, 2015 meeting of the Finance, Administration and Audit Committee, the following Committee recommendation was received and subsequently approved at Council:

*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*

### **Achieving the target will require targeted savings.**

In order to reset Vaughan's financial plan on a sustainable footing, the Council approved budget guidelines state that departments will be provided with a savings target. This target is calculated as 2.37 per cent of department expenditures. Implementation of this savings target for each department, including Council, should ensure that the targeted tax rate increase of 3 per cent or less can be met.

In accordance with the adopted Council Discretionary Expense Formula and 2016 Budget Guidelines, the economic impact and associated tax rate impact are provided in the table below.

Table 1: Overall Adjustments by Budget Year

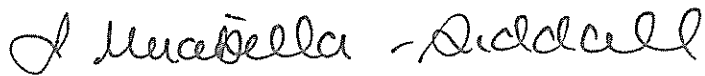
	2016	2017	2018	2019
Calculated Increase to Discretionary Budget	\$27,147	\$24,086	\$24,116	\$23,405
Savings Target	\$36,913	\$12,150	\$13,743	\$0
Net Budget	(\$9,766)	\$11,936	\$10,373	\$23,405
Average per Office	(\$1,085)	\$1,326	\$1,153	\$2,600
Associated Tax Rate Increase	-0.01%	0.01%	0.01%	0.01%

For 2016, the result of the application of the savings target would be a budget reduction of \$9,766 across all Council budgets. For the outer years, after the application of the savings target it is estimated that Council discretionary budgets would increase by \$1,326 in 2017, \$1,153 in 2018, and \$2,600 in 2019.

**Prepared by:**

Jackie Lee Macchiusi, CPA, CGA  
Senior Manager, Corporate Financial Planning and Analytics

Respectfully submitted,

A handwritten signature in black ink, reading "Laura Mirabella-Siddall". The signature is written in a cursive, flowing style with a horizontal line above the name.

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