



## memorandum

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| COMMUNICATION   |
| F&A - DEC 10/12 |
| ITEM - 2        |

Date: December 10, 2012

To: Finance & Administration Committee

From: Barbara Cribbett, Commissioner of Finance & City Treasurer  
John Henry, Director of Budgeting & Financial Planning

**SUBJECT: Professional Fees**

RE: Referred Item – December 3<sup>rd</sup> Draft Operating Budget and Plan Update

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### **Background - Analysis and Options**

This correspondence has been prepared in response to a November 12, 2012 Finance and Administration Committee's request for a breakdown of the City's professional fees budget.

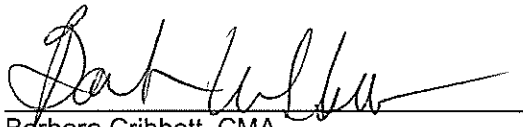
### **Budget Process**

In developing the City's annual operating budget and plan, departments reviewed the requirements for professional or consultant expenditures. Any changes in professional fees were related to 2012 one-time funding removals, reallocations, or contractual increases which are allowed under the budget guidelines.

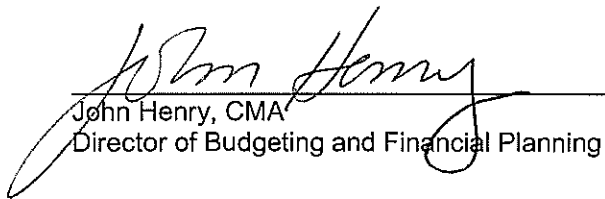
The attached schedule contains 2013-2016 professional fee budgets and departments commentary. The schedule is arranged by commission/department. It should be noted that approximately 80% of the professional fees budgets, reside in the following areas:

| Professional Fees (000's)           |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Department                          | 2013<br>Budget | 2014<br>Budget | 2015<br>Budget | 2016<br>Budget |
| ITM                                 | \$ 477         | \$ 477         | \$ 477         | \$ 477         |
| Corporate - OMB                     | \$ 407         | \$ 460         | \$ 400         | \$ 375         |
| Human Resources                     | \$ 363         | \$ 363         | \$ 363         | \$ 363         |
| Strategic Planning                  | \$ 222         | \$ 222         | \$ 222         | \$ 222         |
| Corporate - Audit Fees              | \$ 194         | \$ 184         | \$ 194         | \$ 194         |
| Legal                               | \$ 117         | \$ 145         | \$ 145         | \$ 145         |
| Innovative & Continuous Improvement | \$ 100         | \$ 100         | \$ 100         | \$ 100         |
| Building Standards                  | \$ 100         | \$ 100         | \$ -           | \$ -           |
| Subtotal                            | \$ 1,980       | \$ 2,051       | \$ 1,901       | \$ 1,876       |
| Total Budget                        | 2,462          | \$ 2,536       | \$ 2,387       | \$ 2,363       |
| % of Budget                         | 80%            | 81%            | 80%            | 79%            |

Respectfully submitted,



Barbara Cribbett, CMA  
Commissioner of Finance & City Treasurer



John Henry, CMA  
Director of Budgeting and Financial Planning

Attachment 1 – Revenue/Expenditure Summary Report Professional Fees

c: Clayton Harris, City Manager  
Jeff Abrams, City Clerk

City of Vaughan  
Revenue/Expenditure Summary Report  
Professional Fees

| Commission                  | Dept Descr                      | Description                                                                                                                                                                                                                                                                               | 2013<br>Budget | Variance | 2014<br>Budget | Variance | 2015<br>Budget | Variance | 2016<br>Budget | Variance | Comments                                                   |
|-----------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|----------------|----------|----------------|----------|----------------|----------|------------------------------------------------------------|
| City Manager                | City Manager                    | Cost-sharing expenses with the Human Resources Department for executive searches and consultant fees for corporate initiatives undertaken by the City Manager's Office                                                                                                                    | 29,860         | -        | 29,860         | -        | 29,860         | -        | 29,860         | -        |                                                            |
|                             | Corporate Communications        | Strategic and Internal Communications and Citizen Surveys                                                                                                                                                                                                                                 | 17,564         | -        | 17,564         | -        | 17,564         | -        | 17,564         | -        |                                                            |
|                             | Economic and Business Develop.  | 2012 Only Municipal Sponsorship Program & VMC Development Report                                                                                                                                                                                                                          | -              | (55,000) | -              | -        | -              | -        | -              | -        | one time funding removal from 2012 ARR                     |
|                             | Fire and Rescue Services        | Procuring heavy equipment to assist with fire investigations.                                                                                                                                                                                                                             | 2,285          | -        | 2,285          | -        | 2,285          | -        | 2,285          | -        |                                                            |
|                             | <b>Subtotal</b>                 |                                                                                                                                                                                                                                                                                           | 49,709         | (55,000) | 49,709         | -        | 49,709         | -        | 49,709         | -        |                                                            |
| Comm. of Community Services | Commissioner of Commty. Serv.   | Professional Advisory Services, Feasibility Studies                                                                                                                                                                                                                                       | 25,000         | -        | 25,000         | -        | 25,000         | -        | 25,000         | -        |                                                            |
|                             | Commty. Grants & Advisory Comm. | Gallanough Resource Centre Services                                                                                                                                                                                                                                                       | 37,690         | 1,322    | 38,405         | 715      | 39,134         | 729      | 39,877         | 743      | Increase as per agreement                                  |
|                             | Cultural Services               | Contracted events services, liquor license, CCI membership, SOCAW fees                                                                                                                                                                                                                    | 45,852         | 1,200    | 45,852         | -        | 45,852         | -        | 45,852         | -        | Reallocation                                               |
|                             | Fleet Management                | Reallocation administrative error                                                                                                                                                                                                                                                         | (2,897)        | -        | (2,897)        | -        | (2,897)        | -        | (2,897)        | -        | zero impact - will be corrected in future updates.         |
|                             | Parks & Forestry Operations     | Brochures and Out Reach Communications                                                                                                                                                                                                                                                    | 814            | -        | 814            | -        | 814            | -        | 814            | -        |                                                            |
|                             | Parks Development               | Topographical map, geotechnical investigations, electrical assessments and reports not related to specific capital projects                                                                                                                                                               | 10,100         | -        | 10,100         | -        | 10,100         | -        | 10,100         | -        |                                                            |
|                             | Recreation                      | Instructional Aquatics: contract leadership instructors teaching Lifesaving Society Certification programs                                                                                                                                                                                | 61,500         | 2,500    | 61,500         | -        | 61,500         | -        | 61,500         | -        | Increase to align with 2012 actuals but offset by revenues |
|                             | <b>Subtotal</b>                 |                                                                                                                                                                                                                                                                                           | 178,059        | 5,022    | 178,774        | 715      | 179,503        | 729      | 180,246        | 743      |                                                            |
|                             | Develop&Transport Engineering   | Consultants to address unforeseen issues that come up during the budget year which require additional resources or expertise not available in-house, and to cover the expense of staffs participation on committees (example: development of OTC Book 18) and other specialized functions | 15,760         | 2,510    | 15,760         | -        | 15,760         | -        | 15,760         | -        | Reallocation                                               |
|                             | Engineering Services            | Traffic studies, job recruitment and other specialized functions, for which expertise or resources are not available in-house                                                                                                                                                             | 15,305         | -        | 15,305         | -        | 15,305         | -        | 15,305         | -        |                                                            |
| Comm. of Engineering & PWS  | Public Works - Operations       | Waste audits & independent reports on waste diversion; permits & approvals from external agencies such as Toronto & Region Conservation Authority, Ministry of Environment and Region of York; consulting for job recruitment                                                             | 13,483         | -        | 13,483         | -        | 13,483         | -        | 13,483         | -        |                                                            |
|                             | <b>Subtotal</b>                 |                                                                                                                                                                                                                                                                                           | 44,548         | 2,510    | 44,548         | -        | 44,548         | -        | 44,548         | -        |                                                            |

| Commission                              | Dept Descr                                                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2013<br>Budget | Variance | 2014<br>Budget | Variance | 2015<br>Budget | Variance  | 2016<br>Budget | Variance | Comments     |
|-----------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------|----------------|----------|----------------|-----------|----------------|----------|--------------|
| Comm. of<br>Finance & City<br>Treasurer | Budgeting & Financial Planning                                | Budget system report development and software issue resolution.                                                                                                                                                                                                                                                                                                                                                                                                      | 7,290          | 1,790    | 9,840          | 2,550    | 9,840          | -         | 9,840          | -        | Reallocation |
|                                         | External consulting fees                                      | External consulting fees                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2,240          | 940      | 2,240          | -        | 2,240          | -         | 2,240          | -        | Reallocation |
|                                         | IT consulting and tax and assessment related consulting needs | IT consulting and tax and assessment related consulting needs                                                                                                                                                                                                                                                                                                                                                                                                        | 28,756         | 20,410   | 28,756         | -        | 28,756         | -         | 28,756         | -        | Reallocation |
|                                         | <b>Subtotal</b>                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 38,286         | 23,140   | 40,836         | 2,550    | 40,836         | -         | 40,836         | -        |              |
| Comm. of<br>Legal &<br>Admin. Serv.     | City Clerk                                                    | Consulting fees for insurance purposes                                                                                                                                                                                                                                                                                                                                                                                                                               | 30,000         | (35,000) | 30,000         | -        | 30,000         | -         | 30,000         | -        | Reallocation |
|                                         | Comm. of Legal & Admin. Serv.                                 | External consultant services for the confidential corporate issues                                                                                                                                                                                                                                                                                                                                                                                                   | 19,580         | -        | 19,580         | -        | 19,580         | -         | 19,580         | -        |              |
|                                         | Enforcement Services                                          | Hearing Officer fees for Enforcement Services and Clerk's Department for Licensing Tribunal Hearings                                                                                                                                                                                                                                                                                                                                                                 | 32,000         | 6,560    | 32,000         | -        | 32,000         | -         | 32,000         | -        | Reallocation |
|                                         | Legal Services                                                | Fees for external legal expertise for planning/property issues, OMB, litigation, tender and purchasing issues, and general Municipal                                                                                                                                                                                                                                                                                                                                 | 117,239        | 2,260    | 145,294        | 28,055   | 145,294        | -         | 145,294        | -        | Reallocation |
| Comm. of<br>Planning                    | <b>Subtotal</b>                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 198,819        | (26,180) | 226,874        | 28,055   | 226,874        | -         | 226,874        | -        |              |
|                                         | Building Standards                                            | Consulting fees associated with the zoning bylaw review.                                                                                                                                                                                                                                                                                                                                                                                                             | 100,000        | -        | 100,000        | -        | -              | (100,000) | -              | -        |              |
|                                         | Development Planning                                          | Unexpected studies/projects; DTA (Municipal) vendor support and maintenance; and, any special projects (ie. Urban Design Awards) and consultant fees.                                                                                                                                                                                                                                                                                                                | 25,310         | 2        | 25,310         | -        | 25,310         | -         | 25,310         | -        | Rounding     |
|                                         | Policy Planning                                               | The Policy Planning Professional Fees Budget is primarily used to hire consultants to assist staff on non-growth related policy development issues. The work can take the different form such as conducting workshops and producing summary reports and background research and policy formulation. Examples of past expenditures include Suburban and Urban Schools Workshop and Summary Report, Parking Standards Review, Strata Arrangements, Second Suites Study | 15,252         | 3,489    | 15,252         | -        | 15,252         | -         | 15,252         | -        | Reallocation |
|                                         | <b>Subtotal</b>                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 140,562        | 3,491    | 140,562        | -        | 40,562         | (100,000) | 40,562         | -        |              |

| Commission                              | Dept Descr                     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2013 Budget | Variance | 2014 Budget | Variance | 2015 Budget | Variance  | 2016 Budget | Variance | Comments                                                        |
|-----------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------|-------------|----------|-------------|-----------|-------------|----------|-----------------------------------------------------------------|
| Comm. of Strategic & Corporate Services | Access Vaughan                 | Language line fees related to interpretation/translation with callers/residents in multiple languages                                                                                                                                                                                                                                                                                                                                                                    | 2,500       | (1,000)  | 2,500       | -        | 2,500       | -         | 2,500       | -        | Reallocation                                                    |
|                                         | Environmental Sustainability   | External consultation support on Green Directions Vaughan indicators, staff climate change adaptation training                                                                                                                                                                                                                                                                                                                                                           | 7,000       | 900      | 7,000       | -        | 7,000       | -         | 7,000       | -        | Reallocation                                                    |
|                                         | Human Resources                | Legal fees related to litigation from former employees-Mediation/Arbitrator fees; Expenses related to arbitration hearings & negotiations for Collective Agreements; Consulting fees for Independent Medical Evaluations; Disability Management Services, Appeals, Tribunals                                                                                                                                                                                             | 362,990     | (50,000) | 362,990     | -        | 362,990     | -         | 362,990     | -        | one time funding removal from 2012 ARR                          |
|                                         | Information & Technology Mgmt. | Technical resources for special projects (i.e. technology architecture/planning, disaster recovery, storage management, technology rollout/logistics, audits/reviews) and support/enhance enterprise systems (i.e. AVAYA/Bell - Telephone/network gear, Oracle ERP - Payroll/Financial/Procurement, AMANDA - Building Inspections & Licensing, VaitTech - Taxation, CLASS - Programs Registration, CSMS, GIS, Intranet/Internet, DTA - Development Tracking, SharePoint) | 476,653     | -        | 476,653     | -        | 476,653     | -         | 476,653     | -        |                                                                 |
|                                         | Innov. & Cont. Improvement     | As per Corp.Structure Review recommendation, it is to be used to backfill secondments and external consultant for large or complex projects.                                                                                                                                                                                                                                                                                                                             | 100,000     | 100,000  | 100,000     | -        | 100,000     | -         | 100,000     | -        | Full year impact of Corporate Structure Review recommendations. |
|                                         | Strategic Planning             | Consultant Fees for Oper/Busin review; strategic performance measurement work; VV2020 rollout and staff engagement                                                                                                                                                                                                                                                                                                                                                       | 222,300     | 60,000   | 222,300     | -        | 222,300     | -         | 222,300     | -        | Reallocation                                                    |
|                                         | Subtotal                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,171,443   | 109,900  | 1,171,443   | -        | 1,171,443   | -         | 1,171,443   | -        |                                                                 |
| Integrity Commissioner                  | Integrity Commissioner         | Consultant fees for third-party subject matter expert for possible Code Complaints                                                                                                                                                                                                                                                                                                                                                                                       | 14,000      | (1,000)  | 14,000      | -        | 14,000      | -         | 14,000      | -        | Reallocation                                                    |
|                                         | Subtotal                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 14,000      | (1,000)  | 14,000      | -        | 14,000      | -         | 14,000      | -        |                                                                 |
| Internal Audit                          | Internal Audit                 | Outside consultants expertise for certain types of audits and professional service to assist the department in other audits.                                                                                                                                                                                                                                                                                                                                             | 2,000       | (250)    | 2,000       | -        | 2,000       | -         | 2,000       | -        | Reallocation                                                    |
|                                         | Subtotal                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2,000       | (250)    | 2,000       | -        | 2,000       | -         | 2,000       | -        |                                                                 |
| Library Board                           | Vaughan Libraries              | Annual audit fee and Consultants as needed.                                                                                                                                                                                                                                                                                                                                                                                                                              | 22,000      | (10,000) | 22,000      | -        | 22,000      | -         | 22,000      | -        | one time funding removal from 2012 ARR                          |
|                                         | Subtotal                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 22,000      | (10,000) | 22,000      | -        | 22,000      | -         | 22,000      | -        |                                                                 |
| Corporate Expenditures                  | General Expenditures           | Financial audit                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 194,500     | (49,724) | 184,000     | (10,500) | 194,500     | 10,500    | 194,500     | -        | Transfer to another department offset by audit fee increase     |
|                                         | OMB Hearings                   | external consultants for OMB hearings expertise                                                                                                                                                                                                                                                                                                                                                                                                                          | 407,000     | -        | 460,000     | 53,000   | 400,000     | (60,000)  | 375,000     | (25,000) |                                                                 |
|                                         | Subtotal                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 601,500     | (49,724) | 644,000     | 42,500   | 594,500     | (49,500)  | 569,500     | (25,000) |                                                                 |
| Mayor & Members of Council              | City Council                   | Councillor Schulte - Composite mapping                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,500       | -        | 1,500       | -        | 1,500       | -         | 1,500       | -        |                                                                 |
|                                         | Subtotal                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1,500       | -        | 1,500       | -        | 1,500       | -         | 1,500       | -        |                                                                 |
|                                         | TOTAL                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2,462,426   | 1,909    | 2,536,246   | 73,820   | 2,387,475   | (148,771) | 2,363,218   | (24,257) |                                                                 |