

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 22, 2016

Item 3, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on March 22, 2016.

3

**CAPITAL BUDGET AMENDMENT - BY-2508-10 –
ANIMAL SHELTER LEASEHOLD IMPROVEMENTS**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Director of By-law & Compliance, Licensing and Permit Services, dated February 29, 2016:

Recommendation

The Director of By-law & Compliance, Licensing and Permit Services, in consultation with the Director of Financial Planning and Development Finance and Deputy City Treasurer recommends:

1. That a budget amendment to capital project BY-2508-10 – Animal Shelter Leasehold Improvements in the amount of \$35,301 be approved and funded \$23,174 from the capital taxation reserve and \$12,127 from General Government Development Charges;
2. That the inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budget as identified as Capital Budget Amendment - BY-2508-10 – Animal Shelter Leasehold Improvements, is deemed sufficient notice pursuant to Section 2(1)(c) By-law 394-2002 as amended.

Contribution to Sustainability

N/A

Economic Impact

A budget shortfall of \$35,301 in capital project BY-2508-10 Animal Shelter Leasehold Improvements exists to repay the balance of payments on the promissory note which ends June 30, 2016. An increase of \$35,301 to the capital project budget that is being recommended will be funded \$23,174 from the capital taxation reserve and \$12,127 in General Government Development Charges.

Communications Plan

N/A

Purpose

This report seeks Council approval to amend the budget for capital project BY-2508-10 Animal Shelter Leasehold Improvements to provide the funding required for all remaining promissory note payments ending June 30, 2016.

Background - Analysis and Options

In 2010, the City entered into a lease agreement for an animal shelter to be located at Tigi Court. Renovations were required to the facility to provide an appropriate space to operate the animal shelter and ensure all legal requirements were met. Leasehold improvements were made to the space and were initially paid for by the landlord. It was agreed with the landlord that the City would repay the landlord for the leasehold improvement over a 5 year period.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 22, 2016

Item 3, Finance Report No. 4 – Page 2

During the 2016 budget process, it had been understood that the 5 year repayment period was to end February 2016 as there was sufficient funds remaining in the project for two final payments to be made in 2016. As such, no additional funds for the capital budget were requested at that time.

However during processing of the January 2016 payment, it was discovered that the end date of the repayment period is June 2016. As a result, additional funds are required to process all outstanding payments in 2016. The following table illustrates the additional funding required:

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

The recommendations in this report support the Term of Council priority to investment, renew and manage infrastructure and assets by completing the payments for renovations to provide a suitable space to operate the animal shelter.

Regional Implications

N/A

Conclusion

It is recommended that the budget for capital project BY-2508-10 Animal Shelter Leasehold Improvements be increased to ensure sufficient funds exist for repayment of the promissory note which ends June 30, 2016.

Attachments

N/A

Report prepared by:

Rita Selvaggi, Manager of Financial Planning and Analysis, Ext. 8438

FINANCE, ADMINISTRATION AND AUDIT COMMITTEE - FEBRUARY 29, 2016

CAPITAL BUDGET AMENDMENT - BY-2508-10 – ANIMAL SHELTER LEASEHOLD IMPROVEMENTS

Recommendation

The Director of By-law & Compliance, Licensing and Permit Services, in consultation with the Director of Financial Planning and Development Finance and Deputy City Treasurer recommends:

1. That a budget amendment to capital project BY-2508-10 – Animal Shelter Leasehold Improvements in the amount of \$35,301 be approved and funded \$23,174 from the capital taxation reserve and \$12,127 from General Government Development Charges;
2. That the inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budget as identified as Capital Budget Amendment - BY-2508-10 – Animal Shelter Leasehold Improvements, is deemed sufficient notice pursuant to Section 2(1)(c) By-law 394-2002 as amended.

Contribution to Sustainability

N/A

Economic Impact

A budget shortfall of \$35,301 in capital project BY-2508-10 Animal Shelter Leasehold Improvements exists to repay the balance of payments on the promissory note which ends June 30, 2016. An increase of \$35,301 to the capital project budget that is being recommended will be funded \$23,174 from the capital taxation reserve and \$12,127 in General Government Development Charges.

Communications Plan

N/A

Purpose

This report seeks Council approval to amend the budget for capital project BY-2508-10 Animal Shelter Leasehold Improvements to provide the funding required for all remaining promissory note payments ending June 30, 2016.

Background - Analysis and Options

In 2010, the City entered into a lease agreement for an animal shelter to be located at Tigi Court. Renovations were required to the facility to provide an appropriate space to operate the animal shelter and ensure all legal requirements were met. Leasehold improvements were made to the space and were initially paid for by the landlord. It was agreed with the landlord that the City would repay the landlord for the leasehold improvement over a 5 year period.

During the 2016 budget process, it had been understood that the 5 year repayment period was to end February 2016 as there was sufficient funds remaining in the project for two final payments to be made in 2016. As such, no additional funds for the capital budget were requested at that time.

However during processing of the January 2016 payment, it was discovered that the end date of the repayment period is June 2016. As a result, additional funds are required to process all outstanding payments in 2016. The following table illustrates the additional funding required:

Total approved capital budget - BY-2508-10	976,700
Less: Payments to date	966,700
Available balance - (as of February 1, 2016)	\$10,000
Payments Outstanding (Feb - June 2016)	\$43,982
3% Admin Fee	\$1,319
Total payments due	\$45,301
Cap. Budget Ammendment Required	\$35,301
Funding Sources:	
Capital from Taxation	\$23,174
DC - General Government	\$12,127
Total	\$35,301

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

The recommendations in this report support the Term of Council priority to investment , renew and manage infrastructure and assets by completing the payments for renovations to provide a suitable space to operate the animal shelter.

Regional Implications

N/A

Conclusion

It is recommended that the budget for capital project BY-2508-10 Animal Shelter Leasehold Improvements be increased to ensure sufficient funds exist for repayment of the promissory note which ends June 30, 2016.

Attachments

N/A

Report prepared by:

Rita Selvaggi, Manager of Financial Planning and Analysis, Ext. 8438

Respectfully submitted,

Gus Michaels,
Director of By-Law & Compliance, Licensing and Permit Services