

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017**

Item 1, Report No. 11, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on November 21, 2017, as follows:

***By approving the following in accordance with Communication C4 from the City Clerk, dated November 17, 2017:***

- 1. That the Council (Budget Meeting) scheduled for Monday, December 11, 2017, at 7:00 p.m. be cancelled; and***
- 2. That a Special Council (Budget Meeting) be scheduled for Tuesday, January 30, 2018 at 7:00 p.m.***

**1**

**DRAFT 2018 BUDGET AND 2019-2022 FINANCIAL PLAN**

**The Finance, Administration and Audit Committee recommends:**

- 1) That the Council (Budget Meeting) scheduled for Monday December 11, 2017, at 7:00 p.m. be rescheduled to a date in January 2018; and**
- 2) That the Region of York be requested to make a presentation to the City of Vaughan on the 2018 Regional Budget prior to its approval.**

Further consideration of the Draft 2018 Budget and 2019-2022 Financial Plan was deferred to the November 13, 2017, Finance, Administration and Audit Committee meeting to continue deliberations (see 2. OTHER MATTERS CONSIDERED BY THE COMMITTEE, Item 2.1: DRAFT 2018 BUDGET AND 2019-2022 FINANCIAL PLAN).



C. <u>4</u>
Communication
COUNCIL: <u>Nov 21/17</u>
FAA Rpt. No. <u>11</u> Item <u>1</u>

**DATE:** November 17, 2017

**TO:** Mayor Bevilacqua and Members of Council

**FROM:** Barbara A. McEwan, City Clerk

**RE:** **COMMUNICATION**  
**FINANCE, ADMINISTRATION AND AUDIT COMMITTEE**  
**REPORT #11, ITEM #1**  
**SCHEDULING OF A SPECIAL COUNCIL(BUDGET) MEETING**

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**Recommendation**

The City Clerk recommends:

1. That the Council (Budget Meeting) scheduled for Monday, December 11, 2017, at 7:00 p.m. be cancelled; and,
2. That a Special Council (Budget Meeting) be scheduled for Tuesday, January 30, 2018 at 7:00 p.m.

**Background**

The Finance, Administration and Audit Committee at their November 6, 2017 evening meeting recommended, in part, the following:

- "1) That the Council (Budget Meeting) scheduled for Monday December 11, 2017, at 7:00 p.m. be rescheduled to a date in January 2018; and"

Members of Council were polled for an available date in January and it was determined that all members are available for the evening of January 30, 2018. It is therefore recommended that the Council (Budget Meeting) be rescheduled for that day.

Respectfully submitted,

  
Barbara A. McEwan,  
City Clerk



## memorandum

**DATE:** November 2, 2017

**TO:** Mayor and Members of Council

**FROM:** Stephen Collins, Deputy City Manager, Public Works  
Laura Mirabella-Siddall, Chief Financial Officer and City Treasurer

**RE:** **Communication: Finance, Administration and Audit Committee (November 6, 2017 - PM Meeting) Item #1 – Draft 2018 Budget and 2019-2022 Financial Plan - Smart Water Meter Project**

C 1  
**COMMUNICATION**  
FAA - November 6/2017 (pm)  
ITEM - 1

### Recommendation

The Deputy City Manager of Public Works, Chief Financial Officer and City Treasurer, and the Director of Environmental Services, in consultation with the Director of City Financial Services and Deputy City Treasurer and the Director of Financial Planning and Development Finance and Deputy City Treasurer, recommend:

1. That the recommended Draft 2018 Budget be updated to include both the capital and operating impacts of the Smart Water Meter Project as outlined in this communication;
2. That upon further investigation in to the merits of internal or external borrowing for the project, that the Chief Financial Officer and City Treasurer be delegated the authority to finance the project with the method that minimizes financial risk and interest costs and maximizes value for money; and
3. That staff be directed to pursue a partnership with Alectra to implement an Advanced Metering Infrastructure solution.

### Purpose

The purpose of this memo is to inform Council of the benefits and costs associated with the installation of smart water meters and automated meter reading technologies and to update the 2018 draft budget submission to recommend the inclusion of this project and associated costs.

### Background

**A smart water meter feasibility study was completed by Util-Assist (external consultant) in 2017 to help solve issues related to water meter billing and non-revenue water.**

The City has approximately 90,000 water meters (residential, industrial, commercial and institutional), which are currently manually read on a monthly or bi-monthly basis by 3rd party meter readers. Issues with water meter billing, such as high-water consumption and estimated water meter reads are an ongoing concern for Vaughan's water customers. With our current meters and processes, customers are only alerted to high or unusual water consumption in their bills (issued monthly for ICI customers and bi-monthly for residential customers). This means it takes up to sixty days for our customers to be made aware of leaks and other problems in their plumbing. Further, if the water meter reader cannot access the reading point, an estimated water meter read occurs. The estimate is calculated using previous consumption data and a bill is issued. The next time an actual meter read is done the actual consumption versus estimated consumption is reconciled. Frequently, the estimated read is lower than the actual consumption, resulting in a larger than expected catch-up bill. These two issues limit the customer's control over their water meter bills.



Non-revenue water (NRW) in the City is the difference between what is purchased from York Region and what is billed to Vaughan's water customers. NRW has averaged 13% which equates to \$15.1M in the 2018 budget, based on purchases of \$116.2M. Non-revenue water includes water loss through leaks, main breaks, and water theft as well as unbilled, authorized consumption such as water used for fire suppression and for a routine flushing activity by staff. Leaks in water mains, water curb boxes, thefts from hydrants and other infrastructure remains hard to detect. Water main leaks often are only discovered when there is a water main break.

**The Smart Water Meter Feasibility Study examined two types of smart water meter technologies – Automated Meter Reading (AMR) and Advanced Metering Infrastructure (AMI)**

Automated Meter Reading allows the water meter to be read by a meter reader as they drive by a home or business. The technology is one step up from the current manual meter reading process that requires meter readers to walk to every house or business in the city to collect meter data.

Advanced Metering Infrastructure allows two-way communication between the meter and a communication network. The AMI solution could be implemented in two ways, either through a partnership with Alectra where the City uses Alectra's existing infrastructure (shared AMI) or through an independent, stand-alone system. Preliminary discussions have been held with Alectra to discuss a shared solution.

**AMI is the recommended solution to meet the City's objectives**

An operational assessment and cost/benefit analysis of both technologies including a determination of which approach met the study's stated goals and objectives was completed by staff and supported by Util Assist. The study concluded that the shared AMI technology was the recommended solution.

Alectra is ten years into its AMI system life-cycle for collecting electric meter reads and will likely need to replace or upgrade the system during the City's system life-cycle. This represents a potential risk especially if Alectra selects a different meter vendor, leaving the City with stranded assets.

**The benefits of implementing an AMI solution include enhanced customer experience, increased operational efficiencies, promotion of water conservation, and alignment with the City's Smart City Digital Strategy**

Although the original study focused on improving the customer experience with respect to water meter billing, examination of the two technologies revealed many more benefits than were not originally anticipated at the beginning of the study. The AMI solution provided the most benefits to the City and also showed the highest rate of return. The cost estimates are described in the Economic Impact section of this memo.

Enhances customer experience (residential and ICI):

- Prompt notification of high water consumption (within 24 hours)
- Capability to view individualized detailed consumption data
- Capability to view water consumption patterns which can promote water conservation
- Reduction of high water bills associated with estimated reads

Improves operational performance:

- Supports process re-engineering as meter reading processes will be reviewed, updated and optimized as part of the project implementation.
- Supports Asset Management by accurately identifying and replacing meters that are in need of repair or have exceeded their useful life.
- Supports the reduction of non-revenue water through:
  - Improved data for audits focused on water loss, leak detection, and water system efficiency;



- The replacement of inaccurate meters;
- Prompt notice of meter tampering and potential water theft; and
- Information to support the proactive repair of the water system, reducing watermain breaks and interruptions of water service to citizens and businesses.

Promotes water conservation:

- Citizens and businesses will be able to monitor their water consumption, adjust their water use behavior thus reducing their costs and conserving water resources.
- Ability to identify high water users and refer them to York Region's Water Conservation Program for recommendations and potential financial incentives to reduce water consumption.

Aligns with the City's strategic objectives

- Environmental Stewardship through water conservation and reducing environmental carbon footprint due to fewer required field visits
- Support the City's Smart Cities Initiative and Digital Strategy through:
  - Enhanced communications
  - Timely access to consumption data and content
  - eServices and mobile apps
  - Internal digital transformation
  - Municipal transformation

### **Economic Impact**

Implementation of the project and installation of new water meters and data collectors would be rolled out over a 4-year period starting from 2018.

### **Impact on the Capital Budget**

The project has a total capital cost of \$38.5 million, of which \$3.1 million of water meter related projects were approved in 2017, leaving a net capital request of \$35.4 million. The project is expected to be funded through borrowing either from internal reserves or through external debenture markets, and which will ultimately be repaid through water rates. Further analysis will be required to determine the most cost-effective financing strategy for the City. The payback period is estimated to be approximately 15 years.

### **Capital Costs of Shared Smart Metering Solution**

<b>Capital Cost</b>	<b>\$M</b>
AMI Capital	24.7
Meter Installation	8.3
Meter Data Management System (MDM) Capital	2.6
Customer Information System (CIS)/Workforce Management (WFM)/ Enterprise Service Bus (ESB) Capital	2.1
Corporate Services & Other Capital	0.8
<b>Total Capital Cost</b>	<b>38.5</b>

*Note: Two Additional Resource Requests are included in the capital cost to support the AMI implementation. The positions are Business Analyst and Project Manager. They are contract positions with a 4-year term.*

### **Impact on the Operating Budget**

Purchases from the Region are expected to decrease as a direct result of the reduction in non-revenue water (i.e. improved meter accuracy, identification of leaks and network losses), generating a positive change in gross margin starting in 2019.

Notable expenditure increases starting in 2022, are a result of IT integration changes and repayment of debt incurred to implement this project. The debt is expected to be retired in 2042.

Lifecycle contributions are expected to trend lower as the increase in gross margin would more than offset by increased costs. Debt repayment would impact lifecycle contributions and will be linked to the 20-year life span of the meters.

**Net Financial Impact to the Proposed 2018 Operating Budget and 2019-22 Plan**

(\$M)	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Revenue					
Purchases	0.0	-0.2	-0.9	-1.9	-2.8
<b>Gross Margin</b>	<b>0.0</b>	<b>0.2</b>	<b>0.9</b>	<b>1.9</b>	<b>2.8</b>
<b>Other Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Expenditures</b>					
Maintenance & Installation	0.4	0.5	0.3	0.7	0.7
General Administration	0.0	0.1	0.1	0.1	3.3
Other					
Lifecycle Contribution	-0.4	-0.3	0.5	1.2	-1.1
<b>Total</b>	<b>0.0</b>	<b>0.2</b>	<b>0.9</b>	<b>2.0</b>	<b>2.9</b>
<b>Net</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Conclusion**

**AMI is the most cost-effective solution combined with a shared-solution partnership with Alectra.**

In order to realize the most cost-effective way to implement an AMI solution, the City should partner with Alectra, leveraging their current infrastructure and software. The City has had preliminary discussions with Alectra to discuss this shared solution and how to move forward should Council approve the capital budget in the 2018 budget submission.

Installation and operation of an AMI network would provide several important benefits to the City including a higher level of customer service, the ability to encourage conservation by educating customers on usage patterns, and the ability to reduce water costs by reducing water losses.

**Memo prepared by:**

Nadia Paladino, Manager, Special Projects, Ext. 8054

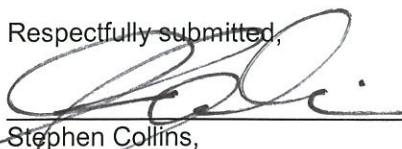
Sean Skinkle, Finance Manager, Ext. 8486


Attachment #1: ARR – Business Analyst (4 year contract)

Attachment #2: ARR – Project Manager – Water (4 year contract)

Attachment #3: Capital Project Summary

Respectfully submitted,

  
Stephen Collins,  
Deputy City Manager, Public Works

 ON BEHALF OF  
Laura Mirabella-Siddall,  
Chief Financial Officer and City Treasurer

cc: Daniel Kostopoulos, City Manager  
Jennifer Rose, Director Environmental Services  
Dean Ferraro, Director City Financial Services and Deputy City Treasurer  
Lloyd Noronha, Director Financial Planning and Development Finance and Deputy City Treasurer



**CITY OF VAUGHAN  
2018-2022 OPERATING BUDGET**

**ADDITIONAL RESOURCE REQUEST**

<b>Request Title</b>	<div style="border: 1px solid black; padding: 2px;">Business Analyst (4 year contract)</div> (limit 70 Characters)		
<b>Business Unit #</b>	<div style="border: 1px solid black; padding: 2px;">2340001</div>	<b>Water- 100%</b>	<div style="border: 1px solid black; padding: 2px;"></div>
<b>Department</b>	<div style="border: 1px solid black; padding: 2px;">Environmental Services</div>		
<b>Term of Council Service Excellence Strategy Map</b>	<div style="border: 1px solid black; padding: 2px;">Invest, renew and manage infrastructure and assets</div>		
<b>Tied to a Capital Project</b>	<div style="border: 1px solid black; padding: 2px;">Yes</div>	<b>Project</b>	<div style="border: 1px solid black; padding: 2px;">Water Meter Changeout and AMI Project</div> <b>Approved/ Recognized</b> <div style="border: 1px solid black; padding: 2px;"></div>
<b>Legal/Regulatory Requirement</b>	<div style="border: 1px solid black; padding: 2px;">No</div>	<b>Indicate the Statute or Regulation</b> <div style="border: 1px solid black; padding: 2px;"></div>	
<b>ARR Type</b>	<div style="border: 1px solid black; padding: 2px;">New</div>	<b>Labour/Non-Labour</b>	<div style="border: 1px solid black; padding: 2px;">Labour</div>

**Annual Budget Change Summary**

Financial Components	2018	2019	2020	2021	2022	2018-2022 Sub-total	2023 (One Time. Adj.)	2018-2023 Sub-total
<b>Staffing</b>								
Complements	1.00	-	-	-	-	1.00	-	1.00
Net FTE's	1.00	-	-	-	-	1.00	-	1.00
<b>Operating Revenue</b>	-	-	-	-	-	-	-	-
<b>Operating Costs</b>								
Staffing & Benefits	121,083	-	-	-	-	121,083	-	121,083
Other continuous costs	4,200	-	-	-	-	4,200	-	4,200
One-time expenses	14,000	(14,000)	-	-	-	-	-	-
Offsets/reductions	-	-	-	-	-	-	-	-
Offsets Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
<b>Net Operating Budget</b>	<b>\$ 139,283</b>	<b>\$ (14,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125,283</b>	<b>\$ -</b>	<b>\$ 125,283</b>
<b>Associated Capital Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Please provide a brief description of the request. (Limit 1,325 characters)**

The City of Vaughan owns over eighty-five thousands customer water meters and the number continues to increase as the City is experiencing growth. The City is embarking to upgrade its water meter infrastructure, and a feasibility study was completed in August 2017 with positive recommendations to implement Advanced Metering Infrastructure (AMI) to enhance customer services, improve water conservation, process and operational efficiencies. This position will engage in the AMI project and lead water meter analysis including water demand analysis, billing data trending and analysis, cost-benefit analysis, monitoring and reporting on the performance & efficiencies of AMI initiatives, providing customer services and maintaining communication and be a liaison with the key internal and external keyholders.

**Identify the results or outcome that will be achieved with the new request. (limit 720 characters)**

The Business Analyst position will be engaged in the AMI project which is expected to generate positive results that may include reduction in meter reading cost, water losses and water billing disputes, improved water conservation, customer satisfaction and water demand management. The AMI project will also improve environmental stewardship, asset management and support the City's Smart Cities Initiatives and Digital Strategies.

**Indicate any impacts this request will have on other departments.**

<input checked="" type="checkbox"/>	Building & Facilities	<input type="checkbox"/>	Legal	Type of consultation: (limit 200 characters)
<input checked="" type="checkbox"/>	Information Technology	<input type="checkbox"/>	Other: _____	Ongoing support required from various departments as per the norm.
<input checked="" type="checkbox"/>	Human Resources	<input type="checkbox"/>	Other: _____	

**Are there any implications if this ARR is not approved? Please describe. (limit 600 characters)**

Water Services will struggle to meet compliance, new business and infrastructure renewal target as the overall workload increases with the growth in Vaughan.

**Financial Planning & Development Finance Only**

Questica Budget Change Request:

Included in Draft Budget:

Approval Received:



<b>Request Title</b>	Business Analyst (4 year contract) <span style="float: right; font-size: small;">(limit 70 Characters)</span>			
<b>Implications/Consequences (if request not approved)</b>				
<i>Legislative/Regulatory Requirement due to Law, Regulation, or Act. (NOTE: A By-Law is not a legal requirement)</i>				
Are there any Legislative or Regulatory Requirements that this ARR is addressing? _____ If yes, Type: _____				
What is the consequence of non-compliance? (fine, other penalty, amount) <span style="float: right; font-size: small;">(limit 650 characters)</span>				
<b>Risk Management</b>				
What is the risk associated with not approving this ARR? (Speak to severity and financial impact)				
<b>Complement Details</b>				
Do not gap positions - If required, please contact the Budget Dept. for instructions Future year progressions & eco. adj. will be calculated corporately by the Budget Dept.				
Complement Information	Position #1	Position #2	Position #3	Sub-total
Budget Year	2018			
Position title	Business Analyst			
Estimated start date	January 1, 2018			
# of positions requested	1.00			1.00
Full-time equivalents (FTEs)	1.00			1.00
Position type	Full-time			
Position agreement classification	Contract			
If contract, specify length (months or yrs.)	4 year			
If Casual/Seasonal PT enter Hourly wage				
Business unit # (override if different than # shown)	2340001			
Grade level	7			
Est. starting step	1			
Desktop (HR) Review Performed?	No			
B&F Accommodations Available?	Yes			
Desktop Computer or Laptop required?	Laptop			
Fleet Vehicle Required?	Yes			
Blackberry/Cell Phone Required?	Cell Phone			
<b>Complement Annual Cost Detail</b>				
Annual full-time \$	89,185			89,185
Annual part-time \$	-	-	-	-
Annual shift premiums, etc.	-	-	-	-
Annual overtime \$	3,528	-	-	3,528
* PT vacation pay (calculated field)	-	-	-	-
* Annual benefits (calculated field)	-	-	-	-
* FT contract benefits (calculated field)	28,370	-	-	28,370
<b>Subtotal (Per Employee)</b>	<b>\$ 121,083</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 121,083</b>
<b>Subtotal (Per Position)</b>	<b>\$ 121,083</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 121,083</b>
Continuous costs	(BU & Acct #.)	Please fill in per Complement. The total will account for multiple positions if indicated above.		
Cellular Line Charges	2340001.7122.01	960		960
Memberships/Dues/Fee	2340001.7105	40		40
Mileage	2340001.7100			-
Office Supplies	2340001.7200	300		300
Training & Development	2340001.7115	1,500		1,500
Protect. Clothing/Uniform	2340001.7300	1,400		1,400

Request Title		Business Analyst (4 year contract)					(limit 70 Characters)			
Other (Please detail in										
Subtotal (Per Employee)		\$	4,200	\$	-	\$	-	\$	4,200	
Subtotal (Per Position)		\$	4,200	\$	-	\$	-	\$	4,200	
One-time costs		(BU & Acct #.)		Please fill in per Complement. The total will account for multiple positions if indicated above.						
Office Equip. & Furnitu		2340001.7210		10,000				10,000		
Computer Hardware		2340001.7211.01		3,000				3,000		
Cellular Hardware Equ		2340001.7122.03		1,000				1,000		
Subtotal (Per Employee)			14,000		-		-		14,000	
Subtotal (Per Position)		\$	14,000	\$	-	\$	-	\$	14,000	
2017 Total Annual Costs		\$	-	\$	-	\$	-	\$	-	
2018 Total Annual Costs		\$	139,283	\$	-	\$	-	\$	139,283	
2019 Total Annual Costs		\$	-	\$	-	\$	-	\$	-	
2020 Total Annual Costs		\$	-	\$	-	\$	-	\$	-	
Additional Comments:										
Capital Funding										
Are there any Capital requests already submitted/approved or to be submitted related to this ARR? (e.g. new car)										
ASSOCIATED CAPITAL FUNDING		Status	Year asset Available for	Proj #	2018	2019	2020	2021	2022	Total
1	AMI and Smart Water Metering Impleme									\$ -
2										\$ -
3										\$ -
TOTAL ASSOCIATED CAPITAL FUNDING					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financial/Resource Detail										
Component				BU Acct. #	2018	2019	2020	2021	2022	
REVENUE - continuous operating detail										
1										
2										
3										
4										
Subtotal					-	-	-	-	-	-
REVENUE - one-time operating detail										
1										-
2										-
Subtotal					-	-	-	-	-	-
EXPENSES - continuous operating detail (For staffing costs please fill out section 7)										
1	* Staffing costs (calculated field)			(From sect. 7)	92,713	-	-	-	-	-
2	* Benefits			(From sect. 7)	28,370	-	-	-	-	-
3	* Complement sch. Expenses (calculated field)			(From sect. 7)	4,200	-	-	-	-	-
4										
5										
6										
7										
Subtotal					125,283	-	-	-	-	-
EXPENSES - one-time operating detail (For staffing costs please fill out section 7)										
1	* Complement sch. Expenses (calculated field)			(From sect. 7)	14,000	-	-	-	-	-
2										-
3										-
Subtotal					14,000	-	-	-	-	-
OFFSETS - cost savings, reductions, etc.										
1										

Request Title		Business Analyst (4 year contract)					(limit 70 Characters)
2							
3							
Subtotal			-	-	-	-	-
OFFSETS - Capital Projects							
1							
2							
3							
Subtotal			-	-	-	-	-
Additional Comments:							
TOTAL OPERATING BUDGET CHANGE			139,283	-	-	-	-
COMPLEMENTS & FTE's		2018	2019	2020	2021	2022	Total
# of positions requested	(From sect. 7)	1.00	-	-	-	-	1.00
FTE's	(From sect. 7)	1.00	-	-	-	-	1.00
FTE reductions/offsets	(Manual Field)						-
Net FTE's		1.00	-	-	-	-	1.00



**CITY OF VAUGHAN  
2018-2022 OPERATING BUDGET**

**ADDITIONAL RESOURCE REQUEST**

<b>Request Title</b>	Project Manager -Water (4 year contract)			(limit 70 Characters)
<b>Business Unit #</b>	2340001	Water- 100%		
<b>Department</b>	Environmental Services			
<b>Term of Council Service Excellence Strategy Map</b>	Invest, renew and manage infrastructure and assets			
<b>Tied to a Capital Project</b>	<input type="checkbox"/> Yes	<b>Project</b>	Water Meter Changeout and AMI Project	<b>Approved/ Recognized</b>
<b>Legal/Regulatory Requirement</b>	<input type="checkbox"/> No	<b>Indicate the Statute or Regulation</b>		
<b>ARR Type</b>	<input type="checkbox"/> New	<input type="checkbox"/> Labour/Non-Labour	<input type="checkbox"/> Non-Labour	

**Annual Budget Change Summary**

Financial Components	2018	2019	2020	2021	2022	2018-2022 Sub-total	2023 (One Time. Adj.)	2018-2023 Sub-total
<b>Staffing</b>								
Complements	1.00	-	-	-	-	1.00	-	1.00
Net FTE's	1.00	-	-	-	-	1.00	-	1.00
<b>Operating Revenue</b>	-	-	-	-	-	-	-	-
<b>Operating Costs</b>								
Staffing & Benefits	132,736	-	-	-	-	132,736	-	132,736
Other continuous costs	4,200	-	-	-	-	4,200	-	4,200
One-time expenses	14,000	(14,000)	-	-	-	-	-	-
Offsets/reductions	-	-	-	-	-	-	-	-
Offsets Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
<b>Net Operating Budget</b>	<b>\$ 150,936</b>	<b>\$ (14,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,936</b>	<b>\$ -</b>	<b>\$ 136,936</b>
<b>Associated Capital Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Please provide a brief description of the request. (Limit 1,325 characters)**

The City of Vaughan owns over eighty five thousands residential and industrial, commercial and institutional (ICI) water meters and the number of meters required continue to increase as the City is experiencing growth. The City is embarking to upgrade its water meter infrastructure and to provide advancement through smart water metering functions. A feasibility study was conducted in August 2017 and recommended to implement Advanced Metering Infrastructure (AMI) to enhance customer services, improve water conservation, process and operational efficiencies. The proposed Project Manager position is required to implement the AMI initiatives as identified in the feasibility study.

**Identify the results or outcome that will be achieved with the new request. (limit 720 characters)**

The Project Manager will lead the implementation of AMI project which is expected to generate positive results that may include reduction in meter reading cost, reduction in water losses and water billing disputes, improved water conservation, customer satisfaction and water demand management. The AMI project will also improve environmental stewardship, asset management and support the City's Smart Cities Initiatives and Digital Strategies.

**Indicate any impacts this request will have on other departments.**

<input checked="" type="checkbox"/>	Building & Facilities	<input type="checkbox"/>	Legal	Type of consultation: (limit 200 characters) Ongoing support required from various departments as per the norm.
<input checked="" type="checkbox"/>	Information Technology	<input type="checkbox"/>	Other: _____	
<input checked="" type="checkbox"/>	Human Resources	<input type="checkbox"/>	Other: _____	

**Are there any implications if this ARR is not approved? Please describe. (limit 600 characters)**

Water Services will struggle to meet compliance, new business and infrastructure renewal target as the overall workload increases with the growth in Vaughan.

**Financial Planning & Development Finance Only**

**Questica Budget Change Request:**

Included in Draft Budget:

Approval Received:

<b>Request Title</b>	Project Manager -Water (4 year contract)				(limit 70 Characters)
<b>Implications/Consequences (if request not approved)</b>					
<i>Legislative/Regulatory Requirement due to Law, Regulation, or Act. (NOTE: A By-Law is not a legal requirement)</i> Are there any Legislative or Regulatory Requirements that this ARR is addressing? _____ If yes, Type: _____ What is the consequence of non-compliance? (fine, other penalty, amount) _____ (limit 650 characters)					
<b>Risk Management</b> What is the risk associated with not approving this ARR? (Speak to severity and financial impact)					
<b>Complement Details</b>					
Do not gap positions - If required, please contact the Budget Dept. for instructions Future year progressions & eco. adj. will be calculated corporately by the Budget Dept.					
<b>Complement Information</b>	<b>Position #1</b>	<b>Position #2</b>	<b>Position #3</b>	<b>Sub-total</b>	
Budget Year	2018				
Position title	Project Manger -Water				
Estimated start date	Jan, 2018				
# of positions requested	1.00				
Full-time equivalents (FTEs)	1.00			1.00	
Position type	Full-time				
Position agreement classification	Contract				
If contract, specify length (months or yrs.)	4 years				
If Casual/Seasonal PT enter Hourly wage					
Business unit # (override if different than # shown)	2340001				
Grade level	8				
Est. starting step	1				
Desktop (HR) Review Performed?	No				
B&F Accommodations Available?	No				
Desktop Computer or Laptop required?	Laptop				
Fleet Vehicle Required?	Yes				
Blackberry/Cell Phone Required?	Cell Phone				
<b>Complement Annual Cost Detail</b>					
Annual full-time \$	98,107			98,107	
Annual part-time \$	-	-	-	-	
Annual shift premiums, etc.	-	-	-	-	
Annual overtime \$	3,528	-	-	3,528	
* PT vacation pay (calculated field)	-	-	-	-	
* Annual benefits (calculated field)	-	-	-	-	
* FT contract benefits (calculated field)	31,100	-	-	31,100	
<b>Subtotal (Per Employee)</b>	<b>\$ 132,736</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,736</b>	
<b>Subtotal (Per Position)</b>	<b>\$ 132,736</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,736</b>	
Continuous costs	(BU & Acct #.)	Please fill in per Complement. The total will account for multiple positions if indicated above.			
Cellular Line Charges	2340001.7122.01	960			960
Memberships/Dues/Fe	2340001.7105	40			40
Mileage	2340001.7100				-
Office Supplies	2340001.7200	300			300
Training & Developme	2340001.7115	1,500			1,500
Protect. Clothing/Unifo	2340001.7300	1,400			1,400



Request Title		Project Manager -Water (4 year contract)				(limit 70 Characters)			
Other (Please detail in		-				-			
Subtotal (Per Employee)		\$	4,200	\$	-	\$	4,200		
Subtotal (Per Position)		\$	4,200	\$	-	\$	4,200		
One-time costs	(BU & Acct #.)	Please fill in per Complement. The total will account for multiple positions if indicated above.							
Office Equip. & Furnitu	2340001.7210		10,000				10,000		
Computer Hardware	2340001.7211.01		3,000				3,000		
Cellular Hardware Equi	2340001.7122.03		1,000				1,000		
							-		
Subtotal (Per Employee)			14,000		-		14,000		
Subtotal (Per Position)		\$	14,000	\$	-	\$	14,000		
2017 Total Annual Costs		\$	-	\$	-	\$	-		
2018 Total Annual Costs		\$	150,936	\$	-	\$	150,936		
2019 Total Annual Costs		\$	-	\$	-	\$	-		
2020 Total Annual Costs		\$	-	\$	-	\$	-		
Additional Comments:									
Capital Funding									
Are there any Capital requests already submitted/approved or to be submitted related to this ARR? (e.g. new car)									
ASSOCIATED CAPITAL FUNDING	Status	Year asset Available for	Proj #	2018	2019	2020	2021	2022	Total
1 AMI and Smart Water Metering Impleme									\$ -
2									\$ -
3									\$ -
TOTAL ASSOCIATED CAPITAL FUNDING				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Financial/Resource Detail									
Component			BU Acct. #	2018	2019	2020	2021	2022	
									Budget
REVENUE - continuous operating detail									
1									
2									
3									
4									
Subtotal				-	-	-	-	-	-
REVENUE - one-time operating detail									
1									-
2									-
Subtotal				-	-	-	-	-	-
EXPENSES - continuous operating detail (For staffing costs please fill out section 7)									
1	* Staffing costs (calculated field)	(From sect. 7)	101,635	-	-	-	-	-	-
2	* Benefits	(From sect. 7)	31,100	-	-	-	-	-	-
3	* Complement sch. Expenses (calculated field)	(From sect. 7)	4,200	-	-	-	-	-	-
4									
5									
6									
7									
Subtotal				136,936	-	-	-	-	-
EXPENSES - one-time operating detail (For staffing costs please fill out section 7)									
1	* Complement sch. Expenses (calculated field)	(From sect. 7)	14,000	-	-	-	-	-	-
2									-
3									-
Subtotal				14,000	-	-	-	-	-
OFFSETS - cost savings, reductions, etc.									
1									



Request Title		Project Manager -Water (4 year contract)					(limit 70 Characters)
2							
3							
Subtotal			-	-	-	-	-
OFFSETS - Capital Projects							
1							
2							
3							
Subtotal			-	-	-	-	-
Additional Comments:							
<b><u>TOTAL OPERATING BUDGET CHANGE</u></b>			150,936	-	-	-	-
<b>COMPLEMENTS &amp; FTE's</b>		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
# of positions requested	(From sect. 7)	1.00	-	-	-	-	1.00
FTE's	(From sect. 7)	1.00	-	-	-	-	1.00
FTE reductions/offsets	(Manual Field)						-
Net FTE's		1.00	-	-	-	-	1.00



## Project Summary

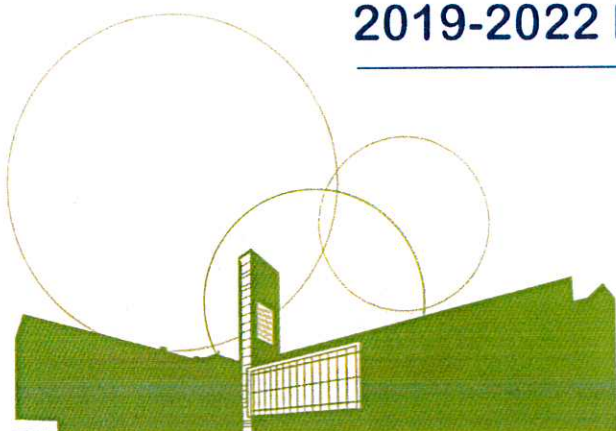
<b>Project Number:</b> EV-2124-18 <b>Project Title:</b> Smart Water Metering - City Wide Advanced Metering Infrastructure (AMI) Implementation <b>Asset Type:</b> WTS001 Piped Infrastructure (WTS) <b>Department:</b> Environmental Services <b>Budget Year:</b> 2018 <b>Scenario Name:</b> Main		<b>Approval Year:</b> 2018 <b>Scenario Active:</b> Yes																																																								
<b>Project Stage:</b> Concept		<b>TCA:</b> Yes																																																								
<b>Regions:</b>																																																										
<b>Project Type:</b> New Infrastructure																																																										
<b>Project Description</b> A program to identify and replace existing water meters with AMI compatible water meters including implementation of associated AMI infrastructure. Objectives of the program to include: - Analytics / reporting system for timely customer service. - Address non-revenue water and district meter areas to lower and measure unaccounted for water. - A smart meter system will allow customers to view their up to date consumption and billing info which promotes conservation and wise use of water. - Provide a customer-focused solution which enhances abilities to identify leaks, water quality and/or safety issues - Determine the most cost effective method to deliver smart metering and associated technologies - Enhance accuracy of water meter billing (eg. hard to read meters and estimated reads)																																																										
<b>Project Timelines</b> 4 years implementation																																																										
<b>Scenario Description</b>																																																										
<b>Other Dept Impact</b> OCIO: Support AMI network and integration, communication and data storage components and applications, Alectra: Update water meter details associated the water meter change out program, Corporate Communication: Education and Public Outreach programs, Corporate Asset Management: Update GIS database																																																										
<b>Project Forecast</b>																																																										
<table border="1"> <thead> <tr> <th>Budget Year</th> <th>Total Expense</th> <th>Total Revenue</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>9,076,560</td> <td>9,076,560</td> <td>0</td> </tr> <tr> <td>2019</td> <td>10,168,226</td> <td>10,168,226</td> <td>0</td> </tr> <tr> <td>2020</td> <td>10,220,737</td> <td>10,220,737</td> <td>0</td> </tr> <tr> <td>2021</td> <td>9,033,173</td> <td>9,033,173</td> <td>0</td> </tr> <tr> <td>2022</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>2023 &amp; Beyond</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td></td> <td><b>38,498,696</b></td> <td><b>38,498,696</b></td> <td><b>0</b></td> </tr> </tbody> </table>	Budget Year	Total Expense	Total Revenue	Difference	2018	9,076,560	9,076,560	0	2019	10,168,226	10,168,226	0	2020	10,220,737	10,220,737	0	2021	9,033,173	9,033,173	0	2022	0	0	0	2023 & Beyond	0	0	0		<b>38,498,696</b>	<b>38,498,696</b>	<b>0</b>	<b>Project Detailed 2018</b> <table border="1"> <thead> <tr> <th>Object</th> <th>Description</th> <th>Total Amount</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Expense</b></td> </tr> <tr> <td>01001 - 8805</td> <td>3% Administration Cost</td> <td>1,121,321</td> </tr> <tr> <td>01001 - 8807</td> <td>Furniture &amp; Equipment</td> <td>37,377,375</td> </tr> <tr> <td colspan="2"><b>Total Expense:</b></td> <td><b>38,498,696</b></td> </tr> <tr> <td colspan="3"><b>Revenue</b></td> </tr> <tr> <td>75000 - 8847</td> <td>Debenture Financing</td> <td>38,498,696</td> </tr> <tr> <td colspan="2"><b>Total Revenue:</b></td> <td><b>38,498,696</b></td> </tr> </tbody> </table>		Object	Description	Total Amount	<b>Expense</b>			01001 - 8805	3% Administration Cost	1,121,321	01001 - 8807	Furniture & Equipment	37,377,375	<b>Total Expense:</b>		<b>38,498,696</b>	<b>Revenue</b>			75000 - 8847	Debenture Financing	38,498,696	<b>Total Revenue:</b>		<b>38,498,696</b>
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<b>ARR:</b> -																																																										
<b>Year Identified</b> 2018	<b>Start Date</b> Jan 1, 2018	<b>Project Owner</b> Deepak Panjwani																																																								
<b>Project Sponsor</b> Jennifer Rose		<b>Completion Date</b> Dec 31, 2021																																																								

C2
COMMUNICATION
FAA- Nov 6/17
ITEM - 1

## Draft 2018 Budget and 2019-2022 Financial Plan

Finance, Administration and Audit  
Committee

November 6, 2017



CANADA 150



### This is Vaughan



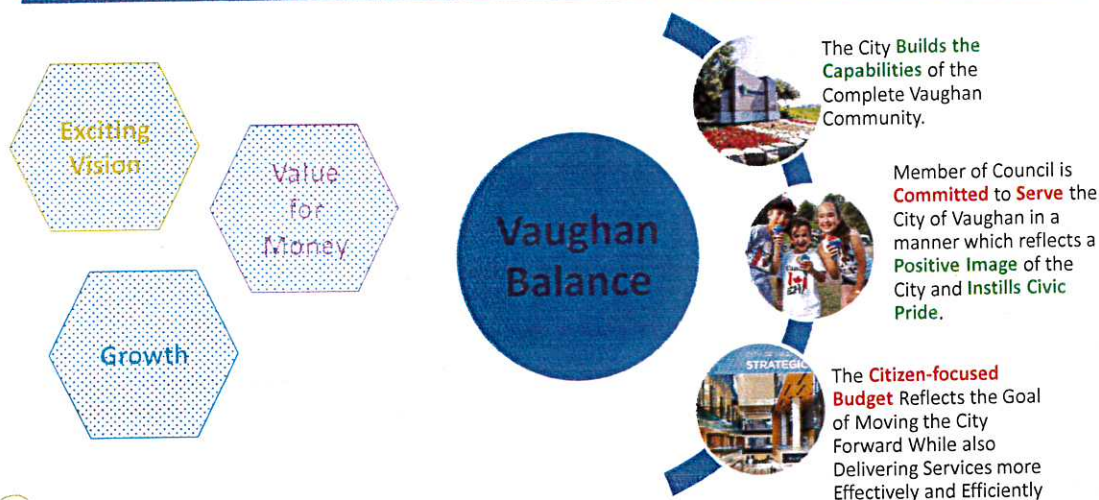
2

Financial Sustainability – Always a Priority





## Exciting Vision, Responsible Governance



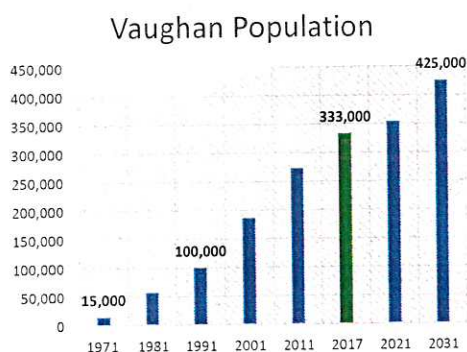
3

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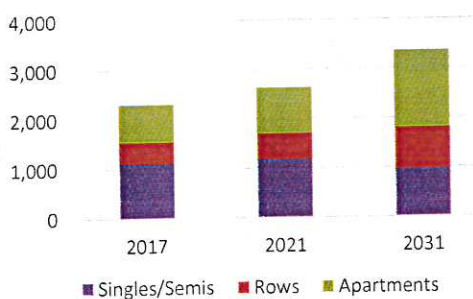


VAUGHAN

## Vaughan Growth



**Vaughan Household Units**



Source: York Region &amp; Hemson estimates

Note: The data is to show trend only, the figures will be further refined through updates of new growth plans currently underway by the Province, Region and the City

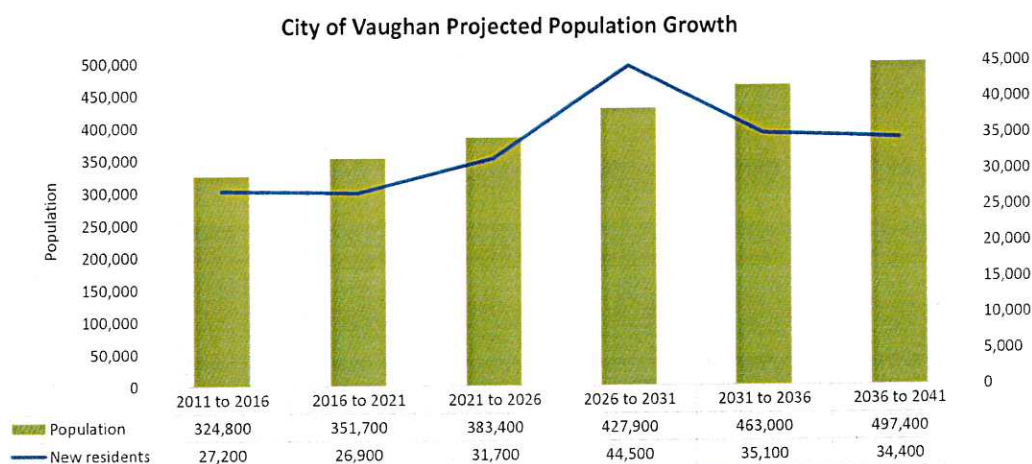
4

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## Accommodating up to 64% More Residents



5

Note: The data is to show trend only, the figures will be further refined through updates of new growth plans currently underway by the Province, Region and the City

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## Vaughan - shifting to more mature and dense community



- Keeping up with service levels to meet demands arising from growth
- Infrastructure - more complex and costly



6

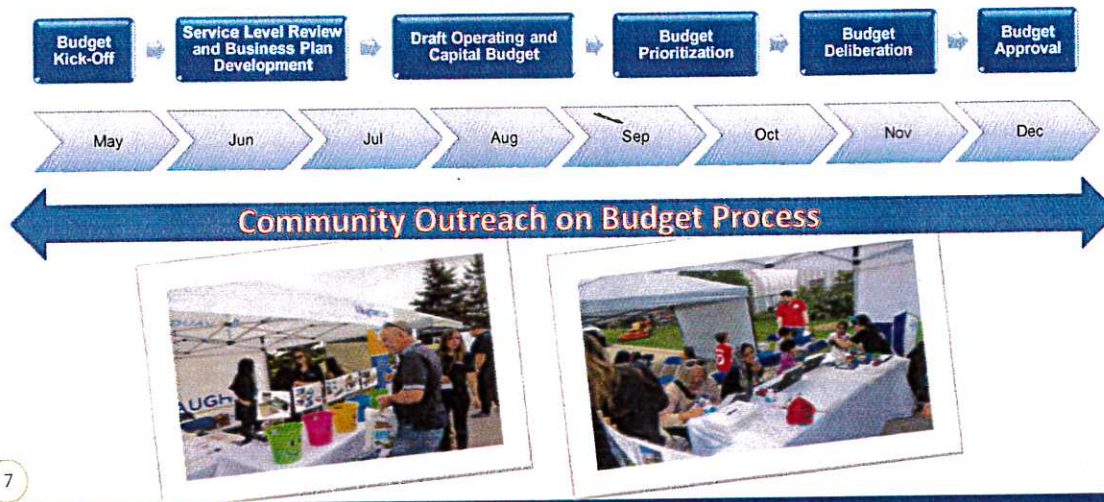
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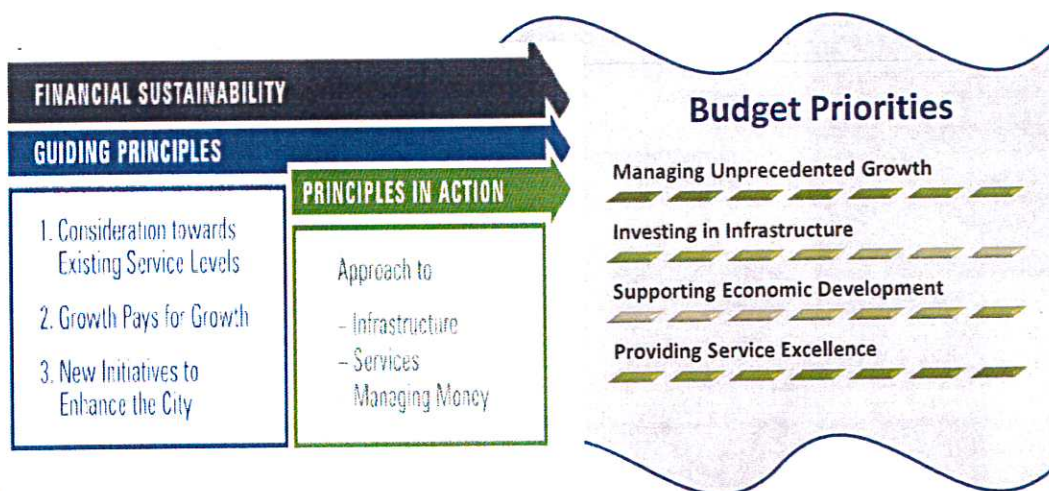
## Budget Process



Financial Sustainability – Always a Priority



## Budget Guiding Principles Supports Budget Priorities



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## 2018 Operating and Five Year Capital Plan

### Tax Supported Programs

2018 Gross Operating  
\$297 million

Five Year Capital Plan  
\$532 million

### Utility Rate Supported Programs

2018 Gross Operating  
\$161 million

Five Year Capital Plan  
\$59 million

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## 2018 Proposed Tax Supported Operating Budget

\$M	2017 Approved	2018 Proposed Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Gross Operating	278.4	296.8	303.6	311.3	320.5	329.4
Less: Non-Tax Revenue	89.7	100.8	101.9	101.9	103.3	103.9
Net Operating	188.7	196.0	201.7	209.3	217.3	225.5
Assessment Growth	2.9	1.8	1.7	1.8	1.8	1.9
Supplemental Taxation & PIL	5.8	5.8	5.8	5.8	5.8	5.8
Net Levy Requirement	179.9	190.2	197.6	205.3	213.3	221.7
Incremental Levy Requirement	5.2	5.5	5.7	5.9	6.2	6.4
Incremental Tax Rate	2.90%	3.00%	3.00%	3.00%	3.00%	3.00%

10

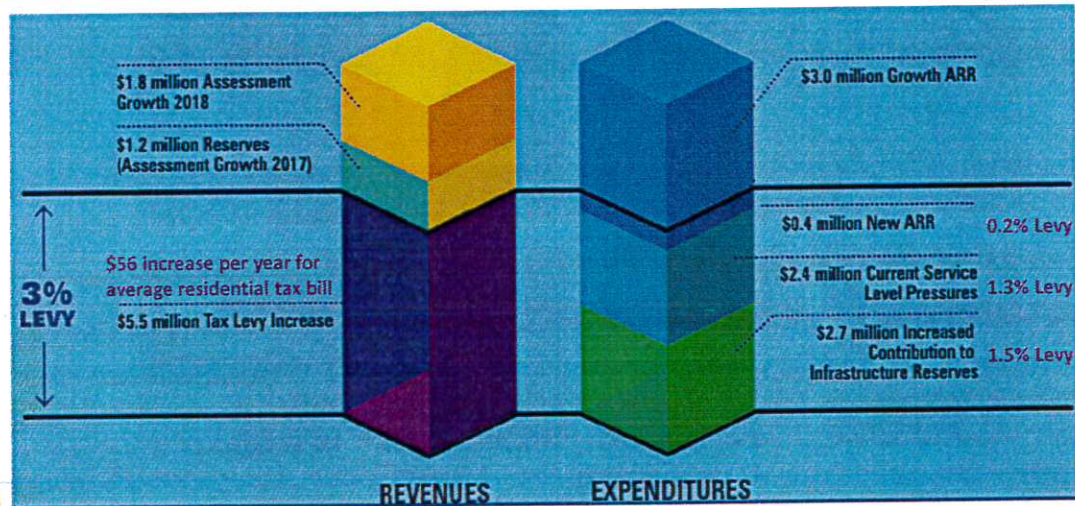
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## 2018 Tax Levy Increase Analysis



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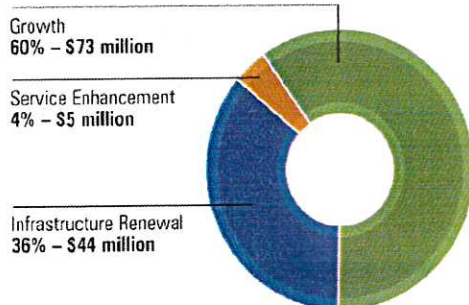
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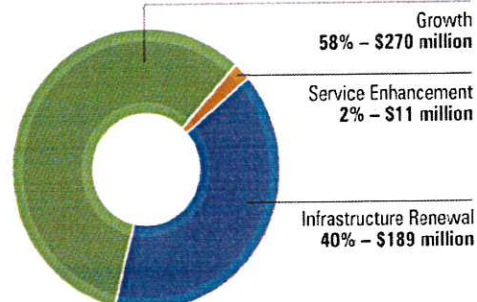
## Sustainable Capital Project Investments

A Responsible Balanced Plan to Maintain Today's Infrastructure and to Build for Tomorrow

2018 Capital Investment



2019-2022 Capital Plan



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## Budget Links to Strategy Map

# Budget Links to Strategy Map

**Term of Council Service Excellence Strategy Map**  
(2011-2015)

**VISION**  
A world-class, vibrant, and sustainable community where everyone has the opportunity to thrive.

**MISSION**  
To provide exceptional service to our residents and businesses, and to create a sustainable future for our community.

**VALUES**  
Integrity, Innovation, Inclusion, and Excellence.

**CITY OF VAUGHAN**

**TERM OF COUNCIL PRIORITIES**

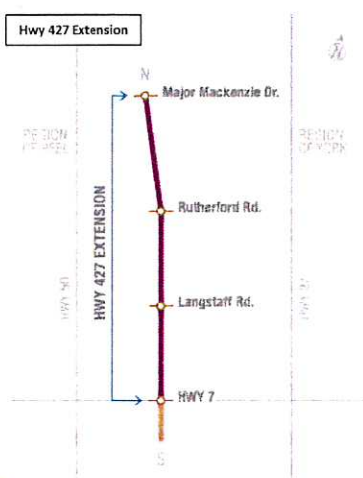
- Improve municipal road network
- Continue to develop transit, cycling and pedestrian options to get around the City
- Facilitate the development of the VMC
- Support the development of the Hospital for eHealthcare
- Re-establish the urban form canopy
- Secure income and manage infrastructure and assets
- Continue to ensure the safety and well-being of citizens
- Meet Council fee rate targets (no greater than 3%)
- Upgrade the Official Plan and governing statutes
- Attract investment and create jobs
- Create and manage affordable housing options (secondary suites)
- Continue to cultivate a community sustainable city
- Support and promote arts, culture, heritage and sports in the community
- Continue to advance a culture of excellence in governance
- Establish a leadership strategy
- Enhance civic pride through a consistent city-wide approach to citizen engagement

**SERVICE EXCELLENCE STRATEGIC INITIATIVES**

Service Excellence	Customer Service	Operational Excellence
<b>Service Excellence</b> <ul style="list-style-type: none"><li>Improve Customer Service<ul style="list-style-type: none"><li>Improve Customer Service<ul style="list-style-type: none"><li>Improve Customer Service</li></ul></li></ul></li></ul>	<b>Customer Service</b> <ul style="list-style-type: none"><li>Improve Customer Service<ul style="list-style-type: none"><li>Improve Customer Service</li></ul></li></ul>	<b>Operational Excellence</b> <ul style="list-style-type: none"><li>Improve Operational Excellence<ul style="list-style-type: none"><li>Improve Operational Excellence</li></ul></li></ul>

**Financial Sustainability – Always a Priority**

## Improve Municipal Road Networks



**Total Capital Plan - \$96.4 million**  
**Active Projects - \$17.9 million**



## Continue to develop options to get around the City



**Total Capital Plan - \$7.5 million**  
**Active Projects - \$14.5 million**



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Budget Book Vol. 1: Page 29

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## Facilitate the development of the VMC



**Total Capital Plan - \$95.6 million**  
**Active Projects - \$25.4 million**

Budget Book Vol. 1: Page 30

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## Support the development of the hospital



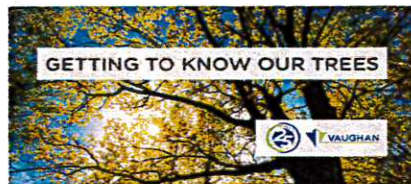
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Budget Book Vol. 1: Page 31

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## Re-establish the urban tree canopy



Total Capital Plan - \$12.6 million

18

Budget Book Vol. 1: Page 32

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## Invest, renew and manage infrastructure assets



*Total Capital Plan - \$274.3 million*  
*Active Projects - \$132.8 million*

Budget Book Vol. 1: Page 32

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## Continue to ensure the safety and well-being of citizens



*Total Capital Plan - \$13.4 million*

Budget Book Vol. 1: Page 34

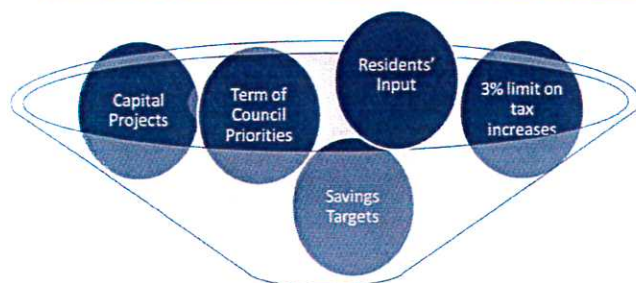
20

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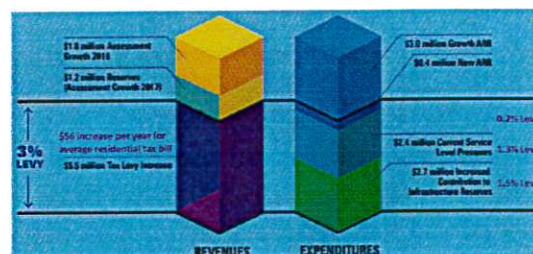


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## Meet Council tax rate targets - no greater than 3%



Draft 2018 Budget and Five Year Plan



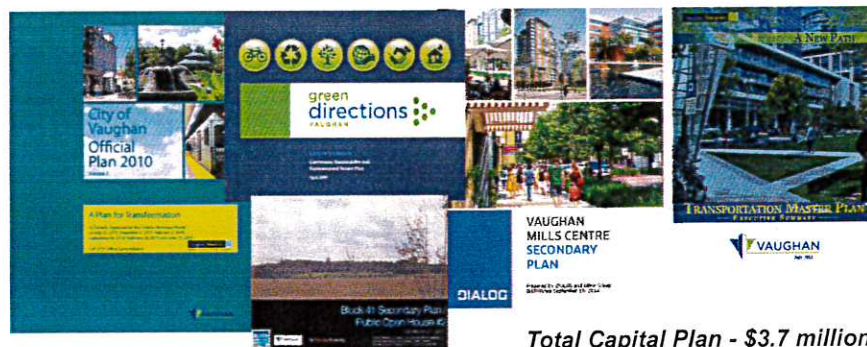
Budget Book Vol. 1: Page 34

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## Update the Official Plan and supporting studies



Total Capital Plan - \$3.7 million  
Active Projects - \$7.3 million

22

Budget Book Vol. 1: Page 34

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## Attract investment & create jobs

Toronto Global has identified 10 possible sites for Amazon's HQ

1. Downtown Toronto
2. ~~Downtown Mississauga~~
3. Vaughan Metropolitan Centre
4. Markham Centre
5. Brampton Powerade Centre
6. Pickering's Seaton Lands
7. Ajax, Carruthers Creek
8. Milton, 401 Fronting Land
9. Oakville, Trafalgar & 407
10. Burlington, Bronte Meadows



Total Capital Plan - \$4.6 million

Budget Book Vol. 1: Page 36

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## Create and manage affordable housing options (secondary suites)

Woodbridge Housing Development



CITY OF VAUGHAN  
SECONDARY SUITES STUDY



STUDY KICK OFF: MAY 27<sup>TH</sup> 2013

Sep 14, 2012 | Vote 0 0

30 new affordable housing units released in Vaughan

Source: Yorkregion.com

Budget Book Vol. 1: Page 37

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## Continue to cultivate an environmentally sustainable city

LED Street Light Retrofit



**Black Creek Renewal Project**

25

Total Capital Plan - \$1.7 million  
Active Projects - \$21.9 million

Budget Book Vol. 1: Page 38

Financial Sustainability – Always a Priority



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## Support and promote arts, culture, heritage and sports



June 2016  
City of Vaughan  
Older Adult Recreation Strategy



Total Capital Plan - \$76.2 million  
Active Projects - \$38.9 million

Budget Book Vol. 1: Page 38

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## Continue to advance a culture of excellence in governance



Total Capital Plan - \$2.1 million

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## Enhance civic pride with consistent approach to citizen engagement



Total Capital Plan - \$0.4 million

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## Establish a lobbyist registry



**Lobbyist Registry**

The Lobbyist Registry is a tool that provides accountability and transparency to lobbying activities by giving the public access to information about who is communicating with public office holders.

<b>Am I A Lobbyist</b> 	<b>Register Lobbying Activity</b> 	<b>Lobbyist Registry</b> 
<b>Lobbyist Code of Conduct</b> 	<b>FAQ's</b> 	<b>Background</b> 

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Financial Sustainability – Always a Priority



## Service Excellence Initiatives



### 2016 Citizen Survey

We're reaching out to residents to find out what matters most to YOU

Share your opinion about:

- Quality
- Delivery
- Use

SERVICE EXCELLENCE STRATEGIC INITIATIVES	
CITIZEN EXPERIENCE	STAFF ENGAGEMENT
<ul style="list-style-type: none"> <li>• Streamline processes and services</li> <li>• Enhance digital services</li> <li>• Improve customer service</li> <li>• Increase transparency and accountability</li> <li>• Enhance staff training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance staff training and development</li> <li>• Increase staff engagement and productivity</li> <li>• Improve staff communication and collaboration</li> <li>• Enhance staff morale and job satisfaction</li> <li>• Increase staff retention and turnover</li> </ul>
COMMUNITY ENGAGEMENT	DEPARTMENTAL BUSINESS PLANS
<ul style="list-style-type: none"> <li>• Enhance community engagement and participation</li> <li>• Increase transparency and accountability</li> <li>• Improve staff training and development</li> <li>• Enhance staff communication and collaboration</li> <li>• Increase staff morale and job satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance staff training and development</li> <li>• Increase staff engagement and productivity</li> <li>• Improve staff communication and collaboration</li> <li>• Enhance staff morale and job satisfaction</li> <li>• Increase staff retention and turnover</li> </ul>



Total Capital Plan - \$3.6 million

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## Understanding the Tax Bill

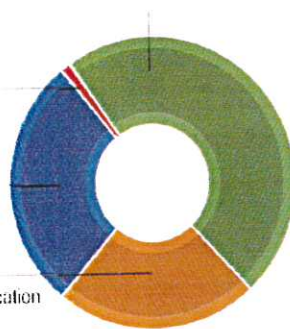
### Average Residential Tax Bill

York Region  
48% – \$3,314

Hospital Precinct  
Development Levy  
1% – \$73

City of Vaughan  
28% – \$1,927

Province of Ontario - Education  
23% – \$1,595



Note: based on average assessment value of \$891,000.

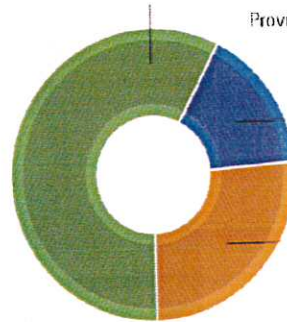
31

### Commercial Tax Bill

Province of Ontario - Education  
58% – \$988

City of Vaughan  
16% – \$265

York Region  
26% – \$439



Note: based on assessment value of \$100,000

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VAUGHAN

## Vaughan's Taxes – Municipal & Regional Services



The City of Vaughan provides services such as:

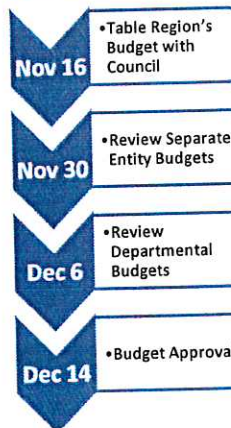
- Local roads
- Sidewalks
- Snow removal local roads and sidewalks
- Curbside waste pick-up
- By-law enforcement
- Animal services
- Licensing and permits
- Fire and rescue services
- Parks
- Community centres
- Libraries
- Crossing guards
- Water transmission and distribution
- Wastewater collection and transmission
- Stormwater management
- Tree and plant maintenance along local roads



York Region provides services such as:

- Regional roads
- Snow removal on regional roads
- Public transit (YRT, viav)l
- Processing of recycling and compostable
- Landfill disposal
- Police services
- Paramedic services
- Social services and social housing
- Public health services
- Water transmission, treatment and storage
- Wastewater transmission and treatment
- Tree maintenance along regional roads

### York Region's Budget Deliberation Schedule



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VAUGHAN

## Vaughan's Taxes – Provincial Education Taxes



The rates for the education portion of the tax are established by the Minister of Finance, and the education tax rates are set in Ontario Regulation 400/98 under the Education Act

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## Vaughan's Taxes – Comparison Tax Rate Increases

	5 Year Average	2017	2016	2015	2014	2013
Mississauga	5.54%	5.70%	4.88%	4.00%	6.10%	7.00%
Caledon	4.89%	4.67%	4.28%	4.82%	4.98%	5.70%
Brampton	4.36%	3.30%	4.90%	5.79%	2.90%	4.90%
Burlington	3.83%	4.42%	3.14%	3.65%	3.50%	4.46%
Richmond Hill	3.47%	4.39%	4.20%	4.20%	2.04%	2.50%
Milton	3.40%	5.30%	2.00%	3.06%	3.63%	3.00%
Aurora	3.20%	3.10%	1.80%	3.91%	3.75%	3.42%
Newmarket	3.19%	2.99%	2.99%	3.50%	2.72%	3.74%
King	2.98%	2.98%	2.95%	2.97%	2.59%	3.42%
Barrie	2.90%	3.09%	2.91%	3.19%	2.03%	3.30%
<b>Vaughan</b>	<b>2.74%</b>	<b>2.90%</b>	<b>2.90%</b>	<b>2.70%</b>	<b>2.50%</b>	<b>2.69%</b>
Oakville	2.70%	3.21%	2.40%	2.79%	2.11%	3.01%
Markham	2.48%	3.46%	2.44%	2.50%	2.49%	1.50%

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## Vaughan's Taxes – Comparison Residential Tax Rates

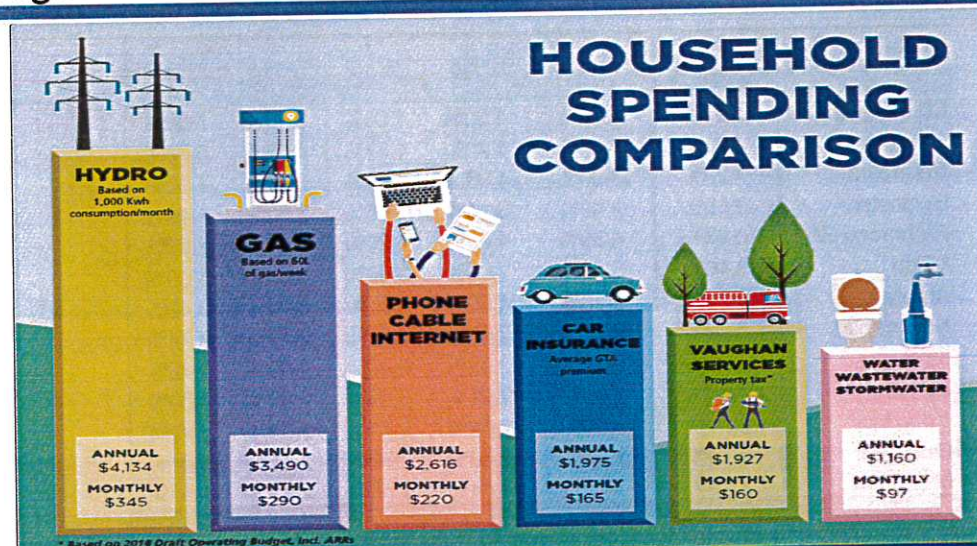
Municipality	5 Year Average			
	Municipal	Regional	Education	Total
Barrie	0.90%	0.00%	0.20%	1.09%
Brampton	0.48%	0.42%	0.20%	1.09%
Newmarket	0.39%	0.41%	0.20%	0.99%
Burlington	0.36%	0.32%	0.20%	0.88%
Caledon	0.36%	0.33%	0.20%	0.88%
Aurora	0.35%	0.41%	0.20%	0.95%
King	0.34%	0.41%	0.20%	0.94%
Oakville	0.33%	0.32%	0.20%	0.85%
Mississauga	0.30%	0.42%	0.20%	0.91%
<b>Vaughan</b>	<b>0.27%</b>	<b>0.41%</b>	<b>0.20%</b>	<b>0.87%</b>
Richmond Hill	0.26%	0.41%	0.20%	0.86%
Milton	0.26%	0.32%	0.20%	0.77%
Markham	0.25%	0.41%	0.20%	0.85%

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## Vaughan Household Spending



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## 2018 Proposed Rate Supported Operating Budget

(\$M)	Water	Wastewater	Stormwater	Total
Revenue	67.5	81.6	9.2	158.3
Purchases	48.0	68.2		116.2
Gross Margin	19.5	13.4	9.2	42.1
Other Revenue	1.6	0.9	0.5	3.0
<b>Expenditures</b>				
Maintenance & Installation	6.3	4.0	3.9	14.2
General Administration	5.1	2.8	2.9	10.8
Other	1.1	0.5	1.7	3.3
Lifecycle Contribution	8.6	7.0	1.2	16.8
Total	21.1	14.3	9.7	45.1
Net	0.0	0.0	0.0	0.0

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VAUGHAN

## Vaughan's Rates – Water & Wastewater

Safe drinking water	Effective wastewater collection	Stormwater management
---------------------	---------------------------------	-----------------------

- The objective is to ensure financially viable and sustainable water, wastewater and stormwater services for both the short and long-term
- For 2018, the combined water and wastewater draft rate is \$4.1566/m<sup>3</sup> representing a 9.90% increase over 2017
- Based on the 2018 water and wastewater draft rate, the average household will pay an additional:

	Annual	Monthly
Water	\$45.36	\$3.78
Wastewater	\$54.62	\$4.55
Total	\$99.98	\$8.33

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## Vaughan's Rates – Stormwater Charges

Property Type	Draft Stormwater Charge – exemptions applied (2018)
Residential – Low Density (detached home) – per unit	\$50.00
Residential – Medium Density (townhouse, semi-detached) – per unit	\$30.61
Residential – High Density (condominium)	\$184.00
Non-Residential – Small (< 1 ac)	\$41.28
Non-Residential – Medium (1-10 ac)	\$1,066.21
Non-Residential – Large (>10 ac)	\$16,740.78
Agricultural/Vacant	\$694.65

\* There is no change to stormwater charge

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## Vaughan's Rates – Municipal Comparison

Annual Cost to the Average Household\*

Annual Cost Based on 267 m<sup>3</sup>



\*Total Water/Wastewater billing based on an average consumption/usage of 267m<sup>3</sup> per year.

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## **Upcoming Budget Meetings**

- **November 6** – Budget Overview
- **November 13** – Departmental Review
- **November 23** – Budget Wrap-up

*Public deputations are  
encouraged at all budget meetings*

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**DRAFT 2018 BUDGET AND 2019-2022 FINANCIAL PLAN****Recommendation**

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

1. That the presentation on the DRAFT 2018 Budget and 2019 - 2022 Financial Plan (the "2018 Budget Book") be received;
2. That Council approve the 2018 tax supported operating budget with budgeted operating gross expenditures of \$296.8 million and budgeted revenues of \$296.8 million;
3. That Council approve the 2018 water, wastewater rate and stormwater charge supported operating budget (collectively the "Rate Budgets") with budgeted operating gross expenditures of \$161.3 million and budgeted revenues of \$161.3 million;
4. That the list of 2018 capital projects, together with their total costs in the amount of \$121.2 million, summarized in Volumes 1 and 2 and detailed in Volume 3 of the Draft 2018 Budget and 2019 - 2022 Financial Plan, be approved subject to annual capital funding;
5. That the list of 2019 - 2022 capital projects together with their total costs, outlined in Volume 3 of the Draft 2018 Budget and 2019 - 2022 Financial Plan, be recognized;
6. That the draft 2018 operating and capital spending authority be approved and the 2019-2022 plan be recognized as outlined in the 2018 Budget Book Volume 1, 2 and 3.
7. That the City Clerk and/or CFO & City Treasurer be authorized to apply for grants and to execute required documents including but not limited to funding agreements, should grants be made available related to initiatives within the approved or recognized budget.
8. That for user fees and service charges:
  - a. The schedules outlined in Volume 3 of the 2018 Budget Book be approved;
  - b. That the necessary by-laws be passed with effective dates of January 1, 2018;
  - c. That should the indexing of the user fees and service charges not be prescribed in the respective by-law and a budget not be passed by January 1<sup>st</sup> in a given year, the Treasurer be authorized to apply a 3 per cent fee/charge increase for economic adjustment, on January 1<sup>st</sup> of each year in 2019 and years after; and
  - d. That the Treasurer be authorized to revise Harmonized Sales Tax (HST) applicability for user fees and service charges as required by legislation.
9. That this matter and any comments received be referred to the next Finance, Administration and Audit Committee to continue deliberations.

**Contribution to Sustainability**

The City's multi-year budget and financial plan contribute to sustainability by planning for the collection of revenues and allocation of resources to deliver the City's programs and services, achieve the priorities set out in the Term of Council Service Excellence Strategy map and investing in infrastructure with a view toward achieving long-term financial sustainability.



## **Economic Impact**

### **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 (FAA) 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.*

The proposed 2018 tax supported operating budget includes a property tax increase of three per cent, which is an increase of approximately \$56 for the average annual residential tax bill. If adopted as presented, the draft 2018 property tax supported operating budget would have the following economic impacts, consistent with Council's direction

**Table2: Draft 2018 Property Tax Supported Operating Budget**

<b>\$ M</b>	<b>2017 Approved</b>	<b>2018 Proposed Budget</b>
Gross Operating	278.4	296.8
Less: Non-Tax Revenue	89.7	100.8
Net Operating	188.7	196.0
Assessment Growth	2.9	1.8
Supplemental Taxation and PIL	5.8	5.8
Net Levy Requirement	179.9	190.2
<b>Incremental Levy Requirement</b>	<b>5.2</b>	<b>5.5</b>
<b>Incremental Tax Rate</b>	<b>2.90%</b>	<b>3.00%</b>

Note: some numbers may not add due to rounding.

### **Property Tax Supported and Rate Budgets Tabled Together**

The tax supported budget has been tabled prior to the end of the fiscal year for the past three years. Beginning with the 2018 budget, the Rate Budgets are being tabled at the same time as the tax supported budget.

### **The Draft 2018 Budget and 2019-2022 Financial Plan includes a 2019-2022 operating and capital forecast at a summary level**

The progress on the current Term of Council Service Excellence Strategy Map and projections identified in the department business plans help inform the development of a 2019 -2022 operating and capital forecast. This forecast is intended to provide staff with the information they require for department business planning, and to provide community stakeholders with the planned progress of City initiatives. Staff are currently undertaking the preliminary work on refreshing Vaughan Vision 2020 (the City's long-term vision) and the development of the next Term of Council Strategy Map with work beginning in 2017, continuing into 2018 with final deliberations and approval to occur in conjunction with the start of the new Council at the end of

2018 or early 2019. Any amendments to priorities and strategic initiatives that result from this update will be incorporated into future budget processes.

The following table presents the 2018 proposed budget and 2019-2022 forecasted gross operating expenditures by Portfolio/Office.

**Table1: Gross Expenditures by Portfolio/Office**

\$ M	2017 Approved	2018 Proposed Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
<b>Community Services</b>						
Fire and Rescue Services	48.3	49.5	51.3	52.1	52.4	52.7
Recreation and Other Community Services	54.0	54.9	56.7	57.3	57.4	57.5
	102.2	104.4	107.9	109.4	109.8	110.2
<b>Public Works</b>	206.9	223.7	239.9	255.2	263.5	270.3
<b>Planning and Growth Management</b>	24.7	26.3	26.4	26.3	26.2	26.3
<b>Corporate Services</b>	28.0	28.6	29.6	30.5	31.5	31.5
<b>Vaughan Public Libraries</b>	17.9	19.2	20.1	20.3	20.3	20.4
<b>Other Offices</b>	50.5	56.0	55.4	60.2	67.6	75.3
<b>Combined Tax and User Rate Gross Expenditures</b>	<b>430.2</b>	<b>458.1</b>	<b>479.4</b>	<b>501.9</b>	<b>518.9</b>	<b>534.0</b>
<b>Less: Water, Wastewater and Stormwater</b>	<b>151.8</b>	<b>161.3</b>	<b>175.8</b>	<b>190.6</b>	<b>198.4</b>	<b>204.6</b>
<b>Tax Rate Gross Expenditures</b>	<b>\$278.4</b>	<b>\$296.8</b>	<b>\$303.6</b>	<b>\$311.3</b>	<b>\$320.5</b>	<b>\$329.4</b>

### **Communications Plan**

The following key themes resonate throughout all budget communications:

- Keeping taxes low
- Maintaining service levels
- Moving forward with city-building initiatives
- Ensuring an open and transparent process

A comprehensive multi-channel public communication plan has been developed to support the budget and to help ensure Vaughan residents have opportunities to be informed and involved in the budget process.

The communications plan includes a mix of communications channels to ensure all residents can be informed and involved in their preferred format: print/online/in-person. Communications tactics include:

- Print material (flyers and posters)
  - distributed to community centres, libraries, seniors' groups, ratepayer associations
- Advertisements, including meeting dates, times and topics to be covered
- Media outreach
- Public meetings that are also streamed online
- Enhanced web content
- Online feedback form and telephone hotline
  - feedback received will be incorporated into presentations at FAA meetings
- eCommunications (social media, eNewsletters)



## **Public Outreach on the Budget Process Occurs Year-round.**

Outreach on the budget process is often a year round activity for the administration, both in formal and informal settings. This year, the Finance Office, in collaboration with the Asset Management Section of the Public Works Portfolio, created a new financial sustainability booth for both the Public Works Day and Concerts in the Park at City Hall. Both event booths were well attended and staff engaged the public through priority setting games, surveys on value for services and general education/discussions on the financial and infrastructure issues within the City. The feedback on the booths were positive and staff intend to continue with the initiative in 2018.

## **Making Strides to Improve the Budget Book**

The Budget Book received a refresh in 2016 as a result of staff making strides to achieve clear and easy to understand content. This year further improvements have been made to streamline the budget for easier navigation. A new section titled "This is Vaughan" provides an update on progress toward achieving the Council's priorities on the Term of Council Service Excellence Strategy Map and outlines the actions planned for 2018 and 2019-2022.

### **Purpose**

The purpose of this report is to present the Finance, Administration and Audit Committee with the DRAFT 2018 Budget Book that outlines the DRAFT 2018 Budget and 2019 - 2022 Financial Plan and the corresponding tax adjustments and water and wastewater rate increase that, if adopted, would allow the City to continue providing a wide range of services and infrastructure to Vaughan households and business.

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

#### **The Citizen Satisfaction Survey shows that residents are happy with the programs and services provided by the City**

Citizen Satisfaction Surveys are an important tool to hear from citizens about their top-of-mind issues of concern and satisfaction with city services. The results of the Survey provides the City with valuable feedback from residents which inform policy decisions, budgetary spending and continuous improvement.

Overall the City is meeting the needs of residents, providing for a good quality of life, satisfaction for taxpayer dollars and a positive customer service experience. Findings from the last Citizen Satisfaction Survey indicate that 97% of respondents felt the quality of life in the City was very good or good. In addition, 94% of residents indicated that they were satisfied or very satisfied with the delivery of all services provided by the City.

The proportion of residents who believe they receive good value for their tax dollars has also increased and is now at the highest level recorded over the years with 85% of the residents agreeing that they receive at least fairly good value for their tax dollars, up 13% from 2014.

As we continue to deliver the Term of Council Service Excellence Strategy Map, the information gathered through the 2016 Citizen Satisfaction Survey will measure the impact of delivering on Council's priorities and service delivery improvements.

#### **Financial Sustainability is a Service Excellence Initiative on the City Strategy Map**

Earlier in 2017, City Council approved a new Fiscal Framework through the Financial Sustainability Service Excellence initiative. This framework included guiding principles to inform staff and Council on decision making related to financial matters. In alignment with the guiding

principles, the objective of the City's financial planning process is to develop a multi-year budget that balances the need to maintain existing services, accommodate growth requirements, undertake corporate initiatives and safeguard water resources against the City's capacity to fund them. The City's financial management policies and practices are based on legislation and best practices to maintain the City's strong financial position.

### **Building Capacity while Ensuring that Growth Pays for Growth**

The City is growing rapidly. We are delivering on the vision of being a City of Choice, improving service delivery, managing growth and delivering services more effectively and efficiently. This is being done while maintaining tax rate increases that are aligned with the target set by Council while ensuring that growth pays for growth.

The DRAFT 2018 Budget is aligned with the term of council priorities and the service excellence strategic initiatives presented in the Term of Council Service Excellence Strategy Map. The plan provides a focused set of priorities for the corporation to deliver on our mission of citizens first through service excellence. The plan also aligns the City's 2018 budget with the priorities and goals of the strategic plan while keeping the tax rate in line with targets set by Council. This budget also presents a plan for achieving the City's priorities in the 2019 to 2022 period.

Focusing on service excellence means that we will seek out ways to improve how residents and businesses experience our services. The goal is to offer great value in our programs and services while also seeking efficiencies in how services are delivered. This will include identifying opportunities to use technology and apply digital strategies to improve our ability to deliver service excellence cost-effectively.

The draft 2018 budget outlined in the attached Draft 2018 Budget Book sets out staff's recommended operating allocations to deliver the City's programs and services over the next year including additional resource requests. It also provides information about capital projects that are underway, recommended new capital projects and forecasts for the City's obligatory and discretionary reserves. Investments in the Service Excellence Initiative projects proposed in this 2018 Budget Book will help achieve department efficiencies to ensure we will achieve Council's mandated maximum tax rate increases of not more than three per cent per year.

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

This report is consistent with the Term of Council Priority to meet Council tax rate targets of no greater than three percent and the Service Excellence Initiative related to Financial Sustainability.

### **Regional Implications**

The Rate Budgets include wholesale purchases from the Region for 2018 representing 77 per cent of the City's combined water and wastewater costs.

The residential and business tax bills include levies from the City of Vaughan, the Region of York and the Province. The proposed tax levy increase presented in the Draft 2018 Budget Book is for the City's share, which is approximately 28% of the total average residential tax bill or 16% of the average business tax bill. The Region's budget will be tabled to York Region's Council on November 16, 2017.

### **Conclusion**

The DRAFT 2018 Budget and 2019 -2022 Financial Plan is aligned with the Term of Council Service Excellence Strategy Map. The infrastructure investments have also been aligned to Council's priorities. This draft budget provides a financial framework within which the corporation can move forward in delivering the needed services and infrastructure to Vaughan citizens, while continuing its pursuit of service excellence.



## **Attachments**

Attached Draft 2018 Budget Book is set out as follows:

### **Draft 2018 Budget Book**

- Draft 2018 Budget and 2019 -2022 Financial Plan Volume 1 – Budget Overview
- Draft 2018 Budget and 2019 -2022 Financial Plan Volume 2 – Department Budgets
- Draft 2018 Budget and 2019 -2022 Financial Plan Volume 3 – Appendices and Proposed User Fees/Service Charges

Attachments have been posted on-line and a hard copy of each attachment is on file in the Office of the City Clerk. They can be found by clicking on this [link](#).

### **Report prepared by:**

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Respectfully submitted,

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Chief Financial Officer and City Treasurer

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Lloyd Noronha, CPA, CMA  
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