

CITY OF VAUGHAN

EXTRACT FROM SPECIAL COUNCIL (BUDGET) MEETING MINUTES JANUARY 30,
2018

17. DRAFT 2018 BUDGET AND 2019-2022 FINANCIAL PLAN

(Referred) Finance, Administration and Audit Committee, Report No. 13, Item 1, November 23, 2017.

MOVED by Councillor DeFrancesca
seconded by Councillor Carella

- 1) THAT the following be approved in accordance with Communication C1, from the Deputy City Manager, Planning and Growth Management and the Deputy City Manager, Public Works:
 1. THAT a 2018 capital project with a budget of \$50,000 to fund the establishment of two additional Community Gardens, funded from the Capital from Taxation Reserve, be approved;
- 2) THAT the following be approved in accordance with Communication C2, from the Deputy City Manager, Public Works, Director of Environmental Services and Director of Financial Services/Deputy City Treasurer:
 1. That Water Meter Cost in Section C of Service Charges in 2018 Budget Book - Volume 3 User Fees Schedules 177-2016 Water to be replaced;
- 3) THAT the following be approved in accordance with Communication C3, from the Chief Financial Officer and City Treasurer and the Interim Director of Financial Planning and Development Finance and Deputy City Treasurer:
 1. That the Draft 2018 Budget and 2019-22 Financial Plan be updated to include the capital budget amendments outlined below:
 - a) The capital budget for capital project DE-7175-17 - VMC Edgeley Pond Construction be amended to redistribute the total funding requirement over a three-year period where the funding sources are aligned with the City's Black Creek Financial Strategy;
 - b) The scope of the capital project CD-2002-16 - 2018 Watermain Replacement be adjusted and the capital budget be increased by \$2.32 million of which \$1 .80 million will be funded by Citywide Engineering Development Charges and \$0.52 million will be funded from the Water Reserve; and
 - c) The tables in the Draft 2018 Budget and 2019-2022 Financial Plan Budget Book be updated to reflect the following:

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- i. 2018 capital budget of \$1.87M for RE-9537-17 - VMC library, Recreation and YMCA; and
 - ii. 2018 capital budget of \$3.96M for PK-6595-18 North Maple Regional Park.
- 4) THAT the following be approved in accordance with Communication C4, from the Chief Financial Officer and City Treasurer and the Interim Director of Financial Planning and Development Finance and Deputy City Treasurer:
 1. That the Draft 2018 Budget and 2019-2022 Plan be amended to include a revised assessment growth rate of 1.9041 % for 2018; and
 2. That the increased growth assessment revenue resulting from Recommendation 1 be allocated as follows:
 - a. Increase the balance in the tax rate stabilization reserve by \$0.6M to provide flexibility in future years to mitigate growth related costs;
 - b. Augment funding for Service Excellence Initiatives by \$0.25M to support programs that increase citizen experience and operational efficiency to better position the City to manage future growth;
 - c. Increase the 2018 operating contingency by \$0.3M; and
 - d. Allocate \$0.3M to help fund the non-development charge funded portion of growth-related capital;
- 5) THAT the recommendation of Item 1, Finance, Administration and Audit Committee Report No. 13, be approved;
- 6) THAT the recommendation of Item 1, Finance, Administration and Audit Committee Report No. 12, be approved;
- 7) THAT the recommendation of Item 1, Finance, Administration and Audit Committee Report No. 11, be approved;
- 8) That the recommendation contained in the following report of 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, dated November 6, 2017, be approved;

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- 9) That Communication C6, presentation material entitled “Draft 2018 Budget and 2019—2022 Financial Planning”, be received; and
- 10) That the following deputations be received:
 1. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg; and
 2. Mr. Kevin Hanit, Queensbridge Drive, Concord.

CARRIED

The Finance, Administration and Audit Committee, at its meeting of November 23, 2017, (Item 1, Finance, Administration and Audit Committee Report No. 13), recommended:

- 1) That the report of 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 dated November 13, 2017, be referred to the January 30, 2018, Special Council (Budget) meeting to continue deliberations;
- 2) That the following recommendation contained in Communication C1, Member’s Resolution from Regional Councillor Singh, dated November 23, 2017, be referred to the January 30, 2018, Special Council (Budget) meeting to continue deliberations:
 1. That staff be directed to add a Community Gardens 2018 capital project to the Draft 2018 Budget for Council’s consideration;
 2. That the Community Gardens 2018 project include a minimum of one community garden per ward;
 3. That staff work within the framework of the approved Community Garden Policy to engage Council members and the community in identifying the appropriate locations on City-owned lands;
 4. That staff bring a communication to the January 30, 2018, Special Council (Budget) meeting that identifies appropriate fiscally neutral 2018 funding sources for the capital project by proposing corresponding offsets in the Draft 2018 Budget;
 5. That staff be directed to consider the ongoing operations and maintenance of the Community Gardens in the 2018 Budget Process; and

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3) That the following deputations, be received:

1. Mr. Kevin Hanit, Queensbridge Drive, Concord; and
2. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg.

Report of 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, dated November 13, 2017

The Finance, Administration and Audit Committee, at its meeting of November 13, 2017, (Item 1, Finance, Administration and Audit Committee Report No. 12), recommended:

- 1) That the report of 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, dated November 6, 2017, be referred to the November 23, 2017, Finance, Administration and Audit Committee meeting to continue deliberations;
- 2) That the following presentations and Communication C5, presentation material titled “Vision, Leadership and Responsibility, Volume 1, Draft 2018 and Budget and 2019 – 2022 Financial Plan”, be received and referred to the November 23, 2017, Finance, Administration and Audit Committee meeting to continue deliberations :
 1. Chief Financial Officer and City Treasurer;
 2. Deputy City Manager, Public Works;
 3. Director of Parks Operations;
 4. Deputy City Manager, Community Services;
 5. Chief Executive Officer, Vaughan Public Libraries; and
 6. Chief Corporate Initiatives and Intergovernmental Relations;
- 3) That the following be approved in accordance with Communication C4, from the Deputy City Manager, Community Services, and the Director, Recreation Services, dated November 13, 2017, and referred to the Finance, Administration and Audit Committee meeting to continue deliberations:
 1. That the cost options associated with a proposed pilot project for youth (“Open to You(th)”), be received;
- 4) That the following deputations, be received:

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1. Mr. Kevin Hanit, Queensbridge Drive, Concord;
 2. Ms. Monika Sudds, Oren Street, Kleinburg;
 3. Ms. Melanie Borel, Bologna Road, Woodbridge;
 4. Mr. Liviu Zugravu, Scarborough;
 5. Ms. Heather Reppin, Tulip Drive, Brampton;
 6. Ms. Lydia Carroccia, Flushing Avenue, Woodbridge; and
 7. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg; and
- 5) That the following Communications, be received:
- C1 Chief Financial Officer and City Treasurer, the Director of Financial Planning and Development Finance and Deputy City Treasurer, dated November 10, 2017;
 - C2 Chief Financial Officer and City Treasurer, the Director of Financial Planning and Development Finance and Deputy City Treasurer, dated November 10, 2017; and
 - C3 Ms. Susan Jagminas, dated November 11, 2017.

Report of 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, dated November 6, 2017

The Finance, Administration and Audit Committee, at its meeting of November 6, 2017, (Item 1, Finance, Administration and Audit Committee Report No. 11), recommended:

- 1) That the recommendation contained in the following report of 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, dated November 6, 2017, be referred to the November 13, 2017, Finance, Administration and Audit Committee meeting to continue deliberations;
- 2) That the following be approved in accordance with Communication C1, from the Deputy City Manager of Public Works, the Chief Financial Officer and City Treasurer, and the Director of Environmental Services, dated November 2, 2017 and referred to the November 13, 2017, Finance, Administration and Audit Committee meeting to continue deliberations:
 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;

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2. That upon further investigation into 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;
- 3) That the presentation by the Chief Financial Officer and City Treasurer and Communication C2, presentation material titled “Draft 2018 Budget and 2019-2022 Financial Plan”, dated November 6, 2017, be received; and
- 4) The following deputations be received:
 1. Mr. Kevin Hanit, Queensbridge Drive, Concord;
 2. Mr. Adriano Volpentesta, America Avenue, Vaughan; and
 3. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg.

Report of 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, dated November 6, 2017

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;

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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 1st in a given year, the Treasurer be authorized to apply a 3 per cent fee/charge increase for economic adjustment, on January 1st 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.

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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

\$ M	2017 Approved	2018 Proposed Budget
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
Incremental Levy Requirement	5.2	5.5
Incremental Tax Rate	2.90%	3.00%

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.

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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
Community Services						
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
Public Works	206.9	223.7	239.9	255.2	263.5	270.3
Planning and Growth Management	24.7	26.3	26.4	26.3	26.2	26.3
Corporate Services	28.0	28.6	29.6	30.5	31.5	31.5
Vaughan Public Libraries	17.9	19.2	20.1	20.3	20.3	20.4
Other Offices	50.5	56.0	55.4	60.2	67.6	75.3
Combined Tax and User Rate Gross Expenditures	430.2	458.1	479.4	501.9	518.9	534.0
Less: Water, Wastewater and Stormwater	151.8	161.3	175.8	190.6	198.4	204.6
Tax Rate Gross Expenditures	\$278.4	\$296.8	\$303.6	\$311.3	\$320.5	\$329.4

Communications Plan

The following key themes resonate throughout all budget communications:

- Keeping taxes low
- Maintaining service levels

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- 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.

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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

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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.

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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](#).

(Attachments to this report were previously distributed with the Agenda for the November 6, 2017, Finance, Administration and Audit Committee meeting)

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Report prepared by:

Maggie Wang, MBA, CPA, CGA, A.I.M.A.
Manager, Corporate Financial Planning & Analysis

Sean Skinkle
Finance Manager, Water, Wastewater and Stormwater

Christina Bruce
Senior Manager of Strategic Planning

Rita Selvaggi, CPA, CA
Manager, Financial Planning & Analysis

Varant Khatchadourian, MBA, CPA, CMA, PMP
Manager, Financial Planning & Analysis

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

C	<u>1</u>
SP	Communication
COUNCIL:	<u>Jan 30/18</u>
	Item <u>3</u>

DATE: JANUARY 22, 2018

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: JASON SCHMIDT-SHOUKRI, DEPUTY CITY MANAGER, PLANNING
AND GROWTH MANAGEMENT

STEPHEN COLLINS, DEPUTY CITY MANAGER, PUBLIC WORKS

RE: COMMUNICATION
SPECIAL COUNCIL – JANUARY 30, 2018
MEMBER'S RESOLUTION – FINANCE, ADMINISTRATION AND AUDIT
COMMITTEE – NOVEMBER 23, 2017

CITY OF VAUGHAN COMMUNITY GARDEN PROGRAM

Recommendation

The Deputy City Manager, Planning and Growth Management and the Deputy City Manager, Public Works recommend:

1. THAT a 2018 capital project with a budget of \$50,000 to fund the establishment of two additional Community Gardens, funded from the Capital from Taxation Reserve, BE APPROVED.

Purpose

To advise Council how staff have responded to a direction regarding Community Gardens received from the Finance, Administration and Audit Committee at its meeting of November 23, 2017.

Background

The City of Vaughan established a Community Garden Policy in 2014

Community Gardens on municipal land are places where volunteers can meet to grow and care for fruits, vegetables, herbs, flowers, and ornamental plants. The Community Garden Policy was implemented to provide a framework for the establishment of sustainable and successful Community Gardens that will nurture an integrated urban community and increase civic engagement. The link to the Community Garden Policy can be found [here](#):

http://www.vaughan.ca/cityhall/environmental_sustainability/Pages/Community-Gardens.aspx

City staff coordinate the implementation and operation of the Community Garden program in partnership with the York Region Food Network (YRFN). YRFN operates programs, raises awareness, and provides policy recommendations for increased access to affordable and nutritious food produced in a sustainable food system. YRFN also acts as a resource for groups interested in starting up new Community Gardens in York Region by eliciting support from local corporations, schools, and service groups.

The City of Vaughan currently has four Community Gardens

The City of Vaughan currently has three operational Community Garden locations, with an additional site located at City Hall which is under construction. The four Community Gardens are located east of Highway 400 in Ward 1 (two gardens), Ward 4 and Ward 5 (see Attachment 1).

Analysis and Options

The year one capital and operating cost is approximately \$25,000 per Community Garden

Staff reviewed the existing Community Garden Policy and Program and its funding model, as well as other municipal programs in similar sized municipalities. Most Community Garden programs are described to require limited municipal funding with respect to set up and operation, with varying degrees of annual operating or capital investment. The City's current policy framework supports a limited municipally funded approach. Based on the jurisdictional scan and a preliminary assessment of possible sites in each ward, staff estimate the capital and "start-up" costs to be \$25,000 per garden.

The annual operating activities of the Community Gardens program include administration, recruitment of garden coordinators, promotion, and connecting volunteers with gardens. On site work includes assisting with seasonal opening and closing, tilling/adding soil and facilitating irrigation. To carry out these activities, the annual operating cost for the City's existing Community Gardens is approximately \$4,000 per garden.

Two new Community Gardens are recommended to be added in 2018

Recognizing the City owns and operates Community Gardens in Ward 1, Ward 4 and Ward 5, staff are recommending that new Community Gardens be added in Ward 2 and Ward 3 in 2018. This will result in having at least one Community Garden in each Ward.

Subject to the new Community Gardens being approved by Council, staff will work within the framework of the approved Community Garden Policy to engage Council

members and the community in identifying appropriate locations for the new gardens on City-owned lands in Ward 2 and Ward 3. Included in this work will be investigating and evaluating potential partnership opportunities with Community Garden and other community service organizations to set out a solid foundation for the continuing expansion and creation of Community Gardens over the long term, and to address on-going operational costs.

A strong public awareness and marketing campaign to raise the profile of the City's Community Garden policy and program, and to increase community engagement for the benefit and operation of Community Gardens, will also be considered and incorporated in the 2019 budget, if appropriate.

Financial Impact

The one-time cost to establish two new Community Gardens is approximately \$50,000 and can be accommodated from existing approved capital funding

Staff have reviewed potential funding sources for the two new Community Gardens and propose to create a 2018 capital project with a budget of \$50,000 to fund the establishment of the two additional Community Gardens. The project would be funded from the Capital from Taxation reserve. The creation of the project will have no net impact to the proposed 2018 property tax rate increase.

The 2018 operating costs for the two new community gardens could be accommodated within the Draft 2018 operating budget. Annual operating costs of approximately \$8,000 for the two new gardens would need to be incorporated for 2019 and beyond into the operating budgets for Transportation Services Parks and Forestry Operations.

Conclusion

Community Gardens promote community building and enhanced levels of civic engagement. Benefits of a Community Garden include inter-generational relationships, increased physical activity, environmental awareness, and access to local, healthy food.

The City of Vaughan currently supports four Community Gardens across the city that attract dozens of resident volunteers every year. It is recommended that in 2018 two new Community Gardens be added to the program in Ward 2 and Ward 3. With these additions, the City of Vaughan would be able to ensure that there is at least one Community Garden in every ward, thereby improving access to Community Garden programs across the city.

The capital costs for establishing the new Community Gardens is estimated at \$50,000. The year one capital costs are proposed to be funded from the Capital from Taxation reserve.

Attachments

1. Map of Existing Community Garden Locations

Respectfully Submitted,

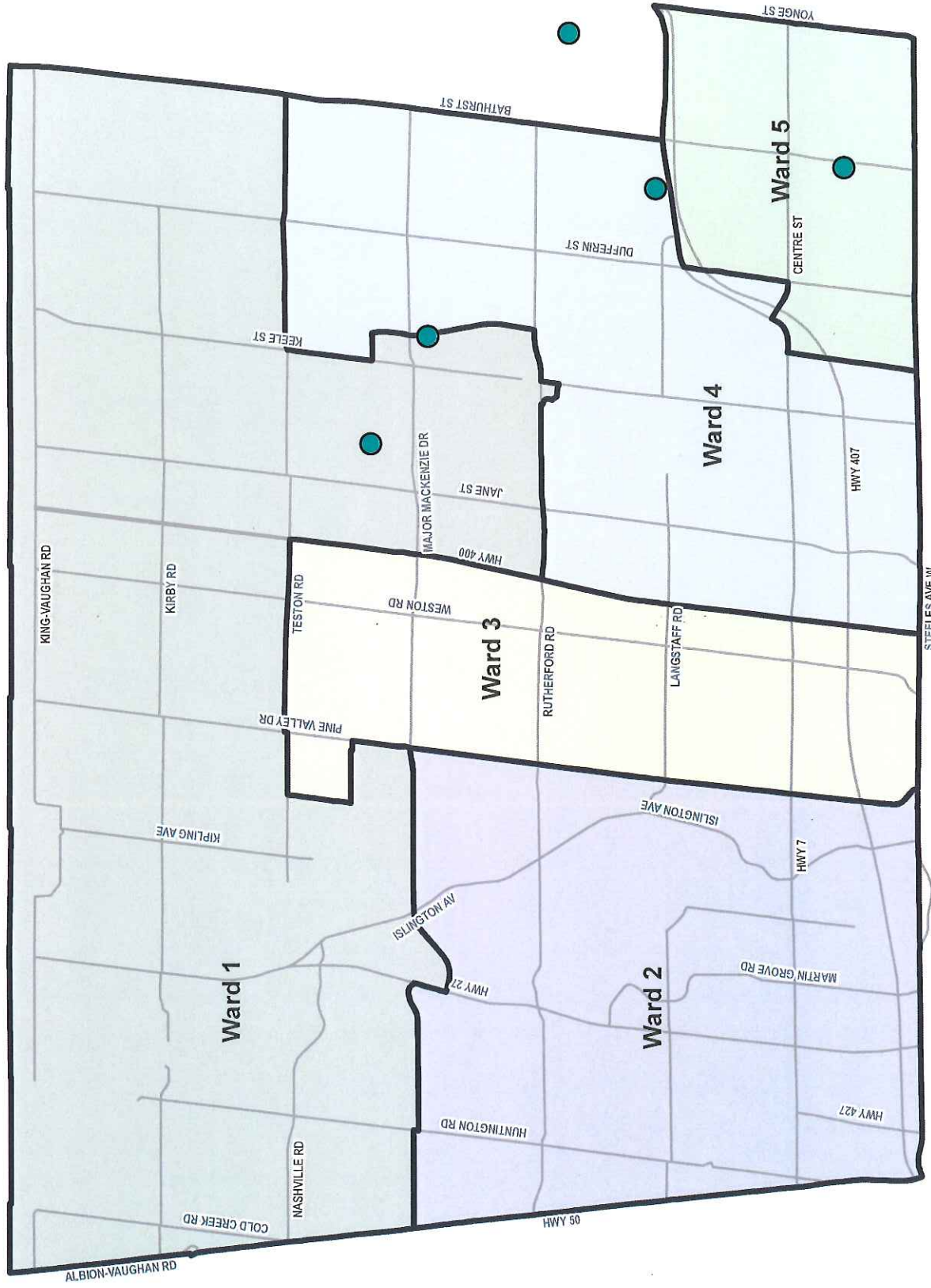
A handwritten signature in black ink, appearing to read 'Jason Schmidt-Shoukri', with a stylized, flowing script.

JASON SCHMIDT-SHOUKRI
Deputy City Manager,
Planning and Growth Management

A handwritten signature in blue ink, appearing to read 'Stephen Collins', with a stylized, flowing script.

STEPHEN COLLINS
Deputy City Manager,
Public Works

/lm



Community Gardens

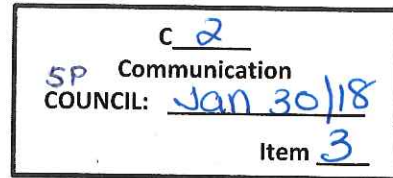


Existing Community Garden Locations



Attachment

1



DATE: January 30, 2018

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: STEPHEN COLLINS, DEPUTY CITY MANAGER, PUBLIC WORKS
LAURA MIRABELLA, CHIEF FINANCIAL OFFICER AND CITY TREASURER
JENNIFER ROSE, DIRECTOR OF ENVIRONMENTAL SERVICES
DEAN FERRARO, DIRECTOR OF FINANCIAL SERVICES/DEPUTY CITY TREASURER

RE: ITEM #1 FINANCE, ADMINISTRATION AND AUDIT COMMITTEE – NOVEMBER 6, 2017
DRAFT 2018 BUDGET AND 2019-2022 FINANCIAL PLAN

VOLUME 3- APPENDICES AND PROPOSED USER FEES/SERVICE CHARGES

WATER, WASTEWATER AND STORMWATER SERVICE CHARGES

Recommendation

The Deputy City Manager, Public Works, Chief Financial Officer and City Treasurer, Director of Environmental Services and Director of Financial Services/Deputy City Treasurer recommend:

1. That Water Meter Cost in Section C of Service Charges in 2018 Budget Book – Volume 3 User Fees Schedules 177-2016 Water to be replaced.

Purpose

This communication is to provide additional information to 2018 Budget Book Volume 3 User Fees Schedule 177-2016 Water. The table below shows the price changes in water meters. The purpose of the changes is to align with the prices in the new water meters contract.

Cost per Meter	Current	Revised	Change
5/8" x 1/2"	\$353.00	\$347.00	(\$6.00)
5/8" x 3/4"	\$355.00	\$348.00	(\$7.00)
3/4" x 3/4"	\$373.00	\$421.00	\$48.00
1"	\$408.00	\$485.00	\$77.00
1.5"	\$1,251.00	\$1,669.00	\$418.00
2"	\$2,271.00	\$2,207.00	(\$64.00)
3"	\$2,327.00	\$2,295.00	(\$32.00)
4"	\$3,406.00	\$3,349.00	(\$57.00)
6"	\$5,540.00	\$5,445.00	(\$95.00)
8"	\$8,502.00	\$8,349.00	(\$153.00)
10"	\$11,657.00	\$11,442.00	(\$215.00)
6" Fire Line	\$8,916.00	\$8,755.00	(\$161.00)
8" Fire Line	\$12,995.00	\$12,754.00	(\$241.00)

10" Fire Line	\$18,287.00	\$17,942.00	(\$345.00)
22 Gauge, 3 conduit meter wire	\$92.00	\$90.00	(\$2.00)


Respectfully submitted,



Stephen Collins
Deputy City Manager, Public Works



Laura Mirabella, CPA, CA
Chief Financial Officer and City Treasurer



Jennifer Rose
Director of Environmental Services



Dean Ferraro, CPA, CA
Director, Financial Services/Deputy City Treasurer

c <u>3</u>
Communication
COUNCIL: <u>Jan 30/18</u>
Item <u>3</u>

DATE: JANUARY 22, 2018

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: LAURA MIRABELLA, CHIEF FINANCIAL OFFICER AND CITY TREASURER

RITA SELVAGGI, INTERIM DIRECTOR OF FINANCIAL PLANNING AND DEVELOPMENT FINANCE AND DEPUTY CITY TREASURER

**RE: COMMUNICATION
SPECIAL COUNCIL - JANUARY 30, 2018**

**ITEM #1, FINANCE, ADMINISTRATION AND AUDIT COMMITTEE
MEETING – NOVEMBER 6, 2017 (7:00PM) - DRAFT 2018 BUDGET AND
2019-2022 FINANCIAL PLAN – CAPITAL BUDGET UPDATES**

Recommendation

The Chief Financial Officer and City Treasurer and the Interim Director of Financial Planning and Development Finance and Deputy City Treasurer, in consultation with City departments, recommend:

1. That the Draft 2018 Budget and 2019-22 Financial Plan be updated to include the capital budget amendments outlined below:
 - a) The capital budget for capital project DE-7175-17 - VMC Edgeley Pond Construction be amended to redistribute the total funding requirement over a three-year period where the funding sources are aligned with the City's Black Creek Financial Strategy;
 - b) The scope of the capital project CD-2002-16 - 2018 Watermain Replacement be adjusted and the capital budget be increased by \$2.32 million of which \$1.80 million will be funded by Citywide Engineering Development Charges and \$0.52 million will be funded from the Water Reserve; and
 - c) The tables in the Draft 2018 Budget and 2019-2022 Financial Plan Budget Book be updated to reflect the following:
 - i. 2018 capital budget of \$1.87M for RE-9537-17 – VMC library, Recreation and YMCA
 - ii. 2018 capital budget of \$3.96M for PK-6595-18 North Maple Regional Park

Purpose

The purpose of this communication is to advise of capital budget amendments to the Draft 2018 Budget 2019-22 Financial Plan.

Background

The Draft 2018 Budget and 2019-22 Financial Plan was presented to the Finance, Administration and Audit Committee on November 6, 2017. This communication outlines amendments required to the Draft 2018 capital budget which are generally administrative in nature.

Financial Impact

The proposed capital budget amendments to the Draft 2018 Budget do not have an impact to the 2018 tax levy and result in no net impact to the proposed 2018 property tax rate increase.

Analysis

The proposed updates to the Draft 2018 Draft Budget and 2019-22 Financial Plan are the following:

1. Amendment to capital budget and funding sources for Capital Project DE-7175-17 - VMC Edgeley Pond Construction

Capital project DE-7175-17 is included in the Draft 2018 budget with a total project budget of \$21M in 2018 to fund the construction of the stormwater management pond located within the VMC Secondary Plan Area. The funding allocation for the project is being adjusted to ensure it's aligned with the Black Creek Financial Strategy.

In addition, the budgeted expected cash flows are being phased in to better align them to the timing of construction. Currently, the total budget of \$21M is requested for 2018. The budget is recommended to be phased over 3 years as outlined in the table below.

DE-7175-17	Budget Year	Funding Source (in \$Ms)			Total Budget
		Development Charges	Debenture Financing	Capital from Taxation	
<i>Original</i>	2018	\$12.53	\$8.31	\$0.14	\$20.98
<i>Revised</i>	2018	\$3.07	\$2.04	\$0.14	\$5.25
	2019	\$7.37	\$4.89	\$0.34	\$12.60
	2020	\$1.83	\$1.22	\$0.08	\$3.13
	Total	\$12.28	\$8.15	\$0.57	\$20.98

2. Amendment to Capital Project CD-2002-16 - 2018 Watermain Replacement

An amendment to capital project CD-2002-16 is required to accommodate an increase in the estimated cost to complete the annual watermain replacement and to increase the project scope to include the construction of an underground pedestrian underpass.

The Regional Municipality of York has been coordinating the detailed design work for the stormwater culvert replacement project over the West Don River, within the Killian-Lamar Open Space with City and TRCA staff. Subsequent to the tabling of the Draft 2018 budget, additional information on the details of the project became known that supported the advancement of the construction of an underground pedestrian underpass in conjunction with the Region's planned culvert works.

Advancing the pedestrian underpass works in coordination with the Region's works allow for synergies and cost savings while limiting road and traffic disturbance, additional and costly temporary structures and disruption to City infrastructure. It also sets the stage for advancing the Vaughan Super Trail initiative by taking advantage of the immediate opportunity to put the pedestrian underpass in place which is a very important piece of trail infrastructure that will significantly improve off-road trail connections in this area, as identified in the City's approved Pedestrian and Cycling Master Plan.

Implementation of the pedestrian underpass will protect for an off-road pedestrian and cycling connection beneath Major Mackenzie Road, allowing for a direct, dedicated and safe crossing. The estimated value of the pedestrian underpass is approximately \$1.80M.

The current draft budget includes a total project budget of \$6.80M for 2018. It is recommended that the project budget be increased by \$2.32M to \$9.12M to include \$1.80M in funding for the construction of the pedestrian multi-use underpass and an additional \$0.52M in funding for the watermain replacement works due to an increase in the estimated costs. The additional budget would be funded from the Citywide Engineering Development Charges (\$1.80M) and the Water reserve (\$0.52M).

3. Administrative correction to capital project information in the Draft 2018 Budget and 2019-2022 Financial Plan Budget Book

The tables in the Draft 2018 Budget and 2019-2022 Financial Plan Budget Book do not currently reflect the correct budget information for two capital projects. The tables should be updated to reflect the following:

- i. A 2018 capital budget of \$1.87M for RE-9537-17 – VMC library, Recreation and YMCA
- ii. A 2018 capital budget of \$3.96M for PK-6595-18 North Maple Regional Park

Conclusion

It is recommended that the amendments to the Draft 2018 Budget outlined in this communication be approved. The updates do not impact the proposed 2018 property tax rate increase.

Respectfully submitted,



Laura Mirabella, CPA, CA
Chief Financial Officer and City Treasurer



Rita Selvaggi, CPA, CA
Interim Director, Financial Planning and Development Finance
and Deputy City Treasurer

C <u>4</u>
Communication
COUNCIL: <u>Jan 30/18</u>
Item <u>3</u>

DATE: JANUARY 22, 2018

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: LAURA MIRABELLA, CHIEF FINANCIAL OFFICER AND CITY TREASURER

RITA SELVAGGI, INTERIM DIRECTOR FINANCIAL PLANNING AND DEVELOPMENT FINANCE AND DEPUTY CITY TREASURER

**RE: COMMUNICATION
SPECIAL COUNCIL – JANUARY 30, 2018**

DRAFT 2018 BUDGET AND 2019-2022 PLAN: UPDATE TO 2018 ASSESSMENT GROWTH

Recommendation

The Chief Financial Officer and City Treasurer and the Interim Director of Financial Planning and Development Finance and Deputy City Treasurer recommend:

1. That the Draft 2018 Budget and 2019-2022 Plan be amended to include a revised assessment growth rate of 1.9041% for 2018; and
2. That the increased growth assessment revenue resulting from Recommendation 1 be allocated as follows:
 - a. Increase the balance in the tax rate stabilization reserve by \$0.6M to provide flexibility in future years to mitigate growth related costs
 - b. Augment funding for Service Excellence Initiatives by \$0.25M to support programs that increase citizen experience and operational efficiency to better position the City to manage future growth
 - c. Increase the 2018 operating contingency by \$0.3M and
 - d. Allocate \$0.3M to help fund the non-development charge funded portion of growth-related capital

Purpose

This memo is to advise Council of the final 2018 assessment growth rate provided by the Municipal Property Assessment Corporation (MPAC) and to seek Council approval for an amendment to the Draft 2018 Budget and 2019-2022 Plan.

Background

Assessment growth is a source of incremental tax revenue for the City and represents the extra revenue the City receives from adding new residents. The Draft 2018 Budget that was tabled on November 6, 2017 incorporated an assessment growth rate of 1% for 2018. This figure was an estimate that was based on the level of assessment growth experienced in recent years.

In late December 2017, the City received notification from MPAC of a final assessment growth rate of 1.9041% for 2018. This represents an additional 0.9041% above what had been reflected in the Draft 2018 Budget and equates to an additional \$1.65 million in assessment growth to be allocated for 2018 and beyond.

Analysis and Options

The City is growing rapidly. The financial impact of such growth is experienced both on the operating and capital budgets of the City, with increasing demand placed on municipal services and infrastructure to meet the needs of the increasing population. Assessment growth is incremental revenue that should, to the fullest extent possible, be used to help address these growth-related cost pressures.

To ensure that the City continues to appropriately manage the financial impacts associated with growth and augment the City's ability to withstand economic and operational uncertainty, staff recommend that the incremental assessment growth amount of \$1.65 million be allocated as follows:

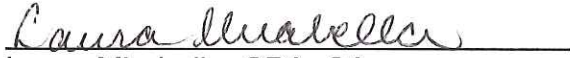
1. Increase the balance in the tax rate stabilization reserve by \$0.6M to provide flexibility in future years to mitigate growth related costs
2. Augment funding for Service Excellence Initiatives by \$0.25M to support programs that increase citizen experience and operational efficiency to better position the City to manage future growth
3. Increase the 2018 operating contingency by \$0.3M
4. Allocate \$0.3M to help fund the non-development charge funded portion of growth-related capital

As a result of the proposed amendments to the Draft 2018 operating budget, the increase to the property tax levy would decrease from 3.0 percent to 2.89 percent.

Conclusion


The proposed amendments to the Draft 2018 Budget outlined in the communication help position the City to better manage growth pressures and continue its pursuit of service excellence, while delivering the needed services and infrastructure to Vaughan citizens.

Respectively submitted,



Laura Mirabella, CPA, CA

Chief Financial Officer and City Treasurer and City Treasurer


for Rita Selvaggi, CPA, CA

Interim Director, Financial Planning and Development Finance and
Deputy City Treasurer

Draft 2018 Budget and 2019-2022 Financial Plan

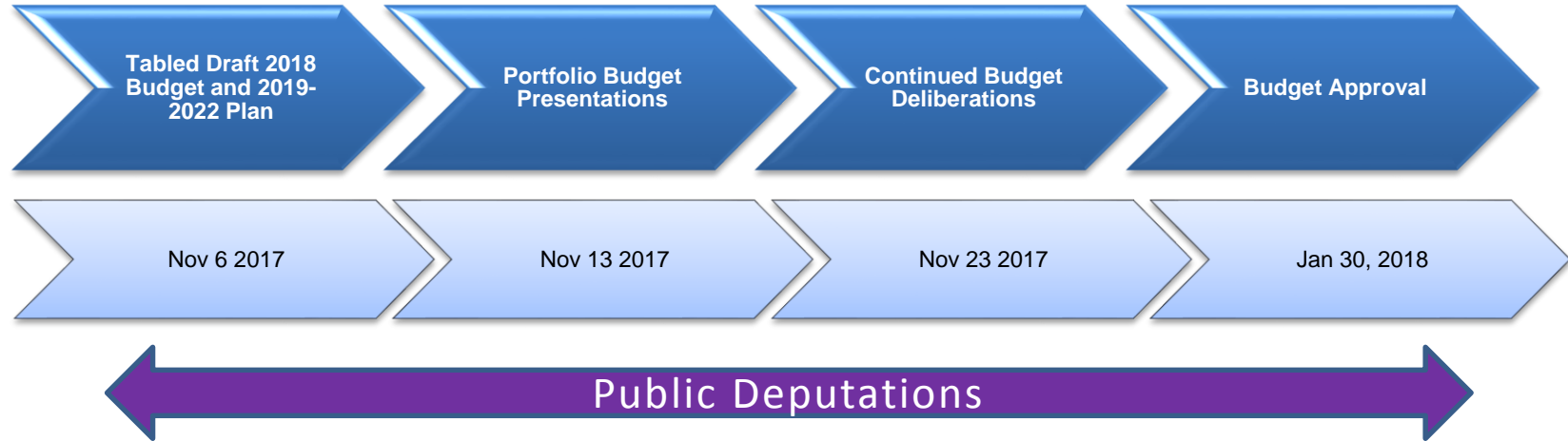
Presentation to Special Council
January 30, 2018
Council Chambers



Exciting Vision, Responsible Governance



Budget Deliberations



- Public deputations and budget deliberations in November
- Final proposed budget considers public and Council input and revised assessment growth amount
- Final proposed tax levy increase is **2.89%**

2018 Proposed Tax Supported Operating Budget

\$M	2017 Approved	2018 Proposed Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Gross Operating	278.4	298.3	306.8	314.6	324.0	333.0
Less: Non-Tax Revenue	89.7	100.8	101.9	101.9	103.3	103.9
Net Operating	188.7	197.5	204.9	212.7	220.7	229.1
Assessment Growth	2.9	3.5	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	182.9	191.7	199.1	206.9	214.9	223.3
Incremental Levy Requirement	5.2	5.3	5.8	6.0	6.2	6.4
Incremental Tax Rate	2.90%	2.89%	3.00%	3.00%	3.00%	3.00%

2018 Operating and Five Year Capital Plan

Tax Supported Programs

2018 Gross
Operating
\$298
million

Five Year
Capital Plan
\$533
million

Utility Rate Supported Programs

2018 Gross
Operating
\$161
million

Five Year
Capital Plan
\$100
million

Sustainable Capital Project Investments

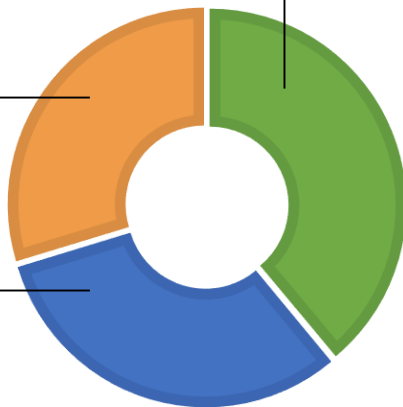
A Responsible Balanced Plan to Maintain Today's Infrastructure and to Build for Tomorrow

2018 Capital Investment

Growth
39% - \$57 million

Service Enhancement
30% - \$43 million

Infrastructure Renewal
31% - \$46 million

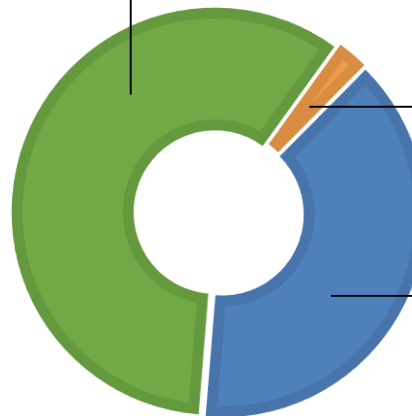


2019-2022 Capital Plan

Growth
59% - \$286 million

Service Enhancement
2% - \$12 million

Infrastructure Renewal
39% - \$189 million



Capital Investment Highlights

The 2018 capital budget of \$146.5M aligns to the Term of Council priorities and includes significant investments:

- \$95.2M to invest in, renew and manage infrastructure and assets
- \$13.4M to facilitate the development of the VMC
- \$11.9M to support and promote arts, culture, heritage and sports in the community
- \$11.5M to improve the municipal road network
- \$5.7M to continue to ensure the safety and well-being of citizens
- \$8.8M to support all other Term of Council priorities



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
Expenditures				
Maintenance & Installation	6.7	4.0	3.9	14.6
General Administration	5.1	2.8	2.9	10.8
Other	1.1	0.5	1.7	3.3
Lifecycle Contribution	8.2	7.0	1.2	16.4
Total	21.1	14.3	9.7	45.1
Net	0.0	0.0	0.0	0.0

What have we achieved?

- Property tax rate increase below 3% for the tenth consecutive year
- Achieved over \$30 million in budget savings between 2015 and 2018
- Vaughan's tax rate among the lowest in the GTA
- Positions the City to deliver on Council's Priorities
- Maintains fiscal responsibility

FINANCIAL SUSTAINABILITY

GUIDING PRINCIPLES

1. Consideration towards Existing Service Levels
2. Growth Pays for Growth
3. New Initiatives to Enhance the City

PRINCIPLES IN ACTION

Approach to

- Infrastructure
- Services
- Managing Money

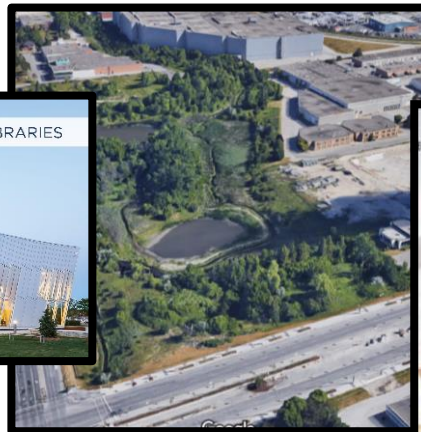
Budget Priorities

Managing Unprecedented Growth

Investing in Infrastructure

Supporting Economic Development

Providing Service Excellence



97%

Quality of Life
in Vaughan
is good or very good



Municipal Tax Rate Increase Comparison

	5 Year Average	2018	2017	2016	2015	2014	2013	2012	2011
Mississauga	5.06%	4.60%	5.70%	4.88%	4.00%	6.10%	7.00%	7.40%	5.80%
Caledon	4.94%	5.97%	4.67%	4.28%	4.82%	4.98%	5.70%	5.24%	10.40%
Brampton	4.12%	3.70%	3.30%	4.90%	5.79%	2.90%	4.90%	4.90%	4.10%
Milton	3.92%	5.60%	5.30%	2.00%	3.06%	3.63%	3.00%	3.60%	4.86%
Burlington	3.78%	4.19%	4.42%	3.14%	3.65%	3.50%	4.46%	3.29%	0.90%
Richmond Hill	3.51%	2.71%	4.39%	4.20%	4.20%	2.04%	2.50%	2.45%	2.95%
Aurora	3.13%	3.10%	3.10%	1.80%	3.91%	3.75%	3.42%	4.77%	1.94%
Newmarket	3.04%	2.99%	2.99%	2.99%	3.50%	2.72%	3.74%	3.95%	5.89%
Barrie	2.79%	2.75%	3.09%	2.91%	3.19%	2.03%	3.30%	3.60%	6.50%
Vaughan	2.78%	2.89%	2.90%	2.90%	2.69%	2.50%	2.69%	2.95%	1.99%
Markham	2.76%	2.90%	3.46%	2.44%	2.50%	2.49%	1.50%	1.50%	0.00%
Oakville	2.62%	2.58%	3.21%	2.40%	2.79%	2.11%	3.01%	6.55%	5.93%

SPECIAL COUNCIL (BUDGET) MEETING

JANUARY 30, 2018

DRAFT 2018 BUDGET AND 2019-2022 FINANCIAL PLAN

(Referred)

The Finance, Administration and Audit Committee, at its meeting of November 23, 2017, (Item 1, Finance, Administration and Audit Committee Report No. 13), recommended:

- 1) That the report of 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 dated November 13, 2017, be referred to the January 30, 2018, Special Council (Budget) meeting to continue deliberations;
- 2) That the following recommendation contained in Communication C1, Member's Resolution from Regional Councillor Singh, dated November 23, 2017, be referred to the January 30, 2018, Special Council (Budget) meeting to continue deliberations:
 1. That staff be directed to add a Community Gardens 2018 capital project to the Draft 2018 Budget for Council's consideration;
 2. That the Community Gardens 2018 project include a minimum of one community garden per ward;
 3. That staff work within the framework of the approved Community Garden Policy to engage Council members and the community in identifying the appropriate locations on City-owned lands;
 4. That staff bring a communication to the January 30, 2018, Special Council (Budget) meeting that identifies appropriate fiscally neutral 2018 funding sources for the capital project by proposing corresponding offsets in the Draft 2018 Budget;
 5. That staff be directed to consider the ongoing operations and maintenance of the Community Gardens in the 2018 Budget Process; and
- 3) That the following deputations, be received:
 1. Mr. Kevin Hanit, Queensbridge Drive, Concord; and
 2. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg.

Report of 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, dated November 13, 2017

The Finance, Administration and Audit Committee, at its meeting of November 13, 2017, (Item 1, Finance, Administration and Audit Committee Report No. 12), recommended:

- 1) That the report of 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, dated November 6, 2017, be referred to the November 23, 2017, Finance, Administration and Audit Committee meeting to continue deliberations;
- 2) That the following presentations and Communication C5, presentation material titled "Vision, Leadership and Responsibility, Volume 1, Draft 2018 and Budget and 2019 – 2022

Financial Plan”, be received and referred to the November 23, 2017, Finance, Administration and Audit Committee meeting to continue deliberations :

1. Chief Financial Officer and City Treasurer;
 2. Deputy City Manager, Public Works;
 3. Director of Parks Operations;
 4. Deputy City Manager, Community Services;
 5. Chief Executive Officer, Vaughan Public Libraries; and
 6. Chief Corporate Initiatives and Intergovernmental Relations;
- 3) That the following be approved in accordance with Communication C4, from the Deputy City Manager, Community Services, and the Director, Recreation Services, dated November 13, 2017, and referred to the Finance, Administration and Audit Committee meeting to continue deliberations:
1. That the cost options associated with a proposed pilot project for youth (“Open to You(th)”), be received;
- 4) That the following deputations, be received:
1. Mr. Kevin Hanit, Queensbridge Drive, Concord;
 2. Ms. Monika Sudds, Oren Street, Kleinburg;
 3. Ms. Melanie Borel, Bologna Road, Woodbridge;
 4. Mr. Liviu Zugravu, Scarborough;
 5. Ms. Heather Reppin, Tulip Drive, Brampton;
 6. Ms. Lydia Carroccia, Flushing Avenue, Woodbridge; and
 7. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg; and
- 5) That the following Communications, be received:
- C1 Chief Financial Officer and City Treasurer, the Director of Financial Planning and Development Finance and Deputy City Treasurer, dated November 10, 2017;
- C2 Chief Financial Officer and City Treasurer, the Director of Financial Planning and Development Finance and Deputy City Treasurer, dated November 10, 2017; and
- C3 Ms. Susan Jagminas, dated November 11, 2017.

Report of 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, dated November 6, 2017

The Finance, Administration and Audit Committee, at its meeting of November 6, 2017, (Item 1, Finance, Administration and Audit Committee Report No. 11), recommended:

- 1) That the recommendation contained in the following report of 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, dated November 6, 2017, be referred to the November 13, 2017, Finance, Administration and Audit Committee meeting to continue deliberations;
- 2) That the following be approved in accordance with Communication C1, from the Deputy City Manager of Public Works, the Chief Financial Officer and City Treasurer, and the Director of Environmental Services, dated November 2, 2017 and referred to the November 13, 2017, Finance, Administration and Audit Committee meeting to continue deliberations:

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 into 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;
- 3) That the presentation by the Chief Financial Officer and City Treasurer and Communication C2, presentation material titled "Draft 2018 Budget and 2019-2022 Financial Plan", dated November 6, 2017, be received; and
- 4) The following deputations be received:
1. Mr. Kevin Hanit, Queensbridge Drive, Concord;
 2. Mr. Adriano Volpentesta, America Avenue, Vaughan; and
 3. Mr. Richard Lorello, Treelawn Boulevard, Kleinburg.

Report of 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, dated November 6, 2017

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 1st in a given year, the Treasurer be authorized to apply a 3 per cent fee/charge increase for economic adjustment, on January 1st 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

\$ M	2017 Approved	2018 Proposed Budget
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
Incremental Levy Requirement	5.2	5.5
Incremental Tax Rate	2.90%	3.00%

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 2019-202 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
Community Services						
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
Public Works	206.9	223.7	239.9	255.2	263.5	270.3
Planning and Growth Management	24.7	26.3	26.4	26.3	26.2	26.3
Corporate Services	28.0	28.6	29.6	30.5	31.5	31.5
Vaughan Public Libraries	17.9	19.2	20.1	20.3	20.3	20.4
Other Offices	50.5	56.0	55.4	60.2	67.6	75.3
Combined Tax and User Rate Gross Expenditures	430.2	458.1	479.4	501.9	518.9	534.0
Less: Water, Wastewater and Stormwater	151.8	161.3	175.8	190.6	198.4	204.6
Tax Rate Gross Expenditures	\$278.4	\$296.8	\$303.6	\$311.3	\$320.5	\$329.4

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](#).

(Attachments to this report were previously distributed with the Agenda for the November 6, 2017, Finance, Administration and Audit Committee meeting)

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)