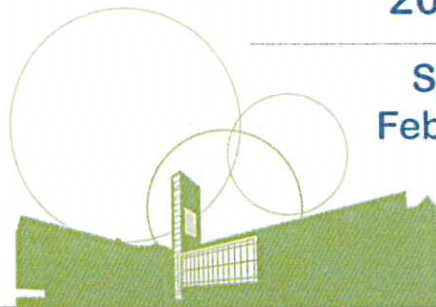


C2  
SP CL  
February 11/2013  
7:00pm

2/11/2013

## Proposed 2013 Budget and 2014-2016 Plan

Special Council  
February 11<sup>th</sup>, 2013



Financial Sustainability  
Always a Key Priority



### Agenda

- Purpose of tonight
- Services provided
- Budget approach
- Budget overview
- Community service priorities
- Property taxes in perspective
- Where your property taxes go
- Q&A



Proposed 2013 Budget  
2014-2016 Plan



## Purpose

- Present the Proposed 2013 Budget and 2014-2016 Plan
- Receive Input from the Public
- Approve the 2013 Budget
- Recognize the 2014-2016 Plan



3

Proposed 2013 Budget  
2014-2016 Plan

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## Budget Objective

“To balance the pressures of maintaining existing services and growth requirements against available future City funding/resources necessary to undertake and manage operations and corporate initiatives”



4

Proposed 2013 Budget  
2014-2016 Plan

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## Our Business – Providing City Services Through People and Assets



### Engineering/Public Works

Roads - Lane Kms	1,956
Sidewalks - Kms	1,018
Bridges & Structures	176
Streetlights	25,288
Traffic Signals	79
Public Works Yards	3



### Fire & Rescue Services

Fire Stations	10
Fire Engines/Aerials	16
Fire Tankers/Rescues/etc.	13



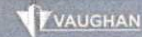
### Library Services

Libraries & Resource Libraries	7
Library Collection (Items)	535,566



5

Proposed 2013 Budget  
2014-2016 Plan



## Our Business – Providing City Services Through People and Assets



### Parks & Recreation

Community Centres	10
Fitness Centres	6
Theatres	1



Parkland - Hectares	951
Trails - Km	58



Parks	187
Playgrounds	257
Tennis Courts	124
Ball Diamonds (Multi Type)	57
Basketball/Playcourts	84
Bocce Courts	64
Water Play Facilities	19
Indoor pool tanks	9



Indoor Skating Rinks/Arenas	10
Outdoor Soccer Fields	170
Skateboard Parks	6



6

Proposed 2013 Budget  
2014-2016 Plan



## Budget Principles

### *Managing our future*

- Resourcing our Vision "Corporate Planning Process"
- Looking to the future with multi-year budgets
- Managing operations through business planning

### *Managing tax increases*

- Specific budget policy & guidelines
- A thorough multi-layer review process

Collectively, these principles aid in developing realistic and responsible financial plans.



7

Proposed 2013 Budget  
2014-2016 Plan



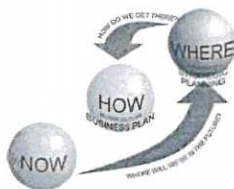
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## Managing Our Future



### The City has a Plan

- Guide by the City's Strategic Plan
- Future focus



### Our Plan Includes

- Multi-year financial planning
- Financial Master Plan ( FMP )
- Key strategic priority themes
- Corporate planning process
- Policy guidance and compliance



8

Proposed 2013 Budget  
2014-2016 Plan

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## Disciplined Budget Process – Operations

*Stewardship of public funds is taken very seriously*

### **Base Budget**

- Only very specific adjustments
- Focused on containing costs and best practices
- No new staff or across the board increase for inflation

### **Additional Resource Requests (ARRs)**

- Individually vetted
- Presented separately



9

Proposed 2013 Budget  
2014-2016 Plan



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## Disciplined Budget Process – Capital

- **Funding availability based on policy:**
  - Funds must be on hand
  - Compliance with corporate policies & guidelines
- **Actions to Manage Capital Budgets**
  - Leveraging Grant and Subsidy Funding
  - Consolidated Reserve Policy Recommendations
  - More Detailed Project Information
  - Actively Closing Projects



10

Proposed 2013 Budget  
2014-2016 Plan



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## Overall Process Results

- F&A Committee deliberations started on Nov. 12<sup>th</sup>, 2012
- 6 Public F&A Committee Meetings  
( 3 day meetings & 3 evening meetings)
- Draft Budget reflected a 4.6% tax rate incr. = \$7.8m
- Deliberations resulted in a \$2.8m reduction
- Proposed tax rate increase = 2.69%



11



Proposed 2013 Budget  
2014-2016 Plan



## Guiding Policies

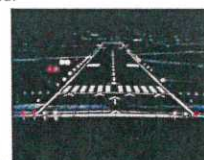
*Dedication to financial management through best practices and prudent policies*

Policy	Estimated @ December 31st					Target
	2012	2013	2014	2015	2016	
Discretionary Reserve Ratio	79%	75%	71%	71%	74%	>50% of own source revenue
Working Capital Ratio	10%	10%	9%	9%	8%	10% of own source revenue
Debt Level Ratio*	6%	6%	6%	6%	6%	<10% of own source revenue

\*Includes guarantees for Ontario Soccer Association and Vaughan Sports Complex  
\*Some reserves are based on surplus contributions, which are not planned or budgeted.



12



Proposed 2013 Budget  
2014-2016 Plan



## Quick Facts



### Proposed Budget

	2012	(Forecasted)			
		2013	2014	2015	2016
Average residential assessment	\$ 485,122	\$ 517,000	\$ 551,000	\$ 587,000	\$ 626,000
***Total taxes levied on the average assessed home	4,513	4,597	4,700	4,810	4,935
City of Vaughan portion (27%) excl. Hospital	1,196	1,228	1,284	1,357	1,427
City of Vaughan tax adjustment % on total taxes		0.7%	1.2%	1.6%	1.5%
Hospital Capital Levy on the avg. home	47	58	58	58	58
Reduction for qualifying seniors	313	321	336	355	374
A 1% increase in the tax rate generates	\$1.4m	\$1.495m	\$1.582m	\$1.700m	\$1.846m
Impact of a 1% increase on the average home	\$ 11.45	\$ 11.96	\$ 12.28	\$ 12.84	\$ 13.57
Assessment growth (projected)	3.10%	2.26%	3.00%	2.80%	2.80%
Proposed/Forecasted Tax Rate Increases		2.69%	4.59%	5.70%	5.16%

\*\*\*Forecast based on Vaughan's proposed % Region @ 2% School Board @ 0%

**\$ impact on the avg. 2013 tax bill**



**\$32**



13

Proposed 2013 Budget  
2014-2016 Plan



## Building The Budget



	2013			2014			2015			2016		
	Rate Incr.	\$ (m)	Bill Incr.	Rate Incr.	\$ (m)	Bill Incr.	Rate Incr.	\$ (m)	Bill Incr.	Rate Incr.	\$ (m)	Bill Incr.
<b>Operating Budget</b>												
Base Budget	1.82%	2.72	\$22	2.15%	3.40	\$26	1.92%	3.26	\$25	3.15%	5.82	\$43
ARR	0.87%	1.29	\$10	2.44%	3.85	\$30	3.78%	6.28	\$48	2.01%	3.50	\$27
<b>Sub-total</b>	<b>2.69%</b>	<b>4.01</b>	<b>\$32</b>	<b>4.59%</b>	<b>7.25</b>	<b>\$56</b>	<b>5.70%</b>	<b>9.54</b>	<b>\$73</b>	<b>5.16%</b>	<b>9.32</b>	<b>\$70</b>
<b>Hospital Levy</b>												
Total	0.91%	1.36	\$11									
	3.60%	5.37	\$43	4.59%	7.25	\$56	5.70%	9.54	\$73	5.16%	9.32	\$70
<b>Capital Budget</b>												
	# of Proj	\$ (m)		# of Proj	\$ (m)		# of Proj	\$ (m)		# of Proj	\$ (m)	
New/Growth	124	27.34		77	31.51		77	30.89		63	27.5	
Renewal	119	30.46		111	35.05		65	38.40		49	77.70	
<b>Total</b>	<b>243</b>	<b>57.80</b>		<b>188</b>	<b>66.56</b>		<b>142</b>	<b>69.29</b>		<b>112</b>	<b>105.20</b>	



14

Proposed 2013 Budget  
2014-2016 Plan



## ARR Highlights

Major Additional Resource Request (ARR) Highlights & Elements			
2013 Budget	2014 Budget	2015 Budget	2016 Budget
<b>Community safety</b>			
STN 75 - 10 Firefighters	STN 75 - 10 Firefighters District Chiefs Emergency Planner	STN 78 - 20 Firefighters Training Officer	Hazard/Risk Assessment District Chiefs Fire Prevention Inspector
<b>Community and library services</b>			
Vellore CC Expan.Operator Soccer Field Maintenance Forestry Arborist	Fr. Ermanno CC Expan.Operator Forestry Arborist Facilities Maint. and Repairs Playground Safety Testing Hard Surface and Court Repairs Park Maintenance	Civic Centre Res. Library	Block 11 Facility Operator Blvd Shrub Bed Summer Staff Horticulture Shrub Mntce Crew Animal Services Staffing Weed Spraying Program North Maple Park Attendants Carrville PT Facility Operator
<b>City building initiatives</b>			
Zoning By-law Review Strategic Business Analyst Employment Zone, VMC Marketing Action plan for reducing GHG Transportation Engineer	Zoning By-law Review Strategic Business Analyst Business Development Officer Climate change adaption Study Transportation Engineer	Zoning By-law Review Citizen Engagement Survey Elec. Vehicle Feasibility Pilot New V.V. Strategic Plan EDMS Staffing	



15

Proposed 2013 Budget  
2014-2016 Plan



## Significant Capital Projects

Major Capital Project Highlights & Elements			
2013 Budget	2014 Budget	2015 Budget	2016 Budget
Black Creek Renewal	Black Creek Renewal	Black Creek Renewal	Black Creek Renewal
Road Rehabilitation and Watermain Replacement	Road Rehabilitation and Watermain Replacement	Road Rehaband Watermain Replacement	Road Rehabilitation and Watermain Replacement
EAB/Tree Planting	EAB/Tree Planting	EAB/Tree Planting	EAB/Tree Planting
Block 27/41 Secondary Plans	VMC Storm Water Mgmt Pond	VMC Storm Water Mgmt Pond	Carrville Branch Library Const
Fire Station 7-3 Const	Kleinburg Nashville Watermain	Kleinburg Nashville Watermain	Kleinburg Nashville Watermain
Station 7-5 Pumper	Civic Centre Library Furniture	Carrville CC Design	Carrville CC Construction
Block 11 Valley Rd Crossings	Maple Valley Plan - Phase I(A)	Carrville Branch Library Design	Maple Valley Plan - Phase I(B)
North Maple Bridge Design	Block 64 Valley Crossing	Block 61 Pedestrian Crossing	New West Yard
Replace Freightliner 7956	Voice Radio Replacement	Fence Repair & Replacement Program	Replace Pumper
Expand/Update Crew Quarters - Stn 75	Replace Volvo Pumper	Replace Rescue Truck	Replace Haz Mat
Corporate Asset Management	Corporate Asset Management	Corporate Asset Mgmt	Maple Library Renovations
Kleinburg Library Building Repairs		Elec. Doc. Mgmt System	
SWM - Pine Valley/Club House			



16

Proposed 2013 Budget  
2014-2016 Plan



## Minimal Cost to the Tax Payer



	<b>2013 Budget</b>	<b>2014</b>	<b>Plan 2015</b>	<b>2016</b>
<b>Avg. Home Property Value</b>	\$517,000	\$ 551,000	\$ 587,000	\$ 626,000
<b>Local Property Taxes</b>	\$ 1,228	\$ 1,284	\$ 1,357	\$ 1,427
<b>Tax Rate Change</b>	2.69%	4.59%	5.70%	5.16%
<b>Tax Bill Change</b>	\$ 32.00	\$ 56.00	\$ 73.00	\$ 70.00

**\$6.19 per \$100,000 of Property Value in 2013**



17

Proposed 2013 Budget  
2014-2016 Plan

17



## Minimal Cost to the Business Community

### Commercial & Industrial Tax Change

**Impact per \$100,000 of assessed property value**

	<b>2013 Budget</b>	<b>2014</b>	<b>Plan 2015</b>	<b>2016</b>
<b>Commercial Property</b>	\$ 7.41	\$12.98	\$16.86	\$16.13
<b>Industrial Property</b>	\$ 8.70	\$15.25	\$19.80	\$18.94
<b>Tax Rate Increase</b>	2.69%	4.59%	5.70%	5.16%



18

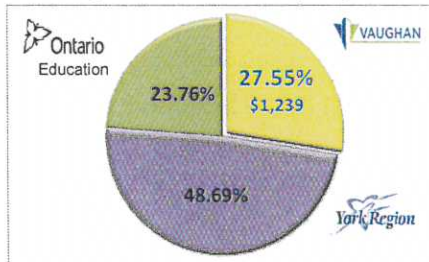
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2014-2016 Plan

18



## Vaughan's Portion of the 2013 Tax Bill

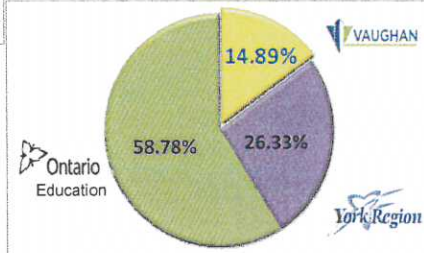
Est. Avg. Residential Property Tax Bill = \$4,597 (est.)



Note: Ontario and York Region components are based on 2012 figures. Vaughan percentage includes the hospital capital levy.

Vaughan's portion \$1,228 + \$11 hospital increase = \$1,239 Est. Avg. Property tax bill

Est. Commercial Property Tax Bill



19

Proposed 2013 Budget  
2014-2016 Plan

19

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## Cost of Municipal Services

	2013	2014	2015	2016
FIRE AND RESCUE SERVICES*	\$293	\$299	\$319	\$321
PUBLIC WORKS & ROAD SERVICES	\$277	\$290	\$291	\$286
VAUGHAN PUBLIC LIBRARIES*	\$107	\$105	\$126	\$126
RECREATION*	\$107	\$105	\$103	\$100
INFRASTRUCTURE	\$103	\$105	\$107	\$115
PARKS	\$102	\$104	\$103	\$107
WASTE MANAGEMENT	\$70	\$71	\$73	\$75
CORPORATE ADMINISTRATION	\$64	\$97	\$132	\$182
BUILDINGS AND FACILITIES	\$65	\$67	\$65	\$80
DEVELOPMENT	\$40	\$41	\$38	\$35
<b>TOTAL</b>	<b>\$1,228</b>	<b>\$1,284</b>	<b>\$1,357</b>	<b>\$1,427</b>



\*Based on average residential assessment

\*Building & Facility costs included in Fire, Recreation, and Library categories

Note – Corporate Admin increase due to contingency and capital requirements



20

Proposed 2013 Budget  
2014-2016 Plan

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## Household Spending Comparison

### 2013 Taxes In Perspective

<u>Typical Household Costs</u>	<u>Annual*</u>	<u>Monthly**</u>
Hydro (Avg 1000Kwh consumption/month)	\$1,675	\$140
Natural Gas (Based on 1500-2000sqft home)	\$1,126	\$95
60L of gas/week	\$3,975	\$330
Car Insurance (Avg GTA premium)	\$2,023	\$170
Dinner (2 adults @2x/month)	\$1,200	\$100
<i>Figures based on local service provider information</i>		
<b>TOTAL CITY SERVICES</b>	<b>\$1,228</b>	<b>\$102</b>



- Over 30 Dept's offering 100s of services & programs
- For less than many household expenses



21

Proposed 2013 Budget  
2014-2016 Plan



## Tax Increase Comparison

2011 - 2013 Preliminary Total Tax Rate Increase Comparison

Municipality	3 yr total	2013 Approved	2013 Proposed	2013	2012	2011
1 Caledon	21.34%	5.70%		5.70%	5.24%	10.40%
2 Mississauga	20.20%	7.00%		7.00%	7.40%	5.80%
3 King	17.98%	3.42%		3.42%	8.90%	5.66%
4 Oakville	15.49%	3.01%		3.01%	6.55%	5.93%
5 Brampton	13.90%	4.90%		4.90%	4.90%	4.10%
6 Newmarket	13.58%	3.74%		3.74%	3.95%	5.89%
7 Barrie	13.40%	3.30%		3.30%	3.60%	6.50%
8 Richmond Hill	11.83%		6.43%	6.43%	2.45%	2.95%
9 Milton	11.46%	3.00%		3.00%	3.60%	4.86%
10 Aurora	10.29%		3.58%	3.58%	4.77%	1.94%
11 Burlington	8.19%		4.00%	4.00%	3.29%	0.90%
12 <b>Vaughan</b>	<b>7.59%</b>		<b>2.69%</b>	<b>2.69%</b>	<b>2.95%</b>	<b>1.95%</b>
13 Markham	3.00%	1.50%		1.50%	1.50%	0.00%
Average	12.94%		4.02%	4.02%	4.55%	4.38%



22

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2014-2016 Plan





## Discussion Q & A



23

Proposed 2013 Budget  
2014-2016 Plan

