

SPECIAL COMMITTEE OF THE WHOLE (BUDGET) – DECEMBER 2, 2019

COMMUNICATIONS

Distributed November 29, 2019

Item No.

- | | |
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| C1. Memorandum from the Deputy City Manager, Public Works and the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer dated November 28, 2019 | 1 |
|---|---|

Distributed December 2, 2019 (at the meeting)

- | | |
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| C2. Presentation material titled "Draft 2020 Budget and 2021-2022 Financial Plan" | 1 |
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Please note there may be further Communications.



memorandum

C - 1
COMMUNICATION
SP. CW - DEC 2/19
ITEM - 1

DATE: November 28, 2019

TO: Mayor and Members of Council

FROM: Zoran Postic, Deputy City Manager, Public Works
Michael Coroneos, DCM, Corporate Services, City Treasurer and CFO

COPY: James Steele, Director Environmental Services
Dean Ferraro, Director of Financial Services/Deputy City Treasurer
Michael Marchetti, Director Financial Planning & Development Finance/Deputy City Treasurer

RE: Item #1 Special Committee of the Whole (Budget) Meeting- December 2, 2019
Draft 2020 Budget and 2021-2022 Financial Plan

Administrative Budget Corrections
EV-2137-19 Installation of Water Sampling Stations

Recommendation

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

1. That the attached detail sheet, Attachment 1 for EV-2137-19 Installation of Water Sampling Stations, be received for consideration in the 2020 Draft Budget 2021 - 2022 Financial Plan.

Background

In order to satisfy regulatory requirements for water quality sampling (O. Reg. 170), the City is required to complete a certain number of representative samples of the water distribution system to maintain quality and ensure the safety of the City's potable water. Dedicated sampling stations would improve sampling efficiency through better access to sampling stations and provide the ability to collect round-the-clock samples as compared to the current sampling sites (e.g. schools, recreation centres, etc.).

In reference to the Internal Audit Report dated April 8, 2019 on the Water, Wastewater and Stormwater Operations of the Environmental Services Departments, one of the audit recommendations was to develop appropriate criteria for when it may be suitable to meet and/or exceed the statutory requirements for the quantity of water samples collected.

Staff reviewed the sampling programs of neighbouring municipalities for benchmarking purposes. The City used the benchmarking data, in conjunction with Ministry of the Environment, Conservation and Parks (MECP) regulations, to determine the number of sampling stations required for Vaughan's water system. The study determined the city will need approximately 150 sampling stations. The installation of the sampling stations is expected to commence in 2020 and will take approximately 20 months to complete.

Economic Impact

The total cost of the project is estimated to be approximately \$2.5 million (including the administrative fee and applicable taxes) for the installation of approximately 150 sampling stations. It is proposed that \$825,000 will be reallocated from the draft 2021 plan and moved forward to the draft 2020 budget. Additionally, a further amount of \$170,000 will be required in the draft 2020 budget, funded by the water reserve. The revised budget submission is illustrated in Attachment 1 and details of financial impact are shown below.

Capital Cost (EV-2137-19 Installation of Water Sampling Stations)	Original (\$)	Revised (\$)
2019 Approved Budget (funded by Water Reserve)	1,004,250	1,004,250
Actual/Commitment	97,366	97,366
Budget Available in 2019/2020	906,884	906,884
2020 Draft Proposed Budget (funded by Water Reserve)		995,000
2021 Draft Recognized Budget (funded by Water Reserve)	825,000	
Budget Available	1,731,884	1,901,884
Estimated costs required in 2020 (incl. admin and applicable taxes)	1,900,000	1,900,000
Budget (shortfall)/surplus	(168,116)	1,884

Conclusion

\$825,000 will be reallocated from the draft 2021 plan to the draft 2020 budget and an additional amount of \$170,000 is requested in the 2020 budget process to install approximately 150 water sampling stations, with installation to commence in 2020. The water reserve will fund the entire initiative.

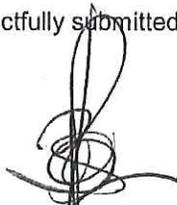
Prepared by

Sean Skinkle, Finance Manager, Water/Wastewater/Stormwater, Ext. 8486
Wynkie Ha Hau, Sr. Financial Analyst, Ext. 8432

Attachment

EV-2137-19 Installation of Water Sampling Stations

Respectfully submitted,



Zoran Postic, Deputy City Manager, Public Works



Michael Coroneos, DCM, Corporate Services, City Treasurer and CFO



Project Summary

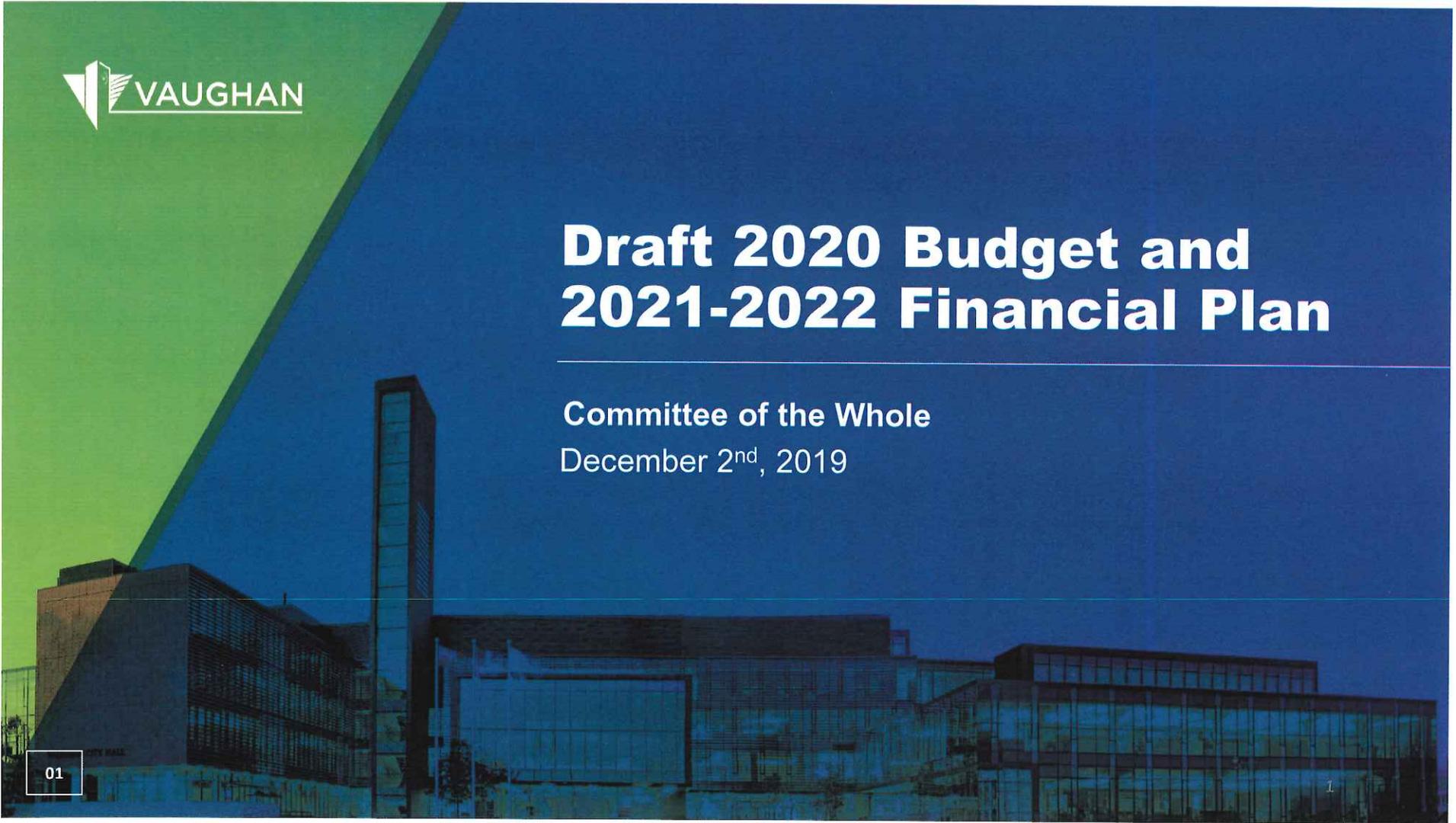
Project Number: EV-2137-19 Project Title: Installation of Water Sampling Stations Asset Type: WTS004 Other (WTS) Department: Environmental Services Budget Year: 2020 Scenario Name: Main Approval Year: 2020 Scenario Active: Yes																																																									
Project Stage: Concept Regions: City-Wide TCA: No																																																									
Project Type: Health & Safety																																																									
Project Timelines 2019, 2020 & 2021																																																									
Other Dept Impact																																																									
Project Detailed 2021																																																									
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Year Identified 2019	Project Owner Danny Woo	Project Sponsor James Steele	Completion Date Dec 31, 2021																																																						

C.2
COMMUNICATION
SP CW (BUDGET) Dec 2/19
ITEM - 1



Draft 2020 Budget and 2021-2022 Financial Plan

Committee of the Whole
December 2nd, 2019



Delivering Real Results for Vaughan



900 acre
North Maple
Regional Park
will be larger than
New York's Central Park

Welcoming city
105 languages spoken

60,000

new jobs have
been created
since 2010



Nearly
200 km
of **NEW** roads

97%

of citizens feel
quality of life to be either **good**
or **very good** in Vaughan



Vaughan is one of the
SAFEST
COMMUNITIES
IN CANADA

\$11
Billion
in building
permits
since 2010

MORE THAN
\$30
million
in **BUDGET**
SAVINGS
since 2015



Home to the
first university
in York Region
NIAGARA
UNIVERSITY



Since 2010
Vaughan's average
annual economic
growth is
MORE THAN 4%



The Mackenzie Vaughan Hospital will
be Canada's first smart technology
hospital with a capacity of

550 beds

VMC SUBWAY

More than **14,000**
daily commuters

7 minutes to
York University

42 minutes
to Union Station



\$12 million for Hospice
Vaughan Capital
Campaign **ACHIEVED**



New policy allowing
secondary suites
was **APPROVED**

One of the
lowest
tax rates
in the GTA



More than
30,000
trees have been planted
as part of the City's
tree replacement plan

Vaughan is the
first municipality
in Canada to sign
LEADERSHIP ACCORD
ON GENDER DIVERSITY

12,000 businesses
that employ
more than **223,000**

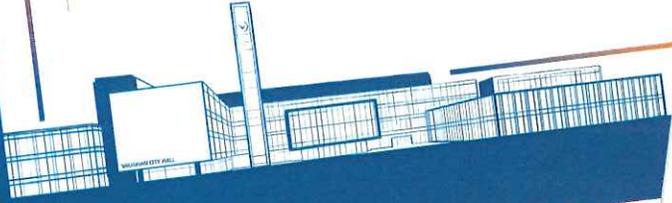
Term of Council Service Excellence Strategic Plan 2018-2022

The 2018-2022 Term of Council Service Excellence Strategic Plan reinforces the City of Vaughan's mission, vision and values, representing the core of how the administration will go above and beyond to deliver on Council's priorities through Service Excellence. The Strategic Plan identifies the administration's focus on to support the City of Vaughan in being a City of Choice for both residents and businesses.

Mission
Citizens first through Service Excellence.

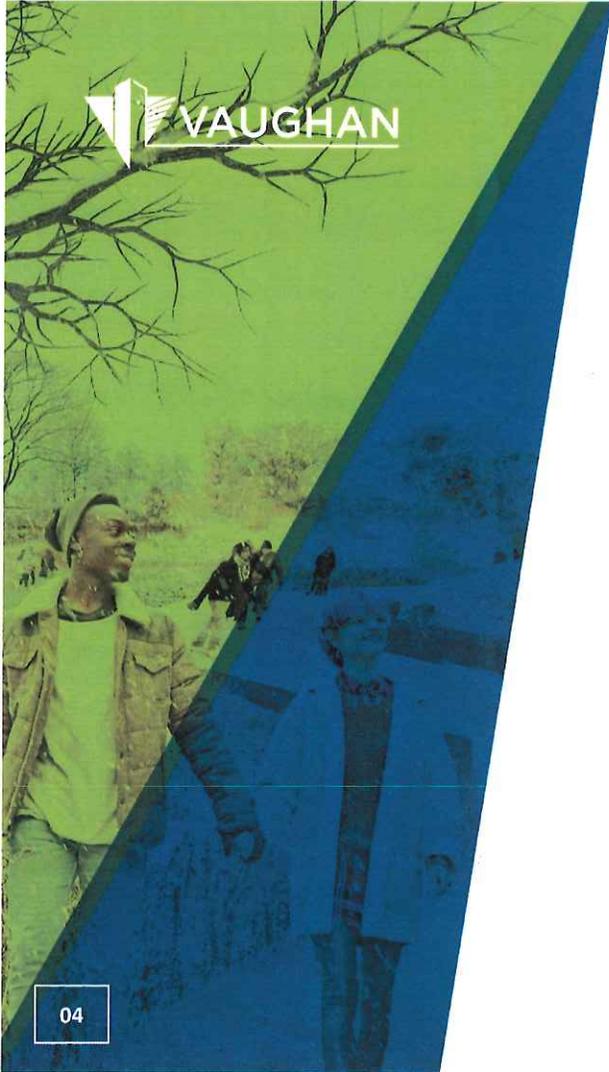
Vision
A city of choice that promotes diversity, innovation and opportunity for all citizens, fostering a vibrant community life that is inclusive, progressive, environmentally responsible and sustainable.

Values
Respect
Accountability
Dedication

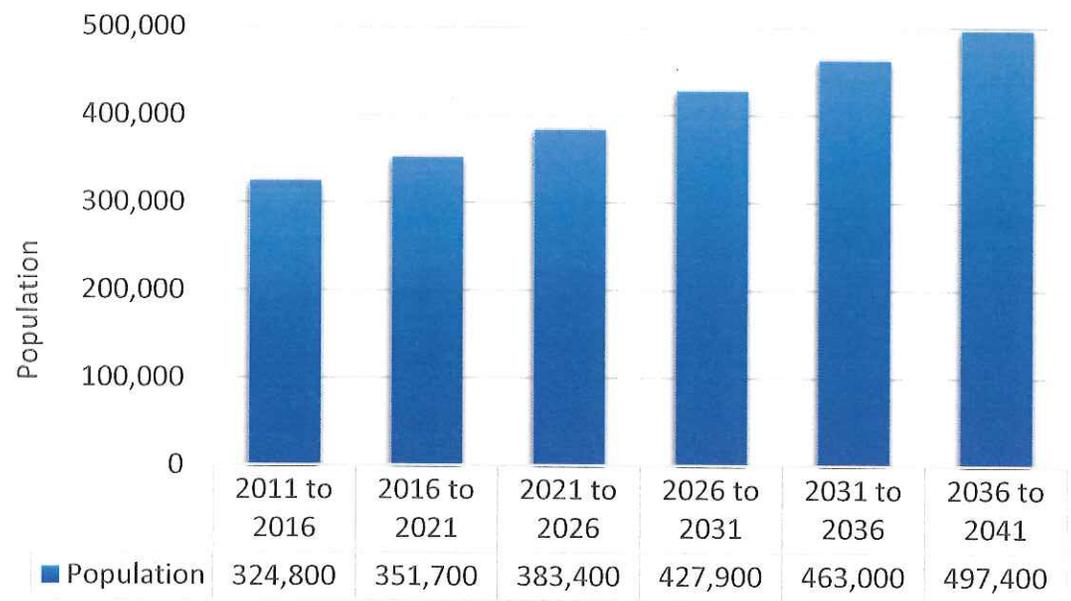


vaughan.ca/ServiceExcellence





Growth and Sustainability



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

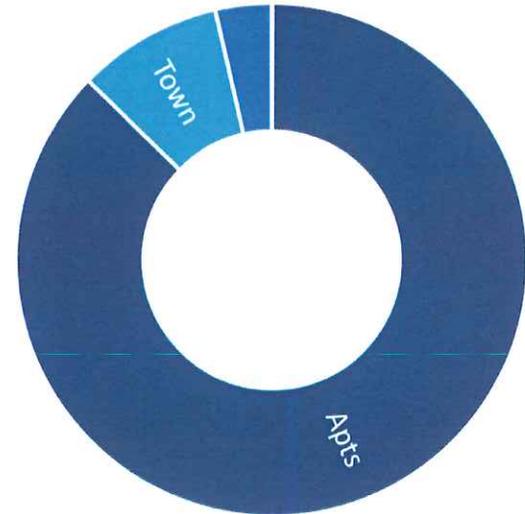
Source: York Region 2041 Preferred Growth Scenario, Nov. 2015

Growth and Sustainability



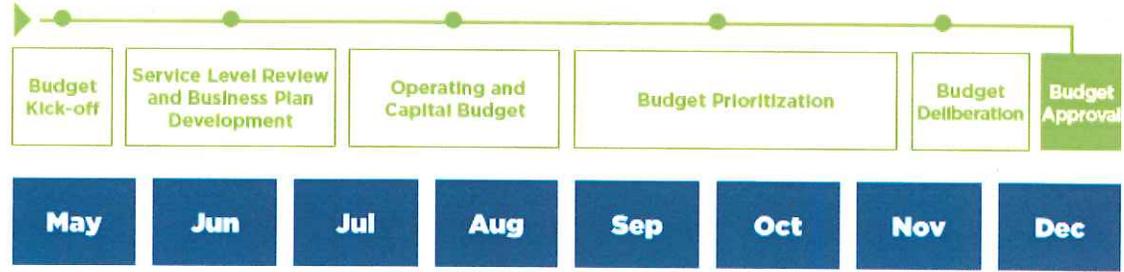
Active Residential Development Proposals by Type

■ Singles ■ Semi ■ Town ■ Apts





Budget Process and Community Outreach

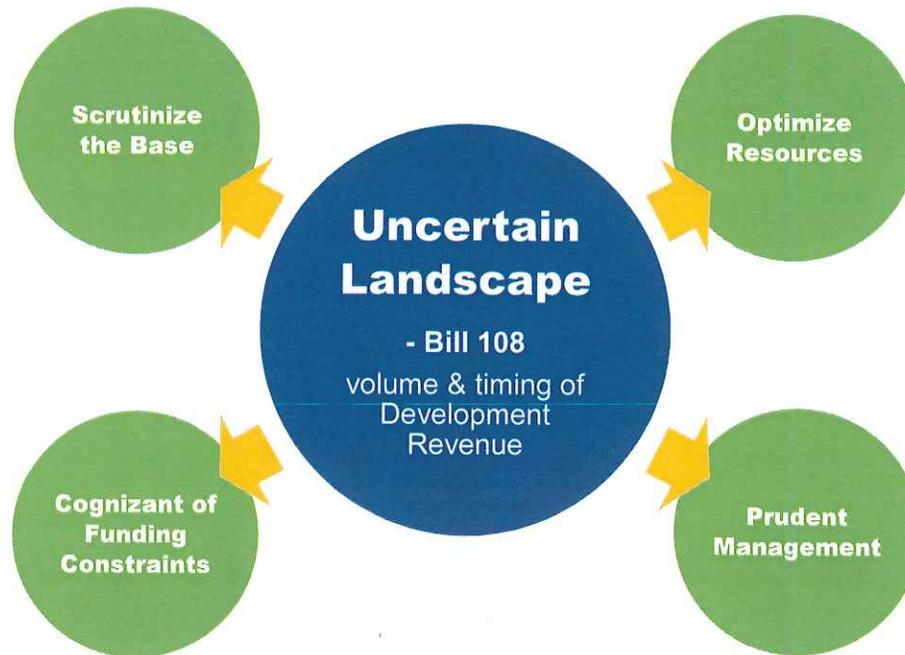


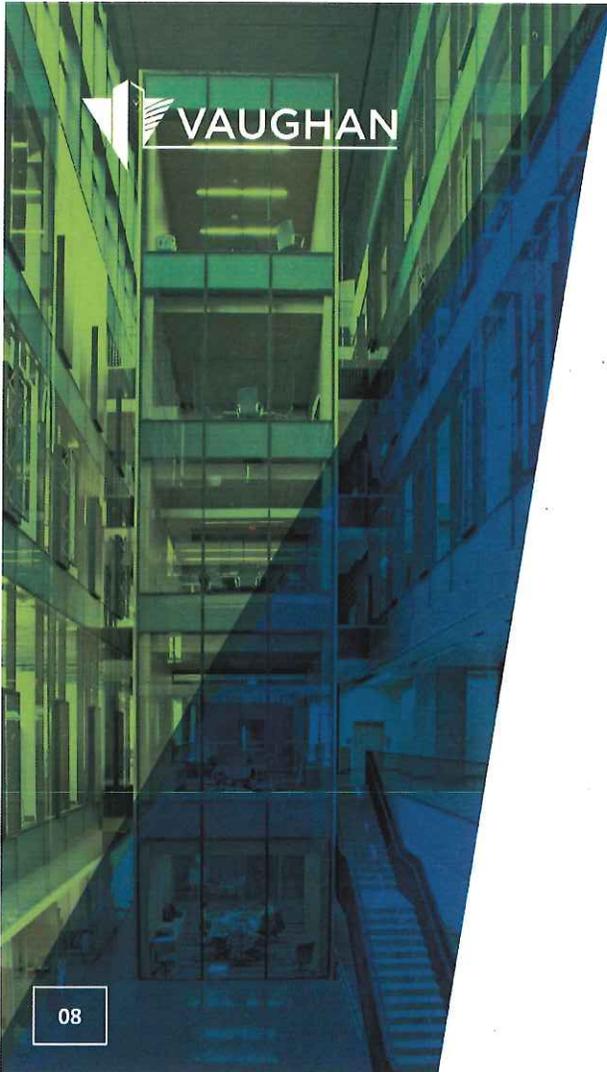
Community Outreach on Budget Process



A Prudent Approach to Budgeting

The City of Vaughan's budget is built on the principles of integrity, accountability and responsibility. It is focused on keeping property tax rates low, respecting taxpayers' hard-earned money and delivering quality public services.





Financial Sustainability and Fiscal Transparency

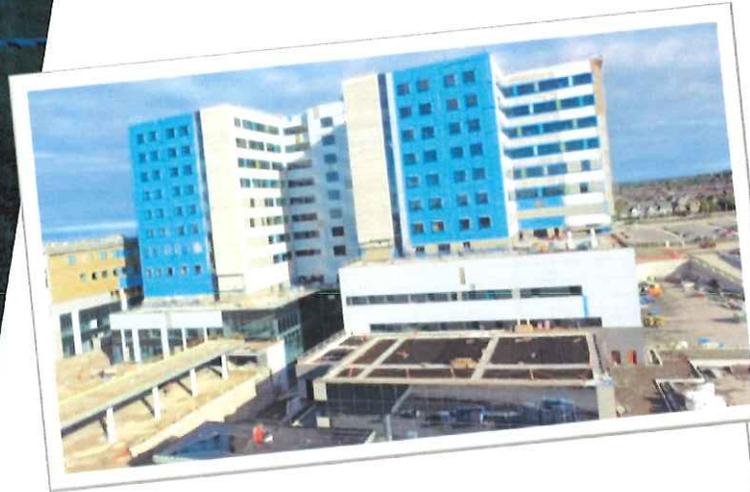
Budget Guiding Principles Support Budget Priorities



Transformational City-Building

Vibrant City and Respected Community

- Vaughan's Emerging Downtown
- Niagara University
- Improving Access to Healthcare



Transformational City-Building

High Quality of Life & Civic Engagement

- **Vaughan: The Green City**
 - North Maple Regional Park
- **Civic Engagement – Task Forces**
 - Older Adults
 - Transportation & Infrastructure
 - Governance
 - Smart City



Budget Summary

2020 Operating and Three-Year Capital Plan:

Tax Supported Programs

2020 Gross
Operating
\$320 million

Three-Year
Capital Plan
\$591 million

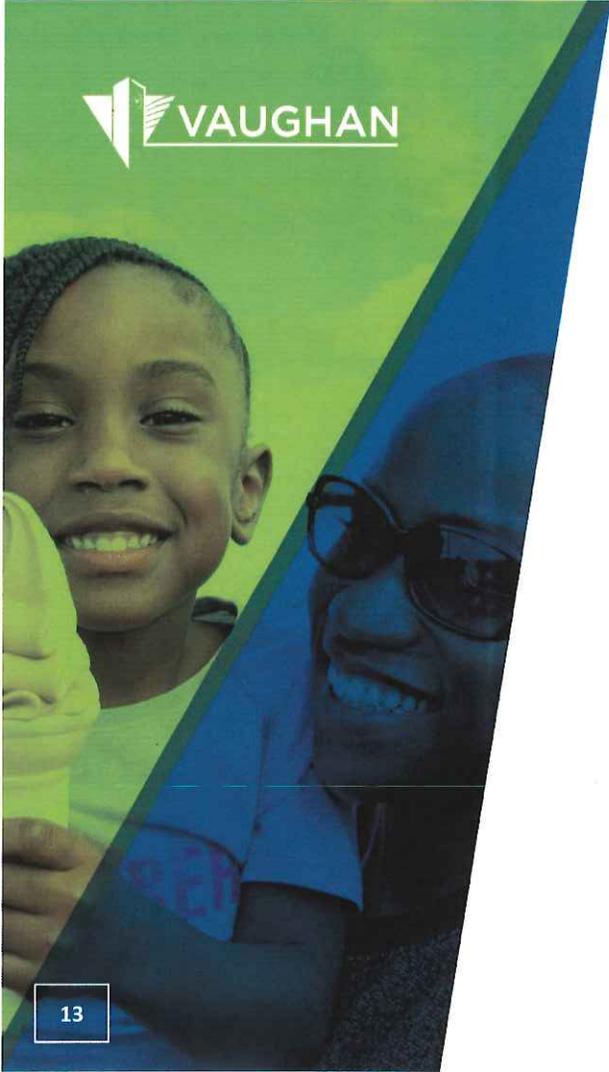
Utility Rate Supported Programs

2020 Gross
Operating
\$195 million

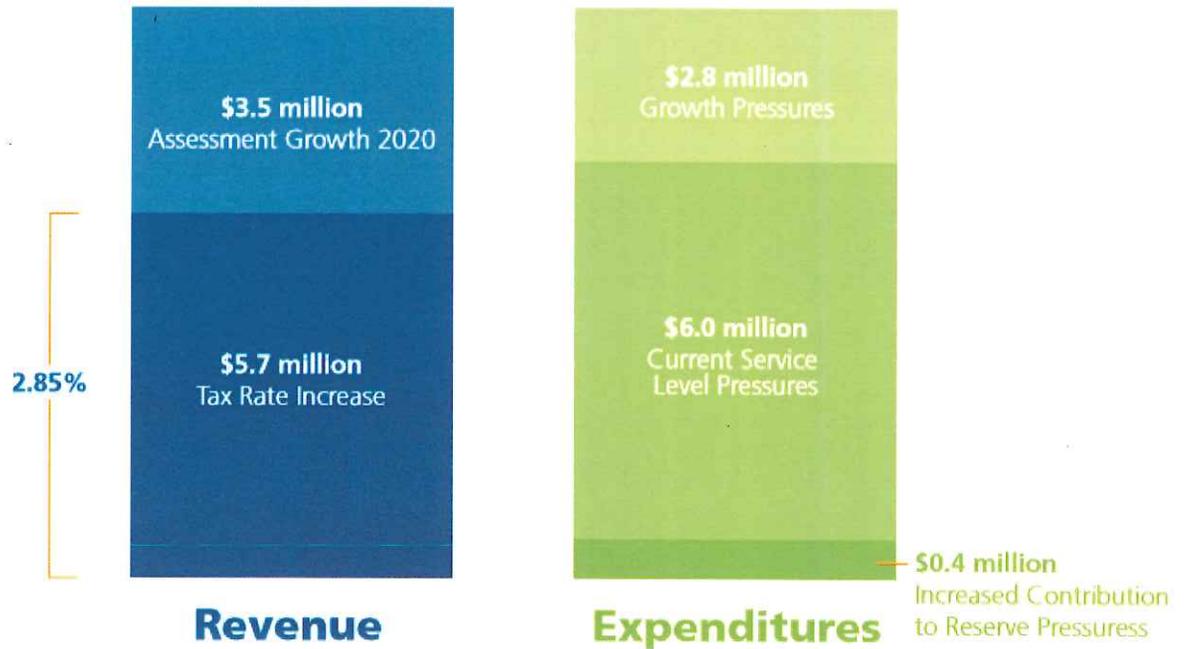
Three-Year
Capital Plan
\$49 million

Proposed Tax Supported Operating Budget

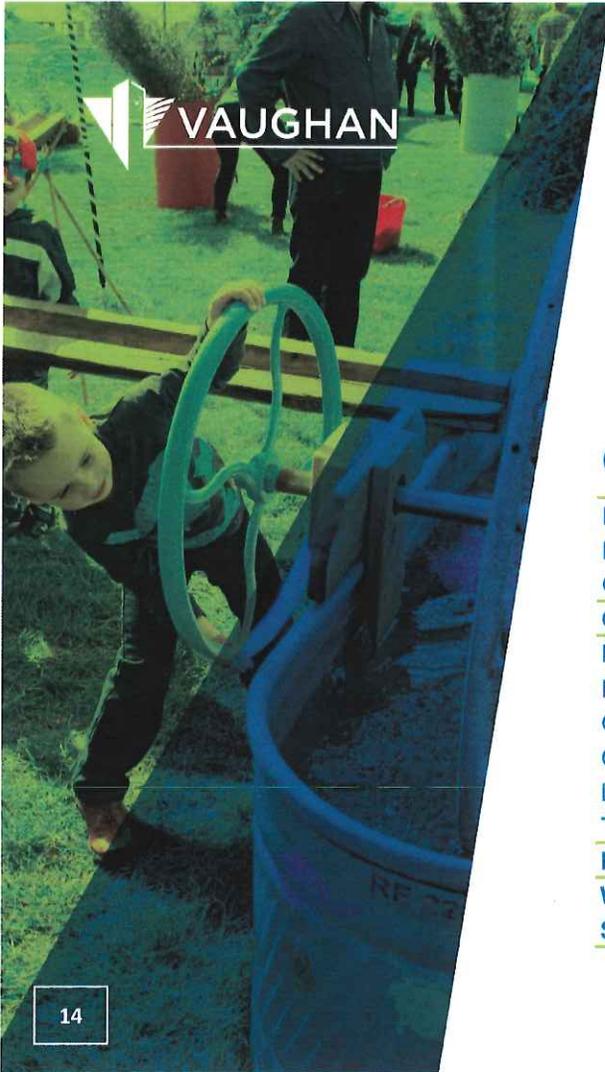
(\$M)	2019 Approved Budget	2020 Proposed Budget	2021 Plan	2022 Plan
Gross Operating	310.3	320.3	331.3	341.0
Less: Non-Tax Revenue	103.9	104.7	107.3	108.2
Net Operating	206.4	215.7	224.1	232.8
Assessment Growth	3.3	3.5	2.1	2.2
Supplemental Taxation and PIL	5.8	5.8	5.8	5.8
Net Levy Requirement	197.4	206.4	216.2	224.8
Incremental Levy Requirement	5.7	5.7	6.3	6.5
Incremental Tax Rate	3.00%	2.85%	3.00%	3.00%



2020 Tax Levy Increase Analysis

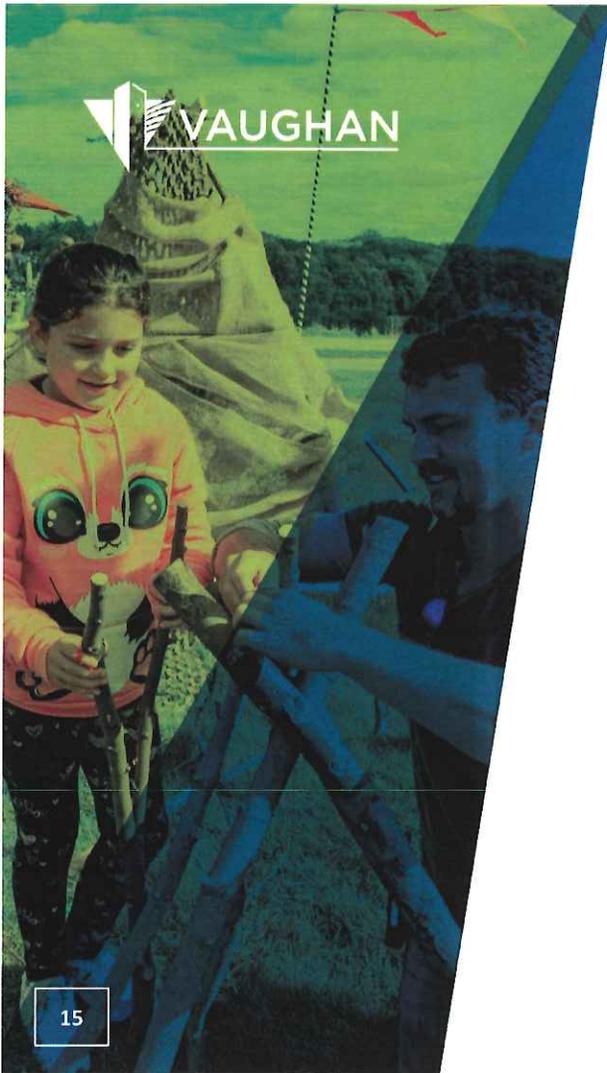


\$49 increase to the average residential tax bill



Proposed Water/Wastewater/ Stormwater Operating Budget

(\$M)	2019 Approved Budget	2020 Proposed Budget	2021 Plan	2022 Plan
Revenue	175.0	189.8	200.4	208.3
Purchases	127.9	138.8	146.4	151.9
Gross Margin	47.1	51.0	54.0	56.4
Other Revenue	5.0	5.4	5.4	5.4
Expenditures				
Maintenance & Installation	16.3	17.2	17.4	17.4
General Administration	11.8	13.0	13.1	13.1
Other	2.7	2.5	2.8	2.9
Lifecycle Contribution	21.3	23.7	26.1	28.4
Total Expenditures	52.1	56.4	59.4	61.8
Net Budget	0.0	0.0	0.0	0.0
Water and Wastewater Rate Increase	9.9%	9.0%	3.0%	3.0%
Stormwater Charge Increase	4.4%	0.0%	4.5%	4.5%



2020 Water/Wastewater/ Stormwater Analysis

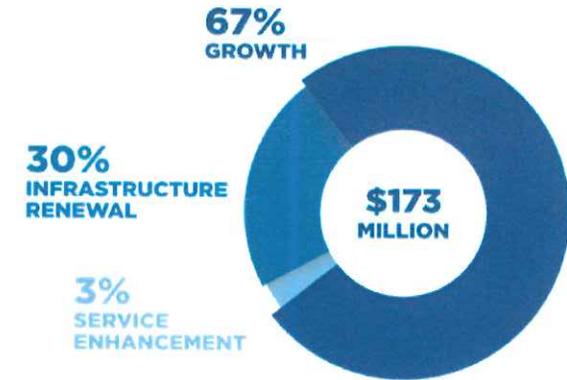
Category	Item	Amount	Percentage
Water & Wastewater	•CITY (operating)	\$ 23.1	13%
	•CITY (reserves)	\$ 22.0	12%
	•REGION (purchases)	<u>\$138.8</u>	<u>75%</u>
	•TOTAL	\$183.9	100%
Stormwater	•CITY (operating)	\$ 9.5	85%
	•CITY (reserves)	\$ 1.7	15%
	•TOTAL	\$ 11.2	100%

*All financial figures are in millions of dollars

Sustainable Capital Project Investments

2020 Capital Investment

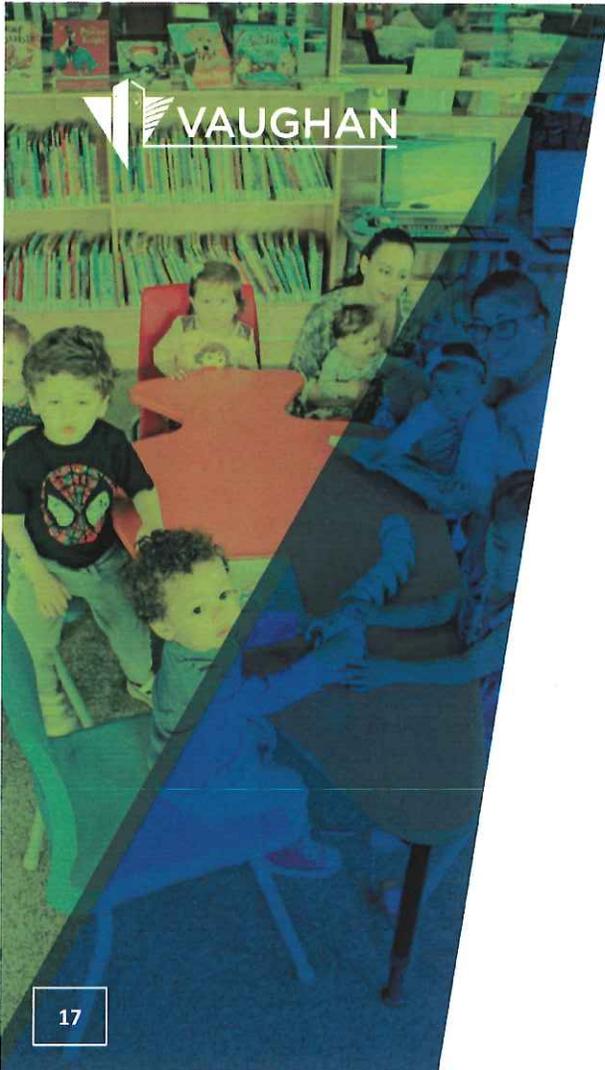
- Growth, \$116.3M
- Infrastructure Renewal, \$52.1M
- Service Enhancement, \$4.3M



2021-2022 Capital Plan

- Growth, \$310.5M
- Infrastructure Renewal, \$146.9M
- Service Enhancement, \$9.7M

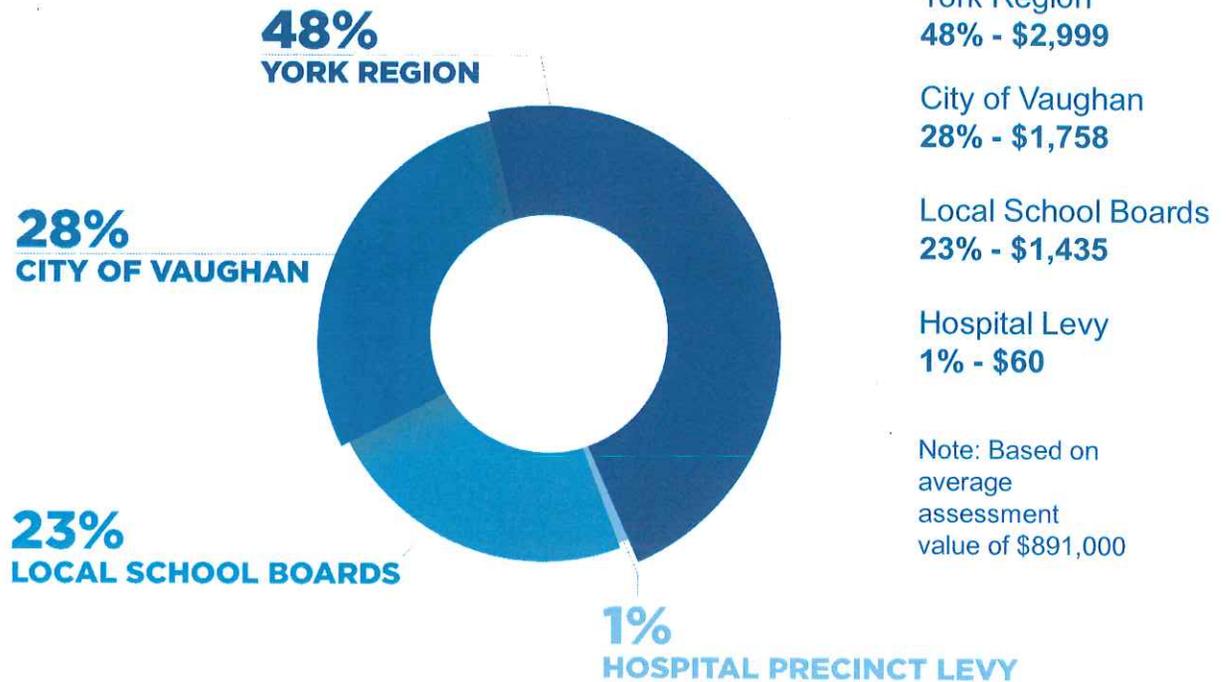




Where Do Taxes Go?

Understanding the Tax Bill

Average Residential Tax Bill



Where Do Taxes Go?

Understanding the Tax Bill

Commercial Tax Bill

58%
LOCAL SCHOOL BOARDS

26%
YORK REGION

16%
CITY OF VAUGHAN

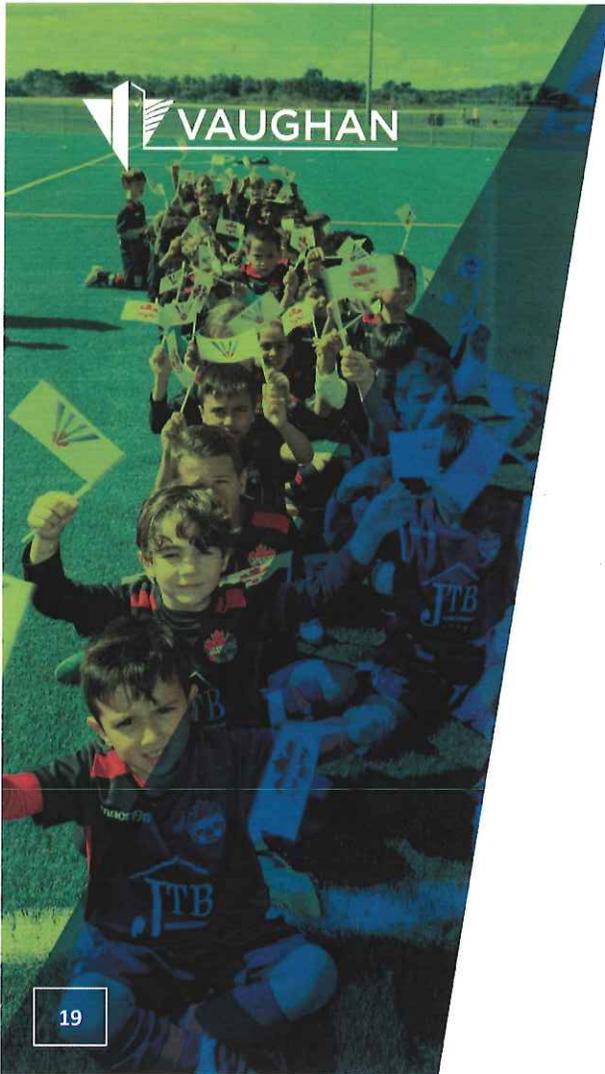


Local School
Boards
58% - \$932

York Region
26% - \$431

City of
Vaughan
16% - \$261

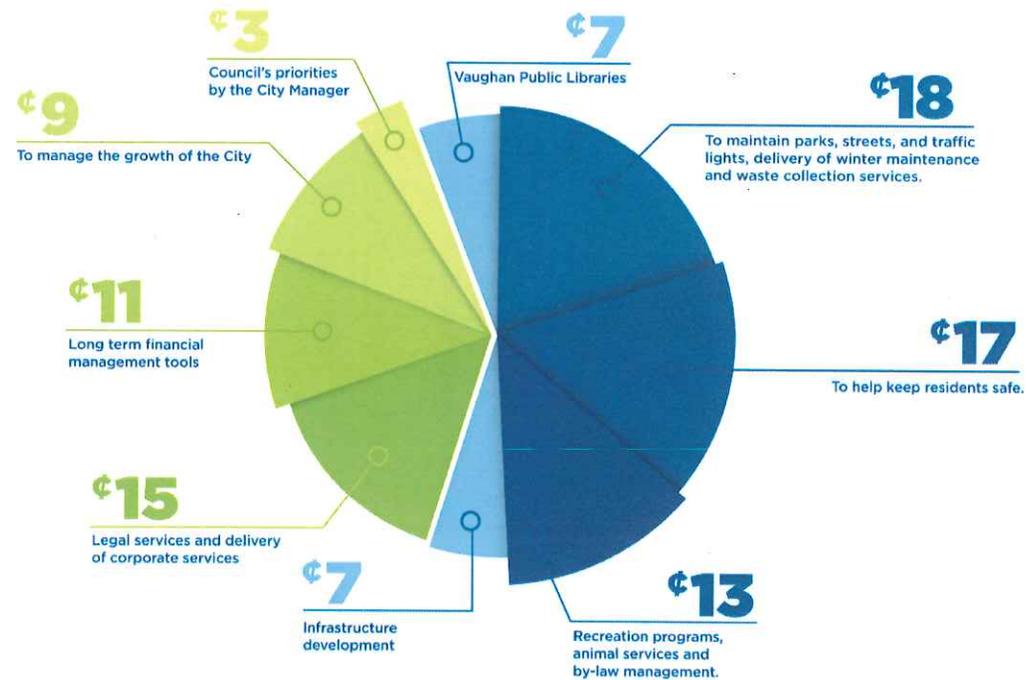
Note: Based on
assessment
value of \$100,000

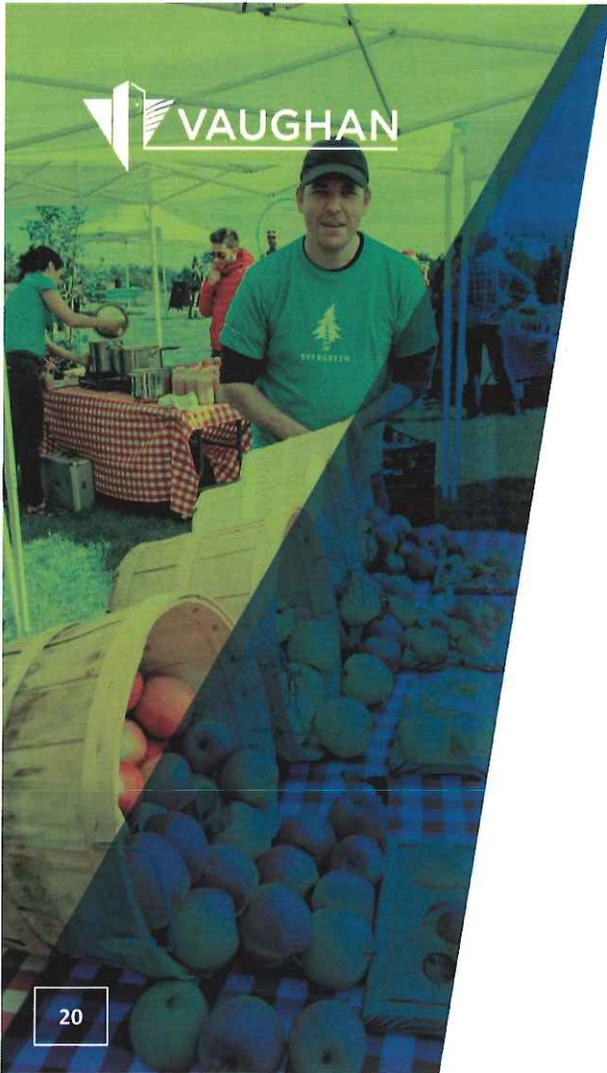


What Do Taxes Fund?

Understanding the Tax Bill

City Expenditures by Service (per tax dollar)

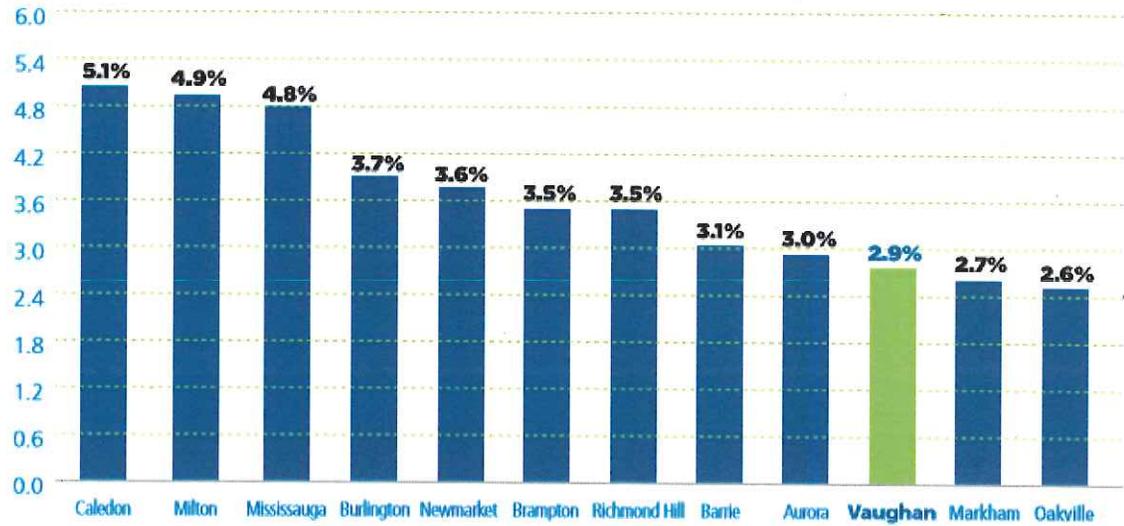




Property Tax Rate Among Lowest in GTA

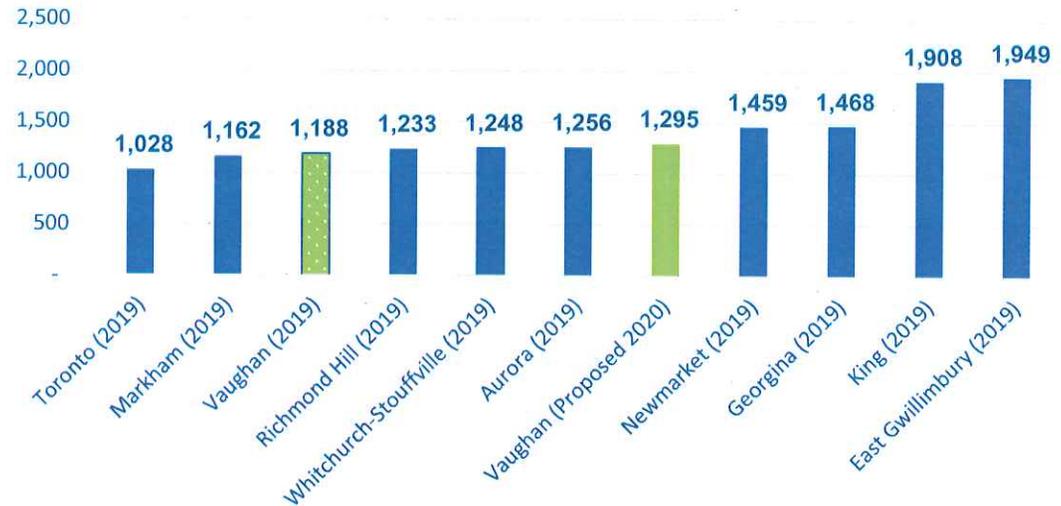
It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2020. The Draft 2020 Budget builds on this commitment to prudent fiscal management by maximizing the responsible use of every tax dollar collected.

Municipal Property Tax Increases: Five-year Average (2015-2019)



Water and Wastewater Rates Among Lowest in GTA

Annual Cost Based on 260 M³



- For 2020 the combined draft rate is \$4.9794/m³ representing a 9.0% increase over 2019.
- The increase to the average household that consumes 260 cubic metres will be approximately \$106.91 annually or \$8.91 per month.

Next Steps

Future Meeting Dates

City of Vaughan

- **Dec. 10:** Programs and Services Budget Review
- **Dec. 17:** Adoption of 2020 Budget and 2021-2022 Financial Plan

Public deputations
are encouraged at
all budget meetings

York Region

- **Nov 21:** Table Budget with Regional Council
- **Dec 5, 12:** Committee of Whole Reviews
- **Dec 19:** Budget Approval with Regional Council



Thank You.

Committee of the Whole
December 2nd, 2019