

CITY OF VAUGHAN
EXTRACT FROM SPECIAL COUNCIL MEETING MINUTES OF
FEBRUARY 8, 2023

Item 1, Report No. 6, of the Special Committee of the Whole (Budget), which was adopted, as amended, by the Council of the City of Vaughan on February 8, 2023, as follows:

By approving the recommendation contained in the report of the Report of the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer, dated January 18, 2023;

By approving the recommendation of the Special Committee of the Whole (Budget) meeting of January 18, 2023;

By approving the recommendation of the Special Committee of the Whole (Budget) meeting of January 24, 2023; and

By approving the recommendation contained in Communication C3 from the Deputy City Manager, Community Services, dated February 8, 2023, as follows:

That this communication be received for information only.

By receiving the following Communications:

- C1. Presentation material entitled, “Proposed 2023 Budget and 2024-2026 Financial Plan”, dated February 8, 2023; and***
- C2. Memorandum from the Deputy City Manager, Infrastructure Development and the Deputy City Manager, Planning and Growth Management, dated February 3, 2023; and***

By receiving the comments from Mario Marmora, South Maple Ratepayers Association, Hollybush Drive, Maple.

**1. PROPOSED 2023 BUDGET AND 2024-2026 FINANCIAL PLAN
(REFERRED)**

The Special Committee of the Whole (Budget) recommends:

- 1) That the following budget requests be referred to staff for a report back to the February 8, 2023, Special Council (Budget) meeting:**
 - 1. fencing and walkway/sidewalk access into the Vaughan City Hall Community Garden from Marlott Road; and**
 - 2. dedicated by-law officers to deal with rural area issues;**

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- 2) That the report of the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer, dated January 24, 2023, be referred to the February 8, 2023, Special Council (Budget) meeting at 7:00 p.m. to continue deliberations;
- 3) That the staff presentation and C7, presentation material, titled *“2023 Budget and 2024-2026 Financial Plan”*, be received;
- 4) That comments from the following speakers and Communications be received:
 1. Robert Hanimyan, Marlott Road, Maple, and C3, dated January 20, 2023;
 2. Mark Hopkins, Cold Creek Road, Kleinburg, and C2, dated January 20, 2023;
 3. Alexandra Ney, King Vaughan Road, Vaughan, and C4, dated January 24, 2023;
 4. Mina Zeppieri, King Vaughan Road, Vaughan; and
 5. Christina Oddi, King Vaughan Road, Vaughan, and C5, dated January 24, 2023; and
- 5) That the following Communications be received:
 - C1. Memorandum from the Deputy City Manager, Infrastructure Development, dated January 19, 2023;
 - C6. Memorandum from the Deputy City Manager, Public Works, dated January 23, 2023;
 - C8. Joseph Brunaccioni, dated January 23, 2023; and
 - C9. Memorandum from the Deputy City Manager, Corporate Services, City Treasurer & Chief Financial Officer, dated January 24, 2023.

Recommendations

The Special Committee of the Whole (Budget), at its meeting of January 18, 2023, recommended the following (Item 1, Report No. 5):

Recommendations of the Special Committee of the Whole (Budget) meeting of January 18, 2023:

1. That the report of the Deputy City Manager, Corporate Services and Chief Financial Officer, dated January 18, 2023, be referred to the January 24, 2023, Special Committee of the Whole (Budget) meeting at 7:00 p.m. to continue deliberations;

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Item 1, SPCW(Budget) Report 6 – Page 3

2. That the staff presentation and presentation material titled “*Proposed 2023 Budget and 2024-2026 Financial Plan*”, be received;
3. That the comments from the following speakers be received: and
 1. Joseph Brunaccioni, Maison Parc Court., Thornhill
 2. Jean-François Obregon, Laurel Valley Court., Concord
 3. Victor Lacaria, Polo Crescent, Woodbridge
4. That the following Communications be received:
 - C1. Angela Grella, Resident, dated January 10, 2023
 - C2. Irene Ford, Irish Moss Court, Vaughan, dated January 12, 2023
 - C4. Rose Savage, Resident, dated January 9, 2023.

Recommendations and Report of the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer, dated January 18, 2023:

1. That the consolidated City of Vaughan’s proposed 2023 Budget and 2024-2026 Financial Plan, as attached in volumes 1, 2 and 3, be received and approved, including:
 - a. Tax-supported 2023 operating budget with gross expenditures of \$355.0 million;
 - b. Net tax-levy increase of \$6.4 million;
 - c. Rate-supported water, wastewater, and stormwater operating budget of \$190.8 million; and
 - d. 2023 total Capital Budget of \$444.2 million for 286 projects.
2. That all necessary by-laws be enacted; and
3. That the Deputy City Manager, Corporate Services, City Treasurer, and Chief Financial Officer be authorized to make any necessary in-year administrative amendments to the approved 2023 operating and capital budgets.

Special Committee of the Whole (Budget) Report

DATE: Tuesday, January 24, 2023

WARD(S): ALL

TITLE: PROPOSED 2023 BUDGET AND 2024-2026 FINANCIAL PLAN
(REFERRED)

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To forward recommendations from the Special Committee of the Whole (Budget) meeting of January 18, 2023, with respect to the proposed 2023 Budget and 2024-2026 Financial Plan, tax-levy requirements, the water and wastewater rates, and stormwater charges that allow the City to provide services and infrastructure to Vaughan households and businesses.

Report Highlights

- The objective of the 2023 Budget and 2024-2026 Financial Plan is to balance investing in the community and maintaining financial sustainability, while minimizing tax and utility rate increases.
- The proposed 2023 tax supported gross operating budget is \$355.0 million, and the 2024-2026 plan is forecasted at \$1.2 billion.
- The proposed property tax increase for the 2023 Budget is 2.9 percent.
- The proposed total 2023 water, wastewater, and stormwater operating budget is \$190.8 million, and the 2024-2026 plan is forecasted at \$612.2 million.
- The combined 2023 rate increase for water and wastewater is \$0.1602 per cubic meter, or 3.3 percent over the 2022 combined rate.
- The average stormwater charge increase, to help maintain the reserve is 5.2 percent.
- The 2023 Budget includes the addition of 48.7 new FTEs.
- The proposed 2023 capital budget is \$444.2 million, and the 2024-2026 Capital Plan is forecasted at \$583.8 million.

Recommendations

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Recommendations of the Special Committee of the Whole (Budget) meeting of January 18, 2023:

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2. That the staff presentation and presentation material titled "*Proposed 2023 Budget and 2024-2026 Financial Plan*", be received;
3. That the comments from the following speakers be received: and
 1. Joseph Brunaccioni, Maison Parc Court., Thornhill
 2. Jean-François Obregon, Laurel Valley Court., Concord
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 - b. Net tax-levy increase of \$6.4 million;
 - c. Rate-supported water, wastewater, and stormwater operating budget of \$190.8 million; and
 - d. 2023 total Capital Budget of \$444.2 million for 286 projects.
2. That all necessary by-laws be enacted; and
3. That the Deputy City Manager, Corporate Services, City Treasurer, and Chief Financial Officer be authorized to make any necessary in-year administrative amendments to the approved 2023 operating and capital budgets.

Background

The Financial Sustainability Guiding Principles direct 2023 budget development

Council endorsed the Financial Sustainability Guiding Principles in 2017, which represent responsible fiscal management and provide a conceptual approach to making decisions that address short and long-term financial impacts. Three guiding principles mirror a category of financial pressure prevalent in Vaughan due to the rapid pace of growth.

Guiding Principle 1: Consideration Towards Existing Service Levels

The City will strive to maintain existing infrastructure and services in a climate of increasing cost by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.

Guiding Principle 2: Growth Pays for Growth

Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property assessment growth and growth-related revenues.

Guiding Principle 3: New Initiatives to Enhance the City

Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risk, address new regulatory requirements, support service excellence, or enhance quality of life for residents and remain within the City's financial means.

The proposed Budget and Financial Plan was developed with commitments to investing in the community's future in response to growth demand and building on the citizen

experience through new transformation initiatives that will yield significant impacts to residents and businesses of the City of Vaughan. It was also developed factoring the impacts of global supply chain issues, high inflation, and high interest rates with the potential for an economic downturn for the provincial, national, and global economies, while planning for a recovery from COVID-19. The City recognizes these challenges and continues to implement measures to support its residents and businesses during this challenging time. The objective is to provide a balance between investing in the community and maintaining financial sustainability while minimizing the tax and utility rate increases on Vaughan's residents and businesses.

The City's Budget and Financial Plan was developed over the past several months

The timeline for budget development and approval was as follows:

- Strategic Business Planning – January – April 2022
- Budget Kick-Off – May 2022
- City-Wide Budget Development – June – July 2022
- Departmental Budget Submissions – July 2022
- City Manager/Senior Leadership Team Budget Reviews and Prioritization – August – September 2022
- Budget Book Development and Completion – October – December 2022
- Special Committee of the Whole (Budget) reviews – January 2023

Previous Reports/Authority

[Proposed 2022 Budget and 2023 - 2026 Financial Plan \(Referred\)](#), Item 1, Report No. 57 of the Special Committee of the Whole (Budget), December 7, 2021

[Financial Sustainability Program and Fiscal Framework Guiding Principles](#), Item 3, Report No. 1 of the Finance, Administration and Audit Committee, January 24, 2017

Analysis and Options

The proposed 2023 Budget and 2024-2026 Financial Plan focuses priorities to deliver on the City's mission of Citizens First Through Service Excellence. These priorities are:

- Managing unprecedented growth,
- Investing in infrastructure,
- Supporting economic development, and
- Providing service excellence.

A primary objective in developing the 2023 Budget was to deliver on these priorities in a fiscally challenging environment that includes rising inflation, high interest rates and the recovery from COVID-19. The Budget supports financial sustainability by ensuring

residents continue to receive programs and services at acceptable levels of taxation, fees, and utility rates.

- The proposed 2023 Budget and 2024-2026 Financial Plan reflects the City's on-going efforts to deliver cost effective programs and services to residents and businesses.
 - o The proposed property tax supported operating budget for 2023 includes \$355.0 million in gross expenditures, \$118.8 million in non-tax revenues, and 48.7 new FTEs.
 - o Total incremental increase of \$9.7 million in net expenditures.
 - o Assessment growth forecast for 2023 is 1.5 percent, or \$3.3 million in additional tax revenue to the City to address growth-related cost pressures.
 - o Proposed tax increase of 2.9 percent.
 - o The property tax supported operating plan for 2024-2026 is \$1.2 billion.
- The proposed water, wastewater and stormwater rate supported operating budget for 2023 includes \$190.8 million in revenues, \$174.9 million in expenditures, and no new FTEs:
 - o The combined 2023 rate increase for water and wastewater is \$0.1602 per cubic meter, or 3.3 percent over the 2022 combined water and wastewater rate.
 - o An average stormwater rate increase of 5.2 percent is included to help maintain the stormwater reserve.
 - o Total forecast 2023 contributions to the water, wastewater, and stormwater reserves of \$15.9 million.
 - o The water, wastewater and stormwater rate supported operating plan for 2024-2026 is \$612.2 million.
- The proposed 2023 capital budget is \$444.2 million, and the 2024-2026 Capital Plan is forecasted at \$583.8 million.

Public Engagement

The City of Vaughan encourages citizens to be informed and involved in the City's budget and invites and encourages residents and local businesses to help shape Vaughan's promising future and build on its success.

A comprehensive multi-channel public communication plan has been developed with support from Corporate and Strategic Communications to help ensure Vaughan residents have opportunities to provide feedback and learn about the budget. The communication plan for the 2023 budget meetings includes a mix of print and online ads, digital signage, and both paid and organic social media content, among other tactics, to ensure all residents can be informed and involved safely in their preferred format.

If residents want to be involved in the budget process, they can:

- Attend public meetings live by tuning into vaughan.ca/LiveCouncil on January 18

and 24, 2023, as well as February 8, 2023, at 7 p.m.

- Fill out the budget feedback form at vaughan.ca/budget
- Join the conversation on social media using **#VaughanBudget2023**
- Leave a voicemail on the Budget Hotline at **905-832-8610**
- Email questions and comments to budgeting@vaughan.ca
- Have your say at a budget meeting by [speaking to Council](#)

Feedback received will be incorporated into presentations at the public meetings

In addition to informing citizens about Vaughan's 2023 Budget and 2024-2026 Financial Plan, the City also shares information related to York Region's budget, such as York Region's budget meeting dates, through the [Vaughan.ca/budget](https://vaughan.ca/budget) webpages. Relevant links to York Region budget information are also incorporated into City of Vaughan budget communication products.

Continuous improvements to enhance budget book usability

Each year staff strive to present clear and easy-to-understand content and enhance the transparency and usability of the budget book. The 2023 budget book introduces a financial plan for operating budgets. It also builds on the key performance indicators (KPI's) and other changes introduced in prior years that are considered best practice by the Government Finance Officers Association (GFOA), and mandatory requirements for the Distinguished Budget Presentation Award. The 2023 budget book continues to build on the award-winning format of providing a three-volume layout for ease of navigation and transparency.

The proposed 2023 Budget and 2024-2026 Financial Plan as presented and detailed in the attached budget books, outlines the recommended operating allocations to deliver the City's programs and services for 2023, including additional resource requests. The budget books also provide information on major transformational city-building initiatives that are underway, proposed new capital projects, and forecasts for the City's reserves. Investments in the Service Excellence Strategic Priorities proposed in the 2023 Budget and 2024-2026 Financial Plan align with Council's priority to ensure the City maintains low to modest tax rate increases.

Infrastructure Funding Gap

The City of Vaughan continues to examine the fiscal realities of building, operating, maintaining, and replacing capital infrastructure assets for a growing City. With the services of Hemson Consulting, City of Vaughan has developed a Long-Range Fiscal Plan and model that will guide financial decisions for tax supported operations going forward. Key findings from the fiscal model include the following:

- Insufficient current tax rates to fund long-term obligations,
- An estimated infrastructure funding gap between \$1.8 billion and \$2.0 billion over the next 20 years,
- Tax supported infrastructure reserves potentially drop below \$5 million by 2038.

Continuing the current tax levels may deepen the infrastructure funding gap, deplete contribution to reserves for future replacement and repair of assets, and increase the likelihood of substantial tax rate increases in the future.

In an effort to alleviate these pressures, the City has prudently implemented several recommended strategies in the 2023 Budget, such as: optimizing available funding sources, re-assessing service levels, and managing the timing and scope of capital projects. In addition, debt financing strategies have been implemented considering the thresholds established by internal and provincial policies, as well as the longer-term repayment implications from interest rates volatility over time. However, these strategies are not sufficient to close the funding gap.

An option the City could consider in the future is a dedicated Infrastructure Levy which will:

- Provide enhanced contributions to reserves to fund future capital needs,
- Ensure sufficient reinvestments are made in a timely manner to operate and maintain assets,
- Prevent higher maintenance costs resulting from delays in asset repairs and replacements,
- Safeguard our communities from increased health and safety risks and impacted service levels because of deteriorating assets, and
- Maintain the City's standards of Financial Sustainability as set forth above.

As the City continues to employ available approaches to narrow the infrastructure gap, the timely implementation of an infrastructure levy will strengthen the cumulative objectives and results of the fiscal tools and strategies already in progress.

Financial Impact

The proposed property tax increase for the 2023 budget is 2.9 percent, or \$6.4 million

The proposed 2023 tax-supported operating budget requirement is \$226.8 million after adjusting for assessment growth of \$3.3 million, representing a net tax levy increase of \$6.4 million, or 2.9 percent from the 2022 operating budget.

The proposed 2023 tax-supported operating budget and 2024-2026 plan are summarized in Table 1 and Table 2 below:

Table 1: Proposed 2023 Tax-Supported Operating Budget and 2024-2026 Plan

\$M	2021 Year-End Actuals	2022 Approved Budget	2023 Proposed Budget	2024 Plan	2025 Plan	2026 Plan
Gross Operating	322.7	333.2	355.0	373.7	386.6	401.9
Less: Non-Tax Revenue	104.5	107.4	118.8	127.1	129.1	133.2
Payment In Lieu of Taxes	2.6	2.7	2.7	2.7	2.7	2.7
Supplemental Tax	3.2	2.7	3.5	3.5	3.5	3.5
Net Levy	212.3	220.4	230.1	240.4	251.2	262.6
Incremental Levy Requirement	3.0	7.5	9.7	10.4	10.8	11.3
Revenue from Assessment Growth	3.0	3.2	3.3	3.5	3.6	3.8
Revenue from Incremental Tax Rate	0.0	4.3	6.4	6.9	7.2	7.5
Incremental Tax Rate	0.00%	2.00%	2.90%	3.00%	3.00%	3.00%

Note: Some numbers may not add up due to rounding

Table 2: Summary of Gross Operating Expenditures by Portfolio/Office

(\$ M)	2021 Year-End Actuals	2022 Approved Budget	2023 Proposed Budget	2024 Plan	2025 Plan	2026 Plan
Public Works	55.9	60.0	64.0	65.0	65.3	66.1
Vaughan Fire and Rescue Service	55.8	57.4	58.7	59.5	61.2	62.8
Infrastructure Development	42.3	39.1	40.7	41.3	41.8	42.2
Community Services	23.7	26.5	32.6	34.6	36.3	37.1
Planning & Growth Management	26.9	24.3	27.1	27.7	28.0	28.6
Corporate Services & CFO	26.7	28.4	31.2	31.7	32.1	32.6
Administrative Services & City Solicitor	21.1	24.4	26.4	26.7	27.1	27.4
Communications & Economic Development	6.0	7.0	7.7	7.8	8.0	8.1
Vaughan Public Libraries	17.4	22.2	23.1	23.8	24.2	24.5
Other Offices	6.3	7.8	8.1	8.3	8.4	8.5
Financial & Non-Program Items*	49.2	36.1	35.4	47.3	54.1	63.9
Total Tax Supported Gross Expenditures	331.2	333.2	355.0	373.7	386.6	401.9
Add: Water, Wastewater and Stormwater	178.0	179.6	190.8	197.3	204.0	210.9
Total Tax and Rate Supported Gross Expenditures	509.3	512.8	545.8	571.0	590.5	612.8

* includes Reserves and Debt

Other Offices include City Manager, City Council, Internal Audit, Program Management Office, Office of Transformation and Strategy, and Integrity Commissioner

Note: Some numbers may not add up due to rounding; historical actuals may include program changes

Water, Wastewater, and Stormwater Operating Budgets

Safe drinking water, effective wastewater collection, and stormwater management are cornerstones of a sustainable and healthy community. To achieve this, continued infrastructure investments are critical to ensure water, wastewater and stormwater systems are sustainable in the future. The 2023 budgeted rates will generate net total reserve contributions of \$15.9 million to fund water, wastewater, and stormwater-related programs and services.

The combined City of Vaughan 2023 rate increase for water and wastewater is \$0.1602 per cubic meter, or 3.3 percent, over the 2022 rates, driven by the combined approved 3.3 percent increase for wholesale water purchases and wastewater treatment from

York Region. The combined rate increase will permit lifecycle contributions to reserves in the amount of \$12.5 million.

Based on the proposed rate increase for water and wastewater, the impact to the ratepayer that consumes 250 cubic meters per year will be \$40.05 annually or \$3.34 per month.

The 2023 stormwater charge will increase by an average of 5.2 percent over the 2022 charge, with an expected contribution of \$3.4 million to the reserve. Planned charge increases must continue in future years to build water, wastewater, and stormwater reserves to meet future infrastructure needs.

The proposed 2023 Budget includes capital investments of \$444.2 million and forecast investments of \$583.8 million for the 2024-2026 plan

The proposed 2023 capital projects reflect investments that support Council priorities, infrastructure renewal requirements, and service excellence strategic priorities. These investments look to ensure that the necessary assets are in place to support a vibrant, sustainable community, while maintaining existing infrastructure in a good state of repair.

The 2023 budget includes investments of \$395.6 million for 112 new capital projects and \$48.6 million investment in 174 existing capital projects. Table 3 highlights the alignment of capital investments to Council priorities and the City's commitment to service excellence.

(\$M)	2022 Budget	2023 Proposed Budget	2024-2026 Plan	2023-2026 Total	2023-2026 Number of Projects
Term of Council Priorities					
Transportation and Mobility	129.9	118.9	160.4	279.3	62
City Building	38.5	53.9	77.3	131.2	47
Environmental Stewardship	40.7	184.2	73.3	257.4	28
Active, Safe and Diverse Communities	25.7	51.4	115.9	167.3	82
Good Governance	0.5	1.6	0.8	2.4	11
Economic Prosperity, Investment and Social Capital	-	-	-	-	-
Service Excellence Strategic Initiatives					
Citizen Experience	12.7	12.2	58.3	70.5	43
Operational Performance	23.9	22.0	97.7	119.7	302
Staff Engagement	0.1	0.1	0.1	0.2	3
Total New Capital Budget Asks	271.8	444.2	583.8	1,028.0	578

Note: numbers may not add up due to rounding

Broader Regional Impacts/Considerations

The residential and business tax bills include levies from the City of Vaughan, the Regional Municipality of York, and the Province. The proposed tax levy presented in the 2023 budget book represents the City's share of the property tax bill. For every dollar of property tax, \$0.28 funds City services, including Vaughan Fire and Rescue Service and Vaughan Public Libraries.

The water and wastewater rate budgets include wholesale water and wastewater program purchases from York Region for 2023, representing 79 percent of the City's combined water and wastewater costs.

Conclusion

The proposed 2023 Budget and 2024-2026 Financial Plan delivers on the City's mission of citizens first through service excellence and balances the needs of managing unprecedented growth, investing in infrastructure, and supporting economic development, while respecting citizens' hard-earned tax dollars.

For more information, please contact:

Michael Marchetti, Director of Financial Planning and Development Finance / Deputy Treasurer, ext. 8271.

Nancy Yates, Director of Financial Services / Deputy Treasurer, ext. 8984.

Attachments

1. Draft 2023 Budget and 2024 – 2026 Financial Plan:
 - a. Draft 2023 Budget and 2024 – 2026 Financial Plan Volume 1 – Budget Overview
 - b. Draft 2023 Budget and 2024 – 2026 Financial Plan Volume 2 – Department Budgets
 - c. Draft 2023 Budget and 2024 – 2026 Financial Plan Volume 3 – Appendices and Proposed User Fees/Service Charges

Attachments have been posted online 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](#).

2. Communications from Special Committee of the Whole (Budget) – January 18, 2023 meeting

Prepared by

Nneka Usifoh, Acting Supervisor, Fiscal Planning and Policy, ext. 8724

Veronica Siu, Manager, Financial Services, ext. 8197

Kenneth Quan, Manager, Financial Planning and Development Finance, ext. 8029

ATTACHMENT 2

**Communications from Special Committee of the Whole (Budget) – January 18, 2023
– ITEM 1: 2023 PROPOSED BUDGET AND 2024-2026 FINANCIAL PLAN**

SPECIAL COMMITTEE OF THE WHOLE (BUDGET) – JANUARY 18, 2023**COMMUNICATIONS**

<u>Distributed January 13, 2023</u>	<u>Item No.</u>
C1. Angela Grella, Resident, dated January 10, 2023	1
C2. Irene Ford, Resident, dated January 12, 2023	1
C3. Presentation Material titled “ <i>Proposed 2023 Budget and 2024-2026 Financial Plan</i> ”, dated January 18, 2023	1
<u>Distributed January 17, 2023</u>	
C4. Rose Savage, Resident, dated January 9, 2023	1

Disclaimer Respecting External Communications

Communications are posted on the City’s website pursuant to Procedure By-law Number 7-2011. The City of Vaughan is not responsible for the validity or accuracy of any facts and/or opinions contained in external Communications listed on printed agendas and/or agendas posted on the City’s website.

Please note there may be further Communications.

Communication: C1
Committee of the Whole (Budget)
January 18, 2023
Item #1

From: Clerks@vaughan.ca
To: [Jacquelyn Gillis](#)
Subject: FW: [External] No, to Property Tax Increase because of Bill 23!!!
Date: Wednesday, January 11, 2023 9:46:46 AM

From: Angela Grella <angelagrella64@gmail.com>
Sent: Tuesday, January 10, 2023 2:33 PM
To: mayor@vaughan.ca; Linda Jackson <Linda.Jackson@vaughan.ca>; Adriano Volpentesta <Adriano.Volpentesta@vaughan.ca>; Gila Martow <Gila.Martow@vaughan.ca>; Chris Ainsworth <Chris.Ainsworth@vaughan.ca>; Marilyn lafrate <Marilyn.lafrate@vaughan.ca>; Mario Ferri <Mario.Ferri@vaughan.ca>; Mario G. Racco <MarioG.Racco@vaughan.ca>; Rosanna DeFrancesca <Rosanna.DeFrancesca@vaughan.ca>; Clerks@vaughan.ca; Gino Rosati <Gino.Rosati@vaughan.ca>
Cc: IRENE FORD [REDACTED]; Judy Lam [REDACTED]; Claire Malcolmson <[REDACTED]>
Subject: [External] No, to Property Tax Increase because of Bill 23!!!

Dear Vaughan Council.

With budget talks scheduled to begin, I do not want my property taxes to increase as a direct result of Bill 23!

Will the city of Vaughan Council vote unanimously on a motion to formally oppose the Ontario government's Bill 23, the More Homes Built Faster Act?

Bill 23 will create a financial crisis, an environmental crisis, and an infrastructure crisis.

The City of Vaughan council must add its voice to that of other Ontario municipalities against the provincial bill.

In addition, Vaughan must oppose the parkland dedication formula in Bill 23. Studies have illustrated that parkland and green space are needed for mental, social and physical health benefits, especially for residents living in high-rise residential units. More parkland/green space, not less!!!

Has a meeting been convened with the local MPPs to discuss the impact and solutions with respect to Bill 23?

Sincerely,

Angela Grella (Ward 3, Vaughan)

Communication: C2
Special Committee of the Whole (Budget)

January 18, 2023

Item #1

From: Clerks@vaughan.ca
To: [Jacquelyn Gillis](mailto:Jacquelyn.Gillis@vaughan.ca)
Subject: FW: [External] Bill 23 & Interim Property Tax Levy
Date: Thursday, January 12, 2023 10:50:31 AM

From: IRENE FORD <[REDACTED]>
Sent: Thursday, January 12, 2023 10:00 AM
To: Todd Coles <Todd.Coles@vaughan.ca>; Council@vaughan.ca; Service Vaughan - VOL <Service@vaughan.ca>
Cc: Michael Tiboloco <michael.tiboloco@pc.ola.org>; Steve Clark <steve.clark@pc.ola.org>; Stephen Lecceco <stephen.lecceco@pc.ola.org>; Laura.Smith@pc.ola.org
Subject: [External] Bill 23 & Interim Property Tax Levy

Mayor, Regional Councillors, Local Councillors & The City of Vaughan Clerk,

There is much confusion amongst the public right now regarding the interim property tax levy increase and the impacts from Bill 23 as approved by the province last December. I would have to say it is an extremely hot button issue one that I've never seen the community talk about in so many places.

- Will staff be clarifying if the interim property tax increase in the [Jan 17 staff report](#) includes impacts from Bill 23? Will staff be providing any phased in impacts from Bill 23? Or even a range of impacts and also identify other services that may be reduced or cut as a result of Bill 23?
- Does the property tax increase account for losses in this article: "The City of Vaughan is predicting annual losses of between \$169 million and \$174 million, and a property tax increase of between 77 and 88 per cent." <https://www.cbc.ca/news/canada/toronto/development-charge-property-tax-survey-1.6706263#:~:text=The%20City%20of%20Vaughan%20is,77%20and%2088%20per%20cent.>
- If it does what would the property tax increase have been in the absence of Bill 23 being implemented?
- In the November staff reports on Bill 23 staff indicate that they submitted comments above and beyond the staff report to the ERO. Is it possible to get a copy of this?

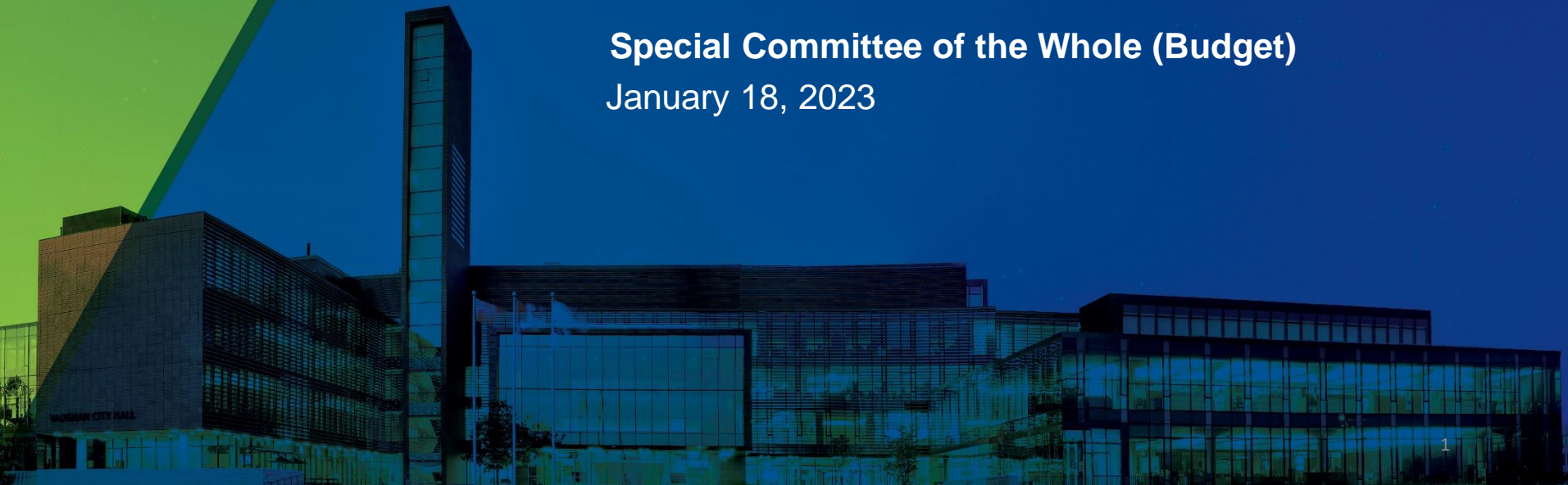
I understand that the details haven't been implemented and that there is a tremendous amount of uncertainty but even that should be communicated to the public. It is unfortunate that the staff report did not take the initiative to include some comments on Bill 23 given the high level of public and media interest.

As always please direct my email as necessary to the appropriate staff.

Thank you,
Irene Ford

Proposed 2023 Budget and 2024-2026 Financial Plan

Special Committee of the Whole (Budget)
January 18, 2023



Term of Council Service Excellence Strategic Plan 2018-2022

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

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 strategic priorities that the administration will focus on to support the City of Vaughan in being a City of Choice for both residents and businesses.

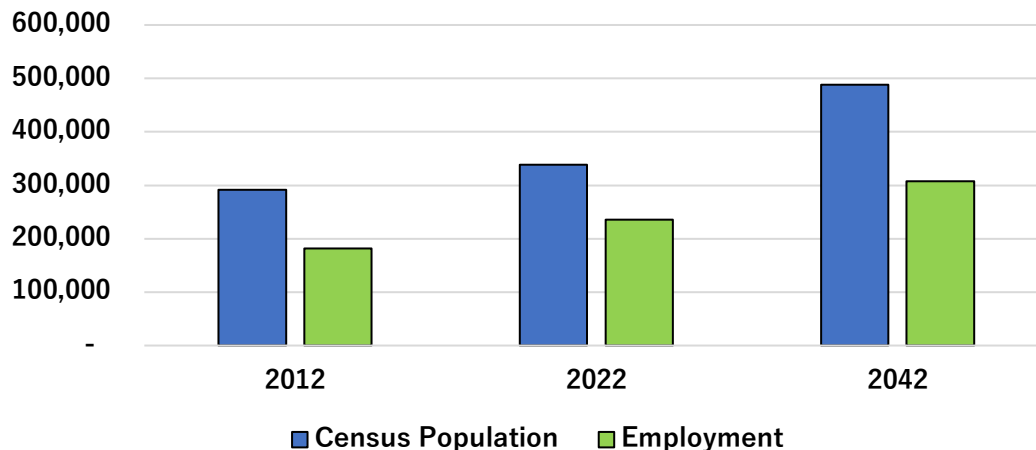


vaughan.ca/ServiceExcellence



Growth and Sustainability

City of Vaughan:
Total Population and Employment (2012-2041)

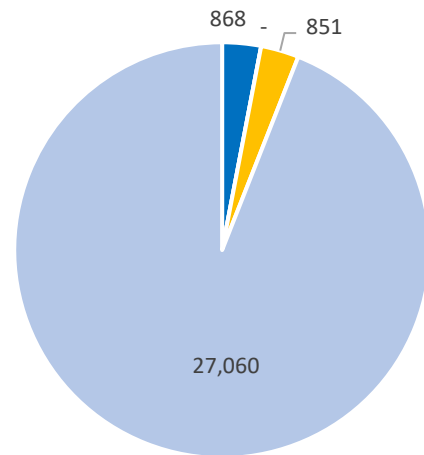


- Strong population growth and development across the City
- Census population growth of 16% since 2012
- Employment growth of 30% since 2012
- By 2042 City expected to grow to approximately 489,000 persons and 307,000 employees

Growth and Sustainability



Active Residential Development Proposals by Type (Units) – As of November 2022



■ Singles ■ Semi ■ Town ■ Apts

Financial Sustainability and Fiscal Transparency

Council Endorsed Budget Guiding Principles Support Budget Priorities

Financial Sustainability

Guiding Principles

Principle 1

Consideration Towards Existing Service Levels

Principle 2

Growth Pays for Growth

Principle 3

New Initiatives to Enhance the City

Principles in Action

Approach to

- Infrastructure
- Services
- Managing Money

Long-Range Fiscal Planning

The City has developed a Long-Range Fiscal Plan (LRFP)

- Forecasts were developed from various City sources:
 - 2022 Operating & Capital Budgets;
 - 2022 DC Background Study;
 - Asset Management Plans (core and non-core assets); and
 - Other master plans and macroeconomic data.
- Findings were presented to Council in December 2022:
 - The City will need to plan for tax levy pressures over the short-term while balancing capital commitments over the long-term.
 - Property taxes will continue to be the City's main source of revenue, however fiscal pressures can occur if status quo tax rate increases are maintained.
 - Infrastructure reserves and debt financing are important fiscal tools that will help the City moving forward.

The LRFP is a Living Document

- **The LRFP complements the City's continuously evolving budget process**
 - The LRFP was used to inform development of the 2023 Budget and 2024-2026 Financial Plan.
 - Sensitivity Analysis:
 - Inputs - the model can be adjusted to reflect changes in growth patterns and infrastructure requirements.
 - Outputs - tax levies, contributions to reserves, and debt financing to fund the required services and capital needs.
 - By projecting forecasts into the longer-term future, pressures can be proactively managed before they occur to keep tax rates affordable.

Infrastructure Funding Gap

Key Findings from the LRFP Fiscal Model

- Potential tax rate “spikes” due to pressures for repair / replacement of assets;
- Infrastructure funding gap between \$1.8 billion and \$2.0 billion (2022-2042); and
- Infrastructure reserves potentially drop below \$5 million by 2038.



Potential Strategies to Narrow the Infrastructure Funding Gap (Recommended by Hemson):

- ✓ Manage timing / scope of capital projects.
- ✓ Strategic use of debt.
- ✓ Leverage discretionary reserves.
- Implement a dedicated Infrastructure Levy.



Strategic Planning and Budget Process



Public Engagement on Budget Process



2023 Budget – Context

COVID restrictions have curtailed, but high inflation and interest rates are causing continued economic uncertainty...

Plan for Gradual Recovery from COVID-19

- Economic activity and consumer spending is up, including the City's services (e.g. Municipal Accommodation Tax, Recreation)
- Uncertainty of the impact of COVID-19 remains (consumer behaviour, spending patterns)

Factor in Impacts of High Inflation and Interest Rates

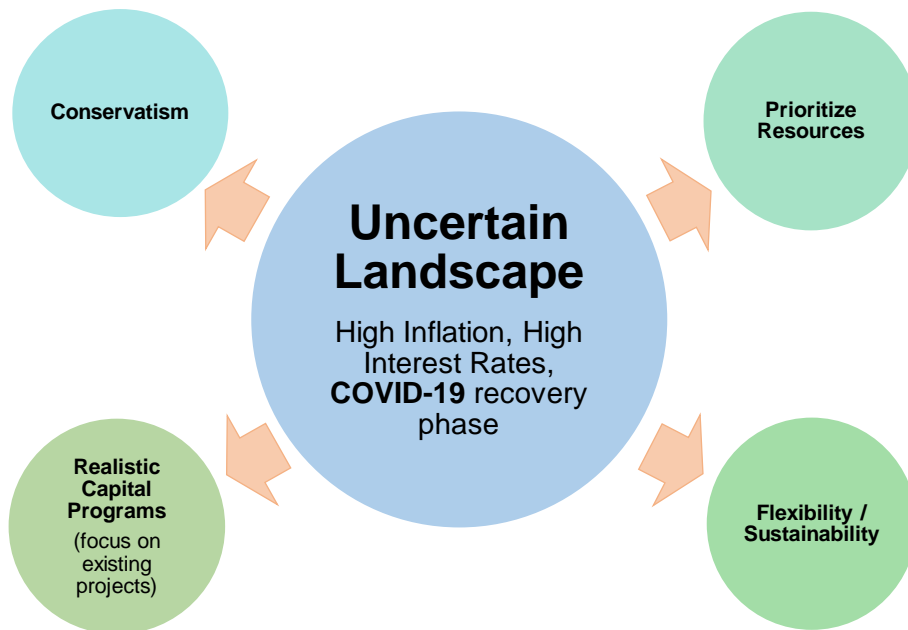
- CPI was 6.8% (November 2022)
- Increases in almost all spending categories...especially fuel and construction / material
- Interest rates up 400 basis points in 2022 with potentially further increases

Which can impact City's finances...

- Revenues (user fees) not fully recovered
- Sustained COVID-19 incremental spending
- Significant upward pressure on capital project costs and cost of borrowing
- Continued pressure on sustaining service levels & delivery models

2023 Budget – Guiding Principles

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.



Budget Summary

2023 Budget and 2024-2026 Capital Plan:

Tax Supported Programs

2023 Gross
Operating
\$355 million

2023 Capital
Budget \$347
million

2024-2026
Capital Plan
\$497 million

2.9% Tax
Increase

Utility Rate Supported Programs

2023 Gross
Operating
\$191 million

2023 Capital
Budget \$97
million

2024-2026
Capital Plan
\$87 million

3.3% Combined
Water / Wastewater
Rate Increase

5.2% Average
Stormwater Charge
Increase

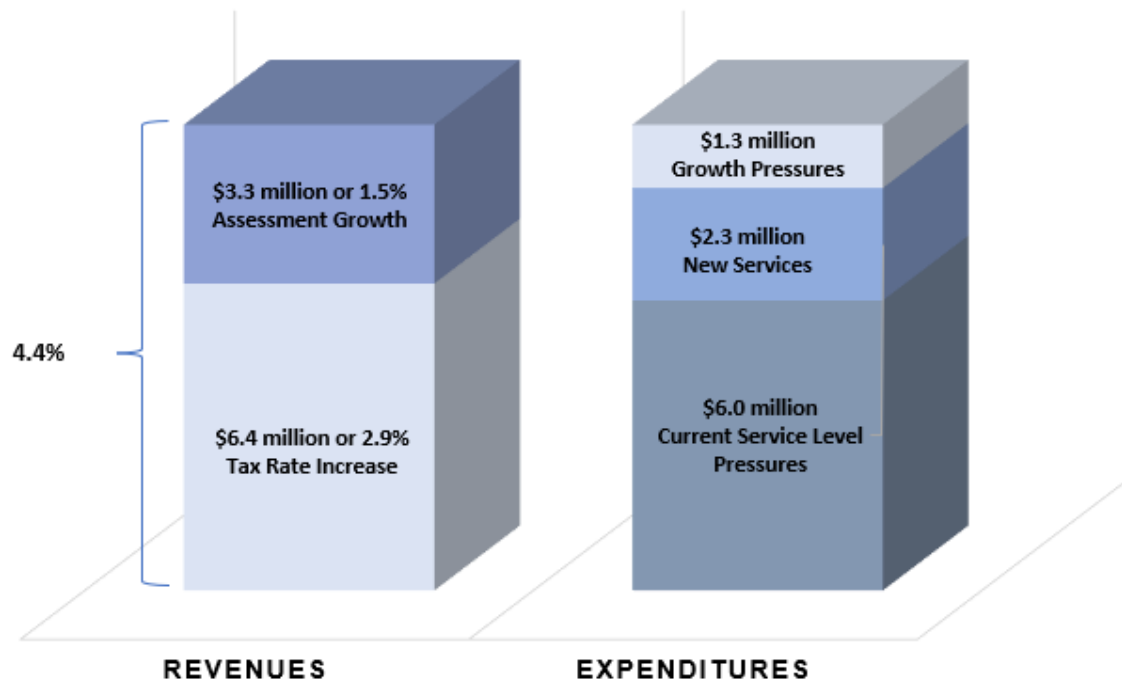
Proposed 2023 Tax Supported Operating Budget

(\$M)	2021 Actuals	2022 Approved Budget	2023 Proposed Budget	2024 Plan	2025 Plan	2026 Plan
Gross Operating	322.7	333.2	355.0	373.7	386.6	401.9
Less: Non-Tax Revenue	104.5	107.4	118.8	127.1	129.1	133.2
Net Operating	218.2	225.7	236.2	246.6	257.4	268.8
Less: Payment In Lieu of Taxes	2.6	2.7	2.7	2.7	2.7	2.7
Supplemental Tax	3.2	2.7	3.5	3.5	3.5	3.5
Net Levy	212.3	220.4	230.1	240.4	251.2	262.6
Incremental Levy Requirement	3.0	7.5	9.7	10.4	10.8	11.3
Revenue from Assessment Growth	3.0	3.2	3.3	3.5	3.6	3.8
Revenue from Incremental Tax Rate	0	4.3	6.4	6.9	7.2	7.5
Incremental Tax Rate	0.00%	2.00%	2.90%	3.00%	3.00%	3.00%

Financial plans for 2024-2026 will be reassessed annually.

Annualized impact of known pressures in 2024 of \$15.6 million includes operating impacts of Carrville Community Centre, Fire Station 7-12, North Maple Regional Park, West Woodbridge Library and expected COLA increases.

2023 Tax Levy Analysis



Of \$4.3M of ARR, \$1.3M is for growth, \$2.3M new initiatives, and \$0.6M current service level pressures

Proposed Water/Wastewater/ Stormwater Operating Budget

\$M	2021 Actuals	2022 Approved Budget	2023 Proposed Budget	2024 Plan	2025 Plan	2026 Plan
Revenue						
Water/Wastewater Revenues	167.1	165.5	177.8	183.7	189.8	196.0
Water/Wastewater Purchases	132.9	132.1	141.9	146.5	151.4	156.4
Gross Margin (A)	34.3	33.5	36.0	37.2	38.4	39.7
Other Revenues (B)	10.9	14.1	13.0	13.6	14.2	14.9
Less: Expenditures (C)	28.0	32.9	33.0	36.5	36.9	37.2
Less: Life Cycle Contribution (D)	17.2	14.6	15.9	14.2	15.7	17.4
Net Operating Budget (A+B-C-D)	0.0	0.0	0.0	0.0	0.0	0.0
Water/Wastewater Rate Increase	2.9%	3.3%	3.3%	3.3%	3.3%	3.3%
Stormwater Charge Increase	4.5%	4.5%	5.2%	5.3%	5.3%	5.3%

Financial Plans for 2024 to 2026 will be reassessed annually.

2023 Water/Wastewater/ Stormwater Analysis

Water & Wastewater

• CITY (operating)	\$ 24.8	14%
• CITY (reserves)	\$ 12.5	7%
• REGION (purchases)	<u>\$141.9</u>	<u>79%</u>
• TOTAL	\$179.2	100%

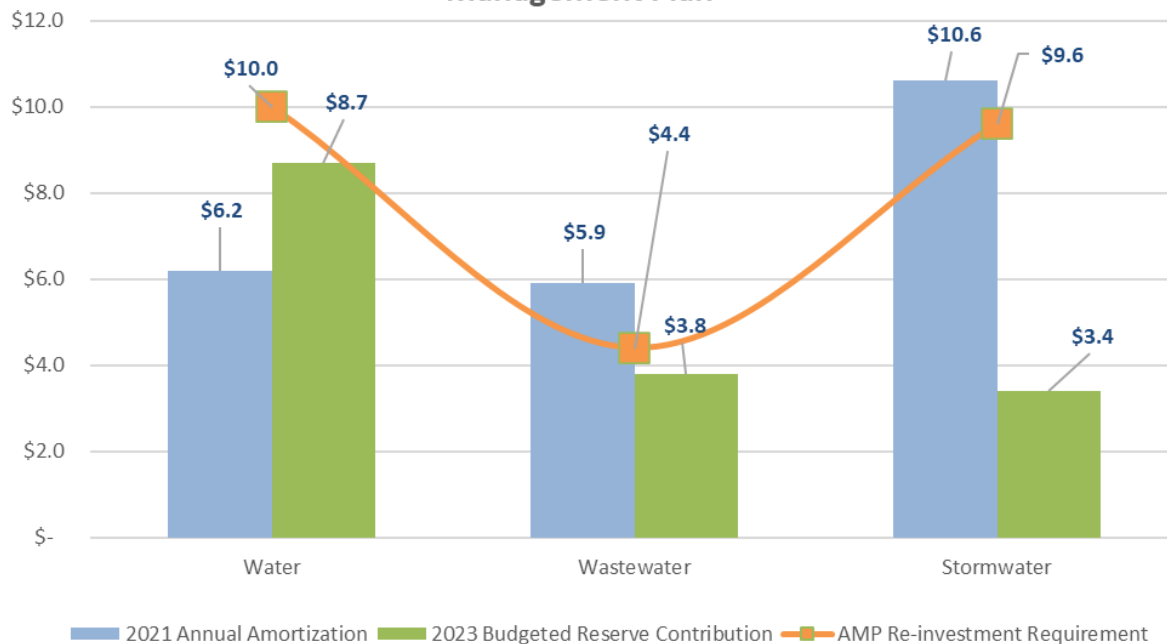
Stormwater

• CITY (operating)	\$ 8.3	71%
• CITY (reserves)	<u>\$ 3.4</u>	<u>29%</u>
• TOTAL	\$ 11.7	100%

*All financial figures are in millions of dollars

2023 Water/Wastewater/ Stormwater Reserve Analysis

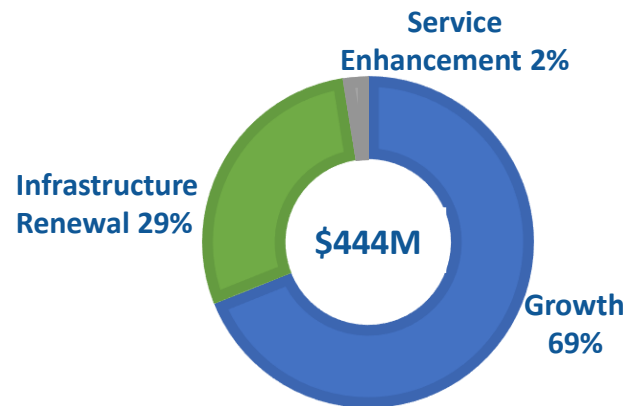
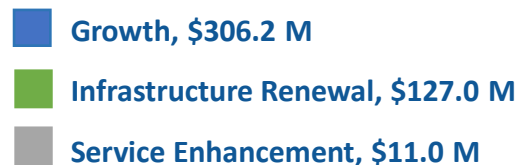
Reserve Contribution vs. Annual Amortization and Asset Management Plan



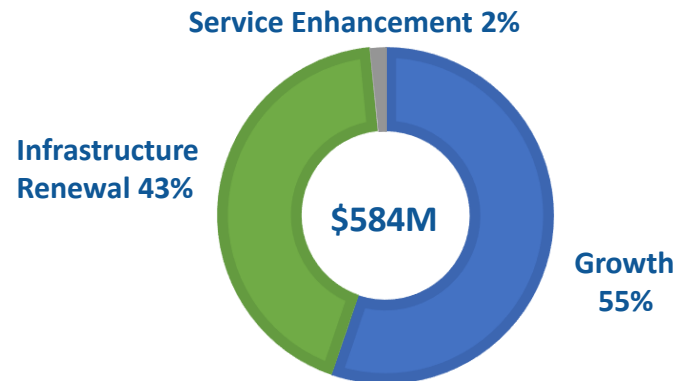
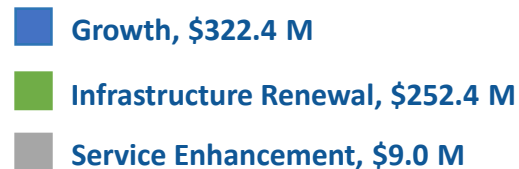
*All financial figures are in millions of dollars

Sustainable Capital Project Investments

2023 Capital Investment



2024-2026 Capital Plan



Conclusion of Hospital Levy in 2022

- In 2009, the Council approved a dedicated, temporary Hospital Levy to fund the City's contribution to the hospital in Vaughan (\$80 million).
- By borrowing internally, funds were recovered in 13 years, significantly less than the initial 20-year recovery timeframe.
- The City's contributions to the development of the hospital were fully paid in 2022 and **the Hospital Levy will no longer appear on property tax bills beginning in 2023.**
- The Cortellucci Vaughan Hospital opened in February 2021 to assist with COVID-19 relief and fully opened on June 6, 2021.



Where Do Taxes Go? Understanding the Tax Bill

Average Residential Tax Bill

York Region
50% - \$3,286

Local School Boards
22% - \$1,454

City of Vaughan
28% - \$1,836

NOTE: Based on a home with an assessed value of \$950,000



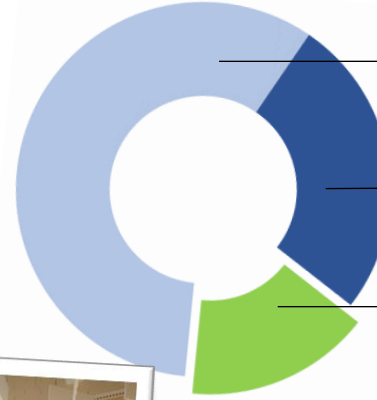
Commercial Tax Bill

Local School Boards
55% - \$880

York Region
29% - \$461

City of Vaughan
16% - \$257

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



What Do Taxes Fund?

Understanding the Tax Bill

City Expenditures by Service

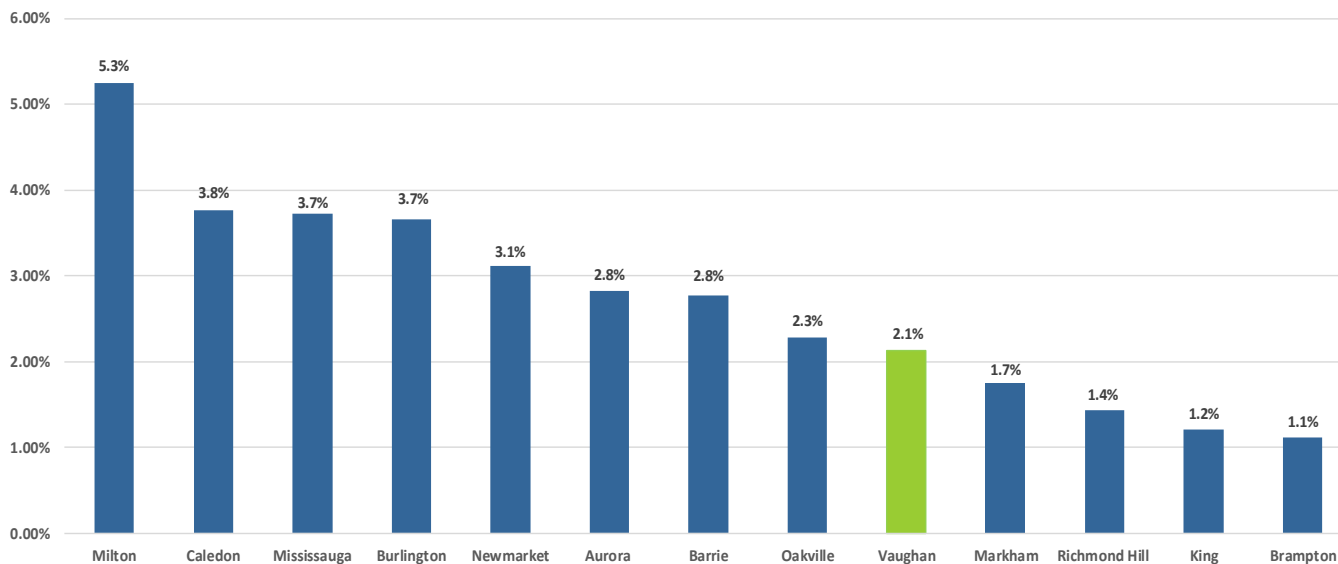
- \$0.18** Public Works & Road Services
- \$0.17** Fire and Rescue Services
- \$0.16** General Government, Legal & Clerks
- \$0.11** Infrastructure Development
- \$0.10** Capital Investment & Debt Servicing
- \$0.09** Community Services
- \$0.08** Planning & Growth
- \$0.07** Vaughan Public Libraries
- \$0.04** Fulfil Council's priorities by City Manager,
Internal Audit, Integrity Comm. and others
- \$1.00** Total



Property Tax Rate Among Lowest in GTA

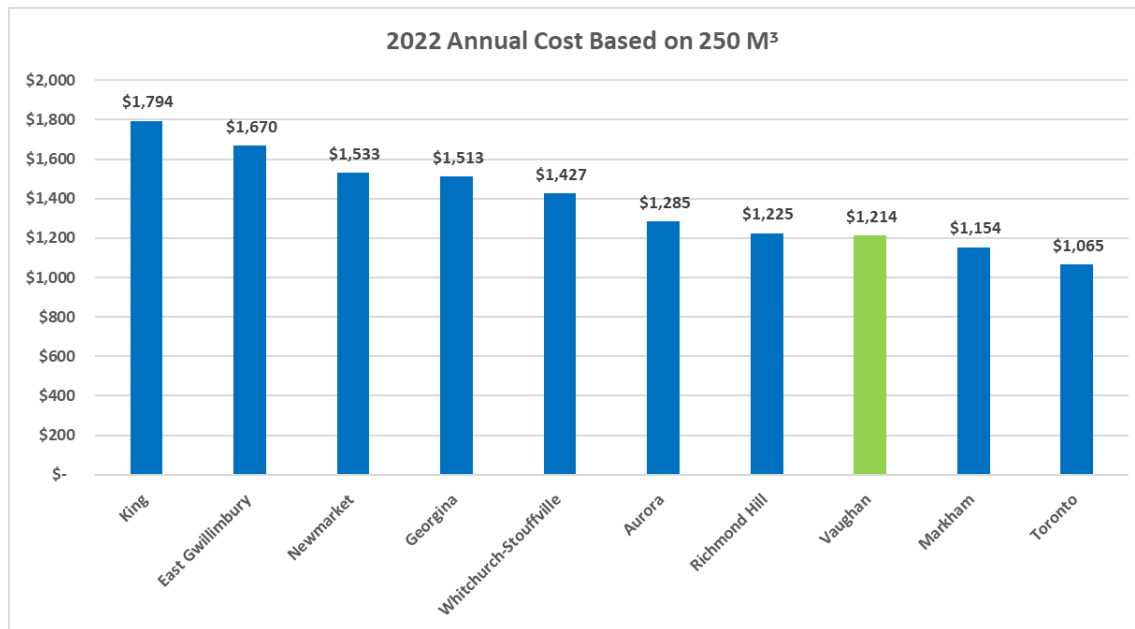
It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2023. The Proposed 2023 Budget builds on this commitment to prudent fiscal management by maximizing the responsible use of every tax dollar collected.

Municipal Property Tax Increases: Five Year Average (2018-2022)



With the proposed 2.9% tax rate increase in 2023, Vaughan's 5-Year Average remains at **2.1%*

Water and Wastewater Rates Among Lowest in York Region



- For 2023 the combined draft rate is \$5.016/m³ representing a 3.3% increase over 2022.
- This equates to an annual cost for 2023 of \$1,254 for an average household that consumes 250 cubic metres and an increase of \$40.05 or \$3.34 per month compared to prior year.

Future Pressures as a Result of Bill 23

- Bill 23 (More Homes Built Faster Act, 2022) received Royal Assent on November 28th
- Changes in the legislation will restrict and reduce the City's ability to collect revenue for growth related infrastructure
- Without alternate funding sources, this could result in:
 - Delayed projects
 - Reduced service levels
 - Increased property taxes



Next Steps

Future Meeting Dates

City of Vaughan

- **Jan 24:** Portfolio Strategic Priorities and Updates
- **Feb 8:** Adoption of 2023 Budget and Endorsement of the 2024-2026 Financial Plan

**Public deputations
are encouraged at
all budget meetings**

York Region

- **January 26:** Tabling of the 2023 Budget with Regional Council
- **February 2, 9:** Committee of Whole Reviews
- **February 23:** Budget Approval with Regional Council

Communication: C4
Special Committee of the Whole (Budget)
January 18, 2023
Item #1

From: Clerks@vaughan.ca
To: [Jacquelyn Gillis](#)
Subject: FW: [External] Security & Safety Deputation from YRP Neighbourhood Network
Date: Monday, January 16, 2023 4:36:45 PM
Attachments: [External YRP Weekly Report .msg](#)

-----Original Message-----

From: Todd Coles <Todd.Coles@vaughan.ca>
Sent: Monday, January 16, 2023 4:20 PM
To: Clerks@vaughan.ca
Subject: FW: [External] Security & Safety Deputation from YRP Neighbourhood Network

Communication for Budget, including the attached email.

Thanks,

Todd

Todd Coles, BES, MCIP, RPP
City Clerk
905-832-8585, ext. 8281 | todd.coles@vaughan.ca

City of Vaughan | Office of the City Clerk
2141 Major Mackenzie Dr., Vaughan ON L6A 1T1 vaughan.ca

-----Original Message-----

From: Rose Savage <[REDACTED]>
Sent: Thursday, January 12, 2023 9:33 AM
To: Todd Coles <Todd.Coles@vaughan.ca>
Subject: Re: [External] Security & Safety Deputation from YRP Neighbourhood Network

Hi Todd,

To be honest, my request would not be to have the municipality taxes pay for security; but that the Municipality has Federal pay for the security required to protect existing taxpayers.

Rose Savage
Re/Max Premier Inc. International

> On Jan 12, 2023, at 09:23, Todd Coles <todd.coles@vaughan.ca> wrote:

>

> Rose,

>

> I just want to confirm that you wish to speak at the Budget meeting? I also have your second email with the YRP stats.

>
> Thanks,
>
> Todd
>
> Todd Coles, BES, MCIP, RPP
> City Clerk
> 905-832-8585, ext. 8281 | todd.coles@vaughan.ca
>
> City of Vaughan | Office of the City Clerk
> 2141 Major Mackenzie Dr., Vaughan ON L6A 1T1
> vaughan.ca
>
>
>
> -----Original Message-----
> From: Rose Savage [REDACTED] >
> Sent: Thursday, January 5, 2023 9:24 AM
> To: Todd Coles <Todd.Coles@vaughan.ca>
> Subject: [External] Security & Safety Deputation from YRP
> Neighbourhood Network
>
>
> Hi Todd,
>
> Our YRP group would like to bring forward an important deputation for next week's council meeting.
>
> We are a group from all areas of Vaughan so it's a "Vaughan Request" for increased Police just like what John Tory announced.
>
> Please flag this item as High Priority Item.
>
> I will submit the correspondence on behalf of our group leaders with the list of names and our YRP leader.
>
> Thank you again for all that you do for us !!
>
>
> Rose Savage
> Neighbourhood Watch Leaders for Vaughan
>
>
>
>
>
>
> This e-mail, including any attachment(s), may be confidential and is intended solely for the attention and information of the named addressee(s). If you are not the intended recipient or have received this message in error, please notify me immediately by return e-mail and permanently delete the original transmission from your computer, including any attachment(s). Any unauthorized distribution, disclosure or copying of this message and attachment(s) by anyone other than the recipient is strictly prohibited.

From: [Rose Savage](#)
To: [Todd Coles](#)
Subject: [External] YRP Weekly Report
Date: Monday, January 9, 2023 10:00:41 AM

This is what I would like to bring forward to City Of Vaughan Council and what is being done as part of the Budget Process to address the increased Safety Issue. Vaughan tax payers should not be impacted; however, Canada and Ontario need to be held accountable.

As one of the Neighbourhood Watch leaders in Vaughan; we as a network community are bringing this forward as our list of names as part of the YRP community will also be provided. Thank you

Vaughan

Offence Type	Offences (last 7 days)	Previous Week	Variance
Theft of Motor Vehicle	32	36	-4
Theft Under \$5000	22	37	-15
Assault	16	12	+4
Impaired Operation	8	10	-2
Mischief	7	7	0
Break and Enter	7	13	-6
Missing Person	7	3	+4
Other Domestic Crime	6	8	-2
Other Property Crime	5	5	0
Drug Violations	4	3	+1
Criminal Act	2	0	+2
Attempt Murder	1	0	+1
Provincial Offences	1	1	0
Weapons Violations	1	1	0
Robbery	1	4	-3
Public Nuisance	0	2	-2
Firearms Violations	0	0	0
Fraud	0	6	-6
Sexual Violations	0	1	-1
Violations Causing Death	0	0	0
Other Criminal Code	0	3	-3
Arson	0	0	0
Theft Over \$5000	0	1	-1
Violations Imprisonment Freedom	0	1	-1

Rose Savage
Neighbourhood Watch Leader