

Proposed 2023 Budget and 2024-2026 Financial Plan

Special Council (Budget)
February 8, 2023



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

Long-Range Fiscal Plan - 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.



Future Pressures as a Result of Bill 23

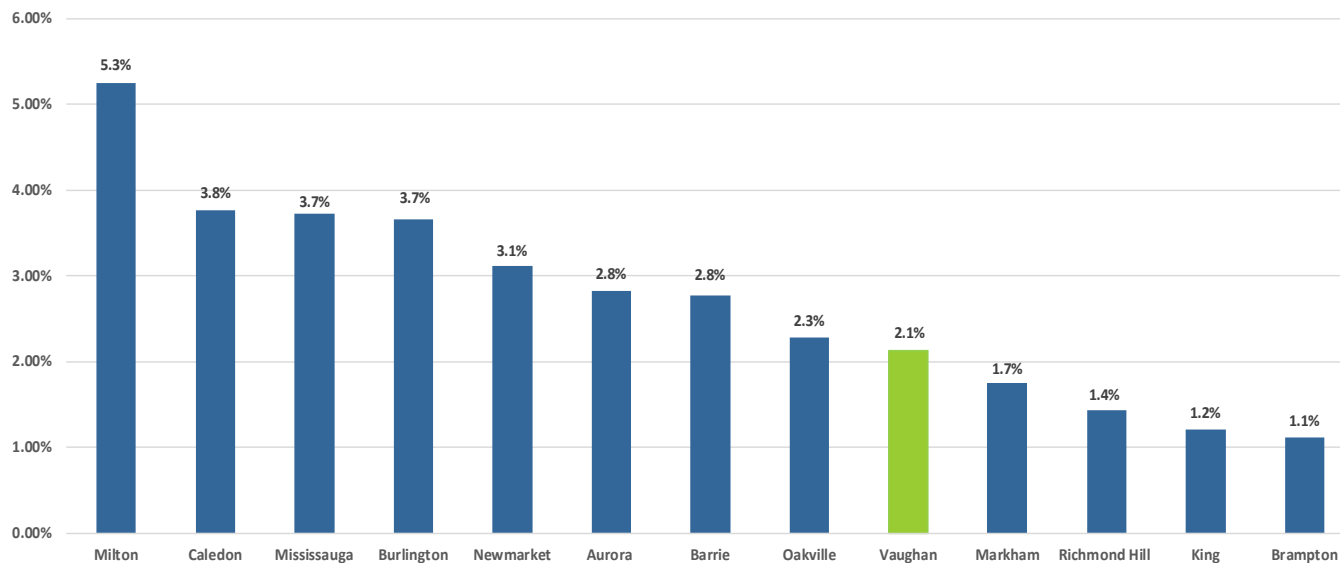
- Bill 23 (More Homes Built Faster Act, 2022) received Royal Assent on November 28th
- Changes in the legislation will restrict and reduce the City's ability to collect revenue for growth related infrastructure
- Without alternate funding sources, this could result in:
 - Delayed projects
 - Reduced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



Property Tax Rate Among Lowest in GTA

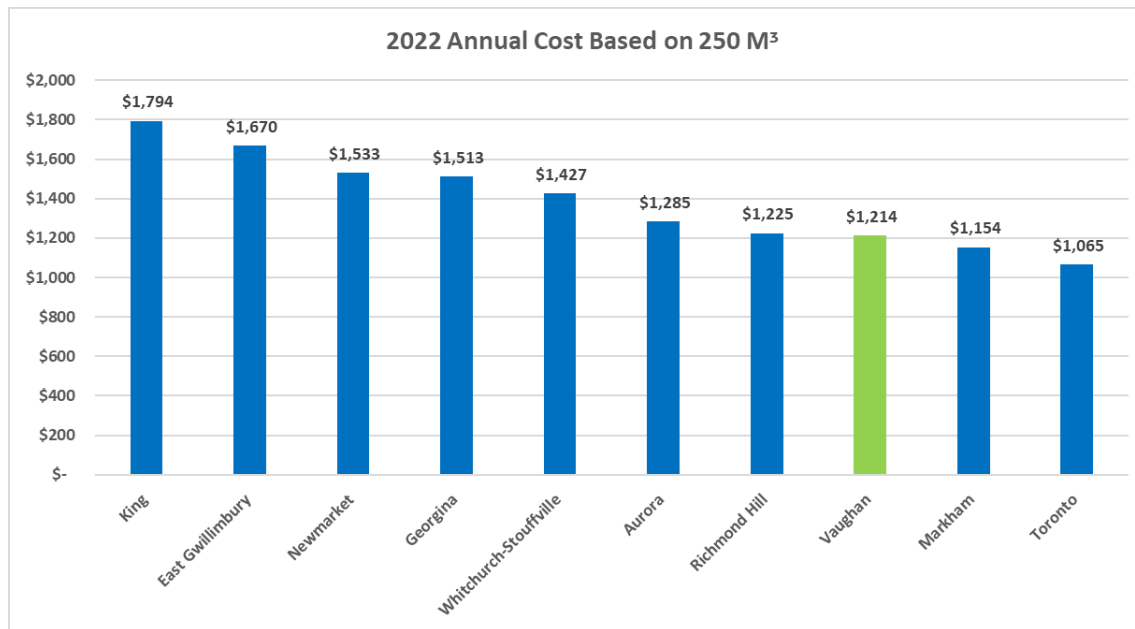
It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2023. The Proposed 2023 Budget builds on this commitment to prudent fiscal management by maximizing the responsible use of every tax dollar collected.

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.

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

