

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

## **COMMUNICATIONS**

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### **Distributed November 29, 2019**

### **Item No.**

- |     |   |   |
|-----|---|---|
| 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)**

- |     |   |   |
|-----|---|---|
| C2. | Presentation material titled "Draft 2020 Budget and 2021-2022 Financial Plan" | 1 |
|-----|---|---|

#### **Disclaimer Respecting External Communications**

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**Please note there may be further Communications.**



memorandum

C	1
COMMUNICATION	
SP. CW -	DEC 21 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

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### **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.

<b>Capital Cost (EV-2137-19 Installation of Water Sampling Stations)</b>	<b>Original (\$)</b>	<b>Revised (\$)</b>
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		Approval Year: 2020	
Project Title: Installation of Water Sampling Stations		Scenario Active: Yes	
Asset Type: WTS004 Other (WTS)			
Department: Environmental Services			
Budget Year: 2020			
Scenario Name: Main			
Project Stage: Concept		TCA: No	
Regions: City-Wide			
Project Type: Health & Safety			
Project Timelines			
2019, 2020 & 2021			
Other Dept Impact			
Project Detailed 2021			
Budget Year	Total Expense	Total Revenue	Difference
2020	995,000	995,000	0
2021			0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025 & Beyond	0	0	0
995,000		995,000	0
Related Projects			
Operating Budget Impact			
Budget Year	FTE Impact	Total Expense	Total Revenue
2020	0.0	0	0
2021	0.0	0	0
2022	0.0	0	0
2023	0.0	0	0
2024	0.0	0	0
2025 & Beyond	0.0	0	0
ARR: -			
Year Identified	Start Date	Project Owner	Completion Date
2019	Jan 1, 2019	Danny Woo	Dec 31, 2021





# Draft 2020 Budget and 2021-2022 Financial Plan

Committee of the Whole  
December 2<sup>nd</sup>, 2019



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

**60,000**

new jobs have  
been created  
since 2010

### VMC SUBWAY

More than **14,000**  
daily commuters

7 minutes to  
York University

42 minutes  
to Union Station



Nearly  
**200** km  
of **NEW** roads

# Delivering Real Results for Vaughan

**Welcoming city**  
**105 languages** spoken

**97%**

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

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



New policy allowing  
secondary suites  
was **APPROVED**

One of the  
**lowest**  
**tax rates**  
in the GTA



Vaughan is one of the  
**SAFEST**  
**COMMUNITIES**  
IN CANADA



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



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

**\$11**  
**Billion**  
in building  
permits  
since 2010



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

**550** beds

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



Home to the  
**first university**  
in York Region  
**NIAGARA**  
**UNIVERSITY**

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 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.

## Mission

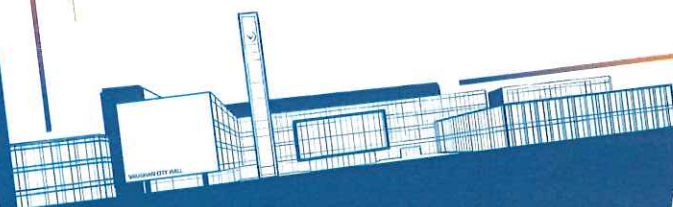
Citizens first through Service Excellence.

## 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.

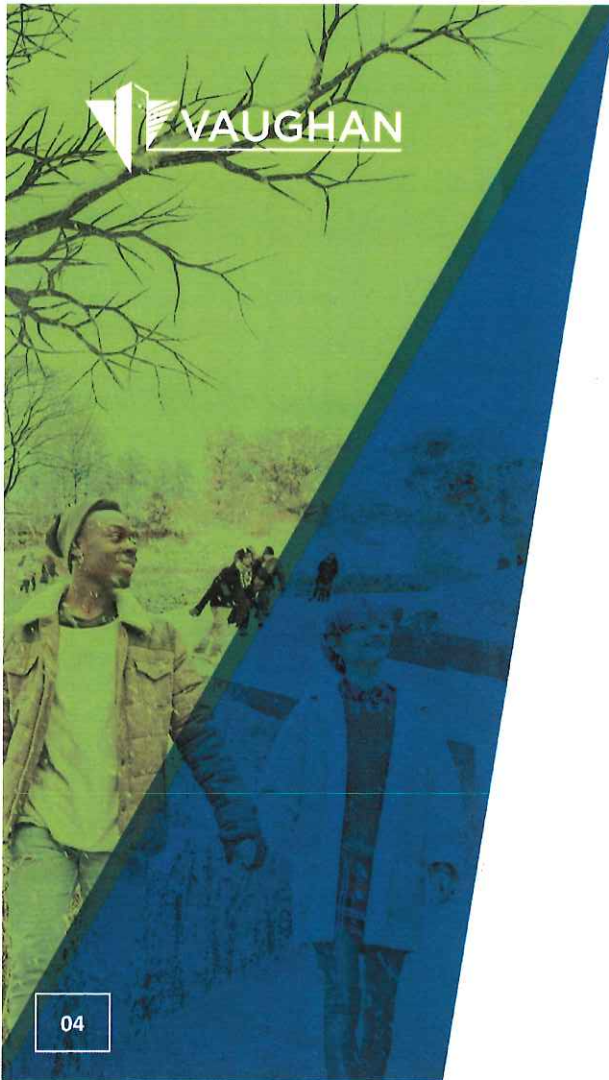
## Values

Respect  
Accountability  
Dedication

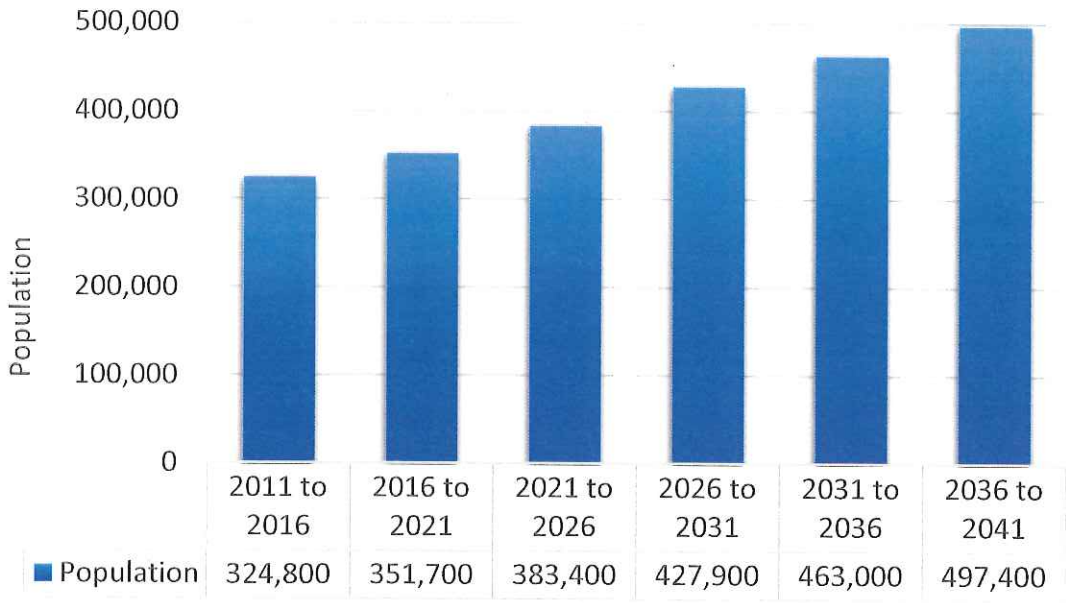


[vaughan.ca/ServiceExcellence](http://vaughan.ca/ServiceExcellence)





# 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

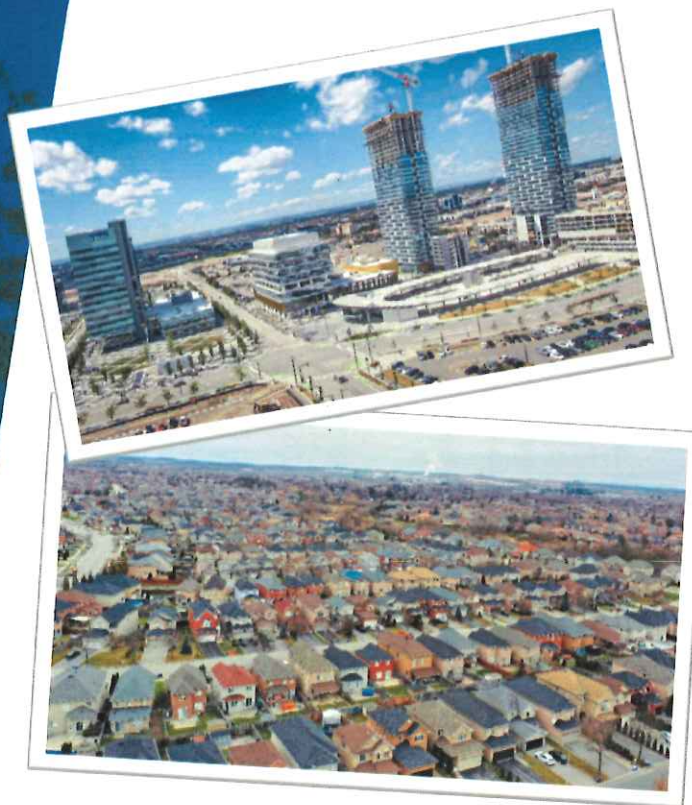
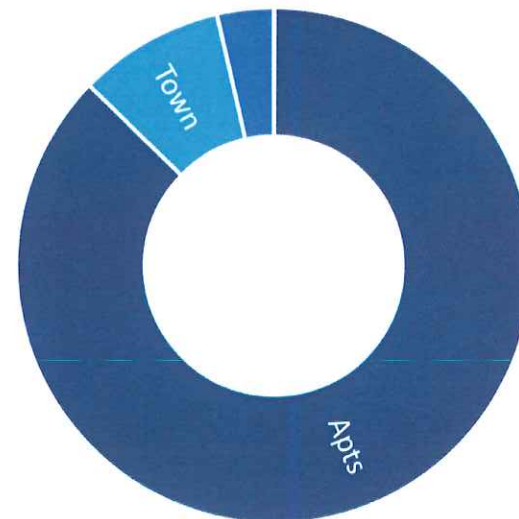
Source: York Region 2041 Preferred Growth Scenario, Nov. 2015



## Growth and Sustainability

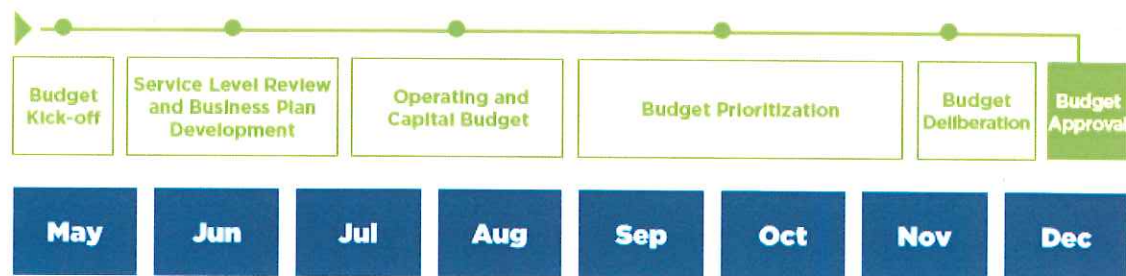
### Active Residential Development Proposals by Type

■ Singles ■ Semi ■ Town ■ Apts





## Budget Process and Community Outreach



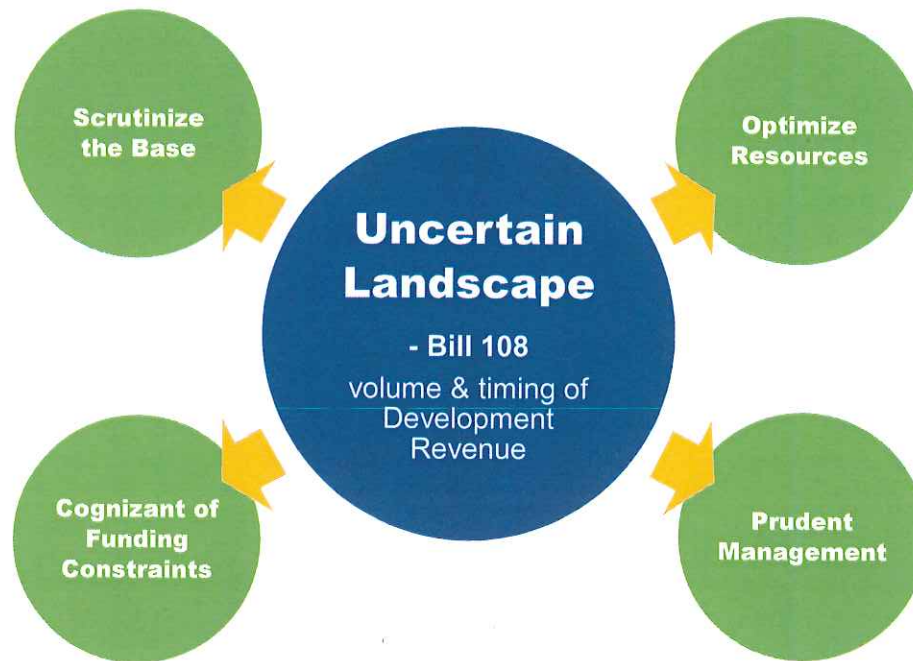
### Community Outreach on Budget Process





## 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

## 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



## Transformational City-Building

Vibrant City and Respected Community

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- 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

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### 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

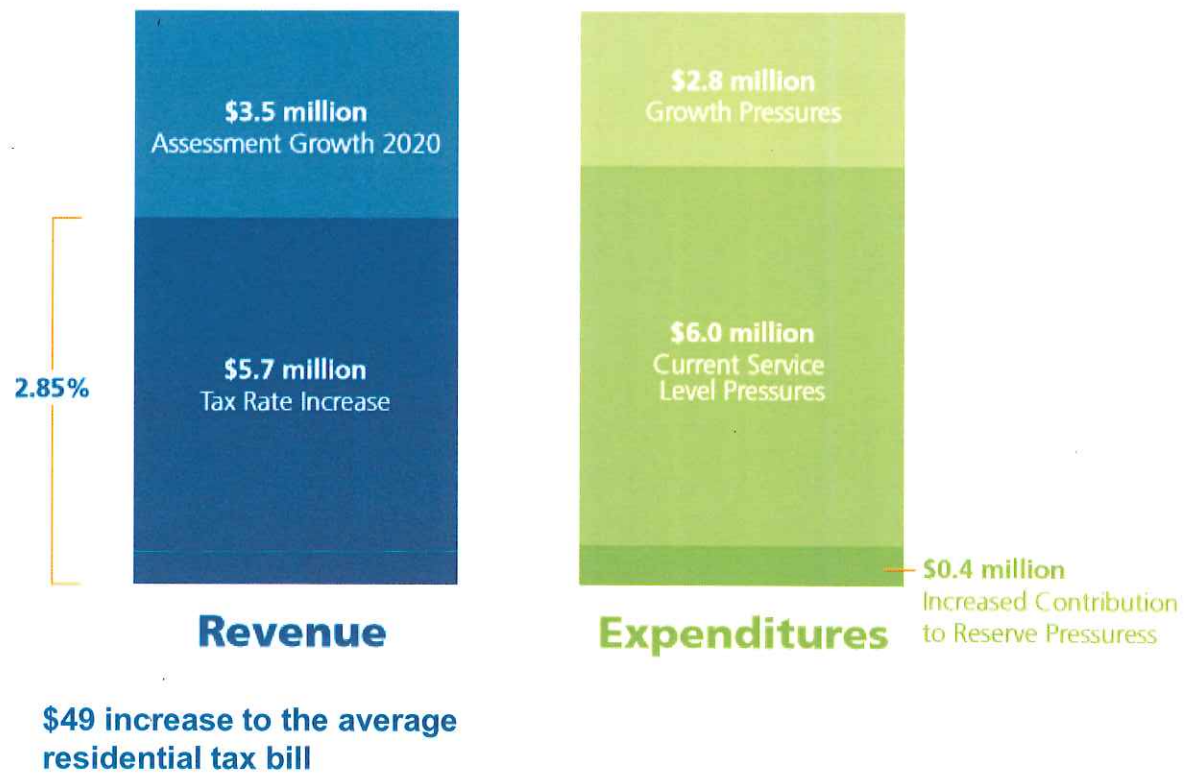
2020 Gross  
Operating  
\$195 million

Three-Year  
Capital Plan  
\$49 million

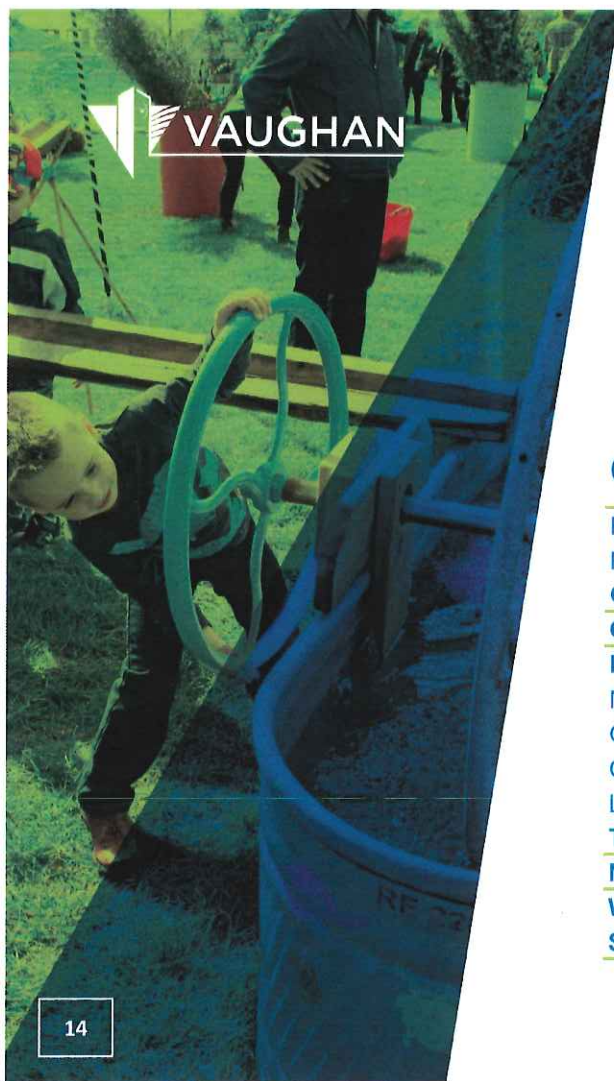
## Proposed Tax Supported Operating Budget

(\$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
<b>Net Operating</b>	<b>206.4</b>	<b>215.7</b>	<b>224.1</b>	<b>232.8</b>
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
<b>Incremental Tax Rate</b>	<b>3.00%</b>	<b>2.85%</b>	<b>3.00%</b>	<b>3.00%</b>

## 2020 Tax Levy Increase Analysis

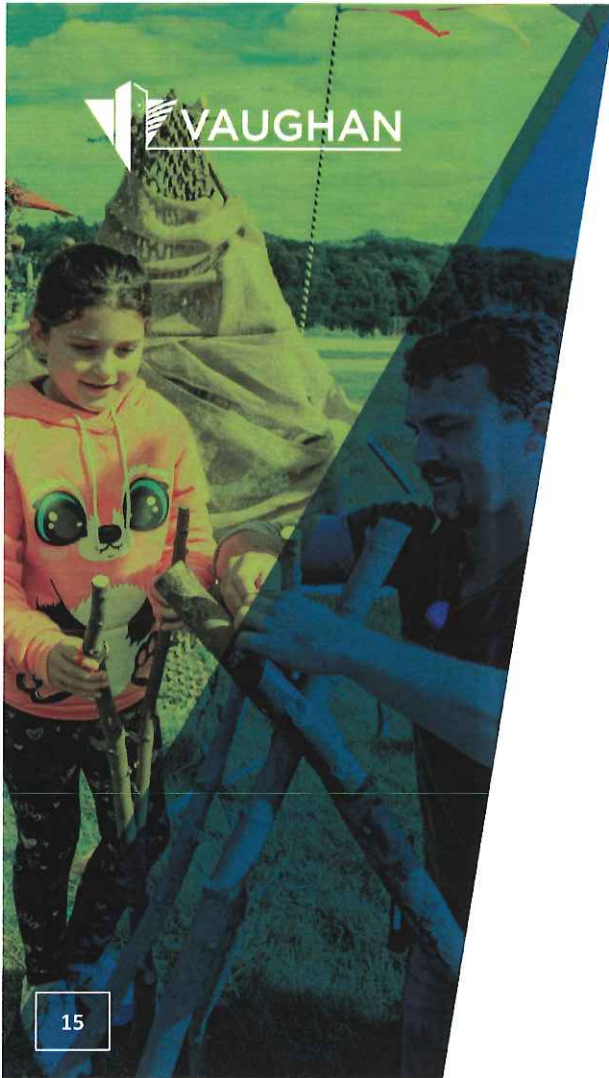






## Proposed Water/Wastewater/ Stormwater Operating Budget

(\$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
<b>Gross Margin</b>	<b>47.1</b>	<b>51.0</b>	<b>54.0</b>	<b>56.4</b>
<b>Other Revenue</b>	<b>5.0</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>
<b>Expenditures</b>				
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
<b>Total Expenditures</b>	<b>52.1</b>	<b>56.4</b>	<b>59.4</b>	<b>61.8</b>
<b>Net Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Water and Wastewater Rate Increase</b>	<b>9.9%</b>	<b>9.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Stormwater Charge Increase</b>	<b>4.4%</b>	<b>0.0%</b>	<b>4.5%</b>	<b>4.5%</b>



## 2020 Water/Wastewater/ Stormwater Analysis

### 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%

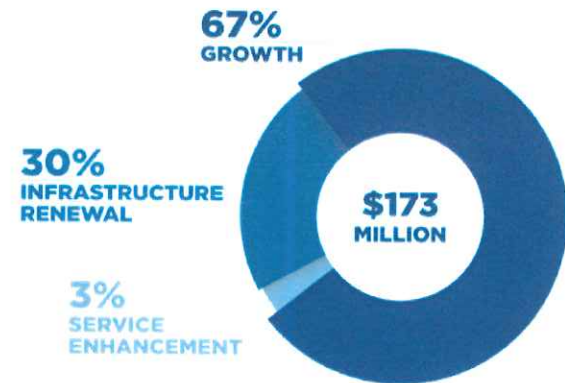
### Stormwater

•CITY (operating)	\$ 9.5	85%
•CITY (reserves)	\$ 1.7	15%
•TOTAL	\$ 11.2	100%

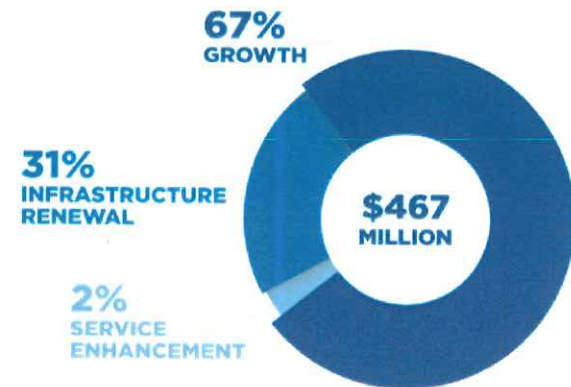
\*All financial figures are in millions of dollars

# Sustainable Capital Project Investments

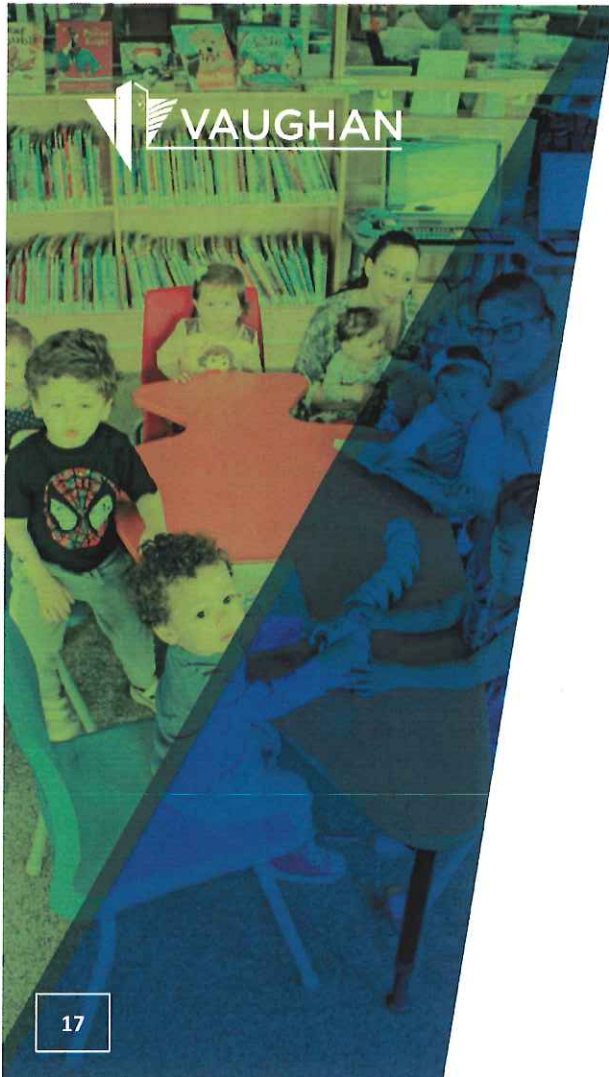
## 2020 Capital Investment



## 2021-2022 Capital Plan



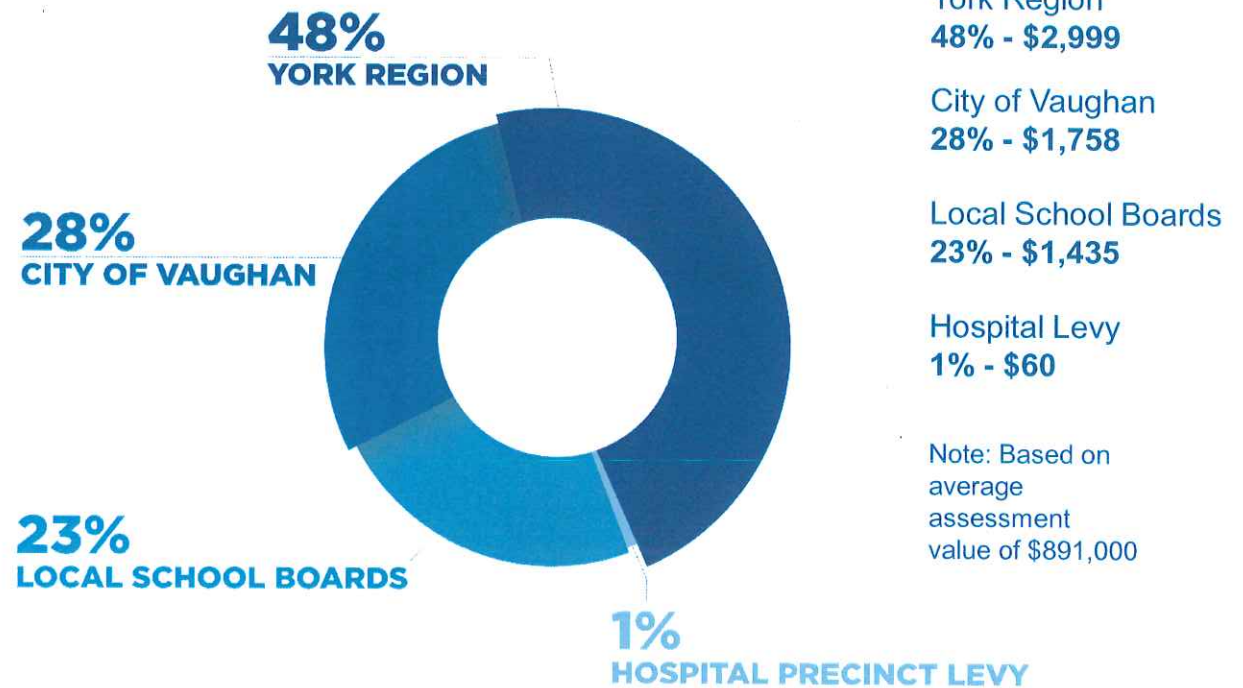




## Where Do Taxes Go?

### Understanding the Tax Bill

#### Average Residential Tax Bill



## Where Do Taxes Go?

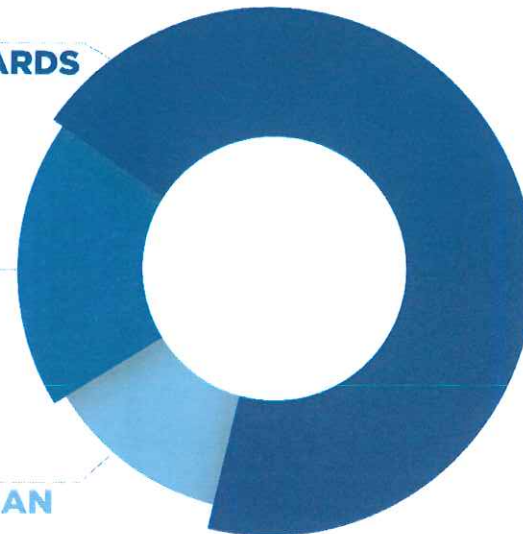
### Understanding the Tax Bill

#### 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**

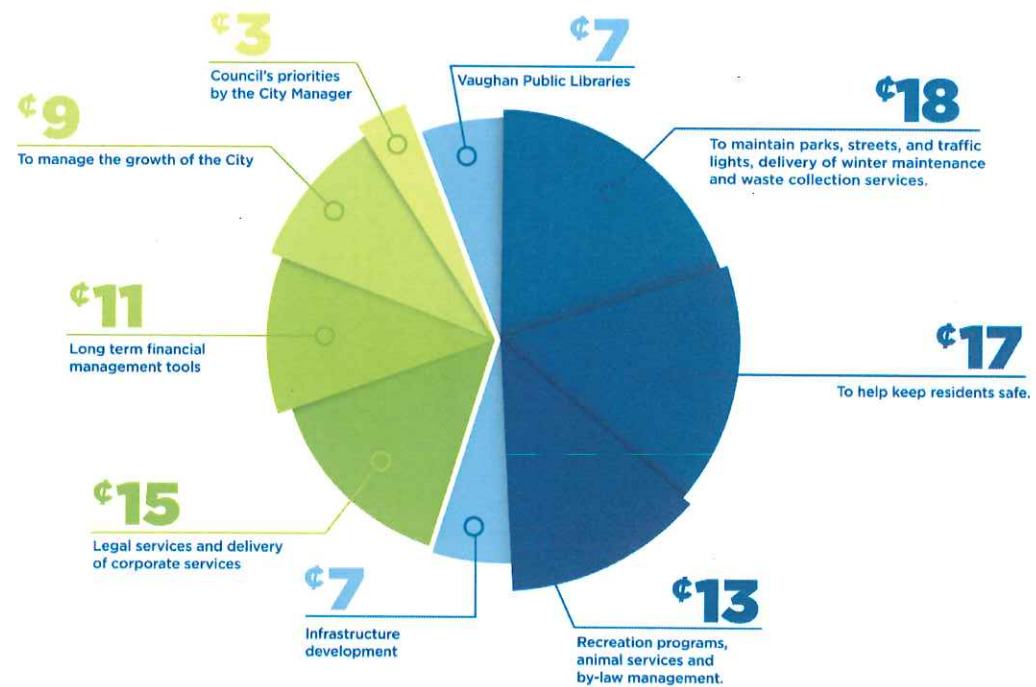
Note: Based on  
assessment  
value of \$100,000



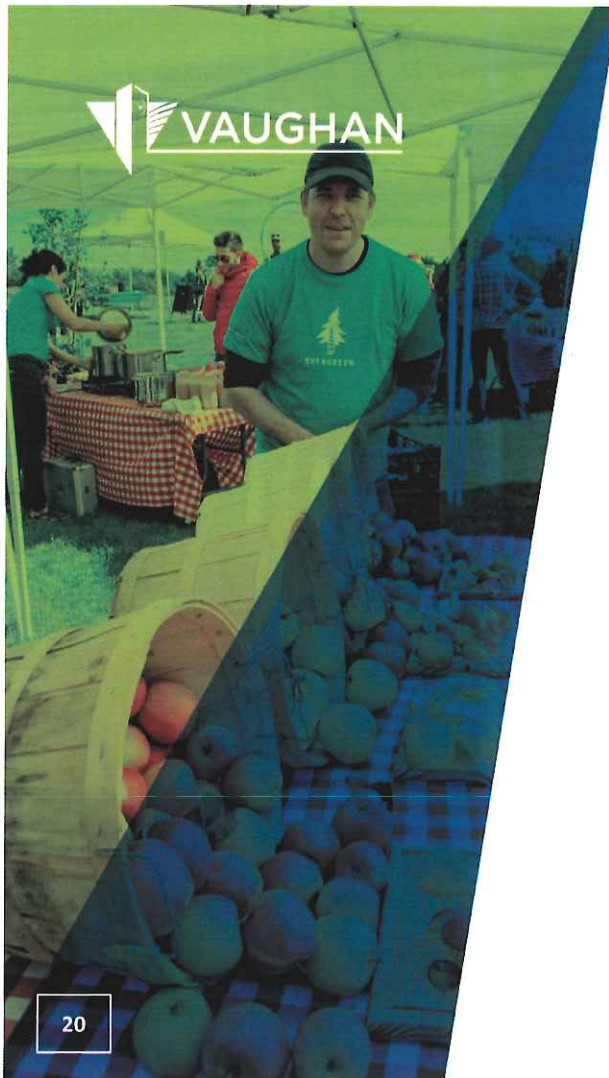
## What Do Taxes Fund?

### Understanding the Tax Bill

### City Expenditures by Service (per tax dollar)



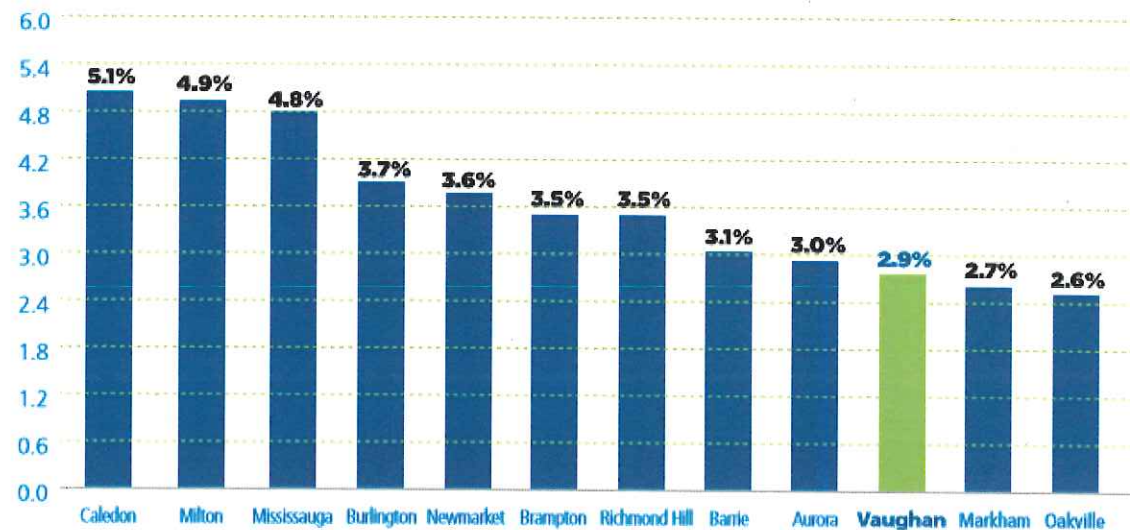




## Property Tax Rate Among Lowest in GTA

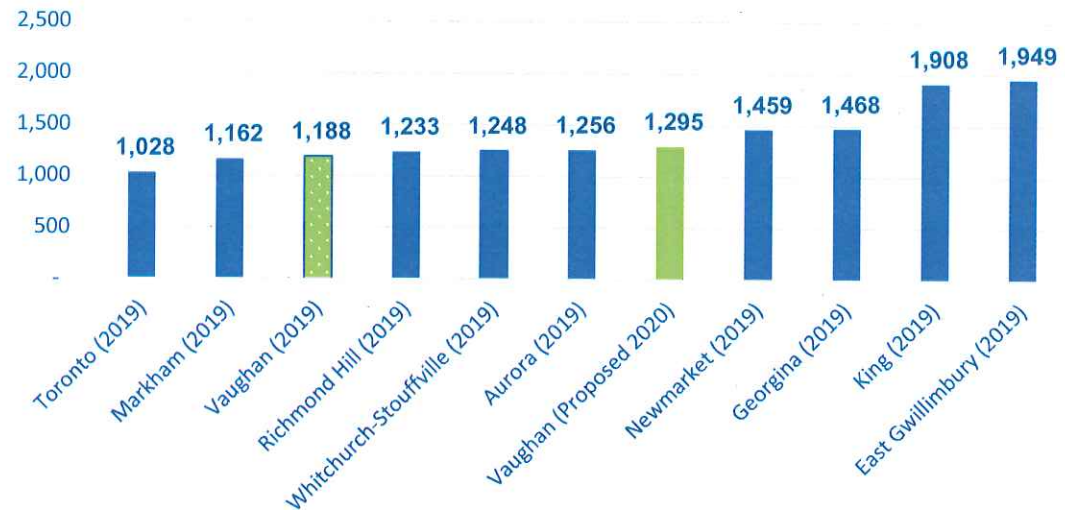
It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2020. The Draft 2020 Budget builds on this commitment to prudent fiscal management by maximizing the responsible use of every tax dollar collected.

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



## Water and Wastewater Rates Among Lowest in GTA

Annual Cost Based on 260 M<sup>3</sup>



- For 2020 the combined draft rate is \$4.9794/m<sup>3</sup> 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

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#### 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.

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**Committee of the Whole**  
December 2<sup>nd</sup>, 2019