

SPECIAL COMMITTEE OF THE WHOLE (BUDGET) – DECEMBER 2, 2020

COMMUNICATIONS

Distributed December 2, 2020

Item

C1. Presentation material titled “*Proposed 2021 Budget and 2022 Financial Plan*”.

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Please note there may be further Communications.

Proposed 2021 Budget and 2022 Financial Plan

Special Committee of the Whole (Budget)
December 2nd, 2020



Achieving Results!



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

Approaching
\$200 million raised for
the Cortellucci Vaughan Hospital -
The Ultimate Suits You campaign

Welcoming city
105 languages spoken



More than
30,000

trees have been planted
as part of the City's
tree replacement plan



New policy allowing
secondary suites
was **APPROVED**



Vaughan is one of the

SAFEST
COMMUNITIES
IN CANADA

Vaughan is the
first municipality
in Canada to sign

LEADERSHIP ACCORD
ON GENDER DIVERSITY



Nearly
208 km
of **NEW** roads



Since 2010,
\$12.5 billion
in building permits have been issued;
\$428 million issued
from Jan.1 - June 30, 2020

One of the
lowest
tax rates
in the GTA



19,000
BUSINESSES
employ more than
227,000
PEOPLE the
largest economy in York Region



Home to the
first university
in York Region
NIAGARA
UNIVERSITY



The Cortellucci Vaughan Hospital will
be Canada's first smart-technology
hospital with a capacity of
550 beds

Recruitment is wrapping
up for the new **Diversity**
and Inclusion Task Force
and a **Diversity and**
Inclusion Officer

\$12 million
for
Hospice
Vaughan Capital
Campaign
ACHIEVED

Term of Council Service Excellence Strategic Plan 2018-2022

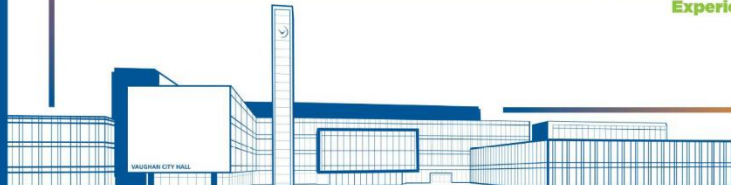
Mission
Citizens first
through Service
Excellence.

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.

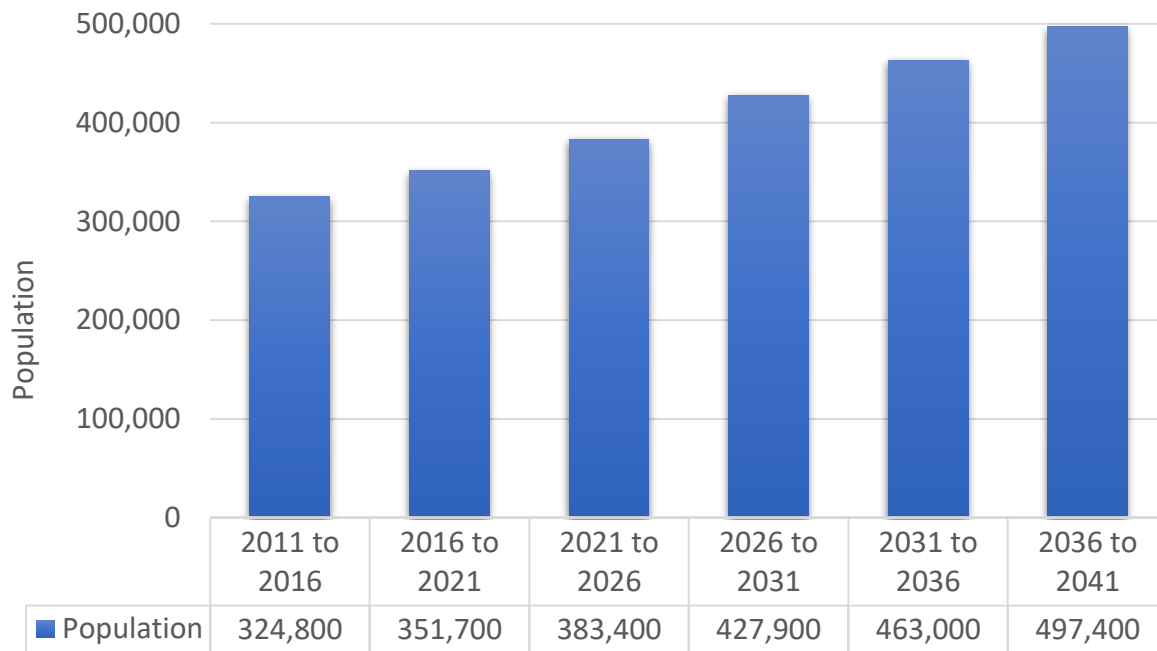
The Strategic Plan identifies the strategic priorities that the administration will focus on to support the City of Vaughan in being a City of Choice for both residents and businesses.



vaughan.ca/ServiceExcellence



Growth and Sustainability

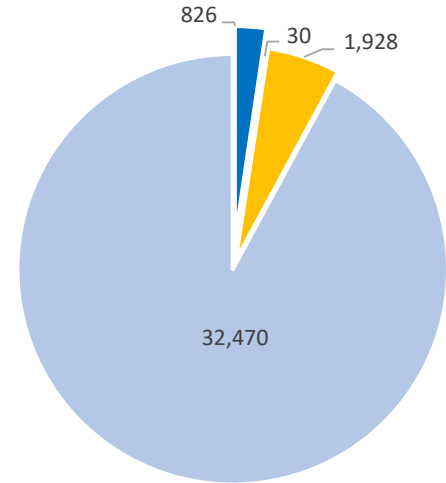


Note: The data above is to illustrate the trend only, the figures will be further refined through updates of new growth plans currently underway by the Province, Region and the City

Growth and Sustainability



Active Residential Development Proposals by Type



■ Singles ■ Semi ■ Town ■ Apts

Strategic Planning and Budget Process



Community Outreach on Budget Process



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

2021 Budget - Context

The full extent of COVID-19 remains unknown - the 2021 budget factors this heightened level of uncertainty.

Uncertainties:

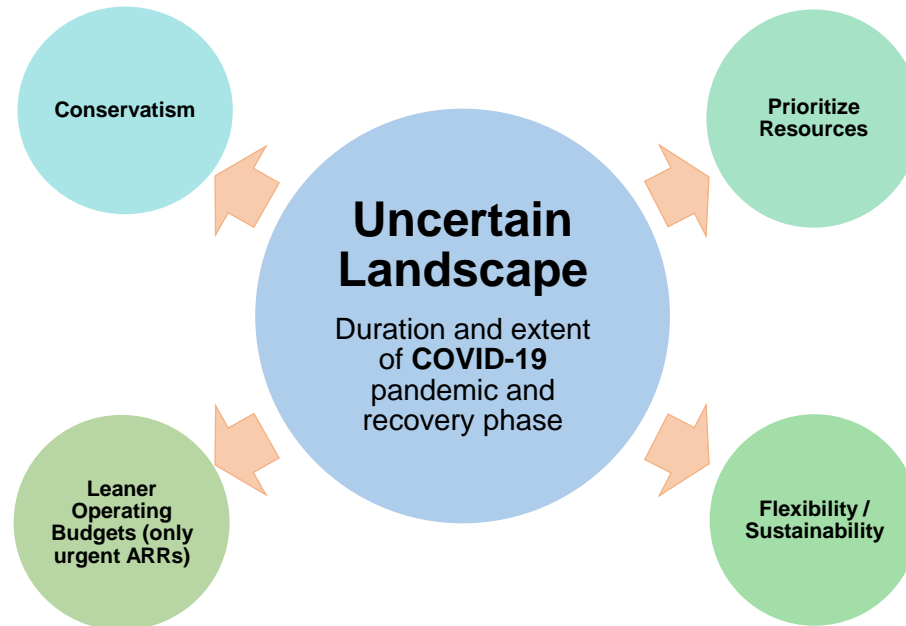
- Duration and extent of COVID-19 pandemic and recovery phase
- Degree of “permanent” change to industry economics & value chains
- Impact on societal norms, consumer confidence and spending patterns
- Changes to work patterns....how and where people work
- Funding/support from Senior levels of Government

Financial Impacts to the City:

- Revenue risks - User fees, Tax & Utility collection
- COVID-19 incremental spending
- Impact to capital delivery plans
- Service levels & delivery models
- Mitigation measures – e.g. workforce re-balancing, cost containment
- Cash flow & liquidity
- Financial sustainability

2021 Budget – Guiding Principles

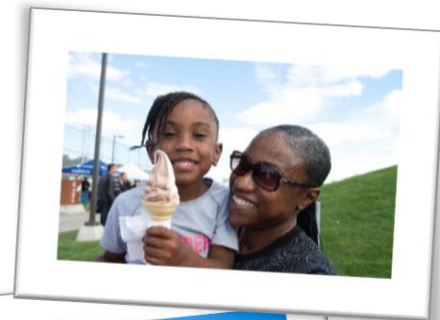
The City of Vaughan's budget is built on the principles of integrity, accountability and responsibility. It is focused on keeping property tax rates low, respecting taxpayers' hard-earned money and delivering quality public services.



Transformational City-Building

Vibrant City and Respected Community

- GTA West Multimodal Transportation Corridor
- Vaughan's Emerging Downtown
- Improving Access to Healthcare



Transformational City-Building

High Quality of Life & Civic Engagement

- Vaughan: The Green City
 - Residential energy retrofit program for homeowners
- Civic Engagement – Task Forces
 - Diversity and Inclusion
 - Transportation & Infrastructure
 - Older Adult
 - Economic Prosperity
 - Governance
 - Smart City



Budget Summary

2021 Operating and Two-Year Capital Plan:

Tax Supported Programs

2021 Gross Operating
\$318 million

Two-Year Capital Plan
\$512 million

0% Tax Increase

Utility Rate Supported Programs

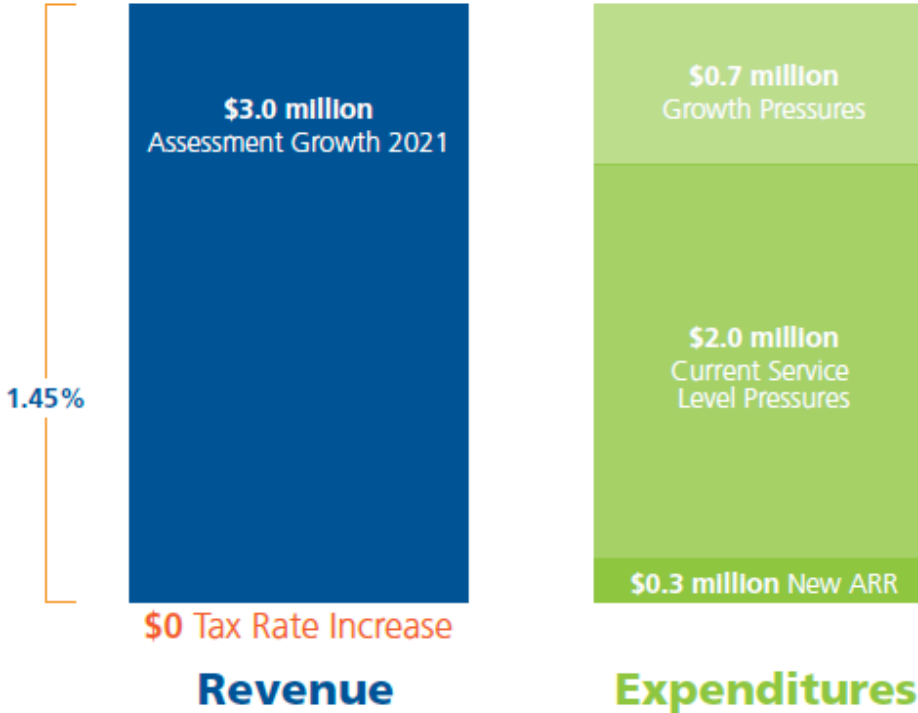
2021 Gross Operating
\$171 million

Two-Year Capital Plan
\$55 million

Proposed Tax Supported Operating Budget

(\$M)	2020 Approved Budget	2021 Proposed Budget	2022 Plan
Gross Operating	320.8	317.9	333.8
Less: Non-Tax Revenue	105.0	99.1	106.6
Net Operating	215.8	218.8	227.2
Assessment Growth	3.5	3.0	2.1
Supplemental Taxation and PIL	5.9	5.9	5.8
Net Levy Requirement	209.9	212.9	221.4
Incremental Levy Requirement	5.7	3.0	8.5
Incremental Tax Rate	2.85%	0.00%	3.00%

2021 Tax Levy Analysis



Proposed Water/Wastewater/ Stormwater Operating Budget

(\$M)	2020 Approved Budget	2021 Proposed Budget	2022 Plan
Revenue	189.8	167.7	174.3
Purchases	138.8	129.0	133.8
Gross Margin	51.0	38.7	40.5
Other Revenue	5.4	3.2	3.3
Expenditures			
Maintenance & Installation	17.2	14.7	15.2
General Administration	13.0	13.4	13.3
Other	2.5	2.5	2.9
Lifecycle Contribution	23.7	11.3	12.4
Total Expenditures	56.4	41.9	43.8
Net Budget	0.0	0.0	0.0
Water and Wastewater Rate Increase	0.0%*	2.9%	2.9%
Stormwater Charge Increase	0.0%	4.5%	4.5%

* 2020 Water and Wastewater Rate Increase budgeted at 9% was cancelled in-year in 2020 as a measure to provide financial assistance to residents during the pandemic.

2021 Water/Wastewater/ Stormwater Analysis

Water & Wastewater

• CITY (operating)	\$ 22.3	14%
• CITY (reserves)	\$ 8.7	5%
• REGION (purchases)	<u>\$129.0</u>	<u>81%</u>
• TOTAL	\$160.0	100%

Stormwater

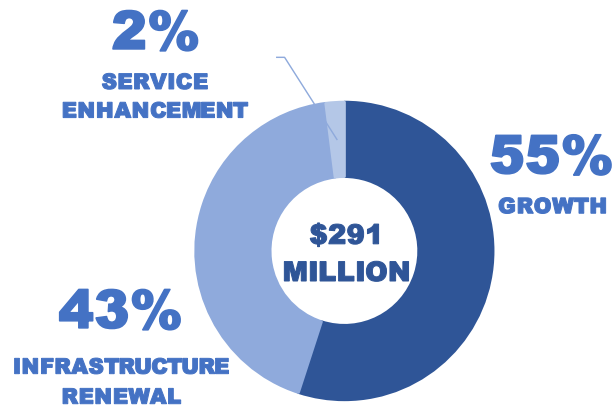
• CITY (operating)	\$ 8.3	76%
• CITY (reserves)	<u>\$ 2.6</u>	<u>24%</u>
• TOTAL	\$ 10.9	100%

*All financial figures are in millions of dollars

Sustainable Capital Project Investments

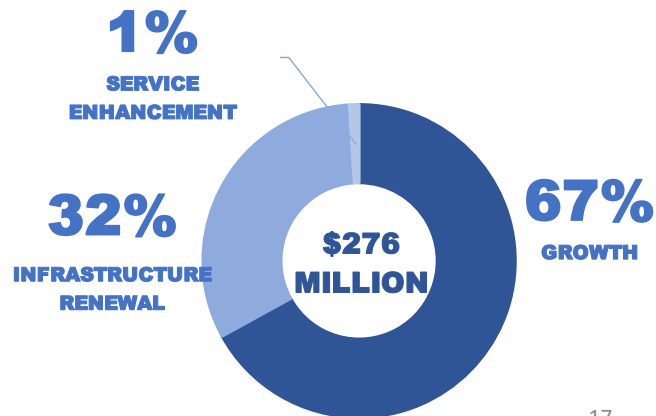
2021 Capital Investment

- Growth, \$160.8M
- Infrastructure Renewal, \$126.0M
- Service Enhancement, \$4.1M



2022 Capital Plan

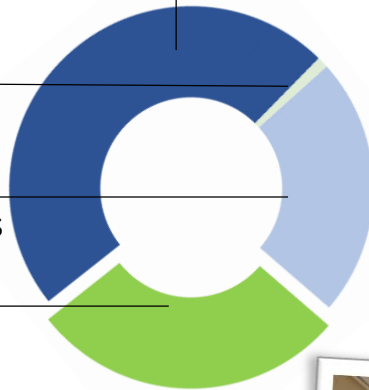
- Growth, \$185.7M
- Infrastructure Renewal, \$87.6M
- Service Enhancement, \$2.7M



Where Do Taxes Go? Understanding the Tax Bill

Average Residential Tax Bill

York Region	49% - \$2,950
Hospital Levy	1% - \$56
Local School Boards	23% - \$1,363
City of Vaughan	27% - \$1,643



Note: Based on a home with an assessed value of \$891,000

Commercial Tax Bill

Local School Boards	56% - \$897
York Region	28% - \$441
City of Vaughan	16% - \$246



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



What Do Taxes Fund?

Understanding the Tax Bill

City Expenditures by Service (per tax dollar)

\$0.18 Public Works & Road Services

\$0.17 Fire and Rescue Services

\$0.15 General Government, Legal & Clerks

\$0.11 Capital Investment & Debt Servicing

\$0.10 Community Services

\$0.10 Infrastructure Development

\$0.09 Planning & Growth

\$0.07 Vaughan Public Libraries

\$0.03 Fulfil Council's priorities by City Manager,
Internal Audit, Integrity Comm. and others

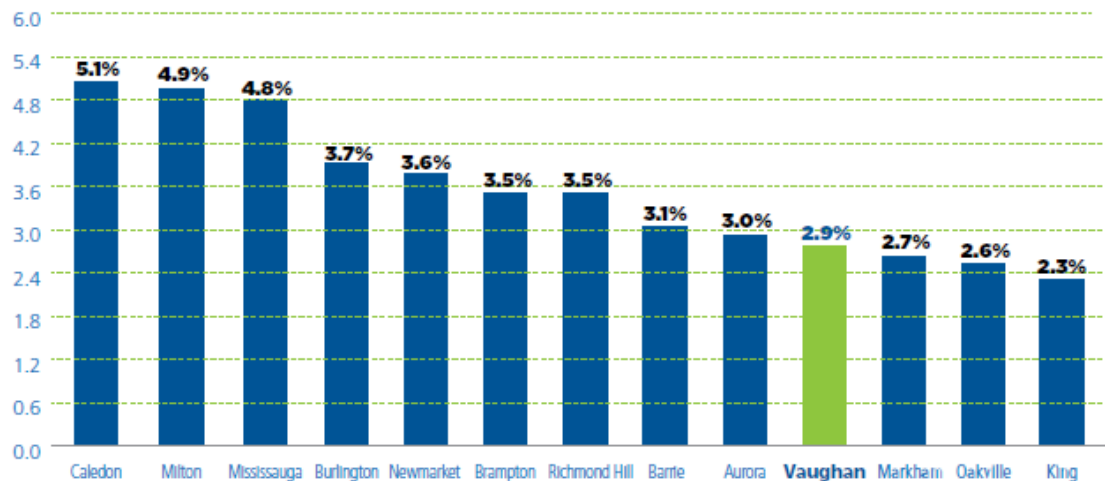
\$1.00 Total



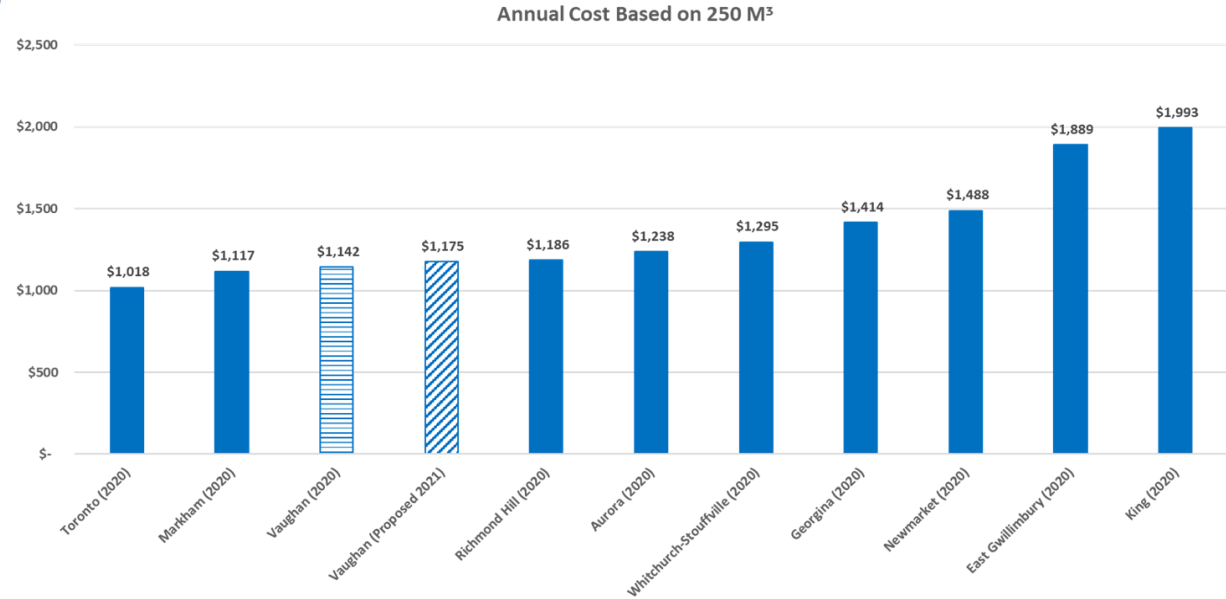
Property Tax Rate Among Lowest in GTA

It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2021. The Draft 2021 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 (2016-2020)



Water and Wastewater Rates Among Lowest in GTA



- For 2021 the combined draft rate is \$4.7007/m³ representing a 2.9% increase over 2020.
- The increase to the average household that consumes 250 cubic metres will be approximately \$33.12 annually or \$2.76 per month.

Next Steps

Future Meeting Dates

City of Vaughan

- **Dec 8:** Portfolio Reviews
- **Dec 15:** Adoption of 2021 Budget and 2022 Financial Plan

York Region

- **March 4, 11:** Committee of Whole Reviews
- **March 25:** Budget Approval with Regional Council

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