Project Overview and Update

Long Range Fiscal Plan and Forecast

CITY OF VAUGHAN

NOVEMBER 9, 2021

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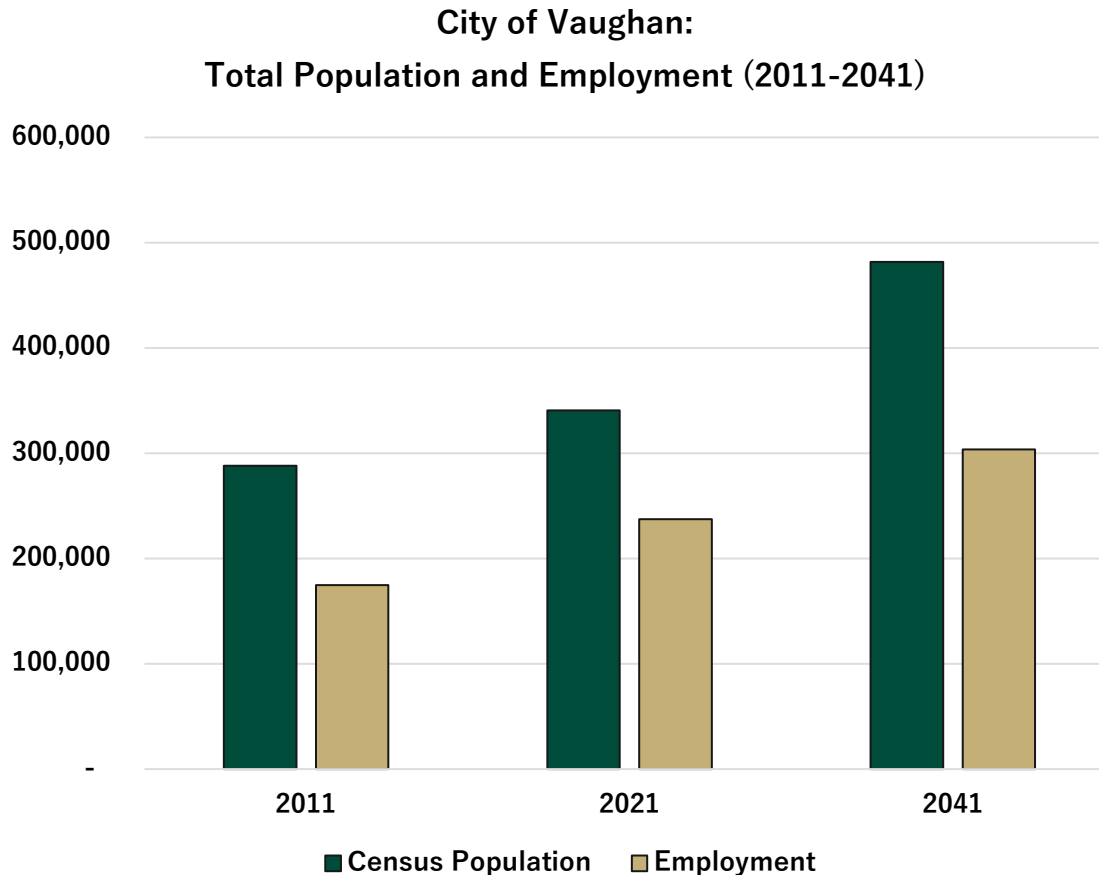
Topics for Discussion

- City Context and Key Deliverables

- Forecast Methodology

- Key Inputs and Outputs Being Considered

- Next Steps

- Project Timeline

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The City Continues to Grow

City of Vaughan:

Total Population and Employment (2011-2041)

Source: 2018 DC Study.

- Strong population growth and development across the City

  - Census population growth of 18% since 2011

  - Employment growth of 36% since 2011

- By 2041 City expected to grow to approximately 482,000 persons and 304,000 employees
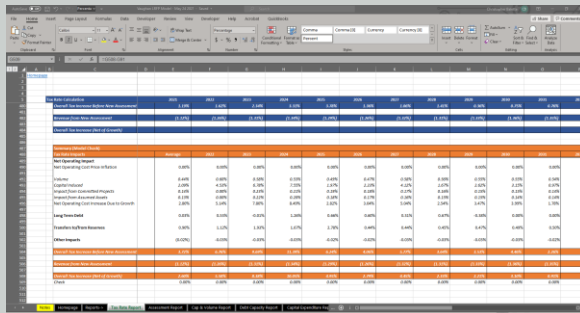
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Why is the City Developing a Long Range Fiscal Plan (LRFP)?

- City's budget process continues to evolve

- LRFP to complement the budget process by providing a long-term outlook

- As City grows, a long-term cost outlook helps identify fiscal pressures before they occur

- Evaluate fiscal effects of changes in City's financial policies

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The LRFP is Made Up of Two Key Deliverables

| Fiscal Impact Model	LRFP Report
• Forecast the future financial position of the City over the next 20 years (to 2041) • Identify overall capital and operating needs • Undertake sensitivity testing on key fiscal measures such as: reserve balances, debt levels, tax levy increases, etc. • Centralized Excel based model that contains key financial data to develop long-term outlook	• Overview of 20-year forecast (to 2041) • Focus on financial viability, management, flexibility and sustainability • Identification of risks, challenges and opportunities • Key directions and policy recommendations to be presented to Council

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Fiscal Model Structure
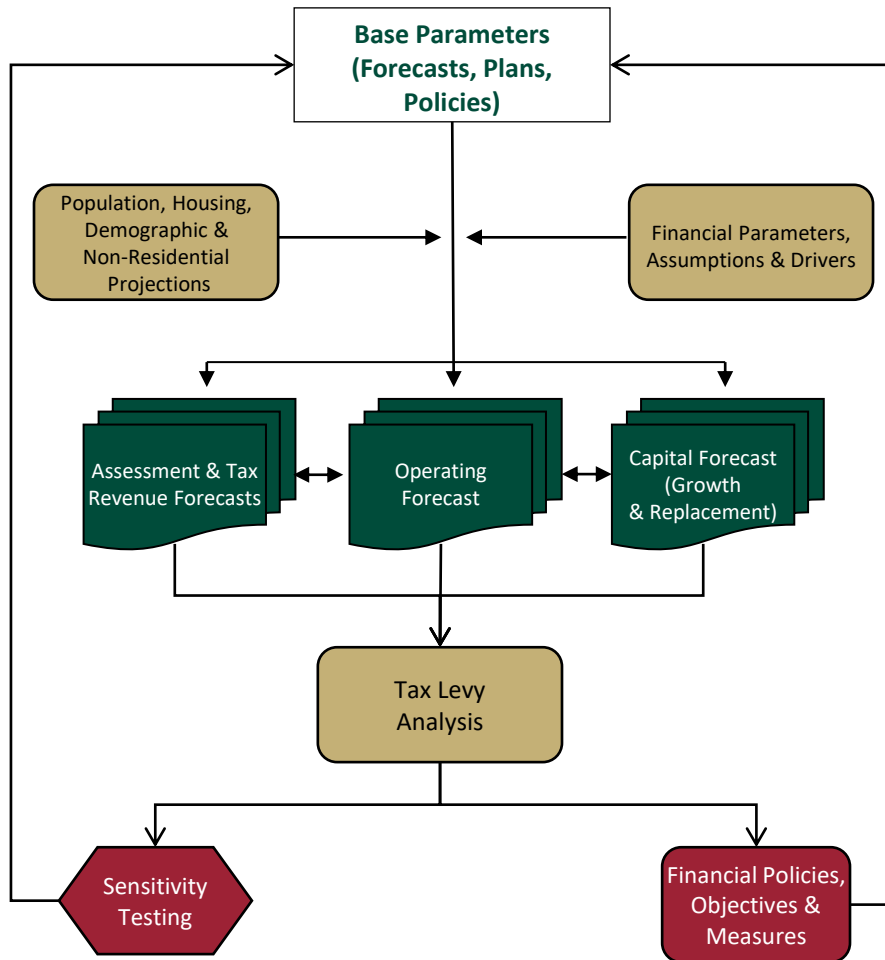
- Operating and Capital forecast developed from various City sources including:

  - Current operating &capital budgets, 2018 DC Study, 2021 AMP and other master planning documents

- Operating cost forecasts are based on a series of volume and capital induced drivers

- Model can be adjusted to reflect changes in growth patterns, capital forecasts, reserves, debt financing, etc.

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The LRFP is a Living Document

- The City is currently undertaking a DC Study, Parkland Acquisition/CIL analysis, and CBC Strategy which will help inform both capital and revenue assumptions in the LRFP

- The City is well underway in developing AMPs to meet requirements of O. Reg. 588/17

  - AMP has been developed for core services

- As the information matures, so do the outputs of the LRFP

- Hemson working with City staff to develop plan to incorporate latest information into model

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Key Outputs the City will Consider through LRFP

Output Name	Description
Operating	• Operating cost fiscal impacts associated to maintaining levels of service • As the City grows, how much do our expenditures increase by over a longer time period?
Capital Contributions	• LRFP to develop scenarios of capital contribution levels based on findings of core and non-core asset management plans
Infrastructure Reserves	• Reserve levels can be forecasted given capital commitments • Are reserve levels adequate today and in the future to undertake City capital obligations?
Debt Levels	• Model has been developed to track City debt levels over a 20-year period • Tracks debt levels relative to City 10% limit of own source revenues
Tax Levy	• Tax levy increases that may be needed to undertake both operating and capital obligations

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Next Steps

- Hemson and staff to update model with new information (DC Study, CBC Strategy, 2022 Budget, AMP, etc)

- Develop preliminary forecasts and fiscal recommendations for tax funded services

  - Report on key outputs (reserves, debt, tax levy, etc.)

  - Develop LRFP tax report with findings and recommendations

- Develop water/wastewater/stormwater models as part of phase 2

  - Report on key outputs (reserves, debt, rate impacts, etc.)

  - Develop LRFP rate report with findings and recommendations

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Project Timeline

2019/2020	Concept Model Discussions	Initial Analysis of City's Available Data	Preliminary Excel Model Developed
Phase 1: Q2 2021/Q3 2021	Model Updated for Tax Funded Services	Preliminary Key Outputs	Preliminary Discussion with Senior Staff
Q4 2021	Develop Plan to Improve Inputs	Preliminary DC/CBC Capital Programs Expected	Update Model Based on 2022 Budget and Capital
Q2 to Q4 2022	Update Model Based on Preliminary DC/CBC Rates	Refine Tax Based LRFP/Develop Recommendations	Tax Based LRFP to Council
Phase 2	Develop Rate Based Models	Refine Rate Based LRFP/Develop Recommendations	Rate Based LRFP Progress Update to Council

Work towards incorporating recent legislative changes: DC Act, Planning Act - Parkland & new CBCs & newly developed AMPs.

Note: Red arrow indicates the current step in the project process.

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