



**COMMUNICATION C2**

**ITEM NO. 1**

**SPECIAL CW (BUDGET)**

**December 1, 2021**

# **Proposed 2022 Budget and 2023-2026 Capital Plan**

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**Special Committee of the Whole (Budget)**

**December 1st, 2021**





## Accomplishing Results!



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

  
**40** km  
of **NEW** lanes

  
**19,000**  
BUSINESSES  
employ more than  
**213,700**  
PEOPLE the  
largest economy in York Region

  
Grow with  
**VAUGHAN**  
SPONSORSHIP  
PROGRAM  
MORE THAN  
**50** locations  
city-wide

  
**VMC**  
**RISING:**  
• **3,900 NEW** residential units occupied  
• **7,722 NEW** citizens  
• **34,584** total VMC residential units  
• **60,754** total VMC citizen population

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

  
Since 2010,  
**\$13 billion**  
in building permit have  
been issued by the City.

  
MORE THAN  
**5 million**  
views on  
**vaughan.ca**

Welcoming city  
105 languages spoken

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

  
**Cortellucci**  
**Vaughan Hospital**  
occupancy permit received  
and opened as full-service  
hospital in June 2021

  
**24,000**  
streetlights converted to LED

**MOVESMART**  
     
COMPLETED and endorsed by  
Council in March 2021

# 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.



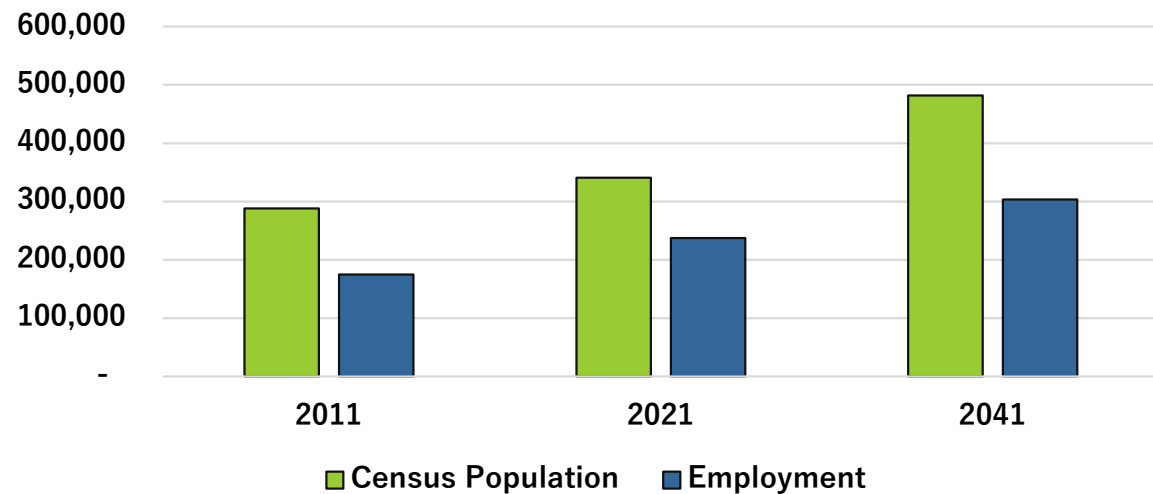
[vaughan.ca/ServiceExcellence](http://vaughan.ca/ServiceExcellence)





## Growth and Sustainability

City of Vaughan:  
Total Population and Employment (2011-2041)



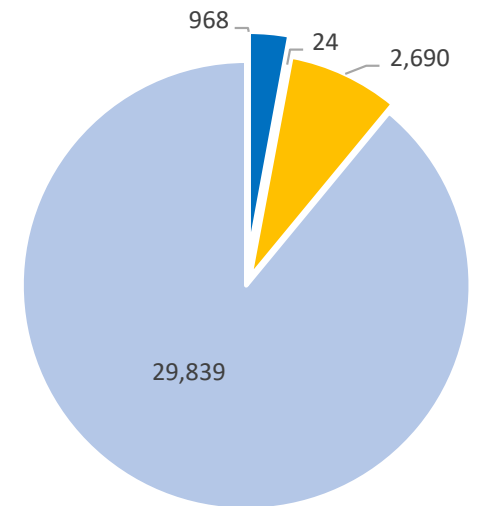
- Strong population growth and development across the City
- Census population growth of 18% since 2011
- Employment growth of 36% since 2011
- By 2041 City expected to grow to approximately 482,000 persons and 304,000 employees

Source: 2018 DC Study

## Growth and Sustainability



Active Residential Development Proposals by Type (as of November 2021)



■ 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 is developing a Long-Range Fiscal Plan (LRFP)**

- The LRFP *complements* the City's continuously evolving budget process
- Provides a long-term outlook to help identify future pressures associated with growth and to evaluate fiscal effects of changes in financial policies

### **The LRFP model can perform sensitivity analysis and accommodate multiple changes in parameters**

- Forecasts are developed from various City sources: Operating & Capital Budgets, DC Study, Asset Management Plans, and other master plans
- Forecasts are based on a series of volume and capital induced drivers
- 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

## **The LRFP is a Living Document**

### **Development related studies and strategies**

- 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

### **Asset Management Plans (AMPs)**

- AMPs for core services have been developed and work is underway to develop non-core AMPs.

### **The model will be updated with the latest information**

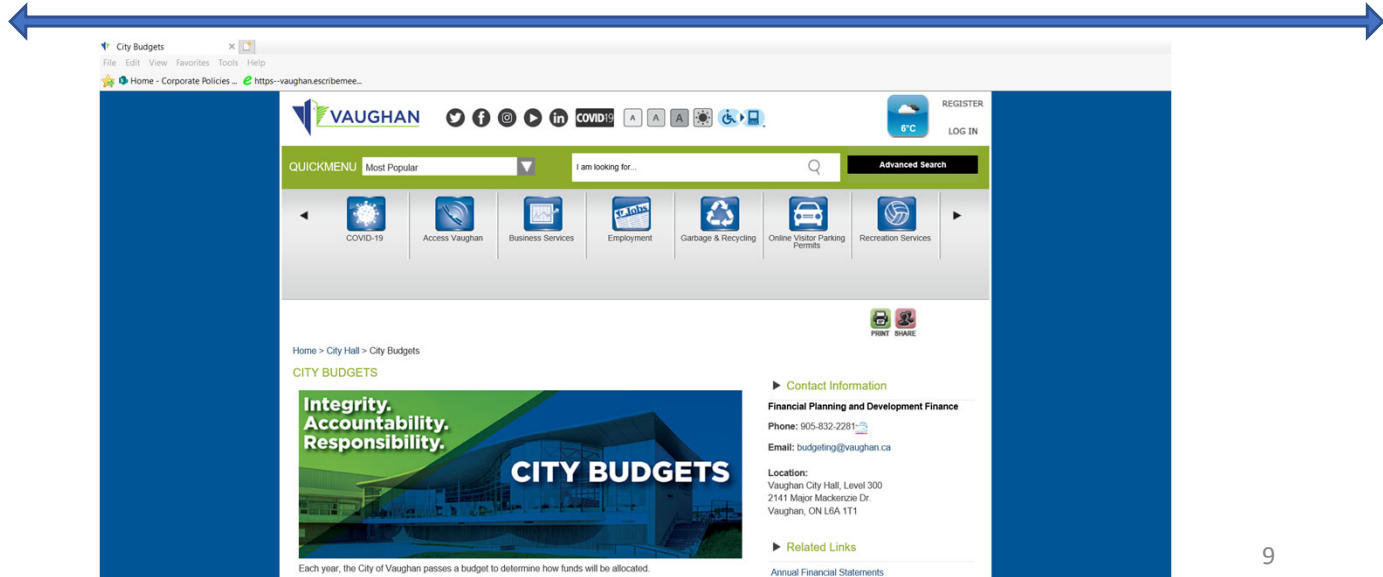
- As information matures, so do the outputs of the LRFP



# Strategic Planning and Budget Process



## Public Engagement on Budget Process



## 2022 Budget – Context

COVID uncertainty remains. The 2022 budget was developed with conservatism, flexibility and sustainability in mind.

### **Many uncertainties remain....**

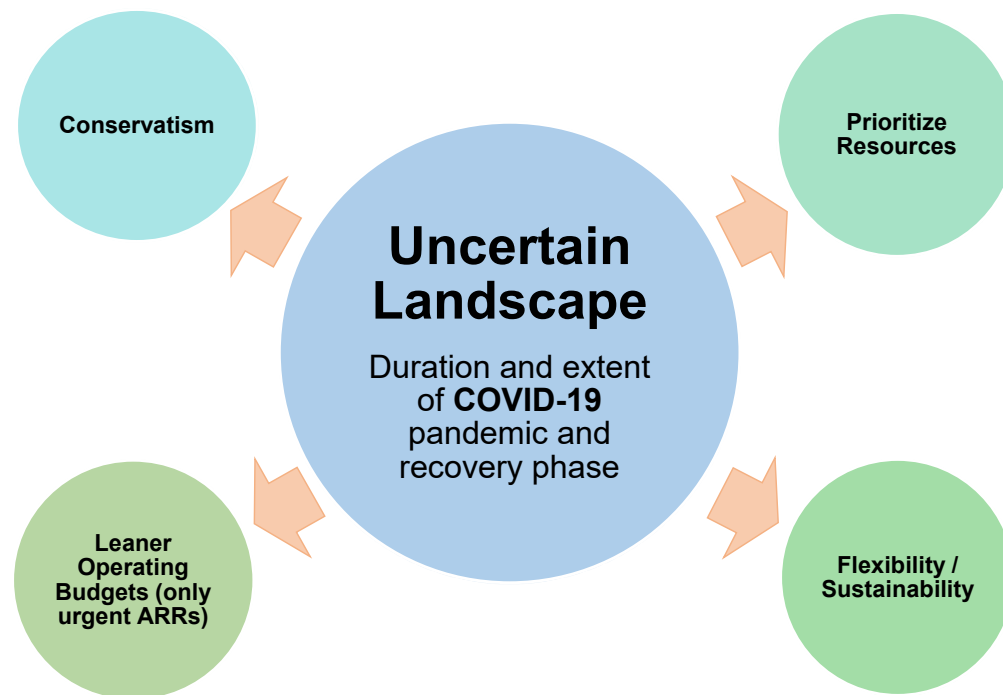
- Duration and extent of COVID-19 pandemic and recovery phase
- Potential for additional waves
- Degree of “permanent” change to industry economics & value chains
- Impact on societal norms, consumer confidence and spending patterns
- Changes to work patterns....how and where people work
- Forecasted inflation rates at an 18-year high (4.7% reported in Oct. 2021)

### **Which can impact City’s finances...**

- Revenue risks....User fees, Tax & Utility collection
- Funding/support from Senior levels of Government
- Sustained COVID-19 incremental spending
- Impact to capital delivery plans
- Service levels & delivery models
- Cash flow & liquidity
- Financial sustainability

## 2022 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

### 2022 Budget and 2023-2026 Capital Plan:

#### Tax Supported Programs

2022 Gross  
Operating  
\$333 million

2022 Capital  
Budget \$227  
million

2023-2026  
Capital Plan  
\$660 million

2% Tax  
Increase

#### Utility Rate Supported Programs

2022 Gross  
Operating  
\$180 million

2022 Capital  
Budget \$45  
million

2023-2026  
Capital Plan  
\$292 million

3.3% Combined  
Water / Wastewater  
Rate Increase

4.5% Average  
Stormwater Charge  
Increase

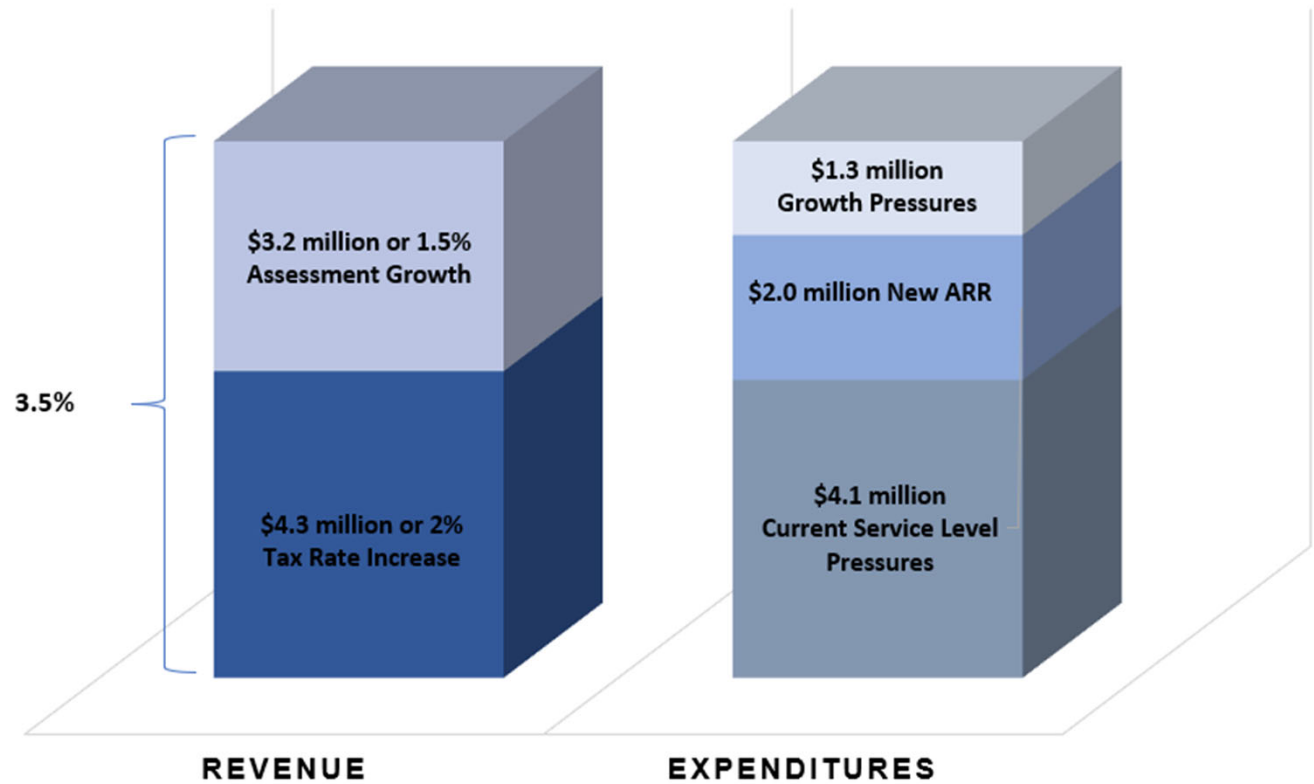


## Proposed 2022 Tax Supported Operating Budget

(\$M)	2020 Budget	2020 Actuals	2021 Approved Budget	2022 Proposed Budget
Gross Operating	320.8	313.6	317.9	333.2
Less: Non-Tax Revenue	105.2	98.0	99.2	107.4
Payment in Lieu of Taxes	2.6	2.6	2.6	2.7
Supplemental Tax	3.2	3.2	3.2	2.7
<b>Net Levy</b>	<b>209.9</b>	<b>209.7</b>	<b>212.9</b>	<b>220.4</b>
Incremental Levy Requirement	9.2	9.2	3.0	7.5
Revenue from Assessment Growth	3.5	3.3	3.0	3.2
Revenue from Incremental Tax Rate	5.7	5.7	0.0	4.3
<b>Incremental Tax Rate</b>	<b>2.85%</b>	<b>2.85%</b>	<b>0.00%</b>	<b>2.00%</b>

Note: Some numbers may not add up due to rounding

## 2022 Tax Levy Analysis





## Proposed Water/Wastewater/ Stormwater Operating Budget

(\$M)	2020 Actuals	2021 Approved Budget	2022 Proposed Budget
Revenue	173.2	167.7	176.3
Purchases	129.6	129.0	132.1
<b>Gross Margin</b>	<b>43.6</b>	<b>38.7</b>	<b>44.2</b>
<b>Other Revenue</b>	<b>3.3</b>	<b>3.2</b>	<b>3.3</b>
<b>Expenditures</b>			
Maintenance & Installation	11.5	14.7	15.9
General Administration	10.9	13.4	13.7
Other	2.3	2.5	3.3
Lifecycle Contribution	22.2	11.3	14.6
<b>Total Expenditures</b>	<b>46.9</b>	<b>41.9</b>	<b>47.5</b>
<b>Net Budget</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Water and Wastewater Rate Increase</b>	<b>0.0%</b>	<b>2.9%</b>	<b>3.3%</b>
<b>Stormwater Charge Increase</b>	<b>0.0%</b>	<b>4.5%</b>	<b>4.5%</b>

## 2022 Water/Wastewater/ Stormwater Analysis

### Water & Wastewater

• CITY (operating)	\$ 23.7	14%
• CITY (reserves)	\$ 12.6	8%
• <b>REGION (purchases)</b>	<b><u>\$132.1</u></b>	<b><u>78%</u></b>
• TOTAL	\$168.4	100%

### Stormwater

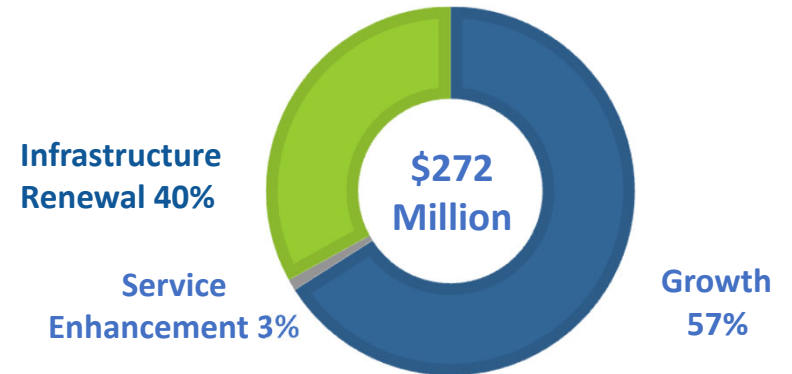
• CITY (operating)	\$ 9.2	82%
• CITY (reserves)	<u>\$ 2.0</u>	<u>18%</u>
• TOTAL	\$ 11.2	100%

\*All financial figures are in millions of dollars

# Sustainable Capital Project Investments

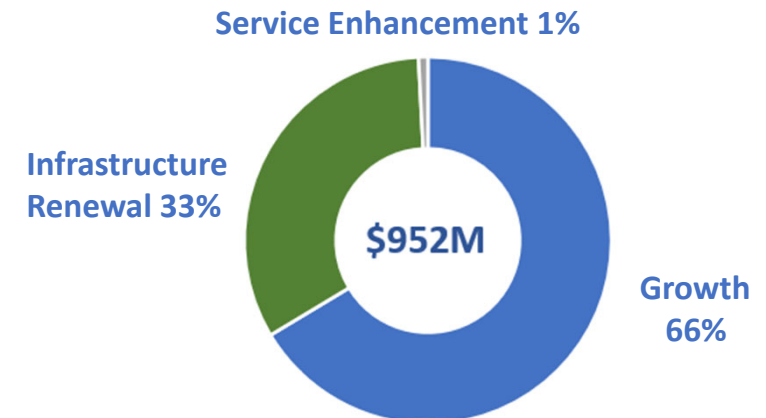
## 2022 Capital Investment

- Growth, \$155.6 M
- Infrastructure Renewal, \$109.0 M
- Service Enhancement, \$7.1 M



## 2023-2026 Capital Plan

- Growth, \$631.8 M
- Infrastructure Renewal, \$312.0 M
- Service Enhancement, \$7.8 M





# Where Do Taxes Go? Understanding the Tax Bill

## Average Residential Tax Bill

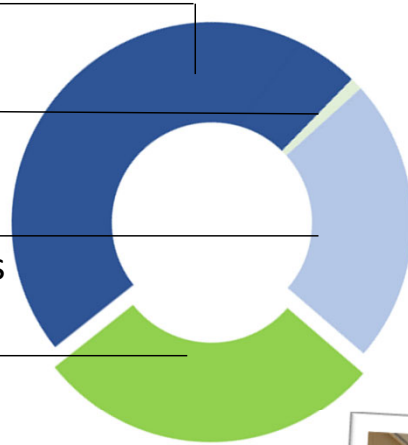
York Region  
**49% - \$2,965**

Hospital Levy  
**1% - \$55**

Local School Boards  
**22% - \$1,363**

City of Vaughan  
**28% - \$1,676**

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



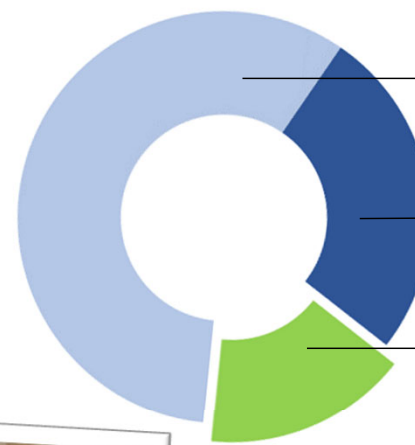
## Commercial Tax Bill

Local School Boards  
**56% - \$880**

York Region  
**28% - \$443**

City of Vaughan  
**16% - \$251**

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



# What Do Taxes Fund?

## Understanding the Tax Bill

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

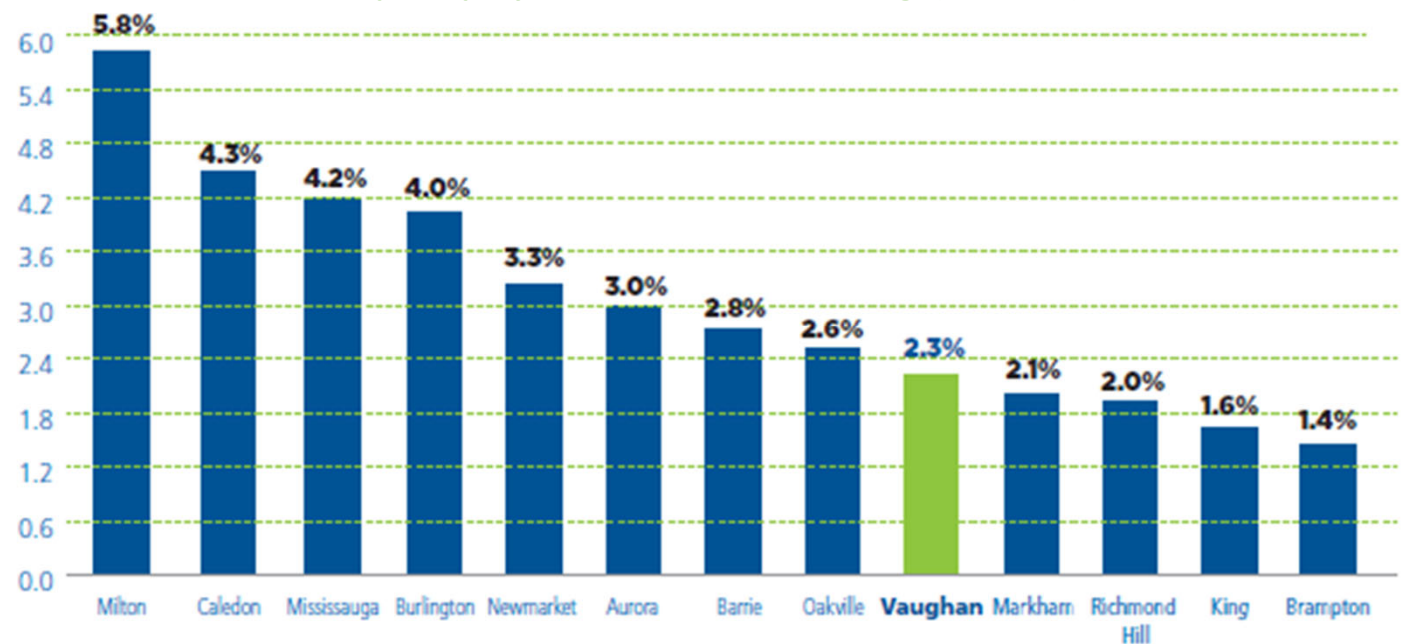
<b>\$0.18</b>	Public Works & Road Services
<b>\$0.17</b>	Fire and Rescue Services
<b>\$0.16</b>	General Government, Legal & Clerks
<b>\$0.11</b>	Capital Investment & Debt Servicing
<b>\$0.10</b>	Infrastructure Development
<b>\$0.09</b>	Planning & Growth
<b>\$0.08</b>	Community Services
<b>\$0.07</b>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



## Property Tax Rate Among Lowest in GTA

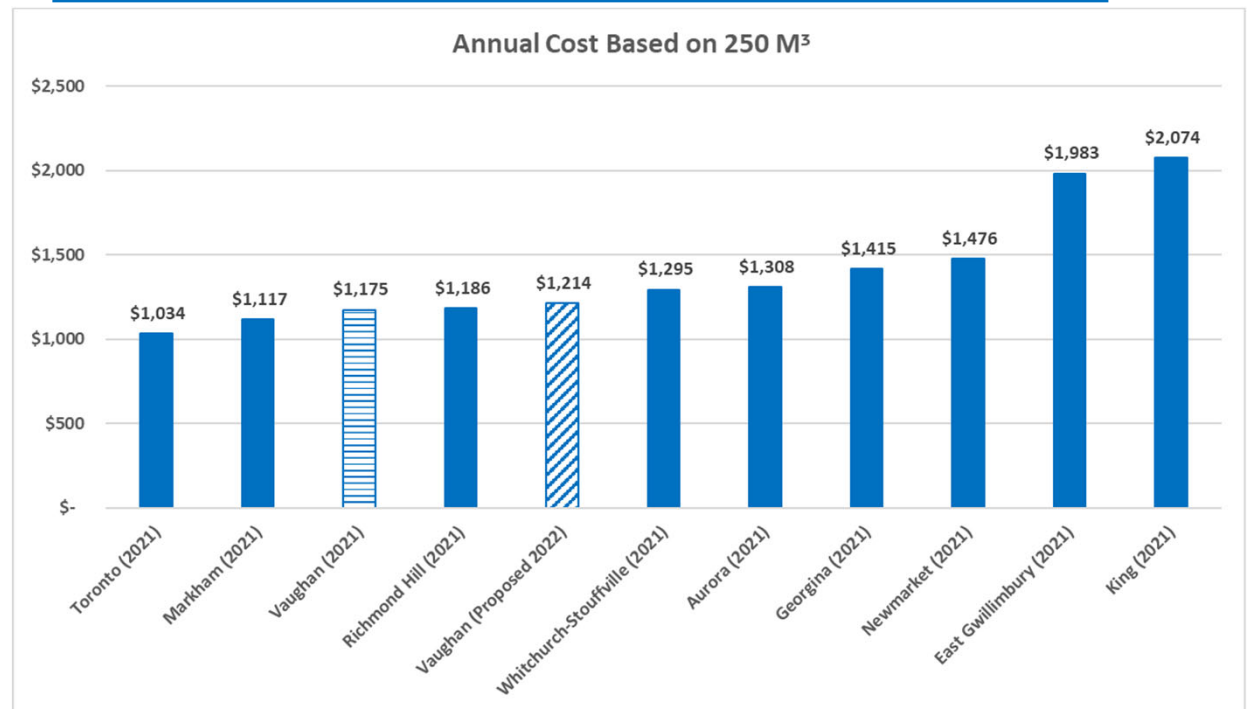
It is anticipated that Vaughan's total tax rate will continue to be one of the lowest in 2022. The Draft 2022 Budget builds on this commitment to prudent fiscal management by maximizing the responsible use of every tax dollar collected.

Municipal Property Tax Increases: Five Year Average (2017-2021)





## Water and Wastewater Rates Among Lowest in York Region



- For 2022 the combined draft rate is \$4.8558/m<sup>3</sup> representing a 3.3% increase over 2021.
- The increase to the average household that consumes 250 cubic metres will be approximately \$38.78 annually or \$3.23 per month.

## Next Steps

### Future Meeting Dates

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#### City of Vaughan

- **Dec 7:** Strategic Plan Priorities and Updates
- **Dec 9:** Adoption of 2022 Budget and 2023-2026 Capital Plan

#### York Region

- **December 2, 9:** Committee of Whole Reviews
- **December 16:** Budget Approval with Regional Council

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