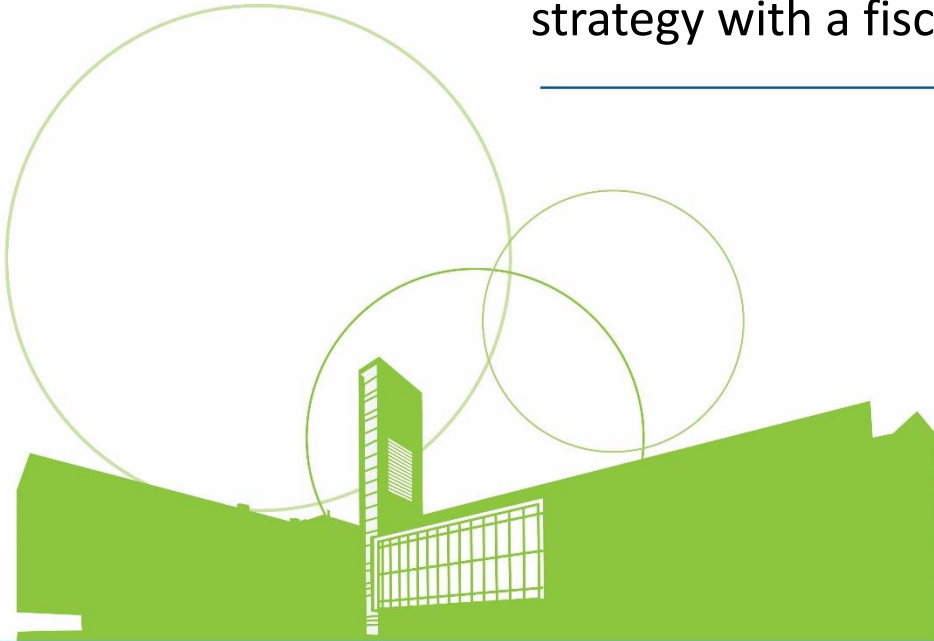


Aligning Budgets with Strategy:

How to draft a multi-year budget that aligns organizational strategy with a fiscal framework

Laura Mirabella-Siddall, CPA, CA
Chief Financial Officer and City Treasurer



Vaughan's Previous Approach

- Base kept from year to year
- Add up all the incremental departmental requests and present to Council
- Wait for them to say no and provide a target to work towards
- If any room available above cost pressure needs, would slash requests to fit into Council target
- Budget books were long and difficult to navigate

Problem: Over 400 initiatives that were weakly linked to organizational strategy through the annual budget process → *funding and prioritization unclear*





A New Way: “Begin with the End in Mind”*

- Council approved a new Strategy Map
- **WHAT** will we deliver?
 - 16 Term of Council Priorities
- **HOW** will we deliver?
 - 3 Service Excellence Themes:
 - Citizen Experience
 - Operational Performance
 - Staff Engagement



*Source: Covey, Stephen R. The 7 Habits of Highly Effective People. New York: Free Press, 1988.

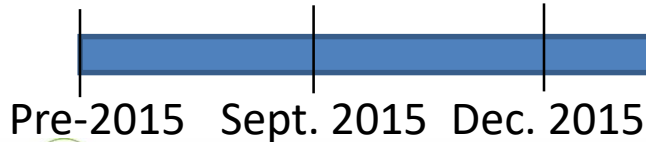
A Refreshed Budget Book Format

- Better organized
- Easy to read
- Available before first budget meeting
- Structured to highlight how funds align with City's Strategic Plan



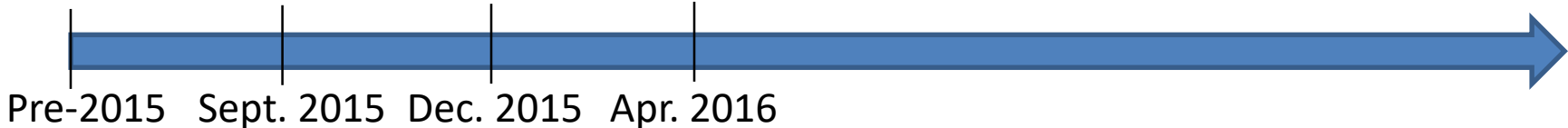
TERM OF COUNCIL PRIORITIES \$M	# Projects Plan	2017	2018	Total
		Budget	Plan	
Improve municipal road network	21	3.55	3.77	7.32
Continue to develop transit, cycling and pedestrian options to get around the City	19	5.85	5.23	11.08
Facilitate the development of the VMC	6	8.27	67.91	76.18
Support the development of the hospital	0	0.00	0.00	0.00
Re-establish the urban tree canopy	8	2.54	2.54	5.09
Invest, renew and manage infrastructure and assets	242	62.52	48.52	111.04
Continue to ensure the safety and well-being of citizens	9	0.53	3.63	4.17
Meet Council tax rate targets (no greater than 3%)	0	0.00	0.00	0.00
Update the Official Plan and supporting studies	15	1.43	1.83	3.26
Attract investment and create jobs	1	0.14	0.00	0.14
Create and manage affordable housing options (secondary suites)	0	0.00	0.00	0.00
Continue to cultivate an environmentally sustainable city	2	16.86	0.00	16.86
Support and promote arts, culture, heritage and sports in the community	23	9.71	11.18	20.89
Continue to advance a culture of excellence in governance	5	0.44	0.36	0.80
Enhance civic pride through a consistent city-wide approach to citizen engagement	9	1.02	0.44	1.46
Operational Performance	2	0.21	0.19	0.40
Staff Engagement	7	0.98	0.00	0.98
Citizen Experience	0	0.00	0.00	0.00
Total New Capital Projects	369	114.05	145.60	259.65

Note: some numbers may not add due to rounding.



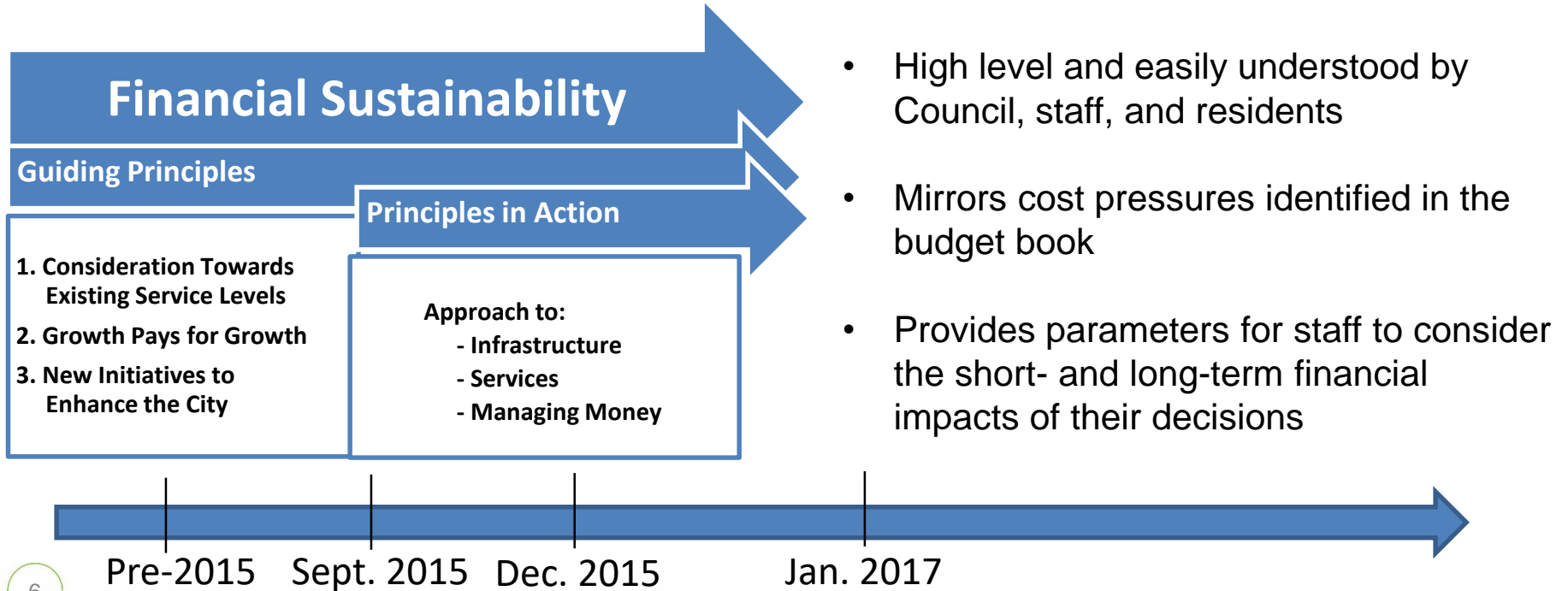
Building on Service Excellence

- 10 key corporate initiatives identified with discrete and trackable milestones
- Established governance structure
- Collaboratively, as a corporation, made a pledge to Service Excellence



Developing a Fiscal Framework

Guiding Principles



Fiscal Framework

Principle #1 – Approach to Infrastructure

- It is important for the City to understand what assets we currently have and what the assets are being used for.
- Consider whether we have an appropriate amount of assets for the services we provide. Do we need more or less than what we already have?
- Plan ahead for all of the costs associated with the assets, including future replacement costs, and estimate when funds will be needed to ensure they are available at that time.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Toward Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, responsive to inflation, and are aligned with fiscal targets approved by Council. 	Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. Ensure that property tax and utility rate increases for services are predictable, responsive to inflation, and are aligned with fiscal targets approved by Council.	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>High infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i>	<ul style="list-style-type: none"> • Invest in infrastructure to support new growth. • Ensure that new growth-related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	The cost of administering growth and development should be funded by growth-related user fees. New property tax assessment should offset the increased cost of services that are brought on for new residents.	<ul style="list-style-type: none"> • Collect the maximum growth-related revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth-related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #1 – Approach to Services

- Understand what programs and services the residents need and want.
- Consider whether the costs to provide these programs and services are appropriate.
- Regularly review user fees for existing programs and services to ensure they are recovering costs as much as possible, while remaining affordable to residents.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i>	<ul style="list-style-type: none"> • Strive to optimize the utilization of existing assets to support new growth. • Ensure that new growth-related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and development should be funded by growth-related user fees. • New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> • Collect the maximum growth-related revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth-related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #1 – Approach to Managing Money

- Save money in reserves to ensure that funds are readily available when needed, such as to pay for asset replacement or emergencies.
- Continuously look for savings that can offset rising costs.
- Consider how costs can be fairly paid for across geography and time, such as through debt if the asset will provide benefits over many years.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review program services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i>	<ul style="list-style-type: none"> • Strive to optimize the utilization of existing assets to support new growth. • Ensure that new growth-related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and development should be funded by growth-related user fees. • New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> • Strive to maximize government revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth-related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #2 – Approach to Infrastructure

- Consider whether existing assets can be used to support new growth before spending money on new assets.
- Try to match the timing of building infrastructure for new residents to when the taxes will be received from these new residents.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and exploring for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i>	<ul style="list-style-type: none"> • Serve to optimize the utilization of existing assets to support new growth. Ensure that new growth related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and development should be funded by growth-related user fees. • New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> • Collect the maximum growth-related revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth-related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New service-related investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #2 – Approach to Services

- Services that support development activities should be paid for through development user fees, such as building permit fees, inspection fees, development application fees, etc.
- As more resources are needed to support new residents, these costs should be paid for through property taxes received from these new residents (assessment growth).

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term growth assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i>	<ul style="list-style-type: none"> • Strive to optimize the utilization of existing assets to support new growth. • Ensure that new growth related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<p>The cost of administering growth and development should be funded by growth-related user fees.</p> <p>New property tax assessment should offset the increased cost of services that are brought on for new residents.</p>	<ul style="list-style-type: none"> • Collect the maximum growth related revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #2 – Approach to Managing Money

- Try to maximize growth related revenue to minimize the tax burden to existing residents.
- Try to match the timing of revenue with the timing of costs, and if there is a mismatch, use a reserve to move money between years.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with respect to the services and service levels they support. • Establish cost-effective long-term plans for assets that include their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, allow for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth related revenues.</i>	<ul style="list-style-type: none"> • Strive to optimize the utilization of existing assets to support new growth. • Ensure that new growth related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and development should be funded by growth related user fees. • New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> • Collect the maximum growth related revenues possible within legislation in order to minimize the financial impact to existing residents. The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #3 – Approach to Infrastructure

- Concentrate on new infrastructure related to new services needed to meet the priorities of Council.
- Continuously look for ways to minimize long term maintenance and replacement costs for assets (e.g. LED streetlights)

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
<p>1. Consideration Towards Existing Service Levels</p> <p>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</p>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
<p>2. Growth Pays for Growth</p> <p>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</p>	<ul style="list-style-type: none"> • Strive to optimize the utilization of existing assets to support new growth. • Ensure that new growth related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and development should be funded by growth-related user fees. • New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> • Collect the maximum growth related revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth related infrastructure and service needs.
<p>3. New Initiatives to Enhance the City</p> <p>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</p>	<ul style="list-style-type: none"> • Investments in new initiatives related to new service levels should be aligned with Council priorities. The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit direct users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #3 – Approach to Services

- Services to the wider public can be funded through property tax and benefits to select users should be funded through user fees.
- Any new service initiatives address the priorities identified by Council.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
<p>1. Consideration Towards Existing Service Levels</p> <p><i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i></p>	<ul style="list-style-type: none"> Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. Ensure that property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
<p>2. Growth Pays for Growth</p> <p><i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i></p>	<ul style="list-style-type: none"> Strive to optimize utilization of existing assets to support new growth. Ensure that new growth-related infrastructure is timed as close as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> The cost of administering growth and development should be funded by growth-related user fees. New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> Collect the maximum growth-related revenues possible within legislation in order to minimize the financial impact to existing residents. The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth-related infrastructure and service needs.
<p>3. New Initiatives to Enhance the City</p> <p><i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i></p>	<ul style="list-style-type: none"> New infrastructure investments related to new service levels should be aligned with Council priorities. The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> When new services benefit select users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

Fiscal Framework

Principle #3 – Approach to Managing Money

- Where possible, consider ways in which new service excellence initiatives that benefit residents can pay for themselves over time.
- Make investments in the City's financial portfolio that are stable, low risk, and provide a long-term revenue stream.

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels <i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by leveraging efficiencies and preparing for anticipated future needs through reserves and contingencies.</i>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. • Establish cost-effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. • Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, responsive to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed regularly to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax and utility rate increases for services are predictable, responsive to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Strive to fully manage cost pressures related to maintaining existing service levels through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefiting parties across time participate in the sharing of costs.
2. Growth Pays for Growth <i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth-related revenues.</i>	<ul style="list-style-type: none"> • Strive to optimize the utilization of existing assets to support new growth. • Ensure that new growth-related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and assessment should be funded by growth-related user fees. • New property tax assessment should offset the increased cost of services that are brought on by new residents. 	<ul style="list-style-type: none"> • Collect the maximum growth-related revenues possible within legislation in order to minimize the financial impact to existing residents. • The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth-related infrastructure and service needs.
3. New Initiatives to Enhance the City <i>Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, address regulatory requirements, support service resiliency, or enhance quality of life for residents while staying within the city's financial means.</i>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should be aligned with Council priorities. • The city should explore opportunities to minimize life cycle costs for infrastructure. 	<ul style="list-style-type: none"> • When new services benefit select users these services should be funded through user fees where feasible, whereas new services for which there is a public good should be funded through property tax. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral over an identifiable period of time, and benefits should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long-term revenue stream.

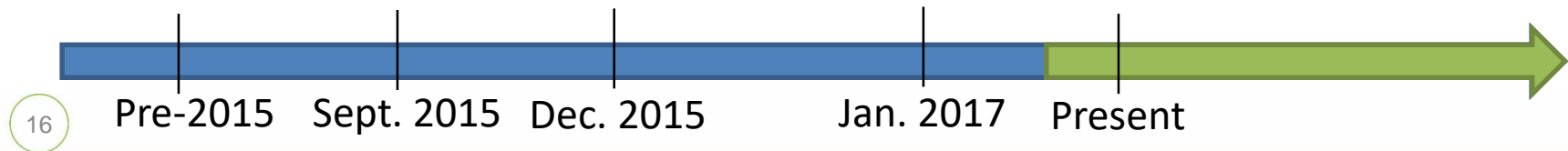
Continued Refinement to the Budget Process

Business Plans:

- Establish and reinforce connections between corporate priorities, operational plans, and resources
- Align with the multi-year financial planning timeframe to align department objectives, measures, and pressures

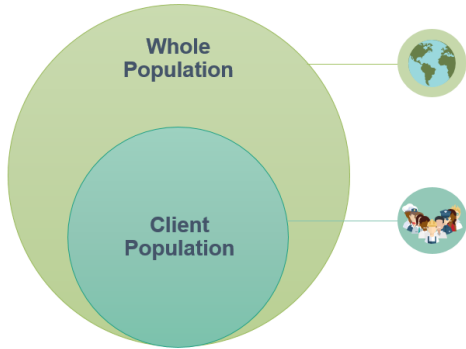
All Budgets to be Considered Together:

- Water/Wastewater timelines rolled in to provide Council and the public with a better understanding of the City's fiscal position



Leveraging the “Results-Based Accountability” model

Population



Population Accountability

What are the quality of life (Whole Population) conditions we want for the children, adults, and families in our community?

Performance Accountability

The well-being of Client Populations
Programs, Agencies, Service Systems

Five Questions



Performance

	Quantity	Quality
Effort	How much did we do? #	How well did we do it? %
Effect	#	% Is anyone better off?

How much did we do?

How well did we do it?

How can we measure if the customers are better off?

Staying Accountable

Service Excellence Progress Report Dashboard

- Tracks **134** key activities related to Term of Council Priorities and **39** key activities related to the Service Excellence Strategic Initiatives
- Used by management to track performance and manage risk
- Summarized for Council semi-annually

Improve the Municipal Road Network

LEGEND: ✓ Completed ● On Track ▲ Issue Identified ● On Hold/Not Started

STATUS	ACTIVITIES
▲	Advance the Bass Pro Mills Drive extension and connections
▲	Monitor the Kirby Road environmental assessment
●	Facilitate the Highway 427 extension
●	Support the Teston Road extension
●	Complete the Huntington Road environmental assessment
▲	Facilitate the GTA West Transportation Corridor Route Planning Study
✓	Facilitate the John Lawrie / Highway 427 crossing
●	Develop a traffic signal control system management plan
●	Expand speed compliance program through the replacement and purchase of new radar message boards
●	Develop a road safety strategy and transportation data management program

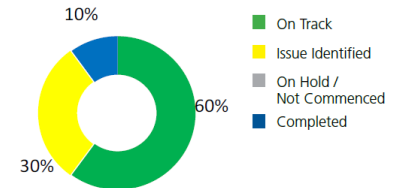
KEY ACCOMPLISHMENTS

- City staff are working with the Region of York to provide input into the environmental assessment for the Teston Road extension
- Staff are preparing to train staff on the new radar message boards in support of the Speed Compliance Program

ISSUES

- The timing for the detailed design and construction of the Bass Pro Mills Drive extension will be determined when the required lands are conveyed to City ownership in late 2017
- Kirby Road environmental assessment was to commence in Q1 2016. The study to be conducted by the landowner was delayed. The necessary agreement has since been executed, however, the project remains behind schedule
- The Ministry of Transportation has suspended work on the GTA West Transportation Corridor

Improve the Municipal Road Network Activity Status



Take-Aways

- Budgets are built around strategic plans; not the other way around
- Creating a fiscal framework provides a coherent methodology for allocating funding
- Aligning budgets with strategy is a journey, not a destination

Guiding Principles	Principles in Action		
	Approach to Infrastructure	Approach to Services	Approach to Managing Money
<p>1. Maintain Existing Service Levels</p> <p><i>The city will strive to maintain existing infrastructure and services in a climate of increasing costs by identifying efficiencies and preparing for anticipated future needs through reserves and contingencies.</i></p>	<ul style="list-style-type: none"> • Work towards creating an accurate inventory of existing assets. • Strive to put a cost-effective long-term replacement plan for existing assets in place, and only replace assets if it is no longer cost effective to maintain them. • Ensure that property tax rate increases for infrastructure renewal and replacement are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Periodically review programs and services to ensure they are aligned with Council priorities, and that they are provided cost-effectively. • Existing user fees should be reviewed annually to ensure that they are in line with recovery targets and should strive towards full cost recovery. • Ensure that property tax rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets approved by Council. 	<ul style="list-style-type: none"> • Maintain adequate reserves to meet obligations, save for asset replacement, and allow the flexibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. • Cost pressures related to maintaining existing service levels should be fully managed through efficiencies. • Where an asset benefits multiple generations, debt may be used to ensure that all benefitting parties across time participate in the sharing of costs.
<p>2. Growth Pays for Growth</p> <p><i>Infrastructure and services that support new growth should be funded, to the fullest extent possible, through new property tax assessment and growth related revenues. New property tax assessment should not subsidize existing service levels.</i></p>	<ul style="list-style-type: none"> • Strive to maximize the capacity of existing assets to support new growth. • Ensure that new growth related infrastructure is timed as closely as possible with new assessment growth that will support its operations. 	<ul style="list-style-type: none"> • The cost of administering growth and development should be funded by growth related user fees. • New property tax assessment should offset the increased cost of services that are brought on for new residents. 	<ul style="list-style-type: none"> • Collect the maximum growth related revenues possible within legislation in order to minimize the financial impact to existing residents. • In order to manage timing differences with assessment growth and growth related infrastructure and service needs, the tax rate stabilization reserve may be used.
<p>3. New Initiatives to Enhance the City</p> <p><i>Investments in new initiatives should enhance service levels, improve efficiencies, support service excellence, and enhance quality of life for residents while staying within the city's financial means.</i></p>	<ul style="list-style-type: none"> • New infrastructure investments related to new service levels should align with Council priorities. • Where possible, the city should reduce infrastructure replacement costs through alternative capital replacement and service delivery options. 	<ul style="list-style-type: none"> • New services for which there is a common good should be funded through property tax whereas services benefitting select users should be funded through user fees. • New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	<ul style="list-style-type: none"> • Service excellence initiatives, where possible, should be cost-neutral, and efficiencies should be demonstrable. • New investments in the city's portfolio should be stable, low risk, and provide a long term revenue stream.