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

<u>Problem:</u> Over 400 initiatives that were weakly linked to organizational strategy through the annual budget process \rightarrow *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?

Pre-2015 Sept. 2015

3

- 3 Service Excellence Themes:
 - Citizen Experience
 - **Operational Performance**
 - Staff Engagement •

Term of Council VAUGHAN Service Excellence VISION Strategy Map A dis of dicide that promotes diversity, notwork on and opportunity for all ditizens, for (2014 - 2018)erstrormertally resonable and sustainable MISSION Utizens first through service excellence VALUES Respect, Aucountability and Dedicatio TERM OF COUNCIL PRIORITIES Improve municipal road network Continue to develop transit, cycling and pedestrian options to get around the City Facilitate the development of the VMC Support the development of the hospital Re-establish the urban tree canopy Invest, renew and manage infrastructure and assets Continue to ensure the safety and well-being of citizen: Meet Council tax rate targets (no greater than 3%) Update the Official Plan and supporting studies Attract investment and create jobs Create and manage affordable housing options (secondary suites) Continue to cultivate an environmentally sustainable city Support and promote arts, culture, heritage and sports in the community Continue to advance a culture of excellence in governance Establish a lobbyist registry Enhance civic pride through a consistent city-wide approach to citizen SERVICE EXCELLENCE STRATEGIC INITIATIVES cision Mekina · Improve the use of tools · Develop and implement a digital service strategy that delines Develop a meaningful and inclusive stream engagement how the C to will convertienz ces through multiple charges Develop service level standards — taboro, was, mobile. harnesseak to enhance satisfaction through consistent sensice estern enti-**OPERATIONAL** Constantiation of the second sec Restory service delivery · Implement continuing outions and shared service inprovement in the locate to ensure savarinable liscal improve our service and policies and management. benchmark for service delice to match resources to the desired level of service saness processos mplayee Engagemen Establisme People Planitor · Dereop communications to · Develop and implement a Review the organizational support employees tarough change • Successor plan leadership of an area process structure with defined rele

concilience and transfermen on

DEPARTMENTAL BUSINESS PLAN

com pa para deve oneres

· Work prociptanting an

salers management

Iter aligns propint process

and technology to foster -

e alture et service evre lene

this positioned to celher on

- Decelop an Enterprise Risk

Management Framework orther successf dependent and accountability

(au add provides

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



A Refreshed Budget Book Format

- Better organized ٠
- Easy to read ٠
- Available before first budget meeting
- Structured to highlight • how funds align with City's Strategic Plan

Pre-2015 Sept. 2015 Dec. 2015

4



2017 Budget and 2018 Financial Plan

Fiscal Sustainability

Always a Priorit

VAUGHAN

TERM OF COUNCIL PRIORITIES \$M	# Projects	2017		Total
	Plan	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

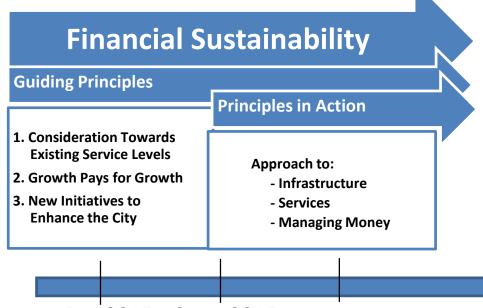
- 10 key corporate initiatives identified with discrete and trackable milestones
- Established governance structure
- Collaboratively, as a corporation, made a pledge to Service Excellence







Developing a Fiscal Framework Guiding Principles



- High level and easily understood by Council, staff, and residents
- Mirrors cost pressures identified in the budget book
- Provides parameters for staff to consider the short- and long-term financial impacts of their decisions

Pre-2015 Sept. 2015 Dec. 2015

6

Jan. 2017



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 , inciples	Principles in Action			
	Approach to Infrastructure	Approach to Services	Approach to Managing Money	
Consideration Toward Existing Service Levels Her city will other to maintain existing left order to maintain existing left order at an arriver. In ensuring city berearing costs by brearinging city berearing ensuring matching ender for antisigned fature mech the major reserves and costingendes. 2. Generatik Pasce for Generatik	Work towardscreating an accurate inventory of existing assets with linkagents the services and service levels they support. Establish.code effective long-term plans fire assets that consider their operation, maintenance, and eventual replacement. Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, respondo infration, 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 recourry targets and should strive towerds full cost recovery. Ensure the property tax and utility rate increases for services are predictable, respond to inflation, and are aligned with fiscal targets exponent by Council.	generations, debt may be used to ensure that all benefitting parties acrossitime participate in the sharing of costs.	
 Growth Pays for Growth infrastructure and services that support zero growth shauld'be funded, to the fullest extent possible, through new property fam assessment and growth related resenues. 	existing assets to support new prooft. Drawe that new growth reliated infractnucture istimed ascissely as possible with new assessment growth that will support its operations	The cost of administering provide and development should be funded by growth neisted useries. • New property tax assessment should offset the increased cost of services that are brought on for new residents.	Collect the maximum growth related revenues possible within legislation i order to minimize the financial impa- to existing residents. The tax rate stabilization reserve ma- be used in order to manage timing differences with assessment growth and growth related infrastructure an sarvive needs.	
 New Initiatives to Enhance the City Investments in new initiatives should enhance service levels, improve efficiencies, mitigate risks, odderes regulators reachings, an enhance quality of Bp. for reachings shills stepping within the city's fluorith means. 	 New infrastructure investments related to new service levels should be aligned with Council priorities. The city should explore apportunities to minimize the cycle costs for infrastructure. 	 When new services benefit select users these services should be funded through user fees where feesible, whereas new services for which there is a public good should be funded through property tax. Rea initiatives to enhance the citizen experience should demonstrate value for money to the taxpevent on a quantitative and/or qualitative perspective and be aligned with Council priorities. 	 Service excellence inflatives, where possible, should be cash neutral over an identifiable period of time, and temefits should be demonstrable. New investments in the city's portfol should be stable, low-risk, and provid 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 infrastruction	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels The rity will ather to maintain mining inhortworker and services in a dimate of increasing and services in a service of increasing and property for anti-injust fature mech lite mugh reserves and contingencies.	Work towards creating an accurate inventory of existing assets with linkages to the services and service levels they support. Establishcost effective long-term plans for assets that consider their operation, maintenance, and eventual replacement. Ensure that property tas and utility rate increases for infraducture renewal and replacement are predictable, responds unfation, and are aligned with facatiogets 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 environed regularly to ensure that they are in line with recovery targets and bould strive towards full cost recovery. Browner that property tax well utility rate increases for services are predictable, respond to inflaton, and are aligned with fiscal targets approved by Council.	 Maintain adequate reserves to med obligations, save for asset replacement, allow the file highligh to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. Brins to fully manage cost pressure related to maintaining existing som levels through efficiencies. Where an asset benefits multiple generations, debt may be used to ensure that all benefits multiple across time participate in the pharin of costs.
 Growth Pays for Growth infonitivation and archive that support new growth should be funded, to the fulled enter possible, through new property in assessment and growth related resonant. 	Strive to optimize the utilization of existing assets to support new proofs. Ensure that new growth related infrastructure is strong as closely as possible with new assessment growth that will support its operations.	 The cost of administering provide and development should be funded by growth related user less. New property is a seasament should affact the increased cost of services that are brought on for new residents. 	or cons. Callect the maximum growth relate reserves possible within legislation order to minimize the financialing to existing residents. The tax rate stabilization reserve m the used in order to manage timing differences with assessment growth and growth related infrastructure a service reads.
3. New Initiatives to Enhance the City investments in new initiatives should enhance service leads, improve efficiencies, entipate eids, address exploiters requirements, suggest service excellence, or enhance quality of Bp for residents unlike staying unlikis the city's financial means.	 New infrastructure investments related to new service levels about be aligned with Council priorties. The city should explore opportunities to minimize life cycle costs for infrastructure. 	 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 tex. New initiatives to enhance the citizen experience should demonstrate value for money to the tappearts from a quantitative and/or qualitative perspective and be aligned with Council priorities. 	 Service excellence initiatives, where possible, shouldbe cost-neutralow an identifiable period of time, and benefits should be demonstrable. New investments in the city's porth should be stable, low risk, and provi 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 Service	Approach to Managing Money
2. Consideration Towards Existing Service Levels The dity will strike to maintain existing information on a services in a dimete of increasing costs by here majing officiencies and parameting her anticipated future meets the maph reserves and contingencies.	 Work forwards creating an accurate inventory of existing assets with linkages to the services and service levels they support. Establish cost effective long-term plans for awats that consider their operation, maintenance, and eventual reglazement. Ensure that property tax and utility rate increases for infrastructure renewal and reglacement are predictable, responsition inflation, and are aligned with fiscalitargets 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 shrine towards full cost recovery. Ensure that properties and should rate increases for services are predictable, respond to inflation, and are aligned with fiscalisysts approved by Council. 	 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 unenticipated one-time expenses. Strive to fully manage cost pressures related to maintaming existing service levels through efficiencies. Where an asset benefits multiple generation, det may be used to ensure that all benefiting parties across time parkicipate in the sharing of casts.
 Growth Pays for Growth injustracture and services that support new growth should be funded, to the fullest extent possible, through new growth to assume and growth related reasoner. 	 Strive to optimize the utilization of existing assets to support new growth. Ensure that new growth related infrastructure istimed as closely as possible with new assessment growth that will support its operations. 	The cost of administering proofs 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.	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 an service needs.
 New Initiatives to Enhance the City assestments in new initiatives should enhance aexile levels, improve efficiencies, estigate risks, andress equilates y equivements, august aeruise excellence, or enhance quality of life for residents unlike staying autikis the city's financial means. 	 New infradructure investments related to new service levels about be aligned with Council priorities. The city shouldespice opportunities to minimize life cycle costs for infrastructure. 	 When new services broad be funded through user free where feasible, whereas new services for which there is a public good should be funded through property tex. New initiaties to enhance the citizen experience should demonstrate value for money to the taxpeyers from a quantitative and/or qualitative perspective and be aligned with Council proteins. 	 Service excellence initiatives, where possible, should be cash-neutral over an identifiable period of time, and benefits should be demonstrable. New investments in the city's portfol should be stable, low risk, and provid 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.

Gui ling Principles	Principles in Action			
	Approach to Infrastructure	Approach to Services	Approach to Managing Money	
1. Consider tion Towards Existing Server Lowel Reading of driver waited as existing infrastructure and mensions in a climate of increasing a weby neurosping of theories and space ing for anticipantic future more reasonant contingension.	 Work towards creating an accurate inventory of existing assets with linkages the services and service levels they support. Establish code effective long-term plans/the assets that consider their operation, maintenance, and eventual replacement. Ensure that property tax and utility rate increases for infrastructure renewal and replacement are predictable, responding infrastructure are aligned with fiscalizagets 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 free should be reviewed regularly to ensure their they are in line with recovery targets and should shrine towards full cost recovery. Ensure that property targets and should rate increases for services are predictable, respond to inflation, and are aligned with fractargets approved by Council.	Maintain adequate reserves to meet obligations, save for asset replacement, allow the fload/dily to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. Strive to fullymanage cost pressures related to maintaining existing service levels through efficiencies. Where an asset benefits multiple generations, dolt may be used to ensure that all benefiting parties a cross time participate in the sharing of costs.	
 Growth Pays for Growth infrastructure and services that support new proofs blook/like londed, to the fullest extent panalitie, the scapt new property to assurement and growth related resenues. 	Strive to optimize the utilization of existing assets to support new growth. Ensure that new growth included 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. 	Collect the maximum growth related revenues possible within logislation is order to minimize the financialimpas to existing residents. The tax rate stabilization reserve ma- be used in order to avange timing differences with assessment growth and growth related infrastructure an service meets.	
 New Initiatives to Enhance the City Investments in serve initiatives should enhance arraite levels, improve efficiencies, mitigate levels, address regulatory requirements, suggest service reactions, or enhance guildity of the for enhance unit anyoing atthin the city's financial means. 	 Next the backet investment of the back related to next service levels about be aligned with Council priorities. The city should explore explortanties to minimize the cycle costs for infrastructure. 	 When new services benefit select users these services should be funded through user fees when feestile, wheneas new services for which there is a public good should be funded through property tex. New initiatives to enhance the citizen experience should demonstrate value for money to the taxpuyers from a quantitative and/or qualitative perspective and/or qualitative perspective and/or qualitative 	Service excellence initiatives, where	



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 Town Existing Service Levels The day will define to maintain existing infront-active and services in a dimete all increasing ands by inversaging officiencies and propulsing for anticipanted future area in the map reserves and contingendes.	Work lowerds creating an excurate inventory of existing assets with inventory of existing assets with inventory of existing assets with inventory of existing assets the services and service levels they suggest. Existing the service and existing assets that consider their operation or antenance, and exentual registerments. Ensure that provide that as and utility rate increases for inventor buckure renewal and registerment or contained as earling and with final context. predictable, responds includes a predictable, responds includes and assets approved by Council.	Periodically review programs and services to ensure they are adjusted 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 shire towards full cost recovery. Ensure that property tax and utility rate increases for samises are predictable, respond to inflation, and are aligned with fiscalizagets approved by Council.	Maintain adequate reserves to meet obligations, save for asset replacement, allow the fload/dily to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. Strive to fullymanage cost pressures related to maintaining existing service levels through efficiencies. Where an asset benefits multiple generations, dolt may be used to ensure that all benefiting parties a scross time participate in the sharing of costs.	
 Growth Pays for Growth adjustrature and an view that support new growth should be funded, to the fullest enter possible, the suph new growth is an assessment and growth related reseases. 	 Strive to optimize the utilization of existing assets to support new growth. Ensure that new growth related infrastructure is timed as clusely as possible with new assessment growth that will support its operations. 	The cost of administering growth and development browth be funded by growth related user fees. New property is a sessment should offset the increased cost of services that are brought on for new residents.	Collect the maximum growth related revenues possible within legislation is order to minimize the financialimpas to existing residents. The tax rate stabilization rearrie may be used in order to manage timing differences with assessment growth and growth related infrastructure an sarvive meets.	
 New Initiatives to Enhance the City assestments in new initiatives should anhance service levels, improve efficiencies, antiquete risks, anthress equilatory requirements, anyount arraise mentioner, or enhance quality of life for residents while staying within the city's financial means. 	 New infrastructure investments related to new service levels about be aligned with Council priorities. The city should explore apportantities to minimize life cycle costs for infrastructure. 	 When new services bouilt to knock users these services should be funded through user fres where feesble, 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/or qualitative perspective and/or qualitative 	Service excellence initiatives, where possible, should be cash neutral over an identifiable period of time, and benefits should be demonstrable. New investments in the city's portful should be stable, low-risk, and provid 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 , inciples		Principles in Action	
	Approach to infrastructure	Approach to Services	Approach to Managing Money
1. Consideration Towards Existing Service Levels The sity will strike to maintain existing infrastructure and services in a dimate of increasing ands by howeraping officiencies and perspering for antisiquited (lature mesh the maps reservers and contingensies.	Work lowerds creating an accurate reventory of existing assets with interacts the services and service levels link-content. • Establish-content. • Establish-content and service repeation, maintenance, and within repeation, maintenance, and within repeated and replacement are predictable, respond to inflation, and are aligned with fiscalizagets 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 free should be reviewed regularly to ensure that they are in line with recovery stogets and should shrine towards full cost recovery. Ensure that property tas and utility priorities are should be inflation, and are aligned by formatisagets approved by Council.	generations, debt may be used to ensure that all benefiting parties across time participate in the sharin of costs.
 Growth Pays for Growth influcture and services that suggest new growth inhubble funded, to the fullest extent possible, the sugh new property to assessment and growth related crownurs. 	 Brive to optimize the utilization of existing assets to support new provid- Ensure that new provid-initiated infrastructure istimed as closely as possible with new assessment provid- that will support its operations. 	The cost of administering providiant 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.	Contect the maximum growth neares neverues possible within legislation order to monimum the financialing to existing residents. The tax rate stabilization reserve ma- be used in order to manage timing differences with assessment growth and growth related infrastructure as service needs.
 New Initiatives to Enhance the City investments in new initiatives should enhance service leads, and term egistionsies, mitigeter cide, address equilatory requirements, suggest arriter excellence, or enhance quality of the for residencis while staying within the city's financial means. 	 New infrastructure investments related to new service levels about be aligned with Council priorities. The city should explore opportunities to minimize life cycle costs for infrastructure. 	 When new services benefit select users these services should be funded through user fees where feesble, whereas new services for which there is a public good should be funded through property tex. New initiatives to enhance the citizen experience should demonstrate value for money to the taxpayers from a quantitative and/or qualitative perspective and/or qualitative perspective and/or qualitative perspective and/or qualitative perspective and/or qualitative perspective and/or qualitative perspective and/or qualitative 	



Fiscal Framework Principle #3 – Approach to Infrastructure

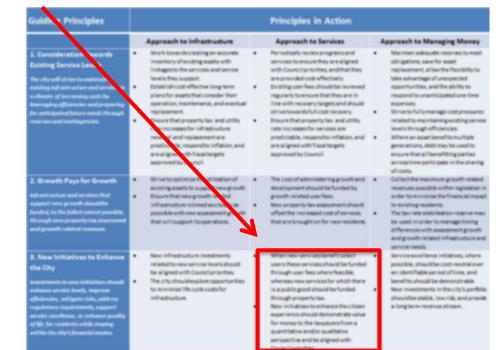
- Concentrate on new infrastructure related to new services needed to meet the priorities of Council.
- Continuously look for ways to minimize long term maintenance and replacement costs for assets (e.g. LED streetlights)

Guia ng Principles	Principles in Action			
	Approach to Infrastructure	Approach to Services	Approach to Managing Money	
Consider until on Towards Existing Sea Yee Levels The sity will oblig to multistals existing init and on the and survives in admate of increase yearsts by here aging officiency of do properly prantisipated (before the init of the mapk rearrows and castingers) Consuch Pays for Growth high anti-output and services that support new provide should be here are and services that support new provide should be	Work towards creating an accurate inventory of existing assets with linkagests to the services and service lines is they support. Establish cost effectue long-term plans for awards that consider their operation, maintenance, and evental replacement. Ensure that property tax and utility rate increases for infrastructure remeanal and replacement are predictable, responding infrastructure as aligned with fiscalitangets approved by Council. Strive to optimize the utilization of existing awards to support neilated infrastructure is timed as closely as	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 necessry tagets 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 fiscalingets approved by Council. The cost of administering growthand development should be funded by growth related user fees. The way property tax assessment should affective related user fees.	Maintain adequate reserves to meet obligations, see for asset replacement, allow the filesibility to take advantage of unexpected opportunities, and the ability to respond to unanticipated one-time expenses. Brive to fullymanage cost pressures related on autoteming existing service levels through efficiencies. Where an asset benefits multiple generations, delt may be used to ensure that all benefiting parties across time participate in the sharing of costs. Collect the maximum growth related revenues possible within legislation in order to minimate the financialingue to existing residents.	
Junded, to the fullent entered possible, the ough new property tax assessment and growth related revenues.	possible with new assessment growth that will support its operations.	offset the increased cost of services that are brought on for new residents.	 The tax rate stabilization reserve may be used in order to manage timing differences with assessment growth and growth related infrastructure an service needs. 	
3. New Initiatives to Enhance the City anestments in new inflations should mhance anxies leads, impose efficiencies, antiquite risks, andress egalations requirements, support anview coefficience, or enhance quality of the for residents unlike straping autiliais the city's financial means.	reliated to new service levels should be aligned with Council priorities. The city should explore opportunities to minimize the cycle costs for infrastructure.	When new services benefit select users these services should be funded through user fees when teasile, whereas new services for which there is a public good should be funded through property teas. New initiatives to enhance the citizen experience should demonstrate value for money to the taqueyes from a quantitative and/or qualitative perspective and be aligned with Council promities.	 Service excellence initiatives, where possible, shouldbe cash-nutratives an identifiable period of time, and benefits should be demonstrable. New investments in the citry's portfol shouldbe stable, too risk, and provid 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.





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	
 Consideration Town Existing Service Levels The sity will strike to maintain existing influences and services in a dimate of increasing costs by here aging offerences and property for antisipated fature mech through reserves and contingensies. 	Work forwards creating an accurate inventory of existing assets with linkages to the services and service levels they support. Enduitable defects long-term provide creates that consider their operating maintenance, and eventual registrations. Ensure that provides tax and eventual registrations. Ensure that provides tax and eventual registrations are allowed to an and eventual registration. Ensure that provides tax and eventual remeval and registrational or predictable, respondition informs and are aligned with fiscalitargets 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 frees should be reviewed regularly to ensure theat they are in line with recovery targets and should shrive towards full cost recovery. Ensure that property tas and utility rate increases for services are predictable, respond to inflation, and are aligned with fractagets approved by Council.	generations, debt may be used to ensure that all benefitting parties across time participate in the sharing of costs.	
 Growth Pays for Growth infractive and services that support new prooff should be funded, to the fullest extent possible, the suph new growth to an assumed and growth related resonance. 	 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. 	 Second of administering provide and does upment should be funded by growth band user fees. New properties expessment should offset the increase upment of services that are brought and over residents. 	Collect the maximum growth related revenues possible within legislation is order to minimize the financialimposi- to existing residents. The tax rate stabilization reserve ma- be used in order to assnget timing differences with assessment growth and growth related infrastructure an assnire media.	
 New Initiatives to Enhance the City mentments in new initiatives should ashance around for the source officiencies, antiquete risks, andress capadate or yeard ensures, any any en- arraise excellence, or enhance quality of He for residencia unlike staying within the city's financial means. 	New infrastructure investments related to new service levels about be aligned with Council priorities. The city should explore apportunities to minimale life cycle costs for infrastructure.	 When new services benefit select users these services should be funder through user fees where fees bits, 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/or qualitative perspective and/or qualitative 	 Service excellence initiatives, where possible, should be cash neutral over an identifiable period of time, and benefits should be demonstrable. New investments in the city's portful should be stable, low risk, and provid a long form revenue dream. 	



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** Performance **Five Questions**



The well-being of Client Populations Programs, Agencies, Service Systems 17



Quality

How well did we do it?

%

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 semiannually

Improve the Municipal Road Network

LEGEND: 1	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
٠	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
٠	Expand speed compliance program through the replacement and purchase of new radar message boards
•	Develop a road safety strategy and transportation data management program

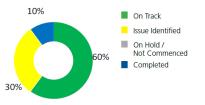
KEY ACCOMPLISHMENTS

- 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

1. Maintain Existing Service Levels

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.

2. Growth Pays for Growth

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.

3. New Initiatives to Enhance the City

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.

Approach to Infrastructure

Work towards creating an accurate inventory of existing assets.

.

٠

•

•

.

•

٠

- Strive to put a cost-effective longterm 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.
- 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.
- 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.

Approach to Services

- 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.
- 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.
- 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.

Approach to Managing Money

- 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.
- 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.
- 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.



long- with