2021 Budget Direction

Presentation to Committee of the Whole
May 14, 2020

Laura Mirabella
Commissioner of Finance
and Regional Treasurer
• 2021 Budget Context

• Financial Impacts of COVID-19

• 2021 Budget Objectives and Proposed Timeline
### 2020 APPROVED BUDGET AND ENDORSED OUTLOOK

#### Approved Budget

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Increase</strong></td>
<td>2.96%</td>
<td>2.96%</td>
<td>2.96%</td>
</tr>
<tr>
<td><strong>Gross Expenditures</strong></td>
<td>$2.5B</td>
<td>$2.5B</td>
<td>$2.6B</td>
</tr>
<tr>
<td><strong>Net Expenditures</strong></td>
<td>$1.2B</td>
<td>$1.2B</td>
<td>$1.3B</td>
</tr>
<tr>
<td><strong>Ten-Year Capital Plan</strong></td>
<td>$7.1B</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Budget</strong></td>
<td>$826M</td>
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#### Outlook

2020

2021

2022
• The 2021 budget will need to address a greater level of uncertainty and additional pressures resulting from the COVID-19 pandemic.

- Economic impacts and affordability concerns
- Revenue risks/uncertainties, including Senior Government funding
- Potential longer-term reforms/service changes
- COVID-19 emergency response costs
- Potential impact to capital delivery plans
- Financial sustainability concerns
- COVID-19 recovery phase
## ESTIMATED IMPACTS OF COVID-19

<table>
<thead>
<tr>
<th>Area</th>
<th>Costs ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>At April 30</td>
</tr>
<tr>
<td>Payroll costs</td>
<td>10.70</td>
</tr>
<tr>
<td>Non-payroll net costs</td>
<td>7.50</td>
</tr>
<tr>
<td>Social Services - Provincial Funding</td>
<td>(2.49)</td>
</tr>
<tr>
<td><strong>Sub-Total Direct Costs</strong></td>
<td>15.71</td>
</tr>
<tr>
<td>Waste management</td>
<td>0.40</td>
</tr>
<tr>
<td>Transit</td>
<td>5.15</td>
</tr>
<tr>
<td>Water and Wastewater</td>
<td>2.52</td>
</tr>
<tr>
<td>Court Services</td>
<td>1.26</td>
</tr>
<tr>
<td>York Regional Police</td>
<td>0.63</td>
</tr>
<tr>
<td>Other</td>
<td>0.11</td>
</tr>
<tr>
<td><strong>Sub-Total Indirect Costs</strong></td>
<td>10.07</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25.77</strong></td>
</tr>
</tbody>
</table>

- Estimated costs are based on currently available information
- Additional details are included in the Memo on Financial Impacts of COVID-19, included in May 14 Committee of the Whole Agenda
April 2, 2020:
Council approved retaining the 2020 water and wastewater rates at their 2019 levels

April 30, 2020:
Council approved waiving interest until December 31, 2021 on any portion of property tax instalments, for the 2020 taxation year, not remitted to the Region as a direct result of a local municipality’s COVID-19 tax relief program, except for the interest related to the final 2020 installment which shall be waived until March 31, 2021
OBJECTIVES GUIDING 2021 BUDGET DEVELOPMENT

- Support vulnerable populations
- Support economic recovery
- Focus on highest priority programs and services
- Mitigate affordability concerns
- Fund key infrastructure projects
- Maintain long-term fiscal sustainability
- Short-term liquidity and cash flow
PROPOSED 2021 BUDGET TIMELINE

**Setting Direction**
- May 14 Budget Direction Report

**Budget Development**
- Jun-Aug 2020 Budget development for each service area, incl. identification of COVID-19 budget impacts

**Initial Review & Additional Inputs**
- Aug-Oct 2020 Initial budget analysis & reviews
- Sept 2020 Report on 2020 Mid-Year Results, Year-End Forecast & COVID-19 impacts

**Review**
- Nov 2020 - Jan 2021 Treasurer and CAO reviews, final adjustments to the budget, incl. incorporation of changes required by Provincial budget, and development of recommendation to Council

**Approval**
- Feb 2021 COW Conservation Authorities Budget Review
- Feb 2021 Council Budget Tabling
- Mar 2021 COW Budget Reviews
- Mar 2021 Council Budget Approval
Council endorse the proposed timeline for the development and approval of the 2021 budget, with 2021-2022 budget to be tabled with Council in February 2021, with consideration of approval in March 2021.
THANK YOU