

The Regional Municipality of York

Committee of the Whole
Finance and Administration
November 5, 2020

Report of the Commissioner of Finance

2021 Interim Appropriations

1. Recommendations

1. Council approve 2021 interim appropriations for Regional operating expenditures not exceeding \$1,234,180,000, which represents 50 per cent of the 2020 operating budget for each department, as detailed in Attachment 1.
2. Council approve 2021 interim appropriations for Regional capital expenditures not exceeding \$247,101,000, which represents 29.5 per cent of the 2020 capital budget, as detailed in Attachment 2.
3. Council approve 2021 interim Capital Spending Authority (CSA) of \$68,933,000 and associated funding sources, including \$1,357,400 in Capital Spending Authority debt, as detailed in Attachment 3.

2. Summary

This report seeks authorization to spend and execute capital projects beginning on January 1st, 2021 in the absence of an approved budget. It also explains the criteria used in determining the recommended amounts.

Key Points:

- The approval for the 2021 to 2022 Budget is targeted for March 2021
- In advance of budget approval, authority is required to make payments for ongoing Regional operating and capital spending, beginning January 1st, 2021
- Interim appropriations requested for operating expenditures represents 50 per cent of 2020 operating budget
- Interim appropriations requested for capital expenditures represents 29.5 per cent of 2020 capital budget
- Approval for additional Capital Spending Authority of \$68,933,000 is also sought

3. Background

Authority is needed to approve payments for 2021 operating and capital spending

The 2021 to 2022 Budget is planned to be tabled at Council in February 2021, with a targeted approval date in March 2021. As a result, authority is required to make payments for ongoing Regional operating and capital spending, beginning January 1st, 2021, in advance of budget approval.

Authority is also needed to execute contractual commitments for capital projects

In order to maintain the Region's ability to move forward with capital projects as usual, Capital Spending Authority (CSA) is requested primarily for rehabilitation and/or recurring projects with contractual and other clear commitments. Council is asked to approve the CSA and associated funding sources beginning January 1st, 2021, in advance of budget approval.

4. Analysis

The proposed 2021 interim appropriations for operations are 50 per cent of 2020 gross operating expenditures

The proposed interim appropriations authority for operating spending is \$1,234,180,000, which is 50 per cent of the approved 2020 gross operating budget. Attachment 1 details interim appropriations for operating spending by department.

The interim appropriations are aimed at providing flexibility to departments to cover any higher than expected payments in the early part of 2021 compared to how the timing of expenditures are budgeted in the remainder of the year.

The proposed 2021 interim appropriations for capital are 29.5 per cent of 2020 gross capital expenditures

The proposed interim appropriations authority for capital spending is \$247,101,000, which is 29.5 per cent of the approved 2020 gross capital budget after mid-year reprofiling adjustments.

The interim appropriations are based on departments' expected cash flow requirements for the first quarter of 2021. Each department will receive at least 25 per cent of the approved 2020 gross capital budget. Based on expected cash flow needs, the Roads branch of Transportation Services and the Public Health branch of Community and Health Services are requesting interim appropriations of 38 per cent and 33 per cent of their approved 2020 gross capital budget respectively. Attachment 2 details interim appropriations for capital spending by department.

2021 interim Capital Spending Authority (CSA) of \$68.9 million is also requested

Given the March approval schedule for the budget, approval of interim CSA would allow departments to procure and sign contracts so as to not delay capital projects and required work. Transportation Services, Environmental Services, Community and Health Services, and Corporate Services are requesting interim CSA of \$68.9 million to execute contracts primarily for rehabilitation and/or recurring projects that do not have sufficient multi-year CSA, as approved in the 2020 budget. In cases where the interim CSA request will result in a change to a project's CSA debt authority, Council approval is required.

The budget is informed by Council-approved strategies and plans

The budget supports the directions and strategies of Vision 2051, and the York Region Official Plan. The budget was also influenced by objectives outlined in the 2019 to 2023 Strategic Plan.

5. Financial

The recommended interim appropriations for 2021 operating and capital expenditures are \$1,234,180,000 and \$247,101,000 respectively. The recommended interim 2021 CSA and associated funding sources is \$68,933,000, including \$1,357,400 in CSA debt.

Attachments 1, 2 and 3 show operating and capital interim appropriation amounts by department and interim CSA by project.

6. Local Impact

There are no local municipal impacts arising from this report.

7. Conclusion

Council approval of interim appropriations is required to authorize expenditures starting January 1, 2021, prior to approval of the 2021 budget. Interim appropriations enable the Region to continue to deliver programs and meet its financial commitments before the budget is approved.

For more information on this report, please contact Kelly Strueby, Director, Office of the Budget, at 1-877-464-9675 ext.71611. Accessible formats or communication supports are available upon request.

Recommended by: **Laura Mirabella, FCPA, FCA**
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

October 14, 2020
Attachments (3)
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