

# FISCAL SUSTAINABILITY: 2020 UPDATE

**Laura Mirabella**

Commissioner of Finance and  
Regional Treasurer

June 11, 2020



# OUTLINE

1. Overview
2. COVID-19 considerations
3. Challenges of funding growth
4. Requests of the Province
5. Summary

# OVERVIEW

## Criteria

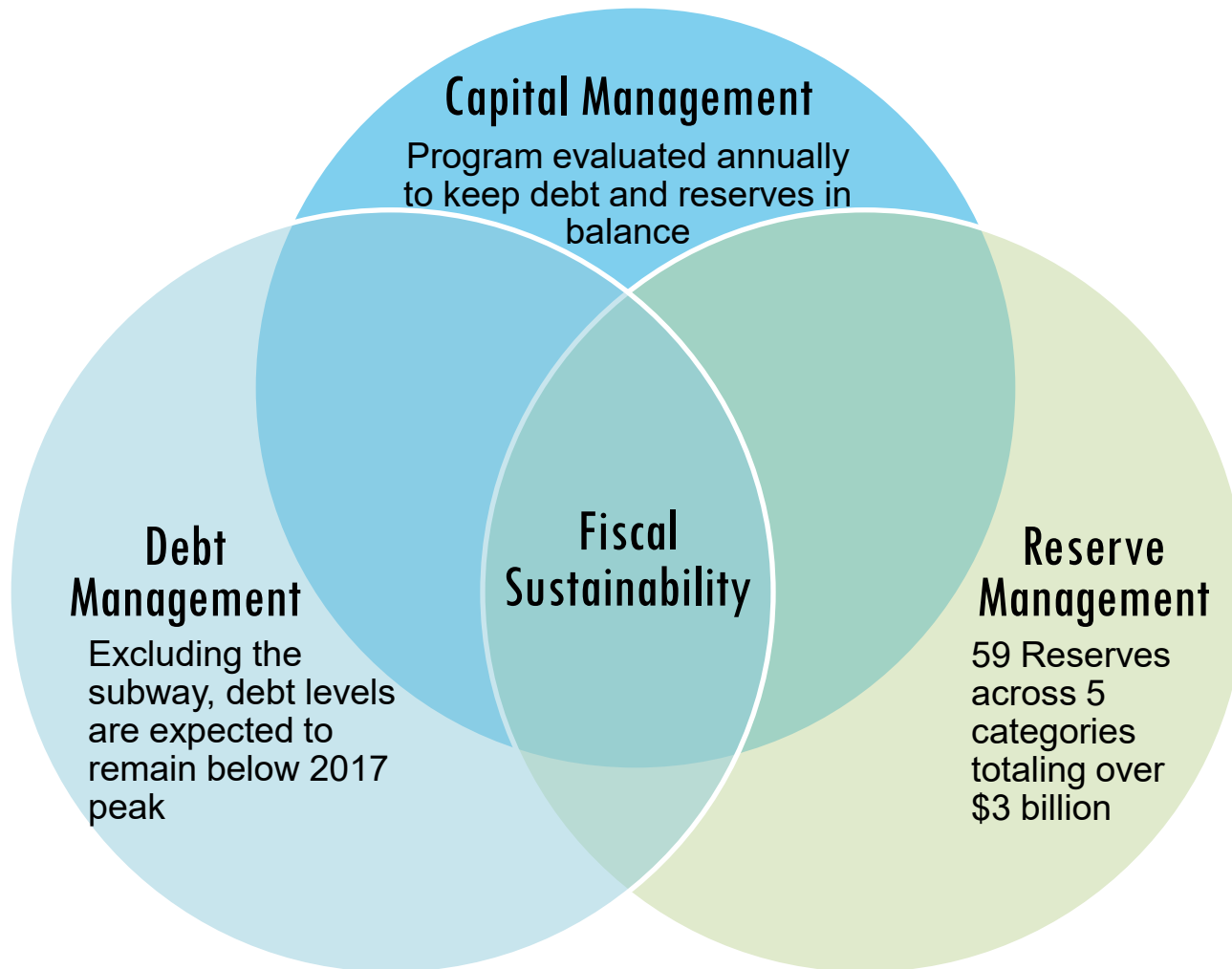
Growth can be accommodated at a tax rate that residents have the ability to pay and without issuing an unsustainable level of debt

Infrastructure can be kept in a state of good repair and replaced at the right time

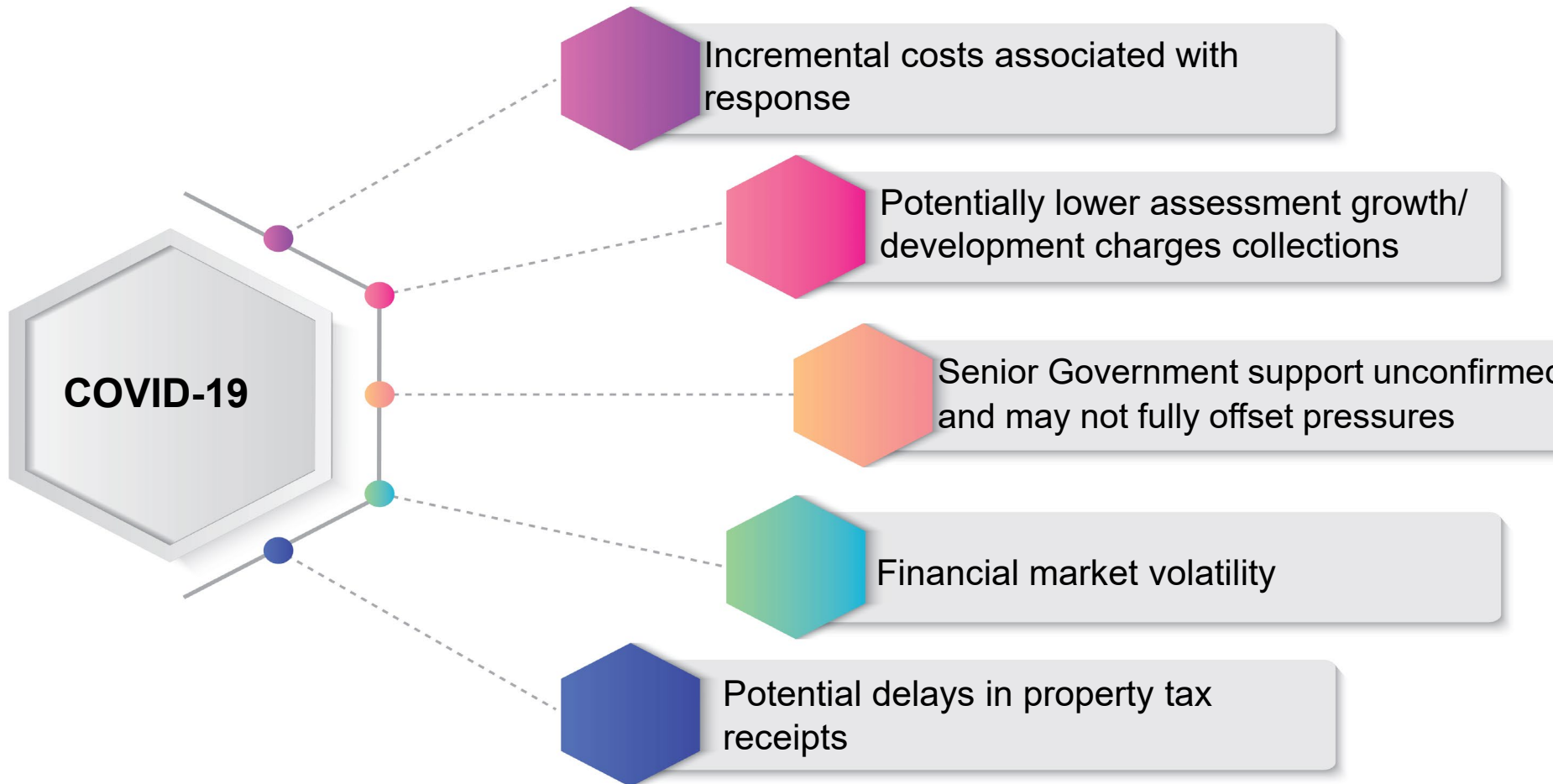
Service levels can be maintained in the face of urbanization and changes in economic conditions

Careful consideration of who should pay, and that they pay their fair share

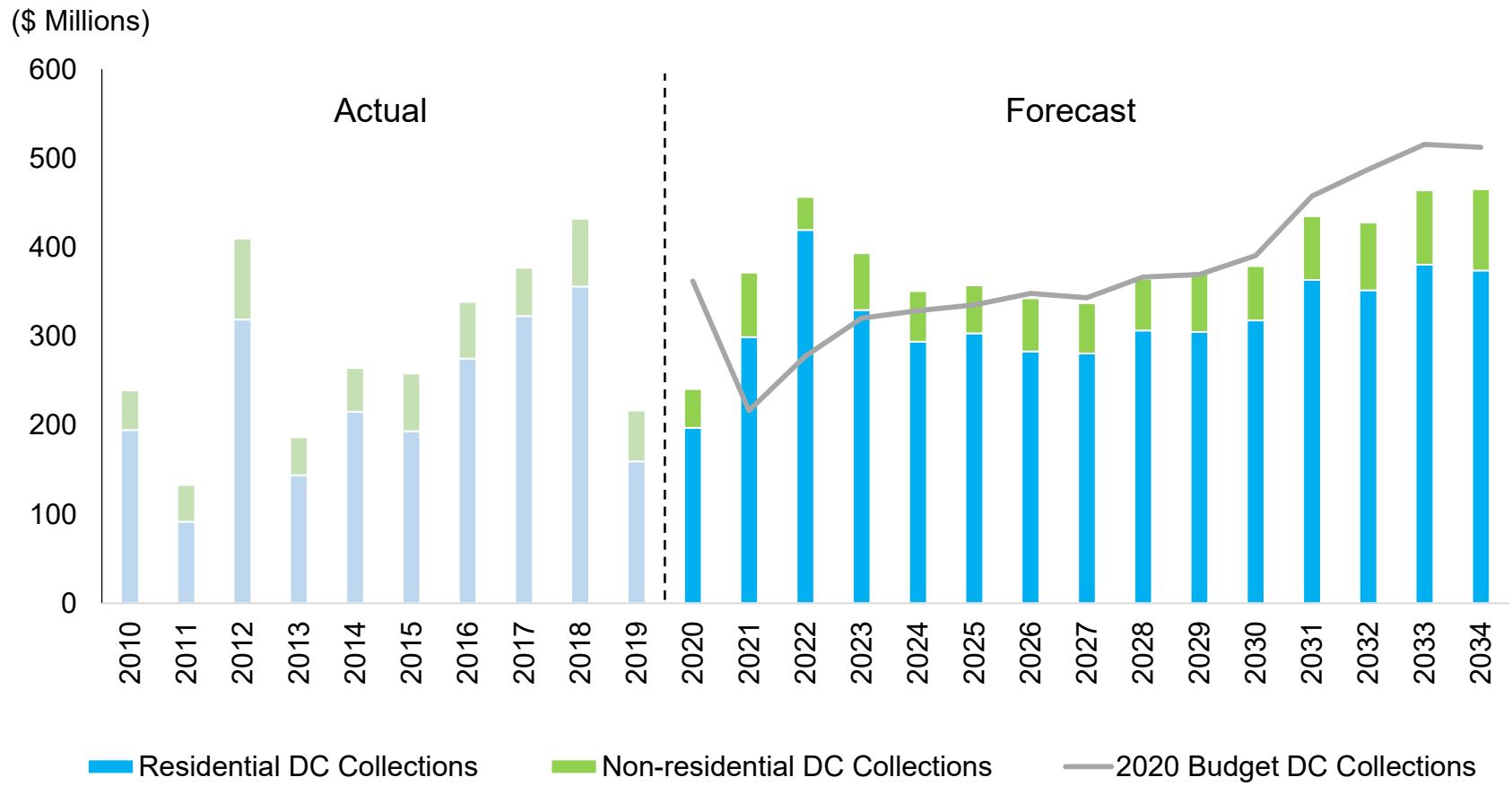
# COMPONENTS OF THE FISCAL STRATEGY



# COVID-19 CONSIDERATIONS

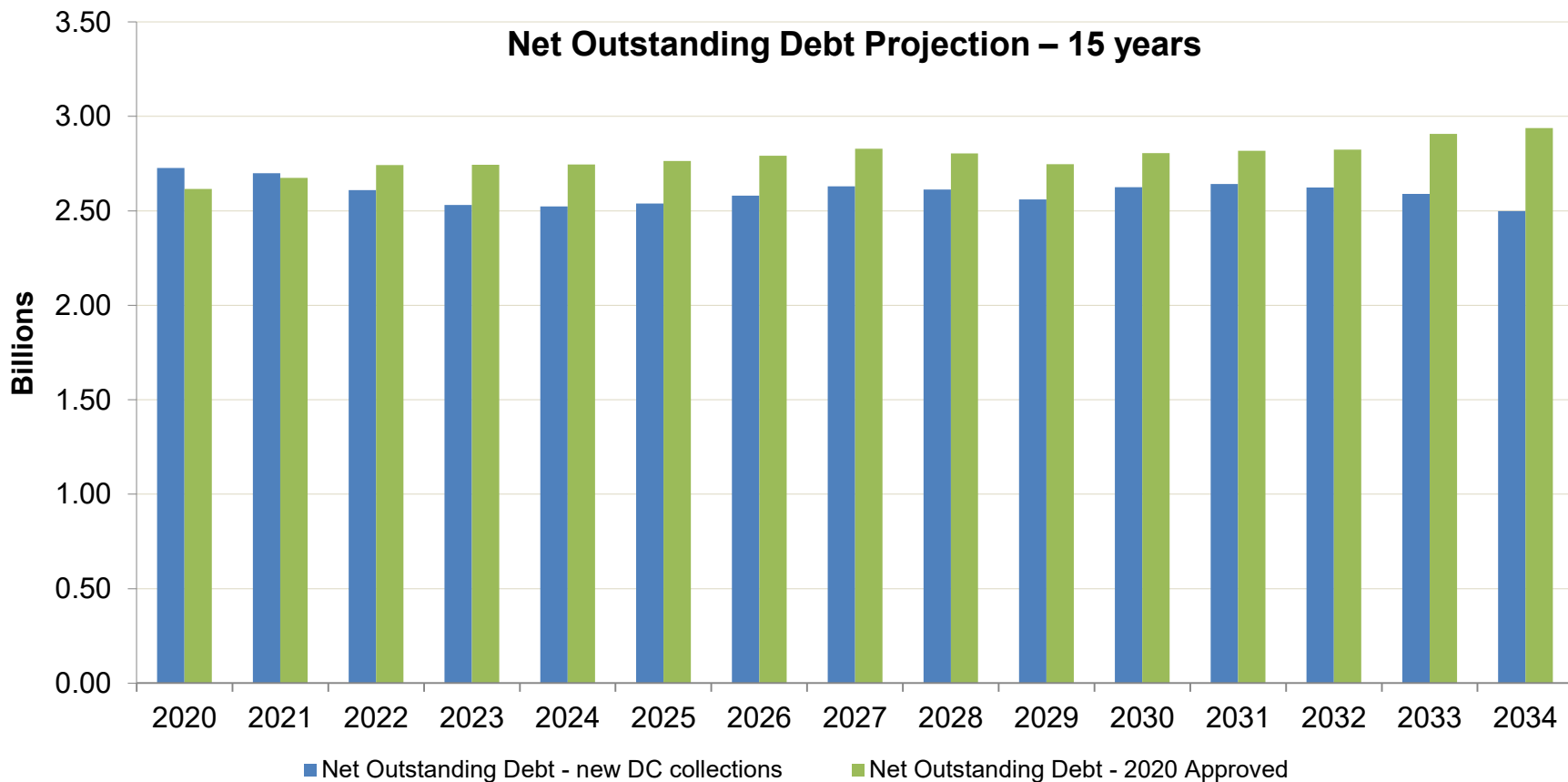


# DC COLLECTION FOR 2020 ARE EXPECTED TO BE BELOW 2020 BUDGET FORECAST



Source: York Region Treasury Office

# PRELIMINARY DEBT PROJECTION BASED ON NEW DC FORECASTS



**\*Note: the debt projection does not include the potential impact of the announced Yonge North Subway Extension**

Source: York Region Treasury Office

# POTENTIAL FINANCIAL IMPACTS OF YONGE NORTH SUBWAY EXTENSION

Issues	Estimated Range of Financial Impacts	
Development charge eligible share	60% (as discrete service)	83% (as transit)
Funding sources	\$780 Million DC \$520 Million Non-DC	\$1,080 Million DC \$220 Million Non-DC
Incremental average annual P&I (all funding sources)	Approximately \$100 Million	Approximately \$100 Million
Peak debt	\$3.7B in 2030	\$3.6B in 2030
Estimated approximate DC rate increase for single detached homes in first bylaw	\$4,500	\$8,600



# REQUESTS OF THE PROVINCE

## The Chair write to the Province seeking assistance to:

### **Aid short term pressures by:**

- Directing funding to support delivery services to address COVID-19
- Maintaining gas tax allocation at 2019/2020 level beyond 2020
- Cancelling, or indefinitely deferring, funding reductions to Public Health
- Removing caps on cost shared programs over the next three years or Provincial assumption of responsibility

### **Aid long term pressures by:**

- Allocating funds from the Non-Resident Speculation Tax collected in York Region
- Providing new revenue tools to help fund a contribution to the subway

# SUMMARY

- Despite both short term and long term challenges, Council has put the Region in a strong fiscal position
- Prudent financial stewardship ensures the continued provision of vital services in a fiscally sustainable way
- Municipalities are seeking help from senior levels of government to help them cope with the impact of COVID-19



# THANK YOU

