

# The Regional Municipality of York

Committee of the Whole  
Community and Health Services  
March 4, 2021

Report of the Commissioner of Finance

## 2021 to 2022 Budget – Community and Health Services

### 1. Recommendations

1. Committee of the Whole recommend the budget as submitted for Community and Health Services as follows:
  - a. The 2021 operating budget and the 2022 operating outlook, as summarized in Attachment 1.
  - b. The 2021 capital expenditures and the 2021 Capital Spending Authority, as summarized in Attachment 2.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on March 25, 2021.

### 2. Summary

This report provides a summary of the 2021 to 2022 Operating and Capital Budget for Community and Health Services for consideration by Committee. Details of the budget can be found on page 121 of the 2021 to 2022 Budget Book.

Key Points:

- The proposed budget enables CHS to provide critical human services to York Region residents every day and at every stage of life by protecting their health and safety, supporting housing affordability and stability, improving access to health and social support services, as well as continuing to lead the COVID-19 emergency response, delivering services for those most impacted by the virus, and developing and implementing the immunization plan.
- The 2021 proposed gross operating expenditures for Community and Health Services are \$748.7 million, which is 29.0% of total Regional operating expenditures
- The proposed net operating budget is \$285.7 million, or 23.0% of the Region's net expenditures after non-tax revenues of \$463.0 million
- The proposed capital budget is \$58.4 million in 2021, or 7.6% of the proposed Regional capital budget, and proposed Capital Spending Authority is \$157.2 million

### **3. Background**

Community and Health Services focuses on the health, safety and social well being of residents. As the extraordinary events of 2020 underscored, its work touches the lives of residents every day and at every stage of life.

#### **On December 19, 2019, Council endorsed an operating outlook for 2021-2022**

As part of the [2020-2022 Budget](#), Council endorsed an outlook for the overall Regional operating budget for 2021 to 2022. This outlook reflected budget amounts for Regional departments and key service areas.

#### **The budget timeline was adjusted due to uncertainties related to COVID-19**

The 2021 Budget Direction report, approved by Council on May 14, 2020, indicated that the budget be tabled in February 2021 and reviewed at the Committee of the Whole meetings in March, with final 2021 budget approval by Council scheduled for March 25, 2021.

In a typical non-election year, the budget is tabled with Council in November and approved in December. The later tabling and approval date helped address the high level of uncertainty and limited information on implications of COVID-19 as well as assumptions around senior government funding.

#### **The budget was tabled with Council on February 25, 2021**

The proposed 2021 to 2022 Operating and Capital Budget was tabled with Council on February 25, 2021. It was received and referred to the March meetings of Committee of the Whole for consideration and recommendation.

#### **The proposed multi-year operating budget includes an outlook for 2022**

The operating budget includes the proposed 2021 budget and an outlook for 2022. The outlook will be reviewed through the 2022 budget process. Each year, Council will consider the proposed budget for the upcoming year and the outlook for the remaining years of Council's term.

For the 2021 to 2022 budget, Council is asked to approve the 2021 proposed operating budget and endorse the 2022 outlook.

#### **Multi-year commitments for capital projects are proposed as part of the budget process**

Many capital projects span several years of planning, design and construction, requiring multi-year spending authority.

Capital Spending Authority is requested for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve proposed capital expenditures and funding for 2021 and the multi-year Capital Spending Authority.

## 4. Analysis

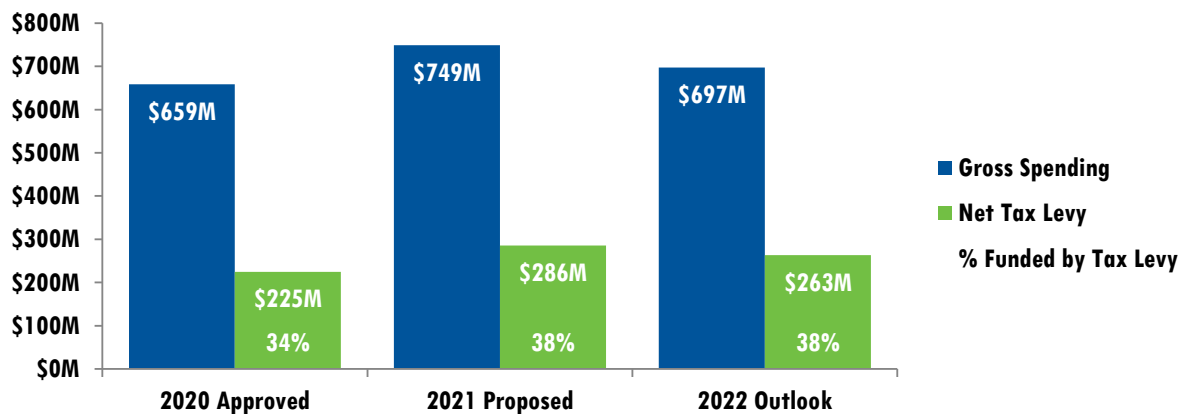
### OPERATING BUDGET

#### Approval of 2021 gross expenditures of \$748.7 million and net expenditures of \$285.7 million is requested

The budget includes gross operating expenditures, or total budget, and net expenditures, which correspond to the portion of the budget paid by the tax levy. Non-tax revenues fund the difference. For Community and Health Services, non-tax revenues come from grants and subsidies, fees and charges, reserves, third party recoveries, tenant rents (as Regional support for Housing York Inc. is included in the Community and Health Services operating budget) and development charges.

The 2021 proposed gross operating expenditures for Community and Health Services are \$748.7 million, or 29.0% of total Regional expenditures. The proposed 2021 net expenditures of \$285.7 million are 23.0% of the total. The tax levy funds 38.2% of Community and Health Services' 2021 gross expenditures, as shown in Figure 1 below.

**Figure 1**  
**2021 to 2022 Gross and Net Operating Expenditures**



#### Impacts of COVID-19 and mitigation strategies are reflected in the proposed operating budget

The COVID-19 pandemic had major impacts on York Region in 2020, and many of these are expected to continue in 2021 and to some extent in 2022. Significant pressures to Community and Health Services include the following:

- Staffing and ancillary costs approved as part of the [report](#) to Council on June 25 2020, to support Public Health's pandemic response and COVID-19 immunization clinics, as well as the net tax levy funded portion of costs for the province's School Re-opening Support program, which involved deploying 50 Public Health nurses to schools in response to COVID-19. (One-time extraordinary pressures associated with

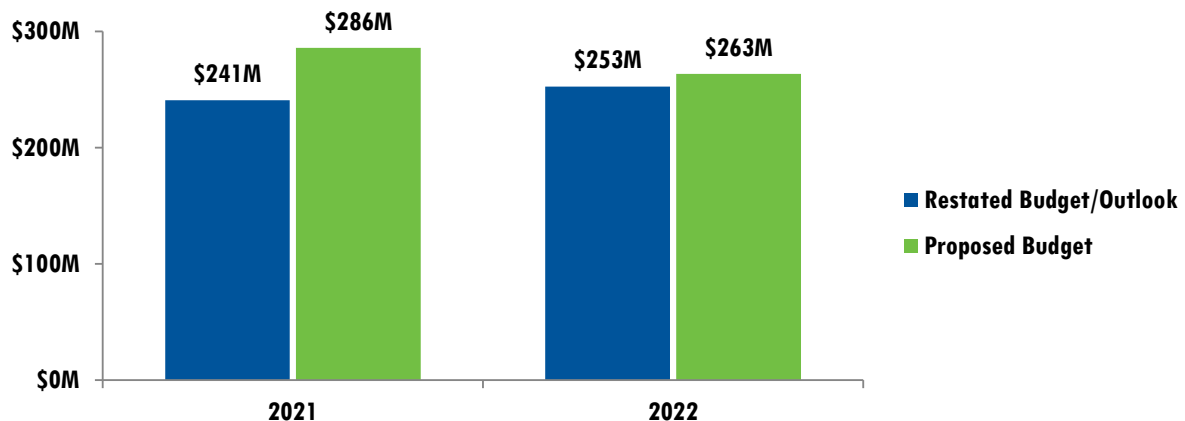
the above are expected to be fully offset by Provincial funding for Public Health, which is reflected in the Financial Initiatives section of the Region's budget)

- Staffing, personal protective equipment and cleaning for Long-Term Care homes to respond to the Province's COVID-19 health and safety regulations for Long Term Care homes.
- Temporary staffing and personal protective equipment in Paramedic Services
- A one-time increase in the 2021 Community Investment Fund budget to support community agencies and partners
- Resources required to manage the anticipated spike in the Social Assistance caseload as a result of job losses related to the pandemic and as Federal income support programs wind down in 2021 These pressures are partially offset and mitigated through provincial and federal funding, and departmental savings.

### **Community and Health Services' proposed 2021 operating budget is higher than the previously endorsed outlook**

As illustrated in Figure 2 below, Community and Health Services' proposed 2021 net budget is \$45.0 million higher than the endorsed outlook. The 2022 outlook is also higher than the outlook endorsed as part of the 2020 to 2022 Budget by \$10.9 million in 2022.

**Figure 2**  
**2021 to 2022 Proposed Net Budget Compared to Outlook**



The department's proposed 2021-2022 net budget is above the outlook primarily due to the expected continuing impacts of COVID-19, including increased staffing costs and costs for personal protective equipment.

Community and Health Services' proposed budget also continues to address needs unrelated to COVID-19. These include:

- Maintaining Paramedic response times by adding front-line paramedics and community paramedics;

- Supporting infection prevention and control in Region's two long-term care homes
- Creating more affordable housing;
- Providing improved access to housing and supports for those who are homeless or at risk of homelessness;
- Preparing the Provincially mandated Community Safety and Well-being Plan; and
- Providing supports and earliest possible assessment and interventions to families with children with delays in development.

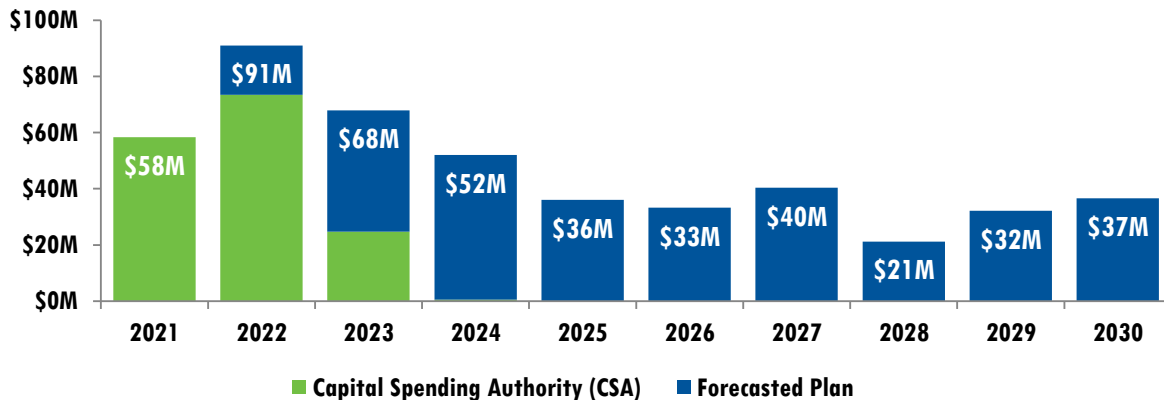
## CAPITAL BUDGET

### Approval of 2021 capital expenditures of \$58.4 million and Capital Spending Authority of \$157.2 million is requested

Community and Health Services' capital budget enables infrastructure projects to support growth and renewal of housing facilities, paramedic stations, vehicles and equipment, and long-term care equipment and technology. By 2025, Community and Health Services plans to construct almost 500 new affordable housing units (subject to federal and provincial funding availability). By 2022, the department plans to open four paramedic stations, two new and two replacements, and add seven vehicles to the fleet. Long Term Care capital spending is primarily to replace equipment and invest in technology to improve service, for example, replacing the nurse call system and resident beds and lifts to ensure resident safety.

The proposed Capital Spending Authority for Community and Health Services is \$157.2 million as shown in Figure 3 on the next page, or 5.3% of the Region's total Capital Spending Authority.

**Figure 3**  
**Ten-Year Capital Plan and Capital Spending Authority (CSA)**



Attachment 2 summarizes the Capital Spending Authority by program and shows the associated funding sources for Community and Health Services. Details on individual projects are available in the 2021 to 2022 Budget Book starting on page 285.

**It is anticipated that additional senior government funding will be provided for various programs and details will be included in 2021 budget as confirmation is received**

Since publishing the Budget Book, the Province has announced and in other cases the Region has applied for additional funding for social services, children's services, housing, mental health and addictions, and wrap around supports to assist in the COVID-19 response. Much of this funding, including Social Services Relief Fund and High Priority Community Funding ends on March 31, 2021 for operating projects. Budget adjustments will be made after Council approval as required and would have no impact on tax levy. Should there be continued need to provide these supports or services beyond this time, there could be a pressure relative to the proposed 2021 budget if no new provincial funding is made available.

**The proposed budget supports the 2019 to 2023 Strategic Plan**

The budget for Community and Health Services supports the Healthy Communities community result area of the 2019 to 2023 Strategic Plan. More information is provided in the 2021 to 2022 Budget Book.

## **5. Financial**

The proposed 2021 net operating budget for Community and Health Services totals \$285.7 million, as summarized in Attachment 1.

The proposed 2021 capital budget of \$58.4 million and 2021 Capital Spending Authority with an associated multi-year commitment of \$157.2 million are summarized in Attachment 2. Expenditures not identified as part of Capital Spending Authority and contained within the Ten-Year Capital Plan are provided in the Budget Book for planning purposes and may be brought forward for formal approval in subsequent budget years.

## **6. Local Impact**

The Region's budget supports a wide range of public services that support and benefit residents and local economies. The Region works with its local municipal partners to develop many Regional programs and services. Local needs and impacts are an important consideration in delivering effective and efficient services for a growing population.

## **7. Conclusion**

This report sets out the proposed 2021 operating and capital budgets and the 2022 outlook for Community and Health Services. To facilitate completion of the budget process, it is

recommended that the Committee's recommendations be forwarded to Council for consideration on March 25, 2021.

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



**Katherine Chislett**  
Commissioner of Community and Health Services



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

February 19, 2021  
Attachments (2)  
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