

# The Regional Municipality of York

Committee of the Whole  
Community and Health Services  
December 2, 2021

Report of the Commissioner of Finance

## 2022 Budget – Community and Health Services

### 1. Recommendations

1. Committee of the Whole recommends to Council the budget as submitted for Community and Health Services as follows:
  - a. The 2022 operating budget as summarized in Attachment 1.
  - b. The 2022 capital expenditures and the 2022 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 December 16, 2021.

### 2. Summary

This report provides a summary of the 2022 Operating and Capital Budget for Community and Health Services for consideration by Committee of the Whole. Details of the budget can be found on page 125 of the [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, and adapting as COVID-19 becomes endemic, delivering services for those most impacted by the virus, and continuing efforts to achieve high vaccination coverage
- The 2022 proposed gross operating expenditures for Community and Health Services are \$761.5 million, which is 28.4% of total Regional operating expenditures
- After non-tax revenues of \$505.0 million, the proposed net operating budget is \$256.4 million, or 20.1% of the Region's net expenditures
- The proposed capital budget is \$136.8 million in 2022, or 14.0% of the proposed Regional capital budget, and proposed Capital Spending Authority is \$171.1 million

### 3. Background

Community and Health Services helps residents to be healthy, safe, engaged in community life, and contributing to the economy. As the extraordinary events of 2020 and 2021 underscored, its work touches the lives of residents every day and at every stage of life.

#### **Council directed staff to reduce the tax levy increase for 2022 and on May 27, 2021 endorsed a target tax levy increase of 1.96%**

The [2021-22 Budget](#) approved on March 25, 2021 included a 2022 outlook tax levy increase of 2.96%. This outlook reflected budget amounts for Regional departments and key service areas.

As part of budget approval, Council directed staff to “undertake strategies and processes to reduce the 2022 operating outlook as tabled on February 25, 2021.”

The [2022 Budget Direction report](#), adopted by Council on May 27, 2021, set out a target tax levy increase of 1.96% for 2022, in response to Council’s direction.

Building on Council’s direction, a comprehensive savings exercise was undertaken to achieve a proposed 2022 tax levy increase that is 1% below the outlook, while also ensuring that contributions to reserves are maintained at levels that safeguard the Region’s financial sustainability.

#### **The 2022 budget was tabled with Council in November with a proposed 2022 tax levy increase of 1.96% and a Rapid Transit Infrastructure Levy of 1%**

The budget as tabled on November 25, 2021 included a proposed tax levy increase of 1.96% which is consistent with the 2022 Budget Direction report. The tabled budget also includes a Rapid Transit Infrastructure Levy of 1% to help fund the Yonge North Subway Extension.

The proposed 2022 Operating and Capital Budget was tabled with Council on November 25, 2021, in accordance with the timelines established in the 2022 Budget Direction report. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

#### **The 2022 Budget is the fourth year of the 2019-2022 Multi-year Budget cycle**

The operating budget presented is a one-year budget for the remaining year of Council’s term. Council is asked to approve the budget for 2022.

#### **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 spending authority beyond the current budget year.

Capital Spending Authority is requested for 2022 capital expenditures and for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve the proposed capital expenditures and funding for 2022 and the multi-year Capital Spending Authority.

## 4. Analysis

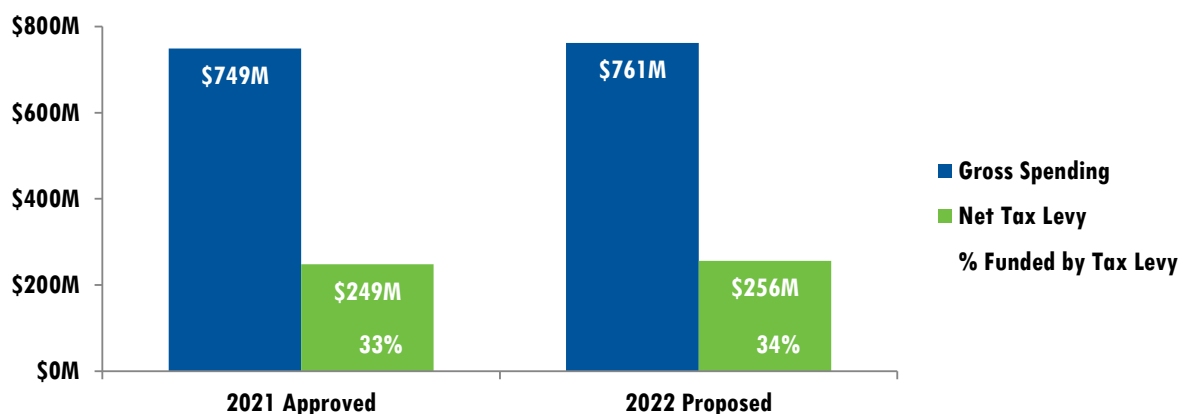
### OPERATING BUDGET

#### Approval of 2022 gross expenditures of \$761.5 million and net expenditures of \$256.4 million is requested

The budget includes gross operating expenditures (i.e., 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, a portion of Housing York Inc. tenant rents (as Regional support and staffing for Housing York Inc. are included in the Community and Health Services operating budget) and development charges.

The 2022 proposed gross operating expenditures for Community and Health Services are \$761.5 million, or 28.4% of total Regional expenditures. The proposed 2022 net expenditures of \$256.4 million are 20.1% of the total. The tax levy funds 33.7 % of Community and Health Services' 2022 gross expenditures, as shown in Figure 1 below.

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



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

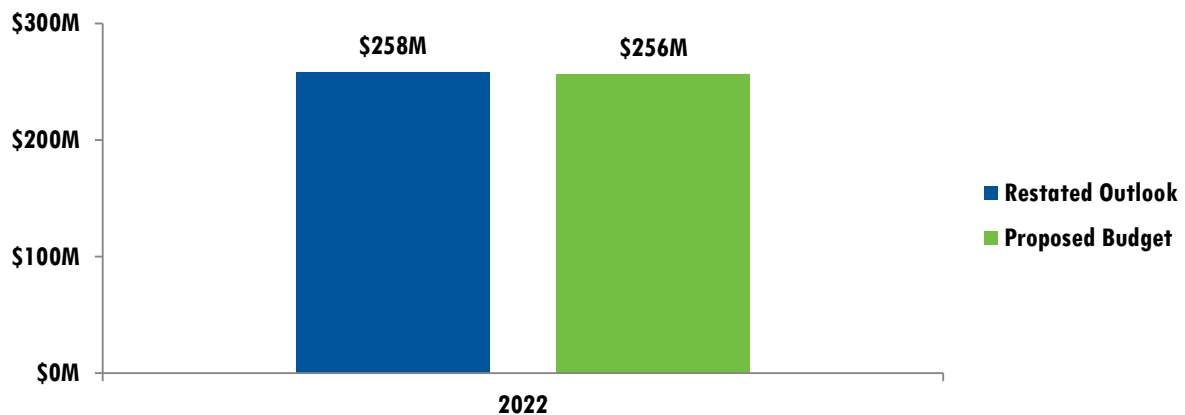
The COVID-19 pandemic had major impacts on York Region in 2020 and 2021, and especially the Community and Health Services department given its pivotal role in responding to social and health impacts. Many of these are expected to continue in 2022. Significant pressures to Community and Health Services include the following:

- Staffing and ancillary costs to support Public Health’s pandemic response, COVID-19 immunization clinics, and the management of COVID-19 as an endemic disease. One-time extraordinary pressures associated with the above are expected to be fully offset by Provincial funding for Public Health
- Staffing, personal protective equipment and cleaning for Long-Term Care homes to continue to respond to the Province’s COVID-19 health and safety regulations for Long Term Care homes
- An extension to the enhanced Community Investment Fund budget to support community agencies and partners

**Community and Health Services’ proposed 2022 operating budget is lower than the previous outlook**

As illustrated in Figure 2 below, Community and Health Services’ proposed 2022 net budget is \$1.7 million lower than the previous outlook.

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



The department’s proposed 2022 net budget is below the outlook due to additional grant revenues primarily related to COVID-19, deferred initiatives, and lower than planned reserve contributions, to help meet the 1.96% tax levy increase included in the 2022 Budget Direction report.

The Community and Health Services proposed budget primarily addresses needs related to COVID-19. These include:

- Continuing to respond to COVID-19 as the disease becomes endemic
- Ongoing efforts to achieve high levels of immunization coverage in eligible residents

- Adhering to Provincial protocols and continuing to undertake outbreak prevention measures and care in Long-Term Care homes

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

- Optimizing paramedic resources so residents have access to appropriate and timely healthcare and maintaining paramedic response times by adding paramedics and community paramedics;
- Maintaining safe long-term care operations in the Region's two homes;
- Creating more affordable housing;
- Providing improved access to housing and supports for those who are homeless or at risk of homelessness, and helping people to avoid becoming homeless in the first place;
- Completing the Provincially mandated Community Safety and Well-being Plan, and maintaining strong community partnerships; and
- Transforming the Ontario Works model to be more client-centred by providing services that recognize individual needs
- Responding effectively and efficiently to resident inquiries through Access York Contact Centre, including increasing self-serve options
- Continuing to build and maintain sustainable child care and early years services for children and their families

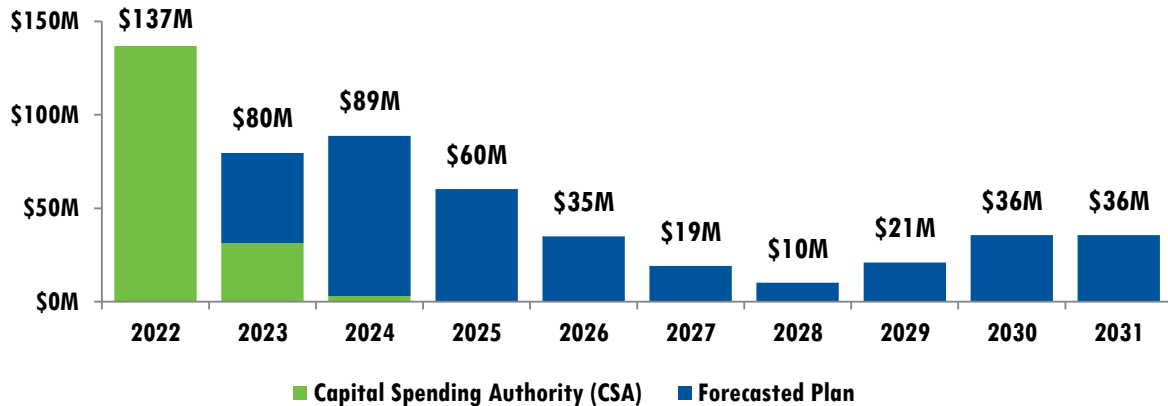
## **CAPITAL BUDGET**

### **Approval of 2022 capital expenditures of \$136.8 million and Capital Spending Authority of \$171.1 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 more than 700 new affordable housing units (subject to federal and provincial funding availability). By 2023, the department plans to open three paramedic stations, two new and one replacement, and add 6 new and 46 replacement vehicles to its fleet of ambulances and rapid response units.

The 2022 proposed capital expenditures are \$136.8 million, or 14.0% of the total Regional capital expenditures. The proposed Capital Spending Authority for Community and Health Services is \$171.1 million as shown on the next page in Figure 3, or 3.6% of the 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 the individual projects are available in the 2022 Budget Book starting on page 301.

**The proposed budget includes \$74.8 million in external capital funding that has not yet been approved.**

CHS is proposing a new Rapid Housing initiative comprised of five projects with a total budget of \$57.0 million, \$48.5 million of which would be supported by external funding. The department has submitted [an application](#) to the federal government’s Rapid Housing Initiative and a funding decision is anticipated by the end of 2021. If the application is not approved, the project will be re-scoped to align with the available Regional funding of \$8.5 million.

The department is also proposing to develop 62 Bayview Parkway in Newmarket into a 250-unit community housing building to be owned and managed by Housing York Inc. The project’s \$87.5 million budget includes \$26.3 million in external funding that has not yet been secured. CHS is requesting \$1.0 million in Capital Spending Authority for this project with the remainder to be requested once external funding has been committed; if external funding is not secured the department may in future request Council approval of a re-scoped project that aligns with available Regional funding.

**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 2022 Budget Book.

**5. Financial**

The proposed 2022 net operating budget for Community and Health Services totals \$256.4 million, as summarized in Attachment 1.

The proposed 2022 capital budget of \$136.8 million and 2022 Capital Spending Authority with an associated multi-year commitment of \$171.1 million are summarized in Attachment 2. Expenditures not identified as part of Capital Spending Authority but 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 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 2022 operating and capital budgets 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 December 16, 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:

**Jason Li, CPA, CA**

Acting Commissioner of Finance and Regional Treasurer



**Katherine Chislett**

Commissioner of Community and Health Services



Approved for Submission:

**Bruce Macgregor**

Chief Administrative Officer

November 10, 2021

Attachments (2)

eDOCS# 13366416