

The background of the slide features a photograph of the York Region building, a modern structure with a prominent clock tower. The building is constructed from light-colored stone or concrete and has large glass windows. The clock tower has two circular clock faces. The sky is a clear, bright blue. In the foreground, there are blue and white geometric shapes that overlap the bottom of the image.

PROPOSED 2022 REGIONAL BUDGET

Presented to
YORK REGIONAL COUNCIL

Presented by
Jason Li
Acting Commissioner and Regional Treasurer

NOVEMBER 25, 2021



AGENDA

- I. Overview
- II. Proposed Budget
- III. Wrap-up and Next Steps

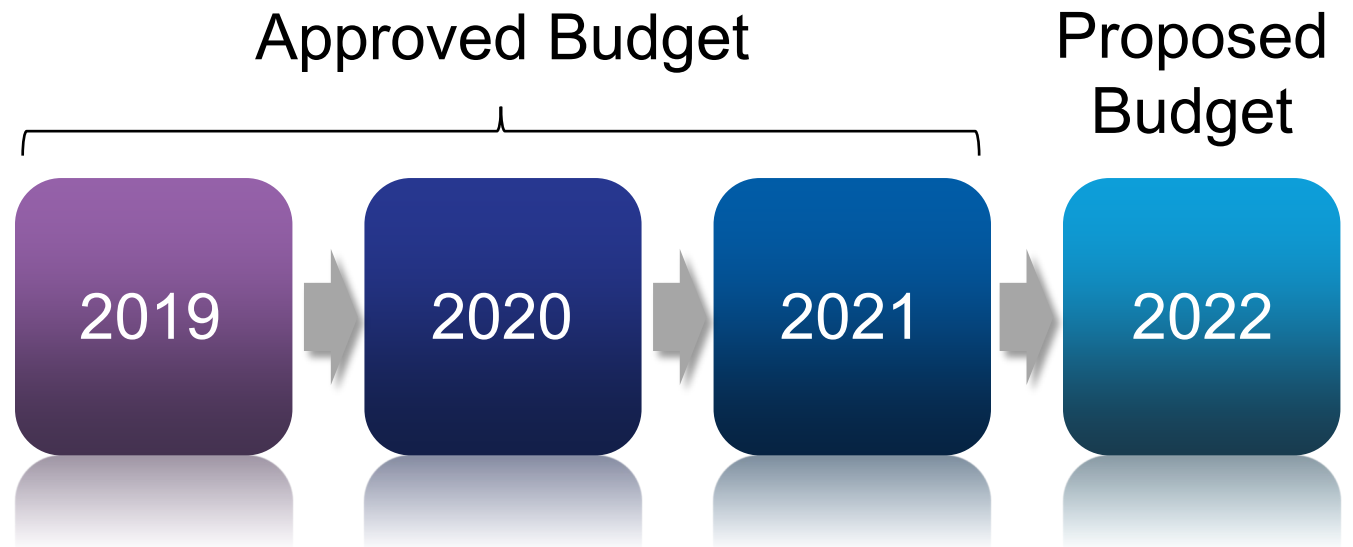


I. OVERVIEW

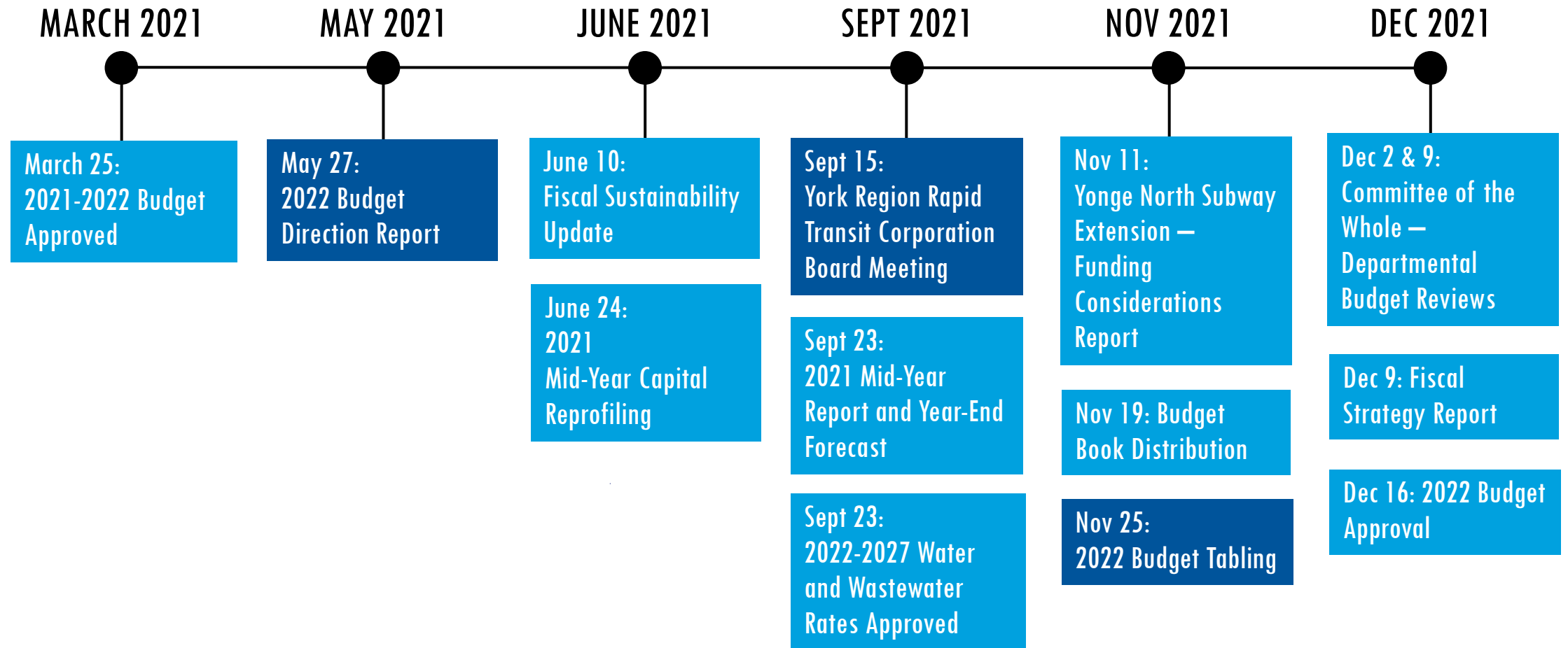


2022 IS THE FINAL YEAR OF THE MULTI-YEAR BUDGET

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2022 BUDGET DEVELOPMENT TIMELINE



Monitoring and monthly reporting of COVID-19 impacts on York Region

2022 BUDGET CONTEXT/OBJECTIVES

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ECONOMIC, DEMOGRAPHIC, POLICY CHANGES

PROPOSED BUDGET AT A GLANCE

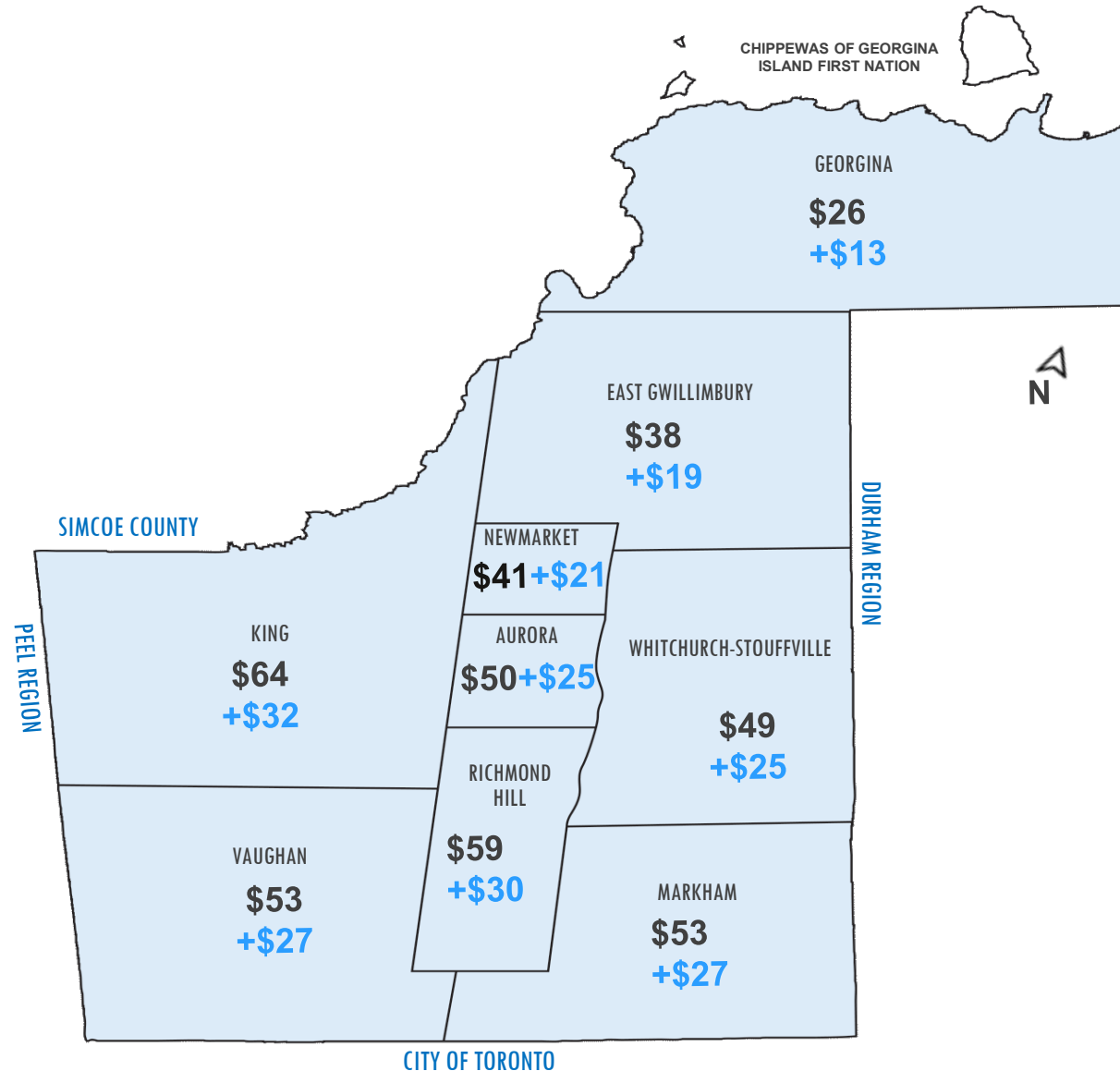
	2021 Approved	2022 Proposed
Gross Operating Expenditures	\$2.58B	\$2.68B
Net Expenditures*	\$1.21B	\$1.26B
Tax Levy Increase	1.54%	1.96%
Rapid Transit Infrastructure Levy	-	1.00%
Ten Year Capital Plan	\$7.75B	\$9.53B
Capital Budget	\$763M	\$980M

*After Assessment Growth Revenue
Note: Numbers may not add due to rounding

TAX IMPACT ON HOMEOWNERS IN 2022

A tax levy increase of 1.96% equates to \$51 per household, on average.

A rapid transit infrastructure levy of 1% would represent \$26, per household on average



OPERATING BUDGET



OPERATING BUDGET SUMMARY

	2021 Approved	2022 Proposed
Gross Expenditures (\$M)	2,585	2,681
Non-Tax Revenue (\$M)	(1,362)	(1,404)
Assessment Growth Revenue (\$M)	(16.3)	(17.8)
Net Expenditures after Non-Tax Revenue and Assessment Growth (\$M)	1,207	1,259
Proposed Tax Levy Increase (%)	1.54	1.96
Contributions to Capital Reserves (%)	1.54	1.32
Program Expenditures (%)	-	0.65
Rapid Transit Infrastructure Levy (%)	-	1.00

\$13M IN NEW SAVINGS FOR 2022

CATEGORY 1 EFFICIENCIES

\$5M in new savings, including:

- Budget true-ups and adjustments to existing initiatives
- Facility lease savings
- Reduced costs for recycling contracts
- MPAC fee savings

CATEGORY 2 SERVICE LEVEL ADJUSTMENT

\$0.6M in new savings, including:

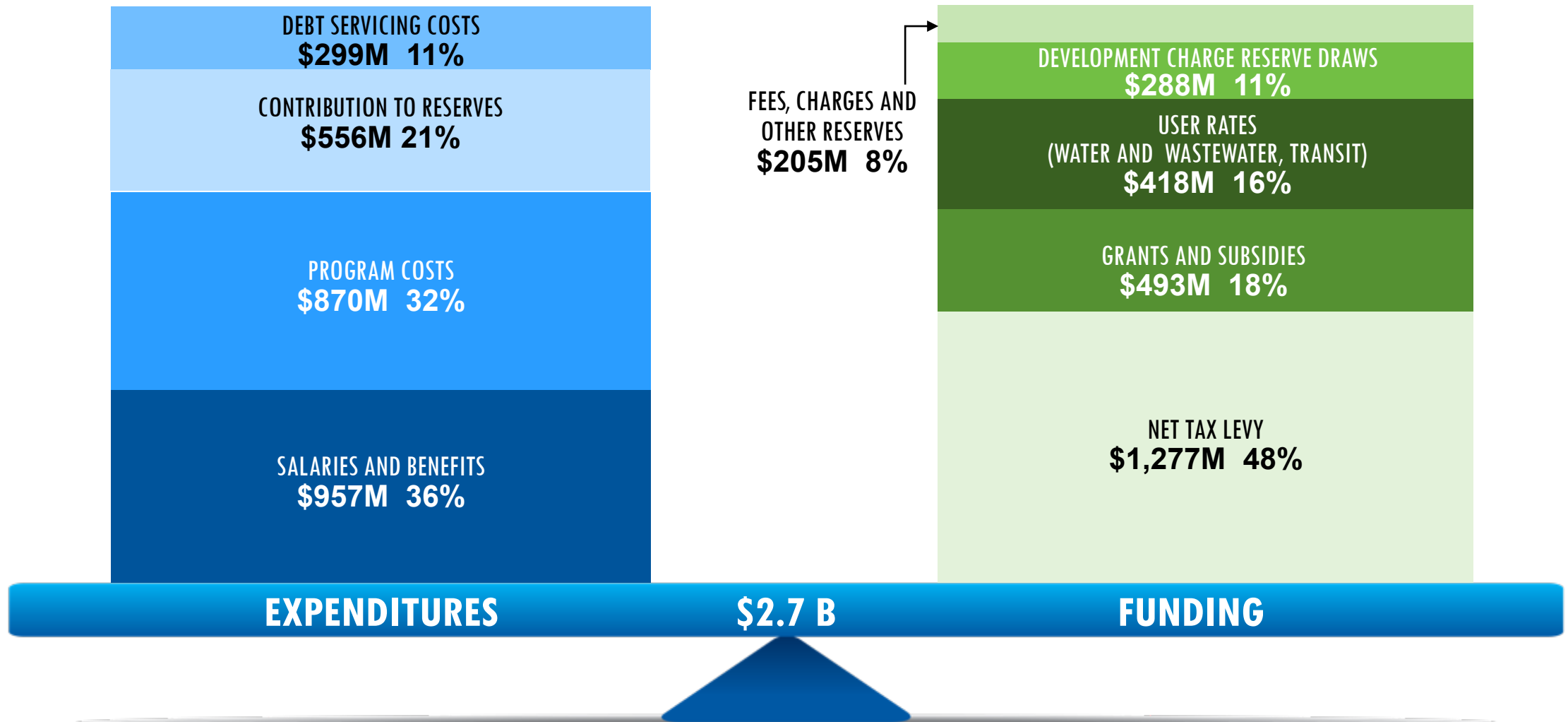
- Minor adjustments not expected to have material program/service impacts

CATEGORY 3 RISK TOLERANCE AND OTHER

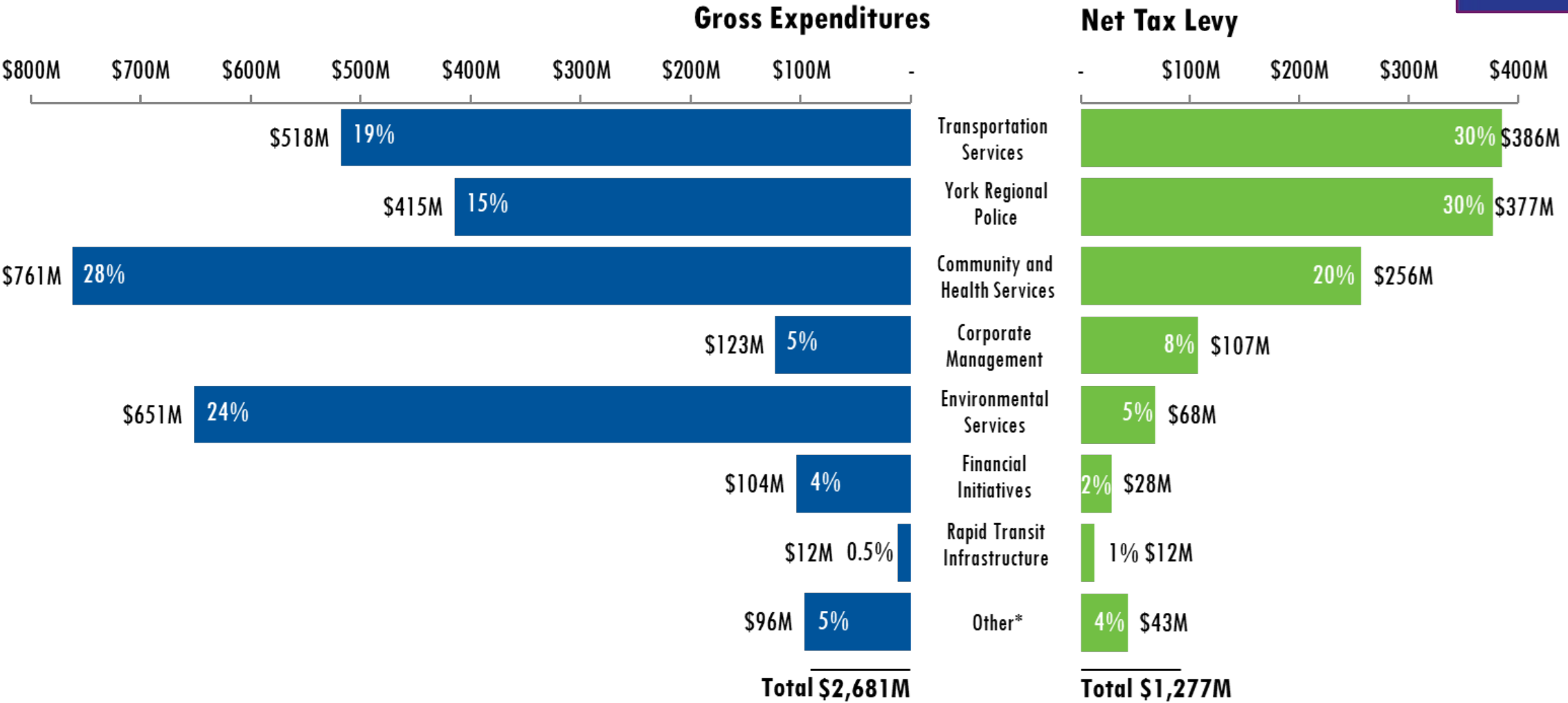
Approximately **\$7M** in new savings including:

- Reduction to reserve contributions
- Reduction in growth-related expenditures, including new FTE requests
- Higher projected waste-related revenues

COMPONENTS OF A BALANCED BUDGET

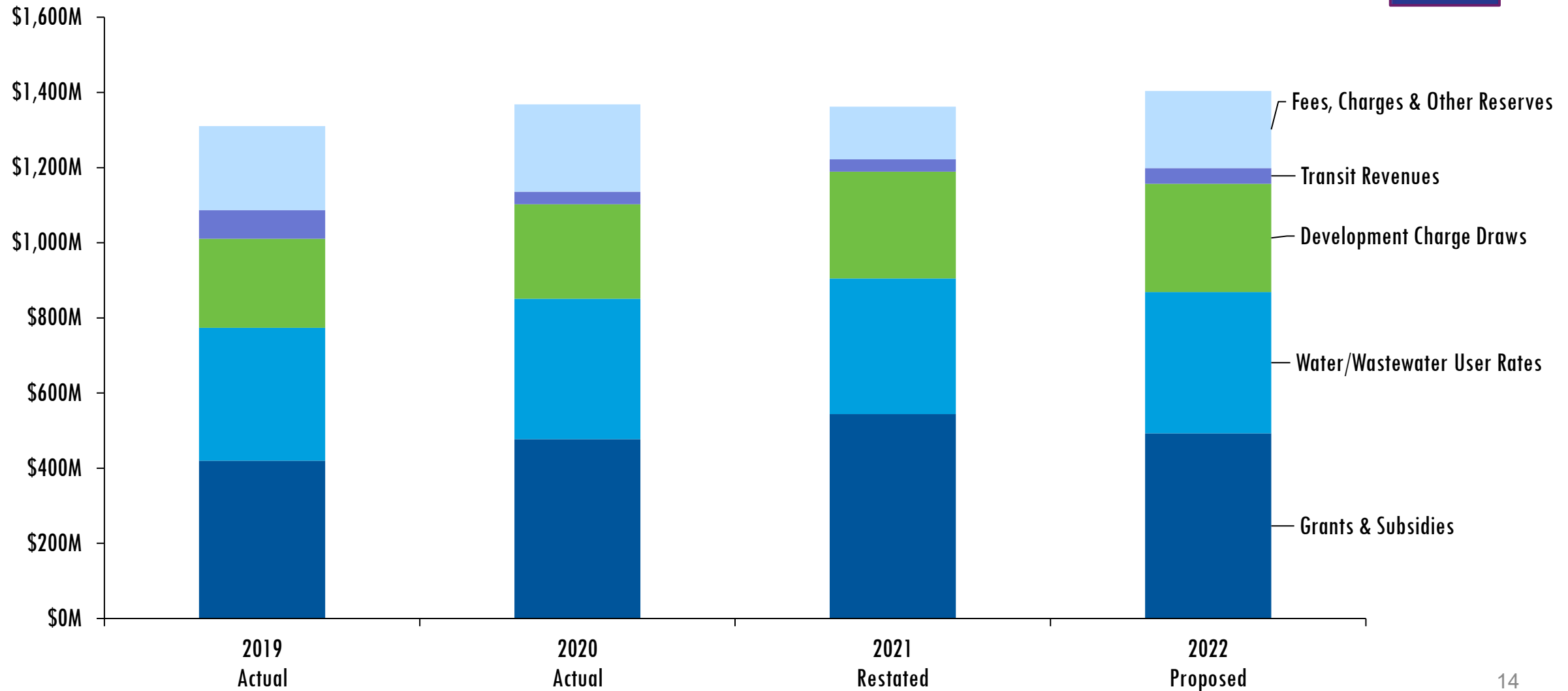


SHARE OF GROSS AND NET EXPENDITURES BY SERVICE AREA

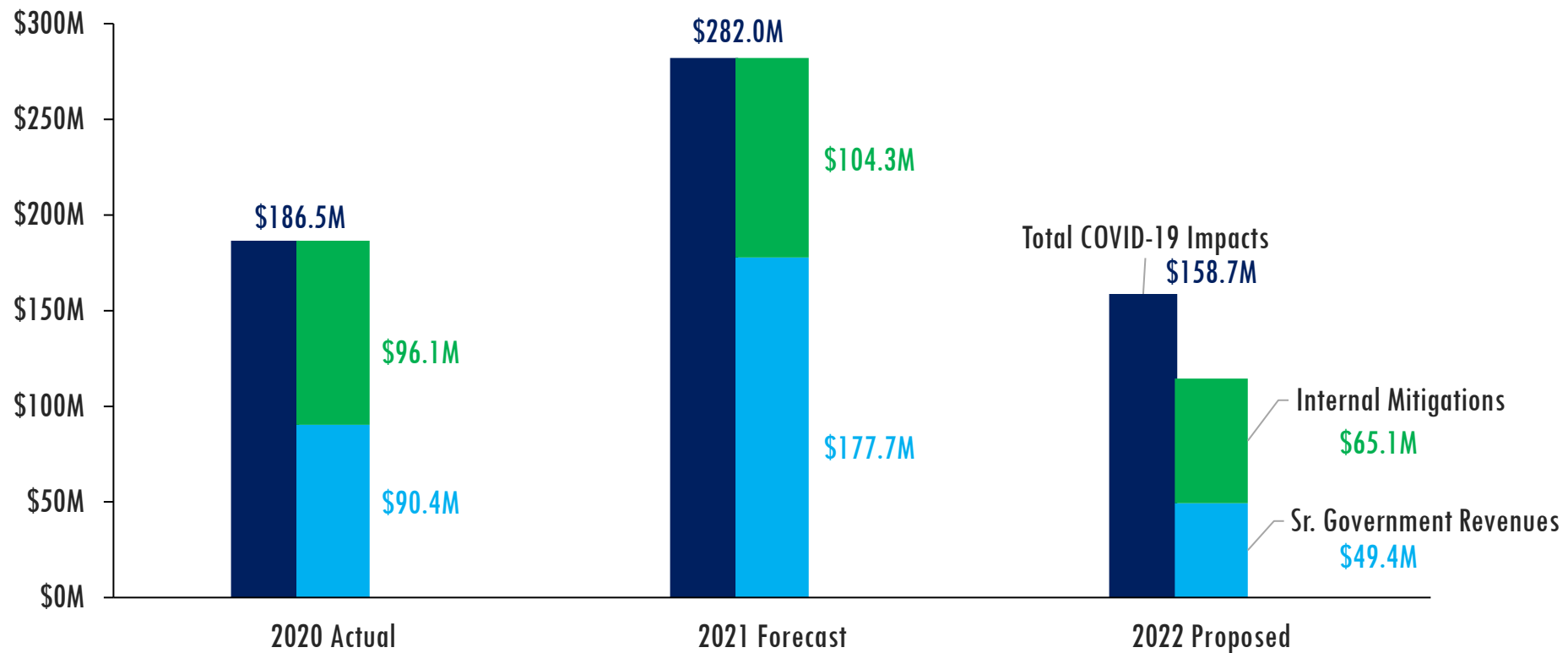


*Other includes Court Services, Boards & Authorities, YorkNet, and YRRTC
Note: Numbers may not add due to rounding

NON-TAX REVENUES REFLECT IMPACTS OF COVID-19



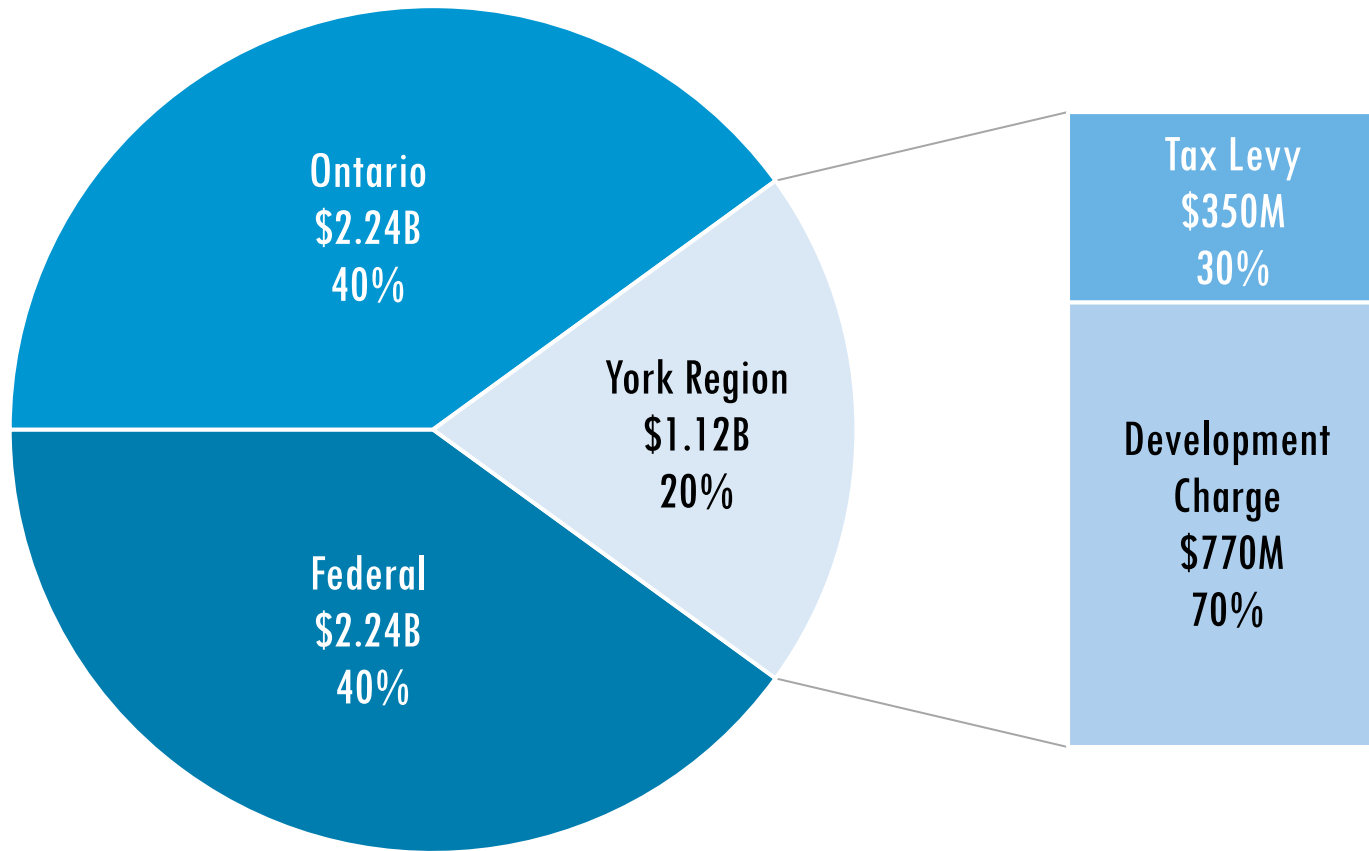
SENIOR GOVERNMENT REVENUES HELPS ADDRESS COVID-19 IMPACTS



PANDEMIC MANAGEMENT RESERVE HELPS ADDRESS 2022 PRESSURES

(\$M)	2021	2022
Opening Pandemic Management Reserve Balance	88.0	89.2
Interest Earned	1.3	1.1
Draws:		
Net Impact of COVID-19	(0.1)	(44.2)
Structural Gap	-	(15.6)
Ending Pandemic Management Reserve Balance	89.2	30.5

THE REGION'S CAPITAL CONTRIBUTION TO THE YNSE IS PROPOSED TO BE FUNDED THROUGH DEVELOPMENT CHARGES AND PROPERTY TAXES



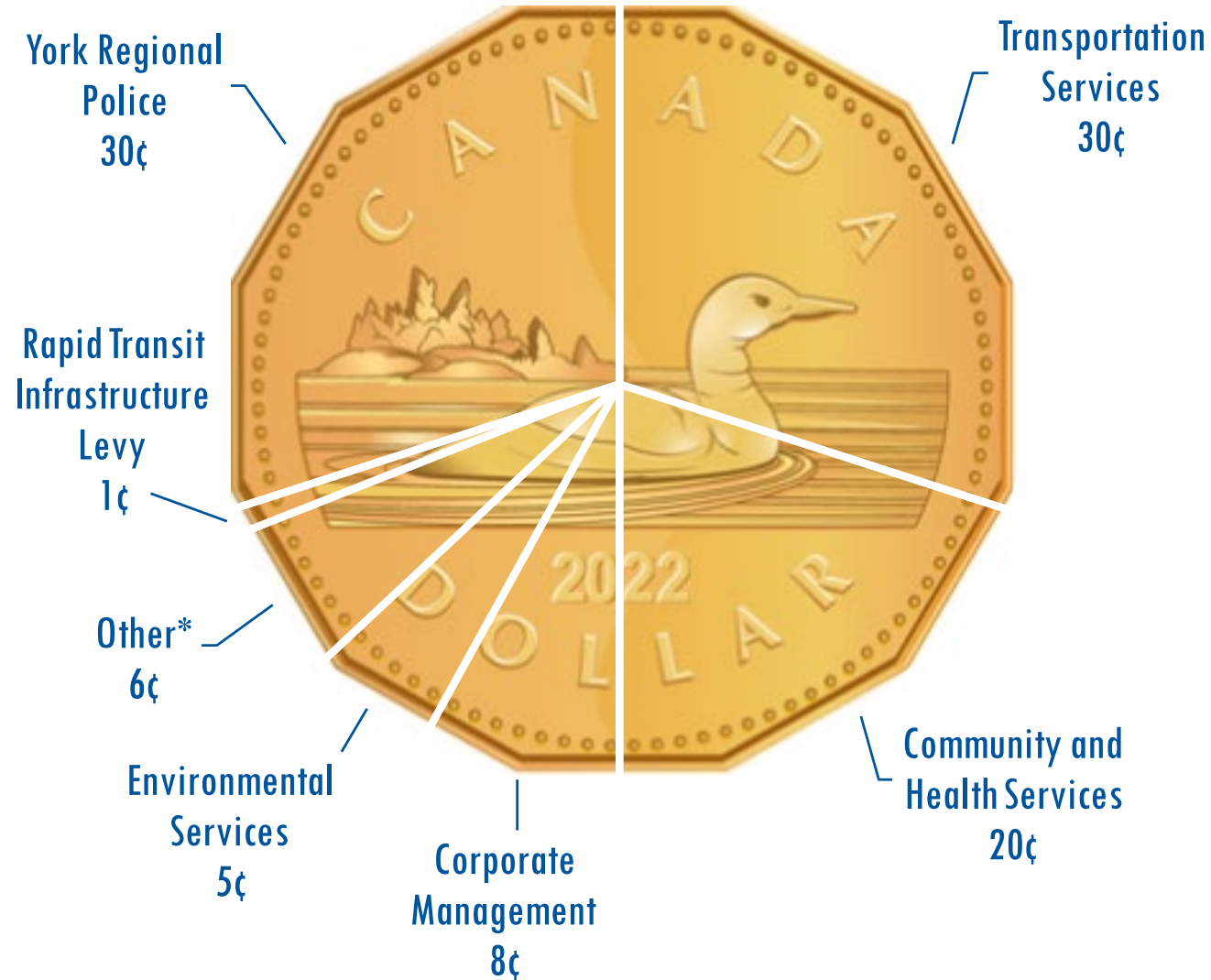
Total Construction Cost \$5.6B



1% RAPID TRANSIT INFRASTRUCTURE LEVY

\$ Millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	10 Year Total
Incremental 1% Levy in 2022	12	12	12	12	12	12	12	12	12	12	120
Incremental 1% Levy in 2023		13	13	13	13	13	13	13	13	13	117
Incremental 1% Levy in 2024			14	14	14	14	14	14	14	14	112
Total	12	25	39	39	39	39	39	39	39	39	350

HOW THE TAX DOLLAR IS SPENT



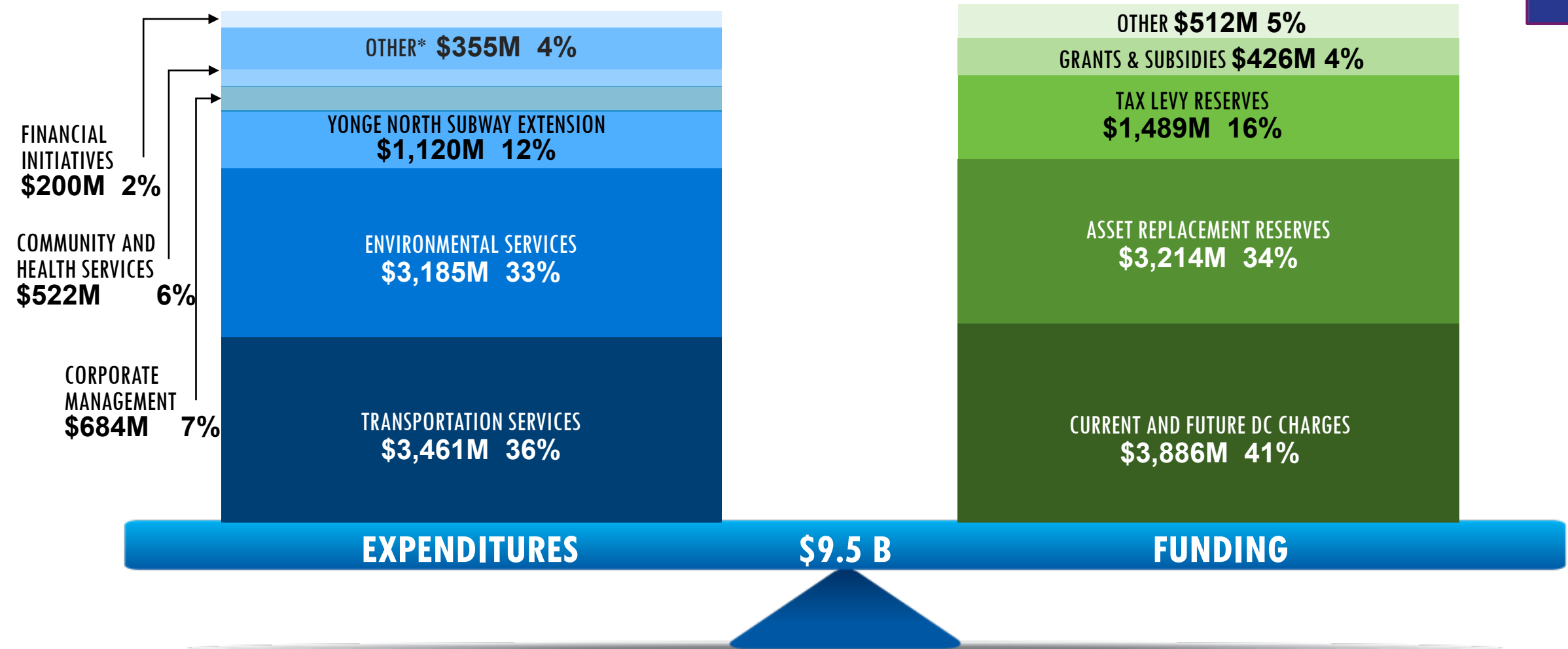
CAPITAL BUDGET



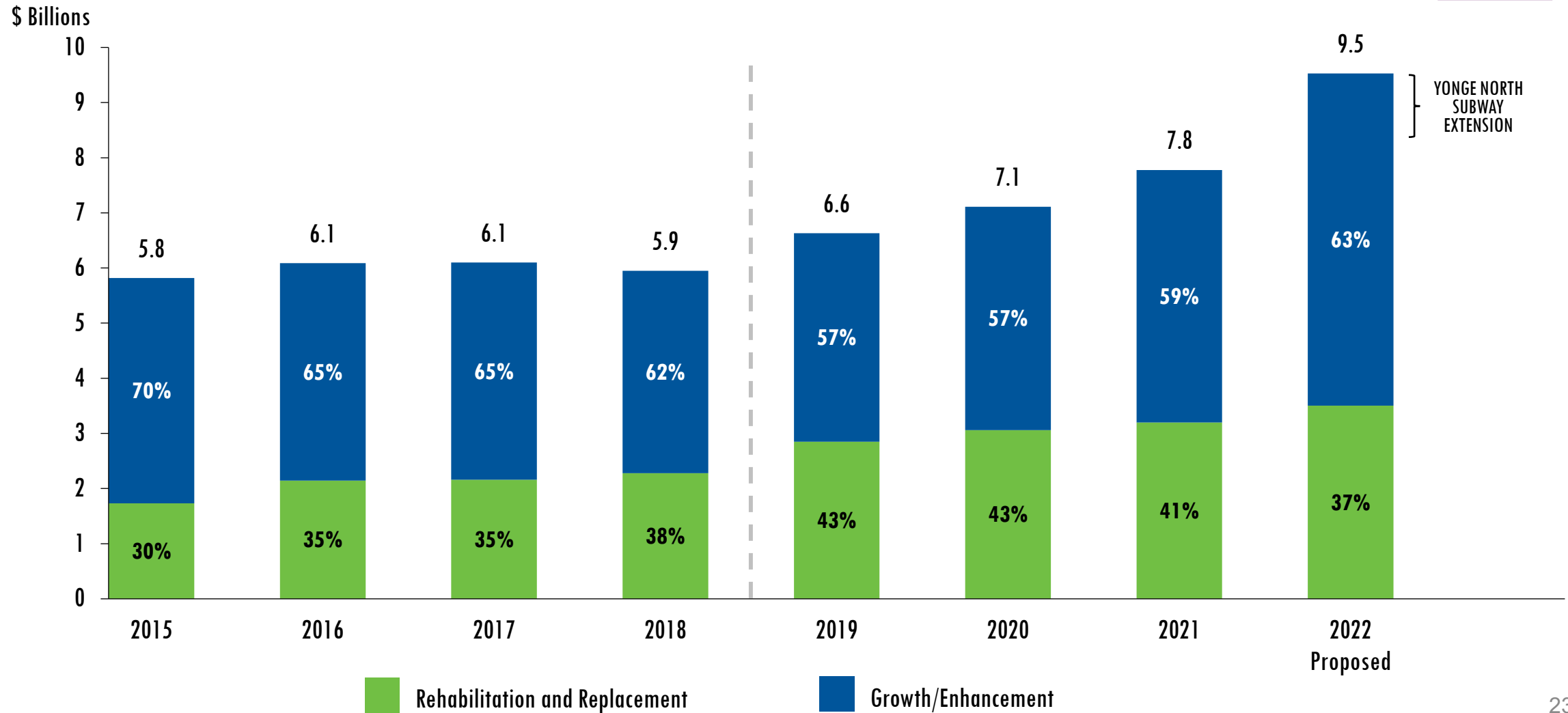
PROPOSED 2022 CAPITAL BUDGET

	2022 Proposed
Capital Budget for 2022	\$980M
Capital Spending Authority	\$4.8B
Ten-Year Capital Plan	\$9.5B
Growth	\$6.0B
Rehabilitation & Replacement	\$3.5B

EXPENDITURES AND FUNDING SOURCES OF THE 10-YEAR CAPITAL PLAN



THE 10-YEAR CAPITAL PLAN REMAINS ROBUST



TOP INITIATIVES BY EXPENDITURE IN THE CAPITAL PLAN

Initiative	Category	Ten-Year Total
Yonge North Subway Extension	Growth	\$1,120M
Road Expansions	Growth	\$1,093M
Pavement Renewal	Renewal	\$716M
Upper York Water Reclamation Centre	Growth	\$506M
Affordable Community Housing	Growth	\$400M
Transit Fleet	Renewal	\$394M
York Durham Sewage System Rehabilitation Program	Renewal	\$386M
West Vaughan Sewage Servicing	Growth	\$325M
Northeast Vaughan Water and Wastewater Servicing	Growth	\$272M
Development of New Facilities	Growth	\$256M
Transit Facilities	Growth	\$234M

RISKS AND CONTINGENCY

COVID-19

**SENIOR
GOVERNMENT
FUNDING**

**INFLATION &
FUEL PRICES**

**GROWTH
ASSUMPTIONS**

REVENUES

**YONGE NORTH
SUBWAY
EXTENSION**

FISCAL STRATEGY



FISCAL STRATEGY HELPS TO PROMOTE FINANCIAL SUSTAINABILITY

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MOODY'S
INVESTORS SERVICE

Aaa WITH POSITIVE OUTLOOK

- PRUDENT FISCAL MANAGEMENT
- EXCELLENT LIQUIDITY
- STRONG OPERATING FRAMEWORK



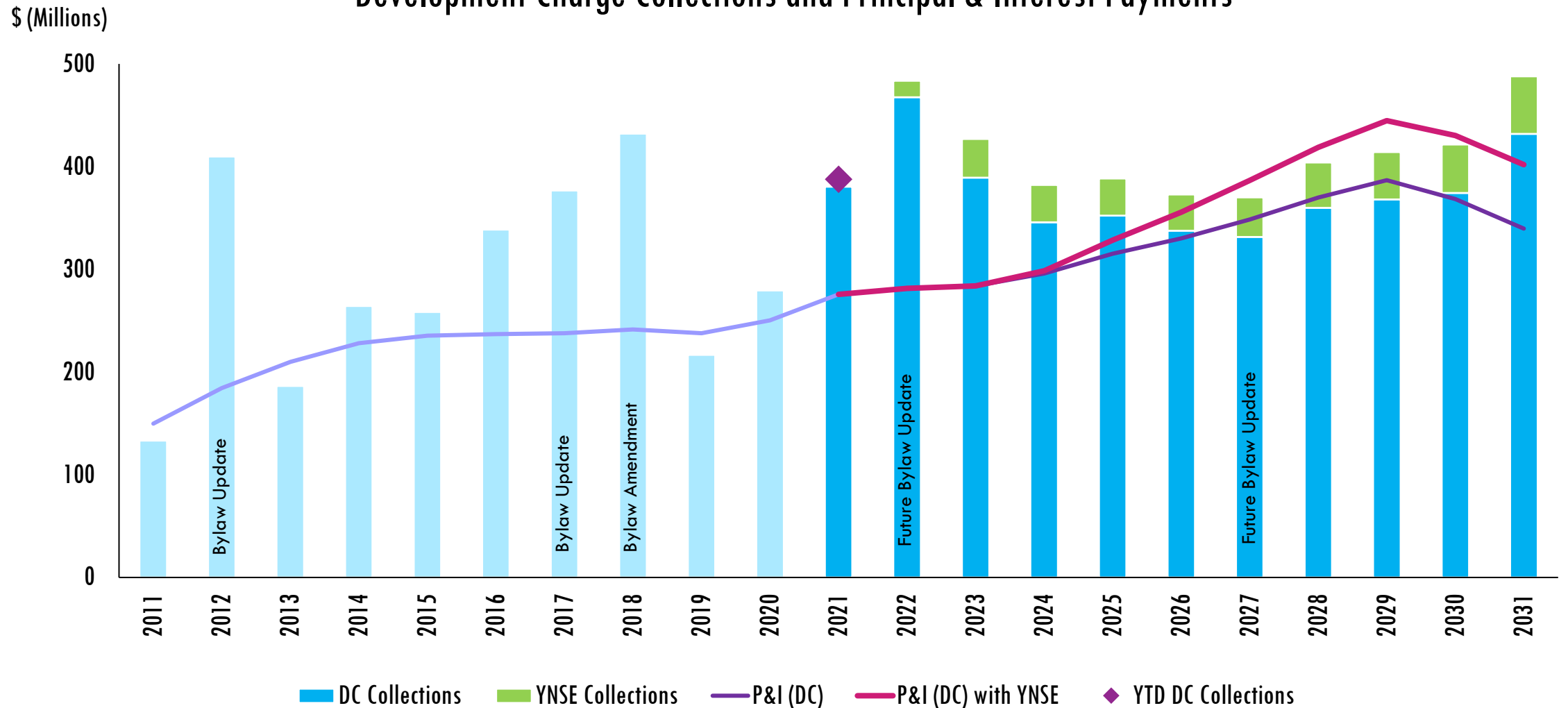
S&P Global
Ratings

AAA WITH POSITIVE OUTLOOK

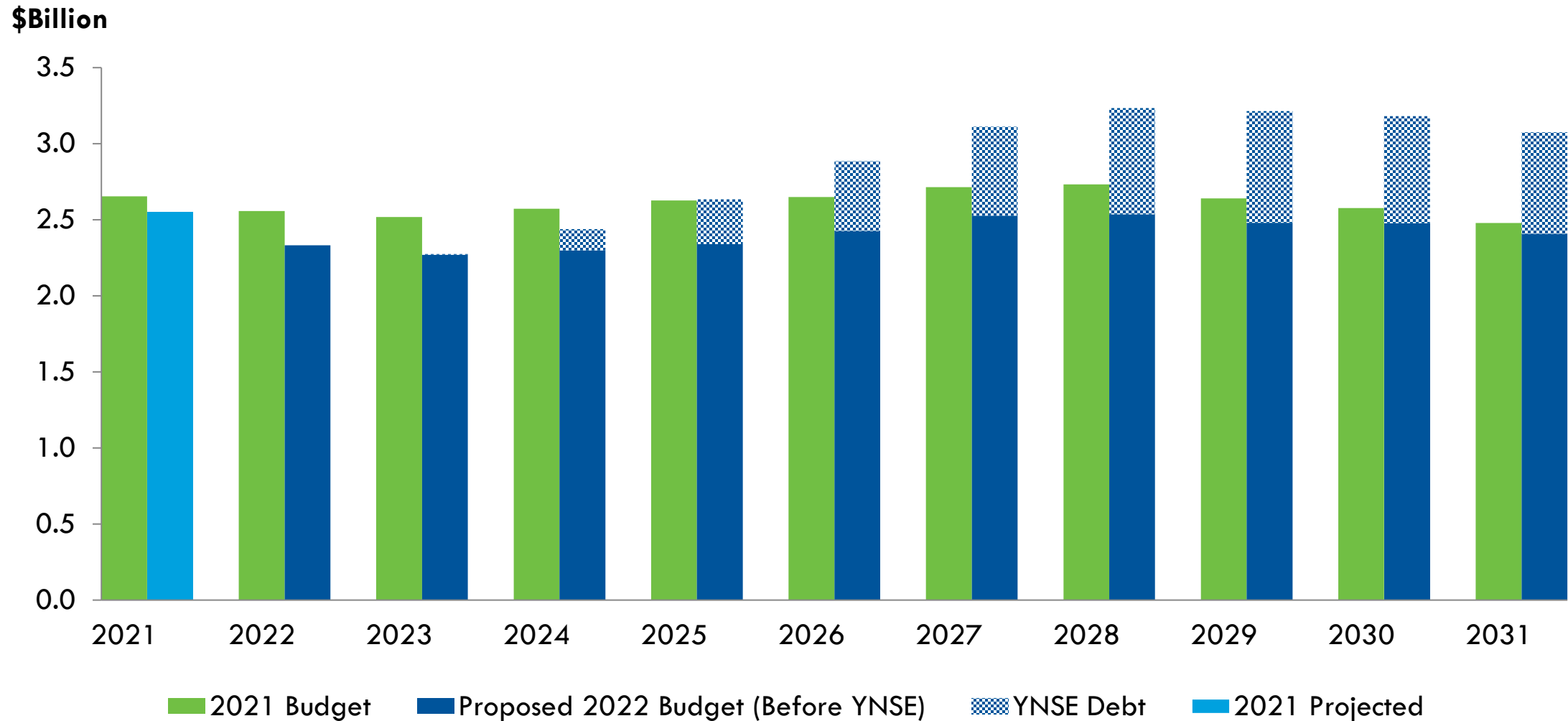
- STRONG FINANCIAL MANAGEMENT
- STEADY DEBT LEVELS
- FALLING INTEREST BURDEN

ALIGNING THE CAPITAL PLAN WITH GROWTH

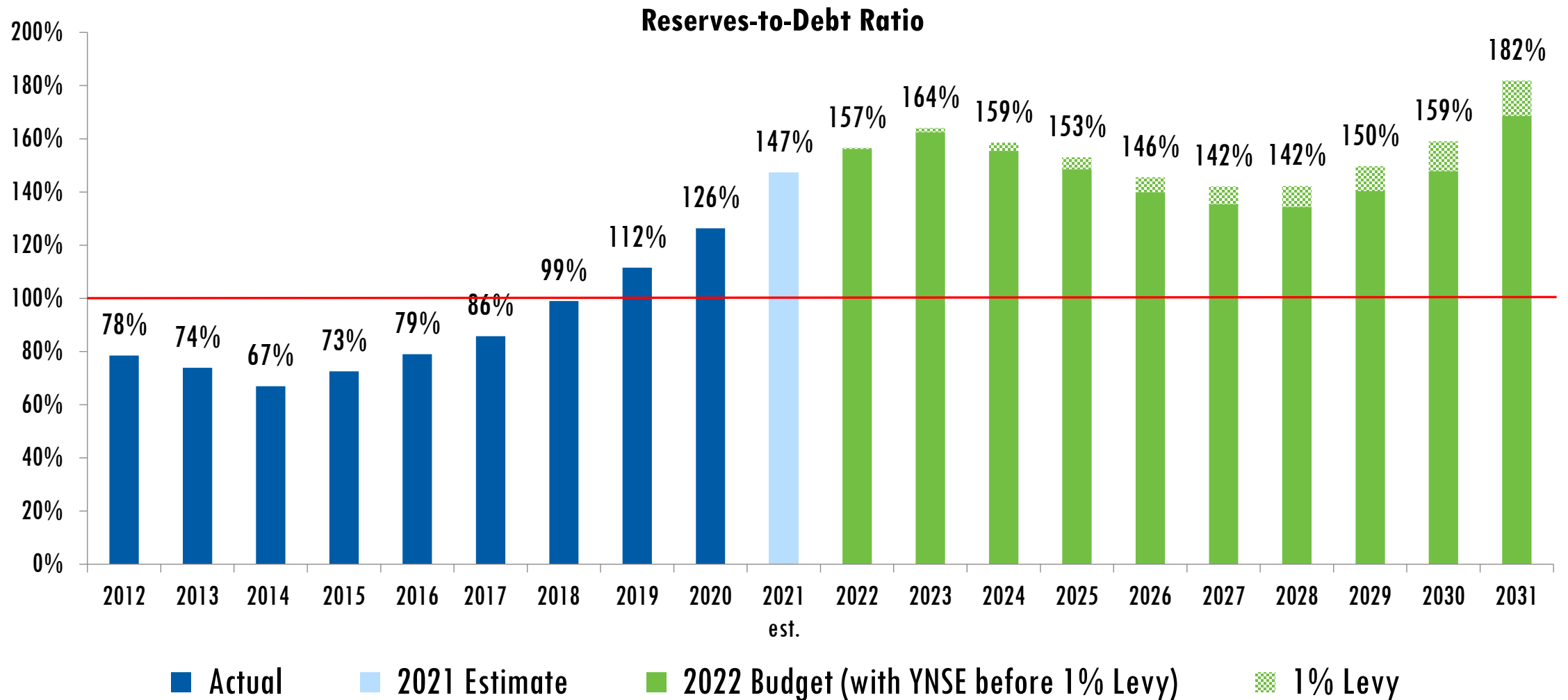
Development Charge Collections and Principal & Interest Payments



DEBT LEVELS ARE CAREFULLY MONITORED



BUILDING RESERVES FOR FUTURE NEEDS



III. WRAP-UP AND NEXT STEPS



2022 PROPOSED BUDGET SUMMARY

DELIVERS ON KEY PRIORITIES



PROPOSES TAX LEVY INCREASE OF 1.96%



CONSISTENT WITH COUNCIL DIRECTION

PROPOSES INFRASTRUCTURE LEVY OF 1.00%



YONGE NORTH SUBWAY EXTENSION

FROM PANDEMIC RESPONSE TO RECOVERY AND RENEWAL

INCLUDES A ROBUST CAPITAL PLAN



ADDRESSES BOTH GROWTH-RELATED AND ASSET
MANAGEMENT NEEDS

STABLE DEBT LEVELS AND HIGHER
RESERVE BALANCES



PROMOTES FINANCIAL SUSTAINABILITY

REGIONAL COUNCIL/COMMITTEE REVIEW PROCESS



THANK YOU

For more information, please contact
Office of the Budget at
OfficeoftheBudget@york.ca

