

The background of the slide features a photograph of the York Region clock tower and its associated building. The clock tower is a prominent, cylindrical structure with two clock faces, set against a clear blue sky. The building behind it has a curved, modern design with large glass windows. The overall scene is bright and clear, suggesting a sunny day.

PROPOSED 2023 TO 2026 REGIONAL BUDGET

Presented to
YORK REGIONAL COUNCIL

Presented by
Laura Mirabella
Commissioner and Regional Treasurer

JANUARY 26, 2023

The logo for York Region, featuring a stylized white starburst or 'Y' shape above the text 'York Region' in a white serif font.

York Region

AGENDA

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

A hand holding a white smartphone. The screen of the phone is black and displays the date '26 JAN' in large, white, sans-serif font. The background of the image is a dark blue gradient with some light streaks and a person's hand holding the phone.

26
JAN

I. OVERVIEW

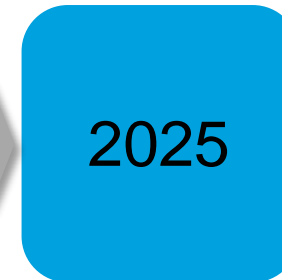
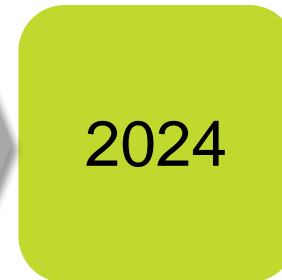


2023 IS THE FIRST YEAR OF THE MULTI-YEAR BUDGET

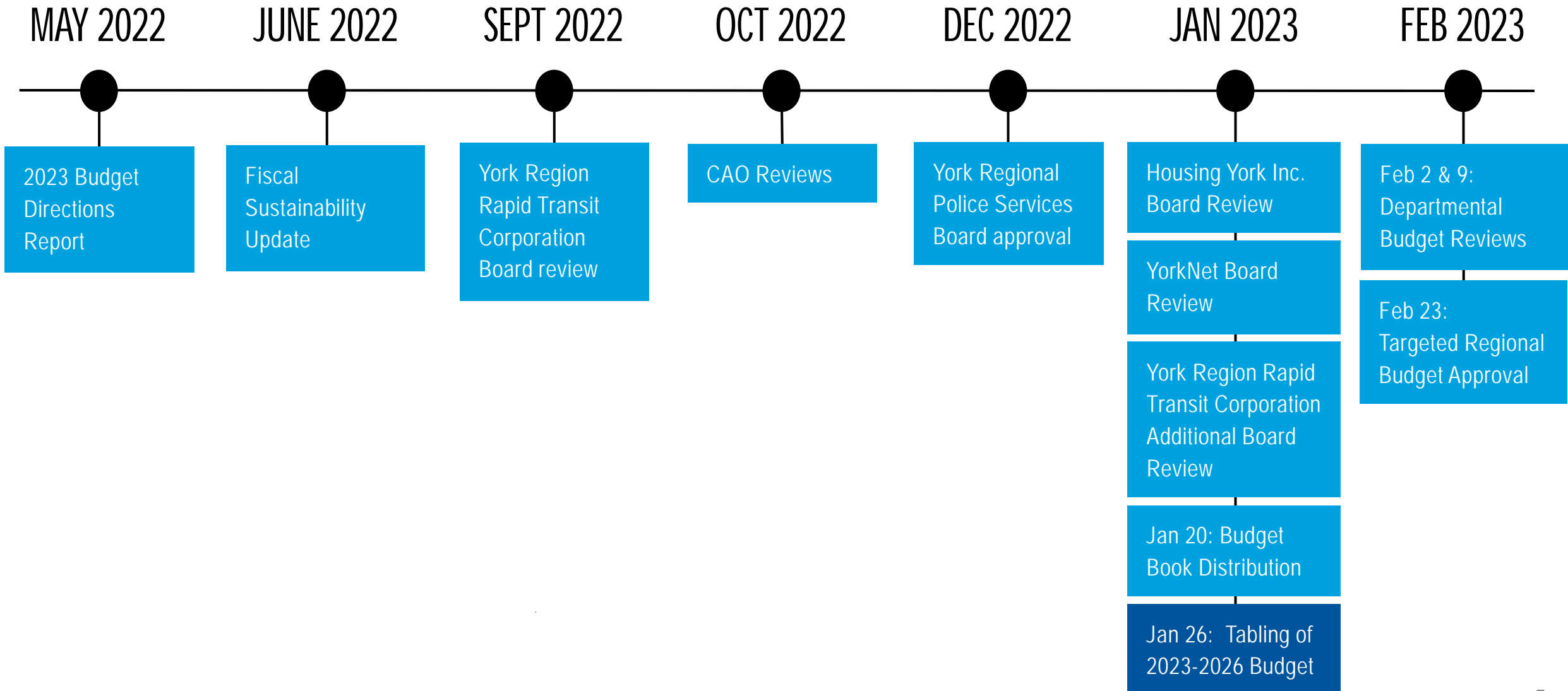


Proposed
Budget

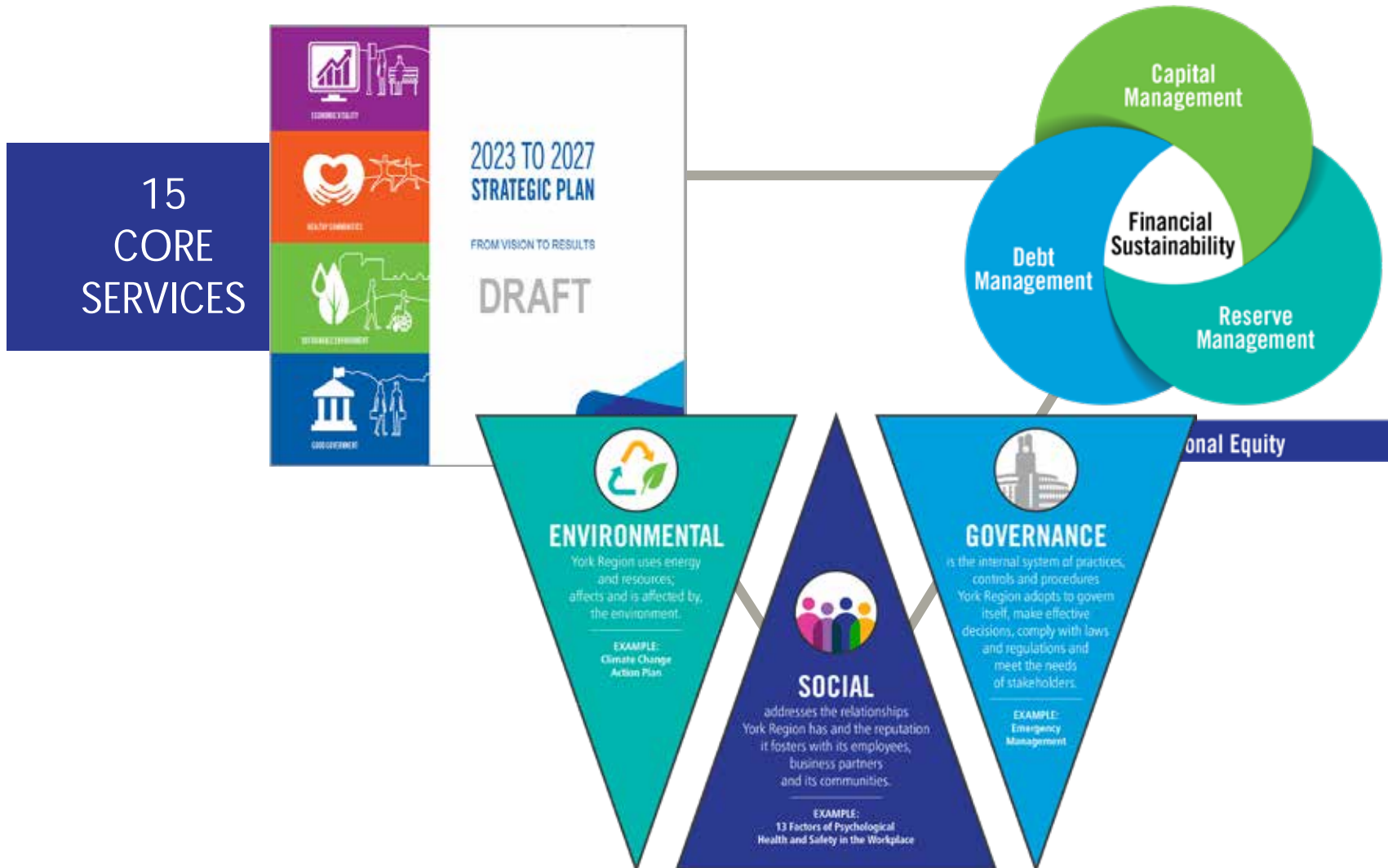
Outlook



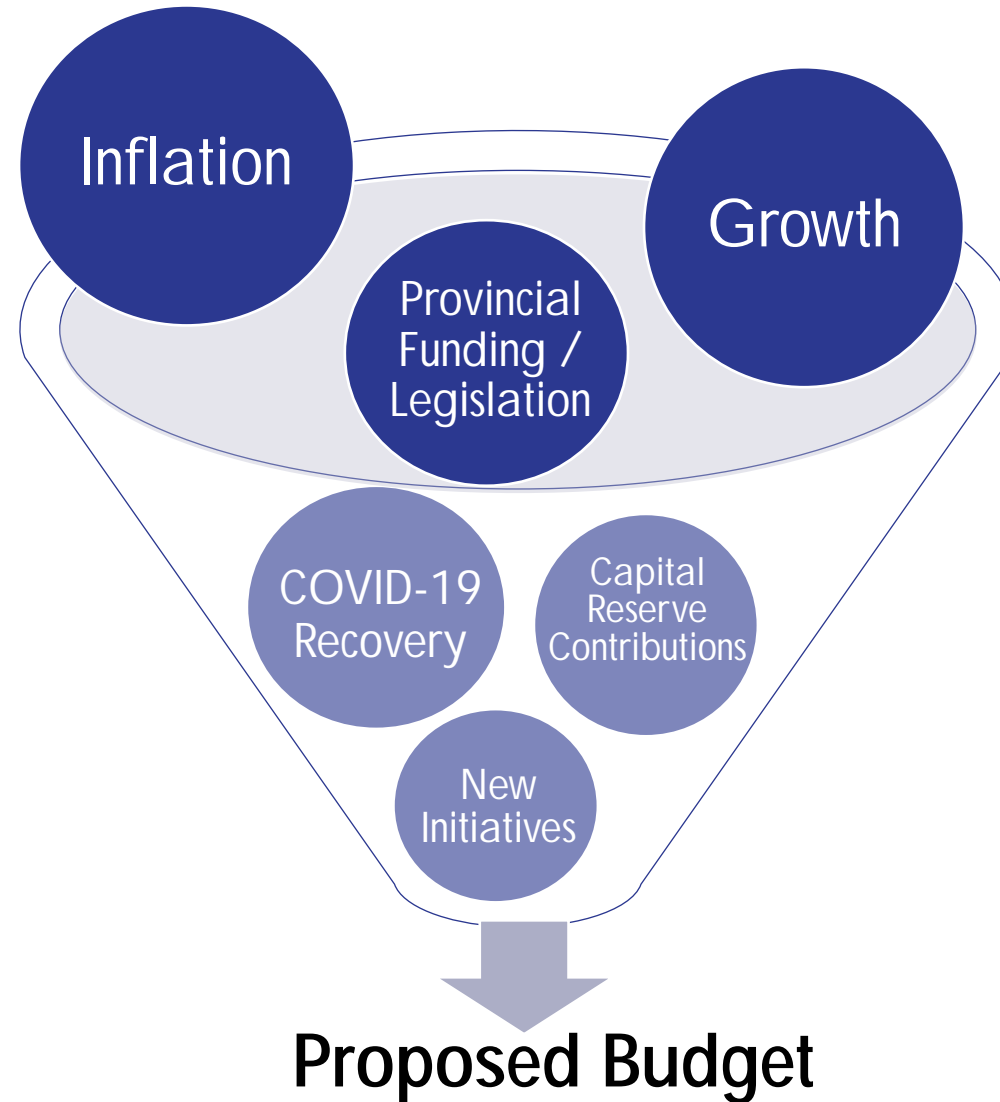
2023 BUDGET DEVELOPMENT TIMELINE



2023 BUDGET CONTEXT AND OBJECTIVES



PROPOSED BUDGET ADDRESSES MANY KEY DRIVERS



2023 BUDGET SUPPORTS DRAFT 2023-2027 STRATEGIC PLAN



ECONOMIC VITALITY

PRIORITY: Foster Economic Prosperity

OBJECTIVES:

1. Attract and retain businesses, grow employment opportunities and attract a skilled workforce
2. Invest in a safe, effective transportation system that connects people, goods and services



HEALTHY COMMUNITIES

PRIORITY: Support Community Well-Being

OBJECTIVES:

1. Protect and promote residents' well-being
2. Support safe communities
3. Sustain and increase affordable housing choices



SUSTAINABLE ENVIRONMENT

PRIORITY: Drive Environmental Stewardship

OBJECTIVES:

1. Deliver and promote environmentally sustainable services
2. Enhance and preserve green space



GOOD GOVERNMENT

PRIORITY: Efficiently Deliver Trusted Services

OBJECTIVES:

1. Improve customer experience by leveraging digital transformation
2. Deliver fiscally sustainable services
3. Attract and retain a skilled workforce

YORK REGION CORE SERVICES

15 CORE SERVICES

Legislated services provided directly to the public to help maintain a high quality of life for York Region residents.



Children's Services



Community Housing



Court Services



Development Services



Economic Development



Forestry



Long-Term Care



Paramedic Services



Police Services



Public Health



Regional Roads



Social Assistance



Transit



Waste Management



Water

MUNICIPAL SERVICE DELIVERY

REGIONAL

- Children's Services*
- Community Housing*
- Court Services (POA)*
- Forestry
- Long-Term Care*
- Paramedic Services*
- Police Services
- Public Health*
- Social Assistance*
- Transit

*partially funded by Province

LOCAL

- Building
- Fire
- Libraries
- Licensing
- Parks, Recreation, Heritage
- Stormwater drainage and management

INTEGRATED DELIVERY

- Bylaw Enforcement
- Borrowing/Tax Collection
- Planning Services
- Economic Development
- Emergency Planning
- Roads
- Waste Management
- Water

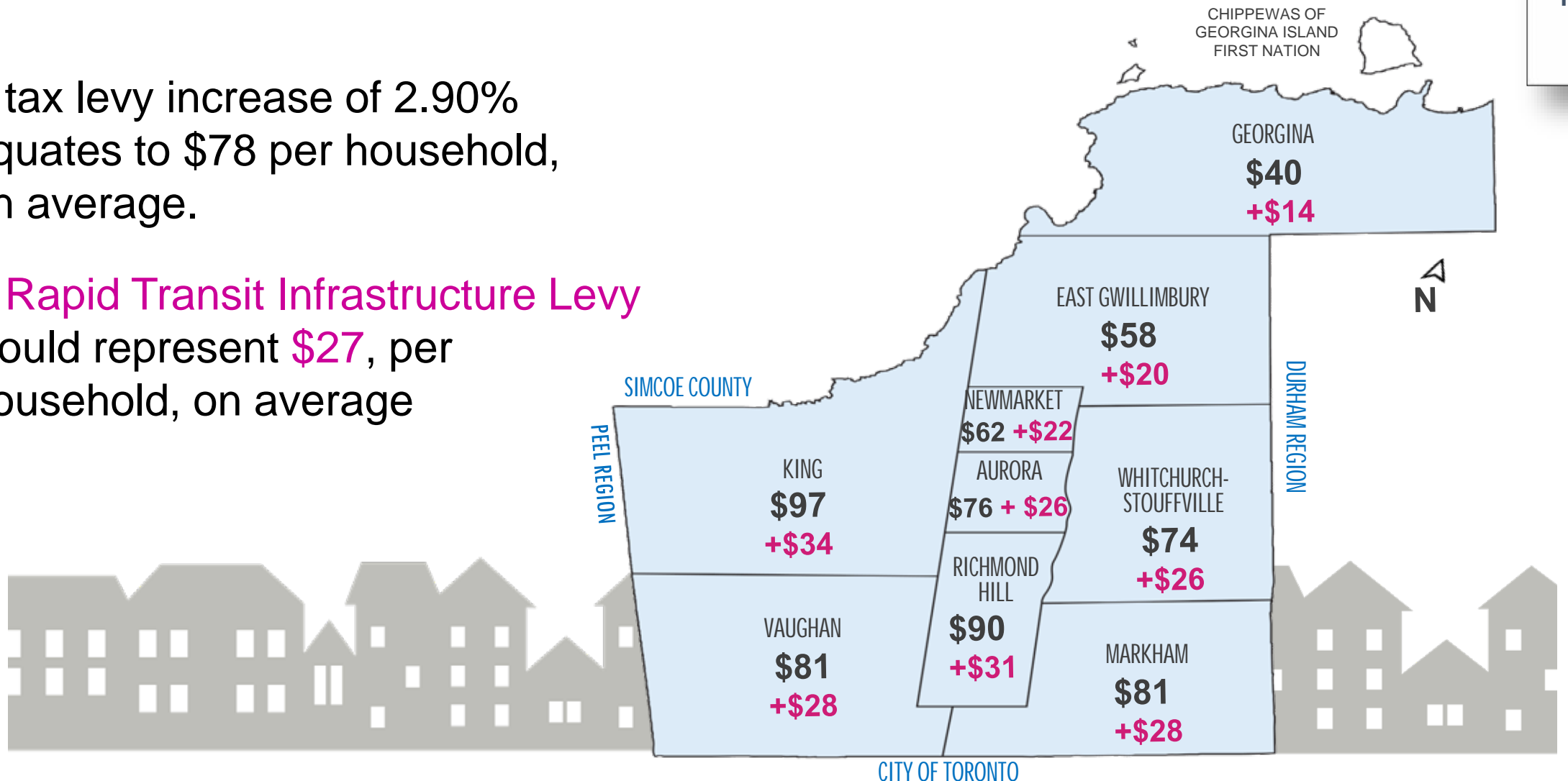
PROPOSED BUDGET AT A GLANCE

	2022 Restated	2023 Proposed	2024 Outlook	2025 Outlook	2026 Outlook
Tax Increase	1.96%	2.90%	2.75%	2.60%	2.60%
Rapid Transit / Infrastructure Levy*	1.00%	1.00%	1.00%	1.00%	1.00%
Gross Operating Expenditures	\$2.80B	\$2.91B	\$2.98B	\$3.10B	\$3.20B
Net Expenditures (incl RT/IL) after Assessment Growth Revenue	\$1.26B	\$1.33B	\$1.39B	\$1.47B	\$1.54B
Ten Year Capital Plan	\$9.5B	\$9.9B			
Capital Budget	\$980M	\$894M			

* 2023 and 2024 represent a continuation of the 2022 Budget decision to fund the tax levy portion of the Yonge North Subway Extension through a separate levy. The 2025 and 2026 amounts are proposed to address other growth-related infrastructure needs

TAX IMPACT ON HOMEOWNERS IN 2023

- A tax levy increase of 2.90% equates to \$78 per household, on average.
- A **Rapid Transit Infrastructure Levy** would represent **\$27**, per household, on average

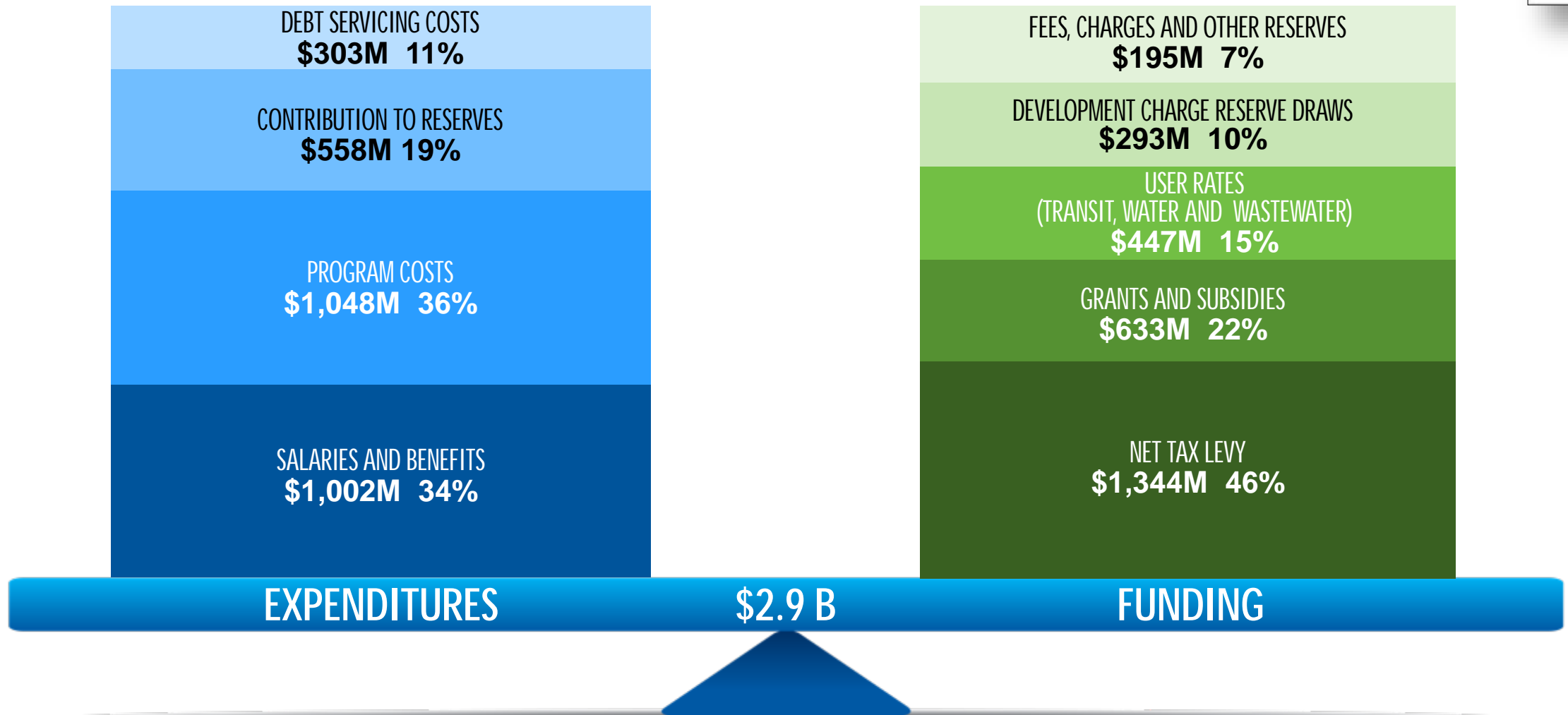


Note: The average assessed value of a residential property in the Region is \$802,239

OPERATING BUDGET



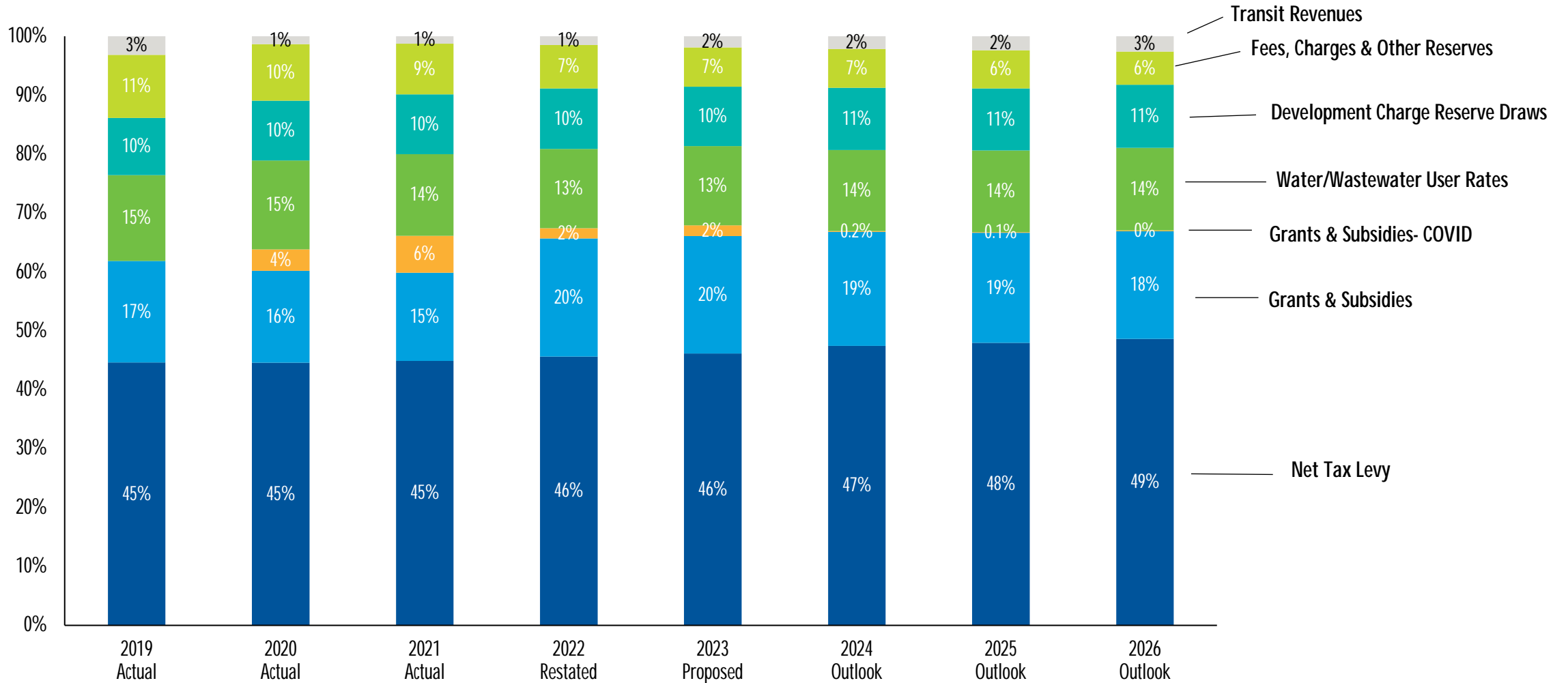
COMPONENTS OF A BALANCED BUDGET



Note: Numbers may not add due to rounding

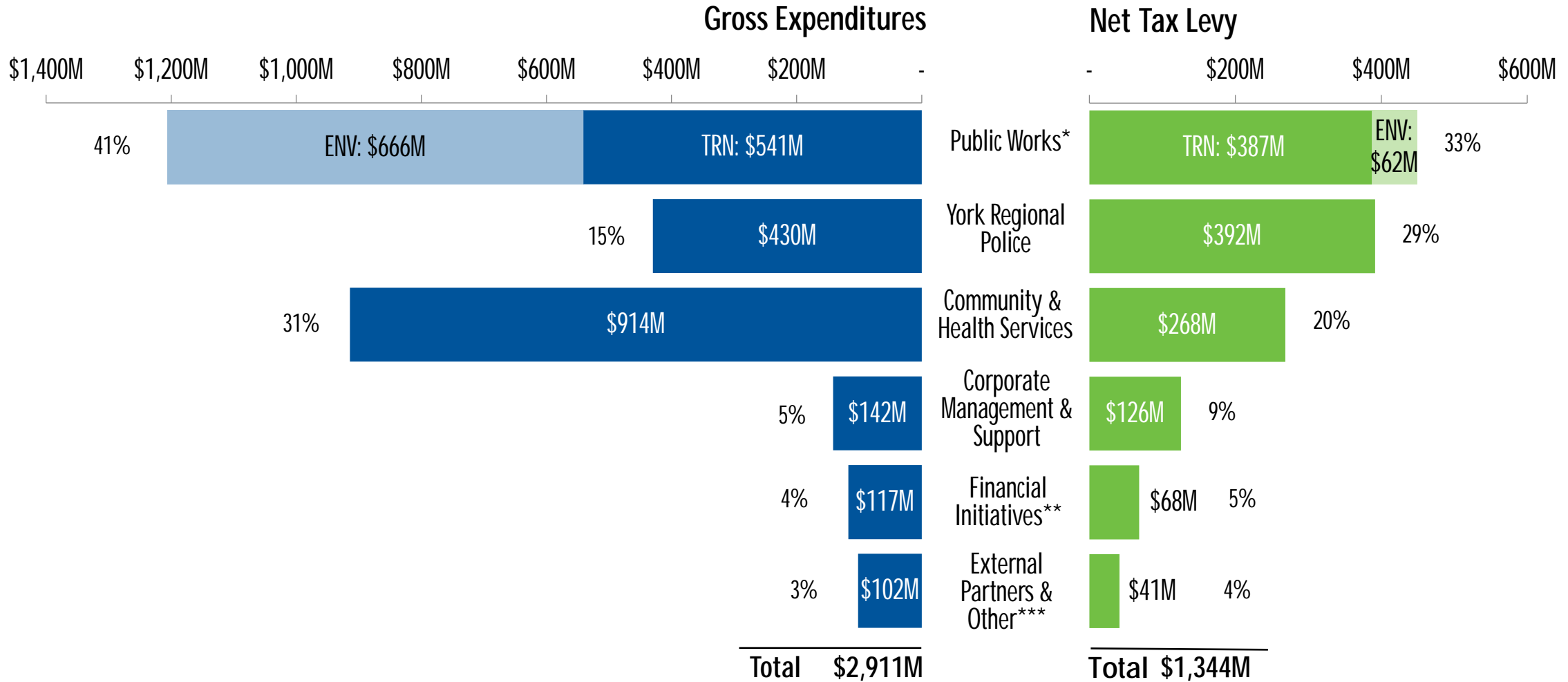
OPERATING BUDGET FUNDING SOURCES

Operating Budget Funding by Source (%)*



*Figures are rounded and may not total

EXPENDITURES AND TAX LEVY IMPACT BY SERVICE AREA



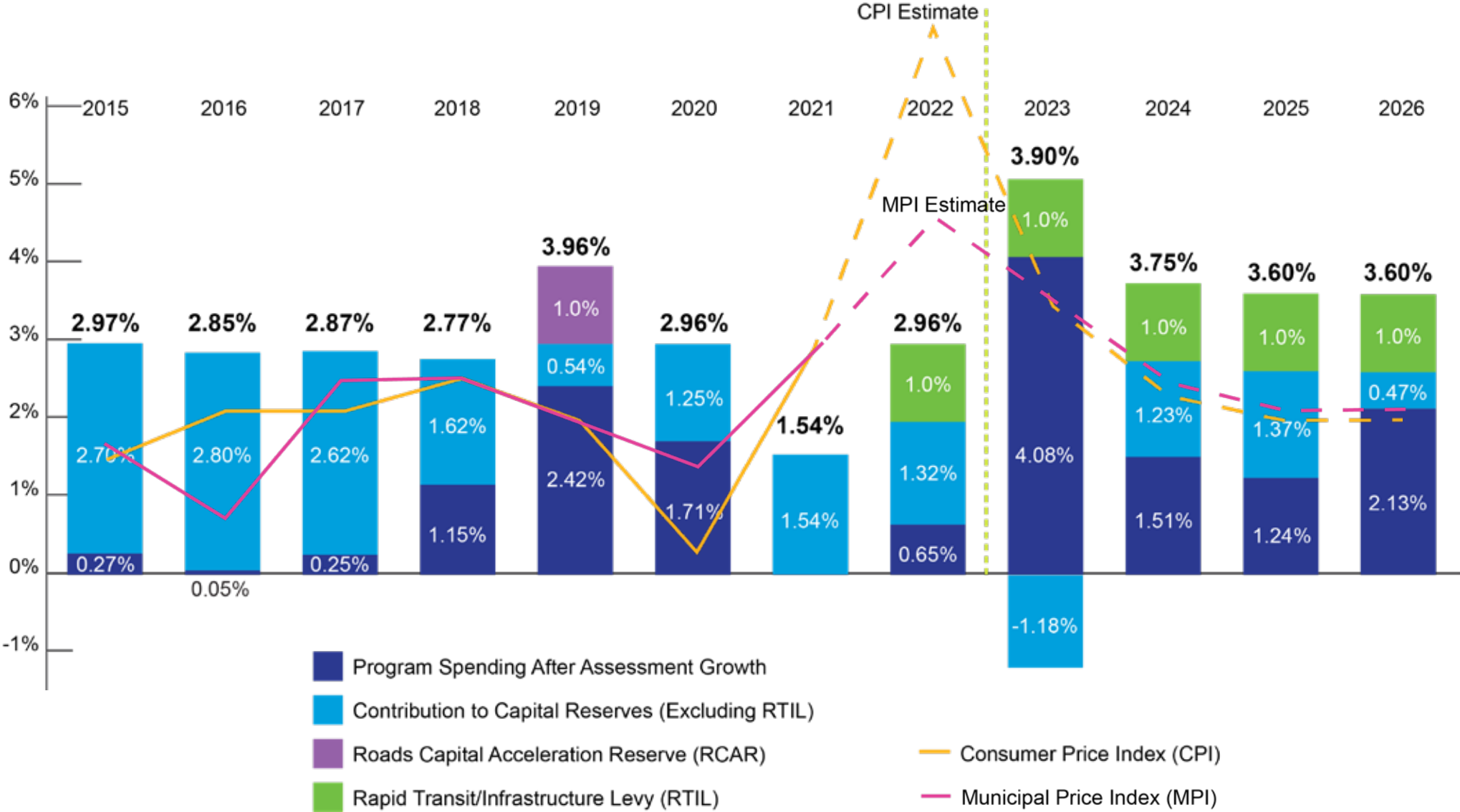
*Public Works reflects two key operating areas: Environmental Services (ENV) and Transportation Services (TRN)

**Financial Initiatives includes the Rapid Transit / Infrastructure Levy

***Other includes York Region Rapid Transit Corporation, YorkNet, and Court and Tribunal Services

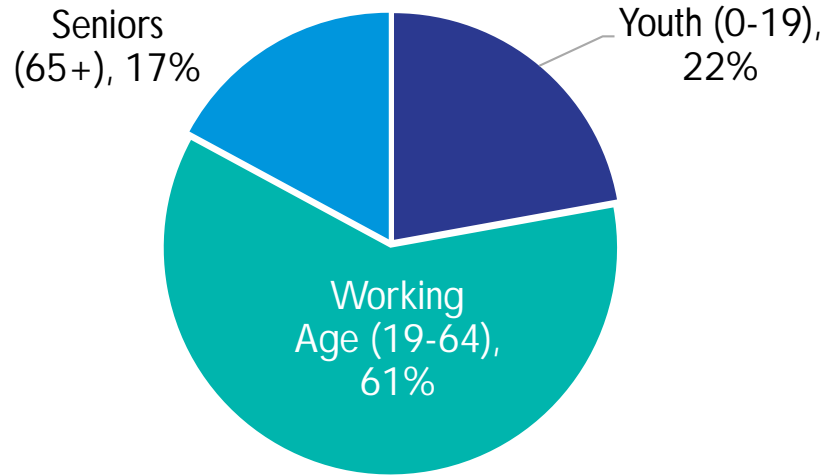
Note: Numbers may not add due to rounding

HISTORICALLY HIGH INFLATION RATES DRIVE BUDGET NEEDS

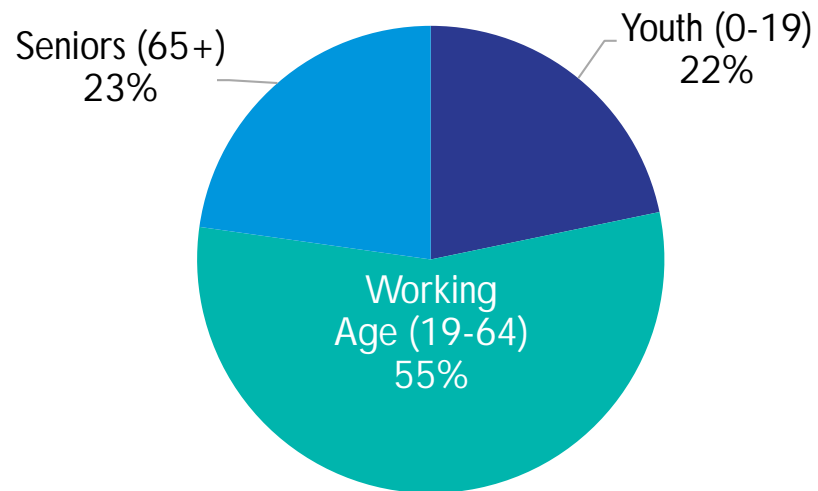


POPULATION GROWTH AND DEMOGRAPHIC CHANGES

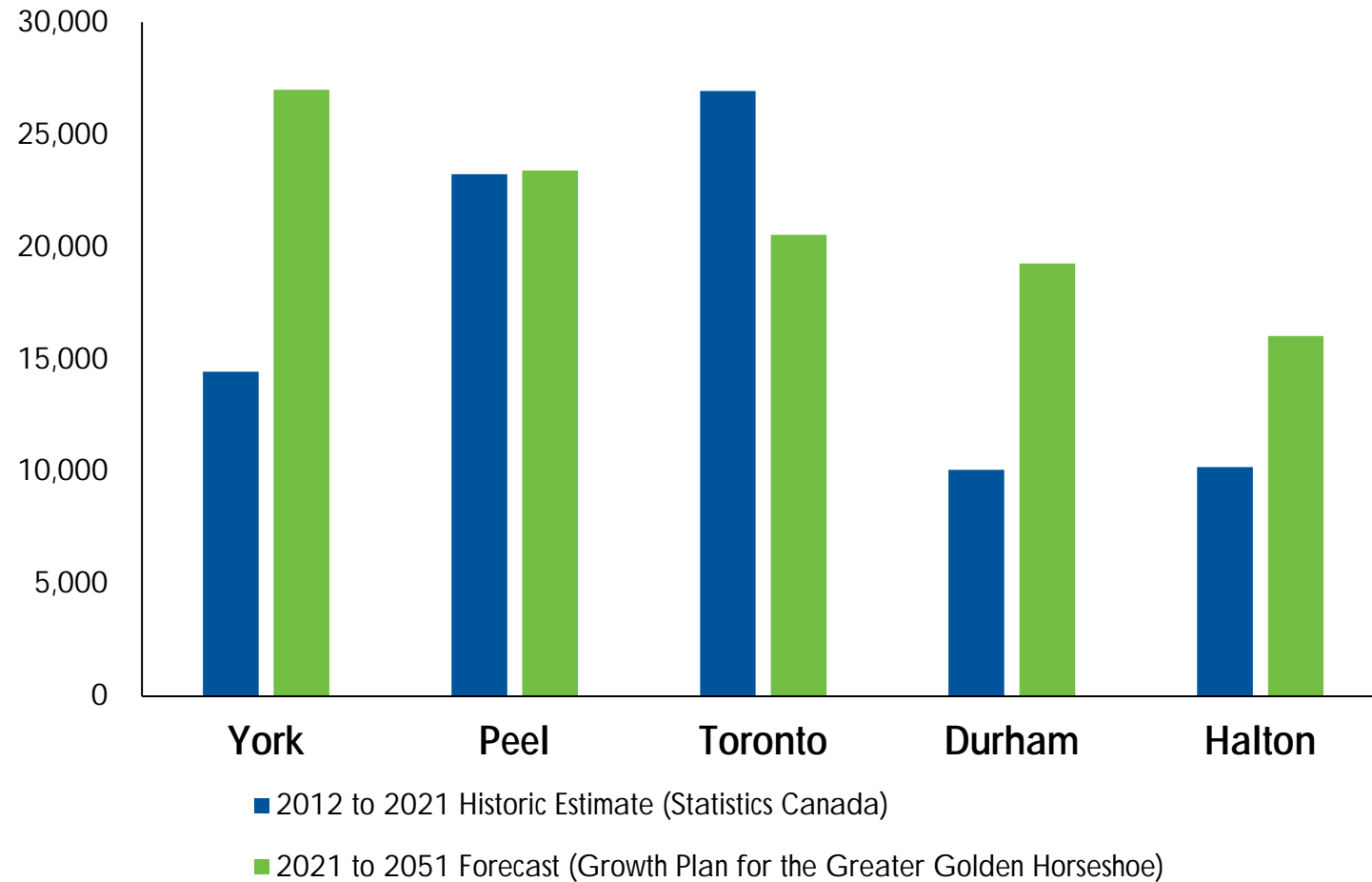
York Region 2021 Demographics



York Region 2031 Forecasted Demographics



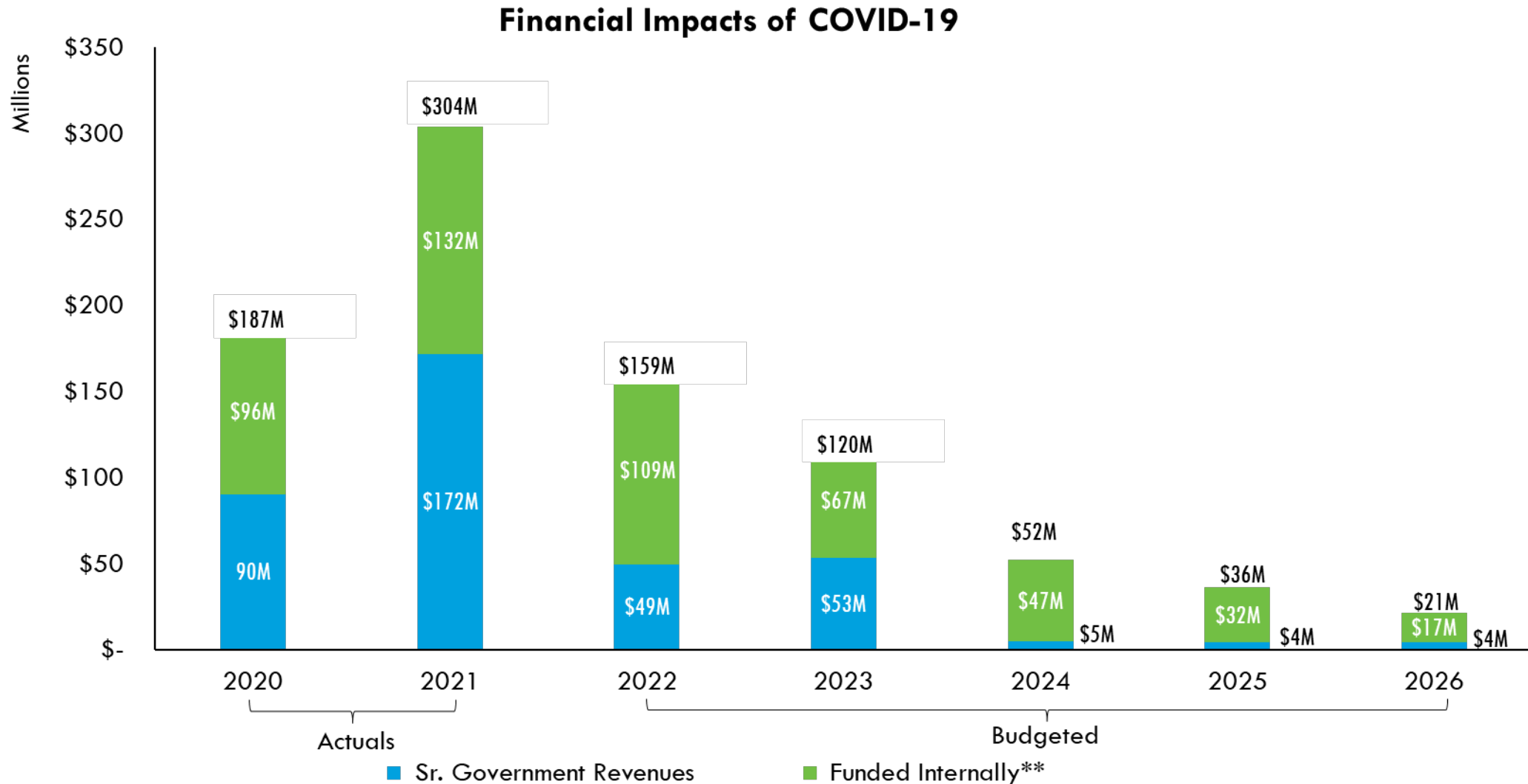
Average Annual Population Growth
(York Region vs. Comparators)



Source: Statistics Canada and York Region Official Plan

Source: Statistics Canada, York Region Long Range Planning, Peel Region and Hemson Consulting.

FINANCIAL IMPACTS OF COVID-19 ARE PROJECTED TO DECLINE

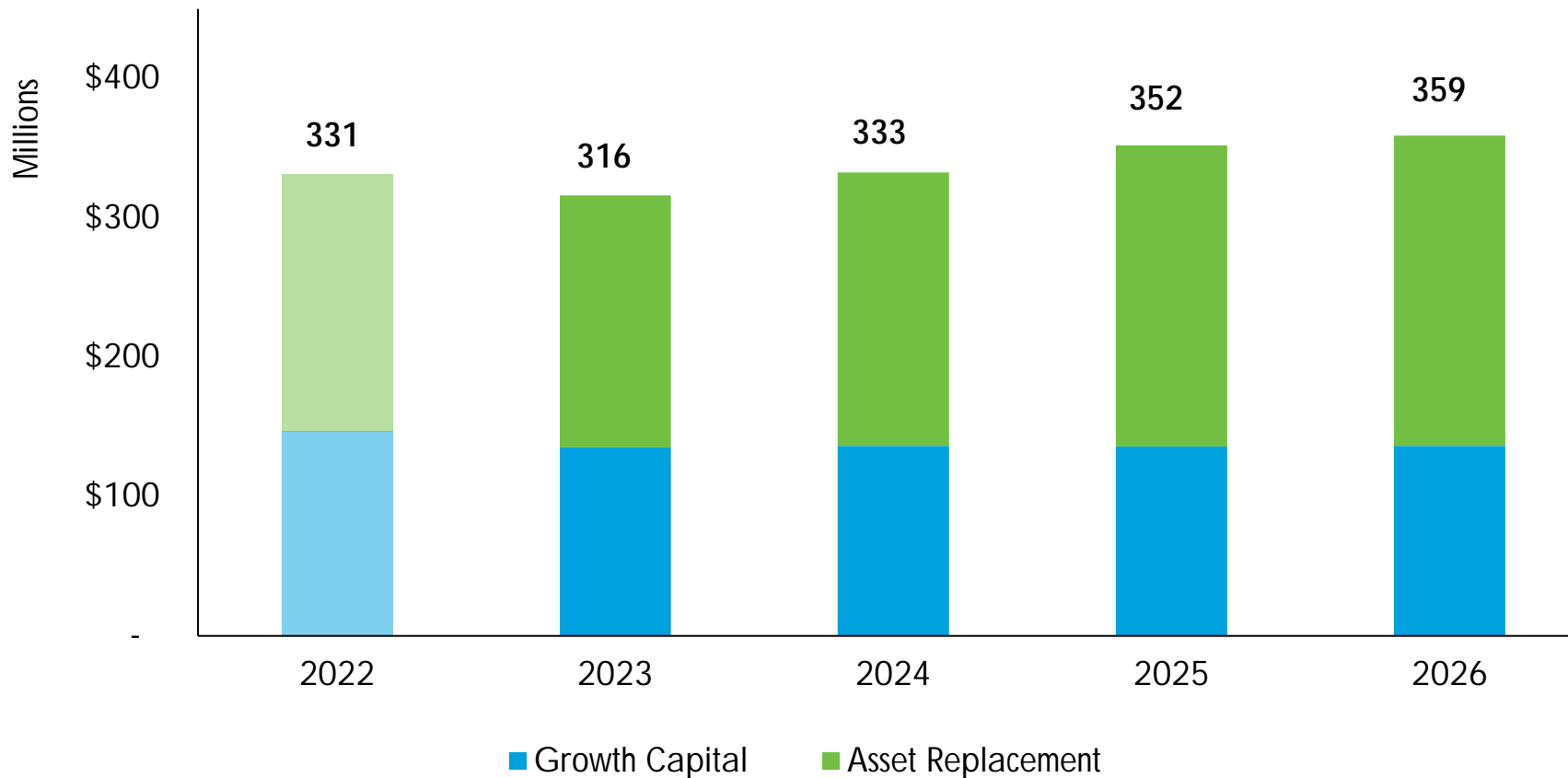


*Figures are rounded and may not total

**Primarily reflects internal reallocation of resources and reserve draws

CONTRIBUTIONS TO CAPITAL RESERVES INCREASE OVER TIME

Contributions to Tax Levy Capital Reserves



*Growth capital excludes incremental 1% RTIL in 2023-2026

HOW THE TAX DOLLAR IS SPENT



*Financial Initiatives includes the Rapid Transit / Infrastructure Levy

**Other includes York Region Rapid Transit Corporation, YorkNet, and Court and Tribunal Services

CAPITAL BUDGET

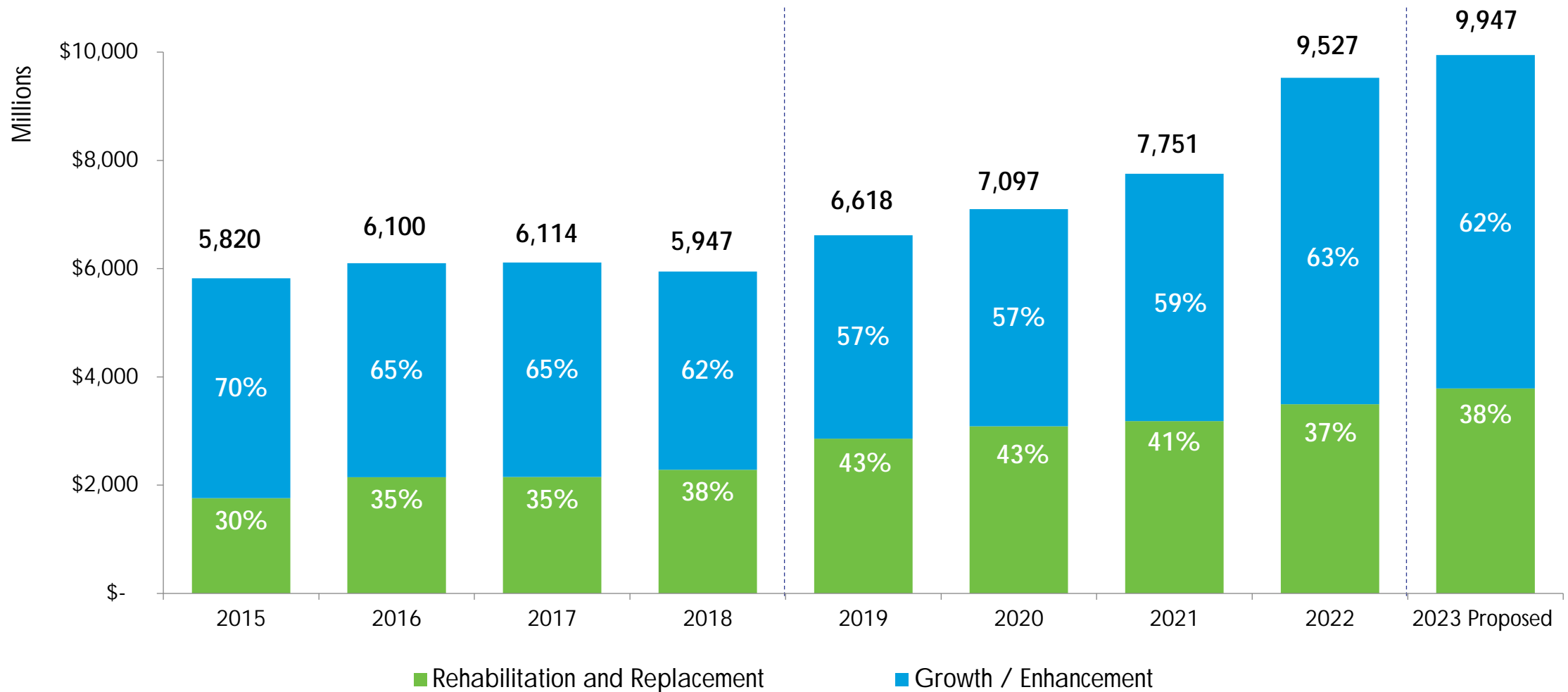


PROPOSED 2023 CAPITAL BUDGET

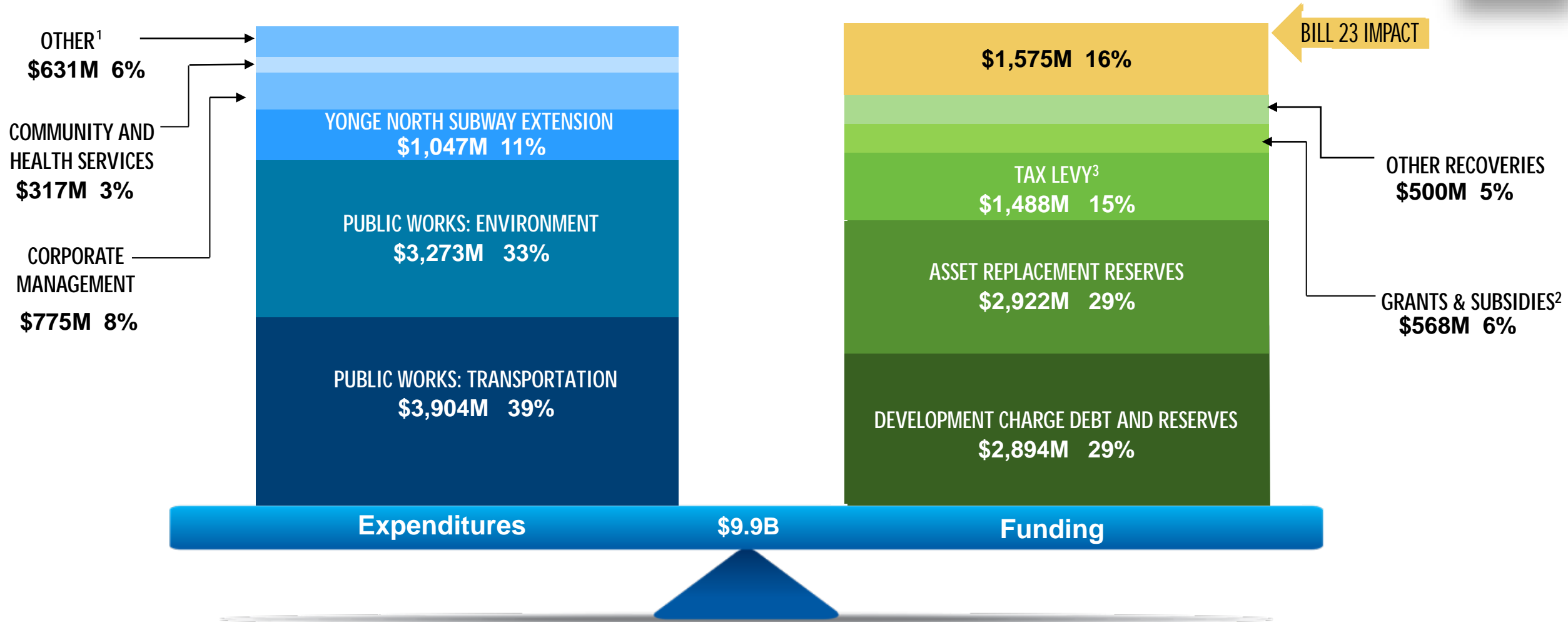
	2023 Proposed
Capital Budget for 2023	\$894M
Capital Spending Authority	\$5.4B
Ten-Year Capital Plan	\$9.9B
Growth	\$6.2B
Rehabilitation & Replacement	\$3.8B

THE REGION'S CAPITAL PLAN REMAINS ROBUST

Historical 10-Year Capital Plans



EXPENDITURES AND FUNDING SOURCES OF THE 10-YEAR CAPITAL PLAN



1 Other includes York Regional Police, YorkNet, YRRTC, Court and Tribunal Services & Financial Initiatives

2 Grants & Subsidies includes Canada Community-Building Fund (CCBF)

3 Tax Levy includes Tax Levy Reserves and \$137 million borrowing to be obtained from Canada Infrastructure Bank as part of the Zero Emission Transit Fund program

TOP INITIATIVES BY EXPENDITURE IN THE CAPITAL PLAN

Initiative	Category	Ten-Year Total
Road Expansions	Growth	\$1,101M
Yonge North Subway Extension	Growth	\$1,047M
Pavement Renewal	Renewal	\$718M
Transit Fleet	Renewal	\$585M
Wastewater Servicing (Aurora, East Gwillimbury and Newmarket)	Growth	\$433M
West Vaughan Sewage Servicing	Growth	\$372M
York Durham Sewage System Rehabilitation Program	Renewal	\$346M
Transit Facilities	Growth	\$299M
Development of New Regional Facilities	Growth	\$267M
Duffin Creek Incinerators	Renewal	\$211M

PRIORITY PROJECTS NOT YET INCLUDED IN THE CAPITAL PLAN



\$2.0 billion in needed
funding not yet
included

**Bus Rapid Transit
Construction
+
Community
Housing**



Capital plan includes
initial investment to
bring these projects to
a state of readiness

The Region continues
to advocate for senior
government funding

FISCAL STRATEGY

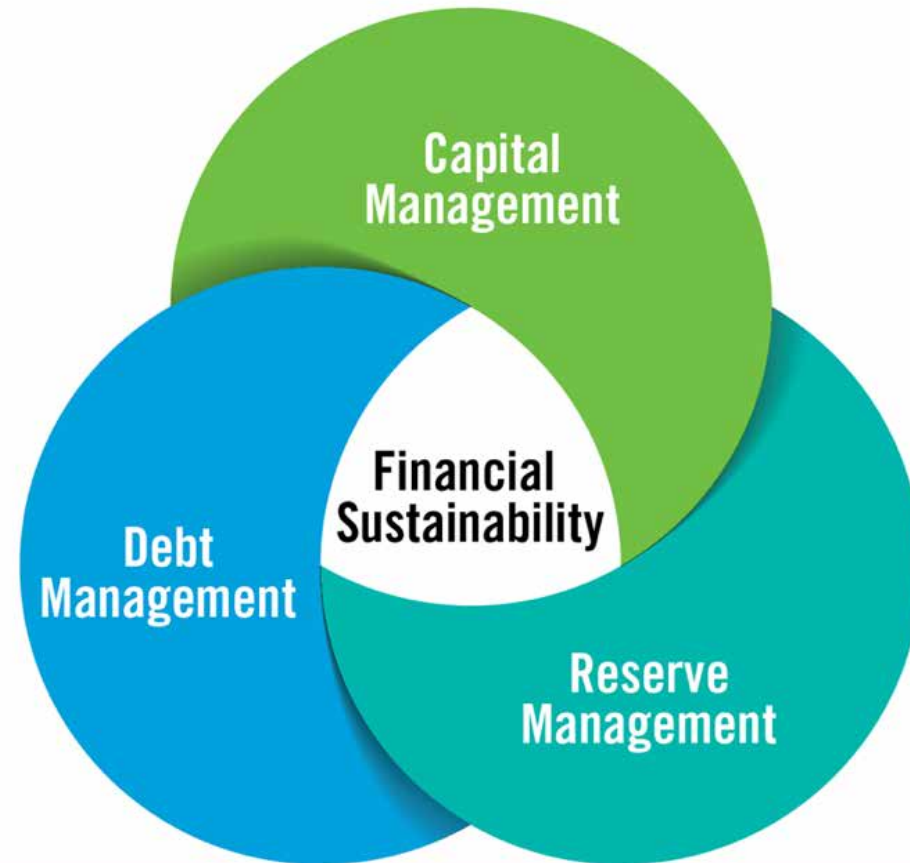


THE FISCAL STRATEGY HELPS PROMOTE FINANCIAL SUSTAINABILITY

MOODY'S
INVESTORS SERVICE

Aaa WITH STABLE OUTLOOK

- EXCELLENT WEALTH AND LIQUIDITY
- LARGE AND DIVERSIFIED ECONOMY
- STRONG GOVERNANCE AND INSTITUTIONAL FRAMEWORK
- STABLE REVENUE SOURCES AND COST CONTROLS



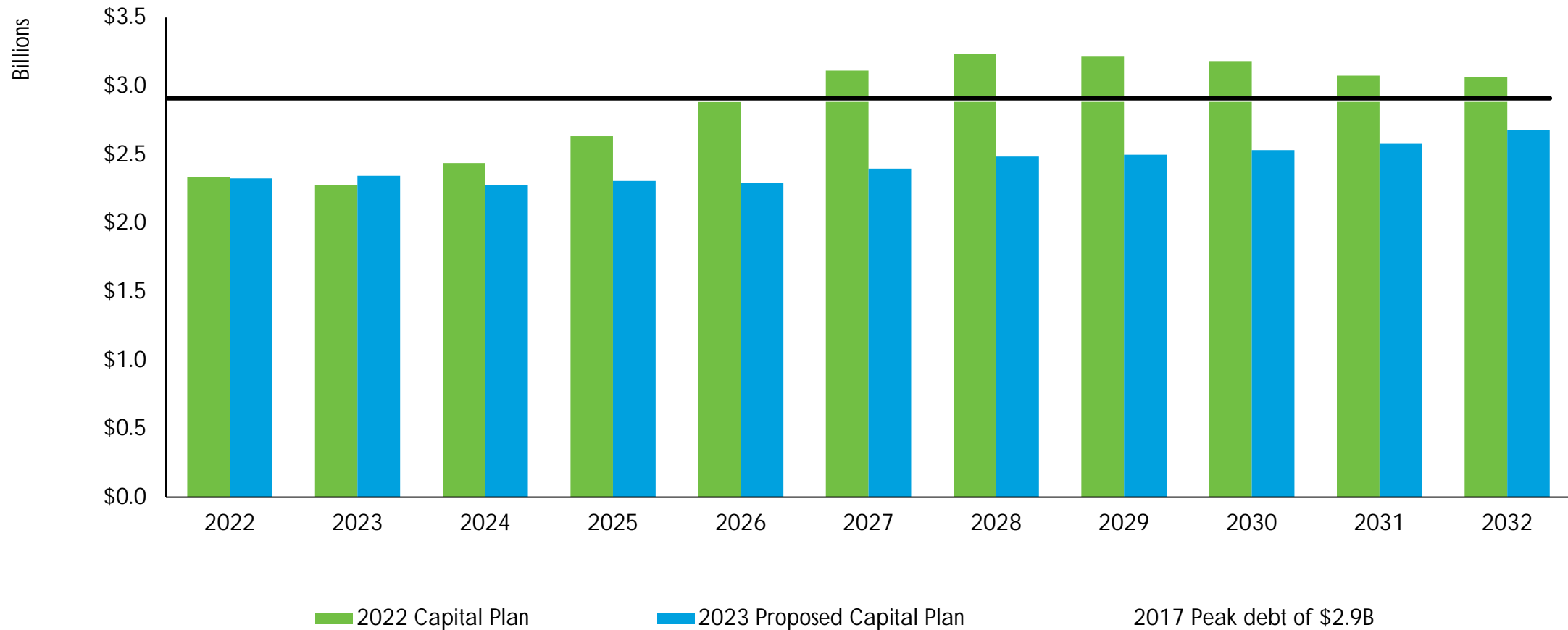
S&P Global
Ratings

AAA WITH STABLE OUTLOOK

- DIVERSE AND WEALTHY ECONOMY
- STEADY DEBT LEVELS AND LOW INTEREST BURDEN
- EXCEPTIONAL LIQUIDITY AND STRONG FINANCIAL MANAGEMENT

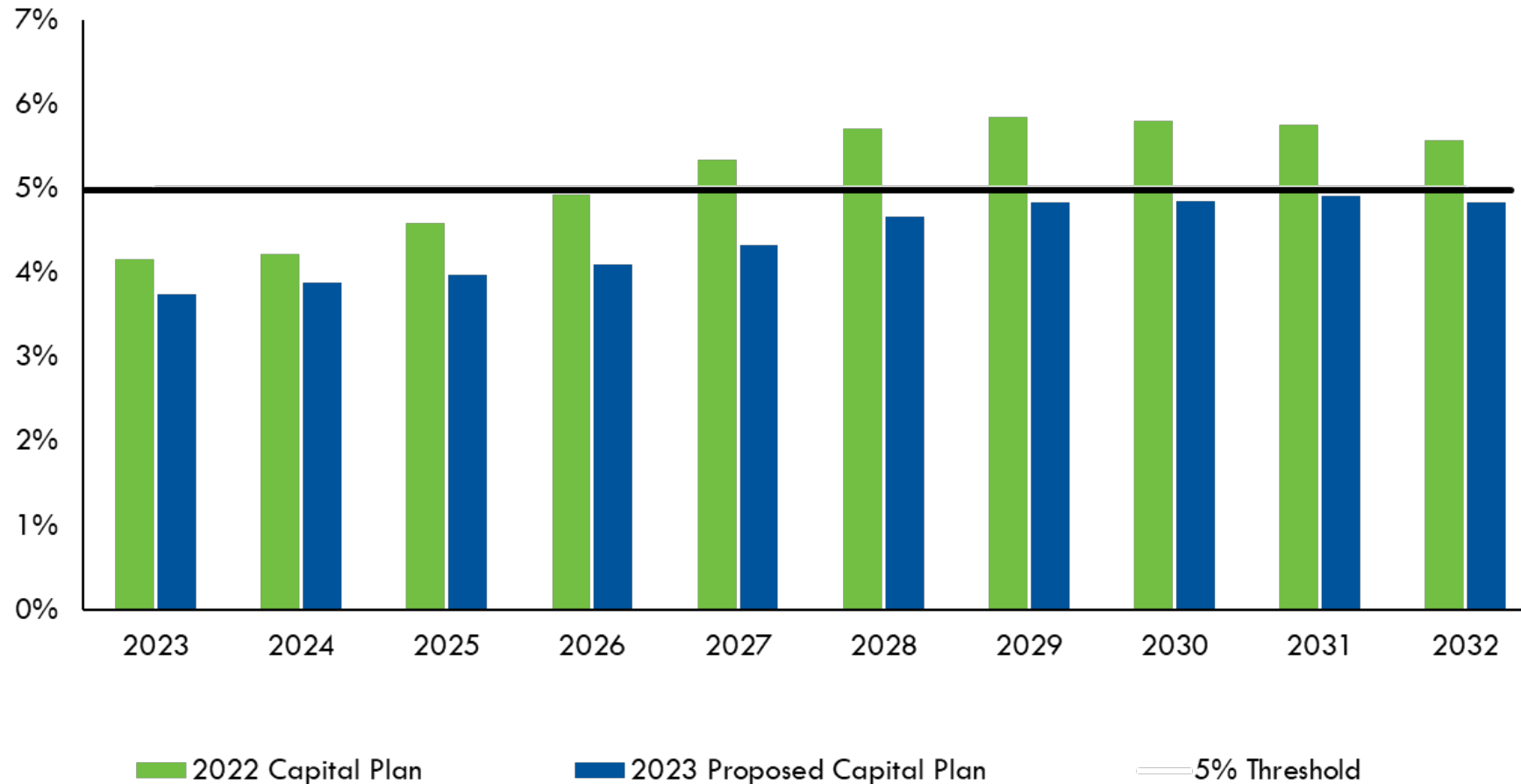
DEBT LEVELS ARE CAREFULLY MANAGED

Net Outstanding Debt Forecast



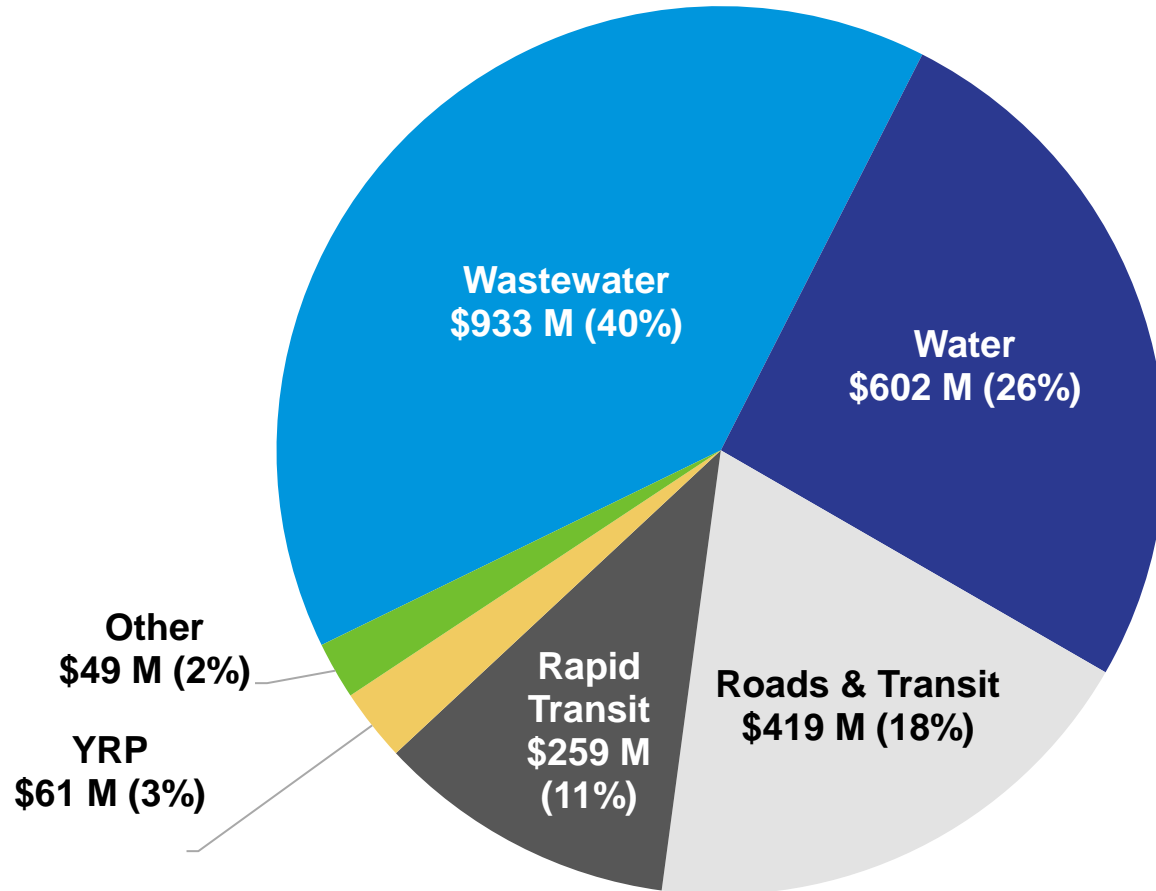
"AAA" CREDIT RATING IS EXPECTED TO BE MAINTAINED

Interest Costs as a Percentage of Operating Revenue



WATER AND WASTEWATER PROJECTS ACCOUNT FOR 66% OF CURRENT DEBT

**2022 Net Debt by Service Area
\$2.3 Billion**



Purpose of debt is to finance growth-related infrastructure

- DC Funded Debt Payments (94%)
- Other Sources such as User Rates and Tax Levy (6%)

ALIGNING INFRASTRUCTURE INVESTMENT AND GROWTH IS KEY TO FISCAL SUSTAINABILITY



Population and employment growth is informed by provincial statutes and plans



Infrastructure investments occur in advance of growth

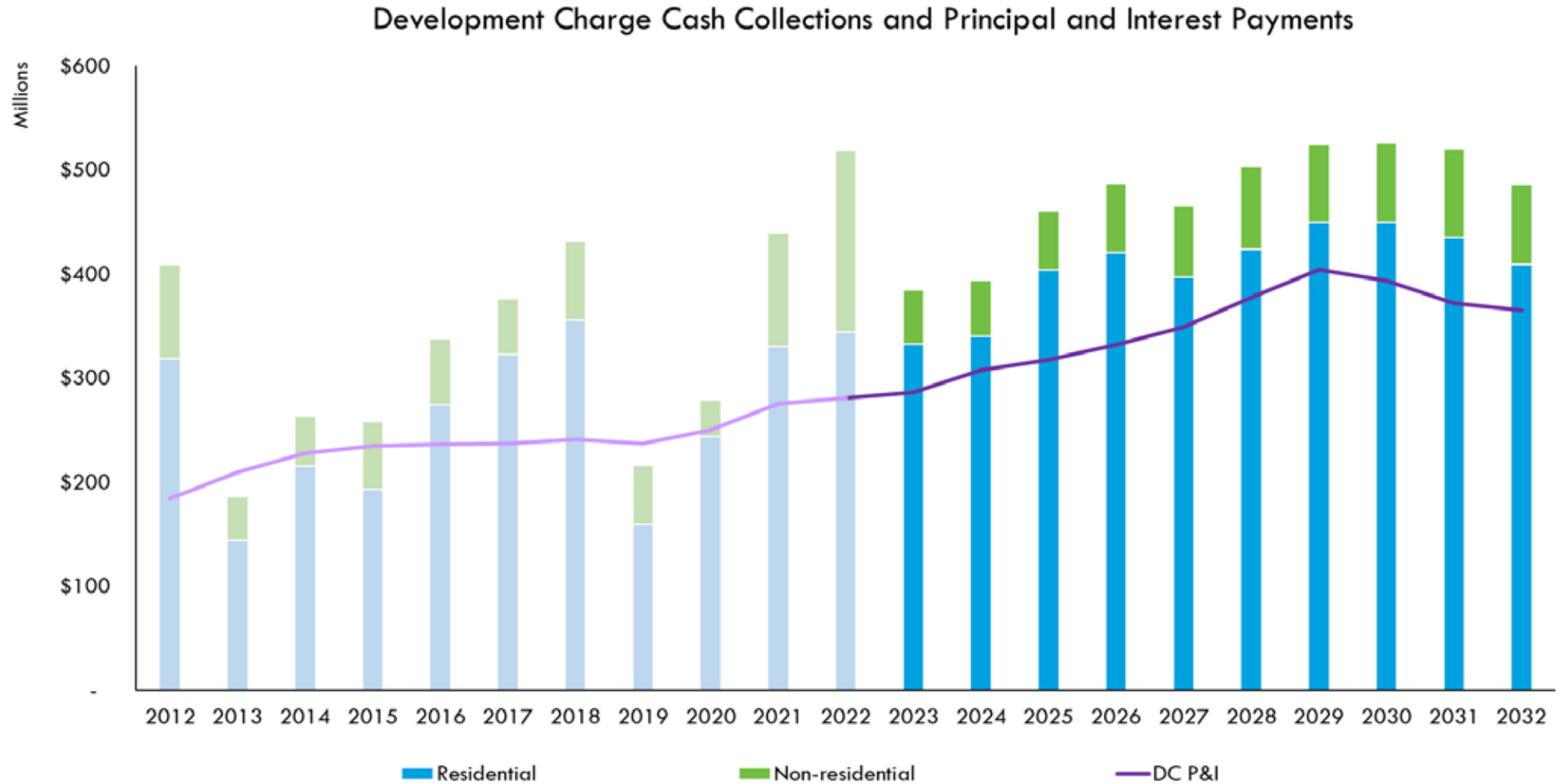


Debt is used to bridge the timing gap



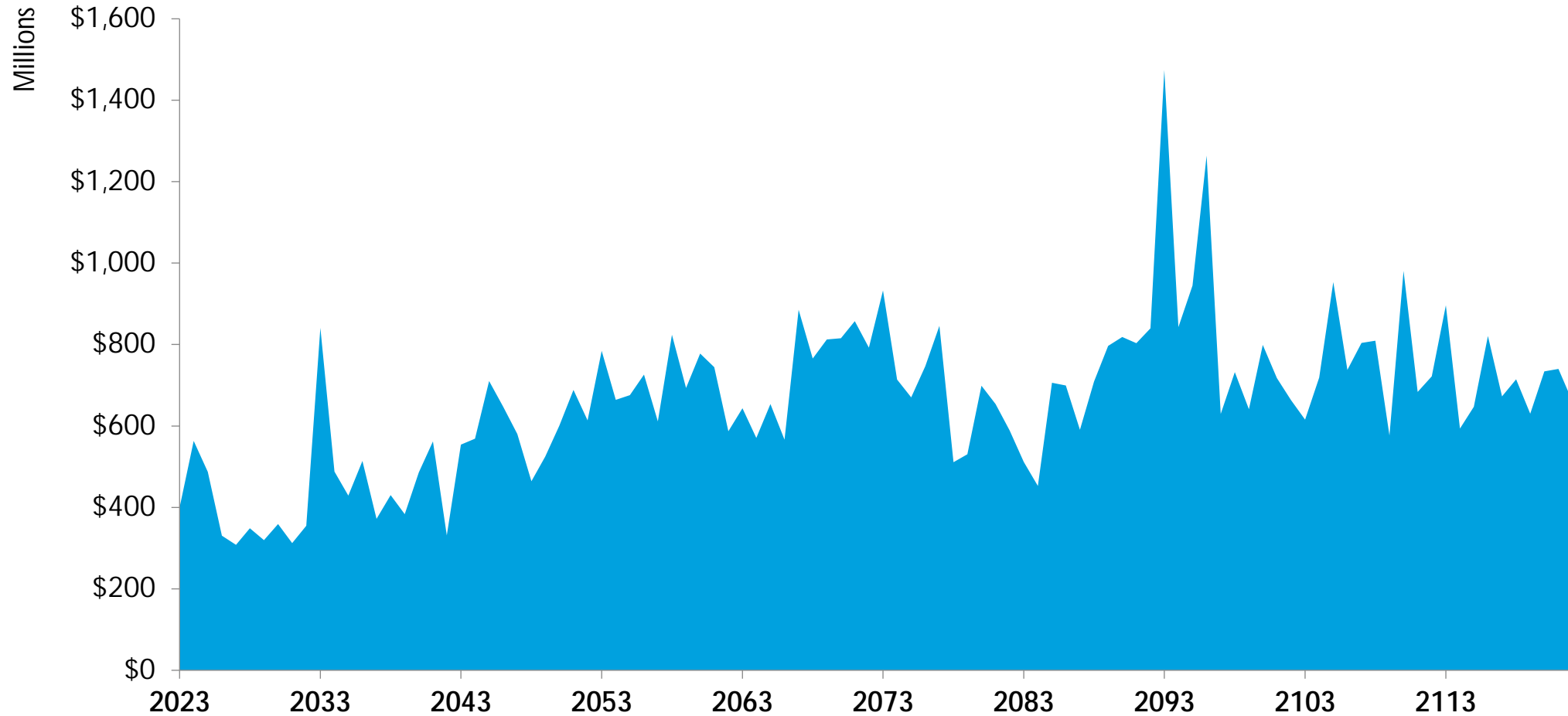
Infrastructure and financial plans are regularly reviewed and updated

ALIGNING THE CAPITAL PLAN WITH GROWTH



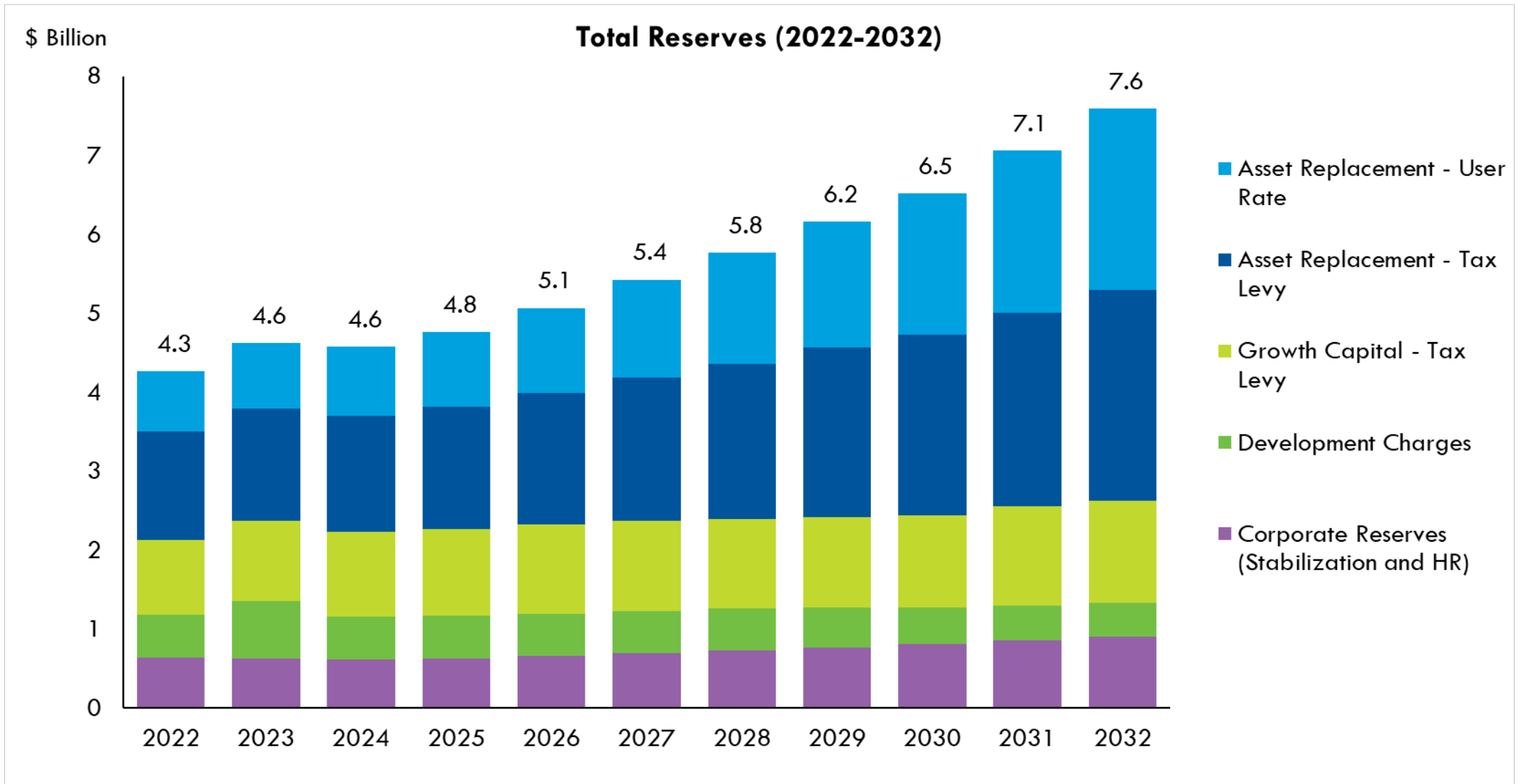
ASSET MANAGEMENT NEEDS INCREASE OVER TIME

Projected Asset Renewal Needs



Note: numbers are uninflated

RESERVES SUPPORT PROGRAM FLEXIBILITY AND FISCAL PRUDENCE



III. WRAP-UP AND NEXT STEPS



PROVIDING VALUE FOR MONEY

Average Regional
property tax of

\$2,800

provides services
that residents use
every day



Children's
Services



Community
Housing



Court
Services



Development
Services



Economic
Development



Forestry



Long-Term
Care



Paramedic
Services



Police
Services



Public
Health



Regional
Roads



Social
Assistance



Transit



Waste
Management



Water

2023 PROPOSED BUDGET

DELIVERS ON KEY PRIORITIES



PROPOSES TAX LEVY INCREASE OF 2.90%



FIRST YEAR OF MULTI-YEAR BUDGET

CONTINUES INFRASTRUCTURE LEVY OF 1.00%



YONGE NORTH SUBWAY EXTENSION/
BUS RAPID TRANSIT/COMMUNITY HOUSING

FROM PANDEMIC RESPONSE TO RECOVERY AND RENEWAL

INCLUDES A ROBUST CAPITAL PLAN



ADDRESSES BOTH GROWTH-RELATED AND
ASSET MANAGEMENT NEEDS

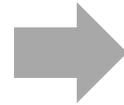
STABLE DEBT LEVELS AND
HIGHER RESERVE BALANCES



PROMOTES FINANCIAL SUSTAINABILITY

REGIONAL COUNCIL/COMMITTEE REVIEW PROCESS

REGIONAL COUNCIL
January 26, 2023
Budget Tabling



COMMITTEE OF THE WHOLE

February 2, 2023

Community and Health Services (incl. Housing York Inc.)
Public Works

- Transportation Services
- Environmental Services

York Region Rapid Transit Corporation

COMMITTEE OF THE WHOLE

February 9, 2023

Conservation Authorities
York Regional Police
YorkNet

Corporate Management, Courts and Tribunal Services and
Other Corporate Items



REGIONAL COUNCIL
February 23, 2023
Budget Approval