



# PROPOSED 2024 TO 2026 REGIONAL BUDGET — TABLING PRESENTATION

Presented to  
York Regional Council

Presented by  
Laura Mirabella, Commissioner  
and Regional Treasurer

Presented on  
November 23, 2023



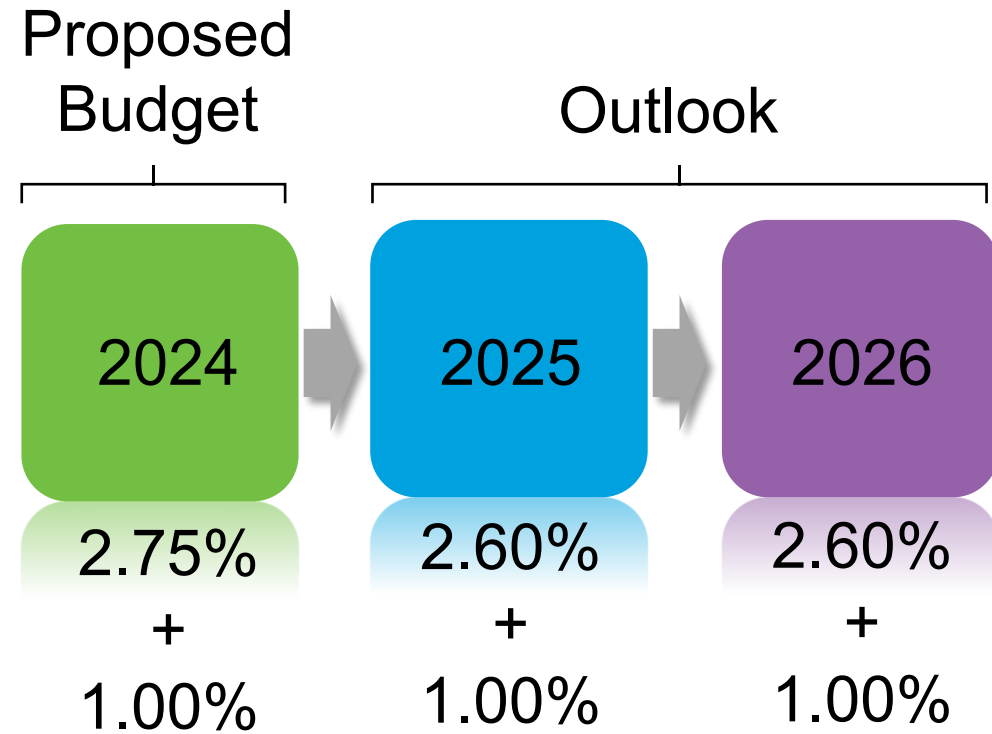
# Agenda

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



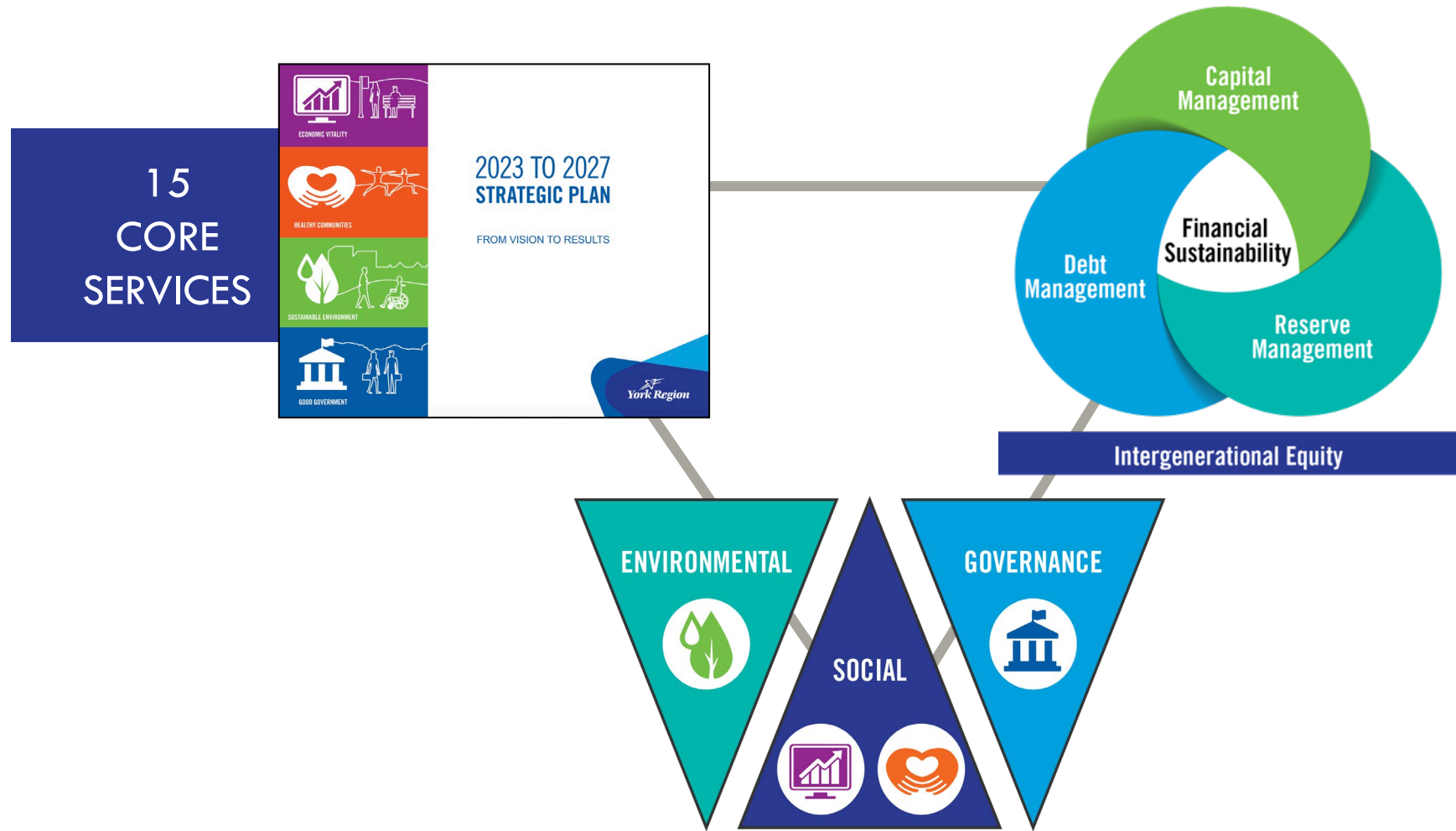
**OVERVIEW**

# 2024 is the Second Year of the Multi-Year Budget

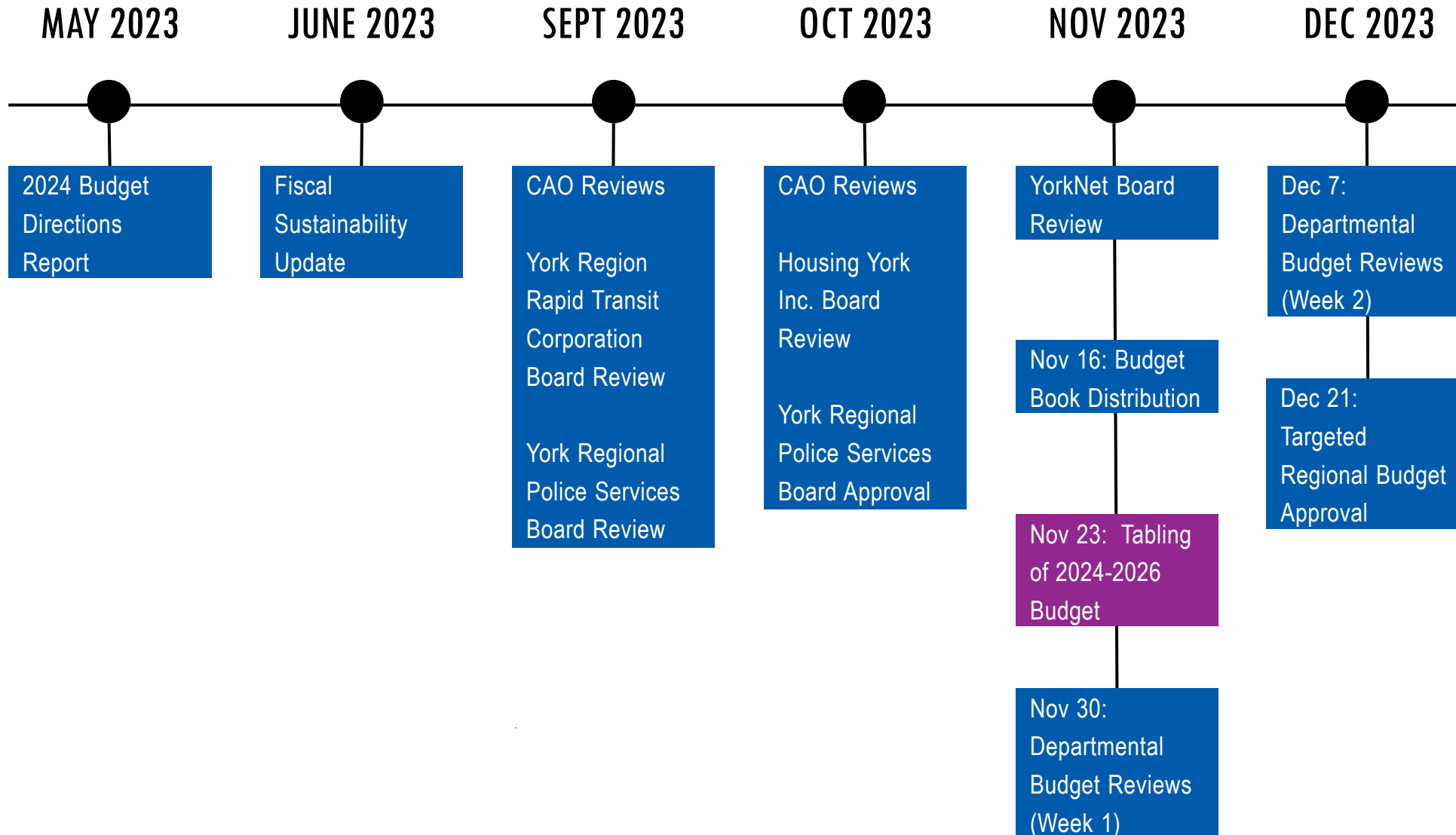


# Planning and Budgeting at York Region

Pages  
20, 22,  
223



# 2024 Budget Development Timeline



# Proposed Budget Addresses Key Drivers and Pressures



# Proposed Budget at a Glance

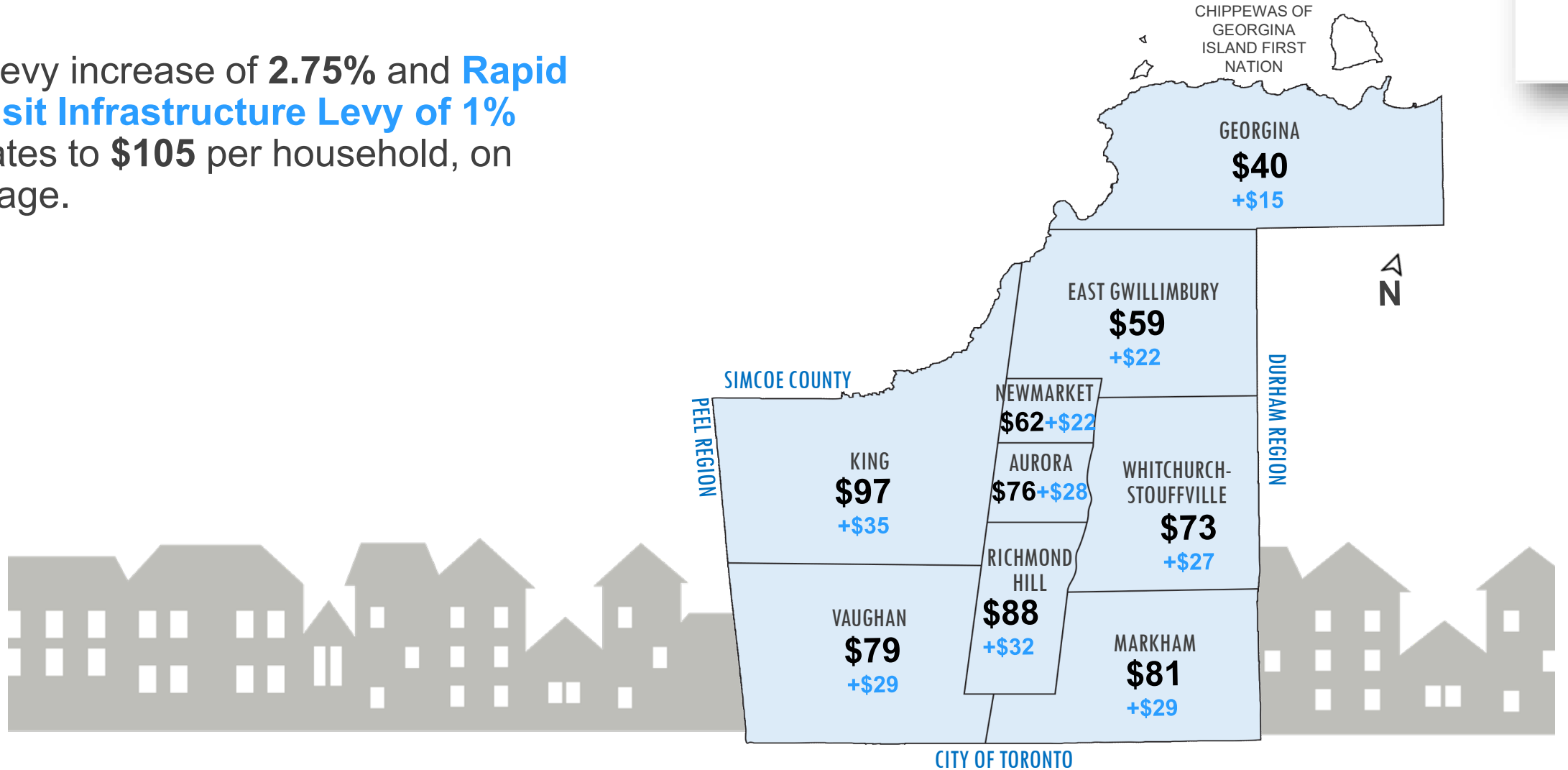
	2023 Approved	2024 Proposed	2025 Outlook	2026 Outlook
Tax Increase	2.90%	2.75%	2.60%	2.60%
Rapid Transit / Infrastructure Levy*	1.00%	1.00%	1.00%	1.00%
Gross Operating Expenditures	\$3.06B	\$3.15B	\$3.25B	\$3.33B
Net Expenditures after Assessment Growth Revenue	\$1.33B	\$1.39B	\$1.47B	\$1.54B
Ten Year Capital Plan	\$9.9B	\$11.6B		
Capital Budget	\$894M	\$1.0B		

\* 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. 2025 and 2026 amounts are proposed to address other growth-related infrastructure needs.



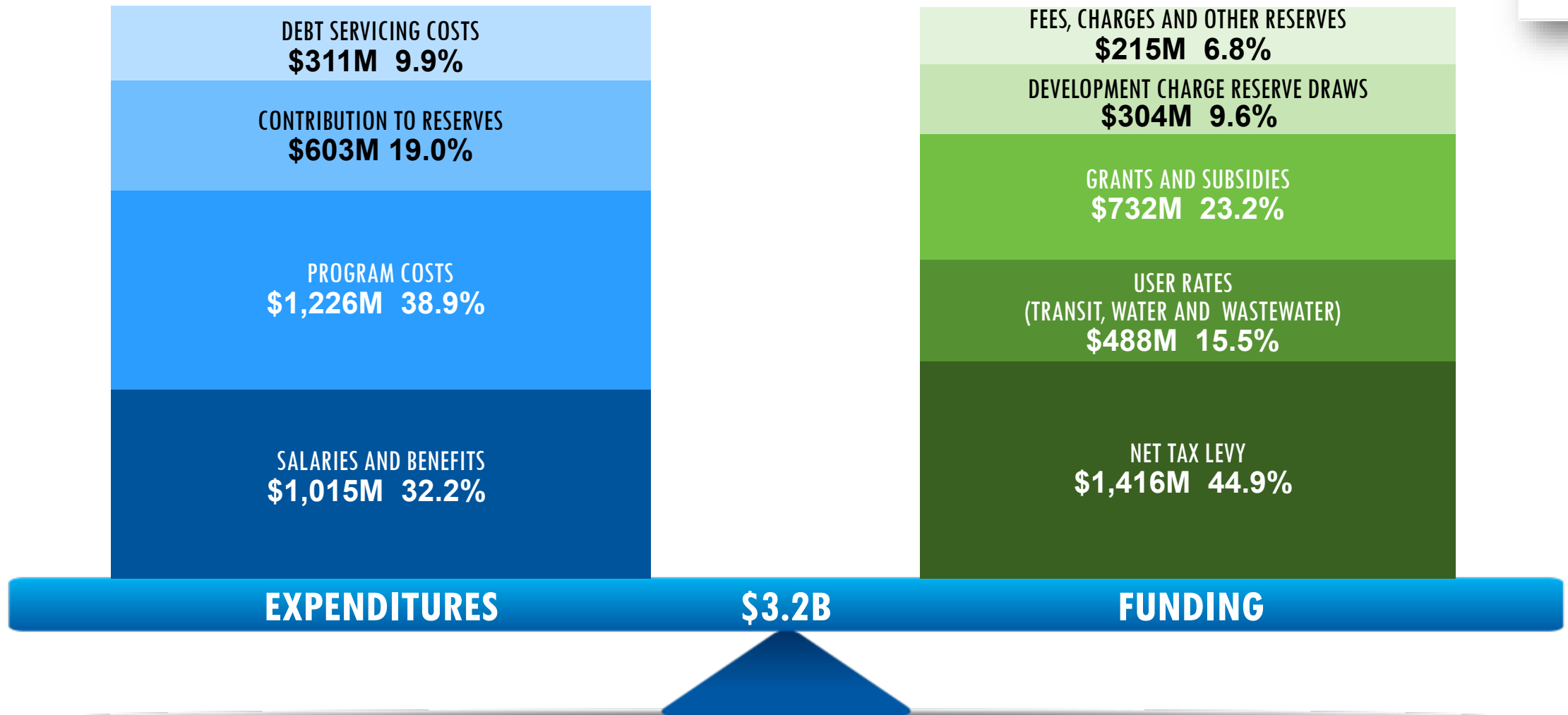
# Tax Impact on Homeowners in 2024

Tax levy increase of **2.75%** and **Rapid Transit Infrastructure Levy of 1%** equates to **\$105** per household, on average.

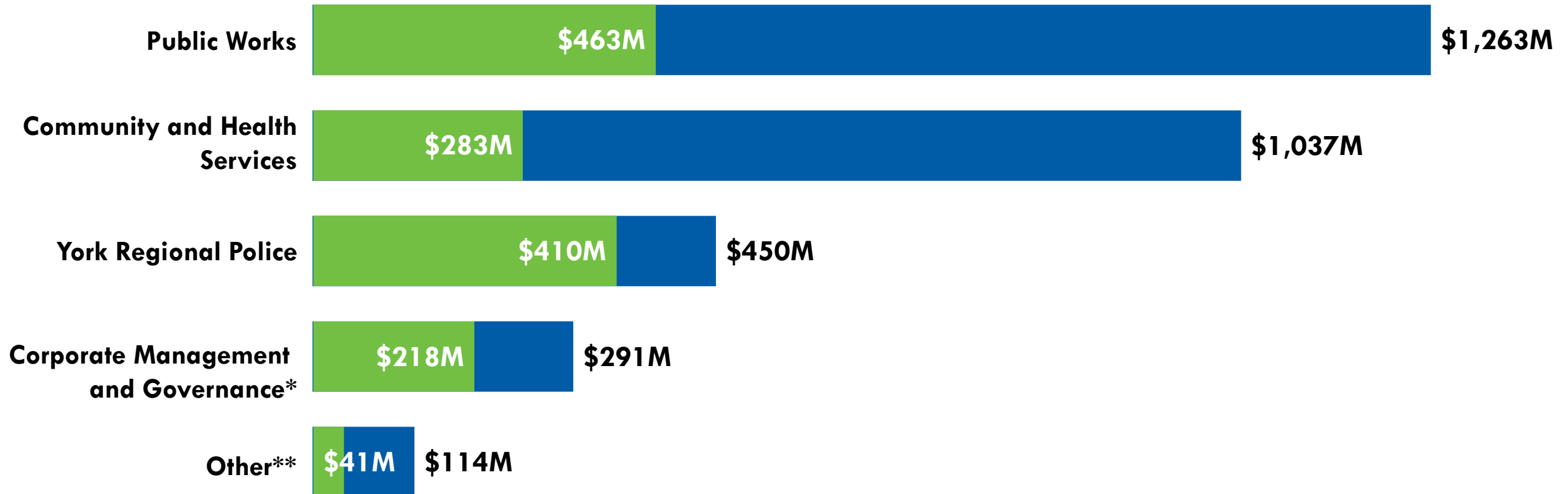


**OPERATING BUDGET**

# Components of a Balanced Budget



# Expenditures and Tax Levy Impact by Service Area



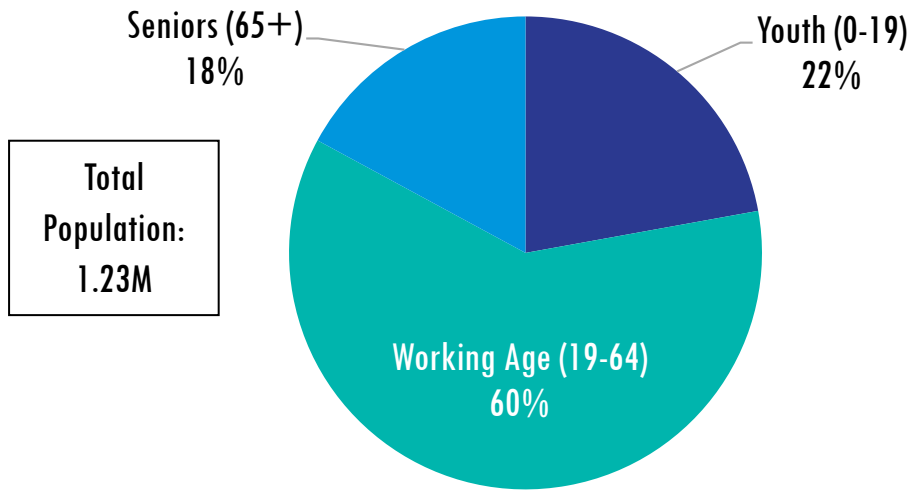
\* Corporate Management and Governance includes Corporate Management and Financial Initiatives

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

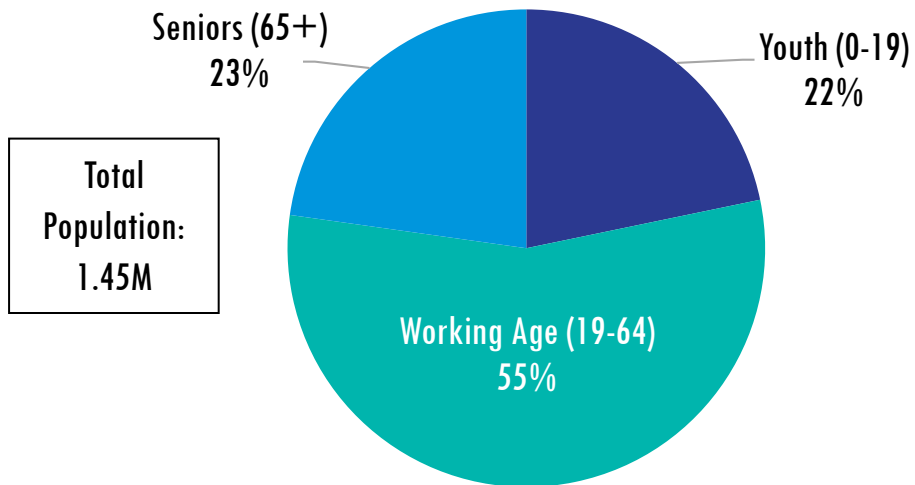
Note: Numbers may not add due to rounding

# Responding to Population Growth and Demographic Changes

## York Region 2022 Demographics



## York Region 2031 Forecast



## Examples of growth-related needs in 2024



34 Paramedic and Support Staff

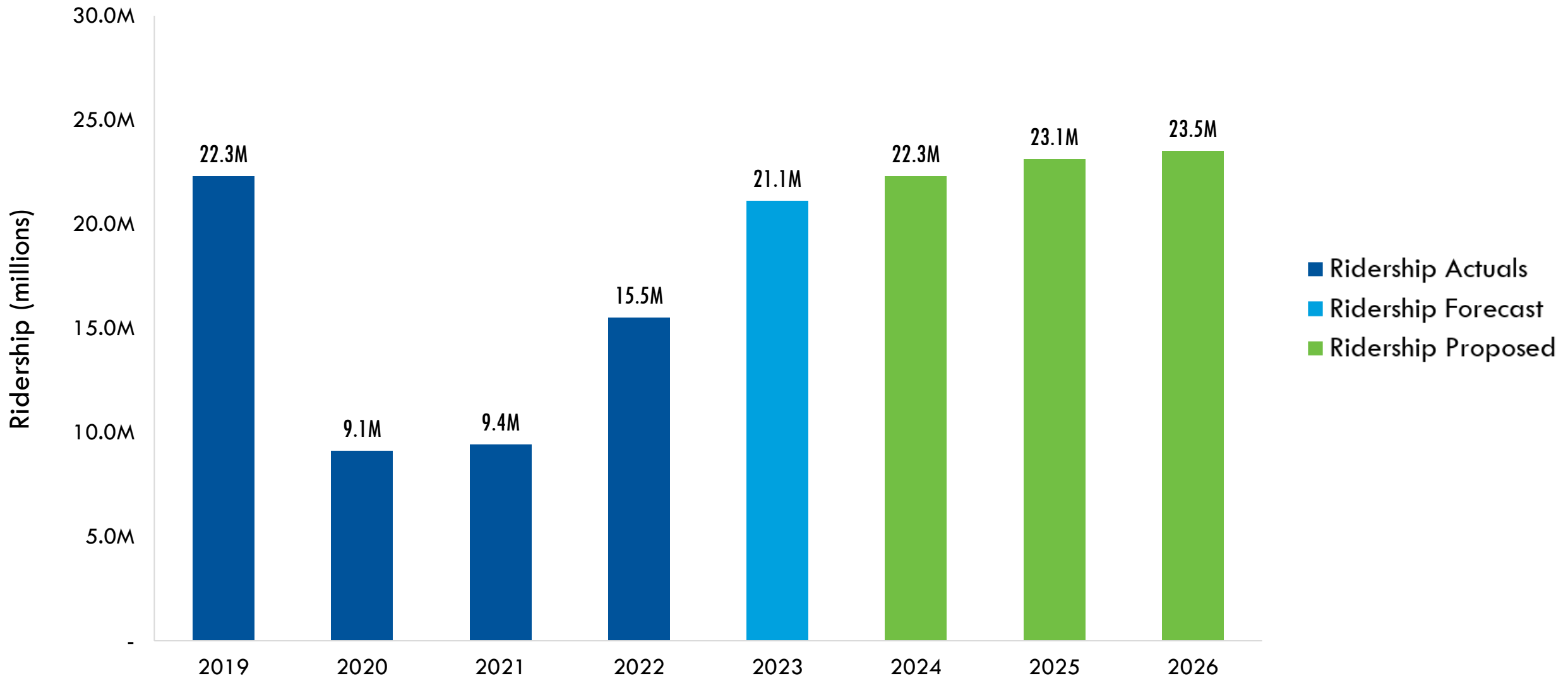


46 Sworn Officers and Civilian Professionals

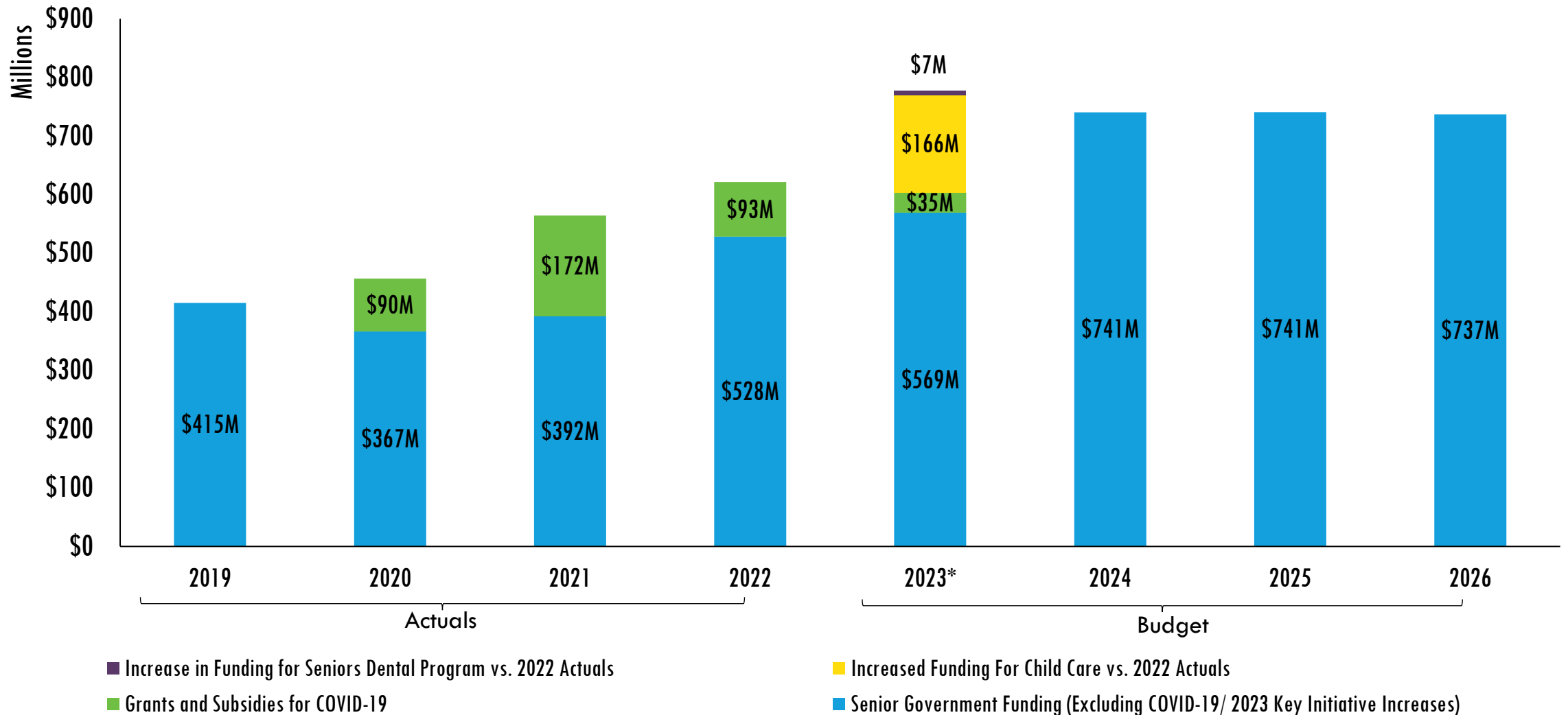


14 Staff in Long-Term Care/Seniors Services

# Transit Ridership Recovering Faster Than Expected

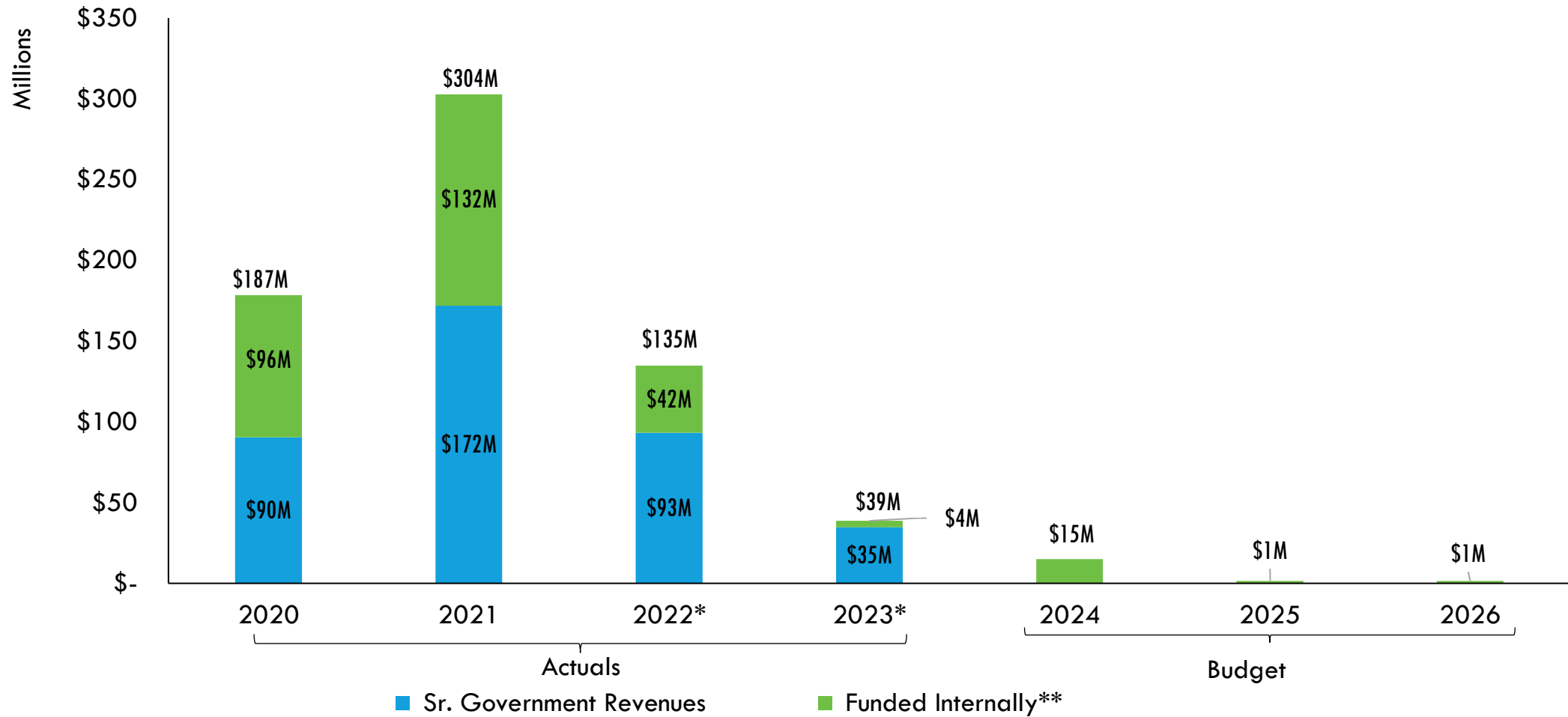


# Senior Government Funding Expected to Stabilize but Uncertainty Remains



\*Note: 2023 COVID-19 amount is based on a departmental estimate for year-end actual funding. Individual increases in 2023 show key increases compared to 2022 actuals. Senior Government Funding figures include Provincial and Federal Grants and Subsidies and Provincial Gas Tax Funding.

# Financial Impacts of COVID-19 are Projected to Decline



\* 2022 Actuals are based on Year-end departmental reporting of COVID-19 Actual Impacts and Offsets. 2023 Actuals are a forecast based on actual amounts reported at mid-year by departments and departmental estimates.

\*\* Primarily reflects internal reallocation of resources and reserve draws. Amounts funded internally for 2022-2026, excludes previous estimates of internal resources that were being dedicated to COVID-19 efforts as actual usage of existing resources varied in terms of tracking/reporting compared to earlier periods.



# New Initiatives Include York Region Processing Centre

- Establishment of York Region Processing Centre to:
  - Create capacity for automated enforcement infractions (red light and speed cameras)
  - Improve road and traveller safety
  - Start-up costs in 2024 with expected revenues exceeding costs beginning in 2025



# Focus on Efficiency to Save Money and Improve Customer Experience

## Delivering Services Efficiently



Converting YRP fleet to hybrid expected to reduce fuel costs by \$0.6M



Planned co-location of 2 new fire-paramedic stations, in addition to 10 existing co-located sites



Shifted Seniors Dental Bookings & Public Health inquires to Access York, resulting in 0.5 FTE Dental Hygienist now able to support front-line services

## Leveraging Online Tools



New process placed 130 subsidized housing waitlist applicants in one day in new Unionville Seniors Affordable Housing site



Expanded online reporting for motor vehicle collisions to all municipalities



Data sharing with local municipalities through YorkInfo Partnership

## Ensuring Value



Revised budget to better reflect expected spending helped repurpose \$13.1M to offset pressures

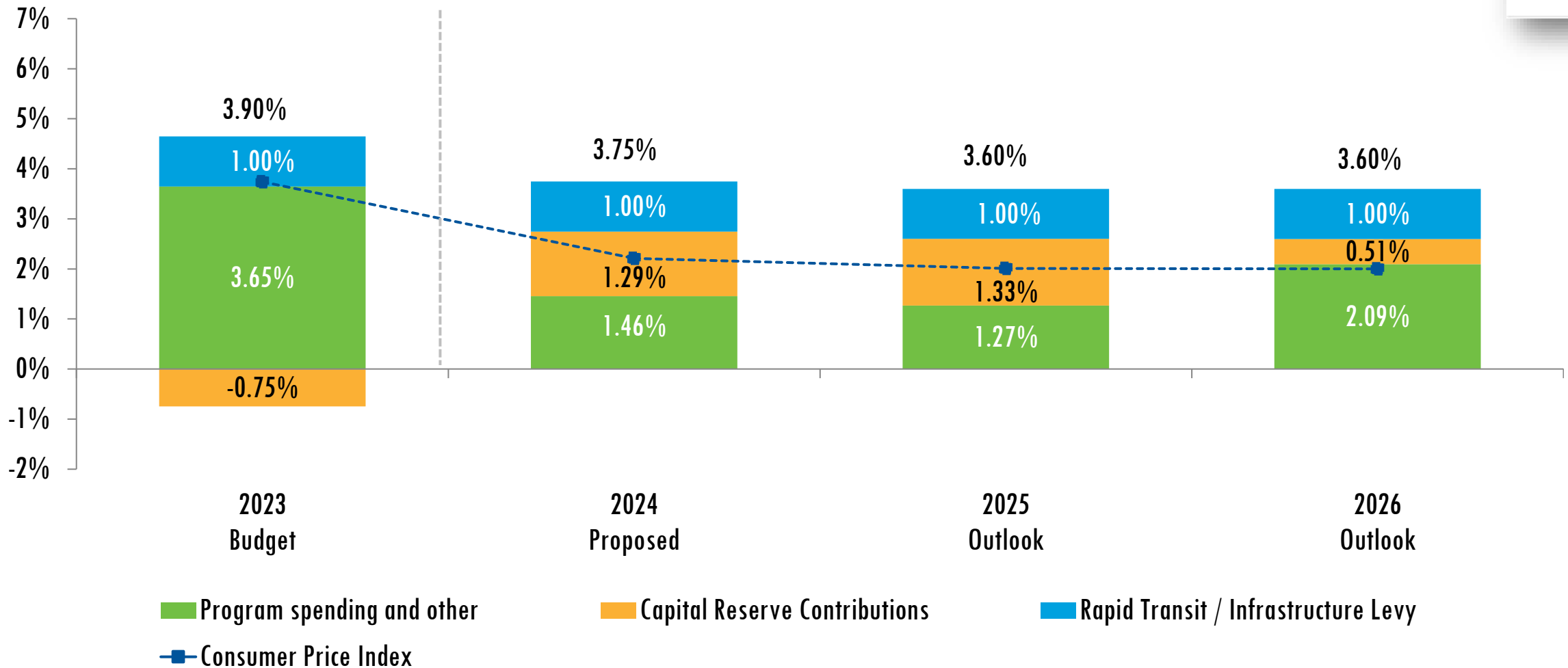


Adjusting fees at waste drop-off depots adds \$0.8M in revenues



Developing in-house Legal Services expected to save \$2.6M compared to external legal counsel

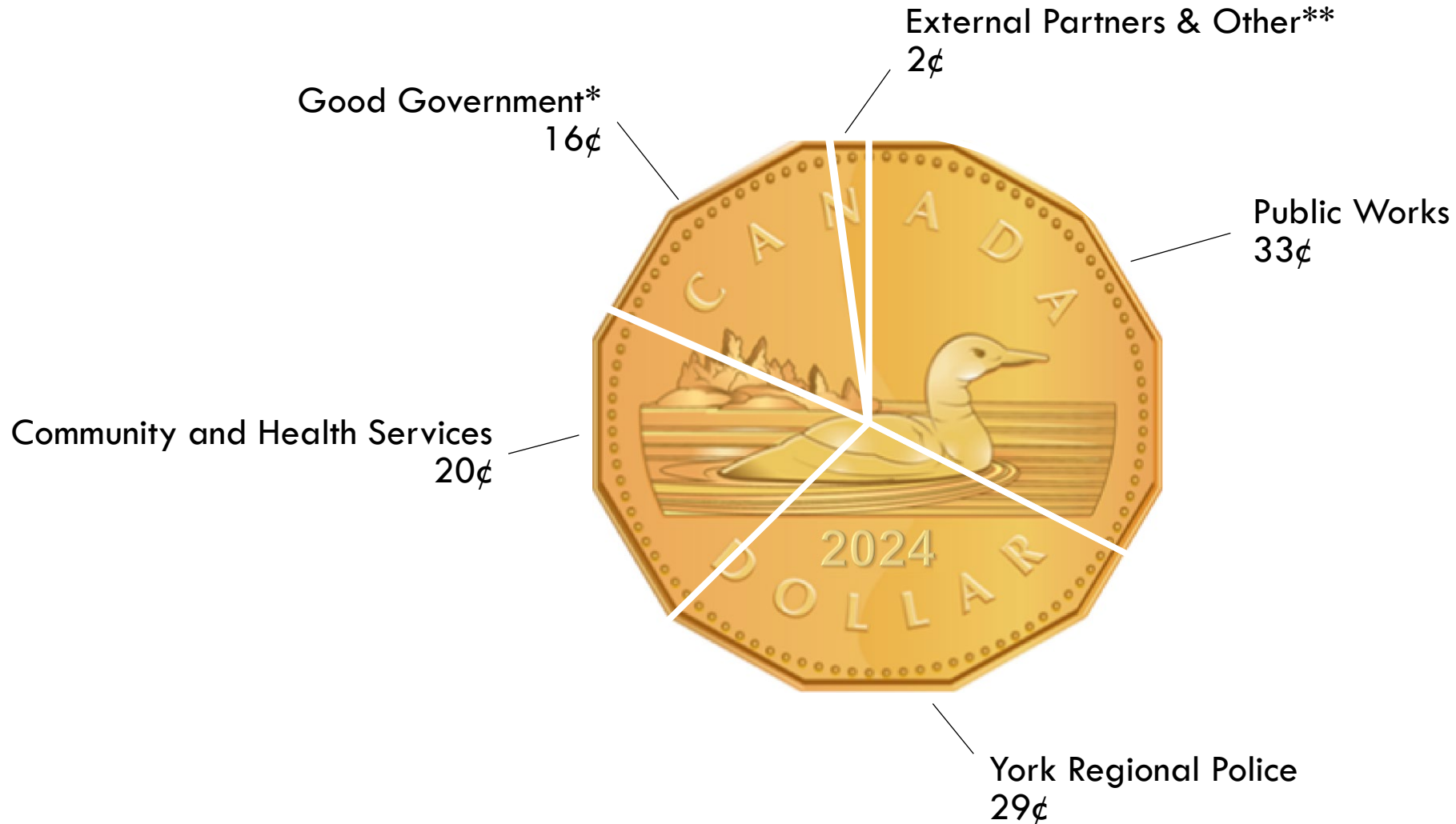
# Program Costs are Increasing Below or Near the Rate of Inflation



# Potential Risks to the Outlook Remain



# Proposed Spending of the Tax Dollar



\* Good Government includes Corporate Management and Financial Initiatives

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

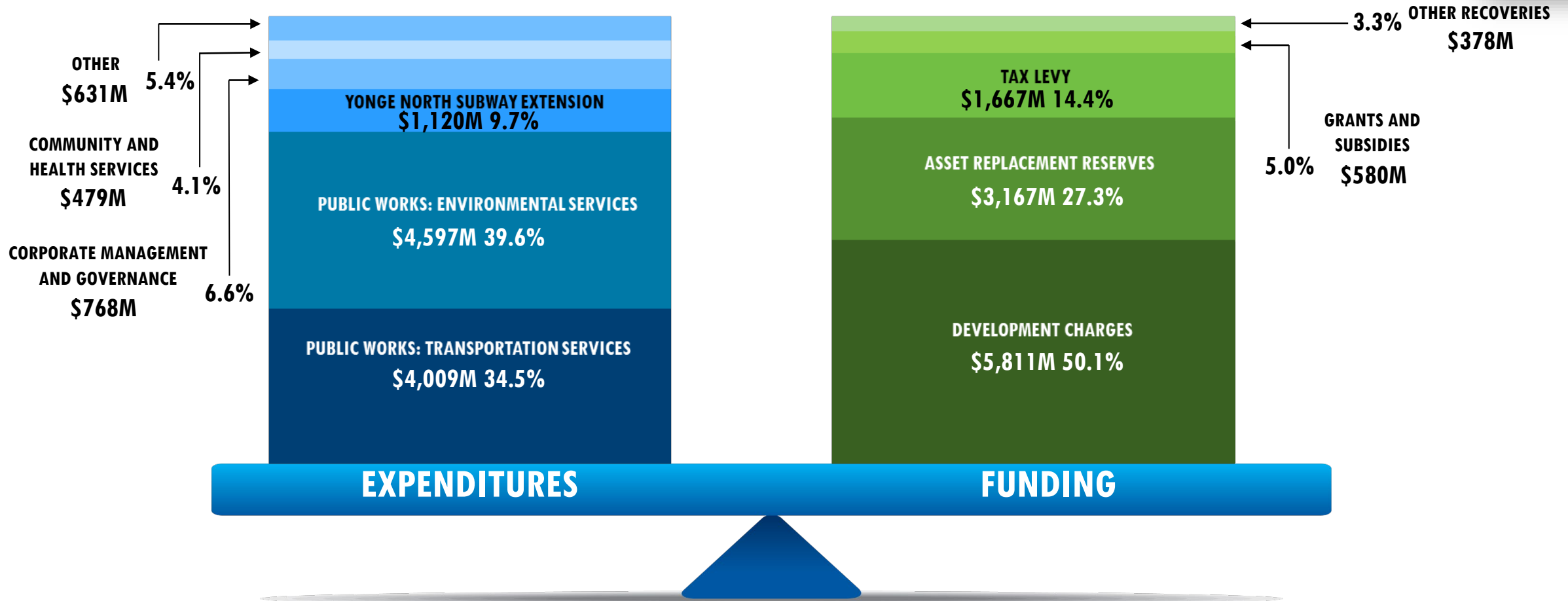
# CAPITAL BUDGET

# Proposed 2024 Capital Budget

	<b>2024 Proposed*</b>
Growth	\$7.6B
Rehabilitation and Replacement	\$4.0B
<b>Ten-Year Capital Plan</b>	<b>\$11.6B</b>
<b>Capital Spending Authority (CSA)</b>	<b>\$6.1B</b>
<b>Capital Budget for 2024</b>	<b>\$1.0B</b>

\*2024 Proposed Capital Plan does not address all infrastructure needs to meet housing pledges

# Expenditures and Funding Sources of the 10-year Capital Plan



Note: Numbers may not add due to rounding

Other Expenditures includes Court and Tribunal Services, York Regional Police, YorkNet, Financial Initiatives, and York Region Rapid Transit Corporation

Other Recoveries includes Third Party Recoveries and Recoveries from Local Municipalities

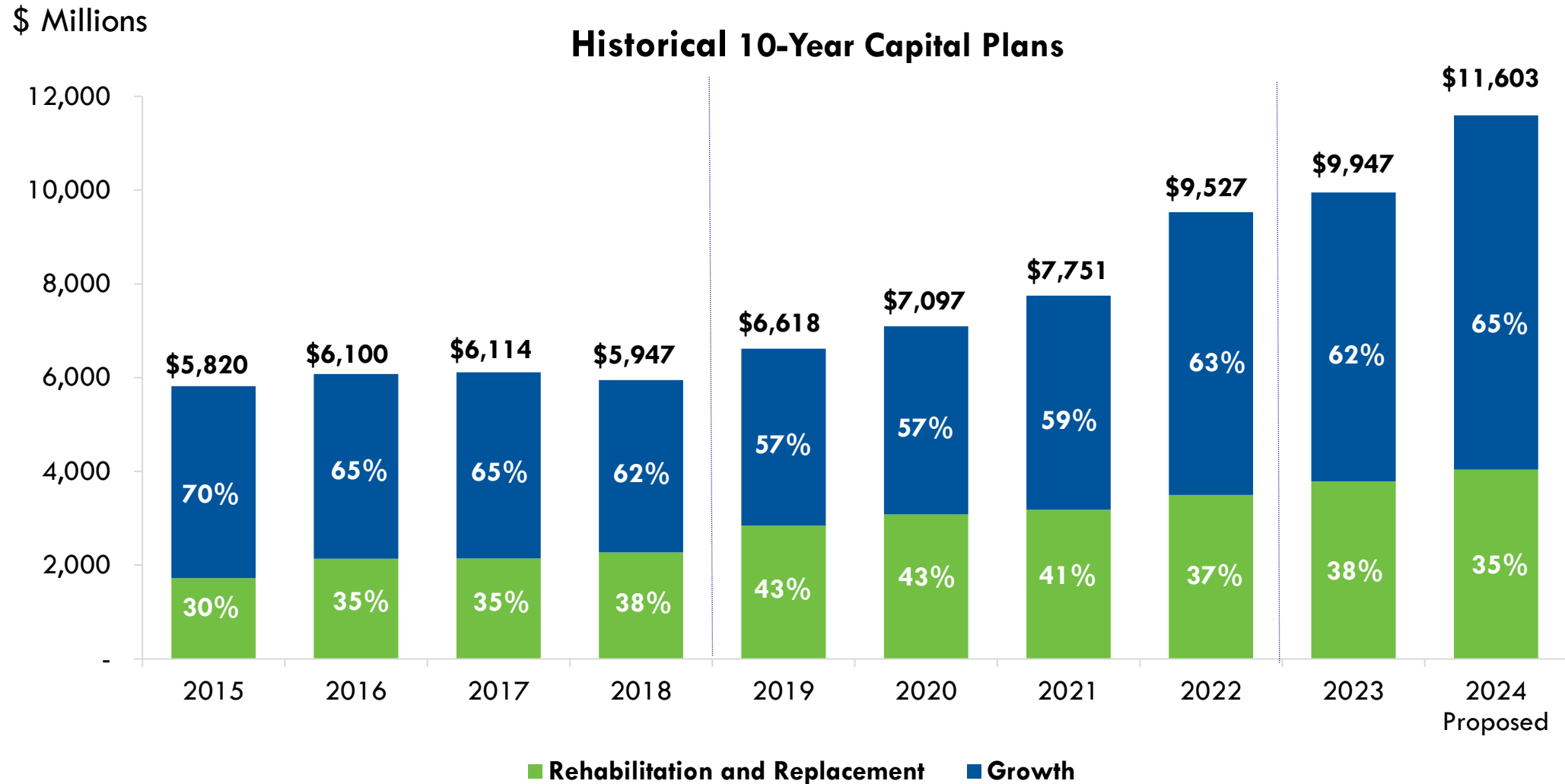
Grants & Subsidies includes Canada Community-Building Fund (CCBF)

Tax Levy includes Debt Reduction Reserve, General Capital Reserve, Program Specific Reserves, and Tax Levy Debt related to the Zero Emission Transit Fund Program

Development Charges include: Debt, Reserves, Developer financing and assumed future developer contributions, as well as funding for shortfalls related to recent provincial measures, including the More Homes Built Faster Act, 2022



# Improved Fiscal Position Allowed the Capital Plan to Grow



# Top Initiatives by Expenditure in the Capital Plan

<b>Initiative</b>	<b>Category</b>	<b>Ten-Year Total</b>
York Durham Sewage System (YDSS) Expansion	Growth	\$1,369M
Yonge North Subway Extension	Growth	\$1,120M
Road Expansions	Growth	\$981M
Pavement Renewal	Renewal	\$746M
Transit Fleet	Renewal	\$665M
West Vaughan Sewage Servicing	Growth	\$388M
Duffin Creek Water Pollution Control Plant Expansion	Growth	\$346M
York Durham Sewage System Rehabilitation	Renewal	\$343M
Transit Fleet	Growth	\$288M
Transit Facilities	Growth	\$286M

# Key Capital Projects Across York Region Over Next 10 Years

## Capital Projects

- Wastewater
- Water
- Roads & Transit Growth
- Yonge North Subway Extension
- Community Housing
- Paramedic Stations
- YorkNet Planned Fibre



Jane Street at South Canal Bank Road, King

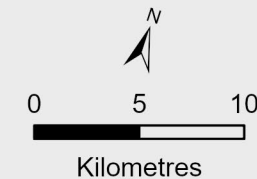


Davis Drive between Kennedy Road and McCowan Road, East Gwillimbury



Produced by:  
The Regional Municipality of York  
Data, Analytics and Visualization Services  
Corporate Services  
November 2023

Data: King's Printer for Ontario 2003-2023  
See York.ca for disclaimer information.



# \$2.6 Billion in New Capital Needed to Meet 100% of Provincial Housing Target



In \$ Millions

Plan	Water and Wastewater	Roads	Transit & YNSE*	Housing	Other	Total
2024 10-Year Capital Plan (Growth Component)	2,941	1,547	1,782	258	1,030	<b>7,558</b>
Planned infrastructure required to be accelerated into the 10-year Capital Plan	150	1,163	874	304**	0**	<b>2,491</b>
New capital costs (2024-2033)	90	0	0	0**	0**	<b>90</b>
<b>Total (2024-2033)</b>	<b>3,181</b>	<b>2,710</b>	<b>2,656</b>	<b>562</b>	<b>1,030</b>	<b>10,139</b>

\*York Region's share of capital costs only

\*\*Further analysis required to assess if additional capital is needed

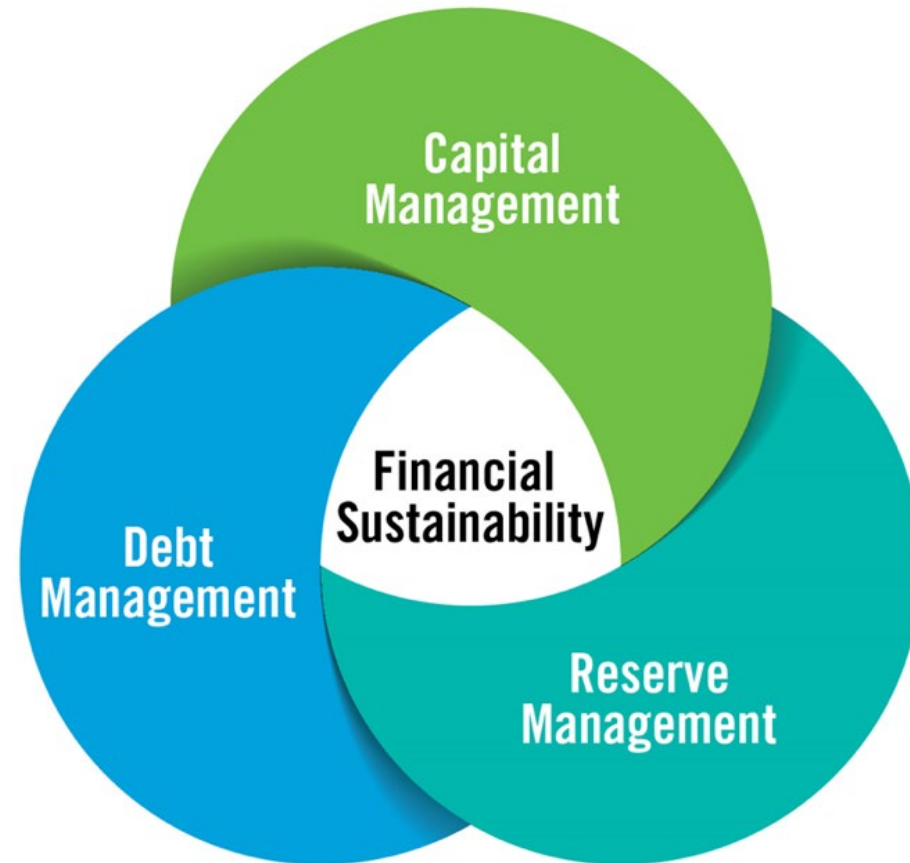
# FISCAL STRATEGY

# The Fiscal Strategy Helps Promote Financial Sustainability

**MOODY'S**  
INVESTORS SERVICE

## Aaa WITH STABLE OUTLOOK

- EXCELLENT WEALTH AND LIQUIDITY
- LARGE AND DIVERSIFIED ECONOMY
- STABLE REVENUE SOURCES AND COST CONTROLS



Intergenerational Equity

**S&P Global**  
Ratings

## AAA WITH STABLE OUTLOOK

- DIVERSE AND WEALTHY ECONOMY
- STRONG BUDGETARY PERFORMANCE AND STEADY DEBT LEVEL
- ROBUST LIQUIDITY AND PRUDENT FINANCIAL MANAGEMENT

# Fiscal Strategy is Guided by Four Key Principles Endorsed by Council



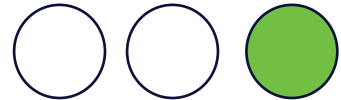
Keeping growth affordable and existing infrastructure in a state of good repair

Progress

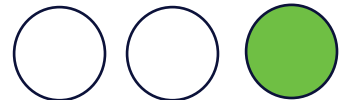


AAA

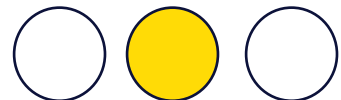
Maintaining the Region's AAA credit rating



Maintaining fiscal flexibility to respond to evolving needs and economic changes



Treating current and future tax and rate payers fairly by striving for intergenerational equity



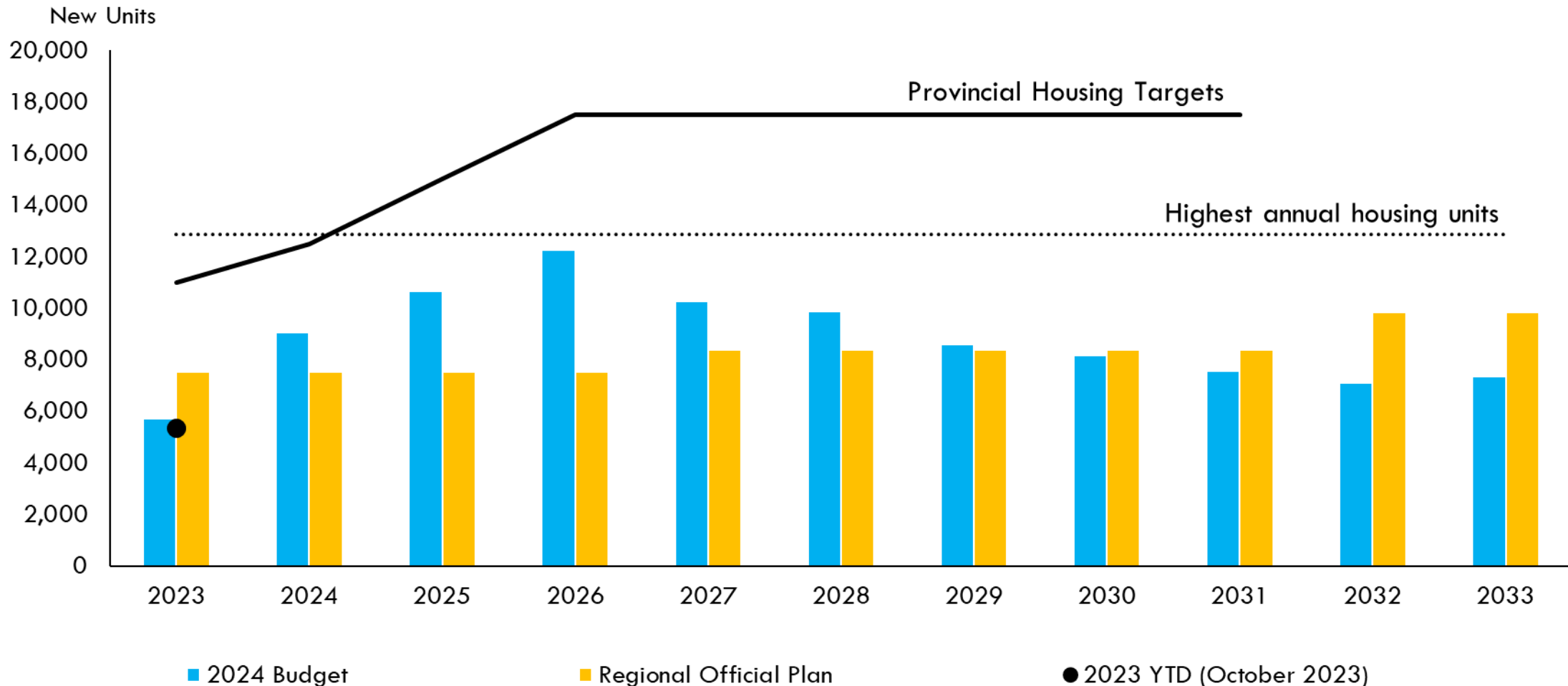
# Preparing a Forecast for Affordable Growth



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## Forecasted New Housing Units



Source: York Region Treasury Office, York Region Planning and Economic Development, Province of Ontario

\*Housing targets as proposed by the Province of Ontario.



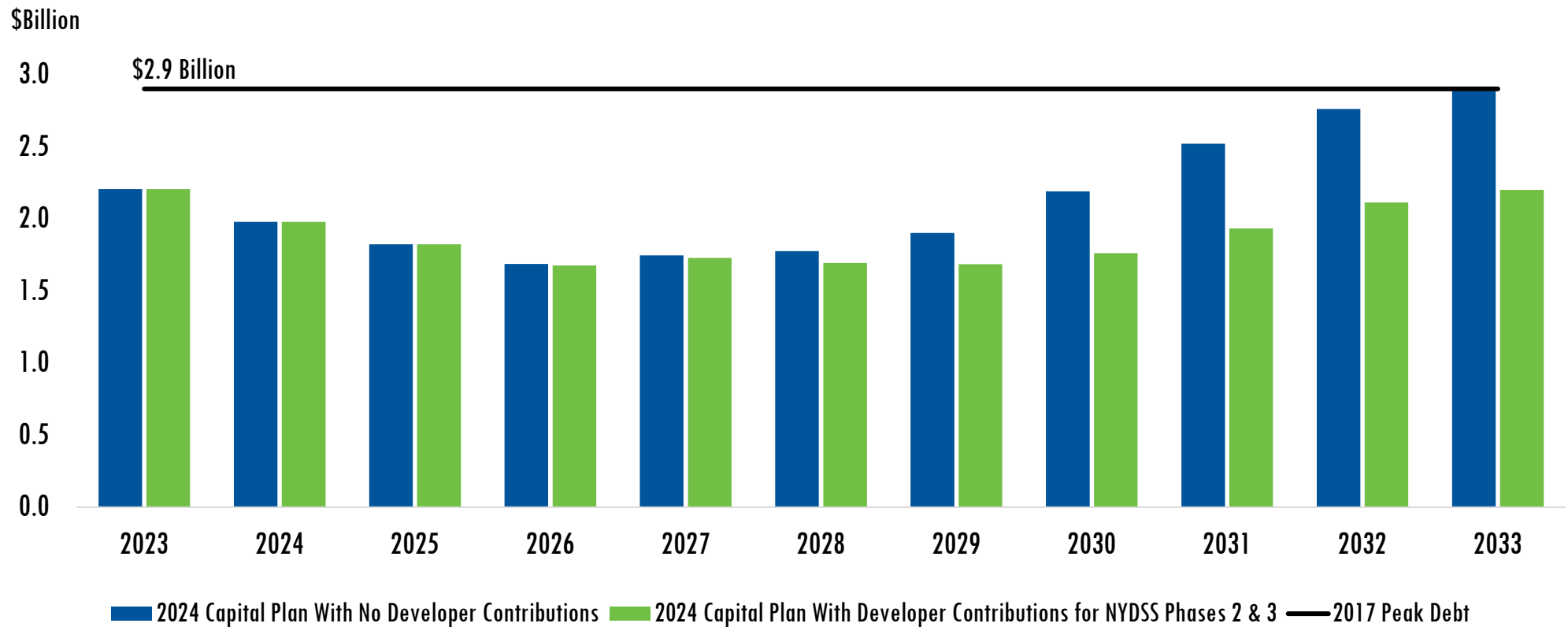
# Sharing Risk with Developers Helps Ensure Growth Remains Affordable



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## Net Outstanding Debt Projection



# Reserve Contributions are Mostly on Target to Meet Future Needs



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Reserve (\$ Millions)	2023 Forecasted Balance	2024 Planned Contribution	Progress
<i>Funded from Operating Budget:</i>			
Asset Replacement: Tax Levy	1,448	196	Under Target
User Rate	803	206	On Target
Growth Capital	906	169	On Target
Corporate Reserves*	753	31	On Target
<b>Total from Operating Budget</b>	<b>3,910</b>	<b>603</b>	
<i>Funded from Deferred Revenue:</i>			
Development Charges	603	551	On Target
Provincial Gas Tax	6	16	On Target
Canada Community-Building Fund	97	37	On Target
<b>Total from Deferred Revenue</b>	<b>707</b>	<b>604</b>	
<b>Total</b>	<b>4,617</b>	<b>1,207</b>	

\* Excludes Provincial Gas Tax and Canada Community-Building Fund Reserves, shown under Deferred Revenue

# Reserve Growth is Driven by Asset Management Plans

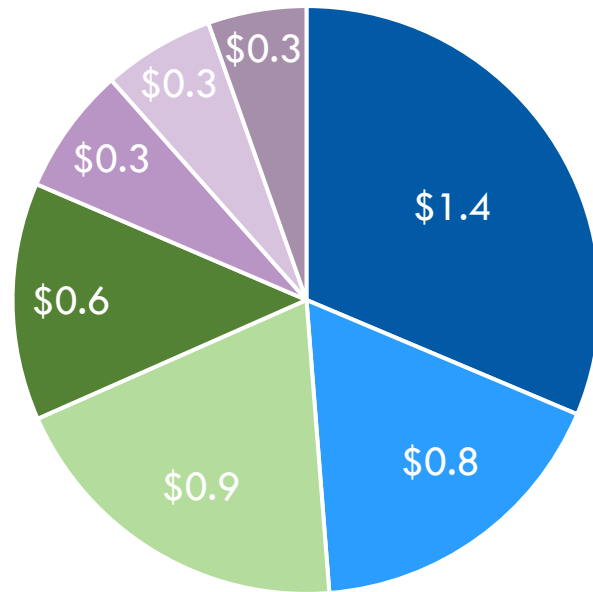


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Estimated Year-End Balance 2023

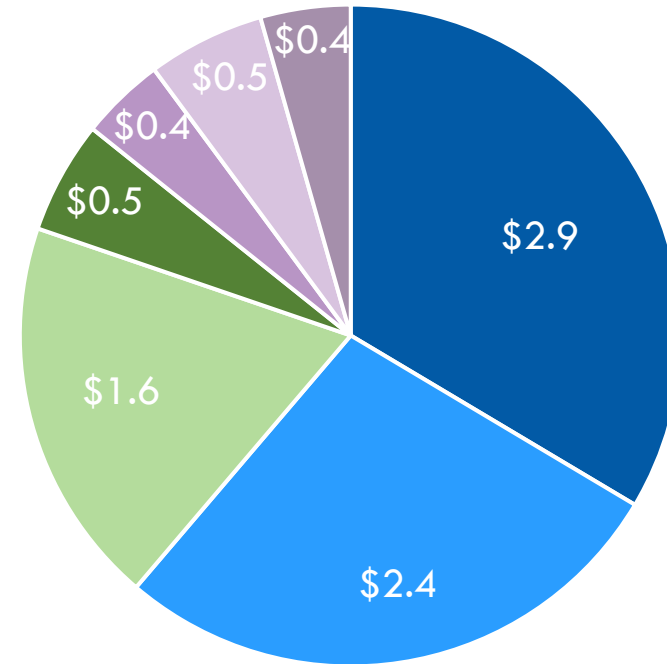
*In Billions*



**Total \$4.6 Billion**

Forecasted Year-End Balance 2033

*In Billions*

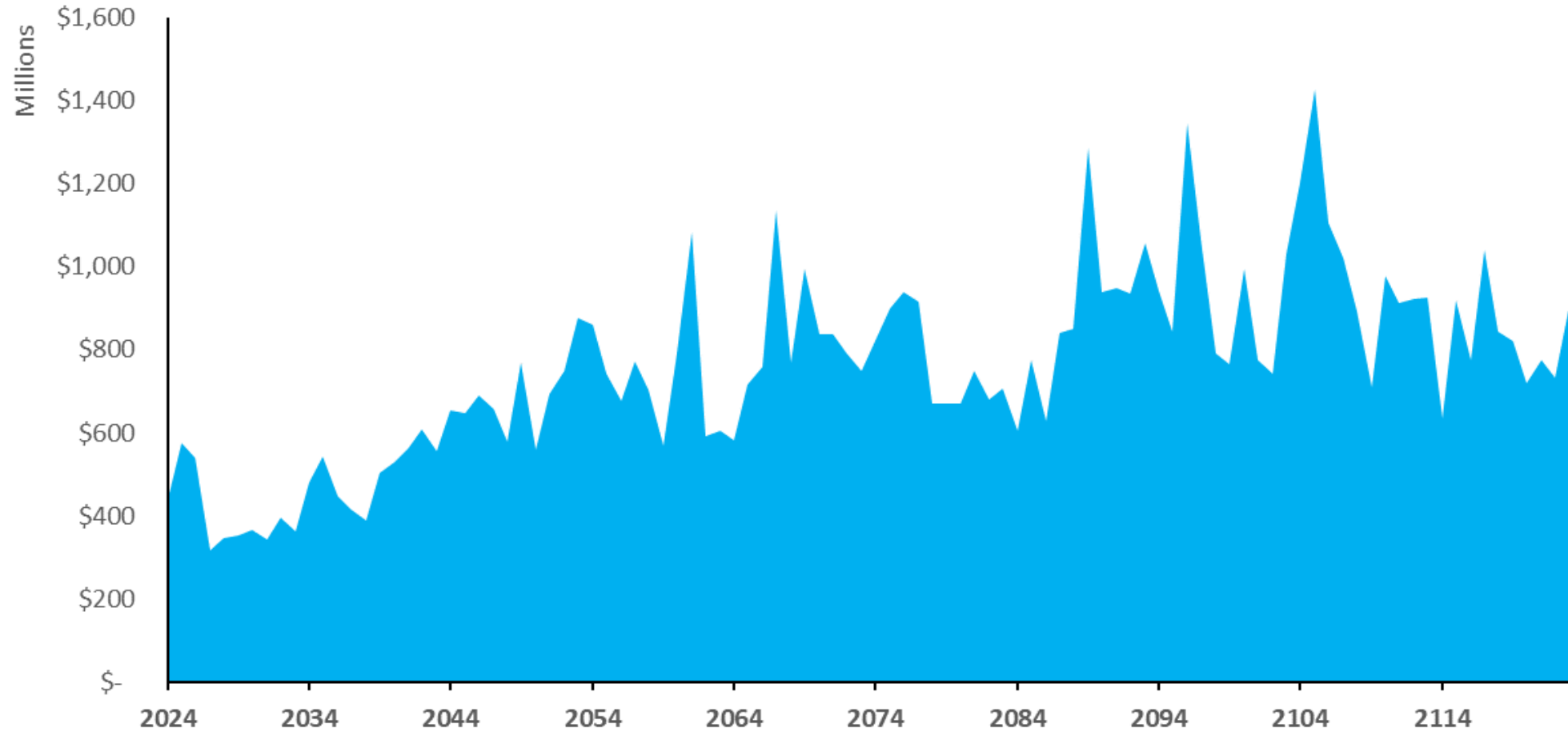


**Total \$8.6 Billion**

- Asset Replacement - Tax Levy
- Asset Replacement - User Rate
- Growth Capital - Tax Levy
- Development Charges
- Corporate Reserves
- Stabilization Reserves
- Human Resources Reserves

# Asset Management Needs Increase Over Time

## Projected Asset Renewal Needs



Note: numbers are uninflated

# Bill 23 Related DC Exemptions and Discounts Will Need to be Funded



\$ Millions (2024\$)	2024	2025	2026	2027-33	10-Year Total
Tax Levy	39	39	32	305	415
User Rate	32	24	16	212	284
<b>Total</b>	<b>71</b>	<b>64</b>	<b>48</b>	<b>517</b>	<b>699</b>

Note: Numbers may not sum due to rounding

AAA



The Region is awaiting provincial confirmation of its commitment to make us whole

**Recommendation:** Continue to use year-end surplus, if available, and draws on Debt Reduction Reserve and Rate Stabilization Reserve

**Option:** One-time Increase of Tax Levy and User Rate



# Potential One-time Tax Levy and User Rate Increases



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<b><u>Tax Levy Increase</u></b>	2023 Approved	2024	2025	2026	
Tax Levy Increase	2.90%	2.75%	2.60%	2.60%	
Rapid Transit / Infrastructure Levy	1.00%	1.00%	1.00%	1.00%	
<b>Bill 23 Impact</b>	-	3.70%	-	-	
<b>Total Tax Increase</b>	3.90%	7.45%	3.60%	3.60%	
<b><u>User Rate Increase</u></b>	2023 Approved	2024	2025	2026	2027
Approved User Rate Increases	3.3%	3.3%	3.3%	3.3%	3.3%
<b>Bill 23 Impact</b>	-	-	7.9%	-	-
<b>Total User Rate Increase</b>	3.3%	3.3%	11.2%	3.3%	3.3%

**This option is not recommended as the Region continues to advocate for the Province to make us whole**

# WRAP-UP AND NEXT STEPS

# Providing Value for Money

Average Regional property tax of

**\$2,913**

provides services that residents use every day

## AVERAGE BILL

Water  
\$523

Wastewater  
\$577



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



# 2024 Proposed Budget

## DELIVERS ON KEY PRIORITIES



PROPOSES TAX LEVY INCREASE OF 2.75%



SECOND YEAR OF MULTI-YEAR BUDGET

CONTINUES INFRASTRUCTURE LEVY OF 1.00%



YONGE NORTH SUBWAY EXTENSION/  
BUS RAPID TRANSIT/COMMUNITY HOUSING

## FACILITATING GROWTH WHILE CONTINUING TO DELIVER SERVICES

INCLUDES A ROBUST CAPITAL PLAN



ADDRESSES BOTH GROWTH-RELATED AND  
ASSET MANAGEMENT NEEDS

STABLE DEBT LEVELS AND  
HIGHER RESERVE BALANCES



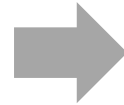
PROMOTES FINANCIAL SUSTAINABILITY

# Regional Council / Committee Review Process

## REGIONAL COUNCIL

November 23, 2023

Budget Tabling



## COMMITTEE OF THE WHOLE

**November 30, 2023**

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

Public Works

- Environmental Services
- Transportation Services

York Region Rapid Transit Corporation

## COMMITTEE OF THE WHOLE

**December 7, 2023**

Conservation Authorities

York Regional Police

YorkNet

Corporate Management, Courts and Tribunal Services and  
Other Corporate Items



## REGIONAL COUNCIL

December 21, 2023

Budget Approval