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Report of the Commissioner of Finance

**2024 to 2026 Budget – Corporate Management, Court and Tribunal Services  
and other Corporate Items**

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**1. Recommendation**

1. Committee of the Whole recommends the budget as submitted for Corporate Management, Court and Tribunal Services and other Corporate Items as follows:
  - a. The 2024 operating budget and 2025 to 2026 operating outlook as summarized in Appendix A.
  - b. The 2024 capital expenditures and Capital Spending Authority, as summarized in Appendix B.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 21, 2023.

**2. Purpose**

This report provides a summary of the 2024 to 2026 Operating and 2024 Capital Budget for Corporate Management, Court and Tribunal Services and other Corporate Items for consideration by Committee of the Whole. Details of the budget can be found on pages 153, 169, 179, 185, and 215 of the [2024 to 2026 Budget Book](#).

**Key Points:**

- The proposed budget for Corporate Management, Court and Tribunal Services, Financial Initiatives, External Partners and Yonge North Subway Extension helps to advance shared corporate commitments and enable effective and responsible program and service delivery across the organization and to our residents and businesses

- The proposed budget includes a 1% incremental tax levy in 2024 to establish dedicated funds for the Region’s commitment to the Yonge North Subway Extension project, and additional 1% levies in 2025 and 2026 to establish funds for future growth-related infrastructure needs
- The 2024 proposed gross operating expenditures are \$356.2 million, which is 11.3% of total Regional operating expenditures
- After non-tax revenues of \$111.1 million, the proposed net operating budget is \$245.0 million, or 17.3% of the Region’s net expenditures, representing an increase of 13.3% from the 2023 budget
- The 2024 proposed capital budget is \$88.6 million, or 8.8% of the proposed total Regional capital expenditures, with proposed Capital Spending Authority of \$1.37 billion

### 3. Background

This report covers the 2024 to 2026 budget for the following areas:

- Corporate Management and Governance, including Office of the Chief Administrative Officer, Legal Services, Corporate Services and Finance. These program areas provide professional services and advice to Council and enable provision of responsive and efficient services by all Regional departments.
- Court and Tribunal Services, which administers the *Provincial Offences Act* Court program for York Region. This program provides Court administration and prosecution services dealing with a range of non-criminal matters.
- Financial Initiatives, including contributions to corporate reserves, funding to manage risk and organization-wide expenses.
- External Partners, which comprises several Region-funded public sector entities and organizations which provide related services and benefits to Regional residents. The 2024 to 2026 budgets for Conservation Authorities are considered separately.
- The 1% levy is for the Yonge North Subway Extension and other growth-related infrastructure needs and associated capital spending.

#### **2023 Budget approved in February, 2023 included an operating outlook for 2024-2026**

The 2023 Budget approved on February 23, 2023 included a 2024 to 2026 outlook with tax levy increases of 2.75%, 2.60% and 2.60%, respectively, and an additional Rapid Transit / Infrastructure Levy of 1% in each year to help fund the Yonge North Subway Extension and other critical infrastructure projects. This outlook reflected budget amounts for Regional departments and key service areas.

## **2024 Budget was tabled with Council on November 23, 2023**

The [2024 Budget Directions](#) report established the timeline of tabling the 2024 to 2026 Budget in November 2023, with departmental reviews by Committee of the Whole on November 30 and December 7, and final approval by Council scheduled for December 21, 2023.

The proposed 2024 to 2026 Operating and 2024 Capital Budget was tabled with Council on November 23, 2023. It included a proposed tax levy increase of 2.75%. The tabled budget includes an additional Rapid Transit / Infrastructure Levy of 1%, which is consistent with funding requirements identified as part of the [2023 Regional Fiscal Strategy](#) report, [2024 Budget Directions](#) report, and the [2023 Fiscal Sustainability Update](#). The budget as tabled was received and referred to meetings of Committee of the Whole for consideration and recommendation.

## **2024 Budget is the second year of the 2023-2026 Multi-year Budget covering the term of Council**

The operating budget as presented includes the proposed 2024 budget and an outlook for 2025 to 2026. The outlook will be reviewed annually through the 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 2024 to 2026 budget, Council is asked to approve the 2024 proposed operating budget and endorse the 2025 to 2026 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 spending authority beyond the current budget year.

Capital Spending Authority is requested for 2024 capital expenditures and for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve proposed 2024 capital expenditures and associated funding sources, as well as the multi-year Capital Spending Authority and associated funding sources.

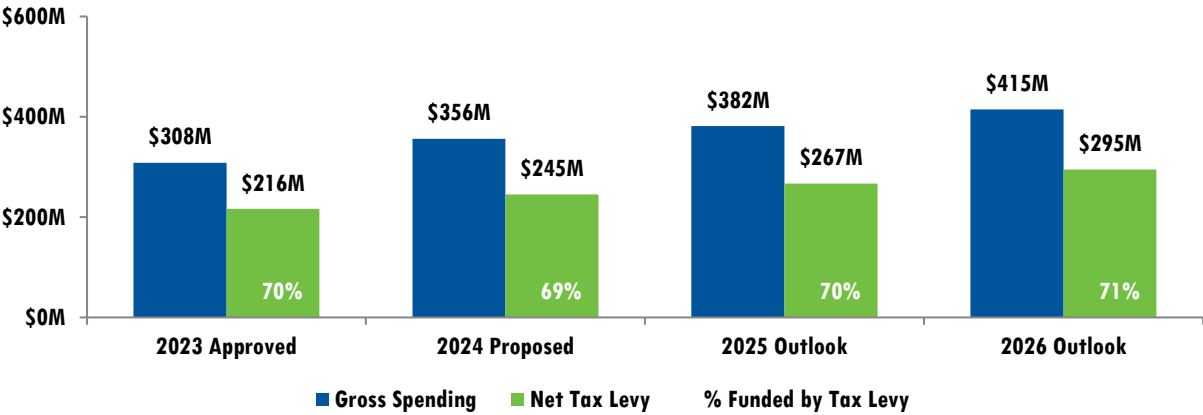
## **4. Analysis**

### **Approval of 2024 gross expenditures of \$356.2 million and net expenditures of \$245.0 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. Revenues include fine revenue, fees, supplementary taxes, and draws from reserves. A portion of Corporate Management and Governance costs are also recovered from the water and wastewater user rate.

2024 proposed gross operating expenditures for Corporate Management, Court and Tribunal Services and other Corporate Items are \$356.2 million, or 11.3% of total Regional expenditures. Proposed 2024 net expenditures of \$245.0 million are 17.3% of the total. The tax levy funds 68.8% of Corporate Management, Court and Tribunal Services and other Corporate Items' 2024 gross operating expenditures, as shown in Figure 1.

**Figure 1**  
**2024 Gross and Net Operating Expenditures**



**Major budget drivers for the proposed operating budget include growth pressures, new Administrative Penalty Tribunal revenues, reduced impacts of COVID-19, and the Rapid Transit / Infrastructure Levy**

Corporate Management, Court and Tribunal Services and other Corporate Items' proposed 2024 net budget is \$245.0 million, an increase of 13.3% from the previous budget.

The proposed Corporate Management and Governance net budget, which includes the Office of the Chief Administrative Officer (CAO), Legal Services, Corporate Services and Finance departments, is \$123.7 million in 2024, an increase of \$5.2 million compared to 2023. The increase is mainly driven by higher asset rehabilitation reserve contributions, an increase in contractual commitments related to software and facilities stemming from inflationary pressures, and staffing-related increases.

The Office of the CAO proposed net budget is \$22.8 million in 2024, an increase of \$0.6 million compared to 2023. The increase mainly reflects new staffing resources in the People, Equity and Culture branch to support recruitment and other human resource support activities.

The Legal Services proposed net budget is \$2.2 million in 2024, an increase of \$0.6 million compared to 2023. The increase reflects new staffing resources to address significantly increasing workload pressures and an update to the funding source for certain costs, from reserve-funded to

the tax levy. With the introduction of a new Legal Services funding model in the 2023 budget, the majority of legal costs incurred in the Region are recovered from Regional department budgets.

The Corporate Services proposed net budget is \$77.9 million in 2024, an increase of \$3.4 million compared to 2023. The increase mainly reflects higher asset management contributions, inflation in software and other contracted costs, and new staffing.

The Finance proposed net budget is \$23.6 million in 2024, an increase of \$0.8 million compared to 2023. The increase reflects proposed resources and costs to address the growing demand and complexity of services, and to support efforts to modernize and improve service delivery.

The proposed Court and Tribunal Services' 2024 gross budget is \$30.5 million, including revenues of \$35.3 million and a net revenue of \$4.8 million, which helps offset the overall tax levy. The budget reflects implementation of a new Administrative Penalty Tribunal program. The program includes camera-based enforcement, using technology to streamline processes and strengthen community safety. The staffing and other resources for the new York Region Processing Centre to process data and images are included in Public Works budget.

Revenues for this program are expected to increase with planned expansion of automated speed enforcement and red-light cameras across the Region and will offset the cost of implementing and maintaining the program and road safety enhancements. Projected revenues in 2024 include a \$5.6 million draw from the Court Services Reserve Fund to help offset impacts related to the delay in implementing this initiative compared to projections included in the 2023 budget and to offset implementation costs of \$2.5 million for the Processing Centre approved by Council in September 2023.

The Financial Initiatives proposed net budget is \$55.5 million in 2024, an increase of \$10.5 million compared to 2023. This category includes draws from the Pandemic Management and Recovery Reserve to help manage pandemic recovery impacts included in department budgets. As these draws are held corporately, the net budget increase reflects the reduced need for a reserve draw, largely due to faster than expected recovery in transit ridership and improved revenues reflected in the Public Works budget. The Financial Initiatives budget also includes contributions to reserves to help reduce the need for tax levy debt and funding for contingencies and smaller corporate-wide activities.

The External Partners proposed net budget is \$32.1 million in 2024, an increase of \$1.6 million compared to 2023. This category includes funding for the Municipal Property Assessment Corporation (MPAC), commitments for hospital projects in the Region, the Innovation Investment Fund and contributions toward GO Transit initiatives. The net budget for this area is projected to increase mainly due to higher MPAC fees based on an estimate of the Region's assessed property value relative to other Ontario municipalities.

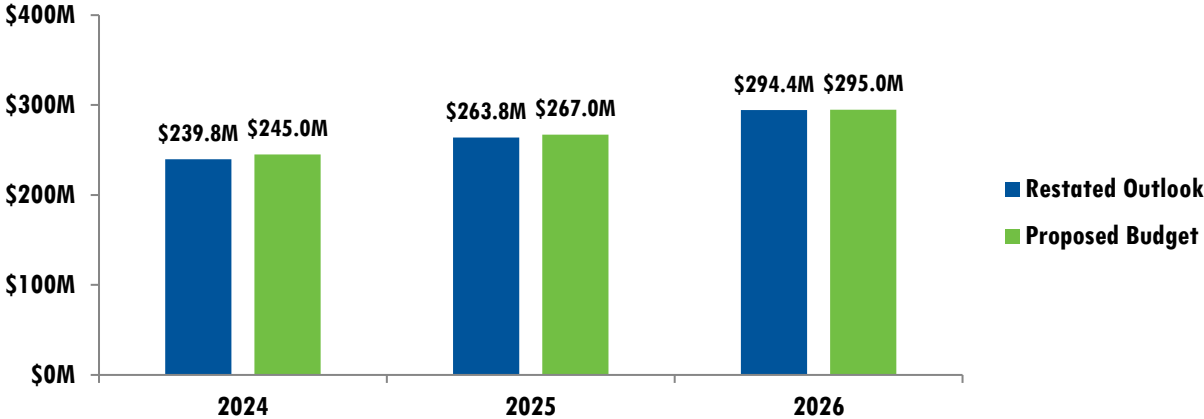
The percentage increase in the proposed Corporate Management, Court and Tribunal Services and other Corporate Items budget does not reflect any offset from assessment growth revenue, as assessment growth is applied to reduce the overall Regional tax levy, rather than apportioned to individual departments.

The proposed budget includes a continuation of the incremental 1% Rapid Transit / Infrastructure Levy introduced as part of the 2022 budget process. The projected amounts raised over ten years through the 2022 and 2023 levies, and proposed levy for 2024 would fund the Region’s commitment to the Yonge North Subway Extension. The proposed levies in 2025 and 2026 would help fund other priority infrastructure projects, including the tax levy portion of Bus Rapid Transit and other Housing projects. Each year, the incremental levy will add approximately \$12 to \$15 million in addition to previously approved amounts. These increases are reflected in the totals shown in Figure 1.

**The proposed Corporate Management, Court and Tribunal Services and other Corporate Items 2024 operating budget is higher than the previously endorsed outlook**

As illustrated in Figure 2 below, the proposed Corporate Management, Court and Tribunal Services and other Corporate Items 2024 net budget is \$5.2 million higher than the previously endorsed outlook, while the 2025 net budget is \$3.2 million higher than the previously endorsed outlook and the 2026 net budget is \$0.6 million higher than the previously endorsed outlook.

**Figure 2  
2024 Proposed Net Budget Compared to Outlook**



The proposed 2024 net budget for Corporate Management, Court and Tribunal Services and other Corporate items is above the outlook. While partially offset by lower contingency funds, efficiencies in facilities operations and new revenues, the increase above the outlook is largely due to reduced Pandemic Management and Recovery Reserve draws and increases for legal and corporate support.

**Budget updates will be required to accommodate changes to the proposed York Regional Police budget and potentially revised assessment growth revenue projections**

Some updates to the budget as tabled will be required to accommodate changes in the York Regional Police proposed budget and potential new information on assessment growth revenue and funding for Municipal Property Assessment Corporation (MPAC). These updates are not reflected in the budget book tabled with Council on November 23, 2023, or in the budget figures in this report.

However, any required changes would be included as part of the consolidated Regional budget for consideration by Council on December 21, 2023 and will be reflected in the final Budget Book which will be published on the Region's website.

At its meeting on October 25, 2023, the York Regional Police Services Board endorsed staffing levels for 2025 and 2026 that exceed those reflected in the tabled budget by 25 full-time equivalent positions (15 in 2025 and 10 in 2026) with an estimated impact of \$0.8 million in 2025 and \$2.4 million in 2026.

To accommodate the increase in the York Regional Police budget without impacting the Region's overall net tax levy, an offsetting reduction would be required to the Region's corporate contingency budget included as part of the Financial Initiatives budget. This change is expected to be reflected in the consolidated Regional budget for consideration by Council.

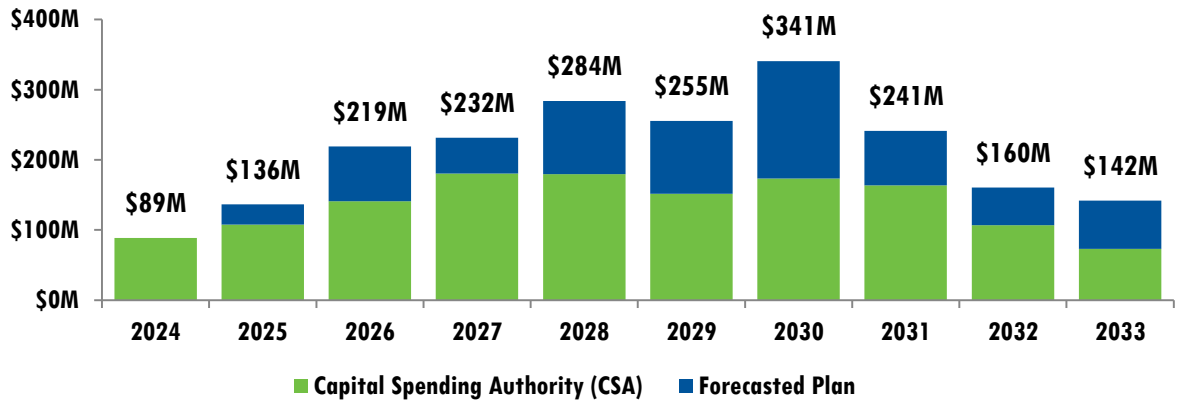
Assessment growth revenue and the Region's fee for Municipal Property Assessment Corporation (MPAC) is typically finalized late in the annual budget process. Any potential updates to these areas are expected to be offset by a corresponding change to the contingency budget within Financial Initiatives to ensure that the Region's overall net tax levy remains the same. Any potential updates would be reflected as part of the consolidated Regional budget for consideration by Council on December 21, 2023.

### **Approval of 2024 capital expenditures of \$88.6 million and Capital Spending Authority of \$1.37 billion is requested**

The capital budget for Corporate Management, Court and Tribunal Services and other Corporate Items enables infrastructure projects in support of growth, and renewal of Information Technology, Court Services, and Property Services infrastructure. This includes investments in replacing the enterprise resource planning (ERP) system, end-user devices, technology systems, network and data infrastructure, cyber security and the Courts Digital Roadmap. The budget supports rehabilitation, replacement and renovation of Regional facilities. It also includes planned expenditures for the Region's share of capital construction of the Yonge North Subway Extension.

As shown on Figure 3, 2024 proposed capital expenditures are \$88.6 million or 8.8% of the total Regional capital expenditures. The proposed Capital Spending Authority is \$1.37 billion or 22.4% of the Region's total Capital Spending Authority.

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



Appendix B summarizes the proposed 2024 capital expenditures and Capital Spending Authority by program and shows associated funding sources for Corporate Management, Court and Tribunal Services and other Corporate Items. Details on individual projects are available in the 2024 to 2026 Budget Book starting on page 301.

**The proposed budget supports the Strategic Plan**

The budget for Corporate Management, Court and Tribunal Services and other Corporate Items supports delivery of the *2023 to 2027 Strategic Plan* priorities under Vision’s four Areas of Focus of Economic Vitality, Healthy Communities, Sustainable Environment and Good Government.

More information on alignment between the Strategic Plan and the budget is provided in the [2024 to 2026 Budget Book](#).

**5. Financial Considerations**

The proposed 2024 net operating budget for Corporate Management, Court and Tribunal Services and other Corporate Items totals \$245.0 million, which represents a 13.3% increase before assessment growth revenue, as summarized in Appendix A.

The proposed 2024 capital budget of \$88.6 million and Capital Spending Authority of \$1.37 billion are summarized in Appendix B.

**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 operating and capital budgets for Corporate Management, Court and Tribunal Services and other Corporate Items. To facilitate completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on December 21, 2023.

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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**

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Approved for Submission:

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Chief Administrative Officer

November 24, 2023

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Appendix A – Operating Budget

Appendix B – Capital Budget

## 2024-2026 Operating Budget for Corporate Management, Court and Tribunal Services and other Corporate Items

(in \$000s)	Page No.	2023 Budget		2024 Proposed		Change	2025 Outlook		2026 Outlook	
		Gross	Net	Gross	Net	Net %	Gross	Net	Gross	Net
<b>Corporate Management and Governance</b>										
Chair & Council	160	2,865	2,865	3,023	3,023	5.52%	3,095	3,095	3,162	3,162
Office of the CAO	161	23,240	22,253	23,590	22,824	2.57%	24,543	23,911	25,378	24,997
Legal Services	162	2,325	1,580	2,503	2,195	38.95%	3,227	2,919	3,840	3,532
Finance	164	25,764	22,796	26,569	23,554	3.33%	27,762	24,709	29,290	25,966
Communications, Information and Data	165	20,724	20,535	20,195	20,006	(2.58%)	21,571	21,383	23,145	22,956
Property Services	165	9,803	8,634	10,355	8,181	(5.24%)	11,427	9,238	12,250	10,047
Planning and Economic Development	165	13,576	9,007	14,012	9,518	5.67%	14,309	9,889	15,749	10,129
Information Technology Services	165	36,302	36,302	40,214	40,214	10.78%	43,193	43,193	45,008	45,008
Recovery from User Rate <sup>1</sup>	160	-	(5,391)	-	(5,783)	7.28%	-	(6,161)	-	(6,433)
		<b>134,599</b>	<b>118,580</b>	<b>140,461</b>	<b>123,732</b>	<b>4.34%</b>	<b>149,128</b>	<b>132,177</b>	<b>157,821</b>	<b>139,364</b>
<b>Financial Initiatives<sup>2, 6, 7</sup></b>	181	<b>94,273</b>	<b>45,055</b>	<b>112,199</b>	<b>55,535</b>	<b>23.26%</b>	<b>103,862</b>	<b>57,489</b>	<b>107,767</b>	<b>64,546</b>
<b>External Partners</b>										
Property Assessment (MPAC) <sup>7</sup>	189	21,700	21,700	23,200	23,200	6.91%	24,500	24,500	25,500	25,500
Hospital Funding	189	7,134	7,134	7,248	7,248	1.60%	7,339	7,339	7,423	7,423
Innovation Investment Fund	189	1,621	1,621	1,621	1,621	-	1,621	1,621	1,621	1,621
GO Transit	190	2,500	-	2,500	-	-	2,500	-	2,500	-
		<b>32,955</b>	<b>30,455</b>	<b>34,569</b>	<b>32,069</b>	<b>5.30%</b>	<b>35,960</b>	<b>33,460</b>	<b>37,044</b>	<b>34,544</b>
<b>Court and Tribunal Services</b>	174	<b>21,403</b>	<b>(2,802)</b>	<b>30,492</b>	<b>(4,759)</b>	<b>69.87%</b>	<b>40,146</b>	<b>(8,730)</b>	<b>44,777</b>	<b>(10,940)</b>
<b>Total<sup>3</sup></b>		<b>283,229</b>	<b>191,288</b>	<b>317,721</b>	<b>206,576</b>	<b>7.99%</b>	<b>329,096</b>	<b>214,397</b>	<b>347,409</b>	<b>227,514</b>
<b>Rapid Transit / Infrastructure Levy<sup>7</sup></b>	181	<b>25,003</b>	<b>25,003</b>	<b>38,441</b>	<b>38,441</b>	<b>53.75%</b>	<b>52,598</b>	<b>52,598</b>	<b>67,443</b>	<b>67,443</b>
<b>Total after Rapid Transit Infrastructure Levy</b>		<b>308,232</b>	<b>216,291</b>	<b>356,162</b>	<b>245,017</b>	<b>13.28%</b>	<b>381,694</b>	<b>266,994</b>	<b>414,853</b>	<b>294,957</b>

<sup>1</sup> Recovery from User Rate reflects the portion of corporate management and governance costs allocated to water and wastewater and funded from the user rate

<sup>2</sup> Financial Initiatives include Fiscal Strategy and non-program financial items

<sup>3</sup> Numbers may not add due to rounding

<sup>4</sup> The percentage change in the proposed budget does not reflect any offset from assessment growth revenue

<sup>5</sup> Summary of the consolidated Operating Budget for York Region can be found on the table on pages 44-45 in the 2024-26 Budget Book

<sup>6</sup> The figures for Financial Initiatives in the table above do not include the expected reduced costs of \$0.8 million in 2025 and \$2.4 million in 2026, which will offset the increased cost associated with additional staff approved by the York Regional Police Services Board. These amounts will be included as part of the final budget report to be considered by Regional Council on December 21, 2023.

<sup>7</sup> The figures for Financial Initiatives, Property Assessment (MPAC) and Rapid Transit / Infrastructure Levy in the table above do not reflect the changes to offset the possible reduction in estimated assessment growth and change in MPAC fees. These amounts may be included as part of the final budget report to be considered by Regional Council on December 21, 2023.

## 2024 Capital Expenditures and Capital Spending Authority (CSA) for Corporate Management, Court and Tribunal Services and other Corporate Items

Information Technology Services	Page No.	2024 \$000s	Total CSA \$000s
<b>Program Expenditures:</b>			
Information Technology Services	165	41,936	187,059
<b>Funding Sources:</b>			
Asset Replacement Reserve	165	37,475	166,680
Program Specific Reserves	165	4,461	20,379
<b>Total Funding Sources</b>		<b>41,936</b>	<b>187,059</b>

Property Services	Page No.	2024 \$000s	Total CSA \$000s
<b>Program Expenditures:</b>			
Property Services			
Business Initiatives	165	28,979	38,085
Rehabilitation and Replacement	165	8,295	14,565
<b>Total Program Expenditures</b>		<b>37,274</b>	<b>52,650</b>
<b>Funding Sources:</b>			
Development Charges	165	35	35
Asset Replacement Reserve	165	24,108	39,484
Debt Reduction Reserve	165	465	465
Grants & Subsidies	165	12,666	12,666
<b>Total Funding Sources</b>		<b>37,274</b>	<b>52,650</b>

Court And Tribunal Services	Page No.	2024 \$000s	Total CSA \$000s
<b>Program Expenditures:</b>			
Court And Tribunal Services	176	5,235	5,235
<b>Funding Sources:</b>			
Development Charges	176	1,349	1,349
Asset Replacement Reserve	176	238	238
Debt Reduction Reserve	176	3,648	3,648
<b>Total Funding Sources</b>		<b>5,235</b>	<b>5,235</b>

<b>Financial Initiatives</b>	<b>Page No.</b>	<b>2024 \$000s</b>	<b>Total CSA \$000s</b>
<b>Program Expenditures:</b>			
Financial Initiatives	183	635	635
<b>Funding Sources:</b>			
Development Charges	183	476	476
Program Specific Reserves	183	159	159
<b>Total Funding Sources</b>		<b>635</b>	<b>635</b>

<b>Yonge North Subway Extension</b>	<b>Page No.</b>	<b>2024 \$000s</b>	<b>Total CSA \$000s</b>
<b>Program Expenditures:</b>			
Yonge North Subway Extension	217	3,557	1,120,000
<b>Funding Sources:</b>			
Development Charges	217	2,668	282,483
Program Specific & Gen. Capital Reserves	217	889	280,000
Planned Debenture Proceeds	217	-	557,517
<b>Total Funding Sources</b>		<b>3,557</b>	<b>1,120,000</b>

<b>Total Program Expenditures:</b>		<b>88,637</b>	<b>1,365,579</b>
<b>Total Funding Sources</b>		<b>88,637</b>	<b>1,365,579</b>

<sup>1</sup> Summary of the consolidated Capital Budget for York Region can be found on the table on pages 56-57 in the 2024-26 Budget Book