

# The Regional Municipality of York

Committee of the Whole  
Finance and Administration  
May 9, 2019

Report of the Commissioner of Finance

## 2020 Budget Direction

### 1. Recommendations

Council endorse the proposed timeline for the development and approval of the 2020 budget.

### 2. Summary

This report seeks Council direction on the proposed timeline for the 2020 budget. It also outlines general guidelines for budget development.

### 3. Background

#### **2020 will be the second year of the 2019-2022 multi-year budget**

In February 2019 Council approved the first year of the multi-year budget and endorsed an outlook for the following three years. The outlook will form the basis for budget development for the following three years and will be updated as required as part of the annual budget cycle.

A multi-year budget provides several advantages:

- Enables better coordination of budgeting and strategic priorities
- Provides greater certainty for departments in managing their expenditures
- Improves fiscal discipline.

On February 28, 2019, the 2019 budget was approved with a tax levy increase after assessment growth of 3.96% and an outlook for 2020, 2021 and 2022 of 2.96%.

The 2020-2022 outlook will form the basis of the budget process each year and Council will continue to approve an annual budget and endorse outlooks every year, as shown in Table 1.

**Table 1**  
**Annual Budget Approval**

Annual Budget Year	Years of Endorsed Outlook
2020	2
2021	1
2022	0

The outlook captures a number of budget pressures, accelerated roads capital, and an increased contribution for capital asset replacement.

#### **4. Analysis**

It is proposed that the 2020 budget be tabled with Council in November 2019, with budget review taking place at the Committee of the Whole meetings in December 2019, and final budget approval by Council be considered by Council in December 2019.

#### **Council has endorsed an outlook for the 2020-2022 budget**

As noted above, an outlook for 2020 to 2022 was included as part of the 2019 multi-year budget.

At its meeting of February 28, 2019 Council endorsed the tax levy outlook of 2.96% for 2020 to 2022, and noted that must include incremental contributions to the roads acceleration reserve of \$11.4 million, \$11.9 million, and \$12.4 million. In absence of non-tax levy sources, \$35.7 million in tax levy room would need to be found to accommodate the 1% of the 2019 tax levy for roads acceleration by 2022.

At that meeting, Regional Chair Emmerson announced there will be a Council education session (subsequently changed to a special meeting of Council) on April 25, 2019 for the purpose of educating members on funding non-tax levy options for the Roads Capital Acceleration Reserve.

During the special meeting of Council, four non-tax levy options were presented. Option four, which would transfer money from the debt reduction reserve as required based on the cash flow of the projects, will come forward for further consideration in June along with departments bringing forward service-level adjustment reports. These reports will provide options for consideration which could be further developed and brought forward as part of the 2020 Budget process.

## December approval of the 2020 budget is proposed

Table 2 below summarizes the key dates in the proposed 2020 budget process.

**Table 2**  
**Proposed 2020 Budget Timeline**

Milestone	Date
<b>Budget direction report to Council</b>	May 9, 2019
Budget submission to Finance	July/August
Reviews, staff deliberation and development of recommendation to Council	August – October
<b>Table Budget with Council</b>	<b>November 28, 2019</b>
Committee of the Whole reviews	December 5/10, 2019
<b>Tentative Budget approval</b>	<b>December 19, 2019</b>

### The multi-year budget process supports the 2019-2023 Strategic Plan

The *2019-2023 Strategic Plan* guides the multi-year business planning and budgeting process. Many priorities outlined in the Strategic Plan will be reflected in the 2020-2022 and future Regional budgets.

## 5. Financial

While there are no direct financial implications associated with this report, the budget will establish expenditures and funding for the provision of Regional services in 2020 and the outlook for 2021-2022 will form the basis of the budget process in those years.

## 6. Local Impact

There is no direct local municipal impact associated with this report. Certainty and discipline in the budget helps local municipalities with their budget planning.

## 7. Conclusion

It is proposed that the 2020-2022 Budget be tabled with Council in November 2019, with consideration of approval in December 2019.

---

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, FCPA, FCA**  
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**  
Chief Administrative Officer

April 25, 2019  
9230279