



PROPOSED 2020 TO 2022 REGIONAL BUDGET

PRESENTATION TO COUNCIL
NOVEMBER 21, 2019

Laura Mirabella
Commissioner of Finance
and Regional Treasurer

AGENDA

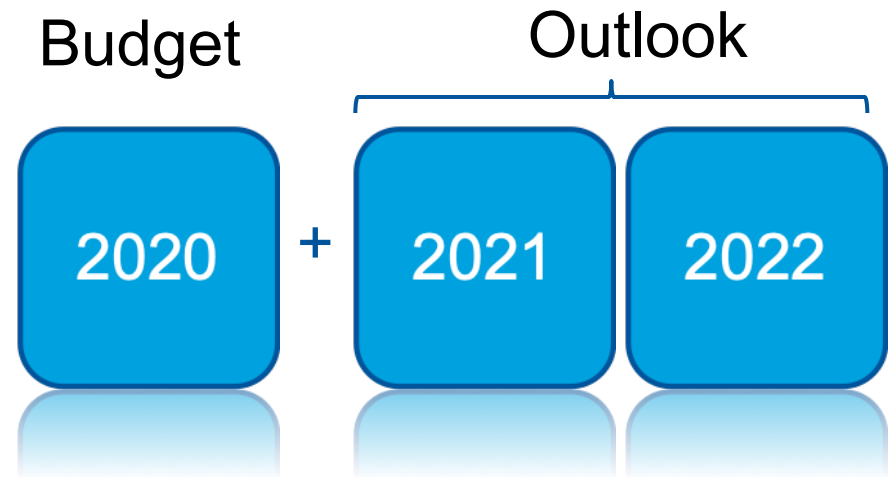
Part 1: Overview

Part 2: The Budget

Part 3: Wrap-up and Next Steps

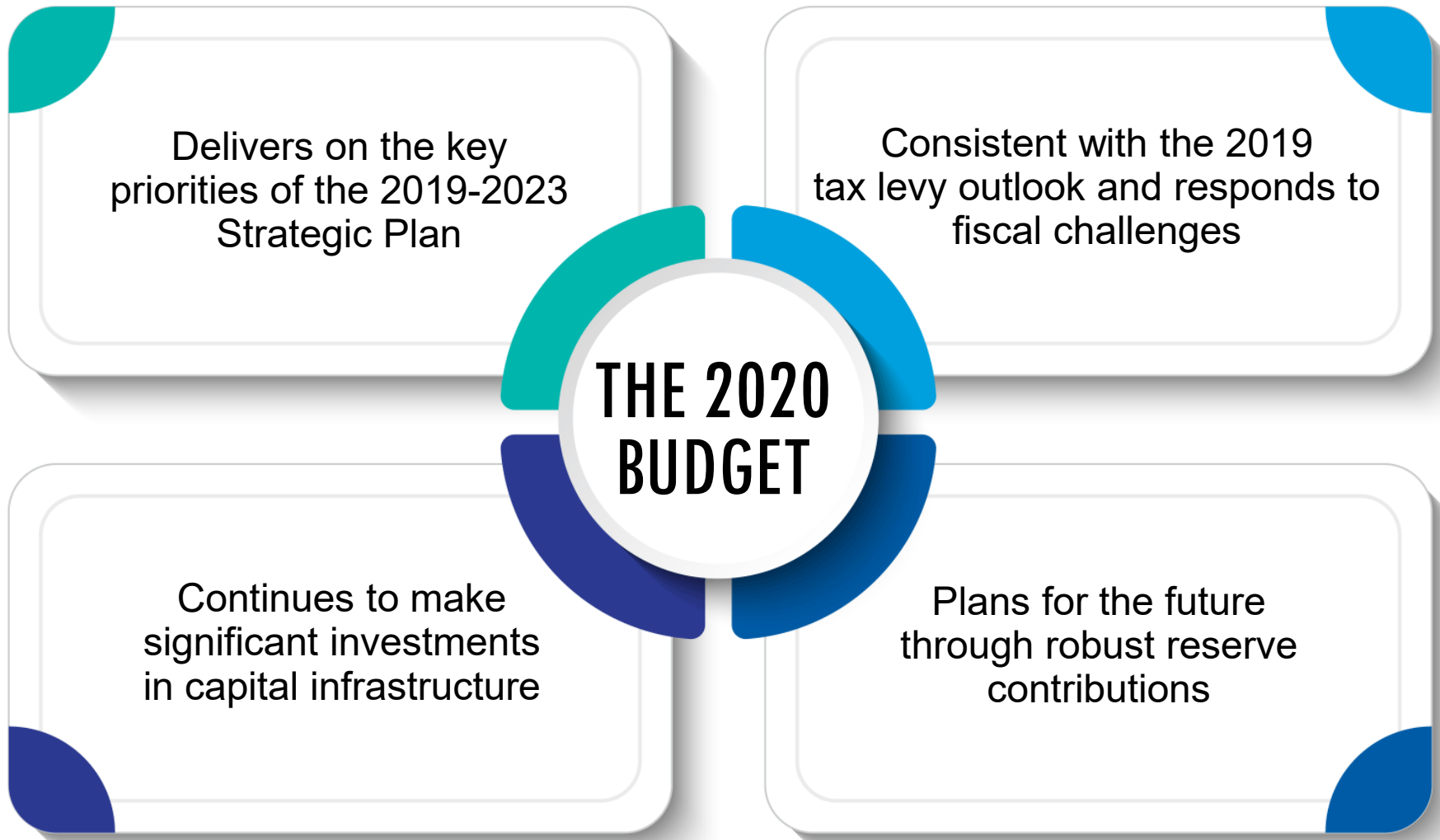


COUNCIL WILL REVIEW A MULTI-YEAR BUDGET



OVERVIEW: 2020-2022 BUDGET

BUDGET CONTEXT



PROPOSED BUDGET AT A GLANCE

	2019 Budget	2020 Proposed	2021 Outlook	2022 Outlook
Tax Increase	3.96%	2.96%	2.96%	2.96%
Gross Expenditures	\$2.3B	\$2.5B	\$2.5B	\$2.6B
Net Expenditures	\$1.1B	\$1.2B	\$1.2B	\$1.3B
Ten-Year Capital Plan	\$6.6B	\$7.1B		
Capital Budget	\$867M	\$826M		

PROPOSED BUDGET AT A GLANCE (CONT'D)

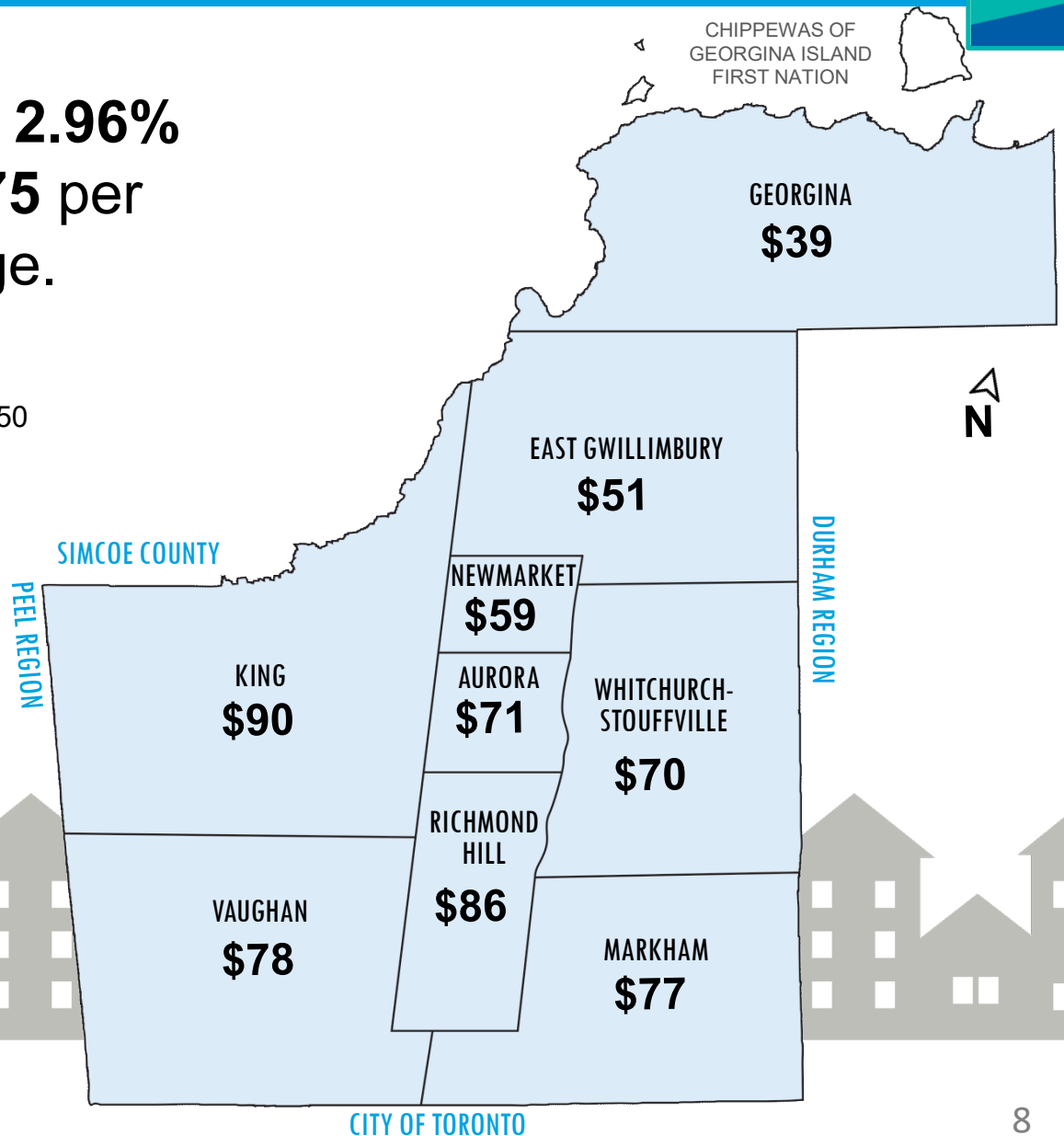
2019 debt forecast	\$2.6B
New debt in the next 10 years	\$2.5B
Debt repaid over next 10 years	\$2.3B
Tax/rate supported debt in the next 10 years	\$0B
Increase in reserves in the next 10 years	\$2.4B

**Debt Management Plan compliant with the
Province's Annual Repayment Limit regulation**

TAX IMPACT ON HOMEOWNER IN 2020

A tax levy increase of **2.96%**
in 2020 equates to **\$75** per
household, on average.

Note: The average assessed value of a
residential property in the Region is \$749,150



THE BUDGET SUPPORTS THE 2019 TO 2023 STRATEGIC PLAN



ECONOMIC VITALITY

PRIORITY:

Increase economic prosperity

OBJECTIVES:

1. Fostering an environment that attracts businesses, grows employment opportunities and attracts people
2. Increasing access to efficient transportation options



HEALTHY COMMUNITIES

PRIORITY:

Support community health, safety and well-being

OBJECTIVES:

1. Supporting safe communities
2. Delivering and promoting affordable housing
3. Improving access to health and social support services



SUSTAINABLE ENVIRONMENT

PRIORITY:

Build sustainable communities and protect the environment

OBJECTIVES:

1. Delivering and promoting environmentally sustainable services
2. Encouraging growth in the Region's centres, corridors and built-up urban areas
3. Enhancing and preserving green space



GOOD GOVERNMENT

PRIORITY:

Deliver trusted and efficient services

OBJECTIVES:

1. Ensuring reliable, responsive, effective, efficient and fiscally responsible service delivery
2. Managing the Region's assets for current and future generations
3. Maintaining public confidence in Regional Government



PRIORITY: INCREASE ECONOMIC PROSPERITY

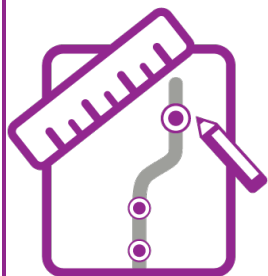
OVER
1,000
DEVELOPMENT
APPLICATIONS




YORKNET
181
NEW NETWORK
CONNECTIONS



\$3.1
BILLION
TRANSPORTATION
INFRASTRUCTURE



CONSTRUCTION
READINESS OF
**YONGE SUBWAY
EXTENSION**



635,000
AVERAGE DAILY TRAVELLERS
22 MILLION 
TRANSIT RIDES A YEAR



PRIORITY: SUPPORT COMMUNITY HEALTH, SAFETY AND WELL-BEING

118 
BILLION
LITRES OF CLEAN, SAFE
DRINKING WATER

102
STAFF OVER
THREE YEARS TO
YORK REGIONAL
POLICE

 **BUILDING/REDEVELOPING**
6 **PARAMEDIC**
STATIONS
MAINTAIN RESPONSE TIME BY ADDING
47 OVER THREE
STAFF YEARS TO
PARAMEDIC 
SERVICES

6,700 
SOCIAL HOUSING UNITS
500 APPROXIMATE # UNITS
TO **HOUSING YORK INC.**

INCREASE TAX LEVY FUNDING FOR **PUBLIC HEALTH** BY:
\$4.2 MILLION in 2021 **\$4.7** MILLION in 2022
TO MAINTAIN SERVICES



PRIORITY: BUILD SUSTAINABLE COMMUNITIES AND PROTECT THE ENVIRONMENT

\$2.5
BILLION

TO GROW AND MAINTAIN
WATER/WASTEWATER

HIGH RATES OF
WASTE DIVERSION



94%

CURRENTLY

300,000

TREES AND SHRUBS

BETWEEN 2020-2022

CREATING A WELCOMING
PEDESTRIAN REALM THROUGH
STREETSCAPING AND GREENING
OF CENTRES AND CORRIDORS





PRIORITY: DELIVER TRUSTED AND EFFICIENT SERVICES

TECHNOLOGICAL CHANGES

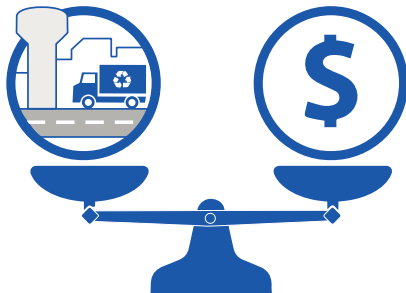


- **PROTECTING** RESIDENTS' INFORMATION
- **IMPROVING** CUSTOMER EXPERIENCE

PROVIDING CONSOLIDATED ACCESS TO SERVICES



GROWING ASSET BASE



CONTRIBUTING TO RESERVES

FISCAL SUSTAINABILITY



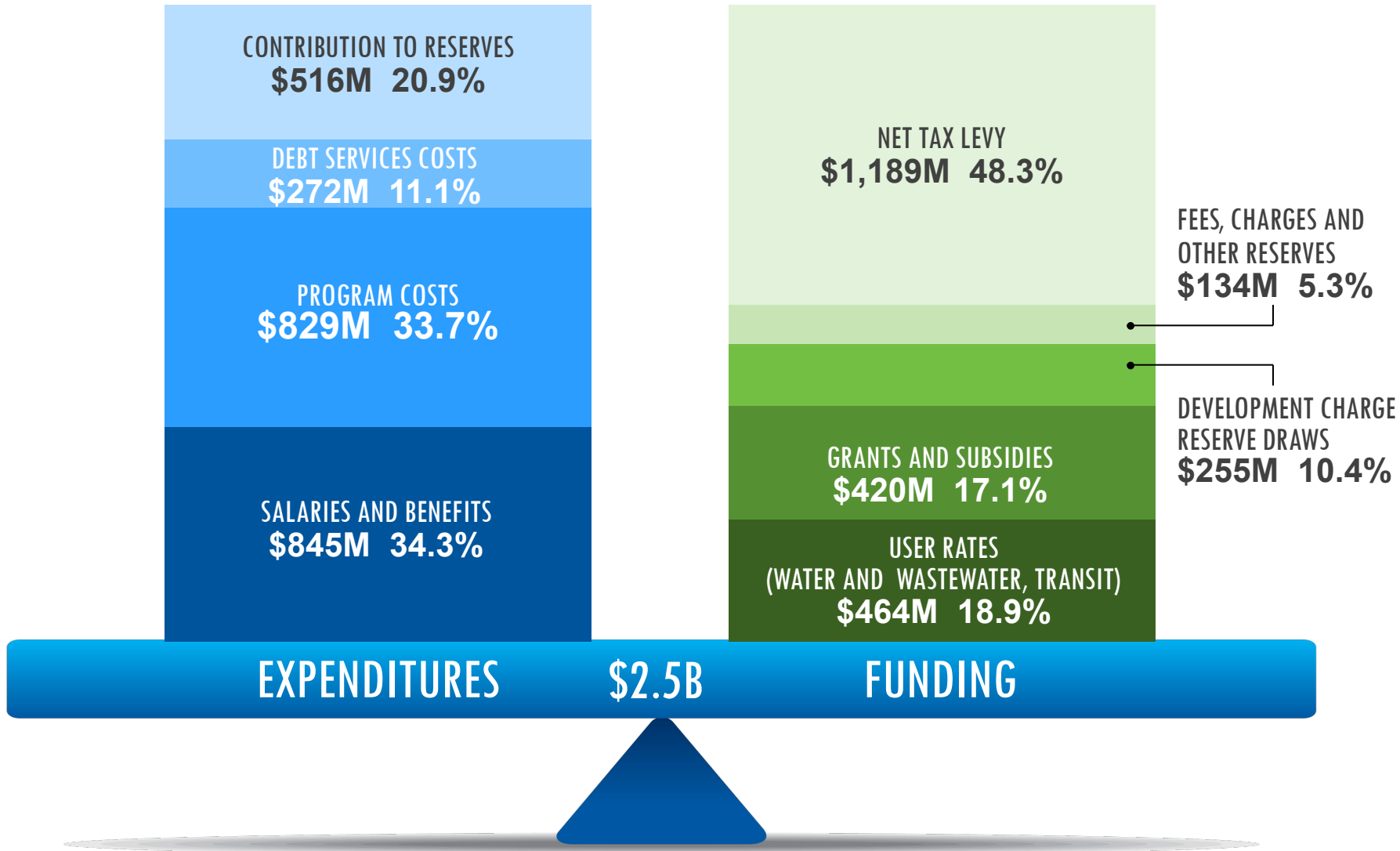
THROUGH PRUDENT DEBT AND RESERVE MANAGEMENT

OPERATING BUDGET OVERVIEW

PROPOSED OPERATING BUDGET

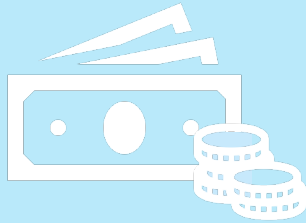
	2019 Budget	2020 Proposed	2021 Outlook	2022 Outlook
Gross Expenditures (\$M)	2,344	2,463	2,529	2,642
Non-Tax Revenue (\$M)	(1,206)	(1,274)	(1,288)	(1,330)
Net Expenditures (\$M)	1,138	1,189	1,240	1,294
Assessment Growth Revenue (\$M)	(23.0)	(16.8)	(16.5)	(16.5)
Net Expenditures after Assessment Growth Revenue (\$M)	1,115	1,172	1,224	1,277
Rate of Increase (%)	2.96	2.96	2.96	2.96
Roads Capital Acceleration (%)	1.00	-	-	-
Proposed Tax Levy Increase (%)	3.96	2.96	2.96	2.96

COMPONENTS OF A BALANCED BUDGET

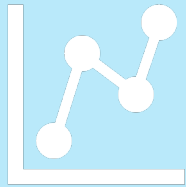


FISCAL CHALLENGES

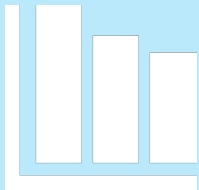
KEY CHALLENGES



Changes to Development Charge legislation



Fluctuations in development activity



Reduced provincial funding for some Regional programs



Fiscal responsibility within a complex environment

PROVINCIAL FUNDING CHANGES - POTENTIAL TAX LEVY IMPACTS

	\$ Millions			
	2019	2020	2021	2022
Public Health	0.00	(0.65)	(7.55)	(8.05)
Community and Health Services (excl. Public Health)	(1.47)	(6.01)	(9.71)	(12.83)
York Regional Police	(1.59)	(1.88)	(1.88)	(1.88)
Total	(3.06)	(8.54)	(19.14)	(22.77)

ADDRESSING FISCAL CHALLENGES

Category 1: Efficiencies

- **\$5.6M in 2020**
\$27.6M over 3 years
- Budget rationalization to better reflect expected spending
- Contract price adjustments and other efficiencies
- Introduction of new Planning fees and adjustments to other fees to work towards cost recovery

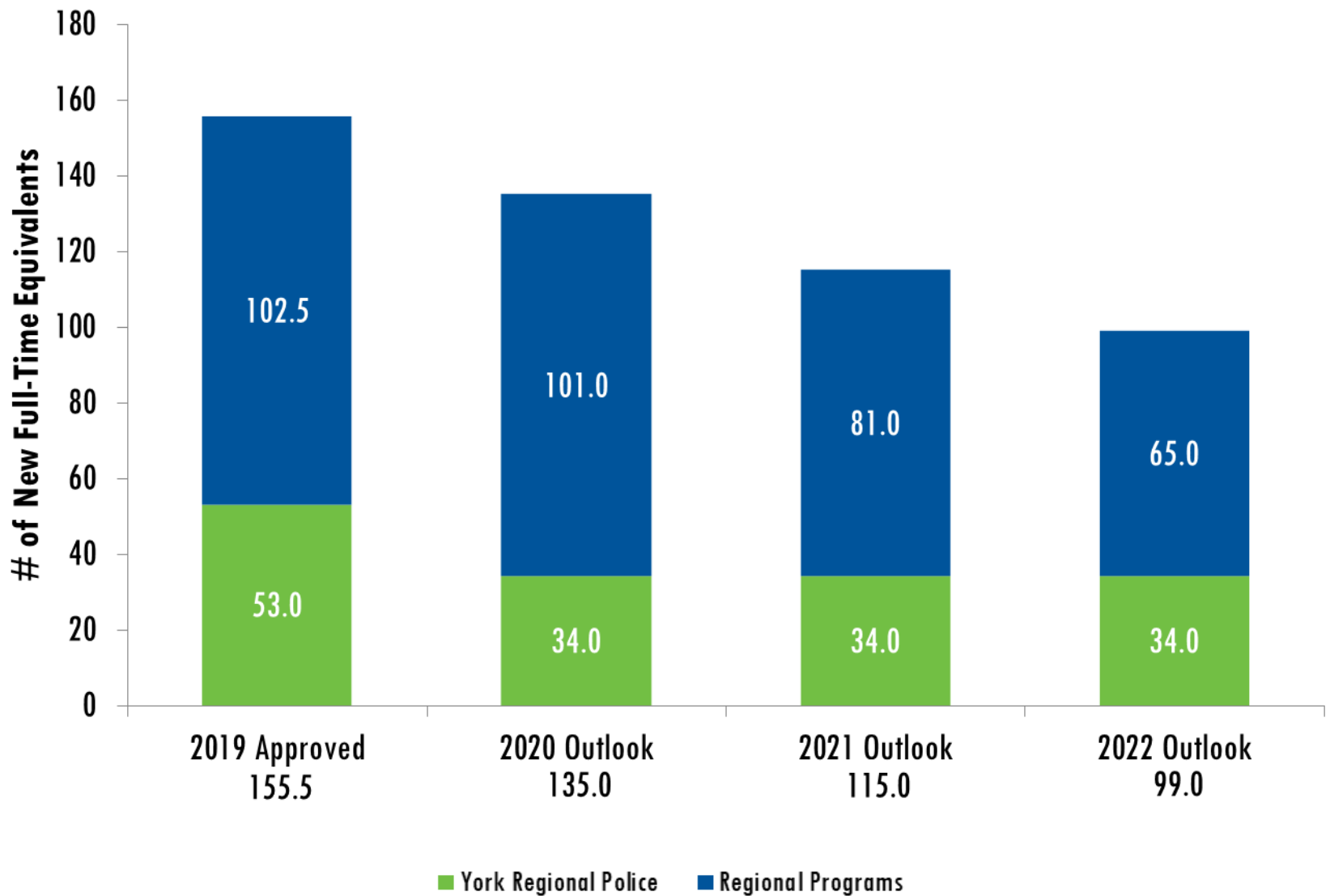
Category 2: Service Level Adjustment

- **\$14.7M in 2020**
\$82.4M over 3 Years
- Adjustments to low performing transit routes
- Adjustments to maintenance activities for roads and Viva stations
- Changes to CHS non-mandated programs

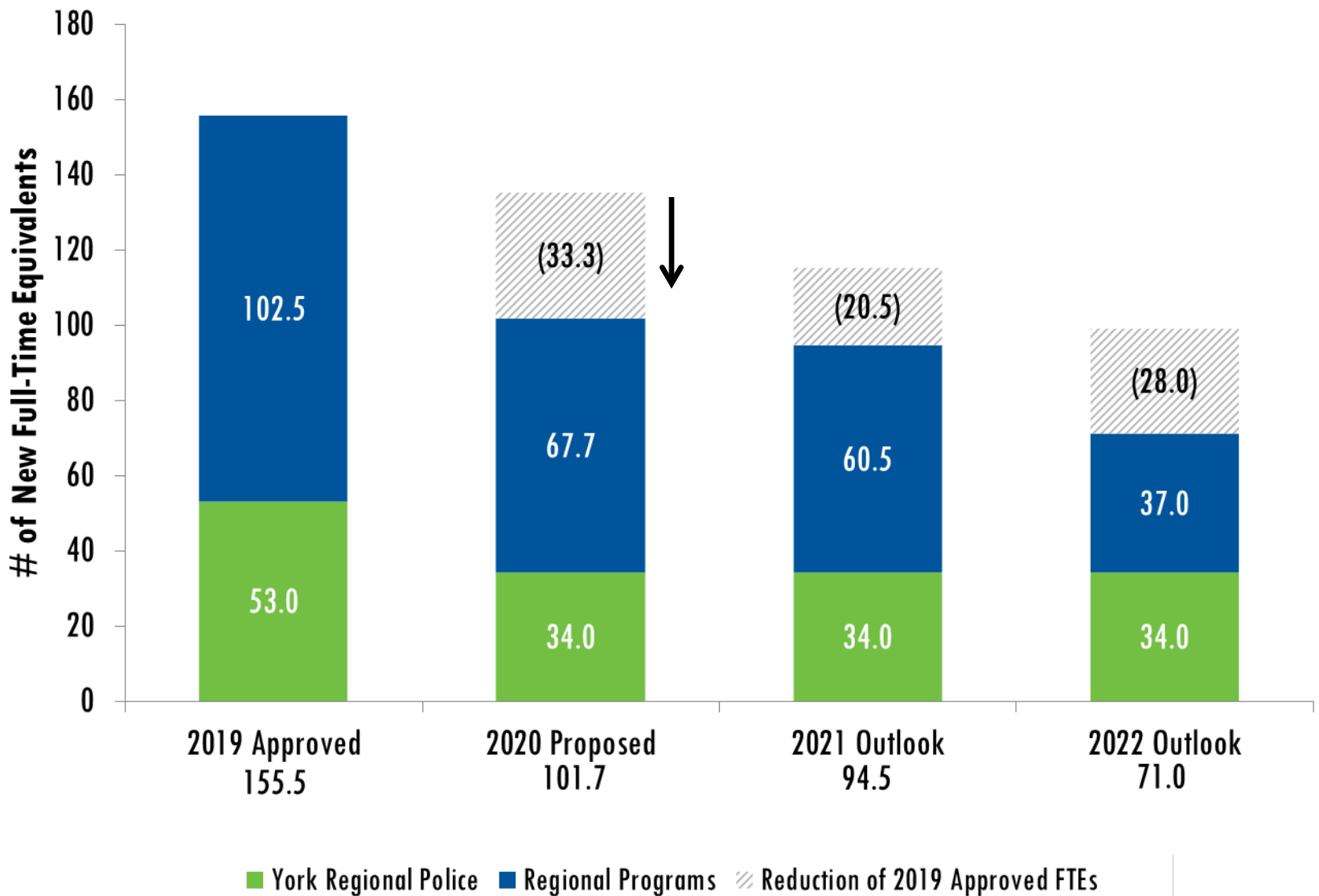
Category 3: Risk Tolerance and Other

- **\$17.7M in 2020**
\$65.4M over 3 years
- Deferral of 47 previously planned staff additions and other growth related expenditures
- Adjustments to revenue projections in Planning and Courts
- Reduced hospital reserve contributions to fund only existing project commitments

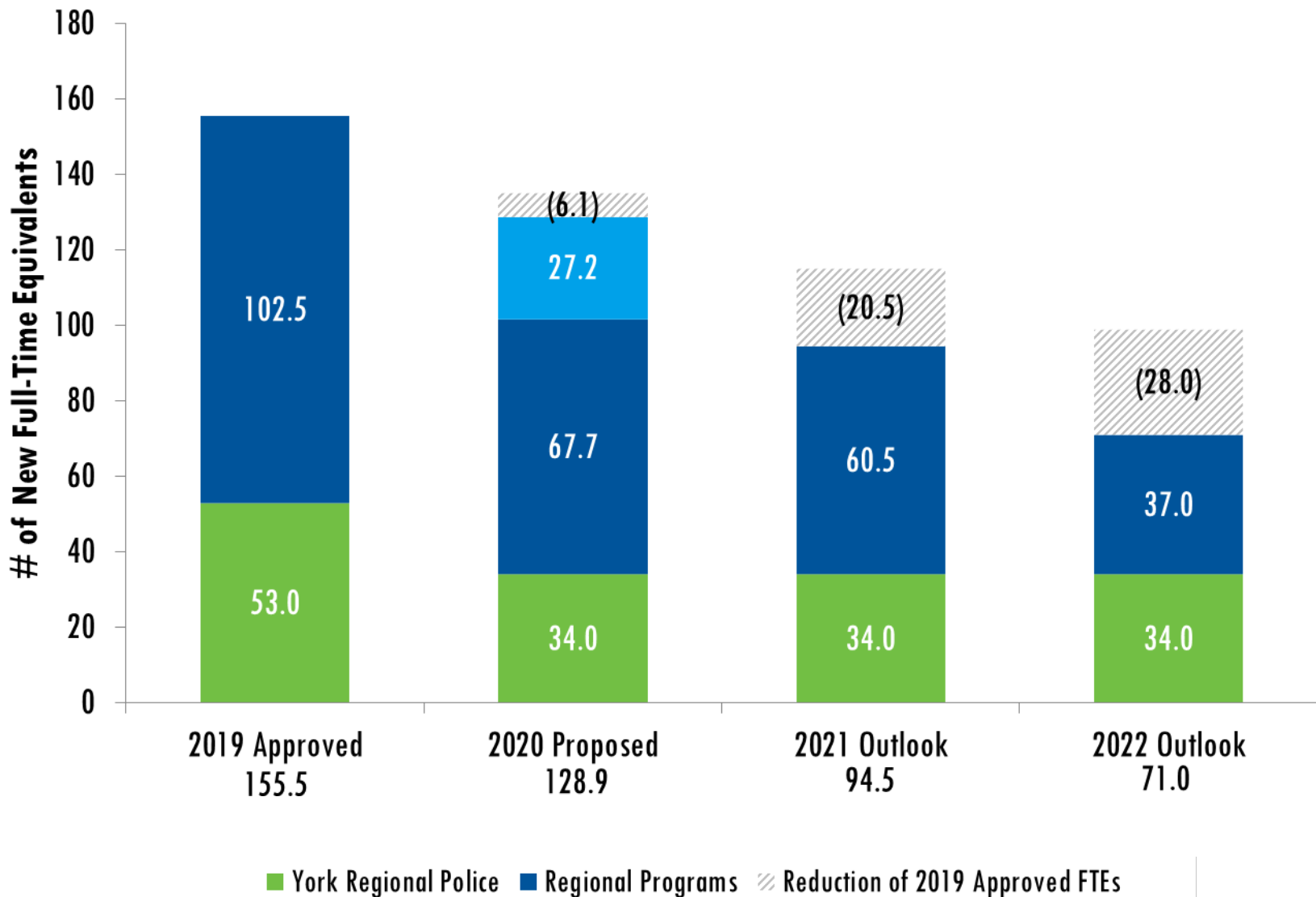
FTE GROWTH REFLECTS SAVINGS INITIATIVES



FTE GROWTH REFLECTS SAVINGS INITIATIVES (CONT'D)



FTE GROWTH REFLECTS SAVINGS INITIATIVES (CONT'D)



2020 PROPOSED NET TAX LEVY COMPARED TO OUTLOOK

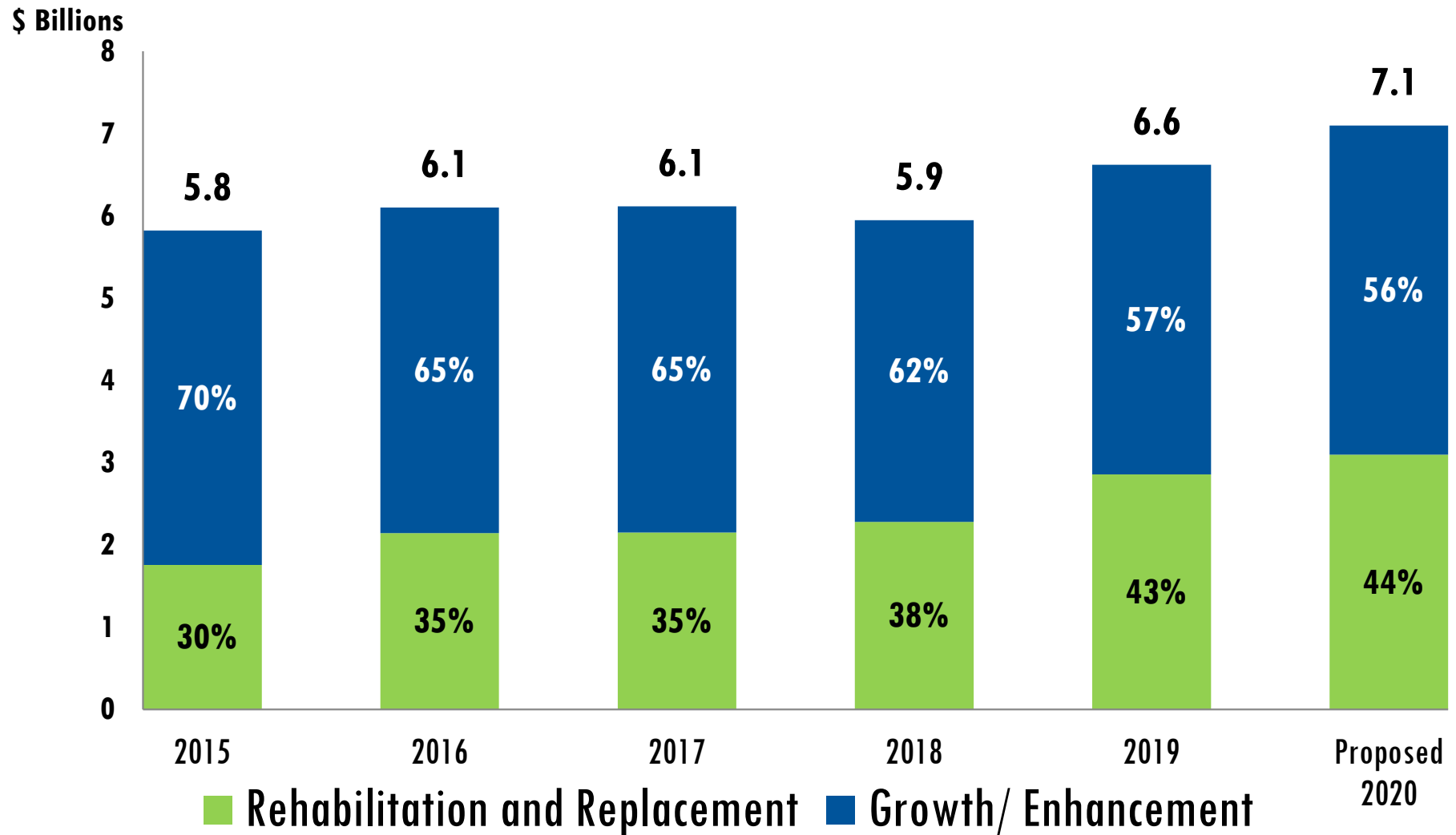
(%)	2020 Proposed
Original Outlook*	2.96
Budget Pressures	1.21
Sub-total	4.17
Savings Initiatives	(2.47)
Sub-total	1.70
Additional Reserve Contributions	1.26
2020 Proposed Net Tax Levy Increase*	2.96

*After assessment growth revenue

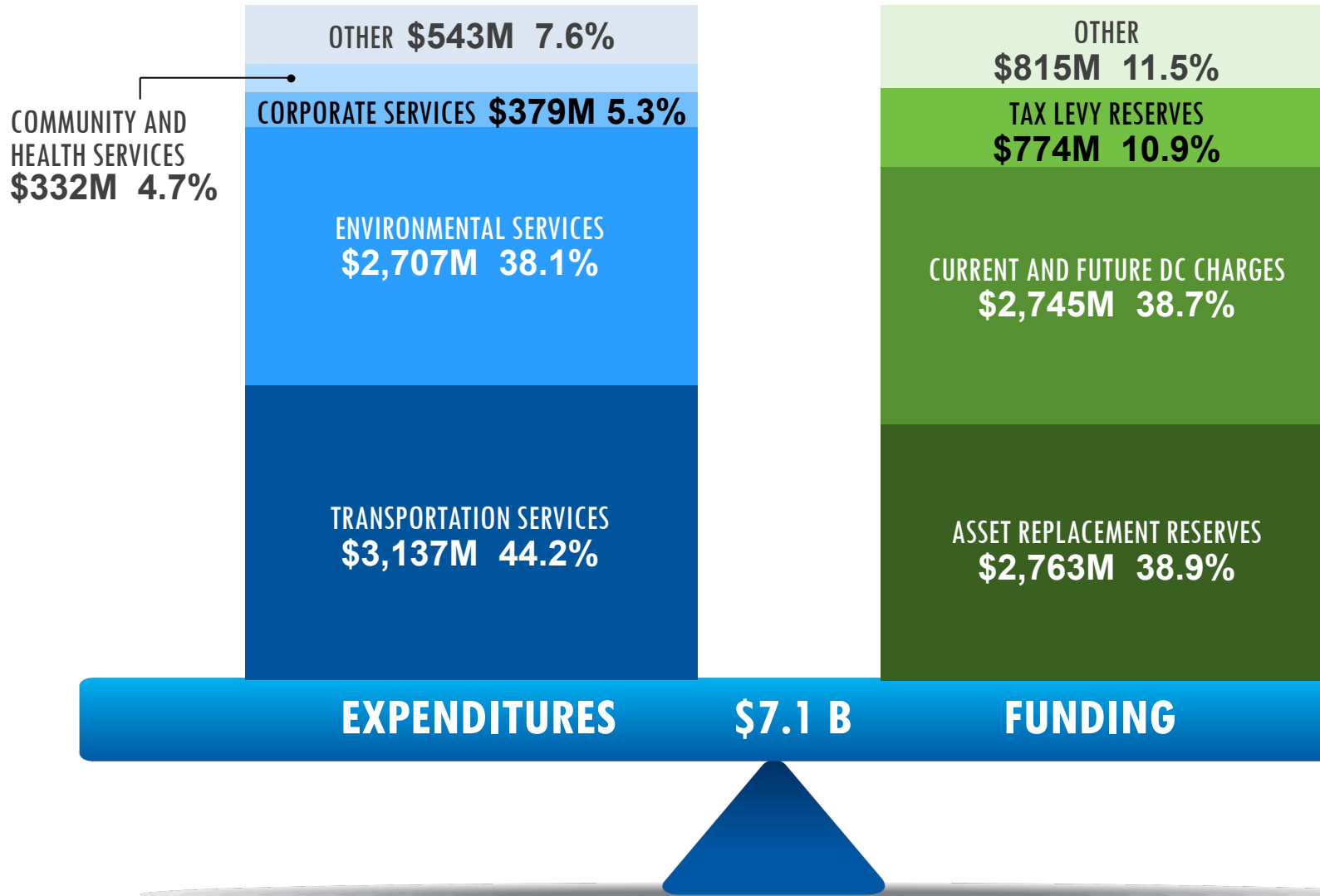
CAPITAL BUDGET OVERVIEW









	2020 Proposed
Ten-Year Capital Plan	\$7.1B
Growth	\$4.0B
Rehabilitation	\$3.1B
Capital Budget for 2020	\$826M
Capital Spending Authority	\$2.7B

THE 10-YEAR CAPITAL PLAN REMAINS ROBUST








THE 10 - YEAR CAPITAL PLAN IS FULLY FUNDED



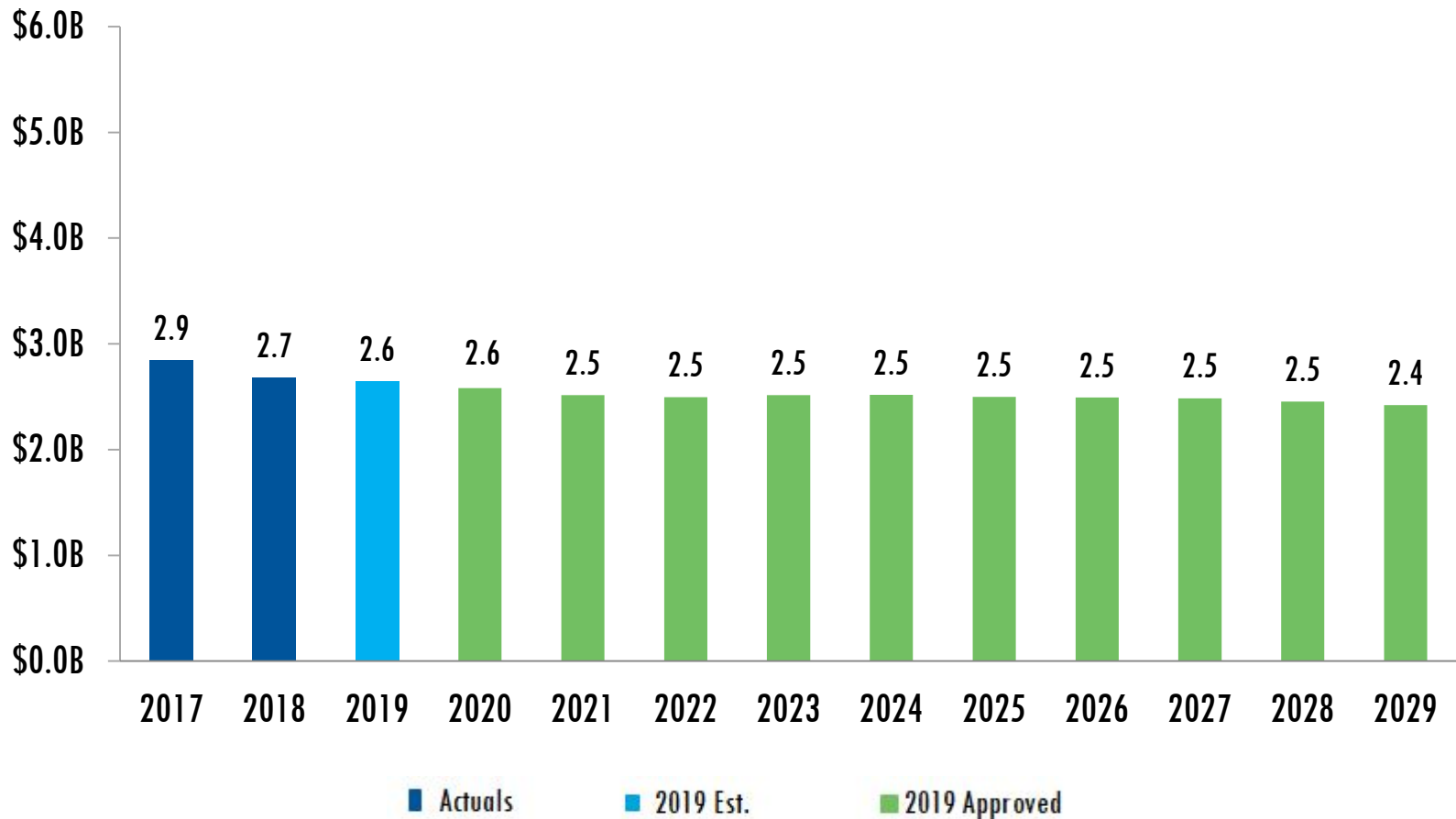
Initiatives	Dept	Current Forecasted Completion	2020 Ten-Year Total
Growth:			
Road Network Improvements		Various	\$1,030M
Upper York Water Reclamation Centre*		2027	\$477M
West Vaughan Sewage Servicing		2028	\$270M
Development of New Regional Facilities		Various	\$164M
Northeast Vaughan Wastewater Servicing		2028	\$145M
York Durham Sewage Servicing Forcemain Twinning		2021	\$101M
Northeast Vaughan Water Servicing		2028	\$101M
Source Separated Organics Facility		2028	\$100M

*Timing of this initiative is subject to provincial approvals

Initiatives	Dept	Current Forecasted Completion	2020 Ten-Year Total
Rehabilitation and Replacement:			
Infrastructure Assets Renewal and Replacement		Various	\$603M
York Durham Sewage System Rehabilitation Program		Various	\$356M
Bus Replacement		Various	\$333M
Pavement Renewal and Replacement		Various	\$212M
Duffin Creek Incinerators Replacement		2027	\$180M

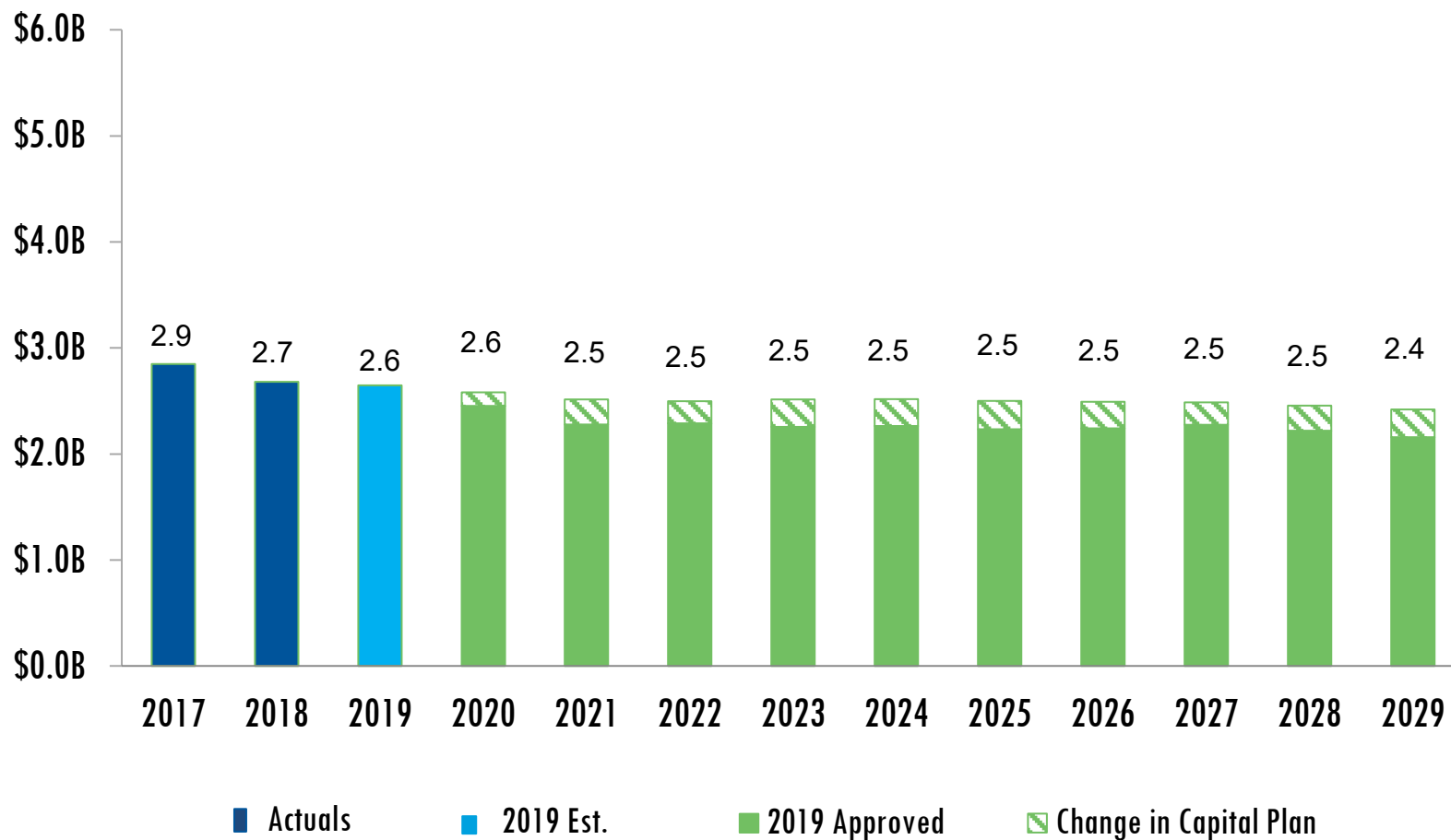
DEBT TO STAY BELOW 2017 PEAK

Net Outstanding Debt

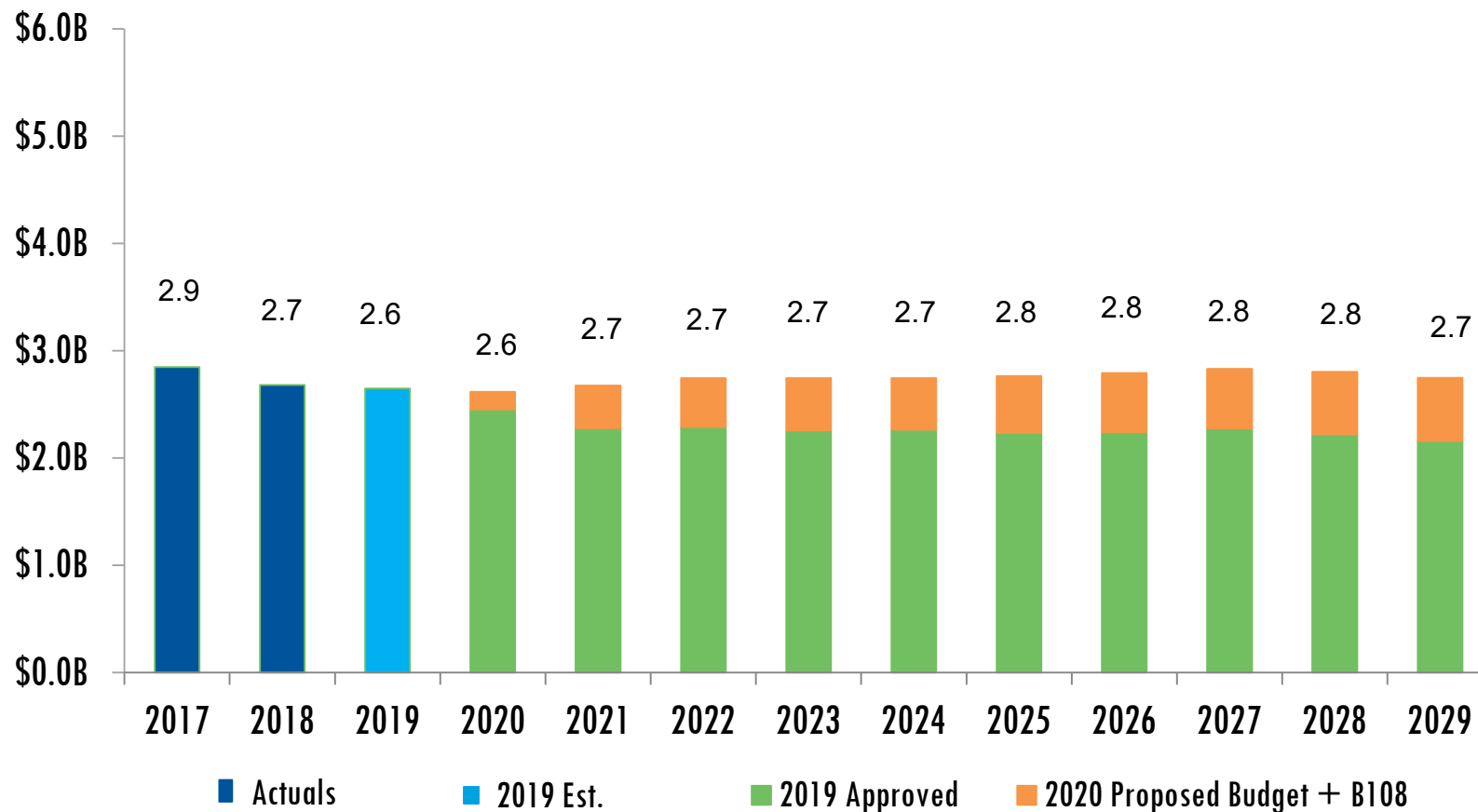


DEBT TO STAY BELOW 2017 PEAK (CONT'D)

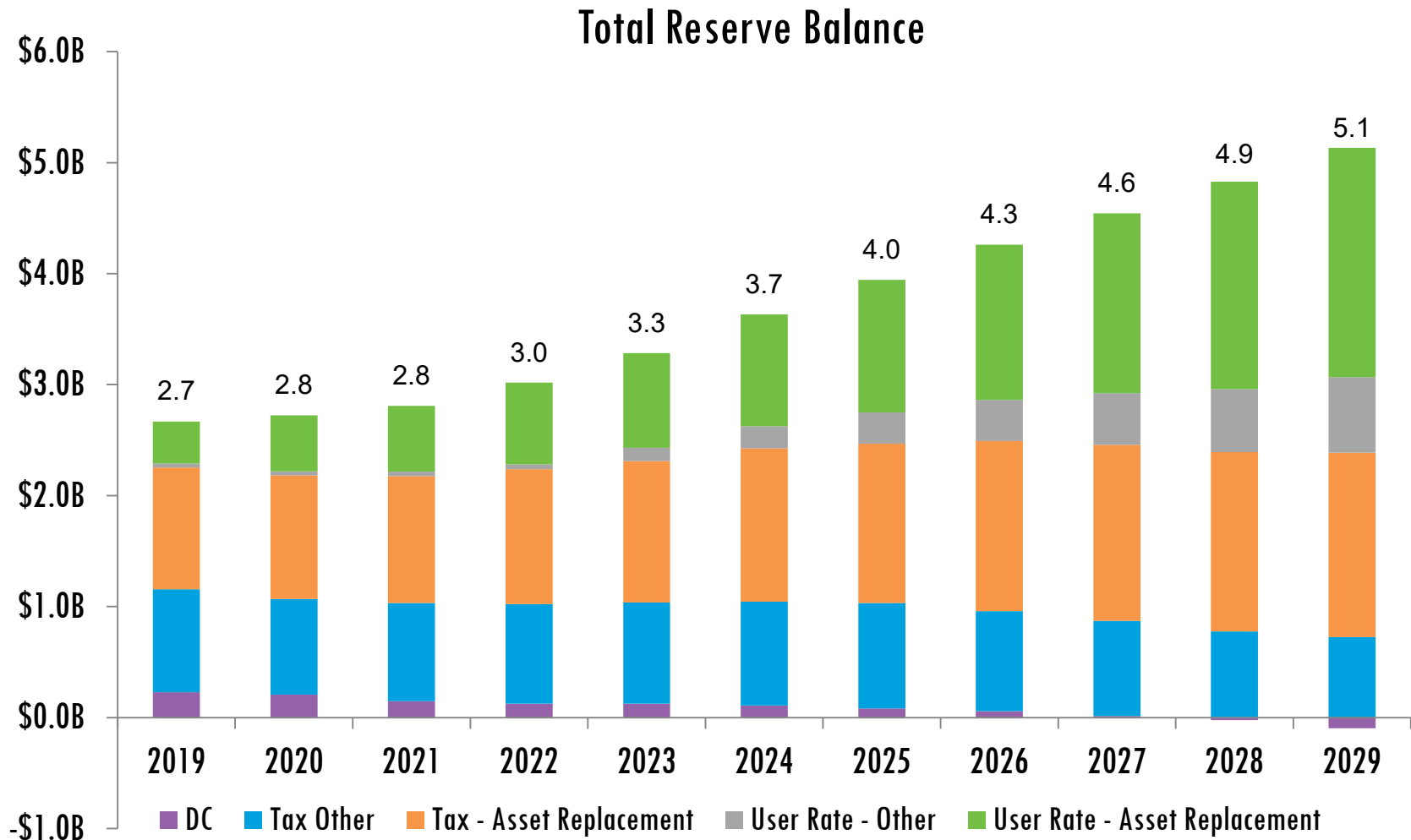
Net Outstanding Debt



Net Outstanding Debt

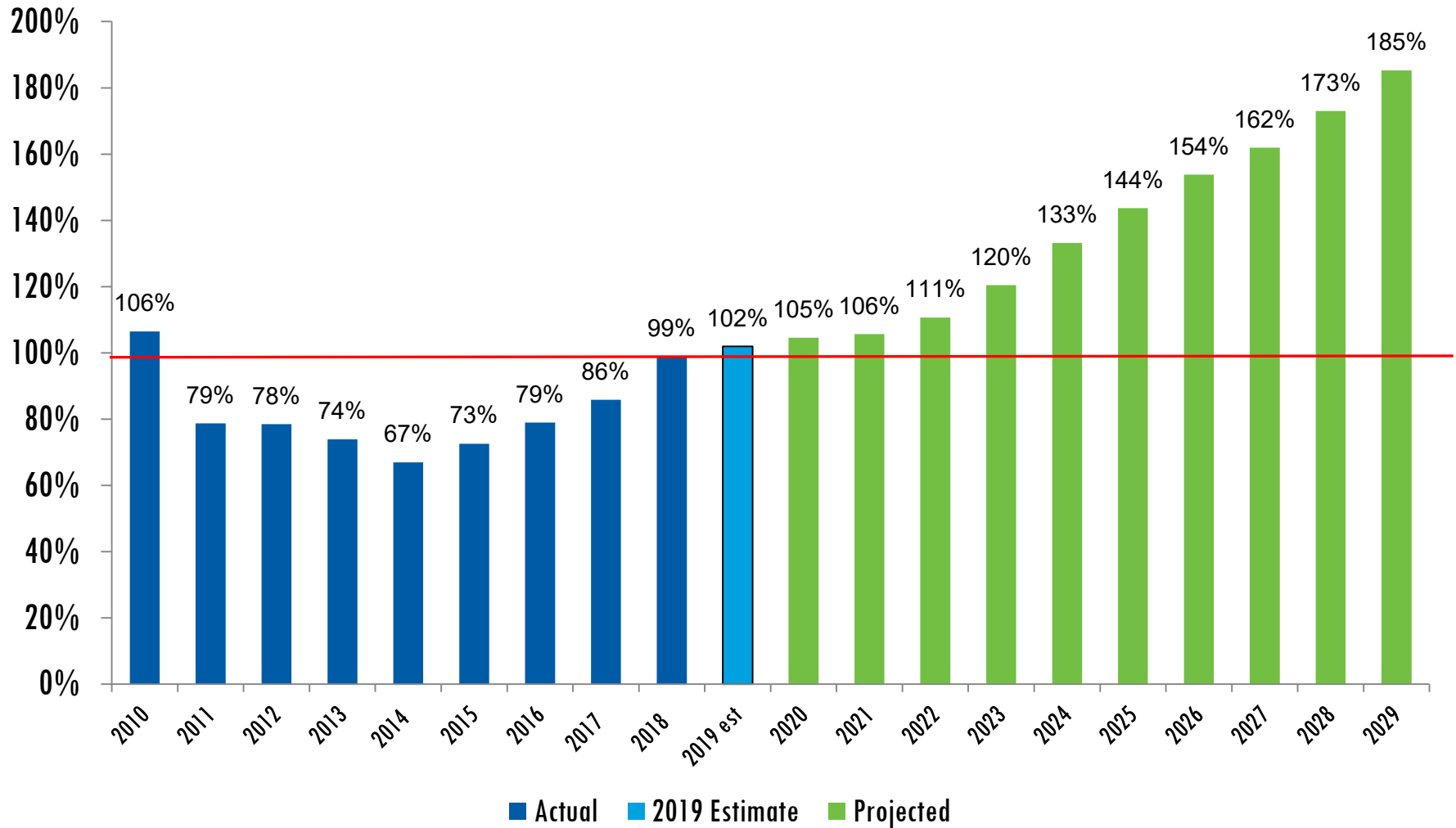


TOTAL RESERVES CONTINUE TO GROW



REGION TO BECOME A NET INVESTOR IN 2019

Reserve to Debt Ratio



WRAP-UP AND NEXT STEPS

BUDGET SUMMARY

DELIVERS ON KEY PRIORITIES



PROPOSES A TAX LEVY INCREASE

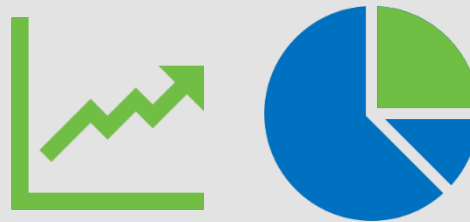
2.96%

IN ALL BUDGET YEARS
CONSISTENT WITH PREVIOUS OUTLOOK

ADDRESSES FISCAL
CHALLENGES
THROUGH
SAVINGS AND
EFFICIENCIES



INCLUDES A ROBUST CAPITAL PLAN



ADDRESSES BOTH GROWTH-RELATED
AND ASSET MANAGEMENT NEEDS

STABLE DEBT
LEVELS AND HIGHER
RESERVE BALANCES



REGIONAL COUNCIL/COMMITTEE REVIEW PROCESS



THANK YOU

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

