

# ENVIRONMENTAL SERVICES 2020 TO 2022 BUDGET

PRESENTATION TO  
COMMITTEE OF THE WHOLE

Erin Mahoney  
Commissioner, Environmental Services

December 5, 2019

EDOCS #9748689



# PROVIDING EVERYDAY SERVICES



# DRIVING EXCELLENCE THROUGH OUR PEOPLE



**STRATEGY  
AND INNOVATION**

**OPERATIONS MAINTENANCE  
AND MONITORING**

**CAPITAL PLANNING  
AND DELIVERY**

**INFRASTRUCTURE  
ASSET MANAGEMENT**

**ENVIRONMENTAL PROMOTION  
AND PROTECTION**

**BUSINESS PLANNING  
AND OPERATIONS SUPPORT**



# PROTECTING DRINKING WATER



## ACCOMPLISHMENTS

- Remained a leader in water quality in the GTA and achieved some of highest water quality scores in province
- Region achieved the longest and largest Regional multi-year capacity assignment to date enabling growth for the next 7 year period to 2026 and beyond

## BUDGET ADDRESSES FISCAL RESPONSIBILITIES

- Proactive asset management to manage aging and growing asset base
- Less dependency on simply building new infrastructure through One Water



# COLLECTING, PUMPING AND TREATING WASTEWATER



## ACCOMPLISHMENTS

- Doing more with less measurably through “Infra-stretching” unlocking wastewater capacity which helps to reduce spending on new infrastructure
- Received \$56.3 million in Disaster Mitigation and Adaption Funding for 2 projects and \$34.8 million in Clean Water and Wastewater Funding for 27 projects

## BUDGET ADDRESSES FISCAL RESPONSIBILITIES

- Investing \$18.9 million for Interim Servicing Solutions while awaiting approval of the Upper York project

# PROCESSING AND MANAGING WASTE



## ACCOMPLISHMENTS

- York Region continues to be a leader in Ontario with a diversion rate of 68%
- Diverted over 94% of waste from landfill

## BUDGET ADDRESSES FISCAL RESPONSIBILITIES

- Capital upgrades to Material Recovery Facility to improve quality of mixed paper material by removing contaminants
- Actively working with local municipal partners to prepare for transition of the blue box to full producer responsibility as early as 2023

# BUILDING, PROTECTING AND ENHANCING FORESTRY



## ACCOMPLISHMENTS

- Secured 170 hectares of environmental land through partnerships
- Received \$10.1 million in Disaster Mitigation and Adaptation Funding to help increase the use of trees and other green infrastructure to combat climate change

## BUDGET ADDRESSES FISCAL RESPONSIBILITIES

- Proactive asset management to address climate change impacts
- Future commissioning of Enhanced Streetscaping projects along our rapidways



# MANAGING CORPORATE ENERGY AND ASSETS



## ACCOMPLISHMENTS

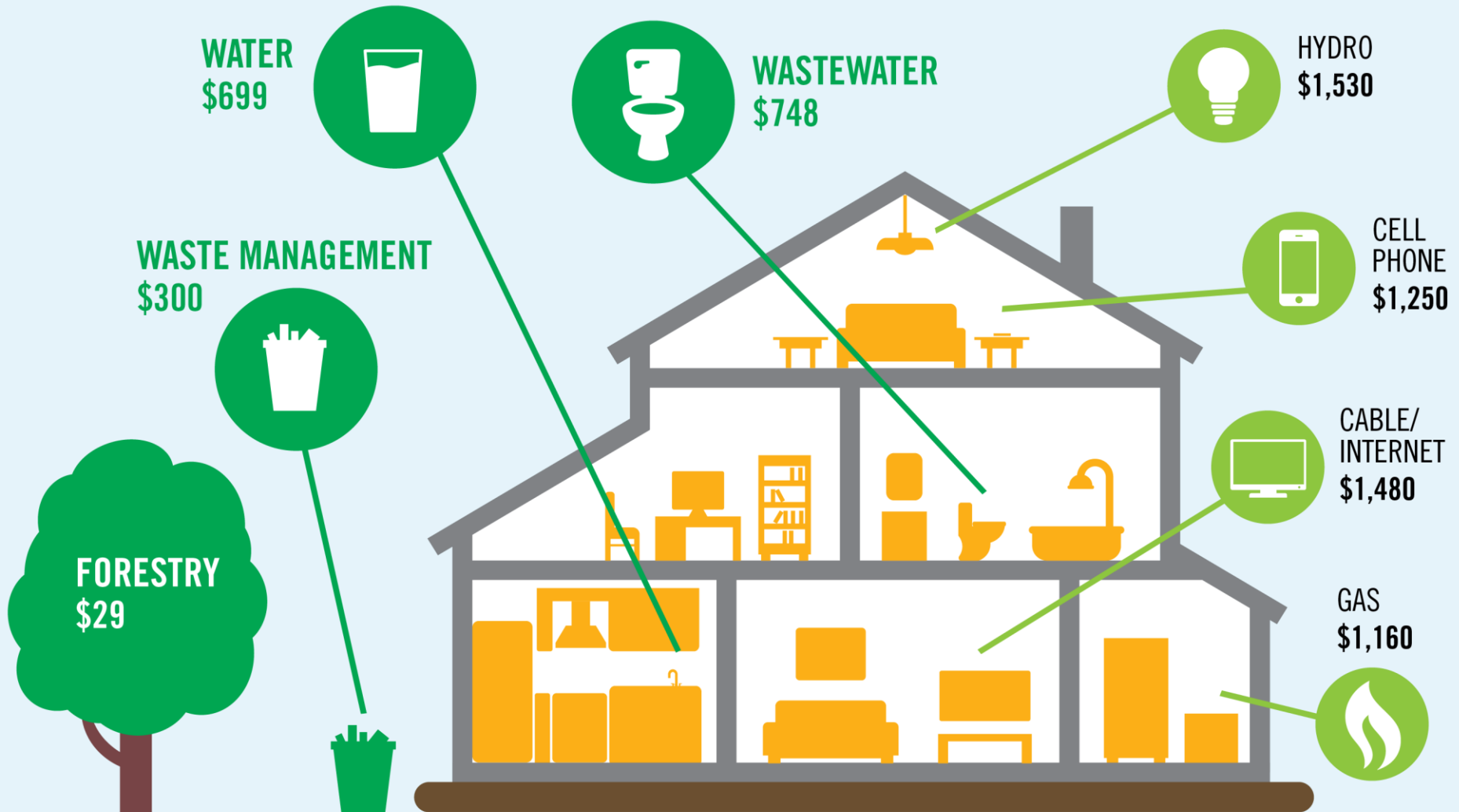
- Completed the 2019 Regional Energy Conservation and Demand Management Plan
- Received certification for Forest Education Centre as the first Living Building in Canada

## BUDGET ADDRESSES FISCAL RESPONSIBILITIES

- Assess emerging technologies to reduce energy use
- Building staff capacity to ensure leading edge asset management



# ENSURING VALUE FOR MONEY



PROVIDING QUALITY ENVIRONMENTAL SERVICES FOR LESS THAN \$5/DAY PER HOUSEHOLD

# HOW DO WE MEASURE UP?

## WATER AND WASTEWATER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME

Peel (0.39%)	Durham (0.79%)
Halton (0.59%)	Ottawa (0.81%)
Toronto (0.70%)	<b>Waterloo (0.99%)</b>
Hamilton (0.74%)	<b>Niagara (1.06%)</b>
<b>York Region (0.75%)</b>	Windsor (1.54%)

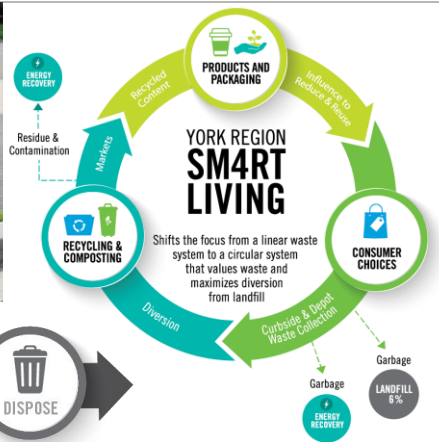
(2018 BMA Municipal Study)



TWO-TIER WATER AND WASTEWATER SERVICES



# DRIVING INNOVATION



SMART LIVING



Award for Machine Learning Model for I&I Analysis



Disaster Mitigation and Adaptation Fund —  
Receiving \$66.4M in funding

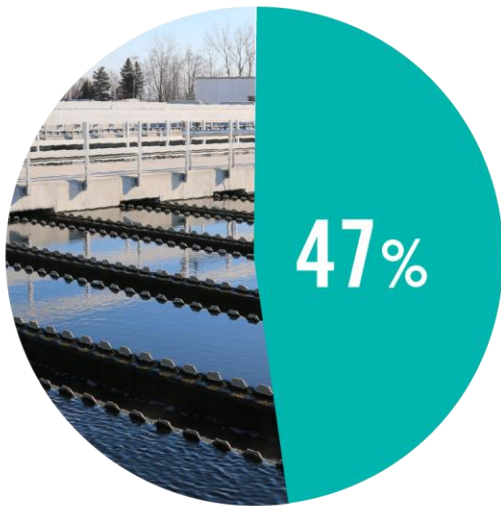


Optical Sorter improves overall quality of fibre and plastic bales



# LEVERAGING PRIVATE AND PUBLIC SECTOR EXPERTISE IN DELIVERY

## WATER/WASTEWATER



of direct costs for  
purchased water  
and treatment

## WASTE



of waste management  
costs are third party  
contracts

## FORESTRY



of direct costs are  
contracted services for  
planting, maintenance  
and partnerships

# 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:** **SUPPORT COMMUNITY HEALTH, SAFETY AND WELL-BEING**

---

- Delivering 118 billion litres of clean and safe drinking water to protect public health
- Addressing climate change through the Corporate Climate Change Action Plan helps build community resilience and promotes well-being



# BUDGET HIGHLIGHTS



## **PRIORITY:** **SUSTAINABLE ENVIRONMENT**

---

- Investing \$2.5 billion to grow and maintain the water and wastewater networks to meet the needs of the growing population
- Maintaining high rates of waste diversion, currently at 94%, to manage waste as a resource
- Promoting reduction and reuse initiatives to reduce the amount of waste generated which ultimately requires processing
- Creating a welcoming pedestrian realm through streetscaping and greening of centres and corridors
- Planting 300,000 trees and shrubs between 2020-2022 to maintain natural resources and preserve green space
- Supporting more sustainable and efficient delivery of all Regional services through energy management

# OPERATING BUDGET

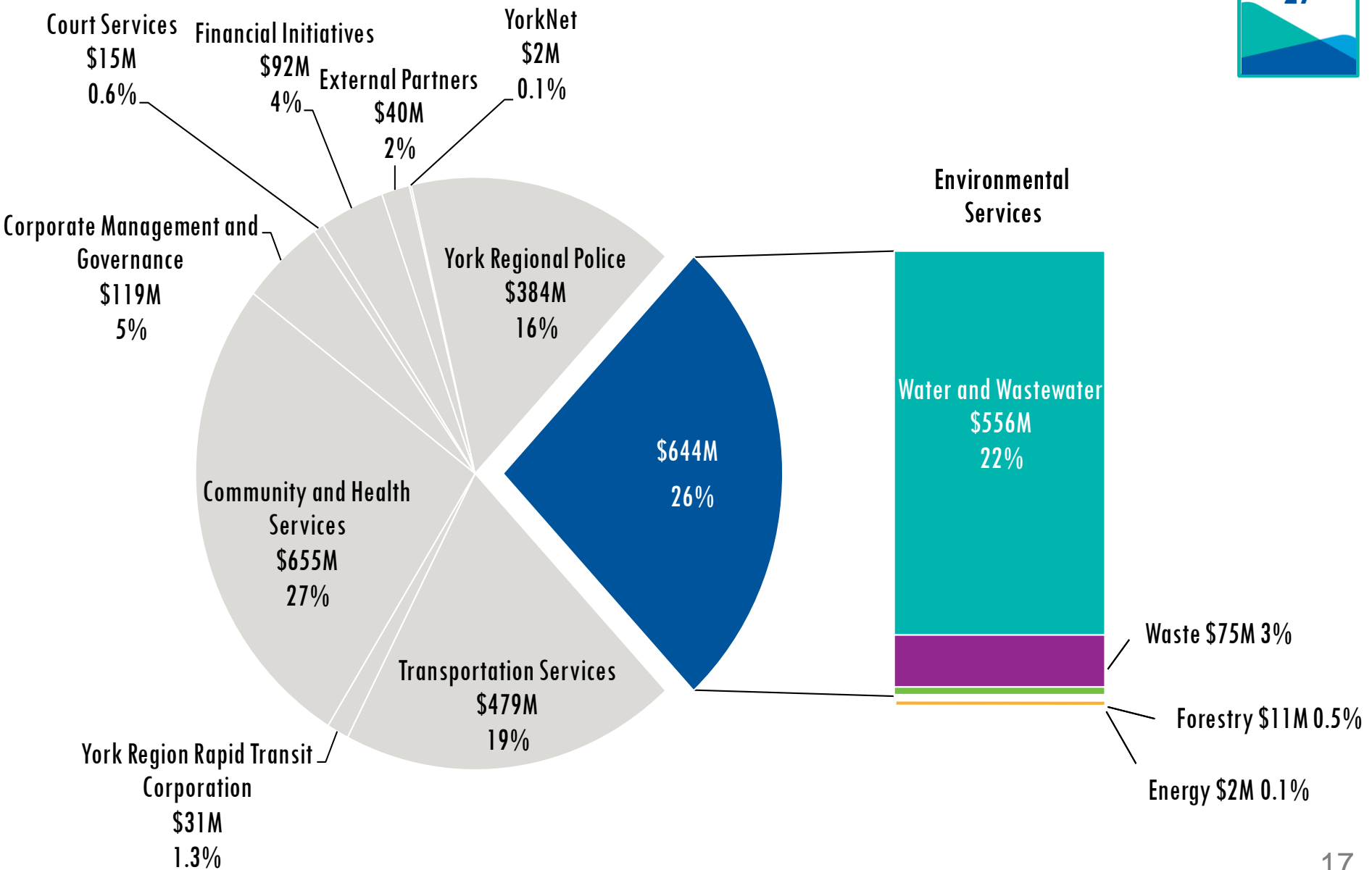
---

## OUR MISSION

---

Working together to serve our thriving communities  
– today and tomorrow

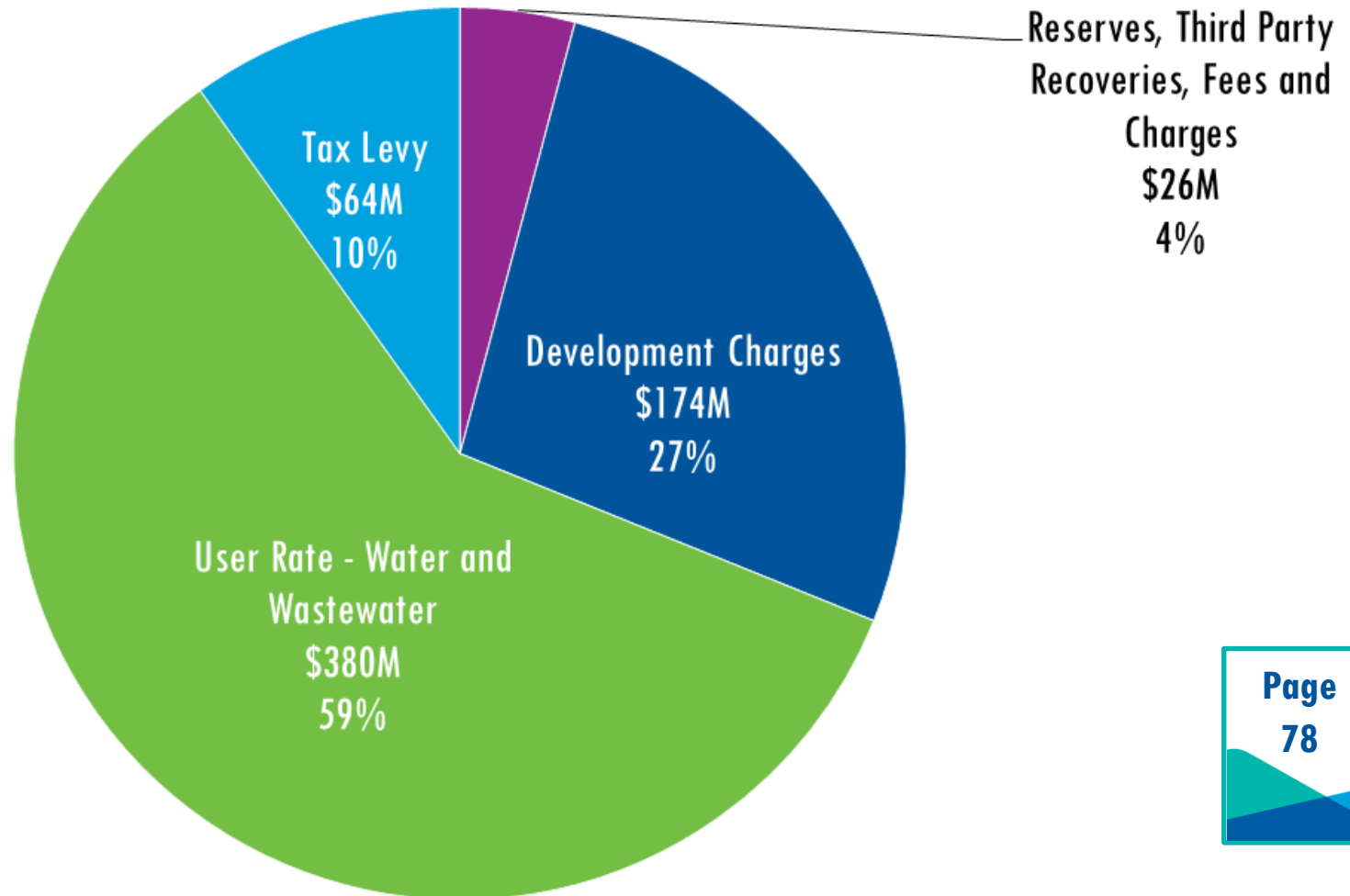
# DEPARTMENTAL SHARE OF GROSS EXPENDITURES





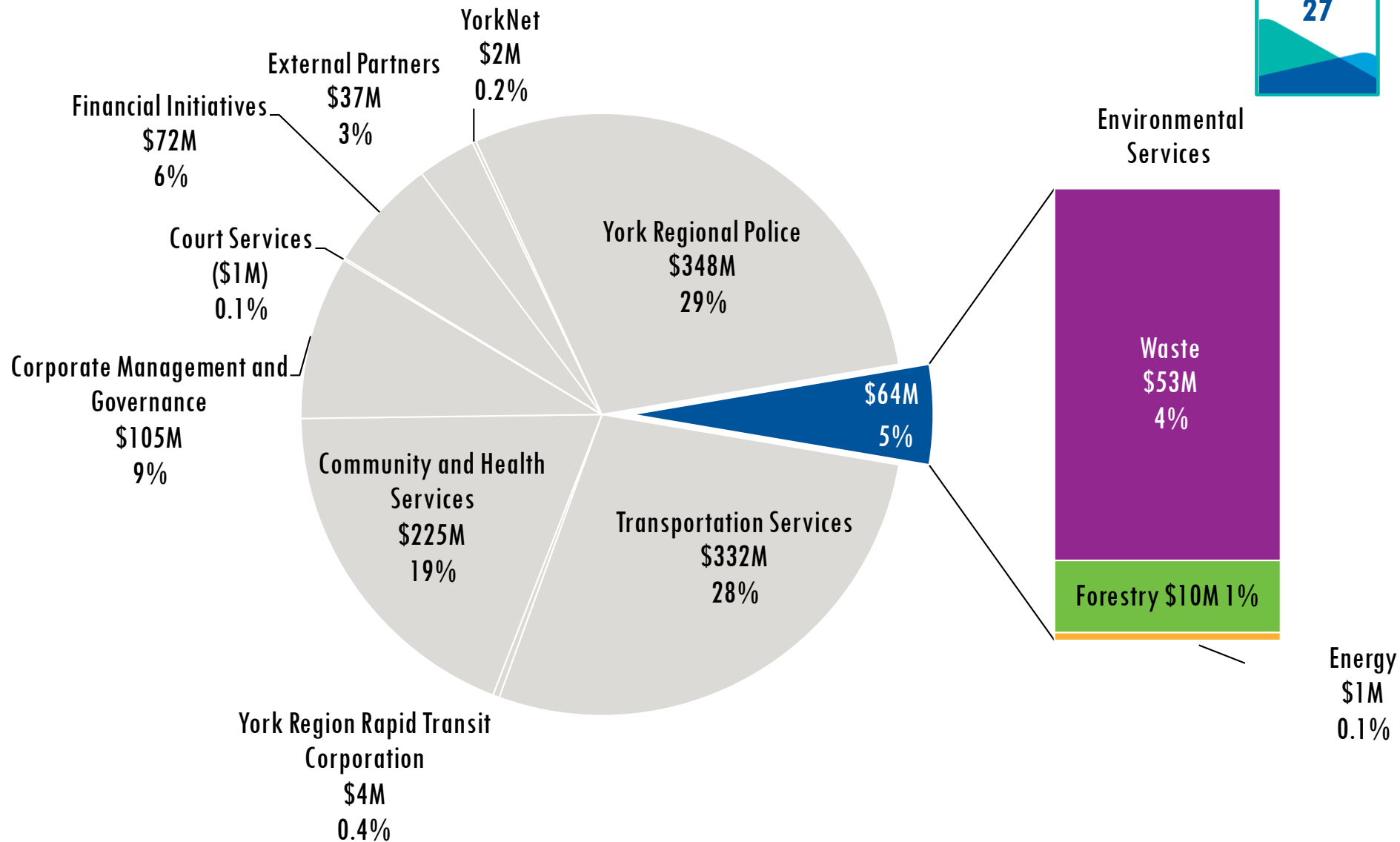
# THE BUDGET IS FUNDED MOSTLY BY USER RATE

Environmental Services' gross spending of \$644M in 2020 is funded through user rates, development charges, tax levy and non-tax revenues



# DEPARTMENTAL SHARE OF NET TAX LEVY

Page  
27



**5 cents of every tax dollar for Waste and Forestry Services**

# FOUR-YEAR OPERATING BUDGET OVERVIEW

	APPROVED 2019	PROPOSED 2020	OUTLOOK	
			2021	2022
Gross Expenditures (\$M):				
Water and Wastewater	525.7	556.1	574.7	600.2
Waste Management	73.6	74.9	77.9	80.9
Forestry	10.9	11.5	12.1	13.4
Climate Change Energy Conservation	1.5	1.5	1.5	1.6
	611.7	643.9	666.2	696.0
Non-Tax Revenues (\$M)	(549.8)	(580.2)	(599.4)	(626.7)
Net Expenditures (\$M)	61.9	63.7	66.8	69.3
Increase/(Decrease) - Year over Year		2.9%	4.9%	3.7%
2019 Outlook		4.2%	6.3%	5.1%
FTEs - Total	428.0	444.0	459.0	474.0
- New		16.0	15.0	15.0
2019 Outlook (new FTEs)		16.0	15.0	15.0

# INCREMENTAL ANNUAL BUDGET CHANGES

\$M	PROPOSED		OUTLOOK	
	2020	2021	2022	
<b>Opening Budget (Net)</b>	<b>61.9</b>	<b>63.7</b>	<b>66.8</b>	
Status Quo	8.4	6.1	6.5	
Revenues	(30.7)	(19.7)	(16.5)	
Efficiencies, Reductions & Other Adjustments	(1.9)	(0.1)	(0.3)	
Debt Servicing Net of Development Charges	0.4	(0.6)	0.1	
Fiscal Strategy	22.6	15.2	9.7	
Maintaining Service Levels for Growth	2.8	2.0	2.9	
Enhancement and Transformation	0.2	0.2	-	
<b>Proposed Budget (Net)</b>	<b>63.7</b>	<b>66.8</b>	<b>69.3</b>	
<b>Total Budget Change</b>	\$	1.8	3.1	2.5
	%	2.91%	4.94%	3.74%
Restated Outlook		64.5	68.6	72.0
Increase / (Decrease) from Outlook		(1.3%)	(2.5%)	(3.8%)



# SAVINGS FROM OUTLOOK WERE IDENTIFIED

## Category 1: Efficiencies

- **\$1.1M in 2020**  
**\$3.6M over 3 years**
- Budget rationalization to better reflect expected spending
- Contract price adjustments and other efficiencies

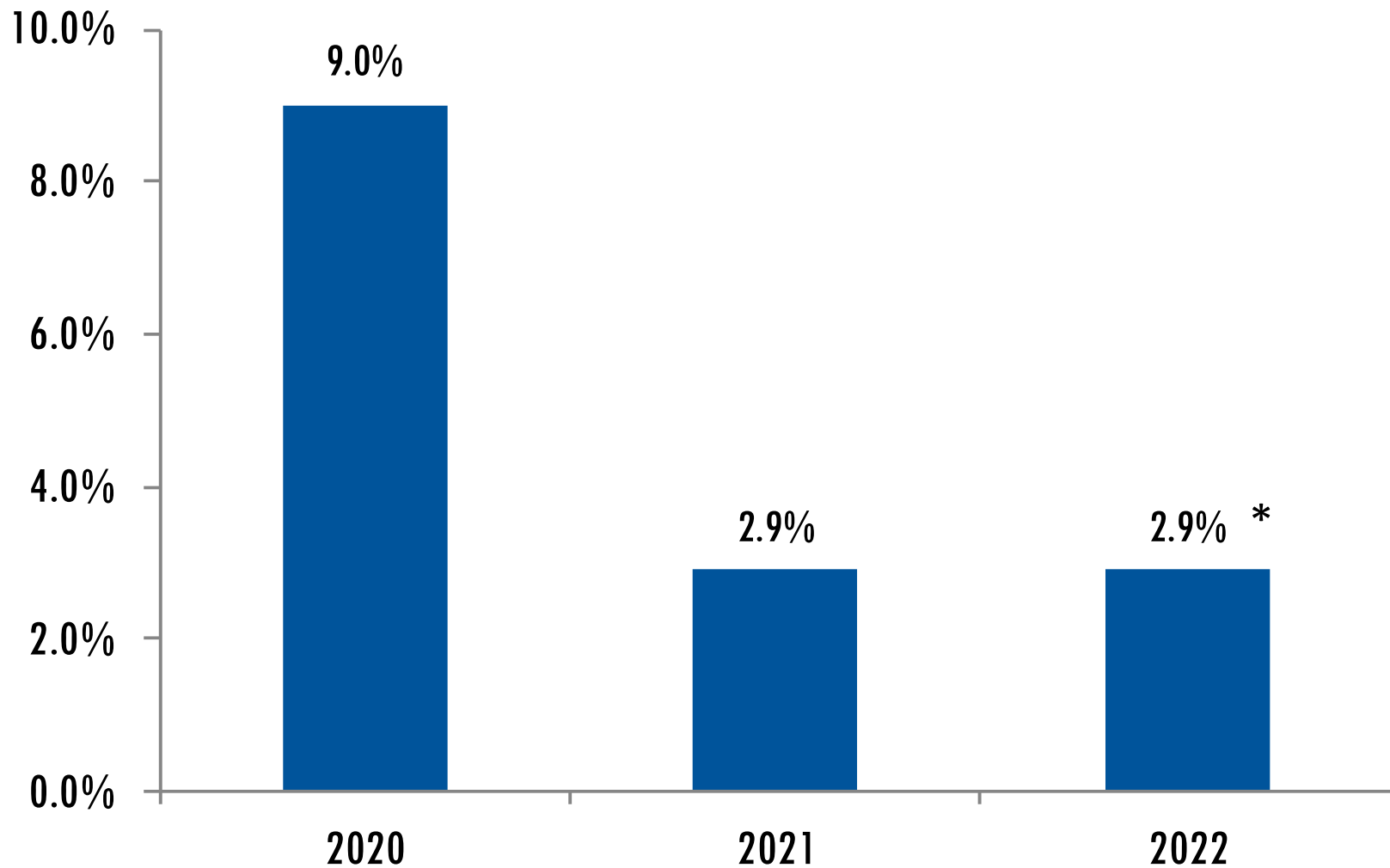
## Category 2: Service Level Adjustment

- **\$0.8M in 2020**  
**\$2.5M over 3 years**
- \$0.6M savings by reducing contamination rate within recyclables to 20% at Earl Turcott Transfer Station
- \$0.1M savings by reduction in frequency of mulching and watering planters
- \$0.1M higher revenue by introducing a fee for disposal of yard waste at Bloomington facility

## Category 3: Risk Tolerance and Other

Note: savings over three years are cumulative

# ON TRACK TO ACHIEVE FULL COST RECOVERY BY 2021



\* Estimated rate increase

# WATER AND WASTEWATER COSTS

## WHAT DOES \$556 MILLION PAY FOR IN 2020?



**\$74M** OPERATING EXPENDITURES

Maintenance of infrastructure, running equipment and employing highly-trained staff

**\$86M** PURCHASED SERVICES

Purchasing more than 90% of our water from Toronto and Peel, and treating wastewater at Duffin Creek and Peel

**\$189M** FINANCING COSTS

Paying the principal and interest on money borrowed to build multi-billion dollar capital program

**\$207M** CONTRIBUTION TO RESERVES

Reserves help to ensure money is available to repair our assets and provide services for future generations

# ENSURING AFFORDABLE WATER



Spending  
**\$1**  
on water  
gets you:

**1** bottle of water

**OR 600** bottles of tap water



# CAPITAL BUDGET

---

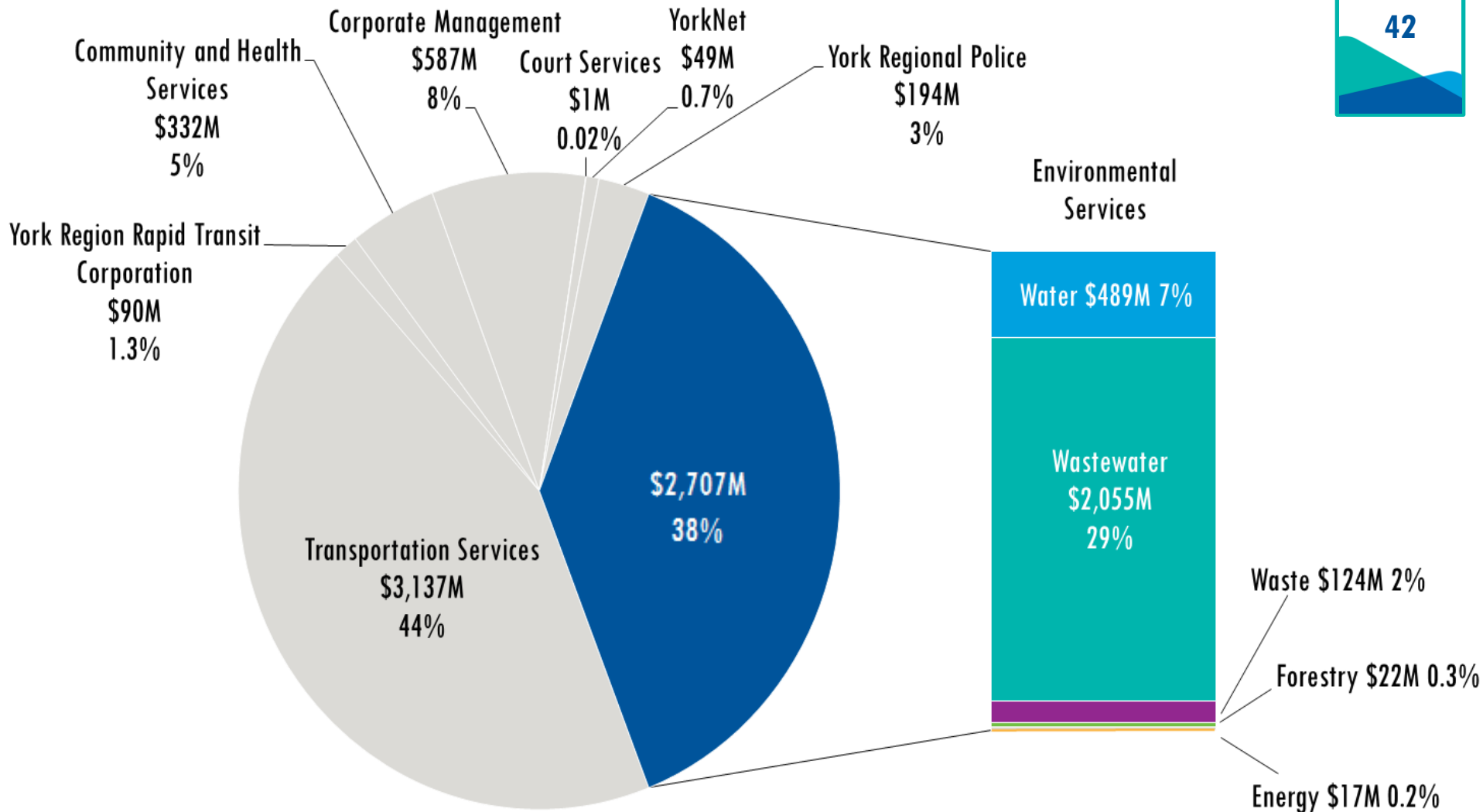
## OUR MISSION

---

Working together to serve our thriving communities  
– today and tomorrow



# TEN-YEAR CAPITAL IS 38% OF THE REGION'S PLAN

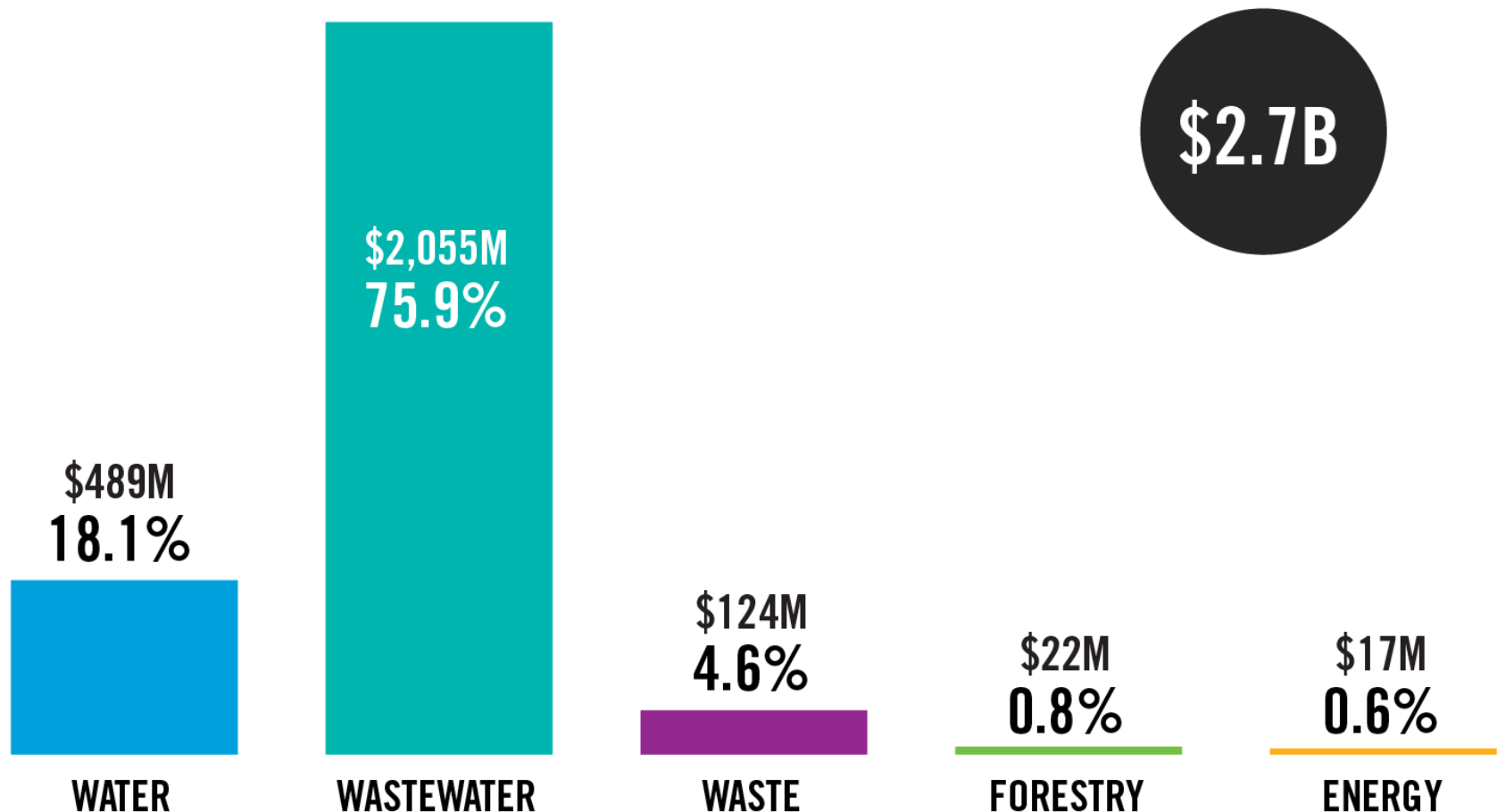


# 2020 CAPITAL BUDGET

WATER AND WASTEWATER ACCOUNTS FOR 94% OF CAPITAL SPENDING

## 10-YEAR CAPITAL PLAN

Page  
83



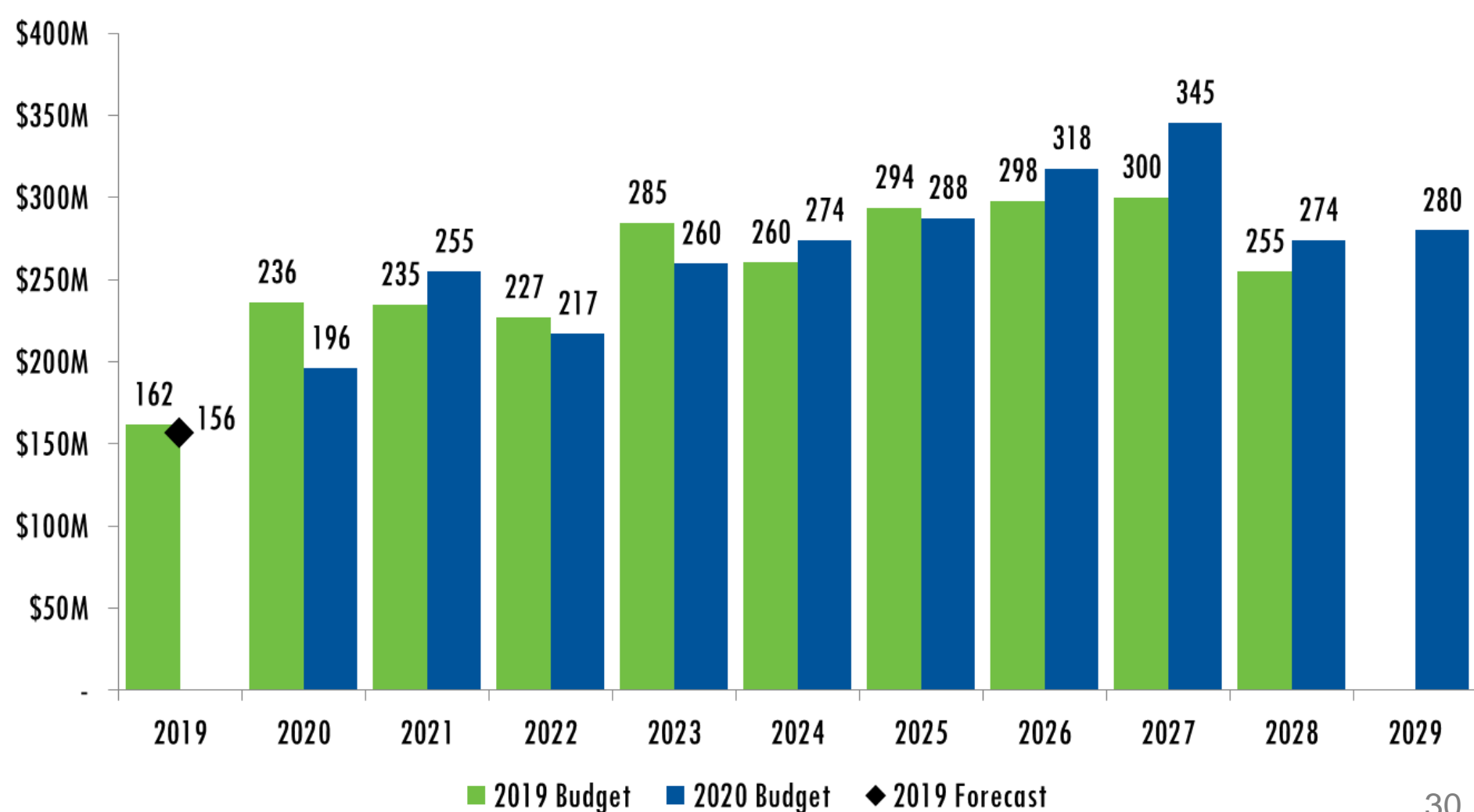
# PROPOSED CAPITAL BUDGET

Capital Budget	\$ Millions
2020 Capital	196
Ten-Year Capital Plan	2,707
2020 Capital Spending Authority	1,421



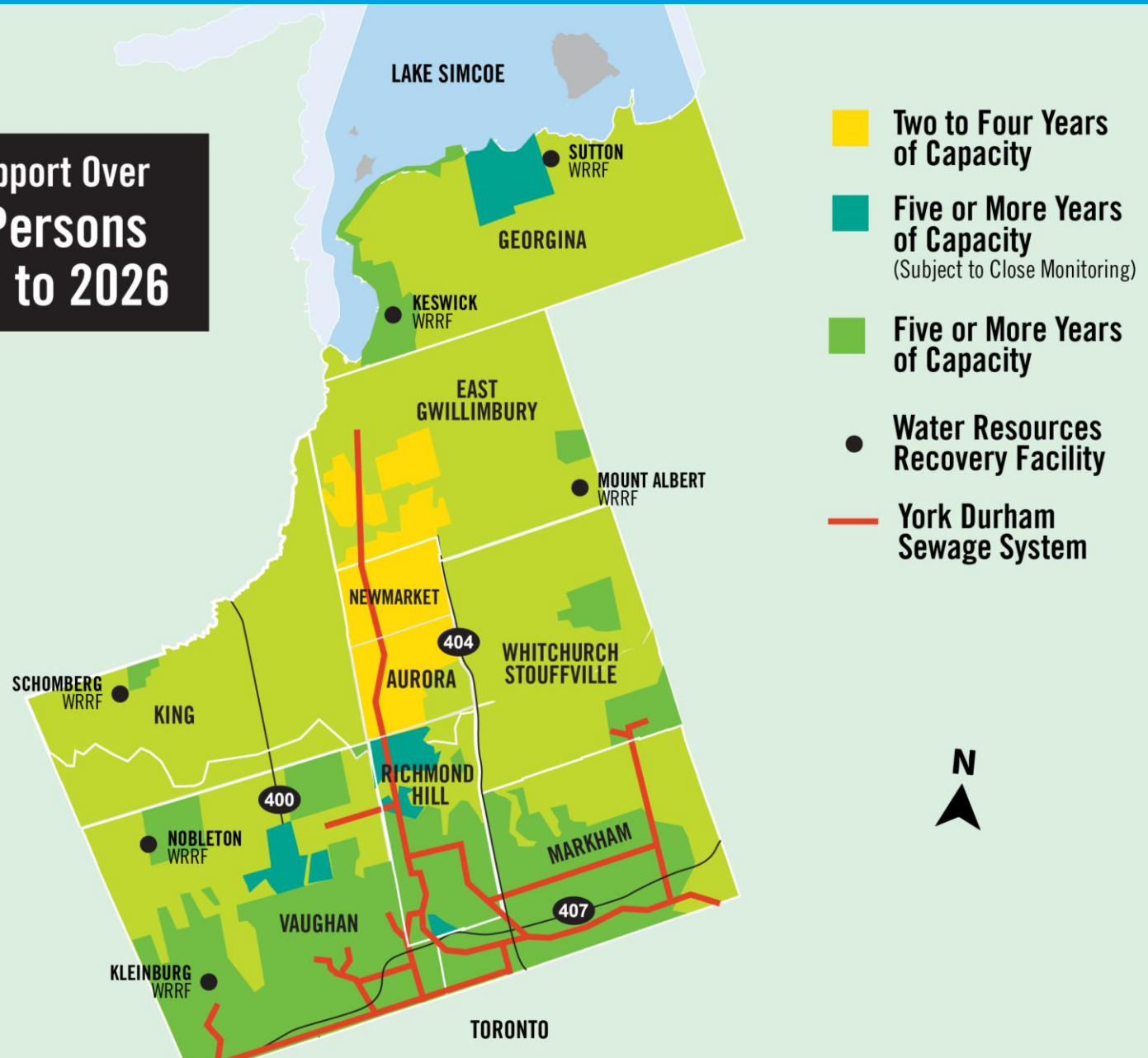
# 2020 PROPOSED BUDGET COMPARED TO 2019 BUDGET

Environmental Services' 2020 10-year capital budget is \$2,707M, up \$155M over the 2019 budget



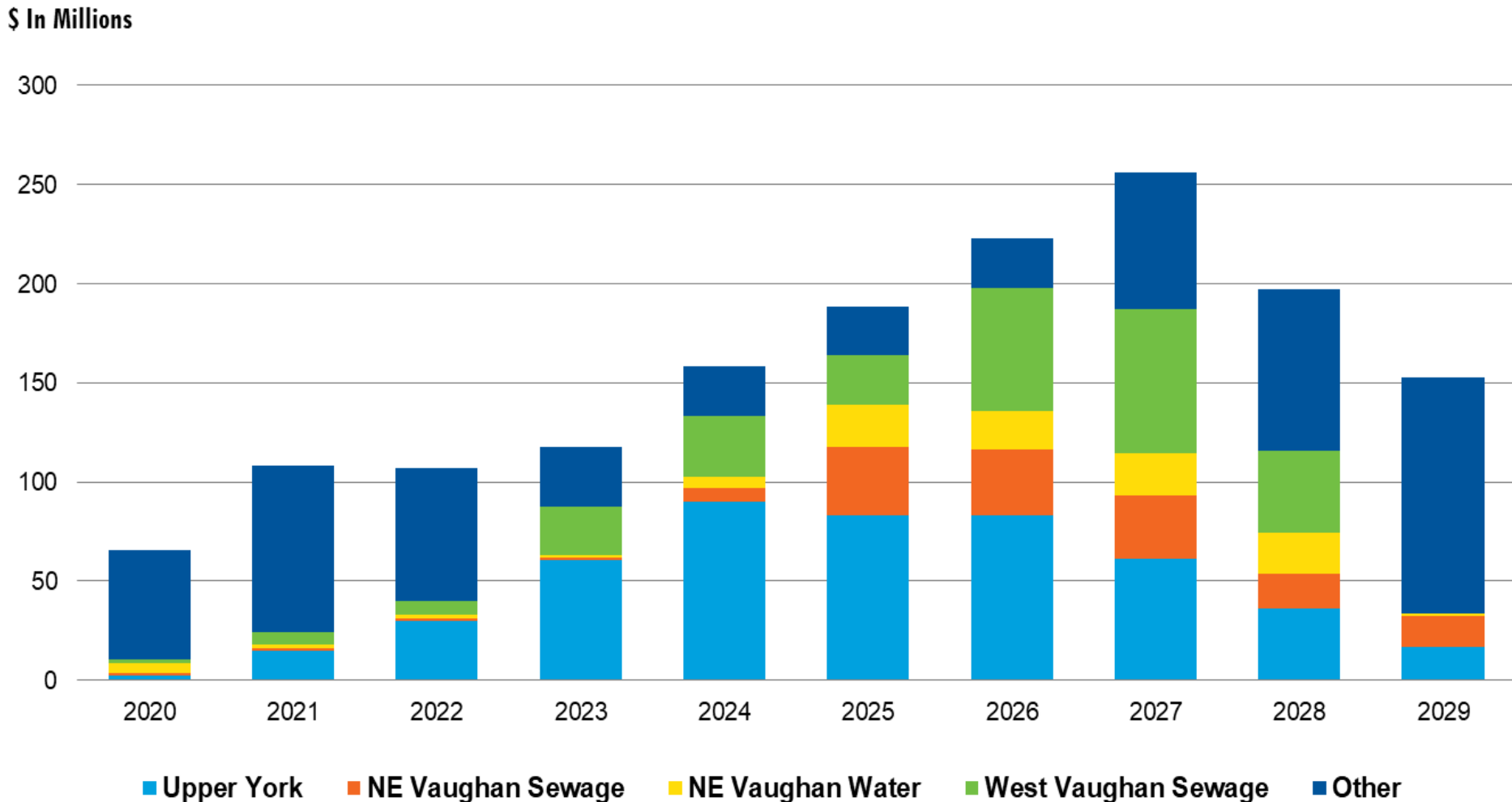
# CAPACITY ALLOCATION — END OF 2019

**YDSS Can Support Over  
223,000 Persons  
of Growth to 2026**



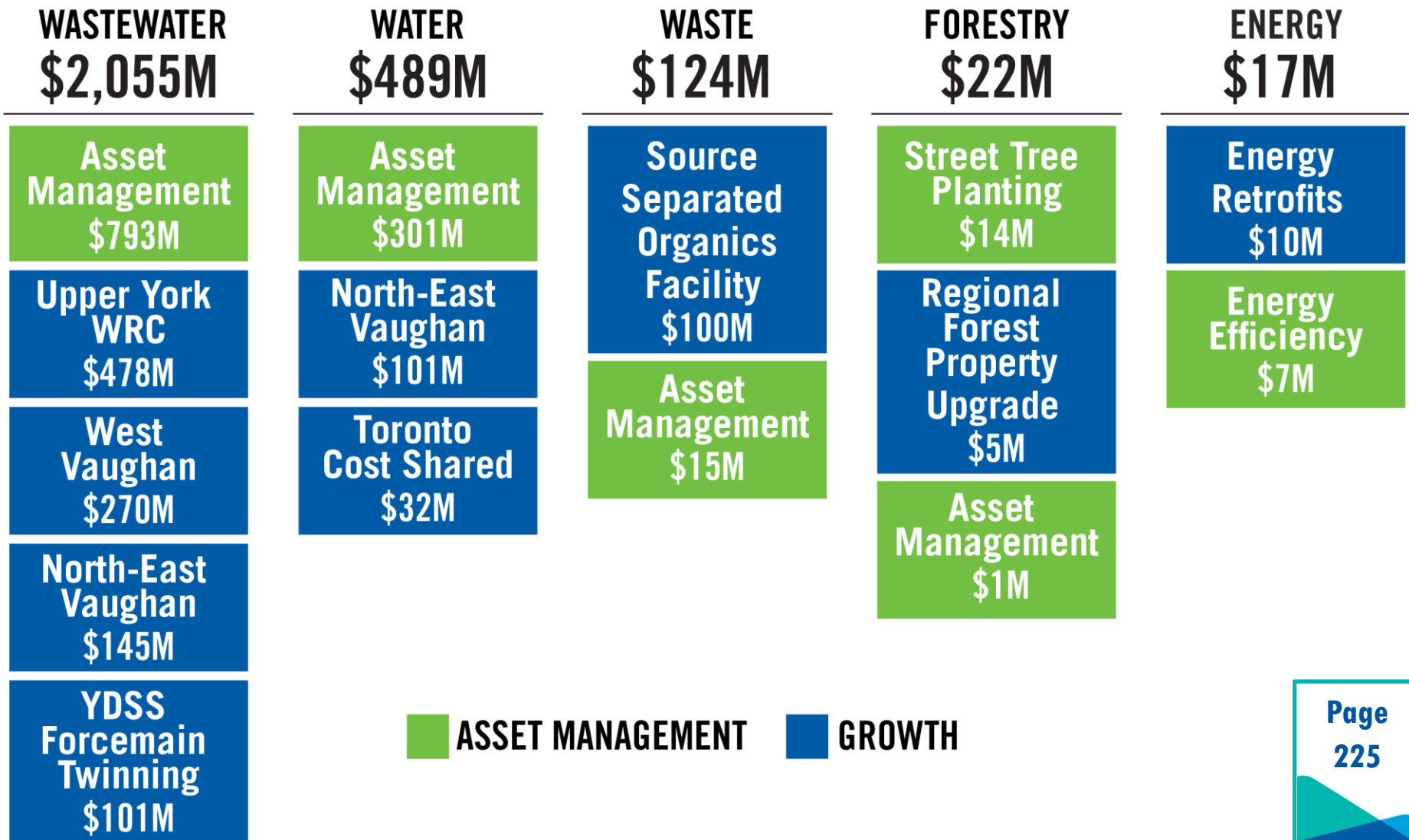


# CAPITAL EXPENDITURES: MAJOR GROWTH PROJECTS

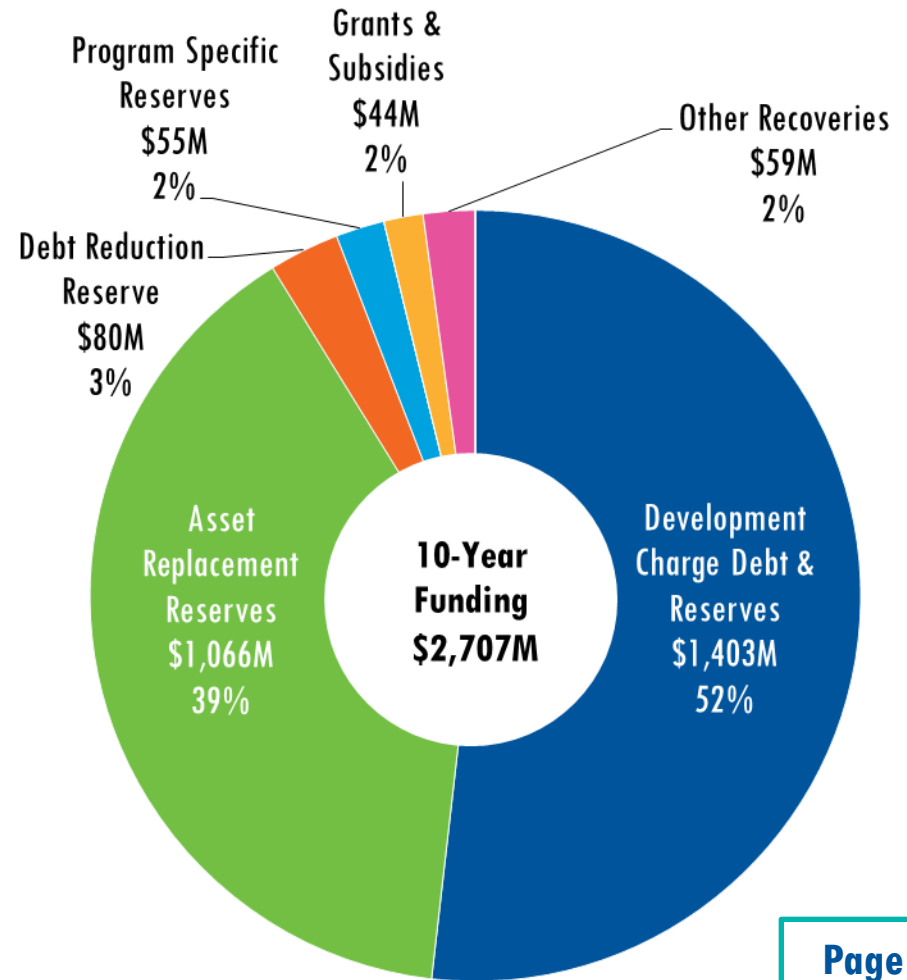
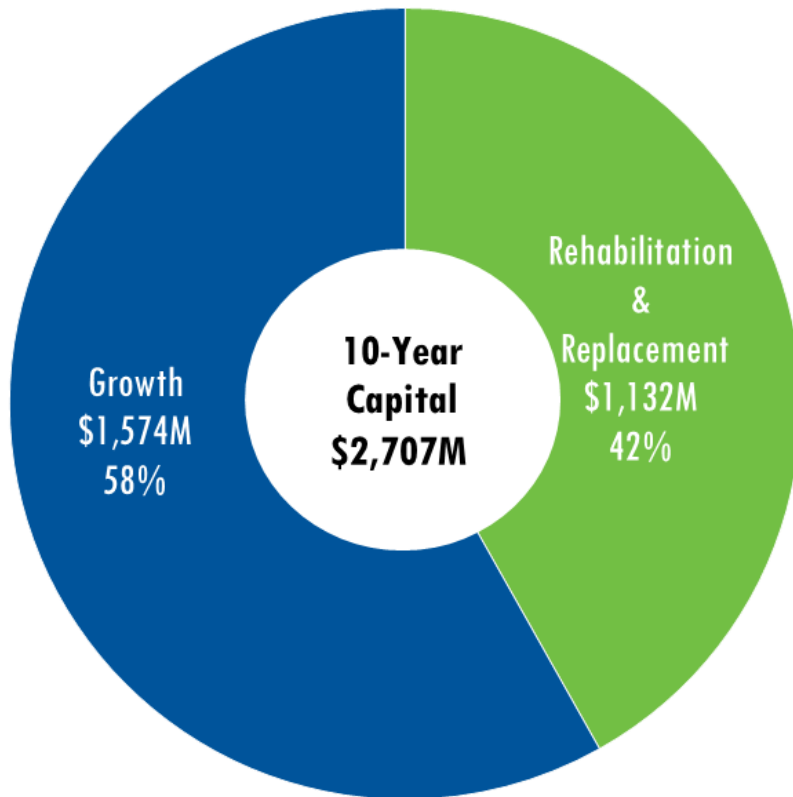


These 4 key projects are about 65% of growth capital in the 10-year Plan

# KEY PROJECTS IN THE 10-YEAR CAPITAL PLAN



# CAPITAL EXPENDITURES AND FUNDING

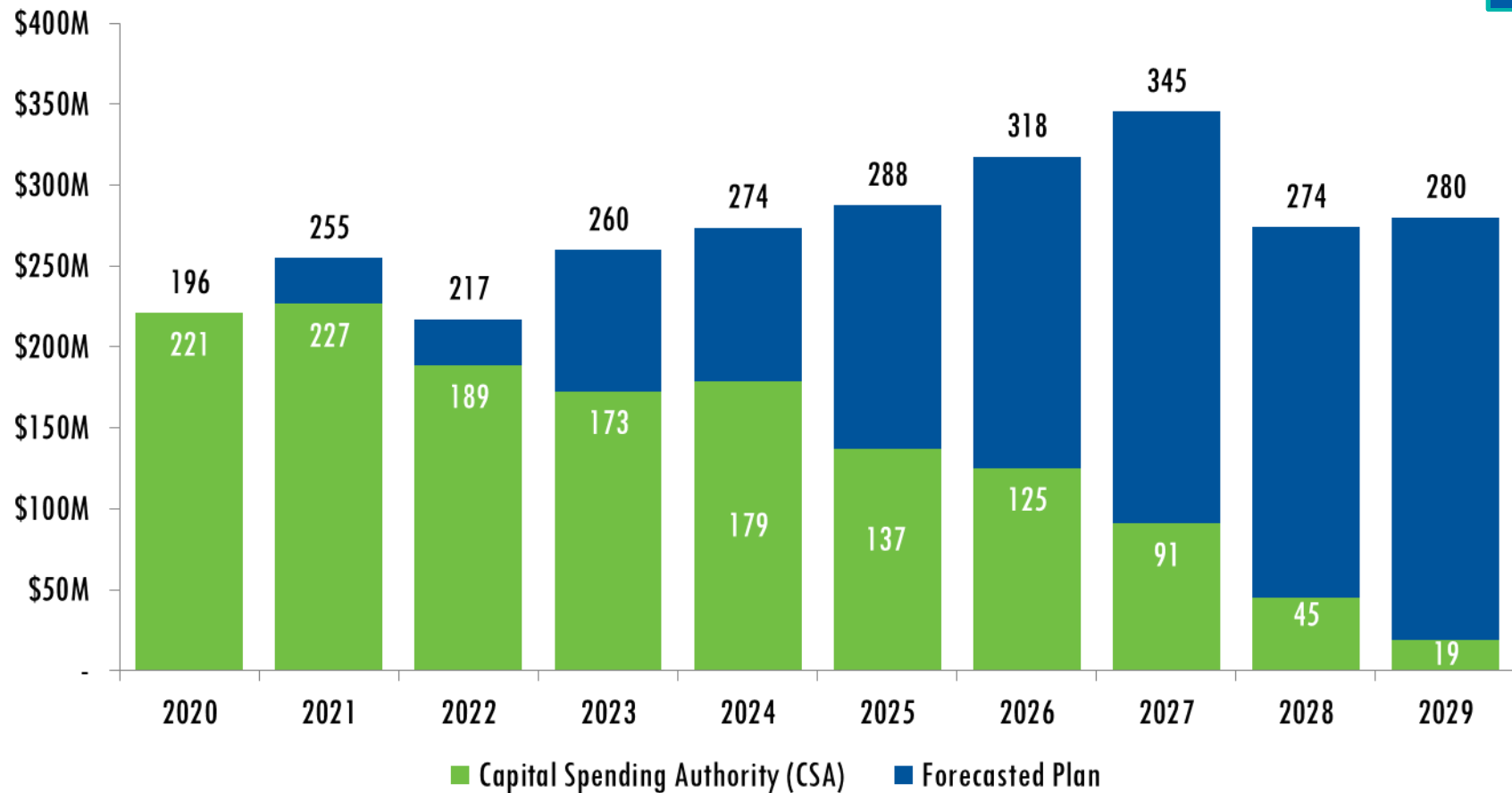


# PROACTIVE COMMITMENT TO INFRASTRUCTURE



# CAPITAL SPENDING AUTHORITY (CSA)

Capital Spending Authority \$1,421M  
10-Year Capital Expenditures \$2,707M





# WRAP-UP

---

## OUR MISSION

---

Working together to serve our thriving communities  
– today and tomorrow

# THE BUDGET SUPPORTS THE 2019 TO 2023 STRATEGIC PLAN

## TOP INITIATIVES IN BUDGET ALIGNED WITH 2019 TO 2023 STRATEGIC PLAN:

- Strive for 100% of drinking water samples to meet Ontario Drinking Water Standards
- Work towards 100% of wastewater to receive treatment
- Divert more than 90% of residential solid waste from landfill
- Plant 70,000 trees and shrubs annually through the Regional Greening Strategy
- Strive to achieve 100% of ENV assets with a condition assessment of fair or better condition
- Reduce residential water consumption rate to 190 litres per capita per day by 2021
- Continue to reduce GHG emissions from 67.4 kg per capita across all regional operations



ECONOMIC  
VITALITY



HEALTHY  
COMMUNITIES



SUSTAINABLE  
ENVIRONMENT



GOOD  
GOVERNMENT

# MULTI-YEAR BUDGET OVERVIEW

## OPERATING BUDGET

	APPROVED	PROPOSED	OUTLOOK	
	2019	2020	2021	2022
Gross Expenditures (\$M)	611.7	643.9	666.2	696.0
Non-Tax Revenues (\$M)	(549.8)	(580.2)	(599.4)	(626.7)
Net Tax Levy (\$M)	61.9	63.7	66.8	69.3
FTEs - Total	428.0	444.0	459.0	474.0
- New		16.0	15.0	15.0

## CAPITAL BUDGET

2020 Capital Expenditures (\$M)	196
Total Capital Spending Authority (\$M)	1,421

# DELIVERING VALUE FOR MONEY

- Operating and maintaining over \$6.4 billion in assets
- Delivering 118 billion litres of clean and safe drinking water
- Managing and protecting over 41,000 hectares of woodlands
- Proactively managing over 140 capital projects
- Managing 365,000 tonnes of waste
- Harvesting solar energy through 21 long-term contracts



Services delivered for less than \$5 a day

# BUDGET RECOMMENDATION

1. Committee of the Whole recommend the budget as submitted for Environmental Services as follows:
  - a. The 2020 operating budget and the 2021 to 2022 operating outlook, as summarized in Attachment 1.
  - b. The savings initiatives as summarized in Attachment 2.
  - c. The 2020 capital expenditures and the 2020 Capital Spending Authority, as summarized in Attachment 3.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 19, 2019.