

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 3
OF THE REGIONAL
CHIEF ADMINISTRATIVE OFFICER AND THE
COMMISSIONER OF FINANCE**

**For Consideration by
The Council of The Regional Municipality of York
on November 22, 2001**

1**2002 BUSINESS PLAN AND BUDGET****1. RECOMMENDATIONS**

It is recommended that:

1. Council receive this report, which provides an overview of the Region of York 2002 Business Plan and Budget.
2. The 2002 Business Plan and Budget, including the detailed service area business plans, be forwarded to Standing Committees with the direction from Regional Council that the net tax levy increase not exceed 2.6%.
3. Standing Committees review the budgets as per the schedule set out herein and make appropriate recommendations to Regional Council on January 24, 2002.

2. PURPOSE

The purpose of this report is for Regional Council to receive an overview of the 2002 Business Plan and Budget prepared in response to regional needs and Council direction. The overall proposed Regional gross budget of \$1.1 Billion, and net tax levy impact, is included as Attachment #1. The proposed 2002 business plan and budget review and approval schedule is included as Table 2.

3. BACKGROUND

Since 1999, the Regional Corporation has utilized strategic business planning requiring departments to develop detailed business plans to justify their needs for resources. This approach has significantly enhanced Council's exposure to strategic work initiatives. Further, the departments continue to develop performance measures in their business plans with a view to better demonstrating program performance and service delivery progress to Regional Council.

In April 2001, Regional Council directed staff to conduct an Organizational Effectiveness Review. The Review is underway and will be brought forward to Council in the first quarter of 2002. In September 2001, Finance and Administration Committee provided financial direction for the 2002 Business Plan and Budget to be maintained within inflation pressures for 2002. As of November 2001, economic inflation pressures were generally tracking at 3%. The 2002 Business Plan and Budget outlines new Regional responsibilities and service initiatives that have created financial challenges.

Over the past few months, under the direction of the Chair and the Chief Administrative Officer, regional staff developed the business plans for 2002. The 2002 Business Plan and budget, as submitted to Council, reflects the outcomes of extensive internal deliberations and prioritization in order to balance the expanding needs of the Region with the ability of the regional taxpayer to fund existing and enhanced services.

The Budget Review Committee, consisting of the Chair, Chief Administrative Officer, Commissioner of Finance and Director of Business Planning and Budgets have reviewed and recommended the revised 2002 Business Plan and Budget as submitted.

On November 15, 2001, Finance and Administration Committee recommended that the Budget be referred to Standing Committees and that the net tax levy increase not exceed 2.6%.

4. ANALYSIS AND OPTIONS

4.1 2002 Business Plan and Budget

The total capital and operating budget for providing services to the residents and businesses of York Region is \$1.1 billion, and is summarized in Table 1.

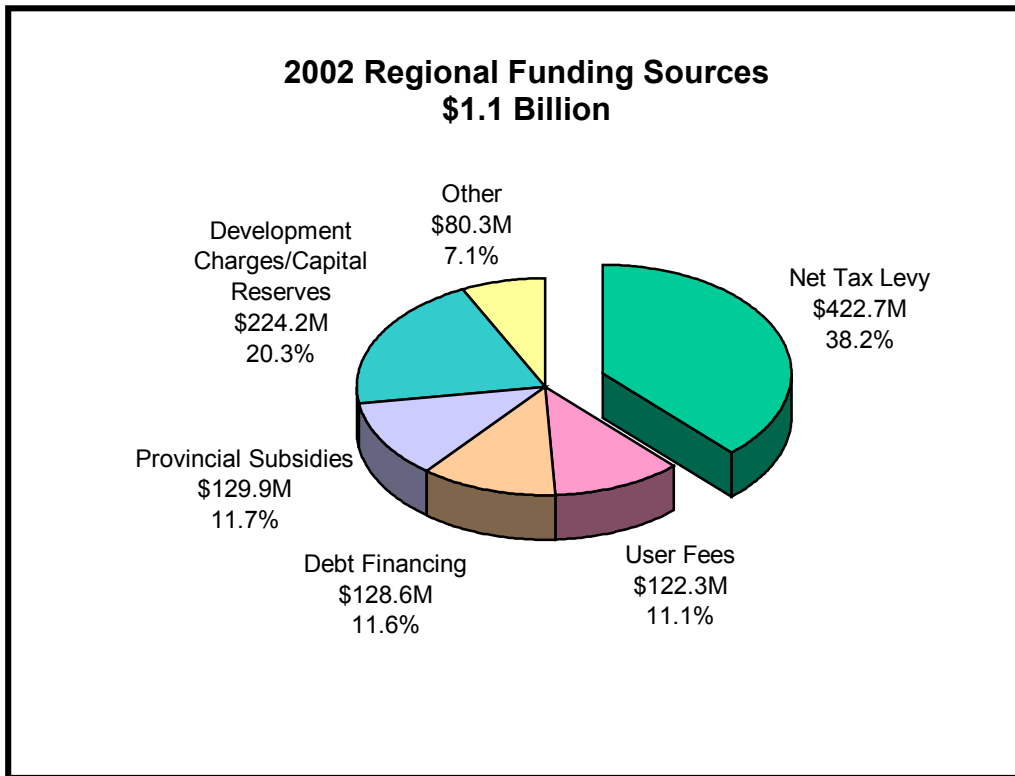
Table 1

2002 GROSS EXPENDITURES BUDGET (\$ millions)	
Capital Programs	
Transportation & Works	\$392.3m
Health Services	4.7
Community Services & Housing	18.0
Other	14.1
Total Capital Programs	429.1

Operating Programs

Transportation & Works	178.6
Health Services (EMS, Public Health, LTC)	70.0
Community Services & Housing	153.8
Planning & Development Services	5.9
Regional Administration	38.8
GTA Pooling	84.8
Property Assessment	9.6
Financial/Administrative Items	4.0
Boards & Authorities	9.1
Total Operations	554.6
Hospital Capital Funding	7.3
Total Regional Programs	991.0
Police – Operating & Capital	117.0
Total Budget	\$1.1B

The budget is funded through a variety of sources as shown on the pie chart below.



4.2 Increased Financial Pressures

The 2002 Business Plan and Budget reflects an increased tax levy investment of \$25.5 million over 2001 in services for York Region. After assessment growth, this represents a 2.6% tax levy increase for 2002 which is necessary for the Region to carry out its new responsibilities and service initiatives in a climate of rapid growth and increased costs.

This increase, which is equivalent to approximately \$35 to \$38 per average household, will ensure the long-term stability and health of the Region's communities.

In 2002 the Region of York is proposing to increase the Permanent Staff Complement by an additional 171.5 staff (see Attachment #2). Of this total, 67 new positions are proposed to be added in the York Regional Police Department, 23 in EMS, 13 in Regional Emergency Services (911), 11.5 in Public Health and 10 in Water and Wastewater.

4.3 2002 Business Plan and Budget Schedule for Adoption

The 2002 Business Plan and Budget, including the detailed service area business plans, will be forwarded to the members of Council for review at the appropriate Standing Committee meetings in January 2002.

Table 1 outlines the proposed review schedule for the 2002 Business Plan and Budget:

Table 2
Review and Adoption of the
2002 Business Plan and Budget

Date	Committee
November 22, 2001	Regional Council – Overview and Presentation
January 9 - January 17, 2002	Committee Reviews of Business Plan and Budget
<ul style="list-style-type: none"> • January 9, 2002 • January 10, 2002 • January 16, 2002 • January 17, 2002 	<ul style="list-style-type: none"> • Transportation & Works Committee • Planning & Economic Development Committee • Finance & Administration Committee • Health & Emergency Medical Services Committee • Community Services & Housing Committee • Transit Committee
January 24, 2002	Committee of the Whole - Regional Council approval of Expenditure Budget

5. FINANCIAL IMPLICATIONS

The 2002 Business Plan and Budget provides services at a total cost of \$1.1 billion.

Property taxes fund 38.2% or \$422.7 million of these services. This reflects a \$10.4 million increase in the Net Levy Budget equivalent to a 2.6% increase in the 2002 Regional tax rate. The impact on the average York Region household will be an increase of approximately \$35.00.

Some key tax levy issues outlined in the 2002 Business Plan and Budget include: increased funding for Police \$10.4 million, Emergency Medical Services \$0.6 million (2 new ambulances and 22 paramedics) and Transit \$11.7 million. It should be noted that GO Transit savings of \$11.7 million will offset increases in costs for enhanced Regional Transit. Hospital Capital Funding will be continued at \$7.3 million.

The Water and Wastewater program (capital and operating) represents \$317.6 million, or 28.7% of the Region's budget. The Uniform Water Rate includes inflationary adjustment of 2% resulting in an increase from 41.34 cents per cubic metre to 42.17 per cubic metre. The Uniform Wastewater Rate includes inflationary adjustment of 2% resulting in an increase from 37.89 cents per cubic metre to 38.65 per cubic metre. The rate budgets will be considered by Transportation & Works Committee on November 28, 2001 and Regional Council on December 6, 2001.

6. LOCAL MUNICIPAL IMPACT

York Region's 2002 Business Plan and Budget will assist local municipalities in their business planning processes for shared services like water, wastewater and solid waste. It outlines the long-term capital programs for regional infrastructure and allows for better integration and planning of these services.

7. CONCLUSION

The 2002 Business Plan and Budget for the Region of York provides \$1.1 billion in services to the residents and businesses in York Region. The recommended business plan review process provides Standing Committees of Council with an opportunity to review and discuss in more detail the relevant business plans prior to Council approval of a 2002 Business Plan and Budget for York Region.

This report has been reviewed by the Senior Management Group.

Respectfully submitted,

**November 20, 2001
Newmarket, Ontario**

**Sandra Cartwright
Commissioner of Finance**

(Report No. 3 of the Chief Administrative Officer and the Commissioner of Finance was adopted, without amendment, by Regional Council at its meeting on November 22, 2001.)