

THE REGIONAL MUNICIPALITY OF YORK

REPORT NO. 6 OF THE REGIONAL COMMISSIONER OF FINANCE

**For Consideration by
The Council of The Regional Municipality of York
on December 14, 2006**

**1
2007 PRELIMINARY BUDGET APPROVALS**

1. RECOMMENDATIONS

It is recommended that:

1. Council approve 2007 interim appropriations for Regional operations at an amount not to exceed 50% of the 2006 operating budget for each department as detailed on Attachment 1.
2. Council approve 2007 interim appropriations for those capital projects authorized in 2006 which have spending spread over several years and committed expenditures in 2007 plus 50% of the 2007 capital forecast for each such project, as identified on Attachment 2.
3. Council approve the 2007 water rate which will increase from 49.86 cents per cubic metre to 51.11 cents per cubic metre (2.5% increase) and the wastewater rate which will increase from 49.05 cents per cubic metre to 53.96 cents per cubic metre (10 % increase) effective April 1, 2007.

2. PURPOSE

The purpose of this report is to request Council's approval of 2007 budget related items, prior to the completion of the review and adoption of the 2007 Business Plan and Budgets. This includes:

- Interim appropriations to fund ongoing Regional operations

- Pre-budget approval of certain capital projects
- 2007 water and wastewater user rates

Normally the budget would be in place at the start of the New Year, however this year the approval is not anticipated until April as the timetable was delayed as a result of the municipal election.

3. BACKGROUND

Prior to the Region's 2007 Business Plan and Budgets being considered for approval by Council, the Commissioner of Finance requires the authority to make payments for ongoing Regional operations. This authority is normally provided by means of an interim appropriation for each operation that would not exceed approximately 50 per cent of its prior year gross expenditure.

In addition, multi-year capital projects require tender bids to be submitted for awarding of contracts. To accommodate this activity, tender documents are generally prepared and issued in the winter for award and start-up at the commencement of the construction season in early Spring.

The 2006 water and wastewater user rates were approved as part of the budget based on the recommendations contained in the water and sewer reserve adequacy study undertaken in 2005 by Hemson Consulting. These rates were proposed to be increased by 2.5% per year for water and 10% per year for sewer for the next five years.

4. FINANCIAL IMPLICATIONS

Attachment 1 identifies the 2006 gross budgeted expenditure for each of the Region's major operations and the recommended interim appropriation for 2007 which totals \$547,571,000. This represents approximately 50% of the Region's gross expenditure budget for operating purposes for fiscal year 2006.

Attachment 2 outlines projects requiring authorization in advance of the 2007 Capital Budget approval, in order to issue tenders and complete key projects on schedule.

The administrative review has concluded that the user rates and reserves required to support operating expenditures and future capital expenditures be increased for 2007. It is recommended that the water user rate be increased by 2.5% and the wastewater rate be increased by 10%, for a blended rate increase of 6.25%, which is consistent with the recommendations approved in the 2005 report from Hemson Consulting.

5. LOCAL MUNICIPAL IMPACT

In order to accommodate local municipal budget processes and provide adequate time for public notice, the 2007 water and wastewater user rates are recommended for approval at this time.

6. CONCLUSION

The report recommends the 2007 interim appropriation be \$547,571,000 as detailed on Attachment 1. The capital projects proposed for pre-budget approval are listed on Attachment 2. The water and wastewater user rates for 2007 be increased by a blended rate of 6.25%.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)

Respectfully submitted,

**December 14, 2006
Newmarket, Ontario**

**Lloyd Russell
Commissioner of Finance**

(Report No. 6 of the Commissioner of Finance was adopted, without amendment, by Regional Council at its meeting held on December 14, 2006.)

York Region

2007 Interim Appropriations

(in \$000's)

Attachment 1



Regional Business / Activities	2006 Gross Budget *	2007 Interim Appropriation
Transportation and Works	309,673	154,837
Community Services and Housing	206,775	103,388
Transit	125,817	62,909
Health Services	113,332	56,666
Administrative Support	14,193	7,097
Planning and Economic Development	7,785	3,893
Financial/Administrative Items	6,463	3,232
Chairman & Council	1,690	845
Emergency Services	1,446	723
Total Regional Programs	787,174	393,587
 Police Services	 179,036	 89,518
GTA Pooling	84,160	42,080
Boards and Authorities	36,817	18,409
Court Services	7,954	3,977
TOTAL BUDGET	<u>1,095,141</u>	<u>547,571</u>

* Restated to reflect in-year approvals by Council

2007 Business Plan and Budget

Preliminary Budget Approval



	Amount Required (\$ 000)
York Regional Transit	
82170 GTA Smart Card	1,000
82190 Bus Terminals, Loops & Stops - Replacement	300
82780 Bus Repainting	290
84507 Conventional Buses Expansion	10,205
84607 Conventional Buses Replacement	1,395
Total York Regional Transit	13,190
Rapid Transit	
Bus Rapid Transit (BRT)	
99753 Yonge St. - Steeles to Highway 7	
99754 Yonge St. - Highway 7 to Bernard	
99758 Highway 7 - Yonge to Markham Centre	
Sub-Total Bus Rapid Transit	2,781
Other	
83560 York Region Rapid Transit Corporation	700
99763 Phase I Rapid Transit Vehicles	1,372
99764 Spadina Subway Extension	2,000
Phase IIa Contingency Budget	1,000
Phase II Owner Engineer	500
Sub-Total Other	5,572
Total Rapid Transit	8,353
Roads	
Road Construction	
80620 Bathurst St - Wellington St to Mulock Drive	
80860 Davis Drive and Warden Ave	
81360 Hwy 427 Arterial Extension to Zenway Blvd	
81810 Highway 50 from Highway 7 to Rutherford Rd	
81820 Weston Rd - from Major Mackenzie Dr. to Teston Road	
83850 Highway 50 and Mayfield Road	
98170 Hwy 7 - Rouge River to Warden Ave	
98610 Teston Rd - Weston Rd to 550m west of Jane St. Incl. Hwy 400 I/C	
98640 Major Mackenzie Dr - Kennedy Rd to McCowan Rd	
Sub-Total Roads Construction	24,014
Other	
39950 Intersection Improvements	1,700
39990 Traffic Control Signal & Electrical Improvements	600
39960 Various Roads Resurfacing	5,000
39980 Various Roads Improvements	1,300
Sub-Total Other	8,600
Fleet	
99910 Fleet Replacement	1,520
99900 Fleet New Additions	995
Sub-Total Fleet	2,515
Total Roads	35,129
Water	
70130 Bathurst Watermain(W/M) (Orchard Heights to Newmarket W. Reservoir)	
70320 Aurora/Newmarket Pressure District 8 Break Pressure Tank	
70360 Yonge St. W/M (Batson Dr. to Gladman Ave) and Eagle St. W/M	
73610 Transmission Operations Optimizer	
76100 North Richmond Hill Elevated Tank No. 1, Connecting W/M and Yonge St. W/M	
77520 Pressure District 7 North Maple Reservoir Connection Upgrade	
Total Water	13,103

2007 Business Plan and Budget

Preliminary Budget Approval



	Amount Required (\$ 000)
Wastewater	
73700 King City Collection System	
73720 YDSS Duffin Creek Water Pollution Control Plant (WPCP) (Phase 3) Expansion	
74030 YDSS - 16th Ave Trunk (Stone Mason -Woodbine)	
77100 YDSS Bathurst Collector (Phases 1 & 2)	
77310 West Rainbow Trunk Sewer	
78110 Decommissioning of Stouffville WPCP and SPS	
Total Wastewater	65,740
Solid Waste	
77415 Community Environmental Centres Vaughan #1	4,058
Total Solid Waste	4,058
Emergency Medical Services	
54520 EMS Vehicles	1,305
Total Emergency Medical Services	1,305
Housing Services Division	
67906 Tom Taylor Place (50 Units)	3,500
67912 Vaughan Civic Centre (85 Units)	300
Total Housing Services Division	3,800
Family and Children's Services	
67250 Child Care Management System	506
Total Family and Children's Services	506
Information Technology (IT)	
16655 Networks	200
16695 E Portal	250
16765 Corporate Financial System Enhancements	100
16895 IT Equipment	2,000
Total Information Technology	2,550
Property Services	
14703 Corporate Services - Facilities Rehab & Repair	400
14775 Property Services Branch - General (Corporate)	300
14855 Space Intensification Initiatives	500
Total Property Services	1,200
Police	
29010 Vehicles - Replacement	2,000
29017 Specialized Equipment - Uniform Equipment & Furniture	600
Total Police	2,600
Employment and Financial Support	
14700 62 Bayview Parkway	50
Total Police	50
Grand Total	\$151,584