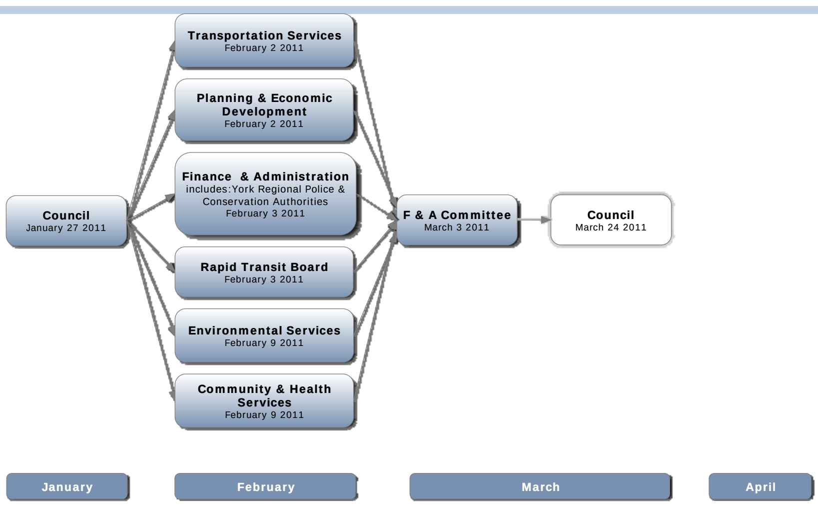
Budget Process Update

Bruce Macgregor

Chief Administrative Officer

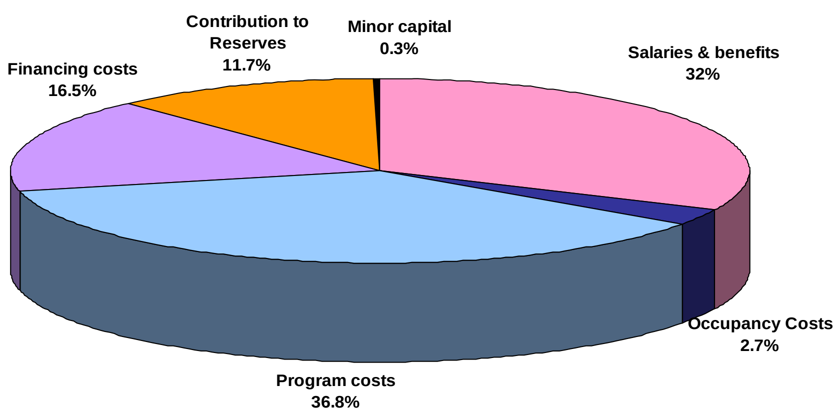
December 16, 2010

Council Budget Process

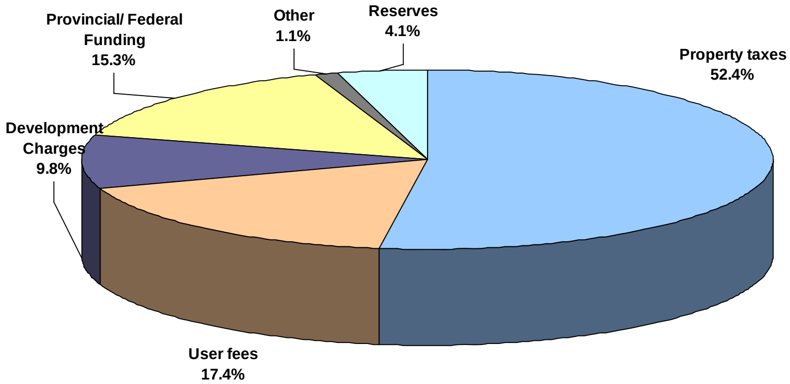


Operating

2010 Operating Expenditure



2010 Operating Revenue



Share of Regional Tax Dollar

Police	0.30
Transit	0.14
Community & Housing Programs	0.13
Roads	0.11
GTA Pooling & ODSP	0.07
Solid Waste	0.05
Special Purpose Bodies	0.05
Asset Replacement	0.05
Emergency Medical Services	0.04
Administrative Support	0.03
Public Health	0.02
Regional Planning	0.01

Operating Budget Framework

Step 5 - ENHANCEMENTS
New services or enhanced service levels

Step 4 - GROWTH
Costs required to maintain existing levels of service for the Region's increased population

Step 3 - ANNUALIZATION
Additional costs of prior year commitments

Step 2 - MANDATORY / LEGISLATIVE
Non-discretionary costs imposed by others

Step 1 - BASE
Costs required to maintain existing service level (salaries & benefits, inflation, utilities and contracted services)
Less: Efficiencies and other cost reductions

2010 Budget Projected Tax Increases

(as projected in Q3 2009)

Year	Increase
2011	2.8%
2012	3.6%
2013	3.7%

Items Not Included in 2010 Forecast for 2011

- OMERS premium increase
- Final CUPE settlement Benefit costs
- Community & Health Multi-Year Plan
- Harmonized Sales Tax
- New transit contracts
- Long Term Care legislation
- Higher fuel prices currently being experienced

On-going Funding Initiatives

- Asset Replacement - additional $7.5 million
- Non-profit housing rehabilitation - additional $1 million
- Elimination of reserve funding within operating budget - $ 0.9 million
- Tax levy contributions to capital - Roads, Transit, EMS, Information Technology – additional $4.6 million
- Uploading of GTA Pooling costs – reduction of $13.2 million
- Elimination of Ontario Disability Support Program – reduction of $9.2 million

GTA Pooling Phase-out

$ millions	2007	2008	2009	2010	2011	2012	2013	Total
Payments to Province & tax requirement	79.5	66.2	52.9	39.7	26.4	13.2	0	277.9
$ reduction	5.6*	13.2	13.2	13.2	13.2	13.2	13.2	79.5
Tax levy impact**	0.9%	2.0%	1.9%	1.8%	1.7%	1.6%	1.5%	

Municipal share being phased-out over a 7 year period as announced by the Provincial Government in the 2007-08 budget.

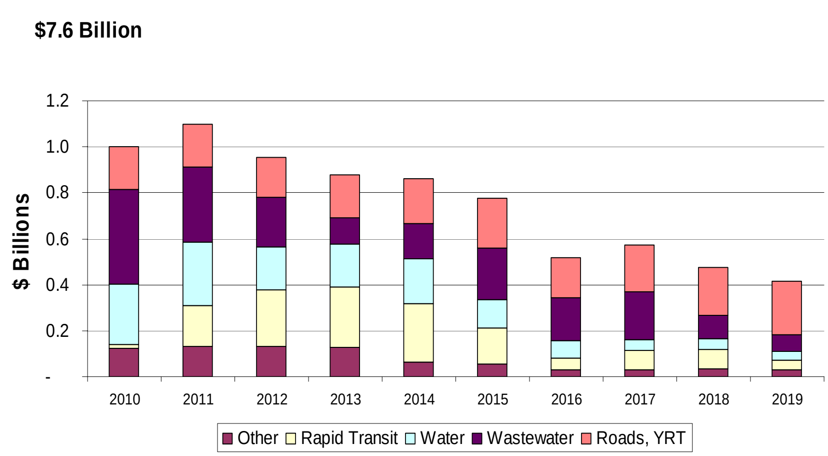
* Reduction from proposed budget prior to announcement
**Tax levy impact dependent on current year tax levy

Capital

Capital Budget – Key Drivers

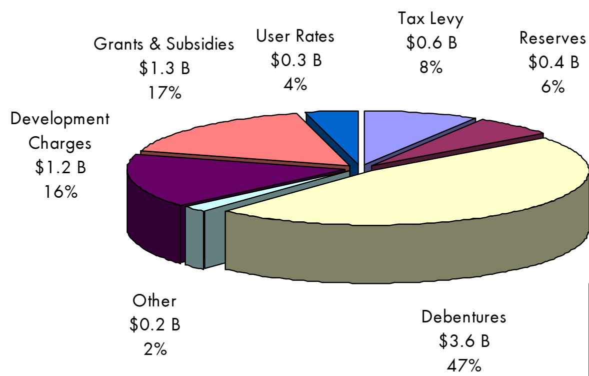
- Growth related infrastructure program
- Rehab and replacement needs
- Project cost increases
  - Construction Price Index
  - Provincial regulation and conditions
- Debt levels, interest rates

2010 – 2019 Capital Plan



2010 – 2019 Capital Financing

$7.6 Billion



Debentures $3.6 B	
Development Charges	$2.6 B
Tax Levy	$0.7 B
User Rates	$0.2 B
Other	$0.1 B

York Region

Water & Wastewater

Water and Wastewater Rates

- 10% increase for 2011 (both water and wastewater) approved by Council in December 2008
- Since then, additional pressures include:
  - Non-growth component of additional capital requirements as per Master Plan
  - Increased rehab/replacement needs
  - Reduced flows
  - Update to rates to be brought forward

Council Budget Process