
2011 Draft Business Plan and Budget

Presentation to Regional
Council

Lloyd Russell
January 27, 2011

Agenda

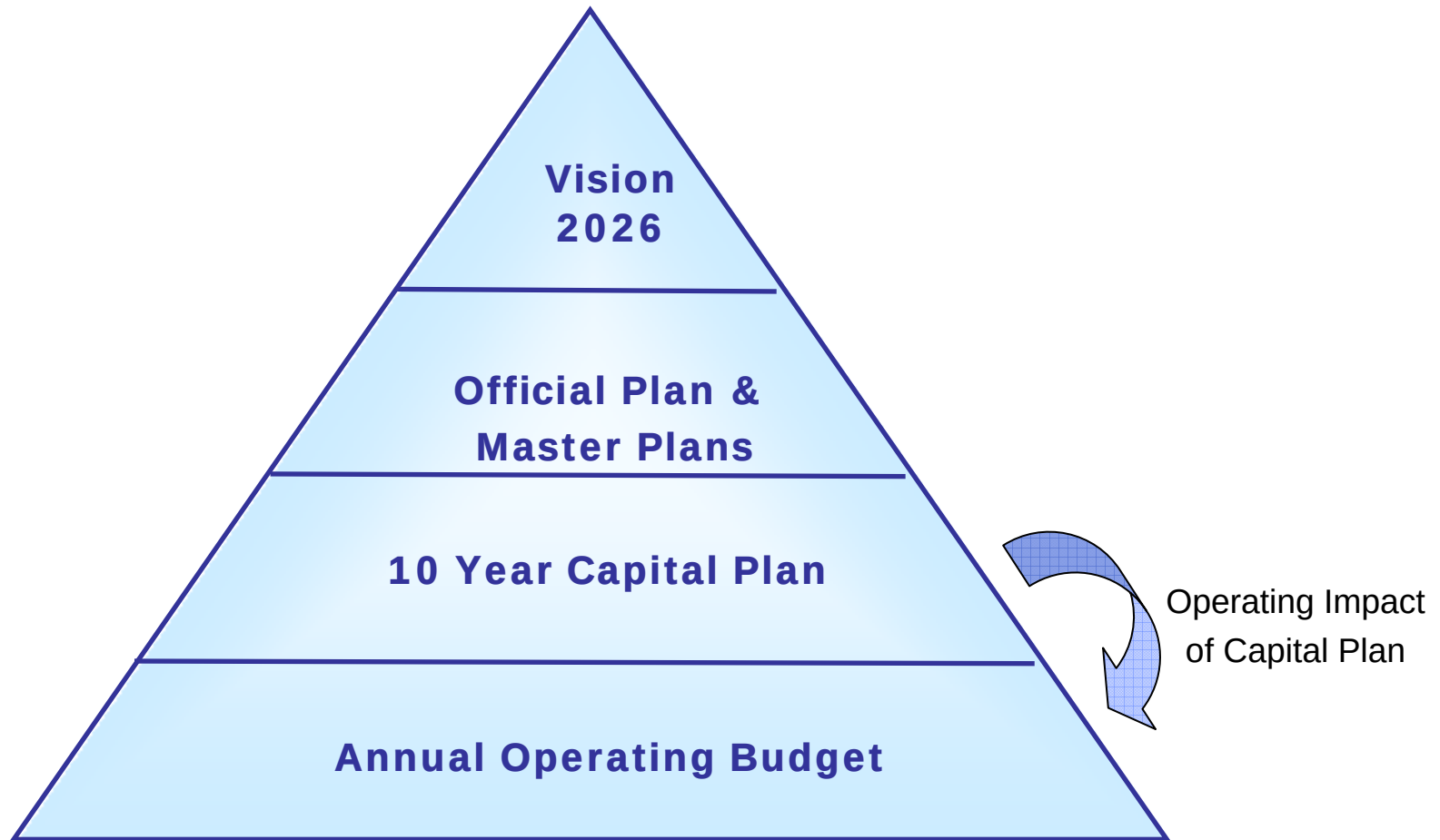
1. Summary
2. York's Budget Framework
3. Operating Budget
4. Capital Budget
5. Water and Wastewater Rates
6. 2011 – 2014 Key Challenges
7. Next Steps

Executive Summary

- ❑ Proposed 2011 tax levy increase 1.9%
- ❑ Operating expenditures
 - ❑ \$1,524.1 M gross
 - ❑ \$ 766.3 M net
- ❑ New Total Project Budget Authority for capital of \$916.8 M
- ❑ Authorized capital expenditures of \$3,716.8 M in total

York Region's Budget Framework

Budget Planning

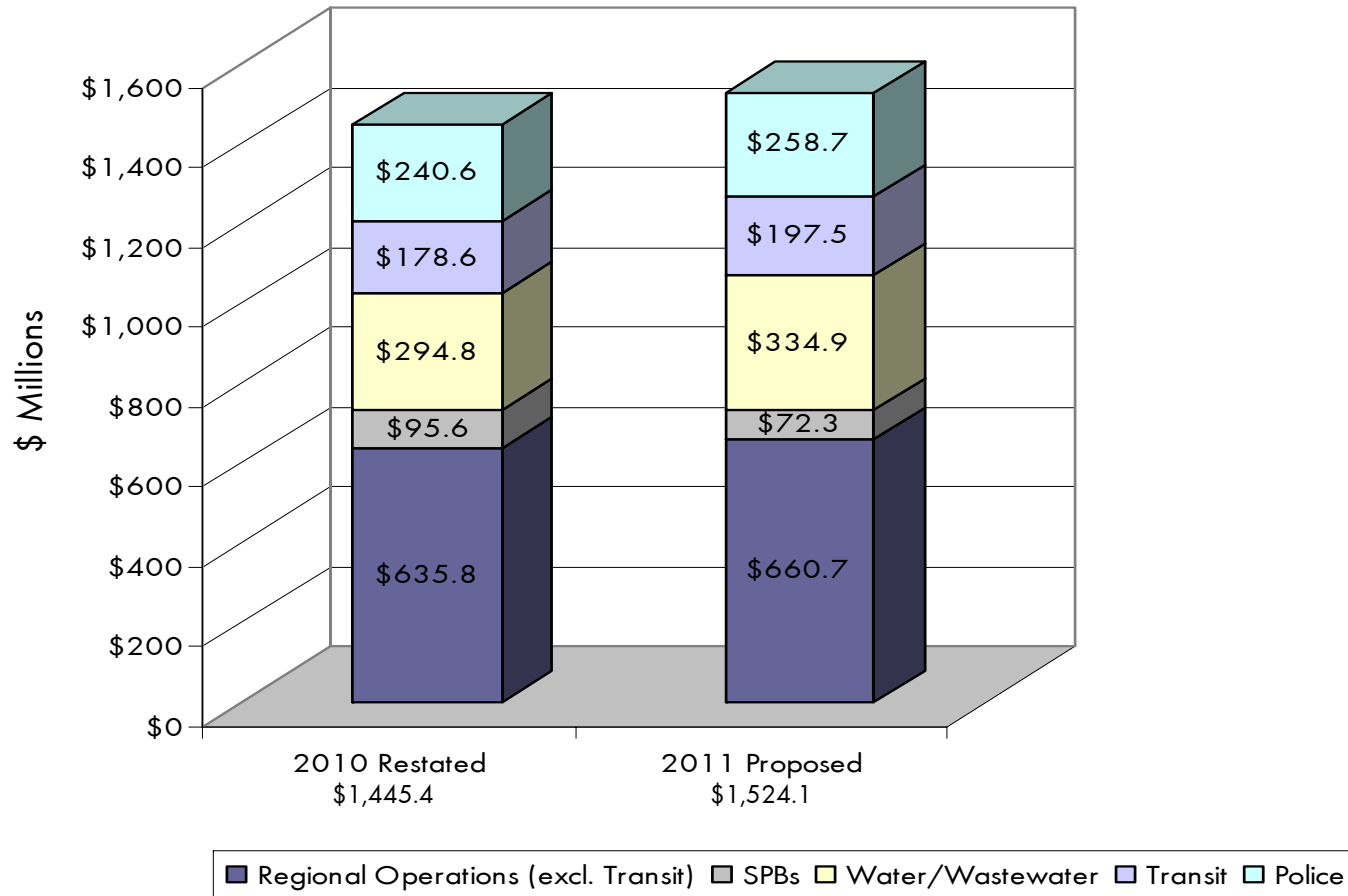


Operating

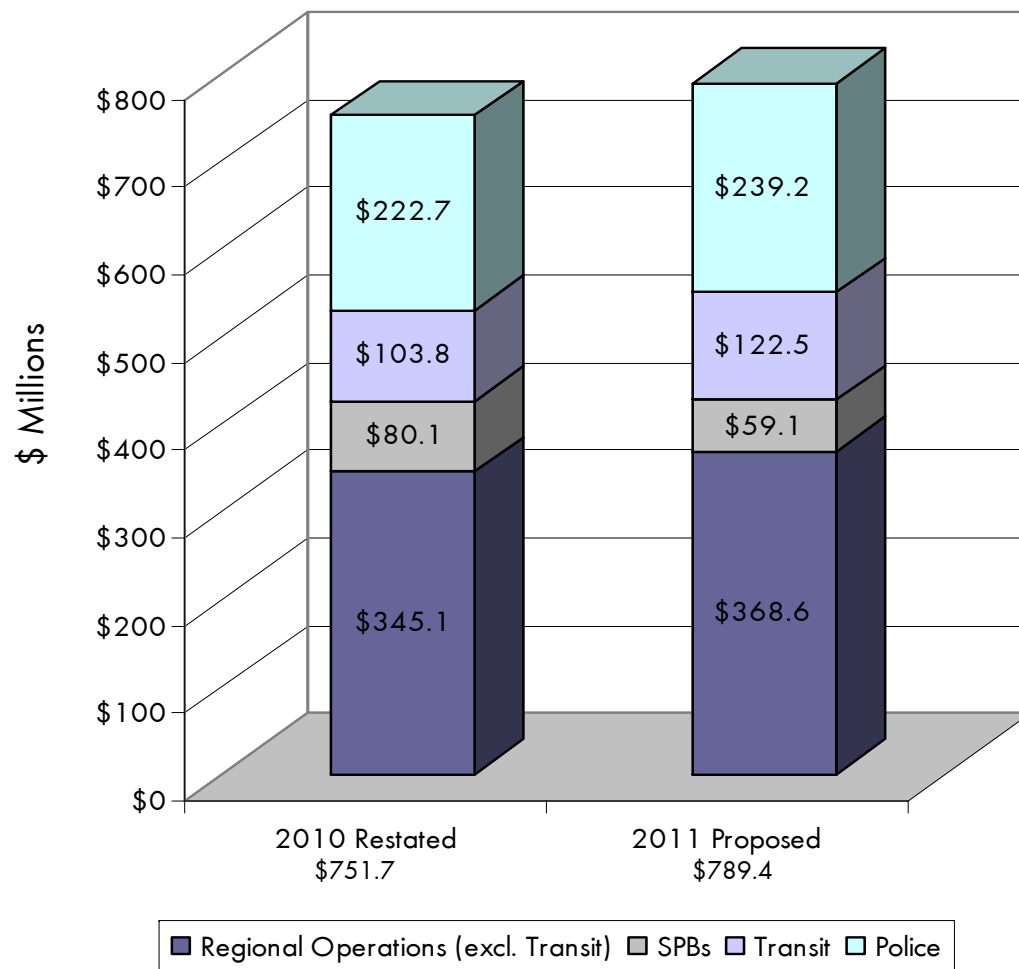
Impact of Provincial Offences Act Re-statement for Region (000's)

	POA Revenue Retained	Total Tax Levy
2010 Budget	\$5,950	\$756,070
Restated 2010	\$10,280	\$751,740
Regional change	\$4,330	\$(4,330)
Restated change local municipalities 2010 base	\$(4,330)	\$4,330

Gross Operating Budget 2010 & 2011



Net Tax Requirement 2010 & 2011



Operating Budget Framework



Operating Drivers – \$27.0M 3.6%

Base

- ❑ Inflationary and cost of living pressures
- ❑ OMERS premium increases
- ❑ Contracted services (Transit and Solid Waste)
- ❑ Reductions/efficiencies (Solid Waste, C&HS, IT)
- ❑ Additional assessment growth received in 2010
- ❑ Contribution to solid waste reserve funded by increased blue box revenues
- ❑ Transit fleet mechanical rehabilitation
- ❑ Police wages and operating expenses

Operating Drivers – \$0.8M 0.1%

Mandatory

- ❑ Additional Provincial funding for EMS
- ❑ Presto System implementation (YRT)
- ❑ HST impact (YRT)
- ❑ Social Assistance caseload growth and rate increase (funded by reserve and Provincial upload)
- ❑ MPAC

Operating Drivers – \$15.0M 2.0%

Annualization

- ❑ Capital program debt repayment
- ❑ Continued contribution to capital asset replacement
- ❑ Police 2010 new staff
- ❑ Full year operations of southwest transit facility and CEC Richmond Hill
- ❑ Impact of regional growth related occupancy costs and ITS network

Operating Drivers – \$17.3M 2.3%

Growth & Enhancements

- ❑ Contribution to capital program
- ❑ Community and Health Services Multi-Year Plan
- ❑ EMS – 14 paramedics, 2 supervisors
- ❑ Police – 28 uniform, 10 civilian
- ❑ Roads program enhancements (nuisance sign removal, pavement marking)
- ❑ Solid Waste Management – increased tonnage
- ❑ Transit staff – safety & training program, improved schedule adherence
- ❑ Mobility Plus growth costs
- ❑ Police sick leave reserve contribution
- ❑ Staff/other programs to support growth & new initiatives
- ❑ Contribution to Non-profit housing capital repair reserve

Operating Drivers — \$(45.5)M (6.1)%

Assessment Growth and Uploading

- ❑ Assessment Growth
- ❑ ODSP
- ❑ GTA Pooling

Proposed 2010 Net Tax Levy Increase – 1.9%

	<u>\$ Million</u>	<u>% Tax Inc.</u>
Enhancements	\$ 10.2	1.4%
Growth	\$ 7.1	0.9%
Annualization	\$ 15.0	2.0%
Mandatory/Legislative	\$ 0.8	0.1%
Base/Reductions/Efficiencies/ Cost Savings	\$ 27.0	3.6%
Net Operating Budget	\$ 60.1	8.0%
Assessment Growth	\$ (23.1)	(3.1)%
Sub-total	\$ 37.0	4.9%
ODSP	\$ (9.2)	(1.2)%
GTA Pooling	\$ (13.2)	(1.8)%
Net Tax Levy	\$ 14.6	1.9%

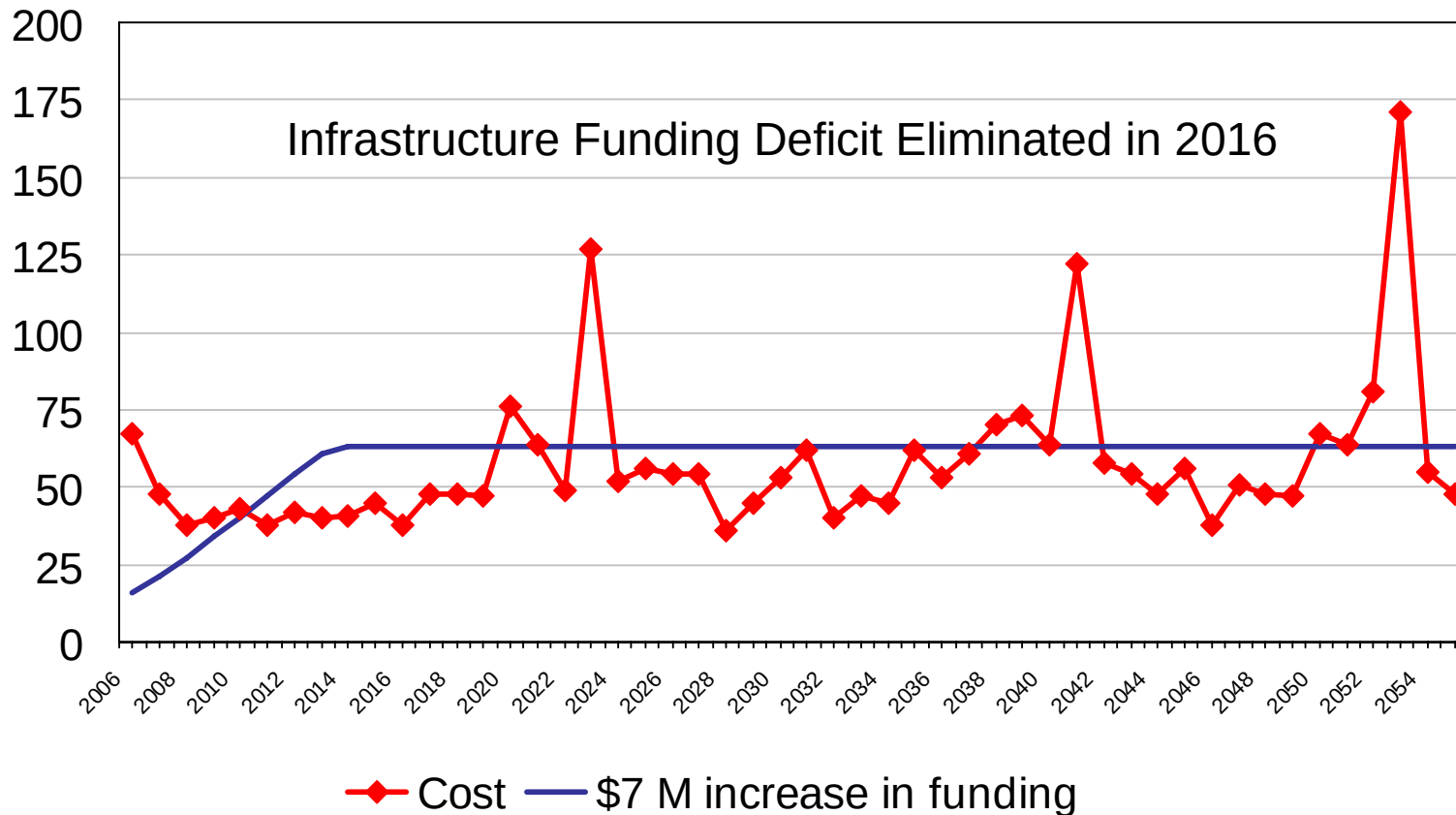
Tax Levy Contribution for Capital Program

	2010 (\$ Millions)	2011	Change
Capital Asset Replacement	\$22.6	\$30.1	\$7.5
Debt Reduction	\$11.8	\$11.8	-
Solid Waste Reserve	\$ 3.7	\$ 6.8	\$3.1
Non-profit Housing Repair Reserve	\$ 2.8	\$ 3.8	\$1.0
Direct Contribution to Capital	\$50.6	\$52.2	\$1.6
Capital Program Debenture Repayment <i>(tax supported only)</i>	\$33.1	\$37.5	\$4.4
Total	\$124.6	\$142.2	\$17.6

Contributions to capital program account for 18% of 2011 net expenditures

Asset Replacement

Annual \$7 million increase to 2013



* All tax-supported assets except roadways

Operating Budget – Potential Risk Items

- ❑ Fuel prices
- ❑ Contract prices
- ❑ Commodity markets impact on blue box market revenue
- ❑ Social Assistance caseload
- ❑ Demand for services (i.e. Solid Waste tonnages, Transit ridership)
- ❑ Inflation

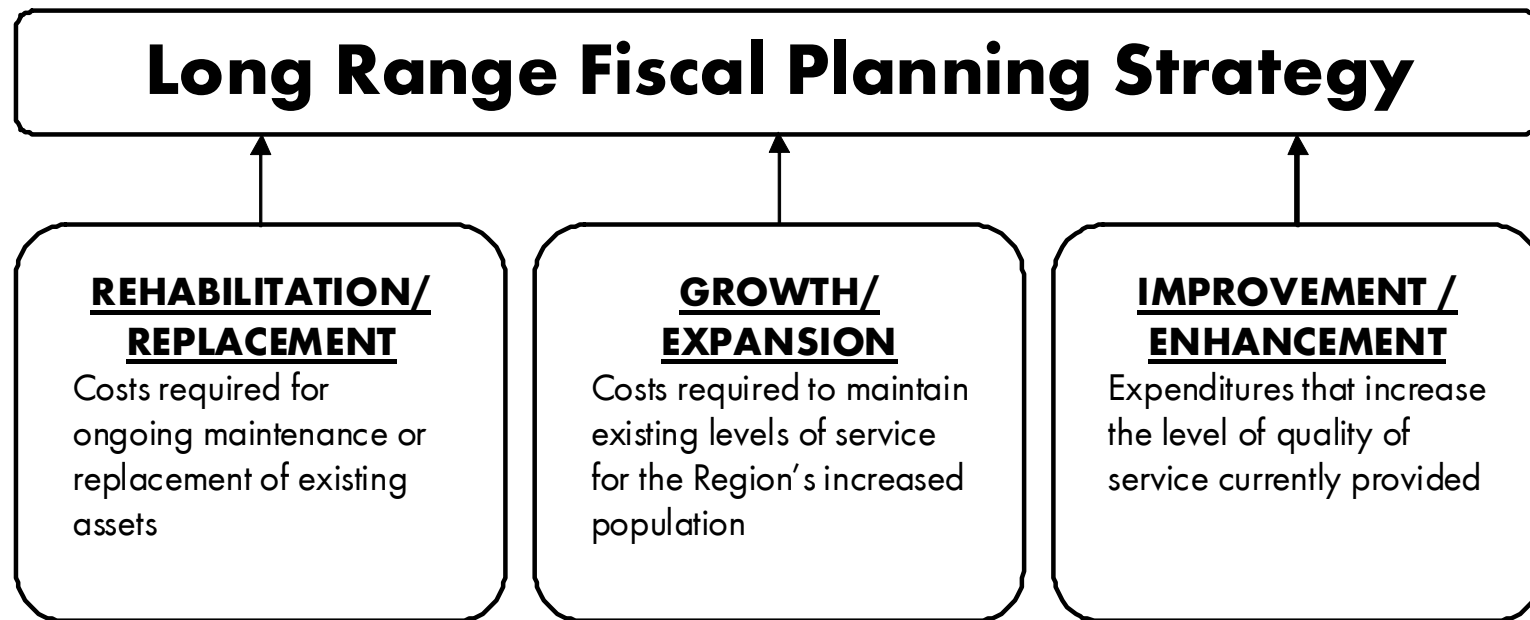
Share of Regional tax dollar



Police	0.31
Transit	0.17
Community & Housing Programs	0.14
Roads	0.11
Asset Replacement	0.05
Solid Waste	0.05
Special Purpose Bodies	0.05
Emergency Medical Services	0.04
GTA Pooling	0.03
Administrative Support	0.02
Public Health	0.02
Regional Planning	0.01

Capital

Capital Budget Framework



Capital Total Project Budget Authority (TPBA)

- ❑ Multi-year approval requested for projects with expenditures in the budget year which cause a commitment to expenditures in future years
- ❑ For other projects with expenditures in the budget year, only single year approval is requested
- ❑ In 2011, approval is requested for:
 - ❑ new capital projects
 - ❑ any increase in the total project budget of previously approved projects
- ❑ All other projects are included in the 10 year capital plan for information and planning purposes

Capital Budget – Key Drivers

- ❑ Growth related infrastructure program
- ❑ Rehabilitation and replacement needs
- ❑ Project cost increases
 - ❑ Construction Price Index
- ❑ Debt levels, interest rates
- ❑ Master plan impacts
- ❑ Provincial regulation and conditions

2011-2020 Capital Plan Highlights

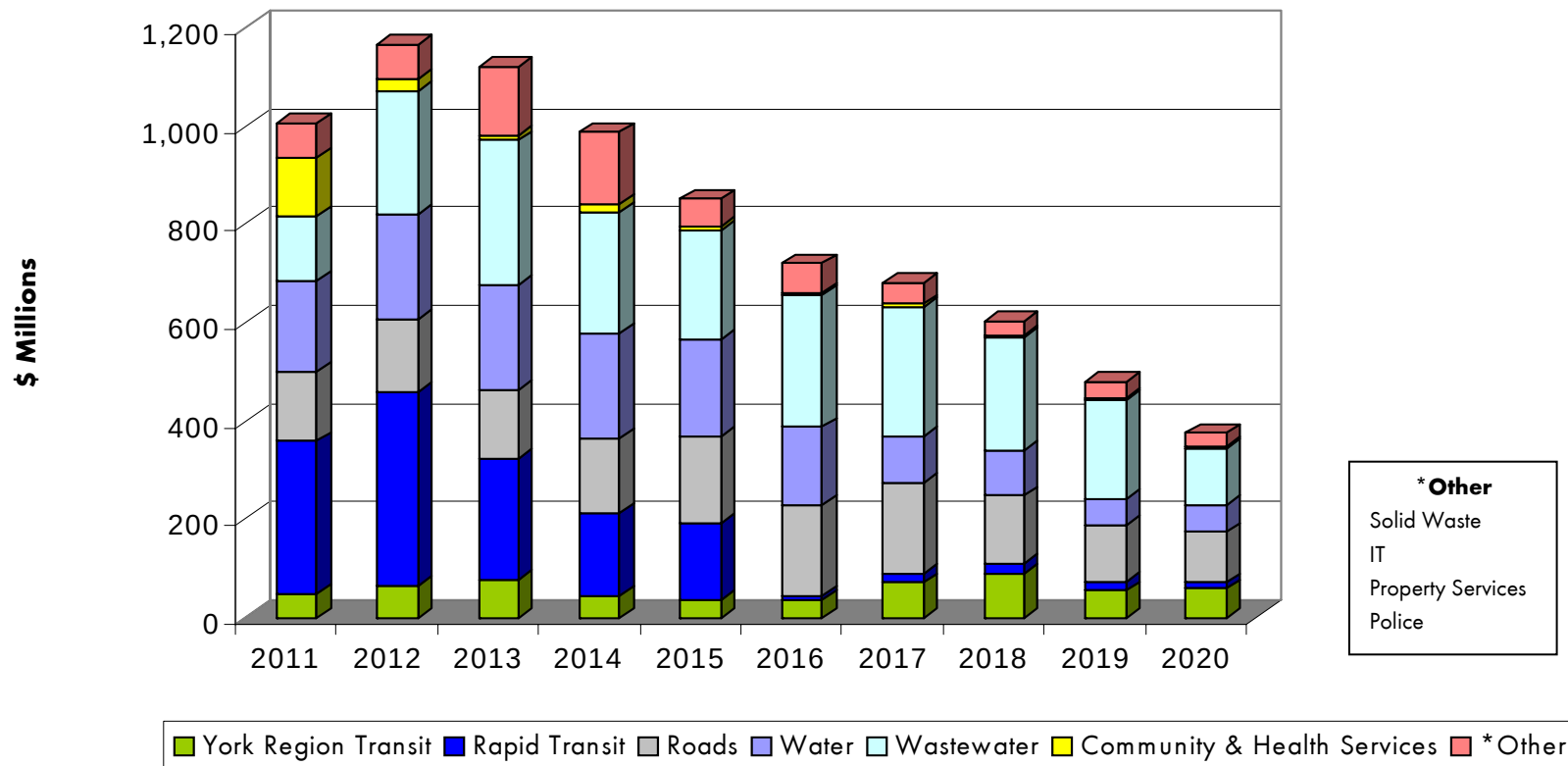
- ❑ \$575 M for York Region Transit (YRT)
 - ❑ Including purchase of new and replacement conventional buses and transit vehicle garages
- ❑ \$1,355 M for Rapid Transit
 - ❑ Including construction of Spadina subway extension, Bus Rapid Transit Facilities and Terminals and Vehicles and Yonge Street subway extension
- ❑ \$1,479 M for Roads
 - ❑ Including several major road widening, transit supportive and intersection improvements projects throughout York Region

2011-2020 Capital Plan Highlights

- ❑ \$1,475 M for Water
 - ❑ Development of water supply projects with Peel and Toronto
- ❑ \$2,218 M for Wastewater
 - ❑ Including expansion of Duffin Creek Water Pollution Control Plant, York Durham Sewage System Southeast Collector, Upper York Sewage Solutions
- ❑ \$213 M for Community and Health Services
 - ❑ Including construction of additional social housing units, EMS vehicles and paramedic response station
- ❑ \$660 M for Other
 - ❑ Including construction of Central and South Service Centres, Community Environmental Centres, Energy from Waste and Source Separated Organics facilities as well as purchase of Police vehicles, IT Hardware and Software

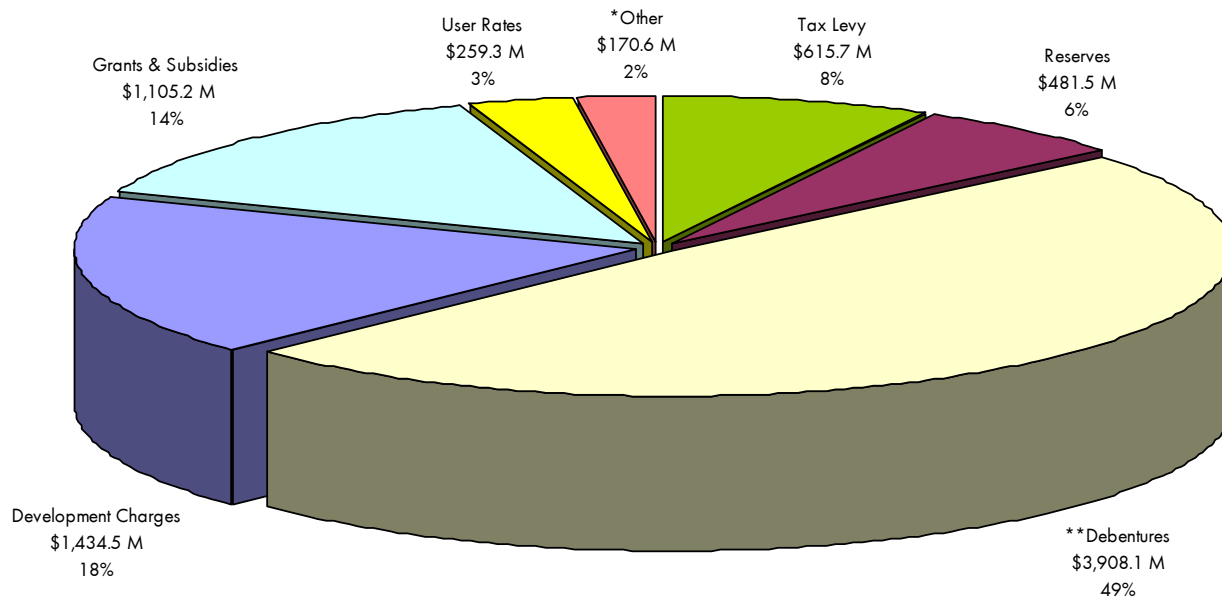
2011-2020 Capital Plan By Service Area

\$8.0 Billion



2011-2020 Capital Financing By Category

\$8.0 Billion



*** Other \$170.6 M**

Developer Up Front Financing	\$76.8 M
Municipal Funding	\$21.3 M
Third Party Recoveries	\$68.1 M
Sale of Equipment	\$4.4 M

**** Debentures \$3,908.1 M**

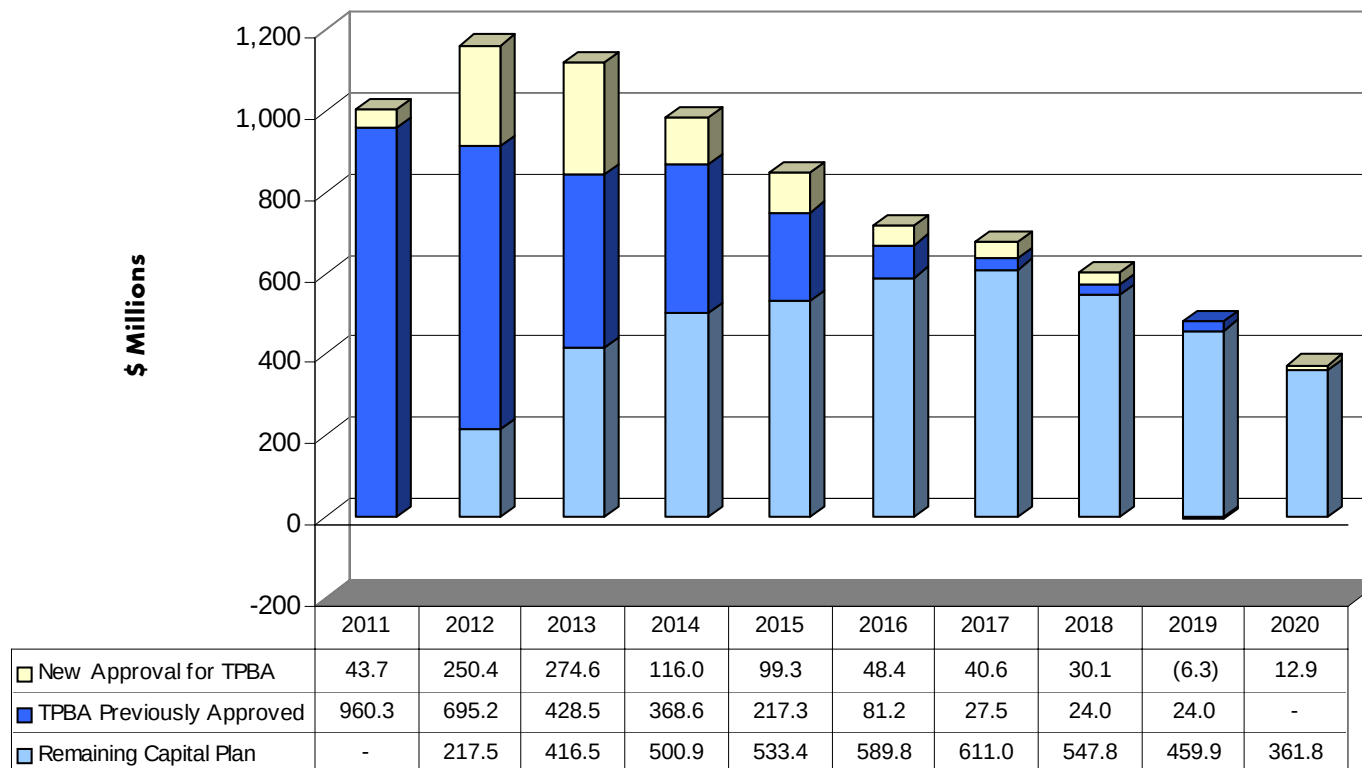
Tax Levy	\$964.5 M
Development Charges	\$2,824.8 M
User Rate	\$66.4 M
Other	\$52.4 M

NOTE: Grants & Subsidies include
Federal Gas Tax

2011-2020 Capital Approval

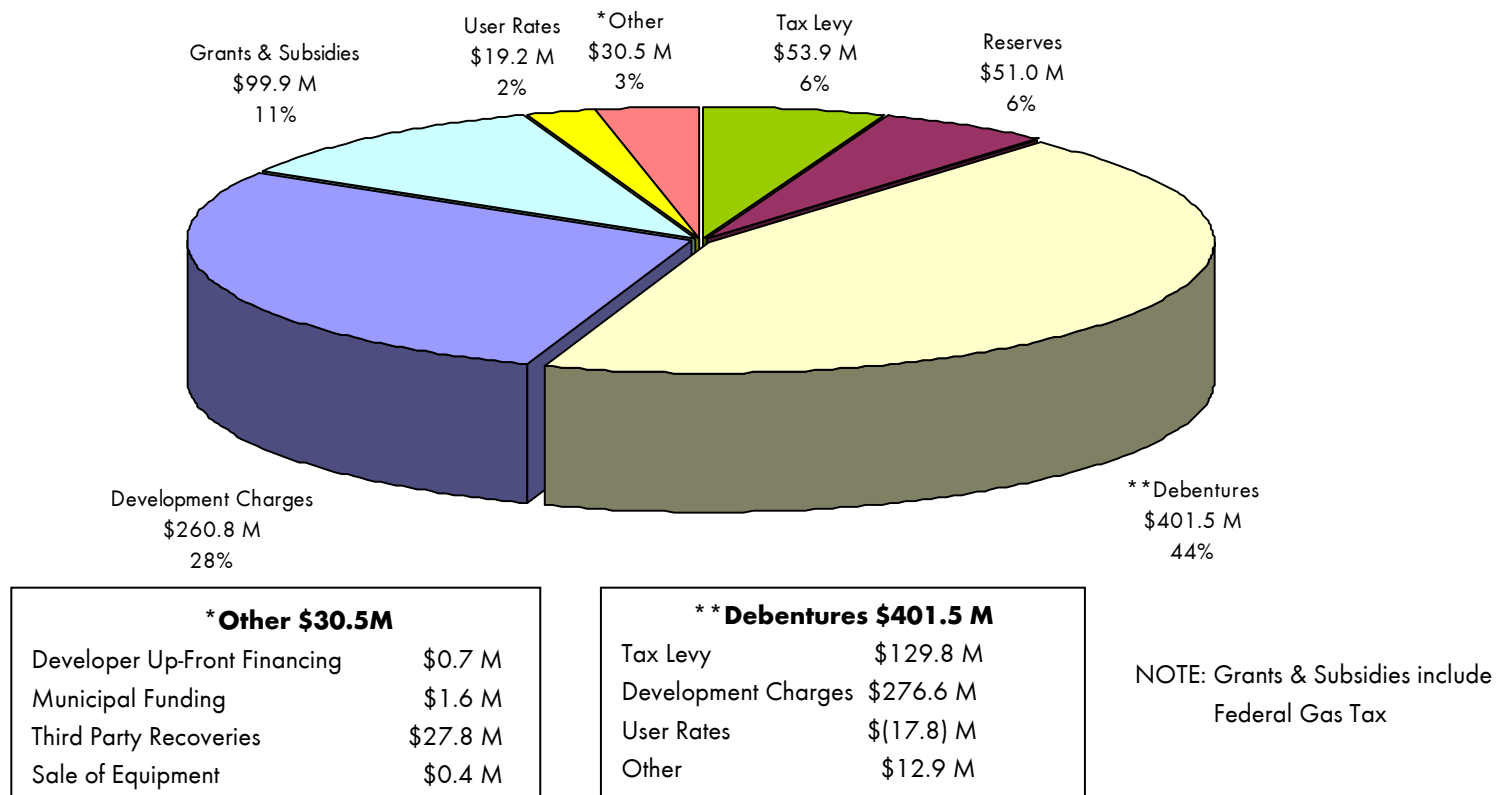
\$8.0 Billion

New Approval for TPBA (to 2020) \$909.7 M
 TPBA Previously Approved \$2,826.6 M
 Remaining Capital Plan \$4,238.6 M
 Total Capital Plan \$7,974.9 M

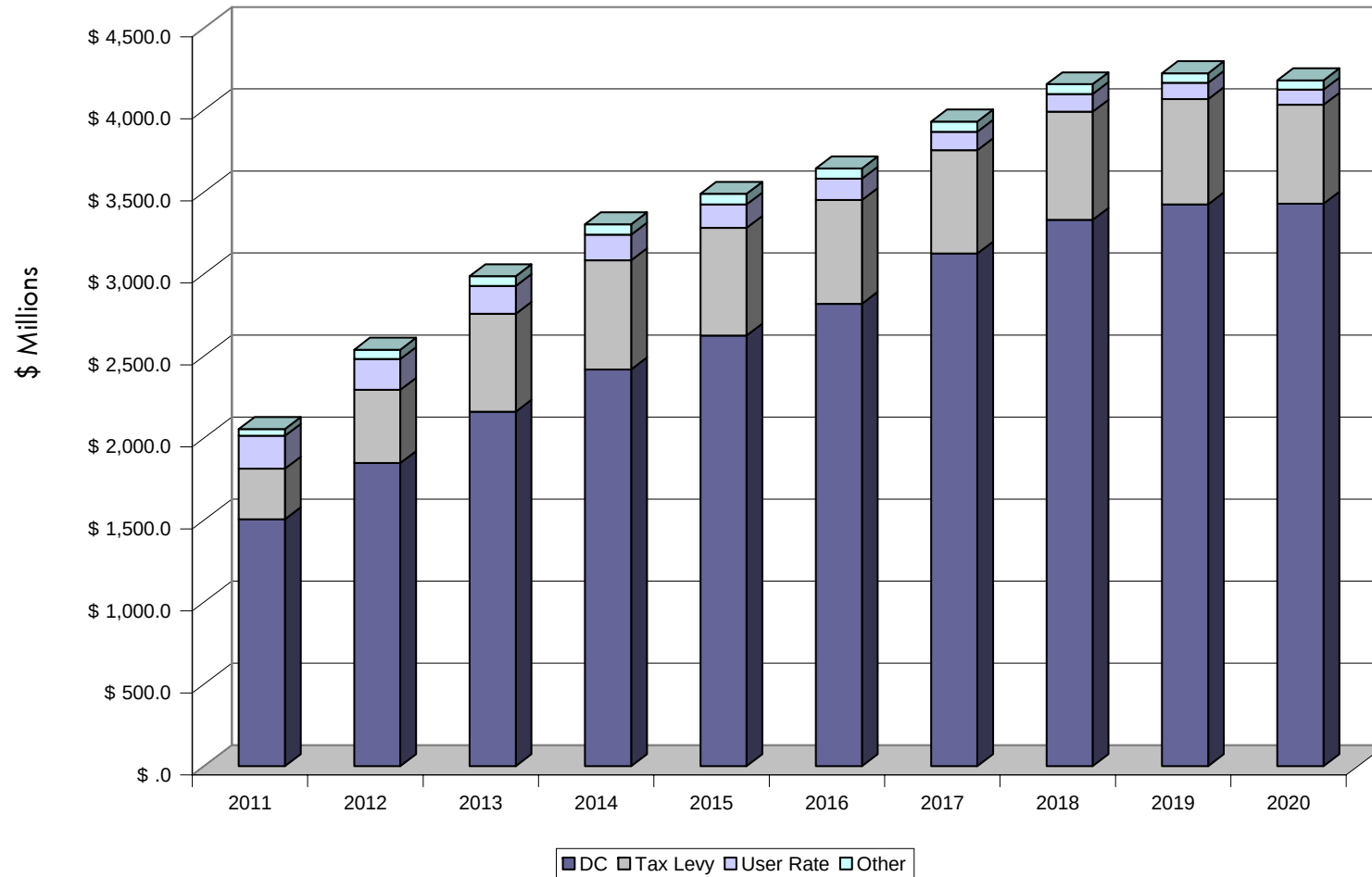


2011 New Total Project Budget Authority Financing By Category

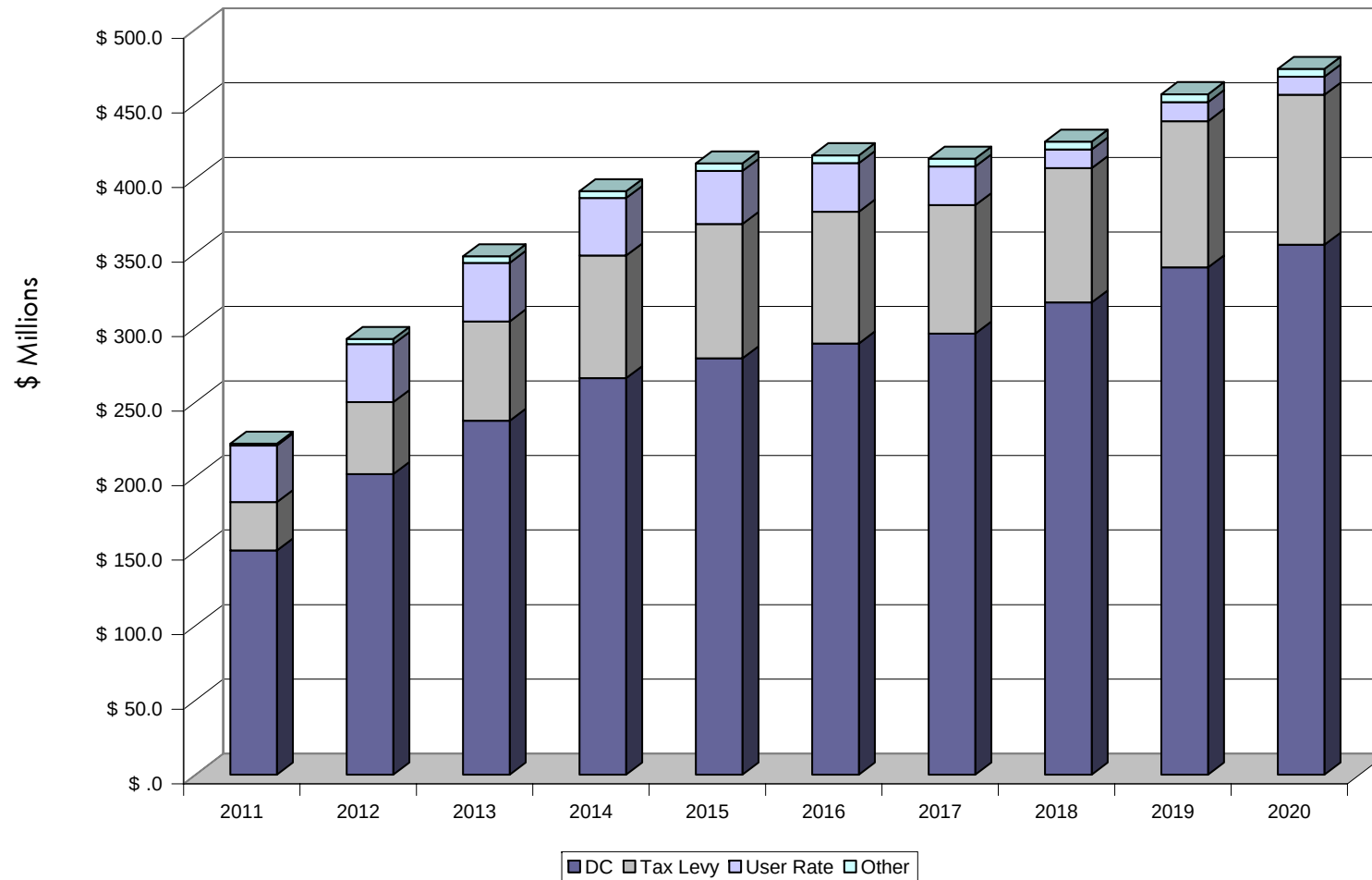
2011 New TPBA Financing by Category \$916.8 Million



Total Outstanding Debt Projection



Debt Repayment Forecast by Funding Sources



Water & Wastewater Rates

Water and Wastewater Rates

- ❑ 10% increase for 2011 (both water and wastewater) approved by Council in December 2008
- ❑ Average 2011 rates (cents/cubic metre):
 - ❑ Water 68.3
 - ❑ Wastewater 77.4
- ❑ Since then, additional pressures include:
 - ❑ Non-growth component of additional capital requirements as per Master Plan
 - ❑ Increased rehab/replacement needs
 - ❑ Reduced flows
- ❑ Rate study for 2012 and beyond for Committee/Council consideration in April

2011 to 2014 Key Challenges

- ❑ Impact of population growth, economic conditions and changing demographics on Regional programs
- ❑ Child population growth in the Region is the highest in Ontario
- ❑ Demand for Early Intervention Services is outpacing population growth
- ❑ Planning for major rehabilitation of regional assets
- ❑ Reliance on debt to finance capital infrastructure projects

2011 to 2014 Key Challenges

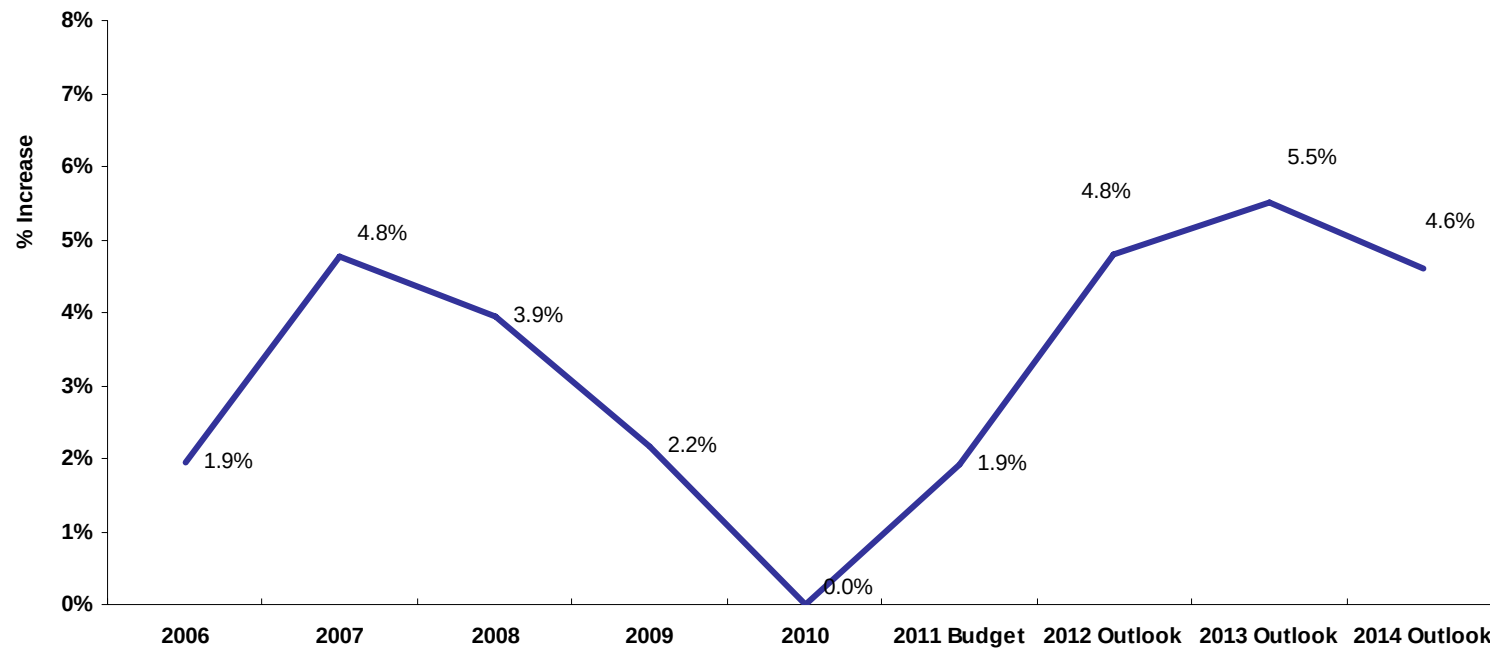
- ❑ Changing legislation and regulatory requirements
- ❑ Enhancing sustainability
- ❑ Long term goal of 90% diversion from landfill
- ❑ VivaNext Construction
- ❑ Increasing traffic congestion levels
- ❑ Contractor cost increases and volatile fuel prices
- ❑ Focus on intensification

2011 to 2014 Key Challenges

- ❑ Possible constraints on Provincial funding for Social Services
- ❑ Non-profit housing capital repair requirements
- ❑ The need for new and responsive programs and services
- ❑ Managing technological change
- ❑ Collective Agreement negotiations
- ❑ Public safety and local crime trends

2011-2014 Tax Levy Forecast

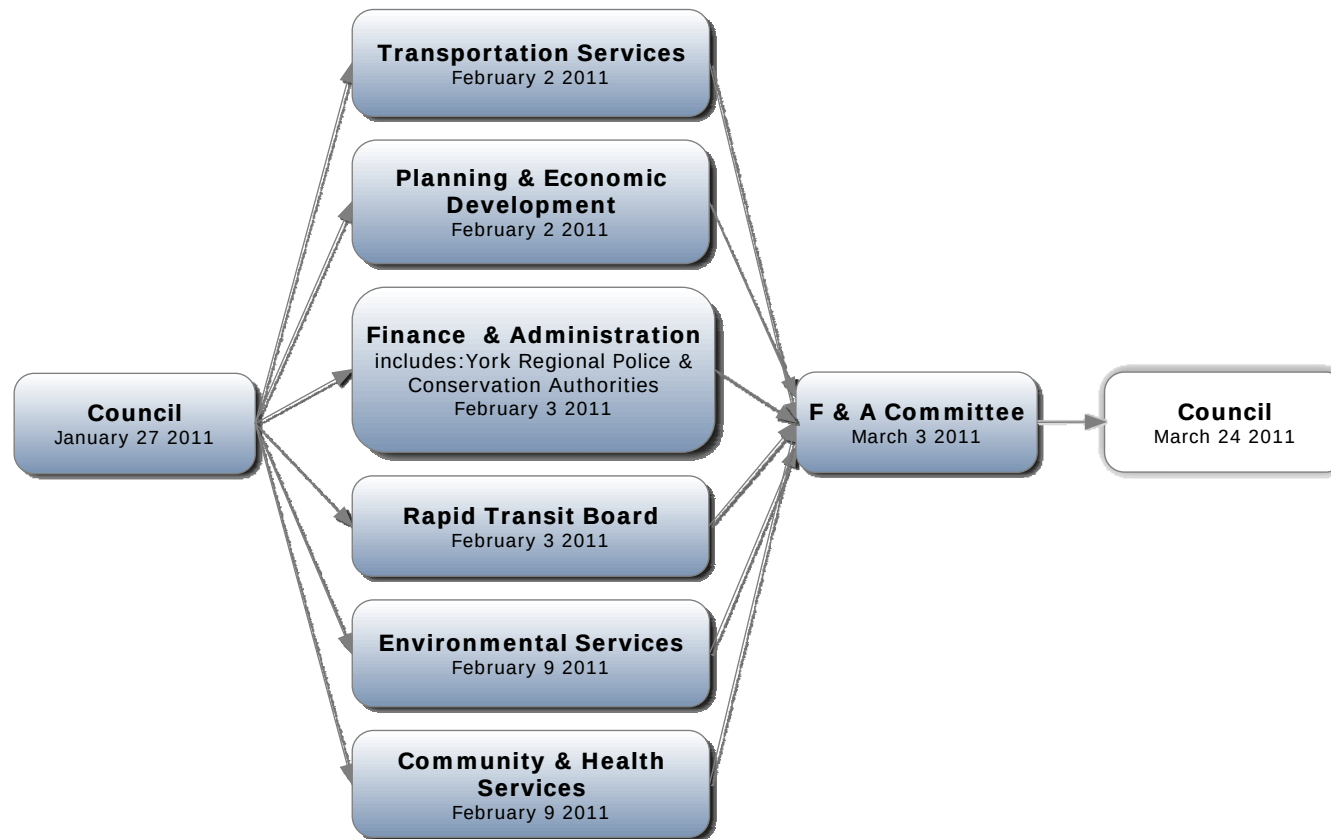
Estimated Annual Tax Increases



Impact on the Homeowner

- For a York Region residential property assessed at \$400,000, a 1.9% tax levy increase in 2011 is equivalent to \$37

Budget Process – Next Steps



January

February

March

April

2011 Capital & Operating Budgets

Questions & Discussion