2012 Business Plan & Budget

Presentation to Finance
and Administration
Committee

Jim Davidson
December 1, 2011

Outline

1. Operating
2. Capital
3. Courts
4. Next Steps

2012 Budget at a Glance

Operating Budget	$ Millions
Total Operating Expenses	33.4
Revenue	0.9
Net Operating	32.5
Proposed Tax Levy Increase	11.4%

Capital Budget	$ Millions
Total Capital Expenditures	29.1
Ten Year Plan	271.5
Total Project Budget Authority	30.7

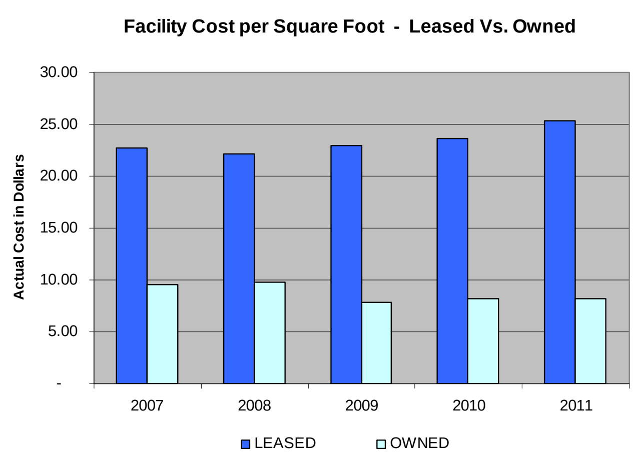
Proposed Tax Levy Increase of $3.3M or 11.4%

Operating

2012 Program Priorities

- **Property Services**
  - Land Acquisition and Lease Management for Priority Projects
  - Energy Conservation Initiatives and Green Energy Act compliance
  - Development of Short Term Accommodation and Space Intensification Plans
  - Operation of all owned and leased Regional facilities
  - Rehabilitation of owned Regional facilities
  - Detailed Design and tender of Central Services Centre

Property Services
Owned and Leased Facility Costs



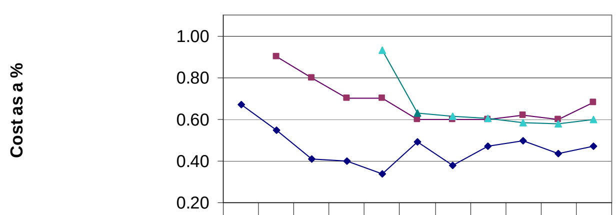
Note: 2011 Based on Year- End Forecast

2012 Program Priorities

- **Human Resource Services**
  - Attraction and retention of high performing employees
  - Occupational Health and Safety Act Regulatory/Legal compliance & oversight
  - Efficient management of employee and position data
  - Development of a Human Capital Strategy

Human Resources Costs

H.R. as % Cost of Operating Expense



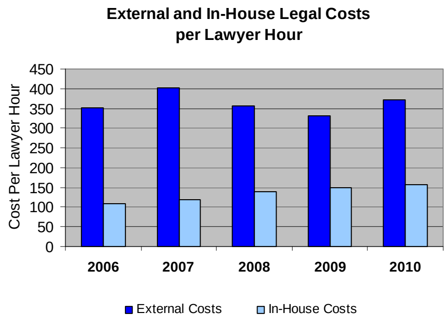
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
York	0.67	0.55	0.41	0.40	0.34	0.49	0.38	0.47	0.50	0.44	0.47
Municipal Benchmark		0.90	0.80	0.70	0.70	0.60	0.60	0.60	0.62	0.60	0.68
OMBI					0.93	0.63	0.61	0.61	0.58	0.58	0.60

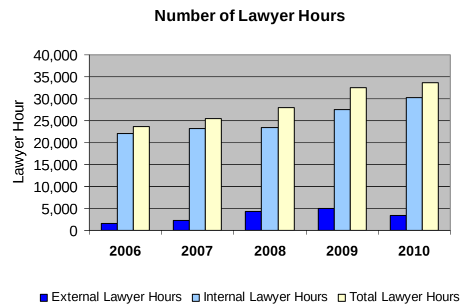
York Region's HR costs as a percentage of operating expenses are the lowest among comparators

2012 Program Priorities

- **Legal Services**
  - Provide resources to support increasing client demands
  - Manage external legal expenditures
  - Support to meet legislative and regulatory changes

External and In-House Legal Costs and Lawyer Hours





Source: OMBI
External legal fees and lawyer hours do not include costs associated with YRRTC land acquisition matters

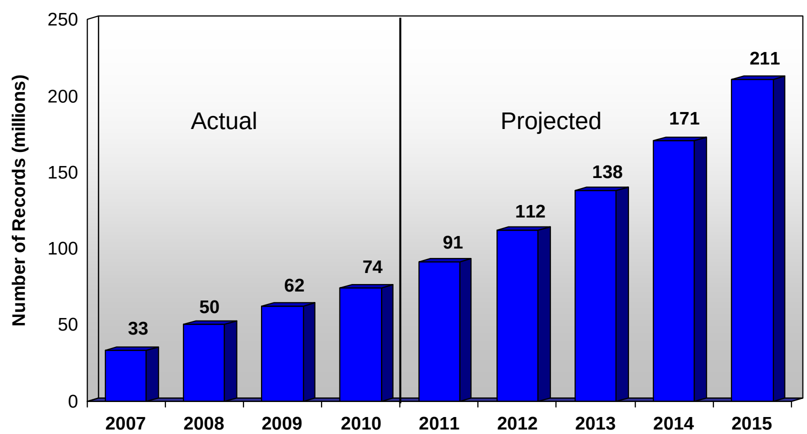
Internal legal resources are more cost efficient than outsourcing

2012 Program Priorities

❑ Regional Clerks Office

- Manage substantial increase in electronic records
- Increase legislative compliance and ability to respond to lawsuits, MFIPPA (Municipal Freedom of Information and Protection of Privacy Act) requests
- Identify and preserve archival records

Total No. of Electronic Records, 2007-2015



The number of electronic records is increasing dramatically

Corporate Services
Changes to Net Expenditures

	$ M*	%
2011 Net Operating Budget	$ 29.1	
Enhancements	$ 0.0	0.0%
Growth	$ 1.3	4.5%
Annualization	$ 0.7	2.4%
Mandatory/Legislative	$ 0.1	0.2%
Base/Reductions/Efficiencies/ Cost Savings	$ 1.3	4.5%
Increase/(decrease)	$ 3.4	11.6%
2012 Net Operating Budget	$ 32.5	

* All numbers are rounded up for corporate roll up purposes

The proposed 2012 Net Operating Budget is $32.5M

2012 vs. 2011 Net Operating Budget

	Net Operating Expenditures ($000's)		
	2011 Approved	2012 Request	% Change
Property Services	17,607	19,141	8.7%
Human Resources	6,849	7,380	7.8%
Legal Services	2,467	2,970	20.3%
Regional Clerks	2,218	2,977	34.2%
Total Corporate Services (excl Courts)	29,142	32,466	11.4%

2012 net tax levy increase is $3.3M or 11.4%

Corporate Services 2012 FTE Requests

	FTE	Type	Net Tax Levy ($ 000's)
Support for PeopleSoft system with additional functionalities	1	Annualization	109
Recruitment services	1	Growth	84
Support to achieve Occupational Health and Safety Act compliance	1	Mandatory	0 (WSIB Reserve)
Litigation team to respond to increasing demand	3	Growth	367
Team to manage growing electronic information repositories	4	Growth	469
Project and management support for Information Asset Management	1	Growth	75
Archival services	1	Growth	117
Support for Green Energy Initiative to comply with legislative requirements	1	Mandatory	55
Capital construction resource	1	Growth	110
Audio Visual services	1	Growth	97
Total FTE Requests	**15**		**1,483**

2013 Outlook Drivers

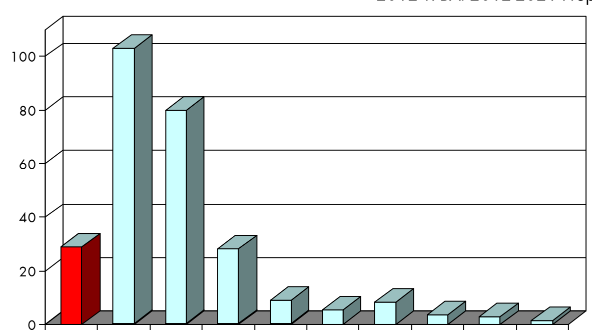
- Increased demand for support services to client departments
- Cost of debt repayments on corporate capital initiatives
- Increased pressure for client capital project management, space accommodation, and facility management
- Substantial increase in electronic records

Capital

Property Services

2012 Ten Year Capital Plan Highlighting Total Project Budget Authority

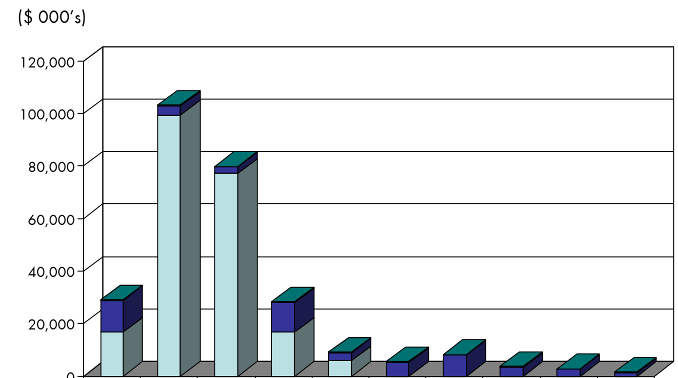
2012 Plan: 2012-2021 Proposed $ 271.5 M
2012 TPBA: 2012-2021 Proposed $ 30.7 M



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital Plan	29.1	103.1	79.9	28.3	9.2	5.4	8.3	3.7	2.9	1.6
Remaining Forecast	0.0	102.7	79.5	27.9	8.8	5.4	8.3	3.7	2.9	1.6
TPBA	29.1	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0

TPBA Remaining Forecast

2012 Ten Year Capital Plan Financing Sources ($271.5M)



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Current Tax Levy	244	244	244	244	244	244	244	244	244	244
Reserves	12,027	3,455	2,472	11,335	2,947	5,186	8,009	3,491	2,634	1,303
Debenture	16,850	99,425	77,200	16,700	6,000	0	0	0	0	0

Debenture Reserves Current Tax Levy

2012 Plan:
Tax Levy $ 2.4M
Reserves $ 52.9M
Debt $ 216.2M

2012 Total Project Budget Authority – Major Projects

Property Services

- Central Services Centre – Detailed Design and Tender - $9.2M
- Implementation of Master Accommodation Plan - $6.0M
- Solar PV Energy Initiatives - $5.6M
- Rehabilitation and Replacement Projects across all regionally owned Facilities - $3.0M
- Security & Life Safety Upgrades - $2.6M
- Space Intensification Initiatives - $2.1M

Total 2012 TPBA is $30.7M

Central Services Centre (CSC)

- Central Services Centre Design and Construction will take place over the period of 2012-2015:
  - 2012 phase consists of detailed design and tender
  - 2013-2015 will constitute the construction phase
  - CSC is a debt funded project
  - Detailed CSC business case to be presented to Council in early 2012

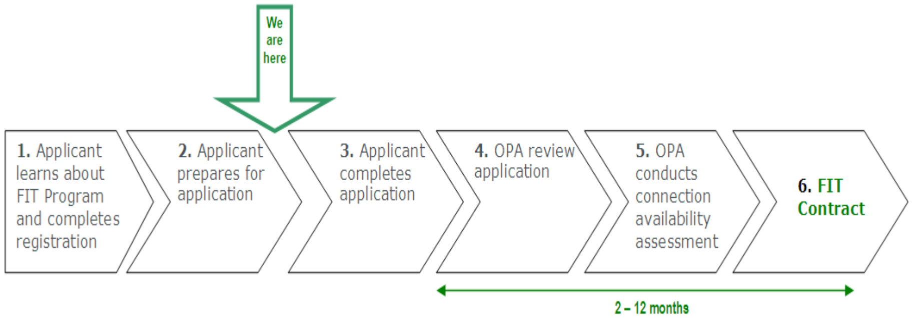
The CSC accounts for 74% of PSB's total 2012 10 Year Capital Plan

Solar Photovoltaic (PV) Energy Initiatives

- Installation of Solar PV roof top panels is planned to take place over two phases (2012 and 2013)
- As an incentive for Solar PV implementation, the Provincial FIT program guarantees a very favourable rate for 20 years
- Solar PV will be debt funded, however, the operating impacts of debt repayment costs are expected to be offset by the revenue stream generated by the investment

Starting in 2013, project is expected to generate an annual revenue stream that offsets the cost of debt financing.

Solar Photovoltaic (PV) Initiatives
Where are we in the Feed-In-Tariff Process?



Court Services
2012 Draft Business Plan
& Budget

2012 Program Priorities

- Court Services
  - Implement New Early Resolution System
  - Implement customer service initiative
  - Increase capacity to minimize exposure to violations under the Charter and Memorandum of Understanding with the Province

Changes to Net Expenditures

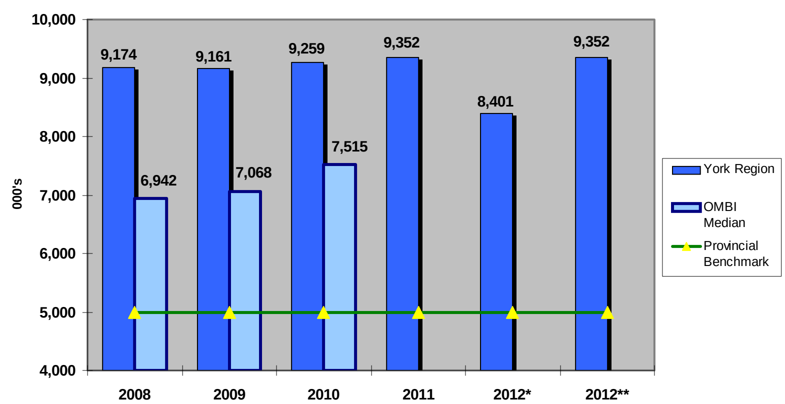
		$ M	%
2011 Net Operating Budget	$	(0.8)	
Enhancements	$	0.0	0.0%
Growth	$	0.2	27.9%
Annualization	$	0.0	0.0%
Mandatory/Legislative	$	0.0	0.0%
Base/Reductions/Efficiencies/ Cost Savings	$	0.3	33.2%
Increase/(decrease)	$	0.5	61.1%
2012 Net Operating Budget	$	(0.3)	

The proposed 2012 Net Operating Budget is $(0.3)M

2012 vs. 2011 Operating Budget

	Operating Expenditures ($000's)		% Change
	2011 Approved	2012 Request	
Gross Expenditures	9,854	10,368	5.2
Revenue	(10,695)	(10,695)	0.0
Net	(842)	(327)	61.1

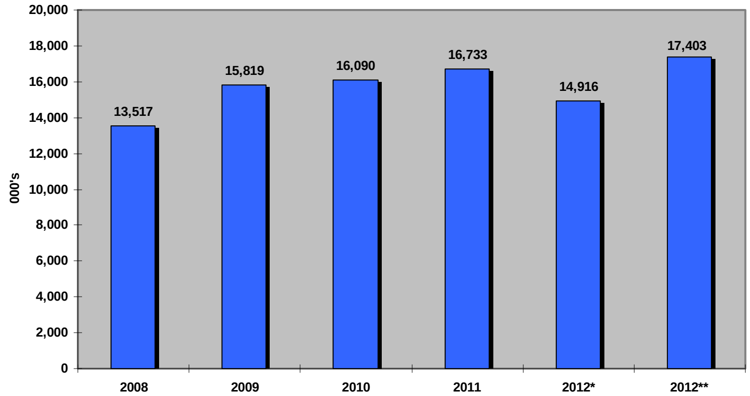
Number of Charges Filed per Court Administration Clerk



* Projection with 2.0 additional FTE
**Projection without additional FTE

OMBI data as of November 22, 2011

Number of Prosecution Cases per Prosecution Clerk



* Projection with 1.0 additional FTE
**Projection without additional FTE

2013 Outlook Drivers Court Services

- ❑ Address Legislative impacts
- ❑ Manage caseload growth
- ❑ Review and develop administrative and business best practices

2012 Budget Timeline