



2008 Operating Business Plan & Budget

Presentation to Finance and
Administration Committee

Lloyd Russell
Jim Davidson
March 6, 2008



Status Update of 2008 Operating Business Plan & Budget

Overview

- ❑ Outcome of Standing Committee Reviews
- ❑ Follow Up on items raised at Feb. 7th F&A Committee
- ❑ 911 Emergency Services
- ❑ Buttonville Airport
- ❑ Corporate Services Staffing

Outcome of Standing Committee Reviews

Committee	Outcome	Follow-up Action
Transportation Services	Approved as submitted	None
Water & Wastewater	Approved as submitted	None
Solid Waste	Approved as submitted	None
Rapid Transit & Transit	Approved as submitted	None
Health & EMS	Approved as submitted	None

Outcome of Standing Committee Reviews

Committee	Outcome	Follow-up Action
Community Services & Housing	Approved as submitted	None
Planning & Economic Development	Approved as submitted	None
York Regional Police	Approved as submitted	None
Conservation Authorities	Approved as submitted	None
CAO & Chair	Approved as submitted	None

Outcome of Standing Committee Reviews

Committee	Outcome	Follow-up Action
Corporate Services & Courts	Received Courts – Approved as submitted	Report back March 6th for further discussion on FTE requests
Finance & Information Technology	Recommended with \$75,000 reduction	\$75k renovation to purchasing not recommended
Non-Program	Finance & Admin items received and approved 911 emergency services received Non-Program items approved as submitted	Report back March 6th on Buttonville Airport agreement and 911 staffing

Budget Pressures

	<u>\$ Millions</u>	<u>% Tax Inc.</u>
Base	\$ 29.2	4.5%
Growth	<u>\$ 9.2</u>	<u>1.4%</u>
Net Budget	\$ 38.4	5.9%
Assessment Growth	<u>\$ - 18.4</u>	<u>- 2.8%</u>
Increase before Enhancements	\$ 20.0	3.1%
Enhancements	\$ 19.4	2.9%
GTA Pooling	<u>\$ - 13.3</u>	<u>- 2.0%</u>
Net Increase	\$ 26.1	4.0%

Additional Transit Funding - Option

- ❑ Apply new funding of \$7.85 Million to 2008 Capital projects, replacing the existing approved funding
- ❑ Results in:
 - ❑ Reduced provincial gas tax funding within capital budget of \$5.3 Million
 - ❑ Reduced tax supported debt of \$2.5 Million

Additional Transit Funding – Option (continued)

- ❑ Use available provincial gas tax to fund increased transit operating costs
- ❑ Increased transit operating costs are eligible for provincial gas tax
- ❑ If full \$5.3 million is used for operating costs, tax increase can be reduced by 0.8%

Budget Pressures with Transit Option

	<u>\$ Millions</u>	<u>% Tax Inc.</u>
Base	\$ 27.8	4.3%
Growth	<u>\$ 5.5</u>	<u>0.8%</u>
Net Budget	\$ 33.3	5.1%
Assessment Growth	<u>\$ - 18.4</u>	<u>- 2.8%</u>
Increase before Enhancements	\$ 14.9	2.3%
Enhancements	\$ 19.2	2.9%
GTA Pooling	<u>\$ - 13.3</u>	<u>- 2.0%</u>
Net Increase	\$ 20.8	3.2%

Follow-up Items from February meeting

911 Emergency Services

- ❑ Request 4 additional FTEs
- ❑ 4 FTEs approved in 2003
- ❑ Acquired from Bell in 2002
- ❑ Length of 911 calls has increased 6.4% from 2006 to 2007

Buttonville Airport

- ❑ Existing contract expires Dec. 31, 2010
- ❑ 2008 Budget \$220,000
- ❑ 2.8% annual increase

Corporate Services

- ❑ 4 FTEs have been approved as part of other departmental budgets
- ❑ 2 FTEs no tax levy impact – 1 funded from capital budget / 1 internal budget transfer
- ❑ 4 new FTEs;
 - ❑ Law Clerk – Legal Branch - Litigation support
 - ❑ Engineer Technical Projects– Property Services – To provide mechanical & electrical expertise
 - ❑ EEMS Systems Administrator - Property Services – To meet provincial reporting requirements
 - ❑ Space/Furniture Move Specialist – Property Services - To co-ordinate furniture procurement and office moves

Budget Summary

1. 2008 Gross operating expenditures of \$1.3B
2. 2008 Net operating expenditures of \$683.1M
3. Assessment Growth of \$18.4M or 2.8%
4. Proposed Net Tax Levy increase: 4.0%
 - . Regional Programs & Services 3.0%
 - . Capital Asset Replacement 1.0%
5. 2008 W/Ww Gross expenditures of \$213.0M
6. 2008 W/Ww Approved Rates:
 - . Water - 2.5% increase
 - . Wastewater - 10.0% increase

Recommendations

Forward the revised 2008 Operating Business Plan & Budget to Regional Council for approval on March 27, 2008



2008 Operating Business Plan & Budget

Presentation to Finance and
Administration Committee

March 6, 2008



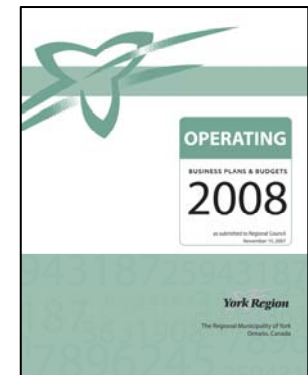


2008 Operating Budget

Presentation to Council Workshop

Bruce Macgregor,
Chief Armand La Barge &
Lloyd Russell

February 28, 2008



2008 Operating Budget

- ❑ Community Needs
- ❑ Long term infrastructure
- ❑ Reasonable tax levy increase

Services Provided by the Region

- ❑ Policing
- ❑ Public Transit Services
- ❑ Roads Maintenance & Infrastructure
- ❑ Social Services, Public Health and Long Term Care & Seniors programs

Services Provided by the Region

- ❑ Emergency Medical Services
- ❑ Waste Disposal & Diversion
- ❑ Water Supply and Wastewater Treatment

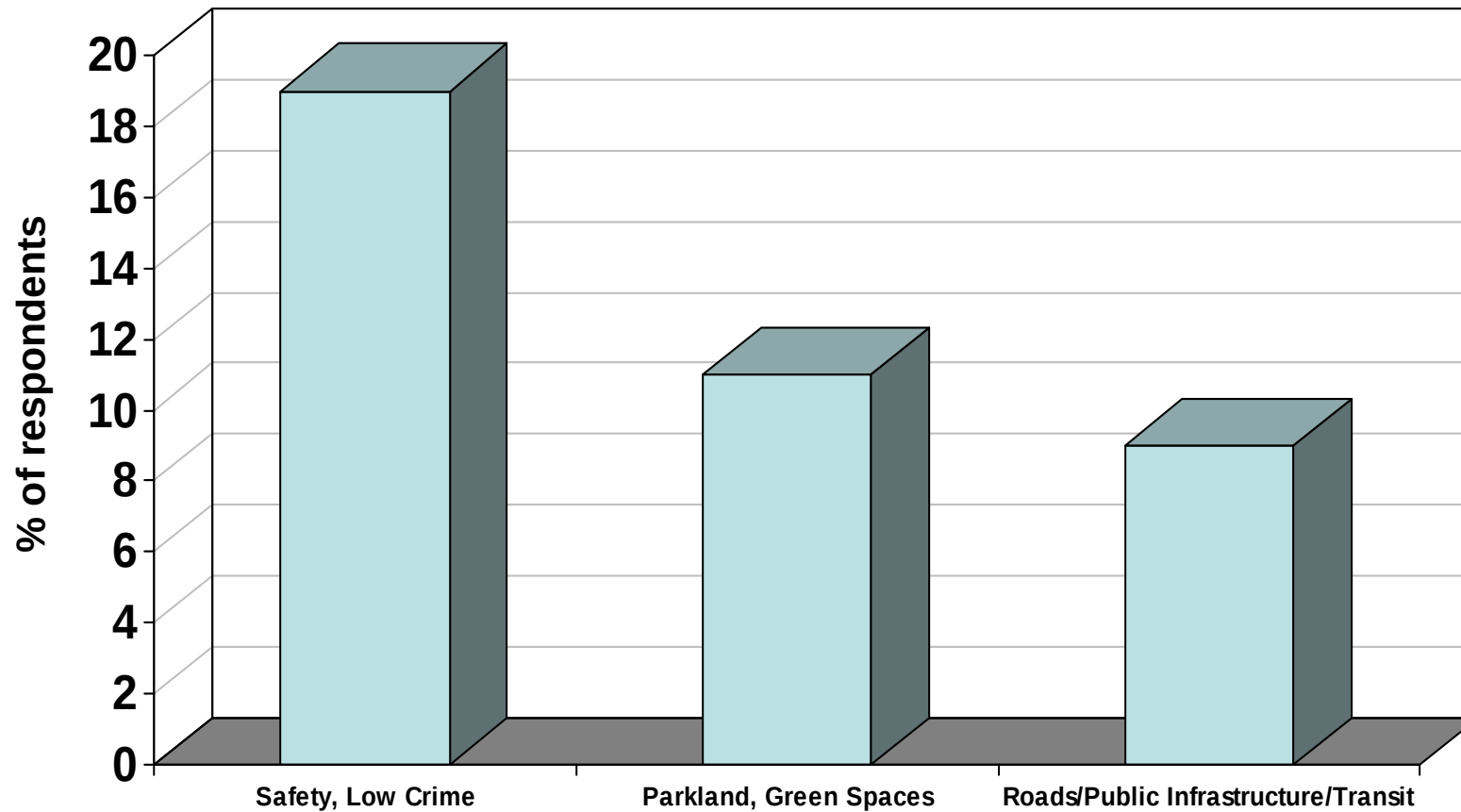
Regional Tax Levy

	Share of Increase		Total Cost to Average Homeowner
Police	2.6%		\$553
Transit	1.0%		\$253
Roads	1.3%		\$213
Community Services	0.8%		\$212
GTA Pooling	(2.0)%		\$182
Health Services	0.2%		\$133
Special Purpose Bodies	0.2%		\$133
Solid Waste	0.7%		\$88
Administration	0.2%		\$60
Financial Items	0.7%		\$50
Regional Planning	0.1%		\$18
Asset Replacement	1.0%		\$18
Assessment Growth	(2.8)%		
	4.0%		\$1,913

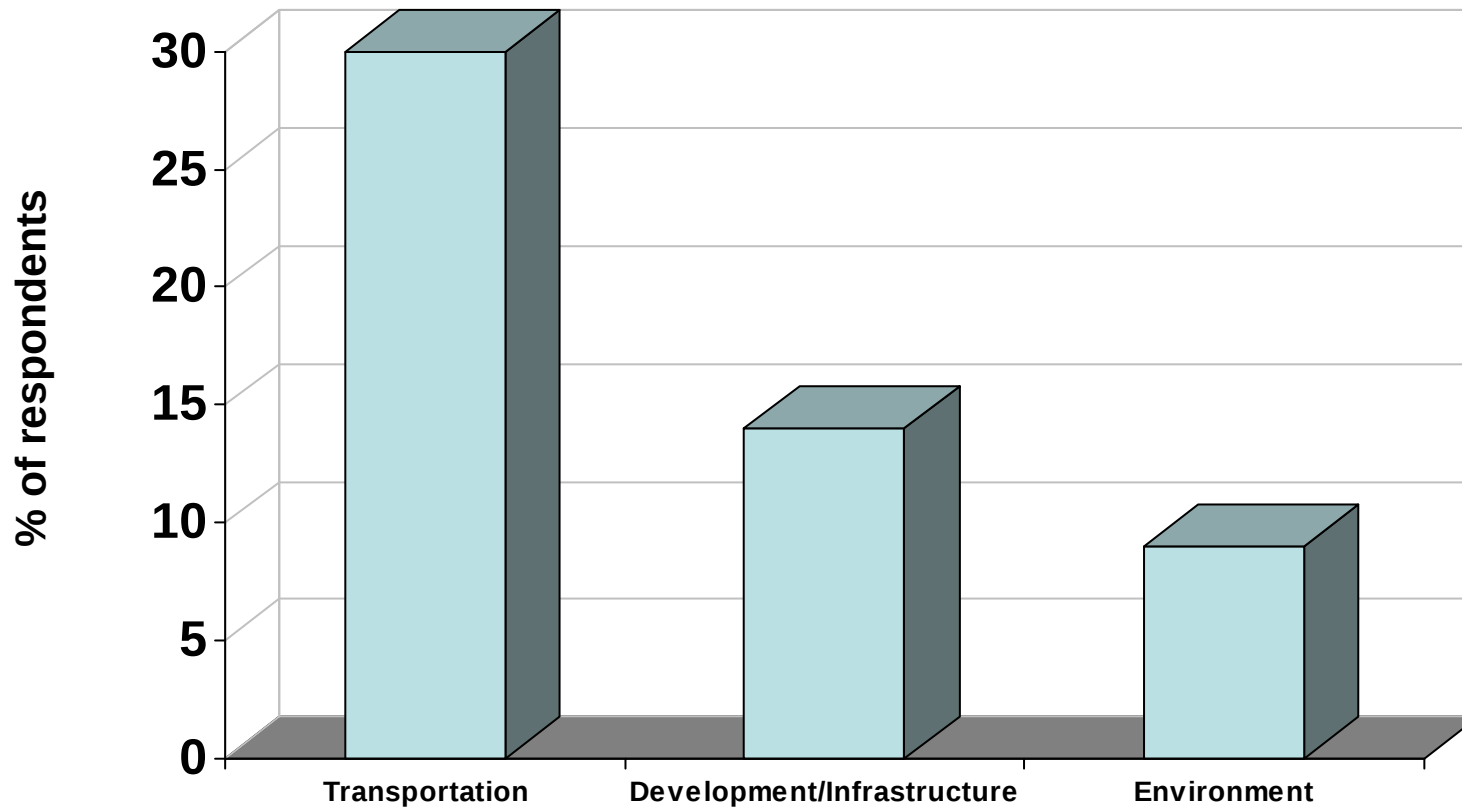
Economic Assumptions

- ❑ Construction Price Index 6.0%
- ❑ Electricity prices 6% – 9%
- ❑ Natural gas prices 8.5%
- ❑ Consumer Price Index 1.9%

Protecting What We Have



Resident and Employer Priorities



Other Regional Services

Bruce Macgregor, CAO
Lloyd Russell, Treasurer

Transit Services

<u>2007</u>	<u>2008</u>	<u>%</u>
\$83.4M	\$90.0M	7.9%

- ❑ 4.1% increase in Conventional & Viva service hours
 - ❑ Viva purple extension to Cornell
 - ❑ Services to new subdivisions in Richmond Hill, Markham, Vaughan, Newmarket and Stouffville
 - ❑ Corridor Improvements
 - ❑ GO fare integration in Georgina
- ❑ Fare enforcement
- ❑ Biodiesel
- ❑ Mobility services



Roads

<u>2007</u>	<u>2008</u>	<u>%</u>
\$65.7M	\$74.4M	13.2%

- ❑ 95 additional lane kms to be built & received for total of 3,441 lane kms
- ❑ Maintenance
- ❑ Contract price increases
- ❑ Increased Pay as You Go for new Roads



Road Construction/Acquisition Plan for 2008

Road KMs to be built	Lane KM	\$ M
Teston Rd., Weston to Jane	9	28.9
9th Line, Hwy 407 to Markham Bypass	7	15.6
Bathurst St, King to Wellington	12	14.0
Ravenshoe Rd., Prout Rd to Weirs Sdrd	12	12.0
Bathurst St., Wellington to Mulock	11	11.9
Hwy 427 Arterial Extension to Zenway Blvd.	4	9.2
Warden Ave., McPherson to Hwy 407	2	7.9
Teston Rd., Dufferin to Bathurst	6	7.1
Weston Rd., Major Mackenzie to Teston	4	7.1
Stouffville Rd., McCowan to Hwy 48	4	6.8
9th Line and Major Mackenzie Dr	int	5.1
Total	71	\$125.6

Lane Kilometres to be Received

Hwy 7, Markham Rd to Don Cousens Pkwy	20	\$120k
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Solid Waste Management

<u>2007</u>	<u>2008</u>	<u>%</u>
\$26.8M	\$31.6M	17.7%

Diversion v. Disposal

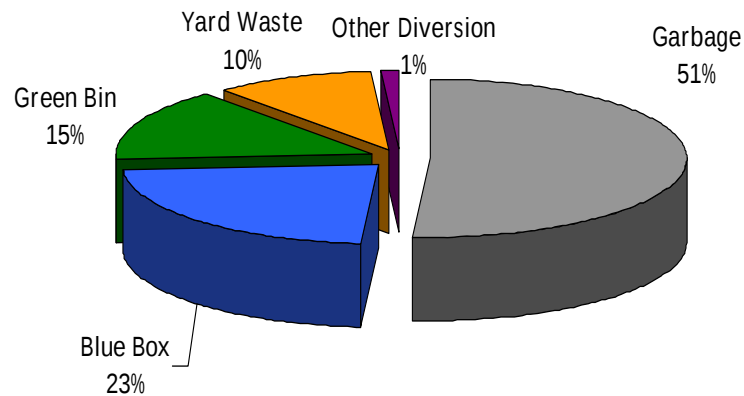
- ❑ Full year cost of Green Bin collection for Northern 6 municipalities
- ❑ 4% growth in Blue Box and Green Bin programs
- ❑ Community Environmental Center in Vaughan for public drop-off of reusable, recyclable and waste materials

Solid Waste Management

Cost Per Tonne Summary	2008 Budget		
	MT	Total	\$/MT
Residual Waste (with blue box residue)	168,232	\$ 15,801,720	\$ 94
Blue Box (with residue)	83,988	\$ 1,787,990	\$ 21
Yard Waste	28,029	\$ 1,906,218	\$ 68
Asian Long-horned Beetle	4,472	\$ 390,241	\$ 87
Household Hazardous Waste/Electronics	2,049	\$ 911,264	\$ 445
Source Separated Organics	74,694	\$ 12,066,248	\$ 162
GTS diversion/CEC V. Scrap Metal, Tires, other	2,925	\$ 559,076	\$ 191
Parks & Rec.		\$ 54,200	
Total	364,389	\$33,476,958	\$ 92

Solid Waste Diversion Rates

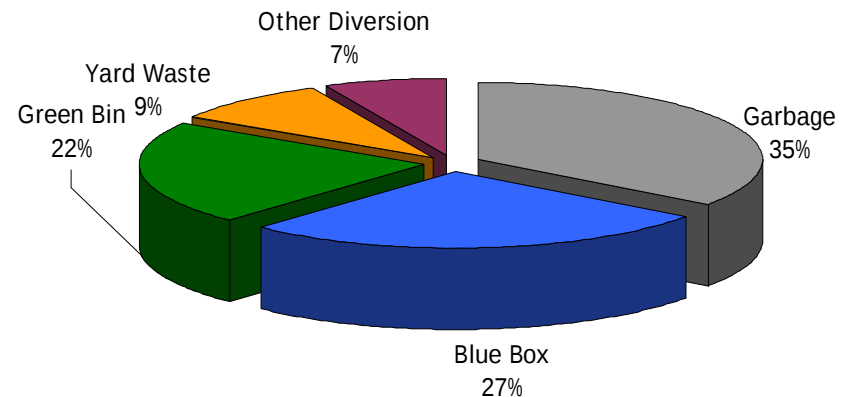
ESTIMATED WDO DIVERSION (2007) 49%



WDO Diversion Rate

2004	25%
2005	33%
2006	40%
2007	49%
2010	65%

DIVERSION GOAL (2010) 65%



Health Services

<u>2007</u>	<u>2008</u>	<u>%</u>
\$38.0M	\$39.0M	2.6%

- ❑ Long Term Care facilities - Operate Newmarket Health Centre and Maple Health Centre
- ❑ Emergency Medical Services – increasing service hours to the community by 4%; 14 new paramedics
- ❑ Increase service coverage for Markham, Richmond Hill, Newmarket and Georgina
- ❑ Responded to almost 66,000 patient call requests in 2007
- ❑ Provide a wide range of Public Health programs and services

Community Services & Housing

<u>2007</u>	<u>2008</u>	<u>%</u>
\$65.2M	\$70.7M	8.5%

- ❑ Fund and administer 6,529 social housing units owned and managed by community housing providers
- ❑ Provide homelessness prevention and support programs through New Homelessness Partnering Initiative
- ❑ Increased payments to Social Housing Providers as per Social Housing Reform Act
- ❑ Capital repairs for Social Housing Providers
- ❑ Provide subsidized child care spaces for 3,022 children
- ❑ Serve 1,278 children with special needs through Early Intervention Services
- ❑ Provide financial assistance to an average 5,025 individuals and families; 1,330 leave program for employment

Community Investment Funding

- ❑ Currently focused on 3 key areas – reaching 35,000 people every year in York Region
 - ❑ Community employment support programs
 - ❑ Homelessness prevention programs
 - ❑ Support to families & children
- ❑ Goal is to do more of the same, meet the increasingly complex and growing needs of the Region and expand to areas that we haven't had the opportunity to fund in the past
- ❑ Develop the organizational and service capacity of newer community agencies

Special Purpose Bodies

<u>2007</u>	<u>2008</u>	<u>%</u>
\$46.2M	\$47.7M	3.3%

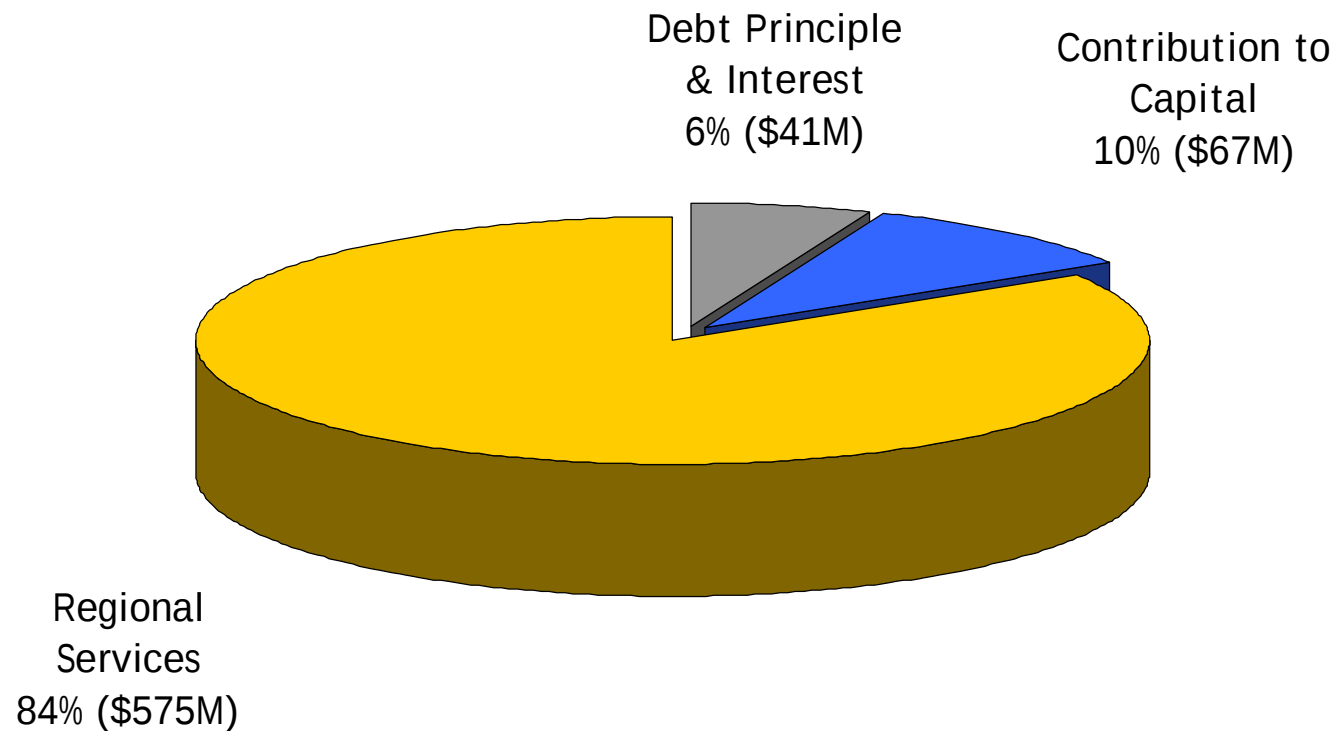
- ❑ Provincial Offences Court
- ❑ Ontario Disability Support Program
- ❑ Conservation Authorities
- ❑ Hospital Funding
- ❑ Municipal Property Assessment
- ❑ Boards & Authorities

Administrative Needs

<u>2007</u>	<u>2008</u>	<u>%</u>
\$46.6M	\$48.0M	3.0%

- ❑ Growth in Regional programs requires additional administration resources
- ❑ Administrative expenses include Finance, Corporate Services, C.A.O, and Chair & Council

Total Net Tax Levy \$683 Million



Financing Infrastructure Needs

Regional Debt Policy:

- ❑ Match term of financing to the useful life of the related asset
- ❑ Adhere to statutory requirements
- ❑ Ensure long-term financial flexibility
- ❑ Limit financial risk exposure
- ❑ Minimize long-term cost of financing

2008 Debt Financed Projects Tax levy

Major Projects:

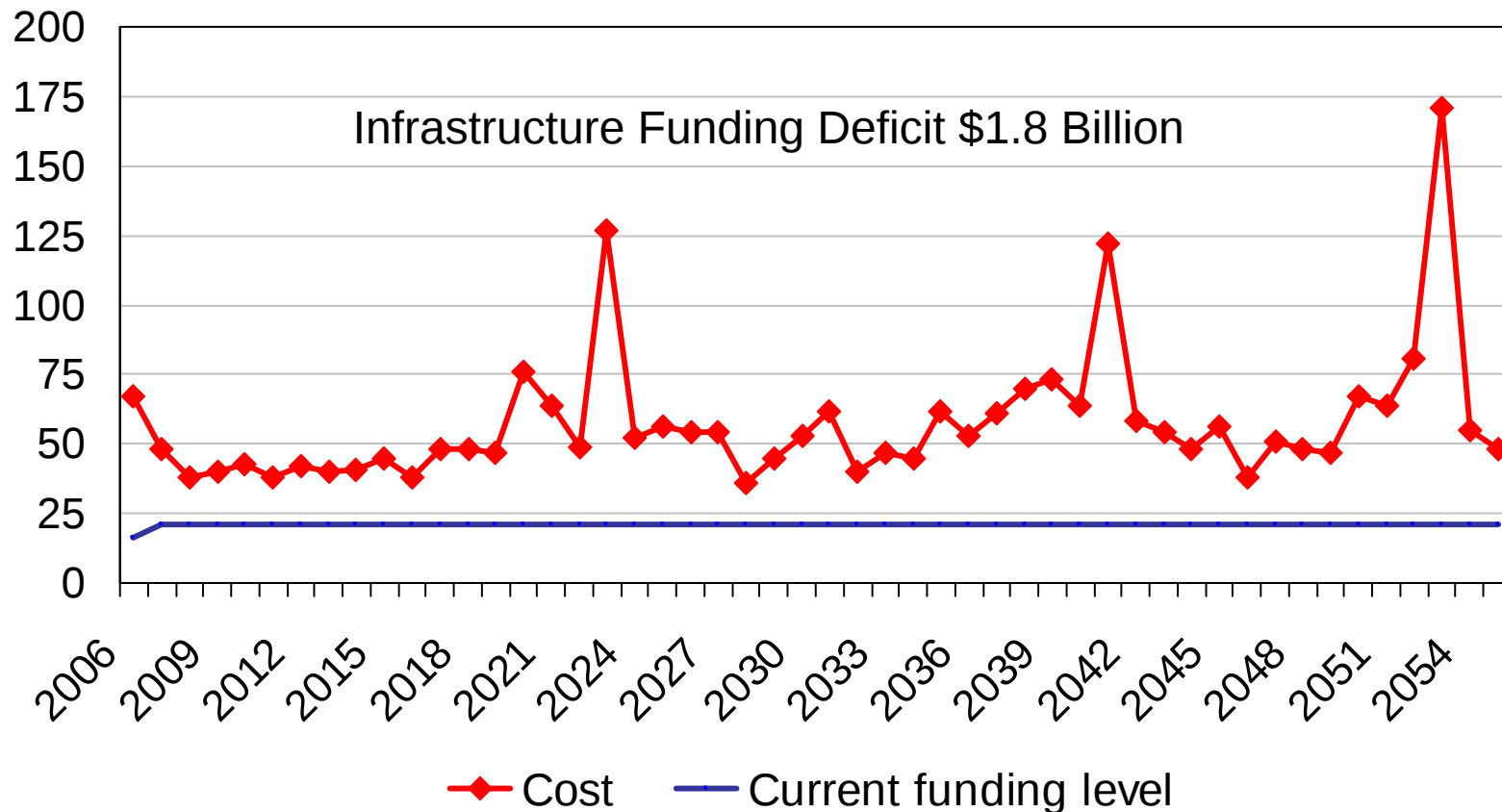
- ❑ YRT Vehicle Garages and buses (\$36.3 M)
- ❑ Rapid Transit Blue Phase II (\$5.7 M)
- ❑ Rapid Transit expansion vehicles (\$6.1 M)
- ❑ Solid Waste Facilities (\$5.0 M)
- ❑ York Region Police (\$4.5 M)

Tax Levy Debt Projections 2007 & 2008



Asset Replacement*

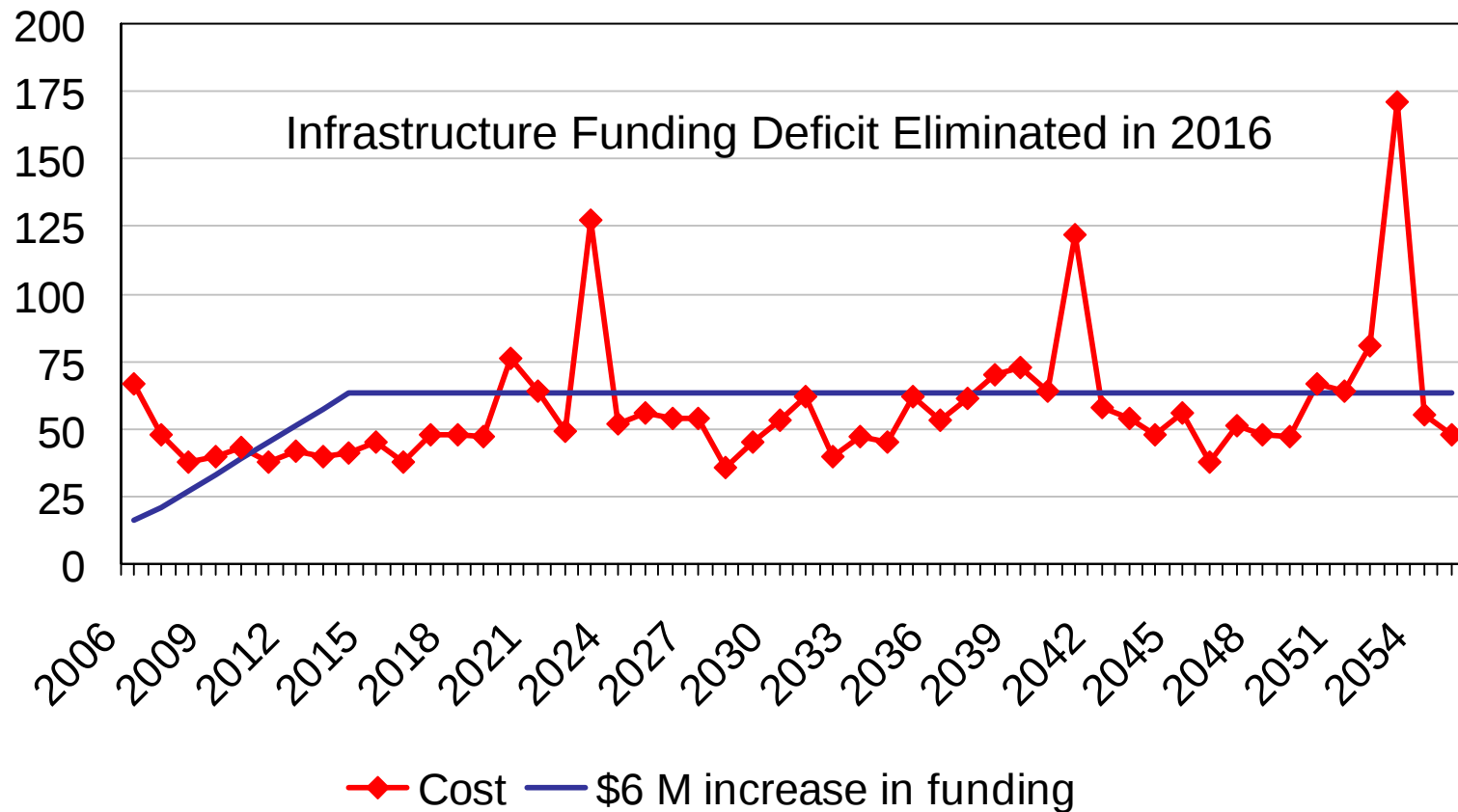
Current approved funding levels at \$21 Million



* All tax-supported assets except roadways

Asset Replacement 2*

Annual \$6 Million increase to 2014



* All tax-supported assets except roadways

GTA Pooling Background...

- ❑ Local Services Realignment [LSR] in 1998 created different results within GTA
- ❑ Toronto was downloaded more costs than education tax reductions
- ❑ GTA Regions were downloaded less costs than education tax reductions

...GTA Pooling Background

- ❑ In 1998, the Province mandated a formula to share social program costs within the GTA Region
- ❑ March 2007 Province announces Phase Out of GTA Pooling

GTA Pooling – Outlook Years

- ❑ \$6.5M - 2007 allocate to Debt Reduction
- ❑ \$13M annual reductions in 2008-2013
- ❑ Consider policy to continue future allocations to Debt Reduction
- ❑ \$ subject to confirmation based on receipt of Provincial budget details

Utilization of Pooling Savings

- ❑ The Region levies taxes to pay for pooling costs
- ❑ As pooling costs are phased out, the Pooling line item in Regional budget is reduced
 - ❑ 2008 pooling cost reduction is \$13.2 M
 - ❑ This represents a savings to the taxpayer, as total tax levy is reduced by \$13.2 M

GTA Pooling – Planned Phase-out

	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 \$ Millions								

Budget Pressures

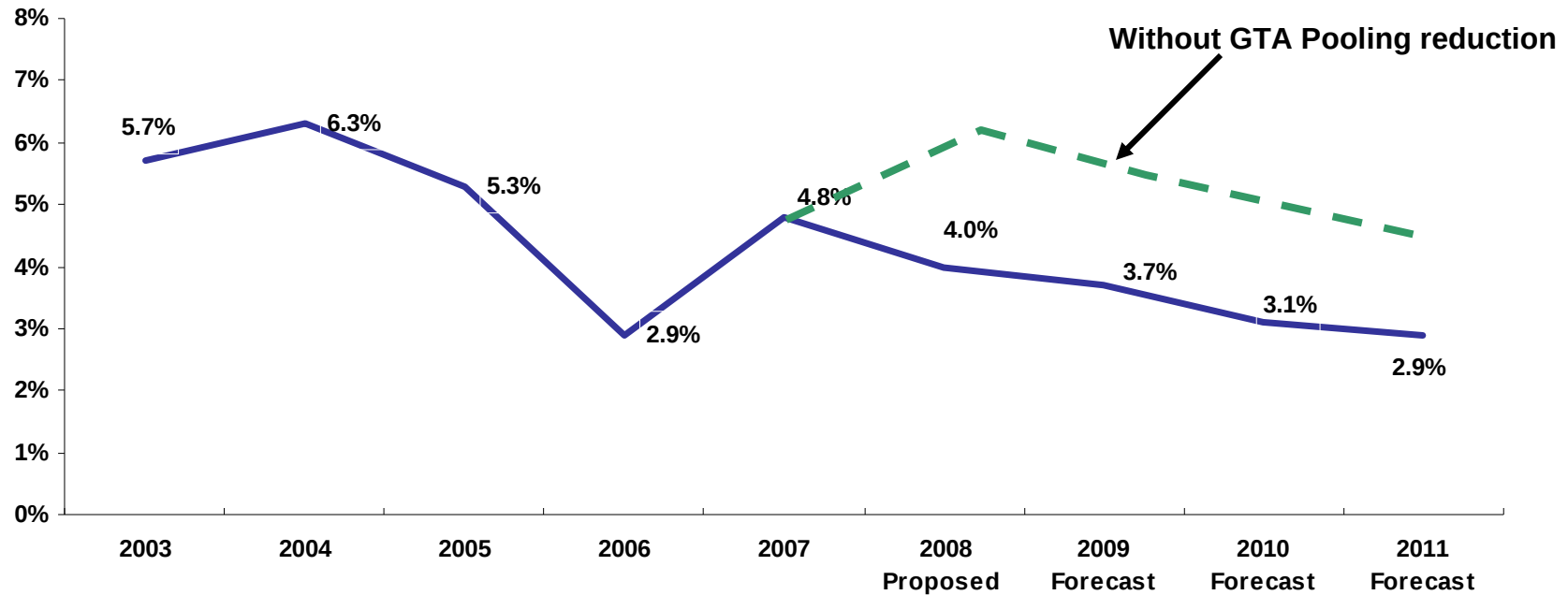
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Enhancements \$19.4 Million

Pay as You Go Capital Contribution	\$4.6	0.7 %
Additional Roads Capital Funding	\$3.3	0.5 %
Capital Asset Replacement	\$6.6	1.0 %
Community Investment Funding	\$2.0	0.3 %
Police	\$1.6	0.2 %
Community Environmental Center	\$0.6	0.1 %
Corporate Support	\$0.3	0.05 %
Transit Bio Diesel conversion	\$0.2	0.03 %
911 Call Takers	\$0.2	0.03 %
	\$19.4 M	2.9 %

Tax Levy Forecast 2009-2011

Increase in Tax Levy After Assessment Growth



2008 Submitted Operating Budget

- ❑ \$1.3 Billion Gross Operating Budget
- ❑ \$683 Million Net Operating Budget
- ❑ Assessment Growth of \$18 Million
- ❑ Net Tax Levy increase of 4.0%
- ❑ Population expected to reach 1 Million
- ❑ The impact for the average residential property assessed at \$371,070 is \$73

Regional Tax Levy

	Share of Increase		Total Cost to Average Homeowner
Police	2.6%		\$553
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Discussion