1
2011 CAPITAL AND OPERATING BUDGETS

The Finance and Administration Committee recommends:

1. **Receipt of the communication dated February 24, 2011 from Mafalda Avellino, Executive Director, The Regional Municipality of York Police Services Board, forwarding a resolution adopted by the York Police Services Board at its meeting regarding transfer of the York Region Police surplus to the sick leave reserve, and referral of this communication to the Commissioner of Finance for a report to the Committee.**

2. **Receipt of the presentation from Lloyd Russell, Commissioner of Finance and Kelly Strueby, Director, Business Planning and Budgets.**

3. **Adoption of recommendation 1 in the report from the Commissioner of Finance as amended to include the additional funding referred to in Committee recommendations 4 and 6 below.**

4. **Adoption of recommendation 3 in the report from the Commissioner of Finance as amended to include the word "all" in front of "other partners" in recommendation 3a.**

5. **Adoption of recommendations 4 and 5 in the report from the Commissioner of Finance.**

6. **Reinstatement of funding in the amount of $259,000 allocated for the positions of Superintendent – Pavement Marking and two Maintenance Workers – Nuisance Signs to the Transportation Services 2011 Operating Budget, with the Commissioner of Transportation Services to provide a further report to Transportation Services Committee on the three proposed positions and delivery mechanisms for pavement marking and nuisance sign removal.**

7. **Review of the inclusion of full year costs for proposed York Regional Police staff and increasing the tax levy by 1% for debt reduction as part of the 2012 budget process.**

1. RECOMMENDATIONS

It is recommended that the Finance and Administration Committee:

1. Approve the updated 2011 capital and operating budgets as shown on *Attachments 1* and *2* which have been revised to reflect amendments from Standing Committees.

2. Give consideration to items 1 to 3 as outlined in the Analysis and Options section of this report.

3. Support the Toronto Region Conservation Authority's funding request for new office space subject to:
   a) The funding being provided in a manner consistent with other partners.
   b) York Region receiving either a credit for the relative contribution towards the costs of a new building or a refund of the contribution made, should the building subsequently be sold.

4. Authorize the Commissioner of Finance and Treasurer to:
   a) Obtain temporary financing where necessary and to issue long term debt financing for the projects up to the amounts outlined in *Attachment 3* in accordance with the Capital Financing and Debt Policy, subject to either the Region meeting its Annual Repayment Limit in the year of issue, or obtaining any other required approvals from the Province or the Ontario Municipal Board.
   b) Prepare and submit any application(s) to the Ontario Municipal Board for any or all of the long term financing requirements associated with the projects outlined in *Attachment 3*, if necessary.
   c) Enter into bond forward agreements for up to 75% of the debt financing to reduce interest rate exposure where economic benefits could be achieved.
   d) Make any necessary adjustments, within the total approved budget, to reflect organizational changes, adjustments and any other reallocation of costs.

5. Endorse the attached resolution as required under Ontario Regulation 284/09 (see *Attachment 5*) for Council's approval on March 24, 2011.

2. PURPOSE

This report presents the 2011 Regional Capital and Operating Business Plan and Budget as recommended by the Standing Committees and seeks recommendation by the Finance and Administration Committee for consideration and adoption by Regional Council on March 24, 2011.

This report also responds to Ontario Regulation 284/09 which requires that the 2011 budget be provided in the Public Sector Accounting Board (PSAB) 3150 format prior to approval of the 2011 budget.

3. BACKGROUND

2011 Regional Budget was developed over the past several months

The Region's budget was developed over the past several months, with the timeline for budget development and approval as follows:

- Departmental submissions - October 2010
- CAO, Treasurer and Chair reviews - October/November 2010
- Draft capital and operating budgets tabled at Regional Council - January 27, 2011
- Standing Committee Reviews - February 2011
- Consolidated 2011 Business Plan and Budget to Finance and Administration Committee - March 3, 2010
- Approval by Regional Council - March 24, 2011

Proposed 2011 capital and operating budget was tabled at Regional Council on January 27, 2011 with a proposed net tax levy increase of 1.9%

The proposed 2011 Capital and Operating Business Plan and Budget presented at Regional Council on January 27, 2011 reflected a net tax levy increase of 1.9% after assessment growth of 3.1%.

Standing Committees reviewed the proposed 2011 capital and operating budgets in February 2011

Throughout the month of February 2011, Standing Committees reviewed and made recommendations on the draft budgets. Table 1 summarizes the results of Standing Committee reviews.

Table 1
Outcome of Budget Reviews by Standing Committees

Committee	Date	Department	Outcome
Transportation Services	Feb. 2	Roads York Regional Transit	Recommended with amendments
Planning and Development Services	Feb. 2	Planning and Development Services	Recommended as submitted
Finance & Administration	Feb. 3	Finance &IT	Recommended with amendments
		Office of the CAO, Office of the Regional Chair, Court Services, GTA Pooling, Hospital Funding, Financial Items	Recommended as submitted
		York Regional Police	Recommended as submitted
		Conservation Authorities	TRCA recommended as submitted LSRCA recommended with amendments
		Corporate Services	Recommended as submitted
Rapid Transit Board	Feb. 3	YRRTC	Recommended with amendments
Community and Health Services	Feb. 9	Emergency Medical Services, Long Term Care, Public Health, Employment & Financial Support, Family & Children's Services, Program Support Services, Housing Services, Strategic Services Integration and Policy	Recommended as submitted*
Environmental Services	Feb. 9	Water and Wastewater Services, Solid Waste Management	Recommended as submitted

* The Housing Services 2011 new Total Project Budget Authority Financing Sources (page 351) in the draft capital budget document was revised in the Community and Health Services Committee meeting on February 9, 2011.

Transportation Services Committee amended the proposed 2011 operating budget as it was presented

The Transportation Services Committee recommended the 2011 proposed operating budget subject to the following proposed staff positions being removed, for a total reduction of $345,000:

- 1 Superintendent – Pavement marking ($114,000)
- 2 Maintenance Workers – Nuisance Signs ($145,000)
- 1 TMS Support – Presto ($86,000)

Rapid Transit Board amended the proposed 2011 10 year capital plan

An adjustment for Bus Rapid Transit Facilities and Terminals which were overstated by $13.2 million was incorporated in the York Region Rapid Transit Corporation committee report of February 3, 2011. This adjustment was approved by the YRRTC Board.

The Rapid Transit board also recommended a further amendment to reduce the Capital Budget by $5 million to reflect the revised cost of the Viva/Subway Interface at Vaughan Metropolitan Centre.

Finance and Administration Committee amended the proposed 2011 operating budget as it was presented for Lake Simcoe Region Conservation Authority and Finance & Information Technology

Committee approved additional funding for the Lake Simcoe Region Conservation Authority in the amounts of $59,000 to provide for cost of living adjustments and step increases plus $25,000 for legal costs. This additional funding was approved subject to all other funding partners agreeing to pay their related share of these costs.

The Commissioner of Finance is to report to the Committee prior to staffing the positions of Portal Project Manager and Business Operation Analyst, which have been included in the recommended 2011 operating budget.

The 2011 capital and operating budget has been revised to reflect amendments from Standing Committees

After adjusting to reflect the amendments recommended by standing committees, the total preliminary 2011 net tax levy increase after assessment growth still remains at 1.9%, since the adjustments have minimal impact on net expenditures. *Attachment 1* provides a summary of the 2011 net tax levy budget, which has been revised to include these adjustments. Please note that items for which staff was directed to report back to the March 3, 2011 Finance and Administration Committee (as outlined in section 4 of this report) are not reflected in these figures.

Attachment 2 summarizes the revised capital budget, outlining the 2011 New Total Project Budget Authority by service area and associated funding sources. *Attachment 3* details the associated debt financing at the project level.

4. ANALYSIS AND OPTIONS

Finance and Administration Committee requested staff to report back on three items

At the February 3, Finance and Administration Committee, the Commissioner of Finance was requested to report back to the Committee's March 3, 2011 meeting on three issues:

1. Implications of providing the full annual salaries and benefits for new Police Services staff in the annual budget.
2. Report back to Committee regarding negotiating the Toronto and Region Conservation Authority's request for funding for new office space in a manner that is most beneficial to York Region and that would include an ownership interest.
3. A proposal to increase the tax levy by 1% and apply the proceeds to debt reduction, with the report to address the impact of debt reduction in the long term.

Further information on each of these items is provided below.

INCLUDING FULL YEAR COSTS FOR PROPOSED YORK REGIONAL POLICE STAFF WOULD INCREASE THE 2011 OPERATING BUDGET BY $1.0 M

At its meeting on February 3, 2011, the Finance and Administration Committee requested further information on amending the current approach of budgeting for new Police Services staff based on the date when new staff will be hired during the year and consider budgeting new staff for a full year. Budgeting new staff for a full year is consistent with the approach taken for new Regional staff.

The full year cost for the 38 new hires (sworn and civilian) contained in the York Regional Police budget would be $1.0 m higher than currently included in the budget.

Table 2 summarizes the total impact of budgeting for new police staff as has been the practice since 2005.

Table 2
Budgeting for York Regional Police New Staff Costs – current approach
$000s

	2011	2012	2013	2014
Existing approach	$1,570	$2,038	$2,115	$2,123
Annualized impact	$1,903*	$ 974	$1,292	$1,331
Total Impact	$3,473	$3,012	$3,407	$3,454
New FTEs	38	46	46	45

* Annualization of 2010 new FTEs included in 2011 operating budget

Table 3 summarizes the total impact of budgeting for new FTEs based on full year costs. The impact in 2011 includes the annualized impact of 2010 new staff that was budgeted for part of the year in 2010.

Table 3
Budgeting for York Regional Police New Staff Costs – full year approach
$000s

	2011	2012	2013	2014
Full year cost approach	$2,544	$3,330	$3,446	$3,463
Annualized impact	$1,903*	-	-	-
Total Impact	$4,447	$3,330	$3,446	$3,463
New FTEs	38	46	46	45

Comparison of Tables 2 and 3 illustrates that the outlook years remain relatively unaffected.

The Ontario Association of Chiefs of Police (OACP) Finance and Administration Committee has recognized the approach that York Regional Police has taken of budgeting costs for new staff in the year the costs are incurred as a best practice. OACP has recognized the benefit of affordability outweighs the conservative approach of budgeting at full costs for new staff.

THE REGION IS WORKING WITH THE TORONTO REGION CONSERVATION AUTHORITY TO NEGOTIATE FUNDING FOR NEW OFFICE SPACE

At its February 3, 2011 meeting, Finance and Administration Committee directed that the Commissioner of Finance and Regional staff negotiate the Toronto and Region Conservation Authority’s (TRCA’s) request for funding for new office space in a manner that is most beneficial to York Region and that would include an ownership interest and report back to the Committee's meeting of March 3, 2011.

Negotiations are currently underway. The TRCA continues to explore options regarding a new building and is in discussions with funding partners including York Region. The Region will want to ensure that the funding provided is consistent with other municipal funders. It is recommended that the Region agree to provide its share in a manner consistent with other partners and that if the building should subsequently be sold, York Region would either receive a credit for the relative contribution towards the costs of a new building or a refund of the contribution made.

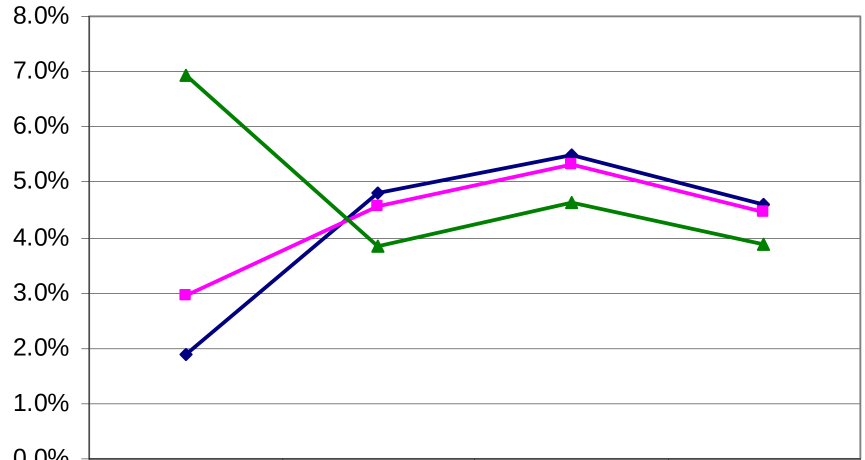
Staff will continue to work with TRCA in accordance with the direction received by Finance and Administration Committee. A verbal update will be provided at the March 3, 2011 Finance and Administration Committee meeting.

INCREASING THE TAX LEVY BY 1% WOULD SAVE APPROXIMATELY $1 MILLION IN DEBT REPAYMENT COSTS PER YEAR

At its meeting of February 3, 2011, the Finance and Administration Committee requested that the Commissioner of Finance provide information to the March 3, 2011 meeting on the impact of allocating an additional 1% of tax levy for debt reduction.

An analysis was undertaken to respond to this request. Figure 1 below illustrates the impact on future tax levy requirements resulting from applying an additional 1% of tax levy on an annual basis to reduce debt requirements. Also shown for comparative purposes is the impact of increasing tax levy by 5% to reduce debt requirements.

Figure 1
Increase in Net Tax Levy (After Assessment Growth)
Current Forecast vs. Additional Tax Levy for Debt Reduction



	2011	2012	2013	2014
Current Forecast	1.9%	4.8%	5.5%	4.6%
With additional 1% of tax levy for debt reduction	2.9%	4.6%	5.3%	4.5%
With additional 5% of tax levy for debt reduction	6.9%	3.8%	4.7%	3.9%

Every $7.5 million (equivalent to 1% of the 2010 Regional tax levy) of debt not issued saves the Region approximately $1 million in annual principal and interest repayment costs. This is based on 10 year debt at an interest rate of 6%. The rate of 6% used for this analysis, while higher than current borrowing costs, is a conservative forecast that anticipates potential higher interest costs in future years.

Investing an additional $7.5 million of tax levy has an eight year payback. In other words, the savings of principal and interest repayments would offset the $7.5 million increase in tax levy by year 8 after the initial contribution to debt repayment.

Table 4 provides the annual savings in debt repayment costs from 2011-2020 that would result from an increased tax levy contribution for debt reduction. For comparative purposes, the impact of tax levy increases ranging from 1% to 5% are shown below.

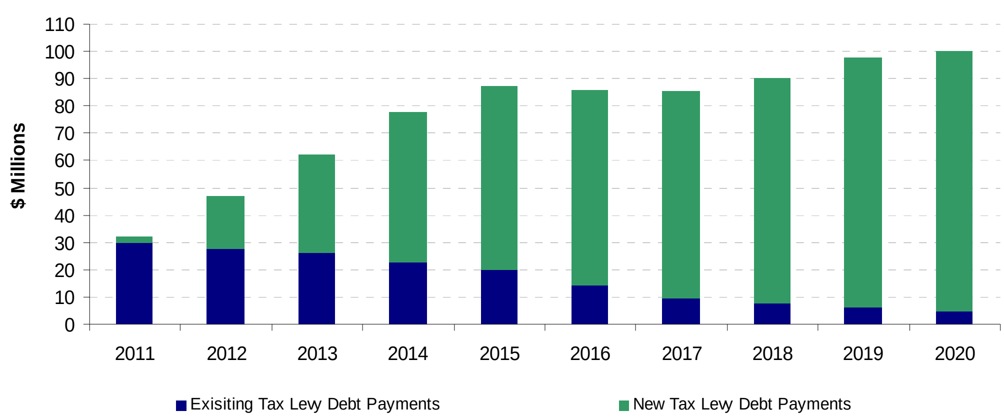
Table 4
Impact of Increasing Tax Levy to Reduce Debt

Year	Tax Levy Increase of:				
	1%	2%	3%	4%	5%
Reduction in Future Debt Repayment Costs ($ m)					
2011	$0.0	$0.0	$0.0	$0.0	$0.0
2012	1.0	2.0	3.1	4.1	5.1
2013	2.0	4.1	6.1	8.2	10.2
2014	3.1	6.1	9.2	12.3	15.3
2015	4.1	8.2	12.3	16.3	20.4
2016	5.1	10.2	15.3	20.4	25.5
2017	6.1	12.3	18.4	24.5	30.6
2018	7.1	14.3	21.4	28.6	35.7
2019	8.2	16.3	24.5	32.7	40.8
2020	9.2	18.4	27.6	36.8	45.9
Total 2011-2020	**$45.9**	**$91.9**	**$137.8**	**$183.8**	**$229.7**
Reduction in Debt Requirements ($ m)					
2015	$38	$75	$113	$150	$188
2020	$75	$150	$225	$300	$375

Table 4 also shows the cumulative reduction in total debt requirements by 2015 and 2020 under each of the five scenarios.

Figure 2 shows the annual tax levy debt principal and interest repayment costs for debt that has already been issued. Over the next ten years, the amount of annual repayment costs for debt that has already been issued will decrease as debt obligations are paid off. Figure 2 also shows the amount of debt repayment cost associated with new projects for which tax levy debt will be issued over the next 10 years.

Figure 2
Tax Levy Debt Repayment 2011-2020



The figures shown above reflect anticipated debt requirements as per the 2011 Ten Year Capital Plan. It should be noted that there may be opportunities to utilize other funding sources to mitigate future debt requirements. For example, the capital asset replacement reserve could be used to fund some of the future bus replacement costs, instead of issuing tax levy debt. This would reduce the amount of debt repayment shown on Figure 2. Furthermore, as the timing of capital infrastructure needs is revisited in the annual capital budget process, the timing of future debt repayment requirements could differ from that shown here especially in the latter part of the forecast period.

Attachment 4 provides a listing of major projects that are proposed to be funded by tax levy debt from 2011 to 2015. Should Committee approve an increase in tax levy for debt repayment, debt for some of the projects that are outlined on these schedules would not need to be issued.

For capital budget, the total debt financing for 2011 Total Project Budget Authority is $2.1 billion

In 2010, the need to approve multi-year budget commitments was identified and incorporated into the budget process. This approach is referred to as Total Project Budget Authority (TPBA). The 2011 request includes increases over the approved 2010 TPBA, along with any new projects introduced in 2011 that require a commitment to expenditures in 2011 and in future years.

Ontario Regulation 284/09 requires the 2011 budget be provided in Public Sector Accounting Board 3150 format prior to budget approval

In addition to presenting the results of standing committee reviews in order to finalize the 2011 budget, this report also responds to an additional requirement under Ontario Regulation 284/09. While preparing budgets on an accrual accounting basis as per PSAB 3150 is not required, Ontario Regulation 284/09 requires municipalities to report on whether they are budgeting for amortization expenses, post employment benefit expenses and solid waste landfill closure and post-closure expenses. The regulation also requires that this report be prepared prior to adopting the budget for that year.

The proposed 2011 Budget excluded the following expenses:

1. The budget did not include expenses for the amortization of its tangible capital asset in the sum of $137.7 million. However, the budget does include reserve contributions of $41.9 million for capital asset replacement.
2. The budget does not contain the current years post employment benefit expense for early retirement, accrued sick leave, vacation, WSIB and long term disability totalling $106.2 million for employees that are eligible for these benefits.
3. The Region does not have a landfill site and therefore is not subject to solid waste landfill closure and post-closure expenses.

The above items, should they have been included in the 2011 budget, would decrease the operating surplus.

The inclusion of a contribution to capital asset replacement program in the 2011 budget will help to ensure that the Region’s tangible capital assets are being replaced in a timely manner without large fluctuations in the tax rate or the issuance of high amount of debt.

Attachment 5 illustrates what the 2011 budget would look like in PSAB 3150 format.

5. FINANCIAL IMPLICATIONS

Recommendations on items requiring further consideration at the March 3, 2011 Finance and Administration Committee are required to finalize the 2011 budget and associated tax levy implications.

Debt financing of $2.1 billion is required to support the 2011 Total Project Budget Authority for capital

Debt financing as detailed in *Attachment 3* includes $389.9 million for projects being approved as part of the 2011 budget. Approval is also required for debt financing of $1,700.8 million related to projects approved in previous years. The 2011 TPBA debt financing requirement sums to $2,090.7 million.

Bond Forward Rate Agreements are recommended for flexibility

The Region's Capital Financing and Debt Policy as approved by Council in June 2006 authorizes the use of bond forward agreements to reduce interest rate risk exposure relating to the issuance of debentures. A bond forward agreement is a financial contract between the Region and an approved financial institution (typically a Schedule 1 bank) that allows the Region to substantially fix the interest rate of a prospective debenture issue in advance of the issue date. While debentures are still issued to the market at prevailing rates, payments resulting from the forward rate agreement are received from or made to the financial institution effectively fixing the cost at the interest rate negotiated. By entering into bond forward agreements for up to 75% of the debt financing, this reduces interest rate exposure where economic benefits could be achieved.

6. LOCAL MUNICIPAL IMPACT

The Region provides essential services and capital infrastructure for the residents and businesses in all local municipalities within York Region. The 2011 Business Plan and Budget endeavours to meet growing demands for service with reasonable tax levy requirements and sustainable multi-year capital investment.

7. CONCLUSION

This report provides the results of Standing Committee reviews and related recommendations regarding the 2011 budget. In addition, this report outlines those items requiring further consideration by the Finance and Administration Committee and provides further information where directed by Committees.

For more information on this report, please contact Kelly Strueby, Director Business Planning and Budgets at Ext. 1611.

(The five attachments referred to in this clause are attached to this report.)

A.

COMMUNICATION

Regional Municipality of York Police Services Board

17250 Yonge Street, Newmarket, Ontario Canada L3Y 4W5
905-895-1231 or Toll Free: 1-877-464-9675 Ext. 7906
Fax: 905-895-5249 Web Site: www.yrpsb.ca

To Make a Difference in Our Community

February 24, 2011

Mr. Denis Kelly
Regional Clerk
The Regional Municipality of York
17250 Yonge Street
Newmarket, Ontario
L3Y 6Z1

Dear Mr. Kelly:

At its meeting on February 23, 2011, the Regional Municipality of York Police Services Board adopted the following resolution:

1. That the York Regional Police surplus be transferred to the sick leave reserve subject to the approval of Regional Council.

Therefore, on behalf of the Police Services Board, I request that you forward the Board's resolution to Regional Council through the Finance and Administration Committee.

Yours truly,

Mafalda Avellino
Executive Director

2011 Capital and Operating Budgets

Presentation to Finance and Administration Committee

Lloyd Russell and Kelly Strueby

March 3, 2011

Agenda

1. Results of Committee reviews
2. Report back on items as per Feb 3 F&A Committee
   - Police Gapping
   - TRCA building
   - Debt reduction
3. Ontario Regulation 284/09 required disclosure
4. Authority to issue debt
5. 2011 Budget service highlights
6. Next steps

2011 Budget tabled at Regional Council on January 27, 2011

- 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

Standing Committees reviewed budgets in February

Committee	Date	Department	Outcome
Transportation Services	Feb. 2	Roads York Regional Transit	Recommended with amendments
Planning & Development Services	Feb. 2	Planning & Development Services	Recommended as submitted
Finance & Administration	Feb. 3	Finance & IT	Recommended with amendments
		Office of the CAO, Office of the Regional Chair, Court Services, GTA Pooling, Hospital Funding, Financial Items	Recommended as submitted
		York Regional Police	Recommended as submitted
		Conservation Authorities	TRCA recommended as submitted LSRCA recommended with amendments
		Corporate Services	Recommended as submitted

Standing Committees reviewed budgets in February (cont'd)

Committee	Date	Department	Outcome
Rapid Transit Board	Feb. 3	YRRTC	Recommended with amendments
Community & Health Services	Feb. 9	Emergency Medical Services, Long Term Care, Public Health, Employment & Financial Support, Family & Children's Services, Program Support Services, Housing Services, Strategic Services Integration & Policy	Recommended as submitted*
Environmental Services	Feb. 9	Water & Wastewater Services, Solid Waste Management	Recommended as submitted

* With administrative revision to Housing Services 2011 new TPBA Financing Sources

Tax levy increase remains at 1.9% after Standing Committee Reviews

Operating Budget	$000s	% Tax Levy Increase
Net Expenditures* As per tabled budget Jan 27, 2011	$766,338	1.94%
Changes from Standing Committees		
Transportation Services Staffing:		
Pavement Marking (1 FTE)	(114)	
Nuisance Signs (2 FTEs)	(145)	
Presto (1 FTE)	(86)	
LSRCA:		
COLA and step increases	59	
Legal costs	25	
Net Expenditures* As at March 3, 2011	$766,077	1.91%

* After assessment growth

Standing Committees approved revisions to capital budget

Capital Budget	TPBA ($ millions)
Capital Budget as per tabled budget Jan 27, 2011	$916.8
Changes from Standing Committees	
Rapid Transit Board:	
BRT Facilities and Terminals	(13.2)
Viva/Subway Interface Vaughan Metropolitan Centre	(5.0)
Capital Budget as at March 3, 2011	$898.6

Further information was requested on three items

Follow up from February 3 F&A Committee:

1. Full year salaries & benefits for new YRP staff
2. TRCA's funding request for new office space
3. Proposal to increase tax levy by 1% for debt reduction

Full year costs for YRP staff would increase 2011 budget by $1 million

Existing Approach	2011	2012	2013	2014
Cost of new FTEs	$1,570	$2,038	$2,115	$2,123
Annualized impact	$1,903*	$ 974	$1,292	$1,331
Total Impact	$3,473	$3,012	$3,407	$3,454
New FTEs	38	46	46	45

Full Year approach	2011	2012	2013	2014
Cost of New FTEs	$2,544	$3,330	$3,446	$3,463
Annualized impact	$1,903*	-	-	-
Total Impact	$4,447	$3,330	$3,446	$3,463

* Annualization of 2010 new FTEs included in 2011 operating budget

Regional staff are working with TRCA to negotiate support for new office building

- F&A directed Commissioner of Finance and Regional staff negotiate the TRCA's request for funding for new office space:
  - in a manner that is most beneficial to York Region
  - that would include an ownership interest
- TRCA is still in discussions with funding partners
- Region's share is $2.755 m (20% of $14 m total cost)

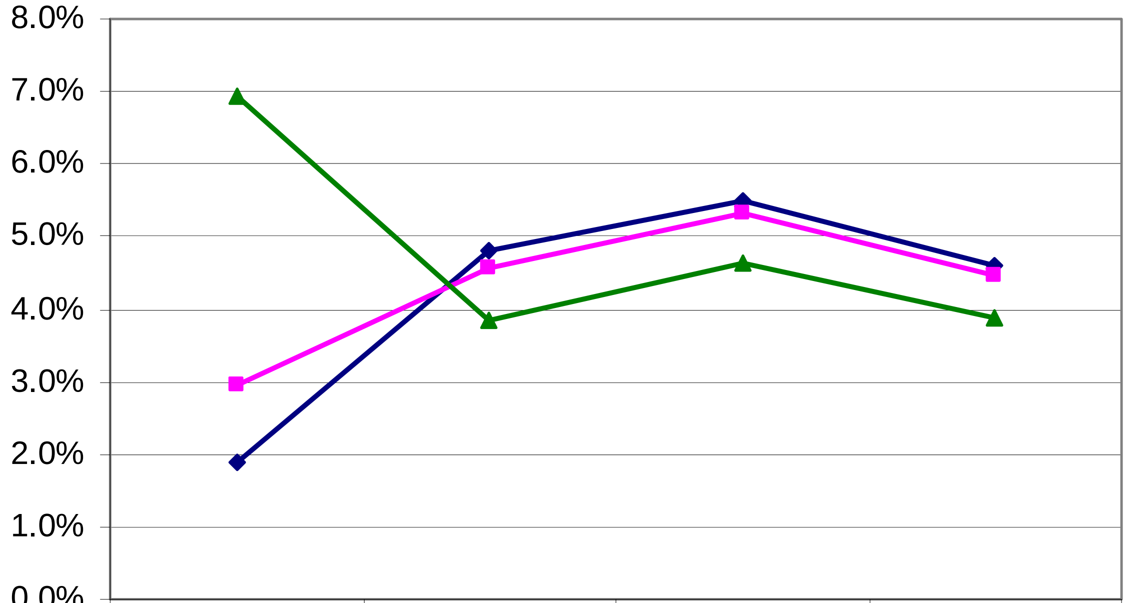
Support for TCRA office building is conditionally recommended

- Recommend supporting this request subject to:
  - Funding being provided in a manner consistent with other partners
  - Should the building subsequently be sold, York Region receiving either a credit for the relative contribution towards the cost of a new building or a refund of the contribution made
- Funding could be one time or on an annual basis for 10 years ($275 k annually)

Tax levy increase of 1% saves approximately $1 million in annual debt repayment costs

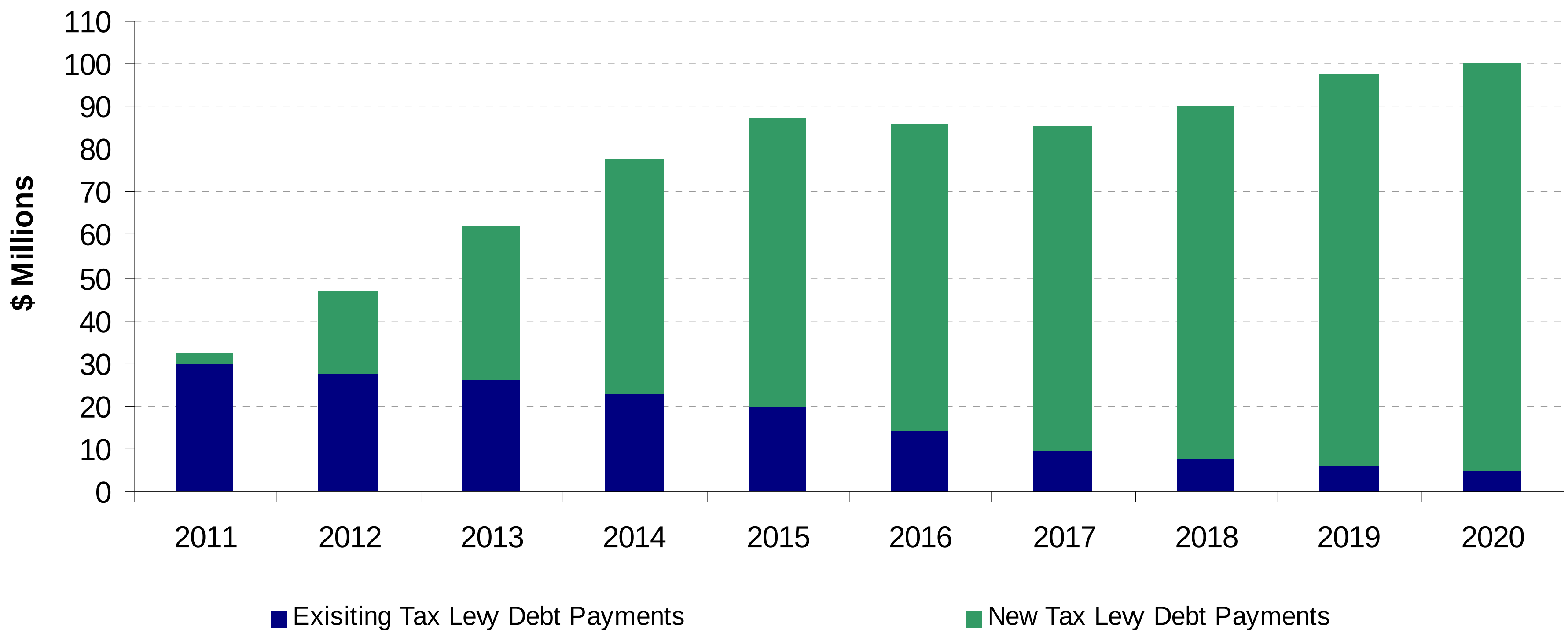
Year	Tax Levy Increase of: 1%	2%	3%	4%	5%
Reduction in Future Debt Repayment Costs ($ m)					
2011	$0.0	$0.0	$0.0	$0.0	$0.0
2012	1.0	2.0	3.1	4.1	5.1
2013	2.0	4.1	6.1	8.2	10.2
2014	3.1	6.1	9.2	12.3	15.3
2015	4.1	8.2	12.3	16.3	20.4
2016	5.1	10.2	15.3	20.4	25.5
2017	6.1	12.3	18.4	24.5	30.6
2018	7.1	14.3	21.4	28.6	35.7
2019	8.2	16.3	24.5	32.7	40.8
2020	9.2	18.4	27.6	36.8	45.9
Total 2011-2020	**$45.9**	**$91.9**	**$137.8**	**$183.8**	**$229.7**
Reduction in Debt Requirements ($ m)					
2015	$38	$75	$113	$150	$188
2020	$75	$150	$225	$300	$375

Increasing tax levy for debt repayment will reduce future years' tax levy



	2011	2012	2013	2014
Current Forecast	1.9%	4.8%	5.5%	4.6%
With additional 1% of tax levy for debt reduction	2.9%	4.6%	5.3%	4.5%
With additional 5% of tax levy for debt reduction	6.9%	3.8%	4.7%	3.9%

Tax levy debt repayment costs are anticipated to increase



Increasing tax levy for debt repayment in 2011 would provide greater flexibility in future years

- Increased tax levy could be used to reduce debt requirements in 2011
- In future years, this levy could be used for debt reduction or to mitigate expenditure pressures

Ontario Regulation 284/09 requires budget to be provided in PSAB 3150 format prior to approval

- Requires municipalities to report on whether the following expenses are included in the budget:
  - amortization
  - post employment benefits
  - solid waste landfill closure & post-closure expenses
- Requirement introduced in 2009 as part of the introduction of tangible capital assets accounting

Ontario Regulation 284/09 requires budget be provided in PSAB 3150 format prior to approval (con't)

- Report must contain information regarding:
  - Surplus of the municipality for that year resulting from the exclusion of any of those expenses
  - Analysis of impact of excluding those expenses on the future tangible capital asset funding requirements of the municipality

Proposed 2011 budget prepared on a cash basis

- The proposed 2011 Budget excluded the following expenses:
  - $137.7 M in amortization of tangible capital assets
    - budget does include reserve contributions of $41.9 million for capital asset replacement
  - $106.2 M for post employment benefit expense for early retirement, accrued sick leave, vacation, WSIB and long term disability
  - Solid waste landfill closure & post-closure expenses not applicable

Ontario Regulation 284/09 requires budget to be provided in PSAB 3150 format prior to approval

	2011 Budget
Revenues	
Operating	$ 1,523,859,000
Capital	1,004,015,000
Less:	
Transfer from other funds (1)	(156,860,166)
Proceeds on debenture issue (2)	(330,536,000)
Total Revenues	$ 2,040,477,834
Expenses	
Operating	$ 1,523,859,000
Non-tangible Capital	63,318,000
Capital	940,697,000
Less:	
Transfer to other funds (3)	(184,943,300)
Capital expenses	(940,697,000)
Debt principal payments (4)	(150,169,374)
Total expenses	$ 1,252,064,326
Annual surplus; *before exclusions*	$ 788,413,508
Exclusions:	
Amortization of tangible capital assets	$ 137,700,000
Post-employment benefits	106,246,200
Solid waste landfill closure and post-closure	
Total exclusions	$ 243,946,200
Annual surplus; *after exclusions*	$ 544,467,308

Debt financing of $2.1 billion is required to support the 2011 TPBA for capital

- Approval is requested for debt financing of:
  - $389.9 M for projects being approved as part of the 2011 budget
  - $1,700.8 M related to projects approved in previous years
  - Total TPBA debt financing of $2,090.8 M
- Subject to Region meeting the ARL in the year of issue, or obtaining any other required approvals from the Province or OMB
- Approval also requested to prepare & submit any application(s) to the OMB for any or all of the long term financing requirements associated with these projects, if necessary

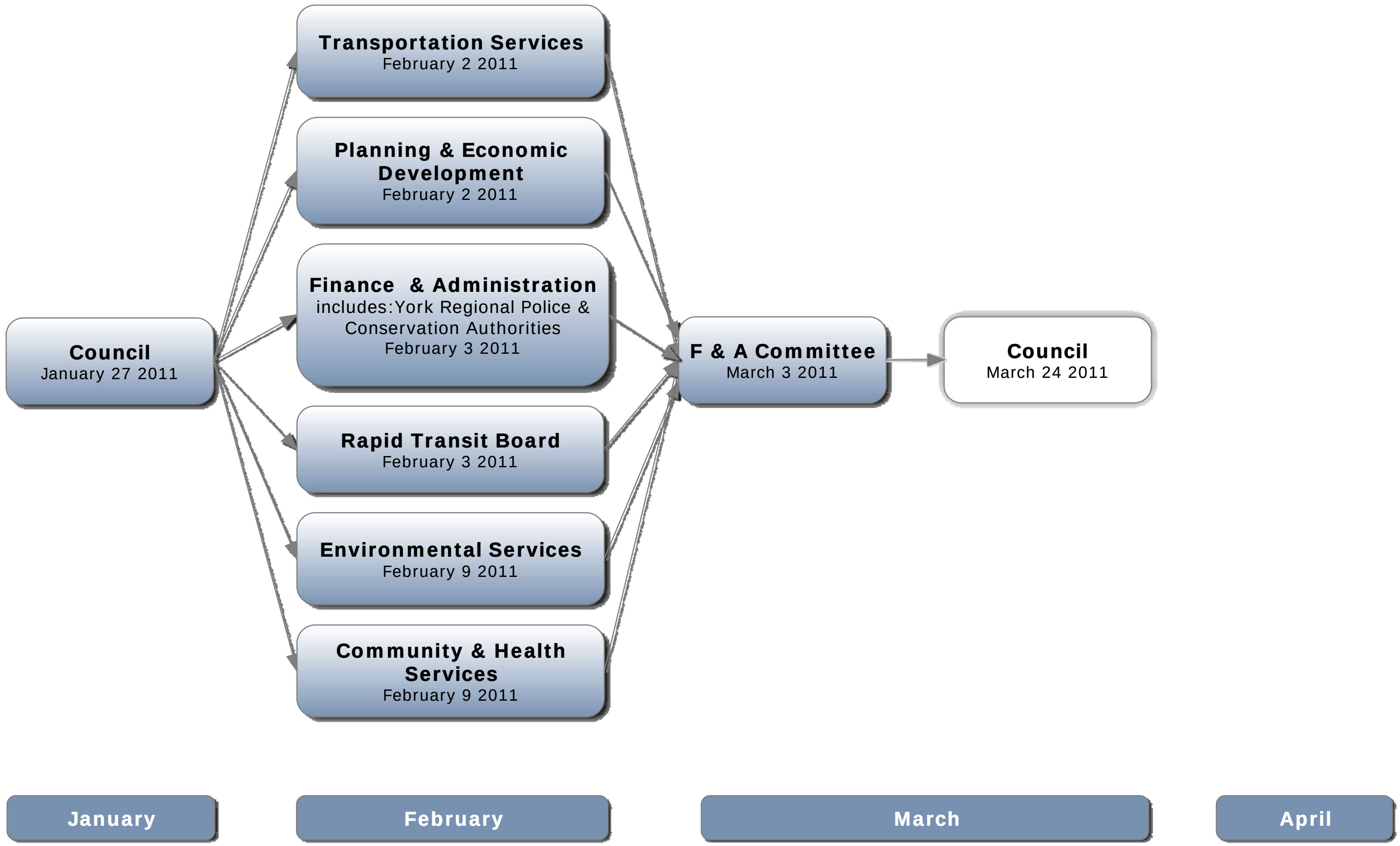
2011 Budget includes additional services and other requirements

- Increased service for EMS (14 paramedics, 2 supervisors)
- Increased service for Police (28 uniform, 10 civilian staff)
- Community and Health Services Multi-Year Plan
- Full year operations of southwest transit facility and CEC Richmond Hill
- Impact of regional growth related occupancy costs and ITS network
- OMERS statutory increase

2011 Budget includes additional services and other requirements (cont'd)

- Roads program enhancements (pavement marking)
- Transit – safety & training program, improved schedule adherence, Mobility Plus growth costs
- Solid Waste Management – increased tonnage
- Fiscal:
  - Continued contribution to capital asset replacement
  - Police sick leave reserve contribution
  - Contribution to Non-profit housing capital repair reserve
  - Contribution to capital program

Budget Process – Next Steps



Questions

&

Discussion

SUMMARY OF 2011 PROPOSED OPERATING BUDGET SUBMISSION

($ 000's)	2010 RESTATED GROSS	2010 RESTATED NET	2011 REQUEST GROSS	2011 REQUEST NET	CHANGE GROSS	CHANGE NET	% CHANGE NET
Transportation Services							
Transit Services	155,377	87,541	173,134	104,184	17,757	16,643	19.0%
Contribution to Capital	7,200	7,200	6,200	6,200	(1,000)	(1,000)	(13.9)%
Roads Transportation	58,914	41,952	62,667	45,521	3,753	3,569	8.5%
Contribution to Capital	35,372	35,372	36,791	36,791	1,419	1,419	4.0%
Sub Total	**256,863**	**172,064**	**278,792**	**192,696**	**21,929**	**20,631**	**12.0%**
Environmental Services							
Solid Waste Management	52,946	39,193	57,011	39,706	4,065	513	1.3%
Water/Wastewater Services	272,969	0	312,885	0	39,916	0	-
Contribution to Capital	18,348	0	18,280	0	(68)	0	-
Sub Total	**344,263**	**39,193**	**388,176**	**39,706**	**43,913**	**513**	**1.3%**
Community and Health Services							
Emergency Medical Services	45,462	23,737	49,517	24,735	4,055	998	4.2%
Contribution to Capital	2,048	2,048	3,088	3,088	1,040	1,040	50.8%
Long Term Care Services	34,969	12,508	36,996	13,514	2,027	1,006	8.0%
Public Health	49,596	10,416	52,914	11,379	3,318	963	9.2%
Employment & Financial Support	78,296	21,422	80,156	22,481	1,860	1,059	4.9%
Family and Children's Services	57,172	12,564	62,562	14,570	5,390	2,006	16.0%
Housing Services	87,769	39,975	74,574	41,769	(13,195)	1,794	4.5%
Strategic Services Integration & Policy	11,320	8,800	12,645	9,628	1,325	828	9.4%
Sub Total	**366,632**	**131,470**	**372,452**	**141,164**	**5,820**	**9,694**	**7.4%**
Planning and Economic Development	**8,059**	**6,951**	**8,615**	**7,314**	**556**	**363**	**5.2%**
Administrative Support							
Office of the C.A.O.	4,014	3,825	4,111	3,921	97	96	2.5%
Finance/IT	27,842	23,659	28,729	24,375	887	716	3.0%
Corporate Services	27,401	26,754	29,676	28,788	2,275	2,034	7.6%
Contribution to Capital	244	244	244	244	0	0	-
Sub Total	**59,502**	**54,482**	**62,761**	**57,328**	**3,259**	**2,846**	**5.2%**
Chair & Council	**1,866**	**1,866**	**1,935**	**1,935**	**69**	**69**	**3.7%**
Financial Items-Assets Replacement	**40,775**	**34,375**	**50,936**	**41,936**	**10,161**	**7,561**	**22.0%**
Financial/Administrative Items	**11,586**	**4,337**	**7,071**	**1,799**	**(4,515)**	**(2,538)**	**(58.5)%**
Recovery from WWw (User Rate)	0	(4,895)	0	(5,033)	0	(138)	2.8%
TOTAL REGIONAL OPERATING PROGRAMS	**1,089,546**	**439,843**	**1,170,738**	**478,845**	**81,192**	**39,002**	**8.9%**
Court Services	**9,197**	**(993)**	**9,856**	**(840)**	**659**	**153**	**(15.4)%**
Boards & Authorities							
Conservation Authorities*	9,443	5,135	9,086	5,177	(357)	42	0.8%
GO Transit	2,500	0	2,500	0	0	0	-
Hospital Capital Funding	12,324	12,324	12,706	12,706	382	382	3.1%
Property Assessment (MPAC)	14,800	14,800	15,702	15,702	902	902	6.1%
Sub Total	**39,067**	**32,259**	**39,994**	**33,585**	**927**	**1,326**	**4.1%**
GTA Pooling	**39,600**	**39,600**	**26,400**	**26,400**	**(13,200)**	**(13,200)**	**(33.3)%**
ODSP	**11,402**	**9,202**	**0**	**0**	**(11,402)**	**(9,202)**	**(100.0)%**
YRRTC	**16,015**	**9,130**	**18,123**	**11,994**	**2,108**	**2,864**	**31.4%**
Police Services	234,868	216,946	252,897	233,321	18,029	16,375	7.5%
Contribution to Capital	5,753	5,753	5,851	5,851	98	98	1.7%
Sub Total	**240,621**	**222,699**	**258,748**	**239,172**	**18,127**	**16,473**	**7.4%**
TOTAL OPERATING BUDGET	**1,445,448**	**751,740**	**1,523,859**	**789,156**	**78,411**	**37,416**	**4.98%**
Less Assessment Growth				(23,078)		(23,078)	(3.1)%
TOTAL AFTER ASSESSMENT GROWTH	**1,445,448**	**751,740**	**1,523,859**	**766,077**	**78,411**	**14,338**	**1.91%**

* 2010 Budget for Conservation Authorities is supported from WaterWastewater rates of $3,523 and Urban Canopy from Forestry of $220.
* 2011 Budget for Conservation Authorities is supported from WaterWastewater rates of $3,699 and Urban Canopy from Forestry of $210.

York Region

2011 Business Plan and Budget

Capital Budget Consolidated Summary

2011 New Total Project Budget Authority and Associated Financing Sources

(in $ 000's)	2011 New TPBA	Tax Levy - Reserve	Reserves	Debenture Proceeds	Development Charges	Grants & Subsidies	Water & Wastewater User Rates	Other Recoveries
Tax Supported								
York Region Transit	73,211	8,105	1,740	2,820	3,582	56,964	-	-
Rapid Transit	114,206	-	335	(35,832)	111,030	38,673	-	-
Roads	146,716	36,599	1,425	-	107,097	-	-	1,595
Solid Waste Management	3,568	-	2,913	655	-	-	-	-
Emergency Medical Services	9,208	3,088	1,780	4,205	135	-	-	-
Long Term Care	2,831	-	2,831	-	-	-	-	-
Housing Services	17,711	-	4,766	12,945	-	-	-	-
Public Health Services	300	-	-	-	300	-	-	-
Property Services	42,885	244	9,641	33,000	-	-	-	-
Information Technology Services	5,556	-	5,556	-	-	-	-	-
York Regional Police	10,311	5,851	-	3,686	388	-	-	386
Total Tax Supported	**426,503**	**53,887**	**30,987**	**21,479**	**222,532**	**95,637**	**-**	**1,981**
Rate Supported								
Water Services	243,373	-	7,183	208,877	22,840	-	3,936	537
Wastewater Services	228,754	-	10,480	159,572	15,512	-	15,236	27,954
Total Rate Supported	**472,127**	**-**	**17,663**	**368,449**	**38,352**	**-**	**19,172**	**28,491**
TOTAL FINANCING SOURCES	**898,630**	**53,887**	**48,650**	**389,928**	**260,884**	**95,637**	**19,172**	**30,472**

York Region

2011 Business Plan and Budget
2011 Total Project Budget Authority
Debt Financing

		2011 and Outyears ($000's)		
		2010 Approved TPBA	2011 New TPBA	2011 TPBA
York Region Transit				
81582	Transit Vehicle Garage - North	28,200	2,820	31,020
Sub-total		**28,200**	**2,820**	**31,020**
Rapid Transit				
90992	Bus Rapid Transit Facilities and Terminals	56,284	(12,247)	44,037
90993	Bus Rapid Transit Vehicles	13,665	(1,402)	12,263
90996	Spadina Subway Extension	343,472	(94,338)	249,134
90997	Yonge Subway Extension	-	37,119	37,119
90999	Capacity Upgrades Special Studies and Strategy Implementation	-	35,036	35,036
Sub-total		**413,421**	**(35,832)**	**377,589**
Water Services				
72180	Georgina Water Supply - Woodbine and Ravenshoe Watermain (Church St. - Keswick Tank)	1,200	3,362	4,562
73580	Toronto Cost Shared Work - 2005 Water Supply Agreement	349,105	27,125	376,230
73780	Peel Water Supply - "Buy-in" Payments	-	17,464	17,464
73790	Peel Water Supply - Cost-Shared Work	266,957	138,070	405,027
74260	Toronto Supply - Kennedy Watermain - Milliken Pumping Station to Major Mackenzie	46,186	(1,700)	44,486
75390	PD5 Huntington Watermain and Reservoir	-	590	590
75400	PD8 West Richmond Hill Pumping Station and Watermain	-	491	491
75420	PD7 Maple Pumping Station Upgrade and Flowmeter	2,025	795	2,820
75440	Yonge to Woodspring Watermain	-	10	10
75450	Glenway Reservoir Expansion	-	302	302
75460	Yonge Street Watermain from Gladman to Green Lane	-	268	268
75490	Bathurst/Green Lane/ Yonge Watermain	-	222	222
75510	Second Concession Watermain	-	10	10
75530	PD7 Vaughan Watermain and Reservoir	-	149	149
76300	North Richmond Hill Elevated Tank No. 2 and Yonge Vandorf Bloomington Bayview Watermain	20,893	21,719	42,612
Sub-total		**686,366**	**208,877**	**895,243**
Wastewater Services				
72230	Joe Dales Forcemains & Pumping Station Upgrades	-	5,803	5,803
72240	Keswick Water Pollution Control Plan Expansion	30,760	8,048	38,808
72530	Duffin Creek Stages 1 & 2 Upgrade and Refurbishment	44,640	111,240	155,880
73720*	York Durham Sewer System Duffin Creek Water Pollution Control Plant (Phase 3) Expansion	20,100	-	20,100
74030	York Durham Sewer System 16th Ave Trunk (Stone Mason-Woodbine)	-	4,400	4,400
74040*	York Durham Sewer System Southeast Collector	324,882	-	324,882
74270A	Upper York Sewage Solutions (Pre-Construction)	-	16,850	16,850
75300A	West Vaughan Sewage Servicing (Pre-Construction)	-	2,900	2,900
75310	East Vaughan Trunk Sewer	-	10	10
75320A	Primary Trunk Sewer Study (Pre-Construction)	-	3,073	3,073
75330	Green Lane Sewer Diversion	-	10	10
75350	Sharon Trunk Sewer	-	10	10
77090	York Durham Sewer System Langstaff Trunk	-	36	36
79740	Peel System Cost Shared Works	32,458	7,192	39,650
Sub-total		**452,840**	**159,572**	**612,412**
Solid Waste Management				
71325	Energy From Waste Facility	54,300	-	54,300
71335	Source Separated Organics Facility	32,355	655	33,010
Sub-total		**86,655**	**655**	**87,310**

2011 Business Plan and Budget
2011 Total Project Budget Authority
Debt Financing

	2011 and Outyears ($000's)		
	2010 Approved TPBA	2011 New TPBA	2011 TPBA
Emergency Medical Services			
54490 Pefferlaw Station	-	125	125
54510 Vaughan Station - Maple Teston Rd		260	260
54580 Vaughan-West Woodbridge	825	-	825
54590 Markham Station - 280 Church	400	800	1,200
54630 Multi-Patient Ambulance	900	-	900
54640 Newmarket Northwest Station	-	1,510	1,510
54645 Newmarket Southeast Station	-	1,510	1,510
Sub-total	**2,125**	**4,205**	**6,330**
Housing Services Branch			
67913 Delivering Opportunities for Ontario Renters (DOOR) Projects	2,965	-	2,965
67915 Kingsview Court - King Township	2,858	-	2,858
67916 Housing York Inc., Woodbridge site intensification	13,484	3,224	16,708
67917 Essex, Richmond Hill	8,978	-	8,978
67920 Regional Housing Initiatives	-	9,721	9,721
Sub-total	**28,285**	**12,945**	**41,230**
Property Services			
14722 SAP Implementation - Development of 3 new Southern Service Centres	-	12,000	12,000
14780 SAP/Central Service Centre - Pre Construction	2,957	-	2,957
14782 Central Service Centre - North/South Parking Lot Construction	-	21,000	21,000
Sub-total	**2,957**	**33,000**	**35,957**
York Regional Police			
26070 Renovations to Existing Facilities	-	300	300
27730 #3 District - Marine Headquarters	-	980	980
29020 Digital Evidence Management	-	450	450
29026 In Car Video	-	488	488
29030 IT Infrastructure and Retention	-	1,295	1,295
29035 Cell Block Safety and Security	-	173	173
Sub-total	**-**	**3,686**	**3,686**
Total Debt Required	**$1,700,849**	**$389,928**	**$2,090,777**

*The project description for these 2 projects (i.e. 73720 & 74040) was transposed in attachment 4 Report #9, clause 1 Regional Council December 16, 2009.

York Region

Analysis of Tax Levy Supported Debt and Debt Repayment by Year

Year to be Issued	Branch	Project #	Project Name	Budgeted Issue Amount (1) ($'000)	Term	Interest Rate	Annual Repayment ($'000)
2011	Rapid Transit	90992	BRT Facilities and Terminals	6,004	10	5.25%	790
		90993	BRT Vehicles - Partially or Fully Funded	2,852	10	5.25%	370
		90996	Spadina Subway Extension	30,648	10	5.25%	4,020
		90997	Yonge Subway Extension - Preliminary Engineering	13,920	10	5.25%	1,820
		90999	Capacity Upgrades Special Studies and Strategy Implementation	993	10	5.25%	130
	Emergency Medical Services	54590	Markham Station - 280 Church	1,200	10	5.25%	160
		n/a	Various Projects (5)	2,543	10	5.25%	330
	Property Services	14722	SAP Implementation - Development of 3 new Southern Service Centres	12,000	20	6.00%	1,050
		14780	Central Service Centre - Pre Construction	1,466	20	6.00%	130
		14782	Central Service Centre - North/South Parking Lot Construction	21,000	20	6.00%	1,830
	York Regional Police	29030	IT Infrastructure and Retention	1,295	5	4.50%	290
		27730	#3 District - Marine Headquarters	980	10	5.25%	130
		n/a	Various Projects (4)	1,411	5	4.50%	320
	Total			**96,312**			**11,370**
2012	York Region Transit	81583	Transit Vehicle Garage - Southeast	13,576	10	5.25%	1,780
		82150	Bus Terminals Loops & Stops-Expansion	1,591	10	5.25%	210
		82170	Presto Card	5,510	10	5.25%	720
	Rapid Transit	90992	BRT Facilities and Terminals	22,457	10	5.25%	2,940
		90993	BRT Vehicles - Partially or Fully Funded	2,068	10	5.25%	270
		90996	Spadina Subway Extension	25,260	10	5.25%	3,310
		90997	Yonge Subway Extension - Preliminary Engineering	15,466	10	5.25%	2,030
		90999	Capacity Upgrades Special Studies and Strategy Implementation	3,915	10	5.25%	510
	Solid Waste Management	71325	Energy From Waste Facility	17,000	20	6.00%	1,480
		71335	Source Separated Organics Facility	1,000	20	6.00%	90
	Emergency Medical Services	54640	Newmarket Northwest Station	1,110	10	5.25%	150
		54645	Newmarket Southeast Station	1,110	10	5.25%	150
		NEW13	Thornhill Central	805	10	5.25%	110
	Long Term Care	55215	Maple Health Centre - 28 Bed Addition	176	20	6.00%	20
	Property Services	14722	SAP Implementation - Development of 3 new Southern Service Centres	1,735	20	6.00%	150
		14780	Central Service Centre - Pre Construction	986	20	6.00%	90
		14781	Central Service Centre - Construction	21,468	20	6.00%	1,870
	York Regional Police	29030	IT Infrastructure and Retention	1,330	5	4.50%	300
		27730	#3 District - Marine Headquarters	2,000	10	5.25%	260
		n/a	Various Projects (5)	2,052	5	4.50%	470
	Total			**140,615**			**16,910**

York Region

Analysis of Tax Levy Supported Debt and Debt Repayment by Year

Year to be Issued	Branch	Project #	Project Name	Budgeted Issue Amount (1) ($'000)	Term	Interest Rate	Annual Repayment ($'000)
2013	York Region Transit	81582	Transit Vehicle Garage - North	23,500	10	5.25%	3,080
		81583	Transit Vehicle Garage - Southeast	4,275	10	5.25%	560
		82150	Bus Terminals Loops & Stops-Expansion	1,836	10	5.25%	240
		82170	Presto Card	1,425	10	5.25%	190
	Rapid Transit	90992	BRT Facilities and Terminals	14,335	10	5.25%	1,880
		90993	BRT Vehicles - Partially or Fully Funded	2,939	10	5.25%	390
		90996	Spadina Subway Extension	15,688	10	5.25%	2,060
		90997	Yonge Subway Extension - Preliminary Engineering	7,733	10	5.25%	1,010
		90999	Capacity Upgrades Special Studies and Strategy Implementation	7,904	10	5.25%	1,040
	Solid Waste Management	71325	Energy From Waste Facility	20,000	20	6.00%	1,740
		71335	Source Separated Organics Facility	11,548	20	6.00%	1,010
		74235	Community Environmental Centre #4	350	20	6.00%	30
	Emergency Medical Services	n/a	Various Projects (2)	1,360	10	5.25%	180
	Long Term Care	n/a	Various Projects (2)	735	20	6.00%	60
	Property Services	14722	SAP Implementation - Development of 3 new Southern Service Centres	6,507	20	6.00%	570
		14780	Central Service Centre - Pre Construction	505	20	6.00%	40
		14781	Central Service Centre - Construction	57,948	20	6.00%	5,050
	York Regional Police	26730	Training Branch Facility	9,000	5	4.50%	2,050
		29012	Radio Software and Infrastructure Replacement	7,500	5	4.50%	1,710
		29030	IT Infrastructure and Retention	1,370	5	4.50%	310
		n/a	Various Projects (3)	792	5	4.50%	180
	Total			**197,249**			**23,380**
2014	York Region Transit	81582	Transit Vehicle Garage - North	7,520	10	5.25%	990
	Rapid Transit	90992	BRT Facilities and Terminals	1,242	10	5.25%	160
		90993	BRT Vehicles - Partially or Fully Funded	4,404	10	5.25%	580
		90996	Spadina Subway Extension	10,625	10	5.25%	1,390
		90998	BRT Vehicles - Unfunded	14,839	10	5.25%	1,950
		90999	Capacity Upgrades Special Studies and Strategy Implementation	12,701	10	5.25%	1,660
	Solid Waste Management	71315	Expanded Diversion Capacity	40	20	6.00%	-
		71325	Energy From Waste Facility	17,300	20	6.00%	1,510
		71335	Source Separated Organics Facility	20,462	20	6.00%	1,780
		74235	Community Environmental Centre #4	6,900	20	6.00%	600
	Emergency Medical Services	NEW16	King City	555	10	5.25%	70
	Long Term Care	59260	Georgina Health Centre (120 beds)	1,517	20	6.00%	130
		55215	Maple Health Centre - 28 Bed Addition	183	20	6.00%	20
	Property Services	14722	SAP Implementation - Development of 3 new Southern Service Centres	22,705	20	6.00%	1,980
		14781	Central Service Centre - Construction	36,131	20	6.00%	3,150
	York Regional Police	26730	Training Branch Facility	9,000	5	4.50%	2,050
		27600	Community Policing Stations	5,000	5	4.50%	1,140
		29012	Radio Software and Infrastructure Replacement	7,500	5	4.50%	1,710
		29030	IT Infrastructure and Retention	1,410	5	4.50%	320
		n/a	Various Projects (2)	1,050	5	4.50%	240
	Total			**181,084**			**21,430**

York Region

Analysis of Tax Levy Supported Debt and Debt Repayment by Year

Year to be Issued	Branch	Project #	Project Name	Budgeted Issue Amount (1) ($'000)	Term	Interest Rate	Annual Repayment ($'000)
2015	York Region Transit	84699	Conventional Buses Replacement - Future Years	3,761	10	5.25%	490
	Rapid Transit	90996	Spadina Subway Extension	21,914	10	5.25%	2,870
		90999	Capacity Upgrades Special Studies and Strategy Implementation	6,776	10	5.25%	890
	Solid Waste Management	71315	Expanded Diversion Capacity	1,040	20	6.00%	90
		74235	Community Environmental Centre #4	2,750	20	6.00%	240
	Long Term Care	59260	Georgina Health Centre (120 beds)	740	20	6.00%	60
	Property Services	14722	SAP Implementation - Development of 3 new Southern Service Centres	13,842	20	6.00%	1,210
	York Regional Police	29030	IT Infrastructure and Retention	1,450	5	4.50%	330
		n/a	Various Projects (3)	1,285	5	4.50%	290
	Total			**53,557**			**6,470**

Notes:
(1) The budgeted issue amount is the tax levy portion of debt based on the 2011 10-year capital plan.

Resolution to adopt the following schedule in accordance with Ontario Regulation 284/09

WHEREAS the province of Ontario has passed Ontario Regulation 284/09 that in preparing the budget for a year, a municipality may exclude from the estimated expenses described in paragraph 3 of subsection 289 (2) and in paragraph 3 of subsection 290 (2) of the Act all or a portion of the following:

1. Amortization expense.
2. Post-employment benefits expenses.
3. Solid waste landfill closure and post-closure expenses.

AND WHEREAS for 2011 and subsequent years, the municipality, before adopting a budget for the year that excludes any of the expenses listed in section 1,

(a) prepare a report about the excluded expenses; and
(b) adopt the report by resolution.

THEREFORE BE IT RESOLVED THAT Council adopt the attached table pursuant to Ontario Regulation 284/09.

2011 Budget
PSAB 3150 Reconciliation

	2011 Budget
Revenues	
Operating	$ 1,523,859,000
Capital	1,004,015,000
Less:	
Transfer from other funds[1]	(156,860,166)
Proceeds on debenture issue[2]	(330,536,000)
Total Revenues	$ 2,040,477,834
Expenses	
Operating	$ 1,523,859,000
Non-tangible Capital	63,318,000
Capital	940,697,000
Less:	
Transfer to other funds[3]	(184,943,300)
Capital expenses	(940,697,000)
Debt principal payments[4]	(150,169,374)
Total expenses	$ 1,252,064,326
Annual surplus; *before exclusions*	$ 788,413,508
Exclusions:	
Amortization of tangible capital assets	$ 137,700,000
Post-employment benefits	106,246,200
Solid waste landfill closure and post-closure	
Total exclusions	$ 243,946,200
Annual surplus; *after exclusions*	$ 544,467,308

(1) “transfer from other funds” represents transfers from reserves for expenditures and is therefore not considered a revenue source under accrual accounting
(2) “proceeds on debenture issues” is a debt financing decision and is therefore considered a liability and not a revenue source under accrual accounting
(3) “transfer to other funds” represents the contribution to reserves not considered an expense under accrual accounting
(4) “debt principal payments” are considered a repayment of a long term liability and not an expense under accrual accounting