1
2007 BUDGET

The Finance and Administration Committee recommends:

1. the report, March 28, 2007, from the Commissioner of Finance, and the presentation from Lloyd Russell, Commissioner of Finance and Tony Haddad, Director, Business Planning and Budgets be received;

2. the 2007 Business Plan and Budget be approved as revised to include the recommendations from the various Committees and the following additional recommendations:

2.1 Health Services ─Emergency Medical Services

a) The memorandum (April 4, 2007) from the Commissioner of Community Services, Housing and Health Services attaching Business Cases (March 27, 2007) for two FTE's EMS ─ System Status Controllers and one FTE EMS ─ Vehicle Coordinator be received;
b) the budget for two EMS ─ System Status Controllers ($170,000) be approved and the Commissioner of Community Services, Housing and Health Services report back to the Health and Emergency Medical Services Committee on these positions in six months; and
c) the budget for one EMS ─ Vehicle Coordinator ($75,000) not be approved and be referred back to the Commissioner of Community Services, Housing and Health Services for review in the context of the Region's overall vehicle maintenance program.

2.2 Courts Services

The net budget for Courts Services be approved with an increase of $174,000.

2.3 Use of Bio-Diesel Fuels

The update on the Region's use of bio-diesel fuels be received on the understanding that the Commissioner of Transportation and Works will provide a report to the Transportation and Works Committee in the second quarter of 2007 on the Region's use of hybrid vehicles and bio-diesel fuels.

2.4 Working Capital

a) The update on the budget for Working Capital be received; and
b) this matter be referred to the Commissioner of Finance and the local Treasurers to examine the potential of changing the Regional payment schedule for local municipalities, as well as local municipal tax due dates, and to report as necessary.

2.5 GTA Pooling

The budget for GTA Pooling be reduced by $6.446 million and the GTA Pooling savings in 2007 be allocated to debt reduction (see recommendation 2.10 below).

2.6 VIVA Capital Budget

a) The VIVA Capital Budget for 2007 be approved with the addition of $1.407 million for Phase 2, Stage 1 of the VIVA Blue Line and the Enterprise Drive Grade Separation, and a reduction of $10,000 for the Audit Fee; and
b) the $300,000 for the Phase 2 Communications Strategy in 2007 (and the proposed $600,000 in 2008) be referred to the April 12, 2007 meeting of the Rapid Transit Public Private Partnership Steering Committee for consideration.

2.7 2007 Capital Budget

The 2007 Capital Budget be approved in the amount of $565.398 million.

2.8 Outstanding Items Referred from the Committee's March 8, 2007 Meeting

a) Reductions totaling $1.44 million in the areas of Risk Management, Emergency Medical Services (additional subsidy), Transit (debt reduction) and Roads (staffing reduction and reduced reserve contribution) be approved;
b) the reduction of $256,000 in the Police Services budget for fuel costs be approved; and
c) the reduction of $865,000 in the Regional budget for fuel costs be approved.

2.9 Character Community Program

a) **The communication from Donald Cousens, Chair, and Tim Jones, Co-Chair of the Character Foundation, March 29, 2007, forwarding additions and revisions to the submission of the 2007 Character Foundation's 2007 Operating Budget, be received; and**
b) **the requested increase of $50,000 for the Character Community program not be approved as part of the budget but be the subject of a repayable loan from the Region to the Character Community program.**

2.10 Debt Charges

The budget for debt charges be reduced by $835,000 to reflect the recommendation to allocate savings from GTA Pooling in 2007 to debt reduction.

3. **The Commissioner of Finance forward a comprehensive report to Regional Council's meeting of April 19, 2007 that reflects the recommendations of the various Committees.**

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

The purpose of this report is to provide a summary of the progress to date on the 2007 Regional budgets and the outstanding items remaining for Committee consideration.

3. BACKGROUND

Following the 2007 budget being tabled at Regional Council on January 25, 2007, Standing Committees have reviewed the departmental budget proposals and made recommendations to the Finance and Administration Committee. In addition, some items have been referred to the April 5, 2007 committee meeting for the consideration and decision of the Finance and Administration Committee.

Following the conclusion of the Finance and Administration Committee's review, recommendations for consideration and approval by Council will conclude the 2007 budget process with adoption by Regional Council at their meeting of April 19, 2007.

3.1 Standing Committee Reviews

The following table reflects the results of 2007 budget reviews by the Standing Committees and the corresponding follow-up action, if any.

Committee	Outcome	Follow-up Action
Transportation & Works	Received	Priority expenditure reductions or increases in revenue Result - proposed reductions of $226,000
Solid Waste	Recommended for adoption	None
Rapid Transit & Transit	Viva and York Region Transit operating budgets recommended for adoption Viva capital budget recommended for adoption York Region Transit capital budget recommended for adoption, subject to the following amendment:	None None The short term capital plan for garages, property purchase for 2007 be reduced by $12 million, with that amount being carried forward to 2008, if required.
Health & EMS	Recommended for adoption, subject to the Committee being provided with the following additional information:	a) business cases to support the following step 4 – growth items: 1. staff required to ensure EMS compliance with the Employment Standards Act 2. staff required to monitor and ensure EMS vehicles are maintained in accordance with industry standards

Committee	Outcome	Follow-up Action
		b) cost comparators to other municipalities for the delivery of EMS, Long Term Care and Public Health Programs
Community Services & Housing	Recommended for adoption, subject to the following amendment:	That the proposed increase of 10 subsidized beds to the Domiciliary Hostel Program be increased to 20, subject to the increase being funded from within the draft 2007 Business Plan and Budget, not as an enhancement.
Planning & Economic Development	Recommended for adoption	The Committee also requested staff to examine possible additional efficiencies and potential revenue increases. Result – none found
Corporate Services & Courts	The Court Services capital and operating budgets be referred to the Committee's meting of April 5, 2007 with a request for:	The Commissioner of Corporate Services to report on adjustments that can be made to the 2007 projections for the number of Charges Filed, based on the recent information for the 2006 actual number of Charges Files, and any additional costs or revenue resulting from adjustments to these projections. Result - $174,000 add'l costs
Finance & Information Technology	Be recommended for approval.	None
York Regional Police	a) the communication for the Police Services Board be received. b) the Police Services capital budget be approved.	

Committee	Outcome	Follow-up Action
	c) the Police Services operating budget be approved subject to the reductions [$497,000] from increased revenues and operating expenses. d) the proposed $256,000 savings from revising the fuel price assumption from $1.00 per litre to $0.90 per litre, be referred to the Committee's April 5, 2007 meeting with a request for a report from the Commissioner of Finance on the financial implications of considering bio-diesel fuels for Regional and Police vehicles.	
Conservation Authorities	Be recommended for approval.	None

4. ANALYSIS AND OPTIONS

The following table summarizes the decisions made to at prior meetings of the Finance and Administration Committee; together with the referrals and outstanding items remaining which require consideration and decision by the Committee.

Description	$(000s)	%	Notes
Proposed Tax Levy Increase	**$639,808**	**5.31**	**Tabled January 25, 2007**
Police	1,045	0.16	Staffing, less various reductions
Corporate Services	-273	-0.04	Various
Finance	-485	-0.08	Risk Management
Emergency Medical Services EMS]	-478	-0.07	Increase provincial subsidy
Transit	-251	-0.04	Reduction to debt charges
Roads	-176	-0.03	Staffing reduction
	-50	-0.01	Reserve contribution reduction
Total Reductions	-668	-0.10	
Revised Tax Levy Increase	**$639,140**	**5.20%**	
Further Items for Consideration			
Courts	174	0.03	Add’l costs re # Charges Filed
Police	-256	-0.04	Fuel [from $1.00 to $0.90 per litre]
EMS	-245	-0.04	Staffing
Corporate	75	0.01	Character Community
Fuel	-865	-0.14	Fuel [from $1.00 to $0.95 per litre]
GTA Pooling	-15,900		2007 proposed less 2004 paid
OMPF	9,454		No longer eligible
Net Pooling	-6,446	-1.10	Net reduction realized in 2007
2007 Debt Reduction	6,446	1.10	Allocate to reduce new debt
Total of Above [pending decision]	**$638,023**	**5.0%**	

5. FINANCIAL IMPLICATIONS

The results of the deliberations by the Finance and Administration Committee on the referrals and outstanding items referenced in this report will determine the impact on the total 2007 operating, rate and capital budgets. The tax levy required to support this budget will then be determined and will form part of a comprehensive report to be submitted to Regional Council for their consideration and adoption at their meeting of April 19, 2007.

6. LOCAL MUNICIPAL IMPACT

The impact on local municipalities will be reflected in the tax levy apportioned to each member municipality, following adoption by Regional Council.

7. CONCLUSION

The information outlined in this report is provided to assist Committee members in addressing the remaining outstanding items and referrals which require their consideration and decision. Upon completion of the Committee's deliberations, a comprehensive report will be prepared for Regional Council's consideration for adoption at the April 19, 2007.

A more detailed presentation will be made to the April 5, 2007 Finance and Administration Committee to assist in deliberations and development of recommendations for Regional Council.