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STATUS OF 2008 OPERATING BUDGET TO MARCH 27, 2008

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, April 9, 2008, from the Commissioner of Finance:

1. RECOMMENDATIONS

It is recommended that:

1. The 2008 operating budget, as recommended by the Standing Committees up to March 27, 2008, be forwarded to Regional Council for approval subject to any additional recommendations arising from the recent review of program costs by the Standing Committees.

2. The transfer of $5.3 million in Provincial Gas Tax from the 2008 Capital Budget, to the 2008 Operating Budget as a source of funding for public transit operating costs, be recommended for approval by Regional Council and replace the capital gas tax funding with the additional transit funding announced on February 29, 2008.

2. PURPOSE

The purpose of this report is to provide a summary of the progress to date on the 2008 Regional Operating Budget and approve the application of $5.3 million in Provincial gas tax funding to transit operations.

3. BACKGROUND

Following the tabling of the 2008 Operating Budget at Regional Council on January 24, 2008, Standing Committees reviewed the departmental budget proposals and made recommendations to the Finance and Administration Committee of March 6, 2008.

On February 29, 2008, the Ministry of Transportation advised that the Region would receive $7.8 million in one-time funding for public transit capital for 2008. Finance and Administration Committee was presented with this information at the March 6, 2008 meeting and subsequently recommended Standing Committees to reconsider additional initiatives.

Finance and Administration Committee recommended to Council that the 2008 operating budget be deferred until April as a result of the opportunity to consider additional initiatives and the pending Provincial Budget announcement on March 25, 2008.

At Regional Council on March 27, 2008, Council received the presentation from the Regional Treasurer outlining the Provincial funding announcement of February 29, 2008 and the recommendation that $5.3 million of Provincial gas tax, previously applied to transit capital, be applied to fund transit operations, thereby reducing the proposed tax levy increase by 0.8% and allow for potential consideration of additional initiatives. Regional Council received this information and referred the 2008 Operating Budget to Standing Committees for reconsideration at their April meetings.

Standing Committees reviewed operating budgets in February

The following table reflects the results of the 2008 Operating Budget reviews by Standing Committees up to March 27, 2008 and the required follow-up action, if any.

Table 1
Summary 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
Community Services & Housing	Approved as submitted	None
Planning & Economic Development	Approved as submitted	None
Corporate Services & Courts	Received Courts – Approved as submitted	1 FTE (EEMS System) Administrator not recommended $79k
Finance & Information Technology	Recommended with $75,000 reduction	$75k renovation to purchasing not recommended
York Regional Police	Approved as submitted	None
Conservation Authorities	Approved as submitted	None
CAO & Chair	Approved as submitted	None
Non-Program	Finance & Admin approved 911 emergency services received Non-Program items approved as submitted	None

Net Tax Levy requirement after Standing Committee adjustments and impact of Provincial Gas Tax funding is 3.95%

Following the February Standing Committee reviews and adjustments, the 2008 net tax levy requirement is $683,017,000 after assessment growth, representing a 3.95% net tax levy increase.

The impact of applying $5.3 million Provincial Gas Tax funding would result in a net tax levy requirement after assessment growth of $677,717,000 after assessment growth, representing a 3.15% net tax levy increase.

4. ANALYSIS AND OPTIONS

Summary of 2008 Operating Budget Reviews

The following table illustrates the timelines and review process that has taken place up to and including the Council meeting of March 27, 2008. This table also reflects the additional funding applied to the Operating budget resulting in a 3.2% tax levy increase.

Table 2
Summary of 2008 Operating Budget

Date	Action	Net Tax Levy
January 24, 2008	Tabled at Regional Council	4.0%
February 2008	Standing Committee Reviews	
March 27, 2008	Regional Council defers approval to April	4.0%
April 17, 2008	Approval of additional funding	3.2%

** net tax levy figures have been rounded to one decimal for presentation*

5. FINANCIAL IMPLICATIONS

$5.3 million in transit funding reduces tax levy by 0.8%

The recommendation by the Finance and Administration Committee to apply $5.3 million of Provincial gas tax funding to the operating budget referenced in this report will reduce the proposed net tax levy budget by 0.8%.

Additional initiatives will be considered by Standing Committees

Standing Committees will be reviewing potential additional initiatives at their April 2008 meetings. Results of these reviews, and the resulting impact on the net tax levy, will be reported to Finance and Administration on April 17, 2008.

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 status of the 2008 Operating Budget as presented to Regional Council on March 27, 2008 results in a net tax levy increase of 3.95%. The application of $5.3 million in Provincial Gas Tax funding for public transit operating costs results in a net tax levy reduction of 0.8%. Standing Committees will be considering additional initiatives at their April meetings. The impact on the net tax levy increase as a result of these additional initiatives will be presented to Finance and Administration on April 17, 2008.

For more information on this report, please contact Kelly Strueby at Ext 1611 or Kelly Fenchak at Ext. 1680.

The Senior Management Group has reviewed this report.