

2015-2018 Regional Budget

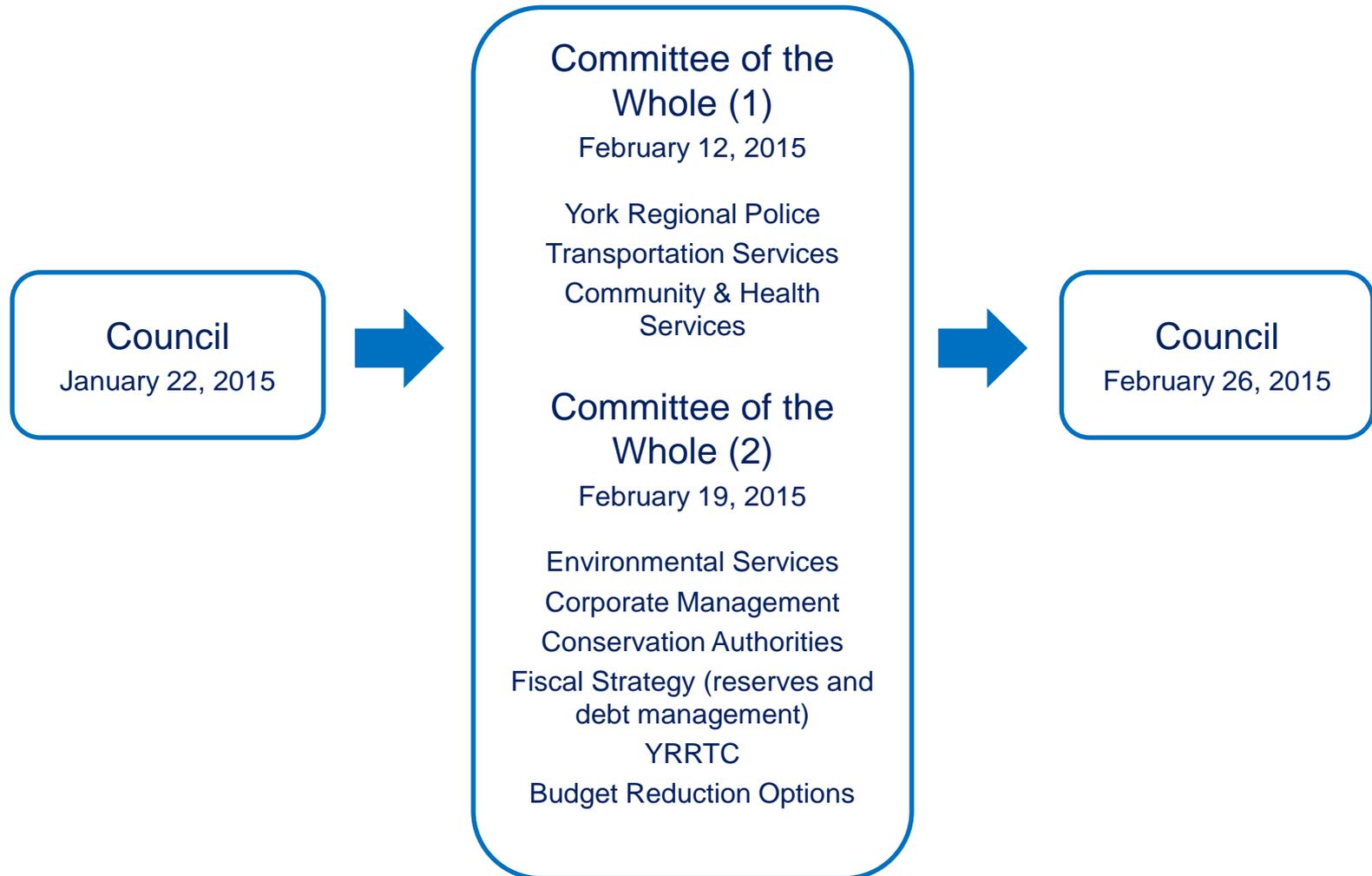
Presentation to Council

Bill Hughes

February 26, 2015



Council / Committee Review Process



The proposed budget at a glance

	2015	2016	2017	2018
Proposed tax increase	2.97%	2.85%	2.69%	2.35%

Operating Budget for 2015

\$1.9B

Capital Budget for 2015

\$826M

Ten-Year Capital Plan

\$5.8B

Capital plan compliant with the Province's
Annual Repayment Limit regulation



A multi-year operating budget

2015 - 2018 Operating Budget	2015 \$ Million	2016 \$ Million	2017 \$ Million	2018 \$ Million
Gross Expenditures	1,886	1,972	2,052	2,126
Non-Tax Revenue	948	989	1,025	1,057
Net Expenditures	938	983	1,027	1,069
Assessment Growth* (%)	2.16	1.99	1.89	1.82
Proposed Tax Levy Increase (%)	2.97	2.85	2.69	2.35

*Assessment growth reflects change in taxing capacity

Key features of the budget

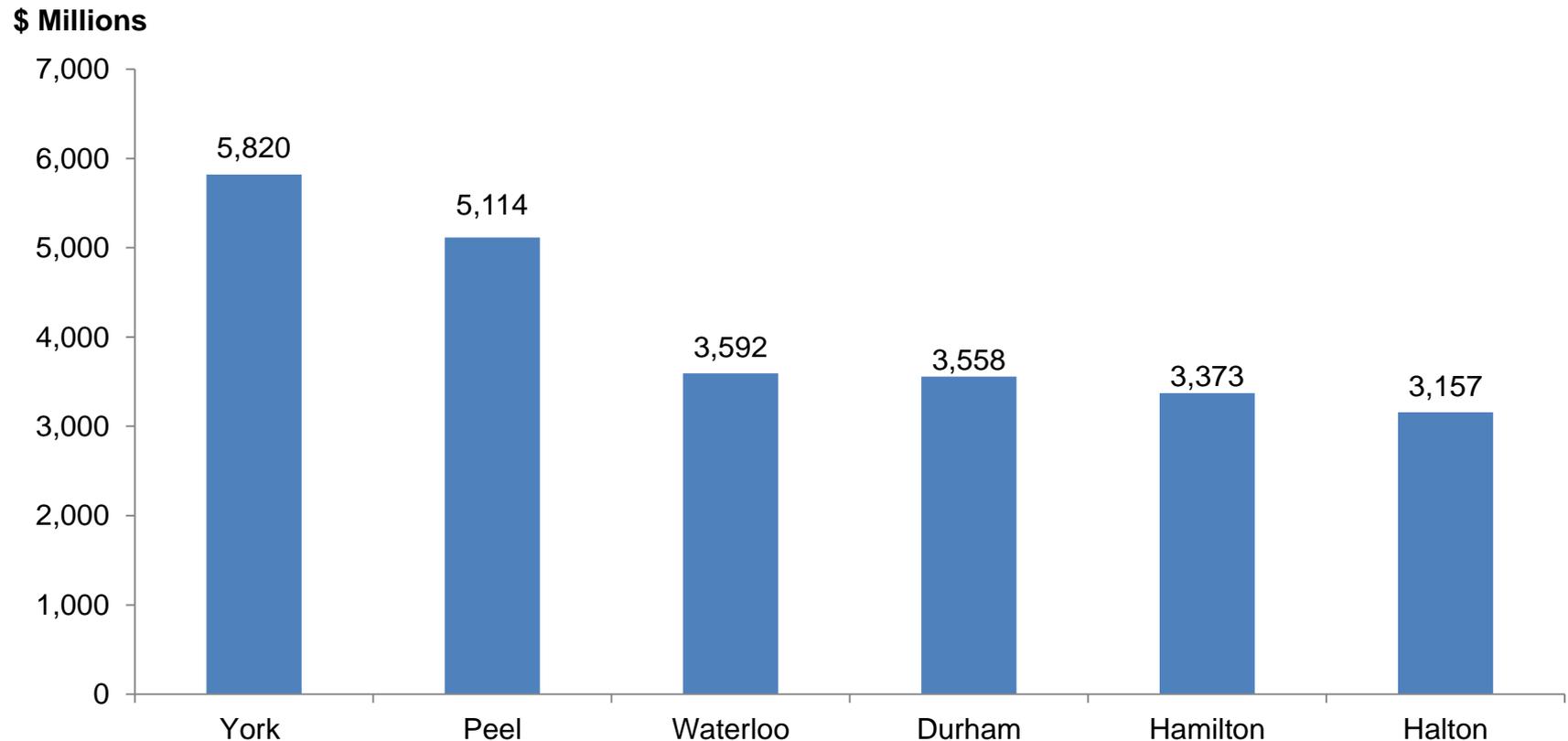
- ❑ Multi-year budget
- ❑ Selected improvements to service levels
- ❑ Robust capital plan
- ❑ Savings for future capital asset replacement
- ❑ Improved fiscal strategy to reduce future debt levels and protect the credit rating

New initiatives included in the budget

- ❑ 129 new police officers and 51 police civilian staff over the next four years to respond to population growth, as well as implementation of a new part-time Cadet program
- ❑ Continued implementation of the Emergency Medical Services 10-year Resources and Facilities Master Plan, including the addition of 95 new EMS staff
- ❑ Responding to an increased need for mental health programs and services, including effective crisis intervention, intensive case management and wrap-around supports to those living with mental illness
- ❑ Opening of a state-of-the-art transit operations, maintenance and storage facility in 2015
- ❑ Continued implementation of the vivaNext bus rapid transit services on the new rapidways
- ❑ Funding for the Regional contribution to a new university in Markham
- ❑ The construction of 126 new lane kilometers of roads (including urbanization of existing rural roads).
- ❑ Continued implementation of the Fiscal Strategy to lower peak debt to \$2.9 billion in 2017 and eliminate tax levy debt

York's ten-year capital plan is largest among comparable municipalities

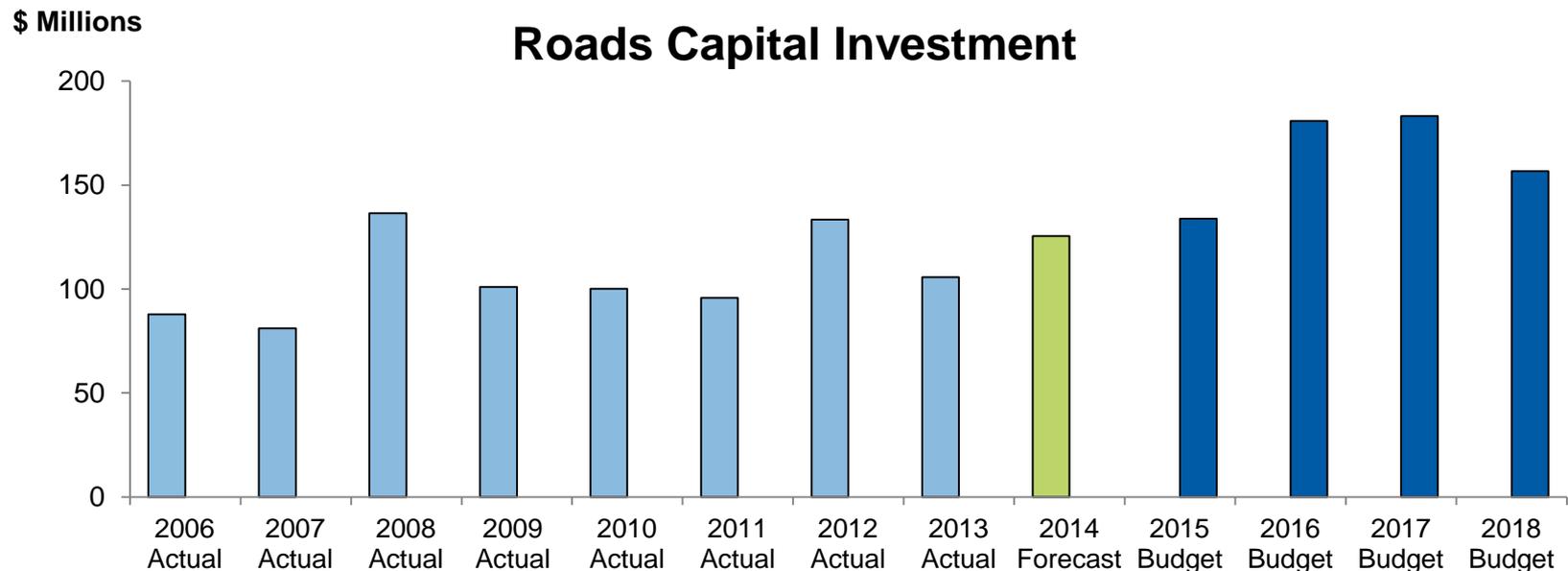
Ten-Year Capital Plans for York and other Regions



Figures reflect Ten-Year Capital Plans proposed in 2015, except Halton which is the 2015 approved Ten-Year Capital Plan, and Durham, which is the 2014 approved Ten-Year Plan

Major capital investments in transportation infrastructure

- The capital plan includes record levels of roads investment over the next four years, responding to the need to address congestion

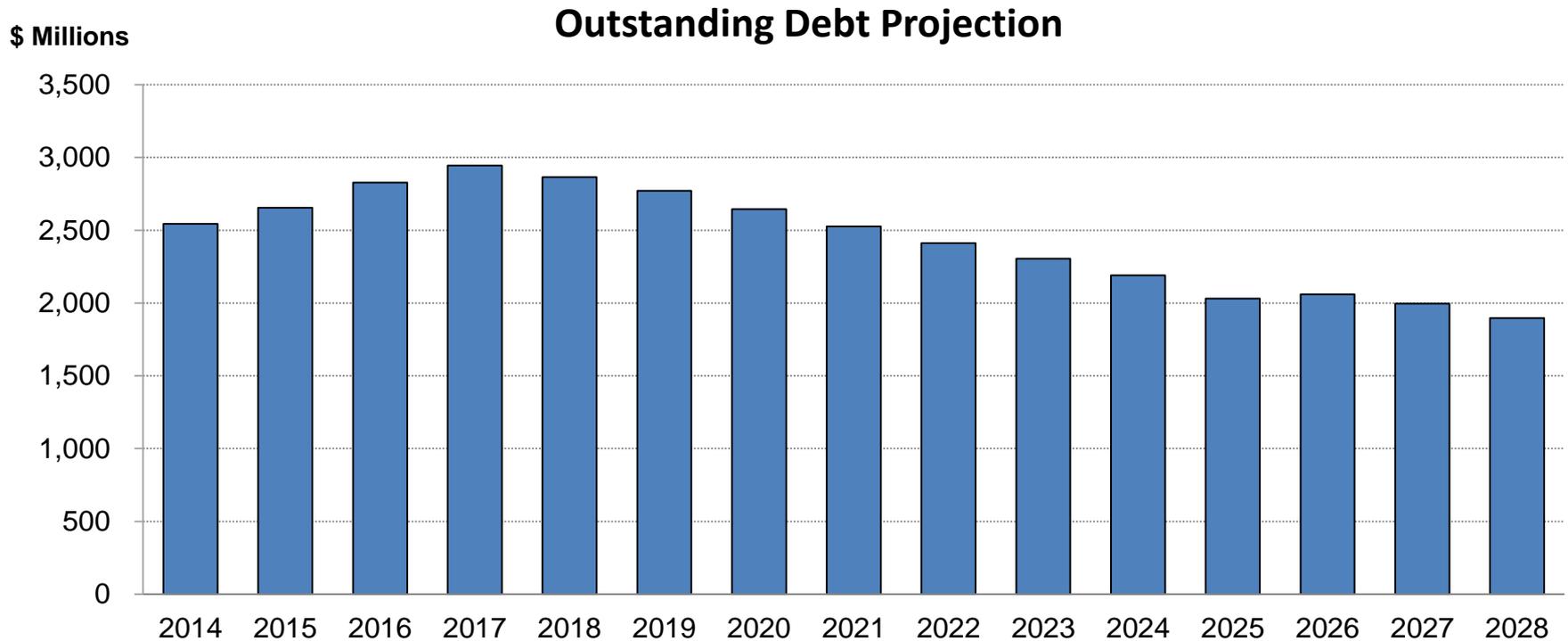


The federal, provincial and regional governments will invest \$1.9 billion in transit between 2015 and 2019

Top 10 capital projects by Capital Spending Authority

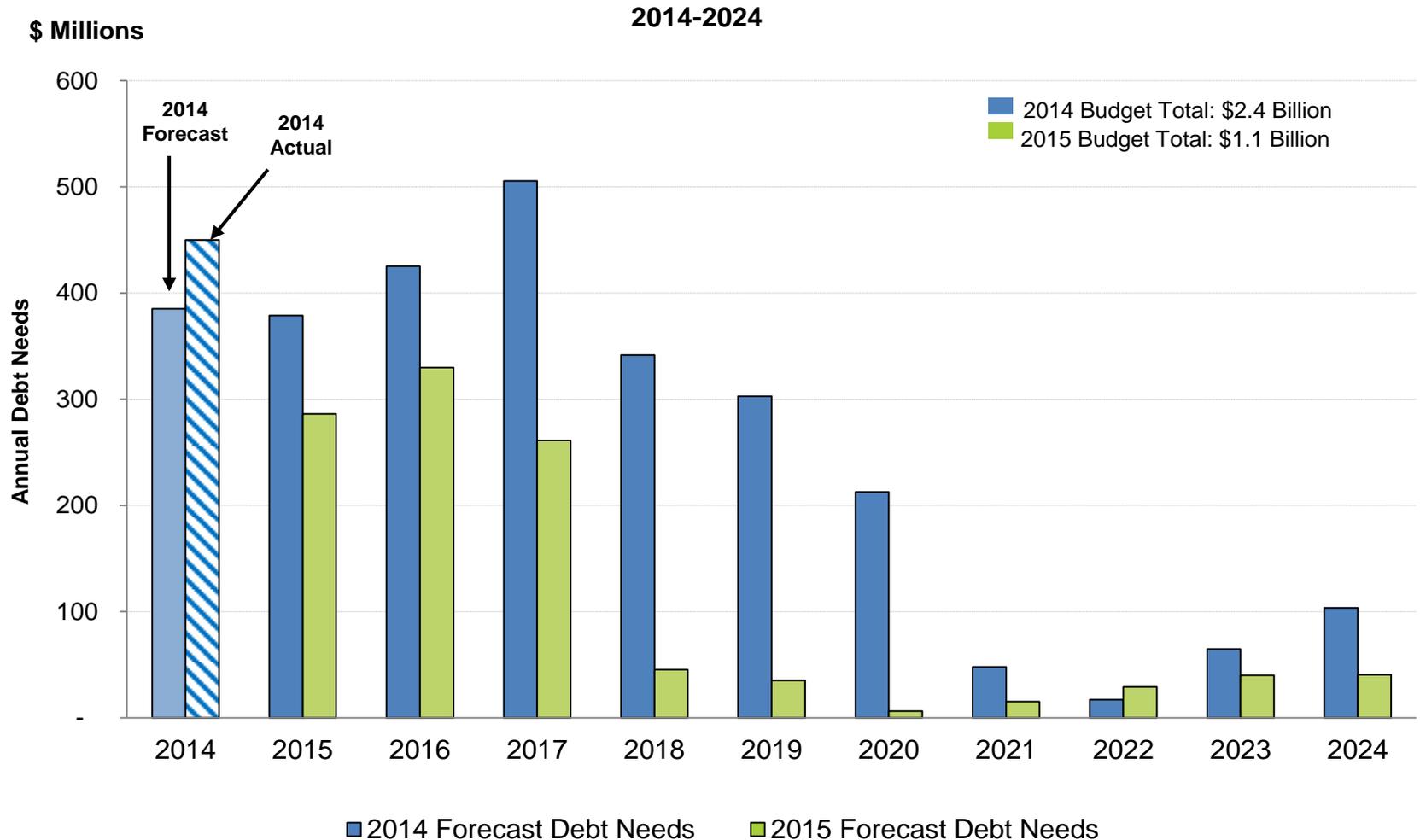
Projects	Proposed 2015 CSA (\$ Millions)
Spadina Subway Extension	408
Duffin Creek Incinerator 1 & 2 Rehabilitation	170
Duffin Creek Stage 1 & 2 Upgrades	149
Peel Water Supply Cost-Shared Work	112
Bus Rapid Transit (BRT) Facilities and Terminals	79
Upper York Sewage Solutions	76
York Durham Sewage System (YDSS) Southeast Collector	67
Toronto Water Supply Cost-Shared Work	65
West Vaughan Sewage Servicing	59
Southeast Collector Rehabilitation Primary System	55

Fiscal strategy lowers debt levels



The fiscal strategy will lower the peak level of debt to \$2.9 billion

2015 Debt Management Plan shows lower requirements over the next 10 years

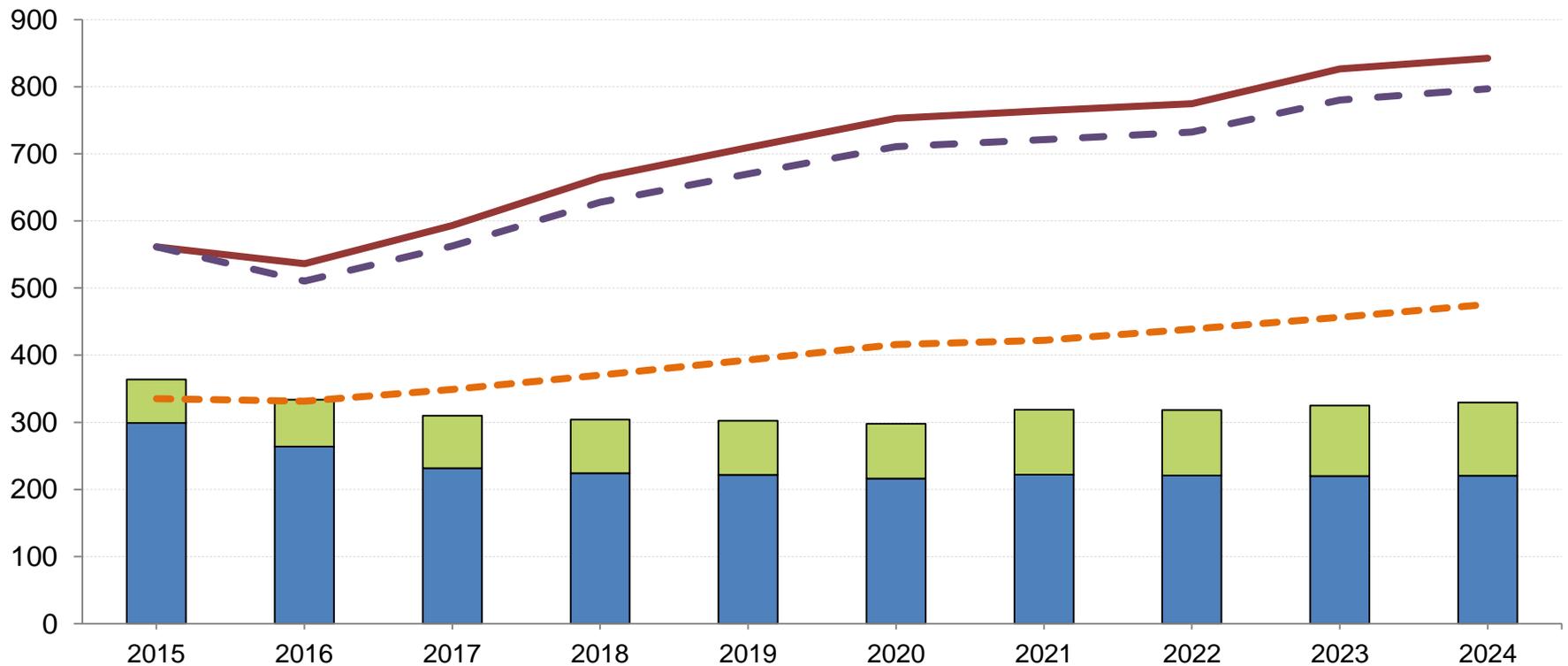


The Region is well within its Annual Repayment Limit (ARL)

Growth-Related Annual Debt Repayment Limit – Capital Spending Authority Basis vs. Existing and Anticipated Debt and Financial Obligations

2015-2024

\$ Millions



Existing Financial Obligations

New Financial Obligations (CSA Basis)

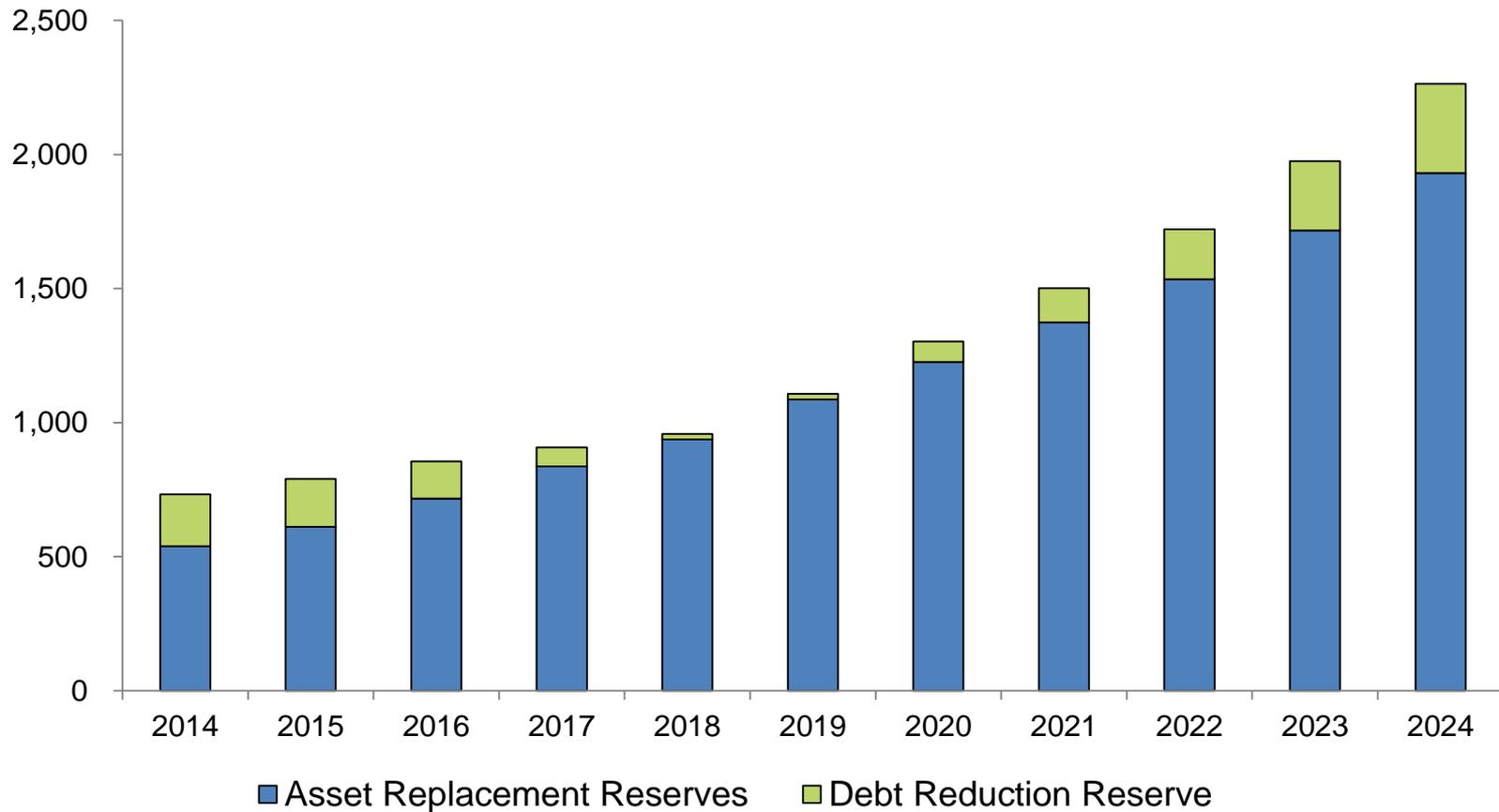
Growth-Related ARL - 80%

Adjusted ARL @ 70%

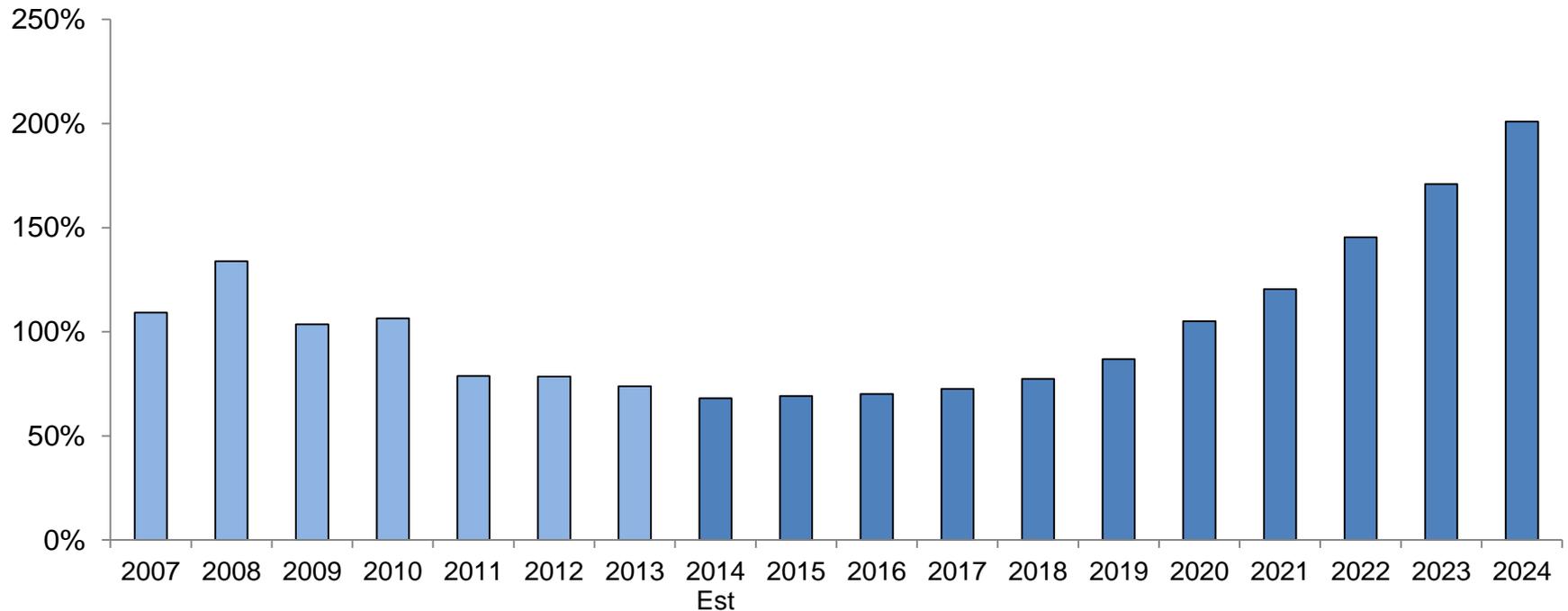
Own Source Revenue Only

Fiscal strategy-related reserves will grow strongly

\$ Millions



Reserve-to-debt ratio will improve despite budget reductions



The reserve to debt ratio is declining, but is forecast to increase in 2015 and exceed 100% by 2020

Summary of the budget

- ❑ A multi-year budget to align with the term of Council
- ❑ Investments to maintain service levels and provide selected enhancements
- ❑ A robust capital plan that better aligns the timing of projects with expected growth
- ❑ Dramatically less new debt and markedly lower peak debt levels
- ❑ No new tax levy debt whatsoever in next ten years
- ❑ Rapidly increasing reserve balances
- ❑ Improved budget book format and structure
- ❑ Proposed tax increases of 2.97%, 2.85%, 2.69% and 2.35%

Tax impact on homeowner

The average assessed value of a residential property in the Region is \$515,000. A tax levy increase of 2.97 percent in 2015 equates to \$64 per household, on average.

