

Clause 6 in Report No. 18 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on December 14, 2017.

6

2018 Budget – Corporate Management and Governance,
Financial Initiatives, Boards and Court Services

Committee of the Whole recommends:

1. Receipt of the presentation by Bruce Macgregor, Chief Administrative Officer.
2. Adoption of the following recommendations contained in the report dated November 21, 2017 from the Commissioner of Finance:
 1. The Committee of the Whole recommends the budget as submitted for Corporate Management, Financial Initiatives, Court Services and Boards as follows:
 - a. The 2018 operating budget as summarized in Attachment 1
 - b. The 2018 capital expenditures and the 2018 Capital Spending Authority, as summarized in Attachment 2
 2. The recommended budget be consolidated by the Treasurer for consideration for Council approval on December 14, 2017.
 3. The Site Plan Agreement Fee be increased by \$1,170 to \$1,950 and that Schedule A of the Fees and Charges Bylaw 2010-15 be amended to implement the increase in the fee.

Report dated November 21, 2017 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. The Committee of the Whole recommends the budget as submitted for Corporate Management, Financial Initiatives, Court Services and Boards as follows:
 - a. The 2018 operating budget as summarized in Attachment 1
 - b. The 2018 capital expenditures and the 2018 Capital Spending Authority, as summarized in Attachment 2.
2. The recommended budget be consolidated by the Treasurer for consideration for Council approval on December 14, 2017.
3. The Site Plan Agreement Fee be increased by \$1,170 to \$1,950 and that Schedule A of the Fees and Charges Bylaw 2010-15 be amended to implement the increase in the fee.

2. Purpose

This report provides a summary of the 2018 Operating and Capital Budget for Corporate Management, Financial Initiatives, Court Services and Boards for consideration by Committee.

3. Background and Previous Council Direction

On [December 15, 2016](#) Council approved an operating outlook for 2018

As part of the 2017-2018 Budget, Council approved an outlook for the operating budget for 2018. This approved outlook formed the starting point for this year's budget. Evolving circumstances and emerging pressures are a natural part of a multi-year budget process. Absent extraordinary pressures, departments were expected to stay within their outlook. The 2018 operating budget reflects any revisions that have been made to the previously approved outlook.

The 2018 Budget was tabled on November 16, 2017

The consolidated 2018 Operating and Capital Budget was tabled with Council on November 16, 2017. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The 2018 Budget Direction report, approved by Council on [May 18, 2017](#), outlined the proposed timelines and indicated that the 2018 budget would be approved in December 2017, as long as Council is satisfied with it through the review process.

A one-year operating budget was tabled for Council's consideration

The operating budget presented is a one-year budget for the remaining year of Council's term. Council is asked to approve the budget for 2018.

Multi-year commitments for capital projects are proposed as part of the budget process

Many complex capital projects span several years of planning, design and construction, requiring multi-year spending authority.

Capital Spending Authority is requested for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve multi-year Capital Spending Authority for capital projects.

4. Analysis and Implications

Corporate Management, Financial Initiatives, Court Services and Boards provide a variety of internal and external services

Corporate Management provides professional services and advice to Council, and works to make the organization's operations more strategic, responsive and efficient.

Financial Initiatives includes funding for corporate-wide initiatives that help manage key risks and contribute to a stronger organization.

York Region Council provides funding, generally reflecting a Regional agreement or provincial mandate, to several outside organizations, collectively known as Boards, that provide public services in the Region:

- Area hospitals receive a portion of their capital costs from the Region. The province funds up to 90% of the "bricks and mortar" costs of hospital construction and a smaller share of equipment and furnishings. Under a 2009 agreement that runs to 2031, York Region helps the three existing hospitals within its boundaries, plus one in the planning stage, to meet their capital requirements. The Region's maximum contribution was set at \$12 million in 2009 and is indexed annually based on assessment growth in the preceding year.

- As a member of the Municipal Property Assessment Corporation, along with all other Ontario municipalities, York Region is required to provide a share of its funding. The non-profit corporation carries out property assessments for all Ontario municipalities.
- GO Transit provides rail and bus service in York Region, linking to Regional transit services. While the province fully funds the shortfall between its operating costs and fare revenues, it shares capital costs with the federal government and the municipalities served by GO, including York Region. GO is undertaking several projects in York Region to upgrade and improve its services.

Court Services administers the provincial offences court program in York Region, which deals with a range of non-criminal charges, and provides related prosecution services.

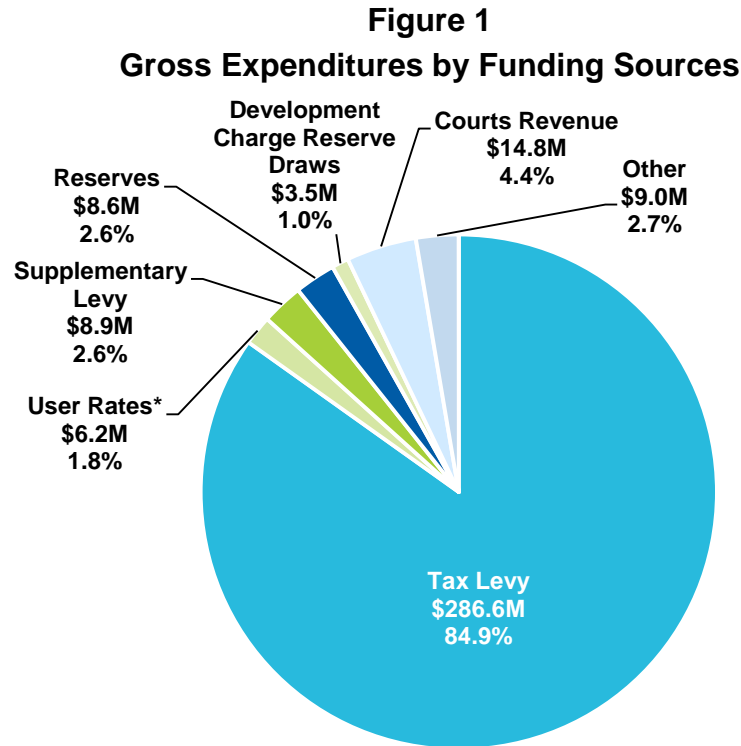
Recovery from User Rate reflects costs incurred by corporate management departments in support of delivering water and wastewater services that are funded by user rates, lowering tax levy.

Operating Budget (pages 162, 194, 198 and 185)

Corporate Management, Financial Initiatives and Boards are largely funded through tax levy

The budget shows both the gross operating expenditures (total budget) and the net tax levy (the portion of the budget paid for by the tax levy).

Corporate Management, Financial Initiatives, Court Services and Boards total gross budget for 2018 is \$337.7 million. As shown in Figure 1 below, tax levy pays for 84.9% of the services provided by these parts of the organization. Most of the remaining funds come from court revenues, supplementary levy and reserves.



*Recovery from User Rate consists of corporately allocated costs to water and wastewater

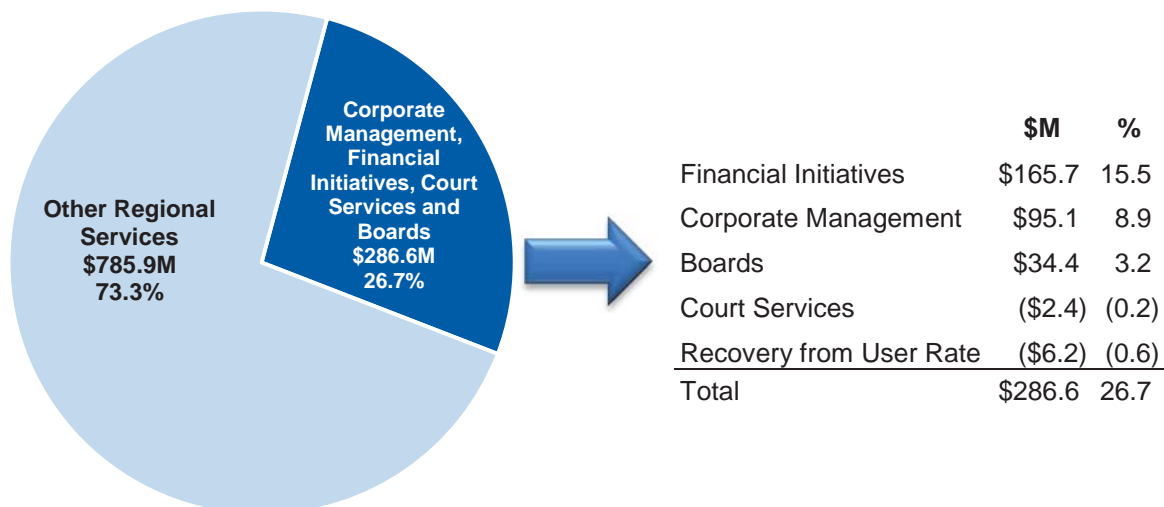
The proposed budget for Corporate Management, Financial Initiatives, Court Services and Boards reflects net operating expenditures of \$286.6 million in 2018

The 2018 operating budget includes the cost of providing:

- Base services
- Legislated and contractual requirements
- Fiscal strategy requirements
- Impact of capital
- Growth
- Service enhancements.

The proposed net budget for Corporate Management, Financial Initiatives, Court Services and Boards, less the user rate recovery is \$286.6 million, or 26.7% of the total 2018 proposed Regional net operating budget, as shown in Figure 2 below.

Figure 2
Corporate Management, Financial Initiatives, Court Services and Boards
Share of the Tax Levy



Attachment 1 summarizes the proposed gross and net operating budgets for 2018.

Corporate Management, Planning and Economic Development, Financial Initiatives, Court Services and Boards are above the approved outlook

Collectively, the Corporate Management, Planning and Economic Development, Financial Initiatives, Court Services and Boards proposed 2018 budget is \$360,745 above the outlook approved as part of the 2017 Budget. The increase will support additional staffing and resources to augment corporate services, including audit, review of development charge and site plan agreements, and strategies and initiatives analysis.

Capital Budget (pages 172 and 187)

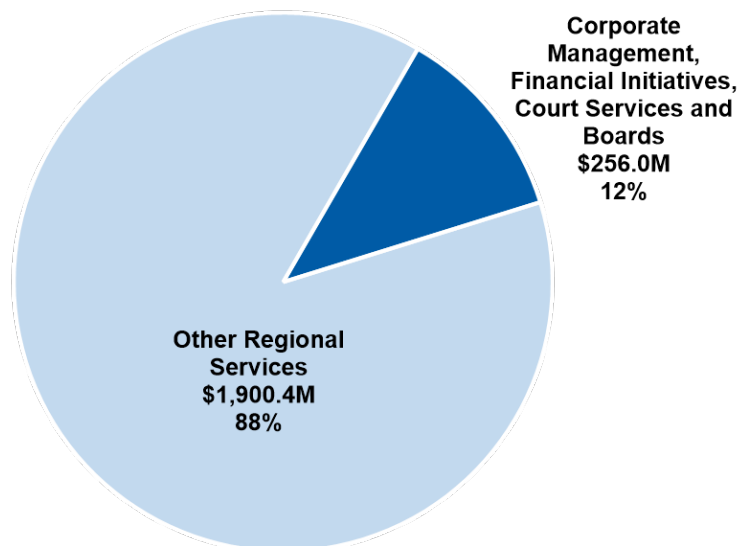
Approval of 2018 capital expenditures of \$129.5 million and Capital Spending Authority of \$256.0 million is requested for Corporate Management, Financial Initiatives, Court Services and Boards

The capital budget includes new infrastructure projects in support of growth, rehabilitation and replacement of existing infrastructure and service enhancement.

The proposed Capital Spending Authority for Corporate Management, Financial Initiatives, Court Services and Boards is \$256.0 million, or 12% of the total 2018 Capital Spending Authority, as shown below in Figure 3.

Figure 3

**Corporate Management, Financial Initiatives, Court Services and Boards
Share of Capital Spending Authority**



Attachment 2 summarizes the 2018 Capital Spending Authority by program and shows the associated funding sources for Corporate Management, Financial Initiatives, Court Services and Boards. Details on the individual projects are available in the 2018 Budget book starting on page 343.

The budget is informed by Council-approved strategies and plans

The 2018 budget for Corporate Management, Financial Initiatives, Court Services and Boards reflects the directions and strategies set out in Vision 2051 and the York Region Official Plan. The budget is also supportive of the objectives outlined in the 2015 to 2019 Strategic Plan.

5. Financial Considerations

The 2018 net operating budget for Corporate Management, Financial Initiatives, Court Services and Boards totals \$286.6 million, as summarized in Attachment 1.

The proposed 2018 Capital Spending Authority reflects a multi-year commitment of \$256.0 million, as summarized in Attachment 2. Expenditures not identified as part of Capital Spending Authority but contained within the Ten-Year Capital Plan

are provided for planning purposes and will be brought forward for formal approval in subsequent budget years.

Collecting site plan agreement fees when the application is submitted and increasing the site plan agreement fee by \$1,170 to \$1,950 will enhance cost recovery for legal services

The current site plan agreement fee of \$780 does not adequately capture the cost of legal services used to prepare site plan agreements. At \$780, York Region currently has the lowest site plan agreement fee among GTA regional municipalities such as the Region of Peel (\$2,000), Durham Region (\$2,125) and Halton Region (\$2,995 with a minor development application fee of \$498). It is also lower than most local municipal site plan agreement fees.

The site plan agreement fee is intended to offset the time spent by the Planning Law Clerk and lawyers to consult, negotiate, draft and finalize these agreements. Due to the increasing complexity of applications for high-rise developments, condominiums and intensification developments such as infilling, the average time to complete these agreements has increased to an average of 15-20 hours per agreement, with some agreements taking up to 60 hours to complete. The trend of increasing complexity, especially along rapid transit corridors, is expected to continue.

The current practice has been to collect this fee at the end of the site plan process, but in situations where an application and agreement are not completed because the application is withdrawn or not pursued there is no ability to recover staff time spent on the agreement process. As a result, it is recommended that the site plan agreement fee be collected when the initial site plan application is submitted.

An increase of \$1,170 to bring the site plan agreement fee to \$1,950 per site plan agreement and the collection of this fee when the initial site plan application is submitted will enhance cost recovery for legal resources spent on site plan agreements.

6. Local Municipal Impact

The Region provides essential services to the residents and businesses in York Region. The challenge of meeting growing demands for service and improving service delivery is addressed through the Region's business planning process. The Region's investments support local municipalities.

7. Conclusion

This report sets out the proposed 2018 budget for Corporate Management, Financial Initiatives, Court Services and Boards. To facilitate the completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on December 14, 2017.

For more information on this report, please contact Kelly Strueby, Director, Office of the Budget, at 1-877-464-9675 ext. 71611.

The Senior Management Group has reviewed this report.

November 21, 2017

Attachments (2)

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Accessible formats or communication supports are available upon request

2018 Budget Summary for Corporate Management, Financial
Initiatives, Court Services and Boards
Proposed Operating Budget Expenditures
(in \$000s)

Department	Page No.	2018 Budget	
		Gross	Net
Corporate Management:			
Chair and Council	162	2,373	2,373
Office of the CAO	162	6,685	6,508
Legal Services	162	6,860	6,427
Financial Management	162	19,772	17,355
Information Technology Services ¹	162	26,865	26,865
Communications, Information and Data	162	14,555	14,357
Human Resource Services	162	9,217	9,207
Planning and Economic Development	162	10,547	7,328
Property Services ¹	162	5,397	4,674
	162	102,272	95,095
Financial Initiatives ²	194	185,076	165,728
Boards:			
Hospital Capital Funding	198	14,675	14,675
MPAC	198	19,732	19,732
GO Transit	198	2,500	-
		36,908	34,408
Court Services	185	13,467	(2,432)
Recovery from User Rate ³	42	-	(6,195)
Total⁴		337,722	286,603

¹ Includes contributions to capital

² Financial Initiatives includes the Fiscal Strategy and non-program and financial items

³ Recovery from User Rate consists of corporately allocated costs to water and wastewater

⁴ Numbers may not add due to rounding

Note: Net operating expenditures= tax levy

2018 Capital Expenditures and Capital Spending Authority (CSA)
Corporate Management, Financial Initiatives, Court Services and
Boards

Information Technology Services	Page No.	2018 \$000s	2018 CSA \$000s
Program Expenditures:			
Information Technology Services:	172	19,152	103,798
Funding Sources:			
Asset Replacement Reserves	172	10,917	59,358
Program Specific Reserves	172	8,235	44,440
Total Funding Sources		19,152	103,798

Property Services	Page No.	2018 \$000s	2018 CSA \$000s
Program Expenditures:			
Property Services:			
Business Initiatives ¹	172	106,870	148,663
Rehabilitation and Replacement	172	2,544	2,544
Total Program Expenditures		109,414	151,207
Funding Sources:			
Debt Reduction Reserve	172	92,876	131,723
Asset Replacement Reserves	172	9,605	9,605
Development Charge Reserves	172	6,933	9,879
Total Funding Sources		109,414	151,207

¹ Business Initiatives includes Property Services growth and enhancement projects.

Planning and Economic Development	Page No.	2018 \$000s	2018 CSA \$000s
Program Expenditures:			
Planning and Economic Development:	172	851	851
Funding Sources:			
Pay-As-You-Go Tax Levy	172	85	85
Development Charge Reserves	172	766	766
Total Funding Sources		851	851

Court Services	Page No.	2018 \$000s	2018 CSA \$000s
Program Expenditures:			
Court Services:	187	120	120
Funding Sources:			
Asset Replacement Reserves	187	120	120
Total Funding Sources		120	120




**2018 Budget:
Corporate Management and Governance,
Financial Initiatives, Boards and Court Services**

**Presentation to
Committee of the Whole**

Bruce Macgregor

December 7, 2017

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Corporate Management



Office of the CAO

Strategies & Initiatives:

Strategic Planning,
Customer Service,
Continuous Improvement,
Emergency Management

Audit Services



Finance

Financial Management:

Office of the Budget,
Controllershship,
Procurement, Strategy
& Transformation,
Treasury

Information Technology Services



Corporate Services

Communications, Information & Data:

Office of the Regional Clerk, Corporate Communications, Business Services, Data, Analytics & Visualization Services

Human Resource Services

Planning & Economic Development

Property Services



Legal & Court Services

Dispute Resolution & Construction Law

Development & Infrastructure Law

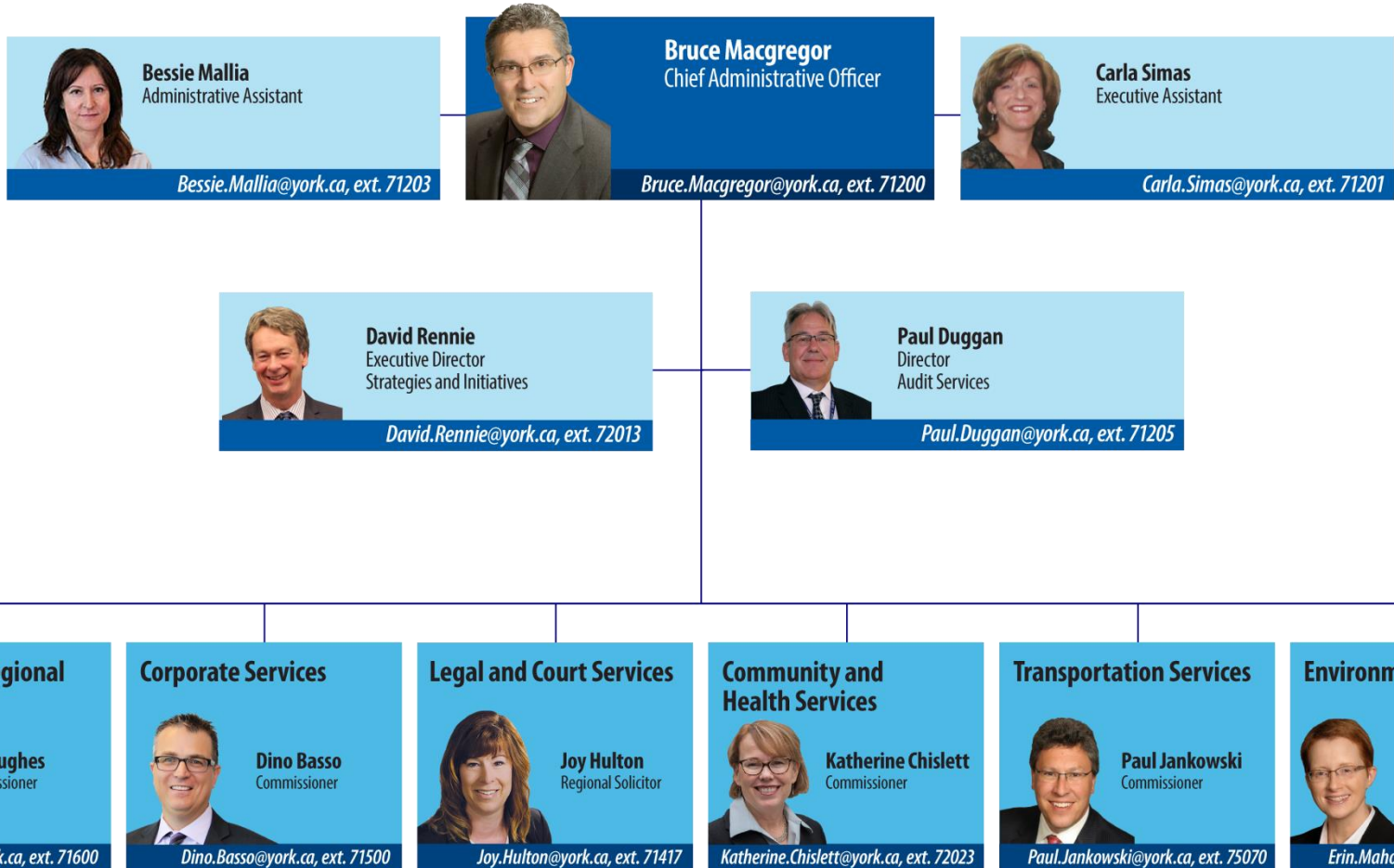
Municipal & Corporate Law

Court Services

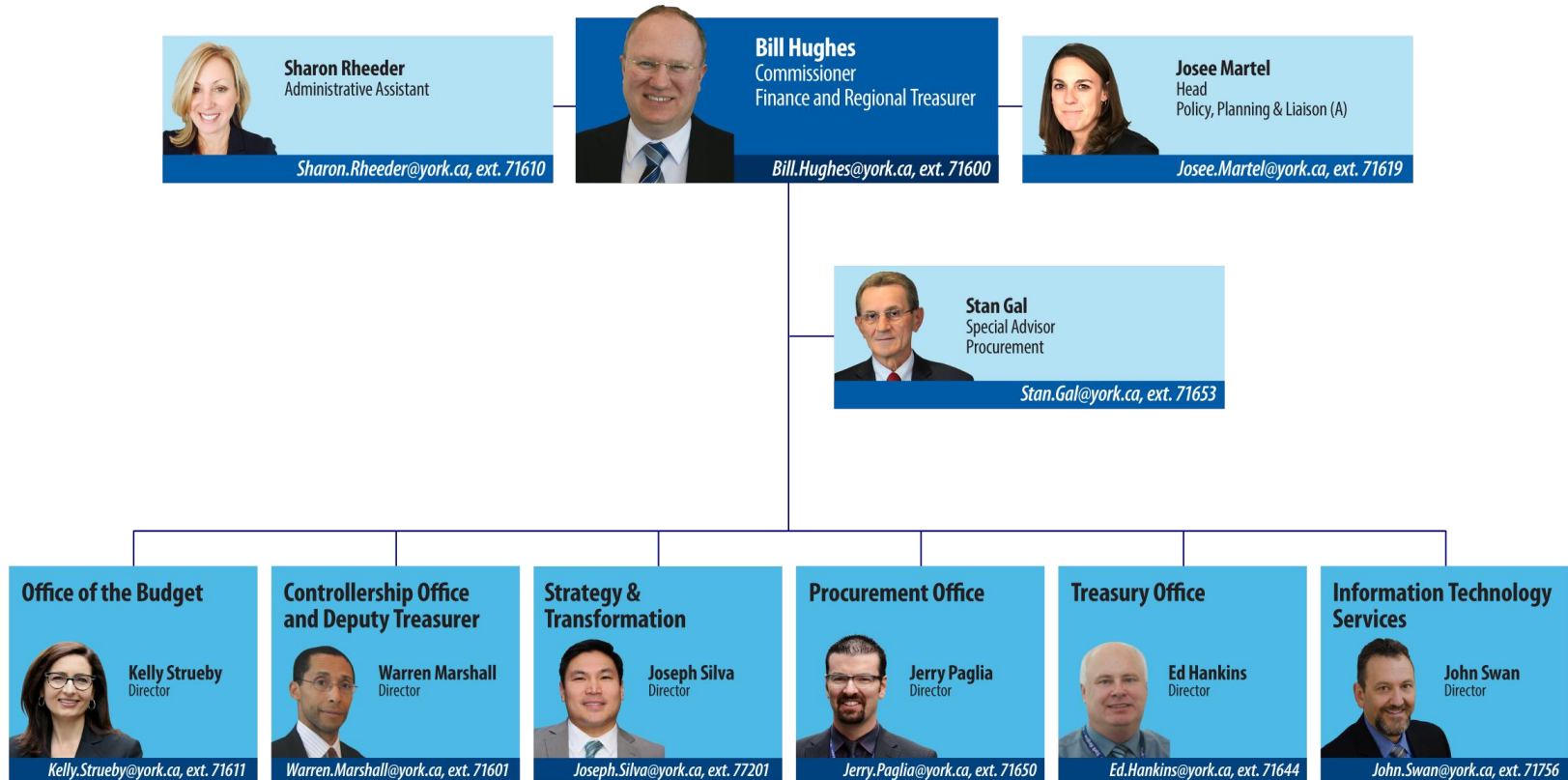
Court Operations

Prosecution Services

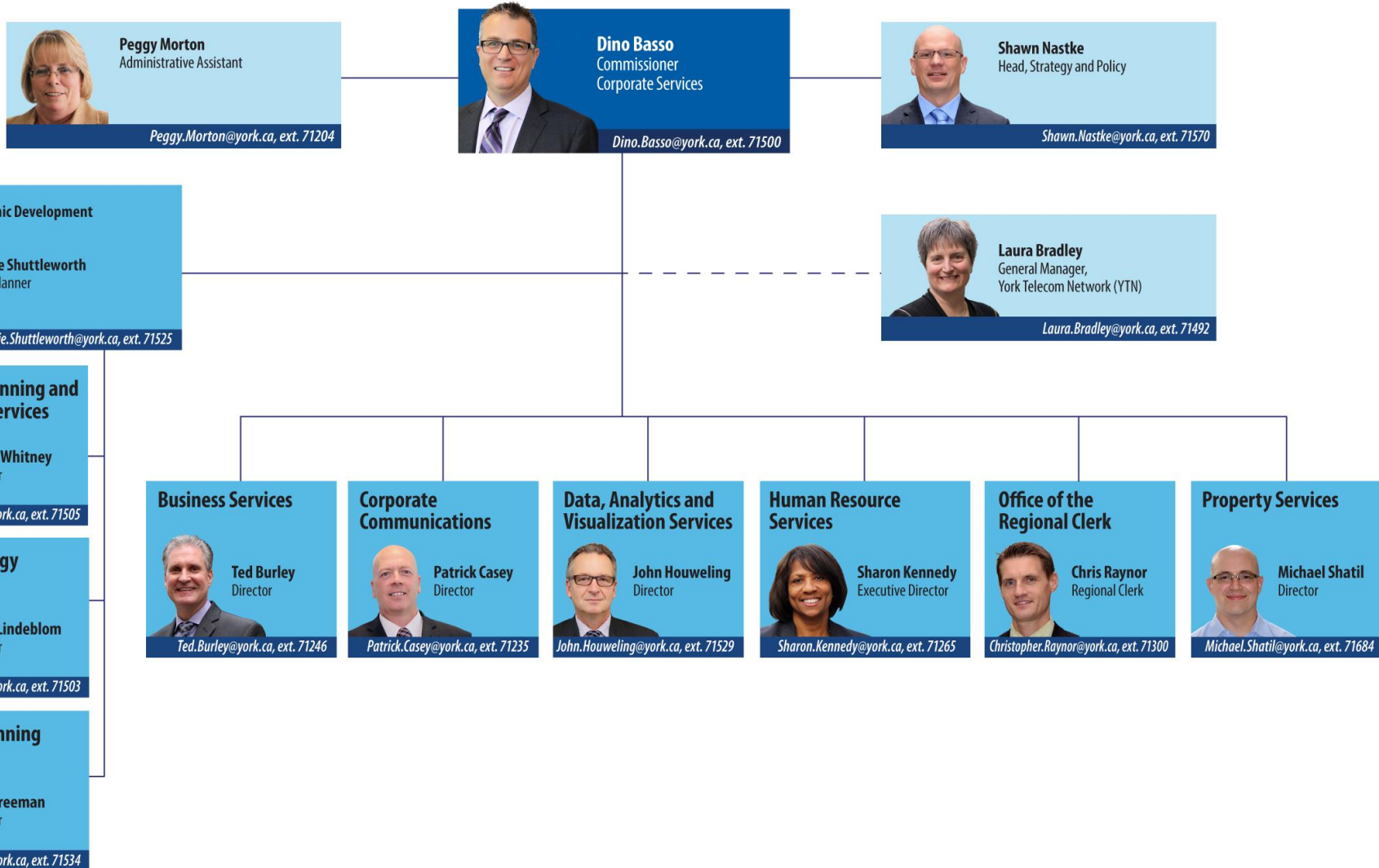
Senior Leadership Team



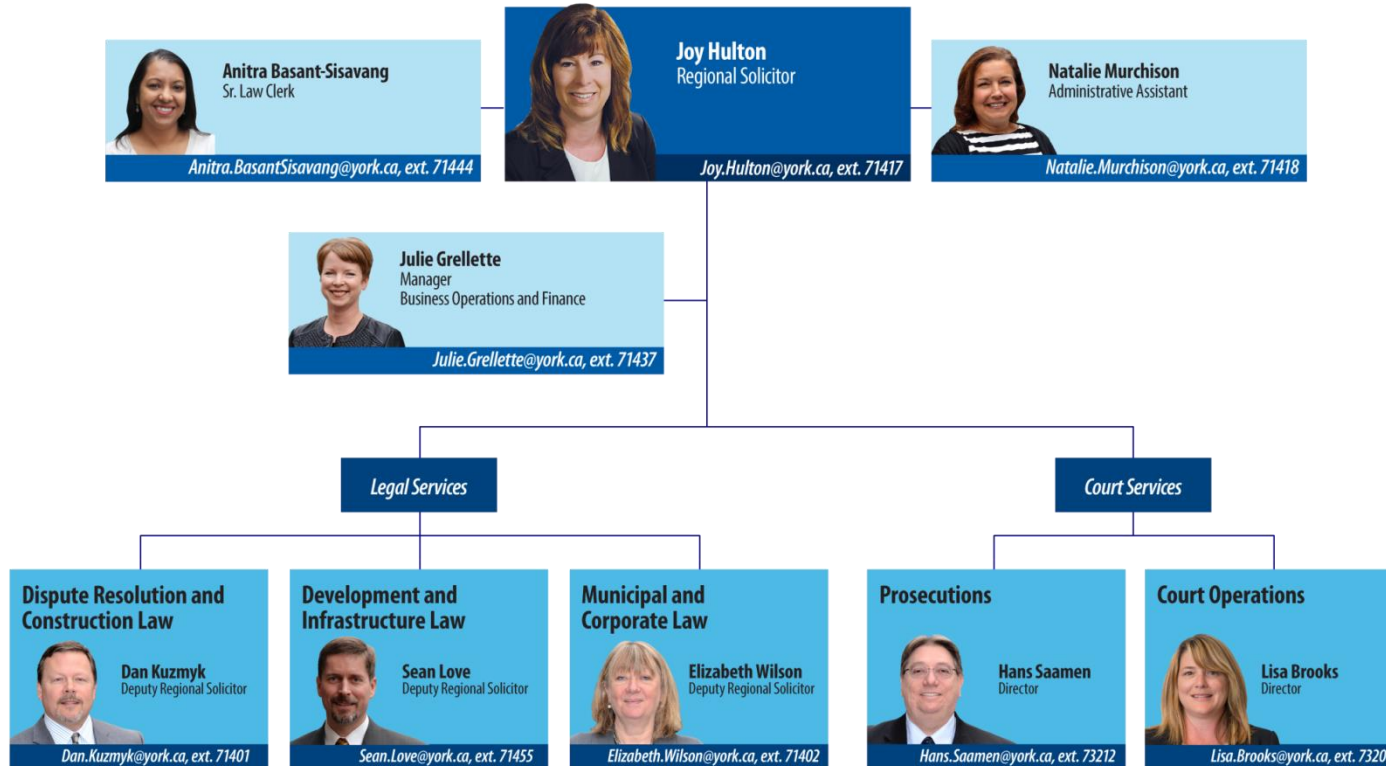
Finance Department



Corporate Service Department



Legal and Court Services Department



Key Accomplishments (2015-2017)

Strategic Plan Activities

- Multi-year budgeting
- Strong credit ratings
- Growing reserve to debt ratio
- Testing business continuity plans
- Top Employer (3 years)
- Response to Provincial Plan Review

Other Activities

- New Community Report
- eProcurement
- Streamlined POA court services
- Started Annex Construction
- York Link Campaign
- Open Data
- York University campus

Key Priorities (2018)

Strategic Plan Activities

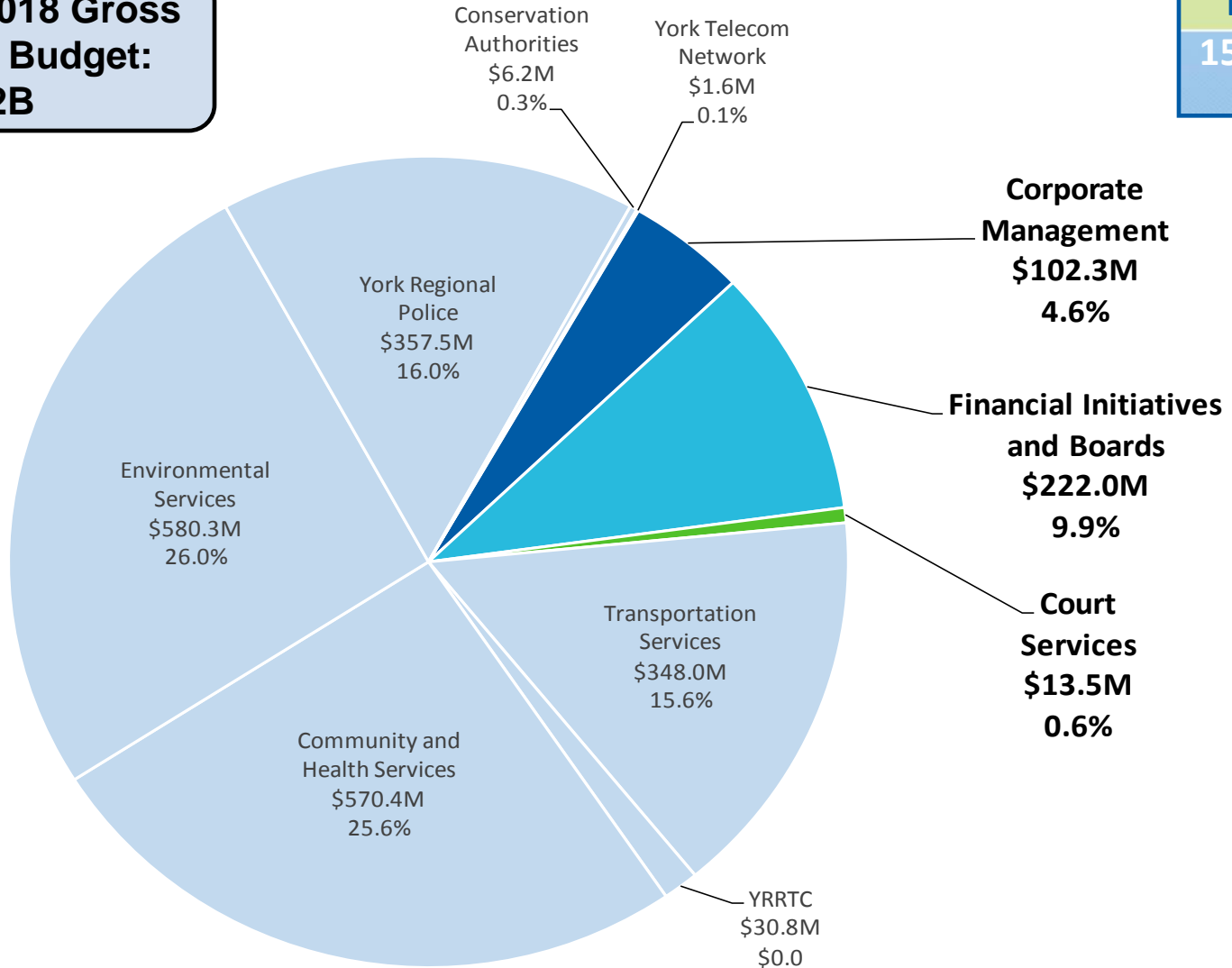
- Continued delivery of the Fiscal Strategy
- Continued enhancement to customer service
- Building the new 2019-2023 Strategic Plan
- Complete the Municipal Comprehensive Review

Other Activities

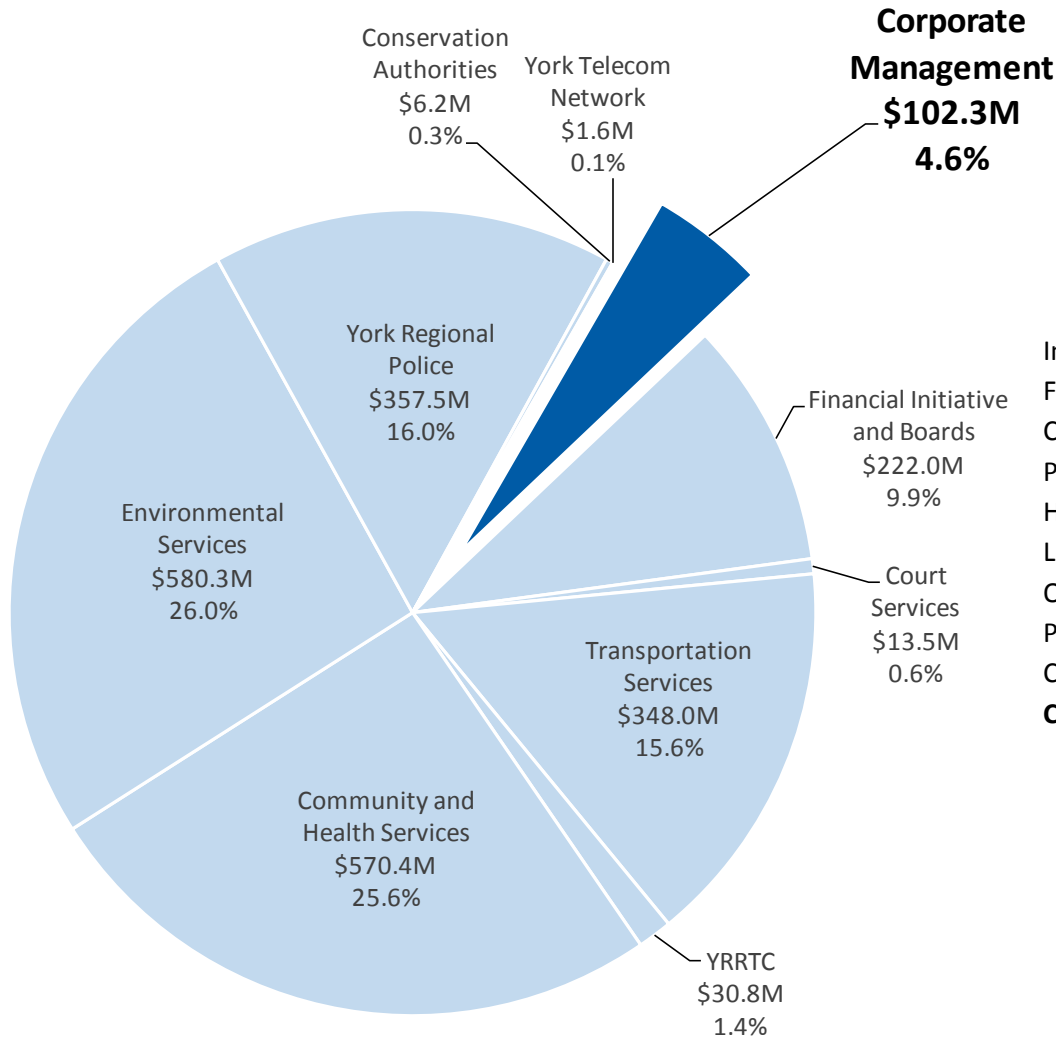
- No new tax levy or water rate debt
- Development Charge Bylaw Update
- YTN Telecom Network Inc.
- Responding to increased demand for legal support and POA court services

Share of 2018 gross operating spending

Proposed 2018 Gross Operating Budget: \$2.2B



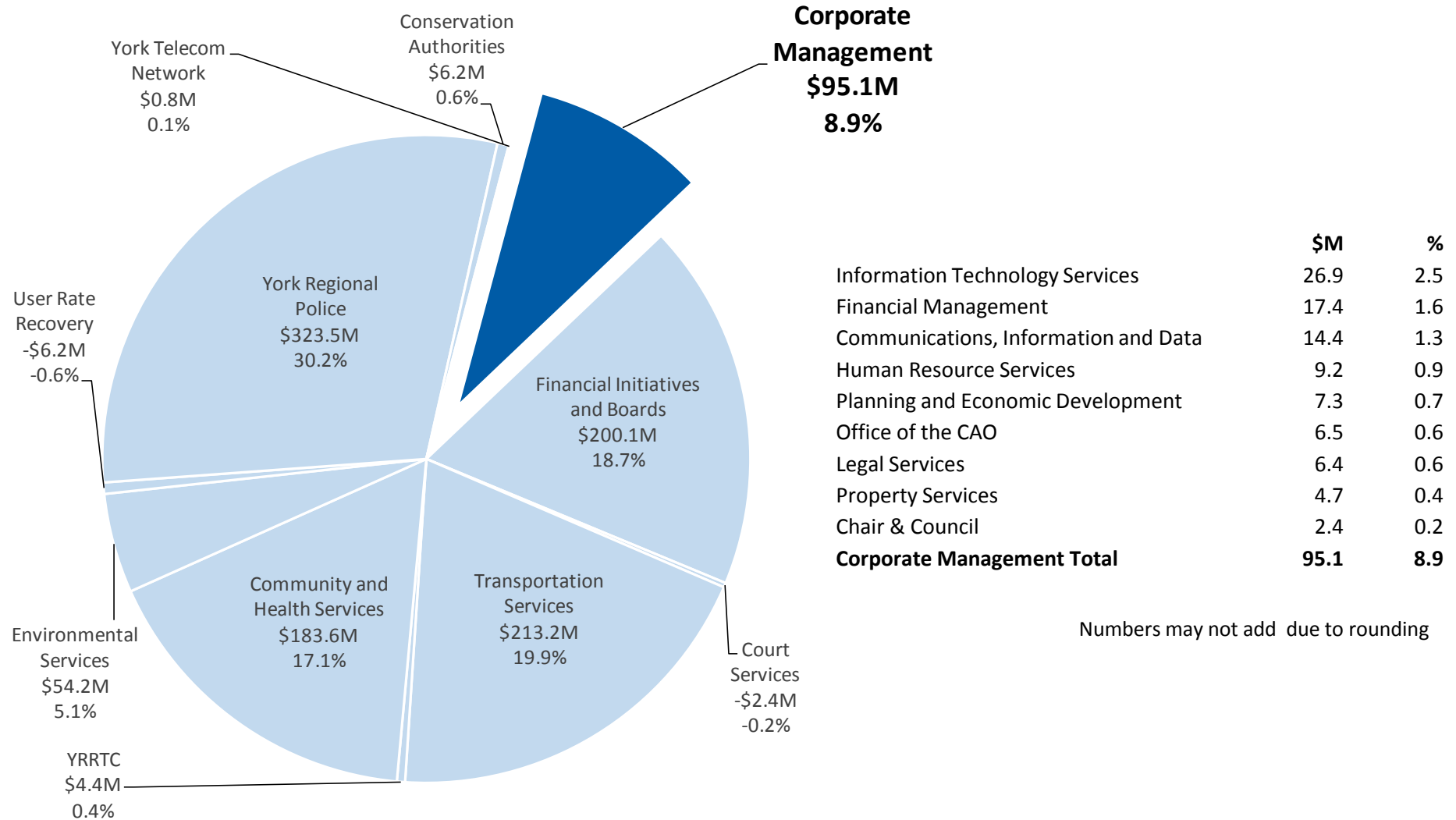
Corporate Management – 2018 gross spending



	\$M	%
Information Technology Services	26.9	1.2
Financial Management	19.8	0.9
Communications, Information and Data	14.6	0.7
Planning and Economic Development	10.5	0.5
Human Resource Services	9.2	0.4
Legal Services	6.9	0.3
Office of the CAO	6.7	0.3
Property Services	5.4	0.2
Chair & Council	2.4	0.1
Corporate Management Total	102.3	4.6

Numbers may not add due to rounding

Corporate Management – 2018 net spending

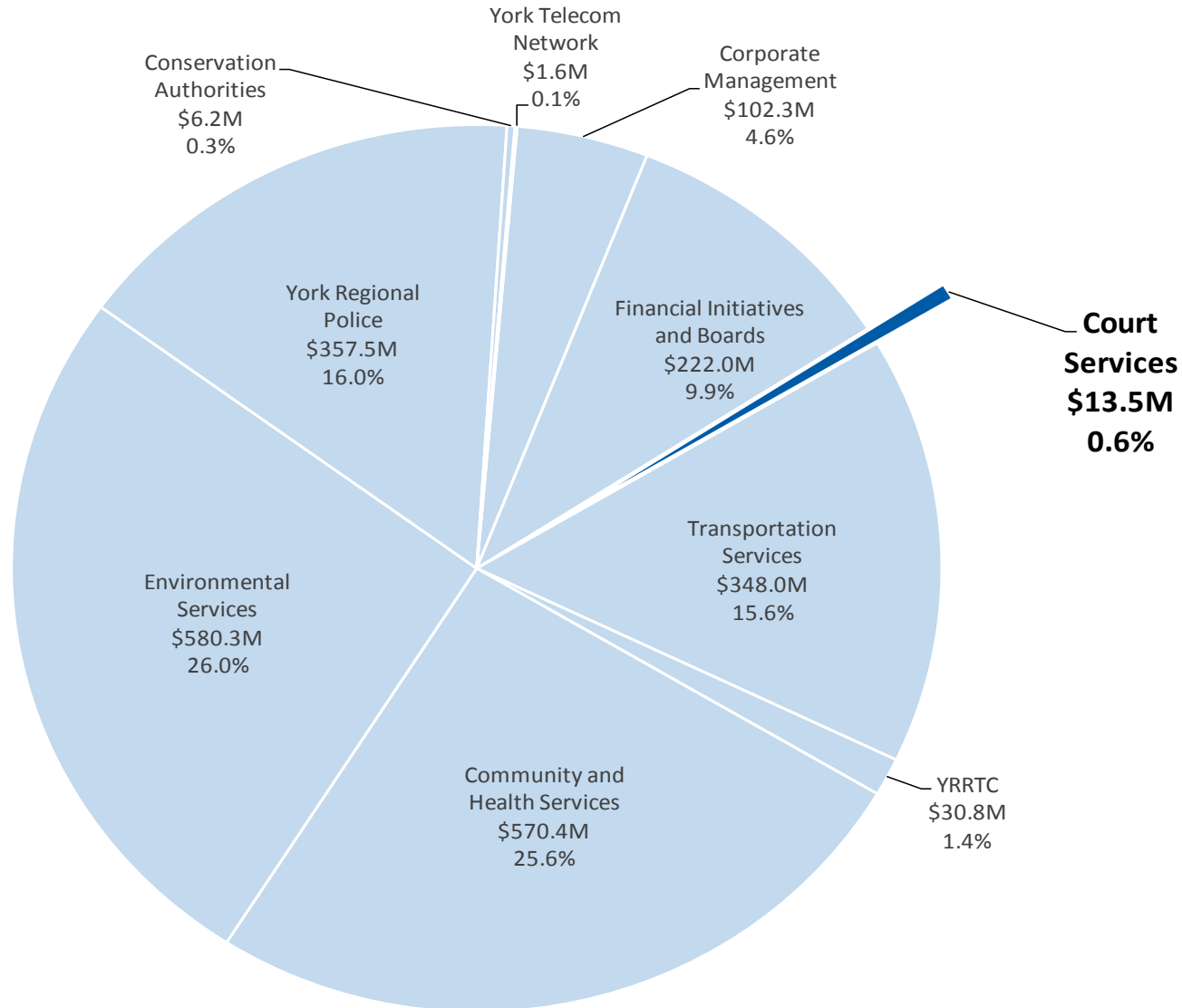


Corporate Management – Operating Budget Summary

\$ in Millions	2017 Approved	2018 Proposed
Gross Expenditures (\$M)	97.5	102.3
Non-Tax Revenues (\$M)	(6.6)	(7.2)
Net Expenditures (\$M)	90.9	95.1
Increase (year over year) 2017 Approved Outlook		4.57% 3.93%
Total FTEs	643.0	664.0
2018 New FTEs		21.0
2017 Approved Outlook New FTEs		18.0

Numbers reflect any in-year restatements

Court Services – 2018 gross spending



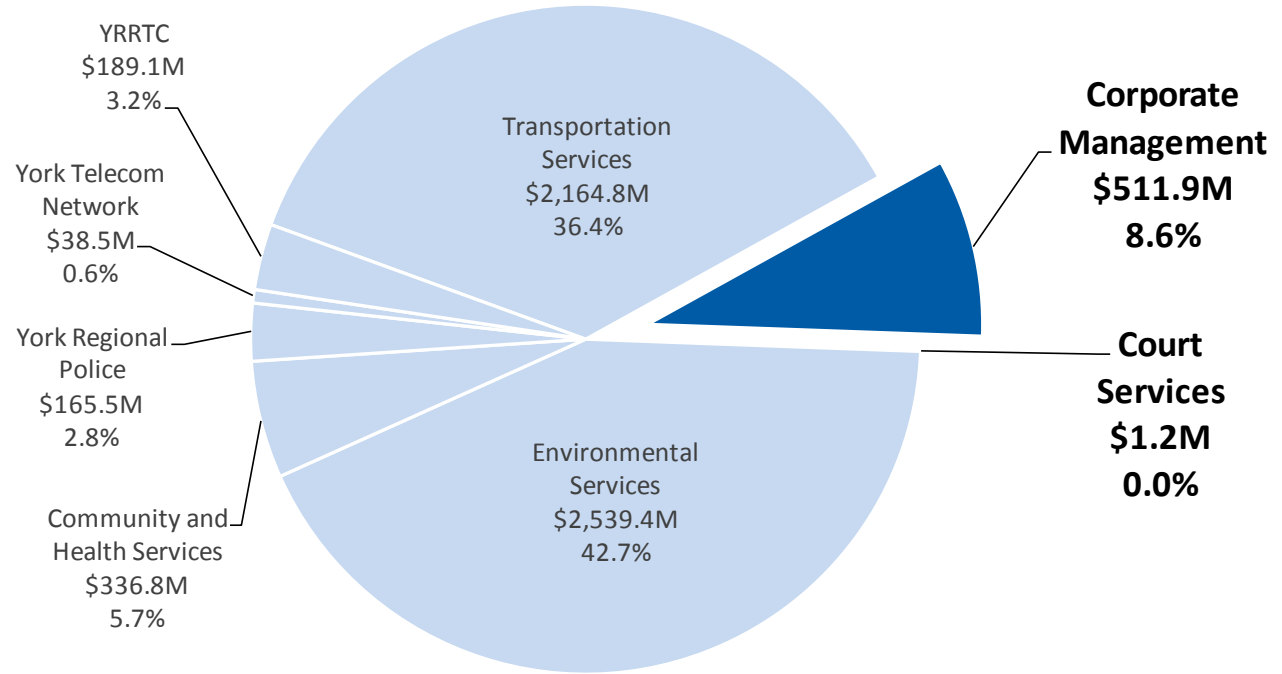
Court Services – Operating Budget Summary

\$ in Millions	2017 Approved	2018 Proposed
Gross Expenditures (\$M)	13.2	13.5
Non-Tax Revenues (\$M)	(15.6)	(15.9)
Net Expenditures (\$M)	(2.4)	(2.4)
Increase (year over year) 2017 Approved Outlook		1.23% -
Total FTEs	79.0	79.0
2018 New FTEs		-
2017 Approved Outlook New FTEs		-

Numbers reflect any in-year restatements

Corporate Management & Court Services – 10-year Capital Plan

**Proposed 2018
10-Year Capital Plan:
\$5,947.2M**

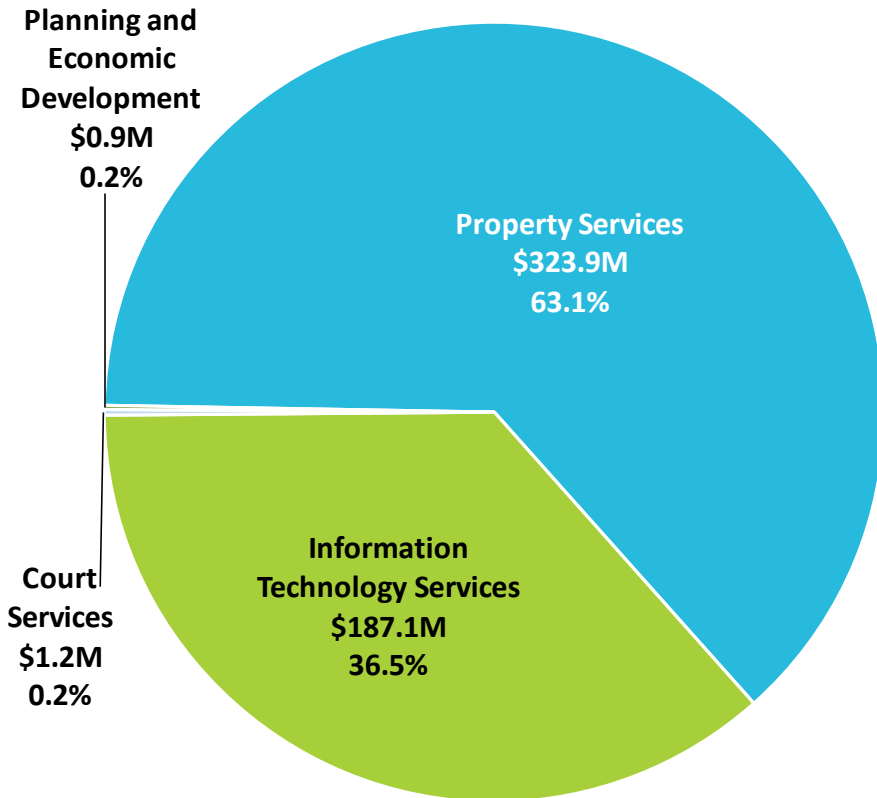


**\$511.9M
+ \$1.2M
\$513.1M**

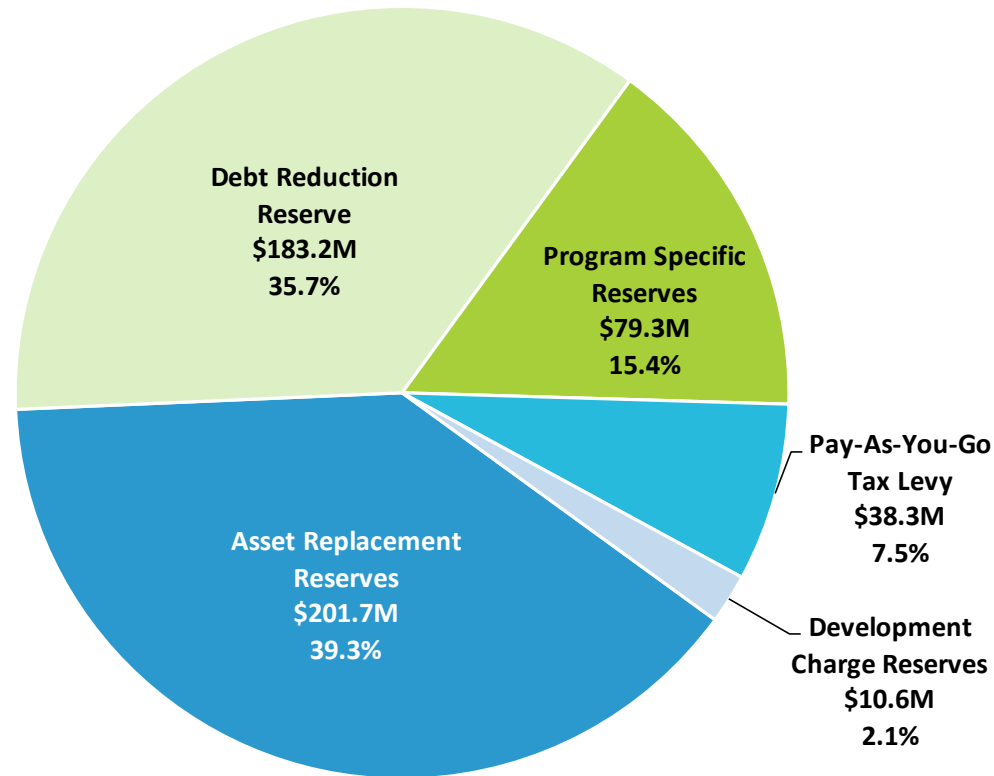
Proposed Capital Budget	\$ Millions
2018 Capital	129.5
10-year Capital Plan	513.1
2018 Capital Spending Authority	256.0

Corporate Management & Court Services capital projects are funded without debt

Gross Expenditures
\$513.1 Million



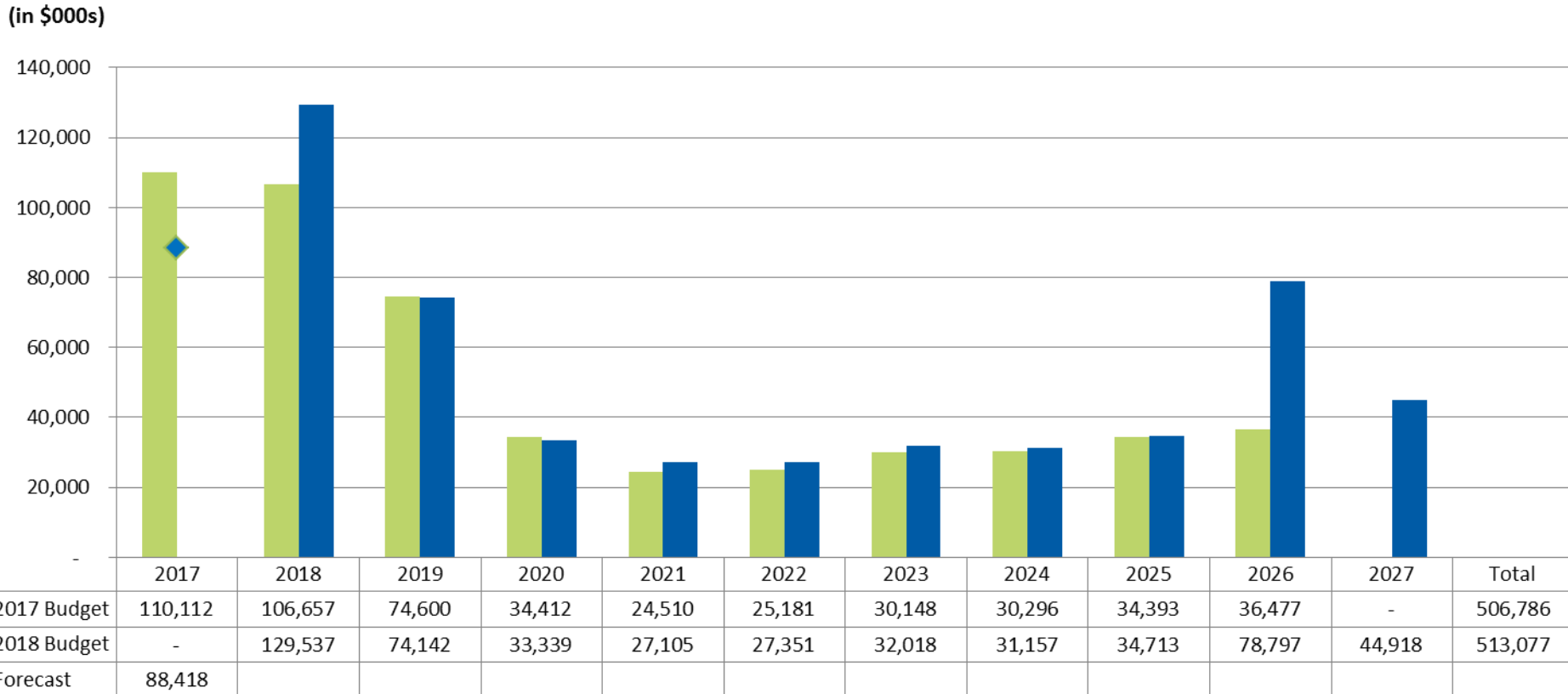
Funding Sources
\$513.1 Million



Numbers may not add due to rounding

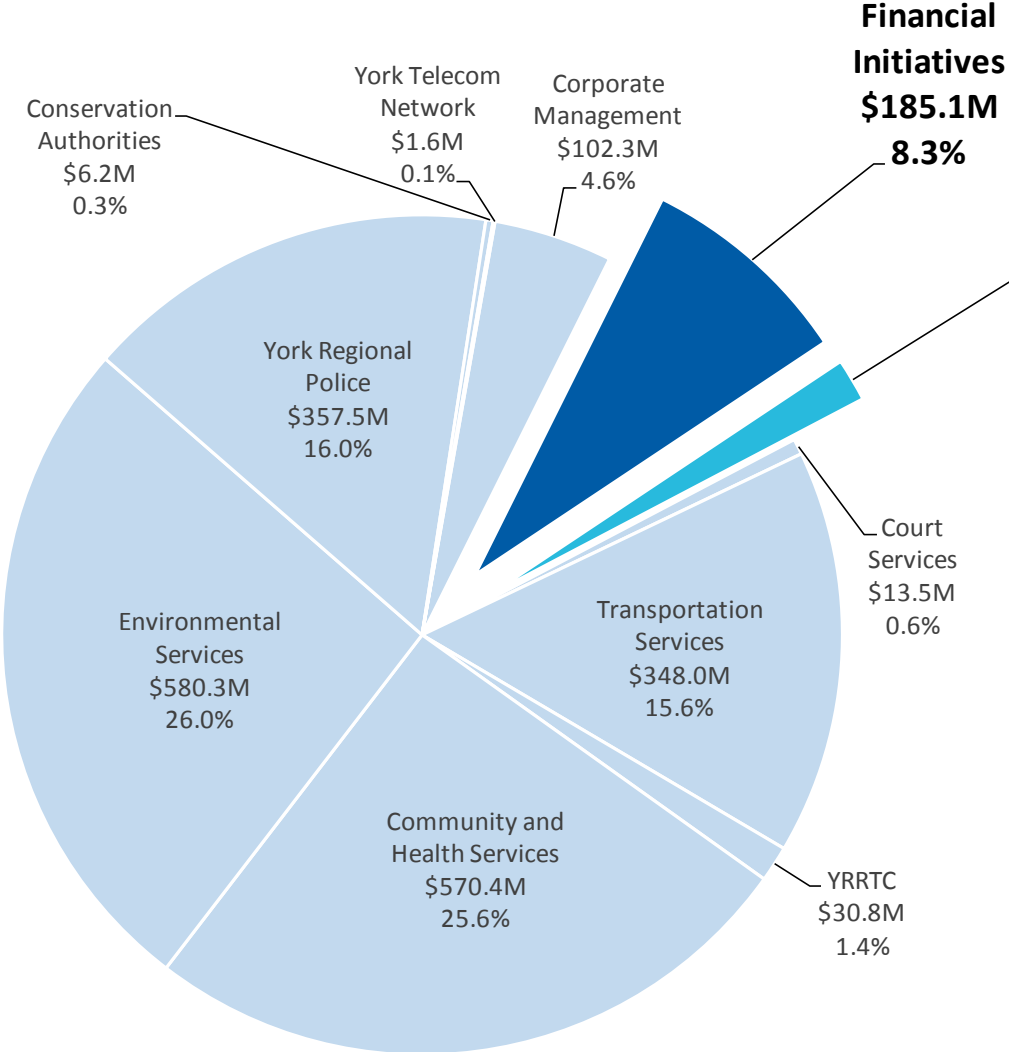
Corporate Management & Court Services

10-year capital plan remains similar



Numbers may not add due to rounding

Financial Initiatives & Boards represent about 10 per cent of 2018 gross spending

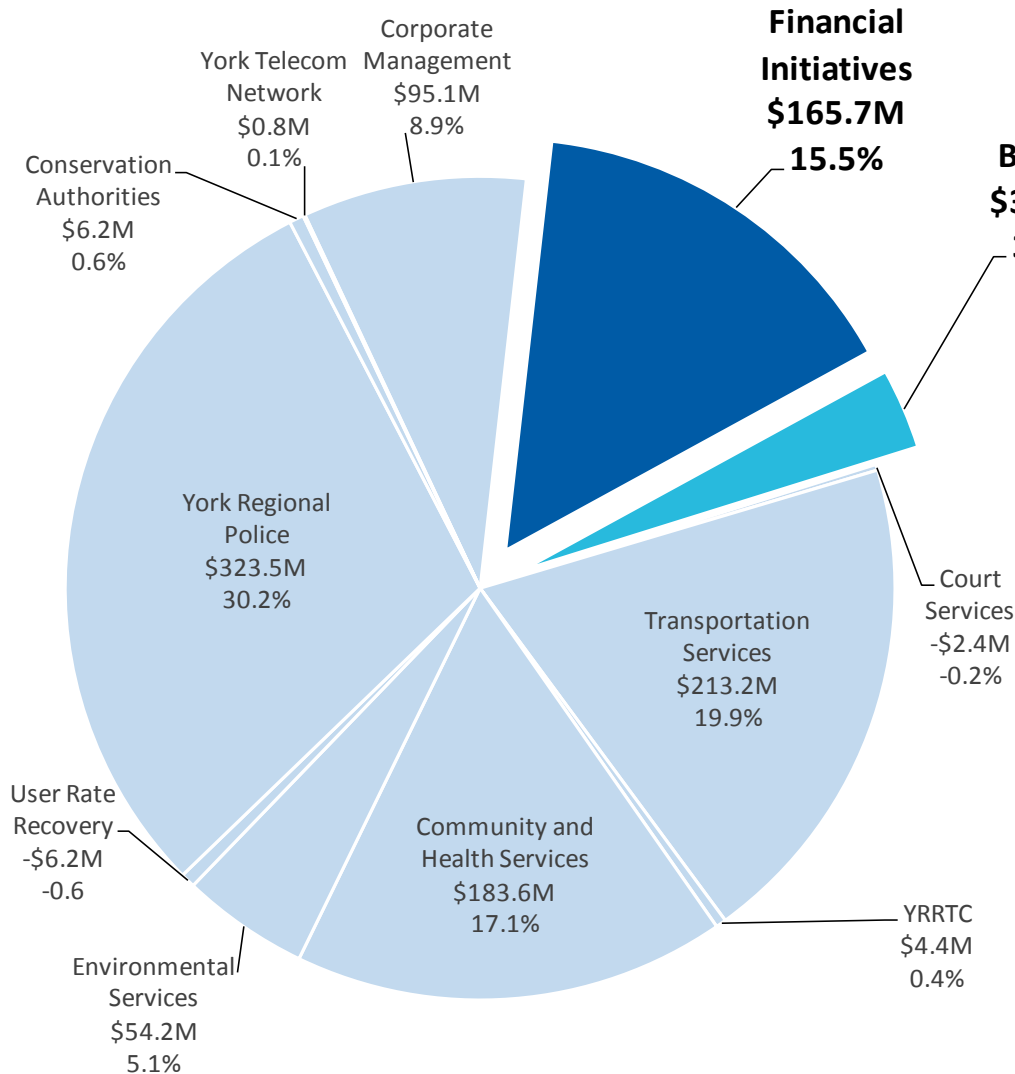


	\$M	%
Fiscal Strategy	171.2	7.7
Non-Program and Financial Management	13.9	0.6
Financial Initiatives Total	185.1	8.3

	\$M	%
Property Assessment (MPAC)	19.7	0.9
Hospital Capital Funding	14.7	0.7
Go Transit	2.5	0.1
Boards Total	36.9	1.7

Numbers may not add due to rounding

Financial Initiatives & Boards represent about 19 per cent of 2018 net spending



	\$M	%
Fiscal Strategy	162.4	15.1
Non-Program and Financial Management	3.3	0.3
Financial Initiatives Total	165.7	15.5

	\$M	%
Property Assessment (MPAC)	19.7	1.8
Hospital Capital Funding	14.7	1.4
Go Transit	-	0.0
Boards Total	34.4	3.2

Numbers may not add due to rounding

Multi-Year Budget Slide Summary

\$ in Millions	2015 Approved	2016 Approved	2017 Approved	2018 Proposed
Gross Expenditures (\$M)	270.1	289.1	318.8	337.7
Net Tax Levy (\$M)	232.6	246.2	273.8	292.8
10-Year Capital Plan (\$M)	521.8	526.1	506.6	513.1
Capital Spending Authority (\$M)	130.8	345.3	321.0	256.0

Includes Corporate Management and Governance, Financial Initiatives, Boards and Court Services

Numbers reflect any in-year restatements

Budget Recommendation

It is recommended that:

1. The Committee of the Whole recommends the budget as submitted for Corporate Management, Financial Initiatives, Court Services and Boards as follows:
 - a. The 2018 operating budget as summarized in Att. 1
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2. The recommended budget be consolidated by the Treasurer for consideration for Council approval on December 14, 2017
3. The Site Plan Agreement Fee be increased by \$1,170 to \$1,950 and that Schedule A of the Fees and Charges Bylaw 2010-15 be amended to implement the fee increase

