

# 2015-2018 Regional Budget

Presentation to Council

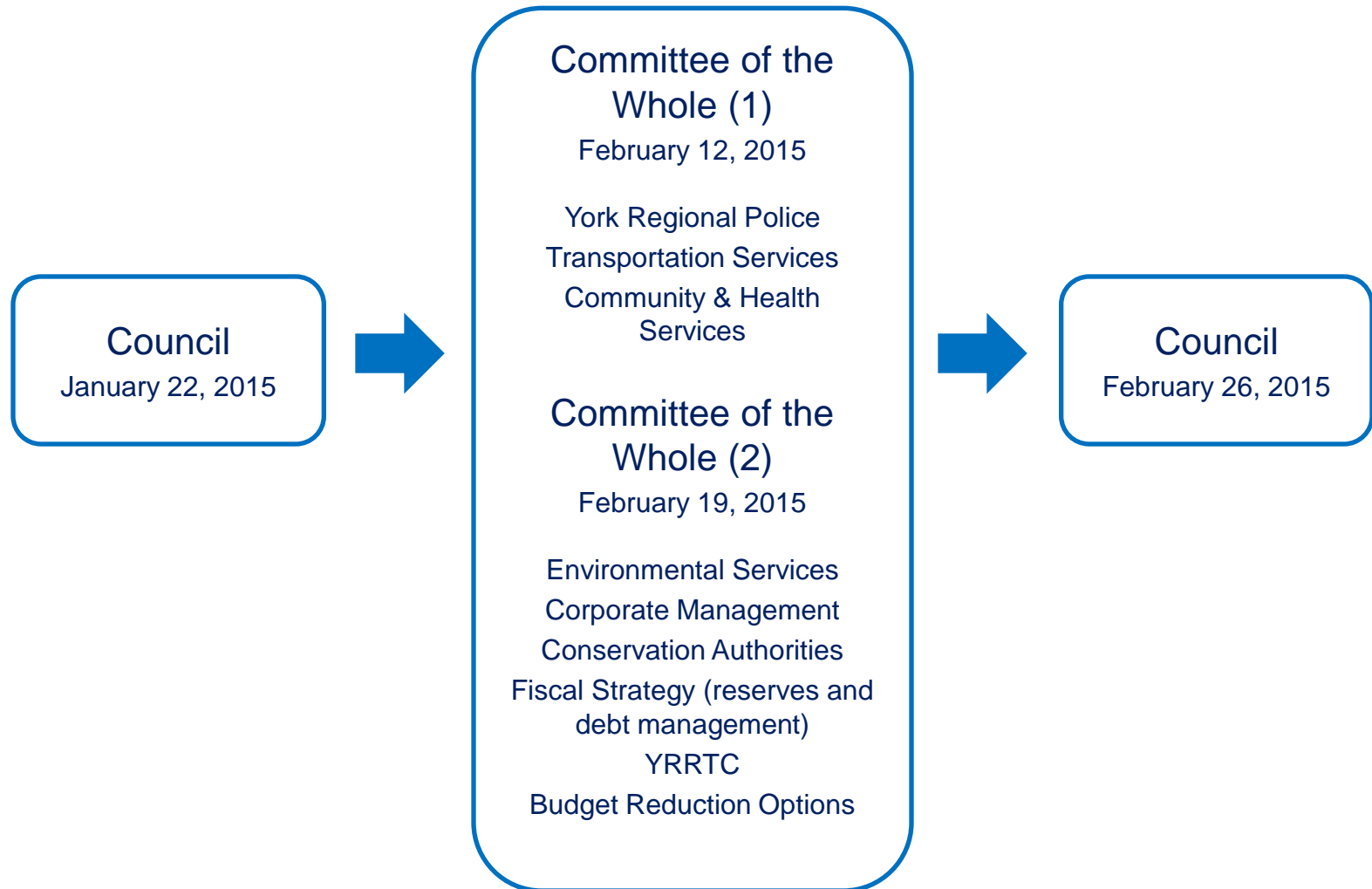
**Bill Hughes**

February 26, 2015



# Council / Committee Review Process

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# The proposed budget at a glance

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	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

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<b>2015 - 2018 Operating Budget</b>	<b>2015 \$ Million</b>	<b>2016 \$ Million</b>	<b>2017 \$ Million</b>	<b>2018 \$ Million</b>
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

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- ❑ 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

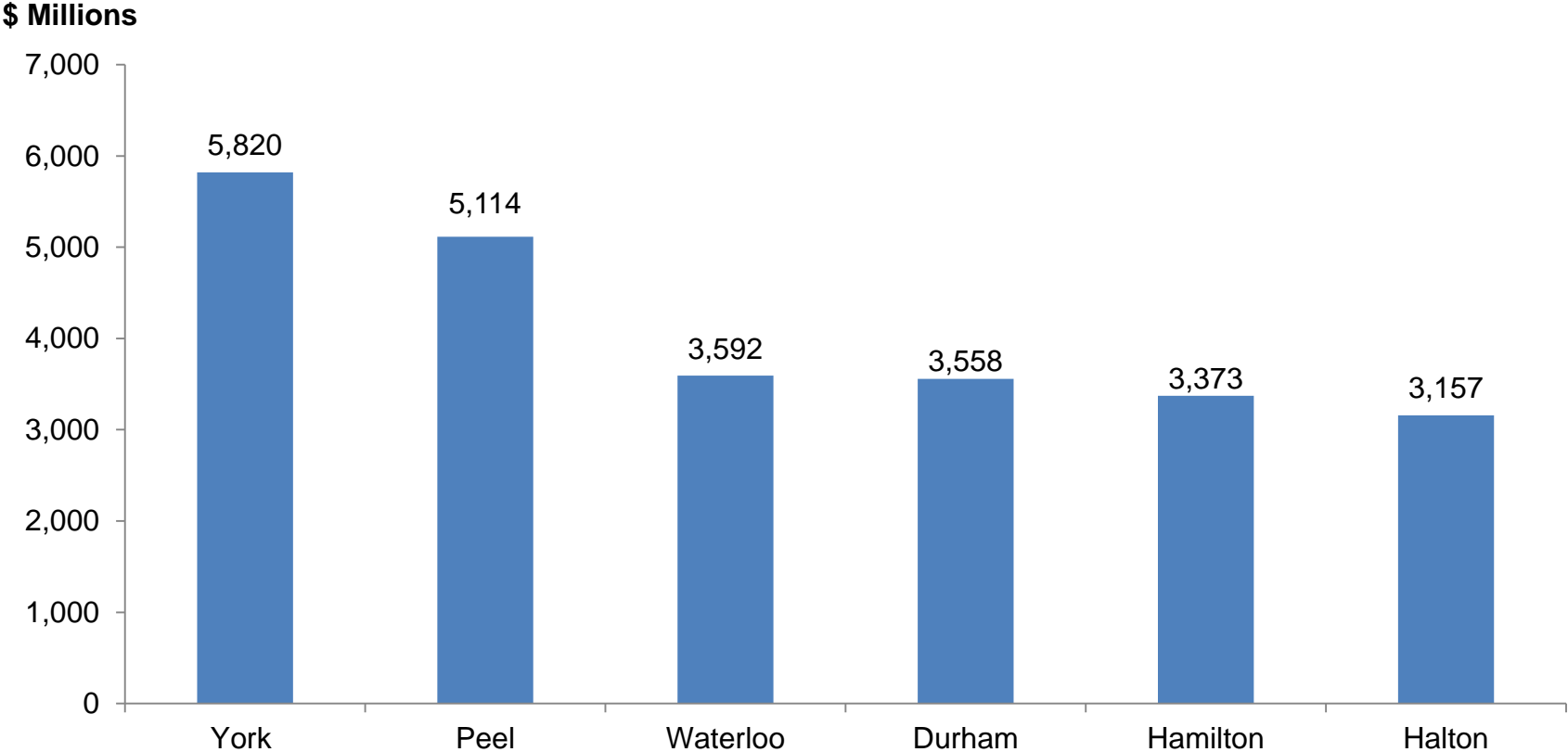
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- ❑ 129 new police officers and 51 police civilian staff over the next four years to respond to population growth, as well as implementation of a new part-time Cadet program
- ❑ Continued implementation of the Emergency Medical Services 10-year Resources 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

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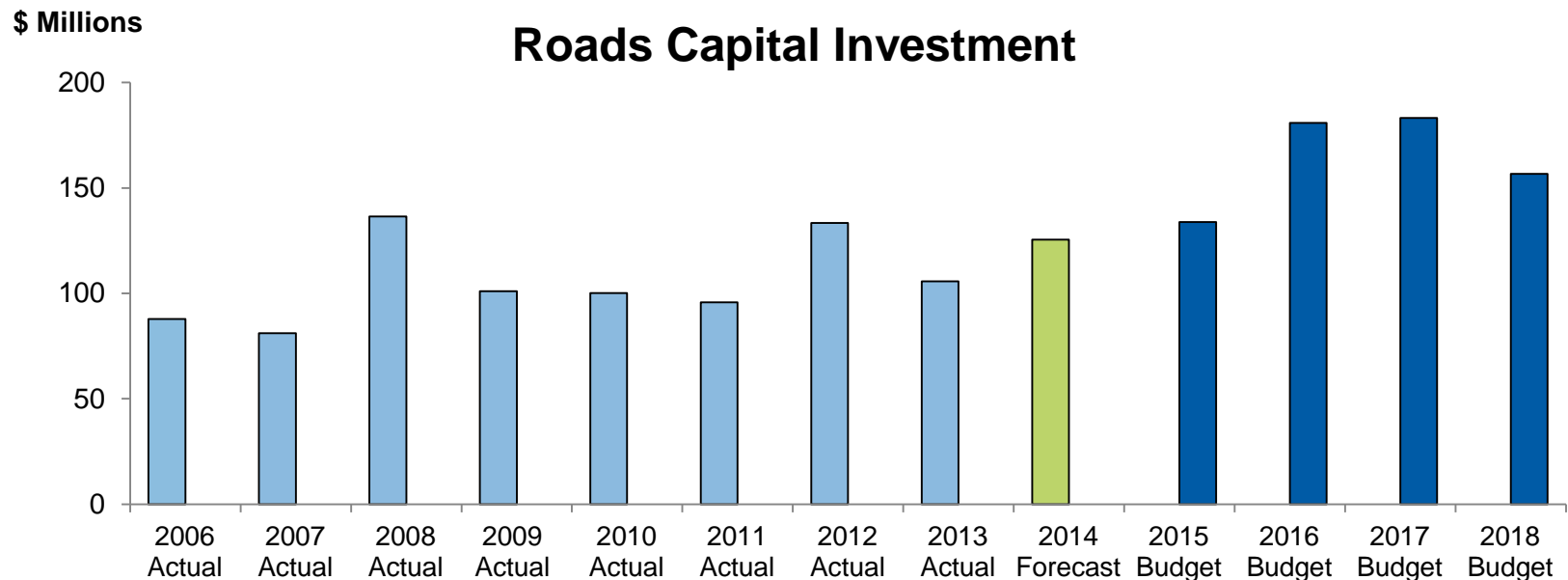
Ten-Year Capital Plans for York and other Regions



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

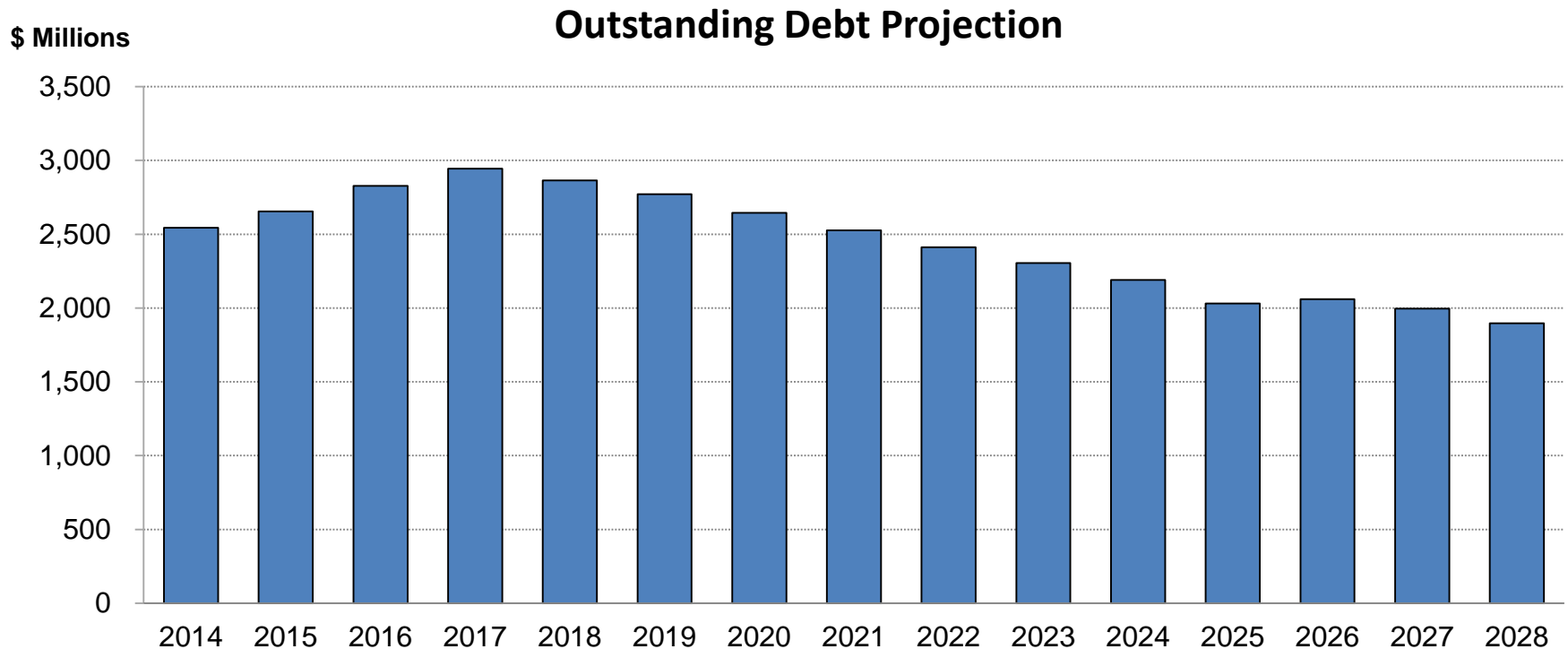


# Top 10 capital projects by Capital Spending Authority

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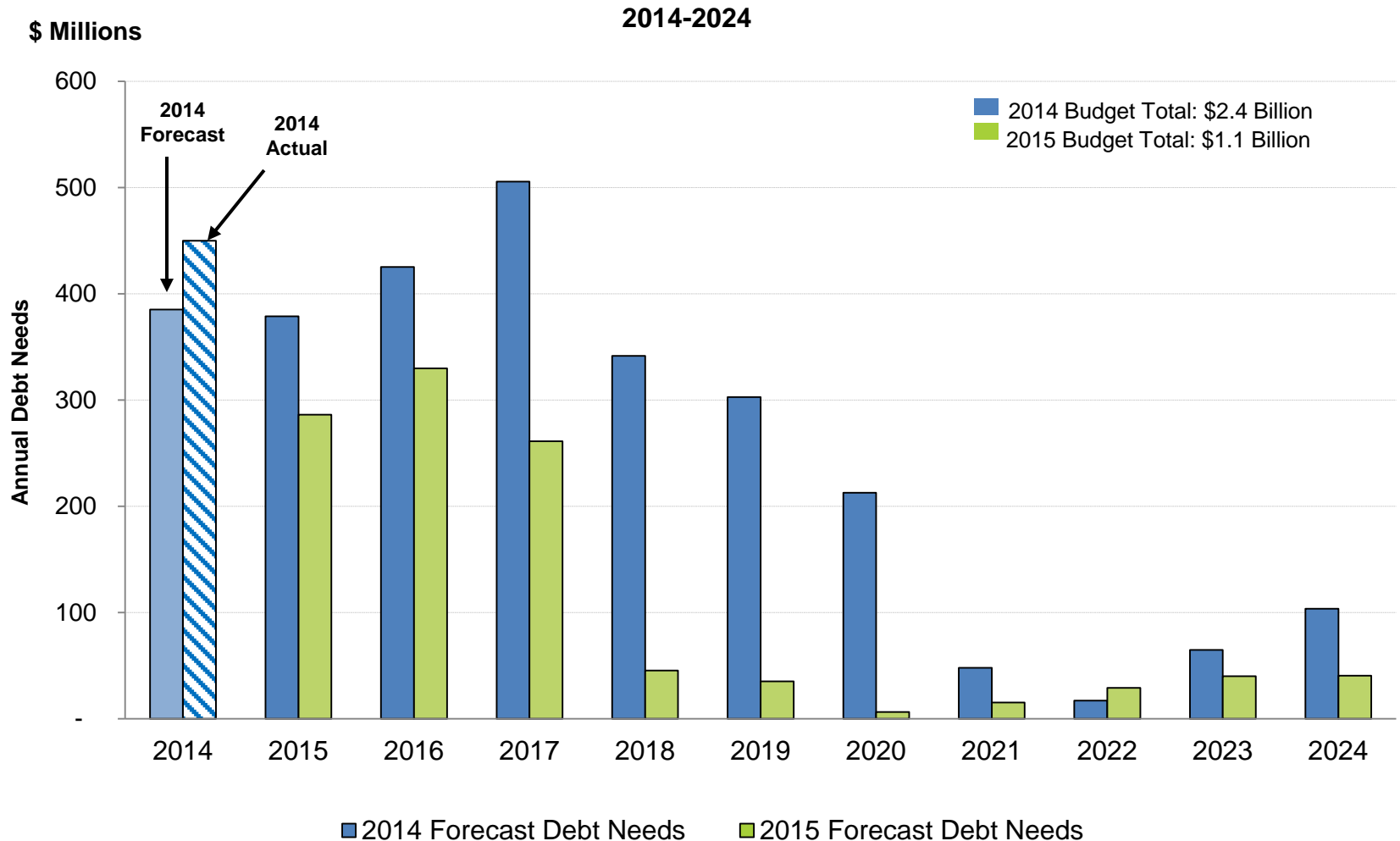
Projects	Proposed 2015 CSA (\$ Millions)
Spadina Subway Extension	408
Duffin Creek Incinerator 1 & 2 Rehabilitation	170
Duffin Creek Stage 1 & 2 Upgrades	149
Peel Water Supply Cost-Shared Work	112
Bus Rapid Transit (BRT) Facilities and Terminals	79
Upper York Sewage Solutions	76
York Durham Sewage System (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

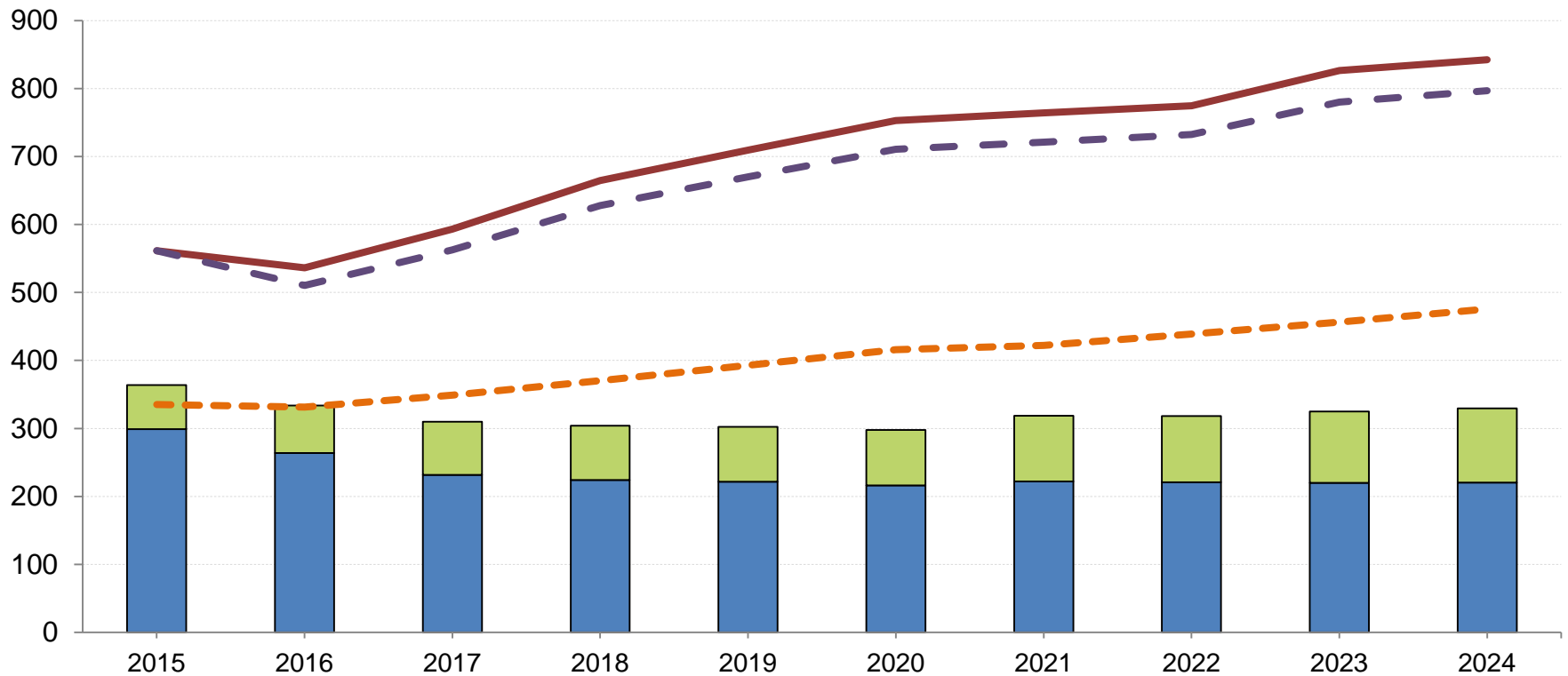


# The Region is well within its Annual Repayment Limit (ARL)

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

**2015-2024**

\$ Millions



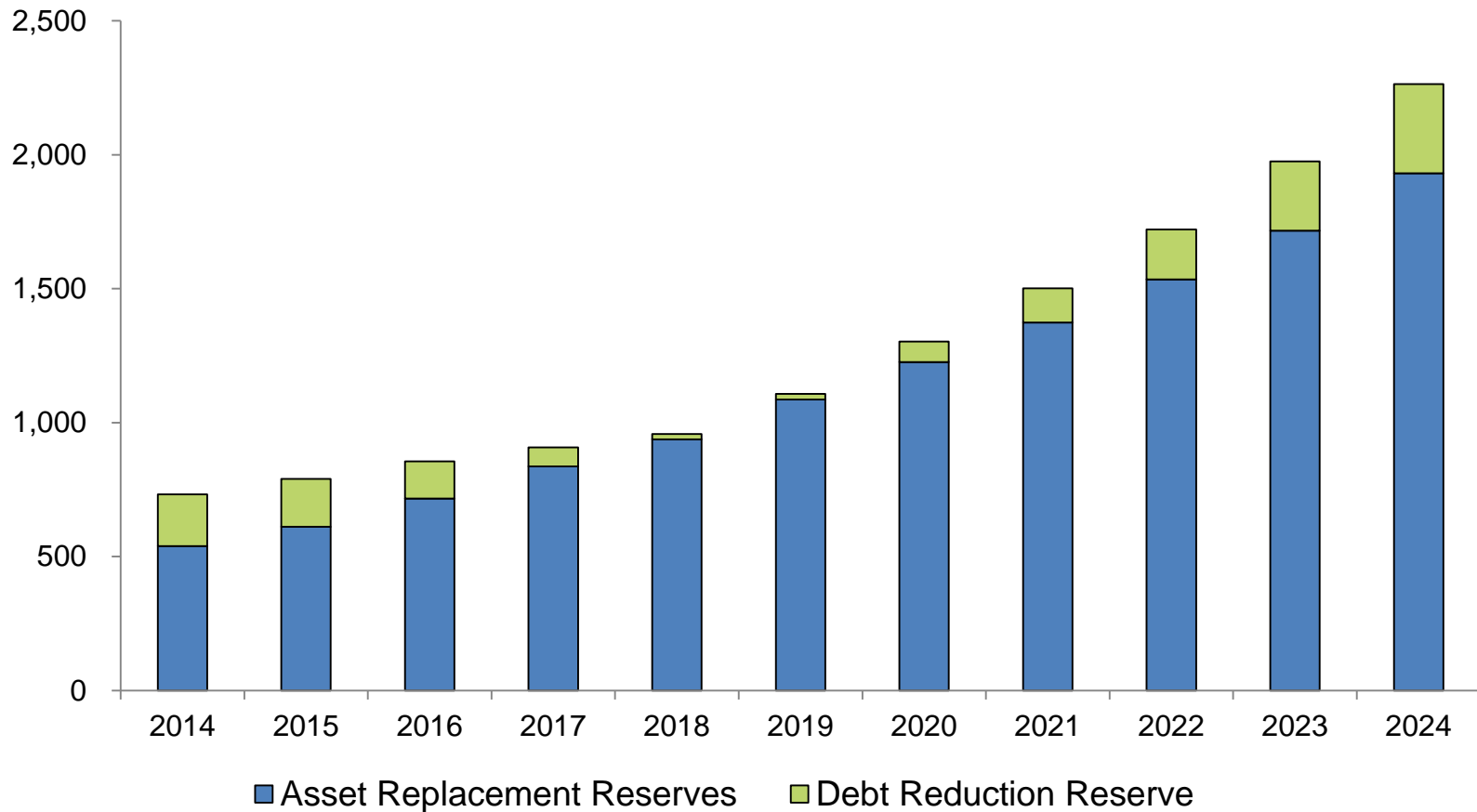
Existing Financial Obligations  
Adjusted ARL @ 70%

New Financial Obligations (CSA Basis)  
Own Source Revenue Only

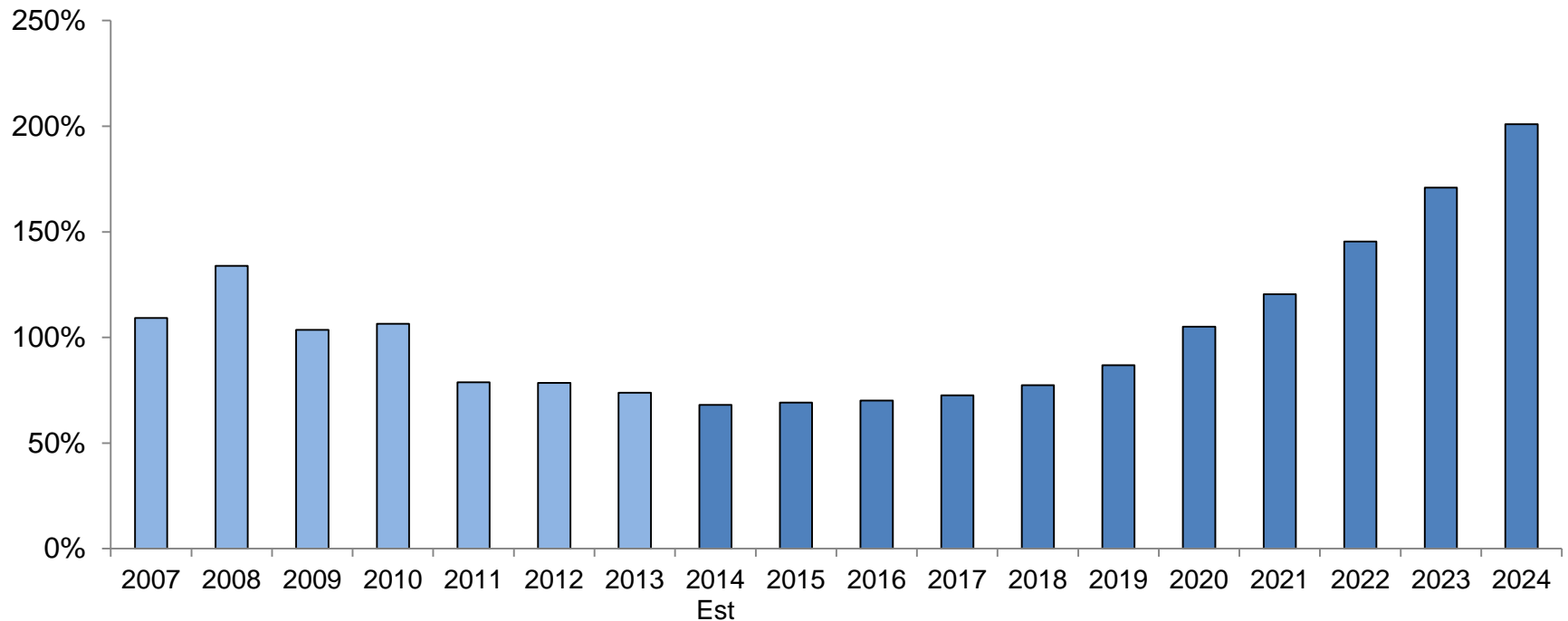
Growth-Related ARL - 80%

# 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

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- ❑ 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.

