

Clause 2 in Report No. 4 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on February 26, 2015.

2015-2018 Budget – Environmental Services

Committee of the Whole recommends:

1. Receipt of the presentation by Erin Mahoney, Commissioner of Environmental Services.
2. Receipt and referral to the Regional Council meeting on February 26, 2015 of the resolution from the Town of East Gwillimbury, dated February 17, 2015 regarding Environmental Services Budget - Upper York Sewage Solutions (UYSS) Project.
3. Receipt and referral to the Regional Council meeting on February 26, 2015 of the communication from Michael Pozzebun, BILD York Chapter Chairman, Building Industry and Land Development Association (BILD), dated February 18, 2015 regarding “Budget - Environmental Services: Water and Wastewater Investment Deferrals”.
4. Adoption of the following recommendations, as amended, in the report dated January 21, 2015 from the Commissioner of Environmental Services:
 1. *Receipt of* the budget as submitted for Environmental Services as follows:
 - a) The 2015 operating budget and the outlook for 2016 to 2018, as summarized in Attachment 1
 - b) Capital Spending Authority, as summarized in Attachment 2
 2. That the recommended budget be consolidated by the Treasurer for approval by Council on February 26, 2015.

1. Recommendations

It is recommended that:

1. The Committee of the Whole recommends the budget as submitted for Environmental Services as follows:
 - c) The 2015 operating budget and the outlook for 2016 to 2018, as summarized in Attachment 1
 - d) Capital Spending Authority, as summarized in Attachment 2.
2. That the recommended budget be consolidated by the Treasurer for approval by Council on February 26, 2015.

2. Purpose

This report provides a summary of the 2015-2018 Operating and Capital Budget for Environmental Services for consideration by Committee and recommendation to Council on February 26, 2015.

3. Background

The 2015 Budget was tabled on January 22, 2015

The consolidated 2015-2018 Operating and Capital Budget was tabled with Council on January 22, 2015. It was received and referred to the February meetings of Committee of the Whole for consideration and recommendation.

The 2015 Budget Directions report, approved by Council on June 27, 2014, indicated that the 2015 to 2018 budget would be approved in February 2015, as long as Council is satisfied with it through the review process.

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

The 2015-2018 operating budget is a four-year budget that spans the term of Council. Council is asked to approve the budget for 2015 and the outlook for 2016 to 2018. The approved outlook will then form the basis for the budget process in subsequent years. The budget can still change each year in response to changing circumstances and new information.

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 Options

Operating Budget

The proposed budget for Environmental Services reflects net operating expenditures of \$48.9 million in 2015

The 2015-2018 Operating Budget includes the cost of providing:

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

The proposed budget for Environmental Services is \$48.9 million, or 5.2% of the total 2015 proposed Regional net operating expenditures.

The proposed budget also includes a proposed outlook for 2016, 2017 and 2018.

Table 1 in Attachment 1 summarizes the proposed gross and net operating budgets for 2015 and the outlook for 2016 to 2018.

Capital Budget

Approval of Capital Spending Authority of \$1,228.0 million in 2015 is requested for Environmental Services

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 Environmental Services is \$1,228.0 million, or 49.9% of the total Regional 2015 Capital Spending Authority.

Attachment 2 summarizes the 2015 Capital Spending Authority by program and shows the associated financing sources for Environmental Services. Details on the individual projects included in the program groups are available in the 2015 to 2018 Budget book.

[Link to key Council-approved plans](#)

The 2015 to 2018 budget for Environmental Services reflects the directions and strategies set out in Vision 2051, York Region Official Plan, the SM4RT Living Plan, Waste Management Plan, the Greening Strategy as well as the Water and Wastewater Master Plan. The budget is also supportive of the objectives outlined in the draft 2015 to 2019 Strategic Plan.

5. Financial Implications

The net operating budget for Environmental Services totals \$48.9 million in 2015 and includes an outlook for 2016 to 2018, as summarized in Attachment 1. Council will have an opportunity to make adjustments to the outlook in subsequent years.

The proposed 2015 Capital Spending Authority reflects a multi-year commitment of \$1,228.0 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.

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 2015-2018 budget for Environmental Services. To facilitate the completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council on February 26, 2015.

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

The Senior Management Group has reviewed this report.

Attachments (2)

5933702

Accessible formats or communication supports are available upon request.

2015 to 2018 Budget Summary for Environmental Services

Proposed Operating Budget Expenditures

(in \$000s)

Department	Page No.	2015 Proposed		2016 Outlook		2017 Outlook		2018 Outlook	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net
Waste Management ¹	69	59,321	41,022	61,128	42,395	63,069	43,982	65,018	45,571
Natural Heritage and Forestry ¹	69	8,145	7,395	8,703	7,848	8,903	8,048	8,793	7,938
Energy Management	69	608	480	610	482	618	490	627	499
Water & Wastewater Services ¹	69	451,814	-	471,674	-	489,546	-	511,876	-
Total²		519,888	48,896	542,115	50,725	562,136	52,521	586,314	54,008

¹ Includes Contributions to Capital

² Numbers may not add due to rounding

Note: Net operating expenditures= tax levy

**2015 Capital Spending Authority (CSA)
Water**

Water	Page No.	2015 CSA \$000s
Program Expenditures:		
Rehabilitation & Replacement	75	75,884
Growth	75	280,749
Total 2015 Capital Spending Authority		356,633
Financing Sources:		
Reserves	75	51,765
Debenture – User Rate	75	31,050
Debenture – Development Charges	75	206,300
Development Charges	75	67,518
Total Financing Sources		356,633

Wastewater	Page No.	2015 CSA \$000s
Program Expenditures:		
Rehabilitation & Replacement	75	341,274
Growth	75	505,839
Total 2015 Capital Spending Authority		847,113
Financing Sources:		
Reserves	75	196,684
Debenture – User Rate	75	149,078
Debenture – Development Charges	75	261,264
Development Charges	75	101,629
Other Recoveries	75	138,458
Total Financing Sources		847,113

Waste Management	Page No.	2015 CSA \$000s
Program Expenditures:		
Waste Management:		
Rehabilitation & Replacement	75	5,293
Growth	75	15,850
Total 2015 Capital Spending Authority		21,143
Financing Sources:		
Debt Reduction Reserve	75	5,700
Reserves	75	10,890
Grants and Subsidies	75	4,553
Total Financing Sources		21,143

Natural Heritage & Forestry	Page No.	2015 CSA \$000s
Program Expenditures:		
Natural Heritage & Forestry	75	2,587
Total 2015 Capital Spending Authority		2,587
Financing Sources:		
Current Tax Levy – Reserves	75	1,241
Reserves	75	666
Development Charges	75	680
Total Financing Sources		2,587

Energy Management	Page No.	2015 CSA \$000s
Program Expenditures:		
Energy Management	75	559
Total 2015 Capital Spending Authority		559
Financing Sources:		
Reserves	75	559
Total Financing Sources		559