

Clause No. 2 in Report No. 12 of the Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on June 26, 2014.

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2015 BUDGET DIRECTIONS

Committee of the Whole recommends adoption of the recommendation contained in the following report dated June 4, 2014 from the Commissioner of Finance:

1. RECOMMENDATION

It is recommended that this report be received for information.

2. PURPOSE

This report outlines the proposed process and timeline for the 2015 multi-year budget development.

3. BACKGROUND

Multi-year budgeting was introduced in the 2013 Budget

In the 2013 Budget, York Region took the first step towards implementing multi-year budgets. As part of the 2013 budget process, Council approved the 2013 budget and an outlook for 2014.

The approved 2014 outlook served as the starting point for the 2014 budget. Council considered the budget as it compared to the outlook approved in the 2013 budget process.

In the 2014 budget, approval of an outlook beyond 2014 was not requested, as 2014 is the last year of the current Council's term.

4. ANALYSIS AND OPTIONS

The 2015 multi-year budget is proposed to be approved in February 2015

Staff began initial work on the budget in May 2014. Table 1 below summarizes the key dates in the process.

Table 1
Proposed Budget Timelines

Milestone	Date
Budget launch	May 2014
Budget directions report to Council	June 26, 2014
Budget submission to Finance	August 2014
Treasurer reviews and briefings	September 2014
CAO reviews and briefings	October 2014
Chair briefing	December 2014/January 2015
Table Budget with Council	January 2015
Committee reviews	February 2015
Budget approval	February 2015

It is proposed that the 2015 budget be tabled with Council in January 2015, with February Committee meetings reserved for budget review and final approval in February.

The 2015 operating budget will span the full term of Council

The introduction of multi-year budgeting has several advantages including:

- Better coordination of budgeting and strategic priorities,
- Greater certainty for departments in managing expenditures,
- Improved fiscal discipline.

In 2015, the new Council will be presented with a four-year operating budget. Council will be asked to approve the 2015 budget and an outlook for years 2016 to 2018.

The approved outlook will form the basis of the budget process each year and Council will continue to approve an annual budget and outlook every year, as shown in Table 2.

Table 2
Annual Budget Approval

Annual Budget Year	Years of Approved Outlook
2015	3
2016	2
2017	1
2018	0

The 2015 multi-year budget will have a new look

The 2015 multi-year budget will be presented in a revised format. The new book will bring operating and capital budgets together for each service area.

The operating budget will maintain many of the elements of the Region's current budget framework, but it will be streamlined and include program-level information.

The capital budget will focus on the approval of multi-year capital spending authority and a ten-year plan. The capital budget will be presented by program group and project, as in the past.

Link to key Council-approved plans

Staff have started work on the development of the *2015 to 2019 Strategic Plan*. This work is being integrated with the development of the multi-year budget to ensure that the Strategic Plan is fiscally sustainable and that the multi-year budget reflects the strategic direction endorsed by Council.

5. FINANCIAL IMPLICATIONS

While there are no direct financial implications associated with this report, the budget will establish expenditures and funding for the provision of Regional services in 2015, and will provide an outlook for 2016 to 2018.

The budget will continue to implement the fiscal strategy approved by Council in December 2013, including increased contributions to the Debt Reduction Reserve and Capital Asset Replacement Reserves.

6. LOCAL MUNICIPAL IMPACT

There are no direct local municipal impacts associated with this report.

7. CONCLUSION

It is proposed that the 2015 budget be tabled with Regional Council in January 2015, with approval in February 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.