

Clause No.3 in Report No.8 of the Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on December 19, 2013.

### **3**

#### **2014 BUSINESS PLAN AND BUDGET – CORPORATE MANAGEMENT AND FINANCIAL ITEMS**

**Committee of the Whole recommends:**

- 1. Receipt of the presentation by Brian Denney, Chief Executive Officer, Toronto Region Conservation Authority**
- 2. Receipt of the presentation by D. Gayle Wood, Chief Executive Officer, Lake Simcoe Region Conservation Authority**
- 3. Receipt of the presentations by Bill Hughes, Commissioner of Finance and Regional Treasurer regarding ‘Conservation Authorities’ and ‘2014 Business Plan and Budget – Corporate Management and Financial Items’**
- 4. Receipt of the communication from Brian Denney, Chief Executive Officer, Toronto Region Conservation Authority, dated November 14, 2013 regarding ‘TRCA Budget – Priority Enhancements’**
- 5. Receipt of the communication from D. Gayle Wood, Chief Executive Officer, Lake Simcoe Region Conservation Authority, dated December 11, 2014 regarding ‘Proposal for Additional Funding 2014 Budget’**
- 6. The draft 2014 Operating and Capital Business Plan and Budget as submitted in the report dated December 2, 2013, from the Commissioner of Finance be consolidated by the Treasurer for approval by Council on December 19, 2013 for:**

**Office of the CAO, Finance, Information Technology Services, Corporate Services, Regional Chair and Council, Court Services, Financial Items, Boards and Authorities as summarized in *Attachment 1*, with the following additions:**

<b>i. Lake Simcoe Region Conservation Authority</b>	
- Compensation Adjustment	\$110,000
- Staffing costs to support administrative operations (3 FTEs)	\$129,000*
- Scanlon Facilities Operation	\$ 40,000*
- Data Security and Management	\$ 75,000*
- Emerald Ash Borer Program	\$ 41,000

\* contingent upon funding participation from other growth partners

<b>ii. Toronto and Region Conservation Authority</b>	
- Integrated Infrastructure Protection Works	\$270,000
- Emerald Ash Borer Response	\$100,000

7. An additional \$150,000 be allocated from the capital budget to Lake Simcoe Region Conservation Authority for the Scanlon Infrastructure Capital Project, contingent upon securement of additional funding from other growth partners and a staff report confirming securement of partner funding and identifying the financial implications for the Region.

8. An additional \$500,000 be allocated from the capital budget to Toronto and Region Conservation Authority for Kortright Municipal Servicing, contingent upon securement of additional funding from other growth partners and a staff report confirming securement of partner funding and identifying the financial implications for the Region.

## 1. RECOMMENDATION

It is recommended that:

1. The Committee of the Whole recommend the draft 2014 Operating and Capital Business Plan and Budget as submitted be consolidated by the Treasurer for approval by Council on December 19, 2013 for:
  - a. Office of the CAO, Finance, Information Technology Services, Corporate Services, Regional Chair and Council, Court Services, Financial Items, Boards and Authorities as summarized in *Attachment 1*.

## **2. PURPOSE**

This report provides a summary of the 2014 Operating and Capital Business Plan and Budgets for Finance, Information Technology Services, Office of the CAO, Regional Chair and Council, Financial Items, Boards and Authorities, Corporate Services and Court Services for consideration and recommendation to Council on December 19, 2013.

## **3. BACKGROUND**

### **The 2014 Business Plan and Budget was tabled on November 21, 2013**

The consolidated 2014 Operating and Capital Business Plan and Budget was tabled with Council on November 21, 2013. It was received and referred to the December meetings of Committee of the Whole for consideration and recommendation.

The *2014 Budget Directions* report, approved by Council on June 27, 2013, indicated that the 2014 budget would be approved in January 2014. However, under the new committee structure, it is possible that Council may be in a position to approve the budget in December 2013. If substantive changes are recommended by Committee of the Whole, additional time may be required to consolidate these changes and Council approval of the budget would occur on January 23, 2014, as originally planned.

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

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

### **Council approved a 2014 budget outlook in January 2013**

In the 2013 budget process, York Region introduced multi-year budgeting. As part of this multi-year process, Council approved an outlook for 2014. The approved outlook is the starting point for the 2014 budget process. The 2014 Budget includes a comparison of the 2014 proposed budget and the 2014 approved outlook.

#### **4. ANALYSIS AND OPTIONS**

##### **OPERATING BUSINESS PLAN AND BUDGET**

**The proposed budget for Corporate Management, Financial Items, Boards and Authorities reflects total net operating expenditures of \$215.4 million in 2014**

The 2014 Operating Business Plan and Budget includes the cost of providing base service, mandatory or legislated requirements, annualization, growth, and service enhancements.

The proposed budget for Corporate Management (excluding Boards, Authorities and Financial Items) is \$83.9 million, or 9.4% of the total 2014 proposed Regional net operating expenditures.

Table 1 in *Attachment 1* summarizes the gross and net operating budgets for Corporate Management.

**The proposed budget reflects an increase in net operating expenditures of \$7.3 million compared to the approved outlook**

The 2014 proposed budget includes a tax levy increase of 1.54%, which is less than the approved outlook of 1.75%. Changes within the budgets for Regional programs were necessary to accommodate the \$5.9 million revenue/expenditure savings target included in the 2014 outlook and to achieve a lower proposed net tax levy increase.

Table 2 in *Attachment 1* summarizes the change to the approved outlook for Corporate Management, Financial Items, Boards and Authorities.

##### **CAPITAL BUSINESS PLAN AND BUDGET**

**Approval of Capital Spending Authority of \$165 million in 2014 is requested for Corporate Management**

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

The proposed budget for Corporate Management represents \$165 million, or 6% of the total 2014 proposed CSA.

For the first time, the 2013 Budget combined capital projects into program groups. Each program group contained capital projects with similar business needs.

The 2014 Budget builds on the success of program groups by seeking Council's approval of additional flexibility for reallocating funding within a program group. Specifically, the 2014 Budget seeks Council approval of:

1. The program groups specified in the 2014 Capital Budget book; and
2. The authority to reallocate funding between projects in a program group as long as:  
there is no increase in the total cost of the program group's Ten-Year Capital Plan;  
there is no increase in the total CSA for the program group; and, the reallocation of  
funding is between projects with similar funding sources.

This additional flexibility will enable departments to better manage variations in project timing.

Tables 3 and 4 in *Attachment 1* summarize the 2014 CSA by program and show the associated financing sources for Corporate Management. Details on the individual projects included in the program groups are available in the 2014 Capital Business Plan and Budget book.

### **Link to key Council-approved plans**

The 2014 Operating and Capital Business Plan and Budget reflects the directions and strategies set out in *Vision 2051, York Region Official Plan*, the *Transportation Master Plan*, the *Water and Wastewater Master Plan* and the *Community and Health Services Multi-Year Plan*. The budget was also influenced by strategic priorities outlined in the *2011 to 2015 Strategic Plan* and is supportive of its objectives.

## **5. FINANCIAL IMPLICATIONS**

The net operating budget for Corporate Management, Financial Items, Boards and Authorities totals \$215.4 million.

The proposed 2014 CSA for Corporate Management reflects a multi-year commitment of \$165 million. Expenditures not identified as part of CSA 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 help local municipalities realize their growth, planning and public service objectives.

## **7. CONCLUSION**

This report sets out the proposed 2014 Operating and Capital Business Plan and Budget for the Office of the CAO, Finance, Information Technology Services, Regional Chair and Council, Financial Items, Boards and Authorities, Corporate Services and Court Services. To facilitate the completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council on December 19, 2013.

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.

*Attachment (1)*

**2014 BUSINESS PLAN AND BUDGET  
SUMMARY FOR CORPORATE MANAGEMENT, FINANCIAL ITEMS,  
BOARDS AND AUTHORITIES**

**Table 1**  
2014 Proposed Operating Budget

Department	Page No.	2014 Gross Operating Expenditures* \$000s	2014 Net Operating Expenditures* \$000s
Office of the CAO	286	15,423	11,332
Finance	300	14,550	12,513
Information Technology	308	22,047	22,047
Property Services	324	20,619	19,737
Legal Services	330	4,316	3,958
Office of the Regional Clerk	338	3,412	3,407
Human Resource Services	342	8,868	8,804
Regional Chair & Council	349	2,116	2,056
Court Services	358	10,741	(2,220)
Financial Items <sup>1</sup>	363	118,927	102,411
GO Transit	364	2,500	0
Hospital Capital Funding	364	13,638	13,638
MPAC	364	17,046	17,046
Conservation Authorities <sup>2</sup>	377	6,805	6,805
Recovery from User Rate	131	0	(6,169)
<b>Total</b>		<b>261,008</b>	<b>215,365</b>

\* Includes Contributions to Capital.

<sup>1</sup> Includes Contributions to Asset Replacement and Debt Reduction.

<sup>2</sup> Conservation Authorities also receive funding from the Water & Wastewater capital and Roads operating budgets.

**Table 2**  
2014 Budget Changes to the Approved Outlook - Operating Budget

Department	Page No.	2014 Approved Outlook Net Operating Expenditures* \$000s	2014 Proposed Net Operating Expenditures* \$000s
Office of the CAO	286	11,079	11,332
Finance	300	12,513	12,513
Information Technology	308	22,047	22,047
Property Services	324	20,825	19,737
Legal Services	330	3,654	3,958
Office of the Regional Clerk	338	3,536	3,407
Human Resource Services	342	8,832	8,804
Regional Chair & Council	349	2,056	2,056
Court Services	358	(79)	(2,220)
Financial Items <sup>1</sup>	363	92,208	102,411
GO Transit	364	0	0
Hospital Capital Funding	364	13,630	13,638
MPAC	364	17,400	17,046
Conservation Authorities <sup>2</sup>	377	6,779	6,805
Recovery from User Rate	131	(6,381)	(6,169)
<b>Total</b>		<b>208,099</b>	<b>215,365</b>

\* Includes Contributions to Capital.

<sup>1</sup> Includes Contributions to Asset Replacement and Debt Reduction.

<sup>2</sup> Conservation Authorities also receive funding from the Water & Wastewater capital and Roads operating budgets.

**Table 3**  
Capital Spending Authority  
Information Technology Services

	Page No.	2014 Approved Outlook \$000s	2014 CSA Change \$000s	2014 Proposed CSA \$000s
<b>Program Expenditures:</b>				
Information Technology Services Program	281	61,024	23,831	84,855
<b>Total CSA</b>	281	<b>61,024</b>	<b>23,831</b>	<b>84,855</b>
<b>Financing Sources:</b>				
Reserves	281	61,024	23,831	84,855
<b>Total Financing Sources</b>	281	<b>61,024</b>	<b>23,831</b>	<b>84,855</b>



**Table 4**  
Capital Spending Authority  
Property Services

	Page No.	2014 Approved Outlook \$000s	2014 CSA Change \$000s	2014 Proposed CSA \$000s
<b>Program Expenditures:</b>				
Land Acquisition & Corporate Construction	299	29,885	27,085	56,970
New Construction & Accommodation	300	2,400	2,010	4,410
Capital Improvements	298	1,771	4,318	6,089
Capital Allocated Salaries	301	2,314	382	2,696
Business Initiatives	297	0	10,400	10,400
<b>Total CSA</b>	<b>302</b>	<b>36,370</b>	<b>44,195</b>	<b>80,565</b>
<b>Financing Sources:</b>				
Current Tax Levy Reserves	302	244	0	244
Development Charges	302	0	2,200	2,200
Reserves	302	6,241	51,610	57,851
Debenture Proceeds	302	29,885	(9,615)	20,270
<b>Total Financing Sources</b>	<b>302</b>	<b>36,370</b>	<b>44,195</b>	<b>80,565</b>